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THE EASTERN UNDERWRITER

[Succeeding the Journal of Insurance Economics, Established in 1899]

A WEEKLY NEWSPAPER COVERING ALL BRANCHES OF INSURANCE

Eighteenth Year; No. 1 | NEW YORK CITY, FRIDAY, JANUARY 5, 1917 | $3.00 a Year; 15c. per Copy

ATLEE BROWN ON PICTURE FILMS

Value of Negatives Continues Long After Their Release, Says New Jersey Expert

UNCENSORED FILMS VALUABLE

Offers Suggestion to Have Scale of Valuation Percentages Based on Time

By ATLEE BROWN, of New Jersey Schedule Rating Office

I find an article in your issue of December 22, an article written by an inspector of a fire insurance company, entitled, "Insurance on Movie Film Negatives." As the author believes many of the rating organizations do not understand the film business, and as most of these rates are made in the State of New Jersey, (the larger number of such risks being located in the State of New Jersey,) and as the author quotes a standard film clause as being in effect in the State of New Jersey, which the Schedule Rating Office have never seen heretofore; it appears that we should at least have the liberty of making reply to the article, if only for the purpose of adding further enlightenment on the subject.

The New Jersey Clause

First: The author quotes what he calls the Standard Film Clause of the State of New Jersey. The first section of the clause fixes a limit for negatives of $3 per lineal foot, while that promulgated in the State of New Jersey was first 50c per lineal foot and then $1, and the filed clause is composed of five sections instead of four.

Second: Value of Negatives. The author says:

> Ninety-nine out of every hundred negatives are dead and valueless from a commercial standpoint three months after release of the subject,

and again:

> The commercial value of the negative ceases absolutely the moment the market has been fully supplied.

The Sale of Positives

Every film manufacturing firm in existence to-day will dispute these statements. The positives are not only sold in this country but in England and in other foreign countries. They may be released in this country at a certain time, and it may be months thereafter before the positives can be sold in other fields outside of this country. To show the error, we refer to the positives that are now being sold from the

(Continued on page 16.)

DIRECTORY OF DEPARTMENTS

Life 1
Editorial 10
Fire 11
Casualty 17

"The Largest Fire Insurance Company in America."

THE HOME INSURANCE COMPANY NEW YORK

ELBRIDGE G. SNOW, President

Equal Protection for ALL Policyholders.

FIRE AND ALLIED BRANCHES OF INSURANCE

Fire, Lightning, Automobile, Commissions, Explosion, Hail, Marine (Inland and Ocean), Parcel Post, Profits, Registered Mail, Rents, Sprinkler Leakage, Tourists' Baggage, Use and Occupancy, Windstorm.

STRENGTH REPUTATION SERVICE

North British and Mercantile Insurance Co.

Established 1809

Entered United States 1866

Policyholders protected by the entire United States assets, with further guarantee in every policy, of protection by entire fire assets of the company which are many times larger.

CALIFORNIA

THE EQUITABLE LIFE of IOWA

has entered CALIFORNIA and OREGON for the transaction of business and is establishing a PACIFIC COAST DIVISION in charge of a Field Supervisor with authority to act for the Home Office in agency matters.

Negotiations for general agencies at PORTLAND—SAN FRANCISCO—LOS ANGELES and for other parts of this field will be made with men of character and ability who apply to

H. E. ALDRICH, Supt. of Agencies, DES MOINES, IOWA

OREGON

PROVIDENT L. & T. REVISES POLICY FORMS

Restrictions as to Occupation, Residence or Travel (Including Army and Navy) Removed

RETAIN YEAR SUICIDE LIMIT

Change in Basis of Cash Values—Interest on Dividends "Not Less Than Three Per Cent."

With the advent of the new year The Provident Life and Trust Company, of Philadelphia, has issued a completely revised form of policy.

The changes of major interest are as follows:

All restrictions as to occupation, residence or travel have been removed in the revision, and the provision relating to suicide within the first year is the one limitation retained. There is no restriction relating to military or naval service.

Cash Value Basis

In the new form, the basis of cash values has been changed to the following: For the tenth year and each succeeding policy year the cash value is the American 3½ per cent. reserve. A graded surrender charge is deducted prior to the tenth year. Prior to the sixth year this surrender charge is $10 for each thousand dollars of insurance. At the end of the 6th year it is $8, the 7th year $6, the 8th year $4 and the 9th year $2.

The paid-up insurance and extended term insurance are mathematically equivalent to the cash value. The general effect of the change in nonforfeiture value is to make them more liberal than they have been heretofore.

Loan Value and Dividends

The loan value for each $1000 of insurance is always $10 less than the corresponding cash value. It has been the experience of the Company that this margin between the loan and cash values has tended to a greater persistence in the insurance, and has kept the rate of surrender at a lower figure than would otherwise have been the case.

Dividends left to accumulate to the credit of the policy will be entitled to interest at such rate as the Company may declare, but never less than 3 per cent. per annum. Heretofore 3 per cent. only has been allowed.

Optional Methods of Settlement

The optional methods of settlement under the new policy are enlarged and improved.

Under option "1" the proceeds of the policy may be left with the Company as a part of its general funds, and interest will be paid during the lifetime of the payee at such rate as the Company may each year declare but

not less than the yearly rate of 3 per cent.

Under option "2" the proceeds of the policy may be applied to purchase a life annuity, payable to the person entitled to receive the proceeds of the policy.

Option "3" provides for the payment of the face of the policy in installments, from one to thirty in number, as may be chosen in the election of the option. The installments will participate in the annual distribution of surplus of the Company.

Option "4" provides a life income to the person entitled to receive the proceeds of the policy; with the guarantee of the income for either 10, 15, 20 or 25 years certain. The amount of the income depends upon the number of installments certain and upon the age of the payee at the time the policy becomes a claim. This option is substantially the same option "B" in the old form, except that the amounts of the installments have been increased, and that the installments certain will participate in the annual distribution of surplus of the Company.

Income Installments to Participate in Surplus Distribution

Under Endowment policies the valuable survivorship income option previously in effect, is retained; the only change being that the income installments certain will participate in the annual distribution of surplus. Option "5" is available at the maturity of an Endowment policy and provides a life income payable as long as the survivor of the insured and beneficiary shall live; with the guarantee of the income for at least 10, 15, 20 or 25 years certain.

The form of contract of the Endowment policy has been changed so that the term "Beneficiary" applies to the person named in the policy to receive the proceeds if the policy becomes a death claim. The person entitled to receive the proceeds of the policy at the maturity of the endowment will be known as the "Endowment Recipient."

Corporation Insurance

In the ordinary form of Endowment insurance the insured will normally be the Endowment Recipient, but in so-called business or corporation insurance, which is playing a large part in the insurance world to-day, it is frequently desired that the proceeds of the policy at maturity be paid to a corporation, and not to the insured. The sub-division of the recipients of the benefits of the policy in the new form enables the Company to prepare a policy which admirably fits the needs of business insurance.

STARTS WOMEN'S DEPARTMENT

J. N. Russell's Home Office Agency of Pacific Mutual Moves Into New Quarters

John Newton Russell, Jr., manager of the home office general agency of the Pacific Mutual Life, at Los Angeles, organized a women's department under Mrs. Cora B. Fithian as superintendent. Mrs. Fithian has been connected with the agency for five years and previously was with the New York Life.

Mr. Russell's agency has just moved into new offices in the addition to the home office building, and the agency paper, "Pointers" says they are the largest and most complete in the West and surpassed by few, if any, in the United States.

KEEP POSTED By Reading
THE EASTERN UNDERWRITER
Each Week
Subscription $3 Per Annum

Great Southern Life Insurance Company

HOUSTON, TEXAS.



For Agency Contracts address

O. S. CARLTON
PRESIDENT

GUARANTY FUND $5,000,000

Deposited With State of Missouri for Protection of Kansas City Life's Policyholders

Colonel Fred W. Fleming, vice-president of the Kansas City Life, delivered to E. G. McGee, chief deputy superintendent of insurance of Missouri, this week bonds and mortgages amounting to $847,094, thereby increasing the company's guaranty fund held by the State for the security of its policyholders to more than $5,000,000. G. M. Smith, president of the Commonwealth National bank; William Huttig, president of the National Reserve bank, and J. J. Swofford, members of the company's finance committee, were present at the transfer of the securities.

Chief Deputy McGee said: "This deposit just made is one of the largest in amount in the history of the department and increases the fund of the Kansas City Life with the State of Missouri to more than $5,000,000—the largest deposit of any company with the Missouri department.

"The official report of the company covering 1916 will be most gratifying to all friends of Western insurance. Its income for the year will be in excess of $3,000,000—new business more than $25,000,000—making its total insurance outstanding nearly $90,000,000. The Kansas City Life is one of the most rapidly growing and prosperous insurance organizations in the country, and its steady expansion reflects the generally prosperous conditions of Missouri insurance enterprises."

KILLED BY AUTO: HEAVILY INSURED

Dennis Searles, Oakland, Cal., who was killed in an automobile accident, carried $165,000 life insurance. All was on the 20-payment life plan, with $100,000 in favor of his wife on the life income plan.

Ninth Annual Statement

CONTINENTAL LIFE INSURANCE CO.

WILMINGTON, DELAWARE

December 30, 1916

INSURANCE IN FORCE. . .$16,325,654.00

ASSETS

First Mortgages on Real Estate	$1,525,345.66
Bonds at Market Value	224,548.52
Policy Liens within the Reserve	196,539.30
Cash	167,767.00
Total	**$2,114,200.48**

LIABILITIES

Legal Reserve	$942,736.03
Reserved for Taxes, etc	31,354.81
TOTAL LIABILITIES	$974,090.84
Capital Stock	$515,220.00
Surplus	624,889.64
ASSETS IN EXCESS OF LIABILITIES	1,140,109.64
Total	**$2,114,200.48**

FIVE YEARS' PROGRESS

Year	INCOME	ASSETS	INSURANCE
1911	$231,175.21	$380,173.23	$7,509,689
1916	679,935.53	2,114,200.48	16,325,654

REVISED INDUSTRIAL RATES

WITH DISABILITY BENEFIT

Amounts Payable Under Western & Southern Life's Revised Industrial Contracts

Following are given the revised industrial rates of the Western and Southern Life, of Cincinnati. Last week The Eastern Underwriter printed the new clause to be attached to all industrial policies by this company providing accident and disability benefits.

Whole Life Policies

Age next Birthday	Adult Table Amounts payable at death on the following Weekly Premiums: 10c	20c	30c	40c	50c	Even $500 Policy Prems.
10	330	...	One-half only of these			
11	320	...	amounts payable if death			
12	310	...	occur within six calendar			
13	298	...	months from date of policy,			
14	286	...	and the FULL AMOUNT			
15	274	...	if death occur thereafter.			
16	264	528	...	...	...	...
17	254	508	...	...	...	...
18	244	488	...	...	...	...
19	236	472	708	...	...	.20
20	228	456	684	912	...	.21
21	220	440	660	880	...	.22
22	212	424	636	848	...	.23
23	206	412	618	824	...	.24
24	200	400	600	800	1000	.24
25	194	388	582	776	970	.25
26	188	376	564	752	940	.25
27	182	364	546	728	910	.26
28	176	352	528	704	880	.27
29	170	340	510	680	850	.28
30	166	332	498	664	830	.29
31	160	320	480	640	800	.30
32	154	308	462	616	770	.31
33	148	296	444	592	740	.32
34	144	288	432	576	720	.33
35	140	280	420	560	700	.34
36	136	272	408	544	680	.35
37	132	264	396	528	660	.37
38	126	252	378	504	630	.38
39	122	244	366	488	610	.39
40	118	236	354	472	590	.40
41	114	228	342	456	570	.42
42	110	220	330	440	550	.44
43	106	212	318	424	530	.45
44	102	204	306	408	510	.47
45	98	196	294	392	490	.49
46	94	188	282	376	470	.51
47	90	180	270	360	450	.53
48	86	172	258	344	430	.55
49	82	164	246	328	410	.58
50	78	156	234	312	390	.61
51	74	148	222	296	370	.64
52	70	140	210	280	350	.67
53	66	132	198	264	330	.71
54	62	124	186	248	310	.75
55	58	116	174	232	290	.80
56	56	112	168	224	280	.84
57	54	108	162	216	270	.89
58	50	100	150	200	250	.94
59	48	96	144	192	240	1.00
60	44	88	132	176	220	1.04
61	42	84	126	168	210	...
62	40	80	120	160	200	...
63	36	72	108	144	180	...
64	34	68	102	136	170	...
65	32	64	96	128	160	...
66	28	56	84	112	140	...
67	26	52	78	104	130	...
68	24	48	72	96	120	...
69	22	44	66	88	110	...
70	20	40	60	80	100	...

Life—Paid Up in Twenty Years

Age next Birthday	Adult Table Amounts payable at death for the following Weekly Premiums: 10c	20c	30c	40c	50c
10	194	One-half only of these			
11	188	amounts payable if death			
12	182	occurs within six calendar			
13	178	356 months from date of pol-			
14	172	344 icy; and the FULL			
15	166	332 498 AMOUNTS if			
16	162	324 486 death occurs there-			
17	156	312	468	624	after.
18	152	304	456	608	
19	148	296	444	592	740
20	144	288	432	576	720
21	142	284	426	568	710
22	138	276	414	552	690
23	134	268	402	536	670
24	132	264	396	528	660
25	130	260	390	520	650
26	126	252	378	504	630
27	124	248	372	496	620
28	122	244	366	488	610
29	118	236	354	472	590
30	116	232	348	464	580
31	114	228	342	456	570
32	112	224	336	448	560
33	110	220	330	440	550
34	108	216	324	432	540
35	106	212	318	424	530
36	104	208	312	416	520
37	100	200	300	400	500
38	98	196	294	392	490
39	96	192	288	384	480
40	94	188	282	376	470
41	92	184	276	368	460
42	90	180	270	360	450
43	88	176	264	352	440
44	84	168	252	336	420
45	82	164	246	328	410
46	80	160	240	320	400
47	78	156	234	312	390
48	76	152	228	304	380
49	74	148	222	296	370
50	72	144	216	288	360

Indirect Method of Soliciting

T. A. PEYSER MAKES CASE TALK INSURANCE FIRST

Northwestern Mutual Life's Middle State and New England State Agencies Meet

Theodore A. Peyser, a leading writer for the Bristol general agency of the Northwestern Mutual Life in this city, told the members of the joint convention of the Middle State Agencies and New England State Agencies of the Company meeting here this week that he rarely solicits business, and, as a rule, does not mention insurance, until the prospect introduces the topic. For a number of years he has been a close student of psychology and philosophical works.

Calls on Same Group of Men

In explaining his system he said that he calls over and over again on the men and firms he has insured, his calls being largely of a social nature. He begins by writing a member of a firm. Upon his next visit he meets another member of the firm. Gradually his list of acquaintances with the concern grows until he knows all, down to the office boy. When any one of them thinks about insurance, Peyser, the frequent visitor, looms up in the mind of the prospect, and he himself introduces the subject to the insurance salesman.

Mr. Peyser cited one concern here where he had insured four partners and most of the office force, as well as some of the traveling men. Once one of the partners said to him: "Peyser, how is it that you have never talked about your business to me? Why have you not solicited me for insurance?" His reply was: "How do you know that I am an insurance man?" The partner's comment was: "That's right. Every time I see you I think of insurance. And when I think of insurance I begin to speculate in my mind whether I need insurance."

As the list of his cases grows the list of his prospects grows.

Collecting Premiums in Advance

Another point made by Peyser was that he never leaves his house in the morning unless he knows on whom he will call. Another plan that he has found saves time and often saves cases is to collect the first premium in advance; in fact, this year 85 per cent. of his premiums consisted of checks obtained at the time the applications were signed. Several instances were given showing how the insured had changed his mind and wanted the policy canceled before delivery, and the agent's arguments which held the business.

From Home Office and Field

Another interesting section of the program consisted of statements by Hugh N. McAfee, Buffalo; Arthur J. Pierce, Troy; A. B. Lincoln, New Haven; and Herbert L. Smith, Wheeling, telling how they started in the life insurance business. Joseph R. Dyer, assistant counsel, talked of the Northwestern and its legal department, while Dr. George A. Harlow gave the mortality experience of the Northwestern as compared with the Medico-Actuarial experience. Among other things he said that actors and vaudeville performers are declined. F. C. Hemsing, assistant actuary, spoke of "Some Selling Methods Considered From an Actuarial Standpoint."

Herman Duval, leading writer, discussed "Interviews." M. H. O. Williams, assistant superintendent of agencies, made a rousing talk on "Retrospective and Prospective." Gilbert B. Mustin, of Philadelphia, gave reminiscences of his three years in the insurance business, and John E. Doyle, of Worcester, spoke on "Northwestern Boosters." Charles H. Sagar, Worcester, was chairman of one session; T. Archibald Cary, Richmond, of another, and Laurence H. Miller, Baltimore, of a third. Louis E. P. Smith, Boston, welcomed the delegates and Royal S. Goldsbury, Pittsburgh, was chairman of the banquet, two of the speakers being J. I. D. Bristol, whose general agency has closed an unusually successful year; and Christopher J. Burns, who told stories that were greeted with much laughter.

N. Y. LIFE MORTUARY BENEFIT

The board of directors of the New York Life Insurance Company unanimously adopted the following resolution, somewhat similar to last year, relating to the mortuary benefit for agents who are members of the First, Second, Third and Senior Degrees of Nylic:

Resolved, that the New York Life Insurance Company will pay as part compensation a Mortuary Benefit upon the death during the year 1917 of any agent member of First, Second, Third Degree, or Senior Nylic, whose employment contract authorizing him to solicit for new insurance for the Company is in full force and effect at the time of his death, in addition to his other Nylic compensation, a sum equal to $1.00 per thousand of the business written and qualified by him under Nylic rules during the period of his Freshman, First, Second, Third Degree of Nylic membership and upon which business the second insurance year's premium has been paid or shall be paid.

Resolved Further, that such sum as shall become payable as above shall be paid to such beneficiary as the deceased member of Nylic shall have designated in written notice filed with the Company; that if no such written notice shall have been so filed, the payment due shall be paid to the estate of such deceased member.

Resolved, that the Company shall hold such addition to its reserve for Nylic as the Actuaries of the Company shall deem sufficient to meet the Mortuary Benefits accruing hereunder during the year.

Additional Figures On 1916 Business

ALL COMPANIES REPORT LARGE INCREASES

Further Returns Show Phenomenal Year for Life Insurance—Company Estimates

Last week The Eastern Underwriter gave estimates of the 1916 business of a number of the companies and the additional figures following continue to show large increases by companies in all sections.

New York Life's Record

The record of the New York Life for the past twelve months:

The Company issued during 1916 about	127,000 Policies
For new paid insurance amounting to more than	$262,000,000
The Company is composed of the holders of over	1,225,000 Policies
Protecting homes and business interests throughout the world to the extent of about	$2,514,000,000
of paid insurance, a net gain in 1916 of about $110,000,000 of the best kind of protection.	
During 1916 the Company paid on the lives of more than 9,700 policyholders death losses amounting to over	$29,000,000
During 1916 the Company paid to living policyholders in maturing policies, and other cash benefits over	51,000,000
During 1916 the Company has loaned at interest to policyholders on the sole security of their policies over	25,000,000
During 1916 the Company paid to its policyholders in dividends alone (included in the 51 Million Dollars above) over	19,000,000

Mutual Benefit's Figures

The Mutual Benefit has issued the following statement:

	Number	Amount
Applications received	43,277	$139,230,677
Increase over year 1915	7,201	30,094,597
New policies issued on original applications	46,195	123,247,500
Increase over year 1915	7,431	24,616,948

The above figures are especially significant when it is recalled that 1915 was a phenomenal year, the Company's increase in issued business in 1915 exceeding 1914 by $9,903,147. For comparison it is of interest to note that in 1900, the first year of the 3 per cent. reserve, the net issued business of the Mutual Benefit was exactly $32,424,008.

Illinois Life Figures

The Illinois Life, on December 30, had outstanding insurance of more than $80,000,000; net assets (admitted) of more than $13,000,000; had an income for the year of more than $3,000,000; and paid to policyholders and their beneficiaries to date over $1,350,000.

Maryland Life, Baltimore, expects its paid business for the year to exceed $2,100,000. Last year the Company wrote $1,672,000.

Ohio National Life, Cincinnati, will pay for $2,600,000 in 1916, which is a gain of about $1,300,000 of business in force.

Columbian National Life, Boston, closes the year with a gain of $3,000,000 over last year, the paid business reaching a total of $14,500,000 for the year. Paid business not including home office additions for 1915 was $11,520,000.

National Life, Montpelier, Vt., gives as a conservative estimate $26,500,000 as the total new paid business for the year. In 1915 the Company wrote $22,829,000.

Missouri State Life, St. Louis, had written up to November 30, in new paid for business $35,186,467, excluding revivals and increases. In addition the Company wrote during month of December about $4,000,000. This is a substantial increase over 1915 when paid business for the year totaled $30,890,549.

Franklin Life, Springfield, reports that its new paid business for the year will total approximately $10,000,000. Last year the Company wrote $8,941,000.

Kansas City Life in Excess of $25,000,000

The Kansas City Life issued and paid for business for the year 1916 slightly in excess of $25,000,000.

The American National, of Galveston, paid for approximately $9,000,000 ordinary.

As nearly as the Minnesota Mutual Life can estimate its paid business for 1916 will approximate $7,000,000.

State Mutual Gains Over $4,000,000

The State Mutual closed the year with a paid for business, exclusive of additions, restorations, etc., of $25,324,546, a gain over 1915 of a little more than $4,000,000.

The Great Northern Life, of Wausau, Wis., estimates its paid for business 1916 at $3,350,000.

The Great Southern Life, of Houston, Tex., estimates its paid for business at $11,500,000.

Northwestern National Life, Minneapolis, shows an increase of 50 per cent. in the new paid-for business written this year over 1915. At the close of the year the company totalled $10,500,000 as against $7,066,234 in 1915.

New York Life reached its full limit allowed under the New York law, the paid business amounting to $262,000,000.

Equitable Life of Iowa, Des Moines, closes the year with $26,000,000 of new business. The total paid business for 1915 was $20,364,264.

International Life, St. Louis, will write during 1916 $15,658,000 (including reinsurance).

Jefferson Standard Life, N. C., wrote during the year $10,000,000 in paid business. Last year the company wrote $9,226,732.

Peoria Life, Ill., wrote in new business for the year $5,350,000 as against $4,736,000 in 1915.

Pan-American Life, New Orleans, will close the year with approximately $10,000,000 new paid-for business. Last year the company wrote $6,406,114.

The Lincoln Life's actual paid for business in 1916 was $9,174,287. The Company closed the year with $31,065,305, representing an increase of $5,980,873.



THE PRUDENTIAL

Now Writes Group Insurance

in response to a well-defined demand.

The policy is planned to give Strong-as-Gibraltar-Protection at low cost, with up-to-date-features, such as annual dividends, payment of policy during life for total disability, and arrangments for military service.

It is a winner.

THE PRUDENTIAL INSURANCE CO. OF AMERICA

FORREST F. DRYDEN, President — Home Office: NEWARK, N. J.

Incorporated Under the Laws of the State of New Jersey

Show Broad Influence of Life Insurance

PROMINENT SPEAKERS BEFORE SCIENCE BODY

Haley Fiske, Robert Lynn Cox, Louis I. Dublin and Others Discuss Its Larger Fields

The economic importance of life insurance and its vast ramifications in the social fabric were discussed at length by Haley Fiske, vice-president of the Metropolitan Life, at the meeting of the insurance section of the American Association for the Advancement of Science, held last week in the Auditorium of the Metropolitan Life Building. Mr. Fiske's address is reproduced in full elsewhere in this issue.

Among other speakers were Robert Lynn Cox, general counsel and manager of the Association of Life Insurance Presidents, who went with the Metropolitan Life this week as third vice-president to organize a farm loan department; Louis I. Dublin, who presided; Prof. S. S. Huebner and Dr. Eugene L. Fiske.

Warns Against Political Activity

Mr. Cox discussed "Recent Developments in Life Insurance." He traced the origin of life insurance as a business and showed how it arose as a necessity in civilized life. It is the one institution in which each policyholder is given as much as he pays for and no more. Though life insurance provides for the needy it is business-like and just in apportioning its burdens and in making its returns. It will grow in its usefulness along these lines just so long as political considerations are not infused in its management.

The one great danger which Mr. Cox pointed out is the possibility of politics obtaining control of life insurance. He said, "Should the time ever come when life insurance is brought under political domination, through undue extension of supervisory power or otherwise, I hope it will not happen until we have achieved such perfection in our governmental organizations as to make certain that vote getting ability will not be substituted for physical fitness as the test for admission to the insured circles.

"Life insurance stands to-day at the head of institutions making their appeal to manhood and independence, by offering a practical method of escape from the economic catastrophe which threatens every breadwinner in greater or less degree. It may, therefore, be said to be an institution of progress thoroughly in accord with present day desires to take the load from shoulders unduly burdened and put it upon those who can better afford to carry it. It was organized to do just that and it is doing it."

In conclusion, Mr. Cox pointed out a number of improvements in the detail of carrying on insurance business which added to the usefulness and safety of insurance.

In his introductory remarks as chairman Louis I. Dublin said the session was interested in life insurance as a social institution, and as members of the American Association for the Advancement of Science proposed to examine the part that life insurance plays in the modern world; how it affects everyday life; how well it meets the purposes for which it was originally conceived; and also to consider some of the possibilities for usefulness that have grown up incidentally with the development of this business.

"We have arranged for this meeting on life insurance," he said, "because it is of interest to the social economist. Few other modern activities touch the community at so many points. The development of thrift, the prevention of destitution, the accumulation of large funds and their aid to the financing of large industrial enterprises like railroads, the erection of buildings and the fuller development of cities, all are furthered by the institution of life insurance. The life insurance companies have become more and more conscious of their opportunities for social service in their own field. Indeed, the watchword in the life insurance world to-day is more and better service."

Effects of the War

Discussing life insurance and the war, S. S. Huebner, Professor of Insurance of the University of Pennsylvania, said that since what has proved to be the source of misfortune to the belligerent nations of Europe in a business way has been the cause of an unprecedented prosperity for us, interest centers chiefly in a review of the unfavorable situation abroad. For English companies it was shown that security holdings have depreciated to an alarming extent; that the increase in interest earnings was practically counteracted by the increase to the income tax; and that, while the lapse and policy loan experience was not unfavorable, the volume of new business showed a decline of about 20 per cent. Attention was also called to the remarkable extent to which the companies in all the belligerent nations have assisted in meeting huge war expenditures. Data was offered to show that a representative list of British companies have increased their holdings of British Government securities during the year 1915 by nearly 900 per cent., and that such investments averaged about 13 per cent. of the total assets. As regards all the countries, all published accounts manifest the utmost confidence in such prodigious investments in government securities, since the investment return is high and the safety of the principal assumed to be unquestioned. The hope was expressed that, for the sake of life insurance in all the belligerent nations, the prolongation of the war and the continued drain on national resources would not be such as to cause this confidence to go astray.

British Death Claims

In discussing the extent and effect of war claims, Prof. Huebner showed that for fifty-two British companies such claims amounted on the average to 11.6 per cent. of the total death claims for 1915, and to 13.2 per cent. for the last five months of 1914, although in individual instances the ratio exceeded 25 and even 30 per cent. While little direct information is at hand to indicate the war claim experience of companies in Germany, France and Austro-Hungary, it is important to bear in mind that the companies in these countries have generally seen fit in the past to protect themselves by incorporating a war clause in all their contracts to the effect that, unless an extra premium is paid for a permit to engage in naval or military service, the company will pay only the reserve value of the policies in case of death during the period of such service. Again, the military risk on the firing line is confined largely to the younger men, many of whom are not insured at all with the regular companies and who, as a class, only infrequently carry large policies. It was also pointed out that in Germany, at least, the mortality among the civilian population has been considerably lower than the average during years of peace, a situation probably traceable to a more restricted diet, more efficient and universal care, less use of alcoholic beverages, and much more constant and compulsory physical exercise.

Apprehension was expressed by Prof. Huebner concerning the after war effects on those who have served. The importance of a careful study of such effects was suggested, since a large proportion of those serving in the armies has been effected by heart and kidney ailments, trench nephritis and venereal disease.

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RETURN OF PREMIUMS

Right of Insured, Not of Beneficiary of Policy Void From Beginning, To Keep Premiums

In an action on a life policy the Illinois Supreme Court holds, Seaback v. Metropolitan Ins. Co., 113 N. E. 862, that when a policy is void from the beginning the insurer is not obliged to return or offer to return the premiums which have been paid voluntarily before notice of the fact that the policy is not in force, as a condition precedent to availing itself of its defense to an action on the policy. The insurance company may have a defense on the policy and against the payment of the premiums, too; and it is against reason to hold that an insurance company must pay premiums it may owe to one party, however just, in order that it may defend a claim or a suit by another and different party, and where it has done nothing to waive its defense or to estop it to defend against such a claim or suit. The right to recover premiums paid on an insurance policy void from the beginning, when it exists, is the right of the insured or his personal representative, not of the beneficiary.

Charles E. Gilbert, secretary of the Aetna Life, is eighty years old. Mr. Gilbert came to the Company in 1868. He has been cashier, assistant secretary and secretary, having been elected to the last-named office in 1905. He is a member of the Connecticut Historical Society and one of the "original 37" members of the "Wide Awake" political club, the first of its kind organized in the Union. Mr. Gilbert was also one of the original Hartford City Guards and for a number of years served in the Governor's Foot Guard, being adjutant for three years.

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--- ORGANIZATION --- SERVICE ---

Life Insurance as a Basis of Social Economy

By HALEY FISKE
Vice-President of the Metropolitan Life Insurance Company

Few recognize how intimately life insurance enters into the domestic life of the people nor the extent to which it has developed and built up the country, and now sustains the machinery of civilized life.

Consider first how widespread in the commonwealth is the insurance of lives. At the end of 1915 there were 43,133,415 policies in force in the United States and Canada, as compared with a population of, say, 110,000,000. We estimate that these forty-three millions of policies were upon twenty-five to thirty millions of lives, and therefore that about a quarter of the population is insured. These are the figures of 244 regular reserve companies. The insurance in force was $23,756,472,828. The companies are exceedingly active and energetic in prosecuting the business. There was a gain of nearly two and three-quarters millions in number and nearly one and a half billions of dollars in amount of insurance in force during the year 1915. To realize the significance of these figures, consider, next, what life insurance is. Fundamentally it is the association of numbers of people who realize that while nothing is more certain than death, nothing is more uncertain for each healthy individual than the date of death; that death is a pecuniary loss to the dependents; that there is a necessity to tide over a period during which new adjustments can be made in the lives of the survivors; that for this period assistance is needed. The contributions of these numbers of people go into a fund out of which this help is furnished. Though the date of the individual death is uncertain, the number of deaths in the year among the contributors is quite certain. There is therefore a mathematical relation established between the amount agreed to be contributed and the amount of the fund to be drawn upon at death.

Life Insurance as a Brotherhood

The uncertainty of the date of death makes life insurance a very human thing. It used to be called a gamble. Surely it is not that. We have a right, after all these years and the tremendous extent of life insurance, to say that the system is the result of conscious mutual helpfulness. It is a social institution. The family which draws a death benefit after a single premium is not drawing charity. The obligation of the holder of the policy was undertaken in good faith with the view of helping others, and the help from others arising from the unexpected death is the mere fulfilment of an obligation which was reciprocal. No doubt when a man insures his life he does it to protect his family in the event of his death; but he neither expects nor desires his own death, and has he not at least a subconsciousness that he is making a mutual bargain to give or take help as the event may prove? Thirty-five out of the forty millions of policies are held in mutual companies. There is something very impressive from the point of view of social economy in the banding together of these millions of people for mutual protection; something very impressive when you think of their mutual contribution of nearly a billion of dollars, seventy-five per cent. of which immediately passes into circulation, and twenty-five per cent. of which goes into circulation through interest bearing investments.

Life insurance is therefore a brotherhood whose operations are intensely practical. American life insurance companies distributed during 1915, $580,121,669 in the payment of death claims and matured endowments—over one-half the national debt. Think of the excitement the government would arouse if it undertook to pay its debt in a single year! Think of the taxation necessary to enable the government to do such a thing! Yet the distribution by life companies of over half a billion dollars in a year causes no comment. It enters into the common life of the people, affecting enormous numbers of them. We may take it that this money went to the families of nearly a million persons, and therefore affected four or five millions of individuals. And this is an annual experience. Multiply it by ten years, and consider what a common daily experience is the knowledge by our people of the results of this system of association for mutual help.

Funds Reach Stupendous Sum

It would be mere commonplace to dwell upon the good done by this enormous distribution of money, in relieving want, paying debts, furnishing future support.

Let us go back to the fund out of which these payments are made. It is stupendous in amount. The assets of these companies at the end of 1915 were $5,485,307,895. They increased during the year $257,176,467. There were poured into this fund during the year $1,102,782,532, of which $823,106,490 were from premiums. Of the total assets there were permanently invested in reserve required by law to meet policy obligations the sum of $4,592,921,199; the increase in the reserve during the year 1915 was $251,232,545. These figures are so large as to benumb us if we look at them as mere accumulations. We must consider how intimately into the daily life of our people these millions and millions of dollars enter. In no other way may we appreciate the extent of the service performed.

Take the five and a half billions of assets. It is probable that thirty per cent. of these are invested in railway securities, that is, over one and a half billions of dollars are in the real and personal property of railways. The first thought about this is that the insurance business has been the most important single instrumentality in developing the country; that millions of acres of land have been thrown open to cultivation; that has brought in population for agricultural work; these must be housed, fed and clothed; the crops must be shipped away; then we see towns grow about the stations to forward the freight and to sell the food and clothing to the farmers' families and the railway men. Mills follow to bring manufactured articles nearer to the consumers. Thus gradually cities grow up, all business increases, more money circulates. In short, the crops, the coal, the ores have been wealth added to the country's resources; enormous populations have been scattered over the various States; the resulting commerce has founded and built up the cities of the country; and through exports, money has been drawn from all the world and millions of people invited to our shores and sent throughout the land.

Communities Built Up

It is probable that thirty-five per cent. of these assets are loaned on bonds and mortgages. That means that communities have been built up by insurance funds. It is estimated that ten per cent. of the funds are invested in State, county and municipal bonds and bonds of public improvements. That means that communities have been developed and sustained, and have been furnished with the conveniences of modern life and with material facilities for the education of children by the insurance companies. This constructive work is continuous. Under the reserve system of insurance, more than four-fifths of the assets are subject to reserve liabilities—the total reserves of the companies amounted to over four and a half billions of dollars at the end of 1915. The investments are stable. They increase automatically, like the rolling of a snow-ball. More than three-quarters of the semi-annual interest receipts are added to the reserve and in turn invested and held. Moreover, the investments are made where they are most needed. This arisès from self-interest, because obviously the best rate of interest is obtained, as a rule, wheer capital is scarcest. Fourteen companies have nearly a billion of dollars invested in the West and South.

Probably fifteen per cent. of the assets of the companies are invested in

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It stands alone in that result.
Total premiums received, Dec. 1, 1846, to Dec. 31, 1915..... $302,236,187.70
Total returned to Policy-holders, as above noted, in same period..... 311,968,360.63
Excess of amount returned..... 9,732,172.93

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policy loans. Leaving aside the question whether it is wise for either the company or the borrowing policy-holders that there should be so much lending, it must be admitted that the loans associate company and policy-holder closer together; that the return of over eight hundred millions of dollars collected in premiums to those who paid them, and while they are continuing their policies, means an increase in capital resources; that the business and social life of the individual are profoundly affected. He spends the money borrowed. If he pays future premiums with it, he keeps his family protected; if he pays debts, he releases capital and carries easier the burden of life; if he buys luxuries, he thanks insurance for his keener enjoyment; if he tides over loss of income, he realizes as never before the blessings of life insurance.

Economic Service in Industrial

Let us go deeper into the relation of insurance to the industrial life of people. The income in 1915 of the 244 companies was over a billion of dollars, of which over 800 millions were in premiums. Of this billion dollars of income ($1,102,782,532), twenty-five per cent. was added to reserve—$251,232,545—and invested in the upbuilding of our material resources; fifty per cent. —$580,121,669—was returned to policyholders new and old. Want relieved, families supported, children educated, debts paid, investments made for widow and children—the blessings of life insurance have so often been explained that I need not pursue that topic; sixteen per cent. went to management expenses—salaries, wages, commissions —touching the community on all sides as money spent in small sums inevitably does; about one and a half per cent.—say, sixteen millions of dollars—paid in taxes on premiums, an amount we may say unjustly assessed upon thrift, but which went to lighten the burdens of other taxation and contributed to the carrying on of civilized life, protection of property, education, caring for the sick.

Perhaps one gets a clearer conception of the economic service of life insurance when he studies the business of Industrial life insurance. Three-quarters of all the policies in force are Industrial—thirty-two millions out of forty-three. When one thinks of the service performed, the number of individuals affected is perhaps more important than the amount. Is it not a startling fact that one out of every five of the population of the United States and Canada holds an Industrial life insurance policy and weekly pays his premium to a collector? Can any one institution be said to be as close to the people as that? When you consider that in Philadelphia and some other cities there are more Industrial life insurance policies in force than the number of the population, you begin to get an inkling of how close to the life of the people life insurance is.

Some Impressive Statistics

One hundred and fifty-six millions are annually collected in weekly installments. This involves eight and a half millions of visits weekly by agents —over four hundred millions of visits annually. The agent performs all the services required by the policyholder—he collects the premiums, pays the dividends and bonuses, calls to prepare the proofs of death and later to pay the claims. The agent enters into the daily family life of the wage-earners. He knows all the family, their joys and griefs, their income and outgo, their pleasures, their work—their very life; is often their advisor, confidant and friend; and always in a representative capacity; he is what he is to those millions of people because he to them is the company; they know the company is back of the agent; agents may change, but the company is always with them. People pay premiums to the agents and the collections go to the insurance fund—the assets; the assets are invested; part of them go to railway treasuries; part to governmental officials; part to treasurers of public utility companies; part to personal borrowers on mortgages. But these recipients do not keep the money. They spend it in materials and wages. The materials, moreover, had to be manufactured by wage-earners. In the last analysis the people who pay the premiums get the premiums back in wages. It is the workman who gets metal and coal out of mines, who clears forests, who fashions lumber, who gathers crops, who makes brick, who quarries stone, who draws rails, who casts structural steel, who erects buildings and lays railway lines and builds locomotives and cars. For all these things he gets paid out of the assets of insurance companies invested in the debts of his employer. And when he gets his wages he buys food and clothing, and this involves more buildings and more railways and more cities and towns and more means of communication and more public utilities. And with part of his wages he buys insurance and pays his premiums and increases the companies' funds. Thus, money he pays to insurance companies comes back to him in wages. An endless chain? No. It is circulating blood. It carries on the life of the people. Service? It is civilized life! From the cradle to the grave Industrial life insurance is the companion, servant, friend, benefactor of the wage-earning families. It makes of these people a capitalistic class. No one of them can buy a bond, but two hundred of them can do so every year, for their collective Industrial premiums will then have amounted to $1,000. A million of them in ten years will have contributed enough to build a railway halfway across the continent; or to put up fifty large city schools; or to run a subway through New York; or to supply a large city with water; or to build 20,000 homes for a hundred thousand people—build a city! It is not only that they can do it—they do it! Consider the assets of the Industrial companies—eleven hundred millions of dollars!

A Recent Service

A recent progressive stage of life insurance which has economic interest is what is practically the care and investment of savings for the surviving dependents; an end achieved by the deposit of the proceeds of a policy with the company which pays interest, or the payment of the policy in many instalments. The amount of insurance on these plans is rapidly increasing. This is a service which saves dependents from errors of judgment and exploitation by unwise and designing advisors.

One large and old life insurance company is issuing millions of insurance to employes covering a burial fund for the employe and weekly support to the dependents; the premiums paid by the employer. Another prominent company issues policies providing sick benefits, accident indemnity and burial fund. These policies may be collective, issued to the employer, with or without contributions from the employe. Two other companies insure their thirty thousand of employes against sickness and death.

One or two companies are offering mortgage loans on homes, with provision for amortization protected by life insurance; a form of service of the greatest benefit to the community as well as to the insured.

Its Latest Development

The latest development of life insurance in this country is interesting and, to those who know the history of this business, really amazing. It is distinctively American, for it is seen in no other country. It is doubtless the outgrowth of the sentiment which of late years is pervading society throughout the world, and in this country especially has involved industrial and commercial business: the sentiment that there is a responsibility resting upon the prosperous to help the less fortunate; that there is a duty to the community to better conditions and uplift the mass. As life insurance is based upon mortality, it is a logical working out of this sentiment for the insurance companies to do something to lower the death-rate—to conserve health and lengthen human life. It is the same sentiment which leads manufacturers to improve conditions of labor and domestic life of wage-earners and to promote thrift.

This new service which life insurance has begun runs along several channels, and we may well take a brief survey. In a paper widely distributed at the 15th International Congress on Hygiene and Demography held three years ago, Mr. Cox, manager of the Presidents' Association, composed of about thirty life insurance companies carrying seventy-seven per cent. of the American policies, noted that there was a group of five companies, with twenty-two millions of policies, that were making special efforts to stimulate their policy-holders to personal and public hygiene; that there was another group of four companies which advised impaired applicants for insurance as to their physical condition and made suggestions to aid them. Another company provided for free periodical medical examination of its policy-holders. Another had formed a health association among its members. The Presidents' Association itself opened a forum a few years ago for the discussion of things intended to prevent disease; and papers were read by Professor Fisher of Yale, Dr. Foster of the St. Paul Medical Journal, Dr. Wyman, Surgeon-General of the United States Health and Hospital Service; Dr. Rosenau of the Harvard Medical College, Dr. Porter, Health Commissioner of New York State; Dr. Doty, Health Officer of New York City; Dr. Wilbur of the Census Bureau, and Dr. Dwight of the New England Mutual Life, on such subjects as the Economic Aspect of Lengthening Human Life, Increased Longevity of Policy-holders, Work of the Federal Government in Health Conservation, Preventive Medicine, Fight against Preventable Diseases, Modern Sanitation, etc. The American Life Convention had addresses by experts on Forces Against Mortality, Mortality from Diseases of the Kidneys and Circulatory System, the Short Life History.

A Life Extension Bureau has been formed, patronized by several companies, which examines insured persons and communicates the results to the family physicians, the cost defrayed

(Continued on page 8.)

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Largest payments to policyholders.
Largest dividend payments.
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General surplus substantially increased.
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The "Home Life"

The fifty-sixth annual statement of the Home Life Insurance Company, of which George E. Ide is President, presents a record of substantial benefits to its policy-holders during the year and a solid growth in financial strength.

Assets increased to $32,029,439.71 after paying to policy-holders $3,447,381 including dividends of

$602,721

The insurance in force was increased by $4,766,740 and is now

$125,660,173

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Systematic Use of Time of An Agent

CHARTS OUTLINED BY R. A. FERRIS, MASS. MUTUAL LIFE

Standard of Daily Efficiency Prepared By Cleveland Man—Gives His Own Experience

R. A. Ferris, of the Cleveland agency of the Massachusetts Mutual Life, recently read to the agency observations on the systematic use of time, based upon his own experience. He said in part as follows:

These plans, methods and schemes of the past have been of wonderful help, but each has failed to bring about the desired result, viz.: enough business to satisfy, first of all, my financial need. They have failed because they have had to do, mostly, with selling the insurance, leaving out consideration of First Principles—seeing daily enough men (to whom to present the material).

Of what value is knowledge and ability, if it be not used? I failed, I believe, because I lacked the proper "track" to run on. It is the "track" I'm going to illustrate. Over this track we may run flat-cars, day-coaches or Pullmans (representing the intelligence demonstrated in our interviews). All of my previous schemes, I believe, were of "Rolling Stock" variety, and I had not the track; sounds like getting the cart before the horse, and it is so, yet how many of us have not done the same thing throughout our entire experience in the work? We will now inspect the "track."

Yearly Standard Chart

Based on:
7 Interviews per Soliciting Day.
$4,000 Average Application.
$12.50 per $1,000 Average Commission.

Total days—calendar year	365
Less:	
Sundays	52
Saturdays (not soliciting days)	52
Vacation 3 weeks,	
15 soliciting days	
3 Saturdays	
3 Sundays	
21 total days	15
Holidays and other days when soliciting is impossible	11
	130
Soliciting days per year (5 days per full week)	235

From my past experience I took for my Standard:

$4,000 as the Amount of the Average application.

Based upon my past experience (not charted at all, but just added up, divided, etc.).

Average Commission per $1,000 aggregates $12.50.

The Soliciting Day is the unit of time used.

In order to ascertain what one may accomplish in a given length of time, it is necessary to determine upon a period long enough to strike an average. The calendar year is, I think, the best period.

While I am certain that a record for a period less than a year will be insufficient to establish reliable data for arriving at definite Standards, the record shown later in the "Recapitulation Chart" brings out some very interesting facts, although it covers a period of only four months.

Taking the calendar year, 365 days. subtracting from that Sundays, 52, Saturdays, 52. I have taken out a three-week vacation period (15 Soliciting Days, plus 3 Saturdays, and 3 Sundays). Holidays which are not soliciting days, an average of 11 days. Making a total of 130 days, subtracting, leaves 235 Total Soliciting Days per Year. Multiplying this by Seven Interviews per Soliciting Day, gives 1,645 Total Interviews per Year.

Some may question this next illustration, but, except that I have changed it slightly, for my own use, it is not original by any manner of means, one of the companies having followed this method to determine the ratio of applications to interviews based upon the experience of 150 men.

Soliciting Days per Year	235
Interviews per Soliciting Day	7
Total Interviews per Year (Standard)	1,645÷2
Doubtful and No Good	822
Hopeful Prospects	822÷2
Good Prospects	411÷3
Applications	137
Average Application (Standard)	$4,000
Total Applications per Year	137
Total Production per Year	$548,000
Average Commissions per $1,000 (Standard)	$12.50
Total of Commissions per Yr.	548
	$6,854.00

Classifying Interviews

Dividing the total number of interviews per day by 2, we have 822, which I designate Doubtful and No Good. They are thrown into the discard, leaving 822 Hopeful Prospects. Dividing this number by 2, we have 411 Good Prospects. (One man appears to be in the market for future insurance, but not for immediate closing; he would fall into this class of Hopeful Prospects. There are men whom you have not quite been able to close, but who within the next 30 or 60 days will close for insurance, they are classed as Good Prospects.) For my own use I have divided this by 3, arriving at 137 Applications for the Year. The Standard Average Application, $4,000 times 137 (total applications per year), gives a result of $548,000 as the Year's Production. Multiplying by $12.50, the Average Commission per $1,000, a Total of First Year's Commissions,—$6,854.

Interview Chart

October, 1916 Date	Calls	Int.	D. N.G.	H.	G.P.	App.	Amt.	Com.
30	7	6	1	2	2	1	$5,000	$52.88

This is an illustration of the Interview Chart I use. It is worked out for the month, lines provided for each Soliciting Day. This was yesterday's interview result, the 30th day of October. There were 7 Calls, 6 Interviews, one of which I considered Doubtful, two Hopeful Prospects, two Good Prospects, and I wrote one Application for $5,000 with a First Year Commission of $52.88.

Recapitulation Chart

Month	Sol. Days	Calls	Int.	App.	Production	Com.
July	18	133	102	4	16,570	196.47
August	17	143	109	9	25,535	320.72
September	20	206	141	12	34,000	396.78
October	20	143	124	13	45,000	568.09

Month	Ratio App. to Int.	Calls Per App.	Int. Per M. App.	App. Per P.	Com. Per M.S.	C. Per S.D.	Per S.D.	Per S.D.	Per Int.
July	1 to 25.5	4,143	11.86	7.4	5.7	.22	11.00		1.92
Aug.	1 to 12.11	2,837	12.56	8.4	6.4	.53	18.86		2.94
Sept.	1 to 11.75	2,834	11.67	10.3	7.	.6	19.84		2.81
Oct.	1 to 9.54	3,461	12.62	7.1	6.2	.65	28.40		4.58

What I have here is a Recapitulation Chart for the past four months' work. There are some interesting features in connection with it. I want to give you an idea as to how I have planned this thing out. From the chart below, I have divided down until I arrived at the result for one day; 7 Interviews, 58/100 of an Application, $2,350 Production per Soliciting Day, total Commission per Soliciting Day $29. I have worked that out for each soliciting day in each month, and then I have taken the calendar year and worked out the number of Soliciting Days for each Month. The month of October had 20 Soliciting Days.

Daily Efficiency Standard Chart

Sol. day.	Interviews.	Applications.	Production.	Com. total.
1st	7	.58	2,350	$29
2nd	14	1.17	4,700	58
3rd	21	1.75	7,000	88
20th	140	11.7	46,750	584

Now, in relation to this chart, I know at the close of each Soliciting Day what my records should be if I am keeping pace with my Standard. This Standard I have taken for myself is purely arbitrary. I am trying to work to it and shall be happy if I am successful. At the close of the year I may be able to establish a definite standard based on actual results.

Four Months' Experience

I am going to give you the result for the four months that these charts have been in use. In July I had 18 Soliciting Days. I made 133 Calls, 102 Interviews, I wrote 4 Applications with a Production of $16,570, Total Commissions of $196.47.

I wrote one application to 25½ interviews. (My Standard calls for one application to 12 interviews.) The average application is $4,143. (I exceeded my Standard for the amount of average Applications.) The Average Commission per $1,000 was $11.86 (the Standard is $12.50 per thousand). Interviews per Soliciting Day 5-7/10. Commissions per Soliciting Day $11; Commissions per Interview, $1.92.

In August I had 17 Soliciting Days, 143 Calls, 109 Interviews, 9 Applications. My Production was $25,535, Commissions $320.72. One application to each 12.11 interviews. Average Application $2,837. My average Commission per $1,000 is about par, $12.56. Interviews per Soliciting Day 6-4/10. Commissions per Soliciting Day, $18.86. Commissions per Interview, $2.94.

In September I had 20 Soliciting Days, 206 Calls, 141 Interviews, 12 Applications. My Production, $34,000, Commissions, $396.78. One Application to each 11¾ Interviews. Average Application, $2,834, average Commission per Thousand, $11.67; Interviews per Soliciting Day, 7. Commissions per Soliciting Day, $19.84. Commissions per Interview, $2.81.

In October I had 20 Soliciting Days, 143 Calls, 124 Interviews, 13 Applications (against 11.7, the Standard). Production, $45,000; Commissions, $568.09. One Application to each 9.54 Interviews. Average Application $3,461, Average Commission per $1,000, $12.62. Interviews per Soliciting Day, 6.2; Commissions per Soliciting Day, $28.40; Commissions per Interview, $4.58.

THE
First Mutual
Chartered in America, 1835
New England Mutual Life Insurance Co.
BOSTON, MASSACHUSETTS
ALFRED D. FOSTER, President
D. F. APPEL, Vice-President

FINANCIAL STATEMENT

Assets, Jan. 1, 1916	$74,274,980.68
Liabilities	69,154,791.00
Surplus	$5,120,189.68

The New England Mutual's recognized position in the front rank of American companies is the result of seventy-two years of honorable, capable and equitable dealing. If you are a "front rank" man—you want to be identified with such an institution.

EDWARD W. ALLEN, Manager
217 Broadway, New York

LATHROP E. BALDWIN, Manager
141 Broadway, New York

Vest Pocket Date Cards

I use in connection with my soliciting the Memindex (vest pocket date cards). I have the back of each card ruled for the Interviews and Calls, and the standing of the prospect I call on, whether he is a Doubtful, No Good, Hopeful or Good Prospect, tabulating the record as I proceed with the day's work.

METROPOLITAN LIFE'S SURPLUS DISTRIBUTIONS

The Metropolitan Life has mailed to agents notice of the 1917 surplus distributions. Some of the new dividends follow:

Ordinary Life (on basis of $5,000)

Age 20, premium adopted May, 1909, $68.10; on issues of 1912, $5.27; 1911, $5.62; 1910, $5.98; 1909, $6.36.

Age 30, 1912, $6.62; 1911, $7.15; 1910, $7.70; 1909, $8.27.

Age 40, $8.72; $9.53; $10.37; $11.22.

Age 50, $12.20; $13.40; $14.61; $15.84.

15 Payment Life ($1,000 basis)

Age.	Premium. 1909.	—Issues of— 1912.	1909.
20	$27.08	$3.98	$4.64
30	32.27	4.01	4.82
40	39.91	4.07	5.09
50	60.71	5.71	7.05

20 Year Endowment (basis of $1,000)

Age	Premium. 1907.	—Issues of— 1909.	1907.
20	$42.79	$5.60	$6.47
40	45.30	5.81	6.68

Ordinary Life (Special Class—Basis of $1,000)

Age	Premium. 1907.	—Issues of— 1912.	1907.
20	$22.08	$1.30	$1.74
40	38.28	4.32	5.38

Whole Life
Intermediate—On Basis of $500.

Age	Premium. 1907.	—Issues of— 1911.	1907.
20	$8.76	$0.27	$0.47
40	16.85	.58	.97

15 Payment Life
Intermediate—On Basis of $500.

Age	Premium. 1901.	—Issues of— 1906.	1901.
20	$19.07	$6.29	$1.83
40	27.18	6.98	2.80

A Year of Rich Opportunity

To make the most of it you must have unexcelled policy contracts, low net cost, unexcelled equipment, unexcelled Home Office and Agency service, Company reputation high as the highest, a genuinely fraternal spirit between Home Office and Field, and an institutional sense of willing duty to policyholders, beneficiaries, and the public. When salesmanship ability is joined to these, the Fieldman's success is bound to be satisfying and continuing.

Occasionally we have a General Agency opening.

JOSEPH C. BEHAN, Superintendent of Agencies

MASSACHUSETTS MUTUAL
Life Insurance Company
SPRINGFIELD, MASSACHUSETTS
Incorporated 1851

LIVE HINTS FOR BUSINESS GETTERS

Practical Suggestions to Help the Man With the Rate Book Increase His Income and General Efficiency

The New Farm Loan Act

The Eastern Underwriter has received from a western general agency a request for some information regarding the operation of the new farm loan act. L. W. Clapp, of Wichita, Kan., in the December 23 issue of "The Financier" gives a brief description, which will answer the query.

The plans for accomplishing the increase in the supply of money loaned to the class of farmers qualified under the act, plainly stated, is this: To collect together in the hands of twelve District Farm Land Banks a volume of farm mortgages gathered from all the states of the Union on all classes of lands cultivated by the owners; to deduct from the proceeds due the farmer on these loans 5 per cent., or $1,000 on each $20,000, to capitalize the banks; to then pledge the mortgages as security for bonds sold to the investing public. In order to destroy discrimination, or preference for bonds originating in the popular and high credit districts to the disadvantage of the bonds issued in less popular and poorer credit localities, the capital stock owned by each borrower ($50 per $1,000 borrowed) in high credit states and in addition thereto a like amount of 5 per cent. of each loan made (being $50 per $1,000), assessable to each borrower, in addition to his capital stock liability (making a total of $100 for each $1,000 borrowed) is made a direct liability of every farmer in order to guarantee and make good the losses resulting from the defaulting farmers in any state or states. By holding the farm and the farmer of good credit to the amount of one-tenth of his loan, liable for the farm and farmer of bad credit, it is planned to establish good credit for all borrowers and obtain abundant money for all.

The plan for making repayment of the money easy is to make the loans for five to forty years as preferred by the borrower, repayable in small annual or semi-annual installments in addition to the interest, and at the same time create long time securities for the investor. The collections to be reloaned in the same manner.

The rate of interest is to be reduced by the same process of holding the good borrower and his farm for the bad borrower's default, thus giving him the credit that individually he lacks, and by exempting from the taxation the mortgages, the capital stock of the bank and the bond, thereby giving this class of farmers' notes and mortgages a preference over all other farmers' and business men's obligations.

* * *

Possible New Source Of Business

In several instances agents of companies have induced a college graduating class to insure their lives for the benefit of their alma mater. Colleges are always in need of and always grateful for contributions, and the graduating class is usually enthusiastic for the institution and quite ready to do something for it to the extent of their ability. The difficulty with the project is that many students at graduation not only have little wealth but are in debt, so that progress is slow. Another trouble is that many of the students have friends in the insurance business and the news that the class contemplates insuring as a body quickly brings competitors on the ground, and in the resulting turmoil nothing is accomplished.

The paragraph printed above is from the Mutual Life's valuable little agency paper, "Points." Continuing, "Points" says:

There is perhaps a more promising field in another direction. The Protestant Episcopal Church in America has formulated a plan to grant every retiring clergyman a pension of one-half of his salary while in the active work. The plan also provides for continuing one-half of the pension to the widow of the deceased clergyman with proportionate provision for any minor children that there may be.

To provide these pensions each parish contributes to the Church Pension Fund 7½ per cent. of the amount of the rector's salary. As the purpose is to have the plan in operation by the 1st of March, 1917, it is proposed to raise an immediate fund of five million dollars toward providing pensions for those who are now approaching the retiring age. The larger part of this has already been pledged, but without doubt additional contributions to the permanent Church Pension Fund will always be acceptable.

In all probability many wealthy men will contribute toward the permanent endowment of this fund, and there are many others who would gladly do so if they felt able to draw upon their working capital or resources to that extent. Many a man, who would like to contribute, say $10,000 to the fund, could not see his way clear to withdraw that amount of money from his business, but in many cases he could easily contribute, say $500 a year, to pay the premium upon a 20-year endowment policy of $10,000 on his own life in favor of the fund.

Among our agents are undoubtedly many who are connected with the Episcopal Church and who already know of this project. They also know many broad-minded, liberal members of the church who might easily be induced to carry endowment insurance for the benefit of the fund. Why not interview some of these people? In any event, this is a subject upon which the agent could readily get a hearing with the prospect. The latter might be reluctant to talk life insurance in the usual way, but he is interested in his church and in the beneficent project proposed, and will readily talk about that. He will even in many cases be grateful to the agent who can show him a practicable method by which he can contribute handsomely to the Church Pension Fund, though he may already have all the life insurance that he needs on his own account.

Haley Fiske on Insurance Brotherhood

(Continued from page 6.)

by the companies. One life insurance company has thus had examined fifteen thousand of its policy-holders.

Broad Service Performed

One company with nearly thirteen millions of policies in force has issued large numbers of pamphlets and leaflets on health and disease to its policy-holders and has an expert constantly studying morbidity from many points of view, especially occupational diseases, and publishes the results.

Another company, with over sixteen millions of policies, has an elaborate system of education and of fighting disease and ameliorating sickness. It has circulated one hundred and forty millions of pamphlets, leaflets and magazine articles in several languages upon such subjects as Tuberculosis (six millions), Care of Children (two and a half millions), Teeth, Tonsils and Adenoids (same number), Health of the Worker, Care of Babies (six millions), Milk (five millions), Flies and Filth (six millions), Typhoid Fever, Scarlet Fever, Diphtheria, Measles, Whooping-Cough, Cancer, Pellagra, Hookworm, Infantile Paralysis, Smallpox, and has distributed thirty-four millions of paper drinking-cups. It exhibits health educational booths at county fairs, as many as 125 in a year. It assists health officers in clean-up campaigns in over 250 cities. It has made surveys of several large cities to discover and tabulate the amount and causes of sickness. It has helped the authorities to enforce housing laws; distributed ballots on votes for municipal sanatoria and additional school houses; co-operated with anti-tuberculosis societies; agitated in legislatures and among health officers for systematic and accurate vital statistics. It has co-operated with the Federal Government in a survey of unemployment in 44 cities—a survey covering three millions of lives. Its most remarkable work on lines of health is a system of furnishing free the service of trained nurses among sick policy-holders, whose visits number a million a year; the nurses attend the sick and give instruction to the families in hygiene. Over six and a third millions of these visits have been paid. It has entered into a kind of partnership with two States to get trained nursing to every sick inhabitant. The company has built a sanatorium for tuberculous employes and is building a rest house for convalescents from other diseases. The sanatorium is a center of study of the White Plague, its prevention and cure, and carries on correspondence and reciprocal visits with like institutions. Of about 500 treated, including those still in the institution, it has discharged as cured (or arrested and quiescent cases, as physicians say) 35 per cent. in two years' work, although at the start over 8 per cent. of the cases sent were far advanced, 61 per cent. moderately advanced, and many are still under treatment. It is now paying for the work of taking over a whole town, making a survey to determine what inhabitants are infected with tuberculosis, then of isolating the patients, nursing and treating them—in an effort to find out whether such work will result in stamping out tuberculosis altogether from the community. Altogether the company spends more than a million dollars a year in welfare work. The company medically examines its twenty thousand agents and employes annually for the discovery and treatment of incipient disease.

Solving Economic Ills

It seems to us that the best thought of the age has fixed upon insurance as the solvent for most of the economic ills of society.

WE have room just now for two or three good men—not the Million Dollar producer who takes it out in talk, but the man who can average $100,000 of personal business, plus experience in appointing and working with agents. Men who become valuable to this Company grow in value to themselves. We cannot guarantee your success, but we will give you a real opportunity, then it's up to you. Would you like to hear about it further?

Pittsburgh Life and Trust Co.

Home Office, Pittsburgh, Pa.

HOWARD S. SUTPHEN
Vice-President & Manager of Agencies

A PITTSBURGH COMMENT

"Insurance World" Says Some New York Companies Indirectly Violate Limitation Feature

Under the heading "Pennsylvania and New York Laws" this editorial has been published by "The Insurance World" of Pittsburgh:

"The Pennsylvania legislature could make a big mistake by following too closely the laws of New York State regarding limitations in life insurance, for the simple reason that the New York laws are not effective in practice. The New York Insurance Department is well aware of the fact that the real purpose of the expense limitation feature is not carried out. Some companies operating in New York—in fact, New York companies—are paying excessive prices for business, but they are doing it 'through the back door.' True, they pay a schedule outlined by the New York legislature, but what is paid in addition thereto? Contracts are made stipulating a service to be rendered for the excess compensation, but among life insurance men it is well known that the idea is merely a subterfuge in most instances. It is excess compensation for securing business. It may be called 'caring for old business,' 'expense of office, etc.,' but there is no denying its real purpose. If Pennsylvania is to have legislation of this nature, it should be such as to place all companies on an equal basis. There should be no avenue whereby some companies may spend almost double the requirements under which other companies are trying to do business. The Pennsylvania Insurance Department should see to it that it is not used as a catspaw for extracting burned chestnuts."

ACKNOWLEDGMENTS

The Eastern Underwriter has received additional holiday cards from E. E. Clapp & Co., James J. Hoey, Insurance Company of North America.

Ambitious, Productive and Trustworthy Life Agents may be benefitted by corresponding with the

Berkshire Life Insurance Company
of Pittsfield, Mass.
Inc. 1851

New policies with modern provisions Attractive literature
W. D. Wyman, President W. S. Weld, Supt. of Agencies

FOUNDED 1865
Unexcelled In Favorable Mortality and Economy of Management
The Provident Life and Trust Company
OF PHILADELPHIA
Rates of Premium Extremely Low and still further reduced by Annual Dividends

How to Present Long Term Endowments

PRIZE ESSAY OF J. G. PURKY, AETNA, INDIANAPOLIS

Long List of Advantages—Called "Best All-Round Policy on the Market"

J. G. Purky of Indianapolis, won a prize in a contest among Aetna Life men through a paper on "How to Present Advantages of Long Term Endowments." Mr. Purky's essay follows:

The best argument I know of in favor of long-term endowments, is to buy one for yourself. Any salesman can best sell that which he believes to be best. Justify your prospect's confidence in you by buying for yourself that which you are asking him to buy, and a thorough knowledge of the long-term endowment will convince you that it is the best life insurance written. Lay your own policy before your prospect; that gets his attention, and every argument you advance is proved then and there. Your own policy creates a psychological effect which cannot be brought about in any other way.

Favorite Prospect

Twenty payment life is a deservedly popular form of life insurance, and the prospect with a leaning to twenty payment life is my prospect for long term insurance. Many men will not admit, even to themselves, that they are actuated by any selfish motive in considering life insurance, yet the "big drive" is often started by playing up the cash values at the end of a given number of years, and this convinces me that your average prospect considers the reserve his special and personal equity in the contract. Mr. Prospect, without reservation, also feels that as the head of the house (present or future) he is the one most eminently qualified to "put the money where it will do the most good," and the chances are that in this he is right. I never knew a wife or mother who speculated very extensively as to how or where she would invest the proceeds of a life insurance policy, under which she was beneficiary, prior to the insurance becoming a claim; though a man usually knows some years in advance what he expects to do with the proceeds of a maturing endowment.

The prospect's family history has much to do with the selection of form best suited as regards period of endowment and attained age at time of maturity. Some will consider age 60 a favorable age for maturity, while others may feel that age 70 is not an extreme age. Age 65 strikes me as more generally appearing. A prospect whose ancestry is noted for longevity, prefers to base his expectancy on family history rather than on the insurance tables. The point, though, is to get the application, so let Mr. Prospect have his own notions regarding his expectation of life. I prefer to talk the twenty payment plan, or thirty or thirty-five year endowment, as this comes more nearly meeting our prospect's preconceived ideas as to premium outlay per $1,000 insurance.

Comparison

Let us consider as a basis of comparison the commercial twenty payment life policy with the twenty payment thirty-year endowment non-participating, at age 35. (I might add here, however, that if figures were available the participating plan might show to advantage.)

Commercial twenty payment life, annual premium $29.59 for twenty years, equals $591.80 total deposit, and policy fully paid for life. Twenty payment thirty-year endowment, annual premium $34.22 for twenty years, equals $684.40 total deposit, policy fully paid and maturing as an endowment for its face value $1,000 at age 65. During twenty years the insured will have deposited with the Company $92.60 more on the endowment than on the life plan. But at age 65 his cash value on the twenty payment life is $688; whereas the value of his endowment is $1,000, a difference in favor of the endowment of $312.

Put that on paper before your prospect and he begins to think in terms of real money. Here is a clear gain of $219 on a total investment of $92.60 distributed over a period of twenty years, calling for an annual deposit of only $4.63.

Here we have a life insurance contract which becomes fully paid in twenty years, terminating the premium payments at an age (55) when he may still buy additional insurance. He will have created an estate free from taxation or any other encumbrance. Combined with this is an investment feature—which is safe as a government bond, and for yield it is in a class by itself.

This form of contract is sufficient answer to every objection any one can raise to life insurance. Here are a few of the things it provides: $1,000 cash dead or alive any time before not later than 65, for a deposit of less than four per cent. a year for twenty years. If you live you get it; if you die the folks get it. If you are totally disabled, you get it. You can borrow money on it from any bank in the U. S. A. It's negotiable—you can sell it. Once under way, it goes merrily on. In fact, I think it the best all-round policy on the market, and it appeals to young men because they can see their way out.

TWISTING CASE

General agents in Philadelphia are considerably exercised over a twisting case which may be brought to the attention of the Pennsylvania Insurance Department. Harold Pierce, a leading writer of the New York Life, and other Philadelphia men have been holding conferences relating to the case.

TRAVELERS' CONVENTION

The Travelers will hold its agency convention on September 4, 5 and 6 at some Atlantic seaboard place. To attend agents must have written at least, twenty-five new risks between January 1 and June 30.

Deputy Commissioner Stoddard, of the New York Insurance Department, has been investigating alleged activities of Pension Mutual men agents in New York State.

Largest of all Policies Written

CONTRACT CALLS FOR COVERAGE OF 40,000 EMPLOYES

$30,000,000 of Insurance Upon Lives of Union Pacific Employes Latest Equitable Group

All insurance records are broken in a contract just completed involving over thirty million dollars of insurance upon the lives of the forty thousand employes of the Union Pacific Railway System. This insurance contract was written by The Equitable Life Assurance Society on the group plan.

Under the group plan the Equitable provides insurance equivalent to one year's salary not to exceed $2500 on each employe of the Union Pacific. In combination with the Equitable's policy the Continental Casualty Company of Chicago provides group health and accident insurance covering payments for injuries and disabilities on the same lives. The insurance covers everyone who has been one year in the employ of the Union Pacific Railway System which embraces the Union Pacific Railway Company of Utah, The Oregon Shortline Railway Company of Utah and the Oregon, Washington Railroad & Navigation Company of Oregon. An announcement giving the full details of the insurance has been posted on the lines of the Company and becomes effective midnight to-night.

President William A. Day, of the Equitable, said that this transaction was particularly gratifying as being the largest of the kind and setting a new record for insurance contracts in both the life and casualty lines. Since the inauguration of group insurance, says President Day, in 1912 life insurance records have been consistently tumbling. At that time the Equitable broke all records in the Montgomery Ward transaction which aggregated seven million dollars of insurance. Later the honors went to the Studebaker Corporation when the Equitable covered ten thousand employes. A yet larger policy was issued by the Society late last year to The B. F. Goodrich Co. covering eighteen thousand workers. The Union Pacific transaction is, therefore, a new high record for insurance.

MUTUAL'S NEW CLAUSE

Company Discusses Disability Feature —Does Not Displace Waiver of Premium Clause

The Mutual Life makes the following explanation to agents about its new disability clause:

It is important that the agent remember that the new disability clause does not displace the waiver of premium clause. The waiver of premium clause will be continued in its present form as a separate offer. Therefore, in the next edition of the rate book, three sets of rates will appear, as follows: (1) For policies having no disability clause of any sort; (2) for policies with the "present waiver of premium;" (3) for policies with the new "disability benefits," which includes both waiver of premium and annual income payments.

As in the waiver of premium clause, the additional premium which is to be charged for the new clause, will cease when the policyholder becomes sixty years of age, and the regular normal premium, if any, will then prevail.

The new clause will not be granted in excess of $25,000 on a single life, and the usual restrictions that apply to the present waiver of premium clause will be observed in granting this new benefit.

Here a possible question arises inasmuch as it has been possible and will continue to be possible for the applicant to secure "waiver of premium" on insurance up to and including $50,000 in amount. However, if a person is already insured in the Company for $50,000, with the waiver of premium clause covering the full amount, it will not be possible for him to secure the new clause in any additional policies that he may take out. If he has the waiver of premium clause on but $25,000 of insurance, he can secure the new clause on an additional $25,000. In brief, it will be impossible for any policyholder to secure disability clause protection on insurance in excess of $50,000, by having the waiver of premium clause incorporated in some policies and the new clause in others.

The adoption of the new provision makes necessary a slight change in question 12 of the application. The new applications, specimen policies, and explanatory leaflets are now being forwarded to the managing agencies.

It must be remembered that all new policy provisions are subject to the approval of the insurance departments of the several States wherein the Company is operating. With the exception of Canada and Wisconsin, where the laws conflict with the use of a disability clause such as that which the Company now offers, the new benefits will generally apply.

The Company has always stood ready to broaden its policies and to take on new features whenever such action seemed desirable, constructive, and useful. In its adoption of the new "Disability Benefits," it believes that it fully meets the demand of the public for broad disability protection in connection with life insurance.

Colonel A. S. Fowler, general agent of the Massachusetts Mutual Life at Little Rock, November 15, has been with that Company for thirty years. He had been for many years, prior to 1886, Deputy United States Marshal for the Ft. Smith district, his jurisdiction bordering on what was then the Indian Territory, and during the '70s and '80s his district contained some of the worst men in the country. The colonel had many hairbreadth escapes, but always came in with his man. After the election of Grover Cleveland as President in 1884, all Republican officeholders took a vacation from the government's service. Colonel Fowler, who was a veteran of the Civil War and a profound admirer of General Grant, joined the exiles, and at once began to place copies of Grant's Memoirs in Little Rock and adjacent territory. He was very successful.

ORGANIZED 1871

Life Insurance Company of Virginia

RICHMOND, VIRGINIA

OLDEST - LARGEST - STRONGEST
Southern Life Insurance Company

Issues the most liberal forms of Policies from $1,000.00 to $50,000.00

CONDITION ON DECEMBER 31, 1915:

Assets	$ 12,629,857.65
Liabilities	10,818,731.99
Capital and Surplus	1,811,125.66
Insurance in Force	104,822,701.00
Payments to Policyholders since Organization	16,811,250.99
Is Paying its Policyholders over	$ 1,350,000.00 annually

GOOD TERRITORY FOR LIVE AGENTS

THE MOST VALUABLE POLICY FOR YOU,
Mr. Agent, is to write your prospect in the Company writing the most valuable policy for the insured.
Secure **prompt action** in the

John Hancock MUTUAL LIFE INSURANCE COMPANY OF BOSTON MASSACHUSETTS

WILLIAM N. COMPTON, General Agent
METROPOLITAN DISTRICT, ST. PAUL BLDG., 220 BROADWAY, NEW YORK, N. Y.

THE EASTERN UNDERWRITER

This newspaper is owned and is published every Friday by The Eastern Underwriter Company, a New York corporation, office and place of business 105 William Street, New York City. Clarence Axman, President; B. F. Hadley, Vice-President; W. L. Hadley, Secretary. The address of the officers is the office of this newspaper. Telephone 2497 John.

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INSURANCE STOCKS

That investment in insurance company stock is profitable when one "knows how to buy" is shown in the inventory of the estate of Lyman B. Brainerd, late president of the Hartford Steam Boiler. He owned stock in seven insurance companies, and every investment he made turned out to be a good one.

FRANK LOCK'S REVIEW

For a number of years now Frank Lock, United States manager of the Atlas, has written a review of fire underwriting at the close of each year for the "Journal of Commerce." Because Mr. Lock has that rare type of mind which enables him to examine the past, grasp the present, forecast the future and indulge in philosophical reflection, while successfully operating a fire insurance company in a large territory, his annual diagnosis is always awaited and read, particularly as he combines with many other gifts that of attractive literary writing.

It is pleasant news to those persons who have had neither the time, nor taste, nor talent to analyze fire underwriting conditions on a large scale carefully that the tone of his article this year is decidedly optimistic. He doesn't see clouds on the fire insurance horizon that the sun will not pierce through. True, rates are still declining, having gone from 1.14 in 1907 to an average last year of less than 1.00 (striking the lowest bottom "since the demoralized days of 1899"), but as against this there has been a tremendous enhancement of values, the business of the nation being so large that activities have been "almost feverish." It is true that fires of conflagration magnitude have made the aggregate losses of the year almost equal, if it does not equal, "the high water mark of 1914," but expenses for the first time in many years are not showing an advance, there is no special evidence of bad moral hazard, there is a better and closer relationship between insurance and the public, there is no evidence of competition more strenuous than ordinary (so that each company is likely to get its quota of business), there is every possibility that the present premium incomes will be maintained, and there is a gradual strengthening of the financial position of companies, although there will never be heavy and general distribution of profits.

A fly in the ointment is the steady climb in taxation, and as for the individual States the situation in South Carolina and Texas is not satisfactory.

Undoubtedly the most interesting event of the year seen by Mr. Lock is the Black Tom explosion, which loss he figures to be $12,000,000, and says:

> It is likely to be many a long day before the last is heard of the Black Tom losses, but, meantime, as in the case of San Francisco, the companies have done their full duty by shouldering an immediate liability to the insured in both instances, for which no premium consideration was ever paid, as neither the contingency of the earthquake in one case nor of the explosion in the other was ever considered or compensation paid for them.

In the course of his review Mr. Lock even stops a moment to discuss the annex question, reaching the thought that, "There is no escaping the conclusion that those companies which are the great bulwark of the American Agency system do not feel strongly prejudiced in this matter or they would find a solution. It is equally true that the great bulk of agents do not feel strongly prejudiced or they would find a solution."

Discussing another subject of keen interest to agents he says anent general cover contracts that the problem to be solved is how to give a needed convenience to a legitimate phase of business, which at the same time shall protect the interests of the agents locally, shall secure obligation of State laws, shall provide for the collection of all taxes and shall give to the insured no other benefit than the convenience of the form of contract.

In the course of a seven column article Mr. Lock skates on a lot of thin ice, but after reading his premises and conclusions carefully no one can say that he has cracked it at any spot.

INSURANCE JOURNALS

A company's view of insurance journals is always worthy of reproduction, and an editorial in the current issue of the "Pacific Mutual News," issued by the Pacific Mutual Life makes several points of significance to field men:

> Every life insurance agent should subscribe to at least one of the periodicals devoted to his business. In every professional and technical vocation the class journal is considered an essential medium for keeping posted on progress and development. It is as necessary and valuable in our calling as in any other. It is not sufficient to command the loan of the publication. It should be owned so that a file may be retained or clippings transferred to a scrap book.
>
> Several life insurance publications devote pages of each issue to articles of the highest practical value. A single paragraph may afford a suggestion from which a commission of a hundred dollars or more may be gained. The agent who ignores such aid deliberately deprives himself of many opportunities for increasing his business. It is a notable fact that the most successful life insurance agents are regular readers of life insurance journals. This is no more than saying that the most successful agents take advantage of all the means available for promoting their business.

THE HUMAN SIDE OF INSURANCE



CHARLES F. COFFIN

Charles F. Coffin, president of the American Life Convention, and vice-president of the State Life of Indianapolis, has received many congratulations on the able manner in which he presented the tax situation in a talk before the Association of Life Presidents. Mr. Coffin's prestige in the life insurance business has grown with the years and today he is looked upon as one of the most level-headed and successful men in the business. In introducing him to the Life Presidents' convention Chairman W. A. Day referred to Mr. Coffin as "one of the pioneers of insurance in his State, one of the builders up of his Company, and a man who has stood for sound insurance, sound principles as between the companies and who has contributed largely to the spirit of co-operation between us and our sister organization, the American Life Convention." Mr. Coffin was one of the organizers of the State Life and is the only active officer among the organizers.

* * *

Col. Fred W. Fleming, of the Kansas City Life, has been named a director on the board of the Federal Reserve Bank of Kansas City. His term is for three years. At the time of Colonel Fleming's federal reserve bank appointment a year ago he received the endorsement of every national bank in Greater Kansas City.

* * *

James B. Moody, Jr., a well-known Hartford newspaper man who went into the life insurance business a few years ago, has made a rapid success. He has just been made superintendent of agents in the Connecticut agency of the New England Mutual Life.

Mr. Moody entered the insurance business after some years as a newspaper reporter. He came to Hartford from Springfield, Mass. In 1910 he entered the employ of the Travelers Insurance Company, where he spent six months in the training school. He was later sent to Des Moines, Ia., as cashier for the Travelers agency there. Later he was made a special agent for life and accident insurance for the Travelers in Iowa. In 1914 he returned to Hartford, and was taken on by Lee C. Robens, general agent for the New England Mutual Life Insurance Company. In August, 1914, he was made a special agent, from which place he is now promoted to agency superintendent.

Leonard Jerome Philp, associate editor of The Eastern Underwriter, and a member of the staff of this paper for some years, has resigned to become secretary to Robert Lynn Cox, third vice-president of the Metropolitan Life, who will have charge of the new farm loan department of the Metropolitan. Mr. Philp, who has made a reputation in insurance journalism as an able diagnostician of insurance conditions and as an attractive writer, began his newspaper career on the New York "Sun." His journalistic experience also included work for San Francisco and other daily papers. He has traveled extensively, knows men and conditions, and will undoubtedly score a success in his new connection. He leaves The Eastern Underwriter with the best wishes of the members of the staff.

* * *

George Kuhns, president of the Bankers Life, says the Des Moines "Evening Tribune," made his own way through Iowa State College at Ames by working out poll taxes for his professors. When he finished he not only had earned money to put him through school, but had saved some to give him a start in business.

He worked many a long Saturday, he relates, on the big grade between the college and the town of Ames. The future life insurance company head wore overalls, a big hat, and sweated like any other laborer. Mr. Kuhns has been with the company of which he is now the head for twenty-three years. His first work was in the field, but later he entered the home office and took charge of the entire agency force. He was elected vice-president of the company in 1911 and president only recently. The one sport in which Mr. Kuhns excels is fishing. He has fished in the Great Lakes and all the little lakes wherever there are fish. He has fished in the Pacific and Atlantic oceans, in Puget Sound and the Gulf of Mexico. He has fished in Lake Okoboji and the Des Moines River. In one month he caught four tarpon over five feet and a half in length, each one entitling him to the gold badge of the Tarpon Club. He has on exhibit in his office a tarpon five feet ten inches long which he captured last summer. The fish was taken on a line little larger than a thread and with a pole weighing six ounces. It weighs 146 pounds.

* * *

Anton Adolph Raven, former president and now chairman of the board of directors of the Atlantic Mutual, celebrated the sixty-fifth anniversary of his connection with the company yesterday. Mr. Raven started with the Atlantic Mutual as a clerk at the age of 18, a few years later being made underwriter. He then advanced successively to the position of fourth, third, second, and first vice-president and president, retiring in 1914 when he was made chairman of the board of directors. Yale University uses a text book on marine insurance written by him and in marine insurance circles, his counsel is always given due consideration.

* * *

George Leisander, of the Germania Life, who has been president of the San Francisco Life Underwriters' Association for the past year, has been unanimously re-elected to that office. So successful has been his administration that the attendance at the monthly meetings of the association was doubled.

* * *

Julian S. Myrick, of the Mutual Life, has been renominated for the presidency of the West Side Tennis Club.

FIRE INSURANCE DEPARTMENT

Some Comments on Treaty Business

RELATIONS OF COMPANIES TO THEIR CLIENTS

"Conflagration Excess Policies" in Cities of More Than 70,000 Population—Opening for Americans

By H. P. BLANCHARD

The method of ceding business to the treaty is both simple and concise, which greatly minimizes the work compared with that attending voluntarily re-insuring a risk in one or more companies, because of the fact that treaty re-insurance is declared on bordereau sheets, and no copy of the policy required, or an exchange of policies.

It is the servant of the house, so to speak, and take off much of the drudgery with the least possible trouble, and therefore must be treated with consideration.

It abides entirely by the insured's judgment of underwriting, and seldom talks back or criticises. It does not ask for accommodation.

The quality of indemnity is usually unquestioned. Seldom, if ever, has the insured been called upon, by reason of failure, to replace his re-insurance and pay for it a second time.

Honorable Rather Than Legal Obligation

Notwithstanding the definite and specific conditions set forth in any treaty agreement, it is nevertheless always to be interpreted and treated as an honorable acknowledgment of business relationship, rather than merely a legal obligation, and to this end the insured should, if anything, always give the re-insurer every consideration, thus not only doing what is right, but establishing confidence and trust, which will make for mutually satisfactory relationship. For instance, in authorizing an accommodation line through an agent, in my opinion the treaty should not be considered or committed, for should a treaty extend its authorization to be bound for twice or three times the insured's net line, it would be unfair for the insured to accept a line on any undesirable risk for a greater amount than he would carry net, simply to put a larger commission in the agent's pocket, and show him what great carrying capacity he had, and thus commit the treaty on a bad risk, for possibly twice or three times more than he, the insured, was carrying himself. There is no honor in this practice, nor can there be any good in such methods.

In the first place, it is not good underwriting, and creates an erroneous impression with the agent or broker, which will reflect against the insured and prove costly to the re-insurer. It is a breach of confidence which will ultimately destroy reputation, without which interchange of business is fraught with suspicion.

"Going It Blind"

While the treaty "goes it blind," so to speak, by accepting everything that is ceded to it, without criticism or right of cancellation, it nevertheless occupies a comfortable position when its contracts are made with conservative underwriting, profit-making companies, as it is not subect to the multiplicity of troubles and expenses the insured is.

The problem of underwriting does not concern it in the least, if it is sagacious in choosing its insured.

The cost of putting the business on the books, taxes, assessments, advertising, etc., is borne by the insured; and in such states that require the re-insurer to pay a tax on business written in that state, provision is usually made to have the same refunded by the insured.

To further simplify matters, the business ceded to it is segregated by states, each state on a different colored bordereau sheet, so that when the bordereaux reach the head office, it is only a matter of checking, adding machine, and single entry bookkeeping.

The question of overlines never seems to enter into serious consideration with a re-insurer, even though it may have several contracts with different companies operating in the same field, which many times subjects it to double lines on the same risk. I understand, however, that they can make provision for the conflagration hazard by purchasing a unique form of contract known as a "conflagration excess policy," which would protect them for a given amount in excess of a stated amount: but they do not take advantage of it in cities of less than 70,000 population.

Why should there not be more American treaty companies is beyond me. Probably we were following the old-established policy of the foreign companies, who practised re-insurance only in countries other than their own, in order to more greatly distribute the liability.

TERM BUSINESS

A leading underwriter who is a student of rates said this week that more three year term business had been written in 1916 than during any other twelve months. He thought that this should be considered in any discussion of reasons for declining rates.

40,000 FACTORY OCCUPANCIES

In his speech before the Safety First Federation in Baltimore Fire Commissioner Adamson said that there are 10,000 factory buildings in New York City, with 40,000 separate factory occupancies. Many of these factories have been inspected this year.

Some time ago the department established a monthly "housekeeping" inspection by firemen for the detection and removal of fire-breeding conditions, (largely outside of the factory zone) as a result of which 1,224,177 inspections were made in 1914; 1,500,000 in 1915, and an equal number in 1916.

Iowa National Fire Insurance Co.

DES MOINES, IOWA Capital Stock $500,000

The latest addition to Reliable Fire Insurance organizations will begin Writing Business on January 1, 1917

JOHN L. BLEAKLY, President

F. L. MINER, Vice-President

C. S. VANCE, Underwriting Manager

FRANK P. FLYNN, Treasurer

C. M. SPENCER, Secretary

FIRE AND MARINE INSURANCE—ALL LINES

The Automobile Insurance Company of Hartford, Conn.

MORGAN G. BULKELEY, President

Statement January 1, 1916

Cash Capital	$1,000,000.00
Assets	2,377,857.39
Liabilities (Except Capital)	467,413.45
Surplus to Policyholders	1,910,443.94

AFFILIATED WITH

ÆTNA LIFE INSURANCE COMPANY

THE ÆTNA ACCIDENT AND LIABILITY CO.

N. B. & M. CHANGES

Collinson Special Agent of Auto Department—Ikier and Ebbets Divide N. J. Field

Daniel H. Collinson, special agent of the North British in Central New Jersey, has been appointed special agent of the automobile department of the North British & Mercantile, Mercantile and Commonwealth insurance companies, and the New Jersey field of the three companies has been divided between Edward E. Ikier, who will have South New Jersey; and C. H. Ebbets, who will have North New Jersey.

IN FIELD FOR FRED S. JAMES & COMPANY

P. A. Cosgrove has been appointed special agent for the Fred S. James & Co. companies: General, Urbaine and British Dominions. His territory is New York, Massachusetts, Rhode Island and Connecticut. For the past seven years he has been special agent for the Fidelity-Phenix in Massachusetts, Connecticut and Vermont. His appointment takes effect January 15.

GERMANIA PROMOTIONS

L. F. Goule has been made secretary of the Germania Fire. He has been manager of the Eastern department. G. H. Kehr, son of Gustav Kehr, has been made assistant secretary. Gustav Kehr, who relinquishes the duties of secretary, continues as vice-president.

NORTH BRANCH FIRE INS. CO.
Sunbury, Pa.
Inc. 1911

Assets	$515,049.38
Reserve	138,148.22
Capital	275,000.00
Surplus	78,171.37

CITY INSURANCE COMPANY
Pittsburgh, Pa.
Inc. 1870

Assets	$172,302.60
Reserve	27,678.96
Capital	100,000.00
Surplus	42,986.21

OPERATING ON A CONSERVATIVE BASIS IN A LIMITED TERRITORY UNDER AN EXPERIENCED MANAGEMENT

Violations Section of Philadelphia By-Laws

PROVIDES FOR FINES OF $2 TO $25 PER POLICY

Right to Appeal to Executive Committee—Suspension Section—Schedule of Fines

The "violations" section of the by-laws of the Philadelphia local association, which by-laws are to be voted on this month, follows:

ARTICLE XII.

Violations

Section 1. In case any of the company members or associate members shall have reason to believe that any party hereto has violated this agreement, confidential notice of the fact shall forthwith be given to the Executive Committee through the Secretary.

Sec. 2. In case the Executive Committee shall determine that this agreement has been unintentionally violated in any particular, the violation must be corrected within ten days after date of notice thereof. The Executive Committee, in its discretion, may impose a fine for such violation of not less than Two, or more than Twenty-five Dollars per policy, and the party adjudged liable shall forthwith pay the same or suffer the fine to be deducted from said party's deposit as hereinafter provided.

Sec. 3. If the Executive Committee shall determine the violation to have been intentional, and if the party accused shall deny the violation, or that it was intentional, the Committee shall select a disinterested person to act as umpire and shall be answerable for his compensation.

Sec. 4. The umpire shall give both the Executive Committee and the accused at least ten days' written notice of the time and place of his hearing. The notice to the accused shall contain a specification of the charge against him. The Executive Committee shall be represented before the umpire by counsel or otherwise. The party accused shall appear in person and shall be entitled to counsel. The umpire shall have the right to interrogate the accused and all persons appearing before him. The accused and all other persons interrogated shall be bound to answer, and, if thereto requested by the umpire, shall make their answers in the form of an affidavit. If after due notice the accused fails to appear, the umpire may proceed with the hearing in his absence.

Sec. 5. If the umpire shall determine that the agreement has been intentionally violated, otherwise than by the issue of a policy below the cost fixed by the Association, he shall impose a fine for each violation. Such fine shall not exceed Fifty Dollars ($50) for each violation on the first conviction, or One Hundred Dollars ($100) for each violation on second conviction, or Two Hundred Dollars ($200) for each violation on third conviction. If the umpire shall determine that the intentional violation consists in the issue of a policy at a cost to the insured below that fixed by the rules of the Association, the fines above provided for shall in each case be increased by the addition to the agent's fine of a sum which may equal but shall not exceed the amount of the gross commission in the transaction. In case the company is likewise adjudged guilty, the fines above provided for shall be increased by the addition to the company's fine of a sum which may equal but shall not exceed the difference between the cost charged the insured and the cost which should have been so charged.

Sec. 6. The person adjudged liable to fine shall have the right to appeal within five days to the Executive Committee and submit the case to them in writing. The Committee shall then call a meeting of the members and shall submit to the meeting the written statement of the appellant and written counter-statement, if any, of the Executive Committee. The decision of the meeting shall be final.

Sec. 7. In case the decision of the umpire imposing a fine is unappealed from, or is affirmed on appeal, the fine imposed shall forthwith be paid to the Treasurer or deducted from the deposit of the party liable as hereinafter provided.

Sec. 8. Each company member shall forthwith deposit with trustees appointed by the Association $100 for each and every direct reporting policy-writing agency or home office. All fines imposed as hereinbefore provided, for violations of this agreement, shall be deducted by the trustees from this deposit and the amount so deducted shall be paid over to the Treasurer. A sum equal to such deduction shall, within ten business days after notice thereof, be paid to the trustees by the party whose deposit shall have been thus reduced. Failure to make good the deposit within the time specified shall entitle the Executive Committee at their option to declare a forfeiture of the remainder of the said deposit and such declaration shall be an authorization to the trustees to pay over said remainder to the Treasurer for the use of the Association. Any interest accruing upon deposits shall be credited by the trustees to the several depositors pro rata.

Sec. 9. Continued and persistent violation of the Constitution and (or) By-Laws and (or) rules may cause the Executive Committee to consider the expulsion or suspension of any member if, in their judgment, it be necessary for the good of the Association, and the maintenance of its rates and rules which are intended to prevent discrimination among risks or persons.

MORISON MAP SYSTEM SOLD

Well Known Eastern Insurance Men Purchase Invention of a Seattle Special Agent

The Morison map system, a card index system invented by Henry A. Morison of Seattle, has been taken over by the Underwriters' Map Association on a royalty basis. The committee of the association represents some of the best-known names in the fire insurance world. Col. A. H. Wray is chairman, and other members are John O. Platt of the Insurance Company of North America; E. J. Sloan, of the Aetna; Frederick C. Buswell, of the Home; Frank Locks, United States manager of the Atlas; John Marshall, Jr., of Chicago, western manager of the Fireman's Fund. Charles Holman, assistant United States manager of Commercial Union, is treasurer, and headquarters will be maintained at 55 William street, New York.

ADAMSON APPEALS

Commissioner Adamson has appealed the decision of the Appellate Division, which in brief says that he can compel owners of property to install fire apparatus, but cannot compel them to make structural changes in the building.

DISBELIEVES IN MUTUALS

New England Factory Mutuals Only Exception, Says Broker Writing in Agents' Paper

Writing in the organ of the National Association of Insurance Agents a broker gives his views regarding mutual insurance companies as follows:

"I am not a great believer in mutual insurance. The New England Factory Mutuals are about the only class which have been universally successful, and I doubt whether there is an opportunity for any other class of mutuals insuring hazards other than fire, that can duplicate their record. We all know that stock companies do not make a great profit on their underwriting, and that the difference between the cost of stock insurance and mutual insurance is generally the expense account. We also know, that it is almost impossible for the stock companies to reduce their expenses.

"It follows therefore that mutual companies (other than the New England Mutuals) do not maintain the same organizations and the same experienced staffs for the purpose of safely conducting their business, as do the stock companies.

"My experience is that the mutual companies (other than the New England Mutuals) are not as discriminating in the selection of their risks, nor do they have the large assets nor the average premium income from any risks throughout the entire country which makes underwriting safe. Again we know, that there have been more mutuals who have failed, than those who have succeeded. I do not believe that mutual insurance is as good as stock company insurance, and I think that records will show that there have been more insureds who have been the losers through their confidence in mutual schemes, than there have been those who have profited."

ACETYLENE GAS EXPLOSION

The Madison Hotel, Mt. Holly, N. J., was destroyed by the explosion of an acetylene gas plant.

The terrific force of the explosion completely lifted a greater part of the building from the first story up, spread out the sides of the main portion and caused it to drop—a mass of debris. The building was lifted about four feet from the first story and some of the men in the bar room were blown through the opening before the structure fell.

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Philadelphia Fire Mutuals Discussed

PHILA. "COMMERCIAL LIST" REVIEWS SITUATION

Transportation Mutual's Premiums Increased Last Year Along With Losses—Lumbermen's Mutual

The Philadelphia "Commercial List and Price Current" contains some details about Philadelphia fire mutuals which are reprinted herewith. The Philadelphia paper takes up the affairs of the Transportation Mutual Fire and says that notwithstanding the fact that the losses paid were $148,958 greater last year than the previous year—they were $536,574 net, premiums $515,009—the assets were diminished only $20,172 and the net surplus reduced only $64,024. The gain in insurance during the year was $724,896.

Continuing, the Philadelphia "Commercial List and Price Current" says in part:

"During the five years, from 1911 to 1915 inclusive, the admitted assets of the Transportation Mutual increased from $577,544 to $914,747, the surplus to policyholders from $414,253 to $544,301, the insurance in force from $47,444,208 to $64,229,414. The annual average of the net losses paid during the period including 1915, was $354,448 and of net premium income $499,049. The average ratio of management expenses to net premiums was 08.41. President Charles E. Mather and Secretary Henry F. Clark must be given credit for capable, conscientious and economical management."

The Eastern Underwriter made some comment recently on the loss record of the Mutual Fire, Marine and Inland Insurance Co., the principal executives of which are J. B. Hutchinson, president; Jno. M. Wood, treasurer, and Charles N. Rambo, secretary and superintendent. The Philadelphia publication quoted above continues: "The following figures, taken from the annual report issued by the Pennsylvania Insurance Department, present positive proof that the affairs of the corporation are judiciously and efficiently conducted and that satisfactory and dependable service is being rendered to policyholders.

"On December 31, 1915, the admitted assets amounted to $797,646 and the surplus to policyholders to $438,255," continues the Philadelphia paper. "During the five years, 1911 to 1915 inclusive, the sum of net premiums was $1,652,129 and of net losses paid was $1,094,664. In addition to the gross total paid to policyholders for losses they received dividends and interest aggregating $163,911. In the five years the net insurance in force increased from $60,158,695 to $89,678,115.

Net Premiums $500,309

"The Pennsylvania Lumbermen's Mutual Fire Insurance Company has been in successful operation since March 1, 1895. The executive management consists of Edward F. Henson, president; Richard Torpin and William Henry Smedley, vice-presidents; Harry Humphreys, secretary; Justin Peters, manager and assistant secretary; Edmund H. Coane, treasurer; James S. Young, assistant treasurer; H. J. Pelstring, assistant manager. Mr. Henson is the head of Edward F. Henson & Co., lumber, and treasurer of T. B. Rice & Sons Company, boxmakers. Mr. Torpin is the senior member of R. Torpin & Co., lumber. Mr. Smedley is president, Smedley Brothers Company, lumber and sashwork.

"Mention has been made that the losses incurred last year were $136,546. The net premium income was $500,304. The Company, on December 31, 1915, had steadily increased the admitted assets to $779,963 from $537,656 since 1911. The net surplus was $519,574. The premiums annually augmented from $402,225 in 1911 to the 1915 figures. The average net amount annually paid for losses in the period was $154,617. The net amount received by policyholders during the five years in settlement of losses was $773,088, and in addition they realized dividends aggregating $841,097. The growth of insurance in force was from $16,351,604 to $23,301,846.

"Two other Philadelphia companies are the Keystone Mutual Fire Insurance Company and the Manton Mutual Fire Insurance Company. Frederick A. Downes is the president and treasurer, and William M. Burgess is the secretary of both corporations, and the vice-presidents are prominently identified with manufacturing interests.

"The Keystone's net premium income in 1915 was $338,360, the net sum paid policyholders for losses was $30,509, and the insured received for dividends and interest $303,016. The total admitted assets on December 31, 1915, were $380,192, with a net surplus of $184,192. The net total of insurance in force was $43,952,822.

Manton and Standard

"The Manton, on December 31, 1915, had admitted assets $341,145 and surplus $153,838. The net premium income last year was $331,109 and the net sum paid policyholders for losses incurred was $30,198 and for dividends and interest the aggregate received by them was $292,690. The insurance in force was $41,682,547. The Keystone commenced business January 1, 1895, and the Manton March 1, 1894.

"During the past thirty-two years the companies returned to the insured 71 per cent. of the premiums they had paid and during the past ten years the refund was 90 per cent. The ratio of management expenses to premium income has at no time exceeded .06 per cent. During the eleven months of 1916 the increase in insurance in force of the Keystone was $4,406,442 and the increase in premiums was $29,933.70. The increase in insurance in force made by the Manton during the eleven months was $4,267,901 and premium increase was $28,945.69. The ratio of cash assets of the Keystone to premiums in force is 109 and of the Manton the ratio is 106. The losses paid by the Keystone during eleven months of 1916 was $10,483 and the amount paid by the Manton was $10,233.

"The Standard Mutual Fire Insurance Company paid in 1915 to policyholders in satisfaction of losses $32,522, along with which sum they received for interest and dividends $139,008. The net premium income during the year was $169,650 and the total income was $198,563. The total admitted assets on December 31, 1915, were $208,255, which had increased from $192,052 in five years. The surplus fund protection of policyholders was $101,020. The net amount of insurance in force during the five years had augmented from $19,541,651 to $23,415,986.

"The successful career of the Standard dates from January 1, 1893. The executive control embraces James Henry, president; E. H. Morris, vice-president; E. I. Atlee, secretary; H. C. Evans, assistant secretary; Joseph Fling, treasurer. Mr. Henry is first vice-president of the Kensington Trust Company, Mr. Morris is prominently associated with the yarn industry and Mr. Atlee is also president and treasurer of the Philadelphia Manufacturers' Mutual Fire Insurance Company."

CONVENTION YEAR BOOK OUT

The Convention Year Book, which contains all addresses delivered at the insurance conventions of the year, in fire, life and casualty, is off the press and can be secured for $2 from the "Insurance Advocate," its publishers. The volume is properly indexed and reproduces in readable form the constructive efforts of the big men of the business. Further details will be found in another column.

Hartford fires in 1916 amounted to $149,540.



CONFERENCE USE AND OCCUPANCY EXPLOSION

The conference Use and Occupancy Explosion form follows:

$ On the Use and Occupancy of assured's plant situate and occupied for

The conditions of this contract are that if the above-described plant or any of its constituent parts, its machinery or extra parts, or supplies and materials essential to and affecting or contributing to the mechanical operation thereof, shall be so disabled, damaged, or destroyed by explosion of whatever nature (excluding boiler or fly-wheel explosions originating within said apparatus and such explosions as may originate from any materials or processes incident to the business) occurring on the above-described premises during the term and under the conditions of this policy that the assured is entirely prevented from fulfilling contracts shown to be in effect prior to the happening of such explosion, and a loss in net revenue ensues therefrom, this Company shall be liable for an amount to be determined not exceeding $ per day (meaning thereby a period of 24 hours), and in case said plant is so disabled by explosion as to prevent the full daily average production, then this Company shall similarly be liable for the part thereof which is so prevented in that proportion which it bears to the full daily product as above.

This Company shall also be liable under similar conditions for the normal or regular use and occupancy of the plant (in the production of goods not under contract), which for the purposes of this insurance is agreed to be the full daily average yield (exclusive of the contracts previously referred to herein) for the 30 days immediately preceding such explosion.

In no event shall claim be made hereunder for more than the per diem limits named for total ($) and the proportionate part thereof for partial disablement.

Loss, if any, to be computed from the day of the occurrence of such explosion to the time when the said plant, with ordinary diligence and dispatch, could be restored and the normal average production thereof inclusive of contracts shown to be in effect at time of explosion be resumed, and is not limited to the date of expiration named in this policy.

It is warranted by the assured and made a condition of this contract that constant night watchman service shall be maintained; furthermore, that at times when plant is not in operation, constant day watchman service shall be maintained during the life of this policy.

Other concurrent insurance permitted.

Attached to and forming part of Policy No. ..... of the Queen Insurance Company of America.

NEWARK'S FIRE LOSS

City's 1916 Experience Shows Decrease of $20,000 and Total of $975,000—Causes Tabulated

The Bureau of Combustibles and Fire Risks of Newark anounced on Saturday that, in 1916, the fire loss of the City had been reduced by $20,000 over that of 1915 and $250,000 over that of 1914. The total for the year was $975,000.

Captain C. A. Gasser, of the Bureau, prepared a chart showing the number of fires, number of alarms, and the causes of the fires. The total of alarms investigated was 1,789.

Park, Harrison & Thompson have incorporated in Buffalo, N. Y. Roswell Park is president; John M. Stoney, Jr., vice-president; and E. L. Thomas, secretary.

BROKERS ACTIVITIES

Agreement on Lumber Exchange Loss

CASE SETTLED AFTER PLAYING BABY ACT

Has An Annex Which Carried $45,000 on Much Discussed British Columbia Risk

According to the "Underwriters' Report," of San Francisco, the Lumbermen's Indemnity Exchange has agreed to pay the loss claims of the Forest Mills Timber Company of Comiplex, B. C., on a basis of 85 per cent. of the insurance, which totaled $170,750. The fire was in April, 1915. Insurance on plant was $233,000. The regular stock companies paid immediately.

The Exchange, in fighting the loss, pleaded the baby act of ultra vires.

The case has been settled by agreement, a copy of the document following:

This agreement, made this day between the Forest Mills of British Columbia, Ltd., a corporation, the party of the first part; and the Lumbermen's Indemnity Exchange, a Washington corporation; and Series B. Lumbermen's Indemnity Exchange, a Washington corporation, the parties of the second part; and the Canadian Bank of Commerce, a corporation, the party of the third part;

Witnesseth: That, whereas, heretofore in a fire occurring on the 4th day of April, 1915, the lumber yards, buildings, plant and other property of the party of the first part was destroyed by fire, which property was insured with the parties of the second part in the following amounts under the following policies:

LUMBER	
Policy No. 7201, Lumbermen's Indemnity Exchange	$ 70,000
Policy No. 7211, Lumbermen's Indemnity Exchange	5,000
Policy No. 7292, Lumbermen's Indemnity Exchange	10,000
Policy No. 7361, Lumbermen's Indemnity Exchange	1,000
Policy No. 51,458, Series B., Lumbermen's Indemnity Exchange	35,750
Total	$121,750
BUILDING, PLANT, ETC.	
Policy No. 7275, Lumbermen's Indemnity Exchange	$ 39,000
Policy No. 51,519, Series B., Lumbermen's Indemnity Exchange	10,000
Total	$ 49,000
Total insurance	$170,750

And, whereas, suits were brought by the Forest Mills of British Columbia, Ltd., a corporation, upon said policies, in the Superior Court of Pierce County, against the St. Paul & Tacoma Lumber Company, a corporation, as one of the subscribers to the said policies, in one of which suits the Canadian Bank of Commerce, a corporation, was joined as plaintiff as mortgagee of the Forest Mills of British Columbia, Ltd., a corporation; and whereas, in said suits it was set up as defense, and has been asserted that the said fire at Comiplex, B. C., on the 4th day of April, 1915, by which said lumber yards and stock were destroyed, as procured by, through, or with the knowledge and consent of the management of the Forest Mills of British Columbia, Ltd., a corporation; and whereas, upon a full and complete investigation of the facts the parties of the second part are satisfied that whatever the cause of the fire in question was, neither the Forest Mills of British Columbia, Ltd., a corporation, nor its management, had any knowledge of or part in the cause of said fire; and whereas, it was set up as defense in said suits that proofs of loss furnished by the Forest Mills of British Columbia, Ltd., a corporation, upon said policies, were fraudulent; and whereas, the parties of the second part, after full and complete investigation of the facts are satisfied that said proofs of loss were not fraudulently made:

Now, therefore, the parties of the second part withdraw said defenses of arson and fraudulent proofs of loss and admit that said fire was not set by said Forest Mills of British Columbia, Ltd., a corporation, or its management and that said proofs of loss were not fraudulently made; but the said party of the first part hereby admits that the facts regarding said fire of April 4, 1915, and with regard to the amount of loss, were such as to warrant the parties of the second part in making a full and complete investigation of said facts, and in justifying them from withholding payment of said loss until said full and complete investigation could be made:

Now, therefore, it is agreed between the parties hereto that the said loss shall be fully and satisfactorily settled by the payment by the parties of the second part to the party of the first part of 85 per cent. of the face of said policies, to wit: $145,137.50; said payment to be made as follows: $75,000 of said amount to be paid upon the execution and mutual exchange of this agreement; the balance of said payments due upon said policies, to wit: $70,137.50, to be paid within three months after said date of delivery, and that upon said payments being fully made, the suits now pending against the St. Paul & Tacoma Lumber Company shall be dismissed without costs to either party; and that the controversy between the parties of the first part and the party of the third part on the one hand, and the parties of the second part on the other, shall be deemed fully settled and satisfied; and the parties of the second part, their officers and agents, shall be released from any and all claims whatsoever under said policies from the beginning of the world to the present time.

Dated this 7th day of November, 1916.

FOREST MILLS OF BRITISH COLUMBIA, LTD. By W. A. Anstie, Managing Director.

LUMBERMEN'S INDEMNITY EXCHANGE. By Earl de Veuve, Deputy Attorney in Fact.

SERIES B. LUMBERMEN'S INDEMNITY EXCHANGE. By Earl de Veuve, Deputy Attorney in Fact.

THE CANADIAN BANK OF COMMERCE. By H. H. Morris, Superintendent of Pacific Coast Branches.

By Wm. Hogg, Inspector.

Essex Has Annex, Too

Not the least of the interesting developments growing out of the methods of the Lumbermen's Indemnity Exchange is the discovery that it maintains an annex. This latter is known as the Lumbermen's Indemnity Exchange, Series B, and seems to enjoy similar relations to the original Exchange as those obtaining between the regular stock companies and their annexes. The Exchange proper issued its policies on the Forest Mills plant for $125,000, while the Exchange annex bit off $45,750.

* * *

"Aida" Developments

The much-discussed "Aida" loss in San Francisco, which came into prominence on both sides of the footlights some weeks ago, is still unsettled. No one seems to know just what became of the $16,000 receipts, and the local agent of London Lloyds, Emile Kahn, maintains that the amount of receipts expended by the promoters should be deducted from the insurance. The promoters seem to think they are entitled to the receipts and the insurance. Matters are further complicated by a suit filed by attorneys for Baron J. H. von Schroeder, in which it is sought to recover insurance alleged to be due on account of the loss of two steamships some eighteen years ago. Attachments have been served on local Lloyd's Underwriters, tying up all money which may arrive here for their account as the initial step in the Baron's action. Underwriting an open air operatic performance even in this perfect climate is thus shown to present difficulties second only to those encountered by the impresario.

First National Fire
Insurance Company of the United States
WASHINGTON, D. C.
ROBERT J. WYNNE, President JOHN E. SMITH, Secretary
Statement January 1, 1916
CAPITAL, $912,502
RESERVE FOR ALL OTHER LIABILITIES, $523,785
NET SURPLUS, $377,447 ASSETS, $1,813,734

Insurance Suspended During Unoccupancy

POLICY REVIVED BY RE-OCCUPANCY BEFORE THE FIRE

Decision Handed Down By Supreme Court of Vermont—Doctrine of Avoidance

There was recently handed down in the Supreme Court of Vermont a decision on the question of vacancy of considerable importance to the companies. The decision holds in effect that a provision in a policy that it shall be void if the property is unoccupied for a period of ten days without the company's consent, merely suspends the insurance during the unoccupancy and the policy is revived by a re-occupancy before the fire.

The court takes notice of and cites a number of cases in which the courts have rigorously adhered to a literal interpretation of this provision and denied recovery though the premises were occupied before the fire occurred and per contra cites other cases in line with its decision that the insurance is merely suspended.

East and West

The remarkable thing about these citations is that the majority of the ones cited in support of the doctrine of avoidance in such cases are eastern decisions, whereas practically without exception the cases which the court cites in support of the doctrine of suspension are from the far western States—most unusual.

The court holds that the provision referred to merely suspends the insurance during unoccupancy and adds:

"Such a construction accords with the real purpose of the provision, and harmonizes with the doctrines of this court in kindred cases. To hold otherwise is to give the company an unconscionable advantage over its patrons, by allowing it to retain the full premium, a part of which is unearned, and enabling it to take advantage of an unsuspected forfeiture through an innocent violation of one of the numerous conditions inserted in the policy, though it be a most trivial matter and wholly unconnected with the fire. We cannot believe that the company seriously expected such a result when the language of the policy was selected. Certainly, it would be well-nigh impossible to keep within the literal terms of the policy under present day living conditions." Beecher v. Vermont Mutual Fire Ins. Co. The "Insurance Law Journal" for December discusses this case.

$5,844,120 LINE

American Insurance Company of Newark Writes Entire Schedule of Princeton University

The American of Newark has written under one schedule the entire line of Princeton University, amounting to $5,844,120, and including about fifty buildings. The Eastern Underwriter understands that the line was handled and re-insurance placed through local agents.

Philadelphia Fire Brokers

The following names have been added to the list of brokers holding certificates of the Philadelphia Fire Underwriters' Association:

John H. Faunce, Wm. E. Goodridge & Son, Howard B. Hendricks, S. Duffield Hopkins, Jr., Michael Korn, John B. Miller.

All of Philadelphia except Goodridge, a New York concern.

Minneapolis Fire & Marine Insurance Co.
of Minneapolis

ASSETS - - $784,979.27
LIABILITIES - - 538,843.30
NET SURPLUS - 246,135.97

Comparative Growth

	Increase In Assets	Increase In Reserve
1913 -	$88,052	$61,854
1914 -	98,979	67,229
1915 -	109,855	83,163

AN EIGHT YEAR RECORD

CAPITAL	Established 1902	NET SURPLUS
$200,000	1908	$80,419
$200,000	1909	$107,942
$200,000	1910	$153,580
$200,000	1911	$172,981
$200,000	1912	$200,570
$200,000	1913	$228,203
$200,000	1914	$241,422
$200,000	1915	$246,135

FRED C. VAN DUZEN, President ALFRED STINSON, Secretary

THE MARINE INSURANCE CONTRACT

By President BENJAMIN RUSH of the Insurance Company of North America

From an address delivered by Mr. Rush before the Fire Insurance Society of Philadelphia, and republished by courtesy of the Fire Insurance Society of Philadelphia's "Bulletin."

All other perils, losses and misfortunes that have or shall come to the hurt, detriment or damage of the said goods and merchandise or any part thereof. The terms of this clause are so comprehensive as at first sight to convey the impression that they embrace every kind of mishap not already particularized, to which property at sea can be subjected, such, however, is not the case, for here the rule of construction applies that general terms following particular ones apply only to matters which are only of the same kind as those specified. Accordingly, the effect of the general undertaking expressed above is to bring within the scope of the contract, all casualties, which though not identical with, are similar to, the risks enumerated. This clause has been held to include damage to a ship which was heeled over by the wind, in a graving dock, for while the loss was not caused directly by a peril of the sea, the vessel being on land at the time, it was held to be close enough to come within the "All other perils" clause. The loss of dollars thrown overboard from a vessel on the point of capture, in order that they might not be taken possession of by the enemy, was held to be akin to capture; the wrecking of a steamer through the bursting of a boiler was held to be akin to fire.

Losses Not Covered

In order to further clarify this "All other Risks and Perils" clause, it may be well to recapitulate those losses which are not covered by it.

1. Loss by the deterioration and ordinary outlay in navigation, wear and tear of tackle, corrosion, damage by rats and worms, and in general, ordinary deterioration of hull or materials and ordinary leakage and breakage and wastage of cargo.

2. Loss by inherent defect of the subject insured, without direct intervention of sea peril, such as fish or meat becoming putrid, rice or flour, heated; fruit becoming rotten, wine turning sour, etc., etc. Diseases and natural death of animals.

3. Loss remotely, not directly, caused by the perils insured against, such as loss of interest on capital, loss of market on cargo, owing to the protraction of the voyage by bad weather; loss arising from compulsory abandonment of the voyage, consequent upon blockade, unless the risks of war are assumed; the liability of shipowners for loss or injury caused to persons or property through the default of the servants and finally, loss directly attributable to the misconduct of the assured or his agent, such as loss by unseaworthiness or improper condemnation, theft which when unaccompanied by overpowering force, might have been prevented by the exercise of ordinary vigilance on the part of those in charge of the vessel; to defects in the ship's tackle; damage by bad stowage; loss of articles placed in improper or insecure situations, etc., etc.

"Sue and Labor" Clause

The next clause in the policy is what is known as the "Sue and Labor" clause, which reads as follows:

And in case of any loss or misfortune, it shall be lawful and necessary to and for the assured, his or their factors, servants and assigns, to sue, labor and travel for, in and about the defense, safeguard and recovery of the said goods and merchandises, or any part thereof, without prejudice to this insurance, nor shall the acts of the assured or insurers, in recovering, saving and preserving the property insured, in case of disaster, be considered a waiver or an acceptance of abandonment; to the charges whereof, the said Insurance Company shall contribute according to the rate and quantity of the sum hereinafter insured.

This clause constituted an agreement supplementary to and distinct from the main contract to indemnify the assured against loss or damage to the subject insured.

Its object and general scope is to encourage the assured, in case of accident, to make exertion for the preservation of the property insured, by agreeing that such action shall be without prejudice to the insurance and by a promise on the part of underwriters to contribute to any expenditure which may be incurred by the assured or his agent in an effort to avert an impending loss.

It must be noticed here that this clause only comes into effect on account of the happening of any loss or misfortune covered by the policy, for it is manifest that if property is subjected to a danger not assumed by underwriters, the latter have no interest in any efforts which may be made for the protection of the subject insured; as for instance if a ship was insured free from claim for capture, and was in danger of being taken by an enemy the underwriters would have no interest in any expenses which the assured might incur in her safeguard or defence. The terms of this clause are considered as being mandatory upon the assured to make every reasonable exertion to save the property insured from loss or damage, and if he fails to do so the resulting loss will not be recovered under the policy.

The persons who are specially authorized, in the terms of this clause to render services to the property, are the "assured," their "factors," "servants" and "assigns," which means that the asured themselves, and their agents be they direct or voluntary, but not salvors.

Loss in the nature of general average is also not covered by the clause, because the general Maritime law gives a remedy for this species of loss irrespective of the Suing or Labor Clause.

The words:

Nor shall the acts of the assured or insurers, in recovering, saving and preserving the property insured in case of disaster, be considered a waiver or an acceptance of abandonment.

simply provide that the rights of either party shall not be prejudiced by any acts, rendered under the authorization of this clause which might otherwise be held to imply ownership.

To Minimize a Loss

Thus action taken by underwriters under this clause to minimize a loss for which they are liable does not expressly imply on their part an acceptance of abandonment.

These words were inserted because if it were not for them either the assured or the underwriters might be justified in refusing to take any action whatever tending to preserve the imperilled property so as not to prejudice their rights, to the great detriment of whichever of them were ultimately held responsible for the loss.

The last part in the clause requiring consideration is the basis upon which contribution is to be made by underwriters towards the expenses incurred under it, and the common sense view prevails that the expenses properly allowable under it must be confined to that which relates to the interest insured, so that if charges are incurred for the safeguard and recovery of other interests as well, they must be apportioned over the aggregate value, and the underwriters on a particular interest would only be liable to pay that proportion of the total expenditure which attaches to the value of the interest insured.

Then follows a clause reading:

Having been paid the consideration for this insurance by the assured, or his or their assigns, at and after the rate of .....

This is a receipt in the policy for the premiums to be paid by the insured to the underwriters for the insurance covered by the policy, and when filled in, it constitutes a receipt for the money paid.

Here follow a number of clauses dealing with the method of adjustment, settlement and payment of losses should any such occur under the policy.

The first clause reads as follows:

And in case of loss to be paid in thirty days after proof of loss, proof of interest, and adjustment exhibited to the insurers (the amount of the note given for the premium, if unpaid,

(Continued on page 16.)

E. F. FLINDELL
123 William Street Telephone John 2330 New York City
Business Bound Throughout the United States and Canada
FOR
The Scottish Union and National Insurance Company

BLAU, FREEDMAN & GENIS
220 BROADWAY Tel. Cortland 3203 & 4 NEW YORK CITY
Exceptional Facilities for Placing Business in New York City for Out-of-Town Brokers and Agents
ASK FOR PARTICULARS

WALTER F. ERRICKSON
Newark and Suburban New Jersey Agency
38-40 CLINTON STREET — TELEPHONE 8266 MARKET — *NEWARK, NEW JERSEY*
SPECIAL FACILITIES FOR OUT-OF-TOWN BUSINESS

WESTERN ASSURANCE CO.
OF TORONTO, CANADA
(Fire, Tornado, Ocean Marine and Inland Marine Insurance)
UNITED STATES BRANCH
January 1, 1916
Assets .....$ 2,747,815.34
Surplus in United States..... 1,309,295.82
Total Losses Paid in United States From 1874 to 1915, Inclusive 40,654,747.02
W. R. BROCK, President
W. B. MEIKLE, Vice-Pres. & Gen. Man.

"STRONG AS THE STRONGEST"
The Northern Assurance Co.
(LTD., OF LONDON)
Organized 1836
Entered United States 1854
Losses Paid - - $102,000,000
Losses Paid in U. S. - $36,000,000
Eastern and Southern Departments
55 JOHN STREET
NEW YORK CITY

THE HANOVER FIRE INSURANCE COMPANY
Incorporated 1852
The real strength of an insurance company is in the conservatism of its management, and the management of THE HANOVER is an absolute assurance of the security of its policy.
R. EMORY WARFIELD, President
FRED. A. HUBBARD, Vice-President
E. S. JARVIS, Secretary
WILLIAM MORRISON, Asst. Sec'y
HOME OFFICE
Hanover Bldg., 34 Pine St.
NEW YORK
HOWIE & CAIN, General Agents
Metropolitan District
100 WILLIAM STREET, NEW YORK

National Fire Insurance Company
OF HARTFORD, CONN.
Statement January 1, 1916, to New York Insurance Department
LIABILITIES
Capital Stock, All Cash.....$2,000,000.00
Funds Reserve to Meet All Liabilities, Re-Insurance Reserve, Legal Standard..... 9,410,306.91
Unsettled Losses and Other Claims..... 1,428,496.86
Net Surplus over Capital and Liabilities..... 3,387,090.69
Total assets January 1, 1916.. ..... $16,225,894.46
H. A. Smith, President — S. T. Maxwell, Ass't Sec'y — F. B. Seymour, Treas.
G. H. Tryon, Secretary — C. S. Langdon, Ass't Sec'y — C. B. Roulet, Gen. Agt.
F. D. Layton, Ass't Sec'y — E. E. Pike, Ass't Sec'y
SURPLUS TO POLICY HOLDERS, - - $5,387,090.69

Authorized Capital $500,000
Detroit National Fire Insurance Co.
DETROIT, MICHIGAN
A Company to be built gradually and along the indicated lines of permanence
AGENCY CONNECTIONS SOLICITED

Atlee Brown On Moving Picture Films

(Continued from page 1.)

negative of the "Pickford" production. This negative is at least five years old, and these pictures have been such a success before the public that the second crop of positives are being sold on the market, higher—nearly double the price—of the original positives.

Longfellow's "Evangeline"

Again, consider the negative of that short and simple little production, Longfellow's "Evangeline," the early part of the poet's story, portraying to the eye that which has only heretofore intoxicated the senses; the majesty of the silent nature pouring forth its abundance from the field and tree; the calmness, the purity of mortals and all things; is it worth repeating to our children and our children's children? Yes, for a hundred years and more. New productions are fast putting forth that which will repeat itself.

Again, consider the negatives of pageants and historical events of the world, the positives of which will have a sale throughout time or as long as the negatives can again produce the proper positives for exhibition; the older the more valuable, as the subject matter can never be produced again.

Business Here to Stay

We believe the business is here to stay. We believe some negatives may possibly increase in value instead of decrease. After a negative is produced, and the picture has been shown so often that the public are tired of it, it is, no doubt practically dead for the next few years, but as time moves on this picture, which was a success in its original time, can be reproduced ten or fifteen years afterwards and have just as welcome reception by the public; this may require new positives unless the first are indestructible by wear, accident and fire.

Patterns Not in Use Insurable

Third: The author further states:

Patterns not in use are uninsurable, as a verbatim quotation from C. C. Hine, 1870. This statement is not correct, unless it is explained that it is impossible to obtain a rate necessary to pay for what may be only a visionary or unstaple value even to the assured; so it comes to a question of a possible, moral hazard. You cannot come out worse than a total loss, which condition you readily assume in many risks outside of public protection; and the rate must be high enough to pay on this basis; you then have left the question, will such coverage produce moral hazard, and if you are not satisfied it is "good" then you logically should not insure the building in which contained at its rate. This question is too rarely considered by underwriters.

Anything not valueless is a subject for insurance at a rate; differentials in rates is a proper actuarial condition. Negatives and patterns generally are unstaple in their real value, but are they more unstaple than other special lines, of which we know very little before the fire occurs? The possibilities present a wonderful scope for the imagination.

A certain exhibition may meet with much approval by the public; if it does, you will have the second production of positives, but if it is only good, it can be put away for ten years, and reproduced, and be just as satisfactory to the public eye as it was ten years before.

Censorship

Fourth: The author says:

If it is the intent to exclude such films as have been unfavorably censored—rejected—forbidden—why not say so?

This is from the fact he does not quote the New Jersey Clause, because the New Jersey Clause does "say so."

The author further says:

"All films are censored."

This is an error. Certain films are produced for scientific exhibition that are not offered for censor, simply because they are not intended for general public exhibition, and there is no reason why they should be offered for censor, as they must portray the truths of the workings of nature or the operations and handiwork that is necessary in performing various scientific operations, as they must be shown by our educators.

Our author has failed to record the contention that no film, which has been censored and rejected, has ever failed to meet a sale for the positives. If not possible to sell in this country on account of "censored and rejected" (This is hardly possible as the Board of Censors to which exhibited, have no police power; some municipalities may refuse and some allow the exhibition; for instance, a picture refused in Hoboken, N. J. was shown in New York City.) it is possible to sell in other countries, and there are cases where films, which have been censored and rejected, become more valuable in other countries on account of love for the spicy or naughty. We believe the rejection of a film in toto in this country can produce a wonderful demand in some of the southern countries.

Rejection in Sections

Some films are censored and rejected, not in toto, but in sections. These sections or flash pictures, which may be objected to are cut out; the film is then sold as an approved film, and we should not have a clause that will allow us in any way to refuse liability to pay for such negative.

One of the most successful films produced and shown throughout the country was rejected by the censors. The producer feeling that the film was perfectly proper gave a private exhibition to an audience composed largely of ministers, judges, dramatists and prominent personages, whose verdict was that the film was moral and forcibly told a story that should be impressed upon the public. This film was very profitable, yet in accordance with the film clause was not covered by insurance.

Patterns

The author makes the further statement:

The absolute absurdity of limiting cover on wood or metal patterns which by their nature may be repaired and at worst present but a nominal degree of combustibility and damageability and not limiting in any way whatsoever similar cover upon the highly combustible and readily damageable motion picture film patterns, must be apparent.

We agree with this, if reversed, as the absurdity is in not treating the subject of negatives for moving picture positives the way negatives of enlarging or photographic establishments have been treated for over thirty years, just the same as we treat wooden or metal patterns in a foundry or a woodworking risk, just as we do cardboard patterns and designs in a textile mill; allowing 15 per cent. of the amount of the policy to apply on patterns at the ordinary contents rate and the balance above 15 per cent. a certain increase over the contents rate, except where stored in fire proof vaults, where the rate made for the contents of that vault, should be the rate for 100 per cent. of patterns or negatives and not 15 per cent. The co-insurance clause would have to apply, but under the law in the State of New Jersey, we would also be compelled to issue with the co-insurance rate, a rate without co-insurance.

We believe a valued policy might be issued, and it is one of the few subjects of insurance in the State of New Jersey where a valued policy is permissible.

Agreement With Assured Regarding Value

We believe some agreement should be made with the assured somewhat on the order that some of the assured record their values of negatives; after the positives have been released in this country for a certain number of days they count off 45 per cent. of the original cost of the production of the negative, after it is released in England a certain number of days they take off 18 per cent. more, and so on through other countries until they reach 80 per cent., and they believe there always will remain at least 20 per cent. of the value in the negative. The percentages given are not suggested, simply illustrative.

The author's trend seems to underestimate value of negatives, and our argument may be just as extreme in over-estimating the value of negatives, but between them there must be some reasonable line for action and some room for proper policy contract for this insurance value; these values will grow larger, represent larger outlay of money as the consolidations of film manufacturers will suggest, although these consolidations are given by some to show possible exhaustion of the enterprise coupled with the suggestion of moral hazard, not after the consolidation, as it has then disappeared, but with those "smaller" who do not consolidate. This may be true but it is simply a general principle and applicable to many risks. It is where the work of the Rate Maker ceases and the Underwriter commences; it has nothing particularly to do with "films" but all class of cover.

Conference With Film Manufacturers

The author's suggestion for specific cover we do not believe will clear the situation because it is based upon the premises, that the older the negative, the less it must be in value; while we believe, some only commence to take on value the further we get away from the original production.

At a meeting with ten film manufacturing firms of New Jersey we have asked them to present to us their side of this contention; to appoint a Committee of Three and we will try to explain the insurance side of the proposition and draft the subject into a reasonable suggestion and submit to our individual designators for a consensus of their individual opinions.

Caledonian Insurance Co. of Scotland

FOUNDED 1805

"THE OLDEST SCOTTISH INSURANCE OFFICE"

UNITED STATES HEAD OFFICE

Caledonian Building, 50-52 Pine Street, New York

CHAS. H. POST, U. S. Mgr. R. C. CHRISTOPHER, Asst. U. S. Mgr.

NEW YORK CITY OFFICE

Golden Hill Building, 59 John Street, New York

DANGER IN PROVIDENCE

The danger of a conflagration of unprecedented proportions hangs suspended by a very slender thread over this city, says the Providence (R. I.) "Tribune." This thread is the signal system in the Central Fire Station, which is in "very poor condition," and may fail to pieces or "go back on us at any time," it is stated.

Providence has just purchased eight pieces of motor apparatus for her fire department, including four triple combination pumping engines, at a cost of approximately $65,000.

Yet what would it avail this city if it spends $650,000 for new fire-fighting apparatus, installs that apparatus in the thirty-two fire stations and lets it wait there for an alarm that might never come in?

"This is no new discovery, and attention is called to it at this time merely because those whose business it is to keep the signal system in the best possible condition are wondering when, if ever, protective action is to be taken by those responsible for keeping the fire-fighting appliances up to the most modern and efficient standard," says "Construction."

CITY FIRE ENTERS HERE

The City Fire Insurance Co., of Pittsburg, last week secured its license to do business in New York State and announced the appointment of Newman & McBain as metropolitan agents of the Company.

SHIPP & OSBORNE SUCCESSORS

Shipp & Osborne, of Newburg, have taken over the agency formerly conducted in that city by Herbert S. Hand.

Marine Contract

(Continued from page 15.)

and all sums due to the Company from the assured when such loss becomes due being first deducted, and all sums coming due being first paid or secured to the satisfaction of the insurers.)

This clause provides that the assured shall be entitled to his money within thirty days after he has furnished the Company with certain proofs which they demand to show that he has actually sustained a loss under his contract.

Sufficient Length of Time

The term of thirty days is inserted (and this may be varied at will by agreement between the parties) to allow the underwriters a sufficient length of time in the ordinary course of business to examine the assured's proofs and see whether they are satisfactory.

The first proof demanded is naturally the proof of loss, in other words a proof furnished by the assured that a loss has actually been sustained.

This will generally consist of a protest or sworn statement of the master and crew of the vessel transporting the merchandise of the facts and cause of the loss, reciting at length the various perils which have resulted in the loss claimed.

These are usually recited in considerable detail so that both the assured and the underwriter can actually determine to what the loss sutained is attributable.

This may sometimes be amplified or varied by sworn statements of the master and crew, or in their absence by others who may be in position to know how the loss claimed for has been sustained.

"The Leading Fire Insurance Company in America"



WM. B. CLARK, President

AETNA INSURANCE COMPANY

Aetna Fire Underwriters Agency

of Aetna Insurance Co.

Application For Agencies Invited

CASUALTY AND SURETY NEWS

The Injustice of Undisclosed Risks

COMPANIES HAVE RIGHT TO UNDERTAKE DEFINITION

No Rate Adequate for an Unknown Coverage—Objection to Omnibus Clauses

By Walter Cowles, vice-president of the Travelers Insurance Company.

The provision in the New York standard compensation policy forms respecting construction, alteration and repairs, which may be made by a policyholder without notice to the insurance company is unfair. Divisions (m) and (n) in the tabulation in item 3 adequately provide for disclosures respecting such operations. If the operations are contemplated when the policy is written, of course they should be disclosed. If they are undertaken unexpectedly after the policy is written, the insurance should not apply until they are disclosed by proper notice from the policyholder.

The time is surely coming when the companies cannot permit undisclosed risks of this nature to be imposed upon them. It is distinctly the preference of all companies to conduct their business under any reasonable requirement which the State authorities may propose. It is right and proper, however, that the State authorities should propose no other than reasonable conditions. A consideration of the unreasonableness and general unfairness of these requirements should be brought to the attention of the authorities and they should be urged to act with respect to the companies as the companies are attempting to act with respect to them, and that is broadly and generously in an attempt to secure practical success in the operation of the insurance features of the workmen's compensation law.

But One Policy Form Necessary

To accomplish this purpose there is no occasion for two forms, one to be unlimited and the other limited in its scope. There should be but one policy form as respects this feature, and that policy form should define a risk and accept all which goes with that risk. That is a reasonable solution of the situation. As I am personally convinced that the State authorities are not intending to act unreasonably, it seems to me not improbable that they will concede to the insurance companies the right to undertake a defined risk with its incidental operations and cover it to the exclusion of all other risks, and also the right to notice respecting any change in the operations conducted or in the place in which they are ocnducted which has any effect whatever upon the hazard. These are the fundamental rights and necessities of insurance and they should be recognized and will be in my judgment when the situation is brought to the attention of those who while trying to accomplish general compliance are failing because of unfamiliarity with its technique. The theory that an employer cannot insure a given complete operation without insuring everything else he undertakes cannot survive under any compensation act and the sooner it is abandoned the better it will be for all concerned, not only the insurance companies but the officials of the State and the employers who purchase insurance. Theoretically at least the premium cost of insurance can never be ascertained if in practice insurance is devised to cover undisclosed risks without premium consideration. No judgment upon the adequacy of rates is possible under such a practice. No rate is adequate for an unknown risk.

CASUALTY AUTO CONFERENCE

ADVISED BY STANLEY L. OTIS

Would Appeal to Many Companies Not Now Members of Workmen's Compensation Bureau

That the organization of a separate automobile conference by the casualty companies would bring into its membership many companies which are adverse to joining the Workmen's Compensation Bureau, was the statement of Stanley L. Otis, former actuary of the National Workmen's Compensation Bureau, in his review of the automobile underwriting year which was published in the "Journal of Commerce" on Tuesday. He described how such an organization would enable the companies to correct many bad features of the business and, by co-operation with manufacturers, etc., materially reduce the loss ratios through reduced cost of repairing and other items.

New Rates Higher

Mr. Otis showed in detail the method of deriving rates for automobiles and said that the new rates, effective March 1, show an increase over the present ones varying in amounts with the price of the car and its age on account of the greater fire hazard on second and third year cars of lower price and a rapidly increasing hazard due to the theft of private pleasure cars.

Of the probable coming changes in the business Mr. Otis said:

New Legislation

"Compulsory liability insurance is being agitated more and more as the people become dissatisfied with the present results obtained in collection of legal claims against automobile owners. Various cities and some States have sought legislation applying to jitney owners that will guarantee to persons injured by the automobile payment of legal claims. Massachusetts has gone further, and at the last session of the Legislature bills were introduced requiring as a condition precedent to the granting of a license that all owners of automobiles or motor vehicles shall give a bond or carry liability insurance as a guarantee of the payment of all legal damages. While the bills failed of passage, they have been referred to the next Legislature, and without doubt such bills will become laws not only in Massachusetts, but in other States of the Union. With this added stimulus and our statistics indicating that only a small portion of the automobiles are at present insured, the statement of a leading insurance company that 'there is no line of insurance growing more rapidly than automobile insurance' is not only literally true, but a premium income running into the hundred millions of dollars is indicated."

The Federal Underwriters, Inc., of Washington, D. C., has incorporated for $25,000. George T. and W. W. Parker and E. C. Tahbersmith are its incorporators.

General Accident
FIRE AND LIFE
ASSURANCE CORPORATION, Ltd.
FREDERICK RICHARDSON, United States Manager.
GENERAL BUILDING · 4TH & WALNUT STS.
PHILADELPHIA
SERVICE THAT EXCELS

Continental's Share in Biggest Policy

GETS MORE THAN HALF OF UNION PACIFIC PREMIUMS

Facts About Equitable Life-Continental Casualty Group Insuring 41,000 Employes

Martin Maverick, vice-president of the Continental Casualty Company, has written the following letter to Walter L. Schnaring, Eastern manager, relative to the big Equitable Life-Continental Casualty group insurance of 41,000 employes of the Union Pacific Railway:

My Dear Mr. Schnaring:—I am in receipt of your wire relative to the Union Pacific deal. The facts are about as stated in the report of the New York "Times" on December 31st, except that that was furnished by the Equitable and of course plays up the life insurance end of it. As a matter of fact, of the aggregate premium paid, decidedly more than half goes to the Continental. The facts very briefly stated are about as follows:—

The Union Pacific has been negotiating with several companies to provide life, accident and health insurance for all of its employes who have been in its service for more than one year and whose salaries are not more than $4,000 per year. On last Friday it closed with the Continental Casualty Company and the Equitable to furnish respectively the accident and health and life insurance. This will give insurance to something less than 41,000 employes. I have no data as to what number will be excluded by the one-year limitation. Each man gets half wages during the period of disability while he is on duty or off duty. He also gets life insurance equal in amount to his earnings of the past year. The Union Pacific pays all premiums from its own funds. The employes do not contribute in any way. It is estimated that the aggregate premium will be something over $800,000 and, as I have said, the Continental gets decidedly more than half the total. It is by far the largest insurance policy of which I have ever heard and of course the Continental feels proud of the fact that it was selected to give the accident and health insurance. As you know for many years past it has had the largest railroad business in the United States and in fact more than all the other companies put together and hence it may be fairly said that it is particularly well equipped in the present instance.

MARTIN MAVERICK, Vice-President.

TRAVELERS AUTO CLAIMS

Figures Showing How Hazard is Increasing—$2,012,117 Paid Since 1916 in Claims

No more graphic illustration of the increasing hazard of automobile accidents to automobilists and exclusive of pedestrians could be furnished than the table below, which was printed by the Travelers "Record." A hazard which rises within ten years from 301 claims for $44,030 in 1906 to 2,207 claims for $314,249 in 1915, tells its story without need of embellishment. It need only be added that these figures are but a part of that great increase in the number of accidents which befall men irrespective of their occupation. It is these accidents, common to all, that are increasing, while industrial accidents show a marked tendency to decrease:

	Number.	Amount.
1906	301	$44,030
1907	385	58,217
1908	498	72,820
1909	708	119,633
1910	1,040	185,328
1911	1,232	334,589
1912	1,525	300,102
1913	1,762	312,518
1914	1,945	265,631
1915	2,207	314,249
Total	11,603	$2,012,117

GLASS BUSINESS RETARDED

NELSON D. STERLING'S VIEW

Sees Difficulties Ahead Due to Vacillation of Companies and High Loss Ratios

Plate glass underwriting in 1916 is reviewed by Nelson D. Sterling, vice-president and superintendent of the plate glass department of the Fidelity & Casualty, in the Journal of Commerce of January 2. Mr. Sterling reports unfavorably on the operations of the year and gives his personal views as to the reasons therefor.

The two biggest factors in the year's adverse experience, Mr. Sterling says, were the Black Tom Island explosion losses and the ever increasing cost of replacements. He adds to these the disorganizing of the Plate Glass Service and Information Bureau and the lack of co-operation between the plate glass companies.

Mr. Sterling criticized the local situation and the Exchange for failing to deal decisively with charges of violation of commission rules. He said that several local associations throughout the country had curbed the demoralization that spread following the suspension of rules and rates by the Bureau. Closer co-operation between the companies would result from the reinsurance and liquidation of some companies and the corresponding concentration of the business, Mr. Sterling said.

Rate demoralization made 1916 the most unprofitable year in the history of plate glass insurance, said Mr. Sterling. He reviewed the history of the companies for the past forty years as to rates and said they have used a manual, the tables of which were computed at a fixed percentage of valuations found in an extinct plate jobbers' list.

"At no time in the history of plate glass insurance has there been a greater need for conservative underwriting." To the above statement Mr. Sterling added that companies have been forced to pay for glass from 20 to 65 per cent. more than they did in 1915. Those companies which acquired their business at low rates will suffer while the companies which have followed conservative methods will profit by this condition according to Mr. Sterling. He said that due to the present world-wide market and high prices available to the manufacturers, their is no relief in sight from cost of glass and cited the experience of the companies when trying to buy glass to replace the lights broken by the Black Tom explosion to show how they had been arbitrarily inflated.

Mr. Sterling concluded by describing the new loss causes which had entered into the business with changing conditions and said that it remains for those concerned to take vigorous steps to restore proper practises in the business and prevent the threatening demoralization.

Lump Sum Deposits Stopped

SUPREME COURT SO RULES

New York, Ontario & Western Railroad Wins Appeal from Industrial Commission's Requirement

The New York Ontario & Western Railroad Co. last week won an appeal from the ruling of the New York State Industrial Commission which required self-insurers and mutual companies to turn over to the State Fund in a lump sum funds to meet future computed periodical payments. The Appellate Division of the Supreme Court, before which the case was tried, said that the ruling of the Industrial Commission was not in justice to all parties concerned. The opinion also said in part:

"In the present instance a computation of the present value of the periodical payments has been made, based on 'the Survivorship Annuitants' Table of Mortality' and 'the remarriage rate of the Dutch Royal Insurance Institution.' This table and rate have received no recognition by the courts of this State, and are not sanctioned by any statute of the State. The Carlisle Table is in general use, and has been for many years, and its reliability has received judicial sanction. But not so with the tables adopted by the commission. It may be observed in this connection that if the present value of the award made to the widow in this case, on the assumption that she shall receive it during her life, be computed according to the Carlisle Table, and to this be added the entire periodical payments awarded to the two infant children until they shall arrive at the age of 18 years, the entire amount will be less than what the commission has directed the appellant to pay into the State Fund, based on the tables which it has adopted. This is assuming that the widow will not remarry and that the two children will both reach the age of 18 years, and is making no deduction whatever for the present payment of these installments which by the award are extended over periods until the two children shall reach the age of 18 years.

Computations Incorrect

"Clearly, such a direction is neither 'in the interest of justice,' as required by section 25, nor has the commission properly computed 'the present value of all future payments with due regard for life contingencies,' as required by section 27. If the present value of future payments is to be computed, it should be in a manner analogous to the custom which prevails in this State and in the courts thereof. And if no method has in this State been established or adopted for computing the present value of future payments, the duration of which may depend on the remarriage of a person, and if it may be difficult, or even impossible, in view of that fact, in the case of a widow, to compute such present value, that simply confirms the interpretation we are placing on this statute, that it was not designed to give the commission power in all cases to direct the payment of a lump sum, but only in exceptional cases. No injustice or harm can usually result from the periodical payment plan enunciated by the statute.

"It follows that the decision of the commission, requiring the appellant to make this payment into the State Fund, cannot be sustained, for the reason that such decision does not appear to be 'in the interest of justice,' nor does it appear that the commission has properly computed 'the present value of all future payments with due regard for life contingencies.' Both of such facts should appear in order to sustain in any case a determination of the commission which is a departure from the general rule declared by the statute."

SCIENTISTS LEARN SITUATION

ROWE TELLS OF STATE FUNDS

Uses Experiences of Norway and States of Washington and New York to Show Fallacies of Plan

J. Scofield Rowe, vice-president of the Aetna Life, gave to members of the American Association for the Advancement of Science, in session here on Thursday, last, facts showing the effect of State insurance on the social structure of the country. Mr. Rowe criticized the plan of State insurance as has been adopted in this country rather than the principal. He said that Norway was the only country which had put into effect a similar plan to that used in the United States and the result had been the same. The Norwegian legislature had been forced to make numerous appropriations from the public funds to bolster up the fund. Mr. Rowe also cited the failure of the Washington State Fund to illustrate his point.

Of the situation here in New York State, Mr. Rowe said in part:

"The special privileges granted to the New York State Fund which are fundamentally vicious and unjust and which are bound to produce evil results are as follows:

"(a) A subsidy of several hundreds of thousands of dollars from the State Treasury to cover administration expenses for the first two and one-half years (since restricted by amendment to two years).

"(b) Freedom from the rigid supervision imposed upon private companies.

"(c) Solicitors and agents not required to be licensed.

"(d) Freedom from the heavy burden of taxes imposed upon private companies.

"(e) Authorized to offer employers immunity from future liability to pay compensation regardless of the State Fund's ability to pay or the inherent rights of claimants entitled to compensation.

"While a 1916 amendment to the New York Compensation law has left this 'immunity special privilege' very much in doubt, I understand the Managers of the State Fund are still advertising same as a competitive advantage over other carriers. In commenting upon these special privileges, which in effect legalized the gross unwarranted violation of the anti-discrimination laws of the State of New York, the Managers of the State Fund admit frankly that otherwise their insurance institution would have been an impotent competitor of other carriers and a negligible factor in the insurance situation. In defence of these special privileges they claim that otherwise the Stock Companies would have had undue advantage of the State Fund because:

"(a) The Stock Companies had accumulated large surplus and reserve funds.

"(b) They were in possession of the field, and had the assistance of an army of insurance brokers and agents throughout the State.

"(c) They would write other forms

(Continued on page 19.)

PICKED UP ALONG WILLIAM STREET



Joyce Writes Articles

William B. Joyce, president of the National Surety Company, is author of two articles in New Year editions of the New York "Times" and New York "Journal of Commerce."

* * *

Brainerd Left $441,000

Lyman B. Brainerd, late president of Hartford Steam Boiler Inspection & Insurance Company, left an estate of $441,728. Among the insurance stocks he held were twenty shares Aetna Insurance Company, $8,100; twenty-two shares Connecticut General, $14,300; twenty-five shares Phoenix of Hartford, $10,125; fifteen shares of Hartford Fire, $12,600; ten shares Home Insurance Company, $4,800; thirteen shares Fidelity-Phenix, $4,550; sixty shares Travelers, $51,600; forty shares National Surety, $11,200; one hundred and twenty shares Hartford Steam Boiler, $54,000.

* * *

Home Employes in Travelers

The employes of the Home Insurance Company are covered by compensation insurance in the Travelers.

* * *

What is Health Insurance?

The Newark "News" is running a series of articles called "What Is Health Insurance?"

* * *

Interest on Judgment

Under a policy indemnifying an employer against loss not exceeding $5,000 by reason of liability incurred from injuries to employes, the insurer is not liable for interest on a judgment for $5,000 pending an appeal taken by the insurer, who, by the terms of the policy, conducts the litigation. The extent of the company's liability under such policy is governed by the terms of the contract, and is thereby limited to $5,000, and the expense of defending the action against the assured, if the company elects to defend; the interest accruing on the judgment recovered in the action, pending an appeal, is not a part of such expense.

* * *

Travelers' Record

The Travelers had the greatest year in its history. Vice-President John L. Way has notified field representatives that the paid for new insurance is over $113,800,000, a gain of more than $35,400,000. The Company had to obtain special dispensation from Superintendent Phillips to accept all the business offered, as it over-topped its maximum of new life insurance. Some Travelers' figures follow:

	Over
Paid premiums, Life Department	$13,660,000
Gain	2,748,000
Paid premiums, Accident and Health department	5,445,000
Gain	470,000
Paid premiums, Compensation and Liability Department	13,027,000
Gain	2,790,000
Paid premiums, the Travelers Indemnity Company	1,804,000
Gain	584,000
Total premium income	33,937,000
Gain	6,594,000
Income, The Travelers Insurance Company	37,051,000
Gain	6,351,000
Income, The Travelers Indemnity Company	1,934,000
Gain	598,000
Total income	38,985,000
Gain	6,950,000

WRITES BIG MESSENGER BOND

U. S. F. & G. Issues Policy Covering Removal of Securities of Chatham & Phenix Bank

At 12 o'clock, noon, last Saturday, a messenger hold-up policy of the United States Fidelity & Guaranty went into effect covering the removal of the securities of the Chatham & Phenix National Bank from John St., and Broadway, across the street to the Singer Building. The face of the policy called for $1,300,000.

It is estimated that the total amount of the securities moved was $18,000,000. This, however, was done in ten or twelve trips, so that the amount in transit was never more than the face of the policy. The policy expired at 12 o'clock, midnight, of the same day. It was written through the New York office of the U. S. F. & G. and a large portion of it was reinsured.

SOCIAL PLAN NOT "AMERICAN"

Aim of Compulsion Advocates is Redistribution of Property, Says U. S. Casualty's President

That the compulsory social insurance propaganda can be construed to be in violation of the purpose of the Constitution of the United States is the statement Edson S. Lott, president of the United States Casualty, made last Thursday to the American Association for the Advancement of Science.

The Standard Oil Company, which has withdrawn from the New York Fund, has insured in the Travelers.

The Fidelity and Casualty Company of New York

92 LIBERTY STREET, NEW YORK, N. Y.

Metropolitan Office—92 William Street

SEMI-ANNUAL STATEMENT JUNE 30, 1916

Assets	$13,129,602.70
Liabilities	9,115,416.08
Capital	1,000,000.00
Surplus over all liabilities	3,014,186.62
Losses paid to June 30, 1916	54,167,050.85

This Company issues contracts as follows: Fidelity Bonds; Surety Bonds; Accident, Health and Disability Insurance; Burglary, Larceny and Theft Insurance; Plate Glass Insurance, Liability Insurance—Employers, Public, Teams (Personal Injury and Property Damage), Automobile (Personal Injury, Property Damage, Collision, Fire and Theft), Physicians, Druggists, Owners and Landlords, Elevator, Workmen's Compensation—Steam Boiler Insurance; Fly Wheel Insurance.

BEST THOUGHT ON VITAL TOPICS

From These Master Minds:

Holcombe, Bristol, Woods, Mansfield, Hamilton, Cowles, Stevens, Hoffman, Cox, Wolfe, Hawxhurst, Eckert, Hardison, Pierce, Eaton, and others.

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Just Issued By

THE INSURANCE ADVOCATE

55 John St., New York City

PRICE $2.00

"Find It In The Index"

CASUALTY AND SURETY POINTERS

Small Residence Burglary Policies

"Some of our New York representatives have been specializing on small residence burglary policies with wonderful success and it occurs to us that other agents who have not already done so might give the field a trial to advantage," says the Prudential Casualty Company. "Our minimum limit is $300, thus placing burglary insurance within the reach of everyone. Persons in modest circumstances are inclined to compare the cost of fire insurance with that of burglary insurance with the result that they balk at the latter.

"However, the small sized burglary policy removes this obstacle and when you explain further that there are seven burglary losses to every fire loss you should have no trouble in landing the business.

"Don't neglect an opportunity to write a good sized policy, but at the same time don't raise your eyes so high that you will fail to see good business lying at your feet."

* * *

Capable of Unlimited Development

Fidelity business is the only line classed under the general head of surety business that is susceptible of almost unlimited development. Other surety lines are largely matters of circumstance. There has to be an actual requirement for a bond before you can expect to furnish one. Someone has to die or some action has to be brought in court or something has to be constructed or supplied before you can write new surety business of that description. The agent is dependent upon circumstances that cause his client to look to him for a bond. Napoleon once said "I make the circumstances," and it must be admitted that, in a large measure, he did, but Napoleon was a very unusual soldier and probably would have been just as unusual a bonding agent. For the ordinary mortal, however, the hope for surety business proper is largely dependent upon circumstances, often unfortunate for someone, but fortunate for him.

An agent, however, is no way a creature of circumstances in so far as the development of fidelity business goes. The possibilities are limitless and cover all industrial and commercial enterprises, as well as all banks and financial institutions of every description. Here is a line about which the hackneyed phrase may well be repeated: "The ground has scarcely been scratched." If agents would start out on a systematic canvass of all such institutions as mentioned above, instead of eagerly thumbing over expiration cards and waiting to pounce upon some expiration of a competitor or waiting to renew some existing piece of business of their own, it would only be a short time before very substantial new lines could be added to their existing business.

One agent recently visiting the home office condoned his failure to get any amount of fidelity business by complacently stating that he never had any inquiry for it. Such a reply is calculated to increase the grey hairs in the head of anyone in the home office interested in development, and we can only wonder why such a man ever selected the insurance business as a means of existence. To make good as an agent today you truly have to "do it better" and more systematically than the next fellow.

Everyone with trusted employes needs fidelity insurance. Half the battle is won right there. All that stands between you and increased income is to convince employers that they need it. Millions of new life insurance premiums are written every year in this country and millions of new accident premiums, and in every case these sales represent some agent who first selected a prospect, then explained what he had to sell and then convinced him that he needed it and took his order.

After all is said and done it is almost entirely up to the agent whether his fidelity business will run along in a desultory way or whether he will make it a big factor in his office and a medium for a substantial and steadily increasing income.

The fidelity business is one of the biggest fields for a live man in the insurance business today. While you will find other agents and solicitors frequently besieging your clients, you will very rarely find an agent who is thoroughly posted on fidelity bonds and who can talk the subject convincingly and who is making a special business of systematically building up this line.

Most of the successful men today are men who were the first to grasp the possibilities and then the ways and means of increasing their particular line of business. The agent who realizes what is now offering in the fidelity field is bound to be numbered among the successful insurance men in the years to come.—"The Fidelity Journal" of the Fidelity & Deposit Co.

* * *

Should Sell Death and Dismemberment

The Standard Accident Co. of Detroit, in its paper "The Cog" urges agents to sell the death and dismemberment policy. The company says concerning it:

Agents who overlook the possibility of this policy are overlooking a very splendid opportunity for gathering in a little extra income.

You will find often that your prospect is already carrying all the weekly indemnity he cares to have with you or somebody else. That should not bar him if he is a man of some financial standing from purchasing one of our A. D. & D. policies.

The cost of the policy is slight. The rate for a select risk is $3.00 annually for each one thousand dollars insurance and it pays for death and other various dismemberments and loss of sight.

During the last five years the amounts paid out in death and dismemberment claims have, very strangely, grown rapidly. To-day the expenditure of the Company in the Claim Department is as great for death and dismemberment claims as it is for weekly indemnity, demonstrating that it is just as essential and just as necessary to be fully protected along that line as it is for loss of time. Strange also that payments under the double benefit clause have been very much greater, nearly 100 per cent. greater for death claims than for weekly indemnity.

COMMISSION DECISION REVERSED

Suit Against Travelers Involving Question of Vested Interest in Compensation Decided By Court

An employe has not a vested interest in an award of compensation at a certain rate for a certain number of weeks and, in event of natural death, his dependents have no right to payments which were not due prior to the date of death. Such was the decision of the Appellate Division of the Supreme Court last week in the case of Wozneak v. Buffalo Gas Co. and the Travelers Insurance Co. The case had been tried before the Industrial Commission and a lower court from both of which decisions the Travelers appealed, winning the verdict of the higher court. Wozneak had been awarded compensation for 128 weeks for the loss of an eye and compensation had been paid for 25 weeks when he died from natural causes.

Rowe To Scientists

(Continued from page 18.)

of insurance needed by employers in addition to compensation insurance—public liability, employers' liability, boiler insurance, elevator insurance, fire insurance.

"(d) Last and most important of all they had the advantage afforded by the natural preference of most business men for private enterprise as opposed to State management.

"The Managers of the State Fund further asserted that in all these respects the State Fund was heavily handicapped at the start and claimed that in order to enable it to make a fair start in the face of these obstacles it was proper and indeed necessary to give the State Fund some positive assistance to offset these handicaps, and that the provisions of the law which granted these most unfair and unjust advantages to the State Fund were necessary in order to make competition between it and the Stock Companies really fair and equal."

GEORGIA CASUALTY COMPANY
MACON, GEORGIA
A Strong Casualty Company — W. E. SMALL, President
Surplus and Reserves as to Policyholders over $1,000,000
Writes the Following Forms of Casualty Insurance
ACCIDENT PLATE GLASS HEALTH LIABILITY
AUTOMOBILE BURGLARY ELEVATOR TEAMS
AGENTS WANTED IN UNDEVELOPED TERRITORY
Apply PETER EPES, Agency Manager, Home Office.

The METROPOLITAN CASUALTY
INSURANCE CO. OF NEW YORK
HOME OFFICE, 47 CEDAR STREET
CHARTERED 1874
Plate Glass, Burglary, Accident and Health Insurance
EUGENE H. WINSLOW, President
Russell R. Cornell, Vice-Pres. S. Wm. Burton, Sec. Alonzo G. Brooks, Ass't Sec.
RELIABLE AND ENERGETIC AGENTS WANTED



Just say:
"Insurance Man"—
the open sesame to every courtesy within our power.
Room with detached bath $1.50 and $2.00
Private bath $2.50 and $3.00
BREVOORT Hotel
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MADISON ST.—East of LaSalle
CHICAGO
LAURENCE R. ADAMS, Sec'y & Mgr.

THE SIGN OF GOOD CASUALTY INSURANCE
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Liability, Accident, Burglary, Boiler and Credit Insurance
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THE
METROPOLITAN LIFE
Insurance Company

(Incorporated by the State of New York)



Metropolitan Life Insurance Company
Home Office Building

The Company — Of the People, By the People, For the People

The Daily Average of the Company's Business during 1915 was:

639 per day in Number of Claims Paid.
9,175 per day in Number of Policies Issued and Revived.

$1,956,438 per day in New Insurance Issued, Increased and Revived.

$326,616.59 per day in Payments to Policyholders and Addition to Reserve.

$146,602.49 per day in Increase of Assets

JOHN R. HEGEMAN, President

We don't contract with poor men.
We give a new man our attention until he is started.
We make our men make good.
Why don't you work for us?

Peoria Life Insurance Company
PEORIA, ILLINOIS

The value to the field man of representing a Company, that for seventy-two years has furnished perfect protection, is well known.

The reputation of this Company, combined with unsurpassed service and a spirit of co-operation between Home Office and Agencies, is a combination that wins.

Additions are made to our Agency Force when the Right Men are Found

STATE MUTUAL LIFE ASSURANCE COMPANY
OF WORCESTER, MASSACHUSETTS
Incorporated 1844

B. H. WRIGHT, President — D. W. CARTER, Secretary
STEPHEN IRELAND, Inspector of Agencies

INCORPORATED 1794

THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

308 & 310 WALNUT ST., PHILADELPHIA, PA.

CASH CAPITAL, $1,000,000.00
LIABILITIES, $2,585,923.98 ASSETS, $4,012,344.68
SURPLUS TO POLICY HOLDERS, $1,426,420.70

AGENTS WANTED WHERE NOT REPRESENTED

The Columbian National Fire Insurance Company



T. A Lawler, Pres. H. P. Orr, Sec.-Treas.

JANUARY 1st, 1916

Assets $1,571,954.84
Surplus to Policyholders.....$1,257,680.79

EASTERN DEPARTMENT, Scranton, Pa.
Massachusetts, Rhode Island, New York, New Jersey, Pennsylvania and Maryland

James J. Boland, Manager
Reliable agents wanted in unrepresented territory

Wanted—General Agents
IN
NEW ORLEANS and MONROE, LA.
AND OTHER PLACES

We want Men who have had experience in appointing and directing Agents, and who are good producers themselves. To such, we will give good contracts with long-term renewals and bonus. Must be able to finance their own Agencies. You may write me in strict confidence.

WILLIAM R. HELIE, Supt. of Agencies.

Louisiana State Life Insurance Company
SHREVEPORT, LA.

Operating—LOUISIANA, TEXAS and ARKANSAS

CAPITAL $250,000.00 — W. T. CRAWFORD, President

THE TRAVELERS
INSURANCE COMPANY — INDEMNITY COMPANY
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WRITE THE GREATEST VOLUME OF

GUARANTEED LOW COST LIFE INSURANCE

AND

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THE OPPORTUNITY TO SUPPLY THESE INSURANCE NEEDS GUARANTEES AGENTS THE BROADEST FIELD AND THE LARGEST INCOME.

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FEB 14 1917

THE EASTERN UNDERWRITER

[Succeeding the Journal of Insurance Economics, Established in 1899]

A WEEKLY NEWSPAPER COVERING ALL BRANCHES OF INSURANCE

Eighteenth Year; No. 2 | NEW YORK CITY, FRIDAY, JANUARY 12, 1917 | $3.00 a Year; 15c. per Copy

PROVE MOST FIRES ARE PREVENTABLE

National Board of Fire Underwriters Sends Actuarial Bureau Figures to Daily Editors

MAKES PLEA FOR INSPECTION

Electricity Cause of Fire Shows Growing Percentage—Comparison of States in Groups of Three

The National Board of Fire Underwriters—which is doing extremely good work these days, particularly in the matter of public service—has taken figures of its Actuarial Bureau and has circularized them and their significance among thousands of daily newspapers in the form of real, live facts and figures which they can print about reasons for fires. The figures have been analyzed according to States, and there is a separate slip that goes to all the newspapers in one State. For instance, for the Rochester or Binghamton press, the slips read: "What is causing New York's fires?" Trenton or Newark papers get a slip reading: "What is causing New Jersey's fires?" And so on through the list of States.

Notations to Public

The Actuarial Bureau easily proves what insurance observers have long argued that most fires are either from strictly preventable causes or from partly preventable causes. The aim of the National Board is to give the public an object lesson in preventable fire statistics; to pound home to newspaper readers that most of the people who have losses have needless losses. So each slip concludes with the statement: "These figures teach their own lessons. The only way to make your State really safe is to secure the intelligent and interested co-operation of the public. Individual carelessness is the greatest fire hazard."

The Actuarial Bureau figures in each State of strictly preventable causes are followed with the notation: "In each of the above cases, preliminary inspection would have shown the element of danger, which then might have been easily remedied." After the tabulation of the partly preventable causes of fire this notation is printed: "It is estimated that at least half of the loss occasioned by electricity, sparks from fires and spontaneous combustion was preventable, and that all other causes had some degree of preventability."

Records of States Prepared

Following a list of causes of fire interesting comparisons are made with

(Continued on page 16.)

DIRECTORY OF DEPARTMENTS

Life 1
Editorial 10
Fire 11
Casualty 17

Announcement

MR. RUSSELL M. SIMONS, General Agent of The Home Life Insurance Company of New York, announces the opening of his new Agency offices in Rooms 806-807 United States Realty Building, 115 Broadway, New York City.



RUSSELL M. SIMONS, General Agent
Home Life Insurance Company

¶ Mr. Simons' old offices at 256 Broadway, New York City, have been discontinued.

¶ This change has become necessary owing to the increasing volume of business. The new agency is fully equipped along most efficient lines, and placed in a convenient location where greater service may be rendered to present and future policy holders as well as to Life Insurance Agents and General Insurance Brokers.

¶ Mr. Simons earnestly solicits your patronage and extends a most cordial invitation for you to visit his new offices, where you will receive every courtesy and attention.

TELEPHONE: RECTOR 4287.

PROMINENT COMPANIES EXCLUDED FROM AD

Comment on Philadelphia Association's Action in Publishing Preferential List of Companies

EXECUTIVE COMMITTEE DEFENSE

Member Says Only Managers in Association Were Listed—Denies That Ad Was a "Knock"

The executive committee of the Philadelphia Life Underwriters' Association has been criticised for the publication of a preferential list of life companies in Philadelphia papers, because several prominent companies were left out of the list. A representative of the executive committee made the following statement to The Eastern Underwriter on Wednesday:

"The Street comment in regard to what had happened in the Pension Mutual had placed us on the defensive and there was a question as to the reliability of many of the companies represented in Philadelphia. At a meeting of the executive committee of the Life Underwriters' Association, after considerable discussion on the recent publicity given the life insurance business, on account of the Pension Mutual Life's affairs, it was agreed that Mr. Buser, as chairman of the publicity committee, be authorized to give to the press of Philadelphia, in the form of an interview, a list of the companies whose principal representatives were now members of the association, and, in the event of his failure to obtain the publication of the same in the form of an interview, he was authorized to publish the same in the form of an advertisement, coupling it with our advertising and publicity work.

Companies Left Out

"Under the instructions given, the names of the Columbian National, Germania, Massachusetts Mutual, Missouri State Life and Pittsburgh Life & Trust were all excluded, for the reason that the managers of these companies were not members of the Underwriters' Association, although they were represented in the association by one subagent.

To Revise List

"It was also decided that at a meeting of the executive committee to be held at a future date, and which will probably take place on January 16th or the 17th, there would be a complete revision of the companies whose representatives would be approved for admission into the association. There seems to be a keen difference of opinion as to whether or not the association should recognize the representatives of any company operating on the preliminary term plan as being eligible for membership in the association. When this question is finally decided, a complete revised list will probably be authorized for publication, under the statement 'that the representatives of

the following companies would be eligible for approval' as members of the Philadelphia Association. As you know, under the peculiar liberality of the Pennsylvania law, we have had to discriminate most carefully as to whom we should admit."

Value of Life Insurance as Credit

In line with the newspaper advertisement of the Harriman National Bank, New York City, it is interesting to note that a new day dawned in the credit world with the coming of the Federal Reserve banks. Strong financial men were put in charge of these banks, and they soon discovered that there was urgent need of an improvement in the character of the statements commonly furnished to bankers by those who wished to borrow. Each of the twelve Federal Reserve banks prepared blank forms for their member banks to have filled out by borrowers. In these blanks we get a glimpse of the value they attach to life insurance as credit. Here are the questions asked by some of the Federal Reserve banks:

San Francisco (individuals and partnerships). "Amount of life insurance carried? $..... To whom payable? ....."

Minneapolis (individuals.) "Amount of life insurance? $..... Who is beneficiary? ....."

(Firms). "Insurance on lives of partners (payable to the firm)? $...."

(Corporations). "Amount of insurance carried on lives of officers and directors in favor of corporation? $...."

It is interesting to note that in these blanks under the heading "Assets" is listed "Cash surrender value of life insurance."

Kansas City (partnerships). "Is there any life insurance carried by any partner or by the partnership on the life of any partner in favor of the partnership? ..... If yes, give name of Company. ..... Upon whose life? ..... Amount? $...."

(Individuals.) "State amount of life insurance carried. $..... Name of Company? ..... To whom payable? ..... Present aggregate cash surrender value of all life insurance policies carried? $..... ....."

(Merchants.) "Do you carry life insurance? ..... If yes, state amount? $..... Present cash surrender value? $..... Name of Company? ..... To whom payable in case of death? ....."

(Corporation Statement.) "Does your corporation carry insurance in its favor on the lives of its officers? ..... If yes, give name of Company ..... Upon whose life? ..... Amount? $..... What is present cash surrender value of such policies? $..... life insurance policies carried? $.."

In a word, the Federal Reserve banks of San Francisco, Minneapolis, Kansas City, Atlanta, New York and Richmond, Va., all ask very definitely about the borrower's life insurance. Minneapolis places among "assets" the cash surrender value of life insurance. Kansas City asks for the present aggregate cash surrender value of all life insurance policies carried. Boston and Philadelphia ask for a statement of the kind and amount of insurance carried. Cleveland suggests that the amount and kind of insurance carried be put on the back of their statements; all of which of course brings out a list of the life insurance. Chicago, among assets, asks for insurance, which includes life.

The Royal, one of the largest banks in Canada, asks in its private and confidential statement: "Total amount of life insurance carried? $....."

Many of the mercantile agencies are now stating in their reports the facts regarding a man's life insurance. On the Pacific coast, and in other sections of the country, Dun and Bradstreet are requiring their clients in making up their statements to give the amount of life insurance carried and the name of the beneficiary.

Many of the bonding companies are now asking bond applicants how much life insurance they carry and to whom it is payable.

Bradstreet reports that there were 21,651 failures in United States and Canada in 1915. Over 93 per cent. were capitalized for $5,000 or less. Some of these failures were due to the death of the principal, and the failure could have been avoided had sufficient life insurance been carried. It is very important for the principal, even in small concerns, to carry business life insurance. It not only strengthens his credit but often saves the business.

Our work is one of service and education, to help business men see the importance of insuring their credit by taking their life insurance now when they can get it. Later, when their bank demands it they may not be able to get it and thus be refused a line of credit needed.—New York Life.

Great Southern Life Insurance Company

HOUSTON, TEXAS.



For Agency Contracts address

O. S. CARLTON

PRESIDENT

EDWIN B. HOLMES TO RETIRE

Edwin B. Holmes, a vice-president of the John Hancock Mutual Life Insurance Company, and a member of its board of directors since 1893 will retire on the expiration of his term of office next month from the service of the Company both as an officer and director.

Parke N. Musser is the new president of the Illinois Life's Green Signal Club. He entered the service of the Company in November, 1914, and made surprising progress, as his election denotes.

"The Company for Men who Want to Grow"

ESTABLISHED 1860

THE GERMANIA LIFE INSURANCE COMPANY

OF NEW YORK

Two good openings in splendid territory for men with good records

For Particulars Address

T. LOUIS HANSEN, Superintendent of Agencies

50 Union Square, New York, N. Y.

HALEY FISKE'S DAUGHTER WEDS

Bride of Rev. Edward Dering Evans, Rector St. Luke's Church, Baltimore

Miss Helen Fiske, daughter of Mr. and Mrs. Haley Fiske, was married to the Rev. Edward Dering Evans, rector of St. Luke's Church, Baltimore, Tuesday morning in the Church of St. Mary the Virgin, West Forty-sixth street, New York. The wedding ceremony was performed by the Right Rev. Charles Fiske of Syracuse, Bishop Coadjutor of the Diocese of Central New York, after which a solemn nuptial mass was celebrated by the Right Rev. Reginald H. Weller, Bishop of Fond du Lac, Wis., assisted by the Rev. George Thatcher Lascalles of the Church of St. Mary the Virgin.

The bride was given away by her father. Miss Marione Virginia Fiske acted as maid of honor and bridesmaids were the Misses Katherine Cushman Fiske and Margaret Lois Fiske, sisters of the bride. Miss Margaret Ayres was the flower girl and Francis O. Ayres, Jr., acted as page.

Merriman Casey of Baltimore was the best man. The ushers were William J. Tully, Augustus S. Knight, Dr. Anthony Bassler, Alfred Z. Reed, Norman F. Cushman, Ferrars H. Tows of this city, Howard H. M. Lee, T. Burch Athey of Baltimore, Archibald F. C. Fiske of Providence and Haley Fiske, Jr., of Harvard, brothers of the bride.

FIDELITY MUTUAL MEETING

Alfred E. Burk and Thomas Shallcross, Jr., New Directors—New Business of Company $17,062,000

The annual meeting of policyholders of the Fidelity Mutual Life Insurance Co. was held this week at the Company's head office. The only changes in the Board of Directors were in the election of Alfred E. Burk and Thomas Shallcross, Jr.

Alfred E. Burk is of the firm of Burk Brothers, one of the largest leather manufacturing concerns in the United States. He is a highly esteemed and successful business man with large interests both in Philadelphia and Atlantic City.

Thomas Shallcross, Jr., a real estate man of national reputation, is of the firm of Wm. H. W. Quick & Bro., Inc., of Philadelphia, and is a recognized authority on real estate matters. In 1914 he was elected President of the National Association of Real Estate Boards.

In 1916 the Company's paid new premiums for the year show an increase of 40 per cent. over 1915, with substantial gains on all other points. The new business written and paid for in 1916 amounted to $17,062,000, an increase over 1915 of over $3,000,000. The insurance in force now totals $135,650,000.

MUTUAL BENEFIT FIGURES

Comparison of 1915 and 1916 Applications and Insurance, Income Policies

Comparative record of new business of Mutual Benefit for year 1916:

	Number	Amount
Applications received	43,283	$139,240,677
Increase over year 1915	7,207	30,104,597
New policies issued on original applications	46,195	123,247,500
Increase over year 1915	7,431	24,616,948
	Lives	Amount
New insurance reported paid for	36,424	$105,905,021
Increase over year 1915	5,884	20,394,885
Increase over year 1914	7,605	28,918,145
	Number	Amount
Convertible term policies exchanged	514	$1,733,500
Increase over year 1915	113	391,000
Income insurance issued, year 1916 (new)	1,649	$11,867,589
Income insurance issued, year 1916 (old)	1,661	7,852,767
	3,310	$19,720,356

Death of Dr. Miller Starts Reminiscences

PUT CONNECTICUT INSURANCE DEPARTMENT ON MAP

Long Associated With John M. Holcombe and Phoenix Mutual Life—Was 83 Years Old

The death on Friday of Dr. George S. Miller, since 1875 superintendent of the agencies of the Phoenix Mutual Life, and the first real head of the Connecticut Insurance Department, kindled many memories among old-time insurance men of the days when he made the Connecticut Insurance Department a real vital force in Connecticut insurance regulation, which it has been ever since. He was eighty-three years old, and was suffering from a general breakdown of health.

Dr. Miller began life as a lawyer, was elected to the legislature, and was appointed insurance commissioner of Connecticut in 1871. One of his best strokes was to appoint John M. Holcombe actuary of the Connecticut department. This was the start of a life-long friendship.

His Last Speech

Dr. Miller was in attendance at the annual meeting of the general agents and field men of the Phoenix Mutual Life at the home office a few months ago. At that time, in a short but impressive speech he recalled the happy associations he had had with the field force, and said that his talk was perhaps the last he would be able to make to the Phoenix Mutual force.

That most entertaining of Hartford litterateurs, Captain Burpee, writes as follows regarding Dr. Miller's public activities in the Hartford "Courant":

In 1871 Governor Jewell, realizing the illogical situation of Connecticut, the center of insurance, being without an adequate insurance department, had the life and fire officials get a bill prepared of which they approved. The bill was passed by the Legislature with very few changes, and the task of getting an efficient commissioner was set about. The appointment of Dr. George S. Miller came as an entire surprise to him. The governor had had another man in mind, but the members of the Legislature objected to him on account of his previous connection with the lobby for the life insurance companies. They met in an informal caucus at the Allyn House, where they selected a committee to wait on the governor and present Dr. Miller's name, holding, as a last resort, their intention to repeal the measure rather than have the other man appointed. When notified of their intention to have him appointed insurance commissioner, Dr. Miller remonstrated that he knew nothing about insurance and could not even conjecture what the duties of the commissioner would be. He was finally prevailed upon, and accepted the appointment, being at that time 37 years old.

Met John A. McCall

At the invitation of James G. Batterson he came to Hartford, and Mr. Batterson took him around to the insurance offices and introduced him to various officials. Although in a letter to Captain Charles W. Burpee Dr. Miller admitted that he winced when they threw mathematical conundrums at him, he nevertheless maintained that he had had a pleasant and exciting day.

He soon visited the New York department, which he found to be a political machine, costing the State more than $80,000 a year. The superintendent was away, and the deputy had been appointed purely for political reasons and knew little about the work. However, he found a young clerk, John A. McCall, later a life insurance president, who showed him the workings of the department and supplied him with copies of the official blanks and documents, which were a great help to the new department in getting under way. Later Dr. Miller was able to return the favor shown him by Mr. McCall by putting him in the way to be made superintendent of the department.

He next visited the Massachusetts department, which he found to be run for the more reasonable amount of about $23,200 a year. The officials were somewhat quizzical about the ambitions of any officials from other States to build upon their pattern, but every courtesy was shown him, and he got some useful information there.

The first year the Connecticut department was run for the sum of $14,140.72, including over $3,000 expended for rent, furniture, fixtures, books, blanks, and other equipment.

The first man appointed was Mr. Theodore M. Maltbie, the deputy, who proved valuable both for his knowledge of legal affairs and of accountancy. The secretary, Leon Bryant, was appointed on Governor Jewell's strong recommendation, in whose office he had worked for some time. Henry J. Hall was the first bookkeeper for the department. The most difficult place to fill was the position of actuary. All but one of the actuaries consulted recommended the hiring of professional actuaries, whose cost proved prohibitive to the young department. Sidney M. Hedges, then actuary for the Connecticut Mutual Life Insurance Company, advised the appointment of John M. Holcombe. Mr. Holcombe so impressed the commissioner that he was appointed. The actuary faced the difficult problem of the valuation of the more than 500,000 individual policies in the aggregate of all the life insurance companies, save one, then doing business in the State of Connecticut, and his handling of the situation was eminently satisfactory.

After the first year the work of the department for the year was completed the certificates of value ready for issuance six to eight weeks in advance of the Massachusetts department. To the chagrin of the Massachusetts commissioner, companies in that State ordered and paid for Connecticut certificates of valuation for filing in the many departments of the State, not only on account of their earlier issuance, but also on account of their greater accuracy. Considerable revenue was brought to the department from this source.

TERM POLICIES

During the first ten months of the year there was an increase of $324,000 in the amount of regular policies issued by the Mutual Benefit in exchange for term policies as compared with the corresponding ten months of 1915. "Without doubt, now, when we are writing such an unusually large amount of new business, is the time to seek conversion of all outstanding term policies," says the Company.

MEMORY TRAINING

H. J. Sutton gave a demonstration of memory training at the Y. M. C. A. in New York on Wednesday night. In his announcement he said he had "stored away a vast amount of facts and figures relating to insurance and will give a demonstration on how the memory can be trained to absorb rates and other data and give them forth upon demand."

Fiftieth Anniversary of Union Central

MANY GENERAL AGENTS ATTEND CINCINNATI MEETINGS

President Clark Traces History of Company—C. B. Knight Led General Agents With $8,236,115

General agents and other agents of the Union Central Life to the number of three hundred attended the fiftieth anniversary meeting of the Company in Cincinnati the latter part of last week.

President Jesse R. Clark reviewed the great growth of the Company and spoke interestingly of the various phases of its development. Lawrence Maxwell, general counsel, also spoke on the topic, "Our Fiftieth Anniversary."

Knight Led General Agents

C. B. Knight, of New York, led the general agencies with $8,236,115 of paid business. He distanced E. A. Ferguson, of Illinois, his former rival, whose general agency wrote $6,564,072. John L. Shuff, of Cincinnati, paid for $3,233,424 in his general agency. Mr. Shuff was a large individual writer, and A. A. Norris, of the Dayton agency, led the Company in number of applications.

Mr. and Mrs. Le Seur Qualify

The Company's representatives for several years in Albuquerque, N. M., have been N. F. Le Seur and C. V. Le Seur. "C. V." proves to be N. F. Le Seur's wife, who had qualified for attendance at the convention by selling more than $100,000 worth of insurance.

"If this dinner had been held 50 years ago we would have had a few men present instead of hundreds; we would have had the dinner in a small room in some second-rate office building, and we would have had only the future to discuss, no glorious past to review. But now we are here to celebrate the golden jubilee of one of the country's foremost enterprises—an institution of which Cincinnati is proud and which serves the nation," said President Jesse R. Clark at the anniversary dinner.

Each agent was presented with a souvenir copy of a book reviewing the history of the Company.

Promises 20 Per Cent. Increase in New York

A number of the best known representatives of the Company spoke at the banquet. C. B. Knight said in part:

"Nineteen-sixteen was a wonderfully successful year for this Company. Mr. Waters wants a similar increase for this year and we general agents must give it to him. Twenty per cent. increase over last year means $10,000,000 paid business for New York and we have set our allotment at that figure."

CENSOR MOVIE FILMS

Universal Company Expresses Regret for Pictures Treating Insurance in Uncomplimentary Way

Some time ago the National Association of Life Underwriters voiced to Hearst and other newspaper publishers opposition to cartoons poking fun at insurance agents. The newspaper publishers agreed to stop this practice, and no objectionable "insurance pest" cartoons have since been drawn by the New York cartoonists whose work is syndicated through the country.

Recently complaint has been made to the National Association that a Universal film, depicting insurance in an uncomplimentary light, has been shown in theatres in the Universal Company's "Graft" series. Lawrence Priddy, vice-president of the association, visited the Universal offices this week to protest. He was assured by the Universal Company that to criticise insurance was the last thought it had in mind, and the company would permit the N. A. L. U. to censor insurance movie films. The Universal Film Manufacturing Co. is the largest in the world.

ADDITIONAL FIGURES

Union Central Shows More Than $13,000,000 Gain—Bankers Life, Iowa Wrote $45,000,000

The Union Central's estimate of paid business for 1916 is $74,395,406 as compared with $60,731,315 last year.

The Bankers Life of Des Moines estimate of paid for business last year is $45,000,000.

The paid for business of the Farmers & Bankers Life, of Wichita last year was $5,138,961.

The paid for business of the George Washington Life was $2,176,000, and the Company will show in force $9,278,979 exclusive of office additions.

The paid for new business of the Security Mutual Life last year was $9,441,000.

The new business of the Pacific Mutual Life for the year 1916 will amount to $25,000,000. This is on a paid-for basis, but includes office additions. The corresponding figure for 1915 was $21,518,654.

The Indianapolis Life estimates its new paid for business during the year 1916 at $2,817,653.

The Detroit Life paid for $4,018,000 in 1916; insurance in force December 31. 1916, $9,622,000; total new business written in 1916, $5,665,000. "We are now on the threshold of a new year. It is too early yet to map out any program for this year. Suffice to say that I am confident that the year 1917 will show as big an improvement over 1916 as 1916 did over the year previous," said President O'Brien. "We already have about $50,000 of new business for the year 1917, and it looks as though January was going to be a hummer. This will give us the right start and impetus for the year."

ONE OF THE BEST FORMS OF INSURANCE EVER DEVISED IS THE

Equitable's Life Income Policy

EMBODYING A

NEW DISABILITY CLAUSE

Under this latest form, if the Insured becomes totally and permanently disabled he receives an income for life, without reducing the income payable to the Beneficiary after his death, any sums thus paid to him being in addition to and not in place of the income the Beneficiary will subsequently receive. It is a form that may fairly be said to sell itself. Those seeking the latest and best in life insurance will do well to :: :: investigate. :: ::

THE EQUITABLE

LIFE ASSURANCE SOCIETY OF THE U. S.

120 BROADWAY, NEW YORK

New Policies of Pittsburgh L. & T.

LONG TERM ENDOWMENTS MADE A FEATURE

Attitude of Company Regarding Disability—The New Rates—Improved Application Blank

Thirteen additional plans of insurance are contained in the new rate books of the Pittsburgh Life & Trust. One special point of interest in the new rate book is the feature of long term endowment policies, the premium rates and values for which are found in the opening pages. Originally this space has been reserved for the whole life contract.

A corrected and improved application blank is now in use.

While the present policies of the Company, at the option of the insured, provide for total disability, a new disability clause will be used hereafter, which provides for the payment of the face of the policy in monthly instalments of $8.33 per month for each $1,000 face value, the income to continue until the death of the insured or the maturing of the policy, when the full face of the policy will be paid without any deduction of the monthly instalments paid to the insured during the period of total disability. In this way, the total disability clause provides a certain income for the insured when he is disabled and cannot earn a livelihood. It also protects the beneficiary inasmuch as any payments made to the insured during his total disability are not deducted from the face of the policy.

Double Indemnity

The Company will also issue double indemnity, which provides for the payment of double the face of the policy, provided the death of the insured results directly, independently and exclusively of any and all other causes, from bodily injuries effected solely through external, violent and accidental means (self-destruction, sane or insane not included) while riding as a passenger or in or upon a passenger elevator, or public conveyance provided by a common carrier for the regular transportation of passengers, or if death results while in a burning building, or in consequence of a cyclone, tornado or being struck by lightning, and provided death occurs within ninety days from such accident. A nominal charge is made for this indemnity and continues to the anniversary of the insured nearest age sixty (60), or until the maturity of the policy, this provision remaining in force after the policy may have become paid-up by its terms until age sixty (60).

The following premiums include both the double indemnity and total disability benefits and are on the basis of $1,000 of insurance:

Age.	End. Mat. At 60.	Ord. Life.	10 Pay Life.	15 Pay Life.	20 Pay Life.	25 Pay Life.	30 Pay Life.	10 Year End.	15 Year End.	20 Year End.
15	$21.34	$16.56	$39.44	$30.30	$24.11	$21.50	$19.84	$99.74	$62.55	$44.41
20	23.77	17.98	42.04	32.21	25.67	22.90	21.14	99.93	62.78	44.66
25	27.41	20.32	45.47	34.88	28.15	25.18	23.30	100.15	63.32	45.40
30	32.44	23.37	49.62	38.14	31.19	28.00	26.03	100.47	64.05	46.47
35	39.59	27.14	54.60	42.08	34.77	31.38	29.50	100.97	65.00	48.01
40	50.35	32.27	60.57	46.92	39.44	36.12	34.19	102.91	66.72	50.35
45	69.71	39.28	67.84	53.01	45.99	42.52	40.65	105.50	69.71	54.24
50	109.49	48.90	76.86	61.64	54.76	....	....	109.49	75.75	60.26
55	....	61.73	89.82	73.27	66.36	....	....	116.59	84.69	69.76

Age.	25 Year End.	30 Year End.	35 Year End.	End. Mat. At 65.	10 Pay 20 Year End.	10 Pay End. At 60.	20 Pay 30 Year End.	20 Pay 40 Year End.	20 Pay End. At 60.	20 Pay End. At 65.	20 Pay End. At 70.
15 ...	$35.42	$29.70	$25.85	$20.13	$72.53	$44.98	$72.53	$44.98	$29.10	$27.93	$27.15
20 ...	35.72	30.06	26.30	22.10	72.83	48.77	72.83	48.77	31.49	29.98	28.97
25 ...	36.62	31.02	27.41	25.12	73.89	54.28	73.89	54.28	35.00	32.91	31.59
30 ...	37.87	32.44	29.14	29.14	75.27	61.57	75.27	61.57	38.92	36.55	34.88
35 ...	39.59	34.59	31.61	34.59	77.13	70.10	77.13	70.10	44.04	41.07	38.90
40 ...	42.42	37.57	....	42.42	80.22	80.22	80.22	80.22	50.35	46.74	43.97
45 ...	46.58	42.08	....	54.24	83.92	92.85	83.92	92.85	....	....	....
50 ...	53.15	50.92	....	....	89.64	....	89.64	109.64	....	....	....
55 ...	....	....	....	....	98.71	....	98.71	....	....	....	....

AIM OF INTERNATIONAL LIFE

Seeks to Become Leading Life Insurance Company in Middle West—Assets of $9,000,000

In commenting this week upon its reinsurance of the United States Annuity & Life, of Chicago, the International Life says:

"We begin the New Year as the 'Greater' International Life. By a merger which brings the splendid business, the agency force and some of the active officers of the United States Annuity & Life of Chicago under our banner, we step into 1917 with a financial and general business showing that carries us a long way towards our goal of 'leading life insurance company of the Middle West.'

"Here is about the showing which we can now make: Assets, $9,000,000; annual premium income, $3,000,000; insurance in force, $65,000,000.

"There's another point about this merger of the United States Annuity & Life with the International that should not be lost sight of: The business gained—upwards of $13,000,000—is of an exceptionally high character, the lapse ratio showing a much smaller per cent. than the average, and the mortality rate being exceedingly favorable. This in addition to an arrangement by which the agency force of the United States Annuity & Life and the old business will be handled by the men who were heretofore in charge, speaks loudly for continued success along conservative and profitable lines. Former Secretary William B. Smith and Supervisor of Agents Hugh B. Keck of the United States Annuity & Life will be at the head of a special department for the management of the merged company's business and agency force. That they are men of high life underwriting ability is amply shown by what they have accomplished."

CASH VALUE QUESTION

An agent of The Equitable Life Assurance Society asks the following question:

> Suppose two policyholders, each 38 years of age, take out a 15 year Endowment for $5,000, paying the premiums in full as they fall due, but one leaves the dividends on deposit, while the other uses the dividends to purchase paid-up insurance. Which will have the larger cash value at the maturity of the Endowment, assuming the present dividend scale to remain unchanged?

The reply of the Society follows:

> The one who allows the dividends to remain on deposit, because the full benefit of interest is realized. When dividends are used to purchase additional paid-up insurance the cost of the insurance must be met out of the interest.

FIDELITY MUTUAL DISABILITY

Ordinary Life Form, 20 Instalments, $50 Each, Payable During Beneficiary's Life

The Fidelity Mutual has made the following statement to agents regarding disability:

"An ordinary life form payable in twenty installments certain of $50 each per thousand and continuous during the life of the beneficiary, has been prepared, including our latest form of disability provision.

"In this new policy form the disability annuity is for the same amount as the installment payable at death, so that in discussing the income the policy provides, you have only one figure to deal with—$50 per thousand per year to the insured for life in event of total and permanent disability; $50 per thousand per year to the beneficiary for life after the insured's death. No deductions on account of premiums waived or disability payments to the insured. This, you will notice, follows out the same idea as in the 'income for life' plan with disability benefits, in which the disability income is the same amount as the retirement income.

"For the man who wants to provide a life income for his beneficiary after his death, this is a very attractive policy. And he makes doubly sure of this life income by the addition of the disability feature, which takes care of the premiums in case of his total and permanent disability and also, through the income provided for him in case of disability, prevents his becoming a charge on his family.

"The same policy is offered on the twenty-payment life form.

"Rates for ordinary life continuous installment without the disability feature, will be found on pages 319 to 325 inclusive, 1916 Rate Book. The disability rates are special and will be furnished on request.

"Rates for twenty-payment life continuous installment are being prepared for the next edition of the Rate Book. For the present they may be had upon request, stating age of applicant and age of beneficiary."

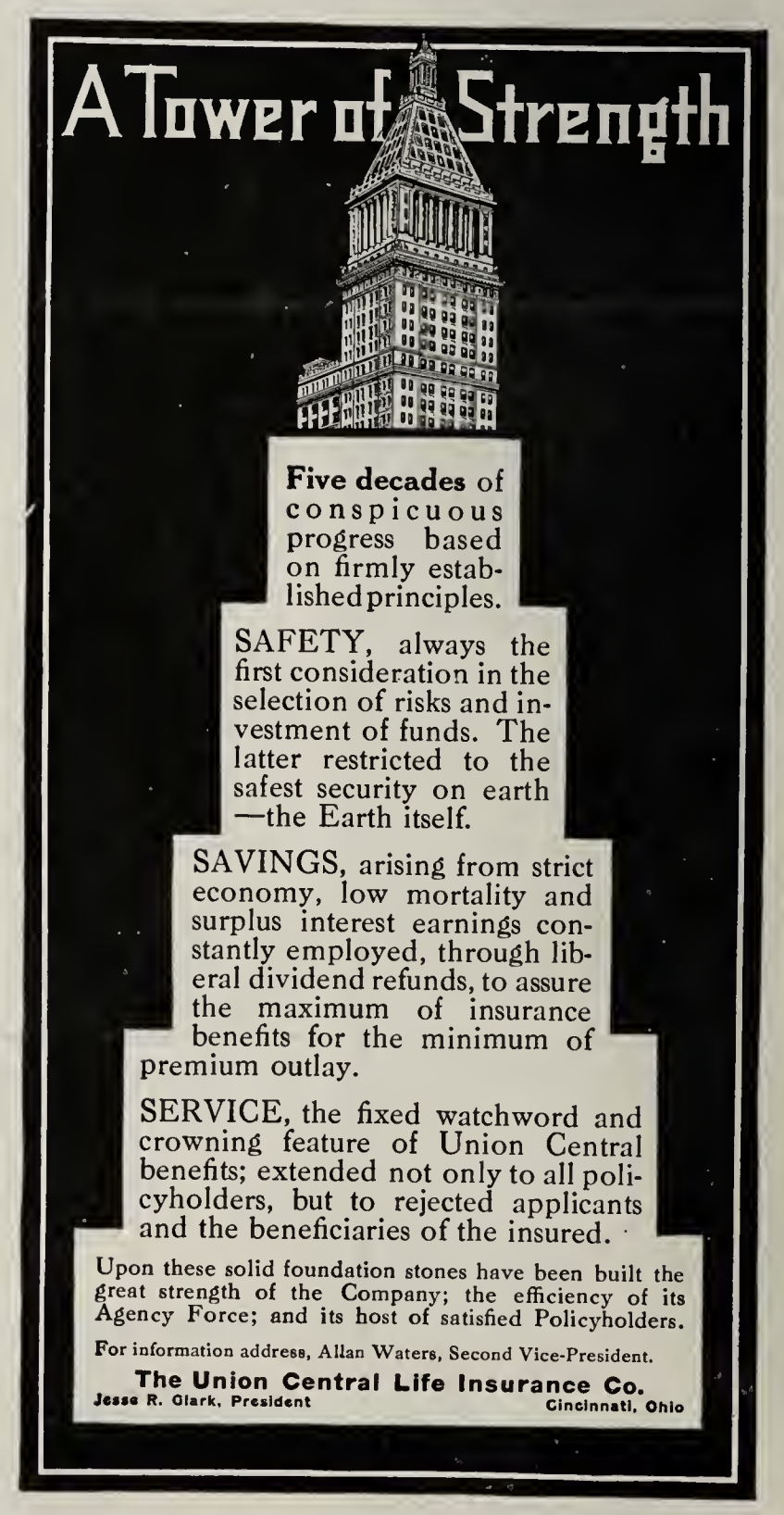
A PRACTICAL ILLUSTRATION

(From "Peoria Agency Bulletin" of Mutual Benefit.)

A woman 50, or over, came into this office a few days since, selling a novelty.

Seeing it was an insurance office, she volunteered the information that she had been left $15,000 of insurance and on the advice of relatives put it into southern timber. The timber burned, no insurance, widow now does the best she can.

Moral—Income Insurance.



Further Facts Regarding $30,000,000 Policy

A Measure Prompted by Good Will, Says Chairman Lovett, of Union Pacific's Action—Presidents Day, of Equitable, and Alexander, of Continental, Discuss Group Insurance—Features of Contract

The thirty million dollar insurance policy issued to the Union Pacific Railway Company by the Equitable Life Assurance Society and the Continental Casualty Company became effective on January 1. The number of employes covered is more than 30,000, and the premiums will foot up in the neighborhood of $800,000 a year.

No insurance transaction in some years has attracted so much attention, not only among insurance men but on the part of the general public, because every newspaper in the country thought the event of sufficient importance to print an article about it, generally upon the front page. The value of this transaction to insurance men as a whole is tremendous and will further stimulate the writing of large policies. To insurance men it carries the additional significance that group insurance has found its own and has made the deepest sort of impress upon the business community, particularly the great industrial companies. Every time a group policy is written it advertises group insurance over a considerable area.

Two More Large Groups

Presidents Day and Alexander and others believe that there is really no limit to the group possibilities.

An interesting phase of the situation is that companies writing group insurance are receiving letters from business concerns and industrials asking that they send representatives to call upon them and discuss group propositions. It became known this week that the Equitable has written two other large groups. One of them covers the National Union Gas Company, Brooklyn, 4,000 men, amounting to about $3,500,000, the successful agent closing the transaction being R. B. Trousdale, and the Pittsburgh Plate Glass Co., 2,500 employes, a $2,000,000 policy, the agents closing this transaction being E. A. and L. Woods, of Pittsburgh.

In the Union Pacific transaction the Equitable was represented by William J. Graham, manager of the Society's group insurance department, who also closed the $7,500,000 policy of Montgomery, Ward & Co., Chicago, and the B. F. Goodrich Co., (rubber tires) Akron, O., $10,000,000 policy, 15,000 lives. The Continental Casualty was represented by Vice-President Manton Maverick, and William H. Betts, secretary of the Company and head of the railroad department.

Union Pacific Long Thought of Insuring

The action of the board of directors of the Union Pacific was taken at a special meeting held December 21, approved and effective January 1. The railroad had the plan under long consideration whereby every employe of the Union Pacific system who has been, or shall be, one year in the service, and whose compensation does not exceed $4,000 per annum, regardless of age or condition of health, and without any discrimination shall be provided insurance at the expense of the company and free of cost to the employe. The insurance benefits will be payable in monthly installments. The life insurance will be payable to beneficiaries designated by the employe.

Chairman Lovett's Statement

In announcing the plan Chairman Lovett, of the Union Pacific, made the following statement:

"The object which the directors expect and hope to accomplish by this insurance is to afford the employes of the Union Pacific system the satisfaction of knowing that, so long as they are in the service, some financial provisions, although comparatively small in some cases, have been made for them and their families against the misfortune of death, injury and illness. It is a measure prompted by good will toward the employes and their families, whose welfare is borne constantly in mind, and whose co-operation in establishing the success of these properties is greatly appreciated."

Bonus, Too

At the same meeting of the board of directors of the Union Pacific the board authorized the payment of one month's extra pay to all employes of the Union Pacific system, without any discrimination, who have been in the service since January 1, 1916, and whose compensation does not exceed $1,800 per annum. Chairman Lovett in announcing this payment said:

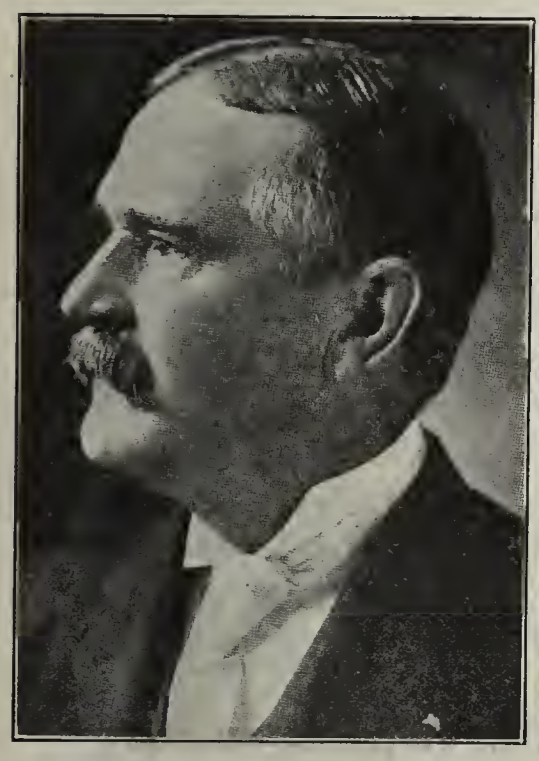
"This is not a Christmas present, but is an extra payment for services made because of the most exceptional conditions which, while largely increasing the earnings of the company, have also increased the cost of living to the point of hardship upon the lowest paid employes of the company."

Features of Policy

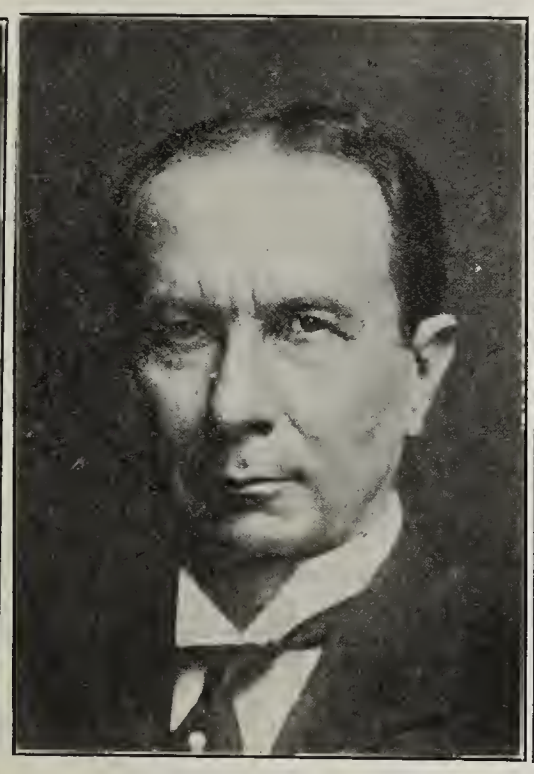
Under the Union Pacific plan the Equitable covers the features of life insurance. In the event of the death of an employe from any cause, accidental or otherwise, the Society pays one

(Continued on page 18.)

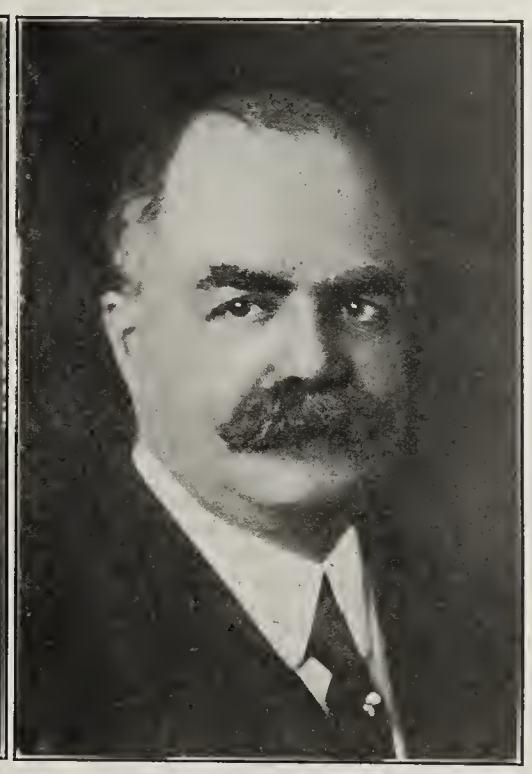
HEADS OF THREE CORPORATIONS IN GROUP INSURANCE CASE



PRESIDENT DAY, OF EQUITABLE LIFE



CHAIRMAN LOVETT, OF UNION PACIFIC



PRESIDENT ALEXANDER, OF CONTINENTAL

THE
First Mutual
Chartered in America, 1835
New England Mutual Life Insurance Co.
BOSTON, MASSACHUSETTS
ALFRED D. FOSTER, President
D. F. APPEL, Vice-President

FINANCIAL STATEMENT

Assets, Jan. 1, 1916	$74,274,980.68
Liabilities	69,154,791.00
Surplus	$5,120,189.68

The New England Mutual's recognized position in the front rank of American companies is the result of seventy-two years of honorable, capable and equitable dealing. If you are a "front rank" man —you want to be identified with such an institution.

EDWARD W. ALLEN, Manager
217 Broadway, New York
LATHROP E. BALDWIN, Manager
141 Broadway, New York

R. M. SIMONS MOVES

General Agent of Home Life Now at 115 Broadway—Sketch of His Career

Russell M. Simons, General Agent of the Home Life Insurance Company of New York has moved his headquarters from the Home Life Building to Rooms 806-7 United States Realty Building, 115 Broadway. In announcing this change, Mr. Simons says that it became necessary owing to the increasing volume of business transacted through his agency. The new offices are fully equipped along most efficient lines, and placed in a convenient location where greater service can be rendered to present and future policyholders as well as to life insurance agents and general insurance brokers.

Mr. Simons has been in the insurance business for twenty-one years, having entered the business in 1896, in the fire insurance branch with George A. Stanton & Co., now E. E. Hall & Company. He was associated with that office until 1905 when he entered the life insurance business as a solicitor with the Home Life Insurance Company, in which capacity he remained until 1909 when he became one of the associated general agents at the Home office, succeeding F. A. Wallis. Mr. Simons in his new location is prepared to materially increase the already large and growing business of his agency.

A Year of Rich Opportunity

To make the most of it you must have unexcelled policy contracts, low net cost, unexcelled equipment, unexcelled Home Office and Agency service, Company reputation high as the highest, a genuinely fraternal spirit between Home Office and Field, and an institutional sense of willing duty to policyholders, beneficiaries, and the public. When salesmanship ability is joined to these, the Fieldman's success is bound to be satisfying and continuing.

Occasionally we have a General Agency opening.

JOSEPH C. BEHAN, Superintendent of Agencies
MASSACHUSETTS MUTUAL Life Insurance Company
SPRINGFIELD, MASSACHUSETTS
Incorporated 1851

Uses and Methods in Business Insurance

GEORGE PICK GIVES VALUABLE SUGGESTIONS

Method of Presentation—Aids in Obtaining Business—From the Businessman's Standpoint

One of the most valuable and practical contributions to the subject of business insurance has been made by George Pick, general agent at Chicago foi the Mutual Benefit Life, of Newark, who is recognized as one of the keenest life insurance students among field men. The following notes were the basis of an address which Mr. Pick made at the recent gathering of Mutual Benefit agents at Atlantic City.

Uses of Business Insurance

The greatest extension of the insurance principle in the past ten years has been income insurance for the reason that its appeal is a fundamental human passion, i. e., protection for the lifetime of wife or daughter.

Partnership or business insurance is the development of a specialty. It has numerous applications, but in every instance there must be some need for it.

Some of the uses:

(a) Active partner for benefit minority stockholders.

(b) Partner retired from active management, insures partner who remains in business.

(c) Manufacturing concern insures technical man, not stockholder, as a measure of replacement value.

(d) One partner insures for the benefit of the other. Policy is made payable to the surviving partner, with an agreement to purchase the interest of the deceased partner and a stipulation as to price.

(e) Officers of corporation insure for the benefit of corporation and have contract agreement designating price and terms upon which deceased stockholders' stock may be acquired.

(f) Capitalist (not active in business) insures head of concern he is backing financially.

(g) When one partner is stronger financially than the others and endorses paper of firm or corporation, his life is insured to protect the endorsements.

(h) To provide funds with which to replace credit which would be withdrawn at death of a particular partner.

Mode of Presentation:

Usual manner, show cash values, but point out that the invested fund is free from municipal and State taxation. If interest is charged on the investment an offset of 1 per cent. can be made on account of freedom from taxation.

Some of the Obstacles to the Writing of Business Insurance:

Belief that every man can be replaced by another. (When this obstacle is not accompanied by a financial situation which offsets it, it often is insurmountable.)

Fear of encouraging employes or associates in the belief that they are invaluable.

The belief that differences in ages result in lack of equal benefit. (This can readily be disproved.)

Uninsurability of one's partner. (This situation however often reduces the keener desire to insure the remaining partners.)

Lack of a definite plan as to how to arrange benefits after death. (This plan must be provided by the agent.)

Aids in Obtaining Business Insurance:

The amount of premium when applied to business insurance seems much less than the same amounts would seem to be in personal insurance, for the reason that the bulk of earnings in almost any business remain in the business, and the dividends (from which funds personal insurance premiums are usually paid) represent but a small proportion of the total earnings. Business men are accustomed to allow the earnings to accumulate and are therefore willing to permit a portion of these earnings to be invested in life policies. Men will consent to take large policies for the benefit of their business where they would only take small ones personally.

Attention should be called to the fact that it is not wise to carry cash values on the books as assets, for the reason that for State, city and county taxation purposes such assets do not need to be accounted for if in life insurance and if carried as a cash asset the statute might be different.

The fact that a fair proportion of business men take to the idea of business insurance naturally.

A belief that there is one man in many concerns who is a dominant force and cannot be replaced.

A belief that one man in a concern represents to such a great extent the financial responsibility of the concern and the consequent ability to obtain credit that it is necessary to provide against the contingency of his death interrupting the credit.

Other lives are often added to that of the dominant life as a matter of diplomacy between partners.

The fact that men who carry partnership or business insurance like to talk to their friends about it, when they should not care to discuss their personal insurance and are often ready to furnish letters of introduction to their friends in the insurance business stating that the bearer had written business for them.

When Not Fully Developed

One of the greatest aids is often found in the fact that a business has not yet reached its full development and the prospects of insuring members of a firm of this nature are always greater than is the case where the business is firmly established In other words where the need of protection is the greatest the incentive to insure is the greatest. The growing tendency among business men to protect everything by insurance that can be protected. Note—insurance traditions are perhaps strongest among men born in England.

NEW YORK LIFE'S 72D ANNUAL REPORT

Company Paid for $263,048,300 in 1916 —Has Total Admitted Assets of $866,988,841

The New York Life gives this summary of its business in its 72nd annual report:

New insurance paid for in 1916			$263,048,300
Exclusive of over $15,000,000 increase in revivals, increase in old policies and additions by dividends			
Total paid-for insurance in force January 1, 1917			2,511,607,274
Total admitted assets (market value)			866,988,841
Legal liabilities			728,226,426
Reserves for dividends and contingencies			138,762,415
	1915	1916	Increase or Decrease
Total first year's premiums, excluding annuities	$8,301,368	$10,241,497	+ $1,940,129
Total renewal premiums, less amount paid to other companies, for re-insurance on policies of this Company	80,848,201	82,843,015	+ 1,994,814
Interest and rents	36,792,804	38,108,768	+ 1,315,964
Annuities, profit on sale of securities and income from all other sources (exclusive of increase of book value of ledger assets)	5,327,869	7,366,116	+ 2,038,247
Total income	$131,270,242	$138,559,396	+ $7,289,154
Paid			
For death losses	$28,822,893	$29,332,346	+ $509,453
For matured endowments	10,886,273	11,384,425	+ 498,152
For surrender values	17,969,327	19,551,361	+ 1,582,034
For dividends	16,672,583	19,695,355	+ 3,022,772
For annuities	1,482,719	1,414,154	— 68,565
Total payments to policyholders (exclusive of disability claims)	75,833,795	81,377,641	+ 5,543,846
Loaned to policyholders during the year	32,148,323	25,054,426	— 7,093,897
Admitted assets	822,917,849	866,988,841	+ 44,070,992
Insurance in force	2,403,800,878	2,511,607,274	+107,806,396
Total number of policies in force	1,175,321	1,228,601	+ 53,280
What the New York Life Insurance Co. has accomplished in the 72 years since its organization			
Total amount paid to policyholders and held for their benefit			$2,051,370,884.00
During this same period the Company has received in premiums from its policyholders			1,870,495,072.00
Excess paid to and now held for policyholders over the total amount received from them			180,875,812.00

The New York Life Insurance Company is composed of members holding over 1,228,000 policies who are the Company, who own the Company, and who alone receive the profits of the Company.

66 Years Old Mutual

NATIONAL LIFE INSURANCE COMPANY
MONTPELIER, VERMONT

FRED A. HOWLAND, President
PART OF THE 1915 RECORD:

Largest paid-for new business.
Largest payments to policyholders.
Largest dividend payments.
Passed two hundred millions in insurance in force.
General surplus substantially increased.
Dividend scale increased fifth time in eight years.

A good policyholders' company is a good company for the agent.

Write to Edward D. Field, Superintendent of Agencies, Montpelier, Vermont

Good Territory Now Open in Several Western States
A GOOD PRODUCER and organizer can secure an EXCELLENT CONTRACT

Company SECOND TO NONE in STRENGTH—assets to liabilities—FIFTH in SIZE—insurance in force—of all MUTUAL legal reserve companies WEST of PHILADELPHIA. Increase in new business to December 1st, 50% above the same period last year, and 1915 was a good year.

Northwestern National Life Insurance Company
MINNEAPOLIS, MINN.

BEST THOUGHT ON VITAL TOPICS

From These Master Minds:

Holcombe, Bristol, Woods, Mansfield, Hamilton, Cowles, Stevens, Hoffman, Cox, Wolfe, Hawxhurst, Eckert, Hardison, Pierce, Eaton, and others.

Found Only In

The Convention Year Book

Just Issued By

THE INSURANCE ADVOCATE
55 John St., New York City
PRICE $2.00
"Find It In The Index"

The "Home Life"

The fifty-sixth annual statement of the Home Life Insurance Company, of which George E. Ide is President, presents a record of substantial benefits to its policy-holders during the year and a solid growth in financial strength.

Assets increased to $32,029,439.71 after paying to policy-holders $3,447,381 including dividends of

$602,721

The insurance in force was increased by $4,766,740 and is now

$125,660,173

For Agency apply to
GEORGE W. MURRAY,
Supt. of Agts.
256 Broadway, New York, N. Y.

Build Your Own Business
under our direct general agency contract

Our Policies provide for:

Double Indemnity,
Disability Benefits,
Reducing Premiums

See the new low Rates

JOHN F. ROCHE, Vice-Pres't

THE MANHATTAN LIFE INSURANCE COMPANY
66 BROADWAY NEW YORK
Organized 1850

Selected Men in $12,000,000 Agency

CERF TAKES NO MAN WITHOUT SELLING EXPERIENCE

Follows Buddhistic Axiom That One's Past Forecasts One's Future—Training in Schools

A dynamic personality from the West, L. A. Cerf, came to New York City in 1904, soon thereafter taking charge of the Mutual Benefit's general agency in New York City. This is one of the oldest general agencies in the country, having been established seventy years ago, almost as old, in fact, as the Mutual Benefit. A tradition in the New York office of the Mutual Benefit is that it had been the idea of the founders to organize in New York, but they were told by the public officials that there already was one mutual life insurance company in the city and they thought it hardly fair to the pioneer to permit a competitor; besides, they doubted "if there's room for another company." Thus, the Mutual Benefit went to Newark. Whether true or not, it's an interesting yarn.

$17,500,000 in Applications Last Year

In 1903 the New York office of the Mutual Benefit did the largest volume of business in its history, something over $2,000,000. During its first year the Cerf general agency wrote $3,009,000, and after that began a continuous climb until last year it paid for $12,200,000, total applications submitted being $17,500,000, $2,300,000 of which was handed in by agents during the last month. Thus it took Mr. Cerf twelve years to reach the select million-dollar a month class of general agents. There is one general agent in New York whose office wrote last year more business than the Cerf office did; there is one in Chicago; and, of course, there is one in Pittsburgh.

In the Cerf general agency there are about sixty agents. A branch in Brooklyn and another in the Bronx are maintained. No new agent can start soliciting for the Mutual Benefit unless he first takes a course in the Cerf school, which has really been in active operation for five years.

There is also a night school and there is a Saturday morning class to which everybody goes, from the gray-haired agent who has been in the game since the palmy tontine days to the young chap who is studying his first rate book.

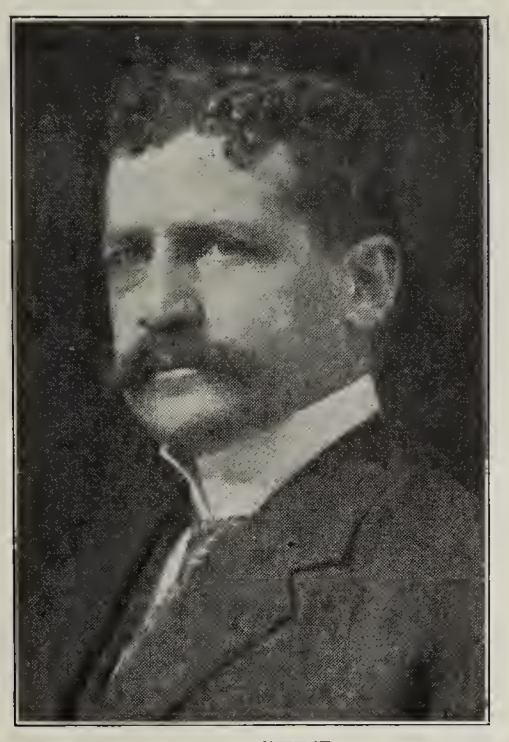
Mr. Cerf's Personality

In order to understand more about the workings of the agency we'll stop a moment and say something about its head. He has been in the life insurance business for more than thirty years; he can snap "yes" and "no" as fast as any man in the financial district; he sizes up a man at a glance; he has great power of concentration; he is patient; he reads everything worth while that he can put his hands on; in talking to agents ideas and words pour forth in streams; and back of it all the auditor knows that he speaks from exceptional practical experience, having written $1,500,000 for the New York Life in one year.

"We have made the agent's problem our problem and our study," Mr. Cerf said this week in discussing his ideas and methods. "The weak spot in building an agency is the inability of the average general agent to appreciate the real problems of the agent. A large majority of the general agents are not men who have secured preferment by virtue of their success in the field. I started out recognizing these problems and believing that if I solved them I would succeed."

Salesmen Made, Not Born

Mr. Cerf believes that one reason for the failure of many general agents is



L. A. CERF

that they are unable successfully to develop proselytes because of poor education of the individual. He never forgot his own experience in the Southwest when he first became an agent. Some papers and books were thrust into his hands; and he was told to "go to it." Eighty per cent. of the life insurance men are educated just as slovenly today, he believes. It is no wonder that the mortality of the men in the profession is so great.

Right from the start Mr. Cerf has disbelieved in the theory that a salesman is born and not made. Study of the methods of the National Cash Register Co. and other large mercantile institutions brought out the sophistry in that aphorism. Unless there is some very apparent lapse, mentally, morally or physically in a man the Cerf school will give him a try-out, believing that salesmanship is an art which can be taught and mastered by the willing student.

When it comes to teaching men life insurance salesmanship there are two angles. First there is the technical side which is comparatively easy. This consists of facts about the company, the contract, the rate, etc., which can be mastered with a little energetic concentration. The other angle is to teach the agent how to sell the contract, after he had learned all about it.

Searching Country for Clever Ideas

"And that's where we pioneers had a difficult task," said Mr. Cerf. "There were no mile posts, no roads, no experience, to guide us. We had to systematize and we had to give the ideas we were originating the proper coherence."

One of the first things that Mr. Cerf did was to employ a teacher of the National Cash Register Co., paying him a good salary to teach the life insurance agents salesmanship from the viewpoint of the cash register company, which at that time had the most effective sales force in the world, the sales manager being Hugh Chalmers. Later other famous selling systems were studied, the best of which has been incorporated into the agency's own selling campaigns. A result of this scientific salesmanship has been that the Cerf agency has increased the efficiency of the average man a great deal. Nearly every man in the agency has been developed from raw material, often men who started with no knowledge of insurance. One notable success in the agency is a man who could not make a living, but later he succeeded to the point of making $10,000 a year; and is now general agent of another company.

Among other instances of successful development have been men who have suddenly found themselves, after indifferent results, sometimes after some years had gone by. The failures have been among men who were too indolent to adapt themselves to the Cerf study and methods, or not able to grasp the idea.

The Question of Selection

In the Cerf system every agent is carefully studied and given aid in building up his weak spots and developing his good points. There are many men who have not analytical qualities of

(Continued on page 9.)

The Columbian National Life Insurance Company
BOSTON, MASSACHUSETTS
ARTHUR E. CHILDS, President

The Agents' Winning Combination
LIFE—ACCIDENT AND HEALTH—INSURANCE
Covering Permanent and Total Disability, and Weekly Indemnity for loss of time

The Policyholders' Winning Combination
Guaranteed Cost and Good Service

FOR AGENCIES AND SPECIMEN POLICIES, ADDRESS THE COMPANY

A PENN MUTUAL PREMIUM, less a PENN MUTUAL DIVIDEND, purchasing a PENN MUTUAL POLICY, containing PENN MUTUAL VALUES, make an INSURANCE PROPOSITION which in the sum of ALL ITS BENEFITS, is unsurpassed for net low cost and care of interests of all members.

THE PENN MUTUAL
LIFE INSURANCE COMPANY
OF PHILADELPHIA
On January 1, 1909, rates were reduced and values increased to full 3% reserve

OCT. 16th
TWENTIETH ANNIVERSARY
Total and Permanent Disability Provision
ORIGINATED BY
The Fidelity Mutual Life
INSURANCE COMPANY, PHILADELPHIA
WALTER LE MAR TALBOT, President

Extracts from Report of Examination of
SOUTHWESTERN LIFE INSURANCE CO.
By the State of Texas, June 28, 1915
"It is noteworthy that this Company was organized without any promotion expenses."
"I beg to report further that I find the Company in excellent financial condition."
"The volume of its business has steadily increased, its surplus is growing rapidly and its funds are being carefully conserved under expert supervision."
Home Office, DALLAS, TEXAS



LIVE HINTS FOR BUSINESS GETTERS

Practical Suggestions to Help the Man With the Rate Book Increase His Income and General Efficiency

W. H. Hamby on Selling Life Insurance

William H. Hamby, writing in the "Saturday Evening Post," gives his experience as a life insurance salesman. "While drifting round in a nebulous state of uncertainty, filled with chaotic despair from my last failure, I met Clark Burton, who convinced me I ought to go into the life insurance business. He was a fellow who convinced you rather than persuaded you," he said. "He made you feel it was folly not to accept his directions. Burton had the general agency for a life insurance company, and his favorite insurance was a twenty-year tontine policy. He started me out with it at once.

"I think I have never failed more signally at anything than I did in the insurance business—or learned so much. But I did not know I was learning at the time, and it was no comfort. What I learned chiefly was how not to deal with men! And I learned at least twenty good ways not to do it.

"I am going to tell you a secret. I have told it before, but it is still a secret, because nobody ever believed it. If you ever mention it in Hilton they will laugh you out of town. Here it is: I am awfully timid.

"I have always had an instinctive reluctance to approach any man on my business, no matter what it is. For many years I could not broach a business proposition without my heart beating too fast and the blood getting hot in my head. I have learned since that nearly all men are afraid of each other. Not one in fifty meets his fellow man with an absolute sense of ease and self-possession. There is either a note of apology or a note of bluff in his approach.

"So, you see, it was torture for me to corner men and try to persuade them to take insurance; and that was what I did—I tried to persuade them! I put them on the offensive and I took the negative side, trying to meet their objections. I did not know it at the time I was doing this, but I saw there was a difference. I watched Clark Burton. He could have the hardest sort of case apologizing in five minutes for having lived so long with his family unprotected by insurance. Yet I could not quite locate the secret of his success and my failure. He knew, and tried to cure me; but that was one place he failed.

"I avoided as much as possible men who were busy and brusque; who said right off the bat: 'No; I don't want any more insurance'; or, 'Haven't time to talk to you.' I know now that those were the very best prospects. They were the sort of men who instinctively know they are subject to influence and put up a bluff exterior as a guard. If you break through and have anything of real value you nearly always get them. I also discovered, to my loss of endless time, that the man who is almost persuaded at the very start never buys.

"One thing I learned--and I knew it at the time I had learned it—was that impressions on a man's mind do not last long. Persuading him is like writing on the sand; and if you do not get his signature before the next tide you will probably never see his autograph.

"The very best prospect I ever had—one that would have paid my board for six months—I lost on this account. I had put in some good work, and he really wanted a ten-thousand-dollar policy. I had him within two feet of signing the dotted line on the contract, but suddenly became afraid that if I pushed him further he would say 'No,' so I weakened and suggested: 'Well, think it over; and I'll be back to-morrow.'

"Of course I never wrote him; and that one experience tells you the whole story of my failure in the insurance business. Whenever I did venture to talk insurance to a busy man, a man of dominating personality, I always got scared and talked fast so as not to use up much of his time, and became confused and embarrassed.

"I had a long string of promising prospects, but lost all of them but one. In three months I wrote just one insurance policy. Lack of self-confidence? No; that is not quite it. I have seen men, so full of self-confidence that even modesty's shadow would feel crowded in the same field with them, who failed utterly.

"If you are playing golf and say to yourself, 'Now, I can hit the ball; I'll get my feet just right and hold my club just right—and I'll land a three-hundred-yard drive.' Do you? Not much! You fail as humiliatingly as if you fidgeted and feared. It is when you do not think of yourself at all, but keep your eye on the ball and drive, that you land on the green. That is the idea in insurance or anything else. It is confidence in the thing you are doing rather than in yourself.

"If I could have forgotten R. T. Clawson—forgotten that he was head of the biggest concern in town, that he was very busy, and that he had a prejudice against solicitors; if I could have forgotten that I needed a commission, that I was scared, that I was intruding; if I had only known I had a good insurance policy, and that it was a good investment for R. T. Clawson, and that certain figures I was going to arrange would prove it—why, then I could have written more insurance than even Clark Burton!

"It is that sure yet unassuming frame of mind which enables a man to meet his fellow men—all of them—without either apology or bluff, and gives him his certain hold on them. That is the frame of mind which convinces and wins at the same time. In any occupation it has such sure confidence in what it is doing that other men are immediately interested and speedily have the same confidence."

* * *

Buckner Replies to F. P. A.

Franklin P. Adams ("F. P. A."), who was formerly a life insurance man and who conducts a clever column, "The Conning Tower," in the New York "Tribune," said in his column last week:

"We American policyholders, as a class, are living under a terrific strain, as the life insurance men, in convention assembled, agreed. One of the greatest of our strains, however, is inventing reasons to tell the agent why we don't want to sign the application today."

This paragraph came to the attention of Vice-President Thomas A. Buckner, of the New York Life, who answered it as follows:

"It will be hard indeed for a man to invent a reason for refusing to sign the application, when you go to him with our figures for 1916 on other pages. It will be hard indeed for him to put you off, the figures have in them so much human interest. They tell the story first and forcefully of a great business, solidly built through years that constitute more than the lifetime of the ordinary man, of a concern now nearly 72 years of age, yet with the virility of early manhood and the yearly growth of a sturdy youth. How different this is from what happens to man as an individual. Of him and his fading powers the Psalmist says: 'The days of our years are threescore years and ten, or even by reason of strength fourscore years; yet is their pride but labor and sorrow; for it is soon gone, and we fly away.'

"But in the New York Life you see man in the mass protecting man, the individual, with the mass, growing in strength as the years go by.

"Tell the story to your people. Do not dwell too much on the mere vastness of the figures. People forget big totals. You can select some feature of the interesting story that will appeal to this man, another that will hold the attention of that one. But the one great salient that must be of vital interest and hold the attention of all is that in the long life of the New York Life it has paid to and now holds for its policyholders over one hundred and eighty million dollars more than the total amount received from them since organization in 1845, or nearly 72 years. Most men will marvel at this. It is largely the result of two factors, capable management, and the earning power of invested funds.

"As the year opens, these figures are the first of their kind. No other company has yet made them public. They have the advantage of novelty. They give you an excuse for addressing any man on earth. Use them while they're fresh—and while you're fresh!"

* * *

Increase Size of Policies

The Equitable Life of Iowa Points out the advantage of making a study of the size of policies. The Company says:

Although the average size of policies in the Equitable Life of Iowa has been increased steadily for a number of years, it is still below that which could be attained were all agents to make this matter a study. There is no one that benefits as much by the increased size of policies as the agent writing the business. Every time he induces an applicant to apply for a $2,000.00 policy instead of a $1,000.00 policy he doubles his income and many times this can be accomplished with little or no effort.

This should be an especially good field to cultivate at the present time when the cost of living is increasing so rapidly. Food, clothing, all the expenses of life are from thirty to fifty per cent. higher than they were two years ago. Life insurance is the only commodity of which we have any knowledge that has remained at the same price.

Taking this into consideration and the fact that $1,000.00 of life insurance will not accomplish what it would two or three years ago, the agent has a splendid argument to use in advocating larger policies. Very often the writing of small policies is because of the mental attiude of the agent. He is not thinking large enough things and solicits on a $1,000.00 basis when he should be talking for a $2,000.00 or $5,000.00 policy. Few men are flattered or take much notice when approached for small things, but when large propositions are made they at least give the matter their attention.

Double the average size of your policies and double your income at the same time.

* * *

Six Reasons for Insuring

Six reasons for insuring given by the Travelers follow: It is good economics — spreading disaster out thin. It is good business—giving a certainty to figure on. It improves credit—this is openly stated by banks. It saves wear and tear—insurance means danger-prevention. It is a human kindness—considered worth while by many! It gives peace of mind—easily the best reason of the six.

WE have room just now for two or three good men—not the Million Dollar producer who takes it out in talk, but the man who can average $100,000 of personal business, plus experience in appointing and working with agents. Men who become valuable to this Company grow in value to themselves. We cannot guarantee your success, but we will give you a real opportunity, then it's up to you. Would you like to hear about it further?

Pittsburgh Life and Trust Co.

Home Office, Pittsburgh, Pa.

HOWARD S. SUTPHEN
Vice-President & Manager of Agencies

The
Perfect Protection Policy
OF THE
RELIANCE LIFE

gives you something absolutely new and different to talk to your prospects. Gives you a chance to earn more money than you are now making.

Our Life Insurance Contracts contain the most up to date clauses known to the Insurance World. The Accident and Health gives full protection for at least a third less cost than regular casualty companies. Our agency contracts are as liberal as can be made.

WRITE AND WE WILL TELL YOU MORE ABOUT OURSELVES

Reliance Life Insurance Company of Pittsburgh

FARMERS BANK BUILDING
PITTSBURGH, PENNSYLVANIA

Ambitious, Productive and Trustworthy Life Agents may be benefitted by corresponding with the

Berkshire Life Insurance Company
of Pittsfield, Mass.
Inc. 1851

New policies with modern provisions Attractive literature
W. D. Wyman, President W. S. Weld, Supt. of Agencies

FOUNDED 1865
Unexcelled In Favorable Mortality and Economy of Management
The Provident Life and Trust Company
OF PHILADELPHIA
Rates of Premium Extremely Low and still further reduced by Annual Dividends

Selecting Men in $12,000,000 Agency

(Continued from page 7.)

mind and cannot size up their own abilities, and handle them to best advantage.

In discussing the selection of agents Mr. Cerf said:

"This has been one of the great features of whatever measure of success we have had. Undoubtedly, there are lots of men who feel they would make good salesmen if given an opportunity to test out their abilities. We decided from the start, however, that we did not have time to sift these men out; and, therefore, we would not attempt to make an agent out of anyone who had not been a salesman. This elimination idea is tremendously far-reaching in its consequences. It gives us something to build on."

Judging Men

In judging men Mr. Cerf is not very strong on the new psychological tests that originate among the university professors and in some of the professional schools of salesmanship. He is a great believer in a line from the great ethical text book of the Buddhists, the "Dhammapada":

"The man today is the result of what he has been in the past."

After Mr. Cerf learns that an applicant for agent has qualified as a salesman he has his record studied and investigated with the most minute care. If he has been a complete failure in the past the chances are that he will be a complete failure in the future. This is a causal world and the past reflects itself.

Not much can be expected, for instance from a man who has arrived at the age of 35 or 40 who has not made some sort of an impress. It is possible for him to succeed in a large way, but rather improbable.

"We put tremendous stress on bad habits," says Mr. Cerf. "We do not want a drinker, a carouser or a gambler. Many of our men are even teetotalers, although all we ask is moderation. Our attitude in these matters is not one of morals, but of cold, hard business sense."

Work, System and Memory

The dominant factor in success, as Mr. Cerf views it, is work. He knows of no genius who has succeeded without it: of no man who has not been helped by hard work. In his thirty years of life insurance he cannot recall the case of a hard worker who has failed; while he has known of many men of ordinary intelligence who have gone to the top because their great industry has made the mediocre ability seem bright.

Nor can any man who does not use method in his work get very far with the Cerf agency, which is dead set against haphazard, go-as-you-please soliciting, even though the careless method may strike a bull's-eye once in a while.

"A man can canvass just as well in one place as another," is a Cerf axiom. Therefore, canvassing in the morning in the Bronx and during the afternoon in Brooklyn is not permitted. "Get from one prospect to another without using the street cars," "Concentrate in one locality." "If John Jones is out, why John Smith in the next block may be in." These points are drilled in upon the new agents particularly.

"There is a law of periodicity in soliciting," said Mr. Cerf. "Just so many people and so many prospects a week can be seen. There are so many applications that should be signed. Now, the relation that these different elements bear to each other is based upon the personality of the man. One man will write a larger percentage in a given number of interviews than another. But each man has his equation and, once he has determined it, he can figure to a fraction the value of each call. We insist that a man should keep a most careful record of his work in order that all valuable data may be preserved for future work. We consider this record idea of paramount importance, because a man cannot succeed in a large way without it.

"The average man's memory is not more than 10 or 15 per cent. efficient. To illustrate: An agent hears that a twenty year endowment will mature in two years, or that a man will be ready for an interview in a month; or that another man will inherit a fortune in six months. He means to store these dates in his memory, but forgets them oftener than he remembers them. So a man in our business who depends upon his memory is lost, but a man who makes a note of everything he hears and falls into the habit of constantly consulting the notebook will soon have enough data to keep him busy for four or five years."

Much-Abused Word

Mr. Cerf concluded the interview by talking about service. He admitted that the expression had been overworked and sounded like cant, but it was a factor just the same and the man who kept his clients' good will had something tangible which meant success.

PRACTICE WHAT THEY PREACH

Insurance Men Who Died in November and Were Insured By Mutual Life

Among the claims paid by the Mutual Life in November to the estates of insurance men or women are the following:

Fayette W. Brown, Montreal, $8,615; Grayson Burruss, Toronto, $5,000; M. E. Saindon, Fraserville, Ont., $2,000; David B. Falk, Savannah, Ga., $5,000; Edward E. Ewing, Dighton, Kan., $2,000; Philip S. Campbell, Louisville, $1,631; Mary E. Finnigan, Boston, $1,900; George E. Newall, Flint, Mich., $576; Melville Fatherrie, Greenwood, Miss., $2,000; Charles C. Culp, Kansas City, $2,518; James C. Bury, Jr., St. Louis, $6,083; Jefferson Pearce, New York, $5,000; Daniel Prentice, New York, $1,735; Edward J. Opp, Oklahoma City, $2,014; George L. Story, Portland, Ore., $5,573; Jesse B. Davis, Shenandoah, Pa., $3,000.

Pan-American Life Insurance Company

New Orleans, Louisiana

C. H. ELLIS, President — E. G. SIMMONS, Vice-Pres. and Genl. Mgr.

OUR RECORD

Insurance in force .....(over) $40,000,000.00
Total Resources .....(over) 5,250,000.00

The recent merger of the Meridian Life with the Pan-American Life has opened up several rich and important territories in the South and North Central section, which will be assigned to Managers capable of handling and inspiring an agency organization of high-grade men. A rare opportunity to ambitious men to establish themselves in an independent and permanently profitable business.

Address **E. G. SIMMONS, Vice-President and General Manager**
Whitney Central Bank Building
NEW ORLEANS, LOUISIANA

OBJECT OF NEW CLAUSE

Provision That on Request Dividends, Due, are Added to Premium Deposit Fund

One point in the new edition of policies of the Phoenix Mutual Life seems to have given rise to some misunderstandings. It relates to the clause providing that on request all dividends that come due will be added to the premium deposit fund. The object of this clause is to provide a means of using any dividend credit toward the payment of a premium that becomes due and is not paid in cash by the insured, inasmuch as the contract provides that if the sum to the credit of the premium deposit fund is sufficient, it will be automatically applied to pay any premium that comes due and is not paid by the insured, thereby keeping the policy in full force. It should be noted, on the other hand, that dividends transferred to the premium deposit fund cannot be withdrawn in cash, just as cash deposited in the fund cannot be withdrawn, but will increase the total cash value available on surrender or the total loan value available for a loan.

On the other hand, if the insured allows his dividends to accumulate under the fourth dividend method, the accumulating dividend fund is entirely under his control and can be withdrawn in cash at any time, and in case of lapse will increase the non-forfeiture values. The accumulating dividend fund is used by the Company to accelerate the policy on a net basis (i. e., at tabular cost) but will not be so applied except on the request of the insured; whereas the premium deposit fund is applied to accelerate without any action of the owner on the basis of the Company's gross single premium rates.

It happens, however, that there is a method by which the desired object as stated above can be attained. If the policy is one upon which the automatic premium lien provision has been requested, then in case of the failure to pay a premium, the loan value will be used to pay all premiums that come due so long as it is sufficient and this loan value is naturally increased by the value of any dividends standing to the credit of the policy plus the amount in the premium deposit fund.

TO INCORPORATE N. A. L. U.

Representative Kettner Introduces Measure in House of Representatives—List of Incorporators

A bill providing for the Federal incorporation of the National Association of Life Underwriters was introduced in the House by Representative William Kettner of California. The bill was referred to the Committee on Judiciary, and read as follows:

"That John Newton Russell, Jr., and Frank E. McMullen, of California, J. Stanley Edwards of Colorado; John Dolph of District of Columbia; Hugh M. Willet and Alfred C. Newell of Georgia; L. Brackett of Maryland; William D. Wyman of Massachusetts; Wilson Williams of Mississippi; Lawrence Priddy, Richard E. Cochran, Charles Jerome Edwards and Everett M. Ensign of New York; W. A. R. Bruehl of Ohio; Hubert H. Ward of Oregon; William M. Furey, Everett H. Plummer, Charles W. Scovel and Edward A. Woods of Pennsylvania; J. W. Bishop of Tennessee; Neil D. Sills of Virginia; and A. C. Larson, of Wisconsin, members of a voluntary association known as the National Association of Life Underwriters, their associates and successors, are hereby constituted a corporation in the District of Columbia, by that name, for the purpose of advancing the best interests of the institution of life insurance throughout the United States and elsewhere; and for this purpose to have, possess and enjoy the right to establish and maintain an office in the District of Columbia; to own only such property, real and personal, as may be necessary to carry on the work of the corporation; and, in general, to do and perform all things necessary to accomplish the purposes of the corporation; provided, that nothing herein contained shall authorize said corporation to engage in business for profit."

Sidney A. Hughes, formerly a member of Hughes & Everett, Kingston, N. Y., died in Richmond, Va., a few days ago, in his fifty-first year.

ORGANIZED 1871

Life Insurance Company of Virginia

RICHMOND, VIRGINIA

OLDEST - LARGEST - STRONGEST
Southern Life Insurance Company

Issues the most liberal forms of Policies from $1,000.00 to $50,000.00

CONDITION ON DECEMBER 31, 1915:

Assets	$ 12,629,857.65
Liabilities	10,818,731.99
Capital and Surplus	1,811,125.66
Insurance in Force	104,822,701.00
Payments to Policyholders since Organization	16,811,250.99
Is Paying its Policyholders over	**$ 1,350,000.00 annually**

GOOD TERRITORY FOR LIVE AGENTS

THE MOST VALUABLE POLICY FOR YOU,
Mr. Agent, is to write your prospect in the Company writing the most valuable policy for the insured.
Secure **prompt action** in the

John Hancock MUTUAL LIFE INSURANCE COMPANY OF BOSTON MASSACHUSETTS

WILLIAM N. COMPTON, General Agent
METROPOLITAN DISTRICT, ST. PAUL BLDG., 220 BROADWAY, NEW YORK, N. Y.

THE EASTERN UNDERWRITER

This newspaper is owned and is published every Friday by The Eastern Underwriter Company, a New York corporation, office and place of business 105 William Street, New York City. Clarence Axman, President; B. F. Hadley, Vice-President; W. L. Hadley, Secretary. The address of the officers is the office of this newspaper. Telephone 2497 John.

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MORE ABOUT GENERAL COVERS

Robert J. Merrill, Insurance Commissioner of New Hampshire, objects to a statement in an editorial printed by The Eastern Underwriter in which his report on "Mercantile Floater or General Cover Contracts" was discussed, and the comment was made that the summary of this report was inconclusive and loosely stated; or as one underwriter expressed it, "read as though written by our good friend Putnam," meaning Henry H. Putnam, secretary of the National Association of Insurance Agents. Both Messrs. Merrill and Putnam took the underwriter's comment seriously and Mr. Merrill asserts his entire authorship of the report while Mr. Putnam denies that he had any hand in writing it, which, of course, was not stated in the editorial, the purport of which was to call attention to the fact that the views of Messrs. Merrill and Putnam showed a marked similarity.

In his reply Mr. Merrill again states that much of the existing business now in force is in absolute violation of the law, as indicated in the report.

Mr. Merrill is quite correct in saying that many floaters are in violation of the law and in finding other objections to them, but the weakness of his own position is that he does not discriminate between the good and the bad covers; does not recognize in his conclusions those forms which are fair to insured, company and local agent, but in his summary condemns them all. He also falls into the same error of definition in which position Mr. Putnam coincides, that floaters and covers belong to the same category. Mr. Putnam ignores the word "cover," but always refers to "floaters."

Now a floater is one thing and a cover is another. All insurance which does not cover on a specific article or a specific and fixed piece of property is in a sense floating insurance. The term floater, as generally understood, is that form of contract which covers the articles specified when they are anywhere within the prescribed limits. It does not refer to any particular place or location within such limits. A general cover contract, on the other hand, while it may provide for coverage within equally wide limits, is not floating insurance for the reason that it requires specific insurance at stated locations which are given in detail in the statements of value which the insured must render under the terms of its general cover contract. A general cover can be tersely designated as providing for **current determination of current liability at current established rates.**

In discussing the subject of covers it also should be remembered that the cover is not the policy; that the loss is adjusted under the terms of the local policies, not under the cover contract.

CAUSES OF FIRES

The unusually interesting figures about causes of fires, tabulated by the Actuarial Bureau of the National Board of Fire Underwriters, and mailed to daily newspapers throughout the country, show that of the causes of fire that are known most of them could have been prevented or partly prevented. The same figures show that about half of the fires are from an unknown cause although, as the National Board says of the unknown causes, probably most of them are largely preventable.

It is certainly a sad commentary on the indifference of the public that so many fires are from unknown origins. Take the State of New Jersey for example. More than 62 per cent. of the fires there originated in a mysterious manner unknown to the fire departments, public officials, and insurance companies. Just think what this means. A manufacturer has a busy plant, his office filled with orders. About midnight, say, a watchman or a policeman sees flames and smoke, turns in an alarm, and despite the efforts of the firemen the building is destroyed. Business is interrupted for weeks; hundreds of workmen may find themselves out of employment; families are hard pressed to obtain credit in order that they may exist; and half the time no one knows how the fire started, but what is worse, few seem to care. In New York State 46.5 per cent. of the fires are from unknown causes; in Wyoming, nearly 60 per cent.; in Pennsylvania, 47 per cent.

In America everybody is agitated and eager to learn how secrets from the State Department slipped into the office of Wall Street operators—a few millions changing hands—but as to the responsibility for fire in which many millions of value are lost, that has been as uninteresting as the reports have been of an old world's series ball game.

The National Board of Fire Underwriters is trying to awaken Americans out of their lethargy, and is showing so far as is possible to be obtained by its careful and accurate statistics a place to fix responsibility for most fires, which is individual carelessness, the greatest of fire hazards. Now that the facts are placed before the public it rests with city officials, newspaper editors, property owners and others to show a real brand of patriotism by guarding their premises from the fire fiend through foresight because in doing this they not only help themselves but they save the rest of the community from the terrors and losses of fire.

Commissioner Dunbar, of Tennessee, a conscientious public official, a man who understands the fire insurance business, and a student of events, made a significant statement in a recent address. He declared that the reason European losses are so small is because over there the laws have been directed against fires instead of against fire insurance companies. In this country the legislators have been so busy regulating the great institutions of business, including the fire insurance carriers, that either they have not had time to regulate against fire waste, or have completely lost sight of the necessity of such legislation.

THE HUMAN SIDE OF INSURANCE



MESSRS. CHENEY, HOLCOMBE, SLIMMON AND CLARK.

Corporal George W. Cheney, and **Privates John M. Holcombe, Jr., James B. Slimmon** and **Dwight N. Clark** were four of the representatives of the Phoenix Mutual Life at the border. Privates Raymond W. Steele and John A. Edelman were two others. Mr. Holcombe is the son of the president of the Phoenix Mutual. The members of the Phoenix Four, whose pictures are reproduced above, were with Troop B, cavalry, an organization that saw plenty of service on the border, giving a good account of itself. Upon their return to Hartford the Phoenix Mutual Life's soldiers were entertained by the Company's Athletic Association and told their experiences.

Dr. Eugene Lyman Fisk, of the Life Extension Institute, placed the Institute on the front page of New York evening papers by inaugurating a life extension test to run three weeks with twelve "rookies" from the New York Police Department, to prove that the average person can exist on 25 cents a day. During the experiment the men will be examined by Dr. Eugene Lyman Fisk, medical director of the Life Extension Institute; Prof. Henry C. Sherman, of Columbia University, and Prof. Irving Fisher, of Yale University. The food will be prepared under the supervision of Prof. Mary S. Rese.

* * *

Frederick S. Withington, of Des Moines, Ia., who has been appointed consulting actuary of the New Jersey Life, secured the appointment in competition with seventeen other consulting actuaries. He is now preparing the policy forms and rate book figures for the Company on the basis of the New Jersey standard of reserves.

* * *

Manager McGrayel, of the National Surety Company, Indianapolis, recently had what might be called a busy week. It included the following: New business written, premiums of over $1,500; 11 residence burglary policies in one day, 4 more the following; 15 new agents appointed; employing a new solicitor; breaking in two new stenographers, not to mention moving the office!

* * *

Robert Lewis, who has resigned as general manager of the Alliance Assurance Company Limited, London, has been with that Company more than fifty-four years. For more than fifty years he was chief officer of the Company.

Mr. Lewis was born in 1835, and commenced his insurance career at the age of 18 when he entered the office of the Provincial Insurance Company at its head office at Wrexham. In 1862 he received an appointment by the Alliance Assurance Company as an inspector of agents, and while holding this office he was successful in negotiating the transfer of the Sheffield and Birmingham Fire Offices to the Alliance and at a little later period the fire business of his old office—the Provincial—to the same Company, thus showing in unmistakable fashion that he had the confidence of his directors. He established the important branches in Manchester and Liverpool respectively for the Alliance, and of which he acted as manager until June, 1866, when he was called to London and appointed chief officer of the Company at the early age of 31. Under his capable administration the Company has made enormous strides, and since he took over the reins of management no less than 20 companies have been absorbed by the Alliance. Mr. Lewis appeared as a public man, as a member of the Royal Commission on Water Supply in 1897-99, and since then has given evidence before various Royal Commissions and Government Committees on insurance and office administration, his last official appointment having been in 1915, to the Commission charged with the investigation of the damage done to property and persons by German warships.

In consequence upon the retirement of Mr. Lewis, the directors have made the following appointments: O. Morgan Owen, at present sub-manager, to be general manager; T. B. Ponsonby, at present secretary, to be sub-manager; and Sidney T. Smith, at present assistant secretary, to be secretary.

* * *

George M. Reynolds, the leading banker of Chicago, and president of the Continental and Commercial National Bank of Chicago, has been elected a director of the Continental Insurance Company.

FIRE INSURANCE DEPARTMENT

R. P. Barbour on Use and Occupancy Rates

W. S. NAULTY, NEWARK AGENT, RECEIVES LETTER FROM HIM

Sees Objection to Way U. & O. Rates and Forms are Handled in New Jersey.

Use and occupancy rate discussion is running floaters a neck and neck race as an interesting topic among fire underwriters these days. Some important views of use and occupancy rating can be found in a letter received by William S. Naulty, vice-president of the Jos. M. Byrne Company, Newark, prominent local agents, from Robert P. Barbour, general agent of the North British & Mercantile. The letter follows:

My dear Mr. Naulty: We were speaking the other day of the way in which use and occupancy rates and forms are handled in New Jersey, which seems open to objection in two ways. First. the forms published do not provide all the kinds of use and occupancy cover that are necessary, yet unless one of these forms is used the rules call for an extra charge. Second, the rate on a plant comprising several buildings is based on the average fire rate, which does not necessarily have much bearing on a proper rate for use and occupancy cover corresponding thereto.

Structural Value of Little Relation to Rate

I think you will agree with me:

That, the structural value of a building, or the replacement cost of machinery and materials, bears little relation to the proper rate for use and occupancy, except in so far as the larger values usually need a longer time for replacement;

That, the hazard or likelihood of a fire occurring, and, in case of fire, the likelihood of serious damage resulting to property which is necessary for the operation of a manufacturing plant, is the vital factor in determining the proper use and occupancy rate;

That, the factor of length of time necessary for repair or replacement of building, machinery or materials, due to whatever reason, is one which can only be measured by rate made specifically for the risk, and, therefore, must be disregarded in formulating general minimum rates.

Objectionable Use of Average Rates

Unless an entirely new rating plan is devised, general minimums for use and occupancy must, therefore, be based on the fire rate and this may be regarded as the best general measure of the hazards of a single building. It is the use of the average fire rate over a number of different buildings of a plant that is objectionable and likely to produce inadequate and improper use and occupancy rates.

An average fire rate on a plant is intended to produce the same premium as would result if an identical amount of insurance were placed on and in various constituent buildings, at the specific rates applying on and in such buildings. That is why it is proper to base average fire rates on values, but use and occupancy rates should be based on hazards, not values; use and occupancy losses come from things being damaged or destroyed, not values. It is the use of the machine, the occupancy of the building, regardless of the intrinsic value, that is to be considered. A building of insignificant value may be the key to the operation of a plant or the loss of a machine of trifling intrinsic worth may tie up the whole manufacturing operations.

Hypothesis

Let us suppose an extreme case where such a building and machinery therein were considered worth a fire rate of 5 per cent. yet constituted but 10 per cent. of the whole value of the plant, which was otherwise of excellent construction and mild hazards, and bore a fire rate of 60c.; a use and occupancy rate based on the average fire rate in such a case would be ridiculously low.

Or, let us turn the illustration around and assume that an average fire rate has been made on a plant comprising eight buildings, seven being used for the various processes and for power, and the eighth—of approved fireproof construction—used for a warehouse; assume that 50 per cent. of the value is in this warehouse. Of course, that means the average fire rate over the plant will be very much reduced by the inclusion of the said warehouse; likewise, the use and occupancy rate, being based on the average fire rate, will be greatly affected and the use and occupancy policy faces the possibility of a total suspension of business by reason of fire in any one of the seven processing buildings, though written at a rate much less than the specific rate applying to any one of such buildings. The eighth building, though seriously affecting the use and occupancy rate, might burn down and not cause any suspension of manufacturing operations, for a warehouse is almost always available.

The question is, how to formulate a general minimum rate for use and occupancy that can be applied over a plant comprising several buildings. A

(Continued on page 16.)

FIRE AND MARINE INSURANCE—ALL LINES

The Automobile Insurance Company of Hartford, Conn.

MORGAN G. BULKELEY, President

Statement January 1, 1916

Cash Capital	$1,000,000.00
Assets	2,377,857.39
Liabilities (Except Capital)	467,413.45
Surplus to Policyholders	1,910,443.94

AFFILIATED WITH

ÆTNA LIFE INSURANCE COMPANY

THE ÆTNA ACCIDENT AND LIABILITY CO.

AGRICULTURAL WRITES AUTOS

Watertown Company to Enter Field Soon—Has Joined National, Eastern and New England Conferences

The Agricultural Fire, of Watertown, has entered the automobile field. The Company made application for membership in the National, Eastern and New England Automobile Conferences last Saturday and expects to start writing before the close of the month. The Agricultural does not operate in the west but will write automobiles in all States in which it is at present admitted.

EASTERN AUTO CONFERENCE

Executive Committee at Meeting Last Thursday Acted on Applications for District Agencies

At the meeting of the executive committee of the Eastern Automobile Conference last Thursday, applications for district agencies under the rules of the Conference were considered. About 30 of these applications were tentatively approved but will not receive the final sanction of the committee until the meeting next Friday. All applications will then be decisively acted upon.

North British and Mercantile Insurance Co.

Established 1809

Entered United States 1866

Policyholders protected by the entire United States assets, with further guarantee in every policy, of protection by entire fire assets of the company which are many times larger.

NORTH BRANCH FIRE INS. CO.
Sunbury, Pa.
Inc. 1911

Assets	$515,049.38
Reserve	138,148.22
Capital	275,000.00
Surplus	78,171.37

CITY INSURANCE COMPANY
Pittsburgh, Pa.
Inc. 1870

Assets	$172,302.60
Reserve	27,678.96
Capital	100,000.00
Surplus	42,986.21

OPERATING ON A CONSERVATIVE BASIS IN A LIMITED TERRITORY UNDER AN EXPERIENCED MANAGEMENT

BROKERS ACTIVITIES

RETURN PREMIUMS

R. H. Depew Says Companies Would Compel Companies to Pay Return Premiums by Certain Date

R. Henry Depew, president of Abm. S. See & Depew, has written the following letter to President Eckert, of the Fire Brokers' Association of New York:

Dear Sir:—Inasmuch as brokers are compelled to pay premiums to the insurance companies on the 10th day of the second month, after the month in which policies take effect (a condition which is perfectly proper and with which we are glad to comply), the companies should be compelled to pay return premiums by the same date, without brokers being obliged to send for them. Several years ago the difficulty and labor attending the collection of returns had become so great that we adopted the plan of deducting them from our monthly checks, which works satisfactorily when we have payments to make.

If it happens, however, that we have placed no policies with companies or agencies owing returns to us, we frequently have considerable difficulty in making collections, being told to deduct, when there is nothing from which to deduct, the endeavor being made, apparently, to force the placing of business with them.

A more serious situation is created when returns are overlooked by a broker's bookkeeper and companies fail to send checks "because they have not been called for."

While possible, it is not easy for both sides to overlook the same items, and coupled with the statement made to me some time ago by the collector of a large agency "that the reason some officers never sent checks was because they hoped they would not be called for," the inference in some cases is disagreeable, to say the least. That the bookkeeping methods of many offices are bad are shown by the continual rendering of bills for premiums that had been paid or cancelled months previously. The constant checking up of these bills by brokers entails a heavy and needless expense and loss of time, and in view of the low rates of commission, and the very high expense ratio which is necessary for the proper conduct of an up-to-date brokerage office, steps should be taken at once to compel the proper conduct of the financial departments of the companies in fairness to the brokers.

For most of the companies we have only the highest words of praise; for some we feel sorry because lax methods or poor clerks, or both, must entail upon them needlessly heavy expenses and losses, but those few who are wilfully negligent, if such there be, should be brought up with a round turn and be compelled to adopt fair methods, and I trust that immediate steps will be taken by the Fire Brokers' Association to bring about this condition of affairs, through co-operation if possible, through other methods if necessary.

R. HENRY DEPEW, President.

* * *

An Apology

The Fire Brokers' Association of New York did the square thing in the current issue of its "Bulletin" by printing the following paragraphs:

"In the November issue of this Bulletin the Loss Committee of the New York Board of Fire Underwriters was referred to in connection with the criticism of a suggestion that automobile collision losses be adjusted by a committee. We regret that our observations have been interpreted by some as a reflection on the Board's Committee. Nothing was further from the intention of the writer of that article.

"We are naturally opposed to the idea of a Loss Committee for automobile claim adjustments, and the reason is too obvious."

* * *

$100,000 Philadelphia Corporation

The Chapman & Oliphant Co., Philadelphia, has been incorporated for $100,000 to do a brokerage and agency business. The incorporators are Harry O. Chapman, Malcolm Oliphant and Helen Kelly, all of Philadelphia.

* * *

Stuckhart With Mulcay & Co.

George Stuckhart, schedule expert, has resigned from John M. Riehle & Co., and has become connected with Joseph B. Mulcay & Co.

* * *

Opens New Offices

On the front page of this issue of The Eastern Underwriter will be found the announcement of the opening of the new general agency offices of Russell M. Simons, general agent of the Home Life Insurance Co., of New York.

THE PRINCETON LINE

Resident Agent in Princeton Received Full Commissions—Justice Done on Re-insurance, Too

Secretary Hoadley, of the American of Newark has made the following statement regarding the Princeton University line, notice of the writing of which was published in The Eastern Underwriter last week:

"It has been an open secret for some time that the Trustees of the University, desiring a single policy in a first class New Jersey company covering the entire amount of their insurance—some $5,800,000 on fifty-odd buildings—applied to the American for it and that we acceded to their request.

"We feel that you will be interested in this connection to know that not only our own resident agent at Princeton received his commission on the entire line, but that the re-insurance of our policy, as well, was largely written by the agents of the companies re-insuring us, so that justice was done to all concerned, and the American's long established practice maintained of avoiding overhead writing."

ADEQUATE FACILITIES
ALL LINES

PHILADELPHIA
CLARENCE A. KROUSE & CO.
LOCAL AND GENERAL AGENTS
325 WALNUT STREET PHILADELPHIA, PA.
PENNSYLVANIA NEW JERSEY

SATISFACTION SERVICE
ALL LINES

LOGUE BROS. & CO., Inc.
Fire—Casualty—Automobile Insurance
Nation-Wide Facilities for Handling SURPLUS LINES
307 FOURTH AVENUE PITTSBURGH, PA.

SCHAEFER & SHEVLIN
2 LIBERTY STREET GENERAL AGENTS NEW YORK, N. Y.
REPRESENTING
DUBUQUE FIRE AND MARINE INSURANCE CO.
Excellent Facilities for Handling Suburban and Out Of Town Business
Phone: John 2312

ARTHUR C. SWINTON
1 Liberty Street GENERAL AGENT New York City
FIRST NATIONAL FIRE INSURANCE CO.
Washington, D. C.
New York Suburban and New Jersey
Exceptional Reinsurance Facilities Local Agents' Interests Protected

INCORPORATED 1720
Royal Exchange Assurance
LONDON, ENGLAND
United States Branch
92 William Street, New York
RICHARD D. HARVEY
United States Manager

Capacity For Local Agents
You can use our capacity as your own to take care of additional business beyond the capacity of admitted Companies.
Our capacity is as high as $150,000 on a single risk with immediate binders and 10% commission to brokers. Guaranteed Underwriters. Use our special Surplus Line Department. Special liberal policies for Baggage Insurance.
MARSH & McLENNAN
Insurance Exchange, Chicago
19 Cedar St. NEW YORK
1615 California St. DENVER
314 Superior St. DULUTH
300 Nicollet Ave. MINNEAPOLIS
Ford Bldg. DETROIT
17 St. John St. MONTREAL
23 Leadenhall St. LONDON
THESE OFFICES GIVE YOU THE BEST THERE IS IN INSURANCE SERVICE

TWO OF THE OLDEST AND STRONGEST FIRE INSURANCE COMPANIES IN FRANCE
ORGANIZED 1819
Losses Paid: $79,029,547.12
GENERAL FIRE
ASSURANCE CO.
OF PARIS
ORGANIZED 1838
Losses Paid: $62,613,502.02
URBAINE
FIRE INSURANCE CO.
OF PARIS
FRED. S. JAMES
GEO. W. BLOSSOM
W. A. BLODGETT
FRED. S. JAMES & CO.
United States Managers
123 WILLIAM STREET, NEW YORK
C. B. G. GAILLARD
Assistant Manager

Commissioner Merrill Wrote Floater Report

DENIES THAT HENRY H. PUTNAM HAD HAND IN AUTHORSHIP

New Hampshire Commissioner Asserts His Authorship and Defends His Position—Comments of "Bulletin"

An editorial in The Eastern Underwriter discussing Commissioner Merrill's report on floaters, and containing a satirical comment of a prominent fire underwriter, to the effect that the summary "read as though written by our friend Putnam," meaning Henry H. Putnam, secretary of the National Association of Insurance Agents, induced Commissioner Merrill to assert his authorship this week.

In a letter to the American Agency "Bulletin" the Commissioner said he wrote the report himself after giving the situation the most careful study.

Mr. Merrill's Letter

His letter follows:

Editor, American Agency "Bulletin," I have received your letter of January 3, 1917, in which you call attention to an editorial in The Eastern Underwriter with reference to the report on mercantile floater or general cover contracts adopted by the National Convention of Insurance Commissioners at its meeting in New York in December.

I notice the statement that a study of the report causes perplexity to certain underwriters and the reference to the concluding paragraph, which is criticized not only as being inconclusive and loosely stated, but as reading as though it had been written by the secretary of the National Association of Insurance Agents.

So far as this gratuitous suggestion as to the authorship of the clause in question is concerned, I would say nothing, but for the opportunity which it gives me to state that the report was entirely written by myself after a great deal of careful study, and as the result of an investigation which I approached with an absolutely open mind, I believe I ascertained the exact facts as to the manner in which the business has been carried on . The companies of whom inquiries were made gave me information with the utmost frankness and afforded me every opportunity to acquaint myself with their methods of operation.

It was far from my purpose to suggest that the companies who were writing the class of business were wilfully violating the laws of the various States. In fact the report contains direct evidence of certain carefully considered efforts to bring the business within the letter of the law on the part of certain companies. The fact remains that much of the existing business now in force is in absolute violation of plain provisions of the law, and as indicated in the report, the efforts above referred to do not seem to have been successful in bringing such contracts in any case into conformity with the resident agents' and standard policy laws.

As to the style in which I stated my conclusions, I can only say that they are in as definite and exact a form as I was able to present them. The other members of the sub-committee, Messrs. English and McCulloch, agreed in the conclusions as stated. The full Committee on Laws and Legislation, made up of some of the leading commissioners. and the whole convention, had no difficulty in gathering the meaning of the report, and adopted it unanimously. I have nothing to add to the statements and conclusions as stated in the report, except to suggest that a great many company executives have stated their agreement with the Convention's action and expressed their satisfaction at the outcome of the investigation.

ROBERT J. MERRILL, Insurance Commissioner.

Mr. Putnam's Comment

In commenting upon Mr. Merrill's letter Henry H. Putnam said this week:

"No doubt the intimation about the authorship of the commissioner's report is simply thrown out by floater companies which have been hard hit by the commissioner's investigation, and want to confuse the issue and cast some discredit on the impartiality of its conclusions.

"Of course the secretary of the National Association had nothing to do with the commissioner's report, did not know what it contained and did not see it until it was printed in the insurance papers.

"The 'Bulletin' was informed some time ago that Manager Frank Lock of the Atlas had been appointed by the companies as chairman of a committee on floater policies. When we inquired of Mr. Lock about the matter he said he was not chairman of the said committee and referred us to Vice-President C. A. Ludlum of the Home. Mr. Ludlum in turn denied that he was chairman of such a committee. We asked Mr. Ludlum at the time if he had any views to express in regard to the commissioner's report, to which he replied that he had not. The next we heard about the matter was the publication of the article in The Eastern Underwriter, which we reprinted in the 'Bulletin' last week."

Mr. Putnam is in error as to the chairman of the cover committee who in reality is Fred W. Jenness, of Rochester.

"Bulletin" on New Floater Form

The "Bulletin" in an editorial on "floaters" this week said:

"The small percentage of companies desiring to write floaters for brokers have devised rules for submission to underwriting organizations which—according to the admission of the companies concerned—are of doubtful compliance with the spirit of the recommendations in the insurance commissioner's report.

"The agitation against floaters has led companies to cease favoring brokers with these forms. Now a form has been devised, which it is claimed is technically correct, and conforms to taxation and resident agents' laws, as well as local rates and regulations; but it still requires the issuance of underlying policies." Therefore, of what advantage is a floater form (doctored) for the benefit of brokers, over the original correct method of writing separate policies through local agents?

"As the majority of the companies in the underwriters' organizations do not care for these floaters because of the underwriting risks and the invasion of local agents' rights, why should the scheme be bolstered up by any of these organizations?

"Referring to the alleged demand for such policies the commissioner's report says: 'It is not of sufficient volume to warrant further weakening of the agency system of carrying on the business which will follow if it is continued.'"

The Merrill Summary

Following are the concluding paragraphs in Commissioner Merrill's report:

"So far as the policy is concerned there seems to be very little enthusiasm on the part of the insurance companies over the scheme and in the judgment of many of the insurance executives it is open to very serious criticism from an underwriting standpoint. There is no doubt but what it has aggravated the strained relationship between companies and their agents and their seems to be no way by which it can be modified so it can be made an integral part of the American Agency system, which is still accepted in theory at least as being the proper way of conducting and developing the country's fire insurance business.

"The sub-committee therefore respectfully reports that in its opinion the writing of general cover contracts, as disclosed by its investigation, is not in any case in conformity with the resident agents' and standard policy laws of the various States and in many cases also violates the laws with respect to taxation and rate supervision; that there is a great question as to the wisdom of the practice from an underwriting standpoint; that it is not a necessary development of the fire insurance business; and that while there may be a legitimate demand for such policies in some instances, it is not of sufficient volume to warrant the further weakening of the agency system of carrying on the business, which will follow if it is to be continued."

WARRANTIES IN LIVE STOCK INSURANCE

Answers to questions, in an application for insurance on a horse, that the insured had not lost live stock by death, accident, disease, or theft within two years, and that the horse insured would be cared for by the insured, expressly made warranties by the terms of the application, must be construed as warranties, the Indiana Appellate Court holds, National Live Stock Ins. Co. vs. Owens, 113 N. E. 1042, and not as merely representations.

"The Largest Fire Insurance Company in America."

THE HOME INSURANCE COMPANY NEW YORK

ELBRIDGE G. SNOW, President

The Largest Cash Assets of any Fire Insurance Company in America are Back of Every Policy Issued by "THE HOME"

FIRE AND ALLIED BRANCHES OF INSURANCE

Fire, Lightning, Automobile, Commissions, Explosion, Hail, Marine (Inland and Ocean), Parcel Post, Profits, Registered Mail, Rents, Sprinkler Leakage, Tourists' Baggage, Use and Occupancy, Windstorm.

STRENGTH REPUTATION SERVICE

HOWIE & CAIN, INC.

100 William Street New York City

ANNOUNCE

The Appointment of

NORMAN T. SCHINDLER

As

Manager of the Automobile Department

Of This Agency

And

Desire to Call Attention to the Added Facilities of This Office For the Writing of Automobile Business

HAS FOUR TOURIST FORMS

U. S. LLOYDS COVERAGE

Jewelry and Personal Effects Form Has 100 Per Cent. Co-Insurance Clause Attached

Because of the current interest in tourist floaters due to the formation of a committee to bring about the organization of a permanent conference, The Eastern Underwriter publishes herewith the forms now being used by the United States "Lloyds," Appleton & Cox, attorneys. They are four in number.

The first form is a jewelry floater, the salient feature of which reads as follows:

"To cover the property insured hereunder, valued as per schedule herein, against all risks of **loss or damage during transportation (including risks of loss or damage caused by breakage, fire or theft)** or otherwise, subject, however, to the conditions herein stated.

"Notwithstanding anything in this policy to the contrary, it is warranted by the assured free from claim for loss or damage, which may be attributed to, or arise from, the act of any person acting or claiming to act, under authority from any country or people, in a state of war, (whether before or after declaration of war), revolution, or internal commotion, and also from all consequences of hostilities, civil commotions, riots, and/or war-like operations, even if by lawless or unauthorized persons.

"Warranted free of loss or damage caused by strikers, locked out workmen or persons taking part in labor disturbances or riots or civil commotions."

Gives Specific Coverage

The jewelry and personal effects floater of the United States "Lloyds" carries a 100 per cent. co-insurance clause on jewelry and reads in part as follows:

"This policy covers on jewelry against all risks of loss or damage during transportation (including risks of loss or damage caused by breakage, fire, by theft, pilferage or robbery) or otherwise, subject, however, to the conditions herein stated.

"This policy covers personal effects against all loss or damage by fire, by theft, pilferage and robbery and by transportation (except breakage not caused by fire, collision, derailment or thieves) during transportation or otherwise, subject, however, to the conditions herein stated.

"These assurers shall not be liable for loss of accounts, bills, currency, deeds, evidences of debt, money, notes or securities, under any circumstances.

"Warranted free from claim in any wise inuring to the benefit of the carrier."

Theft and Pilferage Form

The third tourist floater form covers theft and/or pilferage and/or robbery under the following conditions:

"On baggage and/or personal effects, being the property of the assured or family, or servant of the assured or family.

"This policy covers all the risks and perils of fire, lightning, navigation and transportation, while being transported by any railroad, express, transfer and/or transportation company, and/or by any steamship, steamboat or craft on the ocean or on inland waters, and to cover the risks of fire and lightning while in any hotel, dwelling, business building and/or other repository, excepting theatres and other places of public amusement.

"This policy covers against loss or damage by fire while in an automobile on the road or while temporarily left in garage, but not to cover in any garage where the assured, or family, ordinarily keeps an automobile.

"This policy covers while on board of any yacht against loss caused only by stranding, sinking, burning or collision of the yacht.

"It is understood and agreed that in addition to the perils insured against as stated above, this policy covers against loss by theft and/or pilferage and/or robbery wherever the property hereby insured may be as covered by this policy.

"This policy does not cover or attach on property specifically insured, nor in storage, nor on automobiles or motorcycles and their appurtenances or equipment.

"These assurers shall not be liable for loss of accounts, bills, currency, deeds, evidences of debt, money, notes or securities, under any circumstances.

"Warranted free from loss by breakage unless caused by fire, collision, derailment or thieves and free from claim in any wise inuring to benefit of any carrier.

"This policy does not cover the risks of war nor contraband or illicit trade.

"It is understood and agreed that in case the property above described is in different places, this policy covers in each place that proportion of the whole amount of the policy, that the value of the property in each place bears to the value in all.

"It is understood and agreed that the interest of the assured as covered herein shall not be prejudiced by reason of any limitation as to value of baggage or luggage as expressed or provided in any ticket or contract of transportation which the assured may be obliged to receive from transporters or common carriers."

The general tourist floater of the United States "Lloyds" provides:

"On baggage and/or personal effects, being the property of the assured or family, or servant of the assured or family.

"This policy covers all the risks and perils of fire, lightning, navigation and transportation, including the risk of theft as described below, while being transported by any railroad, express, transfer and/or transportation company, and/or by any steamship, steamboat or craft on the ocean or on inland waters, and to cover the risks of fire and lightning while in any hotel, dwelling, business building and/or other repository, excepting theatres and other places of amusement.

"It is understood that this policy covers against loss by theft while in custody of any common carrier or other bailee, and is also to cover against loss by theft of entire trunks, valises or other shipping packages from rooms occupied by assured, or when checked, in any hotel, boarding house, provided that the local police authorities are notified immediately on discovery of loss, but this clause shall under no circumstances be construed to include pilferage, nor the loss by theft of articles in the custody of the assured except as herein mentioned.

"This policy does not cover or attach on property specifically insured, nor in storage, nor on automobiles or motorcycles and their appurtenances or equipment."

SPRINGFIELD
Fire & Marine Insurance Co.
Cash Capital $2,500,000.00

THE SPRINGFIELD for two-thirds of a century has transacted business solely under its own corporate name, without annexes, underwriting agencies or subsidiary companies. An agent of the SPRINGFIELD is not a half, a quarter or any other fraction of an agent, but is vested with the rights and dignity of an undivided representative of an undivided and independent company. The SPRINGFIELD stands today pre-eminent among American fire insurance companies.

SPRINGFIELD, MASSACHUSETTS

NEW GENERAL AGENTS

Godchaux & Mayer, of New Orleans, have been appointed general agents for Louisiana for the Michigan Fire & Marine.

Mr. Mayer visited the home office of the Company at Detroit to complete the details.

Cravens & Cage, Houston, Texas will continue as general agents for the Michigan for Texas.

S. H. COOK, CAMILLUS, DEAD

S. H. Cook, an insurance man at Camillus, N. Y., is dead. Mr. Cook was 72 years of age and was an active solicitor up to the date of his death. Mr. Cook represented the Hartford, also the American Surety Co.

ADDITIONAL INSURANCE

Enterprising Local Agents Telling Public of Its Necessity Because of Increased Values

A reading notice of Woodworth-Hanley Co., Buffalo, in the "Express" of that city, illustrates the importance local agents are placing on increased valuations and profit insurance. The article follows:

"As most policies of insurance on business properties carry an average or co-insurance clause, the big advance in prices of buildings, machinery and merchandise causes a double demand for more insurance. In case of total loss, owners will be out the difference between the cost of replacement and the amount of insurance and in event of partial loss if the insurance is not equal to the required amount named in the average clause the owner will not receive the full amount of his loss.

"This refers to straight fire insurance. Of equal importance is profit or use and occupancy insurance. Profits on merchandise which cannot be replaced promptly and upon future delivery of factory products should be covered by special insurance which pays the owner and manufacturer a specific sum each day for the time a fire totally or partially interferes with his business. Rent and leasehold insurance are also safeguards that should not be neglected.

"Insurance rates are not higher than formerly. In many cases they are lower. There is no reason why prudent men should neglect fully to protect their property and profits in these busy and money-making times. All policies of insurance look alike to some thoughtless people, but as in other things there is a difference. The company is important; the rate is important; the wording of the contract is important—service at time of loss is vitally important. Owners not only need liberal settlements, but immediate adjustments reducing the interruption of business to a minimum."

CANCELLATION OF FIRE POLICY

An insured returned a policy calling attention to change of circumstances which would forfeit it, and asking a new policy on different terms. In an action for a loss, the Indiana Appellate Court holds, York v. Sun Ins. Office, 113 N. E. 1021, that the insured was chargeable, after a reasonable time had elapsed, with notice of cancellation and refusal to rewrite the policy, and the insurer was not liable for loss, although its agent failed to notify the insured of such refusal. The insured and the agent lived in the same city, and 33 days elapsed between the return of the policy and the loss. It is held that a reasonable time had elapsed and the company was not liable.

BUYS WALIZER'S INTEREST

George G. Curran, of Amsterdam, N. Y., has purchased the interest of L. A. Walizer in Walsh & Walizer, at Syracuse, N. Y., which will hereafter be known as the Curran-Walsh General Insurance Company.

FOUNDED 1792

125th Anniversary
Insurance Company of
NORTH AMERICA
PHILADELPHIA

CAPITAL, $4,000,000 ASSETS OVER $23,000,000

FIRE, MARINE, AUTOMOBILE, Rent, Leasehold, Tornado, Explosion, Use and Occupancy, Sprinkler Leakage, Travelers' Baggage, Parcel Post

The Oldest American Stock Insurance Company

Nord-Deutsche
INSURANCE COMPANY
OF HAMBURG, GERMANY
ESTABLISHED 1857
STATEMENT JANUARY 1, 1916

Assets	$2,063,315
Liabilities	922,699
Surplus	1,140,616

UNITED STATES BRANCH
123 WILLIAM ST., NEW YORK
J. H. LENEHAN, United States Manager
AGENTS WANTED IN PRINCIPAL CITIES AND TOWNS

THE MARINE INSURANCE CONTRACT

By President BENJAMIN RUSH of the Insurance Company of North America

From an address delivered by Mr. Rush before the Fire Insurance Society of Philadelphia, and republished by courtesy of the Fire Insurance Society of Philadelphia's "Bulletin."

The next proof of loss usually demanded is a survey made by unprejudiced persons showing the extent and nature of the loss.

This survey may be made by a sworn surveyor of the port, by government officials, or it may be made by experts appointed by the parties at interest who may later agree upon the cause and extent of the damage between them.

Frequently goods arrive damp or wet and it is difficult to ascertain whether the damage can be properly attributable to a peril insured, or to some other peril for which the underwriter is not liable, such for instance, as damage by rain water, and in this and similar cases it is necessary to have the opinion of experts to ascertain the cause of the loss.

In the event of the experts failing to agree as to the amount of the loss, the assured can demand a sale at auction in order to determine the actual loss which has been sustained on his goods.

The next proof demanded is a proof of interest, such as invoice and bill of lading, together with the affidavit of the assured to show that he or his principals actually have the interest claimed in the subject matter of the insurance.

The adjustment is the final statement of the loss which may be made by the assured themselves, but which is usually drawn up by an expert claim stater showing in detail the cause and kinds of the loss and the amount claimable from the underwriter, and as soon as these documents are presented by the assured the thirty days begin to run.

From the amount which is shown to be due by the underwriter is deducted any unpaid premium note and any debt due to the Company by the assured when such loss becomes due and the underwriter can also demand that any debts coming due may either be first paid or else secured to his satisfaction.

As a matter of practice this is rarely done.

Then follows a clause which says that "no partial loss or particular average shall in any case be paid, unless amounting to five per cent."

It becomes necessary here to consider what is a particular average or partial loss.

The term particular average in relation to marine insurance, is, as already stated, equivalent to partial loss, and consists in either a deterioration, or a total loss of part, of the subject insured by the operation of the perils insured against.

The clause, therefore, provides that no deterioration or loss of the subject insured shall be paid unless it amounts to 5 per cent. of the value of the goods or property already insured.

This is to remove from the policy small and vexatious claims which would otherwise tend to greatly increase the premium charged against the assured.

Insurance is designed to protect owners of property against heavy losses and not merely guarantee them against every little damage which they may sustain.

The owner of an invoice of merchandise of $1,000 would, no doubt, object very seriously to losing all or one-half of his venture, whereas a small loss of $50 could properly be taken care of by his profits, while the inclusion of it in an insurance policy would really be to his detriment, for the reason that the cost of ascertaining and adjusting a large number of these small losses would be so great that the necessary premium charged therefor by the insurance company would be considerably greater than the losses themselves would be if assumed by the assured.

The percentage of 5 per cent. may be varied by agreement.

In the American policies it is usually 5 per cent., in English 3 per cent.

Then follows what is known as the American clause, which reads as follows:

Provided always, and it is hereby further agreed, that if the said assured shall have made any other insurance upon the property aforesaid prior in day of date to this policy, then the said insurance company shall be answerable only for so much as the amount of such prior insurance may be deficient towards fully covering the property hereby insured. And the said insurance company shall return the premium upon so much of the sum by them insured as they shall be by such prior insurance exonerated from. And in case of any insurance upon the said property subsequent in day of date to this policy, the said insurance company shall nevertheless be answerable for the full extent of the sum by them subscribed hereto without right to claim contribution from such subsequent insurance. And shall accordingly be entitled to retain the premium by them received in the same manner as if no such subsequent insurance had been made. Other insurance upon the property aforesaid of date the same day as this policy, shall be deemed simultaneous therewith; and the said insurance company shall not be liable for more than a rateable contribution in the proportion of the sum by them insured to the aggregate of such simultaneous insurance.

This clause is called the American clause because it was originally adopted and is generally confined even at the present time, to policies issued by American underwriters.

Its purpose is clearly seen from the construction of the clause, namely, it provides that where the assured has effected insurance upon the same property with several underwriters that the insurance shall attach in order of date of policy; the first underwriter being responsible to the full extent of his policy and the subsequent underwriters taking what is left, and when different policies are issued on the same date, the loss, if any, shall be prorated between them.

The next clause reads as follows:

It is also agreed, that the subject matter of this insurance be warranted by the assured free from loss or damage arising from riot, civil commotion, capture, seizure, or detention or from any attempt thereat, or the consequences thereof, or the direct or remote consequences of any hostilities arising from the acts of any government, people, or persons whatsoever (ordinary piracy excepted), whether on account of any illicit or prohibited trade, or any trade in articles contraband of war, or the violation of any port regulation, or otherwise. Also free from loss or damage resulting from measures or operations incident to war, whether before or after the declaration thereof.

This clause was originally contained in the margin of the policy in the shape of a written endorsement and its purpose was to nullify and eliminate the perils of men-of-war, enemies, letters of mart and countermart, surprisals, takings at sea, arrests, restraints, and detainments of all kings, princes and people of what nation, condition, or quality soever.

(To be continued.)

INSURANCE ON A STATUE

Litigation to Follow Dispute Between Washington (Pa.) Officials and Companies

A Pennsylvania daily paper prints the following story of a case which is interesting insurance men in Washington, Pa.:

"The county commissioners have authorized the solicitor to bring suit against those insurance companies that have refused to pay the insurance claimed due from them on account of lightning wrecking the terra cotta statue of George Washington, which graces the court house dome in Washington, Pa. Futile efforts have been made with the insurance adjusters to reach a settlement.

"The county offered to settle for $4,000 but the adjusters would not give over $3,500. The commissioners contend, upon knowledge they have as to the damage done and what it will cost to replace the statue, that it cannot be replaced for less than $4,000; and so they would not agree to a cent less than $4,000. The insurance companies, represented by Spriggs & Wolf, of Washington, agreed to settle on the $4,000 basis.

"In the suit for damages, since the county has to go into litigation, a claim for $8,000 damages will be made. The commissioners do not feel friendly toward the insurance companies, when it is considered that since the new court house has been built the county has paid about $1,000 a year for insurance, and only a little more than $100 has ever been paid for damages.

"The county buildings are rated almost fireproof, and insurance on them is practically no risk."

THE AUDIT CLAUSE

The following is a type of audit clause used in connection with general cover forms:

"This Company, or its duly appointed representatives, shall be permitted at all reasonable times during the policy period to inspect the property covered by this policy and to examine the assured's books and records at any time during said period or within a year after the expiration of same so far as they relate to the property covered under this policy."

STRENGTH INTEGRITY SERVICE

Scottish Union & National Insurance Company

HENRY J. HOUGE, B. M. CULVER, *Assistant Secretaries*
JAMES H. BREWSTER, *Manager*, Hartford, Conn.

A Broad Underwriting Service to Agents
Writes Fire, Automobile, Rent, Sprinkler Leakage, Tornado, Use and Occupancy, Explosion, etc.
Works in Harmony with American Agency Principles and Practices

BRITISH AMERICA ASSURANCE CO.
Incorporated 1833
(FIRE AND INLAND MARINE)
Head Office, Toronto, Canada
United States Branch
January 1, 1916
Assets $1,939,785.69
Surplus in United States..... 776,621.82
Total losses paid in United States from 1874 to 1915, inclusive 23,984,892.36
W. R. BROCK, President
W. B. MEIKLE, Vice-Pres. & Gen. Mgr.

THE LEADING FIRE COMPANY OF THE WORLD

ROYAL INSURANCE COMPANY LIMITED

of Liverpool England.]

THE HANOVER FIRE INSURANCE COMPANY
Incorporated 1852

The real strength of an insurance company is in the conservatism of its management, and the management of THE HANOVER is an absolute assurance of the security of its policy.

R. EMORY WARFIELD, President
FRED. A. HUBBARD, Vice-President
E. S. JARVIS, Secretary
WILLIAM MORRISON, Asst. Sec'y

HOME OFFICE
Hanover Bldg., 34 Pine St.
NEW YORK

HOWIE & CAIN, General Agents
Metropolitan District
100 WILLIAM STREET, NEW YORK

F. H. HAWLEY, Pres. ORGANIZED 1848 W. E. HAINES, Secy.



Ohio Farmers Insurance Co.
LE ROY, OHIO.

Ohio's Oldest and Strongest Company
Net Surplus Over $1,351,482.71
AN AGENTS COMPANY
E. K. SCHULTZ & CO.
PHILADELPHIA
GENERAL AGENT
Pennsylvania, New Jersey and New York

FIRE IN CONCRETE BUILDING

Woolson Says Sprinkler Would Have Saved Far Rockaway Loss—Quartz Gravel Concrete

A fire in a seven-story reinforced concrete building at Far Rockaway, L. I., was regarded of enough importance by Ira H. Woolson, consulting engineer of the National Board of Fire Underwriters, to be the subject of a thirty-two page booklet, extensively illustrated. The building was occupied by Mullen & Buckley, dealers in furniture.

The principal fact that stood out in this fire was that if there had been a suitable sprinkler system the building with its contents would have been saved.

Mr. Woolson also shows the folly of erecting a high grade fire-resistive building in all essential structural features and then allowing its efficiency to be ruined by permitting unprotected openings, even of small size.

Another lesson of the fire is that only round columns, or those closely approaching that shape, should be used in the interior of a concrete building. He also favors elimination of beams entirely and using flat slab construction.

Mr. Woolson again sounds his objections to the use of quartz gravel concrete.

Cause of Fires

(Continued from page 1.)

neighboring States, the record in groups of three being given. For instance, in the Pennsylvania slips a comparison with New York and New Jersey is given. In the Wyoming slips a comparison with Montana and Colorado, etc.

The comparison of Pennsylvania, New York and New Jersey follows:

Strictly Preventable Causes	Pa.	N. Y.	N. J.
Chimneys and flues	4.0%	4.1%	3.2%
Fireworks	0.2%	0.2%	0.0%
Gas	1.2%	0.7%	0.2%
Ashes and coals	0.3%	0.2%	0.4%
Grease, oil, etc.	0.2%	0.4%	0.2%
Metal	0.1%	0.0%	0.0%
Matches	1.9%	4.3%	2.4%
Open fires	1.6%	0.5%	0.2%
Open lights	0.7%	1.1%	0.7%
Petroleum, etc.	0.6%	1.2%	0.8%
Rubbish, etc.	0.3%	0.2%	0.2%
Smoking	1.9%	4.0%	2.4%
Steam pipes, etc.	0.4%	0.5%	0.1%
Stoves, etc.	4.0%	4.3%	3.2%
	17.4%	21.7%	14.0%
Partly Preventable Causes			
Electricity	6.0%	4.7%	3.9%
Explosions	1.6%	1.6%	0.5%
Exposure	13.5%	14.3%	7.0%
Incendiarism	3.4%	3.0%	3.2%
Lightning	2.9%	1.3%	1.9%
Miscellaneous	1.8%	1.3%	1.9%
Sparks—from fires	1.6%	1.1%	1.4%
Sparks—from machinery	0.2%	0.9%	1.1%
Spontaneous combustion	4.3%	3.1%	2.4%
	35.3%	31.9%	23.9%
Unknown	47.0%	46.5%	62.2%

The Careless Smoker

Exposure seems to be the principal cause of fire. This was responsible in New York State for $2,861,090 of the losses collated, or 14.3 per cent.; it was responsible for 16.1 per cent. of the Washington tabulation; 13.6 per cent. of the Texas tabulation; 14.8 per cent. of the Kentucky tabulation; 13.3 per cent. of the Tennessee tabulation.

Matches, smoking and defective chimneys bear the lion percentage of strictly preventable causes of fire. Even in Massachusetts, where people are supposed to have enough manners and breeding not to be careless with their cigarette stubs, 6.5 per cent. of the fires were caused by smokers. Electricity runs up a high average in the partly preventable fires everywhere. Incendiarism generally runs around 2 or 3 per cent., but in the State of Washington there seems to be work for the new Arson Bureau because the figure there is 12.2 per cent.

The circulation of these figures is mighty good publicity work, and helps to rank the Actuarial Bureau along with other great public economic bodies.

APPOINTS OSCAR M. HOWLAND

Well-Known Special to Represent Fidelity-Phenix in New England Territory

Oscar M. Howland has been appointed special agent of the Fidelity-Phenix, taking the territory formerly covered by P. A. Cosgrove. His headquarters will be in Hartford. Mr. Holland is the son of a well-known local agent in Spencer, Mass., and was formerly New England special for the Connecticut. Later he was transferred to Western New York. He has a splendid reputation among locals in New England and New York State.

APPOINT W. T. EVANS

New Special Agent of Fidelity-Phenix in Eastern New York State

The Fidelity-Phoenix has appointed William T. Evans special agent for Eastern New York, succeeding William N. Van Alstine. Mr. Evans was formerly connected with the Delaware Underwriters in Western Pennsylvania, and prior to that with the same combination in Eastern New York.

U. & O. Rates

(Continued from page 11.)

great many associations require that a policy be written at the rate of the highest rated building and this usually forces the making of a specific use and occupancy rate, which is not an undesirable thing.

One Method of Figuring Rates

Another method has been suggested which will perhaps seem very crude at first glance, yet it has certain merits. This method is to add together the specific rates of the various buildings to be included in the use and occupancy cover and then divide the sum of such rates by the number of buildings. To illustrate this in the simplest form, let us assume there are two buildings, one rated at 80c., the other at 1.60, both being necessary to produce finished goods; theoretically, the liklihood of fire in the 1.60 building is double that existing in the 80c. building and by making the rate 1.20 the likelihood of loss is averaged between the two. It is certain that this will give more nearly an adequate use and occupancy rate over a plant than if such rate is based on the average fire rate computed from values.

We recently had an illustration of the fallacy of basing the use and occupancy rate on the average fire rate in an offering on an oil refining plant. The average fire rate was 1.03 and included a large number of tanks and a semi-fireproof warehouse. The specific rate for the processing building was 2.16 and in this building is where we consider the hazard of a use and occupancy loss lies and that we were, therefore, offered just about half what such coverage should pay.

The whole question is a very interesting one, and with the increasing amount of this class of insurance that is now being carried it presses for some satisfactory solution. You have had a large experience in writing use and occupancy insurance, and I would like very much to have your comment on the foregoing.

BIG WRITERS
READ
THE EASTERN UNDERWRITER
Each Week for New Ideas
DO YOU?
Subscription $3 a Year

"The Leading Fire Insurance Company in America"



WM. B CLARK, President

AETNA INSURANCE COMPANY

Aetna Fire Underwriters Agency
of Aetna Insurance Co.

Application For Agencies Invited

GERMANIA
FIRE INSURANCE COMPANY
NEW YORK.
ORGANIZED 1859

STATEMENT, JANUARY 1, 1916

Cash Capital	$1,000,000.00
Assets	$8,029,651.84
Liabilities	$3,920,295.68
Net Surplus	$3,109,356.16
Surplus for Policy Holders	$4,109,356.16

HEAD OFFICE:
Cor. William and Cedar Streets

The Gamewell Fire Alarm Telegraph Co.
Fire Alarm and Police Telegraphs for Municipal and Private Plants
OVER 1500 PLANTS IN ACTUAL SERVICE
GENERAL OFFICES AND WORKS
NEWTON UPPER FALLS, MASS.
AGENCIES
5708 Grand Central Terminal, New York
448 John Hancock Building, Boston, Mass.
1216 Lytton Building, Chicago, Ill.
335 Wabash Building, Pittsburgh, Pa.
915 Postal Building, San Francisco, Cal.
304 Central Building, Seattle, Wash.
Utica Fire Alarm Telegraph Co., Utica, N. Y.
Northern Electric Company, Limited, Montreal, Canada.
General Fire Appliances Co., Ltd., Johannesburg, South Africa
Colonial Trading Co., Ancon; Canal Zone, Panama
F. P. Danforth, 1060 Calle Rioja, Rosario de Santa Fe, Argentine Republic

FIRE ASSOCIATION OF PHILADELPHIA
Office: Company's Building, 407-409 Walnut St.
Organized 1817 Incorporated 1820 Charter Perpetual
Cash Capital $750,000 Assets $9,091,141
E. C. IRWIN, President T. H. CONDERMAN, Vice-President
M. G. GARRIGUES, Sec. and Treas.
R. N. KELLY, Jr., Asst. Sec. and Treas.



1817

Rossia Insurance Company
HARTFORD, CONN.
REINSURANCE

H. KRAMER
ADJUSTER
FOR INSURANCE COMPANIES
105 William Street, New York City

A. K. BOUGHNER & CO.
INSURANCE AGENCY
Fire Automobile
NEWARK AND VICINITY
Brokerage Business Solicited
38 Clinton Street Newark
95 William Street New York

THE YORKSHIRE INSURANCE COMPANY, LTD., OF YORK, ENGLAND
ESTABLISHED 1824
The "Yorkshire" is the Oldest and Strongest of the English Fire Companies not heretofore represented in the United States
U. S. BRANCH
Frank & Du Bois, United States Managers Ernest B. Boyd, Underwriting Manager
Harry F. Wanvig, Branch Secretary Frank B. Martin, Supt. of Agencies
NO. 80 MAIDEN LANE, NEW YORK
New York Life Insurance and Trust Co., U. S. Trustee, No. 52 Wall St., New York
DEPARTMENTS—METROPOLITAN, Willard S. Brown & Co., Managers, New York, N. Y.; CAROLINA-VIRGINIA, Harry R. Bush, Manager, Greensboro, N. C.; SOUTHEASTERN, Dargan & Hopkins, Managers, Atlanta, Ga.; LOUISIANA and MISSISSIPPI, Jas. B. Ross, Manager, New Orleans, La.; PACIFIC COAST, Jas. C. Johnston, Manager, J. K. Hamilton and McClure Kelly, Assistant Managers, San Francisco, Cal.

First National Fire
Insurance Company of the United States
WASHINGTON, D. C.
ROBERT J. WYNNE, President JOHN E. SMITH, Secretary
Statement January 1, 1916
CAPITAL, $912,502
RESERVE FOR ALL OTHER LIABILITIES, $523,785
NET SURPLUS, $377,447 ASSETS, $1,813,734

CASUALTY AND SURETY NEWS

SCHINDLER WITH HOWIE & CAIN

MANAGES AUTO DEPARTMENT

Former Assistant Manager of General Accident's Metropolitan Branch Office Makes Change

Norman T. Schindler, who has been with the General Accident for the past 11 years, has been appointed manager of the automobile department of Howie & Cain, Inc., now metropolitan manag-



NORMAN T. SCHINDLER

ers of the Hanover Fire. Howie & Cain, Inc., who were also recently appointed metropolitan agents of the Millers National of Chicago, plan to extend the facilities of their automobile department and expect to make additional announcements in this connection in the near future.

Mr. Schindler, to the time of this appointment, was assistant manager of the liability department of the metropolitan branch of the General Accident. He started with that Company 11 years ago as an office boy. Three years later he was promoted to the position of chief clerk of the factory department of the Company, and after two years in this capacity, he entered the liability department as home office underwriter. When the Company established a separate metropolitan department in New York, Mr. Schindler was made chief counterman and assistant superintendent of the liability department under J. L. Mautner, manager of the New York office.

For several years Mr. Schindler has worked among the New York City brokers, among whom he has many friends, and he will continue to do so in his new connection. Additional announcement of Mr. Schindler's appointment will be found in another column.

BARTO & WOOD HAVE G. A.

Barto & Wood, who recently resigned as agents of the New Amsterdam Casualty in Brooklyn, have been appointed agents of the General Accident, also for Brooklyn. This appointment does not affect the agency of the General Accident which is held by De Mott & O'Brien.

LIBRARY TALK

Miss Abbie B. Gantz, librarian of the Fire Insurance Club of Chicago, discussed "What You Should Know About the Fire Insurance Library," in a talk before the Fire Insurance Club of Chicago on Tuesday night.

NEW LIVE STOCK COMPANY

$1,000,000 Organization in Nebraska—T. W. Blackburn One of the Officers

The Nebraska Live Stock Insurance Company of Omaha has been organized with a capital and surplus of $1,000,000 It will file articles of incorporation with the State during this month. It will operate on the legal reserve old line plan. Its policies will be similar to other companies engaged in the same kind of risks.

It is the first home live stock insurance company to organize in Nebraska. An active campaign will continue until it has from 800 to 1,000 stockholders. The officers are president, W. B. Howard, Omaha; auditor, Henry P. Meyers, Omaha; attorney, T. W. Blackburn, Omaha.

As a special protection to policyholders, who are secured by the capital and surplus, will set aside as a reserve, and invest in interest bearing securities, a sufficient sum to provide the funds necessary to meet all losses from underwritings as the same shall occur. In every district the Company will employ a veterinary surgeon as an examiner and an inspector who will pass upon the class of risks offered. A confidential representative will co-operate with the surgeon and the inspector. Many of the big stock breeders, merchants and professional men are stockholders. The Company expects to operate in other States besides Nebraska.

STATE AUTO RULING

Some Companies Forced to Amend Charters to Meet Requirements of New Texas Commissioner

Companies writing automobile insurance in Texas must have provision for that line in their charters and special licenses from the State Insurance Department. Such is the interpretation placed upon the law by the new commissioner of that State.

The Tokio Marine, which has been writing automobile insurance in that State since being admitted to this country, is one of the companies affected. The Tokio had its charter amended this week through its United States attorneys, Appleton & Cox, to permit the writing of fire and automobile insurance. Douglas F. Cox, of Appleton & Cox, told The Eastern Underwriter Monday that there was no immediate prospect of the Tokio taking up the fire business in the United States.

IS EXECUTIVE SECRETARY

Stanley L. Otis, former actuary of the Workmen's Compensation Bureau, has been appointed executive secretary of the New York State Federation. Mr. Otis has made his headquarters at 80 Maiden Lane, this city, though he will devote considerable time to the up-State affairs of the Federation as well.

NATIONAL SURETY'S VIEWS

ON BANKERS' BLANKET BONDS

Hold-up Coverage for Distance Greater Than Twenty Miles—Rates Per Thousand

In discussing bankers' blanket bonds the National Surety Company says:

We are now prepared to attach to blanket bonds a rider giving hold-up coverage for a distance greater than twenty miles. The premium charge is as follows:

$1.00 per thousand for the first 30 miles additional.

$2.00 per thousand for 80 miles additional.

$1.00 per thousand additional for each additional 100 miles.

If a bank does not require this additional hold-up coverage for the full amount of the bond, this can be arranged and pro rata premium will be charged; that is to say, if a bank having a bond of $100,000 wants the additional hold-up coverage only to the extent of $50,000, we can furnish it and charge the above rate per thousand for $50,000 of hold-up insurance. This does not change in any way the regular premium for the standard form of bond.

In making a proposition to sell our service and security (or anything else) we should never make a proposition that will leave us in an unsettled or unsatisfactory state of mind if the party does not accept our proposition, or which will so leave us, if the party does accept our proposition. By following this rule we will get much more satisfaction and happiness out of our dealings than otherwise.

Attachment Bonds

In submitting application for attachment bonds, a large percentage of agents do not indicate upon what property the attachment is to be placed. That is a particularly important feature in the underwriting of an attachment bond. We frequently can approve an attachment bond where real estate is to be attached, when we would not be justified in authorizing a bond for the same amount if the attachment is to be placed upon a going business or perishable property. Please indicate in every attachment and replevin application just what kind of property the action is to cover.

Consignee (Debtor and Creditor Relation)

Automobile, rubber and similar industries, by the nature of their business, have many representatives who are merely consignees; or where, by the system of accounting, it is a straight debtor and creditor proposition. Please understand that we are not writing bonds for consignees nor where a debtor and creditor relationship exists, therefore agents should watch these cases carefully and see that no such bonds are executed. This applies particularly to agencies executing fidelity bonds or acceptances on schedules —they are not to execute bonds nor acceptances covering consignees; nor where an open credit account is extended to the salesmen; nor any other coverage not contemplated by our own printed bond forms, without alteration by rider or otherwise.

General Accident
FIRE AND LIFE
ASSURANCE CORPORATION, Ltd.
FREDERICK RICHARDSON, United States Manager
GENERAL BUILDING · 4TH & WALNUT STS.
PHILADELPHIA
SERVICE THAT EXCELS

PRAISE FOR PHELAN

President Bulkeley, of Aetna Life, Congratulates Local Manager on Record of Office

The 100 William street office of the Aetna Life and affiliated companies had an extraordinary year in 1916. Collecting premiums of over $2,700,000, which was a gain of over $555,000 over 1915 is no mean accomplishment. This result was attained notwithstanding the fact that on January 1, 1916, all the agents in Newark and surrounding New Jersey territory which had previously reported through the New York office began reporting direct to Hartford through a branch office established in Newark.

On January 1, 1917, resident manager Charles H. Phelan, of the New York office, received the following telegram from President Bulkeley of the Aetna Life:

"In extending to you my heartiest good wishes for the New Year I desire to compliment and congratulate you on the splendid volume of new business you have helped to roll up during nineteen sixteen; also accept my warmest thanks for your ready and whole-hearted response in contributing to the unparalleled and complete success of our collection campaign.

"The Aetna Life Insurance Company and its affiliated companies broke all records in nineteen sixteen by the phenomenal increase in their volume of paid premiums for casualty, fire, marine and miscellaneous insurance and bonds. The actual figure was $5,230,627.33.

"Our entire official family joins in thanks and appreciation to all those who helped in accomplishing this epoch making result furnishing abundant proof of your loyalty and material evidence of the accelerating value of being an 'Aetnaizer.'"

STONE TO MAKE ADDRESS

Program of Insurance Society Provides Three Addresses During January —Use and Occupancy a Topic

The schedule of addresses of the Insurance Society of New York for January includes a paper to be delivered on the 16th by John T. Stone, president of the Maryland Casualty, on the problems surrounding accident and health insurance. P. D. McGregor, manager of the Western department of the Queen, will describe underwriting conditions in the Middle West on the 23rd. "Use and Occupancy Insurance" will be the subject of the talk to be made on the 30th by Leo Levy, New York attorney.

SETS MARK AT A MILLION

Some Figures Showing Growth of Accident Department of Fidelity & Deposit

The Fidelity & Deposit Company wrote $755,928, had a net premium income of $755,928 in its accident department last year and has set a mark of $1,000,000 for 1917. From what we know of the personnel of the Company it will make the million easily.

T. Leonard Bean is superintendent of the accident department, which by the way is less than six years old as the first accident policy was written in September, 1910. The manner in which the department has gone ahead is shown in the following figures: 1911, $166,182; 1912 $244,132; 1913, $304,484; 1914, $406,878; 1915, $512,545; 1916, $755,928. $1,000,000 next year should be easy.

Facts In Big Equitable-Continental Policy

(Continued from page 5.)

year's salary, with minimum of $500 and maximum of $2,500 on any individual.

If the employe meets with an accidental injury in the course of his employment the Continental pays two years' salary if it results in the loss of any two limbs or two eyes. It pays one year's salary for the loss of a single limb. Six months' salary is paid for the loss of an eye. For loss of time, resulting from the period of the disability, not exceeding two years.

The foregoing are on occupational accidents. Disability resulting from non-occupational accidents and disability resulting from disease are put upon the same basis and payment is made for the entire period of it if it exceeds one week, up to twelve months. In addition, if the employe becomes totally or permanently disabled within twelve months by reason of disease he gets further payment for twelve months more. In other words, if permanently and totally disabled he gets an entire payment of twenty-four months.

The life insurance is carried upon the employe irrespective of his retirement under pension. Accident and health insurance is carried up to the time of his retirement. After retirement he does not need time protection, but needs his life insurance, which is provided.

The scheme upon which the insurance is written is that all premiums are paid upon a percentage basis to be computed upon the pay roll.

Continental for Years a Great Factor in Railroad Insurance

President Alexander, of the Continental Casualty, has seen the possibilities of railroad insurance for years, and has been quick to take advantage of opportunities. The Continental has had a long pre-eminence in the writing of accident insurance among railroad men.

The Continental has made a special feature of service and has in its secretary and railroad manager, W. H. Betts, a man who has made a study of railroad insurance the work of a lifetime. He has a tremendous acquaintance among railroad people. The service includes devising policies particularly adapted to the needs of railroad employes. It required nerve to write what has been regarded as the most hazardous of railroad occupations, hazards which in the past have been regarded as vastly more dangerous than select commercial business. But the Continental blazed away, proceeding on the assumption that every risk has its adequate rate and that a company with adequate financial resources and the required knowledge of underwriting could take any quantity or class of railroad risk, and be the gainer for it. President Alexander's daring turned out to be good judgment, as the experience in these railroad risks has been satisfactory.

The Company's annual income on the railroad business alone is about $1,500,000. Its accident and health business amounts to about $3,500,000 premiums a year.

Judge Day on Group Insurance

Judge W. A. Day, president of the Equitable Life Assurance Society, said this week that the Union Pacific policy, meaning approximately $30,000,000 of insurance protection without cost to or medical examination of the employes insured, speaks for itself as to the development of group insurance. Continuing, he said:

"The protection of group insurance has been spread to scores of thousands of employes from the Atlantic to the Pacific Coast. In the year just closed, the group writings of the Equitable, irrespective of the Union Pacific transaction, approximately amounted to fifty million dollars. Of this fifteen million dollars of group protection was issued in the last few weeks of the year, and presented to the employes of industrial, banking and commercial institutions during the holiday season.

Meaning of Co-operation

"We have passed through several decades of industrial organization in which the human element has been more or less neglected. Corporations and combinations of corporations have supplanted the small business of more intimate human associations, and systematized much of the red blood out of the worker in systematizing a new efficiency by use of machinery. The employer and the employe are the same kind of men as before, but lack of close contact causes misunderstandings between them. In industry some systematic substitute for the individual care and good will which formerly went from the employer to the employe must be found to go with the advantages of the era of machinery and centralized work in big units. Co-operation paid in those days and pays today. In addition to receiving a full pay envelope, the employe must feel an interest in his work to make it pleasurable and profitable.

Not a Substitute for Individual Insurance

"Group insurance is not a substitute for individual insurance. It simply supplements it. It is meant to provide some insurance to those not otherwise protected by it, and to be a substantial addition to the individual insurance which all are encouraged to provide for themselves. The plan has been found to work best only as it is operated on an inclusive basis; namely, to include everybody employed, or all those in the class for whose benefit insurance is desired.

"Where the employer pays the entire premium and obtains from the employes better service, increased productiveness, and increased persistency, the employer's outlay in premiums is fully compensated for by such improvements, and is thus fully although indirectly paid for by the employe. This fact is well attested in practice by statements from establishments in which the plan is in operation.

"The social service of group insurance is self-evident and it is being rapidly extended. Group insurance is no longer an experiment. It is an accomplished fact. It is carrying to the employer a sound principle and the conviction that he can, with advantage to himself, to the employe, and to humanity, co-operate better to protect the worker in ways which bring returns commensurate to both and to society at large.

"It enables the institution of life insurance greatly to extend its service to the public. It not only carries the lesson of life insurance protection to thousands of people who have given them virtually no thought, but it carries protection to the helpless without cash outlay on the part of the breadwinner. It promises to become an important factor in the great humanizing movement, which in my judgment will gather momentum in 1917."

President Alexander on Group Insurance

Mr. Alexander, speaking of group insurance this week, said:

"In the development of economic conditions in this country and of the relationship which exists between the employer and employes there is coming to be more and more settled acceptance of the great truth that the fundamental interests of both lie in the same plane; that one cannot prosper without the other. As a realization of this fact is grasped by both sides, so do they appreciate their mutual dependence and community of interest. There is a growing tendency on the part of the employers to impress this fact upon their employes by various phases of welfare work. Group insurance is but one phenomenon marking the development and growth of this spirit. In my opinion it will be warmly welcomed as such by employes. For as we survey the financial ills which follow the misfortunes of death, injury or disease we realize that it is particularly necessary that those who are not possessed of reserve capital should have protection which may serve to carry them over a period during which earning capacity is curtailed or entirely lost. To my mind insurance acts the same as a fly-wheel of a powerful engine to protect the machinery from stopping when some slightly added load is thrown upon it or the power is to some degree temporarily weakened. Group insurance is particularly fitted to fulfill this function of protection.

"It has another function in the cultivation of kindly relations between employer and employe, and tends to promote that spirit which is really the foundation of industrial success in that both employer and employe are working for the achievement of one common good."

The Continental has been under its present management for ten years. Mr. H. G. B. Alexander is the directing genius of the Company, and he is the man who pushed it to the front in accident and health insurance and maintained its leadership. The Company wrote accident and health exclusively until the first of last year when it started to write other lines in addition.

MARYLAND'S DRIVE SUCCESSFUL

Agency Force Produced $1,112,407 in Accident and Health Premiums During Year's Campaign

The Maryland Casualty this week announced the returns of the drive for accident-health business which extended over 1916. The total premiums produced were $1,112,407. This was an increase over the previous twelve months of $232,567 and an increase for the month of December of $14,625.

CONTINENTAL'S NEW POLICY

The Continental Casualty last week placed on the market a new accident-health policy one of the principal features of which provides for the return to the beneficiary of all premiums paid in event of the death of the assured by accident. This is in addition to the principal sum of the policy and is in the nature of an increasing death benefit. The policy also provides for the increase of the accident and sickness weekly benefits at the rate of 20 per cent. each year for three years. It also pays in addition to the weekly indemnity special hospital and operation benefits for either accident or illness to the extent of half of the regular weekly indemnity.

HIGGINS WILL SUCCEED HIMSELF

Governor Harrington of Maryland is expected shortly to announce the reappointment of James Higgins as a member of the State Industrial Accident Commission for the six-year term. Mr. Higgins' term expired October 1 and his reappointment, based on meritorious service and the strong endorsement of his administration by various insurance company officials was expected.

AUDITOR ANDREWS RESIGNS

Announcement is made of the resignation of M. R. Andrews, auditor of the Maryland Casualty. Mr. Andrews will enter other lines of business. H. E. McClellan, who has been superintendent of the public official bond section of the Company, and formerly assistant auditor, has been elected to succeed Mr. Andrews.

A WINDOW CLEANERS' MUTUAL

Ninety Employers Form Company to Carry Risk of 2,500 Employes—Charter Has Been Secured

A charter was issued this week to the Window Cleaners' Mutual Insurance Co., of New York City. The Company is composed of 90 employers who employ 2,500 men. These employers plan to subscribe at the rate of $10 per man as an initial premium, with provision in the policies for further assessments. The Company has not yet been licensed but Louis D. Felix, attorney for the Company, told The Eastern Underwriter that the license would be procured this week.

Thus far, the Company has not employed an experienced insurance man to take charge. It plans to limit its operations to New York State. At a meeting of the men interested on Wednesday night, the details of the operation of the Company were discussed and it was decided to start writing business as soon as possible.

The Company was organized to meet the requirements of the compensation law. The stock companies have in the past shunned taking window cleaners as risks and the formation of some kind of a mutual company was practically obligatory upon the employers to comply with the law.

The assessment of $10 per man is arbitrary, being based on the rate placed on this hazard by the State Fund, which is reported to be $17.

WITHOUT PROTECTION

Comment on Court Bonds Arising Out of Situation in Lucas County Probate Court

A Toledo insurance man inspecting the records of the Lucas County Probate Court says that there are still one hundred bonds formerly carried by the Title Guaranty & Surety that have not been reinsured and that there are eighteen bonds carried by the Illinois Surety Company which went into the hands of a receiver.

The point is, says the National Surety Company, that if these 122 estates in one county are apparently without adequate protection, how many hundreds of thousands of cases are there throughout the United States with respect to these and all other companies which have ceased for any reason to write surety business?

STARTS SPECIAL CAMPAIGN

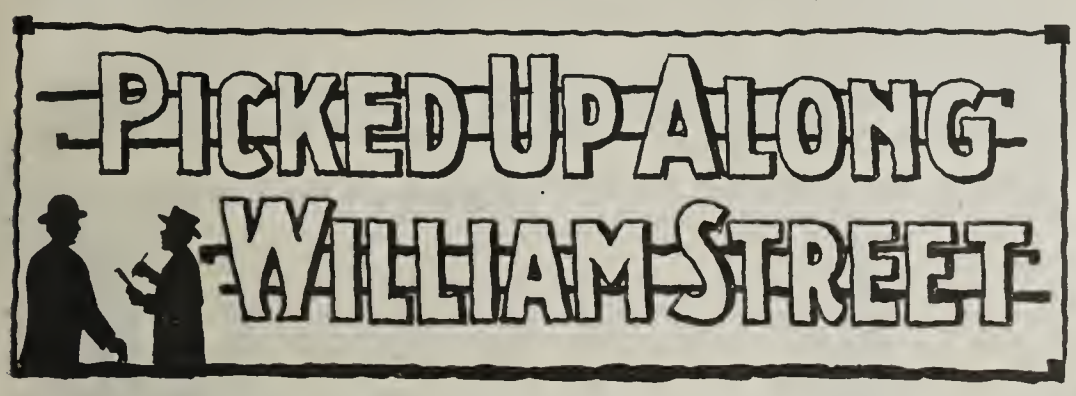
Franklin Davies, home office special agent of the Aetna, started a special campaign in the New York office of the Company this week. The campaign will last three weeks and will be limited to the sale of the Aetna's "Star Five Point Combination Residence Policy." Mr. Davies has specialized on this policy for several years and during that time his personal production on the combination residence policy alone has averaged over $500 per week. He has superintended campaigns from Maine to California.

NATIONAL LIFE, U. S. A., FIGURES

The premium income of the casualty department of the National Life, U. S. A., for 1916 was $1,028,799.34, against $762,559.48 for 1915, or a gain of $266,239.86.

The premium income for the month of December, 1916, was $109,442.15, as against $82,975.11 for December, 1915, or a gain of $26,467.04.

The casualty department of the National Life, U. S. A., announces the appointment of the following superintendents for its weekly life, health and accident department: L. B. Winkler, Kansas City; H. B. Hatcher, Shreveport; George Jones, Little Rock; Frank Wilson and Harper Trowbridge, Seattle.



Decision in Insurance of Man Who Died While Dancing

The Appellate Division has affirmed the verdict against the Commercial Travelers of Utica of the Rensselaer Supreme Court for $5,500.

Mrs. Bernard sued on a policy on her husband, Edgar G. Bernard. The judgment of the Appellate Court is unanimous.

Mr. Bernard, who was in the electrical business and prominent in commercial and social circles, died suddenly in a hotel while dancing. Whether death was due to a natural or accidental cause was the principal issue fought out in court between the widow and the insurance company. Some time after the funeral the body was exhumed at the request of the insurance company. The jury took the view that Mr. Bernard's death was due to a fall on the dance floor. Thomas F. Powers represented the widow and Thomas H. Guy appeared as counsel for the insurance company.

* * *

A Talented Executive

Manton Maverick, Vice-President of the Continental Casualty, who was in New York this last week, is a Harvard man, who began his career working for the Government, drifted into the practice of law, and from that into insurance. He is a man of cultured tastes, a good French scholar, and is one of the strong men gathered about him by President Alexander, a good judge of talent.

* * *

The Travelers "Standard"

"The Standard," issued by the Travelers Insurance Company, is four years old. The Company has asked its readers if they think the publication useful. And, also, for suggestions. "Does the editorial plan meet your wants?" is a query given to the readers. From what The Eastern Underwriter has seen of the Travelers "Standard" it is a most useful technical publication, its articles being extremely timely and important, as well as authoritative.

* * *

Cover Pierce Oil Force

Through its St. Louis agency, the National Surety Company arranged a schedule bond covering the Pierce Oil Corporation's entire force. The bond is one of the largest schedules of its class, amounting to $786,800.

* * *

Not Largest Bond

An administrator's bond of five million dollars was filed in New York by National Surety Company recently, covering Louis F. Leland and Joseph McCloskey, as temporary administrators (with the United States Trust Company) of the estate of the late Francis L. Leland. This is not the largest administrator's bond ever executed, a $5,000,000 bond having been filed in Chicago some years ago. Six other companies joined the National Company on the bond.

* * *

Indemnity Policy—Expense of Litigation

By a clause in a policy undertaking to indemnify the assured against loss by reason of liability on account of injuries to employes the insurer undertook to defend proceedings against the assured, unless it should elect to settle the same or pay the assured the indemnity provided for. Another clause provided that no action should be brought against the insurer unless by the assured himself to reimburse him for loss actually sustained and paid. The Oklohoma Supreme Court holds that the former clause did not make the contract one guaranteeing payment of an obligation of the assured rather than one of indemnity, that clause being merely an additional privilege for the protection of the insurer. Contracts to pay legal liabilities differ from contracts of indemnity in this, that, upon the latter, action cannot be maintained and recovery had until the liability is discharged, while upon the former the right of action is complete when the liability attaches.

* * *

Uses Commission Letter-Head

The National Service Life, organizing in New York, sent a letter to brokers this week. The letter was written on the stationery of the Industrial Commission and implied that the organization had received the endorsement of that body.

PACIFIC MUTUAL POLICIES

New Features Incorporated—Merchants' and Manufacturers' Contract

The Pacific Mutual Life has issued a policy providing a small principal sum and large weekly indemnity, the Superba Eureka accident insurance policy. For example, if an applicant desires only $750.00 principal sum and $25.00 weekly indemnity, he can obtain same for an annual premium of $16.00, provided his occupation is classified Select or Preferred.

Here are some of the features of the policy:

Weekly indemnity for total disability payable for life.

Weekly indemnity for partial disability payable for 52 weeks.

Hospital charges paid in addition to surgeons' fees.

Surgeons' fees for non-disabling injuries.

All premiums paid are returned in event of accidental loss of life.

Increased indemnity for loss of one arm or one leg.

One-third principal sum for loss of thumb and index finger.

Exceptionally liberal double indemnity clause.

Immediate cash payment in lieu of weekly indemnity for specified injuries if insured so elects.

Another policy is the Merchants' and Manufacturers' accident policy. This is an accumulative weekly indemnity policy which provides an increase of 10 per cent. each year on the weekly indemnity as well as on the principal sum. One of the chief features is that the first increase on the weekly indemnity and also on the principal sum becomes effective the first year instead of at the first renewal date. A policy issued for $5,000-$25.00 immediately becomes $5,500-$27.50, and becomes full accumulated on the payment of the fifth annual premium instead of on the payment of the sixth annual premium, as is the usual way.

If the Aetna adds 3 more policies to its list, it will have 57 varieties.

GEORGIA CASUALTY COMPANY
MACON, GEORGIA
A Strong Casualty Company — W. E. SMALL, President
Surplus and Reserves as to Policyholders over $1,000,000
Writes the Following Forms of Casualty Insurance
ACCIDENT PLATE GLASS HEALTH LIABILITY
AUTOMOBILE BURGLARY ELEVATOR TEAMS
AGENTS WANTED IN UNDEVELOPED TERRITORY
Apply PETER EPES, Agency Manager, Home Office

The METROPOLITAN CASUALTY
INSURANCE CO. OF NEW YORK
HOME OFFICE, 47 CEDAR STREET
CHARTERED 1874
Plate Glass, Burglary, Accident and Health Insurance
EUGENE H. WINSLOW, President
Russell R. Cornell, Vice-Pres. S. Wm. Burton, Sec. Alonzo G. Brooks, Ass't Sec.
RELIABLE AND ENERGETIC AGENTS WANTED

BUSINESS=BUILDERS
DEVELOPING
Fidelity and Surety Bonds, Liability Workmen's Compensation, Automobile, Accident, Health, Burglary and Plate Glass INSURANCE
APPRECIATE THE CO-OPERATION OF THE
Massachusetts Bonding and Insurance Company
BOSTON T. J. FALVEY, President
Paid-In Capital $1,500,000 Write For Territory

THE SIGN OF GOOD CASUALTY INSURANCE
HEAD OFFICE
CHICAGO
F. W. LAWSON
General Manager
Liability, Accident, Burglary, Boiler and Credit Insurance
Established 1869.
F. J. WALTERS
Resident Manager
55 JOHN STREET
New York
Elmer A. Lord & Co.
145 Milk St., Boston
Resident Managers New England
London Guarantee & Accident Co., Ltd.
OF LONDON, ENGLAND

C. A. CRAIG, President W. R. WILLS, Vice-Pres. C. R. CLEMENTS, Sec. & Treas.
The National Life and Accident Insurance Company
NASHVILLE, TENNESSEE
Industrial, Life, Health and Accident Insurance in ONE policy

CASUALTY AND SURETY LUNCH

The Casualty and Surety Club luncheon will be given today at the Railroad Club. The annual election of officers will take place.

BROKERS!
KEEP POSTED BY READING
THE EASTERN UNDERWRITER
Subscription $3 a Year

The Employers' Liability Assurance Corporation, Limited
The original and leading Liability Insurance Company in the World
LIABILITY, STEAM BOILER, ACCIDENT, HEALTH, FIDELITY AND BURGLARY INSURANCE
United States Branch
SAMUEL APPLETON, United States Manager
Employers' Liability Building,
33 Broad Street, Boston, Mass.
AGENTS WANTED

Representing

The Mutual Life Insurance Company
of New York

You will make money.

The great strength, big dividends and incomparable benefits of the *"oldest company in America"* mean certain success for you.

For Terms to Producing Agents, Address

GEORGE T. DEXTER, 2d Vice-President

34 NASSAU STREET, NEW YORK, N.Y.

THE

METROPOLITAN LIFE
Insurance Company

(Incorporated by the State of New York)



Metropolitan Life Insurance Company
Home Office Building

The Company

Of the People
By the People
For the People

The Daily Average of the Company's Business during 1915 was:

639 per day in Number of Claims Paid.
9,175 per day in Number of Policies Issued and Revived.

$1,956,438 per day in New Insurance Issued, Increased and Revived.

$326,616.59 per day in Payments to Policyholders and Addition to Reserve.

$146,602.49 per day in Increase of Assets

JOHN R. HEGEMAN, President

SPECIAL AGENCY OPENINGS
FOR
OHIO and ILLINOIS

PHILADELPHIA LIFE INSURANCE CO.

JACKSON MALONEY, Manager of Agencies
PHILADELPHIA

ALL STANDARD FORMS OF LIFE INSURANCE POLICIES

Industrial and Ordinary Insurance

The WESTERN and SOUTHERN LIFE INSURANCE CO.

Home Office ....CINCINNATI, O.

Organized February 23, 1888 — W. J. WILLIAMS, President

Assets .....$ 8,763,565
Insurance in Force 79,619,535

Branch offices in all the larger cities of Ohio, Kentucky, Indiana, West Virginia and Western Pennsylvania

AGENTS WANTED

NEW AMSTERDAM CASUALTY COMPANY

A Progressive

SURETY AND CASUALTY

Company

WORTH KNOWING

Suppose that you are insured in the United Life and Accident Insurance Company of New Hampshire for $5,000 under the Company's Triple Indemnity. Plan, what does your Policy guarantee to do?

ANSWER:

FIRST, it guarantees that in case of death from any cause, $5,000, the face of the Policy, will be paid.

SECOND, that in case of death from any ACCIDENT, $10,000, or DOUBLE the face of the Policy, will be paid.

THIRD, that in case of death from certain SPECIFIED accident, $15,000, or THREE TIMES the face of the Policy, will be paid.

BUT THIS IS NOT ALL. The Accident Disability Endorsement FURTHER guarantees that in case of total disability as a result of accidental injury, the Company will pay direct to YOU at the rate of $50 PER WEEK during such disability, but not to exceed 52 weeks, after which the weekly indemnity will be at the rate of $25 PER WEEK throughout the period of disability. Can insurance do MORE? And why should any man be satisfied with a policy that would do less? The cost is low.

Agents wanted in Maine, New Hampshire, Vermont. Connecticut, Pennsylvania, North Carolina, South Carolina, Tennessee, Georgia, Delaware, Maryland, Mississippi, Kansas, Missouri. An opportunity for Life Insurance Salesmen of ability. Address:

United Life and Accident Insurance Co.
Home Office, United Life Building - Concord, New Hampshire

San Francisco Losses Amounting to $4,522,905.00 paid PROMPTLY IN CASH WITHOUT DISCOUNT, from funds largely supplied by head office in Liverpool

U. S. Cash Assets, Dec. 31, 1914	$14,814,383.94
Surplus, - - - - -	4,841,887.19
Losses Paid by Chicago Fire, 1871	3,239,491.00
Losses Paid by Boston Fire, 1872	1,427,290.00
Losses Paid by Baltimore Fire, 1904	1,051,543.00

Liverpool AND London AND Globe Insurance Co. LIMITED

Over $147,000,000.00

Losses Paid in the United States

HENRY W. EATON, Manager
G. W. HOYT, Deputy Manager
HUGH R. LOUDON, Assoc. Deputy Mgr.
J. B. KREMER, Asst. Deputy Manager
T. A. WEED, Agency Superintendent

NEW YORK OFFICE
80 William Street

368.05
EA
Com. R. R.

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JAN 14 1917

THE EASTERN UNDERWRITER

[Succeeding the Journal of Insurance Economics, Established in 1899]

A WEEKLY NEWSPAPER COVERING ALL BRANCHES OF INSURANCE

Eighteenth Year; No. 3. NEW YORK CITY, FRIDAY, JANUARY 19, 1917 $3.00 a Year; 15c. per Copy

NOW ADJUSTING CANADIAN C. & F. LOSS

Messrs. Greer, Branson, Dameron, Crisfield, Nichols and La Tourette Doing the Work

INSURANCE OVER $3,000,000

Report of Wholesale Cancellation of Munition Plant Lines Exaggerated —How Fire Started

The insurance on the plants of the Canadian Car and Foundry Company, which were destroyed at Kingsland, N. J. last week was $2,326,000 on stock blanket form, covering stock in all locations. In addition there were certain excess policies covering stock in specific buildings of about $200,000. Also, there was $240,000 insurance in buildings and machinery under a general form. It is also reported that Lloyds had $365,000 use and occupancy.

Left standing are seven magazines, a brick high explosive heating plant and two small buildings at the Southeast side of the premises.

There was a considerable quantity of finished ammunition in cars awaiting shipment which will probably come under the marine cover.

Johnson & Higgins Placed Line

The insurance was placed by Johnson & Higgins, and the rate on general form was 1.22.

Following this big loss there were reports on William Street that there have been wholesale cancellations of war risks. The Eastern Underwriter is informed that these reports are greatly exaggerated, and that while some cancellations have been made the number is small. There has also been considerable discussion of need for higher rates, particularly in the "Journal of Commerce."

The Adjusters

The loss is being handled by a committee consisting of William J. Greer, of the General Adjustment Bureau; George R. Branson, United States Fire; L. C. Dameron, National; W. J. Nichols, North British & Mercantile; Frank I. Crisfield, Liverpool & London & Globe; and E. D. La Tourette, independent adjuster.

Because of the large size of the loss, it is reported that the 90 per cent. coinsurance clause will not have much bearing upon the situation.

The loss to the treaty companies is large, and one of the interesting stories

(Continued on page 20.)

DIRECTORY OF DEPARTMENTS

Life 1
Editorial 14
Fire 15
Casualty 21

"The Largest Fire Insurance Company in America."

THE HOME INSURANCE COMPANY NEW YORK

ELBRIDGE G. SNOW, President

Underwriting Capacity Second to None.

FIRE AND ALLIED BRANCHES OF INSURANCE

Fire, Lightning, Automobile, Commissions, Explosion, Hail, Marine (Inland and Ocean), Parcel Post, Profits, Registered Mail, Rents, Sprinkler Leakage, Tourists' Baggage, Use and Occupancy, Windstorm.

STRENGTH REPUTATION SERVICE

North British and Mercantile Insurance Co.

Established 1809

Entered United States 1866

Policyholders protected by the entire United States assets, with further guarantee in every policy, of protection by entire fire assets of the company which are many times larger.

CALIFORNIA

THE EQUITABLE LIFE of IOWA

has entered CALIFORNIA and OREGON for the transaction of business and is establishing a PACIFIC COAST DIVISION in charge of a Field Supervisor with authority to act for the Home Office in agency matters.

Negotiations for general agencies at PORTLAND—SAN FRANCISCO—LOS ANGELES and for other parts of this field will be made with men of character and ability who apply to

H. E. ALDRICH, Supt. of Agencies, DES MOINES, IOWA

OREGON

EQUITABLE LIFE ADDS DOUBLE INDEMNITY

Benefit in Policies on Women, Too—Also Extends Income Disability Clause to All Forms

ANNOUNCED AT HOT SPRINGS

Announcement About Post-Mortem Dividends—Specimen Disability and Double Indemnity Rates

The Equitable Life Assurance Society has revised its policy forms, adding additional benefits, including double indemnity. The announcement was made at the convention of the Society's general agents and managers in Hot Springs, Va., and was enthusiastically received. Secretary Alexander has mailed the following announcement to the agency force:

To the Agency Force of the Equitable:

With the year 1917 the Equitable takes another forward step by revising its policy forms, adding additional benefits as follows:

1. Double Indemnity in Case of Death From Accident

The applicant may select either one of two double indemnity clauses:

(a) For a moderate increase in the premium rate, the Society will agree to pay double the face of the policy if, before reaching age 60, the insured dies in consequence of any accident as specified in the double indemnity clause on the third page of the accompanying sample policy ("Accident" form No. 2001). Or,

(b) For a merely nominal increase in the premium rate, the Society will agree to pay without any age limit, double the face of the policy if the insured's life is lost in consequence of an accident, while traveling as a passenger on a conveyance operated by an incorporated "common carrier," such as a railroad train or steamboat, as specified on the third page of the accompanying sample policy (Travel Accident form, No. 2051).

2. Extension of Disability Clause

No change has been made in the waiver of premium clause, but the specially liberal disability clause which up to the present time has been limited to income insurance, is now extended to the other forms. That is to say, not only will the payment of premiums be waived; and not only will the policy become payable in instalments; and not only will these instalments continue in the shape of an annuity if the insured continues to live after the face of the policy has been paid, but these payments to the insured during his lifetime will not reduce the amount payable to the beneficiary, who will receive the full face of the policy if payable in one sum, or the stipulated income, if on the life income plan.

Note particularly that either of the Double

Indemnity benefits will be issued without the Disability Clause, but the Disability Clause will not be issued separately and apart from the Double Indemnity features.

If the double indemnity benefit and this disability benefit are combined in one policy, the return will in certain cases be very large.

Example: A man aged 35 takes an Ordinary Life policy for $10,000 containing the Double Indemnity and Disability Clauses. At the end of 7 years he becomes totally and permanently disabled. Consequently, his premiums will cease, and six months after proof of disability, the Society will pay one-tenth of his policy, $1,000. Five years later, after he has received $5,000, let us suppose that he is killed in a railroad accident. Then the instalments payable to him will cease, but the contract will mature and the Beneficiary, his widow, will receive $20,000—double the face of the policy.

In the case cited still more would be paid if the insured should live longer.

For example: If he should live for 24 years after becoming disabled, he would receive an income of one-tenth of his policy per year for twenty-four years, ($24,000), and if he then died from natural causes his widow would receive the face of the policy, ($10,000). But if he died in consequence of a railroad accident she would receive $20,000. In the latter case the Society would pay in all $44,000.

This is a very extreme case, but it illustrates what might possibly occur.

3. Dividends; (Refunds)

It is the general experience of life insurance companies that no surplus is earned on any policy during the first year. When, therefore, a dividend is paid at the beginning of the second year it is, as a rule, anticipated. It is paid out of future accumulations.

All this being so, it is obvious that it is better underwriting practice not to distribute surplus until it has actually been earned, in order that persistent policyholders shall be rewarded and not penalized.

The Equitable, therefore, expects under annual dividend contracts issued hereafter, not to declare an annual dividend at the beginning of the second year, but to declare the first dividend at the end of the second year, namely when the third annual premium falls due.

While it is not stipulated in the contract, it is the intention of the Society to declare an extra dividend at the end of the 5th year, to compensate the policyholder for the omission of the dividend at the end of the first year.

4. Post-Mortem Dividend

After a policy has been in force for one full year a post-mortem dividend will be paid with the death claim for the fractional part of the last year of the policyholder's life which has elapsed between the date on which the last dividend fell due, and the rate of the insured's death.

5. Double Indemnity for Women

The double indemnity benefit will be incorporated when desired in policies on the lives of women. The rates are the same as for men although our existing rules regarding the waiver of premiums and disability privilege remain unchanged.

New Form of Application

Agents should study carefully the new form of application blank to be used hereafter, and of which a sample accompanies this circular. Care in filling out this blank will greatly facilitate the issuance of business.

New Rate Book

A new rate book containing the new premium rates for double indemnity and disability privileges, properly arranged in connection with the policies to which they relate, will be issued as soon as possible (about March 1st).

In the meantime the enclosed temporary book will serve the purpose. This should be carefully studied as it is to be noted that the life income disability rates have been reduced.

Important Notes

The following rules and exceptions are in some cases necessary because of the manner in which the Society's business is transacted, and in other cases because of restrictive laws; for which the Equitable is not responsible, but which must be obeyed.

1. The double indemnity and disability privileges referred to above will not be included in term, joint life, corporation or sub-standard policies.

2. It should be noted that the double indemnity provisions do not increase the paid-up insurance or extended insurance in the event of the surrender of the policy and subsequent death of the insured.

3. The new disability privilege cannot be included in policies issued in Canada, nor for the present at least in Wisconsin. (Because of restrictive laws the disability benefit is limited to the payment of an amount not in excess of the face of the policy—in ten annual instalments.)

5. In the case of the Convertible policy the double indemnity and disability privileges will apply to the face of the policy only—not to the increased amount if Option C* is selected.

If Option B is selected the double increase at the end of the term stated in Option A.

If Option D is selected the 40 per cent. reduction will apply to both the regular premiums for the insurance and the premiums for double indemnity and disability.

*Re-arrangement of Conversion Options

In the 1917 edition of the convertible policy the conversion options available at the end of the 5th year have been re-arranged as follows:

Option A	Option B
Conversion to Limited Payment	Conversion to Endowment.

(Continued on page 13.)

Great Southern Life Insurance Company

HOUSTON, TEXAS.



For Agency Contracts address

O. S. CARLTON

PRESIDENT

KANSAS CITY LIFE INSURANCE COMPANY

KANSAS CITY, MO.

ANNUAL STATEMENT DECEMBER 31, 1916.

Ledger Assets, January 1, 1916		**$5,697,856.32**
INCOME		
Premiums—New Business	$821,949.76	
Renewals	1,976,226.36	
Total Premium Income	$2,798,176.12	
Interest Income	339,812.85	
Policy Dividends Left With Company	159,907.95	
Miscellaneous Income	13,331.38	
		$3,311,228.30
Total		**$9,009,084.62**
DISBURSEMENTS		
Death Claims Paid	$391,798.82	
Matured Endowments	174,672.35	
Dividends and Surrender Values	496,027.87	
TOTAL PAID POLICYHOLDERS	**$1,062,499.04**	
Salaries, all Officers and Home Office Employees	$78,282.08	
Medical Examinations and Inspections	92,247.83	
Taxes and Insurance Department Fees	50,042.45	
Commissions, New Business and Renewals	750,522.21	
Rent, Advertising, Postage, Printing, Supplies, Furniture, Legal Branch Office and Miscellaneous Expense	155,619.85	
Total Disbursements		2,189,213.46
Balance		**$6,819,871.16**
LEDGER ASSETS		
First Mortgage Real Estate Loans	$4,600,952.34	
Real Estate Owned	30,000.00	
Loans to Policyholders	966,658.22	
Renewal Premium Notes	135,290.41	
Loan Secured by Collateral	6,390.23	
Bonds and Stocks	55,860.00	
Cash and Certificates of Deposit	902,988.38	
Agents' Balances and Bills Receivable	121,549.67	
Re-insurance Premiums Due From Other Companies	181.91	
Total Ledger Assets		$6,819,871.16

FRED W. FLEMING,
Vice-President and Secretary

OTHER ASSETS		
Accrued Interest on Investments		$142,246.04
Net Premiums in Course Collection and Deferred		204,706.97
Total Resources		**$7,166,824.17**
DEDUCT		
Agents' Balances	$119,813.18	
Bills Receivable	3,923.15	
Policy Loans, Deferred and Uncollected Premiums in Excess of Reserve	38,373.35	
Total		162,109.68
Admitted Assets		**$7,004,714.49**
LIABILITIES		
Net Legal Reserve		$5,703,199.83
Reported and Unpaid Death Claims		72,862.24
Premiums and Interest Paid in Advance		23,336.87
Unpaid Current Bills		12,316.64
Set Aside for 1917 Taxes		38,000.00
Paid-up Capital	$100,000.00	
Surplus Assigned for Annual and Deferred Policy Dividends	752,600.73	
Unassigned Surplus	302,398.18	
Total Admitted Surplus Assets to Protect Policyholders		**1,154,998.91**
Total		**$7,004,714.49**
1916 NEW BUSINESS.		
Issued on Applications	$25,679,691.00	
Old Policies Increased	44,387.50	
Old Policies Revived	180,050.00	
Total	**$25,904,128.50**	
Deposited with State of Missouri to Secure Policyholders		**$5,014,465.02**
Insurance in Force		**$88,243,989.00**

J. B. REYNOLDS,
President

Manhattan's Surplus Increased $225,000

OFFICERS THANKED FOR RECORD SHOWING MADE DURING 1916

Total Admitted Assets $19,765,094—Set Aside $55,000 as Asset Fluctuation Fund

Taking the report of the New York Insurance Department's recent examination as a basis, the Manhattan Life earned a greater rate of interest and made a gratifying increase in surplus, though it paid out during the year over $127,000 in dividends of all kinds. The Company marked down assets of $17,000, in addition to the amount marked off by the New York Department in its 1915 examination. The total mark-off as given in the disbursement column is greater than $1,400,000, yet the general surplus of the Company increased $225,000 for the year, and the Company further set aside $50,000 as an asset fluctuation and general contingency fund.

Its paid for basis statement on January 1, 1917, follows:

Admitted Assets

Bonds and stocks	$3,582,684.00
Bonds and mortgage	5,835,268.26
Real estate	4,868,736.44
Loans and liens on policies	4,389,791.98
Cash in banks and on hand	506,858.42
Premiums deferred and in course of collection	159,272.41
Interest and rents due and accrued and all other assets	422,483.06
Total admitted assets	$19,765,094.57

Liabilities

Policy reserve (as computed by the New York Insurance Department)	$18,784,284.00
Reserve for supplementary contracts	116,877.00
Policy claims awaiting proof	130,685.50
Premiums, interest and rent paid in advance	104,471.51
Dividends due policyholders	16,281.29
Federal and State taxes payable in 1917	33,000.00
All other liabilities	44,529.69
Capital stock and surplus	534,965.58
Total liabilities	$19,765,094.57

Board Thanks Officers

At a meeting of the board of directors of the Company on January 9th a resolution was adopted congratulating and thanking the officers of the Company on the showing made during the year.

The developments with the Manhattan Life leading up to 1916 can be summed up briefly. At the outbreak of the war the country experienced financial depression which caused some railroads to go into the hands of receivers and sent realty values down. The Company had owned four sets of bonds which were affected by receiverships and had itself marked off $400,000 because of depreciation of the bonds. This was followed by the marking off of $1,066,000 in realty valuations at the time of the examination of the Company by the New York Department,— at which time, the end of December, 1915—real estate values in New York were lower than they had been in years.

The Company entered upon 1916 with the determination to curtail expenses in every possible way. Business was handled conservatively, no attempt being made to expand but, on the other hand, unsatisfactory agencies had their contracts cancelled. In other words, the aim of the Company during 1916 was to take care of its business and build up carefully and surely. The mortality during the year was about normal, 77 per cent., and interest earnings increased. As a result the Company was able to show, after setting aside $55,000 as an asset fluctuation fund, an increase of $225,000 in the General Surplus of the Company.

POLICYHOLDERS' COMMITTEE

One of Eight to Be Appointed By Insurance Federation of New York

Eight committees are to be appointed by the Insurance Federation of New York, which is determined to take a position in the front rank of insurance federations. One of these will be a policyholders' committee, consisting of prominent insured.

On Friday the Massachusetts Federation will be formed at a meeting in Boston, which will be addressed by Mark T. McKee and W. G. Curtis.

PHELPS A DELEGATE

Albany, Jan. 16.—At the meeting of the executive committee of the Capital District Life Underwriters' Association, Manager Phelps, of the Travelers, was designated as the delegate of the Association to attend the meeting of the executive committee of the National Association to be held in Washington next month. It was decided to hold the next meeting on the 29th, which will be devoted to talks by local men. C. R. Tripp, chairman of the entertainment committee, announced that Professor Huebner, of the University of Pennsylvania, would be the speaker at the February meeting, which will be the last of the season.

GETS WESTERN MASSACHUSETTS

Albany, Jan. 16.—C. R. Tripp, general agent in Albany for the Fidelity Mutual Life, has had Western Massachusetts added to his territory and he has already planted an agency at Pittsfield and plans to open an office at Springfield next week.

SOUTH AMERICAN NOTE

On December 31, 1916, the Equitable Life discontinued the issuance of new business in Argentina, Chili, South Africa and Spain.

Boston General Agents Discuss 1916 Results

F. E. DE GROAT'S GENERAL AGENCY PAID FOR $4,000,000

A. H. Curtis General Agency Had $3,200,000 Year—Types of Insurance

The "Standard" of Boston in its current issue gave Boston general agency results in part, as follows:

Frank J. Hammer and Vernon B. Swett, general agents Provident Life & Trust: "Our largest year, with a considerable percentage in long endowments and limited payment long endowments."

Charles H. Flood, New England Mutual's home office agency:

We are glad to report that the home office agency ranked No. 1 in last year's work, with the largest paid-for business ever written in one year by any agency of the company. It is pleasing to note that this result was achieved by the combined efforts of all working for the same end.

To show the high standing of the company in its home State; of the total of $44,169,000 new business paid-for, $6,645,000 was on residents of Massachusetts.

Alex. S. Browne, inspector of agencies of the Northeastern Department of the New York Life:

The department results in 1916 make it the most prosperous year we have ever experienced. The total new insurance written was $20,720,000, of which $14,322,000 was paid-for. This was over $3,500,000 more than we paid for in the department in 1915.

The standing of each Branch Office is as follows:

	Paid Business	Ahead of Allotment
New England Branch	$6,628,999	$1,678,000
Old Colony	2,435,689	585,689
Western Massachusetts	2,027,072	477,072
Maine	1,694,445	244,445
Vermont	852,630	2,630
Rhode Island	683,763	—266,763

Elmer E. Silver, general manager, Union Central Life:

My agency, which covers Massachusetts East of Worcester County, paid for a little over $2,800,000, which was about 33 1-3 per cent. increase over the business of the previous year. Very little term insurance was written; therefore from amount, kind, etc., last year was the most successful year of this agency.

The company reports paid-for business for the month of December of nearly $10,000,000, which makes the total for the year about $75,000,000, not including revivals and policy additions; this was an increase of nearly $14,000,000 over the previous year.

A. H. Curtis, general agent, New England Mutual Life:

My agency paid for $3,200,000 of business during 1916, an increase of more than $100,000 over 1915, this in face of the fact that I have been absent from the office, through sickness, for more than ten weeks, and have made several changes in my force.

One of our men wrote $337,000 of business, his premiums averaging more than $40 on the thousand. There has been a predominance of straight life and installment insurance, with good sized premiums.

Frank Chester Mann, manager for Massachusetts for The Prudential:

This office paid for nearly $2,000,000 of new business in the year just closed; a substantial increase over 1915. We wrote more business during the first ten months of 1916 than in the entire year of 1915. The whole life plan has predominated, there being considerable less term insurance than ever before.

Floyd E. De Groat, general agent, Mutual Benefit Life:

I will say that the total paid-for business of the Boston office for 1916 is a little in excess of $4,000,000 representing an increase of $1,400,000 over 1915. There is a corresponding increase in the number of policies actually paid for, and in the amount of new premiums. The amount of Five Year Convertible Term Insurance, less conversions, represents about three and one-half per cent. of the total insurance paid for.

Frank H. Stratton, general agent Equitable Life:

It has been my best year, my personal paid-for business for 1916 was approximately $800,000, an increase of about $200,000 over my last year's business. Of this figure, income bonds comprise about $300,000. All of this was high grade business, there being only $10,000 of term insurance. Premiums have averaged better than $50 on the thousand.

W. T. Trull, manager in Eastern Massachusetts for the Aetna Life:

We have had the most successful year in the history of our life department, showing approximately 100 per cent. increase over the business of last year. Our new policy forms—the one year term, yearly renewable term for life, progressive 20 year endowment, accumulative term, etc., have been instrumental in our success. We have also shown a normal increase in all other departments.

J. Everett Hicks, manager Massachusetts department of Union Mutual Life:

The year of 1916 has been the most prosperous in the history of the present agency organization. Our written and paid-for business shows a substantial increase over 1915. We wrote a large percentage of monthly income insurance.

John S. Cranston, general agent, Connecticut Mutual Life:

During 1916 we have written $1,500,000 of insurance, a good increase over the preceding year. A large percentage of this business was written under the endowment plan. Our liberal disability benefits have been of much value to our agents.

W. G. Williams, general agent, State Mutual Life:

Last year this agency wrote $1,750,000 of new business, making it the most prosperous year in the agency's history. We show an increase over 1915 of $354,000, or about 30 per cent. The company as a whole made an increase in written business of $5,556,000.

Haven & Fish, managers, Phoenix Mutual Life:

The written and paid-for business of 1916 makes it the best year in the history of our agency, the amount written being more than double that of 1915. Our liberal disability benefits have played an important part in the year's business. All of this business has been written under the new rules by which no brokerage is included.

C. A. Ferguson, general agent State Mutual:

This office has experienced in 1916 the best year in its history, showing an increase in written business over the preceding year of $114,000. The ordinary and twenty-payment forms have comprised the larger part of our business. We look forward to 1917 with confidence in its success.

Plympton & Bunting, general agents Penn Mutual Life:

The written business of this office for 1916 was $4,500,000, of which $4,200,000 was paid for. This is an increase over last year of approximately $750,000. We believe the prospects for 1917 to be extremely bright.

HOTCHKISS TO SPEAK

William H. Hotchkiss, Ex-Superintendent of Insurance of New York State will address the members of the Insurance Society of New York on Tuesday, February 20th on "State Insurance."



THE PRUDENTIAL

Now Writes Group Insurance

in response to a well-defined demand.

The policy is planned to give Strong-as-Gibraltar-Protection at low cost, with up-to-date-features, such as annual dividends, payment of policy during life for total disability, and arrangments for military service.

It is a winner.

THE PRUDENTIAL INSURANCE CO. OF AMERICA

FORREST F. DRYDEN, President — Home Office: NEWARK, N. J.

Incorporated Under the Laws of the State of New Jersey

H. A. BRAY MAKES PROTEST

Accuses Philadelphia Association of Bad Faith in Its Preferential List Advertisement

The advertisement of the Philadelphia Life Underwriters' Association of a preferential list of insurance companies, in which the names of half a dozen prominent companies were excluded, is still causing a great deal of talk throughout Pennsylvania. The following letter has been sent to President Mosier, of the association, by Henry A. Bray, general agent of the Massachusetts Mutual Life:

Dear Sir:

At one of the meetings of the association last year, subscriptions were solicited to a fund to be used for advertisement purposes of the Philadelphia Association, in a campaign of Institutional Advertising, which was to be strictly non-competitive and non-partisan, in which the names of the various life insurance companies were not to be mentioned.

I contributed to this fund and now find that an advertisement has only recently appeared in several of the Philadelphia newspapers, under the heading of "Safety First," which lists by name a number of reliable companies, and from which list someone has taken care to omit the name of the Massachusetts Mutual Life Insurance Company.

I wish to protest against the association having broken faith with its members by publishing this advertisement and to ask that you, as president of the association, determine who is responsible for the action and advise me as to what steps you contemplate taking to set the matter right.

HENRY A. BRAY, General Agent.

"ROUGH NOTES" CHANGE

To Be Directed By Nat'l Underwriter Company's Organization—Irving Williams to Continue as Editor

The National Underwriter Company, publishers, Chicago, has purchased "Rough Notes." In an announcement the company says in part:

"Following the death of the late Dr. H. C. Martin, founder of 'Rough Notes' and of the Rough Notes Company, and the sale of the stock held by him and his family, a working arrangement has been entered into by The Rough Notes Company and The National Underwriter Company, insurance publishers, by which they will virtually hereafter be under the same management.

"The Rough Notes Company will continue as at present with office and manufacturing plant at Indianapolis, and will also become the publishing, printing and manufacturing plant for many of the publications of The National Underwriter Company.

"The considerable supply department of The National Underwriter Company will be moved to Indianapolis and merged with that of The Rough Notes Company. The combined department will be in charge of George E. Gill, formerly associate manager of The Western Underwriter Company at Cincinnati, who returns to Indianapolis.

"The Rough Notes Company will, therefore, continue its own publications and supplies, and will virtually become also the manufacturing plant for The National Underwriter Company.

"'Rough Notes,' the publication, will be in editorial charge of Irving Williams, who has been the active editor for some years and will now succeed Dr. Martin as editor of the paper. Mr. Williams will also be vice-president of The Rough Notes Company, and will be in charge of Indianapolis plant."

$70,000,000 FOR 1917

Pledge of General Agents of Bankers Life of Des Moines—Bacon 1916 Leader

The General Agents Club of the Bankers Life of Des Moines, pledged $70,000,000 of business for 1917 at the close of its second annual conference in Des Moines. The writing of $70,000,000 of business will now be the fixed aim of the year for the entire field force. A year ago the same club pledged $50,000,000 and at the end of the year the members had exceeded their pledge. The result is that the Bankers Life Company has written far in excess of $150,000,000 of legal reserve business in the last five years.

The leading general agencies of the Company for the year 1916 were announced at the meeting. That of William Bacon, Dallas, was first on the entire list with over $6,000,000 of business and that Cherry & Cherry at San Antonio second with nearly $5,000,000 for the year. The eighteen million-dollar agencies, together with the amounts written by each, are as follows: William Bacon, Dallas, $6,287,000; Cherry & Cherry, San Antonio, $4,703,110; C. A Reed, Los Angeles, $3,879,100; T. P. Rogers, Cedar Rapids, $3,674,325; Minshall & Bell, Columbus, $3,153,850; A. F. Smith, San Francisco, $2,346,550; C. H. Rosenbaum, Des Moines, $2,044,955; E. Storer, Indianapolis, $1,800,350; J. W. Strong, Detroit, $1,623,500; E. Dwiggins, Milwaukee, $1,564,000; T. M. Watlington, Oklahoma City, $1,447,797; De Forest Bowman, Chicago, $1,439,150; Clark & Murrell, Pittsburgh, $1,315,500; G R. Craft, Cleveland, $1,142,100; T. D. Samuels, Kentucky, $1,116,782; J. W. Hogan, Wisconsin, $1,092,700; E. K. Pentz, Kansas, $1,009,750; A. T. Kirk, Butte, $1,004,500.

The Sun Life Insurance Company has a six-story building in Baltimore.

ADOPTS DOUBLE INDEMNITY

Action of Germania Life—Company Wrote $6,000,000 More in 1916 Than in 1915

The Germania Life, which announced last month its new Income Endowment Policy and the extension of its Free Health Service to all new policyholders, now announces a double indemnity clause which provides for the payment of double the face of the policy in case of the death of the insured as a result of an accident of any kind.

The new business paid for by the Company's Agencies in 1916 is nearly $6,000,000 in excess of the amount paid for by them in 1915.

Among the important additions to its field force effective in January are Harry Isgrig, as manager at Cincinnati, and David J. Beck, as manager at Buffalo, N. Y. Mr. Isgrig was formerly a large producer in Indiana.

CHARLES N. SEIDLITZ DEAD

Charles N. Seidlitz, manager of the Kansas City agency of the Mutual Life of New York since 1901, died in that city last Sunday night, having suffered a stroke of apoplexy on Saturday after several years of failing health. Mr. Seidlitz had been with the Mutual Life continuously since first entering the life insurance business in 1899 as an agent at Kansas City, that city then being under the supervision of the St. Louis general agency. He was one of the Company's most esteemed managers. His successor has not yet been named.

The Knight Life Insurance Company has been incorporated in Pittsburgh, with $200,000 capital.

FINANCIAL STATEMENT

NORTHERN ASSURANCE COMPANY

DETROIT, MICHIGAN — CLARENCE L. AYRES, President

December 30th, 1916

ASSETS

First Mortgage Securities (All on improved income bearing real estate)	$1,006,669.99	
Premium Loans (of which none is for first year premiums)	17,938.41	
Policy Loans on this Company's policies as collateral	112,409.61	
Cash in banks	34,689.04	
Agents' Balances	4,438.73	
Interest due and accrued	22,745.02	
Net amount of deferred and uncollected premiums (reserve charged in liabilities)	19,786.91	
Furniture and Fixtures	10,016.15	
Real Estate owned	6,631.53	
Due from other Companies on re-insurance	1,450.00	
Total Gross Assets	$1,236,775.39	
Deduct assets not admitted	19,275.71	
Net admitted assets (consisting entirely of securities)		$1,217,499.68

LIABILITIES

Reserve (Michigan Standard) including disability reserve	$1,083,240.53		
Less re-insurance reserve	24,030.22	$1,059,210.31	
Deferred annuities not yet due		9,910.35	
Death Claims unpaid (proofs not received)		7,500.00	
Premiums paid in advance		867.96	
Present value of deferred life annuities		3,213.85	
Reserve for unpaid Agency expenses		907.94	
Reserve for re-insurance premiums		1,548.26	
All other liabilities		2,490.57	
Capital Stock	$100,000.00		
Net admitted surplus	31,850.44	131,850.44	
			$1,217,499.68

GAINS DURING THE YEAR 1916

Gain in admitted assets	21.22%
Gain in reserve protection of policy holders	23.00%
Gain in net surplus protection of policy holders	93.00%
Gain in paid-for assurance in force	12.49%

Paid for assurance written during 1916 (net)	$ 2,831,752.00
Assurance terminated during the year from all causes, including death, expirity, surrender, lapse and decrease	1,309,669.00
Net gain in paid-for assurance in force	1,522,083.00
Paid-for assurance in force December 31st, 1915	12,185,019.00
Total paid-for assurance now in force (net)	$13,707,102.00
Of the assurance in force at the beginning of the year, the termination from all causes was only	10.75%
The termination from lapses was only	6.97%

Fair and **equitable policy contracts,** and **correct methods in selling them,** make **satisfied policyholders,** and this combination makes **persistent business,** all of which makes for **valuable agency connections.**

Prudential Breaks Record With Gain of $283,000,000 in Insurance in Force

President Dryden Reads Annual Report to Field Men from All Parts of Country—Nearly 15,000,000 Policy-Holders—Prudential Paid for $591,784,000 Last Year

Newark, Jan. 17.—The Prudential Insurance Company of America made a gain of $283,000,000 in insurance in force in 1916, which breaks all records for such gains. When the figures were read by President Dryden at the conference of Prudential field representatives here this week in the crowded assembly room of the Prudential Building the men present cheered for fully a minute.

The statement was also made that the Company had paid for $591,000,000 of life insurance during the year. He also stated his Company has 15,000,000 policyholders. President Dryden's report was of the forty-first annual figures of the Company.

First Meeting of the Kind in Thirteen Years

It was the first time in thirteen years that The Prudential has called its men in from all parts of the United States and Canada for a general conference with the home office, and the sessions lasted three days. The social features were not neglected as there were a number of lunches and banquets and a trip to the Hippodrome. At a banquet in the Hotel Biltmore Walter E. Edge, Governor of New Jersey; Superintendents Phillips and La Monte, of New York and New Jersey; Richard V. Lindabury, general counsel of the Company; and Austen Colgate, trustee for Prudential policyholders spoke.

Superintendents Speak

Following President Dryden's annual address vice-presidents and other officers of the Company addressed the representatives. On Wednesday morning the following addresses were made:

Conservation of Men, Superintendent T. J. Stewart, New York.

Conservation of Business, E. T. Pape, Utica.

District Management. Discussion opened by A. C. Grant, Milwaukee.

Selection and Training of Assistant Superintendents. Discussion opened by W. T. Nuttall, Dayton.

Below Average Men. Superintendent F. B. Reilly, Brooklyn.

Four leading district superintendents also spoke: Messrs. Joyce, Buffalo; Riker, Newark; Long, Washington, Pa.; and Scott, Detroit.

President Dryden's Address

President Dryden's address follows, in part:

"In every respect the year 1916 was the greatest in The Prudential's history. All preceding achievements were surpassed, and so far as I have been able to ascertain, ours is the greatest gain in insurance in force ever made by a life insurance company in twelve months!

"I know that every man here has won his present position with the Company by sheer ability. Therefore, as I look into your faces and realize that you have gathered from far and near, from the North and the East, from the South and the West, for information and inspiration to carry you and your associates to still greater achievements in the future, I am overwhelmed to find words to adequately express to you the warmth of our welcome. We hail you as leaders. We receive you as fellow-workers. We welcome you as friends.



FORREST F. DRYDEN

It is good to get together again. It is good to look into each other's eyes, to strike each other's hands, and to know 'that all is well.'

Gains

"So inspiring are the facts and figures that tell the wonderful story of The Prudential for 1916, that I must not longer delay bringing them to your attention:

Paid for insurance (new -business and revivals)	$591,784,000
Gain in insurance in force	$282,915,000
Actual Industrial Increase	$ 103,600
Gain over 1915	$ 18,500
Collection per cent.	100.19
Gain in assets	$ 42,247,000
Gain in income	$ 8,822,500
Paid for ordinary of the industrial men the greatest in the Company's experience	
Lower arrears than at the end of 1915	
Higher advance payments than at the end of 1915	
Reduction in lapses (policies)	323,340
28½ per cent. of these policies had been in force five years or more	
Number of policies revived	443,927
Per cent. of possible revivals	31
Improvement in persistency of new business over 2½ per cent.	
Lowest industrial expense rate in the Company's history	
Greatest average earnings per man for the entire field force	

"So steady was the production, and so alive to their opportunities were our field organization, that the Company did not call for a single special week during the year.

Changes in Thirteen Years

"Since our last convention at the home office thirteen years ago, many changes have taken place, much water has passed through the mill. Some of those who gathered with us have gone to their reward, but their names are written large on Prudential history, and their memory is sweet and dear to us. Many whose faces were seen at that time and are familiar to us all, are, to our great joy, here to-day, full of strength and vigor, with years of honorable and successful service to their credit, and the years that have passed have but made deeper and stronger the ties that bind us together in a common cause. We bid a cordial welcome to those who are with us for the first time, and hope that the years to come may hold for them much of happiness and prosperity.

"In 1903 The Prudential stood sixth in the world as to the amount of insurance in force. At the end of 1916 the Company stands second!

Contract Changes

"In 1903 the Company issued but one form of industrial policy, the whole life. We now sell whole life, twenty payment life, twenty year endowment, and weekly income policies. Every new policy put out by The Prudential since 1903 has shown a distinct advance in the point of liberality, and in many instances the extra benefits and concessions were made retroactive.

"The Prudential originated the weekly income policy. The Prudential originated the monthly income policy. The Prudential was the first Company to apply the disability feature to an industrial policy. If imitation is the sincerest flattery, then we have been flattered, for our example was followed by other industrial companies, both at home and abroad.

Mutualization

"In 1915 the Company was mutualized. During 1916 we, for the first time, paid mutualization dividends. The sum paid on non-participating business only during 1916, plus the sum set aside for payment during 1917, amounts to more than $8,750,000. These payments are the result of mutualization, and are not called for by the policy contracts.

Average Debits

"Since 1903 the average debit per agent has increased 1.8 times. The average weekly earnings of the agents have increased about 62 per cent. The average weekly earnings of the assistant superintendents have increased about 39 per cent. and the average weekly earnings of the superintendents have increased about 48 per cent.

"The Prudential Old Guard membership, industrial staff, 1903, 17 per cent.; 1916, 31 per cent.

"Our increased confidence in the integrity and ability of the agency staff of the Company (brought about by years of experience) is demonstrated by the fact that since 1903 we have liberalized our practice as follows:

How Policies Have Been Liberalized

1. By accepting the agent's certification as to the character of a risk in place of a medical examination.
2. By requiring less frequent inspections of debits.
3. By giving them permission to adjust claims.
4. By giving them permission to pay dividends to our policyholders.

"We feel that our action in these respects has enhanced the agent's prestige with the policyholders and the public, and has given him many added opportunities of writing business and thereby largely augmenting his income.

"In 1903 no special provisions were made for The Prudential organization. To-day we grant service disability, service retirement allowance and staff insurance. These provisions during 1916 involved the payment of $252,000 to the field and home office staffs.

The 1916 Statement

"If I have not already burdened you

Representing

The Mutual Life Insurance Company of New York

You will make money.

The great strength, big dividends and incomparable benefits of the *"oldest company in America"* mean certain success for you.

For Terms to Producing Agents, Address

GEORGE T. DEXTER, 2d Vice-President

34 NASSAU STREET, NEW YORK, N.Y.

too much, I should like right here to give you some of the figures that will appear in the Company's annual statement of December 31, 1916:

Number of policies in force	14,933,000
Insurance in force....	$3,093,000,000
Total payments to policyholders since organization	$ 428,000,000
Including amount not called for by the contracts, of over...	$ 28,750,000
Total payments to policyholders since organization, plus amount held for their security	$ 858,000,000

"You have to-day listened to a statement that tells the story of forty-one years of honorable endeavor and unexcelled accomplishments, accomplishments made possible by a strict adherence to the policies of the founder of the Company. So wonderfully have they stood the test of time and practice, that we can do no better than here and now pledge our faith to their continuance, as long as we have a word that carries weight in the councils of The Prudential.

Industrial Increase

"And now the time has come for us to face the task that lies before us for the year just beginning, bearing in mind that it is the policy of The Prudential to each year beat its own best record. That we are well started you will realize, when I tell you that for the first week of the year 1917 our increase was $10,344; our industrial issue was over 94,100 policies, the largest single week's issue in the history of the Company by over 8,000;

"We will have fifty-three Mondays, or days of issue, during 1917, in which to do our work, and to my mind it lines up somewhat as follows:

1. A larger industrial increase than in 1916.
2. A larger number of revivals than in 1916.
3. A less number of lapses than in 1916.
4. Higher cash collections than in 1916.
5. A larger ordinary record than in 1916.
6. Lower lapse rate in ordinary.
7. Less not-takens in ordinary.
8. Every district to make its allotment, industrial and ordinary.
9. More assistant superintendents.
10. More agents to be trained to become assistant superintendents.

Task Before Agents

"How is this task we have set for ourselves to be accomplished?

"Straight canvass.

"Individual improvement weeks.

"Individualize, both as to assistant superintendents and agents.

"Encourage every man in your district, especially help the under-average man.

"Thoroughly educate the new man and see that he gets a fair start by understanding the policies he has to sell, and that he sees the great opportunities both for income and promotion, that are open to successful men in the service of The Prudential.

"Evolve a system of following lapses.

"See that the agent understands mutualization dividends, the percentage they bear to the annual payment made by the policyholder, and that he can explain them intelligently to the insuring public.

"Educate your force to the value of cash collections, so that they can diplomatically show the policyholder the value of keeping his premiums well paid up.

"Keep before every man the Company's standard of $1,500 ordinary each week from every agent.

"Canvass thoroughly and frequently the ordinary debit; 65 to 70 per cent. of the ordinary premiums are collected at the district offices. Give your force a greater opportunity to write ordinary by seeing that this percentage is reduced and that they—the agents—have more opportunity to come in contact with the ordinary policyholders.

Lapse Rate

"As to the ordinary lapse rate and the percentage of not-takens, it is sufficient to call your attention to the fact that the lapse rate for the industrial staff is 5½ per cent., for the ordinary agencies, 2.18 per cent. Not-takens, industrial, 13 1-3 per cent; ordinary agencies, 9.8 per cent. Loss in commissions, as compared with ordinary agencies, $50,000.

"It may interest you to know that in setting the district allotments for 1917 the figures were fixed not upon the wonderful record of 1916, to which I have already had the pleasure of calling your attention, but as a slight advance over the allotment figures of 1916. If the $10,344 of increase for the first week of 1917 is any indication, and I believe it is, I think I know what you will do with the 1917 allotments. In other words, this is to be a year of efficiency, conservation, progress."

"Let me tell you briefly of the growth of The Prudential during those years, and a few of the things that the Company has **done:**

	1903	1916	Increased
Payments to policyholders	$11,544,000	$47,278,000	4½ times
New business of the year	293,208,000	591,783,000	over 2 times
Gain in debit for the year	44,939	103,607	2 1-3 times
Gain in ordinary insurance in force for the year.	65,759,000	126,341,000	almost 2 times
Gain in insurance in force for the year	129,230,000	282,915,000	more than twice
Total number of policies in force	5,547,000	14,933,000	2.7 times
Ordinary insurance in force	317,322,000	1,241,000,000	nearly 4 times
Total insurance in force	931,258,000	3,093,000,000	3 1-3 times
Admitted assets	72,712,000	430,000,000	increased 6 times
Income	39,025,000	119,626,000	over 3 times

A SURPRISING DECISION

Oklahoma Court Says "Temporary Ailment," Not Stated in Application, Doesn't Void Policy

In the Supreme Court of Oklahoma, a life company denied liability, alleging false statements in the application, it appearing that although the insured had stated in his application that he had no kidney disease, in fact he had been medically treated for such a complaint. The evidence of various physicians was conflicting as to the seriousness of his disease, some contending that it was fatal and others that he was in ordinary health.

The Court said that it did not think that a temporary ailment of the kidneys or other bodily organs could be considered a disease within the contemplation of the parties to the contract, and as the jury found the insured to have been suffering "only from a temporary disease," a recovery for the wife was accordingly allowed.—National vs. Owen 161 Pac. pg. 178.

(Reported by George F. Kaiser, N. Y.)

MISSOURI STATE LIFE

Net Increase of $22,318,886 in Insurance in Force—Issued Nearly $40,000,000 in 1916

The Missouri State Life's exhibit of policies on paid-for basis follows:

Ins. in force Dec. 31, 1915		$106,880,393
Issued dur. 1916.	$39,550,325	
Revived and inc. during 1916 ..	1,868,118	
Gross inc.....	$41,418,443	
Terminated	$19,099,557	
Net inc.....		$22,318,886
Ins. in force Dec. 31, 1916		$129,199,279

The Niagara Life Insurance Company of Buffalo, N. Y., will increase its capital from $150,000 to $250,000.

WELLS AGENCY MEETING

The annual meeting of the Graham C Wells Agency of the Provident L. & T., Pittsburgh, was one of unusual interest, instructive addresses being delivered by Louis Paret, of the New Jersey Agency; Segourney Mellor, New York Agency, and Thomas R. Hill, Superintendent of Agencies from the home office.

TRENTON CHANGE

Charles S. Bullock has associated himself with Charles K. Hammitt, general agent of the Northwestern Mutual Life, Trenton, N. J. Mr. Bullock has been in the life insurance business for twelve years.

Montana Life Outlook

The Montana Life issued and paid for in the year 1916, $6,098,000, and has in force $16,010,000. "Things look good for 1917 and we will probably issue seven millions of insurance the coming year," says Secretary J. M. Miller.

THE TRAVELERS
INSURANCE COMPANY INDEMNITY COMPANY
HARTFORD, CONNECTICUT

WRITE THE GREATEST VOLUME OF

GUARANTEED LOW COST LIFE INSURANCE

AND

CASUALTY INSURANCE

THE OPPORTUNITY TO SUPPLY THESE INSURANCE NEEDS GUARANTEES AGENTS THE BROADEST FIELD AND THE LARGEST INCOME.

Money Made In Closing Arguments

R. F. Fry, president of the Old Line Life, of Milwaukee, says in a communication to his field force:

Agents should remember that insurance is most easily sold by pointing out the benefits that are to be derived.

Do not talk insurance when a prospect is satisfied that insurance is a good thing. Point out the benefits. Show your application and talk about. Make your canvass short and crisp.

The money is made in closing arguments. Tell the man before you that you do not work on "futures," and mean it.

Nimick Again Heads Pittsburgh L. & T.

Prominent Banker Was First President of Company—Names of Other Officers Elected

W. Howard Nimick, the first president of the Pittsburgh Life & Trust, has again been elected president of the Company. He comes of an old and well known Pittsburgh family—his father, Alexander Nimick, having been an iron manufacturer and banker, a member of the firm of Singer & Nimick Co., and Phillips, Nimick & Co., iron manufacturers, of Nimick & Co., metal brokers, and president of the First National Bank of Pittsburgh, back in the early '80s. He was one of the founders of the Western Insurance Co., a director of the Company for forty-nine years and its president for thirty-three years.

W. Howard Nimick is president of the Keystone National Bank of Pittsburgh, president of the Western Insurance Co. of Pittsburgh, vice-president of the Colonial Steel Co., and an officer or director in many other institutions. He is a member of the Duquesne, Pittsburgh and University Clubs, and of the Pittsburgh Golf Club. At one time he served as a member of the Pittsburgh Council.

With the Pittsburgh Life & Trust Co. Mr. Nimick has been closely identified from its origin. He has served the Company from its organization as an officer, as a member of the board of directors and of various important committees.

James J. Donnell was elected vice-president and chairman of the executive committee; W. C. McCausland, vice-president and vice chairman of the executive committee; Howard S. Sutphen, vice-president and manager of the agency department; F. C. Parcons, comptroller; James H. Mahan, secretary and treasurer; E. O. Dunlap, actuary and assistant secretary and treasurer; Frank Ewing, general counsel and assistant secretary and treasurer; Charles A. McCrea, assistant secretary and treasurer; Dr. H. A. Miller and Dr. H. A. Baker, medical directors; and Miles M. Dawson, consulting actuary.

INSURE LUMBER DEALERS

Louis Bossert & Sons, Inc., large lumber dealers, with a plant employing over 750 men, located on Newtown Creek, Brooklyn, presented to each of their employes, from president to office boy, who have been in service two years or more, a life insurance policy equal in amount to one year's salary, not in excess of $3,000, in the Equitable Life Assurance Society of the United States, through the John M. Riehle Agency.

The policy covers the lumber company's employes automatically without medical examination. The amount involved is about $600,000, and all the expenses was borne by Louis Bossert & Sons, Inc.

In case of the death of an employe the certificate of insurance which every employe received provides that the yearly wage prevailing at the time of death shall be paid one year more to the beneficiary in 12 equal monthly payments.

President John M. Taylor Tells of Connecticut Mutual Progress

New Scale of Dividends for 1917, First Step in Plan Which Contemplates Further Increases in Next Few Years

The annual report of President Taylor, of the Connecticut Mutual, is always read with interest by life insurance men. His 1916 report follows:

To the Members of the Company:

The matters of especial interest in the management of your affairs in 1916—one of the most progressive years in our corporate history—may be thus briefly summarized:

Change in Dividends

The adoption of a somewhat increased scale of dividends to policyholders.

This change is made, among other considerations, in view of the steady gains in the Company's interest earning; the wide margin between the real and tabular death losses; and the normal and economical expenses. The new scale for 1917 is the first step in a plan which contemplates further increases, in the next few years, as current conditions may warrant. We believe that, under the proposed apportionment, each participating policyholder will note a gradual further reduction in the annual cost of his insurance.

Dividends Classified in Liabilities

The inclusion of a special reserve for the entire dividends to be credited and payable, under the charter, in 1917, in the column of liabilities of December 31, 1916.

This wholly voluntary action, this departure from the Company's customary method in presenting its annual statements, seems expedient for various reasons; e. g., to follow the precedents established by many other life companies; to avert possible endeavors to make such a classification compulsory in whole or in part; and, especially, since the transfer leaves the Company with an ample guarantee fund —undivided surplus—of $3,401,489.38, against contingencies. Such inclusion, in liabilities, of the coming year's dividends, is largely a bookkeeping matter; and the resulting decrease in the Company's reported surplus has no actual significance. Had such dividends been treated by the Company as they have been previously, the undivided surplus would have shown an increase of $575,256.60 over the undivided surplus of the preceding year.

Additions to Membership

The issue of 13,069 paid-for policies, on selected lives, within the United States—the Company writes no foreign business—in the sum of thirty million six hundred sixty thousand one hundred twenty-six dollars ($30,660,126.85); increasing the insurance in force fifteen million six hundred fifty-four thousand four hundred seventy-three dollars ($15,654,473.33); and making the total amount outstanding, on 107,262 policies, $253,439,405.12. This result is due to the efficient service of our field representatives; to whom every member of this Company should, in his own interest, render practical assistance in the acquisition of new risks.

Payment of Death Claims

Prompt payment of 1,649 policies, on the lives of 1,290 members, who died carrying insurance for $4,413,181.37 with no disputed cases. The value of these disbursements to the beneficiaries—often their only protection—is immeasurable.

Many requests from policyholders, old and new, have been made, to place their insurance beyond the reach of avid speculators, and promoters, and secure it against the ignorance of payees as to investments, through the Company's income, instalment and trust agreements; under which these moneys are held in trust under the provisions of law, and paid over in fixed sums, at definite periods, to such payees as the insured may designate, and in accordance with his wishes. To secure these ends, the Company offers in suitable cases, plans of settlement that will provide certain and continuous interest or instalment payments for a fixed period or during the lifetime of the beneficiary. To regulate the control of the beneficiaries over these moneys, and to meet the desires of many members of the Company, the following bill was passed by the Connecticut Legislature in 1913:

> An Act authorizing Life Insurance Companies to act as Trustee of the Proceeds of Certain Insurance Policies.
>
> Be it enacted by the Senate and House of Representatives in General Assembly convened:
>
> Any life insurance company chartered by and doing business in this State shall have power to hold the proceeds of any life insurance policy issued by it, in trust, upon such terms, and subject to such limitations as to revocation by the policyholder and control by the beneficiaries thereunder, as shall have been agreed to in writing by such company and the policyholder.

Under this act the Company will, in proper cases, upon request, agree to hold the proceeds of its policies in trust, as above noted. The Company counts this privilege a very important branch of it beneficent service, and earnestly recommends its adoption by members, to absolutely safeguard their family funds.

Real and Expected Losses

Another exceptional year in the important matter of mortality gains or savings—the difference between expected losses by death and those actually incurred. Tabular losses $2,882,380.00; actual $1,836,515.38; margin, $1,045,-864.62.

Liens on the Family Funds

A decrease in the requests for policy loans and an increase in the payments thereon.

Easier money conditions are doubtless factors in this result; but we are confident that the appeals to members not to sacrifice the protection of their estates and families—and the forfeiture is almost certain; for less than eight per cent. of these obligations is paid in cash—have, in some measure, proved effective. It is clearly shown in the average amount of these loans—$565.64 —that they are, as a rule, made to pay premiums, or for current expenses and necessities, and not for luxuries or speculation. The total net increase in this class of investments was $177,-845.72. The whole comparative percentage is small; but the significant fact stands, that, December 31, 1916, $8,213,121.49 were covered in these loans; and $37,975,093 of insurance—15 per cent. of the total in force—were pledged to secure them.

Policy loans spell hard times in many households.

A Unique Chapter in the History of Life Insurance

The substantial completion of a voluntary search for missing policyholders, first undertaken by this Company.

The total number of cases investigated since October 1, 1911, is 3,762. Of this number 3,601 have been located and cleared up, and 665 of these represented policies on the lives of persons who had died, and under which no proofs of death had ever been made, before the Company's investigation.

The Company has paid, to date, in the settlement of policies on the lives of these policyholders, whose beneficiaries had no knowledge that they held valid claims against the Company, the sum of $275,799.62.

Can there be a more complete demonstration of actual mutuality in life insurance management?

A Result With No Parallel

Maintenance of the Company's unique record, during the last twelve years, of having returned to its members and their beneficiaries more than its receipts in premiums—a remarkable demonstration, this, of the administration of mutual life insurance affairs, which serves one cardinal purpose—a maximum of benefits at a minimum of cost to policyholders. These are the signal results:

Total premiums received, Dec. 15, 1846, to Dec. 31, 1916	$310,337,255.71
Total returns to members and their beneficiaries, in death claims, endowments, dividends, annuities, surrender values and other benefits*	319,548,729.00
Excess of the returns over premiums received	9,211,473.29
Percentage of such returns	102.97%
The Company had, on Dec. 31, 1916, admitted assets of	$76,671,152.92
To meet liabilities of	73,269,663.54
And a surplus of	3,401,489.38

*The Company also holds dividends, with interest thereon, in the sum of $2,086,938.62.

In addition (taking as a basis for comparison the total income of twenty-six standard companies since their organization), this Company maintains, as it has for several years, first place in these important matters, viz., "surplus earned, to premiums—ratio 28.34"; and of "dividends paid to policyholders, to total premium income and annuity income—ratio 26.84."

Agency Representation

A gratifying increase in the number of efficient field representatives devoted to the ends we seek to serve, and to the absolute protection this Company guarantees to business enterprises, to estates and to families through its varied contracts, that have no superiors in the liberality of their provisions or in the certainty of their fulfilment. A steady adherence to the sound and economical underwriting policy of the more intensive cultivation of present semi-fallow agency fields, instead of experimental extensions into new jurisdictions, with their State and municipal taxes, department charges, advance expenses and other costly burdens, and often in the presence of adverse public sentiment as to foreign companies, and of unwarrantable legislative restrictions. Organization— thorough organization—is the only straight road to that increase in membership, at a proper cost, which the Company desires and deserves.

Current Investment Notes

The Company invests its funds in excess of current outgo, in securities to hold, and not to sell. Its selections have always followed the conservative lines of first mortgages on real estate; railroad corporation underlying liens; government, municipal and corporation bonds; safety being the primary consideration.

The ownership of stocks has been, and now is, nominal in amount—$484,-145.25.

Mortgages for $8,607,936.02 were paid; and new ones for $11,689,397.09 were made—an increment of $3,081,461.07; with a total outstanding of these loans, on city and farm properties—the last named in the "Corn Belt" States—of $37,786,805.42. They are secured on more than threefold valuations; and the unpaid interest, December 31, 1916, was but $25,566.09, or 1.29 per cent. of the yearly total; and the average interest yield was 5.46 per cent.

The entire holding of real estate at its cost, outside of the Company's home office property, is but $760,294.61.

The bonds may be noted in the accompanying schedule—which should command your attention—at their par and amortized values. They rank well in credit and interest yield (4.32 per cent.) with similar holdings of other corporations.

These, in closer perspective, are some of the landmarks of the Company's progress in 1916 on the right lines of corporate management, with a deep sense of the responsibilities that are inseparable from the performance of one of the most sacred of trusts:

An increase in the dividend scale, with a gradual decrease in the cost of insurance;

Classifying the declarable dividends

(Continued on page 8.)

ORGANIZED 1871

Life Insurance Company of Virginia

RICHMOND, VIRGINIA

OLDEST, LARGEST and STRONGEST
Southern Life Insurance Company

Issues the most liberal forms of Ordinary Policies from $1,000.00 to $50,000.00, and Industrial Policies from $12.50 to $1,000.00

CONDITION ON DECEMBER 31, 1916:

Assets	$14,464,552.23
Liabilities	12,436,717.56
Capital and Surplus	2,027,834.67
Insurance in Force	118,349,212.00
Payments to Policyholders since Organization	18,119,172.50
Is Paying its Policyholders over	**$1,300,000.00 annually**

GOOD TERRITORY FOR LIVE AGENTS

THE MOST VALUABLE POLICY FOR YOU,
Mr. Agent, is to write your prospect in the Company writing the most valuable policy for the insured.
Secure **prompt action** in the

John Hancock
MUTUAL
LIFE INSURANCE COMPANY
OF BOSTON MASSACHUSETTS

WILLIAM N. COMPTON, General Agent
METROPOLITAN DISTRICT, ST. PAUL BLDG., 220 BROADWAY, NEW YORK, N. Y.

Answers "Second Husband" Arguments

T. K. SCOTT DISCUSSES FUTURE OF THE WIDOW

Reply to "Don't Want Another Man to Spend Money Left My Wife"

BY T. K. SCOTT, OF SCOTT & SON, COOK COUNTY MANAGERS ILLINOIS LIFE

Of all the silly, stupid and unreasonable objections to life insurance, this, it seems to me, is the limit.

To begin with, Mr. Objector, your presumption that your wife or widow will acquire a second husband is unsound and inexcusable.

According to a recent census there were 3,167,232 widows in this country; 2,026,684 were between fifteen and sixty-four years of age; 702,000 were below the age of 45, therefore 2,465,232 were over that age. These figures prove that the usual thing is for a widow to remain a widow. They certainly do not encourage the idea that women in general, when deprived of their husbands, repeat the experiment.

All Depends on First Husband's Treatment

Now, what good reason have you to suppose that your wife will be one of the small minority of widows who venture on the married state a second time? She certainly will have less reason or cause to look out for a successor to you if she has been provided with the means to maintain herself.

The fact is, your wife's conduct in this regard, if she survives you, is determined, to a large extent, by the treatment she receives from you during your life. You selected this woman out of all the women in the world to be your life's partner. You chose her for her good qualities. You relied on her to uphold whatever good reputation and credit you had or have. You gave her your name because you were sure she would be worthy of it and you believed in her honesty, integrity and loyalty to you, and you made a life contract to love and support her.

In an ideal social state—a millennial condition—where and when each individual's welfare is arranged, and guaranteed beyond a peradventure, a man's obligation toward his dependents will be waived. But you and I have meanwhile to deal with a sordid, utilitarian world and it is incumbent upon each man who claims to be a good citizen to so order his affairs that those he has undertaken to support will not become dependent on the State or the objects of charity.

Your income ceases at your death, but your obligation to your wife continues after death—it continues as long as she may live. You have taken her out of her former sphere of activity and the longer she remains your wife or widow, the less able is she to return to active or business life. It is a poor compliment, indeed, to your wife to assume that because of the accident of your death before hers, you are thereby relieved of responsibility for her support. You know as well as I, that whether you are alive or dead she must live; and can you tell me how she can exist after your income stops? When a man deserts his wife and children, leaving them without support, the world regards him with contempt. What is the difference between desertion and death if the wife and children are left without support in either case, when husband and father fail to provide for them?

Duty to Wife

Now, then, you are unmanly enough to suggest that when you have "shuffled off this mortal coil" she will

(a) Eliminate you from her life.

(b) Get another husband.

(c) Deliver up to this other husband the money or estate you have provided for her.

As to item (a) if you have not provided for her in a sensible way she will be quite justified in forgetting all about you, in fact, she could not be condemned for harboring some very bitter thoughts about you. She has given her best to you and for you. She has cooperated with you in facing the battle of life, and by so doing has rendered herself unfit to re-enter the world of business to earn a living without your aid. The chances are all against her forgetting you, but she is more likely to think she made a bad bargain when she gave up her personal freedom and became your lawfully wedded wife. If you have made no provision for her in the event of your premature death, every day she has to battle for existence will be a reproach on you for not doing the square thing by her.

Item (b) "She will get another husband."

The statistics I have already given you are sufficient to show that it is about twenty to one that this will not happen. But why should she not take a second husband? You have supplied her with the best reason in the world for doing so. You have failed in the duty of providing for her and since she has been rendered unable to support herself, because of the years of service rendered to you, she is driven to the expedient of trying married life once more.

Item (c) Your fear is that she will turn over to her second husband the money you leave her or the estate you have created for her. Here again, your lack of faith in the woman of your choice shows your own judgment at fault. Did you ever know of a single case in which the money was spent by the second husband? I never did, and I have been in this business a good while. Is there anything about you, especially, is there anything about your wife, to make your money liable to a danger from which all the rest of the world is free?

Your duty as a man is not to regulate the conduct of your wife's second husband, should such a person ever come into existence, but to treat your wife properly while she is your wife. If, after you are gone, she has cause to remember you kindly, and especially if she finds herself provided for through your forethought with the means of livelihood, she will not need to marry again for a home, and will be more likely to remain a widow and devoted to your memory. But, if you compel her now to worry about what is to become of her in case of your death, she will be less disposed to regard your wishes after you are gone, and you cannot blame her for that.

"Leaving money for the second husband to spend."

Your objection has been anticipated by this Company, because we will enable you to so tie up your estate that your wife or widow cannot, if she would, turn it over to anyone else. You can determine to-day just what your widow's income is to be when you cease to support her as a living man.

KANSAS CITY LIFE

Net Gain in Insurance Account of More Than $11,000,000—$243,214 Added to Surplus

During the year just closed The Kansas City Life made a net gain in its insurance account in excess of eleven millions. There was added to its surplus account $243,214.14. Of this amount $208,162.07 was assigned to policyholders' surplus to take care of annual and deferred dividends. $35,052.07 was carried to unassigned surplus account.

The interest on the Company's investments was paid promptly and satisfactorily. On its seven million assets it has less than $1,000 past due interest, except on some real estate loans which are in process of foreclosure, and these foreclosures are on a group of loans in which there is litigation as to the equity, there being no dispute as to the validity of the Kansas City Life mortgage being first lien.

The mortality experience for the year will be between 55 and 60 per cent. of the expected—more probably the lesser percentage.

"We do not anticipate opening any new territory, being now licensed in all States west of the Mississippi River except California and Louisiana, and in one State east of the river, viz., Illinois, it being our plan to endeavor to more intensely cultivate the territory in which we are already licensed," said President Reynolds this week. "Neither do we anticipate making any material changes in our policy forms or agency contracts."

The Berkshire Life announces the appointment of Edward P. Johnson, as general agent for central Illinois, with headquarters at Decatur, Ill.

NORTHWESTERN NATIONAL

Company Had Increase of More Than 50 Per Cent. in Number of Applications

The Northwestern National Life, of Minneapolis, reports an increase of 50 per cent. in applications received during 1916, as compared with the previous year. December business was the largest for any month, and the business for 1916 the greatest in the history of the Company.

A substantial increase in dividends for 1917 will be paid, and the surplus of the Company has materially increased. A number of large and small policies were written by the Company during the past year.

Twenty-eight agents for the Company wrote $100,000 or more business during 1916, of whom seven wrote more than $250,000 each; three more than $333,000 each; two more than $600,000 each, and one more than $750,000. More than a million dollars a month in applications was the average for 1916.

Connecticut Mutual Report

(Continued from page 7.)

for 1917, in the column of liabilities for 1916;

Notable increase in the total insurance in force;

Immediate payment of all death claims, at the rate of $12,057.87 for each calendar day, without litigation;

Increasing requests for the protection of matured policies under the Company's instalment, income and trust agreement;

Another exceptional margin in mortality gains or savings;

A nominal advance in policy loans, with larger cash payments toward their redemption.

Substantial closure of the voluntary and successful search for missing policyholders;

Continuance of a long-time lead of returns in excess of premiums paid, and in other related ratios;

Substantial additions to the number of efficient field men;

Strict observance of the sound principles of investment, evidenced in the character of the assets, with their steadily-increasing interest yield;

The exercise of a true economy in the important matter of expenses—the line of demarcation between extravagance and conservatism in the conduct of life insurance affairs;

Small percentages of "lapsed" and "not-taken" policies; denoting the value the members place on their protection, and the loyal and persistent agency service to enlist and hold prospective members.

In behalf of the Directors,

JOHN M. TAYLOR, President.

Hartford, Conn., Jan. 15, 1917.

Must Recognize an Opportunity

A million-dollar opportunity isn't worth one red cent—until it is developed, says the Standard Accident of Detroit.

The biggest money-making chance of your life may be almost slapping you in the face, but it won't bring you in one single copper—if you can't see it.

You may know where there is enough business to swamp the office, but it won't buy you a nickel sandwich—if you don't write it.

You may have a prospect that you couldn't write if you tried, but if you think "what's the use"—it's a dead cinch you won't.

It isn't because your chances are not so great—it's you.

Nineteen-seventeen is yours—every minute. Start totaling up now.

THE
METROPOLITAN LIFE
Insurance Company
(Incorporated by the State of New York)



Metropolitan Life Insurance Company
Home Office Building

The Company
Of the People
By the People
For the People

The Daily Average of the Company's Business during 1915 was:

639 per day in Number of Claims Paid.
9,175 per day in Number of Policies Issued and Revived.

$1,956,438 per day in New Insurance Issued, Increased and Revived.

$326,616.59 per day in Payments to Policyholders and Addition to Reserve.

$146,602.49 per day in Increase of Assets

JOHN R. HEGEMAN, President

Home Life General Agents Meet Here

R. M. SIMONS ELECTED PRESIDENT OF ASSOCIATION

New Policy Contracts Reviewed—Extracts From President Ide's Speech

The annual meeting of the General Agents' Association of the Home Life Insurance Company of New York was held at the Vanderbilt Hotel on Tuesday and Wednesday. R. M. Simons, of New York, was elected president of the association; A. Liverman, Denver, vice-president; Charles Spaeth, Rochester, secretary-treasurer.

Topics Discussed

Among the topics discussed were Valuation of Policy Contracts and Suggestions For Their Improvement; Lack of Uniformity in Medical Selection; Income Insurance; Ideal Relations Between Field and Home Office; Business Insurance; Financial Problems of the General Agent; the General Agency Cashier.

Change in Contracts

The new policy forms of the Company which were also discussed, were described in a circular sent to the agency force reading in part as follows:

(1) We would particularly call your attention to the fact that the Endowment Option by which the insured, after the stipulated number of premiums have been paid, may continue to pay the premiums for a definitely stated number of years so as to mature the policy as an endowment for its face amount is conspicuously set forth on the front page of all limited payment life policies.

(2) The first dividend on policies issued hereafter is conditioned upon the payment of the second year's premium or instalment thereof, but the second and subsequent years' dividends will be distributed at the end of the policy year without regard to the payment of the next year's premium.

(3) While the supplementary contract providing for the disability benefit or the waiver of the premium payments, will be issued on the same terms as heretofore, there will also be issued under like conditions, but only in connection with life policies, a new supplementary agreement providing for a double disability benefit, that is, not only for the waiver of the premium payments, but also during the continuance of permanent and total disability during the life-time of the insured by the payment of an Annuity (the first Annuity commencing six months after due notice of said disability) equal to one-tenth of the face amount of the policy. If the insurance be on the monthly or life income plan, the face amount of the insurance would, of course, be the commuted value or the amount of the insurance paid in one sum. The payment of the annuity would not impair or diminish the value of the insurance or affect the mode of settlement payable at the time of death of the insured. The new supplementary contract, however, will not be issued in connection with a policy for a larger sum than $10,000 on a single life. The table of extra premiums required for this supplementary contract will be found enclosed. At the age thirty-five the extra premium is as follows:

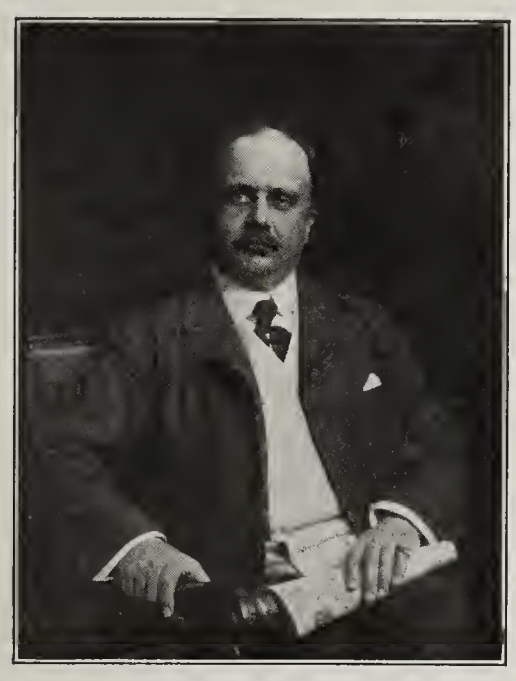
Ordinary Life	$1.71
20 Payment Life	1.77
15 Payment Life	2.07
10 Payment Life	2.70

(4) The Company has decided to modify its rule regarding the minimum age of applicants for insurance and will hereafter consider applications from youths who have attained the actual age of fifteen years whose associations and environments are favorable to longevity, at premium rates for age 17.

President Ide's Address

In his talk to the general agents President Ide took as his text the subject "General Unity," and said:

"The heat of the recent campaign



GEORGE E. IDE

is past. The nation has recorded its decision. Therefore, we may now as loyal citizens dispassionately discuss, in terms of perfect frankness, present national tendencies and problems, without running any risk of being misunderstood or misinterpreted.

"Our country is a federation of sovereign States working together for the good of the whole body politic, united for mutual aid in the furtherance of the common good; a federation formed to overcome the centrifugal and disintegrating forces of self-interest and to promote unity and co-ordination. The bonds which hold us together at times seem to tighten and again to relax but harmony is the basis of our national system.

Existence of Classes

" 'Classes are unknown in the land.' That is our boast, but the fact is that, in the growth of national unity one of the worst obstacles is the existence of classes, or groups, if that word is preferred, and the disputes between them. The very rich and very poor, the educated and uneducated, the employers and the employed, these are some of the classes which exist and always will exist. These distinctions are necessary in our complex life, but the aim of American democracy is that there shall be nothing in our system which makes it impossible for any individual to move freely from one class to another. We aim to prevent, as far as possible, individual retrogression and to place personal advancement within the reach of everyone on a basis of individual merit and accomplishment. In this sense 'classes' rigidly and permanently established do not exist. Every day we hear of men who, by reason of individual worth, have risen in the social scale and we also hear of others who have fallen to a lower estate. The American idea is that this movement of the individual from one class to another shall be absolutely unrestricted. That is what is meant by 'freedom' and 'equality.' Any statue of the State and any regulation of any 'class organization' which hampers the individual in the exercise of thrift, industry and persistency or compels him to curtail his hours of labor or lose his personal freedom to work, may be good for the class as a whole, but is un-American and acts as a brake upon individual freedom. It is equally improper, in the absence of a voluntary contract arrangement, to compel the individual to work against his will.

Clash of Local Interests

"Another factor inimical to national unity is the clash of local interests. In a country covering such vast territory, the interests of its various sections are naturally diverse. Rivalry and competition between these sections are unavoidable, but when local pride and local selfish interest overshadow national pride and national interest then American unity is in peril. A most striking example of this feeling is provided in the continued agitation of the question of compulsory local investment of life insurance funds. In the discussion of this question with a very high officer of one of our States when the statement was made that railroad investments benefit all sections of the country, he frankly stated to me that his commonwealth did not care anything about the development of the railroads; that his State was not dependent upon interstate transportation facilities and that what it wanted and would insist upon were local investments in real estate loans, city, town and State bonds, or other securities which were absolutely and unequivocally local in their character. This is an example of local spirit raised to its highest degree. Then again, our method of electing representatives at Washington from the various sections of the country and the provision that those representatives shall be residents of the section in which they are elected creates in our Federal Legislative bodies a condition which makes it extremely difficult to secure from those bodies legislation on broad national lines. A Congressman, to be re-elected, must satisfy his local constituents, and much of our unwise legislation is a natural sequence of this method of choice.

The Solution Difficult

"It is a very simple matter to state conditions which we know exist; it is a very difficult matter to offer a proper solution. The contest between the various classes and the rivalry between various sections to which we have referred is exactly similar to the old dispute between the members of the body described by St. Paul. The head, the foot, the hand, the eye and the ear entered into the same struggle under motives of self-interest which we see existing between the different States and between the different groups of our society, and the situation cannot be more tersely summed up than in the statement in the Epistle that 'whether one member suffer, all the members suffer with it, or one member be honored, all the members rejoice with it.' There can be no segregation even in thought of the various States and of the various groups without a serious loss to the whole body, and there must be closer mutual acquaintance and knowledge and a finer spirit of concession between these warring factors, if we are to maintain the delicate equilibrium of our national federation. Possibly one great difficulty in bringing about such a basis of coalition is that, under our national government, the ordinary citizen is not made to feel in the slightest degree that he owes anything to his country. He does not know that he contributes in any way to the federal expense; he is relieved as far as possible of all of the burdens of direct taxation; he is called upon for little service of a civil character and no military service. In short, he finds himself the happy recipient of the nation's favors and protection without giving any proper return. In consequence of this. as is apt to be the case, he has no enthusiasm over the dispenser of such bounties; he feels no sense of obligation and little

(Continued on page 13.)

THE
First Mutual
Chartered in America, 1835
New England Mutual Life Insurance Co.
BOSTON, MASSACHUSETTS
ALFRED D. FOSTER, President
D. F. APPEL, Vice-President

FINANCIAL STATEMENT

Assets, Jan. 1, 1916	$74,274,980.68
Liabilities	69,154,791.00
Surplus	$5,120,189.68

The New England Mutual's recognized position in the front rank of American companies is the result of seventy-two years of honorable, capable and equitable dealing. If you are a "front rank" man—you want to be identified with such an institution.

EDWARD W. ALLEN, Manager
217 Broadway, New York
LATHROP E. BALDWIN, Manager
141 Broadway, New York

We don't contract with poor men.
We give a new man our attention until he is started.
We make our men make good.
Why don't you work for us?

Peoria Life Insurance Company
PEORIA, ILLINOIS

The value to the field man of representing a Company, that for seventy-two years has furnished perfect protection, is well known.
The reputation of this Company, combined with unsurpassed service and a spirit of co-operation between Home Office and Agencies, is a combination that wins.
Additions are made to our Agency Force when the Right Men are Found
STATE MUTUAL LIFE ASSURANCE COMPANY
OF WORCESTER, MASSACHUSETTS
Incorporated 1844
B. H. WRIGHT, President D. W. CARTER, Secretary
STEPHEN IRELAND, Inspector of Agencies

OUTLINE OF THE HISTORY OF LIFE INSURANCE

Prepared by the Northwestern Mutual Life of Milwaukee

The civilization of the human race has so developed that some are bread-winners or producers, while others are consumers dependent upon the former class either temporarily as during childhood, or permanently by contracts of marriage and other more or less imperative obligations. Life insurance is a method of dividing the heavy loss of the individual dependent among the many independent producers, whereby a small annual payment secures to the dependent a large cash payment as a partial offset to the loss of support resulting from the death of the bread-winner. Endowment insurance is life insurance plus a savings fund for the time when the producer himself may, on account of old age, become a consumer.

As soon as mankind had reached the point where the ties and obligations of family came to be recognized as imperative, there existed the need for life insurance. If any measures looking to the care of widows and orphans were contemporaneous with the beginning of family ties, their story has been lost. It is certain, however, that friendly societies or guilds existed among the oppressed Saxon serfs after the Norman Conquest, A. D. 1066. These guilds were associations of families, each agreeing to contribute fixed sums for the benefit of members who had met with the misfortunes of death, accident, sickness and other calamities.

In the Middle Ages

During the religious excitement of the Middle Ages it was common to undertake crusades and pilgrimages to the Holy Land. The crusaders, pilgrims and other travelers often entered into a sort of insurance agreement with the money-lenders whereby ransom money was provided if they were captured in foreign lands and held as hostages. Likewise benefits were arranged to be paid to the relatives of these voyagers if death overtook them while away from home. A more important fact in its bearing on the evolution of insurance was the buying and selling of annuities practiced by private persons as early as the 16th century. It was also possible at this time to refund life interests in estates by the purchase of an insurance on the life of the holder of the interest. These transactions were through individuals entirely and were not made on any scientific basis. The money-lender merely drove the best bargain possible, exacting as high a price as he could. Naturally the sale of insurance did not become very common at this date owing to the unsettled social condition of the times. Sanitary and medical science was then so rudimentary that human life was probably shorter than now, and it was certainly less secure, being subject to accidents, the probability of which there could be no way of measuring. Also the character of the people was unfavorable to insurance.

It is obvious that neither life insurance nor the sale of annuities can be intelligently carried on without some reliable knowledge of the rate at which men may be expected to die. If payments are to be made upon the deaths of a number of persons, it is evidently necessary to know when and in what numbers such payments will fall due; i. e., a mortality table is required to determine with any accuracy the premiums necessary to carry out agreements that depend on mortality. Of such knowledge the first persons to transact life insurance and annuity business were destitute; and it was not until 1762 when the Equitable Society of London was organized, that any attempt was made to adjust premiums to the chance or probability of death as shown by a mortality table, although some such information was extant before that time.

In Days of Rome

The first recorded attempt to obtain information of the average length of life bears the early date of A. D. 364 when the Roman jurist, Ulpian, compiled a remarkably accurate mortality table from Roman mortality records, for the purpose of estimating the value of the life annuities it was then customary to bequeath to the faithful retainers of Roman families.

The collection of vital statistics now so common in every civilized land, was begun in England in 1592 when the first London Bills of Mortality were published. These Bills of Mortality were printed to quiet the exaggerated fears of the people resulting from the great plague which visited London in that year. Since 1603 their publication has been continuous. In 1664 John Graunt published a work based on these Bills of Mortality in which he endeavored among other things to place a value on the duration of life. His attempt was of little intrinsic benefit to life insurance knowledge, perhaps because the Bills of Mortality, until 1728, did not give the ages of persons dying; but John Graunt's book was the first attempt to collect and classify reliable statistics of mortality from which valuable information was subsequently drawn.

It was not, however, until 1693 that the first stone in the mathematical and statistical foundation of life insurance was laid. In that year the Astronomer Royal, Dr. Halley, published a mortality table drawn from the records of the town of Breslau, together with general mathematical formulas for computing the value of life annuities. Breslau was the only town where a record of the ages of persons dying had been kept; and the Breslau table of mortality was the first table from which the chances or probabilities of life at each age, could be computed. All annuity and insurance contracts made up to this time and in fact until the organization of the Equitable Society in 1762, were based upon more or less inaccurate guesses, the premiums charged bearing no relation to the risk. If sufficient were charged it was simply because the grantor was fortunate in securing a liberal price. Sometimes the premium charged was sufficient and sometimes it was not. Dr. Halley was the first to show in 1693 how the value of annuities might be determined, but Thomas Simpson, a self-taught mathematician was the first (1742) to make practical application of the theory of probability to the valuation of life annuities.

Until 1698 the business of granting annuities and insurance was confined to private persons. The first public office for life insurance originated in 1698 and operated under the name of the Mercers Company of London. In 1699 another society was instituted under the name "Society of Assurances for Widows and Orphans." In the year 1706 the Amicable Society of London, now known as the "Hand in Hand," was founded. This was the first mutual life insurance organization. In 1721 the Royal Exchange and the London Assurance Companies were formed. These were the first offices that issued life policies for fixed sums payable at death. The London Assurance Corporation issued the first whole life policy on June 7th, 1721.

The Mercers Company of London, which was the first corporation for the insurance of life, proposed a plan of granting a life annuity to the beneficiary of the insured, instead of a cash payment, thus forestalling by two centuries the modern instalment contracts. Unfortunately the directors fixed these annuity payments at 30 per cent. of the insurance, which liberality finally compelled the corporation to petition Parliament for assistance. Like the Amicable, the Royal Exchange and the London Assurance companies neglected to take advantage of the little existing scientific information on the subject and charged the same premium rate at all ages. This rate was 5 per cent. of the insurance—fortunately so high that no financial difficulties were encountered; and to-day these early life insurance companies are among the solid financial institutions of England.

The Equitable of London

Until the organization of the Equitable Society of London in 1762, the companies incorporated for the purpose of life insurance were, excepting the Amicable, stock or proprietary concerns. The Equitable Society, how-

Popularity's Persistent Progress

The greatest of all great years in delivered business for this Company—1916! Without need of urging or pleading, our representatives, with vigorous and self-directed industry, were the enactors of this glistening achievement.

The tide of new business is flowing strongly in the New Year. We expect that 1917 will be another golden period of widely increased protective service of the homes and the businesses of the United States. Home Office and Field in the Massachusetts Mutual are a unit in their determination to be front-rank contributors.

Occasionally we have a General Agency opening for a quality man.

JOSEPH C. BEHAN, Superintendent of Agencies

MASSACHUSETTS MUTUAL
Life Insurance Company
SPRINGFIELD, MASSACHUSETTS
Incorporated 1851

J. C. Humes, President — L. D. Clancy, Secretary

THE CRESCENT LIFE INSURANCE COMPANY OF INDIANAPOLIS, INDIANA
"ENDURING AS THE PYRAMIDS"

A Legal Reserve Company
"Just a Little Bit Different"
GENERAL AGENTS WANTED IN INDIANA
Home Office: Fletcher Trust Bldg., Indianapolis, Ind.

BEST THOUGHT ON VITAL TOPICS
From These Master Minds:
Holcombe, Bristol, Woods, Mansfield, Hamilton, Cowles, Stevens, Hoffman, Cox, Wolfe, Hawxhurst, Eckert, Hardison, Pierce, Eaton, and others.
Found Only In
The Convention Year Book
Just Issued By
THE INSURANCE ADVOCATE
55 John St., New York City
PRICE $2.00
"Find It In The Index"

The "Home Life"

The fifty-sixth annual statement of the Home Life Insurance Company, of which George E. Ide is President, presents a record of substantial benefits to its policy-holders during the year and a solid growth in financial strength.

Assets increased to $32,029,439.71 after paying to policy-holders $3,447,381 including dividends of

$602,721

The insurance in force was increased by $4,766,740 and is now

$125,660,173

For Agency apply to
GEORGE W. MURRAY,
Supt. of Agts.
256 Broadway, New York, N. Y.

Build Your Own Business
under our direct general agency contract
Our Policies provide for:
Double Indemnity, Disability Benefits, Reducing Premiums
See the new low Rates
JOHN F. ROCHE, Vice-Pres't
THE MANHATTAN LIFE INSURANCE COMPANY
66 BROADWAY NEW YORK
Organized 1850

ever, was a purely mutual life insurance company and it was the first life insurance organization to apply something like modern methods to the computation of its premiums by taking into consideration the age of the applicant and the chance or probability of his death as shown by a mortality table. To illustrate the difference between life insurance as it had previously been done and as proposed by the Equitable, it may be mentioned that the Society had great difficulty in obtaining a charter because the Attorney General did not consider its premiums sufficiently high although they were fully 50 per cent. higher than they are to-day, having been based on the mortality in London from 1728 to 1750, during which time the death rate was abnormally heavy. Fortunately, however, the Equitable secured the services of a competent actuary, Dr. Richard Price, who placed the society on a thoroughly sound scientific basis. Dr. Price published in 1780 the first reliable mortality table, known as the Northampton Table of Mortality because compiled from the parish records of that town. The premiums computed by Dr. Price on the basis of this table were reasonably low, and the Equitable then began a successful career.

With the publication by Dr. Price of the Northampton Table of Mortality in 1780, life insurance might be said to have reached a scientific and mathematical basis. There were at this time several insurance companies in successful operation in England. Many more have since been established. But while life insurance was born in England, it is in the United States that it has reached the highest development as a business. The people of this country have been quick to recognize the great value and necessity of life insurance, and as a result nearly 50 per cent. of the world's life insurance is held in the United States.

The first American life insurance institution was organized in 1759. It is still transacting a limited business among clergymen under the name of the "Presbyterian Minister's Fund." This company was incorporated and commenced business at Philadelphia, and its honorable and successful experience covering 145 years and including the most trying periods of the nation's history, bears eloquent testimony to the persistency and stability of mutual life insurance on the scientific plan.

Since the organization of the Presbyterian Minister's Fund in 1759 the business of life insurance in the United States has so developed that there is now about $11,000,000,000 insured in American corporations basing their business on the scientific principles of life insurance originated by Dr. Halley, Thomas Simpson, De Wit, and developed by the foremost mathematicians of the last 150 years.

In New York State

When the New York Insurance Department was organized, in 1859, there were fourteen companies operating in that State, and in 1870 the number had increased to seventy-one. Many of these companies, however, were of "mushroom growth" and their collapse was almost as rapid; some reinsured their risks and retired honorably from business, while others, owing to reckless and extravagant management, failed ignominiously. "Not a single company confining itself to its legitimate work has failed, nor is the thing conceivable, for there is scarcely room for contingencies. The experience of the whole commercial world can point to no such permanency as is seen in life companies, nor does any class of institutions compare with them for uniformity, safety and reliability." It is worthy of notice that the failure of but one company of any considerable size, organized upon a purely mutual basis, is recorded; and that company, the Life Association of America, was conducted upon such principles and with such extreme prodigality that almost from the beginning its failure was predicted as only a question of time. It is also deserving of notice that most of the strong and successful companies in this country were organized before the Civil War.

NORTHERN'S FINE SHOWING

Results Achieved With Working Surplus of Only $25,000—Assets Gain of 21 Per Cent.

The statement of the Northern Assurance Company, of Detroit, is a particularly fine showing in view of the fact that these results have been achieved with only $25,000 of working surplus; that $32,000 has been paid in dividends to stockholders, and that there now remains a gross surplus of over $51,000 with a net admitted surplus of nearly $32,000. Thus notwithstanding the fact that the Company's business is all non-participating with very small marginal loadings for expenses, the Company has reached its present proportions without contributions from stockholders, and entirely from the small margins to be had in low non-participating premiums. No subsidiary connections, stock selling or other schemes have been indulged at any time.

The gains in assets of over 21 per cent.; reserve 23 per cent., net admitted surplus 93 per cent., and of assurance in force of 12½ per cent., coupled with the low termination from lapse of only 6.97 per cent., and a termination from all causes, including death of only 10.75 per cent., in themselves speak well for the Company's method in placing its business.

Everything is on an actual cash paid-for basis, so that the statement is weeded right down to a cash basis, which has been its method of reporting from the inception of the Company.

WHEN CUPID'S INTERESTED

How W. H. Judd, of Mutual Benefit, Wrote a Graduate of Brown University

W. H. Judd, of the Buffalo agency of the Mutual Benefit, secured a prepaid application for $4,000 in October following receipt of a prospect letter. The prospect had recently announced his engagement to a graduate of Brown University. For some time the Prospect Bureau of the Company has been pursuing a canvass of Brown graduates making use of a letter of endorsement from President Faunce of the University. It was thought that by enlisting the prospective wife on the side of the Company it would be easier to approach the prospect and secure his interest. Then, too, the so-called "wife's objections" would thus be removed in the beginning. Mr. Judd's report in part, follows:

"After closing the case he told me that I could write, congratulating you upon being able to pick out a good prospect from a fellow's girl. It had just as good an influence and perhaps better than if he had been the one who attended Brown, for it immediately connected the subject of insurance with the young lady whom he intends to marry within the next six months."

FORT WORTH LIFE'S GAINS

The Fort Worth Life's exhibit for 1915 and 1916 follows:

	1915.	1916.	Gain, '16.
Insur. in force ..	$7,332,627	$8,688,041	$1,355,414
New paid for ins.	2,112,710	3,621,478	508,768

Wanted—General Agents

IN

NEW ORLEANS and MONROE, LA.

AND OTHER PLACES

We want Men who have had experience in appointing and directing Agents, and who are good producers themselves. To such, we will give good contracts with long-term renewals and bonus. Must be able to finance their own Agencies. You may write me in strict confidence.

WILLIAM R. HELIE, Supt. of Agencies.

Louisiana State Life Insurance Company

SHREVEPORT, LA.

Operating—LOUISIANA, TEXAS and ARKANSAS

CAPITAL $250,000.00 W. T. CRAWFORD, President

A GOOD OPENING

An old, well established, progressive life insurance company, with unexcelled dividend record has good opening at PHILADELPHIA, covering Eastern Pennsylvania. Address, stating qualifications:

PHILADELPHIA, care of The Eastern Underwriter
105 William St., New York City

Security Mutual Life Insurance Company

Binghamton, N. Y.

Offers to men able to produce business first class territory, with direct contract providing liberal compensation.

For particulars, address

C. H. JACKSON, Supt. of Agencies

PRUDENTIAL ON GROUP

Gives Agents Opportunity to Write Individual Policies as Well—Shows Need of Protection

In commenting upon group insurance, which The Prudential is now writing, that Company says to its agency force:

"Intelligent employers already acknowledge the advantage of the system, and if you, Mr. Agent, want to write group insurance, your problem is to educate the employers in your district up to the same level.

"The advantage of earning a commission on the policies is not the only one which the agent reaps who specializes in this branch. The writing of a group policy generally offers a chance of writing a number of individual policies amongst the same lives, for the history of group insurance shows that a large percentage of the members of the group carry no independent insurance on their own lives.

"It ought not to be difficult to persuade these that they should not rely upon the group policy alone, that it is a step in the right direction, but that and might well be supplemented by a it can only partially meet their needs, policy which should represent their own unaided self-denial.

"Indeed, if group insurance did nothing else than to throw a searchlight upon whole bodies of employes, revealing them individually in their want of protection, and enabling the agent to take their measure and canvass them to good advantage, it would be well worth cultivating."



LIVE HINTS FOR BUSINESS GETTERS

Practical Suggestions to Help the Man With the Rate Book Increase His Income and General Efficiency

What to do in Era of Extravagance

Here is a pretty good size-up of the insurance situation written by E. A. Woods and sent by him to his agents recently:

"I would like you to consider this communication, intended to insure each one's prosperity for the years that are to come, as though addressed to you personally.

"We are in a period of great inflation. Our country has absorbed in the last two years over $700,000,000 in gold and possesses now, in addition to its former supply, one-third of the gold of the world.

"We have imported in twenty-two months five or six times as much gold as the country previously imported in the same number of years. Every dollar of gold is a basis of $5 or $6 credit in addition. Therefore, the currency of the country has expanded from four to five million dollars without any corresponding increase of trade or commodities on hand. Our circulation per capita has increased from less than $35 three years ago to $41.18. The reason for high prices is not merely advance of labor and war, but because money is cheap.

"All experience shows that such periods are accompanied by extravagance, speculation and finally conclude with a collapse great in proportion as the period of inflation is long and the prices are high.

"If this period follows its usual course, extravagance will increase more and more rapidly and with it the temptation to make money by speculation, until the crash comes as it certainly will come. The war may protract or delay this period much longer than usual, but it can only postpone its consequences.

"It is important that we should recognize the inevitable and prepare for it by adopting for ourselves financial plans.

"Let us take advantage of the present opportunity to increase our earnings, and consequently our renewal incomes, as much as possible.

"Let us intrench ourselves financially by paying all possible debts; there is no investment so certain as our own debts; clearing off policy loans; selling, even if the price does go higher, properties that perhaps have been unsalable for years and will be again for years unsalable. When all the world is buying, sell.

"Dont speculate, certainly not now. The chances of winning in the long run by speculation are probably not more than one out of a thousand; the chances of having money by savings are one hundred per cent. Let us play the game where we are certain of winning rather than the one where we have 999 chances of losing. Don't worry because some people are now making alleged paper profits.

"Let us strengthen our bank accounts—make ourselves valuable to our banks—be the ones the bank will wish to hold when unwilling or unable to accommodate others. Let us carry as much of our own business paper as we can, and remember that a well-run, well-conducted bank expects a balance of at least 20 per cent. of the amount loaned to a customer, and in proportion as we can make this balance larger, we will be valued as profitable to the bank at a time when the bank will be indispensable to us.

"Increase our life insurance as much as we can. It is the one thing that is just as good in bad times as good; it is the one thing on which we know we can raise money when nothing else is available."

* * *

Some Group Insurance Contracts

Undoubtedly one of the principal features of the year has been the increase in the number of group insurance contracts. Following is a partial list of firms or corporations taking out groups:

Aluminum Goods Manufacturing Company—Insurance policies to 1,800 employes of $1,000,000.

Anderson Lumber Company, South Stillwater, Minn.—Eighty-one risks for $62,500.

Adams & Westlake Company, Chicago, Ill.—According to service, 450 risks for $250,000.

Hotel Astor—From $500 apiece upward; approximately $300,000 of insurance in force of 400 people.

Bullard Machine Tool Company, Bridgeport, Conn.—Five hundred dollars and upward; 750 risks; about $500,000.

Broadway Trust Company—Insurance policy for each employe.

L. Barth & Son, hotel fixtures, New York City—One hundred risks for $100,000.

Benton Harbor Malleable Foundry Company, Benton Harbor, Mich.—Insurance on unmarried men, $500; married men, $1,000; total insurance of $400,000 on 450 risks.

Buffalo Gasolene Motor Company, Buffalo, N. Y.—One hundred and eight risks for $116,000.

F. E. Byers & Brothers, pump manufacturers, Ashland, Ohio—According to length of service, 650 risks for $325,000.

Faultless Rubber Company, Ashland, Ohio—According to length of service, 440 risks for $220,000.

Evening Post—Insurance policies for all employes grading from $500 to $1,000 each.

Federal Reserve Bank, Cleveland—Sixty risks for $60,000.

Glidden Varnish Company—Five hundred thousand dollars in policies to its employes.

William M. Crane & Co., New York—From $500 to $3,000, covering approximately 1,000 employes.

Favorita Silk Company, Paterson, N. J.—Life insurance to all employes in amounts ranking from $500 to $1,000.

Garner Print Works and Bleachery—Life insurance aggregating over $1,000,000, covering thousands of employes at the plants at Garnersville and Wappinger Falls, N. Y.

Lindley & Co., stock brokers, 100 Broadway, New York—Life insurance to each employe.

Union Pacific Railroad—Insurance policy, equivalent to one year's salary, to all employes, aggregating $30,000,000.

Studebaker Corporation—Insurance policies to 10,000 employes.

B. F. Goodrich Company—Insurance policies to all employes.

Louis Bossert & Sons, Inc., Brooklyn—Insurance policy equal to one year's salary to all of the 750 employes who have been in firm's employ two years or more. Total insurance amounts to $600,000.

James S. Fuller, Kingston, N. Y.—Insurance according to length of service; 150 risks for about $100,000.

Frank L. Hall Company, Buffalo, N. Y.—According to service; 100 risks for 75,000.

Lincoln Trust Company, New York City—For one year's salary; 76 risks for $87,000.

Hotel McAlpin, Hotel Claridge, Cafe Savarin—According to service; 2,500 employes insured for approximately $1,000,000.

Kellogg Toasted Corn Flakes Company, Battle Creek, Mich.—According to service; 400 risks for $250,000.

H. E. Lesan Advertising Agency of New York and Chicago—Policy to each employe.

Lincoln Trust Company—Insurance policy to all employes, equal to one year's salary.

Manhattan and Queens Traction Company—Life insurance policy to each of 200 employes.

Miller & Co., stock brokers, New York—Life insurance to each employe for one year's salary, with limit of $3,000.

Jenks, Gwynne & Co., stock brokers—Life insurance to each employe for one year's salary, with limit of $3,000.

Kissel, Kinnicutt & Co., bankers, New York—Life insurance to each employe for one year's salary, with limit of $3,000.

Neptune Meter Company, water meters, New York City—According to salary; 400 risks for $300,000.

Michigan Lubricator Company, Detroit, Mich.—Two hundred and seventy-five risks for $150,000.

Raybestos Company, Bridgeport, Conn.—Five hundred dollars and upward; about 300 employes, totalling $200,000 of insurance.

Rode & Brand, lithographers, 200 William street—Life insurance equivalent to a year's salary.

Sohmer & Co., piano manufacturers—Life insurance of $500 for each employe.

Union Trust Company, Detroit, Mich.—According to salary: 125 risks for $100,000.

Sperry Gyroscope Company, Brooklyn, N. Y.—Each man insured for one year's salary; 750 risks for $700,000.

M. Steinert & Sons Co., Boston—400 men insured: Policy from $500 to $1,000.

Union Pacific Railway—$30,000,000 insurance.

ILLINOIS LIFE INSURANCE CO
CHICAGO
JAMES W. STEVENS, PRESIDENT
GREATEST ILLINOIS COMPANY
WANTS GOOD MEN AND WILL PAY THEM WELL

WE have room just now for two or three good men—not the Million Dollar producer who takes it out in talk, but the man who can average $100,000 of personal business, plus experience in appointing and working with agents. Men who become valuable to this Company grow in value to themselves. We cannot guarantee your success, but we will give you a real opportunity, then it's up to you. Would you like to hear about it further?

Pittsburgh Life and Trust Co.
Home Office, Pittsburgh, Pa.
HOWARD S. SUTPHEN
Vice-President & Manager of Agencies

The
Perfect Protection Policy
OF THE
RELIANCE LIFE
gives you something absolutely new and different to talk to your prospects. Gives you a chance to earn more money than you are now making.
Our Life Insurance Contracts contain the most up to date clauses known to the Insurance World. The Accident and Health gives full protection for at least a third less cost than regular casualty companies. Our agency contracts are as liberal as can be made.
WRITE AND WE WILL TELL YOU MORE ABOUT OURSELVES
Reliance Life Insurance Company of Pittsburgh
FARMERS BANK BUILDING
PITTSBURGH, PENNSYLVANIA

Live OPPORTUNITIES are OPEN for AGENTS who CAN DELIVER
Men capable not only of writing applications but of collecting the premiums, are always welcome to our forces and can be advantageously placed.
Union Mutual Life Insurance Co.
PORTLAND, MAINE
ARTHUR L. BATES, President
Address: ALBERT E. AWDE
Superintendent of Agencies
7 W. Madison St., Chicago, Ill.

66 Years Old Mutual
NATIONAL LIFE INSURANCE COMPANY
MONTPELIER, VERMONT
FRED A. HOWLAND, President
PART OF THE 1915 RECORD:
Largest paid-for new business.
Largest payments to policyholders.
Largest dividend payments.
Passed two hundred millions in insurance in force.
General surplus substantially increased.
Dividend scale increased fifth time in eight years.
A good policyholders' company is a good company for the agent.
Write to Edward D. Field, Superintendent of Agencies, Montpelier, Vermont

Ambitious, Productive and Trustworthy Life Agents may be benefitted by corresponding with the
Berkshire Life Insurance Company
of Pittsfield, Mass.
Inc. 1851
New policies with modern provisions Attractive literature
W. D. Wyman, President W. S. Weld, Supt. of Agencies

FOUNDED 1865
Unexcelled In Favorable Mortality and Economy of Management
The Provident Life and Trust Company
OF PHILADELPHIA
Rates of Premium Extremely Low and still further reduced by Annual Dividends

PROTECT BENEFICIARY

Court Rules Against Claim of Assignee as Trustee for Creditors— Decides for Wife

By GEORGE F. KAISER

That a simple assignment to secure a loan will not operate to change the beneficiary in a life policy, where there is a provision that the insured only has the right to change the beneficiary in writing when such provision is indorsed on the policy at the home office was held in a recent case.

Suit was instituted to determine whether certain life insurance was to be paid to the widow or to an assignee as trustee for creditors.

It appeared that before the death of the insured he had assigned four policies to a man as trustee for some of his creditors. In all of the policies the wife's name appeared as beneficiary.

The policy contained the clauses:

The right of revocation is reserved by the insured. When the right has been reserved, the insured shall have full power while this policy is in force (subject to any previous assignment) to change the present beneficiary or beneficiaries. Such change shall be made in writing and shall be valid only upon its endorsement on this policy by the company at the home office.

Any assignment of this policy shall be furnished to the company and a duplicate thereof attached hereto. Any claim against the company arising under any assignment of this policy shall be subject to proof of interest. No assignment shall impose any obligation on this company until it has received the original thereof, nor does the company guarantee the sufficiency or invalidity of any assignment.

The Colorado Supreme Court in deciding in favor of the wife, said, as the policy had provided a method in which beneficiaries could be changed, no change would be recognized unless the provisions were compiled with.—Muller vs. Mutual Life Ins. Co. 161 Pac. pg. 148.

Equitable Double Indemnity Announcement

(Continued from page 2.)

Life form. Formerly Option 3	(When paid up under Option A) Formerly Option 4
Option C	**Option D**
Increase in Insurance Formerly Option 2	40% reduction in premium. Formerly Option 1

6. The 1916 policy forms providing for a first year dividend (on payment of second premium) and including the 1916 disability clause, will be discontinued on April 1, 1917. Policies on this form, issued on or after January 1, 1917, to which the holders thereof may subsequently wish to add either of the 1917 double indemnity forms, and the new disability clause, can be changed by the payment of the additional premium and the return of the old policy for cancellation and issuance of the new 1917 form. A special circular regarding all such changes will be issued in due course.

Limit of Risk

The limit of risk the Society will take under the new disability privilege is $25,000. The same limit applies to the double indemnity privilege except under the life income form, under which it will be graded as follows:

Age of Beneficiary	Limit of Amount Monthly Income
1 to 19 inclusive	$ 80
20 to 34 "	90
35 to 44 "	100
45 to 54 "	110
55 and over	125

Either double indemnity clause doubles the monthly income to the beneficiary for as long as payable.

The double indemnity features count against the limit of risk on an individual life precisely as a policy for an equal amount would count. For example, a policy for $5,000 with $5,000 double indemnity counts against the limit of risk as a $10,000 policy.

Example, (1) Age 22: President insurance, $20,000; new insurance applied for, $15,000; total, $35,000. Society's present limit, $50,000. Maximum amount of Double Indemnity will be $15,000.

Example, (1) Age 22: President insurance, $150,000; new insurance applied for, $25,000; total, $175,000. Society's present limit, $200,000; maximum amount of Double Indemnity, $25,000.

Example, (3) Age 24: Present insurance, $100,000; Society's limit, $100,000. No Double Indemnity will be issued.

MINOR'S BENEFICIARY CLAUSE

Previous to the present issue of Phoenix Mutual Life policies, which took effect January 1, 1915, it was the practice of the Company to decline to insert the change of beneficiary clause in policies on the lives of minors. When the present policies were drawn up, however, a better way to handle the matter was devised. An examination of the beneficiary clauses will show that they provide that where the right has been reserved to change the beneficiary, the insured, if of legal age, may make the change. This makes it possible for the Company to write a policy on the life of a minor with the right to change the beneficiary, but the insured cannot exercise the right until he attains his majority. When he does become of age he automatically acquires the right to make the change. This new feature in our policies should be kept in mind when writing a contract on the life of a minor.

SALES EXPERTS TO SPEAK

John G. Jones, sales manager of the Alexander Hamilton Institute of New York City, will speak on "Ideals and Enthusiasm" at the January 23rd meeting of the Life Underwriters' Association of New York at the Arkwright Club, 320 Broadway. H. L. Fogleman, of the Sheldon Schools, Chicago, will also address the meeting, which will be large.

Home Life Meeting

(Continued from page 9.)

sense of patriotic loyalty. When a crisis arises, it has always been found, up to the present time, that the American nation is full of loyalty and full of patriotism. The sentiment is there but cannot express itself properly and effectively because it has no instruments with which to work. Often this or that remedy is suggested to correct the evils of which we are speaking, but these remedies most frequently apply only to some specific trouble. We must look to the basic principles if we wish to carry out the real promise of our forefathers."

The Peoria Life Insurance Co. will enter two additional States as soon as arrangements have been completed.

Specimen Rates. Age 35. $1,000

Form	Regular Premium	Add'l Premium for Disability	Add'l Premium for Double Indemnity Accident	Add'l Premium for Double Indemnity Travel Accident	Total Premium With Dis. and Double Ind. Accident	Total Premium With Dis. and Double Ind. Travel Accident
Ordinary Life	$28.11	$1.51	$1.50	$ .10	$31.12	$29.72
20 Payment Life	38.34	1.61	1.75	.14	41.70	40.09
20 Year Endwt.	51.91	.88	1.50	.10	54.29	52.89
Life Income Rates, $10 Monthly—Ages 35 and 35						
Ordinary Life	$56.35	$2.03	$3.60	$ .24	$61.98	$58.62
20 Payment Life	76.42	2.08	4.20	.36	82.70	78.86
20 Year Endwt.	110.95	1.30	3.60	.24	115.85	112.49

THE AVERAGE EARNINGS OF THE AGENTS
OF THE
Standard Life Insurance Company
∴ ∴ OF PITTSBURGH ∴ ∴
are higher this year than ever before. Our attractive Accident and Health Policies have helped them to make more money.
Write for a LIFE, ACCIDENT AND HEALTH Contract to
FRANK A. WESLEY
Vice-President and Director of Agencies

PURELY MUTUAL — THE — CHARTERED 1857
Northwestern Mutual Life Insurance Co.
MILWAUKEE, WISCONSIN
GEO. C. MARKHAM, President
INSURANCE IN FORCE, $1,420,012,571
SATISFIED POLICYHOLDERS each year apply for over 35% of the new insurance issued.
NORTHWESTERN POLICIES are easiest to sell and stay longest in force.
Mortality 60.31%. Interest 4.95%. Expense 10.46%.
AGENTS PROTECTED by enforced No-Brokerage and Anti-Rebate Rules.
Income Insurance
Corporation Insurance
Partnership Insurance
It Will Pay You to Investigate Before Selecting Your Company
Write to
H. F. NORRIS
Superintendent of Agencies
Milwaukee, Wisconsin
Large "Dividends"
Low Cost
Service Policy

American Central Life
Insurance Company
INDIANAPOLIS, INDIANA
Established 1899
All agency contracts direct with the company
Address:
HERBERT M. WOOLLEN, President

-THE-"LIVE"-LIFE-INSURANCE-AGENCY-
-PROMPTNESS-
-EFFICIENCY-
---ORGANIZATION----SERVICE---
JOS. D. BOOKSTAVER
76 William St., also 230 Grand St.
General Agent
THE TRAVELERS INSURANCE CO. of Hartford, Conn.
New York

THE EASTERN UNDERWRITER

This newspaper is owned and is published every Friday by The Eastern Underwriter Company, a New York corporation, office and place of business 105 William Street, New York City. Clarence Axman, President; B. F. Hadley, Vice-President; W. L. Hadley, Secretary. The address of the officers is the office of this newspaper. Telephone 2497 John.

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GOVERNOR NOT MUCH IMPRESSED

The failure of the Governor of Pennsylvania to recommend to the Legislature a revision of the insurance laws of that State has been sharply criticised by some Pennsylvania newspapers. The Governor's reason for holding off is said to be that "an investigation is already under way." The Philadelphia "Ledger" says that the only investigation is in connection with the Pension Mutual Life and Union Casualty, and adds: "These investigations can be of about as much importance in remedying the conditions complained of as a pistol shot would in solving the European war."

Continuing, the "Ledger" says:

> The insurance laws of Pennsylvania should be on the same high plane as the insurance laws of New York and Massachusetts. The present code cannot be continued in force much longer. It is a pity that the Governor has not seen the way clear to associate himself with this important work of reconstruction. It is worth a special message to the Legislature.

Senator Penrose issued a statement this week, saying he favored a commission to investigate the insurance and other State departments.

REAL MUTUAL INSURANCE

The significance of the word mutual in life insurance is given a splendid demonstration in the annual report of the Connecticut Mutual Life. Beginning with December 15, 1846, that Company had received from policyholders $310,337,255 in premiums by December 31, 1916. During that time it has returned to members and their beneficiaries, in death claims, endowments, annuities, surrender values and other benefits $319,548,729. In other words, it has paid under its contracts $9,211,473 more than it has received, or 102.97 per cent. Notwithstanding these returns, it had on December 31, 1916, admitted assets of $76,269,663 to meet liabilities of $73,269,663, leaving a surplus of $3,401,489.

Another interesting phase of President Taylor's annual report is the care that this Company has shown in searching for missing policyholders. The total number of cases investigated since October, 1911, is 3,762, of which number 3,601 have been located and cleared up.

The Connecticut Mutual has paid to date in settlement of policies on the lives of these policyholders, whose beneficiaries had no knowledge that they held valid claims against the Company, the sum of $275,799.

DON'T FORGET SMALL MAN

John T. Stone's Advice to Younger Insurance Representatives—Everybody Needs Insurance Protection

John T. Stone, president of the Maryland Casualty Company, addressed the members of the Insurance Society of New York, on "Some Problems Surrounding Accident and Health Insurance," on January 16th. In his talk Mr. Stone said that the business has been diverted from the class of people that need it most—the average wage-earner—as they should be protected against the loss of income which the policy brings to them in time of stress. Accident and health insurance is never sought voluntarily except by bad risks, and those who economically do not need this protection, and to whom it is a luxury. The problem is to gain the confidence not only of the wealthy policyholder, but the confidence of the wage-earners of the country who are now almost neglected.

GREAT LIST OF SPEAKERS

Charles E. Hughes, George W. Perkins and Others to Address New York Association

President Priddy, of the Life Underwriters' Association of New York, announced this week the following as a partial list of speakers for the annual dinner February 27, Hotel Astor:

Charles E. Hughes, subject: "The Relation of Life Insurance to the State."

Rabbi Stephen S. Wise, the Free Synagogue, Carnegie Hall, subject: "The Relation of Life Insurance to the Church."

John H. Finley, Commissioner of Education, State of New York, subject: "The Relation of Life Insurance to Education."

George W. Perkins, formerly first vice-president of the New York Life Insurance Company; later a partner in J. P. Morgan & Company, now retired, subject: "Life Insurance and Its Relation to Big Business."

THE NEW STANDARD FORM

The new standard fire policy, as adopted by the insurance commissioners on December 15, will be introduced in the New York legislature some time between February 1 and 15, as it is the determination of the Superintendent to present all departmental measures to the legislature contemporaneously.

BALTO. FIREFIGHTERS INSURED

The Maryland Casualty Company, through the Maury & Donnelly, Williams Company, of Baltimore, has issued accident policies covering 847 Baltimore firemen with a total premium of $1,431.43, or at the cost of $1.69 each. The policy calls for $500 upon the death of a fireman through accident, or the loss of both hands or feet, or one hand and one foot, or permanent loss of sight of both eyes. The loss of one hand, one foot or one eye calls for the payment of $250.

Paul Alexander, manager of the Germania Life for Eastern New York State, has paid for business at the rate of nearly $100,000 per month since the starting of the agency last September. Mr. Alexander now has twenty active agents, four of whom are women, all of whom have been developed from raw material. He told The Eastern Underwriter this week that his agency aims to pay for $1,000,000 during 1917.

THE HUMAN SIDE OF INSURANCE



CHARLES F. ENDERLY

Charles F. Enderly, head of the brokerage service department of the Insurance Company of North America and New York Underwriters' Agency at 11 William street, New York, has spent twenty-three years of his life in the fire insurance business, starting with the New York Underwriters' Agency after attending public schools and the College of the City of New York in this city. He began in the statistical department, was transferred to the underwriting department and then to the field in New Jersey and Suburban. About six years ago he took charge of the brokerage department of the New York Underwriters' Agency, in conjunction with his field work in New Jersey; and on July 1 became manager of the offices opened by the New York Underwriters' Agency and the Insurance Company of North America. His large acquaintance and personal popularity have helped in making his success.

* * *

Frank R. Morgaridge has joined the new arson bureau of the National Board of Fire Underwriters. For seven years he has been with the Fire Marshal Department of the State of Illinois, where his work attracted national attention. In the new bureau he will be associated with Henry J. Sloan, who with C. J. Doyle, now associate counsel of the National Board, practically inaugurated the fire marshal's office in Illinois. In Messrs. Morgaridge and Sloan the National Board has two unusually able men in their line, and their selection means that the campaign of the National Board against arson is going to be a virile, pepper and punch proposition, and that kindling fires for profit will shortly become a most unhealthy occupation.

* * *

J. T. Bruton, manager of the Cuban General Agency of the Pan-American Life, has had the satisfaction of having his agency lead all others of the Company during 1916. December was Bruton month in Cuba, applications for about one-half million having been written in Mr. Bruton's honor.

* * *

John A. Van Wie, of Troy, N. Y., is one of the agents who made the $10,000 club of the Fidelity & Casualty. Mr. Van Wie in the past twelve months has produced in excess of $16,000 in casualty premiums. He started his business career with the Delaware & Hudson Railroad, becoming connected with Fred Flagg, district manager of the F. & C., in Troy in 1902. He has continued with the Company and has consistently been a large producer.

J. Scofield Rowe, vice-president of the Aetna Life Insurance Company, who for years has been one of the most progressive figures in the casualty world, is a new personality in fire insurance who is little known as yet to fire underwriters outside of Hartford, but who has really made a remarkable success in the fire field, devoting most of his time of late to directing the affairs of the Automobile Insurance Company. This Company, not yet four years old, has made unusually rapid strides. Formed primarily to permit insurance of automobiles—in other words, to enable the affiliated Aetna companies to write a complete automobile insurance coverage, meeting every need of the automobile owner, it branched out into straight fire and marine insurance because of pressure brought to bear by agents that it do so. There had been a demand for such coverage which up to that time had not been met. In 1913 President Bulkeley of the Aetna, bought the charter rights granted by the Connecticut Legislature to Edward B. Hatch and others to organize the Manufacturers Fire & Marine. The charter was amended, the Automobile Insurance Co. being formed.

Entering this new field the Automobile Insurance Company amazed Hartford fire underwriters by quickly gathering together an unusually able and talented set of field men, examiners, department heads, etc. Agency representation of the Company was in demand from the start.

Mr. Rowe began his insurance career with the Employers' Liability. His work there stood out so prominently that he was picked out by the Aetna to start and take charge of its liability business. He has been a progressive and successful underwriter in every sense of the word, and has taken an active part in the different moves of that Company.

In speaking of the reasons for Mr. Rowe's success an underwriting friend of his said: "He can concentrate harder than any man I know and say 'yes' or 'no' after hearing a proposition faster than any man I ever met."

* * *

Frank D. Lombar, who has been appointed superintendent of agencies by the Columbian National Life for the territory east of the Mississippi River, for several years acted as supervisor of agencies for the Pittsburgh Life and Trust Company, giving most of his time to field work in the Central States. In taking up work for the Columbian National he will, for the present, give his attention principally to the Eastern and Central States. His insurance experience prior to his connection with the Pittsburgh Life and Trust Company was with the Kansas City Life Insurance Company as a special representative traveling through the Southwest, and with the Connecticut Mutual Life Insurance Company as an agent at Columbia, Mo. Mr. Lombar has been most successful in his past work and has proved himself to be a bright, energetic and forceful man in his chosen profession.

The Company already has a superintendent of agencies for the States west of the Mississippi River, Mr. William H. Mastin having filled this position for a number of years. Owing to the rapid increase of late in the business of the Company it has been found necessary to create a similar position for the territory east of the Mississippi to carry out the plans of the Company, and Mr. Lombar has been appointed to take charge of the field work.

FIRE INSURANCE DEPARTMENT

Must Stop Downward Tendency of Rates

SHALLCROSS AND HAYNES REFLECT UNDERWRITING VIEW

Royal Manager Also Says "Company-Baiting" Can Hurt Assured More Than Companies

The Eastern Underwriter upon the first of the year wrote a number of letters to presidents of insurance companies and United States managers of companies, asking them if they cared to discuss the trend of fire underwriting as it was noticeable upon the threshold of the new year. Most of the replies received gave views confidentially, but The Eastern Underwriter secured permission to publish the views of two of the underwriters whose opinions were a reflection of those held by many other insurance company heads. Extracts from their letters follow:

Cecil F. Shallcross, manager of the Royal Insurance Company:

"It is my conviction that the downward trend of rates must be checked and the trend turn upwards if companies are to meet their losses, their involuntarily increasing expenses and the legitimate demands of their stockholders.

"If any marked changes in underwriting conditions loom up they may be in the direction of increasingly harmonious relations between the public and the insurers and between legislatures and insurance companies since legislators have had impressive demonstrations that company-baiting is not an unalloyed amusement and can hurt property owners more than the companies. A still closer relationship between the companies and the producers of business is greatly to be desired—a relation fortified by mutual respect and common aims rather than by attempts to curry a fleeting favor by waiving aside the sound practices of good underwriting."

Edgar J. Haynes, president Newark Fire Insurance Company:

"Rates for fire insurance at the present time are entirely too low. Very few companies can be operated at less than 40 per cent., while the loss ratio to earned premiums runs between 55 and 60 per cent.—nearer the latter than the former figure—which leaves a very narrow margin of profit in the fire insurance business."

Hundreds of Editorials on Fire Cause Data

EDITORS QUICK TO RESPOND TO NATIONAL BOARD'S FIGURES

Comments in Foreign Newspapers Also —Great Blow Given to Carelessness

The "cause of fire" circulars, sent to newspapers throughout the country by the National Board of Fire Underwriters, turned out to be one of the greatest and most effective publicity weapons, against carelessness that have ever been wielded in the United States. The editorial response was quick and general. Hundreds of editorials have been printed in all classes of journals, including those published in foreign languages, and in class publications, warning the public to exercise more care to guard against fire, and using the National Board's figures as a text.

South Carolina newspapers, including "The State," of Columbia were among those praising the work of the National Board and printing its fire record figures.

Most of the newspapers devoted editorials of one column length to the figures. Extracts from a few comments follow:

MILWAUKEE NEWS: Our $2,000,000 fire drain could be in a large measure prevented if Wisconsin people would only stop to think and think to stop in time.

EUREKA (CAL.), NEWS: The only way to make California really safe is to secure the intelligent co-operation of the public. Individual carelessness is the greatest fire hazard, and the individual should be shown that it is to his interest to mend his ways.

ROCHESTER TIMES: The lesson taught by National Board figures is that the intelligent and interested co-operation of the people is necessary if New York is to be made really safe.

DETROIT FREE PRESS: Such figures carry their own lesson. They show how much of the destruction which wipes out a man's business, leaves a family homeless or costs human lives, is due to individual carelessness—occasions where a little thought, or ordinary precautions, might have avoided loss of life or property.

VALDOSTA (GA.), TIMES: If every man were careful in dealing with fire at his home the number of fires would be reduced immeasurably.

CHICAGO POST: The worth of such work as the fire underwriters and like agencies are doing in educating the public is readily appreciated when we consider that every fire originating from a preventable cause is not merely a needless menace to property but a potential danger to life. Nor can the results be confined to the life and property of the careless individual. Often he escapes scot free while the innocent are the sufferers.

FIRE AND MARINE INSURANCE—ALL LINES

The Automobile Insurance Company of Hartford, Conn.

MORGAN G. BULKELEY, President

Statement January 1, 1916

Cash Capital - - - -	$1,000,000.00
Assets - - - -	2,377,857.39
Liabilities (Except Capital) - -	467,413.45
Surplus to Policyholders - -	1,910,443.94

AFFILIATED WITH

AETNA LIFE INSURANCE COMPANY

THE AETNA ACCIDENT AND LIABILITY CO.

AGAIN IN LEGISLATURE

Bill to Authorize Batavia, N. Y., to Collect Tax on Foreign Fire Companies

Both Senator Knight and Assemblyman Wells have introduced in the Legislature a bill authorizing the Exempt Volunteer Firemen's Association, Inc., of Batavia, to collect the tax on foreign fire insurance companies in the city, and to use such funds, except the amount payable to the Firemen's Association of the State, for the relief of indigent or disabled volunteer firemen or their widows and orphans.

This is the same bill which was introduced by Senator Saunders and Assemblyman Wells last year and was passed by both branches of the Legislature, but was vetoed by Mayor Burkhart of Batavia.

NEARLY 450,000 DAILIES A YEAR

Go Through Stamping Department of Philadelphia Fire Underwriters' Association—Last Year, 423,938

Between 400,000 and 450,000 daily reports are going through the stamping department of the Philadelphia Fire Underwriters' Association. For the year ending in November, 1916, there were 423,938 reports, of which about 40,000 were held up for correction. The sprinklered risk department visited 5,291 risks.

A charter was granted to the corporation of Charles C. Robinson & Company, of New York City, to conduct an insurance agency; capital $10,000.

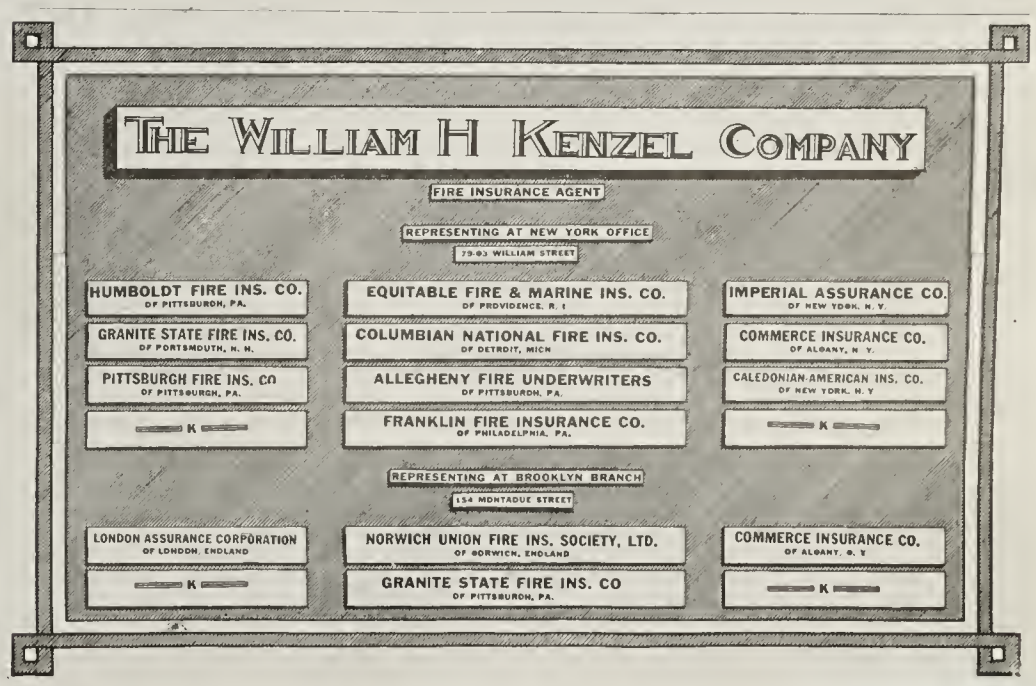
NORTH BRANCH FIRE INS. CO.
Sunbury, Pa.
Inc. 1911

Assets	$515,049.38
Reserve	138,148.22
Capital	275,000.00
Surplus	78,171.37

CITY INSURANCE COMPANY
Pittsburgh, Pa.
Inc. 1870

Assets	$172,302.60
Reserve	27,678.96
Capital	100,000.00
Surplus	42,986.21

OPERATING ON A CONSERVATIVE BASIS IN A LIMITED TERRITORY UNDER AN EXPERIENCED MANAGEMENT



BROKERS ACTIVITIES

A SUGGESTION TO BROKERS

Glenn H. Johnson Would Have Their Association Help Eliminate Incompetent or Dishonest Men

The Eastern Underwriter has received the following letter from Glenn H. Johnson, Syracuse, former president of the State local agents' association:

"Referring to qualifications for brokers in which the New York State Association of Local Agents has been interesting itself recently through a committee composed of myself as chairman and Messrs. A. T. Armstrong, Syracuse; Buell P. Mills, Rochester; E. H. Warner and Richard P. Wood, Buffalo; Edgar M. Griffiths, Albany, and William H. Hecox, president, Binghamton, would say that the recent decision of the Appellate Division in an action of Smith Lumber Co. against Colonial Assurance Co. removes the right of a company or its agent to cancel policies whose premiums have been paid by the assured to a broker and who has failed to turn over said premiums to the company or its agent. It appears that a company or agent in the future will have to investigate not only the financial standing but honesty of brokers who heretofore have been held as the agent of the assured and not the agent of the company.

"What do you think the attitude of the New York Brokers' Association is with reference to raising the standard of brokers and eliminating those, if possible, who are more or less questionable in their dealings? I have been anxious that the co-operation of the Brokers' Association be secured in our efforts to effect a change in the law, which shall be mutually advantageous to both agents and the assured."

The Fire Brokers' Association of New York has more than one hundred members, most of whom are prominent. Just how the Association can aid in driving hundreds of admittedly incompetent men from the field Mr. Johnson does not make clear.

* * *

Gauvin Record Book

The Gauvin Agency, New York, has mailed to a large number of people a cloth bound book called "Beat Yesterday," in which can be kept a six-year comparative record of daily, weekly and monthly premiums and cancellations, new business and renewals or commissions and expenses.

* * *

Lethbridge & Adler Dissolve

Lethbridge & Adler, brokers at 95 William St., have dissolved partnership as of January 1. Both Mr. Lethbridge and Mr. Adler will continue as independent brokers.

EVANS GROUP

The annual statement of the Continental shows total assets of $34,114,371, and surplus to policyholders of $22,203,333. The net surplus is $12,303,333. Reserve for dividend payable January 4, 1917, is $600,000.

The Fidelity-Phenix has total assets of $19,324,465; policyholders' surplus of $9,620,732. The American Eagle's assets are $2,902,447; policyholders' surplus, $2,145,233.

David M. Bressler, formerly the Secretary of the Industrial Removal Office, has become associated with the Perez F. Huft Agency of the Travelers Insurance Company.

Decker & Fowler have moved into new offices in Kingston, N. Y.

KEEP LINES SECRET

Danish Re-Insurance Company Will Not Be Told of Its London Transactions

In connection with the discussion on the position of foreign insurance offices in London, George E. Roughton, underwriter of the Danish Re-insurance Company of Copenhagen, has stated that, so far as that company is concerned, no particulars of any risk accepted by him in London have or ever will be advised to the head office in Copenhagen until the war has ended. He has taken this precaution with the full consent of his company, who are solely desirous of acting loyally, not only to Great Britain but also to the Corporation of Lloyds, "without which no foreign company in London could possibly exist," he says.

RESISTS TAX PAYMENT

The Philadelphia Contributionship for the Insurance of Houses from Loss by Fire, an insurance company formed by a special act of Assembly in February, 1768, has instituted equity proceedings in Common Pleas Court No. 1 to restrain city officials from levying upon its property for taxes purported to be unpaid, but which, according to the Company, should never have been assessed.

It is claimed that after the passage of the law exempting fire insurance companies having no capital stock, a return was made out by mistake for 1914. The Board of Revision refused to allow the return to be withdrawn and since then numerous demands have been made for the tax with threats of collecting it by levy or suit.

POTTER SPEAKS

Ralph, G. Potter, secretary of the Underwriters' Association of New York State, was the principal speaker at a luncheon given at Oswego, N. Y., by the Chamber of Commerce a few days ago.

ADEQUATE FACILITIES
ALL LINES

PHILADELPHIA
CLARENCE A. KROUSE & CO.
LOCAL AND GENERAL AGENTS
325 WALNUT STREET PHILADELPHIA, PA.
PENNSYLVANIA NEW JERSEY

SATISFACTION SERVICE
ALL LINES

LOGUE BROS. & CO., Inc.
Fire—Casualty—Automobile Insurance
Nation-Wide Facilities for Handling SURPLUS LINES
307 FOURTH AVENUE PITTSBURGH, PA.

SCHAEFER & SHEVLIN
2 LIBERTY STREET GENERAL AGENTS NEW YORK, N. Y.
Representing
DUBUQUE FIRE AND MARINE INSURANCE CO.
Excellent Facilities for Handling Suburban and Out Of Town Business
Phone: John 2312

FOUNDED 1792
125th Anniversary
Insurance Company of
NORTH AMERICA
PHILADELPHIA
CAPITAL, $4,000,000 ASSETS OVER $23,000,000
FIRE, MARINE, AUTOMOBILE, Rent, Leasehold, Tornado, Explosion, Use and Occupancy, Sprinkler Leakage, Travelers' Baggage, Parcel Post
The Oldest American Stock Insurance Company

INCORPORATED 1794
THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA
308 & 310 WALNUT ST., PHILADELPHIA, PA.
CASH CAPITAL, $1,000,000.00
LIABILITIES, $2,585,923.98 ASSETS, $4,012,344.68
SURPLUS TO POLICY HOLDERS, $1,426,420.70
AGENTS WANTED WHERE NOT REPRESENTED

Caledonian Insurance Co. of Scotland
FOUNDED 1805
"THE OLDEST SCOTTISH INSURANCE OFFICE"
UNITED STATES HEAD OFFICE
Caledonian Building, 50-52 Pine Street, New York
CHAS. H. POST, U. S. Mgr. R. C. CHRISTOPHER, Asst. U. S. Mgr.
NEW YORK CITY OFFICE
Golden Hill Building, 59 John Street, New York

GENERAL FIRE ASSURANCE CO.
OF PARIS

URBAINE FIRE INSURANCE CO.
OF PARIS

BRITISH DOMINIONS
GENERAL INS. CO., Ltd.
OF LONDON

FRED. S. JAMES
GEO. W. BLOSSOM
W. A. BLODGETT

FRED. S. JAMES & CO.
United States Managers
123 WILLIAM STREET, NEW YORK

C. B. G. GAILLARD
Assistant Manager

British Dominions To be in 25 States

SOME FIGURES FROM BOOKS OF COMPANY

S. A. Bennett of Eagle to Continue With Amalgamated Company—Early Eagle Re-insurances

The British Dominions has made rapid progress in planting agencies since it was entered in this country a few months ago, and it is understood that Fred S. James & Co., will have the Company in about twenty-five States by spring.

Few companies have gone ahead faster than the British Dominions.

It began as a marine company, later enlarged its scope by writing fire and accident business, and now has added a life department. The authorized capital of the Company is now £1,000,002. Some figures from the Company's books follow:

Fire and General Account

Year	Premiums	Losses	Surplus
1911	£9,875	£1,850	£5,208
1912	24,442	11,997	6,466
1913	40,416	22,816	5,615
1914	206,032	125,616	13,673
1915	276,322	127,491	43,772
	Marine	Account	
1911	325,431	230,889	54,653
1912	318,457	259,984	26,984
1913	324,091	262,841	25,876
1914	404,110	263,227	94,079
1915	1,020,354	444,246	467,667

The amalgamation of the Eagle Insurance Company with the British Dominions was a coup that caused quite a lot of talk in Great Britain, and has added immensely to the British Dominions' prestige, as the Eagle is a company dating back almost a century. The Eagle in its time absorbed a number of companies. In 1826 it took over the United Empire, established in 1824; in 1827 the Protecta, established also in 1824; in 1847 the Mariners and General, established in 1843; in 1855 the Mentor, established in 1848, and the City of London, established in 1845; in 1856, the Palladium, established in 1824; in 1857 the Indisputable, established in 1848; in 1858 the Albion, established in 1805; and in 1866 the Solicitors and General, established in 1845.

Personnel

E. M. Mountain, the present managing director and underwriter of the British Dominions Co., will continue to act as managing director and underwriter of the Company after the amalgamation, with H. M. Merriman as assistant underwriter.

Two directors of the Eagle, viz., Horace Peel (the chairman) and G. J. Fowler, will join the board of the amalgamated company. They and the remaining members of the Eagle board, viz., G. W. E. Loder, the Hon. Sidney Greville, Lord Duncannon, G. R. Jellicoe, Major Scott, Cyril Jackson, and F. M. Ellgood, will constitute the West-End board of the amalgamated Company.

F. B. Galer, the present manager and actuary of the Eagle, will become the manager of the life department of the amalgamated company, with D. M. Carment as actuary and N. J. Carter, assistant actuary; S. A. Bennett will continue as manager of the fire department; D. M. Carment as manager of the indemnity department; E. E. B. Eldridge as manager of the accident department; S. Holland as manager of the marine department; A. L. Royle as manager of the motor insurance department; and A. F. Shepherd as manager of the organization department. John Gardiner, A. C. A., will be the secretary; James Worsfold, F. C. I. S., will be the assistant secretary; and J. E. S. Kemp (the present secretary of the Eagle) will be the secretary of the West-End board.

Iowa National Fire Insurance Co.
DES MOINES, IOWA — Capital Stock $500,000
The latest addition to Reliable Fire Insurance organizations will begin Writing Business on January 1, 1917
JOHN L. BLEAKLY, President
F. L. MINER, Vice-President
C. S. VANCE, Underwriting Manager
FRANK P. FLYNN, Treasurer
C. M. SPENCER, Secretary

LARTER & LEMMON SCHEDULE

Discussed By Executive Committee of New England Exchange—Need of U. & O. Rule

The following extracts from the report of the Executive Committee of the New England Insurance Exchange, read at the recent annual meeting of the Exchange are of particular interest:

"A great effort has been made by the Exchange under the supervision of the Executive Committee and the Mercantile Schedule Committee in considering and applying the so-called L. & L. Schedule, which, however, up to the present time has not been found wholly practicable generally, in this territory. While the matter has been in abeyance it has also necessitated the entire cessation of the revision of tariffs for the past two years. When the general schedule is adopted it will require several years to rate all larger cities and towns thereunder, and longer before it will be extended to other territory, therefore it is suggested that local committees having jurisdiction over sections where re-rating is necessary should proceed with the inspection of such territory and provide new tariffs as early as possible.

"The necessity for rules regulating the writing of use and occupancy insurance has become very marked. A Conference Committee representing the Eastern and Western territory has been appointed to consider how uniform rules and rates may be arrived at, and probably a report from the Committee will be forthcoming at an early date. In the meantime tentative action by the Exchange has been recommended which may improve conditions now existing and also avoid any material changes when uniform rules and rates are adopted generally.

"The Ice House Committee appointed in 1915 reported a Standard and Schedule for rating Ice Houses which was adopted by the Exchange, and it was also arranged that the application of this schedule should be under the jurisdiction of the Schedule Risks Committee. It is expected that this legislation will produce more uniform and more commensurate rates on this class of property.

"Rules governing clauses modifying the method of determining sound value as provided by the standard form of policy have been adopted, though restricted in their application to classes which custom has heretofore indicated as properly subject to such modification."



Insurance Against Loss of Profits Through Fire

BY ERNEST W. BELL, IN A PAPER READ BEFORE INSURANCE INSTITUTE OF NEW SOUTH WALES

"Profits Policies," or in other words, "Consequential Loss Policies," originated from a policy issued in England many years back, and known as a "Profits" or "Excess Fire" policy.

This form of insurance was a simple one and the method of adjustment equally so. The policies now in vogue contain the same principles altered and amended by the underwriters in accordance with existing circumstances and experience learned from losses. This profits policy is still in existence on the Continent of Europe and is known as Chomage Insurance. The wording ran:

"To pay the percentage that the sum hereby insured bears to the total fire insurance over contents on the amount paid by the fire companies."

Example:

Insurance, £400.

Total fire insurance over contents, £8,000.

Percentage of sum insured to total of fire policies, 5 per cent. The companies pay under the fire policies, £6,000.

Insured is enabled to recover under his excess fire policy 5 per cent. of £6,000, namely, £300.

Under this contract the insured is paid the proportion irrespective of the loss of profits, and no doubt the method of adjustment considerably increased the moral hazard.

(To be continued.)

AN UNFAIR STATEMENT

Herman L. Ekern Says Companies Oppose Installation of Sprinklers

The Non-Partisan League, the organization of farmers, favoring among other things State insurance, has circulated a statement by Herman L. Ekern, formerly Insurance Commissioner of Wisconsin, supporting State insurance. He declares the State funds urge the installation of automatic sprinklers to protect life and property, but "as the sprinklers cut down insurance rates to one-third or even one-tenth of what they were before, stock companies cannot be enthusiastic about them. They cut off too much income."

This statement is untrue. Every inducement is made for the installation of sprinklers, and no one appreciates more than the fire insurance companies the effect that sprinklers have on the burning ratio.

Mr. Ekern when commissioner compiled a list of rates on manufacturing plants, showing what they were before and after sprinklers were installed. The reduction, of course, was considerable, but he did not at that time make the statement that the rate reductions were grudgingly made by companies.

Mr. Ekern is practicing law, with offices in Chicago and in Madison. He is in partnership with Edwin A. Meyers, their cards reading "Insurance Counsel." He is making a business of drafting insurance codes for the various States, and has also been rather active in advising compensation mutuals. He was one of the promoters and managers of the Wisconsin State fund, which has not been a shining success. As an insurance commissioner Mr. Ekern took more interest in the subject of fire insurance rates than in any other topic.

NORTHERN ENTERS AUTO FIELD

The Northern Assurance of London expects to start writing automobile business some time before February.

Secretary R. G. Potter Tells of Year's Work

INCREASE IN APPICATIONS FOR SPRINKLER RATE REVISIONS

Larter & Lemmon Schedule Committee Reports Progress—President Hornbostel in Chair

E. H. Hornbostel, president of the Underwriters' Association of New York State, presided at the meeting of the association on January 9 for the first time since his election. Mr. Hornbostel is receiving the sympathy of friends because of the critical illness of his daughter.

At the meeting the retiring president, Mr. Vreeland, delivered an address.

Secretary Potter's Report

The report of Secretary Ralph G. Potter was also read. He said that three companies have joined the association, Northern of London, Reliance and Richmond, and there have been no withdrawals.

In discussing the sprinklered risk department he deplored the downward tendency of rates, and said that applications for revisions were largely in the majority. The number of ratings of risks have shown an increase. The sprinklered risk department is in good shape to handle its affairs. He said that representatives of the association, including himself, had attended many meetings of chambers of commerce and other bodies of business men in the State, delivering addresses, adding that the more the public learns of the work of the association the more does it show a tendency to co-operate.

L. & L. Committee

The committee on the Larter & Lemmon schedule reported progress.

There was considerable discussion of agency conditions and the agency pledge.

KNOX GUEST OF HONOR

Charles W. Cool, Glens Falls, Host to Special Agents of Companies in His Office

Special agents of the companies represented in the office of Charles W. Cool, a local agent of Glens Falls, New York, and the first mayor of that city, were the guests of Mr. Cool at a dinner given at the Halfway House, at that city, one night this week. The special guest of honor was John B. Knox, secretary of the Phoenix of Hartford. Mr. Knox is an exceedingly popular individual with New York State fire insurance men, not only in his personal relationship but also from the fact that he is the father of several insurance men who are in the field for companies, one of whom is also a prominent local agent in Hartford, Conn.

BEACH AGENCY

Percy A. Beach has become a member of the E. F. Beach Agency, Cattaraugus, N. Y., and the name has been changed to E. F. Beach & Son.

THE
FIDELITY-PHENIX
FIRE INSURANCE COMPANY
of New York

HENRY EVANS, President

CASH CAPITAL
TWO AND A HALF MILLION DOLLARS

Assets	$18,228,828
Liabilities	9,543,392
Policyholders' Surplus	8,685,436

LOSSES PAID SINCE ORGANIZATION
OVER ONE HUNDRED ELEVEN MILLIONS

Fidelity Phenix—Famous for Fair Dealing

HOME OFFICE
80 Maiden Lane
New York

WESTERN OFFICE
137 So. La Salle St.,
Chicago.

$183,000,000 IN LOSSES

Payments of Insurance Company of North America During Past 125 Years

The Insurance Company of North America, Philadelphia, which is celebrating its 125th anniversary, is the oldest stock insurance company in the United States and has paid losses of more than $183,000,000 in all parts of the world.

The company was organized in 1792 by Benjamin Rush, one of the signers of the Declaration of Independence; Commodore Richard Hale and others.

When the company was organized the steamship was unheard of, and railroads were still a dream. But the company was prosperous from the beginning. It was the first insurance company to advertise in the newspapers of more than a century ago.

During the 125 years of its existence the country has developed from colonies with 4,000,000 persons, largely engaged in agricultural pursuits, to a mighty nation of more than 101,000,000 population, with commerce in all parts of the world.

The resources of the company kept pace with the rapid development of the country, and it was able to pay claims aggregating $3,000,000 after the earthquake at San Francisco. This was the largest single group of claims ever paid by any company.

Among the many quaint documents in the company's library is an application for insurance for the brig Sandwich, by Stephen Girard in 1794. Girard specified that the vessel was warranted an American bottom, and all the goods carried were made in this country.

BREAKING INTO DAILIES

Not a Bit Difficult If You Know How, as D. D. Butler, of Middletown, Conn., Does

A recent news page of the "Penny Press," Middletown, Conn., looked as though it had been edited in the office of Dale D. Butler, Insurance Agent. On the page were no less than four stories, in which Butler figured. One of them read as follows:

> Dale D. Butler's auto coupe was burning up, while he was driving it down Court street, last night. He stopped, jumped out and yelled for help. Thurber Wilcox, a solicitor for Butler's Insurance Office, rushed out of the Masonic club, ran over to Butler's office, came back with a "Pyrene" Extinguisher and squelched the blaze in two seconds. Then he and Butler fixed up the wires, started the car, went over to Butler's Office, Opp. "Town Clock," and made a claim for damage, which was settled immediately. Then Wilcox, who is a former auto repair expert, took the car to a garage, fixed it all up (except painting) and Butler paid him the insurance money. A good ad for good insurance and for Pyrene, and both are sold by Butler's Office.

Decision Covering Title to Property

DELIVERED BY SUPREME COURT OF PENNSYLVANIA

Wife Bought Property, Her Husband Being Part Owner—Former Entitled to Recover

By GEORGE F. KAISER of New York Bar

A recent decision of the Supreme Court of Pennsylvania is to the effect that although a fire insurance policy may require sole and unconditional ownership on the part of the insured, a recovery may still be had if a fire occurs even though it appears that the insured only has title to the property jointly with her husband.

Suit was started to recover the sum of $1,300 alleged to have been sustained by reason of a fire on property which had been insured against such loss.

The evidence was to the effect that the woman who brought suit had purchased a lot with her own funds and erected a house thereon and had also bought and paid for the piano. She had the deed to the lot made out to herself and her husband jointly, however, and the property was likewise insured in the joint names of husband and wife.

Liability Denied By Company

Before the policy on which suit was brought was issued the husband had fled from the State so it was issued in the wife's name alone. Thereafter the fire occurred and liability was denied by the company on the ground that the provisions of the policy provided that: "The entire policy shall be void if the interest of the insured in the property be not truly stated therein, or if the interest of the insured be other than unconditional and sole ownership" and "if fire occurred, the insured..... within sixty days after the fire, unless such time is extended in writing by this company, shall render a statement to the company, signed and sworn to by said insured," had been broken.

Court's Ruling

The Court held that the wife had bought and paid for the property with funds which belong entirely to her, and was accordingly entitled to be indemnified for the loss sustained by reason of the fire notwithstanding the fact that the policy had been taken out jointly in the names of herself and her husband as she had such an insurable interest that the entire loss would fall on her, which was sufficient title to bring her within the requirements of the policy's provisions.

The fact that the required proofs of loss were not furnished to the company was excused because the loss was a total loss, the Court remarking that in case of a total loss formal proofs of loss were not necessary unless requested by the company.—Livingstone vs. Boston Ins. Co. 99 Atl. Rep. pg. 212.

G. W. HUGHES PRESIDENT

George W. Hughes, of Carbondale, Pa., has been elected president of the Underwriters' Association of Carbondale, Pa. H. N. Barrett, of Peckville, is vice-president; Leroy Thorpe, treasurer.

Authorized Capital $500,000
Detroit National Fire Insurance Co.
DETROIT, MICHIGAN
A Company to be built gradually and along the indicated lines of permanence
AGENCY CONNECTIONS SOLICITED

National Fire Insurance Company
OF HARTFORD, CONN.
Statement January 1, 1916, to New York Insurance Department

LIABILITIES

Capital Stock, All Cash	$2,000,000.00
Funds Reserve to Meet All Liabilities, Re-Insurance Reserve, Legal Standard	9,410,306.91
Unsettled Losses and Other Claims	1,428,496.86
Net Surplus over Capital and Liabilities	3,387,090.69
Total assets January 1, 1916	$16,225,894.46

H. A. Smith, President — S. T. Maxwell, Ass't Sec'y — F. B. Seymour, Treas.
G. H. Tryon, Secretary — C. S. Langdon, Ass't Sec'y — C. B. Roulet, Gen. Agt.
F. D. Layton, Ass't Sec'y — E. E. Pike, Ass't Sec'y

SURPLUS TO POLICY HOLDERS, - - $5,387,090.69

New Insurance Laws Effective in France

NO RELATIONS WITH PERSONS IN "CERTAIN COUNTRIES"

Name a Consultative Committee on Re-Assurances Composed of Sixteen Members

In the new law as passed by the French Chamber of Deputies on 24th November, 1916—"An Act relative to the Supervision of Re-assurances Underwritten or Executed in France and Algeria"—insurance men in this and other countries will find much to interest them and provide food for reflection. The enactment is as follows:

1st Article

Insurance Companies of every kind, French or foreign, licensed brokers and all intermediaries whatsoever, who in France or Algeria underwrite re-assurances, or arrange for them to be underwritten; or execute the same, or cause them to be executed; or in a general way or in any form whatever make total or partial assignments or acceptances of risks already insured, are required to acquaint the sworn representatives of the "Ministre du Travail" and the "Prevoyance Sociale" with all their books, registers, contracts, accounts and any document whatsoever relating to the before-mentioned operations. Each Underwriter or Assurer is required to engage with the "Ministre du Travail" not to deal in re-assurance of any risks concerning persons, property, etc., in France or Algeria, with certain firms or those belonging to certain counties, of which a list will be drawn up by the "Ministre du Travail" on the advice of the Consultative Committee instituted by Article 3 (below) and hereafter published in the official journal; the same engagement must be demanded from successive retrocessionaires by their immediate grantor. It is forbidden to underwrite a direct assurance of the same risk with a foreign assurer who has not conformed to the requisition of Article 2 (below.)

No assurance company, licensed broker or other intermediary operating in France or Algeria must accept the assurances or retrocession already assured by organizations appearing on the list mentioned in the preceding paragraph.

Article 2

Companies or foreign underwriters practising in France or Algeria, as mentioned in the previous Article, or doing direct assurance there must submit for the approval of the "Ministere du Travail" some person living in France who can receive notifications and furnish the necessary documents and information in accordance with the present Act. They must send annually, to the "Minstre du Travail" a special balance sheet of their French business.

The same companies or foreign underwriters in France are subject to the approbation of the Government and must find security or guarantees according to the conditions determined by a decree promulgated on the advice of the Consultative Committee instituted by Article 3, that is, if their own country has taken, or did take, analogous measures in respect of French companies.

Article 3

In view of the application of the present Act, it is necessary to create a Consultative Committee on Re-assurances, composed of sixteen members as follows:—a Senator and a Deputy nominated by the "Ministre du Travail"; a member of the State Council; a Lawyer; the President of the Paris Chamber of Commerce or a member nominated by him; the Director General of the Funds of depots and consignments; the Director of Criminal Affairs and Indulgences to the Minister of Justice; the Chief and the Judicial Counsellor of the service controlling private assurances; six directors or administrators of French companies and a director of a foreign assurance company; nominated for four years by their colleagues. The President and Vice-President of the Committee are nominated by the "Ministre du Travail."

NEW JERSEY NOTES

NEW JERSEY FEDERATION

Meeting to Organize Will Be Held in Newark on Monday Afternoon

There will be a meeting on Monday afternoon at 2 o'clock at the Board of Trade, 800 Broad Street, Newark, for the organization of an Insurance Federation of New Jersey. The meeting will be addressed by Mark T. McKee, George D. Webb and other prominent speakers. On the committee are W. S. Naulty, L. O. Faulhauber, Fred S. Reynolds, George C. Plume, C. Alfred Burhorn, Charles S. Dodd, W. G. Meyer, G. F. Keer and Weston Roberts.

ADDS $20,000 TO SURPLUS

The aggregate fire losses of the Atlantic City Fire last year amounted to $5,000. At a meeting of the directors a semi-annual dividend of 7 per cent., payable as of January 1, was voted on the $100,000 worth of capital stock. This made the total dividends for the year 14 per cent. In addition, $20,000 was added to the surplus.

LA MONTE'S ANNUAL REPORT

In his annual report, Commissioner La Monte, of New Jersey, makes no comments on fire insurance conditions of an editorial nature, but contents himself with quoting facts and figures.

FIERO PRESIDENT

W. M. Fiero, of Middletown, N. Y., has been elected president of the Orange County Board of Fire Underwriters. A. V. D. Wallace is vice-president.

A committee was appointed on new constitution and by-laws. The opinion prevailed among the members present that the county organization should adopt a constitution conforming to that of the New York State Local Agents' Association as by this method the influence of the State Association could be secured if necessary. A committee was appointed to arrange for the next quarterly meeting, at which every agent of Orange county is asked to be present as matters of importance will be up for consideration.

TO MEET IN WASHINGTON

The National Association of Fire Insurance Agents will hold its mid-year conference at the Shoreham Hotel, Washington, on February 15, 16 and 17, and plans to hold the sessions in the morning so that the delegates may have the afternoon to visit the various points of interest in the capital city. Local arrangements are being handled by Chairman E. J. Walsh, of the local underwriters, and Ralph W. Lee, a member of the organization committee of the National Association.

Frank R. Beals has purchased the Hawkins Insurance Agency, Phillipsburg, Pa. J. E. Hawkins is justice of the peace and in the coal business.

John L. Bauer, a fire insurance man, in Boyertown, Pa., died a few days ago.

W. A. Dickenson has been elected president of the Lockport Board of Fire Underwriters; B. G. Wright, vice-president, and G. C. Moody secretary and treasurer.

"The Leading Fire Insurance Company in America"



WM. B. CLARK, President

AETNA INSURANCE COMPANY

Aetna Fire Underwriters Agency
of Aetna Insurance Co.

Application For Agencies Invited

WALTER F. ERRICKSON
Newark and Suburban New Jersey Agency
38-40 CLINTON STREET — TELEPHONE 8266 MARKET — *NEWARK, NEW JERSEY*
SPECIAL FACILITIES FOR OUT-OF-TOWN BUSINESS

E. F. FLINDELL
123 William Street Telephone John 2330 New York City
Business Bound Throughout the United States and Canada
FOR
The Scottish Union and National Insurance Company

WILLIAM C. SCHEIDE & CO., Inc.
HARTFORD, CONN.
Re-Insurance in All Branches

HUMBOLDT FIRE INSURANCE CO., Pittsburgh, Pa.
TEUTONIA FIRE INSURANCE, CO., Pittsburgh, Pa.
CAPITAL FIRE INSURANCE CO., Concord, N. H.
NEW YORK STATE DEPARTMENT
PERCY B. DUTTON, Manager, Rochester, N. Y.

"STRONG AS THE STRONGEST"
The Northern Assurance Co.
(LTD., OF LONDON)
Organized 1836
Entered United States 1854
Losses Paid - - $102,000,000
Losses Paid in U. S. - $36,000,000
Eastern and Southern Departments
55 JOHN STREET
NEW YORK CITY

WESTERN ASSURANCE CO.
OF TORONTO, CANADA
(Fire, Tornado, Ocean Marine and Inland Marine Insurance)
UNITED STATES BRANCH
January 1, 1916
Assets .....$ 2,747,815.34
Surplus in United States..... 1,309,295.82
Total Losses Paid in United States From 1874 to 1915, Inclusive 40,654,747.02
W. R. BROCK, President
W. B. MEIKLE, Vice-Pres. & Gen. Man.

The Columbian National Fire Insurance Company



T. A Lawler, Pres. H. P. Orr, Sec.-Treas.
JANUARY 1st, 1916
Assets $1,571,954.84
Surplus to Policyholders.....$1,257,680.79
EASTERN DEPARTMENT, Scranton, Pa.
Massachusetts, Rhode Island, New York, New Jersey, Pennsylvania and Maryland
James J. Boland, Manager
Reliable agents wanted in unrepresented territory

First National Fire
Insurance Company of the United States
WASHINGTON, D. C.
ROBERT J. WYNNE, President JOHN E. SMITH, Secretary
Statement January 1, 1916
CAPITAL, $912,502
RESERVE FOR ALL OTHER LIABILITIES, $523,785
NET SURPLUS, $377,447 ASSETS, $1,813,734

THE MARINE INSURANCE CONTRACT

By President BENJAMIN RUSH of the Insurance Company of North America

From an address delivered by Mr. Rush before the Fire Insurance Society of Philadelphia, and republished by courtesy of the Fire Insurance Society of Philadelphia's "Bulletin."

The reason for this is that the risk of war is so great in the event of war being declared that the underwriter does not feel disposed to include it in the ordinary course of business, without receiving a very large additional premium and the clause is inserted in the policy, therefore, for the underwriter's protection so that in the event of risk of war being declared he may be at liberty to charge adequate additional rates for the extra risk he runs.

The rate of insurance on war risks varies from day to. day in accordance with the advice which the underwriters receive as to the conditions prevailing at the time the risk is accepted, or which may be expected to prevail at the time the merchandise covered against capture reaches the danger zone.

It would, therefore, be manifestly unfair to expect an underwriter to insure this risk at the same rates as the ordinary perils of the sea, fire, etc.

Subsequently in order to avoid the clerical labor of writing this clause in the margin of the policy it was introduced in print in the margin of the policy and from there was transferred to the body of the policy.

To quote from Lord Selborne the words "warranted free from," mean that although the general terms of the policy would have covered this risk, yet considering the special riskiness of the particular matter, the underwriters unless they are paid a premium for consenting to take it, do not choose to be liable where the particular thing happens which they have stipulated by this warranty that they shall be warranted free from, and furthermore the words, capture and seizure, are not to be considered as having sole reference to the acts of belligerents.

The word capture would seem to include every act of seizing or taking by an enemy or belligerent. Seizure is a larger term and goes beyond it and may reasonably be interpreted to embrace every act of taking forcible possession, either by lawful authority or by overpowering force.

The words capture and seizure can be understood to include every forcible proceeding arising out of the perils insured against, whereby the assured is deprived of the control or possession of his property, whether such proceeding be permanent or only temporary in effect, and whether it be an act of an enemy or of a friendly power mistaking the vessel for an enemy, mutinous passengers or a lawful authority, with the exception of piratical seizure, which is expressly covered.

It is therefore clear that this clause relieves the underwriter from loss or damage directly arising from riot, civil commotion, capture, seizure, detention or from any attempt thereat, or the consequence thereof, or the direct or remote consequences of any hostilities (for instance such as a loss by striking a torpedo, which had gone adrift and free from loss or damage resulting from measures or operations incident to war, whether before or after the declaration thereof, such for instance as stranding, owing to a hostile government having seized a lighthouse and extinguished its light, and it makes no difference whether those acts occur prior or subsequent to the actual declaration of war.

(To be continued.)

Now Adjusting Canadian C. & F. Loss

(Continued from page 1.)

on the Street is that one of the leading companies is in a reinsurance pool by which five times its net line is covered by reinsurance.

The fire started in a high explosive receiving building, No. 30. The wind was said to be blowing from the North, but the magnitude of the loss made this unimportant, the fire successfully fighting against the wind. It was first discovered in a pan of denatured alcohol one of the employes had for cleaning the outside surface of cartridges. It spread on to a bench, and the stories of what happened after this conflict.

Talk of an Addition

In one of the offices, carrying a large line, a story is current that recently an addition had been built practically connecting two iron clad buildings, in which were stored loaded shells ready for shipment, and where companies had considerable liability with the building in which the fire started. The Eastern Underwriter saw a survey of the risk made two months ago, which does not show any such addition.

The extent of the Kingsland loss was a surprise to underwriters because the buildings were on a hill, were detached, and covered an area of about a mile.

The daily newspaper report that the city of Kingsland was indemnified by a million dollar bond is incorrect. The city was covered by an explosion policy, but as it is a fire and not an explosion loss companies are not liable. Berrian Bros., of Newark, are adjusters for Union Township.

Assured's Statement

The Canadian Car & Foundry Company issued a statement after the loss, saying in part as follows:

In March, 1915, the Canadian Car and Foundry Company, Ltd., of Montreal, entered into contracts with the Russian Government to supply 5,000,000 rounds of 3-inch ammunition, half shrapnel and half high explosive shells.

These contracts were partly completed by March, 1916, and on March 8, 1916, were assigned to a New York corporation, an agency of the Canadian Car and Foundry Company, Ltd., which took over the two main Russian contracts and all subsidiary contracts and supplies, and undertook to complete and deliver the full quantity of 5,000,000 rounds.

Agency of Canadian Car and Foundry Company, Ltd., had a large plant near Kingsland, N. J., for the purpose of assembling, packing and preparing these shells for shipment. No shells were manufactured on the premises. There were employed from time to time at Kingsland from 3,000 to 4,000 men. Large quantities of these shells have been shipped to Russia.

The two contracts were practically completed, a large quantity of shells had been delivered in storage at Kingsland to the representatives of the Russian Government, and the balance of the shells were being assembled and packed yesterday when a fire took place in one of the large buildings used for cleaning shells.

The buildings destroyed were valued at about $750,000. The value of the contents of the buildings destroyed amounted approximately to $16,000,000. The company was protected to the amount of about $3,000,000 in insurance on the buildings and contents; the rest is a total loss. So far as we have been able to ascertain no one was killed or seriously injured as a result of the fire and subsequent explosions which took place.

Du Pont Explosion

Following an explosion in the Du Pont powder plant at Haskell, N. J., it was stated that the Du Pont company would make no claim for loss.

The Maryland Casualty Company of Baltimore covered the workmen's compensation liability required under the New Jersey law to operate the plant at Kingsland. No claims for injury have been made.

Annual Meeting of Middle Department

LIST OF NEW COMMITTEEMEN ANNOUNCED

G. A. Russell Chairman of Committee on Rules—Chapman Chairman Allegheny County

The annual meeting of the Underwriters' Association of the Middle Department took place on January 17. The proposed district committeemen chairmen follow:

Adams County, John F. Stief; Allegheny County, Hubert W. Chapman; Allegheny and Garret Counties, Henry D. Rogers; Anne Arundel County, J. T. Robertson; Armstrong County, Christen Moller; Baltimore City, C. J. Irvin; Baltimore County, H. A. Robier; Beaver County, Wm. T. Evans; Bedford County, Jos. P. Fisher; Berks County, Frederick L. Holman; Berkeley, Jefferson and Morgan Counties, W. Va., F. L. Mosher; Blair County, H. C. Chase; Bradford and Sullivan Counties, G. E. Donahue; Butler County, J. H. Bonney; Calvert, Charles and St. Mary's Counties, Harry T. Poor; Cambria County, T. J. Trout; Cambria County (Northern), W. Rhodes Budlong; Cameron and Elk Counties, F. W. Sippell; Carbon County, Howard B. Woolman; Carroll County, Harry Y. Chatterley; Center County, S. S. Grimm; Clarion County, A. G. Crawshaw; Clearfield County (except DuBois Board), Pa., A. Y. Findlay; Clearfield County, Fred M. Bleuit; Clinton County, Ernest Sharpe; Columbia and Montour Counties, R. G. Leypoldt; Crawford County, Chas. S. Kremer; Cumberland County, H. B. Jennings; Dauphin County, Chas. M. Kerr; Delaware State, Benj. Bevier; Eastern Shore of Maryland, Benj. Bevier; Erie County, A. K. Black, Jr.; Fayette County (except Monongahela Valley), Smith M. Wilson; Franklin and Fulton Counties, A. O. Denzel; Frederick and Washington Counties, Chas. M. Kerr; Greene County, John M. Dom; Harford County, Robert M. August; Howard County, William C. Poe, Jr.; Huntington County, Elmer R. Porter; Indiana County, Fred D. Blessmeyer; Jefferson County, Clem O. DeWitt; Juniata and Perry Counties, Chas. D. Hubbard; Lackawanna County, J. M. Woodroffe; Lancaster County, A. N. Hamilton; Lawrence County, Henry M. Zweig; Lebanon County F. H. Walker; Lehigh County, R. H. M. Stuart; Luzerne County (Hazleton Board), John M. Holmes; Luzerne County (Wilkes-Barre and Pittston Boards), Harold Haskins; Lycoming County, Paul Turner, Jr.; McKean County, Paul L. Haid; Mercer County, C. M. Tyler; Mifflin County, A. F. O'Daniel; Monongahela Valley, J. D. Talley; Montgomery County, Wm. Y. Young; Northampton County, W. G. Munroe; Northumberland County, Oswald G. Boyle; Philadelphia Suburban (Delaware, Chester, Montgomery and Bucks Counties), Pa., and Camden County, N. J., C. J. Irvin; Potter County, H. W. Birchard; Prince George's County, W. R. Hills; Schuylkill County, H. A. Miller; Snyder and Union Counties, W. G. Kent; Somerset County, J. S. Akers; Susquehanna and Wyoming Counties, N. C. Rorabaugh; Tioga County, Harry W. Birchard; Venango County, Nevin N. Huested; Warren and Forest Counties, Wm. G. Mockett; Washington County (except Monongahela Valley), Geo. R. Fulton; Wayne, Monroe and Pike Counties, Wm. A. Hebert; Westmoreland County (except Monongahela Valley), H. O. Kline; York County, W. L. Beecher.

The committee on constitution, by-laws and rules follows: Gilbert A. Russell, chairman; G. G. Plyer, A. N. Hamilton, Harry Y. Chatterley, R. H. M. Stuart, Smith M. Wilson, H. O. Kline, Geo. A. Clarke, G. Hope Miller.

THE HANOVER
FIRE INSURANCE COMPANY
Incorporated 1852

The real strength of an insurance company is in the conservatism of its management, and the management of THE HANOVER is an absolute assurance of the security of its policy.

R. EMORY WARFIELD, President
FRED. A. HUBBARD, Vice-President
E. S. JARVIS, Secretary
WILLIAM MORRISON, Asst. Sec'y

HOME OFFICE
Hanover Bldg., 34 Pine St.
NEW YORK

HOWIE & CAIN, General Agents
Metropolitan District
100 WILLIAM STREET, NEW YORK

1853 Sixty-Third Year 1916
FARMERS' Fire Insurance Company
YORK, PENNSYLVANIA

Assets (Dec. 31, 1915) $1,099,331.19
Net Surplus (Dec. 31, 1915)..... 496,079.49

W. H. MILLER, President
A. S. McCONKEY, Sec. and Treas.

COMMERCIAL UNION ASSURANCE CO.
LIMITED, OF LONDON.

THE LARGEST GENERAL INSURANCE COMPANY IN THE WORLD.
55 JOHN STREET, NEW YORK.

THE LEADING FIRE COMPANY OF THE WORLD
ROYAL INSURANCE COMPANY LIMITED
[of Liverpool, England]

CASUALTY AND SURETY POINTERS

Sunstroke A Disease Not An Accident

SOME POINTS IN NEW BOOK OF MARTIN P. CORNELIUS

Discussion of Injury When Insured Twists Body in Unusual or Unexpected Way

In his book on the insuring clause of personal accident policies, "Accidental Means," just published by C. C. Hine's Sons Company, publishers, Martin P. Cornelius, assistant general counsel of the Continental Casualty, says in part regarding the sunstroke clause:

Where the insured comes to his death from sunstroke there is no liability under the usual form of accident policy, because sunstroke is a disease. If, however, the policy specially provides to pay for sunstroke effected by accidental means, the usual rule applies. In such case it must appear that the exposure or "means," as well as the resultant sunstroke is accidental. The bodily infirmity brought about by freezing is an injury. If the exposure to the cold is involuntary, then there is liability under the usual insuring clause. Otherwise the injury cannot be considered as having been effected by accidental means and there is no liability.

Case Before Court of Appeals

There is now an important case before the Court of Appeals on the question of sunstroke, the Appellate Division having affirmed the trial court's verdict in favor of the assured. The result is awaited with interest by underwriters, owing to the fact that the Court of Appeals, in order to sustain the Appellate Division will have to reverse itself in the famous Schumacher case, which had been used as a precedent for years.

Involuntary Movements

Another proposition in Mr. Cornelius' book follows:

A result such as follows from ordinary means voluntarily employed in a not unusual or unexpected way cannot be called a result effected by accidental means, but if in the act which precedes the injury, something unforeseen, unexpected and unusual occurs which produces the injury, then the injury is effected by accidental means. If the insured does something which he intends to do but involuntarily does that thing in a way different than he intended and because of some involuntary movement of the body an injury results, such injury is effected through accidental means.

Under a few authorities it seems that where the thing which the insured attempts to do is of such a character as would not ordinarily be expected to bring about an injury, and, where, from all the surrounding circumstances it is apparent that in doing said thing the insured probably involuntarily turned or twisted his body or got into an unexpected position, even where there is no direct evidence upon which to base such a conclusion, it is for the jury to determine, as a question of fact, whether or not the insured involuntarily turned or twisted his body in an unusual and unexpected way.

NEW BLOOD IN PHILADELPHIA

Change of Officers in Surety Association—Brokers' Provisions Made Uniform Also

For eight years Herbert F. Hoops, manager of the F. & D.'s bonding and surety department in Philadelphia, has been president of the local surety association in that city. Other officers were also re-elected. In the meantime new men have come to the city and have not been particularly interested in the association, although Mr. Hoops is a man of fine standing in Philadelphia, and is a successful insurance man.

It was decided to elect new officers at the annual meeting last week. R. R. Benedict, American Surety, is the new president; and George U. Pope, Hartford, the new secretary. At a dinner held in the Bellevue-Stratford about forty attended. A strong and interesting speech was delivered by R. R. Gilkey, secretary of the Surety Association of America. At the meeting brokerage rules were made more uniform, so that all offices would be placed upon the same basis.

HENDRICKSON RESIGNS

Benjamin V. Hendrickson, Jr., special agent for New York State of the London & Lancashire Indemnity, has resigned as of February 1. Mr. Hendrickson will enter the dyestuff business with the firm of Siemon & Elting. He has been with the London & Lancashire for about a year prior to which he was with the agency department of the Casualty Company of America for several years.

BARKIE WITH METROPOLITAN

Charles A. Barkie, who has been manager of the commercial department of the Continental Casualty's New York office for several years, has been appointed special general agent of the Metropolitan Casualty.

General Accident
FIRE AND LIFE
ASSURANCE CORPORATION, Ltd.
FREDERICK RICHARDSON, United States Manager.
GENERAL BUILDING · 4TH & WALNUT STS.
PHILADELPHIA
SERVICE THAT EXCELS

Reflections On Contract Bond Losses

NEED OF VIGILANCE DEMONSTRATED, SAYS F. & C.

Sixteen General Causes for Loss—Many of Them Preventable—Exhaustive Investigation Needed

A large surety company, with a queer idea of recreation, has been amusing itself with a study of recent contract-bond losses and trying to trace back to their original sources in the application papers the payment of $500,000 under contract bonds. We can imagine few diversions more exquisitely delightful to a surety underwriter—it is a rare form of sport, says the Fidelity and Casualty "Bulletin."

The lamentable result decomposes under analysis into sixteen general causes. It is interesting to know that more than half of these causes owe their existence to the fact that the company either did not take the trouble to make of (more probably) was not permitted by the heartless agent to make the proper investigation; that is to say, sixty-five per cent. of the losses finally paid were preventable and might have been wholly or largely avoided if the agent and the company (yes, that is the proper sequence) had made a thoroughgoing investigation of the conditions before the bond was issued.

Agents' Attitude

It is interesting to know, too, that most of the remaining causes might also be said to be preventable—"unreliable or tricky indemnitors," for example, and "fraud on the part of principal." Clearly, such possibilities would usually be eliminated by an exhaustive investigation.

We grieve to note, and we transmit the information in a subdued and apologetic tone, that about eight per cent. of the losses were incurred in connection with bonds "forced upon the company by repeated pleadings of agents," and that 11.2 per cent. were incurred on bonds "executed by agents and not approved by the home office."

The surety company in question has a practised and a very able staff of contract underwriters, and we presume that its experience is not materially different from that of other companies doing a similarly large volume of business. Surely it all demonstrates the need of time and research and eternal vigilance in the underwriting of contract bonds.

DESK SET FOR CARMAN

Retiring Vice-President of American Surety Guest at Luncheon, R. R. Brown Presiding

A farewell luncheon was tendered to L. E. Carman, formerly vice-president of the American Surety Company of New York by President Lafrentz, of that Company, at the Bankers' Club of America. Mr. Carman recently resigned his position to associate himself with Mr. C. E. Chapman, a member of the New York Stock Exchange, in the stock brokerage business.

Remarks were made by R. R. Brown, first vice-president; W. A. Brandt, secretary; Vice-Presidents Cortlandt S. Van Rennselaer, H B. Zevely and J. W. Mason; G. L. Naught, attorney, and R. B. Hamilton.

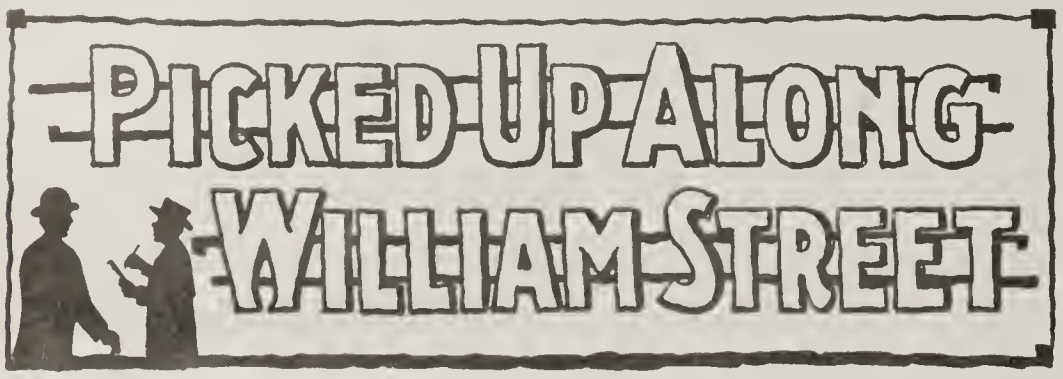
R. R. Brown presided as master of ceremonies.

Mr. Carman was presented with a silver desk-set as a token of the esteem in which he is held by his former associates.

Among those present were the following: Messrs. R. R. Brown, C. S. Van Rennselaer, Jarvis W. Mason, H. B. Zevely, W. M. Tomlins, Jr., Theodore Cocheu, Jr., Chas. W. Goetchius, E. F. Watson, F. J. Parry, Wm. A. Brandt, A. F. Lafrentz, David R. Sanford, D. H. Cook, George L. Naught, E. C. Jamieson, R. B. Hamilton, W. C. Lloyd, A. E. Cotterell, B. J. McGinn, William Goetz, L. S. Moore, H. T. Cole, H. F. Waterbury, W. H. Bishop and A. C. Rehberger.

Messrs. H. D. Lyman, F. W. Lafrentz, H. C. Willcox, C. E. Millen and H. A. Reiss were unable to attend because of illness or absence from town.





H. L. Kidder Once an Editor

Herbert L. Kidder, superintendent of agencies of the liability department of the United States Casualty, is a graduate from the ranks of newspaperdom. He began as assistant commercial editor of the Boston "Herald;" then assistant financial editor, and later, financial editor. He is still remembered in Boston as one of the best "business news" coverers in the history of the town. Leaving journalism he went to the United States Casualty, where at one time he was manager of the company's accident and health department. Mr. Kidder is an exceptionally good public speaker, particularly before bodies of business men. Upon one occasion he made a speaking trip through Ohio, talking before boards of trade, chambers of commerce, etc., in the interest of stock casualty insurance.

* * *

$45,000,000 Invested

An estimate was made this week of $45,000,000 as the amount of money invested in the surety business.

* * *

Fight to Save 175,500 Corporate Surety Bonds

As usual the Postmaster General recommended the establishment of a guaranty fund and the post office committee inserted a separate provision providing for one in the annual post office appropriation bill. The surety companies were not given notice of the fact and had not had an opportunity for a hearing before the post office committee of the House so that when the bill was reported out it contained the provision. Surety men were aroused and communicated with their Congressmen asking them to do everything that could be done legitimately to defeat the measure. The surety men have asked to have a hearing before the rules committee.

The fact that 175,500 persons in the post office department are covered by corporate surety bonds will give an idea of the importance of this matter.

* * *

Poisoning From Shoe a Disease and Not an Accident

The Supreme Court of Appeals of Virginia takes a view more favorable to the insurer on the point of what is an accident and what is a disease in a recent case brought before it. In discussing the case for The Eastern Underwriter, George F. Kaiser, of the New York bar, said:

"A widow brought suit for the recovery of damages for the death of her husband alleged to have been caused by accidental means. It appeared that the husband was poisoned from wearing a new pair of shoes, dying from the effects of erysipelas which set in as a result of the rubbing of the shoe against his foot. It was contended on her part that the rubbing was a bodily injury caused by accidental means, and that therefore the death was covered by the policy. The insurer contended on the other hand that the death was caused by disease which was specifically omitted from the policy.

"The Court held that in order for the woman to recover under the policy it was necessary for her to bring herself within the provisions of the policy and to prove an accidental injury to the insured, and that there was no presumption to aid her as when death occurs it is presumed to be the result of natural dissolution rather than of accidental injury. As there was some doubt as to just what the death was caused by, the rubbing or the disease germ the Court accordingly decided in favor of the company.—Gen'l. Accident vs. Murray, (90 S. E. Rep. pg. 620)."

* * *

An Intimate Sidelight on Hillas

Many editors and underwriters have taken occasion recently to tell what they thought of Robert J. Hillas, president of the Fidelity & Casualty in view of his fortieth year with the company. It is needless to say that their comments have been written or spoken in a decidedly complimentary tone. A "home office" estimate of him which has just been printed in the Fidelity and Casualty "Bulletin," should make an interesting addition to the list. It follows:

"Forty years ago Robert J. Hillas was just starting out to seek his fortune. It was the dawn of his career and he was peering into the dark and misty future endeavoring to discover what the coming day might have in store for him. Forty years seemed indeed a long, long way off. It was just then that The Fidelity and Casualty Company came into existence, and while it was but a tiny little infant and yet in swaddling clothes, Mr. Hillas became one of those charged with the duty of directing and protecting its tender and uncertain life. From that day to this, throughout its childhood and youth, young manhood and robust middle age, the company has had his untiring and unremitting care. While yet a boy himself he entered the service of the company, then just organized, and now he completes his fortieth year to find the company grown to its present great proportions and himself its President."

Disability Pension of Connecticut Gen'l

VICE-PRESIDENT A. P. WOODWARD EXPLAINS ITS PROVISIONS

Income Protection as Long as Policyholder is Unable to Go to Business

A. P. Woodward, secretary of the accident and health department of the Connecticut General, has mailed the following circular to general agents of the Company:

To the General Agents: There is a steadily growing demand for insurance that will protect the income of the insured and at the same time be permanent in form. The present forms of disability policies meet the first requirement, but being one year (or shorter) term contracts, fail entirely in the second requirement and thereby are a source of a great deal of dissatisfaction between the policyholders and the companies. As the policyholder grows older, the probability of physical impairment increases, and even though he remain in normal condition, there comes a time when by reason of his age the policy cannot be renewed and the insured is left without protection when mayhap he needs it most.

Sixteen months ago the Connecticut General put on the market the only policy combining both features, our life-disability-pension contract. It has met with a very favorable reception and we have a large and increasing volume of business in force on our books issued on that plan. Practical experience with that policy developed two classes of prospects whose needs it did not fill, the prospect who is already carrying as much life insurance as he can afford and the prospect who has no one dependent upon him and therefore does not need life insurance. From both of these classes we received many inquiries for an income only policy.

New Policy

The result of this experience is a new policy—the disability-pension policy, and it is this policy that I want to talk about in this letter. It makes no provision for the insured's death, but it does furnish income protection in a completeness never attempted by any other company.

Everyone is exposed to accidental injury—slightly more than one in every eight each year actually are injured. No one expects to go through life without more or less sickness. How great a drain this sickness is upon the resources of the community is just beginning to be appreciated and to-day we have commissions and other organizations busy studying the problem with all sorts of proposed insurance schemes to protect the individual from personal loss.

These injuries and illnesses may be trivial or they may cause disability running into weeks and months, possibly lasting for the remainder of life. The trivial losses can be borne by every one with a most slight inconvenience; when they stretch out into months, or possibly years, it is a different story. Few people have sufficient invested capital to produce a living income and even those who have may meet with financial misfortune through poor investments. We all make plans for the future, the improvident amongst us as well as the frugal and foresighted. In a sense our earnings are invested before they are drawn. They are set aside for the savings banks as the nest egg for a future fortune, or in the mind's eye they have been applied to present necessities. What guarantee is there that these "Castles in Spain" will be realized and become actual and not phantom buildings?

Income Feature

The DP policy makes certain a monthly income in event of injury or sickness serious enough to cause more than two weeks' disability; and this income is paid as long as the policyholder is unable to attend to his business, be it a matter of weeks, months or years; nor does it make any difference how many injuries or spells of sickness he may have; the Company cannot cancel the policy when the claim is paid. Note that difference between it and the present forms of disability policies and then think back over your experience in claim settlements and the difficulties that would have been avoided by a non-cancellable policy.

This policy does not stop with the payment of indemnity in the event of disability from sickness or injury. When the policyholder reaches age 60, 65 or 70, as he may prefer, it begins to pay him a monthly income, which will be continued as long as he lives. This income is paid whether he is sick or well, in business or out of business, and anywhere he may see fit to be. There are no restrictions or limitations—so much a month for life. It is, therefore, not over-stating it to say that it is the only purely income protection policy ever written by any company.

It is not a term policy. It is a full life contract. No question can arise concerning the Company's willingness to renew it, that being wholly within the insured's power, and all that is necessary for him to do is to pay the premium and the Company must accept it. Furthermore, the Company has waived the right to cancel the policy by omitting the standard cancellation clause contained in all accident and health policies.

Thirty-one Days' Grace

Its permanency is further safeguarded by allowing thirty-one days' grace for the payment of premiums; and a provision for its reinstatement in the event of lapse. Should the insured become permanently and totally disabled, future premiums are waived. If for any reason the insured should wish to discontinue the payment of further premiums, a provision providing for a paid-up annuity protects him from loss of such premium payments as he may have made.

A further point of difference between it and the other forms of disability policies is that the premium of the DP is graded to the attained age of the applicant. Therefore the young men do not have to help carry the load of the older ones.

It will be issued to men only between ages 20 and 49, inclusive, who are en-

(Continued on page 23.)

The Fidelity and Casualty Company of New York

92 LIBERTY STREET, NEW YORK, N. Y.

Metropolitan Office—92 William Street

SEMI-ANNUAL STATEMENT JUNE 30, 1916

Assets	$13,129,602.70
Liabilities	9,115,416.08
Capital	1,000,000.00
Surplus over all liabilities	3,014,186.62
Losses paid to June 30, 1916	54,167,050.85

This Company issues contracts as follows: Fidelity Bonds; Surety Bonds; Accident, Health and Disability Insurance; Burglary, Larceny and Theft Insurance; Plate Glass Insurance, Liability Insurance—Employers, Public, Teams (Personal Injury and Property Damage), Automobile (Personal Injury, Property Damage, Collision, Fire and Theft), Physicians, Druggists, Owners and Landlords, Elevator, Workmen's Compensation—Steam Boiler Insurance; Fly Wheel Insurance.

Great Eastern Casualty Company

Home Office, 55 John St., New York

NOW WRITING

AUTOMOBILE INSURANCE	GENERAL LIABILITY
LIABILITY	ELEVATOR
PROPERTY DAMAGE	PUBLIC and
COLLISION	TEAMS LIABILITY

The same high standard of service established by the Company in its Accident, Health, Burglary and Plate Glass Departments during the past twenty-five years will be maintained in our new departments.

INQUIRIES SOLICITED FROM HIGH-GRADE AGENCIES.

CASUALTY AND SURETY NEWS

Keeping in Touch with New Problems

New problems in casualty insurance arise with each new invention, and every move of nations. Just taking as one meagre example, of the relation of inventions to insurance, look at the automobile. Called by many an invention of the devil, yet it proved a godsend to some underwriters, and a constant source of worriment to others, says the American Casualty Company of Reading, Pa.

Ten years ago, we doubt if any person, even in his wildest imagination, ever thought that the production and use of automobiles would assume the proportions to which the industry has grown to-day.

The influence of the automobile as a means of increasing the hazard of accident insurance is fully appreciated by all underwriters and claim adjusters working on that line. If you doubt that the automobile is a hazard, ask any company's executive what has happened to their loss ratio in the last six years.

It can be traced easily six years back, when the influence of automobile accidents began to be felt. Look at statistics of these few years previous, and note the steady rise in claims. While it is true that other features have entered which make it harder than ever to escape an accident almost daily, yet the seriousness and frequency of automobile accidents places them in a dangerous light.

When the present rates for accident insurance were figured, the automobile had not become a factor in the determining of the mortality table in this country. The hazard has increased, while rates in many cases have decreased—hence the gradual rise in the claim percentage. This latter result of the use of the automobile is what is causing gray hairs to sprout overnight on the worthy heads of the casualty companies' statisticians.

The accident department has not been alone in its problems that must be solved, since the automobile has replaced horses on our city streets. The plate glass department, the burglary, the health, the liability are all affected by the automobile, and in succeeding articles we will attempt to show how the problems of casualty insurance are big ones, and why every world event in some form affects the business.

GROWTH OF ALBANY OFFICE

More Than Two Hundred Towns Reporting to W. G. Curtis' Aetna Office

The Aetna's bonding branch office at Albany has had three general agencies added to its territory, effective as of January 15. These are Jamestown, Hornell and Olean. These agencies formerly reported through the Buffalo branch office of the Company. There are now reporting through the Albany office 215 towns in addition to the general agencies at Buffalo, Rochester, Syracuse, Niagara Falls, Batavia, Jamestown, Hornell and Olean, giving to this office charge of the bonding business in the entire State with the exception of New York City territory.

The department is in charge of William G. Curtis, who started with the Empire State and came with the Aetna in 1913. Mr. Curtis has been a member of the board of directors of the New York State Federation for the past three years and is also president of the Albany Surety Club. Under his direction, the business of the department was doubled in 1916 over that of 1915, and as his business thus far in January equalled that of all of the month last year he expects to duplicate the feat this year.

ISSUES "EVERYMAN" POLICY

The General Accident last week placed on the market a new accident-health policy called the "Everyman." The new policy aims to bring accident and health insurance within reach of the middle class. The policy covers all accidents and illnesses and pays $25 per week with a principal sum of $5,000 at an annual rate of $37.75. It is issued to all classifications. The policy may also be sold at decreased rates which give proportionate benefits.

TRAVELERS' INCOME

The annual meeting of the Travelers Insurance Company will be held on January 24 and that of the Travelers Indemnity Company on January 22. Preliminary calculation on last year's business indicate that the income of the two companies amounted to nearly $39,000,000; that the life department wrote nearly $114,000,000 worth of new business, an increase of some thirty-six millions over last years; and that the workmen's compensation and liability department made an even greater premium gain than the life department.

RE-INSURED BY COMMERCIAL

Prudential Casualty's Risks in This State, Except Burglary, Taken Over

Owing to the withdrawal of the Prudential Casualty from New York State on January 15, the unexpired business in this State, except burglary, has been reinsured with the Commercial Casualty Insurance Company of Newark The unexpired burglary insurance has been reinsured with the London and Lancashire Indemnity Company of New York.

The Prudential has merged with the Chicago Bonding and Surety Company, and will do business under the title of the Chicago Bonding and Insurance Company. The Chicago Bonding and Insurance Company will confine its business to workmen's compensation and liability insurance in the Central Western States.

RECALLS CIRCULAR

Surety and bonding men were greatly amused this week upon reading in daily papers the exchange of correspondence between George W. Norris, of the Federal Farm Loan Board, and William B. Joyce, president of the National Surety Company.

The National was accused of instructing agents to land jobs as secretary-treasurer of farm loan associations so that they could swing bonding business.

Mr. Joyce in a reply, which appeared in nearly every morning paper of consequence on Monday morning, managed to insert a line, "The National Surety Company, which is the largest surety company in the world," again demonstrating that in genius for publicity Mr. Joyce need take a back seat for no one.

On the following day Mr. Joyce gracefully withdrew the letter sent out by the farm loan department of the Company.

DILSON WITH GENERAL

Frank E. Dilson, formerly assistant manager of the burglary department of the Casualty Company of America, has been appointed manager of the burglary department of the metropolitan department of the General Accident. Mr. Dilson had been with the Casualty Company of America for four years, going to that Company after having been with the Empire State Surety and the Armstrong Agency. In his new connection, Mr. Dillson will adjust all burglary losses in addition to doing the underwriting.

A 100 PER CENT. BILL

The Judiciary Committee of the New York Assembly has the bill of Assemblyman Perlman, amending subdivision 1, 2, 3, 4, 5 and 7 and section 16, Workmen's Compensation Law, by increasing from sixty-six and two-thirds per cent. to 100 per cent. of the average weekly wage, the amount of the benefit to be received for total permanent disability, temporary total disability and permanent partial disability to be paid during the periods outlined in subdivisions 1, 2, and 3, increasing the amount of benefits under subdivision 4, 5, and 7, and making certain changes relative to the recipients of benefits.

Disability Pension of Connecticut Gen'l

(Continued from page 22.)

gaged in occupations classed "Select," "Preferred" and "Extra Preferred," in amounts from $10 to $200 monthly income. The same form of application as used for the LDP contract, the blue one, form 40. is to be used for this policy. Specimen copy, rate sheet and folder are enclosed. The rate sheet should be inserted in the rate book between pages 90 and 91. The cover of the folder is designed to be used as a return postcard and will be imprinted with your name and address or such of your sub-agents as will undertake to see that they are properly distributed amongst their prospects. Make requisition for such supply as you need and take advantage of the opportunity this policy offers. It is new and will get a hearing from everyone to whom it is mentioned.

W. E. SMALL, President PETER EPES, Agency Mgr. E. P. AMERINE, Secretary

ACCIDENT and HEALTH
PLATE GLASS
BURGLARY

Georgia Casualty Company

LIABILITY
COMPENSATION
AUTOMOBILE



A Company Devoted to Service

A Company looking to the interests of its Representative

Home Office: Macon, Georgia
Surplus and Reserves over $1,400,000.

The METROPOLITAN CASUALTY
INSURANCE CO. OF NEW YORK
HOME OFFICE, 47 CEDAR STREET
CHARTERED 1874
Plate Glass, Burglary, Accident and Health Insurance
EUGENE H. WINSLOW, President
Russell R. Cornell, Vice-Pres. S. Wm. Burton, Sec. Alonzo G. Brooks, Ass't Sec.
RELIABLE AND ENERGETIC AGENTS WANTED

The Frankfort General Insurance Co.
of Frankfort-On-The-Main, Germany
—ESTABLISHED 1865—
United States Department, 123-133 William St., New York, N. Y.
TRUSTEES: Union Trust Company, 80 Broadway, New York City
C. H. FRANKLIN, U. S. Mgr. and Attorney JNO. M. SMITH, Sec. U. S. Branch
INSURANCES TRANSACTED

LIABILITY—			
Employers			
Public		Vessel Owners	Burglary
Teams	General	Contingent	Workmen's Collective
Workmen's	Landlords	Druggists &	Individual Accident & Health
Compensation	Elevator	Physicians	Industrial Accident & Health

AGENTS WANTED FOR UNOCCUPIED TERRITORY

THE SIGN OF GOOD CASUALTY INSURANCE
HEAD OFFICE
CHICAGO
F. W. LAWSON
General Manager
Liability, Accident, Burglary, Boiler and Credit Insurance



Established 1869.

F. J. WALTERS
Resident Manager
55 JOHN STREET
New York
Elmer A. Lord & Co.
145 Milk St., Boston
Resident Managers
New England
London Guarantee & Accident Co., Ltd.
OF LONDON, ENGLAND

CONTINENTAL
Casualty Company
CHICAGO
H. G. B. ALEXANDER, President
MORE good producers were attracted TO our field force in 1916 than any other year of our history.
Why? Service---That's Why!

NEW-YORK LIFE

INSURANCE COMPANY

346 & 348 BROADWAY - - - NEW YORK CITY

TO THE POLICY-HOLDERS AND THE PUBLIC:

A brief of the chief activities of this Company during 1916 runs as follows:

New Paid Business **$263,048,300.00**
Of this total $239,090,873 was secured in the United States.

Total Income **$138,559,395.79**

Total Payments to Policy-holders **$81,415,138.36**
Of this total $19,551,361 was paid in dividends.

Invested During the Year in Bonds and Mortgage Loans **$70,717,602.17**
To pay 5.26%.

Added to Legal Reserves	$24,676,393.00
Market Value of Assets, Dec. 31, 1916	$866,988,841.57
Legal Liabilities	$728,226,426.34
Reserved for Dividends and Contingencies	$138,762,415.23
Outstanding Insurance	$2,511,607,274.00

Represented by 1,228,601 policies.

The actual mortality of the Company expressed in the per cent. which it bears to the expected death losses according to the tables of mortality adopted by the State for valuation purposes through a period of years is as follows:

1912 Actual death losses 76% of the "expected"
1913 Actual death losses 73% of the "expected"
1914 Actual death losses 73% of the "expected" (5 mos of war)
1915 Actual death losses 73% of the "expected" (12 mos. of war)
1916 Actual death losses 71% of the "expected" (12 mos. of war)

Significant Facts:

Mortality Rate reduced; Expense Rate reduced; Interest Rate increased; New Business increased.

The Seventy-Second Annual Statement of the Company will be filed at once with the Department of Commerce in Washington and with each State of the United States and each country where we do business. A brief of that statement will be sent gratis to any person asking for it.

DARWIN P. KINGSLEY,
President

368.05
EA
Com. R. R.

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FEB 14 1917

THE EASTERN UNDERWRITER

[Succeeding the Journal of Insurance Economics, Established in 1899]

A WEEKLY NEWSPAPER COVERING ALL BRANCHES OF INSURANCE

Seventeenth Year; No. 4. NEW YORK CITY, FRIDAY, JANUARY 26, 1917 $3.00 a Year; 15c. Per Copy

ADOPT L. & L. RATING SCHEDULE

New System Endorsed By Two Canadian Provinces After Demonstration By Experts

THIRD REVISION OF SYSTEM

New Edition Goes to Companies This Week—To Be Tested Thoroughly in East

The New Brunswick (Canada), Board of Fire Underwriters, one of the first organizations to make use of the Universal Mercantile Schedule, has adopted the Larter & Lemmon Rating System, and the Canadian Board of Fire Underwriters has also recommended its adoption for the Province of Nova Scotia. A personal demonstration of the System was given last Summer in St. John by Messrs. Larter and Lemmon who went there during their vacation.

At a meeting of the Eastern Union last week it was decided to have a more general testing of the Schedule, and it is reported that it will be tried out thoroughly in several cities in the East.

Issue Revised Schedule

A revised edition of the Schedule, the third that has been issued, went out to companies this week.

The new edition makes a number of changes in the System, but none in its fundamentals. The revisions are in the interest of economy and simplicity, and members of the committee feel that the System is now the most economical of any of the analytical and comprehensive rating schedules.

In the revision the System is elaborated by the addition of more occupancy charges, while the special hazard tables have been enlarged. Exposure charges have been slightly changed and a table of areas has been added. In brief the principal changes are the area treatment and the treatment of general hazard charges.

Reduction of Unbroken Areas

The System recognizes that the reduction of unbroken and communicating combustible areas in buildings by means of adequate floor opening protection is of prime importance and encourages such construction by a liberal reduction in rate. There are initial area charges in ten grades. For unbroken area divisions or sections, percentages of total floor charge for area,

(Continued on page 14.)

DIRECTORY OF DEPARTMENTS

Life 1
Editorial 10
Fire 11
Casualty 17

"The Largest Fire Insurance Company in America."

THE HOME INSURANCE COMPANY NEW YORK

ELBRIDGE G. SNOW, President

Sixty-three-Year Record for Fair Dealing and Prompt Adjustment and Payment of Losses

FIRE AND ALLIED BRANCHES OF INSURANCE

Fire, Lightning, Automobile, Commissions, Explosion, Hail, Marine (Inland and Ocean), Parcel Post, Profits, Registered Mail, Rents, Sprinkler Leakage, Tourists' Baggage, Use and Occupancy, Windstorm.

STRENGTH REPUTATION SERVICE

North British and Mercantile Insurance Co.

Established 1809

Entered United States 1866

Policyholders protected by the entire United States assets, with further guarantee in every policy, of protection by entire fire assets of the company which are many times larger.

REAL SATISFACTION

Working with **William N. Compton** and the **John Hancock Mutual Life Insurance Company** in New York City forms the happiest combination imaginable for the life insurance salesman.

If you have any doubt in your mind have it dispelled by calling at

220 BROADWAY

Phone 6030 Cortlandt

COMMISSIONER O'NEIL WANTS BLUE SKY LAW

Pennsylvania Man Also to Ask Legislature for Stricter Fraternal Supervisory Power

ADEQUATE RATES AND RESERVES

Explains Why Pension Mutual Was Able to Operate for Two Years Without a License

The sharp criticisms that have been made of insurance laws in Pennsylvania, and the laxity of insurance supervision there in the past, are certain to result in changes for the better. Commissioner O'Neil, who is doing and has done good work in the investigation of the affairs of the Pension Mutual Life, which has a deficit quoted by Mr. O'Neil in the Philadelphia "Bulletin" of January 19 at more than $1,000,000, and the Union Casualty, outlined this week what he will ask the Legislature to do.

Mr. O'Neil's Statement

His statement follows:

"Fraternal and mutual life associations are all exempt from the insurance laws of Pennsylvania. The Pension Mutual Company is an old line company, but it acted as the trustee for three fraternal or assessment companies, and as there was no supervision they conducted their business in a haphazard manner; their rates were not adequate, and, as in the case of virtually all such companies, their end was sure and certain. The Pension Mutual Company conducted business for two years without a license and then obtained one by procuring more than $1,000,000 worth of bonds from Daugherty & Co., of New York, and making an affidavit that they were the property of the Pension Mutual Company.

Fraternals

"The Insurance Department is going to ask the Legislature to enact laws that will bring fraternal and beneficial associations under the control and supervision of the department, at least to the extent that their plan of organization and method of doing business be approved; that adequate rates be adopted and a proper reserve maintained. The recent experiences of this department with corporations conducting insurance business, particularly with holding companies chartered by other States, are such that we recommend some form of a 'blue sky' law."

Opens Three Bureaus for Public

For the convenience of the public, Commissioner O'Neil has opened three business bureaus of information and adjustments. At any of these bureaus the public may secure information relative to the financial standing of insurance companies and secure assistance in adjusting insurance problems of any kind. The three new bureaus are

located in the Capitol Building, Harrisburg; Commercial Trust Building, Philadelphia, and the Hartje Building, Pittsburgh.

Discussing his latest move yesterday, Commissioner O'Neil said:

"Some people may think this is socialistic, but I think it is the duty of the State to render the largest possible service to the people. Insurance is a mystery to the average citizen, but it is a subject of interest to every man, woman and child.

"The insurance business in Pennsylvania has assumed startling proportions. The total number of life insurance policies in Pennsylvania in 1915 was 5,780,175, and the total amount of life insurance in force in the State was $2,197,357,870.56.

"The total amount of fire insurance in force was $2,292,203,732.48, making a grand total of almost four and one-half billions of dollars carried by the people of Pennsylvania alone.

"Any policyholder, citizen, insurance agent, or company, can secure advice, information, or help, from experts of the insurance department, free. All that will be necessary is to state the case plainly, and write to the Bureau of Information, State Insurance Department, at the nearest bureau."

PLAN PERSONAL EFFICIENCY

H. A. Hopf Tells How to Apply Personal Efficiency to Life Insurance Field Work

In a foreword to "Surveying My Day," issued as a pamphlet by the Phoenix Mutual Life, President John M. Holcombe says: "The business of life insurance requires on the part of those engaged in it, the application of the best powers of mind and body. To achieve the greatest degree of success, these powers must be trained and developed in equal measure, and neither the mental nor the physical may be neglected without exacting a penalty in the long run. 'Surveying My Day' is in effect a review of the forces which are constantly at work throughout the daily activities of the life insurance salesman. The suggestions contained in this address are commended to the thoughtful consideration of those upon whom rests the responsibility of their own future welfare, as well as that of the Company."

Six Fundamental Principles

This was originally an address delivered at the convention of Phoenix Mutual Life field men by Harry A. Hopf. In discussing personal efficiency Mr. Hopf looked at the individual as a business organization. He laid down six principles of procedure:

Investigation: Finding what to do.

Organization: Building the machine that will properly carry out what should be done.

Records: Gathering facts and statistics to be used by this organization in arriving at the right kind of conclusions in carrying out what should be done.

Planning: Logically arranging and co-ordinating all details so that the various steps can be rapidly and efficiently carried out.

Standardization: Carrying out the steps determined or actually doing the work in a proper manner.

Incentives: The results of the successful application of the other five.

With the aid of these six principles, Mr. Hopf says, one can project one's self into the future as a business enterprise, and by applying the principles in daily work be able to build up a business to return continually increasing profit.

LA FAYETTE TO BUILD

The La Fayette Life, of La Fayette, Ind., will erect a ten-story building at the corner of Third and Main streets, La Fayette, at an estimated cost of $250,000. According to present plans, the American National Bank will occupy the ground floor, while the home office of the Company will be on the second.

Great Southern Life Insurance Company

HOUSTON, TEXAS.



For Agency Contracts address

O. S. CARLTON

PRESIDENT

WAS PART TIME MAN

Frank R. Eaton, Columbian National Life, Built Acquaintances Where Employed

Frank R. Eaton, general agent for three counties for the Columbian National Life, with headquarters in Schenectady, became a general agent while employed in the General Electric Co. He continued as a part time general agent for several years, averaging over $100,000 in paid for business during that time. Mr. Eaton says that conditions in Schenectady are such that his time was better spent making new acquaintances in the General Electric plant, as he would not have been permitted to solicit the men while they worked.

The Peoria Life, of Peoria, has set its mark at eight million new business for 1917.

GROUP ON DRY GOODS FIRM

Edgar W. Smith, Equitable Life, Portland, Ore., has written a group covering 300 employes of Fleischner, Mayer & Co., dry goods concern, Portland. He has also covered the employes of the Portland "Evening Telegram."

RETURNS FROM ATLANTIC CITY

B. J. Sweeney, manager of the Mutual Life in Utica, returned last week from an extended stay in Atlantic City.

James T. Peak, has represented the Continental for twenty-five years. He represents also the Standard of New Jersey.

The Aetna Life, of Hartford, covered 52,000 lives on the group plan for $32,000,000 of insurance last year.

JUST A MINUTE PLEASE—

An old established eastern Life Insurance Company would like to find the right man to take charge of an Agency in Southern California.

REQUIREMENTS:

(1)—A Man with a clean record.

(2)—A good Producer and Organizer.

(3)—A Man who could take charge of the Agency April 1st.

If you can't meet these requirements don't waste your time and ours by answering this advertisement.

If you can meet them, we are ready to talk business with you.

Address in confidence

"WESTWARD"

c/o The Eastern Underwriter

105 William St., New York City

Bank's Plan to Push Insurance

HIBERNIA'S PREMIUM CLUB STARTED IN NEW ORLEANS

Depositors Put Money in Bank Weekly or Monthly and Are Allowed Interest

New Orleans, Jan. 22.—The Hibernia Bank & Trust Company, a leading Southern banking institution, is running a series of advertisements boosting life insurance. In one of them the bank introduces to the public "The Hibernia Insurance Premium Club," and another is headed "The First Premium Is Hardest To Pay." The publicity was inaugurated with the co-operation of the local life underwriters' association.

Bank Explains Club

In explaining the Hibernia Insurance Premium Plan the bank says:

"Because life insurance and the savings bank are the two most potent factors in the development of economic happiness in the home—both in strengthening home ties and insuring the happiness and security of wife and children—this institution, through the establishment of its Insurance Premium Club desires to assist in increasing the number of future policyholders as well as assisting those at present carrying life insurance to meet, without inconvenience or embarrassment, their annual or semi-annual premiums when due.

"This, we believe, can best be accomplished by the systematic weekly or monthly deposit in advance of installments in proportion to the total premium, so that when it is due a sufficient sum of money will have been accumulated for that purpose.

"On such deposits if made regularly for a period of not less than six months, we will pay interest at the rate of three per cent.

"Further advertisements will be published from time to time setting forth more specifically the details and aims of this savings innovation. You are invited to call at any time for the purpose of discussing the details of the plan with us."

CHANGES MAXIMUMS

The George Washington Life from January 1, 1917, forward is accepting and carrying a maximum of $10,000. insurance on standard cases on one life, without reinsurance, when the insurance applied for is on the ordinary life plan, or other plans with higher premiums than are called for by the ordinary life plan.

After January 1, 1917, the Company will carry a maximum of $7,500 on one life on standard cases on any term plan, without reinsurance.

On border line cases, that is, those cases which indicate a trifle above normal mortality, although the risk may not be such that it should be rated or declined, the Company will not carry the full limit of $10,000, although if approved by the medical and rating departments, they will carry a maximum of $5,000 on a standard basis, occupation and other factors being good.

ISSUE MEMORIAL BOOKLET

George 1. Richardson, who died in Baltimore recently, after having represented the New York Life for fifty-three years, is made the subject of a booklet, entitled "His Life Work," and issued by the New York Life. Mr. Richardson insured thousands of persons for over $6,000,000 protection, and the book will serve as an inspiration to all agents.

The Minnesota Insurance Department has issued a special bulletin on rebating, in which the laws against rebating are covered.

B. F. Hadley, Secretary Equitable of Iowa

REMARKABLY QUICK SUCCESS MADE BY JOURNALIST

Founder of The Eastern Underwriter a Student of Life Insurance For Years

Benjamin F. Hadley, who conceived the idea of The Eastern Underwriter, and who was editor of the life insurance department of this paper for years, has been elected secretary of the Equitable Life of Iowa. Mr. Hadley's success in the life insurance business has been phenomenal, as may be judged by the fact that until two years and a half ago he had never been an agent, had never appointed an agent or had any experience as an executive of a company. However, for years he had been the closest kind of a student of life insurance conditions, was a keen observer of men and had built up an acquaintance consisting of thousands of persons employed in life insurance, including as his personal friends many presidents of companies.

Self-Made Man

Mr. Hadley, who is forty-six years of age, was born in England. He came to the United States with his family in 1884, and located in Pennsylvania, where he engaged in coal mining activities. He dug his education out of the mines, night school and home study, supplemented by the resources afforded students by the Carnegie Library and a short business course, including stenography, at Curry Business College in Pittsburgh. He joined the business staff of "The Insurance World" in 1896, becoming in time a member of the editorial department. In 1905 he left "The Insurance World," after having established a reputation with the insurance fraternity as a writer, and went to New York where he became a member of the staff of "The Insurance Advocate." In 1906 he conceived the idea of giving the insurance business a new type of journal and carrying out these plans launched The Eastern Underwriter on January 1, 1907. His activities with The Eastern Underwriter were chiefly centered in the life insurance department, and his work in that connection, in which he showed that he was a fearless and independent writer, was such as has established "Ben" Hadley and The Eastern Underwriter indelibly in the minds of leading thinkers and underwriters in the life insurance business.

Why He Joined Equitable of Iowa

Mr. Hadley's connection with the Equitable of Iowa resulted from many years of strong admiration for the Company and its officers, and in response to a request from The Eastern Underwriter regarding his advancement by the Company he said this week:

"There isn't much to say. I am working in the best business in the world for the best Company that I know and I am associated with a mighty fine set of officers and field men."

Mr. Hadley will remain in agency work.

Metropolitan Life Figures For 1916

BUSINESS IN FORCE DECEMBER 31, WAS $3,482,431,996

Low Expense Ratio—Great Persistency of Policies, Both Ordinary and Industrial

Superintendents of the Metropolitan Life Insurance Company from all over the United States and Canada began their annual convention in the Home Office on January 25th. The statement of business for 1916 was read to them. It shows:

The largest writings ever made by any company in a single year, and that the ratio of Industrial insurance expense to premium income is far lower than has ever been shown by any American or English insurance company.

The percentage of policies placed and paid for in 1916, which remained in force at the end of the year was, Ordinary, 92 84/100; Industrial, 84 01/100.

Financial Exhibit

The assets of the Company are $608,097,634.

The surplus, to policyholders $28,167,511.

Income in 1916 $153,043,319.

Gain over 1915 $14,995,173.

Increase in assets in 1916 $66,814,307.

New Insurance

Industrial including revivals, $317,840,425.

Ordinary $279,016,103.

Total $596,856,528.

Summary

Outstanding insurance	$3,482,431,996
Gain in outstanding for the year	285,940,652
Number of policies in force	16,952,769
Number of claims paid	212,532
Amount paid on claims	38,694,290

HOYT ELECTED PRESIDENT

Heads Missouri State Life, Succeeding E. P. Melson, Now Chairman Board of Directors

Important changes in the official family of the Missouri State Life were made at a recent annual meeting of the Board of Directors of that Company, when John G. Hoyt, who has been first vice-president was elected president, succeeding Edmund P. Melson, who was elected chairman of the Board of Directors. Mr. Melson had been president of the Missouri State for many years. In the new position to which the directors have elected Mr. Melson he will be relieved of much detail work and will be able to devote himself more closely to executive work.

Mr. Hoyt has been a conspicuous figure with the Missouri State Life since his connection with that Company. He was elected vice-president in 1911 and much of the honor for the progress of the Missouri State since that time accrues to him.

The Missouri State Life had new paid for insurance during 1916 exclusive of revivals and additions of $39,550,325, which was an increase of $8,659,777 over the production of 1915, and was greater than the amount of new insurance written by the Company in any previous year of its history. The total insurance in force of the Company is $129,199,279.

TO INCREASE CAPITAL

The San Jacinto Life of Beaumont has amended its charter. An increase in the capital stock of the Company from $100,000 to $150,000 is effected by the amendment.

Akin & Hill, of the Massachusetts Mutual Life in Louisville, say they are going to pay for $1,500,000 in 1917.

Seventy-first Report of State Mutual Life

PRES. WRIGHT TELLS OF GAINS MADE BY COMPANY

Large Percentage Increase of Insurance in Force—Whole Life Contracts 48.86 Per Cent.

Burton H. Wright, president of the State Mutual Life of Worcester, Mass., in the seventy-first annual report of the Company, said that the Company had had a splendid year with fewer lapses and a decreased demand for policy loans:

There were issued during the year 11,311 policies for $28,611,710 of new insurance. The restoration of policies previously lapsed, together with the insurance purchased by dividends, increased this amount by $786,252, making the total amount of new insurance actually assumed $29,397,962. This shows a gain of $5,451,742 over last year and of $10,219,549 over the amount written five years ago.

$205,680,086 in Force

Insurance terminated during the year from all causes amounted to $13,385,514. This leaves the total amount of insurance in force at the end of the year $205,680,086, and shows a net increase in insurance in force of $16,012,448. It is very satisfactory to note that while the mean amount of insurance in force during the year was $13,000,000 greater than in the previous year, the amount of insurance terminated was materially less.

"Our percentage of gain in the amount of insurance in force to the amount written in 1915 was 41 per cent.," said Mr. Wright. "The average gain made by twenty-eight companies reporting to the Massachusetts Insurance Department for the same year was 31 per cent. Our ratio of gain the past year was over 54 per cent.

"The demand for life policies continues to exceed that for insurance on other plans, the issues of the year being divided as follows:

	No. of policies	Amount	Per cent.
Whole life	4,537	$13,978.380	48.86
Limited payment life	4,514	9,208,823	32.19
Endowment	1,213	2,195,669	7.67
Term	1,047	3,228,838	11.28
	11,311	$28,611,710	100.00

"Receipts from premiums were $7,025,525.80, from interest and all other sources, $2,561,900.43, making our total receipts $9,587,426.23, an increase over the previous year of $625,756.25 and over the year 1911 of $2,381,130.12.

Disbursements

"Disbursements for death claims, matured endowments, dividends, policies surrendered, annuities, expenses and all other accounts amounted to $6,705,653.29. In addition to these actual disbursements we have charged off for amortization of bonds and profit and loss $17,539.84. Our book assets now stand at $50,007,384.21, an increase for the year of $2,864,233.10, and an increase for the past five years of $12,061,404.38.

"While the amount paid for death claims, $2,239,247.54, is larger and may be expected to increase naturally with the growth of the Company, the amount paid for matured endowments, $713,390.34, is considerably less than in the previous year."

Dividends

There were returned to policyholders in dividends $1,346,841. The distribution was made on the same basis as in the previous year, computed under the contribution plan as prescribed by statute. There has been set aside for distribution in 1917 the sum of $1,449,273, which amount is carried as a liability in our financial statement.

The amount paid for surrenders, $808,085.35, while $5,628.91 more than in the previous year, was materially less in its proportion to the amount of insurance in force.

The investments made during the year, with the effective rate of interest return, are shown as follows:

	Amount	Yielding Per cent.
Mortgage loans	$3,640,000.00	5,275
Municipal bonds	224,477.20	4.611
Railroad bonds	1,196,833.30	4.910
Public service corp. securities	818,722.50	5,036
	$5,880,033.00	5.142

"Our total investment in mortgage loans now amounts to $16,963,806.06 and our total investment in stocks and bonds to $22,734,611.47," continued Mr. Wright. "The average interest return on our mortgage loans for the year was 5.34 per cent., on our stocks and bonds, 4.52 per cent., and on our entire book assets, 4.96 per cent.

"During the year 499 policyholders died holding 724 policies amounting to $2,292,709.90 of insurance. The longest term any policy was in force was 58 years, 8 months; the shortest term, 14 days; and the average term, 13 years. The oldest age at death was 95 years, 2 months, and the average age of the decedents was 52 years.

"Our mortality for the year, while well within the tables, was somewhat higher than for the past several years. The actual rate for the year was 73.71 per cent. of the expected rate.

Mexican Border

"Our policies restrict engagement in military or naval service during the first year of insurance. On the day following the call of the Militia of the various States to the Mexican Border, the directors, in special session, voted to waive this restriction under policies issued prior to the call, as applied to persons engaging in the service of the Army or Navy of the United States or in the Militia of the several States. We have had no fatalities reported among our insured members while in service on the Border."

ADVANCE ALBERT SCHURR

Albert Schurr, of Newark, is the new second vice-president of the North American Life Insurance Company of Chicago. The Company started in Newark about ten years ago, then moved to Chicago. Mr. Schurr remained in Newark as third vice-president and manager for the Eastern States. He was one of the incorporators and directors of the Company.

MADE A GENERAL AGENT

L. M. Bull has been made general agent of the Hudson River District of the Northwestern Mutual Life, with headquarters at Poughkeepsie, N. Y. Mr. Bull was agent for the Northwestern in Columbia and Greene counties for the past sixteen years.

WITH MUTUAL BENEFIT

William L. McPheeters, formerly second vice-president and agency manager of the Volunteer State Life of Chattanooga, will be associated with L. D. Drewry in the State Agency for Alabama, Mississippi and Tennessee of the Mutual Benefit Life of Newark.

TO ENTER MORE STATES

The Standard Life is planning, during the coming year, to extend its field of operations to nearby States.

Up-State New York
GENERAL AGENCY
WITH A
Massachusetts Company

Genuine opportunity for a Life Man capable of handling and developing a large plant. Must be experienced and possess real business ability. Negotiations should be opened promptly. Address:

"NEW YORK STATE"
c/o The Eastern Underwriter
105 William Street
New York, N. Y.

Annual Report of Massachusetts Mutual

GAIN IN NEW BUSINESS OF $11,681,334

Gain in Admitted Assets of $6,343,773 —Mortality 65 Per Cent. of Expected

The sixty-fifth annual report of the Massachusetts Mutual Life, read by President William W. McClench showed the following income and disbursements:

Income

Premiums (less $84,961 for re-insurance)	$13,245,808
Interest and rents	4,246,193
All other income	809,914
Total income	$18,301,915

Disbursements

To policyholders and beneficiaries:		
Death claims	$4,245,486	
Matured endowments	318,139	
Surrender values	1,593,233	
Distribution of surplus	2,622,640	
Other payments	1,116	
	$8,780,614	
Other disbursements (see statement herewith)	3,344,727	
Total disbursements		$12,125,341
Balance (gain in ledger assets)		$6,176,574
Ledger assets, December 31, 1915		84,036,775
Ledger assets, December 31, 1916		$90,213,349

New Business

During the year 1916 there was delivered and paid for new insurance amounting to $57,125,676, represented by 22,830 policies. This was a gain over the business of 1915 of $11,681,334.

At the close of the year the total insurance in force aggregated $410,166,920, represented by 180,358 policies. This is an increase over the previous year of 14,896 policies and of $35,750,979 of insurance in force.

The following table shows the outstanding insurance in force at the close of each of the ten preceding years:

1906	$202,496,761
1907	213,475,260
1908	224,386,617
1909	242,415,512
1910	262,407,238
1911	283,660,270
1912	306,595,306
1913	328,578,136
1914	351,003,262
1915	374,415,941

Distribution of New Business

The new business delivered during 1916 was distributed as to kinds of insurance as follows:

Whole life	$46,721,823
Endowment	3,965,215
Term	6,248,063
Paid-up additions	190,575
Total	$57,125,676

During 1916 the mortality experience of the Company was about 65 per cent. of the expected, and all expenses for the year were 20.54 per cent. of the premium receipts and 15.55 per cent. of the total receipts from premiums, interest, and rents.

Assets and Investments

On December 31, 1916, the admitted assets of the Company amounted to $93,240,377, a gain over the previous year of $6,343,773.

During the year the investments of the Company's funds in railroad and other bonds amounted to $3,708,790, at an average annual yield of 4.86 per cent.

At the close of the year the bonds of the Boston & Maine system and of the Missouri, Kansas & Texas system were in default. Both of these railroads are at present in the hands of receivers. It is expected that there will be no loss upon the bonds of the Boston & Maine owned by our Company. The re-organization of the Missouri, Kansas & Texas is now in progress, and it is hoped that when the new securities are available there will be but little loss upon the Company's investment in the bonds of that road. No other bonds shown in the accompanying schedule were in default, either of principal or of interest, at the close of the year.

There was invested during 1916 in real estate mortgage loans $6,262,650, at an average annual yield of 5.26 per cent. At the close of the year, with the exception of three loans upon which the unpaid interest amounted to $2,825, all interest due upon all the mortgage loans of the Company, aggregating $34,569,818, had been paid. The average yield of the entire mortgage loan investment is 5.28 per cent. and of the total invested assets 5.01 per cent.

FEDERATION'S ARGUMENT

Tells Why Life Insurance Men Should Join Movement—Menace of State Insurance

Under a heading "Hanging by a Thread," the Insurance Federation in its organ, "The Federation News," makes an argument that life insurance men join the Federation. These are the points made by the "News."

How many life insurance agents have considered that if laws were enacted requiring all insurable citizens to insure their lives in a State fund these agents could seek other means of livelihood? Their persuasive powers would not be needed if legal compulsion were applied.

Is such action by legislatures too radical to be thought of? Not while there is a possibility, if not a probability, of some States making laws this winter requiring certain classes of employes to take health insurance in mutual associations under State supervision. It would be but a step for other States to create State life insurance funds such as Wisconsin has and then use compulsion to get business for these funds. Surely the people need life insurance as much as health insurance.

All that stands in the way of compulsory life insurance is legislative and public opinion. Let them change and constitutions can be amended and laws enacted. The purpose of the Insurance Federations is to prevent such a change by pointing out to the people the evil effects of putting the State into business.

GOES WITH THE SOUTHLAND

The Southland Life Insurance Co., of Dallas, Texas, announces the appointment of J. H. Allen as State Agent for Arkansas, with headquarters at Little Rock.

1845 1917

THE

Mutual Benefit Life Insurance Company

OF NEWARK, NEW JERSEY

FREDERICK FRELINGHUYSEN, President

TRANSACTIONS OF 1916

INCOME

Premiums	$ 29,178,043.32
Interest and Rents	9,475,267.70
Profit and Loss (Balance)	8,693.63
Income Taxes withheld at Source	1,094.37
	$ 38,663,099.02
Supplementary Policy Claims	1,071,182.13
Total	$ 39,734,281.15

DISBURSEMENTS

Death Claims	$ 8,748,270.83
Endowments	1,635,160.44
Annuities	138,157.43
Surrendered Policies	3,977,062.23
Dividends	6,516,506.08
Total Paid Policyholders	$ 21,015,157.01
Taxes, Fees and Licenses	702,690.68
Insurance Expenses (excluding Taxes)	3,867,964.77
Investment Expenses (excluding Taxes)	346,703.32
Premiums on Bonds Purchased	32,735.50
Reduction in Book Value of Securities	86,041.25
Income Taxes withheld at Source	1,110.00
	$ 26,052,402.53
Supplementary Policy Claims	467,868.32
Total	$ 26,520,270.85

Excess of Income over Disbursements added to Policyholders' Fund. $13,214,010.30

ASSETS

Cash on Hand and in Banks	$ 3,418,528.80
Loans on Collateral	3,100,000.00
Bonds, Par Value	55,028,340.71
Real Estate Mortgages	96,167,300.00
Real Estate	2,874,753.15
Loans on Policies	38,102,183.77
Railroad Stock acquired in reorganization	17,250.00
Interest due and accrued and other assets	6,666,920.00
Total Assets	$205,375,276.43

LIABILITIES

Reserve Fund	$182,322,815.00
Other Liabilities	7,050,438.44
Regular Dividends Payable in 1917	6,319,208.40
Contingency Reserve Funds: Suspended Mortality Fund, $4,983,405.00; Dividend Equalization Fund, $224,983.18; Security Fluctuation and Real Estate Depreciation Fund, $4,474,426.41	9,682,814.59
	$205,375,276.43

On Basis of Assets Admitted by Insurance Departments (Market Values), Dec. 31st, 1916:
Total Contingency Reserve Funds $ 8,911,070.23

INSURANCE ACCOUNT

Issued and Revived in 1916	46,396	Policies, Insuring	$123,255,448.00
In force December 31, 1916	341,860	" "	837,242,774.00
Increase in insurance in force during year	25,181	" "	70,741,682.00

Paid to and Invested for Policyholders in 1916, in excess of Premiums Paid by Policyholders, $5,478,084.22.

The expenses incurred in obtaining the new insurance of the year amounted to only 82¼ per cent., and the Total Insurance Expenses to only 69½ per cent. of the amount allowed by the insurance law of the State of New York.

Net Rate of Interest Earned on Invested Assets (Par Values) 1916, 4.80%.

A full report of the year's business will be mailed upon request to the Home Office or to any agent.

DIRECTORS

Marcus L. Ward	John R. Hardin	James S. Higbie
Fred'k Frelinghuysen	Peter Campbell	Samuel W. Baldwin
J. William Clark	William M. Johnson	Henry G. Atha
John O. H. Pitney	Edward E. Rhodes	J. Amory Haskell

Good Territory Now Open in Several Western States

A GOOD PRODUCER and organizer can secure an EXCELLENT CONTRACT

Company SECOND TO NONE in STRENGTH—assets to liabilities—FIFTH in SIZE—insurance in force—of all MUTUAL legal reserve companies WEST of PHILADELPHIA. Increase in new business to December 1st, 50% above the same period last year, and 1915 was a good year.

Northwestern National Life Insurance Company

MINNEAPOLIS, MINN.

OCT. 16th

TWENTIETH ANNIVERSARY

Total and Permanent Disability Provision

ORIGINATED BY

The Fidelity Mutual Life

INSURANCE COMPANY, PHILADELPHIA

WALTER LE MAR TALBOT, President

HOLDS ITS FIRST CONVENTION

REBATING AND TWISTING DISCUSSED

Pan-American Life Entertains Field Men at Home Office—Vice-President Simmons Honored

There was a big time in New Orleans on January 10, 11 and 12. They were Pan-American days. The Pan-American Life entertained at its home office in New Orleans seventy members of its field force who had qualified to attend the first annual convention of the Company's representatives. Delegates were present from all sections of the territory in which the Company operates, from Pennsylvania to Panama, Cuba and Guatemala. It was a gathering of enthusiastic, successful salesmen.

The field men were welcomed by President Crawford H. Ellis, and leaders from various sections of the field responded. At a banquet tendered on Friday night, January 12, closing the convention, leading business men, bankers, lawyers and professional men of New Orleans attended.

A feature of the convention was the presentation of a surprise package to Dr. E. G. Simmons, vice-president and general manager of the Company, consisting of 225 applications for a total amount of insurance of $656,000. The presentation was made by President Ellis. The surprise was planned and executed by Dr. Simmons' secretary and the Pan-American representatives.

Dr. Simmons gave a brief history of the Company, dwelling especially on the work of 1916, showing a record of $10,000,000 paid for insurance for the year, giving a total business in force of $42,000,000. The resources of the Company are in excess of $5,600,000. The goal set for business by Dr. Simmons for 1917 is $12,000,000.

Eugene J. McGivney, general counsel of the Pan-American Life, addressed the delegates on the subject, "Two Evils —Rebating and Twisting—The Company's Attitude." He said in part:

When I received the communication of the vice-president and general manager, requesting me to address this convention on the subject of "Two Evils —Rebating and Twisting—The Company's Attitude," immediately it occurred to me as an ex-insurance commissioner and as the general counsel of the Pan-American Life Insurance Company, that the Company's attitude necessarily could only be that of the law-abiding citizen, and stand for the enforcement of the law.

If I had been asked to address you on this subject some ten or twelve years ago, I would then have been compelled to appeal to your morals, good conscience and sense of fair dealing, for the reason that up to that time there was very little, or no law in force prohibiting rebating and twisting. Up to that time the companies, the agents and the public had not fully appreciated the economical disaster to the insurance business generally and the real immoral character of these two evils. Since that time the legislatures of the various States have been busy passing laws, until we find that nearly every State in the Union has adopted laws prohibiting rebating and twisting, the latter being covered under the head of misrepresentation.

The punishment provided for the violation of such laws of the various States ranges from a fine of one hundred dollars to one thousand dollars and imprisonment for thirty days in the county jail to five years in the State penitentiary. Most of these laws, in addition to the fine and imprisonment provisions for enforcement of the law, also provide the revocation of the agent's license for periods of from one to three years.

Many attacks have been made, from time to time, upon the constitutionality of these laws, but almost invariably they have been upheld and sustained by the highest courts in each State where the question has arisen. These laws are sustained upon that seemingly limitless doctrine, the police power, which, it is said, extends to the protection of all property within the State and reaches out apparently to do all acts necessary for the welfare of society.

To the great credit of the life insurance business, it may be said that, without regard to the fear of the punishment of the law, the companies, agents and officials engaged in the conduct of the business have gotten together and organized associations for the uplifting and betterment of the ethics and good morals of the business, that have a greater effect than the adoption of the laws. I refer to the organization of the Association of Life Insurance Presidents, which is composed of the older legal reserve life insurance companies, and to the American Life Convention, the membership of which includes all the younger life insurance companies; and to the National Association of Life Underwriters, and to the many subordinate organizations known as State Associations of Life Underwriters, comprising thousands of members all over the United States.

It would be a useless thing for me to detail the ramifying and destructive consequences of rebating and twisting to the business of life insurance. You, as life insurance agents, realize from your own observation and knowledge of the results of these evils, that it is not profitable to you to engage in such practices; that it is destructive of the best interest of the Company to permit its agents to engage in such practices and that the immoral conduct in which the insured becomes involved by participating in rebating cannot possibly profit him, as has been already clearly shown in the opinions of the courts.

It has been said by the president of one life insurance company that the definition of the word "twisting" is "to make crooked," and therefore he says twisting life insurance policies is a crooked business. That is a very strong denunciation of the practice. Whether it is too strong or not I think it is useless to consider, for the reason that it is not only regarded as unethical to engage in such practices, but it is violating the law to do so. Therefore, like any other violator of the law, those who choose to place themselves in that attitude, may expect a strong denunciation of their conduct. My message to you is that the Company's attitude on the evils of rebating and twisting is that you obey the law.

66 Years Old Mutual

NATIONAL LIFE INSURANCE COMPANY

MONTPELIER, VERMONT

FRED A. HOWLAND, President

PART OF THE 1915 RECORD:

Largest paid-for new business.
Largest payments to policyholders.
Largest dividend payments.
Passed two hundred millions in insurance in force.
General surplus substantially increased.
Dividend scale increased fifth time in eight years.

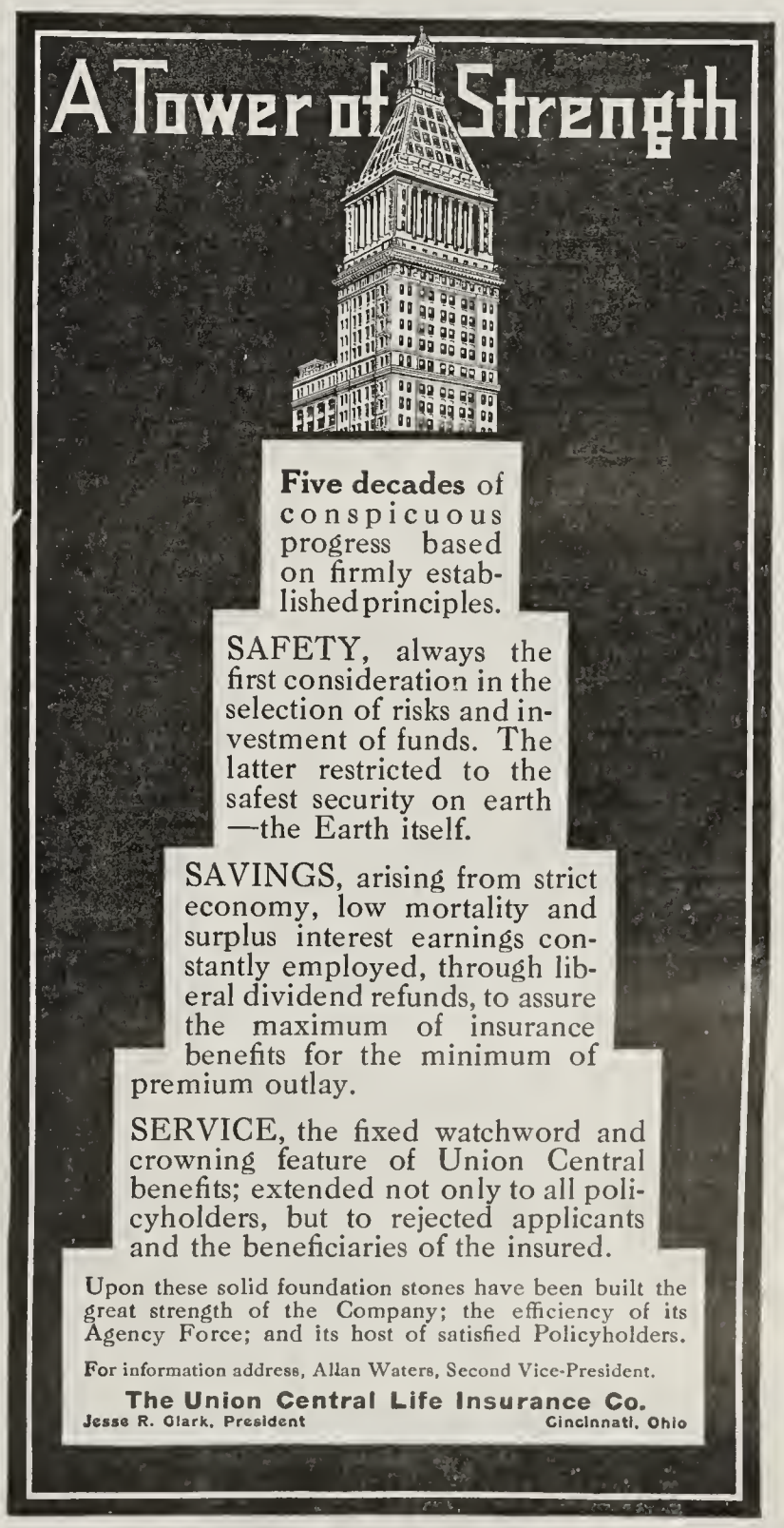
A good policyholders' company is a good company for the agent.

Write to Edward D. Field, Superintendent of Agencies, Montpelier, Vermont

A PENN MUTUAL PREMIUM, less a PENN MUTUAL DIVIDEND, purchasing a PENN MUTUAL POLICY, containing PENN MUTUAL VALUES, make an INSURANCE PROPOSITION which in the sum of ALL ITS BENEFITS, is unsurpassed for net low cost and care of interests of all members.

THE PENN MUTUAL
Life Insurance Company
OF PHILADELPHIA

On January 1, 1909, rates were reduced and values increased to full 3% reserve



SPECIAL AGENCY OPENINGS
FOR
OHIO and ILLINOIS
PHILADELPHIA LIFE INSURANCE CO.
JACKSON MALONEY, Manager of Agencies
PHILADELPHIA
ALL STANDARD FORMS OF LIFE INSURANCE POLICIES

Great Gains Made By Travelers

$35,510,321 INCREASE IN PAID INSURANCE

Premium Income Shows $6,009,697 Increase—Total Income Last Year, $37,051,500

The gains of the Travelers during 1916 follow:

	Increase.
Assets	$10,936,165
Capital and surplus	1,148,180
Life insurance paid for	35,510,321
Life insurance in force	81,500,637
Payments to policyholders	1,192,413
Reserves for protection of policyholders	9,644,186
Premiums for life insurance	2,748,687
Premiums for accident ins	245,363
Premiums for health ins	225,461
Premiums for workmen's compensation	2,338,137
Premiums for liability ins	452,049
Premium income	6,009,697
Total income	6,351,743

	Assets	Capital and surplus	Total Income
1866	$772,880	$434,554	$931,496
1876	4,053,159	1,186,769	1,454,603
1886	9,111,589	2,151,253	3,444,310
1896	20,896,684	2,976,424	6,145,186
1906	53,401,726	6,139,686	15,580,670
1916	115,095,273	14,956,982	37,051,500

In addition to receiving the annual report, the Company elected the following directors to succeed themselves and to serve for three years: Edward B. Bennett, Arthur L. Shipman, Louis F. Butler, W. O. Burr and William BroSmith.

In the secretary's report it was shown that the Company had enjoyed a year of unprecedented prosperity, with gains in all departments. The compensation and liability business has increased heavily in spite of the difficulties encountered in those lines.

The financial strength of the Company has more than doubled in the past decade. The assets ten years ago were $53,000,000; to-day they are $115,000,000. The premium income increased in ten years from $15,500,000 to $37,000,000; and the capital and surplus from $6,000,000 to nearly $15,000,000.

What President Butler Said

President Louis F. Butler said: "The 1916 record of the Travelers companies shows the largest gains in their history, and the business typifies the high standard which Travelers representatives are accustomed to maintain. An acknowledgment of their co-operation is properly made a part of the statement for 1916."

A special meeting of the directors was held immediately after the stockholders' meeting, and the officers of the Company were re-elected, as follows:

Louis F. Butler, president; John L. Way, Bertrand A. Page, Walter G. Cowles, vice-presidents; James L. Howard, secretary; L. Edmund Zacher, treasurer; Donald A. Dunham, assistant secretary; Benedict D. Flynn, assistant secretary; J. W. H. Pye, comptroller; Wellington R. Slocum, cashier; Charles S. Robbins, assistant cashier, and Charles D. Rarey, auditor.

Life Department: J. Stanley Scott, secretary; Frank H. Landon, Jr., and Lewis M. Robotham, assistant secretaries.

Accident Department: John E. Ahern, secretary.

Compensation and Liability Department: Robert J. Sullivan, secretary; M. Good Wolfe, Jesse W. Randall, Edward B. Goodrich, and Walter E. Batterson, assistant secretaries.

NEW ENGLAND MUTUAL

New Insurance, $44,167,773—Increase in Force, $337,404,704—Mortality 62.98 of Expected

The New England Mutual Life's analysis of 1916 business follows:

Premium Account

	1916	1915
First	$1,703,087.17	$1,419,962.29
Renewal	9,364,749.97	8,772,347.06
	$11,067,837.14	$10,192,309.35
Increase		$875,527.79

Insurance Record

	New ins.	Ins. in force
1916	$44,176,773	$337,404,704
1915	36,055,913	309,699,971
Increase	$8,120,860	$27,704,733

Death claims paid, $3,655,393.40; increase, $402,451.70.

Ratio of actual mortality to tabular expectation, 62.98 per cent.

Number of deaths, 946; number of policies, 1,287; average age of insured at death, 56.2.

Average duration of policies, 17.5 years. Average number of premiums paid, 15.0.

Number dying under fifty years of age, 336; number dying over fifty years of age 610; total 946. Males 930; females, 16.

President Foster's Message

Summing up the activities of the Company for the past year President Alfred D. Foster said:

The year 1916 marks the greatest step forward in the history of our Company.

The financial condition of the country has opened wide the door to a large business; and the response of our agents to this invitation has been unanimous and earnest. Not only have we issued more insurance than during any preceding twelvemonth, but the percentage of increase as compared with previous years has been very much higher.

Moreover, the established quality of our business has been maintained. The splendid character of our membership remains unimpaired. The selection of our policyholders both by the field force and at the home office could not have been made with more trustworthy skill or measured by more reliable standards. The personnel of our agency force never was better and their work has been well done.

All this does not mean that no improvement is possible. Far from it. But it does recognize facts that should be recognized.

The present business situation makes the opportunity still presented to us equally promising. As a Company, we rose to the opportunity of a year that is now a brilliant chapter in our history. We are in the full swing of work from that year of achievement. Let us maintain the new standard we have set. Let us work together toward that end, and as the co-operation between the home office and the forces in the field never was so close, team work will bring success.

It is the hope and wish of every officer of the Company, not merely that 1917 may prove worthy of the past record, but that it may be marked by a steady and constant forward movement in every direction.

Weston Vernon, a local agent at Logan, will be the next insurance commissioner for Utah, succeeding John James, present incumbent. According to advice from the capital, Governor Bamberger will appoint the Logan local agent insurance commissioner following the recommendation of the Utah Insurance Federation.

THE
First Mutual
Chartered in America, 1835
New England Mutual Life Insurance Co.
BOSTON, MASSACHUSETTS
ALFRED D. FOSTER, President
D. F. APPEL, Vice-President

FINANCIAL STATEMENT

Assets, Jan. 1, 1916	$74,274,980.68
Liabilities	69,154,791.00
Surplus	$5,120,189.68

The New England Mutual's recognized position in the front rank of American companies is the result of seventy-two years of honorable, capable and equitable dealing. If you are a "front rank" man—you want to be identified with such an institution.

EDWARD W. ALLEN, Manager
217 Broadway, New York
LATHROP E. BALDWIN, Manager
141 Broadway, New York

ORGANIZED 1871
Life Insurance Company of Virginia
RICHMOND, VIRGINIA
OLDEST, LARGEST STRONGEST
Southern Life Insurance Company
Issues the most liberal forms of Ordinary Policies from $1,000.00 to $50,000.00, and Industrial Policies from $12.50 to $1,000.00
CONDITION ON DECEMBER 31, 1916:

Assets	$14,464,552.23
Liabilities	12,436,717.56
Capital and Surplus	2,027,834.67
Insurance in Force	118,349,212.00
Payments to Policyholders since Organization	18,119,172.50
Is Paying its Policyholders over	$1,300,000.00 annually

GOOD TERRITORY FOR LIVE AGENTS

Sixty-Fifth Annual Statement
of the
Massachusetts Mutual Life Insurance Company
Springfield, Mass.
Year Ending December 31, 1916
On the basis of Paid-for Insurance

Income		
Premiums		$13,245,808
Interest, rents, and all other income		5,056,107
Total income		$18,301,915
Disbursements		
Death claims and matured endowments	$4,563,625	
Surrendered and canceled policies	1,593,233	
Dividends to policyholders	2,622,640	
Other payments to policyholders	1,116	
Total payments to policyholders and beneficiaries		$8,780,614
All other disbursements		3,344,727
Total disbursements		$12,125,341
Total Assets		$93,240,377
Total Liabilities		86,697,296
Surplus, December 31, 1916		$6,543,081
New insurance paid for in 1916, 22,830 policies	$57,125,675	
Insurance in force December 31, 1916, 180,358 policies	410,166,920	
GAINS		
In Assets		$6,343,774
In new insurance		11,681,334
In insurance in force		35,750,979

Ambitious, Productive and Trustworthy Life Agents may be benefitted by corresponding with the
Berkshire Life Insurance Company
of Pittsfield, Mass.
Inc. 1851
New policies with modern provisions Attractive literature
W. D. Wyman, President W. S. Weld, Supt. of Agencies

FOUNDED 1865
Unexcelled In Favorable Mortality and Economy of Management
The Provident Life and Trust Company
OF PHILADELPHIA
Rates of Premium Extremely Low and still further reduced by Annual Dividends

Provident L. & T. General Agents Meet

GIVE RECEPTION TO NEW EXECUTIVES

Remarkable Year for Company With Large Percentage of Gains—Discuss Revised Policy Forms

(By a Staff Correspondent)

Philadelphia, Jan. 24.—The sixth annual meeting of the General Agents' Association of the Provident Life & Trust was an interesting occasion in many ways. The Company finished an extraordinary year for it, the gain in business in force being $10,000,000 more than the gain made last year; there were the revised and liberal policy forms effective January 1 to discuss; there were members of the home office personnel in new positions; and several new general agents were on hand to meet their future associates.

When President Asa S. Wing, in his opening address, mentioned the men who have been advanced, each name was greeted with an outburst of applause.

Brief Sketches of Careers

The advancements are as follows:

New vice-presidents: M. Albert Linton and John Way; manager of the insurance department, Matthew Walker; superintendent of agencies, Thomas R. Hill; superintendent Philadelphia agency, Franklin C. Morss.

Mr. Linton, who was given credit by Mr. Walker and other speakers for much of the work in getting up the new rates and forms, is one of the remarkable young men in life insurance. A graduate of Haverford College, owner of an M. A. and other degrees, he started out to be an instructor of mathematics in Haverford College, but unfortunately for that institution he attracted the attention of President Wing, who brought him to the Provident. He is a fellow in the British Actuarial Society, recently won a $100 prize offered in that country for which actuaries competed, is a member of the American actuarial organization, of course, and carries his honors with a great deal of modesty.

John Way is the type of man who goes into the home office near the bottom of a ladder and climbs up rung after rung through sheer merit. His first job was as a clerk in the policy division. Before becoming vice-president he was assistant treasurer.

Matthew Walker is regarded as one of the best agency executives in America, and is a past master at swinging an audience. He began with the Company 34 years ago, continually advanced and made his great reputation as superintendent of the Philadelphia agency.

Thomas R. Hill and Franklin C. Morss both started in Philadelphia and made good in the field. Mr. Hill became general agent in Omaha and was later transferred to Chicago where he was in charge of the Western field, Mr. Morss having the Eastern field.

New General Agents

Among the newer general agents present were William Peterson, Seattle, a large personal producer; Olney Davies, Nashville, formerly the leading piano dealer of Nashville, and Wallace Daniel, of Atlanta, who, in a virgin territory, in the first year just closed paid for $971,000. His brother, Tom, is general agent of another company.

Some Other Familiar Faces

Among other familiar figures seen at the convention were W. M. Horner, Minneapolis, an original thinker and large business insurance producer, and inventor of the farm extension plan; Henry Frankland, president of the Philadelphia Agency Association, a former clergyman; Messrs. Mellor and Allen, who live in a city called New York, and who wrote the million-dollar Reilly Brock policy; Graham C. Wells, who helps the idle and busy rich of Pittsburgh to invest their easily earned money; Louis F. Paret, recently transferred to Newark, who explained to the convention how simple is the sale of an income policy; and John Moyler, Richmond, whose agency does $2,000,000, a great feat in view of the alleged limited possibilities of the territory.

President Wing's Report

President Wing's annual report showed that the Company's new business for 1916 consisted of 19,954 policies for $52,170,600, divided into 2,947 life, 14,874 endowment, and 2,133 term. The Company has now outstanding 137,525 policies; in force $353,127,209. The Company paid to policyholders during the year $9,758,957, and since organization has paid $147,704,697. Mortality was 59.2 per cent. of the expected; and for 51 years has averaged 64.1 per cent. of the expected. The total amount of insurance has been increased by more than $23,000,000.

The 1916 record of the Provident is something to give complete satisfaction to a company which steers clear of fireworks methods.

A Close Contest

Following President Wing, Frank J. Hammer, president of the General Agents' Association, told why he was strong for the Provident and its staff. He was followed by Matthew Walker, who set $30,000,000 as the target at which producers will shoot for six months. He also explained how the Company has improved its literature and also announced a regular bulletin to go to general agents monthly. It's called "The Last Word," a very saucy title we should say.

When Mr. Walker concluded his talk to the general agents—an inspiring talk, by the way—Mr. Horner ,of Minneapolis, made every man from the G. C. Wells Agency stand up, and then presented them with about the biggest loving cup that this writer has ever seen. One of the physical giants of the Horner Agency held it up to view. It transpired that the race for leading general agency of the P. L. & T. was hotly contested. Here are the figures:

Pittsburgh, $3,259,000; Horner, $3,169,000; Mellor and Allen, $3,013,000. The Philadelphia Agency, of course, remains the leader, with $7,350,000. F. C. Morss is superintendent of this agency.

Features of the second day's session included explanations of the new policy provisions by Mr. Linton, and a talk for general agents and specials by Mr. Way. One regrettable feature of the convention was the absence of William S. Ashbrook, agency secretary, who is ill.

THE
METROPOLITAN LIFE
Insurance Company
(Incorporated by the State of New York)



Metropolitan Life Insurance Company
Home Office Building

The Company
Of the People
By the People
For the People

The Daily Average of the Company's Business during 1915 was:

639 per day in Number of Claims Paid.
9,175 per day in Number of Policies Issued and Revived.
$1,956,438 per day in New Insurance Issued, Increased and Revived.
$326,616.59 per day in Payments to Policyholders and Addition to Reserve.
$146,602.49 per day in Increase of Assets

JOHN R. HEGEMAN, President

THE MOST VALUABLE POLICY FOR YOU,
Mr. Agent, is to write your prospect in the Company writing the most valuable policy for the insured.
Secure **prompt action** in the
John Hancock MUTUAL LIFE INSURANCE COMPANY OF BOSTON MASSACHUSETTS
WILLIAM N. COMPTON, General Agent
METROPOLITAN DISTRICT, ST. PAUL BLDG., 220 BROADWAY, NEW YORK, N. Y.

THE UNITED STATES LIFE INSURANCE COMPANY
1850 IN THE CITY OF NEW YORK 1914
ISSUES GUARANTEED CONTRACTS
Good men, whether experienced in life insurance or not, may make direct contracts with this Company, for a limited territory if desired, and secure for themselves, in addition to first year's commission, a renewal interest insuring an income for the future. Address the Company at its Home Office, 277 Broadway, New York City.
JOHN P. MUNN, M. D., President
FINANCE COMMITTEE { CLARENCE H. KELSEY, Pres. Title Guarantee and Trust Co. / WILLIAM H. PORTER, Banker / EDWARD TOWNSEND, Pres. Importers and Traders Nat. Bank

Representing
The Mutual Life Insurance Company
of New York
You will make money.
The great strength, big dividends and incomparable benefits of the *"oldest company in America"* mean certain success for you.
For Terms to Producing Agents, Address
GEORGE T. DEXTER, 2d Vice-President
34 NASSAU STREET, NEW YORK, N.Y.

Extracts from Report of Examination of
SOUTHWESTERN LIFE INSURANCE CO.
By the State of Texas, June 28, 1915
"It is noteworthy that this Company was organized without any promotion expenses."
"I beg to report further that I find the Company in excellent financial condition."
"The volume of its business has steadily increased, its surplus is growing rapidly and its funds are being carefully conserved under expert supervision."
Home Office, DALLAS, TEXAS

LIVE HINTS FOR BUSINESS GETTERS

Practical Suggestions to Help the Man With the Rate Book Increase His Income and General Efficiency

Don't Trust To-Mail Arguments

T. R. Fell, New York manager of the Massachusetts Mutual Life, gives a tip to agents who spend too much time dictating to stenographers with the following story:

"A few days ago, we received a letter from one of our general agents telling of a man that he had talked to from our territory and suggesting that our agent call and see him. It developed later that this interview had taken place about a month before we were notified about it. Our agent called to see him the next day after we received the letter, and learned that he had taken a policy in another company a week before.

"A very clever young man who spent about four months in this office studying our methods, a young man from another territory, wrote me a personal letter about a cousin of his whom he had tried to insure while he was in this city. A month before writing me, he had written his cousin a letter trying to get his application by mail. I called upon his cousin the day I received his letter and was informed he had taken $7,000 in another company a couple of weeks before. Moral: Even cousins lose business if they try to write it by mail."

* * *

Don't Start With Your Friends

It is probable that nine out of every ten men who take up the rate book commence work by striving to insure close friends. One of the Mutual Life's agents in a Middle Western city, whose record has been conspicuous ever since he entered the field about three years ago, contributes his success to having pursued an exactly opposite course. The possessor of a wide circle of friends and acquaintances throughout the State in which the agency was located, he had gone to an experienced general agent and presented this as the main reason why he should obtain excellent results from the very beginning.

"My advice to you," was the general agent's reply, "is to leave your friends strictly alone for about two years, and to confine your entire attention during those first two years to total strangers. By that time your friends will know you as a successful life insurance man—not as a novice who is seeking to take advantage of a friendship to gain experience and to earn a livelihood—and you will find it far easier to solicit them successfully."

In commenting upon this advice the Mutual Life's "Points" said in its current issue:

"This timely advice was rigorously followed by the agent and when the two years had elapsed he commenced writing, with comparative ease, policies on friends who earlier might have turned him down completely, or else reluctantly have given a much smaller line than they were capable of carrying."

NORTHWESTERN MUTUAL LIFE'S DIVIDEND SCALE FOR 1917

Under 3% Reserve Policies Issued After 1907

ORDINARY LIFE, $1,000
(No Previous Additions)

Age	Pre-	Ann. Dividends of 1917 on Issues of 1916	1915	1914	1913	1912	1911
21	$18.76	$3.88	$4.00	$4.12	$4.24	$4.36	$4.50
22	19.18	3.94	4.06	4.19	4.31	4.44	4.58
23	19.61	4.00	4.12	4.25	4.38	4.52	4.66
24	20.07	4.06	4.19	4.33	4.47	4.61	4.76
25	20.55	4.13	4.27	4.41	4.55	4.70	4.85
26	21.05	4.20	4.34	4.48	4.64	4.79	4.95
27	21.57	4.27	4.41	4.56	4.72	4.88	5.05
28	22.12	4.34	4.49	4.65	4.81	4.98	5.16
29	22.70	4.42	4.58	4.74	4.91	5.09	5.27
30	23.31	4.50	4.67	4.84	5.02	5.21	5.40
31	23.95	4.59	4.77	4.95	5.13	5.33	5.53
32	24.63	4.69	4.87	5.06	5.26	5.46	5.67
33	25.34	4.79	4.98	5.18	5.38	5.59	5.81
34	26.09	4.90	5.10	5.30	5.52	5.74	5.97
35	26.88	5.01	5.22	5.43	5.66	5.89	6.13
36	27.71	5.12	5.34	5.57	5.81	6.05	6.30
37	28.60	5.26	5.49	5.73	5.98	6.23	6.50
38	29.53	5.40	5.64	5.89	6.15	6.42	6.69
39	30.52	5.55	5.80	6.06	6.34	6.62	6.91
40	31.56	5.70	5.97	6.24	6.53	6.83	7.13
41	32.67	5.87	6.15	6.44	6.74	7.06	7.38
42	33.84	6.05	6.34	6.65	6.97	7.30	7.65
43	35.09	6.25	6.56	6.88	7.22	7.57	7.94
44	36.41	6.46	6.78	7.13	7.49	7.86	8.25
45	37.82	6.69	7.04	7.40	7.78	8.18	8.59
46	39.32	6.94	7.31	7.70	8.10	8.53	8.96
47	40.92	7.22	7.61	8.03	8.46	8.90	9.36
48	42.62	7.51	7.94	8.38	8.83	9.30	9.79
49	44.43	7.85	8.30	8.76	9.24	9.74	10.25
50	46.36	8.21	8.69	9.18	9.69	10.21	10.75
51	48.41	8.60	9.11	9.63	10.16	10.71	11.28
52	50.60	9.04	9.57	10.12	10.68	11.26	11.85
53	52.93	9.50	10.07	10.65	11.24	11.85	12.47
54	55.41	10.01	10.60	11.21	11.84	12.48	13.13
55	58.06	10.56	11.19	11.83	12.49	13.16	13.85
56	60.90	11.17	11.84	12.51	13.20	13.91	14.63
57	63.92	11.83	12.53	13.24	13.97	14.71	15.46
58	67.15	12.54	13.28	14.03	14.80	15.57	16.36
59	70.60	13.32	14.10	14.89	15.69	16.50	17.33
60	74.29	14.17	14.99	15.82	16.66	17.51	18.37

20-PAYMENT LIFE, $1,000
(No Previous Additions)

Age	Pre-	Ann. Dividends of 1917 on Issues of 1916	1915	1914	1913	1912	1911
16	$26.70	$4.37	$4.58	$4.81	$5.05	$5.29	$5.54
17	27.08	4.41	4.64	4.87	5.11	5.36	5.62
18	27.47	4.46	4.69	4.92	5.17	5.42	5.69
19	27.87	4.50	4.74	4.98	5.23	5.49	5.75
20	28.29	4.56	4.80	5.04	5.30	5.56	5.83
21	28.73	4.62	4.86	5.11	5.37	5.64	5.92
22	29.18	4.68	4.93	5.18	5.44	5.72	6.00
23	29.65	4.74	4.99	5.25	5.52	5.81	6.09
24	30.13	4.80	5.06	5.32	5.60	5.89	6.18
25	30.63	4.86	5.13	5.40	5.68	5.98	6.28
26	31.15	4.93	5.20	5.48	5.77	6.07	6.38
27	31.69	5.01	5.28	5.57	5.86	6.17	6.48
28	32.25	5.08	5.36	5.65	5.95	6.27	6.59
29	32.83	5.16	5.45	5.74	6.05	6.37	6.70
30	33.44	5.25	5.54	5.85	6.17	6.49	6.83
31	34.07	5.34	5.64	5.95	6.28	6.61	6.96
32	34.72	5.43	5.74	6.06	6.39	6.73	7.08
33	35.40	5.52	5.84	6.17	6.51	6.86	7.22
34	36.11	5.63	5.95	6.29	6.64	7.00	7.37
35	36.85	5.73	6.07	6.41	6.77	7.14	7.53
36	37.63	5.86	6.20	6.55	6.92	7.30	7.69
37	38.44	5.98	6.33	6.70	7.08	7.46	7.87
38	39.28	6.10	6.47	6.84	7.23	7.63	8.04
39	40.17	6.25	6.62	7.00	7.40	7.81	8.24
40	41.10	6.40	6.78	7.17	7.58	8.01	8.45
41	42.08	6.55	6.95	7.36	7.78	8.22	8.68
42	43.11	6.73	7.13	7.56	7.99	8.45	8.92
43	44.20	6.91	7.33	7.77	8.22	8.69	9.18
44	45.35	7.11	7.55	8.00	8.47	8.96	9.47
45	46.57	7.33	7.78	8.25	8.74	9.25	9.78
46	47.85	7.56	8.03	8.52	9.03	9.56	10.10
47	49.22	7.81	8.31	8.82	9.35	9.90	10.46
48	50.67	8.09	8.61	9.15	9.70	10.26	10.84
49	52.22	8.41	8.95	9.50	10.08	10.66	11.26
50	53.86	8.75	9.31	9.89	10.48	11.09	11.70
51	55.61	9.12	9.70	10.30	10.92	11.54	12.19
52	57.47	9.52	10.13	10.75	11.39	12.04	12.70
53	59.47	9.97	10.60	11.25	11.91	12.59	13.27
54	61.60	10.45	11.11	11.78	12.47	13.17	13.87
55	63.88	10.97	11.66	12.36	13.07	13.80	14.53
56	66.33	11.55	12.26	12.99	13.73	14.48	15.24
57	68.96	12.18	12.92	13.68	14.45	15.23	16.01
58	71.79	12.87	13.65	14.43	15.23	16.04	16.85
59	74.83	13.62	14.43	15.25	16.08	16.92	17.76
60	78.10	14.43	15.28	16.13	17.00	17.86	18.74

20-YEAR ENDOWMENT, $1,000
(No Previous Additions)

Age	Pre-	Ann. Dividends of 1917 on Issues of 1916	1915	1914	1913	1912	1911
16	$47.92	$5.81	$6.30	$6.81	$7.34	$7.89	$8.46
17	48.05	5.89	6.38	6.89	7.42	7.97	8.54
18	48.18	5.97	6.46	6.97	7.50	8.05	8.62
19	48.27	6.00	6.50	7.01	7.54	8.09	8.66
20	48.36	6.04	6.53	7.05	7.58	8.12	8.69
21	48.45	6.07	6.56	7.08	7.61	8.16	8.72
22	48.54	6.10	6.59	7.10	7.63	8.18	8.75
23	48.64	6.13	6.63	7.14	7.67	8.22	8.79
24	48.75	6.17	6.66	7.18	7.71	8.26	8.83
25	48.86	6.20	6.70	7.21	7.74	8.29	8.86
26	48.98	6.24	6.74	7.25	7.78	8.33	8.90
27	49.12	6.29	6.79	7.30	7.83	8.38	8.95
28	49.26	6.33	6.83	7.35	7.88	8.43	9.00
29	49.41	6.38	6.88	7.39	7.93	8.48	9.05
30	49.57	6.43	6.93	7.44	7.98	8.53	9.10
31	49.75	6.48	6.98	7.50	8.04	8.59	9.17
32	49.94	6.54	7.04	7.56	8.10	8.65	9.23
33	50.15	6.60	7.10	7.62	8.16	8.72	9.30
34	50.38	6.67	7.17	7.70	8.23	8.79	9.37
35	50.64	6.75	7.26	7.78	8.32	8.88	9.47
36	50.91	6.82	7.33	7.86	8.40	8.97	9.55
37	51.22	6.91	7.43	7.96	8.50	9.07	9.65
38	51.55	7.00	7.52	8.05	8.60	9.17	9.75
39	51.92	7.10	7.62	8.16	8.71	9.28	9.87
40	52.33	7.22	7.74	8.28	8.83	9.41	10.00
41	52.78	7.33	7.86	8.40	8.97	9.55	10.15
42	53.29	7.47	8.00	8.56	9.12	9.71	10.32
43	53.84	7.61	8.15	8.71	9.28	9.88	10.49
44	54.46	7.77	8.32	8.88	9.47	10.07	10.70
45	55.15	7.95	8.51	9.08	9.68	10.30	10.93
46	55.91	8.15	8.71	9.30	9.91	10.54	11.18
47	56.75	8.36	8.94	9.54	10.16	10.80	11.46
48	57.69	8.60	9.20	9.82	10.45	11.10	11.76
49	58.73	8.88	9.49	10.12	10.77	11.43	12.11
50	59.87	9.18	9.81	10.45	11.11	11.79	12.47
51	61.13	9.51	10.16	10.82	11.49	12.18	12.88
52	62.52	9.88	10.54	11.22	11.91	12.62	13.33
53	64.06	10.30	10.98	11.67	12.38	13.10	13.83
54	65.75	10.75	11.45	12.17	12.89	13.63	14.37
55	67.61	11.25	11.97	12.71	13.45	14.21	14.97
56	69.65	11.79	12.54	13.29	14.06	14.84	15.62
57	71.89	12.39	13.16	13.94	14.73	15.53	16.34
58	74.35	13.04	13.84	14.65	15.47	16.29	17.12
59	77.05	13.77	14.60	15.43	16.28	17.13	17.98
60	80.00	14.56	15.42	16.29	17.16	18.04	18.92

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Analysis Made of Insurance Assets

FIGURES COMPILED BY ASSOCIATION OF LIFE PRESIDENTS

Percentage of Railroad Bond Holdings Decrease; Loans on Realty Increase

Orlow H. Boies, statistician of the Association of Life Insurance Presidents, has made an analysis and classification of the investments of life insurance companies of the decade 1904-1914.

In 1904 railroad bonds constituted the largest single class of investments held by life insurance companies. They have been supplanted in the lead by real estate mortgage loans on farm and city property, which have increased in the ten year period noted from 27.37 per cent. of the assets of American companies to 34.46 per cent. The amount of these loans at the end of 1914 was $1,660,000,000, out of total assets of $4,830,000,000. In 1904 these loans amounted to $680,000,000.

Facts About Railroad Bonds

Railroad bonds have decreased from 30.16 per cent. of the life insurance assets in 1904 to 26 per cent. in 1914. In actual amount, however, the holdings of life insurance companies in railroad bonds increased during the decade from $750,000,000 to $1,250,000,000—or 67.32 per cent. The wide apparent variation between the decrease in percentage and the large actual increase in amount, in the case of the railroad bonds, is explained in part by the fact that the assets of life insurance companies were doubled during the decade referred to.

In striking contrast to the reduction in the proportion of railroad securities held by life insurance companies, states the report, is the increase in the holdings of such securities by savings banks from $291,000,000 to $878,000,000 in the same decade. This is an increase of about 200 per cent. or more than three times the rate of growth of the life insurance companies' increase in such securities.

The largest relative increase in any single item of investments held by the life companies (outside of policy loans, over which they have no control) is in the class comprising State, county and municipal bonds. Their holdings in these securities increased from $160,000,000 to $530,000,000 during the decade. The rate of increase was 227 per cent. The percentage that such securities bear to total assets of life insurance companies increased from 6.57 to 11.06.

Tables telling the story of life insurance investments and the nation's growth and progress in a nutshell follow:

Table A
TWO DECADES OF NATIONAL PROGRESS
General Progress—1894-1904

	1894	1904	Increase or Decrease, Per cent.
Population and Wealth:			
Population	67,632,000	82,466,551	21.93
National Wealth	$ 74,700,000,000	$107,104,212,000	43.7
Wealth Per Capita	$ 1,105	$ 1,298	17.46
Savings Banks:			
Deposits	$ 1,747,961,280	$ 2,918,775,329	66.98
Depositors	4,777,687	7,305,443	52.91
Average a/c	$ 366	$ 400	9.29
Mortgage Loans	$ 779,045,102	$ 1,099,110,398	41.08
Railroad Stocks and Bonds	$ 121,732,130	$ 291,978,655	139.85
Bank Stocks	$ 44,629,479	$ 28,601,356	35.91
State, County, Municipal and All Other Bonds.	$ 612,226,261	$ 1,169,443,812	91.01
Deposits in National and Other Banks	$ 2,773,282,060	$ 7,081,771,670	155.35
Railroads:.			
Mileage	182,733	220,112	20.45
Total Bonded Debt	$ 5,605,775,764	$ 6,873,225,350	22.61
Total Stock Capitalization	$ 5,027,604,717	$ 6,339,899,329	26.10

Insurance Progress—1894-1904

	1894	1904	Increase or Decrease, Per cent.
Insurance in Force	$ 5,566,166,664	$ 12,547,937,441	125.45
Insurance in Force Per Capita	$ 82	$ 152	85.36
Number of Policies, Ordinary	1,844,155	5,208,441	182.42
Average Size Policy, Industrial	6,858,238	15,674,114	128.54
Average Size Policy, Ordinary	$ 2,583	$ 1,999	— 22.61
Average Size of Policy, Industrial	$ 117	$ 136	16.24
Admitted Assets	$ 1,073,156,679	$ 2,498,960,968	132.86
Number of Life Insurance Companies	56	93	66.07

Table B
TWO DECADES OF NATIONAL PROGRESS
General Progress—1904-1914

	1904	1914	Increase or Decrease, Per cent.
Population and Wealth:			
Population	82,466,551	98,646,491	19.62
National Wealth	$107,104,212,000	$207,898,000,000	94.17
Wealth Per Capita	$ 1,298	$ 2,107	62.32
Savings Banks:			
Deposits	$ 2,918,775,329	$ 4,997,706,013	71.23
Depositors	7,305,443	11,109,499	52.07
Average a/c	$ 400	$ 450	12.50
Mortgage Loans	$ 1,099,110,398	$ 2,376,472,232	116.22
Railroad Stocks and Bonds	$ 291,978,655	$ 878,266,864	200.80
Bank Stocks	$ 28,601,356	$ 25.724,387	— 10.06
State, County, Municipal and All Other Bonds.	$ 1,169,443,812	$ 1,100.184,960	— 5.92
Deposits in National and Other Banks	$ 7,081,771.670	$ 14,228,060,861	100.91
Railroads:	220,112	263,547	19.73
Mileage			
Total Bonded Debt	$ 6,873,225.350	$ 11,566,541,533	68.28
Total Stock Capitalization	$ 6,339,899,329	$ 8,680,759,704	36.92
Per cent. R.R. Bonds Held by Life Cos.	10.92	10.86	— .06
Per cent. R.R. Stocks Held by Life Cos.	7.21	3.81	— 3.40

Insurance Progress—1904-1914

	1904	1914	Increase or Decrease, Per cent.
Insurance in Force	$ 12,547,937,441	$ 21,589,172,372	72.08
Insurance in Force Per Capita	$ 152	$ 219	43.83
Number of Policies, Ordinary	5,208,441	9,252,941	77.65
Number of Policies, Industrial	15,674,114	31,159,038	98.79
Average Size Policy, Ordinary	$ 1,999	$ 1,883	— 5.80
Average Size of Policy, Industrial	$ 136	$ 134	— 1.47
Admitted Assets	$ 2,498,960,968	$ 4,935,252,793	97.49
Number of Life Insurance Companies	93	250	168.81

Table C

Life Insurance Company Investments 1904-1914	1904	1914
Number of Companies in Business	93	250
Number of Companies Tabulated	63	116
Per cent. Tabulated	67.74	46.49
Assets of All Companies	$2,499,090,998.00	$4,935,252,793.00
Assets Tabulated	$2,489,031,634.00	$4,830,154,523.00
Per cent. Tabulated	99.59	97.89

Classes of Assets	Assets Dec. 31, 1904	Per cent. of Total 1904	Per cent. of Total 1914	Assets Dec. 31, 1914
1 Real Estate	$ 178,425,828.15	7.17	3.40	$ 164,547,316.69
2 Mortgage Loans	681,047,925.88	27.37	34.46	1,660,168,266.09
3 Collateral Loans	42,332,616.87	1.70	.39	18,984,766.48
4 Policy Loans and Premium Notes	187,644,831.22	7.54	14.94	722,406,573.67
5 Railroad Bonds	750,668,349.33	30.16	26.00	1,256,000,282.46
6 State, County and Municipal Bonds	163,194,690.20	6.57	11.06	534,607,399.84
7 Public Service Bonds	111,209,859.14	4.47	3.84	185,848,359.57
8 All Other Bonds	17,470,168.18	.70	.61	30,113,643.97
9 Railroad Stocks	45,681,425.92	1.83	.68	33,111,374.04
10 Public Service Stocks	19,779,115.45	.79	.26	12,925,933.36
11 Stocks of Banks, Trust Companies, etc.	55,983,962.05	2.24	.56	27,091,032.48
12 All Other Stocks	3,158,848.14	.12	.04	2,106,703.18
13 Non-ledger Assets Less Non-admitted Assets	130,641,641.21	5.24	1.80	87,308,951.86
14 Cash in Bank	101,791,372.83	4.08	1.95	94,933,919.43
Total Admitted Assets	$2,489,030,634.57	100.00	100.00	$4,830,154,523.12

EXPECT $15,000,000 YEAR

Royal Union Growing Fast—Insurance in Force $44,105,695—Department's Report

The Royal Union Mutual Life, of Des Moines, Ia., expects to write $15,000,000 next year. The Company's total insurance in force on December 31 last was $44,105,695; and it made a gain last year in insurance in force of $4,698,545.

In submitting the report of the State Department on the Company, after a nine weeks' examination, Insurance Commissioner Emory H. English said:

"I note with satisfaction the substantial growth of your Company during the past three years, and am pleased to indulge the hope that succeeding departmental examinations will record gains no less deserving of commendation, and disclose at the same time as good financial condition."

Regarding Royal Mutual dividends, the report says:

"It is needless to remark that the foregoing dividends are substantial in amount. If the schedule can be maintained, the fact will be a splendid commentary on the earning ability of the Company."

Regarding settlement of death claims, the same report says:

"The Company's treatment of settlements was characterized by the utmost fairness. Claims are paid promptly upon receipt of completed proofs of death. Advantage is not taken of the provision giving the Company the right to make settlement within sixty days after receiving satisfactory proofs of death."

ADDITIONAL 1916 FIGURES

The paid-for business of the Capitol Life of Colorado, for 1916, was $6,274,605; total insurance in force as of December thirty-first, $20,718,383. The Occidental Life of California, estimate of paid-for business last year is $4,380,866.

Popularity's Persistent Progress

The greatest of all great years in delivered business for this Company—1916! Without need of urging or pleading, our representatives, with vigorous and self-directed industry, were the enactors of this glistening achievement.

The tide of new business is flowing strongly in the New Year. We expect that 1917 will be another golden period of widely increased protective service of the homes and the businesses of the United States. Home Office and Field in the Massachusetts Mutual are a unit in their determination to be front-rank contributors.

Occasionally we have a General Agency opening for a quality man.

JOSEPH C. BEHAN, Superintendent of Agencies

MASSACHUSETTS MUTUAL
Life Insurance Company
SPRINGFIELD, MASSACHUSETTS
Incorporated 1851

The "Home Life"

The fifty-sixth annual statement of the Home Life Insurance Company, of which George E. Ide is President, presents a record of substantial benefits to its policy-holders during the year and a solid growth in financial strength.

Assets increased to $32,029,439.71 after paying to policy-holders $3,447,381 including dividends of

$602,721

The insurance in force was increased by $4,766,740 and is now

$125,660,173

For Agency apply to

GEORGE W. MURRAY,
Supt. of Agts.
256 Broadway, New York, N. Y.

BANKERS LIFE COMPANY
BLCo
DES MOINES
PAYS GOOD PAY TO GOOD MEN

THE EASTERN UNDERWRITER

This newspaper is owned and is published every Friday by The Eastern Underwriter Company, a New York corporation, office and place of business 105 William Street, New York City. Clarence Axman, President; B. F. Hadley, Vice-President; W. L. Hadley, Secretary. The address of the officers is the office of this newspaper. Telephone 2497 John.

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FEDERATION THROWS ITS CARDS ON THE TABLE

In an appeal for recognition made to fire underwriters through the medium of a letter addressed to a committee of the National Board of Fire Underwriters, signed by Fred L. Gray, George D. Webb and W. G. Wilson, the National Council of Insurance Federations has squarely outlined its platform, its functions and its purposes. There has been a feeling among fire insurance officials that some more substantial reason for recognition of the Federation than an organization "to fight State insurance" should be forthcoming. The letter of Messrs. Gray, Webb and Wilson, splendidly and lucidly written, says that the platform of the Insurance Federation, giving its object for existence, should not be too narrowly interpreted. The plan says the object of the Federation is to furnish members and the general public reliable information concerning the origin, nature and effect of any and all legislation the purpose or natural consequence of which is to make the State, directly or indirectly, wholly or in part, an underwriter of insurance hazards of any description. The words "or natural consequence," the Federation says, "were employed after careful deliberation in order to justify Federation interest in a class of legislative proposals which though perhaps not directly or immediately involving the principle of State insurance, might nevertheless have a most important indirect bearing thereon."

The three important functions of the Federation are given as follows:

First, to conduct a practical campaign of education to the end that there may be a better comprehension of insurance fundamentals in the public mind and a more sympathetic public attitude toward insurance carriers.

Second, to reinforce by every legitimate means those who champion the rights of sound insurance before legislative bodies.

Third, to co-operate with other business organizations in supporting only those candidates for public office who can be depended on to treat insurance and all other legitimate business activities with wisdom and fairness.

The specific functions of the National Council of Insurance Federations are to aid in the development of the organization; to see that the policy and practices of the various subsidiary bodies are substantially uniform; to maintain an efficient central bureau for exchange of information; to superintend the publication of a Federation newspaper; to counsel and assist local federations.

Five practical questions are then presented to fire insurance companies for consideration in determining whether to join or hold aloof of the movement:

1. What has fire insurance to fear from the State insurance propaganda?
2. What specific benefit can the Federation be to the fire companies in the handling of promiscuous legislation affecting their interests?
3. What certainty is there that the Federation will be wisely directed in all jurisdictions?
4. Will the Federation's legislative machinery conflict with that already established by the fire companies?
5. Can the fire companies afford to maintain an apathetic attitude toward a movement of such importance and promise?

The Federation answers the first question by citing the consideration by the City of Cleveland at the present time of the establishment of municipal fire insurance that will cover not only city owned property "but all property within the city limits." The advocacy of Illinois State fire insurance by Superintendent Potts and the activities of the Farmers' Non-Partisan League in the Northwest (which activities include State Insurance propaganda), are also given.

The second question is answered by the statement that the Federation stands committed to the support of all sound, constructive insurance legislation. The confidence in the Federation is shown by the following query: "Is it conceivable that if the insurance citizenry of Missouri and South Carolina had been effectively mobilized under the banner of the Federation four years ago the statutes that caused such embarrassment to the fire interests in those States would ever have been enacted?"

The third point about the conduct of the Federation's activities is answered by the statement that insurance agents who constitute most of the membership are able, reputable and conservative business men who may be expected to think correctly and wisely.

Under the fourth head the statement is made "with the utmost emphasis" that it is neither the purpose nor desire of the Federation to absorb any existing activity of the fire companies, such as the National Board of Fire Underwriters, but merely seeks co-operation. The present machinery is good enough.

The concluding question—apathy among fire insurance men towards the Federation—is countered with this interrogation: "Is it possible that insurance as a principle appeals less strongly to the home offices than to those on the firing line?"

The last point made is that the Federation is no longer a theory but a fact.

A WESTERN SIGN

The Fire Insurance Society of New York has discovered this sign in the Middle West—discovered by proxy:

"Don't smoke cigarettes near the gasolene tank. If you're not worth much, gasolene is."

THE HUMAN SIDE OF INSURANCE



EUGENE F. HORD

Eugene F. Hord, who has been resident manager in New York City for the Maryland Casualty Company, during the past two years, began his business career as a stenographer in Chicago for the Union Casualty & Surety Company. When that Company was purchased by the Maryland Casualty Mr. Hord went into the claim department of the Maryland at Chicago; and in 1903 was made manager of the claim department, assuming a similar position in New York in 1907. In 1910 he was placed in charge of the claim department of the Travelers in New York City; and in December, 1914, returned to the Maryland as resident manager, having jurisdiction over Greater New York, all of Long Island, Westchester, Rockland and Orange counties. In 1914 this office had a premium income of $470,000; the premiums in 1916 were $875,000. Mr. Hord is a member of the Queensboro Chamber of Commerce, Cherry Valley Golf Club and Jamaica Golf Club.

* * *

George H. Murdoch, former secretary of the Fire Insurance Society of Newark, is now the head of the Murdoch Law Book Company of Newark. Before he went into the insurance end he was with the Newark "News."

* * *

Elbridge Gerry Snow, president of the Home Insurance Company, had a birthday a few days ago, and as usual a large number of insurance men took advantage of the event to show the regard in which they hold this executive, by means of floral offerings, telegrams and letters. There is nothing perfunctory in this tribute, it comes straight from the heart. It must be a source of considerable satisfaction to Mr. Snow to know that the qualities of gentleness with manliness, courtesy with strength, possessed by him—and rather an unique combination—have not only long been recognized, but are tremendously appreciated.

* * *

William B. Dickson, of Montclair, N. J., who was chairman of the Employers' Liability Commission of New Jersey, has consented, at the request of Governor Edge, to serve as chairman of a commission of three to assist the Governor in bringing about a solution of the State prison problem, particularly as it relates to the introduction of the State-use system.

A. T. Van Heusen, of Amsterdam, has represented the Aetna, Home, Insurance Company of North America and Hartford for thirty years continuously and has occupied the same office for that time. Mr. Van Heusen is president of the Board of Underwriters of Amsterdam and has been active in its affairs since it was organized twenty years ago. He has also been a circuit judge and a city magistrate. In addition to his other activities Mr. Van Heusen is a partner in the large department store in Albany bearing that name.

* * *

John Postgate, a well-known newspaper man who in the past has run insurance columns in the Chicago "Post" and, Pittsburgh "Post," is the editor of an insurance column which has been established by the New York "Globe." Mr. Postgate has had an unusually wide newspaper experience, which has included covering a former European war; has reported Wall Street happenings for New York dailies; was Washington correspondent of the old Chicago "Herald," and is an able and instructive writer and The Eastern Underwriter wishes him success in his new venture.

* * *

W. L. Hathaway, manager of the San Francisco agency of the Mutual Life of New York, entered the employ of the Mutual Life in the San Francisco office as an agent in 1892. In 1898 he was appointed general agent for the Southwestern field, with headquarters at Albuquerque, N. M., when that part of the country was sparsely settled. While in charge of this territory, he received a large percentage of the business, and also appointed many new agents. Some of the members of this agency are now at the head of agencies of their own, and most of them are still with the Company. In 1912 the Southwestern territory was divided into two sections, and Mr. Hathaway was placed in charge of the Oregon agency of which he made a success. Mr. Hathaway was later selected to direct the office through which he first entered the employ of the Mutual Life.

During the eleven years that Mr. Hathaway has held the managerial power for the Mutual in San Francisco, his agency has accounted for a steady and substantial production of new business. At the Detroit Convention of the National Association of Life Underwriters in 1910, a suggestion was advanced by Mr. Hathaway to bring the life insurance organizations in closer contact with each other, by holding their agency meetings collectively at some place to be selected. On his return to San Francisco, Mr. Hathaway placed the matter before the local underwriters' association and it was strongly endorsed by them. The World's Insurance Congress was the result of this movement which Mr. Hathaway fathered.

* * *

Clarence J. Green is now president and owner of the H. D. Goodale Co., Inc., Mr. Goodale having died five years ago. Mr. Green is also secretary-treasurer of the Underwriters' Association of Watertown. The agency has represented the Aetna and Home since it was organized.

* * *

Randall N. Saunders, former assemblyman, has been appointed an agent of the Northwestern Mutual Life in Columbia and Greene Counties, New York.

* * *

Augustus K. Knoll, of Buffalo, general agent of the Aetna Life Insurance Company, has been elected vice-president of the Buffalo Chamber of Commerce.

FIRE INSURANCE DEPARTMENT

H. E. Maxson Goes With C. R. Neidlinger

SPECIAL AGENT OF CONTINENTAL FOR EIGHT YEARS

Will Receive Gift of Appreciation From Associates in Albany Field Club

H. E. Maxson, special agent of the Continental in Eastern New York, has resigned to become associated with Charles R. Neidlinger, who maintains offices at Liberty Street, New York, and in Havana, Cuba. Mr. Neidlinger, who represents the Continental Fire, Maryland Casualty and Compania De Securos, of Cuba, in the island republic, is now in Cuba.

Mr. Maxson is one of the most popular men in the New York State field, and has represented the Continental for eight years. His resignation is dated February 1, and his successor has not yet been appointed.

To Get Gift From Albany Field Club

At the January meeting of the Albany Field Club, held at Keeler's Hotel, Albany, last Friday, proposed changes in the constitution and plan of operation of the club were discussed and will come up for action at the next meeting. Charles Hoyt Smith, special agent of the L. & L. & G., presided for the first time as president. Regret was expressed at the resignation of Mr. Maxson, who was not able to be present at the meeting. A committee, of which J. B. Dacey, special agent of the Boston, was chairman, was appointed to present to Mr. Maxson a suitable token of the appreciation of the members of the club of Mr. Maxson's association with them and their regret at his leaving the field. Best wishes were also sent Mr. Maxson for his success in Cuba.

Those Present

Among those attending the meeting were Mr. Smith; L. C. Breed, special agent, National; J. B. Dacey, special agent, Boston; A. T. Lovett, special agent, Fire Association; R. N. Moore, special agent, Insurance Company of North America; W. B. Lutz, special agent, Phoenix of London; George S. Tompkins, special agent, Commercial Union; Percy Ling, special agent, North British & Mercantile; Tom Naulty, Underwriters' Association of New York State; R. F. Van Vranken, special agent, Home; A. J. Bates, special agent, New York Underwriters' Agency; W. W. Lenox, Albany, manager of general adjustment bureau; L. A. Williamson, staff adjuster; Martin Kunziger, staff adjuster; Joseph H. Mayers, special agent, Niagara; R. W. Swayne, of The Eastern Underwriter, and special agent Price.

NATIONAL UNION'S PROGRESS

Assets Show Increase of $262,598—Surplus of $193,709; Premiums, $189,731

The continual progress being made by the National Union is shown by the following synopsis of its annual financial statement compared with the previous year:

	1916	1915	Increase
Assets	$4,427,823	$4,165,225	$262,598
Net premiums	2,310,614	2,120,883	189,731
Net surplus	744,655	550,946	193,709
Reserve for unearned Premiums	2,362,164	2,327,302	34,862

TO MEET FEBRUARY 15

The Fire Underwriters' Association of New Jersey will hold its mid-year meeting in Trenton on February 15.

Graded Commission Plan Was Wise Move

PREVENTED IMPENDING CHAOS IN WESTERN TERRITORY

P. D. McGregor, Western Manager Queen Insurance Co., Speaks in New York

P. D. McGregor of Chicago, manager of the Western Department of the Queen Insurance Company of America, in an address delivered before the Insurance Society of New York on the subject of, "Underwriting Conditions in the Middle West" on January 23rd, told of the workings of the Western Union in the early days and described the conditions existing in the territory outside of the accepted cities where non-union companies were rapidly raiding the business from the union companies through the payment of five to ten per cent. more commission on the better classes of business. Continuing Mr. McGregor said in part:

"It was felt that something must be done to check this onslaught and at the September, 1899, meeting, after a stormy session, the so-called graded commission plan was adopted, which briefly meant that The Union rate of commission was still 15 per cent., but any agent who represented only Union companies might be paid 15 per cent. on ordinary business, 20 per cent. on brick store buildings (not contents) and 25 per cent. on dwellings, churches, etc., commonly known as 'preferred.'

"This, in my judgment, was the wisest step The Union ever took. It was a process of separation that violated no law and placed no restraint upon the agent. Those who had only Union companies commenced charging graded commissions from October 1, 1899. Slowly but surely the leavening process went on until the Union companies had largely regained the business they had lost, and it was then agreed on the part of many that the measure which was intended to be one of defense was ethically correct.

"The non-Union companies, being farseeing, met and formed an institution known as 'The Bureau,' which embraces in its membership most of the companies not represented in The Union. Overtures of peace were made as between the two bodies and a joint working agreement was reached whereby The Bureau practically adopts all of the rules of The Union, and these two institutions work in harmony, leaving only a few companies which are not members of either one or the other.

"The basis of the agreement briefly is that in strictly Union agencies The Union can pay graded commissions. In strictly Bureau agencies the companies may pay The Bureau scale of commissions, which is a trifle higher than that of The Union. In agencies where there are one or more non-affiliated companies (by which is meant those that are not members of either The Union or Bureau) both organizations pay 15 per cent. only. In 'mixed' agencies, which are made up of Union and Bureau companies exclusively, The Union graded commission is paid.

"Under this working agreement between the two bodies it has been found possible to regulate commissions in Chicago, Milwaukee and St. Louis, being three of the former so-called 'large cities' of The Union, and it is hoped that some action later on will be taken with the other three. It would have been practically impossible to have brought this about without the active co-operation of The Bureau companies. The Bureau had about twelve excepted cities and the agreement is that for every Union city regulated two Bureau cities will receive like treatment.

"The field men of the two organizations, who previously had been at loggerheads, now come together in various field club meetings and are active in the association known as the 'Blue Goose,' with its slogan—'Tote fair'—which endeavors to bring about better conditions in the business, as well as some enjoyment and social intercourse, so that we are now pretty near the period they used to tell us of in school when in the early history of the country came the so-called era of good feeling.

"So much for the material things and their advantages, but, after all, the keynote of fire insurance is rates. Practically any risk except a known moral hazard may safely be accepted if the rate is adequate. The question of making schedules that adequately will rate the various risks from the simple dwelling to the complex special hazard is one that has enlisted the attention of many of the brightest minds in our business. Many theories have been tried, only to be discarded before being put into practical use. In the early days of local boards the rating was done largely by the companies' special agents through their State boards and committees and it was quite customary to seek membership on the rating committee because it was supposed to give one an advantage with his local agent. The rating was very crude and slipshod, so much so that two men starting at different ends of a block and meeting in the middle would have quite different results as to the proper rates, while the man who went down the alleyway would differ from the other two."

FIRE AND MARINE INSURANCE—ALL LINES

The Automobile Insurance Company of Hartford, Conn.

MORGAN G. BULKELEY, President

Statement January 1, 1916

Cash Capital	$1,000,000.00
Assets	2,377,857.39
Liabilities (Except Capital)	467,413.45
Surplus to Policyholders	1,910,443.94

AFFILIATED WITH

ÆTNA LIFE INSURANCE COMPANY

THE ÆTNA ACCIDENT AND LIABILITY CO.

UNIFORMS ONLY INSURED

State Bears a Loss in Troy, N. Y.—Agents Discuss Stamping Office

Troy, N. Y., Jan. 22.—The only insurance on the State armory which burned last week was $15,000 on the uniforms and equipment. The building is a total loss estimated at $300,000. The insurance on the uniforms and equipment was placed by the Troy Insurance Agency.

The fact that the building was a total loss with no insurance is looked upon by up-State agents as an occurence which may bring the State to insuring its property.

Troy agents have been agitated since January 1 over the prospect of having the stamping office which has been located in that city moved to Albany. This proposal was made on the basis of economy, it being claimed that a revenue office at Troy was an unnecessary expense and that Troy agents could come to Albany with little difficulty. The office was closed only one day, however, and opened for business again on Tuesday.

WITH AUTO. INSURANCE CO.

W. H. Shaul, inspector of the sprinklered risk department of the Underwriters' Association of New York State, has resigned to go with the sprinklered risk department of the Automobile Insurance Company of Hartford.

RE-ELECT T. J. LAPRES

The directors of the Seaboard Fire, of Atlantic City, have re-elected Theodore J. Lapres president. The capital of the Company is $50,000 and the surplus and undivided profits $19,011.

Miss Helen I. Buckley is agent for the Northern of London in Lyons, N. Y.

BROKERS ACTIVITIES

Lloyds Guarantees Reach £4,528,500

DEPOSITS FOR SECURITY NOW FOOT £324,200

Five Hundred and Seventy-five Underwriters Give Auditor's Certificates to Board of Trade

Recent questions asked about Lloyds in the House of Commons and the answers thereto have reached this country. Two of the questions and answers follow:

Question:

What is the amount of the deposits, if any, furnished in accordance with the Eighth Schedule (B) and (C), 2 (3), of the Assurance Companies Act, 1909, by Lloyd's Underwriters as security for the due fulfilment of their fire and accident insurance contracts; the amount of the security furnished in the form of guarantees; whether any of the guarantees which may be furnished as an alternative to a deposit are given by persons who are not members of Lloyd's Underwriters' Association; and, if so, to what extent?

Answer:

The amount of the deposits furnished in accordance with Schedule 8(B) and (C) 2 (b) of the Assurance Companies Act, 1909, by Lloyd's Underwriters as security for claims in connection with fire, accident and other non-marine business is £324,200. The amount of the security furnished in accordance with the provisions referred to in the form of guarantees is £4,528,500.

Question:

How many Lloyd's Underwriters have complied with the requirements laid down in Schedule 8, paragraphs (B) and (C) (1) (b) of the Assurance Companies Act as regards the furnishing to the Board of Trade of a statement showing the extent and character of the business effected by them; and how many Lloyd's Underwriters, in lieu of complying with paragraph (D) (1) (a) and (b), have elected to comply with paragraphs (B) and (C) (2) of the Schedule and supply to the Board of Trade an auditor's certificate in lieu of a full statement showing the extent and character of the business transacted?

Answer:

No Lloyd's Underwriters have furnished the Board of Trade with a statement showing the extent and character of the business effected by them in accordance with Schedule 8 (B) and (C) 1 (b) of the Assurance Companies Act, 1909. Five hundred and seventy-five Lloyd's Underwriters elected to comply with the alternative requirein accordance with Schedule 8 (B) and (C) 2, and furnished the Board with auditor's certificates.

Thus it is disclosed that the security consists of:

Deposits	£324,200
Mutual Guarantees	4,528,500
	£4,852,700

Comparing these figures with previous records obtained from the same source, we find:

Year	No. of Members	Deposit	Mutual Guarantees by Members
1911	501	£228,250	£2,841,428
1912	511	207,000	2,885,210
1913	544	263,750	4,436,000
1914	564	286,000	4,548,000
1915	575	324,200	4,528,500

* * *

Stillman Chairman of Brokers' Publication Committee

The Chairman of the Publication Committee of the Fire Brokers' Association of New York—in other words, the editor of the bulletin issued by this association is F. W. Stillman. This Bulletin has created a lot of talk among underwriters recently by its comments on current conditions in fire underwriting and in reference to company and other associations.

* * *

Pittsburgh Brokers

Thomson & Sproull, fire insurance brokers, have leased half the ground floor in the Magee building, 336 Fourth Avenue, Pittsburgh.

* * *

Decline Munition Risks

It is reported that the Re-insurance Bureau has placed munition risks on the prohibited list.

LOCAL MERGER

The offices of William Sohmer, fire insurance agency, representing the German Alliance and First National, have combined with Sohmer & Harris, Equitable Life agents, under the management of A. A. Harris. Philip T. Schmidt has left the Sohmer agency to do a general insurance business in his own office.

LAW'S STATE CHART

A State fire insurance chart for 1917 has been compiled and published by Harrison Law of Nutley, New Jersey. The chart includes important features necessary to the reinsurance and accounting departments.

TALKS IN OSWEGO

The Oswego "Times" devoted a column and a half to the speech of Ralph G. Potter, of the Underwriters' Association of New York State, telling the Chamber of Commerce how the city could have lower rates.

AGENTS SONS OF BANKER

John D. and Frank Cesario have opened an insurance office in Port Chester, N. Y. Their father is a private banker and steamship agent.

PHILADELPHIA

ADEQUATE FACILITIES
ALL LINES

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Excellent Facilities for Handling Suburban and Out Of Town Business
Phone: John 2312

Nord-Deutsche
INSURANCE COMPANY
OF HAMBURG, GERMANY
ESTABLISHED 1857
STATEMENT JANUARY 1, 1916
Assets $2,063,315
Liabilities 922,699
Surplus 1,140,616
UNITED STATES BRANCH
123 WILLIAM ST., NEW YORK
J. H. LENEHAN, United States Manager
AGENTS WANTED IN PRINCIPAL CITIES AND TOWNS

CRUM & FORSTER
GENERAL AGENTS
95 WILLIAM STREET NEW YORK CITY

United States Fire Ins. Co., N. Y.
Richmond Ins. Co., N. Y.
Potomac Ins. Co., Washington, D. C.
National Lumber Ins. Co., Buffalo, N. Y.
The North River Ins. Co., N. Y.
Union Fire Ins. Co. Buffalo, N. Y.
Seneca Fire Ins. Co., Buffalo, N. Y.
United States Underwriters' Policy, N. Y.

F. M. GUND, Mgr. Western Dept.
Freeport, Illinois
W. W. ALVERSON, Mgr. Pacific Coast Dept.
San Francisco, California

THE YORKSHIRE INSURANCE COMPANY, LTD., OF YORK, ENGLAND
ESTABLISHED 1824
The "Yorkshire" is the Oldest and Strongest of the English Fire Companies not heretofore represented in the United States
U. S. BRANCH
Frank & Du Bois, United States Managers
Harry F. Wanvig, Branch Secretary
Ernest B. Boyd, Underwriting Manager
Frank B. Martin, Supt. of Agencies
NO. 80 MAIDEN LANE, NEW YORK
New York Life Insurance and Trust Co., U. S. Trustee, No. 52 Wall St., New York
DEPARTMENTS—METROPOLITAN, Willard S. Brown & Co., Managers, New York, N. Y.; CAROLINA-VIRGINIA, Harry R. Bush, Manager, Greensboro, N. C.; SOUTHEASTERN, Dargan & Hopkins, Managers, Atlanta, Ga.; LOUISIANA and MISSISSIPPI, Jas. B. Ross, Manager, New Orleans, La.; PACIFIC COAST, Jas. C. Johnston, Manager, J. K. Hamilton and McClure Kelly, Assistant Managers, San Francisco, Cal.

GENERAL FIRE ASSURANCE CO.
OF PARIS

URBAINE FIRE INSURANCE CO.
OF PARIS

BRITISH DOMINIONS
GENERAL INS. CO., Ltd.
OF LONDON

FRED. S. JAMES & CO.
United States Managers
123 WILLIAM STREET, NEW YORK

FRED. S. JAMES
GEO. W. BLOSSOM
W. A. BLODGETT

C. B. G. GAILLARD
Assistant Manager

Discussion Over Non-Concurrencies

PROMINENT BRITISH UNDERWRITER WRITES PACIFIC COAST MAN

Difference in Systems of Apportionment as Applied in England and on Coast

In the East there is no fixed rule with reference to apportionment of non-concurrencies. Adjusters at different times have used the Hartford, Griswold, Kinne, Cromie, Reading or Albany rules, depending upon which best meets the situation. Generally speaking adjustments are made without regard to any rule, but the apportionment is worked out along lines which would appear to meet the equities of the case, always keeping in mind that no method be employed but one which would give the assured the fullest indemnity the policy will afford. On the Pacific Coast the Kinne rule (known as the Pacific Coast method) is in use. An interesting discussion of the Pacific Coast method has taken place between George H. Marks, assistant Fire Manager of the London Assurance, well-known in this country, as he was here advising adjusters after the San Francisco conflagration and A. W. Thornton, a prominent figure among adjusters on the Coast.

Pacific Coast and English Methods

In the correspondence Mr. Marks discusses the merits of the British system of contribution and apportionment as compared with the Pacific Coast, or Kinne method. The Pacific Coast and the British methods are illustrated as follows:

Pacific Coast Method

No. 1—
Co. A insured $1000 with 100% co-insurance
Co. B insured $1000 with no co-insurance
Value.....$4000 Loss.....$1000
Co. A pays $250
Co. B pays $500
Assured stands $250 of loss

No. 2—
Co. A insured $1000 in 2 warehouses with average clause
Co. B insured $1000 in 2 warehouses with no average clause
Value each warehouse $2000
Loss warehouse No. 1.....$1000
Co. A pays $333.33
Co. B pays 666.67 $1000

No. 3—
Co. A insures $1000 on livestock, claim not to exceed $100 on any one animal
Co. B. insures $1000 on livestock (no limit). Loss $500 on one animal
Co. A's proportion would be $250, but has limit of $100 and therefore pays only....$100
Co. B's proportion $250
$350
Assured loses $150 by reason of limitation in Co. A's policy.

English Method

	Company	Independent Liability	Pays
No. 1	A	$250	$200
	B	1000	800
		$1250	$1000
No. 3	A	$100	$83.33
	B	500	416.67
		$600	$500.00

Mr. Marks' Letter

In his letter to Mr. Thornton, Mr. Marks says in part:

"This is a subject in which I know you take a great deal of interest, and to which you have devoted a considerable amount of study. As I have also for several years past been particularly interested in the apportionment of losses, I thought it would not be amiss if I told you how one or two of the points of your lecture strike me as somewhat different from the English system.

"I think on a previous occasion I have commented upon the Reading Rule and the Finn Rule, both of which are quite unknown on this side, where the usual rule adopted is what you know as the Albany Rule, with this variation, that it is now the invariable practise to apportion non-concurrent, non-average policies according to the Albany Rule by in the first place paying the largest loss, then bringing in the balance of the policy to pay the next largest loss, and so on down to the smallest loss. Then the process is reversed, and the smallest loss taken first, then the next largest, and so to the largest loss. These apportionments are then combined and the mean between the two apportionments is taken as the final figure for payment. Sometimes, but not often, this has the effect of still leaving the insured to bear a portion of the loss although in the aggregate he is fully insured, in which event the remainder of the loss is re-apportioned amongst the policies that are still unexhausted.

"I am more in favor, however, of the rule adopted on your side, as the practice here necessarily punishes the blanket policy very inequitably.

"My purpose in writing, however, was rather to take up the examples you give numbered 1, 2 and 3, where a policy with a co-insurance clause is put against a policy without a co-insurance clause.

Discusses Thornton's Examples

"It would appear from your example No. 1 that if the insured had not taken out a policy with Company A he would have received the full amount of his loss from Company B, but because he takes out a policy with Company A you make out that he should lose $250, which is manifestly unjust. The way it would be apportioned here would be on the independent liability basis, viz, that Company A is independently liable for $250, and would have to pay that amount if there were no insurance with Company B. Company B has similarly independent liability for $1,000, and would have to pay that amount if there were no insurance in Company A. The total of the independent liability is therefore $1,250 to pay a loss of $1,000. The apportionment will then stand as follows:

Company	Independent Liability	Pays
A	$250	$200
B	1000	800
	$1250	$1000

"The same principle applies to your example No. 3. The independent liability of Company A is $100, that being the limit on any one animal. Company B's liability is $500, viz, the total amount of the loss seeing that this company has no limit on livestock. The apportionment would then stand:

Company	Independent Liability	Pays
A	$100	$83.33
B	500	416.67
	$600	$500.00

"Under your apportionment the insured loses $150 although he has ample insurance, and if he had no insurance in Company A he could recover the whole amount from Company B.

"The principle upon which we act on this side, and which is supported by all court decisions is that the insured must not suffer beyond the amount which the full liability under his policies will give to him. I shall be interested to know whether you do not look at it from the same standpoint. Why should the insured suffer merely because he has other insurance?

"The contribution clause in my opinion does not have this effect, for as a matter of fact the independent liability is really the amount of insurance that the insured has upon the property destroyed, and the contribution clause merely provides that the loss should be paid in the same proportion."

Mr. Thornton's Reply

Mr. Thornton replied to Mr. Marks' letter in a lecture delivered before the Fire Underwriters' Association of the Pacific, and reprinted by the "Pacific Underwriter." Mr. Thornton said:

I am not entirely familiar with the verbiage of the English policy in the clause providing for contribution, but the insurance contract used in this country distinctly provides that the company shall not be liable for a greater proportion of any loss than the amount named in the policy bears to the whole insurance, whether valid or not, and the contribution to be made by the company in case of loss may be provided by agreement attached to the policy. Under this language a policy for $1,000 would pay one half the loss (within the limit of the policy) when the entire insurance is $2,000, with a co-insurance clause on the second policy, whether or no such co-insurance clause in the second policy reduces the claim of the assured. This has been decided by our courts, and seems to be in line with proper practices. If it were not so, and if the policy without co-insurance could be compelled to pay the deficit arising through the failure of the insured to comply with the co-insurance requirements, then it is apparent that the property owner could effect a material saving in his premiums without incurring much, if any, of a penalty. This could be done by attaching co-insurance to part (even the greater part), of his policies, obtaining a reduction in rate of 20 per cent. or 30 per cent, and, as a safeguard, securing a small part of his protection without any co-insurance provision. In case of loss, should he be short of the necessary amount of insurance to comply with the requirements, the policy without the co-insurance would make up the deficit, thereby fully protecting the owner without imposing on him any penalty for failure to comply with the provisions of the policy, for which he had obtained a material reduction in rates. The above applies of course to partial losses only, as it naturally follows that the assured would recover the face of his policy in case of total destruction of his property, and would only suffer the penalty of losing the difference between the amount of insurance and the total valuation. Mr. Marks points out that allowing the insured has sufficient indemnity to cover his loss, it would be manifestly unfair to penalize him on account of the conditions of one policy. If the assured takes out a contract of indemnity for $1,000 with a permit for other insurance and vacancy permit attached thereto, it is apparent that he could recover a $500 loss from the company issuing the policy if there was no other insurance on the property. Suppose, however, he afterwards secures another policy for an equal amount, and fails to obtain permit for vacancy or to secure permission for other insurance, then the second company would not be liable on account of the breach of both conditions. In event of a loss of $500 the first company would pay $250 and the second company would pay nothing, so that the assured would suffer a penalty of $250 by the conditions imposed by the second contract, although having ample insurance. The liability of the company must be fixed and determined regardless of the assured's failure to comply with the restrictions and conditions of another contract, for which he suffers a penalty. It also occurs to the writer that the contribution and liability between Company A and Company B in the first problem on a basis of $250 for Co. A and $1,000 for Co. B is not in accordance with the printed conditions of the policy above referred to. The system makes Co. A pay $200 on a $1,000 policy, and makes Co. B pay $800 on a policy for a similar amount, where the total loss is but $1,000. In the writer's opinion this can scarcely be considered as within the language "no greater proportion of any loss than the amount hereby insured shall bear to the whole insurance whether valid or not." It is apparent also that Co. B's liability varies with the percentage of co-insurance required in Co. A's policy, whereas the method adopted here fixes Co. B's liability as $500 under any circumstances and varies the payment of Co.

(Continued on page 16.)

Where Kinne Rule Proves Unsatisfactory

INSURED NOT FULLY INDEMNIFIED IF THERE'S CO-INSURANCE

A General Adjuster Gives Concrete Case to Prove His Point—How Rule Works

In discussing apportionment of losses under non-current policies one of the great general company adjusters told The Eastern Underwriter this week that one of the reasons why the Kinne rule has not been adopted in the East is that it does not work out satisfactorily where there is co-insurance. He said that when he made such a statement in a publication some time ago ("The Monitor") he amplified it by saying:

"The Kinne rule will not only fail to fully indemnify the insured in many instances where co-insurance is present, but will come farther from doing so than almost any other known rule; hence under modern underwriting conditions it fails in the one point which of all others was chiefly instrumental to bringing it into being."

Proved Point to Sexton

This got a rise out of the late William Sexton, for years general adjuster of the Firemen's Fund, who said:

"The Kinne rule has been adopted by all of the companies on the Coast. So far in our experience we have not found a case where it will not apply: I will be pleased personally to have a moot case made up by you in which the co-insurance he refers to is interested and to which it will not apply."

The adjuster, thereupon, submitted a concrete case which occurred on the Pacific Coast several years ago where under the Kinne rule, by reason of the operation of the co-insurance clause the insured was not fully indemnified, but sustained a loss of more than $1,000. The case, which was published at the time by "The Monitor," follows:

Company A covered $17,000 on butter, with 90 per cent. reduced rate clause; Company B covered $8,000 on eggs, with 90 per cent. reduced rate clause; Company C covered $2,000 on eggs, without 90 per cent. reduced rate clause; Company D covered $4,500 on butter and eggs, without 90 per cent. reduced rate clause; Company E coverer $5,000 on butter and eggs, with 90 per cent. reduced rate clause.

	Sound value	Loss
Butter	$17,317.96	$ 684.81
Eggs	17,936.70	10,035.18
Cheese	6,062.20	None
Total	$41,316.86	$10,719.99

Reduced rate average conditions inoperative under all policies except that of Company E.

How Insured Lost

According to the Kinne rule, i. e., dividing the blanket policies in the ratio of loss,

Company A paid	$ 661.19
Company B paid	4,249.24
Company C paid	1,062.31
Company D paid	2,248.41
Company E would pay	2,498.84
Total	$10,719.99

But the limit of Company E's liability under the reduced rate average clause was 5,000-37/185.17 of $10,719.99, or $1,441.43; hence, Company E could not be made to pay the $2,488.84 charged to it under the Kinne rule apportionment, and the insured lost $1,057.41.

Drives Argument Home

Continuing, the adjuster said:

When the Kinne Rule was invented, co-insurance as an element of fire insurance was in its infancy, and, even at the time of the San Francisco conflagration, was not in general use on the Pacific Coast. If it had been a mandatory requirement, the ratio of insurance to value in the great fire, instead of being 70 per cent. or less, would probably have been at least 10 per cent. higher, and the loss

(Continued on page 14.)

Weller Say Auto Frauds Reach $150,000

ASSISTANT DISTRICT ATTORNEY'S ESTIMATE AT TRIALS

Strobel, of Moon Auto Sales Co., Photographed All Fires and Wrecks—Produced As Evidence

The auto fraud trials this week have been attracting wide insurance attention.

William E. Stark, mechanic for the Moon Auto Sales Co. of Brooklyn, was tried before Judge Nott on Tuesday, in the Court of General Sessions, Part Three, on a charge of burning automobiles, and a verdict of "guilty" was rendered by the jury.

R. H. Weller, Assistant District Attorney of New York, has started an investigation to clear up the recent series of fraudulent claims, approximating about $150,000, paid by insurance companies on automobiles burned or wrecked within the last two years by incendiaries.

Frank G. Strobel, general manager of the Moon Auto Sales Company of Brooklyn, made a full confession to District Attorney Weller. According to Strobel's statement, he and William E. Stark, a mechanic, with M. Wolfe, who is now dead, operated the sales company as a blind for burning automobiles upon which insurance policies had been taken out. The bookkeeper for the sales company testified that they sold about fifty new Moon cars a year, although the records showed a business of about two hundred automobiles a year.

According to statements made by Assistant District Attorney Weller, insurance would be placed on a new car purchased from the Moon Auto Sales Company, but in reality the policy would be written on a second hand car, or on one which had been burned or wrecked before, the automobile having been painted so as to resemble a new machine. The sales company would credit this on their books as the purchase of a new machine. A few weeks later the automobile would be towed to some lonely road in the country and wrecked or burned. The insurance would then be collected from the company.

Walter Schirpinski, formerly a mechanic with the Moon Auto Sales Company, who pleaded guilty before Judge Nott, states that he, Stark and Strobel, towed several old model motor trucks to Babylon, L. I., where a temporary garage was built. A few weeks later Schirpinski, Stark and Strobel poured gasolene over these trucks and set them afire. The trucks were insured as new machines, and through an insurance adjuster the claim was paid by a prominent New York fire insurance company.

The District Attorney's office said that Stark and Strobel not only set fire to their own cars, but occasionally burned machines for other persons so as to collect the insurance money.



F. H. HAWLEY, Pres. ORGANIZED 1848 W. E. HAINES, Secy.

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Ohio's Oldest and Strongest Company

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E. K. SCHULTZ & CO.

PHILADELPHIA

GENERAL AGENT

Pennsylvania, New Jersey and New York

AGENTS WANT LOWER RATES

Meeting Held in Watertown—Experience Presented—Committee to Submit Matter to N. Y. Association

Watertown, N. Y., Jan. 23, 1916.—At a meeting of the Jefferson County agents in Watertown last week the increase in farm rates came up for consideration. Jefferson County is rated in class 2. Several agents had compiled data on their experience on farm business, which showed it to have been profitable. That this was not confined to a few agents, they said, was shown by the experience of the local "Grange" which made no assessment this year. The agents felt that the County was entitled to a class 1 rating, which would eliminate the 25 cent increase declared on class 2 districts. A committee was appointed to go to Syracuse and submit the matter to the Rating Board of the Underwriters' Association of New York State and it was suggested that in the meantime the agents compile data showing their experience for the past five years on this class of business. A circular letter was read from the Clinton County Agents' Association urging all county agents to co-operate to secure a general reduction of farm rates. The letter said that the experience of the companies on farm business in Clinton County had also been profitable.

ADMIRES H. P. MOORE

A Little Tribute to an Able Underwriter From a Local in Cohoes, N. Y.

Cohoes, N. Y., Jan. 22.—John Laughlin, agent of the Home here for many years, is a great admirer of Howard P. Moore, of that Company. Mr. Laughlin tells a story that Mr. Moore, when a special agent of the Home, glanced over a loss at Cohoes and quickly said: "If you can settle for $250, do so."

The builders' estimate, made later, was $235.

"I have heard from other locals of similar instances of the correctness of Mr. Moore's judgment, not only in estimating the extent of a loss, but in other matters; and you can quote me as saying that he was one of the greatest field men that this territory has ever known," said Mr. Laughlin.

Firemen's Insurance Co., Newark, N. J.

STATEMENT JANUARY 1, 1916

Capital Stock	$1,000,000.00
Re-Insurance Reserve	2,955,812.00
Reserve for Unpaid Losses and All Other Liabilities	382,114.00
NET SURPLUS	2,708,837.00
TOTAL ASSETS	$7,046,763.00

DANIEL H. DUNHAM, President

JOHN KAY, Vice-President and Treasurer — A. H. HASSINGER, Secretary

NEAL BASSETT, Vice-President — J. K. MELDRUM, Assistant Secretary

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Washington, D. C.

New York Suburban and New Jersey

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E. C. IRWIN, President T. H. CONDERMAN, Vice-President

M. G. GARRIGUES, Sec. and Treas.

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Incorporated 1852

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FRED. A. HUBBARD, Vice-President

E. S. JARVIS, Secretary

WILLIAM MORRISON, Asst. Sec'y

HOME OFFICE

Hanover Bldg., 34 Pine St.

NEW YORK

HOWIE & CAIN, General Agents

Metropolitan District

100 WILLIAM STREET, NEW YORK

GERMANIA

FIRE INSURANCE COMPANY

NEW YORK.

ORGANIZED 1859

STATEMENT, JANUARY 1, 1916

Cash Capital	$1,000,000.00
Assets	$8,029,651.84
Liabilities	$3,920,295.68
Net Surplus	$3,109,356.16
Surplus for Policy Holders	$4,109,356.16

HEAD OFFICE:

Cor. William and Cedar Streets

L. & L. Schedule

(Continued from page 1.)

occupancy and hazards are retained, there being separate tables for non-fireproof stories and for fireproof stories. Heretofore area charges have not been modified in this way for cross walls or incombustible partitions.

In the table of hazards there is a general hazard table which makes a general charge in a building under each heading for heating apparatus, lighting system, minor gas hazards and volatiles. These charges are made by selecting for the charge the combination of initial charge and burning degree producing the highest final charge.

Where Kinne Rule Fails

(Continued from page 13.)

to the insurance companies would have been greater by many millions.

It is therefore not at all surprising that the author of the Kinne Rule did not anticipate the modern co-insurance conditions, and consider the possibility of a loss accruing to the insured in cases where some policies contain the reduced rate average or co-insurance clause and others do not. And even if he had done so, I think any attempt to take care of this loss under the operation of the rule would have been met with the objection that it was in conflict with the Farmers' Feed Company (N. Y.) and Stevenson (Wis.) decisions.

The underwriters of the Pacific Coast are to be congratulated upon the fact that they have been able to agree upon a rule of apportionment for use among themselves, for whether fundamentally sound in principle or not, the results will probably equalize themselves in the long run. But the Kinne Rule is not binding upon the insured, who is entitled to that method of apportionment, not inconsistent with the co-insurance or contribution clauses of his various policies, that will give him the greatest indemnity.

The contribution clause is entitled to a rational construction, and cannot be ignored any more than can the co-insurance or the reduced rate average clause, but the multiplication of the blanket policy, as per the Connecticut Rule, and the division of the blanket policy as per the Reading and the Finn-Griswold-Kinne Rules, for contribution purposes are arbitrary—though systematically so—and if any other division of the blanket policy more favorable to the insured can possibly be made—even though such division may be even more arbitrary and lacking in theoretical beauty—the insured is entitled to have such division made in his interest.

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NEW JERSEY NOTES

Moffatt Tries To Block Federation

BUT McKEE, AIDED BY NAULTY, PUTS IT OVER

Committee of Five Appointed to Organize in New Jersey—Discussion at Newark Meeting

Fresh from a triumphant meeting in Boston where he addressed 1,000 insurance men gathered to form an insurance federation, Mark T. McKee, secretary of the Insurance Federation, came to Newark on Monday to line up New Jersey. Mr. McKee has had pretty easy sailing in forty-four States that have organized, but in conservative Newark he was up against a cold and indifferent audience, consisting largely of fire agents who are members of the New Jersey Association of Local Underwriters. It had been rumored in New Jersey for a week that the officers of the New Jersey fire agents' association did not look with favor on the prospect of an Insurance Federation in the State; also, that the casualty men favored it.

Cox, Rippe and Dickinson Not There

Mr. McKee showed up with his brother Max, organizer in New York State, and with Stanley L. Otis, paid secretary in New York State. There were about thirty present, largely from Newark, and a sprinkling of agents from Jersey City, Hoboken and other towns. Fred J. Cox, of Perth Amboy; Meredith Dickinson, of Trenton; Arnold Rippe, of Jersey City, three of the leaders in the fire agents' association, were not present, but Thomas C. Moffatt, one of the officers of the association; and William S. Naulty, managing head of the Byrne agency, Newark, and a member of the executive committee of the fire agents' association, were on hand from the start.

Mr. McKee's Talk

Mr. McKee began by outlining the need for an insurance federation. He told of the hostile attitude towards insurance in many quarters, often most unexpected, evidencing itself against every branch of the business. He said that while there were many insurance organizations, insurance was in reality only 10 per cent. organized, and he pointed out how the Federation need not take the place of any organization now in the field, but would work in harmony with them all. He explained the new Massachusetts plan, a story about which will be found on page 17 of this paper. The Farmers' Non-Partisan League in the Northwest and other socialistic movements were described, and a strong plea for a New Jersey Federation was made.

"We already have 40,000 members," he said, "and of the few States not now organized, all will be in the next five or six weeks."

Mr. Moffatt's Talk

When he finished Thomas C. Moffatt, of Newark, arose and advocated an organization of associations, including insurance bodies, chambers of commerce, boards of trade, etc., and argued against an insurance federation.

"We want a Federation of Organizations, not of individuals," he said.

He told of the power and influence of the present organizations, particularly the fire agents' association. The present insurance laws affecting fire insurance were satisfactory, both to buyer and seller of insurance, and he did not think they should be disturbed. He told what the agents had done in the matter of the stamp tax; and then read paragraphs from a letter written by H. H. Putnam, secretary of the National Association of Insurance Agents, one line of which was: "The National Association has not approved or endorsed the idea of the Federation."

40,000 Members

Mr. McKee said that it was not intended that the Federation should supplant any organization in the field, but would co-operate. What was wanted to impress legislators was votes, and the Federation already had 40,000 of them. Mr. Moffatt said that to say that the Federation had 40,000 members and the National Association of Insurance Agents had only 8,000 gave a wrong impression of weakness of the latter. It was true that there were 40,000 members of the Federation, but some offices —such as John A. Eckert's of New York, for instance, had everybody in the office in membership, from office boy up. "All the members of the National Association of Insurance Agents are agents," said Mr. Moffatt, "and some offices may have fifty clerks; so the comparison of strength is wrong."

In response to a question Mr. McKee said he thought it a good thing for clerks and stenographers of insurance offices to belong to the Federation. "Insurance is their livelihood," he said. "Why should they not be in an organization to protect their livelihood?"

Mr. Moffatt's Resolution

Mr. Moffatt introduced the following resolution, which was later tabled:

It is the sense of this meeting that co-operation between the various organizations in New Jersey—either buyers or sellers—who are interested in insurance is desired; and that the deputy chairman of this meeting appoint a committee composed of the representatives of the various organizations in this State; and said committee to have full power to add to its members, and to investigate the situation, and to report back to individual associations to the end that there may be co-operation between these organizations.

A number of men present were called upon to discuss the Federation, and just as it looked as if the whole proposition would fall through W. S. Naulty introduced a resolution that an organization committee of five be appointed by the Chair, to which committee will be added enough other members to have each county in the State—twenty-one—represented. Meeting adjourned.

J. R. FELL LONG AN AGENT

J. Ridgway Fell of Fell & Moon Company, local agents at Trenton, N. J., who was awarded a medal by the Continental, commemorating 30 years of service for the Company as agent, was appointed agent in 1886, and is one of fourteen men in New Jersey holding such a record.

Aside from the Continental the Fell & Moon Company agency represents the National, Connecticut Fire, Girard, F. & M., Hamburg-Bremen, Hartford, L. & L. & G., Massachusetts F. & M., New Hampshire & North British & Mercantile, The Globe Indemnity and the Lloyds Plate Glass.

NEWARK SALVAGE CORPS

A promise was made by a committee from the Underwriters' Association of Newark (the Salvage Corps) that the Association would see that any speed requirements that the board might make would be observed.

There had been a conference between the Newark fire board and a committee from the Underwriters' Association of Newark to discuss the speed of the Salvage Corps cars in answering alarms. The conference was called as the result of a recent collision between a fire truck and the salvage corps machine.

HUDSON COUNTY DINNER

The quarterly gathering of the Fire Underwriters' Association of Hudson County was held a few days ago, in a Union Hill restaurant, the principal speaker being a representative of the New York Fire Insurance Exchange. T. M. Ten Broeck, Bayonne, is president; Percy W. Limouze, Union Hill, vice-president; Frank Stevens, Jersey City, treasurer; Walter G. Muirhead, Jersey City, secretary.

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WM. B. CLARK, President

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INSURANCE AGENCY
Fire Automobile
NEWARK AND VICINITY
Brokerage Business Solicited
38 Clinton Street, Newark
95 William Street, New York

First National Fire
Insurance Company of the United States
WASHINGTON, D. C.

ROBERT J. WYNNE, President JOHN E. SMITH, Secretary
Statement January 1, 1916
CAPITAL, $912,502
RESERVE FOR ALL OTHER LIABILITIES, $523,785
NET SURPLUS, $377,447 ASSETS, $1,813,734

THE MARINE INSURANCE CONTRACT

By President BENJAMIN RUSH of the Insurance Company of North America

From an address delivered by Mr. Rush before the Fire Insurance Society of Philadelphia, and republished by courtesy of the Fire Insurance Society of Philadelphia's "Bulletin."

Then follows a clause which becomes effective in the event of the free of capture clause, above described being deleted or stricken out from the policy, thereby restoring the risk of war to the policy.

This clause reads as follows:

In the event of risk of war being assumed by endorsement under this policy, the assured warrant not to abandon in case of capture, seizure or detention until after the condemnation of the property insured, nor until ninety days after notice of said condemnation is given to this Company. Also warranted not to abandon in case of blockade; and free from any expense in consequence of detention or blockade, but in the event of blockade, to be at liberty to proceed to an open port and there end the voyage.

The purpose of this clause is to prevent the assured from abandoning his property in the event of its capture until after it has been condemned and until ninety days after notice of said condemnation is given to his underwriter.

As has been already recited in the absence of this clause he would have the right to abandon to his underwriters the moment his property was captured.

This clause takes away that right in order that he may be interested in the property and therefore active for its defense and recovery until after it has actually been condemned, and the provision requiring ninety days to lapse is to allow the underwriters time to take such action as they may desire towards the setting aside of the decree of condemnation if they are able to do so.

The warranty not to abandon in case of blockade is of like nature—it prevents the assured from abandoning simply because the port to which the cargo is destined has been blockaded.

It frees the underwriter from any expenses in consequence of detention or delay on account of such blockade and it provides that the assured in such case may procced to an unblockaded port and there end the voyage.

The next clause in the policy is called the "Memorandum," and it provides as follows:

It is also agreed, that bar, bundle, rod, hoop, and sheet iron, wire of all kinds, tin plates, steel, madder, sumac, brooms, wicker ware and willow (manufactured or otherwise), straw goods, salt, grain of all kinds, rice, tobacco, Indian meal, fruits (whether preserved or otherwise) cheese, dry fish, hay, vegetables, and roots, paper, rags, hempen yarn, bags, cotton bagging, and other articles used for bags or bagging, pleasure carriages, household furniture, skins and hides, musical instruments, looking glasses, and all other articles that are perishable in their nature, are warranted by the assured free from average unless general; hemp, tobacco stems, matting and cassia, except in boxes, free from average under 20 per cent., unless general; and sugar, flax, flaxseed and bread, are warranted by the assured free from average under seven per cent., unless general; and coffee, in bags or bulk, pepper, in bags or bulk, free from average under ten per cent., unless general. Profits warranted free from claim for general average, but subject to same percentum of partial loss as if the insurance were on goods. In case a total loss of profits be claimed, the underwriters to be entitled to a credit of the same percentum of salvage as if the insurance were on goods, and in case of contribution in General Average for any portion of the goods at the customary sound value, this Company to be free from claim for loss on such portion. Not liable for loss arising from wet, breakage, leakage or exposure of goods shipped on deck.

The reason for this clause is because certain classes of goods are found to be more susceptible to small damage and loss resulting from atmospheric conditons, condensation of moisture or dampness in the hold, sweating, change of flavor, and other matters for which underwriters are not legally liable, but which, as a rule, unless they are specifically provided for are a fruitful source of dispute with the policyholder, who having paid for sound goods and having received them damaged, naturally wants to get the loss from somebody, and who may, therefore, attempt to make a claim upon his underwriter in ignorance of the fact that the damage is one which the underwriter has not been paid to assume.

The Memorandum clause, therefore, bunches together a variety of products, susceptible to damage of this nature which it warrants free from damage absolutely unless general, that is to say no loss, except a total loss and general average contribution are paid on articles of this character, so that the assured can have no possible ground of dispute that he did not know the kind of policy he was getting and thought the goods were insured against particular average damage.

Next follows another class of goods which are warranted free of loss under 20%, and a still further class warranted free of loss under 7%, and a further class warranted free of loss under 10%.

Regarding all these different classes and a great many other species of merchandise, which are not mentioned in the memorandum clause, it is pertinent to remark that as a matter of practice underwriters, provided they get sufficient rate therefor, are perfectly willing to assume all risks of loss by the perils insured against on all the merchandise dealt with in this memorandum clause, consequently it is frequently modified by written agreements between the underwriter and the assured. Then follow the words "Profits are warranted free from claim for general average, but subject to the same per cent. of partial loss as if the insurance were on the goods."

The reason for this is that it is very much easier to destroy profits than it is to destroy goods.

A small partial loss to the goods may involve a total destruction of the profits to be realized from their sale, hence the provision that the same percentage of partial loss shall be paid on profits as on goods.

The next part of the clause, reads:

In case a total loss of profits be claimed, the underwriters to be entitled to a credit of the same percentum of salvage as if the insurance was on goods.

This provides that if a total loss be paid the underwriters shall be entitled to their proportion of profits, exactly as they would have been if the insurance had been on goods and is consequently similar to the clause which precedes it regarding partial loss on profits.

Then follow the words: "In case of contribution in general average for any portion of the goods at the customary sound value, this Company to be free from loss on such portion."

This is to take care of rise and fall in the market and provides that in the event of a rise in the market occurring whereby the value of the goods insured by the Company is increased, that the Company shall not be responsible for the general average contribution on the increased market value, they not having received any premium therefor.

The last words of the clause:

Not liable for loss arising from wet, breakage, leakage or exposure of goods shipped on deck.

The reason for this is so plain that it needs very little explanation. The deck is not a proper place to store any goods, as it is open to the weather, flying spray and to many classes of loss which goods carried under deck are free from.

The underwriter, therefore, provides that if the assured should be so careless as to allow his goods to be stored on deck, he, the underwriter shall be free from loss.

As a matter of fact the shipowner would be responsible to the assured for such loss unless the assured agreed to their being so stowed, or unless they were carried on deck in accordance with custom of the trade.

(To be continued.)

Insurance Against Loss of Profits Through Fire

BY ERNEST W. BELL, IN A PAPER READ BEFORE INSURANCE INSTITUTE OF NEW SOUTH WALES

In my opinion in writing profits insurance the following should be remembered:

1. Only firms of the highest moral standing should be accepted.
2. No policy should be issued in the nature of loss of profits to a firm that has not been in existence for five years.
3. The insurance should be based on the average earnings or profits for the three years previous to the application.
4. As regards retailers it should be confined to capital cities, as the nature of country business is too precarious owing to fluctuating seasons and long credit.
5. The policy issued should be reviewed on renewal.

(To be continued.)

KINGSTON AGENT HONORED

Ward B. Everett, who conducts a leading fire, life and casualty insurance office in Kingston, N. Y., has been appointed City Treasurer by Mayor Canfield. Mr. Everett has been a member of the Board of Public Works of Kingston since the creation of that body by the new city charter. Commenting on the appointment the "Kingston Freeman" says:

"Mr. Everett's appointment as city treasurer will meet with the approval of the taxpayers in general as he is an efficient man and throughly qualified to fill the office."

The companies represented in Mr. Everett's office are as follows: Insurance Company of North America, Fire Association, Franklin, Continental, Germania, Philadelphia Underwriters, Providence Washington, Queen, The Mutual Benefit Life, Employers Liability, Fidelity & Casualty and Fidelity & Deposit.

FACTS ABOUT OLEAN FIRE

Olean, N. Y., Jan. 23.—Fire was discovered at 3:40 o'clock in the morning in the building that was occupied by the Olean "Herald" and mercantile concerns. This is a three-story brick joisted building, containing fairly large values. The loss was $50,000 or more and there was $40,000 insurance carried on building and contents. Smoke and water damage obtained on the adjoining buildings.

BOSTON APPOINTMENT

S. L. Stevens has been appointed marine underwriter at the Boston office of the Automobile Insurance Company of Hartford. Mr. Stevens has been with Chubb & Sons for the past ten years.

Joseph M. Steele was elected a director of the Franklin Fire, filling the vacancy caused by the death of Charles Scott, Jr.

EXTRA DIVIDEND

Declared By Fireman's Fund—Net Surplus of Company Shows Increase of $1,000,000

Stockholders of the Fireman's Fund cut a melon when an extra dividend of $10 per share, in addition to the regular $4 dividend, was declared at the quarterly meeting of the directorate held at San Francisco. All the former directors of the Company were re-elected at the annual stockholders' meeting, when the annual reports of the officers showed the progress made by the Fireman's Fund during 1916 to have exceeded all expectations. An increase in the net surplus by approximately $1,000,000 is announced and large gains have been made in all departments. An exceptional gain was made by the marine department particularly. While the favorable results are largely attributed to the war, a large measure of credit is also given the capable underwriting and management.

Discussion Over Non-Concurrencies

(Continued from page 13.)

A in accordance with the contract which Co. A has made with the assured.

Liberal Form of Contract Penalized

In reference to problem No. 3 the same remarks apply as above. Co. B's liability is increased under the English method from $250 to $416.67 because the assured has contracted with Co. A for limited liability. The theory of apportionment of this problem in accordance with the writer's solution is that Co. B agrees to pay one-half of the loss when there is other insurance in an equal amount covering on the property. The adjuster for Co. B appears on the scene and fixes the amount of the loss at $500, for which Company B is liable for one-half, or $250, and this, I believe, should be every cent for which Co. B can possibly be held liable. When the adjuster for Co. A takes up the claim the assured of course states his loss to be $500, for which Co. A, having one-half of the insurance would be liable for $250. It is, however, pointed out to the assured that he has stipulated and agreed with Co. A that no matter what the loss on any one animal may be, "the claim is not to exceed $100 on any one animal." The value of the animal as far as Co. A is concerned has been practically agreed upon between the company and the assured at the time the policy was issued, while between the assured and Co. B the value is left open, to be determined at the time of adjustment. Suppose in this example that Co. A's policy is for $100,000 instead of $1,000, the apportionment under the English method remains the same and the $100,000 (with limit of liability of $100) pays but $83 while the $1,000 policy of Co. B pays $417. B gets about one per cent. of the premium and pays over 80 per cent. of the loss.

The English method affords fuller protection to the policyholder, but it imposes severe penalties on the company writing the more liberal form of contract. Should a similar rule be adopted here, or should our courts reverse themselves and legally decide the English method to be the proper one in accordance with the terms and conditions of our policies, we would at once find our shrewd agents and brokers promptly advising property owners to effect 75 per cent. or 90 per cent. of their insurance bearing restricted clauses for which rate credits are given, and the balance of the insurance without such restrictions, so that the latter would step into the breach and bear the penalty which should properly fall upon the shoulders of the assured for failure to comply with the conditions or restrictions imposed upon him in consideration of his saving in premiums paid.

CASUALTY AND SURETY NEWS

Plate Glass Service Co. to Cancel Document

AFTER COMPLAINT WAS MADE TO INS. DEPARTMENT

Feinberg & Feinberg Claim They Have No Connection With Samuel B. Feinberg

The Eastern Underwriter has received the following letter from Feinberg & Feinberg, Inc.:

Editor The Eastern Underwriter:

Our attention has been called to an article in your edition of December 29, 1916, page 17, under the heading of "Does Insurance Business."

We, the undersigned, Feinberg & Feinberg, Incorporated, deny the allegation and assumption that we are a firm. We are a corporation, incorporated under the laws of the State of New York, of which Corporation Mr. Samuel B. Feinberg is no officer, neither has he office or desk room at our place of business, 433-435 West 42nd street, N. Y. City, nor the right or authority to the use of our telephone numbers.

We want you to deny the allegations and state the above facts in your next issue.

We have met all requirements of the law pertaining to corporations, and here wish to state **emphatically**—that we are in no way connected with the Plate Glass Service Co.

FEINBERG & FEINBERG, INC.,
Zachary T. Feinberg, President.

In the matter of the Plate Glass Service Company, transacting plate glass insurance business, which was called to the attention of the New York State Insurance Department by The Eastern Underwriter, the Department found on investigation that Feinberg & Feinberg, Inc., 433 West 42nd street, as a corporation have no connection with the Plate Glass Service Company, and that the Plate Glass Service Company is not a corporation.

The Insurance Department learned that the Plate Glass Service Company was a side issue of Samuel B. Feinberg.

In connection with the photographic copy of what appeared to be an insurance contract which was presented to the Department by The Eastern Underwriter, the Department learned that the particular document in question was never considered to be in force by the Plate Glass Service Co., as the premium had not been paid. The Department learned that there was in force a certain document issued by the Plate Glass Service Company, which the Plate Glass Service Company promised to cancel, on advice of counsel, and that the further issuance of same would cease.

TO INSURE COAL OPERATORS

The Pennsylvania Bituminous Mutual Association for the insuring of liability risks for bituminous coal operators has been organized. C. H. Miller is president of the company and W. P. Lewis is the secretary. The new company is a sister company of the Pennsylvania Mutual Liability Association which was successfully launched in Huntingdon last year.

TRAVELERS' PROMOTIONS

The Travelers announces the following promotions:

Earle H. Danforth as manager at Dayton, Ohio, for compensation and liability department and for the Travelers Indemnity Company. Irvin Fox as manager at Columbus, Ohio, for the compensation and liability department and for the Travelers Indemnity. Myron N. Platt as manager at Denver for the compensation and liability department and for the Travelers Indemnity.

Massachusetts Organizations to Federate

CENTRAL COMMITTEE APPOINTED AT BOSTON MEETING

Large Gathering of Insurance Men Addressed By Mark T. McKee—Splendid Plea for Concerted Effort

A new plan for a State organization has been launched in Massachusetts which will be watched with interest the country over. It is a federation of existing insurance organizations in the various branches, for general purposes of education, publicity and protection.

The plan has been discussed for some time and culminated in a public meeting in Faneuil Hall, attended probably by over 1000 people from Boston and other parts of the State. It was addressed by Secretary Mark T. McKee of Detroit, and others.

Secretary McKee made a splendid plea for organization and unity between the several branches of insurance,—including also the buyers, whose interest in education and sound legislation is the same as that of the seller.

As a result a vote was adopted unanimously favoring a general State organization and the appointment of a committee representing the various kinds of insurance written in the State. with power to take such steps as might be necessary for a thorough and speedy acomplishment of the plan.

Charles F. Wilson, Fitchburg, chairman of the meeting; C. Fred Pierce, president, Board of Fire Underwriters, Metropolitan District; Stephen E. Barton, president, Massachusetts Association of Insurance Brokers; Theodore H. Raymond, president, Massachusetts Association of Insurance Agents; Charles D. Howland, Quincy, president, Massachusetts Mutual Fire Insurance Union; Charles H. Nudd, president, Insurance Society of Massachusetts; Leon F. Foss, president, Boston Life Underwriters' Association; Edward J. O'Neill, president, Massachusetts Association of Casualty & Surety Agents; Heber Bishop, president, Health & Accident Underwriters of Massachusetts; Arthur M. Willis, president, Fraternal Societies; Raymond P. Delano, president, Suburban District Agents' Association; Harry E. Moore, chairman, and Edward M. Peters, secretary, Committee on Arrangements; Arthur A. Lawson, Frank A. Dewick and James H. Carney, representing general agents in Boston; Henry J. Ide, representing the general agents of Massachusetts outside of Boston.

A meeting was immediately held and plans laid for adding additional names. and bringing the various organizations at once into federation through a central committee of delegates.

General Accident
FIRE AND LIFE
ASSURANCE CORPORATION, Ltd.
FREDERICK RICHARDSON, United States Manager
GENERAL BUILDING · 4TH & WALNUT STS.
PHILADELPHIA
SERVICE THAT EXCELS

SURETYSHIP

By W. G. Curtis, Manager Bond Department, Aetna Life Insurance Company at Albany, N. Y.

Suretyship presupposes the existence of a primary obligation, and the undertaking of the surety is that the primary obligor or principal will perform that obligation. The undertaking is usually in the form of a bond of both the principal and surety for the payment of a definite sum of money upon condition that if the principal shall perform the obligation the bond shall be void. However, in a case of default the bond will be satisfied by the payment of the resulting monetary damage not exceeding in any event the amount of the bond.

While the wording of the various bonds may be somewhat different the basis of a surety bond is a contract between principal and surety on one side and obligee on the other and it can be cancelled before its natural expiration, only with the consent of the obligee.

Surety companies have applications for many different kinds of bonds, the more important classes being bonds for private employes that is, ordinary employes of individuals, firms and corporations; bonds for contractors, banks as depositaries of public and private funds, bonds for public officers, executors,. adminstrators, trustees and other fiduciaries, appeal, attachment, injunction, replevin and other court bonds, bonds required by Internal Revenue Department; by the Customs Department; indemnity bonds against loss as a result of issuing duplicates of loss instruments; bonds covering accounts receivable assigned by merchants as security for a loan, qualifying bonds for insurance companies and each of these classes presents its own peculiar problems, as we find sub-divisions of the foregoing to the number of several hundred, as indicated by the rate manuals of the various companies, and the premium charges range from fifty cents as fixed by the Government for a letter carrier's bond, to $20 per thousand on financial guarantee and other bonds considered of a hazardous nature, the general rates being a quarter of one per cent. on preferred business, one-half of one per cent. on less desirable business and one per cent. on such lines where the service is more than ordinary, all premium charges being computed on a service basis.

Requirements of Successful Underwriting

To successfully underwrite surety business requires a considerable knowledge and familiarity with general conditions in financial and business circles of almost every character as well as with the many legal points which arise in connection with the fiduciary or court bonds and in connection with the latter, two conditions frequently arise which must be met, namely, that of joint control in some cases and collateral indemnity in others.

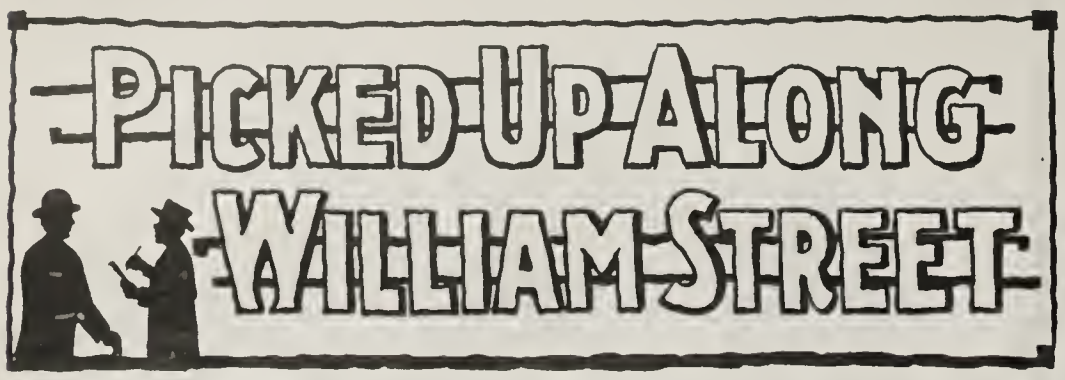
The fiduciary under the law, has sole control of the assets of the estate, so that in the absence of interference by the surety, his opportunity is limited only by the amount of the estate, and this limit in many instances is very extensive, as can be realized when we note that last month there was reported, the filing of a bond in the Probate Court of Cook County, Ill. on behalf of one, Philip C. Lindgren, Administrator of the estate of John K. Stuart, wherein the property was inventoried at about three million dollars, and a bond in the sum of five million dollars was required.

It is now a very general practise of surety companies, to require all applicants for bonds of this kind, to give the representative of the surety company, joint control of the estate. Joint control, as the term is here used, contemplates that the funds are to be put iu a bank, and the securities in a safe deposit box, in the name of the estate, subject to the joint order of the principal and the company's representative, so that they cannot be withdrawn, except upon the countersignature of the latter. The banks and safe deposit vault companies are familiar with this arrangement, and sign agreements binding them to pay checks or deliver the securities, only upon the countersignature of the surety's representative.

This exercise of joint control, by the Surety is an assistance to the fiduciary in that it has the benefit of an associate experienced in the handling of estates, and one familiar with the court procedure necessary and helps to keep the accounts in such form, that at the time of final settlement, there is no difficulty in obtaining the acceptance of the accounts by the Court, and securing the

(Continued on page 19.)

THE TRAVELERS
INSURANCE COMPANY INDEMNITY COMPANY
HARTFORD, CONNECTICUT
WRITE THE GREATEST VOLUME OF
GUARANTEED LOW COST LIFE INSURANCE
AND
CASUALTY INSURANCE
THE OPPORTUNITY TO SUPPLY THESE INSURANCE NEEDS GUARANTEES AGENTS THE BROADEST FIELD AND THE LARGEST INCOME.



Two Problems on Workmen's Compensation

The courts will soon be asked by the Travelers to solve two problems growing out of the workmen's compensation law.

A helper on a coal wagon was caught between the wagon and a shed, and his left leg was broken. An award was made, and the payments continued until after the insured had been discharged from the hospital, and sent home to complete his recovery. While at home the man was advised by his physician to exercise each day, and a short time later he fell and broke the leg again.

The Travelers refused to continue paying the award beyond the date when it could reasonably be expected that he would have recovered. The commission thought that the second accident was due to the first, but it did not occur while the insured was at work, and therefore it was difficult to decide whether the Travelers was responsible for further payments.

A decision in another State is to the effect that "personal injury" and "injury" mean only accidental injuries arising out of and in the course of employment, and such disease or infection as may naturally and unavoidably result therefrom. Another foreign decision concerning a broken arm reads:

"The shift was caused by something other than natural causes, either by carelessly using the arm or by a new accident. Compensation for additional disability or expenses arising from the slipping of the broken bone, could not be made unless the slipping was caused by the natural or approximate result of the original injury."

The Travelers also objected to an award being made for the death of an employe, from a fractured skull received while in an elevator.

The insured's employer was a truckman, and it was contended that the building used by a truckman could not be considered as hazardous, and therefore the running of an elevator in the building was not a hazardous employment. The commission made an award, using as the basis of its act, the opinion of the Court of Appeals in the case of Larsen vs. Paine Drug Company. Larsen was a porter, elevator runner, and general handy man. He was killed while building a shaft in the elevator well. The opinion of the court in this case read in part:

"Where an employe is injured while performing an act which is fairly incidental to the prosecution of the business, and appropriate in carrying it forward and providing for its needs, he, or his dependents, are not to be barred from recovery because such act is not a step wholly embraced in the precise and characteristic process of operation which has been made the basis of the group in which employment is claimed."

* * *

Mushroom Poisoning an Accident and Not a Disease

The recovery of a judgment in a novel case against the U. S. Casualty Co. in the Circuit Court, Jay County, Indiana, has just been affirmed by the Supreme Court of Indiana.

The husband of the woman who brought suit was insured by the Company "against loss resulting directly and independently of any and all other causes from bodily injury effected solely through external and violent and accidental means."

While the policy was in force the insured ate some mushrooms, contracted ptomaine poisoning and died.

The question then arose whether the death was caused by disease or accident, the Company claiming it was a disease and the wife contending it was an accident.

Although the policy specifically provided that the insurer was exempt from injury "resulting from or contributed to, directly or indirectly, wholly or partially by disease" the Court held that the ruling of the New York Court of Appeals twenty-seven years ago in the famous case where a man was asphyxiated by illuminating gas was directly in point and that the definition of an accident in that case as "the happening of an event without the aid and the design of the person and which is unforeseen included the unforeseen eating of poisonous mushrooms and the Company therefore was held liable." —U. S. Cas. vs. Griffis, 114 N. E. Rep., pg. 83.

Digested for The Eastern Underwriter by George F. Kaiser of the New York bar.

* * *

Former Casualty Company of America Men to Dine

A banquet and reception is being tendered to the officers and employes of the Casualty Company of America at Knapp Mansion, Brooklyn, New York, on Saturday evening, February 3, 1917. The purpose of this reception is to bring together all the old employes of the Company.

* * *

Report on Employers' Mutual

The New York Insurance Department has filed its report on the Employers' Mutual Insurance Company, of New York, of which R. M. Ferguson is manager and James L. Freeborn general agent. The Company's loss ratio on compensation losses was 77.59 per cent. and expense ratio 22.59 for year ending June 30, 1916.

SYRACUSE CONTRACT LOSS

The awarding of a contract to the Edward Joy Company, of Syracuse, N. Y., by the Vocational High School Commission, to complete the plumbing in the new Vocational High School of that city results from the original contractor, the P. J. Sullivan Company, going into the hands of a receiver before the work was finished. The total amount of the original bid on which the contract was awarded was $55,000, and up to the time the P. J. Sullivan Company went into the hands of a receiver approximately $30,000 of the work had been completed. The contract awarded to the Edward Joy Company for finishing the work was $39,500. Thus it appears that the completion of the job under the prevailing prices for materials and labor will cost the city in the neighborhood of $14,000 more than the original bid.

ROCHESTER SURETY AGENCY.

John D. Hotchkiss has been appointed general agent for the bonding department of the Royal Indemnity Company at Rochester. Mr. Hotchkiss is well known in view of his long experience in the fidelity and surety business.

Hoffman and Curtis Discuss Social Insurance

The introduction of the Mills bill in the New York legislature has been the subject of a large number of addresses in the East this week. Among some of the public men who have presented good arguments against various phases of compulsory health insurance are Samuel Gompers, of the Federation of Labor; Dr. Frederick L. Hoffman, of The Prudential; W. G. Curtis, president of the National Casualty; and numerous physicians.

Some of the talks were made at the National Civic Federation, Mr. Hoffman's, for instance. His title was "Some Fallacies of Social Insurance." Mr. Curtis spoke before the Medical Society of the County of New York. In Detroit Mr. Curtis also met Dr. I. M. Rubinow in debate. Some points made by the speakers follow:

Frederick L. Hoffman:

The entire agitation is artificial, ill-advised and thoroughly un-American. It is wholly unnecessary because the overwhelming majority of American wage-earners are fully able to provide for reasonable medical attendance and the cost of sickness in their own way and at their own cost. Compulsory health insurance substitutes coercion for voluntary thrift and imposes a direct tax on all wages, which may reach possibly as much as 5 per cent. The arguments brought forward in the brief of the American Association for Labor Legislation are irrelevant and grossly misleading. The arguments are based upon the conception that the majority of American wage-earners are so near to the poverty line as to require a subsidized form of poor-relief under the disguised name of compulsory health insurance. Such legislation is wholly unnecessary, because the health conditions of the United States are better than those of any other large industrial country in the world. During 1915 the death rate of the United States was the lowest on record since the commencement of federal registration.

The social and economic condition of American wage-earners is unquestionably superior to that of any other country in the world. American wage-workers, because of the higher wages, are not under the economic necessity of subserviency to an undemocratic system or method of compulsory health insurance. Sickness in this country is not, by any means, of the economic importance to which it attains among the labor element of European countries. American wage-workers also have a wide range of personal credit, which permits of deferred payments in the event of serious sickness, for family support, as well as for the payment on account of medical attendance. Much more is to be gained by efforts in the direction of higher wages and shorter hours than by the establishment of compulsory health insurance. Accepting the estimate of $800,000,000 as the annual economic loss on account of serious sickness among American wage-earners, it required a wage increase of less than ten cents a day to more than equal this amount. The normal rate of sickness among American wage-workers and their dependents does not exceed 3 per cent., and it is probably less than 2 per cent. when allowance is made for industrial accidents, which are compensated for under workmen's compensation law. American wage-workers and their dependents have no difficulty in securing qualified medical attendance.

The main object of compulsory health insurance is to establish an enormous bureaucratic machinery and bring about a further regularization, supervision and control of wage-workers and their dependents. The cost, which is alleged to be small, will be large, but its incidence will be so distributed that it will be difficult to prove the additional economic burdens which will fall heavily upon wage-earners and their dependents. The alleged benefits in medical practice will not be realized any more in this country than they have been realized in countries where social insurance has been established and been in operation for many years. There has been no greater progress in medicine as a healing art in Germany than in this country. The apportionment of cost of forty per cent. to industry and twenty per cent. to the general taxpayer, makes compulsory health insurance merely a poor-law measure under another name. There is no evidence whatever that industry is responsible for forty per cent. of the illness among wage-workers and their dependents, and if not, the compulsory health insurance system confers benefits for which no equivalent return has been made. There are reasons for believing that the share of the community for general sickness is much more than twenty per cent., but improvements in the direction of better health are easily realized under an aroused public consciousness of what requires to be done.

It is alleged that existing voluntary institutions serving social insurance purposes are insufficient and can not be expected to provide adequately for wage-earners' needs. As a matter of fact, a truly enormous number of such institutions are rendering a conspicuous and most useful social service insofar as the necessity for such a service has been realized. Among the trade-unions, the International Cigar Makers' Union has disbursed more than four million dollars in sick benefits since organization, aside from more than four and a quarter million dollars paid on account of payments at death. An astonishing number of established benefit funds and sick benefit societies have been organized all over the country, by means of which wage-workers and their dependents are providing for the cost of illness and pecuniary support during sickness, in their own way and at their own cost. Group insurance has come into existence, under which untold millions of dollars of voluntary insurance is being provided for through the liberality and far-sightedness of employers for the benefit of employes. The U. S. Bureau of Labor Statistics has published a list of over four hundred superannuation funds maintained in connection with American industries, which is admittedly incomplete. All of the various forms of voluntary sickness and life insurance are making progress and developing into methods and means by which the social value of insurance may be further improved and made still more universal than is the case at the present time. Of industrial policies alone there are more than 35 millions in force at the present time, providing more than 4½ billions of insurance protection in the event of death or at maturity. In addition, the industrial companies have developed an enormous ordinary business, including nearly 3,000,000 policies, insuring more than 3 billion dollars, of which approximately two-thirds is on the lives of wage-workers of America and Canada. If the trade-unions have heretofore made only limited progress in the direction of voluntary sickness insurance, it is because they have clearly realized it to be more to the advantage of American wage-earners that the struggle should be for higher wages and shorter hours. They, also, however, have made a determined struggle for better labor conditions and the better enforcement of labor laws. By an improvement in the social condition of labor and the health conditions of the community, a large amount of prevail-

(Continued on page 19.)

CASUALTY AND SURETY POINTERS

What is an Accident? Various definitions have been offered of the term "accident." The Indiana Supreme Court defines it as an event which takes place without one's foresight or expectation, and which proceeds from an unknown cause, or an unusual effect of a known cause, not within the expectation of the person injured. In this case then before the Court the insured was stabbed on the highway by an insane man without provocation and unexpectedly, as a result of having shortly before pushed the stabber from the premises of another, and not in consequence of any assault being then committed by the insured. The insurer was held liable because of the insanity of the assailant.

The United States Supreme Court has stated the law in these terms:

"The term 'accidental' was used in the policy in its ordinary, popular sense, as meaning happening by chance, unexpectedly taking place; not according to the usual course of things; or not as expected. If a result is such as follows from ordinary means, voluntarily employed, in a not unusual or unexpected way, it cannot be called a result effected by accidental means. But if, in the act which precedes the injury, something unforeseen, unexpected, unusual, occurs, which produces the injury, then the injury has resulted from accidental means."

The situation may be better understood if we consider the relation of causes to their effects. An effect which is not the natural and probable consequence of the means which produced it, is accidental. So an abrasion of the skin of a toe caused by unforeseen and unusual friction in the act of wearing a new shoe, was held to be an accidental injury. But every unforeseen happening is not an accident. Though such an event may be not designed or expected, yet if it is the natural and direct effect of an act voluntarily done, it is not accidental. Where death was caused by a rupture of the heart resulting from exertion, such as lifting a heavy object, or where an injury, due to dilation of the heart, follows the voluntary taking of a cold-water bath, nothing occurring otherwise not planned or anticipated, there can be no recovery. The acts of an insured in such cases are voluntary and usual, and the results natural, though not usual.

Of course, as the saying goes: "Every case rests upon its own facts!" Apparently, slight matters may alter the character of the claim so that all facts having even a remote bearing on a case of this kind, where there is a dispute, should be presented for consideration.

HENRY C. WALTERS, General Counsel of the National Casualty.

Hoffman and Curtis Discuss Social Insurance

(Continued from page 18.)

ing sickness can be made unnecessary, as best illustrated by the remarkable reduction in the mortality from tuberculosis, typhoid fever, malarial fever, industrial accidents, and practically all the acute infectious diseases of infancy. Further progress in this direction will be of far greater benefit to American wage-workers than the establishment of compulsory health insurance, which will leave matters much as they are at present.

W. G. Curtis:

In the saving of dollars the plan of compulsory health insurance offers no economy. It just pretends to make a saving. Let us not confuse **indemnity** with **saving.** The plan contemplates replacing a few of the wage-earners' lost dollars, the State contributing part, the employer part, and the wage-earner standing the balance. But that isn't economy or saving. It is accomplished by reaching into your pocket, lifting a few dollars and dropping them into the wage-earner's pocket.

The plan contemplates compulsory insurance, and includes about 80 per cent. of all wage-earners, including farm hands, domestic servants, etc. It isn't difficult to frame and pass a law that says you must, but in many cases the law could not be enforced without aid of police power, and that would be cumbersome and expensive.

The State must contribute 30 per cent. of the whole cost, not to a central body, but to each carrier. How is the State to know the amount of its 20 per cent?

The argument of the proponents virtually declares that panel physicians are dishonest and cannot be trusted. The plan therefore provides that special medical directors associated with the carriers must declare a man sick before a panel physician can treat him, and the medical director must keep track of all cases and declare them well in order to defeat malingering and collusion between patient and panel physician.

No definite plan of compensating panel physicians has even been suggested, but there is voluminous record of strikes, wrangles, and bitter strife between physicians and carriers abroad. The trend of the argument of the advocates is toward piece work, with a limit of clientele, and the cheerful prospect is for the panel doctor to step up to the paymaster's window weekly or bi-weekly and receive his pay envelope with the customary slip showing performance in hours or piece work. A social if not an economic disadvantage.

Such a law would undoubtedly trespass upon the Constitutional rights of the individual. The Constitution does not declare unrestricted liberty for one, and restricted liberty for another. We record economic disadvantage No. 16.

Such a law would be confiscatory, in that it would without process take from one his personal property and bestow it upon another. A radical departure from our well-defined laws covering property rights, and opening up wonderful possibilities, because all social inequalities could speedily be adjusted by amending the law and increasing the tax. We record economic disadvantage No. 17.

This country is above the need of any form of compulsory insurance. The conditions in Europe that gave rise to their plans, do not exist here. Wage poverty and paternalism were the causes. Their systems have failed. The cost is ever increasing. The amount of sickness has not decreased. The average period of disability has increased. The average number of cases of sickness per 100 wage-earners has increased. We record economic disadvantage No. 18.

The quality of medical service is condemned by all doctors who have any knowledge of its character. Search the records and you will find only failure. We record economic disadvantage No. 19.

What this country needs is proper prevention.

Such a law would interfere with national progress—destroy existing relations between wage-earner and employer—between wage-earner and physician—between different branches of medical practice—between members of society—between employer and State. Would promote political and civil corruption. We record economic disadvantage No 21.

If sociological theorists will stop trying to advise and promote plans to pay and continue paying more and more for social loss, and turn their attention to a campaign of prevention only, capital, business, industry and labor will stand united with them, and industry and labor will, as it has always done, find a proper solution for its differences.

Curtis on Surety

(Continued from page 17.)

discharge of the fiduciary and his surety from liability.

Fiduciaries

A fiduciary, as we have seen, is bound faithfully to perform his duties, and this necessarily subjects him and his surety to certain liabilities, against which they must, at their peril, protect themselves. Therefore, as stated, surety companies do not leave the fiduciaries whom they have bonded to act entirely upon their own judgment, but endeavor so far as may be reasonably possible, to see to it that they properly perform their duties, exercise joint control of the estate to the end that there may be no loss under the bond.

Collateral is required, not only in undertakings of judicial credit guarantees, but also in the matters of contracts for supply of material and construction work.

In the instance of judicial guarantees, the surety in effect guarantees that the principal if unsuccessful in litigation in which the bond is filed, will satisfy the judgment in court. To do so usually requires the payment of money, and accordingly the surety on one of these bonds guarantees the credit of the principal, in the same way, that the endorser on a promissory note, guarantees the credit of the maker, that is, he guarantees the ability of the principal to pay the requisite amount on due and legal demand.

W. E. SMALL, President PETER EPES, Agency Mgr. E. P. AMERINE, Secretary

ACCIDENT and HEALTH
PLATE GLASS
BURGLARY

Georgia Casualty Company



LIABILITY
COMPENSATION
AUTOMOBILE

A Company Devoted to Service

A Company looking to the interests of its Representative

Home Office: Macon, Georgia
Surplus and Reserves over $1,400,000.

The METROPOLITAN CASUALTY
INSURANCE CO. OF NEW YORK
HOME OFFICE, 47 CEDAR STREET
CHARTERED 1874
Plate Glass, Burglary, Accident and Health Insurance
EUGENE H. WINSLOW, President
Russell R. Cornell, Vice-Pres. S. Wm. Burton, Sec. Alonzo G. Brooks, Ass't Sec.
RELIABLE AND ENERGETIC AGENTS WANTED



BUSINESS=BUILDERS
DEVELOPING
Fidelity and Surety Bonds, Liability Workmen's Compensation, Automobile, Accident, Health, Burglary and Plate Glass INSURANCE
APPRECIATE THE CO-OPERATION OF THE
Massachusetts Bonding and Insurance Company
BOSTON
Paid-In Capital $1,500,000
T. J. FALVEY, President
Write For Territory

THE SIGN OF GOOD CASUALTY INSURANCE
HEAD OFFICE
CHICAGO
F. W. LAWSON
General Manager
Liability, Accident, Burglary, Boiler and Credit Insurance



Established 1869.
F. J. WALTERS
Resident Manager
55 JOHN STREET
New York
Elmer A. Lord & Co.
145 Milk St., Boston
Resident Managers New England
London Guarantee & Accident Co., Ltd.
OF LONDON, ENGLAND

AMERICAN SURETY COMPANY
OF
NEW YORK
100 BROADWAY
Fidelity and Surety Bonds

ROYAL UNION MUTUAL LIFE
INSURANCE COMPANY
Des Moines, Iowa

OFFICERS

FRANK D. JACKSON, President — SIDNEY A. FOSTER, Vice-Pres. and Sec'y. — N. M. HUBBARD, Jr., 2nd Vice-Pres. and General Counsel
CARL B. PRAY, Treasurer — JAMES TAGGART PRIESTLEY, M. D., Medical Director

31st Annual (Condensed) Statement Ending December 31, 1916

Income 1916

Ledger Assets, January 1, 1916		$5,680,342.50
Premiums	1,575,680.19	
Interest, etc.	443,901.61	
Total Income		$2,019,581.80
Total		$7,699,924.30

Disbursements 1916

Death Losses	$ 253,054.05	
Annuities involving life contingencies	600.00	
Matured Endowments	22,314.00	
Dividends to Policyholders	215,682.29	
Surrender Values	195,581.52	
Total to Policyholders	$687,231.86	
Paid for Claims on Supplemental Contracts not involving Life Contingencies	8,910.00	
State Fees and Taxes	26,880.03	
Commissions and Agency Expenses	377,205.24	
Salaries of Officers and Clerks	86,350.85	
Managerial, Legal Expenses and all Traveling Expenses	9,554.47	
Medical Fees and Inspections	35,005.33	
Printing, Stationery, Advertising, Postage, Telegraph, Telephone, Express and Exchange	18,552.14	
Rent, Home Office and Branch Offices	12,698.46	
All Other Disbursements	28,853.31	
Total Disbursements		$1,291,241.69
Ledger Assets, Dec. 31, 1916		$6,408,682.61

Assets December 31, 1916

Real Estate	$ 130,805.19
First Mortgage Loans	4,542,135.00
Loans on Policies and Premium Notes—Net	1,558,869.93
Cash in Office and Banks	151,294.10
Due and Deferred Premiums—Net	72,491.55
Interest Due and Accrued	181,671.17
Total Admitted Assets	$6,637,266.94

Liabilities, December 31, 1916

Reserve on all Policies (mean basis)	$5,685,493.00
Death Claims Not Complete	42,606.00
Supplemental Contracts (not due)	93,231.00
Accrued Taxes and Medical Fees	29,166.00
Premiums Paid in Advance	13,167.68
All Other Liability	5,886.89
Surplus to Policyholders, Apportioned and Unapportioned	767,716.37
Total	$6,637,266.94

SUMMARY OF YEAR' BUSINESS

Total Insurance in force, December 31st	$44,105,695.00
Gain in Insurance in force for 1916	4,698,545.00
Securities on Deposit December 31, 1916, with the State, to Protect Policyholders	6,026,735.60
Gain in Deposit for 1916	637,966.48
Total Income for 1916	2,019,581.80
Gain in Income for 1916	260,151.40
Total Admitted Assets, December 31, 1916	6,637,266.94
Gain in Admitted Assets	697,750.57
Total Surplus, Assigned and Unassigned	767,716.37
Total Loans	6,101,004.93
Average Interest and Profits Earned (per cent)	6.17

INSURANCE ACCOUNT

In Force, January 1, 1916 (25,387 Policies), Amount	$39,407,150.00
Issued and Restored in 1916 (5,791 Policies), Amount	*9,404,160.00
Total 31,178 Policies, Amount	48,811,310.00
Terminated in 1916, 2,671 Policies, Amount	4,705,615.00
Total Insurance in Force, December 31st	44,105,695.00
Gain in Insurance in Force	4,698,545.00

*Paid for business.

Paid Policyholders Over $5,158,000.00—Present Assets to Credit Policyholders, $6,637,267.00

The Columbian National Life Insurance Company
BOSTON, MASSACHUSETTS

ARTHUR E. CHILDS, President

The Agents' Winning Combination
LIFE—ACCIDENT AND HEALTH—INSURANCE

Covering Permanent and Total Disability,
and Weekly Indemnity for loss of time

The Policyholders' Winning Combination
Guaranteed Cost and Good Service

FOR AGENCIES AND SPECIMEN POLICIES, ADDRESS THE COMPANY

J. C. WILSON, President

SAN JACINTO LIFE INSURANCE CO. - BEAUMONT-TEXAS - THE SURRENDER AT SAN JACINTO

J. S. EDWARDS, Secretary

An opportunity for rapid advancement is offered to men who are willing—and will.

FOR AGENCY CONTRACTS ADDRESS

H. M. HARGROVE, Vice-President
BEAUMONT, TEXAS

San Francisco Losses Amounting to $4,522,905.00 paid PROMPTLY IN CASH WITHOUT DISCOUNT, from funds largely supplied by head office in Liverpool

U. S. Cash Assets, Dec. 31, 1914	$14,814,383.94
Surplus, - - - - -	4,841,887.19
Losses Paid by Chicago Fire, 1871	3,239,491.00
Losses Paid by Boston Fire, 1872	1,427,290.00
Losses Paid by Baltimore Fire, 1904	1,051,543.00

Liverpool AND London AND Globe Insurance Co. LIMITED

Over $147,000,000.00
Losses Paid in the United States

HENRY W. EATON, Manager
G. W. HOYT, Deputy Manager
HUGH R. LOUDON, Assoc. Deputy Mgr.
J. B. KREMER, Asst. Deputy Manager
T. A. WEED, Agency Superintendent

NEW YORK OFFICE
80 William Street

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FEB 14 1917

THE EASTERN UNDERWRITER

[Succeeding the Journal of Insurance Economics, Established in 1899]

A WEEKLY NEWSPAPER COVERING ALL BRANCHES OF INSURANCE

Eighteenth Year; No. 5 | NEW YORK CITY, FRIDAY, FEBRUARY 2, 1917 | $3.00 a Year; 15c. per Copy

MARINE UNDERWRITERS WATCH DEVELOPMENTS

How Market Had Been Growing Until Submarine Note Changed Matters Wednesday

SO. AMERICAN GOLD SHIPMENTS

Neutral-German Market Was $5,000,000 on Wednesday—Re-insurance By Fire Companies Talk

The German note about the new submarine warfare campaign, and the closing of the Port of New York, completely changed the marine insurance situation. The following story, written early this week, showed what the marine insurance market facilities were up to Wednesday afternoon, at which time the German note was made public:

Ever since the New York "Times" printed a story to the effect that bankers are having difficulty in getting insurance on gold shipped to South America, the newspapers have been full of fanciful statements regarding marine insurance facilities. The climax was capped this week by the New York "Commercial" in an editorial, which said: "These bankers have been doubly handicapped by the lack of insurance facilities and for the lack of bottoms. They have found it impossible to get insurance on more than $500,000."

How Neutral-German Market Has Grown

The Eastern Underwriter saw a number of marine insurance companies and brokers this week, inquiry unearthing the following facts:

The German and neutral market before the war absorbed probably $500,000. The entrance of a number of fire insurance companies into the marine field and additional facilities have extended this market so that at the present time it is about five millions, and rapidly growing. On shipments to which Great Britain has no objection the market is practically unlimited, as can be easily figured when it is considered that Great Britain is the insurance center of the world. The market on shipments to which there is no objection is conservatively figured at $25,000,000, although some marine underwriters figured it at as high as $30,000,000.

The Eastern Underwriter learned also of one agency alone which insured gold on a steamer going to South America for $2,000,000, and that recently.

The War Risk Insurance Bureau of Washington alone has helped out the market $1,000,000.

(Continued on page 18)

DIRECTORY OF DEPARTMENTS

Life 1
Editorial 14
Fire 15
Casualty 21

"The Largest Fire Insurance Company in America."

THE HOME INSURANCE COMPANY NEW YORK

ELBRIDGE G. SNOW, President

Service to Policyholders and to Agents Unexcelled.

FIRE AND ALLIED BRANCHES OF INSURANCE

Fire, Lightning, Automobile, Commissions, Explosion, Hail, Marine (Inland and Ocean), Parcel Post, Profits, Registered Mail, Rents, Sprinkler Leakage, Tourists' Baggage, Use and Occupancy, Windstorm.

STRENGTH REPUTATION SERVICE

North British and Mercantile Insurance Co.

Established 1809

Entered United States 1866

Policyholders protected by the entire United States assets, with further guarantee in every policy, of protection by entire fire assets of the company which are many times larger.

GOLDEN ANNIVERSARY YEAR

AGENTS WANTED IN

CALIFORNIA

THE

EQUITABLE LIFE of IOWA

HAS ENTERED THE

GOLDEN STATE

IN ITS

GOLDEN YEAR

ADDRESS

H. E. ALDRICH, Supt. of Agencies, DES MOINES, IOWA

GOLDEN ANNIVERSARY YEAR

GOLDEN ANNIVERSARY YEAR

GOLDEN ANNIVERSARY YEAR

HORNER'S NEW BOOK ON INSURANCE TRAINING

Tells Who Should Be An Agent, When to Start and How to Canvass Correctly

VIEWS OF MINNESOTA MANAGER

Don't Enter Insurance on Some One's Advice—Poor Job for "Cold, Clammy Individual"

The J. B. Lippincott Company, Philadelphia, will this month publish the new book by Warren M. Horner, of Minneapolis, general agent of the Provident Life & Trust, entitled, "Training for a Life Insurance Agent." This book will be one of a series of training books, in which other authors will be Don C. Seitz, business manager of the New York "World"; Arthur Hornblow, editor of the "Theatre Magazine"; Gifford Pinchot, Dr. Richard C. Cabot, C. B. Fairchild, Jr., and Harlan F. Stone. Mr. Horner dedicates his book to Joseph Ashbrook. Its chapter headings are: "Opportunity," "Who Should Begin—When and How," "Salesmanship," "System and Efficiency," "The Standardized Insurance Representative," "General Agency or Organization Methods," "Some Side-Lights on the Life Insurance Business," "Does it Pay to Advertise?" "The Woman in Life Insurance" and "A Recapitulation." Extracts from one chapter follow:

I. Who Should Begin

If the reader is impressed with the sentiment in the closing words of the preceding chapter, he then possesses one of the requisites of a life insurance agent.

It is folly to engage in the work without a pulling at the heart-strings because of the great human side of the business, and unless there is a thorough understanding and appreciation of life insurance, as a world force, in economic and beneficent relation to humanity.

Too many young men waste time "feeling out" other people in choosing a vocation. If the advice of someone else is going to be taken on selecting a vocation, keep out of life insurance, because it has enough failures aboard already. It takes a little clear grit to break into the life insurance profession—it is no place for a molly-coddle.

Then, in seeking the op'nion of others, much misinformation is acquired, as there are many individuals glib of tongue but void of understanding, who scoff at the business as a vocation.

Self-Analysis

Self-analysis should be used liberally, in selecting one's life work, as to disposition and capabilities. However, many persons carry self-analysis and inquiry beyond the necessary limits of reason.

By the same token that a person can do some one thing successfully, he can

do some other thing creditably, with the application of the same amount of energy and enterprise. It is not the intention to convey the idea that a good blacksmith would make a painter of works of art, and so on, but, outside the fine arts and major professions, the rule laid down does apply.

A Vocation

Life insurance, as a vocation, is properly classed in a twilight zone between a profession and ordinary business, embracing, as it does, the attributes and opportunities of both. It is a poor job for a cold, clammy individual, with a sordid ambition and a warped soul. It is a business where personality counts —personality, with gentlemanly enthusiasm outside, and quick discernment of human nature, plus conviction, inside.

Where doubt exists in regard to becoming a life insurance salesman, study the characteristics of ex-presidents Taft and Roosevelt, and ex-premier Asquith and his successor, Lloyd George, as opposites, and then Woodrow Wilson as a composite, in some degree, of all these personalities.

Estimate of Celebrities

Mr. Taft's highly-specialized, judicial mind, lacking executive positiveness, does not possess the requisites necessary to success in life insurance field work. Mr. Roosevelt, with his many-sidedness, but with these qualities toned down, is fine. Mr. Asquith, with his great judicial and parliamentary ability, is too cold. Lloyd George, in quick grasp, human responsiveness and positiveness, is ideal. Woodrow Wilson is enough of a composite to not be set aside like Taft and Asquith, and too austere to be classed with Roosevelt or Lloyd George.

It is the intention to convey to the reader that personalities resembling, to a preponderating degree, the characteristics of ex-President Taft and Mr. Asquith are not adaptable to the business; and that personalities, with a leaning toward the qualities of ex-President Roosevelt and Lloyd George, are equipped to an unusual degree for success.

Furthermore, that there are a large number of individuals who possess the adaptability of President Wilson, without either the preponderating negative qualities of a Taft or an Asquith, or the overwhelming positive requisites of a Roosevelt or a Lloyd George, who can still attain very credible accomplishments.

The fact should be clearly visualized that there is more adaptability in the human make-up than most people realize, and this should not be overlooked, especially with young people. With reasonable adaptability, opportunity and determination are mighty factors.

The author is firmly convinced that a careful study of the foregoing will greatly aid individuals seeking light as to their fitness or adaptability for the business of life insurance, and that their own deliberative judgment, exercised by such process, is far more valuable than a hasty conclusion reached by shopping around for ideas.

In conclusion, for this part, remember that there is an opening for individuals of moderate, average and exceptional ability, as mentioned in the first chapter, and as will be more clearly shown in those to follow.

II. When

A generation ago, young men at the threshold of their life's work rarely entered the business. The young man who did so was the exception, not the rule. It was commonly supposed that a young man could not cope with the difficulties and obstacles to be overcome, in lack of understanding and prejudice existing in the public mind. It was thought necessary to employ, as agents, older men who had acquired ability to meet and overcome difficulties. This led to the practice of recruiting for agents from among those who had spent years in other fields of work, and desired to change to something more lucrative and congenial, and also from the ranks of failures and the down-and-outs.

This was a baneful practice, and it has been difficult to outgrow the evil. When the business awoke to an appreciation of its possibilities for young men, and to the fact that it needed their fighting qualities and growing propensities, it found the early practice had built an artificial wall to keep out these young men.

However, this aloofness is rapidly wearing away, because of more standardized methods and better understanding. Young men, college graduates, and all those with a purposeful attitude toward their future find a ready and lucrative market for their activities, if applied with zeal and determination.

It is entirely fitting that young men should take up life insurance as their initial work, and follow it through to the end of their life's journey. There is nothing against, and everything in favor of such a practice, as in all important vocations. They should begin when young, and spend their building, constructive years fitting themselves for the big things of place and accomplishment which can only come in any life or profession by years of growth and development.

Happily, educational institutions through their own vision in practicalizing education, and with the aid of leading insurance men, are incorporating life insurance in their curricula, so that graduates are better fitted to understand life insurance as an economic force, and its relation to them as a means of livelihood.

Schools of Salesmanship

Many companies and large agencies have their own schools of insurance and salesmanship, and abundant opportunity is given the younger generation to grasp the advantages which the business offers. The training given in these courses, and in real service, is very valuable, even if the recruit should eventually follow some other calling.

While life insurance is pre-eminently a business to enter while young, as an initial venture no hard-and-fast rule can be laid down. Many men have taken up the work later in life, because of its freedom of time and operation, and made conspicuous successes, but these same men would, of course, have gone much further had they applied their activities from the start.

Therefore, the life insurance business should be taken up by young men—college graduates, high school graduates, or other young men who select it as their first and only vocation.

III. How

Many a good life insurance agent has never reached a reasonable fruition of his powers, or has left the business as a total or partial failure, because of a poor start.

The first essential for a beginner is to thoroughly understand the business, in its broad economic aspects. This

(Continued on page 11)

NATIONAL LIFE INSURANCE COMPANY

MONTPELIER, VERMONT

Sixty-Seventh Annual Statement

January 1, 1917

Assets (Paid-for Basis)		Liabilities (Paid-for Basis)	
U. S., State and Municipal Bonds, at Par	$22,025,033.10	Insurance Reserves	$49,240,963.50
(Market Value Dec. 31, 1916, $22,434,915.10)		Annuity Reserves	5,901,450.50
Mortgages, First Liens	30,637,993.46	Extra Reserves	127,762.48
Policy Loans and Premium Notes	10,393,142.30	Reserves on Supplementary Contracts	325,136.00
Real Estate, Its Office Buildings	251,500.00	Policy Claims under adjustment (No policy in litigation)	176,070.75
Cash in Banks and Office	714,974.99	Other Liabilities	129,097.38
Interest and Rents due and accrued	1,515,197.47	Taxes Payable in 1917	213,243.43
Deferred and Unreported Premiums	886,678.52	Dividends Due and Unpaid	65,164.56
Due from Agents	1,520.98	Dividends payable in 1917	1,556,282.53
		Deferred Surplus	4,533,323.23
		General Surplus	4,157,546.46
TOTAL	$66,426,040.82	TOTAL	$66,426,040.82

1916 RECORD

Largest Paid-for Issue	in history of Company	$27,052,000
Largest Premium Receipts	" " " "	7,100,000
Largest Payments to Policyholders	" " " "	6,877,000
Largest Interest Income	" " " "	3,142,000
Largest Dividend Payments	" " " "	1,472,000
Largest Dividends Payable (Set aside for Payment in 1917)		1,556,000

The municipal bond holdings of the Company **are valued at par.** The present market value exceeds the par value by $109,882, but, as any valuation above par of securities to be held to maturity has no legitimate purpose except to indicate their quality, **the Company takes no advantage in its statement of this appreciation in value.**

PROGRESS IN THE LAST TWENTY-FIVE YEARS

JAN. 1	INCOME	ASSETS	SURPLUS	INSURANCE IN FORCE	JAN. 1
1892	$ 2,218,360	$ 7,625,780	$ 911,732	$ 51,369,348	1892
1917	$11,076,302	$66,426,040	$4,157,546	$212,037,400	1917

FRED A. HOWLAND, President — OSMAN D. CLARK, Secretary

Up-State New York

GENERAL AGENCY

WITH A

Massachusetts Company

Genuine opportunity for a Life Man capable of handling and developing a large plant. Must be experienced and possess real business ability. Negotiations should be opened promptly. Address:

"NEW YORK STATE"

c/o The Eastern Underwriter

105 William Street

New York, N. Y.

Northwestern Mutual's Plans Compiled

76.94 PER CENT. ON LIFE CONTRACTS

Total Endowment Plans Last Year $10,469,120—Amount of Corporation and Partnership

The Northwestern Mutual Life has compiled for agents of the Company the popularity of the various plans of insurance written by the Company for 1915 and 1916. The comparison follows:

1915-1916

	1915 Amount	1916 Amount
Ordinary Life	$ 67,616,480	$ 78,294,100
5 Pay. Life	5,000	.....
10 Pay. Life	1,089,500	1,776,400
15 Pay. Life	1,165,600	1,271,500
20 Pay. Life	36,236,980	41,536,140
Single Pay. Life	11,300	9,100
Total Life Plans	$106,124,860	$122,887,240
10 Year Endt.	211,900	286,800
15 Year Endt.	589,500	816,900
20 Year Endt.	5,086,920	5,322,720
25 Year Endt.	511,700	629,600
30 Year Endt.	1,252,500	1,456,300
35 Year Endt.	225,800	371,000
40 Year Endt.	832,200	917,600
10 Pay. 15 Year Endt.	47,000	27,000
10 Pay. 20 Year Endt.	42,000	22,000
10 Pay. 25 Year Endt.	17,500	.....
10 Pay. 30 Year Endt.	17,000	2,000
10 Pay. 35 Year Endt.	.....	.....
10 Pay. 40 Year Endt.	.....	.....
15 Pay. 20 Year Endt.	6,000	39,000
15 Pay. 25 Year Endt.	1,000	.....
15 Pay. 30 Year Endt.	13,000	1,000
15 Pay. 35 Year Endt.	7,500	.....
15 Pay. 40 Year Endt.	2,000	1,000
20 Pay. 25 Year Endt.	3,000	13,000
20 Pay. 30 Year Endt.	68,500	91,000
20 Pay. 35 Year Endt.	16,000	10,000
20 Pay. 40 Year Endt.	60,000	84,800
Single Pay. End.	.....	70,000
Modified Life	441,000	307,000
Total Endt. Plans	$ 9,512,020	$ 10,469,120
Convertible Term	$ 22,342,400	$ 26,344,580
Total other than Corporation and Partnership	$137,979,280	$159,700,940

Corporation and Partnership

Ordinary Life	$ 3,492,900	$ 6,848,500
10 Pay. Life	.....	80,000
15 Pay. Life	25,000	24,000
20 Pay. Life	405,500	967,500
10 Year Endt.	5,000	20,000
15 Year Endt.	51,000	43,000
20 Year Endt.	239,000	375,000
25 Year Endt.	30,000	.....
30 Year Endt.	.....	5,000
35 Year Endt.	.....	.....
40 Year Endt.	.....	50,000
Convertible Term	1,952,500	3,432,500
Modified Life	2,500	62,500
Total Corporation and Partnership	$ 6,204,400	$ 11,908,000
Grand Total	$144,183,680	$171,608,940

BOONE'S NEW OFFICE

Daniel Boone, Jr., has been elected vice-president and secretary of the Midland Life, of Kansas City. Mr. Boone has been secretary of the Company since its organization.

The Midland Life, paid for $2,979,600 in 1916; with insurance in force of $9,086,074, an increase of $1,439,849 over 1915.

MUTUAL LIFE'S STATEMENT

$175,377,932 New Insurance Paid for Last Year—Payments to Policyholders $68,654,843

The Mutual Life Insurance Company in its annual statement shows that during 1916, the Company paid its policyholders a total of $68,654,843.80—a sum exceeding the amount received directly from policyholders through premiums by $6,748,758.97. The balance sheet for 1916 shows a contingency reserve of $16,252,739.77. This was an increase over 1915 of $1,627,160.61, while in that year also there had been an increase in this item of $1,977,963.97, making total increases in the two years of $3,605,-124.58.

The new insurance paid for in 1916, including dividends of $4,766,295, and additions was $175,377,932.

Policies of the Mutual already in force were increased during the year by $6,321,132, and policies previously terminated were revived to the amount of $2,518,949. This makes the total of new insurance placed upon the books during the year $184,218,013. The cash on hand at the close of the year was but $4,383,965.63, as it is the Company's purpose to keep its funds closely invested. This balance represents an amount considerably less than three weeks' income.

The insurance in force is $1,687,797,-276.

HOME OFFICE CHANGES

Frank C. Lewis Succeeds H. L. Mitchell With Northwestern Mutual as General Loan Agent

H. L. Mitchell, for twenty-six years connected with the loan department of the Northwestern Mutual Life as loan agent in Iowa, and later as general loan agent, has resigned, his resignation taking effect December 31, 1916.

Frank C. Lewis, for many years the Company's loan agent in South Dakota, has been appointed his successor.

W. H. Dallas, who for several years very successfully represented the Company at Philadelphia under the general agency of Messrs. Fansler & Hoffman, has accepted a position in the agency department of the home office, and assumed his new duties January 1.

ON LEGAL RESERVE BASIS

The Western Mutual Life Association, of Los Angeles, is preparing to transfer from the assessment to the legal reserve basis.

The association has about $17,000,-000 insurance in force.

Germania Life To Hold Field Convention

WILL TAKE PLACE IN NEW ORLEANS IN SEPTEMBER NEXT

Company Wrote More Than $21,000,000 Last Year—Mortality 63 Per Cent. of Expected

For the first time in the history of the Company the Germania Life is to hold a general convention of field men. This event will take place in New Orleans two days preceding the convention of the National Association of Life Underwriters. It is believed that at least seventy-five managers and agents will attend.

The Germania Life paid for more than $21,000,000 last year and for 1917 is looking forward to a $25,000,000 year. Business submitted for January was $3,350,-000; about $1,250,000 more than last January, which was the largest in the history of the Company.

War Fund Grows

The Germania's losses in the war have been so small that its war fund has increased. In other words, the extra payments made for the extra risk have been greater than the payments made out of the war fund.

The Company's mortality record for 1916 was the lowest in the history of the Company, being 63 per cent. of the expected.

Extract From Letter to Field Men

In a letter to field men in reference to the convention T. Louis Hansen, superintendent of agencies, said in part:

"The best year in the Company's history as regards paid-for business has just closed, showing an increase of nearly $6,000,000 over the year 1915. This splendid achievement would not have been possible without the determined efforts made by the Company's field men to establish new and higher records for themselves and the Company, and I extend to you, as one of them, cordial congratulations and sincere thanks for your earnest co-operation during the year 1916.

"President Cillis has just announced to you the adoption by the Company of a very attractive double indemnity clause covering death by accident of any kind, and there is thus furnished you a splendid new feature to add to what is already considered one of the most liberal policy contracts on the market."

F. L. WRIGHT SPEAKS

The Pittsburgh Life Underwriters Association held its annual meeting at the William Penn Hotel on Wednesday. Flavel L. Wright, general agent of the Northwestern Mutual Life in Harrisburg, was the principal speaker. Twenty-six new members joined, representing a dozen different companies.

ENDORSED BY T. A. BUCKNER

Vice-President of New York Life Tells Agents National Association Does Constructive Work

Vice-President Lawrence Priddy, of the National Association of Life Underwriters, has written a letter to presidents of the local life underwriters' associations of the United States, reading in part as follows:

My Dear Sirs: For some years past it has been extremely difficult for association men to interest New York Life people generally in lending their moral and financial support to the various activities of the association. This is to be accounted for in part because the impression has for years prevailed among New York Life people that the officers of the Company did not wish them to become active association men.

During the past two or three years the attitude of the Company towards the association movement has had a marked change, so much so that at a conference of the officers, inspectors of agencies and agency directors held in Augusta, Ga., the middle of this month. Vice-President Thomas A. Buckner made a clear statement at that meeting setting forth the Company's position with reference to the association. I did not hear his remarks, but I am reliably informed that in substance he said that the association was at this time doing a wonderfully constructive work for the good of the agents and the business generally; and that the officers of the Company believed it would be wise for the Company's employes generally to lend their support to the movement by becoming active members of the various associations. The writer has personally talked this matter over at length with the executive officers of the Company any number of times and is positive that they are now entirely in sympathy with the association movement and the work it is doing.

The purpose of this letter is to suggest that you at once delegate one or more active members of your association to call on New York Life agents in your city and community and secure their applications for membership.

A. E. MORRISON DEAD

Arthur E. Morrison, of Portland, Me., president of the Eastern $100,000 division of the Mutual Life of New York Field Clubs, died recently at St. Petersburg, Fla., where he had gone in December to spend the winter. Mr. Morrison was chosen to head the Eastern section of the Field Clubs at the Buffalo convention of last summer. He had been with the Company for the past 16 years, and for the past six or seven years had maintained a consistent record of good production.



INDUSTRIAL CONCERNS throughout the land are proving the patriotism of business by insuring entire staffs of employees. The Prudential will lend a hand—make it easy for firms to insure their workers.

Family Insurance has placed America First in Life Insurance, and Group Insurance will help to keep it there.

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THE PRUDENTIAL INSURANCE CO. OF AMERICA

Incorporated Under the Laws of the State of New Jersey

FORREST F. DRYDEN, President

Home Office: NEWARK, N. J.

Johnson & Monser Banquet in Buffalo

A. A. DREW, WILLIAM WINTON, L. A. CERF AND OTHERS THERE

Unique Seating Arrangement By Colors—App a Week, 170 Weeks, De Long's Record

Buffalo, Jan. 30.—The annual re-union of the Johnson and Monser general agency of the Mutual Benefit Life at Buffalo was held Friday and Saturday. The program included a review of the annual statement of the Company by A. A. Drew, superintendent of agents, who with William Winton, also of the home office, is making a six weeks' tour of the general agencies of the Company.

At the first session on Friday afternoon, J. Elliott Hall, of the Day & Cornish, Newark, agency, described in detail the workings of the Mutual Benefit saving plan. L. A. Cerf, of New York, then led in a general discussion, after which the meeting was adjourned until Saturday.

William Winton opened the meeting on Saturday by reading a paper on "Unused Opportunities." W. H. Stanley, of the Buffalo general agency, then displayed economic charts which he had prepared and he was followed by Charles Scherholz, of the policy department of the home office, who talked on supplemental agreements. W. H. Beers, Jr., manager in Rochester, used as his subject, "How to Sell Larger Policies," and at the afternoon session he spoke again on the pace maker plan.

In the afternoon general discussion was again in order and was again led by Mr. Cerf. C. M. Hollis, of the Detroit agency, gave some of his ideas on how to increase the productive power of an agent, which was followed by discussion led by C. G. Monser, of Johnson & Monser.

Records of Producers

At the banquet in the evening General A. S. Johnson, of Johnson & Monser, was toastmaster. Mr. Cerf said that his general agency was continuing to produce at the rate of $1,000,000 per month and that to January 24 had already paid for that amount in 1917. Mr. Monser announced the standing of the individuals connected with the general agency under the consecutive week plan, which he said was originated in the Johnson & Monser general agency. They were as follows: C. E. De Long, of Buffalo, had produced at least one application per week for 170 weeks; W. H. Judd, of Rochester, for 137 weeks; F. J. McCarvel, of Buffalo, for 137 weeks; R. J. Rosenblum, Buffalo, for 132 weeks; H. G. Quick, Elmira, 106 weeks; H. L. Parker, Rochester, 88 weeks; C. E. George, Buffalo, 39 weeks; E. L. Monser, Buffalo, 36 weeks; M. S. Connor, Buffalo, 34 weeks; and L. E. Gready, Binghamton, 33 weeks. To each agent who had produced at least one application for 25 consecutive weeks, a prize was awarded and Mr. Monser announced that a new plan had been adopted so that if a man won the medal twice in succession, instead of being given two medals, some fitting token would be given his wife, thereby gaining her support of the effort for increased production.

A unique plan was used in seating the agents at the banquet. The first five leaders were seated at a table decorated with purple; the next eight at a red table; the next group at a white table and the agents producing less than 50,000 at an undecorated table. This relative standing will be carried through the year. Mr. Monser said an agent "would be forced to show his colors."

Annual Meeting of Buffalo Association

GUESTS HEAR HOW G. T. WILSON GOT FIRST JOB

Enthusiastic Gathering of Underwriters —Charles F. Adams President of Buffalo Association

The January meeting of the Buffalo Life Underwriters' Association was held last Friday at the Ellicott Club, Buffalo. For the first time in the history of the organization ladies were present, there being about 250 men and women in attendance. It was such a success that President Charles F. Adams announced that "ladies night" would be an annual affair thereafter.

George T. Wilson Guest of Honor

The guest of honor and principal speaker was George T. Wilson, second vice-president of the Equitable. Following his address Mr. Wilson was forced to hurry away in order to be in New York on Saturday where he presided at a dinner given to Joseph H. Choate, famous diplomat and lawyer, on the occasion of the latter's 85th birthday.

President Adams introduced Mr. Wilson as the 14 year old boy—one of 119 ambitious youngsters—who 41 years ago last May 31 responded to a sign in a lower Broadway window reading, "Boy wanted. Apply at this office tomorrow morning at 10 o'clock."

"The president of this association," Mr. Adams said, "looking up from his desk saw a short, stockily-built youngster with curly hair and every one of the curls red. One glance was enough. Rising from his chair the president said, 'Young man, you're hired. You will start immediately. Your salary will be $4 per week'."

Mr. Wilson took for his text, "Now is the appointed time," and his description of the proper manner to handle the man who puts off until tomorrow the signing of the application drew the hearty applause of those present.

William Winton, assistant superintendent of agencies of the Mutual Benefit, also addressed the Association.

Among those present were Dr. George S. Staniland, medical supervisor of the Metropolitan Life in Buffalo; Walter J. Shephard, general agent in Buffalo of Massachusetts Mutual; Leonard R. Bissell, general agent Northwestern Mutual.

The executive committee is composed of Raymond F. Brown, Travelers; Percy G. Lapey, John Hancock; Frederick A. G. Merrill, State Mutual; Newton E. Turgeon, Union Central, and Charles G. Venneman, Mutual Life.

Every life company doing business in Buffalo was represented at the meeting.

The next meeting will be the annual meeting.

DISABILITY ON LARGE POLICIES

When the disability benefit of the Equitable Life of Iowa was first issued it was restricted in the case of large policies to the amount which the Company retained, inasmuch as arrangements had not at that time been made for the reinsuring of this feature on the excess line. The Company now announces that a contract with the reinsuring company has been completed covering this feature and it will, accordingly, accept applications for the disability benefit on business up to $50,000 at the ages where this amount of insurance is accepted.

NEW ENGLAND MUTUAL LIFE INSURANCE COMPANY

87 Milk Street, Boston, Massachusetts

ALFRED D. FOSTER, President — D. F. APPEL, Vice-President

JACOB A. BARBEY, Secretary

Abstract from the Seventy-Third Annual Report

For the Year Ending December 31, 1916

		Increase
Gross Assets	$79,095,500.69	$4,820,520.01
Policy Reserve and other Liabilities	$73,729,048.31	$4,574,257.31
Surplus, Massachusetts Standard	$5,366,452.38	$246,262.70
Received for Premiums	$11,067,837.14	$875,527.79
Total Income	$14,762,030.84	$1,265,255.33
Payments to Policyholders	$7,741,374.52	$506,503.41
New Insurance Paid-for	$44,176,773.00	$8,120,860.00
Total Insurance in Force	$337,404,704.00	$27,704,733.00

EDWARD W. ALLEN, Manager
Astor House Building, New York City

LATHROP E. BALDWIN, Manager
141 Broadway, New York City

CHARLES A. HINKLEY, General Agent
White Building, Buffalo, N. Y.

HENDERSON & MANN, General Agents
Cutler Building, Rochester, N. Y.

HENRY P. WICKES, General Agent
Union Building, Syracuse, N. Y.

MARSTON & SMALLEY, General Agents
Land Title Building, Philadelphia, Pa.

Metropolitan Life Superintendents Meet and Hear Reports of a Great Year

Vice-President Haley Fiske Tells of Records Broken Not Only in Production Gains, But in Keeping Down Lapses and Expenses—New Fourth Vice-President Kavanagh's Duties to be in Connection With Group Insurance

Once a year the superintendents of the Metropolitan Life Insurance Company, from ocean to ocean, in this country and in Canada, gather in New York City for half a week of sessions.

It is the custom of the Metropolitan Life at the end of the first morning session to hand out the Company's statement for the year ending December 31st; so the superintendents are practically the first persons in the country to learn what these figures are. At the meeting the leading officers of the Company deliver addresses, and the work for the ensuing twelve months is mapped out.

Nearly 17,000,000 Policyholders

The figures for last year are amazing. The gain of income over 1915 was almost $15,000,000. The Company is a few thousand short of seventeen million policyholders. The outstanding insurance is $3,482,431,996. The assets are $608,097,634.

Although there was a rainstorm, John R. Hegeman, the veteran president of the Company, was on hand at the first session to welcome the superintendents to New York. His reception would have gladdened the heart of a candidate for the Presidency of the United States. Delegates stood on their feet, cheered and waved handkerchiefs, banged chairs, and otherwise showed their affections for the head of the Company. Mr. Hegeman said that language failed when it came to describing the achievements of the Metropolitan. He declared that the new insurance paid for in the industrial department was $243,900,252, which with revivals and increases of $73,940,173 made a total paid-for business in 1916 of $317,840,425. Complete ordinary paid-for insurance was $279,016,103, making the complete writings $596,856,528. The Company has paid policyholders since organization, plus amount now invested for their security, $1,152,835,033.

Mr. Fiske Analyzes Figures

When Mr. Hegeman sat down, Vice-President Haley Fiske said that Mr. Hegeman would not regard life as worth living, "if he could not be a real part, and the real head of this greatest of companies," and if deprived of the privilege of meeting men who loved him so well. Mr. Fiske analyzed the figures in the annual statement. He said, "We have made the greatest gain in assets that has ever been made by any company before. We have written the largest amount of insurance that any company has written in the history of the business. We beat all previous records and made the largest gain of insurance in force, that has been made in the history of the world. We have made the largest gain in premium income and in total income."

Mr. Fiske makes it a point to meet every superintendent and agent of the Metropolitan Life Insurance Company at least once every three years. Since the last gathering of superintendents in this city, he visited forty-five conventions. Few executives in life insurance, if any, travel so much. At each convention he has preached welfare work, keep down the lapses and reduce the expenses. He told the superintendents that his advice had borne fruit. "You have cut down the ratio of industrial expense to the lowest figure ever known to the history of the business," he said. "You have beaten all records in persistency of business." During the 16,000 mile tour that Mr. Fiske made last year he never during any speech told representatives of the Company that they must make increases in the industrial or write more ordinary. As before stated, his talks had but three keynotes: lapse, expense and welfare work.

Of the nearly 17,000,000 policies in force, 800,000 of them are intermediate (ordinary) policies. The industrial may lose when the intermediate gains, but the agent should think of the correct type of coverage only. He described the good judgment necessary for agents in knowing what insurance should be carried, saying that no agent should overload a man, nor should he neglect legitimate opportunities to make the protection sufficient.

"Your business and mine is to serve faithfully the working man and working woman in the United States and Canada," was one of Mr. Fiske's striking statements to the superintendents last week.

Expenses

In discussing expenses, Mr. Fiske said that the ratio for 1916 was thirty-one per cent. Ten years ago it was forty-four per cent. At the same time the payment to policyholders was increased from thirty-five to forty-six per cent. He said that the total expense of the welfare department had been much more than paid by the saving in expense. He then stated that **for the first time in the history of industrial insurance the loading on industrial net premiums will carry the business;** in other words, it is adequate to pay the expense.

Lapses

Mr. Fiske had a lot to say about the decrease in lapses. The Company lapsed 420,000 less policies in 1916 than in 1915. Of policies written in 1916, the Metropolitan had over 84 per cent. of the policies in force on December 31st. "We are fighting for the persistence and the existence of industrial insurance," he said. The Company revived 432,000 policies during the year.

In his banquet address on Saturday evening Mr. Fiske returned to this subject and made a statement which amazed his audience and will surprise all students of the business. He compared the Metropolitan's 1916 lapse rate in the industrial with the lapse rate for 1915 (not having the 1916 figures for other companies). The net termination ratio, i. e., deducting revivals from lapses, to the mean number of policies in force, was only 5.63 in the Metropolitan. Mr. Fiske then gave termination rates on same basis of three of the greatest of the old line companies not issuing industrial insurance. They were as follows: 6.28, 6.95 and 8.34.

11,771 Agents

At the superintendents' meeting Mr. Fiske said the number of agents of the Company is 11,771. Number of deputies is 1,572. The agent's average remuneration is $24 a week. Some years ago they earned something like $13 a week. Mr. Fiske then read the records of some of the territories.

The Metropolitan territory had a net lapse per $100 of debit, of less than nine cents. Revivals per dollar of lapse, 44½ cents, ten cents better than the Company revival record. Ratio of persistency to issue of 1916 was 85.52.

In the Great Western territory the percentage of advance payment was 94½ per cent. Percentage of placed business to apportionment was 124 per cent. Average gain in force per man, per month, was $1,292.

For some years that part of the Great Northern territory located in Canada, made a higher increase per man, per week, than was made in the United States or by the Company, and had paid for a higher average per man, per month, in the ordinary than elsewhere.

A New Fourth Vice-President

Mr. Fiske then made some announcements of unusual interest, particularly as what he had to say was news to nearly every person present, including some of the officers.

One of the announcements was the elevation of James E. Kavanagh to be fourth vice-president. The convention was on its feet in a minute cheering the news. Mr. Kavanagh is a Canadian who began as a school teacher. He thought the work was too confining, and became an industrial agent in Toronto. His superior ability quickly asserted itself, and he was advanced to assistant superintendent. Later he won his spurs as superintendent in St. John, where his record was remarkable. About eleven years ago he was made a superintendent of agencies. He is studious, affable, unassuming. Mr. Kavanagh's duties as four vice-president will be largely in connection with group insurance.

Mr. Fiske announced that the Canadian territory would be separated from the Great Northern, and that Harry Kay, superintendent of Montreal West, would be superintendent of agencies, succeeding Mr. Kavanagh.

It was also announced that New York State would be a separate territory, called the Empire State, with Harry J. Miller as superintendent. New Jersey has been taken away from the Metropolitan territory and attached to Pennsylvania, which will be known hereafter as the Middle Atlantic territory, with James Smithies as superintendent. Mr. Smithies was first in charge of Western Pennsylvania, Eastern Pennsylvania later being added. He has been unusually successful.

A Few Individual Records

Telling of records of different men, Mr. Fiske said that Frederick B. Barclay, of Bay Ridge, L. I., who became an agent in 1905, superintendent in 1908, having two deputies and forty agents, made an actual increase last year of twenty cents per agent. He qualified 100 per cent. of his debits. His lapses per $100 per debit were less than 5 cents. In ordinary more than $1,000,000 was placed.

William Schmidt, of Oshkosh, Wis., who began in 1911, and was appointed superintendent in 1916, had an actual increase of $86. Average lapse was less than six cents; 91 per cent. of the business written in 1916 was in force at the end of the year.

The famous Monahan, of Chicago, winner of many trophies, had advance payments of $12,000; had an increase of twenty-four cents per man, per agent; had $2,000,000 or more ordinary. Average per month, per man, $2,469. He was awarded the Veterans' Trophy for the fourth time, which insures his permanent possession of it.

George P. Higgins, of Norwich, with eleven agents and no deputies, made an actual increase of twenty-three cents per man, and 91 per cent. of insurance was still in force at the end of the year.

Following Mr. Fiske, James M. Craig, the actuary, made interesting analysis of the various figures.

Ecker Discusses Co's Investments

Frederick H. Ecker, treasurer of the Metropolitan Life, was introduced by Mr. Fiske as a man who had entered the service of the Company as a boy, and who has grown in ability, experience and judgment "until I look with awe at the standing he has in Wall Street." Mr. Ecker said that the 1916 statement was the best that the Metropolitan has ever made, particularly from the standpoint of the sound value of the assets, important when we consider that the country has passed through a decade that has tested the quality of security values more than any other single decade. He called attention to the fact that 43,000 miles of operated railroad property are in the hands of receivers, and he asked himself the question, "Did this touch the Metropolitan at all?" "It did," he said. "Some of our investments were affected by the number of railroad corporations which went into the hands of a receiver, but it did not touch the surface of the integrity of the assets of the Company." The Insurance Department requests that certain securities owned by life insurance companies, must deduct "below the line," i. e., taken out of admitted assets. For 1916 the Metropolitan had taken below the line just $179,000 out of $608,000,000 assets. He thought this was very remarkable.

Mr. Ecker says that for a great many years he has studied with great minuteness financial statements of various

METROPOLITAN'S NEW FOURTH VICE-PRESIDENTS



GEORGE B. SCOTT



JAMES K. KAVANAGH

Annual Gathering of Superintendents of Metropolitan Life

types of industrials and other corporations.

He said he knew of no particular form of investment so big as life insurance, in which so much money was invested; while, on the other hand, he knew of none in which so little attention was given to the financial statements by the general public. He thought this was a compliment to the life insurance companies. But he added that if the financial statements of some companies were investigated with more care they would not be writing so much life insurance.

Average Earnings

In 1916 the Metropolitan invested $69,000,000. The average earnings on these investments was 5.11 per cent. The Company has more than $250,000,000 invested in real estate bonds and mortgages, the average earnings of which is slightly under 5.30 per cent. On stocks and bonds there is $275,000,000 invested at the average rate of 4.65 per cent. He said that good bonds are becoming more scarce, particularly municipal bonds, which are having a growing popularity.

In discussing the question of exchange, Mr. Ecker said that in 1912, the premium income was $87,000,000. "It costs us $7,372 to bring this money to New York," he said. In other words, $318 a million. In 1916 the premium income was $125,000,000, and the total cost to bring this money to New York was $6,252 or $53.80 a million. After discussing the prosperity of the past year, Mr. Ecker made the following prediction:

"This year is bound to be just as good as was 1916. We hear a great deal of talk of what is going to happen in this country when the terrible war waging on the continent is over. But even if this comes before December 31st, I am confident, that so far as business conditions are concerned, they are not going to change much this year."

The Provident Plan

Third vice-president, Frederick F. Taylor, told what is happening in the installation of the Provident plan. This plan is now on exhibit in New York City in three districts. It was invented by Mr. Taylor, has been patented by him, and is expected eventually to eliminate deficiencies, excess arrears, field inspections, final accounts, weekly accounts, premium receipt books, collection books, debit and credit notes, arrears and advances, much of the clerical work done by agents, in fact, bring about many economies. The plan which has been described as revolutionary, will mean a net savings in the expense ratio of 1 per cent., it is estimated. The Provident plan is described in brief as follows:

The "Provident Plan" provides that hereafter all of the policies in each family shall be grouped. To each insured family will be given a group number. The policies held by the family will be entered not in the old, traditional Premium Receipt Book, but on a "Family Group Premium Card" with the name of the district and the group number. The "Family Group Premium Card" will be placed in an envelope provided by the Company.

The total weekly premium shown on the "Family Group Premium Card" will be the collectible amount, and the collector of premiums will issue receipts in the form of coupons. All policies can be receipted for on one coupon receipt.

Each week collected on will be listed separately on the coupon receipt. Each coupon receipt allows for the collection of 5 weekly premiums at one time. Should the agent collect 10 weeks at one time, two coupon receipts must be given to the policyholder: If he should collect 11 weeks' premiums, the agent would use 3 coupon receipts and give them to the policyholder. In other words, a coupon receipt must be given to the policyholder for every five weeks or fraction thereof collected by the agent.

Simplicity

The agent's collection book, instead of being the old, familiar book (which some agents were inclined to wrap up in newspapers owing to its bulkiness), weighing from 1½ to 3 pounds, will now be known as a route book weighing only ¼-pound. The Route Book will permit the names of six families to a page and will show the group number and total premiums collectible from each family and the agent will need merely to put an "X" in his Route Book under the date to which premiums are paid. The simplicity of this method is remarkable.

Each coupon receipt is carbonized as the agent completes the original receipt for the insured; a duplicate is automatically made and remains attached to the stub in the agent's receipt book, until the agent makes his next deposit at the district office, when the duplicate receipt is detached by the cashier. There is a loose leaf binder for each agent's debit; a loose leaf sheet for each family; squares on the sheet for each week; the Mondays of the entire calendar year are printed in the squares and in due course the bookkeeper gums each duplicate of receipt mentioned above on the square indicating the exact date to which the premium of each family is paid.

By this system agents remit in full every morning every premium collected the day before. There will be no such thing as collecting $53.69 and depositing only $40 or $50 and hold off the remainder because the "agent needs some money for change." The district office has, at a moment's notice a complete record of every date of last payment of every policy in force in the district.

Instant Information for Everybody

Should an insured family wish to know just how it stands at the office, the office clerk can at once tell them the correct date of last payment without waiting for the agent to call or referring to the agent's collection book. The agent can collect his debit in much less time than under the old system.

861,000 Policies Covered So Far

Mr. Taylor said that he had been thinking of different phases of the plan for many years, and in 1914 had secured permission from Mr. Fiske to go to Germany and study the Victoria system. The war broke out and prevented this trip. One night on a sleeping car going to Lynchburg, Va., the details of the plan presented themselves to Mr. Taylor in the scheme as practically adopted, and he discussed them with all the superintendents in the southern field.

At the present time twenty districts are using the Provident plan. A few changes will be made, but it is almost in a perfected state. Mr. Taylor estimates that it will save a million dollars a year. It will also help the morale of the agency corps. The plan is at work in five districts in New York City, in fifteen districts of Chicago, and, altogether, at the present time, 861,000 policies are covered by 673 agents. In the second week in February the Company will proceed with the installation on Manhattan Island and the Bronx, eleven districts. The first week in March the plan will be put into operation in Brooklyn; in April in Long Island; and then in the Hudson River districts as far as Tarrytown.

Mr. Taylor also explained the new dividend receipts to be used in connection with the plan.

Tribute to B. B. Anderson From Mr. Woodward

George B. Woodward, second vice-president, in his talk paid a tribute to Byron B. Anderson, of Foxcroft, Me., who has gotten remarkable results as a producer in a small community. Mr. Anderson, by the way, is postmaster of Foxcroft. In discussing his achievements, Mr. Woodward said:

"At the risk of being considered partial to New Englanders, and for the benefit of those here today for the first time, I want to refer again to the record of Agent Unattached Anderson. He has been a member of the $100,000 club for six consecutive years. In 1916, he placed $259,000, and in his six years of membership has personally placed over $850,000. I have previously told you that he works in the backwoods of Maine, having a territory of 100 square miles, the entire population of which is only 8,400. Where he gets his business is a mystery to me, since I should suppose that every insurable resident of his territory must already be a Metropolitan policyholder, but year after year he comes here as a leader. It is fortunate for the Company that our other field men located in more populous districts do not produce in the same ratio, since if they did our placed business for 1916 would have been $3,000,000,000."

Annuities

In his talk Mr. Woodward made this interesting commentary on annuities:

"We are all desirous of increasing our incomes and are usually thinking up new fields. Did it ever occur to you that you have a great opportunity right at hand, which is almost wholly ignored?- You must have heard of annuities, but I doubt if many of you have ever tried to write one. How many of you know that the Company pays a greater annual sum on an annuity bond for a given amount of deposit than any other company in the United States?

"Annuities are growing more popular every year and people are voluntarily seeking them. Nearly $250,000 was taken in over the counter in our Inquiry Office, on the first floor of this building in 1916. That sum represents $5,000 in commissions, which might just as well have been in the pockets of some of our field men. We issued altogether in 1916 one hundred and five annuity bonds, covering deposits of $1,833,000, of which amount probably not over $200,000 was issued through applications secured by any member of the field force. In other words, there was brought to the Company by the annuitants themselves, or outsiders, more than $1,600,000, of which, if placed by the field force of the Metropolitan, would have netted them over $30,000.

"In every large community there are at the present time people along in years, with no dependents, who feel the pinch of high prices and would be glad of an opportunity to double their income by taking an annuity, with the guarantee of so strong a Company as the Metropolitan behind it. At age 60, a Metropolitan annuity pays twice what can be received from first-class bonds. The ratio increases with the age of the annuitant; on a male life, at age 73, the income is 15 per cent. It is a field well worth cultivating."

Mr. Woodward also gave figures relative to the $5,000 Whole Life Policy, which is now being issued at a slightly higher premium than formerly.

George B. Scott in Humorous Vein

George B. Scott, who was made fourth vice-president a few months ago, and who is also in charge of the Pacific Coast Division where he makes his headquarters, delivered a humorous speech in which he said that he had been brought to New York under false pretenses in that he had been told that he was the only fourth vice-president of the Metropolitan Life, but after arriving here he had been informed of the election of Mr. Kavanagh as fourth vice-president also. Seriously, he was delighted at this because he and Mr. Kavanagh had been closely associated in the home office and later had been rival superintendents. In fact, if he had been asked to name a fourth vice-president he would have picked Kavanagh.

Mr. Scott said that it had not been such easy sledding in the Pacific Coast territory as in some other sections of the country because the prosperity of the East had gone westward rather slowly, but despite adverse conditions the Coast territory had cut down its expenses over 2 per cent., while at the same time it wrote about the same volume of industrial business for 1916 as in 1915. It had made an increase in the industrial department of $1,800 more than during 1915, which represents a saving in lapses.

Mr. Scott concluded his talk with a parody on a famous Longfellow poem, reading in part as follows:

Lives of great men all remind us,
We can make our wives sublime,
And departing leave behind us
Widows worthy of our time,
Who will some day meet another
Maybe three years, maybe ten—
Some forlorn and busted brother
Wooing her, can start again.

Mt. McGregor

Dr. Howk, superintendent of the Company's wonderful sanitorium for the tubercular at Mt. McGregor, where General Grant died, told what is being done in the institution. During the year five buildings have been opened, including a rest house. The additional space makes it possible to treat other diseases than tuberculosis, the first time it is said where other than tubercular

Great Southern Life Insurance Company

HOUSTON, TEXAS.



For Agency Contracts address

O. S. CARLTON

PRESIDENT

Annual Gathering of Metropolitan Superintendents

diseases are treated in a sanitorium for tuberculosis. At the present time there are two hundred and forty patients at Mt. McGregor. One hundred and eighty-six were discharged in 1916 who came there originally from twenty-seven different States. Of the patients who had been received at the sanitorium more than one hundred and seventy have been sent back to work. Dr. Howk told many interesting stories of men who have returned to work from the sanitorium, not only ready to go out into the world again on an equal footing with other men, but as propagandists who are fighting the white plague. Many of these men have written telling how they are improving their home conditions. But, best of all, one former agent has been promoted to be a superintendent since returning to the field from Mt. McGregor. Dr. Howk made an appeal to have cases sent to Mt. McGregor during incipiency—not to wait until it is too late.

Metropolitan Movies

The Thursday afternoon sessions ended with the showing on the screen of two sets of moving pictures, one for exhibition before chambers of commerce, boards of trade and similar bodies of representative men, showing the welfare work of the Company with its own employes; the other showing the welfare work with the policyholders.

The pictures were accompanied by a running explanatory comment made by Dr. Lee K. Frankel, third vice-president.

Particular interest was evinced in the Mt. McGregor pictures; also in the pictures showing the dental room, rest rooms, five minute recess pictures, etc. In the pictures for policyholders in which the work of the visiting nurses is featured the superintendent shown is Donald C. Sinclair, one of the Company leaders, and the cheer leader who is taking the place of the late lamented Frank Foster, of Chicago, who died during the year.

Inspiring Speech By Mr. Gaston

The features of the Friday morning sessions were the talks of George H. Gaston, who had charge of the arrangements which made the great convention possible, and who was introduced by Vice-President Fiske as "a man whom you all love and who loves you"; and Third Vice-President Ayres, who has charge of the ordinary.

Mr. Gaston's speech was one of the most scholarly and inspiring of any delivered at the convention. His style is easy and literary, while his plea for the agent to bring out all the best that is in him, and his comments on the danger of any one thinking that he has reached perfection and cannot be improved, brought a ringing response from the superintendents. He said that success is won—

By neither age, nor race, nor place,
It's get up and get, that holds the pace.

In life insurance there is a free field, no favorites, and the fittest survives. To prove age has nothing to do with success he gave the names of men who are leaders despite youth, and of those who have succeeded though well on in years. He said the Company had superintendents of twenty-two different nationalities, and named some of them, such as Scotch, Sinclair; Irish, Monahan; Dutch, Kraus. He told of the different conditions under which the superintendents work. L. S. Bruenn, of the Knickerbocker District, in a district of less than two miles in extent, has a population of 380,000 to reach, and in it thirty-two different languages are spoken.

On the other hand, Carbondale (Ill.), district, 4,500 square miles, has fifty-three separate towns, not one of which has 10,000 population, while the total population is only 125,000. He told of the Calumet district, where everyone is interested in mining; of the Pittsburgh district, where one knows by the smoke whether or not prosperity reigns; of South Carolina, where cotton is king.

One Man Without a Lapse in Fifteen Months

In discussing some of the records Mr. Gaston said that weekly lapses per $100 of debit in the Metropolitan district were 8.96 cents; Keystone, 9 1.2 cents; New England, 11.61 cents. He told of the record of Higgins, of Norwich, who out of eighteen agents, did not lose a single one last year; of Levy, of Manhattan, who out of fifty-one agents only lost one; of Forrester, of Harlem, who out of forty-two agents only lost three; and of other superintendents who knew how to keep men. Last year the Company licensed 5,319 new agents. He said that "The Intelligencer," published by the Company, would shortly print a story of an agent in Indianapolis who has not had a lapsed policy in fifteen months.

From this he drew a moral that the lapse ratio is going to show such a steady decline, because of the greater care, judgment and intelligence of writing business, that it would soon be negligible.

Handicaps Overcome in Canada

A. G. B. Claxton, Chief Agent of the Company in Canada, said that the Metropolitan had a million policies in force in the Dominion, and paid a tribute to the work of the Canadian field force in the record they had made despite the fact that about one-twelfth of the able bodied men were now in khaki. Despite this the Company last year wrote $20,000,000 ordinary in Canada and $25,000,000 industrial. He paid a tribute to the work that Harry Kay did in interesting the patriotic women of Montreal, in the families of men who hold industrial policies in the Metropolitan who have gone to the front; and the way that these policies are being conserved, partly through the aid of these patriotic women. Mr. Kay had delivered a number of speeches before the leading women of the Dominion.

General Solicitor Tully was introduced by Second Vice-President Gaston as a man who had such charm of manner that he can hypnotize the officers of the Company more effectively than any other man.

The Whole Family Protection Bill

Senator Tully made a most interesting statement about the Whole Family Protection bill that has made its appearance in some of the legislatures and which has the endorsement of some of the commissioners although there are other department heads who are against it. This bill makes provision for the insurance of children by fraternals.

Mr. Tully said that for this year at least the Metropolitan Life's attitude would not be one of antagonism to this bill, but it might be that legislators and commissioners would see the unwisdom of the measure and kill it.

There are forty legislatures now in session. One bill that is most unfair is the Nebraska measure prohibiting insurance on lives of children under fifteen years. There was to be a hearing on this bill before a legislative committee on Tuesday of this week, which would be attended by Dr. Lee K. Frankel, third vice-president of the Metropolitan; by representatives of the Prudential and other industrial life companies.

Great Claim Record

Mr. Tully called the attention of the superintendents to the report of the committee of the Association of Life Insurance Counsel on "Methods of Settlement." He said that every company in the country of any prominence, with one exception, had agreed to stand by the report of this committee.

(Continued on page 8)

THE
First Mutual
Chartered in America, 1835
New England Mutual Life Insurance Co.
BOSTON, MASSACHUSETTS
ALFRED D. FOSTER, President
D. F. APPEL, Vice-President

FINANCIAL STATEMENT

Assets, Jan. 1, 1916 ..... $74,274,980.68
Liabilities 69,154,791.00
Surplus $5,120,189.68

The New England Mutual's recognized position in the front rank of American companies is the result of seventy-two years of honorable, capable and equitable dealing. If you are a "front rank" man—you want to be identified with such an institution.

EDWARD W. ALLEN, Manager
217 Broadway, New York
LATHROP E. BALDWIN, Manager
141 Broadway, New York

The Connecticut Mutual Life Insurance Company,
PRESIDENT JOHN M. TAYLOR, HARTFORD, CT.
Insurance in force, 107,262 Policies for..... $253,439,405.12
WHAT NO OTHER COMPANY HAS DONE
To repay to its Policyholders in Death Claims, Endowments, Dividends, Surrender Values, Annuities and other credits more than they have paid to it in premiums. It stands alone in that result.
Total premiums received, Dec. 1, 1846, to Dec. 31, 1916 ..... $310,337,255.71
Total returned to Policyholders, as above noted, in same period..... 319,548,729.00
Excess of amount returned..... 9,211,473.29

Ambitious, Productive and Trustworthy Life Agents may be benefitted by corresponding with the
Berkshire Life Insurance Company
of Pittsfield, Mass.
Inc. 1851
New policies with modern provisions Attractive literature
W. D. Wyman, President W. S. Weld, Supt. of Agencies

The value to the field man of representing a Company, that for seventy-two years has furnished perfect protection, is well known.
The reputation of this Company, combined with unsurpassed service and a spirit of co-operation between Home Office and Agencies, is a combination that wins.
Additions are made to our Agency Force when the Right Men are Found
STATE MUTUAL LIFE ASSURANCE COMPANY
OF WORCESTER, MASSACHUSETTS
Incorporated 1844
B. H. WRIGHT, President D. W. CARTER, Secretary
STEPHEN IRELAND, Inspector of Agencies

THE MOST VALUABLE POLICY FOR YOU,
Mr. Agent, is to write your prospect in the Company writing the most valuable policy for the insured.
Secure **prompt action** in the
John Hancock MUTUAL LIFE INSURANCE COMPANY OF BOSTON MASSACHUSETTS
WILLIAM N. COMPTON, General Agent
METROPOLITAN DISTRICT, ST. PAUL BLDG., 220 BROADWAY, NEW YORK, N. Y.

Popularity's Persistent Progress
The greatest of all great years in delivered business for this Company—1916! Without need of urging or pleading, our representatives, with vigorous and self-directed industry, were the enactors of this glistening achievement.
The tide of new business is flowing strongly in the New Year. We expect that 1917 will be another golden period of widely increased protective service of the homes and the businesses of the United States. Home Office and Field in the Massachusetts Mutual are a unit in their determination to be front-rank contributors.
Occasionally we have a General Agency opening for a quality man.
JOSEPH C. BEHAN, Superintendent of Agencies
MASSACHUSETTS MUTUAL
Life Insurance Company
SPRINGFIELD, MASSACHUSETTS
Incorporated 1851

Metropolitan Superintendents' Meeting

In discussing claims Mr. Tully said that last year the Company had rejected 26/100th of 1 per cent. The total claims paid were $33,313,889. On the Pacific Coast where $999,000 claims were paid one claim of $25 was rejected.

During the course of his remarks, Mr. Tully referred to Vice-President Fiske as "the ablest living exponent of life insurance to be found anywhere." He then paid a tribute to the new third vice-president, Robert Lynn Cox, praising his character as well as his abilities and doing it with such eloquence that it was a shame Mr. Cox was not present to hear it. He had stepped out of the room for a few minutes.

Third Vice-President Ayres made one of his dynamic talks, working the superintendents up to a high pitch of enthusiasm.

Mr. Richardson's Talk

Mr. Ayres was followed by Manager Richardson, of the disability department, who discussed disability and health insurance. He told of the pioneer work the Company is doing in the work of which he is the head, and of the difficulty in finding sickness insurance experience to guide the Company. He discussed the social insurance propaganda and said that if health insurance sweeps the country, the Metropolitan will by that time have the experience and knowledge to know how to meet the situation, and will be able to supply its policyholders with this form of insurance "and to sell it cheaper than any other company." He also discussed the question of malingering and advised superintendents to stop it if it put in an appearance.

Mr. Fiske as a Presiding Officer

The social features of the convention included a visit to the Hippodrome and many luncheons and banquets. With the exception of a short interval Vice-President Haley Fiske presided. As a presiding officer, he is in a class by himself. Absolute master of the situation, an eloquent orator, he introduces speakers in a graceful and most pleasing manner, never repeating a phrase.

METROPOLITAN CONVENTION SIDELIGHTS

William J. Tully, general counsel of the Company, was the only man present who wore Harvard eye-glasses. There were no boys on the Armstrong Committee of 1906, so Senator Tully must be a great deal older than he looks, as he was a member of that committee.

* * *

Robert Lynn Cox, the new third vice-president, attended his first superintendents' meeting, but did not speak until the banquet on Saturday night.

* * *

The only men in the United States who speak faster than Frank O. Ayres are Archbishop Ireland and Newell Dwight Hillas. The stenographer was the only man present who did not appreciate Mr. Ayres' forceful and magnetic address.

* * *

Haley Fiske, in charge of the convention, seemed to take more interest in the report of happenings at the Tubercular Sanitorium at Mt. McGregor than in any other phase of the proceedings. It is a source of great satisfaction to him to know that he has been instrumental in saving the lives and health of a great many men. It was Mr. Fiske's bigness of heart, as well as massive brain and tremendous energy, that placed him where he is.

* * *

To a greater extent than most men, James V. Barry responds to a fresh idea or is bored by a hackneyed one. When we write his obituary, which we expect to do not earlier than 1960, we shall use the epitaph "Here rest the bones of one who hates hypocrisy."

* * *

After Actuary James M. Craig made his speech to the superintendents some of them said they were going up to his office later and give him a talk on cube root, because Mr. Craig, always original in his methods, talked to the agents exclusively about production.

* * *

Luther B. Little, manager of the publication division of the Metropolitan, added to his duties for the week by serving as walking encyclopaedia for the various superintendents who wanted to know "What's the best way to get from the Metropolitan Building to Myrtle Avenue, Brooklyn?" "I want to take my wife a present; what store has the best silk?" etc. A thousand questions like these Mr. Little answered with speed and grace. It is also rumored that he wrote the Metropolitan "gags" in the Hippodrome minstrel show the night the superintendents attended in a body.

HOPF ON EFFICIENCY

Discussion of Planning and of Incentives—Intangible Things Most Worth While

H. A. Hopf, of the Phoenix Mutual, in discussing efficiency methods, said this week:

"From the moment you are ready to begin the day's work, the principle of planning should be allowed to operate. Perhaps the most immediately helpful effect from planning is in the direction of greater desk efficiency. It has been my observation that very few life insurance salesmen are alive to the importance of making their desks a working machine instead of a storehouse for miscellaneous odds and ends.

"Much could be said on the subject of desk efficiency, but time does not permit. I must, therefore, content myself with the statement that the difference between an efficient and an inefficient desk arrangement may easily account for 50 per cent. of the time which you are obliged to spend in desk work. Routing your calls so as to cover the territory with the least possible waste of time, is another illustration of the benefits of planning.

"Above all, the importance of planning your interview and carefully thinking out beforehand exactly what you intend to say and propose to your prospect, must be apparent to you. I do not mean, however, to indicate that you should not adjust yourself to unforeseen contingencies which may arise in your interviews.

Incentives

"Happiness of the individual must be the prime object of efficiency; in other words, efficiency is simply a means to an end. In the prosecution of your service to yourself, your family and your community, you will derive the strongest kind of incentive to greater efforts through the realization that the intangible and not the material things are the ones most worth while, and that mental and spiritual progress should be cherished above financial and social. It behooves us to have supreme confidence in ourselves and our ability to master the problems which confront us, and we should be possessed of the determination to continue the struggle and ever push forward, no matter how slow the progress; for there is no such thing as a standstill."

E. B. Taylor has bought the interest of B. F. McKeage, 3rd, in the firm of Taylor & McKeage, Binghamton, N. Y. Mr. McKeage will continue independently.

The Pacific Mutual Life Insurance Company

OF CALIFORNIA

RESULTS FOR 1916—FORTY-NINTH YEAR

New Life Insurance Issued (Paid-for Basis)	$ 25,173,909.00
Total Life Insurance in Force, December 31, 1916	171,913,618.00
Gain in Life Insurance in Force	11,253,916.00
Total Cash Income	10,403,191.29
Gain in Cash Income over 1915	649,504.13
Total Paid Policyholders	4,344,645.43
Grand Total Paid Policyholders since Organization	48,695,123.24
Surplus, Assigned and Unassigned (Exclusive of Capital)	3,932,024.50
Gain in Surplus (Assigned and Unassigned)	427,217.03
Gain in Admitted Assets	3,070,585.58
Gain in Reserves	2,646,509.71
Premium Income, Accident Department	2,012,256.74

BALANCE SHEET, DECEMBER 31, 1916

ASSETS

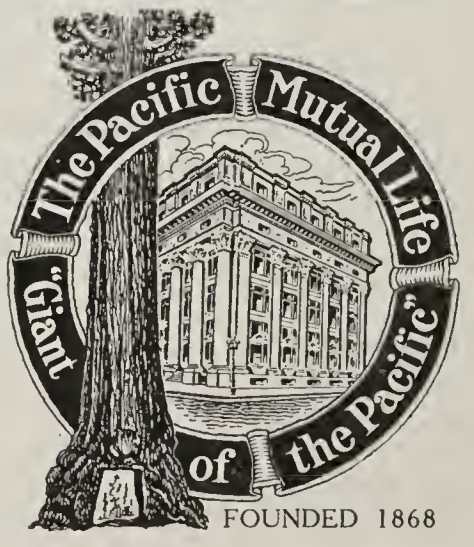
Loans on Real Estate (Amount of Loan does not exceed the statutory percentage of appraised value)		$21,963,261.22
Loans on Approved Collateral		1,482,066.75
Loans to Policyholders (In no case does amount of Loan exceed the Reserve held by the Company)		7,330,568.56
Bonds Owned		3,279,793.34
Real Estate Owned (Including Home Office Building)		1,592,715.14
Interest Due and Accrued		589,189.69
Outstanding and Deferred Premiums	Life Department	631,607.54
	Accident Department	434,160.21
(Net Amount, Reserve charged in Liabilities)		
Cash on Hand (Including $1,148,529.75 of Deposits drawing Interest)		1,423,769.17
Other Assets		65.00
TOTAL ADMITTED ASSETS		$38,727,196.62

LIABILITIES.

Reserves on Policies	$32,552,735.15
Claims in Process of Adjustment	395,256.34
Premiums and Interest Paid in Advance	208,585.71
Reserved for Taxes Payable 1917	153,000.00
All Other Liabilities (Including $131,505.95 Re-insurance Fund and $123,970.39 for Agents' Commissions in Accident Department)	485,594.92
Total Liabilities	$33,795,172.12
Capital Stock	1,000,000.00
Surplus Set Aside for Future Dividends to Policyholders	2,814,479.00
Surplus Unassigned	1,117,545.50
TOTAL	$38,727,196.62

Death Rate Actual to Expected, 58.10%

There are always good opportunities for the right men with this progressive and successful Pacific Coast Company.



FOUNDED 1868

Average Rate of Interest Earned on Invested Funds, 6.33%

HOME OFFICE
LOS ANGELES,
CALIFORNIA

New England Mutual's 73d Annual Report

NET GAIN FOR YEAR, $27,704,733 OF INSURANCE

Assets Are Now $79,095,500—Striking Example of Persistency of Business

The seventy-third annual report of the New England Mutual Life, the oldest life insurance company of Massachusetts, was read by President Alfred D. Foster, at the annual meeting on January 22. The Company not only had the gratification of writing a larger amount of new business than in any previous year, but during the year 1916 all expectations were surpassed as there were issued and revived 16,619 policies, for $44,176,773, an increase over 1915 of 2,254 in number of policies, and $8,120,860 in amount of insurance. The net gain for the year was 10,762 policies and $27,704,733 of insurance.

$337,404,704 in Force

The Company has now in force 139,200 policies, insuring lives of policyholders for $337,404,704.

The total receipts for premiums were $11,067,837.14, an increase of $875,527.79; and for instalment contracts $266,066.60, an increase of $147,279.88. Receipts for interest, rents, etc., amounted to $3,418,597.94, an increase of $242,094.13. The total income from all sources was $14,762,030.84, an increase of $1,265,255.33. The total payments to policyholders aggregated $7,741,374.52, an increase of $506,503.41.

Death claims paid were $3,655,393.40, an increase of $402,451.70, and the ratio of actual to expected mortality was 62.98 per cent. compared with 61.87 per cent. for 1915. The average age of policyholders at death was 56 years and the average duration of policies was 17.5 years, compared with 18.1 years the previous year.

Twenty policyholders lost their lives in automobile accidents, involving $50,998 of insurance, an increase of eight persons and $22,456 in amount.

Four Deaths in European War

Four deaths resulted from the European war, with a loss of $29,500 in insurance. Three policyholders were drowned by vessels being torpedoed and one was killed in action.

The insurance surrendered amounted to $3,945,514 which was $327,971 less than in the previous year.

The amount of surplus apportioned for distribution in 1917 is $2,265,000, an increase of $165,000.

Loans on first mortgage of real estate increased $1,529,162.08 and now amount to $15,659,534—and there was no interest overdue and unpaid at the close of the year.

Municipal and corporate bonds to the amount of $4,710,212 were purchased, and the total of the bond investment now stands at $42,518,568.

The Loan Account

The policy loan account shows a net increase of $371,324.87, which is less than for any year since 1906. New loans were made and old loans increased to the amount of $1,939,676.79. Loans for $555,501.28 were paid in cash and $1,012,850.64 was cancelled by maturity or surrender of policies. There are now outstanding 24,193 loans (averaging $498) amounting to $12,043,632.19, which is 15.69 per cent. of the ledger assets. Of the total number of policies in force 17.3 per cent. are now pledged to the Company as security for loans.

The gross assets of the Company, including deferred premiums, accrued interest, amortized and market values of securities over ledger values, are $79,095,500.69, an increase of $4,820,520.01. The amount reserved for all future policy claims and instalments is $70,126,446.14, an increase of $4,478,945.76, and the total liabilities $73,729,048.31, an increase of $4,574,257.31; bringing the surplus to $5,366,452.38, an increase of $246,262.70.

Lost Policyholders

Another interesting feature of the report is the publication of a list of policyholders whose policies expired leaving in each case a balance to the credit of the insured. By diligent search the Company has been able to locate a number of its lost members, who, having ceased paying premiums many years ago, were unaware that their policies had any value. The receipt of the money, entirely unexpected, has been very welcome and, in many cases, of material assistance to the insured or the beneficiary. The new list contains the names of those of whom no trace has been found, and the Company will welcome any information, addressed either to the home office or to an agent, that will assist in locating the persons insured or their legal representatives.

Persistency of Business

Referring again to the insurance in force, $337,404,704, this shows an increase of $27,704,733—a net saving of 62.7 per cent. of the amount issued. This is a record that is almost unique in the experience of life insurance companies of the class of the New England Mutual. The persistency of its business is very striking.

NORTH AMERICAN'S PROGRESS

Company, Ten Years Old, Has $34,000,000 in Force—Made Many Increases Last Year

At the annual meeting of the stockholders and directors of the North American Life Insurance Company of Chicago, Albert Schurr was elected second vice-president and Henry B. Overesch, formerly Superintendent of Agencies, was elected third vice-president, succeeding Mr. Schurr in that position. W. P. Kent was re-elected secretary and also elected treasurer of the Company. The other officers are president, J. H. McNamara, vice-president, Thomas M. Knox.

The Company made an increase in new business of $800,000, decrease in lapses of $1,400,000; increase in insurance in force $3,000,000; increases in interest earned; assets, surplus from net profits; average rate of interest on Company's assets. It now has three and a half million assets; income of over $100,000 a month and an agency organization writing business at the rate of $10,000,000 a year.

"On February 26th the North American Life Insurance Company will be ten years old and at that time the Company will have between $34,000,000 and $35,000,000 of insurance in force which is the largest amount of insurance ever written by any company in its first ten years (with the exception of the Equitable Life of New York), considering that none of this insurance is accounted for by taking over other companies," said Secretary Kent, this week. All of it has been placed on the books by its own agency organization.

CONTINUOUS PRODUCTION

Herman Duval, of New York City, and H. R. Kaufman, of Minneapolis, representing the Northwestern Mutual Life, made a good record for systematic and continuous production during 1916, reporting $25,000 or more of life insurance each month. Mr. Duval is one of the largest and most consistent producers of the Company, which position he has held for many years. Mr. Kaufman, just out of college, made this record during his first year as an agent. Mr. Duval and Mr. Kaufman are the only members of the Northwestern field force to accomplish this feat.

American Central Life

Insurance Company

INDIANAPOLIS, INDIANA

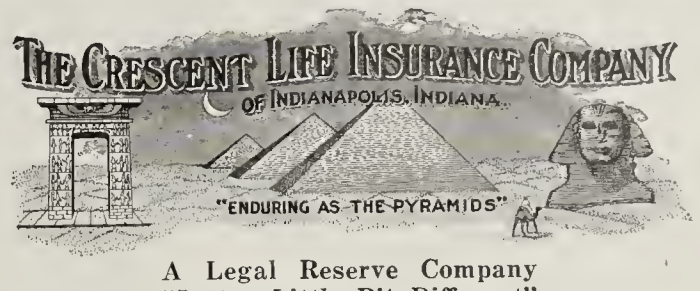
Established 1899

All agency contracts direct with the company

Address:

HERBERT M. WOOLLEN, President

J. C. Humes
President



L. D. Clancy
Secretary

A Legal Reserve Company
"Just a Little Bit Different"

GENERAL AGENTS WANTED IN INDIANA

Home Office: Fletcher Trust Bldg., Indianapolis, Ind.

We don't contract with poor men.

We give a new man our attention until he is started.

We make our men make good.

Why don't you work for us?

Peoria Life Insurance Company

PEORIA, ILLINOIS

TIP FROM THE TRAVELERS

Insurance Policy Should Be Secured For Amount of Mortgage on a Home

When a home is mortgaged a life insurance policy for the amount of the mortgage should be immediately secured, says the Travelers. Any plan of paying off the mortgage by saving is imperiled by the possibility of death. A life insurance policy affords a certain and far better method than any plan of saving.

A whole life policy at a low cost or a limited payment policy will take care of the mortgage at the death of the insured, while an endowment policy combines both the certainty of insurance and the paying off of the mortgage during the lifetime of the insured.

"Assume your home is mortgaged for $2,000," the Travelers continues. "You intend to pay it off by installments of $200 a year. A ten year endowment policy, age 35, requires you to save only $181.88 a year and it will pay off the mortgage at the end of ten years or immediately at death.

"Assume the mortgage is for $4,000. A twenty year endowment policy will cost only $190.08 a year for twenty years, and your mortgage is taken care of whether you live or die."

The Jefferson Standard Life has been licensed to operate in West Virginia.



Does This Man Need Insurance, and Why?

QUESTION ASKED AND ANSWERED BY CANADIANS

Young Man, 30, No Dependents, Carries $5,000; Invests Available Cash in Ranch

In a recent issue of the "Life Underwriters' News" of Canada, the following case was forwarded and answer solicited:

The Proposition

A young man of 30, unmarried, no dependents of any nature, in the Government service, and carrying the maximum of Government insurance, $5,000, and placing all his available cash into the buying of a ranch in the West, to which he aspires to retire in due course. He figures the money he puts into the ranch is bringing him approximately 30 per cent. The question is does this man need life insurance? If so, what arguments can one use to convince him?

The Answer

The following answer has been submitted by James B. H. Storer, North American Life, Bathurst, N. B.:

The young man is passing rich, thirty and still unmarried, from which facts, coupled with his stated ambition to retire at a reasonably early age, one must naturally infer some degree of selfishness in his make-up, so I would suggest getting under his skin by that route. W. G., by his mere asking of the question, furnishes ground for doubt as to the young man's actual need for life insurance—and yet, despite this, the young man himself clearly demonstrates that he thinks it advisable—if not actually necessary—by already carrying $5,000 on his life. The existence of somebody's insurable interest is thus demonstrated, leading to the hypothesis of "need." We might, having this in mind, proceed to offer him insurance upon a monthly income basis, whereby he can pay premiums for, say 20 years and thereafter on his retiral at age 50, can be assured of a definite income for himself for life or for any possible future dependents in the event of his death. A little figuring with the aid of the rate book and profit statistics would serve to demonstrate how much more he would receive than give. The insurable interest established through the naming of a beneficiary in his Government insurance would dictate disposition of the benefits of other insurance should he die, and his estate would be considerably enhanced by this addition to his "carcass value." He is not "over young to marry yet," and I would say, speaking out of a fairly wide experience in the observation of such cases, that if he is to an extent endowed with the Christian graces he won't always be able to describe himself as "unmarried and thirty." In any case, whether married or single, there are occasions in every business of life when a life insurance policy for loaning purposes or as security becomes a factor leading to success, whereas the lack of one becomes a serious drawback (illustrations suitable to the present should not be difficult to find). At such times reasons of finance or health ofttimes conspire to defeat these ends—in other words, he might one day need insurance in the worst way and not be able to get it. Quotation of statistics showing the percentage of "insurables" in the total population of the country might serve to emphasize this argument.

The Question of Profits

I do not know anything about the ranching business; but I do know that many one-time wealthy ranch owners have filled paupers' graves, and that life insurance is generally conceded to be one of the safest of safe investments and one into which market fluctuations cannot inject even the likelihood of loss. Thirty per cent. is a very large interest yield, and one must assume on general principles that where such large profits are possible there is doubtless a correspondingly large element of risk. Perhaps also were his method of figuring his profits subjected to the criticism of actuarial methods they would not really loom so large; this by the way. Life insurance is steady and sure and I don't consider the agent would err in selling this man insurance upon any limited payment or endowment plan. It will be like his umbrella: some day the storm may come and he will need it badly. The absolute certainty of life insurance should appeal to this lonely young man who plans so systematically, and the agent would do well to dwell upon this phase. Of course personality must be considered, and he should know all possible about his prospect before approaching him.

This young man can evidently afford to pay a fairly large premium, so with this in view I consider he needs life insurance both from a standpoint of present safe investment and in the future, to protect his income and that estate which, by his present methods, he evidently considers worthy of protection.

* * *

Settling an Estate

The laws of New York State fix the fees or commissions of an executor or trustee for handling an estate as follows, says the Aetna Life's Buffalo Agency Bulletin:

First: He is allowed all necessary expenses incurred in the care, management and settlement of the estate including attorney fees.

Second: He is entitled to 5 per cent. commission on all sums not exceeding $1,000 or, in other words, the first $1,000.

On additional sums amounting to not more than $10,000 the fee is 2½ per cent.

On all sums above $11,000 the fee is 1 per cent.

To illustrate: On an estate of $1,000 the executor's fee would be $50. On an estate of $5,000 it would be $50 for the first $1,000 and 2½ per cent. on the balance of $4,000, or $100, making a total of $150. If the estate amounted to $25,000 the trustee's commission would figure $440. Added to the fees in each case are expenses incurred by the trustee.

These fees are irrespective of the number of years the trusteeship runs.

Modern life insurance companies are able to render the highest grade of such service for several reasons, among which are the following:

Many years of experience in trusteeing estates—in the Aetna 66 years. Guessing is eliminated.

Many years of experience in making investments and many investments which permit the operation of the law of average. Safety is certain.

It is not necessary to depend wholly upon the opinions, judgment or foresight of one or two men. Many minds trained in finance are focused on the conservation of each estate. Consensus of opinion rules.

State supervision makes assurance doubly sure.

Service is good or bad by comparison and naturally the best service is worth more in actual dollars and cents. Yet for this highest grade of service as rendered to policyholders by the life insurance companies not one cent is charged. It is contracted for in every policy the Aetna issues through the instalment settlement options.

There is no depreciation because of fluctuating values, no loss from poor judgment or dishonesty of trustee, no deduction for fees or expenses. The whole estate is received by the beneficiary.

PURELY MUTUAL **THE** CHARTERED 1857

Northwestern Mutual Life Insurance Co.

MILWAUKEE, WISCONSIN

GEO. C. MARKHAM, President

INSURANCE IN FORCE, $1,420,012,571

SATISFIED POLICYHOLDERS each year apply for over 35% of the new insurance issued.

NORTHWESTERN POLICIES are easiest to sell and stay longest in force.

Mortality 60.31%. Interest 4.95%. Expense 10.46%.

AGENTS PROTECTED by enforced No-Brokerage and Anti-Rebate Rules.

Income Insurance
Corporation Insurance
Partnership Insurance

It Will Pay You to Investigate Before Selecting Your Company

Write to
H. F. NORRIS
Superintendent of Agencies
Milwaukee, Wisconsin

Large "Dividends"
Low Cost
Service Policy

A GOOD OPENING

An old, well established, progressive life insurance company, with unexcelled dividend record has good opening at PHILADELPHIA, covering Eastern Pennsylvania. Address, stating qualifications:

PHILADELPHIA, care of The Eastern Underwriter
105 William St., New York City

THE

Cleveland Life Insurance Co.

WILLIAM H. HUNT, President

LIFE—HEALTH—ACCIDENT—INSURANCE

Home Office Guardian Building

THE DIRECTORS OF THE CLEVELAND LIFE

are well known representative Cleveland citizens, their reputation for integrity and business ability being firmly established

CHARLES E. ADAMS
FRANK A. ARTER
ELBERT H. BAKER
H. A. HIGGINS
Member Executive Committee
WILLIAM H. HUNT
President
M. P. MOONEY
Counsel
E. W. MOORE
M. J. O'DONNELL
Vice-President
CHARLES A. OTIS
EUGENE C. PECK
F. F. PRENTISS
Vice-President
DR. J. C. PLACAK
Medical Director
L. Q. RAWSON
Secretary
W. D. SAYLE
Treasurer
J. H. WEBSTER
Member Executive Committee
D. R. WARMINGTON
HENRY C. WICK
N. P. GOODHUE
Akron, O.
HENRY W. HEEDY
Youngstown, O.

Financial Statement, January 1st, 1917

ASSETS

First Mortgage Real Estate Loans	$ 859,808.43
Ohio Municipal and County Bonds	156,451.40
First Mortgage and Collateral Trust Bonds	134,460.00
Loans to Policyholders	77,529.14
Cash on Hand and in Banks	52,270.74
Interest Accrued	5,509.40
Furniture and Fixtures ALL CHARGED OFF	(None)
Premiums Due and Deferred	44,072.69
Other Assets	2,978.00
Total Gross Assets	$1,333,079.80
Less Assets Not Admitted	5,815.52
Total Admitted Assets	$1,327,264.28

LIABILITIES

Full Legal and Special Reserves	$ 993,383.28
All Other Liabilities	32,202.95
SURPLUS TO POLICYHOLDERS	
Capital Stock $250,000.00	
Unassigned Funds 51,678.05—	301,678.05
Total Liabilities	$1,327,264.28

COMPARATIVE RECORD OF GROWTH

YEAR	ADMITTED ASSETS	LEGAL AND SPECIAL RESERVE	ANNUAL INCOME
1907	$157,102.59	$1,823.00	$69,557.31
1908	186,088.71	30,752.50	108,656.05
1909	322,949.65	85,882.00	165,724.66
1910	383,960.95	147,481.24	152,290.29
1911	476,962.58	236,605.77	187,135.84
1912	642,015.14	334,660.70	291,321.24
1913	808,528.64	501,558.72	365,230.64
1914	954,620.18	665,751.72	400,153.91
1915	1,126,895.29	828,858.70	443,692.40
1916	1,327,264.28	993,383.28	502,983.14

Admitted Assets $1,327,264.28

Life Insurance in force approximately THIRTEEN MILLION DOLLARS, and in addition thereto 5,891 Policyholders carry Health and Accident Insurance protection, paying monthly premiums.

Paid to Policyholders Since Organization in Death Claims and Other Benefits Over $512,000.00.

Compliments in Report on the Aetna Life

COMM. MANSFIELD TELLS OF QUADRENNIAL EXAMINATION

Aetna Life and Affiliated Companies Had Total Income Last Year of $41,736,303

Burton Mansfield, Commissioner of Connecticut, has made public a quadrennial examination of the Aetna Life, dated November 17, 1916. The report is exceedingly complimentary. Commissioner Mansfield in his conclusion says, "Its affairs are being efficiently managed."

Death Claims

In speaking of the death claims, life department, the commissioner says:

It is evident from our examination of the papers and correspondence that in dealing with beneficiaries as many troublesome technicalities as possible are eliminated. All papers filed in connection with various claims are in excellent order, the necessary documents being properly executed, arranged and filed. Our investigation of these matters show conclusively that the Aetna Life Insurance Company is paying its death claims promptly in accordance with its contracts and with due regard to the Company's obligations. All unnecessary delay is eliminated. All claimants, so far as I am able to ascertain, are treated justly and their interest properly safeguarded.

In addition to the usual routine work in connection with death claims, the Company is engaged in searching for beneficiaries who have not filed proper claims with the Company. A number of holders of old policies, who have attained the age of 96, have been found and their policies paid.

Matured Endowments

In regard to matured endowments the report says:

Payments to policyholders made on account of endowments which matured during the first quarter of 1912, the third quarter of 1913, the fourth quarter of 1914 and the entire year of 1915 were checked from the original papers. During the year 1915, $3,178,139 was paid on account of matured endowments. This amount which appeared in the Company's annual statement, has been verified during the examination and found correct. The endowments are paid promptly when they become due, except in such cases where the beneficiaries cannot be found or when some legal question interferes with the payment on the appointed date. The Company, here as in the case of death claims, is continually making every effort possible to reach the missing claimants.

On December 31 last, there were matured endowments to the amount of $75,744 unpaid. This amount covered all the years from 1880 to 1915 inclusive. Since the first of this year, approximately $30,000 of this amount has been paid.

The Company paid $4,735 during 1915 on account of total and permanent disability claims.

1916 Figures

The 1916 statement of the Company shows total assets of $131,298,624, an increase in assets over the preceding year of more than $7,000,000; an increase in surplus to policyholders of $1,008,120; an increase in income of more than $4,335,508. Payments to policyholders in 1916 were more than $1,000,000. The Company has paid to policyholders since organization in 1850, $298,835,000. New life insurance issued in 1916 was $121,743,164. In force January 1, 1917, was $467,545,656 life insurance.

Some extent of the great growth of the Aetna and affiliated companies can be gauged by the fact that the total income of these companies in 1916 was $298,834,909.

CONNECTICUT LEGISLATURE

The following are life insurance bills introduced in the Connecticut Legislature:

By Senator Broder—Preventing the investment of the funds of life insurance companies, chartered by the State, in mining stocks or in companies that have paid individuals in five years no more than 4 per cent. of the capital stock.

By Senator Hunt—Incorporating the National Life and Guarantee Company of Hartford with capital stock of $100,000 and naming S. C. Doty, Richard S. Williams and Alexander W. Creedon as stockholders.

Mr. Healey of Waterbury—Incorporating the Waterbury Life & Accident Company.

NEW KANSAS CITY MANAGER

Elon S. Clark, who has been manager at Topeka for the Mutual Life of New York since 1900, has been appointed manager at Kansas City for the same Company, succeeding the late Charles N. Seidlitz, whose death occurred early in January. The Topeka agency will be consolidated with the Kansas City agency under the management of Mr. Clark, but an office is to be maintained at Topeka. The Kansas City headquarters will continue in the Sharp Building.

Warren Horner's Book

(Continued from page 2)

means study at the start, and study all the way through to the end—study of the economic and beneficent value of life insurance, study of human nature, study of self and systems of work applicable to the individual.

An important lesson to be learned from the situation is that an individual will always reach a higher goal than the objective, provided he work constantly for an objective and indulge in directly applied energy, eliminating wasteful and impractical endeavor.

A Man's Job

The agent should not try the business. It should be taken up as a life's work, with a determination to stick. It is a man's job, and will not mix with anything else. It is ethically and fundamentally wrong to mix it with anything else.

The agent should be ambitious to serve his friends and acquaintances, not to prey upon them. The life insurance agent should learn when to talk, and when not to talk. He should learn to arrange interviews to best bring results. Life insurance should be regarded, and sold as a conservation of man's energy or earning power—as life insurance for live people. Figuratively, the salesman should look through a man like an X-ray, and see, beyond, his loved ones, or business, or both, and talk protection for these, not just selling arguments to put dollars in his own pocket.

What is in the mind of the agent is easily conveyed to the prospect.

ALWAYS A PLACE FOR DEPENDABLE AGENTS

Those who can not only write applications but deliver policies, and are energetic in their methods. Good positions are ready for such men.

Union Mutual Life Insurance Co.
PORTLAND, MAINE
ARTHUR L. BATES, President
Address: ALBERT E. AWDE
Superintendent of Agencies
7 W. Madison St., Chicago, Ill.

The Perfect Protection Policy
OF THE
RELIANCE LIFE

gives you something absolutely new and different to talk to your prospects. Gives you a chance to earn more money than you are now making.

Our Life Insurance Contracts contain the most up to date clauses known to the Insurance World. The Accident and Health gives full protection for at least a third less cost than regular casualty companies. Our agency contracts are as liberal as can be made.

WRITE AND WE WILL TELL YOU MORE ABOUT OURSELVES

Reliance Life Insurance Company of Pittsburgh
FARMERS BANK BUILDING
PITTSBURGH, PENNSYLVANIA

WE have room just now for two or three good men—not the Million Dollar producer who takes it out in talk, but the man who can average $100,000 of personal business, plus experience in appointing and working with agents. Men who become valuable to this Company grow in value to themselves. We cannot guarantee your success, but we will give you a real opportunity, then it's up to you. Would you like to hear about it further?

Pittsburgh Life and Trust Co.
Home Office, Pittsburgh, Pa.
HOWARD S. SUTPHEN
Vice-President & Manager of Agencies

The "Home Life"

The fifty-sixth annual statement of the Home Life Insurance Company, of which George E. Ide is President, presents a record of substantial benefits to its policy-holders during the year and a solid growth in financial strength.

Assets increased to $32,029,439.71 after paying to policy-holders $3,447,381 including dividends of

$602,721

The insurance in force was increased by $4,766,740 and is now

$125,660,173

For Agency apply to
GEORGE W. MURRAY,
Supt. of Agts.
256 Broadway, New York, N. Y.

Build Your Own Business
under our direct general agency contract

Our Policies provide for:
Double Indemnity, Disability Benefits, Reducing Premiums

See the new low Rates

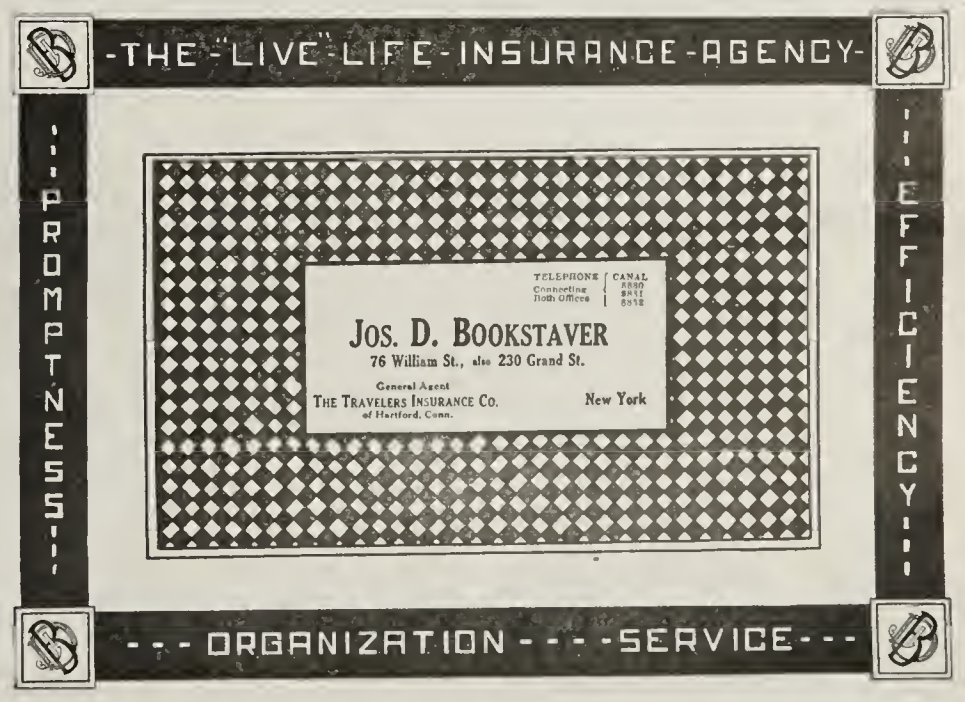
JOHN F. ROCHE, Vice-Pres't
THE MANHATTAN LIFE INSURANCE COMPANY
66 BROADWAY NEW YORK
Organized 1850

ORGANIZED 1871
Life Insurance Company of Virginia
RICHMOND, VIRGINIA
OLDEST, LARGEST STRONGEST
Southern Life Insurance Company
Issues the most liberal forms of Ordinary Policies from $1,000.00 to $50,000.00, and Industrial Policies from $12.50 to $1,000.00
CONDITION ON DECEMBER 31, 1916:

Assets	$14,464,552.23
Liabilities	12,436,717.56
Capital and Surplus	2,027,834.67
Insurance in Force	118,349,212.00
Payments to Policyholders since Organization	18,119,172.50
Is Paying its Policyholders over	$1,300,000.00 annually

GOOD TERRITORY FOR LIVE AGENTS

FOUNDED 1865
Unexcelled In Favorable Mortality and Economy of Management
The Provident Life and Trust Company
OF PHILADELPHIA
Rates of Premium Extremely Low and still further reduced by Annual Dividends



LIVE HINTS FOR BUSINESS GETTERS

Practical Suggestions to Help the Man With the Rate Book Increase His Income and General Efficiency

L. D. Dix on Term Insurance

L. D. Dix, representing the Penn Mutual Life at Mobile, Alabama, offers some valuable suggestions on term insurance.

I am convinced that the term policy is a good one for the insured, the agent and the company.

For the insured, because it enables him to buy the protection he needs at a price he can pay. He can carry the larger amount when he is young and earning capacity limited, and when his children are absolutely dependent upon him and the need for protection imperative. If he is successful in business, he can convert. If he fails, he has at least protected his family through the helpless stage. And if he had had a higher premium policy with a loan value, he would likely have borrowed it, and thus be left in the same fix. His old age should be provided for—surely; but after he had provided for his helpless little ones. The thought of the poorhouse in my old age has no such terrors for me as the vision of my little girls and boys left to the mercy of the cold world.

Of course, no man should buy term insurance if he has the means with which to buy the same amount on the whole life or higher plan.

It's a good policy for the agent. Say your prospect can pay $100 for premiums. If you sell him a $3,000 20-payment life policy you may be able to keep hold of him and sell him more when his ability to buy increases. But your competitor may sell him his next policy, and he may find that there are other good companies and clever agents. But sell him $10,000 term for the same premium, and then, as his salary increases, convert it, $2,500 at a time, and you have the field to yourself.

Many a young business man will not consider a $10,000 or $20,000 ordinary life policy who will buy that much term at one-half the premium. If you treat him right, no other agent will be able to take him away from you. And, as you convert a policy, sell him another term. Always keep him loaded up with term, so that all your competitor can do is help you educate him to carry more permanent insurance. Then convert another term. To illustrate, I sold a client $5,000 term. Then he bought $2,000 20-payment life. Then I converted $5,000 term to a dual endowment. Then sold him another $5,000 term; then another $6,000 term. He then converted his $6,000 to 20-payment life. I then sold him another $10,000 term. Then another $20,000 term. The other day he told me that he would be ready to convert either $10,000 or $20,000 more term before his rate changes in May. That will leave him only $15,000 term and $33,000 high premium insurance. Of course I'll have to sell him some more term. Another case: A client first buys $5,000 term. I try to convert it and he likes it so well I sell him another $5,000 term. Later I sell him $10,000 more term; then another $10,000 term. Then I convert $10,000 to 20-payment life. Later convert $5,000 to 20-payment and later $10,000 to 20-payment life. He now has $5,000 term left, and I am trying to sell him another large term policy.

I took both of these cases away from an agent of another good company because I sold them term insurance. It must be hard for an agent to get enthusiastic over a policy which gives him only 20 per cent. commission on a low premium. Anyhow, they don't do it.

Furthermore, frequently a man cannot be induced to take $2,000 or $3,000 more 20-payment life—can't afford the extra $100. Show him where he can get $10,000 term for that premium, and he is willing to make some additional sacrifice to give the wife and babies that much more protection. Then, of course, convert it as his ability to pay increases.

Very often a prospect says to me, "Why, I never heard of such a policy." "Sure," I reply, "agents don't like to sell it; small premium, and very small per cent. of commission. I want to sell you what you need. When you have made your money and can convert your term then I'll get mine."

You find a man carrying an endowment or limited payment policy which will mature in a few years. "Can't take any more till I get this paid up." "But maybe you can't pass the examination then; take a term for very small premium to cover you till the old policy is paid up; then convert." Of course he does it.

* * *

The Use of Superlatives

One of the errors most common with life insurance agents is the habit of using superlatives in describing the company they represent and the policy they are trying to sell. There is only one line of business where superlatives can be consistently used without arousing instinctive antagonism in our minds. This is the enterprise with which we have been familiar since childhood which advertises itself by means of flaming posters as "The greatest show on earth"—the institution that was made famous by the late P. T. Barnum. It was this genius of the circus who also stated that the American people liked to be humbugged. This may be true as far as a circus is concerned but we do not think it applies to other lines of business, says the Northwestern Mutual Life in its "Field Notes."

Stop a moment and analyze your own impressions when any one states that the article he has to sell is absolutely the greatest, best, most remarkable, wonderful and unparalleled in the world, whether it be a spool of thread or an automobile. Do you not immediately question the statement and make up your mind that it will require conclusive proof on the part of the person making it before you will accept it as a fact? This attitude is as old as human nature itself. Go back in your own experience in this business and call to mind the number of times when you have used superlatives in describing the Northwestern and its policy contract that you met with one of the following answers: "Why, that is what Mr. ——— told me in regard to a certain company," or "that is what they all say."

How much more effective it is to understate your proposition, giving the impression that you are holding a great deal in reserve. By not making statements that invite invidious comparisons you are always strengthening your case and will many times avoid competition. The moderate statement will be accepted at its face value whereas a superlative will oftentimes necessitate proving your point. How much easier our work would be if we could eliminate the constant use of figures, ratios and documents to prove our statements.

Some one has said that the greatest fault of the life insurance agent is that he talks "insurance" instead of "insure" and unfortunately this is often only too true. The agents who are armed with an arsenal of facts and figures and flourish these weapons on every occasion secure what business they do, not because of, but in spite of their methods. The most successful agents do not try to intimidate the prospect with statistics tending to prove their superlative statements in regard to their company but visualize the needs of the men before them and create an irresistible desire in their minds for the protection they have to sell.

"Therefore, in making statements about the Northwestrn," says "Field Notes," "do not give the impression that it is the only life insurance company in the world nor that it is the best, but pattern your method of presenting the merits of your company after that admirable statement in the address of Second Vice-President P. R. Sanborn before the Agents' Association last July, in which he said:

"'I will not undertake to multiply reasons for praising the Northwestern. It is not the greatest company in the world, nor the most marvelous organization ever achieved since history began, not even the only safe and strong company, but a company that is safe, that is strong, and that guarantees to its members by wise, honest and economical management, the faithful administration of its trust which is held for their benefit and advantage, and to the end that to each one or to his representative shall be paid, in good time, that portion of the trust fund to which he is entitled, with interest.'"

* * *

Try For At Least One App. a Day

By simply securing one application for each working day, which is, certainly within the power of every insurance man, and by looking carefully after the payments and keeping the lapse rate down to a minimum, a business will soon be created that will be bringing in a satisfactory income through renewal commissions each month says the Federal "Record."

Don't think the Home Office has it in for you when an application is turned down. Don't waste your time talking to "cranks" who don't believe in insurance. You can write a dozen reasonable men before you can convince one of these of the necessity of protecting his income and dependent ones.

William H. Parsons, of the Aetna Life, in Washington, D. C., who died this month, left a widow and six children.

THE
METROPOLITAN LIFE
Insurance Company
(Incorporated by the State of New York)



Metropolitan Life Insurance Company
Home Office Building

The Company
Of the People
By the People
For the People

The Daily Average of the Company's Business during 1916 was:

701 per day in Number of Claims Paid.

8,304 per day in Number of Policies Issued and Revived.

$1,969,823 per day in New Insurance Issued, Revived and Increased.

$376,827.40 per day in Payments to Policyholders and Addition to Reserve.

$220,509.26 per day in Increase of Assets.

JOHN R. HEGEMAN, President

Representing

The Mutual Life Insurance Company
of New York

You will make money.

The great strength, big dividends and incomparable benefits of the *"oldest company in America"* mean certain success for you.

For Terms to Producing Agents, Address

GEORGE T. DEXTER, 2d Vice-President
34 NASSAU STREET, NEW YORK, N.Y.

REPORT OE CLEVELAND LIFE

$12,732,607 INSURANCE IN FORCE

Now Entering Upon Its Tenth Year—New and Large Home Office Facilities

In view of the campaign against promoters in Ohio waged by President William H. Hunt, of the Cleveland Life, the annual statement of the Cleveland Life will be read with interest. Naturally, the affairs of this Company have been under the searchlight because of the number of personal enemies that Mr. Hunt has made in his fight.

The annual statement of the Company shows it to be in such a splendid condition that Mr. Hunt need not worry about what his enemies can find in it for flaw-picking purposes. The Company is clean; its record one of steady progress.

More Than $12,700,000 in Force

The Company has $1,000,000 in legal and special reserves representing its guaranty fund held in trust for the security of its policyholders, and in addition thereto more than $300,000, representing capital stock and surplus available as a further security to the policyholders. It closed the year 1916 with insurance in force, ordinary life of $12,732,607, a net increase of $1,565,587.

Insurance in force upon the Company's books shows greatly improved persistency as evidenced from the fact that its lapsations for the year are approximately fifty per cent. less than during the year preceding. The tenth year, 1917, will probably be closed with $15,000,000 in force.

Assets are $1,327,264. Cash income during 1916 amounts to $502,983.14. Excess of income over disbursements during the same period, $192,465.76.

The Cleveland Life has paid to policyholders since its first death claim in 1909, $512,494.34. Upon the lives of citizens of Cleveland $3,094,584 is carried.

The momentum gained by the Cleveland Life during 1916 has made necessary that the Company seek new and enlarged Home Office facilities.

The management of the Company believes that it has pursued a correct managing policy and that in results achieved and volume of business written the Company has made a most creditable showing.

What is Owed Man Who Pays Premium

When a company accepts a premium for a policy of liability insurance and an agent accepts his commission or a broker his brokerage, they assume not only a legal obligation, but a moral obligation as well, says F. E. Wilkins of the Commercial Casualty.

It is not our purpose to dwell upon the question of legal obligation, as that is too well known, but we have reason to feel that whereas many of us have full cognizance of our moral obligation to the policyholder, some of us do not fully realize or appreciate to the full extent what we owe to the man who pays a premium.

When selling liability insurance we do not speak only of the indemnity provided for in a policy, we speak extensively on the question of service. Can we not then safely say that a liability insurance premium purchases indemnity and service?

The greatest service a company can render in the event of an accident is prompt investigation of same, and, if necessary, proper preparation for trial of the case. The company is interested, in a pecuniary way, only to the extent of the limit stated in the policy. If a plaintiff is handed a judgment in excess of the policy limit, the defendant (the assured) can recover from the company only the amount provided for in the policy and must necessarily take care of the amount in excess thereof from his own funds.

Inasmuch as the company has full control of a case from the investigation of same to the trial, is it not important that everything possible be done to safeguard the assured's interests as respects large verdicts? The Commercial recognizes that moral obligation and renders service accordingly. This is borne out by the fact that comparatively few verdicts have been rendered in excess of the Company's limit of liability. The Commercial protects its policyholders fully.

It is true that while most cases are adjusted without resorting to litigation, nevertheless it is important for a policyholder that all accidents be investigated in anticipation of a suit.

The Commercial, whenever a claim is a legitimate one and it is possible to do so, effects a settlement with the claimant, thereby relieving the policyholder from the trouble and annoyance of attending court and testifying; and at the same time relieving him from anxiety and worry, as well as a possible verdict in excess of the Company's limit of liability.

Agents and brokers will readily appreciate their moral obligation to place their client's business with a company which fully realizes what it owes to the policyholder.

The greatest service that a broker can render is to place his client's business with the Commercial.

* * *

Can't Always Judge by Appearances

The Amicable Life, of Waco, Texas, tells a story of a special agent who was at a little mountain town of South Carolina. The local agent brought a man to the hotel and introduced him as a prospect. The man was just down the mountainside with his cattle. He was in rough garb and seemed anything else but a prospect. The special invited him up to his room and with a touch of courtesy made him feel at home. A ten minutes' talk developed the fact that this mountaineer was a college graduate and a man of quick perception in business. It also developed an application for a ten-thousand-dollar policy and a check on a local bank for $350.

Courtesy costs little and pays big. In the above case it cost nothing and paid over $25 a minute.

ROSEN AGAIN LEADS

The ten leading writers of the New York Life for 1916 in the order of their rank follow:

H. B. Rosen.....Park Row, N. Y. City
A. E. Duran.....Oklahoma
A. L. Farmer.....Oklahoma
Jay H. Emerson.....Stock Ex., Chicago
Lawrence Priddy, Manhattan, N. Y. City
Harold Peirce.....Phila. Cl.-H.
J. J. Parker.....Cleveland
Isidore Spiegel....Park Row, N. Y. City
Chas. H. Webster.....Binghamton
Geo. W. Taylor.....Missouri Cl.-H.

CONNECTICUT LEGISLATURE

The following are general insurance bills introduced in the Connecticut Legislature:

By Mr. Leete of Enfield—Providing for printed statements to stockholders by insurance companies.

By Senator Broder—Eliminating fee of $4 for certificates issued by insurance commissioner authorizing corporations to act as insurance agents.

By Mr. Morehouse of Stratford—Repealing State law of half of one per cent. on stock insurance companies.

Mr. Robotham of Farmington—Amending charter of Mutual Plate Glass Insurance Company of Connecticut.

C. K. DREW RESIGNS

Harry C. Rubincam, general agent for the London and Lancashire Indemnity at Denver, has been elected secretary of the Insurance Federation of Colorado, succeeding Cyrus K. Drew.

THE AVERAGE EARNINGS OF THE AGENTS
OF THE
Standard Life Insurance Company
∴ ∴ OF PITTSBURGH ∴ ∴
are higher this year than ever before. Our attractive Accident and Health Policies have helped them to make more money.
Write for a LIFE, ACCIDENT AND HEALTH Contract to
FRANK A. WESLEY
Vice-President and Director of Agencies



There Is Always Room At The Top
Come with us and it won't be so hard to get on.
Live ones win among IZZERS
Write to J. L. BABLER, Gen'l Manager Agencies
International Life
ST. LOUIS.

Security Mutual Life Insurance Company
Binghamton, N. Y.
Offers to men able to produce business first class territory, with direct contract providing liberal compensation.
For particulars, address
C. H. JACKSON, Supt. of Agencies

TRAVELERS AUTO FEATURE

Supplement Will Be Attached to Personal Accident Policies for Small Cost

The Travelers Insurance Company, of Hartford, will attach to personal accident policies an automobile supplement, which increases the amount payable for accidental death if injuries are sustained while riding in, operating or working directly upon a private automobile. The additional cost will be $1 for each $1,000 of increased insurance for automobile accidents, and will be issued only to select, preferred, extra preferred and ordinary risks.

MIDDLEPORT CHANGE

P. J. Fermoile & Son have purchased the insurance business of D. J. Bushnell, of Middleport, N. Y. The Bushnell office was an old established one in Middleport, having been conducted by the late John Benson, passing into the hands of Mr. Bushnell at the death of Mr. Benson two years ago. The companies represented in the Bushnell office were the Agricultural, Springfield, American (N. J.), Continental, Hanover, Orient, Philadelphia Underwriters, Phoenix of Hartford, Providence-Washington, Rochester German Underwriters, Sun, United States, Provident Life & Trust and Employers' Liability.

BANKERS
BLCo
LIFE
DES MOINES
COMPANY
PAYS GOOD PAY TO GOOD MEN

THE EASTERN UNDERWRITER

This newspaper is owned and is published every Friday by The Eastern Underwriter Company, a New York corporation, office and place of business 105 William Street, New York City. Clarence Axman, President; B. F. Hadley, Vice-President; W. L. Hadley, Secretary. The address of the officers is the office of this newspaper. Telephone 2497 John.

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THE FIGHT ON LAPSES

It will surprise students of life insurance to learn that the Metropolitan Life's net termination ratio, i. e., deducting revivals from terminations, to the mean number of policies in force, was only 5.63 during 1916. In other words that it was lower than that of some of the greatest companies writing ordinary business only. At the convention of Metropolitan Life superintendents last week the statement was made that during his visits to triennial conventions of 1916, when he addressed 9,000 field representatives on a 16,000-mile trip, Vice-President Fiske discussed only these three subjects, viz: keeping down lapses, keeping down expenses and welfare work. Second Vice-President Gaston has also made lapses the subject of many forceful addresses.

In the new book just issued, called "An Epoch of Life Insurance," chronicling what the Metropolitan Life has achieved in the last twenty-five years of its administration, the authors of which are understood to be Vice-President Haley Fiske and Assistant Actuary Raymond V. Carpenter, interesting statements about lapses are made. Since lapses predominate in the first policy-year, the lapse rates for that period will serve as an index. Following are the results of four tabulations that have been made of first year lapses:

Policies Issued During	Per Cent of Issue Lapsed in First Three Months	First Six Months	First Twelve Months
1896	38.17	52.71	61.87
1903	26.96	39.90	49.89
May 1909	22.34	32.08	41.10
Dec. 1911	15.86	26.18	35.13

These figures speak for themselves. A tabulation is now being made for the year 1916, and enough is known to indicate that the results will easily show the best record yet.

A great deal of stress that has been placed on lapsing of industrial policies in the past must give way now to a readjustment of view in accordance with the facts. These critics have often made the evils of lapsing appear much worse than they really are. As a matter of fact, lapsing policyholders are seldom the victims of serious loss. The great majority of lapses are on policies of less than three years' duration, and, of these, more than one-third lapse within the first three months and three-fourths within the first policy-year. After three years the policyholder has non-forfeiture privileges that secure to him in one form or another the reserve on his policy, less a moderate surrender charge. Nevertheless, it cannot be denied that lapses constitute a most unfortunate feature, not only of industrial but of ordinary insurance as well, and the successful fight that the Metropolitan has waged against lapsation can easily be ranked as one of its most valuable and important achievements.

THIS ASSOCIATION PARTICULAR

Jamestown Mutual Wondering Whether It Should Permit Members to Carry Other Insurance

At the annual meeting of the Chautauqua County Patrons' Fire Relief Association, Jamestown, N. Y., the question of permitting persons carrying insurance in the association to insure in other companies came up for the first time, and was referred to a committee.

This association insures two-thirds of the value of property and explains its methods of valuation of property as follows:

"One thing which the directors must watch very carefully is their valuations of buildings. It is required in our application blank that the value of the entire farm be set down, then the value of the land, exclusive of buildings. The difference between these figures represents the value of the buildings, of which we assume but a two-thirds risk."

NEW ENGLAND U. & O.

At the regular meeting of the New England Insurance Exchange rules regulating the writing of use and occupancy received a majority vote from each State, and therefore was adopted. They prescribe that the use and occupancy of all risks rated in excess of ten cents take the 80 per cent. building rate. Policies, including the replacement of stock of merchandise, as well as building and equipment, take the 80 per cent. contents rate. Profit and commission insurance are not to be included under use and occupancy. The rules provide that the use and occupancy of any special risk shall be specifically rated when application is filed.

WITH FRELINGHUYSEN COS.

John M. Daggett, formerly secretary of the Commonwealth Insurance Company and more recently with the Connecticut Fire Insurance Company, has resigned his position with that Company and accepted the position of managing underwriter for the Frelinghuysen companies.

BUFFALO GERMAN'S STATEMENT

The Buffalo German on January 1, 1917, had assets of $3,371,533; surplus to policyholders of $2,411,678; and has paid to date in losses more than $12,200,000. The capital is $400,000 and the Company has been showing a consistent growth for many years.

John G. Wickser is president.

FIRE ASSOCIATION

The Fire Association, of Philadelphia, which is 100 years old, will increase its capital stock from $750,000 to $1,000,000. This will add $250,000 to the capital and $1,000,000 to the surplus.

JERSEY CITY APPOINTMENT

Fischer & Smith, Jersey City, N. J., have been given the automobile agency of the Hanover in Jersey City.

THE HUMAN SIDE OF INSURANCE



JOHN T. BRUTON

John T. Bruton, general agent of the Pan-American Life in the West Indian division, makes his headquarters in Havana, Cuba, which city is of considerable interest to underwriters at the present time, particularly fire insurance men, as several fire companies have recently entered Cuba. Mr. Bruton has been the general agent of the Pan-American in Cuba for the past four years, and while the Company has a few American speaking representatives there every one of them has a knowledge of the Spanish language, which is absolutely essential in order to conduct a successful business in Cuba. The greater part of the Pan-American's business in Cuba is done in Havana and other large cities, little being written in the rural sections.

Mr. Bruton has been in the life insurance business for the last seven or eight years, having had a number of years' experience with Texas companies before coming with the Louisiana company. His agency is a leader, and Mr. Bruton's success in every particular has been unusual.

* * *

Charles A. Hinkley, has been appointed general agent of the New England Mutual Life in Buffalo, succeeding the firm of Parker & Hinkley, which has been dissolved. The growth of the New England Mutual's business in Buffalo has been solid, substantial and vigorous. "No one has contributed more generously to its up-building than the man who now assumes full charge," says the New England "Pilot." Continuing, it says: "Mr. Hinkley has valuable characteristics that mark him as an insurance man of very high caliber. One of the striking features of his work is the extent to which he insures large buyers of insurance, his average policy probably exceeding in amount that of any other of our general agents. His work is conducted with deliberation and impressive thoroughness. The new administration of the agency gives promise of great success."

* * *

R. O. Claypoole, of the Philadelphia agency of General Agent R. G. Slifer, of the Equitable Life of Iowa, during November led all the agents of the Company in personal production, writing twelve policies for a total of $47,500. During December he had the fine production of over $43,000, consisting of eleven policies, bringing his total for the year up to $150,000 of personal business.

* * *

George D. Bragdon, supervisor of inspections for the engineering department of the General Accident, has been appointed a member of a special committee made up largely of casualty company inspection officials to co-operate with the New Jersey Department of Labor in effecting a revision of safety standards as applied to industries of all kinds in that State. The General's safety engineering staff is made up of men of recognized caliber, beyond any doubt.

* * *

George A. Maloney, of Chicago, manager of the claim department of the Hartford Accident & Indemnity Company in that city, won the Grand Six automobile at the Allied Bazaar in New York last week.

* * *

Frederick L. Hoffman, statistician, The Prudential Insurance Company of America, has been elected an honorary member of the Actuarial Society of Switzerland.

* * *

H. B. F. Bingham, Canadian superintendent of the life department, Phoenix Assurance Co., of London, has gone to England, where, due to conditions arising through the war, head office has decided to utilize his services. The life department in Canada will be under the supervision of the Canadian manager, R. MacD. Paterson.

* * *

Arthur E. Harrell, former well-known insurance newspaper man, at one time having charge of the New York "Commercial" column, and later going with the "Annalist" as advertising manager, on February 1 became financial advertising manager of the New York "Tribune."

* * *

Robert S. McNutt, mayor of Muscatine, Iowa, and Louis Eckhardt, for ten years sheriff of Scott County, Iowa, recently signed contracts to solicit insurance for the Davenport agency of the Penn Mutual Life. Mr. McNutt has already turned in a few applications, and secured cash settlements with them.

* * *

S. W. Guthrie, of the Edward A. Woods agency, Pittsburgh, wrote ninety-four policies on the twenty payment life plan during the year 1897. Of these policies placed twenty years ago, fifteen have lapsed, nine have matured as death claims, and the remaining seventy, or 74½ per cent., will draw their deferred dividends this year. This is a record for both persistency and mortality.

W. A. MILES NOW MANAGER

Following upon the resignation of R. H. R. Burder, the London underwriter and secretary of the Western Assurance Company and the British America Assurance Company, the directors of the Companies have appointed W. A. Miles, the present fire manager, to be manager of both the fire and the marine departments, with C. C. Turner as acting underwriter. Mr. Turner has been deputy-underwriter at the London office for the past five years.

Stephen S. Day has retired from Day & Cornish, Newark, and Mr. Day's place has been taken by his son, Louis DeV. Day.

FIRE INSURANCE DEPARTMENT

Use and Occupancy on W. Va. Coal Mines

CONSIDERABLE OF THIS BUSINESS BEING WRITTEN

U. & O. Rates Based on Average Fire Rates Computed From Values Called Impropriety

A considerable amount of use and occupancy insurance is being placed at the present time on coal mining operations (bituminous) in West Virginia, and it is understood that these operations are making more money than at any time in recent years. The rule of the West Virginia Fire Underwriters' Asscciation makes the use and occupancy rate 75 per cent. of the flat fire rate, and this has raised an interesting question in relation to such rates on the above industries.

Coal Mining Operations

A coal mining operation commonly consists of a tipple, a power house, a commissary, miscellaneous buildings used for storage, blacksmithing and similar things, and miners' dwellings. Average fire rates are based on values and commonly include all the properties connected with the operation, which necessarily takes in the dwellings and other small buildings, and under the rules of the West Virginia Association the use and occupancy rate would be 75 per cent. of this average fire rate. Inasmuch, however, as the tipple and secondarily the power house are the chief buildings to be considered in writing use and occupancy, the operation of the foregoing rule often leads to a use and occupancy rate which is much less than 75 per cent. of either the tipple rate or the power house rate.

Companies Drawing the Line

This illustrates in a practical way the impropriety of basing use and occupancy rates on average fire rates computed from values, and some of the companies are declining to write tbis form of insurance on the class because the rate is deemed inadequate.

LIMIT OF LIABILITY RULE

How N. Y. Board's Loss Committee Makes Application of Compound Non-concurrent Apportionments

For application to compound noncurrent apportionments, i. e. where there are at least two kinds of specific as well as blanket insurance, the practice of the New York Committee follows:

The sound value of and loss on property insured by each class or kind of insurance having been determined, first find the limit of liability under each class or kind of insurance, whether a single policy, or group covering concurrently. If there is any average or co-insurance clause operation this will determine the limit where it applies; if not, such limits will be determined either by the amount of the loss or the amount of the insurance, whichever is the smaller.

Next, add the limits thus determined. If the sum is in excess of the whole adjusted loss, use this as a basis for a pro rata apportionment. If the sum of the limits of liability is less than the whole loss it is evident that payment by each company must be on the basis of its maximum individual limit of liability, on the principle that the greatest possible collectible loss is due the assured.

New Rule Adopted In Two Territories

MAKING AVERAGE RATES BASED UPON VALUES

Necessary Because of Tendency Towards Use of Blanket Forms of Policies

The tendency toward the use of blanket forms of policies has brought about the necessity of promulgating average fire rates by the various rating associations, but the rules governing the making of such rates differ quite widely.

The Suburban Fire Insurance Exchange has had the following rule in use for some time, and it has also been adopted with slight changes for use in New Jersey by Atlee Brown, expert.

Rule for Making Average Rates Based on Values

The Exchange will promulgate average rates for blanket form of policy covering on buildings, machinery and/or stock, providing a sworn statement by the insured is filed with the manager, upon or in accordance with a blank furnished by him, giving separately the value of each building, of machinery in each building, and of stock in each building. The stock values shall be stated for quarterly periods covering one year, unless for reasons acceptable to the manager such requirement is waived.

At the option of the manager the statement of values for other than manufacturing risks may give the contents of each building without separating machinery and stock.

Suitable Designation

All the property included in the statement of values upon which the average rate is based must be included by suitable designation in the policy form. No exclusion of property, whether specifically insured or not, shall be permitted, except under a form submitted to and approved by the rate committee of the Exchange.

If it is desired to cover under such blanket policy any property not included in the filed statement of values, or to exclude property that is included, or if any material changes of values occur in the property covered by such statement, then a new sworn statement shall be furnished or the average rate withdrawn.

For the purpose of verification a new statement of values may be called for at any time, and if not promptly furnished the published average rate shall be withdrawn. No average rate shall remain in effect for a period longer than three years.

LIGHTNING IN SNOWSTORM

Seldom do snow and lightning come together, but on March 22, 1916, and during a heavy snowstorm, lightning struck the large barn of Fred J. Karlen, near Winslow, Illinois, and completely destroyed the building and sixty-two head of blooded Holstein cattle and a large quantity of grain, hay and farming implements.

Mr. Karlen is the manufacturer of the celebrated Blue Label Cheese, a careful business man and therefore fully protected by insurance, the amount collected from the insurance companies carrying his risk being $21,254.

FIRE AND MARINE INSURANCE—ALL LINES

The Automobile Insurance Company of Hartford, Conn.

MORGAN G. BULKELEY, President

Statement January 1, 1917

Cash Capital	$1,000,000.00
Assets	2,748,832.19
Liabilities (Except Capital)	1,039,977.81
Surplus to Policyholders	1,708,854.38

AFFILIATED WITH

ÆTNA LIFE INSURANCE COMPANY

THE ÆTNA ACCIDENT AND LIABILITY CO.

DEATH OF VETERAN AGENT

John Q. A. Williamson Had Been in Fire Insurance Business Since 1870

John Quereau Aymar Williamson, vice-president and treasurer of Woodward & Williamson, Inc., insurance agents of Jersey City, who died this month, was the oldest living graduate of Hasbrouck Institute, seventy-seven years old. Mr. Williamson retired from the active duties of business six years ago and had been in ill health. He was born in Madison Street, New York, in 1841. In 1870 he entered the insurance business under his own name and in 1877 became a member of the firm of Woodward, Sherwood & Company. The present firm of Woodward & Williamson was established in 1893, when Mr. Williamson became vice-president and treasurer.

NEW YORKSHIRE SPECIAL

Clarence A. Moore Gets New York, Pennsylvania and Maryland Field —Frary With Merchants

Clarence A. Moore, who has been an examiner at the home office of the Yorkshire, was this week appointed special agent of that Company for the New Jersey, Pennsylvania and Maryland territory, succeeding Don R. Frary, who went with the Merchants of New York on February 1 at the home office of that Company.

Mr. Moore was previously with the Hanover of New York. He will make his headquarters at 400 Walnut street, Philadelphia.

NORTH BRANCH FIRE INS. CO.
Sunbury, Pa.
Inc. 1911

Assets	$515,049.38
Reserve	138,148.22
Capital	275,000.00
Surplus	78,171.37

CITY INSURANCE COMPANY
Pittsburgh, Pa.
Inc. 1870

Assets	$172,302.60
Reserve	27,678.96
Capital	100,000.00
Surplus	42,986.21

OPERATING ON A CONSERVATIVE BASIS IN A LIMITED TERRITORY UNDER AN EXPERIENCED MANAGEMENT

BROKERS ACTIVITIES

Want Anti-Rebate Law Amended

AGENTS'-BROKERS' COMMITTEE TO SEE PHILLIPS TO-DAY

Want Employes Barred From Returning Commission to Employers—New Questions on Brokers' Blanks

The New York State Local Agents' Association and the Fire Brokers' Association of New York City have decided to join forces in an effort to amend the anti-rebate law of New York State; in other words, to have the business of soliciting fire insurance confined to those who are legitimate agents or brokers. The up-to-date interpretation of an insurance agent or broker is "one holds himself out to the public" as an insurance agent or broker, and carries on business "in good faith" as such.

Conferences

Some time ago the New York State Local Agents' Association appointed a committee to confer with Superintendent Phillips in reference to this campaign for the elimination of the rebater, the unfit or the employe of a corporation, firm or individual who merely tries to grab the commission on his employer's line: a form of rebating which has become prevalent, and generally repaid to the policyholder through this medium.

The chairman of this committee is Glenn H. Johnson, of Leonard, Turnbull & Johnson, a leading local agency firm in Syracuse; and the former president of the New York Local Agents' Association. Others on the committee are E. H. Warner and John L. Tiernon, Jr., of Buffalo; A. T. Armstrong, of Syracuse, former head of the New York State Association of Liability Agents; W. H. Hecox, of Binghamton, president of the New York State Local Agents' Association of Insurance Agents, and other prominent insurance agents.

Two days before the Insurance Federation of New York State met here in November this committee called upon the superintendent at Albany at his request and he gave them considerable encouragement. They asked the superintendent for co-operation in strengthening the form of application blank so that brokers' certificates and agency certificates will not go to those not legitimately engaged in the insurance business.

The co-operation of the Fire Brokers' Association of New York was also asked, with the result that a conference was arranged for Thursday of last week, at their office, 55 John Street. A. C. Hegeman, chairman of the Fire Brokers' Association of New York committee having the matter under consideration, and Theodore M. Riehle represented the brokers' committee. Those representing the New York Agents' Association were Messrs. Johnson, Tiernon and Warner.

Recommend Examination Board

The conference was unusually harmonious and it is understood that one of the things upon which it agreed was to ask the superintendent to appoint an advisory board before whom an applicant must appear for examination, if there is any doubt about his ability to qualify under the section. This examination board could meet at definite times in various cities of the State; and there would be an examination fee, which would probably cover the expense of maintaining the board.

Owing to the critical illness of the mother of Superintendent Phillips at the time the up-State men were here it was impossible to see him, but it is understood there will be a conferenee with him today at the Insurance Department in New York City.

Against Central Bureau for Auto Claims

The Fire Brokers' Association of New York, in its "Bulletin," takes a stand in its current issue against automobile loss adjustment through a central bureau, saying it is not needed.

Continuing the "Bulletin" says:

In the present disturbed state of affairs companies which have suffered particularly at the hands of their unscrupulous adjusters are prone to lose sight of the significant fact that, except for a negligible percentage, their policyholders are honest, and that the vast majority of claims are fair claims. The honest claimant will ask no more, and expect no more, from a company adjuster than from a loss committee or central bureau adjuster. This is manifestly so elementary a proposition that we need not develop the thought at length. Now let us look at the matter from another angle. Every company is jealous, and most naturally so, of its standing as a separate and distinctive institution, and of its own peculiar, satisfactory service to policyholders. Different companies have their particular appeal to different assureds and their brokers; and, if the reason were traced, it would be found in the loss adjusting methods of the respective companies. Is all this individuality, and this most costly acquired reputation for particular service to be thrown into the discard for an improvement which is altogether a mere will-o'-the-wisp? Do the very successful companies want their own individual service to be understood to begin and end with the collection of the premium? Do they relish the thought of the possible mishandling of their own business by a set of men on such a loss committee or central bureau who could have no sympathy with the genius controlling the business methods of their companies? We doubt it, and our doubt, or rather our assurance, is so strong that we believe that the idea of a loss committee or central bureau has had all the life it will ever enjoy.

There should be as few barriers as possible between contractual parties in any undertaking, and this is especially and uniquely true of an insurance contract. Let us add the further assurance that for some time to come at least the companies have seen the worst of these fraudulent automobile adjustments. The lessons doled out and still to be visited on the culprits will have an electrifying effect. They will clear, if they have not already done so, the mental atmosphere of those who might have yielded to temptation. So, then, let us think no further of loss committees or central bureaus.

* * *

Why Not Reciprocate?

The "Bulletin" of the Fire Brokers' Association of New York reprinted in its current issue the letter written to W. S. Naulty, of Newark, by R. P. Barbour, general agent of the North British & Mercantile, and printed in The Eastern Underwriter. The "Bulletin" does not give credit to The Eastern Underwriter for "lifting" this story, although this paper consistently gives credit to the "Bulletin" or any other paper from which it borrows material.

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LOCAL AND GENERAL AGENTS
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Newark and Suburban New Jersey Agency
38-40 CLINTON STREET — TELEPHONE 8266 MARKET — NEWARK, NEW JERSEY
SPECIAL FACILITIES FOR OUT-OF-TOWN BUSINESS

"STRONG AS THE STRONGEST"
The Northern Assurance Co.
(LTD., OF LONDON)
Organized 1836
Entered United States 1854
Losses Paid - - $102,000,000
Losses Paid in U. S. - $36,000,000
Eastern and Southern Departments
55 JOHN STREET
NEW YORK CITY

WESTERN ASSURANCE CO.
OF TORONTO, CANADA
(Fire, Tornado, Ocean Marine and Inland Marine Insurance)
UNITED STATES BRANCH
January 1, 1916
Assets ..... $ 2,747,815.34
Surplus in United States..... 1,309,295.82
Total Losses Paid in United States From 1874 to 1915, Inclusive 40,654,747.02
W. R. BROCK, President
W. B. MEIKLE, Vice-Pres. & Gen. Man.

Minneapolis Fire & Marine Insurance Co.
of Minneapolis
ASSETS - - $784,979.27
LIABILITIES - - 538,843.30
NET SURPLUS - 246,135.97

Comparative Growth

	Increase In Assets	Increase In Reserve
1913 -	$88,052	$61,854
1914 -	98,979	67,229
1915 -	109,855	83,163

AN EIGHT YEAR RECORD

CAPITAL	Established	NET SURPLUS
$200,000	1908	$80,419
$200,000	1909	$107,942
$200,000	1910	$153,580
$200,000	1911	$172,981
$200,000	1912	$200,570
$200,000	1913	$228,203
$200,000	1914	$241,422
$200,000	1915	$246,135

FRED C. VAN DUZEN, President ALFRED STINSON, Secretary

Phoenix Moves Into Beautiful New Home

COMPANY COMMENCED BUSINESS IN JUNE, 1854

History of Company and Careers of Its Officers—Experience in Conflagrations

The completion of the handsome four-story, colonial office building of the Phoenix Fire, located at the corner of Elm and Trinity Streets, Hartford, facing Bushnell Park and the State Capitol, in which the Phoenix and the Connecticut Fire will move this week, marks the climax of the Phoenix Company's sixty-three years of progress and of even a longer career by the Connecticut Fire. The new building, modern in every respect, has a beautiful landscape setting.

The History of the Phoenix

The Phoenix was organized in June, 1854. It is related that the first meeting of the incorporators was held in the rear of the store of Lyman Stockbridge, at No. 264 Main Street, that this meeting was rather informal in character, there being present only the chairman and the secretary—no minutes were kept.

The original incorporators of this Company were: John A. Butler, Nathaniel H. Morgan, Ralph Cheney, Elisha T. Smith, William Faxon, James C. Walkley, Chester Adams, Nathon M. Waterman, Samuel B. Bereford, Edwin T. Pease, Lyman Stockbridge and Erastus Smith.

By June 26, $200,000 in stock had been subscribed for by 103 persons, 10 per cent. of the subscriptions being paid for in cash, balance in notes. The Company commenced business June 29, 1854, by issuing policy No. 1, to Elihu Geer, covering furniture, wearing apparel and library, at Nos. 10 and 12 State Street, Hartford.

In February, 1856, the unpaid balance on the stock subscribed was called, and was fully paid in on March 28 following. In June, 1859, the stock was increased to $400,000, and April, 1864, to $600,000.

Chicago Conflagration

At this point occurred the great conflagration in Chicago, October, 1871, which with simultaneous forest fires in Wisconsin and Michigan, entailed a total loss of $987,395, which was over 164 per cent. of the Company's capital stock at that time, and, as the Company had invested its funds closely, the cash on hand at the date of that fire amounted to only $13,367.31. Notwithstanding this the Phoenix Insurance Company was the first company to begin the settlement of its Chicago losses, by issuing on October 13, 1871, just four days after the fire, its draft for $9,800 to Isaac C. Day, for loss under policy No. 10,752.

Because of the Chicago losses the Company reduced its capital stock to $300,000, and immediately increased same to $600,000, the increase being subscribed and paid for at once.

The great Boston fire of 1872 resulted in a loss of $385,956.18, which the Company was able to take care of without difficulty.

In connection with the Company's early history it should be mentioned that the first office was in a rear room of the second story of a building known as Union Hall, which occupied the land upon which was afterward erected the Connecticut Mutual Life Insurance Company's building. This room was occupied until December, 1854, when the office was removed to 275 Main Street. In December, 1862, to 333 Main Street. In November, 1873, the Company removed to its own building, where, it was said at the time, great care had been taken to provide "ample room for future growth." The building, land and furniture cost about $125,000.

Later History

After the increase in the Company's capital to $600,000 in 1864, it remained at that figure until July, 1876, when the capital was increased to $1,000,000, and in July, 1881, to $2,000,000, and in October 1913, the capital was increased to $3,000,000.

The Phoenix acquired control of the Equitable Fire and Marine of Providence in 1912 and of the Connecticut Fire in 1913.

Company's Growth

The following figures will illustrate better than words the continued and steady growth of the Company in ten-year periods, a growth which can only have as its foundation sound underwriting and conservative but vigorous management:

	Assets.	Capital and Surplus.
1864 .....$	981,974.91	$ 753,259.12
1874	1,901,588.82	880,789.36
1884	4,316,957.91	2,772,687.19
1894	5,588,058.07	2,737,217.51
1904	7,341,884.91	3,742,346.17
1915	15,393,489.01	9,056,106.30

Total losses paid since organization of Company to December 31, 1915, less reinsurance and salvage, $81,617,129.19.

The Men at the Helm

The management of the Phoenix throughout its sixty years of providing indemnity against loss by fire has been in notably few hands. The father of the Company, Henry Kellogg—the man who conceived the idea of forming a new fire insurance company in Hartford and who was instrumental in its organization—was its first secretary and was elected its president nine years later, where he remained until his death in 1891. He was succeeded by D. W. C. Skilton, who remained at the head of the Company until June, 1913, when the present incumbent, Edward Milligan, was promoted from the vice-presidency to the office of president.

President Edward Milligan

Mr. Milligan has been connected with the Phoenix for more than a quarter of a century, his first position being that of special agent with headquarters in Philadelphia. Previous to that time, he had had a number of years' experience in the fire insurance business, including the position as surveyor in the Philadelphia office of the Aetna. On September 15, 1896, Mr. Milligan was appointed secretary of the Phoenix at the home office, and in January, 1907, he was elected vice-president. Mr. Milligan is also a director of the Connecticut Mutual Life, the New York, New Haven & Hartford Railroad Company and other important corporations.

Vice-President George M. Lovejoy

George M. Lovejoy, vice-president, is a native of the State of Maine, he having been born at Waterville, August 11, 1857. He began his insurance career in 1883, when he became connected with the Chicago office of the German-American Insurance Company of New York. He served that Company in various capacities until he accepted a position as western general agent of the Magdeburg. He joined the western department of the Phoenix in 1889 and on the retirement of H. M. McGill as manager of the western department of that Company, he became its joint manager with Mr. Spear under the firm name of Lovejoy and Spear with headquarters at Cincinnati. He was elected vice-president and director of the Phoenix in June, 1913.

Secretary John B. Knox

John B. Knox, secretary, entered the office of the Company as a clerk when only 15 years of age. He was made a special agent at the age of twenty-five, and during the next nine years he had charge of the Company's business in western New England. In 1891, he was appointed assistant secretary, from which he was advanced to his present position on January 9, 1907.

Secretary Thomas C. Temple

Secretary Thomas C. Temple has been connected with the Phoenix since 1896. He was born in Illinois in 1857. He was for many years in charge of the Company's business in the middle department, with headquarters in Philadelphia. He was called to the home office as assistant secretary in 1906, and was elected to a secretaryship in 1907. Upon Mr. Temple devolved the difficult task of supervising the adjustment of the Company's losses by the San Francisco conflagration.

Secretary George C. Long, Jr.

George C. Long, Jr., secretary, was born in Kentucky in 1878. He practiced law until 1904, when he took up the business of insurance. He was appointed special agent of the Home Insurance Company of New York in 1906, from which corporation he came to the Phoenix in 1909. He served the Phoenix in the field until October, 1912, when he was called to the home office as general agent, with supervision of the Company's interests in the southern States. He was elected assistant secretary in July, 1913, and a secretary in 1916.

Assistant Secretary Theodore F. Spear

Assistant Secretary Theodore F. Spear was for some years a member of the firm of Lovejoy & Spear, western general agents of the Phoenix with headquarters at Cincinnati. The western department of the Company was removed to the home office last year, and Mr. Spear was then appointed to his present position. He has served the Phoenix Insurance Company for more than fifty years and has held a title longer than any other officer of the Company.

Assistant Secretary E. V. Chaplin

Edward V. Chaplin, assistant secretary, was born in Montreal, Canada, and was in his earlier career an expert accountant. He was later, for fifteen years, in the employ of the Phoenix in Canada, as special agent and assistant office manager. His efficiency was such that it was decided to transfer him to the home office, where as chief auditor and manager of the clerical departments of the Company he has shown unusual perseverance and ability.

Assistant Secretary F. C. Gustetter

Frederick C. Gustetter, assistant secretary, was born in Cincinnati, O. He entered the service of the Phoenix, in its western department, in Cincinnati, in 1881, since which time he has been steadily in the employ of the Company, in the field and in the office.

Assistant Secretary H. P. Whitman

Henry P. Whitman, assistant secretary, was born in Louisville, Ky. He did service as field representative for the Phoenix in Louisiana and Mississippi. Later he was called to the home office, and was shortly thereafter appointed general agent. In 1916 he was made assistant secretary of the Company.



BALLARD AT HIS BEST

Clever Comment on Legislative Situation in South Carolina—State Making Money

The cleverest "story" that has appeared in the "Journal of Commerce" in some time is the comment made upon legislative activities in that State. The story follows:

ARKANSAS MAY DRIVE GOLDEN GEESE AWAY

Will Probably Imitate South Carolina's Legislation

The indications are that Arkansas will enact legislation in keeping with that which the Insurance Commissioner of South Carolina has had enacted into law, and thereby succeeded in driving insurance capital out of the State most effectively.

The Arkansas loss record is even more impressive than South Carolina's as these figures disclose:

	Loss Ratio	Ex- penses	Profit to State
For 36 years, 1880-1915....	67%	35%	2%
For past 5 years, 1911-1915	88%	40%	28%

An underwriter remarked Saturday:

"A law that would cause companies to quit Arkansas ought to be very welcome to the stockholders if not to the agents who still collect their commissions, loss or no loss. The State also collects its taxes and fees whether a profit is made or not. I hope the companies will let Arkansas alone when the bills are introduced. Not even a protest should dignify such a situation. The insuring public are actually making a profit of 28 per cent. if the published figures are to be relied on. What more do they want? Why even war brides don't yield any such dividends."

Leo Levy on Use and Occupancy

LAST OF SERIES OF FINE TALKS ON STANDARD POLICY

Lawyer Points Out Need of Simple and Unambiguous Language—Many Underwriters Present

The remarkably fine series of lectures on the standard fire insurance policy delivered before the Fire Insurance Society of New York by some of the leading adjusters and lawyers of New York City, was concluded this week by a talk on "Use and Occupancy; Profits and Commissions; Rents and Leasehouse Insurance" by Leo Levy, an insurance lawyer. Among some of the prominent underwriters or adjusters who heard the talk were, H. N. Kelsey, Hamburg-Bremen; C. J. Holman, Commercial Union; James Marshall, president of the Fire Insurance Society of New York; W. N. Bament, of the Home; W. J. Nichols, and Robert P. Barbour, of the North British & Mercantile.

Mr. Levy only touched the surface of the subjects he was discussing, as each of the topics was worth a paper in itself.

Use and Occupancy

In discussing use and occupancy, Mr. Levy said that many times there has been added to the form the words "including fixed charges." Necessarily the implication would follow that there was intended to be covered those items of expenses which would have to be met by the assured even though the property itself were damaged or destroyed, as, for example, interest on mortgages, salaries to employes under contract, and many others which as accounting propositions would have to be added to the loss defined as the impairment of the business use of which the described property is capable. There is, as stated, no uniform rider and each case must be taken on its facts.

A reading of the adjudicated cases leads to the conclusion that use and occupancy is a much broader cover than profits, rents or leasehold.

In case of Michael v. National Ins. Co., 171 N. Y., 725, known as the grain elevator case, the use and occupancy of a grain elevator against a fire loss which would prevent the elevating and other handling of grain was involved. The oft laid down ruling that of any of the general conditions of the Standard Form which were found to be repugnant to or inconsistent with statements otherwise in the contract, those that were most favorable to the assured would be held to be controlling, and that the expectation of profits and earnings derivable from property not alone were conveyed by the words use and occupancy, but that the definition Mr. Levy quoted as to use and occupancy was the one which would govern the court in defining the obligations of the insurer, and that had it been the intent of the insurer to limit its coverage to earnings and profits alone, appropriate and unmistakable words therefore would have been used and not the words use and occupancy.

It was the insurer's intention in that case that the coverage "use and occupancy" meant such earnings and profits which would have benn derived by the assured from the actual operation of the elevator and since it was shown as a fact that by virtue of arrangements or agreements made by the owners of the elevator this particular property was not in operation, there did not result to the assured any loss which was recoverable. Such contention was held to be ill founded.

Valid Profits

In the case of Tannenbaum v. Simon, under the well-known form of broker's contract where the assured had agreed to carry insurance including that upon use and occupancy, building and rents, plaintiff's broker claimed damages for the assured's failure to carry the kind of insurance specified. The broker sought to establish that the measure of damage under use and occupancy insurance were the profits which the defendant insured had made upon the premises and showed by computations covering a period of years. The court held that such profits were not in anywise valid elements usable in ascertaining the amount of insurance which the broker's customers had agreed to carry, and that use and occupancy was not and could not be profits or estimated profits from earnings, however ascertained, and that the record of the business for prior years had no direct bearing upon the establishing of the value of use and occupancy and could not legally measure the damage.

In the absence of express language clearly indicating the contrary Mr. Levy is inclined to the belief that a policy upon use and occupancy as such would be held to be valued, and that if it sought in practice to void such a construction, there should be clear expression by simple and unambiguous language of exactly what measure of damage is to be applied and that the intent to leave open the ascertainment of damage as under an open policy should be made unmistakably clear.

NEW JERSEY FIRE INCREASES

The New Jersey Fire increased its assets $350,024; reserves $236,877, and surplus $81,256, during 1916. The Company's assets as of January 1, 1917, amount to $2,001,302; capital $1,000,000, and surplus $302,343.

Marine Underwriters

(Continued from page 1)

There are many explanations of the action of Great Britain, and in this connection a banker's views given to a prominent New York insurance broker are of interest.

"Great Britain has been purchasing supplies from South America in the hundreds of millions," he said. "The more gold that goes to South America, the higher the rate of exchange against England. Naturally the British Government wants to keep the gold supply down, because in curtailing these shipments the rate of exchange goes down. One method is to prevent shipments of gold, so she instructed British companies not to insure any gold going to South America unless such shipments were reported to her and confirmed by her."

One paragraph of the New York "Commercial" editorial which attracted considerable attention on William Street was a suggestion that corporations engaged in the marine insurance business organize a re-insurance bureau in charge of competent underwriters. The re-insurance bureaus of the fire companies do not cover marine insurance, and there is some sentiment on William Street that they should. It may be some time, however, before this is possible because of the lack of uniform practices and forms characterizing marine underwriting at the present time.

Obstacles in Path of American Companies

Another important phase of the whole situation is investigation by fire insurance companies doing a marine business of the possibilities of operating in South American countries. Reports received from Chile, Uruguay and Peru are anything but encouraging; in fact, deposits and other conditions are such that companies are discouraged from embarking in the South American field; and, aside from this, American companies face the obstacle of being required to deduct from their United States statements of assets any such deposits made in foreign countries. Other countries do not seem to impose any such burden on their own insurance companies, but instead, encourage them to secure the insurance business of other countries.

OLD AGENCY MOVES

H. D. Goodale Co., Inc., of Watertown, will move on February 1 from the Paddock Building, in which the agency has been located since 1845, to the Otis Building. The Paddock block, which houses several of Watertown's largest agencies, has been purchased by the F. W. Woolworth Co., which will erect a 14-story building on the site.

Iowa National Fire Insurance Co.
DES MOINES, IOWA — Capital Stock $500,000
The latest addition to Reliable Fire Insurance organizations will begin Writing Business on January 1, 1917
JOHN L. BLEAKLY, President
F. L. MINER, Vice-President
C. S. VANCE, Underwriting Manager
FRANK P. FLYNN, Treasurer
C. M. SPENCER, Secretary

INCORPORATED 1794
THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA
308 & 310 WALNUT ST., PHILADELPHIA, PA.
CASH CAPITAL, $1,000,000.00
LIABILITIES, $2,585,923.98 ASSETS, $4,012,344.68
SURPLUS TO POLICY HOLDERS, $1,426,420.70
AGENTS WANTED WHERE NOT REPRESENTED

THE HANOVER FIRE INSURANCE COMPANY
Incorporated 1852
The real strength of an insurance company is in the conservatism of its management, and the management of THE HANOVER is an absolute assurance of the security of its policy.
R. EMORY WARFIELD, President
FRED. A. HUBBARD, Vice-President
E. S. JARVIS, Secretary
WILLIAM MORRISON, Asst. Sec'y
HOME OFFICE
Hanover Bldg., 34 Pine St.
NEW YORK
HOWIE & CAIN, General Agents
Metropolitan District
100 WILLIAM STREET, NEW YORK

Caledonian Insurance Co. of Scotland
FOUNDED 1805
"THE OLDEST SCOTTISH INSURANCE OFFICE"
UNITED STATES HEAD OFFICE
Caledonian Building, 50-52 Pine Street, New York
CHAS. H. POST, U. S. Mgr. R. C. CHRISTOPHER, Asst. U. S. Mgr.
NEW YORK CITY OFFICE
Golden Hill Building, 59 John Street, New York

"The Leading Fire Insurance Company in America"


WM. B. CLARK, President
AETNA INSURANCE COMPANY
Aetna Fire Underwriters Agency
of Aetna Insurance Co.
Application For Agencies Invited

First National Fire
Insurance Company of the United States
WASHINGTON, D. C.
ROBERT J. WYNNE, President JOHN E. SMITH, Secretary
Statement January 1, 1916
CAPITAL, $912,502
RESERVE FOR ALL OTHER LIABILITIES, $523,785
NET SURPLUS, $377,447 ASSETS, $1,813,734

NEW JERSEY NOTES

Black Tom A Triumph of Adjustment Skill

ONLY $200,000 UNADJUSTED OUT OF MORE THAN $5,000,000

Assured Treated Liberally, But Principle of Non-Liability for Explosion Damages Saved

The adjustment of the Black Tom losses has been progressing so amicably and thoroughly that out of a total property loss of between $5,000,000 and $6,000,000 only about $200,000 remains unadjusted with the assured.

The Eastern Underwriter hopes some day to print the inside story of this adjustment, not only one of the most complicated but one of the most interesting in the history of fire insurance. This adjustment has not only been artistic but a triumph, in that while the assured has been treated with the greatest liberality and fairness, at the same time the companies' committee have not sacrificed the principle of nonliabil'ty for explosion damage.

Talk of an Arbitrary Rule

There has been some discussion as to the advisability of an arbitrary rule whereby in a case of fire and explosion loss there shall be provided in the form for a certain amount of the loss to be designated as explosion and a certain amount to be designated as fire. In fact, such a principle is now used by the railroads in bills of lading.

Up to the present time there has not been any litigation started in test cases under subrogation to fix the legal responsibility of those liable for the damage done by the disaster, although it is stated that such papers are now in preparation.

ELECTRICAL INSPECTIONS

Provision Made By Newark Fire Insurance Society—North Jersey to Be Protected

The Fire Insurance Society of Newark has passed an amendment, reading in part as follows:

All examinations of electric equipment and wiring, shall be managed by the Secretary of the Society under the direction of a standing committee of this Society to be known as the Electrical Committee.

The Electrical Committee shall consist of seven members, who shall be elected by the Society at the meeting following that at which this Section is adopted. Four of the members shall be chosen from among the officers or managers of companies, and three members shall be local agents or branch managers. The three local agency members of the Committee shall be elected to serve for a term expiring at the next annual meeting of the Society, when and thereafter at every succeeding annual meeting their successors shall be elected.

The rules and purposes of the Society shall apply to all risks located in Essex County and all that portion of the County of Hudson lying west of the Hackensack River, all of which shall be considered the territory of the society, but the Electrical Committee shall not be restricted as to the territory in which it may undertake the examination of electrical equipment and wiring; and the electrical rules and requirements of the Society shall extend to all territory so occupied.

CLOCK FOR HOWLAND

New Special Agent of Fidelity-Phenix Honored By Field Men in Rochester

Oscar M. Howland, special agent for the Connecticut in Western New York, who retires from that field to go with the Fidelity-Phenix in the Western New



OSCAR M. HOWLAND

England field on February 1, was the guest of honor at a dinner held at the Rochester Club, Rochester, N. Y., on Friday evening.

Special agent Roach, of the Aetna, acted as toastmaster and special agent Visscher, of the Royal, in his masterly style presented to Mr. Howland a handsome clock, given by the specials as a token of their regard.

Mr. Howland will bring a large contribution of ability and character to his new field of labor.

Among those present were special agents Channel, Donahue, Forrest, Roach, Donald, Church, Rowland, Patton, Visscher, Halsey, King, Rich, Francisco, Hodges, Somerville, Johnson; also adjusters Greene, Word, Barry and Vanderwerf.

TO DISCUSS "FERTILIZERS"

General Inspector F. M. Griswold, of the Home Insurance Company of New York, is to address the Fire Branch Educational Section of the Fire Underwriters' Association of Baltimore on the subject of "Fertilizers," on February 23.

GERMAN AMERICAN FIGURES

The German American of New York has a capital of $2,000,000; assets of $23,713,477; net surplus of $10,759,422, and holds in reserve for all other liabilities $10,954,055.

AMERICAN EAGLE
Fire Insurance Company
of New York

HENRY EVANS, President

Fire Rent Automobile Tornado
Sprinkler Leakage Use and Occupancy
: : Profits Explosion : :

CASH CAPITAL ..... ONE MILLION DOLLARS
Total Assets $2,537,100
Total Liabilities 1,415,905
Net Surplus 1,121,195
POLICYHOLDERS' SURPLUS $2,121,195

From Statement as of July 1, 1916.

The American Eagle—An American Institution

Home Office:
80 MAIDEN LANE NEW YORK

AN AGENT'S CREED

As It Appears in Little Paper Published By Western Department of American

In the attractive little paper, "American Notes," published by the Western department of the American of Newark, Charles E. Sheldon, manager, appears the following creed, signed "American Agent":

"I believe in my work. I believe that most men are honest, even my competitors. I believe the Company I represent will give my patrons a square deal in case of loss. I believe there are lots of honest men and that we are sure to become acquainted some day. I believe in speaking well of my neighbors and the company the other fellow represents, and that there is a whole lot of fun in minding my own business. I believe in boosting, not knocking, and that no man is down and out until he has lost faith in himself. I believe in not putting off until tomorrow what may be done today and that there is something doing, somewhere, for every man ready to do it. I believe I am ready right now, and if you need any insurance on your buildings or on your horses, cattle, grain, household goods and machinery against fire, lightning and tornadoes, or on your automobile against fire, theft and collision, you cannot do better than to let me send your application to the old American Insurance Company. I believe that some man needs me today in regard to his insurance and that it is my duty to find him. If you are without insurance, I believe that you are ready now and that you cannot do better than to see me about it."

"BILLY" ANDERSON DEAD

The very old gentleman with the gray side whiskers who has been seen for years along William Street, which he visited about twice a week from his home in Brooklyn, is dead. He was William A. Anderson, one of the organizers of the National Board of Fire Underwriters, and for many years superintendent of the Board of Survey of the New York Board of Fire Underwriters, from which position he retired in 1911. He came to William Street many times a month for his mail at the offices of the New York Board.

He was eighty-one years old and had been in fire insurance since his fourteenth year, when he began with the Howard Insurance Company as a clerk. In 1870 he became president of the Mercantile Insurance Company.

GENERAL FIRE ASSURANCE CO. OF PARIS

URBAINE FIRE INSURANCE CO. OF PARIS

BRITISH DOMINIONS GENERAL INS. CO., Ltd. OF LONDON

FRED. S. JAMES & CO.
United States Managers
123 WILLIAM STREET, NEW YORK

FRED. S. JAMES
GEO. W. BLOSSOM
W. A. BLODGETT

C. B. G. GAILLARD
Assistant Manager

THE MARINE INSURANCE CONTRACT

By President BENJAMIN RUSH of the Insurance Company of North America

From an address delivered by Mr. Rush before the Fire Insurance Society of Philadelphia, and republished by courtesy of the Fire Insurance Society of Philadelphia's "Bulletin."

Before proceeding further it is pertinent to explain the meaning of the words "General Average" and, as this phrase refers to one of the most ancient laws still existing, a few words of explanation in reference thereto may not be amiss. The practice of a general average far antedates the practice of marine insurance and goes back to a time long before the Christian Era, and to a time when every merchant, who had an adventure at sea, either followed his goods himself, or sent his representative in the ship which carried his goods to oversee their handling and sale.

Small Ships in Olden Days

It would frequently occur during the course of such a voyage along the shores of, let us say, the Mediterranean of the shores of Africa that a storm would arise and the small ships of those days would be in a serious peril, only to be relieved by the throwing overboard of a portion of the goods carried by them in order to lighten the ship. Naturally, every merchant would want his neighbor's goods thrown overboard in order that his own might be saved, and in order to avoid the disputes and loss incident to such an unfortunate condition of affairs, we find recorded in the laws of Rhodes, long prior to the Christian Era, a law stating that "that which was sacrificed for the benefit of all in a sea adventure, should be made good by the contribution of all," and that if one or more merchants had their goods thrown overboard for the general safety that all the other merchants and the shipowners should all contribute to make good the loss sustained through the aforesaid jettison.

This law has been accepted and adopted by all maritime powers, together with many changes of form and has been amplified to cover practically every sacrifice of value for the common benefit. It is peculiar to commerce of the sea as nothing like it exists on land.

It is still in effect today among all maritime nations and the only effect of the practice of insurance upon it has been to transfer from the shoulder of the assured to the shoulder of his underwriter the cost of making good that contribution which all the interested parties in a sea adventure are obliged to pay to the unfortunate member of their company whose property has been sacrificed to secure the common safety.

A Protective Clause

The next clause in the policy reads as follows:

Warranted by the assured free from damage or injury from dampness, change of flavor, or being spotted, discolored, musty or mouldy, unless caused by actual contact of sea water with the articles damaged, occasioned by sea perils.

The purpose of this clause is to protect the underwriter from claims which are not directly due to perils insured against, or rather to draw a line as to how such claims shall be ascertained.

Many classes of merchandise are subject to damage such as the above without the intervention of any sea perils whatever.

Change from a warm to a cold climate precipitates moisture in the hold of the vessel and certain delicate goods such as flour, tobacco, sugar, dried fruits, etc., are very easily damaged by such causes.

The above clause clearly defines and brings to the attention of the assured the fact that losses of this kind will not be paid unless caused by actual contact with sea water caused by sea perils.

Sound Goods

Then follows a clause reading:

In case of partial loss by sea damage to dry goods, cutlery, or other hardware, the loss shall be ascertained by a separation and sale of the portion only of the contents of the packages so damaged, and not otherwise; and the same practice shall obtain as to all other merchandise as far as practicable.

This provides that sound goods shall not be sacrificed by being mixed up and sold as damaged goods, but the underwriter shall be responsible only for the goods that are actually damaged by the perils insured against. The clause which follows it reads:

Not liable for leakage of molasses or other liquids unless caused by stranding or collision with another vessel.

This clause is inserted in the policy for the reason that without it anybody who chooses could ship his molasses or other liquids in a leaky barrel and then make a claim on his underwriter for total loss on each voyage and the underwriter in the event of a sea peril having intervened would be obliged to prove that the packages were unfit at time of shipment, in order to escape claim.

Clause of Recent Origin

Then follows a clause of very recent origin, reading:

Warranted by the assured that this insurance shall not enure directly or indirectly to the benefit of the carrier or other bailee, by stipulation in bill of lading or otherwise, and any breach of this warranty, and any act or agreement by the assured prior or subsequent hereto, whereby any carrier or party liable for or on account of loss of or damage to any property insured hereunder, is given the benefit of any insurance effected thereon, shall render this policy of insurance null and void.

The history of this clause is interesting:

For many years it has been the practice and indeed the duty of underwriters to pay all losses caused directly by perils insured against, though indirectly by the fault or negligence of the common carrier, to their assured and then to collect losses, as far as possible from the common carrier, as for instance if cotton was burned up in transit through the negligence of the railroad company, the underwriter on the cotton paid his assured the loss and then brought suit in the assured's name against the railroad to recover the money which he had paid out.

This under the law he was legally entitled to do and the assured consequently received very much cheaper rates from his underwriter than would have been the case had the common carrier been at liberty to damage or destroy property entrusted to his charge for transportation without being held accountable to anybody therefor.

Common carriers resisted these efforts to hold them responsible on behalf of shippers and underwriters, but finally the law became so well settled that they were responsible for losses caused through their own negligence that they endeavored to escape liability by the insertion of numerous clauses in their bills of lading, one of which attempted to confiscate the insurance which the merchant has paid for on his own goods so as to apply it to the common carrier's own benefit.

The above clause consequently provides that the insurance under the policy shall not enure directly or indirectly to the benefit of any carrier or other bailee and provides that if the bill of lading accepted by the assured contains a clause inserted by the railroad confiscating the assured's insurance, the policy of insurance shall be null and void.

(To be Continued.)

Insurance Against Loss of Profits Through Fire

BY ERNEST W. BELL, IN A PAPER READ BEFORE INSURANCE INSTITUTE OF NEW SOUTH WALES

The policy insures against loss under three headings, viz.: standing charges, net profits and increased cost of working. Either Nos. 1 or 2 can be deleted from the policy if required. The standing charges are enumerated in the application form.

The sum insured is calculated upon the amount of net profit for the last financial year plus standing charges, and is termed "total profits," but if the net profit plus standing charges paid or to be paid after the fire is less than the insurance, the percentage is proportionately reduced.

The policy can be taken out for whatever period the insured desires, from six to twelve months, but is based upon twelve months' total profits. The contract first issued read:

(a) "That the company will pay to the insured monthly for the period insured after a fire, the percentage that the sum hereby insured bears to the turnover for the last financial year, on the shortage between the turnover in each of such months, and the turnover for the corresponding months of the preceding year."

(To be Continued.)

British War Risks Office New Memorandum

A new and detailed memorandum has been issued by the War Risks Insurance Office, describing the conditions on which cargo is insured there against war risks under the government scheme. Paragraph 15 states that cargo insured against King's Enemy War Risks must be covered by approved marine insurance policies in accordance with paragraph 16, which describes what policies are approved, and with paragraph 17. The last named states that for the purposes of paragraph 15 "not less than 70 per cent. of the declared value should be insured against marine risks, but in cases in which shippers are in the habit of retaining a portion of the risk on each shipment for their own account this requirement may be modified on application in writing."

The intention of the management is clearly that the whole of the marine insurance effected on goods which it is desired to cover against war risks under the State scheme should be effected on approved policies. The stipulation that at least 70 per cent. of the marine risk should be so covered is made to meet the case of any shippers who habitually retained a portion of the risk for their own account, and likewise the provision that this requirement may be modified on application in writing. Shippers and brokers would be ill-advised to put into practice the suggestion which has been made in certain unofficial quarters that the effect of the wording of the paragraphs in the memorandum was to allow latitude to them to effect, if they chose, the remaining 30 per cent. of the risk, or any portion of this amount, with any institutions or underwriters that were not officially approved by the State office.

San Francisco Losses Amounting to $4,522,905.00 paid PROMPTLY IN CASH WITHOUT DISCOUNT, from funds largely supplied by head office in Liverpool

U. S. Cash Assets, Dec. 31, 1914 $14,814,383.94
Surplus, - - - - - 4,841,887.19
Losses Paid by Chicago Fire, 1871 3,239,491.00
Losses Paid by Boston Fire, 1872 1,427,290.00
Losses Paid by Baltimore Fire, 1904 1,051,543.00

Liverpool AND London AND Globe Insurance Co. LIMITED

Over $147,000,000.00
Losses Paid in the United States

HENRY W. EATON, Manager
G. W. HOYT, Deputy Manager
HUGH R. LOUDON, Assoc. Deputy Mgr.
J. B. KREMER, Asst. Deputy Manager
T. A. WEED, Agency Superintendent

NEW YORK OFFICE
80 William Street

CASUALTY AND SURETY NEWS

President Warfield's Report to Stockholders

INCOME OVER EXPENSES AND LOSSES, $1,799,182

Soliciting Force of Company Now 6,420—Total Net Premiums Last Year $6,569,555

The report to stockholders of President Warfield, of the Fidelity & Deposit, in which is included facts about the 1916 statement, follows in part:

Gentlemen:

I present with pleasure the twenty-seventh annual report of the operation of your Company for the year ending December 30, 1916. The results are very gratifying to the management and demonstrate that your Company is strong and prosperous. Its assets are $12,071,019.

Its reserves, legal, special and contingent, are full and ample, being $6,291,379.30. Its capital, surplus and undivided profits amount to $5,779,639.30. It added, during the year, to its investments in stocks and bonds $365,416.54.

Net income over expenses and losses paid out of 1916 earnings was $1,799,182.34.

Net earnings have been distributed as follows:

To reg. and special reserves.	$1,102,768.02	
Dividends paid.	480,000.00	
Added to undivided profits.	100,000.00	
Set aside for contingencies	116,414.32	1,799,182.34

The income and disbursements which verify these net earnings are:

Income

Net fidelity and surety premiums, $3,343,618.55.

The policy of reducing risks by reinsurance was continued, and the Company spent $84,777.71 more for fidelity and surety reinsurance than in 1915. This sum included, makes the increase in the fidelity and surety premiums $182,227.69 over last year.

The Company in 1916 discontinued the writing of workmen's compensation and employers' liability business. (The premiums were $1,154,054.17 on those two lines in 1915.) Notwithstanding the discontinuance of this business, an increase of $357,898.97 was made in accident, health, burglary, automobile and American plate glass, which lines the Company will continue to write. This is an increase of about 20 per cent. made concurrently with the discontinuance of compensation and employers' liability.

Net casualty premiums (other than workmen's compensation and employers' liabil.)	$2,603,758.26	
Net com. and employers' lia. premiums ...	622,178.93	3,225,937.19
Total net premiums		$6,569,555.74
Int. on stocks, bonds, etc....	$321,880.00	
Net cash rents from real es.	102,974.38	
Profits on assets sold and inc. in book values	50,169.28	
Invest. income		475,023.66
Total net inc. from all sources		$7,044,579.40

(Continued on page 23)

Frederick Richardson on State Insurance

VIEWS OF U. S. MANAGER OF GENERAL ACCIDENT

Danger of Workmen Becoming Slaves—Misguided Efforts of Professors and Social Workers Here

Frederick Richardson, United States manager of the General Accident, has been elected an honorary member of the Insurance Institute of Hartford. Recently he read an address before that institute on the Compensation Systems of Europe in the course of which he had something to say on what should be the attitude of the industrial classes towards State insurance. His concluding remarks may be interesting to our readers:

"Enough has been said to show how little uniformity there is in the principles and practise of European compensation laws, and how difficult it is to weigh the merits of one system against another. We have to fall back on fundamental ideas if we would discover which one is the most suited to the instincts and genius of the American people. It is not always to be assumed that this seemingly radical change in the relationship of master and servant is one which should be ascribed to the liberal and emancipating forces of our time, and great care must be taken lest we encourage unawares the growth of institutions which will rob men of their freedom and their natural rights, whilst soothing them to sleep with the anodynes of ameliorative legislation.

Quotes Philosophers

"One of the great English political philosophers, Thomas Hobbes, whose 'Leviathan' has surely been the inspiration of Treitschke and the entire school of professional sycophants in Imperial Germany, wrote nearly three hundred years ago, 'And whereas many men, by accident inevitable, become unable to maintain themselves by their labor, they ought not to be left to the charity of private persons, but to be provided for, as far forth as the necessities of nature require, by the laws of the commonwealth.' Hobbes, being a strong supporter of the monarchical system, was quite unable to escape the logical reflexes of his own ideas, and seeing that members of the proletariat, or property-less class, must at times be in a position of dependence towards somebody, and as their natural rights have been taken away by or with the consent of the State, it was only proper that the commonwealth should relieve sufferers from the worst evils caused

(Continued on page 23)

General Accident
FIRE AND LIFE
ASSURANCE CORPORATION, Ltd.
SERVICE THAT EXCELS
FREDERICK RICHARDSON, United States Manager
GENERAL BUILDING · 4TH & WALNUT STS.
PHILADELPHIA

Premium Income of the Maryland

TOTAL OF $9,387,454 IN ALL DIVISIONS

Automobile Premiums Last Year Were $1,219,683—Compensation $3,017,084; Liability $1,383,948

In his annual report John T. Stone, president of the Maryland Casualty, said in part:

This expectation was realized in several ways and to an extent quite beyond our largest estimates. Every month produced a large increase over the corresponding month of nineteen-fifteen.

Every department produced an increase; some, of course, much larger than others, notably workmen's compensation and automobile.

The total increase is $2,712,479.85 over nineteen-fifteen.

The total net premiums written are $9,387,454.51.

In anticipation of the substantial increase which we hoped for, we had added somewhat to our force of salaried employes during the latter part of 1915. The actual enlargement of our business was so much in excess of our hopes that additional employes in every division of the Company's service were taken on week after week throughout 1916. The total salaried personnel, not including any of the business-producing force, is now 978; an increase of 215 persons over January 1, 1916. Of these 669 are at the home office, 91 are traveling inspectors, 26 are traveling auditors, and 192 are in branch claim divisions located at 41 cities.

Several readjustments of method were also necessitated by this large increase of business. Home office divisions were subdivided and one new bureau—claim disbursements—was created, in order to handle with a greater promptness and with certain accuracy the accounting and recording of this greater daily mass of items.

The following comparative table, showing the premium writings of the Company and the financial condition for the fifth, tenth, fifteenth and nineteenth years, presents a striking picture of our steady growth:

Premiums for the Year	1902	1907	1912	1916
Boiler	$ 110,166	$ 181,522	$ 282,800	$ 384,922
Elevator	78,296	94,108	133,001	159,380
Accident	227,284	424,385	681,640	744,105
Health	34,323	43,291	47,166	368,301
Disability	1,300	167,542	401,440	.....
Liability	1,385,034	1,624,643	2,635,020	1,383,948
Plate glass	110,933	195,738	290,812	283,769
Sprinkler	57,581	123,767	95,112	104,315
Burglary	11,028	275,807	309,306	368,484
Fly-Wheel	.....	14,736	27,262	54,474
Physicians' Defense	.....	18,087	40,890	30,314
Water Damage	.....	5,338	16,943	41,918
Contract Bonding	.....	.....	321,309	533,036
Fidelity Bonding	.....	.....	232,263	248,922
Judicial Bonding	.....	.....	125,293	205,435
Public Official and Depository Bonding	.....	.....	.....	239,358
Compensation	.....	.....	314,786	3,017,084
Automobile	.....	.....	.....	1,219,683
Total	$2,015,949	$3,168,951	$5,955,560	$9,387,454

NEW AMSTERDAM CASUALTY COMPANY
A Progressive
SURETY AND CASUALTY
Company

EXHIBIT AT AUTO SHOW

Lucas & Duke, general agents of the Aetna at Rochester, exhibited at the Rochester auto show. The agency has published a booklet on Rochester auto rules, which has been in great demand. General agents of the Aetna from all over the country gathered in Hartford last Wednesday to attend the dinner given in the honor of Vice-President Parker.

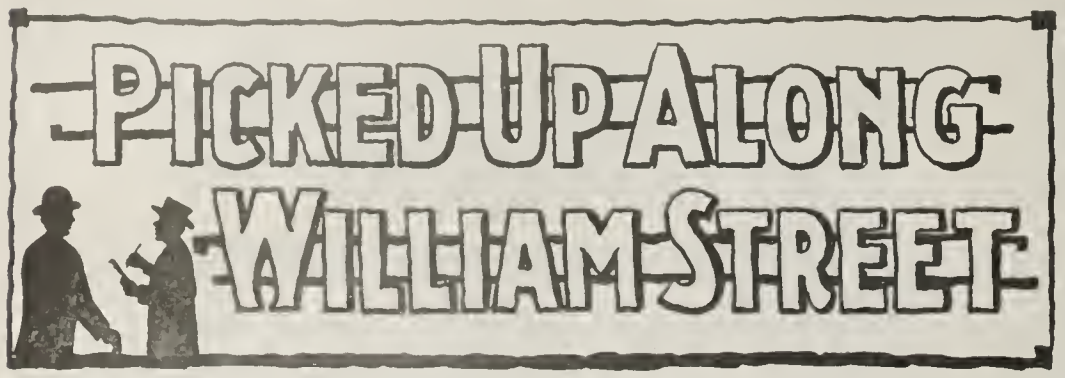
CONNECTICUT LEGISLATURE

The following are accident and indemnity insurance bills introduced in the Connecticut Legislature:

By Senator Grady—Incorporating the Columbus Accident Insurance Company of New Haven.

By Senator Kopplemann—Allowing Hartford Accident & Indemnity Company to make insurance indemnifying banks, bankers, brokers.

By Senator Whitney—Incorporating the Connecticut Indemnity Company.



Glad Company Dropped Compensation

Chester M. Cloud, resident manager of the New York Casualty office of the Fidelity & Deposit, has made the following statement referring to the effect that the dropping of compensation business had on the premiums in his office:

"As soon after January 1, 1916, as possible, we reduced our office force to a considerable extent, applied the remaining to more strenuous work on the other lines of business, endeavored to put forth inducements in the way of extra service upon the other lines, talked the other lines day in and day out, demonstrated to the agents and brokers where compensation business entailed more work upon them with less profit than other lines, and gradually brought over some of the most skeptical to our New Thought Doctrine of Insurance.

"Starting the year 1916 with a loss of $197,657.49 in compensation premiums, we ended the year 1916 with a loss of only $36,665.49 in total premiums of the office, or, in other words, we had made up in desirable lines $160,992. It is needless to say that in 1917 we will far exceed the loss of compensation, and, in fact, we shall have forgotten that it ever existed.

"To say that the home office was wise in discontinuing compensation is not enough. They were courageous in their stand, and it brings satisfaction to the members of the New York office to realize that they have played their small part in the success of the move.

"To any branch manager of the Company who wants added assurance that the Company adopted a very wise policy in the elimination of compensation insurance, let us extend him a cordial invitation to pay us a visit and see the proof with his own eyes."

* * *

Dawson's Small Town Publicity

Miles M. Dawson, New York actuary, who seems to play on both sides of the fence, sometimes representing stock companies, sometimes appearing against them, recently wrote an article on health insurance in the Irvington (N. J.) "Weekly." In order that insurance men may get a line on what he is saying the article is reproduced:

Private health insurance is enormously costly compared with public health insurance.

The private insurance companies in this health field use more than 60 cents out of each dollar received; they pay back in benefits only about 30 cents on the average. That is, expenses and profits add 70 cents to 30 cents net cost, an addition of 233 1-3 per cent.

The publicly and democratically administered health insurance funds average in Germany to cost about 7 per cent. for operating expense—or, after laying aside ample contingency reserves, 10 per cent. of the average net cost or less. In our own country establishment funds, managed by representatives of employers and employes, as the health-insurance funds would be, under the proposed law of the association, are often conducted for 5 per cent. or less.

* * *

Transfer M. A. Craig Here

M. A. Craig, who has been superintendent of the surety department of the Chicago office of the London & Lancashire Indemnity, has been appointed superintendent of the surety and fidelity department of the Company. Mr. Craig was formerly secretary of the Bankers Surety at Cleveland, which was absorbed about five years ago by the Maryland Casualty, and later he was with the Title Guaranty & Surety.

* * *

The General's Review

The General Accident is issuing its monthly paper to agents in new form, which is not only an improvement typographically, but also in the quality of the contents. Henceforth space will be devoted to all branches of the casualty business.

* * *

Perils of Married Life

The National Casualty Company's "Agents' Record," prints the following pertinent comment:

"Married life is full of dangers," someone has said. "We assume they had in mind conjugal dangers, but there are physical dangers as well. Witness the New Yorker who started across the street in a hurry to catch his toddling baby. A slip, a fall, and a dislocated knee-cap resulted. Of course it could easily happen in New York, because they are not used to children. That National policy certainly did brighten up that home."

* * *

Exclusive Right to Solicit

The Armstrong-Roth-Cody Co., of Buffalo, has secured the exclusive right to solicit accident-health insurance in the plant of the Gould Coupler Co., Buffalo. The Armstrong-Roth-Cody Co. represents the Standard Accident and also has similar agreements with the Snow Steel Pump Co., Buffalo Gas Co. and Lackawanna Steel Co. Albert Dodge is manager of the accident department of the agency.

SURETYSHIP

By W. G. Curtis, Manager Bond Department, Aetna Life Insurance Company at Albany, N. Y.

As previously stated, the premium charge for bond being based entirely upon the service of the company in lending its name and credit, it can readily be appreciated that this collateral feature is an absolute necessity, for while the principal under such a bond may have been in good condition financially, when the bond was signed, and may have remained so for a considerable period thereafter, he may yet have become insolvent, and unable to satisfy the judgment by the time a decision has been rendered by the court. It is therefore, necessary for surety companies, to be even more careful than banks, when considering this class of applicant.

As a rule, collateral security, in the shape of cash, or its equivalent in marketable securities, is required on all bonds of this kind.

War Contracts

In the past two years, bonds in unusually large amounts have been required in connection with war contracts. Representatives of warring nations, placing orders in this country, were required to pay the manufacturers, upon delivery here, in designated perts, before goods left the country, and on their part, they demanded, a surety bond from the manufacturers or producers, providing that they would fulfill their contract. Orders placed in many instances, were for enormous quantities, and in a short while, the established concerns in many lines, had received orders for their entire output, and as a consequence, there has been continually coming into existence, new concerns, many with very moderate capital, and as all were required to give surety bonds, a method had to be worked out, whereby, the surety companies could execute these bonds, protecting the foreign buyers, and at the same time keeping strictly within their province of suretyship.

The foreign governments, had in this country, enormous deposits of gold, and a scheme was worked out whereby a large portion of the contract price to be paid by the buyer, was placed in escrow, with various banks, to be paid to the manufacturer in installments, upon delivery of his wares. In this manner, insuring the manufacturer of payment, for his goods on the one hand, and on the other, the buyer was assured of receiving these goods, and should the manufacturer from any unforeseen cause, be unable to carry out his contract, the surety, under a provision of the contract, was subrogated to all his rights, and could proceed to supply the article through such channels as were open, thus satisfying the buyer, and avoiding a loss under the bond, or the outlay of cash for the articles supplied, as the money held in escrow, was to take care of that feature.

One instance of this sort, was in the case of the Colt Arms Company, which contracted to supply thirteen million dollars' worth of wares, and a surety bond, in the sum of four million dollars was required and secured by placing four million dollars in gold, under the above or similar scheme, in thirteen banks in Hartford, Connecticut, which were designated as the depositories.

One Transaction Leads to Another

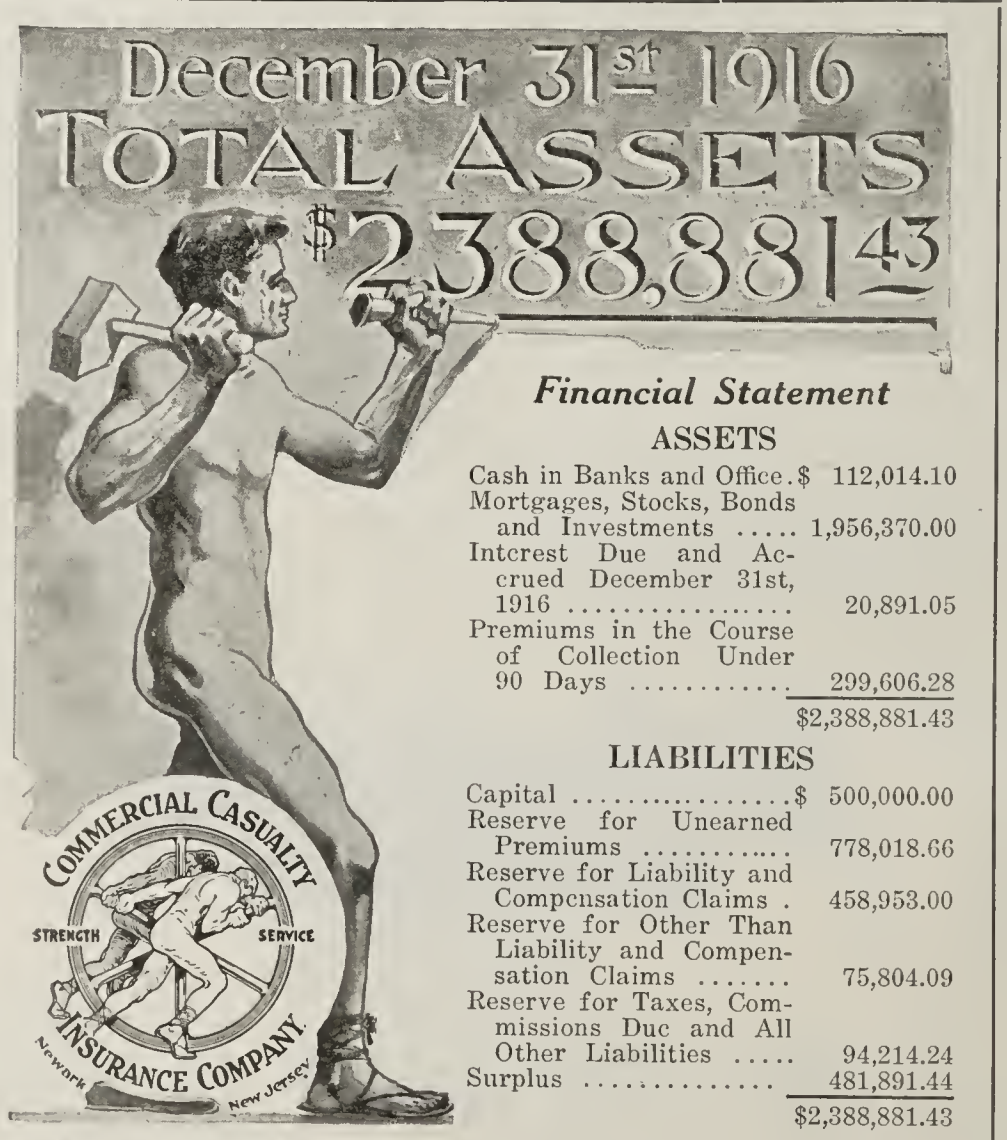
In the business of corporate surety, like that of many others, one transaction of business leads to another, which brings us to the bonds required by banks, which are designated, as in the foregoing case, to receive and hold certain funds, and in connection with funds on deposit by the State, in the various banks, which requires the banks to ask for something that they are dealing in all the time, namely, a line of credit, as the State and various other institutions, place large amounts on deposit in the banks, and require as security, corporate surety bonds, and such bonds are issued to the bank, based upon a consideration of the capital and surplus or a consideration of capital, surplus and deposits. Generally speaking, the surety companies will extend to the bank, credit for twenty-five per cent., of the amount of its capital and surplus, or about five per cent. of the amount of capital, surplus and deposits, and whether the one or the other basis is used, it is to be borne in mind, that this percentage will be increased or decreased, as the bank may seem in other respects to be strong or weak.

The Government

Several of our local banks are at the present time carrying depositary bonds in excess of a million dollars—an idea of the number of surety bonds filed with the Federal Government can be obtained, when it is considered, that in the Treasury department alone, according to the last report of the Secretary of the Treasury, 7,904 bonds have passed through that bureau during the year 1916.

The Federal Government, endeavors to safeguard itself, by enforcing the rule, limiting the net liability of any company, on any one risk, to ten per cent., of the amount of capital and surplus of such company. Thirteen States now have laws to the same effect, limiting the liability to ten per cent., of capital and surplus, on all bonds, whether running to the State, or to private parties.

(To be Continued.)



Financial Statement

ASSETS

Cash in Banks and Office	$ 112,014.10
Mortgages, Stocks, Bonds and Investments	1,956,370.00
Interest Due and Accrued December 31st, 1916	20,891.05
Premiums in the Course of Collection Under 90 Days	299,606.28
	$2,388,881.43

LIABILITIES

Capital	$ 500,000.00
Reserve for Unearned Premiums	778,018.66
Reserve for Liability and Compensation Claims	458,953.00
Reserve for Other Than Liability and Compensation Claims	75,804.09
Reserve for Taxes, Commissions Due and All Other Liabilities	94,214.24
Surplus	481,891.44
	$2,388,881.43

C. W. FEIGENSPAN, President

H. C. MITCHELL, Vice-Pres. & Gen'l Mgr.
E. C. FEIGENSPAN, Vice-President
J. HORANCE SHALE, Treasurer
W. VAN WINKLE, Secretary

Compiled under the laws of the States of New York and Massachusetts and examined and certified by the Banking and Insurance Department of the State of New Jersey as of December 31, 1916

COMMERCIAL'S PROGRESS

Gains $600,000 in Business Over 1915 —Total Assets Now $2,388,881— What Offices Wrote

From a business of less than $30,000 in 1910 to nearly $2,000,000 in 1916; from a trifle over $400,000 in total assets in 1910 to assets over two millions and a quarter in 1916—this, in brief, summarizes the progress of the Commercial Casualty.

The total business done by the Commercial in 1916 amounted to $1,813,373, a gain of nearly $600,000 over 1915.

At the end of 1915 the Commercial's total assets were $1,625,313.22. At the end of 1916 the total assets had increased to $2,388,881.43.

The New York branch office wrote about $600,000 in business, the Brooklyn office about $125,000, the Philadelphia office about $200,000, and Newark, the home city, together with adjacent territory, did $400,000.

AMERICAN SURETY FIGURES

Resources of $10,088,309—Premium Receipts $3,689,568, an Increase of $519,769 over 1915

The American Surety Company of New York had an unusually good year in 1916. The Company paid 3,004 claims, amounting to $628,794.84 during 1916. The net premium receipts amounted to $3,689,568.46; an increase of $519,769.40 over 1915. Other items in its financial statement as of December 31, 1916, follow:

Resources

Real estate:		
Home office bldg. and land unencum'ed.	$3,200,000.00	
N. Y. City water front, unencumbered ..	215,000.00	
Appraised value by N. Y. Insurance Dept.		$3,415,000.00
Stocks and bonds, market value		4,221,060.00
Special reserve fund investment		250,000.00
Mortgage and collateral loans, judgments and decrees		280,938.17
Cash in banks and offices.		1,156,504.58
Interest in excise reinsuring fund		77,023.88
Premiums in course of collection $775,515.95		
Less amount 3 months or more old 291,019.12		484,496.83
Accrued interest and rents		61,331.25
Salvage recoverable		141,954.86
		$10,088,309.57

Liabilities

Capital stock	$5,000,000.00
Surplus and undivided profits	1,584,744.37
Special reserve	250,000.00
Reserve for unearned premiums	2,267,458.08
Reserve for contingent claims	745,073.86
Reserve for expenses and taxes	200,000.00
Reinsurances and accounts payable, not due.....	17,890.06
Premiums paid in advance	23,143.20
	$10,088,309.57

APPOINT G. A. SALTSMAN

George A. Saltsman has been appointed agent of the General Accident at Harrisburg, Pa., for all lines except industrial, and has purchased the business there of Isaac Miller, formerly Harrisburg agent of the General.

President Warfield's Report

(Continued from page 21)

Disbursements

Total expenses for acquisition, administration and taxes ...		3,348,852.16
Income over expenses		$3,695,727.24

(Total taxes paid amounted to $304,-261.94, equivalent to more than 10 per cent. on the capital stock.)

Paid out of the year's earnings for current losses, viz.:

Fidel. & surety	$502,883.67	
Casualty	1,087,974.80	
		1,590,858.47
Liability adjustment expenses and legal fees	305,686.43	
Losses and loss expenses paid out of year's earnings		1,896,544.90

(Losses paid during the year out of reserves set aside in previous years, $1,018,809.46.)

Income over expenses and losses, as above stated $1,799,182.34

Shareholders

It should be interesting to you to know that we now have 1,348 shareholders, composed in the main of small investors, 476 being women. During the year the number increased 134. The fact that this stock is so largely held by persons of limited means emphasizes the necessity of great care and conservatism in the management of the affairs of the Company. No man can be the head of an institution in which small investors are interested, and in the majority, without feeling the grave responsibilities resting upon him.

We have been paying 16 per cent. dividends upon the stock since 1908, being 4 per cent., or $2 per share, quarterly, clear of taxes. The total amount paid to shareholders since 1895, when the Company began paying dividends, is $6,544,888.

Foreign Business

Steps were taken during the year to finally close our business in Germany, Austria and Hungary (having in 1915 retired from Russia).

An experienced representative from the home office is now in these countries, looking after the final adjustment of accounts and the cancellation of outstanding risks. The Company carries ample reserves to meet contingencies that may arise in these settlements.

Agencies

During 1916 much reconstruction in our agency field was necessary, and the result was that during reconstruction an increase was effected, both in the surety and in the casualty lines.

The number of additional agents appointed in 1916 was 526. This brings the soliciting force of the Company up to 6,420. With the agents and attorneys together our field force now amounts to 8,668, as against 8,036 at the end of 1915.

View of Mr. Richardson

(Continued from page 21)

by the defects of its own constitution. This condition of dependence on the State is the vital test of democratic institutions. If the proletariat alone is to be dependent then we will have the Leviathan State, into which Germany more than any other country is rapidly turning. A new version of an old idea has taken the place of the frank opportunism which in such States was the original reason for initiating national schemes of accident and sickness insurance. The workers are to be kept physically fit so that they may not be lost to the effective military forces of the State. This is a modern adaptation of the feudal idea of vassalage, and, instead of being Socialism as many suppose, is a perversion of it, and much more dangerous because it is much more practical. The proletariat will need to fight with the strength of a million Samsons in order to escape from its toils.

Discusses Social Democrats

"One can detect in the attitude of socialistic thinkers like George Bernard Shaw a distrust of the politician's application of collectivist doctrine. It is one of Shaw's theories, as it was the theory of Proudhon, that the State should be the employer and remunerate all of its citizens alike, whether scavenger or poet, banker or news-vender. This is only another way of stating the necessity for equal dependence on the State if socialistic theories are to be properly applied.

"The world has never offered a more pitiable spectacle than that which is offered today by German workmen fighting for the privilege of being slaves. No doubt their leaders in the Social Democratic Party wish to keep the State inviolate in the hope that they may be able to turn it into the Commonwealth of their dreams."

W. E. SMALL, President PETER EPES, Agency Mgr. E. P. AMERINE, Secretary

ACCIDENT and HEALTH
PLATE GLASS
BURGLARY

Georgia Casualty Company

LIABILITY
COMPENSATION
AUTOMOBILE



A Company Devoted to Service

A Company looking to the interests of its Representative

Home Office: Macon, Georgia
Surplus and Reserves over $1,100,000.

The METROPOLITAN CASUALTY
INSURANCE CO. OF NEW YORK
HOME OFFICE, 47 CEDAR STREET
CHARTERED 1874
Plate Glass, Burglary, Accident and Health Insurance
EUGENE H. WINSLOW, President
Russell R. Cornell, Vice-Pres. S. Wm. Burton, Sec. Alonzo G. Brooks, Ass't Sec.
RELIABLE AND ENERGETIC AGENTS WANTED

The Fidelity and Casualty Company of New York
92 LIBERTY STREET, NEW YORK, N. Y.
Metropolitan Office—92 William Street
SEMI-ANNUAL STATEMENT JUNE 30, 1916

Assets	$13,129,602.70
Liabilities	9,115,416.08
Capital	1,000,000.00
Surplus over all liabilities	3,014,186.62
Losses paid to June 30, 1916	54,167,050.85

This Company issues contracts as follows: Fidelity Bonds; Surety Bonds; Accident, Health and Disability Insurance; Burglary, Larceny and Theft Insurance; Plate Glass Insurance, Liability Insurance—Employers, Public, Teams (Personal Injury and Property Damage), Automobile (Personal Injury, Property Damage, Collision, Fire and Theft), Physicians, Druggists, Owners and Landlords, Elevator, Workmen's Compensation—Steam Boiler Insurance; Fly Wheel Insurance.

THE SIGN OF GOOD CASUALTY INSURANCE
HEAD OFFICE
CHICAGO
F. W. LAWSON
General Manager
Liability, Accident, Burglary, Boiler and Credit Insurance



Established 1869

F. J. WALTERS
Resident Manager
55 JOHN STREET
New York
Elmer A. Lord & Co.
145 Milk St., Boston
Resident Managers New England

London Guarantee & Accident Co., Ltd.
OF LONDON, ENGLAND



67th Annual Statement of the

Ætna Life Insurance Company

AND AFFILIATED COMPANIES

The Ætna Accident & Liability Co. The Automobile Insurance Co.

OF HARTFORD, CONNECTICUT

MORGAN G. BULKELEY, President

Ætna Life Insurance Company

Capital Stock $5,000,000

Life, Accident, Health, Liability and Workmen's Compensation Insurance

JANUARY 1, 1917

ASSETS		
Home Office Building		$1,000,000.00
Real Estate:		
Acquired by Foreclosure	$45,029.28	
Supply Department	75,000.00	
		120,029.28
Cash on hand and in banks		9,964,175.90
Stocks and Bonds		40,641,048.16
Mortgages secured by Real Estate		58,780,820.63
Loans on Collateral		618,260.00
Loans secured by Policies of this Company		11,840,925.79
Interest due and accrued December 31, 1916		2,663,206.99
Due from Re-Insurance Companies and others		10,933.61
Premiums in course of collection and deferred premiums		2,912,596.91
Amortized value of Bonds and Market Value; December 31, 1916, of Stocks, over Book Value, less Assets not admitted		2,746,627.23
TOTAL ASSETS		$131,298,624.50

LIABILITIES	
Reserve on Life, Endowment and Term Policies	$95,777,611.00
Additional Reserve, not included above	1,195,231.00
Premiums paid in advance, and other Liabilities	1,225,060.54
Unearned interest on Policy Loans	303,483.02
Taxes falling due in 1917	1,159,810.12
Reserve for special class of Policies and Dividends to Policyholders payable in 1917	3,463,015.80
Losses and Claims awaiting proof and not yet due	1,173,921.23
Unearned Premiums on Accident, Health and Liability Insurance	4,426,592.78
Reserve for Liability claims	3,588,565.71
Surplus to Policyholders amortized basis for Bonds	18,985,333.30
TOTAL LIABILITIES	$131,298,624.50

Increase in Surplus to Policyholders	$ 1,008,120.48
Increase in Income	4,335,508.05
Increase in Assets	7,060,071.57
Increase in Life Insurance in force	59,586,557.59
Payments to Policyholders during 1916	$ 17,971,431.94
Payments for Taxes during 1916	$896,123.60
Paid Policyholders since organization in 1850	298,834,909.73
New Life Insurance Issued in 1916	$121,743,164.78
Life Insurance Paid for in 1916 ($106,922,465.78) and in Process of Collection ($1,330,940.00)	108,253,405.78
Life Insurance in Force, Jan. 1, 1917	467,545,656.81

Total Income in 1916, Ætna Life Insurance Co. and Affiliated Companies $41,736,303.42

10th Annual Statement of

The Ætna Accident & Liability Co.

HARTFORD, CONN.

Capital Stock $1,000,000

JANUARY 1, 1917

ASSETS	
Cash on Hand and in Banks	$1,663,954.66
Stocks and Bonds	3,023,758.34
Mortgages secured by Real Estate	1,589,050.00
Loans on Collateral	767,014.63
Interest Due and Accrued December 31, 1916	77,766.79
Premiums in Course of Collection	708,496.28
Equity in Funds of N. Y. Excise Re-Insurance Association	45,269.03
Due from Re-Insurance Companies on Paid Losses and Salvage Recoverable	12,671.41
Other Assets	22,737.68
GROSS ASSETS	$7,910,718.82
Less Special Deposits and Assets not admitted by Insurance Departments	155,464.39
TOTAL ADMITTED ASSETS	$7,755,254.43

LIABILITIES	
Premium Reserve	$2,146,089.07
Losses in Process of Adjustment	869,354.85
Commission Reserve on Premiums in Course of Collection	173,232.37
Taxes Falling Due in 1917	138,639.56
All other Liabilities	130,244.20
TOTAL	$3,457,560.05
Surplus to Policyholders	4,297,694.38
TOTAL	$7,755,254.43

Increase in Premium Income $1,658,062.60
Increase in Assets 3,532,982.09
Increase in Surplus to Policyholders 2,239,177.31

4th Annual Statement of

The Automobile Insurance Co.

OF HARTFORD, CONN.

Capital Stock $1,000,000

JANUARY 1, 1917

ASSETS	
Cash on Hand and in Banks	$522,007.04
Stocks and Bonds	1,395,905.00
Mortgages Secured by Real Estate	145,100.00
Loans on Collateral	396,750.00
Interest Due and Accrued December 31, 1916	23,942.10
Premiums in Course of Collection	288,097.01
Other Assets	8,253.42
GROSS ASSETS	$2,780,054.57
Less Special Deposits and Assets not admitted by Insurance Departments	31,222.38
TOTAL ADMITTED ASSETS	$2,748,832.19

LIABILITIES	
Premium Reserve	$776,906.71
Losses in Process of Adjustment	180,566.96
Taxes Falling Due in 1917	52,894.51
All Other Liabilities	29,609.63
TOTAL	$1,039,977.81
Surplus to Policyholders	1,708,854.38
TOTAL	$2,748,832.19

Increase in Premium Income $728,236.22
Increase in Assets 370,974.80

Automobile Combination Policy Covering Liability, Fire, Theft, Transportation, Collision, Property Damage and Loss of Use. Liability and Property Damage for Teams and for Elevators. Plate Glass, Burglary, Flywheel, Sprinkler Leakage, Water Damage, Postal and Baggage, Combination Residence Insurance. General Fire Insurance. Marine Insurance. Fidelity and Surety Bonds.

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FEB 14 1917

THE EASTERN UNDERWRITER

[Succeeding the Journal of Insurance Economics, Established in 1899]

A WEEKLY NEWSPAPER COVERING ALL BRANCHES OF INSURANCE

Eighteenth Year; No. 6 | NEW YORK CITY, FRIDAY, FEBRUARY 9, 1917 | $3.00 a Year; 15c. per Copy

TOURIST COMMITTEE REPORT COMPLETED

Would Limit Coverage to Three Forms With Reduced Commissions on "Broad" Form

ALL COMPANIES CO-OPERATE

Rates on Worldwide Coverage Doubled; Minimum Premium $10; Companies to Meet Soon

The report of the committee appointed to draw up recommendations for standard policies, rates and commissions for the writing of tourist baggage business has been completed and was sent to the companies writing this form of insurance this week, together with a call for an early meeting.

The committee, consisting of Frank Appleton, chairman; Hugh R. Louden, W. H. Koop, C. M. Campbell, and E. J. Perrin, Jr., recommended two forms of policies and rates: A policy to be known as "personal effects floater limited form," and "a personal effects floater broad form."

Personal Effects Limited Form

There are two territories prescribed for this form: territory "A" covering within the United States including its possessions, Canada, Bahama Islands, West Indies, Bermuda, United Kingdom of Great Britain and Ireland and the continent of Europe at a rate of 1¼ per cent., and territory "B" giving worldwide coverage at a rate of 2½ per cent., a minimum premium of $2.50 and 25 per cent. commission.

Personal Effects Broad Form

The charges for territory "A" of this form are 2½ per cent. for the first $1,000, 2¼ per cent. for the second, 2 per cent. for the third, 1¾ per cent. for the fourth, 1½ per cent. for the fifth and 1¼ per cent. for each additional $1,000 over $5,000. There is a minimum premium under this form of $5.00. Territory "B" will be written at double the above rates with a minimum premium of $10 and 15 per cent. commission for both territory "A" and "B."

The committee defines "commission" as meaning the commission paid to brokers or local agents, the conference members being at liberty to pay a higher commission only to regularly appointed general agents of the fire, automobile or marine departments.

The wording "assured's family" has been changed to read "assured's immediate family," the former wording having been found to be too indefinite and open to a legal interpretation which would include the effects of those not intended to be covered by the policy. The wording "servants of the as-

(Continued on page 17)

DIRECTORY OF DEPARTMENTS

Life 1
Editorial 12
Fire 13
Casualty 19

"The Largest Fire Insurance Company in America."

THE HOME INSURANCE COMPANY NEW YORK

ELBRIDGE G. SNOW, President

Every Agent of "THE HOME" is a "Booster" of the Company because of its Constant Interest in his welfare, as such

FIRE AND ALLIED BRANCHES OF INSURANCE

Fire, Lightning, Automobile, Commissions, Explosion, Hail, Marine (Inland and Ocean), Parcel Post, Profits, Registered Mail, Rents, Sprinkler Leakage, Tourists' Baggage, Use and Occupancy, Windstorm.

STRENGTH REPUTATION SERVICE

North British and Mercantile Insurance Co.

Established 1809

Entered United States 1866

Policyholders protected by the entire United States assets, with further guarantee in every policy, of protection by entire fire assets of the company which are many times larger.

SPRINGFIELD
Fire & Marine Insurance Co.

Cash Capital $2,500,000.00

THE SPRINGFIELD for two-thirds of a century has transacted business solely under its own corporate name, without annexes, underwriting agencies or subsidiary companies. An agent of the SPRINGFIELD is not a half, a quarter or any other fraction of an agent, but is vested with the rights and dignity of an undivided representative of an undivided and independent company. The SPRINGFIELD stands today pre-eminent among American fire insurance companies.

SPRINGFIELD, MASSACHUSETTS

TO ORGANIZE MORRIS PLAN INSURANCE SOCIETY

Loan Institution Will Go Into Industrial Insurance Field—"Asset to Borrowers"

15 TO 20 PER CENT. COMMISSIONS

Business to Be Written By Local Morris Companies—Insurance in Multiples of $50

The Morris Plan of Industrial Loans and Investments, a scheme described in previous issues of The Eastern Underwriter, and aimed to drive loan sharks out of business, will embark upon the industrial life insurance field. Its plan is described in the following statement made by an officer:

A corollary to The Morris Plan—a necessary one, in the opinion of many—is industrial insurance. It is believed that a form of industrial insurance will guarantee larger dividends to The Morris Plan Companies, will make it easier to secure co-makers on their notes, and that it will not only be a protection to the companies but an asset to the borrowers. It is therefore proposed to organize shortly, a Morris Plan Insurance Society, under the laws of the State of New York, which will have for its purpose the writing of industrial insurance. The local companies will be constituted agents of the Insurance Society, and will receive 15 per cent. to 20 per cent. of the whole premium as their profit and for their expenses.

In order to handle such an important matter, involving detailed ramifications of policy, it is necessary that we shall have the unqualified approval of the Insurance Superintendents in the States where we are going to operate, and these gentlemen are very jealous of their prerogatives, because insurance has been subject to violent attacks—some of them not undeserved—in the past and it is necessary that our plan shall not only be practical, from our point of view, and simple, but that it shall be technically correct in the eyes of the Superintendents. We therefore propose to issue policies taking into consideration the ages of the borrowers. We admit, at the outset that a flat premium is the most desirable, if we could charge everybody 2 per cent. or 2½ per cent. of his loan. That would be the easiest thing to do, but it is not actuarially correct, because the older the man, the greater his liability to die, and, therefore, the greater the cost of carrying his insurance. For that reason, after consultation with Mr. Jesse Phillips, Insurance Superintendent of the State of New York, we have decided that we shall have either to group the ages, or have a different rate for each age, which is supposed to be the most perfect way of figuring this out. We shall, however, limit the insurance to multiples of $50, and premiums to a multiple of a nickel, payable weekly.

Industrial insurance rates are higher than any other rates, owing to the fact that industrial insurance is a form of

insurance where the premiums are paid weekly, collectible at the home of the insured. Now, weekly collection at the home of the insured involves two items of expense that make it much more expensive than any other form of insurance. Inasmuch as The Morris Plan system is based upon weekly payments on loans, and inasmuch as the borrower comes to the local company, it is obvious that we are in a better position than other industrial insurance societies to write industrial insurance economically. And as the borrowers come to our doors, they are mighty good industrial insurance risks. We are, therefore, in a position to be able to write industrial insurance to the great advantage of all concerned.

Fifty Weeks' Period

Another advantage which we have is that our loan, running as it does for only 50 weeks, enables us to write insurance for a period of 50 weeks, and, therefore, we are not in the position of the other industrial societies, that are confronted with the certainty of their risk dying. They know that some day they have got to pay the amount of the insurance. Our prospect is very good for paying only a small part of it, because our insurance terminates inside of one year, and you can all make a pretty good guess, when you look at an applicant, without a medical examination whether he is a good risk for one year of life. Because of this, we shall eliminate medical examinations on all amounts under $300, or possibly $500. We risk something in doing that, but we are advised it is safe to do it for the reasons I have given.

Because of the importance of proceeding wisely in this thing, in view of the enormous proportions which it is evident The Morris Plan business is bound to assume, and its corollary, the Insurance Society, will assume with it, we have been working for some seven months on the details of this insurance plan, and we shall have to give still further time to it before we can offer it to you, as agents, in a perfected form. In the meantime, I would ask your Executive Committees to consider this matter favorably, assuring them there is a good profit in it and that it is to the advantage of the company, because if a risk dies you do not have to go to the co-maker and perhaps sue him in order to get your money back; and it is advantageous to the borrower, in that he gets a co-maker more easily, and especially so to the man who feels he has responsibilities which he cannot meet if he dies. If he should die, being insured by us, he not only would be relieved of any obligation, his family would not only be relieved of any obligation to pay the balance of the loan, or to try and help pay the co-makers, but his estate, according to our plan, would receive that portion of the loan which he had paid in to date. In other words, if he borrowed $100 and had paid in $60, and then unfortunately died, his estate would get $60, and The Morris Plan would get $40, and the co-makers would have no further responsibility.

Not Compulsory

I want to emphasize the fact that this insurance will not be compulsory, but optional, and that a test has been made of it by the New York Company with very surprising results. During a single day, a number of borrowers were asked whether they would like to have this form of insurance, and about 85 per cent. expressed themselves as being in favor of it, if they could get it. And, of course, in some instances the co-makers would insist upon it.

W. H. Heinz, Bankers Life (Ia.) general agent at Rockford, Ill., has been transferred to Denver, Colo., succeeding G. B. Burke, who takes the State of Montana, succeeding A. T. Kirk. The latter joins the general agency of DeForest Bowman at Chicago. The Rockford general agency is taken over by J. W. Hatch.

Does Business on Five Mortality Tables

Metropolitan Life Comments Also on $5,000 Whole Life Policy in New Book of Company Achievements

In the new book of the Metropolitan Life, outlining achievements during the twenty-five years of the present administration of the Company (which began in October, 1891), the authors (said to be Haley Fiske and R. V. Carpenter) discuss plans of insurance used by the Company, together with some comment on the $5,000 whole life policy, the latter of more than considerable interest in view of the attacks that have been made on that policy. The book authors say in part:

"A remarkable variety in the plans of insurance is offered, adapted to every need and desire of the insured. No other company does business on five mortality tables. Besides the industrial and sub-standard industrial we have in the ordinary, in addition to the American experience table, a sub-standard (called special class) table and an intermediate table. All of these tables have been made standards by the New York department. Our plans include not only the whole life and endowment at age 85 and the usual limited payment and endowment policies, but the reduced premium (where the cost is only $10 for $1,000 after 20 years), the instalment, the modified endowment with life option (a 20-payment comparable in results before mutualization with the participating insurance of other companies), the monthly income policy and the convertible policy * * * this last is upon a plan whereby the insurance becomes paid up in a comparatively few years and then becomes endowment with shortening maturities as payment of premium continues; special policies for college professors supplementary to the Carnegie pensions; joint life policies; survivorship annuities where premiums cease on the death of the insured and annuities are paid to dependents.

The $5,000 Whole Life

"The $5,000 whole life policy, referred to above. It is based upon the assumption that there will be a very much lower mortality in the class which can afford to take large policies; and the premium was originally calculated upon a loading of only one per cent., the expectation being that expenses could be taken care of in savings on interest and mortality. Two reports of the insurance department approved of the scheme, and said it 'doubtless will result, if it is a success, in a general reduction in premium rates charged select risks.' Our experience thus far points toward success. The mutualization of the Company brought the Company under the provisions of Section 97 of the insurance law limiting total expenses, and in order to save the Company from increasing its loadings and thereby increasing its premium rates, it was necessary to get new legislation. The bill offered by the Insurance Department to meet the difficulty was opposed by a strong lobby organized by the agents of participating companies and directed by the officers of some of these companies; and finally the Metropolitan agreed to a bill which enlarged the limitation to one desired by the Company, but with a proviso preventing the issue of any policy upon a lower loading than one which if applied to the whole business would bring the expenses within a limit fixed by the amendment to Section 97. This compelled the Company to increase the loading on this policy to 7½ per cent., and thereby increase the premium rates. But they are still less than the rates of any other participating company for the same plan; and if the policy continues its successful experience of mortality the net cost to the insured will probably not be increased."

JUST A MINUTE PLEASE—

An old established eastern Life Insurance Company would like to find the right man to take charge of an Agency in Southern California.

REQUIREMENTS:

(1)—A Man with a clean record.
(2)—A good Producer and Organizer.
(3)—A Man who could take charge of the Agency April 1st.

If you can't meet these requirements don't waste your time and ours by answering this advertisement.

If you can meet them, we are ready to talk business with you.

Address in confidence

"WESTWARD"

c/o The Eastern Underwriter

105 William St., New York City

8 PER CENT. TAX BILL PASSES

House Turns Down Amendment Excepting Mutual Life Insurance—Hearings in Washington

The following bill, applying to life insurance companies, has been passed by the House of Representatives:

"That in addition to the taxes under existing laws there shall be levied, assessed, collected and paid for each taxable year, upon the net income of every corporation and partnership organized, authorized or existing under the laws of the United States, or of any State, territory or district thereof, no matter how created or organized, excepting income derived from the business of life, health and accident insurance contained in one policy issued on the weekly premium payment plan, a tax of 8 percentum of the amount by which such net income exceeds the sum of (A, $5,000) (B, 8 percentum of the actual capital invested)."

There have been several hearings in Washington attended by life insurance men and associations.

After one of the hearings an amendment to the bill was offered, excepting life insurance. The amendment was defeated.

FRATERNALS IN 1916

Issued 960,735 Certificates, Says George D. Eldridge—More Than Nine Billions in Force

George D. Eldridge says that the fraternals in 1916 issued 960,735 certificates for $912,149,539 insurance. The benefit membership at the end of the year was 8,128,908, with $9,443,671,510 insurance in force.

Reports of fraternal figures for the year in part follow, the figures in parenthesis being 1915 results:

Catholic Order of Foresters.—Members written during 1916, 11,416 (7,316); members in force at end of 1916, 148,989 (144,000).

Independent Order Brith Abraham, N. Y.—Members written during 1916, 19,011 (21,018); amount, $9,505,500 ($10,509,000). Members in force at end of 1916, 205,815 (200,142); amount, $102,907,500 ($100,071,000).

Modern Woodmen of America, Rock Island, Ill.—Members written during first eleven months of 1916, 107,542 (74,764); amount, $139,589,500 ($97,086,000). Members in force December 1, 1916, 1,004,567 (940,225); amount, $1,587,216,000 ($1,499,561,500).

Woodmen of the World, Sovereign Camp, Omaha, Neb.—Members in force at end of 1916, 801,563 (751,058).

Royal Neighbors of America, Rock Island, Ill.—Members written during 1916, 42,646 (32,569); amount, $41,125,750 ($31,014,500). Members in force at end of 1916, 313,772 (283,911); amount, $326,774,500 ($293,037,250.) Benefits paid during 1916, $1,901,135 ($1,646,059).

Massachusetts Mutual's Revised Schedule of Dividends

Below will be found a memorandum of dividends at quinquennial ages under the revised dividend schedule of the Massachusetts Mutual Life. As the dividend year of the Company commences on June 1 the figures shown in the schedule will not be effective until June 1 next.

The Massachusetts Mutual Life has also decided to allow interest at the rate of 4¾ per cent. on dividends left with the Company to accumulate and on balances of installment policy claims. The new rate provides for excess interest at the rate of 1¾ per cent. over the guaranteed rate.

Ordinary Life—

Year of issue	Age at Issue 25	30	35	40	45	50	55	60
1916	$3.72	$4.02	$4.40	$4.92	$5.58	$6.51	$7.78	$9.54
1915	3.87	4.22	4.64	5.20	5.95	6.96	8.31	10.17
1914	4.04	4.41	4.88	5.51	6.32	7.40	8.85	10.80
1913	4.21	4.62	5.14	5.81	6.70	7.86	9.39	11.43
1912	4.38	4.83	5.40	6.12	7.08	8.32	9.93	12.06
1911	4.57	5.05	5.66	6.46	7.47	8.79	10.47	12.68
1910	4.75	5.27	5.93	6.79	7.87	9.25	11.01	13.29
1909	4.93	5.50	6.21	7.12	8.28	9.72	11.55	13.89
1908	5.14	5.74	6.51	7.47	8.68	10.19	12.09	14.49

Life 20-Payment—

Year of issue	Age at Issue 25	30	35	40	45	50	55	60
1916	$4.39	$4.69	$5.07	$5.54	$6.17	$7.00	$8.16	$9.78
1915	4.73	5.06	5.47	6.00	6.68	7.58	8.80	10.49
1914	5.06	5.44	5.89	6.47	7.20	8.16	9.43	11.19
1913	5.42	5.83	6.32	6.96	7.74	8.75	10.08	11.89
1912	5.78	6.23	6.77	7.44	8.29	9.36	10.75	12.60
1911	6.16	6.65	7.23	7.96	8.85	9.98	11.41	13.30
1910	6.54	7.08	7.71	8.49	9.44	10.61	12.08	14.00
1909	6.95	7.52	8.20	9.04	10.04	11.25	12.76	14.71
1908	7.36	7.98	8.71	9.59	10.64	11.90	13.45	15.43

20-Year Endowment—

Year of issue	Age at Issue 25	30	35	40	45	50	55
1916	$5.60	$5.77	$5.99	$6.29	$6.74	$7.41	$8.41
1915	6.23	6.40	6.62	6.93	7.39	8.08	9.11
1914	6.89	7.06	7.29	7.60	8.07	8.77	9.82
1913	7.57	7.74	7.97	8.28	8.76	9.47	10.54
1912	8.28	8.45	8.68	9.00	9.48	10.20	11.27
1911	9.02	9.19	9.41	9.73	10.21	10.94	12.01
1910	9.78	9.95	10.18	10.49	10.98	11.70	12.76
1909	10.57	10.74	10.96	11.28	11.77	12.48	13.54
1908	11.39	11.55	11.78	12.10	12.58	13.29	14.32

MADE SECOND V. P.

George E. Bulkley Promoted By Connecticut General—Richard H. Cole Succeeds Him

A new office was created at the annual meeting of Connecticut General Insurance Company this week, that of second vice-president and George E. Bulkley was chosen to fill it. Mr. Bulkley has been secretary and his elevation led to the selection of Richard H. Cole to become secretary, Mr. Cole having been assistant secretary and actuary. To succeed Mr. Cole, John M. Laird was chosen, Mr. Laird having been assistant actuary. No assistant actuary was selected. Robert W. Huntington, Jr., was chosen again as president and P. Henry Woodward again is vice-president.

TORONTO LIFE UNDERWRITERS

Will Vale, Deputy Superintendent of Insurance for Ontario; Fred Field, editor of "Monetary Times"; F. T. Stanford, and J. L. Purdy, the new president, addressed the Toronto Life Underwriters' Association at the annual meeting last month.

WHEELER FILES PETITION

W. E. A. Wheeler, who has been identified with the promotion of a number of companies, has filed a petition of involuntary bankruptcy in which he placed his liabilities at $275,868 and his assets nothing. The majority of his liabilities are claims made by stockholders in the Union National Life Insurance Company, of Philadelphia, Wheeler having guaranteed the stock.

POTTS' RECOMMENDATIONS

New Insurance Laws Proposed in Illinois—Whole Family Protection Bill

Commissioner Potts has submitted to the Illinois Legislature his report of recommended legislation epitomized, it follows:

Permission for whole family insurance by fraternals.

Appointment of a legislative commission to consider welfare insurance.

Complete codification of the insurance laws.

A law requiring companies doing business in the State to invest a certain proportion of their Illinois premium income in Illinois securities.

Supervision over all insurance companies in process of organization.

1916 PENN MUTUAL LEADERS

Thirty agencies of the Penn Mutual Life of Philadelphia each paid for over a million of new business, for a total of $69,274,957 during 1916. Twenty-seven agencies paid for over $500,000 and less than $1,000,000 of insurance, amounting to $18,726,296 last year.

A list of the ten leading agencies and the amount paid for by each follows:

Home office agency, Phila...	$10,834,761
C. J. McCary & Co., Chicago.	6,336,727
Plympton & Bunting, Boston	3,726,451
Ezra DeForest, New York...	3,427,935
Rumsey Bros., Des Moines..	3,179,228
Murray & Walker, Cleveland	3,004,596
M. R. Miller, Rochester.....	2,991,001
Bagley & Willet, Atlanta....	2,555,317
J. A. Goulden & Son, N. Y..	2,291,573
Bourne & Durham, Phila....	2,206,522

Calls New Clause "Most Remarkable Form"

"LIFE INSURANCE COURANT" ON PHOENIX MUTUAL CONTRACT

Text of New Provision for Permanent Total Disability—Facts From Annual Statement

The Life Insurance "Courant" in its current issue called the new disability clause of the Phoenix Mutual Life "the most remarkable form ever issued," and also said "it represents the acme of liberality."

The text of this new form follows:

Provision for Monthly Life Income and Waiver of Premium in the Event of Permanent Total Disability

Issued as a part of and attached to Policy No. 00000 on the life of John M. Phoenix.

PREMIUM.

In consideration of the application herefor, which is made a part of this contract and a copy of which is attached hereto, and of a premium of $18.90, payable annually in addition to and together with the premium provided for under said policy, until the insured thereunder attains the age of sixty years, or until the premiums under said policy are fully paid, if prior thereto, the following disability benefits are hereby made a part of said policy.

Life Income, Payable Monthly, and Waiver of Premiums

If, while said policy is in force and there is no default in payment of any premium hereunder or under said policy, due proofs shall be received at the home office of the company that the insured thereunder, before attaining the age of sixty years, had become totally disabled, through sickness or accident, so that he had been for at least sixty days just preceding, is then and presumably will be thereby permanently incapacitated from engaging in any gainful occupation, the Company will, during the lifetime of the insured and while such total disability continues, waive each subsequent premium hereunder and under said policy as it shall become due, and beginning six months after receipt of such proof of disability, will pay to the insured a monthly income of one hundred dollars.

Policy Payable at Death or Maturity

Upon the death of the insured or at maturity the policy will be payable in accordance with its terms, without deduction on account of any payments made or premiums waived by the Company under these disability provisions. The non-forfeiture values and dividends thereunder will be the same as if the premiums so waived were paid in cash, and if dividends had been used to reduce premiums they will be paid to the insured or assigns in cash.

Mis-Statement of Age

In case of mis-statement of the age of the insured hereunder, the amount of the income payments herein provided for shall be subject to an adjustment proportionate to the premium at the true age and a return of any excess payments which may have been made by the Company.

Proof of Disability and Recovery from Disability

Should a claim for disability benefits be made hereunder, the Company may require proof of the age of the insured and may also require as a part of the proof of such disability that one of its medical examiners be allowed the opportunity of satisfying himself, by personal examination, as to the disability of the insured; and the Company may also require proof of the continuance of such disability in like manner, but not more frequently than once a year. Should the insured fail to furnish such proof or refuse to permit such examination, or be able to pursue some gainful occupation, then all premiums thereafter falling due under the contract as originally made must be paid to the Company in manner as described therein, and the monthly income hereinbefore provided for shall immediately cease.

Disability Accepted as Total and Permanent

Without prejudice to any other provision it is understood that the total and permanent loss of the use of both hands or of both feet, or of one foot and one hand, or of the sight of both eyes, shall constitute permanent total disability within the meaning of the above provision.

Provision May Be Discontinued

This provision may be discontinued on any anniversary of said policy by filing with the Company a satisfactory request therefor, together with this agreement for cancellation.

PHOENIX MUTUAL LIFE INSURANCE COMPANY.

Rates

At age 20 the additional premiums per $1,000 follow:

Life, $1.16; 20-payment life, $1.56; 20-year endowment, $.77; 30 year endowment, $.90; annual protective, $1.13; 20 premium protective, $1.55.

Annual Report

In 1916 the Phoenix Mutual increased its income $515,145; paid for $25,208,950 new insurance; and on January 1 had $180,000,000 insurance in force. The Company's mortality experience for 1916 was lower than during any previous year.

In his annual report President Holcombe said that the Company has had no loss on farm loans in forty years. In discussing the Company's investment bureau he said:

"Though about 60 per cent. of the funds of this Company is invested in mortgage loans, a very considerable number of bonds are bought from time to time, in the purchase of which a thorough knowledge of underlying principles is a prerequisite to success. The analysis of a railroad, public utilities or industrial bond demands much more thorough investigation than is ordinarily possible in an office devoted to many different interests. It is, moreover, important that the holdings of these securities should be frequently inspected with a view to taking such action as changing conditions would seem to require. For this purpose there has been established during the past year an investment bureau, maintained by this Company in conjunction with another large and important financial institution, in which office all offerings are carefully considered and referred to the committee having charge of such investments. It is increasingly evident that not only is this Company selecting its investments with unusual prudence, but it is also securing a higher rate of interest than would otherwise be obtained. While the return which a bond or stock yields indicates in a general way the public estimate of its strength, yet this is not an inflexible rule, for local conditions or special demands often fix the market price above or below its value to an investor having charge of the funds needed to cover the requirements of policy reserves."

Up-State New York

GENERAL AGENCY
WITH A
Massachusetts Company

Genuine opportunity for a Life Man capable of handling and developing a large plant. Must be experienced and possess real business ability. Negotiations should be opened promptly. Address:

"NEW YORK STATE"
c/o The Eastern Underwriter
105 William Street
New York, N. Y.

Waited Too Long to "Fire" General Agent

COURT FAVORS MAN WHO WROTE LETTER TO PRESIDENT

Three Months Ensued Between Receipt of Epistle and Discharge of Writer

By GEORGE F. KAISER

That although a contract between an insurance company and its general agent may provide that he may be discharged if he reflects discredit on the company, his discharge will not be justified if it is ordered three months after he writes a frankly critical letter to the president of the company, to which letter the latter replied cordially, was the holding in a recent case which reached the Supreme Court of Michigan.

It appeared that on April 6, 1910, the general agent had entered into a contract with the company under which he became a general agent in the State of Michigan, without exclusive territory, but with power to appoint agents to work for himself in behalf of said company and to procure applications for insurance in agreement with the company's rules. The schedule attached to the contract provided that the agent should receive 7½ per cent. commission upon all renewed premiums except business reinstated by the company's officers or home office employes.

Had Worked for Company Three Years

After three years' service the agent was discharged because of a letter written by him to the president of the company. The court, in speaking of the letter, said "it is not such a letter as should ordinarily be written by a subordinate to a superior officer, and in our opinion might very properly have called for a rebuke from the president." The president, however, answered the letter, saying, "I have read with a good deal of interest and care your esteemed letter of the 6th inst., and I am truly glad to hear from you in this frank, open and confidential manner." About three months later the general agent was discharged by the company on the ground of insubordination. He thereupon brought suit against the company for various commissions which he claimed were due him, and the court held that he was entitled to the commissions because he had been improperly discharged, as after the president had cordially answered the agent's letter, the company was not justified in terming it insubordination and discharging the agent for that cause under the contract provision.

MUTUAL JANUARY FIGURES

During January, 1917, the Mutual Life of New York, paid for $15,682,304, as compared with $12,232,523 in January, 1916. This is an increase of $3,449,781, or over 28 per cent.

The increase in applied for business over January, 1916, was $7,056,000.

SCRANTON LIFE MEETING

President McAnulty was re-elected president of the Scranton Life at its annual meeting. The Company now has $17,268,025 insurance in force. Its premium income is $636,000. It is ten years old.

SAME DIVIDEND BASIS

The Penn Mutual Life has made no change in the dividend basis for 1917.

TRAVELERS IN NEW YORK

The paid-for business of the Travelers in Greater New York for 1916 was about $22,000,000.

THE TRAVELERS

HARTFORD, CONNECTICUT

L. F. BUTLER, President

ANNUAL STATEMENT

January 1, 1917

THE TRAVELERS INSURANCE COMPANY

CAPITAL $6,000,000

Life, Accident, Health, Workmen's Compensation and Liability Insurance

Assets		$115,095,273
Reserves and Liabilities		100,138,291
Capital and Surplus		14,956,982
Increase—Assets	$10,936,165	
Increase—Capital and Surplus	1,148,180	
Life Insurance Paid for, 1916		113,931,776
Life Insurance in Force		476,315,842
Increase—Life Insurance paid for	35,510,321	
Increase—Life Insurance in force	81,500,637	
Paid Premiums for Life Insurance		13,660,494
Paid Premiums for Accident and Health Insurance		5,445,250
Paid Premiums for Workmen's Compensation and Liability Insurance		13,027,034
Increase—Premium Income	6,009,697	
Total Income		37,051,500
Increase—Total Income	6,351,743	
Total Paid to Policyholders to End of 1916		176,594,346
Paid for Prevention of Accidents by Inspection		3,060,377

THE TRAVELERS INDEMNITY COMPANY

CAPITAL $1,000,000

Steam Boiler, Flywheel, Burglary and Plate Glass Insurance

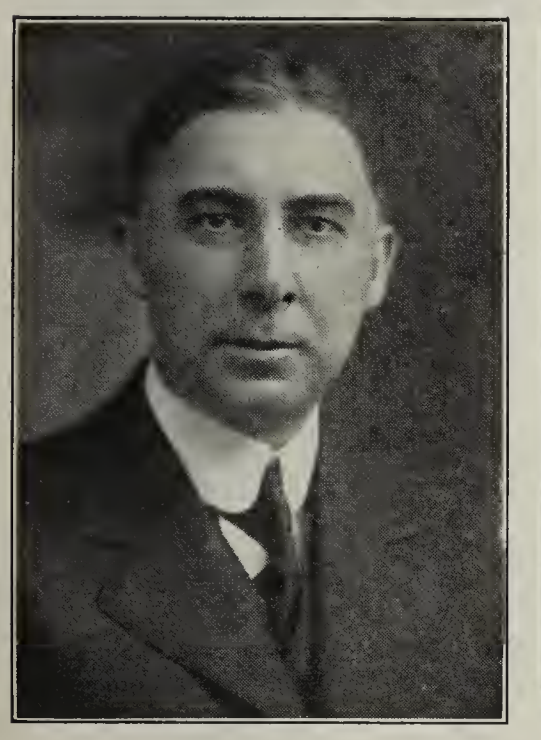
Total Assets	$3,574,256
Reserves and Liabilities	1,877,842
Capital and Surplus	1,696,414
Total Income	1,934,201

Moral: *Insure in The Travelers*

Promotions at Home Office of Provident Life and Trust

Careers of Messrs. John Way, M. Albert Linton, Matthew Walker, Franklin C. Morss and Thomas R. Hill

When the general agents of the Provident Life & Trust Company convened in their annual convention at Philadelphia last month they gave an enthusiastic reception to the five men who had been advanced since the last convention. These men are M. Albert Linton, John Way, Matthew Walker, Thomas R. Hill and Franklin C. Morss. The Eastern Underwriter presents the pictures and biographical sketches of these gentlemen.



JOHN WAY



M. ALBERT LINTON

John Way

John Way, vice-president and assistant treasurer, was born on a farm in Bedford County, Pennsylvania, October 21, 1871, and educated in the Westtown School. After a short experience in mercantile lines, in 1889 he entered the service of the Provident Life & Trust as a clerk in the insurance record department, was transferred to the treasury department in 1893, appointed assistant treasurer in 1910, and vice-president of the Company, November, 1916. Mr. Way is a director of the Mine Hill and Schuylkill Haven Railroad Company and manager of the Wm. Penn Charter School, also he is treasurer of the Pennsylvania Prison Society.

His pre-eminent ability along financial lines and genial disposition have endeared him to the members of the agency force and his appointment is one which gives genuine satisfaction.

Mr. Linton

Mr. Linton was born in the old Germantown district of Philadelphia, April 4, 1887. He received his education in the Moorestown Academy, Westtown School, and was graduated from Haverford College in 1908, receiving the degree of Master of Arts in 1910. He took a post-graduate course in the Federal Polytechnic of Zurich, Switzerland.

Mr. Linton is a member of the Phi Beta Kappa, a Fellow of the Institute of the Actuaries of Great Britain, also a member of the German Society for Insurance Science, and a Fellow of the Actuarial Society of America, serving this Society as a member of the examination committee. He was awarded a $100 prize for a paper presented to the Actuarial Society of America on the subject of "Mortality Experience of the Provident Life and Trust Co."

Mr. Linton, after a short business career, entered the service of the Provident Life and Trust in 1909 as a clerk in the actuarial department. He was appointed mathematician of the Company in 1913, associate actuary in 1915, and vice-president, November, 1916. He has rendered the Company and its agents a great service in the preparation of the new policy forms. His ability along actuarial lines and his broad grasp of the situation from the viewpoint of the man in the field has made him very popular with the agency force. His appointment to the vice-presidency of the Company meets with unanimous approval.

Matthew Walker

Matthew Walker, manager of the insurance department of the Provident Life & Trust, was born in 1865, educated in the public schools, and later went West where his father owned at that time several large sheep ranches. He completed his education in Kansas.

He returned East in 1882 and became identified with the Provident Life & Trust in a clerical capacity. From that time up to the present, he has made rapid advancement, filling the important positions of cashier, superintendent of local agents, and acting manager of the insurance department. As superintendent of local agents he was at the head of the Philadelphia Agency and succeeded in bringing this agency up to a production of nearly eight millions of insurance annually.

A clear thinker and forceful speaker,

The Columbian National Life Insurance Company
BOSTON, MASSACHUSETTS
ARTHUR E. CHILDS, President

The Agents' Winning Combination
LIFE—ACCIDENT AND HEALTH—INSURANCE
Covering Permanent and Total Disability, and Weekly Indemnity for loss of time

The Policyholders' Winning Combination
Guaranteed Cost and Good Service

FOR AGENCIES AND SPECIMEN POLICIES, ADDRESS THE COMPANY

Extracts from Report of Examination of
SOUTHWESTERN LIFE INSURANCE CO.
By the State of Texas, June 28, 1915

"It is noteworthy that this Company was organized without any promotion expenses."
"I beg to report further that I find the Company in excellent financial condition."
"The volume of its business has steadily increased, its surplus is growing rapidly and its funds are being carefully conserved under expert supervision."

Home Office, DALLAS, TEXAS

A Tower of Strength



Five decades of conspicuous progress based on firmly established principles.

SAFETY, always the first consideration in the selection of risks and investment of funds. The latter restricted to the safest security on earth —the Earth itself.

SAVINGS, arising from strict economy, low mortality and surplus interest earnings constantly employed, through liberal dividend refunds, to assure the maximum of insurance benefits for the minimum of premium outlay.

SERVICE, the fixed watchword and crowning feature of Union Central benefits; extended not only to all policyholders, but to rejected applicants and the beneficiaries of the insured.

Upon these solid foundation stones have been built the great strength of the Company; the efficiency of its Agency Force; and its host of satisfied Policyholders.

For information address, Allan Waters, Second Vice-President.

The Union Central Life Insurance Co.
Jesse R. Clark, President — Cincinnati, Ohio

Mr. Walker is regarded as one of the best life insurance managers in the country. His latest promotion has been enthusiastically received by the agency force.

Thomas R. Hill

Thomas R. Hill was born February 22, 1864, in Cambridge, Mass. His father, the Rev. Thos. Hill, was a former president of Harvard University. Mr. Hill was educated along engineering lines and served as a member of the Northern Trans-Continental Survey, doing topographical work in Montana. He was a member of the Boundary Commission to make a retrace of the Western boundary of Colorado, has been two and a half years in sub-arctic countries in exploration work and served as United States Deputy and Mineral Surveyor for New Mexico.

He entered the service of the Provident Life & Trust, April 6, 1897, in the capacity of special agent, was appointed general agent for Nebraska with headquarters at Omaha, June 15, 1914, and superintendent of agencies, April 10, 1916, with headquarters in Chicago serving the Western district. On October 23, 1916, Mr. Hill was requested to take charge of the whole field in his capacity as superintendent of agencies.

Franklin C. Morss

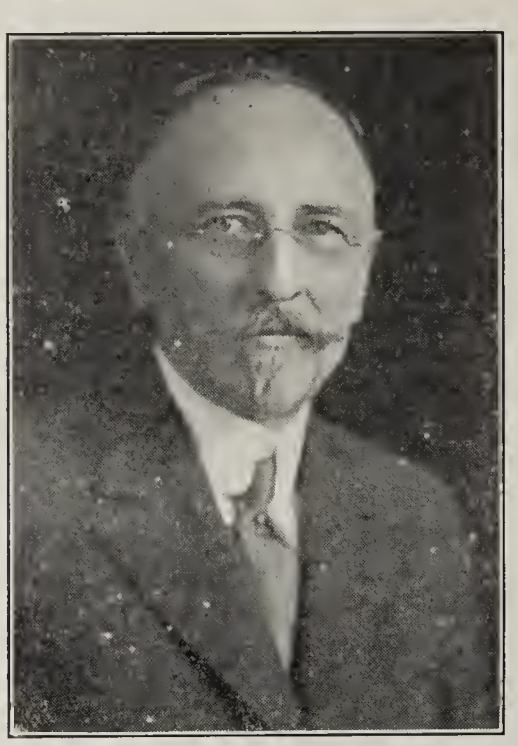
Franklin C. Morss, superintendent of the Philadelphia agency, was born in Philadelphia, March 30, 1874. He was



MATTHEW WALKER

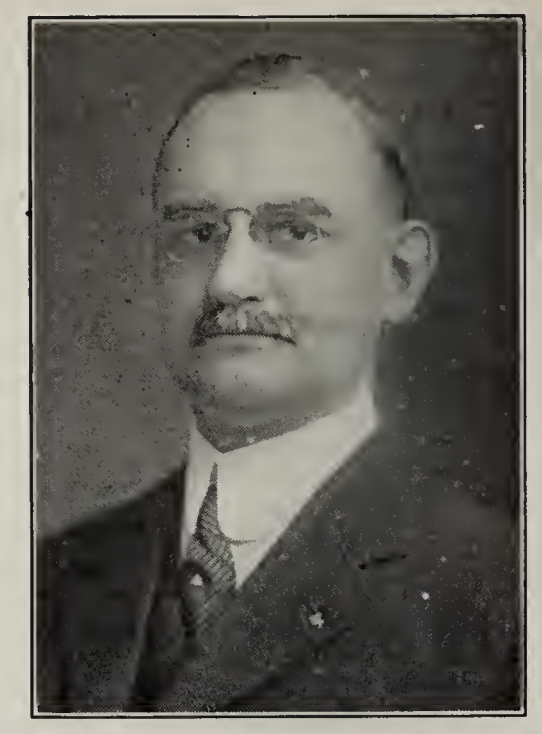
educated in the public schools, Central High School, and later finished at the University of Pennsylvania in the insurance course.

Mr. Morss devoted a number of years to mercantile business and entered the



THOMAS R. HILL

service of the Provident in 1905 as special agent. He was later advanced to the position of assistant to the manager of the insurance department and in April, 1916, was appointed superintendent of agencies in charge of the



FRANKLIN C. MORSS

Eastern district of the Company.

When Mr. Walker was advanced to manager of the insurance department, Mr. Morss was promoted to superintendent of the Philadelphia agency, which position he now holds.

MEDICAL SECTION TO MEET

Program of American Life Convention Experts at Excelsior Springs in March

The Medical Section of the American Life Convention will meet in Excelsior Springs, Mo., on March 7, 8 and 9. The convention will open with an explanation of past excess mortality in Southern States made by Dr. J. Allison Hodges, Atlantic Life, which will be discussed by Dr. J. P. Turner, Jefferson Standard; Dr. H. H. Young, George Washington; Dr. Joseph W. Johnson, Volunteer State.

Dr. M. P. Ravenel, University of Missouri, will discuss tuberculosis. He will be followed by a talk on the Roentgenographic Detection of Latent or Non-Clinical Pulmonary Tuberculosis by Dr. Lewis Gregory Cole, of New York. Discussion of tuberculosis will be by Dr. J. T. J. Battle, Southern Life & Trust; Dr. W. B. Carpenter, Columbus Mutual; Dr. M. M. Lairy, La Fayette Life; Dr. W. S. Harpole, Old Colony; Dr. W. F. Blackford, Commonwealth; Dr. George W. Parker, Peoria Life.

Among other subjects on which papers will be read and about which there will be discussion are "A Method of Controlling Preventable Disease in Rural Districts," Dr. A. Caswell Ellis, University of Texas; "Acidosis and the Internist," Dr. J. S. Lankford, San Antonio; "Cardio-Vascular-Renal Conditions," by Dr. Henry W. Cook, Northwestern National; "Microscopic Urinary Findings and Their Relation to Life Insurance," Dr. P. E. McCown, Indiana National Life; "The Teeth and Tonsils and Their Relation to Life Insurance," Dr. C. H. McCaskey, American Central Life; "Syphilis," Dr. John A. Kolmern, Philadelphia; "Compulsory House to House Inspection and Examination—What Does It Promise," Dr. E. J. Wilson, Midland Mutual; "General Discussion of Blood Pressure," Dr. G. E. Crawford, Cedar Rapids Life; "Post Operative Risks for Insurance," Dr. C. E. Schilling, Ohio State Life; "Relation of Pregnancy to Life Insurance," Dr. W. F. Milroy, Bankers Reserve Life; "Operation of the Total Disability Clause," Dr. James T. Priestly, Royal Union; "Malaria," Dr. M. K. Allen, Inter-Southern Life.

SECURITY MUTUAL LIFE

Old Assessment Policies and Those Re-Insured Gradually Maturing—Statement Shows Gains

The Security Mutual Life, of Binghamton, in 1916 disposed of $1,166,000 of assessment and stipulated premium business, which was partially composed of old mutual business and partially of business re-insured. The Company's statement, which was completed this week, shows gains in insurance in force in ordinary, limited payment and endowment forms of $4,260,000 over 1915.

The statement shows the total assets of the Company to be $8,097,354. Its income in 1916 was $2,147,261. The new paid for business was $9,500,000. The Company paid $1,096,205 to policyholders and beneficiaries during the year, which brings the total amount paid to policyholders and beneficiaries since organization up to $14,320,910. The total gain in insurance in force was $2,869,221, making the total insurance in force on December 31, 1916, $51,786,159.

The statement shows the Security Mutual to have made substantial increases in new business and in insurance in force in spite of its having removed from its books during the year over a million and a quarter of assessment business.

QUOTES J. FRANK HANLY

W. H. Hunt Says Former Governor Will Not Become President of American Mutual

William H. Hunt, president of the Cleveland Life Insurance Company, renewed his campaign upon newly organized Ohio companies, or companies in process of organization, this week when he issued a special bulletin attacking the American Mutual Life of Cleveland. Among other things, Mr. Hunt says that J. Frank Hanly, former Governor of Indiana, and noted Prohibitionist, who was announced as the new head of the American Mutual, has written to George W. Van Fleet, that Company's organizer, saying that he could not accept the presidency. Mr. Hunt says that Arthur B. Williams, a Cleveland lawyer, has joined forces with Mr. Van Fleet.

ELECT RYAN PRESIDENT

George W. Ryan, of the Provident Life & Trust, has been elected president of the Pittsburgh Life Underwriters' Association. The association gained eleven members during the past year.

WAR CLAUSES

A meeting will be held this week by some prominent life insurance companies to take up the question of war clauses.

Great Southern Life Insurance Company

HOUSTON, TEXAS.



For Agency Contracts address

O. S. CARLTON

PRESIDENT

KENWAY'S VIEWS

Doubts Whether Writing of Endowment Insurance is Advantageous to Companies—Reasons Why

J. L. Kenway, assistant secretary of the United States Life, in discussing current life insurance conditions in the "Insurance and Commercial Magazine," said this week:

"Looking backward over the history of life insurance in modern days, I think it must be impressed upon the mind of every thoughtful student of the business, that there have been no striking improvements upon the fundamental principle of straight or ordinary life insurance, except in-so-far as it has been modified to meet the wishes of prudent persons who desire to make their payments in limited periods of ten, fifteen or twenty years. So far as endowment insurance is concerned, while I do not at all question its usefulness, I do think it doubtful whether under the rates of commission generally paid to the agent and with the very limited surrender charges allowed, that form of insurance is (from the Company's standpoint, be it understood) entirely advantageous.

"I have always believed, and my faith is to-day stronger than ever, that life insurance companies have a peculiar and particular function—it is to sell life insurance. I would go even further than this and say that the less our companies assist in promoting schemes for personal speculation or advantage to the individual (beyond the inestimable value of protecting his family, the more firmly will the minds of the people be fixed upon the direct function of our great institution. Life insurance, as I see it, is **sui generis.** It occupies a place which no other human agency can fill or has ever successfully attempted to fill. It meets social requirements that cannot be safeguarded by any other institution. It is the conviction of the writer, shared, as he is happy to believe, by many abler men than himself, that the more life insurance is confined to its simplest form and function, the better it will be both for the companies themselves and for the millions of policyholders they serve."

A. C. Deatz, former general agent of the Bankers Life Company, of Des Moines, for the State of New Mexico, has been appointed as general agent for Eastern Kansas, with headquarters at Topeka.

Text of Germania Life's Double Indemnity

ADDITIONAL PREMIUM OF $1.25 PER $1,000 OF INSURANCE

Statement of President Cillis to Field Representatives—Clause Not Granted With Term

The new double indemnity section of the Germania Life policy reads as follows:

" * * * upon receipt at said home office of due proof of such death, or the sum of .....dollars

upon receipt of further due proof that such death before the insured attained the age of sixty years and before the allowance of any disability benefit, resulted directly and independently of all other causes from bodily injuries effected solely through external, violent and accidental means within ninety days from the occurrence of such accident, as evidence of which there shall be a visible contusion or wound on the exterior of the body (except in the case of drowning) or internal injuries revealed by an autopsy, provided such death did not result from suicide while sane or insane, nor directly or indirectly from disease in any form, nor from military or naval service in time of war, nor from aeronautic or submarine travel or service connected therewith.

"If the insured before attaining the age of sixty years becomes wholly and permanently disabled, the Company, besides waiving payment of premiums hereunder will pay to the insured a disability annuity equal to one-tenth of the face amount of this policy subject to the provisions of paragraph 24 hereof."

The Rates

The annual premiums for double indemnity benefit, payable not longer than to age 60, to be added to the regular table rates for $1,000 of insurance (with or without disability benefits), follow:

Age at Issue	Continuous Prem. (Life or End't)	20 Pay. Life	15 Pay. Life	10 Pay. Life
15-24	$1.25	$1.80	$2.15	$2.90
25-29	1.25	1.65	2.00	2.70
30-34	1.25	1.50	1.85	2.50
35-39	1.25	1.35	1.60	2.20
40-44	1.25	1.25	1.40	1.80
45-49	1.25	1.25	1.25	1.40
50-55	1.25	1.25	1.25	1.25

Limit of insurance with double indemnity benefit written on one life, $10,000.

President Cillis' Announcement

In his announcement to the field President Cillis said in part:

"The new clause will provide that in lieu of the face amount of the policy double that amount will become payable as a claim by death if the Company receives due proof before the insured has attained the age of 60 years and before the allowance of any disability benefit, that the death of the insured resulted directly and independently of all other causes from bodily injuries effected solely through external, violent and accidental means within ninety days from the occurrence of such accident, as evidence of which there shall be a visible contusion or wound on the exterior of the body (except in the case of drowning) or internal injuries revealed by an autopsy, provided such death did not result from suicide while sane or insane, nor directly or indirectly from disease in any form, nor from military or naval service in time of war, nor from aeronautic or submarine travel or service in connection therewith.

"The additional premium to be included in the yearly premium for such a policy will be $1.25 per $1,000 of insurance for life and endowment policies with continuous premiums. For life and endowment policies with limited premium payments the additional premiums will be correspondingly adjusted. The annual extra premiums to cover the new benefit will be as shown in the enclosed table.

"In connection with the solicitation of insurance including the new special benefit it will be well for the agents to keep the following points in mind:

"The double indemnity clause will not be granted in connection with insurance on the term plan.

"As an indication of the Company's rules by which the acceptance of risks for insurance with the new benefit is to be regulated, it is here stated in a general way that persons who are rated up in age, or persons engaged in the railroad or in mechanical or building trades or employed in factories or mills, except in a managerial or clerical capacity will not be considered for a policy with the new benefit.

"The adoption of the double indemnity feature cannot be made retroactive so as to be applied to policies issued before January 1, 1917.

"I am sure such further step in advance will inspire you to even greater efforts than in the past and will be of the utmost value to you in your share of the building of a greater Germania."

MOST PROSPEROUS YEAR

Gains Made By Bankers Life, of Des Moines—$415,757,749 Insurance in Force

The most prosperous year in the history of the Bankers Life Company was the year just closed, with a total of $415,757,749 of insurance in force as compared with $398,296,857 at the end of 1915.

The gains in legal reserve insurance in force for the year were $33,026,892 as compared with a gain of $17,864,591 in 1915; the gain in admitted assets was $2,410,665.49; in total income, $921,650.13; in securities on deposit with the Iowa insurance department as required by law in 1916, $1,513,010.41.

The total death losses paid in 1916 were $4,721,819.71; since the organization of the Company, $48,576,142.60.

The total of investments for the year 1916 was $28,392,362.29. The total value of property securing loans of the Company is now $100,751,937.05 as compared with $88,679,976 at the end of 1915.

The perfect security of Bankers Life loans is shown by the fact that the total of all loans, amounting to $27,800,836.96, is secured by property with appraised values of over $100,000,000, nearly four times the total of the loans.

The Bankers Life policy of accepting only preferred risks continues to be apparent in the favorable mortality of the Company as shown in the death losses.

Expert handling of the loan business of the Company is shown in the fact that the Company earned 5.47 per cent. on its mean invested assets even though 1916 was a year of unprecedented conditions from the standpoint of cheap and plentiful money due to the great influx of gold to America as a result of the world war.

IVES & MYRICK RECORD

The Ives & Myrick Agency, one of the seven managing agencies of the Mutual Life of New York in Greater New York, broke all the field records of that Company by paying for $1,894,458 in new business during the month of January. Last year this same agency paid for $874,000 during January. This year it inaugurated a special campaign in an effort to place $1,600,000, with the above results. Both Mr. Ives and Mr. Myrick are young men, hustlers, and have succeeded in making their agency one of the greatest in the country. The Mutual Life reports a total business for the month just closed far in the lead of January, 1916, the increase in the applied for business amounting to $7,056,000.

CUP FOR BROCKWAY

Syracuse, Feb. 4.—With the Rochester office as a rival, the newly created Utica general agency of the Northwestern Mutual Life Insurance Company, of which Charles T. Brockway, formerly of this city, is manager, has been awarded a loving-cup for obtaining the most new insurance business during 1916. Presentation of the cup was made at a dinner held in Utica, at which B. G. Bennett, general agent of the Rochester agency, was the guest of Mr. Brockway and his representatives in a territory covering eight counties.

HAS $12,000,000 IN FORCE

Joseph Dinkelspiel, the senior member in the agency firm of Joseph Dinkelspiel and Company, of New Orleans, has been in the life insurance business in New Orleans for the past 35 years. For the last eighteen years, Mr. Dinkelspiel has represented the Pacific Mutual Life.

The Dinkelspiel agency has over $12,000,000 business in force. The agency stood fourth in the list of leaders in new paid-for business during 1916.

Mr. Dinkelspiel's nephew, Manuel Dinkelspiel, averages a half million annually in paid business.

POLICY VOID

The Georgia Supreme Court holds, Williams v. Empire Life, 91 S. E. 44, that, where an insured, when examined for insurance, appeared in perfect health, but was taken with appendicitis before the policy was delivered, and a note given for the premium was not paid before his death, the policy did not take effect, despite delivery by the agent.

THE
First Mutual
Chartered in America, 1835
New England Mutual Life Insurance Co.
BOSTON, MASSACHUSETTS
ALFRED D. FOSTER, President
D. F. APPEL, Vice-President

FINANCIAL STATEMENT

Assets, Jan. 1, 1916 .....$74,274,980.68
Liabilities 69,154,791.00
Surplus $5,120,189.68

The New England Mutual's recognized position in the front rank of American companies is the result of seventy-two years of honorable, capable and equitable dealing. If you are a "front rank" man —you want to be identified with such an institution.

EDWARD W. ALLEN, Manager
217 Broadway, New York
LATHROP E. BALDWIN, Manager
141 Broadway, New York

THE MOST VALUABLE POLICY FOR YOU,
Mr. Agent, is to write your prospect in the Company writing the most valuable policy for the insured.
Secure **prompt action** in the
John Hancock MUTUAL LIFE INSURANCE COMPANY OF BOSTON MASSACHUSETTS
WILLIAM N. COMPTON, General Agent
METROPOLITAN DISTRICT, ST. PAUL BLDG., 220 BROADWAY, NEW YORK, N. Y.

Popularity's Persistent Progress

The greatest of all great years in delivered business for this Company—1916! Without need of urging or pleading, our representatives, with vigorous and self-directed industry, were the enactors of this glistening achievement.

The tide of new business is flowing strongly in the New Year. We expect that 1917 will be another golden period of widely increased protective service of the homes and the businesses of the United States. Home Office and Field in the Massachusetts Mutual are a unit in their determination to be front-rank contributors.

Occasionally we have a General Agency opening for a quality man.

JOSEPH C. BEHAN, Superintendent of Agencies
MASSACHUSETTS MUTUAL Life Insurance Company
SPRINGFIELD, MASSACHUSETTS
Incorporated 1851

NATIONAL LIFE INSURANCE COMPANY
(MUTUAL)
MONTPELIER, VERMONT
67th Year
FRED A. HOWLAND, President

On paid-for insurance basis and with bonds valued at par only (market value $409,882 above par) the 67th report shows:

Assets $66,426,040.82
Liabilities 62,268,494.36
Surplus ..... $ 4,157,546.46
INSURANCE IN FORCE $212,037,400.00

A good company for the policyholder and the agent.
EDWARD D. FIELD, Superintendent of Agencies.

Decrease of $3,000,000 Made in Policy Loans

SOME FIGURES IN ANNUAL STATEMENT OF MUTUAL LIFE

Interest Rates Higher and Gains Made in Value of Stocks and Bonds

The Eastern Underwriter last week printed some facts regarding the 1916 statement of the Mutual Life. This Company now writes a greater amount of new business annually than any company not writing industrial, group or sub-standard.

Policy loans with the Mutual last year decreased more than $3,000,000. The interest rate was higher and appreciable gains were made in the value of the stocks and bonds held by the Company. The total amount set aside for both annual and deferred dividends was $20,435,398, an excess of $2,955,406 over the amount set aside in 1916.

The first year premiums totalled $6,515,978.23, a gain over 1915 of $1,113,338.68. Renewal premiums were $50,485,646.31, an increase of $750,671.29. The total premium income from all sources was $61,906,084.83, a gain of $2,650,791.86. In interest and rents an increase of $643,406.10 was made, thus bringing the Company's total income to $92,439,475.14, a gain over 1915 of $4,178,767.48.

Disbursements reached $82,848,003.21, leaving an excess of total income over disbursements of $9,591,471.93, as compared with $6,876,212.75 the preceding year. The admitted assets went to $624,530,044.17, in increase of $13,496,243.64, and $1,627,160.61 was added to the contingency reserve or free surplus thereby bringing it to $16,252,739.77.

THE COLUMBIAN NATIONAL

Gross Assets Increased 11.54 Per Cent.; Insurance in Force Over 10 Per Cent.

President Childs, of the Columbian National Life, has issued, as of December 31, the fifteenth annual report of the Company.

The statement shows gross assets of $12,610,870, an increase of $1,304,765 over the previous twelve months. Its policy reserve and other liabilities amount to $11,092,755, an increase of $1,258,019, while its surplus to policyholders, including capital stock, is now $1,518,114. New insurance paid for amounted to $14,360,072, while the total insurance in force now reaches $74,429,659, an increase of over seven millions.

President Childs, in commenting upon the record of the Company for the past year, said that the ratio of gain for the year in total business to new business was 48.8 per cent. Its gross assets had increased 11.54 per cent., and its surplus to policyholders had increased nearly 10 per cent. The increase in its new paid-for insurance during the past year was 24.64 per cent., while its total insurance in force of $74,429,659 shows an increase during the past year of over 10 per cent.

The principal executive officers of the Company are: Arthur E. Childs, president; Francis P. Sears, vice-president and comptroller, and William H. Brown, secretary and treasurer.

PENSION LIFE SOCIETY

At a meeting of policyholders of the Pension Life Society, held at its head office in Pittsburgh last Tuesday, the offer of the Western Life Indemnity Co. of Chicago to take over the business was accepted.

Ambitious, Productive and Trustworthy Life Agents may be benefitted by corresponding with the

Berkshire Life Insurance Company
of Pittsfield, Mass.
Inc. 1851

New policies with modern provisions Attractive literature
W. D. Wyman, President W. S. Weld, Supt. of Agencies

FOUNDED 1865
Unexcelled In Favorable Mortality and Economy of Management

The Provident Life and Trust Company
OF PHILADELPHIA
Rates of Premium Extremely Low and still further reduced by Annual Dividends

WORTH KNOWING

Suppose that you are insured in the United Life and Accident Insurance Company of New Hampshire for $5,000 under the Company's Triple Indemnity Plan, what does your Policy guarantee to do?

ANSWER:

FIRST, it guarantees that in case of death from any cause, $5,000, the face of the Policy, will be paid.
SECOND, that in case of death from any ACCIDENT, $10,000, or DOUBLE the face of the Policy, will be paid.
THIRD, that in case of death from certain SPECIFIED accident, $15,000, or THREE TIMES the face of the Policy, will be paid.
BUT THIS IS NOT ALL. The Accident Disability Endorsement FURTHER guarantees that in case of total disability as a result of accidental injury, the Company will pay direct to YOU at the rate of $50 PER WEEK during such disability, but not to exceed 52 weeks, after which the weekly indemnity will be at the rate of $25 PER WEEK throughout the period of disability. Can insurance do MORE? And why should any man be satisfied with a policy that would do less? The cost is low.
Agents wanted in Maine, New Hampshire, Vermont. Connecticut, Pennsylvania, North Carolina, South Carolina, Tennessee, Georgia, Delaware, Maryland, Mississippi, Kansas, Missouri. An opportunity for Life Insurance Salesmen of ability. Address:

United Life and Accident Insurance Co.
Home Office, United Life Building - Concord, New Hampshire

ONE OF THE BEST FORMS OF INSURANCE EVER DEVISED IS THE

Equitable's Life Income Policy
EMBODYING A
NEW DISABILITY CLAUSE

Under this latest form, if the Insured becomes totally and permanently disabled he receives an income for life, without reducing the income payable to the Beneficiary after his death, any sums thus paid to him being in addition to and not in place of the income the Beneficiary will subsequently receive. It is a form that may fairly be said to sell itself. Those seeking the latest and best in life insurance will do well to :: :: investigate. :: ::

THE EQUITABLE
LIFE ASSURANCE SOCIETY OF THE U. S.
120 BROADWAY, NEW YORK

Good Territory Now Open in Several Western States
A GOOD PRODUCER and organizer can secure an EXCELLENT CONTRACT

Company SECOND TO NONE in STRENGTH—assets to liabilities—FIFTH in SIZE—insurance in force—of all MUTUAL legal reserve companies WEST of PHILADELPHIA. Increase in new business to December 1st, 50% above the same period last year, and 1915 was a good year.

Northwestern National Life Insurance Company
MINNEAPOLIS, MINN.

THE TRAVELERS
INSURANCE COMPANY INDEMNITY COMPANY
HARTFORD, CONNECTICUT

WRITE THE GREATEST VOLUME OF
GUARANTEED LOW COST LIFE INSURANCE
AND
CASUALTY INSURANCE

THE OPPORTUNITY TO SUPPLY THESE INSURANCE NEEDS GUARANTEES AGENTS THE BROADEST FIELD AND THE LARGEST INCOME.

The Organization of A Life Insurance Company

Prepared by

The Northwestern Mutual Life for Its Agency Corps

The first historical records of life insurance show that such transactions were in the hands of private persons. As the number of such agreements made by any individual was necessarily very limited the business was a pure gamble so far as the person granting the insurance was concerned since he had not enough cases to secure an average and hence stood to lose heavily if the chances of mortality were against him. It was also obviously undesirable to contract for life insurance with a private person who was himself liable to die before the obligation matured.

For these reasons the practice of life insurance soon found its way almost exclusively into the hands of life insurance companies or corporations which are artificial persons created by a charter from the legislature or under the general laws of the State. As legal persons they have continuous existence irrespective of that of their members and are endowed with certain powers necessary to the transaction of the business for which they are created. Corporations, being in a certain sense immortal, are evidently better qualified to carry out life contracts than private persons. Life insurance organizations may be divided into two general classes according to the plan upon which their business is conducted, namely level premium and assessment.

Level Premium Companies

Level premium, "old line," or legal reserve companies are those collecting fixed premiums which may not be increased. These premiums are based on well established mathematical principles that cannot be lightly ignored since they have not only received the sanction of the world's greatest mathematicians but have stood the test of time for a century and a half. The liability of persons insuring in such companies is limited to the premium rate fixed by contract.

Assessment Organizations

Assessment organizations are those collecting charges which are not fixed but may be increased. This class of insurance organizations have as a rule ignored the law of mortality and the mathematical system of life insurance based thereon. They have commonly collected premium rates insufficient to meet future obligations and by a specious plea of "cheapness" have obtained some patronage among thoughtless persons. Unhampered by the ancient principles of life insurance it is not surprising to find the plans of assessment organizations have been many, and as various as the ideas and imaginations of their promoters. A mere enumeration of the various assessment schemes that have been concocted by badly informed persons would exceed the limits of this article. The liability of members is not necessarily limited; but may greatly exceed the payments contemplated by the member. While fraternal or beneficial orders must be classed as assessment organizations there is much to be said in their favor which cannot be extended to the "business" associations working on the assessment plan, of which, happily, there are now very few of importance surviving. The organizations of this class that were prominent a few years since have either passed away or reorganized and adopted the "old line" system.

Regular life insurance companies doing business on the level premium plan are of several kinds:

Stock Companies

A company organized by private individuals who have subscribed a certain capital stock as a guarantee of ability to meet its obligations, is a stock or proprietary company. It is owned and controlled by these stockholders who elect a board of directors. The directors manage the company and appoint officers, with whose aid the business is carried on in all its details. Any profit arising from the transactions of the company is the property of the stockholders and may be disposed of as they or their representatives on the board of directors see fit. Sometimes such companies issue policies the holders of which may receive a portion of these profits. Such policies are called mutual policies, but the company described is a pure stock company.

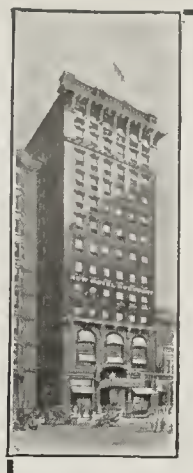
Mutual Companies

A limited liability partnership consisting of a number of organizers, together with such other persons as may be subsequently admitted to membership, combined for the mutual insurance of the lives of its members, is a mutual life insurance company. The liability of each member is limited to the amount of his premium. Such companies have no capital stock and no stockholders, being governed by a board of trustees elected by the members or policyholders, voting as provided by law, either in person or by mail. The board of trustees elects officers under whose direction the business of the company is carried on. Any surplus saved out of the premium payments of members is divided from time to time and returned to the members or policyholders in the form of dividends. Some mutual companies, however, issue policies which in consideration of a reduced premium do not participate in the surplus earnings. Since all surplus earned by a mutual company is the property of the mutual or participating members, while the surplus of a pure stock company is the profit of the stockholders, it is clear that life insurance will in the long run be furnished more cheaply by a mutual than by a stock company.

Mixed Companies

Where the profits of the stockholders are limited to a fixed amount we have a mixed stock company. After the interest on the capital stock has been paid, any remaining surplus is the property of the policyholders. Nowadays it would be difficult to successfully organize a level premium company without a large subscription of capital owing to the competition of the older companies which have long since passed the organization period; but after a company is once well established and has sufficient business to secure average losses, the capital stock is of no further use and the payment of the interest due stockholders becomes an unnecessary expense to the policyholders, more or less burdensome. The surplus earnings of a well established mixed stock company would be increased by the interest on stock if the capital stock could be retired, while the stability of the company would in no way be affected. The same is true of a well established pure stock company; but in neither case can the stockholders be expected to give up

(Continued on page 11)



Just say:

"Insurance Man"—

the open sesame to every courtesy within our power.

Room with detached bath $1.50 and $2.00

Private bath $2.50 and $3.00

BREVOORT Hotel

Insurance Headquarters

MADISON ST.—East of LaSalle

CHICAGO

LAURENCE R. ADAMS, Sec'y & Mgr.

Build Your Own Business

under our direct general agency contract

Our Policies provide for:

Double Indemnity, Disability Benefits, Reducing Premiums

See the new low Rates

JOHN F. ROCHE, Vice-Pres't

THE MANHATTAN LIFE INSURANCE COMPANY

66 BROADWAY NEW YORK

Organized 1850

BANKERS BLC LIFE DES MOINES COMPANY

PAYS GOOD PAY TO GOOD MEN

WE have room just now for two or three good men—not the Million Dollar producer who takes it out in talk, but the man who can average $100,000 of personal business, plus experience in appointing and working with agents. Men who become valuable to this Company grow in value to themselves. We cannot guarantee your success, but we will give you a real opportunity, then it's up to you. Would you like to hear about it further?

Pittsburgh Life and Trust Co.

Home Office, Pittsburgh, Pa.

HOWARD S. SUTPHEN

Vice-President & Manager of Agencies

The

Perfect Protection Policy

OF THE

RELIANCE LIFE

gives you something absolutely new and different to talk to your prospects. Gives you a chance to earn more money than you are now making.

Our Life Insurance Contracts contain the most up to date clauses known to the Insurance World. The Accident and Health gives full protection for at least a third less cost than regular casualty companies. Our agency contracts are as liberal as can be made.

WRITE AND WE WILL TELL YOU MORE ABOUT OURSELVES

Reliance Life Insurance Company of Pittsburgh

FARMERS BANK BUILDING

PITTSBURGH, PENNSYLVANIA

J. C. Humes, President

THE CRESCENT LIFE INSURANCE COMPANY OF INDIANAPOLIS, INDIANA

"ENDURING AS THE PYRAMIDS"

L. D. Clancy, Secretary

A Legal Reserve Company

Are You a Big Producer? Can You Prove It?

ONE GENERAL AGENT WANTED IN INDIANA

Home Office: Fletcher Trust Bldg., Indianapolis, Ind.

ORGANIZED 1871

Life Insurance Company of Virginia

RICHMOND, VIRGINIA

OLDEST, LARGEST STRONGEST Southern Life Insurance Company

Issues the most liberal forms of Ordinary Policies from $1,000.00 to $50,000.00, and Industrial Policies from $12.50 to $1,000.00

CONDITION ON DECEMBER 31, 1916:

Assets	$14,464,552.23
Liabilities	12,436,717.56
Capital and Surplus	2,027,834.67
Insurance in Force	118,349,212.00
Payments to Policyholders since Organization	18,119,172.50
Is Paying its Policyholders over	$1,300,000.00 annually

GOOD TERRITORY FOR LIVE AGENTS

LIVE HINTS FOR BUSINESS GETTERS

Practical Suggestions to Help the Man With the Rate Book Increase His Income and General Efficiency

The World's Greatest Life Agent

For some years Henry B. Rosen, of the New York Life, has placed more paid-for insurance than any man in the United States. He joined the Company thirteen years ago, and soon reached the million dollar a year class. Then he got to $2,000,000, and finally beat that. His 1916 record was the best he ever made, as his paid insurance averaged more than $10,000 a day for every working day of the year. Four years ago he challenged the forty-odd members of the Park Row branch in combination to beat him single-handed in a half-month's production. He won out, with 107 applications written and examined in fifteen days for nearly $750,000.

"All he wants is the people to see," said President Kingsley. "In this respect he is an example to the world of life insurance men."

In its current "Bulletin" the New York Life prints Rosen's application for an agency, made thirteen years ago. Questions and answers follow:

Name in full.—Harry B. Rosen.

Age.—29.

Post Office Address.—Hartford, Conn.

Residence, Street and No.—686 Main Street.

Residence during past ten years.—Hartford.

Occupation during past ten years.—Merchant jeweler.

Amount of insurance upon your life, and name of company.—New York Mutual.

Names and addresses of parties with whom you have been connected in business.—H. P. Levy.

What companies have you been connected with, how long with each, and in what capacity?—None.

Amount of risks per annum secured by you.—None.

What language other than English do you understand or speak?—Six.

Have you a family?—Wife.

Are you temperate and have you always been so?—Yes.

In what cities or States are your acquaintances.—New England and New York.

Names and addresses of parties to whom you refer as to your general character and business capacity.—H. P. Levy and F. M. Johnson.

What officer or agent of this Company are you acquainted with?—Peter Foley.

Who induced you to make this application?—Peter Foley.

What amount of insurance per month can you probably secure?—ABOUT FIVE THOUSAND.

Do you intend to make this connection with the New York Life your sole business?—Yes.

* * *

Henry Ford's Rules for Success

The following paragraphs appeared in the January, 1917, number of "System" under the caption of "Some of Henry Ford's Rules for Success," and is worth consideration by every insurance salesman:

Everything begins with thought.

If a man knows where he is going nothing will stop him.

Every man gets what he deserves; if his thinking is wrong he will lose out.

Most people make the initial mistake in business of thinking about the dollar.

If a man is trying in his business to serve the good of others the money will come, it is bound to come, he can not fail.

One of the first things every man must realize if he is going to succeed is how little he can accomplish alone; the second is that everyone has some good in him and can do something well.

I believe in big business; the bigger the organization the bigger the opportunity for more men to contribute the special good in themselves.

Every man can do some one thing well, but no man can do a lot of things well at the same time.

In business there is no escaping the law of compensation; if you do a man a mean trick, you pay; if you do yourself a mean trick, you pay.

If a man worries it is because he has done something that's not on the square or else because he hasn't thought deeply enough to clearly understand his problem.

Most people eat too much, and in consequence they sleep too much and don't think enough.

My advice to every business man is: work and read and think and then work some more and then some, but don't ever stop thinking.

Don't ever be afraid of criticism; criticism is the greatest educator in the world if we will only let it be.

* * *

How Brooklyn Agent Gets Ordinary

I. De Angelus is an agent of The Prudential in Brooklyn. In explaining his success in ordinary he said to The Prudential "Record":

In reference to my success in ordinary, I wish to say that what I have accomplished along this line has been due to persistent effort.

I am a great believer in straight canvassing and I take advantage of every opportunity to interest an insurable man or woman with whom I come in contact in an ordinary policy, which I feel is best suited to the individual need.

I never specialize on any form of insurance. I secure all the information possible about my prospects, that is, such details as occupation, habits, family, earnings, etc., and then talk up the policy which, to my mind, is the one for the person concerned.

I believe in quick action and so never talk too long, but just enough to interest and satisfy my prospect. It does not pay to argue too much. My idea is to secure the signature on the dotted line. I do not favor more than two interviews; in fact, I close nine cases out of every ten on my first interview.

I make it a point to have the applicant medically examined as soon as possible, as delays are sometimes dangerous.

When the policy is issued I call on my applicant immediately, congratulate him upon the fact that the policy was issued, and then again fully explain the contract.

I am often asked to leave the policy, that it may be read over, but I carefully explain that the policy is the receipt for the first payment and that it has to be returned to the office unless that premium is paid. In most cases I am able to impress upon my applicant the immediate protection the policy affords if the premium be paid right there and then.

I inquire of the insured as to his friends who might be interested in life insurance and remind him that we have contracts to fit the needs and the means of all.

I feel I am working for the greatest insurance company on earth, which is absolutely fair in its dealings with everybody, and I believe also that I am a part of a great district. Further, I have sublime confidence in my ability to preach the gospel of insurance, to bring those within the circle under the fostering care of The Prudential.

THE
METROPOLITAN LIFE
Insurance Company
(Incorporated by the State of New York)



Metropolitan Life Insurance Company
Home Office Building

The Company
Of the People
By the People
For the People

The Daily Average of the Company's Business during 1916 was:

701 per day in Number of Claims Paid.

8,304 per day in Number of Policies Issued and Revived.

$1,969,823 per day in New Insurance Issued, Revived and Increased.

$376,827.40 per day in Payments to Policyholders and Addition to Reserve.

$220,509.26 per day in Increase of Assets.

JOHN R. HEGEMAN, President

Representing

The Mutual Life Insurance Company
of New York

You will make money.

The great strength, big dividends and incomparable benefits of the *"oldest company in America"* mean certain success for you.

For Terms to Producing Agents, Address

GEORGE T. DEXTER, 2d Vice-President
34 NASSAU STREET, NEW YORK, N.Y.

TWENTY-ONE APPS. IN A DAY

Young Man of Twenty-Two Makes a Record for Equitable Life

Mervin L. Lichtenstein, of New York, will probably be the youngest member of the 1916-1917 Century Club of the Equitable Life of New York, having just passed his twenty-second milestone.

From July 1, the beginning of the club year, to December 31, 1916, he has written and paid for $113,000 of insurance. During the latter part of January he wrote twenty-one applications in one day for $45,000 of insurance on the lives of the departmental heads of a manufacturing concern. Mr. Lichtenstein tried to interest the firm in group insurance, but on account of conditions at the plant could not close the case.

Mr. Lichtenstein secures most of his business through circularizing, and does not rely on the agency to furnish him with leads.

THE DISABILITY CLAUSE

During the year 1916 the disability feature of the Penn Mutual Life proved very popular with its applicants, and in a great many instances was the deciding feature in procuring the business. Our latest Disability-Annuity clause was put into effect April 15, 1916, and has been pronounced one of the most attractive features ever introduced into a life insurance contract, having been copied without change by several companies.

The total number of policies issued with the Disability Feature during the year 1916 was 18,361, divided as follows:

Waiver of premium, 6,186 for $16,922,697;

Disability-Annuity, 12,175 for $33,204,567.

The Detroit Life expects to reach the $10,000,000 in force mark next week. The Company paid for $4,024,000 last year.

Good Year for Southwestern Life

INSURANCE IN FORCE NOW AMOUNTS TO $35,751,585

Company Adopted Disability Clause During Last Year—Figures Showing Company's Growth

The Southwestern Life, of Dallas, Tex., T. W. Vardell, president, had a good year, making increases in admitted assets of $701,972, in premium income of $1,112,394, in interest and rents collected of $285,144, and in reserves for policyholders, $585,369.

The total admitted assets are now $4,429,155, and insurance in force $35,751,585, 19,693 policies. The increase of insurance in force during the year was $5,502,222. Among the additional benefits given in 1916 were those covering disability.

All policyholders who furnished satisfactory proof of total and permanent disability during the year 1916 in accordance with the Company's rules governing such benefits, were granted waiver of any premiums falling due between March, 1916, and March, 1917. The extension of this disability benefit was entirely voluntary on the part of the Company, and where an extra premium had in the past been charged for this benefit, the amount of such extra premium paid in 1916 was refunded.

Mortgage Loans

More of the Company's funds are invested in first mortgage real estate loans than in any other class of securities. These loans are all first liens on improved farm and city property in Texas, certified by sworn appraisements to be worth at least two dollars for every dollar the Company loans.

Every loan made by the Company is first of all inspected by the Company's own salaried Real Estate Inspector, particular attention being given to the personal standing and reputation of the borrower and the revenue-bearing possibilities of the property, as well as its reasonable market value and the surroundings which might affect its salability. The Finance Committee of the Board of Directors then passes upon the general desirability of the loan and refers the matter to the Company's attorneys for investigation of title. Upon approval of title and execution of the necessary loan and other papers fixing a legal, valid and enforceable lien upon the property, the whole transaction is checked and reviewed in the Investment Department.

Home Office Building

The Company's Home Office Building in Dallas is owned without indebtedness and has been appraised by independent parties appointed by the Commissioner of Insurance and Banking at $1,250,000. The Home Office Building has proved a satisfactory investment since its completion. The net rental for 1916, after paying all expenses, was $71,615.23. The building is located in the center of the business district of Dallas.

Growth of Company

The steady and symmetrical development of the Southwestern Life is shown by the following statement of assets, insurance in force and surplus at the end of each five-year period.

Dec. 31	Admitted Assets.	Insurance in force.	Surplus to policyholders
1903	$ 179,966	$ 1,773,250	$160,557
1908	705,287	11,125,993	218,292
1913	2,454,789	24,091,762	486,978
1916	4,429,155	35,751,585	908,351

Deposit Increases Rapidly

The first legal reserve deposit by the Southwestern Life was made in October, 1909, and amounted to $544,959.00
On December 31, 1912, the amount of the deposit was $1,428,311.15
On December 31, 1916, the amount of the deposit was $2,905,675.19

Mortality

The death claims paid by the Southwestern Life during 1916 amounted to $138,244.00. The total amount received as premiums by the Southwestern Life from the insured under these policies was $38,328.07 or only a little more than one-fourth of the amount paid out by the Southwestern Life to their bereaved families.

The total death claims paid prior to 1916 amounted to $890,142.13—making the total death claims paid since organization—up to and including December 31, 1916, $1,028,386.13.

Causes of Deaths During 1916

Bright's Disease	$19,584.00
Tuberculosis	19,049.00
Cancer	18,258.00
Accidents and Suicides	17,253.00
Heart Disease	8,625.00
Paralysis	8,000.00
Spinal Meningitis	7,500.00
Diabetes	6,000.00
Nervous Prostration	6,000.00
Septicaemia	4,000.00
Pneumonia	4,000.00
Infection of Gall Bladder	2,500.00
Cerebral Hemorrhage	2,500.00
Appendicitis	2,000.00
Ulcer of Stomach	2,000.00
Diphtheria	2,000.00
Arterio Sclerosis	1,204.00
Abscess of Liver	1,142.00
Septic Peritonitis	1,121.00
La Grippe	1,008.00
Pericarditis	1,000.00
Malignant Endocarditis	1,000.00
Empyema	1,000.00
Pernicious Malaria	1,000.00
Epilepsy	250.00
Terminal Dementia	250.00
Total	$138,244.00

LECTURES BY SCOVEL

The University of Pittsburgh announces the fourth annual series of popular lectures on life insurance, under the auspices of the Pittsburgh Association of Life Underwriters. Eight lectures will be given on alternate Monday afternoons at 3:30, February 12 to May 21, at Thaw Hall, by Charles W. Scovel, A. M., former president, National Association of Life Underwriters.

WAR MORTALITY

The Penn Mutual's mortality from the European War has been slight. In 1916 but seven of its policyholders died as a direct result of the war, and these carried eight policies for $48,334 of insurance. Three of those killed were born in America, two in England, one in France and one in Russia.

Organization of a Life Insurance Company

(Continued from page 9)

their profits and power to the policyholders as a body.

The officers of a life insurance company are elected by the board of directors or trustees to have the direct management of the business subject to the advice and direction of committees of directors or trustees. The duties of the officers are generally prescribed by the by-laws of a company and of course differ with different companies. In general the officers of a life insurance company and their respective duties are as follows:

Duties of Officers

The president is the presiding officer at meetings of the board of directors or trustees, and chairman of various committees of the board of directors or trustees. He has the general direction of the affairs of the company. The president may be assisted by one or more vice-presidents among whom are divided the executive duties, such as the care of loans and investments and supervision of other departments of the work. The secretary will have charge of the records of the company, the issuing of policies and the collection of premiums as well as other duties defined by the by-laws. The actuary is charged with the technical features of the business such as the calculation of premium rates and distribution of surplus on principles adopted by the directors or trustees, and the various mathematical problems incident to the business. The medical director passes upon all applications for insurance in order to exclude undesirable risks. He also appoints and directs the company's medical examiners. The counsel of the company will have charge of business of a legal nature and will pass upon all legal questions arising as to the powers and limitations imposed upon the company by its charter. The superintendent of agencies will have charge of the agency work of the company. He appoints and makes contracts with agents and attends to the various details incident to the general management of the agency department.

The "Home Life"

The fifty-sixth annual statement of the Home Life Insurance Company, of which George E. Ide is President, presents a record of substantial benefits to its policy-holders during the year and a solid growth in financial strength.

Assets increased to $32,029,439.71 after paying to policy-holders $3,447,381 including dividends of

$602,721

The insurance in force was increased by $4,766,740 and is now

$125,660,173

For Agency apply to

GEORGE W. MURRAY,
Supt. of Agts.
256 Broadway, New York, N. Y.

A PENN MUTUAL PREMIUM, less a PENN MUTUAL DIVIDEND, purchasing a PENN MUTUAL POLICY, containing PENN MUTUAL VALUES, make an INSURANCE PROPOSITION which in the sum of ALL ITS BENEFITS, is unsurpassed for net low cost and care of interests of all members.

THE PENN MUTUAL
Life Insurance Company
OF PHILADELPHIA

On January 1, 1909, rates were reduced and values increased to full 3% reserve

Industrial and Ordinary Insurance

The WESTERN and SOUTHERN LIFE INSURANCE CO.

Home Office ....CINCINNATI, O.
Organized February 23, 1888 W. J. WILLIAMS, President
Assets .....$ 8,763,565
Insurance in Force 79,619,535
Branch offices in all the larger cities of Ohio, Kentucky, Indiana, West Virginia and Western Pennsylvania
AGENTS WANTED

OCT. 16th
TWENTIETH ANNIVERSARY
Total and Permanent Disability Provision
ORIGINATED BY
The Fidelity Mutual Life
INSURANCE COMPANY, PHILADELPHIA
WALTER LE MAR TALBOT, President

SPECIAL AGENCY OPENINGS
FOR
OHIO and ILLINOIS
PHILADELPHIA LIFE INSURANCE CO.
JACKSON MALONEY, Manager of Agencies
PHILADELPHIA
ALL STANDARD FORMS OF LIFE INSURANCE POLICIES

THE EASTERN UNDERWRITER

This newspaper is owned and is published every Friday by The Eastern Underwriter Company, a New York corporation, office and place of business 105 William Street, New York City. Clarence Axman, President; B. F. Hadley, Vice-President; W. L. Hadley, Secretary. The address of the officers is the office of this newspaper. Telephone 2497 John.

Subscription Price $3.00 a year. Single copies, 15 cents.

Entered as second-class matter January, 4, 1907, at the Post Office at New York, N. Y.; under the act of Congress of March 3, 1879.

PENNSYLVANIA DEVELOPMENTS

Students of the Pennsylvania situation were not surprised when the Association of Life Insurance Presidents finally wrote to company members concerning the activities of the Philadelphia Life Underwriters' Association in which the inadvisability of general agents or agents going to the Legislature to ask for new laws was stated. While the motive of some of the Philadelphia agency managers was sincere, at the same time there has been developed a growing resentment in many quarters at methods used, which centered eventually upon the black-sheep and white-sheep advertisements of the local association, advising the public to patronize a preferred list of companies, and also containing a threat to go to the Legislature.

A great deal of opposition has developed to the idea of Pennsylvania agents asking for enactment of similar laws to those prevailing in New York, Massachusetts or Connecticut. One point made is that if this be done internal controversies, such as those which have waged in Philadelphia for about two years, will be placed on public view to the detriment of life insurance in the long run.

Another viewpoint is that the group of agents in the association are practically advocating legislation of a Frankenstein nature, which if it becomes effective in Pennsylvania, would automatically sweep from the State some of the companies whose names were signed to the advertisement of the Philadelphia association; in other words, would deprive several of the managers of a livelihood.

The real significance, however, of the letter of the Association of Life Insurance Presidents is that there now exists more than ever a spirit of co-operation between the life companies, which aims at protection of the interests of all, little and big, and the business as a whole.

THE POTTS' RECOMMENDATIONS

The recommendations made to the Illinois Legislature by Commissioner Potts are just about as radical as insurance men expected, as most of his theories have had public expression for some time. His plan to create a commission of three to have general supervision of the fire insurance business, with full power of control over rates and business practices goes pretty far in handing the business of fire insurance over to the State. To fire insurance men in Illinois a careful perusal of a talk on State rate making, delivered at Trenton about a year ago by C. J. Doyle, Associate Counsel of the National Board of Fire Underwriters, is recommended. He proved conclusively the injustice of State rate making in fire insurance, and the abuses which are sure to creep in under such a system of rate control.

Mr. Potts' recommendation that the State maintain a closer scrutiny on insurance corporations in state of formation seems a good one.

SPRINKLERED BUSINESS

The sharp criticism of low rates for sprinklered risks, following the Saxon Motor and Jersey City Cocoa losses, is interesting, but does not offer much constructive relief. Whether the rate be 15 cents or 25 cents these losses continue to occur. There is no doubt that the sprinklers reduce the number and extent of losses, and should be encouraged by the low rates.

What is needed is a closer watch on the sprinklers after they have once been installed. There is no doubt that after installing the sprinkler system, and profiting by lower rates, many assured have dropped all interest in their sprinkler equipments; have permitted them to become ineffective in many cases to the extent that when fire comes they have often been found wanting. Of course, sprinklers are inspected, but is the work being done thoroughly and consistently enough?

ALBANY SURETY CLUB

The Albany Surety Club held its annual meeting this week for election of officers and the following officers were re-elected for another year by unanimous vote:

William G. Curtis, Aetna Accident & Liability Co., president; John F. Brady, Globe Indemnity Co., vice-president; and Milton L. Perry, American Surety, secretary and treasurer. John O'Day Donahoe, American Surety Co., was appointed chairman of the committee for membership.

SECURITY STATEMENT

The Security Insurance Company of New Haven, organized in 1841, in its annual statement of January 1, 1917, shows a net surplus of $836,745; capital $1,000,000; reserve for unearned premiums $2,361,508; reserve for unadjusted losses $241,690; holds in reserve for other liabilities $46,494, and has a surplus for policyholders of $1,836,745.

WILLIAM S. JOHNSTON DEAD

William S. Johnston, superintendent of agencies of the Pittsburgh Fire, died last week. He entered the insurance business with the agency of Fred S. Kiefer, resident secretary in Pittsburgh of the North British & Mercantile.

BOMBARDMENT INSURANCE

Brokers are offering companies bombardment insurance. One of the companies has written some of this insurance at $0.50 per hundred for property damage and one per cent. for use and occupancy.

At the annual meeting of the North Branch, of Sunbury, Pa., old officers were elected.

THE HUMAN SIDE OF INSURANCE



J. H. VREELAND

J. H. Vreeland, who has been appointed assistant secretary of the Scottish Union & National, assumes his new duties this month. Mr. Vreeland's associates in the New York field heard of his contemplated departure for home office fields with mingled feelings of regret that they will lose him and pleasure that he has been made a company officer. He was president of the Underwriters' Association of New York State, in which office he was succeeded recently by E. H. Hornbostel. Mr. Vreeland began his career with the Liverpool & London & Globe as a junior clerk, subsequently being placed in the loss department where he displayed ability of a high order. As a field man, too, he made a splendid record, and he is regarded most highly by local agents.

* * *

Gerald E. Hart, formerly a well-known figure in the casualty business, is the publisher in Jacksonville, Fla., of a new paper, called "The Southern Sun," which will discuss insurance, commercial and financial topics. In telling of the mission of the publication Mr. Hart says: "It is good to do good; to be of use to mankind; to correct abuses; to be the terror of the evil doer, the charlatan and the fraud; to upbuild Florida institutions and the South generally." This is rather a large order, but Mr. Hart has never been afraid to speak his mind. Three subjects discussed in the first number are insurance claims, the office of Florida insurance commissioner and fire insurance local agency limitation. He takes a position against more than one agent of a fire insurance company representing the company in a city.

* * *

Henry C. Lippincott, of the Penn Mutual Life, began his forty-third year of service with that Company on January 10. Few men in life insurance have had his gift of imparting life insurance truths. Thousands of men can thank him for getting the right start. A picture of Mr. Lippincott seated at his desk in Philadelphia, is printed in the Penn Mutual Life's agency paper of current issue.

* * *

A. B. Howe, vice-president of the Security Mutual Life, will leave Binghamton this week for a two months' combined business and recreation trip in the South.

Lawrence Priddy has been president of the Life Underwriters' Association of New York for two years. The former presidents of the Association, including G. A. Brinkerhoff, chairman; E. W. Allen, Richard E. Cochran, C. J. Edwards, T. R. Fell, M. E. Goulden, Robert H. Hardy, J. S. Myrick and D. G. C. Sinclair, have made an appeal to each member to bring into the association at least one desirable member. It is hoped that the membership will thus climb above 1,000.

In a letter to members the committee said:

"The ex-presidents of the Association ought to have a better idea of the sacrifices Mr. Priddy has made than any other class of our membership. We ex-presidents of the Association held a meeting for the purpose of deciding what form of testimonial we would present to Mr. Priddy at the end of his administration, and it was decided that we would not present anything of intrinsic value but that we would each of us endeavor to accomplish something very near to Mr. Priddy's heart. You will recall that in many letters during the past six months he has asked that the membership of our Association be increased to one thousand. We believe that he wants this more than he wants anything else."

* * *

Darwin P. Kingsley, president of the New York Life, is chairman of a committee of the New York Chamber of Commerce which offered resolutions against the Mills bill, which were passed by the Chamber a few days ago.

* * *

George H. Tyson, who has completed a quarter of a century's service with the German-American, was given a beautiful piece of silverware by the Company, which was delivered at his residence on the Pacific Coast and suitably engraved.

* * *

George Kuhns, president of the Bankers Life Company, of Des Moines, has been visiting the South.

* * *

L. Goldman made his first address as president of the North American Life, of Toronto, at its annual meeting last month.

* * *

Jesse Phillips, Superintendent of Insurance of New York, received the condolence of a number of insurance men last week, on the death of his mother, which took place in Andover, New York.

CONNECTICUT LEGISLATURE

The following are fire insurance bills introduced in the Connecticut Legislature:

By Senator Kopplemann—Allowing any corporation authorized to issue fire insurance; also to issue automobile insurance.

By Mr. Marsden of Madison—Amending charter of Madison Mutual Fire Insurance Company.

By Senator Kopplemann—Amending charter of the Connecticut Fire Insurance Company, allowing it to insure sailing vessels.

By Mr. Fitzhenry of Waterbury—Incorporating the Mattatuck Fire Insurance Company.

INSURANCE MEN HONORED

Five members of the insurance fraternity have been elected to the Board of Trade of Camden, New Jersey. Robert D. Clow, Jr., was elected vice-president; A. B. F. Smith, a member of the executive committee; John B. Kates and Albert Burling, members of its legislative committee; and Wilbur F. Rose, a director of the Camden Fire, was re-elected treasurer.

FIRE INSURANCE DEPARTMENT

Transit Insurance Developing Rapidly

SEVERAL COMPANIES TAKE UP WRITING OF THIS LINE

Congested Traffic Conditions and Uncertain Liability of Common Carriers Create Big Demand

Since January 1 a number of fire and marine companies have started writing transit insurance, the latest being the Automobile Company of Hartford, entering the transit insurance field this week.

This form of coverage has been written for several years by a few companies, but the congested traffic conditions of terminals and common carriers at the present time, combined with unprecedented amount of merchandise now being shipped, have made increased coverage facilities imperative. It is said that practically every company writing inland marine insurance, or which has recently entered that field, has or contemplates writing transit insurance as well.

Opportunity for Agents

One of the companies, in a letter to agents, comments on the undeveloped field and says that every manufacturer, merchant, jobber or dealer shipping his goods by express, freight or water routes is a prospect for transit insurance. This company also points out that the rates are so low that no shipper can afford to be without the protection.

An important factor in the demand for this protection has been the undetermined liability of common carriers. Under legal decisions to date, the liability of a common carrier ceases when a shipment has not been removed from its destination within 48 hours and its liability is only that of a warehouse. **Court decisions governing this and some other points bearing on transit insurance will be published in The Eastern Underwriter next week.**

FALSE SWEARING AS TO LOSS

In an action on a fire insurance policy which provided that, in case of any false swearing by the insured relating to the insurance either before or after a loss, the policy should be void, there was evidence that the insured made a sworn claim for the full value of a boiler which amounted to one-sixth of the amount of the insurance, and he himself testified that the boiler was not injured by the fire, but was included because it was a loss to him on account of the loss of his business, and that he knew when he made the claim that it had not been damaged by the fire. The Springfield Court of Appeals, Missouri, Arel v. First Nat. Fire Ins. Co., 190 S. W. 78, held that there could be no recovery on the policy.

Michael A. Gordon, of Corona, N. Y., has purchased the insurance business of Hugh Kupillas, of that city.

SUBURBAN CHANGE

R. C. Alton Assumes Charge of Interests of National and Colonial in That Territory

The National, of Hartford, has consolidated its special agency work in the New York suburban territory and R. C. Alton, its special, with headquarters at 123 William Street, New York City, will assume charge of both National and Colonial interests in the New York suburban field, taking over in addition to his present duties as special agent for the National the field work heretofore done by Fred R. Paine for the Colonial.

LOCAL AGENTS' MEETING

New York State Association Executive Committee to Meet This Week and Make Definite Announcement

According to present plans, the annual meeting of the New York State Local Agents' Association will be held the third week of June at Newburg. W. H. Hecox, president of the association, told The Eastern Underwriter this week that a meeting of the executive committee of the association would be held in a few days when the time and place of the meeting would be definitely settled.

DESTROYED STATE BUILDINGS

For the rebuilding and refinishing of buildings owned by the State which have been destroyed or damaged by fire or other calamity there has been introduced in the Senate of the New York State Legislature a bill establishing a State insurance fund. The total amount of money to be provided in the fund is fixed at $5,000,000.

This measure shows that the State of New York will give first consideration to replacement of property instead of means of preventing its destruction.

Property preservation is a law of industrial economics and is there any good reason why the same law should not apply to Government economics?

NEW COMPANY IN SYRACUSE

A company, which will have a capital of $200,000 and a surplus of $300,000, is being organized in Syracuse, N. Y., by Ray B. Smith, Rollin R. Burdick, J. B. Kline, Frederick Wyker and John J. Clarke. The name of the company has not been decided upon.

WANTS JERSEY INVESTIGATION

Trenton, Feb. 6.—Assemblyman Joseph F. Hurley, of Jersey City, has introduced in the House a joint resolution calling for an investigation of the present fire insurance rates in New Jersey. The measure has been referred to the judiciary committee.

MYERS GROCERY SUIT

Court Decides Fire Destroyed Building; Companies Contended That Building Collapsed

The Pennsylvania Fire Insurance Company lost its suit in Frederick, Md., when a jury brought in a verdict in favor of the J. W. Myers Company, wholesale grocers, of Hagerstown, the plaintiffs. The grocery company sued to recover fire insurance amounting to $2,779.13, including interest, from the defendant. Similar suits against 23 other insurance companies to recover $77,252.90 are pending.

The verdict decided that the grocery building was destroyed by fire in December, 1915. The insurance companies claimed it first collapsed, due to faulty materials and construction, and then caught fire. The jury was out but 35 minutes, although the case occupied the undivided attention of the court for five days. More than 100 witnesses testified, including many experts for both sides.

FIRE AND MARINE INSURANCE—ALL LINES

The Automobile Insurance Company of Hartford, Conn.

MORGAN G. BULKELEY, President

Statement January 1, 1917

Cash Capital	$1,000,000.00
Assets	2,748,832.19
Liabilities (Except Capital)	1,039,977.81
Surplus to Policyholders	1,708,854.38

AFFILIATED WITH

ÆTNA LIFE INSURANCE COMPANY

THE ÆTNA ACCIDENT AND LIABILITY CO.

GERMANIA FIRE INSURANCE COMPANY NEW YORK.

ORGANIZED 1859

STATEMENT, JANUARY 1, 1916

Cash Capital	$1,000,000.00
Assets	$8,029,651.84
Liabilities	$3,920,295.68
Net Surplus	$3,109,356.16
Surplus for Policy Holders	$4,109,356.16

HEAD OFFICE:
Cor. William and Cedar Streets

A. K. BOUGHNER & CO.
INSURANCE AGENCY
Fire Automobile
NEWARK AND VICINITY
Brokerage Business Solicited
38 Clinton Street, Newark — 95 William Street, New York

Firemen's Insurance Co., Newark, N. J.

STATEMENT JANUARY 1, 1916

Capital Stock	$1,000,000.00
Re-Insurance Reserve	2,955,812.00
Reserve for Unpaid Losses and All Other Liabilities	382,114.00
NET SURPLUS	2,708,837.00
TOTAL ASSETS	$7,046,763.00

DANIEL H. DUNHAM, President
JOHN KAY, Vice-President and Treasurer — A. H. HASSINGER, Secretary
NEAL BASSETT, Vice-President — J. K. MELDRUM, Assistant Secretary

INCORPORATED 1720

Royal Exchange Assurance

LONDON, ENGLAND

United States Branch
92 William Street, New York

RICHARD D. HARVEY
United States Manager

BROKERS ACTIVITIES

CIVIL COMMOTION INSURANCE

It's Again in Demand Along William Street—Last Writings at Time of Railroad Strike

As soon as the daily newspapers published the text of Germany's new submarine warfare memorandum, brokers began trying to place civil commotion insurance on Hoboken pier risks. As everybody knows, the standard policy does not cover against losses for which insurrection, riot, war and civil commotion are responsible: so whenever there is a big crisis in which property may be blown up or otherwise damaged there is a run for insurance coverage on the part of the insured. Companies have their own rates and methods for civil commotion, which is exceedingly difficult to place. At the time of the threatened railroad strike of the Brotherhoods a number of civil commotion lines were written.

* * *

First Aid to Reporters

Hendon Chubb, of Chubb & Son, probably talks to more newspaper men every week than does any other man on William Street. Marine insurance news is unusually difficult to get, and Mr. Chubb is exceedingly good-natured. As a result when a marine insurance "story" breaks in the daily newspaper offices about midnight and information must be obtained in a hurry there is a rush to the telephone and Mr. Chubb is implored to "come across" with information. Sometimes he has been awakened as late as 3 o'clock in the morning by reporters anxious to make the last editions. Mr. Chubb, therefore, stands aces up with Park Row.

* * *

Eddystone Risk Placed

Explosion insurance covering the Eddystone munitions risk in Philadelphia was placed this week by Hutchinson, Rivinus & Co., brokers of that city. The policies aggregated several millions of dollars and were written at a very favorable rate.

* * *

The Saxon Rates

The "Journal of Commerce" said this week that the rate paid on the Saxon Motor Car Company's plant, the largest sprinklered loss risk of the year in the West, was 15 cents on general form and 12 cents on use and occupancy. It was an F. I. A. risk.

* * *

Brooklyn Brokers Addressed

At the meeting of the Brooklyn Brokers' Association at the Imperial, Brooklyn, last night, M. W. Sutton, manager of the accident department of the Brooklyn branch office of the Aetna, addressed the association on accident insurance. This was the first of a series of lectures which have been planned by the association for each of its monthly meetings during the year.

* * *

Cornell Risk Written for Five Years

Policies covering the buildings and contents of Cornell University were rewritten recently for amounts aggregating $2,427,050. The rate was 72 cents, and the policies were written for five years.

This business was placed by W. F. Fuerst, New York broker, and was secured by him three years ago. It was then written for a three-year term. Mr. Fuerst also places the preparatory school also located in Ithaca, which risk totals more than a half million in amount.

OVER-INSURANCE

Interest of Concurrent Policy Decision in Case of Home Insurance Company vs. Williams

A fire policy upon a stock of goods contained a clause declaring that it should be void, unless otherwise provided by agreement indorsed thereon, if the insured should procure other contracts of insurance on the property covered. To the policy was attached before delivery a rider containing an iron safe clause, and reciting that no additional insurance was permitted unless amounts were inserted by the agent of the company in blank space left, in which there was an insertion of $8,500.

In an action on the policy the Circuit Court of Appeals, Fifth Circuit, holds, Home Ins. Co. of New York v. Williams, 237 Fed. 171, that, as over-insurance by concurrent policies tends to cause carelessness and fraud, the addition of the rider to the policy did not abrogate the provision that concurrent insurance should avoid it; the rider itself recognizing that provision. In such case, though concurrent insurance to the amount of $8,500 was authorized by the rider, the obtaining of concurrent insurance to a greater amount would forfeit the policy.

The insured's cash sales book was destroyed by fire, and to prove his loss he introduced the book in which his account with a bank was kept, showing deposits of money, the amounts of checks drawn, and to whom payable, and the wholesale book, giving the names of sellers and the amounts paid. The wholesale book did not show the nature of the purchases, and, though the insured was engaged in other businesses his bank book did not show whether the funds were derived from his mercantile business or not. It was held that, while oral testimony was admissible to show the method of bookkeeping, no particular method being required, there was no compliance with the iron safe clause; the books produced being insufficient, without oral testimony, to show the amount of goods on hand at the time of the fire. Judgment for the plaintiff was reversed.

MUTUAL INSURANCE

Liability for Assessments at Cancellation—Decision of Michigan Supreme Court

The Michigan Supreme Court holds, Patrons Mut. Fire Ins. v. Butler, 160 N. W. 402, that when a member of a mutual fire insurance company returned his policy for cancellation, he at once became liable to pay his ratable share of losses and expenses incurred between the last assessment and cancellation of the policy, and the company's right to recover did not depend on its making an assessment roll and including therein such member's liability. The principle deducible is that a member cannot, by a surrender, escape liability for such obligations as might lawfully be made the subject of assessment at the time of his surrender.

ADEQUATE FACILITIES
ALL LINES

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325 WALNUT STREET PHILADELPHIA, PA.
PENNSYLVANIA NEW JERSEY

SATISFACTION SERVICE
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LOGUE BROS. & CO., Inc.
Fire—Casualty—Automobile Insurance
Nation-Wide Facilities for Handling SURPLUS LINES
307 FOURTH AVENUE PITTSBURGH, PA.

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2 LIBERTY STREET GENERAL AGENTS NEW YORK, N. Y.
Representing
DUBUQUE FIRE AND MARINE INSURANCE CO.
Excellent Facilities for Handling Suburban and Out Of Town Business
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Rossia Insurance Company
HARTFORD, CONN.
REINSURANCE

ARTHUR C. SWINTON
1 Liberty Street GENERAL AGENT New York City
FIRST NATIONAL FIRE INSURANCE CO.
Washington, D. C.
New York Suburban and New Jersey
Exceptional Reinsurance Facilities Local Agents' Interests Protected

Authorized Capital $500,000
Detroit National Fire Insurance Co.
DETROIT, MICHIGAN
A Company to be built gradually and along the indicated lines of permanence
AGENCY CONNECTIONS SOLICITED

1837 Organized 1837 1917
80th Annual Statement
WESTCHESTER FIRE INSURANCE CO.
OF NEW YORK
January 1st, 1917

ASSETS

Real Estate and Mortgages	$ 113,810.00
Bonds and Stocks	*5,109,462.00
Cash in Banks and Office	447,087.18
Premiums in Course of Collection	571,163.41
Interest Due and Accrued	43,980.74
	$6,285,503.33

LIABILITIES

Capital Stock	$ 500,000.00
Reserve for Unearned Premiums	3,826,802.45
Reserve for Unpaid Losses	456,869.41
Reserve for Taxes, etc.	95,351.41
NET SURPLUS	1,406,480.06
	$6,285,503.33

*Includes excess deposit of $14,212.83 in Canada.

GEORGE R. CRAWFORD, President
HARRY H. CLUTIA, Secretary
OTTO E. SCHAEFER, Vice-Pres. & Treas.
GEORGE B. CRAWFORD, Asst. Secy.

DIRECTORS

George R. Crawford	Elwood Burdsall	Francis G. Cart
John Lyon	Frederick A. Hodgman	William G. Conklin
Frederick E. Willits	Otto E. Schaefer	Robert S. Hincks
William F. Bishop	Stiles E. Goodsell	Harry H. Clutia
George B. Crawford	Daniel W. Bigoney	William H. Ammerman

Springfield F. & M. Assets Now $11,961,976

PREMIUM INCOME FOR 1916 WAS $6,823,926

Annual Report of President Damon Discusses Black Tom, Hail Losses and Other Topics

The Springfield F. & M. had a premium income last year of $6,823,926, and had a trade profit of $366,164. The gain in investment account was $443,255. Total assets increased $266,602. being $11,961,976; premiums increased $710,009; reinsurance reserve increased $486,333.

In his annual report President A. W. Damon said:

The year 1916 was one of great prosperity to many interests in this country but not to fire insurance companies. The effect of unsatisfactory conditions in our business is reflected in portions of the accompanying condensed statement of the results of our operations for the past twelve months:

The Fire Loss

The losses by fire in the United States and Canada in 1916 as compiled by the Journal of Commerce and Commercial Bulletin of New York aggregated $231,442,995 compared with $182,836,200 in 1915, an increase of $48,606,795 or more than 26 per cent. Within a period of twenty-four hours, on the 21st and 22nd of March three conflagrations occurred, viz., in Nashville, Tennessee, Augusta, Georgia and Paris, Texas, destroying property to the value of $13,500,000. This fully equalled the loss by the Salem, Mass., fire of June 25, 1914, but on account of the remoteness of those cities, attracted much less attention locally. We had agencies in each place and contributed our share to the sufferers.

On July 30 occurred what is commonly called the Black Tom Island disaster at Jersey City, New Jersey. While usually spoken of as an explosion, the concussion blew in the walls of a score of large warehouses filled with valuable merchandise ready for export to foreign countries, fire quickly entered and millions of dollars' worth of property went up in smoke. The total destruction was estimated at $11,000,000, and we were again called upon to contribute. These four large fires account for one-half the excess of loss over the 1915 figures, the other half being fairly well distributed over the country.

Springfield's Hail Losses

The year too will pass into history as the most disastrous to date to companies insuring growing crops against damage by hail, as it even exceeded the losses from this cause the previous year which were abnormally large. In this vicinity tobacco is the subject of such insurance but in the West all crops are insured from wheat in North Dakota to cotton in Texas. Our losses from this cause in all sections exceeded our receipts by about $145,000, and led to our decision to discontinue writing this class in the future.

Another cause contributing to our unsatisfactory record for the past year is the one usually referred to in connection with the "high cost of living." Your Company alone has an average of about fifty losses a day throughout the year. Most of these losses are, of course, partial, running from a few dollars into the hundreds. It needs no detailed explanation to demonstrate that the cost of repairs to a damaged building or of replacement of damaged merchandise, is far greater today than a few years ago and yet our price for indemnity has not been increased. This feature increases our daily average of losses by hundreds of dollars and makes a very respectable aggregrate for the entire year. By the way, you will notice by the above table that our losses for the year, $3,653,003, are almost exactly $10,000 for each of the 365 days in the year.

You will notice in the figures submitted, $20,216 net depreciation in the market value of our securities. The shrinkage is almost wholly in railroad stocks which as we all know have not been popular with investors for the past year or two and their attitude has been reflected in prices quoted on the exchanges. This net depreciation is brought about by the shrinkage of values in railroad stocks of $120,090 and in miscellaneous stocks of $2,800 less appreciation in values of bank stocks of $60,710 and in bonds of all kinds of $41,964.

Talks of Surplus

The decrease of $66,213 in our net surplus does not look well on paper but is really of less importance than appears, because it is brought about largely by unusual conditions entirely apart from the ordinary. I would call your attention to the almost unprecedented increase in reinsurance reserve of $486,333 (last year it was $130,363), an increase in estimated taxes payable in 1917 of $50,000 and an unadmitted asset, perfectly good but technically inadmissible of $82,017 increase in the excess of our Canadian deposit beyond our legal reserve on Canadian business. These items are all charges which must be deducted before reaching the sum represented by our surplus account.

Last year I called your attention to the excessive taxes imposed upon insurance companies. This item of our expenses in 1916 amounted to $248,372 or slightly less than the dividend to our stockholders. No other business in the country is so heavily or inequitably taxed.

South Carolina

The legislature of South Carolina in its session of 1916 passed a law, known as the Laney-Odom law, making it a penitentiary offense for any officer or agent or a fire insurance company authorized to transact business in that State to do any one of several acts essential to the proper and economical transaction of our business within that State. The act was approved by the Governor, March 2, and four days later we circularized our agents prohibiting them from performing any and all acts as agents of this Company except the collection of unpaid premiums. Practically all the other stock companies withdrew from the State at the same time. We had carried on business in South Carolina for thirty-four years with a loss ratio for the whole period of 67.2 per cent. Add to this our expense ratio of 40 per cent. and it will be seen that it had been a losing business for this Company. The loss ratio for all companies doing business in that State for the six years ending with 1915 was 67.4 per cent. so our experience was not exceptional. These facts were matters of record in the State House at Columbia, so there was no possible excuse for the enactment of any such law. Business men in cities through their boards of trade and other organizations opposed the law but their representatives were outvoted by the country members who had no conception of its effect upon credit, which demands insurance back of all loans whether on real estate, stocks of goods or manufacturing enterprises. The people have now seen the error of their ways and the legislature is considering how best to undo the mischief occasioned by this law. In this connection it is interesting to note that it is invariably the rule that the greatest antagonism to insurance companies is found in the States showing the largest loss or the least profit on our business. That very state of mind is reflected in the action of courts and juries in cases where strong evidence is found of incendiarism and arson. It is almost impossible to secure convictions in such cases and the result is a decided encouragement to commit those crimes and a high loss ratio follows as a natural consequence.

Death of Vice-President Galacar

It is with great sorrow I have to make mention of the death of Vice-President Galacar, who died at his home on School Street on Christmas Day. I cannot better express my own feelings than to quote two paragraphs from the resolutions passed by our board of directors.

"The many years devoted to his chosen vocation, more than twenty-eight years in an official capacity, combined with an alert mind and studious disposition, enabled him to render this Company service of a high order while his high Christian character commanded our respect and won our esteem."

1849 "OLD AND TRIED" 1917

GLENS FALLS INSURANCE CO.

Glens Falls, New York

Abstract From Its 67th Annual Statement, January 1, 1917

Total Cash Assets....$6,429,946.53

LIABILITIES

Capital Stock	$500,000.00	
Unpaid Losses	415,202.60	
Reserve for Unearned Premiums	2,864,909.15	
Reserve for Taxes, etc	122,988.89	
Reserve for Dividends	155,000.00	$4,058,100.64
Net Surplus Over All Liabilities		$2,371,845.89

Increase in Assets	$570,000
Increase in Unearned Premiums	239,071
Increase in NET SURPLUS	117,635

Fire, Marine, Tornado and Automobile Insurance

New York Office
77 William Street, T. Y. BROWN & CO., Agents
S. D. McCOMB & CO. Marine Agents
56 Beaver Street New York

NEW JERSEY NOTES

Three Good Cards For Jersey Meeting

FRELINGHUYSEN, LA MONTE AND RAMSAY TO TALK

Locals to Consider Admitting Casualty Men to Organization—Convention in Trenton

The fifteenth annual meeting of the New Jersey Association of Fire Underwriters will be held in Trenton at the Trenton House on February 15. Fred. J. Cox is president; Arnold Rippe, vice-president; and Thomas C. Moffatt, secretary-treasurer. In a call for the meeting, headed "Even the Wolves Know Enough to Organize," the association says:

"Even the wolves know enough to hunt in packs. When they go out for big game they carry the power to pull down the meat. Here is the only New Jersey organization of agents, for agents and by agents. There are thirty-five hundred agents in New Jersey and thirty-five hundred expect to get protection from an organization with a membership of three hundred. But it isn't enough to get the meat. If you have grown lean on thin picking, blame yourself. Insurance men who think, know that a pack of thirty-five hundred—well organized and directed—is not too big to bring about the things that are for the betterment of the local agents.

"Lots of apples fell on thick heads before Sir Isaac Newton got hit and discovered the law of gravity. The bruising apples of overhead writing, multiple agencies and non-resident brokers have been hitting insurance heads for some time. Yes, for years; and endurance of any bruising trouble for years is too long. It indicates a limp spine, a Rip Van Winkle mind, and powder that is wet. Good things have been accomplished in the past, the local agents have been alive and doing. But why pause for a couple of years to gloat over the things that we have done? Why not face the things that are to do today? Why not stiffen up, wake up and keep the powder dry?

"If you have no idea of what to do to correct the trouble of the local agents, why cudgel your brains? Some one in the long list of New Jersey agents has the idea. We cannot all be original thinkers, but we can all be willing helpers. You are elected a helper. It is up to you to say whether you also shall be a thinker. When God passed out brains it was with the command to use them, so you have Divine permission to think what we should do to correct our underwriters' agencies, overhead and broker troubles, and present your thought at the February 15th Annual Meeting at the Trenton House, Trenton."

The business meeting will be followed by luncheon. George W. LaMonte, Commissioner of Banking and Insurance, and William E. Ramsay will speak. United States Senator Joseph S. Frelinghuysen will also address the meeting if his engagements do not unexpectedly prevent.

The proposition to broaden the scope of the association by taking in casualty men will also be considered.

NEW BRUNSWICK GAINS

The figures in the financial statement of the New Brunswick Fire Insurance Company, of New Brunswick, N. J., show that large increases were made during the year in assets $370,582, reserves $94,921 and surplus $124,873. The assets of January 1, 1917, amount to $1,712,271, capital $500,000, and surplus $327,411.

Adamson's Idea Dates Back to Year 1648

FIRST LOCAL FIRE ORDINANCE PUT PENALTY ON NEGLIGENCE

Even Then Plan Was Appropriated From Holland—Copy of Archaic Document

The Eastern Underwriter has received a copy of the first fire ordinance in New York City. This was prepared in 1648, and reads as follows:

"The Honorable Director General and Council having seen and observed that some careless people neglect to keep their chimneys clean by sweeping, and do not pay attention to their fires, whereby recently two Houses were burned and greater damage is to be expected in future from fire, the rather as the houses here in New Amsterdam are for the most part built of wood and thatched with reed, besides which the chimneys of some of the houses are of wood, which also is most dangerous;

No Wooden Chimneys

"Therefore, the Honorable General and Council Ordain, enact and command as they hereby do, that from now henceforward no chimneys shall be built of wood or [lath and] plaster in any houses between the Fort and the Fresh Water, but those already erected may remain until further order and the pleasure of the Firewardens; and in order that the foregoing shall be well observed, to that end are appointed Firewardens—from the Honorable Council, Commissary Adriaen d' Keyser; from the Commonality, Thomas Hall, Marten Crigier and George Wolsey, with power at their pleasure to see if the chimneys in all houses situate and standing within this city every where around, between this Fort and the Fresh Water, are kept well cleaned by sweeping, and if any one be found negligent he shall, every time the Firewardens aforesaid examine and find the chimneys foul, pay them forthwith, without any contradiction, a fine of three Guilders for every flue found on examination to be dirty, to be expended for Fire ladders, Hooks and Buckets which shall be procured and provided at the earliest and most convenient opportunity, and if any one's house be burned, or be the cause of fire, either through negligence or by his own fire, he shall forfeit 25 florins to be applied as above."

Fathered By Gov. Stuyvesant

These energetic measures were doubtless fathered by the redoubtable Governor Peter Stuyvesant and prove that the idea of the present fire commissioner of New York City in making owners responsible for fire neglect is not alien to these shores, but, on the contrary, a revival of the good old Dutch policy of the city's founders. The Fort occupied the site of the present Custom House and the Fresh Water or Collect Pond was where the Tombs now stands —large fire limits for the then small town of New Amsterdam. The Dutch guilder or florin equalled forty cents, but was equivalent to over an American dollar of today.

BRITISH AMERICA
ASSURANCE CO.
Incorporated 1833
(FIRE AND INLAND MARINE)
Head Office, Toronto, Canada
United States Branch
January 1, 1916

Assets	$1,939,785.69
Surplus in United States	776,621.82
Total losses paid in United States from 1874 to 1915, inclusive	23,984,892.36

W. R. BROCK, President
W. B. MEIKLE, Vice-Pres. & Gen. Mgr.

1849 **LARGEST FIRE INSURANCE COMPANY** 1917
Chartered by the State of Massachusetts
Incorporated 1849 Charter Perpetual

SPRINGFIELD
Fire and Marine Insurance Company
OF SPRINGFIELD, MASSACHUSETTS

CASH CAPITAL $2,500,000.00

Sixty-Eighth Annual Statement, January 1, 1917

ASSETS

Cash on hand, in Banks and Cash Items	$ 927,621.85
Cash in hands of Agents and in course of collection	1,445,982.37
Accrued Interest, etc	90,606.33
Real Estate Unincumbered	300,000.00
Loans on Mortgage (first lien)	2,590,020.00
Bank Stocks	1,740,036.00
Railroad Stocks	2,212,270.00
Miscellaneous Stocks	1,368,390.00
Railroad Bonds	335,346.00
State, County and Municipal Bonds	619,050.00
Miscellaneous Bonds	473,405.00
TOTAL ASSETS	**$12,102,727.55**
Unadmitted Asset—Excess Canadian Deposit	140,751.24
Admitted Assets	**$11,961,976.31**

LIABILITIES.

CAPITAL STOCK	$ 2,500,000.00
Reserve for Re-Insurance	6,159,662.74
Reserve for all unpaid Losses	662,860.77
Reserve for all other Liabilities	125,000.00
TOTAL LIABILITIES	$ 9,447,523.51
NET SURPLUS	2,514,452.80
SURPLUS TO POLICY HOLDERS	5,014,452.80
LOSSES PAID SINCE ORGANIZATION	$68,836,946.84

A. W. DAMON, President — PRIOLEAU ELLIS, Asst. Sec.
W. J. MACKAY, Secretary — E. H. HILDRETH, Asst. Sec.
F. H. WILLIAMS, Treasurer — G. G. BULKLEY, Asst. Sec.

Western Department, Chicago, Illinois
A. F. DEAN, Manager
J. C. HARDING, Asst. Manager — W. H. LINIGER, Asst. Manager
E. G. CARLISLE, 2d Asst. Mgr. — L. P. VOORHEES, Cashier

Pacific Coast Department, San Francisco, Cal.
GEO. W. DORNIN, Manager — JOHN C. DORNIN, Asst. Manager

Agencies in all Prominent Localities throughout the United States and Canada
Metropolitan District Agent
CHARLES G. SMITH — 1 LIBERTY STREET

UTICA 2 PER CENT. TAX

What Local Agents Paid For Benefit of Exempt Firemen's Benevolent Association

Utica, N. Y., Feb. 6.—City Treasurer James J. Devereux has announced that the following local agents of fire insurance companies having home offices in places other than Utica, have paid the 2 per cent. tax on premiums required by law for the benefit of the Exempt Firemen's Benevolent Association.

Roth Brothers Company, Royal, $1.59; C. B. Allen, Hartford, 87 cents; Werthman & Kruse, Sailors' Life & Fire Insurance Co., $14.98; Camden Fire, $12.38; A. B. Conger, Scottish Union & National, $12.42; Mechanic & Traders', $5.38; County Fire, $2.32; Royal Exchange, $3.60; McGowan & Richardson, Sun, $14; H. A. Klages, American of Newark, $42.71; Hamburg-Bremen, $42.05; J. Benjamin Brady, Aetna, $121.80; Phoenix of Hartford, $83.20; Hartford, $99.98; Springfield, $45.17; Boston, $63.19; Quebec, $99.14; Farmers' of York, $23.82; Commercial, $34.86; Oriental, $27.14; N. R. Jones, Northwestern National, 20 cents; S. F. Day, Commercial Union, $11.53; Phoenix Assurance, $17.28; Insurance Company of Pennsylvania, $25.31; L. Van Baasten, New Haven Underwriters, $28.42; Virginia Fire & Marine, 25 cents; Cantwell & Bromley, American Central, $37; Equitable Fire & Marine, $34.21; Fire Association, $101.23; London and Lancashire, $98.56; London & Lancashire Auto, $44.92; Newark Fire, $10.59; Norwich Union, $35.20; Rhode Island, $19.15; Royal, $245.17; Royal Auto, $56.48; M. E. Murphy, Northern, 6 cents; Rogers & Ashe, Inc., National Ben Franklin, 22 cents; Farmers' Fire, 18 cents; George L. Bowers, Alleghany Underwriters, $20.69; Detroit National, $5.41; German-American, $28.47; Michigan Commercial, $36.99; National, France, $35.50; Century, $34.53; Wehl & Scala, Inc., German-American, $39.85; Urbaine, $49.41; Minnesota Underwriters', $140.83; National Union, $28.94; People's National, $33.92; Ferris & Co., Camden, $8.39; Connecticut, $13.59; Aachen & Munich, $45.62; Springfield, $48.37; S. A. Benney, Detroit National, 51 cents; Ferris & Co., Reliance, $25.56; Mechanics', $19.95; Phoenix $31.09; New Brunswick, $13.14; National Union, $2.83; Citizens', $25.45; Girard, $30.24; D. H. Burdick, Phoenix of Hartford, 40 cents; Baechle-Clarke, New Hampshire Fire, $125.71; Philadelphia Underwriters, $52.20; John T. Evans, Concordia, $12.97; S. A. Penny, Detroit National, 50 cents; Sisti & Sisti, Pennsylvania, $25.31; Concordia, $19.76; C. W. Hill, Phoenix Assurance, $14; A. Willard James, Commercial Assurance, $38.33; Northwestern, $25.70; Northern, $45.09; J. H. McGarrity, German-American, $63.27; Netherlands, $28.84; Capital Fire, $8.02.

TO INCORPORATE

F. H. Beach, Jr., and W. R. Streever Take Over Beach Agency, Ballston Spa

The well-known insurance agency of George R. Beach & Son, Ballston Spa, N. Y., established in 1860, has been purchased by Frederick H. Beach, Jr., and Warren B. Streever, who will take possession of the business on March 1st. The business will be incorporated under the title of George R. Beach & Son, Inc., and will be carried on by the young men who will constitute the company in the same efficient manner and with the same companies, which have made it successful for the past fifty-seven years.

The Aetna and other companies have been in the agency for many years.

$10,000 ON HOGS

One of the American's farm agents sent in an application covering $10,000 on hogs, with a limit of $10 per head. Some hogs! "Don't overlook the hog item in taking farm risks," says Charles E. Sheldon.

207th Year
SUN
INSURANCE OFFICE OF LONDON
FOUNDED 1710
UNITED STATES BRANCH:
54 Pine Street - New York
WESTERN DEPARTMENT:
76 WEST MONROE ST., CHICAGO.
PACIFIC DEPARTMENT:
N. W. Cor. Sansome & Sacramento Sts.
San Francisco, Cal.

U. & O. Rules of New England Exchange

ALSO ADOPTS NEW RULES FOR UNRATED RISKS

Eighty Per Cent. of Building and Contents Rates Popular Figure Covering Replacement

The following action regarding use and occupancy rates has been taken by the New England Insurance Exchange:

The following rules and rates apply only to such risks as have been or may be rated by the Exchange at a figure in excess of 10 cents per annum on building item, this referring to the 80 or 90 per cent. reduced rate clause rate as indicated in the first paragraph under heading, "General."

All risks to which these rules and rates do apply, may, upon proper application to the Exchange, be specifically rated according to the use and occupancy conditions of the risk.

Rules

(a) All policies shall be on a 300-day basis except that in plants habitually working continuously, the basis shall be 365 days.

(b) The word "day" or "working day" shall be defined in the policy as covering a period of twenty-four (24) hours.

(c) Policy not to be a valued policy but shall be worded so that the liability shall not exceed 1-300th (or 1-365th) of the amount of the policy for each working day.

(d) Liability under partial suspension shall be determined from daily average production for the 300 (or 365) days immediately prior to date of fire.

(e) Coverage shall be limited to loss of net profits on goods the production of which is prevented, and for such fixed charges and expenses as must necessarily continue during a total or partial suspension of manufacturing.

(f) The following Lightning and Electrical Exemption Clauses shall be used, other clauses to be governed by Exchange rules—

Except as provided in the Electrical Exemption Clause below, this policy shall cover use and occupancy loss caused by lightning (meaning thereby the commonly accepted use of the term lightning, and in no case to include loss or damage by cyclone, tornado, or windstorm) not exceeding the sum insured, nor the interest of the assured in the property. Provided, however, if there shall be any other use and occupancy insurance on said property, this company shall be liable only pro rata with such other insurance for any use and occupancy loss by lightning, whether such insurance be against loss by lightning or not.

It is a special condition of this Policy that this Company shall not be liable for any use and occupancy loss resulting from damage to dynamos, exciters, lamps, switches, motors and other electrical appliances or devices caused by electrical currents whether artificial or natural, including lightning.

(g) Policies for Use and Occupancy may be written for a term not exceeding three years by adding three-fourths of the annual rate for each year in excess of one.

(h) Liability shall not be assumed on account of damage to finished goods in manufacturing risks.

(i.) If policies cover replacement of stock, the coverage must be in the following form—

Stock of merchandise of the same general nature but not necessarily the same make or brand.

Rates

If policy covers replacement of building and machinery equipment only, rate to be the 80 per cent. Building Rate.

If policy covers replacement of building, machinery equipment and raw stock, rate to be the 80 per cent. Contents Rate.

If policy covers replacement of building and equipment only, rate to be the 80 per cent. Building Rate.

If policy covers replacement of building, equipment and stock of merchandise, rate to be the 80 per cent. Contents Rate.

Profit and Commission insurance not to be included under Use and Occupancy insurance, and may not be written at less than the 80 per cent. Contents Rate.

Where the rate is based on the 90 per cent. Reduced Rate Clause and no 80 per cent. rate applies, the 90 per cent. rate is to be used as in case of risks rated by the Improved Risks Department.

Where the risk is outside of protection so that there is no Reduced Rate Clause rate, the Use and Occupancy rate to be the Flat Rate.

The Exchange also adopted the following rule on unrated risks:

The writing of a policy on any risk not specifically rated, within the jurisdiction of this Exchange, unless such risk is clearly covered by existing minimum rates, or exempted from rating by the Committee having jurisdiction, is a violation of the rules of this Exchange except that after a written application for a rate has been filed in proper form, an unrated risk may be bound or written "subject to revision and approval," under the following conditions:

(a) If the unrated risk is equipped with automatic sprinklers the 90 per cent. Reduced Rate Clause shall be attached to the policy.

(b) For any other unrated risk the rate at which it may be bound or written shall not be less than one per cent. and if such risk is within 500 feet of a public hydrant, the 80 per cent. Reduced Rate Clause shall be attached to the policy.

(c) When the risk has been rated by the Committee or Local Board having jurisdiction the rate promulgated shall apply from the date of the policy.

CARRY MORE INSURANCE

Advice to Assured of Local Agents of Hartford Fire Insurance Co. in Reading, Pa.

George W. Billman and Daniel F. Ancona, agents of the Hartford in Reading, Pa., have sent letters to the assured advising them of the urgent need of more insurance because of increased valuations of buildings, etc. Mr. Billman's letter follows:

Owing to an increase in the past two years of about 40 per cent. in the cost of building operations and the price of materials necessary thereto, a number of local manufacturers and property-owners are having their realty and factories appraised on the basis of present cost of replacing the same in case of fire, with a view of increasing the fire protection.

Many properties are insured upon realty values of a dozen or more years ago, when building operations cost a great deal less money than at the present time. In case of fire, this protection would fall far short of the cost of rebuilding and of compliance with the 80 per cent. clause in policies.

The present movement to have large properties revalued and appraised on the present 1916 basis of cost of rebuilding, is an important matter, which we feel will be considered by many property-owners who have doubtless overlooked the steady rise in the cost of building material and labor.

Several of our larger patrons have had their properties examined and appraised, and in each instance found that the amount of fire insurance carried was way below what was needed to carry a conservative line of protection. In some cases the amount of the insurance carried formerly was practically doubled.

RESULTS WITH TWO COMPANIES

Continental's Underwriting Profit, 4.59 Per Cent.; Fidelity-Phenix, 3.64—Net Premiums

Tabulated results of the Continental and the Fidelity-Phenix follow:

The Continental Insurance Company

Net premiums			$8,986,025
Losses incurred	$4,612,357	(51.33)	
Adjustment expenses	140,459	(1.56)	
Taxes—national, State, municipal	302,965	(3.37)	
Fire department, fire patrol and underwriter boards	135,521	(1.51)	
*General expenses	3,059,302	(34.05)	8,250,604
Trading surplus		(8.18)	735,421
Increased in unearned premiums			322,974
Underwriting profit		(4.59)	$412,447

*One-eighth of 1 per cent. for investment expenses not deducted.

Fidelity-Phenix Fire

Net premiums			$7,282,114
Losses incurred	$3,547,537	(48.72)	
Adjustment expenses	107,360	(1.47)	
Taxes—national, State, municipal	237,086	(3.26)	
Fire department, fire patrol and underwriter boards	120,655	(1.66)	
*General expenses	2,570,994	(35.30)	6,583,632
Trading surplus		(9.59)	698,482
Increase in unearned premiums			433,258
Underwriting profit		(3.64)	$265,224

*One-eighth of 1 per cent. for investment expenses not deducted.

TO INCREASE CAPITAL

The stockholders of Fireproof Insurance Co. of Pennsylvania will meet March 26 to vote on the proposed increase of capital from $200,000 to $500,000.

Tourist Committee Report Completed

(Continued from page 1)

sured" has been deleted, it being felt that this feature is an undesirable and unnecessary addition.

The clause in regard to the coverage on yachts has been amended, eliminating the wording "on which the assured may be a guest at the time of the accident" inasmuch as there seems to be no valid reason why the assured should not be protected on his own yacht as well as on a yacht on which he is a guest.

The coverage while the property insured is on an automobile has been more clearly defined.

The policy has been divided into two sections, the first section stating what the policy covers and the second section stating the exclusions.

Theatrical Coverage Excluded

Theatrical wardrobes, theatrical property and appurtenances have been excluded from the coverage inasmuch as this is considered undesirable business and belonging in a class by itself. However, it will be noticed that the personal effects of the assured not coming under this category are covered subject to policy conditions while in theatres and other places of amusement.

The clause which excludes loss by theft of jewelry and similar valuables has been amended, it being felt that the limitation of the policy to cover theft of an entire shipping package might be construed to hold the company liable for a loss by theft of an article of jewelry contained in a shipping package of very small dimensions.

The coverage against breakage has been defined while the property is on land and also while the property is water-borne.

An approved clause excluding the risks of riots, civil commotion and war has been incorporated in the policy.

The policy provides for two limits of territory: (a) Covering within and between the United States including its possessions, Canada, Bahama Islands, Bermuda, United Kingdom of Great Britain and Ireland and the Continent of Europe, conditions of travel, fire and police protection in the above countries being approximately the same; and (b) worldwide coverage where conditions are much more hazardous and for which the premium is commensurately high.

The pro rata distribution clause has been retained. The question of co-insurance was discussed and deemed inadvisable to incorporate in a policy of this character.

A clause has been incorporated in the policy which was approved by counsel, prohibiting the assured from entering into any special agreement with carriers releasing them from their common law or statutory liability and also providing that no claim shall inure to their benefit.

Immediate Claim Reports

A clause has been incorporated in the policy, making it incumbent on the assured to report all claims immediately in writing with full particulars, to the Company or its agents, and failure to file proof of loss within three months to invalidate the claim.

A new clause has been incorporated in the policy which is a somewhat modified form of the standard fire policy clause in regard to determination of value in case of loss. It will be noted that under the "limited" form losses shall be due and payable within thirty days after due notice, ascertainment, estimate and satisfactory proof of loss has been received and accepted by the Company, whereas a period of 60 days has been provided for under the "broad" form on account of the fact that a reasonable time should be allowed the Company to investigate claims and attempt to recover the stolen property.

It will be noted that a sue and labor clause has been incorporated in the policy.

An approved subrogation clause has also been incorporated in the policy.

The policies of some companies had no reinstatement clause and others had an automatic reinstatement clause but without additional premium. The committee recommended a clause reducing the amount of the policy unless same s reinstated by the payment of an additional premium.

An approved clause has been incorporated in the policy limiting the time of bringing suit.

The usual cancellation clause was included in the policy with the provision for the minimum premium as above.

Theft Risk in "Broad" Form

The risk of theft is covered in all situations. It was recommended that the amount to be covered on jewelry be limited in the amount of insurance to 25 per cent. of $1,000 or under, 30 per cent. of $2,000, 35 per cent. of $3,000, 40 per cent. of $4,000, 50 per cent. of $5,000 or over. The idea being that it is not the intention of this policy to cover where a greater part of the value is in jewelry, which can be covered under a jewelry schedule policy.

A clause eliminating the risk of theft on property distinctly associated with automobiles, such as robes, automobile coats, hats, caps, gloves, goggles, leggings, boots and chauffeurs' livery while in or on automobiles or in a garage, etc., has been incorporated in the policy, the committee feeling that this is not a desirable risk and also to be in accord with the action of the Automobile Conference.

The remainder of the conditions of the "broad" form of policy are identical with the conditions of the "limited" form, with the exception of the minimum premium and the reference to the payment of losses as noted above. It was recommended that no company be permitted to cover personal effects under all risk policies covering jewelry, etc. A schedule of rates was recommended meeting the ideas expressed at the general meeting as far as possible and which may be expected to provide a reasonable profit.

The committee suggested that more attention be given to this field and that an effort be made to educate the public to the desirability of carrying such protection. Also that this form of insurance be considered as worthy of a place by itself and not simply as a side line and in connection with other business.

TOTAL ASSETS $4,658,595

Gain of $646,250 Made By Insurance Company of State of Pennsylvania

The results of the operations of the Insurance Company of the State of Pennsylvania last year showed total assets of $4,658,595, a gain of $646,250; reinsurance reserve for annual and term policies, $2,126,036, a gain of $352,355. The net premiums written amounted to $2,879,274, a gain of $600,562.

The Company's net surplus is $402,353, showing a decrease of $24,067, due to the large increase in reinsurance reserve. The Company's loss ratio for 1916 was 57.24 per cent. Its surplus to policyholders is $1,402,353.

STEELE TO COME EAST

It is announced by the board of directors of the Niagara Fire Insurance Company that some time during the month of May, its western department will be moved to New York, and W. L. Steele, the present western manager, will be elected a vice-president of the Company, and will continue in immediate charge of its western operations.

In due time, further details of these changes will be sent to the agency staff and friends of the Niagara.

THE OLEAN DEPARTMENT

Chief is a Plumber By Trade—No Fire Limits and No Building Code

Olean, N. Y., Feb. 5.—In this city there is a paid department of nine men and a chief (a plumber by trade). The men are fully paid, but the chief does not receive enough remuneration to devote his entire time to these duties; in fact, most of his time is spent at his business. There are also four bunkers who sleep in the fire houses and are paid according to the alarms answered. There are no call men or volunteers. Equipment includes three auto combination chemicals and hose, a two-horse ladder truck, a two-horse supply wagon, and 8,000 feet of good 2½-in. hose, of which 3,800 feet is on the apparatus. Horses are owned and trained by the department and the chief has a separate horse. There are forty-four Gamewell telegraph boxes.

The population is about 20,000, but there are no fire limits and no building code. Chief is appointed by the Mayor and the fire department is under the control of the Board of Councilmen over which the Mayor has control. Likewise, with the water board. The personnel and the administration of both these departments have not kept pace with the physical improvements, and, as a whole, may be said to be lax.

At the recent fire the department was handicapped by the fact that hose lines had to be carried over several fences and that there were not enough firemen to properly man the apparatus; in fact there were two streams being held by private citizens.

UP-STATE CHANGES

Ralph Hastings and J. H. Littlefield have formed Hastings & Littlefield, Tupper Lake, N. Y.

Emery H. Rose, a fire agent in Canastota, N. Y., has sold his agency to Thomas G. Moore.

Percy A. Beach has entered the insurance agency of his father, E. F. Beach, Cattaraugus, N. Y.

The business of Wilson-Bull, Inc., Rye Village, N. Y., has been sold to Austin & Torrey, Inc., of which Irving Austin is president. James H. Torrey is also interested. Wilson & Bull was formerly Wilson, Bull & Blackman. Messrs. Wilson and Bull will retire from insurance and will deal in farm property. Mr. Torrey is a Harvard graduate.

GRANITE STATE

The Granite State Fire's annual statement showed an increase in assets of $79,979, and in surplus of $13,549, notwithstanding the fact that its reinsurance reserve increased $65,811 while its unpaid losses were only $6,460.

This Company's progress has been steadily forward. It is thirty-one years old. Calvin Page is president, and Alfred F. Howard secretary.

PENNSYLVANIA BILL

Senator Sproul, of Pennsylvania, has introduced a bill including townships in the per cent. distribution of the tax on foreign fire insurance companies, also "for the prevention of discriminatory charges by fire insurance companies."

25 PER CENT. EXTRA DIVIDEND

Annual Meeting of Glens Falls—Cutler J. DeLong, Treasurer, Resigns

It was another fine year for the Glens Falls, a remarkable company in many ways. Every year tells a story of additional success. The Company's business for 1916 was the largest of any year in its history, its net income amounting to $3,498,957, an increase of nearly $700,000 over 1915. Assets increased $570,000, and net surplus increased $117,635. At the present time the net surplus over the liabilities is $2,371,845.

At the annual meeting of the board of directors an extra dividend of 25 per cent. was declared. Cutler J. DeLong resigned as treasurer, after thirty-eight years of service.

GLENS FALLS COURSE

A course of instruction in fire insurance has been started by the Glens Falls. Local agents, as well as employes of the Company will attend. Vice-President West in an opening address outlined the plan. Among those at the first meeting were R. M. L. Carson and J. Elbert Cool.

STRONACH PROMOTED

Raymond E. Stronach, former marine special agent of the Aetna, has been elected marine secretary of the Company. W. F. Whittelsey was elected marine vice-president. The 1916 statement of the Aetna shows total assets of $26,706,547, an increase of $1,975,944; and net surplus of $8,503,324, an increase of $918,808.

ATLAS FIGURES

The net premiums of the Atlas for 1916 amount to $1,936,125. The Company's net losses incurred amount to $962,439, being a ratio of 49.71. Its expenses were $816,296, showing a surplus of $157,390.

The assets increased from $3,082,720 in 1916, to $3,270,655 in 1917, and surplus to policyholders from $1,176,426 to $1,239,137.

1885 Thirty-first Annual Statement 1917

OF THE

GRANITE STATE FIRE INSURANCE COMPANY

of PORTSMOUTH, N. H.

CALVIN PAGE, President — JOSEPH O. HOBBS, Vice-Pres.
ALFRED F. HOWARD, Sec'y — JOHN W. EMERY, Ass't Sec'y

DECEMBER 31, 1916

ASSETS

State, City and Railroad Bonds	$ 991,224.00
Railroad and Other Stocks	79,465.00
First Mortgages on Real Estate	24,200.00
Cash in Bank and Office	98,757.13
Agents' Balance, net	125,241.79
Interest Accrued	14,124.43
Due for Re-insurance	2,184.14
Total	$1,335,196.49

LIABILITIES.

Unpaid Losses	$ 76,907.92
Reserve for Unearned Premiums	724,343.69
All Other Liabilities	14,439.91
Capital Stock Paid Up	200,000.00
Net Surplus	319,504.97
Total	$1,335,196.49

THE WILLIAM H. KENZEL CO.,

METROPOLITAN AGENTS

19 Liberty Street - - - New York City

Nord-Deutsche

INSURANCE COMPANY
OF HAMBURG, GERMANY
ESTABLISHED 1857
STATEMENT JANUARY 1, 1916

Assets	$2,063,315
Liabilities	922,699
Surplus	1,140,616

UNITED STATES BRANCH
123 WILLIAM ST., NEW YORK
J. H. LENEHAN, United States Manager
AGENTS WANTED IN PRINCIPAL CITIES AND TOWNS

THE HANOVER
FIRE INSURANCE COMPANY
Incorporated 1852

The real strength of an insurance company is in the conservatism of its management, and the management of THE HANOVER is an absolute assurance of the security of its policy.

R. EMORY WARFIELD, President
FRED. A. HUBBARD, Vice-President
E. S. JARVIS, Secretary
WILLIAM MORRISON, Asst. Sec'y

HOME OFFICE
Hanover Bldg., 34 Pine St.
NEW YORK

HOWIE & CAIN, General Agents
Metropolitan District
100 WILLIAM STREET, NEW YORK

Capacity For Local Agents

You can use our capacity as your own to take care of additional business beyond the capacity of admitted Companies.

Our capacity is as high as $150,000 on a single risk with immediate binders and 10% commission to brokers. Guaranteed Underwriters. Use our special Surplus Line Department. Special liberal policies for Baggage Insurance.

MARSH & McLENNAN
Insurance Exchange, Chicago

19 Cedar St. NEW YORK
1615 California St. DENVER
314 Superior St. DULUTH
300 Nicollet Ave. MINNEAPOLIS
Ford Bldg. DETROIT
17 St. John St. MONTREAL
23 Leadenhall St. LONDON

THESE OFFICES GIVE YOU THE BEST THERE IS IN INSURANCE SERVICE

"The Leading Fire Insurance Company in America"



WM. B. CLARK, President

AETNA INSURANCE COMPANY

Aetna Fire Underwriters Agency
of Aetna Insurance Co.

Application For Agencies Invited

First National Fire
Insurance Company of the United States
WASHINGTON, D. C.

ROBERT J. WYNNE, President — JOHN E. SMITH, Secretary
Statement January 1, 1916
CAPITAL, $912,502
RESERVE FOR ALL OTHER LIABILITIES, $523,785
NET SURPLUS, $377,447 — ASSETS, $1,813,734

THE MARINE INSURANCE CONTRACT

By President BENJAMIN RUSH of the Insurance Company of North America

From an address delivered by Mr. Rush before the Fire Insurance Society of Philadelphia, and republished by courtesy of the Fire Insurance Society of Philadelphia's "Bulletin."

The next clause reads:

In case of any agreement by the assured, prior or subsequent hereto, whereby any right of recovery of the assured for loss of or damage to any property insured hereunder, against any person or corporation, is released, impaired or lost, which would on acceptance of abandonment or payment of a loss by this Company, have enured to its benefit, but for such agreement or act, this Company shall not be bound to pay any loss, but its right to retain or recover the premium shall not be affected.

This provides that the assured shall not make agreements with common carriers which destroy or vitiate the underwriters right to recover from a common carrier or other bailee, who is legally responsible for the loss.

Frequently common carriers attempt to induce shippers to waive their legal rights by the promise of lower freight rates or other valuable consideration and as the underwriter can only succeed to the rights actually possessed by his assured, such a contract made by the assured with the common carriers greatly increases the risk thrown upon the underwriter and would require the underwriter to charge a very greatly increased premium to cover it.

It has been held by the Supreme Court of the United States to be contrary to public policy to allow the railroad or other common carriers to escape from their legal responsibility by means of special contracts with their assured.

The above clause lays upon the shoulder of the assured the burden of enforcing his rights against the common carrier.

In view of recent legislation with regard to interstate shipments it has been necessary to modify somewhat the strict interpretation of this clause.

Underwriters are now practically uranimous in holding that while a shipper cannot waive his legal right of recovery he can make an agreement with the carrier limiting the amount of the recovery. For example:

A shipper could not agree with an Express Company to waive all rights of recovery in case of loss, but he can accept the ordinary form of express receipt which limits his recovery to $50.

The last clause of the policy reads:

Warranted by the assured, that the assignment of this policy or of any insurable interest therein, as also that the subrogation of any right thereunder to any party, without the consent of this Company, shall render the insurance affected by such assignment or subrogation, void.

The reason for this is that underwriters insure the man, the company, or the firm because of their moral and financial reputation as much as upon the character of the goods or on the character of the ship or vessel transporting them, and while an underwriter would be perfectly willing to insure a firm of reputable merchants on any reasonable voyage, they would distinctly decline to insure another firm whose moral or financial standing might be shaky.

Hence the above clause is inserted to provide that when the underwriter insures John Doe he can be sure he is insuring John Doe and nobody else and that John Doe shall not have the right to assign his policy to anybody else without the underwriter's consent, otherwise, no underwriter would know whom he was insuring.

(To be Continued.)

Insurance Against Loss of Profits Through Fire

BY ERNEST W. BELL, IN A PAPER READ BEFORE INSURANCE INSTITUTE OF NEW SOUTH WALES

I give an example of an ordinary adjustment taken on plain lines as a policy states, although there is no doubt it is understood by all.

Sum insured £7,000

On net profits and the following standing charges, interest on debentures, rent, rates and taxes, salaries to permanent staff, directors' fees, agents' fees and insurance premiums.

The period for which the company is liable for loss after each fire is limited to six months.

The fire occurred on Nov. 1.

The assessor certifies—

That the net profit, plus standing charges for the financial year, is not less than the sum insured.

That the turnover for the year preceding the fire is.....£70,000

That the percentage of the sum insured to the turnover is.... 10%

That the standing charges enumerated have not ceased to be paid or payable after the fire.

	Turnover for the Corresponding Month in Year Preceding Fire.	Monthly Turnover After Fire.	Decrease in Turnover.	Monthly Loss or Shortage.
Nov.	£10,000	.....	£10,000	£1,000
Dec.	19,000	.....	19,000	1,900
Jan.	7,000	£1,000	6,000	600
Feb.	5,000	3,000	2,000	200
March	7,000	5,000	2,000	200
April	8,000	6,000	2,000	200
	£56,000	£15,000	£41,000	£4,100

Shortage of turnover.....£41,000
10 per cent. on £41,000..... 4,100
Increased cost of working as ascertained by the assessor..... 400

(To be continued) £4,500

GOES WITH VIEHMANN COS.

Fred R. Paine, formerly with the Colonial Fire Underwriters for the New York and suburban field, has joined the New Jersey Fire and New Brunswick as special agent for Suburban New York and Connecticut.

Prompt Efficient
THE INSURANCE BUREAU
FIRE and AUTOMOBILE
Inspections and Investigations
406 German-American Bank Bldg.
BUFFALO, N. Y.
Confidential Economical

Agricultural Insurance Company, of Watertown, N. Y.
64th Annual Statement
Assets $5,036,003.01
Liabilities 2,296,861.95
Capital 500,000.00
Conflagration Surplus 250,000.00
Surplus to Policyholders 2,739,141.06
F. F. BUELL, Troy, N. Y., Special Agent.....NEW YORK STATE
E. J. PARMELEE, Syracuse, N. Y., Special Agent..NEW YORK STATE
GEORGE SHAW, 116 Milk St., Boston, Special Agent..NEW ENGLAND
F. L. GILPIN, JR., 422 Walnut St., Phila., Special Agent.MIDDLE DEPT.

THE YORKSHIRE INSURANCE COMPANY, LTD., OF YORK, ENGLAND
ESTABLISHED 1824
The "Yorkshire" is the Oldest and Strongest of the English Fire Companies not heretofore represented in the United States
U. S. BRANCH
Frank & Du Bois, United States Managers — Ernest B. Boyd, Underwriting Manager
Harry F. Wanvig, Branch Secretary — Frank B. Martin, Supt. of Agencies
NO. 80 MAIDEN LANE, NEW YORK
New York Life Insurance and Trust Co., U. S. Trustee, No. 52 Wall St., New York
DEPARTMENTS—METROPOLITAN, Willard S. Brown & Co., Managers, New York, N. Y.; CAROLINA-VIRGINIA, Harry R. Bush, Manager, Greensboro, N. C.; SOUTHEASTERN, Dargan & Hopkins, Managers, Atlanta, Ga.; LOUISIANA and MISSISSIPPI, Jas. B. Ross, Manager, New Orleans, La.; PACIFIC COAST, Jas. C. Johnston, Manager, J. K. Hamilton and McClure Kelly, Assistant Managers, San Francisco, Cal.

STRENGTH INTEGRITY SERVICE
Scottish Union & National Insurance Company
HENRY J. HOUGE, Assistant Secretary — B. M. CULVER, Assistant Secretary
JAMES H. BREWSTER, Manager, Hartford, Conn.
A Broad Underwriting Service to Agents
Writes Fire, Automobile, Rent, Sprinkler Leakage, Tornado, Use and Occupancy, Explosion, etc.
Works in Harmony with American Agency Principles and Practices



125th Anniversary
Insurance Company of
NORTH AMERICA
PHILADELPHIA
CAPITAL, $4,000,000 ASSETS OVER $23,000,000
FIRE, MARINE, AUTOMOBILE, Rent, Leasehold, Tornado, Explosion, Use and Occupancy, Sprinkler Leakage, Travelers' Baggage, Parcel Post
The Oldest American Stock Insurance Company

FIRE ASSOCIATION OF PHILADELPHIA
Office: Company's Building, 407-409 Walnut St.
Organized 1817 Incorporated 1820 Charter Perpetual
Cash Capital $750,000 Assets $9.091,141
E. C. IRWIN, President T. H. CONDERMAN, Vice-President
M. G. GARRIGUES, Sec. and Treas.
R. N. KELLY, Jr., Asst. Sec. and Treas.

The Columbian National Fire Insurance Company

T. A Lawler, Pres. H. P. Orr, Sec.-Treas.
JANUARY 1st, 1916
Assets $1,571,954.84
Surplus to Policyholders.....$1,257,680.79
EASTERN DEPARTMENT, Scranton, Pa.
Massachusetts, Rhode Island, New York, New Jersey, Pennsylvania and Maryland
James J. Boland, Manager
Reliable agents wanted in unrepresented territory


F. H. HAWLEY, Pres. ORGANIZED 1848 W. E. HAINES, Secy.
The Ohio Farmers Insurance Co.
LEROY, OHIO.
Ohio's Oldest and Strongest Company
Net Surplus Over $1,351,482.71
AN AGENTS COMPANY
E. K. SCHULTZ & CO.
PHILADELPHIA
GENERAL AGENT
Pennsylvania, New Jersey and New York

CASUALTY AND SURETY NEWS

Warns Agents Against Voluntary Risks

PACIFIC MUTUAL TELLS OF EXPERIENCE WITH CLASS

Persons Who Seek Insurance on Own Volition are Not to Be Insured Under Any Circumstances

In the manual of the Pacific Mutual appears the following paragraph:

Strangers and persons not known to the agent must not be insured under any circumstances until satisfactory information from reliable sources in regard to moral, physical, business and financial standing is secured. Self-inflicted injuries and fraudulent, mysterious disappearances are not infrequent, and even though detected and exposed involve annoyance and expense and reflect discredit upon the agent.

In addition the Pacific Mutual has from time to time issued circular letters.

Thorough Investigation Necessary

A recent case leads the Company to again impress upon its representatives the importance of a thorough investigation and knowledge of each and every applicant for insurance.

The applicant in question walked into our agent's office and voluntarily applied for an accident insurance policy. He presented a good appearance, was a smooth talker and gave a very plausible reason for taking insurance and applying for same without being solicited. The man's story satisfied the agent and the policy was issued, notwithstanding the extra suspicious feature of the applicant desiring to pay only a quarterly premium.

Shortly after the issuance of the policy the man sustained an injury while riding on a public conveyance. Such is usually the case. These men are injured, or pretend to be injured, under conditions which will bring forth the very largest indemnity under the policy. Proof papers appeared to be in order and the claim was paid by the agency for a good round sum under the double indemnity clause. It was not until later that it was discovered the man was a worthless individual, who had taken the insurance for speculative purposes, and had collected from several other insurance companies on account of this same injury. The money value of his time was nil and yet his indemnity, voluntarily applied for in the various companies, was $100 doubling to $200 a week. The cost of teaching this agent that voluntary risks are undesirable came rather high.

Voluntary Risks

The Company asks agents to cut out the following paragraphs and paste them up in the office some place where the instructions will be kept constantly in mind by the entire force.

Voluntary risks, persons who of their own volition seek insurance, are not to be insured under any circumstances. Cashiers and office clerks must be so posted. If a person presents himself at your counter and applies for a policy, take his application, being more than ordinarily careful to cross-question him completely. Learn why he seeks the insurance, ask him for references and then advise him that it is your Company's custom to investigate all applicants and that you will submit his application for investigation and that if everything is found to be O. K. the policy will then be issued and he will be notified. Then carefully look up his record, references, employment, financial condition, etc., and unless convinced that everything is straight refer applicant to Company.

Some voluntary risks are good; the majority are bad. No man is capable of distinguishing between the two classes by merely conversing with the risk. The bad voluntary risk will not in one case out of ten submit to any delay or investigation. He wants the policy at once. The test then is "delay"—be sure to apply it.

STATE TO FIX RATES

Fidelity and Surety Measure in North Dakota—Montana State Bonding Bill, Also

House Bill Number 111 in North Dakota gives the insurance commissioner the right to fix the surety and fidelity rates. The companies have the right to appeal to a district court over the rates fixed by him, if they wish.

There is a bill in Montana to establish a State bonding fund for official bonds.

The Wyoming legislature has a bill to fix the rate at ¼ of 1 per cent. on depository bonds.

AUTO FRAUD TRIALS

The celerity with which the District Attorney's office is trying and having convicted the automobile insurance fraud cases is attracting most favorable attention.

General Accident

FIRE AND LIFE

ASSURANCE CORPORATION, Ltd.

SERVICE THAT EXCELS

FREDERICK RICHARDSON, United States Manager

GENERAL BUILDING · 4TH & WALNUT STS.

PHILADELPHIA

BRUNS TALKS TO LAUNDRYMEN

The need for adequate liability insurance in view of the recent tendencies of Supreme Court juries to award big verdicts in death and accident cases, was emphasized by Frederick V. Bruns, Syracuse agent, in an address before the New York State Laundrymen's Association at the Onondaga. In thirty States, Mr. Bruns pointed out, there was no limit to the amount of damages which might be recovered.

Earl C. Clark has opened an insurance office at Utica, N. Y.

MINER VICE-PRESIDENT

Frank L. Miner, president of the Bankers Accident of Des Moines, and vice-president of the Iowa National Fire, has been elected a vice-president of the Standard Life of Des Moines.

GOES WITH METROPOLITAN

Thomas W. Cunningham, who for the past five years has been special agent of the Globe Indemnity, started with the Metropolitan Casualty this week as special agent for all departments of that Company.

Ninth Annual Statement

OF THE

Massachusetts Bonding and Insurance Company

DECEMBER 31, 1916

Paid-up Cash Capital $1,500,000.00

ASSETS		LIABILITIES	
Real Estate	$7,000.00	Premium Reserve (pro rata)..	$1,519,114.76
Real Estate Mortgages.....	5,132.32	Claim Reserve	1,089,981.02
Stocks and Bonds.....	3,380,321.50	Reserve for Commissions.....	157,618.05
Unpaid Premiums subsequent to Oct. 1, 1916.....	744,356.66	Reserve for Taxes due in 1917..	79,921.94
Unpaid Premiums prior to Oct. 1, 1916.....	75,322.00	Reserve for Other Liabilities...	45,555.70
Cash in Office and Banks.....	585,903.01	Voluntary Reserve for Contingencies	100,000.00
Accrued Interest	42,847.35		
All Other Assets.....	130,417.64	Total Liabilities, except Capital.	$2,992,191.47
Total Assets	$4,971,300.48	Surplus to Policy Holders on Basis Required by Insurance Departments	1,876,387.68
Deduct Assets not Allowed by Insurance Departments ...	$102,721.33		
ADMITTED ASSETS on basis Required by Insurance Depts.	$4,868,579.15	Total	$4,868,579.15

Surplus to Policy Holders as Shown by the Books and Records of the Company $1,964,557.17

FIDELITY AND SURETY BONDS

Accident, Health, Burglary, Theft, Plate Glass, Automobile, Teams, Automobile and Teams Property Damage, Elevator and General Liability

INSURANCE

INDEMNITY THAT PROTECTS — SERVICE THAT SATISFIES

HOME OFFICE BOSTON, MASSACHUSETTS

AGENCIES In All Principal Cities and Towns Throughout the UNITED STATES

T. J. FALVEY, President — JOHN T. BURNETT, Secretary-Treasurer

H. & A. UNDERWRITERS

Talk Acquisition Cost, Handling of Agents and Proposed Standard Provision Law

The midwinter convention of the Health and Accident Underwriters was held at the Hotel La Salle this week, Chicago. W. Ridley Wills, National Life & Accident, Nashville, talked of industrial insurance in the South. A report on acquisition cost was read by C. H. Boyer. Frederick Richardson, of the General, who was to have discussed the acquisition cost paper, did not attend the convention because of pressure of business. George B. Stadden, president of the Franklin Life, discussed employment and handling of agents. Manton Maverick, vice-president Continental Casualty, read a report on proposed standard provision law.

WORKING FOR 10,000 MEMBERS

Plans of Insurance Federation of New York—Garrett Secretary of Membership Committee

Alfred J. Hodson, chairman of the membership committee of the Insurance Federation of New York, said at a meeting of the committee, the Federation should receive the support of every insurance man no matter what line of insurance he represented. He cited the recent action of insurance men in Massachusetts where the presidents of the fire, life, casualty and other associations are members of a committee on organization of a federation in that State. Mr. Hodson said New York should have a State federation second to none with a large, active membership to successfully combat the State insurance propaganda.

John A. Eckert, chairman of the executive committee, emphasized the importance of a broad, representative membership that effective work might be accomplished against State insurance in whatever form it is proposed and towards whichever line of insurance it is directed. Others voiced like sentiments declaring that the federation should receive the allegiance of everyone engaged in the insurance business and all policyholders as well, who do not believe in paternalistic and socialistic ideas. Stanley L. Otis, executive secretary, spoke along similar lines and urged that each do his share towards securing 10,000 new members in February.

The membership committee completed its organization by the election of James Garrett secretary. At the next meeting of the full committee subcommittees on fire, life, casualty and surety, health and accident, brokers, mutual, Brooklyn, fraternal and suburban will be announced.

Opposition to the Mills health insurance bill is spreading among all classes of people.

At a meeting of the committee on laws of the National Board of Fire Underwriters, held January 24, it was voted that the law committee advise its members of action taken in re National Insurance Federation. The following resolution was adopted:

"In the opinion of this committee it is inexpedient for the National Board to appropriate funds to the work of the National Insurance Federation, but in view of the anticipated desirability of the Federation's co-operation we recommend that the law committee advise its subscribers that any contributions individual companies might feel disposed to make to the National Council would be helpful and appreciated."

Frank A. Cooper and Charles J. Minsterer have formed a partnership to transact a general insurance business. They will be as general agents for the bonding department of the Royal Indemnity Company of New York.

ARTHUR F. BRIDGE DEAD

Arthur F. Bridge, a veteran Coast accident underwriter, died this month. All of his business life had been spent with the Travelers Insurance Company, where he had been employed since he was a boy of sixteen. When he joined the Company its office was at 319 California street, and the business was directed by Thomas Bennett, then general agent. Three years later the management was transferred to W. W. Haskell, who had been city manager. Mr. Bridge worked under Mr. Haskell, being promoted through the various grades in the office until he became cashier.

Early in 1906, when Mr. Haskell was succeeded as manager by Arthur S. Holman, Mr. Bridge was appointed manager for the Company's accident department.

HOWIE & CAIN APPOINTMENTS

Howie & Cain, Inc., this week announced the appointment of Von Glahm & Ross as Brooklyn agents of its automobile department, and of Fischer & Smith as agents of the automobile department in Jersey City.

RE-ELECT OLD OFFICERS

Annual Meeting of Georgia Casualty Company—Premium Income $1,802,734 Last Year

The annual stockholders' meeting of the Georgia Casualty Company was held in the Company's offices at Macon, Georgia. The Company reported a most satisfactory business for the past year, having received a premium income of $1,802,734.31; increased its reserves, $372,446.62, and increased its surplus, $26,000.

All officers, directors and heads of departments were re-elected, as follows:

W. E. Small, president; Dr. J. C. McAfee, T. B. McRitchie and J. E. Smith, Jr., vice-presidents; E. P. Amerine, secretary; J. C. Morton, assistant secretary; C. L. Fielding, treasurer; E. C. Stovall, assistant treasurer; W. B. Birch, general counsel; Joseph Seligman, superintendent of claim department; Peter Epes, agency manager; Dr. J. C. McAfee, medical director.

A license has been granted to the Michigan Employers Casualty Company of Lansing, to do business in Michigan. The Company has an authorized capital of $100,000.

START ANOTHER CONTEST

New York City Aetna-izers this week started another campaign. There will be a contest between the Fifth Avenue branch, Newark branch, Brooklyn branch and the Frank F. Eagles office and the New York branch office at 100 William street for accident-health business extending from February 12 to 28.

OHIO SITUATION

The bill to prohibit companies from writing workmen's compensation in any form in that State has been signed by the Governor. It makes all contracts and agreements which undertake to indemnify or insure an employer void and of no effect.

MORE THAN 5,000 APPS.

On January 29th the Casualty Department of the National Life, U. S. A., received 5,139 applications. This is the first time in the history of the accident department that the new business received in one day exceeded 5,000 applications.

STANDARD ACCIDENT BILL

A bill to standardize the health and accident policy will be presented to the Wisconsin Legislature this week.

Established 1869 U. S. Branch 1892

LONDON GUARANTEE & ACCIDENT COMPANY, Ltd.

24th ANNUAL STATEMENT
UNITED STATES BRANCH
DECEMBER 31, 1916

ASSETS	
State, Municipal, Railroad and Public Utility Bonds	$4,677,091.22
First Mortgage on Real Estate	4,500.00
Cash on hand and in Bank	347,468.46
Interest due and accrued	78,445.56
Premiums not over three months due in course of collection	1,262,871.36
All other Assets	95,718.11
	$6,466,094.71

LIABILITIES.	
Claim Reserve:	
Compensation and Liability Departments (as required by Insurance Department of New York)	$2,228,318.26
Credit Department	142,703.17
All Other Departments	216,769.17
Reserve for Unearned Premiums	1,875,507.11
Reserve for Taxes	99,139.17
Reserve for Return Premiums, Commissions on outstanding Premiums, and all other Liabilities	361,907.67
Voluntary Additional Reserve for Contingencies	500,000.00
	$5,424,344.55
SURPLUS TO POLICYHOLDERS	1,041,750.16
	$6,466,094.71

DEPOSITED With Insurance Departments and United States Trustee **$4,491,395.02**

WRITES: Workmen's Compensation, Employers' Liability, General Liability, Workmen's Collective, Elevator, Teams, Automobile, General Accident, Health, Credit, Burglary and Boiler Insurance.

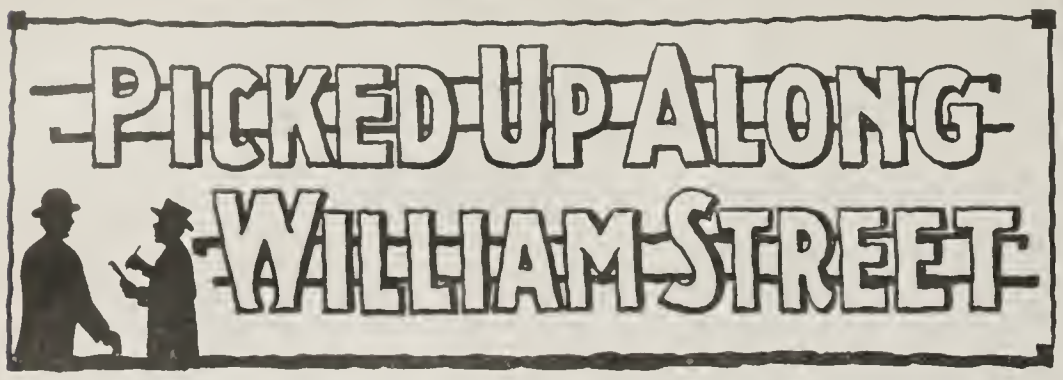
HEAD OFFICE, CHICAGO, ILLINOIS
F. W. LAWSON, General Manager

F. J. WALTERS, Resident Manager Eastern Department, 55 John Street, New York City.

ELMER A. LORD & COMPANY, Resident Managers New England Department, 145 Milk Street, Boston, Mass.

STOKES, PACKARD, HAUGHTON & SMITH, Resident Managers Middle Department, 432-434-436 Walnut Street, Philadelphia, Pa.

GALLIVAN & O'DONNELL, General Agents, Rooms 25 & 26 Wilcox Building, 48 Custom House Street, Providence, R. I.



Lehrenkrauss on the Job

The Lehrenkrauss Agency, Brooklyn, heard on Friday of last week that the plate glass demoralization was over and that rates had been advanced. Immediately it had printed and rushed to 1,000 brokers the following statement, which reached the brokers on Saturday morning:

"The recent advance in plate glass rates of 25 per cent. has been rescinded and an advance of 12½ per cent. agreed upon by all of the companies in place thereof.

"Therefore, on any policies issued at 25 per cent. increase, your customers will be entitled to a reduction and on such policies as were issued through this office, you will receive endorsement slips, giving credit for said reduction.

"While it is well known that the cost of plate glass is considerably higher and that the companies have had some unusual losses, we know you will agree that the cutting in half of the rate increase will be welcomed by the policyholders and we trust will enable you to hold all your business and obtain considerable new business."

* * *

Cause of Death, Accident or Disease

A benefit insurance policy provided that in case of death by accident, the association would pay a certain sum on proof thereof satisfactory to the directors. The death certificate of insured stated that the cause of his death was coronary sclerosis and chronic arteriosclerosis. The evidence showed that the insured fell on the street and died within a few minutes. The Supreme Judicial Court of Massachusetts holds, Page v. Commercial Travelers' Eastern Accident Association, 114 N. E. 430, that the undisputed statement of facts in the certificate controlled the inference of the cause of death arising from the fact of a fall, rendering it impossible to say as matter of fact that the directors, as reasonable men, should have decided that death was due wholly to accident. The defendant having excepted to a verdict for the plaintiff in an action on the policy, the exceptions were sustained and judgment entered for the defendant.

* * *

Notice of Proposed Amendment of By-Laws

The Iowa Supreme Court holds, Hunt v. Iowa State Traveling Men's Association, 160 N. W. 284, that a mutual benefit accident insurance company is not required, in the absence of fraud, to inform a prospective member of a proposed amendment in its by-laws reducing the period within which death must occur after the accident to render the insurer liable.

John M. Riehle Agency

Thirty of the active agents of the John M. Riehle Agency attended a dinner given to them by Mr. John M. Riehle, manager of the Equitable Life Assurance Society at the National Democratic Club, of which Mr. Riehle is the president.

An interesting talk was given by the superintendent of agencies, W. E. Taylor, and the associate medical director, Robert M. Daley. The new disability and double indemnity accident clauses were discussed, and plans were laid for the 1917 campaign. A 50 per cent. increase at least over the 1916 business was pledged and beyond a doubt will be produced even though 1916 was over 100 per cent. greater than 1915.

* * *

Getting "Satisfaction" for State Fund Grievance

F. A. Olson, chairman of the Washington Industrial Insurance Commission, was shot and killed in his office in the State Capitol by John Van Dell, of Bordeaux, Wash., who was dissatisfied with an amount of money received from the State Accident Fund. Van Dell was arrested.

"WHOLLY DISABLED"

A policy provided for payment for loss of both hands, or if the insured has become wholly disabled by bodily injuries, and will be permanently and wholly prevented from pursuing any and all gainful occupations. The insured lost one hand in a railroad accident. The North Carolina Supreme Court held Buchner v. Jefferson Standard Life, 99 S. E. 897, that he could not recover on the policy, since he was not by his injury prevented from performing all occupations, though he could not again act as a fireman, which had been his occupation. He was not, within the terms of the policy, "wholly disabled."

TO WRITE JITNEYS

The Golden State Indemnity Company of San Francisco, with a paid-up capital of $25,000, has received its license and will begin to do business shortly. J. L. Moritzen has been elected secretary and general manager. The capital stock of the Company is $100,000.

TRANSFER LUTHER HERE

The North American Accident has transferred its group co-operative factory and special contract department, of which H. A. Luther is manager, from the home office in Chicago to New York City. Mr. Luther will also have general supervision over the other business of the Company in the East.

SURETYSHIP

By W. G. Curtis, Manager Bond Department, Aetna Life Insurance Company at Albany, N. Y.

Surety companies are constantly sustaining losses, and in order to get a comprehensive idea of what the losses amount to, we can probably best do so, by a reference to the figures gathered by the "Spectator," a publication devoted to insurance and surety news and statistics. Through that medium under date of May 1915, we are advised, that of fourteen surety companies whose statistics were available, covering a period of ten years, it was found, that this group made an underwriting profit, of three and three-tenths per cent., upon over one hundred and thirty-seven million dollars of underwriting income earned for that period, so you will see, while the profit and loss, of the various companies has fluctuated, that in the aggregate, there is only a very moderate income derived by the companies underwriting surety business, so that any company which can show an underwriting profit of three and one-half or four per cent., on the underwriting income earned, is doing more than the average, the ratio of net losses incurred to underwriting income earned being approximately thirty-eight and one-tenth per cent., and the ratio of expenses incurred to underwriting income earned, fifty-eight and six-tenths per cent., aggregating ninety-six and seven-tenths.

We have seen this business established, and developed, in a period of less than a half century, to a point, where it is considered a prime necessity, in all thorough going business institutions, including Federal and State Governments, as well as private enterprises. It should not, however, be lost sight of, that many of the companies established, have been unsuccessful five of them in the past two years, having ceased writing business in this State, and the list of companies which met reverses is a long one.

Cause of Failures

The cause of the failure of most of the companies, was brought about, from the statistics available, by a rather general disregard of the rules and conditions imposed by the successful companies, such as the writing of bonds, for fiduciaries, without joint control, and for contractors, and on financial guarantees, without securing collateral, and in some instances, by the payment of excessive commissions, and attempting to obtain a large volume of business, by writing at rates which were inadequate, for in the surety business, as in any other line, a general disregard of the methods and practises, which the pioneers of the business have learned from experience, are the successful ones of the operation, is bound, in time, to terminate disastrously. At the present day the surety business as a whole is undoubtedly on a sounder basis than ever before in its entire history.

A Sketch of Walter C. Faxon, Vice-President of Aetna Life

By Howard P. Dunham

Forty-two busy years in the personal accident insurance business is the unique experience of Walter C. Faxon, vice-president of the Aetna Life and the Aetna Accident and Liability Co., of Hartford. Born in the great insurance center, at the age of eighteen years Mr. Faxon entered the employ of the Travelers when James G. Batterson was president. Accident business at that time was still in its infancy having been in practical operation in this country less than ten years. Mr. Faxon saw the wonderful possibilities for its development and early in his career decided to make the business his life work. Seventeen years with the Travelers gave him the opportunity to acquire a thorough knowledge of the accident insurance fundamentals. In 1891 Mr. Faxon accepted an offer of the Aetna Life to assist in organizing and developing its accident department. His progress in this company was rapid and in four years he was elected assistant secretary of the accident department. In 1902 he was elected secretary of the accident and liability departments and in February, 1905, vice-president. Just after the commencement of business of the Aetna Accident and Liability Company he was elected secretary and director of that company and when the Automobile Insurance Co. of Hartford commenced business in 1913 he was elected a director.

When you talk with Mr. Faxon you find him a natural born salesman. He has sold accident and health insurance in the field and sympathizes with agents in their problems.

He is intensely an Aetna man and believes that agents and employes of the Company alike should work together for loyalty and co-operation.

As an accident claim man his knowledge of the history of litigation and his penetrating mind, keen power of analysis, and sound logical judgment have combined to make him one of the best in insurance circles. He has remarkable vigor and clearness of mind and never guesses in his conclusions. He has great ability to get down to essentials. He insists on all the facts and gives each its proper weight before he renders his opinion. His work in connection with national advertising campaigns has also stood out. He has been instrumental in making "Aetnaize" a household phrase. Another characteristic of Mr. Faxon is the possession of a wonderfully efficient memory. His department of the Aetna Life has just turned the three million paid-for business, a goal which Mr. Faxon had determined to reach.

Mr. Faxon is a Mason, a Rotarian, a member of the Hartford Club and Hartford Golf Club. He has been president of the International Association of Accident Underwriters, the Insurance Institute of Hartford, and at present is a vice-president of the Insurance Institute of America. He has been Governor of the Society of Mayflower Descendants in the State of Connecticut, Governor of the Connecticut Society of the Order of Founders and Patriots, a member of the Board of Managers of the Sons of the Revolution of Connecticut, also a member of the order of Colonial Governors, the latter by virtue of his being a descendant from Governor William Bradford of the Mayflower.

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The National Life and Accident Insurance Company
NASHVILLE, TENNESSEE
Industrial, Life, Health and Accident Insurance
in ONE policy

CASUALTY AND SURETY POINTERS

New Bond Forms of F. & D.

For the last three or four years the Fidelity Department has been executing on preferred risks of the F. & D. a broad form of bond, known as No. 400, individual, the corresponding schedule bond form being No. 410. The form itself is very short but the coverage is very broad. The bond covers, in addition to fraud and dishonesty, as is usual in the present-day broad forms, theft, forgery, wilful abstraction and misapplication of moneys and other property belonging to the employer or for which the employer is responsible; it has the usual thirty-day cancellation clause, is continuous in its coverage (not requiring a renewal or continuation certificate), and its execution is not based upon statements or warranties made by the employer. It contains a full recovery provision, under which the employer is entitled to all recovery until he is fully reimbursed for his loss. This feature often proves very valuable to the employer in cases where the defaulting employe is not bonded for as much as he has stolen.

The bond is very liberal in the matter of time allowed, after the cancellation thereof, for the discovery of a shortage, viz: two years, instead of the usual six months. The Company has heretofore executed these two forms only at the home office, and has been submitting them to certain high-grade employers through its agents, when the latter have encountered propositions where only the broadest form of protection is acceptable.

Owing to its past policy of restricted use of these forms, the general agents are not very familiar with them, but through the general favor which they have gained even with their limited issuance, and because of the many requests and inquiries the Company is receiving from those who have seen the bonds, it has concluded that all its agents would welcome the opportunity of familiarizing themselves with these forms No. 409 and 410, and would be glad to submit them to those employers who constitute the so-called preferred risks, and who are, therefore, entitled in the judgment of the agents, to a broad form of bond.

"Now, a word as to those who are prospects for fidelity bonds. Every employer, whether an individual, a partnership or a corporation, which employs men and women having in their custody money or other property belonging to the employer, or for which he is responsible, is a prospect. That is the reason the new bond is so worded," says the "Fidelity Journal," published by the Company.

"The writer had occasion some time ago to visit a newly-appointed agent in one of the smaller towns of the East. Greatly impressed with the size of the retail stores, he inquired of the agent whether any of the proprietors of these stores bonded their cashiers, clerks, bookkeepers, salesmen and other employes, emphasizing the question by a specific reference to a large furniture store just across the street. The reply was that as furniture stores were not mentioned in the Manual, the agent presumed we did not write that class of business. It is a safe bet that his assumption was the same as to all wholesale or manufacturing establishments, and all other classes of business which we do write, but which do not happen to be specifically rated in the Manual. As a matter of fact, the store referred to (the large furniture house) was the very kind of an establishment which produces the best fidelity business. It is not target business, and for that reason practically renews itself. The same is true of the smaller manufacturers and wholesale houses. The fact that they are small is no reason why they do not need fidelity bonds; in fact, they need such protection more than the stronger concern to whom a loss of a few thousand dollars would not be a staggering blow. If they have a clerk, bookkeeper or cashier handling money, they should be protected. The fact that they are small or financially weak is the very best reason why they should carry fidelity insurance.

"In all lines of insurance (personal or property), the individual or firm who can least afford to pay the premium is the very one who can least afford to be without the insurance when trouble comes.

"A great many employers arrange to have their insurance expire during the month of January, or around the beginning of the year. You probably have a list of such employers. They may be customers of yours in other lines, or they may have promised you their business at its expiration, or they may be new prospects whom you have at some time or other contemplated calling upon. In any event, go to see them now. Explain to them exactly what a fidelity bond covers, and by the time you are ready for your follow-up call (if one is necessary), you will be in position to submit to them what we believe to be the best and most liberal form of fidelity coverage obtainable."

MASSACHUSETTS B. & I. RESULTS

Closes Year With Policyholders' Surplus of $1,876,387—Conservative Estimate of Assets

The financial statement of the Massachusetts Bonding & Insurance Company on June 30, after the reduction in the capital, showed a surplus to policyholders of $1,987,250.26. Had the unearned premiums on that date been computed on a pro rata basis, as they have been on December 31, the surplus would have been only $1,891,102.44.

In closing the year with a policyholders' surplus of $1,876,387.68, the Massachusetts B. & I. made a remarkably good showing in view of the conditions surrounding the liability and compensation business during the past year, and especially when there is taken into consideration that on December 31 the Company was penalized by special deposits to the extent of more than $8,600, and, in addition, was required to deduct over $18,000 of recoverable advances on contracts.

In the Massachusetts B. & I. statement stocks and bonds have been valued in accordance with the quotations furnished by the National Convention of Insurance Commissioners, which is over $15,000 less than the market value of the Company's securities as appraised by one of the leading Boston brokerage houses. As the principal part of its investments are in Massachusetts State, county and municipal bonds, which are not sold on the Stock Exchange, and of which there are no published quotations, it is fair to assume that the brokers' quotations are more nearly correct than those used for the official statement.

MEDICAL TREATMENT

Assemblyman Evans of the Bronx has introduced a bill amending the Workmen's Compensation Law by providing that if an injured employe requests it, medical and surgical treatment shall be given after injury by such physician as the employe shall select. A physician so selected may recover in the courts, in his own name and without making the Commission a party to the action, such sum as has been awarded to him for his services by the Commission against the employer or his insurance carrier. Same as Assembly Int. 58, Pr. 458 of 1916 by Evans.

LONDON'S STATEMENT

Great Gain Made in Assets—$4,491,395 on Deposit in This Country

The twenty-fourth annual statement of the United States branch of the London Guarantee and Accident shows unusual strength. The sum deposited with insurance departments and United States trustees is now $4,491,395 as compared with $3,887,479 in the 1916 statement. The surplus to policyholders on December 31, 1916, was $1,041,750 as compared with $1,018,698 on December 31, 1915. The assets are $6,466,094 as compared with $5,321,362 in the December 31, 1915, statement.

Other details of the statement show gains all along the line. This Company, unusually well managed, is writing workmen's compensation, employers' liability, general liability, workmen's collective, elevator, teams, automobile, general accident, health, credit, burglary and boiler insurance. Eastern resident managers are F. J. Walters, New York, eastern department; Elmer A. Lord & Co., Boston, New England department; and Stokes, Packard, Haughton & Smith, Philadelphia, middle department. Gallivan & O'Donnell are general agents in Providence.

GETS F. & C.

The Warren E. Day Co., of Syracuse, has been appointed general agents of the Fidelity & Casualty for the county.

Harrison P. Johnston and Henry J. Harder have been appointed to represent the Massachusetts Bonding & Insurance Company in Pittsburgh, covering the field formerly in charge of Mr. Harder.

W. E. SMALL, President PETER EPES, Agency Mgr. E. P. AMERINE, Secretary

ACCIDENT and HEALTH
PLATE GLASS
BURGLARY

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A Company Devoted to Service

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Surplus and Reserves over $1,400,000.

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RELIABLE AND ENERGETIC AGENTS WANTED



BUSINESS=BUILDERS
DEVELOPING
Fidelity and Surety Bonds, Liability Workmen's Compensation, Automobile, Accident, Health, Burglary and Plate Glass INSURANCE
APPRECIATE THE CO-OPERATION OF THE
Massachusetts Bonding and Insurance Company
BOSTON T. J. FALVEY, President
Paid-In Capital $1,500,000 Write For Territory

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General Manager
Liability, Accident, Burglary, Boiler and Credit Insurance



Established 1869.

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145 Milk St., Boston
Resident Managers New England
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OF LONDON, ENGLAND

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The original and leading Liability Insurance Company in the World
LIABILITY, STEAM BOILER, ACCIDENT, HEALTH, FIDELITY AND BURGLARY INSURANCE
United States Branch
SAMUEL APPLETON, United States Manager
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United States Casualty Company

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THE EASTERN UNDERWRITER

[Succeeding the Journal of Insurance Economics, Established in 1899]

A WEEKLY NEWSPAPER COVERING ALL BRANCHES OF INSURANCE

Eighteenth Year; No. 7 | NEW YORK CITY, FRIDAY, FEBRUARY 16, 1917 | $3.00 a Year; 15c. per Copy

FEB 24

NORTH BRITISH GETS PENNSYLVANIA CONTROL

Latter Company to Be Continued as a Strong and Permanent Philadelphia Institution

IN BUSINESS SINCE YEAR 1825

Officers of Pennsylvania to Continue Their Positions—Wrote $3,923,242 Premiums in 1916

Financial interests friendly to the North British & Mercantile have secured control of the Pennsylvania Fire, which will be continued and developed as a permanent Philadelphia institution. The present Pennsylvania staff, headed by Charles H. Barry, president, will continue in office.

The announcement was a complete surprise to underwriters. Ever since the publication of the statement that there would be a change in the ownership of the Pennsylvania, insurance men have been trying to guess the identity of the new interests, and the guesses were incorrect.

Group Unusually Strong

The North British & Mercantile group, already strong, is now in a most powerful position. In this group are the North British & Mercantile, of London and Edinburgh, whose fire premiums written in 1916 were $5,090,350; Mercantile with 1916 fire premiums of $1,206,042; Commonwealth, with $1,353,159; Pennsylvania Fire, $3,923,242 premiums last year, and Ocean Marine, $400,000.

Incorporated in 1825

The Pennsylvania has occupied an enviable position for years. The name is a potent one with agents; the Company is in high repute with the public. It was incorporated under the laws of Pennsylvania in 1825 with $200,000 authorized capital (par value of shares $100 each). It began business in April, 1825, with $200,000 capital paid in. In 1863 it was increased from $200,000 to $400,000. During 1906, 3,500 new shares of stock were issued at $400 per share, producing $1,400,000 additional funds, of which $350,000 was used to increase the capital from $400,000 to $750,000, and $1,050,000 was contributed to surplus.

The largest item of real estate is a four-story white marble and brick building at 508-510 Walnut Street, Philadelphia, Pa., occupied as the home office of the Company.

Officers

The officers of the Pennsylvania Fire follow: Charles H. Barry, president; Edward T. Cairns, vice-president and treasurer; W. Gardner Crowell, vice-president and secretary; Hampton L. Warner, assistant secretary; William J. Dawson, assistant secretary.

DIRECTORY OF DEPARTMENTS

Life 1
Editorial 10
Fire 11
Casualty 17

"The Largest Fire Insurance Company in America."

THE HOME INSURANCE COMPANY NEW YORK

ELBRIDGE G. SNOW, President

STATEMENT, JANUARY, 1917

CASH ASSETS	$40,047,514.55
Reserve as a Conflagration Surplus	*2,000,000.00
Cash Capital	*6,000,000.00
All Other Liabilities	19,395,766.42
Net Surplus	*12,651,748.13
SURPLUS AS REGARDS POLICY-HOLDERS	*$20,651,748.13

STRENGTH REPUTATION SERVICE

North British and Mercantile Insurance Co.

Established 1809

Entered United States 1866

Policyholders protected by the entire United States assets, with further guarantee in every policy, of protection by entire fire assets of the company which are many times larger.

GOLDEN ANNIVERSARY YEAR

AGENTS WANTED IN

CALIFORNIA

THE

EQUITABLE LIFE of IOWA

HAS ENTERED THE

GOLDEN STATE

IN ITS

GOLDEN YEAR

ADDRESS

H. E. ALDRICH, Supt. of Agencies, DES MOINES, IOWA

GOLDEN ANNIVERSARY YEAR

GOLDEN ANNIVERSARY YEAR

GOLDEN ANNIVERSARY YEAR

"WHAT ARE PROFITS?" ASK MUTUAL LIFE MEN OF U. S. SENATORS

Can't Be Defined, General Opinion—Excess Profits Bill Back in Committee

A DISCRIMINATION AGAINST INSURED

Proceedings Before Sub-Committee of Finance Committee and House Debate on Insurance

Thousands of telegrams are pouring into Washington from life insurance men protesting against the excess profits section, applying to life insurance, of the revenue bill. The bill has been referred back to a committee of the United States Senate because of changes in wording. These changes do not affect life insurance, but there is still a fighting chance of the amendment going through, excluding mutual life companies. Up to Tuesday afternoon the chairman of the Senate Finance Committee had received 1,900 telegrams of protest from life insurance men.

The passage by the House of Representatives of the bill imposing an "Excess Profits Tax" of 8 per cent. on all earnings in excess of $5,000 plus 8 per cent. of the actual capital invested and used or employed in the business of joint stock companies or associations and insurance companies, and the defeat in the House of the amendments excepting mutual life companies, was the leading topic this week in life insurance circles.

"Profits"

Since the receipt of the news from Washington representatives of the mutual life insurance companies have been discussing the question "What is meant by 'profits' in a life insurance company doing business on the mutual plan?" It is generally agreed that it will be most difficult to define just what these profits are, if there are any.

Among the life insurance men who were in Washington during the past fortnight were E. E. Rhodes, Mutual Benefit; Judge Barnes, Northwestern Mutual; Alfred Hurrell and Harvey Thomas, The Prudential; General Counsel McIntosh and Assist. Secretary Pierson, New York Life; John B. Lunger, Equitable; Robert Lynn Cox, Metropolitan; William BroSmith, Travelers; Colonel Fleming, Kansas City Life; President Hoyt, Missouri State Life; Frederick H. Garrigues, Penn Mutual Life.

Hearing Before Senate Sub-Committee

There was no hearing by a House committee, but Mr. Rhodes and Judge Barnes made talks before a sub-committee of the finance committee of the Senate. In the course of the hearing Senator Smith asked Mr. Rhodes if he knew any reason why policyholders of mutual companies should not bear their

share of the preparedness fund. Mr. Rhodes replied: "I think they should, but I know of no reason why the man who insures his life should put up any more for this fund than the man who does not insure his life."

In explanation Mr. Rhodes said:

Here are two men living side by side with the same income; one insured in the Mutual Benefit and the other not insured. So far as the man insured in the Mutual Benefit is concerned the average amount issued with us is about $2,400, and the average yearly premium of a Mutual Benefit policyholder is about $90. The other man is not insured at all. Any one who knows the persistency of the insurance agent knows that when he gets $90 out of the man insured he has all the average man should spend; and it does not need any argument to prove that a man who can afford to pay only $90 for insurance is not in possession of sufficient income to pay an income tax, and that "excess profits" never entered into his calculations. On the other hand, he is scraping the bottom of his pockets to pay that $90. If you tax the man with an average income who did not insure, all right; then go ahead and tax the man who did.

New York Life vs. Styles

The mutual companies in arguing that there are no "profits" in mutual insurance, whether it be life, fire, marine or any other kind of insurance, say that the question has been clearly and convincingly stated in the opinion of Lord MacNaghten in the case of New York Life Ins. Co. vs. Styles, L. R. 14, App. Cas. 381, as follows:

Certain persons agree to insure their lives among themselves, on the principle of mutual insurance. They take care to admit none but healthy lives. They contribute according to rates fixed by approved tables, and they invite other persons to come in and join them by insuring their lives on similar terms. The rates fixed by the tables are taken as being sufficient to provide for expenses, to meet liabilities, and to leave a margin for contingencies. What is to become of the surplus if everything goes right? The practice is to take an account every year of assets and liabilities, and to give the insured the benefit of the surplus, either by way of reduction of premium or by way of addition to the sum insured. It can make no difference in principle whether the surplus is so applied, or paid back in hard cash. In either case, it is nothing but the return of so much of the amount contributed as may be in excess of the amount really required. I do not understand how this excess can be regarded from any point of view, or for any purpose, as gain or profit earned by the contributors. I do not understand how persons contributing to a common fund in pursuance of a scheme for their mutual benefit —having no dealings or relations with any outside body—can be said to have made a profit when they find that they have overcharged themselves, and that some portion of their contributions may be safely refunded. If a profit can be made in that way, there is a field for profitable enterprise, capable, I suppose, of indefinite expansion.

The following is an explanation of "net income," "profits" or "dividends," and "receipts" as applied to the business of life insurance; and why it is that there are not and cannot be any "profits" in a life insurance company doing business on the mutual plan.

In mutual life insurance there have been three methods employed of securing from members contributions to meet losses. The underlying principles and the purposes of each method are identical. They differ only in the way the business is done. Each seeks to accomplish the same end as the other, namely, to give life insurance at cost, but they go about it in different ways as follows:

First. The pure assessment plan, under which the loss payable on the death of a member is, after the event, contributed pro rata by the surviving members. This plan takes no account of the differing ages of the insured members and the inequality in the probable number of contributions each will have to make; nor of the possibility that diminishing numbers will increase the assessments upon the surviving members. It has been found inequitable and is obsolete.

Second. The natural premium plan, under which each member pays each year the cost of carrying his insurance for that year. As the hazard of death increases annually, the premium increases correspondingly, and the plan is objectionable on this account. This plan is used only by fraternal insurance societies.

Third. The level premium plan, which is the one in general use by all insurance companies and which in recent years many fraternal societies have adopted. Under this plan the maximum annual contribution which any member can be called upon to pay is uniform throughout the life of the policy. The member pays during his early years a sum in excess of the current cost of his insurance. This excess is applied to the creation of a reserve, or self-insurance fund, which serves to maintain the insurance in later years when the stipulated level premium would be insufficient to meet the current cost of insurance on the natural premium plan.

Whether a mutual company be conducted on the assessment plan, the natural premium plan, or the level premium plan, the member receives his insurance at cost. The assessment company collects its premiums after the death has actually occurred and the cost is thereby ascertained. The mutual level premium company collects its estimated premiums in advance and adjusts the actual cost afterward.

Calculation of Premiums

The calculation of premium rates for life insurance involves, first, the adoption of a table of mortality showing the probable death rate for each age of life; second, the adoption of an assumed rate of interest such as the company may safely expect to realize upon its invested assets during the lifetime of the policy. These two factors determine what is technically known as the net or mathematical premiums, which are the sums sufficient and necessary to pay all outstanding policies as they become claims, provided deaths occur exactly in accordance with the table of mortality and the rate of interest earned on the investment of such premiums is exactly equal to the rate assumed. To the net or mathematical premiums there is added a sum technically known as "loading," for the purpose of meeting the expense of conducting the business as well as any unforeseen contingencies, such as an abnormal death rate due to war or pestilence. The net or mathematical premiums, increased by the "loading," constitute the premium rates stipulated in the policies of insurance.

Premium rates so computed are, in the experience of life insurance companies, generally found to be in excess of their requirements. In a mutual company such excess constitutes its margin of safety, and must be liberal. Such a company has no capital stock and must rely entirely upon its premiums to meet unusual contingencies. They must be sufficiently large to assure the company's ability to pay its claims beyond peradventure as they accrue. Their policies may run for a period of fifty or even seventy-five years, and the stipulated premium cannot be increased after the policy is issued. In computing their rates the companies use, therefore, a table of mortality showing an admittedly higher death rate than that which will probably be realized. The assumed rate of interest on investments is also lower than that which the company expects to realize. The provision for expenses and contingencies is greater than would ordinarily be required. Mutual companies have these three margins of safety, and, normally, each assumption is in excess of what is actually required.

An Advance Deposit

In mutual insurance the annual premium is really and in effect an advance deposit to secure the payment of each surviving member's share of the contributions necessary to pay the losses by death as they are determined by experience. A company which fixed its premiums, or advance deposits, at a higher figure than another, would show a larger so-called "profit" than the other company, if such "profit" be figured according to the rule applicable to ordinary business. In either case, however, the "profit" would be altogether fictitious.

At the end of each year the excess of income over disbursements is ascertained and after setting aside so much of said excess as is required for the increase in policy reserves and other liabilities, including the contingency reserve, the balance is held for refund to the policyholders. Each policyholder's share in this sum is then ascertained, and before his next premium falls due he is advised of the amount of the refund of premium due him and that the company will accept in full settlement of his next premium the difference between the premium written in his policy and the amount of this refund.

Life insurance on the mutual plan's object is not gain, but by co-operation to secure insurance at actual cost. It is an enterprise not for profit but for insurance protection to policyholders. Its members are associated for the sole purpose of mutually bearing one another's burdens. The notion of gain, profit, earnings, dividends, in the ordinary signification of those words, is entirely foreign to the nature and purpose of life insurance on the mutual plan.

The Reserve

The reserve, or self-insurance fund, which is created out of the excess premiums paid in the early years of a life insurance policy and which relieves the insured from the necessity of paying prohibitive premiums in old age, is fundamental. Its maintenance is required by the laws of every State in the Union, and if it becomes impaired, a life insurance company is under the law regarded as insolvent and is prohibited from transacting business as long as the impairment continues. It is this fund and the interest earned upon it which enables a life insurance company to furnish insurance on the "level premium" plan.

The only income which life insurance companies have, outside of their premiums, is the interest earned upon this invested fund. Approximately 35 per cent. of the reserve funds held by life insurance companies is invested in mortgage loans, 25 per cent. in railroad bonds, 15 per cent. in loans to policyholders on the security of their policies, 11 per cent. in State, county and municipal bonds, and 3 per cent. in real estate. About 1 per cent. is invested in stocks. During the past ten years the percentage invested in real estate has decreased more than half, while the percentage invested in stocks has decreased about 75 per cent. On the other hand, the percentage invested in mortgage loans, in State, county and municipal bonds, and in loans to policyholders, has very largely increased.

The average rate of interest earned in 1915 by the twenty-nine most prominent companies was 4.88 per cent. During the twenty years, 1896 to 1915 inclusive, the average rate was 4.77 per cent. Aside from the comparatively small amount held to meet contingencies, every dollar of this interest over and above the amount needed to make up the reserve which the law requires

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It is not a very big book—but each page is full of helpful suggestions and pointers which apply directly to your office.

If you are interested in a better way of getting work done—and you certainly are—you will want this book.

Every executive needs it for the sake of his business and himself. There is no cost or obligation. Your request on your letterhead brings it to you.

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the companies to hold, is refunded to the policyholder to adjust his premium to the actual cost.

Thus the business of life insurance on the mutual plan bears no analogy to the ordinary transactions of a commercial enterprise. Its whole aim and purpose is mutuality and co-operation, not for the purpose of income, profits, dividends or corporate receipts, but solely to give to its policyholders insurance protection at actual cost.

Effect of the Excess Profits Bill

The effect of H. R. 20,573 is described as follows:

The bill provides in Section 203 that the tax shall be computed upon the basis of the net income shown by the income tax return. The true net income of a life insurance company conducted upon the mutual plan is not the net income shown in its income tax return. For the purposes of the income tax law, the net income is determined by taking the gross income from premiums, interest, and other sources, and making certain arbitrary deductions therefrom. The receipts of a life insurance company doing business on the mutual plan are no more its income than are the deposits in a bank the income of a bank.

Section 201 of the bill provides that from the net income shown by the income tax return there is to be deducted the sum of $5,000 plus 8 per centum of the actual capital invested, and that upon the balance a tax of 8 per centum is to be levied. In a mutual life insurance company, what is the actual capital invested?

Section 202 defines actual capital invested as (1) actual cash paid in, (2) the actual cash value, at the time of payment, of assets other than cash paid in, and (3) paid in or earned surplus and undivided profits used or employed in the business; but does not include money or other property borrowed by the corporation or partnership.

If (1) and (2) in this bill mean capital represented by shares of stock, then a mutual company has no such capital. It holds a surplus or contingency reserve which under the laws of New York and other States cannot exceed 7½ per cent. of its legal reserve. If this contingency reserve can be treated as surplus or undivided profits used or employed in the business, then it is entitled to deduct 8 per cent. thereof from its net income as ascertained in the manner required by the income tax law.

Taking New York Life for Example

Applying this construction to the bill let us see what will be its effect upon a mutual life insurance company.

Take for example the New York Life Insurance Company, which in its income tax return stated in the manner required by the income tax law for the business of the year 1915 showed a net income of $11,333,882, on which in 1916 it paid the Federal Government an income tax of $113,338.82. Under the present income tax law this tax will be more than doubled. On December 31, 1915, its accounts showed a contingency reserve of $43,436,629. Eight per cent. of this contingency reserve is $3,474,930. Adding thereto the specific exemption of $5,000, we have $3,479,930 to be deducted from such income of $11,333,882. The difference is $7,853,952 which, as "excess profits," is subject to a tax of 8 per cent., or $628,316. The figures for the year 1915 are used only because the figures for the year 1916 are not yet compiled. Thus, policyholders' money in the New York Life Insurance Company which in 1915 earned only 4.57 per cent. on its invested funds would be taxed under this bill $628,316; but if the same money had been invested in any ordinary commercial business which earned only the same rate it would be subject to no tax whatever.

If the present income tax rate of 2 per cent. had been assessed against the business of the New York Life Insurance Company for 1915, and if the proposed tax now under discussion had also been paid on the business of that year, the total tax collected by the Federal Government would have been $854,993, which added to the taxes exacted by the several States in which the Company is doing business would have brought its total tax burden for that year up to the enormous sum of $1,993,058, exclusive of taxes on real estate.

The burden imposed by this bill will fall in like manner on other life insurance companies.

It is a fact that many mutual life insurance companies have become large institutions by reason of having rendered a service for more than half a century, which has attracted to their membership large numbers of those who desire to protect their families against the hazards of death; but the size of these institutions ought not to render them subject to burdensome taxation.

The principles underlying life insurance on the mutual plan are the same whether the company be large or small. A large company must have assets in proportion to its insurance liabilities, precisely the same as must a small company.

Average Policy $2,000

The average amount of insurance covered by the policies of the large companies is about $2,000 and the average premium collected from their policyholders is only about sixty dollars per annum. In the main, their membership is composed of persons who have comparatively small incomes. Any tax which they are required to pay in their corporate capacity must, of necessity, affect the cost of their insurance. A mutual life insurance company has no funds out of which taxes can be paid except the premiums currently paid by policyholders and the income derived from the funds held to meet their policy obligations as they mature. If this income is drawn upon, the amount withdrawn must be replaced by additional contributions from the policyholders.

The argument has been directed primarily to mutual companies organized without capital stock. There are, however, a number of life insurance companies organized as stock companies but doing business on the mutual plan. As a rule, such form of organization was required by the laws of the States in which they were domiciled. Their dividends to stockholders are limited to a reasonable return upon the capital stock, and what has been said with regard to purely mutual companies is equally applicable to such companies.

In a commercial enterprise the capital and surplus measure the investment employed to earn profits for the stockholders. In mutual life insurance the entire assets belong to the members and are invested at a low yield to reduce the cost of the member's insurance. To treat the so-called surplus or emergency fund—that is the narrow margin of assets over required reserves—as the only capital invested for the purpose of determining excess profits is unsound, unfair and wholly foreign to the spirit of the proposed tax.

Obviously the bill, its object, purpose, intent and terms are inappropriate to the business of insurance transacted on the mutual plan.

Proceedings in House

Congressman Kitchin, Democratic leader of the House, quickly showed that he was against any amendment providing for exemption of life companies from the tax after the House had the matter under consideration. This was shown by the following exchange of questions and answers:

Mr. Moore, Pennsylvania: Mr. Chairman, I will ask the gentleman from North Carolina whether he intends to insist upon the bill as it is written?

Mr. Kitchin: I do.

Mr. Moore: I understand we cannot agree.

Mr. Kitchin: We cannot.

The Clerk of the House then read the section under discussion—Sec. 201—the first half of which relates to insurance companies, this being the text:

Sec. 201. That in addition to the taxes under existing laws there shall be levied, assessed, collected, and paid for each taxable year upon the net income of every corporation and partnership organized, authorized, or existing under the laws of the United States, or of any State, Territory, or District thereof, no matter how created or organized, excepting income derived from the business of life, health, and accident insurance combined in one policy issued on the weekly premium-payment plan, a tax of 8 per cent. of the amount by which such net income exceeds the sum of (a) $5,000 and (b) 8 per cent. of the actual capital invested.

Parker Speaks on His Amendment

Mr. Parker, of New Jersey, had an amendment which the clerk read:

Amend the amendment, page 2, line 25, by adding after the word "companies" the words "excepting purely mutual companies."

The proceedings from this point on are of deep interest to life insurance men.

Mr. Parker of New Jersey: Mr. Chairman, the business of mutual insurance is one that is carried on entirely for the benefit of the people. Not a dollar goes into the hands of any stockholder or corporation. The moneys that are received are all paid in by the people interested as their share of the business of the company. The money paid out is of the following classes: Their expenses of the business, which would be deducted under all circumstances. The return premiums, which are especially ordered to be deducted. Page 15 of the act, at the end of section 12, has this deduction:

And life insurance companies shall not include as income in any year such portion of any actual premium received from any individual policyholder as shall have been paid back or credited to such individual policyholder, or treated as an abatement of premium of such individual policyholder.

But, besides this, every life insurance company has to put by in what they call a reserve, parts of the premium, or of their interest on investment, as a reserve for the payment of policies which do not belong to them. As long as that reserve remains in their hands there is not a dollar that goes to that company as profits. Nevertheless, under the old law the Secretary of the Treasury tried his best to hold that all receipts by the companies for the benefit of the policyholders and to be returned to the people should be charged as their income; whereas these are the policyholders' payments for their own benefit on their policies, which is all going to be returned to the policyholders. I see no reason why mutual companies doing a purely mutual business should be taxed as if they were making profits, because if they do a large business they are receiving millions of dollars in premiums and not paying out so much in losses, because they had to put the money by in a reserve. The companies are saving for the people, not for themselves. It is not profits; it is a charity done for the whole people of the United States, which had to be put under careful laws to see that it was executed rightly. That is done under the laws of the several States in order to do justice to the people and so that the companies shall not make profits for anyone. I ask, therefore, that purely mutual companies shall be exempt from the extra profit tax, because in justice



INDUSTRIAL CONCERNS throughout the land are proving the patriotism of business by insuring entire staffs of employees. The Prudential will lend a hand—make it easy for firms to insure their workers.

Family Insurance has placed America First in Life Insurance, and Group Insurance will help to keep it there.

The Prudential has a fine Group plan. Group Insurance is endorsed by every concern that has tried it. Send for brief, forceful, descriptive circular.

THE PRUDENTIAL INSURANCE CO. OF AMERICA

Incorporated Under the Laws of the State of New Jersey

FORREST F. DRYDEN, President — Home Office: NEWARK, N. J.

they make no profit whatever. [Applause.]

Kitchin Asks for Time Limits

Mr. Kitchin: Mr. Chairman, the whole question is whether mutual companies be excluded from the operation of this tax. The Chairman will notice that in line 25, page 2, the words "insurance companies" are used, and section 201, page 3, in line 15, is another place where an amendment can be offered to except mutual insurance companies.

I ask unanimous consent that amendments to section 201 and section 200 with respect to excepting mutual insurance companies be considered together, and that all debate on the two sections and all amendments thereto be closed in 20 minutes, 15 minutes to be controlled by the gentleman from Pennsylvania [Mr. Moore] and 5 minutes by myself.

Moore's Amendment to Exempt Mutual Companies

The Chairman: The Chair will put the request after the Clerk has reported the amendment offered by the gentleman from Pennsylvania.

The Clerk read as follows:

Page 3, line 18, after the word "plan," insert the words "and from the business of life insurance companies issuing policies upon the mutual plan."

Mr. Moore of Pennsylvania: Mr. Chairman, the purpose of this amendment is to relieve the mutual life insurance companies of the taxes which would otherwise be imposed by this bill. I understand that certain mutual companies are not included in the income tax law but the mutual life companies are, and it would be an unnecessary hardship upon the members of those associations who participate in the distribution of their own money to have this 8 per cent. tax added. There are no profits, as such, arising from the business of a mutual insurance company. The money is paid in by the members and it is returned to the members, and there are no such profits or accretions as are usually regarded as profits in a business concern. When the income-tax law was before the House the thought generally was that the mutual companies should be excepted and certain mutual companies were excepted in the law.

Now, the whole theory of the mutual life insurance companies, as I understand it, is to relieve a community or a State of a very great burden—that of caring for the poor and the distressed. It is a theory that holds in foreign countries, particularly in England, and it is the basis upon which these mutual companies are organized and conducted in the United States. I am informed that England, which was the parent of income-tax legislation, exempts one-sixth of the amount of income if devoted to life insurance. If a man dies without insurance and leaves a widow and a family of children, their only recourse, if they are dependents, is to go to the State, and the State must bear the burden of their maintenance. The mutual company steps in by virtue of the contributions of its members and relieves the State of the burden of taxation that must necessarily ensue if such independent provision were not made for the maintenance of the widow and orphans or the beneficiaries of the family.

Mr. Farr of Pennsylvania: Mr. Chairman, I am in favor of the amendment excepting mutual life insurance companies from taxation under the provisions of this bill. This burden will fall particularly hard upon poor, struggling people who are endeavoring to carry insurance to provide for their families after their departure from this earth, and I think an exception ought to be made in such cases.

Mr. Dempsey of New York: Mr. Chairman and gentlemen, the committee which prepared this bill has inserted an exception exempting policies where they are issued for life, health, and accident, combined, on the weekly payment plan. Now, that is a very proper provision; but if it is proper, then the amendment proposed is equally proper. The purpose of exempting the kind of policy which is exempted is to encourage those who otherwise would not provide for their families upon their death to take policies, and in that way leave something for those who would be left without means of support.

Now, is there any insurance which is not issued upon that basis? I think that you will all agree upon consideration that there is none. The man of small means, the salaried man, the workman take insurance policies for that reason, and for that reason alone; and for what reason does the man of large means take insurance? Why, he cannot take it as an investment, because everyone concedes that you can do better in normal times, and much better in such times as this, by a great variety of investment. You can derive larger income in many ways than you can from insurance; and it is questionable whether you derive substantially any income at all from insurance. The man of large means takes insurance and takes it only because he is about to embark on large risks, and he wants in the event of his death or in the event of the miscarriage of the undertaking in which he is about to engage, to provide for that casualty. I say to you now that what you should do is to extend this exemption so that the man of large means will be encouraged to promote prosperity, to undertake great undertakings, to employ labor, to take great risks, where he may win or may lose; and encourage the man of small means to take insurance, whether he takes it by this particular plan or by any other plan.

Mr. Kahn: Mr. Chairman, I have received a number of telegrams from California, from responsible citizens, in opposition to this provision of the bill. I ask unanimous consent that I may insert them in the "Record."

The following are the telegrams referred to:

San Francisco, Cal., January 30, 1917.
Hon. Julius Kahn,
House of Representatives, Washington, D. C.:
Eight per cent. tax proposed by Democrats on profits life insurance companies, less certain deductions, will seriously increase cost to policyholders, who have voluntarily protected themselves by taking out life insurance. In our opinion it is a tax on a man who is doing right thing by protecting dependents. Urge you vigorously oppose it.

GEORGE U. HIND.
GEORGE D. CLARK.
GEORGE A. MOORE.
VICTOR ETIENNE, JR.

Los Angeles, Cal., January 30, 1917.
Hon. Julius Kahn,
House of Representatives, Washington, D. C.:
The Pacific Mutual Life Insurance Co., a California institution, and the largest company of its kind west of the Mississippi River, pays a large annual tax to the State of California of 2 per cent. on its premiums. In addition to this, it pays a similar tax to each State in which it transacts business, besides many other license taxes, etc. In addition, it pays a Federal income tax of over $18,000 a year, and this year an additional excise tax to the Federal Government of about $2,500 on its capital stock. And it is now proposed by the new Federal income-tax bill to collect a further tax of 8 per cent. on its profits, which would amount probably to about $80,000 a year in addition. When you remember that the profits of a life insurance company are largely savings from mortality and earnings on reserves for the benefit of its policyholders which are returned to them, you will readily see that these so-called profits are not the kind of profits which this emergency tax is intended to reach. We submit that life insurance is already tremendously taxed, and that this additional tax is simply in excess of the limit. We ask you in the name of our policyholders, who are over 100,000 in number, to use your influence to exempt life and accident insurance companies from this unjust tax.

GEORGE I. COCHRAN,
President Pacific Mutual Life Insurance Co.

(Continued on page 5.)

THE
First Mutual
Chartered in America, 1835
New England Mutual Life Insurance Co.
BOSTON, MASSACHUSETTS
ALFRED D. FOSTER, President
D. F. APPEL, Vice-President

FINANCIAL STATEMENT

Assets, Jan. 1, 1916 ..... $74,274,980.68
Liabilities 69,154,791.00
Surplus $5,120,189.68

The New England Mutual's recognized position in the front rank of American companies is the result of seventy-two years of honorable, capable and equitable dealing. If you are a "front rank" man—you want to be identified with such an institution.

EDWARD W. ALLEN, Manager
217 Broadway, New York
LATHROP E. BALDWIN, Manager
141 Broadway, New York

THE MOST VALUABLE POLICY FOR YOU,
Mr. Agent, is to write your prospect in the Company writing the most valuable policy for the insured.
Secure **prompt action** in the
John Hancock MUTUAL LIFE INSURANCE COMPANY OF BOSTON MASSACHUSETTS
WILLIAM N. COMPTON, General Agent
METROPOLITAN DISTRICT, ST. PAUL BLDG., 220 BROADWAY, NEW YORK, N. Y.

We don't contract with poor men.
We give a new man our attention until he is started.
We make our men make good.
Why don't you work for us?
Peoria Life Insurance Company
PEORIA, ILLINOIS

THE AVERAGE EARNINGS OF THE AGENTS
OF THE
Standard Life Insurance Company
∴ ∴ OF PITTSBURGH ∴ ∴
are higher this year than ever before. Our attractive Accident and Health Policies have helped them to make more money.
Write for a LIFE, ACCIDENT AND HEALTH Contract to
FRANK A. WESLEY
Vice-President and Director of Agencies

PURELY MUTUAL THE CHARTERED 1857
Northwestern Mutual Life Insurance Co.
MILWAUKEE, WISCONSIN
GEO. C. MARKHAM, President
INSURANCE IN FORCE, $1,420,012,571
SATISFIED POLICYHOLDERS each year apply for over 35% of the new insurance issued.
NORTHWESTERN POLICIES are easiest to sell and stay longest in force.
Mortality 60.31%. Interest 4.95%. Expense 10.46%.
AGENTS PROTECTED by enforced No-Brokerage and Anti-Rebate Rules.
Income Insurance
Corporation Insurance
Partnership Insurance
It Will Pay You to Investigate Before Selecting Your Company
Write to
H. F. NORRIS
Superintendent of Agencies
Milwaukee, Wisconsin
Large "Dividends"
Low Cost
Service Policy

Mr. Fuller: Mr. Chairman, I will not offer the amendment I proposed a few minutes ago, because the amendment offered by the gentleman from New York [Mr. Dempsey] covers precisely the ground that I proposed to cover. I think the amendment is sufficient to cover the entire claim that we make, that these companies—life insurance, health insurance, and accident insurance companies—should be exempted from the payment of this tax, if the tax is justified in any case. These companies exist for the benefit of the people who are left dependent, perhaps, by the death of the protector of the family, and if anything on earth ought to be exempt it is insurance policies of this kind.

I do not see how, under the arguments made by the gentlemen on the other side yesterday, they can for a moment justify this kind of a tax against the funds provided for those who may be left destitute when the head of a family is taken away. I sincerely hope that either the amendment offered by the gentleman from New York [Mr. Dempsey] or that of the gentleman from Pennsylvania [Mr. Moore] may be adopted.

The Chairman: The time of the gentleman from Illinois has expired.

Mr. Moore of Pennsylvania: Mr. Chairman, I yield three minutes to the gentleman from Delaware [Mr. Miller].

The Chairman: The gentleman from Delaware is recognized for three minutes.

Mr. Miller of Delaware: Mr. Chairman, I shall support the amendments offered to sections 200 and 201 of this bill as they relate to insurance companies, because I think any amendment that will perform a legislative operation on this bill is a good move and should be adopted. Further, I believe that the first amendment offered by the gentleman from New Jersey [Mr. Parker] exempting mutual insurance companies is unassailable and one that the majority in this House may well consider and adopt at this time.

In the few minutes remaining I am going to hand to the Clerk to read a portion of a letter that I received today which covers fully my views on the matter of taxing these insurance companies.

Unlike any other country in the world, civilized or uncivilized, the United States already imposes a tax of over $1,000,000 per month upon American policyholders—to be exact, $13,676,096 last year. These taxes in 1890 aggregated $2,000,000; last year, $13,676,096. This premium tax imposed would have furnished insurance protection of $500 each to 1,159,200 more families, now left without a dollar, and yet it is estimated that the United States is paying for dependency in various ways—organized channels, public and private—between $350,000,000 and $400,000,000 per annum, not including the amount paid in Government pensions.

Why should legislation seek constantly to restrict expenses of life insurance companies, yet compel officers to pay this one increasing, arbitrary, excessive, and unjust expense?

Why not label laws taxing life insurance policyholders "An act to restrict thrift and providence by taxation"; "An act to encourage dependency"; "An act to tax almshouses, orphanages, and philanthropic institutions?"

"If village neighbors collected $1,000 for a destitute widow and her orphans and were met at her house by a taxgatherer demanding $70, he would probably be mobbed. Yet this is what our States take from every $1,000 paid to the widows."—Haley Fiske.

Yours very truly,
W. W. KNOX.

Mr. Oakley of Connecticut: Mr. Chairman, I come from one of the great homes of life insurance, and for the last few days have received a great number of protests against this provision of the bill. In the moment allowed me I want simply to join hands and heart with the gentlemen who are making this protest against taxing the policyholders of the mutual life insurance companies of America. Their voice goes out to you, my colleagues, as well as that of the officers who conduct these great companies, asking you to strike from this measure this unjust and unfair provision, and I ask you in all sincerity to help us do it.

Mr. Moore of Pennsylvania: The mutual life insurance company is the last thing in the world that ought to be taxed in war time or any other time. It makes no profits like the business concern makes. It has no opportunity to make such profits. It is not in the profit-making business, and in war time in particular it stands in the stead of the Government, whose funds are depleted, to take care of the widows and orphans that the Government can not possibly take care of. It seems to me that in the interest of that humanity of which the gentleman from North Carolina [Mr. Kitchin] spoke so feelingly in the earlier part of his address these two amendments should be agreed to.

Mr. Kitchin: Now I want to address myself to the amendment offered with respect to exempting mutual insurance companies. Why, gentlemen, the policyholders in this country will not feel the sensation of the loss of a penny by the operation of this law. Every insurance company, fraternal beneficiary society, or any other kind of insurance company that is exempted under the present income-tax law is exempted from the operation of this bill. Mutual insurance companies which now have to pay taxes under the present income-tax law will have to pay under this law, and those which are exempted under that law will be exempted under this.

Let me say to the House that the twenty largest insurance companies in this country have reserves aggregating nearly $4,000,000 000. To-day these twenty largest insurance companies of the United States have an income from the invested reserve outside of what the policyholders pay, outside of the excess of assets over their legal reserve, amounting to $200,000,000. And yet, there are so many exemptions and deductions under the income-tax law that they paid last year only about $300,000 income tax; and under the present income-tax law, paying double the normal tax, they will pay about $600,000. All other corporations with anything like the assets these companies have will pay many times that amount under the operation of this law as compared with the amount these insurance companies will pay. Under this tax the twenty insurance companies will pay about $2,000,000. This taxes only the net income. Every dollar of the premium returned to the policyholders is deducted. The tax can not fall on the policyholder, and I trust that no man will vote for the amendment on the ground that it falls on the policyholder. If they are opposed to this tax, let them pay it back to the policyholder as a refund, and then it will be deducted. They can get rid of the tax by paying it back to the policyholders.

Mr. Parker of New Jersey: Do not they have to put by a trust fund in what is called the reserve?

Mr. Kitchin: That is not taxed now.

Mr. Parker of New Jersey: Yes; it is taxed.

Mr. Kitchin: The net income will be taxed, not that put aside as a reserve. If they do not want the tax, let them send it back to the policyholders.

The Chairman: The gentleman's time has expired, all time has expired, and the question is on the amendment offered by the gentleman from New Jersey [Mr. Parker], which the Clerk will report.

The Clerk read as follows:

Page 2, line 5, after the word "companies," insert "excepting purely mutual insurance companies."

The Chairman: The question is on the amendment.

The question was taken; and on a division (demanded by Mr. Moore of Pennsylvania) there were 111 ayes and 113 noes.

Mr. Mann: I ask for tellers.

Tellers were ordered.

The Chair appointed as tellers the gentleman from Ohio [Mr. Allen] and the gentleman from New Jersey [Mr. Parker].

The committee again divided, and the tellers reported that there were 133 ayes and 171 noes.

So the amendment was rejected.

The Chairman: The question now is on the amendment offered by the gentleman from Pennsylvania [Mr. Moore], which the Clerk will report.

The Clerk read as follows:

Page 3, line 18, after the word "plan," insert "and from the business of life insurance companies issuing policies upon the mutual plan."

The question was taken, and the amendment was rejected.

The Chairman: The question now is on the amendment offered by the gentleman from New York [Mr. Dempsey], which the Clerk will report.

The Clerk read as follows:

Page 3, lines 16, 17, and 18: Line 16, strike out "and" and insert "or" in place thereof; after the word "insurance," line 17, strike out "combined in one policy issued on the weekly-premium payment plan."

The question was taken, and the amendment was rejected.

EQUITABLE'S QUESTION BOX

The following appeared in the question box of "Agency Items," published by the Equitable Life of New York:

Question. Can the disability clause be included in an income bond if the insured already has the disability limit under a regular policy?

Answer. No. The disability limit is $25,000 on a single life, irrespective of the form of contract on which it is carried.

Question. Can dividends on an income bond be left to purchase an increased income at the maturity of the bond?

Answer. No. It is impossible to make this adjustment under the income bond contract.

Question. If a policyholder successfully passes a free health examination, can that examination be used in connection with an application for new insurance?

Answer. No. There is absolutely no connection between the free health examination service and the transaction of regular business. The full medical examination on the regular form will have to be passed if a policyholder desires an additional contract.

But the man who gets a regular medical examination gets incidentally at the same time what has all the advantage of a health examination.

Question. Do the words "incorporated common carrier" in the Society's travel accident double indemnity clause mean the same as the words "licensed carriers"?

Answer. No. An individual can obtain a license as a common carrier, and it is not the intention of the Society to cover individual carriers. The Society's clause applies only to carriers actually incorporated in accordance with the laws governing the incorporation of business enterprises.

NEW RECORD ESTABLISHED

The Missouri State Life established a new high record for it during January, 518 members of the field staff contributing applications for $5,401,536 of insurance. The Company has set its mark at 3,000 applications during February to keep up the pro rata amount necessary to round out the $57,500,000 for 1917.

ROSENFELD IN ENGLAND

Henry L. Rosenfeld, fourth vice-president of the Equitable Life, who was to have sailed for America this month, will remain in England for the present.

REDUCE GROUP RATES

Prudential's New Premiums for One Year Renewable Term Group Insurance

The Prudential Insurance Company has made a considerable reduction in its premiums for group insurance.

The new premiums for one year renewable term group insurance per $1,000 follow:

Age	Annual Premium	Age	Annual Premium
20	$5.93	46	9.88
21	5.95	47	10.52
22	5.97	48	11.23
23	6.00	49	12.01
24	6.02	50	12.89
25	6.05	51	13.89
26	6.09	52	14.98
27	6.14	53	16.19
28	6.18	54	17.50
29	6.23	55	18.92
30	6.28	56	20.41
31	6.32	57	22.07
32	6.37	58	23.92
33	6.41	59	26.03
34	6.46	60	28.43
35	6.52	61	31.21
36	6.59	62	34.33
37	6.69	63	37.81
38	6.82	64	41.63
39	6.99	65	45.82
40	7.21	66	50.41
41	7.51	67	55.36
42	7.87	68	60.63
43	8.29	69	66.23
44	8.77	70	72.13
45	9.30		

These rates will be used where all the members of the group are eligible for regular ordinary insurance at regular rates, such as employes of a bank, trust company, or other first-class commercial institution where there is no extra hazard of any kind involved. If any of the employes of a group are engaged in an occupation that is more or less hazardous, which would make them ineligible for a regular ordinary policy at regular rates, the rates as a whole will be modified to whatever increase may be necessary.

CHILD BY PREVIOUS WIFE

Excluded in Policy Payable to Husband of Insured (Who Dies First), or "Their Children"

A life insurance policy was made payable to the husband of insured or, in the event of his death before hers, to their children, their executors, administrators, or assigns. The husband was dead when the policy was issued. There were no children of insured and the husband, but the husband left a child by a former wife, who was administratrix of her father's estate. Held, that as the interest of the husband was contingent upon his surviving the insured, he acquired no transmissible interest in the proceeds of the policy which his personal representative could enforce.

Where a life insurance policy is payable to the husband of the insured, or, in the event of his death before hers, to their children, their executors, administrators, or assigns, the words "their children" referred to the children of both insured and her husband, and does not include a child of the husband by a previous wife.

Hersham v. Aetna Life, Supreme Court of Massachusetts.

COMPLETELY RENTED

The building of the Equitable Life Assurance Society, representing an investment of $30,000,000, has been completely rented. It is reported that the rentals approximate $3,000,000.

Why Farmers Should Carry Life Insurance Protection

Prize Essays in W. M. Horner Contest Written by Farm People

Nicholas J. Kramer, Jr., forcefully presents the need of sound life insurance for the farmer. His essay is well composed and his arguments are full of action. He won first prize for the State of South Dakota and the grand prize in competition with the twelve first State prize essays of Minnesota, Iowa, and South Dakota. The total prize was $110.

The greatest certainty in life is death and the greatest uncertainty is the time of its coming. Knowing this fact every person should provide for the support and protection of those who love him and depend upon his efforts for subsistence, who may, after his death, be left at the mercy of creditors, become objects of charity, or be thrown upon their relatives for support.

To afford this protection life insurance companies have been organized and are conducted as a sacred trust. This sacred trust, at first denounced as a gambling scheme, a wager against death, and condemned by clergymen as opposed to Biblical laws, has become a necessity for all classes of society. That this has been realized is evident from the fact that nearly four billion dollars have been paid to beneficiaries of policyholders within ten years.

No class needs life insurance more than the farmer. What he needs is an endowment policy in an old line company; an endowment policy because it returns to him, for his own use in his mature years, the savings of his younger years, at a moderate rate of interest and affords the same protection as a "whole life" policy to his family if he dies before his policy expires; in an old line company, because this is the only company which has successfully stood the test of experience, has fixed premiums and time of payment, and must maintain a reserve fund adequate to the payment of its future obligations, less the future premiums which it will receive. He can insure to any amount, make the policy payable to any beneficiary whom he may elect, and change the beneficiary if this right is reserved to him, but the policy is considered the property of the beneficiary.

If the farmer has a large estate and cannot sell it without a loss at once when he can no longer carry on the farming business, or when, after his death, his wife needs money for funeral expenses or to continue the farm work, if he is poor and must depend upon the annual harvest for ready money, or if he has debts, an endowment policy, payable when he is sixty, and amounting to the sum of his debts or to a sum adequate for his support in his mature years, or his family's support after his death, would prevent poverty or the sacrifice of any portion of his estate.

A life insurance policy offers the farmer special advantages, because it can be placed beyond the reach of creditors, need not be involved in business misfortunes, can be given as security or sold by the owner, and permits the insured to borrow money from the company under certain conditions and limitations stated in the policy.

With these uses of life insurance in mind every farmer, knowing that "death, a necessary end, will come when it will come," should procure life insurance. Tomorrow may be too late.

Oscar E. Rein of Iowa won second grand prize of $60. *This essay deals with the business phases of farming and shows the necessity of sound life insurance in stabilizing farm investments the same as stabilizing commercial investments.*

The modern business man with foresight carries enough life insurance to cover all the obligations which he necessarily incurs in the transaction of his business, so that in the event of his death, the business will remain unencumbered and ready to be carried on profitably by his heirs. The farmer is just as much a business man as those engaged in commercial enterprises in the city, and he should have just as good protection for his business and just as good provision for its continuation by the heirs in case of their death, as they have.

That no one can take care of a man's business as efficiently as that man can and that no mind can carry out a campaign as well as the mind that planned it, are well known facts. When a farmer dies and leaves his farm in the hands of his widow and children, the chances for their success are greatly decreased because they are at a disadvantage in having an incomplete knowledge of the management of the business. They cannot handle it as well as the farmer himself would. In a case of this kind a sum of life insurance will serve the business on a firm foundation, or the regular payments which may be arranged for will serve to carry the business along a safe margin until the new operators become familiar enough with its management to handle it successfully without such assistance.

The older farmer who owns his land free of incumbrance is partially justified in thinking that he needs no life insurance, but the young farmer of

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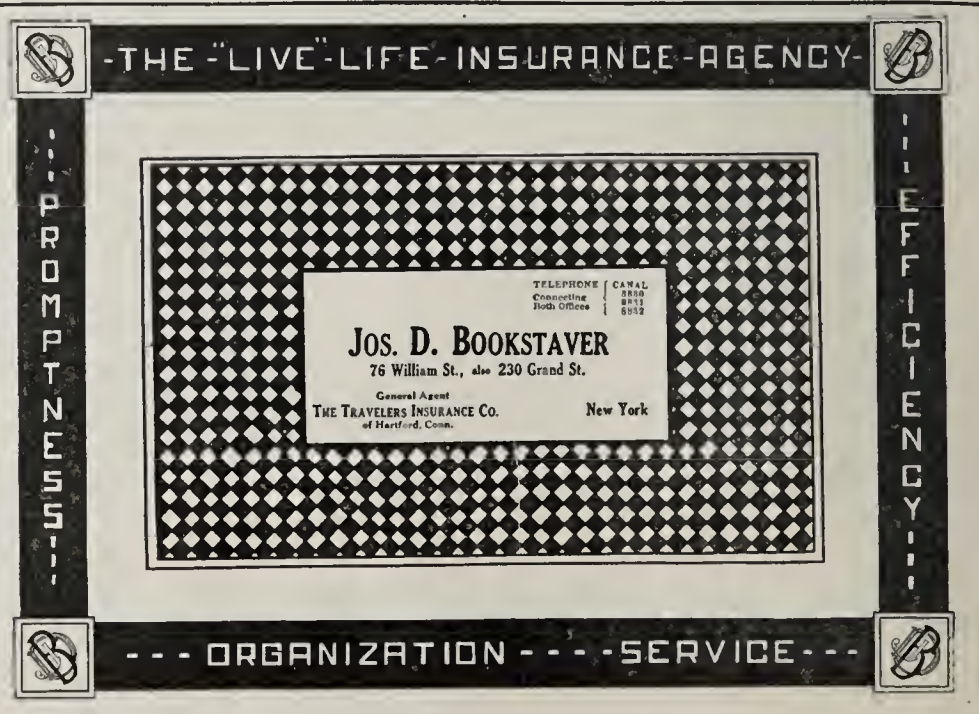
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An old, well established, progressive life insurance company, with unexcelled dividend record has good opening at PHILADELPHIA, covering Eastern Pennsylvania. Address, stating qualifications:
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Offers to men able to produce business first class territory, with direct contract providing liberal compensation.
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today is in a different position. On account of increased land value he must either rent or go into debt in order to secure a farm. Under either circumstances his family would be in a very unfortunate position indeed, if he were to die uninsured.

Even though the farmer is in the best of circumstances, a policy of the old line type is a paying proposition because the payments are small and, according to the testimony of many, this money would not otherwise be saved. Thus, these policies are really clever devices for the saving of capital as well as for the furnishing of protection.

Investigations also show that in a large per cent. of businesses the returns for investments are less than from money invested in an endowment policy; that a greater profit is realized by investing money in this kind of insurance than in many business enterprises. Insurance is the easiest possible way for a man to add to his estate and the only way which involves no risk.

Therefore, regardless of whether the farmer rents his farm, owns it free on incumbrance, or has it mortgaged, he will find old line life insurance a profitable investment for his capital while he lives and a guarantee of protection to his loved ones in case of his death.

John DeValois of Iowa proves that sound life insurance is a paying investment for farmers. He won the third grand prize of $35.

In many rural communities farmers think that life insurance is an excellent provision for the dependent members of a city man's family, but they do not see much advantage in taking a policy for themselves. This is erroneous, because a farmer's family should be equally well protected against the possible loss of their source of income as the family that is dependent upon the wages of a city man.

To begin with let us consider what life insurance is and what its main purpose is. Life insurance is a contract whereby for a stipulated compensation, called the premium, the insurer agrees to pay to the insured or his beneficiaries a fixed sum upon his death or some other specified time. Life insurance is not a gamble, as is often supposed, because it is a means of substituting a certain fixed income for the uncertainty of loss.

The value and necessity of life insurance from the farmers' standpoint can hardly be overemphasized. It should be the ambition of every farmer with loved ones dependent upon him, to provide for their immediate protection after his death. Certainly, nothing is more important than to have one's family insured from want and relieved from worry regarding the source of their daily needs. It is not protection enough that he owns a modern farm, even though it is clear of mortgage or other debts. That this farm is well stocked, is productive, and yields abundant crops when tilled by the skilled hand of the owner, does not insure a reliable source of income when the manager is taken away by death.

After the death of the husband, the wife is called upon to take up the burden of the farm. She often is not thoroughly familiar with money matters and she must, therefore, have some ready money to pay funeral expenses and meet the many other bills in connection with the farm that require settlement. Although she may have money enough tied up in the farm, this cannot be converted into cash at once without a loss. A life insurance policy in a reliable company provides the necessary funds at this critical time and may often prove the means of preventing the home farm from being sold and probably a family heritage being broken.

If the farmer has bought his land with a small capital and is heavily in debt, it is doubly important that he provide a means to pay for the mortgage or other debts. The widow and surviving children can very often manage the farm and earn enough to supply their needs, if the policy will care for the mortgage and other debts, and in this way they can retain their home and provide for themselves.

Although life insurance serves indirectly to make the farmer practice the habit of saving, its direct value is to provide an income for those dependent on him in case of his uncertain death, and no farmer should neglect this important duty.

John W. Moorhead of Iowa analyzes the conditions of farming and shows that a farmer's family needs protection the same as a wage earner's family; also the aid sound life insurance gives towards financing an education. He won fourth grand prize of $15.

Life insurance is very important to the farmer since a careful study of the financial situation will reveal the farmer heavily loaded with obligations that require good health and years to safely mature. Almost all farmers are indebted for land, stock or tools. They are justified in borrowing for these things, and if all goes well, they will meet their obligations on the day they are due. However, if the farmer dies, these debts and mortgages will be held against the property and will have first claim.

The widow and children will have very little left. Every farmer should carry insurance for the protection of his wife. In any village may be found the widows of farmers living in poverty because their husbands did not carry any life insurance. A man is under obligation to school his children. The man who does not make provision for the support of his children, if he should die suddenly, is uegligent of his duty. The farmer who has children wants them to be educated. Education now includes a college course. Two thousand dollars would, with a little effort on their own part, put two children through college. For this purpose a twenty year endowment policy would be just the thing. Suppose the farmer took out a policy for two thousand dollars when he was married; by the time he has children of college age the two thousand dollars will have been paid to him, and he will be able to give them the proper education without denying the rest of his family.

A life insurance policy raises a man's credit. Business men universally make use of this credit. The farmer is the man who needs personal credit. A life insurance policy should increase his ability to secure loans for his business. The payment on life insurance will not be felt any more than taxes and will probably amount to less than the automobile tax. But think of the difference in the investment. I heard a farmer say one time, after he had received two thousand dollars cash on a twenty year endowment policy, "the payments did pinch me sometimes, but it seems just like a gift now." This farmer took out a policy for his twenty-year-old son.

No farmer should be without life insurance, and he should hold it preferably in an "old line" company. They are safe. Their rates are fixed from years of experience. Their large capital and the number of years of successful business they have had insure their reliability. "Old line" life insurance companies are required by law to hold a sufficient amount of money to make the policy absolutely secure. Assessment companies do not hold sufficient money to make protection secure, but make assessments against each policyholder for funds to pay losses. Therefore, assessment company rates are not fixed, while "old line" life insurance rates are. "Old line" life insurance companies are the strongest financial institutions in the world. A policy in one is the best investment any farmer can make. It will relieve him of worry and trouble. It will insure comfort for his wife and an education for his children.

Miss Bessie Stewart won one of the first prizes, $10, *in the State of South Dakota. Her essay shows sound life insurance as a balance wheel in carrying a farmer through the ups and downs in his business; also as a means of enabling young people to obtain an education.*

A farmer without an old line life insurance policy is like a skyscraper without a foundation. With it he is as secure as the Rock of Gibraltar. No matter what financial storm may come, he is not shaken, for he knows that come what will his family will be provided for financially.

(Continued on page 9.)

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under our direct general agency contract

Our Policies provide for:
Double Indemnity, Disability Benefits, Reducing Premiums

See the new low Rates

JOHN F. ROCHE, Vice-Pres't
THE MANHATTAN LIFE INSURANCE COMPANY
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Organized 1850

The
Perfect Protection Policy
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RELIANCE LIFE

gives you something absolutely new and different to talk to your prospects. Gives you a chance to earn more money than you are now making.

Our Life Insurance Contracts contain the most up to date clauses known to the Insurance World. The Accident and Health gives full protection for at least a third less cost than regular casualty companies. Our agency contracts are as liberal as can be made.

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WE have room just now for two or three good men—not the Million Dollar producer who takes it out in talk, but the man who can average $100,000 of personal business, plus experience in appointing and working with agents. Men who become valuable to this Company grow in value to themselves. We cannot guarantee your success, but we will give you a real opportunity, then it's up to you. Would you like to hear about it further?

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PAYS GOOD PAY TO GOOD MEN

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THE CRESCENT LIFE INSURANCE COMPANY
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ORGANIZED 1871
Life Insurance Company of Virginia
RICHMOND, VIRGINIA
OLDEST, LARGEST STRONGEST
Southern Life Insurance Company
Issues the most liberal forms of Ordinary Policies from $1,000.00 to $50,000.00, and Industrial Policies from $12.50 to $1,000.00
CONDITION ON DECEMBER 31, 1916:

Assets	$14,464,552.23
Liabilities	12,436,717.56
Capital and Surplus	2,027,834.67
Insurance in Force	118,349,212.00
Payments to Policyholders since Organization	18,119,172.50
Is Paying its Policyholders over	$1,300,000.00 annually

GOOD TERRITORY FOR LIVE AGENTS

LIVE HINTS FOR BUSINESS GETTERS

Practical Suggestions to Help the Man With the Rate Book Increase His Income and General Efficiency

"I Must Die to Win"

Notwithstanding the fact that an argument of greater absurdity and with less foundation has never been urged against life insurance the die-to-win objection is the one most frequently urged by those who pretend to flippantly face eternity, and who are not interested enough in, or loyal enough to those who may live after them to make any provision for their welfare and comfort, if in the making of such provision they are not persuaded that a profit will accrue to themselves.

To meet the die-to-win argument with an appeal to the finer sensibilities of the man advancing it is usually a waste of time, since he is so self-centered that kind deeds and consideration for others, if measured by self-sacrifice, always require a higher price than he is willing to pay. If the payment of life insurance premiums insured the continuation of life, rather than against the contingency of premature death, prospects of the type we are discussing would survive the youngest living member of their families.

The statement that "I have to die to win" is so far from the truth, as applied to life insurance, and so easily disproved by the actual figures that the wonder of it is, "How can life insurance companies do it."

For the purpose of illustrating how few men find life insurance a poor investment, as considered from the fearful standpoint that they may live to pay premiums in excess of the amount insured, we have computed the number of years those taking insurance at various ages must live and pay in order that the amount paid to the company shall equal the amount which the company must pay when death occurs.—R. W. Stevens, Illinois Life.

* * *

Beware of Travelitis

Get rid of the idea that you must travel anywhere from a hundred to a thousand miles in going from one prospect to another, says President Baxter, of the Northwestern National. There are a lot of life insurance men who are afflicted with a disease which might be called travelitis. They waste time and money hurrying from place to place in fast trains and automobiles, when as a matter of fact a good strong pair of shoes is all that they need, and when even a pair of crutches would take them as far as they need to go. Practice what is known to farmers as "intensive cultivation." Get your nearest neighbor first. Then get other members of his family and other relatives and friends. In that way you can develop about yourself as a center, a growing circle of influence which will save you a whole lot of unnecessary traveling and touring from one isolated prospect to another. Distance lends a lot of false enchantment to the far away insurance prospect. Don't be fooled by it. Your best bet is the man next door.

* * *

Always Room for Dark Horses

By paying for considerably more than $1,000,000, C. H. Anderson of Chicago won first place with the Mutual Life for the sixth consecutive year, and for the seventh time during the past eight years. W. F. Perrin of Little Rock, with close to $1,000,000 to his credit, finished second as compared to fourth place in 1915. Samuel Heifetz of Chicago, who finished second in 1915, was third for 1916. William Jarett of Milwaukee and H. E. Briggs of Kansas City both showed a burst of speed by moving up from tenth place and sixteenth place, respectively, in 1915, to fourth and fifth, respectively, in 1916.

On the 1916 list are twenty-five agents who did not qualify for the 1915 list—a conclusive argument that there is always "room at the top for dark horses."

Of the fifty Mutual Life leaders for the year, twenty-four placed between $200,000 and $300,000, twelve placed between $300,000 and $400,000, six placed between $400,000 and $500,000, four placed between $500,000 and $600,000, and two placed between $650,000 and $700,000. Indicative of the fast pace set, the 1916 leader beat his figures for 1915 by nearly $250,000, while the fiftieth man on the list produced nearly $20,000 more than did the fiftieth man on the 1915 list. The names of the leaders, together with the managing agencies with which they are connected, follow:

C. H. Anderson, Chicago; W. F. Perrin, Little Rock; Samuel Heifetz, Chicago; William Jarett, Milwaukee; H. E. Briggs, Kansas City; Joseph H. Smith, Hartford; R. B. Trabue, New Orleans; David Schnitzer, Chicago; T. W. Harvey, Jr., Chicago; D. A. Holloway, Birmingham; J. H. Swearingen, Philadelphia; Samuel Johnston, Winnipeg and Toronto; R. H. Trent, San Francisco; M. Largeman, New York City; L. Carl Jelenko, Baltimore; Lester R. Kohler, Philadelphia; S. H. Foreman, Chicago; J. A. Houston, Charlotte; E. M. Jackson, Sioux Falls; John G. Murphy, New York City; D. K. Page, Cleveland; H. T. Hendrickson, Chicago; M. B. Freeman, Baltimore; Jesse Barnet, Albany; P. L. Cochran, Spokane; C. M. Gealy, Erie; G. A. Sattem, Springfield, Illinois and Milwaukee; J. M. Sterud, San Francisco; A. B. Ebin, New York City; H. B. Weinstein, Boston; C. E. Cawl, Newark; Earle S. Welch, Milwaukee and St. Paul; H. J. Wippell, New York City; Cortlandt Howell, Chicago and New York City; F. J. Joyce, Albuquerque; J. W. Blakely, Detroit; F. J. Withington, Rochester; Frank Davis, Louisville; George W. Korn, New York City; J. A. Yowell, Nashville; L. J. Santamarie, Philadelphia; J. A. Henderson, Erie; J. P. W. Harty, New York City; C. O. Whitney, Milwaukee; S. S. Northington, Richmond; M. Greenspan, Boston; G. G. Strathern, Springfield, Ill.; J. H. Theobald, Chicago; H. J. Baum, Birmingham; H. W. McKay, Memphis.

* * *

Four Arguments to Land Every Man

1. If you are making money, the best way to guard your savings and provide for the future is by means of life insurance, says the Equitable's "Agency Items."

2. If you are on a salary or in a business yielding no increase in income, the high cost of living may prevent your saving for the future in any way except by means of life insurance.

3. If you have capital which you have regarded as adequate for the future support of your family, shrinkage in values or the increasing cost of living may make it essential for you to insure, or add to the amount of insurance you already have.

4. Present uncertain conditions and probable future complications should prompt every man who can afford it to invest as large a proportion of his income as possible in the only investment which is absolutely stable during periods of financial disturbance.

THE
METROPOLITAN LIFE
Insurance Company
(Incorporated by the State of New York)



Metropolitan Life Insurance Company
Home Office Building

The Company
Of the People
By the People
For the People

The Daily Average of the Company's Business during 1916 was:

701 per day in Number of Claims Paid.

8,304 per day in Number of Policies Issued and Revived.

$1,969,823 per day in New Insurance Issued, Revived and Increased.

$376,827.40 per day in Payments to Policyholders and Addition to Reserve.

$220,509.26 per day in Increase of Assets.

JOHN R. HEGEMAN, President

ARNETTE MAKES CHANGE

Becomes Second Vice-President and Agency Director of Volunteer State Life, Chattanooga

William Julian Arnette, for many years manager of the Florida department for the Fidelity Mutual Life, has been appointed second vice-president and agency director of the Volunteer State Life Insurance Company of Chattanooga.

Mr. Arnette is a native of South Carolina, but migrated to Jacksonville about five years ago to specialize in the life insurance business. A little later he was appointed manager for the Fidelity Mutual in Florida.

Mr. Arnette is secretary and a member of the executive committee of the Jacksonville Life Underwriters' Association, and is connected with a number of other social and civic organizations of the city.

Representing

The Mutual Life Insurance Company
of New York

You will make money.

The great strength, big dividends and incomparable benefits of the *"oldest company in America"* mean certain success for you.

For Terms to Producing Agents, Address

GEORGE T. DEXTER, 2d Vice-President
34 NASSAU STREET, NEW YORK, N.Y.

FIFTIETH YEAR

Pacific Mutual Life Begins Half Century With $171,913,618 in Force

The Pacific Mutual Life is starting on its fiftieth year. It has $38,727,196 assets. A statement of 1916 results follow:

New life insurance issued (paid for basis)	$25,173,909.00
Total life insurance in force, December 31, 1916	171,913,618.00
Gain in life ins. in force	11,253,916.00
Total cash income	10,403,191.29
Gain in cash inc. over 1915	649,504.13
Total paid policyholders	4,344,645.43
Grand total paid policyholders since organization	48,695,123.24
Surplus, assigned and unassigned (exclusive of capital)	3,932,024.50
Gain in surplus (assigned and unassigned)	427,217.03
Gain in admitted assets	3,070,585.58
Gain in reserves	2,646,509.71
Premium income, accident department	2,012,256.74

Death rate, actual to expected, 58.10 per cent. Average rate of interest earned, 6.33 per cent.

W. H. Hodgkin on Corporation Insurance

DISCUSSES IMPORTANCE, UTILITY, FEASIBILITY AND COST

Interesting Little Booklet Issued by Boston General Agent of Berkshire Life

William H. Hodgkin, general agent in Boston of the Berkshire Life, has written a forceful little booklet under the title of "Commercial Life Insurance." The purpose of the little volume is to bring to the attention of business men the importance, feasibility and utility of commercial life insurance and the special benefits resulting from its use.

Utility

The chapter on utility follows:

"The ways in which life insurance is made use of are as numerous as the variety of conditions of business. To properly utilize it to the best advantage, one should know the conditions of each individual man or men buying it.

"One condition may be that of a majority stockholder wishing to provide certain means through which his holdings may be converted readily into cash at his death. Another may be that of a minority stockholder providing means to purchase the stock of the majority stockholder in the event of his death.

"Both majority and minority stockholders can guard against a competitor buying stock offered for sale at the death of either, and the undesirable disclosure of valuable business secrets to meddlesome heirs or arbitrary lawyers. The one can make sure of a ready market for his stock; the other can secure an option and is assured of the means to purchase.

"New capital may be secured more easily when responsible parties carry insurance for its protection. Bank credit is extended more readily when the officials know that they will not have to liquidate the business, if death overtakes the contracting parties.

"In panics of recent years life insurance has proven, in many cases, the only means of saving concerns from insolvency.

Bank Argument

"For instance: — Suppose you had borrowed all you could get from your bank and then some condition should arise that required more funds. If you have a life insurance policy, you can borrow at 5 or 6 per cent. without any one knowing it and often through this means save your business from ruin.

"In cases where a bond or a special preferred stock issue is necessary, life insurance serves the double purpose of insuring the payments at maturity and, in event of untimely death, guarantees the means of retirement at any time.

"In short, life insurance payable to your business assures peace of mind, guarantees credit, furnishes ready means in event of unusual financial demands and, in general, stabilizes business by acting as a financial balance wheel, when other means fail."

John Hancock Makes Home Office Changes

W. L. CROCKER TO GIVE ALL TIME TO EXECUTIVE WORK

Robert K. Eaton Made a Vice-President —A. H. Brock, Superintendent of Agencies

At the annual meeting of the John Hancock Mutual Life which was held this week, a number of changes at the Home Office were announced.

Walton L. Crocker, who, in addition to his duties as vice-president has also acted as secretary, has now relinquished the latter office in order to devote his energies entirely to general executive work. Mr. Crocker is one of the ablest life insurance men in America, a hard worker, a keen student of underwriting conditions. He entered the service of the Company in 1891. He is succeeded by Fred E. Nason, senior assistant-secretary, who has long been associated with him.

R. K. Eaton a Vice-President

Robert K. Eaton, superintendent of agencies, has been elected to the board of directors and made a vice-president, in charge of agency work, while Albert H. Brock, assistant superintendent of agencies, succeeds him as superintendent of agencies.

Mr. Eaton and Mr. Brock have long been associated with the Company and each other in the agency work. Mr. Eaton enjoys the affectionate esteem of every man in the field forces of the Company as well as of his associates, and their delight at his election to higher office is not concealed.

Fred. E. Nason, the new secretary, is one of the truck-horses of the Company. A hard worker, his election to the office, with the duties of which as senior assistant secretary he is perfectly familiar, is warmly welcomed.

Albert H. Brock, the new superintendent of agencies, approaches a record for nearly 30 years with the Company, most of which have been in field work. A close friend of his immediate chief, Mr. Eaton, he shares a place with him in the kindly regard of the field men.

Charles J. Diman, who entered the service of the Company in 1900, and who has for some years been chief clerk to the executive officers, was elected an assistant secretary by the board of directors, and Thomas F. Temple, a supervisor of agencies, who came with the Company also in 1900, has been elected assistant superintendent of agencies, filling the position formerly held by Mr. Brock. The announcement of these two new additions, both young men, to the executive family was most warmly received.

Field Force Leaders at Dinner

The leaders of the field force dined together informally on Tuesday night with the officers and directors at the Company's Home Office, following a business session at which the Company's plans for the year were discussed. Among those who addressed the gathering after dinner were Roland O. Lamb, president, who announced that he was celebrating his forty-fifth anniversary in the service of the Company; Guy W. Cox; W. S. Stimmel of Pittsburgh, on behalf of the general agents; Robert H. Clark, superintendent of the Boston agency, on behalf of the superintendents, and Walton L. Crocker, R. K. Eaton, and A. A. Rand.

JOHN BECKER PRESIDENT

John Becker, president of the First National Bank and head of the Becker Mercantile Company at Belen, New Mexico, has been elected president of the National Life Insurance Company of the Southwest, and recently incorporated at Albuquerque.

FANSLER PRESIDENT

Thomas L. Fansler, general agent of the Northwestern Mutual Life Insurance Company, was last week elected president of the Philadelphia Association of Life Underwriters.

Mr. Fansler formerly resided at Chicago.

Prize Essays in W. M. Horner Contest

(Continued from page 7.)

If you have a life insurance policy you cannot die, or at least the life insurance company will make it very difficult for you to do so. Every incentive to live is thrown in the farmer's way. He is taught sanitation in regard to farm buildings and drainage, and why? Because the insurance company does not want him to die. If you wish to follow in Methusaleh's footsteps take out an old line life insurance policy. It has been said that in case a policyholder is determined to leave this mundane sphere a representative of the company will go and die in his place and thus cause small loss to the company; but of this I am doubtful.

With a policy to back him, the farmer feels more able to cope with crop failures and other disasters that are his share. He takes the chances opportunity offers him which otherwise would be lost. He knows that his children will be provided for even if these opportunities are not what they seem. Therefore, he advances more rapidly along the line of agricultural science. So his chances of success are multiplied.

Education of the farmer's children is too often neglected; the fear of financial failure locks the farmer's pocketbook and the money is saved instead of being invested in education. But with an insurance policy: "We will send the children to school, even if it pinches us now, we need not worry for the children will have the insurance money with which to begin their business life." If the farmer possesses an endowment policy a comfortable old age is assured. He need never be dependent on his children.

Little trips longed for by "Father" and "Mother" can now be taken.

If you would be free from worry, and trouble proof, secure an old line life insurance policy.

The "Home Life"

The fifty-sixth annual statement of the Home Life Insurance Company, of which George E. Ide is President, presents a record of substantial benefits to its policy-holders during the year and a solid growth in financial strength.

Assets increased to $32,029,439.71 after paying to policy-holders $3,447,381 including dividends of

$602,721

The insurance in force was increased by $4,766,740 and is now

$125,660,173

For Agency apply to

GEORGE W. MURRAY,
Supt. of Agts.
256 Broadway, New York, N. Y.

ILLINOIS LIFE INSURANCE CO
CHICAGO
JAMES W. STEVENS, PRESIDENT

GREATEST
ILLINOIS
COMPANY

WANTS GOOD MEN
AND
WILL PAY THEM WELL

Men with ambition and ability, who represent this Company, now in its SEVENTY-THIRD YEAR, become business counsellors and professional insurance advisers.

An honorable record of SEVENTY-THREE YEARS gives our representatives great prestige with the insuring public.

Additions are made to our agency force when the right men are found.

STATE MUTUAL LIFE ASSURANCE COMPANY
OF WORCESTER, MASSACHUSETTS
Incorporated 1844
B. H. WRIGHT, President D. W. CARTER, Secretary
STEPHEN IRELAND, Inspector of Agencies

Popularity's Persistent Progress

The greatest of all great years in delivered business for this Company—1916! Without need of urging or pleading, our representatives, with vigorous and self-directed industry, were the enactors of this glistening achievement.

The tide of new business is flowing strongly in the New Year. We expect that 1917 will be another golden period of widely increased protective service of the homes and the businesses of the United States. Home Office and Field in the Massachusetts Mutual are a unit in their determination to be front-rank contributors.

Occasionally we have a General Agency opening for a quality man.

JOSEPH C. BEHAN, Superintendent of Agencies

MASSACHUSETTS MUTUAL
Life Insurance Company
SPRINGFIELD, MASSACHUSETTS
Incorporated 1851

THE EASTERN UNDERWRITER

This newspaper is owned and is published every Friday by The Eastern Underwriter Company, a New York corporation, office and place of business 105 William Street, New York City. Clarence Axman, President; B. F. Hadley, Vice-President; W. L. Hadley, Secretary. The address of the officers is the office of this newspaper. Telephone 2497 John.

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FIRE INSURANCE CLUBS IN NEW YORK STATE

An interesting development in New York State is the formation in Watertown, N. Y., and Glens Falls of insurance clubs, with the co-operation of fire insurance companies, for the study of the technical and practical side of the business. The advantages of the clubs are extended not only to employes of insurance companies but also to local agents. The Insurance Club of Glens Falls has met with such a responsive reception that membership will be extended to all men in Warren County whose vocation is fire insurance. At the first meeting Vice-President West, of the Glens Falls, and seven examiners of that Company, attended, along with seven local agents. E. W. West, on behalf of the Glens Falls Insurance Company, generously offered to furnish a room for meetings and the text books for the course. John H. Derby, Jr., G. Perry Crawford and Russell M. L. Carson were appointed a committee on arrangements. J. A. Mavon, manager of the Glens Falls' loss department, has accepted an invitation to take charge of the educational work, and the class will commence work at once. The officers of the Glens Falls Insurance Club are: C. W. Cool, president; W. Harold Adamson, vice-president; Russel M. L. Carson, secretary; and M. J. Collins, Jr., treasurer.

The Agricultural, also, has offered text books and other data to members of the insurance club in that city, and already the club has done excellent work. Both clubs will be affiliated with the Insurance Institute, already a factor in many of the larger cities. The entire idea is excellent, and through these clubs locals and home office men will gain experience and knowledge that will be of real benefit, and will hear speakers who could not reach them under any other circumstances.

COUNTRY BANKERS AS AGENTS OF INSURANCE COMPANIES

Comptroller of the Currency Williams has made public his regulations under the recent amendments to the national banking law which permits country national banks to act as insurance agents and to place loans on real estate. The Comptroller points out that this new section provides:

(a) The bank must be located in a place, the population of which does not exceed 5,000 as shown by the last preceding decennial census.

(b) The insurance company for which the bank acts as agent must have been authorized by the authorities of the State in which the bank is located to do business in that State.

(c) The activities of the bank as such agent must be restricted to the soliciting and selling of insurance and the collection of premiums on policies issued by the insurance company.

(d) The bank may receive for services so rendered such lawful fees or commissions as may be agreed upon between the bank and the insurance company for which it may act as agent.

(e) The bank is prohibited from assuming or guaranteeing the payment of any premium on insurance policies issued, through its agency, by its principal.

(f) The bank is prohibited from guaranteeing the truth of any statement made by an assured in filing his application for insurance.

(g) The powers conferred are to be exercised under such regulations as may be prescribed by the Comptroller of the Currency.

Each contract of agency shall be formally approved by the board of directors of the bank, according to the Comptroller's regulations. Furthermore, separate accounts of this business must be kept, certain records filed with the Comptroller, and all the details of the business be kept on record for the inspection of the national bank examiner. These regulations further provide:

"The bank will be required to keep a record as to each company for which it acts as agent, showing: For fire insurance—The amount of each policy, the rate and premium, date of commencement, term and date of expiration, as well as a description of property insured, with name of assured and to whom loss is payable. As to life insurance—Amount and date of policy, with premium, and a statement as to under what form the insurance is written, giving also name of assured and beneficiary.

"The bank will be required to carry on its general ledger an account which will, at all times, show the amount due to insurance companies for which it is acting as agent, on account of premiums collected but not remitted, and this liability must be shown in reports of condition and in the published statements of the bank under the heading 'other liabilities—on account of insurance premiums collected and not remitted,' unless specifically provided for in the report."

PACIFIC COAST CHANGE

President Evans announces that the Continental, Fidelity-Phenix and American Eagle will jointly establish a Pacific Coast Department, with headquarters in the Insurance Exchange Building, San Francisco. The space leased will not be ready for occupancy before April. A. A. Maloney, at present secretary in the Chicago office of the Continental, will be the chief officer in charge of the Coast Department, and A. P. Lange, now General Agent of the American Eagle, will be associated with him as assistant secretary. Both men are conversant with Coast business, having traveled the territory.

WANTS INVESTIGATION

Assemblyman William J. McGovern, of Hudson County, New Jersey, has introduced at Trenton a resolution calling for an investigation of the management of the industrial life insurance companies operating in New Jersey. The measure has been referred to the judiciary committee.

ATKINSON FOR PRESIDENT

The report of the nominating committee of the Life Underwriters' Association of New York, which holds its annual meeting on February 27, follows: President, William F. Atkinson, Northwestern Mutual Life; first vice-president, Sheppard Homans, Equitable Life; second vice-president, R. W. Goslin, Prudential; third vice-president, Charles B. Knight, Union Central; secretary-treasurer, Sigourney Mellor, Provident Life and Trust.

THE HUMAN SIDE OF INSURANCE



BENJAMIN F. HADLEY

Benjamin F. Hadley, the new secretary of the Equitable Life of Iowa, received an inkling last week of his popularity in life insurance when there came to him dozens of letters from officials, general agents and other representatives of life insurance companies congratulating him upon his election to be an officer of that company.

Mr. Hadley will continue to devote his time to field work. An interesting sidelight on Mr. Hadley, not brought out in The Eastern Underwriter's sketch of his career recently published, is the fact that he is one of the best mathematicians in the business, his abilities along that line having often surprised actuaries in the past.

* * *

Arthur Hunter, president of the Actuarial Society of America, and Associate Actuary of the New York Life, is the author of the table used by the life companies generally in connection with their disability rates. Mr. Hunter was recently placed in a delicate position by the Commissioner of Wisconsin at the hearing in Madison on disability, attended by a number of life insurance men. Just what this position was is indicated by this transcription from the hearing:

Comm. Cleary: Mr. Hunter, your rates for disability have been based upon the Hunter table?

Mr. Hunter: Yes.

Comm. Cleary: Would you advocate making the Hunter table the basis upon which this should be written, by statute?

Mr. Hunter: Well that is a rather embarrassing question to put to the author of the table.

Comm. Cleary: I suppose everyone recognizes the fact that your table is the most reliable and recognized as the standard so that you probably will not be charged with egotism if you talk about it.

* * *

George H. Tryon, secretary of the National Fire Insurance Company, of Hartford, was elected a director of the Company at the annual meeting this week. Mr. Tryon will succeed the late Judge James Nichols; and John H. Buck, of Hartford, succeeded his father, John R. Buck, who died last week.

Geo. F. Guerraz, special agent for the Liverpool & London & Globe in Washington, Northern Idaho and Alaska, with headquarters at Seattle, who has been promoted to the post of deputy assistant manager for the company's Pacific department, is one of the best known of the younger field men on the Coast.

* * *

Winslow Russell, agency manager of the Phoenix Mutual Life, is in the West on a two weeks' trip.

* * *

James H. Brewster, United States manager of the Scottish Union & National, is recovering from the severe dislocation of his knee, sustained through a fall some weeks ago.

THE MOTOR VEHICLE IN COURT

A pedestrian has the same right on a street as a driver of a vehicle, and is no more bound to watch for the approach of motor cars than motorists are bound to watch for him. Carradine v. Ford, 187 S. W. (Mo.) 285.

A pedestrian about to cross a street is not, where he sees a motor car approaching, bound to continue his observation until he reaches a place of safety. Carradine v. Ford, 187 S. W. (Mo.) 285.

Where a municipal ordinance fixed the speed at which motor vehicles might be operated, the operation of a motor vehicle at a speed in excess of that authorized by the ordinance is negligence per se. Carradine v. Ford, 187 S. W. (Mo.) 285.

Where plaintiff was injured at a railroad crossing while riding in an automobile, the negligence of his companion who was engaged in a joint enterprise with him could not be imputed to plaintiff. Kansas City, Mexico & Orient Railway Company of Texas v. Durrett, 187 S. W. (Texas) 427.

Where a pedestrian about to cross a street sees a motor car approaching, but the car is at such a distance that under ordinary circumstances he could safely cross ahead of it, he is not guilty of negligence in starting across the street in front of the car. Carradine v. Ford, 187 S. W. (Mo.) 285.

In a pedestrian's action for injuries, received when an automobile struck her as she walked in the roadway, whether her care in respect to the automobile, which she observed, was that of an ordinarily prudent person was for the jury. Booth v. Meagher, 113 N. E. (Mass.) 367.

Contributory negligence of a street pedestrian, who was walking in the roadway because the sidewalk was muddy, and crossing, upon seeing that the walk on the other side of the street was also muddy, continued in the street for five or six steps, until she was struck by an automobile, was for the jury. Booth v. Meagher, 113 N. E. (Mass.)

GERMANIA APPOINTMENT

Brewster & Co. to Write Automobiles —Does Not Affect Errickson Agency of Company

J. N. S. Brewster & Co., Inc., announced this week their appointment as district agents of the Germania Fire for automobiles. This appointment does not affect the agency of the Germania for automobiles which is held by Walter F. Errickson.

MEET SUPT. PHILLIPS

A conference between Superintendent Phillips and representatives of the New York State Local Agents' Association and the Fire Brokers' Association of New York was held this week in reference to the license situation. As has been printed in The Eastern Underwriter both associations have joined hands to eliminate rebaters from the business.

FIRE INSURANCE DEPARTMENT

1916 Premiums and Losses in N. Y. State

COMPANIES SLOW THIS YEAR IN MAKING REPORTS

Figures on Both Fire and Marine Business—Home of New York Leading in Reports Filed

Companies are rather slow this year in reporting premiums to the New York State Insurance Department. Those reported to date of 1916 business in this State follow (first line of figures being fire, second line marine):

	Prem.	Losses
Germ-All.	$105,880	$46,956
	714	24
Industrial (O.)	15,297	4,177
	4,177	7,000
Cologne	187,126	97,048
	1,302	66
Minerva	80,197	42,738
North River	425,260	152,290
	179,315	113,156
State	70,203	17,023
Security	251,728	116,005
Germ.-Amer., N. Y.	1,458,517	582,134
	582,134	59,476
Commerce	60,509	28,960
Stuyvesant	236,402	123,851
	303,314	235,095
National Dr.	67,319	23,981
Hamilton	8,369	17,604
Niagara	763,899	380,855
	96,978	44,396
U. S.	609,499	326,328
	268,974	169,584
Vulcan	118,162	42,639
Agricultural	390,658	118,142
Home	3,107,767	1,729,114
	883,197	766,287
Hamburg-B.	162,794	95,972
Amer.-Eagle	88,237	25,118
	6,653	1,835
Imperial	78,276	28,101
Queen	429,926	175,535
	827,834	389,986
Richmond	78,214	32,903
Continental	1,372,560	591,661
	77,605	33,753
Col.-Am.	3,489	3,671
Hanover	353,631	180,443
	156,870	65,844
Knickerbocker	51,207	21,282
Safeguard	47,830	16,718
Springfield	457,659	171,382
United F.	83,990	33,829
N. B. & M.	904,289	433,645
	18,446	9,480
Svea	144,977	55,771
Albany	115,987	74,015
Glens Falls	450,842	211,918
	48,434	22,049
Commonwealth	174,478	180,664
	18,320	9,953
Farmers (York)	77,504	39,690
Globe & Rutgers	687,562	349,278
	474,566	38,062
Mercantile	157,410	72,071
	56,367	37,352
People's N.	140,910	69,406
Fid.-Phe.	923,617	425,412
	67,867	33,753
Old Colony	96,334	44,217
	190,363	160,810
County	26,818	35,962
New Hamp.	305,853	125,610
Rhode Isl.	166,474	77,119
Union (Fr.)	82,610	37,876
Patriotic	21,320	4,818
Sun	398,003	230,475
Pacific	145,702	81,694
Arizona	36,655	35,540
Am. Cert.	184,821	87,368
	25,060	22,932
Boston	387,054	192,282
	1,388,738	972,417
Law U. & R.	101,598	50,909
Teutonia	14,932	5,205
Westchester	572,711	277,817
	78,325	60,668
Royal	1.051,875	464,877
	112,935	57,719
London Assur.	313,453	159,136
Northern (Eng.)	356,667	144,094
American (N. J.)	397,640	180,664
	18,320	9,953
Northern (N. Y.)	140,358	51,993
Buffalo German	181,030	80,488

COMMUNITY GARAGES

Boston Board's Rates—Five Cents Added to Each Column for Each Compartment

At the regular semi-monthly meeting of the Boston Board of Fire Underwriters, held last week, the following recommendation of the rating committee was adopted:

Occupancy charges for what may be termed multiple garages: a building where single automobiles are stored, separated by unpierced partitions which are the equivalent of 2-inch solid metal lath and plaster, base occupancy charge $.75-$1.25. Five cents to be added to each column for each compartment over one.

TEN BROECK LEASE

Charles B. Van Valen has leased offices in 103-5 William Street to the T. M. Ten Broeck Co., insurance agency with offices in Bayonne and Jersey City, for their metropolitan offices. The central office of the Company will be moved to the city. Large additional space in the same building has been leased to The Eastern Underwriter.

FIRE AND MARINE INSURANCE—ALL LINES

The Automobile Insurance Company of Hartford, Conn.

MORGAN G. BULKELEY, President

Statement January 1, 1917

Cash Capital	$1,000,000.00
Assets	2,748,832.19
Liabilities (Except Capital)	1,039,977.81
Surplus to Policyholders	1,708,854.38

AFFILIATED WITH

ÆTNA LIFE INSURANCE COMPANY

THE ÆTNA ACCIDENT AND LIABILITY CO.

DROP GENERAL AGENCIES

Significance of Recent Re-insurances of Part of Business of First National

The First National Fire, of Washington, D. C., expects to write as much business in the Middle West and Eastern States during 1917 as it wrote throughout the entire country in 1916.

Re-insurances recently effected by the Company were for those sections of the country that were under the jurisdiction of general agents and which in the past have either been operated unsatisfactorily as to the volume of business, or were more or less unprofitable. All of the Southern States —Georgia, Florida, Louisiana and Tennessee—were operated for this Company by general agents.

In Missouri the Company had never operated profitably since the former management took over about $60,000 worth of business at the time the other companies withdrew. It had to carry that liability against decreasing premium income, and its results generally throughout that State were not satisfactory, so that when the board of trustees requested the discontinuance of its operations west of the Mississippi it was to include Missouri, as well as South Dakota where the Company had a small volume of business, and the general agency on the Pacific Coast and Rocky Mountain field that was operating for the Company in a fairly profitable way, but the volume of business there did not amount to much, and was located a long distance from the home office.

PIERCE COMING AGAIN

R. N. M. M. Pierce, of Edye & Co., London, will probably return to America in March.

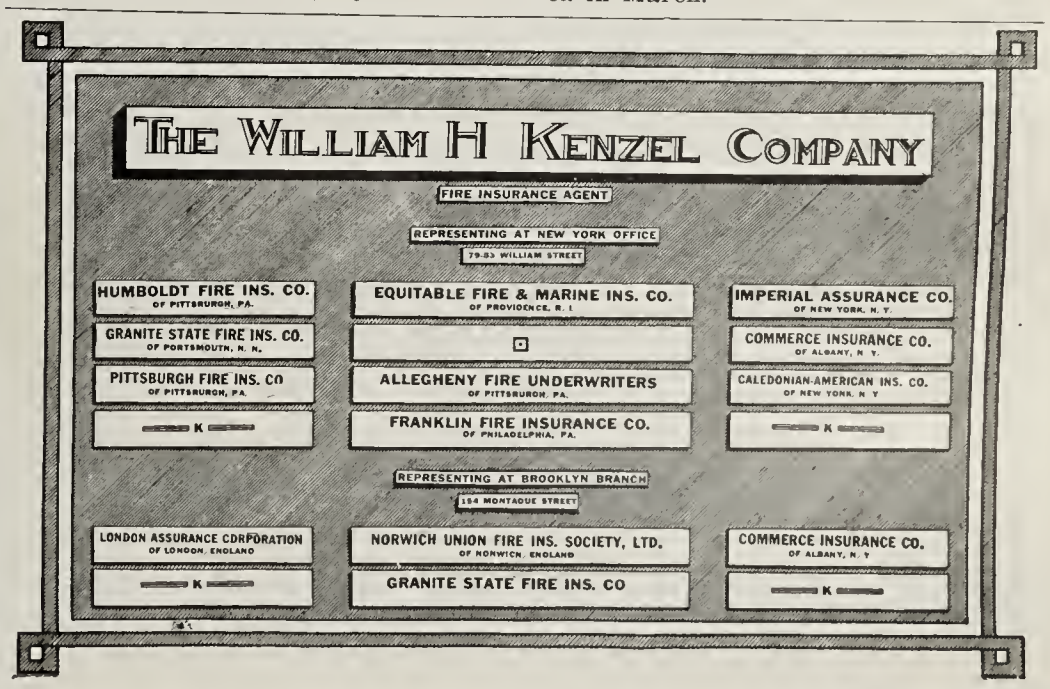
NORTH BRANCH FIRE INS. CO.
Sunbury, Pa.
Inc. 1911

Assets	$515,049.38
Reserve	138,148.22
Capital	275,000.00
Surplus	78,171.37

CITY INSURANCE COMPANY
Pittsburgh, Pa.
Inc. 1870

Assets	$172,302.60
Reserve	27,678.96
Capital	100,000.00
Surplus	42,986.21

OPERATING ON A CONSERVATIVE BASIS IN A LIMITED TERRITORY UNDER AN EXPERIENCED MANAGEMENT



Many at Funeral of Albert R. Hosford

DEATH OF ASSISTANT MANAGER OF ROYAL A SHOCK

Had Hundreds of Friends—Made National Reputation as Adjuster After San Francisco Conflagration

Many associates of the late Albert Roswell Hosford, assistant manager of the Royal and manager of the Company's Loss Department, who died following an attack of nervous prostration on Wednesday night of last week, attended the funeral services which were held at his late residence 153 West 46th Street on Saturday afternoon. They included many representatives of the Royal, of the Drug and Chemical Club, of the St. George's Society, and of the Insurance Society of New York. The house was filled with flowers and wreaths.

Mr. Hosford's death was a shock. He had left his office two weeks before his death, feeling run down and nervous, but his condition was not regarded as serious. He was a man of wide personal popularity and one of the best general adjusters in the United States. For four years he had been president of the Insurance Society of New York, during which time the Society showed its greatest growth. He was active in the Drug and Chemical Club and brought many new members into it.

The San Francisco Conflagration

Probably Mr. Hosford won his greatest reputation as the chairman of the Committee of Five, which represented thirty-five fire companies which had losses in San Francisco in the earthquake of April, 1906. About 25,000 buildings were destroyed in this conflagration. The leading loss men in the United States, in fact adjusters from different parts of the world, came to San Francisco. The first meeting of the companies' representatives was on April 21, when George W. Spencer, of the Aetna, was made chairman. At this meeting a General Adjustment Bureau was formed to have charge of all losses, similar to the action taken by the fire companies at Baltimore. This Bureau appointed sub-committees. Soon after the General Bureau was formed controversies arose as to the methods of adjusting adopted by the Bureau.

On June 12, 1906 there was a general meeting of companies in Oakland, Cal. Resolutions were adopted, one clause of which read as follows:

> That such of these deductions for compromises on claims falling under Articles 3 and 4 shall be not less than 25 per cent., and to this method and basis of settlement we hereby agree.

Sixty-one companies affirmed, approved and bound themselves to these resolutions; thirty-two companies voted in the negative; eighteen companies excused themselves from voting. In consequence thereof thirty-five companies took the position that losses should be adjusted in accordance with the actual terms and conditions of their respective and individual policies. The remaining companies took the stand that all losses coming under Articles Nos. 3 and 4 referred to in the resolutions should be adjusted by an arbitrary cut of 25 per cent. from the ascertained loss on claims which were less than the face of the policy for loss occasioned other than by fire.

Thirty-five Companies Got Together

In consequence of the lack of harmony the thirty-five companies, while retaining their membership in the General Adjusting Bureau, decided to act independently and with expressed intention to adjust and settle losses in accordance with the terms and conditions of their policies, and they held a meeting on June 21, 1906, of which George W. Spencer was chairman. This meeting adopted the resolutions for the appointment of a Committee of Five representing the thirty-five companies. The Committee of Five was instructed to act independently for the thirty-five companies in the adjustment of losses in which they were interested, with power to arrange for the completion of the adjustment of losses assigned to sub-committees of adjustments by the General Adjusting Bureau in accordance with the principles advocated by the thirty-five companies.

Hosford Elected Chairman

Mr. Hosford was a chairman of this committee. Four other members were appointed, W. N. Bament, of the Home of New York; E. C. Morrison, of the Aetna of Hartford; J. C. Corbet of the Northern of London; and W. B. Seaman, of the Liverpool & London & Globe. As chairman Mr. Hosford worked day and night.

Offices were engaged and fitted up by the Committee of Five at the Ferry Building, San Francisco; an office force organized; the work of the Committee of Five inaugurated; the offices opened for the reception of assured and the public generally, and the transaction of the actual business of the adjustment of losses by the Committee of Five commenced on July 10, 1906. The story of the results of the work by the Committee of Five was published in a book.

Started With Royal When a Boy

Mr. Hosford was born in Brooklyn on April 29, 1867. He received a public school education and entered the service of the Royal Insurance Company as a boy at its Brooklyn office on July 1, 1885. In due time he was transferred to the New York office of the Company and became assistant adjuster of losses, being later appointed adjuster, and acted in that capacity until May 1, 1907, when he was promoted to be assistant manager.

BROKERS ACTIVITIES

American Bank Note Risk

The American Bank Note Co., of New York, insured its property for $2,600,000 this week. This Company has never before insured. Its main plant is situated at Garrison Ave. and Manida St., Bronx, and is sprinklered.

* * *

Wagemann Resigns

Frank Wagemann, who has been with John A. Eckert & Co. for about 10 years, resigned his position last week.

* * *

Wants Bond Filed

Senator Knight has introduced an amendment to the New York Insurance Code making it the duty of every treasurer of a city or village fire department or other person entitled to receive the tax paid by agents of foreign fire insurance corporations, to file on or before January 20 of each year, with the county treasurer, a bond to be approved by him.

ADEQUATE FACILITIES
ALL LINES

PHILADELPHIA
CLARENCE A. KROUSE & CO.
LOCAL AND GENERAL AGENTS
325 WALNUT STREET PHILADELPHIA, PA.
PENNSYLVANIA NEW JERSEY

SATISFACTION SERVICE
ALL LINES

LOGUE BROS. & CO., Inc.
Fire—Casualty—Automobile Insurance
Nation-Wide Facilities for Handling SURPLUS LINES
307 FOURTH AVENUE PITTSBURGH, PA.

SCHAEFER & SHEVLIN
2 LIBERTY STREET GENERAL AGENTS NEW YORK, N. Y.
Representing
DUBUQUE FIRE AND MARINE INSURANCE CO.
Excellent Facilities for Handling Suburban and Out Of Town Business
Phone: John 2312

Minneapolis Fire & Marine Insurance Co.
of Minneapolis
ASSETS - - $784,979.27
LIABILITIES - - 538,843.30
NET SURPLUS - 246,135.97

Comparative Growth

	Increase In Assets	Increase In Reserve
1913 -	$88,052	$61,854
1914 -	98,979	67,229
1915 -	109,855	83,163

AN EIGHT YEAR RECORD

CAPITAL	Established 1902	NET SURPLUS
$200,000	1908	$80,419
$200,000	1909	$107,942
$200,000	1910	$153,580
$200,000	1911	$172,981
$200,000	1912	$200,570
$200,000	1913	$228,203
$200,000	1914	$241,422
$200,000	1915	$246,135

FRED C. VAN DUZEN, President ALFRED STINSON, Secretary

1852 — 1917
Sixty-fifth Annual Statement
Milwaukee Mechanics' Insurance Co.
JANUARY 1, 1917

Cash Capital	$1,000,000.00
Reserve for Re-Insurance	2,341,711.59
Reserve for Unpaid Losses	158,632.32
Reserve for Dividend	35,000.00
Reserve for Taxes and Expenses	100,000.00
Net Surplus	1,023,429.85
Total Assets	$4,658,773.76

Surplus to Policyholders $2,023,429.85

OFFICERS
WILLIAM L. JONES, President
CHAS. H. YUNKER, Vice-President
G. W. GROSSENBACH, 2nd Vice-President
OSCAR GRIEBLING, Secretary
EMIL TEICH, Assistant Secretary

BOARD OF DIRECTORS

FRED VOGEL, Jr.	CHAS. G. STERN	FERD. MEINECKE
CHAS. F. PFISTER	CHAS. H. YUNKER	FRED T. GOLL
GUSTAVE PABST	H. A. J. UPHAM	WILLIAM FINGER
WILLIAM L. JONES	DR. JOSEPH SCHNEIDER	OLIVER C. FULLER
OTTO H. FALK	GEO. C. SWALLOW	ARTHUR R. MUNKWITZ
W. C. QUARLES	G. W. GROSSENBACH	HENRY J. NUNNEMACHER

Fire, Tornado, Automobile, Explosion, Sprinkler Leakage, Rents, Use and Occupancy, Farm Insurance

Transit Insurance Boosted by Decision

RAILROADS' LIMITED LIABILITY CREATES BROAD MARKET

Cummins Amendment Opened Doors for Companies—Merchants' Association's Traffic Manager's Views

The decision rendered a short time ago by the Court of Appeals in the case of Leo L. D'Utassy vs. William M. Barrett, as president of the Adams Express Co., which is reproduced herewith for the first time in an insurance publication, has been used to advantage by several of the companies writing inland marine insurance to enter the transit insurance field. The decision absolves the Adams Express Co. of liability in excess of $50 on a $2,000 shipment stolen by employes. This decision has impressed shippers with the fact that it is cheaper for them to insure. Companies have not been slow to offer them facilities. The decision is as follows:

Interstate Express

"A shipper by interstate express who stipulates with the company that the value of the package is not more than a certain amount is limited to that amount in his recovery against the company for loss of the goods, although they were stolen and converted by its own agents, servants and employes.

"The complaint alleges that the defendant received certain packages from plaintiff's assignors for interstate shipment and agreed to carry the same to the consignees thereof, but that said 'Adams Express Company, its agents, servants and employes' stole said packages and their contents and have unlawfully disposed of said property and have converted the same to their own use, to plaintiff's damage upwards of $2,000. The answer sets up as a partial defense that it was agreed between the shipper and the defendant that the value of each shipment was not more than $50 and that the defendant should not be liable for more than $50 thereon; that the shipper concealed the true value of the property; that charges were fixed and filed with the Interstate Commerce Commission as required by the Interstate Commerce Act of Congress of February 4, 1887, and the acts amendatory thereof, including the Carmack amendment; that a higher charge would have been made if the true value had been given; that greater care would also have been taken to prevent the loss or theft of the property, 'as well through the acts or omissions of the agents or employes of said express company as through the acts or omissions of other persons.'

Admits Shipment Was Stolen

"To this affirmative partial defense the plaintiff demurs on the ground of the legal insufficiency thereof. The effect of the pleadings is that the defendant admits that 'its agents, servants and employes' stole, unlawfully disposed of and converted the packages to their own use, and alleges that the value was stipulated as well in case the property was so stolen or converted by the employes of the defendant as in case the loss or theft was due to the acts of third parties and therefore claims that if the evidence disclosed that the property was so stolen and converted by an agent, servant or employe of the defendant, the liability of the defendant should be limited to $50 on each shipment. Proof of actual conversion by defendant itself would, under this partial defense, establish full liability, for it is not pleaded the value is agreed upon as against such an act. As the defendant may act only through agents whose acts in the scope of their employment are attributed to it, the question narrowly presented is whether the limitation on value applies to an action for the conversion of the goods by an employe for his own benefit and amounts to a partial defense.

Loss Due to Negligence

"These agreements are upheld where the loss is due to ordinary negligence or to the wrongful act of another (Boyle v. Bush Terminal R. R., 210 N. Y. 389,-392; Boston & Maine R. R. v. Hooker, 233 U. S. 97); but the law remains that the carrier may not claim a limitation of liability to a certain amount for its affirmative wrongdoing (Magnin v. Dinsmore, 62 N. Y. 35) when the plaintiff makes proof thereof (Wamslev v. Atlas S. S. Co., 168 N. Y. 533). A distinction between a limitation of liability for conversion and for negligence is clearly shown in the cases.

"The distinction must also be borne in mind between a limitation of liability and an agreed valuation in case of liability. When it is urged that the limitation of value should not be applied to any case of theft by the carrier's employes, for the reason that the company is liable for such acts as if the company has been the thief (Adams Express Co. v. B. & W. Co., 35 App. D. C. 208), the argument loses sight of the distinction suggested. When the agent acts within the scope of his employment in taking possession of the shipment 'in legal effect it was the same as if the defendant, personified, had taken it.' (Vann, J., in Hasbrouck v. N. Y. C. R. R., 202 N. Y. 363-373), but the liability may exist and the valuation of the shipment in case of liability may be agreed upon when the rates for transportation are based on the valuation of the goods intrusted to the carrier.

Declared Lesser Valuation

"The reason for the rule sustaining the declared and agreed valuation is to prevent fraudulent practices by shippers in obtaining a lower rate by undervaluation (Kansas City Southern R'y v. Carl, 227 U. S. 639-652, Pierce Co. v. Wells Fargo & Co., 236 U. S. 278). While the rule should not be extended to permit a carrier to realize a profit by converting valuable shipments, such conversions are as unusual as to be almost negligible. It would be unjust and contrary to the policy of the law to permit the agreed valuation to be overthrown for the purpose of enabling the shipper to obtain a recovery in excess thereof in a suit for loss or damage on any theory of trover or conversion for loss of goods by wrongful deliveries or acts of employes for their own benefit, based not on the wrongful misconduct of the carrier as such, but on the act of the employe (Rosenthal v. Weir, 170 N. Y. 148-154). The liability of carriers of goods at common law was that of insurers, and proper care and diligence were insufficient to avoid such liability. The duty was to carry the goods and deliver them to the consignee. A breach of that duty imposed liability. The innocent mistakes of the servant in delivering the goods constituted a conversion by the carrier no less than his willful misconduct in breach of the trust reposed in him (Price v. Oswego & Syracuse R. R., 50 N. Y. 213). But the contract in suit does not evade the liability. It merely fixes the valuation of the goods when liability is established in an action for damages against the carrier the shipper is bound by the terms of the contract, and it is of the highest importance that competent parties be held to the terms of their valid contracts.

"The transaction in question related to interstate commerce; consequent rights and liabilities between the parties and common-law principles accepted and enforced in Federal Courts (Southern Express Co. v. Byers, 240 U. S. 612-614; N. Y. Central v. Beaham, 242 U. S.....). It has been held in cases involving negligence or the acts of third parties that where alternate rates fairly based upon valuation are offered liability may be limited by special contract (Cincinnati N. O. & Tex. Pac. R'y v. Rankin, 241 U. S. 319) that where a valuation has been agreed upon between the shipper and the carrier such value shall be the maximum amount for which any carrier may be held liable, whether or not the loss or damage occurs from negligence (Cleveland C. C. & St. Louis R'y v. Dettlebach, 239 U. S. 588-593); that having obtained a rate based on the declared value the shipper is concluded and there is no room for parol evidence to show otherwise (Mo. K. & Tex. R'y v. Harriman, 227 U. S. 657-670); that so long as the tariff based on value remained operative it was binding upon the shipper and carrier alike and was to be enforced by the courts in fixing the rights and liabilities of the parties (Great Northern R'y v. O'Connor, 232 U. S. 508-515; Atchison, T. & S. F. R'y v. Robinson, 233 U. S. 173-180;) that the question is not one of form, but of actuality (Southern R'y v. Prescott, 240 U. S. 632-639) and that the effect of the stipulation cannot be escaped by the mere form of the action, the scope and effect of which is an action for damages against the carrier (Georgia F. & A. R'y v. Blish M. Co., 241 U. S. 190-197). The contention of appellant that the agreed value does not conclude the shipper as against the acts of employes outside the scope of their employment cannot be sustained without ignoring the terms of the contract, disregarding the intent of the parties and of the acts of Congress regulating interstate transportation and holding the carrier to a different responsibility than that which it assumed.

"The order should be affirmed, with costs, and the question should be answered in the affirmative."

Supports Cummins Amendment

This decision is an endorsement by the Court of Appeals in an extreme case under the Cummins Amendment which was adopted by Congress last August. The Cummins amendment reinstated the right of the railroads to limit their liability on certain classes of shipments and permitted them to base their rates on the amount of declared liability carried.

Commenting on the action of some of the companies in entering the transit insurance field, one of the underwriters who has considerable experience writing transit business, told The Eastern Underwriter this week that this decision opened to the companies a field that has been comparatively dormant for some time past. He said that there were only a few companies which had been writing this business continuously and that some of the new companies might lose money, through inexperience, on their writings for the first year or so, but that, so long as the shipping continued on its present scale and there was no change in the law, there would be much of this business written. He explained that the reason some of the companies would lose money is because of the lack of rate experience. There are no set rates in transit insurance, each risk being individually rated as in marine insurance.

Mr. Lincoln's Views

James C. Lincoln, manager of the traffic bureau of the Merchants' Association of New York, said to The Eastern Underwriter that he could see where it would be profitable for shippers of any volume to secure transit insurance on their goods and that it would also be desirable for shippers of high values to insure their property and thus secure complete coverage from the time the shipment left the office until it was received by the consignee, which coverage is not given by the carriers even though the 10 cents per 100 pounds is paid.

The Eastern Underwriter pointed out to Mr. Lincoln that, in the event of a loss and suit being the only recourse, it was unnecessary for the shipper under a transit insurance policy to prove anything other than that his goods were gone, whereas under the liability of the carrier, he must prove to the satisfaction of the court that the loss was due to negligence on the part of the carrier. He said that feature should make transit insurance valuable to the merchant as he knew of numerous instances where the shipper had been unable to collect any damages because he was unable to prove negligence.

Mr. Lincoln said that he believed a majority of the merchants members of his association already carried transit insurance on their shipments. He added, however, that, as only the larger merchants were as a class members of the Merchants' Association, there could be no doubt that the smaller men and the merchants outside of New York City were comparatively uninformed about the advantages of transit insurance and that it would probably prove an acceptable form of coverage to them under the present conditions.

GLENS FALLS FIELD MEETING

Field men of the Glens Falls met at the home office last week in conference.

INCORPORATED 1794
THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA
308 & 310 WALNUT ST., PHILADELPHIA, PA.
CASH CAPITAL, $1,000,000.00
LIABILITIES, $2,585,923.98 ASSETS, $4,012,344.68
SURPLUS TO POLICY HOLDERS, $1,426,420.70
AGENTS WANTED WHERE NOT REPRESENTED

Iowa National Fire Insurance Co.
DES MOINES, IOWA Capital Stock $500,000
The latest addition to Reliable Fire Insurance organizations will begin Writing Business on January 1, 1917
JOHN L. BLEAKLY, President
F. L. MINER, Vice-President
C. S. VANCE, Underwriting Manager
FRANK P. FLYNN, Treasurer
C. M. SPENCER, Secretary

Automobile Ins. Co. Shows Rapid Growth

CAPITAL STOCK NOW $2,000,000; DOUBLED LAST WEEK

Messrs. Rowe, Barden, Clough, Jones and McGivney Advanced in Rank

At the annual meeting of the Automobile Insurance Company of Hartford last week the capital stock of the Company was doubled, being $2,000,000 now; and several promotions were announced. J. Scofield Rowe was made vice-president; assistant secretaries J. C Barden and H. R. Clough were made secretaries; J. J. McGivney was made assistant secretary of the marine department; and W. Ellwood Jones, assistant secretary of the fire department.

Mr. Rowe, who is vice-president of the Aetna Life, and for years has been a leading figure in the casualty world, has built up a new reputation as a fire insurance executive by reason of his work in guiding the destinies of the Automobile Insurance Company since it embarked upon fire insurance. Mr. Clough is one of the leaders among automobile underwriters. Mr. Barden is also well and favorably known. The careers of Mr. Jones and of Mr. McGivney, newer men with the affiliated Aetna Companies, follow:

Assistant Secretary Jones

W. E. Jones started his insurance career with a local agency and brokerage firm of Philadelphia in 1895. In 1900 he was appointed manager of the local branch office of the Girard Fire and Marine Insurance Company of Philadelphia, remaining with them until 1904 at which time he was appointed special agent and afterwards general agent at the home office of the Camden Fire Insurance Company, Camden, N. J. He was in the local and general agency business in Philadelphia from 1909 to 1913, and became associated with the Aetna companies in 1914. Mr. Jones has served since February 1916 as executive special agent in the fire insurance department of the Automobile Insurance Company.

Assistant Secretary J. J. McGivney

Mr. McGivney was born in New York, October 1, 1888. He was graduated from Eastern College with the degree of B. A. After leaving college he entered the marine underwriting business with the Standard Marine Insurance Company, Ltd., in 1909, at which time that company was organizing its branch office in the United States. He remained with that company until September, 1916, at which time he left to organize the marine department of the Automobile Insurance Company of Hartford. During the last four years with the Standard Marine Insurance Company he held the place of underwriter and assistant manager.

Two New Directors

At the stockholders' annual, which preceded the directors, the directors were elected as follows: M. G. Bulkeley, S. G. Dunham, J. O. Enders, M. B. Brainard, J. L. English, J. S. Rowe, W. C. Faxon, W. E. A. Bulkeley, M. G. Bulkeley, Jr.

W. E. A. Bulkeley and M. G. Bulkeley, Jr., are additions to the board. The other directors were re-elected.

Prompt Efficient
THE INSURANCE BUREAU
FIRE and AUTOMOBILE
Inspections and Investigations
406 German-American Bank Bldg.
BUFFALO, N. Y.
Confidential Economical

Insurance Against Loss of Profits Through Fire

The first duty of an assessor is to observe equity between the parties contracting. At the same time he must not wander from the basic principle adopted in the contract for assessing the extent of the loss, but under the condition, which in some policies is marked "3" and in others "7," reading:

"In adjusting a loss due allowance shall be made in the turnover for all extraordinary or other circumstances of the business," he can to a certain extent assist in arriving at this equity. Of course, the intention of the policy is that insured must not at any time obtain a larger sum than the amount of net profits he would have received from his trading for the period indemnified, had there been no interruption in his business. Under the present indemnity clause it seems practically impossible to arrive at an equitable adjustment. As turnover itself is such a fluctuating item in any ordinary business, to use it as a basis of arriving at the percentage of loss on shortage, is as "building a house on sand." Turnover is too shifty in these States, general trade, labor conditions, changeable seasons, all affect the takings or sales of a business. As a matter of fact, any accountant who has gone through various books of traders will agree that the turnover for the year, or even for the month, is added to, or lessened by very simple causes. In assessing a loss under the heading "output," the variation does not extend so much, but on the other hand output is more liable to labor conditions. It is plain, therefore, that for the accountant to adhere strictly to the wording of the policy would mean an inequitable settlement. The policy defines clearly whether the assessor shall certify as to the loss being based on turnover or output, the meaning of both headings being given in the policy. This direct instruction is, I fear, likely to cause considerable loss to the company other than should be. Many businesses carry on both manufacturing and trading, such as a costume, shirt or clothing manufacturer. Such firms buy a considerable quantity of their goods ready-made and manufacture a great part as well. Then it is obvious that the question as to whether the loss should be based on output or turnover, or on both together, should be left to the appointed accountant to decide. I had an assessment under these circumstances and under condition 3, by working an output and turnover for each department the loss was 17 per cent. less than the result of turnover only.

(To be Continued.)

SHORT TERM INSURANCE

Rule for Writing it as Recommended for Adoption by Companies in East

The rule for writing short term insurance as recommended to companies in Eastern territory follows:

(a) Policies written for any time less thau one year shall be at the short rate of the published annual rate for the time as shown by the following table for annual insurance:

Short Rate Table for Annual Insurance

Time, Days	Percentage to be Charged or Retained		Time, Days	Percentage to be Charged or Retained		Time, Days	Percentage to be Charged or Retained
1	2	13		12	75		37
2	4	14		13	90 (3 mos.)		40
3	5	15		13	120 (4 mos.)		50
4	6	16		14	150 (5 mos.)		60
5	7	17		15	180 (6 mos.)		70
6	8	18		16	210 (7 mos.)		75
7	9	19		16	240 (8 mos.)		80
8	9	20		17	270 (9 mos.)		85
9	10	25		19	300 (10 mos.)		90
10	10	30 (1 mo.)		20	330 (11 mos.)		95
11	11	45		27	360 (12 mos.)		100
12	11	60 (2 mos.)		30	.....		...

(b) Policies covering classes eligible to be written for a term of more than one year at less than pro rata rates may be written for one full annual premium plus pro rata of 75 per cent. of the annual premium for periods in excess of first year.

(c) Endorsements increasing policy amounts are subject to the same rule as new policies as to the application of the foregoing rules.

LEASES ADDITIONAL SPACE

The Niagara Fire has leased the fifth floor of 123 William Street in which it will install its western department on May 1. The executive offices of the Company occupy the fourth floor.

TWO-PLATOOON SYSTEM FUNDS

At the request of the Fire Board of Newark, New Jersey, the Common Council has made an appropriation of $150,000 for salaries of eighty additional men to be appointed for the two-platoon system, and for the purchase of an automobile and other equipment.

1853 Sixty-Third Year 1916
FARMERS' Fire Insurance Company
YORK, PENNSYLVANIA
Assets (Dec. 31, 1915) $1,099,331.19
Net Surplus (Dec. 31, 1915)..... 496,079.49
W. H. MILLER, President
A. S. McCONKEY, Sec. and Treas.

THE LEADING FIRE COMPANY OF THE WORLD
ROYAL INSURANCE COMPANY LIMITED
[of Liverpool, England]

The Gamewell Fire Alarm Telegraph Co.
Fire Alarm and Police Telegraphs for Municipal and Private Plants
OVER 1500 PLANTS IN ACTUAL SERVICE
GENERAL OFFICES AND WORKS
NEWTON UPPER FALLS, MASS.
AGENCIES
5708 Grand Central Terminal, New York
448 John Hancock Building, Boston, Mass.
1216 Lytton Building, Chicago, Ill.
335 Wabash Building, Pittsburgh, Pa.
915 Postal Building, San Francisco, Cal.
304 Central Building, Seattle, Wash.
Utica Fire Alarm Telegraph Co., Utica, N. Y.
Northern Electric Company, Limited, Montreal, Canada.
General Fire Appliances Co., Ltd., Johannesburg, South Africa
Colonial Trading Co., Ancon; Canal Zone, Panama
F. P. Danforth, 1060 Calle Rioja, Rosario de Santa Fe, Argentine Republic

WALTER F. ERRICKSON
38-40 Clinton St., Newark, N. J. 95 William St., New York
Representing
THE GERMANIA FIRE INS. CO.
For Automobiles
Special facilities for out-of-town business.

GENERAL FIRE ASSURANCE CO.
OF PARIS
URBAINE FIRE INSURANCE CO.
OF PARIS
BRITISH DOMINIONS GENERAL INS. CO., Ltd.
OF LONDON
FRED. S. JAMES & CO.
United States Managers
123 WILLIAM STREET, NEW YORK
FRED. S. JAMES
GEO. W. BLOSSOM
W. A. BLODGETT
C. B. G. GAILLARD
Assistant Manager

Model U. & O. Form for Manufacturing Risk

CONTRACT PROVIDED HAS TEN CONDITIONS

Averaging Daily Product for Twelve Months Next Preceding Date of Fire

The use and occupancy form (manufacturing risk) that has been recommended for adoption by the companies' committee follows:

$..... on the use and occupancy of the ..... situated at ..... and occupied for .....

It is understood and agreed that the term "use and occupancy" as herein used, shall be construed to mean net profits; general maintenance, to the extent of taxes, interest on bond or mortgage indebtedness, heating and lighting, and legal liability of assured for royalties and salaries and wages of employes.

The conditions of this contract of insurance are, to wit:

1. That if, by fire occurring during the above-named term for which this policy is written, the said plant or any part thereof, shall be destroyed or so damaged by fire as to entirely prevent the production of goods, this Company shall be liable for actual loss sustained under the terms of the preceding paragraph, at a rate not exceeding $..... per day, for each working day of such prevention.

2. That if, by fire occurring during the above-named term of which this policy is written, the ability to produce the full daily average of goods be impaired, but not destroyed, then shall this Company be liable per day for said actual loss sustained, in such proportion of a sum not exceeding $..... as the product so prevented from being made bears to the full average product, it being understood and agreed that for the purpose of this insurance the average daily product for the twelve months next preceding date of fire will be considered the full daily average product.

3. That, in the event of loss, the compensation shall commence on date of such loss, and cover such time (not limited by the day of expiration of this policy) as may, with the exercise of due diligence and dispatch, be necessary to place the plant in condition to resume operations; loss to this Company, however, in no case to exceed the amount herein named.

4. That the word "day," or "working day," as used in this contract shall be held to cover a period of twenty-four (24) hours.

5. That in the event that the assured continues business (in the whole or in part) at some other location during the time necessary to repair or reconstruct the building or buildings named herein, the value of the "use and occupancy" of such new location shall be deducted from the amount which under the terms of this policy would otherwise be recoverable by the assured.

6. That any surplus machinery or duplicate parts thereof, equipment or supplies, which may be owned, controlled or used by the assured, shall in the event of loss, be used in placing the property In condition for operation.

7. This policy shall also cover use and occupancy loss caused by lightning (meaning thereby the commonly accepted use of the term lightning, and in no case to include loss or damage by cyclone, tornado or windstorm), not exceeding the sum insured, nor the interest of the insured in the property. Provided, however, that if there shall be any other use and occupancy insurance on said property, this Company shall be liable pro rata with such other insurance for any use and occupancy loss by lightning, whether such insurance be against loss by lightning or not.

8. That this policy shall not cover "use and occupancy" occasioned by the stoppage of dynamos, motors or other appliances for generating, utilizing or distributing electricity, which may be caused by and defect or break in the insulation or machine; nor by excess current, whether artificial or natural.

9. If any disagreement shall arise as to the amount of loss, the same shall be determined by appraisal or reference in the manner provided, in the printed conditions of this policy.

10. Other insurance permitted.

Note.—Usual clauses regarding alterations and repairs, hours of operation and permission for devices and hazards, permitted by rules, may be added.

GETS YORKSHIRE FOR CUBA

E. F. Flindell is Now Binding Business —Will Move Office to 1 Liberty Street on May 1

E. F. Flindell has been appointed representative of the Yorkshire Insurance Co., Ltd., of York, England, for the binding of business in Cuba. The appointment became effective last week.

Mr. Flindell now represents the Yorkshire for Cuba and the United States and the Scottish Union & National for the United States and Canada. To meet his requirements for more space, Mr. Flindell will move his office on May 1 from 123 William Street to 1 Liberty Street.

NEW JERSEY NOTES

PATERSON MEETINGS

Local agents in Paterson have had several meetings on the Commission question. Special Agent Taylor, of the Hartford, and Keeley, of the Royal, have had some conferences with the agents, it is reported.

U. & O. RATES

It is understood that the position of W. S. Naulty, of Jos. M. Byrne & Co., Newark, regarding use and occupancy rates is that there should be a separate schedule for the latter, and that those rates should not be based on the fire rates.

Frederick C. Smith, of Griswold & Smith, left for Augusta, Ga., this week where he will make an indefinite stay, combining business with recreation.

MADE A SPECIAL AGENT

C. W. Page, Jr., Given Connecticut, Western Massachusetts and Vermont by Connecticut

Charles W. Page, Jr., who has been an examiner in the home office of the Phoenix of Hartford, has been appointed special agent for the Connecticut Fire for Connecticut, Western Massachusetts and Vermont.

Mr. Page is a graduate of Yale.

HAROLD KNOX WITH ATLAS

Harold Knox, who has been in charge of the agency department of the People's National Fire Insurance Company, has resigned his connection with that Company to become special agent of the Atlas Assurance. The change becomes effective March 1.

"The Leading Fire Insurance Company in America"



WM. B. CLARK, President

AETNA INSURANCE COMPANY

Aetna Fire Underwriters Agency of Aetna Insurance Co.

Application For Agencies Invited

THE HANOVER FIRE INSURANCE COMPANY

Incorporated 1852

The real strength of an insurance company is in the conservatism of its management, and the management of THE HANOVER is an absolute assurance of the security of its policy.

R. EMORY WARFIELD, President
FRED. A. HUBBARD, Vice-President
E. S. JARVIS, Secretary
WILLIAM MORRISON, Asst. Sec'y

HOME OFFICE
Hanover Bldg., 34 Pine St.
NEW YORK

HOWIE & CAIN, General Agents
Metropolitan District
100 WILLIAM STREET, NEW YORK

WESTERN ASSURANCE CO.
OF TORONTO, CANADA
(Fire, Tornado, Ocean Marine and Inland Marine Insurance)
UNITED STATES BRANCH
January 1, 1916

Assets	$ 2,747,815.34
Surplus in United States	1,309,295.82
Total Losses Paid in United States From 1874 to 1915, Inclusive	40,654,747.02

W. R. BROCK, President
W. B. MEIKLE, Vice-Pres. & Gen. Man.

"STRONG AS THE STRONGEST"
The Northern Assurance Co.
(LTD., OF LONDON)
Organized 1836
Entered United States 1854

Losses Paid - - $102,000,000
Losses Paid in U. S. - $36,000,000

Eastern and Southern Departments
55 JOHN STREET
NEW YORK CITY

HUMBOLDT FIRE INSURANCE CO., Pittsburgh, Pa.
TEUTONIA FIRE INSURANCE, CO., Pittsburgh, Pa.
CAPITAL FIRE INSURANCE CO., Concord, N. H.
NEW YORK STATE DEPARTMENT
PERCY B. DUTTON, Manager, Rochester, N. Y.

Caledonian Insurance Co. of Scotland
FOUNDED 1805
"THE OLDEST SCOTTISH INSURANCE OFFICE"
UNITED STATES HEAD OFFICE
Caledonian Building, 50-52 Pine Street, New York
CHAS. H. POST, U. S. Mgr. R. C. CHRISTOPHER, Asst. U. S. Mgr.
NEW YORK CITY OFFICE
Golden Hill Building, 59 John Street, New York

E. F. FLINDELL
123 WILLIAM STREET Telephone John 2330 NEW YORK CITY
Representing
THE SCOTTISH UNION & NATIONAL
For the United States and Canada
THE YORKSHIRE INSURANCE CO., LTD.
For the United States and Cuba

First National Fire
Insurance Company of the United States
WASHINGTON, D. C.
ROBERT J. WYNNE, President JOHN E. SMITH, Secretary
Statement January 1, 1916
CAPITAL, $912,502
RESERVE FOR ALL OTHER LIABILITIES, $523,785
NET SURPLUS, $377,447 ASSETS, $1,813,734

CASUALTY AND SURETY POINTERS

Report on the United States Casualty

DETAILED EXAMINATION BY NEW YORK DEPARTMENT

Experience Factor for Five Years Covering Liability Business, Was 62.56 Per Cent.

The New York Insurance Department has made public its examination of the United States Casualty, and the following is a statement of the income of the Company from January 1, 1916, to September 30:

Income.

Net premiums.		
Accident	$368,652.10	
Health	190,678.90	
Liability	715,505.39	
Compensation	538,757.21	
Plate glass	42,015.97	
Automobile and teams property damage	47,446.16	
Automobile collision	24,356.97	
Burglary and theft	67,516.33	
Workmen's collective	1,766.92	
Steam boiler and fly wheel	45,102.49	
Total net premiums		$1,951,593.46
Interest on mortgage loans	7,240.66	
Interest on bonds	38,552.78	
Dividends on stocks	51,336.08	
Interest from other sources	2,242.47	
Total interest and dividends		99,371.99
Agents' balances previously charged off		1,880.61
Profit on sale of securities		312.50
Total income		$2,053,158.56
Ledger assets Dec. 31, 1915		3,385,823.98
Total		$5,438,982.54

History

This Company was incorporated in 1895 with a capital stock of $300,000. In 1908 the capital was increased to $500,000, and in 1909, by a stock dividend, the capital was increased to $500,000, its present capital. The charter provides for the election by the stockholders of a board of nineteen trustees, in which board, or any officers or committees it may appoint, all corporate powers are vested. By its charter, as amended March 21, 1911, the Company is authorized, in accordance with the provisions of section 70 of the New York State Insurance Law, to write the business of accident and health, liability, workmen's compensation, burglary and theft, plate glass, steam boiler, fly wheel, sprinkler, automobile and teams property damage and automobile collision insurance.

The Company is authorized to transact business in the District of Columbia, the territory of Hawaii and in all the States of the United States except Arizona, Arkansas, Nevada, New Mexico, Oklahoma, Oregon, South Dakota and Wyoming.

Some Re-insurances

Since the last examination made as of September 30, 1913, this Company has re-insured all of its industrial accident, steam boiler and fly wheel, and sprinkler policies, and has discontinued issuing policies of insurance in connection with such business. It has also discontinued issuing defense and indemnity policies covering liability incurred by physicians, druggists, dentists and hospitals. The industrial accident outstanding policies were re-insured December 15, 1916, with the North American Accident Insurance Company, of Chicago, Illinois. The steam boiler and fly wheel policies were re-insured May 17, 1916, with the Hartford Steam Boiler Inspection and Insurance Company, of Hartford, Conn. The sprinkler policies were re-insured January 23, 1915, with the Maryland Casualty Company, of Baltimore, Maryland.

ASSETS

Real Estate

The Company owns one piece of unimproved real estate situated in Lake County, Illinois, and acquired in 1898 in settlement of a balance due from an agent. In addition to this property, the Company originally acquired property valued by the Company at $4.250 which was disposed of in 1914 for $5,199.80. The market value of the remaining property is $250 as fixed by the Company and is so considered in this examination. While no negotiations are pending in regard to the disposal of same, the Company holds the certificate of the Superintendent of Insurance extending permission to hold such property until August 1, 1918.

Mortgage Loans

The Company has outstanding loans September 30, 1916, amounting to $176,000 secured by first liens on real estate located in New York, Brooklyn and New Rochelle. With one exception (a loan of $15,000 on property appraised for the Company at $25,000, and upon which no appraisal has been made in connection with this examination), the principal and interest on each loan has been guaranteed by companies authorized to make such guarantees in this State.

These loans bear interest at the rate of 5 or 5½ per cent. and no foreclosure proceedings are pending in connection with any loan nor are there any liens upon the real estate prior in rights to these mortgages.

Bonds and Stocks

The bonds and stocks owned were counted and examined with the exception of the bonds deposited with State departments, certificates having been obtained from the proper officials, covering such deposits.

The aggregate book and market values of all bonds and stocks owned are. book value $2,922 572.12; market value $2,721,770, showing an excess of the book value over the market value of $200,802.12, which amount has been deducted as a non-admitted asset.

The Company has on deposit for the protection of all policyholders, with the Insurance Department of New York State, bonds to the par value of $270,000, market value $281,700 and with the Insurance Department of the State of Ohio, bonds to the par value of $50,000, market value $53,000. For the protection of the policyholders within the State only, the Company has on deposit with the Treasury Department of the Commonwealth of Virginia, bonds to the par value of $26,000, market value $25,680, and as the corresponding liabilities against this deposit exceed the market value, no adjustment is necessary in non-admitted assets.

Cash in Office and in Bank

On September 30, 1916, the Company has cash amounting to $52,703.03 deposited in banks on interest and $58,406.45 deposited in banks, not on interest. These amounts were verified by certificates obtained from the several banks, which certificates were properly reconciled to the Company's books. The cash in office was counted as of November 28 and reconciled to the Company's books as of September 30. Interest credited to one bank prior to September 30, of which the Company was not informed until after that date, amounting to $126.81, has been allowed as accrued interest on bank balances. Cash advanced for traveling and adjustment expenses, etc., amounting to $12,252,25, has been deducted as an asset not admitted.

Premiums in Course of Collection

The total premiums uncollected September 30, 1916, amounted to $436,869.62, of which amount subsequent detail analysis revealed $34,768.96 to be upon policies effective prior to July 1, and has therefore been deducted as an asset not admitted. The Company credits all return premiums due to the agents' accounts and debits such accounts with disallowed return premiums, overcharged commission, shortage in remittance of premium, etc. The agents' accounts exhibited a net credit balance of $356.70 and a gross debit balance of $6,030.73, which amount has been deducted as an asset not admitted.

Deposited With the Workmen's Compensation Re-insurance Bureau

While the Company's books indicate funds so deposited amounting to $34,130.88, a statement from such bureau showed the Company's equity September 30, 1916, to be $28,019.21 and the difference $6,111.67 (representing disbursements or reserve for losses chargeable against this deposit) has been deducted as an asset not admitted.

Aggregate outstanding claims as estimated by the Company, $136. Aggregate outstanding claims as estimated by the Department, $187,340.49.

Claims

In connection with this examination, specific estimates have been made upon each claim. Losses incurred under accident and health, property damage, collision and burglary policies, are estimated by the Company by applying a minimum estimated cost to each notice received and specifically estimating suits and serious cases. Subsequent experience indicates that the minimum estimates as applied to some of the lines were somewhat insufficient and the Company has now revised such minimums and will continue to revise same from time to time in accordance with further experience.

Loss Reserves

The reserve for losses under liability and workmen's compensation policies has been computed in accordance with the provisions of section 86 of the Insurance Law. The experience under each line of business has been made up separately and the figures entering into the statistics have been carefully checked. All compensation claims pending September 30, 1916, on policies issued prior to October 1, 1914, have been specifically estimated, and, together with unsettled liability suits in connection with policies issued prior to that date, have been allocated to the year's experience, in accordance with the actual date policies were issued. Under the law it is necessary to obtain the experience per calendar year and as at September 30, 1916, the experience for 1916 covers only three-fourths of a year, one whole year's experience prior to September 30, 1916, has been completed by adding to the earned premiums and paid losses, one-fourth of such amounts for the year 1915. Following the same method, the experience for the years prior to September 30, 1915, has been compiled.

The experience factor for the first five-year period, covering liability business ending September 30, 1911, was found to be 62.56 per cent. No experience factor having been developed upon compensation business (as such business has been written since 1911 only) the factor provided by law applicable as of December 31, 1916, namely, 54 per cent., has been used to compute the compensation loss reserve. The following schedule shows the computation of the reserves based upon the above factors:

For statement purposes, other than at December 31, it has been the practice of the Company to report as outstanding liability and compensation claims, the amount of such claims as specifically estimated, no effort having been made to compute the actual legal reserve as required under section 86. The amount so reported September 30, 1916, was $433,237, whereas the legal reserve as established above is $574,740.37. Of course, the Company's specific estimates were upon known claims and in addition to the above amount, the Company carried an "additional special reserve for losses" of $200,316, which the Company states is for the special purpose of providing for the difference between the legal and Company's reserve.

Liability Experience

The liability experience for the first five years from September 30, 1906, to September 30, 1911, with nine suits still unsettled and considered at a final estimated cost of $750 each, is 62.56 per cent. However, the experience for the year September 30, 1911-1912 is 68.13 per cent.; for the year September 30, 1912-1913, it is 66.04 per cent. and for the year September 30, 1913-1914, it is 61.21 per cent., an average experience for the first three years of the sec-

(Continued on page 18.)

General Accident
FIRE AND LIFE
ASSURANCE CORPORATION, Ltd.
FREDERICK RICHARDSON, United States Manager.
GENERAL BUILDING · 4TH & WALNUT STS.
PHILADELPHIA
SERVICE THAT EXCELS

NEW AMSTERDAM CASUALTY COMPANY
A Progressive
SURETY AND CASUALTY
Company

Report on Standard Provision Accident Bill

MADE BY MANTON MAVERICK, OF CONTINENTAL CASUALTY

Member of Companies' Committee Reviews Situation at A. & H. Underwriters' Conference

At the Chicago meeting of the Health & Accident Underwriters, Manton Maverick, vice-president of the Continental Casualty, and a member of the companies' committee which conferred with insurance commissioners, made a report on the new standard provision accident bill. He said:

Legislation along the line of standard provisions for accident and health policies has been as are most matters of legislation a series of progressive steps, and a brief review of previous action will assist in understanding the present situation and the proposed action. The first enactment specifying the provisions of policies of accident and health insurance was by Minnesota at the instance of Insurance Commissioner Hartigan. This law merely provided that each policy should contain in substance certain provisions and should not contain certain others. It did not specify the exact language. The next step was taken by the legislatures of New York, Massachusetts and Connecticut. The three enactments were substantially similar and patterned very closely after the Minnesota enactment. That law is now in force in Massachusetts but not in New York and Connecticut, and has been followed substantially in several of the other States.

Committee Appointed in 1912

In 1912 the Insurance Commissioners' Convention appointed a committee to consider the subject of standard provisions or standard policy forms for policies of accident and health insurance. This committee appointed a subcommittee consisting of the commissioners of New York, Massachusetts and Connecticut, who were the active ones in the draft of what afterwards became the first standard provisions law. The insurance companies engaged in the accident and health business through their associations appointed a committee to confer with the commissioners' committee. The companies' committee consisted of Mr. Maverick, of the Continental, chairman; Mr. BroSmith, of the Travelers; Mr. Nadel, of the Fidelity and Casualty; Mr. Fibel, of the Great Eastern, and Mr. Heaton, of the Standard. The two committees co-operated with the result that a bill was agreed upon which provided for the filing and approval of the policies, prescribed their typographical aspect, regulated their contents in a general way and then prescribed the language in which should be stated sixteen standard provisions, and also the language of five standard provisions, the use of which was optional with the companies.

The commissioners' committee reported this bill with favorable recommendation to the Insurance Commissioners' Convention of 1912, held at Spokane and by that convention was unanimously recommended for adoption in the several States. It has since become the law in some dozen or more States, superseding the old standard substance law in New York, Connecticut and Minnesota as well as in some other States which had followed their lead. It is to be noted particularly in this connection that this standard provisions law did not in any way contradict the old standard substance law. It was and is perfectly possible to draw a policy which conforms to the requirements of both laws and that has been the general procedure of companies doing business in States which had one or the other of the two laws. In all this legislation it was found necessary in order to secure unanimous action to make concessions between what I may term to be the radical views of some insurance commissioners and the more conservative views of others. Then too the companies' committee had a very marked influence upon the action of the commissioners and by mutual concessions a result was obtained which, while it did not meet the exact views of any of the parties, was still fairly satisfactory to them all. So much for ancient history.

1916 Action

From time to time after the passage of this law various insurance commissioners at the meetings of their conventions and elsewhere expressed opinions that while the bill endorsed by the Spokane Convention and very frequently called on that account the Spokane Bill, was all right as far as it went. it did not go far enough to remedy what they termed to be some of the evils they found in insurance policies. This feeling among the insurance commissioners found expression at various times. In 1915 the Insurance Commissioner of Virginia introduced a resolution in the convention looking towards an extension of the law. No action was taken upon it at that time beyond referring it to a committee. Afterwards, in 1916, the present Commissioner of Wisconsin, Mr. Cleary, introduced a resolution into the Commissioners' Convention which in substance asked for an extension of the law and suggested that a standard policy be drawn and made obligatory upon the companies.

This resolution was afterwards at the Richmond Convention of the Insurance Commissioners referred to the laws and legislation committee, and by it referred to a sub-committee consisting of Mr. Cleary of Wisconsin, Mr. Winship of Michigan and Mr. English of Iowa. At the same time your conference, acting in harmony with the International Association of Casualty and Surety Underwriters, appointed a companies' committee to confer with the commissioners on the subject. This committee consisted of Mr. BroSmith, of the Travelers, chairman; Mr. Parker, of the Aetna; and Mr. Maverick, of the Continental. It was afterwards enlarged by the addition of Mr. St. Clair, of the North American, and Mr. Shorts, of the Massachusetts Bonding and Insurance Company, although I regret to say that Mr. Shorts was unable to attend any of the sessions of the committee. The two committees conferred at Richmond and it was agreed that the three commissioners should state the several objects they had in view and that a bill should then be drawn, embodying them in a general way and that this bill would form a basis for subsequent analysis and action. At the outset it was apparent that several of the commissioners were inclined to favor a standard form policy rather than an extension of the present standard provisions law. The companies' committee was not a unit upon this proposition but the two committees in conference later reached the conclusion that owing to the necessary variations in policy forms of all classes of accident and health insurance business, it was not feasible to frame a standard policy law and the commissioners' committee thereupon decided to frame a law which should extend the scope of the standard provisions law so as to cover other features of the policy and produce the result of greater uniformity, at the same time leaving the companies the privilege of drafting their policies subject to the law in such form as might be necessary to meet the needs of the varying classes of business.

The two committees met in conference at Chicago in November and at that time there was presented for their discussion and action a draft of a bill which as modified by subsequent amendments finally became the recommendations of the insurance commissioners. Your committee felt that it was best serving your interests by co-operation rather than by being antagonistic and it worked wholly to that end. The result of the two committees' work was submitted to the Insurance Commissioners' Convention in New York in December, 1916. The bill as reported then received the approval of the commissioners' committee on laws and legislation and was by it referred to the convention which gave its unanimous approval and recommended it for adoption in the various States.

I want to point out to you what is perhaps the most important feature in connection with this proposed legislation—that it is essentially along the lines of previous legislation but not contradictory to it. Just as it is possible at the present time to draw one policy which will conform to the requirements of Massachusetts and New York, one having the standard substance law and the other the standard provisions law, so will it be possible if the present recommendation of the commissioners becomes a law in any State, to draw a policy which will conform to the new law and both of the preceding ones on the same subject. Your committee had this feature most earnestly in mind and while it seemed at some times pretty hard to be able to meet the views of the insurance commissioners and still maintain uniformity, that result was accomplished by mutual concessions.

Changes Reviewed

I will now briefly review to you the changes in the present standard provisions bill which are made by the proposed legislation. The new law standardizes the insuring clause of policies of accident insurance, health insurance or of both. I do not think that any of you will find anything in the prescribed language which is not in strict consonance with good underwriting and which does not amply protect the interests of the company. Personally I am of the opinion that it is advantageous to the companies to have an insuring clause of certain standard language used in all its policies and by all companies. One particular advantage of this is that it will in the long run procure a more nearly uniform adjudication by the courts. As you know, insurance companies are much hampered by varying interpretations of contracts which are made by the courts of different States. While this variation of interpretation is frequently due to the individual views of the court, it also results principally I think from the fact that heretofore it has been hard to find two insuring clauses which were written just alike. I therefore consider it to be a distinct advantage to the companies that the language of the insuring clause should be dictated by legislation so as to provide uniformity, provided of course that the prescribed language is proper and exact, which I deem it to be in the present instance. You will of course understand that the insuring clause is given in several alternate forms suitable for use in accident only policies, health only policies and combination policies.

Specific Indemnities

The bill next takes up that part of accident policies commonly called specific indemnities. That is, the lump sum payments for loss of life, limb, limbs and sight. Here too I consider the advantages of uniformity to be great. The same considerations apply as those which I mentioned in connection with the insuring clause. The standardized part dealing with specific indemnities is so constructed as to give all necessary latitude for varying grades of accident insurance and I think an examination of the phraseology employed will convince you that no interest of the company will in any way be jeopardized by a use of the forms prescribed. Incidentally I would call your attention to the fact that a printer's error occurs in the published report of the Insurance Commissioners' Convention which gives the bill in full. Payment of specific indemnity for loss of either hand was omitted from the printed report, although it was properly included in the copy furnished to the printer. Mr. McMaster, the secretary of the Convention, has advised me that errata slips are in the printer's hands and will be sent to all who have received copies of the original report. It is unfortunate that this mistake occurred and I call it to your attention merely that you may be on the lookout for the error as the bill is introduced in the various States. I think you will have no difficulty whatsoever in securing correction if the mistake is not

(Continued on page 19.)

The Fidelity and Casualty Company of New York

92 LIBERTY STREET, NEW YORK, N. Y.

Metropolitan Office—92 William Street

Annual Statement, December 31, 1916

Assets	$13,788,795.23
Liabilities	9,708,052.97
Capital	1,000,000.00
Surplus over all liabilities	3,080,742.26
Losses paid to December 31, 1916	56,090,684.58

This Company issues contracts as follows: Fidelity Bonds; Surety Bonds; Accident, Health, and Disability Insurance; Burglary, Larceny, and Theft Insurance; Plate Glass Insurance, Liability Insurance—Employers, Public, Teams (Personal Injury and Property Damage), Automobile (Personal Injury, Property Damage and Collision), Physicians, Druggists, Owners and Landlords, Elevator, Workmen's Compensation—Steam Boiler Insurance; Fly-Wheel Insurance.

WORTH KNOWING

Suppose that you are insured in the United Life and Accident Insurance Company of New Hampshire for $5,000 under the Company's Triple Indemnity Plan, what does your Policy guarantee to do?

ANSWER:

FIRST, it guarantees that in case of death from any cause, $5,000, the face of the Policy, will be paid.

SECOND, that in case of death from any ACCIDENT, $10,000, or DOUBLE the face of the Policy, will be paid.

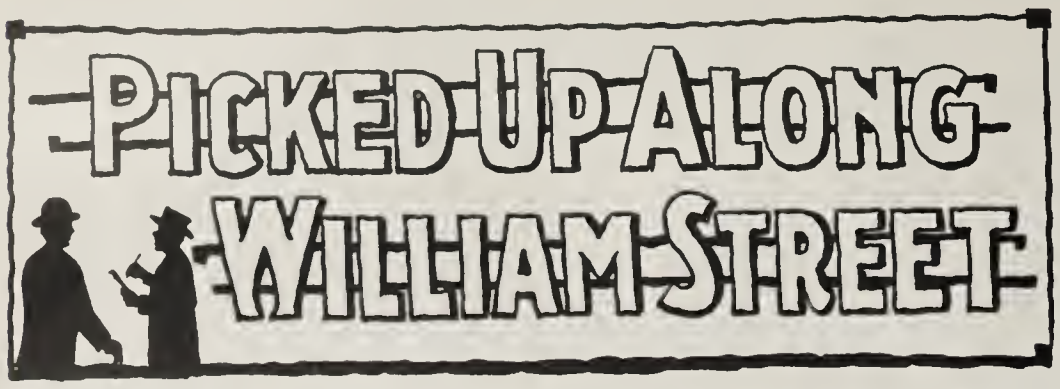
THIRD, that in case of death from certain SPECIFIED accident, $15,000, or THREE TIMES the face of the Policy, will be paid.

BUT THIS IS NOT ALL. The Accident Disability Endorsement **FURTHER** guarantees that in case of total disability as a result of accidental injury, the Company will pay direct to YOU at the rate of $50 PER WEEK during such disability, but not to exceed 52 weeks, after which the weekly indemnity will be at the rate of $25 PER WEEK throughout the period of disability. **Can insurance do MORE?** And why should any man be satisfied with a policy that would do less? The cost is low.

Agents wanted in Maine, New Hampshire, Vermont. Connecticut, Pennsylvania, North Carolina, South Carolina, Tennessee, Georgia, Delaware, Maryland, Mississippi, Kansas, Missouri. An opportunity for Life Insurance Salesmen of ability. Address:

United Life and Accident Insurance Co.

Home Office, United Life Building - Concord, New Hampshire



Workmen's Compensation in Old Manhattan

That compensation for injuries suffered in the course of employment is no brand-new modern device appears from provisions made by the West Indian Company, for those who came to New Netherlands, three hundred years back, to serve that corporation in the business of developing the Dutch possession in the new world.

The Company sent on its ships of trade doctors to treat the ills of crews and passengers, and other M. D.'s were hired to stay here and heal the sick among the Company's servants, who came likewise under express guarantee that "the wounded should be properly taken care of and if any in the employment of the City, and in the execution of their command, office or service, happen to be maimed, lamed, or otherwise be deprived of their health," they shall be remunerated as follows, to wit:

	Fl.
For the loss of the right arm....	333
For the loss of the left arm.....	266
For the loss of a leg.....	240
For the loss of both legs.....	533
For the loss of one eye.....	240
For the loss of both eyes.....1066	
For the loss of the left hand.....	240
For the loss of the right hand....	266
For the loss of both hands.....	933

This schedule of rates was easily the equivalent of so many dollars to-day and is graded on an evident common-sense basis, even if the principles of actual science had not yet been formulated and applied to human affairs.

It was further stipulated: "For the loss of other members and lameness, whereof any person being fully cured, and healed, yet may not be restored to his former health, or may be maimed or thereby disabled from the use which he previously had of his limbs, he shall therefor be proportionally indemnified at the discretion of the Commissioners or Directors, according to previous inspection of the Doctors, Surgeons, or other competent judges. Provided, always, that he show and produce a certificate from his superior officer, who, at the time of his being wounded and maimed, had the command, and of the entire Ship's Council, that he had received the wound in the execution of his office and employment in the service of the City."

* * *

In Fourteen States

The United States Life & Accident, of Concord, N. H., is now licensed to do business in fourteen States, and contemplates entering others. It has 1,200 stockholders. In 1916, for the accident department, W. H. Flint, of Concord, was the leading supervisor of the Company; Green, Calhoun & Green, Covington, Tenn., the leading general agency, and L. C. Cole, Columbia, S. C., the leading agent.

OCEAN'S GAINS

The United States branch of the Ocean made the following gains in 1916 as compared with 1915 figures:

	1915	1916
Admitted assets	$6,101,601.57	$7,276,949.08
Legal liabilities	4,081,880.46	4,851,826.28
Voluntary reserve	710,000.00	1,100,000.00
Surplus	1,309,721.11	1,325,122.80
Deposits with State Insurance and United States Trustees for obligations in the United States exclusively	4,354,500.00	4,866,000.00
Premium income	4,523,237.93	6,023,389.27

How Walker Lands Accident and Health

David H. Walker, Jr., of San Francisco, representing the Aetna, recently wrote sixty applications for $1,136 in a fortnight. He describes his work as follows:

To find the prospect is to my mind the hardest part of turning in an application. My books will show that the majority of the policies are small ones —twenty-five dollars weekly indemnity —and while it is easier to get a large policy it is harder to find such a prospect who is not hemmed in with obligations to some other insurance man.

I make it a matter of principle to meet as many young business and professional men as possible and let it be known in a casual way that I am in the accident insurance business. A chance introduction, I find, can always be followed up in a diplomatic way by a call at the office and, without any pretense of writing a policy, an offer of some general information about accident insurance.

Never produce a sample policy as it is the worst enemy to a quick closing. A man will often let you sketch out the benefits on a piece of paper and will ask questions that get you into the real selling talk, whereas if you produce a sample contract, he asks for it to "read and consider sometime." Keep him interested and curious to know more about the subject and bring him to the closing point without letting him realize the keenness of your desire.

I try to get the application blank on the desk, convenient for the signature, by some such suggestion as this: "There is no medical examination in connection with this policy. You see we only want to know a few general facts," etc., and before he realizes it you are making notes on the application blank and have the full case ready for his signature.

To close, each case takes a different method. If the average man will let you know how old his wife is, her weight, and so forth, he is ready to take a policy and it is safe to push the "app" toward him and tell him, "We will issue this policy for you from today and if there is anything in the contract that has been misrepresented or that you do not understand, don't hesitate to call me up and I'll come and explain it." This statement comes usually without any logical connection with the previous conversation. He has not said "yes." He will take the policy because you have read his wish and made it easy for him. It is hard for the man solicited to admit that he has "fallen for your line of argument."

Every one of us must adopt the best plan for himself. To strike hard with the warmest of sincerity and friendship, thereby honestly gaining confidence, is far more effective than the presentation of an argument in a masterly, cold-blooded, logical way, browbeating the prospect into signing something because he can't think of any reason why he shouldn't. In passing I find it a good thing to work certain special lines of business or professions. You can refer to past business in getting new business. For instance, I think the Aetna in California has obtained more geologists, civil engineers and mining men through our efforts than any other company. They are good risks at their proper rates, excellent pay, and staunch boosters.

Don't forget that ultimately success only comes from work. Things may "break" easily for a time, but if you don't keep working up a fresh crop of prospects ready for the ultimate call, you will find, as I do ever so often, that "business is rotten" and it is only because I have not made seven calls a day every day and a couple at night.

CRANE AGENCY, ST. LOUIS

W. A. O'Connor, who has been associate general agent at St. Louis for the Aetna Companies under the name of W. A. O'Connor & Co., will on March 1, become a partner in the Charles L. Crane Agency Company, Ltd., one of the oldest and largest insurance offices in St. Louis.

The Crane Agency have for a number of years been general agents of the Standard Accident Insurance Company and the New Jersey Fidelity & Plate Glass Insurance Company and Mr. O'Connor will give his personal attention to the handling of the Casualty business of that office and associated with him will be the same organization that he had with the Aetna.

Mr. O'Connor is one of the best known casualty men in St. Louis and for many years was with the Maryland Casualty Company in St. Louis and later became general agent of the New England Equitable, going with the Aetna upon the re-insurance of that Company, and his going into the Crane firm will be quite an addition to that office.

B. R. NEWHALL MAKES CHANGE

Mr. Ben R. Newhall, fromerly senior partner of Newhall Bros. & Wood, who were the Syracuse representatives of the Casualty Co., of America, has associated himself with the firm of Beach & Mitchell. The new concern has been incorporated under the style of Beach, Mitchell & Newhall, Inc., with the following officers: president, Eugene A. Beach; vice-president and secretary, Ben R. Newhall; treasurer, Clarence D Mitchell. The new company will occupy the old offices of Beach & Mitchell at 508-509 McCarthy Bldg., Syracuse, N. Y. The agency has secured representation of several new companies and will be in a position to develop business on a largely increased scale.

U. S. Casualty Report

(Continued from page 16.)

ond five-year period (namely, September 30, 1911, to September 30, 1914), of 65.23 per cent., with 95 suits still unsettled and carried into experience at an estimated final cost of $750.

The indicated loss ratio on compensation policies issued prior to October 1, 1914, is 56.1 per cent. For the year ending September 30, 1914, the indicated loss ratio is 62.15 per cent.; for the year ending September 30, 1913, it is 57.26 per cent. and for the year ending September 30, 1912, it is 44.17 per cent.

Commissions Due Agents

The Company in calculating the commissions unpaid as of September 30 applied an estimated average commission rate of 25 per cent. on all lines except compensation, upon which line an average estimated commission rate of 15 per cent. was applied. Furthermore, the Company applied such averages to the gross outstanding premiums, instead of applying them to the under-ninety-day item only.

In this examination average rates of commission paid in the first nine months of 1916 upon premiums of each separate line of business, paid in cash, have been applied against the outstanding premiums of the corresponding line of business, less than ninety days due.

Munich Re-insurance Reserve

Under a re-insurance agreement with the Munich Re-insurance Company, 50 per cent. of the re-insurance premiums, less commissions, are the preceding year's business is retained by the U. S. Casualty Company and this fund amounted on September 30, 1916, to $11,-080.64 and as such amount will eventually be paid to the Munich, in accordance with the terms of the contract, it is carried as a liability.

Surplus

As a result of this examination, the surplus September 30th, 1916, is found to be $881,-679.06. In the quarterly statement filed by the company as of that date, the surplus was reported to be $800,000.00. In addition to such surplus, the company carried a voluntary reserve of $89,946.25 and a special reserve for losses of $200,316.00, an aggregate of special reserves of $290,262.25, not considered as a liability in this examination.

Division of Business Written

The following table will show the percentage which each line of business written bears to the total business written during the first nine months of 1916. Since the steam boiler and fly wheel premiums were entirely re-insured in other companies during this period, the calculations have been made without considering these lines.

Line of business	Percentage ratio
Accident and health.....	28.02
Liability and property damage....	39.43
Workmen's compensation	26.98
Plate glass	2.10
Burglary and theft	3.38
Workmen's collective	.09

Claim Settlements

This company writes workmen's compensation insurance in twenty-five States of the United States and in the territory of Hawaii. In connection with the settlement of claims arising under compensation policies, the company maintains a fully equipped physician's office at its home office, in charge of a salaried doctor, where injured workmen suffering from minor injuries are requested to call and receive attention, the company paying all carfares in connection with such visits. Instances were found where treatment was accorded the injured party in excess of any legal requirements. The company also maintains an inspection department and has collected numerous examples of safety appliances and methods of safeguarding machinery so that its inspectors are prepared to suggest and advise employers what improvements may be made and where material may be obtained.

An investigation of the settlements of claims arising under accident and health, burglary, plate glass and other forms of policies where, if liability exists, the benefit is specific, indicates that the policy of the company is to treat claimants fairly and settle claims promptly and not to avail itself of technical defenses provided the claim is otherwise meritorious.

Agency Organization

The business is secured mainly through general and local agents. Branch offices are maintained in Chicago and Boston, the latter for personal accident and health business only, and a home office department having jurisdiction over the metropolitan district. The company has contracts with about 450 agents, and makes no allowances for contingent commissions nor for any purpose except the commission allowance enumerated in the contracts. All agents under contract are properly bonded. An examination of the contracts indicates the maximum commission allowances on compensation business is 17½ per cent., on employers' liability business—20 per cent.; on other liability lines—25 per cent.

The company maintains claim departments under salaried adjusters in several cities throughout the United States and, with three exceptions, no agent is authorized to adjust claims unless as specifically authorized in some minor settlements.

HINTS FOR BUSINESS GETTERS

to help you write more and Better

READ

THE EASTERN UNDERWRITER

Subscription $3 a Year

Maverick on Standard Form

(Continued from page 17.)

previously corrected in any bill as introduced.

Loss of Time From Accident

The subject next included in the usual accident policy is loss of time from accident. This part has been standardized in the new bill and is given in alternate form. By reason of this and the further fact that there is a considerable latitude in the matter which may be inserted in the various blanks of either form, I think you will find that you can use the prescribed language and still draft a form suitable for any grade of accident insurance that you desire.

The same method is followed with respect to loss of time from sickness. Owing to the fact that there are many more grades of health insurance commonly sold than there are of accident insurance, the standard form for loss of time from sickness is given in five alternatives. I am very sure that from some one of the five each one of you will be able to pick a form to meet the requirements of any policy that you may draft. There is the same wide latitude permitted in the use of the blanks in the form. As illustrative of this, I may say that both in this part dealing with loss of time from sickness and also in the part dealing with loss of time from accident there is no restriction upon the time limit that may be set. You may limit the payment of indemnity to one month or to one year or to five years, as you desire. Personally I am of the opinion that among the five alternate forms given one can be found suitable for use in any policy of sickness insurance with which I am familiar.

Accident or Disease?

Thus far the new law deals only with what is commonly included in your policies and prescribes only what I deem to be proper language for its expression.

There next appears something which, while it has been used heretofore by some accident and health underwriters, has not been as generally used as I think it ought to have been. From this you can readily judge that I am in sympathy with the action on this new subject. I think practically every one of you will say that your company has been much perplexed at times by the difficulty of determining whether certain disabilities resulted from accident or disease. I am frank to say that in the claim department of the Continental many perplexing questions often arise upon this point. Then, too, as you all well know, judicial decisions as to what constitutes disability from accident as distinguished from disability from sickness are by no means uniform. The new law takes some half dozen of the causes which most frequently produce this perplexity and classifies them either as accident or sickness. It deals with sunstroke, freezing, hydrophobia, involuntary asphyxiation, ptomaine poisoning, bacterial infections, blood poisoning and septacemia. It classifies them either as accident or sickness and prescribes that each policy shall contain a statement of this classification. I consider this of value to the companies. Particularly may I point out the value of an exact classification of ptomaine poisoning and bacterial infections. Under the teachings of modern science the theory of germ diseases has been very largely developed and I have viewed with apprehension the tendencies of the court to recognize contact with a germ as an accident. I have been anticipating that some court would finally go to the extreme of holding that accidental contact with a germ was just as much an accident within the meaning of a policy of insurance as accidental contact with a brick and I therefore welcome a requirement that each policy shall state with exactness what it covers and what it does not, for while any statement which makes a policy clearer is valuable under all circumstances, it is particularly valuable in connection with this perplexing question.

Cancellation of Policies

The next subject covered by the new bill deals with the cancellation of policies. The Commissioners seemed to feel that the insured should have the same right to cancellation as does the company. I do not agree with this conclusion for many obvious reasons, some of which form the basis for charging what are commonly called short rates. Short rates recognize the justice of the company's position in the matter and while in my opinion they are right in principle, they do not but in a very small degree remedy the injustice to a company which results from a cancellation by the insured after he has caused the company a very considerable expense and before the earning of enough premium to offset it. The provision of the new law is to the effect that the insured may cancel at any time that he so desires. The company, however, may at its option state in its policy that cancellation may be either at a short rate table there given or pro rata.

These are all the new subjects to which the process of standardization was applied. The Commissioners seemed to feel quite earnestly that some of the Standard Provisions should be changed. This, of course, could not be done without producing the result that there would be a conflict between the new law and the old, for the old law is mandatory as to the language to be employed. This difficulty was met and avoided by concession on the part of the Commissioners so that all the Standard Provisions remain unchanged. The new law in one or two instances states how the Standard Provisions shall be interpreted.

A Most Important Provision

In the main, standardization is made only of those parts which are included in practically every policy of accident and health insurance. That there might be no misunderstanding whatsoever on the subject your committee suggested and the Commissioners' committee accepted their suggestion, to the effect that it be plainly stated in the law that nothing therein was to be so construed as to prevent the inclusion in the policy of any other feature of accident or health insurance otherwise permissible under the law of the State, and that these other features should not be subject to the approval of the Insurance Commissioner except as at the present time. This is a most important provision and in estimating the effect of this proposed law upon the forms om policies you may desire to draw you should bear in mind that you are still at perfect liberty to include the many other features which are now frequently used and to do this just as at present.

There is a slight change in the new bill from the provisions in the old law which excepts policies of life insurance from the operation of the Standard Provisions law. This was done to meet the growing practice of life insurance companies to include in their life contracts what are commonly known as permanent disability benefits.

As correlative to this subject of a Standard Provisions law I may further point out to you that one of the States—Iowa—has heretofore by reason of its statutes and also by reason of departmental ruling been at variance from the majority of the other States. As a result it has been impossible to draw a policy which would conform to the requirements of the Standard Provisions law and also meet the requirements of Iowa. This means that many of the companies have had to either draw entirely new policies for use in Iowa or else supplement and change their usual policies by the attachment of a rider when issued in the State of Iowa. About the same time that this subject of enlarging the scope of the Standard Provisions law was under discussion the Iowa Department made a ruling that after the 1st of January of this year it would not permit policies modified by rider to be issued in the State. It took the position that the policy itself, irrespective of rider, must contain a contract in consonance with Iowa requirements. This meant that in al instances a separate edition of Iowa policies would have to be printed and this as you know is an expensive proceeding and one which the companies are very anxious to avoid. The development of the new law did not occur within sufficient time to obviate this necessity and at the present time I think all the companies are printing special editions of policies for use in Iowa. The Commissioner of Iowa was one of the Commissioners' committee having this new law in charge and was very active in its preparation. The bill as now drawn meets with his approval and he has announced that he will recommend its passage by the Iowa Legislature. If this be done I think the prospects of its enactment are good, and being enacted it will remove the necessity of a special Iowa edition. I think this new bill should receive the support of the members of this Conference on this account, even if for no other reason.

I feel that this presentation of the work which has been done has possibly been rather dry and perhaps uninteresting. If such be the case I crave your pardon and give as my excuse that it is hardly possible to treat a dry subject otherwise. To sum it all up I think if any one of you will make a close analysis of the proposed law you will agree with me that there is very little in it antagonistic to the interests of a company and much which conserves its interest. I therefore commend it to you and recommend that each member of this conference do all that he can to secure its passage when introduced in any of the several legislatures.

Joseph D. Bookstaver, general agent of the Travelers, on March 1, will occupy the entire floor of the Bowery Bank Building in which his office has been located for the past 11 years.

W. E. SMALL, President PETER EPES, Agency Mgr. E. P. AMERINE, Secretary

ACCIDENT and HEALTH
PLATE GLASS
BURGLARY

Georgia Casualty Company

LIABILITY
COMPENSATION
AUTOMOBILE



A Company Devoted to Service

A Company looking to the interests of its Representative

Home Office: Macon, Georgia
Surplus and Reserves over $1,400,000.

The METROPOLITAN CASUALTY
INSURANCE CO. OF NEW YORK
HOME OFFICE, 47 CEDAR STREET
CHARTERED 1874
Plate Glass, Burglary, Accident and Health Insurance
EUGENE H. WINSLOW, President
Russell R. Cornell, Vice-Pres. S. Wm. Burton, Sec. Alonzo G. Brooks, Ass't Sec.
RELIABLE AND ENERGETIC AGENTS WANTED

PERMANENT AND PROGRESSIVE
ORGANIZED 1886
NORTH AMERICAN ACCIDENT INSURANCE CO.
THE ROOKERY
CHICAGO
AGENCY OPENINGS IN 44 STATES
NORTH AMERICAN ACCIDENT INSURANCE CO. CHICAGO

THE SIGN OF GOOD CASUALTY INSURANCE
HEAD OFFICE
CHICAGO
F. W. LAWSON
General Manager
Liability, Accident, Burglary, Boiler and Credit Insurance
Established 1869.
F. J. WALTERS
Resident Manager
55 JOHN STREET
New York
Elmer A. Lord & Co.
145 Milk St., Boston
Resident Managers New England
London Guarantee & Accident Co., Ltd.
OF LONDON, ENGLAND

CONTINENTAL
Casualty Company
CHICAGO
H. G. B. ALEXANDER, President
MORE good producers were attracted TO our field force in 1916 than any other year of our history.
Why? Service---That's Why!

MILLER TO RETURN TO COAST

T. L. Miller, secretary-treasurer of the Casualty Company of America and former president of the Pacific Coast Casualty Co., and also formerly president of the West Coast San Francisco Life Insurance Co., is planning to return to San Francisco on March 1. He has not yet announced his plans on arriving in San Francisco.

Great Southern Life Insurance Company

HOUSTON, TEXAS.



For Agency Contracts address

O. S. CARLTON

PRESIDENT

WILLIAM C. SCHEIDE & CO., Inc.

HARTFORD, CONN.

Re-Insurance in All Branches

NATIONAL SURETY COMPANY

115 BROADWAY, NEW YORK

Financial Statement—December 30th, 1916

ASSETS

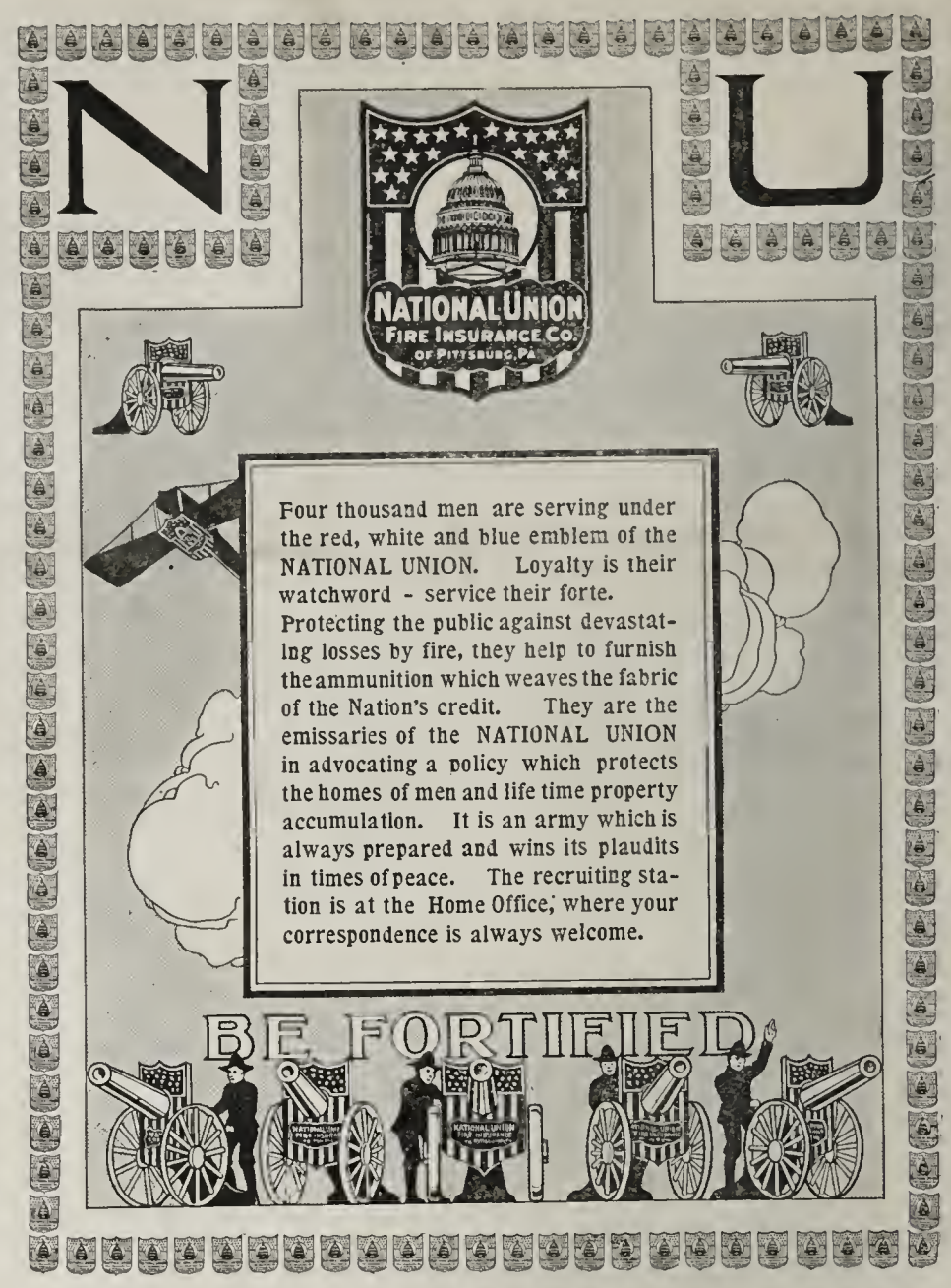
CURRENT ASSETS:		
Cash on Hand	$2,475,272.31	
Accounts Receivable	414,678.11	
Outstanding Premiums less than 90 days past due (Past Due Premiums $154,912.11 not included)	962,208.57	$3,852,158.99
INVESTED ASSETS:		
Stocks, Bonds (Market Value):	8,892,219.17	
Collateral Loans and Mortgages	106,155.00	8,998,374.17
Real Estate		
DEFERRED ASSETS:		
Accrued Interest		90,379.41
TOTAL ASSETS		$12,940,912.57

LIABILITIES

CAPITAL AND SURPLUS:		
Capital Stock	$4,000,000.00	
Surplus	4,546,095.75	$ 8,546,095.75
CURRENT LIABILITIES:		
Expenses Incurred	$ 9,196.80	
Accounts Payable Not Due	148,143.07	
Dividend Declared	90,000.00	247,339.87
DEFERRED LIABILITIES:		
Accrued Commissions		206,020.21
RESERVES:		
Premium Tax Reserves	$ 81,006.25	
Reserve For Contingent Claims	1,079,726.62	
Reserve For Unearned Premiums (Pro Rata)	2,780,723.87	3,941,456.74
TOTAL LIABILITIES		$12,940,912.57

Special Deposits not deducted.

"THE WORLD'S LARGEST SURETY COMPANY"



J. C. WILSON, President

J. S. EDWARDS, Secretary



An opportunity for rapid advancement is offerea to men who are willing—and will.

FOR AGENCY CONTRACTS ADDRESS

H. M. HARGROVE, Vice-President

BEAUMONT, TEXAS

San Francisco Losses Amounting to $4,522,905.00 paid PROMPTLY IN CASH WITHOUT DISCOUNT, from funds largely supplied by head office in Liverpool

Liverpool AND London AND Globe Insurance Co. LIMITED

U. S. Cash Assets, Dec. 31, 1914	$14,814,383.94
Surplus, - - - - -	4,841,887.19
Losses Paid by Chicago Fire, 1871	3,239,491.00
Losses Paid by Boston Fire, 1872	1,427,290.00
Losses Paid by Baltimore Fire, 1904	1,051,543.00

Over $147,000,000.00

Losses Paid in the United States

HENRY W. EATON, Manager
G. W. HOYT, Deputy Manager
HUGH R. LOUDON, Assoc. Deputy Mgr.
J. B. KREMER, Asst. Deputy Manager
T. A. WEED, Agency Superintendent

NEW YORK OFFICE
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MAR 1 1917

THE EASTERN UNDERWRITER

[Succeeding the Journal of Insurance Economics, Established in 1899]

A WEEKLY NEWSPAPER COVERING ALL BRANCHES OF INSURANCE

Eighteenth Year; No. 8 | NEW YORK CITY, FRIDAY, FEBRUARY 23, 1917 | $3.00 a Year; 15c. per Copy

WHY COMPANIES COOLED TOWARD HAIL

1916 Loss Records of More Than One Hundred Per Cent. Did Not Prove Uncommon

WINDSTORM EXPERIENCE FAIR

Some Companies Have Stopped Writing Hail, While Losses Are More Closely Scrutinized

The number of companies writing hail business is decreasing, and there is good reason for a marked coolness towards this coverage. A glance at the 1916 hail figures tells the story. While the windstorm and tornado business was good, as reports to the insurance departments show, loss records of more than 100 per cent. on hail were not uncommon.

	Premiums	Losses
American Cent.....	33,466	72,268
Connecticut	159,839	173,985
Franklin	164,447	150,546
Germ.-All.	30,232	33,004
Germ.-Am.	653,363	657,914
Glens Falls	78,036	75,771
Globe & R.	18,869	13,950
Home 1,480,364		1,447,031
Imperial	40,784	44,824
Merchants	11,882	11,771
Minneapolis	226,750	270,746
National	618,462	431,232
National Union	83,270	47,077
Northern National ..	409,879	363,535
Orient	216,621	257,848
Phoenix (Conn.) ...	18,115	13,169
Prov.-Wash.	92,521	94,519
Security	156,697	170,906
Springfield	495,571	476,046
St. Paul 1,055,725		1,060,749
Westchester	222,544	228,735
Cologne	46,663	52,315
Com. Union	284,700	316,340
Jakor	49,917	41,107
L. & L. & G.	243,037	179,205
L. & L.	34,482	30,962
Minerva	19,998	22,420
Palatine	102,443	158,787
Phoenix (Eng.)	87,361	89,072
Rossia	148,575	167,883
Royal	30,307	25,210
Swiss	83,215	88,674

WATCHING FROZEN SPRINKLERS

The Factory Insurance Association has issued a circular to policyholders requesting them to make a special examination of all their fire protection, and to notify it by telegram if any part is found frozen and in the meantime take prompt action to thaw it out and restore. Also, if nothing is found frozen, to notify the association to that effect.

DIRECTORY OF DEPARTMENTS

Life 1
Editorial 10
Fire 11
Casualty 17

"The Largest Fire Insurance Company in America."

THE HOME INSURANCE COMPANY NEW YORK

ELBRIDGE G. SNOW, President

Every Agent of "THE HOME" is a "Booster" of the Company because of its Constant Interest in his welfare, as such

FIRE AND ALLIED BRANCHES OF INSURANCE

Fire, Lightning, Automobile, Commissions, Explosion, Hail, Marine (Inland and Ocean), Parcel Post, Profits, Registered Mail, Rents, Sprinkler Leakage, Tourists' Baggage, Use and Occupancy, Windstorm.

STRENGTH REPUTATION SERVICE

North British and Mercantile Insurance Co.

Established 1809

Entered United States 1866

Policyholders protected by the entire United States assets, with further guarantee in every policy, of protection by entire fire assets of the company which are many times larger.

Great Southern Life Insurance Company

HOUSTON, TEXAS.



For Agency Contracts address

O. S. CARLTON

PRESIDENT

CANADIAN COMPANIES AND EUROPEAN WAR

Problems Which Have Confronted Actuaries of Dominion Since Great Conflict Started

MEANING OF "MILITIA SERVICE"

Difficulties in Measuring of Risk Except Where Cities Insure Their Soldiers

The European war, with particular reference to the practice and experience of Canadian companies, was recently discussed at a meeting of the Actuarial Society of America. One of the participants in the discussion was D. E. Kilgour.

"When the war broke out in August, 1914, we were as British companies confronted with a problem of unusual difficulty," he said. "There was a general feeling that there would be an unprecedented demand for policy loans, and that in consequence the companies would have to husband their resources to the greatest possible extent. There was in fact a comparative suspension of investments during the first two or three months of the war, and the accumulation of funds with the object of anticipating pressing demands from the public. Fortunately, a financial panic was averted.

Problem of the Canadian Companies

"As to the assumption of the war risk, there was on the one hand the desire to act patriotically, and to give every possible advantage to our men enlisting for overseas service, and, on the other hand, the obligation to look after the general interest of the policyholders. In the spirit of compromise it was generally decided in Canada, and in the old country, to waive any policy rights, so far as military service was concerned, in connection with contracts issued prior to the war. With respect to new business, however, it was clear that it was essential to protect the companies by the use of a war clause and the charging of an extra premium.

"Soon after the war started I was a member of a small committee selected by the Canadian Life Insurance Officers' Association to consider the subject in all its bearings, and particularly to recommend a clause for the use of the companies, as well as an extra commensurate to the supposed risk," said Mr. Kilgour. "The question arose whether we should charge an annual extra or a single extra premium, and it was the opinion of the member considered most competent to judge that for practical purposes the two would be identical. At any rate the clause at first drafted for more or less general use, provided for the payment of a single extra premium of $50 and an indisputable contract so far as the war risk was concerned, after a period of one year.

"We are required to make our contracts conform to the requirements of the Dominion Insurance Act. This

provides in substance that a company must offer the insured the option of paying an extra where service in the militia of Canada is concerned. According to the strict wording of the act, service abroad would not seem to embrace service in the militia of Canada. In fact, if I am not mistaken, an earlier departmental interpretation was to the effect that while men enlisting for service abroad were serving in the militia of Canada while they were in Canada, that they became members of the imperial forces upon embarkation.

Militia Service

"Under a subsequent ruling by the superintendent of insurance, upon the advice of the department of justice, it was made clear that whether abroad or at home our forces comprised the military forces of Canada, and as such came within the designation of the militia of Canada. I am free to confess that there is good ground for disputing this ruling, and for questioning whether it would be upheld by a court of jurisdiction. The fact remains, however, that it is in the power of the Dominion Parliament to introduce legislation at any time to make the meaning absolutely clear, and there is little doubt that if the issue were to arise the sentiment of the people and of their representatives in Parliament would be almost wholly on the side of protecting the individual as against a company, even to the extent of passing retroactive legislation. For this reason I have always held the view that it was unwise for any company to frame its war clause on the assumption that it could protect itself on the technical and restricted interpretation of what constitutes service in the militia of Canada.

"There has been given an accurate summary of the practice of Canadian companies, and of clauses typical of those now in use. The first clause used, namely, that providing for the payment of $50, was superseded in a few companies in the early part of 1915, and in the majority of companies in the summer of 1915, by a more general clause providing for the payment of an unnamed extra for overseas service, at the same time granting the privilege of service in Canada without extra premiums. In the default of the payment of the requisite extra within the specified time the policy liability is restricted to the reserve, or more generally to the premiums paid with interest, in the event of death while abroad, or within six months after returning. One or two companies agree to pay 25 per cent. of the face of the policy in the event of the death of the insured where no extra premium was paid. That this practice is actuarially sound is not of course maintained, though the claim may be perhaps supported that the resultant loss to the companies will not be great. One is inclined to hold, however, that where the majority of the companies impose more onerous conditions that there will be a selection against the few offering extremely liberal terms. To what extent, if any, this is true, I am not in a position to state.

Measure of Risk

"As to the measure of the risk, what data have we to consider?

"1. The Experience of Individual Companies.—Here the denominator in the exposed to risk is necessarily an unknown factor, and has to be estimated. The fact that the companies voluntarily relinquished any policy rights they might have with regard to the charging of an extra to old policyholders made it unnecessary for those policyholders to advise the companies of their intention to enlist, and from my own knowledge of the methods employed to obtain their names I am quite sure that for the most part the estimates made are of the roughest character, and should not be relied upon in attempting to determine the risk. As it stands, however, from what I have been able to determine from inquiry, as well as from the knowledge of figures of my own company, the war losses on the average exceed 10 per cent. of the exposure. The tables furnished recently in the "London Ecomist" give the war claims paid by the British companies in 1914 and 1915, and their ratio to the total death claims. The data, however, have only comparative value, and will not give precise results.

"2. The Exposure of Companies on Risks Assumed Since the Commencement of the War.—A number of our Canadian cities have insured their soldiers, and the deaths among them are of course accurately known. The war exposure, however, is unknown, as the time taken for training varies materially for different units, and in many cases men are held in concentration camps for a considerable time after preparation is completed. In case of one of our cities practically 40,000 men have enlisted, of which number 10,000 were insured in the first year of the war with different companies, while the remaining 30,000 were insured by the city itself. Of the first 10,000 insured just about 5 per cent. have been registered as killed. These figures, however, do not correspond with the more general statistics of the whole Dominion, and should not be accepted as a guide. Either the regiments of that city were kept longer in training or reserve, or they were placed on parts of the line where on the whole there was less severe fighting than elsewhere. The experience of our Canadian companies on risks assumed since the commencement of the war is extremely limited, and so far insufficient, I think, for practical purposes.

"3. The Casualty Data Furnished by the War Department of Various Governments.—These give deaths from direct and indirect causes while in service, presumed deaths, missing and wounded. In Canada, in the latest casualty list of some 52,000, we have practically 25 per cent. deaths, or about 13,000. If we assume that the exposure commenced in April, 1915, with one division of about 20,000 men, and if by the gradual addition to our combatant forces we had in the neighborhood of 100,000 exposed in September of this year, we should on the average obtain the equivalent of between 80,000 and 90,000 exposed for the period of one year, and a resultant death loss of about 15 per cent. At the time of writing it is not supposed that we are maintaining more than four divisions in the field, although probably a larger number are in France. Altogether between 350,000 and 400,000 men have enlisted, of whom perhaps a third are still in Canada.

Casualties 5,000 a Week

"The German death losses to date are not far from one million and the present British death casualties in excess of 5,000 per week.

"In determining an extra much will depend on the date from which it is chargeable. Our Canadian companies have substantial protection in the fact that several months, on the average, elapse from the time the men leave Canada (when the extra commences) until they reach the trenches. With the improved facility for training here this may be shortened in the future. Again, at the termination of the war, there will naturally be many unearned extras, unless provision is to be made for the return of such. The extent to which this margin will help the companies will depend largely on the length of the war itself. On the other hand we have to consider that the large extras (for the most part the same for men and officers), will be much more freely paid by the officers than by the privates, and that the casualty rate among the officers is much higher. Nor is it possible to measure the subsequent risk through the impairment of returned soldiers, nor the improvement in the general health of the men who return uninjured. An observation of one of the men of my own office, who has fortunately escaped in a year and a half of service, and who a few weeks ago was the only one of a group of seven men who was not killed when a shell struck in their midst, was to the effect that a man could not come unscathed through the war—that he must be either killed or wounded. Having regard to the time when the men are under actual exposure in France, I am inclined to think that not less than 15 per cent. should be charged to privates and not less than 20 per cent. to officers."

THREE

Important new features are announced by

THE GERMANIA LIFE INSURANCE COMPANY

of NEW YORK

A Double Indemnity Clause

which provides for the payment of ***double*** the face of the policy in case of the death of the insured as a result of an accident of ANY KIND.

A New Income Endowment Policy

and

The Extension of Its Free Health Service to All New Policyholders

"A Growing Company for Growing Men"

T. LOUIS HANSEN, Superintendent of Agencies

50 UNION SQUARE NEW YORK CITY

OFFICIALS TO ATTEND

Some Celebrities Who Will Dine With Life Underwriters' Association of New York

The annual banquet of the Life Underwriters' Association of New York, which will be held at the Hotel Astor on February 27, and at which Charles E. Hughes, George W. Perkins, John J. Finley, Rabbi Stephen S. Wise and other public men will talk, gives every promise of being a red letter night in New York life insurance annals. More than 1,000 company officials and agents will attend. Mayor Mitchel has given a tentative acceptance. The following is a list of company officials who have promised to be present: Berkshire Life, President Wyman; Columbian National Life, President Childs; Connecticut General, Secretary Woodward; Connecticut Mutual, Superintendent of Agencies Lovelace; Equitable Life, Vice-President Lunger; Fidelity Mutual Life, President Talbot; Germania Life, President Cillis; Home Life, Superintendent of Agencies Murray; John Hancock, President Lamb; Manhattan Life, President Lovejoy; Massachusetts Mutual, President McClench; Mutual Benefit, Vice-President Rhodes; Mutual Life, Vice-President Dexter; National Life of Vermont, Superintendent of Agencies Field; New England Mutual Life, Vice-President Appel; New York Life, President Kingsley and Vice-President Buckner; Penn Mutual Life, Vice-President Passmore; Phoenix Mutual Life, President Holcombe; Provident Life & Trust, President Wing; Prudential, President Dryden; State Mutual Life, President Wright; Union Central Life, President Clark.

NEW ASSISTANT ACTUARY

E. W. Marshall has been made assistant actuary of the Fidelity Mutual Life. In 1908 he was graduated from the high school at Haddonfield, N. J., after which he pursued a course of studies at the University of Pennsylvania, specializing in life insurance and mathematics. In 1909 he entered the actuarial department of the Penn Mutual Life. In 1911 he went with the actuarial department of the Provident Life & Trust. In December, 1915, he entered the service of the Fidelity Mutual Life. In 1914 he became a fellow of the Actuarial Society of America.

SCOTT SECOND VICE-PRESIDENT

At the annual meeting of the Shenandoah Life Insurance Company, of Roanoke, Va., five new directors were elected; and E. W. Scott, Jr., was elected second vice-president. All the other officers and directors of the Company were re-elected. The Company was organized in 1915, and in 1916 wrote $2,124,369 of insurance.

LIFE COMPANIES IN ENGLAND

The new business written in 1916 by seven of the life insurance companies of Great Britain follows:

Century	£ 400,373
Equitable	328,000
London Life	791,000
National Mutual	194,860
Scottish Amicable	750,376
Star	588,175
United Kingdom Temperance	1,085,402

Increase in Dividends of Equitable, Iowa

SCALE IS CHANGED AFTER INVESTIGATION OF MORTALITY

Extra Dividend of Last Year Justified —Reduction in Immediate Annuity Rates

Following a thorough mortality investigation, the Equitable Life of Iowa found results so favorable that it has compiled a new scale of dividends showing a material increase over those paid under the 1915 schedule. They follow very closely the total dividends, including the extra dividends, apportioned for the period from March 1, 1916, to March 1, 1917, showing, however, an increase over those rates in most forms. It will be recalled that the Equitable of Iowa declared last year an extra dividend which amounted to about 25 per cent. on ordinary life and 20 per cent. on all other forms.

Dividend Comparison

The following tables will show how the dividends have been increased, the payments being first year dividends:

	Ordinary Life.			Twenty Payment Life.			Twenty Year End.		
Age.	1915.	1916.	1917.	1915.	1916.	1917.	1915.	1916.	1917.
20	$3.16	$ 3.95	$ 4.11	$3.48	$ 4.18	$ 4.61	$4.13	$4.96	$5.85
25	3.35	4.19	4.35	3.67	4.40	4.85	4.25	5.10	6.01
30	3.59	4.49	4.68	3.91	4.69	5.18	4.44	5.33	6.21
35	3.92	4.90	5.10	4.23	5.08	5.60	4.67	5.60	6.47
40	4.30	5.38	5.67	4.60	5.52	6.16	4.95	5.94	6.86
45	4.84	6.05	6.44	5.12	6.14	6.90	5.39	6.47	7.43
50	5.78	7.23	7.64	6.02	7.22	8.02	6.19	7.43	8.40
55	7.28	9.10	9.45	7.47	8.96	9.75	7.58	9.10	9.98
60	9.62	12.03	12.02	9.74	11.69	12.22			
65	..	..	15.72						

It will thus be seen that the Company showed sound judgment in the matter of the extra dividend last year, both as to the amount of the dividend and the method of its allotment. The new scale applies only to the 3½ per cent. policies. However, a gratifying increase has been made on the rate of dividends applicable to the 4 per cent. policies.

Lower Immediate Annuity Rates

At the same time it is announced that a revision in the rates of the immediate annuity contracts to be issued on both male and female lives has been made effective. These rates represent a considerable cut over the former rates. The new rates in part follow:

Age	Amount of Annuity Purchase by $1,000.	Premium for Annuity of $100 Annually.
40	$1,630.00	$ 61.35
45	1,499.10	66.71
50	1,353.50	73.88
55	1,195.60	83.64
60	1,029.20	97.16
70	728.70	137.23
80	520.40	192.16
85	453.30	220.60

FREE WAR PERMITS

At a meeting of the Executive Committee of the Equitable (Iowa) February 6, 1917, it was unanimously resolved that free war permits would be granted by the Company to any policyholders who were restricted by the terms of their policies in this respect for military service within the borders of the United States. By this action, the Company guarantees that it will cover such risks within the first policy year on all policies issued from now on or that have been issued within one year.

This action was taken in order to provide the greatest possible service to present policyholders and those who may become patrons of the Company in the near future.

TO PAY DEATH BENEFIT

Beneficiary Need Not Prove Deceased Was Not in Default for Non-Payment of Dues

In the case of Victoria vs. Musical Mutual Protective Association, the Supreme Court of New York, awarded judgment in favor of the plaintiff for the sum of $150.

The action was brought by the widow of a deceased member of the defendant association to recover funeral expenses of $150 payable pursuant to the constitution and by-laws of the defendant. It was conceded that the deceased joined the defendant association on September 29, 1909, and paid the initiation fee of $100. It was also conceded that at the time of his death on March 11, 1915, the deceased was a member of the defendant association; and it was also proved that plaintiff was the widow, and had not been paid the death benefit, although due demand was made. It having been conceded that the deceased was a member of the defendant association at the time of his death, it was not incumbent upon the plaintiff, in order to make out a prima facie case, to prove that the deceased was not in default for non-payment of dues.

ARTICLE ON "INCOME POLICIES"

The next issue of the Annals of the American Academy of Political and Social Science, which will be edited by Professor S. S. Huebner, of the University of Pennsylvania, will contain an article by President Talbot, entitled "Income Policies." In this article the president presents an exhaustive study of income policies in all their varied phases.

TRAVELERS' GROWTH

New life insurance paid for by the Travelers in 1916 was double the amount paid for in 1913, $113,931,776 as against $56,958,755.

New business paid for in 1916 exceeded the insurance in force at the end of 1900 by $8,237,513, $113,931,776 as against $105,693,711.

The insurance in force December 31, 1916, is more than double the amount which was in force at the end of 1910. $476,315,842 as against $228,892,216.

Annual Report of John Hancock

EXPANSION OF USEFULNESS OF LIFE INSURANCE

Unemployment in This Country Almost Eliminated and Earning Power Greatly Increased

Since the John Hancock Mutual Life was organized it has paid to policyholders, plus accumulated policy reserve held to their credit, December 31, 1916, $295,503,363. The progress in the last twenty years in income and assets follows:

	Income.	Assets.
1896	$ 5,627,025	$ 8,814,124
1916	37,200,753	141,542,205

Increases Made Last Year

The increases made by the Company in 1916 follow:

Insurance in force	$96,338,320.00
Income	2,957,115.69
Assets	14,180,815.98
Safety fund	324,061.69

In his fifty-fourth annual report President Roland O. Lamb said:

"The fifty-fourth annual report covering the transactions for the year 1916, which is herewith presented, shows an extent of progress in the Company's affairs greater than ever before experienced.

"Unquestionably the cause of this can be traced to the almost unprecedented activity in commercial and industrial life that has prevailed throughout the country. The great world struggle, with its tremendous absorption of supplies of all kinds, has made demands upon the agricultural and industrial productions of this country which have stimulated activities to such a degree that unemployment is almost eliminated, and earning power greatly increased.

Expanding Usefulness of Life Insurance

"With the growing recognition of the necessity for life insurance protection and its expanding usefulness in commercial, as well as personal relations, it could but be expected that its record for the past year would show an increase in development coincident with prevailing conditions. Results for the year 1916 show that the life companies of the country have made the greatest increase in insurance in force in their history, and your Company has enjoyed its full share of participation in that growth, not only through greater production of new business, but also through less terminations of existing insurance.

"That this large increase in outstanding insurance carries with it a corresponding increase in the reserve strength, is seen by figures showing for 1916 increase in insurance in force aggregating over $96,000,000, for the protection of which the Company has increased its reserves $17,611,088. The total outstanding insurance in force December 31, 1916, was $894,333,781, at which time there was held in the item of policy reserves the sum of $126,590,172.

Fewer Surrenders and Demands For Loans

"As could have been expected under the prevailing conditions, there has been much less demand for policy loans and fewer policies have been surrendered, another reflection of improved business conditions, and it is to be hoped an indication of an extending realization of the necessity of keeping the insurance protection unimpaired, that it may fully perform its principal function when its need is most urgent.

"The year's mortality showing is most excellent and indicates that the increasingly large amount of new insurance is of the same high standard that has enabled the Company to continue year after year to report so favorably upon its experience.

"Money rates have been low and the supply has been plentiful, but it has been found possible to invest the new funds along the same conservative lines heretofore established by principles of safety and show a very favorable earning rate; the percentage of interest income of the year to mean invested assets is slightly greater than that of the previous year.

"Prompt service to the policyholders through immediate payment of policy claims is the constant aim of the management and, in the year 1916, of the large number of claims on account of death, 93 per cent. were paid the day upon which proof papers were received; the total payments for death claims for the year aggregated $9,505,109.65.

"The working forces are thoroughly experienced and organized, and we can confidently look forward to the future with reliance in the ability of the Company to continue the record of service which it has already maintained over a period of fifty-four years."

The Company's admitted assets on December 31, 1916, were $141,542,204.

TAXATION OF PROCEEDS

Massachusetts Supreme Court to Decide—How Question Has Arisen—Argument of Petitioners

The Massachusetts Supreme Court will shortly decide whether life insurance policy proceeds, after payment to beneficiaries, are taxable under the succession and inheritance laws of the State.

Judge Grant in the probate court at Boston decided in favor of the petitioners, Mrs. Isabel P. Tyler and Mrs. Mongiana H. Parker, for abatement of such taxes, and the State entered an appeal to the Supreme Court.

Mrs. Parker was the beneficiary under a policy issued on the life of her husband by the Massachusetts Mutual Life, which paid her the proceeds amounting to $10,562, and on this amount the tax commissioner imposed a tax of $105.62. Mrs. Tyler's husband was insured in several life companies which paid her $30,000, and on this amount the commissioner imposed a tax of $600, plus $226, because the amount of the policies added to the balance of her husband's estate, brought the amount up to more than $50,000.

Counsel for the petitioners contended that the imposition of any tax on the proceeds of life insurance policies is in violation of the federal constitution as an impairment of the contract of the company to pay the beneficiary the full amount of the policy.

Agency Superintendent Wanted

A high grade young man with a clean record and ambition can have an unusual opening with the oldest and leading agency of a well known Connecticut Life Insurance Company. He is needed to visit and work with the present agency force, also to help establish new agencies in New York, Vermont, New Hampshire and western Massachusetts, where 16,000 satisfied policyholders and forty enthusiastic agents producing over $3,000,000.00 in 1916 will help him to keep up the momentum of a successful agency. Splendid and unique agency development system is operative. Quantity results secondary to quality building. The right man will have a worth while future direct with the Company. Salary and traveling expenses. Reply in confidence giving age and full particulars.

AGENCY SUPERINTENDENT,
P. O. Box No. 1377, Hartford, Conn.

D. P. Kingsley Talks To College Students

LIFE INSURANCE APPEALS TO IMAGINATION AND SENSE

Leads Directly to Science of Society, Greatest of Sciences—A Tremendous Social Power

Darwin P. Kingsley, president of the New York Life, in a talk before students of Williams College a few days ago said that the definition "Life insurance is the application of special knowledge to the benefit of others rather than one's self" was well defined. He added that he knew of no better definition than that of the qualities which lift any daily effort out of the hum-drum of bread and butter and entitle them to be rated as professional. The man whose academic years have been spent in this atmosphere must seek in selecting his life work something which reasonably meets the current demands of living and at the same time appeals to his imagination.

Must Respond to Peculiar Conditions of the Times

No vocation can appeal to the well-balanced mind and to the imagination which does not in some fashion respond to the peculiar conditions of the times. These are strange times. You will begin work in a very strange world.

"I invite your attention to life insurance as a profession, as a vocation, as a career, because in its very fundamentals it is truly democratic, because the matter of its business is human life—the only value in the world—the thing that gives all other things value, because it knows no creeds or frontiers, because it knows no hates or fears, and because it is at the same time so intimately related to the ordinary professions and vocations that in its service you may be a great lawyer, a great physician, a great financier, a great scientist, a great salesman, a great executive, a great sociologist," he said. "Nothing human is foreign to it."

In life insurance you cannot be merely a great lawyer or a great financier or a great salesman or a great executive; you can be that, but if you are you must at the same time be something more. All these professions and vocations are included in the activities of life insurance, but each, if in that service, definitely and scientifically goes on to a higher purpose which is the solidarity of human life, the co-ordination of its units, which acting separately are helpless, even hostile, but acting co-operatively come to possess a power like that of the tiny wires in the cables of a great bridge—able to support the orderly traffic of a nation. This is only another way of saying that life insurance, itself a science, leads directly to the greatest of all the sciences—the science of society.

In its practical and material relations life insurance represents one of the largest single accumulations of value earned, saved, set aside for a constructive purpose and expressed in terms of money and securities ever known to organized society.

On January 30, 1916, the total deposits in the savings banks of the United States, representing 10,686,000 depositors, was	$ 4,997,000,000
The total deposits of the trust companies on the same date was	6,247,000,000
The total time and demand deposits in national banks was..	8,500,000,000
The total outstanding bonds and stocks of all the railroads in the United States, less bonds and stocks owned by such roads, was	15,700,000,000
The total assets of 235 American level premium life insurance companies on the 31st of December, 1915, was.....	5,200,000,000

This total is expressed through forty-seven million contracts.

"The above figures as to savings banks, trust companies and national banks are probably abnormal," said Mr. Kingsley. "They include the tremendous increase in deposits made within two years as a result of existing war conditions." The corresponding figures on the 30th of June, 1914, would be as follows:

Savings banks	$4,936,000,000
Trust companies	4,347,000,000
National banks	6,268,000,000

Life insurance—level premium, scientifically constructed life insurance has outstanding contracts amounting to $23,200,000 in all. Compared with savings banks, trust companies and national banks, life insurance in its accumulations of money stands in normal times ahead of the first two and at the present time ahead of the first. As a holder of contracts that are calculated powerfully to affect the people in the future, it surpasses all the railroads combined by several billion dollars. These railroad stocks and bonds are much less dependable than the contracts of life insurance, because stocks are not a promise to pay at all and frequently do not represent a corresponding investment; railroad bonds do not generally carry any sinking fund provision. American life insurance stands pledged to pay and will ultimately pay to the holders of its contracts a sum greater than the combined deposits of savings banks, trust companies and national banks.

Life Insurance Larger Than Any Single Group

The opportunity here is obvious:—for the lawyer, for the salesman, for the financier, for the executive, for the physician, for the sociologist. This world of life insurance is larger than the world of any single group cited, because it includes them all and gives all an added significance. Such reflections however bring us only to the threshold of what life insurance means.

Statistics are sometimes mere statements of relatively unimportant facts, dead things; sometimes they are alive, sometimes they pulsate with hope and sometimes prophecy shines through them.

Life insurance statistics are living things. The social superiority of life insurance is only partially expressed by these contrasted totals.

Tremendous Social Power

A million dollars covered by the contracts of a life insurance company are impressed with a social power unknown to a million dollars in a savings bank. The money of a savings bank or a trust company or a railroad is busy, useful money, but useful as it is, it is not impressed with the singular power that attaches to life insurance money.

The application of the law of mortality or of longevity through life insurance binds families, millions of them, into a great co-operative guild through which the life of the bread-winner is instantly capitalized for the direct benefit of the family and of course the indirect benefit of society.

This transforms the mob into an army; it substitutes coherence for incoherence; certainty for uncertainty; solvency for insolvency; it meets and discharges to a large degree the obligations which the State potentially assumes with the creation of every family. If the father lives presumably those obligations will be discharged; if he dies prematurely there is a default to society. The orphan asylums, homes for the aged and destitute, and even the reformatories and penitentiaries, testify to the present extent of that default. Life insurance minimizes that default through a direct, scientific practical program. Apart from the protection of the family, this is a service to the State—generally unrecognized—of the first order.

The service of life insurance to the individual, morally, is equally striking. Panic is the word that most frequently explains the failure of men, of insti-

(Continued on page 9.

INTEREST EARNINGS 6.2%

Peoria Life Also Had Mortality Experience of 23% of Expected in 1916

The Peoria Life has good reason to be proud of its investments as the interest earned by the Company last year was 6.2 per cent. As the average interest earnings of companies from 1896 to 1915 was 4.77, President May and his associates have good reason to be satisfied with the showing made last year by the Peoria. The mortality experience was also a subject for congratulation. It was only 23 per cent. of the expected.

These figures mean that the Company is being well managed.

In the matter of new business for 1916, the Peoria Life reports increases in assets, new insurance and premiums. Total admitted assets of the Company amount to $1,349,350.71; an increase of $287,911.80. The total insurance in force as of December 31, 1916, was $17,301,460, an increase of $2,511,840 for the year. Increases are also shown in premium receipts of $59,903.06; and interest receipts of $17,710.67.

GENERAL AGENT IN HOPEWELL

A short time ago there appeared on the map of Virginia a new city—Hopewell. J. R. Crutchfield, of that city, has been appointed general agent for the Philadelphia Life. He joined the Company a short while ago, since which time he has done excellent work.

THE
First Mutual
Chartered in America, 1835
New England Mutual Life Insurance Co.
BOSTON, MASSACHUSETTS
ALFRED D. FOSTER, President
D. F. APPEL, Vice-President

FINANCIAL STATEMENT

Assets, Jan. 1, 1916 ..... $74,274,980.68
Liabilities 69,154,791.00
Surplus $5,120,189.68

The New England Mutual's recognized position in the front rank of American companies is the result of seventy-two years of honorable, capable and equitable dealing. If you are a "front rank" man—you want to be identified with such an institution.

EDWARD W. ALLEN, Manager
217 Broadway, New York
LATHROP E. BALDWIN, Manager
141 Broadway, New York

THE MOST VALUABLE POLICY FOR YOU,
Mr. Agent, is to write your prospect in the Company writing the most valuable policy for the insured.
Secure prompt action in the
John Hancock MUTUAL LIFE INSURANCE COMPANY OF BOSTON MASSACHUSETTS
WILLIAM N. COMPTON, General Agent
METROPOLITAN DISTRICT, ST. PAUL BLDG., 220 BROADWAY, NEW YORK, N. Y.

THE UNITED STATES LIFE INSURANCE COMPANY
1850 IN THE CITY OF NEW YORK 1914
ISSUES GUARANTEED CONTRACTS
Good men, whether experienced in life insurance or not, may make direct contracts with this Company, for a limited territory if desired, and secure for themselves, in addition to first year's commission, a renewal interest insuring an income for the future. Address the Company at its Home Office, 277 Broadway, New York City.
JOHN P. MUNN, M. D., President
FINANCE COMMITTEE: CLARENCE H. KELSEY, Pres. Title Guarantee and Trust Co.; WILLIAM H. PORTER, Banker; EDWARD TOWNSEND, Pres. Importers and Traders Nat. Bank

Extracts from Report of Examination of
SOUTHWESTERN LIFE INSURANCE CO.
By the State of Texas, June 28, 1915
"It is noteworthy that this Company was organized without any promotion expenses."
"I beg to report further that I find the Company in excellent financial condition."
"The volume of its business has steadily increased, its surplus is growing rapidly and its funds are being carefully conserved under expert supervision."
Home Office, DALLAS, TEXAS

40% Increase in Paid New Premiums—that tells the 1916 story of Fidelity progress.
Direct leads and the Fidelity "Income for Life" plan are making money for Fidelity field men. Any man who can sell life insurance can sell MORE Fidelity insurance.
Write to-day—
Fidelity Mutual Life
INSURANCE COMPANY, PHILADELPHIA
INCORPORATED 1878 WALTER LE MAR TALBOT, President

A Great Contributor to Literature of Insurance



HENRY C. LIPPINCOTT, Who Began His Forty-Third Year of Service With the Penn Mutual Life on January 10, 1917

Let us dispose at once of those who are curious about everybody's age and admit that Henry C. Lippincott, whose photograph we reproduce above, is past 70, looks like 60 and physically and mentally is 45.

Mr. Lippincott says it is not his fault that he was born in the fugacious forties; that he came of Quaker stock; that his adolescence was immolated on the altar of Blackstone, Chitty, Story and Grotius, and as a consequence his epistemology became, like the dyer's hand, subdued to what it worked in. This quotation in an off-hand speech of his, apologizing for having been bred to the law instead of life insurance, gives you a taste of his quality as well as a glimpse of his past, for he has a past, although he always lives in the present. No, his past isn't what a flippant-minded person who did not know him might infer. It is one stored with the fruit of years well spent in useful work; in the acquisition of knowledge; in the pursuit of ideas, their capture and graceful and forceful presentation. In this regard the literature of life insurance is richer by his contributions to it, and by it many a benighted legislator, intent on taxing life insurance companies, has been turned from the error of his ways.

Henry C. Lippincott is well known as a leader in all the really progressive measures which in the past thirty years have added so much to the usefulness, scope, beneficence and high purpose of life insurance as an institution, and particularly has he been active in the upbuilding of the Penn Mutual, where his influence as manager of agencies has been potential in the steady and solid growth of that Company.

His many friends and admirers will, we are sure, as they look on this picture, pause to applaud him mentally for his long and honorable service, and sincerely wish him continued good health, peace, happiness and length of days which, judged by the highest human standards, he so richly merits.

POLICY NOT IN FORCE

Insurance Determined by Date and Terms of Policy and Not by the Application

A member of the Mississippi Benevolent Mutual Aid Association duly made out and forwarded an application for life insurance, which, without negligence on his part, was lost or misplaced, and never received by the officers of the Supreme Lodge. Another application was executed and forwarded for him, which recited that it was only an application for a policy, which, if granted, would become effective in thirty days after issuance. A policy was issued and duly delivered, which provided that if the member's certificate had not been in force thirty days, no benefits would be allowed in case of illness or death. The member died less than thirty days from the date of the issuance of the policy. The Mississippi Supreme Court holds, that his widow and beneficiary could not have reformation of the policy to change its date to conform to the first application, to render the benefit association liable.

PHILADELPHIA LIFE REPORT

The Philadelphia Life Insurance Company has every reason to feel proud of its eleventh annual statement filed with the Insurance Department of Pennsylvania.

On December 31, 1916, the total paid for insurance in force was $27,664,642, a gain of $2,201,001 over the preceding year. The Philadelphia Life increased its assets $473,747.12 during the year, making the total assets of the Company $5,023,369.83. The surplus to policyholders amounts to $790,757.09, an increase of $24,497.22.

L. Q. RAWSON RESIGNS

Secretary of Cleveland Life to Give All His Time to Practicing Law

L. Q. Rawson, secretary of the Cleveland Life, has resigned to take effect April 1, in order to devote all of his time to practicing law. He said to The Eastern Underwriter this week:

"I have been connected with this Company as its general counsel, assistant secretary and later, as secretary. For many years I have been a member of the Ohio bar and prior to my connection with the Cleveland Life Insurance Company practiced with a firm of corporation lawyers specializing largely in insurance law.

"Promising as is the assured successful future of the Cleveland Life, I have felt for some time that my widest opportunity lay in the practice of my profession. Therefore, shortly after my re-election as secretary at the meeting of our board in January I tendered my resignation to take effect as above stated. President Hunt is in the Southwest and it is my expectation to remain with the Company until his return."

MY SON JOHN

I have a son who bears my name and he's ten months old.

He's a husky little chap. He crawls into my room as I dress each morning and I watch him as he struggles to get up on his sturdy legs. He laughs at me as he topples over, and the light of Heaven is in his eyes. There's music in his prattle and somehow I can't help a little lump in my throat sometimes when I feel most glad about him.

I dream about my son John. He's going to a good school and he's already entered for the class of Harvard '33. I look the little chap over and figure that he ought to make the football team. He's good nature personified and while he hates the teething process he hardly whimpers over it. He's smart too—but then it shall never be said I bragged about my son John.

One morning just like a flash—it came upon me as I was fixing my collar—what would happen to my son John if anything happened to me? I looked at him and it seemed just as if my eyes swam for a moment. Yes; what would the little man do without his dad?

I carry life insurance. Of course I do, because it's the proper thing to do. But what came home to me was—is the insurance I am carrying adequate to secure protection for my wife and bairns and also to provide the up-bringing and education I had dreamed of for my son John?

I thought and thought and then I did something. I did it forthwith. I went straightway and I bought additional life insurance, and that insurance is his. I got $5,000 whole life, for I am no longer a stripling, and I got it with the total disability clause attached. I got it in The Columbian National Life Insurance Company, where I already had several policies and there is none better. I know that I have done all I can do now to forfend that which may arise.

I feel easier now as I watch my son John of a morning. God bless the institution of life insurance!—From "The Columbian," published by The Columbian National Life.

New York's Life New War Clauses

NEW BLANKS FOR ALL APPLICANTS

$2,000 Limit for Army, Navy, and Red Cross—Foreign Service 10 Per Cent. Clause

The New York Life has decided to treat applicants connected with or who contemplate joining the military, naval, red cross, or other service relating to warfare, as follows:

(1) Regular Army and Navy

Limited to $2,000, without disability or double indemnity, with the present advance in age called for in the occupation pamphlet; in addition thereto the following clause calling for an extra premium of 10 per cent. of the face of the policy in event of service outside of continental United States:

War Clause No. 1

The insured may, without the consent of the Company, engage in Military, Naval or Red Cross Service within continental United States.

If, during the first two years of the existence of this policy, the insured shall engage, outside of continental United States, in Military, Naval or Red Cross service in time of war, or in work as a civilian in any capacity whatever in connection with actual warfare, notice must be given in writing to the Company by the insured, and an extra premium of 10 per cent. of the face of this policy must be paid to the Company before engaging in such service or work, and a like amount annually during the continuance of such service or work. If the insured fails to notify the Company or to pay the extra premium or premiums as provided above, and if he shall die as a result, directly or indirectly, of engaging in such service or work, the Company's liability shall be limited to one-fifth of the face amount of the policy.

(2) Naval Militiamen

$2,000 of insurance, with war clause No. 1 as quoted above. No advance in age on account of membership in militia. No disability or double indemnity benefits. Any amount over $2,000 will be issued in a separate policy to contain the following war clause:

War Clause No. 2

This policy during the first two years of existence does not insure against death due directly or indirectly to a state of warfare or to insurrection outside of continental United States. In case of death so resulting, the policy shall be null and void, and the Company shall not be liable for any payment thereunder except for the return of the amount paid as premium.

(3) National Guard and Red Cross, or Other Service Connected With Warfare

The Company will issue $2,000 without any war clause, and with or without disability benefits and double indemnity (except in event of probable immediate foreign service). For amounts in excess of $2,000 War Clause No. 2 quoted above will be inserted in a separate policy for the difference between $2.000 and the amount applied for. All policies containing disability benefits will also contain the following clause:

War Clause No. 3

The foregoing provisions for disability benefits and double indemnity benefits shall immediately terminate if the insured shall engage during the first two years of the policy in Military, Naval, Red Cross, or other relief service, outside continental United States. A pro rata refund shall be made of the premium for disability benefits and double indemnity benefits for the year current at that date.

Military Blank

Every applicant for insurance must sign the questions asked in a military blank, known as Form 917-31:

Question 1.

(a) Are you a member of any military or naval organization?
(b) If so, in what branch of service and in what capacity?
(c) Do you intend to volunteer for any such service?
(d) Are you now connected with aviation, or do you intend to volunteer for such work in connection with a military or naval organization? If so, give particulars.
(e) Are you connected with the submarine branch of the Navy?

Question 2.

(a) Are you liable to military or naval service of any country other than the United States?
(b) Do you intend to volunteer for such service?
(c) If so, of what country?

Question 3.

(a) Are you connected with the Red Cross or any other relief service?
(b) Do you intend to volunteer for any such service?
(c) If so, in what country and in what capacity?

Question 4.

(a) Do you take part in ascensions by aeroplane or balloon? If so, give particulars.
(b) Do you intend to take up such work either for pleasure or business?

Question 5.

Do you agree that any policy the Company may issue on your application may, if the rules of the Company so require, contain a provision for extra premium or for limiting the liability of the Company if you travel on the high seas, engage in Military, Naval, Red Cross or other Relief Service, in experiments with or ascensions in balloons, aeroplanes or other devices for aerial locomotion; and that if the policy contains provisions for double indemnity and disability benefits, such provisions shall immediately terminate should you engage in any of the above work or service?

DECIDES AGAINST COMPANY

Court Rules That Failure To Answer Question Explicitly Should Have Been Checked Up

Where the printed form of an application for reinstatement in a life insurance company includes a statement that the applicant has not consulted a doctor since he made his last payment, "except" and then a blank space; this cannot be held against him as a warranty that he has not consulted a doctor but should be construed as a refusal to answer that particular part of the question, if the insured puts irregular pen marks in space, and the company should be considered to have waived any objection it might have, by not insisting on a full answer as the application having been prepared by the company should be construed against it.

The holder of a life insurance policy which had lapsed but which had subsequently been reinstated died. The company refused to pay the amount of insurance and suit was thereupon brought by the person to whom it was payable.

The application for reinstatement which the insured had signed continued the provisions "I hereby request that I may be restored to membership in said company and that the above mentioned sum be accepted in payment of my premium now past due and as a condition of the same being accepted and my membership restored and policy again put in force I hereby warrant and declare that I have not received nor required the services of any physician since the date of my last payment to said company, 'except' "—. After the word "except," the insurer had put three irregular marks with a pen.

The court held that the insurance company was liable for the amount of insurance notwithstanding the foregoing facts as if the company wanted to defeat the policy on the ground of breach of warranty because insured at the time of being reinstated was not in good health, it should have shown want of honesty and lack of good health on the part of the insured, in making the warranty.—Digested from a recent New England decision by George F. Kaiser, of the New York bar.

DELAWARE REPORT SUBMITTED

Thomas R. Wilson, Insurance Commissioner of Delaware, submitted to the General Assembly the report of the department of insurance for the past two years. The receipts of the department in 1915 were $55,483.50, and 1916, $54,045.10.

Ambitious, Productive and Trustworthy Life Agents may be benefitted by corresponding with the

Berkshire Life Insurance Company
of Pittsfield, Mass.
Inc. 1851

New policies with modern provisions Attractive literature
W. D. Wyman, President W. S. Weld, Supt. of Agencies

FOUNDED 1865
Unexcelled In Favorable Mortality and Economy of Management
The Provident Life and Trust Company
OF PHILADELPHIA
Rates of Premium Extremely Low and still further reduced by Annual Dividends

A PENN MUTUAL PREMIUM, less a PENN MUTUAL DIVIDEND, purchasing a PENN MUTUAL POLICY, containing PENN MUTUAL VALUES, make an INSURANCE PROPOSITION which in the sum of ALL ITS BENEFITS, is unsurpassed for net low cost and care of interests of all members.

THE PENN MUTUAL
Life Insurance Company
OF PHILADELPHIA

On January 1, 1909, rates were reduced and values increased to full 3% reserve

Good Territory Now Open in Several Western States
A GOOD PRODUCER and organizer can secure an EXCELLENT CONTRACT

Company SECOND TO NONE in STRENGTH—assets to liabilities—FIFTH in SIZE—insurance in force—of all MUTUAL legal reserve companies WEST of PHILADELPHIA. Increase in new business to December 1st, 50% above the same period last year, and 1915 was a good year.

Northwestern National Life Insurance Company
MINNEAPOLIS, MINN.

PHILADELPHIA LIFE INSURANCE CO.
Philadelphia

Growing larger and stronger every day.
Why not grow with us?

Agency Openings in Pennsylvania, Ohio, West Virginia

REAL SATISFACTION

Working with **William N. Compton** and the **John Hancock Mutual Life Insurance Company** in New York City forms the happiest combination imaginable for the life insurance salesman.

If you have any doubt in your mind have it dispelled by calling at

220 BROADWAY
Phone 6030 Cortlandt

Frank T. McNally on "The First Interview"

VIEWS OF MASS. MUTUAL'S DULUTH GENERAL AGENT

A Child Can Take an Application From a Man Who Wants Insurance—Value of Figures

Frank T. McNally, general agent in Duluth of the Massachusetts Mutual Life, believes that most cases are lost on first interview. This is especially true of the beginner. He calls on prospects hit or miss, indiscriminately. The idea of making a number of calls per day is valuable, but opening and closing doors is not doing business. If a man would only look upon a prospect as a farmer looks at a piece of ground. The latter studies the needs of the ground, he fertilizes it, plows it, watches it carefully from day to day. Upon that particular piece of ground depends his partial success as a farmer, and he knows it. Why not get all the information possible before calling upon Mr. A? Why not study his needs, not ours? Why not find out something about the things which interest him, so we can talk to him about something else than his post-mortem financial condition, which may not be the most pleasant subject in the world to discuss with a stranger? Why not study his family a trifle? He may be contemplating a divorce, you know.

Writing in the "Radiator" Mr. McNally outlines hypothetical cases of contact:

Mr. A. has never seen you before. He does not know you except as a unit in the census statistics. Be clean-shaven, clear-eyed, neatly dressed, and don't forget to have your shoes shined. A pair of mud-stained, sloppy shoes does not add to your self-confidence. Well, you come up to the glass door, says Mr. McNally. Up to this time you are feeling tip-top. Then your nerve begins to fail, and you almost hope that Mr. A. is out of the city. You walk into a large outer room filled with stenographers, and then a dapper private secretary waltzes up to you and wishes to know what is on your mind. You state that you wish to see Mr. A. The secretary (just a little more important than if he were the President of the United States) says, "If you will give me your card, I will take it in to Mr. A." That doesn't look very good to you, but you do so. In a remarkably short time Mr. Secretary returns saying that Mr. A. doesn't know you and is not interested in life insurance, which is a courteous method of saying that you are up against a stone wall; but there are stones in the farmer's field and sometimes wheat will grow where corn will not, so try rotation in crops. Perhaps at the noon hour the important secretary may be out, and Mr. A. may have his office-door open. Walk in. Don't feel any compunction about it. The man who invented the air-brake had a difficult time getting people to let him talk about it to them, and he had to use his ingenuity all the time. Besides, Mr. A. really wants to see you but he is afraid. He is afraid you might persuade him to do something he knows he should do. Don't feel like an interloper. His family will be glad that you stuck to your guns, and so will he.

Passing First Line of Trenches

Now let us suppose you have passed the first line of trenches. How shall you begin?—in this wise? "Mr. A., I should like to interest you in some additional life insurance." He asks what Company and form of policy, and you state that your Company writes all forms. "Which do you like best?" Let us reverse conditions. Suppose you sit at the mahogany desk behind the glass-top table, and a dapper real estate salesman gets past your private secretary and begins his attempt to interest you as follows: "Mr. B., I represent the Blank Real Estate Corporation and would like to sell you some real estate." "What kind of real estate," you would inquire. "Well, we have all kinds—suburban lots, close-in acres, farm lands, dock frontage, apartment houses, etc., which kind do you prefer to talk about?" Any interest created upon your part? Not a particle.

Now, let us suppose a real salesman of real estate calls upon you. He will, no doubt, begin like this: "Mr. B., my firm has asked me to call your attention to the fact that the Monroe property on Bryant Street is for sale by the trustees of the Monroe Estate at an attractive figure. Its good features are thus and so. If you are interested, we would like to show you the property." And he will create an immediate interest because he gives you something to fix your mind upon.

In order to interest a busy man in the first interview, you should present a definite proposition—give him something to think about. It may be some form of installment insurance, a monthly income for a dependent relative, or for a favorite daughter, or invalid niece; it may be business insurance on his life or the life of a valuable employe, or on the life of a manager of a company in which he is interested,—corporation insurance, of an endowment form, to retire bonds of a company in which he is interested or an endowment fund for the little church in his boyhood town.

Fascination of Figures

Make some figures on a pad—on that glass-top desk. The figures "$26.13" are more interesting to a business man than the most eloquent generalization. Make him a definite proposition. He may say he has all the life insurance he is ever going to buy. Some men mean it and have a way of saying it which carries conviction, but the amount of insurance a man needs depends upon his condition in life, the number of his dependents, the condition of his business, the living scale of his family, and a dozen other conditions. These are constantly changing. He knows it, so that such a statement is usually untrue.

Don't mention the name of another company. I have actually known men to invite competition by making a statement like the following: "We do thus and so. Now the Blank Mutual does it in this way. Our way is better because," etc., and then he begins to think of the agents of other companies who have handled his business in a pleasing manner, and you have built another line of trenches which you must attack and capture.

Don't ask him how much he pays in insurance premiums. When a man takes hold of a pad and computes his expenditures for coal, the result usually drives him into a temporary fit of economy. It is likewise when he computes the total of his life insurance premiums. Life insurance salesmanship on first interview is interwoven with psychology, and it is very bad psychology to talk too much about cost.

Don't even allow your subconscious mind to figure commissions. It is unlucky; and if you sell the man the policy which you and he agree is ideally suited to his particular needs, regardless of yours, the commissions will take care of themselves.

Don't Be Nonchalant

No one can tell you the exact manner in which the prospect can be interested and closed. If it were known, you would not be paid for finding out. It is finally up to you to sell the man, at the other side of the glass-top table. Upon him depends your partial success as a life underwriter. Your failure may help you some, but don't forget this: your success will help you more. You come to see him for something, to sell him. If you come away without doing so on the first interview, you have failed to accomplish what you set out to do. You will never succeed so long as you nonchalantly wander from office to office having so-called "interviews" lasting about one minute each. You occasionally will find a streak of paying ore by luck, and you may write $75,000 per year by such methods, and some men never get beyond them.

A child can take an application from a man who wants insurance, but I take off my hat to the salesman who can wander into a strange office and sell a stranger on first interview a contract which he didn't have the remotest idea of buying. That is salesmanship and it is being done every day!

WE have room just now for two or three good men—not the Million Dollar producer who takes it out in talk, but the man who can average $100,000 of personal business, plus experience in appointing and working with agents. Men who become valuable to this Company grow in value to themselves. We cannot guarantee your success, but we will give you a real opportunity, then it's up to you. Would you like to hear about it further?

Pittsburgh Life and Trust Co.

Home Office, Pittsburgh, Pa.

HOWARD S. SUTPHEN
Vice-President & Manager of Agencies

Build Your Own Business
under our direct general agency contract

Our Policies provide for:
Double Indemnity, Disability Benefits, Reducing Premiums

See the new low Rates

JOHN F. ROCHE, Vice-Pres't
THE MANHATTAN LIFE INSURANCE COMPANY
66 BROADWAY NEW YORK
Organized 1850

BANKERS BLC LIFE DES MOINES COMPANY
PAYS GOOD PAY TO GOOD MEN

The
Perfect Protection Policy
OF THE
RELIANCE LIFE

gives you something absolutely new and different to talk to your prospects. Gives you a chance to earn more money than you are now making.

Our Life Insurance Contracts contain the most up to date clauses known to the Insurance World. The Accident and Health gives full protection for at least a third less cost than regular casualty companies. Our agency contracts are as liberal as can be made.

WRITE AND WE WILL TELL YOU MORE ABOUT OURSELVES

Reliance Life Insurance Company of Pittsburgh
FARMERS BANK BUILDING
PITTSBURGH, PENNSYLVANIA

Men with ambition and ability, who represent this Company, now in its SEVENTY-THIRD YEAR, become business counsellors and professional insurance advisers.

An honorable record of SEVENTY-THREE YEARS gives our representatives great prestige with the insuring public.

Additions are made to our agency force when the right men are found.

STATE MUTUAL LIFE ASSURANCE COMPANY
OF WORCESTER, MASSACHUSETTS
Incorporated 1844
B. H. WRIGHT, President D. W. CARTER, Secretary
STEPHEN IRELAND, Inspector of Agencies

ORGANIZED 1871
Life Insurance Company of Virginia
RICHMOND, VIRGINIA
OLDEST, LARGEST STRONGEST
Southern Life Insurance Company

Issues the most liberal forms of Ordinary Policies from $1,000.00 to $50,000.00, and Industrial Policies from $12.50 to $1,000.00

CONDITION ON DECEMBER 31, 1916:

Assets	$14,464,552.23
Liabilities	12,436,717.56
Capital and Surplus	2,027,834.67
Insurance in Force	118,349,212.00
Payments to Policyholders since Organization	18,119,172.50
Is Paying its Policyholders over	$1,300,000.00 annually

GOOD TERRITORY FOR LIVE AGENTS

LIVE HINTS FOR BUSINESS GETTERS

Practical Suggestions to Help the Man With the Rate Book Increase His Income and General Efficiency

Why Hamby Failed in Insurance

W. M. Hamby, writing in the "Saturday Evening Post," told readers of that publication recently why he had failed in the insurance business.

"I have always had an instinctive reluctance to approach any man on my business, no matter what it is," he said. "For many years I could not broach a business proposition without my heart beating too fast and the blood getting hot in my head. I have learned since that nearly all men are afraid of each other. Not one in fifty meets his fellow-man with an absolute sense of ease and self-possession. There is either a note of apology or a note of bluff in his approach.

"So, you see, it was torture for me to corner men and try to persuade them to take insurance; and that was what I did—I tried to persuade them! I put them on the offensive and I took the negative side, trying to meet their objections. I did not know it at the time I was doing this, but I saw there was a difference. I watched Clark Burton. He could have the hardest sort of case apologizing in five minutes for having lived so long with his family unprotected by insurance.

"I avoided as much as possible men who were busy and brusque, who said right off the bat: 'No, I don't want any more insurance'; or, 'Haven't time to talk to you.' I know now that those were the very best prospects. They were the sort of men who instinctively know they are subject to influence and put up a bluff exterior as a guard. I also discovered, to my loss of endless time, that the man who is almost persuaded at the very start never buys.

"One thing I learned—and I knew at the time I had learned it—was that impressions on a man's mind do not last long. Persuading him is like writing on the sand; and if you do not get his signature before the next tide you will probably never see his autograph.

"Whenever I did venture to talk insurance to a busy man, a man of dominating personality, I always got scared and talked fast so as not to use up much of his time, and became confused and embarrassed.

"In three months I wrote just one insurance policy. Lack of self-confidence? No; that is not quite it. I have seen men, so full of self-confidence that even modesty's shadow would feel crowded in the same field with them, who failed utterly.

"It is confidence in the thing you are doing rather than confidence in yourself. If I could have forgotten R. T. Clawson—forgotten that he was head of the biggest concern in town, that he was very busy, that he had a prejudice against solicitors; if I could have forgotten that I needed a commission, that I was scared, that I was intruding; if I had only known I had a good insurance policy, and that it was a good investment for R. T. Clawson, and that certain figures I was going to arrange would prove it—why, then I could have written more insurance than even Clark Burton!

"How to attain it? That is a matter of growth. It is, in fact, success itself. I think the best definition of success I ever heard was given by Anna Howard Shaw: 'Success is to be able to look God in the face without fear, and any man in the eye without servility'."

* * *

Some Sensible Suggestions

In an inaugural address Parke N. Musser, president of the Signal Club, of the Illinois Life, said to members of the club: When I commenced writing life insurance, I can well remember that I would go to a man and talk one or two thousand to him, but it did not take me long to discover that it was easier to write a man for five and ten thousand than for one or two, for the reason that the man, who can afford five or ten thousand, can better afford to pay for that amount than the man who buys one or two thousand.

My experience with the majority of men that I have worked with has been that they do not map out their plans before they start out. I believe that if they would choose more closely the men that they were going to talk to and pick out a better class of prospects, they would write much larger policies with less work. I have noticed with many agents that they are timid about approaching certain men, principally because they feel that those particular men are above them. That doesn't make any difference, boys, go to the best of them; the bigger the men are the better you feel after you have written them, for it is some pleasure to write a big man a big policy for more reasons than one.

You all know the most important part in the insurance sale is to collect the premium. It is easy to get prospects without money, and it is easy to get them with money; but it is hard to get the money. If you do not have the nerve to write out a receipt for the annual premium, after you have the application signed, and hand it over to your man, he certainly is not going to insist on you taking his check or note. If he does not have the cash, and you know his note is bankable, which you should know before you talk to him, you can easily ask him which will suit him best, paying in 30, 60 or 90 days. Make out the note, push it over to him and he will sign it. The more assurance you have the better he will like you.

You, of course, realize that a policy is never sold until you have the settlement in your hand, and ninety per cent. of the time it is your own fault for not closing the deal, because when a prospect signs an application he expects to pay the premium.

The greatest trouble with all agents is that they do not work enough. When I look back upon the past year and realize how much time I wasted, I really am ashamed of myself.

We should always remember that we are public servants and are serving the public, and we owe it to each and every one of our policyholders to be absolutely on the square with them in all our dealings. Just because we are educated in the life insurance business, and they are not, is all the more reason that we have no right to even try to take advantage of them. The squarer and fairer we are with them, the more renewals and applications for us, and that is what every one of us wants. Gee, how we would howl if some one sold us a policy and it was not as represented. You realize, of course, that all the prospects we talk to are not compelled to buy insurance from us, and as long as we are going to serve the public, we have to do it in an honest way.

THE
METROPOLITAN LIFE
Insurance Company
(Incorporated by the State of New York)



Metropolitan Life Insurance Company
Home Office Building

The Company
Of the People
By the People
For the People

The Daily Average of the Company's Business during 1916 was:

701 per day in Number of Claims Paid.

8,304 per day in Number of Policies Issued and Revived.

$1,969,823 per day in New Insurance Issued, Revived and Increased.

$376,827.40 per day in Payments to Policyholders and Addition to Reserve.

$220,509.26 per day in Increase of Assets.

JOHN R. HEGEMAN, President

Representing

The Mutual Life Insurance Company
of New York

You will make money.

The great strength, big dividends and incomparable benefits of the *"oldest company in America"* mean certain success for you.

For Terms to Producing Agents, Address

GEORGE T. DEXTER, 2d Vice-President
34 NASSAU STREET, NEW YORK, N.Y.

BRITISH WAR LOANS

Prudential, of England, Would Subscribe For $100,000,000—Three Companies Offer $25,000,000 Each

London, Feb. 3.—Again insurance companies are proving themselves the principal subscribers to the war loan. The following applications for loans have been received:

Prudential, £20,000,000; Alliance, £5,000,000; Commercial Union, £5,000,000; North British and Mercantile, £5,000,000; Phoenix, £3,000,000; Royal, £3,000,000; Standard Life, £3,000,000; Scottish Union & National, £3,000,000; Refuge, £2,500,000; Law Union & Rock, £2,000,000; United Kingdom Temperance, £2,000,000; Pearl, £2,000,000; Northern, £2,000,000; Liverpool & London & Globe, £2,000,000; British Dominions, £1,250,000; Edinburgh Life, £1,250,000.

Yorkshire, £1,250,000; Norwich Union Life, £1,100,000; Guardian, £1,026,000; London Life, £1,000,000; Legal and General, £1,000,000; Equity and Law, £1,000,000; Royal Liver Friendly, £1,000,000; Star, £1,000,000; Sun Fire, £1,000,000; Ocean Accident & Guarantee, £1,000,000; London & Lancashire Fire, £800,000; Royal National Pension Fund for Nurses, £783,000; Britannic, £750,000; Wesleyan & General, £750,000; Scottish Life, £700,000; Equitable Life, £650,000; London & L. Life & General, £600,000; Norwich Union Fire, £600,000; Clergy Mutual, £600,000; English & Scottish Law, £500,000; Hearts of Oak Benefit, £500,000; Scottish Temperance, £500,000; National Mutual of Australasia, £300,000; Union, £300,000; Salvation Army, £275,000; Century, £250,000; Royal London, £250,000.

General Accident, £250,000; Abstainers' & General, £125,000; British General, £100,000; Eagle, £100,000; Liverpool Victoria Legal Friendly, £100,000; London & Manchester, £60,000; West Australian, £60,000; Pioneer Life, £50,000; Provincial, £40,000; Home & Colonial, £20,000.

TRINITY SENIORS INSURE

The 1917 senior class at Trinity College of Hartford, Conn., will follow the plan adopted by the senior class of last year of having the entire class insured for the benefit of the college. The amount of insurance underwritten and assigned by the class of 1916 amounted to $20,000. The president of the senior class has appointed a committee to arrange for the insuring of the class.

Need of Occupational Disease Investigation

POINTED OUT BY FREDERICK L. HOFFMAN

Critical Analysis Should Be Made of English Workmen's Compensation Experience, Says Expert

In concluding an address on Compensation for Occupational Diseases at a Conference of Physicians and Labor Officials, held at Harrisburg, Pa., Frederick L. Hoffman, statistician of The Prudential, said in part:

The results of a careful consideration of our investigations into this important problem of labor and industry, are briefly as follows:

1. There is an imperative need for an extended and thoroughly qualified occupational disease investigation. Such an investigation would be materially assisted by occupational disease clinics, such as have been maintained for some time by the Massachusetts General Hospital under Dr. Edsall, the New York Board of Health in co-operation with the American Museum of Safety under the administration of the Harriman Fund, the Pennsylvania University Hospital, etc.

More Trustworthy Information

2. As a prerequisite for more trustworthy information, the present methods of occupational disease reporting require to be materially improved in the States where such reporting is compulsory, and where not required the necessary laws should be introduced. Without an accurate knowledge of the existing amount of occupational disease, all conclusions regarding health in industry, in so far as health itself is affected by industrial processes, are a mere matter of conjecture.

3. More extensive research work is required into health-injurious industrial processes, but commendable efforts in this direction are being made by the U. S. Bureau of Labor Statistics, the U. S. Public Health Service, the U. S. Bureau of Mines, the Ohio State Board of Health, etc. The two standard American works on occupational diseases by Dr. W. Gilman Thompson and Drs. Kober and Hanson are encouraging indications of an aroused intelligent public and professional interest in this important branch of medicine and labor welfare.

4. A more comprehensive and scientifically conclusive list of occupational diseases, or industrial processes injurious to health, would be of much practical value. The tentative occupational disease code of the Workmen's Compensation Service Bureau is a useful beginning in this direction.

5. A critical analysis should be made of the English workmen's compensation experience with scheduled occupational diseases. It should be ascertained how far non-scheduled diseases have required the consideration of the courts and the extent to which an injustice has been done to workmen and their dependents in not providing adequate compensation for occupational diseases of relatively rare, or not heretofore recognized, specific importance.

6. Borderland cases of industrial accidents, or industrial diseases approximating to or complicated by industrial or other accidents and diseases, should be made the subject of thoroughly qualified professional consideration. There are reasons for believing that industrial or occupational conditions directly injurious to the health of workmen are more common than is generally assumed to be the case.

7. The subject of industrial phthisis, or lung fibrosis, should be inquired into much more exhaustively than has heretofore been found practicable in this country, although the anticipated serious difficulties in this respect were quite successfully overcome by the Industrial Phthisis Commission of South Africa. The mortality from tuberculosis in the dusty trades is unquestionably, to a considerable degree, of an occupational character, but existing mortality data fail to differentiate whether a death from phthisis was a true form of pulmonary tuberculosis or a true form of industrial pneumoconiosis or at least in its inception of a non-tubercular nature.

8. The relation of industrial dust of a non-specifically irritating character, such for illustration as cement and lime dust, should be thoroughly inquired into for the purpose of at least an approximate settlement of pending controversial questions of considerable importance to both labor and industry.

9. The subject of occupational diseases should be given more extended consideration in medical schools and public discussions of health problems in conformity, more or less, to the admirable Milroy Lectures of Edgar L. Collis on Industrial Pneumoconiosis.

10. On the basis of an increasing knowledge and perfected understanding of the relation of industrial processes and conditions to health and longevity, it should not be difficult to adjudicate with judicial fairness on the part of Industrial Accident Boards, questions of compensation for industrial diseases on the individual merits of the case. Such experience as has been had in the intelligent handling of such cases in Nevada and Massachusetts suggests that medical, legal and lay opinion can arrive at a compromise satisfactory to the parties concerned.

Social and Political Justice

11. In the interest of sound conceptions of political and social justice it is of the utmost importance that the existing amount of gross inequality and obvious unfairness should be done away with, so that a man injured in the course of his employment through lead poisoning, or mercurial poisoning, may receive adequate compensation, in precisely the same manner as if he were injured by a fall or a falling object, or otherwise in an accidental manner within the narrow definition of a fortuitous event.

12. For these and many other reasons, it would seem best to adopt, at least as an initial precedure, the provisions of the Massachusetts Compensation Act, which provide for compensation on account of injury, irrespective of whether that injury is an accident, or, in the ordinary terminology, a disease. The act does not provide specifically for occupational disease compensation, but under an elastic provision many, if not all, the industrial injuries resulting in disease in consequence of the occupation, were provided for to the satisfaction of the employe, the employer and the general public.

Darwin P. Kingsley to College Students

(Continued from page 4.)

tutions and of nations. War is panic. Reason ceases somewhere to function before war happens. Death is panic. In the thoughts of every serious-minded man is the fear of death; not because men are cowards but because they are brave and rational. The fear is born of anxiety about their dependents. Against the remorseless demands of mortality, which is organized, certain in its stride but uncertain as to where its stroke will fall, stands the thin unorganized red line of the individual; and panic stands hard by.

Life insurance is the great exemplar of how peoples of separate sovereignties without regard to race or creed can be merged as human beings into an international organization—and if into an international organization which deals with men's most profound interests, why not into an international state. The life companies which operate internationally have already made the brotherhood of man something more than a poet's dream. They have been amongst the few institutions whose ministrations for two and a half years have gone on along with the Red Cross and other relief, but free from all suggestion of charity. The government of one of these international companies is a very real parliament of man, a prophecy of the greater parliament to come.

The "Home Life"

The fifty-sixth annual statement of the Home Life Insurance Company, of which George E. Ide is President, presents a record of substantial benefits to its policy-holders during the year and a solid growth in financial strength.

Assets increased to $32,029,439.71 after paying to policy-holders $3,447,381 including dividends of

$602,721

The insurance in force was increased by $4,766,740 and is now

$125,660,173

For Agency apply to

GEORGE W. MURRAY,
Supt. of Agts.
256 Broadway, New York, N. Y.

ALWAYS A PLACE FOR DEPENDABLE AGENTS

Those who can not only write applications but deliver policies, and are energetic in their methods. Good positions are ready for such men.

Union Mutual Life Insurance Co.
PORTLAND, MAINE
ARTHUR L. BATES, President
Address: ALBERT E. AWDE
Superintendent of Agencies
7 W. Madison St., Chicago, Ill.

Popularity's Persistent Progress

The greatest of all great years in delivered business for this Company—1916! Without need of urging or pleading, our representatives, with vigorous and self-directed industry, were the enactors of this glistening achievement.

The tide of new business is flowing strongly in the New Year. We expect that 1917 will be another golden period of widely increased protective service of the homes and the businesses of the United States. Home Office and Field in the Massachusetts Mutual are a unit in their determination to be front-rank contributors.

Occasionally we have a General Agency opening for a quality man.

JOSEPH C. BEHAN, Superintendent of Agencies

MASSACHUSETTS MUTUAL
Life Insurance Company
SPRINGFIELD, MASSACHUSETTS
Incorporated 1851

NATIONAL LIFE INSURANCE COMPANY
(MUTUAL)
MONTPELIER, VERMONT
67th Year
FRED A. HOWLAND, President

On paid-for insurance basis and with bonds valued at par only (market value $409,882 above par) the 67th report shows:

Assets	$66,426,040.82
Liabilities	62,268,494.36
Surplus	$ 4,157,546.46
INSURANCE IN FORCE	$212,037,400.00

A good company for the policyholder and the agent.

EDWARD D. FIELD, Superintendent of Agencies.

J. C. WILSON, President

SAN JACINTO LIFE INSURANCE CO. - BEAUMONT-TEXAS -



J. S. EDWARDS, Secretary

An opportunity for rapid advancement is offered to men who are willing—and will.

FOR AGENCY CONTRACTS ADDRESS
H. M. HARGROVE, Vice-President
BEAUMONT, TEXAS

THE EASTERN UNDERWRITER

This newspaper is owned and is published every Friday by The Eastern Underwriter Company, a New York corporation, office and place of business 105 William Street, New York City. Clarence Axman, President; B. F. Hadley, Vice-President; W. L. Hadley, Secretary. The address of the officers is the office of this newspaper. Telephone 2497 John.

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AFTER COMPANIES WHO "DISREGARD" LOCAL AGENTS' ASSOCIATIONS.

The National Association of Insurance Agents has decided to single out individual companies "whose practices" meet the disproval of the association, in order "to utilize the organization for the purpose of strengthening and building up local agency associations." The Northwestern National generally operates outside the "local associations," and that Company was singled out for criticism at the mid-year meeting of the National Association of Insurance Agents in Washington last week. The following resolution was passed:

Whereas, it has been reported to the mid-year conference of the National Association of Insurance Agents, held at Washington, D. C., February 15th, 1917, by many of its members, that the Northwestern National Fire Insurance Company of Milwaukee has been and is conducting its business in many localities along lines that show a disregard for agents' organizations.

Be it therefore resolved, that said complaints be referred to a special committee authorized to investigate the matter, visit the Company if desirable and make a full report of their findings to our association at its next regular convention to be held in St. Louis in the fall of 1917.

This is a decided innovation by the National Association and the result will be awaited with interest. So far as the Northwestern National is concerned the activities of that Company in Seattle and Denver have been severely scored. Nearly anybody with an equipment of two legs and two arms can get a license as insurance agent.

Some other matters discussed at the mid-year conference of the National Association of Insurance Agents last week included multiple agencies and underwriters' annexes. After a long discussion it was decided to move by company conference and action by the agents themselves through their local organizations. A resolution, in part as follows, was adopted:

We recommend to State associations that efforts to pass the Oregon Single Agency Law be suspended. We authorize the president to appoint a committee for conference on this subject if required. While hoping for this conference and settlement we believe that progress can be made towards the correction of the annex and multiple agency abuse by means of action in local boards along lines which make concessions to present conditions and methods. We, therefore, recommend that all local boards or agents' associations pass rules to limit agencies to the smallest number possible under present conditions in each community; that said rules shall regard an underwriters' annex as an agency of the parent company; and that said rules shall provide that any agencies more than one shall cease and not be replaced in case the appointee shall die, resign, be absorbed by another agency, or cease business from any cause; so that in all local boards a gradual but inevitable progress be immediately inaugurated towards single agencies, to the end that all boards may finally come to that sound, single agency practice which already governs in a goodly number of cities, and which is recognized by a majority of managers, the insurance commissioners and this association as essential to right relations between company and agent, and to the adequate protection of the public.

The mid-year conference also acted in the matter of mercantile floaters, its resolution following:

The question before the conference at this time appears to be that of so-called mercantile floaters, and we recommend that this conference endorse the action of the insurance commissioners in opposing the writing of these floaters in any form as being contrary to good practices and in violation of State laws. We believe it best for the business as a whole to eliminate the floater forms, and request the president to bring the matter to the attention of the companies and authorize him to appoint a conference committee if deemed best. We further urge the insurance commissioners to take such further action as may be necessary, and, also, recommend that the secretary communicate with the State and local associations with a view to securing local support of the commissioners' action.

Still another committee to be appointed will confer with the Southeastern Underwriters' Association on the question of proposed reduction of commissions on unprotected shingle roof dwellings.

The next annual meeting will be held in St. Louis, probably in October.

START OF AGENCY SYSTEM

The American Agency system in fire insurance was founded by the Insurance Company of North America. In 1789 the directors voted that "it is not expedient to have an agent at Charleston, authorized to take risks against fire," but in 1807 there was a change in attitude, the memorial of Alexander Henry for authority to act as agent and surveyor being granted. He lived in Lexington, Ky. Mr. Henry received his appointment, and others followed. Early agents received no commissions on premiums, but retained policy and survey fees. Later, 5 per cent. on the premium was allowed and from this point the whole agency fabric was developed.

In the early days the Philadelphia papers every month contained a printed list of insurance policies of the North America that would expire the following month and that was the only notice the policyholders had to renew if they would be protected. They had to take a Philadelphia paper then or be lost as to the news of the world and their business interests. Only persons of well-known standing and responsibility could obtain insurance.

EXEMPT FROM CREDITORS

Pennsylvania Bill Refers to Annuitant Beneficiaries of Less Than $100 Monthly Income

The following bill has been introduced in the Pennsylvania legislature:

Whereas It is to the interest of the Commonwealth and the various counties and municipal divisions thereof to encourage its citizens to reasonably provide for their own support during old age whereby the financial burden of their maintenance may be avoided, therefore.

Section 1. Be it enacted by the Senate and House of Representatives of the Commonwealth of Pennsylvania in general assembly met and it is hereby enacted by the authority of the same that any policy or contract of insurance or annuity hereafter taken out or issued by any insurance company domestic or foreign lawfully doing business in this Commonwealth to any solvent citizen thereof whereof the said insured or purchaser of said annuity shall be the beneficiary or annuitant not exceeding in income or return therefrom one hundred dollars (100) per month shall be exempt and free and clear from the claims of all his or her creditors and from all legal and judicial processes of execution attachment or otherwise whatsoever.

Section 2. This act shall not be construed to in any wise affect modify or repeal any other exemption laws of this Commonwealth now in force or hereafter to be passed.

ROYAL ARCANUM COMPLAINT

E. S. Carlton, of Long Branch, N. J., has written a letter to the New York "Herald" about Royal Arcanum assessments. He says:

"About twenty-two years ago an agreement was made by policyholders to pay $2.40 a month, with an addition of $6 a year, for annual dues to the Royal Arcanum. After paying this amount, without any warning the assessment was increased to $4.65 a month. Is this a legal increase?

"One member I know, an old man, was raised from about $16 to $31 a month, and after paying so many years it does not seem right or fair, without any agreement from policyholders, to do this."

TELL WHY THEY INSURED

On Wednesday, at the noonday meeting of the Pittsburgh Life Underwriters' Association, prominent life insurance men told why they pay life insurance premiums. List of speakers follows:

James Francis Burke, general counsel, Pittsburgh Chamber of Commerce; James I. Buchanan, president of Pittsburgh Trust Co.; Samuel Hamilton, Superintendent of Public Schools of Allegheny County; P. J. McArdle, councilman, City of Pittsburgh.

ROBBINS' ANNOUNCEMENT

The Home Life has made the following announcement:

"On account of the increasing volume of business it has been found advisable to establish several agencies in New York City on and after January 1, 1917. J. R. Robbins will continue to represent the Company as general agent, with offices in the home office building, 256 Broadway, New York City.

A "BUFFALO BILL" POLICY

William F. Cody, "Buffalo Bill," carried a paid-up policy for $4,156 with the Equitable Life of New York.

A bill providing that the property of the Bridgeport Knights of Columbus be exempt from taxation, was rejected by the State Senate of Connecticut last week.

THE HUMAN SIDE



FRANK H. SYKES

Frank H. Sykes has been made assistant manager of agencies of the Fidelity Mutual Life. He has been with the Company twenty years, and as manager of the publicity department his aid to the agency department in promoting the general efficiency of the field force has been invaluable. Through the general literature of the Company, in the columns of "Fidelity Field Man" and "Fidelity Policyholder," the two Company papers of which he is the editor, he has poured a constant stream of inspirational material which has been a steady help to the field. By this and by the aggressive literature with which he has pushed numerous special campaigns for new business, he has been unquestionably a large factor in the upbuilding of the Fidelity's agency force. At the same time he has developed and strengthened the close personal bond between the agent and the head office. He will continue to manage the publicity department.

Mr. Sykes is a resident of Cynwyd, one of Philadelphia's beautiful suburbs. Here he has been president of the local civic association and is now president of the Cynwyd Club, numbering over six hundred members. He is a member of the Veteran Corps of the First Regiment Infantry of Pennsylvania, having served with his regiment in the Spanish-American War and later as an officer in the Pennsylvania coal riots of 1902. In the wider life of Philadelphia he is well known and is an active member of the Poor Richard Club, the famous advertising men's association, and also of the City Club. He is also a member of the Masons and the Elks. Incidentally, Mr. Sykes holds a George E. McNeill Medal presented by the International Association of Casualty and Surety Underwriters for jumping from the end of an ocean pier and saving a woman from drowning at Atlantic City in 1911, and also a Carnegie Medal for the same act.

* * *

George La Monte, Insurance Commissioner of New Jersey, gets as many banquet invitations nowadays as Chauncey Depew. He is an extremely popular figure at all these affairs.

EXCESS PROFITS TAX

There was no change in the excess profits tax measure this week, except that it is back for voting in the Senate, practically unchanged in wording.

FIRE INSURANCE DEPARTMENT

Explosion Claims in North New Jersey

FILED BY RESIDENTS OF KINGSLAND AND VICINITY

John J. Berry & Bro. Deny Furnishing Material to Newspaper Attacking Fire Company

Following the Canadian Car & Foundry loss at Kingsland, N. J., there have been a number of claims filed with companies by people in the Township of Union, some of them considerably removed from the plant which was destroyed. These claims have been denied generally with the following explanation:

"Such loss or damage was due to causes other than those contemplated by the policy-contract, without ensuing fire, so it is proper for us to say that for loss or damage so caused this Company is not liable under the terms of such policy."

Paper Criticizes Fire Company

One of the prominent fire companies has been severely criticised by the South Bergen "Eagle," and two paragraphs of the "Eagle" story follow:

"J. J. Berry & Bro., Appraisers, who are employed by the town for the purpose of taking care of all claims due to loss sustained by the destruction of the plant, have stated that there is no way in which the Company can refuse to pay the loss as the damage is directly traceable to a fire. Mr. Berry has advised Mr. Monaco not to worry, regardless of the position that the Company now is assuming. Mr. Berry is an expert on such matter and is quite confident that the insurance company will eventually pay all damages covered by their policies."

Statement By John J. Berry

John J. Berry, president of John J. Berry & Bro., asked by The Eastern Underwriter if he was correctly quoted by the South Bergen paper, made the following statement:

"We were engaged by the Township of Union to appraise all the damage, both real and personal, that was sustained by the people of their town due to an explosion that occurred on the premises of the agency of the Canadian Car and Foundry Company on January 11, 1917, and to report our findings to the commission. We have made an appraisal of about 320 assureds, including the damage to the Lackawanna yards and the New Jersey Brick Company, and filed our report with the commissioners on February 5.

"We are not responsible for any articles that are printed in any newspapers. There has been so much confusion among the inhabitants of the town of Kingsland that there is a possibility of even the newspaper reporters likewise becoming confused."

Progress on Canadian C. & F. Adjustment

The companies' committee, which is adjusting the fire loss on the Canadian Car and Foundry Co.'s own property that was destroyed, has filed schedules claiming a $12,000,000 loss. Insurance on the property is about $3,000,000, exclusive of use and occupancy, which the companies' committee is not handling. The committee is now engaged in checking up values.

VIEHMANN IN THE SOUTH

George A. Viehmann, president of the New Jersey Fire started on Friday for a three-week trip through the South. Mr. Viehmann aims to visit as many of the Southern agents of the Company as possible.

Motor Vehicle Premiums and Losses for 1916

	Premiums	Losses
Aetna	391,103	165,465
Am. Cent.	73,828	33,559
Am. Eagle	16,655	4,500
Assr. Co. of A.	107,156	54,420
Auto Ins. Co.	819,215	420,936
Boston	570,391	208,003
Colonial	108,224	53,030
Com. Un. N. Y.	61,646	28,918
Commonwealth	151,914	47,391
Continental	223,104	107,405
Fidelity-P.	225,213	107,405
Franklin	104,328	30,618
Germ.-Am.	278,727	138,556
Germania	120,189	24,363
Glens Falls	181,098	70,830
Globe & R.	193,277	153,020
Hanover	57,201	21,697
Home	470,750	219,296
Ins. Co. of N. A.	583,809	255,840
Ins. Co. S. of P.	439,861	278,766
Mass. F. & M.	341,691	150,885
Mercantile	296,082	37,106
Milw. Mech.	25,957	5,556
Newark	280,344	115,662
National	197,351	69,654
Niagara	244,486	87,180
North River	133,884	61,273
Ohio Farmers	141,983	106,942
Old Colony	80,189	38,837
Orient	251,679	113,844
Pennsylvania	149,291	75,932
Phoenix (Ct.)	157,717	60,222
Prov.-Wash.	325,359	144,339
Queen	650,533	323,248
Springfield	175,939	73,237
St. Paul	756,839	357,997
United States	429,316	173,830
Westchester	33,065	8,879
Atlas	15,498	4,338
Comm. Union	346,801	167,843
Hamb. Assr.	63,277	62,318
Indemnity Mut.	115,351	57,342
L. & L. & G.	662,652	318,107
London & L.	384,752	173,698
Mannheim	218,639	119,520
The Marine	7,929	9,079
Nord-D.	80,597	65,161
N. B. & M.	188,300	68,526
Norwich Union	179,740	72,024
Palatine	144,468	83,661
Phoenix (Eng.)	289,427	182,213
Royal	907,482	451,477
Royal Exch.	280,949	130,066
Scottish U. & N.	79,012	39,093
Tokio	79,343	38,889
Union	33,522	11,426
Union Marine	33,310	16,654

BRONX RATE BILL

Gives Wider Power to Superintendent and is Sponsored By a Local Newspaper

A newspaper called the Bronx "Home News," published somewhere in the Bronx, as the French war correspondents would say, takes credit for the introduction in the New York Legislature of a bill granting full power to the Superintendent of Insurance to regulate rates to be charged by fire insurance companies; and, further providing for the revision of the standard form of fire policy. The Bronx "Home News" says that rates in Bronx County have not been changed in ten years and it advises its readers to get behind the bill, introduced by Senator Dunnigan and Assemblyman Callahan, "and demand that it be passed in order that the fire insurance rates be reduced."

ROCHESTER ASSOCIATION

James C. Clements has been elected president of the Rochester Fire Underwriters' Association, succeeding R. S. Paviour. J. C. Kalbfleisch is vice-president; E. M. Sparlin, secretary.

FIRE AND MARINE INSURANCE—ALL LINES

The Automobile Insurance Company of Hartford, Conn.

MORGAN G. BULKELEY, President

Statement January 1, 1917

Cash Capital	$1,000,000.00
Assets	2,748,832.19
Liabilities (Except Capital)	1,039,977.81
Surplus to Policyholders	1,708,854.38

AFFILIATED WITH

ÆTNA LIFE INSURANCE COMPANY

THE ÆTNA ACCIDENT AND LIABILITY CO.

WAR SECRETS

No Newspapers or Any One Else Permitted to See Jersey War Risk Returns

Some time ago the New Jersey Insurance Department asked companies transacting business in that State to file their premiums and amounts at risk on war risks, sending the names of the risks on which information was desired. If any one, representing an underwriting or agency office or a newspaper, expects that this is public information and can be secured by looking at the returns made by the companies, that person will be very much mistaken. The Department is guarding the figures from all eyes except its own.

Moreover, before any one can look at any of the annual statements filed in New Jersey this year it is necessary to show credentials, in order that the Department can keep a record of every one examining these reports. All information about war risks has been filed separately, or if written in ink in the annual reports is blue penciled so that the curious eyes cannot see.

HAMBURG-BREMEN'S CAPITAL

The authorized capital of the Hamburg-Bremen was recently increased from $1,500,000 to $2,500,000.

William C. Lawrence, president of the Standard of New Jersey, left his office last week for a two weeks' vacation at Clifton Springs.

NORTH BRANCH FIRE INS. CO.
Sunbury, Pa.
Inc. 1911

Assets	$515,049.38
Reserve	138,148.22
Capital	275,000.00
Surplus	78,171.37

CITY INSURANCE COMPANY
Pittsburgh, Pa.
Inc. 1870

Assets	$172,302.60
Reserve	27,678.96
Capital	100,000.00
Surplus	42,986.21

OPERATING ON A CONSERVATIVE BASIS IN A LIMITED TERRITORY UNDER AN EXPERIENCED MANAGEMENT

STRAIGHT FROM THE SHOULDER

Secretary Potter Puts Responsibility for Permitting Wooden Additions Just Where It Belongs

Correspondence between the village officials of Rhinebeck, N. Y., and the Underwriters' Association of New York State, with relation to the erection of wooden additions in the village and their effect on the rate, has been published.

The village attorney wrote to Secretary Potter and asked if an ordinance could be passed, permitting the erection of such an addition to a hotel without increasing the insurance rates. He had made the statement that he could see no "valid objection" to such an ordinance if an advance in rates did not follow.

Two paragraphs from Mr. Potter's reply follow:

"It is, of course, not possible for us to make a definite statement under our present knowledge of conditions as to the amount of such increase, but we believe that any exposed property upon which the rate was increased as a result of the erection of large frame additions in the nearby vicinity would have just cause for complaint and criticism of the Village Board for granting such permission.

"We note in your closing paragraph you state that unless insurance rates are raised there would be no valid objection to the ordinance, and beg to take exception with you in this regard as in our opinion, regardless of the insurance rating, no person should be allowed to endanger a neighbor's property in such a manner."

ILLEGAL USE OF PROPERTY DOES NOT VITIATE INSURANCE

The Supreme Court of Mississippi has just decided in a recent case that the mere fact that real property is used for an unlawful purpose does not relieve the insurance company which has issued a fire policy covering the premises from its liability under the policy.

The Aetna Insurance Co. had insured a retail furniture dealer against fire loss on his own interest in household furniture, which he had sold and in which he had retained title pending the making of deferred payments under the terms of the contract of sale.

It appeared that the purchaser was conducting a disorderly house at that address at the time she purchased the furniture. Failing to pay the installment agreed upon the dealer repossessed himself of the property. He next sold some of the articles he had retaken and while the house was in the care of a watchman a fire occurred and the goods were destroyed.

The Court held that the mere fact that the house was being used as a house of ill fame would not void the policy as the premium paid by the dealer was not connected with the use of the furniture for illegal purposes.

As to the artieles which had been resold after the dealer repossessed himself of the property, however, the Court refused to allow a recovery because there had been no indorsement made on the policy to expressly include them.—Aetna Insurance Co. vs. Heidelberg 72 So. Rep. pg. 853.

NORTHERN TO WRITE AUTOS

The Northern, of London, will establish an automobile department on March 1st. A. E. White has been appointed superintendent of the department. Mr. White has been chief adjuster of the automobile claims department of the Royal Indemnity Company, for the past five years.

FIRE ASSOCIATION HISTORY

The Fire Association is preparing an illustrated book, giving a history of that Company.

A SEPARATE BUREAU

Automobile Thefts Not to Be Handled As Adjunct of Underwriters' Conference

The constitution for the new automobile theft bureau is being drawn up. At a meeting of representatives of about forty companies this week every encouragement for the new bureau was given, and it is the plan to have the bureau run independently and not as an adjunct of the National Conference of Automobile Underwriters.

DIDN'T SINGLE POTTS OUT

National Association Sent "Annex" Wires to All State Insurance Departments

In regard to a report in underwriting offices that he had sent a wire to Superintendent Potts, of Illinois, congratulating him upon his consistent antagonism to annexes, Secretary Putnam, of the National Association of Insurance Agents, furnished The Eastern Underwriter this week with the text of a telegram which went last week to every Insurance Commissioner, and read as follows:

Washington, Feb. 17, 1917.

The midyear conference of the National Association of Insurance Agents in session here to-day welcomes the action of your recent national convention of insurance commissioners in condemning the plan of "underwriters' annexes" as wrong in theory and bad in practise, unfair to agents and subversive of the best interests of public service, and we re-affirm our purpose to co-operate in an effort to abate this evil.

HENRY H. PUTNAM, Secretary, National Association of Insurance Agents.

HOW DOLLAR IS DISTRIBUTED

The Continental paid in losses last year 52.89 cents for every dollar received in premiums. Agents commissions, brokerages, etc., were 20.188 cents. For field supervision 3.18 cents was paid. For underwriting boards 1.508 cents. For unearned reserve 3.594 cents; rents, postage, maps, 2.598; compensation of all employes other than field men, 5.862 cents; printing and advertising, 1.429; taxes, licenses, 4.256. Underwriting profit was 4.59.

ADEQUATE FACILITIES
ALL LINES

PHILADELPHIA
CLARENCE A. KROUSE & CO.
LOCAL AND GENERAL AGENTS
325 WALNUT STREET PHILADELPHIA, PA.
PENNSYLVANIA NEW JERSEY

SATISFACTION SERVICE
ALL LINES

LOGUE BROS. & CO., Inc.
Fire—Casualty—Automobile Insurance
Nation-Wide Facilities for Handling SURPLUS LINES
307 FOURTH AVENUE PITTSBURGH, PA.

SCHAEFER & SHEVLIN
2 LIBERTY STREET GENERAL AGENTS NEW YORK, N. Y.
Representing
DUBUQUE FIRE AND MARINE INSURANCE CO.
Excellent Facilities for Handling Suburban and Out Of Town Business
Phone: John 2312

Authorized Capital $500,000
Detroit National Fire Insurance Co.
DETROIT, MICHIGAN
A Company to be built gradually and along the indicated lines of permanence
AGENCY CONNECTIONS SOLICITED

The Columbian National Fire Insurance Company

T. A Lawler, Pres. H. P. Orr, Sec.-Treas.
JANUARY 1st, 1916
Assets $1,571,954.84
Surplus to Policyholders.....$1,257,680.79
EASTERN DEPARTMENT, Scranton, Pa.
Massachusetts, Rhode Island, New York, New Jersey, Pennsylvania and Maryland
James J. Boland, Manager
Reliable agents wanted in unrepresented territory

Nord-Deutsche
INSURANCE COMPANY
OF HAMBURG, GERMANY
ESTABLISHED 1857
STATEMENT JANUARY 1, 1916
Assets $2,063,315
Liabilities 922,699
Surplus 1,140,616
UNITED STATES BRANCH
123 WILLIAM ST., NEW YORK
J. H. LENEHAN, United States Manager
AGENTS WANTED IN PRINCIPAL CITIES AND TOWNS

FIRE ASSOCIATION OF PHILADELPHIA
Office: Company's Building, 407-409 Walnut St.
Organized 1817 Incorporated 1820 Charter Perpetual
Cash Capital $750,000 Assets $9.091,141
E. C. IRWIN, President T. H. CONDERMAN, Vice-President
M. G. GARRIGUES, Sec. and Treas.
R. N. KELLY, Jr., Asst. Sec. and Treas


F. H. HAWLEY, Pres. ORGANIZED 1848 W. E. HAINES, Secy.


Ohio's Oldest and Strongest Company
Net Surplus Over $1,351,482.71
AN AGENTS COMPANY
E. K. SCHULTZ & CO.
PHILADELPHIA
GENERAL AGENT
Pennsylvania, New Jersey and New York

New Jersey Fire Premiums and Losses

RECORD OF INSURANCE COMPANIES DURING 1916

Black Tom Losses Brought Up Losses Incurred to High Figure—What Net Paid Losses Show

Below will be found premiums and net losses paid in New Jersey last year.

The incurred losses bring the gross loss ratio very high, largely on account of Black Tom:

Fire Premiums in New Jersey

	Premiums	Net Losses Paid
Atlantic City Fire...	36,771	5,192
American, N. J.	239,833	82,783
Aetna	215,789	135,999
Agricultural	75,001	34,730
Albany	39,328	14,771
Allemannia	54,901	35,625
Alliance	29,312	24,112
American Cent.	22,657	20,922
Amer. Druggists	6,238	80.26
Amer. Eagle	17,365	5,031
Arizona	6,091	4,699
Assurance Co. of A..	7,763	1,805
Auto. Ins. Co.	52,032	13,037
Bucks Co.	3,420	120
Buffalo G.	21,726	18,902
Boston	91,665	100,340
Columbia, N. J. (M.)	10,916	1,749
Caledonian-Am.	1,362	341
Capitol Fire	9,915	6,949
Cent. Mfg.	17,336	2,526
City of N. Y.	48,762	37,162
Cleve. National	10,719	2,911
Colonial	6,771	4,921
Col. National	22,193	12,247
Commerce	20,309	8,259
Com. Union, N. Y. ..	19,472	5,851
Commonwealth	55,724	33,272
Concordia	56,170	21,896
Connecticut	83,470	28,944
Continental	261,288	109,303
County	13,156	2,784
Detroit F. & M.	26,698	7,338
Detroit National ...	20,083	19,544
Eastern, N. J.	33,626	3,348
Equitable	14,965	5,411
Federal (M.)	50,785	11,614
Firemen's	256,245	105,738
Farmers, Pa.	24,559	16,209
Fidelity-P.	221,408	83,141
First National	22,550	17,985
Fire Assn.	209,741	124,977
Firemen's D. C. ...	1,911	59.31
Franklin	120,442	51,266
German-All.	26,688	22,298
Germ.-Amer., N. Y..	395,915	249,766
Germ.-Amer., Pa. ...	15,062	12,493
Germ.-Amer., Del., ..	6,431	1,232
German, Pa.	6,430	2,082
Germania	172,869	83,809
Girard	46,229	3,132
Glens Falls	110,743	58,826
Globe & R.	219,549	169,019
Grain Dealers, Ind..	5,139	254
Granite State	29,041	20,219
Hamilton	18,816	14,398
Hanover	75,667	41,699
Home	461,479	275,677
Humboldt	31,901	20,684
Imperial	20,051	8,327
Independence	2,864	1,080
Ind. Lbr. & Mut. ...	15,138	4,791
Industrial, O.	22,276	12,204
Ins. Co. N. A. (F.)..	226,051	137,796
(M.)..	119,158	26,605
Ins. Co. S. of P. (F.)	80,354	40,770
(M.)	58,339	9,580
International	.....	2,440
Inter State	11,168	5,956
Knickerbocker	8,802	191
L. & L. & G., N. Y..	5,248	101
Lumber Mut., Mass.	20,874	9,538
Lbr. Mut., Mansfield.	25,268	9,921
Mass. F. & M. (F.)..	26,038	16,598
(M.)..	208,944	61,445
Mercantile	60,314	36,434
Merchants, N. Y. ...	26,181	10,476
Mich. Com.	16,449	5,347
Mech. & T.	18,282	12,018
Mich. F. & M.	21,736	5,412
Mill Owners' Mut. ..	3,390	1,089
Millers' National ...	29,308	22,237
Milwaukee Mech. ..	31,237	13,241
Minneapolis F. & M.	6,156	132
Newark	133,981	66,756
National, N. J.	21,365	6,226
New Brunswick	70,202	30,457
New Jersey	105,037	73,919
National	284,356	151,617
Natl. Lbr., N. Y.	18,889	16,871
National Brewers ...	2,471	94.62
National Union	62,422	49,692
New Hampshire	111,922	25,167
Niagara	233,353	84,527
Northern (N. Y.) ...	46,076	17,177
North River	183,374	80,439
Northwestern N. ...	30,799	18,431
Ohio Farmers	38,542	49,479
Old Colony	22,605	15,553
Orient	36,391	19,025
Pacific	19,987	26,706
Pennsylvania	194,989	115,472
Pa. Lbr.	35,063	10,483
Pa. Millers'	6,322	873
People's National ..	8,468	19,234
Phoenix (Ct.)	161,163	92,609
Pittsburgh	9,087	6,311
Potomac	15,741	13,738
Prov.-Wash.	84,421	53,931
Queen (F.).....	158,120	72,067
(M.).....	31,398	13,192
Reliance, Pa.	27,621	19,917
Rhode Island	42,046	14,781
Richmond	36,643	20,025
Seaboard, N. J.	6,699	1,448
Standard, N. J.	127,236	57,163
Standard (Conn.) ...	23,935	10,397
Safeguard	1,165	450
Seneca	7,208	3,799
Security	61,862	42,183
Springfield	159,749	94,768
St. Paul F. & M.	118,289	53,965
Stuyvesant	72,064	38,864
Teutonia	25,934	22,576
Union	18,069	15,290
United States	152,557	106 334
Vulcan	4,930	5,929
Westchester	182,942	108,279
Western (Pa.)	9,035	5,917
Foreign Companies		
Aachen & M.	71,982	35,609
	86,011	27,695
Balkan National	122,126	97,483
British Am.	.....	67,061
British D.	3,072	.....
Caledonian	57,323	26,022
Century	7,861	5,961
Cologne	48,620	43,788
Commercial U.	145,442	87,929
Fire Reassr.	90,847	48,236
First Bulg.	125,024	90,110
Frankona	43,004	59,985
General (Fr.)	32,145	18,188
Hamburg-Assr.	293,827	205,456
Hamburg-B.	62,285	44,484
International R.	41,890	32,981
Jakor	230,864	162,342
Law U. & R.	28,656	10,815
L & L. & G.	639,849	218,529
London Assr.	83,961	53,431
London & L.	60,494	74,361
Minerva	20,837	18,477
Munich	387,287	318,142
Nationale	16,467	7,020
Nord-D.	31,572	28,710
N. B. & M.	256,897	169,724
Northern Eng.	176,929	78,782
Norske Lloyd	19,832	25,900
Northern, Russia ...	53,212	49,174
Norwich Union	91,460	44,562
Palatine	38,351	20,926
Patriotic	2,661	114
Paternelle	27,658	16,778
Phenix	14,629	5,296
Phoenix (Eng.)	124,172	67,445
Rossia	245,070	190,633
Royal	206,134	146,332
Royal Exc.	77,447	38,982
Salamandra	230,864	158,596
Scottish U. & N. ...	182,131	124,480
Skandia	27,345	18,851
South Germ.	34,472	18,947
Second Russian	83,950	58,115
State	6,041	4,734
Sun	126,620	65,044
Svea	46,660	17,578
Swiss National	87,460	68,964
Swiss Re.	66,937	37,471
Union (Eng.)	8,432	3,721
Union Fr.	14,714	5,360
Union & Phe.	60,845	34,082
Urbaine	23,934	10,794
Warsaw	42,667	21,268
Western	50,273	45,747
Yorkshire	31,164	8,865

STRENGTH INTEGRITY SERVICE

Scottish Union & National Insurance Company

HENRY J. HOUGE, B. M. CULVER, *Assistant Secretaries*

JAMES H. BREWSTER, *Manager*, Hartford, Conn.

A Broad Underwriting Service to Agents

Writes Fire, Automobile, Rent, Sprinkler Leakage, Tornado, Use and Occupancy, Explosion, etc.

Works in Harmony with American Agency Principles and Practices

EXPLOSION PREMIUMS

One Underwriting Field in Which There Were Mighty Few Losses Last Year

The Globe & Rutgers wrote $251,275 explosion premiums in 1916, with losses of $5,593; Home wrote $61,546, with $3,095 losses; Insurance Company of N. A. wrote $13,278, no losses; National had $10,210 premiums, with $40 losses; North River, $25,363, with $141 losses; Queen $23,516 premiums, with $530 loss; L. & L. & G., $6,612 premiums, no losses; North British $22,588, $300 losses; United States, $51,077, no losses.

MASSACHUSETTS FIGURES

In Massachusetts last year the Fire Association reported premiums of $231,358, losses of $127,229; Germania, $159,726, $77,356; Globe & Rutgers, $138,874, $69,785; Phoenix of London, $133,473 (fire); losses of $59,311; Providence-Washington, $146,554 (fire); $102,855; Royal, $469,790 (fire); losses, $229,579; United States, $112,347 (fire); losses, $57,080.



125th Anniversary

Insurance Company of

NORTH AMERICA

PHILADELPHIA

CAPITAL, $4,000,000 **ASSETS OVER $23,000,000**

FIRE, MARINE, AUTOMOBILE, Rent, Leasehold, Tornado, Explosion, Use and Occupancy, Sprinkler Leakage, Travelers' Baggage, Parcel Post

The Oldest American Stock Insurance Company

BROKERS ACTIVITIES

Important New Anti-Rebate Amendment

REPUTABLE REFERENCES WHEN NEW LICENSES ARE ASKED

Companies to File Twice Yearly Names of Brokers Who Place Business With Them

At a three hours' conference (by appointment) between Superintendent Phillips, of the New York Insurance Department and representatives of the New York State Local Agents' Association and the Fire Brokers' Association of New York, attended also by the department's counsel and head of the license bureau, the superintendent agreed to recommend a bill amending the rebating law to prohibit payment to the assured or their employes of commissions or part of commissions. This is a decided step in the way of progress.

Messrs. Johnson, Syracuse; Tiernon and Warner, Buffalo, represented the agents and A. C. Hegeman, New York, the brokers. The meeting lasted three hours. The Superintendent expressed himself as sympathetic with the ideas of his visitors with the exception of the proposal for an examination board. Several objections that Mr. Phillips had to such a board were given by him. In relation to the other matters the result of the conference in brief follows:

Good Faith Necessary

The application blank for brokers' licenses will contain a line saying that the applicant "holds himself out" to conduct the business of insurance, and testifying to his "good faith."

Another question will ask the applicant if he intends to effect any insurance or obtain any commission, rebate or recompense in which he or his employer is named as the insured.

If an applicant is a resident of a city of first, second or third class he must obtain five references, at least three of which must be engaged in the business of insurance. If a resident elsewhere, he must obtain one reference and that from a person engaged in the business of insurance. Various questions are also to be asked of the reference regarding his knowledge and of the integrity, ability and intent of the applicant.

Companies and agents will be required to submit to the Department twice a year names of all brokers with whom they have done business, i. e., —paid brokerage.

The Superintendent said that these recommendations will go over to the Fall, so that the new questions when agreed upon finally will appear in 1918 application blanks.

The committee is to be congratulated upon its success in this connection. The brokers and agents worked in complete harmony, and have done a splendid service to the business.

* * *

Graham Goes With Sobel

William C. Graham, office manager of John A. Eckert & Co., has gone with Henry Sobel & Co. in a similar capacity.

* * *

Open Boston Office

Henry E. Otto & Company, Inc., of 95 William St., New York, marine and war risk brokers, have opened an office at 4 Liberty Square, Boston. C. D. Otto, treasurer of the corporation, will be in charge of the Boston office.

Famous 1806 Proposals of Ins. Co. of N. A.

COMPLETE UNDERWRITING GUIDE WHICH BLAZED A TRAIL

Divided Buildings Into Four Separate Classes—Contents Had Same Rate as Buildings

One of the most interesting chapters in the book of episodes of history, linking the Insurance Company of North America, which had its birth in the same room in Independence Hall where the Declaration of Independence had been signed, with concurrent historic events, deals with "proposals" issued in 1806 when the scope of its fire underwriting was enlarged. These "proposals" were signed by John Inskeep, president, and established four classes: (1) brick or stone with slate or metal roof; (2) same with wooden roof; (3) partly wooden buildings with either roofs, and (4) wooden buildings, with wooden roofs.

Contents went with buildings under the same rate, although the amounts were scheduled and limited. As few insurance men have had the opportunity to read these "proposals" which were the latest word in fire underwriting in 1806, they are given complete:

Insurance

Against loss or damage by fire by the Insurance Company of North America.

The president and directors of the Insurance Company of North America, in the City of Philadelphia, being desirous to employ the capital of said Company to purposes useful to the public as well as beneficial to the institution, have resolved to extend their insurances against loss or damage by fire, into different parts of the United States; on buildings of every description as well as on goods, wares and merchandise of all kinds. And upon such moderate and liberal terms, as it is presumed will induce many to avail themselves of the means thus offered, to protect themselves from the destructive injury so frequently occasioned by fire.

Among the various claims which have been made against the Company for losses by fire since its first establishment (now more than thirteen years) no instance of a legal controversy has occurred, between the Company and the assured—but, on the contrary, all claims for losses of this nature have been adjusted and paid with the utmost promptitude; which circumstance together with the ample capital the Company possess gives them a fair claim to public confidence.

Rates of annual premiums to be paid for assurances against fire.

No. I

Hazards of the first class, viz:

Brick or stone building, covered with tile, slate or metal.

Furniture or merchandise, not hazardous contained in such buildings.

For sums not exceeding 10,000 dollars in one risk, from 25 to 30 cents, per annum per 100 dollars.

No. II

Hazards of the second class, viz:

Brick or stone buildings covered with boards or shingles.

Furniture or merchandise, not hazardous contained in such buildings.

For sums not exceeding 10,000 dollars in one risk, from 30 to 40 cents per annum per 100 dollars.

No. III

Hazards of the third class, viz:

Buildings—the walls of which are partly constructed with bricks or stone, and partly with wood.

Furniture or merchandise contained in such buildings.

For sums not exceeding 10,000 dollars in one risk, from 40 to 50 cents per annum per 100 dollars.

No. IV

Hazards of the fourth class, viz:

Slight wooden buildings covered with boards or shingles.

Furniture or merchandise contained in such buildings.

For sums not exceeding 10,000 dollars in one risk from 75 to 100 cents per annum per 100 dollars.

All buildings adjoining to or situated near to hazardous buildings, or in which hazardous goods are kept, or hazardous business carried on, will be charged at an extra premium: subject to such variations as the nature of the risk may require.

The following articles are deemed extra hazardous, and also buildings in which they, or any of them are contained, though in various degrees, to-wit: Pitch, tar, turpentine, rosin, wax, tallow, oil, ardent spirits, sulphur, hemp, flax, cotton, glass and chinaware, especially if unpacked, looking glasses, jewellery and all articles more than commonly liable to injury by wet, sudden removal, or theft, or on an alarm of fire.

Buildings in which the following occupations are carried on are also extra hazardous, to-wit: Tallow-chandlers, brewers, hemp and flax dressers, painters, coopers, carpenters, cabinet-makers, coach or carriage makers, malthouses, hakers, ship chandlers, boat builders, rope makers, sugar refiners, distillers, chymists, varnish or turpentine works, theatres, mills, and machinery generally.

Conditions of Insurance

I. Persons desirous to make insurance on buildings in places where the Company have no agent, must accompany their applications with a description of the property to be insured, to be made by a master carpenter, and signed by him as well as by the owner or applicant, and attested before a notary or magistrate, who will certify his knowledge of the parties and their credibility. The site and position of the building must be described; the street or road on which it stands; its contiguity to water, and particularly whether any or what fire companies are established, and engines provided in the place of neighborhood. The materials of which it is built, how secured by battlements or party walls, what kind of access to the top of the house, and how the ashes are generally deposited.

II. The dimensions of the building, the style in which it is finished, and how occupied, whether merely as a dwelling house, or for any other purpose, and for what purpose, also, an estimate of the value of the building, independent of the ground.

III. The situation with respect to other buildings or back buildings, whether adjoining or not; comprehending at least one hundred feet each way. What kind of buildings are within that distance, how built, of what materials, how occupied, whether as private dwellings or otherwise.

IV. No insurance will be effected on more than two contiguous buildings, if built of wood, or on property therein; nor on more than three contiguous buildings if built of brick or stone, or property therein—And there must be a space of at least fifty feet between such wooden buildings and any other property insured, and a space of thirty feet, between such brick or stone buildings and any other property insured.

V. No insurance will be effected on any wooden buildings, or on any property therein, to an amount exceeding two-thirds the value thereof.

VI. When insurance is wanted on goods, a general description of the building in which they are kept must be given, similar in all respects, as to danger from fire, with that required for insurance on the buildings themselves, with a description of the kind and nature of the goods, whether in packages or open.

VII. If any person shall insure any building or goods, and shall cause the same to be described otherwise than as they really are, so as the same be charged at a lower rate of premium than would be demanded if the true situation thereof were made known, such insurance shall be void.

VIII. No insurance is binding until the stipulated premium be paid, but it shall be deemed effectual from the time of such payment whether the policy be signed or not.—And insurances may be continued or renewed at the expiration of the term of the policy, without further expense than the payment of the premium of the renewed term; provided the circumstance of the risk remain as when first insured, or it is not increased.

IX. If any other insurance be made on the same property, notice thereof must be given to this office, and indorsed on the policy, otherwise the insurance will be void. And in case of such insurance each office shall bear a ratable proportion of any loss which may be sustained.

X. Goods held in trust, or on consignment may be insured as such in a separate policy, but they are not to be considered as insured otherwise. Nor are bills of exchange, bonds and other securities, title deeds, money, bank and other notes, or mirrors, unless by special agreement.

XI. This Company will not be liable or accountable for any loss or damage occasioned by the invasion of an enemy, or by any military or usurped force, or by reason of any civil commotion, or occasioned by gunpowder, aqua fortis, or anything of the like kind kept in buildings, or among the property insured, unless by special agreement.

XII. No insurance will be made on buildings for a shorter term than one year, nor for a longer term than seven years. Persons who insure for seven years shall be allowed one year's premium as a discount; and one-third of a year's premium on an insurance for three years. Insurance may, however, be effected on goods in packages, for any term not less than sixty days.

XIII. Losses sustained by fire on property insured in this office, shall be paid in thirty days after due proof and liquidation thereof, without deduction; and it is to be understood that the Company make good losses on property insured by them if burnt by lightning, and also any damage which goods may sustain by wet, sudden removal or theft, when it happens by means or in consequence of a fire.

XIV. Letters of inquiry (post paid) and orders for insurance accompanied by the means of paying the premium, will be promptly attended to, if addressed to

JOHN INSKEEP, President.
Insurance office of North America, Philad'a.

Earthquake Insurance

Although the average broker regards earthquake insurance as something most remote, there is some of it written, as will be seen by the 1916 figures which follow:

Company	Premiums
Ins. Co. of N. A.	$940
Com. Union	616
Phoenix	305
Globe & Rutgers	7,732
Niagara	438

The losses from earthquake with these companies was nil.

VERBAL CONTRACT

Insured Should Have Been Informed If Agent's Authority Had Been Limited

By GEORGE F. KAISER

That an insurance company may bind itself to issue or renew an insurance policy at some future time by a mere verbal contract is the holding in a recent Indiana case.

It appeared that the agent of a live stock insurance company was authorized to solicit insurance, to deliver policies, and to do other necessary things in connection with his business, as an agent. The court held that as the person applying for insurance had no notice of any restriction of authority by the Company, the insured was entitled to the benefit of a verbal contract to renew the policy made by the agent before its expiration, and the Company, therefore, should be made to pay the loss sustained by the insurer after the expiration of the original policy. National Live Stock Ins. Co. vs. Cramer, 114 Northeastern page 428.

Capacity For Local Agents

You can use our capacity as your own to take care of additional business beyond the capacity of admitted Companies.

Our capacity is as high as $150,000 on a single risk with immediate binders and 10% commission to brokers. Guaranteed Underwriters. Use our special Surplus Line Department. Special liberal policies for Baggage Insurance.

MARSH & McLENNAN

Insurance Exchange, Chicago

19 Cedar St. NEW YORK
1015 California St. DENVER
314 Superior St. DULUTH
300 Nicollet Ave. MINNEAPOLIS
Ford Bldg. DETROIT
17 St. John St. MONTREAL
23 Leadenhall St. LONDON

THESE OFFICES GIVE YOU THE BEST THERE IS IN INSURANCE SERVICE

Firemen's Insurance Co., Newark, N. J.

STATEMENT JANUARY 1, 1916

Capital Stock	$1,000,000.00
Re-Insurance Reserve	2,955,812.00
Reserve for Unpaid Losses and All Other Liabilities	382,114.00
NET SURPLUS	2,708,837.00
TOTAL ASSETS	$7,046,763.00

DANIEL H. DUNHAM, President
JOHN KAY, Vice-President and Treasurer — A. H. HASSINGER, Secretary
NEAL BASSETT, Vice-President — J. K. MELDRUM, Assistant Secretary

INCORPORATED 1720

Royal Exchange Assurance

LONDON, ENGLAND

United States Branch
92 William Street, New York

RICHARD D. HARVEY
United States Manager

GERMANIA
FIRE INSURANCE COMPANY
NEW YORK.

ORGANIZED 1859

STATEMENT, JANUARY 1, 1917

Cash Capital	$1,000,000.00
Assets	8,553,704.22
Liabilities	4,222,485.60
Net Surplus	3,331,218.62
Surplus for Policy Holders	4,331,218.62

HEAD OFFICE
Cor. William and Cedar Streets

BRITISH AMERICA
ASSURANCE CO.
Incorporated 1833
(FIRE AND INLAND MARINE)
Head Office, Toronto, Canada
United States Branch
January 1, 1916

Assets	$1,939,785.69
Surplus in United States	776,621.82
Total losses paid in United States from 1874 to 1915, inclusive	23,984,892.36

W. R. BROCK, President
W. B. MEIKLE, Vice-Pres. & Gen. Mgr.

New Jersey Agents Discuss Qualifications

RE-ELECT COX PRESIDENT AND MOFFATT SECRETARY

Asbury Park Selected for September Meeting—Amend Constitution to Admit Casualty and Life Men

Two important steps were taken at the annual meeting of the New Jersey Agents' Association in Trenton on Thursday. A definite procedure was established between the agents and the Department of Banking and Insurance to apprehend agents who were not operating in accordance with the law; and membership in the organization was extended to life and casualty agents.

The agents showed a disposition to get right down to business and the meeting was called at 11 o'clock sharp. It was characterized by numerous live suggestions, many of them from agents who had never before attended a meeting of the association.

Competition of Philadelphia and New York Brokers

President Fred J. Cox, Perth Amboy, emphasized how the members of the association and all Jersey agents must act in unison to combat the tendency to reduce commissions and urged that they co-operate to oppose the encroachment on the rights of the agents by the New York and Philadelphia brokers. He said that, in letters addressed to him, many members of the association showed a desire to seek legislation on every subject. He said that this tendency might easily prove a boomerang to the best interests of the agents.

Arnold Rippe, Jersey City, chairman of the ways and means committee, reported that the membership of the association was now 300.

Change Name of Association

Secretary Thomas C. Moffatt, Newark, read an amendment to the constitution, which was adopted, changing the name of the association to the New Jersey Association of Underwriters and admitting to membership "all properly commissioned agents of an insurance company," thus opening the way for casualty and life men to take part in the activities of the association. He reported the action of the officers of the association in meeting with representatives of the Federation in Newark recently who wished to extend the Federation organization to New Jersey. Mr. Moffatt said that, in his opinion, the Federation was not needed in New Jersey.

H. S. Powell, Millville, spoke of the trip which the executive officers of the association had made to Millville and the good which the backing of the association had done for the agents of Cumberland county in settling the question of rates.

Not a "Large City" Organization

A. W. Hicks, Summit, told of his work among the agents of Union, Morris and Sussex counties and said that the reason there was such a small membership in those counties was that the agents did not understand the purposes of the association and that they thought it was controlled and operated by the agents in the large cities. Mr. Hicks told how the country agents in the northern part of the State must contend with the competition of New York brokers and described the experience he had had in the placing of one risk and how an agent had been created to take care of this one piece of business because he refused to "do things." He expressed the opinion that the association could be of great help in having the licenses of agents of this character, who do not operate a legal office, cancelled. A. P. Haldane, Paterson, suggested that the facts should be given to the Commissioner and that it had been his experience action was forthcoming. Mr. Hicks replied that he had written the department about this one case and was asked to furnish additional facts, which he did not feel he could take the time or spend the money to secure.

Secretary Moffatt said that if the agents really wanted to have only legitimate agents in their town, they would find it worth their while to secure this information and forward it to the department. Mr. Hicks suggested that the companies be asked to give the addresses and other details of their new agents' offices.

Hudson County Experience

Arnold Rippe then told of the experience of the Hudson County agents with the department in handling the question of delinquent agents and said that in every instance where the department had been furnished with the information required, it had revoked the agent's license.

W. M. Dickinson, Trenton, former president of the association, said that his experience with the department had been similar to that of Mr. Rippe, but that it had been his experience as president of the association that many of the agents were afraid to appear against a man in their own town because of the possible antagonism to them it might create locally. Commissioner La Monte covered this point in his address at the luncheon and the course of action which he outlined, and which is described hereinafter, will no doubt be taken by all agents in handling this situation in the future.

Endorse Oklahoma Law

Secretary Moffatt then told of the action he had taken as a member of the legislative committee of the national association in approving the bill which has been introduced in the Oklahoma legislature curtailing the operation of underwriters' agencies. His action was approved by the association.

Under new business, Mr. Powell moved that the ways and means committee be empowered to draw up and have issued a sign or insignia which would attest to the membership of an agent in the organization and which could be hung in his office, as the sign "members American Bankers Association," is displayed by banks. Mr. Sommer told of the success of this plan in the West and said that the prestige attending had been the cause of a greatly increased membership. The motion was passed.

Walter Pruden, East Orange, moved that a list of the members of the association be sent to each member. He said that in this way when one of an agents assureds move to another locality, a member of the association in that town would receive the benefit of the business, thus placing an additional premium on membership in the association. This motion was also adopted.

Next Meeting in Asbury Park

It was decided to accept the invitation of the Asbury Park agents to hold the semi-annual meeting there on the third Thursday in September.

Fred J. Cox, Arnold Rippe, and Thomas C. Moffatt, were re-elected respectively president, vice-president, and secretary-treasurer. E. R. Magee, Hoboken, was elected chairman of the executive committee and Percy Limouze, of Weehawken, chairman of the ways and means committee.

20,000 Licenses in New Jersey

President Cox, at the luncheon, read a letter of regret from Senator J. S. Frelinghuysen. He spoke of the decreasing tendency on the part of legislators to enact laws adverse to the business and paid a tribute to George M. La Monte, Commissioner of banking and insurance of New Jersey, as he introduced Mr. La Monte as the next speaker.

After praising the work of the association, the Commissioner immediately turned to the subject of part-time agents. He said that in view of the fact that last year the department had licensed some 20,000 in New Jersey, it could not very well be expected to investigate each one in detail. He said, however, that in each instance where information was given to the department showing that an agent was not operating as prescribed by law, the department would take steps to revoke his license, but that the department had no means of getting this information other than from the agents who are sincerely trying to place the business on the highest plane possible.

Mr. La Monte then spoke of the anti-discrimination law. He told of having read a paper describing its operations at the convention of Insurance Commissioners in Richmond last Fall and of the interest that had been aroused in the law. Several laws have been introduced in State legislatures which have been patterned after that of New Jersey.

Senator James Hammond, of Mercer County, was then introduced. Senator Hammond was the man who introduced the substitute bill in the New Jersey Legislature to have the Commissioner instead of a committee investigate and report on the operation of the fire companies. He said that he believes in fostering the big business of a State, under proper direction, as a father encourages and directs the growth of a son.

Brown's Office Inspected 48,000 Risks Last Year

Atlee Brown, rating expert, told how his office had inspected 48,000 risks during the year. He compared this record with that of New York, which examined 19,000 risks, and said that it had never been equalled before by any other State. Mr. Brown said that he had found there were three things about the method of rating in New Jersey which the public and legislators wanted explained: that "one-man power" is bad; that anti-discrimination kills competition; and that, in reality, there is a secret combination of companies regarding rates. He said that discrimination was impossible because the same "yardstick was laid up against each risk" and the charges based accordingly. He said that competition is ten times greater now than before, but it is healthful, tending to improve the risk instead of cutting the rate. To show that there is no secret agreement between the companies, Mr. Brown said that in every instance where the companies had the power to make their own rates they had never gone below 25 cents as a basis rate with the exception of Philadelphia, where the basic rate is 20 cents. The basic rate for New Jersey is 15 cents.

"The Leading Fire Insurance Company in America"



WM. B. CLARK, President

AETNA INSURANCE COMPANY

Aetna Fire Underwriters Agency
of Aetna Insurance Co.

Application For Agencies Invited

THE HANOVER
FIRE INSURANCE COMPANY
Incorporated 1852

The real strength of an insurance company is in the conservatism of its management, and the management of THE HANOVER is an absolute assurance of the security of its policy.

R. EMORY WARFIELD, President
FRED. A. HUBBARD, Vice-President
E. S. JARVIS, Secretary
WILLIAM MORRISON, Asst. Sec'y

HOME OFFICE
Hanover Bldg., 34 Pine St.
NEW YORK

HOWIE & CAIN, General Agents
Metropolitan District
100 WILLIAM STREET, NEW YORK

[FIRE]
German American
Insurance Company
New York
STATEMENT JANUARY 1 1916
CAPITAL
$2,000,000
RESERVE FOR ALL OTHER LIABILITIES
10,146,941
NET SURPLUS
10,217,685
ASSETS
22,364,626

207th Year
SUN
INSURANCE OFFICE OF LONDON
FOUNDED 1710
UNITED STATES BRANCH:
54 Pine Street - New York
WESTERN DEPARTMENT:
76 WEST MONROE ST., CHICAGO.
PACIFIC DEPARTMENT:
N. W. Cor. Sansome & Sacramento Sts.
San Francisco, Cal.

First National Fire
Insurance Company of the United States
WASHINGTON, D. C.
ROBERT J. WYNNE, President JOHN E. SMITH, Secretary
Statement January 1, 1916
CAPITAL, $912,502
RESERVE FOR ALL OTHER LIABILITIES, $523,785
NET SURPLUS, $377,447 ASSETS, $1,813,734

Ignorance of Policy Encouraged by Court

NOW IT IS FOLLY FOR INSURED TO BE WISE

Standard Policy Held to Remain in Force Though Surrendered by Insured Ignorant of His Rights

Everyone is familiar with the old aphorism that where ignorance is bliss it is folly to be wise. To most persons, fortunately, if the race is to continue its progress, the principle has seemed worthy of but limited application, and few have realized that it had any substantial foundation. Of course everyone knows, or at least it is a legal fiction that everyone knows, that ignorance of the law, however blissful it may seem, is never bliss in reality. It is not folly, therefore, to be "wise" to the fact that the law upholds the aphorism as far as it applies to ignorance on the part of the insured of the contents of the standard fire insurance policy.

It may be that this isn't sound law, but it has the sanction of the Supreme Judicial Court of Maine.

The case is that of Bragg v. Royal nsurance Company, Ltd. (98 A. 632), a suit to recover on a fire policy. It was set up in defense that before the loss the policy had been cancelled and surrendered by mutual agreement. The opinion is in part as follows:

"The policy was in the standard form prescribed by statute. Under the terms of the policy the Company could cancel the policy after giving the insured ten days' notice in writing and tendering a ratable proportion of the premium, and not otherwise, except by mutual agreement. In this case no notice in writing was given, and no unearned premium tendered at the time. Therefore to establish cancellation mutual assent must be shown. In other words, it must be shown that the plaintiff waived his contract right to written notice.

"It was said in effect in Rosen v. Ins. Co., supra, and Bard v. Ins. Co., supra, that where an insured was in fact ignorant of the requirement for ten days' written notice, and ignorantly consented to a cancellation of his policy, it was no waiver of his contract right to notice. For a waiver is the voluntary relinquishment of a known right. But the defendant seeks to distinguish this case from the Rosen and Bard cases on the ground that it does not affirmatively appear that the plaintiff was ignorant of his right. As to this, we say, first, that he who sets up a waiver must prove it. He must prove all the elements that create a waiver. It was incumbent on the defendant to prove that the plaintiff voluntarily relinquished a known right. This it has not done. Again, we think it cannot be said that there is no evidence of the plaintiff's ignorance. It is true that he was not asked directly whether he knew. The agent was asked if he himself knew, and he admitted that he did not at the time. The conduct of the plaintiff points, we think, almost indisputably to the inference of his ignorance of his right. Among other things the plaintiff testified that he asked the agent if he 'didn't have any notice or anything,' and that the agent replied, 'No, we can cancel it at a minute's notice.' This statement is not denied by the agent. If the plaintiff had then known that he was entitled to ten days' notice in writing, it is inconceivable that he would have taken the agent's assurance as true, which his subsequent conduct shows that he did. He acted upon that assurance, without further protestation as to the right of the Company to cancel without notice. And it is not too much to say, in view of common experience, that it ought not to require much evidence to show that ordinarily the insured are not familiar with all the provisions of their insurance policies.

"We think this case falls within the doctrine established by the Rosen and Bard cases. Like the Rosen case it is a case, as the court then said, where

" 'the agent, thinking he had the right, notified the insured of immediate cancellation, and the insured, ignorant of the protecting provision of his policy, made no resistance.'

"Accordingly we hold that, although the plaintiff did consent to the cancellation of his policy, he consented in ignorance of his contract right, and that his consent did not constitute a waiver of written notice as the policy provided. The policy remained in force until the time of the fire."

BRITISH EXPLOSION LOSSES

Property Damage Claims Following Destruction of Ammunition Plant—British Paper's View

In Great Britain the question of liability for explosion has arisen because of the destruction of some ammunition plants which damaged property considerably removed from the scene of the explosion. In discussing the situation the last issue of the "Policy Holder," of Manchester, England, just received in this country, says:

Many claims have been received at fire offices for broken glass by householders miles away from the seat of trouble. Such claims clearly could not rank under the ordinary fire policy, whatever may be the position of plate glass specifically insured with the plate glass companies. The fire offices have been ready to consider their acceptance of the explosion risk in munition factories, and in some cases they have assumed it in return for what they considered adequate premiums. A bill entitled "Munitions (Liability for Explosions)," introduced by the Minister of Munitions, was read in the House of Commons for the third time on December 19. This bill stipulated that "if provision is made by any scheme framed by, or on the authority of, the Minister of Munitions for the assumption by His Majesty's Government of any of the liabilities of persons manufacturing or dealing with munitions to which this Act applies for damage or loss attributable to the explosion of munitions," contributions should be paid by the persons whose liability was assumed. Provision was made for the appointment of an expert advisory committee to consider the fixing of the amount of the contributions. It seems that the Government had no power previously to accept premiums from private persons to cover this risk.

MARINE INSURANCE OF BALLET RUSSE

War and marine insurance to the extent of $30,000 was placed this week on the Diaghileff Ballet which sails from New York March 5 to Barcelona, Spain, on the steamship "Antonio Lopez." The business was placed by William C. Friedeborn, of Bagot & Co.

GLOBE & RUTGERS
Fire Insurance Company
111 WILLIAM STREET, NEW YORK

JANUARY 1, 1917

ASSETS		LIABILITIES	
Real Estate	$ 78,975.00	Capital	$ 700,000.00
Bond and Mortgages	59,700.00	Surplus	6,250,190.55
City, Railroad and other Bonds and Stocks	10,583,638.71	Re-Insurance Reserve	4,685.508.16
Cash in Banks and Office	606,034.77	Losses in Course of Adjustment	1,324,075.00
Premiums in Course of Collection	2,297,904.01	Commissions and other items	830,359.55
Interest Accrued	80,049.77		
Due on account Re-Insurance Loss Account	83,831.00		
	$13,790,133.26		$13,790,133.26

SURPLUS TO POLICY HOLDERS, $6,950,190.55

E. C. JAMESON, President
LYMAN CANDEE, Vice-President W. H. PAULISON, Secretary
J. T. GORDON, Secretary J. H. MULVEHILL, Asst. Sec'ty.
W. L. LINDSAY, Assistant Secretary

CONNECTICUT BILLS ADOPTED

Among the many bills adopted by the Senate of the State of Connecticut, a few days ago, are the following:

Extending for two years the time within which the Travelers Fire Insurance Company, the Rossia Insurance Company and the Rossia Casualty Company of America may organize.

Extending the time within which the American Re-insurance Company may organize, and amending its charter on account of deaths of directors.

Changing the name of the Atlantic Fire and Marine Company of Hartford to the Ajax Fire and Marine Company of Hartford, and extending the time for the organization of the Company.

Providing for extension of time for certifying the organization of the Life & Casualty Company of Hartford until April 1, 1919.

Providing for an increase in the capital stock of the Auto Insurance Company of Hartford to $5,000,000.

STANDARD INCREASES SURPLUS

The Standard Fire of New Jersey, in 1916, increased its surplus $36,659 and its assets $82,245. The net surplus of the Company is now $545,865, and the total assets $1,195,640.

The statement of the Standard, completed last week, shows the Company to have made progress consistent with its conservative policy.

HOME APPOINTS McCOLLEY

Eugene C. McColley, who for several years has been attached to the office of Miles C. Young, manager of the Home Ins. Co. for suburban Philadelphia, has been transferred to the western Pennsylvania field, where he will represent the Company as special agent from Pittsburgh headquarters. Mr. McColley succeeds F. D. Blessmeyer who resigned. Mr. McColley, prior to his association with the Home was counter man in the office of the Franklin Fire of Philadelphia.

H. KRAMER
ADJUSTER
FOR INSURANCE COMPANIES
105 William Street, New York City

A. K. BOUGHNER & CO.
INSURANCE AGENCY
Fire Automobile
NEWARK AND VICINITY
Brokerage Business Solicited
38 Clinton Street, Newark — 95 William Street, New York

Prompt Efficient
THE INSURANCE BUREAU
FIRE and AUTOMOBILE
Inspections and Investigations
405 German-American Bank Bldg.
BUFFALO, N. Y.
Confidential Economical

MASSACHUSETTS MUTUALS

The mutuals in Massachusetts during 1916 had the following premiums and losses:

	Premiums.	Losses.
Arkwright	$620,383	$22,747
Dorchester	53,679	21,079
Hampshire	21,209	14,768
Keystone	9,789	65
Lumbermen, O.	23,781	164
Lynn	30,005	11,804
Manton	7,716	47
Middlesex, Mass.	137,583	48,827
Millers, Alton, Ill.	1,014	2,100
Mutual Assurance, Springfield	21,708	3,525
Newburyport	2,616	408
Pawtucket	91,915	33,155
Pennsylvania Millers	4,095	984
Philadelphia Mfrs.	16,043	689
Providence	46,488	11,985
Quincy	131,580	43,477
South Danvers	15,658	5,640
Standard, Pa.	3,084	20

Rossia Insurance Company
HARTFORD, CONN.
REINSURANCE

ARTHUR C. SWINTON
1 Liberty Street GENERAL AGENT New York City
FIRST NATIONAL FIRE INSURANCE CO.
Washington, D. C.
New York Suburban and New Jersey
Exceptional Reinsurance Facilities Local Agents' Interests Protected

CASUALTY AND SURETY NEWS

Merit Rating Plan for Plate Glass Impractical

AGITATOR SEEKS ENDORSEMENT OF HIS PATENT

Opinion Is That Evils of Business Can Be Cured by Employing Experienced Men Instead of Boys

Home office plate glass men have taken exception to the action of the "National Underwriter," formerly the "Western Underwriter," in advocating that the plate glass companies adopt a merit rating plan for the whole country. They have pointed out that much of the information published in its issues since December 21 has been obtained from D. J. Murnane, vice-president and general manager of the Zouri Drawn Metal Co., of Chicago, who, they say, has a patent metal bar which he is trying to sell insurance companies and which he has exploited to them for the past three years.

Company officials who have given the subject consideration say that most of the faults of the business could be cured if all companies could be prevailed upon to employ only experienced men as underwriters instead of undeveloped boys.

Plan Requires Experts

It is a matter of record that merit rating of plate glass risks has been tried by the companies during the life of the Plate Glass Insurance Alliance of America, which was organized in October, 1914, and was superseded by the present Exchange in February, 1915. The plan was found wanting and the following inspection report requirements of the Alliance are presented to show why:

"Instructions:

"The inspector will indicate after each specification, in manual premium column, the total manual premium of the lights coming within said specification. If the specification does not apply to any of the plates put check in said column; also indicate on the survey in the column provided for that purpose the specification number before all plates computed in the total manual premium for that specification.

"1. Total of plates 90 inches or less in width located on grade floor of mercantile risk.

"2. Total of plates permanently and wholly protected by close mesh wire screen.

"3. Total of plates partially protected by close mesh wire screen, or protected at night entirely by close mesh wire screen.

"4. Total of plates set with moulding exceeding 1½ inches in width.

"5. Total of clamped plates contained in store fronts set with clamps that do not require holes drilled in the plates to admit the pivot of the clamp.

"6. Total of plates containing more than 120 square feet.

"7. Total of plates located in basement within 10 feet of the prevailing building line.

"8. Total of plates not bent or ornamented contained within the area of the corner store, such area to be defined by the fire walls.

"9. Total of bent or ornamented plates contained within the area of corner store, such area to be defined by the fire walls.

"10. Total of plates which are less than eight inches above sidewalk.

"Instructions:—The inspector will indicate by inserting 'yes' or 'no' in the column for total manual premium whether the risk comes within the following specifications.

"11. Is risk located within 200 feet of public school or public playground?

"12. Is risk located on a street where there are vacant lots within 100 feet of the store front?

"13. If within 100 feet of store front, are the vacant lots enclosed by a 6 foot or higher fence?

"Instructions:—If risk is of a class other than of A, B, C or D, and the specifications above are not to be applied, compute manual premium on the specifications alloted to the class as provided in special form on file with the Inspection Bureau."

Was Too Expensive

It will be seen from the above that it would require an expert to secure and fill in the above information properly. It was found that the plan was too expensive and too cumbersome for the handling of the business in New York City and it was never considered for other territory.

The series of articles referred to in the first paragraph held up the rating methods of the fire insurance companies and the operation of the Underwriters' Laboratories as a model method. In reply to this, it is pointed out that the premium of the fire companies during 1916 has been estimated at $360,000,000, and that of the plate glass business $5,000,000, showing that the maintenance of similar inspection facilities to those of the fire companies would be impossible from the point of expense.

WALTERS WITH F. & D.

John Walters, who was manager of the accident-health department of the New York office of the Prudential Casualty, started with the New York office of the Fidelity & Deposit this week as assistant manager of the accident department.

MARINE OF GREAT BRITAIN

The Marine Insurance Co., of Great Britain, wrote $124,869 in premiums; and had $61,200 in net losses last year in New Jersey.

General Accident
FIRE AND LIFE
ASSURANCE CORPORATION, Ltd.
SERVICE THAT EXCELS
FREDERICK RICHARDSON, United States Manager
GENERAL BUILDING · 4TH & WALNUT STS.
PHILADELPHIA

Mid-Year Meeting of Agents' Convention

CO-OPERATION WITH COMPANIES ON RESIDENT AGENTS' LAWS

Growing Disposition Among Companies to Do Away With Overhead Writing Practice

The mid-year conference of the National Association of Insurance Agents in Washington last week set aside a day for consideration of casualty matters before the association. The subjects of resident agent laws and expirations of casualty and surety agents were discussed. The secretary read correspondence which had taken place with the executive committee of the casualty association in respect to the subject of a joint convention, in which had been set forth the desirability of bringing the two organizations together. In view of this movement, the conference instructed the secretary to notify the National Association of Casualty and Surety Agents of the decision to hold the next annual meeting at St. Louis and to extend to the Casualty Association a cordial invitation to hold its meeting at the same time and place, thus affording an excellent opportunity to confer on matters of mutual interest. The executive committee of the agents' association was also authorized to confer with the casualty association and to make such arrangements in regard to the matter as would be mutually agreeable.

Chairman Markham of the legislative committee reported on the matter of a model resident agent law covering casualty and surety business. He outlined the steps that had been taken since the matter first came up at the Indianapolis convention, and advised the agents that the companies had appointed a committee on the subject which had not yet made a report; that the agents' association had advised this committee that it would be glad to cooperate as soon as such a law had been drafted.

It is understood that as soon as the companies have agreed upon a law they will submit it to the committee on legislation of the National Association of Insurance Agents for approval and that when an agreement has been reached a united effort will be made to have a satisfactory law passed in the various States. The conference, therefore, voted to await action by the casualty people before taking any further steps.

Protecting Expirations

The question of protecting the expirations of casualty and surety agents was presented. Agents were told some companies supported them in their overhead writing fight, while others were in opposition. It was therefore voted that the casualty and surety committee of the agents' association report to the St. Louis convention a declaration of principles governing the matter and also report at that time on the desirability of securing from the casualty companies a recognition of such principles as applied to the business of local agents and brokers.

Boston Agreement

An interesting feature of the casualty section was an invitation extended to Mark T. McKee of the National Council of Insurance Federations to speak. Mr. McKee outlined the work of the federation and its attitude towards other organizations. A general discussion ensued and in answer to questions from various agents present Secretary McKee reaffirmed the purpose of the federation to adhere to the agreement reached at the Boston meeting of the agents' association in September, 1916, relative to co-operating through existing organizations and eliminate competition for individual membership among local fire, casualty and surety agents.

As a further evidence of the agents' desire to harmonize matters with the federation it was voted to extend to the National Council an invitation to hold its annual meeting in St. Louis at the time of the agents' convention, and the executive committee was authorized to confer with the federation and make such arrangements in regard to the matter as would be mutually agreeable.

Enters Brokerage Field

Ellman Seeley, who has been connected with the Preferred Accident for several years, of late as special agent, resigned last week to engage in the brokerage business, identifying himself with Johnston & Collins.

Augustus J. Reibling, an insurance agent in Rochester, N. Y., has been an insurance man for fifty years.

THE OCEAN
ACCIDENT AND GUARANTEE CORPORATION, LIMITED

AMERICAN HEAD OFFICE:
59 John Street, New York

WILLIAM J. GARDNER
United States Manager

Financial Statement, United States Branch, January 1, 1917

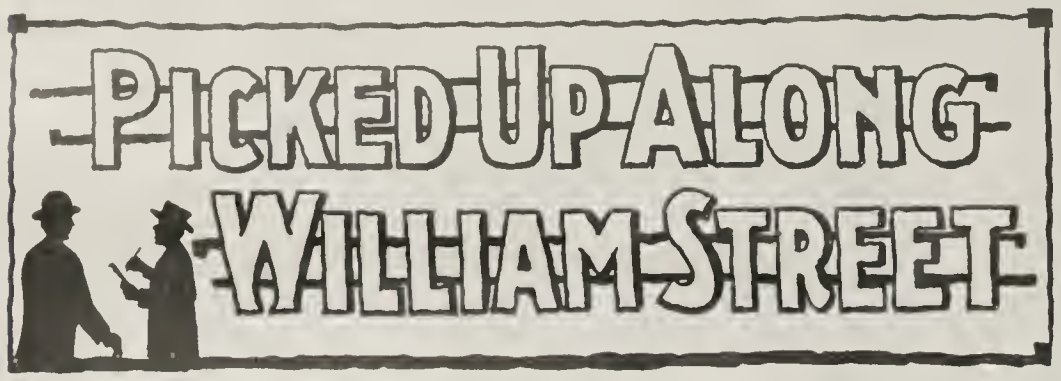
Assets (Admitted by N. Y. Ins. Dept.)	$7,276,949.08
Liabilities (Required by N. Y. Ins. Dept.)	4,851,826.28
Voluntary Reserve for Contingencies	1,100,000.00
Surplus to Policyholders	1,325,122.80
Securities deposited with Insurance Depts. and Trustees for protection of United States Policyholders	4,866,000.00
Premium Income (1916)	6,023,389.27

NEW YORK OFFICE
For all lines except
Accident—Health—Burglary
59 JOHN STREET

BROOKLYN OFFICE
180 MONTAGUE STREET

E. B. QUACKENBUSH, Gen'l Agent
Accident—Health—Burglary
For the Metropolitan District
92 WILLIAM STREET

NEWARK OFFICE
31 CLINTON STREET



Started Fight; Hurt; Compensation Claim Disallowed

A peculiar case arising under the New York Workmen's Compensation Law has just been decided by the Appellate Division of the Supreme Court sitting in Binghamton.

It appeared that while two workmen were engaged in their work in a manufacturing and mill work plant, one of the men accidentally struck the other with a rail which he was handling. The latter thereupon became angry and kicked his fellow employe, who in turn shoved him so that he fell against a box and was injured and subsequently died.

Claim was made by the widow under the workmen's compensation act against the employer and against the casualty company which had insured the plant. Although the State Industrial Commission made an award in favor of the widow against the employer and the insurance company, the court after hearing the appeal, reversed the award, and dismissed the claim, on the ground that as the deceased was the aggressor, and while in anger and while committing a crime, by assaulting his fellow servant, was injured, he was not promoting or enhancing in any legitimate sense the interest of his employer, but had stepped outside of the scope and sphere of his employment, to serve a personal mental condition, and the claim of his representative was therefore to be disallowed. Griffin vs. A. Roberson & Son, 162 New York Supplement 313.

Digested for The Eastern Underwriter by George F. Kaiser, of the New York bar.

* * *

Lines of Standard of Detroit

The Standard, of Detroit, in answer to inquiries, makes tbe following statement regarding its lines:

"The first of our general rules is that we will write no policy of any size to any man who carries an aggregate of over $50,000 accident insurance. If he carries under $50,000, we will, if conditions are acceptable and his income warrants it, write him a policy which will, together with the insurance already carricd, give him $50,000 principal sum. Generally speaking, we cannot even under the most favorable circumstances write a policy for a larger sum than $25,000 principal sum or when that policy is fully accumulated, $37,500, nor will we write a larger indemnity without special permission tban $150 weekly."

* * *

Industrial Claim Adjustments

Dr. C. H. Harbaugh, of Philadelphia, has written a vest pocket booklet called "The Industrial Claim Adjuster," which has been published by The Spectator Company. It is divided into four sections: accidents, diseases, poisons and special articles. In his introduction Dr. Harbaugh says:

"A successful accident and health insurance solicitor is more or less familiar with the anatomy of the body and in addition he knows how long disability should last following the various accidents and illnesses which are sure to arise under the policies which he sells. While an industrial accident and health insurance solicitor does not usually have authority to settle claims, if he has sufficient knowledge to perform this part of the business, the chief claim adjuster will soon recognize his ability and he will either be allowed to settle his own policyholder's claims or be in a position to recommend a settlement not only to the assured but also to the company, which will be acceptable to both parties.

"Adjusting industrial accident and health claims is usually difficult on account of the conditions of the policy. A successful agent knows these conditions in order to sell the policy. He should, in addition, know the probable length of total and partial disability following the various accidents, and the probable length of total disability and house confinement and total disability and non-house confinement following the various diseases."

* * *

Hartford Steam Boiler Co. 50 Years Old

The Hartford Steam Boiler Inspection & Insurance Company is fifty years old. About 1850 boiler pressure began to increase and eight or ten years later it was common to find boilers carrying 100 pounds to the square inch. Disastrous explosions were common.

About that time a society was founded in England to prevent steam boiler explosions. In 1866 a number of Hartford men organized a company which wrote the first steam boiler policy on this side of the Atlantic. It was for $5,000. The small beginnings of the Company can be seen by the fact that the original rental was $20 a month for offices. In July, 1867, J. M. Allen was elected president of the Company. He held that office for many years. The first thing he did was to organize an inspection department. President Allen himself solicited business, and he often met with rebuffs and ridicule.

Francis B. Allen, vice-president of the Company, was once an engineer in the Navy, with the rank of lieutenant. Lyman B. Brainerd, who joined the Company in 1894, was also president for a number of years, the Company having its greatest success under his administration. Charles S. Blake, the present president, joined the Company in 1898 as a general agent.

* * *

Woman Agent Makes Record

Mrs. Edith Starr Haines, of Decatur, Ill., has made a fine record as a producer for The Travelers. She started out in the fire insurance business, but she wanted something with a strong human interest side, where salesmanship would come into play, and so went in the accident and health line. She says there is no reason why women cannot make a success selling insurance policies.

Placed State Fund Excess With Lloyd's

PENNSYLVANIA INQUIRY OVER CARRIER NOT LICENSED

Business Had Been Turned Down By European Accident—Status of Pa. State Fund

The McNichol concurrent resolution, demanding an explanation for the reinsurance by the State Workmen's Insurance Fund of its catastrophe hazard in the British Lloyd's, instead of with a company that is licensed to do business in Pennsylvania, has answered fully in a statement by the board, which was received by both branches of the Legislature when it reconvened Monday night.

Senator McNichol's resolution was aimed at the board as a part of the Penrose scheme of harrassing the Vare-Brumbaugh Administration. The Insurance Commissioner is mentioned in the resolution as having given his consent to the re-insurance with the London Lloyd's. At the time the matter was taken up Charles Johnson, a Penrose office-holder, was in charge of the department. The report of the board in part is as follows:

"The State Workmen's Insurance Fund was a sound carrier for compensation insurance from its inception. On the first day of its operation it had issued policies for compensation insurance for 5097 employers in Pennsylvania, whose premiums aggregated $445,940.23, and furnished complete protection to approximately 60,000 employes in all sections of Pennsylvania.

"The principal contingency that could impair the resources of the fund would be a catastrophe or single accident in which many employes protected by the State Fund would be killed or injured in the course of their employment. Such contingency creates what is known in insurance circles as catastrophe hazard and is recognized by all classes of insurance carriers. Excess re-insurance is adopted as a precautionary measure in order that assets may not be affected by extraordinary losses so incurred.

"The State Workmen's Insurance Fund Board acted under the authority conferred upon it by the General Assembly in 1915 when it incorporated in act 340, creating the State Workmen's Insurance Fund, the following provisions:

" 'The said board shall have the power to re-insure any risk which they may deem necessary.'

"The assistant manager was instructed to obtain protection against an extraordinary demand which might be incurred by reason of a catastrophe. On November 22, 1915, the Insurance Commissioner was asked for a list of authorized companies licensed to transact excess re-insurance business in Pennsylvania. The Insurance Commissioner replied by letter on November 27, 1915, as follows:

> Replying to your inquiry, permit me to say that at the present time there is only one casualty company authorized to transact business in Pennsylvania for re-insurance only, i. e., the European Accident Insurance Company, Fester & Folsom, United States managers, 123 William street, New York.

"On December 3, 1915, the following refusal to handle the State Fund's excess re-insurance was received from that Company:

> We thank you for your favor of the 2d, and regret that, just at this time, we are not in a position to entertain the offer suggested.

"The Insurance Board was unable to place this excess re-insurance with an insurance carrier licensed to transact such re-insurance business in Pennsylvania. Facing these conditions, the State Workmen's Insurance Board obtained excess re-insurance protection from Lloyd's, of London, covering the catastrophe hazard.

"The re-insuring of the catastrophe hazard created a bulwark of stability, so that the employes of policy holders of the State Fund could feel certain of the payment of compensation. The State Fund is not based upon an impracticable theory. During the first year of its existence it has proven to be a successful and staple insurance carrier for workmen's compensation insurance. On December 1, 1916, its records showed 15,342 policyholders with premiums in force of $696,238, without considering the increase to accrue by payroll adjustment, insuring compensation payments to more than 138,000 employes. The State Fund has invested $492,823 of its income in Pennsylvania securities providing improvements to boroughs and counties, and for similar public beneficial activities.

"The State Fund starts the year 1917 with an assured premium income of more than $1,000,000 with approximately 17,000 policyholders distributed throughout nearly every township and county in the entire Commonwealth."

FUN AT BANQUET

Annual Dinner of Casualty and Surety Club Has Boxing Match as Feature

The Insurance Gridiron Dinner, in other words, the annual dinner of the Casualty and Surety Club of New York, was held at the Hotel McAlpin, on Monday night.

William B. Joyce, E. E. Griffith and Edson S. Lott, three former familiar figures at the dinners, were not present. Edmund Dwight of the Employers' Liability, Frederick Richardson, of the General Accident; Manager Mitchell of the Commercial Casualty Company, and other well known underwriters, were on hand, however, to take part in the fun.

The principal event this year was a boxing match between two fighters, one representing the State Fund and the other the stock companies. William BroSmith, of the Travelers, and Lee Wolfe were seconds for the State Fund, while James J. Hoey and Charles F. Frizzell, were seconds for the stock companies. Frederick Richardson and Frank Law refused to appear as seconds. The State Fund, of course, went down for the count. B. P. Holmes was referee.

There was also a burlesque on the action of the Maryland Casualty Company in giving a medal to Tessie McNamara, the telephone operator, who was the Kingsland heroine. Manager Woodbury, of the Pacific Mutual, took the part of "Tessie." He stood and blushed while a long speech was made to him.

There was a big cabaret, and a very active search-light. The search-light man was so busy that most of the diners ate in the dark during a large part of the evening.

In a pedestrian's action for injuries, received when an automobile struck her, whether defendant was negligent in not seeing plaintiff sooner and in not operating his automobile, with reference to the concurrent right of plaintiff and himself to travel upon the public way, so as to avoid collision was for the jury. Booth v. Meagher, 113

The Frankfort General Insurance Co.
of Frankfort-On-The-Main, Germany
——ESTABLISHED 1865——
United States Department, 123-133 William St., New York, N. Y.
TRUSTEES: Union Trust Company, 80 Broadway, New York City
C. H. FRANKLIN, U. S. Mgr. and Attorney JNO. M. SMITH, Sec. U. S. Branch
INSURANCES TRANSACTED

LIABILITY—			
Employers			
Public		Vessel Owners	Burglary
Teams	General	Contingent	Workmen's Collective
Workmen's	Landlords	Druggists &	Individual Accident & Health
Compensation	Elevator	Physicians	Industrial Accident & Health

AGENTS WANTED FOR UNOCCUPIED TERRITORY

CASUALTY AND SURETY POINTERS

Ancient and Modern History

Accident insurance is such a live topic at the present time among the insurance fraternity generally that a little discourse on the growth of this most interesting branch of the insurance business may be of particular interest to those who are making a specialty of it or who are writing it incidental to other lines, says George R. Howes, writing in the Standard Accident Company's "Cog."

The Encyclopaedia Britannica dwells on the early stages of the business in the following language: "Accident Insurance.—Ordinary life insurance protects against the pecuniary loss arising to a man's family or creditors or others by his death, whether that arises from accident or disease; but it has been found that a separate insurance against the cousequences of accident meets the requirement of a large class of persons. A company was established in London in 1849 for insuring agaiust the consequences of railway accidents—the Railway Passengers Assurance Company. In return for a payment of 3d., 2d., or 1d., made by first, second, or third-class passengers respectively, for insurance during a single journey, it undertook to pay 1,000 pounds, five hundred pounds, or two hundred pounds in case of death by such accident, or a certain weekly allowance in respect of personal injury not resulting in death. In 1856 the business was extended to embrace accidents of all kinds, and there came into use a system of yearly payments proportioned to the degree of risk supposed to attach to various occupations or other conditions of life."

From the same source we learn that in 1879 the premium income on accident insurance earned by the principal office then doing business in the United States amounted to about one million dollars.

The business of accident insurance with its adjunct of health insurance has, since its inception, grown by leaps and bounds, until today it is regarded as one of the most important of insurance lines and is written in practically every civilized country on the globe.

All of this goes to show the people are rapidly awakening to the necessity of the protection afforded by disability insurance and that the agents selling same are finding out with equal rapidity that it is the best paying class of insurance they can sell.

Moral: Get into the game and enjoy your share of the prosperity.

DOCTORS AGAINST BILL

New York County Medical Association Adopts Resolution to Oppose Compulsory Health Bill

At its meeting on Wednesday, which had been continued from last week, the New York County Medical Society adopted the following resolution:

"Resolved that this society disapproves of the medical provisions of the bill for compulsory health insurance and the appointment of a legislative commission to study the subject, and directs its committee on legislation and delegates of the Medical Society of the County of New York to the Medical Society of the State of New York, to take proper measures to oppose its passage by the legislature."

The resolution was offered by Dr. E. V. Delphey. Dr. Delphey, in speaking of the proposed bill, said at the meeting that the American Association for Labor Legislation was suffering from "hypermetropic astigmatism," which he explained as meaning that its leaders saw crooked things straight.

A feature of the meeting was the discussion entered into for and against health insurance by William G. Curtis, president of the National Casualty, and Dr. Fisher, of Yale University.

SUE SOUTHERN SURETY

In a suit for $18,802.11, the Syracuse Lighting Company is trying to collect from the Southern Surety Company the balance of a $20,000 electric power and lighting contract, made with the Lackawanna Stone Company, of which Joseph Dunfee was president.

The bond was secured by Dunfee and authorized by John M. Hoehn, as agent for the surety company. A contract was then entered into by the lighting company to furnish electricity to the stone company for at least five years, at a minimum of $4,000 a year, this amount insuring a return on the investment.

The stone company started operations and paid the lighting company $1,197.89 under the contract. Then the project was abandoned. The lighting company charges that no more payments were made. Though the contract has another year to run, until March 8, 1918, the lighting company has started suit through Attorneys White, Cheney & Shinaman for the entire balance.

THIRTY-THREE YEARS OLD

Standard of Detroit Increased Assets $925,982 Last Year; Increased Reserves, $832,475

The Standard, of Detroit, is thirty-three years old. Its record has been one of continual progress. The 1916 statement follows:

ASSETS.

Bonds, market value	$5,206,729.30
Loans on real estate mortgages	140,250.00
Collateral loan	10,777.34
Cash in banks and office	313,886.03
Interest on bonds and mortgages, due and accrued	97,706.86
Premiums in course of collection	578,624.80
Total	$6,347,974.33

LIABILITIES.

Reserve for unearned premiums		$1,651,159.52
Special reserves as required by law		2,110,600.99
Reserve for commissions, cancellations, taxes, etc.		306,758.09
Surplus to policyholders		
Capital	$1,000,000.00	
Surplus	1,279,455.73	2,279,455.73
Total		$6,347,974.33

1916 INCREASES.

Increase in assets	$925,982.12
Increase in reserves	833,475.14
Increase in surplus	92,506.98

WORKMEN'S COMPENSATION

In the New York Legislature last week two new amendments to the Workmen's Compensation Law were introduced by Assemblyman Larney, as follows:

Inserting in the Workmen's Compensation Law a new section (16-a), providing that where an employe receives less than $10 a week wages, he shall receive the full amount of such wages as compensation, in case of injury, during the number of weeks that such compensation is payable uuder the law.

Amending the Workmen's Compensation Law (Sec. 12), by providing that compensation shall be allowed from the date of injury. At present no compensation is allowed for the first 14 days of disability.

DUTCHESS COUNTY COMMITTEE

A Dutchess County Committee of the Insurance Federation of New York State was appointed at a meeting in Poughkeepsie a few days ago, at which W. W. Luckey acted as chairman. John A. Eckert and S. L. Otis were present from New York City. The organization committee for Dutchess County follows:

Guion L. Booth, Poughkeepsie, chairman; S. A. Quick, Beacon, secretary; C. A. Ketcham, Poughkeepsie; D. Crosby Foster, Poughkeepsie; William H. Brewster, Wappinger Falls; George W. Gidley, Hopewell Junction; M. V. B. Schryver, Rhinebeck.

JERSEY STATE FUND BILL

The bill of State Senator Osborne, of Essex County, New Jersey, providing for the establishment of a workmen's compensation State insurance fund, directs that the fund shall be in the custody of the Commissioner of Banking and Insurance and the State Treasurer, to cover employers against liability for the injury or death of employes. It provides that employes shall pay a percentage of their wages into the fund.

W. E. SMALL, President PETER EPES, Agency Mgr. E. P. AMERINE, Secretary

ACCIDENT and HEALTH
PLATE GLASS
BURGLARY

Georgia Casualty Company

LIABILITY
COMPENSATION
AUTOMOBILE



A Company Devoted to Service

A Company looking to the interests of its Representative

Home Office: Macon, Georgia
Surplus and Reserves over $1,100,000.

The METROPOLITAN CASUALTY
INSURANCE CO. OF NEW YORK
HOME OFFICE, 47 CEDAR STREET
CHARTERED 1874
Plate Glass, Burglary, Accident and Health Insurance
EUGENE H. WINSLOW, President
Russell R. Cornell, Vice-Pres. S. Wm. Burton, Sec. Alonzo G. Brooks, Ass't Sec.
RELIABLE AND ENERGETIC AGENTS WANTED



BUSINESS=BUILDERS
DEVELOPING
Fidelity and Surety Bonds, Liability Workmen's Compensation, Automobile, Accident, Health, Burglary and Plate Glass INSURANCE
APPRECIATE THE CO-OPERATION OF THE
Massachusetts Bonding and Insurance Company
BOSTON T. J. FALVEY, President
Paid-In Capital $1,500,000 Write For Territory

THE SIGN OF GOOD CASUALTY INSURANCE
HEAD OFFICE
CHICAGO
F. W. LAWSON
General Manager
Liability, Accident, Burglary, Boiler and Credit Insurance



Established 1869

F. J. WALTERS
Resident Manager
55 JOHN STREET
New York
Elmer A. Lord & Co.
145 Milk St., Boston
Resident Managers New England
London Guarantee & Accident Co., Ltd.
OF LONDON, ENGLAND

AMERICAN SURETY COMPANY
OF
NEW YORK
100 BROADWAY
Fidelity and Surety Bonds

The Employers' Liability Assurance Corporation, Limited
The original and leading Liability Insurance Company in the World
LIABILITY, STEAM BOILER, ACCIDENT, HEALTH, FIDELITY AND BURGLARY INSURANCE
United States Branch
SAMUEL APPLETON, United States Manager
Employers' Liability Building,
33 Broad Street, Boston, Mass.
AGENTS WANTED

The Columbian National Life Insurance Company
BOSTON, MASSACHUSETTS

ARTHUR E. CHILDS, President

The Agents' Winning Combination

LIFE—ACCIDENT AND HEALTH—INSURANCE

Covering Permanent and Total Disability, and Weekly Indemnity for loss of time

The Policyholders' Winning Combination

Guaranteed Cost and Good Service

FOR AGENCIES AND SPECIMEN POLICIES, ADDRESS THE COMPANY

THE YORKSHIRE INSURANCE COMPANY, LTD., OF YORK, ENGLAND

ESTABLISHED 1824.

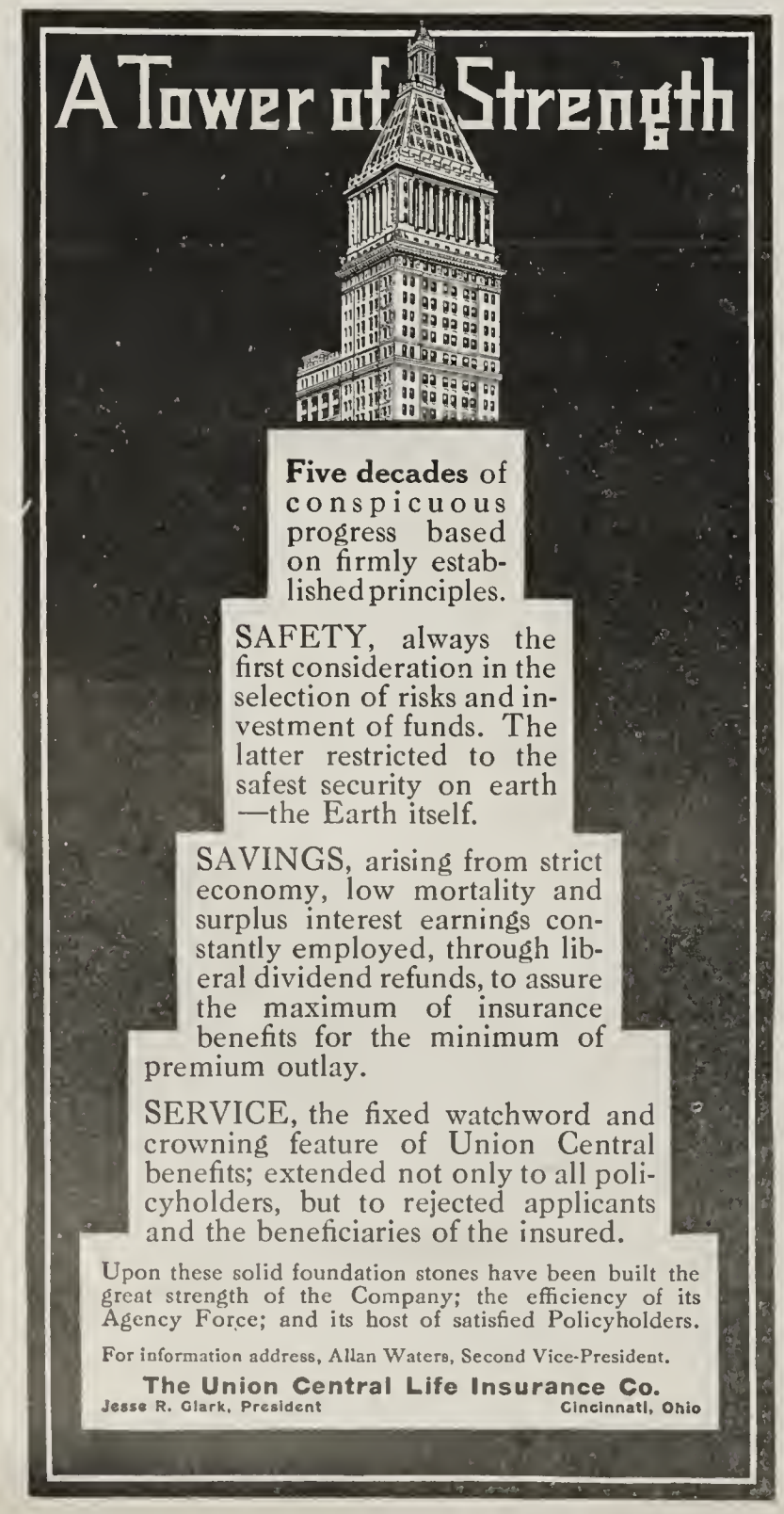
The "Yorkshire" is the Oldest and Strongest of the English Fire Companies not heretofore represented in the United States

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THE EASTERN UNDERWRITER

[Succeeding the Journal of Insurance Economics, Established in 1899]

A WEEKLY NEWSPAPER COVERING ALL BRANCHES OF INSURANCE

Eighteenth Year; No. 9 | NEW YORK CITY, FRIDAY, MARCH 2, 1917 | $3.00 a Year; 15c. per Copy

STONEY BUREAU NOW 25 YEARS OLD

Starting With Four Companies, Membership Has Grown to 46—36 Inspectors

ANNUAL MEETING THIS WEEK

Early History of Bureau—Career of W. A. Stoney, Secretary and Manager

The Underwriters' Bureau of the Middle and Southern States—popularly known as the Stoney Bureau—is twenty-five years old. At the annual meeting held on Wednesday of this week at which W. A. Stoney was re-elected secretary and manager, a souvenir booklet of the Bureau was distributed.

The Bureau, starting with four companies, has now grown to such a size that there are employed thirty-six inspectors, nine draughtsmen, twelve stenographers and copyists and others, making sixty-five persons in all. The total membership is forty-six companies. During the past year the Bureau published 7,718 reports on sprinklered properties, 2,676 reports on non-sprinklered properties, 824 plans of sprinklered properties, 260 plans of non-sprinklered properties, and 180 special plans: total 11,721 reports and plans.

How Bureau Started

The Underwriters' Bureau of the Middle and Southern States is an outgrowth of the inspection department of Class A Department of the old Phenix of Brooklyn.

In April, 1886, the Phenix of Brooklyn inaugurated a Class A Department, facetiously called the "Jumbo Department." Its object is in part explained by quoting extracts from a letter dated September 22, 1886, mailed to all agents of the Company:

"We intend to keep up a quarterly inspection of Class A risks. Our Inspection Bureau is organized upon a scientific basis. The men whom we employ know very little of tariffs, daily reports or the ordinary routine of the underwriters' work, but they do know how to scientifically eliminate or check or minimize the fire hazard."

At first one inspector was employed, but, as the demands increased, additional inspectors were secured, so that in 1887 the inspection department employed eight inspectors and three clerks. These inspectors covered all the territory east of the Mississippi River. The inspection reports were brief and concise and were intended

(Continued on page 14.)

DIRECTORY OF DEPARTMENTS

Life 1
Editorial 10
Fire 11
Casualty 17

"The Largest Fire Insurance Company in America."

THE HOME INSURANCE COMPANY NEW YORK

ELBRIDGE G. SNOW, President

The Largest Cash Assets of any Fire Insurance Company in America are Back of Every Policy Issued by "THE HOME"

FIRE AND ALLIED BRANCHES OF INSURANCE

Fire, Lightning, Automobile, Commissions, Explosion, Hail, Marine (Inland and Ocean), Parcel Post, Profits, Registered Mail, Rents, Sprinkler Leakage, Tourists' Baggage, Use and Occupancy, Windstorm.

STRENGTH REPUTATION SERVICE

North British and Mercantile Insurance Co.

Established 1809

Entered United States 1866

Policyholders protected by the entire United States assets, with further guarantee in every policy, of protection by entire fire assets of the company which are many times larger.

GOLDEN ANNIVERSARY YEAR

AGENTS WANTED IN CALIFORNIA THE EQUITABLE LIFE of IOWA HAS ENTERED THE GOLDEN STATE IN ITS GOLDEN YEAR

ADDRESS

H. E. ALDRICH, Supt. of Agencies, DES MOINES, IOWA

GOLDEN ANNIVERSARY YEAR

GOLDEN ANNIVERSARY YEAR

GOLDEN ANNIVERSARY YEAR

$600,000,000 BUSINESS INSURANCE CARRIED

Some New Points Brought Out By L. C. Woods at Southeastern Life Insurance Congress

WARNING TO INSURANCE MEN

Must Draw Contracts and Assignments in Such a Way That Title Is Not Clouded

L. C. Woods, of Pittsburgh, one of the largest writers of business insurance in the world, discussed some new angles of this subject at the Southeastern Congress of Life Underwriters held at the Hotel Willard in Washington last week. After sketching briefly the vital importance of business life insurance, not only to firms and corporations, charities and philanthropies but to banks, the community and even the nation itself, Mr. Woods declared that men who try to write this business should be experts. Furthermore, he added, it was no business for a faint-hearted person to write "because there is a greater percentage of discouraging experiences than in writing other kinds of life insurance." He thought that the men who go after this kind of risk should prepare themselves by the study of corporate law, of banking, partnership, credit, and all the allied problems, "in that we may intelligently serve our clients and the communities in which we live."

Sounds Warning About Titles

Then Mr. Woods stopped to sound a note of warning. He said that the spread and greater usefulness of business life insurance has been materially retarded, partly by the ignorance of the field agents but more by the slow recognition on the part of some executive officers of the vital problems involved. Policy contracts have been so carelessly drawn; assignments have been received and recorded which left the title to the insurance clouded and uncertain. Over and over again a bank, thinking it had collateral which it could cash at maturity discovered through the carelessness of the agent or the ultra-conservative policy of the company, the collateral was not theirs to do as they pleased with it. Many times the banker himself has been grossly negligent. But this does not relieve insurance men of their share of responsibility.

"We cannot expect business life insurance contracts to be widely used and generally demanded and accepted unless you and I do everything in our power to establish and maintain clear titles," he declared. "With our respective companies, we must encourage them to draw clear-cut corporate contracts, and then to recognize promptly and fully absolute assignments."

A Justice Holmes Decision

Mr. Woods quoted from a memorable

opinion delivered by Justice Holmes, of the U. S. Supreme Court (Grigsby vs. Russell, October Term, 1911):

> Life insurance has become in our days one of the best recognized forms of investment and self-compelled saving. So far as reasonable safety permits, it is characteristic of property * * * *
>
> To deny the right to sell * * * * is to diminish appreciably the value of the contract in the owner's hand.

"Surely life insurance people should not be one step behind the decisions of our courts in giving the broadest measure of usefulness to our policies," continued Mr. Woods. "And one of the first steps in this direction is to jealously guard in every proper way the title to policies, particularly those carried for business purposes.

"We have discussed this morning life insurance in a rather cold, business way. Are we departing from the proudest boast of life insurance as an expression of unselfish love of others? I think not, for back of the desire to strengthen and perpetuate the partnership or corporation, in the vast majority of cases lies a deeper reason—the love of wife and children, for whose support the business is maintained or whose participation in the active management of the same after the death of the builder is hopefully anticipated. Even in our greater business, where these simple motives may be lacking, there is the fine sense of honor, the reasonable ambition that the labor of his lifetime shall not perish, and that those associated with him and the community itself which has made success possible, shall not suffer unnecessarily by the accident of death.

"In the last analysis, therefore, in the wise and intelligent distribution of even business life insurance, we are enabling, perhaps somewhat indirectly but none the less certainly, far-sighted, big-brained and big-hearted men at the head of the business of America to give further expression to that definition of life insurance that has always most strongly appealed to me—'The love which ceaseth not with death.'"

The Federal Reserve Banks

Some other points made by Mr. Woods follow:

Eight out of twelve regional reserve banks have included the question "What amount of life insurance is carried?" and in some instances go further, and ask "In what companies?" "To whom payable?" and "On what plan?" It is speedily coming throughout the United States that every bank will secure from each individual depositor a statement of his financial condition. In fact, every credit blank will eventually contain these questions.

A great philosopher has said: "To ignore a fact does not eliminate it." There are some men who may feel personally that they are not called upon to carry more individual life insurance. That may be their business. But when it is a question of their credit—the most valuable thing they have in their business—it is not a matter for them to decide whether life insurance is a good thing or not. Some day the lack of this insurance may decide whether they shall remain solvent or not. Therefore, it is up to every thoughtful business man to utilize this modern instrument for safeguarding his business affairs and strengthening the credit so essential to business.

Tribute to Hepburn

The most extraordinary speech made for life insurance in years was that delivered by A. Barton Hepburn, the New York banker, on the relation of life insurance to the credit factor of business. It should be re-read by every life insurance man monthly. The banker pointed out that credit is determination and ability to pay. He brings out clearly that business life insurance not only means a certain amount of cash when most needed, but also is one of those many indefinable evidences of financial morality, a willingness and desire on the part of the business man to adopt every known instrument for the protection of his business and those directly and indirectly interested therein.

The above are some of the reasons why in the last few years in the United States there has been placed in the neighborhood of $600,000,000 of business insurance. The greatest development that we are going to see in this country in the next few years—dependent upon the tact, brains and judgment of life men—is the spread of business life insurance.

"Some years ago," continued Mr. Woods, "I had the privilege of serving a large corporation to the extent of $500,000 worth of business life insurance. This concern had a large number of stockholders demanding large returns. As against this men of genius and foresight in the company wanted to extend operations. This is the old story of the living interests being opposed to the estates of deceased members. These officials knew that money deposited for life insurance premiums would be largely concealed in the statement. It would not invite criticism from the smaller stockholders who wanted melons cut every year, and it was one of the arguments that clinched the sale of the insurance."

In discussing the prospects Mr. Woods said that the chief person to cover for business insurance in a corporation is the man who can sell the production, not the men in direct charge of the operating end. In the coal mining districts, for instance, it is difficult to replace the man who can "get the money," find the market, secure purchasers for the bonds, etc. The experts who attend to the operations can be replaced on salaries. Junior partners should not be picked out especially for business insurance except to obtain their good will.

The Modern Grind

Another point made by Mr. Woods in emphasizing the importance of business insurance is that death is apt to take several of the heads of a business in a short period of time. One reason for this is the fact that the hazards of modern industry are growing all the time. He told of one instance in the Pittsburgh territory where three partners died within a short time. He cited another case where one man had been fatally injured, and his partner spent part of the night at the telephone in his pajamas getting into touch with doctors and nurses, with the result that he contracted pneumonia and died.

As for small partnerships the death of one partner means the hiring of another to take his place, wiping out the profits of the business.

The greatest mission of business insurance is to stabilize the enterprises of the country. "If the payroll can run on undisturbed because of business insurance we can have conserved the resources of a community. Anything that perpetuates and stabilizes a business is of value to customers of that business, and eventually to the entire community," said Mr. Woods.

Continuing, the Pittsburgh man said that the bulk of business insurance is sold on people over forty years of age. Mortality has increased on people over forty, and decreased on people under forty. Forty-three per eent. of the deaths in one of our companies was due to degenerative diseases last year. In one agency three times as many people are declined in cases of $25,000 or more than for the smaller amounts. The more able the man is to buy life insurance the less likelihood of his passing the examination. It, therefore, behooves him to get insurance before he is in the shadow of the final curtain.

Agency Superintendent Wanted

A high grade young man with a clean record and ambition can have an unusual opening with the oldest and leading general agency of a well known Connecticut Life Insurance Company. He is needed to visit and work with the present agency force, also to help establish new agencies in New York, Vermont, New Hampshire and western Massachusetts, where 16,000 satisfied policyholders and forty enthusiastic agents producing over $3,000,000.00 in 1916 will help him to keep up the momentum of a successful agency. Splendid and unique agency development system is operative. Quantity results secondary to quality building. The right man, tireless in effort, capable of assuming responsibility and display initiative, will have a worth while future direct with the Company. Salary and traveling expenses. Reply in confidence giving age and full particulars.

AGENCY SUPERINTENDENT,
P. O. Box No. 1377, Hartford, Conn.

J. R. ROBBINS

GENERAL AGENT

Home Life Insurance Company

announces that he is now completely installed in his new offices on the Seventh Floor front of the Home Life Building, 256 Broadway, New York City.

Modern and efficient service to agents and brokers.

You are cordially invited to come in and look us over.

Telephone: Barclay 5018

GEORGE WASHINGTON DIVIDENDS

The George Washington Life has adopted a dividend schedule for 1917 on all participating policies three years old or more. Some of the new dividends:

Ordinary Life—Special Rate.

	Age 25	Age 35	Age 45
Premium	$17.20	$2?.85	$33.01
Issue of			
1906	.64	.92	1.38
1907	.59	.85	1.28
1908	.53	.76	1.15
1909	.46	.67	1.01
1910	.39	.56	.85
1911	.31	.45	.68
1912	.23	.34	.52
1913	.20	.28	.43
1914	.16	.22	.34

20 Payment Life—Special Rate.

	Age 25	Age 35	Age 45
Premium	$25.69	$31.59	$40.72
Issue of			
1906	1.22	1.54	1.93
1907	1.12	1.41	1.77
1908	1.00	1.26	1.58
1909	.88	1.10	1.39

G. F. HADLEY DEAD

George F. Hadley, sixty-six years old, among the best-known insurance men in New York State, was found dead recently in his office at Syracuse, N. Y. He was born on October 20, 1850, served in the Civil War, after which he was graduated from college. In 1881 he became agent for the Prudential, was advanced to office of supervisor. He became superintendent of agents for the Brooklyn Life, serving nine years in that position. Then he was elected secretary and in 1901 came to Syracuse for the Mutual Benefit. He was a charter member of the Life Underwriters' Association of New York City, and its first treasurer. He leaves a widow, two sons and two daughters.

For Wilson in What He Has Done and May Do

RESOLUTIONS PASSED BY LIFE MEN IN WASHINGTON

Proceedings of Executive Committee of National Association of Life Underwriters

At the mid-year gathering of the executive committee of the National Association of Life Underwriters at the New Willard in Washington last week a rousing pledge was adopted supporting the President in what he has done and what he intends to do. The Southeastern Life Underwriters' Congress joined in signing the pledge, the text of which follows:

The Southeastern Congress of Life Underwriters and the Executive Committee of the National Association of Life Underwriters desire to record and pledge their entire support of the President of the United States in what he has done and what he may do to uphold the honor and dignity of our country and the rights of America on sea and land. In the birth of our Nation and in its feeble infancy we gave blood and treasure to establish inalienable rights now again assailed. We did not then nicely calculate on the money cost of asserting these rights, or on the enormous odds against us. We believe that America to-day is full of the same patriotic spirit and needs but to be aroused to show that same willingness to make sacrifices, however great for mankind and the country we love that has had a glorious and not a craven's past; and that now, in the majesty of its strength, we shall be at least as unwilling to accept dictation in disregard of right and law as in our infancy.

Conceived in liberty, again are we willing to show if necessary that our fathers who fought for freedom of ourselves and mankind have not died in vain; and to do our bit against any despotic powers, however strong, to prove that governments on either shore of a common ocean, conducted not only by the people but for the people and not for military aggrandisement and rule by force, may not perish from the earth; and to this high purpose again we pledge our lives, our property and our sacred honor.

The pledge was adopted with a shout of approval, after which everybody stood up and sang "America."

Annual Convention

The dates of the annual convention of the National Association of Life Underwriters were fixed at September 26, 27 and 28 (Wednesday, Thursday and Friday) at New Orleans. The first two days of the week will be devoted to company conventions.

T. Louis Hansen, of the Germania Life, who was in Washington, announced immediately that the Germania convention will be held on September 24 and 25. It is also stated the Pacific Mutual Life convention will be held on September 24 and 25.

Another attempt to have the National Association of Life Underwriters endorse the Insurance Federation was made, but was defeated with the statement that the executive council has already rejected the proposition twice.

Excess Profits Tax

Colonel Powell, of Louisville, who has spent a large part of February in Washington as the representative of the National Association of Life Underwriters with reference to the excess profits tax bill, said that if the bill becomes a law it will cost the companies $2,000,000. A resolution was passed opposing the tax and asking members of Congress to amend it so as to exclude all life insurance companies. A copy of the resolution was placed on the desk of every member of Congress last week.

Will Not Interfere in Affairs of Local Associations

The executive committee refused to take action on several matters presented in accordance with the resolution it adopted not to interfere in controversies of local associations. One of these was in reference to the Philadelphia association discussion over the publication of a preferential list of life insurance companies; and another dealt with the situation in Albany where the Capital District Life Underwriters' Association objects to advertising of one of the large companies. The resolution of the National Association, outlining its position regarding local associations follows:

Whereas, both the history and principles of the National Association of Life Underwriters have persistently been that of non-interference with local associations, their discipline or State legislation, be it therefore:

Resolved, that it is not within the province of the National Association to review controversies or action arising in local associations (or between members thereof) which do not involve violation of the Constitution and By-laws of the National Association.

Paid Organizer

The committee also decided upon a paid organizer to travel and address life insurance local associations.

J. Newton Russell, president of the National Association, was not at the meeting.

CHILD INSURANCE BILL

Senator Halliday has introduced an amendment to the insurance code of New York empowering fraternal benefit societies authorized to do business in the State and operating on the lodge plan, to provide in their constitutions and by-laws for the payment of death or annuity benefits upon the lives of children between the ages of two and eighteen years, for whose support and maintenance a member of such societies is responsible. A schedule of benefit and death payments is set out in the bill. To Insurance Committee.

WROTE SHOE CLERKS

William H. Goehring, of the G. C. Wells Agency of the Provident Life & Trust, Pittsburgh, was called into conference with a retail shoe firm, and wrote each of the five employes on a 20 payment plan, the firm proposing to pay the premiums, as an expression of regard for the faithful service of these men.

General Agents to Try New Agents' Test

QUALITIES AVERAGED UP BY A CARD SYSTEM

E. A. Woods Test Shows Initiative As Most Important Characteristic of Successful Men

E. A. Woods, of the Equitable Life Assurance Society, Pittsburgh, who has been devoting most of his time for a year or more to studying problems of scientific salesmanship, largely in conjunction with the Carnegie Institute, announced at the Southeastern Congress of Life Underwriters last week that fifty of the leading general agents of the country have agreed to submit cards in a new test for insurance agents. The test as originated by Mr. Woods follows:

The ten best men in an agency are rated from a certain number of points upon the following qualities or characteristics:

1. Appearance. 2. Schooling. 3. System. 4. Health. 5. Industry. 6. Convincingness. 7. Knowledge. 8. Thrift. 9. Character. 10. Initiative.

The card will also give the age, service and rank of the agent.

Similar classifications are made of the ten poorest agents.

Can Size Up a Man Quickly

The idea is not only to size a man up quickly, but to tell what qualities are most important and what are less important in the composition of an insurance agent.

In his card test Mr. Woods discovered that the quality rating highest among his ten most successful agents was initiative. The two next highest qualities were industry and convincingness. They were tied for second place. Health ranked last.

Of the poorest agents initiative ranked last and health best. Convincingness ranked eighth.

In diagnosing the figures Mr. Woods said that the cards proved that the man who can originate, who uses his brains, goes far in life insurance, while the man who has good health may not get anywhere. Probably it is because some agents are too healthy; they are in such good physical trim that they are indolent and loaf a lot.

Education

Schooling did not rank very high. Character, also, if there is little else to back it up, does not place an agent in the front rank, proved by the fact that the average minister or teacher is not a particularly successful agent.

One of the older agents, a former teacher, resented the statement made by Mr. Woods, who retorted:

"I did not say all teachers failed. I said most teachers did. My father was a teacher for years, and he afterwards became a successful general agent as you all know." Continuing he said: "Education is important, but not all important. Some one has said that the hardest thing these days is not to be educated, but to stay educated."

Test Proved Correct

As an indication that the law of average in checking up personal qualities means something Mr. Woods said that Dr. Walter Dill Scott, the psychologist, went into his office, and using the new card test system gave an estimate of the men in his agency, and there was very little difference between his estimates of the men and those reached by the card test system outlined in the first part of this article.

"And it took him just forty minutes to do it," said Mr. Woods.

ASSESSMENT ORDER INSOLVENT

Travelers Offers to Take Over Members of Independent Order Free Sons of Judah

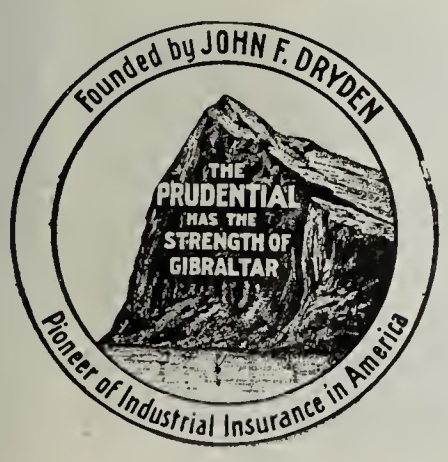
Superintendent Jesse S. Phillips of the State Insurance Department was directed by order granted on February 26, 1917, by Supreme Court Justice Hotchkiss to take possession of the Independent Order Free Sons of Judah for the purpose of liquidating its business.

The Travelers Insurance Company has offered to take over the members of the local lodges in groups at level rates without medical examination. This opportunity to continue the insurance of their members has already been embraced by many of these lodges. It is also possible that the burial feature of the Order may be reorganized separately and continued for the benefit of members.

The Independent Order Free Sons of Judah is a fraternal beneficiary society originally comprising 140 local lodges, the Grand Lodge of which had its office at 78 Second Avenue, New York City. The application for the order of liquidation was made after an examination by the New York Insurance Department.

The report on examination shows assets consisting of $34,260.42 cash in bank and an equity in partially filled burial plots in the Mount Moriah Cemetery, in Bergen County, New Jersey. Of the cash assets $6,539.24 is carried in the Cemetery fund and $5,000 pledged as collateral for a loan. There are also unpaid assessments by the local lodges, including the March 1 call which has been prepared but not sent out, amounting to approximately $40,000.

The Society was organized in 1890 and incorporated in 1894. The membership was confined to persons of the Jewish faith and the death benefits were limited to $500. The Order was supported by monthly assessments levied upon the members of the local lodges at rates varying according to the age of the individual member and the number of deaths for which provision had to be made.



INDUSTRIAL CONCERNS throughout the land are proving the patriotism of business by insuring entire staffs of employees. The Prudential will lend a hand—make it easy for firms to insure their workers.

Family Insurance has placed America First in Life Insurance, and Group Insurance will help to keep it there.

The Prudential has a fine Group plan. Group Insurance is endorsed by every concern that has tried it. Send for brief, forceful, descriptive circular.

THE PRUDENTIAL INSURANCE CO. OF AMERICA

Incorporated Under the Laws of the State of New Jersey

FORREST F. DRYDEN, President — Home Office: NEWARK, N. J.

Annual Report of Pres. John T. Baxter

NORTHWESTERN NAT'L GAINED OVER 16% IN ASSETS

Over 13 Per Cent. of New 1916 Business in Policies in Excess of $10,000

The Northwestern National Life began the year 1916 with $35,171,968 of insurance in force. The year 1915 had shown a gain of $3,329,099, or an increase of 10 per cent. The Company finished the year 1916 with $42,190,750 of insurance in force, a gain of twenty per cent. The new business written and paid for in 1916 showed an increase of fifty-one per cent. as compared with the new business written in 1915.

In discussing the annual statement President John T. Baxter, of the Northwestern National, said:

Better Field Work Done

"It is also a pleasure to be able to report that a constantly increasing percentage of the new business is being written upon the lives of people who were already members of the Company. There was a noticeable improvement during 1916 in the average size of policies written. In 1915 policies in excess of $10,000 constituted only four per cent. of the new business of the year. In 1916 policies in excess of $10,000 constituted over thirteen per cent. of the new business of the year. This shows a distinct improvement in the character of the work done by the men in the field, as well as increased confidence in the Company on the part of the insured.

Assets

"We began the year 1916 with assets amounting to $4,554,633. We finished the year with assets of $5,303,801. A gain of $749,168, or over sixteen per cent.

"The assets of the Company are invested, for the most part, in real estate mortgages upon improved and cultivated farms, located in those States in which the Company is transacting a life insurance business. Our policy is to invest the assets of the Company, so far as may be possible, in those territories from which such assets were derived. On December 31, 1916, we had $3,484,278 thus invested in real estate mortgages. A gain during the year of over twenty-four per cent. in this kind of investment. The aggregate appraised valuation of all the properties thus mortgaged to our Company was $11,962,783, or 3.43 times the total amount of the mortgages. I am very glad to be able to report to you that the Company has no property which it was compelled to take under foreclosure; that at this writing we have no foreclosures pending, and not one case of delinquent interest. Considering that we have almost three and a half millions of dollars invested in real estate mortgages, the above showing speaks well for the character of those investments. It is a pleasure to remind you that we have no investments or securities whose value could be in any way affected by the European war.

Mortality

"Our mortality during the years 1914 and 1915 had been so abnormally low that in 1915 we set aside a contingent fund of $100,000 to take care of a probable increase in mortality during 1916 and subsequent years. The contingent fund is still unimpaired. Our mortality continues favorable, being $299,696 for the year 1916. The policy of the Company has been not only to maintain a favorable mortality, resulting in a low net cost to our policyholders, but also at the same time to accept the largest possible proportion of risks submitted. We gratefully acknowledge the essential co-operation of our agents in the successful maintenance of this policy.

Dividends to Policyholders

"The amount distributed in dividends to policyholders during the year 1916 was $124,916. The amount already apportioned and set aside for dividends to policyholders during the year 1917 is $213,672. An increase of $88,755, or seventy-one per cent.

Surplus

"On December 31, 1915, our net surplus, after setting aside dividends to policyholders and a contingent fund of $100,000, was $443,155. On December 31, 1916, our net surplus, after setting aside the same contingent fund and largely increased dividends to policyholders, as above indicated, was $468,508. An increase in net surplus of $25,353."

ANOTHER INCREASE

Fourth Change in Dividends Made By Columbus Mutual Life in Four Years

The Columbus Mutual Life, of Columbus, O., has increased its dividend schedule four times in eight years. The newest schedule, effective April 1, in part follows:

Ordinary Life

Age	25	35	45	55
Prem.	$20.63	$26.88	$37.85	$58.37
9	5.43	7.07	9.81	15.15
8	5.30	6.86	9.54	14.54
7	5.17	6.65	9.28	13.94
6	5.05	6.45	9.02	13.36
5	4.94	6.26	8.76	12.86
4	4.83	6.07	8.51	12.42
3	4.73	5.90	8.26	12.02
2	4.63	5.74	8.01	11.66
1	3.22	4.10	5.57	8.25

Twenty Payment Life

Age	25	35	45	55
Prem.	$29.17	$35.50	$45.58	$63.62
9	6.23	7.84	10.28	15.30
8	5.98	7.54	9.96	14.67
7	5.77	7.24	9.60	14.04
6	5.56	6.95	9.37	13.42
5	5.35	6.67	8.94	12.88
4	5.14	6.39	8.61	12.42
3	4.95	6.12	8.28	12.00
2	4.76	5.88	7.96	11.61
1	3.07	3.88	5.27	7.92

Twenty Year Endowment

Age	25	35	45	55
Prem.	$48.28	$50.12	$54.79	$67.66
9	8.58	9.74	11.68	17.61
8	8.12	9.25	11.25	16.87
7	7.68	8.79	10.82	16.21
6	7.25	8.34	10.40	15.61
5	6.84	7.92	9.98	15.07
4	6.43	7.51	9.56	14.59
3	6.05	7.10	9.15	14.17
2	5.70	6.70	8.74	13.81
1	5.18	5.66	6.59	8.73

LICENSED IN MINNESOTA

The Philadelphia Life has been licensed in Minnesota by the department February 6, 1917. Its cash capital amounts to $560,320. It commenced business April 17, 1916.

86,681 WAR CLAIMS

The Prudential, of England, has now paid 86,681 war claims for £1,818,814.

HOW CALLS WERE GROUPED

As an example of what gray matter plus the use of shoe leather will do, we print the record of William Ford Johnson, Dearborn branch, Chicago, for January. Number of calls 140. Number of interviews 68. Business written $52,000. His 140 calls were on men grouped as follows: Friends 10, acquaintances 63, strangers 67. His business from friends was $14,500. From acquaintances and strangers, $37,500. Mr. Johnson is nearing the end of his first insurance year. In eleven months he wrote and had examined $195,695, total paid business $161,500. Mr. Johnson specializes in two particulars. First, his card system has been developed continually. It has become a great asset. It will be an unfailing source of business in the future. Second, he is an expert on age 60 and 65 policies. He believes in insurance and does his work day in and day out without a letup. He is already reaping the benefit of previous work. As time goes on it is practically certain that he, like so many others in the past, will organize a large clientele. He's a New York Life man.

HOLMES ADDRESSES AGENTS

At the agency meeting of the Jos. D. Bookstaver general agency of the Travelers on Monday, Earles F. Holmes, manager of the life department of the New York office of the Travelers was the speaker. Fifty-three agents were present and gave Mr. Holmes an enthusiastic reception.

THE
First Mutual
Chartered in America, 1835
New England Mutual Life Insurance Co.
BOSTON, MASSACHUSETTS
ALFRED D. FOSTER, President
D. F. APPEL, Vice-President

FINANCIAL STATEMENT

Assets, Jan. 1, 1916 ..... $74,274,980.68
Liabilities 69,154,791.00
Surplus $5,120,189.68

The New England Mutual's recognized position in the front rank of American companies is the result of seventy-two years of honorable, capable and equitable dealing.. If you are a "front rank" man —you want to be identified with such an institution.

EDWARD W. ALLEN, Manager
217 Broadway, New York
LATHROP E. BALDWIN, Manager
141 Broadway, New York

THE MOST VALUABLE POLICY FOR YOU,
Mr. Agent, is to write your prospect in the Company writing the most valuable policy for the insured.
Secure **prompt action** in the
John Hancock MUTUAL LIFE INSURANCE COMPANY OF BOSTON MASSACHUSETTS
WILLIAM N. COMPTON, General Agent
METROPOLITAN DISTRICT, ST. PAUL BLDG., 220 BROADWAY, NEW YORK, N. Y.

Men with ambition and ability, who represent this Company, now in its SEVENTY-THIRD YEAR, become business counsellors and professional insurance advisers.
An honorable record of SEVENTY-THREE YEARS gives our representatives great prestige with the insuring public.
Additions are made to our agency force when the right men are found.
STATE MUTUAL LIFE ASSURANCE COMPANY
OF WORCESTER, MASSACHUSETTS
Incorporated 1844
B. H. WRIGHT, President D. W. CARTER, Secretary
STEPHEN IRELAND, Inspector of Agencies

-THE "LIVE" LIFE INSURANCE AGENCY-
"PROMPTNESS"
"EFFICIENCY"
TELEPHONE Connecting Both Offices | CANAL 8880 8881 8882
JOS. D. BOOKSTAVER
76 William St., also 230 Grand St.
General Agent
THE TRAVELERS INSURANCE CO. of Hartford, Conn. New York
---ORGANIZATION----SERVICE---

A GOOD OPENING
An old, well established, progressive life insurance company, with unexcelled dividend record has good opening at PHILADELPHIA, covering Eastern Pennsylvania. Address, stating qualifications:
PHILADELPHIA, care of The Eastern Underwriter
105 William St., New York City

Patriotism Keynote of Big Local Dinner

MORE THAN 1,000 ATTEND HOTEL ASTOR BANQUET

Officers of Many Companies Share in Thrill as National Crisis Events Are Reviewed

With the United States on the verge of war, with insurance men anxious to spring to their feet at the mere mention of the President or the flag, and with three of the most prominent men in America eloquently discussing the nation's crisis, the annual dinner of the Life Underwriters' Association of New York, held at the Hotel Astor on Tuesday night, was anything but a pink tea affair.

Time and again the great audience rose to its feet giving tumultuous cheers. Mingled with the wave of enthusiasm were jeers, cat calls and hisses for one of the diners who did not like the militant tone of a resolution, and, also, some hisses for a speaker when he criticised the President.

Largest Dinner

The dinner was the largest that has ever been given by the Life Underwriters' Association of New York. Some companies had as many as seventy-five representatives present. The boxes were crowded with women in evening gowns. Many presidents of the life insurance companies, and other officers, lent distinction to the occasion. Representatives of the National Association —who had been in Washington— including Wilson Williams, New Orleans; J. Stanley Edwards, Denver; W. M. Horner, Minneapolis, and Maurice H. Stearnes, Providence, were in attendance. Harold Pierce, of Philadelphia, who specializes in unusually large policies, was also present. Scattered among the tables were men in various walks of life, including former Governor Fielder and Judge Frank M. Taylor of New Jersey, and former Fire Commissioner Joseph Johnson of New York.

Placed $100,000 Policy

Some of the life insurance men brought friends outside of the business, and one of these, a guest of William N. Compton, general agent of the John Hancock Mutual Life in New York City, was so impressed by the patriotism shown at the dinner, the enthusiasm, character and general spirit of the occasion that he voluntarily agreed during the evening to place $100,000 insurance through Mr. Compton, having previously taken out $100,000 insurance with him.

It was the last meeting at which Lawrence Priddy would preside. He had worked day and night to make this banquet a success, and was closing his second term, the only man who has ever been elected for two terms running. At first it had been decided to make a personal gift to Mr. Priddy in recognition of his service to the association. At a meeting of former presidents of the association they decided instead to make a special drive for new members, believing that this would appeal to him most; and, hence, a Priddy Month was inaugurated, and more than one hundred applications for membership were received.

Celebrated Men Talk

There was not much life insurance about this banquet, but nobody cared. Charles E. Hughes, scheduled as one of the speakers, did not come. Mayor Mitchel was tied up in his office on the food situation.

John H. Finley, Commissioner of Education of New York State; Rabbi Stephen M. Wise, one of the leaders among the pacifists, and George W. Perkins, formerly with the New York Life, later with J. P. Morgan & Co., and now devoting his time to the public service with relation to the feeding of the people of New York City, were on hand.

The meeting opened with a toast to the President of the United States. It was next announced that the membership of the local association is now more than 900. William F. Atkinson, of the Northwestern Mutual Life, Brooklyn, who was elected president, pledged his best efforts to keep up the good work.

John C. Dempsey gave a talk on the national songs, and at the conclusion of his remarks everybody sang the "Star Spangled Banner."

Resolution Pledges Support to Wilson

Charles Jerome Edwards, of the Equitable Life, and one of the leaders in the Aero Club of America, read a ringing resolution pledging to the President of the United States that the 125,000 life insurance agents in the United States would stand shoulder to shoulder with him "in upholding the honor of the flag, the protection of American citizens and the principles of civilization, which at this hour becomes the most sacred duty and purpose of every real American." He had no sooner concluded than Henry Abeles, a prominent insurance man, who is president of the United Turners' Society of New York, denounced the militant character of the resolution, saying that he did not object to pledging support to the President, but did not want the resolution so aggressively worded. Jeers greeted him and the resolution, put to vote, was carried with a whoop.

A resolution protesting against including life insurance companies in the excess profit tax was read. The resolution versed the opinion of 25,000,000 policyholders and declared that this tax penalized the industry of men and women with small income, and was an unjust discrimination in favor of savings banks.

Mr. Finley began his talk by quoting "mortality figures" from the Book of Genesis, saying that life insurance men must envy the great ages to which men lived in those days. After having a lot of fun with the actuaries he drew from his pocket the document which he termed a life insurance policy. It was a contract insuring the United States. He announced that it was issued by a corporation organized in 1776, reorganized in 1787, the first President of which was George Washington. He outlined the career of the corporation, telling how it was nearly divided in two in 1860. He then read the different clauses in the policy, each provision

FINANCIAL STATEMENT

NORTHWESTERN NATIONAL LIFE

Insurance Co., Minneapolis, Minn.

December 31, 1916

INSURANCE IN FORCE.....$42,190,750.00

ASSETS

Real Estate	$ 576,269.04	
First Mortgage Loans: (Farm Loans, located in the choicest farming sections of the country—appraised value of Property, $11,962,783.00).	3,484,278.10	
Loans on Policies	757,889.35	
Bonds owned	151,068.90	
Deferred and Uncollected Premiums	146,773.53	
Interest and Rents Due and accrued	74,322.76	
Cash in Office and on Deposit in banks	113,199.96	
Total		$5,303,801.64

LIABILITIES

Reserve on Policies	$4,299,171.00	
Uncompleted Claims in process of settlement	62,213.80	
Present Value of Instalments not due	12,592.47	
Premiums and Interest Paid in Advance	30,862.60	
Anticipated Taxes (due 1917)	27,000.00	
All other Liabilities	36,904.89	
Funds held for dividends to Policyholders	266,407.07	
Surplus set aside as Contingent Fund	100,000.00	
Unassigned Funds (net surplus)	468,649.81	
Total		$5,303,801.64

THE RECORD FOR 1916

Assets $5,303,801.64
Increase $749,168.28—16 per cent

Insurance in Force $42,190,750.00
Increase $7,018,782.00—20 per cent

Insurance written and paid for.....$10,661,886.00
Increase $3,595,652.00—51 per cent

Amount Apportioned for Dividends to Policyholders..... $213,672.40
Increase $88,755.45—71 per cent

Paid Policyholders Since Organization.....$16,353,070.22

American Central Life

Insurance Company

INDIANAPOLIS, INDIANA

Established 1899

All agency contracts direct with the company

Address:

HERBERT M. WOOLLEN, President

PURELY MUTUAL **THE** CHARTERED 1857

Northwestern Mutual Life Insurance Co.

MILWAUKEE, WISCONSIN

GEO. C. MARKHAM, President

INSURANCE IN FORCE, $1,420,012,571

SATISFIED POLICYHOLDERS each year apply for over 35% of the new insurance issued.

NORTHWESTERN POLICIES are easiest to sell and stay longest in force. Mortality 60.31%. Interest 4.95%. Expense 10.46%.

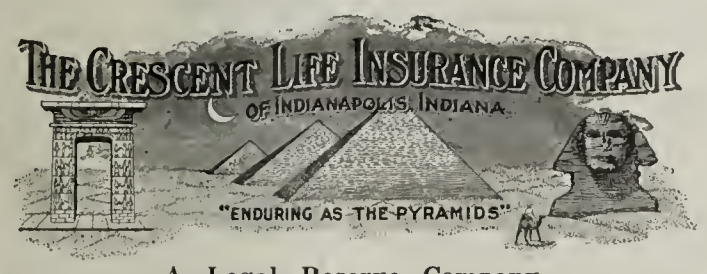
AGENTS PROTECTED by enforced No-Brokerage and Anti-Rebate Rules.

Income Insurance
Corporation Insurance
Partnership Insurance

It Will Pay You to Investigate Before Selecting Your Company

Write to
H. F. NORRIS
Superintendent of Agencies
Milwaukee, Wisconsin

Large "Dividends"
Low Cost
Service Policy



J. C. Humes
President

L. D. Clancy
Secretary

A Legal Reserve Company

Are You a Big Producer? Can You Prove It?

ONE GENERAL AGENT WANTED IN INDIANA

Home Office: Fletcher Trust Bldg., Indianapolis, Ind.

being greeted with tremendous cheers. The policy feature was one of the cleverest things ever read at a banquet.

Wise Defends Administration

Mr. Finley was followed by Rabbi Wise, of the Free Synagogue, New York, who made an eloquent defense of President Wilson, including his Mexican policy. Leading up to the present crisis he stirred the audience by saying:

"If we are compelled to resort to the dreadful and brutal arbitrament of arms then America, too great to have to fight for herself, will war to help bring the reign of democratic justice and republican liberty to the old world. If the sword is forced into our hands then we know we have been patient, magnanimous and long suffering. We will war, not for ourselves, but for all the world."

Speaking of life insurance Rabbi Wise said in part:

"Life insurance is one of the great social adjustments of our day and generation. Life insurance is one of those significant and statesmanlike achievements which reflect determination of the people, not only to care for themselves adequately during their lifetime, but even to anticipate the needs of loved ones. I have long considered life insurance one of the great allies of the ethical and religious institutions of our time. The stronger the life insurance companies which you serve become, the better are we able to do our work."

Mr. Perkins' Talk

George W. Perkins was introduced by Mr. Priddy as the man who induced him to become an agent. He was greeted by the Nylic song sung by representatives of the company which he served for so many years.

In view of Mr. Perkins' position as spokesman for the Progressive party, along with Colonel Roosevelt, it was expected that he would comment sharply on Rabbi Wise's views. He did not waste much time in doing so, picking out the Mexican policy of the President for attack. As soon as Mr. Perkins began criticising the Administration there were hisses and some people left the room. He continued, however, for a few minutes and then branched off into a discussion of the food situation in New York City.

Some of the Life Presidents Attending

The banquet ended at 11 o'clock. It was one long thrill from start to finish. Among some of the life insurance company presidents who attended the banquet were: Messrs. Kingsley, New York Life; Dryden, Prudential; Lamb, John Hancock; Wyman, Berkshire Life; Cillis, Germania; Wright, State Mutual; McClench, Massachusetts Mutual; Wing, Provident Life and Trust, and Childs, Columbian National.

NEARLY $60,000,000 IN FORCE

Nearly sixty million dollars of life insurance in force is the record of the Pankers Life of Lincoln, Neb., at the close of 1916. This volume of business was scarcely dreamed of at the founding of the Company; was not in sight twenty years ago and not anticipated in such a short time as even ten years ago. From sixty million of insurance to one hundred million is not a long distance with the present progress of the Company; and it is not too much to expect that in five years the larger figure will be reached.

NOW A $2,000,000 AGENCY

The Pittsburgh Agency of the Equitable Life of Iowa, under general agents St. Clair & Golden, has the distinction of being the first agency of the Company that has ever gained a place in the Two Million Dollar class. During January the net paid for business of this agency amounted to over $168,000.

The Chicago agency, under General Agent W. F. Crawford, is a close second and had it not been for a few returned undelivered policies, it would also have been in the same class.

The total issue of the Metropolitan's $5,000 whole life policy last year was $48,000,000.

Paving Way to Retire Equitable Stock

RECOMMENDATION IN PHILLIPS' REPORT TO LEGISLATURE

Wants Section 95 Amended as Step Advisable Before Mutualization Can Be Effected

Among the recommendations to the Legislature, made by Superintendent Phillips, of New York State, the one which is likely to have the most far-reaching effects has to do with the amendment of the law with reference to retirement of capital stock of life insurance companies. As Mr. Phillips states in his report, this recommendation is intended to afford opportunity to effectuate the retirement of the capital stock of the Equitable Life Assurance Society. The conditions with reference to the stockholding in the Equitable Life Assurance Society have heretofore been such that, under existing law, it was impracticable for that company to formulate a plan for the retirement of its capital stock, for the reason that so soon as the company might acquire a portion of such stock under the provisions of section 16 of the Insurance Law, the stock so purchased would cease to have voting power, and the balance of the stock not purchased would possess all such power. Mr. Phillips points out that, should purchase of a portion of stock under such a statute be effectuated, it might soon transpire that what was originally a minority of the stock would come into actual control. He, therefore, recommends that the Legislature amend section 16 of the Insurance Law so as to provide that, until all of the stock has been retired, in case of a company adopting a plan for such retirement, the shares when and as acquired shall be held by trustees for the benefit of policyholders and voted at corporate meetings.

Section 95

In connection with this amendment, Superintendent Phillips also recommends an amendment to section 95 of the Insurance Law with respect to the adoption of a plan for retirement of stock and the method of conducting a meeting of stockholders for that purpose. If this legislation is adopted, it will be possible to formulate a plan looking to the retirement of the capital stock of the Equitable Life Assurance Society and its conversion into a mutual life insurance company.

Superintendent Phillips, in his report, also opposed whole family insurance by fraternals.

The Superintendent favors some limitation upon new business, but recommends that Section 96 be amended to exempt sub-standard risks.

H. F. DOW DEAD

Hezekiah F. Dow, a former resident of Syracuse, N. Y., died in Detroit, Mich., last week. For nearly a quarter of a century Mr. Dow was senior member of the firm of Dow, Behm & Co., managers for central and western New York for the Massachusetts Mutual Life. The partnership was dissolved six years ago, and he went to Detroit, where he made his home.

GIVEN GOLD PINS

Twenty-eight agents of Northwestern National Life of Minneapolis who wrote $100,000 or more business in 1916, were presented with gold pins with silver stars, each star representing $100,000 of written business for the year. One of these pins bears seven stars, others from one to six stars.

HOME LIFE LEADERS

The ten leading general agencies of the Home Life, of New York, from a standpoint of amount of insurance settled for January, 1917, ranked in amount as follows: J. R. Robbins, New York City; Guhne & Barnes, St. Louis; J. V. Wagner, Indianapolis; R. M. Simons, New York City; C. C. McGehee, Jr., Atlanta; H. R. Bryarly & Bro., Winchester, Va.; R. A. Bickel, Wheeling, W. Va.; George H. Simmonds, Newark, N. J.; W. A. R. Bruehl & Son, Cincinnati; and Lorin Hord, Minneapolis, Minn.

REILLY HEARING

Copy of the proceedings in the hearing in the John J. Reilly twisting case before the Pennsylvania Insurance Department have been distributed among a number of insurance associations. This is the case in which Harold Pierce and others have been active in prosecuting.

Ambitious, Productive and Trustworthy Life Agents may be benefitted by corresponding with the

Berkshire Life Insurance Company
of Pittsfield, Mass.
Inc. 1851

New policies with modern provisions Attractive literature
W. D. Wyman, President W. S. Weld, Supt. of Agencies

FOUNDED 1865
Unexcelled In Favorable Mortality and Economy of Management
The Provident Life and Trust Company
OF PHILADELPHIA
Rates of Premium Extremely Low and still further reduced by Annual Dividends



There Is Always Room At The Top

Come with us and it won't be so hard to get on.
Live ones win among IZZERS

Write to J. L. BABLER, Gen'l Manager Agencies
International Life
ST. LOUIS

We don't contract with poor men.
We give a new man our attention until he is started.
We make our men make good.
Why don't you work for us?
Peoria Life Insurance Company
PEORIA, ILLINOIS

Security Mutual Life Insurance Company
Binghamton, N. Y.
Offers to men able to produce business first class territory, with direct contract providing liberal compensation.
For particulars, address
C. H. JACKSON, Supt. of Agencies



Just say:
"Insurance Man"—
the open sesame to every courtesy within our power.

Room with detached bath $1.50 and $2.00
Private bath $2.50 and $3.00
BREVOORT Hotel
Insurance Headquarters
MADISON ST.—East of LaSalle
CHICAGO
LAURENCE R. ADAMS, Sec'y & Mgr.

Mortality, Reserve and Loading

Prepared by Northwestern Mutual Life for Its Agency Corps

Mortality tables are usually arranged to begin at age ten with 100,000 lives and show the number living and dying during each subsequent year of age. The American Experience Table was published in 1868 by the late Shepard Homans, then a well-known actuary. It was a modification of an earlier table derived from the experience of seventeen British companies and known as the Actuaries' or Combined Experience Table (1843) and has been generally adopted in this country by companies and as a standard of valuation by State Insurance Departments. According to the American Experience Table the last life terminates before reaching age 96. The last life does not terminate until age 99 by the Actuaries' Table, while other tables terminate at other ages in the neighborhood of 100.

As has been pointed out, the approximate uniformity of rates of mortality was discovered by observation and there is much interesting history connected with the various compilations, going as far back, it is claimed, as 364 A. D., but for the present purposes of the student it is sufficient to say that the tables commonly used in this country are the American Experience and the Actuaries' Tables. The differences in the latter are due to the adjustment to different experiences, while the similarity is due to what may be called the "Law of Mortality," whereby lives tend to terminate at a rate depending on age. It is not necessary that the percentage of deaths be exactly predicted, but only that the actual deaths shall in a general way follow the mortality table selected for computing premium rates. By careful medical selection of risks there is no difficulty in obtaining an actual mortality below that of either of the tables mentioned.

The Natural Premium

Having carefully studied the mortality tables we may now consider the methods whereby lives may be insured. If insurance were desired for only one year the obvious method would be to divide the death claims at any age by the number to be insured at that age and thus require each person to pay his share of the total losses. Thus the American Experience Table (which is the table always herein referred to, unless otherwise specified) shows 81,822 persons alive at age 35 and that 732 die during the year. To insure each life for $1,000 for the one year would therefore cost $732,000, divided among 81,822 persons or $8.95 for each person entering into the insurance agreement. But as death claims are theoretically payable at the end of the year from funds collected at the beginning of the year it is only necessary to collect $8.69 at age 35 since that sum with 3 per cent. interest amounts to $8.95 at the end of the year. If the same procedure be followed for each succeeding age the series of amounts obtained by dividing the death losses of each year by the number living at the beginning of the year (discounting for one year at 3 per cent.) would be a table of natural premiums. This is sometimes called the "step rate plan" because the rate would increase each year by reason of the fact that the percentage of deaths increases with age. Thus the American Experience Table shows that three lives begin the ninety-fifth year of age and all terminate during the year; therefore $3,000÷3=$1,000, discounted at 3 per cent for one year=$970.88 which is the natural premium at age 95. It is entirely proper, but not practical, to insure lives on this plan. In a blind sort of way many of the fraternal orders and some of the assessment associations (now an almost extinct class of companies) have followed some modification of this plan. But any plan of life insurance collecting less premium than is charged by the reliable long established level premium companies basing their computations on these tables, must sooner or later require a large increase of payments. It has been amply demonstrated that no plan requiring increasing payments can permanently succeed. Failure is a serious thing to the beneficiaries of men who supposed they were protected by permanent life insurance.

Level Premium Plan

The level premium plan was devised about one hundred and fifty years ago and has been completely successful, having during that time proved its adequacy to the needs of society through wars, epidemics and financial panics without number. This plan as its name indicates, is based upon the collection of annual premiums that are level or fixed through life from the earliest to the oldest age. It is, in fact, a method of averaging, with the aid of compound interest, the payments required by the natural premium plan whereunder the net rate (excluding the necessary additions for expenses) increases from $8.69, at age 35, to $970.88 at age 95. Obviously the level plan requires the collection of more than the natural premium during the first years, but much less during the later years. (The level premium whole life rate, exclusive of expense loading, is only $21.08 at age 35 on a 3 per cent. interest basis.) The collection of a larger sum than is necessary to meet current death losses evidently involves the accumulation of a fund. This fund is known as the reserve and the interest thereon greatly reduces what the insurance would otherwise cost. In fact it is assumed that the reserve will earn a certain rate of interest when the premiums are computed. In a rough way the reserve may be defined as the sum accumulated from the net premium payments, after current death losses have been paid.

Rate of Interest

As indicated, a rate of interest is assumed in computing level premiums. The rate selected must be one which the company can surely earn on its funds during the fifty, sixty or seventy years that life policies may possibly run before maturity. Otherwise the computations of the company would be at fault. The rate commonly used is 3 per cent. though a few companies use 3½ per cent. Companies using a higher rate for new business may be regarded with suspicion as unusually optimistic in their view of future conditions.

Growth of Reserve

By referring to the Reserve Tables you will find the terminal reserve values (American Experience Table and 3 per cent. interest). The progress of reserve accumulations will be briefly explained. The ordinary life 3 per cent. net premium at age 35 is $21.08. This is the sum that must be contributed by the policyholder each year (aside from the loading for expenses) and is the initial reserve for the first year. This amount is improved to the end of the year at 3 per cent. interest; the tabular mortality cost of insurance for the year is deducted and the remainder, $12.88, is known as the terminal reserve of the first year. To this amount add the net annual premium, $21.08, and obtain $33.96, the initial reserve of the second year. This total is again improved at 3 per cent. to the end of the year, the cost of insurance at age 36 is deducted and the balance, $26.13, is the terminal reserve for the second year. The net premium of $21.08 is again added to obtain the initial reserve for the third year, $47.21. Adding the year's interest and deducting the cost of insurance at age 37 gives the terminal reserve for the third year, $39.76. Continue this process until the end of the 95th year of age or 61st policy year and the terminal reserve of the 61st policy year will exactly equal $1,000, the face of the policy. Hence ordinary life policies are sometimes spoken of as endowments payable at age 96.

The same proceeding will give the succeeding initial and terminal reserve values of endowments. The 20-year endowment net 3 per cent. premium at age 35 will be found to be $41.97. This amount plus 3 per cent. interest, minus the tabular mortality cost of insurance for age 35 is $34.59, the terminal reserve of the first year. Proceeding in the same way will finally give $970.88 as the initial reserve of the 20th and last year before maturity. Adding 3 per cent. interest for one year gives $970.88+$29.12=$1,000, the terminal reserve at the end of the 20th year and the amount payable at maturity. The student will here ask why the tabular mortality cost of insurance is not deducted the 20th year as in each preceding year. The answer is that the cost of insurance is not assessed upon the face value of a policy but upon the amount at risk, i. e., the difference between the face of the policy and the terminal reserve of the year. But in this case the terminal reserve of the 20th year equals the face of the policy payable at the end of the 20th year by the terms of the contract. There being nothing at risk the last year of an endowment there is no cost of insurance to deduct.

It is apparent from the preceding paragraph that the level premium plan necessitates the accumulation of a reserve fund beginning with the first premium. This fund if increased at 3 per cent. interest will, together with the future net premiums, pay losses occurring according to the mortality table until the last life terminates at age 95. It will do no more and no less. Failure to so maintain the reserve would mean ultimate insolvency. No plan can permanently succeed which does not provide for an adequate reserve based on a suitable mortality table and a safe rate of interest and there can be no success in a plan that is not permanent. This fact accounts for the general fail-

(Continued on page 9.)

WE have room just now for two or three good men—not the Million Dollar producer who takes it out in talk, but the man who can average $100,000 of personal business, plus experience in appointing and working with agents. Men who become valuable to this Company grow in value to themselves. We cannot guarantee your success, but we will give you a real opportunity, then it's up to you. Would you like to hear about it further?

Pittsburgh Life and Trust Co.

Home Office, Pittsburgh, Pa.

HOWARD S. SUTPHEN
Vice-President & Manager of Agencies

BANKERS BLC LIFE COMPANY DES MOINES

PAYS GOOD PAY TO GOOD MEN

The Connecticut Mutual Life Insurance Company,
PRESIDENT JOHN M. TAYLOR, HARTFORD, CT.

Insurance in force, 107,262 Policies for..... $253,439,405.12

WHAT NO OTHER COMPANY HAS DONE

To repay to its Policyholders in Death Claims, Endowments, Dividends, Surrender Values, Annuities and other credits more than they have paid to it in premiums. It stands alone in that result.

Total premiums received, Dec. 1, 1846, to Dec. 31, 1916	$310,337,255.71
Total returned to Policyholders, as above noted, in same period.....	319,548,729.00
Excess of amount returned.....	9,211,473.29

Build Your Own Business
under our direct general agency contract

Our Policies provide for:

Double Indemnity, Disability Benefits, Reducing Premiums

See the new low Rates

JOHN F. ROCHE, Vice-Pres't

THE MANHATTAN LIFE INSURANCE COMPANY
66 BROADWAY NEW YORK
Organized 1850

The
Perfect Protection Policy
OF THE
RELIANCE LIFE

gives you something absolutely new and different to talk to your prospects. Gives you a chance to earn more money than you are now making.

Our Life Insurance Contracts contain the most up to date clauses known to the Insurance World. The Accident and Health gives full protection for at least a third less cost than regular casualty companies. Our agency contracts are as liberal as can be made.

WRITE AND WE WILL TELL YOU MORE ABOUT OURSELVES

Reliance Life Insurance Company of Pittsburgh
FARMERS BANK BUILDING
PITTSBURGH, PENNSYLVANIA

LIVE HINTS FOR BUSINESS GETTERS

Practical Suggestions to Help the Man With the Rate Book Increase His Income and General Efficiency

$1,750,000 Writer Changed His Tactics

When Herman Duval, of the Northwestern Mutual Life in New York, started in the life insurance business he had the idea that he must see thousands of people, and did see 5,000 the first year. Then he became convinced that a mere call may mean nothing; that something was required in addition. That something was a real interview. Accordingly, he modified his tactics, saw fewer people, but managed to tell those few his story. Thus, he mixed intelligence with "leather," as life men call mere leg work. In 1916 Mr. Duval wrote about $1,750,000.

* * *

Our Business and War Rumors

Men who need life insurance, and ought to buy it, are often prolific in excuses for evading duty and silencing conscience. And a new excuse is now at hand. War looms on the horizon, and your prospect is quite likely to think he has a conclusive reply to your arguments, ready-made to his hand, says the New England "Pilot."

The reverse is the case. Instead of being an added comfort to him, rumor of war is really a fresh and powerful weapon in the hands of the agent.

The foremost desire of every thinking man must always be how to provide for contingencies before they become certainties. The time to prepare for serious eventualities is obviously while it is possible to make the preparation. You don't rush to a fire insurance agency for a policy on your burning house. Likewise, if one wait until actual hostilities break out, he should not be surprised if he find life insurance a rather elusive benefit for him.

The real lesson to be drawn from the present state of affairs is, not that this is a time to hold back from buying life insurance, but that it is a time in which to make a fuller use of this great institution than ever before. This is true because the prospective need for insurance is more apparent today than this generation has ever known it to be. Those who already have insurance, should take more; and those who have none, should see their friend, the agent, at once, and get the matter settled beyond any possibility of doubt.

The policyholder, as such, is vastly better off in both war times and peace times than his neighbor, who has been foolish enough to deny himself the support that the distribution of his risk among millions of other risks, through life insurance, is able to give.

* * *

Has Found the Spirit of Insurance

Douglas Waterman is a special representative of the Pan-American Life in Cuba. At a recent meeting of that Company he told how he succeeds.

"In a general way I may say my best day's work, or rather my best work days, if I may be allowed to put it thus, are those which are filled with the greatest good for the Company, for the insured and for myself, thereby constituting a formula of highest balance, which is to my mind the secret of life and of goodness and well being. Such, gentlemen, is generally speaking, my feeling with respect to my best work days. For greater clearness allow me to cite an example that will portray my thought: my fairest day's work would be that accomplished on the day that I should visit a home that had long been happy and peaceful, but in which trouble had come, from which the cold, invisible hand of death had suddenly swept away its only firm support, the loving father or mother. There in that modest home, daily labor well done had brought comfort and plenty; but mysterious death had dried the fountain of happiness, and through the same door whence passed the inanimate form of the loved one, there entered the shadow of darkness, of tears and of poverty. The little orphans standing about, helpless and unable to cope with the problems of life before them; beset by the dangers of hunger and want, sickness, ignorance, crime and disgrace. It is then, that coming in the name of the Pan-American Life Insurance Company, like a guardian angel from on high, I hand to the family the proceeds of the insurance through which careful foresight the deceased had carried, and from my presence, as before the crucifix, there fade away the demons of darkness and sorrow. The children, those tender, helpless beings, have spread before them food; their schooling and upbringing is provided for, and in due time they enter the ranks of the useful, active members of the community. They have thus, thanks to the Pan-American Life, been drawn away from the evils that like sinister vampires hover over that home. Thus have I given the day to the building of a monument to the Pan-American Life more lasting than bronze, yet resting on the precious souls of tender children."

* * *

Holds Two Agency Meetings a Week

Manager George A. Smith, of the Germania Life in Indianapolis, is holding two agency meetings a week. One on Monday evening and one on Thursday evening. On Monday evening we devote ourselves entirely to the study of life insurance, the Germania Life policies, and how best to present them and fit them to the prospect's needs. On Thursday night we take up the subject of "Salesmanship" in general, also a broad study of the fundamental principles underlying business in general. "The Monday night meeting is to centralize our particular problems and the Thursday night meeting is to study the other fellow's problems, so that we may be able to fit him better with a life insurance contract," said Mr. Smith. "Each man has been given a quota for the month and I am going to purchase a loving cup which will be set up as a prize for the man making the largest percentage of his quota, providing that the amount of business he writes is at least 60 per cent. of his quota. The name of the man winning each month and his percentage will be inscribed on the cup which will belong to him during the following month. At the end of the year the cup will go permanently to the man who won it the largest number of months."

THE
METROPOLITAN LIFE
Insurance Company
(Incorporated by the State of New York)



Metropolitan Life Insurance Company
Home Office Building

The Company

Of the People
By the People
For the People

The Daily Average of the Company's Business during 1916 was:

701 per day in Number of Claims Paid.

8,304 per day in Number of Policies Issued and Revived.

$1,969,823 per day in New Insurance Issued, Revived and Increased.

$376,827.40 per day in Payments to Policyholders and Addition to Reserve.

$220,509.26 per day in Increase of Assets.

JOHN R. HEGEMAN, President

EVERYBODY CAN'T BUY IT

Life insurance is not a thing that everyone with the money can buy, like stocks and bonds, shoes and potatoes.—Exchange.

Representing

The Mutual Life Insurance Company
of New York

You will make money.

The great strength, big dividends and incomparable benefits of the *"oldest company in America"* mean certain success for you.

For Terms to Producing Agents, Address

GEORGE T. DEXTER, 2d Vice-President

34 NASSAU STREET, NEW YORK, N.Y.

TAXING THRIFT

Policyholders Told That as Vitally Interested They Should Oppose Such Measures

The Columbian National Life, in its interesting little paper going to policyholders, makes this statement under the head of "Taxing Thrift":

"It seems to be an elementary rule in taxation to tax any large amount of money or accumulation of money, the taxation of which will not make too great a political disturbance. Life insurance comes under this designation for two reasons: the sums taxable are enormous and there is no general union of policyholders to oppose. The result is that the business of life insurance is taxed when other business would not be.

"The chief feature about taxes on life insurance now seems to be whenever the question comes up, 'How much shall we increase the tax?' knowing that because it is not a direct tax, but an indirect one upon the public, no one will object. But why not object? When a bill is presented to your legislature to increase the taxes on life insurance you, Mr. Policyholder, are most vitally interested. You take out insurance for the protection of your home and your family. In doing this you are encouraging the habit of thrift; you are relieving others of the responsibility of taking care of your family in the event of your untimely death and you are establishing the best known substitute for public charity supported by a heavy general tax. Why then should you be penalized? You are the most vitally interested and you are the only one who can relieve the situation."

PREMIUM NOTE DECISION

An insured gave his notes for premium on his life policy, which were accepted by the company, but not paid before the insured's death. The policy contained a forfeiture clause for non-payment. The fact that non-payment of the notes would avoid the policy had been called to the insured's attention several times by receipts and letters. The Alabama Supreme Court held, in a suit on the policy, Norris v. New England Mut. Life Ins. Co., 73 So., 377, that, forfeiture not having been waived by the Company, no recovery could be had by the beneficiary. The bare retention by the Company of the notes for the premium did not amount to a waiver of the forfeiture.

Mortality and Loading

(Continued from page 7.)

ure of assessment insurance plans, whether by fraternal orders or assessment associations.

Net Premiums

Reference has been made to net premiums. In computing premiums a rate of interest and a rate of mortality are assumed. The net premium is the payment which, if these assumptions were exactly realized, would be just sufficient to meet all insurance obligations excluding expenses and contingencies, which are met by a loading added to the net premium. Death claims are paid immediately in practice, but in computing premiums it is assumed that death claims will not be paid until the end of the current policy year. The interest lost is covered by the loading.

Loading

If the rate of mortality and the rate of interest assumed in computing net premiums are exactly realized, it is evident that the entire net premiums would eventually be used in meeting claims. Consequently there must, in addition to the net premium, be some provision for expenses and for the various contingencies of the business that may arise beyond the interest and mortality rates assumed. Therefore it is necessary to make an addition to the net premium. This addition is the premium loading and is usually a percentage of the net premium. The net premium together with the loading constitute the gross premium or premium as given in a company's rate book. All companies using the same mortality table and rate of interest must of necessity charge the same net premiums, but on account of different ideas regarding the proper amount of loading the gross premiums of such companies may differ somewhat. The proper loading depends upon the judgment of the management, but so far as the participating policyholder is affected the amount of the loading makes little or no difference in the actual cost of the insurance so long as the amount charged is sufficient for its purpose, since any excess loading is returned as part of the dividend.

ANSWERS REFUND QUERY

An agent of the Equitable Life Assurance Society recently put up the following question for answer:

"Suppose A and B—each 35 years of age—buy income bonds to yield each $100 a month, beginning at age 55; A paying a single premium of $9,662.50 and B paying annual premiums of $722.20 (a total of $14,444.00 in the 20 years.) Suppose both die at age 57 after receiving payments from the Society amounting to $2,400 apiece.

"Would the refund to their respective estates be the same or would it be greater for B than for A?"

Here is the answer:

The refund made at death on income bond contracts is in every case the actual premiums paid. In the case cited therefore the party who had paid the larger amount in premiums would receive the larger amount in refunds.

E. B. CANTINE PRESIDENT

Capital District Life Underwriters Hold Annual Meeting—Endorse Wilson's Foreign Policy

E. B. Cantine, of the Home Life, has been elected president of the Capital District Life Underwriters' Association; E. L. Post, Prudential, first vice-president; S. G. Landon, Provident L. & T., second vice-president; G. L. Buck, Provident, secretary; and E. L. Marsters, Connecticut General, treasurer. On the executive committee are H. H. Bennit, Mutual; O. F. Burkhardt, Connecticut Mutual; C. C. De Rouville, Penn Mutual; H. S. Haskins, John Hancock; Paul Lemmle, John Hancock; F. A. McNamee, Equitable; C. R. Tripp, Fidelity Mutual.

Three new members of the association are Arthur B. Gregg, Connecticut Mutual, Albany; Frank Klepper, Provident L. & T., Massena, N. Y.; and William C. Rogers, New England Mutual, Albany.

At the last meeting a resolution endorsing the foreign policy of President Wilson was passed.

The principal speaker of the evening was Prof. S. S. Huebner, Wharton School of Finance and Commerce, Philadelphia. For about an hour the guests were given scientific and logical arguments for insurance. He told how a life policy should accompany a marriage license as naturally as a marine policy accompanies a bill of foreign exchange; how to economic text-books which divide business knowledge into three classes of production, distribution and consumption, there should be added a fourth section of the proper distribution of risk; how a life agent should aim to sell the policy properly in the first place, should aid in preserving it by proper attention to the irrevocable beneficiary clause and the discouraging of loans, and should aid in conserving the proceeds through income and annuity settlements. Unquestionably the aggressive and precise presentation of these many new ideas was one of the most lasting benefits ever offered its members by this association.

Dr. George Dugan, pastor of the Fourth Presbyterian Church, famed for his after-dinner speaking, dwelt briefly on the high calling of the insurance man.

MISSOURI STATE LIFE

Company's Record By States—Paid For $9,700,458 in Missouri Last Year

State	Insurance in Force Dec. 31, 1915.	Issued and Revived in 1916.
Missouri	$19,247,221	$9,700,458
Oklahoma	4,150,084	3,260,393
Texas	15,445,265	4,487,524
South Carolina	4,332,940	2,228,434
Illinois	7,628,622	2,770,742
Arkansas	5,310,777	2,544,815
Tennessee	4,020,095	1,994,547
New Mexico	1,420,494	1,265,620
California	1,647,362	1,184,347
Georgia	2,483,096	1,605,400
Minnesota	3,262,109	1,116,438
Florida	3,130,518	1,238,442
Kansas	4,077,542	1,221,755
North Carolina	1,050,120	824,321
Mississippi	1,798,979	675,876
Alabama	2,593,389	963,750
Nebraska	1,161,772	410,977
Louisiana	230,347	259,672
Arizona	2,451,962	513,538
Ohio	3,060,887	568,121
Iowa	1,391,210	473,887
Washington	353,610	166,786
Oregon	458,778	201,706
Montana	512,366	222,044
Virginia	853,130	266,003
Utah	130,375	77,612
Kentucky	431,787	140,272
West Virginia	146,587	49,085
Alaska	71,800	62,351
Wisconsin	114,216	36,197
Nevada	133,536	35,832
Idaho	124,443	53,018
Wyoming	52,934	4,129
South Dakota	215,405	42,310
Colorado	2,279,819	511,580
Michigan	2,581,387	195,585
Indiana	3,190,133	459,310
Pennsylvania	2,232,433	252,900
All others	2,460,656	431,716

PAID 61 ANNUAL PREMIUMS

Only $77.24 More Than Half Amount of the Policy Went to Company

In 1856, Mr. A bought an ordinary life policy, No. 5,781, New England Mutual Life, for $1,000, premium $17.30. He died January, 1917, after paying 61 premiums. The record of the transaction is this:

61 premiums	$1,055.30
Shares of surplus	478.16
Net cost	$ 577.24

Although this contract was in force for the extraordinary period of 61 years, he paid the Company only $77.24 more than half the amount of the policy! The average premium was $9.46.

Another interesting fact about the case was this: The general agents at Rochester, N. Y., who settled the claim, were told by Mrs. A that her husband had been an invalid all his life. When she married him, at the youthful age of 19, his health was so poor that his family was afraid he would not live a month. His vitality must have been exceedingly strong.

Another ordinary life policy, No. 8,882, just become a claim, was issued in 1860, for $1,000, age 29, premium $22.10. The holder of this policy was nine years older than Mr. A, and his premium was somewhat higher. Here is the result:

56 premiums	$1,237.60
Shares of surplus	544.42
Net cost	$ 693.18

Both these policies illustrate the desirability of the ordinary life contract—no matter to what age it may be carried.

The New England "Pilot" points this moral: Do not be afraid of the ordinary life, and the younger you are, the stronger is that advice!

HOME LIFE
INSURANCE CO.
(Now Purely Mutual)
256 BROADWAY, NEW YORK
GEORGE E. IDE, President

The fifty-seventh annual report shows insurance in force of $133,493,000, an increase during the year of $7,832,827. The Company paid the policyholders in 1916 $3,536,233, of which $628,406 was in dividends or premium refund. Its insurance reserve fund was increased by $1,300,000 and the Assets are now $32-821,462.

For Agency apply to
GEORGE W. MURRAY,
Supt. of Agts.
256 Broadway, New York, N. Y.

ILLINOIS LIFE INSURANCE CO.
CHICAGO
JAMES W. STEVENS, PRESIDENT
GREATEST
ILLINOIS
COMPANY
WANTS GOOD MEN
AND
WILL PAY THEM WELL

ORGANIZED 1871
Life Insurance Company of Virginia
RICHMOND, VIRGINIA
OLDEST, LARGEST STRONGEST
Southern Life Insurance Company
Issues the most liberal forms of Ordinary Policies from $1,000.00 to $50,000.00, and Industrial Policies from $12.50 to $1,000.00
CONDITION ON DECEMBER 31, 1916:

Assets	$14,464,552.23
Liabilities	12,436,717.56
Capital and Surplus	2,027,834.67
Insurance in Force	118,349,212.00
Payments to Policyholders since Organization	18,119,172.50
Is Paying its Policyholders over	$1,300,000.00 annually

GOOD TERRITORY FOR LIVE AGENTS

Popularity's Persistent Progress
The greatest of all great years in delivered business for this Company—1916! Without need of urging or pleading, our representatives, with vigorous and self-directed industry, were the enactors of this glistening achievement.
The tide of new business is flowing strongly in the New Year. We expect that 1917 will be another golden period of widely increased protective service of the homes and the businesses of the United States. Home Office and Field in the Massachusetts Mutual are a unit in their determination to be front-rank contributors.
Occasionally we have a General Agency opening for a quality man.
JOSEPH C. BEHAN, Superintendent of Agencies
MASSACHUSETTS MUTUAL
Life Insurance Company
SPRINGFIELD, MASSACHUSETTS
Incorporated 1851

THE EASTERN UNDERWRITER

This newspaper is owned and is published every Friday by The Eastern Underwriter Company, a New York corporation, office and place of business 105 William Street, New York City. Clarence Axman, President; B. F. Hadley, Vice-President; W. L. Hadley, Secretary. The address of the officers is the office of this newspaper. Telephone 2497 John.

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RATHER CHEEKY

A copy of the Canadian Fire Insurance Year Book, published by Stone & Cox, Toronto, has been received by The Eastern Underwriter. Among other things this book reprints a large number of forms for use by fire insurance agents, and included in the collection are use and occupancy forms, which have been featured for some weeks in special advertising by Stone & Cox in Canadian insurance newspapers. The use and occupancy forms printed in the book have been compared with the use and occupancy forms in the new book of uniform rules and clauses published by the Eastern Union, which examination discloses that most of the Eastern Union clauses have been appropriated word for word and without credit. Furthermore, the Stone & Cox book was printed before the Eastern Union's uniform clauses had been officially adopted, which strikes us as not only decidedly premature but also plagiaristic.

CANADIAN GAINS, DESPITE WAR

Although hundreds of thousands of Canadians have participated in the European war, the life insurance companies of Canada had a surprisingly good year, making gains all along the line. John A. Tory, of Toronto, in a talk before the Southeastern Congress of Life Underwriters last week gave it as his opinion that the war spirit and the feeling of patriotism brought out the best there was in the life insurance agent, buckled him up, made him more virile, the inspiration of doing things becoming generally infectious. Many a man who formerly had difficulty in writing $75,000 a year has been producing $200,000 in Canada with ease since the war started. The records of some of the companies tell the story.

The Sun Life of Canada made these gains in 1916 over 1915: assets, 11.6 per cent.; net surplus 12.7 per cent.; insurance issued, 22.6 per cent.; insurance in force, 9.3 per cent. The National Life, of Toronto, made a gain in paid business of $1,148,660 and in insurance in force of $2,688,975. It earned 5½ per cent. interest. The North American Life closed the year with assets of $16,442,713 and insurance in force of $59,685,112, both an increase. The Security Life of Canada closed the year with $1,388,800 in force as against $1,217,900 for 1915; its death losses having been less than 25 per cent. of the expected. The Manufacturers Life, of Toronto, closed the year with $22,694,435 assets against $20,744,678 on December 31, 1915; and with insurance in force of $89,118,359 as against $83,746,172 for the preceding year. The mortality experienced was over 30 per cent. less than the amount provided for. The Monarch Life, of Winnipeg, increased its new insurance 32 per cent.; its assets 14 per cent.; its policy reserves 18 per cent. The Great-West Life Assurance Company increased its new business $1,117,444; its insurance in force $13,350,381; and its assets $2,498,024. Its expense rate was lowered in 1916, and the interest rate was maintained at over 7½ per cent. The London Life, of London, Can., gained $1,975,434 in new business, $6,894,989 in business in force; showed a lower lapse and expense ratio. The Company's increased profit scale which took effect in 1916 has been fully maintained. The profit distributions during 1917 will be on the average 45 per cent. in excess of original estimates. In the ordinary branch of this Company claims were 36.2 per cent. of expected. War claims were 28 per cent., making a total of 64.2 per cent. of the expected. The Confederation Life ended the year with net invested assets of more than $20,000,000. It wrote $11,218,772 insurance.

COCOA PLANT FIRE

Jersey City Fire Chief Angry at Criticisms Made of Department by Arnold Rippe

Arnold Rippe, well-known local agent in Jersey City, was the subject of a two-column interview in a recent issue of the Jersey City "Journal" given by Fire Chief Boyle, of Jersey City, who is smarting under criticisms of him made by underwriters and agents. Chief Boyle's grievance in part follows:

"I was specially surprised to find Arnold Rippe quoted as saying at an immense agents' convention that the destruction of the Brewster cocoa plant on West Side Avenue was due to the fact that firemen did not see to it that the sprinkler system in the plant was left drained after the first blaze in that factory was extinguished about 9 p. m.

"Now, the fact is that the first fire in that plant started about 8 p. m. and I was among the first to be on the scene. I did not leave until the fire was completely out about 10 p. m. At 4:18 a. m. the alarm for the second fire came in and I returned to the scene.

"The entire place was in a blaze and I have had suspicions that the second fire was of incendiary origin. The water in the sprinkling system was turned off, it appears by employes of the company and not by the firemen as Mr. Rippe would have the public believe. The firemen had nothing to do with the turning off of the water from this sprinkling system."

PLANS A BUSY WEEK

The National Association of Insurance Agents (fire) has started a movement to have several associations (its own, the Casualty agents and the International association) meet in September during the same week in some centrally located city.

Raymond Dildine, of Belmar, N. J., will operate the insurance business formerly carried on under the firm name of Dildine & Kienle.

THE HUMAN SIDE OF INSURANCE



WILLIAM F. ATKINSON

William F. Atkinson, who was elected president of the Life Underwriters' Association of New York on Tuesday, was born in Appleton, Wis., on May 3, 1873. Mr. Atkinson comes of life insurance stock as his father, James F. Atkinson has been general agent of the Northwestern Mutual Life for the past thirty-two years and is one of the veterans of the business. William F. was graduated from the Boys' High School in Brooklyn and later from Cornell University in 1895. On August 15, 1898 he was appointed general agent for the Northwestern Mutual Life Insurance Company for Brooklyn and Long Island. He then became a member of the firm of Jas. F. & W. F. Atkinson. Their business in 1898 was $550,000; in 1916 it was $2,091,000. During 1913-14 he held the position of secretary-treasurer of the Life Underwriters' Association of New York; during 1916-17 he was a member of the executive committee of the National Association of Life Underwriters.

Mr. Atkinson is a member of the Cornell University Club, the Merchants' Association of New York, the Crescent Athletic Club, the Civic Club, the Tavern Club and the University Club of Brooklyn. He is also director of the Prospect Park branch of the Y. M. C. A., chairman of the board of trustees of the Memorial Presbyterian Church of Brooklyn, and treasurer of the Presbyterian Social Union of Brooklyn.

Executive work seems to be his inherent quality, as he was president of his class at college, then manager of the Varsity Football team; and afterwards president of the University Club. His work as a life insurance man has been as an agency builder. He was president of the Agents' Association of the Northwestern Mutual in 1916. He has been a member of the Executive Committee of the General Agents' Association of the Northwestern for the past ten years. His agency is run on a full-time agent basis only; no part-time men and no brokerage business; but he is ready and willing to see the standpoint of others.

* * *

Theodore A. Waltrip is editor of "Pointers," published by the Pacific Mutual Life, and one of the best of agency papers. However, he is not satisfied that it is as good as it should be, and has asked his readers for a frank statement of its merits, or to send in their criticisms. He also asked what page of the paper the readers look at first. His replies should be interesting.

* * *

Colonel Frea W. Fleming, of the Kansas City Life, at a meeting to organize a Missouri branch of the League to Enforce Peace, presented the following resolutions: "Be it resolved by the Missouri State branch of the League to Enforce Peace in convention assembled at Jefferson City, this 22d day of February, 1917, that we pledge the President of the United States, the Congress and our government our support in the adoption of whatever vigorous and adequate measures are necessary to the protection and defence of American citizens and their rights on land and sea." The meeting to get a Missouri branch of the league formally organized showed surprising interest in the movement. There were between 250 and 300 persons there from all over the State besides members of the legislature who attended the convention. There were 106 counties represented according to the secretary of the convention.

* * *

Charles E. Hughes did not attend the dinner of the Life Underwriters' Association of New York this week for the reason that he has decided not to make any more speeches at banquets except those of the bar associations or the Union League Club. His excuse is that if he made these talks there would be time for little else. When Lawrence Priddy called upon him a few days ago to try and induce the former justice to change his mind and attend the Hotel Astor dinner on Tuesday night he found seven committees in the office, all wanting a speech from Mr. Hughes.

* * *

James Smithies, superintendent of agencies of the new middle Atlantic department of the Metropolitan Life, is the son of a superintendent of the Company, brother of another, and has never engaged in any occupation other than serving the Metropolitan. He first had charge as superintendent of agencies of Western Pennsylvania in 1911. He brought up the record of those superintendencies in such a superior manner that in 1913 Eastern Pennsylvania, which comprises all the districts of Philadelphia and the districts of Chester, Bristol and Norristown, was combined with Western Pennsylvania into one territory, known as the Keystone territory.

* * *

J. J. Dorn, executive superintendent of the United States Casualty, returned on Monday from a five weeks' trip through the West. He was snow-bound for four days during which time he was forced to sleep on the train.

* * *

James W. Glover prepared the "United States Life Tables, 1910," which has been issued by the Bureau of the Census.

* * *

Edward S. Goodwin has resigned as statistician of the Travelers Insurance Company to become associated with the banking house of F. R. Cooley and Co. in the direction of a statistical department.

* * *

Frank A. Wesley, vice-president and director of agencies of the Standard Life, was elected president of the Salesmanship Club of Pittsburgh, a branch of the World's Salesmanship Congress. The club was organized at a meeting held in the William Penn Hotel last week, and there were over three hundred sales managers and salesmen of the various corporations in Pittsburgh present. The executive committee is composed of the sales managers from the Carnegie Steel Co., Armstrong Cork Co., Pittsburgh Dry Goods Co., Chalmers Automobile Co., Macbeth-Evans Co., Standard Underground Cable Co., Universal Portland Cement Co., Consolidated Expanded Metal Co., and the treasurer of the Oil Well Supply Co.

D. O. Allday and Milton A. Spangler, of Chambersburg, Pa., have opened insurance offices in the Minehart Building of that city.

FIRE INSURANCE DEPARTMENT

British Fire Companies Absorbing Marines

REVIEW OF SITUATION PRINTED IN LONDON PAPER

Taking Over of Indemnity Mutual Marine By Northern Assurance Company Starts Reflections

The re-insurance of the Indemnity Mutual Marine by the Northern Assurance Company has caused some reflections on thc part of the British insurance press regarding amalgamations of this type, which really commenced with the year 1907, when the London and Lancashire Fire took over the Standard Marine Insurance Company and the North British and Mercantile acquired the Ocean Marine Insurance Company. A natural—probably inevitable—outcome of the competition which has led to the opening by fire and life offices of accident and miscellaneous contingency departments, in many instances by the simple and expeditious method of annexing a going concern, was seen in these acquisitions, and it was clearly foreseeable that there would be other arrangements of a similar description. A good many companies were ready to enlarge the scope of their operations, and the sea offices, for the most part strong and prosperous, offered undeniable attractions to would-be purchasers. The position of the marine companies indicated the value of their business, for though the latter is liable to vicissitudes the fact that the sea offices pay dividends wholly, or almost wholly, out of interest earnings tells its own tale. Fire and life offices, too, desirous of undertaking marine insurance would naturally prefer the amalgamation plan, which, among other things, obviates all difficulties in connection with the engagement of an experienced underwriter and the setting up of the official staff necessary for the efficient conduct of the business.

Other Amalgamations

These considerations, no doubt weighed heavily with the control of the Royal Insurance Company, after the London and Lancashire Fire and North British and Mercantile had set the ball rolling, for in 1911 they made a valuable acquisition by purchasing the British and Foreign Marine Insurance Company, while two years later the Phoenix Assurance Company took over theUnion Marine Insurance Company and the Liverpool and London and Globe secured the Thames and Mersey Marine. The next important absorption of the kind took place in 1914 when the Scottish Union and National purchased the shares of the Maritime Insurance Company, and then followed a pause in the activities of amalgamators, until quite recently a new "wave" was set in motion in the insurance world. involving the disappearance as independent concerns of two more sea offices—the Reliance Marine accepting the proposals of the Guardian and now the Indemnity Mutual closing with an offer from the Northern.

"As we said above, there is nothing surprising in the last-mentioned deal," says the "Insurance Record." "The Northern was one of the few big fire and life offices which had not opened up marine insurance—just now very attractive to our managers—and it was to be expected that, if the opportunity arose, it would acquire one of the few remaining sea companies. It is interesting to go through the list of insurance institutions and to note on the one hand the few fire and life companies of standing not transacting marine insurance and, on the other hand, the very few remaining strong and attractive concerns which might be available—at a price—to assist them in effecting the extension they seem to need. A study of this aspect of insurance competition brings to light many suggestive points, from which it would seem extremely probable that the chapter of history dealing with the absorption of marine offices has still to receive additions."

SOME TEST!

Match Applied to 1,000 Gallons of Gasoline for Compressed Steam to Battle

This story in the Philadelphia "Ledger" greatly interested Pennsylvania special agents and inspectors a few days ago:

"After hearing that dry-cleaning establishments, one of the most dangerous fire hazards known to underwriters, could be made absolutely safe from conflagration, J. William Morgan, a deputy State fire marshal, yesterday told delegates to the Pennsylvania Association of Dyers and Cleaners it was time rigid laws were passed to force all cleaners to adopt the latest improvements for fighting fire.

"Mr. Morgan's announcement followed an address by Dr. H. E. Mechling, Louisville, Ky., president of the National Association of Dyers and Cleaners, in which Doctor Mechling told of having deliberately set fire to his plant to prove that gasoline fires could be handled. The fire was a public affair. To help it get under way he distributed 1,000 gallons of gasoline in the cleaning room, tossed in a match and watched it 'go.' Compressed steam put out the blaze in forty seconds.

"Pennsylvania, said Deputy Marshal Morgan, has no laws on its statute books providing for the construction of dry-cleaning plants. 'As a matter of fact,' he added, 'the present laws were drawn up by people who knew nothing about dry-cleaning plants. I am willing to father a movement to give us better laws, and in framing them I will call upon your association.'

"The use of liquid air to clean clothes was brought to the attention of the dyers by Doctor Mechling, who said that this agent would clean and sterilize clothing in one-third the time of gasoline."

MUNICH'S STATEMENT

The annual statement of the United States Branch of the Munich follows:

Assets

U. S. Government and New York City bonds deposited with insurance departments		$315,050.00
U. S. Government bonds	$ 210,900	
State bonds	140,000	
New York City bonds	88,200	
Railroad and other bonds	5,621,740	
Railroad and other stocks	199,893	
		$6,260,733.00
Cash in banks		2,352,181.57
Other Assets		199,115.30
		$9,127,079.87

Liabilities

Reserve to cover unexpired re-insurances	$5,882,599.18
Reserve for losses	1,292,418.00
Reserve for contingencies	253,000.00
Surplus	1,699,062.69

FIRE AND MARINE INSURANCE—ALL LINES

The Automobile Insurance Company of Hartford, Conn.

MORGAN G. BULKELEY, President

Statement January 1, 1917

Cash Capital	$1,000,000.00
Assets	2,748,832.19
Liabilities (Except Capital)	1,039,977.81
Surplus to Policyholders	1,708,854.38

AFFILIATED WITH

AETNA LIFE INSURANCE COMPANY

THE AETNA ACCIDENT AND LIABILITY CO.

GUILFOYLE WITH AUTOMOBILE

Seventeen Years' Experience With Ocean and Inland Marine Branches —Will Assist McGivney

John W. Guilfoyle, a well known New York marine insurance man, will go with the Automobile Insurance Company on Monday as an assistant to J. J. McGivney in the marine department. Mr. Guilfoyle joined the old forces of the British & Foreign Marine seventeen years ago, working through various departments, including register, loss and accounting. When that Company was bought by the Royal, Mr. Guilfoyle was transferred to the marine department of the latter Company.

GLENS FALLS SOCIETY

At a meeting of the Insurance Society of Glens Falls, N. Y., the members elected H. N. Dickinson, secretary of the Glens Falls, president; John H. Derby, Jr., vice-president; Perry Crawford, librarian; J. A. Mavon, chairman of educational work; Harry Condit, treasurer; and R. M. L. Carson, secretary.

The society was organized by the Glens Falls employes and local agents for the purpose of studying fire insurance. About 45 members have enrolled, and the organization has a standard insurance library provided by the Glens Falls.

PETTIBONE HAS OHIO GROCERS

W. L. Pettibone, of Newark, has been appointed manager for Eastern territory of the Ohio Retail Grocers' Insurance Co.

NORTH BRANCH FIRE INS. CO.
Sunbury, Pa.
Inc. 1911

Assets	$641,341.77
Reserve	230,513.29
Capital	300,000.00
Surplus	63,479.83

CITY INSURANCE COMPANY
Pittsburgh, Pa.
Inc. 1870

Assets	$357,318.58
Reserve	54,256.92
Capital	200,000.00
Surplus	96,379.07

OPERATING ON A CONSERVATIVE BASIS IN A LIMITED TERRITORY UNDER AN EXPERIENCED MANAGEMENT

Moral Obligation of One Subscriber to Another at Inter-Insurance Exchange

By E. B. Walker, Secretary of Lumber Manufacturers' Inter-Insurance Association

We must all realize that an inter-insurance association is nothing more or less than a combination of various manufacturers (called subscribers) formed into an association where each subscriber agrees to exchange indemnity with each other subscriber. All of the detail work involved in the management of such an association is done through an attorney-in-fact, who is appointed by the subscribers individually and under a power of attorney identical in form as to all subscribers. The general policy of the association is governed by an advisory committee, elected annually by the subscribers forming the association. The attorney-in-fact, as compensation for his services, is entitled to deduct a stated percentage on all premiums received. Out of this compensation the attorney assumes the responsibility of all management expenses, except losses, adjustment fees, legal expenses and the expense of the advisory committee. Each subscriber to an inter-insurance association pays to the attorney-in-fact a deposit which has been commonly called a "premium." This deposit, however, is not in the nature of a premium in any sense of the word for reasons which I shall try to make clear.

A stock company, when issuing a policy of insurance, issues an agreement of indemnity, whereby it assumes a liability on a risk, which, in case of loss, it will be obliged to pay, the consideration for which promise is the premium specified in the policy. That premium, as soon as paid, becomes the absolute property of the company; and if at the end of the year the premiums received have in the aggregate been more than the losses paid (together with all other expenses) the company has made a profit. This profit becomes the absolute property of the company and is distributed as dividends among the stockholders, or placed to the surplus of the company itself.

The Entire Consideration

In inter-insurance, however, when a subscriber receives an indemnity contract (commonly called the policy) from the association, it is not in consideration of the deposit or premium, so-called, that he pays to the attorney-in-fact, but it is in consideration of a similar agreement or promise on his part to indemnify in his proper proportion each of the other subscribers of the association. In other words, the prime, if not the entire consideration, between the subscribers of an inter-insurance exchange is the exchange of indemnity between each subscriber, and it is this element of mutuality and absolutely reciprocal obligation which is the essence of inter-insurance, in other words absolute equality and equity between the parties, each one giving in proportion to what he receives. For example, subscriber A agrees proportionately to indemnify subscriber B in consideration of subscriber B agreeing proportionately to indemnify subscriber A. It is true that the contract or policy issued by the association recites the deposit made by the subscriber to whom the policy or contract is issued, but the function and purpose of this deposit and premium may be determined first, by explaining how this premium or deposit is computed, and second, the necessity for placing this sum in the hands of the attorney-in-fact. The deposit is not arbitrarily fixed either by the subscriber or the attorney-in-fact, but is determined after careful inspection of the subscriber's plant as a result of which is not only ascertained the amount of insurance or indemnity which he is to receive, but also the equitable and fair rate of premium or deposit which he is to pay. Once the amount and rate of premium or deposit has been determined, the necessity for depositing that sum in the hands of the attorney-in-fact is two fold. First, it constitutes a payment by the individual subscriber on account of his possible liability to each of the other subscribers. This might be termed a good faith payment, and it obviously facilitates the payment of current losses since with funds in hand the attorney-in-fact is not put to the necessity of "passing around the hat" every time a small loss occurs. Second, inasmuch as the obligation of each subscriber is in proportion to the benefits that he receives, the amount of the deposit or premium serves the purpose of determining the ratio of liability of each subscriber on the basis that each subscriber's deposit bears to the total deposits of all subscribers.

Status of Premiums

Another distinguishing feature between the deposit made by a subscriber to an inter-insurance association and the premium paid by the holder of a policy of a stock company, is as to the status of its deposit or premium from the standpoint of ownership. As I have pointed out above upon the payment of a premium to a stock company, the policy-holder has no further interest therein, whereas the deposit made by an inter-insurance association with the attorney-in-fact is held by the attorney-in-fact not only in trust for the depositing subscriber, but kept in a separate account. The deposit might just as well be kept in the subscriber's own bank account with authority to the attorney-in-fact to draw on that account from time to time as necessity arose, but this would be impracticable for the reasons above stated.

The method by which the deposit is handled is as follows: When a deposit is received from a subscriber by the attorney-in-fact, a separate account is opened in the name of that subscriber. The total amount of this deposit is placed to the subscriber's credit (not to the credit of the association). Against this credit he is debited with a certain percentage of said deposit (being the amount allowed the attorney-in-fact for the general management of the association), together with his proportion of all losses, legal expenses, etc., in the ratio his deposit bears to the total deposits of all subscribers. I am emphasizing these points because I do not believe that many subscribers have given extended thought to, or quite appreciate, the important underlying principles of inter-insurance.

At the risk of repetition there is one important element in inter-insurance with which the ratio of liability, or in other words, rate of premium or deposit, is closely related, viz: "Moral obligation that each subscriber owes to each of the other subscribers." Mutuality and equity means nothing if discrimination in any shape or form is indulged in, that is to say, no subscriber should expect to receive benefits disproportionate to the benefits not only that he gives, but the others receive, and in this connection perhaps a word as to the position of the attorney-in-fact is necessary. The attorney represents no one subscriber any more than he represents each of the others, or all of the subscribers. He should at all times be moved and prompted by the desire to promote the interests of all the subscribers, which in turn, on the principle of equity and mutuality, may lead to restrictions being placed in the policy issued to one subscriber which, perhaps from the standpoint of that subscriber and his risk considered alone, might not be as absolutely necessary, and yet viewed from the standpoint of all the subscribers, might be necessary. I do not mean that the contracts issued to all the subscribers must be identical. Obviously this is impossible, but fundamentally they must be the same. Rates, forms and conditions may vary provided the same forms and conditions are open to all subscribers and the rates are determined according to a uniform rating schedule. I know of no association or combination of individuals where a selfish point of view is more out of place than in an inter-insurance association.

Illustration

To illustrate: perhaps in one case a schedule is written with the 100 per cent. co-insurance clause, and in another written with the 80 per cent. co-insurance clause. This would not be a discrimination in favor of the company having the 80 per cent. co-insurance clause, providing a charge under the rating schedule is made for the 80 per cent. co-insurance clause, and all of the plants had the privilege of having their insurance written with either the 80 per cent. or 100 per cent. co-insurance clauses, being charged proportionately for the use of the former. In other words, forms may differ and clauses may differ. Where one form is more liberal than another, that form should have the necessary charge added to the rate to take care of that difference, but the privilege of using either form must be open to all subscribers of the association, otherwise there would be a discrimination.

There are, however, in use some clauses that go beyond the pale of sound underwriting. We must realize that to use such clauses would be a great mistake, and no additional premium charged for the use of such clauses would be compensation for the great harm and danger that might result to the association; and the standardization of forms, particularly blanket forms, from which should be eliminated dangerous clauses, was a matter that had to be considered in the protection of all subscribers composing the inter-insurance associations.

Naturally, in the course of the development of inter-insurance associations both as regards the number of subscribers and the amount of indemnity written, the attorneys-in-fact have found it necessary to alter and amend forms and to adopt certain rules and regulations touching on the policy of their respective associations. They are human and learn by experience. The attorney-in-fact finds it necessary from time to time to consult with the advisory committee on these questions. Moreover, many of the various inter-insurance associations, while in one sense of the word competitors, have likewise found it necessary to confer and consult with each other particularly

(Continued on page 15.)

"The Leading Fire Insurance Company in America"



WM. B. CLARK, President

AETNA INSURANCE COMPANY

Aetna Fire Underwriters Agency
of Aetna Insurance Co.

Application For Agencies Invited

THE HANOVER
FIRE INSURANCE COMPANY
Incorporated 1852

The real strength of an insurance company is in the conservatism of its management, and the management of THE HANOVER is an absolute assurance of the security of its policy.

R. EMORY WARFIELD, President
FRED. A. HUBBARD, Vice-President
E. S. JARVIS, Secretary
WILLIAM MORRISON, Asst. Sec'y

HOME OFFICE
Hanover Bldg., 34 Pine St.
NEW YORK

HOWIE & CAIN, General Agents
Metropolitan District
100 WILLIAM STREET, NEW YORK

[FIRE]
German American
Insurance Company
New York
STATEMENT JANUARY 1, 1916
CAPITAL
$2,000,000
RESERVE FOR ALL OTHER LIABILITIES
10,146,941
NET SURPLUS
10,217,685
ASSETS
22,364,626

WESTERN
ASSURANCE CO.
OF TORONTO, CANADA
(Fire, Tornado, Ocean Marine and Inland Marine Insurance)
UNITED STATES BRANCH
January 1, 1916

Assets	$ 2,747,815.34
Surplus in United States	1,309,295.82
Total Losses Paid in United States From 1874 to 1915, Inclusive	40,654,747.02

W. R. BROCK, President
W. B. MEIKLE, Vice-Pres. & Gen. Man.

First National Fire
Insurance Company of the United States
WASHINGTON, D. C.
ROBERT J. WYNNE, President JOHN E. SMITH, Secretary
Statement January 1, 1916
CAPITAL, $912,502
RESERVE FOR ALL OTHER LIABILITIES, $523,785
NET SURPLUS, $377,447 ASSETS, $1,813,734

Makes Clear Subject of Co-Insurance

STATEMENT BY INSURANCE DEPARTMENT OF MINNESOTA

Amounts That Should Be Carried—Apportionments in Case of Loss Under Policy

The Minnesota Insurance Department has issued a statement about co-insurance reading as follows:

The property owner who carries a fire insurance policy upon his property with the co-insurance clause attached agrees that in case of loss, he shall receive only the proportion that the amount of insurance carried bears to the amount of insurance that is stipulated in the co-insurance clause, which in the State of Minnesota may be 50, 60, 70, 80, 90, or 100 per cent. of the value of the insured property.

Obligations of Assured

Therefore, if the insured is to collect the full amount of any loss he must at all times keep his property insured for the full amount called for by his co-insurance contract. If he fails to maintain the required amount of insurance, in case of loss the company is only liable for that portion of the loss which is represented by the proportion that the actual insurance bears to the required amount. Thus, if the value of the building is $20,000, then under the 80 per cent. co-insurance clause the insured is required to take a policy for at least $16,000. If this is done the company is liable in full for any loss not exceeding the face of the policy. However, if the insured carries only $8,000 of insurance or one-half the required amount and a loss of $4,000 takes place, the co-insurance clause prevents the insured from collecting his claim in full by providing that this $4,000 loss is to be paid only in the proportion that the insurance actually carried ($8,000) bears to the 80 per cent. insurance required ($16,000) which is one-half of $4,000, or $2,000. In such case, therefore, the insured would be carrying one-half of the insurance and the company one-half, or in other words, he is co-insurer of one-half of the risk.

If $10,000 had been taken instead of $8,000, the loss would be paid in the proportion that $10,000 bears to $16,000 (the amount required by the co-insurance clause), which is five-eighths of the $4,000 loss, or $2,500.

On the other hand, if a 100 per cent. or full co-insurance clause had been used and only $8,000 of insurance taken, the property owner would receive the proportion that $8,000 bears to $20,000 (the full value of the property), which is two-fifths or $1,600. In this last case, therefore, the property owner would have been a co-insurer to the extent of three-fifths of the loss.

In Case of Loss

If the owner of property worth $10,000 had an 80 per cent. co-insurance clause attached to his policy, he must then carry $8,000 insurance. Should it be found at the time of loss that he has only insurance in force to the amount of $6,000 he is short $2,000 of the amount he agreed to carry, which is one-fourth, or 25 per cent., and he must then stand this portion of the loss. In case such loss should be $5,000, the insurance company will pay the assured three-fourths, or 75 per cent. of $5,000, which will be $3,750, and the assured, or co-insurer, must stand the other one-fourth, or $1,250. Or, if the loss was only $200, the insurance company would pay three-fourths, or $150, and the assured must stand the other one-fourth, or $50.

If a 50 per cent. co-insurance clause is attached to a policy covering on property worth $50,000 the assured should carry $25,000 insurance. If it is found at the time of loss that only $20,000 is carried, he is short $5,000, or one-fifth, or 20 per cent. of the amount stipulated in the co-insurance clause, which portion he, as co-insurer, must stand. If the loss amounts to $10,000, the insurance company will pay four-fifths, or 80 per cent. of $10,000, making the amount due under the policy $8,000, and the assured must stand the other one-fifth, or $2,000. Should the loss be only $500, the insurance company will pay four-fifths or $400, and the assured must stand one-fifth, or $100.

HEAR FROM COMMISSIONERS

National Association of Insurance Agents Pleased With Response to Annex Telegram

The telegram sent to the different insurance commissioners, signed "National Association of Insurance Agents, Henry H. Putnam, secretary," in which the commissioners' Hotel Astor resolution, discussing annexes, was "welcomed," has resulted in a number of letters received by the association from the commissioners. A representative of the agents' association told The Eastern Underwriter that some of the letters received have been from commissioners "who haven't heretofore taken much interest in the subject."

Leaders in the National Association are congratulating themselves on the action of Oregon in re-enacting the sole agency law. One of the leaders informed The Eastern Underwriter that at least one company made most strenuous efforts to defeat the measure.

Greasy Overalls Cause $50,000 Auto Fire

GARAGE BLAZE HAD BEEN SUBDUED BY EXTINGUISHER

Odd Freak Responsible for Destruction of Forty-four Cars at Delhi, N. Y.

Walton, N. Y., Feb. 26.—The automobile garage and machine shop of Dreyfus & Morgan, at Delhi, together with forty-four automobiles, were completely destroyed by fire Wednesday morning, making a total loss of over $50,000. Part of the loss is covered by insurance and a majority of the automobiles belonged to individuals whose cars were stored there for the winter or were in process of repair.

The garage was in the frame wooden floor building formerly occupied by the Crawford Wagon Works, and in less than an hour after the fire started, it was burned to the ground and twisted metal was all that remained of the automobiles.

The fire was caused by static electricity or the short circuiting of a battery on an Overland car that was being overhauled by Leslie Thompson. The fire was controlled by a Pyrene fire extinguisher when Thompson's greasy overalls caught fire and he was overcome by the smoke and Pyrene fumes.

It seems that Leslie Thompson, one of the repair men, was cleaning the engine of the Overland car with the liquid usually used for that purpose under pressure, and his clothing was naturally saturated with the liquid. He was under the car when suddenly the car was seen to be on fire, the result of a short circuit. There was no fire in the garage, as the heating was by steam pipes. William Hall, the other mechanic at work, and Mr. Morgan were quickly at the car under which Thompson was at work, and with Pyrene extinguishers were subduing the flames. When Thompson's clothes began to blaze they saw it was necessary to help him and dropped the extinguishers. Before they could get Thompson to safety the fire had gotten beyond control and a hasty exit was necessary.

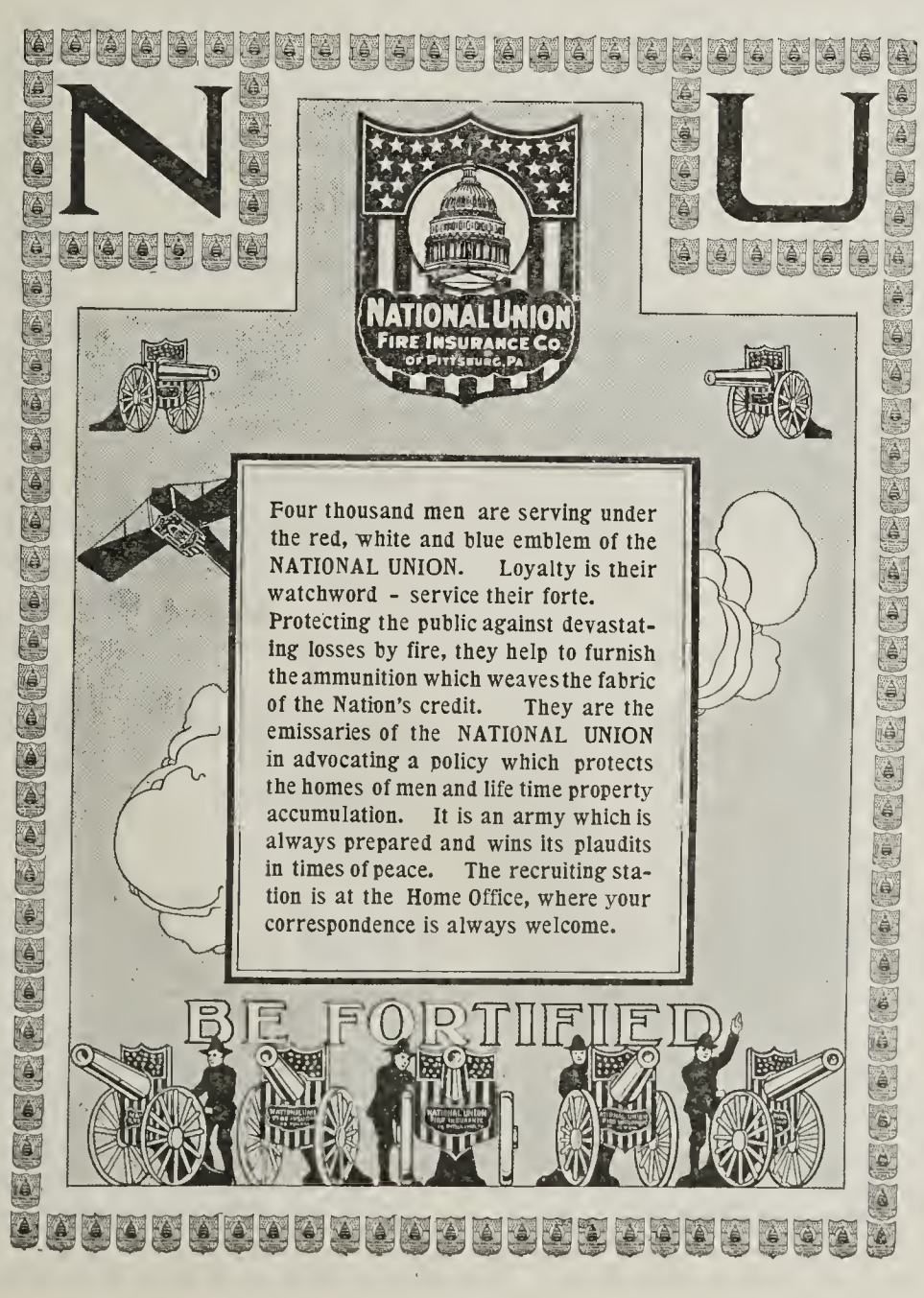
Like a Powder House

A building filled with automobiles, some of them with gas in the tanks, was like a powder house and efforts to stop the conflagration were futile. Thompson became dazed and helpless, making it difficult to get him to safety.

The fire department quickly responded and did most efficient work although without avail. The fire trucks were quickly taken to the scene of the disaster by automobiles so that valuable time was not lost.

There was about $2,000 worth of storage batteries in storage for patrons of the garage, and considerable other property of various kinds being held there for the winter, the value of which is not readily ascertained.

The firm had recently received a large consignment of tires in view of forestalling the higher prices which are in prospect, and besides carried quite an extensive line of automobile parts and repair material.



PHILADELPHIA SOCIETY

Papers on Automobile Insurance, Steam Boiler and Workmen's Compensation—Educational Committee

The educational committee of the Fire Insurance Society of Philadelphia has had prepared a series of Round Table Talks on interesting underwriting subjects. Papers on automobile, steam boiler and compensation insurance, and a paper on contract bonds, have already been read. The educational committee follows:

Edward T. Cairns, vice-president of the Pennsylvania Fire Insurance Company; Frederick Richardson, United States manager General Accident Fire Life Corporation; Harry Penn Burke, of A. R. Schmidt Inspection Bureau; A. S. Wickham, Manager Hartford Steam Boiler and Inspection Company; A. S. Reeve, manager Travelers Insurance Company; John S. Turn, manager Aetna Life Insurance Company; P. D. C. Stewart, chief of sprinkler department of the Philadelphia Fire Underwriters' Association; George U. Pope, manager bonding department of the Hartford Accident and Indemnity Company; Charles J. Fitzgerald, manager of the branch office of the Girard Fire and Marine Insurance Company; Percy Thompkins, manager suburban department of the Pennsylvania Fire Insurance Company, and George A. Mahl, chairman.

SOME HARTFORD FIGURES

The Hartford Fire's motor vehicle, hail, windstorm and explosion premiums and losses for 1916 follow:

	Premiums.	Losses.
Motor vehicles	$ 737,554	$ 218,920
Hail	1,651,390	1,646,777
Windstorm	546,819	267,337
Explosion	23,734	332

CHANGE NAT'L BREWERS' NAME

The National Brewers of Illinois has changed its name to the National Traders Insurance Co. Headquarters are in Chicago. William H. Rohm is president. Its largest net amount on one hazard is $75,000.

O'GORMAN & YOUNG IN N. Y.

O'Gorman & Young, Newark agents, have opened an office at 95 William Street, New York City, with H. O. Clutsam as manager.

GETS BRITISH SURPLUS LINE CO.

L. A. Webster was appointed United States manager of the National Benefit Fire, of England this week.

Bay State Companies and Bombardment

SAY THEY ARE AUTHORIZED TO WRITE IT

"Foreign Enemy Clause" Obligatory in Explosion Policies Following Phillips' Ruling

In response to a telegram of inquiry regarding the Massachusetts companies and bombardment insurance The Eastern Underwriter has received the following wire from an officer of two Massachusetts companies:

Editor The Eastern Underwriter: Massachusetts companies are authorized by amendment to the statutes at the time of the Spanish War to write bombardment insurance. Consequently, Boston and Old Colony insurance companies are so authorized. We have received no ruling from Superintendent Phillips.

WILLIAM R. HEDGE,
Vice-president.

The Eastern Underwriter understands that the attitude of the New York Superintendent is that no foreign company is permitted to exercise powers in this State denied to domestic companies.

The decision of Superintendent of Insurance Phillips that insurance against loss by explosion does not warrant the issuance of policies covering loss caused by bombardment was followed by the adoption by companies of the following Foreign Enemy Clause, which is now obligatory and is a condition in all explosion lines:

It is a condition of this insurance that this Company shall not be liable for loss or damage caused by military or naval forces of foreign enemies, any condition of this policy to the contrary notwithstanding.

The Superintendent's letter was addressed to Vice-President Buswell, of the Home and cleared up a situation about which there was doubt. It came at a time when several offices on the Street were flooded with offers of bombardment insurance. These offers by no means were confined to the Atlantic Coast, as The Eastern Underwriter heard of one case where an applicant having property on the Great Lakes wanted this protection.

Some brokers are complaining that explosion rates are too high.

BROKERS ACTIVITIES

Metropolitan Distributing Co.'s Trucks

The twenty trucks operated by the Metropolitan Distributing Co., of New York, are reported to have been insured in a conference company at the rate of $50 each. This is one-third of the manual rate.

* * *

J. A. Campbell Becomes Broker

J. A. Campbell, manager of the accident-health department of the New York office of the Fidelity & Deposit, resigned this week to enter the brokerage field. He has opened an office at 92 William St.

* * *

Brill Brothers' Risk

Open policies aggregating $50,000 each were placed this week on the two stores of Brill Brothers located at Newark and Bridgeport. The business was placed by Fleischmann & Sulzbacher and was recently secured by them. The insurance on the other six stores of Brill Brothers located in New York City is placed by Joseph Goodman.

Stoney Bureau 25 Years Old

(Continued from page 1.)

mainly as a guide for approval of authorizations, although there was an endeavor to secure improvements.

Only Unsprinklered Specials at First Inspected

At first large unsprinklered special hazards were inspected. Later in 1888 the Class A Department was re-organized by C. C. Little, then secretary of the Phenix, and the inspection force was reduced to one man. Only sprinklered properties were inspected, and territory was limited to New England, Middle and Southeastern States. The inspection report was enlarged, a plan of periodical inspection was outlined and requests for improvement were followed up. The amount of inspection work increased gradually, so that in 1890 four inspectors and two clerks were employed.

Meanwhile the management of the Phenix was receiving requests from other insurance companies for information regarding sprinklered properties. Reports and plans were loaned, and all information on file generously furnished to all inquirers. This proved unsatisfactory to interested companies as the inspections were limited to properties on which the Phenix carried liability, and they hesitated to request increased service without participating in the expense.

Started by Four Companies

Finally, after a number of conferences, on January 7, 1892, four companies—Phenix, Queen, National and German-American, entered into a verbal agreement to contribute to the cost of the inspection of sprinklered properties. The territory was divided into two sections and controlled by two bureaus, designated as the New York Bureau and the Boston Bureau. The management, attention to the details of inspection and copying of reports, was under the supervision of the inspection department of the Phenix, and that Company was authorized to procure the services of a plan maker and a copier of inspections, and to submit forms of cards and stationery needed.

Finding the method of paying bills through the office of the Phenix unsatisfactory, at an informal meeting held October 13, 1892, it was voted that each member contribute equally to the expenses of the Bureau. Those at the meeting were C. C. Little, Phenix; E. G. Richards, National; P. E. Rasor, German-American; G. W. Burchell, Queen; and C. E. Galacar, Phoenix. The following officers were elected: Chairman, Mr. Little; treasurer, G. W. Burchell; secretary, W. A. Stoney.

The Organization Committee

New companies joined and with the increase in membership came additional requests for inspections, so that it was found advisable that rules be formulated for the proper management of the Bureau. At a meeting in January, 1895, a committee was appointed to draft a constitution and by-laws for the government of the Bureau. The committee consisted of H. W. Bowers, E. O. Weeks, E. G. Richards and C. C. Little. They presented a special report at a meeting on February 28, 1895. One paragraph of the membership qualification follows:

> To be qualified for membership the company applying must satisfy the membership committee of its willingness to write such lines on sprinklered risks as shall equal in amount the average lines carried by the present members.

Mr. Stoney's Career

W. A. Stoney began his insurance career as a boy with the old firm of Frame, Hare & Lockwood. Then he went into the mercantile business. He returned to insurance as an inspector with the Mutual Insurance Company of which P. B. Armstrong was president. At the organization of the special risk department of the Phenix he was engaged as inspector and upon the formation of the Underwriters Bureau of the Middle & Southern States he was made secretary, which position he has filled ever since.

Klein to Address Brokers

At the meeting of the Brooklyn Brokers' Association on March 8, E. A. Klein, agency assistant of the Jos. D. Bookstaver general agency of the Travelers, will address the association. His subject will be life insurance.

* * *

Appleman & Mears, of Bloomsburg, Pa., have taken over the insurance business of Joseph Skeer.

Continental (Fire) Insurance Co.
of New York
HENRY EVANS, President

Fire Automobile Rent Tornado
Sprinkler Leakage Use and Occupancy
: : Profit Explosion : :

FROM STATEMENT AS OF JANUARY 1, 1917

CASH CAPITAL ..... TEN MILLION DOLLARS
Total Assets $34,114,372
Total Liabilities 21,811,038
Net Surplus 12,303,334
POLICYHOLDERS' SURPLUS $22,303,334
1916 Gain in Assets $3,225,280
1916 Gain in Net Surplus 1,653,321

CONTINENTAL COMMANDS CONFIDENCE

HOME OFFICE
80 Maiden Lane
New York City

WESTERN OFFICE
332 So. La Salle Street,
Chicago, Ill.

Nord-Deutsche
INSURANCE COMPANY
OF HAMBURG, GERMANY
ESTABLISHED 1857
STATEMENT JANUARY 1, 1916
Assets $2,063,315
Liabilities 922,699
Surplus 1,140,616
UNITED STATES BRANCH
123 WILLIAM ST., NEW YORK
J. H. LENEHAN, United States Manager
AGENTS WANTED IN PRINCIPAL CITIES AND TOWNS

National Fire Insurance Company
OF HARTFORD, CONN.
Statement January 1, 1916, to New York Insurance Department
LIABILITIES

Capital Stock, All Cash	$2,000,000.00
Funds Reserve to Meet All Liabilities, Re-Insurance Reserve, Legal Standard	9,410,306.91
Unsettled Losses and Other Claims	1,428,496.86
Net Surplus over Capital and Liabilities	3,387,090.69
Total assets January 1, 1916	$16,225,894.46

H. A. Smith, President — S. T. Maxwell, Ass't Sec'y — F. B. Seymour, Treas.
G. H. Tryon, Secretary — C. S. Langdon, Ass't Sec'y — C. B. Roulet, Gen. Agt.
F. D. Layton, Ass't Sec'y — E. E. Pike, Ass't Sec'y
SURPLUS TO POLICY HOLDERS, - - $5,387,090.69

WALTER F. ERRICKSON
38-40 Clinton St., Newark, N. J. 95 William St., New York
Representing
THE GERMANIA FIRE INS. CO.
For Automobiles
Special facilities for out-of-town business.

"STRONG AS THE STRONGEST"
The Northern Assurance Co.
(LTD., OF LONDON)
Organized 1836
Entered United States 18[illegible]
Losses Paid - - $102,000,000
Losses Paid in U. S. - $36,000,000
Eastern and Southern Departments
55 JOHN STREET
NEW YORK CITY

SHOW PROGRESS

Annual Statements of North Branch Fire and City Insurance Co. of Pittsburgh

The fifth annual financial statement of the North Branch Fire Insurance Company of Sunbury, Pa., and the forty-seventh annual financial statement of the City Insurance Company, of Pittsburgh, Pa., show substantial progress under the conservative operations outlined by Vice-President John G. Sell and his associate officers.

The North Branch Fire during 1916 increased its capital stock from $275,000 to $300,000. Its assets show an increase of $126,292.39, while the premium income increased $153,689.75. At the same time an increase in the reinsurance reserve of $92,365.07 was made.

During 1916 the capital of the City Insurance Company of Pa. was increased by $100,000, making an item of $200,000. Its assets showed a gain of $135,015.98, while increase in the premium income of $51,508.34 and in the re-insurance reserve of $26,579.96 were made.

BOSTON PREMIUMS

Boston premiums are increasing. The totals for 1912 were $4,722,019; for 1916, $5,659,639. During the past six months of 1916 Aetna reported $60,129; Boston, $39,648; Continental, $35,654; Fidelity-Phenix, $35,435; Fire Association, $33,743; German-American, $65,953; National, $38,772; N. B. & M., $33,797; Northern, Eng., $62,670; Palatine, $38,211; Queen, $39,066; Royal, $92,551; Home Und., $108,306; L. & L., $98,115; London & Lancashire, $35,807.

Inter-Insurers

(Continued from page 12.)

on the question of the standardization of forms because you can readily see that the same spirit of mutuality and community of interest which prevails among the subscribers of each association also prevails among the associations themselves, due to the fact that many subscribers in order to obtain sufficient insurance on the inter-insurance plan find it necessary to become members of several inter-insurance associations.

There is no feature of the business which causes more concern to the attorneys-in-fact, and more seriously affects the interests of the individual subscribers, than the question of forms with the multifarious clauses and conditions which must be included in order to meet the requirements of each particular risk, and in this connection reference again may be made to the position of the attorney-in-fact and the relation which he holds to the subscribers, and the effect of the employment of brokers by the individual subscribers. The attorney-in-fact in an inter-insurance association is the representative of the underwriter as well as of each individual insured or subscriber. The broker, on the other hand, at all times represents the insured, and his position is antagonistic to the underwriter. His aim is to obtain for the insured the broadest possible form and the lowest possible rate, and he is not concerned in the slightest degree with the contractual relations between the underwriters and the policyholder. But it will be seen that in an inter-insurance association each subscriber is at the same time the insured as well as the underwriter. There is present among the subscribers of the association a community of interest requiring the highest degree of co-operation and harmony, while this is entirely lacking in the relation between a stock company and its policyholders. The course of action and plan of operation in an inter-insurance association are to be viewed and determined wholly from the standpoint of the greatest good to all the members, and the attorney-in-fact represents not only the individual wants of each subscriber, but also their wants collectively. He represents all the subscribers. In consequence, his position is one calling for absolute confidence in him from every subscriber, and he should at no time be placed in a position of opposition to any of the subscribers. Under the circumstances you will readily see that the function of an insurance broker representing the individual insured without regard to the rights of interests of all the subscribers introduces an element into an inter-insurance association which is not only contrary to the essence of inter-insurance, but is certain to lead to discord and destructive competition among the subscribers.

Power of Attorney-in-Fact

I refer to this by way of explanation of what at times seems to be arbitrary rulings on the part of the attorney-in-fact as regards forms. Loosely drawn, ambiguous, and from the standpoint of true inter-insurance, dangerous forms have from time to time crept in, but the attorney-in-fact, when these forms are brought to his attention, must see to it that the harmful forms are not continued in use. This condition reached its culminating point several months ago when it was brought to the attention of the attorneys-in-fact of several of the associations that not only did some subscribers have inconsistent and conflicting forms in policies issued by the same association, but that the policies of several associations to which the subscriber belonged were also in hopeless conflict. A number of conferences were held between the various attorneys-in-fact with the view of eliminating as far as possible these inconsistencies and standardizing the forms upon fair and proper underwriting lines. Some of the clauses, which by a gradual growth have found their way into the forms, have been particularly vicious in that upon a strict and technical interpretation in the event of loss it has been found that the individual subscriber or claimant was technically entitled to receive more than it was intended that he should receive, thus placing an unexpected burden upon his co-subscribers and violating the "Moral Obligations" of the claiming subscriber. It would not do under these circumstances to proceed at once to cancel every contract containing the objectionable clauses, because this in turn would work an unnecessary hardship upon a number of innocent subscribers. It was decided, however, to deal with each case individually upon renewal of the contracts with the view to explaining the reasons for the change to each individual subscriber at the time of renewal. This has occasioned in some cases criticism on the part of the individual subscriber who wished to renew his policies, which included such dangerous clauses, because he felt that he was being discriminated against, owing to the fact that other subscribers whose policies were written at a prior date and had not yet expired, contained the clauses which were denied to him. The attorney-in-fact in each case has been careful to explain as regards the outstanding policies still containing the objectionable clauses that steps have been taken to amend and correct the forms upon the expiration of the policies and those that still remain are so few as to be practically negligible.

We must all realize that when we come right down to the final answer in inter-insurance, it is nothing more or less than an association composed of a certain number of individuals, corporations, firms or partnerships that agree to carry their own insurance through a medium or form of exchange of indemnity. When a loss occurs, the loss is paid by the subscribers. It makes no difference whatsoever to the attorney-in-fact whether the loss is ten dollars or one thousand dollars. He has already received his remuneration for services, and only acts as trustee for the funds that are placed in his care. But he has a sacred duty to perform, acting in a fiduciary capacity, and he must operate the association which he represents properly, justly and without partiality.

ROHLFS STARTS AGENCY

Henry W. Rohlfs, formerly with the Nelson & Ward agency in Jersey City, has started an agency of his own and now occupies temporary offices at 89 Montgomery St., Jersey City.

ADEQUATE FACILITIES
ALL LINES

PHILADELPHIA
CLARENCE A. KROUSE & CO.
LOCAL AND GENERAL AGENTS
325 WALNUT STREET PHILADELPHIA, PA.
PENNSYLVANIA NEW JERSEY

SATISFACTION SERVICE
ALL LINES

LOGUE BROS. & CO., Inc.
Fire—Casualty—Automobile Insurance
Nation-Wide Facilities for Handling SURPLUS LINES
307 FOURTH AVENUE PITTSBURGH, PA.

SCHAEFER & SHEVLIN
2 LIBERTY STREET GENERAL AGENTS NEW YORK, N. Y.
Representing
DUBUQUE FIRE AND MARINE INSURANCE CO.
Excellent Facilities for Handling Suburban and Out Of Town Business
Phone: John 2312

Iowa National Fire Insurance Co.
DES MOINES, IOWA Capital Stock $500,000
The latest addition to Reliable Fire Insurance organizations will begin Writing Business on January 1, 1917
JOHN L. BLEAKLY, President
F. L. MINER, Vice-President
C. S. VANCE, Underwriting Manager
FRANK P. FLYNN, Treasurer
C. M. SPENCER, Secretary

INCORPORATED 1794
THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA
308 & 310 WALNUT ST., PHILADELPHIA, PA.
CASH CAPITAL, $1,000,000.00
LIABILITIES, $2,585,923.98 ASSETS, $4,012,344.68
SURPLUS TO POLICY HOLDERS, $1,426,420.70
AGENTS WANTED WHERE NOT REPRESENTED

E. F. FLINDELL
123 WILLIAM STREET Telephone John 2330 NEW YORK CITY
Representing
THE SCOTTISH UNION & NATIONAL
For the United States and Canada
THE YORKSHIRE INSURANCE CO., LTD.
For the United States and Cuba

GENERAL FIRE ASSURANCE CO. OF PARIS
URBAINE FIRE INSURANCE CO. OF PARIS
BRITISH DOMINIONS GENERAL INS. CO., Ltd. OF LONDON
FRED. S. JAMES
GEO. W. BLOSSOM
W. A. BLODGETT
FRED. S. JAMES & CO.
United States Managers
123 WILLIAM STREET, NEW YORK
C. B. G. GAILLARD
Assistant Manager

Text of South Carolina Fire Rating Bill

COMPANIES HAVE STARTED RE-ENTERING COMMONWEALTH

Commissioner Has Power to Refer Any Rate to Commission of Three—Anti-Discrimination

In view of the fact that a new rating law has been signed by the South Carolina governor and that companies are entering the State after the withdrawal some months ago the text of the new rating bill is printed herewith as a matter of general interest to fire insurance men:

Section 1. That the Insurance Commissioner may address inquiries to any individual, association, or bureau which is or has been engaged in making rates or estimates for rates, for fire insurance upon property in this State, in relation to the organization, maintenance or operation, or any other matter connected with its transactions; and may require the filing of schedules, rates, forms, rules, regulations and such other information as may be required, and it shall be the duty of every such individual, association or bureau, or some officer thereof, to promptly make such filing or reply to such inquiries in writing; Provided, however, Surveys and completed schedules may be required only upon specific complaint being registered with the insurance commissioner on specified risks.

Section 2. The Insurance Commissioner shall have power to examine any such rating bureau as often as he deems it expedient to do so, and shall do so not less than once every three years. A report thereof shall be filed in his office. The Insurance Commissioner may waive such examination upon the filing with him of a report of such examination made by some other Insurance Department or proper supervising officers within such three years. A statement with regard to such examination shall be made in the annual report of the Commissioner.

Section 3. No fire insurance company or other insurer against the risks of fire or lightning nor any rating bureau, shall fix or charge any rate for fire insurance upon property in this State which discriminates unfairly between risks in the application of like charges and credits, or which discriminates unfairly between risks of essentially the same hazards, territorial classification, and having substantially the same degree of protection against fire. Provided, however, that upon the filing with the Insurance Commissioner and bureau of an affidavit setting forth the facts as to the completion he (the Insurance Commissioner) shall grant permission to any licensed or authorized company to make a rate competing with any non-licensed or unauthorized company on that specific risk.

Section 4. Every such company or other insurer shall ten days in advance of any variation by it from the bureau rate, file with the Insurance Commissioner and bureau the variation from the bureau rate which shall be uniform throughout the territorial classification, and every company or insurer shall be permitted to make uniform variations from the bureau rate.

Section 5. No insurance company or other insurer or rating bureau shall make any contract or agreement with any other person insured or to be insured that the whole or any part of any insurance shall be written or placed with any particular company, insurer, agent, or group of companies, insurance or agents.

Section 6. Every fire insurance company or other insurer authorized to effect insurance against the risk of loss or damage by fire or lightning, covering property in this State, may individually or in co-operation with other companies maintain or be members of a rating bureau.

Section 7. A rating bureau may consist of one or more insurers, and when consisting of two or more insurers shall admit to membership any fire insurer authorized to do business within the State applying therefor. The expenses of the bureau shall be shared in proportion to the gross premiums received in this State by each member during the current year; to which may be added a reasonable annual fee, which shall not exceed twenty-five ($25.00) dollars.

Section 8. Every fire insurance company, or other insurer aforesaid, shall in its annual application for license specify each rating bureau making rates upon property located within this State of which it is a member; and during the year file written notice of any other rating bureaus of which it shall become a member.

Section 9. Every rating bureau or other insurer engaged in making rates, or estimates for rates, for fire insurance on property in this State shall inspect every risk specifically rated by it upon schedule, and make a written survey of such risk, which shall be filed as a permanent record in the office of such bureau or insurer. A copy of such survey shall be furnished to the owner or his authorized agent upon request; Provided, That a written survey furnished by a rating special agent shall be deemed a sufficient compliance with this section.

Section 10. No fire insurance company or any other insurer and no rating bureau, or any representative of any fire insurance company or other insurer or rating bureau shall enter into or act upon any agreement with regard to the making, fixing or collecting of any rate for fire insurance upon property within this State, except in compliance with this Act.

Section 12. The Insurance Commissioner may, after due notice and hearing, upon complaint or upon his own motion, make an order disapproving any such agreement, or any part of such agreement. No such agreement shall be in force, nor shall any rights be based thereon, after service of a copy of such order upon each of the parties to such agreement and upon each bureau with which such agreement is required to be filed. Service may be made by mail, and shall be completed upon the expiration of a reasonable time for transmission fixed in such order. The action of the Insurance Commissioner in making or refusing to make any such order shall be subject to summary review before a court of competent jurisdiction of this State.

Section 13. The terms of this Act shall not apply to mutual fire insurance companies chartered under the laws of this State and operating on the assessment plan, nor to insurers of property protected in whole or in part by automatic sprinklers and insured in connection with any inspection service, nor to rolling stock of railroad corporations, or property in transit while in the possession of railroad companies or other common carriers, nor to the property of such common carriers used or employed by them in their business of carrying freight, merchandise or passengers.

Section 14. The Insurance Commissioner, upon his own motion, or upon written complaint, shall have the power to refer any rate fixed by any individual, bureau or insurer, to a commission of three provided for in this Act, for the purpose of determining whether or not the same is discriminatory. If the said Commission shall conclude, after careful and diligent inquiry, and a full hearing and investigation, that the same is discriminatory, they shall order the discrimination removed and require the individual rate-maker, bureau or insurer to promulgate a rate which is not discriminatory. In the event of final determination, any overcharge made by an insurer during the pendency of such proceedings shall be immediately refunded to the person entitled thereto. If at any time it shall appear to the Commission herein provided for that rates charged for fire insurance in this State are excessive or unreasonable, in that the results of the business of stock fire insurance companies in this State during the five (5) years next preceding the year in which the investigation is made, as indicated by the official annual statements of the insurance companies made under oath to the Insurance Commissioner, show an aggregate underwriting profit in excess of a reasonable amount, then the said Commission shall have the power to order a general reduction in rates which will reduce the underwriting profit to a reasonable amount. Any reduction ordered by said Commission shall be applied to such class or classes of risks as the companies or rating bureau or bureaus may elect. In determining the question of a reasonable underwriting profit under this Act the Commission, as a protection to policyholders, shall give proper and reasonable consideration to conflagration liabilities both within and without this State. Any action of the said Commission shall be subject to summary review before a court of competent jurisdiction, without prejudice to either party involved.

Section 15. Within ninety (90) days after the approval of this Act the Governor shall appoint three (3) citizens of this State to be known as the South Carolina Insurance Commission. One of the members of said Commission to be recommended by the Insurance Commissioner and one to be recommended by the rating bureau having the largest membership among the companies authorized to transact business in this State at the time the appointment is made. The members first appointed shall serve for terms of one, two and three years, respectively. Their sucessors shall be appointed in the same manner, as the original appointees and shall serve for terms of three years each.

They shall be required to perform the services provided in this Act—members shall be appointed each year for a term of three years and shall be paid their actual expenses while performing the duties required under this Act, and a per diem of five ($5.00) dollars per day, for not more than twenty (20) days in any calendar year, out of the annual department license fees, upon vouchers to which itemized statements shall be attached, rendered to the Comptroller-General who shall thereupon draw his warrant upon the State Treasurer who shall pay the same out of the annual department license fees of the Insurance Department. A chairman and a secretary shall be designated by the Governor, each of whom shall serve as such during his term as a member of the Commission. The Commission shall meet at the call of the chairman, but shall not hold more than six meetings in any calendar year, except when called into extraordinary session by the Governor, who is authorized to call the Commission to meet whenever in his judgment the public good demands such meeting.

Section 16. No fire insurance company or other insurer and no rating bureau shall require any agent or make any agreement with such agent whereby the said agent shall not write insurance in any company not a member of any rating bureau in this State, nor shall any company or companies enter into an agreement to refuse to write insurance through any agent or agents or broker who represents any companies not members of any rating bureau now or hereafter to be established in the State.

Caledonian Insurance Co. of Scotland
FOUNDED 1805
"THE OLDEST SCOTTISH INSURANCE OFFICE"
UNITED STATES HEAD OFFICE
Caledonian Building, 50-52 Pine Street, New York
CHAS. H. POST, U. S. Mgr. R. C. CHRISTOPHER, Asst. U. S. Mgr.
NEW YORK CITY OFFICE
Golden Hill Building, 59 John Street, New York

Prompt Efficient
THE INSURANCE BUREAU
FIRE and AUTOMOBILE
Inspections and Investigations
406 German-American Bank Bldg.
BUFFALO, N. Y.
Confidential Economical

REMITTANCES AND RECEIPTS

	From	To
Aachen, M.	6,022	457
Abeille	....	16,251
Atlas	1,990	131,744
Bulgaria	91,210	....
Balkan	....	3,959
British, Dom.	551,491	....
British, Am.	202,505	....
Caledonian	....	69,814
Century	....	52,000
Com. Union	253,570	289,324
Cologne	82,809	147,085
First, Rus.	....	110,000
Fire, Re.	....	95,000
Frankona	50,000	13,944
Salamandra	....	17,222
Hamburg Ass.	1,155	270,000
Hamburg, Bre.	10,731	11,366
International	3,231	....
Jakor	14,407	....
Minerva	22,622	....
Law, Un. R.	35,286	98,500
London Ass.	....	129,798
Nationale	....	751
Northern, Eng.	72,960	31,540
Norwich Un.	50,000	720
Nord Deutsche	2,708	4,112
Palatine	4,355	37,950
Scottish Un.	....	406,414
South German	....	2,364
State	....	25,522
Svea	....	7,924
Sun	190,862	378,192
Swiss, Re.	10,000	53,899
Skandia	....	44,605
Skandinavia	7,500	....
Union-Phenix	....	24,795
Union, Eng.	11,699	....
Union, Fr.	....	4,872
Urbaine	50,000	32,097
Yorkshire	735	9,844
Moscow	....	114,325
Munich	....	360,375
Lond., L. & G.	160,573	662,080
Lond.-Lanc., L. & G.	835	....
London, Lanc.	61,887	138,312
Phoenix	125,749	101,178
Prussian, N.	5,536	....
Rossia	....	425,225
Royal	70,307	917,624
Royal Exchange	2,966	92,854
Russian, Re.	....	19,871
Patriotic	....	259

HARTFORD'S JERSEY RECORD

The Hartford Fire's premium income in New Jersey last year was $582,176 fire; $33,205 marine. Net losses paid, fire, $228,021; marine, $7,512. The Hartford had $236,674 losses incurred in New Jersey last year.

N. F. P. A'S MEETING

The National Fire Protective Association will meet in New York on March 6 in conjunction with the National Building Exhibit at Grand Central Palace.

HUMBOLDT FIRE INSURANCE CO., Pittsburgh, Pa.
TEUTONIA FIRE INSURANCE, CO., Pittsburgh, Pa.
CAPITAL FIRE INSURANCE CO., Concord, N. H.
NEW YORK STATE DEPARTMENT
PERCY B. DUTTON, Manager, Rochester, N. Y.

WILLIAM C. SCHEIDE & CO., Inc.
HARTFORD, CONN.
Re-Insurance in All Branches

CASUALTY AND SURETY NEWS

John F. Ankenbauer on Inter-Insurers

SAYS MANY ARE ENGAGED IN BUSINESS FOR PROFIT

Quotes American Bankers' Association as Saying It's Dangerous Type of Underwriting

John F. Ankenbauer, secretary of the Fire Underwriters' Club, of Cincinnati, addressed the Insurance Club of Chicago Tuesday evening on "Inter-insurance and Insurance Exchanges." Mr. Ankenbauer is the author of a widely circulated pamphlet on the subject, copies of which were distributed to those present after the meeting. He made a vigorous attack on the inter-insurance idea in general and on numerous individual concerns in particular. He called attention to the unusually broad and far-reaching powers carried in the power-of-attorney of the managers of inter-insurance concerns. He also emphasized the point that corporations cannot legally become members of inter-insurance concerns unless their charters specifically authorize them to engage in the insurance business, and that contracts can be and have been repudiated on this point. He also charged that many of these concerns are not simply exchanging indemnity for their members, but are really engaged in the business of insurance for profit, and so should be subject to the same laws that are imposed upon ordinary insurance companies.

Re-Insurance Tendencies

Mr. Ankenbauer also showed the dangers arising from the growing tendency of inter-insurance concerns to reinsure one another, so that members of one concern in a non-hazardous line, supposing that they were assuming only the risks of their industry, might find that they were liable for losses on much more hazardous risks taken through reinsurance. Mr. Ankenbauer claimed that inter-insurance concerns were being rapidly multiplied and entering more hazardous lines of business, with incompetent management. He also cited numerous legal decisions to uphold his criticisms of various features of the inter-insurance business.

Mr. Ankenbauer called attention to the statement of President Sands, of the American National Bank of Richmond, Va., who is chairman of the insurance committee of the American Bankers' Association. In reply to a query from a member bank as to the reliability and responsibility of inter-insurance associations in the handling of liability insurance, Mr. Sands said: "We regard mutual or inter-alliance underwriting or liability insurance as more dangerous than any form of underwriting. The liability of the employer is rarely immediately determined and often-times the injured man sues, and the final determination of the case may be many years after the cause of action arose."

Equal Shareholders

The speaker called attention to the fact that there is a decided difference in the operations of some of the exchanges in the matter of distribution of profits. In the New York Reciprocal Underwriters, he understood, the subscriber becomes an equal shareholder, and no matter whether the premium paid in be great or small he receives the same dividend and assumes the same responsibility. In the Individual Underwriters of New York the subscriber must make a deposit in cash of either $500, $1,000, $1,500 or $2,000, and agrees to assume on each and every risk an amount equal to his deposit. In the North American Inter-Insurers of New York, the liability assumed by subscribers ranges from $5,000 to $40,000 on each and every risk.

WINS SUIT FOR $29,299

The United States Fidelity and Guaranty Company obtained a verdict for $29,299.42 against the American Bonding Company in an action before Judge Stanton, in Part 2 of the Superior Court, Baltimore, of its suit on a reinsurance bond. The bond was executed October 12, 1905, and was for one-eighth of the liabilities which the Fidelity and Guaranty Company might be called upon to pay under a bond for $800,000 for indemnifying the State of Pennsylvania against loss caused by the Enterprise National Bank of Allegheny, a State depository.

The bank went into the hands of receivers and the United States Fidelity and Guaranty Company was called upon to pay more than $200,000.

U. S. CASUALTY CLAIM BRANCHES

The United States Casualty has opened two compensation claim offices in addition to those which have previously existed. One is at Dallas, Texas, which was made necessary by the reinsuring of the compensation business of the Casualty Company of America in that State. The United States has not previously written compensation in Texas. The other is at Los Angeles which was put down because of the demands of the Los Angeles business and which will be operated separately from the San Francisco claim office.

AVERAGE CLAIM COST $19.95

The Federal, of Detroit, had a premium income last year of $377,464, an increase of $40,857 over 1915. During 1916, 8,937 notices of disability were received and 7,959 claims paid.

The actual amount of money paid out in claims was $158,851.26, giving us a loss ratio of 42 per cent., 19.9 per cent. being for illness and 22.1 per cent. being for accidents, including specific losses. The average cost per claim was $19.95.

FRED A. JENKS RESIGNS

Fred A. Jenks, assistant manager of the home office liability department of the Massachusetts Bonding, has resigned as of March 1. He has not yet announced his future plans.

CONTINENTAL'S GROUP DEPT.

The Continental Casualty of Chicago has established a group insurance department at the home office. John T. Wagner has been made manager. This department was established to handle the several railroad and other large group policies which the Continental carries.

General Accident
FIRE AND LIFE
ASSURANCE CORPORATION, Ltd.
SERVICE THAT EXCELS
FREDERICK RICHARDSON, United States Manager
GENERAL BUILDING · 4TH & WALNUT STS.
PHILADELPHIA

Wants 10% Limit on Compensation Premiums

PHILLIPS TALKS OF COMPENSATION ACQUISITION COST

Superintendent's Report to Legislature —Says Compensation Rates Need Revision Upward

Superintendent Phillips in his report to the Legislature takes a pronounced stand in favor of a general revision of the rates for workmen's compensation insurance, pointing out that experience has demonstrated that the present rates will prove inadequate. In this connection, however, he takes pains to point out that, in his opinion, the function of the State should be limited to prescribing minimum rates which shall be adequate, and states particularly that it is the policy of the State of New York to leave the rate-making function to private enterprise, subject to official supervision.

Expenses

The report also takes up the subject of expenses in connection with workmen's compensation insurance, and it is stated that the acquisition cost under present conditions constitutes too large a proportion of the entire expenses incurred in furnishing this class of insurance, for the reason that in this State such insurance is compulsory upon employers. Mr. Phillips says, "I believe there should be a limitation of acquisition expense to ten per cent. of the premiums," the same to be brought about by adoption of a schedule of remuneration enabling producers of small units of business to obtain for their services a rate higher than the proposed average, there being at the same time a reduction in commission paid upon larger units.

Upon the subject of fraternal insurance, it is pointed out that of 55 assessment fraternal beneficiary societies reporting to the New York Insurance Department, a valuation report of their outstanding obligations as of December 31, 1915, shows only 14 which have a ratio of assets to liabilities equal to or in excess of one hundred per cent., or, in other words, which show themselves to be actuarially solvent.

COMMON LAW WIFE UPHELD

N. Y. Court of Appeals Decision on Suit Under Workmen's Compensation Act

Common law marriages, thousands of which have been contracted in this State since 1907, when the statutory prohibition against them was erased from the domestic relations law, were validated by a decision of the Court of Appeals this week. This sanction of unions entered into without formal ceremony arose from a workmen's compensation case in which $6.92 a week was awarded a widow for the maintenance of herself and her children.

The insurance carrier objected to the award on the ground that the woman, Anna Zeigler, was the common law wife of John Zeigler, for whose death the compensation was awarded. The Court of Appeals sustained the award, at the same time giving its verdict upon common law marriages.

STATE BANK GUARANTY

The recent failure of three small Seattle banks with losses to private depositors has resulted in the introduction of three bank deposit guaranty measures in the Washington Legislature. S. B. 217 and H. B. 248 are companion measures, which provide for a $2,500,000 State bank guaranty fund through a 2 per cent. annual assessment on the average deposits of the State banks. The third measure, H. B. 239, proposes a less ambitious plan in that the guaranty fund would be but $500,000, created by an initial assessment of one-half of one per cent. and thereafter an annual assessment of one-twentieth of one per cent. on the average deposits of the banks. Provision is also proposed for admitting national banks to the plan. Bankers throughout the State are said to favor the plan as a means of maintaining the confidence of depositors in their banks.

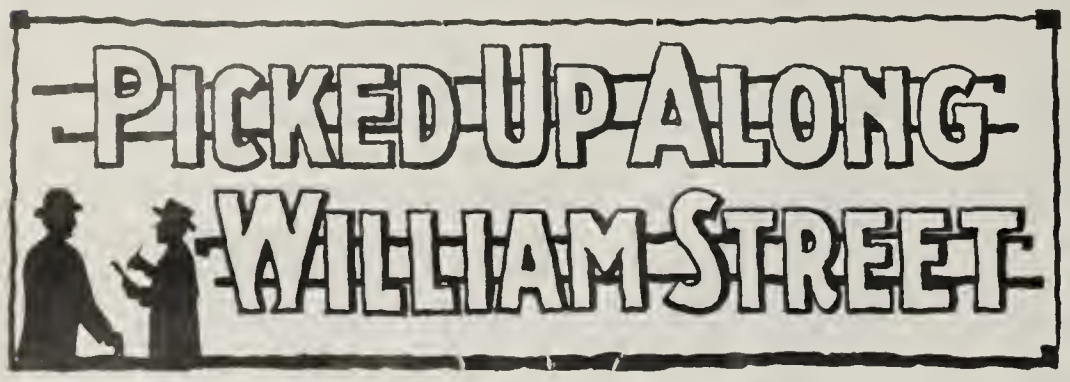
POLITICIANS SEEK CONTROL

In a circular combatting the report of the special committee of the General Court recommending a monopolistic form of compensation insurance which is being mailed throughout Massachusetts, the charge is made that the object of the advocates of the plan is to place the compensation system under the domination of politicians. In support of the charge the fact is cited that as now drawn the bill provides for the appointment of the majority of the board to have control of the scheme by the governor instead of leaving their selection to the employers who are to foot the bill.

New Name; $10,000,000 Capital

The Connecticut House has concurred with the Senate in the passage of a bill authorizing the Aetna Accident and Liability Company to increase its capital to upward of $10,000,000 and to change its name to the Aetna Casualty Company.

New Amsterdam Casualty Company
A Progressive
SURETY AND CASUALTY
Company



Mitchell on Salaries

H. C. Mitchell, manager of the Commercial Casualty, at the testimonial dinner recently given to him, made these comments on salaries:

"There is one thing that I want to caution all of you against. Probably some years ago you figured in your own mind that if you were getting two, three five or six thousand dollars a year you would be satisfied for the rest of your life. I want every man here to eliminate that thought from his mind. By that I do not want to convey the idea that I want you to be dissatisfied with your salaries, but a man who is perfectly satisfied in business is a man without ambition, and we do not want any man without ambition in this Company. The minute he reaches that point he becomes so much deadwood and it is only a question of time before he must be eliminated."

* * *

The High Cost of Eating

"Does the high cost of living constitute a new feature in accident underwriting"? asks the National Casualty Company's "Agency Record." That question is worrying more than one department head whose duty it is to play the part of lookout for rocks and shoals, and in the matter of high cost of living, we must confess that every little while some suspicious circumstance arises to set our doubts to work again. Take in illustration the case of the man in Michigan who was eating fish. Everybody who knows anything about fish will promptly admit that the best fish in the world come from Michigan. Every speck of meat should be eaten, but what of the bones? The idea of buying less fish and eating the bones is apparently the new thought to offset part of the high cost. The bones are tender, but not well trained as yet, so, of course, the Michigan man's friend led him to the doctor and explained where to search for the bone.

* * *

Double Indemnity Questions

An agent of the Equitable Life Assurance Society recently asked the Society the following question:

Does the new Double Indemnity Travel clause cover jitneys, motor boats, teams, or other conveyances for which a fare or hire is paid? If not, why not, and how can such coverage be procured?

The answer of the Society follows:

No. How much does a prospect expect for a premium of 10 or 15 cents? Have applicant apply for the full Double Indemnity clause if he wants protection against accidents in general.

Another Equitable Double Indemnity question and answer follow:

Question. How does the new Disability and Double Indemnity Feature operate when added to a policy payable in a fixed number of installments?

Answer. The Society will pay in case of death from accident double the amount of the instalment that would otherwise be payable, and in case of total and permanent disability will pay during each year of disability, one-tenth of the commuted value of the instalments.

* * *

A. L. Dietrich, assistant manager of the New York office of the Fidelity & Deposit, is in Baltimore this week.

Success in Monthly Pay Field



T. B. A. HOPPE

Theodore B. A. Hoppe, manager of the New York Downtown Branch of the Continental Casualty Co. at 277 Broadway, New York City, has built up a personal, office, monthly pay business in the casualty line that has attracted wide attention among accident men. His record has been made in a short time, and is said to be the largest of the kind.

Mr. Hoppe, who is twenty-nine years old, entered the Continental as a clerk eleven years ago. He was made manager of the cashier's department and when the general agency innovation was put into operation he was chosen to manage the New York Downtown Branch. Part of his success is due to his system of keeping records, but he has shown persistency, insight and intelligence which with his training has enabled him to score a success in a field where these qualities count for much.

* * *

Insufficient Evidence of Burglary

Although it is not necessary to establish the corpus delicti by direct testimony in an action on a burglary insurance policy, it is essential to show some facts from which the inference of a loss by burglary reasonably and naturally follows. No presumption in the plaintiff's favor will arise from the failure of the defendant to introduce evidence on the question, although it has made an investigation. Where the plaintiff was insured against burglary, theft or larceny, and based his entire case on the claim of burglary, the Kentucky Court of Appeals held, National Surety Co. v. Redmon, 190 S. W. 1081, that evidence of marks on a window screen and footprints on the roof, discovered three weeks after the loss, was insufficient to take the case to the jury, and ordered a verdict to be directed in favor of the defendant.

* * *

"Work of Any Kind"

Under an accident policy providing for weekly payments so long as the insured was unable to do "work of any kind," the Mississippi Supreme Court holds, Life & Casualty Ins. Co. of Tennessee v. Jones, 73 So., 566, that the liability did not continue as long as he was unable to do his usual and ordinary work. It ceased when the insured became able to do any work to which he was fitted, though it was light. The burden was on him to show that he was unable to do any work at all of which he was capable.

* * *

Carried By Travelers

The Travelers carries the compensation insurance of the Metropolitan Life agency force.

* * *

Works Ranches and Lumber Mills

Don T. McNaughton, leading producer of the Federal Casualty of Detroit, and winner of the automobile offered for the best production, spends little time in working the cities, most of his canvassing being among the owners and employes of California ranches and lumber mills. Mr. McNaughton has been active as a health and accident solicitor for many years, a fair part of the time with the Federal, and has made lots of money in the game. He will not place a policy unless he gets a five dollar policy fee in addition to the first premium and, as is well known, it takes a high class salesman to do that.

L. H. Knick, of Illinois, who won a $50 prize, was a worker in a tin plate mill before joining the Federal.

GETS MORE SPACE

The growth of the accident department of the Columbian National Life requires larger office space and the street floor of its Home Office building in Boston is now being equipped to give greater facilities to this branch of the Company's activities.

MERGER EFFECTIVE

The consolidation of the Chicago Bonding and Surety and the Prudential Casualty Company has been consummated. The companies will operate as the Chicago Bonding and Insurance Company. Congressman Sabath will be president of the new company.

WORTH KNOWING

Suppose that you are insured in the United Life and Accident Insurance Company of New Hampshire for $5,000 under the Company's Triple Indemnity Plan, what does your Policy guarantee to do?

ANSWER:

FIRST, it guarantees that in case of death from any cause, $5,000, the face of the Policy, will be paid.

SECOND, that in case of death from any ACCIDENT, $10,000, or DOUBLE the face of the Policy, will be paid.

THIRD, that in case of death from certain SPECIFIED accident, $15,000, or THREE TIMES the face of the Policy, will be paid.

BUT THIS IS NOT ALL. The Accident Disability Endorsement **FURTHER** guarantees that in case of total disability as a result of accidental injury, the Company will pay direct to YOU at the rate of $50 PER WEEK during such disability, but not to exceed 52 weeks, after which the weekly indemnity will be at the rate of $25 PER WEEK throughout the period of disability. **Can insurance do MORE? And why** should any man be satisfied with a policy that would do less? The cost is low.

Agents wanted in Maine, New Hampshire, Vermont. Connecticut, Pennsylvania, North Carolina, South Carolina, Tennessee, Georgia, Delaware, Maryland, Mississippi, Kansas, Missouri. An opportunity for Life Insurance Salesmen of ability. Address:

United Life and Accident Insurance Co.

Home Office, United Life Building - Concord, New Hampshire

HEALTH INSURANCE UNFAIRNESS

How Measure Affects Men Working for Wages and Those Owning Their Shops

The discrimination feature of health insurance is illustrated by the Federal Casualty Company as follows:

"Such a law would unjustly discriminate; it would draw heavily from the farmer in tax but exclude him from benefit; it makes no distinction between the physically sound and the crippled, maimed, physically weak, chronically afflicted, inebriate or venereally diseased, or those whose age would insure more frequent and more protracted illness and would cause the employer to set up physical standards as yet undreamed of, and create a very large number of castoffs who virtually become wage-earning derelicts, but no provision is made for their support.

"As a further illustration of its discrimination take for example (A) Tinsmith, working for wages, earning $95 per month, married, with three children. Benefits under proposed law, two-thirds wages, medical treatment for self and family, maternity benefit, funeral benefit. (B) Tinsmith, owning own shop, self employed, earning $105 per month, married, three children. Benefits none, yet he must contribute his pro-rata for it. (C) A barber employed in shop, married and with wife and two children, wages less than $100 a month, comes automatically under the law for full benefits for self and family, without qualifying in any manner, and his pro-rata is 40 per cent. of the cost or $9.60 a year. (D) A barber working for himself, unmarried, no dependents, must make application, pass rigid life insurance examination, and then if admitted, pay $19.20 per year. D therefore pays twice as much as C, although he receives only two-thirds the benefit. In addition he is taxed because of the State contributing to C. (E) Rolling mill employe, age 25, unmarried, no dependents, wages $150 per month, would draw $100 per month plus medical benefits. (F) Bookkeeper, age 45, wife and four children, wages $110 per month, would draw nothing but a tax to help provide for E."

HAS 42 CLAIM DIVISIONS

Maryland Casualty's Newest Branch Will Be Located in Allentown, Pennsylvania

In the claim division of the Maryland Casualty Company three additional branches have been opened: namely, at Wilkes-Barre, Pennsylvania; Knoxville, Tennessee; and Elmira, New York. The Pennsylvania business has increased so greatly that it is now necessary to locate one more branch claim division in that State, which will shortly be opened at Allentown.

The total number of branch claim divisions is thus brought up to forty-two.

HOTCHKISS PAPER MARCH 20

William H. Hotchkiss, former insurance commissioner of New York State, has postponed the address which he was scheduled to deliver to the Insurance Society of New York on March 20. George Richards will read a paper on March 27 on the "Fundamentals in the Law of Insurance and Why Adopted."

Richards in Florida

D. M. Richards, of Lucas-Dake Co., Rochester, was in New York on Monday and with Mrs. Richards sailed on Tuesday for Florida where he will spend a month.

William H. Conroy, resident vice-president of the Massachusetts Bonding, returned yesterday from a month's trip in the South. He enjoyed the links at Pinehurst almost as much as those of the Apawamis Club, of New York.

CASUALTY AND SURETY POINTERS

How Broker Can Help in Claim Adjustments

There have been occasions, which fortunately are becoming less numerous, of serious disagreements between brokers and the claim departments of insurance companies, concerning the adjustment of claims. Such misunderstandings should not occur, and with a better conception of the rights of a policyholder under his contract of insurance, they will not occur.

The broker can be of considerable assistance in this matter. He is the salesman. As a salesman he should be particular to understand his goods, to understand the needs of his customers, and above all, to sell them just what they need.

Applying this to casualty insurance, the broker should take pains to thoroughly acquaint himself with the principal terms of the policies. By so doing he may avoid the necessity of explaining to his clients how it was he failed to furnish them with proper coverage.

For instance, the contractor engaged in construction or other work which may result in personal injury to people other than employes, should have a public as well as an employer's liability policy. But it frequently happens that he lacks one or the other.

The broker must understand the needs of his customers. Suggestive salesmanship is an art practiced in many lines. The customer does not always ask for what he needs. The easiest way perhaps is to sell him what he asks for. But the difficulty is, when he wakes up, you may lose him.

An instance in point. A gentleman past middle age bought an automobile for his own use and the use of his family. He did not purpose to drive it himself, but from the time of its purchase it was driven by his son, as the father never obtained a driver's license. The son had the father's free permission to use the automobile at any time he saw fit. The son, while using the machine for his own purposes, ran down and killed a pedestrian. For several years the father had carried liability insurance in his own name, but had never obtained extra coverage in the name of his son. The son was solely responsible for the accident, and was without insurance protection. If the broker had obtained a more intimate working knowledge of the need of his client, the loss would have been averted. The cost of extra coverage is very slight, and it should be obtained for every person who might use an automobile under such circumstances. Sell the customer what he needs.

In addition to being a good salesman, the broker can sometimes assist directly in the adjustment of claims. There are two classes of claims handled by casualty companies:

1. Claims made by the assured personally under the policy.

2. Claims made by a third person against the assured, whose liability is covered by a policy of indemnity.

With the second class the broker has very little to do, and only in isolated cases can he be of assistance in forwarding adjustment.

If an assured has met with a loss he desires a quick and reasonable adjustment. This service he can have. The broker, being in more intimate touch with the assured, can always assist by disabusing his mind of a few popular fallacies concerning insurance companies. One is that it is advisable to scale up a claim in order to leave room for compromise. Another is that it is necessary to disclaim all responsibility for an accident in order to secure adjustment. That a claim should be presented in round figures, and never itemized. That a collision should involve a general overhauling of an automobile. That personal influence should be exerted to effect a settlement. That a property damage certificate covers claims for loss of use of the car of a third person damaged in a collision; that an accident is too trivial to report; that assured was so sure that he was not to blame he did not think it was necessary to secure witnesses, and many others.

The first two fallacies mentioned are important. They go to the heart of the insurance relationship. The contract is one of indemnity. The insurance company desires to know the exact truth in every case, and the honest claim which is promptly presented with full and complete details is the first to be honored. If payment of such a claim is unreasonably delayed the broker has just cause for complaint and should not hesitate to make inquiry.

The adjuster is the representative of the company, to deliver the goods which the broker sold. The company is the trustee of a fund accumulated to indemnify its policyholders for actual loss. It is duty bound to protect that fund from unjust, unreasonable and unlawful claims. In the performance of this duty it counts upon the hearty co-operation of the broker when the occasion demands it.—W. E. Holmwood, in "Candor," published by Commercial Casualty.

* * *

Keep Posted on Health Insurance

The National Casualty Company makes a strong argument to agents that they become posted regarding the health insurance propaganda and its developments. It says:

Suppose somebody should introduce a bill in your State, and you being the foremost health insurance man in your community, were asked to explain to your townsmen or your legislative representative why it would be a bad thing for your State. Could you do it intelligently? Could you take the bill and go through it by sections and deal with it as it deserves? We don't think you could, unless you have studied the various disadvantages and handicaps and heavy expenses of any such scheme, and not more than one in a hundred has made such a study. That shows the inconsistency of human nature.

You are vitally interested. There is only one bill—it was prepared by the American Association for Labor Legislation, and their sentimental and socialistic arguments are being swallowed by sociological reformers everywhere, and someone in every State seems willing to push the bill. We have made a thorough digest of it from almost every angle, and have prepared statements, conveniently put up in pamphlet form for distribution. Why don't you get wise?

ELECT NEW DIRECTORS

At the annual meeting of the Hartford Accident & Indemnity Company Samuel Ferguson and Philip B. Gale were chosen directors. The officers and directors of the Hartford Accident & Indemnity were all re-elected. The directors are Charles E. Chase, chairman; Theodore Lyman, George Roberts, William C. Skinner, Meigs H. Whaples, R. M. Bissell, Henry S. Robinson, Walter L. Goodwin, Norman R. Moray, Samuel Ferguson, Philip B. Gale. The executive officers are: President, R. M. Bissell; vice-president and general manager, Norman R. Moray; secretary, James L. D. Kearney; assistant secretaries, W. G. Falconer, J. Collins Lee; recording secretary and treasurer, D. J. Glazier; comptroller, R. C. L. Hamilton.

W. E. SMALL, President PETER EPES, Agency Mgr. E. P. AMERINE, Secretary

ACCIDENT and HEALTH
PLATE GLASS
BURGLARY

Georgia Casualty Company

LIABILITY
COMPENSATION
AUTOMOBILE



A Company Devoted to Service

A Company looking to the interests of its Representative

Home Office: Macon, Georgia
Surplus and Reserves over $1,400,000.

The METROPOLITAN CASUALTY
INSURANCE CO. OF NEW YORK
HOME OFFICE, 47 CEDAR STREET
CHARTERED 1874
Plate Glass, Burglary, Accident and Health Insurance
EUGENE H. WINSLOW, President
Russell R. Cornell, Vice-Pres. S. Wm. Burton, Sec. Alonzo G. Brooks, Ass't Sec.
RELIABLE AND ENERGETIC AGENTS WANTED

The Fidelity and Casualty Company of New York
92 LIBERTY STREET, NEW YORK, N. Y.
Metropolitan Office—92 William Street
Annual Statement, December 31, 1916

Assets	$13,788,795.23
Liabilities	9,708,052.97
Capital	1,000,000.00
Surplus over all liabilities	3,080,742.26
Losses paid to December 31, 1916	56,090,684.58

This Company issues contracts as follows: Fidelity Bonds; Surety Bonds; Accident, Health, and Disability Insurance; Burglary, Larceny, and Theft Insurance; Plate Glass Insurance, Liability Insurance—Employers, Public, Teams (Personal Injury and Property Damage), Automobile (Personal Injury, Property Damage and Collision), Physicians, Druggists, Owners and Landlords, Elevator, Workmen's Compensation—Steam Boiler Insurance; Fly-Wheel Insurance.

THE SIGN OF GOOD CASUALTY INSURANCE
HEAD OFFICE
CHICAGO
F. W. LAWSON
General Manager
Liability, Accident, Burglary, Boiler and Credit Insurance



Established 1869.

F. J. WALTERS
Resident Manager
55 JOHN STREET
New York

Elmer A. Lord & Co.
145 Milk St., Boston
Resident Managers New England

London Guarantee & Accident Co., Ltd.
OF LONDON, ENGLAND

YOUTH, CARRYING $5,000, DIES

Letter From Father to Pacific Mutual Shows the Uncertainties of Life

George G. Nichols, a youth, son of Perry Nichols, of Nichols Sanatorium, Savannah, Mo., died a few weeks after taking out a $5,000 policy. His father wrote a letter to the company:

"I must say that I appreciate the manner in which you handled the life insurance of George Dunning Nichols, whom you will remember took out $5,000 life insurance with you with the distinct understanding that I, his father, should know nothing of it. This he did, apparently in the prime of life and health, as a precaution and a token of good will. Within sixty days of this date, without a suspicion of the end of life, and within six hours after the first notice, life ceased to be; which is a lesson that, after all, no one knows when the end will come.

"The matter of insurance is, of course, only a secondary affair in consideration of the real loss; but that this secondary help is available and without question and will very greatly assist in the protection of the young or the aged or those dependent, is a satisfaction to know, and everybody ought to know it."

Warning for Automobilists

The Travelers has issued for the public a circular, headed "Warning to Automobilists," and reading in part as follows:

"Don't run your engine in the garage with the door and windows closed.

"It is death to do this.

"Exhaust gases from gasoline engines contain carbon monoxide in dangerous quantity.

"One-fifth of one per cent. carbon monoxide in the air will produce fatal results.

"Not one person in one hundred knows the danger.

"Spread this warning for the saving of human life."

FORMER BOND MEN IN JAIL

David Rothensies, of Delhi, N. Y., and Frederick G. Anderson, of Baltimore, after a four-year fight to keep out of jail following the collapse of the Reading Insurance and Bonding Companies, involving $700,000, are now in jail, having surrendered.

The Supreme Court recently refused the defendants new trials. Both were out on bail. Rothensies must serve two years and Anderson 18 months, and each to pay $500 fine.

The Columbian National Life Insurance Company
BOSTON, MASSACHUSETTS

ARTHUR E. CHILDS, President

The Agents' Winning Combination

LIFE—ACCIDENT AND HEALTH—INSURANCE

Covering Permanent and Total Disability, and Weekly Indemnity for loss of time

The Policyholders' Winning Combination

Guaranteed Cost and Good Service

FOR AGENCIES AND SPECIMEN POLICIES, ADDRESS THE COMPANY

Great Southern Life Insurance Company
HOUSTON, TEXAS.



For Agency Contracts address

O. S. CARLTON

PRESIDENT

THE AVERAGE EARNINGS OF THE AGENTS OF THE

Standard Life Insurance Company
∴ ∴ OF PITTSBURGH ∴ ∴

are higher this year than ever before. Our attractive Accident and Health Policies have helped them to make more money.

Write for a LIFE, ACCIDENT AND HEALTH Contract to

FRANK A. WESLEY

Vice-President and Director of Agencies

ONE OF THE BEST FORMS OF INSURANCE EVER DEVISED IS THE

Equitable's Life Income Policy
EMBODYING A

NEW DISABILITY CLAUSE

Under this latest form, if the Insured becomes totally and permanently disabled he receives an income for life, without reducing the income payable to the Beneficiary after his death, any sums thus paid to him being in addition to and not in place of the income the Beneficiary will subsequently receive. It is a form that may fairly be said to sell itself. Those seeking the latest and best in life insurance will do well to :: :: investigate. :: ::

THE EQUITABLE
LIFE ASSURANCE SOCIETY OF THE U. S.

120 BROADWAY, NEW YORK

Minneapolis Fire & Marine Insurance Co.
of Minneapolis

ASSETS - -	$784,979.27
LIABILITIES - -	538,843.30
NET SURPLUS -	246,135.97

AN EIGHT YEAR RECORD

CAPITAL	Established 1902	NET SURPLUS
$200,000	1908	$80,419
$200,000	1909	$107,942
$200,000	1910	$153,580
$200,000	1911	$172,981
$200,000	1912	$200,570
$200,000	1913	$228,203
$200,000	1914	$241,422
$200,000	1915	$246,135

Comparative Growth

	Increase In Assets	Increase In Reserve
1913 -	$88,052	$61,854
1914 -	98,979	67,229
1915 -	109,855	83,163

FRED C. VAN DUZEN, President ALFRED STINSON, Secretary

San Francisco Losses Amounting to $4,522,905.00 paid PROMPTLY IN CASH WITHOUT DISCOUNT, from funds largely supplied by head office in Liverpool

Liverpool AND London AND Globe Insurance Co. LIMITED

Over $152,000,000.00
Losses Paid in the United States

HENRY W. EATON, Manager
G. W. HOYT, Deputy Manager
HUGH R. LOUDON, Assoc. Deputy Mgr.
J. B. KREMER, Asst. Deputy Manager
T. A. WEED, Agency Superintendent

U. S. Cash Assets, Dec. 31, 1916	$15,827,439.35
Surplus, - - - - -	5,460,745.59
Losses Paid by Chicago Fire, 1871	3,239,491.00
Losses Paid by Boston Fire, 1872	1,427,290.00
Losses Paid by Baltimore Fire, 1904	1,051,543.00

NEW YORK OFFICE
80 William Street

368.05
EA
Com R.B.

THE EASTERN UNDERWRITER

[Succeeding the Journal of Insurance Economics, Established in 1899]

A WEEKLY NEWSPAPER COVERING ALL BRANCHES OF INSURANCE

Eighteenth Year; No. 10 | NEW YORK CITY, FRIDAY, MARCH 9, 1917 | $3.00 a Year; 15c. per Copy

HOW NEW FORM OF STANDARD POLICY DIFFERS FROM OLD

David Rumsey Points Out Important Changes; Bill Introduced in New York Legislature

MORE CONVENIENT FOR ASSURED

Greater Liberality in Treatment of Warranties and Conditions—Mortgagee's Interests Outlined

A bill incorporating the new standard form of fire insurance policy, adopted at the convention of insurance commissioners in New York on December 12, 1916, has been introduced in the New York Legislature, as an Insurance Department measure. The Eastern Underwriter asked David Rumsey, vice-president and counsel of the Continental, to point out the more important differences between the present New York standard form of fire insurance policy and the form adopted in December, and just introduced in the Legislature. At the request of the New York Insurance Department Mr. Rumsey and C F. Shallcross, manager of the Royal, advised with the insurance commissioners in the preparation of the new form, later acting as a sub-committee of the National Board's committee on laws and legislation.

Mr. Rumsey's diagnosis of the difference in the forms follows:

1. Convenience for the Insured

The present standard form is so long and so lacking in arrangement that the assured is required to read practically the entire policy whenever he desires to ascertain any of his rights or obligations. In revising the policy, every effort was made to shorten it. It was found, however, to be utterly impracticable to make the policy appreciably shorter without sacrificing either the substantive rights of the parties or their clear expression. The New York standard policy contains 2,441 words while the new policy contains 2,063 words, a shortening to the extent of 378 words.

The present condition of the law in reference to insurance of mortgagee interests was found to require additional provisions in the new policy not contained in the present standard form. Thus, the part of the new policy devoted to a definition of the rights and obligations of mortgagees contains 189 words, whereas the old policy provision comprised only 73 words, so that aside from the mortgagee interest clauses the new policy has been shortened to

(Continued on page 16)

DIRECTORY OF DEPARTMENTS

Life 1
Editorial 10
Fire 11
Casualty 17

1863 THE 1917

FIREMAN'S FUND

INSURANCE COMPANY OF SAN FRANCISCO

(CALIFORNIA STANDARD)

Assets	$13,445,953.99
Liabilities	9,769,761.49
Premium Income	10,029,340.75
Reserve Fund	6,793,738.71
Surplus Fund	3,676,192.50
Paid-up Capital	1,500,000.00

Policyholders' Surplus - $5,176,192.50

COMPARATIVE CONDITION

January 1st	Assets	Reserve	Net Surplus
1880	$ 741,487.72	$ 244,603.64	$ 153,172.13
1890	2,431,717.79	797,618.97	484,438.25
1900	3,884,381.08	1,316,823.19	1,312,720.64
1910	7,431,401.75	3,180,066.25	2,014,856.91
1915	10,175,434.49	5,244,797.20	2,275,058.51
1916	11,326,205.60	5,661,581.73	2,664,704.18
1917	13,445,953.99	6,155,238.71	3,676,192.50

EASTERN DEPARTMENT

A. K. SIMPSON, Manager J. W. LITTLE, Asst. Manager
Mason Building, Boston, Massachusetts

FIELD REPRESENTATIVES

NEW ENGLAND.—A. M. WOOD, General Agent
HENDERSON KELLOGG, Special Agent

NEW YORK STATE.—CHARLES E. DOSSER, State Agent
L. LESTER WEBSTER, Special Agent

MIDDLE DEPARTMENT.—JOHN Y. SHEEHY, General Agent
L. M. KENNEY, N. H. TROUT } Special Agents

AUTOMOBILE DEPARTMENT.—J. R. BEARDSLEY, Special Agent

FLOOD OF COMPULSORY INVESTMENT MEASURES

Bills Introduced in Seven Different States a Record for This Type of Legislation

BANKERS OPPOSE MISSOURI BILL

North Dakota Legislature Adjourns—Unfavorable Action By Arkansas Legislature—Situation Elsewhere

At least seven bills of a compulsory investment nature have been introduced in the various legislatures, which is said to be a record for attempts at such legislation. One State in which the advocates of compulsory investment are unusually active is Missouri, where there is a bill calling for 75 per cent. of the reserves of the life insurance companies to be invested in that State. An interesting phase of the Missouri public opinion on the subject of compulsory investment is shown in the opposition of the leading bankers of St. Louis and Kansas City, who have gone on record against the bill.

Situation in a Nutshell

A brief summary of the compulsory investment situation in other States follows:

In North Dakota. House Bill. It did not go through the House and the Legislature has adjourned.

Nebraska. Bill pending for at least a month and has made no progress to date.

Minnesota. A bill was introduced about two weeks ago.

Arkansas. Action of the committee was unfavorable to the bill by unanimous vote.

New Mexico. Has not made any progress as yet.

Oklahoma. Still pending, but has not been reported by the committee.

Disability in Wisconsin

The Chappel bill, permitting the writing of disability insurance, was reported out of both Houses in Wisconsin and was ready for vote this week. It has the endorsement of the Insurance Commissioner. If this bill passes the Commissioner has ruled that double indemnity will not be permitted unless the company writing same has charter right to do an accident business and is duly licensed to do such accident business in its home State. The New York Life and some other companies have such a charter right.

Massachusetts Annuity Bill

In the Massachusetts Legislature this week, Representative J. Weston Allen asked permission of the rules committee to introduce a bill invoking the aid of the State for the flotation of a plan for selling annuities at a moderate rate. It provides a schedule of annuitics for old age. An interesting feature is that the "Boston Transcript," one of the most conservative papers in the country, printed a column editorial practically endorsing the bill.

ADDRESSES BROOKLYN BROKERS

Elias Klein, of Jos. D. Bookstaver General Agency of Travelers, Tells of Opportunity in Life Insurance

At the meeting of the Brooklyn Brokers' Association last night, Elias Klein, assistant to Jos. D. Bookstaver, general agent of the Travelers, spoke on life insurance from the broker's standpoint. His subject was "The Evolution of Life Insurance and its Scientific Application."

Describing the field which is open to the broker in soliciting life insurance, he said in part:

"Statistics show that as a class the average merchant with an income over $10,000 is under-insured, whereas the so-called laboring class is as a rule insured to the maximum of their paying capacity. For instance, we have on one hand a professional man with an income of $10,000 carrying $5,000 life insurance on the ten-year endowment plan. On the other hand we have a working man earning $1,000 a year loaded up with $4,000 on the ordinary plan.

"The business man is under-insured. He does not carry the proper form. This condition could be remedied without incurring any additional expense on the part of the policyholder. A $5,000 ten-year endowment policy costs him about $450. For approximately the same premium, that man could carry $22,000 on the ordinary life plan. If he carried $5,000, costing him about $105, and invested the difference in his own business, the earnings at 6 per cent. plus the surrender value of the ordinary life policy would at the end of ten years amount to more than $5,000. A man with a profitable business does not have to worry about paying the premium in later years while the poor man must take this into consideration.

"I cite this suppositious case to show that the ordinary business man with whom the average fire broker deals is the finest kind of a prospect for life insurance; that this field has not been overworked as seems to be the general impression, and that the average broker could materially add to his income by bringing life insurance to their attention in the manner I have outlined to you."

EXTENDED INSURANCE

Since the adoption of the Mutual Benefit's non-forfeiture system in 1879, the Company has paid as death losses, 1,736 policies which had ceased to be in force by reason of non-payment of premiums. Without any action by the insured, the Company applied the value of these lapsed policies in the form of extended insurance, and upon the death of the insured paid to the beneficiaries thereunder the amount insured, viz.: $3,958,694. Upon many of these policies less than three years' premiums had been paid.

Under life and endowment policies issued by the Mutual Benefit the insured may surrender the policy within one month from date of lapse, and receive the value either in cash or in paid-up policy. If the insured does not act, the insurance is automatically extended. The paid-up policy values of the 1,736 policies above mentioned would have been $929,594, whereas, the Company actually paid under its non-forfeiture system the sum of $3,958,694.

LANGLEY WRITES GROUP

E. P. Langley, agency supervisor of the Equitable Life Assurance Society at Philadelphia, has covered the employes of the Girard Trust Company on the group insurance plan. About 250 employes of the company are benefited by the insurance, which amounts to $200,000.

Agency Superintendent Wanted

A high grade young man with a clean record and ambition can have an unusual opening with the oldest and leading general agency of a well known Connecticut Life Insurance Company. He is needed to visit and work with the present agency force, also to help establish new agencies in New York, Vermont, New Hampshire and western Massachusetts, where 16,000 satisfied policyholders and forty enthusiastic agents producing over $3,000,000.00 in 1916 will help him to keep up the momentum of a successful agency. Splendid and unique agency development system is operative. Quantity results secondary to quality building. The right man, tireless in effort, capable of assuming responsibility and display initiative, will have a worth while future direct with the Company. Salary and traveling expenses. Reply in confidence giving age and full particulars.

AGENCY SUPERINTENDENT,
P. O. Box No. 1377, Hartford, Conn.

OFFERS PRIZE FOR INCOME INSURANCE WRITERS

William P. Dodson, of Norfolk, Sponsor For Contest in Southeast—Prize Offer Text

William P. Dodson, a life insurance man of Norfolk, Va., has offered a cash prize for the member of the Southeastern Congress who pays for the greatest number of policies from March 1 to February 1. The policies must pay $25 a month to the beneficiary for five years.

Mr. Dodson's personal cards read "Income Specialist." He is manager in Norfolk, Va., of the Mutual Life. His conditions follow:

"I offer a prize of $50 in gold to the full-time field man, who is eligible as a member of the Southeastern Congress in the following associations: District of Columbia, Baltimore, Md., Richmond, Va., Norfolk, Va., Roanoke, Va., Lynchburg, Va., and the Valley of Virginia, who pays for the greatest number of policies from March the first, 1917, to February first, 1918, for $1,415.50, paying $25 a month to the beneficiary for five years.

"Where the five year installment is less than $211.99, the amount of insurance value must be increased to net the beneficiary $25 per month for the time stated (five years), excess interest earnings not to be considered, to be written on the ordinary life, limited pay, or endowment plan.

"An affidavit from the general agent or manager must accompany the report."

Please note memorandum below:

"$1,000 equals $211.99 per year, or monthly, $17.66 plus. $1,415.50 equals $307 per year, or monthly, $25 plus."

THREE

Important new features are announced by

THE GERMANIA LIFE INSURANCE COMPANY

of NEW YORK

A Double Indemnity Clause

which provides for the payment of ***double*** the face of the policy in case of the death of the insured as a result of an accident of ANY KIND.

A New Income Endowment Policy

and

The Extension of Its Free Health Service to All New Policyholders

"A Growing Company for Growing Men"

T. LOUIS HANSEN, Superintendent of Agencies

50 UNION SQUARE NEW YORK CITY

CAPITAL STOCK INCREASES

Phillips Recommends That There Be No Change Unless Approved By State Official

In his report to the legislature Superintendent Phillips recommends legislation prohibiting any change in the amount of capital stock of a life insurance company doing business in this State, or any change in its charter or articles of incorporation, without express authority granted in writing by the official of the State to whom is entrusted the duty of supervising insurance companies: Provided, however, that this requirement may be waived in case of a life company of another State, where the laws of its domicile give like authority to its supervising officials.

There should be some restriction, or at least regulation, of the right of a stock life insurance company to increase its capital stock, he says, and continues, "If such a company is conducting solely a non-participating business, and the policyholders are not entitled to share in any portion of the excess earnings or savings, I concede that the public need have little concern to what extent the capital is increased. If, however, it issues participating policies, the matter of constantly increasing the capital stock may be of grave importance to its policyholders. It is true that the capital stock of a life insurance company in a measure stands as a guaranty for the fulfillment of its policy obligations, but when the amount is largely in excess of what is required as ample security, it may become a burden instead of a benefit to the policyholder. The stockholder naturally expects a fair return on his investment. Increased stock means an additional amount to be paid in dividends, the greater portion of which will be paid from a fund which, otherwise, would be distributed to the policyholders. No domestic insurance company can increase its capital stock or amend its charter without the approval of the Superintendent of Insurance.

"There is no good reason why a foreign life insurance company, admitted to transact business in this State, should not obtain similar approval, where the State of its domicile fails to prescribe such requirement."

Darwin P. Kingsley, president of the New York Life, made four public addresses in January and February which have been published in a booklet and have been given a wide circulation. At a dinner of the Canadian Society at the Hotel Biltmore, Mr. Kingsley discussed "The Evil That Men Do Lives After Them." At a dinner of the Seniors' Golf Association at Delmonico's Mr. Kingsley made a felicitous talk as president of the association. At a dinner to the Rt. Rev. William Lawrence, Bishop of Massachusetts, Mr. Kingsley talked on "The Sin of the Church," based on the Church's pension fund. The last address was on "Life Insurance As a Vocation," delivered before students of Williams College, Williamstown, Mass. Mr. Kingsley concluded his talk to the members of the Seniors' Golf Association with this toast:

> Ah, My Beloved, play the game that clears to-day of Past Regrets and Future Fears; TO-MORROW! Why to-morrow I may be Myself with Yesterday's sev'n thousand years.

EQUITABLE APPOINTS MANAGER

I. Reed Thomson has been appointed agency manager for the Equitable Life Assurance Society, with headquarters at 23 Evans Building, Utica, N. Y.

Walter Erwin Johnson was appointed general agent for the Berkshire Life, in Minneapolis, succeeding A. M. Wheeler, who resigned on February 28.

Prudential Group Terms and Conditions

MAXIMUM ON EACH LIFE, $3,000; MINIMUM, $250

Annual Dividends, Disability Feature, How and When Payments are Made, Year Term

A synopsis of the group insurance policy issued by The Prudential will interest readers of The Eastern Underwriter, particularly in view of the growing demand for this protection:

To be insured on this plan a group must represent the employes of one person, firm or corporation and number not less than one hundred. The policy is purchased by the employer and the employer is responsible for the payment of premiums.

A group may consist of all employes in active service who are more than fifteen years of age; or, if so desired, may comprise less than all, provided exclusion is in accordance with some definite plan, such as length of service, amount of salary, etc.

Amount of Insurance

The amount of insurance on each life may be made uniform or may vary according to some definite plan. The maximum amount accepted on any one life will be $3,000 and the minimum $250.

New employes between the ages of fifteen and sixty-five may be subsequently added to the group, and the amount carried on any employe in good health may be increased.

The group policy will be issued without medical examination of the individual employes (unless required by law), but evidence of insurability will be required of new employes before they are added to the group.

The policy will be issued as a one-year term policy, renewable at the end of each year for the ensuing year by the payment of the premium for that year.

Premium rates will depend on the ages and occupations of the individual employes. They can be quoted when accurate information in this respect is furnished to the Company. The total premium payable by the employer is the sum of the premiums for the insurance on the individual employes. It will be noted that on this plan the individual premiums, being based on attained ages, increase from year to year. Under normal conditions, however, the total premium is not likely to vary greatly, because the changes constantly occurring in the composition of the group tend to keep the average age, and consequently the average premium, about the same.

Annual Renewal of Policy

Premiums during the first five-year period will be computed upon the basis of a table of rates written in the policy. But the Company reserves the right, at the end of each five-year period, to change the rates upon the basis of which subsequent renewals may be effected.

Annual dividends, as ascertained and apportioned by the Company at the end of each policy year, are payable under a group policy, thus reducing the net cost of the policy.

A prominent feature of the group policy is a provision that if any male employe less than fully sixty years of age shall become totally and permanently disabled, no premiums shall be payable thereafter on account of his insurance, and payment of such insurance shall be made in installments over a period of five years, such payments to begin six months after the disability occurs.

Immediately on receipt of due proof of the death of any employe insured under the group policy, the insurance on such life will be paid in one sum, or in twenty-four monthly installments over a period of two years, or in fifty-two weekly installments during one year. Should payment be made in installments, each installment will be increased by such dividend as may be apportioned by the Company. Payment will be made to the beneficiary named by the employe.

Certificates will be issued to the individual employes, showing the amount of insurance on each life and the name of the beneficiary to whom the insurance would be paid in event of the death of the employe. The beneficiary named in the certificate may be changed as desired by the employe.

Termination of Insurance

The insurance carried on any employe will terminate with the termination of employment, except that if the employment is terminated on account of total disability, the employer may continue the insurance during such disability by the payment of the premium. A refund on any unearned portion of a premium on account of the termination of employment will be made in event of such termination. In event of termination of employment where an employe has been insured for at least one year, he may convert his insurance into a policy on any of the Company's regular plans without medical re-examination and at the then current rates of the Company for such a policy, and the insurance on his life may thus continue in force.

D. D. MAPES PROMOTED

Columbian National Makes Him Superintendent of Agencies of Its Accident Department

President Childs, of the Columbian National Life, announces the appointment of Darl D. Mapes as superintendent of agencies for the accident department, with headquarters at the home office.

Mr. Mapes has made remarkable strides in the service of the Columbian National Life. He came with the Company a little over a year ago and his work was so effective that L. A. Greene, in charge of the home office accident general agency, took him into partnership under the style of Greene & Mapes. He now resigns this partnership arrangement in order to devote his whole time to his new duties.

OUT-TALKED PROSPECT

Recently one of the Mutual Life's managers in a Southern city personally secured an application for $1,000 insurance. When the application reached the Home Office, some statement contained therein led the Bureau of Applications to wire the manager as follows: "Why did this man apply for insurance?" The manager, somewhat nonplussed by the query, wired back: "Because I out-talked him!"

Prospect Bureau of Mutual Benefit Life

FORM GIVING NAMES OF BROTHERS AND BROTHERS-IN-LAW

New Idea, Also, in Agent's Certificate —Names of Friends Who Recommend Applicants

At the recent Atlantic City conference of Mutual Benefit general agents, Assistant Superintendent of Agencies Winton diverted from his program topic long enough to illustrate the great value to be gained by the general use of the Company's form 423, which is the green prospect bureau slip for the names of brothers and other near relatives of the applicant. He mentioned the fact that the records of the prospect bureau indicate that 80 per cent. of the leads furnished by form 423 are actually closed for business.

William S. Cochrane, general agent at Peoria, in his paper on the "Development of Country Territory," spoke of the numerous possibilities in the use of this prospect bureau slip. Mr. Cochrane has enlisted the co-operation of the examiners in his territory in getting form 423 filled out. He attaches one of these blanks to every application, pasting it to the margin opposite question showing the family record. When thus attached it is quite natural and easy for the examiner to secure the desired data in connection with the family history. In his efforts to encourage more general use of form 423, Mr. Cochrane wrote carefully prepared letters both to his agents and examiners.

Names From Everywhere

Since this scheme was inaugurated in the Peoria agency the prospect bureau of the home office has received more completed green slips from that territory than any other in the country. Mr. Cochrane reports that he has secured hundreds of names scattered all over the United States. He feels from his experience that if use of form 423 were to spread to all agencies, it would be the greatest prospect aid that could possibly come to the solicitor. Such a scheme universally carried out would in all likelihood yield a score or more of very desirable prospects every week to each general agency.

"We are convinced that many of our agents are overlooking the great advantages of the use of this simple plan for securing prospects," says the Mutual Benefit's "Pelican." The idea of form 423 did not originate in the home office, but was a practical suggestion by J. C. Dillingham of Charleston, S. C., which we adopted because of its very evident great possibilities. It has been suggested that too much information is asked for on the present green slip. When this is reprinted, therefore, it will be in the following form, which, it will be noted, is more simple than the present blank and in consequence can be more readily completed either by the examiner or the agent.

Dated.....19... Policy Number
General Agency at.....
To Examiners and Agents:

Please supply the following information regarding brothers and brothers-in-law:

Name.... Address.... Relationship....

Many of the Company's agencies have adopted the New York City plan originated by L. A. Cerf, general agent, for securing reference names through space for same printed on the margin of Part I of the application. Most any applicant will readily give the names of a few friends.

H. M. Solenberger, general agent at Springfield, Ill., has suggested that it would be still easier to secure names if the agent's certificate should be changed to include space for references. It would then be a simple matter for the soliciting agent to tell the applicant that it would be necessary for him to sign a certificate, certifying as to the temperate habits and sound health of the applicant and recommending him as in all respects a fit and desirable subject for insurance. It would not seem at all unreasonable under these circumstances for the agent to ask for the names of three friends who had known him at least two years. The proposed new agent's certificate would be as follows:

Give names and addresses of three friends (not relatives) who have known applicant for at least two years:
Name..... Address.....
Name..... Address.....

How long have you known applicant? ..... How well?.....
(Use such terms as: "By reputation only," "casually," "fairly," "intimately.")

Have you satisfied yourself that applicant is of temperate habits and sound health? .....

Are you prepared to, and do you, recommend applicant as in all respects a fit and desirable subject for insurance? .....

.....
Soliciting Agent.
Dated..... 19....
General Agency at.....

GRACEFUL ACKNOWLEDGMENT

National Association of Life Underwriters Inadvertently Slighted American Life Convention Officers

In a resolution adopted by the executive committee of the National Association of Life Underwriters at the recent Washington meetiug an unintentional and inadvertent slight of officers of the American Life Convention, who had been specially invited to the St. Louis convention of the National Association last year, was regretfully and gracefully acknowledged. The resolution expressed the appreciation of the National Association for the co-operation of the American Life Convention extended to the National Association in promoting the high aims and purposes of life insurance.

The resolution was signed by E. A. Woods, who was president at the time of the St. Louis convention; C. W. Scovel and F. W. Spence.

J. Newton Russell, president of the Association, stopped over in Indianapolis on his way back to Los Angeles to present personally the resolution, and urgently to request that the American Life Convention hold its next convention in New Orleans just prior to the convention of the National Association.

It was erroneously stated in The Eastern Underwriter last week that Mr. Russell did not attend the meeting of the executive committee of the National Association of Life Underwriters in Washington. Mr. Russell was present at these meetings, but did not stay over for the banquet or for the Southeastern Congress of Life Underwriters the following day.

REAL SATISFACTION

Working with **William N. Compton** and the **John Hancock Mutual Life Insurance Company** in New York City forms the happiest combination imaginable for the life insurance salesman.

If you have any doubt in your mind have it dispelled by calling at

220 BROADWAY

Phone 6030 Cortlandt

Mutual Has Seven Managers in Metropolis

PAID FOR MORE THAN $24,000,000 LAST YEAR

Trainings in Fundamentals of the Business—Brief Sketches of Careers of Agency Heads

The oldest life insurance company in New York City, the Mutual, paid for between $24,000,000 and $25,000,000 in Greater New York last year. The Company is represented by seven offices, one in Brooklyn, one in Harlem and the other five on Manhattan Island. The managers are all well known in local life insurance circles, some of them were trained by the Mutual in the celebrated Charles H. Raymond agency, one of them made his start in the home office, and three of them have been presidents of the Life Underwriters' Association of New York.

An Eight Year Record

The Ives & Myrick agency, the third largest agency of any company in Greater New York, paid for $10,500,000 last year, and at the clip it is moving will easily be in the $12,000,000 class next year, having paid for $1,800,000 in January.

The two young men in this agency have been associated for many years. Julian S. Myrick, after graduation from Trinity School, joined the Charles H. Raymond agency in 1898 as a clerk. The same year Charles E. Ives was graduated from Yale and a few months thereafter got a position with the actuarial department of the Mutual Life, becoming a clerk in the Raymond agency in 1899. They became warm friends and were ambitious to become general agents. They got a chance with the Washington Life in 1907 where they paid for $1,000,000 the first year. In 1909 they returned to the Mutual Life, this time as Ives & Myrick in charge of a new agency, established at 37 Liberty Street.

In eight years Ives & Myrick have grown from an agency paying for $1,400,000 to one which paid for $10,500,000 last year. Both are corking good executives.

Probably there is no insurance manager in New York City who has a more sweeping knowledge of New York insurance history, local patrons of insurance and insurance methods than Thomas C. Bell, who has spent his entire career with the Mutual Life. Mr. Bell got his training in the Raymond office of which he was supervisor of agents until 1907. He then assumed the management of the old office of the Mutual located at Broadway and Liberty streets, later becoming manager at 32 Liberty street in the home office building of the Mutual, where he has been located ever since.

Active in Many Clubs

Warren T. Diefendorf, manager for Brooklyn and Long Island, is a native of Montgomery County, New York. His first connection with the Mutual Life was in Illinois; and on February 22, 1889, was transferred to Brooklyn. In commemoration of his twenty-eighth anniversary as manager of the Brooklyn and Long Island district, his agents designated February as "Diefendorf Month," writing a large volume of business.

Held in high esteem in Brooklyn, Mr. Diefendorf is a director of the Franklin Safe Deposit Company of that city; president of the Warren-Douglas Company, and treasurer of Siwanoy Park, a Thirty-third Degree Mason and a Knight of Pythias. He is also a member of the Brooklyn Club, Crescent Athletic Club, Civic Club of Brooklyn, Brooklyn Riding and Driving Academy, Economic Club of New York, Fifteen Year Club of New York, New York State Historical Association, Life Underwriters' Association of New York, Westchester Chamber of Commerce, Mt. Vernon Chamber of Commerce, Men's Club of Mt. Vernon and Republican Club of Mt. Vernon.

Robert H. Hardy, manager of the Broadway and 28th Street Branch of the Mutual Life Insurance Company, was born at Ogdensburg, N. Y. After graduating from the Ogdensburg Academy, Mr. Hardy entered the law firm of Messrs. Foote & Kellog, of Ogdensburg, as chief clerk, where he remained for some time. Later he moved to Buffalo, remaining there for about two years. Being convinced that the life insurance business gave a better income than that of law, he entered the services of the Mutual Life with the Charles H. Raymond agency about twenty-two or more years ago. Later he was appointed manager of the Harlem Branch, and in 1907 took charge of the Twenty-eighth Street Branch.

Mr. Hardy was president of the Life Underwriters' Association in 1908-1909, and is a member of many clubs, including city and country. He has long been interested in public and political affairs.

Wrote First $100,000 Policy

Geo. A. Brinkerhoff, manager of the 149 Broadway office, was born in Wood Ridge, N. J.

Mr. Brinkerhoff entered the life insurance business in 1885 with the Josiah T. Brown agency of the Mutual Life as a soliciting agent. Later he was made special general agent in the Charles H. Raymond agency, and in 1904 was appointed manager. In March, 1888, Mr. Brinkerhoff wrote the first $100,000 policy ever placed on the books of the Company.

Mr. Brinkerhoff is one of the oldest members of the Life Underwriters' Association of New York, and at different periods served that body as third vice-president, chairman of the executive committee and as president in 1902.

He is also a member of the Machinery Club of New York, Union League Club of Hackensack, N. J., Hackensack Golf Club, Arcola Country Club, Hackensack Club, Masons and Elks.

Le Roy Bowers, manager of the One Hundred and Twenty-fifth Street branch of the Mutual Life of New York, was born on a farm and attended a district school. When about eighteen years of age he decided to locate in Nashville, Tenn. His one ambition at that time was to become a salesman of some sort, and when he wrote his first application for insurance in the Nashville agency of the Mutual, he decided to make this his life work. On July 9, 1903, after soliciting life insurance in the South for a year or two, Mr. Bowers left the Nashville agency to represent the Company as a soliciting agent in New York City. From 1907 to December 31, 1913, he was assistant manager of one of the New York branch offices, and on January 1, 1914, was appointed manager.

He is a member of the executive committee of the Life Underwriters' Association of New York, and Past-Master of Ivanhoe Lodge of Masons.

Has Had Long Career

I. Wolffsohn, manager at 299 Broadway, was born in Hamburg, Germany, and educated in the schools of that city.

Mr. Wolffsohn started his insurance career in 1869, representing various small companies. About thirty years ago he became a soliciting agent for the Mutual Benefit Life in Boston, and severed his connections with that Company after fifteen years of service to represent the Mutual Life in Boston. He has been with the Mutual Life since 1899, and in 1904 was appointed a manager in New York City. He is a member of the Life Underwriters' Association of New York.

NORTHERN STATES LIFE

The Northern States Life Insurance Company has been authorized under the Minnesota "Blue Sky" law. The Company is organized under the laws of Minnesota, with home office in the City of Minneapolis.

WAIVED PREMIUMS

One of the general agents of the Penn Mutual Life made inquiry recently as to the Company's practise with respect to dividends upon premiums which have been waived in accordance with the terms of the disability clause.

Under the Company's waiver-of-premium provisions in a case where proofs of permanent and total disability have been accepted, the dividends are paid to the owner of the policy as the premiums are waived. The dividends would be on the same basis as though premiums were being paid.

ALWAYS A PLACE FOR DEPENDABLE AGENTS

Those who can not only write applications but deliver policies, and are energetic in their methods. Good positions are ready for such men.

Union Mutual Life Insurance Co.
PORTLAND, MAINE
ARTHUR L. BATES, President
Address: ALBERT E. AWDE
Superintendent of Agencies
7 W. Madison St., Chicago, Ill.

Good Territory Now Open in Several Western States
A GOOD PRODUCER and organizer can secure an EXCELLENT CONTRACT

Company SECOND TO NONE in STRENGTH—assets to liabilities—FIFTH in SIZE—insurance in force—of all MUTUAL legal reserve companies WEST of PHILADELPHIA. Increase in new business to December 1st, 50% above the same period last year, and 1915 was a good year.

Northwestern National Life Insurance Company
MINNEAPOLIS, MINN.

40% Increase in Paid New Premiums—that tells the 1916 story of Fidelity progress.

Direct leads and the Fidelity "Income for Life" plan are making money for Fidelity field men. Any man who can sell life insurance can sell MORE Fidelity insurance.

Write to-day—

Fidelity Mutual Life
INSURANCE COMPANY, PHILADELPHIA
INCORPORATED 1878 WALTER LE MAR TALBOT, President

A PENN MUTUAL PREMIUM, less a PENN MUTUAL DIVIDEND, purchasing a PENN MUTUAL POLICY, containing PENN MUTUAL VALUES, make an INSURANCE PROPOSITION which in the sum of ALL ITS BENEFITS, is unsurpassed for net low cost and care of interests of all members.

THE PENN MUTUAL
Life Insurance Company
OF PHILADELPHIA

On January 1, 1909, rates were reduced and values increased to full 3% reserve

Industrial and Ordinary Insurance
The WESTERN and SOUTHERN LIFE INSURANCE CO.
Home Office ....CINCINNATI, O.
Organized February 23, 1888 W. J. WILLIAMS, President
Assets .....$ 8,763,565
Insurance in Force 79,619,535
Branch offices in all the larger cities of Ohio, Kentucky, Indiana, West Virginia and Western Pennsylvania
AGENTS WANTED

PHILADELPHIA LIFE INSURANCE CO.
Philadelphia
Growing larger and stronger every day.
Why not grow with us?
Agency Openings in Pennsylvania, Ohio, West Virginia

LAST YEAR LIFE INSURANCE FIGURES IN NEW JERSEY

	In force Dec., 1915.	Issued in 1916.	Ceased	In force.	Losses Settled during yr.	Premiums.
Metropolitan: Ordinary	72,492,242	13,853,861	5,101,722	81,244,381	892,701	2,975,836
Industrial	125,882,086	16,799,336	10,043,374	132,638,048	1,837,571	4,746,891
National	1,817,990	108,704	134,790	1,791,904	68,646	61,360
New England	6,215,845	1,665,878	830,141	7,051,582	67,584	202,460
New York Life	45,233,319	6,334,532	3,137,109	48,430,742	903,061	1,178,942
Northwestern Mutual	28,578,338	3,005,320	1,191,229	30,332,429	372,965	422,072
Pacific Mutual	352,167	21,857	45,512	328,512	7,172	8,501
Penn Mutual	24,745,423	4,144,036	2,205,760	26,683,699	173,211	699,798
Philadelphia Life	2,950,064	181,258	251,473	2,879,849	27,165	107,508
Phoenix Mutual	3,357,618	454,376	189,388	3,622,656	33,292	95,542
Prudential: Ordinary	106,230,096	17,361,483	8,352,825	115,238,754	1,158,957	3,267,896
Industrial	195,447,287	31,165,345	20,688,944	205,923,688	2,360,080	644,171
Provident Life and Trust	21,739,088	4,152,622	2,530,283	23,361,427	182,971	644,171
Security Mutual	967,425	412,969	360,599	1,019,795	23,843	31,911
State Mutual	3,542,927	922,339	714,461	3,750,805	78,405	123,031
Sun Life	308,055	16,378	20,346	304,087	1,257	13,606
Travelers	14,125,137	4,824,302	984,718	17,964,715	116,788	480,231
Union Central	3,866,851	1,381,857	650,610	4,598,098	77,664	141,006
Union Mutual	793,935	354,208	117,251	1,030,892	38,645	34,013
United Security	214,300	.....	.....	.....	.....	4,324
Colonial Life: Industrial	3,515,842	134,735	267,443	3,383,134	28,316	105,661
Ordinary	11,641,622	3,645,507	2,983,311	12,303,818	157,608	469,565
Mutual Benefit	46,713,762	6,220,998	1,838,368	51,096,392	646,599	1,474,230
Mutual	30,457,946	5,546,533	4,740,749	31,263,730	1,115,630	883,356
Aetna	12,824,393	4,102,157	1,791,820	15,134,730	3,860,000	430,503
Bankers (Ia.)	981,500	24,000	40,000	965,500	6,000	13,249
Connecticut General	3,573,430	1,275,661	378,643	4,470,453	17,500	108,618
Connecticut Mutual	5,736,623	1,210,052	810,667	6,136,008	116,824	194,959
Equitable	46,791,040	6,016,426	3,558,569	49,248,897	636,169	1,315,082
Equitable (Ia.)	371,350	362,575	221,487	512,438	1,000	18,158
Fidelity Mutual	3,456,030	603,627	463,627	3,595,990	57,479	125,770
Home Life	4,242,067	554,358	341,624	4,454,801	97,891	104,449
John Hancock: Ordinary	12,707,458	2,773,838	1,299,543	14,181,753	141,838	453,986
Industrial	26,665,979	5,611,315	3,370,670	30,558,620	403,649	991,855
Manhattan	1,079,819	124,717	141,819	1,062,717	42,440	28,728
Massachusetts Mutual	11,059,636	2,357,163	1,264,661	12,152,138	162,967	395,327
Berkshire	2,131,835	288,740	376,673	2,043,902	74,824	61,012
Colonial National	774,521	201,082	107,640	867,963	1,000	23,611
Germania	2,071,497	237,500	297,274	2,011,723	24,572	73,250
Girard	603,615	146,225	113,669	636,171	11,000	10,221

DEATH BENEFIT TO EMPLOYES

Provident L. & T.'s One Year Salary Resolution—Applies Where Salaries are Under $3,000

The Provident Life & Trust Co.'s board of directors recently passed a resolution relating to employes' death benefits. This is its text:

"Resolved that until otherwise ordered by the Board, in the event of the death of any person (other than an agent soliciting insurance for the Company, to whom this resolution shall not apply) who at the time of his or her death shall have been for at least one year and shall be then still in the employ of the Company, at its home office or at its Orianna Street building, whose salary at the time of death shall be at a rate not exceeding $3,000 per annum, the president of the Company for the time being is hereby authorized at his discretion to pay a sum equal to the salary of such decedent for one year at the rate payable at the time of death to such relative or relatives, dependent or dependents, or to the guardian of such minor dependent or dependents of such decedents, as the president shall in his discretion deem a proper person or persons to receive such sum; payment in any case to be made in such manner as the president shall direct and charged to insurance expense account. Such payment shall not be obligatory on the Company or upon the president for the time being, and shall not be enforceable by an action or actions of law or in equity by the personal representatives of such decedent, or any other person whatsoever, nor shall the same be in any wise liable to pledge, assignment or anticipation or to attachment or execution. The decision of the president as to the proper person or persons to receive any sum paid under the authority of this resolution shall be final and no other person or persons shall be entitled to receive any such sum or any part thereof."

FIVE YEAR TERM POLICY

Welcomed By Agents of Northwestern Mutual Life—Observations on Term Insurance

The new five year term policy of the Northwestern Mutual Life, convertible within five years, has been welcomed by agents. In a large majority of cases where term insurance is written it is the intention of the insured to convert to a permanent form at an early date. Term insurance is intended primarily to furnish temporary protection at a small gross outlay in premiums, as a preliminary under certain conditions to the more satisfactory life and endowment forms.

The Company says:

"Every agent has experienced many times the disappointment of having term conversions postponed year after year, and has found that the work necessary to change a term policy before the expiration of the conversion period is just as great, and in many cases greater, than that required to write new insurance. Anything that can be done to hasten the day of conversion benefits helps the agent and ultimately the insured. With only four years in which to effect the change the insured will be much more impressed with the necessity for prompt decision, and less prone to put off definite action. At the extreme the term policy will have to be converted within four years, as against the seven year period under the old contract. There is much less chance of the agent getting out of touch with the insured in four years than seven, and that much greater chance of the change being effected, to the advantage of all concerned."

H. B. Rosen, New York; E. E. Andrews, Chicago; and G. W. Taylor, Missouri, are the three leaders of the New York Life for January.

MAINE FIGURES

Metropolitan Leads in Premiums—New York Life Second—Mutual Life Third

The report of the Maine Insurance Department shows the Union Mutual issued $1,267,487 in that State last year, premiums $385,817.

Of other companies premiums of those receiving more than $200,000 follow: Metropolitan, ordinary, $555,667; industrial, $651,073; New York, $444,655; Mutual, $442,448; Equitable, $368,413; Northwestern Mutual, $351,102; Penn Mutual, $268,094; Mutual Benefit, $228,716; Prudential, ordinary $209,105, industrial $257,091.

$17,500 ON $10,000 POLICY

James G. Johnson came to this country 66 years ago from Ireland, became connected with A. T. Stewart, and about 1856 established his own firm—James G. Johnson & Co. In 1867 he took out policy 26,478 in the Equitable Life Assurance Society, for $10,000 on the life plan, and paid practically 50 premiums. Every dividend declared by the Equitable was left to purchase paid-up additions. The result is now that he is dead the Society is paying as a death claim, not only the face of the policy, $10,000, but additions amounting to $7,500.17.

GOING TO FIFTH AVENUE

On May 1, the 28th Street Branch of the Mutual Life, William H. Hardy, manager, will remove its offices from 1170 Broadway, New York City, to the new Astor Trust Building, Fifth Avenue and 42nd Street, where the agency will have more up to date quarters to handle the increasing business.

MIX ON THE FUNDAMENTALS

Prudential Manager Tells Need of Life Insurance in Question and Answer Form

Robert J. Mix, manager of The Prudential in New York City, claims the old, old story of the need for life insurance protection, worth the retelling in simple form. He performs the service in question and answer fashion, viz.:

Q. Which, among all his possessions, does a right-minded man value most highly?

A. His family.

Q. What is the first duty of every married man; what duty should take precedence of all others?

A. To protect his family.

Q. Is it his duty to protect his family after he is dead as well as while he is living?

A. Yes!!

Q. What is the surest thing in the world?

A. Death!

Q. What is the only security in the world of which it can be truly said that under all circumstances it increases in value every year?

A. A policy contract issued by a sound life insurance company.

Q. If a man who is carrying a goodly amount of "old-fashioned life insurance" dies without leaving any other estate is his family protected?

A. Not necessarily.

Q. Why?

A. Because the proceeds of the old-fashioned life insurance policy may be dissipated, just as is the case with ninety per cent. of estates!

Q. If that's true, isn't life insurance a good thing for a man to buy?

A. Yes, it's a "good thing," but it isn't the best thing, and a married man is in duty bound to secure the best thing in the world for his family!

Q. What, then, is the "best thing" for a man's family? Is there any way by which a man who loves his family can make absolutely sure that after his decease his family will positively be protected?

A. Yes, there is such a means and it's within the reach of every insurable man. It's called monthly income protection!

Q. Why is monthly income protection so much better than so-called "life insurance?"

A. Because it guarantees to do what "old-fashioned life insurance" tried to do but didn't—it guarantees to protect his family from want! Because it guarantees a fixed monthly income to the beneficiary for the rest of his or her life! Because it enables a man to become the administrator of his own estate! Because, while a man may leave money to his wife and children, he cannot leave them his experience with which to take proper care of the money so that it will take care of them! Because it brings peace and comfort to the mind of the husband or father who possesses it, and thereby brightens and lengthens his own life, for he knows that whatever may happen to him, his family is provided for! Such a man need not worry about panics, hard times, bank failures or mortgage foreclosures, for he knows that his security—his monthly income contract—is bound to grow more valuable every day, and that it is practically the only part of his estate which, under any circumstances, cannot become depreciated or lost!

Life's prize competitions are not ends in themselves. They are means of proving our worth as men; of bringing out what is best in us; of enabling us to determine and of enabling the world to determine the positions of leadership and responsibility for which we are fitted.—Amicable Life Record.

Another Drop in Postal Life Premiums

POLICYHOLDERS REMITTED $1,400,050 IN 1916; $1,465,742 IN 1915

List Office Building at $3,599,633—Company Starts to Advertise Group Insurance

The 1916 annual report of the Postal Life, the Company which does business without agents, shows another decline in insurance in force and in premium income. The insurance in force of the Postal at the end of the year 1916 was in round numbers $40,000,000. On December 31, 1910, the Postal Life had 28,611 policies in force for a total insurance of $62,669,501. On December 31, 1911, there were 25,309 policies in force for a total insurance of $53,750,223. The total assets of the Company on December 31, 1911, were $10,618,384.

Company's Income

The premium income of the Postal in 1916 was $1,400,050. In 1915 it was $1,465,742. The total income of the Company last year was $1,963,128, as compared with $1,980,610 for 1915. The Company got more money last year from interest and rents, the figures being, 1916 $533,181; 1915 $498,883. Cash disbursements were $1,453,890 last year as compared with $1,528,964 the year before.

There was a big increase in the item of "legal expenses, investigation and settlement of policy claims, commissions on sales of real estate, mortgage taxes and miscellaneous items." In 1916 this item was $66,483. In 1915 it was $11,077. The Company is now in a new building at Forty-third street and Fifth avenue.

The financial statement for Dec. 31, 1916 in brief follows:

Assets

State, municipal and railroad bonds	$1,242,756.91
Representing the money of policyholders invested in securities in the United States and Dominion of Canada.	
Bonds and mortgages	1,659,349.66
First liens on properties located in New York and other States.	
Real estate	3,599,663.10
All in New York City, including the Company's 16-story office building.	
Policy loans and liens	2,572,141.83
Money loaned to policyholders on the security of their policies to be deducted in case of any settlement.	
Premiums due and deferred (net)	179,582.00
Payments in the mails and subject to 30 days' grace, also balance of instalment-premiums.	
Cash in banks and office	177,915.49
The Company's accounts are kept in four leading New York banks and one out-of-town institution.	
Interest due and accrued on bonds, etc.	140,574.49
Interest on secured loans made by the Company.	
Office equipment, etc.	47,644.64
	$9,619,628.12

The assets show an increase of over $80,000.

Liabilities

Full policy reserves, required by law as per valuation certificate of State of New York	$8,865,467.00
For the protection of p'cyholders everywhere.	
Reserves	115,271.93
For contracts not involving life contingencies.	
Additional reserves	297,022.68
Covering policy-dividends and other obligations.	
Capital stock fully paid	100,000.00
Securities equal to the amount of the capital, on deposit with the State of New York as further protection to policyholders everywhere.	
Unassigned funds—	
Surplus net ...$194,221.87	
Surplus gross, 241,866.51	241,866.51
Such funds are also for protection of policyholders, if needed.	
	$9,619,628.12

The Company is authorized to distribute in 1917 dividends of $34,000. It paid $31,361 in advertising.

Income and Disbursements

Income and disbursements for 1916 follow:

Cash income (premiums, interest, rents, arrearages, etc.)	$1,963,128.31
Cash disbursements (death-claims, matured endowments, policy-dividends and miscellaneous expenses)	1,453,890.95
Excess of income over disbursements	509,237.36

Group Insurance

The Postal ran large advertisements in metropolitan papers this week, announcing its readiness to write group insurance. In telling why it is a good carrier in which to place group insurance, it says:

> It is well equipped because, first, it operates, without agents, thus making savings of which those who take out policies get the benefit; second, it provides (through the Life Extension Institute) a free medical examination for policyholders each year, to detect and check physical impairment; third, it prepares and distributes through its health department, periodical bulletins containing timely hints on personal hygiene, diet, right living; also warning against injurious habits, and, fourth, it provides for participation by policyholders in earnings or profits.

VALUATION OF ANNUITIES

Superintendent Phillips Recommends a Rate of 4 Per Cent. Per Annum

The subject of the rate of valuation of annuity contracts as fixed in section 84 of the Insurance Law has for some time been under discussion and has received the consideration of the Committee on Rates of Mortality and Interest of the National Convention of Insurance Commissioners. The report of the Committee was unanimously adopted at the meeting of such convention in New York City on December 12, 1916. This report recommends modification in such rate, with its reasons therefor, in the following language:

"Pursuant to the call of the Chairman of the Committee on Rates of Mortality and Interest, a meeting was held to consider the following resolutions:

"Whereas, the granting of immediate annuities is based on a liability which is largest at the inception of the contract and diminishes annually thereafter, and

"Whereas, the sale of such annuities is not popular with persons under sixty years of age, largely because of the fact that in many of the States companies are required to make valuations on a 3½ per cent. valuation, and

"Whereas, the Committee on Rates of Mortality and Interest has shown the rate of interest received over a long period of years has been largely in excess of 4½ per cent.

"Therefore, be it Resolved, That for the purpose of enabling the companies to bring the benefits of annuities to a larger number of our people, and also to grant larger annuities for a given consideration to old people, it is our conviction that such contracts should be valued on a 4 per cent. basis, and we favor a change in the law where necessary to secure this result.

"The Committee recommends that the resolution be adopted by the Convention."

Superintendent Phillips, of New York, believes the change suggested is warranted by the facts relating to the rate of valuation for annuity contracts, and recommends to the legislature that section 84 of the New York Insurance Law which now fixes such rate at 3½ per centum per annum be amended so as to provide for a valuation at the rate of 4 per centum per annum.

Ambitious, Productive and Trustworthy Life Agents may be benefitted by corresponding with the

Berkshire Life Insurance Company
of Pittsfield, Mass.
Inc. 1851

New policies with modern provisions Attractive literature
W. D. Wyman, President W. S. Weld, Supt. of Agencies

FOUNDED 1865
Unexcelled In Favorable Mortality and Economy of Management
The Provident Life and Trust Company
OF PHILADELPHIA
Rates of Premium Extremely Low and still further reduced by Annual Dividends

Extracts from Report of Examination of
SOUTHWESTERN LIFE INSURANCE CO.
By the State of Texas, June 28, 1915
"It is noteworthy that this Company was organized without any promotion expenses."
"I beg to report further that I find the Company in excellent financial condition."
"The volume of its business has steadily increased, its surplus is growing rapidly and its funds are being carefully conserved under expert supervision."
Home Office, DALLAS, TEXAS

THE MOST VALUABLE POLICY FOR YOU,
Mr. Agent, is to write your prospect in the Company writing the most valuable policy for the insured.
Secure **prompt action** in the
John Hancock MUTUAL LIFE INSURANCE COMPANY OF BOSTON MASSACHUSETTS
WILLIAM N. COMPTON, General Agent
METROPOLITAN DISTRICT, ST. PAUL BLDG., 220 BROADWAY, NEW YORK, N. Y.

NATIONAL LIFE INSURANCE COMPANY
(MUTUAL)
MONTPELIER, VERMONT
67th Year
FRED A. HOWLAND, President
On paid-for insurance basis and with bonds valued at par only (market value $409,882 above par) the 67th report shows:

Assets	$66,426,040.82
Liabilities	62,268,494.36
Surplus	$ 4,157,546.46
INSURANCE IN FORCE	$212,037,400.00

A good company for the policyholder and the agent.
EDWARD D. FIELD, Superintendent of Agencies.

The
Perfect Protection Policy
OF THE
RELIANCE LIFE
gives you something absolutely new and different to talk to your prospects. Gives you a chance to earn more money than you are now making.
Our Life Insurance Contracts contain the most up to date clauses known to the Insurance World. The Accident and Health gives full protection for at least a third less cost than regular casualty companies. Our agency contracts are as liberal as can be made.
WRITE AND WE WILL TELL YOU MORE ABOUT OURSELVES
Reliance Life Insurance Company of Pittsburgh
FARMERS BANK BUILDING
PITTSBURGH, PENNSYLVANIA

Analysis of Pacific Mutual's Litigation

TWELVE CASES OF POLICIES LAPSING FOR NON-PAYMENT

Seven Actions in Inter-Pleader—Comments in Cases Where Insured Disappears

The legal department of the Pacific Mutual Life has just completed a summary of litigation involving life policies, covering a period of eleven years, beginning January 1, 1906, and ending December 31, 1916. During this time the Company has paid 6,046 claims based on life policies, and has been a party in but 34 actions in the courts of the States of the United States in which it resisted payment of the proceeds of life insurance policies issued by it. For convenience and brevity, the reasons for such contests are classed under the following heads:

1. Death of the insured occurred within the first policy year as the result of suicide—4 cases;
2. Insured was killed in an occupation proscribed or excepted in the policy—1 case;
3. Policy had lapsed by reason of non-payment of premium—12 cases;
4. Company claimed no liability by reason of breach of warranty and fraud of insured—9 cases;
5. Company claimed that policy had never been issued—2 cases;
6. No liability because the proceeds had previously been paid—1 case;
7. Plaintiffs alleged that insured had disappeared and was therefore dead—3 cases;
8. Defended by Company because excessive amounts demanded—2 cases.

Proved Suicide in Two Cases

In addition to the above the Company has been compelled to institute seven actions of inter-pleader. These were necessary because there was more than one claimant to the proceeds of each policy involved, and in each instance the proceeds were deposited in court and were paid out by its order to the party it found was entitled to the same.

Of the four cases which were defended upon the ground that the insured died within the first year as the result of suicide, two were proven to be suicides, one was at a later date by the Company considered doubtful and paid, and one at this date is untried. Of course in these instances the Company stood ready and willing to pay the amounts which the policy provided as the limit of liability.

Of the twelve cases noted above which were resisted by the Company upon the ground that the policies had lapsed by reason of non-payment of premium, the Company lost but one, and one is at this date undecided.

Breach of Warranty

Occasionally it becomes necessary to decline to pay a claim upon the ground of a breach of warranty, or by reason of material misrepresentation of facts, or upon the ground of fraud. The Company has been involved in the time under consideration in nine such cases—a very small number considering the length of time, the amount of insurance involved and the aggregate amount of claims paid. Of these nine the Company has lost but two. The classes of fraud practiced included the substitution of the urine of a healthy person for that of the applicant; over-insurance and failure to disclose the same in the application; failure to state the truth concerning the condition of health of the applicant, and withholding information concerning consultations with physicians for serious illnesses within the period provided in the application. Oftentimes, also, after the lapse of a policy, the insured will realize that his health is impaired, and he will attempt a reinstatement of his policy and fraudulently fail to disclose the true state of his health in his application. Several of the contests were based upon applications for reinstatement. In two instances the Company declined to pay claims on the ground that the policy was never issued. In each of these cases the court having jurisdiction held that the Company's contention was correct; as was also the case where the Company was sued and the defense made that the proceeds of the policy had been previously paid.

Disappearance of Assured

Three cases have arisen in which the disappearance of the insured was involved. In one, after the action was brought, evidence was unearthed which satisfied the Company that the insured had met his death, and in this case the claim was paid before the action was tried. In another, the insured had a paid-up policy. After a lapse of seven years demand was made upon the Company for payment by reason of insured's disappearance, and because the evidence submitted to the Company did not seem to be sufficient the Company decided not to pay the claim. After action was brought, however, upon the claimant's giving a bond to reimburse the Company in case the insured should return or be found, the Company paid the claim; but a few months thereafter, as a result of investigations made, the insured was found, and the money returned to the Company. In the third instance the court has held that the Company's position is correct.

A claim based upon the disappearance and consequent death of the insured is not uncommon. Experience has shown that it is very rare that a person can completely disappear and leave no trace of his whereabouts; and it usually results, in claims of this kind, that, after an absence of varying lengths of time, the insured will reappear; and it is the result of our observation that disappearances are usually caused by either financial or domestic trouble.

Two actions were brought upon excessive claims, neither of which were ever prosecuted by the claimants.

44 MILLIONS from 42 AGENCIES In 1916

THE 1916 RECORD OF OUR EARNEST, LOYAL AND HAPPY AGENCY FORCE

New England Mutual Life Insurance Company

BOSTON, MASS.

MUT'L LIFE CLUB CONVENTIONS

Southern and Eastern $100,000 Divisions Will Meet in Atlantic City in June

The Mutual Life of New York has completed plans for the handling of three of its Field Club conventions during the coming summer.

The Southern and Eastern $100,000 divisions will meet at the Marlborough-Blenheim, Atlantic City, on June 27 and 28, and each division will hold its business meeting separately for the purpose of electing officers and other matters pertaining to its organization. The general meetings and the banquet of the two divisions will be held at the same time as one body.

* * *

Ed. Shoemaker, who made a good record with the West Coast Life at Sacramento, is now agency supervisor of the Iowa Life of Waterloo, Ia.

MRS. JOHN M. TAYLOR DIES

Wife of Connecticut Mutual Life President Was Active in Charitable and Social Life

Mrs. Edith Emerson Taylor, wife of President John M. Taylor of the Connecticut Mutual Life of Harvard, died on February 28th after an illness of two weeks.

Mrs. Taylor was born in Great Barrington, Mass., and was a daughter of Major Charles Noble Emerson and Frances Eugenia (Shaw) Emerson. She was of long and honored Colonial descent.

Mrs. Taylor was one of the founders of the Shelter for Women and from the foundation of the institution twenty-six years ago had been its president. She was devotedly earnest in charitable work and was chosen as the first chairman of the Belgian relief work in Hartford. She was a charter member of the Connecticut Society of Colonial Dames of America and held a high place in it, as in other organizations to which she gave energy, devotion and successful labor. Besides her husband, to whom she was married in Pittsfield, Mass., in 1871, Mrs. Taylor leaves one son, Emerson Gifford Taylor.

Popularity's Persistent Progress

The greatest of all great years in delivered business for this Company—1916! Without need of urging or pleading, our representatives, with vigorous and self-directed industry, were the enactors of this glistening achievement.

The tide of new business is flowing strongly in the New Year. We expect that 1917 will be another golden period of widely increased protective service of the homes and the businesses of the United States. Home Office and Field in the Massachusetts Mutual are a unit in their determination to be front-rank contributors.

Occasionally we have a General Agency opening for a quality man.

JOSEPH C. BEHAN, Superintendent of Agencies

MASSACHUSETTS MUTUAL Life Insurance Company

SPRINGFIELD, MASSACHUSETTS

Incorporated 1851

Analysis Made of Resisted Claims

SUCCINCT STATEMENT BY NORTHWESTERN MUTUAL LIFE

Forged Signatures Cause of Two Actions—Incompetence of Insured on Date of Surrender

The Northwestern Mutual Life paid death claims of $15,515,133 in 1916, and since organization has paid to representatives of deceased policyholders $204,079,400. The accumulated death claims amount to only $78,003, and the reasons for resisting these claims are given by the Company.

Policy 793,497, $50,000. This was a corporation policy. It was assigned in August, 1910, by the proper officers of the corporation to the wife of the insured. After death of insured in December, 1910, the Company paid the policy to the wife as assignee. The beneficiary corporation was adjudged bankrupt February 28, 1911. The trustee in bankruptcy questions the validity of the assignment of the policy to insured's wife and sues to recover.

Policy 466,663, $2,000. Policy surrendered for cash in 1911. Form of surrender signed by insured and beneficiary to whose joint order a check was issued. Insured died in 1912. Beneficiary sues for amount of policy claiming that her signature to the surrender was forged.

Policy 195,908, $976.10. Suit for alleged balance to make up agent's estimate.

Policies 163,616 and 186,216, $6,502.33. Also a suit for alleged balance claimed under an agent's estimate.

Policy 249,795, $2,531.68. Amount claimed by insured over and above actual tontine dividend.

Policy 213,320, $1,000. Policy surrendered by insured and beneficiary who claims her signature was a forgery. Insured alleged incompetent on date of surrender.

Policy 719,285, $993.82. Insured changed beneficiary from wife to estate, made a loan and policy lapsed with cash value of $6.18. Insured died in April, 1916. Company admits a liability of $6.18.

Policies 438,888 and 471,578, $10,000. Insured disappeared. Company does not consider the circumstances sufficient to prove death.

Policies 779,882, 779,883 and 779,884, $4,000. All term policies. Premiums not paid in 1912. Policies lapsed. Death occurred in 1914. Suit brought for face of policies.

DECLINED RISKS

One-Fourth of Rejected Pacific Mutual Applications Not Refused for Medical Reasons

The Pacific Mutual received 13,556 applications for life insurance in 1916, of which number 1,267 were declined for medical and other reasons. This is 9.3 per cent. of the total, which was an average experience for the Company in this feature of its business.

It is interesting to note that, according to the experience last year, fully one-fourth of the applicants who are declined are rejected for other than medical reasons. These are sometimes the hazard of the occupation in which applicants are engaged, contemplated residence in a foreign country where the hazard is great, domestic troubles, a bad reputation morally, the drug habit, and numerous other reasons. The most prolific cause of declinations for other than medical reasons, however, is the excessive use of intoxicants. The cup that inebriates debars from insurance every year many thousands of otherwise insurable risks.

LIVE HINTS FOR BUSINESS GETTERS

Practical Suggestions to Help the Man With the Rate Book Increase His Income and General Efficiency

Bank President on Credit Insurance

"Agency Items," issued by the Equitable Life of New York, published the following quotation on "Credit Insurance" received from T. O. Vinton, president of the Bank of Commerce and Trust Company, of Memphis, Tenn.

"If a man is in business alone he should carry sufficient insurance to guarantee that promises to pay will not go by default; if a man is in business with partners, he should carry sufficient insurance to relieve his partners or the business of embarrassment in the event of his death. If his concern is trading upon borrowed capital, insurance becomes a necessity. Credit transactions are frequently made upon the stipulation that insurance to protect the particular transaction be carried. Credit men consider life insurance for the protection of a business the epitome of conservatism. Some element of the resources of any business is brains. Circumstances vary the percentage of this element, but a wise economist has stated that 75 per cent. of any business is brains. Under all circumstances, it is wise to insure this valuable resource. Personally, I always think more of an insured man than a man who is not insured, and feel freer in negotiating credit transactions when assured that the insurance element has been properly provided for."

* * *

Maturing L. P. Policies as Endowments

As explained in the clause "Paid-up and Endowment Optlons" in Mutual Life present policies, there are two ways of maturing a Mutual Life policy as an endowment. One method is to surrender the insurance for its cash value, when the cash value of the face amount of the policy and of the outstanding paid-up additions, plus the cash dividend accruing on the total amount of insurance, is equal to or greater than the face amount of insurance.

The Company in "Points" illustrates this method by considering a 20-payment life policy of $1,000 issued at age 35. If all of the dividends are allowed to remain with the policy in the form of paid-up additions, and if the 1917 dividend scale remains in force, the total amount of insurance at the end of the twentieth policy year will be $1,437, all of which will be paid-up and participating. If all of the accruing dividends continue to remain with the policy in the form of paid-up additions, and if the 1917 dividend scale still remains in force, the total amount of insurance at the beginning of the twenty-fifth policy year will be $1,518. The cash value of this paid-up insurance at the end of the twenty-fifth policy year, at the attained age of 60, will be $1,012.08, and the cash dividend accruing on this paid-up insurance will be $13.92. Adding these two items together the total cash will amount to $1,026.

The other method of maturing this same policy is as follows: If all the dividends are allowed to remain with the policy in the form of paid-up additions, and if the 1917 dividend scale remains in force, the paid-up additions at the beginning of the twentieth policy year will amount to $407. The cash value of this paid-up insurance at the end of the twentieth policy year, at the attained age of 55, will be $248.24, and the dividend accruing on this paid-up insurance will be $3.41. Adding this latter sum of $3.41 to $14.66, the dividend accruing on the original amount of insurance, makes a total cash dividend of $18.07 at the end of 20 years. The guaranteed cash value of the face amount of this policy is $609.92 at the end of 20 years. Adding these items together, we have a total cash value of $876.23.

This total cash value of $876.23 is the net single premium at the attained age of 55 of an endowment policy of $1,010 maturing at the end of 5 years, at the attained age of 60. This paid-up endowment policy is participating and the dividends will add materially to the amount of the matured amount. Under these conditions this policy will mature at the same time by this second method as by the first method and for a larger amount, namely, $1,080.49. A twenty-payment life policy written at almost any age under 35 will mature sooner by this second method than by the first method. On the other hand, however, the amount of protection under the first plan will be much greater than that under this second plan.

A combination of these two methods will mature the policy, illustrated above, one year earlier. By the second method the total cash value, at the attained age of 55, was used as a net single premium to purchase an endowment policy maturing at the end of 5 years at the attained age of 60. But this policy may be surrendered at age 59 for more than its face amount, for, by employing the first method, the cash value of this insurance, including the outstanding paid-up endowment additions, plus the cash dividend accruing on the total amount of insurance, will be $1,035.26 at this time.

* * *

True Agent Stands for Service

The more experience a man has in the investment of money the more he appreciates the difficulty of combining a reasonable and assured income with the conservation of the principal. Like the experienced navigator he knows of the ceaseless currents that are ever active beneath the surface; that business is never stable but is a focus of forces working without as well as within; that panics, hard times and changing demand come at periodic intervals, and that inefficiency and unprogressiveness may be as disastrous in their results as dishonesty and reckless ambition.

He knows also how easy it is for the investor or business man to be led step by step into commitments beyond his resources, and the tendency of investors to accept as a fact the say-so of someone else.

Eternal vigilance is the price of safety, but no man can be eternally vigilant, and knowledge is by nature limited. Is it any wonder therefore that there is a tendency among men of large experience in investments and financiering, towards income insurance for the protection of their families and other dependents?

The generality of men continue to have their insurance payable in a lump sum to women and children. Despite their experience in business, conscious of the forces ceaselessly at play, they place the responsibility of investing a large sum of money in the hands of inexperienced women who have had no business training. They leave them to meet not only business chances but the slick promoter, the careless or indifferent advisor, or, worst of all, the fool friend, the most dangerous foe that a woman with a large amount of money can have. It is like turning them adrift at sea in an open boat without compass or rudder.

Men who take life insurance for the purpose of protection must be educated to the fact that a conservation of the proceeds of life insurance is an essential part of insurance protection, and only through the efforts of the agency force can that education be carried on.

The responsibility of an insurance agent to his customers extends beyond the mere selling of a policy; it lies equally in making the insurance accomplish the protection which his client had in mind.

The business of life insurance exists only because of the recognition and acceptance by men of their responsibilities to others. It is therefore a business of ideals.

Whenever an agent sells a policy of life insurance he becomes a party to the responsibility of his client. Like the family doctor and the old-fashioned family lawyer he stands for service.—Travelers Record.

THE
METROPOLITAN LIFE
Insurance Company
(Incorporated by the State of New York)



Metropolitan Life Insurance Company
Home Office Building

The Company
Of the People
By the People
For the People

The Daily Average of the Company's Business during 1916 was:

701 per day in Number of Claims Paid.

8,304 per day in Number of Policies Issued and Revived.

$1,969,823 per day in New Insurance Issued, Revived and Increased.

$376,827.40 per day in Payments to Policyholders and Addition to Reserve.

$220,509.26 per day in Increase of Assets.

JOHN R. HEGEMAN, President

Representing

The Mutual Life Insurance Company
of New York

You will make money.

The great strength, big dividends and incomparable benefits of the *"oldest company in America"* mean certain success for you.

For Terms to Producing Agents, Address

GEORGE T. DEXTER, 2d Vice-President
34 NASSAU STREET, NEW YORK, N.Y.

ECONOMIC RATIOS

From 1916 Gain and Loss Exhibit (Paid-for Basis.)

The Mutual Benefit Life Insurance Co.

Ratio of insurance expenses to expense income or premium loadings	85.83%
Ratio of expenses and taxes to total income	12.72
Ratio of insurance and investment expenses to expense income or premium loadings	93.63
Ratio of actual to expected death losses (net amount at risk)	62.70
Ratio of values allowed for policies surrendered for cash, paid-up or extended insurance to reserves released	96.05
Ratio of net rate of interest earned to that required to maintain reserve	157.37

HAD $5,000,000 YEAR

The P. F. Huff Agency, New York, paid for almost five million dollars new life insurance in 1916. Among the leading producers of The Travelers three agents are connected with the Huff agency, viz: Mr. Huff, J. J. Reinhard and F. A. Berthold.

Every Argument for Compulsory Health Insurance Answered in a Debate

Professor Irving Fisher, of Yale, and W. G. Curtis, of Detroit, in Spirited Discussion

Editor's Note: This Debate Was for Members of the New York County Medical Society

Q.—1. Why did you not inform the audience that you are president of a casualty company, dealing in health insurance?

Why, instead, did you come before them as representing the "Insurance Economics Society of America"?

Why, in the published report of your remarks in the "State Medical Journal," is your relation to the insurance interest unstated and that to the "Insurance Economics Society" stated instead?

A.—1. (a) The information would not have been germane to the topic.

(b) Because the invitation to address the Society was addressed to me as chairman of the Educational Committee of the Insurance Economics Society of America.

(c) I was not responsible for anything that appeared in the "Medical Record," and was not consulted.

Q.—2. Have not your audience and your readers the right to know what special interest you represent and from what special viewpoint you speak?

Have they not the right to draw their own conclusions as to any possible special bias affecting your judgment?

A.—2. (a) Those who arrange a program are supposed to present properly those who are to appear. I take it that your criticism should be addressed to the chairman of the program committee. The title of my paper was my viewpoint.

(b) The right of an audience to draw its own conclusions without limitation or restriction, must be undisputed.

Q.—3. Were you silent because you feared to put your auditors on their guard lest they should discover what some of them have characterized, justly in my opinion the casuistry, unfairness and triviality of your 22 allegations?

A.—3. If you mean "silent" as to my personal business, I appeared before them without fear, and did not indulge in self-exploitation and company advertising, because I regard both as in extremely bad taste. I have yet to receive the criticism of unfairness or triviality.

Q.—4. Was the Insurance Economics Society formed by you and others who, like you, are interested financially in commercial health insurance, for the purpose partly or wholly of fighting the competition of compulsory health insurance?

Was this organization intended partly or wholly, to mask the nature of the opposition which you represent?

A.—4. (a) The Insurance Economics Society of America was organized by buyers, sellers and carriers of insurance, for the specific purpose stated in every Bulletin, viz., "Organized for the study of all forms of social insurance, and to disseminate information best calculated to enlighten the public, and to promote practical economy by the conservation of human time values."

(b) An organization was necessary just as you and your associates found it necessary to have an organization to promote your idealistic, Utopian, sociological and Socialistic theories. There has been no mask from the start. My first paper (Bulletin No. 1) was read by W. G. Curtis, president of National Casualty Company, my second paper (Bulletin No. 2) was prepared by W. G. Curtis, president of National Casualty Company, my third paper (Bulletin No. 3) was read by W. G. Curtis, president of National Casualty Company, my fourth paper (Bulletin No. 5) was read by W. G. Curtis, chairman Educational Committee. On the first 10,000 of No. 1 the name of my company appeared, but I have refused to permit it on any others because I decline to have my company profit over other companies by that kind of advertising.

Q.—5. Are you aware that the president of another casualty company recently sent a secret appeal to its agents to help defeat Compulsory Health Insurance, telling them that if Compulsory Health Insurance were adopted these agents would be thrown out of their jobs?

A.—5. I am not so advised.

Q.—6. Do you agree with the author of that secret appeal?

If so, why did you not give this as "Economic Disadvantages No. 23," or, better, as your first, last and all-the-time objection, and omit the rest?

A.—6. (a) Not having seen the appeal, I cannot advise.

(b) The fatal No. 23 should properly appear following your No. 22, with the "memo":

"I lost. Next time I'll confine myself to debating the subject. I. F."

Q.—7. If, not, that is, if you believe as I do that your business would not be injured by compulsory health insurance, why are you making such strenuous exertions to defeat it on the basis of what seemed to those not commercially interested, microscopic arguments?

A.—7. (a) I don't know what you believe, but I repeat my statement from the platform: "My business would be affected to a limited degree."

(b) If a microscope is necessary it will be to discover your up-to-this-time undiscovered economic advantages.

Q.—8. Why are you so solicitous to save pennies for the taxpayer and the employer and to object to interfering with the freedom of the workman and his inalienable right to be sick, poor and uninsured: and to point to supposed indignities to the medical profession under health insurance and yet remain silent as to the effects upon the great insurance interests, with which you are so much more familiar?

A.—8. (a) Because I am a taxpayer and employer, and because I have not turned Socialist, but am still a good American and believe that personal liberty and freedom, still have a meaning and value.

(c) Being a campaign of education, we deem it proper and fitting to present all we have discovered to the physicians. The insurance companies know.

(b) When you point out wherein I have ever referred directly or indirectly to the inalienable right of the workman to be sick, poor and uninsured, I'll make reply.

Q.—9. Would you oppose health insurance if the insurance companies were "let in"?

A.—9. Yes. It might interest you to learn that I have been advised on several occasions that the insurance companies could effect a compromise. The fight is one of principle, so we decline.

Q.—10. If the difficulty of collecting premiums (your Economic Disadvantages No. 2) is a valid argument against a compulsory health insurance it is a far more valid argument against commercial insurance, especially industrial insurance where the agents actually do chase policyholders in back alleys for nickels and dimes. If bookkeeping, (Economic No. 3), Time Wasting, (No. 4), Migration of Labor, (No. 5), Auditing, (No. 6), Complicated Organization, (Nos. 7 and 8), State Politics, (No. 9), Two Sets of Physicians, (No. 11), are true arguments against compulsory health insurance, because they are expenses of administration, then commercial insurance stands still more condemned. For even in England, where the complications of administration are far greater than they could possibly be in this country because of the necessity of reckoning with the numerous and tangled threads of friendly societies running through the country, the total cost of administration of compulsory health insurance is only 14 per cent., which is a small fraction of the cost under the voluntary commercial system, because of the saving in advertising, soliciting business and collecting premiums effected by the compulsory system.

Are you aware that the Commissioner of Insurance of the District of Columbia states that for every dollar put into industrial insurance, the insured on the average takes out $.40?

If 14 per cent. is a waste, is not 60 per cent. a greater waste?

Are you aware that the Armstrong Investigating Committee in 1906 brought out from one of the industrial insurance companies the fact that one-third of industrial policies lapse in three months, one-half in a year and two-thirds in five years?

Do you think it's important to safeguard the precious "liberty" of the policyholder to lose his insurance, when under compulsory health insurance lapses would be impossible?

A.—10. (a) Your first question being general instead of specific does not permit of reply.

(b) Your supporting questions confuse life insurance with health insurance and accident, and also display a total lack of technical knowledge such as none other than an experienced underwriter could have. Disadvantages 2, 3, 4, 5, 6, 7, 8, 9 and 11, all demonstrable and the proof cannot be refuted.

(c) Yes.

(d) Yes.

(e) I am aware, but you probably are not, that the Armstrong Commission dealt with only life insurance.

(f) I think it important to safeguard the "precious" liberty of every citizen, whether policyholder or not.

(g) Lapses would be possible under compulsory health insurance. They are specifically mentioned. I suggest that you read your own or any other draft of the bill.

Q.—11. Is not you objection No. 13 a very unlucky one for an insurance man to ask?

You say, "Isn't it an indisputable fact that the average loss of 3 per cent. of his annual wage would not impoverish the wage-earner," implying that health insurance is unnecessary? It is true that if all wage-earners could be sure of having only exactly the average 3 per cent. loss for each and every one of them it would be more economical to pay this loss directly than to insure against it. It is equally true that if every house owner could rely on a constant per cent. of fire loss he would better pay this directly than pay it in premium plus a loading besides. If losses were all thus certain there would be no such thing as risk and all insurance would be foolish. Your argument proves altogether too much. Health insurance, like all insurance, is necessary because calamities are not certain and constant averages, but uncertain and fluctuating.

On your honor, Mr. Curtis, were you not joking in making such an argument against the insurance principle?

Furthermore if the laborers of this country are too well off (No. 19) to need health insurance, is it not still more needless for your policyholders who are still better off?

A.—11. (a) No. 13 is presumably unlucky for those who weakly hold a superstition against it. Your question raises a suspicion.

(b) Your conclusion is without support. Averages control in insurance; the average loss is 3 per cent. and the loss of 3 per cent. by the whole body, would not impoverish it. Your prospectus deals with the whole loss to the community, and the average loss to the individual; not with the calamity loss of the individual, nor yet with the individual who sustains no loss.

(c) Honor should never be in question between gentlemen. I am gratified that it was only an opponent who raised it; one who has to question whether fact is joke, and who apparently does not recognize the difference between idealistic theory and economic principle, seems hopeless.

(d) Nowhere will you find argument that the wage-earner should be without insurance.

Q.—12. As to your objections No. 14 and No. 20, why do you assume and assert that ordinary public health measures on the one hand and health insurance on the other are mutually exclusive alternatives instead of mutually supplementary measures?

A.—12. We neither assume nor assert that existing mediums of prevention or coverage are exclusive. Nos. 14 and 20 point to practical economy unapplied.

Q.—13. When you quoted Dr. Geier of Cincinnati as opposed to compulsory health insurance I assume you were not aware that he, like other open-minded men after studying health insurance, has finally come out as in favor of it?

A.—13. Dr. Geier is on record opposing compulsory health insurance, and we have had no advice to the contrary.

Q.—14. As to No. 1, is health insurance any

(Continued on page 19)

Build Your Own Business

under our direct general agency contract

Our Policies provide for:

Double Indemnity, Disability Benefits, Reducing Premiums

See the new low Rates

JOHN F. ROCHE, Vice-Pres't

THE MANHATTAN LIFE INSURANCE COMPANY

66 BROADWAY NEW YORK

Organized 1850

WE have room just now for two or three good men—not the Million Dollar producer who takes it out in talk, but the man who can average $100,000 of personal business, plus experience in appointing and working with agents. Men who become valuable to this Company grow in value to themselves. We cannot guarantee your success, but we will give you a real opportunity, then it's up to you. Would you like to hear about it further?

Pittsburgh Life and Trust Co.

Home Office, Pittsburgh, Pa.

HOWARD S. SUTPHEN

Vice-President & Manager of Agencies

HOME LIFE INSURANCE CO.

(Now Purely Mutual)

256 BROADWAY, NEW YORK

GEORGE E. IDE, President

The fifty-seventh annual report shows insurance in force of $133,493,000, an increase during the year of $7,832,827. The Company paid the policyholders in 1916 $3,536,233, of which $628,406 was in dividends or premium refund. Its insurance reserve fund was increased by $1,300,000 and the Assets are now $32-821,462.

For Agency apply to

GEORGE W. MURRAY,

Supt. of Agts.

256 Broadway, New York, N. Y.

BANKERS BLC LIFE DES MOINES COMPANY

PAYS GOOD PAY TO GOOD MEN

ORGANIZED 1871

Life Insurance Company of Virginia

RICHMOND, VIRGINIA

OLDEST, LARGEST STRONGEST Southern Life Insurance Company

Issues the most liberal forms of Ordinary Policies from $1,000.00 to $50,000.00, and Industrial Policies from $12.50 to $1,000.00

CONDITION ON DECEMBER 31, 1916:

Assets	$14,464,552.23
Liabilities	12,436,717.56
Capital and Surplus	2,027,834.67
Insurance in Force	118,349,212.00
Payments to Policyholders since Organization	18,119,172.50
Is Paying its Policyholders over	**$1,300,000.00 annually**

GOOD TERRITORY FOR LIVE AGENTS

THE EASTERN UNDERWRITER

This newspaper is owned and is published every Friday by The Eastern Underwriter Company, a New York corporation, office and place of business 105 William Street, New York City. Clarence Axman, President; B. F. Hadley, Vice-President; W. L. Hadley, Secretary. The address of the officers is the office of this newspaper. Telephone 2497 John.

Subscription Price $3.00 a year. Single copies, 15 cents.

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POSTAL AFTER GROUP LINES

Among the arguments advertised by the Postal Life as an inducement to insurers for the purchase of group insurance in that Company is a line reading: "The Postal provides for participation by policyholders in earnings or profits." The Company's financial statement for December 31, 1916, carries the information that the Company is authorized to distribute in 1917 dividends of $34,000. Not a very heavy argument there.

Another statement in the Postal Life's advertisement is that group insurance "maintains the good will of the worker himself, thus preventing complaints and strikes." This is so unfortunately and amateurishly worded that if group insurance were not so well established harm might be done. The argument "it prevents strikes" is tactless, and would never be nor should never be offered by companies which are really selling this type of insurance and which have the correct conception of the functions of group.

INSURANCE COMPANIES AND PUBLIC SPIRIT

At a meeting of the New York County Medical Society Professor Irving Fisher, of the Department of Political Economy, Yale University, and one of the leading propagandists of compulsory health insurance, asked a number of leading questions of W. G. Curtis, president of the Insurance Economics Society of America, one of the foremost opponents of compulsory health insurance. Mr. Curtis answers the questions seriatim. Of such vital importance at the present time are these queries and answers thereto that they are reproduced elsewhere in full in this issue of The Eastern Underwriter.

Particular attention is called to the last question and answer. The propagandists of health insurance have an irritating habit of alleging that the attitude of the insurance companies in opposing compulsory health insurance is generally selfish, often "unpatriotic," and frequently in disregard of the welfare of the great army of workingmen. Professor Fisher asked point blank if the whole question should not be considered by the companies "from purely a national point of view," based on the tested experience of older nations. Of course, back of this question was a slurring intimation that the insurance companies are not public-spirited.

Mr. Curtis retorts that the companies can and will consider the question from the broad standpoint that the nation's health should be conserved, but, judging from the tested experience of this country, political inefficiency and corruption are squandering 70 per cent. of all money raised for health conservation purposes in national, state and local channels, and he points out that the proposed plan would but add to the squandering, while the principle of indemnity for preventable waste is wrong.

A REMARKABLE PRODUCTION FEAT

It has just become known that a most unusual feat in life insurance production stands to the credit of the New England Mutual Life for 1916. During that year forty-two general agents of the Company paid for forty-four millions of insurance. This is the best testimonial to an agency force as a whole that we have ever seen. It means that from one end of the country to the other the New England Mutual Life is represented by uniform strength, by men who can be depended upon year in and year out for consistent, high grade production; that here is a chain without weak links, reflecting the greatest credit upon the administration of that Company and its ability to judge men. It has been generally recognized by life underwriters that New England Mutual Life general agents measure up to a high standard, being clean, strong and successful. That they are keenly responsive to the family idea, showing a spirit of personal devotion that comes from absolute confidence in the home office administration is proved by the record above recited.

NEW IDEA IN ANNUAL REPORTS

The Phoenix Mutual Life has demonstrated upon many occasions recently that it is one of the most progressive companies in the United States, quick to grasp ideas, to weigh them, and, if found meritorious, to put them into execution. The Company has done notable work in trying out advanced salesmanship ideas aiming to eliminate the unfit, while its literature has been so revised that it is doubtful if there is a "dead" argument or an unattractive document being sent out from that home office today.

The Company's latest innovation is to get just as far as possible from the stereotyped annual report.

This has been done by making the sixty-sixth annual report an illustrated personal message to the policyholder. It bears the caption: "To you as a member from those to whom you have intrusted your Phoenix Mutual interests." On the first page appears a photograph of President Holcombe, seated at his desk, and this statement: "A welcome awaits you in this office, whenever you come to Hartford."

On page 2 appears a short message from President Holcombe on the text: "Keeping our increasing amount of assets, now over $42,000,000, safely and profitably invested." On page 3 appears a picture of Vice-President A. A. Welch, also at his desk, with the message from him under the heading: "Preserving the equities of policyholders whose policies aggregate $180,000,000." Secretary S. H. Cornwell's picture appears on the next page with a short talk on "Safeguarding premium collections of over $6,000,000." Then come pictures and messages on different pages of Winslow Russell, agency manager, on "Selling $25,208,950 of insurance through 600 efficient, trained representatives"; and O. M. Thurman, assistant secretary, on "Selecting new members to whom your Company issued 11,000 policies last year."

The booklet is extremely well gotten up. Each of the remaining pages tells in succinct, powerful form facts about the Company's year and progress. The booklet should be effective in acquainting policyholders of the Phoenix Mutual with the strength and growth of that Company at a glance.

THE HUMAN SIDE OF INSURANCE



EDWIN B. QUACKENBUSH

Edwin B. Quackenbush, who for more than ten years has been general agent of the Ocean Accident and Guarantee Corporation for accident, health and burglary for Greater New York, has also been appointed general agent of the automobile department of the Commercial Union Assurance Company, Limited, for Greater New York and vicinity. The Quackenbush office, which has been growing fast, now has affiliations with about a thousand brokers. The new appointment is a splendid one, as there are fewer men in New York City who have a keener productive insight than has Mr. Quackenbush, i. e., a knowledge of finding out the insurance needs of the public and how to meet them. The Commercial Union is one of the greatest factors in the insurance world. The total assets of the Commercial Union group now run over $150,000,000. Mr. Quackenbush began his career as a lawyer, making a special study of the law relating to contracts of insurance, and his personal acquaintance is tremendous.

* * *

Douglas G. Diplock and his brother, **Ronald Diplock,** the former in the agency department of the Royal and the latter with Frank & DuBois, both nephews of Frank Lock, United States manager of the Atlas, are serving with the British Army in France. Douglas Diplock has been promoted to Second Lieutenant and recently returned to the trenches, after having been confined to the hospital for some time from blood poisoning. Ronald Diplock is serving with the Artists' Corps Rifles.

* * *

Jay Zorn, agency supervisor of the Home Fire Insurance Company in the eastern division, returned this week from the Mexican border, where he served as captain in the Twelfth N. Y. Inf., N. G., U. S. A. Captain Zorn left New York on June 28, and has been stationed at McAllen, Texas.

* * *

Leslie C. York, Inspector of Agencies of the Equitable Life Assurance Society, has returned to New York after an exciting experience in an Iowa train wreck. He tells the following story of his experience: "The five passenger and pullman coaches were derailed and wrecked fully two hundred feet from the railroad track out in the corn field and over an embankment of from fifteen to twenty feet. The engine, with the baggage and mail car did not leave the track. The train was late and going at about forty-five or fifty miles per hour and when they struck a curve the tracks spread and the cars referred to, went over the embankment. The combination smoker and express car caught fire and the inside was burned out. All of the cars in the train were steel, which was a lifesaver. There were twenty-five to thirty people injured, with one death and two in a very precarious condition. The wreck occurred about ten thirty in the evening, about twelve miles west of the town of Atlantic. Everyone who was in physical condition to do so, aided in caring for the injured and physicians were brought from neighboring towns. We got back to Atlantic about three A. M. and my only suffering is loss of sleep and a sprained hand."

* * *

Edward E. Hall has been elected a director of the Peoples National Fire Insurance Co., of Philadelphia, for a term of three years, succeeding H. T. Alley.

* * *

Assistant Secretary Millwood Truscott of the Camden Fire Insurance Association has been elected secretary of the Camden County Chapter of the American Red Cross.

* * *

"Bill" Rose, a well-known and successful Albany agent who knows as much poetry as a Chautauqua lecturer, but makes better selections than the latter, and **"Marty" Kunziger,** of the General Adjustment Bureau, a judge of good yarns, found themselves marooned in a hospital "somewhere in Albany." Rose, first to get back his spirits, made it a practice to drop in at Kunziger's room and entertain him with prose and poetry. Soon the tip went through the hospital that there was a first class vaudeville show going on every night in Kunziger's room, which became a magnet for doctors and nurses. There was general regret among the nurses and doctors when the Rose-Kunziger act was stopped by one of its members finally being able to leave the hospital.

* * *

Arthur D. Johnson, assistant cashier of the Phoenix National Bank, has been elected an auditor of the Connecticut Mutual Life of Hartford. Charles A. Pease and Harvey W. Corbin, the other auditors of the Company were re-elected.

* * *

John A. Bucknell, supervisor of the Canadian Life, with headquarters at Detroit, died on Tuesday morning in Buffalo.

FIRE INSURANCE DEPARTMENT

Companies Lose Risk Day After Inspection

MUTUALS WRITE STANDARD FUZE AT EIGHT CENTS NET

Twenty-five Representatives of Companies Who Visited Plant Saw Demonstration Friday

The day after twenty-five representatives of fire insurance companies and rating bureaus inspected the plant of the Standard Fuze Corporation, of Paulsboro, Gloucester County, N. J., at the request of R. C. Rathbone & Son, brokers handling the line, the assured announced that the risk had been placed with the mutuals. The insurance on this risk was $640,000.

The Rates

Some time ago the risk paid 90 cents average, rated from its physical basis. This was increased to 1.90 average. Then it went up to 4.35 average. The mutuals had offered to take the risk at deposit premium of 80 cents, or net rate of 8 cents.

R. C. Rathbone & Son conceived the idea of holding a test to demonstrate to the insurance companies that a deferential should be shown in their treatment of fuze manufacturing plants as compared to full-fledged ammunition or shell plants. Invitations were extended to companies, rating organizations, etc., and the tests were held on Friday of last week. C. H. Brown represented R. C. Rathbone & Son and the assured. Mr. McCullough, of Pate & Robb, who control the International Fuze & Arms, which has a premium of $140,000 a year, was also present, as was Vice-President H. Brooke, of the Standard Fuze. Others present were Messrs. Clutia, of the Westchester; Fischer, Watson, Spooner and Clayton, Atlee Brown office; Hutson, National Building; Burke, A. H. Schmidt & Co.; Johnson, Benjamin and Forrestel, Insurance Co. of North America; Fletcher, International Fuze & Arms; Armstrong and Klaisz, National, Copenhafer, Suburban Underwriters' Association, Philadelphia; Ackerman, National Union; Ikier, North British; Brown and Westervelt, Niagara; Irvin, Aetna; Simons, Fire Association; N. B. Stinson, Camden; Stradling, Suburban Board; Heller, Middle Department; Jenkins, Underwriter Bureau.

Rathbone Representative Talks of Tests

In discussing the tests Mr. Brown, of the Rathbone office, said:

"In the first place they illustrated in absolute detail the construction of a fuze. The company's representatives took the visitors throughout the plant, showing the process of manufacturing and the quality and quantities of the specific materials handled, in addition to the safeguards against fire. Then they showed the method by which the fuzes are set at safety and demonstrated that when set at safety, if for any reason they went off, only one ring would burn and the fire would burn itself out. They also set off the different styled primers. Fuzes were attached to heavy cast iron imitation shells, which were dropped from a height of 15 feet, with the impact equal to more than a ton in pressure. They required being dropped twice to set off time feature, and once to set off detonating feature.

"They also ignited the fuze which was surrounded by other fuzes in such a manner as to expose each fuze at its most delicate or likely-to-be-ignited-spot —the vent. They then took fuzes and placed them in a jumbler, viz., a revolving wooden box, and tried to set them off. They also attached them to a jolt machine, which at different times placed the fuzes in three different positions. They tried to ignite rings with matches or other fire without success. Inasmuch as the completed fuzes were packed covered with metal protector, resting in soft wood racks, the representatives of the companies without exception expressed themselves as being thoroughly satisfied with the hazard involved, saying it was only ordinary. In fact, the impression of the complete operation of the plant was that there is no likelihood of general explosion."

The Aftermath

On the following day the Standard Fuze tried to get immediate action from the companies for a lower rate, but were unsuccessful, and immediately closed with the Firemen's Insurance Company, of Providence, a mutual.

The mutuals have also made a proposition to the International Fuze & Arms, with the understanding that the latter install a $60,000 sprinkler equipment, which is now being considered. The Standard risk is sprinklered.

PLAN TO INCREASE CAPITAL

The Mechanics' Insurance Co., of Philadelphia, is planning to increase its capital stock from $250,000 to $1,000,000. A vote will be taken at the annual meeting to be held May 10. The Company has made fine progress under the new management.

ANNIVERSARY DINNER

The Insurance Company of North America celebrated its 125th anniversary at a banquet in Philadelphia last night.

FIRE AND MARINE INSURANCE—ALL LINES

The Automobile Insurance Company of Hartford, Conn.

MORGAN G. BULKELEY, President

Statement January 1, 1917

Cash Capital - - - -	$1,000,000.00
Assets - - - -	2,748,832.19
Liabilities (Except Capital) - -	1,039,977.81
Surplus to Policyholders - -	1,708,854.38

AFFILIATED WITH

ÆTNA LIFE INSURANCE COMPANY

THE ÆTNA ACCIDENT AND LIABILITY CO.

BUY J. P. MILLER AGENCY

Amos, Norton & Newhall, Inc., Formed in Syracuse, N. Y.—To Retain Miller Companies

Amos, Norton & Newhall, Inc., of Syracuse, N. Y., has been formed and has purchased the J. P. Miller Insurance Agency, of that city. They will retain the agency of companies formerly represented by the Miller Agency. Through the dissolution of the firm of Newhall Brothers & Wood, James C. Newhall becomes associated with this agency. The agency is in the Union Building, Syracuse. The members of the corporation are Jacob Amos, Joseph G. Norton and Mr. Newhall.

OTTO & SON EXPAND

Expansion of Business Cause of Shifting in Insurance Zone—Philadelphia Also

Charles B. Van Valen leased for Howard H. Williams a large suite of offices in 105 William Street to Henry E. Otto & Co., Inc. The same brokers leased the Otto & Co. their present offices in 95 William Street, which they are compelled to abandon due to increase in the marine insurance business, and more than double their quarters. Negotiations are now pending for leases through the same brokers in Philadelphia and other large shipping centers.

SPECIAL AGENT WANTED

WANTED by well established Fire Insurance Company, Special Agent to travel New York State, making his home at Syracuse or Rochester. One about thirty to thirty-five years of age, with knowledge of underwriting, who has had either local agency, rating inspector or Special Agency experience, who will start at moderate salary, preferred. Applicants must state age, experience for past ten years, at least three references and salary expected to start.

SPECIAL AGENT,

Care Eastern Underwriter, 105 William Street, New York.

NORTH BRANCH FIRE INS. CO.
Sunbury, Pa.
Inc. 1911

Assets	$641,341.77
Reserve	230,513.29
Capital	300,000.00
Surplus	63,479.83

CITY INSURANCE COMPANY
Pittsburgh, Pa.
Inc. 1870

Assets	$357,318.58
Reserve	54,256.92
Capital	200,000.00
Surplus	96,379.07

OPERATING ON A CONSERVATIVE BASIS IN A LIMITED TERRITORY UNDER AN EXPERIENCED MANAGEMENT

Only 5 New York Fires in 1916 Over $100,000

REPORT OF LOSS COMMITTEE OF NEW YORK BOARD

37,000 Claims Now in Loss Index—Fewer Claims With Fraudulent Intent

The number of losses which came under the jurisdiction of the committee on losses and adjustments of the New York Board of Fire Underwriters last year as compared with 1915 decreased 2.7 per cent., while the amount of incurred loss increased 34.4 per cent.

During 1916, only on account of five fires did the loss exceed $100,000, viz.:

590-592 Montgomery St., being also 417-419 Mercer St., Jersey City, N. J.	$157,839.22
509-519 East 72d St., through to and being 510-518 East 73d St.	238,259.89
Barren Island, N. Y.	122,185.89
White, McKibben, Boerum and Bogart Sts., Brooklyn, N. Y.	113,685.52
Blackwell St. and East River, Steinway, Bor. of Queens..	200,497.73

51 Moral Hazard Reports

"The year has been one notably free from fires of questionable origin and claims with fraudulent intent," said Chairman Wallace Reid. "We have made fifty-one moral hazard reports during the past year. Twenty of these claims reported on during 1916 called for unusual investigation, the cost of which amounted to $44,685.72, of which amount $29,156.79 was paid during the year 1916, representing 24.85 per cent. of the full expense of the year's adjustments. The resulting saving to companies, as compared with assured's proofs of loss in these was however $209,104.26. We have spent during 1916, $16,793.27 on criticised claims, adjustments of which are still pending, and this amount, together with the expense of the adjustment of the twenty claims above referred to, represents forty per cent. of the full expense of the year's adjustments."

Classification

The classification of the adjusted losses for the past two years shows as follows:

	1915. %	1916. %
Originated in premises of assured	62.43	61.88
Originated in premises of others in same building.	34.59	29.72
Damage by exposure.....	2.98	8.40

Of the above 61.88 per cent. of adjusted claims where fires have originated in the premises of assured, 53.15 per cent. in number of claimants have made no previous claims, 40.23 per cent. have made claims that have been adjusted by the loss committee and 6.62 per cent. have made claims not adjusted through the Committee.

Black Tom Committee

"On the day following the Black Tom Island casualty, which occurred July 30, 1916, your Committee had an informal meeting at which tentative plans were discussed and this was followed by meetings of the full committee, after which meetings of the companies interested were called; these resulted in the organization of the Special Committee on Black Tom Island Disaster, the nucleus of which was the standing committee on losses and adjustments which was given authority to add to its membership," said Mr. Read. This committee called to its assistance Messrs. F. C. Buswell, vice-president Home Insurance Company; F. D. Layton, assistant secretary National Fire Insurance Company; John O. Platt, vice-president Insurance Company of North America, and E. G. Richards, manager North British & Mercantile Insurance Company, and has constantly had the counsel of other prominent officials of insurance companies. Mr. Wallace Reid, the chairman; Mr. Charles L. Case, the vice-chairman, and Mr. A. E. Clough, the secretary, of the committee on losses and adjustments, were chosen respectively as chairman, vice-chairman and secretary of the special committee and Mr. Frederick B. Campbell as its general counsel.

Many settlements have been made and others are in process of adjustment.

Loss Index Service

The loss index service has now been in successful operation for three years; sixty-eight cabinets are now in use by members or co-operating companies; each cabinet contains 26,207 cards showing over 10,800 names and over 15,700 locations of claimants with reference to over 37,000 claims. "Your committee believes that the information now available to members is being reflected in the decreasing number of moral hazard claims. This service is becoming constantly more valuable to our members and plans are being made to materially increase its scope and usefulness," the report concluded.

CHANGE RULES AND RATES

Automobile, Gasoline Explosion Type, Permit Charges—Unoccupancy Summer Home Charges

The following is a summary of suburban fire insurance changes:

Rule 70, "Valued Clause," on page 34 of the Manual, is amended by adding thereto the words, "but no allowance shall be made for the attachment of the 100 per cent. average or co-insurance clause."

Charges for permits for automobiles, gasoline explosion type [Rule 5 (b) in Manual as amended by supplement of March 1, 1917] are now as follows:

One car, .10; 2 cars, .15; 3 cars, .25; 4 cars, .30; 5 cars, .35; 6 cars, .40.

The foregoing charges are to be used in rating private garages in connection with owner's dwelling by adding same to minimum rates for private stables, and the minimum for "Garages, private, in connection with owner's dwelling" on page 100 of Manual is changed accordingly.

Minimums for unprotected private dwellings on page 99 of the Manual are now .40 .40 .40 .40

Minimums for unprotected private stables and for outbuildings respectively on pages 104 and 102 of Manual are now .50 .50 .50 .50

Rule 69, "Vacancy and Unoccupancy Privileges," on page 33 of Manual is rescinded and replaced by two new rules, viz, 69, "Unoccupancy," and 69A, "Vacancy."

The fourth paragraph of Rule 18, "Dwellings," on page 13 of Manual, creating a class designated as "Summer Dwellings," is stricken out.

Minimums for "Summer Dwellings" on page 99 of Manual are rescinded.

Unprotected dwellings and their outbuildings now take charges for unoccupancy according to length of time desired, as follows:

"Three months in any one policy year," no charge; "Six months in any one policy year," .04 per annum; "A portion of each year," .08 per annum; "Without limit," .10 per annum.

Vacancy in above beyond forty consecutive days in any one policy year is to be charged for at the rate of .02 per month.

Prompt Efficient
THE INSURANCE BUREAU
FIRE and AUTOMOBILE
Inspections and Investigations
406 German-American Bank Bldg.
BUFFALO, N. Y.
Confidential Economical

"The Leading Fire Insurance Company in America"



WM. B. CLARK, President

AETNA INSURANCE COMPANY

Aetna Fire Underwriters Agency
of Aetna Insurance Co.

Application For Agencies Invited

PRESIDENT TO CUT SALARY

Maryland Department's Tip to Head of German Commercial Mutual Acted Upon

The Maryland Insurance Department has made public its examination of the German Commercial Mutual Fire Insurance Company, of Baltimore, which covers the period from May 31, 1916, to November 24, 1916.

The Company was incorporated May 11, 1915, under the general laws of the State authorizing the formation of corporations, by the name of the Merchants' & Manufacturers' Mutual Fire Insurance Company, under which name it was operating at the date of the last previous examination.

On October 27, 1916, the name of the Company was changed to that of "The German Commercial Mutual Fire Insurance Company of Baltimore."

Hazelton A. Joyce, Jr., chief examiner of the Baltimore Insurance Department, said that the Company has greatly increased its writings, especially within the last few months, and is in better financial condition than at the date of the previous examination, but is still unsound financially, having liabilities in excess of assets by the amount of $4,081.72.

The president could aid in improving the financial condition of the Company by having his salary reduced by one-half until the Company shall have been put on a substantial financial footing. He has given assurances that this will be done.

On November 24, 1916, the Company had insurance in force listed as follows:

One year risks	$337,185
Three year risks	210,800
Five year risks	65,400
18 months' risk	500
	$613,855

Irvin T. Ehst, of Boyertown, Pa., died a few days ago.

A. K. BOUGHNER & CO.
INSURANCE AGENCY
Fire Automobile
NEWARK AND VICINITY
Brokerage Business Solicited
38 Clinton Street Newark
95 William Street New York

THE HANOVER
FIRE INSURANCE COMPANY
Incorporated 1852

The real strength of an insurance company is in the conservatism of its management, and the management of THE HANOVER is an absolute assurance of the security of its policy.

R. EMORY WARFIELD, President
FRED. A. HUBBARD, Vice-President
E. S. JARVIS, Secretary
WILLIAM MORRISON, Asst. Sec'y

HOME OFFICE
Hanover Bldg., 34 Pine St.
NEW YORK

HOWIE & CAIN, General Agents
Metropolitan District
100 WILLIAM STREET, NEW YORK

GERMANIA
FIRE INSURANCE COMPANY
NEW YORK.

ORGANIZED 1859

STATEMENT, JANUARY 1, 1917

Cash Capital	$1,000,000.00
Assets	8,553,704.22
Liabilities	4,222,485.60
Net Surplus	3,331,218.62
Surplus for Policy Holders	4,331,218.62

HEAD OFFICE
Cor. William and Cedar Streets

207th Year
SUN
INSURANCE OFFICE OF LONDON
FOUNDED 1710
UNITED STATES BRANCH:
54 Pine Street - New York
WESTERN DEPARTMENT:
76 WEST MONROE ST., CHICAGO.
PACIFIC DEPARTMENT:
N. W. Cor. Sansome & Sacramento Sts.
San Francisco, Cal.

First National Fire
Insurance Company of the United States
WASHINGTON, D. C.
ROBERT J. WYNNE, President JOHN E. SMITH, Secretary
Statement January 1, 1916
CAPITAL, $912,502
RESERVE FOR ALL OTHER LIABILITIES, $523,785
NET SURPLUS, $377,447 ASSETS, $1,813,734

ADDITIONAL NEW YORK STATE 1916 FIGURES

	Premiums.	Losses Incurred.
Allemannia	142,391	58,458
Aetna (F.)	1,135,876	494,174
(M.)	1,854,670	1,444,737
American Drug.	121,071	58,551
Automobile (F.)	99,610	35,947
(M.)	373,440	161,328
Commonwealth, Tex.	3,192	.....
Cleveland Nat.	37,214	18,863
Camden, N. J. (F.)..	447,832	118,581
(M.)..	33,502	20,700
City Ptsbg., Pa. ...	7,270	1,614
Colonial, N. Y.	121,071	58,551
Com. Union, N. Y..	87,300	36,802
Concordia, Wis.	158,197	42,022
Citizens, Mo.	149,888	98,715
Capital, N. H.	99,024	36,289
California, Cal.	49,722	10,777
Connecticut, Ct. (F.)	341,420	152,025
(M.)	72,754	50,935
Detroit National ...	54,041	27,177
Dixie, N. C.	72,977	24,716
Detroit F. & M., Mich.	112,484	55,374
Equitable, R. I. (F.)	48,615	22,580
(M.)	37,476	25,557
Dubuque, Iowa	156,911	96,814
Eastern, N. J.	.....	.....
Federal Union	28,923	8,588
Firemen's, N. J.	465,139	275,405
Firemen's Fund (F.)	488,491	223,832
(M.)	999,517	1,369,282
Franklin (F.).....	329,381	129,416
(M.).....	33,112	15,181
Fire Assn.	552,405	272,352
Firemen's, Wash. ..	29,597	9,711
Germania (F.).....	513,456	222,475
(M.).....	107,073	22,949
German, Pa.	112,292	54,623
Granite State, N. H.	48,872	31,319
German, W. Va.	65,667	34,794
German-Am., Pa. ...	71,882	36,136
Hartford (F.).....	1,580,190	875,757
(M.).....	191,289	220,549
Humboldt	102,075	49,721
Ins. Co. State of Pa.		
(F.)	272,565	129,011
(M.)	410,334	303,646
Interstate	22,883	10,337
International	.....	1,034
Independence	27,287	5,665
L. & L. & G. (N. Y.)	.....	5,020
Merchants, N. Y. (F.)	164,005	63,186
(M.)	34,882	13,005
Milwaukee Mech. (F.)	218,592	93,944
(M.)	2,215	826
Marquette Nat.	4,741	.....
Mechanics, Pa.	73,207	45,755
Michigan F. & M...	98,995	53,975
Michigan Com. (F.).	202,948	42,133
(M.).	42,735	38,609
Minneapolis F. & M.	54,172	33,928
Mech. & Traders ...	74,117	38,668
Mass. F. & M. (F.)..	97,019	38,549
(M.)..	183,239	111,772
N'western Nat. (F.)	256,106	109,718
(M.)	11,605	2,403
Nat. Ben. Frank. (F.)	231,113	116,970
(M.)	12,393	5,021
National Union	137,110	64,090
New Brunswick	92,105	67,471
Newark, N. J. (F.)..	193,975	97,122
(M.)..	75,898	19,262
New Jersey	120,310	48,495
N'western F. & M. ..	4,486	1,550
National Brewers ..	5,555	92
National	770,165	314,140
North Branch	92,839	39,813
North Carolina	6,347	1,292
Pittsburgh	39,752	24,502
Orient (F.).....	194,383	70,607
(M.).....	44,595	17,711
Provi., Wash. (F.)..	395,445	186,782
(M.)..	1,181,269	1,024,070
Pennsylvania	471,435	240,133
Phoenix, Conn. (F.)	662,088	311,390
(M.)	155,674	21,454
Potomac	34,482	8,023
Reliance	125,619	87,962
Standard, N. J.	88,694	51,473
Standard, Conn.	80,266	35,453
Seneca	39,633	15,291
Sterling, Ind.	28,519	11,575
St. Paul, Minn. (F.)..	321,286	172,946
(M.)..	1,433,304	747,539
Virginia F. & M. ...	91,206	36,106
Western, Pa.	89,429	40,110
Teutonia, Pa.	90,733	50,360
Vulcan, Cal.	23,595	3,409

Foreign Companies

Atlas	227,793	94,271
Aachen & Munich ..	195,650	70,491
Abeille	45,575	23,826
British-Am.	166,355	76,480
British Dom.	9,362	1,948
Balkan Natl.	248,237	210,518
Bulgaria First	313,777	177,912
Caledonian	311,775	190,870
Century	37,304	26,755
Com. Union (F.)....	773,224	490,710
(M.)....	18,918	6,948
First Russian	329,602	174,900
General	95,420	73,826
Frankona	152,210	103,765
Fire Reass.	184,169	88,322
Salamandra, Rus. ..	476,433	278,556
International Re. ...	122,356	71,497
Hamburg Ass.	594,915	381,535
L. & L. & G. (F.)...	1,542,746	983,830
(M.)..	239,233	265,873
Munich	1,104,061	653,652
London & Lanc. (F.)	262,408	137,122
(M.)	54,545	15,922
Moscow	461,277	243,600
National, Fr.	68,362	35,740
Netherlands	62,987	26,569
Norske, Lloyd, Nor.	84,743	24,875
Norwich Union (F.)	218,738	93,220
(M.)	57,327	21,125
Northern, Rus.	89,226	63,325
Nord-Deutsche	120,815	64,704
Prussian Natl. (F.)..	130,107	95,611
(M.)..	96,294	57,767
Paternelle	144,718	64,381
Phenix, Fr.	68,362	35,740
Rossia	603,822	282,955
Russian Re.	350,851	183,779
Royal Exchange	275,200	109,073
Phoenix, Eng.	381,783	152,276
Palatine	222,786	95,381
Swiss Natl.	221,898	133,575
Skandia	143,202	72,990
Scandinavia	.....	.....
Swiss Re.	161,995	74,754
South German	120,016	67,841
Scot. Un. & Nat. (F.)	376,623	110,681
(M.)	4,216	4,411
Second Russian	169,975	101,502
Warsaw	49,691	26,829
Yorkshire	114,814	59,663
Union, Eng.	111,105	31,191
Urbaine, Fr.	71,388	54,229
Union & Phe.	140,239	80,446

"The Largest Fire Insurance Company in America."

THE HOME INSURANCE COMPANY NEW YORK

ELBRIDGE G. SNOW, President

The Largest Cash Assets of any Fire Insurance Company in America are Back of Every Policy Issued by "THE HOME"

FIRE AND ALLIED BRANCHES OF INSURANCE

Fire, Lightning, Automobile, Commissions, Explosion, Hail, Marine (Inland and Ocean), Parcel Post, Profits, Registered Mail, Rents, Sprinkler Leakage, Tourists' Baggage, Use and Occupancy, Windstorm.

STRENGTH REPUTATION SERVICE

Change of Interest Voiding Policy

A contract of sale of real estate acknowledged receipt of part payment and provided for the delivery of warranty deed upon other payments being made. The contract spoke of rent and authorized such rent to be credited upon purchase-money installments; but there was nothing in the contract abrogating it or authorizing a forfeiture in case the vendee failed to make the payments. The Alabama Supreme Court holds, Cardwell vs. Virginia State Ins. Co., 73 So., 466, that the contract was an unconditional contract of sale which violated provisions of a policy against change of interest and made the policy void.

C. W. Bostwick, F. B. Bostwick and I. Webber, of Hudson, N. Y., have opened offices at 520 Warren Street, to do a general insurance and brokerage business under the name of the C. W. Bostwick Insurance Company.

North British and Mercantile Insurance Co.

Established 1809

Entered United States 1866

Policyholders protected by the entire United States assets, with further guarantee in every policy, of protection by entire fire assets of the company which are many times larger.

Springfield Not Writing Bombardment

PRESIDENT DAMON TELLS WHY THIS DECISION WAS REACHED

Might Result in Some States Thinking Company Assumed Risks of Unusual Hazard

President A. W. Damon, of the Springfield F. & M., said to The Eastern Underwriter this week, in response to an inquiry about bombardment insurance:

"We have no intention whatever of assuming this liability, although the laws of this State allow Massachusetts companies to do so. At the time of the Spanish war this same question came up and we were met with opposition on the part of one or more insurance commissioners of Western States, who realized the possibility of its involving us in a very heavy loss in case one or more coast cities should be bombarded. They took the ground that the policyholders in their States had accepted our policies with the supposition that we were practically confined to the fire insurance hazard and it was unfair to them to risk the life of the Company in assuming a hazard which was not contemplated at the time they accepted our policies.

Might Make Sweeping Interpretation

"There is more than a possibility that the same attitude might be shown by the commissioners in inland States at the present time and they might carry it so far as to decline to allow us to transact fire insurance in their States if we assumed this added liability.

"While I believe the chance of serious loss from bombardment is not great even should we engage in war with Germany, it seems to me the part of wisdom that we refrain from assuming this liability even though the probabilities are that it would be all clear gain to our treasury if we should issue bombardment policies."

A WAR RISK CIRCULAR

Wilcox, Peck, Brown, & Crosby Predict to Assured Internal Losses, Possibly Active Bombardment

Wilcox, Peck, Brown & Crosby have mailed the following circular to their clients:

The breaking of our diplomatic relations with Germany has brought to our office inquiries and orders from banks, warehousemen, manufacturers, merchants and residence owners, as to the cost of insurance covering against war risk, including "explosion, damage by invasion, insurrection, riot, civil war or commotion, or military or usurped power" * * * "explosion of any kind." These hazards are specifically excluded in the printed conditions of the standard fire policies which are required to be used by the several State Insurance Departments.

We call attention to the fact that fire insurance policies do not cover against loss by fire resulting from many of the causes enumerated above.

At present the rates are quite low and there is a market for considerable amounts of insurance. It is impossible to forecast what need there will be for this insurance, but it is certain that the moment a few losses occur, and it is quite possible that there will be losses due to internal disturbances, if not by actual bombardment, the rates of insurance will be considerably increased and the market for covering such insurance will be restricted.

We accordingly think we are justified in calling this subject to your attention, and shall be glad upon request to give you more detailed information as to form of cover and cost of insurance.

Boiler not Damaged, Court Disallows Claim

LAUNDRY PUT OUT OF COMMISSION BY A FIRE

No Fire in Boiler Room, But Assured Wanted to Collect Just the Same

When a policyholder makes a sworn claim for the full value of a boiler, amounting to one-sixth of the insurance, and afterwards admits that it was not damaged by the fire he cannot recover any of his damages under the policy, from the company.

Suit was started against a company on a fire policy to recover the value of the machinery and equipment of a steam laundry in Springfield, Mo.

The company set up as a defense that in proof of loss the insured had intentionally, falsely and fraudulently over-valued the goods and property lost and damaged by the fire, and the extent of his loss by the fire, and had also claimed as lost, articles which were in fact entirely undamaged by the fire.

One of the items in the insured's schedule attached to his proofs of loss was the following: "One 40 H. P. Boiler with injector and appurtenances—$750.00"

The insured when questioned by the Court testified as follows:

"By the Court: Q. Mr. Arel, tell the court and the jury what effect the fire had on the boiler connected with your place of business. A. The cause of the fire directly wasn't very great on the boiler as far as the fire is concerned. That's what you want to know isn't it? Q. What was it? What did it consist of, if anything? A. Well, I don't know whether you would allow me to state what I want, but I have answered that as far as the fire is concerned it didn't damage the boiler anything to speak of, but it was the fire put me out of business. Q. The boiler was as good after the fire as it was the day before? A. It was. I would say it was worth as much for running purposes, for running there, but it was out of business and couldn't run, so it was worthless to me on account of the fire. Q. And the loss to the boiler, the damage to the boiler was occasioned or you calculated that on the basis that your laundry couldn't be operated, and it was worthless as a part and parcel of the laundry, but was not directly injured by the fire itself? Do you claim it was injured by the water and smoke? A. I think not. I Think I testified it wasn't. There was no fire in the boiler room. I think I testified to that. There was some straw in the boiler room yet. I think I testified to that.

"By Mr. Hogsett: Q. Mr. Arel, you knew the facts that you have testified to here, at the time, the next day after the fire, didn't you? A. Yes, sir. Q. You learned these facts at the time? A. Yes, sir. Q. You knew these facts on January 7, 1915, when you swore to the proof of loss? A. Yes, sir."

The court thereupon held that the entire policy was therefore void and that there could be no recovery by the insured against the company.—Arel vs. First National Fire Ins. Co. 190 Southwestern. Page 78.

OVER $6,000,000 RESERVE

Fireman's Fund's Assets Have Passed $13,445,000 Mark; Splendid Progress Made

The Fireman's Fund now has a policyholders' surplus of $5,176,192, and a net surplus of $3,676,192. Some idea of the progress this Company has made can be judged by comparing its condition in 1880 and on January 1 this year. The net surplus in 1880 was $153,172; assets, $741,487; reserve, $244,603. On January 1 the assets were $13,445,953; reserve, $6,155,238.

The Fireman's Fund is a name recognized by the assured everywhere as that of a strong company. The Company's management has been admirable, and reflects credit upon all concerned. The manager of the Eastern department, A. K. Simpson, is one of the most popular and able of the underwriters East of the Mississippi.

ARLINGTON ELECTION

At a meeting of the shareholders of the Arlington Fire Insurance Company, Washington, (in liquidation) William M. Beall was added to the list of trustees and the former trustees re-elected.

The board as constituted is as follows: Charles R. Edmonston, Burr N. Edwards, Robert C. Howard, W. Bladen Jackson, William King, Alexander B. Legare, Samuel L. Phillips, William M. Beall and Isaac E. Shoemaker.

PAY $2,376,000

The adjustment of the Canadian Car & Foundry loss has been made as follows:

Total sound value, $11,385,885.
Total loss, $10,679,713.
Insurance, $2,376,000.

APPOINTS A. J. LYNCH

A. J. Lynch, a well-known New York City automobile underwriter, has been appointed superintendent of the new automobile department by Edwin B. Quackenbush, Greater New York.

DELAWARE BILLS

Bills pending in the Delaware Legislature require the counter-signature of a resident agent to all fire insurance policies and relate to the calculation of the re-insurance reserves to be carried by fire insurance companies.

REINSURANCE

NORSKE LLOYD INSURANCE COMPANY, LTD.
NORWEGIAN ASSURANCE UNION, LTD.
NORWEGIAN GLOBE INSURANCE COMPANY, LTD.

Fire, Accident, Compensation, Fly-Wheel, Fidelity
Marine, Health, Burglary, Use and Occupancy, Surety
War Risk, Liability, Boiler

Three South William Street, New York City

Telephone Hanover 6541

INCORPORATED 1720

Royal Exchange Assurance

LONDON, ENGLAND

United States Branch
92 William Street, New York

RICHARD D. HARVEY
United States Manager

Authorized Capital $500,000

Detroit National Fire Insurance Co.

DETROIT, MICHIGAN

A Company to be built gradually and along the indicated lines of permanence

AGENCY CONNECTIONS SOLICITED

ARTHUR C. SWINTON
1 Liberty Street GENERAL AGENT New York City
FIRST NATIONAL FIRE INSURANCE CO.
Washington, D. C.
New York Suburban and New Jersey
Exceptional Reinsurance Facilities Local Agents' Interests Protected

Rossia Insurance Company

HARTFORD, CONN.

REINSURANCE

National Fire Insurance Company

OF HARTFORD, CONN.

Statement January 1, 1917, to New York Insurance Department

LIABILITIES

Capital Stock, All Cash	$2,000,000.00
Funds Reserve to Meet All Liabilities, Re-Insurance Reserve, Legal Standard	9,912,715.84
Unsettled Losses and Other Claims	1,878,398.32
Net Surplus over Capital and Liabilities	3,743,747.60
Total assets January 1, 1917	**$17,534,861.76**

H. A. Smith, President — F. D. Layton, Ass't Sec'y — F. B. Seymour, Treas.
G. H. Tryon, Secretary — S. T. Maxwell, Ass't Sec'y — C. B. Roulet, Gen. Agt.

SURPLUS TO POLICY HOLDERS, - - $5,743,747.60

BRITISH AMERICA ASSURANCE CO.

Incorporated 1833

(FIRE AND INLAND MARINE)

Head Office, Toronto, Canada

United States Branch

January 1, 1916

Assets	$1,939,785.69
Surplus in United States	776,621.82
Total losses paid in United States from 1874 to 1915, inclusive	23,984,892.36

W. R. BROCK, President
W. B. MEIKLE, Vice-Pres. & Gen. Mgr.

BROKERS ACTIVITIES

Says Clause Holds Record for Length

BROKERS' "BULLETIN" ON RAILROAD TRANSIT PROVISION

Involved and Ambiguous Wording is Designation in Sharply Worded Comment

What is regarded as the longest paragraph to be found in any fire insurance form is the following clause in railroad transit policies, issued by insurance companies:

This insurance warranted to be in all cases null and void to the extent of any insurance by any carrier or bailee which would attach and cover said property if this policy had not been issued, and to be null and void as concerns loss or damage by fire to said property while on docks, wharves, piers, bulkheads, landing sheds, depots, stations or platforms, awaiting shipment and/or after arrival, to the extent of any insurance against loss or damage by fire, directly or indirectly covering upon the same property, whether prior or subsequent hereto in date, and it is also understood and agreed, than in case any agreement be made or accepted by the assured with any carrier or bailee by which it is stipulated that such or any carrier or bailee shall have, in case of any loss for which he may be liable, the benefit of this insurance, or exemption in any manner from responsibility grounded in the fact of this insurance, then in that event the insurers shall be discharged of any liability for such loss thereunder, but this policy in these and all cases of loss or damage by perils insured against shall be liable and owe actual payment for (only) what cannot be collected from carrier and/or bailees and/or insurers of property lost or damaged, but also shall be chargeable with the direct pecuniary consequences to the assured temporarily arising from delay in collection from said carrier and/or bailees and/ insurers, and the advancing for this purpose only of funds to the assured for his protection pending such delay shall in no case be considered as affecting the question of the final liability of this insurance, and as soon as collection is made from the carrier and/or bailees and/or insurers, the title of the assured to hold the sum so advanced by the insurer shall discontinue, and a portion thereof equal to the sum collected from the carrier and/or bailees and/or insurers shall be repaid to the insurer, but in case of final failure to collect from the carrier and/or bailees and/or insurers, a portion of the sum advanced by the insurers, equal to the sum short collected from the carrier and/or bailees and/or insurers, may be retained and applied in settlement of the actual liability of this insurance thereby established (provided always the loss shall constitute in other respects a claim under this insurance).

Calls Clause "Poorly Drawn"

The "Bulletin" of the Fire Brokers' Association of New York thinks the clause too long and asks "Did the author of that clause ever suffer from writers cramp?" Continuing it makes this comment:

"The question of the revision of these poorly-drawn, ambiguous clauses is one that deserves earnest consideration by both brokers and companies. As an illustration of the importance of the matter, a recent experience of one of our members is cited. The broker in question had closed a railroad transit policy with an assured, involviug a large premium, but upon presenting the contract, which contained the said clause, for approval he was naturally asked what it was all about. Although his explanation enlightened the assured's attorney as to the intent of the wording, the acceptance of the policy was deferred until a letter could be secured from the insurance company explaining the clause. This letter, which was entirely acceptable to the assured, contained less than fifty words.

"Query.—Why and for what purpose were the 341 additional words?

"We fully understand what was in the mind of the author of that clause and agree with him that certain paragraphs in the Standard Bill of Lading should be vetoed by 'offsets' in the insurance contracts, particularly that portion of the Bill of Lading which states that the carrier shall have the benefit of any insurance effected by the shipper; we also agree to the advisability of making the transit policies as 'excess' insurance, but surely a paragraph of 391 words is not necessary to convey this meaning."

* * *

23 Per Cent. Rate

Some of the rates for marine risks are almost unbelievably high. One broker this month placed a $9,000 line in cargo for 23 per cent.

* * *

Bargain Store Rush

The marine counter of the Automobile Insurance Company has scenes nowadays duplicating the bargain counter of a department store. Brokers wait in line to be served. Another busy office is that occupied by the Frelinghuysen companies.

* * *

Cornwall & Stevens Change Name

Samuels, Cornwall & Stevens, Inc., is now Cornwall & Stevens, Inc., the change being due to a desire on the part of the members of the firm to simplify the name. Mr. Samuels, who died several years ago, had not been active for about fifteen years.

* * *

Blum & Co. Providence Office

Jos. S. Blum & Co., New York brokers, plan to open an office in Providence in the near future. The office will be in charge of M. H. Blum, a brother of Jos. S. Blum, and a member of the firm.

ADEQUATE FACILITIES
ALL LINES

PHILADELPHIA
CLARENCE A. KROUSE & CO.
LOCAL AND GENERAL AGENTS
325 WALNUT STREET PHILADELPHIA, PA.
PENNSYLVANIA NEW JERSEY

SATISFACTION SERVICE
ALL LINES

LOGUE BROS. & CO., Inc.
Fire—Casualty—Automobile Insurance
Nation-Wide Facilities for Handling SURPLUS LINES
307 FOURTH AVENUE PITTSBURGH, PA.

SCHAEFER & SHEVLIN
2 LIBERTY STREET GENERAL AGENTS NEW YORK, N. Y.
Representing
DUBUQUE FIRE AND MARINE INSURANCE CO.
Excellent Facilities for Handling Suburban and Out Of Town Business
Phone: John 2312



125th Anniversary
Insurance Company of
NORTH AMERICA
PHILADELPHIA
CAPITAL, $4,000,000 ASSETS OVER $23,000,000
FIRE, MARINE, AUTOMOBILE, Rent, Leasehold, Tornado, Explosion, Use and Occupancy, Sprinkler Leakage, Travelers' Baggage, Parcel Post
The Oldest American Stock Insurance Company

Firemen's Insurance Co., Newark, N. J.
STATEMENT JANUARY 1, 1916

Capital Stock	$1,000,000.00
Re-Insurance Reserve	2,955,812.00
Reserve for Unpaid Losses and All Other Liabilities	382,114.00
NET SURPLUS	2,708,837.00
TOTAL ASSETS	$7,046,763.00

DANIEL H. DUNHAM, President
JOHN KAY, Vice-President and Treasurer A. H. HASSINGER, Secretary
NEAL BASSETT, Vice-President J. K. MELDRUM, Assistant Secretary

The Columbian National Fire Insurance Company

T. A Lawler, Pres. H. P. Orr, Sec.-Treas.
JANUARY 1st, 1916
Assets $1,571,954.84
Surplus to Policyholders.....$1,257,680.79
EASTERN DEPARTMENT, Scranton, Pa.
Massachusetts, Rhode Island, New York, New Jersey, Pennsylvania and Maryland
James J. Boland, Manager
Reliable agents wanted in unrepresented territory

FIRE ASSOCIATION OF PHILADELPHIA
Office: Company's Building, 407-409 Walnut St.
Organized 1817 Incorporated 1820 Charter Perpetual
Cash Capital $750,000 Assets $9,091,141
E. C. IRWIN, President T. H. CONDERMAN, Vice-President
M. G. GARRIGUES, Sec. and Treas.
R. N. KELLY Jr., Asst Sec. and Treas.


F. H. HAWLEY, Pres. ORGANIZED 1848 W. E. HAINES, Secy.


Ohio's Oldest and Strongest Company
Net Surplus Over $1,351,482.71
AN AGENTS COMPANY
E. K. SCHULTZ & CO.
PHILADELPHIA
GENERAL AGENT
Pennsylvania, New Jersey and New York

New and Old Standard Fire Insurance Forms

(Continued from page 1)

the extent of 494 words out of a total of 2,441.

While it was not feasible to provide for the policyholder's convenience a contract very much shorter than the existing standard form so far as the actual number of words used is concerned, a great improvement in this respect was effected by dividing the policy into three parts—combining in the first part of the policy all the provisions defining the rights and obligations of the assured before loss, following this by the provisions relating to mortgagee interest and then adding at the end of the policy all the provisions applicable after a loss has occurred. The first part of the policy under this classification comprises 1,159 words and, thus, the policyholder, for his protection and information, prior to a loss, is required to read less than half the number of words which are necessary to examine under the present standard form. If the insured is a mortgagee, the second part of the policy must be read, comprising 189 words. It is necessary for the assured to read the balance of the policy (comprising 715 words) only, in the event of a loss, to inform himself of his rights and duties after the happening of a loss.

The convenience of the assured is also materially increased by the use of a marginal index.

2. More Liberal Treatment of the Warranties and Conditions

Under the present standard form, there are three underlying warranties (1) that the insured has not concealed or misrepresented a material fact (2) that the interest of the insured has been truly stated in the policy (3) the warranty against fraud or false swearing as to the insurance or its subject. The first and third of these warranties are continued in the new form as being essential to fair dealing. The second is entirely omitted from the new form because the statement of the interest of the insured in the property is made by the agent writing the policy and an error in that statement not resulting from concealment or misrepresentation should not invalidate the contract.

Under the present standard form, there are fourteen other conditions, violation of any one of which invalidates the entire contract either from its inception or from the time of violation. Under the new form, the number of these conditions, violation of which will invalidate the entire contract, is reduced from fourteen to five. These are: (a) interest other than unconditional and sole ownership (b) building on ground not owned in fee (c) commencement of foreclosure proceedings or notice of sale under mortgage, to the knowledge of the insured (d) change in interest or possession other than by death of the insured (e) assignment of policy before loss. A violation of any of the above five conditions, without written endorsement, invalidates the entire contract.

Eight of the other conditions of the old form are practically retained in the new form but upon the more liberal basis that their violation does not invalidate the whole contract but merely suspends the insurance while the violation exists without written permit. These conditions are (1) Other insurance without permit (2) increase of hazard known or controlled by the insured (3) alteration or repair work for more than fifteen days (4) generating gas on the premises (5) keeping certain explosives on the premises (6) operating factory between 10 P. M. and 5 A. M. (7) shutting down of factory for more than ten days (8) vacancy or unoccupancy beyond ten days.

Under the present standard form, a chattel mortgage on personal property invalidated the entire policy including insurance upon property covered by the policy but not subject to the mortgage. Under the new policy, the encumbrance of personal property by chattel mortgage without permission merely suspends the insurance as to the part of the insured property which is mortgaged but re-instates the insurance so as to cover that property as soon as the mortgage is terminated.

STRENGTH INTEGRITY SERVICE

Scottish Union & National Insurance Company

HENRY J. HOUGE B. M. CULVER
Assistant Secretaries

JAMES H. BREWSTER, *Manager*
Hartford, Conn.

A Broad Underwriting Service to Agents
Writes Fire, Automobile, Rent, Sprinkler Leakage, Tornado, Use and Occupancy, Explosion, etc.
Works in Harmony with American Agency Principles and Practices

3. The Cancellation Clause is Made Definite and Certain

This clause has been subject to different constructions in various jurisdictions. In some States it meant one thing; in other States another. It is believed that the clause is now made so clear as not to be subject to inconsistent interpretations. The Company is relieved from the obligation to make a legal tender of return premium with notice of cancellation, but is required to refund the excess premium on demand.

4. Mortgagee Interests

One of the worst defects of the present standard form is its failure of purpose in the matter of the coverage of mortgagee interests. By an apparently sound judicial construction of the language of the present form, the mortgagee, whose interest is covered by a loss payable clause instead of a standard mortgagee clause, is practically free from all of the terms and conditions of the policy. Such a policy apparently is not subject to cancellation nor to the requirement of making proof of loss nor to any of the other conditions to which, under a sound public policy, an assured should be held. The new policy, while permitting these interests to be covered as heretofore by mortgagee clauses, provides a certain minimum contract between the mortgagee and the company to which the mortgagee will be held in all cases except where the policy is issued to cover the mortgagee interest directly and not in conjunction with the interest of the owner. This minimum contract to which the mortgagee is bound under the new policy is (1) that the insurance may be cancelled as to the mortgagee on ten days' notice (2) that if the insured shall fail to render proof of loss the mortgagee must, within sixty days after notice, do so (3) that the mortgagee shall be subject to the policy provisions as to appraisal, time for payment and bringing suit (4) that the company, on payment, shall be subrogated to the mortgagee's rights.

While the changes to which I have referred are perhaps the most striking differences between the old and the new policy, a careful reading of the new form will show that many obsolete or technical clauses have been eliminated such as the reference to United States standard for kerosene oil and the requirement of a certificate of a magistrate or notary public as to the honest character of a loss and the amount thereof. It will also show that many clauses have been so modified as to be more workable and less harsh than in the existing standard form.

Currency of New York Standard Form

I believe the New York standard form is current in 26 States and the District of Columbia. In many States, a change of the New York form would operate of its own force to change the legally required standard to conform to the new New York policy and in many other States the custom of using the New York standard would effect a change to the new policy. In four States, namely, Pennsylvania, North Carolina, South Carolina and Kentucky, policy forms differing only in slight details from the form recommended by the National Association of Insurance Commissioners are already in effect either by law or by departmental ruling.

NUCLEUS OF MORGAN FORTUNE

A Hartford Fire Insurance Company Responsible for It in Beginning

In an article on financial leaders in downtown New York a writer in the "Saturday Evening Post" says the Morgan fortune had its start through a fire insurance payment. The story as he tells it follows:

"A Morgan came to this new country from Wales early in the seventeenth century and settled on the soil in Connecticut. For several generations his successors were undistinguished New England farmers. Soon after the Revolutionary War a James Morgan broke away from the farm and set up in business as keeper of a tavern on the post road at Hartford. Stagecoaches, of course, were the chief means of transportation in those days, and James Morgan gradually got control of a number of stage lines—dimly foreshadowing his celebrated grandson's operations in a more extensive means of transportation.

"Then a big fire happened in New York—big, that is, for a place which we should now consider only a flourishing country town. For some inscrutable reason, Hartford has always been a home of fire insurance. One of the Hartford insurance companies was hard hit by this New York calamity. For a time its solvency seems to have been questioned. Evidently James Morgan thought it was sound, for he bought up, at a heavy discount, many claims against it. When the company finally paid out he had a very comfortable fortune."

THE YORKSHIRE INSURANCE COMPANY, LTD., OF YORK, ENGLAND

ESTABLISHED 1824

The "Yorkshire" is the Oldest and Strongest of the English Fire Companies not heretofore represented in the United States

U. S. BRANCH

Frank & Du Bois, United States Managers Ernest B. Boyd, Underwriting Manager
Harry F. Wanvig, Branch Secretary Frank B. Martin, Supt. of Agencies

NO. 80 MAIDEN LANE, NEW YORK

New York Life Insurance and Trust Co., U. S. Trustee, No. 52 Wall St., New York
DEPARTMENTS—METROPOLITAN, Willard S. Brown & Co., Managers, New York, N. Y.; CAROLINA-VIRGINIA, Harry R. Bush, Manager, Greensboro, N. C.; SOUTHEASTERN, Dargan & Hopkins, Managers, Atlanta, Ga.; LOUISIANA and MISSISSIPPI, Jas. B. Ross, Manager, New Orleans, La.; PACIFIC COAST, Jas. C. Johnston, Manager, J. K. Hamilton and McClure Kelly, Assistant Managers, San Francisco, Cal.

NEW JERSEY NOTES

ELECTRICAL INSPECTION

Attempt in New Jersey to Put This Work in Hands of Politicians

Two bills in the New Jersey legislature having relation to electrical inspection are interesting insurance men at this time. Bill No. 571 gives to municipalities the right to license electrical contractors; also to define electrical rules of installation, making no mention of the national electric code. Bill No. 238 gives to towns authority to establish electrical bureaus and issue electrical certificates for inside wiring to the exclusion of any private organization.

Both of these measures, if they become laws, will increase the fire waste. Experience has shown that the most satisfactory electrical inspections are those of the underwriting associations. While the bills were being considered in Trenton there was an $8,000 loss in the residence of Harry C. Shimer, South Orange, caused by a short circuit.

No more convincing document for the need of proper electrical inspection—inspection by non-interested parties, and not by political appointees—can be found than in the report of the Underwriters' Association of Middle Department on fires due to defective or broken down electrical equipment. The bulletin is dated February 16, and a mere recital of the facts is most conclusive.

CONSTRUES TORNADO POLICY

Water Driven By Wind Through Bulkhead Caused Loss—Company Not Liable

A policy insuring against all direct loss or damage by windstorms, tornadoes, cyclones or hurricanes, declared that the insurer should not be liable for loss or damage caused by hail, driven by wind or not, snow-storms, frost or cold weather, nor for loss or damage caused by fire, explosion, tidal wave, lightning, high water, overflow, cloudburst or consequential loss. The policy further declared that the insurer should not be liable for any loss or damage caused by water or rain, whether driven by wind or not, unless the building insured should first sustain an actual damage by the direct force of the wind, and the insurer should then be liable only for such damage to the interior of the building as might be caused by water or rain entering through openings made by the direct action of the wind.

The building insured was a frame dwelling built on brick foundations, standing close to the ocean on a low bluff arising from the beach. A bulkhead was built in front of it and to the sides to protect it from the wash of the sea.

A great storm, in which the wind grew to the force of a hurricane, drove water at high tide onto the beach, destroying the bulkhead and cutting away the sand which supported the foundation. The wind then blew so hard that it shook the house, and the front of the foundation broke, causing the house to go down, where it was caught by the succeeding tide, broken to pieces, and carried out to sea.

In an action on the policy, the Circuit Court of Appeals, Third Circuit, holds, Newark Trust Co. v. Agricultural Ins. Co., 237 Fed., 788, that the injury was plainly excluded from the terms of the policy; it being caused by water, though driven by the wind, instead of by the direct force of the wind. Judgment for the defendant was affirmed.

CASUALTY AND SURETY NEWS

Favor Graduated Scale of Commissions

VIEWS OF TWO LEADING MANAGERS ON ACQUISITION COST

Think It Would Make Both Small and Large Compensation Risks Profitable

Superintendent Phillips' recommendation that a limitation of acquisition expense to ten per cent. of the premium on workmen's compensation business was received with a variegated collection of opinions. Without exception company managers refused to talk for publication. The brokers, however, threw up their hands in disgust and many of them said that it would not be worth while going after compensation business if commissions are further reduced. They called attention to the size of their establishments—engineering and inspection departments, great mass of detail, etc.—and declared that the big offices would be severely penalized.

Private Views of Managers

The private views of managers are that there should be a sliding scale, with small premiums paying larger commissions. They pointed out that there are many $30,000, $40,000 and $50,000 premiums, and some of more than $100,000, and that a smaller commission on the bigger risks would make their writing worth while.

The Eastern Underwriter has received from two leading managers the following comments on the situation:

Opinion No. 1

I believe in a graded commission and have advocated same at various times in the past. A graded commission has been in force in the British Isles for the past twenty years and I understand it works well. The commission runs something like this. Although I cannot vouch for its absolute correctness, it is near enough to show the scheme:

15 per cent. on the first $250
12½ per cent. on the next $250
10 per cent. on the next $500
7½ per cent. on the next $500
5 per cent. on the next $500
2½ per cent. on all further premium.

This applies on the premium on any one policy. I believe that there should be a fairly high commission on the small policy. There might even be a refund to the assured on a big policy of the amount of commission not paid to the agent or broker. This would certainly enable the stock companies to make a stronger fight against State insurance and mutual insurance and this would be to the benefit of all connected with stock company insurance, particularly the agents and brokers.

Opinion No. 2

I do not think I can give you any views for publication on the "Acquisition Cost" question, excepting to suggest that there might be a graduated scale of brokers' and agents' commissions. On some of the very large risks a lower rate of commission might be paid without treating the broker unfairly, but for the great majority of risks he is not too well remunerated now, in fact, the ordinary run of small compensation risks have no charm for the agent, the remuneration being so small.

HEALTH HEARING

The Mills' bill received a terrific scoring at the hearing in Albany on Tuesday. Most of the New York papers gave their space to those who spoke against the measure.

WITH THE LEGISLATURES

Ohio State Insurance Bill Effective May 14—Rhode Island Co-Defendant Bill

The Eastern Underwriter has sought legal advice on the date of effect of the bill passed in Ohio last month excluding companies from writing compensation business in that State. This bill was approved by the Governor on February 19 and filed with the Secretary of State on February 20. Counsel has advised that it is governed by the constitutional provision making bills effective 90 days from date of filing with the Secretary of State, which makes the date May 14.

A bill has been introduced in the Rhode Island Senate, (Senate 117, Senator Casey) providing that it shall be lawful for the plaintiff in any action for loss from death or personal injury to prove that the defendant is insured and that the insurance company is the "real" party in interest defending the suit. This bill tends to encourage juries to make maximum awards where the defendant is insured whereas it might be inclined to be lenient if he were an individual and unprotected. It is unjust for that reason. Similar bills have been introduced in several other States.

Massachusetts has enacted the liability loss reserve law, adopted by the Insurance Commissioners' Convention at its meeting in New York December 12.

NEW BRITISH COMPANY

The appearance of a new insurance competitor in the field at such a time as this—when promotions are few and far between and chiefly of the marine insurance type—has, of course, aroused considerable interest, says the Manchester "Policyholder." It is believed that the United Motor and General Insurance Company Limited is the first new comer taking the powers which require a deposit of £20,000 that has gone through since the outbreak of war—a fact which alone gives the latest competitor distinction.

The Western Casualty Company of Chicago has applied for admission to New York.

A compulsory health bill will be introduced in the Pennsylvania Legislature.

General Accident
FIRE AND LIFE
ASSURANCE CORPORATION, Ltd.
SERVICE THAT EXCELS
FREDERICK RICHARDSON, United States Manager
GENERAL BUILDING · 4TH & WALNUT STS.
PHILADELPHIA

Laconia Death Loss Under "Lloyds" Form

FOREIGN TRAVEL POLICY GIVES BROAD COVERAGE

Cedric Ivatts, Lost on Torpedoed Liner, Took Policy Day Before Sailing —Rates 2 Per Cent.

As a result of the sinking of the steamship "Laconia," the underwriters at Lloyds, London, will pay to the estate of Cedric Percy Ivatts $12,500 on a policy he took the day before sailing. The policy was placed by B. M. Crosthwaite & Co., agents for Underwriters at Lloyds in New York. He had applied for $50,000 the week before and, at the last moment, reduced it to one-quarter of the original amount. The premium was $250.

The war zone travel policies as issued by Lloyds give comparatively broad coverage for the risk involved. The provisions of the policy are as follows:

Additional Premium on Belligerent Ships

"This binding receipt is to insure and cover ..... against death or disablement of assured as the direct result of an accident whilst travelling from the United States of America to ....., or held covered for an additional period at a premium to be arranged and thence by return to the United States of America.

"Warranted neutral steamers both ways or held covered for an additional premium if travelling by other than neutral steamers.

"Warranted assured is not of enemy nationality.

"Underwriters to pay a total loss in the event of death, loss of two limbs, two eyes, or one of each.

"Underwriters hereon to pay 50 per cent. in the event of loss of one limb or one eye.

"To pay $62.50 weekly for temporary total disablement, limited to 26 weeks.

"Loss of eyes to be understood to mean total permanent and irrecoverable loss of sight of one or both eyes.

"Loss of a limb is understood to mean the loss by accident or by surgical operation consequent thereon of a hand or foot at or above the wrist or ankle.

"Temporary total disablement is understood to mean that the assured is in consequence of the accident totally unable to follow his usual profession or business or if he has no profession or business to undertake his usual duties.

"This policy also covers the assured against accident occasioned through war invasion hostilities or acts of foreign enemies.

"In case of death, payable to estate of ....."

INVESTIGATION BILL

New York Assemblyman Wants Commission to Investigate Health Insurance

Assemblyman Dewley has introduced in the New York Legislature, a bill creating a Health Insurance Investigating Commission, to consist of three residents of the State, appointed by the Governor with the consent of the Senate, one of whom shall be selected from a list of ten names submitted by the association or society representing State-wide organized industry; one of whom shall be selected from a list of 10 names submitted by the association or society representing State-wide organized labor; and the third, who shall be the chairman, shall be selected by the Governor as the representative of the public. The terms of office of each commissioner shall expire December 31, 1921, and he shall receive an annual salary of $7,500. The commission shall appoint, and at pleasure remove, a secretary and fix his salary. It may also appoint such deputy commissioners, statisticians, experts and other assistants as may be necessary, and fix their salaries. It is made the duty of the commission to investigate all matters concerning sickness and accident not now included within the provisions of the Workmen's Compensation Law; to investigate and report to the Legislature of 1919 regarding a method whereby existing State agencies may be re-organized or extended so as to adequately care for the sick and destitute employes, their families and others in the State; to investigate the effect which a compulsory health insurance law would have on the industries of the State from the standpoint of competition with other States having no such law; and to hold a session at least once during its term of office in each county of the State, which meeting shall be advertised so as to have the widest publicity among employers and employes. The State commissioner of health and the State industrial commission are directed to co-operate. The bill appropriates $100,000.

THE TRAVELERS
INSURANCE COMPANY
INDEMNITY COMPANY
HARTFORD, CONNECTICUT
WRITE THE GREATEST VOLUME OF
GUARANTEED LOW COST LIFE INSURANCE
AND
CASUALTY INSURANCE
THE OPPORTUNITY TO SUPPLY THESE INSURANCE NEEDS GUARANTEES AGENTS THE BROADEST FIELD AND THE LARGEST INCOME.

PICKED UP ALONG WILLIAM STREET

GOES WITH QUACKENBUSH

J. Albert Campbell Has Had Extensive Experience, Specializing in Health and Accident

Since the resignation of J. Albert Campbell from one of the leading casualty companies there has been considerable interest evinced in what



J. ALBERT CAMPBELL

would be his new connection. It was announced this week that Mr. Campbell has joined the forces of E. B. Quackenbush, general agent for the accident, health and burglary departments of the Ocean Accident in Greater New York, and general agent of the automobile department of the Commercial Union. Mr. Campbell will be Mr. Quackenbush's chief lieutenant.

J. Albert Campbell is a New York City man who attended Villa Nova College, after which he was an officer in the merchant service. He attended the Travelers Insurance Company's school in Hartford, and later became a special agent of the Company in Chicago. After two and a half years there he was made assistant manager of the Milwaukee branch of the Travelers. From there he went with the Fidelity & Deposit in Texas, developing business in that State, and a year ago was transferred to New York City, where he had charge of the accident and health business.

* * *

Awful Plate Glass Record

In New Jersey last year the companies had plate glass premiums of $175,634; losses of $241,491. Black Tom was in large part responsible.

Prudential Writes Commercial Casualty Group

The Prudential Insurance Company has issued a group insurance policy to 118 employes of the Commercial Casualty Insurance Company of Newark. The amount of insurance involved approximates $200,000. This is not a corporation policy, but is being carried by the individual members of the Company's staff.

* * *

New Jersey Leaders

The Travelers led all companies in New Jersey in accident premiums last year with $199,179; Commercial Casualty led in auto and teams property damage with $59,252; Ocean in credit with $10,080; Fidelity & Casualty in burglary and theft with $35,428; National Surety in surety with $77,660; International Fidelity in fidelity with $141,894; Fidelity & Casualty in fly wheel with $5,541; Maryland in sprinkler with $1,502; Hartford Steam Boiler in boiler with $58,154; Fidelity & Casualty in health with $55,633; N. J. Fidelity & P. G. in plate glass with $34,462; Travelers in liability with $231,093; Travelers in compensation with $317,666.

* * *

New Robbery Policies

The Fidelity & Deposit Co. describes the new robbery policies in the current issue of the "Fidelity Journal":

Companies writing burglary insurance, realizing the increasing popularity of the robbery form of insurance, have, after careful consideration, promulgated revised forms of policies covering messengers against highway robbery and paymasters against hold-up from the time the payroll funds are secured from the bank until distributed to the employes.

The new forms are considerably broader in coverage and are more adapted to the needs of the business, thereby furnishing the agents with a more salable articles at no increased cost.

The particular features which may be called to the attention of the prospective purchaser are the two new clauses incorporated in the policies, namely, the automatic reinstatement clause and the misstatement clause, the former providing in the event of loss an immediate and automatic reinstatement of the policy to its original amount, upon payment of an additional premium computed pro rata and determined upon the amount of the loss.

The misstatement clause provides that where certain specified precautions, such as guards or the use of private conveyances, are warranted that if some unforeseen contingency arises beyond the control of the assured whereby the custodian is deprived of such protection, the insurance is not vitiated, but should a loss occur under such circumstances the amount paid in settlement of the loss is based upon the amount of insurance purchasable at the rate applicable to the conditions at the time of the loss. A further added feature in the new forms is the definitions of robbery and property covered, making the policy more clearly understood by the purchaser, thereby eliminating the possibility of controversy in the adjustment of loss.

* * *

Lower Zep. Insurance Rates

A British paper says that subject to the minimum premium payable in respect of any one insurance not being reduced below 2s., a discount of 50 per cent. will be allowed until further notice from the premiums payable in respect of new Zeppelin and bombardment insurances commencing on or after March 1, 1917, and in respect of renewals of existing insurances falling due on or after that date. The Government reserves the right to revise the rates or withdraw the discount at any time. Discount will not be allowed under any circumstances in respect of new insurances which come into force before March 1, 1917, or in respect of the renewal of policies which expire before that date. Insurances may be effected at the War Risks Insurance Office, 33-36, King William Street, London, E. C., or at the offices of the approved insurance companies.

This announcement does not, of course, affect certificates of insurance issued by the Post Office.

"This rate reduction is about the most effective evidence that could be produced to show that Great Britain has got the Zeppelin menace well in hand," says the British paper. "At the same time we must say the announcement will not greatly please or comfort the people who have just renewed their contracts for a further term. John Jones whose policy is renewable on Feb. 25 pays the old rate, say 5s. per cent., but Thomas Jones whose policy falls due March 2 only pays 2s. 6d. per cent. for a similar risk. A rebate to non-claimants would have been far better. As it is, we fear there will be much irritation more or less suppressed."

* * *

Philadelphia Casualty Discussions

John S. Turn, manager of the Aetna Life in Philadelphia, recently discussed automobile insurance at the Round Table of the Philadelphia Fire Insurance Society. These discussions are of unusual interest. Different Philadelphia casualty managers take charge of the meetings, which begin with a few opening remarks, and then an invitation is given to those present to ask questions, which are not necessarily answered by the one conducting the meeting, but by many others on the floor. The meetings have aroused keen interest, and have been exceptionally educational.

* * *

Surety Bonds on Bonded Liquor

The National Wholesale Liquor Dealers' Association of America, alarmed over the rapid spread of prohibition sentiment, is urging the appointment of a Federal commission to study the situation and settle the question of compensation in case of national prohibition, says the "Insurance Post." It argues that unless time is allowed to sell liquor in bond there will be heavy losses, not only to the owners, but to the government in taxes, and to the surety companies which have guaranteed the payment of these taxes. The distillers are not required to pay the tax on goods stored in bonded warehouses until they are taken out, but must give surety bonds guaranteeing their payment, so that the surety companies are involved for large amounts.

* * *

Hartford's Stag in Brooklyn

With high-class vaudeville talent to entertain, the stag and smoker held in Brooklyn on Saturday last, under the auspices of the Hartford Accident and Indemnity Company's men in New York City, was enjoyed by two hundred representatives of the Company. A large number of brokers were guests; also some representatives of the Hartford Fire.

SOHMER & HARRIS MERGER

Fire Agency Combines With Life and Casualty in Larger Quarters—Other Changes

William Sohmer announced this week that A. A. Harris had succeeded P. J. Schmidt as a member of the firm of William Sohmer. Mr. Schmidt has entered the brokerage field. Mr. Harris for seven years has been a partner with Mr. Sohmer in the agency of Sohmer & Harris, general agents of the Equitable Life and the Standard Accident.

In conjunction with this action, the fire agency of William Sohmer, formerly at 75 William Street, and the Sohmer & Harris agency, formerly at 29 Liberty Street, have been merged and now occupy larger quarters at 37 Liberty Street. This move was made to increase the efficiency and service of all departments.

The William Sohmer agency represents the German-Alliance and the First National for fire and the latter for automobiles also. Simultaneous with the other changes in the office, a special department was created to offer greater service for automobile business. In this connection, the agency announced this week the appointment of George F. Murphy, who has been with Jackson & Potter since that agency was organized. Mr. Murphy will have charge of several departments beginning March 19.

Another change which was made in the agency this week was the appointment of Leo Roth as office manager. Mr. Roth has for several years past been connected with the Phoenix of London and has been in the business for 26 years.

Sohmer & Harris last year paid for $2,500,000 life insurance for the Equitable and ranked 16th in point of paid business among the general agencies of the Company in the United States. The agency was one of the leading producers of the Standard Accident also.

WITH McCONNELL & CO.

F. Morris Miller joined the staff of E. B. McConnell & Company, general agents for the bonding department of the Maryland Casualty Company on March 1. Mr. Miller has had considerable experience in fidelity and surety underwriting, and was formerly assistant manager of the Detroit office of the Fidelity & Deposit Co., of Baltimore. He has been with the Fidelity & Deposit and the American Bonding Co. for eight years. In his new position with E. B. McConnell & Co., he will devote his energies mainly to the supervision and development of the business of the judicial department.

C. A. CRAIG, President W. R. WILLS, Vice-Pres. C. R. CLEMENTS, Sec. & Treas.

The National Life and Accident Insurance Company

NASHVILLE, TENNESSEE

Industrial, Life, Health and Accident Insurance in ONE policy

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EASTERN DEPARTMENT
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EASIEST TO SELL

WESTERN DEPARTMENT
Pacific Bldg., San Francisco
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NATIONAL CASUALTY DETROIT

For 22 Years the Repository of Public Confidence

The National of Detroit

CASUALTY AND SURETY POINTERS

DECISION STILL HOLDS GOOD

Courts Following Decision Rendered 27 Years Ago in Paul vs. Travelers

By GEORGE F. KAISER

Cases similar to that of Paul vs. Travelers Insurance Co. were decided by the New York Court of Appeals twenty-seven years ago, and have been followed generally by the courts of other States.

The facts in this specific case were briefly: A man named Paul was a guest at a New York hotel. He retired for the night and was found dead in bed the next morning. When the body was discovered the air in his sleeping quarters was strongly impregnated with illuminating gas. In an action on an accident policy indemnifying the beneficiary against loss by bodily injuries "through external violence and accidental means" the trial court awarded judgment to his representatives holding his death to be accidental. The judgment was affirmed by the Court of Appeals in an opinion holding that:

"An accident is the happening of an event without the aid and the design of the person and which is unforeseen * * * As to the point raised by the appellant that the death was not caused by the external and violent means within the meaning of the policy, we think it is a sufficient answer that the gas in the atmosphere as an external cause was a violent agency in the sense that it worked upon the intestate so as to cause his death. That a death is the result of accident or is unnatural imports an external and violent agency as the cause."

Curtis-Fisher Debate on Health Insurance

(Continued from page 9)

less proper a subject for taxation than contributions by the employer to education or workmen's compensation? If so, why?

A.—14. Your question is both general and wide of the mark. Health insurance on the same basis as education would possibly be a fit subject for taxation, or if industry were directly and solely responsible, then a fit subject of levy upon the industry.

Q.—15. Why should medical service under health insurance degenerate? (No. 19).

A.—15. History shows that it has and does. Your question was fully answered by the doctors.

Q.—16. Why should physicians be paid from pay envelopes under health insurance instead of by check? Incidentally would not physicians appreciate the 100 per cent. collections which the compulsory health insurance system would insure?

A.—16. Pay envelope was figurative. Pay check means the same thing. Incidentally merchants would be glad to make 100 per cent. collections, and so would the doctors—as they are—but not as cheap contract laborers.

Q.—17. Health insurance will not create classes. These exist. Health insurance would lessen the gap between them. (No. 15).

A.—17. Classes exist—social classes—resulting from education, religion, morals, manner of living, citizen honesty, etc., but not as yet by legal standards of fitness, dependence and paternalism, except those who are inmates of institutions. Compulsory health insurance will create the quasi-institutional classes.

Q.—18. Why would paying according to what they are worth be bad social economy?

In regard to Nos. 12 and 13, do you realize that the keenest international observer on industrial conditions we have ever had, (Dr. Arthur Shadwell), has found that thrift is greatest in Germany and because of compulsory workmen's insurance, which instills the thrift habit?

A.—18. (a) The question isn't clear.

(b) I am aware of the multitude of opinions, and of the fact that Dr. Shadwell reasons well but cannot prove his argument while the records show that Germany has built up an army of pensioners and malingerers.

Q.—19. As to the question of constitutionality, (No. 16), confiscation, (No. 17), these arguments did not prevail against workmen's compensation, nor deter the commissions of California and Michigan from reporting favorably to health insurance since the last meeting of this society.

A.—19. Quite right as to compensation. It is constitutional for an individual to be held responsible for the damage he does to property or person. It is not confiscatory to determine that damage and compel the man who has, to pay.

Q.—20. It is not true that sickness under insurance has increased abroad, although absence on account of sickness has, owing chiefly to improved standards of health and better medical care.

A.—20. If it is not true that sickness has increased abroad, then the records lie. More claims per 1,000 workmen, and longer periods of disability; the record defeating your argument that detecting the illness in its incipiency or that the wage-earner being in position to draw part wages, would stop work at once and thereby reduce the time loss.

Q.—21. Why should corruption enter? Would not the vigilance of the employe make them auditors and vigilant observers to reduce, not increase, political inefficiency and corruption?

A.—21. Corruption would enter, because it always has. Your plan is State dominated and politically controlled, although co-operatively administered. Do you suppose that the one carrier that the commission must install in each district will be anything but political all through, when the State, county, township, and cities are all employers; and one carrier in each district will afford places for a horde of politicans and the taxpayer must put up every dollar for each of those.

Q.—22. Why cannot we all, in this critical time in our nation's history, consider health insurance from a purely national point of view and base our opinion on the tested experience of older nations?

A.—22. We can. The nation's health should be conserved, but political inefficiency and corruption are squandering 70 per cent. of all money raised—national, State and local—for such purpose. The proposed plan would but add to the squandering and the principle of idemnity for preventable waste is wrong.

AUTO DEALERS' INSURANCE

State of Ohio Rules Against Issuance of Open Theft Policies

The Ohio Insurance Department has ruled against the issuance of dealers' open theft policies on automobiles covering the embezzlement hazard. Several other departments have made similar rulings. The Ohio opinion is that such forms are in contravention of law, in excess of the authority of the company writing them and cover a form of insurance not licensed by the department.

Under these open policies claim has been made upon the insurance companies where the dealer sold a car on the instalment plan to a purchaser who dishonestly disposed of the car. It is said that, as the dealer is protected under the open theft policy, he is apt to be careless, or perhaps dishonest, in his dealings with the customer, as under the form his purchase money is insured in any event.

SPRINKLER LEAKAGE

Some 1916 sprinkler leakage figures:

Home	122,418	26,044
Mercantile	8,134	4,000
Phoenix (Conn.)	4,448	4,50?
Queen	27,876	6,738
Rhode Island	15,129	5,421
Springfield	35,409	14,225
St. Paul	8,339	810
Westchester	11,686	3,899
L. & L. & G.	13,769	17,219
N. B. & M.	34,407	23,888
Phoenix (Eng.)	54,679	10,852
Royal	34,491	12,637

ALLENTOWN ORGANIZATION

Fire insurance agents of Allentown, Pa., and vicinity met at the Clover Club, that city, and organized the Fire Underwriters' Club.

Officers were elected as follows: W. K. Mohr, president; Nimson Eckert, vice-president; David J. Knoll, secretary, and John J. Yingling, treasurer.

GLASS DEALERS SEEK COMBINE

At Meeting in New York on Wednesday Effort Made to Increase Price 50 Per Cent.

Plate glass dealers met at the Broadway Central Hotel, New York, on Wednesday and, it is reported to The Eastern Underwriter, there made efforts to bring about an agreement among the dealers to increase the price of glass. It is said the leading agitators for this increase were Fisher Bros., 299 Pearl St.; H. Lefrak, 849 Third Ave.; Friedman & Levine Bros., 316 Broome St., and S. Kaplan, 21 Henry St. The increase proposed was from 90 to 85 per cent. on May 1, 1914, manufacturers' price list. There was not a large enough percentage of the local dealers present at this meeting to take decisive action and it was decided to call another meeting.

This increase represents a raise of 50 per cent. in price of glass. The present discount of 90 per cent. is an increase of from 60 to 70 per cent. over the price paid a year ago. Additional facts regarding this situation will be published next week.

W. E. SMALL, President PETER EPES, Agency Mgr. L. P. AMERINE, Secretary

ACCIDENT and HEALTH
PLATE GLASS
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Georgia Casualty Company

LIABILITY
COMPENSATION
AUTOMOBILE

A Company Devoted to Service

A Company looking to the interests of its Representative

Home Office: Macon, Georgia
Surplus and Reserves over $1,100,000.

The METROPOLITAN CASUALTY
INSURANCE CO. OF NEW YORK
HOME OFFICE, 47 CEDAR STREET
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Plate Glass, Burglary, Accident and Health Insurance
EUGENE H. WINSLOW, President
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RELIABLE AND ENERGETIC AGENTS WANTED

BUSINESS=BUILDERS
DEVELOPING
Fidelity and Surety Bonds, Liability Workmen's Compensation, Automobile, Accident, Health, Burglary and Plate Glass INSURANCE
APPRECIATE THE CO-OPERATION OF THE
Massachusetts Bonding and Insurance Company
BOSTON T. J. FALVEY, President
Paid-In Capital $1,500,000 Write For Territory

THE SIGN OF GOOD CASUALTY INSURANCE
HEAD OFFICE
CHICAGO
F. W. LAWSON
General Manager
Liability, Accident, Burglary, Boiler and Credit Insurance
Established 1869.
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The Employers' Liability Assurance Corporation, Limited
The original and leading Liability Insurance Company in the World
LIABILITY, STEAM BOILER, ACCIDENT, HEALTH, FIDELITY AND BURGLARY INSURANCE
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LIFE—ACCIDENT AND HEALTH—INSURANCE

Covering Permanent and Total Disability,
and Weekly Indemnity for loss of time

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Guaranteed Cost and Good Service

FOR AGENCIES AND SPECIMEN POLICIES, ADDRESS THE COMPANY

Great Southern Life Insurance Company

HOUSTON, TEXAS.



For Agency Contracts address

O. S. CARLTON

PRESIDENT

SPRINGFIELD
Fire & Marine Insurance Co.

Cash Capital $2,500,000.00

THE SPRINGFIELD for two-thirds of a century has transacted business solely under its own corporate name, without annexes, underwriting agencies or subsidiary companies. An agent of the SPRINGFIELD is not a half, a quarter or any other fraction of an agent, but is vested with the rights and dignity of an undivided representative of an undivided and independent company. The SPRINGFIELD stands today pre-eminent among American fire insurance companies.

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Capacity For Local Agents

You can use our capacity as your own to take care of additional business beyond the capacity of admitted Companies.

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ONE OF THE BEST FORMS OF INSURANCE EVER DEVISED IS THE

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NEW DISABILITY CLAUSE

Under this latest form, if the Insured becomes totally and permanently disabled he receives an income for life, without reducing the income payable to the Beneficiary after his death, any sums thus paid to him being in addition to and not in place of the income the Beneficiary will subsequently receive. It is a form that may fairly be said to sell itself. Those seeking the latest and best in life insurance will do well to :: :: investigate. :: ::

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LIFE ASSURANCE SOCIETY OF THE U. S.

120 BROADWAY, NEW YORK

San Francisco Losses Amounting to $4,522,905.00 paid PROMPTLY IN CASH WITHOUT DISCOUNT, from funds largely supplied by head office in Liverpool

U. S. Cash Assets, Dec. 31, 1916	$15,827,439.35
Surplus, - - - - -	5,460,745.59
Losses Paid by Chicago Fire, 1871	3,239,491.00
Losses Paid by Boston Fire, 1872	1,427,290.00
Losses Paid by Baltimore Fire, 1904	1,051,543.00

Liverpool AND London AND Globe Insurance Co. LIMITED

Over $152,000,000.00

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G. W. HOYT, Deputy Manager
HUGH R. LOUDON, Assoc. Deputy Mgr.
J. B. KREMER, Asst. Deputy Manager
T. A. WEED, Agency Superintendent

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THE EASTERN UNDERWRITER

[Succeeding the Journal of Insurance Economics, Established in 1899]

A WEEKLY NEWSPAPER COVERING ALL BRANCHES OF INSURANCE

Eighteenth Year; No. 11 . NEW YORK CITY, FRIDAY, MARCH 16, 1917 $3.00 a Year; 15c. per Copy

PERIL TO AMERICAN AGENCY SYSTEM SEEN

Wires and Letters Sent to State Department Heads Protest Against Acquisition Cost Reduction

VIEWS OF PHILLIPS CRITICISED

Agents and Brokers, Aroused, Want to Prevent Acquisition Cuts in All Lines

Alleging that the American agency system, as it has existed in this country since the early part of the last century, is on trial, agents and brokers in many States this week sent wires to all insurance department heads making an emphatic protest against further reductions in the acquisition cost.

Origin of the Agitation

The protests are the result of the recommendation to the New York Legislature made by Superintendent of Insurance Phillips a few weeks ago in which he gave his opinion that the acquisition cost for compensation insurance should be reduced to 10 per cent. Since that time whenever agents and brokers have met they have expressed extreme indignation toward the views of the Commissioner, maintaining that it is impossible for them to handle this business with profit under the low commissions which would prevail if the Superintendent's recommendation became effective. Furthermore, they alleged that the recommendation is a violation of the Chicago agreement of 17½ per cent. acquisition cost.

The agents and brokers further believe that if the Phillips' recommendation goes through it will be followed by other States, as New York takes the lead in these matters. They think it will then be only a question of time before the commissioners start supervising the acquisition cost of other lines of insurance, and that this movement will be continued until acquisition costs are so low that it will be impossible for agents and brokers to maintain their present organization. In other words that the American agency system will be wiped out. An interesting phase of the situation is that the indignation is not confined to agents specializing in compensation insurance, but in every line of insurance.

Ask Co-operation of Agents

The wires and letters going forth this week make the direct charge that the Phillips' recommendation is a viola-

(Continued on page 14.)

DIRECTORY OF DEPARTMENTS

Life 1
Editorial 10
Fire 11
Casualty 17

"The Largest Fire Insurance Company in America."

THE HOME INSURANCE COMPANY NEW YORK

ELBRIDGE G. SNOW, President

Underwriting Capacity Second to None.

FIRE AND ALLIED BRANCHES OF INSURANCE

Fire, Lightning, Automobile, Commissions, Explosion, Hail, Marine (Inland and Ocean), Parcel Post, Profits, Registered Mail, Rents, Sprinkler Leakage, Tourists' Baggage, Use and Occupancy, Windstorm.

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Established 1809

Entered United States 1866

Policyholders protected by the entire United States assets, with further guarantee in every policy, of protection by entire fire assets of the company which are many times larger.

GOLDEN ANNIVERSARY YEAR

AGENTS WANTED IN

CALIFORNIA

THE

EQUITABLE LIFE of IOWA

HAS ENTERED THE

GOLDEN STATE

IN ITS

GOLDEN YEAR

ADDRESS

H. E. ALDRICH, Supt. of Agencies, DES MOINES, IOWA

GOLDEN ANNIVERSARY YEAR

GOLDEN ANNIVERSARY YEAR

GOLDEN ANNIVERSARY YEAR

LUNGER ON LOAN AND SURRENDER ABUSES

Vice-President of Equitable Life Points Out Some Defects in New York Law of 1906

RATIO OF LOANS TO RESERVES

Tendency to Convert Companies Into Combination Insurance and Savings Bank Institutions

In an article on the "Problem of Cash Surrender Values and Cash Loans," published in the March "Annals," of the American Academy of Political and Social Science, in its "Modern Insurance Problems" number, John B. Lunger, vice-president of the Equitable Life, points out defects in the 1906 law covering surrender values.

Limiting Cash Values

Mr. Lunger believes that the law should define a surrender charge adjusted to the kind and age of the policy; and then provide that no company shall guarantee in its policies, or pay in practice, a larger cash value than the reserve less such surrender charge. If a surrender charge should be imposed in all cases when cash is taken, the amount of such charge could be used to replace the retiring policyholder without casting the burden of cost on the persistent policyholder. If need be, it could be used as a compensation for a decline in values, unexpectedly high mortality, or other contingencies.

"Undoubtedly the cash value privilege is a great help in times of emergency, and it must be conceded that sometimes it is very important to protect the insured and his family while the insured is living," said Mr. Lunger. "But no policyholder should be permitted to retire and withdraw his entire equity in reserves, thereby transferring his share of any depreciation or other unfavorable contingency to those who remain."

Loan Advantages Neutralized

In discussing Section 101 of the New York Laws requiring in each contract a provision relating to policy loans, Mr. Lunger said that the primary purpose of this law, which fastens a banking function upon life insurance, was to enable the policyholder to have the use of his reserves in time of financial stress, and it was believed that this would be of great value in preventing lapses by permitting the insured to apply his reserves to the payment of premiums when short of cash, while at the same time the plan would prove attractive as an inducement to the taking of insurance.

Mr. Lunger concedes these advantages, but experience has demonstrated that they have been largely neutralized by the disadvantages and the abuses which have resulted from the expan-

sion of th s loan privilege. These loans operate directly against the beneficiary by reducing the protection, for only a small per cent. of the loans are repaid by the borrowers and the rest must be deducted from the claims at death or from surrender values. They also encourage lapsing.

Injustice to Remaining Policyholders

Many borrowers, finding their protection reduced, their premiums remaining the same and an annual interest charge to pay, become discouraged and abandon their policies. An injustice is done the remaining policyholders by the low withdrawal charge and the possible danger of a run on reserves in time of panic.

"Broadly speaking," says Mr. Lunger, "the policy loan privilege discourages saving and encourages spending. The practice of borrowing on policies has come to be known as borrowing from the widow and orphan."

Figures Show Magnitude of Problem

The magnitude of the problem "which has resulted from this unwisely extended privilege" may be appreciated by a study of the following table compiled by Mr. Lunger, which shows the extent to which these reserve funds have been withdrawn from the American "old line" companies since 1890:

Year	Reserves	Policy loans	Ratio of loans to reserves
1890	$669,963,688	$19,903,242	2.97%
1895	980,248,946	35,524,530	3.62%
1900	1,443,452,319	88,500,575	6.13%
1905	2,295,289,818	225,568,149	9.83%
1910	3,225,966,060	495,099,854	15.35%
1915	4,362,255,809	779,158,909	17.86%

Mr. Lunger's Conclusions

After describing practices of companies abroad, which indicate that both the French and English companies are far more conservative than the American companies, Mr. Lunger summed up as follows:

Agency Superintendent Wanted

A high grade young man with a clean record and ambition can have an unusual opening with the oldest and leading general agency of a well known Connecticut Life Insurance Company. He is needed to visit and work with the present agency force, also to help establish new agencies in New York, Vermont, New Hampshire and western Massachusetts, where 16,000 satisfied policyholders and forty enthusiastic agents producing over $3,000,000.00 in 1916 will help him to keep up the momentum of a successful agency. Splendid and unique agency development system is operative. Quantity results secondary to quality building. The right man, tireless in effort, capable of assuming responsibility and display initiative, will have a worth while future direct with the Company. Salary and traveling expenses. Reply in confidence giving age and full particulars.

AGENCY SUPERINTENDENT,
P. O. Box No. 1377, Hartford, Conn.

"At present there are apparently only two ways by which the companies can protect themselves against the possibility of a long continued drain if one should occur in the years to come. One is by carrying large cash balances, which is obviously objectionable; the other is by purchasing short-time bonds or secured notes of which there are comparatively few in the market. And if life insurance should develop competition for this class of investments the price would be raised to such a point as to make the returns inadequate.

"The question of the possible ultimate effect on investments of cash policy guarantees is one of the most important before us to-day, and especially as one of the uncontemplated effects of guarantees is to gradually convert each company, to the extent of its reserves, into a combination of a life insurance company and a savings bank.

Defects of Present Situation

"It is difficult to make an estimate of the proportion of present reserves which are subject to cash demands, but it is a considerable percentage of the whole. As the old policies which do not provide for cash are becoming less in number each year, we may look forward to the time, perhaps only fifteen or twenty years hence, when nearly the entire reserves will be subject to demand payments unless the tenor of things is changed in the meantime.

"The defects of the present situation are fundamental. Our cash values and loan values need to be brought down to the level that will not be an inducement to the easy forfeiture of the insurance but which will tend rather to permanence in the carrying of the policy. There is a body of opinion which believes that three or six months' notice of intention to borrow or to demand the cash value is a sufficient corrective, but as the defects are fundamental a three or six months' notice is but a superficial remedy. Faults which are basic and have within them the possibilities of becoming a menace cannot be cured by postponement.

"With the assistance of our State insurance officials and our legislative bodies, it appears entirely possible happily to compromise by legislative corrections so as to find the golden mean between the practices and benefits which obtained about thirty years ago, and those in vogue at the present time."

FRATERNAL SHOWINGS

The assets and liabilities of some of the leading fraternals on January 1, 1917, follow:

	Total assets, Jan. 1, '17	Total liabilities, Jan. 1, '17
Alliance Nationale	$2,922,949	$128,095
B'hood of American Yeomen	4,213,347	686,317
K. of Columbus	7,167,422	132,133
Knights of Pythias, Ins. Dept.	8,916,804	*7,557,117
Ladies Catholic Benevolent Assn.	3,664,681	124,979
Modern B'therhood of America	3,174,243	219,078
National Slovak Society, U. S. A.	1,292,219	163,253
Polish R. C. Union	2,139,808	111,490
Royal Neighbors of America	3,152,888	297,142
Woman's Ben. As. of Maccabees	10,480,269	195,312
Woodmen Circle	6,042,808	239.766
Woodmen of the World, Sovereign Camp	32,261,421	2,372,427

*Includes reserve.

HAZARD'S INSURANCE

The biggest life insurance check written by the Travelers since the death of Thomas Shevlin in Minneapolis more than a year ago, left Hartford on Friday afternoon, addressed to the estate of Frederick R. Hazard, of Syracuse. It was for $200,000.

THE MASONIC MUTUAL LIFE ASSOCIATION

New Masonic Temple — of WASHINGTON, DISTRICT OF COLUMBIA — Chartered by Special Act of Congress March 3, 1869

FIFTY YEARS OLD!

A WONDERFUL RECORD FOR 1916

Our membership increased to over ten thousand:
Our insurance in force to over fifteen million:
Our assets to over one million:
The applied for and examined insurance was about six million:
The accepted and issued insurance was over five million:
The net increase in insurance in force was over four million:
The net income was almost half a million:
The assets increased almost a quarter of a million:
The gain in surplus was over forty thousand dollars:
The deaths were actually less than in 1915, although we had over four millions more insurance in force:
The interest earning on investments paid over 60% of our death claims.

We do not believe any company, old line or fraternal, can show in all respects a similar record, and *we have just begun to grow.* The fact that we gained practically 80% of all the insurance issued as compared with the commercial companies, who gain on the average less than 50%, best evidences the confidence the members have in the Association, their satisfaction with it, their knowledge of the low cost of the insurance it gives, and the service it renders.

Our already splendid return of savings, or so-called dividends, has been increased.

THE KEYSTONE OF OUR SECURITY THE LEGAL RESERVE ON EVERY POLICY

¶ This Association gets better results for the money it spends than any old-line company. ¶ Its death rate is less, and always will be because its membership is limited to a select class of men; ¶ Its expenses of management are less; ¶ Its investment earnings are as good as any, better than a number; ¶ It is not conducted for profit but returns the earnings to its members, thus giving them insurance at net cost. ¶ Since it is not a commercial company, but a big cooperative association of Masons, where every member has knelt at the same altar; every member has taken the same obligation; every member is interested in the welfare of the other, and all contributing to the help of the family of the unfortunate brother who passes away. Is it not a privilege to belong to such an institution, and are we not neglecting our duty to our brothers if we neglect to urge them to become members of it and get the benefit of its advantages and privileges?

Our Slogan for This Year is **EIGHT MILLIONS NEW INSURANCE**

Wanted: Agents Who Are Masons

WM. MONTGOMERY, Secretary and Gen'l Manager

Sees Tendency to Drop Part-Timers

WHAT EDMUND STRUDWICK, JR., LEARNED THROUGH QUERIES

Sent Circular Letter to Prominent General Agents and Commissioners of Insurance

Edmund Strudwick, Jr., president of the Atlantic Life Insurance Company, recently sent to a number of general agents a questionnaire on the subject of whole and part-time life insurance agents, and after receiving answers to the questions he analyzes the situation for the American Academy of Political and Social Science in its March "Annals." The questions follow:

Do you appoint part-time agents?

If so, about what proportion of your force do they comprise?

If so, about what proportion of business in your agency do they produce?

Is the renewal experience of the insurance written by them satisfactory? Above or below normal?

Have a considerable number of your good agents developed from part-time men?

Do you consider a part-time agent a help or a hindrance in bringing about a pleasanter relationship between agent and policyholder?

If the part-time man constitutes a problem in your territory what solution do you recommend?

Also Wrote to Commissioners

Mr. Strudwick also addressed a series of questions to insurance departments, asking them what their attitude was. From the answers to the departmental questionnaire Mr. Strudwick says the commissioners do not consider the agency problem one to be settled by them through legislative statutes or departmental rulings.

Conclusions

The general agents expressed a variety of views. Mr. Strudwick's conclusions follow:

"What definite conclusions can be derived from the investigation? First, that among general agents there is a decided trend towards the ultimate elimination of the part-time agent; second, that the heads of the insurance departments, while not attempting any agency adjustment through legislative channels, are, nevertheless, in a few cases using their discretion in the licensing of part-time men and, more frequently, requiring a more or less searching investigation of the applicant; third, that the companies themselves are experiencing annually, through the part-time men, a large direct loss and a larger indirect loss; and fourth, that the insuring public have arrived at a point where more expert and efficient service than part-time men can render, is necessary to enlist their interest and secure their patronage.

Could Drop Part-Time Men in Large Cities

"In the metropolitan districts, especially in the larger cities, all part-time men could be discontinued without seriously affecting the volume of production. The field in such districts lends itself naturally to intensive soliciting and can be much more thoroughly and efficiently covered by whole time men working without the interference of part-time men. The country districts, however, are not yet ready for the elimination of the part-time man. He fills a real need there. Where, on account of sparse and scattered population, a man devoting all of his time to soliciting would have to travel long distances and cover a large territory, thus being unable to establish a personal relationship with his policyholders and to keep them interested in their insurance, a man, devoting only part of his time to insurance and supplementing with other business to fill out his income, could supply the insurance needs of his immediate community and keep in close personal touch with all his clients. As such communities, of course, become more densely populated, their need for part-time men, at best a compromise with temporary conditions, disappears. Since by far the greatest bulk of insurance is written in the more densely populated communities and since these communities are increasing continually in number and extent, the supplying of them with full-time insurance agents to the exclusion of part-time agents is an immediate and constant problem.

"The present investigation furnishes these suggestions for definite action toward the solution of the problem: a concerted action on the part of the insurance departments to have agency qualification laws passed which will require a searching investigation to be made of all applicants for licenses, and will grant to the heads of the departments discretionary powers in the issuance of licenses; a demand by the public upon the insurance companies and their agents for a quality of service to which they are justly entitled and which can be furnished only by scientifically trained experts devoting their whole time to the business; and finally a determination by mutual agreement among the several insurance companies and the general agents of the companies to co-operate vigorously in discontinuing the appointment of part-time men in every community where full-time men can more efficiently perform the work.

Co-operation Would Solve Problem

"If, as it seems, the gradual elimination of the part-time man is a thing to be effected, the insurance departments and the insuring public should do their part in hastening this accomplishment. But if actual and immediate results are to be obtained, too great stress cannot be laid on this final recommendation. The companies and their general agents have it in their power to cancel every part-time contract at any time they may determine upon. They are prevented only by lack of co-operative action and by considerations of expediency. In the last analysis the ultimate solution of the problem must come through and by them."

"GROUP" AND "WHOLESALE"

John L. Way Gives Definitions of Each, as They Are Frequently Confused

John L. Way, vice-president of The Travelers, has issued the following official definitions of the expressions "group" insurance and "wholesale" insurance, which are frequently confused in people's minds:

Group insurance is "any insurance written under a group or blanket contract on the one year renewable term plan."

Wholesale insurance is "individual contracts issued in accordance with agreement with employer or association usually involving concessions as to medical examination and inspection."

"As the premiums for these classes will be reported collectively, report of premiums will be made direct to the Group Division instead of through the usual Branch Office reports." the statement continues. "Group and wholesale insurance to the above extent will be credited branch offices when the business is originated by an agent or broker regularly reporting his business through such branch office, although the transactions may be handled direct with the Home Office."

THE MORGAN INSURANCE

Newspapers Apportioning Amount of Insurance to Suit Fancy of Their Rewrite Men

The fact that J. Pierpont Morgan, the country's leading financier, applied for a large amount of insurance, said to be more than $2,000,000, leaked out to the daily newspapers last week and was featured from one end of the country to the other. The transaction is not yet closed, re-insurance still being under way.

The Eastern Underwriter is informed that the newspapers, both insurance and daily, have been letting their imaginations run riot in quoting the amounts being carried by the different companies and that the figures quoted are largely incorrect. A favorite bit of figure conjecture with the majority of the newspapers has been estimates of the amount of commission earned by the agent on the transaction, Harold Pierce, the estimates being wrong in every case.

New Disability Tables Under Discussion

NEARLY ENOUGH EXPERIENCE

Will Be Adopted By Life Companies Before Long Seems to Be General Opinion

That new disability tables will be adopted by companies in view of the growing popularity of disability clauses and their widespread use seems to be generally recognized among actuaries.

At the recent disability hearing in Madison, Wis., Actuary William A. Hutcheson, of the Mutual Life, advised a general adoption of the Hunter Disability Table as the best available for premiums and reserves at the present time, stating, however, that no doubt new tables would be formed before very long on the experience of the various companies.

Assistant Actuary Craig, of the Metropolitan, at the same hearing suggested that if any amendment was made to the law it might be made in such a manner as to give the Commissioner authority to designate the valuation table, rather than incorporate in the law the Hunter Disability Table as a standard of valuation, and stated "that our object in making this optional was that experience is being rapidly accumulated and new tables might be published within a relatively few years."

METROPOLITAN'S ATTITUDE

What Company Has Done in Reference to Disability—How Valuations Are Based

In discussing what the Metropolitan Life has done regarding disability, Assistant Actuary Craig said recently:

"In general, this Company limited its disability benefits to the waiver of premiums in event of disability occurring before age 60; the benefits made retro-active on practically all ordinary policies and calculations predicated upon Hunter's Table seemed to be sufficiently accurate for practical purposes. Our valuation was made on the basis of $.25 per $1,000; this figure being decided upon after an actual valuation of over $300,000,000 of insurance had shown a valuation averaging $.22 per $1,000. This value was in excess of one-half of the average premiums, due to the nature of Hunter's Modified Tables where all technical reserves less than one-half the premiums were arbitrarily eliminated and one-half the premium substituted therefor."



INDUSTRIAL CONCERNS throughout the land are proving the patriotism of business by insuring entire staffs of employees. The Prudential will lend a hand—make it easy for firms to insure their workers.

Family insurance has placed America First in Life Insurance, and Group Insurance will help to keep it there.

The Prudential has a fine Group plan. Group Insurance is endorsed by every concern that has tried it. Send for brief, forceful, descriptive circular.

THE PRUDENTIAL INSURANCE CO. OF AMERICA

Incorporated Under the Laws of the State of New Jersey

FORREST F. DRYDEN, President

Home Office: NEWARK, N. J.

Protest Against Connecticut Tax Laws

PROMINENT INSURANCE MEN TELL OF BURDENS

New Companies Kept From Organizing—Needs of the State More Than Met

William BroSmith, Robert W. Huntington, Jr., Edward M. Day, Charles S. Blake, A. G. McIlwaine, Jr., and other prominent insurance men spoke against features of the present Connecticut laws governing taxation at a hearing before the finance committee of the Connecticut Legislature on Tuesday.

It was said at the meeting that the present laws of the State were keeping new insurance companies from organizing and that several companies were considering relinquishing their Connecticut charters and incorporating in other States. The chief objections to the present laws pertained to the 5-mill tax on the market value of the shares and the levying of the tax on the market value instead of the stock value of these shares.

Wants Law Amended

William BroSmith told the committee that the insurance companies were far from satisfied with the present tax situation and asked that the law be amended so that the board of equalization would be allowed to take the fair value of the companies' stock instead of the market value as the basis of levies for stock taxes. He asked that the additional arbitrary burden of a 5-mill tax on the market value of the shares of the insurance companies be repealed, saying that taxes have now been collected $4,000,000 in excess of the needs of the State and that the extra tax is not only arbitrary and unfair, but unnecessary.

Mr. BroSmith was asked whether it would not be well to have a large surplus in the State treasury in view of the "imminence of certain events." He replied that to his personal knowledge Congress was taking steps and had taken steps to provide for such expenditures and that, in such an emergency, it was just as desirable that taxes should be levied equitably on everyone alike. When asked whether he preferred the 5-mill tax or the Baldwiu commission tax, Mr. BroSmith said that he had not figured out which would cost the companies the more but said that he was strongly opposed to the Baldwin commission tax.

CONTINENTAL LIFE GAINS

The net surplus of $624,889.64 of the Continental Life is almost exactly 20 per cent. greater than the outstanding capital stock of $515,220; and the total assets of $2,114,200.48 are more than double the total liabilities of $974,-090.84, thus giving the Continental more than $2 of net admitted assets for every dollar of liability.

The year 1916 may be summed up as resulting in an increase of 34 per cent. in net earnings, as compared with an increase of only 30 per cent. in the outstanding capital stock, and gains of 9 per cent. in insurance, 2 per cent. in assets, and no less thau 27 per cent. in the important item of net admitted surplus.

PROMPT PAYMENT

Frederick R. Hazard, of Syracuse, N. Y., president and treasurer of the Solvay Process Co., was insured in the Travelers of Hartford for $200,000 on the twenty payment life form. Mr. Hazard died on February 27, after making eleven payments on the policy. Proofs of death reached the home office of the Travelers on the morning of March 9, and a check for the face amount of the policy was forwarded to his estate the same afternoon.

44 MILLIONS from 42 AGENCIES

THE 1916 RECORD OF OUR EARNEST, LOYAL AND HAPPY AGENCY FORCE

New England Mutual Life Insurance Company

BOSTON, MASS.

WALLIS' TESTIMONIAL DINNER

$400,000 Production in Thirteen Days—$5,000,000 Set for 1917 Efforts of Fidelity Mutual Men

At a testimonal dinner in this city Tuesday night tendered Frederick A. Wallis, manager of the Greater New York agency of the Fidelity Mutual Life, by the members of the agency and office staff, a surprise package was handed the honor guest containing applications for $126,000 of business. This business brought the production of the agency for the first thirteen days of March up to a figure exceeding $400,000.

The dinner arranged in honor of Mr. Wallis' forty-eighth birthday, had all the aspects of a real family gathering. Short and appropriate talks were made, while entertainment, both vocal and instrumental, was provided by guests.

An interesting feature was the presentation of a gold watch to Mrs. Ellanora De Graff Lochner, won by leading the agency in production in a contest ending January 31, 1917.

A mark of $5,000,000 business has been set as the goal for the Greater New York agency in 1917, and to make the first third of the year count another interesting contest was started.

Those present were: Mr. and Mrs. Frederick A. Wallis, Mr. and Mrs. Brooks, L. Logan, Rev. James Palmer, Ph.D., assistant minister Fifth Avenue Presbyterian Church; Mr. and Mrs. W. H. Wadsworth, Mrs. E. D. Lochner, George W. Meacham, Mrs. W. A. Robinson, L. C. Thompson, D. T. Wyckoff, Mr. and Mrs. C. R. Morgan, J. C. Hume, Mrs. A. A. Wadsworth, Sr., Mrs. Lillian Homesley, H. F. Kowes, L. A. Burr, J. E. Poteet, H. P. Miller, G. Haas, Mrs. E. H. Noyes, Mrs. S. W. McDonald, W. T. Owen, A. Futterman, Dr. W. L. Gahagan, medical examiner; A. A. Wadsworth, Jr., C. E. Spalding, Miss Rose Horowitz, M. Goldberg, R. A. Wood, M. E. Foote, R. E. French, Mrs. B. A. Graves, H. J. Acker, P. R. Freeman, Mrs. Catherine Ker, Mrs. R. F. Bres, W. F. T. Hanna, Miss S. E. Holmes, Mrs. A. G. Brush, Miss Belle Fisher, Miss N. E. Slade, Miss M. P. Wilsey, Miss Marion Magowan, J. L. Gold, D. M. Willard, William Fellows, Jerome Stanley and W. L. Hadley of The Eastern Underwriter.

OLD POLICYHOLDERS

Mutual Benefit Life Secured 28.7% of 1916 Business Through This Source

In 1916 the Mutual Benefit Life, of Newark, issued policies to 11,257 policyholders who had previously been insured in the Company. An average of 28.7 per cent. of the business for the year was secured from old policyholders.

The percentage of rejected applications to the total received by the Mutual Benefit last year was 9.35 per cent. This is an increase over 1915, when the percentage was 8.88. A large part of the increase is accounted for by the fact that thousands of Royal Arcanum members applied to the Company during the last two or three months of 1916, following the readjustment of Royal Arcanum rates.

SOME IMPRESSION!

He was one of the increasing number of out-of-town policyholders who was sufficiently interested in his Company to take time to look in at the home office of the Penn Mutual Life when he visited Philadelphia, and the Company showed him every thing from the supply room in the basement to the sky above the roof. His guide explained how each department was arranged to facilitate business, how an application reaching the office kept moving true to its course, and, if it was the right kind, never stopped until it was transformed into a policy—without any lost motion. And then when the guide took him out via the east entrance through the little patch of green that leads to the iron gates, he turned around and said:

"My, what a company! A man can enter the front door, apply for insurance, get examined, receive his policy, pay the premium, and if he dies on the way out you can bury him in this green spot and settle with his widow at the gate. I will certainly have to tell the folks back home about this."

Popularity's Persistent Progress

The greatest of all great years in delivered business for this Company—1916! Without need of urging or pleading, our representatives, with vigorous and self-directed industry, were the enactors of this glistening achievement.

The tide of new business is flowing strongly in the New Year. We expect that 1917 will be another golden period of widely increased protective service of the homes and the businesses of the United States. Home Office and Field in the Massachusetts Mutual are a unit in their determination to be front-rank contributors.

Occasionally we have a General Agency opening for a quality man.

JOSEPH C. BEHAN, Superintendent of Agencies

MASSACHUSETTS MUTUAL Life Insurance Company

SPRINGFIELD, MASSACHUSETTS

Incorporated 1851

INCREASE CAPITAL STOCK

Annual Meeting of Great Southern Life's Stockholders—Earned 12% Dividend

(Special to The Eastern Underwriter.)

Houston, Texas, March 14.—The annual meeting of the Great Southern Life's stockholders was held in this city yesterday. The old board of directors was re-elected, as were all officers of the Company.

An increase of $100,000 was authorized in the capital stock to be sold for not less than $250,000. The proceeds are to be added to a fund set aside for the purchase of other companies.

The Company earned a dividend of 12 per cent. Six per cent. will be paid to stockholders and 6 per cent. will go to surplus.

NEW BRITISH LIFE BUSINESS IN 1916

	1916	1915
Abstainers & Gen...	£ 221,612	£ 254,734
Australian Mut. Prov..	6,640,000	6,784,635
Caledonian	731,813	724,466
Century	400,373	344,526
Equitable	328,000	276,100
L. & L. & G.....	644,068	538,654
London Life	791,000	602,900
National Mutual	194,860	229,582
National Provident ..	608,630	532,368
Sceptre	92,075	96,040
Scottish Amicable ..	750,376	848,896
Scottish Life	472,000	405,000
Scottish Temperance.	555,751	576,060
Star	588,175	661,672
Sun of Canada	8,788,828	7,165,860
U. K. Temperance...	1,085,402	1,044,409

WITH PROVIDENT L. & T.

M. Harry O'Brien, Insurance Commissioner of South Dakota until March 1st, has entered the services of the W. M. Horner agency of the Provident Life and Trust Company of Philadelphia, as general representative for South Dakota.

Before Mr. O'Brien became the Commissioner he was a member of the law firm of O'Brien and Gage, at Highmore, South Dakota. He was an able lawyer, a progressive Commissioner and should make a fine record in the life insurance business.

DR. FRED J. WILL DEAD

Dr. Fred J. Will, medical director for the Bankers Life Company of Des Moines, died recently at San Antonio, Texas. He had been in failing health for several months due to hardening of the arteries and had gone to San Antonio, for the benefit of his health, about two months before his death. Dr. Will had been medical director of the Bankers Life for eighteen years. He was born in Iowa in 1859 and had lived all his life in that State except when a midshipman at Annapolis in his youth. He held high rank as one of the most prominent of the medical profession in Des Moines and Iowa.

NEW LOCAL GENERAL AGENCY

The new general agency of the Bankers' Life Company of Des Moines in New York City has registered an immediate success under the able leadership of Elmer Dwiggins. Among the 60 general agencies of the Company, the New York City agency ranked seventh for the first month of its existence with a total production of practically $200,000 of written and examined business.

WHOSE FAULT FOR LAPSES?

The cause of non-payment is not always to be known, but it is important to know whether the insured or the custodian of the premium is at fault and how to convince him of the enduring need of insurance and correct the error. There are cases of real hardship, due to protracted illness, loss of work or both, where payment is plainly impossible and there is no remedy. —Prudential Record.

Promotions at John Hancock Home Office

CAREERS OF MEN WHO HAVE BEEN ADVANCED

Long Service of Messrs. Eaton, Nason, Brock, Temple, Sutherland and Diman

At a banquet held in Boston following the annual meeting of the John Hancock Mutual Life, and attended by home office officials, directing heads of



ROBERT K. EATON, Vice-President

the field force, general agents, and district superintendents, President Roland O. Lamb began the after-dinner proceedings by announcing that he had some interesting news to deliver. He then made public the following promotions made by the Company:

Announces Promotions

Robert K. Eaton, from superintendent of agencies to vice-president in charge of the agency work.

Fred E. Nason, from senior assistant secretary to secretary, this following the relinquishment of the secretaryship by Vice-President Walton L. Crocker, one of the greatest insurance men living, and who, as head of the newly created insurance department of the Company, is now giving his entire time to the executive work of underwriting.

Elbert H. Brock, from assistant superintendent of agencies to superintendent of agencies.

Thomas F. Temple, from supervisor of agencies to assistant superintendent of agencies.

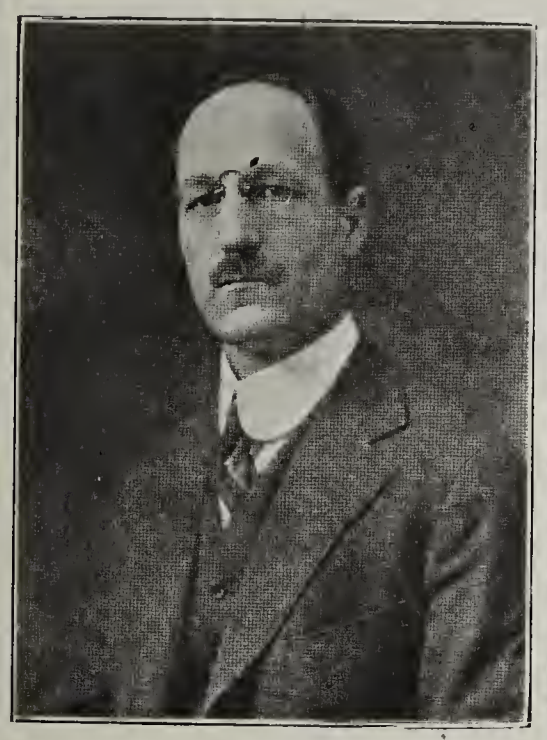
Dimock W. Sutherland, from junior assistant secretary to senior assistant secretary.

Charles J. Diman, from chief clerk to the executive officers to junior assistant secretary.

As each of the advancements was proclaimed the guests rose with enthusiastic acclaim of congratulations and good will. Every man promoted had done splendid service for the Company, each promotion being regarded as eminently fitting and deserved. The Eastern Underwriter prints cuts of the men who have been promoted.

The New Vice-President

The new vice-president, Robert K. Eaton, entered the Company's service in 1886 as a clerk, later becoming chief clerk of the agency department. He was next advanced to the position of home office inspector in 1896. In 1899 he was appointed superintendent of agencies for the ordinary department, and at the beginning of 1903, superin-



FRED E. NASON, Secretary

tendent of agencies for both the ordinary and weekly premium departments, displaying in all these capacities the judgment, industry and humane spirit which have finally resulted in his elevation to the distinguished position he now occupies.

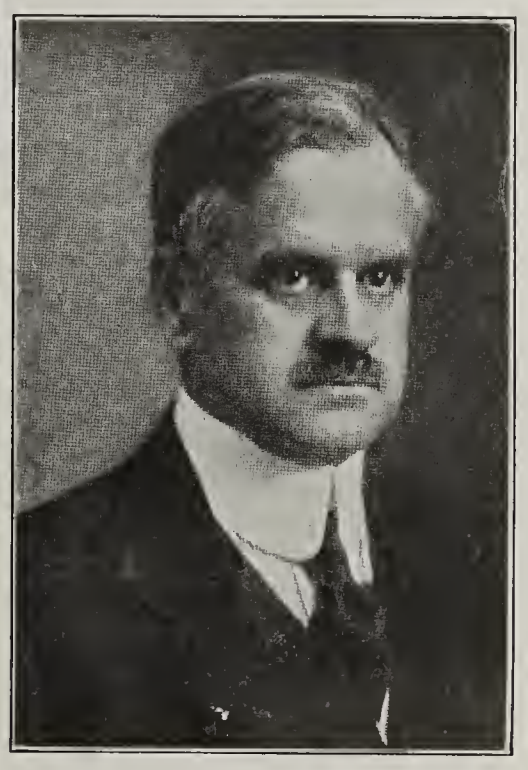
Elbert H. Brock also began his John Hancock work as a home office clerk. This was in March, 1887. In the following year he took a debit in the Boston agency. He was advanced to be an assistant in 1890, acting in that capacity first in Chelsea, then at the South End of Boston. In 1891 he was made claim adjuster, and, in 1894, superintendent of the Boston district, which he conducted with notable success until August, 1903, when he was promoted to be assistant superintendent of agencies. In the last named capacity his efficiency has been so great that his latest advancement was simply the thing to be expected.

Began as Clerk

Thomas F. Temple's first work for the John Hancock was as a clerk from August 8, 1896, to January 1, 1899, when he was advanced to the position of home office inspector. Most excellently did he perform the duties of that office, and in consequence Mr. Temple was promoted in May, 1905, to be supervisor of agencies, and now, finally as assistant superintendent of agencies. He is a man of great personal popularity.

Fred E. Nason entered the Company's service in May, 1892. The thoroughness with which he acquitted himself of his duties was recognized by promotion to the position of chief clerk early in 1895. In February, 1902, he was chosen to be second assistant secretary of the Company, and a year later assistant secretary. Now promoted to the full responsibilities of the secretaryship, Mr. Nason brings ripe experience, keen powers of analysis and an exceptional grasp of the requirements of policy work.

Dimock W. Sutherland entered the



ELBERT H. BROCK, Supt. of Agencies

Company's service as a boy over twenty-six years ago. Later, he was given a clerkship, and then made head of the old agency accounts division. When that was abandoned in favor of a new plan, Mr. Sutherland was placed in charge of the central division in October, 1910. Faithful and able service brought him the junior assistant secretaryship in January, 1912, and now he has moved up to the position of senior assistant secretary.

(Continued on page 6.)

GOAL CARD

Form Devised By Bagley & Willet to Keep Agents Up to Proper Standard

Bagley & Willet, general agents for the Penn Mutual Life at Atlanta, Ga., have devised a "Goal Card" for use by agents in keeping them keyed up.

A copy of the letter and card which proved so effective in the Bagley & Willet agency follows:

To Our Agents:

In an effort to improve your record, it is necessary to have some goal in sight—some quota to reach. Not only should you plan the volume of insurance you expect to write this year, but you should strive each day to make some definite advancement toward the amount, and never do anything that will retard your progress in that direction.

The man who "just does things as they come along" may put in a tremendous amount of hard work, but he rarely gets anywhere. His work piles up, the little things insist on their turn and the big things don't come along. Lacking concrete ideals he loses two of the greatest joys of life, the chase and the victory.

We are anxious to know what value you put on yourself—what goal you will set the present year. We suggest that you aim a little higher than you feel your opportunity will warrant, then start out immediately to reach the mark. Do it week by week and month by month. That is the proper way, the easiest way and the only practical way.

We send to every field man, with this bulletin, a goal card in duplicate. Think the matter over seriously. Fill up both of the cards, stating the amount of insurance you will undertake to write in 1917 and forward to us by return mail one of the copies. Retain the duplicate card by which to check yourself from month to month. As the year goes on, we will keep in touch with you and help you, as much as in us lies, to come out a winner at the end.

$25,000 to $50,000 Paid Insurance
$50,000 to $75,000 Paid Insurance
$75,000 to $100,000 Paid Insurance
$100,000 to $150,000 Paid Insurance
$150,000 to $200,000 Paid Insurance
$200,000 to $300,000 Paid Insurance

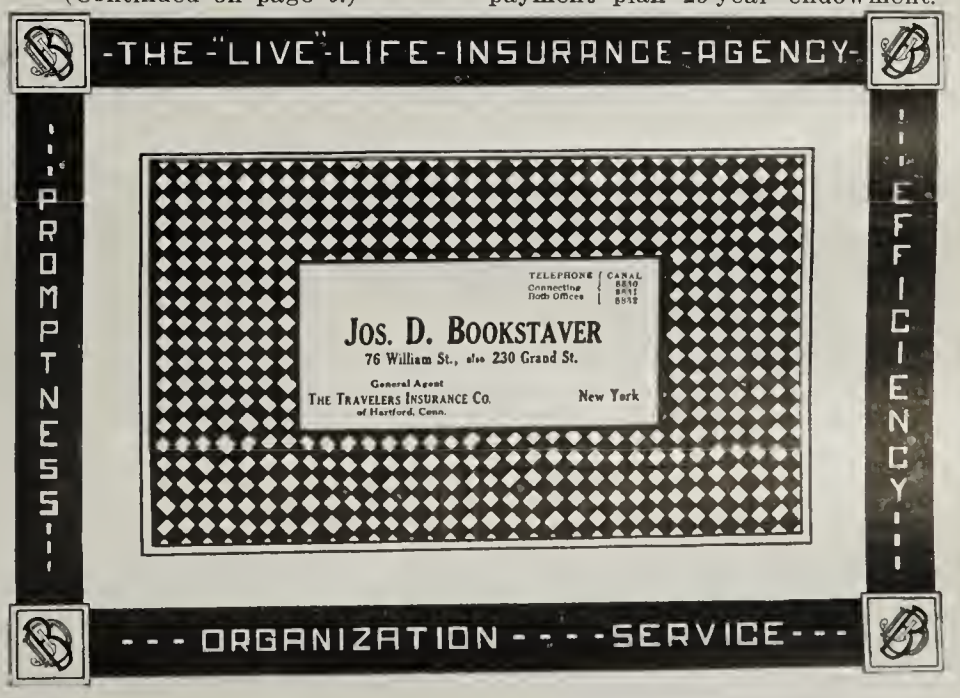
Put cross mark (X) opposite amount you intend to write.

Name .....

TUSHINGHAM'S ARGUMENT BEST

In a recent salesmanship contest of the G. C. Wells Agency, Pittsburgh—in which five men of the agency competed—Charles A. Tushingham was awarded the honor by the prospect of making the most satisfactory presentation of the proposition and succeeded later in writing the gentleman whose age was 49 years for $5,000 on the 15 payment plan 25-year endowment.

THE AVERAGE EARNINGS OF THE AGENTS
OF THE
Standard Life Insurance Company
∴ ∴ OF PITTSBURGH ∴ ∴
are higher this year than ever before. Our attractive Accident and Health Policies have helped them to make more money.
Write for a LIFE, ACCIDENT AND HEALTH Contract to
FRANK A. WESLEY
Vice-President and Director of Agencies



Promotions of John Hancock Officers

(Continued from page 5.)

Charles J. Diman, junior assistant secretary, completes 17 years of service for the Company on February 5. His earlier duties were connected with the filing division. In September, 1907, he was assigned to the position of clerk to the Executive. In this capacity he has not only acquired a considerable knowledge of the Company's personnel and methods of operation, but has also, by a kindly courtesy towards those requiring his assistance, gained a well-deserved popularity.



THOMAS F. TEMPLE, Assistant Superintendent of Agencies



DIMOCK W. SUTHERLAND, Senior Assistant Secretary

HOTCHKISS ON THE STATE

William H. Hotchkiss, former insurance superintendent of New York State, addressed the Insurance Society of New York on Tuesday. His subject was "State Insurance." The attendance at this lecture meeting of the Society was one of the largest of any held yet this year.

An Office doing business in Eastern Pennsylvania could use a good Life Insurance Company in this territory.

Address "KEYSTONE"
Care of The Eastern Underwriter
105 William Street, New York, N. Y.

J. C. Humes
President

THE CRESCENT LIFE INSURANCE COMPANY
OF INDIANAPOLIS, INDIANA

"ENDURING AS THE PYRAMIDS"

L. D. Clancy
Secretary

A Legal Reserve Company

Are You a Big Producer? Can You Prove It?
ONE GENERAL AGENT WANTED IN INDIANA

Home Office: Fletcher Trust Bldg., Indianapolis, Ind.

Comment on Dual Income Option

The possibilities of the Northwestern Mutual Life dual income option are discussed by that Company's "Field Notes" in a talk to agents.

It provides for annual installments in lieu of each $1,000 payable in one lump sum at the maturity of an endowment policy. The option is particularly useful in meeting some of the numerous "new" and "special" policies.

The full provisions can probably be better illustrated by an example: the insured is 50 years old, and his wife 45, when his $10,000 twenty year endowment matures. Instead of taking settlement in cash, or under one or more of the three options, A, B or C, the Company, upon request by the insured, and his waiver of Options A, B and C will pay proceeds of the policy under the dual income agreement, which, in the present case, would provide $493.30 annually to the insured or his wife, the beneficiary, as long as either may live. In other words, the insured can provide a life pension for himself, and, at his death, a life income to his beneficiary. In the event that neither the insured nor the beneficiary survive until twenty annual installments have been paid, the balance of the payments certain will be commuted, and turned over to the estate of the last payee. In addition, the twenty stipulated installments are participating.

Where the insured, under an endowment policy, wishes to provide a life income for wife or children in the event of his death before maturity of the endowment, he can do it in the ordinary way by endorsement of the policy for payment under Options A or C. If he also desires to provide a life income for himself and his wife, or some other beneficiary, at maturity, the request for dual income settlement can accompany the application, to be effective at maturity, at which time Option A or C endorsement will necessarily be cancelled.

Sometimes a prospect will want to invest a lump sum to take care of his own old age, and at the same time to protect his family in the event of death. In a case of this kind, a single payment, ten, fifteen or twenty year endowment to be settled under the dual income, offers many advantages. For example, the insured, age 45, can purchase a single payment, fifteen year endowment ($10,000) for $7,680.50, which will receive annual dividends, and at maturity or when the insured is 60 years old, can be settled under the dual income, and will pay him, or his beneficiary, who, we will assume, is five years younger, $558.70 a year as long as either of them live. This plan has a great many advantages. It is non-forfeitable, participating, both before and after maturity, may be increased by dividend additions, and may provide for settlement under the usual options in the event of death before maturity.

THIS YEAR FINDS

The Old Line Life Insurance Company of America

STRONGER
MORE POPULAR
GREATER

We Offer
LIFE
ACCIDENT and
HEALTH
CONTRACTS of
REAL MERIT

OPERATING IN
WISCONSIN
MICHIGAN
ILLINOIS

Address:
RUPERT F. FRY,
President

THE
OLD LINE LIFE INSURANCE
COMPANY OF AMERICA
MILWAUKEE, WIS.

BRITISH WAR LOANS

Tendency to Borrowing on Policies in Order to Aid in Patriotic Loan Deprecated

At the annual general meeting of the members of the National Mutual Life Assurance Society, London, held recently, the chairman made some interesting remarks about the new war loan. He said:

> Irresponsible writers in the press have recently been advising policyholders to borrow from the offices on the security of their policies, with the idea of investing the amount borrowed in the war loan. Apart from the obvious fact that in justice to the general body of its members an office cannot lend to one section of its policyholders on terms more favorable than those on which it can invest in the war loan, I would ask your consideration of the following facts. Loans to policyholders must be made out of exactly the same fund from which the society is able to subscribe to Government loans. If, therefore, our members, with praiseworthy patriotism, wish to support the Government by borrowing from us, they can do so only by lessening the power of the society to subscribe. The result is that, while the total subscription, and therefore the result to the Government, is the same, a great deal of additional clerical and postal labor, and considerable waste of stationery, is caused in the necessary handling of a large number of small subscriptions instead of one large one. Moreover, unless the individual policyholder can see his way, either out of his earnings, or by strict personal economy, to pay off, during said current year, the amount which he has borrowed to re-invest, the result is merely the creation of additional credits, with the consequent inflation of the currency and rise in prices. When this is the case, I need not point out to you that his well-meant efforts are a dis-service rather than an advantage to the Government and the country.

State the Price Last

If you can sell a policy without quoting the amount of the premium so much the better. Some agents assert that they leave their rate-books at home.

How much protection does a man need? Let him apply for the appropriate amount. Then if the agent has accurately sized up the case and suggested the right amount, the prospect will not regard the premium as unreasonable or beyond his reach.

The man who invests in a block of gilt-edged railroad bonds doesn't say "How small a sum can I put into this investment?" but "How many bonds can I afford to buy?"—Equitable "Agency Items."

AMERICAN NATIONAL FIGURES

The American National Insurance Company, of Galveston, Tex., organized in 1905, has made rapid strides during the past twelve years.

At the end of the year 1905, the company had insurance in force of $2,606,950; assets of $145,958; and the surplus security to policyholders amounted to $130,777.

On December 31, 1916, the American National has insurance in force totaling $64,218,697; assets, $4,336,054.86; and the surplus security to policyholders amounts to $1,035,867.

A Commission in Connecticut

The Connecticut Legislature is considering the appointment of a commission to study compulsory health insurance.

Double Indemnity and Disability Clauses in Life Contracts

By Arthur Hunter, of New York Life

(Editor's Note—From Testimony on Disability Hearing Before Insurance Commissioner Cleary, of Wisconsin)

The disability feature is not new. As a matter of fact this was started in this country some time in the year 1891 or prior. I know in the year 1896, which is twenty years ago, one of the companies, the Fidelity Mutual, wrote a policy which provided that the man could either have his premiums waived and have a paid-up policy or disability, or could convert the policy into an annuity.

I should also like to point out that for at least twenty-five years the fraternal orders have had provisions that in the event of the man becoming totally and permanently disabled one-half of his insurance was payable at once and the other half became payable at death.

While this phase of insurance was started by regular insurance companies over twenty years ago, it didn't become popular until comparatively few years ago. The New York Life began to grant this form of insurance in 1910, and I think there is only one of the well known companies at the present time that does not have disability benefits in some form in its present contract.

The First Steps

The first step was the waiver of the premium in the event of the insured becoming disabled.

Within a short time the insurance companies realized that that was not a complete form of indemnity. They then decided to pay the face of the insurance in installments if a man became disabled. The first installment usually being payable about one year after disability; some companies provided for 5 per cent. of the face and others for 10 per cent. of the face, but at the death of the insured only the balance of the face of the insurance was generally payable.

That naturally led to some provision being made so that the face of the insurance would remain intact, and, at the same time, there was also a development which provided after the face of the insurance was payable the insured would still be entitled to annuities. That is to say, if it were 10 per cent. of the face and the insurance was say, $10,000, then $1,000 was payable so long as the man was disabled, whether that was beyond ten years or not, so he was sure to get an annuity of $1,000 as long as he lived. If the insured died before the $10,000 was paid, the balance was paid to his beneficiary. Then the later development was that at the death of the insured none of these disability payments were deducted from the face of the insurance, so that when a man became disabled he was sure he would receive the annuity as long as he was disabled, however long he lived, and his beneficiary would receive the face of the insurance irrespective of what was paid to him.

Desirability of Disability

One of the questions raised by the Commissioner of Wisconsin in a circular was this: "Is it desirable from the standpoint of the policyholder to have disability benefits?" I think that might be answered from two standpoints: First, what is the experience of the companies? Do they have a large percentage of applications for policies with disability benefits? If one were to go around to the companies, one would find that might range from 20 per cent. to 90 per cent. of the total applications requesting disability benefits and the varying percentage would be largely due to the feeling at the home office with regard to whether this should be pushed or not and also whether the agent received commission on that disability or not. In a company like the New York Life where the commission is paid to the agent and where the officers of the company encourage it, I think something like 90 per cent. of our policies contain that provision of disability benefits, provided the man is entitled to it. Of course, there are many instances where we refuse to grant it. A man who has had syphilis for example, can't get it because so many cases produce some sort of chronic diseases, paresis and insanity.

I believe that the disability benefits are popular and are desirable from the standpoint of the insured.

How Assured is Benefited

Another way you can look at it, is to what extent are these persons benefited by the disability benefits. Of course, everyone realizes a very small proportion of each thousand policyholders actually become permanently and totally disabled, but for a very few cents it provides large benefits to the persons so unfortunate.

The advantages of this plan cannot really be appreciated unless one gets into the work or sees the type of cases coming before him. If one sees for example, day after day, an instance of where the insurance would have had

(Continued on page 9.)

Ambitious, Productive and Trustworthy Life Agents may be benefitted by corresponding with the

Berkshire Life Insurance Company
of Pittsfield, Mass.
Inc. 1851

New policies with modern provisions Attractive literature
W. D. Wyman, President W. S. Weld, Supt. of Agencies

FOUNDED 1865
Unexcelled In Favorable Mortality and Economy of Management
The Provident Life and Trust Company
OF PHILADELPHIA
Rates of Premium Extremely Low and still further reduced by Annual Dividends

Men with ambition and ability, who represent this Company, now in its SEVENTY-THIRD YEAR, become business counsellors and professional insurance advisers.

An honorable record of SEVENTY-THREE YEARS gives our representatives great prestige with the insuring public.

Additions are made to our agency force when the right men are found.

STATE MUTUAL LIFE ASSURANCE COMPANY
OF WORCESTER, MASSACHUSETTS
Incorporated 1844
B. H. WRIGHT, President D. W. CARTER, Secretary
STEPHEN IRELAND, Inspector of Agencies

THE MOST VALUABLE POLICY FOR YOU,
Mr. Agent, is to write your prospect in the Company writing the most valuable policy for the insured.
Secure **prompt action** in the
John Hancock MUTUAL LIFE INSURANCE COMPANY OF BOSTON MASSACHUSETTS
WILLIAM N. COMPTON, General Agent
METROPOLITAN DISTRICT, ST. PAUL BLDG., 220 BROADWAY, NEW YORK, N. Y.

Security Mutual Life Insurance Company
Binghamton, N. Y.
Offers to men able to produce business first class territory, with direct contract providing liberal compensation.
For particulars, address
C. H. JACKSON, Supt. of Agencies

WE have room just now for two or three good men—not the Million Dollar producer who takes it out in talk, but the man who can average $100,000 of personal business, plus experience in appointing and working with agents. Men who become valuable to this Company grow in value to themselves. We cannot guarantee your success, but we will give you a real opportunity, then it's up to you. Would you like to hear about it further?

Pittsburgh Life and Trust Co.
Home Office, Pittsburgh, Pa.
HOWARD S. SUTPHEN
Vice-President & Manager of Agencies

A GOOD OPENING
An old, well established, progressive life insurance company, with unexcelled dividend record has good opening at PHILADELPHIA, covering Eastern Pennsylvania. Address, stating qualifications:
PHILADELPHIA, care of The Eastern Underwriter
105 William St., New York City

We don't contract with poor men.
We give a new man our attention until he is started.
We make our men make good.
Why don't you work for us?
Peoria Life Insurance Company
PEORIA, ILLINOIS

The
Perfect Protection Policy
OF THE
RELIANCE LIFE
gives you something absolutely new and different to talk to your prospects. Gives you a chance to earn more money than you are now making.
Our Life Insurance Contracts contain the most up to date clauses known to the Insurance World. The Accident and Health gives full protection for at least a third less cost than regular casualty companies. Our agency contracts are as liberal as can be made.
WRITE AND WE WILL TELL YOU MORE ABOUT OURSELVES
Reliance Life Insurance Company of Pittsburgh
FARMERS BANK BUILDING
PITTSBURGH, PENNSYLVANIA

LIVE HINTS FOR BUSINESS GETTERS

Practical Suggestions to Help the Man With the Rate Book Increase His Income and General Efficiency

A Questionnaire on Salesmanship

Questionnaire by A. Black Farmer before the Salesmanship Club of Syracuse:

Question. If a man does not cross his T's, what would that suggest?

Answer. He usually lacks the element of courage. You will find that the man who does not cross his T's well, doesn't make a good salesman.

Question. What do you think about a signature that slopes up?

Answer. That is an indication I like. It suggests optimism. Closely related to that is health. If a man is temporarily in bad health, his signature will run down hill.

Question. How about the way a man signs his name; if he signs it so you do not know what it is?

Answer. Be careful of that man.

Question. Horace Greeley wrote his name and nobody could read it?

Answer. I don't say that a man like that is a dunce by any means. The more intelligent a man is, the worse his handwriting is.

Question. How do you think John D. Rockefeller's handwriting squares with his published picture?

Answer. I think absolutely. He is one of the few men of his type who has succeeded in making money. Thin men don't make money easily. Fat men do.

Question. Don't you think character is more or less acquired through environment?

Answer. Yes. When a horseman wants to pick a winner for the track he will pick the best bred horse possible, and he will see that it has the right environment. A horse will not be apt to win a race if he has lived behind the plow.

Question. Don't you think that character must be continually changing in a man?

Answer. Yes, but what the limits are we do not know. There are limits to changes in one life time. You would not expect a man of five feet, in good health, weighing ninety-eight pounds, to become in a life time of training a match for Jess Willard. Nobody has succeeded in increasing his height eighteen inches. You can increase a little but there is a limit to what you can do. If a man has it in him to make a good worker in a factory or laboratory, or if he has the qualifications of a scientist, but lacks the qualities necessary for salesmanship, then he should go to the place that he is best suited for. If he is of the versatile type and loves to go out and talk with people, then very likely salesmanship is his field and not the laboratory.

Question. What do you consider the most prominent qualification for a successful salesman?

Answer. Energy, versatility, and capacity for thinking rapidly and in different directions. Some men can think deeply and yet their mind moves slowly. Abraham Lincoln was a man of great mental ability, but he was not a success as a storekeeper. I consider that rapidity of mental action a real asset. You will find the successful salesman a blonde rather than a brunette.

Question. Isn't there a danger of talking too fast and too much in salesmanship?

Answer. Yes.

Question. Is it not a fact that success in salesmanship falls to those who do less talking?

Answer. That depends upon what the man is selling. I know that I took up specialty work once and worked for eight hours a day on house to house canvassing. I did a lot of talking in that time, but I was glad of the experience that I obtained. In that position a salesman had to be able to talk, but there are other lines of business where a man need not talk so much.

Question. It seems to be the experience of some people that more men talk themselves out of business than those who talk themselves into it.

Answer. It is a good deal like public speaking. There is such a thing as talking too much.

Question. Is sincerity necessary in a salesman?

Answer. Absolutely necessary. Sometimes, though, sincerity is a sort of cloak which covers other qualities not so desirable. I know a fellow in Montreal who, several years ago, conveyed the impression that he had solved the problem of making money in the stock market and that he could turn back profits every month. He got people to trust in him and believe in him and what he said, although eventually it was not true. One day he put the money in his grip and came across the line. Apparently he had lots of sincerity, so much so that people had confidence in him.

Question. In speaking of the natural born salesman, what would you say about that? Do you think that a trained salesman will outstrip a natural born salesman?

Answer. I can go into a certain place in Toronto and there is a fellow behind the counter who is getting twelve dollars a week, and this man studied salesmanship. Here is another fellow who never had any training who has made good from the start. A horse trainer will pick the very best of horses he can and give it the very best of training. He does not expect to train a dray horse to become a racer.

Question. What is a natural born salesman?

Answer. When I use that term I mean a man who by inheritance has acquired those qualities most required in salesmanship. I remember blind Joe, the pianist. He had a marvelous faculty for music. He came to my mother's house once and she played over a selection on the piano and immediately blind Joe sat down and played the same piece that he had heard her play. He had the particular mental qualities necessary for that kind of work. He did not get it by training. It was innate. We are all different from birth. There are characteristics in a man which make it easy for him to do some things and difficult to do other things. Some men are born salesmen.

* * *

Accuracy about Beneficiaries

In discussing the beneficiary part of a life insurance application, L. W. Morgan, acting superintendent of the policy department of the Pacific Mutual said the other day:

While we have the applicant's signature to guide us to a certain extent where the name of the insured is concerned, we have nothing but the statement in the application as to the correct name of the beneficiary. The full name should, of course, be given and when the beneficiary is a married woman her own name should always be given and not her husband's name. For illustration: Hazel E. Barrow and not Mrs. Chas. D. Barrow.

If more than one beneficiary is named the words "equally or survivor," or if more than two, "equally, survivors, or survivor" should be added, provided, of course, this is the manner in which it is desired to have the beneficiaries share in the proceeds of the policy. If they are not to participate equally their share should be shown by fractions and not by amounts. For illustration: With a policy of $4,000 and three beneficiaries it should be shown that one-fourth is to be paid to each of the first two beneficiaries and one-half to the last, rather than $1,000 to each of the first two and $2,000 to the last. The reason for this is that deductions or additions that are made at the time the policy becomes a death claim will often make the amount payable other than the face of the policy.

If it is desired to have the policy paid to the estate of the applicant, the words, "Executors, Administrators or Assigns" should be used. When a business firm is named as the beneficiary, the legal character of the concern should also be given. For instance: "The Jones Brass Foundry Company, Incorporated, its successors or assigns." or in the case of a copartnership, "Brown and Taylor, a copartnership composed of Charles D. Brown and Henry E. Taylor, its successors or assigns." In naming beneficiaries, it is well to see that they have a real insurable interest in the life of the applicant, or, in other words, that they will actually suffer pecuniary loss through his death. We can only touch on this point in a brief manner, as the question of insurable interest is too extended to be considered here.

PACIFIC COAST CONGRESS

Edmund Alexander, Pacific Mutual district manager at Santa Barbara, writes us that the Life Underwriters' Association of that city has decided to plan and put through a convention for the Life Underwriters of the Pacific Coast States, Nevada, Arizona and New Mexico. It will be held at Santa Barbara during the citizens' military encampment, and it is safe to say that the men behind the movement will make this a successful and memorable insurance gathering.

HAWKINS ON SALESMANSHIP

Manhood is not only required by good salesmanship, it is indicated by it. We may distinguish the salesman by his manhood, the man by his salesmanship. For the better the man the better the salesman; and the better the salesman, the better the man.—N. A. Hawkins.

THE
METROPOLITAN LIFE
Insurance Company
(Incorporated by the State of New York)



Metropolitan Life Insurance Company
Home Office Building

The Company
Of the People
By the People
For the People

The Daily Average of the Company's Business during 1916 was:

701 per day in Number of Claims Paid.

8,304 per day in Number of Policies Issued and Revived.

$1,969,823 per day in New Insurance Issued, Revived and Increased.

$376,827.40 per day in Payments to Policyholders and Addition to Reserve.

$220,509.26 per day in Increase of Assets.

JOHN R. HEGEMAN, President

Representing

The Mutual Life Insurance Company
of New York

You will make money.

The great strength, big dividends and incomparable benefits of the *"oldest company in America"* mean certain success for you.

For Terms to Producing Agents, Address

GEORGE T. DEXTER, 2d Vice-President
34 NASSAU STREET, NEW YORK, N.Y.

OPENS NEW FIELD

Supreme Court's Decision That Estate of Standard Oil Man Must Pay Tax

The Supreme Court of New York has just decided that the estate of the late Lamon V. Harkness, Standard Oil official who died on January 17, 1915, must pay to that State an inheritance tax amounting to between $3,000,000 and $4,000,000—the decedent's total property in New York having been appraised at approximately $100,000,000, says "Points," published by the Mutual.

Had Mr. Harkness died at or since September 8, 1916, his estate would also have been compelled to pay a large inheritance tax to the United States under the operation of the Federal Estate Tax Law. While in some instances it has been possible for an estate to escape the inheritance tax of some particular State by showing the official residence of the decedent to have been in another State, such defense will avail nothing against the new national tax for the reason that it applies without exception to the net estates of all decedents dying anywhere in the United States after September 8, 1916.

AFTER $57,500,000

Mark Set By Missouri State Life For 1917—Company in Twenty-Fifth Year

The Missouri State Life is entering upon its twenty-fifth year. This Company is growing fast and in the right direction. Asked how the Company intended to celebrate its quarter of a century, the newly elected president, John G. Hoyt, said: "We shall celebrate throughout the entire year and our mark for new business is $57,500,000. The figure looks large, but from past experience we know we shall not fall short."

The Company closed the year 1916 with 129 millions of paid-for insurance in force; it wrote 40 millions of paid-for business; the net gain was 22 1/3 millions; total assets are almost 14¼ millions; the gain in assets was almost 2¼ millions; the gain in policyholders' reserves was 1¾ millions; the guarantee fund to protect policyholders is now 2¾ millions; annual premium income is over 4 millions; interest income is ¾ of a million; paid policy holders in 1916, 1 1/3 millions; paid policyholders and beneficiaries since organization and now held for their benefit, 20 millions; interest rate, in 1916, 6.6 per cent.

BOY SCOUT ARGUMENT

Lee C. Robens, general agent for Connecticut of the New England Mutual Life, in a bulletin for agents, used the Boy Scouts as an argument for a keener appreciation of life insurance.

"To be a good Boy Scout a boy must 'do a good turn daily,' " he said. "Every time you persuade a prospect to buy insurance you do him a good turn. Not only he but every person depending upon him will benefit sooner or later by that good turn. If it were possible for you to do this good turn daily just see the great amount of good you would be doing for your community."

HAS ASSETS OF $2,466,000

Growth of Scranton Life Since 1907—More Than 9,291 Policies in Force

The Scranton Life Insurance Company, which received its first premium in 1907, closed the year 1916 with assets of $2,466,000. The Company made a net gain last year of $1,085,000. Its capital stock is $340,000. There are 9,291 policies in force, representing $17,268,000 worth of insurance.

The Company's new business has been writteu mainly in Pennsylvania, Indiana and Delaware. The Company's new office building was completely rented by April 1st of last year and is earning 4.8 per cent. J. S. McAnulty is president.

Hunter on Disability

(Continued from page 7.)

to be sacrificed if not for this benefit; if he sees instances where the family is poverty stricken and would have to surrender the insurance—if where, by means of this, the family has been kept together and the children educated, one certainly is very much in favor of extending this benefit as far as possible and do so with safety.

Division of Disability Cases

In the experience of my company, out of three hundred and ninety cases, (the number we had in October when these figures were made up) 40 per cent. of these cases were from tuberculosis, 25 from insanity; that is to say sixty-five per cent. of the cases were from tuberculosis and insanity. In connection with this matter it might be asked, why is it you grant such benefits for tuberculosis when so many persons recover afterwards?

If one were taking solely the wording in the policy then it could not be said persons having tuberculosis were permanently and totally disabled. but the custom of all the companies is to deal with this as liberally as possible, and where it is presumed that the man is permanently and totally disabled. they grant the benefits, and afterwards the case can be put on the books again as an active life.

Liberal Standard of Companies

In our experience we find that a considerable proportion of those having tuberculosis eventually recover, but as soon as a man becomes disabled and is unable to work it is presumed he is totally and permanently disabled and later on we decide—perhaps a year after that time—whether he is capable of going to work again. I would like to make this point because it has been so often said the company could get out of almost any kind of a claim by saying that the insured was not totally and permanently disabled by the disease, but companies are taking a very liberal stand on this proposition; if the man is totally disabled and unable to work and has been for some time, they assume it will be permanent; in other words, they give the policyholder the benefit of the doubt on every occasion. I think this might be shown by the fact that so far as we are concerned, there hasn't been a single controversy that hasn't been amicably settled between the policyholder and the company until the end of 1916 when there were three lawsuits being brought against us and on one of them there is no chance for the claim being upheld because the man only had something the matter with one leg, while on the others the policies had lapsed for two years before claims were made and it is certain if it can be proved we ought to pay these claims there will be no suit at all.

(To be Continued.)

What chance of permanent success has the solicitor who is not always prompt to the minute in keeping an appointment? asks "Points," published by the Mutual Life.

HOME LIFE INSURANCE CO.

(Now Purely Mutual)

256 BROADWAY, NEW YORK

GEORGE E. IDE, President

The fifty-seventh annual report shows insurance in force of $133,493,000, an increase during the year of $7,832,827. The Company paid the policyholders in 1916 $3,536,233, of which $628,406 was in dividends or premium refund. Its insurance reserve fund was increased by $1,300,000 and the Assets are now $32-821,462.

For Agency apply to

GEORGE W. MURRAY,
Supt. of Agts.
256 Broadway, New York, N. Y.

Build Your Own Business
under our direct general agency contract

Our Policies provide for:

Double Indemnity, Disability Benefits, Reducing Premiums

See the new low Rates

JOHN F. ROCHE, Vice-Pres't

THE MANHATTAN LIFE INSURANCE COMPANY
66 BROADWAY NEW YORK
Organized 1850





THE UNITED STATES LIFE INSURANCE COMPANY
1850 IN THE CITY OF NEW YORK 1914
ISSUES GUARANTEED CONTRACTS

Good men, whether experienced in life insurance or not, may make direct contracts with this Company, for a limited territory if desired, and secure for themselves, in addition to first year's commission, a renewal interest insuring an income for the future. Address the Company at its Home Office, 277 Broadway. New York City.

JOHN P. MUNN, M. D., President

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ORGANIZED 1871

Life Insurance Company of Virginia

RICHMOND, VIRGINIA

OLDEST, LARGEST STRONGEST
Southern Life Insurance Company

Issues the most liberal forms of Ordinary Policies from $1,000.00 to $50,000.00, and Industrial Policies from $12.50 to $1,000.00

CONDITION ON DECEMBER 31, 1916:

Assets	$14,464,552.23
Liabilities	12,436,717.56
Capital and Surplus	2,027,834.67
Insurance in Force	118,349,212.00
Payments to Policyholders since Organization	18,119,172.50
Is Paying its Policyholders over	**$1,300,000.00 annually**

GOOD TERRITORY FOR LIVE AGENTS

THE EASTERN UNDERWRITER

This newspaper is owned and is published every Friday by The Eastern Underwriter Company, a New York corporation, office and place of business 105 William Street, New York City. Clarence Axman, President; B. F. Hadley, Vice-President; W. L. Hadley, Secretary. The address of the officers is the office of this newspaper. Telephone 2497 John.

Subscription Price $3.00 a year. Single copies, 15 cents.

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A SPLENDID CONTRIBUTION TO INSURANCE

The American Academy of Political and Social Science has devoted the March number of its "Annals" to an exclusive presentation of modern insurance problems, with the result that the number consists of more than three hundred pages. Not only is a wide range of subjects covered in this edition, but they are well covered, with the added distinction of unhackneyed treatment. The entire work reflects great credit upon the Academy, and, also, upon S. S. Huebner, professor of insurance at the Wharton School of Finance, University of Pennsylvania, editor in charge of the volume.

Those who contribute to the life insurance section of the volume are Walter Le Mar Talbot, president of the Fidelity Mutual Life, title of whose paper is "Income Policies"; M. Albert Linton, of the Provident Life & Trust, who discusses "Life Annuities"; Arthur Hunter, president of the Actuarial Society of America, who tells about sub-standard lives; John B. Lunger, of the Equitable Life Assurance Society, who throws significant light upon the problem of cash surrender values and cash loans; Dr. Lee K. Frankel, of the Metropolitan Life, who tells what is being done for the conservation of life by the life insurance companies; Ralph B. Trousdale, of the Equitable who discusses new angles and old in group insurance; Edmund Strudwick, Jr., of the Atlantic Life, who makes a most interesting analysis of the part-time question; Bruce D. Mudgett, of the University of Pennsylvania, who outlines five years of progress in disability protection, and also writes a paper on the exemption of life insurance funds from taxation, while Miles M. Dawson gives his views on the mutualization of life insurance companies; and Walter S. Nichols has a paper on fraternal insurance.

Fire insurance problems are handled by Dr. Robert Riegel of the University of Pennsylvania, Ralph H. Branchard, of the same school, and Franklin H. Wentworth, of the National Fire Protection Association.

The accident and compensation section has for its contributors A. P. Woodward, of the Connecticut General; David S. Beyer, of the Massachusetts Employes' Insurance Association; Harwood E. Ryan, of the New York Insurance Department; C. E. Scattergood, of the Fidelity & Casualty; Leon S. Senior, of the Compensation Inspection Rating Board; James E. Rhodes, of the Travelers; E. H. Downey, of the Pennsylvania Insurance Department.

It is a book that should be in the library of every insurance man who is a student of the business.

MR. BUTLER'S LETTER

President Butler's letter to Ohio Travelers' agents advising them to discontinue activities regarding compensation legislation in Ohio and concentrate activities on the production of the other lines which the Company writes, is of great importance because it is significant of what is passing in the minds of a number of managing underwriters, who fear that too much agitation will hasten State insurance. This sentiment is by no means unanimous, however, and there is a strong faction which will fight every step of the way.

WHAT IS COMPULSORY INSURANCE?

In view of the recommendation of Superintendent of Insurance Phillips, of New York State, that the acquisition cost of compensation insurance should be lowered because this insurance is mandatory or compulsory in many States agents and brokers are asking a pertinent question: Are there not a great many kinds of insurance that are mandatory? An argument can be made that fire insurance is compulsory to business men, because without it they will have difficulty in obtaining credit. The same argument applies to business insurance, to credit insurance, to marine insurance, to some other kinds of insurance. It is a big question with a great many angles to it, and worthy of the most serious and careful attention of underwriters of all kinds. As for the State Departments no action to reduce acquisition cost should be taken until all parties interested are given a hearing.

WILSON AT PITTSBURGH

The Pittsburgh Life Underwriters' Association will meet this evening at the William Penn Hotel, "Ladies Night." George T. Wilson, second vice-president of the Equitable Life of New York will be the principal speaker Applications for membership from G. E. Green, Pittsburgh Life and Trust; Carl E. Ericson and Edward O. McKown, National Life of Vermont; M. J. Donnelly, Equitable of N. Y.; L. W. DePuy, Travelers, and James McKnight, Reliance Life have been received.

Paul Turner, who was elected president of the Detroit National Fire at the last meeting of the directors, is a forceful, resourceful and successful underwriter who has directed the affairs of the Detroit National since it started. Until his elevation to the presidency he was vice-president and managing underwriter. Mr. Turner has had a long career in fire insurance, showing marked ability at every turn, and he will soon have the Detroit National in the million dollar class; the assets now being nearly $700,000.

SCHWARTZ MAKES CHANGE

H. Schwartz, who has been cashier of the 320 Broadway branch office of the Metropolitan for a long term of years, joined the agency staff of the Jos. D. Bookstaver general agency of the Travlers last week.

THE HUMAN SIDE OF INSURANCE



O. S. ROGERS



L. H. ANDREWS

L. H. Andrews, the former Yale football player, who went with the Phoenix Mutual Life some years ago and who has been with the Company in New York for some months, has been made associate manager of the Phoenix Mutual Life in New York City with Orra S. Rogers. Mr. Andrews played guard and tackle on the famous team which had as one of its members the late Tom Shevlin, of Minneapolis. After leaving college he became a coach, winning the championship of the Southwest with the Texas A. & M. eleven.

Later he went with the Library Bureau and in time became assistant manager of the Cambridge factory. In 1914, he saw an ad in "System," reading in part, "A large Eastern corporation wants a man with a successful selling record for a branch manager. He must have initiative, tact and energy, with ability to produce results through a selling organization. The man himself is the principal thing. We will train him in the essentials of the business, on salary, at the home office, before he takes up his duties, etc."

Of all the applicants Andrews wrote such a good letter that he was given the position. He attended the Phoenix Mutual's school until September, 1914, after which he was transferred to Boston. He went out after life insurance production with a characteristic drive, and was successful from the first, particularly with regard to corporation insurance. Many of his large policies cover corporations in the leather business. The Eastern Underwriter believes he has everything that goes to make a successful life insurance manager.

Orra S. Rogers for years has been a well-known figure in life insurance circles of the metropolis. A graduate of Alfred University, he was principal of a school for four years, joining the Phoenix Mutual in Madison County. Later he was with the Phoenix Mutual in Albany. For two or three years he wrote for the Cornish general agency of the Mutual Benefit in Newark, from which he was transferred to New York City. During the days following the Armstrong Investigation when writing life insurance was not the easiest of all tasks, he had no difficulty in producing more than $500,000 of individual business. For a number of years he has been manager here of the Phoenix Mutual. This office, by the way, is one of the most up-to-date in the country in its office equipment and business methods. Mr. Rogers is chairman of the executive committee of the Life Underwriters' Association of New York, and has been its secretary and treasurer. He is a member of the Lawyers' Club and Country Club of Plainfield.

* * *

D. J. Carter, of the old and well-known agency of Henderson, DuBois & Carter in Herkimer, N. Y., is the Republican candidate for Mayor of that progressive and thriving community. The Herkimer "Citizen," of March 6th, describes Mr. Carter as the best representative of the younger and more progressive element, always a booster, active in clubs, church and the Masonic Lodge, and prophesies that with him as leader, the G. O. P. will come out victorious.

* * *

Major Howard A. Giddings, superintendent of agencies of The Travelers Insurance Company, was one of the speakers at the Testimonial Dinner given to Major-General George W. Goethals, builder of the Panama Canal, at the City Club in Boston.

After the dinner General Goethals delivered a lecture upon the construction of the Canal. Major Howard A. Giddings has been elected a fellow of the Royal Geographical Society of Great Britain and is henceforth entitled to write the letters F. R. G. S. after his name. This is a signal honor, as the society elects only those who have achieved something of distinction in the field of geographical research.

* * *

Alfred Robert Harvey, at one time manager of the Mutual Reserve in Liverpool, recently went through bankruptcy proceedings. On the stand he claimed that when twenty-five years old he was making through life insurance, $25,000 a year; that later as the representative of Canadian oil companies his income was $100,000 a year; that once in America he made $1,000,000 a month; and he blamed the war for his present unfortunate financial condition.

* * *

Clara M. DeNoon, of Marietta, O., became associated with Dan H. Holton, general agent for the Penn Mutual Life at Huntington, W. Va., in October, 1912. Since then Miss DeNoon has made steady and rapid progress in life insurance field work. Her crowning achievement was the placing of a $50,000 joint ordinary life policy on the lives of officials of the Marietta Safe Cabinet Co., under which the premium was $6,423. Miss DeNoon placed $200,000 of new insurance with the Penn Mutual during 1916.

* * *

J. G. Smith, of St. Charles, Iowa, used to be an undertaker. He quit the embalming business seven weeks ago to enter the life insurance business and became a representative of the Bankers Life of Des Moines. The life insurance business, Mr. Smith says, has a decided advantage over the undertaking business because there are more live ones than dead ones.

* * *

John F. Hoey, who is a brother of James J. Hoey, executive special agent of the Continental, is seriously ill with pneumonia at the Roosevelt Hospital. He is cashier of the New York office of the Internal Revenue Department.

FIRE INSURANCE DEPARTMENT

Four Agencies Merge in White Plains, N. Y.

CLARK, LEE, TIBBITS CO. HAS STRONG LIST OF COMPANIES

One Agency Consolidated Founded Thirty-nine Years Ago; Another Twenty-Eight

Four of the leading local agency firms in White Plains, N. Y., have incorporated under the name of the Clark, Lee, Tibbits Co., Inc., with a capital stock of $50,000. T. Frederick Lee is president. The concerns consolidating are the W. B. Tibbits Co., Inc., established thirty-nine years ago; W. W. Ford Insurance Agency, established twenty-eight years ago; John R. Sweeny Agency, established twenty-six years ago; and Reed, Clark, Lee Co., Inc., established thirteen years ago. The insurance business will be conducted in the offices of the W. B. Tibbits Co., on Depot Square, White Plains, while the real estate business will be conducted in the offices of Reed, Clark & Co.

List of Companies

The companies represented by the consolidated agency are the Continental, Fidelity-Phenix, Aetna, L. & L. & G., Hanover, Hartford, Atlas, British American, Commercial Union, National Union, Northern, Pennsylvania, London & Lancashire, London Assurance, Security, Springfield, Standard, New York Underwriters' Agency, Equitable, Northwestern National, Colonial Fire, Aachen & Munich, Reliance, Mechanics & Traders, United States Fire and Pittsburgh, Underwriters, fire; Travelers, life; Hartford A. & I., Royal Indemnity, National Surety, Great Eastern, New York Plate Glass, Fidelity & Deposit and Fidelity & Casualty.

In an advertisement, headed "In Union There Is Strength," the new agency says: "If your fire and automobile insurance is with us you are receiving maximum protection with minimum cost. If not, consult us for rates before renewing your policy. Six insurance experts in this efficient, old reliable organization." The six men referred to are T. Frederick Lee, Fred N. Clark, W. W. Ford, John R. Sweeny, G. Albert Thompson and E. P. Barrett.

WILL GO OUT NEXT WEEK

The National Board's new "High Cost of Living" fire prevention statement will probably go out to newspapers some time next week.

HEARING ON DUNNIGAN BILL

Hands Over to Superintendent of Insurance Final Fixing of the Rate

On March 21 there will be a hearing in Albany on the Dunnigan bill, introduced in the New York Senate, and which hands over to the Insurance Superintendent the final fixing of the rate after a hearing. Senator Dunnigan comes from a section of the Bronx located between the territories of the Suburban Fire Insurance Exchange and the New York Fire Insurance Exchange. There has been considerable agitation in the columns of the Bronx "News" to have rates reduced, the publication alleging that it was at its instigation that the bill was introduced.

The bill also contains a section about the standard fire policy, reading in part as follows: "On said first day of January, 1918, the Superintendent of Insurance shall prepare and file in his office the standard form of fire insurance policies, which form so filed shall be used exclusively thereafter. Due notice of any and all changes in the form of the standard fire insurance policy, as filed in the office of the Superintendent, shall be given by the Superintendent to fire insurance corporations, associations, companies and individuals doing business within the State, at least ten days prior to the filing thereof in his office. The Superintendent may change such standard form of policy from time to time, which changes shall take effect thirty days after the filing thereof in his office, of which changes all fire insurance corporations, associations, companies and individuals shall have at least ten days' notice prior to the date when such changes take effect.

KRAEMER IN THE FIELD

Herman H. Kraemer, who has succeeded H. E. Maxson as special agent of the Continental in Eastern New York territory, is now in the field. He has been with the Company fourteen years, during part of the time as a traveling inspector, and in later years as an examiner.

KLINE RETURNS FROM WEST

George E. Kline, vice-president of the Continental, Fidelity-Phenix and American Eagle, returned to his office in New York this week. Mr. Kline has been superintending the installation of a branch office of the Continental companies at San Francisco. The territory was formerly handled through the Chicago branch office of the Company.

FIRE AND MARINE INSURANCE—ALL LINES

The Automobile Insurance Company of Hartford, Conn.

MORGAN G. BULKELEY, President

Statement January 1, 1917

Cash Capital	$1,000,000.00
Assets	2,748,832.19
Liabilities (Except Capital)	1,039,977.81
Surplus to Policyholders	1,708,854.38

AFFILIATED WITH

ÆTNA LIFE INSURANCE COMPANY

THE ÆTNA ACCIDENT AND LIABILITY CO.

FIVE REEL LIMIT

Store No More Than 5,000 Feet of Films Where Floor Openings Are Not Protected

The conclusions of the Bureau of Surveys of the New York Board of Fire Underwriters on the Fulton & Flatbush Storage Co.'s fire in Brooklyn in brief follow:

"This fire is another example of the effect of unprotected and poorly protected floor openings, showing the rapidity with which fire communicates from one floor to another through such openings. All furniture warehouses should be sprinklered. It is also bad practise to have a stable in a building of this occupancy and construction.

"The 24,000 feet of film in the building apparently had nothing to do with the origin and spread of the fire; nevertheless films in excess of five reels (5,000 feet) should not be stored in a building of this construction without a Fire Department permit and the safeguards required thereby."

COMPROMISE MYERS CLAIM

A number of fire insurance companies have compromised the claim of J. W. Myers & Co., wholesale grocers of Hagerstown, Md. The policies amounted to approximately $100,000, and covered a warehouse which was destroyed by fire.

An office with an established Agency Plant in Eastern Pennsylvania could use two good Fire Insurance Companies.

Address "PENNSYLVANIA"
Care of The Eastern Underwriter
105 William Street, New York, N. Y.

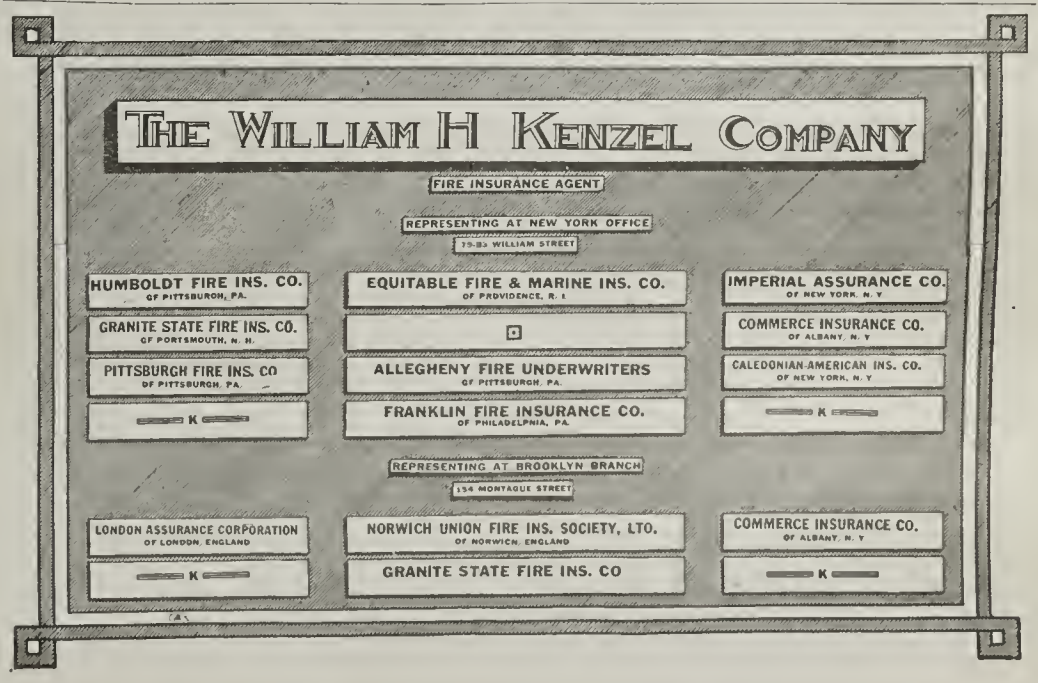
NORTH BRANCH FIRE INS. CO.
Sunbury, Pa.
Inc. 1911

Assets	$641,341.77
Reserve	230,513.29
Capital	300,000.00
Surplus	63,479.83

CITY INSURANCE COMPANY
Pittsburgh, Pa.
Inc. 1870

Assets	$357,318.58
Reserve	54,256.92
Capital	200,000.00
Surplus	96,379.07

OPERATING ON A CONSERVATIVE BASIS IN A LIMITED TERRITORY UNDER AN EXPERIENCED MANAGEMENT



Defects in Rate Making By Competition

PROF. ROBERT RIEGEL PRESENTS A STRONG ARGUMENT

Also Points Out Many Reasons Why State Rate Making is Inadvisable

Robert Riegel, Ph.D., of the Wharton School of Finance and Commerce, University of Pennsylvania, is becoming recognized as one of the best students of fire insurance rates in the country, probably the best of the small group of laymen studying the subject scientifically. In the March publication of the American Academy of Political and Social Science, devoted exclusively to a study of modern insurance problems, Dr. Riegel has two articles, one on "Rate-Making Organizations in Fire Insurance" and one on "Problems of Fire Insurance Rate Making," covering developments as late as the E. G. R. and L. & L. schedules and the Actuarial Bureau of the National Board.

Large Property Owners Favored

In his first article Dr. Riegel effectually demolishes any theory that competition should be the basis of rate making, giving five very good reasons for arriving at his conclusions.

The first objection is that competition in rate making would give the large risk a great leverage over the smaller one, so that the small property owner would not only reap no benefit from the competition, "but the premiums he pays must be sufficient to make up any deficiencies in the premium collections from large property holders."

In the second place, unrestrained competition may also otherwise adversely affect the insured because periods of unrestrained competition in the past have been fruitful sources of fire insurance failures.

It has been argued that since competition is esteemed a satisfactory method for getting equitable prices in such industries as the grocery business or the shoe business there is no reason for not so regarding it in fire insurance, but in insurance the cost can only be estimated in advance on the basis of experience.

Competition in rates will increase the cost of doing business, because it means increased commissions to agents and brokers "in the struggle that ensues for business."

Finally, unrestrained competition under present day conditions leads ultimately to monopoly through the elimination of the weak or unfortunate and the survival of a few large and strong companies.

Arguments Against State Rate Making

Prof. Riegel presents the following arguments that have been advanced as showing the inadvisability of State rating laws:

1. They interfere with freedom of contract in a business which is of a private and not a public nature.

2. It is unfair for the State to limit the amount which the companies may collect in premiums, without guaranteeing them against loss.

3. It is unfair to require the companies to contribute by taxation to a State rating board which may be of no benefit to them or to the public and may be more costly than their own private method of fixing rates.

4. Political influence may exert a power.

5. State management is usually inefficient.

6. The inequalities and lack of relation present in State and local taxation afford a presumption that the fire tax will be improperly distributed under the State's supervision.

Has Failed in the Past

7. If the State assumed entire control of the business it could not accomplish its objects judging from the failure of State insurance in other countries to reduce rates or yield a profit. What can be accomplished then by merely fixing rates, except to make the companies bear the unjust burden of any losses which may result?

8. Average and distribution are bases of fire insurance and rates cannot be correctly or safely fixed without them. Rates should, therefore, not be founded on the experience of a single State.

INSURABLE INTEREST

Owner as Well as Mortgagee Creditors Recover From Fire Insurance Company

Continental Insurance Company vs. Blair, et. al., 114 N. E. 763. Appellate Court of Indiana, Decided Jan. 5, 1917.

Blair and others sued the insurance company to recover on a policy for fire insurance. The others claimed to hold liens on the property covered by the policy on a frame dwelling. Insurance of $600 was taken out by Blair on January 3, 1913. On January 27, 1913, by one mortgage on the building, Blair incumbranced the same to a bank and several others in payment of indebtedness due them. Blair notified the insurance company of the mortgage and the insurance company assented thereto, but forgot to make the necessary indorsement on the policy.

The question before the court was whether or not the creditors secured by the mortgage without indorsement thereof on the policy, could collect their claims against the insurance company, and, if so, could they do so in the same suit and as plaintiffs with the owner of the house, Blair? So far as the policy itself shows, the creditor secured by the mortgage apparently had no interest. The court held the holders of incumbrance, where the total loss which exceeded the amount of the incumbrance had an insurable interest sufficient to enable them to be parties with the plaintiff of the owner as against the insurance company. Where insured notifies the insurer of a mortgage on the property and obtained its agreement to properly indorse the mortgagee's interest on the policy, as required thereby, and the insurer failed to comply with such an agreement, equity would regard that as done which in good conscience ought to have been done.

The owner as well as the mortgagee creditors should recover.

IMPORTANT FILM CLAUSE

Filed With Commissioner of Banking and Insurance in New Jersey By Brown

Following conferences with the National Association of Moving Picture Industry, composed of leading film producers, the New Jersey Actuarial Bureau has filed at Trenton an important new film clause. The clause was drafted after an expert bookkeeper had examined the books of the film people and seen values as the film people estimate them. There is to be a valued policy only as to negatives. The clause follows:

In consideration of the reduced rate at which this policy is written, it is expressly stipulated and made a condition of this contract, that

First. The value of negatives, the subject of which have not been issued for public exhibition, or which have been issued for public exhibition for fifteen (15) days or less in any of the places hereinafter mentioned prior to any loss or damage, shall be limited in case of loss or damage to the original cost of any such negatives, and that

Second. The value of any negative, the subject of which has been issued for public exhibition for sixteen (16) days or more prior to any loss or damage in any place and/or places hereinafter enumerated shall be at the cost of said negative subject to Paragraph First hereof, less the aggregate percentages of reduction of value, in which said subject has been publicly exhibited. Such percentages being hereinafter allocated:

United States	60%
England	10%
Canada	5%
Residual value of original cost	25%

and that

Third. The value of all colored positives shall be limited in case of loss or damage to the cost of replacement not exceeding 7 cents per lineal foot, and the value of all other positives shall be

(Continued on page 18.)

"The Leading Fire Insurance Company in America"

ÆTNA INSURANCE CO. HARTFORD, CONN.

WM. B. CLARK, President

AETNA INSURANCE COMPANY

Aetna Fire Underwriters Agency

of Aetna Insurance Co.

Application For Agencies Invited

THE HANOVER

FIRE INSURANCE COMPANY

Incorporated 1852

The real strength of an insurance company is in the conservatism of its management, and the management of THE HANOVER is an absolute assurance of the security of its policy.

R. EMORY WARFIELD, President
FRED. A. HUBBARD, Vice-President
E. S. JARVIS, Secretary
WILLIAM MORRISON, Asst. Sec'y

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HOWIE & CAIN, General Agents
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100 WILLIAM STREET, NEW YORK

The Gamewell Fire Alarm Telegraph Co.

Fire Alarm and Police Telegraphs for Municipal and Private Plants

OVER 1500 PLANTS IN ACTUAL SERVICE

GENERAL OFFICES AND WORKS

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AGENCIES

5708 Grand Central Terminal, New York
448 John Hancock Building, Boston, Mass.
1216 Lytton Building, Chicago, Ill.
335 Wabash Building, Pittsburgh, Pa.
915 Postal Building, San Francisco, Cal.
304 Central Building, Seattle, Wash.
Utica Fire Alarm Telegraph Co., Utica, N. Y.
Northern Electric Company, Limited, Montreal, Canada.
General Fire Appliances Co., Ltd., Johannesburg, South Africa
Colonial Trading Co., Ancon; Canal Zone, Panama
F. P. Danforth, 1060 Calle Rioja, Rosario de Santa Fe, Argentine Republic

"STRONG AS THE STRONGEST"

The Northern Assurance Co.

(LTD., OF LONDON)

Organized 1836
Entered United States 1841

Losses Paid - - $102,000,000
Losses Paid in U. S. - $36,000,000

Eastern and Southern Departments

55 JOHN STREET

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ADJUSTER

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105 William Street, New York City

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HARTFORD, CONN.

Re-Insurance in All Branches

HUMBOLDT FIRE INSURANCE CO., Pittsburgh, Pa.
TEUTONIA FIRE INSURANCE, CO., Pittsburgh, Pa.
CAPITAL FIRE INSURANCE CO., Concord, N. H.

NEW YORK STATE DEPARTMENT

PERCY B. DUTTON, Manager, Rochester, N. Y.

First National Fire

Insurance Company of the United States

WASHINGTON, D. C.

ROBERT J. WYNNE, President JOHN E. SMITH, Secretary

Statement January 1, 1916

CAPITAL, $912,502

RESERVE FOR ALL OTHER LIABILITIES, $523,785

NET SURPLUS, $377,447 ASSETS, $1,813,734

Companies Send Gifts To Model Agent

W. F. HILLER NEVER OWED CENT AFTER FIRST OF MONTH

Specials Call Upon Him En Masse With Clock—Tea Set From C. L. Case

The quarter of a century's record as an agent of W. F. Hiller, of Tyrone, Pa., with particular reference to the promptest of prompt remittance of premiums, has been so good that he has received a number of letters of congratulation from company managers, and special agents of eight companies, headed by John D. Talley, German-American, and J. H. Bonney, North British & Mercantile, recently called upon him in a body and presented him with a gold and porcelain clock. The particular feat that has attracted great attention among specials is that Mr. Hiller has never let the first of the month go by without balancing his accounts clearing up all of his indebtedness.

His Letter to Companies

When his twenty-fifth anniversary came along Mr. Hiller addressed his companies as follows:

"I do not know if your company keeps account of the number of years their agents represent them, so take this opportunity to call your attention to the fact that on the first of March, 1917, I shall have completed twenty-five years of continuous service with your company, and altogether with the following companies: London & Lancashire, Royal, Home, London Assurance, North British & Mercantile, Northern Assurance, German-American, and Sun Insurance Office of London.

"I have always felt greatly honored to represent such a line of good strong companies and have used my best endeavor to make my agency a profitable one to the companies. Do not know whether I have succeeded or not but of one thing I feel proud, that, so far as I can remember, I have never owed a company a cent of premium on the first of any month in the entire twenty-five years. I am not sure that all agents can say that."

One of the managers writing to Mr. Hiller, George W. Babb, of the Northern, said:

"It is a pleasure to review in recollection an agency which never made any trouble. In that respect you are especially distinguished. The agents are rare who can make the statement that they never owed a company a cent of premium on the first of any month during a period of twenty-five years. You may well be proud of that record. The combined facts show that you have been a good agent; that you have been careful with whom you have done business; that you have exercised good judgment in respect to your writings; that you have done your business on business principles, both for the companies you have represented and yourself. We have an excellent line of agents, but we cannot say quite so much for all of them. We fully reciprocate your very good wishes and trust that our pleasant relations will be continued for an indefinite and prolonged period of time."

Tea Set From C. L. Case

Charles L. Case, manager for the London Assurance Corporation, wrote in similar complimentary strain, and did even more. He sent to Mr. Hiller a beautiful china tea set.

A number of other letters were received, all expressed in terms of sincere appreciation of Hiller's record.

Iowa National Fire Insurance Co.
DES MOINES, IOWA Capital Stock $500,000
The latest addition to Reliable Fire Insurance organizations will begin Writing Business on January 1, 1917
JOHN L. BLEAKLY, President

F. L. MINER, Vice-President
C. S. VANCE, Underwriting Manager
FRANK P. FLYNN, Treasurer
C. M. SPENCER, Secretary

FRENCH BILL COVERING INSURANCE

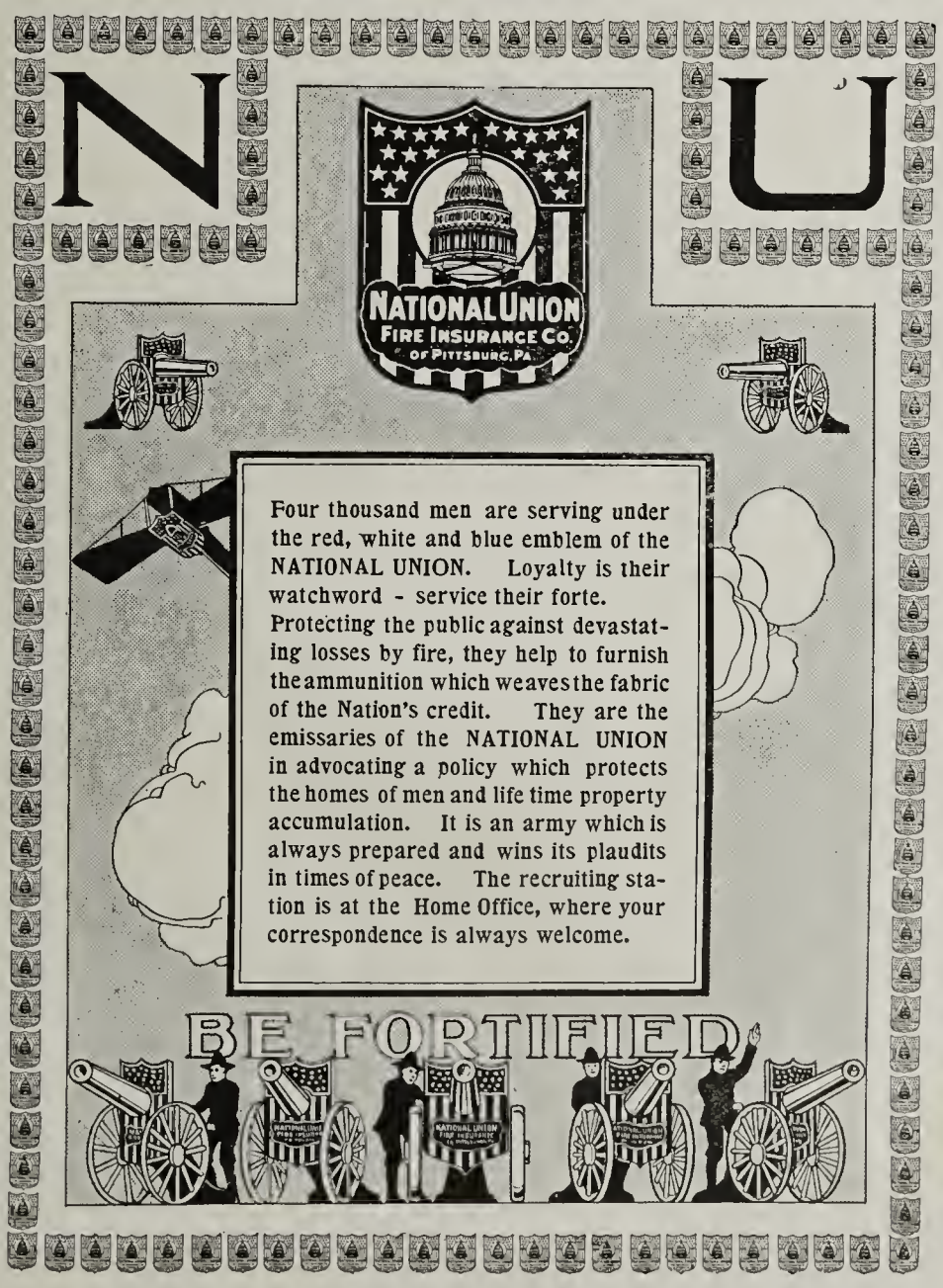
Not Enough Coverage For Risks By French Companies or Companies With French Offices

According to Paris correspondents, it is understood that the British Chamber of Commerce has presented a note to the Commission of the Senate regarding the new Insurance Bill, contending, first, that numerous French insurants are unable to cover all their risks in French companies or even in foreign companies established in France, and that they are therefore obliged to have recourse to foreign companies not having offices in France to cover the balance of their risks. It is pointed out that if these latter companies were compelled to establish offices in France, it is highly probable that rather than do this they would give up all their French business, which, from their point of view, is inconsiderable by comparison with their other world-wide operations.

Secondly, it is contended that the attempt to forbid direct dealings between French insurants and companies abroad not established in France, is, to a certain extent, an infringement upon that wide liberty of contract which should prevail in commercial matters. In the third place, the Chamber considers that the possibility, which no doubt, exists, that a foreign company might re-insure in a company comprised in the "black list" proposed by the new law, could be met by a formal guarantee on the part of the foreign company under penalty of avoidance of the policy, that it would not so re-insure in any such company. Such a provision would only be efficacious after the war, for obviously during the war no British company could re-insure in an enemy company without incurring the penalties of trading with the enemy.

H. R. TYLER PROMOTED

H. R. Tyler, special agent of the American Central in New York State, was made agency superintendent of the Company last week with supervision over the Middle States. Mr. Tyler started with W. H. Squire & Co. in Meriden, Conn. After several years' experience at the home office of the Phoenix of Hartford, he came to the New York office of the Sun, from there going with the New England Exchange. While with the New England Exchange he traveled the entire territory and helped make and revise the tariffs of the principal New England cities. His appointment as special agent of the American Central was made in 1906.



State Insurance Fund In Pennsylvania

BILL PASSED WITHOUT NOTICE

Properties Owned By Commonwealth Self-Insured as Aftermath of 1915 Legislation

In May, 1915, a bill was passed by the Pennsylvania legislature, and later signed by the Governor, creating a fund under the provisions of which there was to be a reduction of 20 per cent. annually in the amount of insurance carried on properties owned by the State. The maximum amount of the fund was established at $1,000,000. The provisions were that the State was to become a co-insurer for $200,000 the first year; $400,000 the second; and so on until after five years had elapsed the fund reaches $1,000,000, if the commonwealth be fortunate enough not to incur losses in the meantime to deplete the fund.

No Attention Paid to Bill

The curious feature about the enactment of this legislation was the lack of interest apparently evinced on the part of the companies and agents. Whether the bill simply slipped through with its real significance unrecognized, or whether the insurance men who did know about the bill carelessly ignored it, is not known, but there was no opposition of any consequence.

The developments in the situation are now causing concern in various sections of Pennsylvania, as several important lines of State-owned property have been taken out of the hands of the companies and their representatives. As a result, local agents are aroused and it is probable that an attempt will be made to repeal the measure.

Attention will be called to the experience of Wisconsin with its State Insurance Fund which has operated so unsatisfactorily that an effort is being made to have the legislature repeal the measure, with prospects of success as it is understood that Commissioner Cleary—one of the most able of the State department heads, by the way—favors the repeal bill. With the example of Wisconsin speaking eloquently of failure it should not be difficult to convince such an enlightened community as Pennsylvania of the fallacies of State insurance funds.

VERDICT FOR MRS. CORNWELL

In the case of Ella E. Cornwell as administratrix of the estate of Peter N. Cornwell, deceased, against the Third Avenue Railway Company, which was tried in Brooklyn last week before Justice Cropsey and a jury, a verdict of $7,500 was rendered in favor of the widow. It will be remembered that Captain Cornwell of the Fire Patrol lost his life in February, 1916, as the result of a collision which occurred between a Third Avenue trolley car and the fire patrol truck at the corner of Third Avenue and 14th St., Manhattan. Richards & Affeld represented the widow.

TALKS IN OSWEGO

Lawrence Daw, of the Underwriters' Association of New York State, was the principal speaker at a luncheon given by the Oswego Chamber of Commerce a few days ago. There has been editorial treatment of the subject of fire insurance basic rates in Oswego newspapers, which say the city is paying more than Syracuse and Rochester.

USE AND OCCUPANCY RATES

It is not believed that the report of the special committee on use and occupancy rates will have completed its labors for some weeks.

A Plain Talk on Local Agents' Expenses

UP-STATE MAN FINDS AMERICAN AGENCY SYSTEM IN PERIL

Sharp Comment on Superintendent Phillips' Recommendation for Lower Acquisition Cost

One of the shrewdest and most successful local agents in the United States—doing business in all insurance lines up-State in New York—has given The Eastern Underwriter the following statement with reference to the recommendation of Superintendent Phillips that the acquisition cost for compensation business be limited to 10 per cent. of the premiums:

"I am not ready to be quoted yet, but, personally, I think that the companies are wittingly or unwittingly doing their best to destroy the agency situation and themselves. They lack the courage to come back at the insurance commissioners, or else they have an ulterior motive, but certainly on the fire insurance branch they have succeeded in reducing the commissions on most of the business to 15 per cent. and yet an analysis of the expenses of the companies themselves, excluding all expenses relating to the loss department, shows that it costs the companies to operate, approximately 14 per cent.

Similar Expenses

"An agency has precisely the same formulas to observe; it must retain its office, stenographers, bookkeepers, solicitors, etc. Every process which the companies observe in handling a risk is observed in the agency organizations, and yet, in spite of the tremendous volume which the companies do, as contrasted with the modest volume of an agency, their expenses equal the amount of compensation which they say the agent is entitled to.

"I notice that the average agency rental expense is about one to one and one-half per cent., and the average company's home office rental seems to be about the same figure, in spite of the large volume which they have to help carry their overhead.

"When the compensation law was passed the companies endeavored to get this acquisition cost limited to 10 per cent., although they wanted the total expense item to be loaded to the extent of 33 1/3 per cent. I was more or less instrumental in preventing any such action on the part of the department at that time, and I think it is very unwise for the superintendent to be handled by the companies in this matter.

"If there is any standpoint of public interests which requires a reduction in costs, and if any reduction, either in acquisition expense or in the total loading expense, was reflected in the reduction of rates that would be for the benefit of the public, that would be a matter which would have a certain amount of merit, from my standpoint, as it would enable us to more successfully compete with the State fund and the mutuals, but apparently the purpose is to continue the expense loading on the same basis and simply divert a certain proportion of the profits which the agency now receives to the company channels.

Sees Change of View Regarding Expense

"I find a lot of the special agents and companies are beginning to realize that they have made some serious mistakes regarding this expense item, and it is my firm belief that if it had not been for the developments of the so-called side lines in the last few years, that is, workmen's compensation, automobile, etc., that there would have been a string of defaulting agents from one end of the country to the other.

"I do not assume to know much about the question of underwriting policy, but I feel perfectly confident to express an intelligent opinion regarding agency organizations, and I think that my opinion is of more value than the opinion of any manager that I know of on that point. Later on I may be willing to say something in a public way on this matter, but at the present time I will pass it up."

American Agency System

(Continued from page 1.)

tion of the Chicago agreement and if successful will destroy the agency system. Co-operation is asked of all agents throughout the United States claiming that the matter is one of national importance. The agents and brokers will demand a hearing if there is any prospect of action by the States, and at such a hearing or hearings a demand will be made that the company managers go on record outlining their views.

BROKERS ACTIVITIES

Wrong Rate Loses Line

One broker lost a $500,000 fire insurance risk this week and another broker acquired it through an error in the published rate. The correct rate was .365, but it was published at .536 and the assured had been paying the latter rate for two years. The error was discovered by the broker who has now succeeded in writing the line.

* * *

Big Line for Johnson & Higgins

The mammoth insurance line of the recently created California Packing Corporation which operates sixty-five plants on the Pacific Coast has been captured by Johnson & Higgins. The properties include Griffin & Skelley, California Fruit Canners' Association, J. K. Armsby Company and Central California Canners' Corporation.

Since the merger of the concerns named and which represent the bulk of the fruit canning interests in California was announced there has been a keen fight by brokers to control the insurance.

* * *

Volume of Grain Insurance Large

The volume of grain insurance in the West has been very large of late, the war demand and the short crop having greatly increased the price, while the shortage of cars has kept the elevators full. The submarine scare has checked foreign shipments, which will tend to retain the stocks in the elevators longer than usual.

Fidelity-Phenix Fire Insurance Co.
of New York
HENRY EVANS, President

Fire Automobile Rent Tornado
Sprinkler Leakage Use and Occupancy
: : Profit Explosion : :

FROM STATEMENT AS OF JANUARY 1, 1917

CASH CAPITAL .....Two Million Five Hundred Thousand
Total Assets $19,324,466
Total Liabilities 12,203,733
Net Surplus 7,120,733
POLICYHOLDERS' SURPLUS $9,620,733
1916 Gain in Assets.....$1,465,317
1916 Gain in Net Surplus..... 837,271

Fidelity-Phenix—Famous for Fair Dealing

HOME OFFICE
80 Maiden Lane
New York City

WESTERN OFFICE
137 So. La Salle Street,
Chicago, Ill.

National Fire Insurance Company
OF HARTFORD, CONN.
Statement January 1, 1917, to New York Insurance Department
LIABILITIES

Capital Stock, All Cash.....$2,000,000.00
Funds Reserve to Meet All Liabilities, Re-Insurance Reserve, Legal Standard..... 9,912,715.84
Unsettled Losses and Other Claims..... 1,878,398.32
Net Surplus over Capital and Liabilities..... 3,743,747.60
Total assets January 1, 1917.....$17,534,861.76

H. A. Smith, President — F. D. Layton, Ass't Sec'y — F. B. Seymour, Treas.
G. H. Tryon, Secretary — S. T. Maxwell, Ass't Sec'y — C. B. Roulet, Gen. Agt.

SURPLUS TO POLICY HOLDERS, - - $5,743,747.60

E. F. FLINDELL
123 WILLIAM STREET Telephone John 2330 NEW YORK CITY
Representing
THE SCOTTISH UNION & NATIONAL
For the United States and Canada
THE YORKSHIRE INSURANCE CO., LTD.
For the United States and Cuba

GENERAL FIRE ASSURANCE CO.
OF PARIS

URBAINE FIRE INSURANCE CO.
OF PARIS

BRITISH DOMINIONS GENERAL INS. CO., Ltd.
OF LONDON

FRED. S. JAMES
GEO. W. BLOSSOM
W. A. BLODGETT

FRED. S. JAMES & CO.
United States Managers
123 WILLIAM STREET, NEW YORK

C. B. G. GAILLARD
Assistant Manager

J. B. Turnbull, Veteran Utica Agent, Dies

STRICKEN WITH APOPLEXY IN HIS OFFICE

Represented Agricultural for More Than Half a Century—Prominent in Community

James B. Turnbull, of J. B. & J. M. Turnbull, died at his home in Utica last week. He had been ill for a week, having suffered a stroke of apoplexy in his office. He was removed to his home and during the intervening period his condition remained critical.

Mr. Turnbull was one of the best-known business men in his part of the State. Eleven months ago he celebrated his fiftieth anniversary as representative of the Agricultural.

Mr. Turnbull was born in Rossie, St. Lawrence County, N. Y., March 4, 1842 and was educated at Oxbow and Gouverneur Wesleyan Seminary. For some time he worked on a farm during the winter and taught school in summer. In 1856 he came to Utica and worked for Byron S. Frisbie in the insurance business. In 1868 he opened an insurance office of his own.

Four years later he took in as business partner his brother, J. M. Turnbull. The firm, J. B. & J. M. Turnbull, is one of the oldest in the insurance business in Utica. It took the first risks issued by the Waterville Fire on the date it was organized. This Company afterwards sold out to the Sun of London. The Turnbulls had the agency for the Sun ever since it was admitted to this State. Since the death of A. B. Buell they have represented the Firemen's of Newark. Among other companies in the agency for years are the Scottish Union & National and the German Alliance. Mr. Turnbull for years was president of the Oneida County Board of Fire Underwriters. He was also president at one time of the New York State Association of Local Fire Insurance Agents, which was organized in November, 1897.

C. B. LUTZ DELIVERS ADDRESS

Charles B. Lutz delivered an address on "Insurance Rates and Prevention of Fires" at the High School in Bloomsburg, Pa., a few days ago.

Can Collect Only From Company

The decision of Justice Greenbaum, Supreme Court of New York, in the Eckert vs. Pathe Freres case that the assured is not liable for commission—that the broker can collect only from the company—has caused brokers to look up former decisions on the subject in the hope that the latest decision can be upset in the higher court on appeal.

NO RADICAL CHANGE

National Board's Actuarial Bureau and Simplified Non-Hazardous Classification Numbers

The impression conveyed in some quarters that the Actuarial Bureau of the National Board of Fire Underwriters has made a radical change in classification, with reference to non-hazardous occupancies, is incorrect, as the Bureau has merely issued an optional combination of the old classification and a new and shorter one, which enables companies not caring to use the old classification numbers, either because of the large amount of office detail or for reasons of economy, may report in a more condensed and convenient manner. As a result some companies will continue to use the old classification, as they prefer the greater detail, while others will use the simplified form as more nearly fitting the situation in their individual offices. Other companies will make use of both classifications.

Of course, the simpler the classifications the more desirable to the Bureau as it makes less work. On the basis of the unabridged classification, 7,500,000 cards are necessary to go through the punching machine to record writings. On the old classification there are 434 numbers. On the new, or optional classification, there are 84 numbers.

BARBOUR WRITES A BOOK

R. P. Barbour, general agent of the North British & Mercantile, has written a book of much useful information about the fire insurance business, which will act as a guide to local agents.

ADEQUATE FACILITIES
ALL LINES

PHILADELPHIA
CLARENCE A. KROUSE & CO.
LOCAL AND GENERAL AGENTS
325 WALNUT STREET PHILADELPHIA, PA.
PENNSYLVANIA NEW JERSEY

SATISFACTION SERVICE
ALL LINES

LOGUE BROS. & CO., Inc.
Fire—Casualty—Automobile Insurance
Nation-Wide Facilities for Handling SURPLUS LINES
307 FOURTH AVENUE PITTSBURGH, PA.

SCHAEFER & SHEVLIN
2 LIBERTY STREET GENERAL AGENTS NEW YORK, N. Y.
Representing
DUBUQUE FIRE AND MARINE INSURANCE CO.
Excellent Facilities for Handling Suburban and Out Of Town Business
Phone: John 2312

CRUM & FORSTER
GENERAL AGENTS
95 WILLIAM STREET NEW YORK CITY
United States Fire Ins. Co., N. Y.
Richmond Ins. Co., N. Y.
Potomac Ins. Co., Washington, D. C.
National Lumber Ins. Co., Buffalo, N. Y.
The North River Ins. Co., N. Y.
Union Fire Ins. Co. Buffalo, N. Y.
Seneca Fire Ins. Co., Buffalo, N. Y.
United States Underwriters' Policy, N. Y.
F. M. GUND, Mgr. Western Dept. Freeport, Illinois
W. W. ALVERSON, Mgr. Pacific Coast Dept. San Francisco, California

INCORPORATED 1794
THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA
308 & 310 WALNUT ST., PHILADELPHIA, PA.
CASH CAPITAL, $1,000,000.00
LIABILITIES, $2,585,923.98 ASSETS, $4,012,344.68
SURPLUS TO POLICY HOLDERS, $1,426,420.70
AGENTS WANTED WHERE NOT REPRESENTED

WESTERN ASSURANCE CO.
OF TORONTO, CANADA
(Fire, Tornado, Ocean Marine and Inland Marine Insurance)
UNITED STATES BRANCH
January 1, 1916
Assets ..... $ 2,747,815.34
Surplus in United States..... 1,309,295.82
Total Losses Paid in United States From 1874 to 1915, Inclusive 40,654,747.02
W. R. BROCK, President
W. B. MEIKLE, Vice-Pres. & Gen. Man.

Nord-Deutsche
INSURANCE COMPANY
OF HAMBURG, GERMANY
ESTABLISHED 1857
STATEMENT JANUARY 1, 1916
Assets $2,063,315
Liabilities 922,699
Surplus 1,140,616
UNITED STATES BRANCH
123 WILLIAM ST., NEW YORK
J. H. LENEHAN, United States Manager
AGENTS WANTED IN PRINCIPAL CITIES AND TOWNS

Agricultural Insurance Company, of Watertown, N. Y.
64th Annual Statement
Assets $5,036,003.01
Liabilities 2,296,861.95
Capital 500,000.00
Conflagration Surplus 250,000.00
Surplus to Policyholders 2,739,141.06
F. F. BUELL, Troy, N. Y., Special Agent.....NEW YORK STATE
E. J. PARMELEE, Syracuse, N. Y., Special Agent..NEW YORK STATE
GEORGE SHAW, 116 Milk St., Boston, Special Agent..NEW ENGLAND
F. L. GILPIN, JR., 422 Walnut St., Phila., Special Agent.MIDDLE DEPT.

1853 Sixty-Third Year 1916
FARMERS' Fire Insurance Company
YORK, PENNSYLVANIA
Assets (Dec. 31, 1915) $1,099,331.19
Net Surplus (Dec. 31, 1915)..... 496,079.49
W. H. MILLER, President
A. S. McCONKEY, Sec. and Treas.

THE LEADING FIRE COMPANY OF THE WORLD
ROYAL INSURANCE COMPANY LIMITED
[of Liverpool, England]

WALTER F. ERRICKSON
38-40 Clinton St., Newark, N. J. 95 William St., New York
Representing
THE GERMANIA FIRE INS. CO.
For Automobiles
Special facilities for out-of-town business.

Insurance Against Loss of Profits Through Fire

BY ERNEST W. BELL, IN A PAPER READ BEFORE INSURANCE INSTITUTE OF NEW SOUTH WALES

In a late policy appears the following clause:

"Monthly during the period of indemnity the loss of profits sustained in consequence of such interruption or interference but not exceeding the ascertained percentage (as defined below), etc."

Definition of ascertained percentage: The percentage of the sum insured to the turnover for the twelve months immediately preceding the fire, but not exceeding the percentage of the profits in the last financial year preceding the fire to the turnover for that period.

The accountant in arriving at the loss under these headings finds a surprising difference in the percentage.

The formulas are:—

$$\% = \frac{\text{Sum assured:}}{\text{Turnover for the last financial year.}} \text{ On shortage.}$$

$$\% = \frac{\text{Sum assured:}}{\text{Turnover for twelve months preceding fire.}} \text{ On shortage.}$$

Example worked out on each formula (occurred):

A manufacturing company whose financial year ended December 31, 1912, insured against loss of profits for £5,000.

A fire took place on August 30, 1913.

The accountant certifies that net profit and standing charges for the last financial year are not less than the amount of insurance.

That the standing charges continue to be paid or payable after the fire.

That the turnover for the last financial year was £25,000.

That the percentage of the insurance to the turnover for the last financial year is 20 per cent.

Turnover for the twelve months immediately preceding the fire:

	Before fire. 1912.	After fire 1913.		Shortage.
September	£3,000	nil.		£3,000
October	2,000	nil.		2,000
November	2,000	500		1,500
December	3,500	1,500		2,000
	1913.	1914.		
January	2,000	1,800		200
February	3,000	3,200		—
March	2,000	Total	shortage..	£8,700
April	2,000	—		—
May	2,000	—		—
June	2,500	—		—
July	2,500	—		—
August	3,500	—		—
	£30,000			

20 per cent. on £8,700 equals..... £1,740

The same figures adapted to second formula—

The percentage of the sum insured to turnover for the twelve months preceding the fire is:

$$\frac{£5,000}{£30,000} = 16.66 \text{ per cent.}$$

16.66 per cent. on ascertained shortage of £8,700 is £1,450.

So that using the last financial year as a base instead of the twelve months immediately preceding the fire, gives the insured an additional sum of £290, which he is not entitled to on an equitable basis, and yet some of the policies still embody the former wording.

The company will pay to the insured the increased cost of working necessitated by continuing the business during the interruption or interference caused by the fire. There is, of course, the usual proviso that the company cannot pay on account of a loss under all headings a sum in excess of that which would have become payable by the company if the business had been completely stopped, nor a sum greater than the whole of the sum insured. A clause is inserted also that any loss under a policy shall be adjusted by a professional accountant mutually appointed by the company and insured, or if unable to agree, such professional accountant shall be nominated by the president of the Public Accountant's Association. Some of the policies issued have a different wording to this, but the principle is the same.

(To be Continued.)

MINSTREL SHOW

Officers of Continental, Fidelity-Phenix and American Eagle See Clever Performance

The second annual minstrel show and ball of the Continental-Fidelity-Phenix Club, held in Palm Garden, New York City, on Friday last, was a big success. The minstrel troupe was composed of forty male voices from the Continental, Fidelity-Phenix, and the American Eagle.

Among the officers of the Company present were President Henry Evans, David Rumsey, J. E. Lopez, J. A. Swinnerton, S. R. Kennedy, J. W. Robb, F. R. Millard, Ernest Sturm, N. T. Robertson and Edward Randall. William Quaide, assistant secretary, was in charge of the arrangements.

BRITISH PAPER'S VIEWS ON RE-INSURANCE

One of the British insurance newspapers prints the following comments on re-insurance:

"Two correspondents, both having opportunities of knowing their subject, write with reference to our recent remarks on re-insurance to make the suggestion that the public should divide its large insurances more evenly among the various British offices. One correspondent contends (says the 'Times' of the 7th inst.) that it would be no greater trouble or expense for an insurance of, say, £250,000 to be divided up among twenty-five different companies in amounts of £10,000 each than among ten companies in amounts of £25,000 each. It is argued that were this policy of spreading insurance adopted, the tendency would be to eliminate the system whereby the large offices controlling a big insurance retain for themselves what is considered to be a safe line and re-insure the rest with other companies, including foreign offices. The argument seems sound as far as it goes, but it has to be remembered that the present tendency of all insurance is entirely in the direction of simplicity for the assured. Not only is this seen in the demand by policyholders for one comprehensive policy including insurance against a number of risks for which they are liable, but for as few policies as possible when the sums are very large. The property-owner or the merchant who is satisfied with the office of his choice usually prefers to have one policy issued by that company and to leave the company to arrange any re-insurances which it may consider desirable. In that way his trouble is reduced to the minimum."

JOIN AUTO CONFERENCE

The Northern of London, Agricultural, Milwaukee Mechanics and Citizens, of Missouri have joined the automobile conference.

Caledonian Insurance Co. of Scotland
FOUNDED 1805
"THE OLDEST SCOTTISH INSURANCE OFFICE"
UNITED STATES HEAD OFFICE
Caledonian Building, 50-52 Pine Street, New York
CHAS. H. POST, U. S. Mgr. R. C. CHRISTOPHER, Asst. U. S. Mgr.
NEW YORK CITY OFFICE
Golden Hill Building, 59 John Street, New York

New Jersey Casualty Results for 1916

ACCIDENT	Premiums Received	Losses Paid
Aetna Acci. & Lia.....	$88.34	.....
Aetna Life	39,381.44	$13,751.04
American Casualty	*10,509.37	*3,261.37
Brotherhood Accident ..	*14,068.00	*7,210.47
Chicago Bonding	727.81	175.96
Columbian Nat. Life....	2,777.75	221.50
Commercial Casualty ..	31,942.35	8,099.11
Commonwealth Casualty	*21,829.54	*5,070.29
Connecticut General.....	13,808.80	1,368.48
Continental Casualty ...	30,413.65	6,222.67
Eastern Casualty	37.95	6.66
Employers' Liability	*9,052.66	*790.58
Equitable Accident	*2,992.66	*1,763.16
Federal Casualty	*1,021.70	*185.20
Fidelity & Casualty....	65,274.47	13,959.08
Fidelity & Deposit.....	13,523.18	6,760.31
Frankfort General	*5,929.52	*1,399.77
General Accident	14,443.66	10,422.63
Georgia Casualty	165.06	24.18
Globe Indemnity	16,428.74	12,085.68
Great Eastern Casualty	14,259.24	4,444.61
Hartford Acci. & Ind...	4,048.56	94.86
London Guar. & Acci....	9,934.82	1,552.02
London & Lanc. Ind....	4,221.80	8,348.00
Loyal Protective	*9,196.53	*5,571.58
Maryland Casualty	10,103.96	845.09
Masonic Protective	*23,651.44	*11,544.90
Massachusetts Accident.	*1,553.17	*674.46
Massachusetts Bonding..	*35,949.12	*13,145.22
Metropolitan Casualty...	5,871.19	3,836.05
Metropolitan Life	*25,482.63	*15,647.43
National Casualty	*9,513.57	*3,940.39
National Relief	*19,857.30	*5,915.49
New Amsterdam Cas....	6,080.80	1,248.79
North American Acci....	6,151.30	2,071.55
Ocean Acci. & Guar.....	17,545.75	6,934.46
Pacific Mutual Life.....	19,003.92	5,370.83
Preferred Accident	23,524.97	13,665.16
Red Men's Fratern. Acci.	*6,560.90	*2,844.85
Ridgely Protective	*3,660.09	*2,257.02
Royal Indemnity	12,395.89	2,660.00
Southern Surety	*443.26	*96.43
Standard Accident	12,692.16	1,903.74
Travelers Indemnity ...	1,735.24	586.16
Travelers	199,179.16	52,280.85
United States Casualty.	6,152.99	3,634.37
U. S. Fid. & Guar.....	3,038.62	894.63
World Life & Accident.	*4,739.20	*1,871.81
Totals	$790,964.23	$259,390.15

*Accident and Health.

AUTO AND TEAMS	PROPERTY DAMAGE	
Aetna Acci. & Lia.....	$34,098.73	$16,510.95
American Casualty	5,596.99	3,602.45
American Mutual Lia...	2,668.57	91.40
Chicago Bonding	2,670.47	1,277.04
Commercial Casualty ...	59,252.04	10,460.78
Commonwealth Casualty	5.90	.....
Continental Casualty ...	180.80	.....
Employers' Liability ...	22,237.42	4,375.32
Fidelity & Casualty....	14,590.94	6,251.91
Fidelity & Deposit.....	17,194.50	9,128.46
Frankfort General	4,168.14	1,279.72
General Accident	8,469.34	3,954.29
Georgia Casualty	12,832.86	7,712.54
Globe Indemnity	30,603.55	12,125.78
Great Eastern Casualty.	310.41	25.00
Hartford Acci. & Ind...	16,041.22	5,611.58
London Guar. & Acci....	12,176.10	5,799.73
London & Lanc. Ind....	9,173.38	3,149.67
Manufacturers Casualty	77.02	.....
Manufacturers Liability	515.35	227.17
Maryland Casualty	9,709.79	2,349.48
Massachusetts Bonding..	3,354.27	1,061.48
New Amsterdam Cas....	3,898.96	753.89
N. J. Fid. & Plate Glass	19,145.21	4,413.04
Ocean Acci. & Guar.....	25,103.84	7,175.22
Preferred Accident	19,840.07	5,005.39
Royal Indemnity	12,531.36	3,693.17
Southern Surety	986.84	413.51
Standard Accident	4,389.88	846.36
Travelers Indemnity ...	54.332.59	16,402.84
United States Casualty.	4,921.43	1,042.41
U. S. Fid. & Guar.....	16,614.57	4,122.27
Zurich Gen. Ac. & Lia.	16,588.92	7,169.25
Totals	$444,281.46	$146,032.10

CREDIT		
American Credit Ind....	$8,015.00	$1,945.00
London Guar. & Acci...	910.00	.....
Ocean Acci. & Guar....	10,080.00	184.83
Totals	$19,005.00	$1,760.17

BURGLARY AND THEFT		
Aetna Acci. & Lia.....	$13,521.23	$6,269.06
American Casualty	1,202.03	630.36
Chicago Bonding	953.16	25.65
Employers' Liability ...	13,855.06	4,520.02
Fidelity & Casualty	35,428.46	10,680.58
Fidelity & Deposit.....	16,763.01	9,312.98
Frankfort General	1,705.08	25.35
General Accident	1,351.02	651.75
General Indemnity	174.13	.....
Georgia Casualty	350.90	.....
Globe Indemnity	25,721.08	4,079.92
Great Eastern Casualty	737.26	17.83

	Premiums Received	Losses Paid
Hartford Acci. & Ind...	12,667.70	4,369.48
London Guar. & Acci....	10,929.19	1,975.75
London & Lancashire..	1,601.90	354.70
Maryland Casualty	9,832.05	1,294.20
Massachusetts Bonding.	9,905.41	1,836.06
Metropolitan Casualty ..	361.61	.....
National Surety	29,864.45	6,420.75
New Amsterdam Cas....	8,352.75	1,159.25
N. J. Fid. & Plate Glass	13,752.55	5,184.89
Ocean Acci. & Guar.....	18,639.21	6,396.20
Preferred Accident	18,471.81	4,911.25
Royal Indemnity	18,176.47	3,058.08
Southern Surety	1,961.59	883.03
Travelers Indemnity ...	8,487.86	1,256.85
United States Casualty..	9,243.88	4,354.19
U. S. Fid. & Guar.....	17,679.75	4,274.04
Totals	$301,690.60	$83,942.22

SURETY		
Aetna Acci. & Lia.....	$17,280.87	$7,051.77
American Surety	68,869.51	1,677.26
Chicago Bonding	2,503.57	.....
Employers' Liability ..	180.66	.....
Fidelity & Casualty....	2,675.17	5.06
Fidelity & Deposit.....	59,609.18	7,615.50
Globe Indemnity	22,818.56	3,112.47
Hartford Acci. & Ind....	5,094.50	150.00
International Fidelity ..	67,180.19	18,226.92
London & Lanc. Ind....	2,588.67	.....
Maryland Casualty	9,647.23	10,607.43
Massachusetts Bonding.	11,425.05	888.00
National Surety	77,660.28	5,785.32
New Amsterdam Cas....	4,913.38	.....
Preferred Accident	293.90	.....
Royal Indemnity	4,993.80	278.11
Southern Surety	1,524.57	18,831.52
U. S. Fid. & Guar.....	55,157.91	19,058.11
Totals	$414,417.00	$93,287.47

FIDELITY		
Aetna Acc. & Lia.....	$8,859.65	$17.00
American Surety	70,940.53	1,340.68
Chicago Bonding	262.57	.....
Employers' Liability ...	443.99	.....
Fidelity & Casualty....	13,591.64	115.92
Fidelity & Deposit.....	28,672.46	6,260.97
Globe Indemnity	4,353.31	.....
Guar. Co. of N. A.....	617.49	.....
Hartford Acci. & Ind..	8,768.18	865.09
International Fidelity ..	141,894.13	73,203.05
London & Lanc. Ind....	515.91	.....
Maryland Casualty	3,813.05	53.00
Massachusetts Bonding .	2,712.27	81.66
National Surety	58,415.63	1,175.36
New Amsterdam Cas....	776.66	.....
Ocean Acci. & Guar....	1,246.23	.....
Preferred Accident	849.43	.....
Royal Indemnity	6,020.94	500.00
Southern Surety	34.50	.....
U. S. Fid. & Guar.....	26,850.48	12,780.57
United States Guarantee	18,293.28	7.55
Totals	$397,932.33	$93,416.17

FLY WHEEL		
Aetna Acci. & Lia.....	$261.60	$.....
Employers' Liability	513.35	.....
Fidelity & Casualty....	5,541.01	.....
Globe Indemnity	3,518.88	.....
Hartford Steam Boiler..	4,306.50	685.82
Maryland Casualty	397.29	.....
Ocean Acci. & Guar....	2,057.10	407.78
Royal Indemnity	527.00	.....
Travelers Indemnity ..	1,148.59	29.17
Totals	$18,271.32	$1,122.77

SPRINKLER		
Aetna Acci. & Lia.....	$1,230.71	$363.74
Maryland Casualty	1,502.08	930.15
Totals	$2.732.79	$1,293.89

STEAM BOILER		
Employers' Liability ..	$2,590.42	$.....
Fidelity & Casualty.....	17,437.37	1,221.60
Globe Indemnity	10,553.36	2,657.42
Hartford Steam Boiler..	58,154.57	1,823.40
London Guar. & Acci....	958.77	.....
Maryland Casualty	5,371.73	.....
Ocean Acci. & Guar.....	14,024.88	64.76
Royal Indemnity	2,966.58	198.90
Travelers Indemnity ...	13,276.59	509.21
United States Casualty	35.28	.....
Totals	$125,298.99	$6,475.29

HEALTH		
Aetna Life	$12,023.12	$6,098.13
Chicago Bonding	31.50	7.00
Columbian Nat. Life....	1,627.77	962.07
Commercial Casualty ...	22,056.95	6,761.96
Connecticut Gen. Life...	4,647.55	1,432.95
Continental Casualty ..	12,671.01	10,138.31
Employers' Liability ..	2,990.29	170.53
Fidelity & Casualty....	55,633.68	25,954.90
Fidelity & Deposit.....	6,519.65	1,504.27
General Accident	10,892.26	5,235.36
Georgia Casualty	114.98	233.30
Globe Indemnity	7,346.23	2,474.26
Great Eastern Cas.....	10,934.91	3,132.71
Hartford Acci. & Ind...	2,592.55	662.84
London Guar. & Acci...	4,159.52	1,973.42
London & Lanc. Ind....	1,553.44	302.02
Maryland Casualty	5,582.25	1,316.98
Metropolitan Casualty ..	1,200.49	2,733.66
New Amsterdam Cas....	2,594.39	629.68
Ocean Acci. & Guar.....	4,907.53	1,811.27
Pacific Mutual Life.....	12,240.72	4,210.39
Preferred Accident	4,042.24	3,040.80
Royal Indemnity	3,892.70	1,061.16
Standard Accident	5,429.21	1,978.64
Travelers Indemnity ...	409.63	267.85
Travelers	47,184.28	18,150.33
United States Casualty..	3,381.90	2,255.28
U. S. Fid. & Guar.....	1,240.14	126.78
Totals	$247,900.89	$104,626.85

(Continued on page 19.)

CASUALTY AND SURETY NEWS

Woodward Comments Sharply on Contracts

NO LOGIC IN PAYING DIFFERENT SUMS FOR SAME INJURY

Fine Splitting of Hairs Between Accident Disability and Sickness Disability—Wastefulness

In an article on disability insurance in the "Modern Insurance Problems" edition of the American Academy of Political and Social Science "Annals" A. P. Woodward, secretary of the accident department of the Connecticut General Life, draws the following conclusions:

"I am tempted to indulge in a brief speculation as to the future development of this branch of insurance. The present-day disability policy is a product of a slow evolution which has not always been logical. Originally designed to cover only railroad accidents, gradually the various limitations have been removed from it until to-day it covers all accidents, and the supposed danger of railroad travel has in the light of underwriting experience diminished to the point where double benefits are paid for such accidents. Why the insured's time should be worth twice as much if he is disabled through meeting an injury while riding on a train as it is if he fell down stairs in his own dwelling and sustained the same injury is difficult to explain.

"Properly viewed, disability insurance is but a part of that enormously important branch of insurance which, for want of a better name, may be called personal insurance to distinguish it from commercial and property insurance. This personal insurance includes loss due to death, to disability from any cause and against the certain infirmities of old age.

"Assuming that a person has responsibilities for which provision must be made in the event of death, why should he pick out one of the forms by which his life may be terminated and insure against that to the exclusion of all others? Accidents cause approximately 9 per cent. of all deaths in the United States, while pneumonia causes approximately 14 per cent. but we do not insure against death by pneumonia alone, though apparently it would be more logical to do so. The death hazard is properly covered by life insurance, and there seems no clear justification for a form of insurance covering it from the limited causes we have been considering.

Same Loss to Assured

"Nor is there any real justification in endeavoring to distinguish between to-called accident disability and so-called sickness disability. Frequently it is well-nigh impossible to distinguish one from the other or to tell where one ends and the other begins. To the insured who is disabled, the loss is precisely the same. This also applies to the benefits for the loss of hands, feet or sight. What the insured needs is compensation for this loss regardless of what may have occasioned the loss.

"Much waste occurs in the payment of an enormous number of trivial losses, losses that are not in any sense of the word real losses. Waste has to be paid for, and in the insurance business there is but one source from which the wherewithal to make payments can come and that source is the policyholder. The insurance company does not produce, its sole function being to collect and distribute. Therefore, some change is desirable to effect a saving of the amounts paid for these trivial claims of a few days' duration.

Salesmanship Waste

"Disability insurance is sold—not bought, and its sale requires the entire time of a large body of highly trained and efficient salesmen. The modern disability insurance is a term contract running for a period of twelve months at most and frequently only for six or three months. Here again is a source of enormous waste—waste of time of these salesmen in going back each three or six or twelve months to arrange with their clients for insurance, not new insurance or more insurance necessitated by changed conditions on the part of the client, but the same insurance which the client carried during the preceding term. That waste also has to be paid for and again it is the policyholder who does the paying. Changes must be adopted that will make the insurance permanent in form and enable the salesman to devote his energies to the development of new business. These changes cannot be wholly effected by the insurance companies. Unfortunately, State supervision has not always been guided by wisdom and foresight and regulations apparently justified by temporary expediency prove stumbling blocks to future development. What is needed is not less supervision but supervision which, safeguarding the interests of the policyholder, is flexible enough to allow for such changes as are requisite to our economic and social development. The fullest measure of success can result only from an intelligent co-operation between the insurance departments and the underwriter."

WITH EUROPEAN ACCIDENT

C. T. Gray Made Vice-President, Succeeding A. S. Boyd—Well-Known in Middle West

C. T. Gray, formerly superintendent of the fidelity and surety department of the Republic Casualty, of Pittsburgh, has been made vice-president of the European Accident, succeeding A. S. Boyd, resigned. Mr. Gray, prior to connecting with the Republic Casualty, had been with the Aetna in charge of the Ohio and Eastern Michigan territory. He came to the Aetna from the Denver office of the American Bonding Co., of Baltimore.

AETNA'S CONTEST FIGURES

The returns of the accident-health contest which was promulgated by the New York office of the Aetna two weeks ago, have been completed. From February 12 to 28, the men identified with the New York office secured $21,736.21 in accident and health premiums. Willard Curtis, who is attached to the office, alone produced $3,500 of this amount in less than 50 cases. Participation in this contest was limited to men connected in a direct way with the several offices reporting through the New York branch.

Accident
Health Automobile
Plate Glass
Burglary Liability

Fidelity
Contract Judicial
Public Official
Depository Bonds

FIDELITY & DEPOSIT CO.
OF MARYLAND
BALTIMORE

A WASTED EFFORT

President Butler, Travelers, so Characterizes Attempts to Fight Ohio Compensation Act

Louis F. Butler, president of the Travelers, in a letter addressed to the managers and agents on the Ohio compensation situation, says that the Company looks upon any effort to retain, and particularly to increase, this business in Ohio as "an effort worse than wasted." He says:

"It is far better for the companies and their agents to devote their time and their energies to the placing of our business in good condition for the future and with a view to future developments, rather than to attempt to evade the clear intent of the law. We have other lines of insurance which are much more desirable and much more profitable. These lines are not adequately developed in the State of Ohio. It will pay the agency force much better in the long run to turn its attention further to the development of our other lines of which we have so many, and refrain from wasting any time in the pursuit of that which, for the present at least, is without value to the Company or its agents.

"We honestly believe that the time is not very far distant when the error of present procedure will become so apparent to the people of Ohio that they will be only too anxious to reinstate the insurance companies. It will be much better for us, should that time come, if we are able to show that we accepted the decision of the people when it was against us in a good spirit. More than this, we believe our attitude will help us with the people of the State in the building up of our other lines to which our agents can give undivided attention. It is quite likely to require some time to demonstrate the fallacy of the present procedure and an attempt to cling to prohibited business is in every sense unwise. We wish to protect our policyholders, and particularly our old customers just as long as we can do so legally and they desire our protection."

RE-INSURANCE DECISION

Appellate Division of Supreme Court Construes Contract of Guardian and Ward Case

Turner vs. National Surety Company, 163 N. Y. S. 1. Supreme Court of New York, Appellate Division, Decided Jan. 26, 1917.

In 1906 Turner was appointed general guardian of the plaintiff then fourteen years of age. At the time, the guardian as principal and the Empire State Surety Company, as surety, executed a guardian's bond for the sum of $20,000 to insure the faithful discharge of the trust by the guardian. Later, the Empire State Surety Company was re-insured by the defendant, the National Surety Company. Afterwards, the general guardian died and Maud Turner, mother of the boy, was appointed his general guardian. While she was acting as his guardian she filed a suit to make the executors of the estate of the former guardian, file an account. This suit determined that the former's guardian owed the ward $21,740.35. About this time, the ward became of age and then filed suit to recover $20,000 against the National Surety Company.

The court held that the boy had the right to file suit to recover and the time when the first guardian misused the funds is not material as the entire period was covered by the re-insurance bond. The court determined that the former guardian owed the ward $21,740.34, which the executors of the former guardian's estate failed to pay, which failure put the defendant, Surety Company, under obligations to pay, in accordance with their contract which re-insured to the extent of $20,000.

EXTEND MASSACHUSETTS PLAN

Members of Existing Organizations to Be Members of Federation—No New Fees

There has been so much printed about the attitude of the fire insurance local agency State associations to the Insurance Federation that this editorial in the current issue of the official organ of the National Association of Insurance Agents, with reference to the Massachusetts plan of federation, is of pertinent interest:

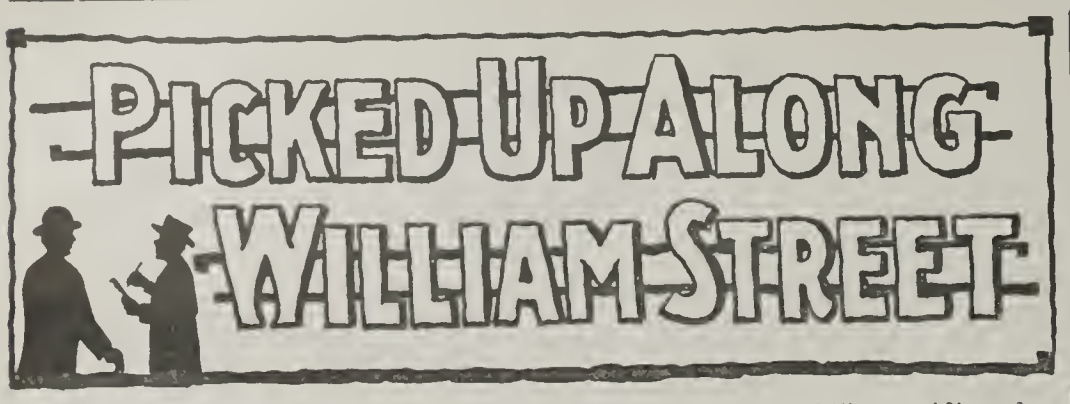
"The Federation in Massachusetts is to be based on organizations, with a provision for individual membership when no existing organization is open to the applicant.

"Members of the existing organizations are members of the Federation and are not required to pay additional fees, but may make voluntary contributions for the expense of the Federation. All local fire, casualty and surety agents not at present members of the State association are requested to affiliate with the existing organizations, and are not to be taken as direct members of the Federation.

"The Massachusetts Association of Insurance Agents has voted to join the Federation on this basis and made an appropriation from its funds.

"The Massachusetts plan is designed to carry out the Boston agreement of 1916 which looks towards federation on the basis of organizations throughout the country. We are informed that the Federation Council is now advising this basis in other States and expects eventually to shift all existing State federations to the organization basis."

General Accident
FIRE AND LIFE
ASSURANCE CORPORATION, Ltd.
SERVICE THAT EXCELS
FREDERICK RICHARDSON, United States Manager
GENERAL BUILDING · 4TH & WALNUT STS.
PHILADELPHIA



Lawyers Give Gold Watch to Surety Man

Frank W. Stucky, who for several years has been identified with the National Surety Company's New Jersey agencies, first at Newark and afterwards as manager at Jersey City, was married recently and his wedding journey included a trip through Niagara Falls, Detroit and Chicago to St. Louis where he became district manager. As an evidence of his popularity, as well as his efficiency, a number of the Jersey City lawyers gave Mr. Stucky a farewell dinner at which he was presented with a very handsome gold watch, and his friends among the departments of the home office made up a purse from which a wedding present of their own selection was subsequently bought by the Stuckys.

* * *

Warning About John J. Manning

The Travelers' publicity department has issued the following statement:

John Joseph Manning, who could make a fortune if he were content to sell insurance and collect a commission but who prefers to visit Catholic priests and sell them imaginary policies and who in that way has caused anguish to The Travelers, whose name he takes in vain, has been heard from again in a new role: that of stock market adviser.

The Travelers, which does not appreciate the subtle flattery which Manning shows in selecting it as sponsor for his operations, has received word that Manning tried unsuccessfully to sell an accident policy to a reverend father in Baltimore. This priest told the ingratiating stranger that he had all the insurance he could carry but would give him the names of several of his friends among the clergy. This he did; and Manning called upon them with great success.

"In order to reciprocate the favor," writes the Reverend Father, "he returned a week later showing me a letter received from his 'brother' broker in New York advising to invest in Crucible Steel. He said if I had a hundred dollars to spare, give it to him, and in less than a month he would guarantee me a handsome profit. I unfortunately acquiesced thinking he was an honest man. You can surmise the sequel. He left town shortly after to practice on other unsuspecting innocents."

* * *

Rejected Big Bond

The National Surety Company recently rejected an appeal bond for approximately a million dollars, where the court is three years behind in its work and though the total premium income may possibly reach $50,000, the question is, "What may the principal or his security be worth at the end of that period?"

* * *

Compensation Pamphlets

Two pamphlets have been written by P. Tecumseh Sherman, of the New York Bar and published by the Workmen's Compensation Publicity Bureau, one dealing with the Workmen's Compensation Law, entitled "Personal Injury by Accident Arising out of and in the Course of the Employment," and the other, "A Criticism of the Health Insurance Bill of the American Association for Labor Legislation." Both of these books are now for sale.

The texts of the Workmen's Compensation Laws in thirty-two States and three territories have been edited by F. Robertson Jones and printed in pamphlet form. Single copies, or a complete set of thirty-five, may be purchased from the Workmen's Compensation Publicity Bureau.

* * *

License Examining Board in Penna.

The main features of the Pennsylvania local agency bill providing for an examining board will meet with the approval of agents and brokers. The principle is the same as was recommended to Superintendent Phillips of New York by a joint conference of committees of the New York State Local Insurance Agents' Association and Fire Brokers' Association of New York. The Pennsylvania examiners will be paid salaries and will have wide sweeping jurisdiction over licenses, if the bill is enacted.

* * *

Group Insurance

It is interesting to learn that although there has not been a death in the past five years in the Louis Bossert & Sons' plant, two deaths have been reported during the first month that the employes of this plant have been insured under the Equitable Life Assurance Society's group plan which the John M. Riehle Agency placed.

* * *

All Companies to Observe Gridley Manual Rates in New Jersey

There has been a great deal of competition in New Jersey among the plate glass companies and all kinds of cuts in rates—some as much as 75 per cent. off the manual—have been prevalent. The result of this cutting, coupled with the enormous advance in the price of glass, has been so disastrous that all companies (twenty-four in number) have decided to return to the use of the advisory rates published by E. M. Gridley on April 1. Mr. Gridley is manager of the Plate Glass Exchange of New York, and his manual was first published in 1914.

* * *

Connecticut Taxation

Prominent Connecticut insurance men appeared before a Legislative committee this week and argued against the tax burdens shouldered by domestic companies of that State. A. G. McIlwaine, Jr., one of the speakers, manager in this county of the London & Lancashire, and president of the Orient, said that it was necessary to organize the London & Lancashire Indemnity under the laws of New York State instead of Connecticut, because Connecticut taxation is the death rattle of new corporations.

The Fidelity and Casualty Company of New York

92 LIBERTY STREET, NEW YORK, N. Y.

Metropolitan Office—92 William Street

Annual Statement, December 31, 1916

Assets	$13,788,795.23
Liabilities	9,708,052.97
Capital	1,000,000.00
Surplus over all liabilities	3,080,742.26
Losses paid to December 31, 1916	56,090,684.58

This Company issues contracts as follows: Fidelity Bonds; Surety Bonds; Accident, Health, and Disability Insurance; Burglary, Larceny, and Theft Insurance; Plate Glass Insurance, Liability Insurance—Employers, Public, Teams (Personal Injury and Property Damage), Automobile (Personal Injury, Property Damage and Collision), Physicians, Druggists, Owners and Landlords, Elevator, Workmen's Compensation—Steam Boiler Insurance; Fly-Wheel Insurance.

NEW RIDERS

Proposed By National Surety Co. in Connection With Fidelity Bonds

The National Surety has prepared certain riders for use in connection with fidelity bonds, restricting its liability on all corporation or co-partnerships, to the personal defaults of either the president, vice-president, secretary or treasurer of the corporation or of the actual members of the co-partnership. Whenever a fidelity bond is executed covering as principal a corporation or a co-partnership, whether as an individual bond or an item on a schedule, the proper rider must be attached.

Rider to be Added to Schedule Forms

Where a corporation or a co-partnership is an employe, and is included in the original schedule or added thereto by an acceptance notice, the liability of the surety shall extend only to losses caused directly by the personal defaults of the president, vice-president, secretary or treasurer of the said corporation or by the personal defaults of an actual member of the co-partnership and then only where such losses otherwise come within the terms and conditions of the bond.

Rider to be Added to Individual Form For Corporation

The liability of the surety shall extend hereunder only to losses caused directly by the personal defaults of the president, vice-president, secretary or treasurer of the employe, the corporation named herein, and then only where such losses otherwise come within the terms and conditions of this instrument.

Rider to be Added to Individual Form for Co-Partnerships

The liability of the surety shall extend hereunder exclusively to losses caused directly by personal defaults of or , co-partners and then only where such losses otherwise come within the terms and conditions of this instrument.

Rider to be Added to Change Notice

A corporation or co-partnership added as an employe, renders the surety liable only for personal defaults coming within the terms of the bond, of either the president, vice-president, secretary or treasurer of the corporation or of actual members of the co-partnership.

THE LONDON EXPLOSION

Minister of Munitions, "Without Admitting Liability," is Willing to Pay Reasonable Claims

A London "Times" correspondent, referring to the paying for the London explosion damage, says:

"The official statement published on Wednesday, that the Minister of Munitions, 'without admitting any liability, is willing to deal with, and pay, reasonable claims for damage to property and personal injuries caused by the explosion in East London on January 19,' is important as showing that the present circumstances are being met, but it clearly leaves the question of legal liability for explosion damage undetermined. The statement makes it plain that any payments to be made by the Ministry will be ex gratia. But the mere fact that the Ministry is prepared to pay for damage in the present case may allay any uneasiness that may have existed among householders as to where the cost would fall should they be affected by any future similar unfortunate occurrence. The insurance companies have denied that any liability could possibly attach to them through the ordinary fire policies which specifically exclude the explosion risk, and it is known that they are disposed to proceed very cautiously in accepting this risk by itself. Each risk of this kind which is offered is considered on its merits, and the premium is rated according to the individual circumstances, such as the proximity to an explosion factory of the works which it is desired to insure. The risk of explosion in such a factory itself, under present conditions, is not one which insurance offices show any inclination to accept, and the principle that, when works are being put to a particular use for the service of the nation, it is the whole nation which should bear the cost of any untoward results, is one which seems perfectly sound."

WORTH KNOWING

Suppose that you are insured in the United Life and Accident Insurance Company of New Hampshire for $5,000 under the Company's Triple Indemnity Plan, what does your Policy guarantee to do?

ANSWER:

FIRST, it guarantees that in case of death from any cause, $5,000, the face of the Policy, will be paid.

SECOND, that in case of death from any ACCIDENT, $10,000, or DOUBLE the face of the Policy, will be paid.

THIRD, that in case of death from certain SPECIFIED accident, $15,000, or THREE TIMES the face of the Policy, will be paid.

BUT THIS IS NOT ALL. The Accident Disability Endorsement FURTHER guarantees that in case of total disability as a result of accidental injury, the Company will pay direct to YOU at the rate of $50 PER WEEK during such disability, but not to exceed 52 weeks, after which the weekly indemnity will be at the rate of $25 PER WEEK throughout the period of disability. Can insurance do MORE? And why should any man be satisfied with a policy that would do less? The cost is low.

Agents wanted in Maine, New Hampshire, Vermont, Connecticut, Pennsylvania, North Carolina, South Carolina, Tennessee, Georgia, Delaware, Maryland, Mississippi, Kansas, Missouri. An opportunity for Life Insurance Salesmen of ability. Address:

United Life and Accident Insurance Co.

Home Office, United Life Building - Concord, New Hampshire

Important Film Clause

(Continued from page 12.)

limited in case of loss or damage to the cost of replacement not exceeding 5 cents per lineal foot, and that

Fourth. Negatives and/or positives the subjects of which are censored and rejected by the National Board of Review are not covered by this policy after twenty (20) days from date rejection, unless within this period of twenty (20) days approval of the National Board of Review is finally given.

Fifth. "Public exhibition" as used in the first and second sections shall be interpreted as being shown in any place or places to which an admission fee is charged.

CASUALTY AND SURETY POINTERS

An unrecorded conditional sale contract for a machine, by which the seller reserved title until full payment, although void under the statute as to good faith purchasers and incumbrancers for value, is good as against after-acquired property, although possession was taken under the contract, the machine sold and the purchaser credited with the proceeds without notice by the creditor of the conditions of sale.

Action by G. W. Parsons Co. against the United States Fidelity & Guaranty Company of Maryland. Judgment for plaintiff and defendant brings error. Affirmed.

The Contract

On March 22, 1913, Misho Company contracted with the city of Edmonton, in the province of Alberta, Canada, to construct a sewer for it. United States Fidelity & Guaranty Company became surety on its bond for the faithful performance of contract. As one of the considerations for becoming surety the bond specified that Misho Company assign to the surety "all our right, title and interest in and to all tools, plant, equipment, and materials of every nature and description that we may now or hereafter have upon sale work or in or about the site thereof," and empowered the surety company to take possession of the property in the event of default on the part of Misho & Company in their contract with the city. More than a month subsequent to the giving of this contract of indemnity, Misho & Company purchased a trencher of the plaintiff below, the G. W. Parsons Company for a consideration of $7,000 only; $1,500 was paid. The balance was evidenced by notes and a check. The contract of sale reserved title to the property until the entire consideration was paid. Neither this contract nor any note or memorandum was filed for record either in Iowa, where the plaintiff has its place of business, or in Alberta, to which the trencher was immediately removed. By the statute in both jurisdictions this failure to file rendered the conditional sale contract void as to good faith purchasers and incumbrances for value. In Sept., 1913, Misho & Company abandoned the contract and authorized the Surety Company, to take possession of the trencher and other property. This it did and completed the work at a loss of about $10,000. The Surety Company examined the records in Alberta and found no evidence of a conditional sale.

At the completion of the job they sold the trencher for $3,500 and credited Misho & Company with the sum in their account. This suit was brought by the Parsons Company against the Surety Company to recover the value of the trencher as for conversion. The case was tried before the court without a jury, special findings were made and a judgment entered in favor of the plaintiff for the sum of $5,000. The Surety Company, which was defendant, now brings error.

No Standing in Equity

The Surety Company has no standing in equity. It parted with no value. Its claim that the giving of credit to Misho & Company was sufficient to make it a purchaser for value is unsound. There were no present negotiations between the Surety Company and Misho & Company by which the latter transferred title to the trencher to the former in consideration of the credit. That was a mere matter of bookkeeping on the part of the Surety Company.

Decision was right and is affirmed.

W. E. SMALL, President PETER EPES, Agency Mgr. E. P. AMERINE, Secretary

ACCIDENT and HEALTH
PLATE GLASS
BURGLARY

Georgia Casualty Company

LIABILITY
COMPENSATION
AUTOMOBILE



A Company Devoted to Service

A Company looking to the interests of its Representative

Home Office: Macon, Georgia
Surplus and Reserves over $1,400,000.

The METROPOLITAN CASUALTY
INSURANCE CO. OF NEW YORK
HOME OFFICE, 47 CEDAR STREET
CHARTERED 1874
Plate Glass, Burglary, Accident and Health Insurance
EUGENE H. WINSLOW, President
Russell R. Cornell, Vice-Pres. S. Wm. Burton, Sec. Alonzo G. Brooks, Ass't Sec.
RELIABLE AND ENERGETIC AGENTS WANTED



THE SIGN OF GOOD CASUALTY INSURANCE

HEAD OFFICE
CHICAGO

F. W. LAWSON
General Manager

Liability, Accident, Burglary, Boiler and Credit Insurance



Established 1869.

F. J. WALTERS
Resident Manager
55 JOHN STREET
New York

Elmer A. Lord & Co.
145 Milk St., Boston
Resident Managers
New England

London Guarantee & Accident Co., Ltd.
OF LONDON, ENGLAND

New Jersey Figures

(Continued from page 16.)

PLATE GLASS

	Premiums Received	Losses Paid
Aetna Acci. & Lia.....	$4,023.53	$1,719.61
American Casualty	3,032.58	2,197.48
Chicago Bonding	2,097.01	2,596.03
Commercial Casualty ...	15,387.75	28,860.05
Employers' Liability ..	2,943.88	6,874.50
Fidelity & Casualty.....	7,811.10	5,160.08
Fidelity & Deposit.....	7,945.67	6,423.34
Georgia Casualty	3,888.74	5,920.58
Globe Indemnity	5,858.67	11,063.40
Great Eastern Cas.....	4,787.04	2,397.74
Hartford Acci. & Ind....	652.16	574.19
Lloyds Plate Glass.....	11,867.44	20,702.29
London & Lanc. Ind....	6,261.27	19,146.76
Maryland Casualty	4,609.09	3,704.40
Massachusetts Bonding..	7,699.71	13,022.85
Metropolitan Casualty...	18,900.88	35,280.01
New Amsterdam Cas....	7,012.89	7,081.56
N. J. Fid. & Plate Glass	34,462.07	36,112.59
New York Plate Glass..	13,639.18	18,242.73
Ocean Acci. & Guar.....	4,339.94	6,342.72
Royal Indemnity	2,002.77	2,674.21
Southern Surety	93.64	226.09
Travelers Indemnity ...	1,831.11	450.75
United States Casualty..	918.84	976.96
U. S. Fid. & Guar.....	3,557.58	3,740.76
Totals	$175,634.54	$241,491.68

LIABILITY

Aetna Acci. & Lia.....	$27,614.67	$4,600.53
Aetna Life	81,594.37	24,813.90
American Casualty	16,768.95	952.42
American Mutual Lia...	21,102.17	3,992.39
Chicago Bonding	9,758.41	7,158.42
Commercial Casualty ...	222,168.77	48,441.36
Commonwealth Casualty	23.00	.....
Continental Casualty ...	391.17	.....
Employers' Liability ...	82,107.90	10,883.56
Fidelity & Casualty....	82,167.33	19,133.77
Fidelity & Deposit.....	75,239.63	31,872.20
Frankfort General	17,656.91	2,461.38
General Accident	27,852.42	5,214.96
Georgia Casualty	160,749.86	62,171.42
Globe Indemnity	103,696.61	20,312.25
Great Eastern Cas.....	950.73	.....
Hartford Acci. & In....	62,484.16	13,874.53
London Guar. & Acci....	69,327.94	15,464.33
London & Lanc. Ind....	28,564.93	4,337.18
Manufacturers Casualty	7,195.64	.....
Manufacturers Liability	44,400.87	6,830.79
Maryland Casualty	34,459.00	11,999.33
Massachusetts Bonding.	34,791.56	5,606.26
New Amsterdam Cas....	21,882.24	6,234.18
N. J. Fid. & Plate Glass	68,731.90	3,757.40
N. J. Manufacturers.....	10,329.28	1,371.32
Ocean Acci. & Guar....	103,089.55	24,196.67
Preferred Accident	46,455.30	6,918.46
Royal Indemnity	49,723.33	10,129.93
Southern Surety	2,462.44	1,072.30

	Premiums Received	Losses Paid
Standard Accident	15,829.69	1,002.62
Travelers Indemnity	60.26	.....
Travelers	231,093.45	50,290.17
United States Casualty..	27,502.36	3,326.00
U. S. Fid. & Guar.....	80,043.86	12,915.56
Zurich General	67,637.14	15,465.81
Totals	$1,935,907.80	$436,801.40

LIVE STOCK

Hartford Acci. & Ind..	$3,617.18	$.....

WORKMEN'S COMPENSATION

Aetna Acci. & Lia.....	$169.01	$228.00
Aetna Life	108,368.35	71,573.05
American Casualty.....	171.92	.....
American Mutual Lia..	86,241.22	53,354.27
Chicago Bonding	3,411.81	4,314.69
Commercial Casualty ...	154,940.14	60,564.76
Continental Casualty ..	1,077.98	.....
Employers' Liability ...	172,989.56	100,892.29
Fidelity & Casualty....	77,650.96	26,040.05
Fidelity & Deposit.....	34,972.96	28,573.69
Frankfort General	16,513.04	5,623.91
General Accident	8,393.29	6,926.83
Georgia Casualty	26,121.01	12.482.15
Globe Indemnity	124,970.68	60,437.55
Hartford Acci. & Ind...	51,863.50	20,180.49
London Guar. & Acci..	57,813.15	23,153.29
London & Lanc. Ind....	13,043.73	6,536.29
Manufacturers Liability	154,293.65	62,568.31
Maryland Casualty	141,064.89	26,153.91
Massachusetts Bonding.	48,464.26	16,302.42
New Amsterdam Cas....	17,440.96	7,040.14
N. J. Fid. & Plate Glass	628.06	.....
N. J. Mfrs. Cas.....	140,089.62	106,019.41
Ocean Acci. & Guar....	173,915.52	93,743.03
Preferred Accident	1,321.99	.....
Royal Indemnity	52,951.76	19,985.97
Southern Surety	220.69	445.00
Standard Accident	18,385.81	10,634.47
Travelers	317,666.80	200,552.01
United States Casualty	31,443.31	8,806.15
U. S. Fid. & Guar.....	90,090.83	42,117.77
Zurich Gen. Ac. & Lia.	35,576.86	17,698.38
Totals	$2,162,267.32	$1,092,948.28

AGGREGATE BUSINESS

Aetna Acci. & Lia.....	$107,148.34	$36,726.66
Aetna Life	241,367.28	116,236.12
American Casualty	37,281.84	10,644.08
American Credit	8,015.00	1,945.00
American Mutual Lia..	110,011.96	57,438.06
American Surety	139,810.04	336.58
Brotherhood Accident...	14,068.00	7,210.47
Chicago Bonding	22,416.31	15,554.79
Columbian National.....	4,405.52	1,183.57
Commercial Casualty ...	505,748.00	163,188.02
Commonwealth Casualty	21,858.44	5,070.29
Connecticut General	18,456.35	2,801.43
Continental Casualty ...	44,734.61	16,360.98
Eastern Casualty	37.95	6.66
Employers' Liability ...	309,905.19	128,506.80
Equitable Accident	2,992.66	1,763.16

THE SIGN OF GOOD CASUALTY INSURANCE

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F. W. LAWSON
General Manager

Liability, Accident, Burglary, Boiler and Credit Insurance

Established 1869.

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Resident Manager
55 JOHN STREET
New York

Elmer A. Lord & Co.
145 Milk St., Boston
Resident Managers
New England

London Guarantee & Accident Co., Ltd.
OF LONDON, ENGLAND

	Premiums Received	Losses Paid
Federal Casualty	1,021.70	185.20
Fidelity & Casualty....	377,802.13	108,522.95
Fidelity & Deposit.....	260,440.24	107,451.72
Frankfort General	45,972.69	10,790.13
General Accident	71,401.99	32,405.82
General Indemnity	174.13	.....
Georgia Casualty	204,223.41	88,544.17
Globe Indemnity	355,869.67	128,348.73
Great Eastern Cas.....	31,979.59	10,017.89
Guar. Co. of N. A.....	617.49	.....
Hartford Acci. & Ind...	167,839.71	46,383.06
Hartford Steam Boiler..	62,461.07	2,509.22
Lloyds Plate Glass.....	209,074.32	91,429.97
London Guar. & Acci...	166,209.49	49,918.54
London & Lanc. Ind....	67,525.03	42,174.62
Loyal Protective	9,196.53	5,571.58
Manufacturers Casualty	7,272.66	.....
Manufacturers Liability	199,209.87	69,626.27
Maryland Casualty	236,092.41	59,147.97
Masonic Protective	23,651.44	11,544.90
Massachusetts Accident.	1,553.17	674.46
Massachusetts Bonding.	154,301.65	51,780.63
Metropolitan Casualty...	26,334.17	41,849.72
Metropolitan Life	25,482.63	15,647.43
National Casualty	9,513.57	3,940.39
National Relief	19,857.30	5,915.49
National Surety	165,940.36	13,381.43
New Amsterdam Cas....	72,953.03	24,147.49
N. J. Fid. & Plate Glass	136,719.79	49,467.92
N. J. Mfrs. Cas.....	150,418.90	107,390.73
New York Plate Glass..	13,639.18	8,242.73
North American Acci....	6,151.30	2,071.55
Ocean Acci. & Guar.....	374,949.55	146,887.28
Pacific Mutual Life.....	31,244.64	9,581.22
Preferred Accident	114,799.71	33,541.06
Red Men's Fraternal....	6,560.90	2,844.85
Ridgely Protective	3,660.09	2,257.02
Royal Indemnity	166,182.60	44,239.53

CONTINENTAL
Casualty Company
CHICAGO

H. G. B. ALEXANDER, President

MORE good producers were attracted TO our field force in 1916 than any other year of our history.

Why? Service---That's Why!

Southern Surety	7,727.53	21,967.88
Standard Accident	56,726.75	16,365.83
Travelers Indemnity ...	81,281.87	19,502.83
Travelers	795,123.69	321,273.36
United States Casualty.	83,529.43	17,126.62
U. S. Fid. & Guar.....	294,273.74	100,030.49
United States Guarantee	18,293.28	7.55
World Life & Accident	4,739.20	1,871.81
Zurich General	119,802.92	40,333.44
Totals	$7,039,921.45	$2,562,588.44

The Columbian National Life Insurance Company

BOSTON, MASSACHUSETTS

ARTHUR E. CHILDS, President

The Agents' Winning Combination

LIFE—ACCIDENT AND HEALTH—INSURANCE

Covering Permanent and Total Disability, and Weekly Indemnity for loss of time

The Policyholders' Winning Combination

Guaranteed Cost and Good Service

FOR AGENCIES AND SPECIMEN POLICIES, ADDRESS THE COMPANY

Great Southern Life Insurance Company

HOUSTON, TEXAS.



For Agency Contracts address

O. S. CARLTON

PRESIDENT

American Central Life

Insurance Company

INDIANAPOLIS, INDIANA

Established 1899

All agency contracts direct with the company

Address:

HERBERT M. WOOLLEN, President

In addition to the ordinary forms of life insurance

THE EQUITABLE

makes a specialty of the following:

Insurance to protect business firms and corporations.

Group Insurance, by which employers protect families of employes.

A flexible contract which can be converted by the Insured into an Ordinary Life, Limited Payment Life, or Endowment Policy.

A Bond giving the investor an income for his declining years.

A new policy is offered under which the insurance is DOUBLED if death results from ACCIDENT. This policy also embodies the following advantages if the person whose life is insured becomes totally and permanently disabled:

1. Thereafter the Equitable will carry the insurance —The Insured will have nothing further to pay.
2. The Equitable will pay the Insured an annual income for life equal to one-tenth of the face of the policy.
3. Upon the death of the Insured the full amount of the insurance will be paid to the Beneficiary (or double the amount if death is due to accident) without deduction on account of the income paid to the Insured while living.

(See the policy for conditions and details.)

For Agency Openings Address

WILLIAM E. TAYLOR,
Superintendent of Agencies

THE EQUITABLE

LIFE ASSURANCE SOCIETY OF THE U. S.

120 BROADWAY, NEW YORK

Minneapolis Fire & Marine Insurance Co.

of Minneapolis

ASSETS - -	$784,979.27
LIABILITIES - -	538,843.30
NET SURPLUS -	246,135.97

Comparative Growth

	Increase In Assets	Increase In Reserve
1913 -	$88,052	$61,854
1914 -	98,979	67,229
1915 -	109,855	83,163

AN EIGHT YEAR RECORD

CAPITAL	Established 1902	NET SURPLUS
$200,000	1908	$80,419
$200,000	1909	$107,942
$200,000	1910	$153,580
$200,000	1911	$172,981
$200,000	1912	$200,570
$200,000	1913	$228,203
$200,000	1914	$241,422
$200,000	1915	$246,135

FRED C. VAN DUZEN, President ALFRED STINSON, Secretary

San Francisco Losses Amounting to $4,522,905.00 paid PROMPTLY IN CASH WITHOUT DISCOUNT, from funds largely supplied by head office in Liverpool

Liverpool AND London AND Globe Insurance Co. LIMITED

U. S. Cash Assets, Dec. 31, 1916	$15,827,439.35
Surplus, - - - - -	5,460,745.59
Losses Paid by Chicago Fire, 1871	3,239,491.00
Losses Paid by Boston Fire, 1872	1,427,290.00
Losses Paid by Baltimore Fire, 1904	1,051,543.00

Over $152,000,000.00

Losses Paid in the United States

HENRY W. EATON, Manager
G. W. HOYT, Deputy Manager
HUGH R. LOUDON, Assoc. Deputy Mgr.
J. B. KREMER, Asst. Deputy Manager
T. A. WEED, Agency Superintendent

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THE EASTERN UNDERWRITER

[Succeeding the Journal of Insurance Economics, Established in 1899]

A WEEKLY NEWSPAPER COVERING ALL BRANCHES OF INSURANCE

Eighteenth Year; No. 12 | NEW YORK CITY, FRIDAY, MARCH 23, 1917 | $3.00 a Year; 15c. per Copy

VIEHMANN ON CAR DEPRECIATION PROBLEM

Decided on New Contract After Conferring With Automobile Makers and Agents

ELIMINATION OF MORAL HAZARD

Designates Three Per Cent. Depreciation Per Month as Normal Figure

The new valued policy of the New Jersey Fire insuring a car for the list price or original cost to the purchaser, and at the expiration of each month having the insurance diminish three per cent. of the list price in order to provide for the normal depreciation of an average automobile, has attracted wide attention among automobile underwriters. Asked by The Eastern Underwriter how the new policy was conceived Mr. Viehmann said this week:

"When Mr. Ennis and myself took up the question of entering the automobile field, I raised the point that it was not businesslike or logical to insure property having a known depreciation, such as automobiles have, in such a way that a person could purchase a car, have it insured for its cost price, and then in the twelfth month of its ownership, if it were to burn up or be stolen, receive back every dollar that he had paid for it. This created a moral hazard that invited people to be crooked.

Got Manufacturers' Point of View

"We therefore got in communication with a number of automobile manufacturers and tried to determine the natural depreciation of cars. We found that they felt, generally, that cars should be figured on a three year life, and that a three per cent. per month depreciation was normal. We, therefore, evolved a policy which automatically reduced the coverage three per cent. every month on the list price of the car, and we endeavored to adjust the premium so that the mean amount of insurance covered would be the guide in the making of the rate.

"Now like every proposition of this kind the thoughts and views of different agents and of individuals are necessary to get a composite result. We could not go out and invite views on a proposition which was not offered for consideration but which was only in mind. We could not get those views until the proposition was really submitted. Therefore, we prepared our proposition and have had it submitted in different parts of the country with the result that the general consensus of opinion

(Continued on page 16.)

DIRECTORY OF DEPARTMENTS

Life 1
Editorial 10
Fire 11
Casualty 17

"The Largest Fire Insurance Company in America."

THE HOME INSURANCE COMPANY NEW YORK

ELBRIDGE G. SNOW, President

Sixty-three-Year Record for Fair Dealing and Prompt Adjustment and Payment of Losses

FIRE AND ALLIED BRANCHES OF INSURANCE

Fire, Lightning, Automobile, Commissions, Explosion, Hail, Marine (Inland and Ocean), Parcel Post, Profits, Registered Mail, Rents, Sprinkler Leakage, Tourists' Baggage, Use and Occupancy, Windstorm.

STRENGTH REPUTATION SERVICE

North British and Mercantile Insurance Co.

Established 1809

Entered United States 1866

Policyholders protected by the entire United States assets, with further guarantee in every policy, of protection by entire fire assets of the company which are many times larger.

SPRINGFIELD
Fire & Marine Insurance Co.

Cash Capital $2,500,000.00

THE SPRINGFIELD for two-thirds of a century has transacted business solely under its own corporate name, without annexes, underwriting agencies or subsidiary companies. An agent of the SPRINGFIELD is not a half, a quarter or any other fraction of an agent, but is vested with the rights and dignity of an undivided representative of an undivided and independent company. The SPRINGFIELD stands today pre-eminent among American fire insurance companies.

SPRINGFIELD, MASSACHUSETTS

FIVE YEARS' PROGRESS IN DISABILITY COVER

Views of Bruce D. Mudgett, of Wharton School of Finance, University of Pennsylvania

LIBERALITY TOWARDS ASSURED

Forty-Seven Entire New Clauses Have Entered Field—Discussion of Provisions

Prof. Bruce D. Mudgett, of the Wharton School of Finance, discusses five years' progress in disability insurance in the March "Annals" of the American Academy of Political and Social Science. He has made a special study of the subject for some years. He finds that since 1912 no less than twenty-six companies have revised their clauses, almost without exception for the better; and forty-seven entirely new clauses have entered the field. Of the latter, twelve are from companies organized since January 1, 1912, eight from those organized prior to 1870. That old, long established companies introduce the clause indicates that it has value, otherwise they could meet competition without it. Some of the older companies have adopted it reluctantly, and only after great pressure from their agency force, he says.

The character of the new clauses and of the changes made in the older clauses is indicative of the direction of development, and the tendency in both cases has been toward greater liberality to the insured, and greater conformity to standards of practice generally accepted as sound. His opinions in part follow:

Age Limits

In the discussions of the disability clause among actuaries there has been general agreement that available data for the measurement of the risk was trustworthy to age sixty, and the majority of the older clauses gave benefits only for disability occurring prior to that age. Among recent changes, two companies have reduced their age limit from sixty-five and seventy, respectively, to sixty; while another has raised the limit from fifty-five to sixty. In one case an age limit of eighty was removed and benefits allowed for disability at any time. Of the forty-seven new clauses, forty-four fix the age limit at sixty.

The Definition of Disability

The scope of the term "disability" is all important with reference to the coverage furnished by the clause. Disability may be defined with reference to one's occupation or with reference to the cause which produces it. In the previous study referred to it was stated that no clause defines disability with reference to the occupation of the insured; but in order to obtain benefits one must be so incapacitated as to be unable to perform the duties of any occupation. No exception to this rule yet exists. One is inclined, however,

on considering the causes of disability, to conclude that most disability which prevents the performance of the duties of one occupation will equally prevent the performance of any work whatever; for the large majority of cases are caused by tuberculosis, insanity, paralysis, cancer and accident. In this connection, recently published experience on the first 390 cases approved by the New York Life Insurance Company is interesting:

Cause of disability.	Number of cases.
Tuberculosis	165
Insanity	102
Paralysis	28
Accident	21
Cancer and tumors	18
Other causes: Rheumatism, heart trouble, blindness, goiter, diabetes, etc.	56
Total	390

If it be true that disability with reference to one occupation will be disability with reference to all occupations in most cases, the risk is well covered by the present clauses. Furthermore, the added cost of covering the broader definition will be slight and it may be expected that clauses will be so issued as soon as the companies have had sufficient experience to justify the truth of the assumption.

The majority of clauses existing prior to 1912 covered disability caused by "bodily injury or disease" or "from any cause whatsoever." Fifteen cases of narrower scope were found at that time. Of these one has since joined the majority. Of the forty-seven new clauses but three have restricted their definitions, two of them making an exception of insanity. The data above show its importance. The third company covers total disability arising from a few specially enumerated cases of accident. While even three exceptions are to be regretted, they represent but 6 per cent. of the new clauses as compared with 12 per cent. of the clauses in 1912.

A restriction of different character in the scope of disability has recently appeared in five cases, in the refusal to give benefits for disability due to military or naval service in time of war. It may even seem surprising that it has not appeared oftener, in view of the present war.

Benefits

Among the most commendatory changes that have occurred in the last five years in disability clauses, the gradual liberalizing of the benefits granted is easily of first importance. There seems to have been a very definite growth in conception of the purpose of the clause in the life insurance contract. Starting with the idea that disability would cause a cessation of earning power and thus possibly compel the lapse of insurance that is carried by yearly payments from income, attention was first directed to a benefit that would keep the insurance in force. The waiver of premiums, or their payment by the company during the period of total and permanent disability, was the result. But it was soon apparent that this worthy end was not sufficient, that it did not replace the lost earning power of the insured. So the next modification came, in the form of immediate maturity of his policy upon the occurrence of disability, instead of requiring him to wait till death or the end of an endowment term to receive its value. Many policies thus mature today and are paid to the insured in ten or twenty annual installments, or even better in some cases in monthly installments over the same term of years.

Lost Earning Power of Assured

But even this benefit has not replaced the lost earning power of the insured. His insurance is carried for the purpose of satisfying his responsibilities to others in case of his premature death and, if properly based on such needs, is not intended to supply his own personal wants while living. It is the same with endowments intended for old age provision: if they are drawn upon before he reaches the age of retirement, he increases to that extent the possibility of old age dependency. So, the protection needed by the insured against permanent and total disability, whether it shall be given by the disability clause or not, is such as will maintain his insurance in force unimpaired, and at the same time will replace his lost income and enable him to supply his personal wants and his continuing responsibility to others. Many persons today feel that this is too much to expect from the disability clause. While admitting the need of such protection, they maintain that the risk is separate and distinct from the life insurance risk and should be covered in a separate contract.

The growing tendency of the last five years is reflected not so much in the fact that the third type of benefit is given in three clauses but that among the revised clauses as well as the new ones, benefits generally have a larger dollars and cents value than they had five years ago. An examination of the various changes shows this clearly.

Waiver of Premiums

The waiver of premiums continues as the benefit given in the majority of cases. Among the new clauses twenty-five grant it alone; thirteen allow choice between it and installment benefits; four of the old clauses have dropped their installment option and offer only the waiver benefit.

The main question arising here is whether the insured will continue to receive dividends in case he has a participating policy. Prior to 1912 nine clauses clearly stated that dividends would continue after disability. Two of the older clauses have since been changed to conform to this practice. Of eighteen new clauses issued by participating companies which give the waiver of premiums as a separate benefit, six have stated that dividends will continue to be paid. This is a remarkably large proportion as compared with 1912.

Though disability must occur prior to age sixty in order regularly to obtain full waiver or installment benefits, the insured is not always left entirely unprotected thereafter. The company may permit the cessation of premium payments by the insured, but hold them as a lien against the policy or reduce the amount of insurance in force. A few companies followed this practice prior to 1912; since then five old and ten new clauses have granted this option. The practice of using such premiums to reduce the amount of insurance in force is more liberal than holding them as a lien against the reserve value of the policy. It was followed by one company in 1912; seven do so at the present time.

Payment of the Policy in Installments

Where the policy is paid in installments after total disability, the amount of the benefit may be determined in one of two ways. The company may consider the policy fully matured for its face value, the same as though death had occurred. In this case the insured has available, on a $1,000 policy, $1,000 in present cash value; if the benefit is payable in ten or twenty installments, the amount of each installment will be more than $100 or $50, respectively, since the company will give credit for interest earned on funds still unpaid. On a 3½ per cent. interest basis, for instance, ten installments of $116 each or twenty installments of $68 each may be paid. On the other hand, the company may consider that $1,000 in all shall be paid and, instead of waiting for death, installments may begin at once. Twenty installments of $50 each or ten of $100 may thus be paid. It is apparent, however, that this is equivalent to considering the policy matured, not for $1,000 present value, but for the present value of $1,000 payable in ten or twenty installments, an equivalent of $861 or $736 respectively, on a 3½ per cent. interest basis. If a policy is paid in installments, therefore, the company may give a value equivalent to $736 immediate cash, or $861 or $1,000.

Liberalization

The tendency of the changes made since 1912 in installment benefits reflects very clearly the liberalizing of these benefits. Three companies have changed their installment benefits; two which earlier gave the face value in twenty installments have changed to ten; they have replaced a value of $736 with one of $861. One company which gave two-thirds of the sum insured in twenty installments followed by a life annuity has changed to ten. The present value of the installments certain was $491; the value of the annuity is undeterminable at present, but from the best evidence is small. The value of the new benefit is unquestionably greater than the old.

Seven clauses which originally granted only the waiver of premiums have now added installment benefits and nineteen of the new clauses contain them. Of these twenty-six companies, ten grant the twenty installment benefit, ten the ten installments, two grant monthly payments of ½ per cent. and 1 per cent. of the sum insured for two hundred and one hundred months, respectively. Four companies give a value equivalent to $1,000 cash at the time of disability. This latter benefit was first introduced by the Travelers Insurance Company in October, 1913; the fact that it is now given by four other companies, namely The Prudential, the Union Central, the Northern Assurance Company of Michigan and the Protective League is significant of the tendency toward more liberal benefits. The Prudential and Union Central clauses are especially commendable because of the latitude allowed in selection of the mode of payment. The Prudential benefit may be paid monthly, quarterly, semi-annually or annually. The Union Central allows the policy to be paid after disability in accordance with the terms of the regular settlement options.

Installment Benefits—Method of Handling Indebtedness

The methods of determining the amount of disability benefit in case in-

(Continued on Page 9.)

Satisfactory
Efficient
Reliable
Valuable
Immediate
Careful
Earnest

This is the SERVICE you have been looking for on your surplus and Brokerage LIFE BUSINESS.

Give me an opportunity to prove it to you.

R. M. SIMONS, General Agent
HOME LIFE INSURANCE CO. of N. Y.
115 Broadway New York City
Phone Rector 4287 Room 807

THREE

Important new features are announced by

THE GERMANIA LIFE INSURANCE COMPANY

of NEW YORK

A Double Indemnity Clause

which provides for the payment of ***double*** the face of the policy in case of the death of the insured as a result of an accident of ANY KIND.

A New Income Endowment Policy

and

The Extension of Its Free Health Service to All New Policyholders

"A Growing Company for Growing Men"

T. LOUIS HANSEN, Superintendent of Agencies
50 UNION SQUARE NEW YORK CITY

Liability for Medical Examiner's Action

DECISION OF N. Y. APPELLATE DIVISION HANDED DOWN

New York Life Wins Case Where Medical Examiner Entered Wrong Answers

The New York Appellate Division has recently decided, in Bolland vs. New York Life, 162 N. Y. Supp. 706, a point of interest in connection with a life insurance company's liability for the acts of its medical examiner in writing down the replies given by applicants for insurance.

The Action

At the trial of an action on a life policy it appeared that the insured had signed an application on which the questions were printed, and on which a number of the written answers to the questions were false. Moreover, there was no doubt that each of the questions and answers related to a material fact, and that, if the insured made these answers, she must have known that they were false. The plaintiff, however, produced testimony to show that the beneficiary had answered the questions correctly, but the medical examiner had entered the wrong answers on the blank, and the beneficiary signed the application without reading it over. This testimony was denied, but apparently the jury believed the plaintiff's testimony. The main question presented was whether such testimony was admissible, and, if true, could constitute a defense of this action.

Under section 58 of the Insurance Law:

> All statements purporting to be made by the insured shall in the absence of fraud be deemed representations and not warranties.

The defendant was therefore bound by its contract, unless it proved that the applicant made the statements contained in the written answers fraudulently. Ordinarily, of course, where a party seeks to rescind a contract on the ground of fraud, the other party may introduce evidence to show that there was no fraud, and also evidence to show that the party which claims to have been defrauded was in fact not misled. This rule had, however, no application to the present case. The contract itself provided that:

> The policy and the application therefor constitute the entire contract between the parties.

Section 58

And a copy of the written application was attached to the policy when delivered. Moreover, section 58 of the Insurance Law provides that:

> Every policy of insurance issued or delivered within the State on or after the first day of January, 1907, by any life insurance corporation doing business within the State shall contain the entire contract between the parties and nothing shall be incorporated therein by reference to any constitution, by-laws, rules, application or other writings unless the same are indorsed upon or attached to the policy when issued; and all statements purporting to be made by the insured shall in * * * absence of fraud be deemed representations and not warranties. Any waiver of the provisions of this section shall be void.

By virtue of the express provisions both of the contract of insurance and of the statute, the application signed by the insured therefore became a part of the contract. The applicant under her own signature agreed that:

> I have carefully read each and all of the above answers, that they are each written as made by me, that each of them is full, complete, and true, and that to the best of my knowledge and belief I am a proper subject for life insurance, and I understand and agree that they are each material to the risk, and that the company, believing them to be true, will rely and act upon them.

Sternaman vs. Metropolitan

The plaintiff was apparently on the horns of a dilemma. If the answers as signed by the applicant were true, then the proof showed as a matter of law that they were made fraudulently, and that the defendant relied on them. If they were true, the plaintiff must contradict the terms of the contract signed by the applicant, and the very contract upon which the plaintiff was claiming. There is, however, a line of cases, culminating in the case of Sternaman vs. Metropolitan Life Insurance Co., 170 N. Y. 13, 62 N. E. 763, 57 L. R. A., 318, 88 Am. St. Rep. 625, holding that in such cases, as the medical examiner was the agent of the company, it was estopped from urging the defence of fraud or breach of warranty. These cases arose, however, before section 58 of the Insurance Law was enacted.

In the present case we not only have the fact that copies of the application, with the medical examination, were delivered to the insured and remained in her possession, but we also have the fact that the Legislature has expressly provided that this must be done for the protection of the insured, and that, when this is done, the policy and the papers so delivered are the whole contract. It was the evident purpose of the Legislature that each party to the contract was to receive complete copies of the contract, so that there might be no dispute as to what the contract contained, or what it was intended to contain. It would certainly seem anomalous if, under such circumstances, a defendant, who has complied with the statute, were estopped from using the contract or relying on its contents, merely because the other side had not examined or read the contract and relied upon the expectation that its contents would conform to oral statements. See, also, Russell vs. Pru. Ins. Co., 176 N. Y. 178, 68 N. E. 252, 98 Am. St. Rep. 656, and McClelland vs. Mutual Life Ins. Co., 217 N. Y. 336, 111 N. E. 1062. Judgment for the plaintiff was reversed and the complaint dismissed.

CONSERVING THE BUSINESS

Garret E. Murphy, of the Syracuse district of the Metropolitan Life, with a debit of a little over one hundred and twenty dollars in industrial insurance, has not had a lapse in fifteen months. A large percentage of his business is paid one or more weeks in advance, and he always aims to make collections or new business written. During the fifteen months that he had no lapse his increase was $16.33. His average weekly increase in 1916 was twenty cents.

EQUITABLE PUBLIC BULLETIN

Another advance step has been taken by the Equitable Life of New York, in the form of a "Public Bulletin" to be issued once a month and sent to its agency force, the public and the press.

The home office of the Equitable, like that of any large insurance company, is verbally a clearing house for an abundance of reports from all over the country, and in a measure the "pulse" of the nation's business can be felt at such a central point. This public bulletin will be a digest of the most interesting and valuable information thus gathered.

New Charts Shown to L. A. Cerf Agency

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Will Be Featured in New Book—Annual Meeting of Mutual Benefit Agency

C. G. Monser general agent of the Mutual Benefit's general agency in Buffalo, presented to the members of the L. A. Cerf general agency, which held its annual meeting at the Hotel Martinique this week, the new charts which have been prepared by that general agency, and which were originated by W. H. Stanley, of the Buffalo agency.

These charts, which feature a man's wealth line, are now being incorporated into a book which will be ready in a month or so. Mr. Monser took the charts all around the country, making a trip with A. A. Drew, superintendent of agencies, and William Winton, assistant superintendent of agencies, during which he addressed ten general agencies in twenty-one days. The basic idea back of the charts is to develop the idea of insurance in the minds of men who are trying to achieve economic independence around the age of sixty-five, which means every young and middle-aged man. Almost any one of the charts is a fine argument for life insurance.

Color Block Chart

The first of the charts illustrated the direction taken by the wealth line, as is shown by the experience of large groups of men. The wealth line is lowest, of course, during two periods of a man's life—when he is being supported and sent to school, and after reaching old age. Figures are shown which illustrate that only one boy in forty is able to complete a high school education. The life line is shown through the various ages as it applies to both the spender and the saver. One of the best of the charts takes the American Bankers Association's famous figures on what happens to 100 men 40 years after they have reached the age of 25. This particular chart consists of different colored squares, the biggest square (colored red to signify the red blood of life) is in the foreground. A chart in gray represents the number who have died, 36. A small square in gold shows that one man out of a hundred has become very rich. A cube of four blocks in purple shows that four have become fairly rich, the color acting as a symbol of purple and fine linen. A chart in green has five cubes, meaning that five are still working. A very large square in blue shows that 54 are dependent, blue representing depression and melancholy. This particular chart is about as effective an argument for life insurance as could be obtained.

Ascending the Stairs

Some other charts are built with a basic idea of a pair of stairs. At the top of the stairs is a bag of gold. The policyholders are seen climbing. Dividends and other accumulations bring the bag of gold nearer to the man climbing the stairs. Some other charts began with a safe, bearing the name Mutual Benefit on it, and each year there is a bag put in the safe. As the policy runs on the bags finally become so numerous that eventually the safe is full. The accelerative idea is also featured.

Farmers Good Prospects for Income Policies

William Winton made a most effective talk for income policies. He gave an interesting account of a conversation he and Mr. Drew had with a member of the State Board of Equalization of Illinois met on a trip. This man had jurisdiction over five or six of the richest corn belt counties of the State, and he told the Mutual Benefit men of many circumstances that came under his review of cases where widows who were wealthy had become discouraged over a crop failure or some other event and had cashed in on their funds and then made an investment which had turned out poorly. He told of several who had become penniless. This was used by Mr. Winton as a most effective argument for farmers to take out income policies. Dealing with a broader socialistic aspect of the case, Mr. Winton discussed the importance of the fixed income, no matter how small it may be. When some agent asked him as to the size of the smallest policy which should be arranged for income insurance, he promptly replied $500. He said that some government pensions are only $12 a month, but they represent the difference between dependence and independence.

J. Elliott Hall, of Newark, gave his ideas on competition to the members of the Cerf agency. His methods of meeting opposition and overcoming obstacles in the minds of the prospects will be treated more at length by The Eastern Underwriter in a later issue.

Medical Director Talks

Dr. William R. Ward, medical director, explained why companies are using more precaution with over-weights and under-weights. Out of 8,322 deaths in the Mutual Benefit last year, 41 per cent. were due to the group of diseases consisting of apoplexy, chronic heart diseases and Bright's disease. Ten per cent. of the deaths were due to pneumonia. The unfortunate part of the pneumonia deaths is that there has been very little progress in medicine in avoiding these deaths. Primary selection has little to do with the pneumonia death rate. Grippe epidemics add to the mortality. Seven per cent. of the deaths were due to tuberculosis.

Expect a $15,000,000 Year

The Cerf agency is going ahead at a dazzling clip. It is expected that at least $15,000,000 will be paid for this year. Last year's record was more than $12,000,000. The producers of the agency came to New York from Atlantic City where they had a meeting. At the banquet on Monday night, E. E. Rhodes, vice-president, and P. C. H. Papps, actuary, and others spoke.

TEN MILLION MARK PASSED

On March 1st, the Detroit Life had insurance in force amounting to $9,940,000, and enough new business has been paid for since the first of the month to put them well past the $10,000,000 mark. The company is aiming to make it more than $12,000,000 by the end of the year.

During the first sixteen days of this month the written business amounted to $270,000; and the company is anxious to equal, if not beat, the record for March, 1916, which was $514,000 in written business.

J. S. EDWARDS
Secretary

SAN JACINTO LIFE INSURANCE CO.


BEAUMONT-TEXAS

G. A. WELLS
Asst. Secretary

An opportunity for rapid advancement is offered to men who are willing—and will.

FOR AGENCY CONTRACTS ADDRESS

H. M. HARGROVE, President
BEAUMONT, TEXAS

Double Indemnity and Disability Clauses in Life Contracts

By Arthur Hunter, of New York Life

(Editor's Note—From Testimony on Disability Hearing Before Insurance Commissioner Cleary, of Wisconsin)

Practically all the companies use the same basis in determining their premiums and that basis was made up from the experience of the fraternal orders. It covered quite a large amount of data, and, in making up the experience, the author applied two different methods of safeguarding the data so that the premiums would surely be safe and the reserves would be conservative.

We have applied these tables to our experience and we find that we have had a smaller number of disability claims than is shown in these tables, and that the number of deaths among the disabled was greater than is shown in these tables, which goes to prove that the premium—the basis of premiums is safe, and the reserves are adequate.

Keeping Track of Experience

We also made up a cash book account from the very beginning when we started this on the first of July, 1910, to the thirty-first of December, 1916, charging against that account the commissions paid, all expenses, all liabilities we have, including reserve, and we find we have got a satisfactory surplus from these years of operation—a sufficiently large surplus so if we had a distinctly unsatisfactory experience for several years the Company would be protected, so far as disability benefits are concerned, not being taken with our other losses, thus not affecting those policyholders who did not take this feature, the disability benefits standing on their own basis.

Should Plan Be Developed?

The next point I should like to raise, is whether this plan for granting of disability benefits should be allowed to develop. I think first of all there is a very distinct need for it. Until the life insurance companies picked up this business, no other insurance companies granted it; the casualty companies didn't grant it. We are not encroaching upon the business of anyone; we are granting in my judgment, which no other type of company was granting or considered granting, and we are granting these benefits on safe lines and as has been borne out by the number of people applying for it there is a very distinct need for it.

Hunter Table

(Mr. Hunter was asked some questions by Commissioner Cleary about the Hunter table.)

I should say at the present time the table (Hunter's table) is entirely safe. In making up the table originally I stated that that was the purpose of it. I have a copy of the original paper here and in the conclusion to that paper I said, "I wish to reiterate that it has been my attempt to obtain conservative tables of net premiums and accordingly the adoption of factors of safety has produced such results."

I adopted two factors of safety which seemed to appeal to the actuaries who discussed the paper at a later time. I am not foolish enough to believe that this table should be the permanent standard. I think it is the best that can be had at the present time. Five years from now, when the companies have had ten years' experience, it will be entirely possible to base a table on the life insurance companies' records, and I should be the last one to ask that the present table be continued after we had a broader table based upon experience of the companies, but so far as I have been able to tell at the present time, the new table will not be more stringent than the one suggested at the present time.

So far as making it the standard of premiums is concerned, I think if it is made the standard of reserves, the companies are more or less forced to use it as the basis of premiums; otherwise you could not collect enough money from the premiums to put up the reserve. I don't think there is any State in fact which specifically requires the premium for life companies to be based on certain tables of mortality and rate of interest, but if the reserves are based on certain tables, it forces the premiums to be based on these same tables.

Influence of Selections

(Com. Cleary: You state your experience demonstrates the adequacy of your table. What would you say in reply to the suggestion that the influence of selection is still apparent among the risks affected and that a further development may show a greater or rather a nearer approach to the estimates or the expected disabilities under the table?)

I would say to that that the experience of the New York Life is so far within the tables that there is enough to cover any increase which will come from the fact that the people are getting further and further away from medical selection. If a company in its early years were to have as high an experience as my tables, it would indicate in my judgment three things: either they were exceedingly unlucky or they didn't have a large enough number of risks to get an average, or that they were careless in selection of risks and didn't know how to handle this business. It has to be handled with care and the more liberal the disability benefits are, the greater care and restrictions must be made to prevent fraud.

(Com. Cleary: Well, will the incorporation of benefits of this kind in the policies have a tendency to make the companies more rigid in their medical requirements, and if it does, isn't it subject to some objections from that standpoint?)

Contestable Clause

I can answer only for my own company. It is a well-known fact that in 1908—up to 1908—the policies were incontestable and had no suicide clause. Before putting into effect any disability benefits we made a one-year suicide clause and a one-year contestable clause. Our experience with these benefits indicates that you would find all the fraudulent cases at the end of the first year when the first claim was made, so now every policy has a two-year suicide clause and a two-year contestable clause. Personally, I think it is an exceedingly good thing, because I don't believe the insurance companies are here to pay fraudulent claims, but, on the other hand, are here to pay every legitimate claim and the stronger you make the disability benefits the more chance there is for fraud and therefore I think it is better to have such restrictions applying.

So far as the medical end of it is concerned, there is only a slight stiffening up and that is only on certain lines. As a matter of fact the disability benefits are only secondary benefits to the insurance, and, as a rule, if a man is not good for insurance he is not good for the disability benefits, but if a man isn't good for disability benefits he might be all right for the insurance. But there are certain cases such as I mentioned of those diseases and certain occupations where it would be bad for us to grant the disability benefits—it would be unsafe to the company and I might put it this way—you might strike a particular type of case in an occupation where by charging an extra premium you could cover the mortality or twice normal, but in that occupation the chance of disability might be ten to normal, so you would have to have an entirely different basis for disability than for your life premium. I believe, however, that there will be a development sooner or later that will take care of these risks too.

(To be Continued.)

Ambitious, Productive and Trustworthy Life Agents may be benefitted by corresponding with the

Berkshire Life Insurance Company
of Pittsfield, Mass.
Inc. 1851

New policies with modern provisions Attractive literature
W. D. Wyman, President W. S. Weld, Supt. of Agencies

FOUNDED 1865
Unexcelled In Favorable Mortality and Economy of Management
The Provident Life and Trust Company
OF PHILADELPHIA
Rates of Premium Extremely Low and still further reduced by Annual Dividends

A PENN MUTUAL PREMIUM, less a PENN MUTUAL DIVIDEND, purchasing a PENN MUTUAL POLICY, containing PENN MUTUAL VALUES, make an INSURANCE PROPOSITION which in the sum of ALL ITS BENEFITS, is unsurpassed for net low cost and care of interests of all members.

THE PENN MUTUAL
Life Insurance Company
OF PHILADELPHIA
On January 1, 1909, rates were reduced and values increased to full 3% reserve

THE MOST VALUABLE POLICY FOR YOU,
Mr. Agent, is to write your prospect in the Company writing the most valuable policy for the insured.
Secure **prompt action** in the
John Hancock MUTUAL LIFE INSURANCE COMPANY OF BOSTON MASSACHUSETTS
WILLIAM N. COMPTON, General Agent
METROPOLITAN DISTRICT, ST. PAUL BLDG., 220 BROADWAY, NEW YORK, N. Y.

We want a GOOD PERSONAL PRODUCER and organizer for DESIRABLE TERRITORY in several states west of the Mississippi River. EXCELLENT CONTRACT.
Northwestern National Life Insurance Company
MINNEAPOLIS, MINNESOTA,
is a LEADING LOW NET COST, annual dividend, MUTUAL, OLD LINE company. Record for 1916—increase in insurance in force, 20%; in paid-for business, 51%; in assets, 15%; in amount apportioned for 1917 dividends, 71%.

The
Perfect Protection Policy
OF THE
RELIANCE LIFE
gives you something absolutely new and different to talk to your prospects. Gives you a chance to earn more money than you are now making.
Our Life Insurance Contracts contain the most up to date clauses known to the Insurance World. The Accident and Health gives full protection for at least a third less cost than regular casualty companies. Our agency contracts are as liberal as can be made.
WRITE AND WE WILL TELL YOU MORE ABOUT OURSELVES
Reliance Life Insurance Company of Pittsburgh
FARMERS BANK BUILDING
PITTSBURGH, PENNSYLVANIA

Began as Office Boy with Provident L. & T.

PRESIDENT A. S. WING COMPLETES HALF CENTURY OF SERVICE

Keen Mind and Unflagging Industry Carried Him to the Top—Steps in Career

On March 16, 1917, Asa S. Wing, president of the Provident Life and Trust Company of Philadelphia, began his fifty-first year in the service of the Company.

Born at Sandwich, Massachusetts, on January 29, 1850, he came to Philadelphia, a boy slightly over seventeen years of age, and entered the employ of the Provident, then still in its second year of corporate existence. He has himself told how he started at the munificent salary of six dollars a week, making himself useful in any way that he could, being errand-boy, office-boy and general factotum of the office force. His unfailing industry and the rapid development of a keen mind and sound judgment soon resulted in his advancement, and in April, 1873 he was appointed assistant actuary of the Company.

Was Actuary

Mr. Wing continued to fill this position until the death of Rowland Parry, the first actuary of the Company, when he became actuary. In May, 1881, he was elected vice-president and in 1906, on the retirement of the Company's first president, Samuel R. Shipley, he was elected president. Thus it will be seen that practically his whole life has been devoted to the Provident's service, although, with all his devotion to the Company's interests, he has found time to give invaluable service to many charitable and educational organizations, and is at the present time president of the Corporation of Haverford College, and treasurer of the trustees of Bryn Mawr College, as well as a member of the boards of several other institutions of like nature. Only a very unusual capacity for work, and the possession of a thoroughly systematic and well-trained mind, have enabled him to accomplish the vast amount of personal service that he has given to all these varied interests. The same qualities have enabled him to keep in close touch with the activities of each department of the Provident, while in no way cramping the initiative of his various assistants. The success of his general policy is well reflected in the steady growth and advance of the Company's business during the eleven years that he has directed its destinies.

Valuable Years Ahead of Him.

It is given to few men to complete fifty years of service to one corporation, and to fewer still is it given to reach that point with every faculty unimpaired and with the prospect of more years of valuable service ahead of him. A good citizen, a thoroughly equipped insurance man, a splendid executive, Mr. Wing is, above all, a man of the highest and best type, and his example and precepts will be a living force long after his bodily presence has passed away.

QUALITIES OF SALESMEN

A salesman must have ambition. He must have manhood or he can't win respect and confidence; he must have the observant eye and the organizing mind; he must have the ability to read men. Salesmanship is the biggest word in the business dictionary. The monetary value of everything in the world is based on selling. Business is one-half selling and salesmanship is the most vital factor. Sales are the purpose of production, and the salesman is the connecting link between supply and demand, equally important to producer and consumer.

—Security Life "Bulletin."

NATIONAL LIFE INSURANCE COMPANY

(MUTUAL)

MONTPELIER, VERMONT

67th Year

FRED A. HOWLAND, President

On paid-for insurance basis and with bonds valued at par only (market value $409,882 above par) the 67th report shows:

Assets	$66,426,040.82
Liabilities	62,268,494.36
Surplus	$ 4,157,546.46
INSURANCE IN FORCE	$212,037,400.00

A good company for the policyholder and the agent

EDWARD D. FIELD, Superintendent of Agencies.

MILLIONS IN ENDOWMENTS

British Policyholders Participate in War Loans—Henry L. Rosenfeld Back From Europe

Henry L. Rosenfeld, fourth vice-president of the Equitable Life Assurance Society, who has traveled more in Europe since the war started than any other American life insurance man, has returned from another trip abroad. This time he visited only England, France and Spain. Mr. Rosenfeld was a passenger on the "Adriatic," the captain of which had been in charge of the "Olympic," which made many trips to the Mediterranean transporting troops, etc. On the "Adriatic" were thirty-five first-class passengers, seven of whom were women. No information of any kind was given as to the course taken and there was enough excitement to last for a lifetime. The crossing was made in ten days and there was a sigh of relief when the shore of Long Island was sighted.

Mr. Rosenfeld said that the British life insurance companies are writing a tremendous amount of endowment insurance. They announced to policyholders that the latter might subscribe for the 5 per cent. war loan by taking out either pure endowment or straight endowment in five, ten, fifteen or twenty year terms. If the insured dies payment is made in the loan shares. There are many ingenious features in the plan, the success of which was phenomenal.

FIRST YEAR DEATH CLAIMS

During 1916 the New York Life paid claims on the lives of 179 policyholders who died within twelve months after taking the insurance. One person lived four days, another nine, four less than a month, and sixteen others passed away in less than two months. The first year claims for 1916 amounted to $514,203.

IDAHO UNDERWRITERS MEET

Gem State Association Elect Officers—C. F. Kutnewsky Advanced From Secretary to President

Officers were elected for the ensuing year at a meeting of the Gem State Association of Life Underwriters held in Boise, Idaho, on March 10th. Chas. F. Kutnewsky, Equitable of N. Y., secretary of the association during 1916, was elected president. Other officers elected were E. A. Crooks, Northwestern Mutual, vice-president; A. G. Nelson, Western States Life, secretary; and W. R. Wilkerson, Mutual Benefit Life, treasurer. R. C. Pennington, Western States Life, was appointed chairman of the executive committee. Other members on the committee are Hans Roan, Northwestern Mutual; G. B. Martin, Mutual Benefit Life, T. D. Vickery, Penn Mutual and D. G. Whyte, Prudential.

LICHTENSTEIN ANNIVERSARY

Louis Lichtenstein, agency manager of the Equitable Life of New York, was tendered a luncheon by the members of his agency last week, to celebrate his first anniversary as agency manager for the company. The agency made rapid progress during 1916, and the business for the first two months of 1917 exceeded the pro rata allotment for the first quarter. The agency stood twenty-first in new paid for insurance, and twelfth in first year's premiums among the list of leaders for the first two months of this year.

GEORGE WASHINGTON LIFE

The George Washington Life paid for outstanding insurance last year as follows:

(1) Term insurance	$ 674,581
(2) Ordinary life	3,200,366
(3) Limited pay life	4,529,563
(4) Endowments and all other forms	869,643
(5) Commuted value of accidental death benefits	460,831
Total	$9,734,984

PURELY MUTUAL **THE** CHARTERED 1857

Northwestern Mutual Life Insurance Co.

MILWAUKEE, WISCONSIN

GEO. C. MARKHAM, President

Insurance in Force, $1,505,464,984

SATISFIED POLICYHOLDERS each year apply for over 35% of the new insurance issued.

POLICIES MOST FLEXIBLE AND EASY TO SELL

Complete Agency Protection:

Enforced Anti-Rebate and No-Brokerage Rules

Investigate before selecting your Company

Write GEO. E. COPELAND, Supt. of Agencies, Milwaukee, Wis.

Million Taken by William P. Bonbright

NEW YORK BANKER WITH OFFICES IN MANY CITIES

Long a Believer in Insurance—L. S. Welch, Phoenix Mutual, Swung Line

William P. Bonbright, of Wm. P. Bonbright & Co., a leading banking and investment house of New York City, with branches in London, St. Louis and other cities, has taken out $1,000,000 of life insurance. The line was placed by Lewis S. Welch, of the Phoenix Mutual in New Haven. That Company wrote its limit, and the balance of the line was placed with a number of other companies.

Insured 56 Years Old

Mr. Bonbright is fifty-six years old. The policy was an ordinary life, with his corporation as the beneficiary. It became known shortly before the war that Mr. Bonbright was in the market for a large amount of insurance. He is said to have told friends that if it had not been for the war he would have bought more than $1,000,000 insurance.

This million-dollar case is a record for any life insurance man in Connecticut. It is only one of the large policies which have been written in the past few years by Mr. Welch. In discussing the personality of the agent in this case, Capt. B. W. Burpee, of the Phoenix Mutual Life, said a few days ago:

"Of course Mr. Welch has had an advantage in that his early training, after being graduated from Yale in the notable class of '89, was in a newspaper office, and that office, The Hartford Courant, where he became city editor, and later as editor of the Yale Alumni Weekly, which he put on its feet; but there also are men of intellect and genius outside of newspaper offices who make great successes when they take up the right kind of insurance in the right way. Many a college man's insurance career is an attest of that. Insurance has become a calling which commands and rewards the very best there is in the very best man."

Mr. Welch, who is a brother of the actuary of the Phoenix Mutual, has refused to make any statement for publication regarding the Bonbright risk.

RATIOS FROM NORTHWESTERN MUTUAL LIFE STATEMENT

	1916.
Interest and rents to mean ledger assets	5.03
Expenses and taxes to total income	12.32
Expenses (except taxes) to total income	10.65
Taxes to total income	1.67
Commissions and agency expense to total income	7.72
General expenses to total income	2.93
Expenses and taxes to premium income	16.79
Expenses (except taxes) to premium income	14.52
Taxes to premium income	2.27
Commissions, etc., to premiums	10.52
General expenses to premiums	4.00

WOODS AGENCY OUTING

The nineteenth annual outing party of the Edward A. Woods Company of Pittsburgh, will leave that city on March 26th for a two weeks' trip. Going through West Virginia, Ohio, Kentucky, Tennessee and Georgia, and will hold a five days' convention at the Hotel Ormond, Ormond Beach, Fla. The party will leave for the North on April 3rd, stopping at St. Augustine and Jacksonville, Fla. It will leave Savannah, Ga., via boat, on April 5th, arriving at Baltimore two days later. William M. Duff and A. E. Patterson are in charge of arrangements.

Make H. M. Hargrove San Jacinto President

LARGELY RESPONSIBLE FOR GROWTH OF COMPANY

Succeeds J. Cooke Wilson—Put $2,000,000 New Business on Books Last Year

H. M. Hargrove, who has been active vice-president of the San Jacinto Life, of Beaumont, Tex., since its organization in May, 1914, was unanimously elected president of the Company at the directors' meeting a few days ago. Mr. Hargrove succeeds J. Cooke Wilson, who has been president of the Company since its organization. Mr. Wilson asked that his name not be considered for re-election, explaining that



H. M. HARGROVE

he thought the Company had become of such size and importance as to require the entire time of its head officer. Mr. Hargrove is an insurance man of unusual capability, who has done fine work, particularly with the San Jacinto Life.

The Company has grown steadily and in the proper direction. Approximately two million dollars' worth of new business was done by the Company last year, making the present outstanding insurance in force slightly less than three million dollars. During the year of 1916 there was a gain of $73,662.54 in the admitted assets of the Company, making the total admitted assets $204,048.88. During the year the gain in surplus to the policyholders amounted to $59,474.63.

At the meeting of the stockholders 1,300 out of the 1,500 shares were represented. The stockholders heard the reports of the officers and committees. They were very well pleased with the showing made last year. Two new directors, H. J. L. Stark of Orange and George A. Wells, who has served as assistant secretary since the Company was organized, were elected.

Follwing the stockholders' meeting the directors met and elected officers and discussed plans for the new year. J. Cooke Wilson was elected chairman of the board. The other officers elected were as follows:

H. M. Hargrove, president; W. H. Stark, C. H. Moore, Ed. Paggi and I. R. Bordages, vice-presidents; J. S. Edwards, secretary; B. R. Norvell, treasurer; E. E. Townes, attorney; Dr. D. S. Wier, medical director; Dr. J. H. Reagan, associate medical director; Charles H. Stroeck, assistant treasurer, and George A. Wells, assistant secretary.

HAS SUCCESSFUL START

Elmer Dwiggins, General Agent of Bankers Life, of Iowa, in This State

A general agency of the Bankers Life Company of Des Moines has been opened under the management of Elmer Dwiggins, who for a number of years has conducted a successful general agency for the Bankers Life, in Milwaukee.

The first week the agency, which territory comprises New York City and New York State, with agencies only in Manhattan and Albany at the present time, wrote $132,000 of business; the second week the production was $110,000; the third week it rolled up $105,000. More than seven cases for $10,000 each were written in a month.

Mr. Dwiggins is training a number of men, thirty in New York City and ten in Albany, all of whom are new to the insurance business. The office plans to attract salemen from other lines of business and train them to sell Bankers Life policies.

C. M. B. A. DECISION

Association Has Right to Create Separate Reserve Funds for Each Class of Members

The decision of Justice Dudley of the Supreme Court of the State of New York in the case of John H. Dietrich and others against the C. M. B. A., was entered in the Erie County Clerk's office at Buffalo on January 29, 1916. This is the case where six members of the Association belonging to Buffalo branches sought to restrain the Association from putting into effect the amendments adopted by the Supreme Council at its session in October, 1915.

The decision of Justice Dudley holds that only one of the amendments is illegal, namely, the amendment dividing the existing accumulations in the reserve fund between Class 1 and Class 2. He holds that the existing accumulations in the reserve fund are a common fund for the benefit of the present members of the Association, except that any member of the Association may, by electing to remain in or to join Class 2 of the Association, relinquish his interest in the existing accumulations. The effect of the decision undoubtedly is that the existing accumulations in the reserve fund must remain wholly for the benefit of the members of Class 1.

The decision also holds that all other amendments adopted at the October, 1915, session of the Supreme Council are legal. The effect of this portion of the decision is that the Association has the right to classify its membership on the plan adopted by the Supreme Council and has the right to create and maintain separate reserve funds for each class of the membership.

(1) That each of the plaintiffs in the case acquiesced in and assented to every amendment to the constitution and laws of the Association prior to the plan of 1915.

(2) That every representative and officer of the Supreme Council which adopted the plan of 1915 was admitted to membership prior to January 1, 1904; that the amendments were adopted by a unanimous vote; that the amendments "were adopted in good faith and in the honest belief that the adoption thereof was absolutely necessary to save the Association from imminent financial disaster."

(3) That since the organization of the Association it has paid out in death claims approximately $31,000,000, and that the beneficiary fund has been used solely for the payment of death claims.

Resolutions Passed By Great Southern

10,000 SHARES OF CAPITAL AT $10 EACH, ADDED

Purpose of Newly Created Surplus Fund—Company Had Another Good Year

The resolution of the Great Southern Life increasing the capital stock to $600,000, and creating a fund of $150,000 from the surplus created by the sale of the stock for taking over other companies, reads as follows:

"Be it resolved by the stockholders of the Great Southern Life Insurance Co., in regular annual meeting duly assembled on the 13th day of March, 1917, 18,961 shares of the stock of the Company being represented at said meeting by the owners and holders thereof in person, and 14,810 shares being represented by those holding duly executed and accepted proxies:

"That the capital stock of the Great Southern Life Insurance Company be increased by 10,000 shares of the par value of $10 per share, so that the capital stock of said Company shall hereafter be $600,000 instead of $500,000.

"Be it further resolved, that said additional stock be sold for not less than $25 per share; that same be offered to the present stockholders of the Company in proper proportion at the price of $25 per share; that such as is not taken by the present stockholders be sold to whoever may apply to purchase same, but, in no event, is same, or any part thereof, to be sold for a less price than $25 per share.

"Be it further resolved, that the surplus of $150,000 to be created by the sale of said additional stock be placed in a separate fund for use in acquiring additional insurance and especially for the purpose of taking over, if opportunity offers, the business of other companies. The end and purpose of keeping said surplus separated from the surplus profits of the Company is that said surplus profits or net earnings of the Company may be left available for the payment of future dividends.

"Be it further resolved, that the officers of the Company be and they are hereby authorized, empowered and directed to, in due time, take such steps as are required by law to make the said increase of the capital stock of the Company effective."

Comment on Resolution

A representative of the Company said to The Eastern Underwriter that there was no particular company the re-insurance of or control of which the Great Southern had in mind, but it desired to be prepared to grasp any opportunity in that direction, if it offered itself.

The following resolution was also passed by the board of directors declaring a dividend of 6 per cent. on the capital stock:

"It being made to appear to this board that the stockholders of this Company, in meeting duly assembled, have by resolution duly passed, signified a wish and given direction that a dividend of 6 per cent. on the outstanding capital stock of the Company be by the directors declared and paid.

"Now therefore be it resolved, that the sum of $30,000 be and it is hereby appropriated and set aside from the surplus profits of this Company for the payment of a dividend of 6 per cent. on the outstanding capital stock of the Company, said dividend to be due and payable on the 14th day of March, A. D., 1917.

"Be it resolved further, that the officers of this Company be and they are hereby authorized and instructed to give due notice and pay such dividend in conformity with the directions above given."

Over $42,000,000 Outstanding

President Carlton's report showed that the net earnings of the Company during the year amounted to over 12 per cent. of the capital stock; also, that the gross assets of the Company amount to approximately $3,000,000, and the outstanding insurance is now in excess of $42,000,000.

The following sentence is quoted from the president's annual report to the stockholders:

"It is a genuine pleasure to be able to report the apparent present prosperity of the Company, with every prospect for a continuation of same."

The Company is now operating in six States.

Richard Brodin is actuary of the United Life and Accident Insurance Company.

An Office doing business in Eastern Pennsylvania could use a good Life Insurance Company in this territory.

Address "KEYSTONE"
Care of The Eastern Underwriter
105 William Street, New York, N. Y.

ALWAYS A PLACE FOR DEPENDABLE AGENTS

Those who can not only write applications but deliver policies, and are energetic in their methods. Good positions are ready for such men.

Union Mutual Life Insurance Co.
PORTLAND, MAINE
ARTHUR L. BATES, President
Address: ALBERT E. AWDE
Superintendent of Agencies
7 W. Madison St., Chicago, Ill.

WE have room just now for two or three good men—not the Million Dollar producer who takes it out in talk, but the man who can average $100,000 of personal business, plus experience in appointing and working with agents. Men who become valuable to this Company grow in value to themselves. We cannot guarantee your success, but we will give you a real opportunity, then it's up to you. Would you like to hear about it further?

Pittsburgh Life and Trust Co.
Home Office, Pittsburgh, Pa.
HOWARD S. SUTPHEN
Vice-President & Manager of Agencies

Extracts from Report of Examination of
SOUTHWESTERN LIFE INSURANCE CO.
By the State of Texas, June 28, 1915

"It is noteworthy that this Company was organized without any promotion expenses."
"I beg to report further that I find the Company in excellent financial condition."
"The volume of its business has steadily increased, its surplus is growing rapidly and its funds are being carefully conserved under expert supervision."

Home Office, DALLAS, TEXAS

A Simple Description of Policy Reserve

ASST. ACTUARY MACLEAN, MASS. MUTUAL, TO AGENTS

Tables For Different Terms Compiled —Comments, Too, on Assessment Organizations' Plans

A representative of the Massachusetts Mutual Life has asked the Company for a clear statement of the meaning of "reserve." The following description has been prepared by Alexander T. Maclean, assistant actuary:

It may briefly be stated that as a constant level premium is charged for a risk increasing from year to year, such level premium must of necessity be larger than is required during the earlier years and smaller than will be required later on. If, then, in later years the premium is insufficient to meet the risk, there must be a fund from which the balance of the cost may be derived. Hence the necessity for what is known as the reserve.

The income from any ordinary life policy during the first year of its existence consists of the actual premium received and the interest earned thereon. We have just stated that this premium is more than sufficient to carry the risk under the policy, and apart from the question of the initial expense, the excess of the income over the cost of the risk is held by the Company at the end of the first policy year. At the beginning of the second policy year another premium is paid, and, this is added to the fund. Interest is earned on the fund, the cost of insurance for the year deducted, and so on from year to year. This fund is the policy reserve, and it is absolutely essential that the Company maintain such a fund because otherwise there would not be in hand a sufficient amount to pay the sum insured when the policy became a claim.

In the case of an ordinary life policy the fund steadily accumulates from year to year until it reaches $1,000 between ages 95 and 96. The American Table, on which our premium rates are based, assumes that no one is alive at age 96, the last survivors having died between 95 and 96. It follows, therefore, that if a policyholder is alive after age 95, the accumulations of his net premiums and interest earnings, less the tabular cost of insurance, must be equal to the sum insured, because the premium he has paid is based on the assumption that he will certainly die between 95 and 96 if he has not died at a younger age.

The question now arises: If the reserve under a life policy does not equal the sum insured until the oldest age. where does the balance of sum insured come from in event of the earlier death of the insured? We have spoken above of the "Cost of the Risk," and this cost is simply the portion of the premium contributed towards the death claims year by year. In any group of lives experiencing the rate of mortality indicated by the American Table the total of the cost of insurance element for all policies, together with the reserves on the policies which do become death claims, is exactly equal to the amount of the claims by death.

The following table shows the working out of a group of 81,822 ordinary life policies taken at age 35. We have not sufficient space at our disposal to carry this table beyond ten years, but it will be observed that the above mentioned principles apply and that the fund at the end of ten years is exactly equal to the tenth terminal reserve for $74,173,000 of insurance, corresponding to 74,173 policies of $1,000 each. If this table were carried to the end of life it would show that the fund on hand was exactly equal to the sums payable on the death of the last survivors of the group.

44 MILLIONS from 42 AGENCIES

THE 1916 RECORD OF OUR EARNEST, LOYAL AND HAPPY AGENCY FORCE

New England Mutual Life Insurance Company

BOSTON, MASS.

TABLE I.

Ordinary Life.

Net Premium per $1,000=$21.08.

Policy Year	Lives Insured	Net premiums Received	Interest Earned	Deaths	Death Claims paid	Fund at end of year
1	81,822	$1,724,808	$ 51,631	732	$732,000	$1,044,439
2	81,090	1,709,377	82,808	737	737,000	2,099,624
3	80,353	1,693,841	113,868	742	742,000	3,165,333
4	79,611	1,678,200	145,877	749	749,000	4,240,410
5	78,862	1,662,411	176,884	756	756,000	5,323,705
6	78,106	1,646,474	209,484	765	765,000	6,414,663
7	77,341	1,630,348	240,977	774	774,000	7,511,988
8	76,567	1,614,032	273,878	785	785,000	8,614,898
9	75,782	1,597,485	306,422	797	797,000	9,721,805
10	74,985	1,580,684	339,511	812	812,000	10,830,000

Tables II and III illustrate the working of the reserve under groups of five year term and five year endowment policies, and the same principles apply with modifications according to the nature of the particular plan of insurance.

Should an applicant desire to pay only the cost of his insurance from year to year, then at age 25 and on the basis of the American Table with 3 per cent. interest the following are the net premiums that would be required:

Year	Premium	Year	Premium
1	$ 8.60	35	$ 55.10
10	10.51	40	84.49
20	16.89	45	127.88
30	35.79		

It will be observed that this annual cost increases rapidly from year to year, especially as the age advances, and the unsatisfactory nature of such a contract is evident.

On the same basis, the net level premium for an ordinary life policy is $21.08, of necessity larger than the cost of insurance during the early years. Under the net level premium plan, however, the insured would have to his credit the reserve value of the contract, while the annual cost policyholder has no such asset. Ignoring the element of interest, the annual cost policyholder would, during an interval of ten years, pay $94.76, and have no reserve to his credit. The level premium policyholder would pay $210.80, but he would have a reserve value of $146.01, so that if the policy were surrendered the insurance would have cost him less. On the other hand, the annual cost plan would provide, as far as the individual policy is concerned, the cheaper insurance in event of early death.

It was on this "annual cost" or "natural premium" plan that the assessment and fraternal organizations hoped to be able to provide cheap insurance. Their idea was that a constant influx of new members would result in a low mortality rate, and that the per capita cost would be correspondingly low. Whatever may be said for the theory, the practice of this idea did not lead to the desired results, and the experience of the last twenty years has shown that the net level premium reserve plan is the only satisfactory method of providing insurance protection.

The most important promise we make to our policyholders is that we shall pay the sum insured when the policy becomes a claim. We carry out our promise, and at as low a cost as possible. We do not guarantee dividends, but we do guarantee the sum insured. The reserve value held against every policy we issue is the basis and security for that guarantee.

TABLE II.

Five Year Term.

Net premium per $1,000=$8.97.

Policy Year	Lives Insured	Net premiums Received	Interest Earned	Deaths	Death Claims paid	Fund at end of year
1	81,822	$734,044	$22,022	732	$732,000	$24,066
2	81,090	727,478	22,546	737	737,000	37,090
3	80,353	720,866	22,738	742	742,000	38,694
4	79,611	714,209	22,588	749	749,000	26,491
5	78,862	707,090	22,419	756	756,000	nil

TABLE III.

Five Year Endowment.

Net Premium per $1,000=$186.64.

Policy Year	Lives Insured	Net premiums Received	Interest Earned	Deaths	Death Claims paid	Fund at end of year
1	81,822	$15,271,361	$ 458,141	732	$732,000	$14,997,502
2	81,090	15,134,740	903,967	737	737,000	30,299,209
3	80,353	14,997,185	1,358,892	742	742,000	45,913,286
4	79,611	14,858,697	1,823,160	749	749,000	61,846,143
5	78,862	14,718,903	2,296,954	756	756,000	78,106,000

(i. e., the fund in hand at the end of the fifth policy year is just sufficient to pay $1,000 to each of the 78,106 policyholders who are alive at the end of the fifth year—78,862—756=78,106.) fifth year—78,862—756=78,106.)

Popularity's Persistent Progress

The greatest of all great years in delivered business for this Company—1916! Without need of urging or pleading, our representatives, with vigorous and self-directed industry, were the enactors of this glistening achievement.

The tide of new business is flowing strongly in the New Year. We expect that 1917 will be another golden period of widely increased protective service of the homes and the businesses of the United States. Home Office and Field in the Massachusetts Mutual are a unit in their determination to be front-rank contributors.

Occasionally we have a General Agency opening for a quality man.

JOSEPH C. BEHAN, Superintendent of Agencies

MASSACHUSETTS MUTUAL Life Insurance Company

SPRINGFIELD, MASSACHUSETTS

Incorporated 1851

"WITH PROFIT" POLICY

New Contract of Star Assurance Society of London—Automatic Raising of Premium

Under the head of "Something New in Life Assurance" the Star Assurance Society of London, makes the following announcement to the argument about its latest contract, "With Profit Policy":

> You want to insure your life. You know a "With Profit" policy is, in normal times, far and away better than a non-participating one. You know also that first-class companies have suspended bonus declarations for the time being, owing to the war. You believe—and rightly—that bonuses, perhaps on a larger basis, will again be declared after the war, and you want to participate in them.
>
> But—you do not feel inclined to pay the extra premium for a "With Profit" policy when, at the moment, the advantages for which you pay the extra are suspended. Of course not.
>
> What are you to do? Wait? That way danger lies.
>
> Until you are insured your dependents are deprived of financial protection you mean them to have.
>
> Your difficulty is recognized and adequately met by the new plan devised by the Star Assurance Society. It is this:
>
> Very reduced premiums for next five years and no share in possible bonus declarations! Then automatic raising of premium to proper level with full participation in subsequent bonuses.

THE WORD "DIVIDEND"

At a recent meeting of life insurance agents a prediction was made that the word "dividend" would not be used by life insurance companies very much longer. A number of objections to the word were vouchsafed and several substitute suggestions were made.

LIVE HINTS FOR BUSINESS GETTERS

Practical Suggestions to Help the Man With the Rate Book Increase His Income and General Efficiency

Aetna Life's Advice to Agents

The Aetna Life's new business division receives the application upon its arrival and supervises its every move until it is turned over to the policy-writing division. Since the application originates with the solicitor and undergoes its final processes in the new business division, it is self-evident that closer co-operation between the two will tend to increase the efficiency of each and facilitate greatly the issue of the policy, says the Aetna Life "News," which makes the following comments on co-operation between agents and the new department:

It is likewise evident that both the agent and the home office wish the policy issued at the earliest possible moment. Here, too often, they part company, for while the home office endeavors to put the contract through with all the promptness consistent with safety, the agent in many instances is in such haste to get the business into the mail that he is very apt to omit many details essential to a complete application.

Merely to answer each question does not imply that the application is complete, and only with a complete application can a policy be written satisfactorily. An incomplete application always entails one or the other of two conditions. Either it must be held for correspondence with the agency manager or, if the error is not important, the correction blank, Form 95, must be used. Either way incurs trouble for both home office and agent. It is the purpose of this article to call attention to points which appear to cause trouble at both ends of the line, with the hope that the suggestions may prove of mutual benefit.

Ordinary business routine requires that action be delayed on many applications and of these the agency manager is duly advised, but it is unfortunately true that many must be held for the correction of errors and omissions which might easily have been avoided by the exercise of more care on the part of the solicitor.

When writing an application endeavor to answer each question completely. Fill out each one with the same care and thought that you would give a legal document, for, when the policy is issued, the application becomes a legal document and the foundation upon which the entire policy contract is based. Bear in mind that whereas the insured may withdraw from the contract at any time, no such option is afforded the Company which, once the insurance is effected, cannot contest the policy unless within the first year and then only upon a material misrepresentation.

Be certain that the full name of both the insured and the beneficiary are stated correctly; that the insured signs his name in full and that the relationship or insurable interest of the beneficiary is given.

Particular attention should be given that the date of birth and age next birthday agree, for, if they do not, the Company has no means of determining which of the two is correct. The same condition applies when a new application differs materially from one submitted at some time in the past; in either event the application must be returned to the agent for correction of the error.

The agent cannot give too much detail about the occupation and it must be borne in mind that a brief answer which may mean a great deal to the man in the field may often convey very little to the underwriter in the home office. The new business division, therefore, appreciates as full an explanation of occupations and occupational hazards as can be given, more especially when the applicant is employed about railway tracks, mines, sawmills, woodworking shops, munition plants and the like. Particularly is this information necessary since the incorporation of the double indemnity clause in Aetna policies. State fully by whom the applicant is employed and the kind of goods sold, manufactured or handled, as requested in the application.

Form 66 by the agent should have his most careful and conscientious attention, for this form is peculiarly his own. Whereas the applicant is responsible for the statements in the application and the medical examiner for those in the medical certificate, only the agent stands sponsor for Form 66 and it is to him that the Company must turn should the risk not prove up to standard. Before executing this form he should be satisfied that the risk is in every respect a safe one for the Company to assume and that the applicant morally, financially and physically (in so far as a layman may determine) is fully entitled to the policy.

Too much stress cannot be laid upon the question of habits, for notwithstanding the marked improvement in this respect in the past few years, the proportion of applications declined on this account is still considerable. For this reason the Company desires that the agent state in Form 66 the amount of alcoholics which the applicant will not exceed per day or week. The terms "temperate" and "moderate" convey very little to the underwriter for the reason that there is always a wide difference of opinion as to what constitutes "moderate" use; it is likewise apparent that a consumption which would be moderate for one user would be excess for another, so that the home office cannot pass intelligently upon a risk unless in possession of definite knowledge along these lines.

Should the applicant live in a country district a full description of his location should be given. It is necessary to hold many applications for the inspection report, and incomplete or incorrect directions make it difficult for the reporting company to secure full information, thus holding up the business and causing annoyance to the agent on account of the delay. Probably in no other way can the agent working outside of the city better assist the Company and himself than by being careful to give all possible directions so that his client may easily be located, if necessary.

Careful use of the trial application, Form 1-B, will also many times prevent disappointment. Furnish as much information as you are able and the new business division will then be in a better position to act in accord with you. An instance which may be cited is that of a recent prospect whose height and weight were both stated incorrectly with the result that when the application and examination were received the medical board were obliged to modify their approval of the risk, to the disappointment of both applicant and agent, all of which might have been avoided had the agent been more accurate in the initial presentation of the case.

THE
METROPOLITAN LIFE
Insurance Company
(Incorporated by the State of New York)



Metropolitan Life Insurance Company
Home Office Building

The Company
Of the People
By the People
For the People

The Daily Average of the Company's Business during 1916 was:

701 per day in Number of Claims Paid.

8,304 per day in Number of Policies Issued and Revived.

$1,969,823 per day in New Insurance Issued, Revived and Increased.

$376,827.40 per day in Payments to Policyholders and Addition to Reserve.

$220,509.26 per day in Increase of Assets.

JOHN R. HEGEMAN, President

Endowment at Age Seventy

In a recent issue of "The Northwestern National Agent," J. Stewart Hale, assistant actuary of the Company, gave the following hints to agents on the value of the endowment policy at age seventy, and compares it with the whole life policy.

How many "Endowment at Age 70" policies have you sold? Perhaps you have overlooked it, tucked away as it is in an addition to the book with the seventeen pay life. Get out your book and take a look at the rates and options. Compare it with whole life. Premiums are not much higher at ages below thirty-five, are they? Look at the cash values. Considerably higher, you see. Now then, aside from the higher guarantees, what does the insured get for the slight additional cost? He gets the money himself if he lives, and his premium does not go on forever like the brook the poet tells about. There are a lot of men who do not like "the die to beat it" idea in a life policy, and to a fellow whose ancestors, immediate and remote, had a habit of hanging on to life until they completed fourscore years and ten, the thought of paying that premium every year until they die is, to say the least, distasteful. Here is the opportunity for the endowment at seventy—an endowment policy at life rates.

How does it work in competition? As is only natural, a salesman emphasizes the points of his wares that excel the other fellow's. Now a company on a three per cent. reserve basis sets aside larger reserves than a company on the three and a half per cent. basis. It has to, because it doesn't earn as high a rate of interest and it takes more money at three per cent. to make a thousand dollars than it does at three and a half. Therefore their cash values which are based on the reserves, are higher than yours. Have you had a competitor lay great stress on the cash values to the exclusion of the really important factors of a policy—protection and cost? When you run into this next time just forget the whole life policy and bring out the endowment at seventy. It has the cash values and the other points we've mentioned. You not only meet the other fellow, but you bring a whole flock of new ideas and arguments into the case, and the premium is only a trifle more.

Just one more point. The dividends are larger than on whole life and cut down the premium difference somewhat.

(Continued on page 9.)

Representing

The Mutual Life Insurance Company
of New York

You will make money.

The great strength, big dividends and incomparable benefits of the *"oldest company in America"* mean certain success for you.

For Terms to Producing Agents, Address

GEORGE T. DEXTER, 2d Vice-President
34 NASSAU STREET, NEW YORK, N.Y.

Smelting Group Is Self-Insurance

COVERS ALL SALARIED EMPLOYES, WHEREVER STATIONED

No Insurance Company Involved in Guggenheim Insurance of 30,000 Men

In accordance with plans perfected some time ago the American Smelting & Refining Co. has completed details to extend the group insurance system heretofore in effect at only eight of its plants, to all employes in the United States and to all salaried employes wherever stationed. Insurance in the amount of $1,000 in the case of married wage earners, $500 in the case of unmarried wage earners and one year's salary in the case of salaried employes limited to $10,000 is provided for all employes who have been with the Company for a year or more.

Provision is made for an annual increase on ten per cent. for five years in the case of wage earners so that at the end of five years married workmen will receive indemnity of $1,500 and unmarried workmen an indemnity of $750.

The Company employs around 30,000 men. It is carrying its own risk.

VOLUNTARY ACTION

Extension of Surplus Interest Dividends of Phoenix Mutual Life Insurance Company

Previous to 1907 the Phoenix Mutual issued non-participating policies of a moderate amount, and a number of these have become claims and are being settled on the income plan or under the options at settlement. These policies naturally provided for no dividend refunds during the premium-paying period, nor did they provide for surplus interest dividends while they were being settled under the options.

The Company has decided, however, to accord the same surplus interest dividends to these policies as are granted to the participating contracts being settled under the options, and the beneficiaries are now receiving an addition to the amount guaranteed. In 1917 this surplus interest will be based on the earning of 1.1 per cent., representing the difference between 4.6 per cent. and 3½ per cent. which was the rate assumed in calculating the installment benefits.

As an illustration we might take policies 181,427 and 189,196, which became claims several years ago and together provide for an annual income of $1,000 throughout the lifetime of this beneficiary with installments for twenty years in any event. The payment came due December, 1916, and instead of receiving a check for $1,000, the Company actually sent a check for $1,114.68, the surplus interest dividend accounting for the extra amount of $114.68.

APPOINT ALLEN & JONES

Allen & Jones have been appointed general agents for the Manhattan Life in Essex, Franklin, St. Lawrence and Clinton Counties, this State. George D. Allen is a well-known up-State life insurance man, and Ralph S. Jones was former manager of the automobile department of the Newark Fire.

FINANCE AND INSURANCE

C. C. Hine's Sons Co., of New York, have published a book "Finance and Life Insurance" written by William A. Dudley, a lawyer. The book covers comprehensively many practical questions that arise in connection with life insurance.

FIFTY YEARS WITH N. Y. LIFE

Rufus W. Weeks Began in Actuarial Department, of Which He Became the Head

Rufus W. Weeks, one of the vice-presidents and chief actuary of the New York Life, completed fifty years of service with that Company on March 20th. His office was decorated with fifty roses, and the home office force presented him with a handsome gold watch and a traveling case.

Mr. Weeks entered the employ of the Company in the actuarial department, in March, 1867, and was made head of the department in 1883, and actuary of the Company in 1885. He was appointed second vice-president in 1903 and vice-president in 1906.

EDGAR B. WARD DEAD

Edgar Bethune Ward, formerly second vice-president of The Prudential Insurance Company, died on March 17, at his residence in East Orange, N. J.

Mr. Ward resigned from The Prudential in 1906, after serving the Company in an official capacity for thirty years. At the time of his death he was a director of the Fidelity Trust Co., the Public Service Corporation and the Fireman's Insurance Co.

Mudgett on Disability

(Continued from page 2.)

debtedness exists on the policy likewise, shows a tendency toward greater liberality. Many of the earlier clauses made no reference to indebtedness, some made its repayment a condition precedent to the receipt of benefits or barred them entirely; some reduced the amount of the installment in the proportion that the indebtedness bore to three-fourths of the sum insured. The most liberal clauses either reduced installments in the proportion that indebtedness bore to the entire amount insured, or reduced the number of installments. In the one case, for instance, the installment would be one-tenth of the amount insured less indebtedness; in the other, one-tenth the amount insured. In the first case ten such installments would be paid; in the second they would continue until the payments plus the indebtedness equalled the face value of the policy and would necessarily be less than ten full payments.

In thirty companies that have introduced or changed the installment benefit recently, seven have made no provision for indebtedness; sixteen have followed one of the two especially liberal plans described above.

Payment of Separate Disability Annuity

The acme of disability protection to date has been reached by three clauses, those of the Penn Mutual of Philadelphia, the Germania Life of New York City, and the Equitable Life of Iowa. These companies have broken all prior traditions concerning the place of the clause in a life insurance contract by giving the insured a straight disability annuity and maintaining his insurance unimpaired. In two cases the annuity is payable monthly and is thus especially fitted to the needs of a disabled man whose income is his only source of support. All three clauses waive the payment of premiums upon the occurrence of disability prior to age sixty; the Penn Mutual and the Equitable begin the payment of a monthly annuity equal to one-one hundredth and twentieth of the face value of the policy, and the Germania annuity is one-tenth of the face value, payable annually.

There are two slight differences in the provisions of these clauses. In the event of disability after age sixty the Penn Mutual and the Germania allow the premiums to be waived and to reduce the amount of insurance in force; the Equitable clause gives no benefit after this age. In case the disability does not prove to be permanent the first two clauses reinstate the policy without deductions upon the resumption of premium payments; the Equitable clause reduces the face of the policy by the amount of disability payments made and reduces the future premiums proportionately.

The commendation which these three clauses deserve cannot be stated too highly. They furnish the first instance where a man may obtain complete protection against the risk of total and permanent disability, in the same sense that the life contract gives complete protection against death. The earlier study referred to in these pages was closed by expressing the hope that some life insurance company would put a disability clause on the market which was a real selling feature, and which would meet competition because of its intrinsic merit as an insurance measure. The hope has at last been realized.

Endowments

(Continued from page 8.)

If used on the accelerative plan a number of years' premiums will be saved and the time of maturity advanced considerably. According to the 1916 dividend scale, a policy at age 25 would mature at age 58 instead of 70, or the insured could cease premium payments at age 50, be insured for twenty more years and receive the cash at age 70, if he lives. There has not been time to prepare the accelerative endowment illustration on the 1917 scale, but the work will be done at the earliest opportunity. The addition of a first year's dividend and the increase in the scale should materially better the results.

LIFE MEN WATCH FABIANS

The suggestion made by the Fabian Society of London, that life insurance in Great Britain be socialized and taken over by the State, is being watched with great interest by life underwriters in this country.

$721,000 IN 16 DAYS

During the first sixteen days of March Robert J. Mix, New York City agency of The Prudential, wrote one hundred and thirty-four applications for $721,000 of insurance.

Build Your Own Business

under our direct general agency contract

Our Policies provide for:

Double Indemnity, Disability Benefits, Reducing Premiums

See the new low Rates

JOHN F. ROCHE, Vice-Pres't

THE MANHATTAN LIFE INSURANCE COMPANY

66 BROADWAY NEW YORK

Organized 1850

HOME LIFE INSURANCE CO.

(Now Purely Mutual)

256 BROADWAY, NEW YORK

GEORGE E. IDE, President

The fifty-seventh annual report shows insurance in force of $133,493,000, an increase during the year of $7,832,827. The Company paid the policyholders in 1916 $3,536,233, of which $628,406 was in dividends or premium refund. Its insurance reserve fund was increased by $1,300,000 and the Assets are now $32-821,462.

For Agency apply to

GEORGE W. MURRAY,
Supt. of Agts.

256 Broadway, New York, N. Y.

BANKERS BLC LIFE DES MOINES COMPANY

PAYS GOOD PAY TO GOOD MEN

ORGANIZED 1871

Life Insurance Company of Virginia

RICHMOND, VIRGINIA

OLDEST, LARGEST STRONGEST
Southern Life Insurance Company

Issues the most liberal forms of Ordinary Policies from $1,000.00 to $50,000.00, and Industrial Policies from $12.50 to $1,000.00

CONDITION ON DECEMBER 31, 1916:

Assets	$14,464,552.23
Liabilities	12,436,717.56
Capital and Surplus	2,027,834.67
Insurance in Force	118,349,212.00
Payments to Policyholders since Organization	18,119,172.50
Is Paying its Policyholders over	**$1,300,000.00 annually**

GOOD TERRITORY FOR LIVE AGENTS

THE EASTERN UNDERWRITER

This newspaper is owned and is published every Friday by The Eastern Underwriter Company, a New York corporation, office and place of business 105 William Street, New York City. Clarence Axman, President; B. F. Hadley, Vice-President; W. L. Hadley, Secretary. The address of the officers is the office of this newspaper. Telephone 2497 John.

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THE RIGHT OF AGENTS TO EARN A LIVING REMUNERATION

The great body of agents and brokers will be well represented today at a hearing in Albany in protest against the recommendation of Superintendent Phillips, of the New York Department, for a large reduction in the acquisition cost of compensation business. They will echo the voice not of a group of men, but of agents and brokers everywhere. They believe that the action of the Superintendent is but the entering wedge of a sweeping attack upon the agency system, as at present conducted in this country, and they will speak right out from the shoulder in reference to the growing tendency of the State not only to embark upon the insurance business, but also to tell how much money shall be paid for producing business.

Agents and brokers have the same right to earn a living wage as has any other class of people. They are paid today no more than a fair wage for the work they do. Like all other classes of business men they have their black sheep, but in equal proportion, or greater, they are honest, able, good citizens. They have families to support and children to educate. In other words, their needs are the same as those of other people, including company officers.

Much stress has been laid on the commission on large premiums, but the average compensation premium is not large.

They make comparisons between the acquisition cost of mutual companies and stock companies, but yet the great proportion of the business is carried in stock companies and will be as long as the insurer can only obtain the service that the agent performs from stock companies. When mutual companies render the same service they will get more of the business, and there will not be much difference between their acquisition cost and that of stock companies, whether the amount be paid in commissions or in salaries.

The agents must provide the resistance to this suggestion of reduction of acquisition. When the companies argue against it, they are brushed aside with the suggestion that what is saved in acquisition goes to the companies. But the companies are vitally interested to see that the agents are fairly paid because if they are not fairly paid the agents of ability and integrity will look elsewhere and find employment. The result will be that the companies will lose their good representatives, and the result will not be to freeze out the poorer class as has been suggested.

We all recall the agitation which followed the passage of the Armstrong Laws and the subsequent addition of five renewals to the nine because it was claimed that the original allowance did not provide a living for good agents; and yet today it is suggested that the wages of compensation agents be further reduced notwithstanding, as can be proved, these agents are not receiving more than life agents, and experience is proving continually that the life agents are paid but a fair living wage.

WANT DELAWARE DEPUTY

Discussion in Legislature Over Assistant to Insurance Commissioner—Fee Question

An interesting situation has developed over the disposition of fees collected by the Delaware Insurance Commissioner's office.

The matter has been brought to the fore by a proposal, pending in the Legislature, to create the office of deputy for Insurance Commissioner Wilson.

There is a disposition on the part of some of the legislators to provide a deputy for the insurance commissioner, providing financial arrangements can be made. One way this can be done, some of the legislators say, is to have the fees collected by the insurance commissioner's department turned into the State treasury. Fees of that office in the past have been retained as part of the compensation for the insurance commissioner, it is claimed.

Some of the State Senators who have an idea that the fees under the law should be turned into the State treasury sought legal opinion on the subject, and have reeeived an opinion that the fees are required to be turned into the treasury and legally cannot be retained by the insurance commissioner.

HUGH MUNDAY WITH AETNA

Hugh Munday has resigned as business manager of "The Surveyor" to join the forces of the Aetna Life, effeetive March 31. Mr. Munday will be associated with the publicity department of the Company in Hartford. For a large number of years he has been connected with insurance journalism in New York City, his acquaintance with casualty men being particularly extensive. He has originated a number of clever advertising ideas.

BROKERS GET UP-TOWN AGENCY

Lewis & Boardman, brokers at 39 Liberty Street, have combined with Ralph L. White, son of Major A. White, president of the New York Plate Glass Insurance Co., in the firm of Lewis, Boardman & White, which has been appointed up-town agents of the New York Plate Glass. Lewis, Boardman & White succeed the White-Ball Co. as up-town agents of the Company and will continue in the offices formerly occupied by the latter at 51 East 42nd St.

NORTH BERGEN APPOINTMENT

Joseph M. Murphy has been appointed agent of the automobile department of the Hanover in North Bergen, N. J., reporting through Howie & Cain, Inc., metropolitan managers of the Company.

THE HUMAN SIDE OF INSURANCE



WARREN M. HORNER

Warren M. Horner, general agent of Minneapolis, is to be congratulated upon his new book, "Training for a Life Insurance Agent," which comes from the press of the J. B. Lippincott Company this week. To Mr. Horner ideas come more quickly than to most men, but he has always had the faculty of tossing aside those which lack real significance or value. Doubtless, with his wealth of experience and felicity of expression he found it difficult to decide what should go in and what ideas should be rejected, but he has made a good selection; has told his story in simple, gripping fashion and the book should not only be a help to those who read it but an inspiration as well.

In the book he makes reasonably clear the anomaly of life insurance, i. e., on the one hand its importance to the community, on the other hand the difficulty many agents find in making the sale. Mr. Horner's book is dedicated to Joseph Ashbrook , of the Provident Life & Trust.

* * *

William H. Drapier, Jr., superintendent of agencies of the National Surety Company, is in Hahnemann Hospital, New York City, suffering from high blood pressure.

* * *

David B. Isenberg, a prominent insurance agent in Worcester, Mass., handling all lines, is also a Justice of the Peace.

* * *

Henry Evans, president of the Continental, has been elected a director of several corporations recently, including the Pierce-Arrow.

* * *

Leicester D. Klous, of the Aetna Life, Utiea, N. Y., has closed the first group case ever written in Utica. It covers the F. W. Sessions Co.'s millinery store.

* * *

George H. Robinson, vice-president of the "Insurance Field," who died in St. Petersburg, Fla., this week, had great popularity among insurance men, sharing their confidence for years. While his headquarters were in New York he traveled extensively. "Robbie" had been ill for a long time, and made several heroic attempts to come back to work.

As an invalid he performed marvels, but after a time he returned South. He leaves a widow and two children, one of whom is the wife of a prominent New York local fire insurance agent.

Robert Lynn Cox, third vice-president of the Metropolitan Life Insurance Company, has been nominated by Governor Edge, of New Jersey, as a member of the State Board of Education. Mr. Cox's home is in Montclair and the selection of a representative from the Essex County district is regarded as important because it includes Newark and in this county also are located two of the three State normal schools, one being at Upper Montclair. Mr. Cox has been identified with educational activities in Montclair for years, having originally selected it as a place of residence because of the high standards of its schools and the excellent educational facilities it offered for his family. New Jersey is ranked among the most advanced States by educators and Montclair is often compared with Brookline, Mass., with respect to its school facilities. Dr. Calvin N. Kendall, Commissioner of Education, was appointed by President Wilson when he was Governor of New Jersey. Dr. Kendall is the educational executive and the members of the State Board in their relation to the administration of State educational work, are similar to directors in a corporation and are not required to be experts on education. All of the eight members of the Board are prominent citizens of New Jersey and serve without remuneration. Mr. Cox fills the vacancy left by the retirement of Edmund B. Osborne, now a member of the State Senate.

CANCELLING BY MAIL

The practice of cancelling policies of fire insurance by mail is one that is not always adequate, says the New Hampshire Fire Insurance Company. Even when the letter or notice of cancellation is sent as a registered letter, it is sometimes signed for by other members of the household and there have been instances where the policyholder has claimed not to have received it. The only safe way is to deal with the assured personally, if that is in any manner possible, explaining reasons for cancellation, avoiding misunderstanding and securing the policy.

UPTOWN AGENT OF HANOVER

The Hanover Fire this week appointed Frederick W. Herbetz uptown agent of the automobile department of the Company. Mr. Herbetz represents 11 fire companies at his 149th St. office and is one of the largest agents in the Bronx. His automobile business will be written through the office of Howie & Cain, Inc., metropolitan managers of the Hanover.

JOIN INSURANCE SOCIETY

New members of the Fire Insurance Soeiety of New York are:

B. M. Culver, vice-president, Niagara Fire; Eugene C. Smith, with Western Actuarial Bureau, Chicago; J. J. Brinkerhoff, actuary, Association of Life Insurance Presidents; Edward Sunkenberg, with London & Liverpool & Globe, and Robert K. Phillips, with John M. Riehle.

SCHAEFER IN BROOKLYN OFFICE

William Schaefer, who has been counterman for the local fire department of the Continental, has been made underwriting manager of the Brooklyn office of the Company, and A. C. Hornickel, who has been with the William H. Kenzel Co., has been appointed to succeed him.

8 PER CENT. TAX

A prominent underwriter told The Eastern Underwriter this week that his gross taxes this year will probably foot up 8 per cent. Last year his company was taxed gross about 7 per cent.

FIRE INSURANCE DEPARTMENT

Worcester Salaried Agency Controversy

DISSATISFACTION WITH COMMISSION SITUATION THERE

Sentiment For Uniformity in Remuneration Given Agents—What Two Agencies Say

Considerable attention has been attracted to the commission situation in Worcester, Mass., because of agitation over salaried agents. The controversy is interesting, as a similar situation may prevail in some other cities as well. Views of two prominent agencies in Worcester, Mass., follow:

DAVID B. ISENBERG: Uniform commissions should be established, and what is more important, rigidly adhered to. Under present conditions, with varying commissions and salaried agents, the favored agent or office has a distinct advantage which is not always fairly used, not necessarily as a rebate, but making possible greater social favors and more time devoted to individual cases, which the less favored agent can ill afford to do.

Place the soliciting business upon a plane of merit strictly, of service and reliability, with honestly uniform commissions for the salaried and commission agent, and this worst of our troubles will disappear like mist before the sun.

BURNHAM BROS.: We are not an Eastern Union office and have not accepted their scale of commissions. However, we think the situation as regards salaried agency, is being abused in our city. Some Eastern Union companies will leave an office where they give only about 16 per cent. and go across the street to another agent and pay about 25 per cent. commission. It seems to us the Eastern Union is losing ground in Worcester by its attitude along this line. There being no sentiment on the part of the companies in regard to the matter the agent should have no sentiment in his selection of companies in which to place his business.

Where there is a difference of 9 per cent., or even more, between the Union and non-Union companies in commissions any agent would be a poor business man who did not place his business in which company he could secure the largest premium income.

This is the situation as we see it from our office and it is to be expected that the premiums will be decreasing where there are both Union and non-Union companies in the same office.

COAL MINE U. & O.

Rules and rates for use and occupancy insurance, as approved by the supervisory committee, have been sent out by the West Virginia Fire Underwriters' Association. Much of this class of business is being written in the State on coal mines, as operators are now receiving from $3 to $3.50 a ton, as compared to the old price of about $1.85. Various agencies have been using their own forms and their own methods of making rates and it was found necessary to work out uniform practices to meet the requirements of the anti-discrimination statute of the State. Companies are much interested in the situation and wondering what effect, if any, the indictment of a large number of operators for alleged illegal fixing of prices may have on their use and occupancy and also direct fire lines.

A NEW COMMISSIONER

Alex McCabe, of California, Private Secretary to Governor Johnson; Former Stenographer

Alex McCabe, private secretary to Governor Johnson since the latter took office in 1910, has been appointed State insurance commissioner for California, and will take up his duties this week.

His first employment was as a public stenographer in the San Francisco Superior Courts. He later entered the employ of District Attorney Byington at San Francisco, remaining with District Attorney Langdon when the latter took office. It was during the famous "graft prosecutions" conducted by District Attorney Langdon that McCabe developed the warm friendship for Governor Johnson which later caused him to follow the Johnson banner in its triumphal progress to the present day. Although Mr. McCabe had for a number of years been high in the councils of the Democratic party, being secretary of the State central committee, he put his political affiliations aside to follow Johnson.

That the alliance thus formed proved advantageous to each has been repeatedly demonstrated and the present appointment of McCabe as insurance commissioner is taken by Governor Johnson's friends as the Governor's appreciation of the valuable services rendered by McCabe during Johnson's public career.

Although not a lawyer, McCabe's training has been along legal lines and it is expected that his administration of the important office of State insurance commissioner will more than justify Governor Johnson's selection. For most of the facts in this article, The Eastern Underwriter is indebted to the Underwriters' Report.

THIS PIPE STORY REAL

Insurance Man Puts Lighted Tobacco in His Pocket and Burns Lockers

At 9:30 on Monday morning, a fire was discovered in a locker room in the offices of Fred S. James & Co. at 123 William Street. The contents of three lockers were destroyed. Three new overcoats and three new hats were purchased by Fred S. James & Co. and given to the three men who had lost their coats and hats in the fire.

Immediately following the fire, the detective bureau of the office sought to discover its origin. It was found to have started in the locker of Harold B. Lockwood, superintendent of the out-of-town department. Upon cross-examination, Mr. Lockwood refused to divulge how the fire had started in his locker. The detective bureau, however, is of the opinion that it originated through Mr. Lockwood's putting a lighted pipe into his overcoat pocket and then placing the overcoat in the locker. To protect the office from similar losses from this source, however, the inspection department has recommended that a sprinkler system be installed on Mr. Lockwood's desk and the underwriting department has refused to issue a policy covering Mr. Lockwood against loss by fire unless he carries a Pyrene extinguisher with him at all times. He says he will carry the Pyrene bottle with him until such time as he again needs a new overcoat.

TOP FLOOR FIRES

A peculiar coincidence in Paterson recently was two fires on the top floors of buildings. One of them was caused by electricity.

FIRE AND MARINE INSURANCE—ALL LINES

The Automobile Insurance Company of Hartford, Conn.

MORGAN G. BULKELEY, President

Statement January 1, 1917

Cash Capital - - - -	$1,000,000.00
Assets - - - -	2,748,832.19
Liabilities (Except Capital) - -	1,039,977.81
Surplus to Policyholders - -	1,708,854.38

AFFILIATED WITH

ÆTNA LIFE INSURANCE COMPANY

THE ÆTNA ACCIDENT AND LIABILITY CO.

COFFEY'S BILL

Representative Coffey introduced in the New York Legislature an amendment to the insurance law providing that the prohibition against rebating and discriminations shall not prevent the covering of risks by binders or temporary contracts of insurance; provided that the premium applicable to the risk insured shall be payable, and shall be paid pro rata for the time during which insurance is in force by virtue of such binders or temporary contracts of insurance of other memoranda, and any violation of this provision shall constitute a rebate. The sections of the insurance law (121 and 121-a) prescribing the standard fire insurance policy are repealed, and new sections inserted prescribing a standard fire insurance policy.

MAXSON BACK FROM CUBA

H. E. Maxson, of the Charles R. Neidlinger general agency of the Continental in Cuba, returned this week from Cuba. There are now twenty-two fire insurance companies on the Island. The American companies include the Continental, Home, National and Hartford. No insurance was carried on the sugar-cane that was burned by the revolutionists.

An office with an established Agency Plant in Eastern Pennsylvania could use two good Fire Insurance Companies.

Address **"PENNSYLVANIA"**

Care of The Eastern Underwriter
105 William Street, New York, N. Y.

NORTH BRANCH FIRE INS. CO.
Sunbury, Pa.
Inc. 1911

Assets	$641,341.77
Reserve	230,513.29
Capital	300,000.00
Surplus	63,479.83

CITY INSURANCE COMPANY
Pittsburgh, Pa.
Inc. 1870

Assets	$357,318.58
Reserve	54,256.92
Capital	200,000.00
Surplus	96,379.07

OPERATING ON A CONSERVATIVE BASIS IN A LIMITED TERRITORY UNDER AN EXPERIENCED MANAGEMENT

Career of Detroit National's President

BEGAN IN BALTIMORE AGENCY BEFORE DAYS OF MAPS

Field Man in Middle Department For Years—Fine Work in Baltimore Adjustments

Paul Turner, who, as printed in The Eastern Underwriter last week, is the new president of the Detroit National, has had a pretty wide experience as a fire insurance man. He began in Baltimore with the agency of Gegan Bros. & Allmand. In those days there were no Sanborn maps or boards or other accessories of that kind, and the young chaps were forced to use their brains a great deal more than is the case today, where a man enters an office and has the advantage of the latest cry in efficiency equipments.

After serving there in the various clerical capacities for several years, he went into the field for the Western Assurance, traveling from its Baltimore department office and placing agencies in Maryland, District of Columbia, Virginia, West Virginia, North and South Carolina.

Assistant to R. Emory Warfield

From that position Mr. Turner graduated into the local agency business but went back to the field again as special agent of the Royal Insurance Company, traveling for the department of which R. Emory Warfield, now president of the Hanover, was manager.

In 1896, he resigned from the Royal to become special agent of the German-American of New York, with which Company he remained until 1906, when he resigned to become president of the American Agency Company, a bureau aiming to give field service to the smaller companies.

In March, 1912, Mr. Turner was elected vice-president and underwriter of the Detroit National, and after five years has been made president.

Baltimore Fire Adjustment

During his term of office with the German-American the Baltimore conflagration occurred, and he was made chairman of the committee which had in charge the settlement of the losses there, and made the plans for carrying out the work.

"I do not suppose any living man ever had any better support than I had in that work in Baltimore, and the record today shows that there were over four thousand committees of adjustment assigned and over $40,000,000 disbursed without a lawsuit, or as far as I have ever learned, one serious case of dissatisfaction," said Mr. Turner in a conversation with a friend recently. "I look back on that work as being the very best I ever did."

Mr. Turner served as president of the Underwriters' Association of the Middle Department; chairman of its executive committee for several years, and was secretary of the conference committee which edited the Experimental Schedules applied in the East and South.

In discussing the Detroit National, the new president said this week:

"This Company's policy will be what it has always been since my coming here; conservative and along the well-defined lines which make for permanence. We have been in no hurry here and we are not in one yet. We believe in organization, and we try to do our share to faithfully preserve it."

Grades of Fire Defense and Physical Condition

NATIONAL BOARD'S NEW STANDARD SCHEDULE

Adopted By Southeastern Underwriters' Association and Being Considered By Many Organizations

The recent adoption by the National Board of Fire Underwriters of a Standard Schedule for grading cities and towns with reference to their fire defenses and physical conditions will affect, directly or indirectly, the interest of practically every property holder in the United States, and even those most familiar with it have only begun to realize the extent of the influence it will have on the development of improved fire protection and the elimination of the fire hazard.

Various Standards Which Have Prevailed

Some means of determining and expressing the value of the public fire protection and the effect on the general fire hazard of the physical conditions existing in a city, is one of the fundamentals of fire insurance. Up to the present time, underwriting boards and bureaus throughout the country have had various standards for grading the adequacy and reliability of these features. There has been a great lack of uniformity in these standards, arising partly from differences in fundamental principles and partly from gradual changes dictated by local considerations. Some jurisdictions have mainly excellent schedules, while others have none at all. One great advantage of the National Board Grading Schedule, as devised and as it works out in practise, is that it can be used in connection with any of the various types of rating systems.

As preliminary to the preparation of the grading schedule, it was necessary to formulate standards covering the various pertinent features of fire-fighting facilities and structural conditions and hazards; and for this task the work of the engineers of the National Board since 1904 in examining and reporting on conditions throughout the United States, has peculiarly fitted them. Many of those standards had been formulated before beginning work on the schedule, which was outlined in its present form about three years ago.

Grading

The Grading Schedule is based upon the plan of assigning to the various features of fire defense, points of deficiency depending upon the extent of variance from the standards formulated from a study of conditions in more than 500 cities; the natural and structural conditions which increase the general hazard of cities, and the lack of laws or of their enforcement for the control of satisfactory conditions, are graded in the same way. The sum of the maximum points of deficiency totals 5,000 and is divided in accordance with the relative values of the features considered as given below:

Relative Values

	Points.
(Water supply)—Engine stream basis	1,700
(Water supply)—Hose stream basis	1,200
(Fire Department)—Engine stream basis	1,500
(Fire Department)—Hose stream basis	1,200
Fire alarm	350
Police	50
Building laws	200
Hazards	300
Structural conditions	700
	5,000

Climatic Conditions

It is recognized that climatic conditions affect the fire losses, by reason of the frequency of fires due to the heating hazard, by retarding the response of fire apparatus, by hampering effective fire fighting during cold weather and storms, by the increase in combustibility due to hot and dry weather, and by the greater probability of fires spreading at time of high winds. These elements are to a greater or less degree common to the whole country, and therefore no deficiency is considered in the schedule for normal climatic conditions. Some sections of the country, however, are subject to abnormal climatic conditions, and to cities in these sections, a super-deficiency is applied.

The schedule is written in such a way as to emphasize standard conditions, points of deficiency being determined throughout for failure to meet the requirements necessary for standard adequacy and reliability. Such an arrangement offers an excellent opportunity for a city, through its engineers or consulting experts, to improve conditions along the proper lines and to secure the benefits resulting therefrom. Water supply is divided into a total of 32 items, ranging from the method of appointment of the employes to the condition and type of hydrant used; fire department organization, equipment, and operation is considered under 34 items; fire alarm service has a total of 24 items under which deficiencies are applied, including the fire service performed by the telephone company; police co-operation is graded in 4 items; building laws in 4, of which one has 14 sub-divisions; hazards, including electricity and other lighting, as well as explosives and inflammables, has 9 main divisions, and the effect of structural conditions on the conflagration hazard of the principal high value district is considered under 17 separate heads, of which 3 act as credits, offsetting deficiencies in the others.

Adopted By S. E. U. A.

The schedule has already been adopted by the South-Eastern Underwriters' Association after trial applications to a large number of cities and towns in that territory.

Other organizations are giving careful study to the schedule, and the outlook is favorable for its more extended adoption. A committee of the New England Water Works Association, appointed to consider the subject, reported to the annual convention of the Association in September last; this report, without attempting to discuss the deails of the schedule, was, on the whole, very favorable.

"The Leading Fire Insurance Company in America"



WM. B. CLARK, President

AETNA INSURANCE COMPANY

Aetna Fire Underwriters Agency
of Aetna Insurance Co.

Application For Agencies Invited

THE HANOVER
FIRE INSURANCE COMPANY
Incorporated 1852

The real strength of an insurance company is in the conservatism of its management, and the management of THE HANOVER is an absolute assurance of the security of its policy.

R. EMORY WARFIELD, President
FRED. A. HUBBARD, Vice-President
E. S. JARVIS, Secretary
WILLIAM MORRISON, Asst. Sec'y

HOME OFFICE
Hanover Bldg., 34 Pine St.
NEW YORK

HOWIE & CAIN, General Agents
Metropolitan District
100 WILLIAM STREET, NEW YORK

GERMANIA
FIRE INSURANCE COMPANY
NEW YORK.

ORGANIZED 1859

STATEMENT, JANUARY 1, 1917

Cash Capital	$1,000,000.00
Assets	8,553,704.22
Liabilities	4,222,485.60
Net Surplus	3,331,218.62
Surplus for Policy Holders	4,331,218.62

HEAD OFFICE
Cor. William and Cedar Streets

BRITISH AMERICA
ASSURANCE CO.
Incorporated 1833
(FIRE AND INLAND MARINE)
Head Office, Toronto, Canada
United States Branch

January 1, 1917

Assets	$1,936,279.77
Surplus in United States	823,964.59
Total losses paid in United States from 1874 to 1916, inclusive	24,669,753.43

W. R. BROCK, President
W. B. MEIKLE, Vice-Pres. & Gen. Mgr.

First National Fire
Insurance Company of the United States
WASHINGTON, D. C.

ROBERT J. WYNNE, President JOHN E. SMITH, Secretary

Statement January 1, 1916

CAPITAL, $912,502
RESERVE FOR ALL OTHER LIABILITIES, $523,785
NET SURPLUS, $377,447 ASSETS, $1,813,734

What is Meant By Use and Occupancy

COMMITTEE ENDORSES A DEFINITION IN NEW FORM

Some Comments on Rates Based on Repairability—Quarter Year Profit Estimates

Insurance men who have under consideration problems of "use and occupancy" are convinced that there should be a better understanding of just what is meant by the phrase "Use and Occupancy." It transpires that there are any number of people in the business who cannot make a correct definition. The Eastern Underwriter learned this week that a prominent broker recently took up this angle of u. & o. with the Bartow explosion conference committee and succeeded in having a form adopted, one paragraph of which reads as follows:

It is hereby agreed and understood that the term "use and occupancy" is hereby defined to cover and insure among other things the following items: net profits, interest on bonds or other indebtedness, taxes, rent (if occupant does not own plant), royalties, salaries under contract, salaries of heads of departments and skilled operatives necessary to keep the organization together, wages of watchmen, engineers and firemen, cost of lighting and heating, and the increased cost, if any, of carrying on the said business or any part thereof if said increased cost be due to the disablement, damage or destruction aforesaid.

This is attached to the explosion u. & o. form, with the assumption that fire companies writing u. & o. will also use it. It puts the assured in the position of knowing just what he is buying.

Want Rates Based on Character of Building

A use and occupancy loss is based primarily upon 1-300th of the insurance carried for each working day that the premises are destroyed by fire. The form goes on to state that in the event of loss and the inability of the assured and the companies to agree as to the amount of time necessary to repair or rebuild the premises that the same shall be determined by the usual board of appraisers. Therefore, as in the event that the amount which the assured can recover under use and occupancy policy is limited to so much a day and the number of days which it would require to repair the property, in the opinion of some of the best minds on the Street, rates for use and occupancy should be based upon the character of the building. For instance, it takes less time to repair or rebuild buildings of one kind of construction than another kind. The question is asked, Should not the rate for u. & o. insurance be based more largely upon the approximate length of time it would take to repair a building than upon anything else? "A building of brick, plain joist construction can be replaced much quicker than a steel constructed building which may warp in case of fire," said an underwriter this week. "Companies should estimate the length of time it will take for repairability and base rates accordingly."

A Hypothetical Case

Another point. A man has a policy of insurance on stock of merchandise of the value of $100,000 or more for $100,000, and if the stock is totally destroyed he collects the full amount. But if he has a policy against use and occupancy on premises for $100,000, the full amount is not paid unless it is determined that it will take 300 days or more to repair the building. It is not a total loss otherwise, which means the companies have a good chance for salvage on the policy. The contract is not an unequivocal promise to pay 1/300th a day, but an agreement of the company to pay not to exceed 1/300th part of the insurance per day. In order to collect that 1/300th, or any part thereof, the assured must show and exhibit to the companies from his books, taken from previous experiences, that such loss is amounting to that much money. For instance, a man had a loss on January 1 on a factory, and it is determined that it would take 90 days to repair that factory. The adjusters would say that the companies owed 90/100ths of the amount of the u. & o. insurance, providing the insured can show that such amount is not in excess of the loss. If it is in excess of the loss the adjusters will say, "We will pay you your actual loss and no more," and, in order to determine same, they take a man's books for the previous year and ascertain what his average daily profits have been per day during the previous year. When through with that they add the other items, such as salaries, royalties, taxes, etc., and other things that come under loss of profits and expenses which insured has incurred by the loss, and lump them together.

But suppose the assured's business is what is called a seasonable business, such as a flour mill, where during the previous year his books show that in the period from January 1 to May 1, four months, he made 20 per cent. of his annual profits; from May to September 30 per cent.; and from September to January 50 per cent.—it is manifestly unjust to the insured, should his loss occur in that period of the year during which he is making his largest profits that his ability to recover for a loss during that period should be limited to the average of his daily profits for the previous year, but he should recover the average of his profits during a similar or concurrent period in the preceding year in order to make him whole.

Endorses Form

In fact, the explosion conference has recently endorsed a form (two clauses of which read as follows) which covers the point brought out in the preceding paragraph:

The conditions of this contract are that if the above described plant or any of its constituent parts, or machinery or supplies or materials in or on the premises shall be so disabled, damaged or destroyed by explosion (excluding boiler and/or flywheel explosions originating within said apparatus and such explosions as may originate from any materials or processes incidental to the business) occurring on the above described premises during the term and under the conditions of this policy that the assured is entirely prevented from conducting its business from said plant, then this insurance shall be liable per day for an amount to be determined, not exceeding 1/100th part of 50 per cent. of the amount insured hereunder for each working day of such prevention in the period from September 1st to January 1st; not exceeding 1/100th part of 20 per cent. of the amount insured hereunder for each working day of such prevention in the period from January 1st to May 1st; not exceeding 1/100th part of 30 per cent. of the amount insured here-

(Continued on page 15.)

Iowa National Fire Insurance Co.
DES MOINES, IOWA Capital Stock $500,000
The latest addition to Reliable Fire Insurance organizations began Writing Business on January 1, 1917
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F. L. MINER, Vice-President
C. S. VANCE, Underwriting Manager
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Some Companies Indifferent to U. & O.

VIEWS OF TWO COMPANIES ON THEIR ATTITUDE

Also, a Talk on Use and Occupancy Adjustments By a Third Company

Although there is more use and occupancy being written at the present time than ever before in the history of fire insurance, there are some company officers who are by no means enthusiastic as can be seen by two letters received this week by The Eastern Underwriter—both, by the way in New England.

Should Demand Full Fire Rates

A. F. Howard, secretary of the Granite State Fire Insurance Company of Portsmouth, N. H., writes: "I have no views to express in regard to use and occupancy except that the companies should, and I believe will, demand full fire rates for every use and occupancy policy written. Under present conditions I consider that class of insurance undesirable."

Another New England officer writes: "We are too busy trying to keep use and occupancy business off our books to give very much consideration to the many and various views that have been written on the subject."

Discusses Adjustments

A prominent New York City managing underwriter takes a different view. He says that personally he feels that although use and occupancy has many drawbacks under conditions existing at the present time, there are still sufficient points of merit about this business to make it equal to or better than some of the business which is being written by some underwriters who are pessimistic. This underwriter says:

"Every loss which this office has had on use and occupancy for the past year at least has adjusted better than claims on blanket or general form on the same risk. While this might be simply a coincidence I am tempted to think that a number of the talent are harping a little too strongly on some of the features of use and occupancy insurance."

DEFINES WORD "PROFITS"

Interesting New Use and Occupancy Form Filed With New Jersey Commissioner

In a new use and occupancy form for manufacturing risks filed by the New Jersey Actuarial Bureau an explanation of the word "profits" is given as follows:

> It is understood and agreed that the term "Use and Occupancy" as herein used shall be construed to mean profits upon the operation of a business for the time required to reconstruct, manufacture or replace the property (this is not, however, to include loss or profits or commissions upon manufactured articles or merchandise for sale or sold but not delivered, or sold under contract for future delivery, or for loss upon prospective profits or commissions on specified property held for sale.

The words "annual net" in an old form find no place in the latest filing.

The reductions, by the way, for use and occupancy insurance in the latest New Jersey issue are not so heavy in the new ratings.

BROKERS ACTIVITIES

COMMENT ON AUTO SITUATION

Wants Deductible Collision Eliminated —Limits of Insurable Value— Talks of Cost

New York, March 20, 1917.

Editor The Eastern Underwriter:

The automobile situation seems to get worse rather than better. Just when we hear that those companies which have been outside the conference have made application, we hear of another contract made that will have more prestige than the old, owing to the backing that that company is supposed to have.

An underwriter recently pointed out a method that would to a great degree facilitate matters. With the adoption of the new policy as of January 1, the deductible theft was eliminated. Now, let the deductible collision be eliminated. If one company can do it, then all can. Few brokers and agents who have been involved in transactions whereby a letter has been passed, giving the broker the assurance that in case of loss while the deductible clause is attached, settlement will be made on the full collision condition, is a violation of section 65 of the insurance law of the State of New York, and is subject to a fine of $500 for each transaction.

Companies that are living strictly up to the rules of the conference are losing business. The limit of insurable value is one that both the broker and assured cannot afford to stand for and as long as that rule is in force the companies that inspect their cars, and are willing to give a fair valuation will get the business.

Some of the companies are bending over backwards in their effort to comply with the conditions of the conference. As one underwriter stated, "The automobile companies cannot live unless some modification is made in the rules, as we cannot be expected to sit tight and see our best business leave us because we cannot insure a machine at its fair value."

The method of figuring liability rates is also subject to revision. Is it fair to assume that the cost of liability should be more for a Mercer car costing over $2,000 than for a Ford costing $360? Yet, that is a condition that presents itself. Better that the liability be based on the cut price, which better reflects the liability that a man might assume in purchasing a car. A man with large finances generally purchases a big, fine car, but the small man gets his Ford. When do we see a man with a Ford insure for 10 to 20 limits, which is a usual thing for a man with a Pierce-Arrow or other high price car?—X. R.

Unauthorized Company

Judgment in favor of assured against the insurance brokers for the amount of the policies which the unlicensed companies failed to pay was held valid and proper by the Supreme Court of Wisconsin.

The court ruled that if the unauthorized fire insurance company fails to pay any loss, the person soliciting or placing the insurance shall be liable to the extent that the company would have been liable and even though a person did not solicit fire insurance but merely accepted and placed it with unlicensed companies at insured's request he was nevertheless liable if the company failed to pay as the phrase in the law of that State "solicit or place" did not mean "solicit and place."—Case vs. Meany, Wisconsin, 161 N. W., 363.

Digested for The Eastern Underwriter by George F. Kaiser, of the New York Bar.

Elect F. S. Little President

F. S. Little, of Goffe & Little, was elected president of the Fire Brokers' Association of New York at the annual meeting on Wednesday afternoon. He has been an active figure in New York insurance circles for years, and before entering his present connection was in the local agency field. F. W. Stillman was elected vice-president; R. E. Kipp, treasurer; and B. M. Harris was re-elected secretary.

Three year term directors follow: John A. Eckert, R. C. Rathbone, Il., C. O. Pate, W. J. B. Washburn, F. W. Stillman. George P. Nichols was elected a director to serve until the next annual meeting, in place of C. G. Friend, resigned.

* * *

Coe & Silvey Place Warehouses

Coe & Silvey, New York brokers who have made a specialty of explosion and bombardment insurance, have recently placed more than $200,000 on warehouses in the vicinity of the Weehawken terminal, N. J.

* * *

Brokers Form Social Club

There will be a meeting on Saturday night at 61 Broadway of a number of brokers who aim to form a social club. F. O. McQuaide, of Freeborn & Co., will have active charge of the meeting. The other men interested in the organization are: W. L. Fagan, Jr., Ream, Ives & Wrightson; Harold W. Banks, Frank B. Hall & Co.; Herbert H. Baumann, Sewall & Alden; Horace E. Wood, Barto & Wood; Louis Papen, American Surety; G. Ravenelle, E. E. Clapp & Co.; Thomas F. Clark, Continental Fire; J. C. Bunyon, Ocean Accident; E. H. Gray, Pacific Fire; N. T. Schindler, Howie & Cain, Inc. Membership in the organization will be limited and sociability will be the necessary qualification for admission.

* * *

Placing of Hoboken Risks

During the past six weeks, there has been a heavy placing of explosion insurance on the warehouses in Hoboken. This has been due to two reasons: first, because of the large alien population of Hoboken, and, secondly because of the proximity to the Weehawken terminal. The rates on the warehouses and contents have run about the same as the fire rates. It is estimated that the total business placed since the severance of diplomatic relations has been in excess of $1,500,000.

* * *

Attend Albany Hearings

A number of New York brokers were in Albany yesterday attending the hearings on acquisition cost and other matters. The committee representing the Fire Brokers' Association of New York consisted of George P. Nichols, L. D. Wallace and R. Henry Depew. Three Western men at the acquisition cost hearing were George D. Webb, John A. Morrison and General Agent Wilson, of the Aetna Life in Cleveland.

A charter was filed at the Delaware State Department by the Exporters' Indemnity Insurance Company, capital $100,000.

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Why Riegel Began to Study Fire Rating

SAW OPPORTUNITY FOR PERSONS HAVING SCIENTIFIC INTEREST

Lack of Real Knowledge of Subject on Part of Public and Legislators

So much interest has been displayed by underwriters and rating organization men in the articles on fire insurance rating written by Professor Robert Riegel, Instructor of Insurance, Wharton School of Finance and Commerce, University of Pennsylvania that The Eastern Underwriter presents on this page a cut of Professor Riegel, together with a statement from him telling how he became interested in the subject. Most of the Riegel articles have been printed by the American Academy of



ROBERT RIEGEL

Political and Social Science, the two latest articles appearing in the March "Annals," of that Society, a brief review of which was printed in The Eastern Underwriter of last week.

Called Best Lay Authority

Such an eminent authority as E. G. Richards, United States manager of the North British & Mercantile, made the statement a few days ago that no other layman within his knowledge is showing a keener grasp of fire insurance rating than Mr. Riegel.

Asked by The Eastern Underwriter of the circumstances which induced him to make a study of this subject Professor Riegel said on Monday of this week:

"In 1910 and 1911 it seemed to me increasingly evident that in fire insurance during the next few years the subject of rates was destined to be of primary interest to legislators and insurance officials and that this phase of the business necessarily was to occupy first place in every discussion of State regulation. Some definite policy in this connection was a prerequisite for the solution of other pressing problems, as well as of value in itself.

Lack of Knowledge and Appreciation of Underwriting Principles

"A study of rating organizations and methods and of public criticism convinced me that two obstacles to a satisfactory solution of the questions involved were (1) a lack of knowledge on the part of the public and some legislators of the factors connected with fire insurance ratemaking and (2) on the part o the underwriters a lack of appreciation of the principles for which the public was contending. There was an opportunity and a need for impartial discussion by persons having a scientific interest, unprejudiced, consciously or unconsciously, by pecuniary influence or business connections. It was evident that with the increased attention which fire insurance ratemaking was receiving important developments in this field were imminent.

"Since that time considerable progress has been made. The States, which then almost uniformly favored competition as a preventive of extortion have now largely recognized the benefits of co-operation. This has resulted in a diversion of the attention of legislators and insurance superintendents from preventing excessive aggregate profits to discouraging discrimination. In this the interchange of opinions and dissemination of information, fostered by the National Convention of Insurance Commissioners, have been of great assistance. Evidences have also appeared among underwriters of an appreciation of the attitude of legislator and insured, the more notable being the collection of classified experience by the National Board and the Experience Grading and Rating Schedule of E. G. Richards. The latter will probably be recognized in the future. if it is not already, as the first step in the development of a statistical determination of equitable rates and as a most important contribution to the science of fire insurance ratemaking.

Magnitude of Problem

"A study of ratemaking. far from satisfying, merely increases the interest of the student, because of the magnitude of the problems still remaining for solution. The question of whether competition or co-operation should be accepted as a principle in ratemaking seemingly having been decided in favor of co-operation, underwriters may now make up their minds to face the question of whether rates shall be made by the companies and their representatives or by the State. However reluctant insurance men may be to consider even the possibility of State-made rates, the necessity for such consideration is evident. for there are indications that this will prove the next great issue in the field of ratemaking."

ADOPT CONNECTICUT BILLS

The Connecticut House of Representatives has just adopted the following insurance bills:

Providing that compensation insurance shall be reported to compensation commissioner.

Authorizing insurance commissioner to issue certificates to corporations in State to act as agents in insurance business and permitting such agents to transact business for non-resident companies admitted to do business in State.

Authorizing Phoenix Insurance Company to issue policies of insurance against loss by legal liability for damage to property resulting from maintenance and use of automobiles.

Authorizing Hartford Accident and Indemnity Company to make insurance indemnifying banks, bankers, brokers, financial associations, etc., against loss of any bills of exchange, notes, drafts, etc., with the exception of marine risks.

Authorizing Connecticut Fire Insurance Company to make insurance upon vessels, freights, goods, etc., and every insurance connected with marine risks and fire hazards.

What Is Meant by Use and Occupancy

(Continued from page 13.)

under for each working day of such prevention in the period from May 1st to September 1st, but if the normal business be diminished only, then this insurance shall be liable for that proportion of an amount to be determined not exceeding said per diem in which such business is diminished, but under no circumstances shall this Company be liable in the aggregate for more than said per diem rate nor for more than the amount of this policy.

In case of interruption of business as above specified, the average daily business for that part of the calendar year preceding the fire corresponding to the period during which the loss occurs under this policy, shall for the purpose of this policy be assumed to be the normal daily business.

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Insurance Against Loss of Profits Through Fire

BY ERNEST W. BELL, IN A PAPER READ BEFORE INSURANCE INSTITUTE OF NEW SOUTH WALES

We now come to a very important point, and one that should be seriously debated. The policy, as you are aware, contracts to pay monthly the percentage of shortage for the period of indemnity. We find that after a fire the insured has a shortage of turnover for, say, the first three months, the next three months he has a greater turnover compared with the corresponding month of the twelve months preceding the fire, and the following three months again a shortage. The accountant is not allowed to take the contract as equity would interpret it, and set off the overplus of turnover against the shortage, thus certifying to a shortage for the whole period. We find then that the insured is receiving more than he is entitled to. There is no doubt that the policy should be altered to remedy this serious defect. I am giving an example showing where the insured under the system laid down obtains a far greater sum of money than he should.

We must not forget that the payment of the money monthly assists the insured to carry on his business better, and also though the period may cover some quiet months of the turnover, the standing charges have to be paid without deduction. Let us suppose that a trader wishes to take advantage of this clause, the following example will show how detrimental it is to the insuring companies.

A warehouse insures for £1,000; covering net profit and standing charges; period of indemnity, nine months; a fire occurs August 31, 1914; the turnover for the twelve months immediately preceding the fire was £10,000. The ascertained percentage of insurance to turnover is 10 per cent.:

	Turnover, 1913.	Turnover after fire.	Shortage.	Overplus.
September	£800	nil.	£800	—
October	750	£200	550	—
November	900	600	300	—
December	1,000	700	300	—
1914—				
January	600	900	—	£300
February	750	850	—	100
March	900	650	250	—
April	600	500	100	—
May	1,000	900	100	—
June	500	—	—	—
July	700	—	—	—
August	500	—	—	—
			£2,400	

The loss under the present reading of the clause is ten per cent. on £2,400—£240.

If the shortage is taken for the whole period the loss would be 10 per cent. on £2,000—£200.

Again, another example (occurred). A clothier had his profits insured under the heading "Turnover," the period of indemnity, six months. A fire occurs between seasons. His travelers are out obtaining orders, which are booked, as is the usual custom, for three months ahead. His shortage of turnover for the first three months is large, for the reason that he is manufacturing goods which are placed on the shelves for delivery in their due course. The next three months his sales exceed the months for the corresponding year, and insured obtains the benefit of the shortage for the first three months without the company receiving the benefit of the overplus for the second three months.

The insurer must specify on the proposal the various standing charges he wishes to cover, under the above heading. This is necessary in order that the assessor may be able to certify that such specified charges have been paid or are payable after the fire, reducing the percentage accordingly should it not be so. The words "Standing charges" have a simple meaning—namely, charges that remain before a fire and stand to be paid after a fire. They usual include interest, directors' fees, rent, rates and taxes, salaries to permanent staff, auditors' fees, and wages to skilled employes. The latter, namely, wages to skilled employes, I do not think should be classed among standing charges. The policy is issued to cover the earning loss and is based upon the total profits made up of net profits plus the standing charges. This is what he insures for. We all know that an ordinary trading profit and loss account is in two divisions, one the trading account, in which the stock at commencement and the cost of the goods is on the debit side; and the sales, with the stock on hand on the other side, the balance being the gross profit. From this gross profit the profit and loss account is prepared, and against the gross profit all charges connected with the selling and distribution of the goods are debited, the balance being net profit. I, therefore, consider that the term "Standing charges" means "Standing profit and loss charges," and only items which an accountant would place to the debit of a profit and loss account should be insurable under this heading.

Wages to skilled employes means a portion of the cost of manufacturing goods to bring them to the market, and surely this cannot be an insurable interest under a profits policy. A costume maker may have a designer and a cutter—these are skilled employes. A fire occurs, and the business is totally interrupted. He does not wish to lose these skilled employes, but is it necessary for him to keep his designer and cutter for the continuance of business if it is totally interrupted? No doubt on business grounds he does not like to lose their services in case he cannot engage others in their place when required, but that is a sentimental loss that has no connection with profits and an insurance thereon. Wages to skilled employes should be eliminated from "standing charges."

Viehmann Discusses Car Moral Hazard

(Continued from Page 1.)

which comes to us is extremely interesting.

Reception of Idea

"We find some places where it strikes no responsive chord. We find other places where it is received with satisfaction and great approval in exactly the form we offer. But we, in our judgment, have this conclusion, viz: That in its present form it is not what it should be. In the first place we start out with our agents just as we do in the fire business, to take into consideration very seriously the moral hazard of the insured. And with that as a basis we must give some weight to the fact that the people we are insuring are presumably going to take care of their cars and make them last as long as possible. That being the case we have practically arrived at the conclusion that the solution is to insure a car at the list price with a depreciation of three per cent. from the list price for each month during the first year; two per cent. of the list price for each month of the second year, and one per cent. of the list price for each month of the third year, adjusting our premium accordingly, increasing the rate in the second and third years because the hazard on a car as it grows older does not decrease but increases. Take for example a car which has a list price of $1,000. In the twelfth month this car would have depreciated so that its insurable value was only $670, and that is about the price at which a $1,000 car a year old can be traded in exchange with a dealer. That same car, in the twenty-fourth month would have an insurable value of $430 which is a little bit heavier than the amount at which it would be taken in trade. And in the thirty-sixth month, that car would have an insurable value of $310.

"A Ford selling for $360 would in the twelfth month have an insurable value of $241.20. In the twenty-fourth month it would have an insurable value of $154.80 and in the thirty-sixth month it would have an insurable value of $111.60.

Eliminates Moral Hazard

"My opinion is that the person who wants to insure a $1,000 car and gets a policy no matter what the rate, which will provide that if that car burns, or is stolen, at any time during the year, will return to him $1,000, wants to get something which he knows is unfair because he knows that the minute he buys that car it depreciates in his possession the amount of the dealer's commission, which is about 15 per cent. or 20 per cent. At the same time that man is justified in wanting a policy which would not take that 15 or 20 per cent. off if after owning that car ten or twenty days it should happen to burn up or be stolen. Therefore this automatic reducing policy supplies the proper kind of insurance. It eliminates the fellow who feels that at the end of eleven months, being in hard straits, there is a method of getting back all the money that he put into it. It eliminates the hazard of a chauffeur who knowing of the existence of such a policy can have the boss get rid of the car he may then have and get another without loss, because it brings the insurance value automatically down to a point where it is practically what can be obtained by the owner in exchange or by sale.

"I am sure that you can appreciate the difficulties which come to any pioneer in putting out any new proposition, but after most careful thought during the last eight months, and an immense amount of work, we have come to the conclusion that this is the only logical way to handle automobile insurance, and we feel that the proposition presented will be the one that will be ultimately adopted by other companies."

The rates under this policy follow:

Gasoline Cars.

Class I: Models listing at $3,000 and over—1 per cent. of list price.

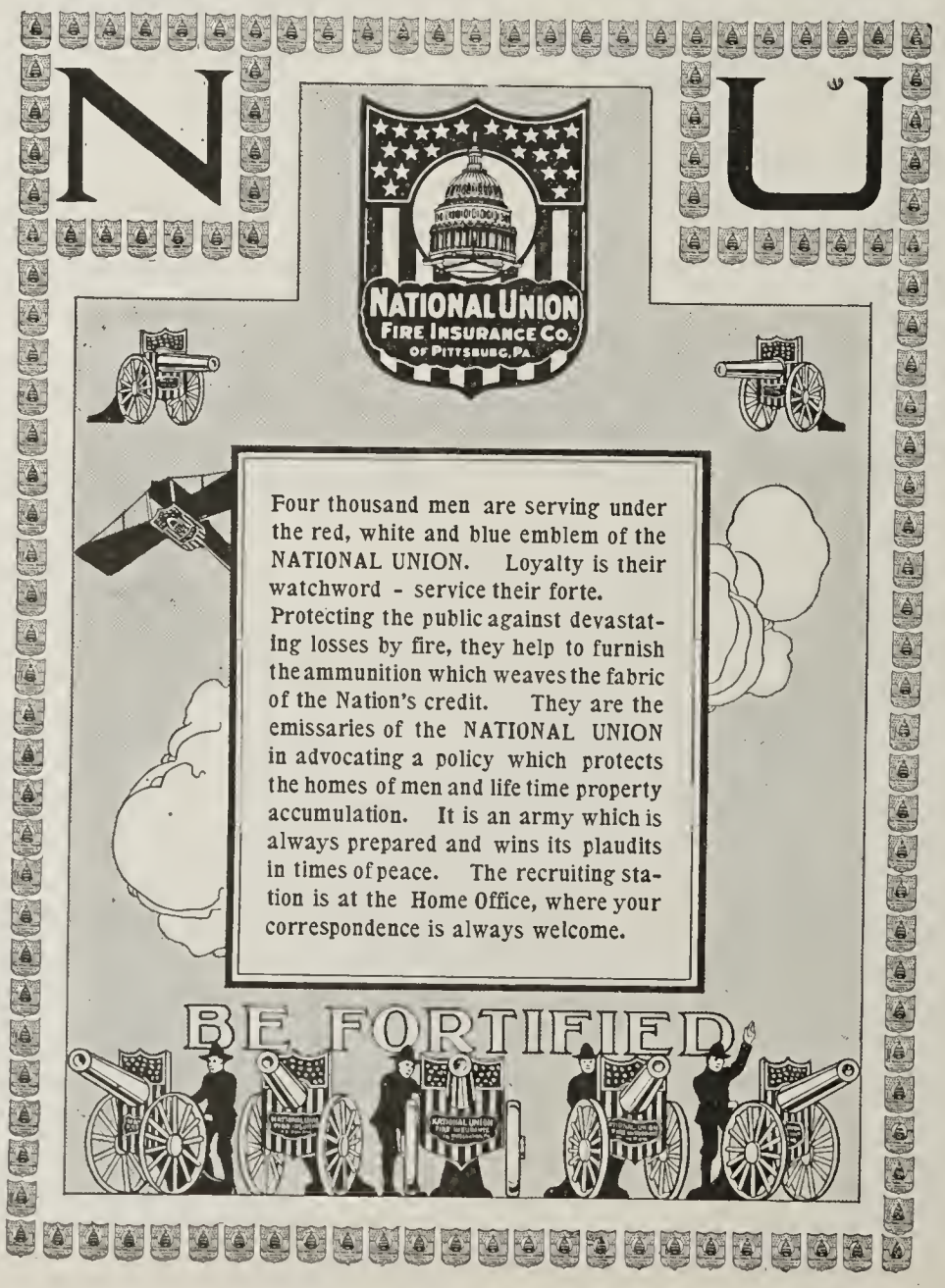
Class II: Models listing at $1,500 to $3,000—1½ per cent. of list price.

Class III: Models listing under $1,500—2 per cent. of list price.

Electric Cars.

All models—¾ of 1 per cent. of list price.

No reductions allowed for fire extinguishers or theft locks.



ALLEN MADE VICE-CHAIRMAN

In view of the continued illness of Chairman Frederick E. Warner, of the Organization Committee of the National Association of Insurance Agents, E. M. Allen of Helena, Ark., has been made vice-chairman of the committee and will handle the work for the time being. Mr. Allen has been particularly active in the western field, supplementing the effective work of Chairman Warner, and his address at Boston on the subject of local insurance clubs stimulated great interest in the subject. A number of local clubs have been formed in various States, and the subject is becoming one of very general interest.

BROOKLYN AGENCY TO MOVE

William H. Frank, Jr., manager of the Brooklyn agency of the Germania Fire, will remove the agency from 151 Montague Street to 198 Montague Street, Brooklyn. The change will be made about May 1st.

OHIO FARMERS FIGURES

The Ohio Farmers had premiums last year in windstorm and tornado 1916 business of $141,983; losses of $106,042. Through an error it was printed in The Eastern Underwriter that these figures represented motor vehicle premiums and losses.

CASUALTY AND SURETY NEWS

Decision on Accident and Health Insurance

INSURED ABLE TO ATTEND TO BUSINESS

Mississippi Court Decides That No Recovery Could Be Made Against Company

GEORGE F. KAISER

Suit was instituted against an insurance company by the widow of a man in Meridan, Miss., who had held a health and accident insurance policy. It appeared, that the assured became ill in May and was totally disabled from attending to any business up to and including the date of his death in August, according to the contention of the widow. The clause of the policy under which the claim was made, read:

At the rate of one hundred and 00/100 dollars per month for the number of consecutive days, after the first week that the insured is necessarily and continuously confined within the house, and therein regularly visited at least once a week by a regularly qualified physician by reason of illness that is contracted and begins after this policy shall have been maintained in continuous force for sixty days; or, if during convalescence immediately following said confinement, or if by reason of any non-confining illness, the insured shall be wholly and continuously disabled from performing any act or duty pertaining to any business or occupation, though not confined within the house, and shall require the regular attendance of a physician, the company will pay an indemnity at one-half the above rate for a period not exceeding two consecutive months: Provided, that the combined period for which indemnity shall be paid under this paragraph for any one illness shall not exceed six consecutive months: Provided further, should disability be caused or contributed to by rheumatism, tuberculosis, paralysis, sciatica, neuritis, Bright's disease, lumbago, cancer, hemorrhoid, dementia or insanity, the company's liability shall be limited under this paragraph to a period not exceeding one month during any one policy year.

Court Ruling

The court pointed out that there are two kinds of health or accident insurance, the first of which provides for the payment of certain premiums during the time that the insured is totally or partially disabled from performing any or all of his duties pertaining to his occupation or business, while the second is a general accident and health policy which does not make the payment of these premiums depend solely upon the total or partial disability of insured from pursuing his occupation or calling but rather makes the payment of premiums dependent upon the insured's being confined either in bed, to his house or home and within the house. It was conceded that the policy upon which the suit was brought was of the latter type.

Visited Store While Ill

It appeared that although deceased was ill for three months, during this time he went from his home to his store in Meridan, Miss., almost, if not every day; that he had a cot in the back of the store and would lie down a great part of the time; that he sometimes waited on customers and helped his wife with the management of the store. He also made a trip to Stafford Springs and another to Cooper's Wells during his illness. As the testimony did not show whether or not during any of the time he was in Meridan he was confined to his house and unable to go to the store, the court decided there could be no recovery against the company for that period under the policy.—Am. Life & Accident Ins. Co. vs. Nirdlinger. 73 So. (Miss.) 875.

APPOINT BREWSTER & CO.

Continental Will Write Automobile and General Liability Business Here in Addition to Present Lines

The New York Insurance Department on Monday issued a license to the Continental Casualty Co., of Chicago, to write automobile and general liability business in this State in addition to the lines which have been written by the Company to this time. The Continental has for a number of years been writing accident and health business in New York State, and will continue this department at 80 Maiden Lane.

In conjunction with the above, the Company announced this week the appointment of the J. N. S. Brewster & Co., Inc., 55 Liberty St., as general agents for the metropolitan section and Northern New Jersey for liability lines. Accompanying this announcement is that of J. N. S. Brewster & Co., Inc., to the effect that it has taken the whole floor of 55 Liberty Street to offer additional facilities for the writing of liability and automobile business. The agency represents the Germania Fire for automobiles and is thus enabled to offer complete automobile coverage. It has organized an automobile department under the management of L. Edward Shaw, formerly with Platt & Farnum.

F. & D. 1916 FIGURES

From January 1st to March 15th the fidelity and surety net premiums of the Fidelity & Deposit show an increase of 25 per cent. over the same period for 1916. The accident business shows an increase of 42 per cent. The automobile business shows an increase of 38 per cent. The burglary business shows an increase of 44 per cent. The plate glass business is running about even despite the elimination of several very large lines written last year in February on which the experience was bad.

DROP INCREASE IN GLASS PRICE

As a result of the publicity given by The Eastern Underwriter to the recent meeting of glaziers in New York City, this paper is informed that the effort then made to increase the price of plate glass has been dropped, and that the second meeting called to continue this move has not been held.

BOUGHT BY GEORGE FORREST

George Forrest, former manager in New York of the North American Accident, has bought the New York Safety Reserve Fund, has made deposits with the State, and has opened an office at 261 Broadway.

Representative Perry recently introduced a bill in the Pennsylvania Legislature, forbidding the cancellation of health and accident policies except with the consent of the insured, unless for non-payment of premiums.

CONTINENTAL CASUALTY COMPANY

ANNOUNCE THE APPOINTMENT OF

J. N. S. BREWSTER & COMPANY, Inc.

55 LIBERTY STREET NEW YORK CITY

As General Agents for

Automobile and General Liability Business

L. EDWARD SHAW, Manager

NEW YORK CASUALTY FIGURES FOR 1916

	Premium	Losses
Aetna Accident and Liability		
Accident	$705	$134
Liability	159,046	63,910
Fidelity	32,682	8,522
Surety	236,945	1,780
Plate Glass	36,067	19,208
Burglary and Theft	84,421	30,712
Sprinkler	41,689	7,169
Fly Wheel	599	.....
Auto, etc.	223,084	82,103
Aetna Life		
Accident	403,547	183,088
Health	123,738	63,258
Liability	789,111	430,097
Workmen's Compensation	1,269,146	767,563
Workmen's Collective	3	.....
Brotherhood Accident		
Accident and Health	41,250	22,420
Commercial Casualty		
Accident	31,952	10,689
Health	24,573	8,892
Liability	675,542	210,802
Workmen's Compensation	50,224	23,139
Plate Glass	15,875	6,822
Auto, etc.	123,820	40,835
American Credit Indemnity Co.		
Credit	127,172	32,533
American Surety		
Fidelity	257,257	16,229
Surety	554,345	47,940
Capital City		
Fidelity	1,378	.....
Surety	123,979	26,363
Fidelity and Casualty		
Accident	523,551	160,478
Health	440,792	259,576
Liability	468,070	284,903
Workmen's Compensation	523,316	257,704
Fidelity	103.166	31,563
Surety	176,707	29,825
Plate Glass	94,073	48,088
Steam Boiler	52,266	5,679
Burglary and Theft	192,593	52,937
Fly Wheel	12,694	.....
Auto, etc.	42,747	19,415
Continental Casualty		
Accident	142,899	44,555
Liability	67,024	29,660
Equitable Accident, Boston		
Accident and Health	28,348	32,284
Federal Casualty, Detroit, Mich.		
Accident and Health	41,314	20,015
Fidelity and Deposit		
Accident	54,485	12,503
Health	38,470	17,609
Liability	259,941	212,321
Workmen's Compensation	36,921	120,773
Fidelity	103,244	54,947
Surety	510,106	72,169
Plate Glass	60,682	36,632
Burglary and Theft	59,838	28,821
Auto, etc.	46,049	21,045
Hartford Accident and Indemnity, Conn.		
Accident	16,185	5,332
Health	8,141	4,579
Liability	209,177	51,155
Workmen's Compensation	212,841	71,456
Fidelity	47,687	4,491
Surety	100.477	659
Plate Glass	25,436	4,204
Burglary and Theft	137,608	59,128
Auto, etc.	43,541	10,307
Live Stock	41,140	14,919
Hartford Steam Boiler & Indemnity Co., Conn.		
Accident	194,287	9,938
Fly Wheel	51,151	387
Employers' Liability Assurance, London		
Accident	41,306	9,945
Health	14,113	2,212
Liability	821,708	286,691
Workmen's Compensation	1,235,666	657,162
Fidelity	24,484	6,500
Surety	1,960	.....
Plate Glass	43,564	3,261
Steam Boiler	13,828	130
Burglary and Theft	59,396	19,259
Fly Wheel	338	.....
Auto, etc.	128,997	38,921
Workmen's Collective	811	.....
European Accident		
Accident	93,847	26,816
Health	41,874	28,649
Liability	33,108	15,135
Workmen's Compensation	19,993	.....
Fidelity	6,698	.....
Surety	7,996	50
Steam Boiler	3,896	.....
Burglary and Theft	90,086	17,459
Fly Wheel	53	.....
Frankfort General		
Accident and Health	32,067	17,050
Liability	114,327	106,980
Workmen's Compensation	71,647	24,403
Burglary and Theft	10,604	4,815
Auto, etc.	9,543	4,977
General Accident		
Accident	92,559	38,734
Health	68,895	33,944
Liability	465,708	411,009
Workmen's Compensation	175,105	87,214
Burglary and Theft	18,713	10,897
Auto, etc.	83,210	51,927
Guarantee Co. of N. A., Montreal, Can.		
Fidelity	39,498	18,893
Surety	2,077	.....
London Guarantee and Accident, England		
Accident	25,267	6,214
Health	14,232	15,039
Liability	328,379	226,730
Workmen's Compensation	484,673	208,759
Steam Boiler	5,869	107
Burglary and Theft	52,516	18,876
Credit	148,899	25,527
Auto, etc.	44,114	15,826
Ocean Accident & Guaranty Co., London		
Accident	68,499	21,098
Health	25,792	12,802
Liability	335,746	155,596
Workmen's Compensation	394,215	191,584
Fidelity	18,235	1,001
Plate Glass	15,751	7,643
Steam Boiler	42,976	33
Burglary and Theft	60,286	26,674
Credit	150,626	46,463
Fly Wheel	2,060	.....
Auto, etc.	55,112	15,590
Zurich General, Switzerland		
Accident	84	.....
Health	35	.....
Liability	421,521	253,776
Workmen's Compensation	331.032	216,435
Auto, etc.	56,813	32,785
International Fidelity		
Fidelity	2,299	196
Surety	32,981	750
Manufacturers Liability		
Liability	2,755	126
Workmen's Compensation	67,002	30,872
Maryland Casualty		
Accident	37,157	8,816
Health	25,192	6,677
Liability	287,027	184,401
Workmen's Compensation	412,861	191,799
Fidelity	16,974	4,523
Surety	47,229	22,885
Plate Glass	37,324	20,057
Steam Boiler	46,361	631
Burglary and Theft	46,614	26,995
Sprinkler	4,782	13,878
Fly Wheel	4,376	28
Auto, etc.	32,931	10,206
Physical Defense	4,762	762
Masonic Protective Association		
Accident and Health	114,485	56,507
Massachusetts Accident		
Accident and Health	46,413	25,301
Massachusetts Bonding		
Accident and Health	180,132	77,151
Liability	246,652	206,080
Workmen's Compensation	324,514	149,464
Fidelity	31,214	6,018
Surety	120,164	21,708
Plate Glass	35,911	18,095
Burglary and Theft	88,009	24,904
Auto, etc.	13,946	5,611
Travelers Indemnity Co.		
Accident	10,693	2,239
Health	2,438	1,789
Liability	1,342	.....
Plate Glass	32,693	13,160
Steam Boiler	68,528	11,448
Burglary and Theft	59,460	6,053
Fly Wheel	1,564	.....
Auto, etc.	250,559	93,203

(Continued on page 18.)

General Accident

FIRE AND LIFE

ASSURANCE CORPORATION, Ltd.

FREDERICK RICHARDSON, United States Manager

GENERAL BUILDING · 4TH & WALNUT STS.

PHILADELPHIA

Industrial Commission on Cancellation Clause

POLICY IN FORCE UNTIL FULL NOTICE IS GIVEN

Claim Allowed Month After Contract Was Voided Because Notice Was Two Days Late

A decision has been rendered providing that a compensation policy is in force until all technicalities regarding the cancelling of the policy have been complied with. It was made by Commissioner Lyon in the case of I. Newman vs. I. Singer, employer, and the Southern Surety, and was unanimously adopted as the opinion of the New York State Compensation Commission. The decision is given in part as follows:

The employer is in the bottling business and the claimant was injured by the explosion of a bottle while in the employ of Mr. Singer on July 7, 1916. There is no claim but that the injured man is entitled to compensation, the question in the case being whether the insurance carrier is liable under its policy of insurance. On March 10, 1916, a policy was issued to Israel Singer running to March 10, 1917. It seems that Singer made several payments on account of the premium, but on May 31st there was a considerable portion of the premium unpaid, and on that date, for failure to pay the premium, the insurance carrier wrote Singer a letter purporting to cancel the policy for non-payment of premium, the same to become effective on June 10th. This letter, however, was not mailed until the 2nd day of June, when it was sent to the employer by registered mail and was by him thereafter received. The question to be determined is whether this notice of cancellation became effective so that the policy was not in force on July 7th, when the accident to Newman occurred.

"The statute and the policy of insurance contain the provision as to the method of cancelling a policy of compensation insurance under our Act. Subdivision 5 of Section 54 of the Compensation Law provides, as follows:

" 'No contract of insurance issued by an insurance carrier against liability arising under this chapter shall be cancelled within the time limited in such contract for its expiration until at least ten days after a notice of cancellation of such contract, on a date specified in such notice, shall be filed in the office of the commission and also served on the employer. Such notice shall be served on the employer by delivering it to him or by sending it by mail, by registered letter, addressed to the employer at his or its last known post office address; provided that, if the employer be a partnership, then such notice may be so given to any one of the partners, and if the employer be a corporation then the notice may be given to any agent or officer of the corporation upon whom legal process may be served. Provided, however, the right to cancellation of a policy of insurance in the State fund shall be exercised only for non-payment of premium.'

"I understand the law to be that a policy of insurance once issued and accepted, continues in force until it is legally cancelled, whether the insured has in fact paid the premium or not, at least, that such is the law in the absence of an explicit statement in the contract of insurance to the contrary. The insurance carrier in this case apparently took this view of the law also, for it prepared and sent a notice of cancellation specifying the date upon which the cancellation would become effective, which is an implied statement that up until that date the policy would be continued in force. There is, therefore, nothing in the point raised by the insurance carrier that the policy can be held to be of no effect, because the premium has not been paid, in the absence of an effective notice of cancellation. The failure to pay the premium is the fact which makes a cancellation notice proper, in pursuance of the section above quoted. There was no way for the insurance company to cancel its policy of insurance except to follow the wording of the statute, and certainly the mailing of a notice on June 2, to become effective on June 10, was not giving ten days' notice of intention to cancel, and the insured had a right to treat the notice of cancellation as a nullity, because it was evidence to him when received, that it did not comply with the statute. The policy, therefore, continued in effect unless subsequently cancelled until it expired by its own limitation."

Boudin & Honig appeared for the claimant and A. Cameron for the Southern Surety.

Cary Groton on Accident Underwriting

The so-called commercial accident and health policy of twenty years ago might be compared with the modern policy in about the same manner that Fulton's steamboat could be compared with a modern ocean liner, says Cary Groton, commercial accident underwriter of the Pacific Mutual. The development of the former is no less marked than the development of the latter.

The large accident and health insurance companies have in numberless ways liberalized their policies during the past ten years until it would seem that the limit had been reached—if not exceeded. Safeguarding restrictions considered necessary a few years ago have been eliminated, geographical limits have been removed, periods for which indemnity may be collected have been extended from a matter of twenty-six weeks to an unlimited number of weeks, accumulating and doubling features and beneficiary insurance have been added, as well as provisions for additional amounts for hospital confinement and operation fees. In the most liberal forms of policies the house confinement requirement for illness indemnity has been removed and a partial disability illness feature added. Many other changes of lesser importance all tending to clarify and increase the benefits and privileges have been made.

In view of this liberalization of policy contracts, without additional cost to the policyholder, it might be anticipated that there would be a tightening up on claims. No insurance man would ever make bold to say that such were the case, however. As a matter of fact, the claimant under the so-called commercial policies of today is practically his own adjuster. Furthermore, service rendered by agents and company surgeons to policyholders has been brought to a high degree of perfection.

One prominent result of all this has been a marked tendency of loss ratios to increase, and since there has been no offsetting decrease in the cost of acquiring and handling the business, it is self-evident that there has been a corresponding impairment of the margin of profit.

A great deal is being said and written these days about selection of risks as a means of checking the increasing loss ratio, as opposed to any increase in cost to the applicant. The time has come when it is imperative that something be done to remedy existing conditions. One of the simplest and most effective remedies is to more carefully select risks, and as is always the case, this prescription is valueless unless the remedy is actually applied according to directions.

Selection of the individual risk is all-important of course, and a proper guide in this is always at hand, namely in the printed instructions in the manual. Selection may also be extended to the class or group of risks. To illustrate: Some time ago this Company placed on the market a so-called unlevel policy—small principal sum and large weekly indemnity. The rates of premiums were, as is always the case, based on the loss ratio on an average risk. The Company could sell the policy at a fair profit as long as the average was maintained, but when it became evident that the sale of that form was being confined in some sections to a class of business which has always been unprofitable from the weekly indemnity standpoint, increased rates had to be adopted for that particular class of business in order to maintain the average.

Another example: A policy with very liberal and unrestricted health features was introduced at the urgent request of the field. Due to the liberal provisions, instructions were given to the effect that only strictly first-class and physically perfect risks would be accepted. Requests in steadily increasing number are being received to make an exception in this or that case, endorse his policy eliminating the objectionable feature, etc. Requests have even been presented that risks declined for life insurance for physical reason be accepted. As in the other example, the premium was scientifically computed on the basis of a selected class of business. Every sub-standard risk accepted does its part in impairing the class, and if a particular form of insurance demonstrates its unprofitableness, sooner or later it must be withdrawn.

The power of selection rests almost entirely with the soliciting agent. The home office and the general agent may instruct and direct but must depend ultimately upon the field man, and to him we would say:

As to the individual risk, subject every one to the rules for none is an exception; as to class, sell your policy as a whole—don't pick out a particular class of risks to which a certain feature in a certain policy would prove most advantageous. Strive to preserve an average risk—an average as to classification of occupation, amount of insurance, and general fitness from physical and moral standpoints. A little well-applied "brain work" on the part of every solicitor along this line will do a lot toward solving a serious problem.

New York Figures

(Continued from Page 17.)

Travelers Insurance Co.		
Accident	718,769	310,539
Health	215,046	100,551
Liability	1,770,333	1,003,179
Workmen's Compensation	3,123,635	1,610,112
Workmen's Collective	. ....	60
United States F. & G., Baltimore		
Accident	8,647	1,513
Health	3,367	1,217
Liability	799,963	289,067
Workmen's Compensation	823,942	374,630
Fidelity	151,537	35,831
Surety	585,309	54,450
Plate Glass	26,666	13,987
Burglary and Theft	47,759	1,233
Auto, etc.	102,540	23,962
World Life & Accident, Chicago, Ill.		
Accident and Health	12,312	4,971
General Indemnity		
Burglary and Theft	9,903	.....
Globe Indemnity, N. Y.		
Accident	44,786	27,293
Health	27,932	19,124
Liability	373,081	159,140
Workmen's Compensation	495,732	254,796
Fidelity	31,734	8,471
Surety	247,026	25,012
Plate Glass	57,590	21,844
Steam Boiler	26,507	3,675
Burglary and Theft	78,427	18,177
Fly Wheel	1,848	.....
Auto, etc.	87,283	50,524
Great Eastern Casualty		
Accident	127,803	48,966
Health	183,131	38,718
Liability	57,211	2,947
Workmen's Compensation	730	.....
Plate Glass	31,968	17,085
Burglary and Theft	69,068	31,892
Auto, etc.	11,438	3,376
Hartford Live Stock		
Live Stock	2,297	.....
Lloyds Plate Glass, N. Y.	159	83,405
London & Lanc.		
Accident	14,879	3,172
Health	6,794	3,978
Liability	170,081	51,441
Workmen's Compensation	80,354	40,342
Fidelity	12,323	486
Surety	39,095	2,863
Plate Glass	13,850	6,802
Burglary and Theft	11,865	4,842
Auto, etc.	32,782	11,361
Metropolitan Life		
Accident and Health	107,310	125,972
Metropolitan Casualty		
Accident	39,917	7,754
Health	16,320	7,730
Plate Glass	173,791	94,695
Burglary and Theft	4,401	.....
National Surety, N. Y.		
Fidelity	227,957	36,558
Surety	871,945	119,244
Burglary and Theft	207,813	69,949
New York Plate Glass		
Plate Glass	222,699	143,284
New Amsterdam, N. Y.		
Accident	72,445	18,707
Health	16,794	13,983
Liability	188,652	182,071
Workmen's Compensation	226,256	124,610
Fidelity	37,747	4,119
Surety	51,895	2,963
Plate Glass	39,799	25,285
Burglary and Theft	48,781	21,964
Auto, etc.	25,881	14,396
National Casualty		
Accident and Health	87,465	37,780
New Jersey Fidelity & Plate Glass		
Liability	111,121	8,254
Workmen's Compensation	95	.....
Plate Glass	38,515	17,968
Burglary and Theft	13,334	8,541
Auto, etc.	28,545	7,846
North American Accident		
Accident	136,562	57,009
Pacific Mutual		
Accident	91,132	33,680
Health	65,836	29,550
Prudential		
Accident	10,492	4,214
Health	1,142	463
Liability	93,099	78,235
Workmen's Compensation	10,028	5,222
Plate Glass	18,048	11,074
Burglary and Theft	14,821	1,439
Auto, etc.	21,834	9,258
Red Men's Fra.		
Accident and Health	3,544	1,416
Ridgely Protective Association, Worcester, Mass.		
Accident and Health	69,539	39,418
Royal Protective, Boston		
Accident and Health	64,229	35,935
Standard Accident, Detroit, Mich.		
Accident	183,397	74,999
Health	49,148	25,737
Liability	248,285	99,435
Workmen's Compensation	306,578	136,907
Auto, etc.	36,948	8,037
Preferred Accident		
Accident	255,716	74,224
Health	75,757	30,939
Liability	319,584	100,443
Workmen's Compensation	1,794	.....
Fidelity	10,818	.....
Surety	15,928	.....
Burglary and Theft	90,922	34,972
Auto, etc.	145,779	50,951
Royal Indemnity		
Accident	41,136	10,428
Health	17,663	8,338
Liability	363,365	196,120
Workmen's Compensation	371,099	148,261
Fidelity	49,248	7,783
Surety	61,156	2,311
Plate Glass	24,260	13,305
Steam Boiler	24,930	661
Burglary and Theft	71,472	23,027
Fly Wheel	1,198	.....
Auto, etc.	70,429	28,548
United States Casualty		
Accident	142,876	41,259
Health	80,247	38,657
Liability	210,280	129,460
Workmen's Compensation	220,628	106,525
Plate Glass	26,173	8,660
Steam Boiler	1,088	310
Burglary and Theft	40,023	18,156
Auto, etc.	22,034	10,374
United States Guarantee		
Fidelity	109,076	32,514
Surety	130,253	22,024

The Employers' Liability Assurance Corporation, Ltd.

The original and leading Liability Insurance Company in the World

LIABILITY, STEAM BOILER, ACCIDENT, HEALTH, FIDELITY AND BURGLARY INSURANCE

United States Branch

SAMUEL APPLETON, United States Mgr.

Employers' Liability Building

33 BROAD STREET, BOSTON, MASS.

AGENTS WANTED

CASUALTY AND SURETY POINTERS

Administrator's Debt A Dangerous Feature

In the Judicial Application Form No. 1053, used for executors, administrators and other fiduciaries, the thirteenth question is intended to bring out the information whether the applicant for the bond is indebted to the estate. To the average layman and to the inexperienced it may seem to be unimportant whether the administrator is indebted to the estate or not as the risk involved in signing the bond of the administrator is regarded as involving almost exclusively the honesty of the administrator. The fact that this specific information is brought out in the application in an investigation into the facts preliminary to the execution of the bond indicates that this information does have an important bearing upon the risk.

The reason for developing this information is the probability that the surety upon the bond may be liable for the debt of the administrator whether the administrator is able to pay it or not. This is no one of those hidden, possible liabilities which very rarely materialize, but is one that is constantly arising through decision of the Courts. Within the last two or three months the Supreme Court of Oregon has held that under the statutes of that State an administrator is obliged to charge himself with his own debt and that the surety upon his bond is liable whether the administrator is solvent or insolvent. The liability in this case was worked out through the statutes of the State which requires an executor to charge himself with his own debt as so much money in his hands, and when that is done the liability of his surety follows as a matter of course.

The Company has paid some heavy losses as surety upon administration bonds where the administrator was indebted to the estate, and in one instance the Supreme Court of the State went so far as to hold the Company liable on an executor's bond not where the executor himself owed the debt to the estate, but the partnership of which he was a member was indebted to the estate, the theory being that the debt of the partnership was the debt of each individual member, and therefore came within the rule requiring an executor to charge himself with the indebtedness to the estate. The risk arising from such indebtedness may assume various phases:

First. The Courts of some four or five States of the Union have held that the surety upon an administration bond is liable for the debt whether the administrator is able to pay it or not, and this rule would probably be enforced apart from any statute requiring the administrator to charge himself with the debt as part of the assets of the estate. The decisions are based upon the ground that this was the common-law rule and that where the duty to collect concurred with the obligation to pay the law would presume that the duty had been performed and that the money had been paid. This is the law in Alabama, Massachusetts, New Hampshire, Ohio and probably in South Carolina.

Second. The Courts of the other States where the question has arisen have taken the view that it is unjust to enrich the estate beyond what it would have been if someone else had been the administrator; and if the administrator is insolvent the debt could not have been collected from him by someone else; therefore, it is inequitable to make the surety liable for a debt which under other circumstances could not have been collected. But even in those States if the administrator was solvent at the time of his appointment or being insolvent at the time of the appointment became solvent during the course of the administration, he and his sureties were responsible for the debt to the extent of his ability to pay it.

Third. Where the administrator is insolvent at the time of the appointment and continues insolvent throughout the administration, any commissions he receives from the estate or any legacy or distributive share which he may receive from the estate shall be used in paying his indebtedness and the surety would probably be held liable for the application of his commissions or his legacy or his share towards the liquidation of the debt.

The practical effect from an underwriting point of view when this feature arises, is to throw the burden of the responsibility upon the surety either in the way of holding the surety absolutely liable or by imposing upon it the difficult task of establishing the insolvency of the administrator, because by doing this only can the surety escape responsibility. Everyone knows how difficult it is to prove what the financial condition of anyone was a year or two prior to the time the question is raised. Inasmuch as the Company's aim is to confine the hazard upon an administration bond to the honesty of the administrator and avoid as far as possible any risk involving the financial responsibility of the administrator, it is essential that this particular part of the application be given careful attention by the agents and the information developed as to the indebtedness of the administrator to the estate.—F. & D.'s "Fidelity Journal."

Law Covering Auto Thefts Too Lax

Wants Federal Law to Investigate Shipment of Automobiles—Number Stamps and Better Laws

The Firemen's Fund issued a statement making several suggestions regarding changes in the statutes which would cause a marked diminution in the number of stolen cars. Its view is that the present laws are too lax with reference to automobile thieves. The Fireman's Fund says:

"The law does not require a man to prove ownership of the car he is driving.

"Greater care should be exercised by the owners in protecting their property, thereby assisting the police, who strive to look after their interests to the best of their ability. There are many convenient garages in every town that will be responsible for your car during your absence in the theatre or elsewhere. Think of the worry you may save for a small expenditure! What more can we do than be careful?

"The majority of automobile thieves do not receive the punishment they deserve. The average joy-rider who 'borrows temporarily' your automobile or mine abandons it in a half-wrecked condition. If a juvenile, he is dealt with very leniently. Such 'temporary use' or 'borrowing' is not a felony in most States, and unless the owner can prove that theft was the intent, he has no other case than a misdemeanor; the thief receives the clemency of the court and is given his liberty, along with a little good advice. He usually commits the same offense over again, and in time, as you know, practice makes perfect.

"We might suggest a Federal law which would investigate the shipment of automobiles, as at present the railroad and steamship companies simply designate the shipment of the machine, without giving any distinctive description in the bill of lading, which makes it very easy to ship stolen cars.

"The manufacturers could also help to a great extent by stamping the numbers in the motor base or chassis so deeply that it would be difficult to change them. It would also help if they would equip the automobile with a suitable lock which would prevent any other than its driver taking the car.

"It is obviously up to the owners of machines and the automobile clubs in this country to see that the present motor vehicle laws are amended or corrected. Until they are the automobile thieves will continue to do a profitable business."

W. E. SMALL, President PETER EPES, Agency Mgr. E. P. AMERINE, Secretary

ACCIDENT and HEALTH
PLATE GLASS
BURGLARY

Georgia Casualty Company

LIABILITY
COMPENSATION
AUTOMOBILE



A Company Devoted to Service

A Company looking to the interests of its Representative

Home Office: Macon, Georgia
Surplus and Reserves over $1,100,000.

The METROPOLITAN CASUALTY
INSURANCE CO. OF NEW YORK
HOME OFFICE, 47 CEDAR STREET
CHARTERED 1874
Plate Glass, Burglary, Accident and Health Insurance
EUGENE H. WINSLOW, President
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RELIABLE AND ENERGETIC AGENTS WANTED



BUSINESS=BUILDERS
DEVELOPING
Fidelity and Surety Bonds, Liability Workmen's Compensation, Automobile, Accident, Health, Burglary and Plate Glass INSURANCE
APPRECIATE THE CO-OPERATION OF THE
Massachusetts Bonding and Insurance Company
BOSTON T. J. FALVEY, President
Paid-In Capital $1,500,000 Write For Territory

THE SIGN OF GOOD CASUALTY INSURANCE
HEAD OFFICE
CHICAGO
F. W. LAWSON
General Manager
Liability, Accident, Burglary, Boiler and Credit Insurance



Established 1869.

F. J. WALTERS
Resident Manager
55 JOHN STREET
New York
Elmer A. Lord & Co.
145 Milk St., Boston
Resident Managers New England
London Guarantee & Accident Co., Ltd.
OF LONDON, ENGLAND

The Frankfort General Insurance Co.
of Frankfort-On-The-Main, Germany
ESTABLISHED 1865
United States Department, 123-133 William St., New York, N. Y.
TRUSTEES: Union Trust Company, 80 Broadway, New York City
C. H. FRANKLIN, U. S. Mgr. and Attorney JNO. M. SMITH, Sec. U. S. Branch
INSURANCES TRANSACTED

LIABILITY—			
Employers			
Public		Vessel Owners	Burglary
Teams	General	Contingent	Workmen's Collective
Workmen's	Landlords	Druggists &	Individual Accident & Health
Compensation	Elevator	Physicians	Industrial Accident & Health

AGENTS WANTED FOR UNOCCUPIED TERRITORY

AMERICAN SURETY COMPANY
OF
NEW YORK
100 BROADWAY
Fidelity and Surety Bonds

The Columbian National Life Insurance Company
BOSTON, MASSACHUSETTS

ARTHUR E. CHILDS, President

The Agents' Winning Combination

LIFE—ACCIDENT AND HEALTH—INSURANCE

Covering Permanent and Total Disability,
and Weekly Indemnity for loss of time

The Policyholders' Winning Combination

Guaranteed Cost and Good Service

FOR AGENCIES AND SPECIMEN POLICIES, ADDRESS THE COMPANY

Great Southern Life Insurance Company
HOUSTON, TEXAS.



For Agency Contracts address

O. S. CARLTON

PRESIDENT

PHILADELPHIA LIFE INSURANCE CO.
Philadelphia

Growing larger and stronger every day.
Why not grow with us?

Agency Openings in Pennsylvania, Ohio, West Virginia

40% Increase in Paid New Premiums—that tells the 1916 story of Fidelity progress.

Direct leads and the Fidelity "Income for Life" plan are making money for Fidelity field men. Any man who can sell life insurance can sell MORE Fidelity insurance.

Write to-day—

Fidelity Mutual Life
INSURANCE COMPANY, PHILADELPHIA

INCORPORATED 1878 WALTER LE MAR TALBOT, President

THE TRAVELERS
INSURANCE COMPANY INDEMNITY COMPANY
HARTFORD, CONNECTICUT

WRITE THE GREATEST VOLUME OF

GUARANTEED LOW COST LIFE INSURANCE

AND

CASUALTY INSURANCE

THE OPPORTUNITY TO SUPPLY THESE INSURANCE NEEDS GUARANTEES AGENTS THE BROADEST FIELD AND THE LARGEST INCOME.

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123 WILLIAM STREET

The Greatest Selling Help
for the accident insurance agent is
Prompt and Liberal Claim Service

WE GIVE IT

STANDARD SERVICE SATISFIES

There are Great Opportunities
for agents in unoccupied territory
Write us to-day

The Standard Accident Insurance Co.
of Detroit, Mich.

NEW YORK CITY

San Francisco Losses Amounting to $4,522,905.00 paid PROMPTLY IN CASH WITHOUT DISCOUNT, from funds largely supplied by head office in Liverpool

U. S. Cash Assets, Dec. 31, 1916	$15,827,439.35
Surplus, - - - - -	5,460,745.59
Losses Paid by Chicago Fire, 1871	3,239,491.00
Losses Paid by Boston Fire, 1872	1,427,290.00
Losses Paid by Baltimore Fire, 1904	1,051,543.00

Liverpool AND London AND Globe Insurance Co. LIMITED

Over $152,000,000.00

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HENRY W. EATON, Manager
G. W. HOYT, Deputy Manager
HUGH R. LOUDON, Assoc. Deputy Mgr.
J. B. KREMER, Asst. Deputy Manager
T. A. WEED, Agency Superintendent

NEW YORK OFFICE
80 William Street

368.05 Com. R. R.
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ACQUISITION COST HEARING AT ALBANY—Page 9

THE EASTERN UNDERWRITER

[Succeeding the Journal of Insurance Economics, Established in 1899]

A WEEKLY NEWSPAPER COVERING ALL BRANCHES OF INSURANCE

Eighteenth Year; No. 13 | NEW YORK CITY, FRIDAY, MARCH 30, 1917 | $3.00 a Year; 15c. per Copy

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BILL TO PERMIT BOMBARDMENT COVER

Introduced in New York Assembly; Has Endorsement of the Insurance Department

MEETING OF BROKERS MONDAY

Insistent Demand for Indemnity on Part of Public—Situation Up to Thursday

A bill permitting companies to write Bombardment Insurance in this State was introduced in the New York Legislature yesterday. It has the endorsement of the Insurance Department.

The demand for bombardment insurance became so insistent this week that a dozen of the leading brokerage houses of the city, including Benedict & Benedict and Wilcox, Peck, Brown & Crosby, held a meeting at 3 South William Street, and after some discussion about the situation retained W. P. Barker to represent the brokers before the Insurance Department, and, if necessary, before the legislature. Superintendent Phillips has granted the brokers a hearing on Friday at which the merits of bombardment insurance will be gone into with a view to obtaining from the Department a definite ruling on a precise state of facts. In the alternative of companies not being able to write this cover there will be an agreement with the Department upon some course of action with the Department before the legislature so as to enable the brokers to place this insurance without being subject to the provisions of any existing law.

Developments in the bombardment insurance situation this week in part follow:

Counsel for the New York Insurance Department made the statement that if a bill should be introduced to amend Section 110 to permit companies to write bombardment insurance the Department would offer no objection to the introduction of such a bill.

Placed in New Jersey

Chubb & Son are accepting for the Federal in a limited way war risks, including bombardment. These risks are placed through the New Jersey office.

In regard to the Lloyds', Leroy A. Lincoln, counsel for the New York Insurance Department, said to The Eastern Underwriter:

"As to the matter of Lloyds a New York newspaper inquired of the De-

(Continued on page 13.)

DIRECTORY OF DEPARTMENTS

Life 1
Editorial 10
Fire 11
Casualty 17

"The Largest Fire Insurance Company in America."

THE HOME INSURANCE COMPANY NEW YORK

ELBRIDGE G. SNOW, President

EXPLOSION INSURANCE

FIRE AND ALLIED BRANCHES OF INSURANCE

Fire, Lightning, Automobile, Commissions, Explosion, Hail, Marine (Inland and Ocean), Parcel Post, Profits, Registered Mail, Rents, Sprinkler Leakage, Tourists' Baggage, Use and Occupancy, Windstorm.

STRENGTH REPUTATION SERVICE

North British and Mercantile Insurance Co.

Established 1809

Entered United States 1866

Policyholders protected by the entire United States assets, with further guarantee in every policy, of protection by entire fire assets of the company which are many times larger.

GOLDEN ANNIVERSARY YEAR

1867 1917

Join Our Rapidly Growing Agency Ranks
Attractive Policies to Sell
Large Annual Dividends
Low Net Cost

Good Territory Open
Apply to
H. E. ALDRICH, Supt. of Agents
DES MOINES, IOWA

EQUITABLE LIFE of IOWA

MILLION MORE FOR HENRY P. DAVISON

Harold Pierce, Who Wrote J. P. Morgan, Gets New Application From Latter's Partner

WILL HAVE $2,000,000 IN ALL

March Meeting of Life Underwriters' Association of New York an Interesting Event

Harold Pierce, the phenomenally successful agent of the New York Life in Philadelphia, is setting a pace this year that will be exceedingly difficult to follow. A few weeks ago he secured the application of J. Pierpont Morgan for $2,500,000. At the dinner of the Life Underwriters' Association of New York on Tuesday night it was announced that he has just secured another large policy, this time on the life of Henry P. Davison for $1,000,000.

Mr. Davison is one of the partners in the house of J. P. Morgan & Co. Mr. Pierce wrote some insurance on him a year ago, and when he gets the new million he will be carrying more than $2,000,000. The new policy is ordinary life.

Born in 1867

Mr. Davison was born in Troy, Pa., on June 13, 1867. His career follows:

Teller, Astor Place National Bank, N. Y., 1891-4; assistant cashier 1894-5, cashier 1895-8, vice-president 1898-9, president 1899-02, Liberty National Bank; elected vice-president First National Bank, 1902; now member of the firm of J. P. Morgan & Company; chairman executive committee and director, Liberty National Bank, Bankers Trust Company; director New York, Susquehanna & Western Railroad, First Security Company; trustee Stevens Institute of Technology, Hoboken, N. J.; director and member endowment fund committee, American National Red Cross; Knight of Order of the Crown of Italy. Clubs: Century, Metropolitan, Union League, University, Jekyl Island, Piping Rock.

The full quota on the Morgan insurance has not been filled yet, as it has been no easy task to place such a large amount, the largest individual policy ever written in the United States.

Inheritance Tax Topic of Next Meeting

So important is the inheritance tax argument to life insurance men that the subject has been chosen as the topic for discussion at the April meeting of the Life Underwriters' Association of New York.

In view of the interest being taken by agents generally in the inheritance tax law The Eastern Underwriter has secured from the Mutual Life Insurance Company the proposed amendments to the Federal Inheritance Tax Law as

amended March 3, 1917, the amended tax being as follows:

Total Net Estate	Rate of Tax		Tax	Total Tax
$50,000	1½%	on first $50,000	$750	$750
150,000	3%	on next 100,000	3,000	3,750
250,000	4½%	on next 100,000	4,500	8,250
450,000	6%	on next 200,000	12,000	20,250
1,000,000	7½%	on next 550,000	41,250	61,500
2,000,000	9%	on next 1,000,000	90,000	151,500
3,000,000	10½%	on next 1,000,000	105,000	256,500
4,000,000	12%	on next 1,000,000	120,000	376,500
5,000,000	13½%	on next 1,000,000	135,000	511,500

15% on all amounts in excess of $5,000,000.

The meeting on Tuesday night, with William F. Atkinson, the new president in the chair, was one of the best that has been held.

George A. Smith, a half-million dollar writer for the New England Mutual Life, told what he knew about first interviews. J. E. Hall, of the Mutual Benefit of Newark, gave his now-famous talk on overcoming objections in interviews. Wherever Mr. Hall has gone he has attracted favorable attention as a new star, and he is in constant demand as a speaker at meetings. A. Rushton Allen, of Mellor & Allen, who came to New York from Philadelphia about a year ago, made a rattling good talk on long-term endowments, and the investment feature of life insurance.

The meeting was given a patriotic tinge by the introduction and passage of resolutions, in favor of compulsory military training.

TO CORRECT ABUSES

Mearkle Bill in Pennsylvania Legislature Following Pension Mutual Scandal

In discussing his bill to regulate companies, Representative Mearkle, of Pennsylvania, said:

"It provides a specific method for organizing these companies and requires applications for a sufficient amount of insurance with an advance premium at once to place the company in such a position that it can furnish safe protection. Under the present laws of Pennsylvania any one can organize a mutual company without providing any adequate protection to the persons who become associated therewith. It does not prohibit any company operating on the cash plan, but when cash policies are issued the company is required to maintain unearned premium reserve sufficient to protect the policyholders, and the members holding mutual contracts are not, therefore, liable for heavy assessments to pay the losses that may occur under the cash policies.

"It does not affect any of the mutual companies already organized and doing business in Pennsylvania, but only such companies as may be hereafter organized, although all of our companies are given the opportunity in the act to accept its provisions and operate under it.

"This provision does away with objections that might be raised by companies already licensed and doing business in the State. There have been so many failures of mutual companies in this State due to the fact of the law requirements for organizing these companies under the present law.

"It also provides for the licensing of mutual companies of other States upon proper financial showing and under proper regulations. At present there is no provision in the law for licensing any but mutual fire insurance companies."

W. A. DANNER RETIRES

W. A. Danner, manager for the past seven years of the Baltimore agency of the Equitable Life of New York, retired from the active service of the Company on March 15th. C. C. Hazell, agency supervisor, will take charge of the agency until a new appointment has been made.

Great Southern Life Insurance Company

HOUSTON, TEXAS.



For Agency Contracts address

O. S. CARLTON

PRESIDENT

G. H. ROBINSON MEMORIAL

Testimonial From Those Who Were His Confreres for Many Years Paid to Journalist

Insurance newspaper men have signed the following memorial which has been forwarded to the family of George H. Robinson, the popular insurance journalist who died in St. Petersburg, Fla., last week:

Whereas, George H. Robinson gave the best years of his life to the business of insurance publishing endearing himself alike to fellow members of the craft and to numberless insurance company executives of all branches of the business and in all sections of the country; and

Whereas, he was everywhere known as a man loyal to his friends, sincere in all his purposes, fair and just in all his dealings; a man of many friends and no enemies, of great gentleness in his intimate relations, yet of tried firmness and courage in all his thoughts and actions; and

Whereas, His loss is and shall be keenly felt by all who knew him and who welcomed him wherever he went; Be It Therefore

Resolved: That the representatives of the insurance press, here and now present, do record the recognition of their loss in the passing of one of their most beloved members and do hereby express their sorrow to the family of the late George H. Robinson and to his former associates.

ALBANY APPOINTMENT

Edmund D. Northup has been made assistant manager of Albany agency of the Germania Life. Before entering the office as a part-time agent, Mr. Northup was a member of the editorial staff of the Troy, N. Y., "Record." He is a member of a number of musical organizations.

COOPERATION No. 1

OUR methods of co-operation with our representatives in the production of business are most effective when limited to the real producers. Result—fewer contracts in force, but more business secured and larger incomes to our qualified representatives.

Phoenix Mutual Life Insurance Company

of Hartford, Conn.

JOHN M. HOLCOMBE, President

ROBBINS HOUSE WARMING

Entertains Home Life Officers, New York General Agents, and Individual Producers

To open formally his new agency offices on the seventh floor front of the Home Life Building, J. R. Robbins, general agent of the Home Life Insurance Company, entertained at luncheon on Wednesday, between the hours of 12 and 2 o'clock, the executive officers of the Home Life Insurance Company, the New York general agents of the leading life insurance companies, including President Atkinson of the Life Underwriters' Association of New York and Vice-President Priddy of the National Association, together with his own agents and brokers.

Mr. Robbins' agency lead the Home Life Insurance Company for the entire United States for the first two months of this year.

GERMANIA FIGURES

Assets for 1916 Show Gain Over 1915 of $1,213,481—1917 Business Splendid

The fifty-seventh annual statement of the Germania Life shows $21,061,000 of new paid-for business, a gain of nearly $6,000,000 over 1915, and a gain in business in force of $7,875,844, the total in force December 31, 1916, being $158,839,852.

The assets of the Company show a gain of $1,213,481, the total now being $53,795,043, while there was a saving of $511,000 to policyholders on account of the favorable mortality experienced, namely 61.12 per cent. of the expected, as compared to 66.56 per cent. in 1915.

The new business applied for, up to March 26, 1917, amounted to $8,768,868, representing a gain of 41 per cent. over the same period of 1916 which was the most successful year in the Company's history.

AMERICAN CENTRAL LIFE

The annual statement of the American Central Life follows:

Insurance in force $40,456,046
Including paid-for business only.

Assets $5,470,790
Including only such items as are admitted for deposit under the strict Indiana law providing for investment in entirely non-speculative securities that may be promptly realized upon.

Such items as furniture, fixtures, safes, accounts, notes, etc., that would be listed as assets in a mercantile business, but which are classed as not fully secured when held by an insurance company, are listed under the heading of

Non-admitted assets $29,388

"Net cash value" of all policies in force $4,721,835
The law under which the Company operates requires that a deposit be maintained with the Auditor of the State, in certain specified gilt-edged securities sufficient in amount to cover this item.

Deposit $5,061,513
The Company has always maintained a deposit in excess of the amount required by this law, as an additional security to its policyholders, this amount on deposit December 31, 1916.

Exceeded requirements by $339,678

Total death claims paid $2,028,780

Total paid policyholders $4,498,983

A bill in the New York legislature to tax every agent $50 a company for a license has stirred life underwriters.

Five Reasons for Income Insurance

VIEWS OF P. M. SMITH, OF THE NORTHWESTERN MUTUAL

Service, Popular Need, Cost of Maintaining Income, Unforeseen and Unknown Contingencies, Saving

At a Northwestern Mutual Life agency meeting in West Virginia, a prize was offered for the best paper on the subject "Income Insurance." The papers submitted were so uniformly excellent that it was a matter of considerable difficulty to decide upon the winner of the contest. The following, however, offered by Mr. P. M. Smith, so completely covered the subject that it was given first place, and is quoted herewith on account of its undoubted interest to the entire agency force:

"Time itself, and time alone, will reveal the true significance of this subject we are discussing today—a subject which, with such marvelous strides, has attained its place of paramount importance in our life insurance contract and which has, with comparative lateness, achieved so great a degree of prominence in the life insurance world. While it is given to us now only to record its past worth and to add a prophecy of its broadened and enlarged usefulness in the future, still the fact seems to shine out brighter each day that as the great wheel of time continues to revolve, the imprint of efficient service rendered to society through this medium of income insurance will be stamped plainer and plainer on the path of life insurance progress.

"Why then has income insurance attained this place of prominence in our life insurance activities? Surely there must be good reasons for its increasing popularity, and certainly it can be well explained why it pays a group of agents representing one great Company thus to spend their time discussing this one feature of modern life insurance. Briefly some of the more important factors entering into such an explanation may be summed up in the following form:

"First: Income insurance embodies the very essence of life insurance service. A part of an old legend contains this sentence, 'Nothing will live permanently unless it is of benefit to the race.' Surely our great life companies have established their clear title to permanent life, for who can conceive of any institution of any character which is of greater value to the race, in meeting its obligations and carrying out its contracts, than a purely mutual life company? But we do not stop with that any more. We are selling a form of insurance which gives our policyholder the benefit of every service of which pure mutuality can conceive—extending these obligations into the years ahead, beyond the time of the insured and first beneficiary; carrying out, as it were, his fondest desires; providing for the rearing and education of his children; guaranteeing the safety and comfort of an invalid wife, or dependent sister; providing for the most personal or private requirement; becoming, in short, a veritable executor of his will, and an administrator of his most particular and ofttimes sacred purposes; yea, and years later, as a matter of course and duty, without friction, and with a minimum of expense, rendering an account to those legally interested for not only every talent left in its keeping but every talent improved, even ten fold. This is income insurance and this is, we think, the very acme of such service.

"Second: Income insurance meets a popular need for both the wealthy man and the middle man. Men of wealth find in its medium a happy solution to their problem of obtaining satisfactory investments for their income, embodying the element of absolute certainty and at the same time guaranteeing the future of those dependent upon them. But just as truly is it our duty to tell the story of income insurance to the three, the five, and the ten thousand dollar policyholder. Just as surely will this same wise adjustment of his estate yield the proportionate extension of joy and comfort to the family of limited income. Let us not overlook this duty to the small policyholder.

"Third: The cost of maintaining such an income is reduced to the minimum. For exactly the same reason that a man could not afford to carry his own or a limited number of life risks he cannot afford to seek promiscuously investments yielding twenty-five, fifty, or one hundred dollars per month incomes. By aligning himself with a great institution, built on the bed rock of conservatism and security, he does an unheard of thing—with a mutual life insurance premium he buys not only the favorable mortality and low expense ratio to which he is entitled, but, behold! he purchases the disposal of a most expert loan department together with a corps of legal advisers unexcelled in America.

"Fourth: And this is perhaps the most important of all. Income insurance adjusts itself to unforeseen and unknown contingencies. This is its purpose. With dispatch and certainty a sure income fits itself into the new adjustment of the family scheme and thereby lengthens the burdens necessitated by the unexpected disaster—a second disaster ofttimes being averted from the very fact that a sorrowing widow is not compelled to seek investments for a sum of money greater than she was ever permitted to see before in her life.

"Fifth: Income insurance is an economic saving to society and has therefore proved its permanence as an institution of life insurance. This is true because a negligible quantity of such incomes are squandered. They are mainly used for the sustenance of life. How untrue of large death claim payments. Only men in our business properly realize the seriousness of this—a fact which adds to our responsibility to preach income from the house tops and in the market places.

"Then for the agent this feature holds particular and definite value. Income insurance marks out at once a clear means of approach to eight out of ten prospects, because it reduces the argument immediately to service rather than cost. Life solicitors are just beginning to realize that the factor of cost is of minor importance in their work, and that men, with sufficient desire, nowadays, will have an article no matter what the cost. Great possibilities of efficient soliciting lie in the adept use of this feature of our contract in interesting all classes of men. This is particularly true with the smug man of middle age who placidly thinks he is done with buying life insurance. Some of the best deals of the past few years have been placed on the income basis on the lives of just such men."

WAR CLAUSE

Once Policy is Issued it Has No Restrictions Except Those Printed in Policy

New York Life agents have had inquiries from agents regarding Question 5 in military-naval blank. Some have asked whether if Question 5 is answered "Yes" and policy is issued without war clause, the company can later put a war clause in the policy. The answer is "No." Once a policy is issued by the New York Life, the policy is free of restrictions, save those printed in the policy. If there is no war clause in the policy as issued none can be put in later.

It is true that the policy is contestable for two years, should the applicant misstate facts in filling out the military-naval blank, or in any other part of his application. The company would then have the right to rescind or contest the contract during the first two years. If, on the other hand, the questions were all answered correctly, and the policy issued without a war clause, the insured is completely protected, even though he may later be engaged in warfare.

The sole object of Question 5 is to save the agent the necessity of getting an amendment, should a war clause be put in the policy. As a rule, where the first four questions are answered "No," the war clause will not be inserted. In that event, if the applicant objects to answering "Yes" to Question 5, he can cross the question out, or answer "No." Should the policy be issued without a war clause, no amendment is necessary; but should a war clause be inserted, then if Question 5 has not been answered "Yes," an amendment will be required before the policy can be delivered.

New Group Manager of The Prudential

E. S. ANDREWS HAS HAD LONG INSURANCE EXPERIENCE

Former Manager of Atlantic Division, Ordinary Agencies, and a Student of Life Insurance

The new Group Insurance Department of The Prudential is meeting with success. A number of groups are being written, employes being insured in amounts from $250 to $3,000 each.

The Prudential has appointed as manager of the Group Insurance Department, Edward S. Andrews, who has



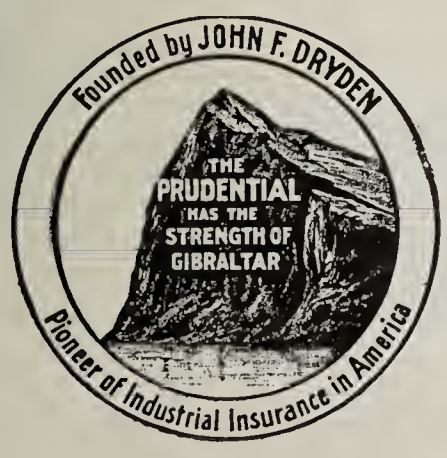
E. S. ANDREWS

had a long and successful career with the Company. He was formerly manager of the Atlantic Division, Ordinary Agencies. A student of the business, he has a fine conception of the possibilities and importance of group insurance.

In discussing the appointment The Prudential says, "We feel that it is unnecessary to bespeak for Mr. Andrews the hearty co-operation of every man in the field in the making of this department another pronounced Prudential success."

DISABILITY FOR WOMEN

The New York Life announces that disability benefits will be offered to women, single or married, who are self-supporting and are, therefore, dependent solely on their own unaided efforts for a livelihood.



INDUSTRIAL CONCERNS throughout the land are proving the patriotism of business by insuring entire staffs of employees. The Prudential will lend a hand—make it easy for firms to insure their workers.

Family insurance has placed America First in Life Insurance, and Group Insurance will help to keep it there.

The Prudential has a fine Group plan. Group Insurance is endorsed by every concern that has tried it. Send for brief, forceful, descriptive circular.

THE PRUDENTIAL INSURANCE CO. OF AMERICA

Incorporated Under the Laws of the State of New Jersey

FORREST F. DRYDEN, President

Home Office: NEWARK, N. J.

Praise for the Northwestern National

REPORT OF INSURANCE DEPARTMENT OF MINNESOTA

Interests of Policyholders Safely and Properly Safeguarded, Says Commissioner After Examination

The Insurance Department of Minnesota has completed its examination of the Northwestern National. In mailing the report the Commissioner said: "The condition shown by this report will, no doubt, be gratifying to the officers and policyholders of the Company." These are some extracts from the report:

"This examination is made as of December 31, 1916, and consists of a verification of its last annual statement as well as a review of its transactions for the year 1916.

"For the purpose of this examination I have obtained a valuation of the ground, exclusive of buildings, (home office property) and from such valuation there still remains an excess in market value over book value amounting to $190,000, which is not considered in this report.

Loans Carefully Examined

"The loans were carefully examined and as a result I am of the opinion that the Company is amply protected. It is evident that the Company applies good and conservative judgment in this department. The records are complete in every detail.

"The Company is voluntarily carrying as a liability the sum of $100,000 to cover any future contingencies. The unassigned fund (surplus) as determined by this examination is $1,538.34, in excess of the surplus as claimed by the Company.

"The result of this examination shows that the affairs of the Company are being efficiently conducted. There is an evident desire on the part of the officers to at all times safeguard and properly conserve the interest of its policyholders. During recent years it has made marked progress and at this time the condition is most satisfactory. The books and records in all departments were found well kept."

NOTES AND COLLECTIONS

Use "Safety First" in Other Than Cash Transactions, Says G. Leslie Davis

G. Leslie Davis, assistant cashier of the home office agency of the Pacific Mutual, in the March 15th number of "Pointers," gave the following advice to agents on notes and collections:

"When a case is to be other than a cash transaction a good deal of care should be exercised in extending credit to your prospect or policyholder to be. Keep in mind that your business is not a 'fly by night' proposition but one of the really big businesses of the world. Credit in our business is as great a factor as in any other mercantile line.

"If a man is not a good prospect for credit, he is not a good risk for life insurance. In allowing a man time in which to meet his initial premium, which is often necessary, I find that a man who has made a partial payment even though it be a small amount, is more likely to meet his note when due than one who has not.

"When a note is taken for the full, or a major portion of the premium, it is good policy to have it payable in a series of payments such as thirds, due in thirty, sixty, and ninety days, rather than the full amount in sixty days. In the event of the first installment not being met, you then have little time to devote to the case before cancellation is necessary, while under the longer time agreement it is a question of the payment of the note when due or a cancellation.

"When cancellation is necessary your time has been wasted, you are out a cancellation fee and considerable valuable time (which could have been devoted to business of a more lucrative nature). The company is out considerable, over and above the nominal fee charged for cancellation, the insured has had protection he was not entitled to, and in not a few cases you have spoiled a man for the next fellow.

"These views are all from the first year standpoint, but as statistics will prove, they have a vital bearing on the continuation of the contract, as the second and succeeding year's premiums become due. This is a condition all companies are striving to better."

BUCKNER ON WEEKS

Tribute to Actuary Who Has Spent Half a Century With New York Life

Thomas A. Buckner, vice-president of the New York Life, pays the following tribute to Rufus W. Weeks, who has rounded out half a century of service with that Company:

"Mr. Weeks was born in Newark, N. J., August 11, 1846. His father was an accomplished mathematician, for many years connected with the actuary department of the Mutual Benefit Life Insurance Company of New Jersey. The boy evidently inherited a mathematical turn of mind, for on the completion of his education he entered the service of the New York Life and soon became so proficient that on the death of P. S. Lincoln, the Company's mathematician, Mr. Weeks was appointed to the position. In 1885 he was made actuary, and later vice-president.

"While only a clerk he devised a formula for calculating the premiums on a return premium endowment policy, a feat in which the veteran life insurance expert, Elizur Wright, expressed great interest. Mr. Weeks took an active part in the formation of the American Society of Actuaries of which he is a charter member, and was its president in 1905-6. He is also an associate of the Institute of Actuaries of Great Britain, and is corresponding member of the French Institute of Actuaries. In 1900 he was appointed official delegate of the United States Government to the International Congress of Actuaries that was held in Paris under the auspices of the Exposition, an honor that was a mark of distinction. Mr. Weeks is perfectly at home in all the mathematical realm of life insurance and his papers on insurance and allied topics are models of cogent reasoning and lucid expression. While one of the most modest and retiring of men, he easily becomes enthusiastic in defence of a principle, or in treating of the humanitarian aspects of life insurance."

BANKERS LIFE TO MOVE

Des Moines Company Leases Six Floors in New Building Because of Growth

The Bankers Life Company of Des Moines has leased six floors of the new Valley National Bank Building at the corner of Fourth and Walnut streets, and will move to the new location July 1; or as soon as the bank block is completed. The new location will give the Bankers 60,000 feet of floor space.

The Bankers Life lease is for a term of ten years. This means that the Company will not build a home office building on its property on Fifth street as was planned prior to the action of the city in establishing a 2 per cent. grade on that thoroughfare. This will make a cut twenty-seven feet deep in front of the proposed site.

R. M. SIMONS, Genl. Agt.
HOME LIFE INSURANCE CO.

Is giving splendid SERVICE to Life Insurance Agents and Brokers at his new offices, 115 Broadway, New York. Any one of Twenty efficient examiners subject to call. Mr. Simons gives his individual service and attention to all cases, and they go through in record time.

QUICK ACTION MEANS MONEY TO YOU.

WHY DON'T YOU GET IN TOUCH WITH HIM?

PHONE RECTOR 4287

THE MOST VALUABLE POLICY FOR YOU,
Mr. Agent, is to write your prospect in the Company writing the most valuable policy for the insured.
Secure **prompt action** in the

John Hancock MUTUAL LIFE INSURANCE COMPANY OF BOSTON MASSACHUSETTS

WILLIAM N. COMPTON, General Agent
METROPOLITAN DISTRICT, ST. PAUL BLDG., 220 BROADWAY, NEW YORK, N. Y.

Men with ambition and ability, who represent this Company, now in its SEVENTY-THIRD YEAR, become business counsellors and professional insurance advisers.

An honorable record of SEVENTY-THREE YEARS gives our representatives great prestige with the insuring public.

Additions are made to our agency force when the right men are found.

STATE MUTUAL LIFE ASSURANCE COMPANY
OF WORCESTER, MASSACHUSETTS
Incorporated 1844
B. H. WRIGHT, President D. W. CARTER, Secretary
STEPHEN IRELAND, Inspector of Agencies

Security Mutual Life Insurance Company
Binghamton, N. Y.

Offers to men able to produce business first class territory, with direct contract providing liberal compensation.

For particulars, address

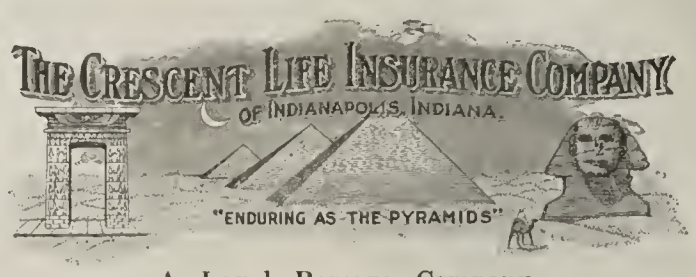
C. H. JACKSON, Supt. of Agencies

We don't contract with poor men.
We give a new man our attention until he is started.
We make our men make good.
Why don't you work for us?

Peoria Life Insurance Company
PEORIA, ILLINOIS

J. C. Humes, President — L. D. Clancy, Secretary

THE CRESCENT LIFE INSURANCE COMPANY OF INDIANAPOLIS, INDIANA



A Legal Reserve Company
Are You a Big Producer? Can You Prove It?
ONE GENERAL AGENT WANTED IN INDIANA
Home Office: Fletcher Trust Bldg., Indianapolis, Ind.

Massachusetts Mutual Mid-West Meeting

The interesting papers read at the Mid-West agency meeting of the Massachusetts Mutual Life at Chicago are reproduced from the valuable agency paper of that Company, "The Radiator."

Installment Options of Massachusetts Mutual

DISCUSSED BY FRITZ A. LICHTENBERG, COLUMBUS, O.

How Options Fit Individual Cases—Appeal to Family Pride and Desire to Protect

Many times I have approached a policyholder of mine, or a prospective policyholder, and asked him, "Mr. Johnson, if you died, what would your wife do with that $5,000 or $10,000?" and he says (pray excuse the exclamation, but it's true to life), "Hell, I don't know"—and the pitiful truth is that they don't know, and they don't think and they won't think until you or I come along and talk to them about it. And you may have to talk, not once or twice, but several times, because they will procrastinate about tying up the proceeds almost as much as they procrastinate about taking the insurance.

Now, I'm referring to the man who is married and can carry from $2,000 to $10,000 worth of insurance. Let us assume that the minimum amount per month a woman can live on is $50, and let us see what can be done to provide that amount.

Option A

Take your Option "A." Suppose the case of a mechanic who can only afford premium for $2,000, say on the ordinary life plan. Suggest to him leaving this at $50 per month as long as it will last, which at 3 per cent. would last about 42 months, or 3½ years. What is the pyschological effect on him?—can't he see how his wife, who is accustomed to receive the weekly or monthly check with which to pay for the necessities of living during his lifetime, and who has had but little experience, if any, in handling money, will much more likely be able to face the cold world knowing that, for a certain period, that much money will come to her in any event, and this income limited, for a few years will afford her the opportunity to equip herself for the future?

Option B

Option "B." Take the case of a man able to carry $5,000 now, and with prospects of increasing this amount as the years roll around.

Show him a little table, which probably many of you have pasted in your rate book, telling him that if he had $5,200 worth of insurance, his $50 per month would last 10 years.

But you say, "Oh, ten years is too short." Right, I grant you that—it is short, and because your client and friend realizes that it is short, it helps him to see how little provision he has really made—and helps you to point out to him how, as his income increases, he can gradually increase the total amount of his protection and thus increase the number of years the protection is to continue. For instance:

If he had	$7,278	$50	per	month	would	last	15	yrs.
	9,070	50	"	"	"	"	20	"
	10,616	50	"	"	"	"	25	"
	11,949	50	"	"	"	"	30	"

Or, if he had

$5,000	he could	leave	120	instal.	of	$48.08	10	yrs.
6,000	"	"	144	"	"	49.45	12	"
7,000	"	"	168	"	"	50.83	14	"
8,000	"	"	192	"	"	52.25	16	"
9,000	"	"	216	"	"	53.68	18	"
10,000	"	"	240	"	"	55.14	20	"

. Then, too, you find that this man loves his wife and daughter, but his wife's relatives—well, "Really, I didn't marry her family." Suggest to that man Option "B," proceeds to be payable to his wife for 20 years or longer, if possible; then, if she dies before she lives to receive them all, have the balance paid to her daughter, and then if there are still some unpaid, have the balance commuted and paid in one sum to his estate. Result, his wife's relatives are not included, but his side of the family is well provided for. And remember to specify correctly that the balance, if any, goes to his estate, because the policy provides that at the death of the last surviving beneficiary occurring subsequently to the death of the insured, any balance unpaid under Option "A" will be paid in one sum to the executors, administrators, or assigns of the said beneficiary, and any installments under Option "B," or any stipulated installments under Option "C," then remaining unpaid will be commuted upon the basis of 3 per cent. compound interest per annum, and paid in one sum in like manner. Of course, you understand, a contingent beneficiary can be named to receive any unpaid installments.

The Pride of Parenthood

Another suggestion. Fathers are proud of their children, and want them to have their share, if there is any left, in the proceeds of the policy after the wife has been protected. And I have known of a man so arranging the payments of the proceeds of his policy that his wife would receive the installments during her lifetime so long as she remained unmarried, but that as soon as she remarried the unpaid installments would be paid over to his daughter, or, in case of his wife's death, any unpaid installment would go to his daughter and then to his estate.

Option C

And as we enlarge on the possibilities of this method of payment of proceeds, our friend raises the question as to why he cannot make those proceeds payable for life, and we then show him the results under Option "C," and again he realizes that at present he is unable to create a sufficient insurance fund to have the proceeds payable for life, and his mind and thoughts look forward to the time when he can increase this amount of insurance so as to provide payments continuous during life.

And when that time comes isn't it logical, if you are alive in more senses than one, that he will want to do business with you, who first started him on the income plan, and then showed him that you were not merely an insurance peddler, but an insurance service giver?

Excellent tables were printed some time ago in our paper "The Radiator," showing how much insurance a man had to apply for in order to produce an income for life. Under this option, "C," your client can provide an income for life, the amount depending on the age of the beneficiary at the time of the death of the insured. This option will, of course, require more insurance to be applied for to produce an income for life, than where the income is only limited to 10 or 20 years, but to the man who can afford to put sufficient money into insurance to create a life estate to his wife, payable monthly, this option presents another possibility.

Referring to this option, we find that

THE AVERAGE EARNINGS OF THE AGENTS OF THE

Standard Life Insurance Company

∴ ∴ OF PITTSBURGH ∴ ∴

are higher this year than ever before. Our attractive Accident and Health Policies have helped them to make more money.

Write for a LIFE, ACCIDENT AND HEALTH Contract to

FRANK A. WESLEY

Vice-President and Director of Agencies

Ambitious, Productive and Trustworthy Life Agents may be benefitted by corresponding with the

Berkshire Life Insurance Company

of Pittsfield, Mass.

Inc. 1851

New policies with modern provisions Attractive literature

W. D. Wyman, President W. S. Weld, Supt. of Agencies

Build Your Own Business

under our direct general agency contract

Our Policies provide for:

Double Indemnity, Disability Benefits, Reducing Premiums

See the new low Rates

JOHN F. ROCHE, Vice-Pres't

THE MANHATTAN LIFE INSURANCE COMPANY

66 BROADWAY NEW YORK

Organized 1850

BANKERS BLC LIFE DES MOINES COMPANY

PAYS GOOD PAY TO GOOD MEN

The

Perfect Protection Policy

OF THE

RELIANCE LIFE

gives you something absolutely new and different to talk to your prospects. Gives you a chance to earn more money than you are now making.

Our Life Insurance Contracts contain the most up to date clauses known to the Insurance World. The Accident and Health gives full protection for at least a third less cost than regular casualty companies. Our agency contracts are as liberal as can be made.

WRITE AND WE WILL TELL YOU MORE ABOUT OURSELVES

Reliance Life Insurance Company of Pittsburgh

FARMERS BANK BUILDING

PITTSBURGH, PENNSYLVANIA

ORGANIZED 1871

Life Insurance Company of Virginia

RICHMOND, VIRGINIA

OLDEST, LARGEST STRONGEST Southern Life Insurance Company

Issues the most liberal forms of Ordinary Policies from $1,000.00 to $50,000.00, and Industrial Policies from $12.50 to $1,000.00

CONDITION ON DECEMBER 31, 1916:

Assets	$14,464,552.23
Liabilities	12,436,717.56
Capital and Surplus	2,027,834.67
Insurance in Force	118,349,212.00
Payments to Policyholders since Organization	18,119,172.50
Is Paying its Policyholders over	$1,300,000.00 annually

GOOD TERRITORY FOR LIVE AGENTS

there are 10, 15, 20, or 25 stipulated installments guaranteed in any event, whether the beneficiary lives to receive them or not, but the income has to be paid during the lifetime of the beneficiary. Suppose you have a man who has a wife, age 34, and wishes to provide an income of $100 per month. By referring to this table in "The Radiator," you will see that he will have to apply for $25,733 worth of insurance, this being the amount necessary to produce $100 income, with 240 payments guaranteed, if the insured were to die at once. If, however, death did not occur for five years, his wife would then be 39, and at age 39 the neccssary amount of insurance to produce $100 per month would be only $24,382, so that the company could, if he so desired, pay an initial payment of the difference between $24,382 and $25,733, namely $1,351 to the beneficiary, or to a contingent beneficiary, or to the estate of the insured, and then pay the $100 per month to the original beneficiary. If the insured had no children, and his only care was that his wife should receive this income during her lifetime, and he did not mind what happened to the money after her death, he could take Option "C," with 120 payments guaranteed, and with the beneficiary the same age, he would only have to apply for $24,701 worth of insurance. This option can be used very readily with bachelors or single women, using the endowment plan, and applying for the amount of insurance necessary to create $100 a month according to the age attained by the insured when the endowment matured.

Option D

Option "D" provides for the holding of the proceeds intact, and the payment of interest thereon, at such a rate (not less than 3 per cent.) as may be determined by the directors, the first interest payment to be made one year from the receipt of due proof of the death of the insured, the principal sum to be paid at such time as may be agreed upon in the election of the option. Under this plan I have known of a man leaving the face of the policy (generally a large amount) with the company, the interest on which is to be paid to his wife during her lifetime; at her death, the interest is to be paid to his children, and as soon as they reach a stipulated age, defined by the insured, the company is to pay the face of the policy to them. This option is naturally more used by those who can carry a large amount of insurance, but more and more men are realizing that "Safety First" in leaving some of their money is a good slogan to remember, and they turn to life insurance for that purpose.

Resume

There are three points in reference to all these four options which are common to each of them:

1. The beneficiary, if he or she so desires it, can select any of these options when the settlement is made; but I believe the experience of most underwriters is that he or she will not select an option. The large lump sum looks too attractive, and the rate of interest, as a rule, appears too small, and we hear the exclamation so frequently, "Oh, well, I can earn more interest than that out of the proceeds."

2. The insured, with the assent of the assignee, if any, can at any time change any of these options to suit the circumstances as they arise.

3. This point which is also common to all the options is one which should not be overlooked in presenting these options,—the interest earnings. As you well know, the company is now allowing an extra 1¾ per cent. on money left with it when the proceeds are being paid out in installments; the calculations, as presented in the policy, being made on the basis of only 3 per cent. interest. These interest dividends are derived from surplus interest over the assumed rate on the unpaid balance of the installment funds. Under options "A" and "D" 3 per cent. interest is guaranteed; any interest allowed in excess of 3 per cent. will increase the number of payments under option "A" and the income under option "D." All calculations in connection with options "B" and "C" are based on 3 per cent. interest, and interest at this rate must be added each year to the balance of the installment money in order to meet the installment payments as they fall due. Any dividend derived from surplus interest over this rate is added to the current installment.

Remember this: The public is expecting us to help them to solve these problems.

Combining Old Policies With New

PLAIN TRUTHS ABOUT SQUANDERING OF ESTATES

How to Protect Widows and Others—Views of a Cincinnati Insurance Man

By Laurence Witten, Manager Massachusetts Mutual, Cincinnati

Several thousand dollars suddenly placed in the hands of a woman unused to handling money may represent untold wealth to her, with the result that it will be squandered in a short while. I know of one widow whose husband literally worked himself to death to maintain her and leave her $5,000 life insurance in one sum. She immediately bought a Chalmers and a grand piano, and to-day she is on the streets.

Five years ago a young man in Bay City, Michigan, cleaned up on the market. He took $50,000 insurance payable in one sum and paid three premiums in advance, and two summers later he was drowned in Lake Huron. His widow took the $50,000—it was all he left—went to the Pacific Coast and was flimflammed into buying a string of movies. She lived at a fast gait, lost all she had, and is now trying to sing in a cheap cabaret on the Barbary Coast.

Watch Interest of Old Policyholders

There are numbers of cases just as pitiful, and I therefore believe that it is our duty to look so carefully after the interests of old policyholders, or clients who have insurance in other companies, as to see just what will be a manner of settlement most suitable to their respective cases.

There are perhaps more different needs for different forms of policies than it would be wise to write, and whereas the payment of the proceeds of a policy under Option "D" is a splendid arrangement for a widow with several children, Option "C" would be far more advantageous to a middle-aged unmarried sister of a policyholder who had no other relatives in the world. In other words, the thing you have got to do with life insurance policies is to arrange for the proceeds to be paid to the beneficiary, in the form of the largest possible income, continuing for the longest possible time, or for life.

The Case of Mr. X

Suppose, for instance, that you are handed the Age Change Card of Mr. X. You observe that Mr. X is 37 years old, carrying $3,000 life insurance, and is a hardware merchant. Before you call on Mr. X, your investigation leads you to believe that he is making about $2,500 a year out of his business. If you have not been able to learn it from some other source, you find, when you interview him, that he has no other insurance, that his wife is 33, his little girl is 10, and the boy is 8. What are you going to do for Mr. X? He tells you that he has not felt that he is able to carry additional insurance, as the cost of living exhausts nearly all of his income. You also will be able to draw from him that his business would pay practically nothing in the event of his death, and you ask him how in the name of heaven three of his family can get by if the income is stopped, when it is so difficult for four of them to make both ends meet while he is still there to turn in the income.

Then suppose you say: "Mr. X, you have $3,000 insurance with us that you have been carrying for 12 years. Your gross premium is only about $60 per year, or $5 per month. Would you be willing to figure everything else a little closer and add about $20 per month to it, if you knew that in the event of your death your wife would receive $80 per month for 15 years, which would put the children to such an age that they could be self-sustaining and support her? It is figured, Mr. X, that a woman and two children can get by, if they practice the most rigid economy, on $20 per week. The plan that I suggest will furnish some ready money for them at the time of your death, and will assure them less than one-half of your present income for 15 years."

$80 a Month for 15 Years

My point is this: You are actually making use of the old policy Mr. X has, rather than leaving it to be dissipated either by foolish investment or unwise expenditures, and you are making it necessary for him to take only $9,000 additional to give Mrs. X $360 when he dies and $80 per month for 15 years.

I can fully appreciate the fact that 15 years is not long enough, but under the circumstances, it is perhaps the best you can do. Of course, you could use $7,275 to give her $50 per month for 15 years, and the balance to be placed under Option "D," with the daughter as second beneficiary, to give the mother a small income as long as she lives. I think that in such a case it is considerably easier to show Mr. X how he can add only a little bit more to his insurance investment and make it really worth while, rather than carry only a policy which will do very little good.

The Case of Mr. Y

You also find among the cards given you that of Mr. Y, who is 40 years old, and who carries a $5,000 Twenty Payment Life, taken at age 35, the dividends having been left to accumulate. You learn that Mr. Y is a bachelor, and think perhaps that it will be very hard to interest him in additional insurance. If you investigate the case, however, you will find that Mr. Y has a sister who is teaching in the High School, and that they are caring for a niece ten years old. You learn that Mr. Y's law practice is a very good one, although he is not considered a man of wealth.

You go to him and say: "Mr. Y, how lucrative will your practice be when you are 70? At what age will your sister be compelled to retire from her position in the High School? You have a niece ten years old for whom you are caring; do you expect to stop doing your part to take care of her when you die?"

Mr. Y may think you are rather impertinent, but if you ask him those questions I guarantee that you get his attention. Following up this line, you can show him that his $5,000 Twenty

(Continued on page 7)

An Office doing business in Eastern Pennsylvania could use a good Life Insurance Company in this territory.

Address "KEYSTONE"
Care of The Eastern Underwriter
105 William Street, New York, N. Y.

ILLINOIS LIFE INSURANCE CO
CHICAGO
JAMES W. STEVENS, PRESIDENT

GREATEST ILLINOIS COMPANY

WANTS GOOD MEN AND WILL PAY THEM WELL

WE have room just now for two or three good men—not the Million Dollar producer who takes it out in talk, but the man who can average $100,000 of personal business, plus experience in appointing and working with agents. Men who become valuable to this Company grow in value to themselves. We cannot guarantee your success, but we will give you a real opportunity, then it's up to you. Would you like to hear about it further?

Pittsburgh Life and Trust Co.

Home Office, Pittsburgh, Pa.

HOWARD S. SUTPHEN
Vice-President & Manager of Agencies

A GOOD OPENING

An old, well established, progressive life insurance company, with unexcelled dividend record has good opening at PHILADELPHIA, covering Eastern Pennsylvania. Address, stating qualifications:

PHILADELPHIA, care of The Eastern Underwriter
105 William St., New York City

FOUNDED 1865

Unexcelled In Favorable Mortality and Economy of Management

The Provident Life and Trust Company
OF PHILADELPHIA

Rates of Premium Extremely Low and still further reduced by Annual Dividends

ARTHUR HUNTER ON DISABILITY

Remarks at Wisconsin Department Hearing

The commissions on the disability premiums are exactly the same percentage as on the parent policy. If the commission on the parent policy is thirty-five per cent. without disability benefits, we pay thirty-five per cent. on the premium for disability benefits.

Commissioner Cleary: Did you contemplate saying anything about the double indemnity in event of accident?

Mr. Hunter: The impression that premiums cannot be calculated for such benefits is a mistaken one. So far as we are concerned, we took our death losses for four years and that covers, I should think, something like nearly $80,000,000 of death losses, and went over all these and from these death losses we picked out everyone which was due to accident and, having these, we then threw out those which were not due to common carrier, and that was sufficient to give us a basis for our premium rates and we loaded that satisfactorily and, so far as the reserve is concerned, we merely carry a portion of the premium for the unexpired term. But there is a sufficiently satisfactory basis for granting these at the present time provided there is a large enough amount of risk to give a fair average. The company could not get an average in one year—it would need to build a fund out of which to pay these double indemnity claims when they became due.

Commissioner Cleary: You treat in setting up your reserve, the additional accidental death benefit, as an annual renewable proposition?

Mr. Hunter: Yes, so far as the reserves are concerned.

Commissioner Cleary: Is that a safe basis?

Mr. Hunter: To carry one-half? Well it has always been done by accident companies and I understand accident companies have found it safe.

Commissioner Cleary: Isn't there an increased liability with age to accidental death on the part of the person insured and if you load a level premium—that is, load it the same for a man aged twenty-five as for the man aged sixty or seventy, shouldn't something be accumulated to take care of the increased liability on account of the age of the insured?

Mr. Hunter: We consulted some of the accident men before we put this into effect and they said covering the average ages, say from twenty up to fifty-five, that they found very little difference in the accident rate. That in fact they found a larger death rate among the younger men than the middle-aged men, but that after fifty-five or thereabouts, it would increase, but we don't grant these policies after fifty-five, and we believe we will have accumulated enough money from that fund to pay any increase in later years, and, in any event, it isn't a large amount. We propose to do with this the exact thing as with the disability benefits and carry it along from year to year, and we believe we have made enough factors for safety in that so that we will be able to pay these double indemnity claims and not affect other policyholders at all. We aim to make that benefit stand on its own bottom.

Commissioner Cleary: How can you justify writing this benefit in life insurance contracts and terminating that benefit or that promised benefit prior to the termination of the contract or maturity of the contract?

44 MILLIONS from 42 AGENCIES

THE 1916 RECORD OF OUR EARNEST, LOYAL AND HAPPY AGENCY FORCE

New England Mutual Life Insurance Company

BOSTON, MASS.

Mr. Hunter: You mean the disability?

Commissioner Cleary: No, the double indemnity—saying to a man, we will pay you double if you get killed by an accident prior to age fifty-five; your life contract runs throughout your life—it may be up to ninety or a hundred.

Mr. Hunter: Well, I don't consider this disability contract is one where there is a great element of danger for the company—it is a very small matter in my judgment.

Commissioner Cleary: Mr. Hunter, in the ordinary life policy the premium continues, does it not, after this benefit has ceased?

Mr. Hunter: On the disability, yes; we give a benefit after age sixty; there is a benefit after age sixty on the disability.

Mr. Anderson: Does that continue throughout life?

Mr. Hunter: Oh, yes, wherever the disability benefit ceases, we stop the disability premium—the extra premium, but you will find there is a disability benefit after age sixty in all policies where the payment of premium is continued.

Mr. Anderson: On this double indemnity, doesn't this continue?

Mr. Hunter: We would take it off the moment the indemnity ceases.

Mr. Anderson: That premium discontinues?

Mr. Hunter: Whenever a benefit ceases, we would take off the premium.

BILL TO REGULATE FRATERNALS

Senator Crow introduced a bill in the Pennsylvania Senate to regulate and bring under the supervision of the State Insurance Department all fraternal benefit societies. It is designed to provide a specific method for the operation of societies working through the lodge system, and fixing a plan of operation so that such societies can absolutely carry out every contract.

FIRST METROPOLITAN GROUP

C. D. Williford, superintendent of the New Orleans, La., district of the Metropolitan Life, was the first member of the field force to issue insurance on the group plan. The policies amounted to about $100,000 and covered 185 members of the New Orleans Furniture Company.

NEW HARTFORD COMPANY

National Life and Guaranty Company Asks for General Insurance Charter—$200,000 Capital

Hartford, March 23.—The committee on insurance met yesterday afternoon and heard Alexander W. Creedon on a substitute bill incorporating the National Life and Guaranty Company of Hartford. The company, in the bill, asks for a general insurance charter to conduct life, accident, compensation, guaranty, automobile and elevator insurance. The company also asks for the power to guarantee and insure notes, bonds, mortgages, deeds of trust, etc., a new business in Connecticut, but a large and important one in New York and a business that is also done to considerable extent in Massachusetts, according to Mr. Creedon.

The original bill called for a capital of $100,000, but this was increased to $200,000 in the bill considered yesterday. The bill provides for a surplus of $100,000. Mr. Creedon said that there were a number of insurance men in and about Hartford who were interested in the bill and that the company is already assured of practically 75 per cent. of the capital that will be necessary.

WITH MASONIC MUTUAL

Frederic Nettleship has resigned from the Equitable Life of Washington to become agency secretary of the Masonic Mutual Life Association of that city. Mr. Nettleship is an active, enterprising young life insurance man, from whom much is expected. He is the son of George Montagu Nettleship, a well-known figure in the life insurance business.

ANNUAL DIVIDENDS INCREASED

During 1916 the Missouri State Life earned an average net rate of interest of 6.6 per cent. The Company not only increased the amount of the cash dividend during the past four years on annual dividend policies, but each year adopted a more liberal basis than that for the previous year.

Popularity's Persistent Progress

The greatest of all great years in delivered business for this Company—1916! Without need of urging or pleading, our representatives, with vigorous and self-directed industry, were the enactors of this glistening achievement.

The tide of new business is flowing strongly in the New Year. We expect that 1917 will be another golden period of widely increased protective service of the homes and the businesses of the United States. Home Office and Field in the Massachusetts Mutual are a unit in their determination to be front-rank contributors.

Occasionally we have a General Agency opening for a quality man.

JOSEPH C. BEHAN, Superintendent of Agencies

MASSACHUSETTS MUTUAL Life Insurance Company

SPRINGFIELD, MASSACHUSETTS

Incorporated 1851

MEET IN PHILADELPHIA

General Agents of Equitable Life of Iowa Pledge $6,000,000 For 1917

The Pennsylvania general agents of the Equitable Life of Iowa met in Philadelphia on Monday. They discussed various matters pertaining to their work. The question of the part-time man was threshed out. The consensus of opinion was that a man should be given a reasonable period in which to qualify as a full-time man, or be denied a license. They pledged $6,000,000 of business to the Company this year.

The Western Pennsylvania agents are in a contest with the Eastern Pennsylvania agents, for a money prize and a gold watch.

R. J. Slifer, Philadelphia, was elected president; Allan D. Wallis, vice-president; J. C. Johnson, secretary.

OLD POLICIES AND NEW

(Continued from page 6.)

Payment Life will, if the present scale is maintained, and if he leaves all of his dividends with the Company, become an Endowment before he is 69. You can also advise him that he can arrange for an income to himself, after age 65, of $100 per month for 20 years certain, or as long as he lives thereafter, by putting only $500 or $600 more a year into life insurance. This, with the $5,000 that he now has, will, if placed on Option "D," give to his sister, $75 per month, as long as the present rate of interest is retained, and at her death will be paid under Option "C," to the niece, giving her, should his death and that of his sister occur before the niece is 20, about $80 per month as long as she lives.

What you would of course do would be to write Mr. Y for enough additional to give him $100 per month, under Option "C," when his total insurance has matured by use of the dividend accumulations, and, in the event of his death before that time, to furnish the incomes as above indicated.

The Case of Dr. Z

After you have finished with Mr. Y, you take up the card of Dr. Z.

You find that Dr. Z is an extremely busy physician, has a very lucrative practice, and has a wife and three daughters, whose social activities make the cost of living very high. He carries $20,000 insurance with us, which is to be paid to Mrs. Z, in one sum. From what you learned this would not last them, at their present rate of spending money, for more than two years. Yet, Dr. Z has educated his family up to a point of spending, and it would not be fair to expect them to do much with $20,000. You therefore ask Dr. Z how he would like to so arrange his insurance that it would pay Mrs. Z practically $200 per month as long as she lived, and, assuming that the average age of his daughters is 30, at the time of her death, could be arranged to pay them each a minimum of about $70 per month as long as they live. You could point out to Dr. Z that his practice took so much of his time that he doubtless had very little opportunity to look into any investments, and that he certainly could not be sure that when old age depreciated his value he would have an income sufficient to maintain him. You could so arrange his insurance that at age 65, say, it would mature by the dividend accumulations, the funds could be left with the Company, and he would receive the interest income as long as he lived. You would not, of course, at any time in the course of your conversation, say anything to Dr. Z about increasing his insurance, but you would simply talk the income feature and, whereas you could show him how small an income $20,000 would produce, you could show him the splendid advantage of putting by such a sum of money per annum as would make the insurance really worth while, and write him the $30,000 additional.

LIVE HINTS FOR BUSINESS GETTERS

Practical Suggestions to Help the Man With the Rate Book Increase His Income and General Efficiency

Latest Sales Talk of Norville Hawkins

Whenever Norville Hawkins, the $500,000 sales manager of the Ford Motor Co. makes a formal talk on salesmanship, he is sure to say something worth repeating, and the subjoined reflections are taken from a talk he recently made in Detroit:

The man in sales-man-ship carries the reputation of his firm or his employer the 24 hours of every day.

There was a time when a salesman was employed for only eight hours a day—but now his employer engages his time for the full 24 hours, and should know how he spends the 16 hours out of the 24 that he is not engaged in selling.

Is his recreation healthy and helpful? Is his rest taken at the right time to be beneficial and conducive to his best efforts the next day? Does he associate with his inferiors or his superiors? Does he read good books? Does he gamble, and is he extravagant to the extent of "padding" his expense accounts? Is he as honest with his employer's time as with his money?

The salesman should look upon himself as a manufacturer, think of himself as being in business on his own account—regard himself as a maker and seller of service, and ever form his thoughts and bend his energies toward self-improvement.

If he does not take excellent care of himself—by proper exercise, by proper play, by correct habits and by attention to his business—he can never hope to measure up to the highest standard of intellectuality, respectability, reliability, and fitness for his work, to say nothing of business acumen or efficiency.

He should know, too, that the really productive years of any man's life are between the ages of 30 and 45. That the danger line for reverses commences at the age of 40, and that 75 per cent. of men at that age meet with set-backs and lose their entire accumulations. That at the age of 45, 97 per cent. of men have gone broke. That after 50 only one man out of every 5,000 can recover his financial footing, while at the age of 60, 95 per cent. of men are dependent upon their daily earnings or on their children or someone else for support.

So while young and prosperous, he should bear in mind saving something for the time in life when reverses may come.

The man in sales-man-ship is an important factor in civic life.

His daily personal touch with the people, through their necessities and luxuries, supplied through their individual selection and purchase, gives him a broad and dependable knowledge of men and women—his labors become a part of national life—hence the importance that he be of big caliber morally, mentally, spiritually and temperamentally—in harmony with his opportunities.

Man-capacity results only from growth—by eliminating weak qualities; by adding strong qualities; fortunately for human development and human welfare salesmen are not born-salesmen—they are born only.

If years of schooling and training are required to fit a man for other professions why should it not be just as necessary, and even more so, for the profession of selling?

And if it is to be expected or required of the man who desires to follow selling as a profession, then where and how is he to go about it to study and acquire the traits and the art to perfect himself for this calling?

To attain success, real development, growth, is necessary—not just "being willing" or "desiring," not just "acquiring information" or even knowledge; but actual change of character, growth of ability to conceive, plan, and construct, capacity to understand, persuade, convince—resulting in an enlarged conception of men—the understanding them and the handling them.

And what qualities are necessary in the development of big-manness? All qualities and capacities are needed; everything one can attain from careful care of their hair and teeth and nails, to clean linen, a shine and a shave, to true spirituality—the whole gamut of the complete man.

Let him get in front of a mirror sometime and take an inventory of himself. Look himself over. Study his weak points and get rid of them. Then walk around behind himself and look for the things not shown in the mirror.

He may have grown into the very bad habit of not looking at himself at all, except to comb his hair or properly arrange his scarf, or of seeing himself from the front, and then only by reflection.

The sales manager in picking him out for a salesman and in planning for his advancement looks at every side of him.

Let him get inside of himself. Find out what man-qualities are necessary for his individual success as a salesman. Find out what the sales manager wants to find in him to warrant his selection and promotion.

In choosing him as a salesman and in selecting him for advancement, the sales manager wants first to be certain that he can sell; he wants to be certain that he has a reason beyond the pay-check for wanting to work for him; he wants to be certain that he is going to stay with him and is going to be satisfied.

A sales manager is not looking necessarily for a finished product so much as he is for a man with qualities capable of development. He wants to get at the big-man possibilities in the salesman. He wants to feel confident that the salesman can and will develop. He knows that selling is a man-to-man process and he wants to feel that the salesman will be able to induce the customer to see what he presents—not only through the customer's own eyes, but also through the salesman's at the same time.

It takes art to do this—the art of handling the other man—and the salesman's understanding of this art and his ability to carry it across are limited by what he is himself.

For this reason the sales manager wants the real man-stuff to start with. He doesn't want a "dub." He doesn't want a loafer. He doen't want a brass front that looks like gold only when it's polished—he wants a real man who stands four-square.

Let him look at himself through the eyes of his employer—determine, if he were working for himself and making out his own salary check, whether or not he comes up to its value or is a cheater.

If he does meet the requirements, the world field and the world opportunities are open for him in a big way.

And so manhood is not only required by good salesmanship, it is indicated by it.

We may distinguish the salesman by his manhood and the man by his salesmanship.

For the better the man, the better the salesman; and the better the salesman the better the man.

Never treat a customer indifferently after getting his money—he should remember he is a sales-man—not a sale-man—and he wants repeat orders.

He must not talk too much, but try to talk effectively and to the point. Sometimes it's well to let the customer talk himself into the sale.

Above all things he must work from early to late and work hard and systematically and with the certainty that right results will surely follow. Time is the most valuable asset of any salesman, so use every minute.

The really big-man salesman bases his entire work on three things, viz.: truth—what the buyer needs—service. First. He tells only the truth. Second. He sells only what the buyer needs. Third. He makes service his ideal.

Does he realize the greatness of this conception, the spiritual standard the leading salesmen have set for themselves? These three laws are but the twentieth century paraphrases of three great laws given to us by Christ 2,000 years ago: The man who consecrates himself to truth is the man who loves his God with all his heart. The man who sells only what the buyer needs is the man who does unto others as he would that others should do unto him. The man who makes service his ideal, is the man who loves his neighbor as himself.—Sales Manager Hawkins of the Ford Motor Co., in the "Ford Times."

THE
METROPOLITAN LIFE
Insurance Company
(Incorporated by the State of New York)



Metropolitan Life Insurance Company
Home Office Building

The Company
Of the People
By the People
For the People

The Daily Average of the Company's Business during 1916 was:

701 per day in Number of Claims Paid.

8,304 per day in Number of Policies Issued and Revived.

$1,969,823 per day in New Insurance Issued, Revived and Increased.

$376,827.40 per day in Payments to Policyholders and Addition to Reserve.

$220,509.26 per day in Increase of Assets.

JOHN R. HEGEMAN, President

Representing

The Mutual Life Insurance Company
of New York

You will make money.

The great strength, big dividends and incomparable benefits of the *"oldest company in America"* mean certain success for you.

For Terms to Producing Agents, Address

GEORGE T. DEXTER, 2d Vice-President
34 NASSAU STREET. NEW YORK, N.Y.

TELEGRAPH THE PRESIDENT

At a meeting of the Life Underwriters' Association of Utica, J. M. Mulhall, of the Metropolitan Life, spoke on industrial insurance. The following was telegraphed to President Wilson:

Hon. Woodrow Wilson,
Washington, D. C.:

We, the members of the Life Underwriters' Association of Utica, N. Y., assembled take this opportunity of pledging you, our President and country, our unqualified allegiance to any call made upon us.

GEORGE W. FRETTS,
President.
I. REED THOMSON,
Secretary and Treas.

G. S. PITKIN DEAD

London, Ont., Canada, March 30.—Gilbert S. Pitkin, aged 57, one of the best known insurance men in Western Ontario having for years been connected as manager with firm here of Van Tuyl & Fairbank dropped dead last week.

ARGUMENTS OF AGENTS AND BROKERS AT ACQUISITION HEARING

Full Report of Acquisition Cost Hearing in Albany

AGENTS AND BROKERS HAVE FOUR-HOUR TALK WITH PHILLIPS

Some Points Made by George D. Webb, L. A. Wallace, E. H. Warner and Others—Sup't's Attitude

Agents and brokers who attended the acquisition cost hearing in Albany last week, granted by the Superintendent following his recommendation of a reduction in the acquisition cost, returned to their respective homes greatly pleased with the result of the hearing. The announcement was made by Mr. Phillips that the matter would go over for a year. Without exception the agents and brokers spoke in the highest terms of the Superintendent's fairness, his motives and his grasp of the situation. The next move will be in the nature of conferences between agents, brokers and company representatives.

Wallace Opens Discussion

The discussion was opened by L. A. Wallace, of Johnson & Higgins, who read the following memorandum:

"As a representative of the Fire Brokers Association of New York City. I desire at this time to submit our views with regard to that portion of your annual report which refers to the acquisition cost of compensation insurance. Clearly, it will be impossible for us to continue handling compensation insurance if the acquisition cost is to be limited to 10 per cent. Such a limitation means that the stock companies would be compelled to reduce the commission to brokers to such an extent that there would be no incentive for the brokers to give their clients the same careful attention which they are now required to give in order that they may successfully operate. In fact, such a limitation would eventually eliminate all of the brokers from the writing of compensation insurance.

"It is the invariable experience of the broker that to give his compensation business the attention it properly deserves he is required to assume a larger proportionate expense than in any other line of insurance. It cannot be maintained that the work of the broker is in any sense superfluous or a duplication of the company's service. A careful study of the situation will convince you that the only way in which a healthy state of competition can be continued is to allow the present limit of acquisition cost to remain undisturbed. This limit was reached only after a very thorough investigation of the facts and was approved at the Chicago convention by the insurance commissioners of twenty-one States. In some quarters it seems to be the impression that the only service the broker performs is to secure the order for the insurance, have the policy issued, pay the premium to the company, and that this service represents the acquisition cost of the business. It is a well-established fact that the troubles of the broker have only just commenced after he has delivered his policy contract.

Discusses Analytical Schedule

"A large majority of the risks are subject to rating either by means of the analytic schedule or experience rating or both. The application of the analytic schedule often requires the broker to make an exhaustive examination of the conditions upon which the rates are determined. If he furnished proper service he must be able, in the interest of his client, to minutely examine the report of inspection and should be able to apply the numerous factors of credits and charges so that the assured may receive every credit to which he is entitled. Oftentimes an extra expense is incurred because of the necessity of a check up inspection. Experience has proven that if a broker does not carefully watch all of these conditions, he will sooner or later find that his client has not received full credit and as a consequence, he loses the line. Therefore he is forced, through existing competitive conditions, to provide means of examining the rate schedules very carefully. He must also be able to fully explain to his client the ways and means of safeguarding the person of his (the client's) employes through the safeguarding of his machinery, the organization of safety and welfare work, etc. It is not possible to have work of this kind done except by experienced, and I might say expensive, help. The broker must always be at the beck and call of his client to look into questions of delayed reports of accidents; he must be the medium through whom the interest of his client is not jeopardized because of the failure of the company to make prompt investigations of accidents; he must see that injured employes are not delayed in receiving their compensation; he is frequently called upon to give advice as to the coverage of the policy contract and this is particularly true in this State because the provisions of the act are presumed to extend primarily to those occupations which may be described as hazardous.

Medical Attention

"It is not an infrequent occurrence that an employer who has been required to carry compensation insurance, finds after an accident that an injured employe is not entitled to the indemnities provided by the act, because of the nature of his employment. If an employe is not entitled to the indemnities and medical attention provided by the act, an embarrassing situation may arise because the employer has assumed that the employe was entitled to full medical attention only to find that such was not the case. It usually develops that the employer has assumed the medical expenses, and then learns that his policy provided only first aid because employe was not entitled to the protection afforded by the Compensation Act. In such cases as this, it becomes the unpleasant duty of the broker to arrange a mutually satisfactory adjustment of the difficulty. This point may seem a minor one but it is indicative of the numerous problems of the broker. It must also be borne in mind that frequent changes in policy contracts are necessary. The assured may extend his operations, he may undertake new work, his experience may have been particularly unfortunate and as a consequence the company desires to be relieved of the insurance and the broker must accordingly replace the insurance under the most favorable terms possible. Another point to which consideration must be given is the final adjustment of the premium. Many times the broker is required to personally settle differences of opinion which arise between the company and the assured.

Will Mean Elimination of the Broker

"If the present limit is reduced it will most certainly mean the elimination of the broker and as a consequence the companies will be required to send salaried representatives to arrange coverage with the assured or the assured must go to the company's offices. This would cost the assured more in time and annoyance than he now pays in broker's commission and for the companies to employ salaried representatives would also cost more than is now paid in commissions. The very nature of compensation insurances requires an intermediary to satisfactorily adjust such differences as will inevitably arise. If the broker is eliminated, the employer who insures directly with the company is not in the advantageous position he would enjoy were a broker handling his business. If a serious difference of opinion arises, the company could adopt an arbitrary attitude with its direct client where that same company would be forced to give consideration to the broker because other business might be affected. In the one instance, the employer is virtually in the hands of the company, while in the other he gets the benefit of the market. To go a little further, there would be no way in which the assured could have the advantage of such competitive conditions as are now available if a competent broker is employed.

The Question of Rates

"It is presumed that the reduction of the acquisition cost is favored because it will provide lower rates to the employer. We are unaware that there has been any complaining by the purchasers of compensation insurance about the cost of the acquisition expense. In view of the competition of the mutual and State funds, does it not appear that in the final analysis practically all of the business will be lost to the stock companies if they do not operate at a reasonable acquisition cost? The inevitable result of a high acquisition cost would be to force them out of business because they could not hope to compete, for instance, with the State fund which has the privilege of making its own rates.

"Mr. Superintendent, a reduction in the limit of acquisition cost will positively eliminate the better class of brokers. Therefore the issue is clear—is or is not the broker an unnecessary factor in the handling of compensation insurance in all its phases? If he is not an unnecessary factor, the question is—is he being overpaid? I have endeavored to convince you that such is not the case. Since the insuring public has overwhelmingly demonstrated its willingness to pay the stock companies the necessary rates, including acquisition cost, there seems to be no good reason of making a change in the present limit. I thank you."

The Superintendent Asks Questions Which Are Answered

Following the reading of Mr. Wallace's memorandum Superintendent Phillips contended that inasmuch as employers are arbitrarily required to insure, that the cost of handling the insurance should be materially reduced. Mr. Wallace argued that even though insurance is compulsory the employer is not required to insure in stock companies as he has the privilege of insuring in the mutuals or State Fund.

Superintendent Phillips stated that the reports of the mutuals and the New York State Fund indicated that their entire operating expenses were very much less than those of the stock companies. It was his opinion that the expenses of the stock companies were necessarily high because of the acquisition cost and that the competition of the mutuals and the State Fund would ultimately drive them out of the compensation insurance business in New York State unless they (the stock companies) materially reduced this part of their expense. Mr. Wallace took the view that the stock companies should be allowed to work out their own salvation as he could not conceive that with their millions of invested capital they would allow themselves virtually to be driven out of business because their high acquisition cost made it necessary for them to charge rates very much in excess of those of the mutuals and the State Fund. Mr. Wallace stated that he believed it to be the experience of all leading brokers, that because of the superior service rendered, their clients would rather pay the stock companies rates higher than those charged by the mutuals and the State Fund. He contended that if the stock companies found they were losing their business to the mutuals and the State Fund, that they would of necessity be forced to handle the insurance at a lower rate of expense or else go out of business.

Term a Misnomer

Mr. Wallace stated that the term "acquisition cost" was a misnomer and that in his opinion the reports of very few, if any, of the companies would clearly indicate just what their acquisition cost had been. In fact, he felt it was largely a matter of bookkeeping. Therefore he urged the Superintendent to reconsider his determination to "pick on" the question of acquisition cost—that any proposed limitation of expense should apply to the entire expense of operation. He stated that the brokers would be glad to co-operate with the Superintendent toward the end of securing a reduction in the total expense of operation. He pointed out that the records of several of the leading companies showed a material difference in this expense, in fact the difference in expense between two of the leading companies would amount to almost as much as the broker receives in commission. It was his opinion that those companies which are now operating at a comparatively low expense ratio would be less affected by any legislation which results in the placing of a limit on the entire expense.

Attitude of Companies

Mr. Wallace stated that the brokers had been positively assured by practically all of the leading companies that they were against any change in limit of "acquisition cost."

George D. Webb's Remarks

George D. Webb, of Conkling, Price & Webb, and representing at the hearing the National Association of Casualty and Surety Agents, Chicago, said that he believed it to be essential to the welfare of the business to keep the acquisition cost at the lowest figure commensurate with thoroughly efficient and intelligent service. He called attention to the fact that the substantial reduction of acquisition cost or commission rate on compensation business, as compared with liability insurance, originated with the agents who were the organizers of the National Association of Casualty and Surety Agents. These agents appreciated the great difference between the two forms of insurance and the necessity of making every possible saving on every dollar of premium paid, in order that the largest possible percentage of every premium, for protection against industrial accidents, might go to the real beneficiaries, the working people themselves, who were subject to serious accident exposure.

Mr. Webb agreed with the superintendent that the business would be better off if a higher standard of intelligence and efficiency was required of the agents who are to receive the commission for writing the business.

"I would call attention, however, to two important points which are likely to be overlooked in the casual consideration of the Commissioner's recommendation," he continued.

"Compulsory" Insurance

"First, the distinction between compulsory and elective workmen's compensation laws. In States like Massachusetts and New York, compensation

(Continued on page 17)

THE EASTERN UNDERWRITER

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INHERITANCE TAX ARGUMENT

Although a few underwriters of the first rank are against the daily paper exploitation of the inheritance tax as an argument to sway wealthy men in taking out insurance (a recent poll of six underwriters by The Eastern Underwriter resulting in four affirmatives for exploitation to two negatives,) general agents everywhere are using this argument for all they are worth, and millions of dollars of insurance will be written as a result. Some are fearful that the writing of the large lines, on the inheritance tax appeal, will not have a good effect upon public men who make and unmake the tax laws. But in this connection the laconic comment of one of the leading underwriters in America is worth repeating: "The public and public men will discuss the J. P. Morgan insurance everywhere for one day, and will forget it the next." In the meantime, the agents are making hay while the sun shines.

The announcement that Henry P. Davison has taken out $1,000,000 insurance will further stimulate insurance demand. As for Harold Pierce, who placed both of these policies, and who always has been a large writer, he must now take his place in the class of the transcendent production geniuses of all time.

AMERICAN AGENCY SYSTEM

If the agitation over acquisition cost, which culminated in the hearing in Albany, has done nothing else it has succeeded in placing the American Agency System on a firmer basis than ever before. In private letters written this month and through many other channels leading underwriters have taken the most positive stand in favor of the continuance of the system, and the widespread opinion is that the time when the American Agency System will be overthrown is so remote as to be almost in the realm of impossibility. It also seems the unanimous opinion that unless agents receive proper remuneration they will be driven into other lines of endeavor.

The agents and brokers who won a victory at the acquisition cost hearing in Albany last week returned completely convinced of the fairness of Superintendent Phillips. Leaving aside the academic question as to the right of the State to interfere in the matter of remuneration, there is not the slightest doubt in the world that the Superintendent sincerely feels that he is acting for the general good of the business, and that his stand on the acquisition cost originated in his own office after seeing the new rates of the carriers, and the new loadings. The Eastern Underwriter is in a position to state authoritatively that the Department did not receive a single letter from a company manager asking him to cut agents' commissions.

Just how agents and brokers regard their function is shown in the running story of the events in Albany last week printed fully elsewhere in The Eastern Underwriter. They were eloquent and convincing. There is a great deal of talk as to the expression "Acquisition Cost" being a misnomer. The phrase is too general. Another expression is needed.

REAL PUBLIC SERVICE

The action of the National Board of Fire Underwriters in placing its services, resources and facilities at the disposal of the United States Government in the present crisis, and offering to act as a medium through which may be centralized the knowledge, training and services of the engineering forces in the employ of the National Board and all other fire insurance organizations, is a patriotic step that will be of incalculable benefit to the nation if the offer is accepted, as it undoubtedly will be. No one knows better than do fire underwriters the tremendous potentiality of this organization and its widespread ramifications, covering every section of the country. Its ability to furnish prompt and detailed information as to conditions existing in localities, plants and institutions is tremendous. Richard M. Bissell, president of the National Board, and W. E. Mallalieu, general manager, were the representatives of the National Board who carried the offer to the governmental officials. Mr. Bissell has been in Washington for about a week. By its latest action the National Board again shows its consistence in serving the nation.

DRAFTS WITH APPLICATIONS

Jacob Los, of Omaha, Makes a Record Which Speaks Well for Future

Winslow Russell, agency manager of the Phoenix Mutual, considers a recent record made by Jacob Los, of the Omaha agency, one of the best that has come under his notice. On January 24 Mr. Los left Omaha on one of his usual trips to a small-town in northern Nebraska and expressed the hope that he would write $20,000 worth of business while away. By January 24 he had sent in twenty-five applications for $39,500, premiums of $1,393.

In every case the binding receipt was detached and draft for full annual premium accompanied the application. The risks are all apparently first-class.

"Knowing Mr. Los and his methods, as I do," said Mr. W. A. Smith, manager in Omaha of the Phoenix Mutual, "I will prophecy that ten years hence eighty per cent. of this business will still be on the books paying premiums."

THE HUMAN SIDE OF INSURANCE



WILLIAM T. WOODS

William T. Woods, president of the Lloyds Plate Glass Insurance Co., knows just how the people of the Balkans felt for the years that they were sitting on a volcano. It's the same sensation in plate glass insurance, where every ten minutes somebody says: "The business is going to the dogs." But it never does go there, largely because of such men as Mr. Woods, who have nerve, courage and ability. When the price of glass goes up he believes the glass manufacturers are entitled to their price because of conditions but that the plate glass insurance companies should also raise their rates. Mr. Woods tells the history of his business career in less than twenty words: "I have been president twenty-four years, was secretary eleven years and a clerk for four years." Mr. Woods was a clerk in the Lloyds Plate Glass when its originators were individual underwriters. When the Company was organized in 1882, he was made secretary and was elected to the presidency in January, 1893.

* * *

Luther B. Little, manager of the publication division of the Metropolitan Life, has been elected vice-president of the Alumni Association of the New York "Times."

* * *

Archibald McIllwaine, who is a student at Yale, is a member of the Volunteer Aerial Coast Patrol, Unit No. 1, which started on Wednesday for the training camp at West Palm Beach. Mr. McIllwaine is a son of the United States manager of the London & Lancashire.

* * *

James B. Nicholson has completed a half century's experience with the Franklin Fire. He was born in Philadelphia in 1845, served in the Civil War for three years on board the sailing ship "Jamestown," seeing service in many parts of the world. The "United States Review," in speaking of Mr. Nicholson, said: "His unfailing good cheer makes every dark day seem bright, for the light that is in him cannot but shine out."

* * *

John B. Lunger, vice-president of the Equitable Life of New York, received his certificate of membership to the Five Year Corps of the Equitable Veteran Legion on March 21st.

* * *

Professor John W. Ballard, head of the commercial department of the Central High School, Cortland, N. Y., has been appointed general agent for the Connecticut General Life.

Charles G. Smith, who has been elected president of the German-American, succeeding William N. Kremer, who has been in ill health for many months, entered the fire insurance business thirty-nine years ago as a boy in the head office of the Phenix Insurance Company of Brooklyn. After advancing through the clerical force he went on the road as assistant special agent in 1884, and in 1887 became New England special agent of the Queen Insurance Company. He left the Queen in 1890 to become manager of the Factory Insurance Association at Hartford. In 1898 he was appointed secretary of the German-American Insurance Company, being made vice-president in 1913. Mr. Smith is an underwriter of notable ability, and is an authority on sprinklered and improved risks.

* * *

A. B. Roome, who has been appointed agency manager of the Westchester Fire, was recently given a rather remarkable tribute upon leaving for his new position in Manhattan. About sixty business and social friends were his hosts at a testimonial dinner. At this dinner speeches were made by clergymen, by the manager of Bradstreet's in Brooklyn, the president of the Brooklyn Civic Club, and others. Among letters of regret was one from the president of Rutgers' College where Mr. Roome went to school.

Some of the speeches were in a humorous vein, warning the insurance man against the perils of Manhattan Island. The Rev. C. H. Brewer, in his talk, said: "I cannot understand why our guest is going to the dark, gloomy caverns of lower Manhattan, where temptations are many. You have observed him during six working days of the week, and from me you will hear of his actions on Sunday. When he first came to Roslyn he, too, was troubled with Sunday automobilists, and rode all over the surrounding country. But after a while he found that his auto, with a little judicious steering, would take him to church as well as anywhere else. He has been a regular church attendant since then."

Mr. Roome was with the Continental for about fifteen years.

* * *

Moses Taylor Pyne, of New York and Princeton, who has been elected to the Board of Directors of The Prudential Insurance Company of America, to fill the vacancy occasioned by the death of former Chancellor William J. Magie, is a lawyer and well-known New York financier. He is a trustee of Princeton University and is connected with a large number of fiduciary and business corporations. Some of his other directorates are: National City Bank of New York, Farmers' Loan and Trust Company of New York, The Princeton Bank of Princeton, N. J., and United New Jersey Railroads and Canal Company. He is also a member of the Board of Managers of the Delaware, Lackawanna & Western Railroad Company.

* * *

Alfred J. Hodson, superintendent of agents and business extension of the Aetna Life at 100 William Street, has resigned. His future plans have not yet been announced. Mr. Hodson is chairman of the membership committee of the Insurance Federation of New York, and is widely known among New York brokers and agents.

HOME MEN DRILLING

The Home is one of the two hundred financial and business concerns of New York City, which have agreed to allow employes time during business hours for military drill.

FIRE INSURANCE DEPARTMENT

Auto Underwriters' Detective Bureau

LAUNCHED WITH H. M. SHEDD AS DIRECTOR

Companies' Committee of Five Has Bureau Affairs in Charge—Much Work to Do

A powerful factor for putting a stop to crooked automobile losses of all kinds, particularly theft, has been launched by the companies through their formation of the Automobile Underwriters' Detective Bureau, of which H. M. Shedd, an expert auto thief catcher, has been made director. The companies are represented in the operation of the Bureau by a committee of five.

How Idea Originated

The Bureau had its origin with a small coterie of companies, who, becoming alarmed by the extent of the automobile frauds of various kinds, determined to employ an expert of their own to give special attention to these losses. Mr. Shedd was engaged and given the title of "special agent." The necessity for work of this kind became so obvious that other companies showed interest, with the result that the Bureau was formed.

Mr. Shedd's Career

H. M. Shedd has made a remarkable record in running down automobile crooks in New Jersey. His work for recent years has been with the Department of Motor Vehicles of the State of New Jersey, and he came into particular prominence in November, 1913, when he arrested a gang of crooks, the leader of which was John Gargere, a fence for stolen automobiles. Shedd became suspicious of an automobile having an obviously fraudulent plate number, and which, it later developed, contained crooks equipped with a full lay-out of burglar tools. The men were later convicted as automobile thieves.

About fifty companies will join the Bureau.

TALK BY DOLAN

Utica Local Agent Says Fire Waste Would Pay for Panama Canal—Responsibility for Fire

Frank E. Dolan, of Dolan & Conboy, Utica, N. Y., made a talk on fire insurance at the Kiwanis luncheon in that city a few days ago. He said there are more men employed to fight fire in this country than there are in the standing army. We can build a Panama Canal with the money lost by fire this year. Fire losses in the United States are ten or twelve times more than in Germany. He said when a fire occurs abroad, tenants are arrested and taken to court. If it is found that they are blameless, a strict investigation is made and the guilty one is severely punished.

In speaking about local conditions, Mr. Dolan said that Utica has a very good record with a rate much lower than that found in most cities of its size. The base rate is now 31 cents but as a new rating has been made, this may be increased to a slight degree. The speaker explained the different risks and described the 80 per cent. co-insurance clause in insurance policies. This was very interesting.

FREDERICK PETERS RESIGNS

Frederick Peters, special agent of the New Hampshire in New York State, has resigned.

SWINTON AGENCY CHANGE

E. A. J. Arata Made Member of Firm and Manager of New York Office

Arthur C. Swinton, Inc., this week announced that he had been forced by the demands made upon his time as administrator of the extensive estate of an uncle who died recently to make several changes in the personnel of his agency. E. A. J. Arata has been given an interest in the New York business of the agency in recognition of his faithful service during his seven years' connection with Mr. Swinton. Mr. Arata was formerly connected with



E. A. J. ARATA

the Nelson & Ward agency in Jersey City and has numerous friends on William Street.

While the active management of the details of the New York office has been placed in the hands of Mr. Arata, Mr. Swinton will continue to be in daily touch with the office. Announcement is also made that the Swinton agency is no longer connected with any other office in New York City.

The Swinton agency is writing fire insurance in the territory of the Suburban Exchange and the entire State of New Jersey, and also writes complete automobile coverage anywhere in the United States and Canada. The Somerville, New Jersey, office of the agency will continue as heretofore.

A WESTERN VIEW

One of the Western managers, discussing Use and Occupancy, said this week:

"It is apparent there is a demand for this class of insurance and that, in large degree, it is legitimate. There seems to be, however, an unholy competition for the business which has already resulted in loose forms and practices.

"It is my understanding that a committee of prominent underwriters is to take up the subject and recommend proper forms and methods, and it is to be hoped they will tighten things up somewhat."

MIXED-UP FORM

Some underwriters and assured have not learned yet that use and occupancy and profits are two entirely distinct propositions.

In a recent loss a so-called "bastard form" was written, which mixed up the two coverages. The adjuster for the assured informed his client that he must decide whether he wanted to collect use and occupancy or profits. The latter picked the latter.

FIRE AND MARINE INSURANCE—ALL LINES

The Automobile Insurance Company of Hartford, Conn.

MORGAN G. BULKELEY, President

Statement January 1, 1917

Cash Capital	$1,000,000.00
Assets	2,748,832.19
Liabilities (Except Capital)	1,039,977.81
Surplus to Policyholders	1,708,854.38

AFFILIATED WITH

ÆTNA LIFE INSURANCE COMPANY

THE ÆTNA ACCIDENT AND LIABILITY CO.

KREYE SUCCEEDS HAMMOND

Kelly & Fuller this week announced that Charles Kreye has been promoted to succeed Henry Hammond as assistant counterman of the agency. C. P. Cross, formerly in the re-insurance department of Kelly & Fuller, has been promoted to be Mr. Kreye's assistant. Mr. Kreye has been with Kelly & Fuller for the past thirteen years.

Mr. Hammond has succeeded Arthur C. Hornickel, who was appointed counterman of the local department of the Continental last week, as counterman of the William H. Kenzel agency. He had been with Kelly & Fuller for 14 years.

A DELAWARE CORPORATION

A charter was filed in the Delaware State Department by the Hercules Fire Insurance Company of Salina, Kan.; capital, $1,000,000; to carry on a general insurance business.

SPECIAL AGENCY CHANGES

W. E. Cooper, for several years special agent of the Phoenix of London in the suburban field, has been appointed special agent of the Commercial Union for New Jersey, effective on Monday.

Following the resignation of Mr. Cooper, the Phoenix of London announced the appointment of A. C. Stevens, who has been examiner for the suburban territory, to succeed him.

An office with an established Agency Plant in Eastern Pennsylvania could use two good Fire Insurance Companies.

Address "PENNSYLVANIA"

Care of The Eastern Underwriter
105 William Street, New York, N. Y.

NORTH BRANCH FIRE INS. CO.
Sunbury, Pa.
Inc. 1911

Assets	$641,341.77
Reserve	230,513.29
Capital	300,000.00
Surplus	63,479.83

CITY INSURANCE COMPANY
Pittsburgh, Pa.
Inc. 1870

Assets	$357,318.58
Reserve	54,256.92
Capital	200,000.00
Surplus	96,379.07

OPERATING ON A CONSERVATIVE BASIS IN A LIMITED TERRITORY UNDER AN EXPERIENCED MANAGEMENT

Geo. Richards Gives Law Fundamentals

REVIEWS ENGLISH AND U. S. COURT DECISIONS

Says Judges and Legislatures Favor Underwriters on Marine Contracts and Assureds on Fire

George Richards, of Richards & Affeld, insurance attorneys, addressed the Insurance Society of New York on Tuesday. His subject was "Fundamentals in the Law of Insurance and Why Adopted." He said in part:

Uncertainty of Warranty Rules

"The courts in this country and England have refused to apply the one year limitation clause of the usual fire insurance policy to a policy of reinsurance, though the standard conditions were a part of it.

"In order to avoid technical and seemingly unconscionable forfeitures, the courts, and especially the American courts, have adopted certain rules modifying the strict rule of warranty and these modifications in certain instances have introduced great uncertainty and confusion into the law of insurance.

"The first rule, however, can hardly be criticised. It is that any ambiguity in the language of a policy, the policy being prepared by insurance men and in their interest, be resolved by a liberal construction in favor of allowing indemnity for all the loss.

"An admirable illustration is found in a New York case. The insured's personal property was stated to be contained in a storehouse situate detached at least one hundred feet on the east side of Lake Champlain in the town of Shoreham. The court held that this statement must be construed to be a warranty, but they found ambiguity as to what the warrant was. The policy said, "detached at least a hundred feet," but it did not specify the object from which it was detached. It appeared that there was a small building with a little gunpowder in it located seventy-five feet from the storehouse; but it also appeared that this did not increase the risk of the property insured. The court, accordingly, construed the warranty as meaning detached at least one hundred feet from some building which would increase the hazard on the property insured. (Burleigh v. Gebhard Fire Ins. Co., 90 N. Y., 220.)

Courts Evade Warranties

"Sometimes, however, the literal meaning of a warranty, in a general printed form of contract, seems so incongruous when applied to the particular instance, that the courts have evaded its having regard to the main purpose of the contract. An interesting illustration is to be found in a recent case under the English Workmen's Compensation Law. A farmer insured against liability. There was a warranty in the policy that the name of every employe and the amount of wages and salary paid to him should be duly recorded in a wages book. No wages book was kept. The farmer employed only one person, and that, his own son, at seventy-five pounds a year. The son lost his hand, and was paid under the terms of the act. The judges of King's bench on appeal, by a vote of two to one, refused to find a breach of condition avoiding the policy. (In re Bradley, etc., Accident Indem. Soc., 1912, 1 K. B., 415.)

"Many courts in modern times have continued to enforce the strict rule regarding warranties, when the thing warranted is expressed without ambiguity.

Accident Policy Illustrates Point

"Thus, in his accident policy, Gaines warranted that the payee was his wife. Gaines was killed. The wife brought suit on the policy. It was shown on the trial that when the policy was issued the plaintiff was living with the insured as his wife, to all appearance, and, indeed, had gone through the form of marriage ceremony with him, but, in fact, she had a prior husband living. She was not the lawful wife of the insured. The misstatement as to relationship appeared to be wholly immaterial, and counsel argued that the private affairs of this worthy couple were of no concern to the insurance company; but the New York Court of Appeals held the policy avoided for breach of warranty. (Gaines v. Fidelity & Cas. Co., 188 N. Y., 411.)

"In an Arkansas case the application was made part of the contract of fire insurance and warranted by the insured. In it he stated that his house, on which he requested a policy of $1,200, cost $2,000, when in fact it cost but $1,700. This slight discrepancy, however, seemed unsubstantial, inasmuch as the policy amounted only to $1,200, considerably less than the actual cost expressed in the policy. For example, the insured has avoided his policy by reason of other insurance without written permit, or by some breach of warranty. You will recall that the courts of New York and of the majority of the States, allow the insured, or his witness, in such a case, to testify orally that the countersigning agent had knowledge of the other insurance, or the other facts constituting the breach, before the policy was issued. The agent generally denies this, but the jury attaches little importance to the point one way or the other, and, ignoring it, finds for the insured. This rule, of course, is utterly at variance with common law doctrines of evidence, and is, therefore, rejected by the courts of Massachusetts and New Jersey.

"Basing my opinion upon experience, as well as theory, I am convinced that the last named courts have much the better of the argument both in the interest of justice and of public safety. The sanction of the written agreement is needed for the protection of both parties, if they are honest; and the fire loss per caput in this country, as you are well aware, is several fold greater than it is abroad, a fact carrying persuasion that the public are entitled to the benefit of the protective clauses of the policies. Invoking this novel American doctrine of parol waivers, however, claimants, and especially unscrupulous claimants, easily sweep out of our policies, both fire and life, all the conditions and warranties inserted therein by legislative enactment, and this is done without the payment of any additional premium. To try the issue before a jury seems to me almost farcical. If the contract as written does not need reforming, the issue should in my opinion be determined, as in all other cases, by a judge.

Courts Favor Underwriter

"Observing the marked disposition of courts and legislatures to favor the underwriter, under the simple conditions of the conventional marine policy, and their no less marked disposition to favor the insured, under the modern fire insurance policy, the question presents itself, if it would eliminate from their policies most or all of the fine print conditions appertaining to the situation prior to the fire, relying instead upon the two common law doctrines, first, that all matters material to the risk must in general be affirmatively disclosed by the applicant for insurance, and, second, that the insured must voluntarily enchance the risk during the term of insurance. This inquiry, which has for many years enlisted my interest, has a direct bearing upon the vastly important proposal now pending to adopt a new standard form of insurance policy for the whole country, and I submit the question to you for your decision, suggesting that the marine underwriter has undoubtedly fared far better with the aid of the common law doctrine of concealment, enforced as it is by the courts, than has the fire insurance company with its express and apparently sweeping warranty upon that subject, limited as it is by the American courts to intentional or fraudulent concealment. Referring to a fine print condition of an elaborate fire policy in common use before the standard policies were adopted, our Court of Appeals likened the clause to a tiger "crouched unseen in the jungle of printed matter with which a modern policy overgrown," and thereupon concluded to sustain a finding of waiver. Indeed it may be truly stated in a general way that while the implied warranties of the marine policy have been respected by all our courts, the express warranties of the fire and life policies, have been to some extent by many of our courts, with the intention of accomplishing justice.

"The four doctrines of indemnity, concealment, warranty and parol waivers seem to me to be the most distinctive and practically important in the law of insurance. These doctrines and the reasons for their adoption we have thus briefly reviewed, and of necessity in a cursory and incomplete manner."

INTER-INSURER SCORED

The Forest Mills of British Columbia has published a lengthy statement in which it scores the Lumbermen's Indemnity Exchange of Seattle for an unwarranted delay in settling its loss on the mills' property.

"The Leading Fire Insurance Company in America"



WM. B. CLARK, President

AETNA INSURANCE COMPANY

Aetna Fire Underwriters Agency

of Aetna Insurance Co.

Application For Agencies Invited

THE HANOVER
FIRE INSURANCE COMPANY
Incorporated 1852

The real strength of an insurance company is in the conservatism of its management, and the management of THE HANOVER is an absolute assurance of the security of its policy.

R. EMORY WARFIELD, President
FRED. A. HUBBARD, Vice-President
E. S. JARVIS, Secretary
WILLIAM MORRISON, Asst. Sec'y

HOME OFFICE
Hanover Bldg., 34 Pine St.
NEW YORK

HOWIE & CAIN, General Agents
Metropolitan District
100 WILLIAM STREET, NEW YORK

WESTERN
ASSURANCE CO.
OF TORONTO, CANADA
(Fire, Tornado, Ocean Marine and Inland Marine Insurance)
UNITED STATES BRANCH
January 1, 1917

Assets	$3,329,177.74
Surplus in United States	1,478,531.90
Total Losses Paid in United States From 1874 to 1916, Inclusive	41,657,814.31

W. R. BROCK, President
W. B. MEIKLE, Vice-Pres. & Gen. Man.

"STRONG AS THE STRONGEST"
The Northern Assurance Co.
(LTD., OF LONDON)
Organized 1836
Entered United States 1876

Losses Paid - - - $105,000,000
Losses Paid in U. S. - $38,000,000

Eastern and Southern Departments
55 JOHN STREET
NEW YORK CITY

HUMBOLDT FIRE INSURANCE CO., Pittsburgh, Pa.
TEUTONIA FIRE INSURANCE, CO., Pittsburgh, Pa.
CAPITAL FIRE INSURANCE CO., Concord, N. H.
NEW YORK STATE DEPARTMENT
PERCY B. DUTTON, Manager, Rochester, N. Y.

First National Fire
Insurance Company of the United States
WASHINGTON, D. C.
ROBERT J. WYNNE, President JOHN E. SMITH, Secretary
Statement January 1, 1917
CAPITAL, $911,305
RESERVE FOR ALL OTHER LIABILITIES, $665,823
ASSETS, $1,743,996

WILLIAM C. SCHEIDE & CO., Inc.
HARTFORD, CONN.
Re-Insurance in All Branches

Makes Novel Point Regarding U. & O.

COMPANY PUTS FORTH IMPORTANT PRINCIPLE IN COAL LOSS

Breaker Burned Putting Out of Commission a Washery on Which U. & O. Loss Was Filed

A novel point has recently been made in connection with a Use and Occupancy loss in the coal mining district of Pennsylvania. The form covered specially on coal breakers at different locations and also covered specific amounts of Use and Occupancy on coal washeries. There were about twice as many breakers as there were washeries; in other words, each washery served two or more breakers. All were insured separately.

Claimed 50 Per Cent. Washery Loss

One of the breakers with Use and Occupancy was burned. The assured claimed a total loss on coal breaker for time it requires to replace it, but also filed a claim of 50 per cent. U. & O. on one washery. The theory was that the breaker being put out of commission the washery, used in connection with the breaker (but located at some distance from it), was also useless until the breaker had been replaced.

Principle Involved

A representative of one of the companies wrote the following letter on the subject: "We have received claim on washer and would say that the principle involved in this matter extends far beyond the present case. The washer is a separate and distinct risk and insured separately in the policies, and unless there has been a fire at this particular washery there can be no loss. One of the fundamentals of our business is that there cannot be a fire loss without a fire. If a plant in Philadelphia is manufacturing an article for which certain parts are made in Chester or Detroit or San Francisco or South America, it might very well be in case of a fire in any one of the plants last referred to, the Philadelphia factory would find its operation impeded or possibly suspended entirely, but that would not entitle the Philadelphia factory to make a claim on its Use and Occupancy policies.

"The case we have cited is not at all extreme, and is a fair illustration of the principle involved in the question you submit, and it follows that we cannot consider any allowance in this case for any possible interference in the operation of this washery."

An Adjuster's Definition of U. & O.

One of the adjusters constantly in touch with Use and Occupancy problems was asked by a New York broker this week to give an explanation of Use and Occupancy. His explanation follows:

> Use and Occupancy covers in the first place the net profits which could be made on the factory output, and, also, such of the fixed charges and expenses as the manufacturer cannot be relieved from in the event of fire.

The broker retorted: "Well, then, when I sell a man a profit policy I am selling him a gold brick."

The adjuster thereupon made the following comment:

"A manufacturer has three buildings, A, B and C. In A and B he manufactures goods, which when finished are stored in C, a warehouse. If a fire burns all three buildings there are two kinds of losses. First, there is the loss of profits that results because the goods already manufactured have been destroyed and cannot be sold. There is also the loss of profits on the goods which would be manufactured in buildings A and B. Use and Occupancy deals entirely with the future. Profits insurance deals entirely with the finished articles that were on hand when fire occurred.

"Profit insurance should not be written with the idea that it covers on the manufacturing end of the business, but only upon the goods that are finished. Use and Occupancy insurance deals with the manufacturing end of the business and relates entirely to such goods as were in process at the time of fire or would have been manufactured during the period of total or partial suspension, and upon those goods which cover net profits plus such fixed charges and expenses as must necessarily continue during the time the plant is shut down.

"If you are going to say that Use and Occupancy insurance covers simply what the use of those premises would be worth you are getting nearly upon a basis of rental value, which is an entirely different proposition."



125th Anniversary

Insurance Company of

NORTH AMERICA

PHILADELPHIA

CAPITAL, $4,000,000 **ASSETS OVER $23,000,000**

FIRE, MARINE, AUTOMOBILE, Rent, Leasehold, Tornado, Explosion, Use and Occupancy, Sprinkler Leakage, Travelers' Baggage, Parcel Post

The Oldest American Stock Insurance Company

U. & O. IN THE SOUTH

Committee of Representative Underwriters Has Question of Policy Forms in Charge

The Eastern Underwriter asked S. Y. Tupper, manager of the Queen, with headquarters in Atlanta, for an expression of opinion regarding Use and Occupancy in the South. Mr. Tupper said:

"As in other sections of the country manufacturing concerns and business men generally in the South have only recently awakened to the importance of Use and Occupancy and Profit insurance. This is largely due to the impetus given many lines of business by the war in Europe. Prior thereto the acceptances of companies in the Southern field were confined mostly to textile plants where conditions had proven satisfactory enough to justify giving this indemnity.

"It must be recalled that it is only within the past twenty-five years that the South has been a factor in manufacturing enterprises of any kind. Even its own great staple—cotton—was for many years shipped away to be converted into cloth and yarns. Use and Occupancy insurance, now that our plants are running at full capacity, will undoubtedly become an important subject of insurance. A committee of representative underwriters from the S. E. U. A. now has the question of policy forms in charge, and in conference with committees of other organizations will soon be in position to provide all necessary covers."

N U

NATIONAL UNION FIRE INSURANCE CO. OF PITTSBURG, PA.

What we have proven to several thousand Agents we stand ready to prove to you.

If they HAVE been convinced — why shouldn't you be willing to be?

Our contention is that the NATIONAL UNION is a VERY GOOD Fire Insurance Company — we've been advertising it as such — nothing more nor nothing less.

We believe when when we say "GOOD" we have said enough, considering the fact that the NATIONAL UNION has

Ample capital and resources,
Capable and efficient management,
Strong directorate,
Splendid line facilities,
Excellent service,
An honorable loss paying record,
A high sense of justice,
Up-to-date methods,
High grade field men,
A large, loyal, energetic Agency force,

In fact, what does a real Agent desire that the NATIONAL UNION doesn't have?

You may be able to get along without the NATIONAL UNION— but not so well — and if not so well — why not act — today?

Bombardment Insurance

(Continued from page 1.)

partment whether it was a violation of law for a broker to write bombardment insurance in this State through London Lloyds. As to this question I referred him to Section 300 of the insurance law, which in effect makes it a misdemeanor for agents to write insurance in this State for unauthorized Lloyds associations. I also referred him to Section 49 of the insurance law which defines the meaning of the word 'agent'."

In other words the broker or agent placing this insurance in this State will lose his license unless the law is amended.

Penal Section 1199

Considerable comment has been heard on the Street regarding Section 1199 of the Penal Laws of New York State, which reads as follows:

"Any person, acting for himself or for others, who solicits or procures or aids in the solicitation or procurement of policies or certificates of insurance from or adjusts losses, or in any manner aids the transaction of any business for any foreign insurance corporation who has not executed and filed in the office of the Superintendent of Insurance a written appointment of the Superintendent to be the true and lawful attorney of such corporation in and for this State upon whom all lawful process in any action or proceedings against the corporation may be served, is guilty of a misdemeanor."

Before action by the District Attorney is taken under Section 1199 brokers say that the provision of the Surplus Line law, permitting brokers to place insurance in unauthorized companies when they make affidavit that they cannot get the coverage elsewhere, should be considered. They say that if there is a real demand for bombardment insurance on the part of the public, which is denied by statute, the right to secure such indemnity, they doubt if the District Attorney would prosecute.

Daily paper stories about the millions being "written" on bombardment are exaggerated.

CITY INSURANCE CLUB

J. J. Hartnet, of Geo. R. Hess & Co., President of New Organization—Meeting on Tuesday

At a meeting on Tuesday, the formation of the City Insurance Club was completed. The object of the club is the promotion of good fellowship between the men engaged in all branches of insurance and it also has under way the establishment of a lunch club. An option has been secured on suitable rooms, action upon which will be taken at the next regular meeting.

The officers of the club are J. J. Hartnet, Geo. R. Hess & Co., president; L. P. Tremaine, Pacific Fire, vice-president; Harry E. Cox, Wilcox, Peck, Brown & Crosby, vice-president; P. La Tourette, Pacific Fire, secretary; J. F. Hylind, Gibson & Wesson, assistant secretary; George Hodson, Newman & McBain, treasurer; and George J. Kinsley, Wickham & Kemp, sergeant-at-arms.

TWO LARGE U. & O. LOSSES

Two Use and Occupancy losses have been reported from the West—each of them $1,000,000—and the various questions which have arisen regarding use and occupancy will be threshed out in such a way that a great deal of much needed light will be thrown upon the subject, for the reason that the public adjuster in the case has had an unusually varied experience on U. & O. adjustments.

No Opposition to New Standard Policy

NEW YORKERS ATTEND HEARING IN ALBANY

Bill Favorably Reported on Thursday—Has Approval of All Insurance Departments

Albany, N. Y., March 28.—A number of insurance men came here to-day for the hearing on the new standard fire insurance policy, which is incorporated into a legislative bill, (a department measure), and which will be introduced throughout the country.

The National Board was represented by Associate Counsel Doyle. Others present were David Rumsey and J. J. Hoey, of the Continental; Julian Lucas and A. Clarence Hegeman, of the Fire Brokers' Association of New York.

The Insurance Department was represented by Messrs. Phillips, Gordon, Lincoln and Merigold.

W. B. Ellison, the well known insurance lawyer, was also present.

No opposition of any kind developed to the measure.

The chairman of the insurance committee said that the bill would be reported favorably to-morrow.

DOCK HAZARD

Hard to Place a Line, Although Every Pier is Guarded By Dozen Men

A New York broker this week was unable to place a $500,000 line on raw material from the time it left a ship to the time it started in transit, a period of a few days, at a rate lower than 50 cents. His assured was willing to pay 40 cents. The companies wanted all the way from 50 cents to $2.50.

The broker said to The Eastern Underwriter:

"It strikes me the companies are too timid in passing on dock lines. Every pier in New York City nowadays is guarded by several uniformed policemen, by dock employes and by secret service men, to say nothing of detectives. What's the result? Why you couldn't have a big fire except by way of explosion."

FIELD CHANGES

The Milwaukee Mechanics has appointed W. M. Wakeman, Jr., State agent for New England and New Jersey (with headquarters at Boston, Mass.), to succeed Etienne Givernaud, who recently resigned.

Mr. Wakeman formerly represented the Milwaukee Mechanics in New York, and that State will now be in charge of Robert Wechselberg, who previously had charge of the German Underwriters' agencies of the Company in the States of Indiana, Ohio and Michigan.

NEW NIAGARA DEPARTMENT

J. C. Richters, of Syracuse, a graduate of Rutgers, has been appointed manager of an improved risk department which the Niagara will start on April 15.

G. H. Wilde, inspector of the Railroad Fire Insurance Syndicate of New York, is engaged in making the annual inspection of all the Chesapeake and Ohio Railway Company's property. W. S. Greene, fire insurance inspector of the Chesapeake and Ohio, accompanies Mr. Wilde on tour.

The German-Alliance will be a $1,000,000 company.

ACKERMAN TO HOME OFFICE

Popular Special Placed in Charge of Brokerage Department of National Union

Frederick H. Ackerman, one of the best known special agents in this territory, and representing the National Union, has been transferred to the home office, where he has been placed in charge of the brokerage business. It is a splendid appointment as Mr. Ackerman is not only one of the most popular insurance men with brokers, but is a student of the business with a keen insight into underwriting and knowledge of lines. He has had a wide experience, including the adjustment of losses in San Francisco after the conflagration.

REBATING TEST CASE

A test of an insurance law enacted in 1915, which provides that an insurance broker and his client may each be fined $100 for every offense of rebating premiums, is scheduled to be made before Judge Carrick in the First District Court, Jersey City.

Joseph W. Taylor, an insurance broker of Jersey City, through Seiden & Milberg, has brought ten actions for $400 each, five against George J. Wolf, an insurance broker of 740 Ocean Avenue, and five against the latter's client, Isaac M. Schackter, of 5 Paulmier Place, Jersey City.

TO INVESTIGATE JERSEY SYSTEM

The "American Agency Bulletin" says that the board of directors of the agents' State association has appointed a committee to investigate the Atlee Brown rating system in New Jersey with a view to judging as to its applicability to New York State. Gilbert T. Amsden of Rochester is chairman of the committee.

PATERSON COMMISSIONERS

The fire insurance agents in Paterson, N. J., have been unable to agree about the commission question, it is reported. Several meetings were held.

HEADQUARTERS IN GENEVA

Beginning with April 1 the permanent address of John W. Wood, special agent of the New Hampshire, will be in Geneva, N. Y. His headquarters have been in Buffalo.

Von Glahm & Ross Move

Von Glahm & Ross, brokers at 123 William St., will move on April 1 to 95 William St.

E. F. FLINDELL
123 WILLIAM STREET Telephone John 2330 NEW YORK CITY
Representing
THE SCOTTISH UNION & NATIONAL
For the United States and Canada
THE YORKSHIRE INSURANCE CO., LTD.
For the United States and Cuba

National Fire Insurance Company
OF HARTFORD, CONN.
Statement January 1, 1917, to New York Insurance Department
LIABILITIES

Capital Stock, All Cash	$2,000,000.00
Funds Reserve to Meet All Liabilities, Re-Insurance Reserve, Legal Standard	9,912,715.84
Unsettled Losses and Other Claims	1,878,398.32
Net Surplus over Capital and Liabilities	3,743,747.60
Total assets January 1, 1917	$17,534,861.76

H. A. Smith, President — F. D. Layton, Ass't Sec'y — F. B. Seymour, Treas.
G. H. Tryon, Secretary — S. T. Maxwell, Ass't Sec'y — C. B. Roulet, Gen. Agt.
SURPLUS TO POLICY HOLDERS, - - $5,743,747.60

American Eagle Fire Insurance Company
of New York
HENRY EVANS, President
Fire Automobile Rent Tornado
Sprinkler Leakage Use and Occupancy
: : Profit Explosion : :
FROM STATEMENT AS OF JANUARY 1, 1917

CASH CAPITAL	ONE MILLION DOLLARS
Total Assets	$2,902,448
Total Liabilities	1,757,214
Net Surplus	1,145,233
POLICYHOLDERS' SURPLUS	$2,145,233
1916 Gain in Assets	$470,759

AMERICAN EAGLE—An American Institution
Home Office: EIGHTY MAIDEN LANE New York

GENERAL FIRE ASSURANCE CO.
OF PARIS
URBAINE FIRE INSURANCE CO.
OF PARIS
BRITISH DOMINIONS GENERAL INS. CO., Ltd.
OF LONDON
FRED. S. JAMES
GEO. W. BLOSSOM
W. A. BLODGETT
FRED. S. JAMES & CO.
United States Managers
123 WILLIAM STREET, NEW YORK
C. B. G. GAILLARD
Assistant Manager

NEW JERSEY NOTES

Important Mortgage Property Decision

GIVEN BY NEW JERSEY COURT OF ERRORS AND APPEALS

After Fire Company Paid to Mortgagee Amount of Mortgage—Assignment of Decree

Where the owner of mortgaged premises, procured a policy of insurance, in her name, with the usual mortgagee clause contained therein, and after a fire the company paid to the mortgagee the amount of the mortgage, and took an assignment of the mortgagee's interest in the bond and mortgage, as well as an assignment of a final decree on foreclosure of the mortgaged premises, and proceeded to enforce the decree, the New Jersey Court of Errors and Appeals holds that the owner of the equity of redemption was entitled to a credit upon the decree, to the extent of the pro rata share which the company would have been obliged to pay to the mortgagor, upon an adjustment of the loss, between the company and its co-insurers. The case was Florence E. Palmer vs. Niagara Fire.

Judge Minturn's Opinion

The opinion of Judge Minturn follows:

The complainant was owner of real estate in Elizabeth. On March 11, 1911, she executed a bond and mortgage thereon to John A. McFadden, as guardian, to secure payment of $3,500. She procured insurance on the property from three companies, aggregating $14,500, among which was a policy from the Niagara Fire for $3,500. This was the only policy containing the usual standard mortgage clause, with a right of subrogation upon payment of the amount due to the mortgagee. The latter foreclosed his mortgage, and on December 18, 1913, obtained a decree for $3,225 with interest. A fire occurred on December 20, 1912, completely destroying the insured premises. Suit at law upon the other policies required the Scottish Insurance Company to pay complainant $2,460, for its proportion of the loss, and the Northern Insurance Company to pay $2,150 for its share.

Right of Subrogation

The proportion which the Niagara would have had to pay the complainant, under a policy devoid of the mortgagee clause, as its contribution to the loss was conceded to be $1,388.16. Having paid the mortgagee his full claim of $3,416.67 it now insists that so far as this complainant is concerned, it is over-paid upon the policy, the difference between its proportionate share of liability, under a policy devoid of the mortgagee clause, and its actual payment to the mortgagee, viz.: $2,028.51 and to that extent it claims the right to exercise and enforce its privilege of subrogation. To that end it obtained from the mortgagee an assignment of his securities and final decree, and an agreement of subrogation, and in the attempt to enforce its claim is opposed by the complainant who filed this bill to enjoin the insurance company from enforcing its demand.

The bill also seeks to compel the surrender of the bond and mortgage for cancellation, as well as to compel the company to pay to the complainant the difference between the face of the policy, and the amount paid to the mortgagee. The insurance was effected by the complainant, at her own expense, payable to her subject to the usual mortgagee clause. It must be obvious, that the claim of the complainant, if acceded to, would result in her enrichment by this investment, over and above her loss, to the extent of $2,779.85 and since fire insurance is conceded to be a method of indemnity for loss, and not a speculation for gain or gamble, the effort to reconcile these conflicting claims upon equitable principles must be pursued with that fundamental doctrine in mind.—Insurance Co. vs. Bailey, 13 Wall U. S. 616, Fire Assn. vs. Schellenzer, 83 N. J. Eq. 144.

Rights of Mortgagee

The rights of the mortgagee and the status of the mortgagor, under this policy were radically different, so far as liability of the company is concerned.

In the former case its liability was coextensive with the amount of the mortgage, where the policy was sufficiently large to cover it, not exceeding the liability of the company to the mortgagor.

In the latter instance the extent of the company's liability depended upon the extent to which all co-insurers, under the clause for that purpose were legally obligated to contribute to the loss.—Wiggin vs. Suffolk Ins. Co. 18 Pick. (Mass.) 145, 14 R. C. L. 482 and cases cited.

This latter amount having been determined, the liability of the company to the mortgagor must be accordingly limited, regardless of what might be its liability to the mortgagee.

The result is that the limit of the complainant's recovery, upon the policy, in a court of law, would be the company's pro rata share of the total loss, based upon the co-insurance clause of the policy. It is apparent therefore, that the two liabilities inherent in the policy, are totally distinct and independent, and productive of different results in each instance.

Rights of Mortgagor

The rights of the mortgagor must be determined, not by the claims of the mortgagee upon the policy, but by the legal right accorded to the mortgagor; and upon that principle only, can the liability of the company in this instance be predicated.

The right of the company to be subrogated to the rights of the mortgagee, under the provisions of the policy being manifest, (Hare vs. Headley, 54 N. J. Eq. 545) the equitable doctrine of subrogation must be so effectuated, as to do equity between the parties according to their legal rights, as herein indicated, by crediting upon the decree the sum which the complainant would be entitled to receive from the company, under the co-insurance provision of the policy, with interest.

To that extent the decree appealed from will be modified and in other respects reversed.

ADEQUATE FACILITIES
ALL LINES

PHILADELPHIA
CLARENCE A. KROUSE & CO.
LOCAL AND GENERAL AGENTS
325 WALNUT STREET PHILADELPHIA, PA.
PENNSYLVANIA NEW JERSEY

SATISFACTION SERVICE
ALL LINES

LOGUE BROS. & CO., Inc.
Fire—Casualty—Automobile Insurance
Nation-Wide Facilities for Handling SURPLUS LINES
307 FOURTH AVENUE PITTSBURGH, PA.

SCHAEFER & SHEVLIN
2 LIBERTY STREET GENERAL AGENTS NEW YORK, N. Y.
Representing
DUBUQUE FIRE AND MARINE INSURANCE CO.
Excellent Facilities for Handling Suburban and Out Of Town Business
Phone: John 2312

Agricultural Insurance Company, of Watertown, N. Y.
64th Annual Statement
Assets $5,036,003.01
Liabilities 2,296,861.95
Capital 500,000.00
Conflagration Surplus 250,000.00
Surplus to Policyholders 2,739,141.06
F. F. BUELL, Troy, N. Y., Special Agent.....NEW YORK STATE
E. J. PARMELEE, Syracuse, N. Y., Special Agent..NEW YORK STATE
GEORGE SHAW, 116 Milk St., Boston, Special Agent..NEW ENGLAND
F. L. GILPIN, JR., 422 Walnut St., Phila., Special Agent.MIDDLE DEPT.

INCORPORATED 1794
THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA
308 & 310 WALNUT ST., PHILADELPHIA, PA.
CASH CAPITAL, $1,000,000.00
LIABILITIES, $2,585,923.98 ASSETS, $4,012,344.68
SURPLUS TO POLICY HOLDERS, $1,426,420.70
AGENTS WANTED WHERE NOT REPRESENTED

Nord-Deutsche
INSURANCE COMPANY
OF HAMBURG, GERMANY
ESTABLISHED 1857
STATEMENT JANUARY 1, 1916
Assets $2,063,315
Liabilities 922,699
Surplus 1,140,616
UNITED STATES BRANCH
123 WILLIAM ST., NEW YORK
J. H. LENEHAN, United States Manager
AGENTS WANTED IN PRINCIPAL CITIES AND TOWNS

Caledonian Insurance Co. of Scotland
FOUNDED 1805
"THE OLDEST SCOTTISH INSURANCE OFFICE"
UNITED STATES HEAD OFFICE
Caledonian Building, 50-52 Pine Street, New York
CHAS. H. POST, U. S. Mgr. R. C. CHRISTOPHER, Asst. U. S. Mgr.
NEW YORK CITY OFFICE
Golden Hill Building, 59 John Street, New York

WALTER F. ERRICKSON
38-40 Clinton St., Newark, N. J. 95 William St., New York
Representing
THE GERMANIA FIRE INS. CO.
For Automobiles
Special facilities for out-of-town business.

THE YORKSHIRE INSURANCE COMPANY, LTD., OF YORK, ENGLAND
ESTABLISHED 1824
The "Yorkshire" is the Oldest and Strongest of the English Fire Companies not heretofore represented in the United States
U. S. BRANCH
Frank & Du Bois, United States Managers Ernest B. Boyd, Underwriting Manager
Harry F. Wanvig, Branch Secretary Frank B. Martin, Supt. of Agencies
NO. 80 MAIDEN LANE, NEW YORK
New York Life Insurance and Trust Co., U. S. Trustee, No. 52 Wall St., New York
DEPARTMENTS—METROPOLITAN, Willard S. Brown & Co., Managers, New York, N. Y.; CAROLINA-VIRGINIA, Harry R. Bush, Manager, Greensboro, N. C.; SOUTHEASTERN, Dargan, Turner & Pattillo, Managers, Atlanta, Ga.; LOUISIANA and MISSISSIPPI, Jas. B. Ross, Manager, New Orleans, La.; PACIFIC COAST, Jas. C. Johnston, Manager, J. K. Hamilton and McClure Kelly, Assistant Managers, San Francisco, Cal.

CASUALTY AND SURETY POINTERS

Predicts $100,000,000 Compensation in 1917

NORMAN R. MORAY SAYS FIRE BUSINESS WILL BE PASSED

Annual New Jersey Casualty Banquet —Whitney Says Problems Are Being Solved

Norman R. Moray, manager of the Hartford Accident & Indemnity, made a statement at the annual dinner of the Casualty Underwriters' Association of New Jersey in Newark last week, that the premium income from compensation business this year will be over $100,000,000 including risks of carriers of all characters. He said that the compensation business is bound to exceed the fire insurance business in a few years in premiums. The companies have made some blunders, but these are being corrected, and he felt that the new higher rates will make it possible to carry all lines of business, good or bad. He, therefore, made a plea to agents to get the correct rates, intimating that if rates were too low the number of companies would be reduced, and, therefore, the number of opportunities for agents would be fewer.

Mr. Moray said that logical place for compensation insurance was in the stock companies, because they are equipped scientifically and in every other way to handle it.

Connecticut Preparedness

Mr. Moray was recently appointed a member of a committee of five to make a preparedness census of Connecticut. He told what had been done in finding out the strength and weakness of the State's military resources and in getting a line on the sympathies of citizens and their willingness to cooperate. Mr. Moray had charge of the compilation of the data secured and his talk was heard with the greatest interest.

Twelve Branch Bureaus

Manager Whitney, of the Bureau, intimated that the time was coming when there would be no non-conference companies. He said that the branch bureau system was making wonderful progress and that already there were a dozen of these bureaus. He said that Field Superintendent Garnett, who has been traveling for six months in the field organizing branch bureaus will remain in New York, his chief work being to keep track of branch bureau work.

W. B. Tomlinson, of the home office of The Travelers, who was introduced as the "international doctor of disability insurance," made a strong talk for mental poise in salesmanship. He said the four principal factors in salesmanship are attention, interest, desire to possess and supply and demand. A home office representative of the Zurich also spoke.

TRAVELERS CLUB BANQUET

The Travelers Club of New York, consistiug of members from the four branch offices of the Travelers Insurance Company in Greater New York, held its first annual beefsteak dinner at Mouquin's on March 22. About two hundred members of the Club were present. Among the home office officials present as honor guests were B. A. Page, vice-president; D. N. Case, chief claim adjuster; James H. Coburn, secretary of the Travelers Indemnity Company; Walter E. Batterson, assistant secretary, liability department; John L. Thompson, superintendent of the engineering division; and the Honorary President of the Club, James G. Batterson, resident director in New York.

MARYLAND FIGURES

Three Companies Received More Than $300,000 in Premiums—Employers' Lead Foreign Companies

The subjoined table shows the gross premiums received and gross losses paid by casualty and surety companies in Maryland for the year 1916:

	Gross Premiums Received.	Gross Losses Paid Less Re-insurance.
Aetna Acc. & Lia.....	$46,822	$18,260
Aetna Life (A. & L.)....	117,605	53,941
Amer. Credit Indemnity..	13,639	2,643
Amer. Indemnity	7,954	1,653
Amer. Mutual Lia.	24,308	2,906
Amer. Surety	18,097	1,980
Chic. Bonding & Surety.	777	....
Col. Nat. Life (A. & H.)	6,218	3,534
Commercial Casualty	37,643	14,157
Commonwealth Casualty.	7,927	1,349
Ct. Gen. Life (A. & H.)	3.857	696
Continental Casualty	19,894	4,591
Employers' Indemnity ..	3,749	....
Federal Casualty	2,350	1,325
Fidelity & Casualty.....	152,623	54,990
Fidelity & Deposit.....	310,439	70,012
Georgia Casualty	40,120	16,432
Globe Indemnity	44,953	8,562
Great Eastern Casualty.	25,229	9,020
Hartford Acc. & Ind....	29,172	5,760
Hartford Steam Boiler..	20,570	271
International Fidelity ..	1,460	6,341
Lloyd's Plate Glass.....	1,931	808
London & Lan. Ind.....	14,184	3,468
Loyal Protective	4,067	3,039
Manufacturers Liability..	68,709	15,577
Maryland Casualty	370,681	92,084
Masonic Protective	10,609	6,073
Mass. Acc.	3,498	2,075
Mass. Bond. & Ins.....	46,921	14,166
Met. Casualty	4,593	1,299
Met. Life (Disability)...	5,088	2,884
National Casualty	5,467	2,046
National Life (Ill.).....	30,219	13,604
National Relief	10,496	5,344
National Surety	31,130	8,530
New Amsterdam Cas.....	169,414	49,766
N. Y. Fid. & Plate Glass	4,222	999
N. Y. Plate Glass.....	2,342	428
North American Acc.....	16,980	5,760
Pacific Mut. (A. & H.)..	6,700	2,960
Preferred Accident	21,887	10,053
Prudential Casualty	17,858	6,139
Red Men's Fraternal....	2,053	938
Reliance Life (A. & H.).	1,901	448
Ridgelys Protective	6,000	3,851
Royal Indemnity	48,235	14,438
Southern Surety	8,884	25,078
Standard Acc.	46,828	16,487
Travelers Indemnity	19,087	6,211
Travelers	158,212	52,253
U. S. Casualty.....	36,638	7,386
U. S. F. & G.....	310,680	136,435
Foreign		
Employers Liability	148,311	41,678
Frankfort General	9,795	3,585
General Accident	28.993	9,137
London Guar. & Acc.....	51,707	13,219
Ocean Acc. & Guar.....	42,457	16,845
Zurich General	26,190	1,960
Total	$2,728,373	$875,474

NORTH AMERICAN 10 YEARS OLD

The tenth anniversary of the North American Life, of Chicago, was celebrated by the officers and staff of the Company by a banquet held last week at the Hotel Congress, Chicago. It was then announced that the total insurance in force was now $34,000,000 and that $4,000,000 new business had been written since January 1.

LICENSED IN CONNECTICUT

The Continental Casualty on Friday was licensed to all liability lines in Connecticut.

Accident
Health Automobile
Plate Glass
Burglary Liability

Fidelity
Contract Judicial
Public Official
Depository Bonds

FIDELITY & DEPOSIT CO.
OF MARYLAND
BALTIMORE

Recommend Premium Loading of 39%

ARRIVED AT BY CARRIERS REVISING RATES

How Various Percentages Are Allotted —Home Office Administration 6½%

The committee of the insurance carriers which has recently completed a general revision of the workmen's compensation rates for New York and other States has recommended for New York a total loading of 39 per cent. This loading is made up of the following items:

Acquisition cost, 17½ per cent.; home office administration, 6½ per cent.; investigation and settlement of claims, 6 per cent.; inspections and accident prevention expense, 3 per cent.; payroll audits, 1½ per cent.; taxes and other governmental impositions, 1½ per cent.; maintenance of State industrial commission, 1½ per cent.; underwriting profit, 1½ per cent.; total, 39 per cent.

NEW RATES SHOW 20% ADVANCE

On Wednesday Superintendent Phillips announced that he had approved as adequate the new compensation rate tariff of the insurance carriers. It is estimated that the new rates will be upon the average about 20 per cent. higher than those which are superseded. They become effective March 31, midnight.

NEW AMSTERDAM CHANGES

E. C. Schuchhardt Transferred From New York to Home Office—W. C. Baumann His Successor

E. C. Schuchhardt, who has been counterman of the liability department of the New York office of the New Amsterdam Casualty, was transferred to the home office of the Company this week where he has been appointed assistant superintendent of the liability department. William C. Baumann, formerly counterman of the liability department of the United States Casualty, has been appointed to succeed Mr. Schuchhardt in the New York office of the New Amsterdam.

General Accident
FIRE AND LIFE
ASSURANCE CORPORATION, Ltd.
SERVICE THAT EXCELS
FREDERICK RICHARDSON, United States Manager
GENERAL BUILDING · 4TH & WALNUT STS.
PHILADELPHIA

Casualty Companies Entering Group Field

COMBATS STATE INSURANCE SAY EXECUTIVES

North American Accident, Detroit and New York Companies Plan to Start Writing Immediately

The North American Accident, of Chicago, one of the Detroit companies, and a New York company plan to start writing group accident-health insurance within a week. In addition to these three companies inquiries have been made by many companies in the business as to the coverage, commissions, rates, etc., of this business.

The Eastern Underwriter has interviewed several company executives on the writing of group insurance. It seems to be the general opinion that it is the successful plan to combat the demand for State insurance. They point out that it is the ideal way to write industrial business both from the viewpoint of the employer, employe and the company; it precludes the operation of irresponsible agents and insolvent companies; and, because of the reduction in acquisition expense through the writing of a large group and the systematic and time saving method of collecting premiums, it permits the companies to give broader coverage for less premium.

New Name for Factory Insurance

The desire on the part of companies to assume the writing of group insurance is the result of a demand for this form of protection which has been remarked by nearly every company writing accident-health business. Group insurance as it is written to-day is practically a new name for what was known as factory insurance twelve years ago and a man who had charge of the factory insurance department of one of the companies at that time said on Wednesday that the reason for the great revival of this form of insurance is the changed relations between the employe and employer. He also said that whereas it had been necessary for him sometimes to spend several days to get one employer interested twelve years ago, he has been given to understand that, in each of the large groups that have recently been written, the first move has come from the employer. He said that formerly employers did not care particularly what became of their employes because they could always get more. To-day, however, he says, employers are doing everything to prevent their workers from migrating.

NEW ACCIDENT POLICY

The Standard Accident, of Detroit, will shortly issue a new policy called the Pacific Accident. One of the combinations for a selected risk on the new form, principal sum $1,000, pays a monthly accident indemnity of $100. The annual premium will be $10. The policy also covers accumulations, double benefits and surgeons' fees.

ARGUMENTS MADE AT ACQUISITION COST HEARING IN ALBANY

Full Report of Albany Hearing

(Continued from page 9.)

insurance is practically compulsory; it requires comparatively little effort—aside from the competitive effort—on the part of the agent or broker to acquire or secure the business. This effort consists chiefly of inducing the manufacturers to insure rather than to qualify themselves to carry their own risks or of inducing them to select stock in preference to mutual companies or State Fund. The policyholder must insure—therefore, the demand is already created.

"In States like Illinois a different condition exists, and the cost of 'acquiring' the business is relatively greater. The insurance is not compulsory; in fact, operation under the law is not compulsory.

"Many large employers (in one instance almost every employer in a very large industry) elect against the compensation law and there are a great many concerns under the compensation law which are not insured at all or which insure in the cheapest manner possible, under reciprocal or inter-insurance plans, etc.

"It will readily be seen that much more effort is required in States like this to secure the business, and the agents in such States are clearly entitled to a higher rate of compensation than in States like New York and Massachusetts.

"The Supreme Court of the United States having finally determined that compulsory workmen's compensation laws are constitutional, it is to be hoped that all States will now enact compulsory laws and laws as nearly uniform as possible, whereupon many efficiencies and economies can be brought about.

Distinction Between Service

"My second point is the distinction between the service rendered by agents—and particularly general agents of casualty companies—and the service of brokers (so-called). The agent or general agent is compensated under the heading of commission or 'acquisition cost' for valuable services which are, in fact, in no way directly related to the acquisition of the business.

"A well organized general agency has much to do with the establishment of rates, the making of inspections and also the adjustment of claims. For his commissions, he not only solicits the insurance but educates the employer as to the necessity of safeguarding his machinery and adopting every possible method of protection against accidents.

"A great proportion of the agent's time is spent in preparing the schedules and securing the data and information upon which equitable and fair rates without discrimination as between policyholders are based, and it is the agent's business to assist the employer in the introduction of safety organizations and campaigns within the various manufacturing plants in his district. He must serve on committees whose duty it is to apply the rates and interpret the rules regarding ratings, etc. He must assist the policyholder to an intelligent understanding of the compensation law and his duties under it, as well as an understanding of the insurance contract.

"The intelligent and efficient agent seeks in every way to induce every policyholder to put his plant in as nearly a state of perfection as possible, thus reducing the hazards and incidentally reducing the rates.

"After risks are properly rated and the policies intelligently written, there continues throughout the policy year an almost daily service in the matter of assisting in the prompt and satisfactory handling of a large number of claims.

"There are in addition to this many incidental services required of the agent who directly represents a well-managed company and at the same time efficiently serves the interests of his policyholders and clients.

Not All Acquisition Cost

"It will readily be seen that all this is not in any sense 'acquisition cost' and the compensating of all this service—if it is to be construed under the heading of 'acquisition cost'—should provide some method of differentiating between services thus rendered by agents, general agents and local agents, as distinguished from the mere cost of acquisition by brokers, where the branch offices through salaried employes of a company render all of the incidental service.

"On the present basis of 17½ per cent., I am prepared to concede that 10 per cent. is a reasonable rate for acquisition pure and simple and that easily the other 7½ per cent. is really a compensation for the valuable services rendered, not at all in the nature of acquisition cost.

"It should be borne in mind that the agency or general agency of which I speak has organization expenses ranging from three to 7½ or even 10 per cent., where considerable territories are included, no part of which is strictly acquisition cost.

"I am sure that intelligent public officials, such as Superintendent Phillips, as well as insurance company officials, will readily concede the value of the additional service rendered by certain classes of agents and the justice of additional compensation for such services, whether such services are rendered by salaried employes in branch offices or by general agents who are compensated in proportion to the volume of business handled and the nature and importance of the work performed.

"This question is a big question. The insurance commissioners will, I am sure, have in mind the great difference of conditions as they exist at the present time in different States, and I am quite assured they will not overlook the difference or distinction between independent brokers (so-called) and the acquisition cost and overhead charges of branch offices and the commissions which are paid to company agents who devote their time exclusively to the interests of one company and perform many functions in addition to the mere acquisition or securing of the business."

Resume of Mr. Eckert's Talk

John A. Eckert, former president of the Fire Brokers' Association of New York, the next speaker, said:

"I have been in the insurance business thirty-five years and have had splendid opportunity to note the relations between the broker, the agent and the assured. I think that the broker is a considerable factor in the prevention of expense. We reduce the rates on nine-tenths of the compensation rates. Companies realize that brokers are able to get along with the insured and represent their interests correctly."

Mr. Eckert told of an assured with a payroll of $1,000,000 insured in the State Fund. At the expiration of the policy the State Fund started to advance the rate. The policy was then placed with a stock company which after a week on its books decided to cancel. The broker made an investigation, and discovered that there were quite a number of accidents each day. Then too the medical bills were rolling up. An employe would leave, see a doctor for some reason or other, and remain away for several days.

The brokers looked into it and installed a hospital equipment and employed a nurse, and the assured wondered why this was never suggested before. In one week's time the accidents had been reduced thirty to forty per cent. This is now as good a risk as there is in the metropolitan district. The broker knew what to do.

"We will prove to you that we perform a much needed service, and earn every dollar we get," said Mr. Eckert, "but we do not know what will happen if commissions are reduced."

In the case of the $1,000,000 risk the State Fund attempted to increase the rate. The difference in rate was due to no other reason than carelessness. It did not take the broker long to see what the trouble was. No insurance company looks after the insuring public's interest as does the broker.

The broker is the fifth wheel in the insurance business. By forcing him out of the business it will mean a big loss to the public, which will not go to the insurance companies for its insurance. The public can't get business from the companies any cheaper than now. The man who pays a small premium should be looked after as well as the man who pays a larger premium. The broker makes it possible for this to be done, said Mr. Eckert.

Edward H. Warner, of Buffalo, representing the Local Agents' Association, said that in his opinion there should be no cut in commissions. He told of the difficulty in getting business, particularly in sparsely settled parts of the State. There are in the State of New York a number of general agents, who in turn appoint local agents. The local agent gets his 10 per cent. of the business and the general agent 7½ per cent. The office must maintain a complete record of the business, keep in touch with claims so that the insurance is properly written.

Companies are anxious to retain small business as it is necessary for an agency force.

"My clients are satisfied that I am not overpaid. The best insurers in the business give you their business because you are the man who is going to step in the breach when needed. They think that the agents earn their commission. The agent soliciting does not find much trouble in getting the business. He is underpaid for the service."

Mr. Warner declared that the time is inopportune now to do anything. On behalf of the agents of New York he asked that the superintendent defer action for at least one year.

"The situation is one of the worst that has ever confronted a set of salesmen in the history of the business," continued Mr. Warner. "We stand today convicted before the public as a set of men who have wilfully misrepresented their words. The assured feels it certain that in the interest of safety in their plants we will save them enough in premium to pay for improvements. But if we can't stay in business we shall have to go and tell them that the money spent will do them no good and they are going to lose the benefit of all the money."

Gray Calls "Acquisition Cost" An Inappropriate Expression

There was read to the Superintendent a portion of the description of the duties and responsibilities of agents made by Fred L. Gray, president of the National Council of Insurance Federations. Mr. Gray said that it is high time for some more appropriate term than "acquisition cost," which should be coined to define the remuneration received by insurance workers. The term would seem to imply that these men are paid for nothing, and do nothing except acquire or produce business—that they are mere salesmen, lineal descendants of those old-time insurance "canvassers" whose sole function it was to get the applicant's signature, "on the dotted line," and his check for the premium. "Yet how different is the fact," he said. "No longer do agents succeed in any branch of insurance by mere glibness. In this age of ever-increasing efficiency they must know their business, be quick to see the real needs of their customers and how best to supply them. And in this new field of workmen's compensation, far more than elsewhere, they must be prepared to render a day in and day out service of the most exacting kind."

In discussing service, he said: "First of all, the efficient casualty agent or broker must thoroughly familiarize himself with the terms of the compensation law of his State. He must be prepared at all times to explain clearly to his customers and their employes the legal effect of any of its numerous provisions. And as a condition precedent to the successful soliciting of business, he must acquaint himself fully with the operation of the 'individual merit rating system,' now quite commonly employed by casualty companies in connection with all factory risks, so that after an examination of the voluminous and highly technical report of his company's mechanical inspector (disclosing the precise physical and moral conditions surrounding the plant to be insured) he can intelligently point out to its owner how the insurance rate may be lowered by the installation of approved safety devices and the adoption of standard safety requirements. If he fails to do these things some wide-awake competitor will assuredly do them for him—and, by quoting a lower rate, capture the business.

"And his work in this direction is by no means ended, even after he gets an order for the insurance, because, under the rules, the employer is entitled to a re-inspection and re-rating of his risk at stated subsequent periods. If, as frequently happens, all possible improvements have not been made in the first overhauling of the plant, the agent who handles the insurance should (or his competitor will) continually remind the employer of the additional improvements which, if made, will produce a still further reduction in the rate."

Rivalry

Other points made by Mr. Gray in part, follow:

"Unquestionably this keen and constant rivalry among casualty agents in their efforts to show employers how to reduce the insurance cost (supported, as it is, by the splendidly equipped inspection and engineering departments of their respective companies) is today proving the most potent single force in the land in the furtherance of the great cause of accident prevention. These agents have a direct pecuniary incentive to keep everlastingly after the matter—an incentive which, even had the State a like system of merit rating, would be entirely lacking in a salaried public official. Could any more practical or effective means be devised

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ARGUMENTS MADE AT ACQUISITION COST HEARING IN ALBANY

to encourage the systematic safeguarding of the lives and limbs of workingmen? And is it not far more important to prevent the accident in the first instance than to compensate its victim afterwards? Yet how little, apparently, do those of our friends in the labor unions who are clamoring so loudly for so-called State insurance appreciate what all this means to them!

Incentive

"The second and scarcely less important function of the casualty agent or broker is to keep in close touch with all claim adjustments. This, also, he is bound to do from motives of self-interest, if nothing else. He knows that if the employes of his client are not completely satisfied with the manner in which their claims are settled, the insurance will be transferred to some competing company on expiration, and as his bread and butter are dependent on the retention of old as well as the production of new business, he perforce maintains a constant and vigilant watch to see that any reasonable doubt regarding the merits of claims is resolved in favor of the beneficiaries. What employe of the State, under any known or proposed system of governmental insurance, would have the same pecuniary incentive to see that claimants receive prompt and liberal treatment? Here again one is moved to amazement that any intelligent workingman should be in doubt as to which of the two systems best protects his interests.

"In addition to the above described duties, the agent performs innumerable others in connection with the routine of this highly complex form of insurance, which, though indispensable to its proper administration, we shall not dwell on here. And for all his arduous labor he receives the munificent compensation of 10 per cent., or possibly 12½ per cent., commission on his sales! Yet solely through his activities the company he represents is enabled to secure that large volume of business and consequent diffusion of risk so essential to its success; largely through his persistent and painstaking efforts the whole system of workmen's compensation is made understandable and serviceable to the public. Under some crude State fund plan he can, of course, be done away with, but with him must go much that makes compensation insurance so genuinely beneficial to both employer and employe. On this point there can by no possibility be two opinions among those familiar with the real facts of the case.

Sub-Agents

"And the casualty general agents and district managers, most of whom also work on a commission basis, what of them? They receive the maximum of 17½ per cent. allowed under the ruling of the New York State Insurance Department, but out of this must pay the 10 per cent. or 12½ per cent. commission earned by their sub-agents, brokers and solicitors, also the salaries and expenses of their traveling special agents. They exercise responsible supervision over the business of their companies in territories which are often of extensive size, and must maintain at their own expense large and well equipped organizations. As a class they are men of ripe business experience and unusual administrative capacity, and of course are thorough masters of the subject of workmen's compensation in all its bearings. Not only must they be familiar with the laws of their own States and the insurance rates and regulations affected thereby, but they must also be conversant with like matters in other States. Many of their customers do an inter-State business and naturally expect them to look after their interests at large. If the business be that of contracting, coverage may be needed on some distant piece of construction work; if manufacturing, the insurance may be required on warehouse or branch office staffs in a dozen States, or on installation crews, salesmen and others traveling from one end of the land to the other. Only recently the Chicago general agent of a casualty company found it necessary to work out compensation and liability coverage for one of his brokers on a risk ramifying throughout forty American States and several Cuban provinces—a problem which, had Illinois a monopolistic State insurance fund, the administrators thereof would neither be expected, nor able, to solve.

At Sacrifice of Service

"In almost any other field of enterprise many of these agent-managers would accumulate fortunes, yet their average net profits from compensation insurance rarely exceed 2½ per cent. of the premiums produced under their supervision. Naturally the State can eliminate them and their modest earnings. It can very easily replace them with public office seekers possessing but little knowledge of modern business and vastly less knowledge of the complexities of casualty insurance. But it can only make this substitution at expense of a service which both employers and employes have come to expect and demand, and which most of the former are entirely willing to pay a fair price for. Such service cannot be efficiently rendered except under competent direction, and this, the stock companies believe, can only be had at the hands of experienced general agents or district managers.

Commercialism

"Can you not plainly see, therefore, that the 'commercialism' which you decry in stock company compensation insurance consists almost wholly of an element (misnamed 'acquisition cost') which vast numbers of intelligent employers do not wish to have eliminated, and which no prudent employe should wish to have eliminated? That the State can eliminate it (even though it becomes necessary to amend its own constitution in order to engage in this purely commercial activity) goes without saying—but the question is, should it? Under what existing or contemplated plan of State insurance is the employer so certain to get the lowest rate consistent with the individual merits of his risk; the uninjured employe so well assured of protection against accidents; the injured employe so sure to have his loss adjusted fairly and promptly? It is easy enough to eliminate 'profit' from the proposition, even to a point where no one will profit—except the office holders.

"And when we come to the widows and orphans of those killed in industry, what security does the State give that their future pensions will be paid? You know as well as we that no State pledges a penny of its resources or credit for the payment of these losses. You know that the term 'State insurance' is the rankest kind of a misnomer, because the State itself actually insures nobody; that it merely operates a public mutual insurance association and often, too, without the restrictions and supervision with which it seeks to safeguard the operations of private mutual associations. The stock companies, on the contrary, not only stake their good money on the fulfillment of their compensation obligations—whether these mature next year or twenty years hence,—but they also employ the best actuarial and underwriting talent obtainable to make certain that their operations will be conducted in accordance with the principles of sound insurance, so that there may be no doubt about their financial ability to meet those long deferred liabilities which are the outstanding feature of all compensation insurance. Talent of this order rarely seeks public employment, hence State-managed insurance funds are usually found in the hands of those whose services are not in great demand with the established companies."

Attitude of Superintendent

The Superintendent was impressed with the relatively high cost of transacting compensation business. He noticed that the agents and brokers had a good deal to say about the service and he was under the impression that that service was largely paid for out of their commissions; in the case of the broker, coming out of his 10 per cent.; in the case of the general agent, coming out of his over-riding.

Further, upon examination of the elements that enter into the loading for compensation premiums he noticed that there was a considerable proportion of service element there, too, amounting in the aggregate to 10½ per cent. for such items as pay-roll audits, inspections and claim investigation and settlement. Taking into consideration all of these elements it seemed to the Superintendent that the business was laboring under the burden of a duplication of service. He thought if service is found in three places, and loadings are put everywhere to take care of it, which would make it natural that the premiums were over-loaded for expense.

Graded Scale

Mr. Webb, of Chicago, stated that the New York law provided benefits which were 74 per cent. in excess of the benefits under the Illinois law. A general agent's commission in Illinois is 17½ per cent. It is also 17½ per cent. in New York State. Therefore, a plant which yields a premium of $1,000 in Illinois yields a total commission of $175 in that State. If the same plant were transferred to New York the commission of the general agent would be upward of $250. This brought out what the Superintendent had in mind in recommending the graded scale of commissions based upon the size of the premium. It is his contention that, other things being equal, the commission for insuring a plant of a given size should be approximately the same for all States, irrespective of the benefits payable under their respective workmen's compensation acts and the consequently higher rates charged in some States. The same would be true of commissions payable within a given State. Under the system of graded commissions the larger the risk the smaller would be the rate of commission, although the actual number of dollars earned by the agent would increase with the size of the premium.

Medical Attention

The discussion revolved, too, around the increased cost of medical attention. Several instances were cited of exorbitant physicians' fees in workmen's compensation practice, and the Superintendent expressed himself as being in favor of a thorough investigation to determine the cause of the alarming increase in the cost of this service. A number of instances have come under his personal observation, and he felt that unless the increasing cost tendency of medical aid were checked that the rates would have to be increased still further.

There seemed to be a desire on the part of the brokers present that an investigation of this kind be undertaken, but the matter was not developed further than the general suggestions made at the meeting.

BROKERS!

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PERFECT FRANKNESS

Whiskey Has Prominent Place in Report of An Accident Received By F. & C.

Reports of accidents under the compensation laws of the various States differ as much in style and intelligibility as the accidents themselves differ one from another. Sometimes it takes united and concentrated wisdom of the claim department to interpret them, and on occasions they have to be given up as a bad job. A report recently received, however, from an F. & C. assured in North Dakota affords no ground whatever for requesting any explanation or amplification, nor do we believe that there is much reason to doubt what the State Board's ruling would be, if sought, on the question "compensable or not"—that problem which no two Boards seem to decide alike on the same statement of facts. After setting out the customary details of the location of the assured's plant, a lumber mill, and the name and age of the injured man, the report, says the "F. & C. Bulletin," reads as follows:

Occupation when injured?
Was getting drunk.
Was injured employe doing his regular work?
No.
If not, what work?
Getting drunk.
Describe in full how the accident occurred?
He left our employ Dec. 2nd. Went to the lowest saloon town in Montana, got drunk, laid out in the open and froze his feet.
State nature and extent of injury.
Feet frozen, toes amputated.
Name of machine, tool, appliance, etc., in connection with which the accident occurred.
A liquid sold in Deborgia in the name of whiskey.
Hand feed or mechanical?
Hand fed.
Part on which accident occurred?
Head and feet.
What guard, safety appliance or regulation in connection with this machine is it possible to provide that might have prevented this accident?
See State laws regulating saloons.
What will be the probable length of disability?
Lost 7 toes—3 months.

STEAM BOILER LAW

A bill was adopted by the Senate of the State of Connecticut providing that every mutual insurance company of this or any other State, insuring against loss by the explosion of steam boilers, tanks or other receptacles under pressure, etc., shall maintain a premium reserve on all policies in force, whether issued in this State or elsewhere, equal to the unearned portion of the gross premiums charged for covering the risks.

ICE STORM INSURANCE WANTED

Residents of Winchester, Va., have thought that they could recover through fire insurance on property losses due to the recent snow and ice storm in the Valley, says the Staunton, Va., "News."

The loss was the result of the combined weight of the snow and ice and could not be classified as a tornado or hail storm.

The California State Compensation Fund has sued one R. E. Wright, a jitney bus driver, for $2,098. Over a year ago Wright ran over a man at Fourth and Market streets with the result that the Compensation Fund allowed him a claim in the above amount. It now seeks to recover from Wright the money disbursed. It is the first time that this action has been taken.

CASUALTY AND SURETY NEWS

THE SUCCESSFUL SALESMAN

He Should Have Something to Say, Say It and Stop Talking, Says Illinois Life Man

O. H. Gabel, manager of the Corn Belt Agency of the Illinois Life has made the following comments on salesmanship:

First of all, you must be eager to know all there is to learn about life insurance, and when you know that you only know one-fourth of the business; the other three-fourths is to know human nature in general, and your prospect's in particular. Every man has some "sore" spot. Be careful not to touch it. Apologize and pour salve and you are at once branded as a "boob"!

You must be in just the right frame of mind—confident and hopeful—when you go for an interview, because mental attitudes are contagious; you must be diplomatic in broaching your subject as you know "there are some cows you have to approach from the side and say 'So-Boss' in your most dulcet tones." Being once launched on the subject, you must possess the courage of your convictions and be prepared to overcome the prejudice of those who possess no convictions.

You must have judgment—"A real salesman is one part talk and nine parts judgment, and he uses the nine parts of judgment to tell when to use the one part talk."

You must know the three rules which should regulate every business conversation: 1. Have something to say. 2. Say it. 3. Stop talking.

You must be able to recognize and seize the psychological moment for closing your sale, and then with great tact close it with accuracy and dispatch before your prospect has time to vacillate in his decision.

Besides all this, you must have unbounded enthusiasm for your calling and follow it with diligence, keeping everlastingly at it. Some pretty good imitations have come to one's notice but as yet we have found nothing that will pass as a substitute for steady, persistent work.

The difference between a drone and a worker is that the former waits for his to come by inspiration and the latter gets his by perspiration.

The trouble, too, with many is that they cannot stand success. It goes to their heads and they lose their sense of proportion. If the morning's work has proven lucrative, is that an excuse to loaf in the afternoon? In doing so you cheat only yourself! You need not put yourself out to keep up the law of averages. It will take care of itself. When business is brisk is a good time to force it—to off-set the time when business is dull. Don't do just enough! Don't get lazy! Be your own boss, and your own time clock, and have regular hours for your own character's sake if for nothing else.

Furthermore, do not be content to rest on past laurels. The man who spends his time bragging about what he has done is the very one, if the truth were known, who couldn't sell a drink of water in the Sahara Desert.

Work in the "Eternal Now"!

Finally—be honest, "This above all, to your own self be true, for thou canst not then be false to any man." Blessed is the conscientious hustler, he has no regrets, and we assure you that when you have done your best your mistakes will be written in water.

Sail the Seven C's

We see then that there are many accidents in the field, but success is not one of them. We see, that to be a good salesman one must sail the seven C's—Common sense, Caution, Courtesy, Consideration, Candor, Competency and Conscience.

The busy man has no time to worry or complain.

PRICE OF GLASS JUSTIFIED

So Says President of New York Company Who Believes Premiums Should Be Increased Also

That the increase in the price of glass which is expected to take effect April 1 is justified by the supply and demand equation of present conditions is the statement made to The Eastern Underwriter this week by the president of one of the New York companies. He said, however, that an analysis of the annual statements of the companies shows that the average increase in loss ratios has been in the neighborhood of 65 per cent. He says in view of what these figures show he cannot understand why four of the twenty-four companies operating in New York City have refused to take part in an effort to bring about an increased rate.

These facts have led the Fidelity & Casualty Co. in its "Bulletin" to agents to say:

"The old adage 'Experience is the best teacher,' certainly applies to the liability companies in this country writing workmen's compensation insurance. It was hoped three years ago that the liability managers might profit by the experience of the foreign countries and eliminate some of the steps ing the evolutionary process, thereby reducing the time in which the companies could reach an adequate rate basis.

"We believe that some managers understand clearly the gravity of conditions now existing in workmen's compensation affairs, also that some other managers and some public officials do not comprehend the gravity of these conditions, directly attributable to inadequate rates. Having done our utmost to induce the establishment of adequate rates and having failed, we may only hope that the period of underwriting loss shall be short, that the waste may not be as enormous as we fear it will be, and that sounder judgment may soon control the minds of rate makers."

* * *

A bill was adopted by the Connecticut Senate which provides that insurance companies writing compensation insurance, report to the compensation commissioner of the district in which an employer is insured and the commissioner in each district in which such employer employs labor, the name of the person or corporation insured, the day on which the policy shall become effective, and the date of its expiration.

Perils of Compensation

In 1912 there were 40 companies writing liability and compensation insurance. By the end of 1916 six companies had discontinued compensation, namely: The American Fidelity, Casualty Company of America, Fidelity & Deposit, Kansas City Casualty, London & Lancashire Indemnity, Massachusetts B. & I. Three were merged, namely: Missouri Fidelity & Casualty, Prudential Casualty, Southwestern Surety. Two were in process of liquidation, namely: New England Casualty Co. and New England Equitable Insurance Company, Pacific Surety Company. Three were in receivers' hands, namely: Commonwealth Bonding & Casualty, Union Casualty, Pacific Coast Casualty.

W. E. SMALL, President PETER EPES, Agency Mgr. E. P. AMERINE, Secretary

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The Fidelity and Casualty Company of New York
92 LIBERTY STREET, NEW YORK, N. Y.
Metropolitan Office—92 William Street
Annual Statement, December 31, 1916

Assets	$13,788,795.23
Liabilities	9,708,052.97
Capital	1,000,000.00
Surplus over all liabilities	3,080,742.26
Losses paid to December 31, 1916	56,090,684.58

This Company issues contracts as follows: Fidelity Bonds; Surety Bonds; Accident, Health, and Disability Insurance; Burglary, Larceny, and Theft Insurance; Plate Glass Insurance, Liability Insurance—Employers, Public, Teams (Personal Injury and Property Damage), Automobile (Personal Injury, Property Damage and Collision), Physicians, Druggists, Owners and Landlords, Elevator, Workmen's Compensation—Steam Boiler Insurance; Fly-Wheel Insurance.

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OF LONDON, ENGLAND

FRANKLIN-COMMERCIAL COVER

The Commercial Casualty Company makes the following announcement relative to automobile insurance:

We take pleasure in announcing that arrangements have been entered into with the Franklin Fire Insurance Company of Philadelphia, whereby agents and brokers will be enabled to secure fire and theft coverage at any of our branch offices or agencies in connection with our automobile liability policies.

The Franklin Fire is one of the oldest and best-known fire companies in America, and this arrangement has been made for the purpose of facilitating the placing of business by the broker by enabling him, in one transaction, to secure complete protection for his assureds.

The Commercial Casualty has issued a new travel accident policy. The principal sum of the policy is $5,000, accumulating to $7,500. It pays $25 weekly indemnity for 52 weeks. It is issued to male and female risks alike for $5.

NO CLAIM FOR INSURANCE

And talking of freak fires The Eastern Underwriter heard this week of an elevator man in the Firemen's Insurance Company's building in Newark who is wearing a plaster on his neck. Investigation disclosed that a playful tenant had lighted a cigarette in the elevator and placed the half-burned match on the operator's collar. Unfortunately it was made of celluloid. No claim was made under the policy covering employes of the building.

A. E. Williams has opened an insurance office at 124 West Main Street, Wilkes-Barre, Pa., to handle life, fire, accident, compensation and automobile insurance.

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Covering Permanent and Total Disability,
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Guaranteed Cost and Good Service

FOR AGENCIES AND SPECIMEN POLICIES, ADDRESS THE COMPANY

WORTH KNOWING

Suppose that you are insured in the United Life and Accident Insurance Company of New Hampshire for $5,000 under the Company's Triple Indemnity Plan, what does your Policy guarantee to do?

ANSWER:

FIRST, it guarantees that in case of death from any cause, $5,000, the face of the Policy, will be paid.

SECOND, that in case of death from any ACCIDENT, $10,000, or DOUBLE the face of the Policy, will be paid.

THIRD, that in case of death from certain SPECIFIED accident, $15,000, or THREE TIMES the face of the Policy, will be paid.

BUT THIS IS NOT ALL. The Accident Disability Endorsement FURTHER guarantees that in case of total disability as a result of accidental injury, the Company will pay direct to YOU at the rate of $50 PER WEEK during such disability, but not to exceed 52 weeks, after which the weekly indemnity will be at the rate of $25 PER WEEK throughout the period of disability. Can insurance do MORE? And why should any man be satisfied with a policy that would do less? The cost is low.

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Insurance to protect business firms and corporations.

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A flexible contract which can be converted by the Insured into an Ordinary Life, Limited Payment Life, or Endowment Policy.

A Bond giving the investor an income for his declining years.

A new policy is offered under which the insurance is DOUBLED if death results from ACCIDENT. This policy also embodies the following advantages if the person whose life is insured becomes totally and permanently disabled:

1. Thereafter the Equitable will carry the insurance —The Insured will have nothing further to pay.
2. The Equitable will pay the Insured an annual income for life equal to one-tenth of the face of the policy.
3. Upon the death of the Insured the full amount of the insurance will be paid to the Beneficiary (or double the amount if death is due to accident) without deduction on account of the income paid to the Insured while living.

(See the policy for conditions and details.)

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U. S. Cash Assets, Dec. 31, 1916	$15,827,439.35
Surplus, - - - - -	5,460,745.59
Losses Paid by Chicago Fire, 1871	3,239,491.00
Losses Paid by Boston Fire, 1872	1,427,290.00
Losses Paid by Baltimore Fire, 1904	1,051,543.00

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INTRODUCES SEQUEL TO SIMPSON BILL

Penalty Provided Removing From Office Officers of Savings Banks Designating Brokers

GOES INTO IMMEDIATE EFFECT

Hearing on Evans Bill at Albany on Wednesday Attended By Several Insurance Men

A bill introduced last week in the Assembly and simultaneously in the Senate, a hearing on which was held in Albany on Wednesday, aims to restrict savings banks in designating particular insurance brokers as the Simpson Bill sought to restrict life insurance companies. The bill was introduced by Assemblyman William S. Evans, of the Bronx, and is as follows:

"Section 1: Paragraph (d) of subdivision 2 of section 268 of chapter 369 of the laws of 1914, entitled 'An act in relation to banking corporations and individuals, partnerships, unincorporated associations and corporation under the supervision of the banking department, constituting chapter 2 of the consolidated laws' is hereby amended to read as follows:

"(d) Shall violate any of the provisions of section 267 of this article imposing restrictions upon trustees and officers (except paragraph (c) of subdivision 2 hereof). But a trustee shall not be held to have forfeited or vacated his office by reason of any loan made by the savings bank to a corporation of which he was a member or a stockholder, or by reason of the purchase of any guaranteed mortgage by the savings bank from such corporation, or by reason of the purchase of such corporation of real estate subject to a mortgage held by the savings bank, if such loan or purchase was made before this chapter takes effect.

"2. This act shall take effect immediately."

Section 267, paragraph (c), referred to above reads:

"Direct or require a borrower of the savings bank on mortgage to negotiate any policy of insurance on the mortgaged property through any particular insurance broker or brokers, or attempt to divert to any particular insurance broker or brokers, the patronage of the borrowers of the savings bank, or refuse to accept any such insurance policy because it was not negotiated

(Continued on page 21.)

DIRECTORY OF DEPARTMENTS

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"The Largest Fire Insurance Company in America."

THE HOME INSURANCE COMPANY NEW YORK

ELBRIDGE G. SNOW, President

EXPLOSION INSURANCE

FIRE AND ALLIED BRANCHES OF INSURANCE

Fire, Lightning, Automobile, Commissions, Explosion, Hail, Marine (Inland and Ocean), Parcel Post, Profits, Registered Mail, Rents, Sprinkler Leakage, Tourists' Baggage, Use and Occupancy, Windstorm.

STRENGTH REPUTATION SERVICE

North British and Mercantile Insurance Co.

Established 1809

Entered United States 1866

Policyholders protected by the entire United States assets, with further guarantee in every policy, of protection by entire fire assets of the company which are many times larger.

SPRINGFIELD
Fire & Marine Insurance Co.

Cash Capital $2,500,000.00

THE SPRINGFIELD for two-thirds of a century has transacted business solely under its own corporate name, without annexes, underwriting agencies or subsidiary companies. An agent of the SPRINGFIELD is not a half, a quarter or any other fraction of an agent, but is vested with the rights and dignity of an undivided representative of an undivided and independent company. The SPRINGFIELD stands today pre-eminent among American fire insurance companies.

SPRINGFIELD, MASSACHUSETTS

ACT WITH CAUTION ABOUT WAR CLAUSES

Most Companies Not Announcing Action Until Actual Declaration of War By Congress

ACTUARIES' INFORMAL MEETING

Wide Divergence of Opinion as to Text of Clauses—National Guard Policies

The engrossing topic among the life underwriters this week was, of course, the war situation, and a decided divergence of opinion was held by the companies as to just how the clauses should read. There were innumerable home office meetings discussing the subject, the companies weighing every step with the greatest deliberation, their aim being to aid the Government in every possible way and at the same time to protect the interest of existing policyholders.

"Wait Until War is Declared"

As a general proposition companies refused to tell what the new clauses would be, saying that they could not give out "war clauses" until Congress had actually declared war.

Some companies had office boys bring in each of the different editions of the afternoon papers on Wednesday.

Actuaries Meet

At the meeting of the actuaries and medical men last week there was some slight discussion of the war clauses. Later, there was an informal meeting of the actuaries at the Hotel Astor. It was not intended to try and arrive at an agreement, but simply to go over different phases of the situation. There were almost as many views expressed as there were actuaries present. Indications on Wednesday were many that clauses will not be uniform.

Writing the National Guard

During the crisis thousands of policies were written on members of the National Guard, taking advantage of the old conditions.

Aetna's Clause

The war clause of the Aetna Life follows:

> If the insured shall within two years from the date hereof engage in any Aeronautic or Submarine Expedition this policy will be null and void, except for the legal reserve then existing hereon.
>
> If the insured shall within said two years engage in any Naval Service, or if he shall in any time of war, within ten years from the date hereof, engage in any Military or Naval Service outside of the United States in America, notice thereof shall be given to the Company by or on behalf of the in-

sured, and an extra premium of five per cent. of the sum insured under this policy shall be paid to the Company, or its authorized agent, within thirty days of his engagement in such service, and annually thereafter from the date of such engagement during its continuance; otherwise, such service will render all insurance under this policy null and void, except for the legal reserve then existing hereon.

If the insured does not continue in such service said extra premium will not be required after the expiration of the year for which it has been paid.

This provision is a part of Policy No. .....issued by the Aetna Life Insurance Company on the life of.....

Travelers Provisions

Just before going to press The Eastern Underwriter received from the Travelers a copy of its war clause, which follows:

If the insured within ten years from the date of this contract shall engage in military or naval service in time of war the provision for settlement in the event of permanent total disability shall become null and void upon the date of engaging in such service. This contract however, except the provision aforesaid, will remain in full force and effect provided the insured within thirty-one days from the date of engaging in such service shall notify the Company thereof and shall pay such extra premiums as the Company may determine—the pro rata part of such extra premium for the balance of the current contract year to be paid within thirty-one days after notice of the amount thereof shall have been mailed by the Company to the last known address of the insured, and succeeding extra premiums during the continuance of such service to be paid at the times when the premiums under the contract shall be payable.

If the insured shall fail to comply with the provisions of the next preceding paragraph as to notice and payment of extra premiums and shall die while in such service, or within six months from the termination thereof as the direct or indirect result of such service, the liability of the Company under this contract shall be limited to the reserve theretofore accumulated on such contract based on the American Experience Table of Mortality with 3½ per cent. interest.

After the termination of military or naval service as herein specified, the provision for settlement in event of permanent total disability may be reinstated upon evidence of insurability satisfactory to the Company.

After this contract shall have been in force for ten years no notice or extra premium will be required.

Provident Life & Trust

Writing to The Eastern Underwriter, under date of April 3, M. A. Linton, vice-president of the Provident Life & Trust, said:

"Relative to war clause would state that our policies are free from all restrictions as to military or naval service.

"We have in our application the following three questions referring to the prospective policyholder:

(a) Is he at present, or has he at any time been connected with any military or naval organization?

(b) If so, when and in what capacity?

(c) Does he contemplate such membership in the future?

"We also ask questions about possible change of residence or occupation. These questions at the present time assume great importance and until the situation has seemed to demand the introduction of a war clause into our policies, it is at the time when we are passing upon an application that we shall exercise the greatest care."

The War Clause in State Mutual policies follows:

War Risk.—Military and naval service in time of war is a risk not assumed by the Company or covered by this policy during the first year, and if the insured shall engage in such service during the first year this policy is in force, this policy shall thereupon become null and void and no claim shall exist thereunder except for the amount of the premium paid thereon.

Vice-President William H. Sargeant, of the Massachusetts Mutual said on April 3: "The war clause contained in our policies is still effective, except that we have announced that there would be a waiver of extra premium for war service in the case of holders of all policies issued on or before April 7, 1917. A new provision covering war service, effective on and after that time, is now under consideration."

The Limitations Clause in the John Hancock policies follows:

Limitations.—The liability of the Company hereunder during the first policy year shall be limited to the premium paid hereon if the insured shall die by suicide, while sane or insane, during said year, or if he shall die during said year as the result of military or naval service in time of war or as the result of making or undertaking an aerial flight, without a permit for such service or flight from the Company, signed by the president, a vice-president, the secretary or an assistant secretary.

The Boston Mutual Life has the following clause in its policies:

Incontestability and Limitation of Actions.—This policy, if once in force, shall be incontestable after two years from the date of its issue, except for non-payment of premiums or for engaging in military or naval service in time of war without the consent of an executive officer of said Company. No suit, however, shall be brought on any claim under said policy unless commenced within two years from the time the right of action accrues.

The Fidelity Mutual Life's Application

The Fidelity Mutual Life Insurance Company, of Philadelphia, Pa., will please accept the following questions and answers as a supplement to Part 1 of my application for insurance, dated the.....day of..... 191.....

A. Are you a member of the National Guard or the National Reserve, or of any military or naval organization, or of the army or navy, or are you subject to military or naval service in any country?

B. If so, state where, branch of service, and in what capacity?

C. If not, have you any intention of enlisting in the army or navy, or of joining any military or naval organization?

D. If of foreign birth, are you a naturalized citizen of the United States?

E. Are you exempt from military or naval service? If so, on what grounds?

F. Do you expect to travel outside of the United States within one year? If so, state particulars.

I hereby agree that any policy the Company may issue upon the application, to which this is a supplement, shall be subject to the following clause, notwithstanding any provision to the contrary contained in said policy:

If the insured shall, within two years from date of this policy, engage in any military or naval service or in any work as a civilian in any capacity whatsoever, in connection with actual warfare, and shall die within two years from the date of this policy as a result, directly or indirectly, of engaging in such service or work, then, the liability of the Company under this policy shall be limited to the return of the premiums paid hereon without interest.

Illinois Life

The Illinois Life made the following statement this week:

"No present policyholder of the Illinois Life Insurance Company will be under the necessity of securing a permit for war service, since all outstanding policies provide that military or naval service in time of war shall not invalidate the insurance; but the insured shall be bound to pay to the company a single extra premium of fifty dollars for each one thousand dollars insured, which extra premium if not paid in cash shall be a lien upon the policy with interest in advance at the rate of 5 per cent. per annum.

"If war is declared all the companies will under the necessity incorporate a special war clause in their policies and the clause drafted by the Special Committee of the Association of Life Presidents is likely to be generally followed."

TO HELP GOVERNMENT

A meeting of a large number of the surety companies was held on Wednesday at the Waldorf-Astoria Hotel to consider problems which are likely to come before the surety underwriters as a result of the war, and what could be done so that the surety companies could render most efficient service to the Government.

POLICYHOLDERS ASSESSED

The Circuit Court of Rockville, Md., has rendered a decision to the effect that the policyholders must pay whatever assessments the company saw fit to levy on contracts issued by the Grangers' Mutual Fire and Storm Insurance Co., of Carroll County, Md., now in the hands of receivers. Action was started by the receivers because of the failure of the Company to pay its storm losses, and many of the policyholders refused to pay assessments levied in 1912, 1913 and 1915.

Great Southern Life Insurance Company

HOUSTON, TEXAS.



For Agency Contracts address

O. S. CARLTON

PRESIDENT

THREE

Important new features are announced by

THE GERMANIA LIFE INSURANCE COMPANY

of NEW YORK

A Double Indemnity Clause

which provides for the payment of ***double*** the face of the policy in case of the death of the insured as a result of an accident of ANY KIND.

A New Income Endowment Policy

and

The Extension of Its Free Health Service to All New Policyholders

"A Growing Company for Growing Men"

T. LOUIS HANSEN, Superintendent of Agencies

50 UNION SQUARE NEW YORK CITY

C. G. Monser on When to Stop Talking

TELLS OF A 5-HOUR INTERVIEW OF HIS OWN

Took a Long Time to Convert Term Policy, But It Was Worth It

In New York City, where every minute counts, and where more applications are clinched inside of ten minutes than in any other place life men would be horrified at the mere thought of a five hours' straight argument with a business man, but C. G. Monser, of Johnston & Monser, Buffalo, had such a conversation and he won out in a big case. In a recent talk to representatives of the Mutual Benefit's New York City general agency Mr. Monser caused a lot of comment by saying that many a case was lost because the agent quit talking at the wrong time. Inasmuch as insurance instructors are constantly advising agents not to talk too much The Eastern Underwriter has asked Mr. Monser to explain just what he meant. He said:

"I most certainly did not say that an agent should talk to a man until he is tired, but I did want to make the point that many an agent has lost a sale because he quit talking at the wrong time, and to make my point clear I used the illustration that if a man had to roll a heavy barrel up a skidway into a wagon and it was just about all he could do to move the barrel up the skidway, when he got nearly to the top would he say to himself, 'I didn't think I could do this, but I can alright!' and then step to one side to rest, or would he put on more pressure and exert all his strength to get the barrel up over the skidway and into the wagon?

Converting $175,000

"It would be impossible to tell any man how to judge how long to talk to a man, but the story I told was that of a case where I had sold a man a good many times—in fact, I have sold him the limit in eight different companies. In the last batch of insurance I sold him, amounting to $320,000, there was $175,000 of it five-year term to cover a special need for four years. This was sold last October, and in February I undertook to convert it. The interview lasted about five hours, and several times he told me that he was not going to convert the insurance now, but it was not that decisive negative beyond which a salesman cannot go without making a bore of himself. In other words, his whole attitude indicated to me that he was still willing to discuss the proposition, but could not just make up his mind. Therefore, instead of relaxing I burned my brain to think of decisive arguments and put on more pressure; more emphasis to my arguments, helping him form the resolve to buy. I was tired out; I had to make another town and by missing the train it meant that I would not get there until after midnight, but the point was —I was there to make that sale and for that purpose only, and so long as the man was willing to discuss the proposition with me I felt that I was justified in using all my efforts to close him.

Leave Prospect in Good Humor

"Only actual practical experience in soliciting will tell a salesman when to stop talking, but an iron-clad rule always should be to leave your prospect in good humor if you cannot close at that time.

"Let me make another illustration: I do not know whether I told this at the L. A. Cerf meeting or not, but I did at some of the other meetings. A life insurance salesman must learn to preserve his vitality, and to illustrate this I told the story that one time one of our agents took me to see a man who, he thought, could be written. I talked to this man for two or three minutes and then eased myself out of his office as diplomatically as possible. When we got outside our agent was somewhat provoked because I did not go after the man harder. I answered; 'possibly you or some other agent could write that man, but if I talked to him for a year I would never sell him,' and that I had no energy to waste on any man that I felt I could not influence.

"It is my theory that if you cannot dominate a man you cannot write him and that the salesman should find out in the first few minutes whether this is true or not. If, when you are soliciting a man you instinctively don't like him, you can rest assured that he does not like you either. There is something about the personality of the agent and the prospect that clashes, and they are far better separated."

WANT NATIONAL CONVENTION

Worcester Agents to Make Bid for 1918 Gathering—Central Massachusetts Meeting Held

A regular meeting of the Life Underwriters' Association of Central Massachusetts in Worcester was attended by about fifty persons. Dana M. Dustan, member of the executive committee of the National Association, made a report on the mid-year meeting of the committee held at Washington, D. C. Mr. Dustan feels very hopeful that the 1918 National Convention will be held in Worcester.

Following the business the regular monthly "smoker" was held. President L. J. Barrett turned the meeting over to Henry E. Townsend, chairman of this meeting. He introduced as the first speaker Edward F. Jones, of the Northwestern. Mr. Jones, in a ten-minute talk, gave a practical demonstration of his sales talk as to how to present income insurance, which was very instructive and warmly received by those in attendance.

The next speaker was H. M. Carleton, of the Massachusetts Mutual, whose topic was "Who Should Buy Insurance?"

Stuart Anderson, of the Massachusetts Mutual, an orator of considerable ability, suggested that there is a great field in the business for women solicitors, that his Company is employing several in the big cities, and that they are successful, not only in soliciting men, but in the broader field for them —the solicitation of women. He claims that women buyers of life insurance are more easily written by women agents, as they have a better understanding of women's needs. He further stated that the chief element in salesmanship was personality. His talk was both interesting and instructive and was warmly received by those present.

No Chance for $50 Agents' License Bill

GENERAL AGENTS TOLD IN ALBANY IT WILL NOT PASS

Hearing This Week Postponed Because of Mitchel-Wagner Trial in Senate

(Special to The Eastern Underwriter.)

Albany, N. Y., April 3.—A number of general agents from different sections of New York State held a meeting here this afternoon in reference to the bill in the Legislature requiring a $50 license fee for every company license given to an agent in the metropolitan cities, and a $25 fee in the smaller places.

Just what this would amount to can be seen by the fact that one of the leading agents in this State is licensed for eighteen companies. To be licensed by a dozen companies is not uncommon.

Unanimous Against Bill

The sentiment against the bill was unanimous among the different associations of life underwriters.

When the life insurance men arrived here they found that owing to the trial of Mayor Mitchel, of New York City, who charged Senator Wagner with working in the interest of the German Government, the insurance committee hearing, scheduled for Wednesday, would be put over for a week.

Members of the insurance committee told life insurance men that there is not a chance in the world of the bill going through.

SINGLE PAYMENT LIFE

Appropriateness of These Policies at Present Time Pointed Out By Northwestern Mutual

There has never been a time when this country was so prosperous or when the cost of living was so high. In consequence of the large profits being made by some men it is an especially opportune time to show the advantages of life insurance as a safe and sure investment. Some are making money so rapidly that they find it difficult to invest their surplus and agents are therefore realizing the adaptability of Single Payment Life policies to cases of this kind. In order to assist the field force in illustrating Single Payment Life policies the following table has been prepared by the Northwestern Mutual Life:

Dividends Payable in 1917 on Single Payment Life Policies Issued in 1916

Age at Issue	Dividend	Age at Issue	Dividend	Age at Issue	Dividend
16.....	$28.72	31.....	$35.70	46.....	$46.86
17.....	29.09	32.....	36.30	47.....	47.79
18.....	29.47	33.....	36.91	48.....	48.75
19.....	29.87	34.....	37.55	49.....	49.74
20.....	30.27	35.....	38.20	50.....	50.76
21.....	30.69	36.....	38.88	51.....	51.79
22.....	31.13	37.....	39.56	52.....	52.86
23.....	31.57	38.....	40.29	53.....	53.93
24.....	32.03	39.....	41.03	54.....	55.04
25.....	32.50	40.....	41.79	55.....	56.16
26.....	33.00	41.....	42.57	56.....	57.30
27.....	33.51	42.....	43.38	57.....	58.46
28.....	34.02	43.....	44.21	58.....	59.63
29.....	34.57	44.....	45.07	59.....	60.83
30.....	35.13	45.....	45.95	60.....	62.04

These dividends are composed of surplus contributions from expense, mortality and interest while subsequent dividends, being on a full paid basis, have but two factors, i. e., mortality and interest. The dividend payable will be that for the attained age of the insured on the anniversary of the policy for each subsequent year. To illustrate the Northwestern Mutual takes a Single Payment Life policy issued at age 35. By referring to the foregoing table we find the first dividend on the 1917 scale would be $38.20. Subsequent dividends are as follows:

End of year	Attained age of insured	Dividend
2	37	$8.07
3	38	8.20
4	39	8.33
5	40	8.46
etc.	etc.	etc.

REAL SATISFACTION

Working with **William N. Compton** and the **John Hancock Mutual Life Insurance Company** in New York City forms the happiest combination imaginable for the life insurance salesman.

If you have any doubt in your mind have it dispelled by calling at

220 BROADWAY

Phone 6030 Cortlandt

INSURED FOR $500,000

William G. Mennen, Manufacturer of Talcum Powder in Newark, Written for Large Policy

William G. Mennen, president of the Gerhard Mennen Chemical Company, Newark, manufacturers of talcum powder, has taken out $500,000 of life insurance. The Mutual Benefit and The Prudential both wrote their limits and other companies carrying the insurance are the Mutual Life, Home Life, Provident Life & Trust, Northwestern Mutual, Connecticut Mutual, State Mutual and the Massachusetts Mutual.

The insurance is in part in favor of the Gerhard Mennen Chemical Company and partly in favor of Mr. Mennen's personal estate. George F. Bower, of the Day & Cornish Agency of the Mutual Benefit Life Insurance Company in Newark, who started the case and who placed $250,000 of the insurance, used the inheritance tax argument effectively, the Morgan and Davison policies having had a strong influence in closing the business.

APPOINTMENTS AT RICHMOND

The Life Insurance Company of Virginia of Richmond has made a number of promotions recently. E. A. Crawford has been appointed chief clerk to Vice-President W. L. T. Rogerson at the home office. E. F. Blair has been transferred from the audit department as chief clerk to Vice-President A. S. Hurt.

TWENTIETH ANNIVERSARY

Edward A. Ferguson, of Chicago, has concluded twenty years' service with the Union Central. The event was observed by the presentation of a sterling silver and cut glass decanter, cups and trays, presented by the agency force.

POSTMASTER OF CHICAGO

William Buford Carlile, formerly Chicago manager for the Mutual Life of New York, is now Postmaster of Chicago.

CHARLES TIMBLIN DEAD

The Western Union Life of Seattle has elected True Uncapher, formerly manager of the Western Washington office in Seattle, as vice-president of the Western Union Life, to fill a vacancy occasioned by the death of Charles Timblin.

ANOTHER BANKERS

The Bankers Mutual Life Insurance Company of Arkansas has just been organized at Jonesboro, Ark.

USE OF BINDING RECEIPTS

By John H. Dingle

of Massachusetts Mutual, Chicago, Reported in "The Radiator"

I would like to emphasize the importance of securing a prepayment application and this subject may be divided into two parts, namely:

A. What it means to the insured.

B. What it means to the agent.

A. To the insured it affords:

1. Immediate protection.

2. It eliminates opportunity of an unfavorable change of health.

3. It affords the insured a greater amount of protection for the same money. (Did you ever realize you are cheating a man out of a few days of protection when you don't prepay his application?)

4. The next point, a very important one: The photographic copy of application is sufficient proof to doubting creditors that the insured is a cash customer.

B. What it means to the agent.

1. First of all it creates efficiency. It lengthens the vision of the agent by producing a mental picture of application together with prepayment and not application only. In addition to this the agent has no need of further worry that a competitive agent will steal his business, and he can go on his way and give his undivided attention to another prospect.

2. It creates an excellent opportunity to sell additional insurance at the time you take the policy out for delivery. (Did you ever notice, men, how glad they are to see you when you return with the paid-for policy? They greet you with open arms, as they are anxious to see what their money has bought. This is much more pleasant than the cold reception one sometimes receives when settlement is not obtained in advance.)

The chief weapon of our occupation is a binding receipt and the negligent agent often has to re-sell the insurance if policy is delivered.

In conclusion I wish each of you, for 1917, the greatest volume of business of your life, and here's hoping that most of same will be prepaid.

STUDIES SICKNESS

The Metropolitan Life Insurance Company's Inquiry in West Virginia and Pennsylvania

During the weeks of March 5, 12 and 19, the Metropolitan Life Insurance Company inquired into the prevalence of sickness among its policyholders in West Virginia and Western and Central Pennsylvania. The general population was also reached. The inquiry was much more extensive than any previously made. The surveys were conducted with the approval and cooperation of the State and local departments of health, of the anti-tuberculosis societies and of others interested in civic improvement. The methods previously pursued in the Sickness Surveys of Rochester, Trenton, North Carolina and Boston were in the main followed, although additional information was obtained. The schedule ascertained the sex, age, and occupation of all members of families canvassed and in addition, the disease or cause of disability of any sick persons. For the latter group, the attendance of a physician or of a visiting nurse was determined and also whether any sick benefit was being paid. From present indication, close to one-half a million persons were reached and the facts of health for the group reported.

These data when tabulated should prove of considerable practical importance. The prevalence of occupational disease and disabling accidents among bituminous and anthracite coal miners, iron and steel mill employes and glass workers, will be indicated with reasonable accuracy. Of greater interest, perhaps, to the medical profession will be the incidence of the non-tuberculous respiratory diseases and of tuberculous pulmonary disease. The facts at hand would seem to indicate very unmistakably that the former have a very high and the latter a low prevalence. It is hoped also to provide the medical profession with accurate data on the proportions of cases of serious illness under treatment by the several medical agencies and of cases not receiving medical treatment. The Metropolitan Life Insurance Company in this way plans to contribute to the study of the actual needs of American working classes in time of sickness and other distress.

INSURANCE OF PRESIDENTS

New York Life Had or Has Roosevelt, McKinley, Garfield, Arthur, Harrison, Policies

The New York Life Insurance Company has issued a leaflet containing the names of several ex-presidents and Justices of the Supreme Court whose lives were insured, or who at present are policyholders in their Company.

Ex-President Roosevelt was insured for $25,000 in 1901, under an ordinary life policy. James A. Garfield was insured for a like amount in 1881, the policy being paid shortly after his death. Chester A. Arthur was another policyholder, taking a 10-payment life policy for $5,000 in 1863. William McKinley held four policies with the Company, two of these maturing and the third was merged with the last, which was for $50,000. Garrett A. Hobart was insured for $5,000 on the 20-year accumulation plan in 1881 and later took a second policy for $50,000, while Benjamin Harrison was insured for $10,000 on the same plan in 1887.

The late Chief Justice Melville W. Fuller, of Illinois, was insured for $7,500 under two policies; the late John M. Harlan, of Kentucky, for $3,000; the late Hon. Horace H. Luston, $10,000; the late Joseph R. Lamar, of Georgia, $5,000. Other Justices who hold policies in the Company are: Louis D. Brandeis, $5,000; Joseph McKiuua, $10,000; Charles E. Hughes has a policy of $10,000.

The Company which at present has more than two and a half billions of insurance in force, will pay over 23 million dollars in dividends to its policyholders during the current year.

MATERNITY INSURANCE

Interesting facts regarding the mortality of mothers and children were brought out at a meeting of the Bureau of Information of the International Child Welfare League, called to consider the subject of maternity insurance, in the ballroom of the home of Adolph Lewisohn, 881 Fifth Avenue, New York, this week. A resolution was passed unanimously asking the Governor to appoint a commission to consider the subject.

APPOINTED GENERAL AGENT

B. E. Ellis, Pacific Coast supervisor for the Equitable Life of Iowa, has been appointed general agent for the Company in Northern California, with headquarters at San Francisco.

BROKERS!

KEEP POSTED
BY READING

THE EASTERN UNDERWRITER

Subscription $3 a Year

SIMONS' SERVICE

For your surplus business why don't you get in touch with R. M. SIMONS, Gen'l Ag't HOME LIFE INSURANCE CO., 115 Broadway, New York.

Quick action, prompt service, personal attention and liberal commissions.

Phone, Rector 4287

THE MOST VALUABLE POLICY FOR YOU,
Mr. Agent, is to write your prospect in the Company writing the most valuable policy for the insured.
Secure **prompt action** in the

John Hancock MUTUAL LIFE INSURANCE COMPANY OF BOSTON MASSACHUSETTS

WILLIAM N. COMPTON, General Agent
METROPOLITAN DISTRICT, ST. PAUL BLDG., 220 BROADWAY, NEW YORK, N. Y.

We want a GOOD PERSONAL PRODUCER and organizer for DESIRABLE TERRITORY in several states west of the Mississippi River. EXCELLENT CONTRACT.

Northwestern National Life Insurance Company
MINNEAPOLIS, MINNESOTA,

is a LEADING LOW NET COST, annual dividend, MUTUAL, OLD LINE company. Record for 1916—increase in insurance in force, 20%; in paid-for business, 51%; in assets, 15%; in amount apportioned for 1917 dividends, 71%.

A PENN MUTUAL PREMIUM, less a PENN MUTUAL DIVIDEND, purchasing a PENN MUTUAL POLICY, containing PENN MUTUAL VALUES, make an INSURANCE PROPOSITION which in the sum of ALL ITS BENEFITS, is unsurpassed for net low cost and care of interests of all members.

THE PENN MUTUAL
Life Insurance Company
OF PHILADELPHIA

On January 1, 1909, rates were reduced and values increased to full 3% reserve

Are You Permanently Established?

Write for Territory

Pennsylvania—Ohio—West Virginia

PHILADELPHIA LIFE INSURANCE CO.
PHILADELPHIA

40% **Increase in Paid New Premiums—that tells the 1916 story of Fidelity progress.**

Direct leads and the Fidelity "Income for Life" plan are making money for Fidelity field men. Any man who can sell life insurance can sell MORE Fidelity insurance.

Write to-day—

Fidelity Mutual Life
INSURANCE COMPANY, PHILADELPHIA

INCORPORATED 1878 WALTER LE MAR TALBOT, President

Maturities on Life Income Policies

RESULTS FOR PAID-UP AND ENDOWMENT CONTRACTS

Illustrations By Mutual Life Insurance Company—Based on Ages 35 and 35

Some time ago the Mutual Life Insurance Company illustrated the method of making a continuous payment life income policy paid up. The policy in the illustration was based on ages 35 and 35, and a monthly income of $10.

"It will be interesting to look further and discover how soon this same policy will mature as a continuous instalment, or life income, endowment policy providing a joint and survivor life income," says "Points," and continues: "If all dividends are allowed to remain with the policy in the form of paid-up additions, and if the 1917 dividend scale continues in force, the paid-up additions outstanding at the beginning of the thirty-fifth policy year will amount to $1,208. The cash value of this paid-up insurance at the end of the thirty-fifth policy year, at the attained age of 70, will be $938.29, and the dividend accruing on this paid-up insurance will be $13.00. Adding to this latter sum of $13.00 the dividend of $27.42, accruing on the original amount of insurance, makes the total cash dividend, at the end of 35 years, $40.42. The guaranteed cash value of the original insurance at the attained age of 70 is $1,131.17. Adding these items together, we have a total cash value of $2,109.88.

Will Not Mature as Soon as Regular Ordinary Life

"The commuted value of the instalments payable for 20 years certain is $1,838.88. Deducting this latter sum of $1,838.88 from the total cash value of $2,109.88, leaves a remainder of $271.00. At the attained ages of 70 and 70 the consideration for a joint and survivorship annuity deferred for 20 years, and providing a monthly income of $10, beginning 20 years hence, is $238.55. Deducting this sum of $238.55, the single premium of the deferred joint and survivorship annuity, from $271.00, the sum available for the purpose, we have an excess amount of $32.45, which is payable in cash. Thus it is evident that under these conditions the continuous premium life income policy issued at ages 35 and 35 will not mature as an endowment as soon as a regular ordinary life policy, issued at age 35, by three years.

"The time in which a continuous instalment, or life income, policy will become paid up or mature as a life income endowment depends upon the ages of both the insured and the beneficiary. For example: if the beneficiary of this continuous payment life income policy were 50 years of age at issue of policy instead of 35, the amount of cash available for making the contract paid-up would be the same, but the amount required would be less. The difference is in the amount required for paying in a single sum the remaining premiums payable on the deferred survivorship annuity. The net single premium of a joint life annuity of $4.65 is less at ages 75 and 60 than at ages 60 and 60. Moreover, when the beneficiary is 50 years of age at issue of contract the premium for the deferred survivorship annuity part of the contract is only $1.15 instead of $4.65, as would be the case if the beneficiary were 35 years of age at issue of contract. Consequently, as a result of these two conditions, the amount required for paying in a single sum the remaining premiums payable on the deferred survivorship annuity part of a life income policy, of which the beneficiary was of age 50 at its issue, would be only a fraction of the amount required for the same purpose if the beneficiary were 35 at issue of contract. This result would either make the contract become paid up in a shorter time than 25 years, or it would increase the amount of surplus cash payable to the insured at the time when the policy became paid up.

Conclusions

"Likewise, the amount of cash available for making the contract mature as a continuous instalment endowment would be the same, but the amount required would be less. The difference is in the cost of the joint and survivor annuity deferred for 20 years. This will be less when the beneficiaries are of the attained ages of 85 and 70 instead of 70 and 70. This result would either make the joint income begin before the beneficiaries have attained the ages of 85 and 70, or it would increase the amount of surplus cash payable to the insured at the time when the income began.

"If the insured were 35 years of age but the beneficiary less than 35 years of age, these paid-up and endowment results would be reversed."

A QUESTION ANSWERED

If a man buys a 20-payment life contract with an amendment for a waiver of premiums and income in event of total and permanent disability, and allows his dividends to accelerate into a 15-payment life, will it be necessary for him to continue the premium for the rider during the next five years or will the acceleration by dividends automatically stop all premiums?—was a question recently asked the Phoenix Mutual. The Company's answer follows:

If a disability premium with income rider is attached to a policy and the dividends are left to accelerate the contract, we would not apply those dividends to pay up the policy, leaving the premium on the rider to be paid by the insured. We should wait a little longer, until the accumulations were larger, and then apply them to pay up the policy in full as a full paid life contract with income rider.

This would mean that the time when such policies would be fully paid up by the application of the dividend would be extended for one or two years; just how long cannot be definitely stated. However, you could not assume that the policy having a rider would be fully paid in the same period as the policy having no rider.

THREE FACTORS IN SUCCESS

A. F. Rody, agent for The Prudential at Cleveland, Ohio, said recently:

I attribute my success as an agent to three reasons:

Thinking big things;
Enthusiasm;
Care of details.

The
Perfect Protection Policy
OF THE
RELIANCE LIFE

gives you something absolutely new and different to talk to your prospects. Gives you a chance to earn more money than you are now making.

Our Life Insurance Contracts contain the most up to date clauses known to the Insurance World. The Accident and Health gives full protection for at least a third less cost than regular casualty companies. Our agency contracts are as liberal as can be made.

WRITE AND WE WILL TELL YOU MORE ABOUT OURSELVES

Reliance Life Insurance Company of Pittsburgh
FARMERS BANK BUILDING
PITTSBURGH, PENNSYLVANIA

PURELY MUTUAL **THE** CHARTERED 1857
Northwestern Mutual Life Insurance Co.
MILWAUKEE, WISCONSIN
GEO. C. MARKHAM, President
Insurance in Force, $1,505,464,984
SATISFIED POLICYHOLDERS each year apply for over 35% of the new insurance issued.
POLICIES MOST FLEXIBLE AND EASY TO SELL
Complete Agency Protection:
Enforced Anti-Rebate and No-Brokerage Rules
Investigate before selecting your Company
Write GEO. E. COPELAND, Supt. of Agencies, Milwaukee, Wis.

Ambitious, Productive and Trustworthy Life Agents may be benefitted by corresponding with the
Berkshire Life Insurance Company
of Pittsfield, Mass.
Inc. 1851
New policies with modern provisions Attractive literature
W. D. Wyman, President W. S. Weld, Supt. of Agencies

FEDERAL LIFE GAINS

The Federal Life, of Chicago, made rapid progress during 1916 in all departments. The Company now holds assets of $3,914,445, an increase of $323,701 for the year. A gain of $1,026,322 was made in new paid insurance, and the insurance in force as of December 31, 1916, totals $22,655,547. The total income during 1916 amounts to $1,055,849. The dividends payable to policyholders during 1917 approximate $27,566.49, an increase of 33 1/3 per cent. over last year.

PASSES HALF BILLION MARK

The Travelers passed the half billion mark on March 1. At the close of that day the Company had $500,239,035 life insurance in force.

Build Your Own Business
under our direct general agency contract
Our Policies provide for:
Double Indemnity, Disability Benefits, Reducing Premiums
See the new low Rates
JOHN F. ROCHE, Vice-Pres't
THE MANHATTAN LIFE INSURANCE COMPANY
66 BROADWAY NEW YORK
Organized 1850

BANKERS BLCo LIFE DES MOINES COMPANY
PAYS GOOD PAY TO GOOD MEN

ORGANIZED 1871
Life Insurance Company of Virginia
RICHMOND, VIRGINIA
OLDEST, LARGEST STRONGEST
Southern Life Insurance Company
Issues the most liberal forms of Ordinary Policies from $1,000.00 to $50,000.00, and Industrial Policies from $12.50 to $1,000.00
CONDITION ON DECEMBER 31, 1916:

Assets	$14,464,552.23
Liabilities	12,436,717.56
Capital and Surplus	2,027,834.67
Insurance in Force	118,349,212.00
Payments to Policyholders since Organization	18,119,172.50
Is Paying its Policyholders over	$1,300,000.00 annually

GOOD TERRITORY FOR LIVE AGENTS

Coupon Options of New Jersey Life

CONTRACT BEING FEATURED BY NEW COMPANY

Making Good Start in Native State—$100 Paid By Draft Immediately

The New Jersey Life Insurance Company has made a number of appointments in New Jersey and a considerable amount of business has already been written.

Attached to policies is a draft for $100. At the top of the draft the Company says: "To the Beneficiary: In case of death of the insured, take the policy, together with all receipts and other papers connected with it to your banker, cut out this sight draft, sign it, and fill in the name of the bank on the face, and in accordance with the terms of the draft you can get $100 of this insurance without even the short delay incident to the formal and final proof of claim."

Coupon Options

The guaranteed coupon options of the policy, which have attracted a great deal of attention among life insurance men, follow:

Option I. Twenty Payment Life, Decreasing Premium: Beginning with the second year, each of the annual premiums payable hereon, of the amount shown on the first page hereof, may be reduced by the amount shown on the coupon, attached hereto, which bears the date on which said annual premium shall become due, and the company will accept on that date or within thirty-one days thereafter, the said coupon in partial payment of the annual premium then due; or

Option II. Savings Accumulation: If the premium for the year commencing on the date of any coupon remaining attached hereto shall have been paid in full in cash without use of the said coupon, the amount shown thereon shall be placed to the credit of the policy, and interest thereon, compounded annually at the rate of three and one-half per cent., shall also be credited from the same date; any part of the amounts so credited may be withdrawn by the insured at any time on surrender to the company of the coupons representing such credits, and interest on the amount so withdrawn shall then cease. Any balance remaining to the credit of the policy under this option shall be paid in cash by the company to the insured or the beneficiary in any settlement thereunder; or

Option III. Paid-up Policy for Face Amount in Fifteen Years: If all premiums due hereon, shall have been paid in full in cash, and all of the amounts credited as in Option II shall have remained with the company, the insured shall have the option, at the end of fifteen years from the date of the policy, of then surrendering to the company the accumulated amount of the coupon and interest credits and the coupons representing the same, whereupon this policy shall become fully paid for the face amount of insurance hereunder, and endorsement to that effect shall be made by the company on the policy on presentation at its home office; or

Option IV. Endowment: If all premiums due hereon shall have been paid in full in cash and all of the amounts credited as in Option II shall have remained with the company at compound interest during.....years from the date of this policy, and no coupons shall have been detached therefrom, it may mature as an endowment at the end of that period, on written request of the insured, and on surrender to the company of the policy and coupons, together with all coupon and interest credits then existing, and the amount of said endowment shall not be less than the face amount of this policy, and shall be composed of the then full reserve on the policy and the said coupon and interest credits.

Additional Cash Payments: Any balance of coupon accumulations above the amount necessary at net single premium rates to make the policy paid-up, or to mature it as an endowment for the face amount thereof, under the provisions of the above options, shall be paid in cash to the insured; or

Option V. Additional Insurance: If the premium for the year commencing on the date of any coupon shall have been paid in full in cash without the use of the said coupon, the amount shown thereon may, on the said date or within thirty-one days thereafter, on written request of the insured and on surrender of the said coupon to the company, be applied by the company, without medical examination, as a single premium, at the company's rates then in force, and at the age of the insured at that time, to purchase additional paid-up non-participating life insurance. Such additional insurance may be surrendered on any subsequent anniversary of the policy or within thirty-one days thereafter, for its cash surrender value or the said value may be applied to reduce any subsequent premium, or may be drawn in cash by the insured. The said additional insurance may be applied, on any policy anniversary or within thirty-one days thereafter, to increase the paid-up value, or its cash value applied to increase the cash or loan values, under this policy. If the extended insurance specified on the third page hereof shall have become operative, any said paid-up insurance remaining in force shall be paid to the beneficiary hereunder with the face amount stated on the first page of this policy, if the insured shall die before the end of the extended insurance period or the cash surrender value of such remaining additional insurance shall be paid to the insured, if living, on the expiration of the extended insurance period, or said value may previously be paid to the insured on demand.

The above options refer only to those coupons which shall have been attached hereto at the time this policy was issued and to the provisions and amounts then appearing on the same.

Guaranteed Non-Forfeiture Values and Benefits

If any premium is not paid on the day it falls due the policyholder is in default, but after payment of the first premium hereon, thirty-one days of grace will be allowed in payment of subsequent premiums, during which time the policy shall remain in full force. In case of death during the grace period, any premiums remaining unpaid, with interest thereon, at the rate of six per cent. per annum, shall be deducted from the amount of insurance payable hereunder.

Automatic Extended Insurance

If any premium payable after the third year from date hereof shall not be paid on or before the date when due, the full amount of insurance hereunder will, without action upon the part of the insured, automatically continue from said due date as term insurance, during the term, including the period of grace, specified in column three of the accompanying table; such term insurance shall be without disability, loan or surrender value benefits.

Loans: At any time after three full years' premiums shall have been paid hereon, and while this policy is in force, the company will advance, on the execution of a proper loan agreement by the insured and by the assignee or irrevocable beneficiary, if any, under this policy, and on the sole security thereof, an amount which, with interest thereon to the end of the current policy year, shall be equal to, or at the option of the owner less than, the cash value at the end of said year, as shown in column one of the table of values given below; the amount of such advance shall be reduced by any existing loan hereon with accrued interest and by any unpaid portion of the premium due or to become due during the said policy year and by interest on the said loan to the end of the said year. Interest on the loan will be at the rate of five per cent. per annum, payable in advance at the beginning of each policy year, and this interest, if not paid annually, shall be added to the existing loan and shall bear interest at the same rate. Failure to repay any such advance or to pay interest shall not avoid this policy unless the total indebtedness hereon to the company shall equal or exceed the cash value at the time of such failure, nor until one month after notice shall have been mailed by the company to the last known address of the insured or of the assignee of record, if any, at the home office of the company.

Total Disability Benefit

After one full annual premium shall have been paid, and before default in payment of any subsequent premium, if due proofs shall be furnished to the company that the insured has become wholly disabled by bodily injuries or disease, and will be permanently, continuously and wholly prevented thereby for life from pursuing any and all gainful occupations, the company will agree, by endorsement in writing on this contract, to pay the face amount of insurance under this policy, in twenty equal annual instalments, or ninety-three per cent. of the said face amount in fifteen equal annual instalments, or eighty-five per cent. of the said face amount in ten equal annual instalments to the insured or the executors of the insured, and will continue to make annual payments of the same amounts during the life of the insured, after the said twenty, fifteen or ten instalments shall have been paid; the said instalments and payments to be in lieu of all other benefits under this policy. The first instalment shall be paid immediately on acceptance by the company of due proofs of the said total disability. Payment of premiums on this policy shall cease when endorsement of the disability benefit shall have been made hereon.

The loss of the sight of both eyes, or the severance of both hands or of both feet, or of one entire hand and one entire foot, will constitute total and permanent disability, without prejudice to other causes of disability, under the conditions specified herein.

It is further agreed, that should the insured subsequently recover from the said disability, so as to be able to engage in any gainful occupation, payment of instalments shall immediatey cease.

An Office doing business in Eastern Pennsylvania could use a good Life Insurance Company in this territory.

Address "KEYSTONE"
Care of The Eastern Underwriter
105 William Street, New York, N. Y.

HOME LIFE INSURANCE CO.
(Now Purely Mutual)
256 BROADWAY, NEW YORK
GEORGE E. IDE, President

The fifty-seventh annual report shows insurance in force of $133,493,000, an increase during the year of $7,832,827. The Company paid the policyholders in 1916 $3,536,233, of which $628,406 was in dividends or premium refund. Its insurance reserve fund was increased by $1,300,000 and the Assets are now $32-821,462.

For Agency apply to
GEORGE W. MURRAY,
Supt. of Agts.
256 Broadway, New York, N. Y.

ALWAYS A PLACE FOR DEPENDABLE AGENTS

Those who can not only write applications but deliver policies, and are energetic in their methods. Good positions are ready for such men.

Union Mutual Life Insurance Co.
PORTLAND, MAINE
ARTHUR L. BATES, President
Address: ALBERT E. AWDE
Superintendent of Agencies
7 W. Madison St., Chicago, Ill.

WE have room just now for two or three good men—not the Million Dollar producer who takes it out in talk, but the man who can average $100,000 of personal business, plus experience in appointing and working with agents. Men who become valuable to this Company grow in value to themselves. We cannot guarantee your success, but we will give you a real opportunity, then it's up to you. Would you like to hear about it further?

Pittsburgh Life and Trust Co.
Home Office, Pittsburgh, Pa.
HOWARD S. SUTPHEN
Vice-President & Manager of Agencies

The Connecticut Mutual Life Insurance Company,
PRESIDENT JOHN M. TAYLOR, HARTFORD, CT.
Insurance in force, 107,262 Policies for..... $253,439,405.12
WHAT NO OTHER COMPANY HAS DONE
To repay to its Policyholders in Death Claims, Endowments, Dividends, Surrender Values, Annuities and other credits more than they have paid to it in premiums. It stands alone in that result.
Total premiums received, Dec. 1, 1846, to Dec. 31, 1916 ..... $310,337,255.71
Total returned to Policyholders, as above noted, in same period..... 319,548,729.00
Excess of amount returned..... 9,211,473.29

FOUNDED 1865
Unexcelled In Favorable Mortality and Economy of Management
The Provident Life and Trust Company
OF PHILADELPHIA
Rates of Premium Extremely Low and still further reduced by Annual Dividends

Has 2,000,000 Policy Holders at Front

HOW WAR AFFECTS PRUDENTIAL, OF ENGLAND

Has Paid 90,000 Claims—Business Grows Despite War—Huge Participation in Loans

The annual report of the Prudential Assurance Company, Limited, of London, always of interest, is particularly worth reading this year because of the world war and its relation to the Prudential. In the industrial branch the premiums collected amounted to nearly £8,900,000, or nearly £400,000 more than in 1915. In the ordinary branch the premiums collected amounted to £5,250,000, and the payments for claims in the two branches reached more than £9,000,000. There were individual collections of 1,000 millions.

Waived Extra Premiums on Existing Policies

At the outbreak of hostilities the directors made the voluntary concession that they would waive the extra premiums for war risks on practically all policies existing at that date. This course the directors have continued down to the present time, and will continue so to do. During 1916 the war claims amounted to £1,077,000, or nearly double the amount of the previous year. The war claims approximate one-third of the fatal casualties, and, though these have been less numerous of late, the Prudential's total payment through war claims reached £2,000,000 by the end of March. It is estimated that the number of Prudential policyholders now serving with His Majesty's forces exceeds 2,000,000.

In the ordinary branch the surplus disclosed is £1,418,240. In the industrial branch it is £1,000,892, a little less than that for 1915.

How Government Has Been Assisted

The assistance the Company has been able to render the Government financially is of two kinds. In the first place it has invested all available funds in the various Government short-term issues made during the year, and in this way has increased its holding of Government securities by over £4,500,000 as of December 31, 1916. Second, it has placed at the disposal of the Treasury all its holdings of foreign and British securities which were asked for under various schemes for equalizing exchange. The amount of securities thus deposited, or sold by the Company during 1916, amounted to nearly £7,000,000. It had thus sold or lent to the Government up to the end of the year since the outbreak of the war no less than £15,500,000 of securities.

In discussing securities Chairman Sir Thomas Dewey, said:

Depreciation of Securities

"Turning now to the subject of depreciation of investments, it will be remembered that at this time last year many classes of securities were still under the restriction of minimum prices, and it was necessary for us to estimate their values. On the removal of these artificial barriers we found that the valuation we had made closely approximated to the actual salable values, and it was not until the issue of 6 per cent. Exchequer bonds in July last that any further appreciable variation in the values of our high-class securities occurred.

"Since that date, however, there has been considerable depreciation, and we have accordingly again had to adopt the course of carrying substantial amounts to our investments reserve funds. In the ordinary branch we have, as already stated, added the sum of £400,000, bringing the fund to £2,000,000, and in the industrial branch we have added £415,082, which, after deducting £15,082 for realized losses, brings the fund to £1,400,000. The further addition of £800,000 to the contingency fund in the ordinary branch, which now stands at £1,500,000, brings our war-time reserves of every nature to the grand total of £5,250,000.

"In view of the instability of prices still ruling on the Stock Exchange, we have not attempted to use these reserve funds to write down values of securities, but we are retaining them until more settled conditions prevail. I am hopeful, however, that we are entering on a period of more stable prices, and I am encouraged in that hope by the statement of the Chancellor of the Exchequer that the Government will not make any future long-term issues on more favorable terms than the last one.

Huge Subscription to the War Loan

"Although, strictly speaking, not connected with the business of the year under review, I am sure you will be interested to have some particulars of our recent application for the Victory Loan. Some weeks before the issue was made your board recognized that a new Government loan was imminent, and accordingly made preparations to enable the Prudential to do its part. The result was that when the Chancellor of the Exchequer, shortly before the issue of the loan, honored me by requesting an interview and inquired to what extent the Company would support the proposed loan, I was enabled to give him the figure of £20,000,000. When, a few days later, the prospectus was issued, the Prudential was first in the field with a lead which, I venture to think, helped in some measure to secure the wonderful success of the loan. Subsequently, by arrangement with our bankers, we were enabled to increase our application to £25,000,000. The figures making up this total are of interest in themselves, by reason of their magnitude alone, and are as follows: Fully paid application, £12,102,000; instalment application, £7,625,000; conversion application, £5,275,000; making a total of £25,002,000. In addition the Company holds a further £2,400,000 Government securities not converted into the new loan.

Change in the Character of the Company's Assets

"It is patent to you all, from these figures, that a vast change has been effected in the charter of our assets during the past three years. When the war commenced we had under 2 per cent. of our total funds in British Government securities. At the present time we hold over 25 per cent. of our total assets, or, to put the matter in a different way, over 46 per cent. of our Stock Exchange securities are represented by British Government securities. In other words, the credit of the Prudential stands or falls with the British Empire, and I would not have it otherwise. I feel convinced that the course we have followed is, happily, not only that of our duty to our country, but it is in the best interest of shareholders and policyholders, and I am sure that not one of you would have us deviate from the path we have chosen. Our secretary reminds me that I might mention that our borrowing powers according to our articles are only £2,000,000, but the Government have promised to give facilities in a bill which has been introduced to enable larger sums to be borrowed for this purpose, and to indemnify us against acting contrary to our regulations.

The Staff and the War Loan

"In connection with the war loan, the Company inaugurated a scheme to enable the staff to take up further amounts of war loan by paying the amount of the deposit, the Company being willing to advance the balance upon advantageous terms, with easy repayments over a number of years. The scheme was received with enthusiasm, and notwithstanding the impossibility of communicating in time with a large number of the staff absent on service, over 2,200 applications were received up to the day of the closing of the loan. It is pleasing to record that 1,549 applications were received from members of the outdoor staff, and 667 applications from the indoor staff, of which nearly 200 were lady clerks. The total amount of the war loan held on behalf of our staff, including investment in the staff provident fund, is £376,000."

44 MILLIONS from 42 AGENCIES

THE 1916 RECORD OF OUR EARNEST, LOYAL AND HAPPY AGENCY FORCE

New England Mutual Life Insurance Company

BOSTON, MASS.

Business Attending to Business

General business is prosperous and the public confidence is proof against all alarms. Our deliveries for the first three months were much larger than for the first quarter in 1916. Patriotism requires that business shall attend to its business with the utmost zeal, that the stability of finance may remain unshaken; even as patriotism requires that every American shall support the government by such means as are his to contribute, that our country may be invincible.

Occasionally we have a general agency opening.

JOSEPH C. BEHAN, Superintendent of Agencies

MASSACHUSETTS MUTUAL Life Insurance Company

Springfield, Massachusetts

Incorporated 1851

Asks Agents To Solicit Group

GENERAL AGENT ROBERT J. MIX DISCUSSES SUBJECT

Employe Covered By Group Makes a Good Prospect for Additional Insurance

One of the first of the letters sent by general agents to agents urging the solicitation of group insurance comes from the pen of Robert J. Mix, of The Prudential in New York City. It is subjoined.

"For two reasons I want to have a word with you about group insurance.

"The first is that, in so far as you are concerned, if you take hold of this proposition and push it, you can make a lot of money for yourself and your family. The second reason is that the Company—The Prudential—is naturally anxious to secure its share of the enormous amount of group insurance which is undoubtedly going to be written in this country during the coming years!

"Now, please don't get the idea that pushing this business is going to take a lot of your time without commensurate cash returns. That need not be the case at all if you take hold of the business right! What do I mean by 'taking hold of the business right'? I answer in this way:

"First of all, you should have in your possession our rates for this kind of insurance. Then you should immediately make it your business to call on all firms or individuals that are employing one hundred or more people, and seek to interest the heads of these firms or corporations in this matter of insuring their employes. The circular which our people have gotten out showing the importance of group insurance to employers of labor covers the ground very satisfactorily, and I shall not enumerate in this letter the reasons why so many employers are taking out these group contracts and why so many thousands of other firms will do the same thing in due course.

"As soon as you have interested an employer of labor, ask him to delegate one of his employes—the timekeeper, or some other subordinate—to ascertain the ages of the employes, and on a regular form which we have prepared for this purpose, set down the number of men and women employed in the respective occupations. As soon as you have this in hand, submit it to me, and the Company will quote a rate after they have sent a man to investigate the plant. That's all there is to it!

"It is splendid advertising for a company to secure this business and it is obvious to you that if an employe has been covered by a group contract it is going to be comparatively easy for you to interest him in an additional policy taken out on his own account with the company that is carrying his group protection."

ALBANY UNDERWRITERS MEET

Patriotism was in the air at the recent monthly meeting of the Capital District Life Underwriters' Association held last week. Dr. John H. Finley, Commissioner of Education, State of New York, read his famous "Liberty Forever" policy; Dr. A. R. Brubacher, president State College for Teachers, Albany, N. Y., and Dr. W. W. Foster, Jr., ex-president of Beaver College, also spoke. Five new members were admitted to the association, as follows: S. W. Simmons, Provident L. & T.; H. C. Bull and W. A. G. Linn, Fidelity Mutual; E. D. Northrup, Germania, and P. J. Burke, Prudential.

LIVE HINTS FOR BUSINESS GETTERS

Practical Suggestions to Help the Man With the Rate Book Increase His Income and General Efficiency

I Am in Debt and Want to Pay Out

T. K. Scott, of Scott & Sons, managers in Cook County of the Illinois Life, is the author of the following soliloquy on debt:

There are debts and debts. There are justifiable debts, and there are the other kind. Most corporations and many rich and prosperous men incur debts, but in nearly all cases have something back of the obligation to secure the repayment.

Much depends on how a man gets into debt. Possibly you have borrowed money simply on your personal reputation or on the strength of your business position. If so, you should be much worried about how you are going to get out. The cancellation of this burden of debt depends solely on your life, and your wife and family will really bear the burden in case of your death. They are, in effect, carrying your risk and would suffer pecuniarily if your productive life suddenly ends. There is little need for you to carry the responsibility when you can, at a moderate cost, transfer the risk to a company whose business it is to perform just that kind of service.

If you have put up security for your debt, that collateral should certainly be protected against loss by your death. You have no moral right to encumber your assets or estate which really belong to your wife and family. Those assets have been created by you for them and should be placed beyond the possibility of forfeiture, depreciation or loss, should you be taken off prematurely.

A life insurance premium is not a debt in the ordinary sense of the word. True, it is an obligation, falling due once, twice or four times a year, but it differs from all your other debts in that it provides the means for cancelling these other obligations.

When I persuade you to set aside $50, $100 or $500 for insurance premium, I am not increasing your present obligations. I am simply asking you to secure these obligations with a part of the money you would use to reduce your debts. None of your creditors would object.

Suppose you have ten creditors to whom you owe an aggregate of $5,000, and you are paying off at the rate of $1,000 annually; it would be good business policy for you to deduct $140.95 from that $1,000 each year, to pay the premium on $5,000 life insurance. This would mean a very insignificant deduction from each, and I am sure not one of them would offer the slightest objection to your method. You believe and they believe that you will pay them off in time if you live, but should death intervene, their claim is safer for your having the insurance policy. Of course, you want to pay out. Your creditors also want and expect you to pay out. They will be only too glad to wait a little longer for their money when they know you have safeguarded their interests in this way.

A life insurance policy is good collateral. A man in the painting business found himself short for his payroll one Saturday. He took to his banker a schedule of his bills receivable, and a list of his stock-in-trade, and a life insurance policy I had sold him some time previously. He submitted these to the cashier and said he needed $200 for his payroll. The cashier said "all right" and made out a thirty day note for $200. When the transaction had been completed, the man said, "Mr. Cashier, which of these three documents do you consider my best asset in asking for this accommodation?" The banker replied, "While these bills receivable may be all good and collectible, that remains to be seen. Your schedule of merchandise I would have to get someone to appraise. But this life insurance policy, I know, is good, and in making this loan, I consider it your best asset. I know, if you die, the proceeds of this policy will not only pay back this loan but everything else you owe."

It is comparatively easy to get into debt, and difficult to get out. Your case is not unusual. You want to be free of debt. You intend eventually to have all your debts cleared off. That may happen if you live. That is where you take a long chance. It is unfair to your dependents to encumber your estate, for it comes out of their pockets if you die. Better protect yourself and those you love with a good policy that will be paid at your death without deductions, without probate and without delay.

* * *

Three Kinds of Men Who Put off Insurance

A. J. Sullivan, of the Aetna Life in Los Angeles, recently produced seven applications a day in a contest. He says that he runs across three kinds of men whom he cannot write on first interview.

The first class consists of prospects who can be written on the second or third interview or within a short time after the first interview. An active agent knows this kind of prospect and closes him without any delay. The second class consists of prospects who for some good reason must defer taking up the insurance until later. An active agent hoards up these prospects as rich pickings for the very near future and when the proper time comes has no trouble in getting the business. The third class consists of the prospects who merely take up the agent's time and never really intend to buy. An active agent gets on to this class and turns them over to his competitor.

When the recent Aetna-Pittsburgh-Los Angeles Contest started the writer had a substantial list of the second class as above decribed numbering 199 names. He was unable to interview all of that number but did succeed in closing 73 cases.

The particular advantage of having this list is that you have already interviewed each prospect and know just what each wants and consequently when you make a hurried call during a contest period, you can close your cases up with speed.

THE
METROPOLITAN LIFE
Insurance Company
(Incorporated by the State of New York)



Metropolitan Life Insurance Company
Home Office Building

The Company
Of the People
By the People
For the People

The Daily Average of the Company's Business during 1916 was:

701 per day in Number of Claims Paid.

8,304 per day in Number of Policies Issued and Revived.

$1,969,823 per day in New Insurance Issued, Revived and Increased.

$376,827.40 per day in Payments to Policyholders and Addition to Reserve.

$220,509.26 per day in Increase of Assets.

JOHN R. HEGEMAN, President

LONG-TERM ENDOWMENTS

The chief motive in taking out life insurance should be an unselfish one, but many men dislike the idea of getting nothing for themselves. A long-term endowment, costing but little more than a life policy, affords such a man protection that will last until his children are grown up. Then he can draw the proceeds for himself and his wife in their old age. You may be able to sell him a 30-year endowment policy when nothing else would appeal to him, and the placing of any kind of a policy makes a splendid foundation for the kind you think he ought to have, later on.

Representing

The Mutual Life Insurance Company
of New York

You will make money.

The great strength, big dividends and incomparable benefits of the *"oldest company in America"* mean certain success for you.

For Terms to Producing Agents, Address

GEORGE T. DEXTER, 2d Vice-President

34 NASSAU STREET, NEW YORK, N.Y.

FEDERAL INHERITANCE TAX

Mutual Life's "Points" Discusses Amendment Making Increase—Endorsement of Insurance

"Points," the publication of the Mutual Life, is an exceedingly valuable publication for the agency corps of that Company. Its article on the Federal Inheritance Tax a few weeks ago was widely quoted and has been instrumental in swinging a number of large cases. In this week's issue the amended Federal Inheritance Tax of March 3 is printed, together with the following comments:

"In the last number of 'Points' there appeared an article explanatory of the Federal Inheritance Tax. It was pointed out that this new tax, in combination with the State inheritance taxes, provided the agent with a formidable canvassing argument to present to wealthy men, as through life insurance these severe taxes could best be met by his estate in the event of death.

"Since the publication of the article, Congress has made very substantial increases in the tax by an act passed on March 3.

"Also since the publication of the article in 'Points,' J. Pierpont Morgan, head of the great Morgan banking house, and regarded as this country's greatest financier, has taken out life insurance in the amount of $2,500,000 for the express purpose of meeting inheritance taxes. Life insurance has never received a more striking endorsement than this and, while the story is fresh, agents should impress it upon the minds of all wealthy prospects. Emphasize not only the fact that Mr. Morgan's insurance is the largest amount ever written at one time, but that it was taken out largely for the purpose given above."

AN ATTRACTIVE SHIELD

The new blue and steel gray shield of the Massachusetts Mutual Life, on the front page of the special issue of the Company's publication, "The Radiator," covering the Chicago convention of the Company, attracted the most favorable attention of the agency corps.

Joint Meeting of Actuaries and Doctors

FIRST OF KIND EVER HELD IN THIS COUNTRY

Discuss Insurance of Women, Selection From Executive Standpoint and Other Topics

A joint meeting of more than one hundred and fifty actuaries and medical men was held at the Hotel Astor on Friday, the first meeting of the kind.

The joint meeting of the two scientific branches of life insurance was the result of the gradually increasing feeling of each that it could obtain help from the other. In most companies the actuaries and medical directors, in more or less formal manner, have in recent years been co-operating with each other, but the present meeting was the first organized attempt to bring the medical directors and actuaries generally into conference over common subjects. To a great extent the calling of this conference may perhaps be attributed to the medico-actuarial investigation which was conducted by the two societies through a joint committee, and through this committee the societies came to know each other and appreciate each other's work in a way they had not before.

Speakers at Banquet

The meeting was followed in the evening by a dinner which considerably over a hundred of the members attended. At the dinner the speakers were: George E. Ide, president of the Home Life; John M. Holcombe, president of the Phoenix Mutual; David E. Kilgour, actuary North American Life; Dr. Homer Gage, medical director of the State Mutual, and president of the Association of Medical Directors; John B. Lunger, vice-president of the Equitable Life; and Dr. Thomas H. Willard, medical director of the Metropolitan Life.

The sentiment was very strongly in favor of holding a similar meeting again next year.

The subjects for and the leaders of discussion at the business meeting were as follows:

1.—Insurance of Women.

Dr. E. W. Dwight, medical director, New England Mutual Life Ins. Co., Boston, Mass.; Henry Moir, actuary Home Life Ins. Co., N. Y.; Dr. W. A. Jaquith, medical director Prudential Ins. Co., Newark, N. J.; Arthur B. Wood, actuary Sun Life Assur. Co., Montreal, Canada.

2.—The Problem of Selection from the Standpoint of an Executive Officer.

J. K. Gore, vice-president Prudential Ins. Co., Newark, N. J.; Dr. G. M. White, second vice-president Mutual Life Ins. Co., N. Y.; E. E. Rhodes, vice-president Mutual Benefit Life Ins. Co., Newark, N. J.

3.—Co-operation between Medical Director and Actuary in the Selection of Risks and Problems regarding the Reinstatement of Risks.

Dr. T. H. Willard, medical director Metropolitan Life Ins. Co., N. Y.; R. Henderson, actuary Equitable Life Assurance Society, N. Y.; Dr. Harry Toulmin, medical director Penn Mutual Life Ins. Co., Philadelphia, Pa.; W. A. Hutcheson, actuary Mutual Life Ins. Co., N. Y.

4.—Periodical Conferences between Medical Directors and Actuaries of a Company, and the Subjects which are most Suitable for Discussion.

Dr. Brandreth Symonds, medical director Mutual Life Ins. Co., N. Y.; Arthur Hunter, actuary New York Life Ins. Co., N. Y.; Dr. J. W. Fisher, medical director Northwestern Mutual Life Ins. Co., Milwaukee, Wis.; D. E. Kilgour, actuary North American Life Assur. Co., Toronto, Canada; E. B. Morris, actuary Travelers Ins. Co., Hartford, Conn.

5.—The Functions of a Committee for the Review of Border-line, Underaverage and Difficult Cases.

Dr. T. H. Rockwell, medical director Equitable Life Assur. Society, N. Y.; A. A. Welch, vice-president Phoenix Mutual Life Ins. Co., Hartford, Conn.; Dr. M. L. King, medical director New York Life Ins. Co., N. Y.; J. B. Gibb, actuary Penn Mutual.

CONVERSION OF TERM

During 1916 Northwestern Mutual Life Converted Total of $20,408,570 of Insurance

On Jan. 1, 1917, the Northwestern Mutual Life had in force $28,243,483 of renewable and $124,404,980 of convertible term insurance. These policies were issued with the expectation that they would be converted to some permanent plan of insurance.

During 1916 the total of $20,408,570 of term insurance was converted to permanent plans, as follows:

	Original Date	Present Date
R.T. to O.L.	$ 762,000	$ 3,462,350
" " Ltd. Pay't	668,000	323,500
" " Endt.	19,900	47,000
" " Single Pay't Life..	10,000	10,000
C.T. " O.L.	2,335,620	8,754,600
" " Ltd. Pay't	2,711,800	1,022,100
" " Endt.	196,700	84,000
" " Single Pay't Life..	.....	1,000
Totals	$6,704,020	$13,704,550
Age at Div-	Age at Div-	Age at Div-

COMPANY CONVENTIONS

February 18, 19, 20, and 21 are the dates for the next Phoenix Mutual convention, at Atlantic City.

The Travelers convention will be held at some place to be named later, on the Atlantic coast, in September.

Statement of the Ownership, Management, Circulation, Etc., Required by the Act of Congress of August 24, 1912, of The Eastern Underwriter, published weekly, at New York, N. Y., for April 1, 1917.

State of New York, County of New York, ss.

Before me, a Notary Public, in and for the State and county aforesaid, personally appeared William L. Hadley, who, having been duly sworn according to law, deposes and says that he is the Business Manager of The Eastern Underwriter, and that the following is, to the best of his knowledge and belief, a true statement of the ownership, management, etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, embodied in section 443, Postal Laws and Regulations, printed on the reverse of this form, to-wit:

1. That the names and addresses of the publisher, editor, managing editor, and business managers are:

Publisher, The Eastern Underwriter Co., 105 William Street, New York City.

Editor, Clarence Axman, 265 Central Park West, New, York.

Managing Editor, Clarence Axman, 265 Central Park West, New York.

Business Manager, William L. Hadley, Plainfield, N. J.

2. That the owners are: The Eastern Underwriter Co., 105 William Street, New York; Clarence Axman, 265 Central Park West, New York; Benjamin F. Hadley, Plainfield, N. J.

3. That the known bondholders, mortgagees, and other security holders owning or holding 1 per cent. or more of total amount of bonds, mortgages, or other securities are: None.

4. That the two paragraphs next above, giving the names of the owners, stockholders, and security holders, if any, contain not only the list of stockholders and security holders as they appear upon the books of the company but also, in cases where the stockholder or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting, is given; also that the said two paragraphs contain statements embracing affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona-fide owner; and this affiant has no reason to believe that any other person, association, or corporation has any interest direct or indirect in the said stock, bonds, or other securities than as so stated by him.

(Signed) William L. Hadley.

Sworn to and subscribed before me this 30th day of March, 1917.

Milton H. Levy.

(My commission expires March 30, 1917.)

FUNSTON'S INSURANCE

Major General Frederick Funston, U. S. A., well-known soldier and formerly Governor of the Philippines, died at age 51 in San Antonio, Texas, February 19, 1917, of angina pectoris, after an illness of two weeks, as the result of disease contracted in line of duty. The General's policies amounting to $30,000 had been in force from ten to fifteen years.

AETNA LEADERS

Manager H. B. Alexander of Nashville ranks first for 1916 in the amount of paid-for business in the Aetna Life. Second place goes to Manager F. B. Mason of Chicago.

CLASS TO TAKE INSURANCE

The 1917 class of Johns Hopkins University, Baltimore, have named a committee to arrange for insuring the whole class for $40,000, the University to be named as beneficiary.

R. D. Murphy, assistant actuary of the Equitable Life of New York, delivered an address on "Insurance," before the Men's Club of St. Paul's Church, Elizabeth, N. J. Mr. Murphy traced the early history of insurance and worked up to the present day system.

THE TRAVELERS
INSURANCE COMPANY | INDEMNITY COMPANY
HARTFORD, CONNECTICUT

WRITE THE GREATEST VOLUME OF

GUARANTEED LOW COST LIFE INSURANCE

AND

CASUALTY INSURANCE

THE OPPORTUNITY TO SUPPLY THESE INSURANCE NEEDS GUARANTEES AGENTS THE BROADEST FIELD AND THE LARGEST INCOME.

NATIONAL LIFE INSURANCE COMPANY
(MUTUAL)
MONTPELIER, VERMONT
67th Year
FRED A. HOWLAND, President

On paid-for insurance basis and with bonds valued at par only (market value $409,882 above par) the 67th report shows:

Assets	$66,426,040.82
Liabilities	62,268,494.36
Surplus	$ 4,157,546.46
INSURANCE IN FORCE	$212,037,400.00

A good company for the policyholder and the agent

EDWARD D. FIELD, Superintendent of Agencies.

Extracts from Report of Examination of
SOUTHWESTERN LIFE INSURANCE CO.
By the State of Texas, June 28, 1915

"It is noteworthy that this Company was organized without any promotion expenses."
"I beg to report further that I find the Company in excellent financial condition."
"The volume of its business has steadily increased, its surplus is growing rapidly and its funds are being carefully conserved under expert supervision."

Home Office, DALLAS, TEXAS



There Is Always Room At The Top

Come with us and it won't be so hard to get on.
Live ones win among IZZERS

Write to J. L. BABLER, Gen'l Manager Agencies

International Life
ST. LOUIS

THE EASTERN UNDERWRITER

This newspaper is owned and is published every Friday by The Eastern Underwriter Company, a New York corporation, office and place of business 105 William Street, New York City. Clorence Axman, President; B. F. Hadley, Vice-President; W. L. Hadley, Secretary. The address of the officers is the office of this newspaper. Telephone 2497 John.

Subscription Price $3.00 a year. Single copies, 15 cents.

Entered as second-class matter January, 4, 1907, at the Post Office at New York, N. Y.; under the act of Congress of March 3, 1879.

RIGHTS OF GERMAN COMPANIES

A famous authority on international law, John Bassett Moore, former counselor of the Department of State, has rendered an opinion on the status of the operations here of the German fire insurance companies and their contracts. In brief, his opinion is that the powers of the managers of the German fire companies would not be suspended in case of war, that the force of the policies would not be impaired, "and that the legal continuance of your business, which has been conducted in good faith as to its permanency, would not be affected by the existence of war between the United States and the country of original incorporation." Six reasons for his opinion are briefly given by Mr. Moore as follows:

1. The breaking out of war between two countries does not of itself terminate the legal capacity of citizens of the one country residing in the other to continue the conduct of their business.

2. In harmony with the principle above mentioned is the further principle that the property of an alien enemy on land is not as such subject to seizure and confiscation.

3. It has been repeatedly held in the United States and Great Britain that belligerent or neutral character in respect of business or commerce is determined not by political allegiance, but by domicile, which in belligerent, as distinguished from civil, relations signifies not so much the place of one's permanent abode as the place where the business or commerce has its seat and is carried on.

4. The branch establishments now in question have an American character far more precise and more permanent than that which is derived from an ordinary commercial domicile, and also they are to all intents and purposes domestic concerns.

5. Even in ordinary cases in which the person or company whose acts are in question does not hold a special or privileged position, contracts that do not involve intercourse between the countries at war are not forbidden or suspended.

6. It has been decided that under German legislation from the point of view of private law the citizens of an enemy State are to be protected in time of war just as in time of peace.

DUNBAR'S VINDICATION

The investigation of the Tennessee Insurance Department and its Commissioner, William F. Dunbar, not only resulted in a clear vindication of Mr. Dunbar, but the attack upon him resulted in an endorsement of his administration by hundreds of insurance men. He is one of the commissioners who has decidedly made good.

CANCELING RE-INSURANCE

In an action of the Globe & Rutgers against the Pennsylvania Fire before the Federal Court, growing out of the Woolworth store insurance of $1,787,500 by the Globe & Rutgers for Johnson & Higgins, portions being re-insured, the court has decided that notice of cancelation to local re-insuring company is not sufficient. The decision in part follows, Curtin & Brockie (referred to in the decision,) being Philadelphia representatives of Johnson & Higgins:

The action is one to recover a fire loss suffered under a policy of re-insurance known in insurance parlance as a "floater," covering a large amount of property in a number of States. The defense is that the policy had been canceled before the loss occurred, and the sole question on which judgment turns is whether Curtin & Brockie, on whom service of notice of cancellation was made, were agents of the plaintiff upon whom such service could competently be made. The evidence is without material conflict, and it would subserve no useful purpose to state it; nor need the applicable principles be elaborated. It is sufficient for present purposes to say that after a careful consideration of the points urged in the briefs and an examination of the authorities cited, I find myself unable to reach a different conclusion from that tentatively expressed at the trial, that in view of the nature and terms of the policy and the relation between the parties as disclosed by the evidence the question stated must be answered in the negative.

BOMBARDMENT INSURANCE

To stand in the way of the demand of the public for bombardment insurance at this time is against public policy. This is recognized by the departments, which are sponsoring legislative bills permitting the writing of bombardment; and by the companies which intend speedily to fix rates and the technical details of the coverage.

TAKE MORE OFFICE SPACE

The Crum & Forster Agency and Joseph Krischker, sprinkler insurance broker, have leased additional office space in the building at 95 William street, New York, through Charles B. Van Valen.

O. G. Orr, C. E. Dean, J. S. Wall, Wade Robinson and **F. H. Osborn,** who have for years been important factors in the marine and automobile agency of F. Herrmann & Co., surprised the Street this week with the announcement that they had combined in the organization of O. G. Orr & Co., Inc., to act as managers of the marine departments of the Continental, Fidelity-Phenix, Fireman's Fund and Scandinavian-American and of the automobile departments of the Security, of New Haven, and the Merchants' Fire, of New York. With the exception of the Continental and the Fidelity-Phenix, these companies have heretofore been represented by F. Herrmann & Co., in which agency are the Nord-Deutsche and the Mannheim, of Germany, for marine business.

THE HUMAN SIDE OF INSURANCE



EUGENE E. BRYANT

Eugene E. Bryant, of the Equitable Life Assurance Society in Springfield, Mass., and Sergeant of B. Company, 2nd Massachusetts Infantry, is now on guard duty, part of the time protecting bridges as a soldier and part of the time protecting homes by selling Equitable Life policies. In the cut printed above he is shown holding his own policy, which he had just received when he came from military guard duty to report at Frederic W. Fuller's general agency office of the Equitable in Springfield.

Cleon E. Krause, son of Clarence A. Krause, well-known Philadelphia local agent, who is at the American Ambulance Hospital in France, has been promoted to sergeant.

The men are divided into squads, six cars to a squad and thirteen men, an aid and a driver on each car and a sergeant. There is also a corporal who drives, the sergeant does not. The aids and drivers are privates; then comes the corporal, and then the sergeant, the highest officer in the squad. There was some trouble with the sergeant on D Squad, of which Krause was a driver, so he was dropped down to a private. The natural thing would be for the corporal to move up into the rank of the sergeant and appoint a new corporal, but that was not done in this case. Young Krause, a private, was jumped over the corporal's head and was made a sergeant.

In explanation of the promotion the captain said to Krause: "Although you have only been here two months that has been long enough for us to learn what is in you. You understand a car perfectly, have done your work earnestly and honorably; you have not had to be told what you were to do, or even ask if there was anything to be done, but instead have gone ahead and not only did your work but other fellows' as well."

* * *

MacMillan Weddall, Chicago insurance newspaper man, and son of T. R. Weddall, of the "Insurance Post," and the Western Union, is now in the government aero service, after having been once refused. Weddall, who is an experienced aviator, tried to enlist but was found to weigh only 142 pounds, six pounds under the weight required for the aero service. He brought his weight up by eating four very large meals.

R. N. M. M. Pearce, of Edye & Co., London, returned to New York a few days ago, after an exciting trip on the "Orduna," which missed a submarine torpedo by a few feet. He will remain here for some time.

* * *

E. G. Snow, president of the Home, with the tan of St. Augustine, Florida, on his cheeks, and fourteen pounds heavier than when he left New York some weeks ago, has returned home. George A. Clarke, State agent, who has been in St. Augustine with Mr. Snow, returned with him. While in the Florida resort Mr. Snow was visited by Kalford Kreth, State agent in Alabama and Mississippi, and Charles W. Phillips, representing the Home in Georgia. W. E. Chapin, Southern manager of the Pennsylvania, also dropped in to pay his respects. With Mr. Snow were Mrs. Snow and their grandchildren.

* * *

J. B. Levison, the new president of the Fireman's Fund, can briefly summarize his career as follows:

1862—born in Virginia City, Nevada, October 3; 1875—became a resident of San Francisco when he accompanied his parents to San Francisco; 1878—entered the office of the New Zealand Fire Insurance Company; 1880—became marine manager of the old Hutchinson-Mann Agency; 1886—became manager of the Anglo-Nevada Fire Insurance Company's marine department; 1888—promoted by marine secretary of the Anglo-Nevada Fire Insurance Company; 1890—elected marine secretary of the Fireman's Fund Insurance Company; 1900—promoted to the second vice-presidency of the Fireman's Fund Insurance Company; 1900—elected vice-president of the Fireman's Fund Insurance Company; 1917—elected president of the Fireman's Fund Insurance Company.

FIRE INSURANCE DEPARTMENT

Decide Liability for Loss on "Patterns"

SUPREME COURT OPINION IN BERTINE VS. NORTH RIVER

Covered By Form, Although Not Specifically Mentioned By Name—Judge's Decision

Justice Erlanger, of the New York Supreme Court, has delivered a verdict for the plaintiff in the case of Bertine vs. North River Insurance Co.

The plaintiff is the assignee of a claim upon an insurance policy issued by the defendant to the American Autopress Company, whereby the latter was insured against a fire loss "on machines and machinery of every description * * * and on all appurtenances, apparatus and supplies used in the business of the assured, all while contained in any place, point or building in the United States or Canada, including while in transit."

A loss occurred upon a quantity of "patterns" which, as appears, were models of castings to be formed for the assembling of printing presses in the course of the usual business of the assured, the castings being made in moulds formed by the use of the "patterns."

The Court's decision in part follows:

"It is obvious that, as a matter of ordinary intention, these patterns fell within the direct scope of the phrase 'all appurtenances, apparatus and supplies used in the business of the assured,' as employed in the typewritten part of the policy, which thus specified the character of the risk assumed. It is contended by the defendant, however, that property of this exact character was expressly excluded from the risk by the printed clause in the body of the policy which provided 'this company shall not be liable for loss to accounts, bills, currency, deeds, evidences of debt, money, notes or securities; nor, unless liability is specifically assumed thereon, for loss to awnings, bullion, casts, curiosities, drawings, dies, implements, jewels, manuscripts, medals, models, patterns, pictures, scientific apparatus, signs, store or office furniture or fixtures, sculpture, tools, or property held on storage or for repairs.

"The question is, therefore, whether liability for a loss on 'patterns' was 'specifically assumed' by the typewritten clause first quoted within the meaning of the policy. In my opinion it was.

"The principle is quite well established that as between the printed form of an insurance policy, containing words of exemption from a risk, and the written portions designed to express the actual risks assumed, the latter expression controls, and whatever is embraced within the real meaning of the general words so written is a 'special' provision intended to satisfy the printed conditions (Harper vs. Albany Ins. Co., 17 N. Y., 194; Harper vs. N. Y. City Ins. Co., 22 N. Y., 441; Hall vs. Ins. Co. of North Am., 58 N. Y., 292; Chadsey vs. Guion, 97 N. Y., 333, 339; Kratzenstein vs. Western Assurance Co., 116 N. Y., 54). Here the defendant company expressed its intention to assume a specified risk upon the 'machinery' of the assured and on 'all appurtenances, apparatus and supplies' used in its business. This risk it did 'specifically assume,' although in comprehensive words, and the 'patterns' were within the risk so assumed. Nothing in the policy required that the property covered should be 'specifically enumerated' to include patterns, and within the rule of the authorities above cited I have no doubt that the plaintiff is entitled to a recovery. These patterns were certainly 'appurtenances' to the business or to the machinery. Indeed, they would probably fall within the description of 'machinery' if that term were employed alone (Buchanan vs. Exchange Fire Ins. Co., 61 N. Y., 26, 33). The case of Johnston vs. Niagara Fire Ins. Co. (118 N. C., 643), cited for the defendant, proceeded upon the use of the words 'other articles,' not necessarily related to 'appurtenances, and may thus be distinguished, but so far as it suggests a construction which might aid the defendant it is opposed to the well reasoned authority of Furlong vs. North British Ins. Co. (136 Iowa, 468), and to the rule applied in this State in the cases to which I have referred. My conclusion is that the plaintiff has established his cause of action, and that the defendant's motion for the direction of a verdict should be denied. Verdict directed for plaintiff in the sum of $2,124.33, as of March 1, 1917, the day of trial."

ROCHESTER AGENTS

Advertising Copy of Their First Co-operative Advertisement in Local Daily Papers

The first co-operative advertisement of the Rochester local agents—an innovation by the way—follows:

A message to property owners from the fire underwriters:

Despite the repeated warnings of agents to owners of stocks of merchandise to beware of under-insurance in this time of appreciations in values, we find each day those who have neglected to act upon this advice.

A sweeping fire, a bad insurance loss, an adjustment on the basis of present-day values—would your policies indemnify you fully? Should you not place additional insurance to keep pace with increases in values?

Even after deducting for depreciation, your dwelling, mercantile building or factory can't be duplicated at the old cost. Perhaps your protection needs strengthening.

These members offer you complete coverage at the lowest consistent rate in companies which meet their obligations promptly and honorably. (Look for your agent's name):

Amsden-Kalbfleisch Co., Egbert F. Ashley Co., James C. Clements, Curtin Bros., Howard C. Dana & Co., Percy B. Dutton, Edw. Englehardt Co., Firman, Webb & Webb, Inc., John D. Hotchkiss, James Johnston Agency, Kavanagh & Smith, Kendall, Vierhile & Cooley Co., Inc., Loewenguth, Dineen & Hock, Inc., James Malley & Son, John H. McAnarney, McKay & Kondolf, Chas. F. Miller, Buell P. Mills, Nye & Forbes, R. S. Paviour & Son, A. J. Riebling & Son Co., Leo A. Schlitzer, Ezra M. Sparlin, Stahlbrodt Sisters, Geo. W. Steitz & Son, Stevenson, De Mallie & Case, Inc., L. S. Ward & Co., Wehn & Wedel, Lewis H. Whitbeck, M. E. Wollf Co.

Fire Underwriters' Association of Rochester, N. Y.

NATIONAL LUMBER PURCHASED

J. J. Boland & Co. Secure Control of Buffalo Company—New York Representation with Crum & Forster

J. J. Boland & Co., Inc., of Scranton, completed arrangements on Saturday for the purchase of the National Lumber Insurance Co., of Buffalo. The conservative policy of the company will be continued as will also the arrangements with Crum & Forster in New York City.

Fire insurance frauds have been uncovered by lawyers investigating the alleged mortgage and loan swindles of the late Nathan P. Bushnell, of Peekskill, New York, who committed suicide.

FIRE AND MARINE INSURANCE—ALL LINES

The Automobile Insurance Company of Hartford, Conn.

MORGAN G. BULKELEY, President

Statement January 1, 1917

Cash Capital	$1,000,000.00
Assets	2,748,832.19
Liabilities (Except Capital)	1,039,977.81
Surplus to Policyholders	1,708,854.38

AFFILIATED WITH

ÆTNA LIFE INSURANCE COMPANY

THE ÆTNA ACCIDENT AND LIABILITY CO.

ANALYZING HOME DOLLARS

For each dollar of premium income ($18,820,825.60) in 1916 the Home Insurance Company paid:

	Cents
In loss claims	60.35
Insurance and State departments, taxes, licenses and fees	3.62
For field supervision, State and special agents	4.88
For commissions	20.01
For printing, advertising and supplies	1.85
For administration	5.86
Set aside for reserve required by law	1.59
	98.16
Underwriting profit carried to surplus held for additional protection of policyholders	1.84
Total	100.00

Of each dollar of premium collected 88.86 cents paid within the States collected for losses, taxes, licenses and fees, commissions and field supervision.

DENZEL WITH GLENS FALLS

Albert O. Denzel has been appointed Glens Falls Special Agent for Eastern Pennsylvania and Western New Jersey, taking the place of Mr. West, resigned.

An office with an established Agency Plant in Eastern Pennsylvania could use two good Fire Insurance Companies.

Address "PENNSYLVANIA"
Care of The Eastern Underwriter
105 William Street, New York, N. Y.

NORTH BRANCH FIRE INS. CO.
Sunbury, Pa.
Inc. 1911

Assets	$641,341.77
Reserve	230,513.29
Capital	300,000.00
Surplus	63,479.83

CITY INSURANCE COMPANY
Pittsburgh, Pa.
Inc. 1870

Assets	$357,318.58
Reserve	54,256.92
Capital	200,000.00
Surplus	96,379.07

OPERATING ON A CONSERVATIVE BASIS IN A LIMITED TERRITORY UNDER AN EXPERIENCED MANAGEMENT

BROKERS ACTIVITIES

Yolks of Eggs

A line of $60,000 on yolks of eggs was placed last week from a dock warehouse. A $200,000 policy on detonators was also placed.

* * *

Tobacco in Lancaster County, Pa.

Windstorm insurance on tobacco in the fields of Lancaster County, Pa., has been difficult to place.

* * *

Acts on Mercantile Floaters

The first of the prominent local boards to act on the recommendation of the National Association of Insurance Agents is the Fire Underwriters' Association of St. Louis. At its meeting Tuesday March 20, it went on record against mercantile floaters and also recommended that the matter be taken up through the State association for similar action. It is proposed to have the State meeting at Excelsior Springs in May.

* * *

Ford Explosion Line A Canard

The story in a Western insurance paper that the Ford Motor Co. is considering a $20,000,000 explosion insurance line was news to that Company. The Eastern Underwriter has received the following letter from the Ford Motor Company:

"We have not taken out any explosion insurance and are not considering the same at this time."

* * *

Depew's Article

R. Henry Depew, of Abm. S. See & Depew, has an interesting article on "The Insurance Broker" in the March issue of "The Tammany Times."

RE-INSURE IN SOME STATES

German-American Takes Over Some Outstanding Liability of Peoples National Fire

As of April 1st the outstanding liability of the Peoples National Fire Insurance Company in the States of Minnesota, Montana, North Dakota, South Dakota, Kansas and Wisconsin has been re-insured in the German-American Insurance Company of New York.

This action is consequent upon the change of membership from the Union to Bureau, to which latter organization, application for membership is to be made in the near future, in conformity with arrangements which have been consummated, by which the Peoples National enters the recently organized Western department of the New Brunswick and New Jersey Fire Insurance Companies.

Under the management of H. H. Ingalls, the Company will operate in the protected points of the Middle Western States.

APPOINT H. W. BIRCHARD

Harry W. Birchard has been appointed special agent for New York State for the New Brunswick Fire and the New Jersey Fire, with headquarters at Elmira.

CHITTENDEN APPOINTMENT

B. C. Chittenden, a field man of wide popularity in this State, has been appointed special agent of the Connecticut Fire in Western New York. Mr. Chittenden, who was with the North River for years, went with the Phoenix of Hartford, some time ago, to travel under Special Agent Carothers.

THE

NEW BRUNSWICK FIRE

INSURANCE COMPANY

NEW BRUNSWICK, N. J.

GEO. A. VIEHMANN, President

CHAS. D. ROSS, Secretary

Established 1826

Capital $500,000

AND

THE

NEW JERSEY FIRE

INSURANCE COMPANY

NEWARK, N. J.

GEO. A. VIEHMANN, President

GRESHAM ENNIS, Secretary

Established 1910

Capital $1,000,000

Announce The Adoption of A New Plan For The Writing of Automobile Business

Every automobile depreciates in market value immediately upon its transfer from the dealer to the purchaser. The rate of this decrease, according to the opinions of the best informed automobile dealers, is 33 1-3 per cent. of the original cost price for the first year, 25 per cent. of the original cost price for the second year and at least 15 per cent. of the original cost price for the third year.

The automobile owner, therefore, who purchases *the ordinary non-valued form of policy* is insuring his car for the last half of the year which that policy covers for more than the car is worth and more than he will receive if he suffers a total loss, and he is paying for that extra insurance.

The automobile owner who insures his car under *the ordinary valued form of policy,* which provides for the payment of the full amount of the policy in case of total loss, at any time during the year, knowingly agrees to accept, during the last six months of the term of that policy, more, in case of a total loss, than he knows his car to be worth, and the rate which he pays must be large enough to take care of the losses, in excess of value which is paid under such policies.

We offer a *special form policy* which automatically adjusts the amount of insurance on an automobile every month during the term of the policy and we regulate the rate accordingly.

During the first month of ownership the policy calls for the payment, in case of total loss, of the full list price of the car. Each succeeding month, during the first year, the amount of insurance is automatically decreased 3 per cent. of the list price. The same policy, during the second year, decreases the amount of insurance each month 2 per cent. of the list price, and during the third year the same policy decreases the amount of insurance each month 1 per cent. of the list price, thereby keeping the owner protected during a period of three years to the extent of the full value of his car at all times.

This policy eliminates any controversy in case of loss. Its terms are fair and liberal, it avoids the many questions which arise in connection with both the valued and non-valued forms and *the rates are much lower than either.*

Additional Information Mailed On Request

USE AND OCCUPANCY INSURANCE AS SEEN BY ADJUSTERS

Viewpoints of Men Who Settle Losses In Many Parts of the United States—Moral Hazard An Important Element—Need of Difficulties In Arriving at Correct Rates

Adjusters in many cities during the past fortnight have expressed views on use and occupancy. A consensus of their opinions has been furnished The Eastern Underwriter as follows:

As Seen in Pittsburgh

One interesting use and occupancy loss here recently has had the question of replacing machinery involved, and that was the plant of Dwight E. Hamlin, a concern manufacturing "breakfast food" for live stock. The machinery involved was about the same as found in the ordinary grain elevator and it was claimed by the assured, and is still claimed, that this could not be replaced within less than nine months, but adjusters believe that the assured has applied only to one source of supply, and the adjusters have learned definitely by making inquiry from other machinery concerns, that the machinery could be replaced complete within one hundred days, which is little, if any, more than normal length of time.

In the matter of electrical motors, generators, etc., adjusters here believe that at the present time, where it is a question of repairs, it will require 50 per cent. more time than under normal conditions. Motors of from 15 to 100 h. p. can be replaced about as promptly as usual, but anything of a greater horsepower than that named, will require about four months where ordinarily they can be furnished in from one to two months.

Buildings in which any considerable amount of steel is required will take anywhere from six to nine months to rebuild, where ordinarily it could be done within from four to five months.

Another feature which is no doubt having consideration at the hands of underwriters is that all kinds of repairs and replacements will now cost much more than in the very recent past, owing to labor conditions and the very high price of all kinds of materials.

As Seen in Baltimore

Adjusters here have felt that the use and occupancy insurance was becoming more hazardous, not so much in increased liability to fires, but in consequent loss due principally to the world condition, and, partly to moral hazards which are encouraged by the issuance of the valued policy form.

A few months ago the adjusters on the Gambrill Manufacturing Co.'s fire were severely criticised for paying a total loss under the use and occupancy policies. The assured was instructed by the adjusters to write to all the principal mill machinery manufacturers and their replies were submitted to the adjusters, and in every case included refusal to make time contracts, and all indicated that the replacement of this machinery would require at least four months longer than under ordinary circumstances.

This condition is, of course, aggravated in the case of foreign machinery, and it is a very serious question whether in the face of an impossibility to replace with precisely the same make or substantially the same make of foreign machinery the assured could claim a total loss under his policy, which agrees to replace with material of like kind and quality.

One of the leading adjusters here says that he is satisfied that an underwriter should base his premium on the probabilities of a total loss, and that this form of insurance should pay a higher rate than it ever has done.

The adoption of the valued form raises another very serious question. So long as the loss has to be determined by reference to experience of the preceding year it is useless for the owner to over-insure his use and occupancy, but when, without investigation, his recovery is fixed at so many dollars per diem there is a possibility that the companies are offering a premium on fraud.

In a recent case claim for a total loss was made. A prominent adjuster here found, that the property was under a lease which expired some three months after the fire and that the lease could not be renewed, and the assured had already commenced construction of a plant in another location. The buildings and machinery were paid for, and the use and occupancy finally compromised on the time that it would really take to put it back but the assured was a gainer on the whole proposition to the extent of $75,000 or $80,000. While with a use and occupancy policy for $75,000 the best information the adjuster could obtain was to the effect that they never had made $25,000 a year.

Another question has arisen in regard to a certain class of manufacturing—cotton mills for instance. A fire in the picker house or in the carding room would cause a total loss of production until replaced, but the company should have the right to dictate a contract for yarns to supply the requirements of the weaving mill until the cards are replaced.

In another case the manufacturer of a small plant in the city would frequently secure and fit up another location and proceed with his business in much less time than would be required to rebuild and replace, and the company should have the benefit during the time of replacement of any output from the substituted plant.

Neither of these offsets could be set up under the present policy, and adjusters here consider the whole use and occupancy business a very unsatisfactory condition, and hope that sooner or later the valued policy will be discontinued, and changes made in the form which will protect the company from speculative claims.

As Seen in Chicago

Owing to the abnormal trade conditions use and occupancy losses would undoubtedly prove much heavier than under normal conditions, but some adjusters here doubt if there is any substantial reason for the present pessimism on the subject. Replacement of property is, of course, speculative—especially as regards imported machinery and materials.

The use and occupancy loss on the Saxon Motor plant at Detroit has been settled at 43 per cent., whereas the property damage will probably reach approximately double that per cent. Normally, the use and occupancy loss should have been lighter, but due to abnormal labor conditions and inability to secure delivery of replacement material makes a difference of at least 10 per cent.

Adjusters here have not had any special difficulty in settling use and occupancy claims although a number in the field have been overpaid, but, averaging it all up the percentage for use and occupancy is lower than that for property damage.

As Seen in Detroit

One of the leading adjusters here has been interested in several losses where large values and large plants were concerned and with one exception, i. e., the Pennsylvania Salt Company, the use and occupancy showed a very much smaller percentage of loss than the fire line. In the case of the Pennsylvania Salt Company a difficulty arose through reconstruction of acid tanks, but even in this case the use and occupancy insurance paid but a fraction over 5 per cent., whereas the actual fire loss was a trifle over 5 per cent., but owing to the policy form and the application of co-insurance the cost to the companies was a trifle under 4 per cent.

The Briscoe Manufacturing Company, a subsidiary of the Maxwell Motor Car Company, collected a trifle over 4 per cent. on their use and occupancy, and 8.6 per cent. on their fire insurance.

The Saxon Motor Car Company has had its use and occupancy loss adjusted at 43 per cent., and while the fire loss has not yet been settled, it will run about 75 per cent.

From the above examples it will be seen that the companies have certainly no reason to complain as regards an excessive loss under use and occupancy, but this may be caused, it is true, by the fact that practically all machinery involved in these various fires has been American built and in addition very little of it has been specially designed machinery.

As Seen in Southern Michigan

One of the adjusters in this section who has had a wide experience in several sections of the country finds that use and occupancy policies have paid a considerable less percentage of loss than that paid by the blanket or general form of policies on the same risk, and invariably the result of the adjustment has been satisfactory to that class of insurance.

It is quite possible with present existing conditions on the continent that some delay may result in the replacement of German made machinery. One adjuster here has experienced a single instance where under a sprinkler leakage loss, when two chocolate enrobers were damaged by water, and the assured contended that he could not replace the damaged parts for some time. The machines were manufactured in Springfield, Mass. Inquiry among paper mill makers in Southern Michigan did not unearth any complaint of extraordinary delay in getting machine orders promptly filled, their greatest complaint coming from the delays incidental to inability to get the raw material to manufacture.

As Seen in Dallas, Tex.

The only commodities in the general machinery line used in the Southwest that cannot be bought for reasonably prompt delivery are chilled rolls, boiler tubes, wrought and cast iron pipes in very large sizes, machine tools, motors and generators in large sizes, and combustion engines in large sizes. Leather belting is very high and shoulder stock very scarce, but the leather situation would hardly have an appreciable effect on use and occupancy claims as there are several satisfactory substitutes for leather belting that are moving in considerable volume on account of the high price of leather. Large, heavy castings, such as vacuum pans used in sugar houses would be subject to great delay, but if an assured was reasonably disposed toward his insurers he could fill his requirements very quickly from a large amount of idle sugar making machinery. Textile machinery and special machines would be subject to great delay, but there is practically no textile machinery in the Southwest.

Five months ago a cotton seed oil mill loss would have been unusually serious for use and occupancy insurers because of inability to purchase linting machines. For two years the manufacturers of explosives took such quantities of cotton linters at extremely high prices and were so desirous for more that cotton oil millers fairly swamped the manufacturers of linting machinery, of which there are only three. In a talk with adjusters, however, the manufacturers state that they have gotten up with the rush and are accumulating machines in anticipation of summer trade.

The large boiler makers are fairly well supplied with sheets and tubes and can take care of the requirements of any one plant without unusual delay. Same is true of tank plate for units from 500 barrels' to 1,500 barrels' capacity. Corliss engine builders are in an easy position; same is true of steam pump and sawmill machinery. There does not appear to be any difficulty in obtaining transmission machinery in conventional sizes.

Unless a plant is equipped with machines built to special order, or of foreign manufacture, adjusters here see no reason why underwriters should look askance at use and occupancy business in the Southwest.

As Seen in St. Louis

Use and occupancy losses have been very troublesome in the incipiency of adjustment, as brokers selling this class of insurance are apt to offer it to their customers as profit insurance. The completion of such adjustments, after the contract has been explained to the assured, has mainly been satisfactory to both the insured and the insurer.

In the past two or three years there has been few use and occupancy losses to adjust in this section, but adjusters have anticipated considerable trouble, owing to war conditions, in case such losses do come to them.

One loss here that attracted some attention was in the printing and lithographing plant of Wm. R. Compton & Son, of St. Louis, where a German-made lithographing machine could not be duplicated in the United States, and it looked as though the loss could be closed until this machine was replaced.

Adjusters, however, obtained through correspondence with Germany the approximate time necessary to replace this machine to arrive at the measure of compensation, and having agreed upon the use and occupancy loss in general the adjusters ascertained the average produced by this particular machine, but in doing so took into consideration such probable substituted service that might be procured from outside parties.

Present war conditions would undoubtedly create delays which were not originally contemplated with relation to use and occupancy indemnity. Further than this, in a large number of cases dependence upon foreign manufactured machinery would be avoided by development of American-made machinery.

The relation of use and occupancy

DISCUSSION OF USE AND OCCUPANCY

rates of premium to face value of the policy is, of course, a factor that does not enter into the adjusting department of the business, but adjusters here feel that there is some tendency to excessive claims brought about by present conditions.

Use and occupancy insurance in this section is comparatively new and has only become especially recommended and solicited by brokers during the past two or three years, and, therefore, the experience of the adjusters has been limited. Further than this the usual contract, while it might be understood by the heads of the larger agencies, the same is not true of the average broker placing the insurance.

Another phase in relation to claims has developed on more than one occasion, where the assured has been able to procure other premises and machinery with little delay and inconvenience to his business, but claim has been made because of inability, especially in winter months, to restore or reconstruct their own building.

It would appear quite likely that the abnormal conditions now prevailing would be considered in the acceptance of a new rate of premium for use and occupancy insurance.

As Seen in Buffalo

Fortunately, there have been no use and occupancy losses here on risks using imported machines. There have been one or two small claims where the assured has referred to the difficulty and delay in getting materials and apparatus but they were fortunately small and the amount involved was inconsequential, and the time of shutdown was amicably agreed upon, but the danger of a serious loss is ever present and should be considered by underwriters in their acceptances or in making rates consistent therewith.

As Seen in Boston

In the case of the Appleton Company, a large Factory Mutual risk, the loss was settled for a comparatively small amount in the card room, but the adjuster for the stock companies found that in place of being able to secure new cards in three or four weeks as usual that it would take nineteen weeks.

It is understood that the Factory Mutuals are much worried over the situation, one man stating that lace factories, for instance, were equipped with very expensive machinery which was not being manufactured to-day because of the war, and, also, a great many mills are equipped with English card clothing and machines, and he feels that in the event of a serious loss in both of these the delay might result in a total loss, and there has even been talk of a conference between the stock and mutual companies to increase materially the rates on use and occupancy insurance.

As Seen in New York

Opinion No. 1. It is undoubtedly true as to many kinds of machinery and equipment that replacements cannot be had at the present time with anything like the promptness with which they could formerly have been secured, and where special machinery is involved, long delays may be expected. The difficulty of securing equipment has affected to some extent every use and occupancy loss adjusted in the past year and a half. In one case, involving a large amount, the difficulty in securing replacement of certain special machinery cost the use and occupancy companies a large sum of money.

Opinion No. 2. I am not at all pessimistic in the matter, but I know from personal experience that it is exceedingly difficult to get new machinery except by paying a premium. In fact, in one loss an adjuster of high repute personally arranged for the payment of $1,100 bonus for prompt delivery of machinery, this payment being justified by the fact that the companies were liable at the rate of $1,667 per day under their use and occupancy policies. It is almost impossible, without paying a large bonus, to secure delivery of dynamos from either the Westinghouse or General Electric companies. This can easily be verified. Foreign machinery, of course, is almost impossible to procure, and use and occupancy insurance on plants such as embroidery works is pretty poor business.

Opinion No. 3. Foreign machinery is almost impossible to duplicate; shipments on machinery of special type are almost impossible to get in the United States. The war conditions have changed deliveries upon almost every class of merchandise to such an extent that the loss ratio under use and occupancy policies previously written to the time we are now undergoing, should, in my judgment be very seriously considered and the rate increased.

There is an interesting loss now upon a coal breaker that under normal conditions five months would be ample to restore. They are now claiming eight months. The loss is not yet settled, and it is an open question as to what amount the companies will be obliged to allow.

One statement made is that every use and occupancy risk that is now offered should be looked into very carefully, and the rate seriously considered before acceptance.

As Seen in Virginia

The adjusters here regard the rates on use and occupancy as considerably below the hazard involved, feeling that this cover is worth at least the same rate that applies to the contents of any building, and some classes of risks where the replacement of the operating machinery is practically impossible, unless such properties are practically fireproof and protected by sprinklers, could command no rate that would appear reasonable to the assured but which would cover the liability which a company would assume by issuing a use and occupancy policy on such properties.

There is a question heretofore largely overlooked, and that is one of moral hazard. This is a feature with which an adjuster has to deal in all use and occupancy losses, and it is one that a company should look into very carefully after it has satisfied itself that the physical hazard of the risk is satisfactory and the rate is deemed adequate. The source of power, the way it is furnished to the running machinery and the protection against fire affecting the transmission of this power should receive the closest scrutiny.

There are several forms of use and occupancy covers that are used by different companies on different classes of risks, but one adjuster's opinion here is that he does not feel that to be equitable to the assured and best conserve the interests of the company that any form other than the regular twelve months of three hundred working days per diem should be used.

Under this form an assured can receive full reimbursement under his contract and must show a complete book record for twelve months immediately preceding the fire, and this in a measure is in accordance with the Iron Safe Clause, which is in use in the South. Quite a number of plants are having the Consequential Damage Clause inserted in their already broad form of schedule of blanket covers, and claims for such damages go hand in hand with use and occupancy insurance.

One adjuster here says he would not approve any use and occupancy covers that were intended for a plant that was not thoroughly equipped with sprinklered protection, and then only at the rate that prevailed thereon, and in cases where the machinery was of foreign make and it would be impossible to replace same, he would not interest his company in such a proposition. There are several such plants using foreign machinery in Virginia, and the only way that it is possible to arrive at a satisfactory settlement in case of use and occupancy loss thereon, would be based on the replacement of such machinery under normal conditions, and, of course, this would be a question for considerable discussion, with everything in favor of the assured.

To sum up, one of the leading adjusters here feels that the entire matter can be gauged by the moral hazard. Where the moral hazard is beyond criticism the adjustment of any use and occupancy loss can be made upon its merits. However, where the moral is of the class that we term "close traders" it is strictly a question of contract and compromise, and it is always a problem as to which party gets the best of such compromises.

As Seen in Atlanta

There have been no use and occupancy losses of consequence in this section, and none where the question of delay on account of necessary time for replacing foreign made machinery was involved.

APPOINT BRUNS

President E. C. Roth of the National Association of Insurance Agents has appointed Frederick V. Bruns, of Syracuse, N. Y., as chairman of the newly established committee on fire prevention. This committee will co-operate with the National Board of Fire Underwriters, the National Fire Protection Association, the Underwriters' Laboratories and other agencies interested in reducing the fire waste.

NORWOOD INSURANCE MAN DIES

George Harris, a prominent insurance man of Norwood, New York, died at his home last month. Mr. Harris took over the insurance business of L. B. Smith & Son over thirty years ago.

[FIRE]
German American
Insurance Company
New York
STATEMENT JANUARY 1, 1916
CAPITAL
$2,000,000
RESERVE FOR ALL OTHER LIABILITIES
10,146,941
NET SURPLUS
10,217,685
ASSETS
22,364,626

GERMANIA
FIRE INSURANCE COMPANY
NEW YORK.
ORGANIZED 1859
STATEMENT, JANUARY 1, 1917
Cash Capital $1,000,000.00
Assets 8,553,704.22
Liabilities 4,222,485.60
Net Surplus 3,331,218.62
Surplus for Policy Holders 4,331,218.62
HEAD OFFICE
Cor. William and Cedar Streets

BRITISH AMERICA
ASSURANCE CO.
Incorporated 1833
(FIRE AND INLAND MARINE)
Head Office, Toronto, Canada
United States Branch
January 1, 1917
Assets $1,936,279.77
Surplus in United States.... 823,964.59
Total losses paid in United States from 1874 to 1916, inclusive 24,669,753.43
W. R. BROCK, President
W. B. MEIKLE, Vice-Pres. & Gen. Mgr.

207th Year
SUN
INSURANCE OFFICE OF LONDON
FOUNDED 1710
UNITED STATES BRANCH:
54 Pine Street - New York
WESTERN DEPARTMENT:
76 WEST MONROE ST., CHICAGO.
PACIFIC DEPARTMENT:
N. W. Cor. Sansome & Sacramento Sts.
San Francisco, Cal.


F. H. HAWLEY, Pres. ORGANIZED 1848 W. E. HAINES, Secy.
Ohio Farmers Insurance Co.
LE ROY, OHIO.
Ohio's Oldest and Strongest Company
Net Surplus Over $1,293,741.00
AN AGENTS COMPANY
E. K. SCHULTZ & CO.
PHILADELPHIA
GENERAL AGENT
Pennsylvania, New Jersey and New York

DISCUSSION OF USE AND OCCUPANCY INSURANCE PROBLEM

Adjustment of Use and Occupancy Losses

SETTLEMENT UNDER MANUFACTURING AND NON-MANUFACTURING FORMS

Comment, Too, on Season Insurance —Finds U. and O. Loss Ratio Satisfactory

(This article is a paper read to field men of a company by a distinguished general adjuster.)

I have been requested to say a word on the subject of use and occupancy insurance and to give some illustrations of adjustments thereunder. There are so many different forms and kinds of risk, the forms are so varied in their terms, and the subject will have to be covered so briefly, that I will confine myself mainly to our own forms, which I think represent the true meaning of use and occupancy insurance, in the sense that they provide indemnity for actual loss sustained and do not provide, as many do, that the company shall pay a stated amount regardless of the amount of loss.

Forms Outlined

We have, as you know, two forms—one being adapted to non-manufacturing and the other to manufacturing risks. The forms are essentially the same, the former making reference to prevention or impairment of profit, and the latter to prevention or impairment of product—both leading, however, in last analysis to determination of loss of net profits plus other items for which liability is assumed under the forms—the non-manufacturing form providing, in effect, that in the event of total prevention of operations, the company shall be liable for actual net profits, etc., not exceeding the amount mentioned in the form as the limit of liability per day; and in case of partial loss, the company shall, during the period of impairment, contribute in no greater proportion of anticipated profits had no fire occurred than the impairment bears to the daily average net profits for the twelve months next preceding the date of fire.

If the anticipated profits exceed the daily limit of liability named in the form, the company would contribute in no greater proportion of the daily limit than the impairment bears to the daily average net profits for the twelve months next preceding the fire, the company in no case to pay a greater amount than the actual loss sustained. The process would be the same under the manufacturing form, with the exception that we would deal with prevention of production of goods.

The following will illustrate an adjustment under the non-manufacturing form, with total prevention of operation, where, say, for example, the profit and loss account were found to be somewhat as follows:

Profit and Loss Account

Debit Side of Account

Sales (cash and credit) for 1915	$80,000
Inventory Dec. 31, 1915	60,000
Total	$140,000

Credit Side of Account

Inventory Dec. 31, 1914	$50,000
Mdse. purchased during 1915	60,000
Expense for the year, including repairs, wages, supplies, light, heat, etc.	8,000
Bad debts charged to P. & L.	1,000
	$119,000
Annual profit	21,000
Total	$140,000

and predicate the loss on four months' period from January 1, 1916, with

Insurance	$30,000
Limit of liability per day.	100
Net profits for the year of 1915	21,000
which would make the loss of net profits $70 per day, or for the four months' suspension	$7,000
If assured owned the building, he would have taxes for the four months' suspension, of say	150
There would probably be no expense for heat and light during the four months' suspension	....
Say salaries and wages of employes under contract for the four months were	1,150
And royalties	1,000
	$9,300
If there were evidences at time of fire that the assured's net profits were increasing and would run, say, 10 per cent. ahead of the year 1915, the loss of net profits would be $77 per day—an increase for the four months' suspension of	$700
making, with the foregoing items, a total loss of	$10,000
The company's liability would then be the full limit of $100 per day stated in the form, or	$10,000

A Partial Loss

The following will serve to illustrate a partial loss under the non-manufacturing form. We will use the same profit and loss account as in the foregoing example and say impairment were agreed upon at $35 per day for 50 days; that assured's net profits for the preceding twelve months to date of fire were found to be $70 per day and the agreed profits during period of impairment, had no fire occurred, were also $70 per day; that insurance carried were $21,000, in which case the daily limit of liability would be stated in the form as 1/300 part, or $70. The basis of contribution would be that proportion of the agreed net profits during the period of suspension had no fire occurred as the impairment bears to the average daily net profits for the twelve months next preceding the date of fire; that is 35/70 of $70 or $35 per day. In case the daily limit of liability were less than the agreed daily net profits of $70, the company would pay 35/70 of whatever the limit were stated to be; for example, say the insurance were $9,000, the limit stated in the form would be $30 per day and the company would pay, upon the foregoing amount of impairment and profit, 35/70 of $30 or $15, instead of, as above, 35/70 of $70 or $35 per day—the assured losing the difference between his recovery and the full impairment of $35 per day on account of not carrying insurance equal to the daily average net profits of $70 a day for the twelve months next preceding the date of the fire. The form possesses the principles of full co-insurance, and this example illustrates the consequences of underinsurance.

In view of the widely different systems of bookkeeping employed in manufacturing plants, no definite method of computing net profits can be given to apply to all. The adjuster will, therefore, have to ascertain whether the books are in such shape as to disclose accurate information as to net profits and be very particular to see whether some systematic method had been employed for charging off to profit and loss uncollectible accounts and a reasonable depreciation on realty—if assured owns it—as well as depreciation on equipment and stock; in fact, that everything is charged off which would inflate profits beyond what the business had actually produced. Otherwise the company would be overpaying its liability.

An Adjustment

In general, an adjustment under the manufacturing form will be determined somewhat as follows:

Say, profit and loss account, Dec. 31, 1915, were as follows:

Debit Side of Account

Sales, 1915	$70,000
Inventory Dec. 31, 1915:	
Finished stock at cost	10,000
Raw stock at cost	5,000
Total	$85,000

Credit Side of Account.

Inventory Dec. 31, 1914:	
Stock, raw, finished or in process	$20,000
Purchases 1915 of raw stock and supplies	30,000
Expenses, 1915:	
Light, heat, repairs, wages, general maintenance, etc.	12,000
Bad debts	1,000
Depreciation on building, equipment and stock	1,000
Annual profit	21,000
Total	$85,000

and predicate the loss, as in the first illustration, on four months' suspension from January 1, 1916, with

Insurance	$30,000
Limit of liability per day.	100
Net profits for year 1915	21,000
which would make net profits $70 per day or for the four months' suspension	$7,000
If assured owned the building in which he was carrying on his business, he would have taxes for the four months' suspension of, say	150
There would probably be no expense for heat and light during the four months' suspension	....
Say salaries and wages of employes under contract for the four months were	1,150
And royalties	1,000
	$9,300
If, as in the first illustration of a total loss under the non-manufacturing form, there were evidences at time of fire of assured's net profits increasing and that they would run during the period of suspension 10 per cent. ahead of the year 1915, the loss of net profits would be $77 per day—an increase for the four months', or 100 days' suspension, of	$700
making with the foregoing items a total loss of	$10,000
The company's liability would then be the full limit of liability of $100 per day stated in the form, or	$10,000

A Partial Loss

The following will represent a partial loss under the manufacturing form. We will use the same profit and loss account as in the last preceding example and say that assured were a manufacturer of automobiles and that for the twelve months next preceding the date of fire he manufactured an average of 50 machines per day; that he would have averaged, had loss not occurred, the same number during the period of impairment, and that the impairment were 25 machines per day. The company's liability would be such proportion of the daily profits of $70 as impairment bears to last year's production; that is, 25/50 of $70, or $35 per day for whatever period of impairment may be agreed upon between assured and adjuster, plus such other items of expense named in the form to which assured would be subject, in addition to loss of net profits, which should be small, if any, in event of a partial loss, but would have to be determined at the time of adjustment, as it could not be foreseen or estimated in advance of a loss.

Items to Be Included

It is frequently argued that rent, interest on the capital invested in a business, or mortgage, bonded indebtedness, money borrowed to purchase material, etc., are proper items to include in use and occupancy insurance, and the argument is frequently met somewhat as follows: Say, for example, a man has $100,000, which, if not invested in some mercantile or manufacturing business, would earn 6 per cent.—that being the full earning power of his investment—but he chooses instead to use his capital in business. His income therefrom is likewise the full earning power of his investment. If he has a mortgage on his plant, has a bonded indebtedness, or has borrowed money at the bank or through other sources, he pays the interest out of his profits. He suffers no loss of rent or interest as a result of a fire, as he maintains the same source from which he paid those items before the loss by continuing to receive his profits from use and occupancy insurance. Therefore, to pay interest and rent, in addition to the earnings on his investment, would increase his income as a result of fire over what it had been before and be liable to create a moral hazard, which it is so desirable to avoid. That sounds very well, but I think it is very largely a matter of bookkeeping.

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charges against the gross profits of his business rent, interest on capital invested, mortgage, notes or bonds, and, in addition, general maintenance, taxes, heating and lighting, legal liability for salaries, wages, royalties, etc., he will have charged against gross earnings about everything possible, and to only reimburse him for his net profits and not include all the items he would have to pay out in the event of a fire would, I fear, not indemnify him for his full loss. I am inclined to believe, therefore, that the assured is entitled to insurance broad enough in its scope to indemnify him for rent, interest on mortgage, notes and bonded indebtedness, but think I would be inclined to take the position that assured was not entitled to interest on the capital invested in his plant in addition to the earning power thereof; but if he had debited his gross earnings with interest on the capital I should say he would then be, in case of loss, entitled to be credited back the amount. I wish to emphasize again the importance of a careful analysis of what assured has charged against his gross profits, as if allowance is made for any items not charged therein, in addition to net profits, it would have the effect of allowing for them twice.

I may point out that our non-manufacturing form provides that in event of assured continuing business, in whole or in part, at some other location during period of restoring the building involved in the loss, the net profits at the new location shall be deducted from the amount which under the terms of the policy would otherwise be recoverable by assured. The manufacturing form does not specifically contain that provision but does provide that the measure of liability shall be for actual loss sustained and limited to net profits plus certain other items stated therein, and while I am unable to base my opinion on any legal decisions in point, I am inclined to believe we would be entitled to claim the same credit of profits earned at another location for which the non-manufacturing form provides.

Operation of a Valued Form

I will give an illustration of operation of a valued form which provides, in effect, that if the property be destroyed by fire, the liability of the company shall be for a certain amount of the policy per day for each working day of prevention of operation; and in the event of impairment, for an amount in proportion as the product so prevented from being made bears to the full daily average product for the corresponding period next preceding the date of fire, the form making no reference to loss of net profits, simply providing that the company shall pay a certain amount of the policy per day, based on time of non-production or impairment, according to whether the plant is rendered inoperative or its output impaired. The question of assured's loss of net profits would, therefore, not be touched upon and would be undetermined in an adjustment. If assured had any desire to learn whether his recovery would indemnify him for loss of profits, he would have to ascertain it independent of the adjustment.

The form provides more particularly, in the first paragraph. that the company shall pay from March 15th to December 16th 1/237 part of the amount of the policy per day for each working day of entire prevention of production, and if within the period from December 15th to March 16th, for 1/1500 part of the amount of the policy per day. A loss might extend into both periods. In that event, the amount the company would pay would, of course, have to be computed on basis of time it extended into each; for example, say the time required to restore the plant to operation was 6 months; that the time extended 3 months into each and by actual count of working days there were found to be 75 in each period, and the policy were for $15,000, the company would pay in the 1/237 period 75/237 of $15,000, or $4,746.85, and in the 1/1500 period 75/1500 of $15,000, or $750; or a total of $5,496.85.

Partial Production

The second paragraph provides that in event of partial production, the company shall pay such proportion of 1/237 and 1/1500 of amount of policy per day, according to specified periods, as the production so prevented from being manufactured shall bear to the full daily average production for the corresponding period next preceding the date of fire—meaning a period in the preceding year to date of fire equal to the time it would require to restore the plant to full operation. The production might run about the same from year to year in the respective periods, but suppose that were not the case—say, for example, that on account of labor troubles or otherwise, the average daily production in the preceding year to date of fire corresponding to the time it would require to restore the plant to full operation were $25 per day and that the impairment of output were but $10 a day; the limit of the company's liability would be (in the 1/237 period) 1/237 part of the amount of the policy of $15,000, or $63.29 per day. The company would, therefore, pay 10/25 of $63.29, or $25.31 per day, actual impairment being, as stated, $10 per day. What the company would pay in the 1/1500 period would be determined likewise; that is, the company's full liability in that period would be 1/1500 part of the amount of the policy of $15,000, or $10 a day. The production for the corresponding period next preceding the date of fire is $25 per day. The company would, therefore, pay 10/25 of $10, or $4 per day, the actual impairment being $10 a day. In the illustration under the 1/237 period, you will observe the company overpays value of production $15.31 a day, and in the 1/500 period underpays it $6 a day—the payment in neither case having any reference to assured's actual loss of net profits.

Take another example and say production were $100 per day in corresponding period next preceding the date of fire, with impairment $10 per day; the company would pay, if loss occurred in the 1/237 period, 10/100 of $63.29, or $6.33 per day; and in the 1/1500 period, 10/100 of $10, or $1 a day, whereas actual impairment is $10 a day, the company underpaying value of production in both periods. It appears the larger the production in the preceding year, and the smaller the impairment, the less the company pays.

No Bearing Upon Net Profits

The illustrations I have given in this case are perhaps somewhat extreme, but under the form assured might easily be over or underpaid value of production at time of fire. In any event what he received would, as I have stated, have no bearing upon their actual loss of net profits, unless by happenstance.

There is a class of use and occupancy insurance known as "season insurance," which might prove quite profitable to assured. Take, for example, a cotton seed oil mill where the milling season is from September to March, where the form provides assured shall receive not exceeding a stated sum per day for each working day of prevention of operation, and the mill is destroyed and the warehouse, full of seed, remains intact. It is true that assured is prevented from manufacturing oil during the period of reconstruction of the mill, but when he does resume operations he might market the oil to the same advantage, and possibly even at a better market, in which event he would at least suffer no loss of profits and might make a greater profit as a result of the delay, but there would probably be in such a case some expense during the period of suspension for which the company would be liable. However, to endeavor to anticipate in a form such a situation as I have mentioned would probably make the insurance unsalable. Whenever the liability is removed from actual loss of net profits, there is no assurance that assured will not be under or overpaid his loss, but, generally speaking, I see no serious objection to writing valued use and occupancy policies, as I have not observed in our experience a case where we have been called upon to pay under a valued policy more than the loss of net profits, when determined, have been found to be. That is probably explained by what I deem to be a fact, in a large majority of cases at least, that assured is more likely to underinsure than overinsure, or, in any event, keep his insurance commensurate with the value of the property or the use and occupancy of the premises, as the case may be, although, as I have pointed out, I do not believe that valued policies represent the true meaning and intent of use and occupancy insurance and would probably not give assured the same even protection that policies based on loss of net profits would afford. However, valued use and occupancy policy forms have some merit. They at least simplify adjustment. At any rate, they appear quite fashionable and are no doubt here to stay.

Usually Below the Fire Loss

It may be of interest to mention that so far as the matter has come to my attention, use and occupancy losses are usually far below the fire loss. I recall but one instance where that was not the case, being a small loss in a textile mill, where some special width carding machines were used which could not be obtained in the open market. From that fact, and from the further fact that the loss ratio on use and occupancy insurance has been quite satisfactory, it would appear well worth while to make a persistent effort to secure that class of insurance.

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F. F. BUELL, Troy, N. Y., Special Agent.....NEW YORK STATE
E. J. PARMELEE, Syracuse, N. Y., Special Agent..NEW YORK STATE
GEORGE SHAW, 116 Milk St., Boston, Special Agent..NEW ENGLAND
F. L. GILPIN, JR., 422 Walnut St., Phila., Special Agent.MIDDLE DEPT.

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F A

DISCUSSION OF USE AND OCCUPANCY INSURANCE

The Need of Care in Examining U. & O.

TENNESSEE COPPER CO. CASE ILLUSTRATED POINT

Superficially Form Looked to Be a Good One, But It Wasn't After Fire

That companies must exercise great care in the writing of use and occupancy has nowhere been better illustrated than in the loss of the Tennessee Copper Co., Copper Hill, Tenn., where policies were written after the Company had obtained a large coutract for ammunition from the Russian Government. The risk was placed by Cornwall & Stevens. The fire occurred in the early part of last year; and the form was as follows:

The Form

$90,000 on use and occupancy, including fixed charges on their premises, located at or near Copper Hill, Tenn.

It is agreed that if by reason of fire on the above mentioned premises the insured shall be prevented from producing finished goods then this company shall be liable in any amount not exceeding $3,000 per day for each working day from the date of said fire to date (whether same shall fall within the term of this policy or not) when production of such goods might with reasouable diligence be recommended. **But, if the normal production be diminished,** only then shall this company be liable for the amount representing such diminished production, it being understood that under no circumstauces shall this company be liable in the aggregate for more than the amount of this policy.

Superficially the form had all of the earmarks of a good form. However, no provision was included that in order to secure a total per diem payment it was necessary to have entire interruption of the business.

Maximum Payment on Maximum Prevention of Production

Under any use and occupancy form that is written on a valued basis with per diem payment, the maximum per diem payment should be based upon the entire prevention of production. Otherwise, if any one unit of the plant is destroyed the proportion of loss might equal the per diem payment, necessitating the payment of a total loss under the policy when only a partial loss was sustained by the assured.

Underwriters Knew Nothing of T. N. T. Building

Also, the form was drawn without any limitations of the buildings to be included, or any statement as to occupancy. After the fire a claim under this form was made for a building over a mile away from the main plant and in which T. N. T. was manufactured. The underwriters knew nothing about this T. N. T. building at the time the use and occupancy risk was placed, and commenced actions in the New York Supreme Court to have the policies reformed so as to exclude the T. N. T. plant, thus reaching the equity instead of the jury side of the court. The copper company then began an action in Tennessee on the policies.

The case was finally compromised. Richards and Affeld were the counsel for the companies; Vogel and Vogel and Leo Levy for the assured.

Legal Side

In discussing the legal end of the Tennessee Copper Co. case George Richards, distinguished insurance lawyer, said to The Eastern Underwriter this week:

The Tennessee Copper Co. has for a long time had a large plant, consisting of one hundred or two hundred buildings, for the manufacture of sulphuric acid and copper. The buildings were so scattered and the risk was so comparatively light that at the procurement of the last batch of insurance the rate was fixed at only 65 cents.

Shortly before the insurance in question was taken out the Tennessee Copper Co. began the construction of a cluster of buildings a mile or two away from the main plant for the manufacture of T. N. T., a very highly explosive material used in the manufacture of bombs. After this cluster of buildings was in course of construction the Tennessee Copper Co., through its regular New York brokers, took out $900,000 of Use and Occupancy insurance "on its premises at or near Copper Hill."

The brokers on the one hand and the insurance companies on the other, all understood that this general description covered the old plant, occupied for the manufacture of sulphuric acid and copper, and nothing else. The blue prints, photographs and other papers, which were used by the brokers in placing the risk, showed nothing but the old plant.

The brokers when they proposed this low rate of 65 cents intended to cover nothing but the old plant, for the copper company never advised the brokers that it was building this T. N. T. plant, which was several times as hazardous and commanded a rate of something like $3 instead of 65 cents.

The insurance brokers frankly stated to the companies that they knew nothing about the existence of the T. N. T. plant, and, consequently had no intention whatsoever of covering it when they closed the contracts with the companies. The companies instituted actions in New York City for reformation, i. e., to correct the general description in the policies "premises at or near Copper Hill," so as to indicate definitely the intention of both parties at the time the contracts were closed, to wit: the agents of the insurance companies and the brokers as representing the copper company, they being the parties who had actually made the contract, and arranged the rate of premium. The Tennessee Copper Co. claimed that it intended to cover the whole plant—the old one and the T. N. T. plant, and that its intention should prevail.

Very shortly after these actions had been instituted by the insurance companies the Tennessee Copper Co. proposed terms of compromise, and after some odd continued negotiations, the cases were settled.

U. & O. as Seen by Lumber Insurers

ELEMENT OF TIME NOT COST OF REPLACEMENT

Views of R. H. McKelvey—Extra Delay in Delivery Should Be Considered

R. H. McKelvey, of the Lumber Insurers' General Agency, asked by The Eastern Underwriter for an expression of his views relative to use and occupancy, particularly as it affects woodworking plants, said this week:

"The past year has witnessed the development of a greater demand among manufacturing plants for use and occupancy insurance than has prevailed heretofore. This demand is commonly attributed to the difficulty of procuring delivery of machinery, and greater probable delays in re-equipping than would be experienced in normal times. Freight embargoes, the impossibility of replacing foreign-made machinery and delays in production of American-made machinery, due to the scarcity of steel, and the employment of steel plants for the production of war materials in preference to the turning out of normal products, and shortage of labor, are all factors that make for delay.

Not Making War Materials

"The writer has had occasion to investigate by personal inquiry through the South and West the situation with regard to use and occupancy insurance on woodworking plants. While to a moderate degree the foregoing factors in the situation apply to the woodworking industry, it appears that few, if any, of the manufacturers of woodworking machinery have gone into the manufacture of war materials, and woodworking machinery is being offered to the trade on promise of ready delivery, though at somewhat increased prices. All woodworking machinery is American-made.

"It is the element of time and not the cost of replacement, that is the chief factor in use and occupancy insurance. The writer's conclusion is that there is no situation in the woodworking industry which would make for delay in deliveries other than probable delays in transportation. This might cause a possible extra thirty days' time to be consumed in the replacement of woodworking machinery.

Prosperity

"From an underwriter's standpoint this possible extra delay in delivery should be takeu into consideration as moderately affecting the desirability of the use and occupancy cover, but general conditions in the woodworking business are so prosperous now that improved care and order and the exercise of precautions by the owners for the preservation of a plaut that is producing an unusual profit, would more than offset the undesirable features of the situation. It is this unusual condition of activity and profit, such as has not been known in many years in the sawmill and woodworking business, that is inducing the owners of such properties to more generally protect their profits with use and occupanc insurance."

ANYBODY WANT A MEDAL?

In a savage attack upou the fire insurance companies because of Atlantic City rates, the "Evening Union" of that city offers a gold medal to "the individual member of the local, State or National Board of Fire Underwriters, who can prove that the rate now in existence is justified." Here's a chance for Atlee Brown to cover his coat with glory.

RIDDLE COMPANY TO MOVE

The Atlantic Fire Insurance Company, of Atlantic City, will move into a new building soon at the corner of Atlantic and Tennessee avenues. A new marble front has been built. The president of the Company, William Riddle, is mayor of the city.

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DISCUSSION OF PROBLEMS OF USE AND OCCUPANCY

Insurance Against Loss of Profits Through Fire

BY ERNEST W. BELL, IN A PAPER READ BEFORE INSURANCE INSTITUTE OF NEW SOUTH WALES

I have had a case where even ordinary manufacturing employes' wages were included in list of standing charges, which was altogether wrong.

Items of the general profit and loss charges, such as interest, directors' and auditors' fees, rates and taxes, and salaries, are for the most part payable after a fire, and can be fairly classed charges.

Partners' Drawings.—These, at times, have been included in standing charges, but the same principle applies here as in the case with wages to skilled employes. Partners' drawings cannot possibly be a standing charge under a profits policy. If either of the partners received a salary for his services this would be a profit and loss item, but the word "drawings' means an "amount drawn on account of his share in the yearly profits," and that is already insured under the heading "Net Profits."

This is automatic in two ways:

1. If the net profit, plus standing charges, is greater than the insurance, the percentage is calculated only upon the lesser sum; therefore:

Insurance, £5,000; total profits, £7,500; turnover, £50,000. The percentage is calculated upon the insurance over turnover, and equals 1-10th. The insured loses the difference (£2,500) between the insurance and the total profits, or, on the same turnover, 1-20th.

2. When the interruption to the business is longer than the period insured.

Effect of a fire under "Output and Turnover."

The damage and subsequent loss attached to a profits policy cannot be measured by that of a fire policy, although the rating is the same. Presuming:

"Moral Hazard" means origin or cause.

"Structural Hazard" means the damage likely to be caused (once the fire starts) to the building and contents.

Turnover.—A warehouse being burned out, the loss under the fire policy is practically a total one, but in all probability the profits policy will only pay for three or four months' interruption, as new premises and stock are obtainable.

Output.—A fire destroys the main power of a factory; the fire policy pays only the value of the machine or machines destroyed, perhaps only the cost of repairing same. Under the profits policy the loss would be heavy, as the mainspring of the factory being burnt, a total stoppage of business must occur till the arrival of fresh power from abroad. My experience shows me that the percentage of loss is higher under "Output" than under "Turnover;" also that, although a total loss is not only possible, but probable under the fire policy, under the profits policy it is possible, but not probable.

The clause of the policy reads:

"Such sum as the insured shall necessarily pay for increase in cost of working to continue the business during the period of indemnity in consequence of such interruption or interference.

"Provided that if the sum hereby insured shall be less than the amount of the profits for the whole of the last financial year preceding the fire, then the amount payable for such increase in cost of working shall be proportionately reduced."

You will notice that the accountant has to use discretion in interpreting this clause, but he should keep in view the fact that whatever he certifies to as increased cost of working must be expenditure necessary to continue the business. Further than that, I consider that it is not only to continue the business, but also to make or increase turnover. It is clear that underwriters mean that if the insured can, by spending £100, taking temporary premises, installing machinery, advertising ,etc., increase the turnover, these would be legitimate charges against increased cost of working; because the company receives the benefit in not paying the percentage on so much shortage. However, items have crept into assessments which should not have been included, but if the assessor takes the principle that every penny charged to increased cost has increased the turnover, then he cannot go wrong in his certificate.

The proviso is practically attaching average condition to this part of the contract, and which proviso was not embodied in the earlier policies. The average is based upon the assured paying his proportion of the extra cost if the sum insured is less than the profit for the whole of the last financial year preceding the fire. It does not stipulate that increased cost will only be recoverable to normal turnover, and shall be proportionately reduced if the turnover for any month after the fire during the period of indemnity exceeds that of the corresponding month for the twelve months immediately preceding the fire.

Appointment of Accountant Whose Certificate Shall Be Final

Experience of losses that have occurred shows this method is unfavorable to the companies.

The most equitable way would be for the insured and the company each to appoint their accouutant, and any difference between the accounts to be referred to arbitration.

Although the accountant has to certify only as to figures, immediate attention on his part will minimize the period of interruption. The insured, after a fire, is not the level-headed man he was when the business was running smoothly. A few will start with renewed energy, but others become dilatory and waste much time.

The accountant should at once visit the scene of the fire, size up the situation and possibilities of an early start, and assist the insured to find suitable premises, install power, or purchase raw material; then probably turnover will became normal a month earlier than if insured did not receive the benefit of the accountant's advice and a fillip to his energy. The accountant should also watch that all expenses incurred under heading "Increased cost of working" is money paid to assist in the increase of turnover; and if he finds insured is charging items not necessary to bring the turnover to normal or maintain it at normal, the expenditure should be stopped. I found the best plan was to request the assured to obtain permission before expending any moneys under this heading, excepting, of course, small amounts. By this means the accountant has a continuous report.

Exceptions

With the exception of two, the conditions are easy to interpret.

The exceptions are:

(1) In adjusting a loss, due allowance shall be made in the turnover for all extraordinary and other circumstances of the business.

This is a very elastic condition, and rather hard to understand. It would be a matter of opinion as to whether a circumstance was extraordinary or ordinary, and the following words "and other" mean any circumstances other than the extraordinary.

Suggest for debate the following revision:

In adjusting a loss, due allowance shall be made for any extraordinary circumstances or varying conditions of the business increasing or decreasing turnover not consequent upon the fire.

(2) All differences arising out of this policy shall be referred to the decision of an arbitrator, to be appointed by the parties in difference; or, if they cannot agree upon a single arbitrator, to the decision of two arbitrators, one to be appointed, in writing, by each of the parties or, in case of disagreement between the arbitrators to the decision of an umpire, to be appointed, in writing, by the arbitrators before entering on the reference; and unless and until the condition as to furnishing and verifying the claim has been complied with, and an award has been made, the company shall not be liable for any loss, and such award shall be a condition precedent to any liability of the company, or any right of action against the company in respect of such claim.

The accountant nominated, and frequently endorsed upon the policy, is agreed to by the company and the assured, and, being so, no difference can arise as to the amount payable; his certificate given on behalf of both contracting parties is final. The only reference that could be arbitrated upon would be: "If the assured had or had not fulfilled his part of the conditions of the contract."

Proposals

In accepting a proposal the following information will assist in deciding acceptance and as to holdings:

Number of years the business has been in existence.

Integrity and financial position of the firm.

Has the turnover or output increased or decreased during the past financial year?

In the event of a fire, is the stock, power, or raw material procurable locally?

If any member of the firm has an interest in another business of a similar description.

Is there a cable code used?

WITH PENN. FEDERATION

Albert N. Wold, an attorney who has had four years' experience in legislative work, is with the Pennsylvania Insurance Federation as executive secretary.

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Robb Answers Six U. & O. Inquiries

SAYS COMPANIES SHOULD ISSUE NON-VALUED POLICIES

Definition of "Profits" Given by Manager of New York Fire Insurance Exchange

Willis O. Robb, manager of the New York Fire Insurance Exchange, was asked by The Eastern Underwriter this week if he would answer six questions that have been much discussed by underwriters interested in use and occupancy. Mr. Robb graciously consented to answer these questions as he saw them. Queries and answers follow:

Q. Should use and occupancy policies be issued under valued or non-valued forms?

A. Non-valued. All valued policies are vicious in theory and generally in practice. The reason for using any valued policy form is to simplify the adjustment. There is and would be no other reason. The reason against using it is that the flexible provision of the Standard Policy is in the long run vastly more equitable for both parties than any form of valued contract would be, and that ought to offset any greater difficulty or embarrassment in adjustment.

Q. Should use and occupancy policies provide the basis for adjustment of losses, either total or partial?

A. They should cover both total and partial interruption.

Q. If so, should it be by reference to a stated past period and of what length?

A. By reference, yes, but the length of the period should be varied with conditions of the risk insured; and I doubt whether a record of past period should be absolutely conclusive although it should be made a general basis of adjustment.

Q. If the basis of adjustment were to be a "diminishing of normal production by reason of fire" is it likely that there would be great difficulty in arriving at amount of a loss?

A. There would in some cases be considerable difficulty.

Q. What is the definition of "net profits"?

A. Ordinarily, net profits is a term used exclusive of standing or fixed charges. In general, both standing and fixed charges should be subject to Use and Occupancy, but it is competent to insure net profits by themselves and, in that case, the word is used in its ordinary sense as known to adjusters in settling ordinary property losses. The English practice is to group under standing charges such items as interest on debentures, rent, taxes, salaries to permanent staff, directors' fees, auditors' fees and insurance premiums.

Q. What are the chief dangers that lie in use and occupancy insurance as at present written?

A. Imperfect knowledge of and safeguards against moral hazard.

FIRST RE-INSURANCE ELECTION

At the annual meeting of the First Re-insurance Company of Hartford, the following officers and directors were elected: president, Carl Schreiner; vice-president and secretary, H. H. Stryker; assistant secretary, Albert F. Sadler; directors, Louis F. Butler, Walter T. Rosen, Charles E. Gross, Dr. Joseph Schneider, Wilhelm von Finck, Carl Schreiner, Gilbert F. Heublein, H. H. Stryker, Meigs H. Whaples.

Light on British Municipal Risks

PROMINENT UNDERWRITERS TESTIFY IN COURT PROCEEDINGS

Roger Owen on Sound Insurance—Forty Small Companies Retire in Few Years

Underwriters in this country who are following British insurance affairs closely have been much interested in the action of the Municipal Mutual (which insures British municipal properties at cut rates) and the Pontefract Corporation (a municipality which wanted to break its contract with the Municipal Mutual). Some of the leading underwriters of Great Britain, including Roger Owen, of the Commercial Union, were on the witness stand testifying about municipal property rates, solvency of certain re-insurance companies, etc. The case was fought with a great deal of asperity on the part of distinguished counsel, and finally resulted in a victory for the Municipal Mutual, the court deciding it could recover for certain unpaid premiums.

The Issue

Briefly, the Pontefract Corporation, after insuring with the Municipal Mutual for a number of years, wished to have its property covered by a stronger institution, and placed the business elsewhere. The Municipal Mutual claimed, however, that under agreement the business could not be removed until the latest addition to the properties insured had been covered for five years, and then only after the expiration of five years' notice. In other words, the original policy issued to the Pontefract Corporation was dated 1904, but in later years fresh insurances were affected, and it was contended that, as a whole, the Corporation was legally bound until 1924. The clause was described as unfair, unreasonable and unintelligible to people who were not experts.

Testimony of Actuary

An actuary testified that he had investigated the accounts of the Municipal Mutual and he believed that the company had at risk some £14,000,000.

The average amount insured by each policyholder would be about £47,000, and £31,000 would be the total risk retained. In the event of two or three serious fires the company's funds would be absolutely insufficient to meet the liability, and, therefore, the basis of the company was necessarily dependent on the re-insuring companies. He had no hesitation in saying that a municipal authority with knowledge of the facts would be acting contrary to his duty if he allowed insurance to rest solely on such a policy as that of the Municipal Mutual.

Facts About Municipal Insurance

The proceedings developed some interesting facts about public utilities and other public properties in Great Britain, from an underwriting standpoint. One statement of the situation follows:

Municipal risks are more hazardous in character than formerly. To-day the average municipal corporation owns electricity and gas works, markets, shop buildings, electric cars and schools of technology. All manner of trades are carried on. Only a few days ago the Theatre Royal, York, the property of the York Corporation, was burned down, the damage costing thousands of pounds. The old order is gone, and municipal risks, whether for good or evil, are becoming somewhat similar to those of a great industrial undertaking.

We contend that it would have been safer for the religious bodies we have named to commence a mutual scheme without capital, than it is for municipalities. The value of the average church building and contents is probably about £6,000, but municipal risks are far heavier and far more hazardous. We know for example that the Municipal Mutual was anxious to secure the insurance of the Manchester electrical tramcar sheds, where cars to the value of £120,000 to £150,000 are housed. The association applied for the insurance on the School of Technology, amounting to about £150,000, in which building all kinds of mechanical processes are carried on. We believe we are correct in saying that the Municipal Mutual does cover the Salford Corporation electric car shed for £100,000 and the Bradford conditioning house for £120,000.

It must be remembered that the Municipal Mutual policy contains the average clause, or at any rate it did when the institution approached the Manchester Corporation with a view of writing its business, and when the Clithero Town Council removed its insurances to a regular company one of the reasons given for changing was that the "average clause was applicable to all insurances." This clause had an important bearing on the rate. As an example, let us take the case of the Manchester Town Hall. The insurances on the building and contents, we believe, are something like £80,000, but the value of the hall and contents cannot be less than ten times that amount for it is believed that any fire which started could be extinguished before £80,000 damage had been done, and on this expert advice the Corporation has acted. In the absence of the average clause the first £80,000 of damage, in any part of the building, falls upon the fire insurance offices, but if the average clause had been inserted in the policy, the full value of the building must have been recovered. Assuming the all-around rate to be 13.8d. per cent., the actual rate paid by Manchester for the insurance of the Town Hall is 2d. per cent. on total values estimated at £800,000, and, we believe we are correct in saying, that is much below any quotation put forward by the Municipal Mutual. Anyhow, we have an idea that its re-insuring companies expect the minimum rate to be 3d. per cent.

Roger Owen on the Stand

Roger Owen, manager of the Commercial Union, said he had no desire to make any attack upon the Municipal Mutual, but he thought a corporation ought to insure in the strongest company it could get and not take any chance or speculate at all with its insurance. In an ordinary company a loss following a big fire is only a matter of routine business. A small company might have a casualty which would swamp it, but in the case of a big company he could not conceive of a calamity which would have this result.

Is it a fact that a great number of small companies recently established have had to cease business?—Yes, a considerable number.

You have a list of companies that have gone into liquidation, and it is a long list? That is so; about 40 in a very few years, and these companies all started with subscribed capital.

Can you mention one?—The National General, established in 1907. The premium income of the Company in 1910 was £300,000. It was wound up in 1914. The whole of the capital was lost, and the creditors only got 10s. in the pound. It started with a capital of £200,000.

Is the danger of a single heavy loss a contingency that must be always provided for?—Certainly, it might occur any day, and will occur sooner or later. The big offices can easily stand such a loss. Some have paid approximately £1,000,000 in a conflagration without being hurt. Have you ascertained the amount of individual insurances with the Municipal Mutual?—I have some information. The Bradford Corporation insurances, £1,700,000; Sunderland, £1,000,000, and I have no doubt there are considerable risks among them, up to 100,000 and I think it is unsafe to insure with a small company like the Municipal Mutual such large risks.

What about the re-insurances?—My first criticism is that the insured have no claim at all upon the re-insurances, and in the next place any company ought to have strong enough funds of its own to cover its liabilities to its insured. All strong companies have, apart from their re-insurances. Of course, the re-insuring companies in this case are necessarily restricted to the weaker companies. For instance, three of the present re-insurers must give notice to cancel their contracts very soon because they have been absorbed by tariff companies, and it is impossible to say how these contracts will be replaced.

What do you say to the clause to the policy which automatically extends the whole of the insurances for five years from the date of an entry on this policy?—I think it is a most unfair and most unreasonable condition, and I doubt very much whether any ordinary insured would grasp the meaning of it. I would not, as an expert, advise any corporation that is prudent to insure with the Municipal Mutual. I do not consider it sound insurance.

In its decision the court said that it did not feel obliged to decide as to the desirability of a corporation insuring with the Municipal Mutual. Decision was rendered for the Municipal Mutual on technical grounds.

ORAL CONTRACTS

The decision rendered by the Supreme Court of Massachusetts in a suit brought against a company to recover under an oral contract of insurance sets forth clearly that an oral contract is not valid uuless it is ratified within a reasonable period of time by a formal policy of insurance. In this case the oral contract was made in June and the property burned in the following December, the plaintiff having in the meantime given no further attention to the matter of insuring it, and no policy having been issued.

Two Companies Now Write New Auto Form

VALUED POLICY MATERIALLY REDUCES RATE

Scale of Values for Three Years in Contracts Offered By New Jersey and New Brunswick

The automobile contract recently placed upon the market by the New Jersey Fire, and simultaneously adopted by the New Brunswick, has several new features in automobile coverage. The policy fixes for each month a stated value of the car insured, thus avoiding any controversy in the event of a loss. The method of valuation is to deduct each month what has been practically established as the normal depreciation of the average automobile. The liability assumed is the full value or list price of the car for the first month, three per cent. less each month during the first year; two per cent. less each month during the second year and one per cent. less each month during the third year.

Taxis and "Jitneys" Not Accepted

Risks are not accepted giving coverage beyond three years after the original date of purchase. Also, taxi cabs, "jitneys," rented livery or second-hand cars are not accepted. Three-year policies are issued at two and one-half times the annual rates.

The rates for gasoline cars are 1 per cent. of the list price for models listing at $2,500 and over; 1½ per cent. for models listing at $800 to $2,500; and 2 per cent. for models listing under $800. The rate for electric cars is ¾ of 1 per cent. of the list price of all models.

The policy conditions are as follows:

"It is agreed between the Company and the assured (and this policy is delivered and accepted subject to such agreement), that the automobile and equipment which is insured shall be valued during each month of the period covered by this policy, not to exceed the amount calculated and determined according to the following table, each month to commence on the same day of the month, at noon, standard time, as the day on which the car was delivered to the assured as a new and unused car."

The values, based on the elapsed time since date of purchase, are as follows:

First Year

1st	month	.....	100%	of	list price
2nd	"	.....	97%	"	" "
3rd	"	.....	94%	"	" "
4th	"	.....	91%	"	" "
5th	"	.....	88%	"	" "
6th	"	.....	85%	"	" "
7th	"	.....	82%	"	" "
8th	"	.....	79%	"	" "
9th	"	.....	76%	"	" "
10th	"	.....	73%	"	" "
11th	"	.....	70%	"	" "
12th	"	.....	67%	"	" "

Second Year

13th	"	.....	65%	"	" "
14th	"	.....	63%	"	" "
15th	"	.....	61%	"	" "
16th	"	.....	59%	"	" "
17th	"	.....	57%	"	" "
18th	"	.....	55%	"	" "
19th	"	.....	53%	"	" "
20th	"	.....	51%	"	" "
21st	"	.....	49%	"	" "
22nd	"	.....	47%	"	" "
23rd	"	.....	45%	"	" "
24th	"	.....	43%	"	" "

Third Year

25th	"	.....	42%	"	" "
26th	"	.....	41%	"	" "
27th	"	.....	40%	"	" "
28th	"	.....	39%	"	" "
29th	"	.....	38%	"	" "
30th	"	.....	37%	"	" "
31st	"	.....	36%	"	" "
32nd	"	.....	35%	"	" "
33rd	"	.....	34%	"	" "
34th	"	.....	33%	"	" "
35th	"	.....	32%	"	" "
36th	"	.....	31%	"	" "

"The liability of the company is against any actual loss and damage to the automobile herein described, not exceeding the amount determined by the preceding terms and stipulations: First, caused by fire arising from any cause whatsoever; second, while being transported in any conveyance by land or water, against loss or damage caused by stranding, sinking, collision, burning or derailment of such conveyance; including general average and salvage charges for which the assured may be legally liable; third, by theft, robbery or pilferage, excepting tools and repair equipment, by persons other than those in the employment, service or household of the assured; fourth, caused by tornado or cyclone; fifth, caused by earthquake; sixth, caused by lightning; seventh, caused by hail; eighth, caused by flood, tidal waves or other unusual risings of natural bodies of water; ninth, caused by explosion (but not to cover explosion of tires).

"The liability of the company is conditioned upon: First, the description in this policy of the automobile insured being a true and correct one; second the automobile described herein being owned solely and unconditionally by said assured; third, that there is no other insurance covering against the risks insured by this policy, and that there will be none carried during the term of this policy; fourth, upon the automobile hereby insured not being used for carrying passengers for compensation, or rented, or leased or operated in any race or speed contest during the term of this policy; fifth, being free from claim for loss or damage which may be caused directly or indirectly by invasion, insurrection, riot, civil war or commotion, or military or usurped power; sixth, that in the event of loss or damage, the assured shall protect the property from further loss or damage, and give immediate notice thereof in writing to this Company or to its authorized agent who issued this policy.

"In ascertaining the amount of any partial loss or damage, only the cost of repairing, or, if necessary, replacing the parts damaged or destroyed, including the charges incidental thereto, shall be considered.

Umpire Provided

"In the event of disagreemeut as to the amount of loss or damage, the same shall be ascertained by competent and disinterested appraisers; the assured and this Company each selecting one, and the two so chosen shall first select a competent and disinterested umpire. The appraisers together shall then estimate and appraise the loss stating the damage, and failing to agree shall submit their differences to the umpire and the award in writing of any two shall determine the amount of loss or damage. The parties thereto shall pay the appraiser respectively selected by them, and shall bear equally, the expense of the umpire. Losses shall be payable within sixty days after receipt of satisfactory proofs of such loss or damage, and the cause of same and the amount thereof, and proof of interest of the assured, shall have been made and duly sworn to before a notary public, and presented in writing at the home office of this Company. It is understood and agreed that failure to file with the Company satisfactory proof of loss within sixty days of the date of the loss shall invalidate any claim hereunder.

"If this Company shall claim that the damage was caused by the act or neglect of any person or corporation, private or municipal, this Company shall on payment of the loss, be subrogated to the extent of such payment to all right of recovery by the assured for the loss resulting therefrom, and such right shall be assigned to this

(Continued on page 21.)

Judge J. W. Mooney's Views on Subrogation

RECOMMENDS PROCEDURE FOR RAILROAD ACTIONS

Also Gives History of Ohio Bill in Talk to Fire Insurance Club of Chicago

Judge J. W. Mooney, of Ohio, made an address to the Fire Insurance Club of Chicago at a recent meeting, in which he covered various legal phases of subrogation in the West. His address was in part as follows:

"Fundamentally, subrogation indicates immediately to a legal mind that it is an equitable doctrine, not a legal one, but it has grown up in connection with the fire insurance contract, and has produced what is known as a 'by-product;' that is, subrogation.

"Many a manager, to his sorrow, has produced this by-product. He has issued his policy to somebody, and a railroad or some other person, through negligence, has caused the burning of the insured property, and the manager has paid his loss, and then he has what is generally known as the by-product of subrogation. Now, this subrogation may arise, from a legal standpoint, in two ways. In most States, it rises as a matter of law. That depends, and grows out of, the relation between the parties. A contract of insurance is issued, insuring property. The property is destroyed by the fault or negligence of some third person. When that condition has arrived, the insured has the election to pursue the wrongdoer or insist upon the company paying the loss under the policy, or at least up to the face of the policy, or, as I say, on the other hand, the assured may elect to pursue the wrongdoer, and if he pursues that course and collects the money, of course the insurance company is not liable, because it is against public policy to permit a man to speculate or make money through his misfortunes. He cannot recover twice. If he elects to pursue the wrongdoer and recover, that is the end of the controversy. If he looks to the company, the company, as a matter of law, in most States, is subrogated. It is not required to retain subrogation, and that is because the company stands in the relation of a surety. If the surety pays the principal obligation, then the surety is entitled to be subrogated to the extent paid, as a matter of law and matter of right, and this relation frequently and usually rises out of that sort of relation, but it may also rise out of a contract relation, that is, the parties may contract for subrogation, and that is done in what is known as the New York Standard Policy. This policy contains an express provision that in the event the insurer claims that the loss has been occasioned by the wrongful act of some person, then upon payment, the assured shall subrogate or sign an assignment of the loss to the extent of payment. While that may not be essential in many respects, it does become important in one aspect of this subject, namely where a policy is issued after the insurer has entered into a contract with a railroad, say, expressly releasing that railroad from any liability arising from fire.

Railway Lease Provision

"Those releases are usually issued, as you are now familiar, where switches are placed at elevators or other shipping points for the insured. Railroads, after some years of experience, have reached the conclusion that the safe thing for them to do is to secure this written release, and you will find it in almost all leases now, where property is leased from a railroad or a switch is placed in the tract for the benefit of the shipper. Now, the courts have held that that release is valid and legal as between the property owner and the railroad. That being so, it places the assured in a position where he cannot subrogate the company as against the railroad. In that event, it is important to have a contract right for subrogation, and where an assured has done that and concealed that fact from the company, the company is under no obligations to pay the loss under that policy, where the loss has been occasioned by the negligence of the railroad. Those defenses have been made in a number of States, and the courts have sustained them, because it deprives the insurer of a valid and valuable contract right, and there is no reason why courts should not enforce it, but it is rarely or only occasionally that a company sees fit to avail itself of that defense, which is a complete full legal defense to any liability where such right of subrogation has been destroyed by a contract between a property owner and the railroad. That being true, it places companies in the position of either resorting to that defense, or securing, perhaps in equity and fairness an additional rate.

"It is my understanding that in classified risks like dwelling houses and some other risks, no charge is made for exposure to a railroad, but on specially rated risks there is an additional charge, but where there is no special charge, then the company is assuming this hazard of exposure of a railroad without any compensation, which is unfair to the company, and the companies would be fully justified in resorting to a defense under those conditions.

Agents Should Make Inquiries

"My observation is that people who are engaged in operating elevators, and businesses of that sort, where they are using switches and have signed those releases, very rarely disclose them to an insurance company. Very rarely. Under the light of present conditions, such inquiries undoubtedly should be made, and then it should be left optional with the company whether it wishes to assume a risk of that sort or not.

"In addition to this condition, railroads have largely felt that they were justified in doing this, because you could never get a railroad official to understand how they or the railroad should become responsible to an insurance company that has issued its policy and collected its premiums and when a loss by fire attributable to the railroad has occurred, and the company has paid the loss and then asked the railroad to pay its loss, but railroads, many of them, now are beginning to appreciate that it is the only recourse for an insurance company under those conditions where they are not able to make an additional charge for the exposure created by the existence of the road.

"Now therefore, you will see from what I have said, that the right of subrogation may arise from two sources, namely by operation of law, which is the usual one, and which is the case in Ohio where it is utterly unnecessary to take a written subrogation. The Supreme Court of the State has held that that is true, and that the subrogation is brought about by that relation. That answers the purpose until you are confronted with the other condition to which I have referred, where there has been a release of the right of subrogation, and that right destroyed by contract.

"Now the railroads, of course, are antagonistic, and have done everything they can to break down that condition. I refer now briefly, to Ohio, and the conditions that existed there until a few years ago. We had a special statute requiring the railroad to use screens during the summer months, but the court construed that statute to mean that if they used a screen in good condition, then there was no liability. That created a trap in a sense for all sufferers from fires. It placed the railroad in the position that with the possession of the screen and of the engine, that they had all the proof. The surety had no proof unless the fire occurred in day time or somebody was there who would be able to say that sparks were thrown of such a size that they could not get through the screen. Well, the result of that condition was that these cases were won before a jury, but were lost uniformly in the Appellate Court, on the ground that the railroad would prove they had a screen in, and that it was in good condition, and the claimant was utterly unable to offer any proof to combat that.

"That thing was carried to such an extent that it became a very serious menace, not so much in fire insurance companies perhaps, as to innocent people who owned property along a railroad. The fires would occur at night or at some time when they were not around, and they had absolutely no proof.

Fixing Liability on Railways

"After looking into that subject somewhat, and becoming impressed with the unfairness of that legislation, my office conceived the idea of preparing a bill. I never had any experience with legislation, and never have wanted it. I think, as Pudd'n-head Wilson said, that we have no distinctive class of criminals in this State except legislative bodies. Keeping that motto in mind, however, my impression of that subject was so strong that I did prepare a bill, and to go back of that bill printed a brief, citing a number of cases presenting the unfairness of the legislation in Ohio upon that subject; in other words, that it was entirely and completely and fully in favor of the railroads. That bill was printed, and the brief attached to it was printed. I paid for that. It was introduced in both branches of the Legislature, and a turmoil was started by the railroads and railroad attorneys every where. The bill was sent into the 'hopper,' as they call it, without its father being heralded. There was a good deal of guessing about where it came from, and the novel method of printing the bill and printing the reasons for its passage was so unusual, that it attracted a good deal of attention.

"When that bill was introduced, many of the lawyers in the lower house were naturally against it until they read it, but when they read the brief, and especially the two decisions of the Supreme Court of the United States, they became convinced that the condition in Ohio was unfair in every aspect. Then they were favorable to the bill.

"The bill was referred to a committee, reported favorably upon and passed the lower branch without a single dissenting vote. I don't mean by that that all the members voted for it. There were some men there of the legal profession who thought it more comfortable not to vote for it nor to vote against it. The bill then went to the Senate, and was referred to a committee, but there the bill was discussed extensively by lawyers, railroad lawyers, and the whole matter gone into thoroughly, showing how utterly impossible it was to win a subrogation case in Ohio under that legislation.

Unanimous Vote On Bill

"The committee was very favorably impressed, but it was the time when we had the 'boodle' legislature in Ohio—some of the members of that committee were eventually sent to the penitentiary—and that bill had its troubles in that committee. The committee was notified that not a dollar would be paid to get that bill out of the committee, and that unless it was reported on the floor of the senate within three days, it would be taken away from the committee. The bill was reported favorably, and passed the senate without a dissenting vote, a rare and unusual thing in the minutes of legislation.

"Now that bill especially provided and made railroads responsible and liable for all fires set out, immaterially of whether they were the cause, the source of negligence, or whether they were not. Now, it is generally conceded that railroad engines will throw fire, notwithstanding the highest degree of care, and that it is utterly impossible to prevent it entirely, but this bill made railroads responsible for all fires. The only fact necessary to be proven was that they set the fire. An additional section was passed making the fact that a fire started on a railroad right of way presumptive evidence that it was occasioned by operating the railroad.

"Now, that legislation has been in operation in Ohio for about four years, very successfully, and I think, seriously, that the railroads begin to realize now that it is only fair that they pay and absorb all those charges, and that doctrine, when you come to analyze it, is simple and it is very easily understood. They argued long and earnestly in the case in the United States Supreme Court that a commonwealth like Ohio that creates a railroad corporation, empowers that corporation to use fire to operate its engines, having authorized its incorporation it was unconstitutional to attempt to impose a liability. The Supreme Court of the United States held otherwise, and the plain and simple doctrine was this, that while the State had authorized the incorporation of the railroad, and had authorized it to use fire in the operation of its engines, yet it has reserved the power or constitutional right to impose upon that corporation the burden of paying all losses occasioned by fire. With that doctrine settled so far as the constitutionality of it is concerned, the law has been successful, and I think the railroads generally now recognize that it is only fair, and many of them have come to look at it from this standpoint. Here is an innocent property owner who may have owned his property, farm or whatever it may be, before the railroad was placed there. If a fire occurs, conceding it was not the fault or through the negligence of the railroad, yet why should the property owner suffer rather than the railroad, even if the railroad is innocent of any negligence? As between the two, the courts have held that that loss should be paid by the railroad, and not by an innocent property holder, and I think the doctrine is sound. I think it is good morally, and that law now is in force in a number of States, and in my opinion, should become universally in force and especially is that true in so far as it relates to the subject of insurance. I can readily see how difficult it is for you people to handle that subject. You have a risk exposed to a railroad. It comes to a matter of rate. If you get a sufficient rate you can afford to carry it, but supposing you are required to write it at a rate the same as if it was not exposed to the railroad risk. What have you? Now, your only remedy is, if the railroad sets out a fire there and occasions a loss, they ought to recompense the insurance company, and I believe the people of this country are big and broad enough to regard that as one of the fixed charges in the operation of railroads, and one that should be absorbed by railroads rather than put upon insurance companies, when they don't get an adequate rate.

Insuring Railways' Liability

"Now, there is another phase of this question and no doubt the time will come sooner or later, when it will become a matter of a great deal of interest to insurance companies, and that is 'what relief or remedy has a railroad?' What can they do to protect themselves against firing adjacent property? In one State at least, the legislature, I think unnecessarily, has passed a law, authorizing insurance

companies to insure railroads against the hazard and loss which they may suffer by fire to an adjoining property. It is clearly an insurable interest, and if it is necessary to pass a statute to enable companies to write this type of risk, it could readily be done. I don't think it is necessary, but if this risk should be written, and I imagine that companies that are ambitious and are inclined to follow out new enterprises, and when they have experimented as long as they care to with the American automobile, and the use and occupancy clause, that this subject may be taken up.

"Now the manner that that would work out, would be that the railroad would take the money that they used to pay these losses, and pay it in the first instance to the company in the form of premiums. The companies would assume the risk, and when a loss occurred, they could pay either the railroad, if it has to pay the property owner, or pay the loser. Of course, if a man owned a piece of property that was exposed to the fire hazard of the railroad, and a company would insure it, and it was destroyed, he might have insured it also in some other company in his own behalf. There would probably be some obligations accruing out of the law of the States that have what is known as the standard, or rather the valued policy law. There may be some questions of double insurance, and some obligations, but running through this entire subject, there is a principle which your business never will suffer from, namely, that no owner of property will ever be permitted to speculate upon his misfortunes, and that a single compensation is all the law will ever permit, and there will be some way to ascertain and work this proposition out."

PROMOTIONS

Colonel Cunningham Says Prospectus of a New Company Makes Mighty Refreshing Reading

About as refreshing reading as comes is the occasional promoter's prospectus of a new fire insurance company proposition, says Colonel Cunningham of the Glens Falls in "Now and Then." It deals so exclusively with the later figures of a few prominent surviving successes and counts these results of experience as a sort of can't-be-helped current achievement; is so oblivious of a well filled insurance graveyard, of possible conflagrations and of the dangers of infantile paralysis as to make conservative hopefulness seem miserably pessimistic.

Such promoters undoubtedly have belief in their superior ability and confidence in being able to profit by the good and bad experience of others. They may also have the faith in luck of the serving maid who, being cautioned by her motherly mistress against a proposed hasty marriage and its dangers of unhappiness, replied, "Thank ye kindly, Mum, but I'm hopin' to 'ave better luck nor you did, Mum."

NORD-DEUTSCHE PROGRESS

The United States branch of the Nord-Deutsche Insurance Company of Hamburg, Germany, made an excellent showing last year both in the fire and marine departments. The total assets as of January 1, 1917, are $2,619,260.89, an increase of $555,946. The net surplus is $1,211,738.35, a gain of $71,122 for the year. Increases are also shown in premiums of $705,354; and reserves $197,199.

MR. RUSH'S PAPER

Conclusion of Article on "Marine Insurance Contract"—Quotes Authorities for Students

Through an inadvertence the concluding paragraphs in the unusually able paper on the marine insurance contract, written by Benjamin Rush, president of The Insurance Company of North America, and delivered before the Insurance Society of Philadelphia, were omitted in the re-publication of the paper by The Eastern Underwriter. The summing up of Mr. Rush follows:

The foregoing remarks apply to a contract of marine insurance on merchandise but the rules of construction above annunciated apply equally to all other kinds of insurance. These are so many in number that it is not possible in the scope of this article to do more than touch upon them.

The subject of marine insurance of greatest magnitude next to the insurance of merchandise, is the insurance on hulls of vessels themselves. The construction of a marine policy on hulls is similar to a policy of insurance on cargoes as regards the risks assumed, and the other principal features of the contract, but it also contains many clauses peculiar to itself.

Special forms of policy are also issued for insurance on disbursements, vessel freights, charter hire, live animals, passage money, and many special kinds of cargo.

To recite all the clauses and special forms of policy granted in order to cover the needs of the commerce of the world is not possible within the scope of this article but the principles of construction above annunciated apply to all of them, and the laws governing their interpretation are the same whether they be on hull, cargo or other maritime interests.

In conclusion I wish to express my indebtedness to McArthur's Contract of Insurance, Mr. Phillips' Text Book on Insurance and to Mr. Gourlie's Work on General Average, to whom I am indebted for many definitions and much of the information contained in the above article.

The following additional authorities on Marine Insurance are recommended to those who desire to make a further study of this subject:

Arnould on Marine Insurance, 8th Edition; Templeman, Marine Insurance, 3rd Edition; Gow, Marine Insurance, 3rd Edition; Gow, Sea Insurance, 1st Edition; Lowndes, Law of General Average, 5th Edition; Gongdon, General Average, 1st Edition.

Mortgage Property

(Continued from page 1.)

through a particular insurance broker or brokers."

Paragraph 268, section 1, provides that, on a vote of two-thirds of the trustees, any trustee or officer of a savings bank guilty of violating any of the provisions of the statute, shall be removed from office. Section (d), of the same paragraph, however, creates an exception to the penalty of removal from office in the case of violation of the provision against the designation of insurance brokers.

The object of the Evans Bill is to remove this exception and provide for the penalizing of officers of savings banks guilty of designating particular insurance brokers.

NATIONAL UNION CHANGES

D. N. Iverson, formerly with the Fidelity-Phenix, has been appointed special agent of the National Union in New Jersey. In New York suburban territory the Company has appointed A. M. Harned, who has been with the Company in another field. His headquarters will be in Brooklyn. As heretofore published Frederick Ackerman has been transferred to the home office in charge of the brokerage department, and other duties.

GERMAN COMPANIES

It is reported that there has been a conference between insurance commissioners and Secretary of State Lansing in regard to the status of the German companies. The opinion of a distinguished counsel, given to managers of German companies, relative to their position in case of war, is given in the editorial columns on page 10 of this issue.

Two Companies Writing

(Continued from page 19.)

Company by the assured on receiving such payment.

"This policy may be cancelled at any time upon request of the assured, the Company retaining or collecting the customary short rate for the time it has been in force, or it may be cancelled by the Company by delivering or mailing to the assured at the address stated in this policy, a written notice of cancellation, and such cancellation shall be binding upon the assured and render this policy null and void five days after the receipt of said notice by the assured.

"If the premium has been paid to this Company, the pro rata unearned premium shall be tendered by a United States postal money order. No one other than an officer of this Company shall have power to waive any condition of this policy.

"Violation of any of the above conditions renders this policy null and void for claim for loss by any risk insured against by this policy."

"The Leading Fire Insurance Company in America"



WM. B. CLARK, President

AETNA INSURANCE COMPANY

Aetna Fire Underwriters Agency
of Aetna Insurance Co.

Application For Agencies Invited

THE HANOVER
FIRE INSURANCE COMPANY
Incorporated 1852

The real strength of an insurance company is in the conservatism of its management, and the management of THE HANOVER is an absolute assurance of the security of its policy.

R. EMORY WARFIELD, President
FRED. A. HUBBARD, Vice-President
E. S. JARVIS, Secretary
WILLIAM MORRISON, Asst. Sec'y

HOME OFFICE
Hanover Bldg., 34 Pine St.
NEW YORK

HOWIE & CAIN, General Agents
Metropolitan District
100 WILLIAM STREET, NEW YORK



Just say:
"Insurance Man"—
the open sesame to every courtesy within our power.

Room with detached bath $1.50 and $2.00
Private bath $2.50 and $3.00

BREVOORT Hotel
Insurance Headquarters
MADISON ST.—East of LaSalle
CHICAGO
LAURENCE R. ADAMS, Sec'y & Mgr.

A. K. BOUGHNER & CO.
INSURANCE AGENCY
Fire Automobile
NEWARK AND VICINITY
Brokerage Business Solicited
38 Clinton Street, Newark — 95 William Street, New York

ARTHUR C. SWINTON
1 Liberty Street — GENERAL AGENT — New York City
FIRST NATIONAL FIRE INSURANCE CO.
Washington, D. C.
New York Suburban and New Jersey
Exceptional Reinsurance Facilities — Local Agents' Interests Protected

Rossia Insurance Company
HARTFORD, CONN.
REINSURANCE

First National Fire
Insurance Company of the United States
WASHINGTON, D. C.
ROBERT J. WYNNE, President — JOHN E. SMITH, Secretary
Statement January 1, 1917
CAPITAL, $911,305
RESERVE FOR ALL OTHER LIABILITIES, $665,823
ASSETS, $1,743,996

CASUALTY AND SURETY NEWS

What is Meaning of Acquisition Cost?

VIEWS OF JOHN A. ECKERT, NEW YORK BROKER

Phrase Doesn't Cover Much of Expense of Detail Performed By Company

John A. Eckert

I presume that what is meant by "Acquisition Cost" is the cost of acquiring business, and would make the following comments in connection therewith:

Some hold the opinion that the commission paid to brokers is all acquisition cost. It may be that it is the general impression that commission to brokers covers the acquisition of business only, but this is quite contrary to facts. If the broker's work were to be limited to transmitting the order for the insurance, and the companies were obliged to handle all of the detail in connection with the placing of the risk, the delivery of the policy, the payment of the premium and the straightening out of innumerable questions and controversies that come up from time to time with reference to reporting claims, adjusting audits and settling losses, then each company would have to establish a new department which would be more expensive than their inspection, investigation or adjusting departments. The fact is the broker performs a very large part of the detail of the underwriter, which goes far beyond the acquisition of the business.

Term Has Done Harm

It is my further opinion that much of the expense of the detail performed on the part of the company can hardly be construed as acquisition cost. It would seem almost impossible to draw a line either in the company's office or the broker's office and fix a strict acquisition cost. The term has done considerable harm in the minds of the public and Insurance Department officials in that it implies that the commissions which are paid are for the mere acquiring of business.

It would seem as though the activities of fire and casualty insurance brokers are being confounded with the activities of the life insurance, real estate and merchandise broker, who has only to bring about the meeting of the minds of the buyer and seller, when his commission has been earned, when practically all of the detail is completed by the buyer and the seller, without expense to the broker, and with little or no responsibility. The fire and casualty insurance broker must continually act as a go-between and actually perform most of the detail arising from the many transactions and controversies incident to the carrying out of the insurance contract from the beginning to end, as well as the effecting of it.

In view of this, it seems to me that it is impossible, in the liability insurance business, to fix a pure acquisition cost without revising the whole method of doing the business. It will be far better to direct all efforts at the total expense account.

Remuneration is as Much as You Can Get

The underwriting manager of one of the large companies, asked for his views or acquisition cost, wrote as follows to The Eastern Underwriter this week:

"Acquisition cost was defined by Superintendent Emmett in a letter which he sent out several years ago. Put in the simplest form 'acquisition cost' means the agency expense. There is an agency expense no matter on what basis insurance is conducted; therefore, the question is entirely one of degree. The idea that such expense can be done away with altogether is hopelessly Utopian. Advertising is a typical example of so-called non-productive expense. It is uneconomic from the point of view of the doctrinaire. However, the value of stimulus is not to be overlooked and the expense incidental thereto is productive of real economy in every phase and walk and condition of life. The point made by the Superintendent of Insurance is that compensation insurance being compulsory the stimulus has been provided by the State. There is a good deal to be said for that, but the agent still carries out a useful function and should be adequately remunerated. Now, what is adequate remuneration? Adequate remuneration is as much as you can get."

FOREIGN TRAVEL

Travelers Letter to Field Representatives Under Date of March 26 Sent Out

In regard to travel outside of the United States and Canada the Travelers accident department, under date of March 26, sent the following letter to field representatives:

We are now using war stamp form 9843 on all accident and disability policies. This stamp reads as follows:

"During the continuance of the present war and for three months after the Declaration of Peace by the governments at war, this policy shall not cover accident or injury, whether fatal or non-fatal, sustained by the insured while traveling to or from any European, African, Australian or Asiatic port, or while traveling or residing in Europe, Africa, Australia or Asia without written permit from the Company."

In taking applications for accident or disability insurance from now on, the question in the application in regard to special journey or hazardous undertaking must be answered as follows:

"I agree not to travel or reside outside of the United States and Canada during the present wars."

If an applicant states that it is his intention to travel outside of the limits of the United States and Canada the application should be submitted to the home office with full statement as to where the applicant intends to travel and how long he will be away. If the risk is accepted it will be subject to execution of war rider form 9856 (copy enclosed).

In connection with renewal risks upon receipt of advice that an insured intends to travel outside of the United States and Canada war rider form 9856 should be called for at once (war rider form 9868 should be used in cases where the insured holds a policy which contains a beneficiary clause or has a free beneficiary supplement attached), and the Company advised as to where the applicant intends to travel and how long he will be away.

General Accident
FIRE AND LIFE
ASSURANCE CORPORATION, Ltd.
SERVICE THAT EXCELS
FREDERICK RICHARDSON, United States Manager
GENERAL BUILDING · 4TH & WALNUT STS.
PHILADELPHIA

Home Office Report of Employers' Liability

PREMIUM RECEIPTS LAST YEAR £2,456,204; LARGE GAIN

Resolution to Extend Writings to Include Marine Insurance—Meeting to Be Held

London, Eng., March 22.—The report of the Employers' Liability Assurance Corporation, to be submitted to the members on March 21 shows that the premiums for the year 1916 totalled £2,456,204, as compared with £1,863,816 in the previous year. The insurance fund at the close of the year was £1,888,364, as compared with £1,371,729 at the same period twelve months ago. The report also contains the interesting announcement that "in order to place the Corporation in a position similar to that of the majority of its competitors, the directors propose to submit, at an extraordinary general meeting to be held at the close of the ordinary general meeting, a resolution to extend the objects of the Corporation, full details of which are set out in the accompanying resolution."

The resolution reads as follows:

That, subject to confirmation by the Court, the objects of the Corporation may be extended in manner following, that is to say:

To grant, make, effect or procure insurances against every description of marine risk which may be legally undertaken relating to the perils of the sea, fire, war reprisals and other risks of a like nature incidental to the seas, ships, vessels and craft of all descriptions, and also the freights, goods, merchandise, cargo, earnings and property whatsoever in or on board of the same, whether the property of members of the company or otherwise, howsoever so far as the same may be affected or made according to law. And to insure all other matters and things which lawfully may or can be from time to time insured or be the subject of insurance against the perils of the sea, and also generally to carry on all other branches and departments of the business of marine insurance, and to re-insure or counter insure any of the risks undertaken by the Corporation, and to effect insurances as agent for any other company, and to lend money on bottomry or respondentia and to provide bail.

OFFICES PREPARE FOR WAR

National Surety Plans to Replace Men With Women Workers—Farewell Dinner to Vernon Brown

Since Monday, practically all of the companies have started making plans for various war emergencies. The National Surety has notified an employment agency to be prepared to furnish several hundred female clerks to replace the men employed by the Company who answer the call to arms. Several of the life, fire and casualty companies have followed the example of the National Surety while some of the companies have met the situation by recalling retired employes and doubling up the work for those remaining.

During the week a number of farewell dinners have been tendered men who were about to leave for their various posts of duty. Among these was that given Vernon Brown, son of Willard S. Brown, of Willard S. Brown & Co., at the Drug & Chemical Club on Wednesday.

One broker sold the business it has taken him eleven years to build up in order to go with his regiment. Others of the large brokerage houses have freely given their employes permission to go on full salary.

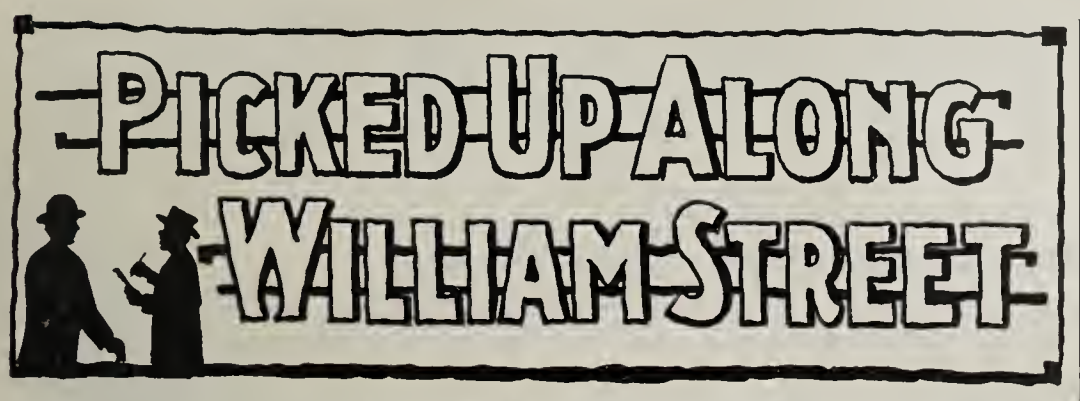
INCREASE COMMERCIAL RATES

Following the action taken this week by one of the large multiple line casualty companies, which practically doubled its rates for automobile liability on commercial cars in New York City, it has been learned by The Eastern Underwriter that other companies contemplate similar action and that the Bureau is expected to declare an increase of 25 per cent. or thereabouts in auto liability rates for commercial cars in New York City, effective at an early date.

GAUVIN HAS RATE EXPERT

The Gauvin Agency, Inc., announced this week it had engaged the services of A. V. B. Sherlock, rating expert, who will be at the office of the agency every afternoon between the hours of 3 and 5 for consultation with brokers on the new compensation schedule rating plan effective March 31.

New Amsterdam Casualty Company
A Progressive
SURETY AND CASUALTY
Company



Compensation Bureau Branch Offices

A list of the branch offices of the National Workmen's Compensation Service Bureau, with their managers, follows:

Michigan: Detroit; C. G. Axtmann, manager.

Minnesota: Minneapolis; R. E. Laley, manager.

Illinois: Chicago; O. J. Smith, manager.

Oklahoma: Oklahoma City; A. D. Fitch, manager.

Missouri: St. Louis; L. L. Hall, manager.

Rhode Island: Providence; E. J. J. Kluge, manager.

Kentucky: Louisville; C. J. Condit, manager.

Colorado: Denver; Ralph M. Brann, manager.

Louisiana: New Orleans; J. G. Callahan, manager.

Maryland: Baltimore; H. C. Stanwood, manager.

Indiana: Indianapolis; David Layton, manager.

Wisconsin: Milwaukee; H. P. Vose, manager.

Connecticut: Hartford; M. Acker, manager.

Maine: Portland; Henry Holland, manager.

* * *

Made Second Lieutenant

Cameron H. Sanders, assistant secretary of the American Liability Company, Cincinnati, who was with Troop C, Ohio Cavalry, on the Mexican border and returned to Cincinnati about a month ago, has been promoted to Second Lieutenant of Troop F, Ohio Cavalry.

* * *

Case Attracts Attention

A $5,000 negligence action brought by Miss Minnie Flynn against Dr. Harlow G. Farmer, because of injuries sustained when the defendant's automobile ran into her, attracted a lot of attention in Watertown, N. Y., the crowds present at the trials each day being nearly as large as those at important murder trials. The jury rendered a verdict of $2,200.

* * *

HARRISON LAW CHART

Harrison Law, of Nutley, N. J., has again issued his "Comparative Tables of Miscellaneous Insurance Companies." This chart embraces a ratio for the losses, commissions, salaries, taxes, other underwriting disbursements and total underwriting disbursements for the past seven years. It also shows the premiums, losses and increase in reserve for losses by companies in each classification, viz.: accident, health, liability, compensation, etc. This book is the only one of its kind and should be a great help to those interested in the details of the liability business. Copies sell for $1 a piece.

DISABILITY FROM DISEASE

The number of people annually incapacitated by sickness forms a large proportion of the population. Statistics for the United States are wanting but considerable information is furnished by the experience of the Leipzig Communal Sick Fund of Germany, and would in all probability vary little from the actuarial experience among white males in the United States, says the "Travelers Record."

The first column gives the age by periods, the second column the number of cases of sickness per each 1,000 males per annum, the third column the number of days of sickness per each case.

Ages	Sickness rate per 1,000	Days of sickness per each case
20-24	363.3	18.88
25-29	366.3	20.49
30-34	398.2	22
35-39	326.7	24.17
40-44	464.7	25.93
45-49	500.5	27.93
50-54	541.6	30.15
55-59	578.0	33.88
Average	455	25.43

UNDERWRITERS' MAP ASS'N.

Organization Work Has Been Completed and Plans Made to Begin Operations at Once

Plans have been completed for the Underwriters' Map Association to commence business within the next ten days. Henry A. Morrison, special agent of the London & Lancashire Fire and the Orient for the North Pacific territory, has resigned and came East last week to take active charge of the Association, which is an incorporation of insurance companies for the purpose of making and publishing maps and surveys on the Morrison Unit System.

The Association has taken offices at 225 Fulton St., New York, and will place surveyors in the field in the immediate future. Work will be prosecuted as rapidly as possible and extended throughout the country, eventually having one or more branch offices, probably in San Francisco and Chicago.

The meeting of the members of the Association which was scheduled for Wednesday at which the election of officers was to have taken place, was postponed to an early date to be selected later.

INSURANCE FEDERATION

Finance Committee Formulates Plan of Campaign—Appoints a Number of Committees

At the meeting of the Finance Committee of the Insurance Federation of the State of New York, held this afternoon, definite plans were made to raise the funds required to carry on a Statewide publicity campaign and perfect the work of organization.

Wilfrid C. Potter, secretary of the Preferred Accident Insurance Company and chairman of the Finance Committee announced the appointment of the chairmen of the sub-committees as follows:

Fire—James Marshall of Willard S. Brown & Company.

Casualty—F. J. Walters, resident manager, London Guarantee & Accident Company.

Marine—Wm. H. McGee of W. H. McGee & Company.

Brokers—Julian Lucas, Jr., vice-president of Davis, Dorland & Company.

Plate Glass—Major A. White, president New York Plate Glass Insurance Company.

Mutual—Thompson S. Sampson, American Mutual Compensation Ins. Co.

Surety—Edward A. St. John of the National Surety Company.

Life—Perez F. Huff of the Travelers Insurance Company.

Brooklyn—C. Stewart Cavanagh of Cavanagh & Kuhn.

Fraternal—Charles Knapp, United Order of the Golden Cross.

RIGHT TO MERGE

Assemblyman Coffey has introduced a bill in the New York Legislature inserting in the insurance law a new section (195), providing that two or more domestic insurance corporations may merge or consolidate into one corporation under the name of either. The agreement of merger or consolidation must be assented to by a majority of the directors of each such corporation, and must be approved by a vote of at least two-thirds of the whole number of votes entitled to be cast at meetings of each of such corporations. The insurance corporations specifically affected by this amendment are the domestic mutual employers' liability and workmen's compensation corporations.

W. E. SMALL, President PETER EPES, Agency Mgr. E. P. AMERINE, Secretary

GEORGIA CASUALTY COMPANY

HOME OFFICE: MACON, GEORGIA

"DIXIE AUTO POLICY"

THE LAST WORD IN MOTOR INSURANCE

Surplus and Reserves to Policyholders.....$1,526,022.81

The METROPOLITAN CASUALTY

INSURANCE CO. OF NEW YORK

HOME OFFICE, 47 CEDAR STREET

CHARTERED 1874

Plate Glass, Burglary, Accident and Health Insurance

EUGENE H. WINSLOW, President

Russell R. Cornell, Vice-Pres. S. Wm. Burton, Sec. Alonzo G. Brooks, Ass't Sec.

RELIABLE AND ENERGETIC AGENTS WANTED

BUSINESS=BUILDERS

DEVELOPING

Fidelity and Surety Bonds, Liability Workmen's Compensation, Automobile, Accident, Health, Burglary and Plate Glass INSURANCE

APPRECIATE THE CO-OPERATION OF THE

Massachusetts Bonding and Insurance Company

BOSTON T. J. FALVEY, President

Paid-In Capital $1,500,000 Write For Territory

THE SIGN OF GOOD CASUALTY INSURANCE

HEAD OFFICE CHICAGO

F. W. LAWSON General Manager

Liability, Accident, Burglary, Boiler and Credit Insurance

Established 1869.

F. J. WALTERS Resident Manager 55 JOHN STREET New York

Elmer A. Lord & Co. 145 Milk St., Boston Resident Managers New England

London Guarantee & Accident Co., Ltd.

OF LONDON, ENGLAND

The Employers' Liability Assurance Corporation, Ltd.

The original and leading Liability Insurance Company in the World

LIABILITY, STEAM BOILER, ACCIDENT, HEALTH, FIDELITY AND BURGLARY INSURANCE

United States Branch

SAMUEL APPLETON, United States Mgr.

Employers' Liability Building

33 BROAD STREET, BOSTON, MASS.

AGENTS WANTED

FOUND—On William St.!

Bright ideas used by successful Casualty men

Each week in

THE EASTERN UNDERWRITER

Subscription $3 a Year

The Largest Automobile Insurers in the World

ÆTNA

leads

in Automobile Insurance

THE FIRST to offer in one Combination Policy complete insurance protection to motor car and owner against all the insurable risks of Fire, Theft, Collision, Property Damage and Personal Injury Liability.

THE FIRST to furnish with its automobile policies Identification Cards which place Ætna Agents everywhere at the service of the motorist in the event of accident in any part of the country.

THE FIRST to grant a Daily Indemnity for the loss of use of an automobile because of Fire, Collision, Theft, Etc.

THE FIRST to grant a Weekly Indemnity for the motorist's loss of time due to injury caused by accident while automobiling.

THE FIRST to grant a discount of 15% off fire premiums for automobiles equipped with Pyrene Hand Fire Extinguishers.



It will pay you to be an Ætna-izer

Send for Particulars to Automobile Department of

Ætna Life Insurance Company

The **Ætna Accident & Liability Co.**

The **Automobile Insurance Co.**

OF HARTFORD, CONN.

The Ætna
Accident & Liability Co.
Hartford, Conn.

Please mail me full particulars and rates of your Ætna-Auto Combination.

Name .....

Address .....

.....

E. U.

THE EASTERN UNDERWRITER

[Succeeding the Journal of Insurance Economics, Established in 1899]

A WEEKLY NEWSPAPER COVERING ALL BRANCHES OF INSURANCE

Eighteenth Year; No. 15 | NEW YORK CITY, FRIDAY, APRIL 13, 1917 | $3.00 a Year; 15c. per Copy

TOURIST COMPANIES STANDARD POLICY

New Committee of Ten Appointed at Conference Will Send Out Final Report To-Day

CONFERENCE WILL BE FORMED

Letter Sent to All Companies Calling Meeting for Latter Part of Next Week for Final Action

The final drafting of the standard forms of tourist policies which have been drawn up by the committee of ten appointed at the recent conference of the companies will be sent out to-day together with a call for a meeting the latter part of next week. At that meeting, the policies will be adopted, a conference formed of all companies writing tourist coverage, and provisions made for the regulations of rates and commissions.

The present draft is a revision of that made a few months ago and reported in The Eastern Underwriter of February 9, which was made by a smaller committee and to features of which some of the companies took exception. The officials of the companies which desired to make additional changes in the policy forms were placed on a new committee which numbers ten and is as follows: Frank Appleton, of Appleton & Cox, chairman; Hugh R. Louden, Liverpool & London & Globe; W. C. Koop, German-American; C. M. Campbell, Insurance Company of North America; E. W. Ferrin, Jr., Automobile Insurance Company of Hartford; Louis F. Burke, Home; W. R. Crane, United States Fire; C. R. Pitcher, Royal; W. F. Whittelsey, Aetna; E. H. Woodward, Springfield Fire & Marine.

The policy forms have been divided into two classes, a limited form and a broad form, and the rates based accordingly. The commission on the broad form has been made less.

A new clause has been incorporated in the policy which is a somewhat modified form of the standard fire policy clause in regard to determination of value in case of loss. It will be noted that under the "limited" form losses shall be due and payable within thirty days after due notice, ascertainment, estimate and satisfactory proof of loss has been received and accepted by the Company, whereas a period of 60 days has been provided for under the "broad" form on account of the fact that a reasonable time should be allowed the Company to investigate claims and attempt to recover the stolen property.

MADE STATE EXAMINER

A. Nevin Detrich, of Chambersburg, Pa., has been appointed chief examiner of the Pennsylvania State Insurance Department. He was formerly chairman of the defunct Washington party of Pennsylvania.

DIRECTORY OF DEPARTMENTS

Life 1
Editorial 10
Fire 11
Casualty 17

"The Largest Fire Insurance Company in America."

THE HOME INSURANCE COMPANY NEW YORK

ELBRIDGE G. SNOW, President

Sixty-four-Year Record for Fair Dealing and Prompt Adjustment and Payment of Losses

FIRE AND ALLIED BRANCHES OF INSURANCE

Fire, Lightning, Automobile, Commissions, Explosion, Hail, Marine (Inland and Ocean), Parcel Post, Profits, Registered Mail, Rents, Sprinkler Leakage, Tourists' Baggage, Use and Occupancy, Windstorm.

STRENGTH REPUTATION SERVICE

North British and Mercantile Insurance Co.

Established 1809

Entered United States 1866

Policyholders protected by the entire United States assets, with further guarantee in every policy, of protection by entire fire assets of the company which are many times larger.

GOLDEN ANNIVERSARY YEAR

1867 1917

Join Our Rapidly Growing Agency Ranks
Attractive Policies to Sell
Large Annual Dividends
Low Net Cost

Good Territory Open
Apply to
H. E. ALDRICH, Supt. of Agents
DES MOINES, IOWA

EQUITABLE LIFE of IOWA

WALLIS PRESIDENT OF PITTSBURGH L. & T.

Well-Known New York City General Agent Elected on Wednesday of This Week

W. H. NIMICK A VICE-PRESIDENT

New Management Disposes of Washington Life and St. James Buildings on Broadway, New York

(*Special to The Eastern Underwriter*)

At a meeting of the board of directors of the Pittsburgh Life & Trust Company on Wednesday afternoon of this week Frederick A. Wallis, of New York, was elected president. Mr. Wallis, who has been general agent of the Fidelity Mutual Life in Greater New York for some time, is a remarkable life insurance personality, a brilliant and forceful speaker. With his unusual energy and talent it is believed that he will do much in his new position.

Three Vice-Presidents

W. Howard Nimick, who has been acting president of the Company since the death of William C. Baldwin, and who is a prominent figure in the financial life of Pittsburgh, was elected a vice-president of the Pittsburgh Life & Trust.

Other vice-presidents elected are: William D. MacQuesten, prominent in Eastern electrical and construction work and former manager of large industries; and George A. Nicol, Jr., of the Johns-Manville Co., New York. Kellogg Birdseye, former general manager of the George C. Lynch Co., New York, was elected treasurer and assistant secretary; Alfred Luery, a distinguished public accountant, was elected comptroller; James H. Mahan was re-elected secretary, and is also assistant treasurer. Other officers follow:

Howard S. Sutphen, manager agency department; Frederick C. Parsons, assistant comptroller; Earl O. Dunlap, actuary; Frank Ewing, counsel; C. A. McCrea, assistant secretary-treasurer; Dr. H. A. Miller, Dr. H. A. Baker, medical directors.

Take Over New York Skyscrapers

It was announced on Wednesday that the new management has disposed of the Washington Life Building at 141 Broadway and the St. James Building at 1133 Broadway, upon very advantageous terms so that this part of the Company's former real estate investments will bring to the Company a net annual return that is above the average of life insurance companies holding a large part of the life insurance assets of the country.

On April 2 the Company's assets were $24,053,000; insurance in force, over $118,000,000. The Company owns mortgages on improved real estate of $8,252,000, and its real estate holdings are $5,385,000. Its surplus for the additional security of policyholders above the legal requirements is $1,610,000. The Company's investments are so placed at the present time, officials of

the Company say, that none of them will earn less than 3½ per cent., 6 per cent. tax free bonds having been substituted for some of the former realty holdings. The Company is transacting business in twenty-two States and the District of Columbia. The Pittsburgh Life & Trust Company was organized in 1902 by the late William C. Baldwin, and wrote its first policy in January, 1903, at which time it had assets of $298,000. Its growth has been astonishingly rapid, and it is not believed that any other life insurance company has placed so much business on its books during its first fifteen years as has the Pittsburgh Life & Trust Company.

Mr. Wallis' Career

Mr. Wallis was born in Kentucky, where he now owns three large Blue Grass farms, 48 years ago. When but a youngster he gave up a position in a store paying him $75. per month—at that time considered a princely salary—to embark in the life insurance business as a solicitor for the Northwestern Mutual Life. He succeeded so well that he was made a partner in the general agency for the State. Later, the New York Life sought his services as agency director at Baltimore, and in one year, notwithstanding the State was divided that year into three agencies, Mr. Wallis' agency produced more business than the New York Life had secured from the entire State in any previous year.

Comes to New York

At the close of one year's service he accepted the New York City general agency of the Home Life and in six years built it up from a paid production of $200,000 to about $2,500,000 and was given in addition the supervision of some eleven Eastern States.

Following a voluntary retirement from the business for one year, Mr. Wallis re-entered life insurance field work as general agent for the Fidelity Mutual Life in New York City. Assuming one of the most difficult tasks, he has made a remarkable success. For illustration, the business produced by Mr. Wallis' agency during the past thirty days exceeded the combined business of the New York City agency of the Company for three years prior to his becoming



FREDERICK A. WALLIS

manager of the agency, and at the present rate the agency would produce over $4,000,000 of new business during 1917.

It has been our pleasure to attend several agency meetings held by Mr. Wallis and there is no discounting the fact that he has gathered together a fine agency force. The results have been accomplished almost entirely by a staff selected and trained by Mr. Wallis.

Leader of Men

In addition to being a great leader of men, a finished agency organizer, Mr. Wallis is an executive capable of handling big affairs.

It is well known by the life underwriting fraternity that Governor Hughes, when seeking a capable man for the difficult task of re-organizing the New York State Insurance Department, following the Armstrong investigation, selected Mr. Wallis. How the appointment was received is indicated by the following quoted in The Eastern Underwriter at the time:

> Paul Morton, president of the Equitable, said that he knew Mr. Wallis personally, and was quite sure that he would administer his office to the satisfaction of the Governor and the insurance men as well.
>
> Thomas A. Buckner, senior vice-president of the New York Life, with which company Mr. Wallis has been associated, and who has supervision of the agency force said: "The office of State Superintendent has of late been considered to be a political appointment. Governor Hughes has raised it above that; Mr. Wallis' nomination is on a par with all his other appointments. He is a man of the highest character, and his long experience makes him well fitted for the position."
>
> Emory McClintock, vice-president and actuary of the Mutual, testified to the conservatism of Mr. Wallis.

Mr. Wallis' name having been mentioned as Commissioner of Immigration, a prominent New Yorker, at the request of a Cabinet member, sent President Wilson a letter in which he set forth the following, indicating the broad executive qualifications of Mr. Wallis and his vast work in varied lines:

> "Mr. Wallis has been recognized as a man of remarkable executive capacity in administrative affairs, and has a wonderful judicious mind in solving complex and intricate problems that appertain to administration.
>
> "The position of Commissioner of Immigration requires a man, a true man, a God-fearing man, a man whose heart pulsates for his fellow man, a man that is clean in body, in mind, and in character, and independent in means. Such a man is Mr. Frederick A. Wallis."

Among Mr. Wallis' other activities are these:

He is the most active Elder in the famous Fifth Avenue Presbyterian Church of New York City, and is chairman of its Committee on Public Worship and Service.

He was one of a committee of three sent to England by the Fifth Avenue Presbyterian Church, and who secured the famous English preacher Dr. J. H. Jowett.

He is a director and ex-secretary of the Kentucky Society of New York.

Member of the Mayor's Committee on National Preparedness, New York.

Member Finance Committee of the State Federation of Insurance Companies.

Treasurer Home Missions of New York, distributing $60,000 annually for the uplift of the alien population of the city.

President of the Men's Bible Class of the Fifth Avenue Presbyterian Church.

In accepting the position Mr. Wallis does so with the ambition to make the Company one of the great life insurance institutions and he will fully measure up to his ambition.

ANNUITIES IN THE AETNA

The Aetna Life received $364,125 in premiums last year from the issue of annuities.

Taxes paid by the Aetna Life in 1916 amounted to $896,123.

Loans made to policyholders in 1916 amounted to $3,869,104, a decrease of $880,445 from the previous year.

The Board of Directors

of the

Pittsburgh Life & Trust Company

takes pleasure in announcing that

Mr. Frederick A. Wallis

of New York City

has been elected President of this Company

April, Nineteen Hundred and Seventeen

No Uniform Action in War Clauses

ALL ANGLES DISCUSSED AT LIFE PRESIDENTS' MEETING

Clauses Adopted By Companies Show Individual Treatment—How Some Provisions Read

As was predicted by The Eastern Underwriter last week the life insurance companies have not adopted a uniform war clause, but each company has sent out individual instructions to the field forces. There is a wide divergence in the reading of the clauses, particularly in reference to the premiums for foreign service, if there be an expeditionary force.

The situation was discussed at length at the meeting in New York on Friday afternoon of members of the Association of Life Insurance Presidents. The meeting, well attended, adjourned without uniform action. Some of the new war clauses follow:

Equitable's Instructions to Agents

Secretary W. A. Alexander, of the Equitable Life Assurance Society, sent out the following notice to the agency force of the Society:

Gentlemen: The rules contained in the Society's circular letter of June 19, 1916, regarding military and naval service, are hereby suspended and the following substituted therefor:

(1) No extra premium to cover active military or naval service, either at home or abroad, will be charged under outstanding policies issued in the United States, except those issued since January 1, 1914, with a specific military restriction.

(2) Effective immediately, the following military and naval service clause will be inserted in all policies issued in the United States:

> The insured may at any time, without the consent of the Society, engage in military or naval service within the continental limits of the United States.
>
> During the first five years of this policy military or naval service in any capacity whatever, in connection with actual warfare outside of the continental limits of the United States in time of war, is a risk not assumed by the Society under this policy unless the insured shall give notice thereof to the Society in writing within sixty days after entering upon such service, and shall pay to the Society annually in advance during the continuance of such service an extra premium of 10 per cent. of the face of this policy. The pro rata part of said extra premium for the balance of the policy year current at the time such service begins shall be paid to the Society within the said sixty days. Succeeding extra premiums shall be payable at the times when the premiums under the policy are payable.
>
> If within the said five-year period the insured enters upon military or naval service in any capacity whatever, in connection with actual warfare outside of the continental limits of the United States in time of war, and fails to pay the extra premium or premiums as herein provided the liability of the Society in the event of the death of the insured while engaged in or as the result of such service shall be limited to the return of the regular premiums actually paid, without interest, less any indebtedness to the Society hereon.

If the policy contains the double indemnity benefit the following sentence will be added to the foregoing clause:

> Nothing contained in this clause shall be deemed to modify or extend any provision of this policy relating to the payment of an increased amount in the event of accidental death.

Clauses similar to the foregoing will be inserted in life income policies, but the phrase, "an extra premium of 10 per cent. of the face of this policy" will be changed to read, "such extra premium as may be fixed by the Society." The extra to be charged under life income contracts will be upon the same basis as under regular contracts, but as the amount at risk varies with the age of the beneficiary and is not stated in the contract, a statement of the percentage of extra premium might be misleading.

(3) The following clause will be added to the disability benefit when issued hereafter:

> The provisions contained in this policy for waiver of premiums and for income benefits in the event of permanent disability shall become null and void if the insured shall engage in military or naval service in any capacity whatever in connection with actual warfare, either within or outside of the continental limits of the United States. The additional premium charged for such provisions shall cease to be payable and the unearned portion of the current premium shall be refunded to the policyholder.

(4) Policies will be issued to members of, or those intending to join, the National Guard, Naval Reserve or other military or naval organizations, including Plattsburg or other similar military camps, for amounts not to exceed $5,000 ($20 per month under life income policies), with no other conditions than those expressed in the military and naval service clause quoted in paragraph 2. Applications for amounts in excess of $5,000 will be considered, but any insurance issued thereon in excess of $5,000 will be embodied in a separate policy, which will contain the following clause instead of the military and naval service clause quoted in paragraph 2:

> During the first five years of this policy, military or naval service in any capacity whatever in connection with actual warfare, either within or outside of the continental limits of the United States in time of war, is a risk not assumed by the Society under this policy. If, within the said five-year period, the insured enters upon such service the liability of the Society in the event of the death of the insured while engaged in or as the result of such service shall be limited to the return of the premiums actually paid, without interest, less any indebtedness to the Society hereon.

Disability and double indemnity clauses in policies issued with the foregoing military and naval service clause will carry the special clauses quoted in paragraphs 2 and 3 above.

(5) Policies will hereafter be issued to members of the regular army and navy for amounts not to exceed $5,000 ($20 per month under life income policies), without the disability or double indemnity benefits, at the regular occupation extra. In addition thereto, the military and naval service clause quoted in paragraph 2 will be inserted in all such policies. Applications for amounts in excess of $5,000, without disability or double indemnity benefits, at the regular occupation extra, will be considered, but any insurance issued thereon in excess of $5,000 will be embodied in a separate policy, which will contain the military and naval service clause quoted in paragraph 4 instead of that quoted in paragraph 2.

(6) Applications from civilians whose business may require travel outside of the continental limits of the United States, or who may wish for any reason to engage in such travel, will be considered for amounts not in excess of $10,000, but without disability or double indemnity benefits. In addition to the military and naval service clause referred to in paragraph 2, the following additional clause will be inserted in any contracts so issued:

> This policy does not cover the death of the insured within two years from its date of issue as a direct or indirect result of warfare or from residence or travel in any war zone outside the continental limits of the United States. In the event of death under the conditions stated the Society's liability under this policy shall be limited to the return of the premiums actually paid, without interest.

Policies falling within this category will be issued only with premiums payable annually.

(7) Term policies will not be issued to members of the army and navy, or to members of, or those intending to join, the State Militia, National Guard, Naval Reserve, Red Cross or other military or naval organizations, nor upon any male life under 25 years of age.

(8) No commissions will be paid on the extra premiums provided for in the military and naval service clause.

The foregoing rules are subject to change or discontinuance as circumstances or future developments may make necessary or desirable. The enclosed form of declaration (P. F. 626) is to be filled up in full by all applicants (both men and women) and forwarded, until further notice, with all applications for new insurance. Failure to forward the declaration with the application will hold the case up until it is received. A supply of these forms has been forwarded to each agency.

W. ALEXANDER, Secretary.

Mutual Life's Circular

The Mutual Life has mailed to members of the field forces the following letter, signed by Vice-President Dexter:

"The fact that the Government has declared war upon a foreign nation makes necessary careful consideration and study of the possibility of loss in connection with hostilities.

"Our Company fortunately is to some extent protected by a war clause now incorporated in its policies. The present clause is not, however, adequate, and while no decision has been definitely reached and while circumstances may cause a change of opinion within the next few days, it is agreed to submit for the consideration of the State officials a two-year war clause calling for a considerable extra premium for foreign service. The latter term would include service in Panama, and anywhere else outside of our forty-eight States and Alaska. The actual cost of foreign service will be determined after the conclusion of the war, and if the amount charged to the individual policyholder is found to have been more than the actual cost to the Company, the excess charge will be refunded.

"Official notice of the Company's action will be sent to the field shortly, and until it is received the present method and conditions will be continued. It is further intended that the extra premium specified in policies containing the present war clause will not be charged for service in continental United States, as above defined."

Mutual Benefit's Notice

The Mutual Benefit notice, by Vice-President Edward E. Rhodes, was as follows:

"We will charge during the first year of insurance an extra premium of ten per cent. of the amount insured for those who engage in military service outside the United States or in naval service. We have not determined what extra premium will be payable in other years.

"All outstanding policies are free of

(Continued on page 6.)



INDUSTRIAL CONCERNS throughout the land are proving the patriotism of business by insuring entire staffs of employees. The Prudential will lend a hand—make it easy for firms to insure their workers.

Family insurance has placed America First in Life Insurance, and Group Insurance will help to keep it there.

The Prudential has a fine Group plan. Group Insurance is endorsed by every concern that has tried it. Send for brief, forceful, descriptive circular.

THE PRUDENTIAL INSURANCE CO. OF AMERICA

Incorporated Under the Laws of the State of New Jersey

FORREST F. DRYDEN, President — Home Office: NEWARK, N. J.

I AM MY BROTHER'S KEEPER

By William F. Chamberlin

Travelers Insurance Company

Many years ago Thomas Carlyle wrote: "The man who must work and the man who must find work for that man to do should be bound by ties that are stronger than mere wages."

The search for ties that bind has been more keenly pursued during the past two years, full of unusual industrial problems, due both directly and indirectly to the woeful European struggle, than in all the previous history of industrial America. There have resulted new scientific methods in the management of men.

The laws of the mind have long been classified; little use, however, has been made of the simplest psychological principles by man dealing with man. The processes of directing the hand have been thoroughly developed; something, however, has been lacking. Mr. Harry W. Ford, president of the Saxon Motor Corporation, expressed it to me recently in this way: "I have done all that I can think of and have adopted all tried and successful plans for obtaining the best results from our employes. I am getting all that I can expect from their heads and hands. If Saxon men would put their hearts into their work I would have better work and more of it from their heads and hands." Group Insurance has produced a trinity of heads, hands, and hearts.

The results which have been obtained from Group Insurance during the past five years may all be credited to simple psychological truths. The knowledge that the wage would be continued for the period of a year after death has meant contentment, a lack of worry and therefore increased mental and physical value to the employe. The fact of protection from immediate financial distress and the horror of the loss of protection has induced the woman to hold her husband steadfastly to his job and to think twice before engaging in any misunderstandings and disputes. There have resulted a stabilizing of labor, a consequent reduction in the cost of "overturn," a solution of the transient problem. The enthusiastic pride which has caused a woman to boast of her insurance papers to an unprotected woman, resulting in the recognition of the practical values of Group Insurance, has been the indirect means of inducing skilled operatives to seek employment where benefits for their own kin might be obtained and where they might be saved the monetary expense of individual insurance. The heart strings are being played upon when one is informed of the continuation of the payroll envelope to wife and children after his death. The employer is no longer considered as a heartless boss; friendly relations have been established; good will has been created; an esprit de corps has been gained; efficiency has been achieved. Ties have bound.

These results account in a measure for the rapidity with which Group Insurance is being adopted by employers. Rapidity, however, is but a comparative term. There are not more than one thousand Group contracts in force in the United States. The inland city of Dayton boasts of a thousand factories. With one thousand cases in the entire country, only a beginning has been made. The time is near at hand when for psychological reasons, every progressive employer will be profiting from the plan.

There are many employers who are almost persuaded that Group Insurance is a good investment but who are postponing the day of giving it to employes because of an idea that it is a species of paternalism or socialism. The answer to such an opinion is that Group Insurance is a wise paternalism and that its philanthropy has demonstrated its worth too often to be condemned.

If the sociological reports of our great cities are to be believed the greatest number of charitable cases comes within the first year after the death of the wage earner, when the family must "find itself" and readjust its economics. If the earnings of the deceased can be continued during this period of readjustment, is it not evident that self-respect will be maintained, the same social plane of living be preserved, suffering prevented, children educated —who can estimate the good accomplished?

An insurance manager of one of the greatest of America's corporations, listened resignedly to a recital of proofs of the results obtained by employers from Group Insurance but insisted in the belief that Group Insurance would only result in the destruction of individualism and that the great corporation he represented would not subscribe to paternalism.

I called his attention to the "Neediest Cases in New York City," an investigation then being featured in the New York Times and argued that in an analysis of these neediest cases the great majority would not have been so catalogued if Group Insurance had been practised, even as paternalism. His patience was urged for a recital of the following personal observation:

"A few weeks ago, I called late in the afternoon at a certain office in a Middle West city; all of the officials and employes had left for the day. As I entered the room a young woman, on whose face was more embarrassed suffering than I had ever seen before or ever expect to see again, went out of the office carrying in each hand two large brass cuspidors. She was not more than twenty years of age and comely. An inquiry made of the night superintendent produced the following facts: The young husband had died of typhoid fever two weeks previous, the meagre wages were consumed and nothing was left. The superintendent of the building had been appealed to and had given the miserable girl the job of cleaning out spittoons.

"In this Middle West city to-day in a charity ward of some hospital are two charity patients, a mother and babe, an expense to the community, unnecessarily, because it could have been avoided by Group Insurance at a cost to the employer of a penny a day. Is it fair to the mother, is it fair to the child, when such filthy drudgery could have been spared a woman in pregnancy at the cost of a penny a day?

"As is the custom in charitable hospitals, the mother and babe will be dismissed as quickly as possible. What then? Back to spittoon-cleaning? No home is open to a mother and an infant who are penniless. Poor child mother! The criminally stupid thing of it all is that it could have been avoided for a penny a day."

At the conclusion of this story the heretofore paternalistic skeptic and unbeliever said with emphasis, striking his fist on the table: "I see it now—I am my brother's keeper."

Group Insurance is not alone a psychological value, not alone an altruistic value; it is both psychological and altruistic.

OFFER BY ROSEN

An engraved watch will be awarded to the agent of the Pacific Mutual Life securing the largest amount of business during the current year. The donor is H. B. Rosen, of the New York Life, the leading producer of personal life insurance in the world. The contest is open to all agents of the Pacific Mutual, but the business must be personal and paid for.

SIMONS' SERVICE

For your surplus business why don't you get in touch with R. M. SIMONS, Gen'l Ag't HOME LIFE INSURANCE CO., 115 Broadway, New York.

Quick action, prompt service, personal attention and liberal commissions.

Phone, Rector 4287

THE MOST VALUABLE POLICY FOR YOU,
Mr. Agent, is to write your prospect in the Company writing the most valuable policy for the insured.
Secure **prompt action** in the

John Hancock MUTUAL LIFE INSURANCE COMPANY OF BOSTON MASSACHUSETTS

WILLIAM N. COMPTON, General Agent
METROPOLITAN DISTRICT, ST. PAUL BLDG., 220 BROADWAY, NEW YORK, N. Y.

J. C. Humes, President — L. D. Clancy, Secretary

THE CRESCENT LIFE INSURANCE COMPANY OF INDIANAPOLIS, INDIANA
"ENDURING AS THE PYRAMIDS"

A Legal Reserve Company
Are You a Big Producer? Can You Prove It?
ONE GENERAL AGENT WANTED IN INDIANA
Home Office: Fletcher Trust Bldg., Indianapolis, Ind.

Men with ambition and ability, who represent this Company, now in its SEVENTY-THIRD YEAR, become business counsellors and professional insurance advisers.

An honorable record of SEVENTY-THREE YEARS gives our representatives great prestige with the insuring public.

Additions are made to our agency force when the right men are found.

STATE MUTUAL LIFE ASSURANCE COMPANY
OF WORCESTER, MASSACHUSETTS
Incorporated 1844
B. H. WRIGHT, President — **D. W. CARTER, Secretary**
STEPHEN IRELAND, Inspector of Agencies

We don't contract with poor men.
We give a new man our attention until he is started.
We make our men make good.
Why don't you work for us?

Peoria Life Insurance Company
PEORIA, ILLINOIS

Security Mutual Life Insurance Company
Binghamton, N. Y.

Offers to men able to produce business first class territory, with direct contract providing liberal compensation.

For particulars, address

C. H. JACKSON, Supt. of Agencies

The Loading

A Chapter from "Easy Lessons In Life Insurance," by Jacob A. Jackson of Mutual Life

In order to provide for expenses and unforeseen contingencies, a specific sum called the Loading is added to the net premium, the two combined making up the gross premium as given in the rate book.

The Loading is sometimes a percentage of the net premium; in other cases it is composed of two parts—a constant sum (as $2.00 per $1,000 of insurance, the same at all ages.) and a percentage of the net premium; while various other methods are employed, the plan varying with different companies, and often with different forms of policies in the same company.

On the theory that it costs no more to care for a policy issued to a member sixty years of age, than for one issued at age of forty or twenty, the claim is sometimes made by the advocates of assessmentism, that the loading should be a constant sum at all ages, instead of being in whole or in part, a percentage of the net premium. This position rests upon a false premise—that the loading is for expenses only. The theory is also untenable on other grounds.

The loading is not for expenses only, but is intended to provide for all other possible contingencies, such, for instance, as a mortality in excess of the tabular rate, interest earned less than the assumed rate, depreciation in the value of securities, loss of invested funds, etc. While the assumption as to interest, mortality, etc., in the computation of the premium, has been on the most conservative basis, nevertheless, so long as human judgment is fallible, the possibility of error must be conceded.

The foundation principle of life insurance is safety, and if mistakes are to be made at all, they must be made on the side of safety. It is better to collect too much money than too little; hence the importance of making provision for unforeseen contingencies. But mortality, interest, investments, etc., all affect the cost of life insurance; wherefore, that part of the loading which is designed to cover possible excessive mortality, deficit and interest earning, etc., has a direct relation to the cost of the insurance, and, like the net premium, must vary with the age of the insured. This is accomplished by making it a percentage of the net premium.

Neither is it true that the expense incident to a policy issued at 60 is no more than that pertaining to a policy issued at 40 or 20. The chief item of expense with any company is that of commissions, and this is almost universally a percentage of the premium; wherefore, the loading to provide for that expense must be greater at 60 than at 40 or 20. Taxes levied by the various States are an important part of a company's expenses, and these also are almost always a percentage of the premium income.

This is the common practice of assessment people to refer to the loading as exclusively an appropriation for expenses, claiming directly that it is all applied to that end. In refutation of this charge one might explain the true office of the loading as set out above, and will also point out the fact, that so much thereof as may not be required for the purpose designated is subsequently returned to the policyholder by companies operating on a mutual basis, when a division of savings is made. In the case of policies issued by purely stock companies, and in the case of non-participating policies, issued by any company, the loading is greatly reduced, so as to be insufficient to provide even for expenses alone. In that case the management employs the gains from interest, mortality, and other sources to provide for expenses and contingencies. Some purely mutual companies, also, reduce the loading to a nominal sum, far below the amount required for expenses alone. These companies likewise employ the gains and savings from other sources to provide for balance of expenses.

To Ascertain the Loading

The amount of the loading can be ascertained by taking the difference between the net and gross premiums. Tables of net premiums and reserves for various forms of policies at the several ages and on different reserve bases are published in convenient form for reference. For example: The net premium of an ordinary life policy of $1,000 issued at age 35, American Experience Table with 3 per cent. interest, is $21.08. If the gross premium for such a policy is $28.11, the difference, $7.03, will be the loading.

The net premium of a particular policy, however, cannot always be ascertained from the published tables, since the amount depends upon the guarantees contained in the contract. To illustrate: On an ordinary life policy of the usual form but on a 3½ per cent. reserve basis, the annual premium at age 35 is $19.91, and the regular reserve at the end of 20 years will be $310.75. On such a policy, however, with a twenty year distribution period and a gross premium of $27.88, as issued in the past by one company, the latter guaranteed a cash surrender value at the end of twenty years of $289.00, which necessarily required a larger net annual premium than $19.91. The loading in this case, therefore, could not be determined by deducting the tabular net premium from the gross premium.

(To be Continued.)

TRIPP AGENCY MEETING

Patriotism and preparedness were the keynotes at a conference of the Albany Agency of the Fidelity Mutual Life Insurance Company at the Ten Eyck Hotel, Albany. Vice-President John Byrley and Frank H. Sykes, assistant manager of agencies, represented the home office. C. R. Tripp, manager of Eastern, Central and Southern New York State, Vermont and Western Massachusetts, was toastmaster.

The month of March proved to be the greatest of any single month in the history of the Company.

THE AVERAGE EARNINGS OF THE AGENTS
OF THE
Standard Life Insurance Company
∴ ∴ OF PITTSBURGH ∴ ∴
are higher this year than ever before. Our attractive Accident and Health Policies have helped them to make more money.
Write for a LIFE, ACCIDENT AND HEALTH Contract to
FRANK A. WESLEY
Vice-President and Director of Agencies

Ambitious, Productive and Trustworthy Life Agents may be benefitted by corresponding with the
Berkshire Life Insurance Company
of Pittsfield, Mass.
Inc. 1851
New policies with modern provisions Attractive literature
W. D. Wyman, President W. S. Weld, Supt. of Agencies

SUCCEEDS DANNER

Ernest W. Marshall has been appointed agency manager of the Baltimore branch of the Equitable Life of New York, effective April 1, succeeding W. A. Danner, who resigned recently as manager. Mr. Marshall has been agency manager at the Raleigh, N. C., office of the company and measures up to the high standard of requirements for this position. Agency Supervisor C. C. Hazell, who has been in charge of the Baltimore office pending an appointment to fill the vacancy, continues as supervisor for the Southern States with office in Baltimore.

Graham C. Wells, Pittsburgh general agent of the Provident Life & Trust Co., and his family are spending the Easter season at Atlantic City and Philadelphia.

Build Your Own Business
under our direct general agency contract
Our Policies provide for:
Double Indemnity, Disability Benefits, Reducing Premiums
See the new low Rates
JOHN F. ROCHE, Vice-Pres't
THE MANHATTAN LIFE INSURANCE COMPANY
66 BROADWAY NEW YORK
Organized 1850

BANKERS BLCo LIFE DES MOINES COMPANY
PAYS GOOD PAY TO GOOD MEN

The
Perfect Protection Policy
OF THE
RELIANCE LIFE
gives you something absolutely new and different to talk to your prospects. Gives you a chance to earn more money than you are now making.
Our Life Insurance Contracts contain the most up to date clauses known to the Insurance World. The Accident and Health gives full protection for at least a third less cost than regular casualty companies. Our agency contracts are as liberal as can be made.
WRITE AND WE WILL TELL YOU MORE ABOUT OURSELVES
Reliance Life Insurance Company of Pittsburgh
FARMERS BANK BUILDING
PITTSBURGH, PENNSYLVANIA

ORGANIZED 1871
Life Insurance Company of Virginia
RICHMOND, VIRGINIA
OLDEST, LARGEST STRONGEST
Southern Life Insurance Company
Issues the most liberal forms of Ordinary Policies from $1,000.00 to $50,000.00, and Industrial Policies from $12.50 to $1,000.00
CONDITION ON DECEMBER 31, 1916:

Assets	$14,464,552.23
Liabilities	12,436,717.56
Capital and Surplus	2,027,834.67
Insurance in Force	118,349,212.00
Payments to Policyholders since Organization	18,119,172.50
Is Paying its Policyholders over	**$1,300,000.00 annually**

GOOD TERRITORY FOR LIVE AGENTS

No Uniform Action on War Clauses

(Continued from page 3.)

restrictions regarding military service.

"Red Cross, ambulance, hospital workers will be limited to $2,000 insurance on the fifteen-year endowment plan."

Germania Life

In the Germania Life's policy appears the following war clause:

Military or naval service. If during the first two years of the existence of this policy the insured shall engage in military or naval service in time of war and shall die within the said two years while engaged in such service or in consequence thereof, the liability of the Company shall be limited as follows: to one-tenth of the face amount of the policy during the first of the said two years; to one-fifth of the face amount of the policy during the second of the said two years.

The Company will cover war hazard up to $2.000 on payment of an extra premium of $50 for $1.000 in case of naval or military service outside of the United States; and without any extra premium in case of military service with the United States. This extra premium is payable for first year of policy. The Company will determine later what extra premium will be charged for second year.

Connecticut Mutual

The Connecticut Mutual's war clause follows:

In the event of the death of the insured within five years from the date of issue of this policy while engaged in or as the result of military service out of the United States during war, or military service involving aeronautics or naval service whether in or out of the United States during war, the liability of the Company hereunder shall be limited to the reserve hereon less any indebtedness; provided, however, that there shall be no such limitation of liability if the insured shall obtain from the Company within thirty-one days after entering on such service a written permit therefor, terminating thirty-one days after the next policy anniversary, and on or prior to each policy anniversary or within thirty-one days thereafter during such service shall obtain a renewal permit for the next succeeding year. Such permit shall be issued or renewed upon payment in advance of such extra premium as the Company shall require at the time of such issue or renewal.

American Central

The American Central Life's war clause:

This policy is unrestricted from issue as to travel, residence or occupation or as to military or naval service in time of peace.

Death while engaged in military or naval service in time of war or in consequence of such service shall render the Company liable for only the reserve under this policy unless the Company's permission to engage in such service shall have been obtained and such extra premium or premiums as the Company may require shall have been paid.

Under date of April 4, Secretary O. D. Clark, of the National Life of Montpelier, Vt., said to The Eastern Underwriter:

"We have adopted no form of war clause as yet but have, since the outbreak of the Mexican troubles in the spring of 1914, required every applicant of military age to sign a statement to accompany his application that he was not a member of any military or naval organization and had no present intention of engaging in military service before we would act favorably upon the application. This is still our practice and where such preliminary statements were made in good faith we would consider a policy incontestable on account of subsequent military service if taken up."

New England Mutual's Telegram

As soon as Congress declared war the New England Mutual Life sent the following wire to its representatives:

"Congress having declared war, you are authorized to inform all members who hold policies issued on or before Friday, April 6, 1917, that the Company grants them permission to engage in the military or naval service of the United States on land or sea in any part of the world without the payment of any extra premium. Any conditions in their policies to the contrary are hereby waived. This permission will also apply to policies issued upon applications completed and mailed from your agency before 12 o'clock, Friday night, providing the annual premium has been paid and conditional receipt issued therefor. The extra premium to be charged for war permits granted to future applicants cannot be determined at present."

Amount Limited

The Travelers has also adopted a new rule that, until further notice, applications from unmarried men between the ages of 18 and 30 years who are not now engaged in or intending to enter the military or naval service will be limited to $10,000 on each life, including any insurance heretofore issued. This provision is not made for the reason that the Company anticipates a draft of men for the army, but goes upon the theory that under President Wilson's call for volunteers the men between those ages are the men who ought to go, and will volunteer their services in the military or naval service.

Standard Life of Pittsburgh

The forms of the Standard Life of Pittsburgh follow:

Modification Form

Restrictions as to military and naval service:

I hereby agree on behalf of myself, my executors, administrators or assigns, that Policy No. ....., issued on my life by the Standard Life Insurance Company of America, will be void if I engage in active military or naval service in time of war within five years from the date of this contract, unless if so engaged at the date thereof an extra premium at the rate of three per cent. of the face of said policy shall be paid to the Company, together with the regular premium called for by the policy. The extra premium charged shall be due and payable to the Company on each anniversary date of the policy during such service. Failure to make payment of the extra premium or premiums shall limit the Company's liability to one-half the face of the policy, except in case the reserve exceeds this amount, in which event the reserve will be paid.

I also agree that in case of my engaging in active military or naval service the disability rider attached to said policy shall be void.

This authorization is to be attached to the application for said policy, and to form a part thereof.

Modification Form

The Standard Life Insurance Company of America is hereby authorized to make the following alterations in the application to said Company for $..... on the ..... plan, dated the ... day of ....., 1914, on the life of ....., and to issue or re-issue the contract as may be necessary to conform to said application as modified herein: the agreements and statements contained in original application to remain in force and apply to this addenda:

I hereby agree, on behalf of myself, my executors, administrators or assigns, that in the event of my death from any cause while engaged in military or naval service, or while doing garrison or police duty in, or residing in or traveling through, any territory foreign to the United States in which a state of war or rebellion exists, the amount due under policy No. ....., issued on this application, shall be limited to an amount equal to the premiums previously paid thereon.

This authorization is to be attached to said application and to form a part thereof.

Endorsement form to be attached to Policy No. .....

Life of .....

It is hereby agreed that, anything contained in attached policy notwithstanding, in the event of the death of the insured from any cause while engaged in military or naval service, or while doing garrison duty or police duty in, or residing in or traveling through, any territory foreign to the United States in which a state of war or rebellion exists, the liability of the Company to the beneficiary or other payee named herein, shall be limited to an amount equal to the premiums previously paid by the insured hereon. In so far as this endorsement conflicts with the incontestable clause on page 2 hereof, the latter is hereby modified.

Pittsburgh, Pa., ... day of ....., 1914.

ELGIN A. HILL, Secretary.

The Prudential

President Dryden, of The Prudential, sent the following wire to the field force on Monday:

"All ordinary policies issued to men at ages not more than forty-five and to those now in service on applications received at home office after April 9th, will provide for extra annual premium

An Office doing business in Eastern Pennsylvania could use a good Life Insurance Company in this territory.

Address "KEYSTONE"
Care of The Eastern Underwriter
105 William Street, New York, N. Y.

HOME LIFE
INSURANCE CO.
(Now Purely Mutual)
256 BROADWAY, NEW YORK
GEORGE E. IDE, President

The fifty-seventh annual report shows insurance in force of $133,493,000, an increase during the year of $7,832,827. The Company paid the policyholders in 1916 $3,536,233, of which $628,406 was in dividends or premium refund. Its insurance reserve fund was increased by $1,300,000 and the Assets are now $32-821,462.

For Agency apply to
GEORGE W. MURRAY,
Supt. of Agts.
256 Broadway, New York, N. Y.

WE have room just now for two or three good men—not the Million Dollar producer who takes it out in talk, but the man who can average $100,000 of personal business, plus experience in appointing and working with agents. Men who become valuable to this Company grow in value to themselves. We cannot guarantee your success, but we will give you a real opportunity, then it's up to you. Would you like to hear about it further?

Pittsburgh Life and Trust Co.
Home Office, Pittsburgh, Pa.
HOWARD S. SUTPHEN
Vice-President & Manager of Agencies

THE UNITED STATES LIFE INSURANCE COMPANY
1850 IN THE CITY OF NEW YORK 1914
ISSUES GUARANTEED CONTRACTS

Good men, whether experienced in life insurance or not, may make direct contracts with this Company, for a limited territory if desired, and secure for themselves, in addition to first year's commission, a renewal interest insuring an income for the future. Address the Company at its Home Office, 277 Broadway, New York City.

JOHN P. MUNN, M. D., President

FINANCE COMMITTEE { CLARENCE H. KELSEY, Pres. Title Guarantee and Trust Co
WILLIAM H. PORTER, Banker
EDWARD TOWNSEND, Pres. Importers and Traders Nat. Bank

American Central Life
Insurance Company
INDIANAPOLIS, INDIANA
Established 1899
All agency contracts direct with the company
Address:
HERBERT M. WOOLLEN, President

of $100 per $1,000 for army service outside of Continental United States, and same extra for service in navy from policy date. Limit of amount for military or naval service, or for intention to serve, $2,000. Disability provision in such policies will not apply."

The Prudential Insurance Company will continue the salaries of employes now in war service and those who will enlist. This will apply, it was explained, not only to the home office force, but also to the regular field men, or, in other words, to a total payroll of nearly 30,000.

From the first mobilization of the National Guard for Mexican border service The Prudential carried on full pay all guardsmen in its employ. Most of these were mustered out, but a few were in service when the recent call came. This call found in the ranks fifty-eight employes of the home office. Eleven have enlisted since in the various arms of the service.

Massachusetts Mutual

The military or naval service proposition of the Massachusetts Mutual Life follows:

> If the insured shall engage in military or naval service in time of war within five years from the date of issue of this policy the liability hereunder shall be limited to the reserve value of the policy less any indebtedness to the Company on account of or secured by the policy, unless the insured within thirty-one days after entering upon such service shall give written notice to the Company and shall pay an extra premium, at the rate of five per centum per annum of the sum insured by the policy, for that fraction of the current policy year from the date of entry upon such service to the end of said policy year and, thereafter on each anniversary of the policy year, during the continuance of such service in time of war, an extra premium of five per centum of the sum insured by the policy. If death occurs during the said period of thirty-one days and the extra premium shall not have been paid, such non-payment shall not limit the liability under this policy, but the extra premium due shall be deducted from the amount payable hereunder. Any extra premium after the first shall be subject to the grace provision of the policy. If the aggregate extra premiums be in excess of the claims through war or disease incident to camp life, a refund will be made as determined by the Company. This provision is in lieu of the military or naval service clause printed on the first page of this policy, which clause has been stricken from the policy.

The above clause was adopted by the Massachusetts Mutual in connection with policies issued by the Company on applications secured and mailed beginning April 9th. All policies issued upon applications previously secured and mailed will have the restrictions relative to military and naval service waived; in other words, the military and naval service provision, with extra premium, is binding only on the class of business first described.

John Hancock Mutual

The position of the John Hancock Mutual Life with regard to war service was outlined at a meeting of the board of directors on Wednesday, following which the field force was notified that "Until otherwise ordered, the Company would consider members of the National Guard, or other militia bodies, or naval organizations, home guards, or other lawfully organized bodies that may be either drawn into active war service, riot service or patrol work, upon essentially the same basis, and limits as those laid down in the circular regarding the army and navy risks referred to. In some cases there will be exceptions made to this rule, and there may perhaps be some that the Company would feel it could not insure for as much as $5,000 and some that it could insure for more, as for example, persons engaged in the aeroplane service but not as aviators. These persons, if over the age for flyers, would be acceptable for larger sums than those who while not yet flyers were still young enough to become possible candidates."

Aviators and submarine operators, if it proves practicable, will be taken for limited amounts and at some special rating.

Another exception to the $5,000 might be the banker, or merchant, or other person who might be allied with the home guard. The Company will consider such persons upon a different basis than those who were actually going to the front, and would accept them for more insurance and upon different plans from those engaged in the active defense.

The John Hancock further advises that it should be noted that the war clause is and will be in full effect on all policies issued on April 6, 1917, and thereafter. The foregoing all relates, of course to new insurance to applicants who may hereafter submit themselves to the Company for insurance.

The board at the same meeting voted: "That service in any of the lawfully armed forces of the United States, or of the several States, or municipal bodies during the war, shall not be deemed a violation of the conditions of any policy issued by this Company prior to April 6, 1917."

This means that every person who was a member of the Company on April 6, 1917, that is, whose policy was dated on or before that date, is at liberty to enlist in the war and serve thereon without the payment of any extra premium, whether such service be at home or abroad, on land or on sea. In effect the requirement of a permit for such service is waived. If policyholders desire permits they will be given without charge. Any case upon which there has been already a permit secured and a payment made therefor will be adjusted by a return of the sum so paid.

Phoenix Mutual Action

In a letter to managers and supervisors of the Phoenix Mutual Life, President John M. Holcombe said in part:

"In the various elements of modern warfare, there are no statistics derived from past experience which can be used to measure the hazard incurred by those who offer themselves for the defense of the country; but this company feels that at this time a broad view should be taken of the situation, and that its organization can properly be used in a liberal way to care for the dependents of those who are unselfishly offering themselves to protect and perpetuate the government which has guaranteed to its people life, liberty and the pursuit of happiness."

The following resolutions were adopted by the board of directors of the Phoenix Mutual Life:

Free service within U. S. war clause for 2 years only for service outside U. S.

Be it resolved that, until further action by this Company, the Phoenix Mutual Life Insurance Company shall continue to issue insurance at regular rates on the lives of acceptable applicants who may engage in military, naval or Red Cross organizations or who may contemplate such service provided the amount of insurance on an individual life shall be limited to such sum as may be determined by the officers; and that policies that may be issued to such applicants shall contain a war clause which shall give the Company the right to charge an extra premium for a permit to perform war service outside continental United States or the waters within three miles of its coast line within two years from the date of the policy.

Refund of unused extra premiums.

Be it resolved that if such extra premiums, or any part of them, shall not be required to meet the extra liability for which they were paid, that one year after the close of the war the Company will return to the policyholders or to the beneficiary of any policies that may have become claims, such unused portion of the extra premiums.

Be it resolved that the war clause mentioned above be inserted in all policies issued after this date to applicants who are 35 years of age or younger and in such other policies hereafter issued as may be determined by the officers of the Company, and that such war clause be substantially as follows:

"This policy is free from all restrictions or conditions regarding military, naval or Red Cross service, in peace or war, within the continental United States, including the waters within three miles of its coast line.

"If the insured hereunder shall die during the first 2 years from the date hereon as a result, directly or indirectly, of engaging in any military, naval or Red Cross service outside of the continental United States and the three mile limit above described, the amount payable hereunder shall be limited to one-fifth of the amount of insurance described on the first page hereof, unless, before leaving the continental United States, the insured hereunder shall secure from the Company a permit for such service signed by an executive officer, and shall pay any extra premium or premiums which may be charged therefor, which extra premiums will not exceed the sum of ten per centum (10%) annually of the amount of insurance. No extra premium will be required after two years from date of policy.

"If any such extra premium is paid under this policy, the Company, within one year from the close of the war, will refund to the owners of this policy, or the beneficiaries hereunder if it has become a claim by death, any part of such extra premiums paid hereunder which shall not be required to meet the proportionate part of the death losses due directly or indirectly to the service for which the extra premium was paid."

Free permit for all policies already issued.

Be it resolved that free permit be accorded to the insured under any policy issued prior to this date, to act in any capacity in the army, navy or Red Cross service of the United States, in any part of the world.

Waiver of premium for all.

Be it resolved that to any applicant who has a member of his immediate family dependent solely on him for support, the Company will grant its waiver of premium benefits in event of total and permanent disability at regular rates without prejudice on account of military or naval service in this country or abroad. That to all such applicants for a contract providing income on account of permanent and total disability, such contract be given at regular rates without prejudice on account of any military, naval or Red Cross service within the continental United States, but for one-fifth of the actual amount in case of total and permanent disability occurring on account of service outside of the continental United States.

Home Life

The Home Life Insurance Company adopted the following measures with regard to war risks on Wednesday and forwarded copies to its agency staff.

War Hazards.

The entrance of this country into the European war has compelled us to give immediate consideration to the additional hazard which will doubtless be incurred by some of our policyholders.

Existing Business. We have agreed to waive any charge of extra premium for permits for military or naval service during the present conflict in respect of policies issued prior to January 1st. As regards policies issued on or after January 1st, most of them were issued free from restrictions as to occupation. It is only in the case of policies less than one year old that an extra premium can be charged. Even in these cases we have agreed that in the meantime no charge will be made for military service within the continental confines of the United States.

New Insurance. With reference to naval risks we have restricted the amount we are willing to issue on any one life to $2,000 in the case of commissioned officers, and $1,000 in the case of warrant officers, petty officers and men. The usual ratings will apply and an extra premium or $100 per $1,000 per annum must be paid both by officers and men for war service. No disability benefits apply to this clause.

We propose to attach the military o.

(Continued on page 9.)

44 MILLIONS from 42 AGENCIES

THE 1916 RECORD OF OUR EARNEST, LOYAL AND HAPPY AGENCY FORCE

New England Mutual Life Insurance Company

BOSTON, MASS.

Business Attending to Business

General business is prosperous and the public confidence is proof against all alarms. Our deliveries for the first three months were much larger than for the first quarter in 1916. Patriotism requires that business shall attend to its business with the utmost zeal, that the stability of finance may remain unshaken; even as patriotism requires that every American shall support the government by such means as are his to contribute, that our country may be invincible.

Occasionally we have a general agency opening.

JOSEPH C. BEHAN, Superintendent of Agencies

MASSACHUSETTS MUTUAL Life Insurance Company

Springfield, Massachusetts

Incorporated 1851

LIVE HINTS FOR BUSINESS GETTERS

Practical Suggestions to Help the Man With the Rate Book Increase His Income and General Efficiency

A St. Louis Questionnaire

At a recent meeting of the Salesmanship Club of St. Louis, J. Frank Dechant, a well-known sales manager, submitted to a questionnaire, which is reproduced herewith:

Q. Suppose you had a salesman that was not entirely reliable, how would you develop reliability?

A. The first method in developing that faculty is to give the salesman everything you possibly can so his thoughts run along the line of reliability. Suppose you want to develop honesty. Give him Ida Tarbell's autobiography of Abraham Lincoln. Next suggest to that person the value of being honest. Then give him opportunity for practicing those things.

The average person will fall down on little things in honesty. For instance, we landed at Plymouth, in Europe. We got there about midnight, and wanted to take the train to London. Our baggage having gone through custom, the porter put it on the truck and said: "You have over-weight there. "But," he said, "I think I can get it through for you." I was about to reach in my pocket and give him a shilling. And then the thought occurred to me if I had excess weight I ought to be willing to pay for it. I said: "If I have excess weight there I am willing to pay for it." "Well," he said, "go on. We will let it go this time." I didn't know but what I had excess weight, but he knew I didn't. He said, "Go on" because he would have been caught.

Not long after that, on that same trip, in Wales, I met an American author. We became quite well acquainted. He said to me, "I have a poem from a prominent American author. No doubt you are familiar with it?" He picked up a book and said, "I would like to read it with my interpretation." He read the poem with his interpretation. I said, "That is fine." He said, "You are familiar with it, are you?" I came very nearly saying "Yes." Then I said, "I am ashamed to say that I am not familiar with it, but that is no reflection on the American author, but a reflection on me." He looked at me and said, "You don't need to be ashamed of that." He took the book and took the paper out and said, "I have written it myself and no one has ever heard it, and I know you haven't heard it before."

I believe that if you can give illustrations to a person in whom you want to develop reliability he will finally see that reliability is better than unreliability.

Q. In selecting your salesmen, what per cent. of the men contracted with make good?

A. Well, my job is, rather unfortunately, one that takes a long while for a man to make good in.

Q. What do you consider the prime requisite of a sales manager in training men and equipping salesmen under his management?

A. I think one of the prime requisites of a good sales manager is reliability. The reliable man has more influence over his men than one who is long on action and long on endurance. I would rather have a man who is long on reliability and short on endurance and short on action than one who is long on endurance and long on action and short on reliability. One of the reasons why so many country boys come into the city and rob us city boys of jobs is because they do not have so much ability but are long on reliability and develop ability as they go along.

Q. Do you consider the heart a principal factor in selling?

A. Yes; I consider the heart as a stronger pulling power than the intellect.

Q. One of the hardest obstacles a salesman has to overcome is the mental condition on the part of the customer in regard to procrastination. Can you suggest some special quality in a salesman to counteract that particular condition?

A. Yes. Why most people put off action is because the salesman invariably is not familiar with a closer. The average salesman doesn't have a closer. He gives a good line of talk, but he doesn't have what are called terminal facilities.

In my work I first see a man and make an appointment with him. If he is a big man and I can't see him I say to the stenographer, "Take this down. Tell him that a gentleman has called to find out whether he can make an appointment with him, at which time he will give him a free sample of usable goods in the form of a private lecture on how to increase the individual earning power of every person in his employ." This is so unusual, that if he doesn't ask me to come in, I ask the stenographer to write as follows: "I would like to find out whether I can make an appointment with you, at which time I will give a free sample of how to increase the earning power of every person in your employ. It will only take forty-five minutes." I expect this to make him go up in the air. "Forty-five minutes! I haven't forty-five minutes." That gives me a chance to say this: "At the end of ten minutes if you are not interested I go. That is fair, isn't it?" And invariably a man will say, "That is fair."

Then I come to my terminal facility. I pick out my own time. I say, "Is the morning or afternoon more convenient for you?" I am not saying, "When can I see you?" because that gives a chance to procrastinate. "Is the morning or afternoon more convenient for you?" Invariably I never see him in the morning. I say, "How will Thursday afternoon do?" "Busy." "How will Friday afternoon do?" "Busy, Friday." I won't ask him Saturday because that is a short day. "How will Monday afternoon do?" Monday may be a busy day. "How will Tuesday afternoon at 3 o'clock do?" And invariably, before he has a chance to say no, "All right, I will come to see you Tuesday afternoon at 3 o'clock." I make a note of that. "I will be here at 3 o'clock promptly." And I will say in ten years' experience in this business I have never been late once. I am always there. I make a note of it so that he knows I will be there when he makes the appointment. When I start in, he says, "I am going to hold you to your ten minutes." I say, "I expect you to tell me when to stop." Probably he will say: "You can talk to me while I am signing these checks." I say, "All right, but before I do that I want to prove you can't sign those checks and listen to my story. Can you say 'Mary had a little lamb' and write 'My Country, 'Tis of Thee' at the same time? You know them both. Can you do that?" And then I ask him another question: "Why aren't you signing the checks now?" He doesn't answer. I say, "The reason why you are not signing checks now is because now I have your undivided attention." He lays down his pen and says, "Go on." Usually I do go on—successfully.

The Eastern Underwriter is indebted to "Salesmanship," for this interesting questionnaire.

THE
METROPOLITAN LIFE
Insurance Company
(Incorporated by the State of New York)



Metropolitan Life Insurance Company
Home Office Building

The Company
Of the People
By the People
For the People

The Daily Average of the Company's Business during 1916 was:

701 per day in Number of Claims Paid.

8,304 per day in Number of Policies Issued and Revived.

$1,969,823 per day in New Insurance Issued, Revived and Increased.

$376,827.40 per day in Payments to Policyholders and Addition to Reserve.

$220,509.26 per day in Increase of Assets.

JOHN R. HEGEMAN, President

Representing

The Mutual Life Insurance Company
of New York

You will make money.

The great strength, big dividends and incomparable benefits of the *"oldest company in America"* mean certain success for you.

For Terms to Producing Agents, Address

GEORGE T. DEXTER, 2d Vice-President
34 NASSAU STREET, NEW YORK, N.Y.

OLD POLICYHOLDERS

What An Agent of Mutual Life Insurance Company in New York City Has Done

Two results will always be obtained from the persistent cultivation of old policyholders: first, new business will be secured; second, old business will be conserved. A striking illustration of this ism is "Points," published by the Mutual Life, by Maurice Dorman, one of the Company's New York City agents. On Dec. 19, 1899, Mr. Dorman wrote a $2,000 policy on the life of a certain man in New York. Since then he has sold this same man eight other policies at different times, as follows:

Jan. 13, 1901	$3,000
Apr. 9, 1906	3,000
Dec. 19, 1907	650
Jan. 13, 1908	900
May 15, 1914	3,000
Dec. 19, 1914	3,000
Jan. 14, 1916	2,000
Jan. 13, 1917	5,000

Each one of these policies is still in force and through the policyholder's influence his relatives and friends have been repeatedly written. In commenting on the case, Mr. Dorman says: "It pays the agent to see each one of his policyholders at least two or three times a year, and if there is any additional insurance to be written he will get it. The moral is—Win your policyholder's confidence and keep the other fellow from stepping in."

INSURANCE MEN TO MEET

Hartford Selected for New England Underwriters' Congress Early in June

As a result of a recent conference held at Providence between John H. Thompson and James B. Moody, Jr., president and secretary respectively, of the Connecticut Life Underwriters' Association and other life insurance officials it was decided to hold the New England Congress of Life Underwriters' Associations in Hartford, Conn., early in June. More than 300 are expected to attend. Thomas W. Russell, chairman; Dwight G. Holbrook and Clayton W. Welles compose the committee in charge.

Fine Loan Record of John Hancock

PRAISE FROM MASSACHUSETTS INSURANCE DEPARTMENT

Exceedingly Small Number of Foreclosures and Almost Entire Lack of Losses

The regular triennial examination of the John Hancock Mutual Life Insurance Company of Boston as of December 31, 1916, has just been completed by the Massachusetts Insurance Department and reveals steady progress on the part of the Company. Compared with the examination of December 31, 1913, there is shown an increase of $39,365,125.60 in admitted assets to $141,542,204.93. Total liabilities now stand at $133,487,937.96, compared with $97,106,602.23 in 1913, while net surplus is now $8,054,266.97, an increase of $2,983,789.92 or more than 50 per cent. The total income of the Company for 1916 was $37,678,180.53 or more than 7½ millions increase over the year 1913.

Accounting Methods Praiseworthy

The standing of the Company is typified more or less by the statement of the examiner with reference to the Company's accounting methods, wherein he states: "Too much cannot be said in praise of the accounting system. The operation of the controlling accounts in use render the work of examination of the Company comparatively easy. Except for the actual inspection of assets, it can be said that the condition of the Company can be ascertained almost entirely from the accounts and records in the Auditor's and Actuary Departments."

The Company has increased its mortgage loans on real estate to 14,142 aggregating $68,330,978.68, or an increase of over $20,000,000 in the past three years. Here, too, the ability of the Company officials is shown for it is stated:

"That great care is exercised in the selection and inspection of the Company's loans is evidenced by the exceedingly small number of foreclosures and almost entire lack of losses for many years. The home office force detailed to handle the vast number of loans and renewals is well organized and excellently supervised."

The Company also had outstanding loans on 41,424 policies, amounting to $10,943,943—an increase of $3,341,196.77 for the last three years.

Company's Liberal Attitude

The liberal as well as equitable policy of the Company in treating its policyholders is shown very clearly in the plan for the equalization of benefits of industrial policies. Of this plan, the examiner says:

"The directors of the Company on July 10, 1916, voted that policies issued under the various minor tables of benefit in the Industrial Branch from its beginning in 1879 until December 31, 1907, which were in force and on which the premiums are paid until June 30, 1916, be treated and valued as whole life policies from issue, with premiums ceasing at age 75, upon the Standard Industrial Mortality Table of reserve, with interest at 3½ per cent. and further voted that the insurance benefits on all minor and adult policies issued in the Industrial Branch from its beginning in 1879 until December 31, 1907, which were in force on June 30, 1916, be and are hereby increased (wherever lower) to the amount established by the published tables of insurance benefits effective January 1, 1908 for similar classes, kinds and ages.

"In anticipation of the above step, the Company had carried in the 1914 statement a special reserve of $2,900,000 which was increased in the 1915 statement to a special reserve of $4,400,000. According to the above vote, the Company's Actuary having calculated that the special reserve should be further increased to $6,330,229, such sum was carried to the regular policy reserve. The addition to the amount of outstanding policies in force was $26,559,000.

"By a vote of the directors in December, 1916, the Executive Committee was authorized to set aside an amount for the ultimate permanent equalization of benefits on industrial policies on the basis of the so-called 1912 schedule of benefits. As the first step in such equalization, an amount of $300,000 has been set up in the 1916 weekly premium liability.

"Since Jan. 1, 1914, the Company has paid on all weekly premium claims incurred subsequent to that date, on policies issued prior to January 1, 1912, the same death benefits as are allowed under policies issued on and after January 1, 1912, providing the amount for which the policy was originally issued is less than that given under the 1912 scale of benefits. The amount of liability carried by the Company is sufficient to care for the increased mortuary addition on expected weekly premium claims for the year 1917, which is shown in the 1916 statement to be $500,000.

Welfare Work

"Sensible of the advantage of securing the closest co-operation and good feeling on the part of its employes, the Company is alert to help its employes in every way possible and in that direction recently has established a restaurant in the Home Office Building, with a charge of about half the cost of the service which has been found so acceptable to the employes of the Company that of a possible attendance of 923 daily the average has been 850. Of its benefits, the examiner says, 'On the one hand, there has been less sickness and a saving in money to the Company's employes virtually amounting to an increase in wages; on the other a saving in time to the Company and marked increases in the efficiency of its employes'."

THREE GREAT MONTHS

Bristol General Agency Pays For $5,079,140 in First Quarter of the Year

The John I. D. Bristol general agency of the Northwestern Mutual Life in New York City, paid for $1,725,800 of new business in January; $1,789,500 in February, and $1,563,840 in March, making a total for the three months of $5,079,140, an increase of 9.1 per cent. over the corresponding period of last year.

Mr. Bristol's agency is the leader in New York City. Last year he paid for about $16,000,000, his nearest competitor paying for about $12,000,000. Mr. Bristol has worked up 40,000 prominent possible applicants in New York City, with daily allotment to agents of ten to twenty cases, for three minute interviews. Payments of commissions are made only to agents representing the Bristol general agency and engaged in no other line of work.

WITH COLUMBIAN NATIONAL

Henry B. Fowler, for several years claim examiner in the accident department of the Fidelity & Casualty at its home office, and later with the Massachusetts Bonding and Insurance Company, has been appointed claim examiner for the accident department of the Columbian National Life Insurance Company at its home office in Boston.

NOW SOUTHERN LIFE & HEALTH

Effective April 2, the Southern Mutual Aid Association of Birmingham changed its name to Southern Life & Health Insurance Company. C. P. Orr continues as president of the institution, with W. R. Lathrop secretary and treasurer.

Great Southern Life Insurance Company

HOUSTON, TEXAS.



For Agency Contracts address

O. S. CARLTON

PRESIDENT

TAKES $1,000,000 GROUP POLICY

More than $1,000,000 of life insurance has been presented to the employes of the Western Clock Co. The insurance is issued by the Equitable under the group insurance plan without medical examination. Sixteen hundred employes are affected, the insurance being in the form of one year's wages to each employe, with a maximum of $3,000.

R. G. SLIFER DEAD

R. G. Slifer, general agent of the Equitable Life of Iowa, in Philadelphia, died on Monday morning.

No Uniform Action on War Clauses

(Continued from page 7.)

naval clause to every policy we issue to civilians. The form has already been approved by Insurance Departments, and gives us the right to charge an extra premium for war service.

For the present and until further notice the Company will upon request from the insured grant the following permits for one year from date of policy:

Free Permit—For military service in the Army within the continental confines of the United States.

Permit—For overseas service in the Army and all Naval service—$100 per $1,000 per annum.

Aviation and submarine service will be continued according to the merits of any individual case which may be submitted.

Red Cross and ambulance service as well as Army medical corps and hospital work will be treated on the same general lines, training and service in this country being free.

The Aggregate Extras will in all cases be carried to a separate fund; and, if the amount of these extras should prove more than sufficient to meet the extra mortality caused either directly or indirectly by the war, a proportion of the extra premium paid will be refunded to continuing policies six months after the war is over. This seems to us to carry out the spirit of fair play and mutual protection which is inherent in a good life insurance company.

For more permanent use we propose to reprint our policies in the near future and incorporate in them a five-year war clause, giving us the right to charge such extra premiums as may be thought necessary if the insured enter upon war service at any time during the first five years of his policy.

Metropolitan Life

A notice regarding war clauses to be added to Metropolitan Life policies was sent out to superintendents of the Company on Wednesday, as follows:

Beginning April 16, 1917, all policies will contain restrictions as to military or naval service. An extra premium will be charged of $25 per $1,000 a year, calculated from the date of enlistment. The amount of insurance for those who contemplate enlistment or who are members of a military organization is limited to $2,000. Policies outstanding now have no restrictions whatever, and pay the same premium as heretofore.



FOUNDED 1865

Unexcelled In Favorable Mortality and Economy of Management

The Provident Life and Trust Company

OF PHILADELPHIA

Rates of Premium Extremely Low and still further reduced by Annual Dividends

THE EASTERN UNDERWRITER

This newspaper is owned and is published every Friday by The Eastern Underwriter Company, a New York corporation, office and place of business 105 William Street, New York City. Clarence Axman, President; B. F. Hadley, Vice-President; W. L. Hadley, Secretary. The address of the officers is the office of this newspaper. Telephone 2497 John.

Subscription Price $3.00 a year. Single copies, 15 cents.

Entered as second-class matter January, 4, 1907, at the Post Office at New York, N. Y.; under the act of Congress of March 3, 1879.

THE FEDERAL ESTATE TAX LAW

The Federal Estate Tax Law of September 8, 1916, was amended by the Act of March 3, 1917. This amendment affects only the rate of tax on estates of decedents dying on or after March 3, 1917. The Guaranty Trust Company of New York has issued a valuable little booklet on the subject, giving the law and the following foreword:

The net estate of every resident decedent and the net estate situated within the United States of every non-resident decedent dying on or after September 9, 1916, is subject to the provisions of the Federal Estate Tax Law and liable for the payment of the tax thereby imposed.

The rate of tax varies according to the amount of the net estate and increases progressively from 1 per cent. on estates of $50,000, to 10 per cent. on estates in excess of $5,000,000 of decedents dying prior to March 3, 1917, and from 1½ per cent. on estates of $50,000 to 15 per cent. on estates in excess of $5,000,000 of decedents dying on or after March 3, 1917.

The following tables show the rate of tax, the amount of net estate, and the amount for which the estate is liable.

(1). Estates of decedents dying prior to March 3, 1917:

1%	on first	$50,000 =	$500
2%	" next	100,000 =	2,000
3%	" "	100,000 =	3,000
4%	" "	200,000 =	8,000
5%	" "	550,000 =	27,500
6%	" "	1,000,000 =	60,000
7%	" "	1,000,000 =	70,000
8%	" "	1,000,000 =	80,000
9%	" "	1,000,000 =	90,000
10%	" all amounts in excess of $5,000,000		

(2). Estates of decedents dying on or after March 3, 1917:

1½%	on first	$50,000 =	$750
3%	" next	100,000 =	3,000
4½%	" "	100,000 =	4,500
6%	" "	200,000 =	12,000
7½%	" "	550,000 =	41,250
9%	" "	1,000,000 =	90,000
10½%	" "	1,000,000 =	105,000
12%	" "	1,000,000 =	120,000
13½%	" "	1,000,000 =	135,000
15%	" all amounts in excess of $5,000,000		

The figures given above are based upon a net estate; that is, an estate from which there have been deducted the allowable deductions and, in the case of an estate of a resident decedent, the specific exemption of $50,000.

Net estate subject to tax is determined by deducting certain items from the gross estate of the decedent.

The gross estate, as defined by the statute, includes:

1. All property, real or personal, tangible or intangible, coming into the hands of the executor or other in charge of the estate, which property would be subject to charges against the estate, expenses of administration, and distribution to the heirs or legatees;

2. Property transferred without valuable consideration in contemplation of or intended to take effect at or after death;

3. Decedent's share in money or property owned by decedent jointly with others in entirety, unless it can be shown that such interest was never owned by the decedent.

In determining the net estate of resident decedents the following deductions from gross estate are allowed:

Funeral expenses.
Administration expenses.
Claims against the estate.
Unpaid mortgages.
Losses not compensated by insurance.
Support of dependents during the settlement of the estate.
Other charges allowed by the laws of the jurisdiction under which estate is administered.

In addition to the above deductions, a specific exemption of $50,000 is allowed to the estates of resident decedents.

The above items, except the specific exemption of $50,000, may also be deducted from the value of that part of the gross estate of a non-resident decedent which, at the time of his death, is situated in the United States, in such proportion as the value of such part bears to the value of the gross estate, wherever situated, of such non-resident decedent.

For example: a non-resident dies leaving a total estate of $200,000, of which $100,000 is represented by property in the United States. The total expenses of the estate under the items enumerated above as deductions amount to $20,000. The estate would, therefore, be allowed to deduct that proportion of $20,000, which $100,000, the value of the estate in the United States, bears to $200,000, the total value of the estate, i. e., one-half of the total expenses amounting to a deduction of $10,000. This estate would accordingly be taxed on $100,000, the value of the estate in the United States, less $10,000, the total deductions allowed, i. e., $90,000.

Within thirty days after qualifying or after coming into possession of any property of a decedent, an executor or other person coming into the possession of an estate must give written notice to that effect to the Collector of Internal Revenue.

A return of the estate, on Form 706, as provided by the regulations of the Treasury Department, must be made by the executor or other person coming into the possession of the estate: (1) in the case of a resident decedent, if the estate is subject to tax or if the gross estate at the time of the death of the decedent exceeds $60,000, and (2) in the case of the estate of a non-resident, if any part of the gross estate is situated in the United States, regardless of amount.

This return, if the decedent was a resident of the United States, shall be filed with the Collector of Internal Revenue for the district in which the decedent was domiciled; if the decedent was a non-resident, it shall be filed with the Collector of Internal Revenue for the district in which the gross estate of the decedent is situated in the United States, or, if such estate within the United States is situated in more than one district, it shall be filed with the Collector of Internal Revenue, at Baltimore, Maryland.

The tax is due one year after decedent's death, and, except where a valid will of a testator provides otherwise, must be paid from the principal of the estate, by the executors or administrators, before distribution is made to beneficiaries. A discount at the rate of 5 per cent. per annum is allowed if payment is made prior to the time the tax is due. If the tax is not paid within ninety days after it is due, a penalty at the rate of 10 per cent. per annum from the date of decedent's death is added. If, however, failure to pay the tax when it is due results from inability to settle the estate because of necessary litigation or other unavoidable delay, the penalty will be assessed at the rate of 6 per cent. per annum from the date of death. Unpaid taxes are a lien against the estate for ten years and may be recovered by court proceedings to subject the property of the decedent to sale under judgment or decree of the court.

THE HUMAN SIDE OF INSURANCE



JAMES MARSHALL

James Marshall, of Willard S. Brown & Co., president of the Insurance Society of New York and of the New York Fire Insurance Exchange, is a prominent figure in the civic life of South Orange, N. J., where he is president of the local board of education and for several years has taken an active interest in political as well as educational affairs. His vocation, however, is education and he is one of the fathers of the educational addresses of the Insurance Society of New York. Mr. Marshall was one of the five men who organized the Insurance Society, the idea of which originated with Robert P. Barbour, general agent of the North British & Mercantile, then with the Greenwich Fire. The others were, A. M. Thorburn, agency secretary of the Sun; John M. Whiton, retired, formerly of Whiton & Merges; F. H. Douglas, formerly secretary of the North River, and Mr. Barbour.

Mr. Marshall has been vice-president, chairman of the executive committee, and is now president of the Insurance Society.

Mr. Marshall started his fire insurance career with the Manufacturers and Traders Insurance Co., of New York, and after several years' apprenticeship with that company, he went with the Palatine, of London, in 1893. Several years later, he joined the agency of Burke & Brown and when Burke & Brown became Willard S. Brown & Co., in 1904, he became a member of the firm.

* * *

Alfred J. Hodson, recently superintendent of the agency and business extension departments of the New York branch office of the Aetna, has taken charge of the business extension division of the metropolitan branch office of the Fidelity & Casualty at 92 William street. Mr. Hodson started with the Frankfort General under F. G. Vorse. Subsequently he joined the staff of the Empire State Surety as assistant to the president, later becoming vice-president. When the Empire State reinsured its casualty lines in the United States Casualty, Mr. Hodson continued with the latter. He left the United States Casualty to go with the Aetna in 1912. Mr. Hodson's experience covers a period of nineteen years, during all of which time he has been working successfully as a producer of new business and in the handling of brokerage business.

* * *

James F. Atkinson, of the Northwestern Mutual Life in Brooklyn, was tendered a dinner by the agency staff, at the Crescent Athletic Club in honor of his 83rd birthday. Mr. Atkinson is one of the oldest life insurance agents in the business. He started in 1881 as an agent for the Provident Life & Trust, resigning in 1883 to become special agent for the Northwestern Mutual Life at Chicago. Two years later he was appointed general agent for Brooklyn and Long Island, which position he has held thirty-two years. In honor of the occasion he was presented with fifty-three applications for new business.

* * *

Percy B. Dutton, of Rochester, State manager of the Georgia Home, while visiting Rhodes Browne, of Columbus, Ga., recently, was asked to address the Barraca class at the First Baptist Church, of that city. In reporting his remarks, a Columbus newspaper said: "The visitor's little talk was heard with a great deal of interest, especially that portion devoted to the method of attracting the young man to the Sunday School."

* * *

Claude W. Fairchild, the new Colorado Insurance Commissioner, is thirty-eight years old, and for years has been a successful breeder and raiser of cattle. In 1913 and 1914 he was private secretary to Governor Ammons of Colorado, who is president of the Farmers' Life Insurance Company of Colorado.

* * *

Charles Gurney, executive of the Boy Scouts of Wilmington, Del., has resigned from the Scouts to devote his full time to the general agency of the Scranton Life Insurance Company.

* * *

Louis C. Breed, special agent of the National of Hartford for eastern New York State, was in New York on Wednesday.

* * *

Artemas R. Roberts, president of the Amicable Life, of Texas, is spending a few weeks in New York City.

FIRE INSURANCE DEPARTMENT

Court Interprets "Solicit or Place"

PROTECTION WHERE COMPANY IS LICENSED

Wisconsin Court Decides Expression Means Both Soliciting and Placing of Insurance

Wisconsin has an insurance law, Section 1919-f reading in part, as follows: "Any company or person who shall 'solicit or place insurance' in a fire insurance company not authorized to do business in this State shall, in the event of a failure of the insurer to pay any claim or loss within the policy issued, be liable to the insured for the amount thereof that such compauy would have been liable."

In October, 1914, George Case bought certain property from J. P. Thern & Company, of New London, but desired only $2,000 insurance instead of $3,500 which was carried in two policies, one for $2,000 in the German Fire Underwriters, and one for $1,500 in another company. By agreement, arrangements were made through a man named Meany, who was then acting for his son who had secured the original $3,500 of insurance, to have the old policies surrendered, premiums adjusted, and a new policy for $2,000 issued and delivered to Case, who then was to pay the balance required on the premium. This arrangement was made by Meany with a Chicago broker, who represented these unlicensed companies. Policy was issued and when the fire occurred the question as to who was liable for the amount of the insurance arose. The court determined under the Wisconsin law that Meauy placed this insurance with an unlicensed company which would have been liable but nevertheless refused to pay the loss under Section 1919-f of the law. The lower court gave Case judgment and this court holds the lower court was right in so doing and further holds that that part of the Wisconsin insurance law reading, "any company or person who shall **'solicit or place** insurance'" should be read as "any company or person who shall **'solicit and place** iusurance'."

This law is aimed to protect those who have had their insurance placed with an unauthorized company which refuses to pay a loss and which has not complied with the requirements of this law regulating insurance companies.

Case v. Meany. Supreme Court of Wisconsin. Decided Feb. 13, 1917. Reported in 161 N. W. 363.

FARM CO-OPERATIVES

Total Income and Disbursements in New York State During 1916—Insurance in Force

The town and county co-operative fire insurance associations—advance premium—had a total income in New York State last year of $849,429; and disbursemeuts amounted to $855,288. The county assessment companies had a total income of $1,459,704, and disbursements of $1,456,249; the town assessment companies had a total income of $135,203; disbursements of $178,446. The total insurance in force of the advance premium companies is $152,144,772; of the county assessment companies, $341,881,998; of the town assessment companies, $58,916,274.

COMMISSIONERS' MEETING

Many Subjects Up for Discussion at Des Moines on April 17 and 18

The meetiug of the insurance commissioners at the Hotel Chamberlain in Des Moines on April 17 and 18, will consider many interesting questions. There is much unfinished business. Of considerable importance are the following subjects which will be up for consideration:

Fire insurance reserves; special deposits; premiums earned but lost on policies issued on credit; resolution on production cost of casualty and surety business; sub-committee on uniform law for fidelity and surety companies; uniform bill for organization and operation of live stock insurance companies; Federal supervision; as to whether a subsidiary or operating company is a proper plan for managing insurance companies; sub-committee on reciprocal underwriters; sub-committee on persons, etc., contracting to furnish information in regard to insurance; special deposit States; national government as preferred creditor.

Also, clearing committee for rulings on standard provisions in life policies; new mortality table; fire insurance rates, expenses; trust deeds foreign insurance companies; standard form policy sick benefit companies; standard table for valuation of compensation claims.

TALKS IN WATERTOWN

W. S. Lemmon, one of the authors of the L. & L. Rating System, recently addressed the Fire Insurance Study Club, of Watertown, N. Y., on insurance rates.

FIRE AND MARINE INSURANCE—ALL LINES

The Automobile Insurance Company of Hartford, Conn.

MORGAN G. BULKELEY, President

Statement January 1, 1917

Cash Capital - - - -	$1,000,000.00
Assets - - - -	2,748,832.19
Liabilities (Except Capital) - -	1,039,977.81
Surplus to Policyholders - -	1,708,854.38

AFFILIATED WITH

ÆTNA LIFE INSURANCE COMPANY

THE ÆTNA ACCIDENT AND LIABILITY CO.

BRITISH BOMBARDMENT LOSSES

Business Was So Profitable It is Now Being Written Through the Government, Says R. N. M. M. Pearce

In reply to a query from The Eastern Underwriter as to the experience of the British companies in the writing of bombardment insurance, R. N. M. M. Pearce, of Edye & Co., London, who came from England last week, said that the business had been so profitable the Government had taken it over and all companies were now writing it for the Government. He said there had only been one or two serious losses aud tbat the total losses were infinitesmal in comparison to the amount of bombardment premiums that have been collected. The British bombardment policies include coverage against losses from airplanes as well as from ships.

JOINS NIAGARA FIRE

W. S. Mays Appointed Automobile Underwriter, Effective May 1—Formerly With Royal

Whitefoord S. Mays, who, for the past four years, has been in the employ of the Royal Insurance Company at its Southern Department offices, at Atlanta, as automobile underwriter, will, on May 1 join the Niagara Fire Insurance Company in a similar capacity. Mr. Mays is particularly well-known throughout the Southern field, as he has served the Southern Automobile Underwriters' Conference as secretary since its organization.

Coming into the business as a graduate of Vanderbilt University, at Nashville, Tennessee, in 1911, he entered the casualty branch as a clerk, and later on, became a traveling auditor.

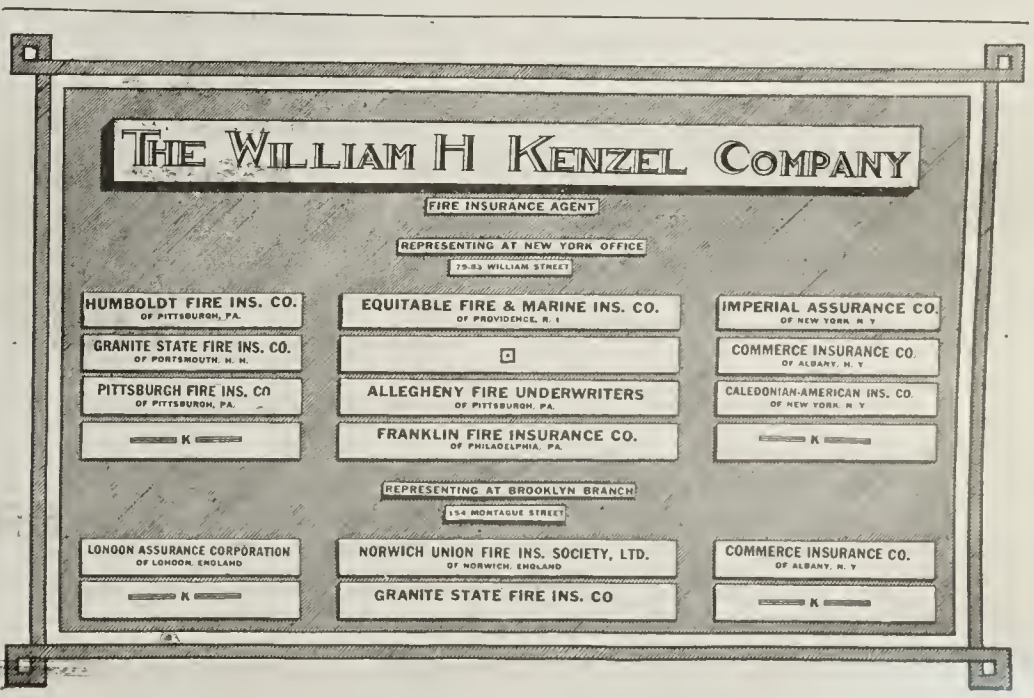
NORTH BRANCH FIRE INS. CO.
Sunbury, Pa.
Inc. 1911

Assets	$641,341.77
Reserve	230,513.29
Capital	300,000.00
Surplus	63,479.83

CITY INSURANCE COMPANY
Pittsburgh, Pa.
Inc. 1870

Assets	$357,318.58
Reserve	54,256.92
Capital	200,000.00
Surplus	96,379.07

OPERATING ON A CONSERVATIVE BASIS IN A LIMITED TERRITORY UNDER AN EXPERIENCED MANAGEMENT



Calls 12 O'clock Noon in Policies Antiquated

COMMENT BY FIRE BROKERS' ASS'N. OF NEW YORK

Can See No Valid Reason for Continuance of Present Noon Hour Provision

The Fire Brokers' Association of New York is disappointed that the new standard fire policy form does not change the 12 o'clock noon date in the provision telling when the policy takes effect. The "Bulletin," of the Brokers' Association has this to say on the subject:

"Let us assume, for instance, a merchant desiring to insure his stock at, say, 10 o'clock a. m. The policy says that it takes effect at 12 o'clock a. m. If the merchant is insured between the hours of 10 and 12, under this legalized form of binder, and the section of the law provides that the insurance company must make a pro rata charge for all the time that the insurance is binding—is it the intention to charge an extra premium for the insurance from 10 o'clock to 12 o'clock? Or let us assume that a merchant secures insurance on his property, say, at 5 p. m. Must the insurance company make an allowance on a premium for the difference in time between 12 o'clock noon and 5 p. m.?

Asks for a Valid Argument in Favor of Noon Hour

"We do not believe that such action would be taken in either case, neither do we believe that there is a possibility of any injustice to the insurance companies or any complication in the transaction of their business, if the hour at which the standard policy takes effect is at any time previous to the customary opening hour for transacting business at any locality; in this city it is usually 9 a. m. Perhaps some town in the country, where the farmers are anxious to get through with their business, it may be 6 a. m. We should be very glad indeed to have any insurance company manager, or the Insurance Superintendent himself, state any valid reason for the continuance of the present antiquated hour of 12 o'clock noon.

"Last January we addressed an appeal to about fifty managers of the leading companies throughout the country, the closing paragraph of which read as follows: 'I would very much appreciate it if you would go over these papers; and if there is, in your mind, any objection to such action by the Legislatures, would you be kind enough to let me have an expression of your opinion on the matter?'

"To these letters we received about five replies. Two of them, one from the president of a company and the other from a manager, whose judgment I do not believe any insurance company would criticize, stated that they could see no objections to changing the hour to 12.01 a. m. The other three or four evaded a direct answer. A further personal appeal was made to two of the leading managers in this country, without result, which inclines us to believe that the large body of insurance managers are not at liberty to express an individual opinion adverse with present rules and regulations of the Union. Has the insuring public any hope for favorable consideration, to an appeal for action in their interest, even if the appeal is not adverse to any other interest?"

NEW U. & O. FORM

24-Hour Day—Net Profits Earned in New Location are Deducted

One of the active companies on William street has a new use and occupancy form that is meeting with favor from local agents. It follows:

It is understood and agreed that the term "use and occupancy," as herein used, shall be construed to mean net profits, general maintenance to the extent of taxes, heating and lighting; and legal liability of assured for royalties and salaries and wages of employes under contract, as follows:

The conditions of this contract of insurance are that if, by fire occurring during the period of time above named, said buildings or equipment contained therein, or either of them or any part thereof, shall be destroyed or so damaged by fire as to entirely prevent operating or carrying on the business of the assured, this company shall be liable for actual loss sustained under terms of the preceding paragraph, at a rate not exceeding $..... per day for each working day of such prevention; and if, by fire occurring during the period of time above named, the ability to operate or carry on the business of the assured be impaired but not destroyed, then this company shall be liable for actual loss sustained in such proportion of a sum not exceeding $..... per day as the net profits so impaired bear to the full daily average net profits, it being understood and agreed that for the purpose of this insurance the average daily net profits for the twelve months next preceding date of fire will be considered the full daily average net profits.

It is understood and agreed that, in the event of the assured continuing business (in whole or in part) at some other location during the time occupied in repairing or reconstructing the buildings, additions or equipment named herein, the net profits earned at the new location shall be deducted from the amount which under the terms of this policy would otherwise be recoverable by the assured.

It is understood and agreed that, in the event of loss, the compensation shall commence on date of such loss, and cover such time (not limited by the date of expiration of this policy) as may, with the exercise of due diligence and dispatch, be necessary to place the premises in condition to resume operations; loss to this company, however, in no case to exceed the amount named herein.

It is understood and agreed that the word "day," or "working day," as used in this contract, shall be held to cover a period of twenty-four (24) hours.

NEWSPAPER LOSS CONTROVERSY

An application for an umpire in order that an agreement may be reached between the Plattsburg Republican Company and the insurance companies interested in the matters, has been asked for in the Supreme Court at Plattsburg, N. Y. In a fire that occurred in the office of the "Republican," a newspaper, one of the machines the cause of the controversy, was destroyed. The Republican Company claimed that the press was a total loss, while the insurance companies claim a loss to the machine of one-third its value.

Asks Florida Agent to Take Own Medicine

NAULTY'S SNAPPY LETTER TO ST. AUGUSTINE MAN

"New Jersey Agents Not in Business For Our Health," Says Newark Man

In Florida there is a resident agents' law which prohibits payment of commissions to those not bona fide residents of the State. In view of this fact the following correspondence between William S. Naulty, vice-president of Jos. M. Byrne & Co., Newark, and W. W. Snow, representing a number of fire insurance companies in St. Augustine, Fla., is interesting:

Newark, April 3, 1917.

Mr. W. W. Snow,
St. Augustine, Fla.

Dear Sir: We are in receipt of your favor informing us that you have renewed policy No. 3149, Hartford Fire Insurance Company, Antoinette Jackson, expiring April 7th, and that upon receipt of the premium $20, you will forward policy to us.

We beg to advise, that you need not go to this trouble. We agents in New Jersey are not in business for our health, nor for the pleasure of signing insurance policies or for receiving them from those fortunate fellows that happen to be domiciled in Florida, but who are so proud of their climate and position, that they cannot give any of their commission to any one not a resident of the State. Therefore, we will have to get along without the Florida agents until the millennium happens and every State has similar laws.

JOS. M. BYRNE CO., W. S. Naulty.

St. Augustine, Fla., April 5, 1917.

W. S. Naulty, Newark.

Ah, cheer up, William. Why the gloom? Come to Florida and get a little sunshine in your soul. W. W. S.

CONFESSES TO ARSON

Confession that he set a fire which on Saturday night damaged to the extent of $30,000, the factory of the J. B. Gruman Company, makers of druggists' sundries, Newark was obtained from George Kueber, by detectives of Newark police headquarters, according to the officers. He said that he had been drinking heavily and that the desire to see a big fire came to him. He walked into the factory, where he had been employed, and used a match to ignite a pile of paper near a desk in the office, according to the statement attributed to him.

Kueber was released from the State prison at Trenton about a year ago, having served a five-year sentence for setting a fire in which his own brother lost his life.

NO LEGISLATION

The New Jersey Legislature adjourned without passing any fire insurance measures of consequence.

Nord-Deutsche

INSURANCE COMPANY
OF HAMBURG, GERMANY
ESTABLISHED 1857
STATEMENT JANUARY 1, 1916

Assets	$2,063,315
Liabilities	922,699
Surplus	1,140,616

UNITED STATES BRANCH
123 WILLIAM ST., NEW YORK
J. H. LENEHAN, United States Manager
AGENTS WANTED IN PRINCIPAL CITIES AND TOWNS

CRUM & FORSTER

GENERAL AGENTS
95 WILLIAM STREET NEW YORK CITY

United States Fire Ins. Co., N. Y.
Richmond Ins. Co., N. Y.
Potomac Ins. Co., Washington, D. C.
National Lumber Ins. Co., Buffalo, N. Y.
The North River Ins. Co., N. Y.
Union Fire Ins. Co. Buffalo, N. Y.
Seneca Fire Ins. Co., Buffalo, N. Y.
United States Underwriters' Policy, N. Y.

F. M. GUND, Mgr. Western Dept.
Freeport, Illinois
W. W. ALVERSON, Mgr. Pacific Coast Dept.
San Francisco, California

GENERAL FIRE ASSURANCE CO.
OF PARIS

URBAINE FIRE INSURANCE CO.
OF PARIS

BRITISH DOMINIONS GENERAL INS. CO., Ltd.
OF LONDON

FRED. S. JAMES & CO.
United States Managers
123 WILLIAM STREET, NEW YORK

FRED. S. JAMES
GEO. W. BLOSSOM
W. A. BLODGETT

C. B. G. GAILLARD
Assistant Manager

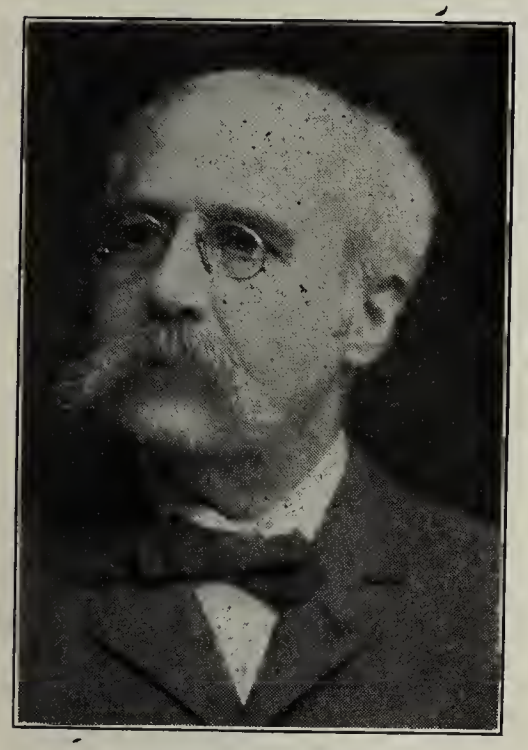
Promotions Made by the Home Insurance Co.

Henry J. Ferris and Wilfred Kurth Elected Secretaries; John A. Campbell, George A. Clarke and William L. Dennis Assistant Secretaries

The Home, which has one of the best, one of the strongest and one of the most loyal organizations in the fire insurance business, has made a number of promotions. The new officers have won these promotions on their merits, have had long service with the Company—in one case since 1863—and are popular with the local agency corps.

Two new secretaries have been elected—Henry J. Ferris, who was assistant secretary, and Wilfred Kurth, who was supervisor of the Pacific Coast and the foreign departments.

Mr. Ferris is what is known in the Home Insurance Company as a Gold



HENRY J. FERRIS

Medal Man, i. e., he has seen more than fifty years' service with the Company. There are a number of such men, more than half a dozen in the agency force itself. When Mr. Ferris went to work for the Home he was nineteen years old. Charles J. Martin was president of the Company, the offices of which



WILFRED KURTH

then were at Broadway and Cedar street. Mr. Ferris started with the local department and there he remained ever since. It is doubtful if there is a man in the city who has as intimate an acquaintance with the twists and turns of the local fire insurance situation as it has passed in review during



Copyright 1917. Oliver Lippincott.
WILLIAM L. DENNIS

the past half century. When he joined the Home there were three men in the local department; now there are more than thirty-five.

Wilfred Kurth is one of the few underwriters in this country who are posted on international insurance conditions. He is as familiar with insurance conditions in Panama, Mexico, Central America and many other parts of the world as some men are with New England or the Middle Department. In addition he has a comprehensive knowledge and experience with underwriting conditions in this country, particularly regarding the Pacific Coast. Mr. Kurth began his insurance career with the Scottish Union & National, having charge of the Canadian department when he left to go with the Home in January, 1902.

Three new assistant secretaries have been elected: George A. Clarke, State agent for New Jersey, suburban New



GEORGE A. CLARKE

York and Delaware; John A. Campbell, supervisor of the Western department, and William L. Dennis, supervisor of the Southern department. All are young men, hard, conscientious workers and exceedingly talented.

Mr. Clarke has been an active figure in insurance circles almost from boyhood, as he became a partner in the John A. Whitner local agency, Atlanta, when extremely young, the firm being known as Whitner & Clarke. He then went with S. Y. Tupper, of the old Southeastern Tariff Association, later becoming stamping clerk of the association at Norfolk. When Mr. Tupper became manager of the Queen in the South Mr. Clarke went with his office. In 1900 Mr. Clarke came to New York with the Imperial, of which he was underwriter until the Imperial withdrew from the country. In June, 1902, Mr. Clarke joined the forces of the Home, as assistant to C. A. Ludlum, then chief of the Eastern division. In July, 1903, Mr. Clarke was made State agent of the Home in New Jersey, suburban New York and Delaware.

John A. Campbell, after going to school in New Jersey, began work for the Home as a mail clerk, and he has served that Company with ability in many capacities and in many departments. He was made supervisor of the Western department some years ago. Because Mr. Campbell did not have a photograph of any kind it was impossible to secure one to use in this article.

William L. Dennis had a long experience in the Southeast before coming to New York. He began his insurance career in the Southern department of the Insurance Company of North America, of which the late Captain E S. Gay was manager. His first job was an office boy; and eventually he became an examiner, and a very good one. In the fall of 1902 Mr. Dennis came to New York as an examiner in the Southern department. Several years ago he was made supervisor of the Southern department. For some time he has been secretary of the Southern Tornado Insurance Association. He is studious, industrious and efficient.

The full list of officers follows:

Elbridge G. Snow, president; Frederic C. Buswell, Clarence A. Ludlum, vice-presidents; Charles L. Tyner, vice-president and secretary; Areunah M. Burtis, Henry J. Ferris, Wilfred Kurth, secretaries; Howard P. Moore, Vincent P. Wyatt, John A. Campbell, George A. Clarke, William L. Dennis, assistant secretaries.

N U

NATIONAL UNION FIRE INSURANCE CO. OF PITTSBURG, PA.

What we have proven to several thousand Agents we stand ready to prove to you.

If they HAVE been convinced — why shouldn't you be willing to be?

Our contention is that the NATIONAL UNION is a VERY GOOD Fire Insurance Company — we've been advertising it as such — nothing more nor nothing less.

We believe when when we say "GOOD" we have said enough, considering the fact that the NATIONAL UNION has

Ample capital and resources,
Capable and efficient management,
Strong directorate,
Splendid line facilities,
Excellent service,
An honorable loss paying record;
A high sense of justice,
Up-to-date methods,
High grade field men,
A large, loyal, energetic Agency force,

In fact, what does a real Agent desire that the NATIONAL UNION doesn't have?

You may be able to get along without the NATIONAL UNION— but not so well —and if not so well — why not act — today?

NATIONAL JERSEY CHANGES

F. L. Armstrong Has Jurisdiction Over Entire State—L. C. Post to Assist Him

Commencing May 1 Mr. F. L. Armstrong, who for the past year has been serving the National of Hartford as special agent for Southern New Jersey, will assume jurisdiction over the entire State of New Jersey as special agent for the National and allied interests—the Colonial Fire Underwriters and the Mechanics' and Traders'—thus taking over in addition to the territory originally placed in his care the portion of Northern New Jersey heretofore supervised by Special Agent Thompson, who leaves the National as of May 1.

Prior to joining the National Mr. Armstrong was actively identified with the Atlee Brown Schedule Rating Office in the capacity of general superintendent. He is regarded as one of the most efficient and popular special agents in New Jersey and the action of the National in placing him in full charge of the entire State will meet with the unqualified approval of the New Jersey agents of the National and its affiliated interests.

To assist Mr. Armstrong the National has appointed L. C. Post, who hitherto has been in charge of the insurance department of the Fish & Marvin local agency at Princeton, N. J. Mr. Post in addition to his local agency experience has had a technical training at Pratt Institute, Brooklyn, and in education and personality is well qualified to serve as a running mate to Mr. Armstrong. He will make his headquarters with Mr. Armstrong at Newark.

CART BEFORE THE HORSE

Secretary Potter, State Association Tells City Officials, How to Frame Rate Request

Ralph G. Potter, secretary of the Underwriters' Association of New York State, has written one of his characteristic letters to the Village Clerk, of Nunda, N. Y. That place wants a rate reduction, and after a meeting of its board, wrote a letter to that effect to the State association. Here is part of Mr. Potter's reply:

"The question is asked: 'What is necessary to secure Class A rating?' This is a question which is often asked us by villages and the idea seems primarily to secure reduction in insurance rates. May we suggest, however, that this manner of approaching the proposition would seem to be 'putting the cart before the horse.' What the people in any village desire of course is proper protection as the loss in any large fire is never entirely covered by insurance so we would respectfully suggest that the matter be approached by asking: 'What is the best way to improve the protection of Nunda?' and the reduction in rate will easily follow.

"We wish to congratulate the village on the earnest and enthusiastic desire for improvement which was apparent at the meeting above referred to, and also thank you for giving us the opportunity to confer with you in this matter."

TURNER ON ANNEXES

Says It's None of His Business What Companies Agents Choose to Represent

Paul Turner, the plain-speaking president of the Detroit National, has written the following letter to the "American Agency Bulletin":

I notice in copy of the "Bulletin" of March 20th, you publish my query which you have headed as follows:

'Says Agents Should Cease Representing Annexes.'

I don't believe you will find anything in my query that says that, and I will be very glad to have you correct the heading in your next issue.

It is certainly not my intention to attempt to tell the agents in this country what they should represent and what they should not, for that is none of my business. Neither is it any of my business if companies choose to run "Annexes."

What excites my curiosity is, why certain people continue to represent institutions which they, not I, claim are injurious to their interests.

If you will set me right by correcting your heading, I will be very much obliged, especially as I claim to do what I think to be proper myself, I am perfectly willing to accord every other man in the world, the same privilege.

FIGURING U. AND O. RATES

Western Man Shows How It's Done on Public Utility; Room for Improvement

Rates for use and occupancy were discussed by William H. Gartside, a Chicago insurance examiner, in a recent talk. He said in part:

"The question of rate I will not attempt to discuss at length. Efforts are now being directed toward the preparation of a schedule that can be applied to use and occupancy insurance in something like a scientific manner. Under the present rule of making the 'U. and O.' rate the same as the building rate, with the highest credit for co-insurance, it can easily be shown that in some cases the result is a lowering of the rate as the liability increases. For example, assume we have a foundry and machine shop operated by electric power, current being furnished by the traction company. 'U. and O.' insurance is carried on these two buildings, the traction company's power house, which furnishes the electricity, not being included in the cover. We figure the rate as follows:

Value of foundry, $10,000; rate with 90 per cent. clause, 1 per cent.; premium, $100.

Value of machine shop, $20,000; rate with 90 per cent. clause, 80 cents; premium, $160.

Total, $30,000; average rate, .866; premium, $260.

"U. and O.," $50,000; average rate, .866; premium, $433.

"The traction company discontinues selling electric current to outsiders, or for other reasons discontinues its service. The assured builds a power house of incombustible construction and includes it in the cover. We now figure the rate as follows:

Value of foundry, $10,000; rate, 1 per cent.; premium, $100.

Value of machine shop, $20,000; rate, 80 cents; premium, $160.

Value of power house, $5,000; rate, 25 cents; premium, $12.50.

Total, $35,000; average rate, .778; premium, $272.50.

"U. and O." insurance, $50,000; average rate, .778; premium, $389.

"From this it will be seen that the present method of figuring 'U. and O.' rates is far from scientific."

BOMBARDMENT BILL PASSED

Amendment to Permit Writing of Riot, Insurrection and Commotion Insurance Approved

The bill to permit the writing of bombardment insurance was passed by both the House of Representatives and the Senate on Tuesday and signed by the Governor on Tuesday night. It was regarded as a patriotic measure and was given immediate attention.

The committee from the Explosion Conference composed of Howard P. Moore, of the Home, chairman of the war and insurrection rider committee; A. C. Hegeman, chairman of the law and legislative committee of the Fire Brokers' Association; C. R. Perkins, of the North British & Mercantile, and Edward T. Mostert, of Weed & Kennedy, presented to the Insurance Department an amendment to the bombardment bill permitting the companies to write riot, insurrection, commotion, etc., coverage. The Department approved of the amendment and before the committee left Albany, the bill had been drafted and presented to a member of the Senate for introduction.

HEADS TWO COMPANIES

W. R. Hedge Succeeds Ransom B. Fuller as President of the Boston and Old Colony

At a meeting of the board of directors of the Boston and Old Colony Insurance Companies held on Wednesday, W. R. Hedge, vice-president, was elected president of the two companies, succeeding the late Ransom B. Fuller.

IN FAVOR OF FIRST NATIONAL

Frederick E. Pierce Had Sued to Recover $15,000 as Office Manager

The District Court of Appeals has affirmed the judgment of the District Supreme court, which found in favor of the First National Fire and the Commercial Fire in a suit to recover $15,000 for three years' services as office manager of the two corporations, brought by Frederick E Pierce. The opinion was rendered by Justice Robb.

Pierce alleged a breach of contract, declaring that he was employed for three years from January 1, 1914. He asserted that he was discharged by the First National, July 8, 1914, and by the Commercial, August 31, 1914.

The agreement as to employment was merely verbal, the companies contended, and was made by an official who it was claimed was without authority to bind the corporations.

JOINS PAIGE OFFICE

Joseph Krischker, for twenty years secretary and general manager of I. Tannenbaum & Son, and for the past year and a half an independent broker, identified himself with the New York office of John C. Paige & Co. this week as vice-president and general manager.

NO ACTION ON LICENSE BILL

The Fire Brokers' Association has decided to let the law takes its course with the Artinger Bill increasing the brokerage license fee to $50 in cities of over 1,000,000 population and $25 in other cities.

WHEELER A SUICIDE

Charles D. Wheeler, of the insurance agency of John C. Paige & Co., Boston, committed suicide at his home in Brookline, Mass., by shooting himself through the heart on Monday.

TO ADDRESS ALBANY FIELD CLUB

E. R. Hardy, of the New York Fire Insurance Exchange, is to address the Albany Field Club at its meeting on April 20.

APPOINTS W. H. KENZEL CO.

The William H. Kenzel Co. has been appointed agents of the Mechanics Insurance Co., of Philadelphia, for Brooklyn.

The percentage of unknown cause fires last year was the lowest in the history of Maine—15.88 per cent.

"The Leading FIRE INSURANCE Company of America"

ÆTNA INSURANCE CO. HARTFORD, CONN.

Explosion and Sprinkler Leakage Insurance

WM. B. CLARK, President

THE HANOVER
FIRE INSURANCE COMPANY
Incorporated 1852

The real strength of an insurance company is in the conservatism of its management, and the management of THE HANOVER is an absolute assurance of the security of its policy.

R. EMORY WARFIELD, President
FRED. A. HUBBARD, Vice-President
E. S. JARVIS, Secretary
WILLIAM MORRISON, Asst. Sec'y

HOME OFFICE
Hanover Bldg., 34 Pine St.
NEW YORK

HOWIE & CAIN, General Agents
Metropolitan District
100 WILLIAM STREET, NEW YORK

WESTERN ASSURANCE CO.
OF TORONTO, CANADA
(Fire, Tornado, Ocean Marine and Inland Marine Insurance)
UNITED STATES BRANCH
January 1, 1917

Assets	$3,329,177.74
Surplus in United States	1,478,531.90
Total Losses Paid in United States From 1874 to 1916, Inclusive	41,657,814.31

W. R. BROCK, President
W. B. MEIKLE, Vice-Pres. & Gen. Man.

"STRONG AS THE STRONGEST"
The Northern Assurance Co.
(LTD., OF LONDON)
Organized 1836
Entered United States 1876

Losses Paid - - - $105,000,000
Losses Paid in U. S. - $38,000,000

Eastern and Southern Departments
55 JOHN STREET
NEW YORK CITY

The Gamewell Fire Alarm Telegraph Co.
Fire Alarm and Police Telegraphs for Municipal and Private Plants
OVER 1500 PLANTS IN ACTUAL SERVICE
GENERAL OFFICES AND WORKS
NEWTON UPPER FALLS, MASS.
AGENCIES
5708 Grand Central Terminal, New York
448 John Hancock Building, Boston, Mass.
1216 Lytton Building, Chicago, Ill.
335 Wabash Building, Pittsburgh, Pa.
915 Postal Building, San Francisco, Cal
304 Central Building, Seattle, Wash.
Utica Fire Alarm Telegraph Co., Utica, N. Y.
Northern Electric Company Limited, Montreal, Canada
General Fire Appliances Co., Ltd., Johannesburg, South Africa
Colonial Trading Co., Ancon; Canal Zone, Panama
F. P. Danforth, 1060 Calle Rioja, Rosario de Santa Fe, Argentine Republic

An office with an established Agency Plant in Eastern Pennsylvania could use two good Fire Insurance Companies.
Address "PENNSYLVANIA"
Care of The Eastern Underwriter
105 William Street, New York, N. Y.

H. KRAMER
ADJUSTER
FOR INSURANCE COMPANIES
105 William Street, New York City

WALTER F. ERRICKSON
38-40 Clinton St., Newark, N. J. 95 William St., New York
Representing
THE GERMANIA FIRE INS. CO.
For Automobiles
Special facilities for out-of-town business.

BROKERS ACTIVITIES

R. Henry Depew on Functions of Brokers

RANKS WITH BEST TYPE OF BUSINESS EXPERTS

Student of Business—Takes a Slap at One Type of Local Fire Insurance Agent

By R. HENRY DEPEW
of Abm. S. See and Depew

What is insurance and what service does it perform for the world in general?

Ideas differ according to the make-up of the person: Some think that the insurance companies provide a ready cash market for buildings, stocks, etc., not wanted by the owners and for which no real customer can be found, and in order that they may take full advantage of their opportunities they have an annual fire sale. Then, there are others who, while not going this far, feel that they have been cheated out of their just dues if they do not collect back in losses at least ten to twenty times the amounts they have paid in premiums; or if they recover only the amount lost, in the event of a fire or other casualty. I have detected the note of sorrow in the voice of more than one good churchman when he said he "had just gotten enough to cover his loss"—forgetting that that was all the companies promised to do for him.

Insurance the Greatest of Benefactors

But the great majority of people have the correct idea regarding insurance and consider it, as it is, the greatest benefactor of the age. This may seem like a broad statement, but it is true, nevertheless.

What philanthropic institution, or group of them, or all combined, has accomplished the good that insurance has? The hospital, you say? A grand institution, relieving the sufferings of thousands and taking care of those unable, through poverty, to care for themselves. But insurance makes it unnecessary for hundreds of thousands to depend upon the hospitals.

And then with fire insurance: Passing over the individual homes that have been rebuilt and refurnished by insurance money; the small and great merchants and manufacturers who have been kept from bankruptcy by their policies; the restoration of Paterson, Chelsea, Salem, Baltimore and scores of other places destroyed or partly destroyed by the fire fiend—where would San Francisco be to-day if the insurance companies had not poured three hundred million dollars into her coffers regardless, to a very large extent, of whether the losses were the result of the earthquake or the fire?

Is there any other business in the world that would have passed through such a terrific experience with so little scandal and such few failures?

Insurance Basis of Credit

A merchant complained to me once that he had never had a fire and that people would be better off if they saved their money instead of paying for insurance. I asked him if he had ever stopped to consider that, regardless of whether he needed to carry insurance or not, he would not dare sell to his customers if they did not carry it—that insurance was the foundation of credit and that without it business would cease. He hadn't thought of that and he guessed I was right.

The Agent

In order to handle the business the companies have established agents all over the country. In the large cities these men, as a rule, are trained insurance men and usually understand the business of insurance, but from the companies' standpoint. In the small places insurance is often taken or as a side line by a man who cannot make a living in real estate or the law or from selling hardware, dry goods, meats or groceries.

To entrust many of these men with the selling of insurance policies is little short of a crime. They know nothing more about the intricacies of the profession than did the countryman who went into a law office and stayed a week and afterwards said he was "durned sorry he learned the business."

They can write up a policy upon forms furnished by the companies and containing all of the companies' restrictions, but whether the assured is properly protected they know not. And when the loss comes and, as often happens, the assured cannot collect, no responsibility rests upon them because they were the agents of the company, and in the event of a dispute they must side with the company, as it is the company they represent.

And even in the large cities the agents are dominated by the companies and subject to the restrictions of the rating and other associations which control their actions, as are the agents in the small places.

This being the case they cannot represent the assured and this is where the broker comes in, and I will show why his services are an absolute necessity to the assured.

While, Chicago, Boston, Philadelphia and a few other places have brokers, the great majority are agents or broker agents—that is, they try to represent both parties, but without success, as far as the assured are concerned.

It is in New York City that the broker has been developed to the greatest degree, and a certain number have raised the business to the dignity of a profession. Of the eight or ten thousand holding certificates as brokers, only a limited number have reached this plane, which is the case in the legal, medical or any other profession.

The brokers who have attained this distinction are the ones who spare no thought, labor or expense to thoroughly equip themselves and their offices to understand and handle the intricate problems of insurance.

Constant study of the forms of contract and the effect of the various policy conditions and restrictions in the event of loss has so trained their minds that they are better able to pass upon questions of insurance than are any lawyers except, possibly, a few who have made a special study of insurance, and they, even, are often glad to obtain advice from brokers—though they never pay for it.

In addition to this, a properly equipped office maintains a staff of trained engineers and inspectors who are constantly studying the problems of fire prevention, making inspections of plants and suggesting and having carried out, improvements which will reduce the hazard of fire and thereby the cost of insurance.

In addition to this the broker is constantly improving the form of coverage and making policy contracts so iron-clad that escape from payment of a loss, in whole or in part, is impossible—a condition often not secured by the agent, not through intentional neglect, but from lack of knowledge and because he represents the company and not the assured.

New forms of coverage are presented by the brokers, thereby securing greater immunity from loss.

* * *

Cleveland and Mercantile Floaters

The governing committee of the Cleveland Fire Insurance Exchange at a meeting held April 2 adopted the following resolution:

"The governing committee of the Cleveland Fire Insurance Exchange, on behalf of said Exchange, approves and endorses the resolution adopted by the mid-year conference of the National Association of Insurance Agents held at Washington in February, 1917, relative to the overhead writing of mercantile floaters, and especially urges the president of the National Association to appoint a committee to confer with the companies with a view to correcting this evil."

Resolutions have also been adopted by the following boards approving the action taken by the National Association opposing the further use of the mercantile floater as a method of overhead writing: St. Louis, Mo.; Rochester, N. Y.; Providence, R. I.; Portland, Me.; Sandusky, O.

* * *

Meet in Brooklyn

A meeting of the Brooklyn Insurance Brokers' Assn. was held last night at the Imperial Hotel, Brooklyn, for the purpose of discussing a bill recently introduced in the legislature, increasing the fire license fee to $50 a year. Albert H. Butler, president of the association, presided. The members were unanimous in their opposition to the proposed change in the rate and said that they would make every effort to defeat it. A meeting of the executive committee was held on Monday when it was decided to call a special meeting and letters were sent to every member of the association asking them to take immediate action.

* * *

Placed Warner Sugar Risk

Clarence T. Brickett recently placed $7,500,000 fire insurance on the plants of the Warner Sugar Refining Co. The policies were written for 5 years.



125th Anniversary
Insurance Company of
NORTH AMERICA
PHILADELPHIA

CAPITAL, $4,000,000 ASSETS OVER $23,000,000

FIRE, MARINE, AUTOMOBILE, Rent, Leasehold, Tornado, Explosion, Use and Occupancy, Sprinkler Leakage, Travelers' Baggage, Parcel Post

The Oldest American Stock Insurance Company

National Fire Insurance Company
OF HARTFORD, CONN.
Statement January 1, 1917, to New York Insurance Department

LIABILITIES

Capital Stock, All Cash	$2,000,000.00
Funds Reserve to Meet All Liabilities, Re-Insurance Reserve, Legal Standard	9,912,715.84
Unsettled Losses and Other Claims	1,878,398.32
Net Surplus over Capital and Liabilities	3,743,747.60
Total assets January 1, 1917	$17,534,861.76

H. A. Smith, President — F. D. Layton, Ass't Sec'y — F. B. Seymour, Treas.
G. H. Tryon, Secretary — S. T. Maxwell, Ass't Sec'y — C. B. Roulet, Gen. Agt.

SURPLUS TO POLICY HOLDERS, - - $5,743,747.60

CONTINENTAL FIRE INSURANCE CO.
OF NEW YORK
HENRY EVANS, President

Fire Rent Automobile Profits Tornado Sprinkler Leakage Use and Occupancy Explosion

Always a leader among the big companies, it is now stronger than ever, as it has the Largest Capital and Largest Policyholders' Surplus. It has gained this position through 64 years of continuous square dealing with its agents and policyholders and constructive management.

CONTINENTAL Commands Confidence

Home Office: 80 MAIDEN LANE, NEW YORK *Branch Offices:* CHICAGO, MONTREAL and SAN FRANCISCO

Wilson's German Company Proclamation

PERMITTED TO CONTINUE TRANSACTION OF BUSINESS

Statement By Superintendent Phillips —No Assets to Be Used for Benefit of Enemies

President Wilson has issued the following proclamation with reference to the German insurance companies:

Whereas, certain insurance companies incorporated under the laws of the German Empire have been admitted to transact the business of insurance in various States of the United States by means of separate United States branches, established pursuant to the laws of such States, and are now engaged in business under the supervision of the insurance departments thereof, with assets in the United States deposited with insurance departments, or in the hands of resident trustees, citizens of the United States, for the protection of all policyholders within the United States, and,

Whereas, the interests of the citizens of the United States in the protection afforded hy such insurance are of great magnitude, so that it is deemed to be important that the agencies of such companies in the United States be permitted to continue in business,

Now, Therefore, I, Woodrow Wilson, President of the United States of America, by virtue of the powers vested in me as such, hereby declare and proclaim that such branch establishments of German insurance companies, now engaged in the transaction of business in the United States pursuant to the laws of the several States, are hereby authorized and permitted to continue the transaction of their business in accordance with the laws of such State in the same manner and to the same extent as though a state of war did not now exist,

Provided, However, that all funds of such establishments, now in the possession of their managers or agents, or which shall hereafter come into their possession, shall be subject to such rules and regulations concerning the payment and disposition thereof as shall be prescribed by the insurance supervising officials of the State in which the principal office of such establishment in the United States is located, but in no event shall any funds belonging to or held for the benefit of such companies be transacted outside of the United States nor be used as the basis for the establishment, directly or indirectly, of any credit within or outside of the United States, to or for the benefit or use of the enemy or any of his allies without the permission of this Government.

In Witness Whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the City of Washington, this sixth day of April, in the year of our Lord, one thousand nine hundred and seventeen, and of the Independence of the United States the one hundred and forty-first.

WOODROW WILSON, President.

Superintendent of Insurance Jesse S. Phillips issued the following statement regarding the status of German insurance companies:

In view of the proclamation of the President issued this afternoon, German insurance companies admitted in this State will be permitted to continue the transaction of business the same as if a state of war did not exist between this country and Germany, provided such companies meet the capital and deposit requirements of our statute and maintain the statutory reserves.

In accordance with the proclamation, rules and regulations will be prescribed to require the managers of such companies to keep in the United States all of the assets now or which may hereafter come into their possession for the benefit of American policyholders. I am not prepared to state the precise rules and regulations which may be adopted by this department, except to say they will be sufficient to prevent any portion of the assets being used for the benefit of the enemy or any of its allies.

William B. Ellison, when spoken to regarding the seizure of the funds of German insurance and re-insurance companies in this country, said:

If such a proposition involved only the German Government now apparently at war with us, there might be some possible excuse for such action; but even under such circumstances I fail absolutely to see any real reason for such a drastic procedure.

As outlined in the recent message of President Wilson, we are disposed to draw some distinction between the German people and their government at Berlin; and it seems to me that we ought not to forget, even in such trying times, the fact that our German-American population compares at least favorably with that of any other element of our people.

It is my hope that the German Government will shortly see the error of its ways and cease the more or less wanton violation of our rights as a nation; and in my mind, when that time arrives we should, so far as possible, be able to resume the pleasant relations that have so long existed between the German people and our own, with as little cause as possible for resentment.

There is, however, a very material reason why the German companies should not be eliminated from this field, and that is the quite apparent lack of our present insuring facilities. These facilities should be broadened rather than restricted, and the lack of them, for years past, has led to a flood of insurance in unadmitted and ofttimes illegitimate companies.

Furthermore, the funds in question now stand as a protection to our policyholders, and should they be levied upon by the Government, I am afraid that our own people will suffer greatly.

So long as these companies are compelled to keep on deposit sufficient funds to meet their obligations in this country, and those funds should he kept readily available for such purposes, I see no real reason at this time for, nor do I believe that our people will be benefited, by their seizure.

Of course no one will claim that the assets of the German companies should he permitted to find their way back to Germany, pending what I hope will be a brief period of friction between the two countries, but I am of the opinion that these companies should not be taken out of this market so long as their existence here is necessary to the proper protection of our own citizens.

The action of the English Government, under substantially similar circumstances, is like many other conditions that exist between the Allies and Germany, and furnish little or no good argument for our guidance. Our situation seems to be radically different from that of the Allies in that we appear to be at war to protect our own interests, that have seemingly been violated by the German Government, and we are not concerned with many of the phases of the war that pertain to the European countries now engaged in it. I do not believe that this Government would be warranted in entering into treaties such as the Allies have made among themselves; and we are certainly not so situated, that we should permit ourselves to be prevented from entering into a separate peace with Germany, should the further violation of our rights be terminated.

CONNECTICUT LEGISLATION

In Connecticut rules were suspended in the Senate in order to rush through a bill permitting bombardment.

The Connecticut House has approved a bill incorporating the Mattatuck Fire Insurance Company, Waterbury, with capital stock of $200,000.

GOODRICH TIRE FLOATER

Iowa agents call the attention of the "American Agency Bulletin" to the fact that floaters are being issued in that State on the local stocks of the B. F. Goodrich Company of Akron, Ohio.

B. M. CROSTHWAITE & CO.
Fire and Automobile Insurance Specialists
Lines Bound Anywhere in New York State
105 William Street, New York City, N. Y. Telephones 2404-5-6-1758-1090 John

PHILADELPHIA
ADEQUATE FACILITIES — ALL LINES
CLARENCE A. KROUSE & CO.
LOCAL AND GENERAL AGENTS
325 WALNUT STREET PHILADELPHIA, PA.
PENNSYLVANIA NEW JERSEY
SATISFACTION SERVICE — ALL LINES

LOGUE BROS. & CO., Inc.
Fire—Casualty—Automobile Insurance
Nation-Wide Facilities for Handling SURPLUS LINES
307 FOURTH AVENUE PITTSBURGH, PA.

SCHAEFER & SHEVLIN
2 LIBERTY STREET GENERAL AGENTS NEW YORK, N. Y.
Representing
DUBUQUE FIRE AND MARINE INSURANCE CO.
Excellent Facilities for Handling Suburban and Out Of Town Business
Phone: John 2312

Agricultural Insurance Company, of Watertown, N.Y.
64th Annual Statement
Assets $5,036,003.01
Liabilities 2,296,861.95
Capital 500,000.00
Conflagration Surplus 250,000.00
Surplus to Policyholders 2,739,141.06
F. F. BUELL, Troy, N. Y., Special Agent.....NEW YORK STATE
E. J. PARMELEE, Syracuse, N. Y., Special Agent..NEW YORK STATE
GEORGE SHAW, 116 Milk St., Boston, Special Agent..NEW ENGLAND
F. L. GILPIN, JR., 422 Walnut St., Phila., Special Agent.MIDDLE DEPT.

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123 WILLIAM STREET Telephone John 2330 NEW YORK CITY
Representing
THE SCOTTISH UNION & NATIONAL
For the United States and Canada
THE YORKSHIRE INSURANCE CO., LTD.
For the United States and Cuba

WILLIAM C. SCHEIDE & CO., Inc.
HARTFORD, CONN.
Re-Insurance in All Branches

Caledonian Insurance Co. of Scotland
FOUNDED 1805
"THE OLDEST SCOTTISH INSURANCE OFFICE"
UNITED STATES HEAD OFFICE
Caledonian Building, 50-52 Pine Street, New York
CHAS. H. POST, U. S. Mgr. R. C. CHRISTOPHER, Asst. U. S. Mgr.
NEW YORK CITY OFFICE
Golden Hill Building, 59 John Street, New York

THE YORKSHIRE INSURANCE COMPANY, LTD., OF YORK, ENGLAND
ESTABLISHED 1824
The "Yorkshire" is the Oldest and Strongest of the English Fire Companies not heretofore represented in the United States
U. S. BRANCH
Frank & Du Bois, United States Managers — Ernest B. Boyd, Underwriting Manager
Harry F. Wanvig, Branch Secretary — Frank B. Martin, Supt. of Agencies
NO. 80 MAIDEN LANE, NEW YORK
New York Life Insurance and Trust Co., U. S. Trustee, No. 52 Wall St., New York
DEPARTMENTS—METROPOLITAN, Willard S. Brown & Co., Managers, New York, N. Y.; CAROLINA-VIRGINIA, Harry R. Bush, Manager, Greensboro, N. C.; SOUTHEASTERN, Dargan, Turner & Pattillo, Managers, Atlanta, Ga.; LOUISIANA and MISSISSIPPI, Jas. B. Ross, Manager, New Orleans, La.; PACIFIC COAST, Jas. C. Johnston, Manager, J. K. Hamilton and McClure Kelly, Assistant Managers, San Francisco, Cal.

HUMBOLDT FIRE INSURANCE CO., Pittsburgh, Pa.
TEUTONIA FIRE INSURANCE, CO., Pittsburgh, Pa.
CAPITAL FIRE INSURANCE CO., Concord, N. H.
NEW YORK STATE DEPARTMENT
PERCY B. DUTTON, Manager, Rochester, N. Y.

CASUALTY AND SURETY NEWS

Accident Companies Confer on War Risk

CHANGE OF OCCUPATION CLAUSE REDUCES LIABILITY

May Formulate Agreement Excluding Military Service Under New Policies as in Mexican Situation

Home office officials of the casualty companies held numerous conferences this week in an effort to properly adapt the accident-health contracts to war conditions. It is said that the Aetna, Travelers and other companies will collaborate in any action in this direction.

The New York City offices of the Companies have been in receipt of many inquiries from brokers and assureds as to how the existing policies covered and what action had been taken in regard to new business. As no company to the time of this paper's going to press has taken any action, it has been necessary for them to rely strictly on the terms of the contract.

Practically no company has written any new policies on men who have enlisted or who intend to enlist. They have been waiting until some definite action has been taken.

The position taken by many accident-health men in describing the coverage of an old policy is that it is governed by the change of occupation clause which reads as follows:

"This policy includes the endorsements and attached papers if any, and contains the entire contract of insurance except as it may be modified by the company's classification of risks and premium rates in the event that the insured is injured after having changed his occupation to one classified by the company as more hazardous than that stated in the policy, or while he is doing any act or thing pertaining to any occupation so classified, except ordinary duties about his residence or while engaged in recreation, in which event the company will pay only such portion of the indemnities provided in the policy as the premium paid would have purchased at the rate but within the limits so fixed by the company for such more hazardous occupation."

As the above is a standard provision, it applies to the policies of all companies. Under the manuals of most companies, the limit of liability for a soldier doing field duty is $500 principal sum and, at the rate of $5 per $1,000, $2.50 per week of weekly indemnity.

The Preferred Accident and the Fidelity and Casualty have also taken up the problem of meeting the situation and it is expected that some action will be taken by the large writers of accident business in the course of the next few days which will be followed by all companies.

One plan that has been proposed is to draw up an agreement for the assured to sign to the effect that he does not intend to engage in any military action and that doing so voids the policy. This plan was adopted by many of the companies during the recent Mexican activity of the militia.

PHOENIX INDEMNITY

Company Incorporated Under Arizona Laws With $500,000 Capital and Surplus—To Write All Lines

The Phoenix Indemnity Company has been incorporated under the Arizona law and has been licensed to do a fidelity and general casualty business in that State. The company has made its statutory deposit with the treasurer of the State. Its paid up capital is $500,000 and the surplus is a like amount.

The Phoenix is ready to start writing business immediately and plans to enter the neighboring States to Arizona and work East gradually, eventually entering New York State. It is rumored that Eastern capitalists are the backers of the Company.

CARETAKER GARAGE SERVANT

Court Holds Insured Can Recover in Stolen Car Case—Decided in New York

A peculiar case involving theft of an automobile has just been decided in New York. A motor car was stolen from a garage owned by a corporation of which insured was president. The caretaker of the garage was implicated in the theft. The company defended on the ground that the property was in the charge of the caretaker who was in the service of the insured.

The court refused to relieve it from liability on that ground holding that the caretaker was the servant of the garage company and not of the insured. It also held that the policy covered all loss or damage resulting from the theft, and, that, therefore, the insured should have recovery for the loss occasioned to him by reason of the fact that the automobile was a total loss by reason of a collision occurring while in the possession of the party illegally taking it.—Callahan vs. London & Lancashire Fire Ins. Co., 163 N. Y. S. 322.

D. OF C. CASUALTY DATA

Premiums $796,010; Gross Losses $247,971—Commercial National Leads; Travelers Second

Below will be a table showing the premiums received and gross losses paid by casualty and surety companies in the District of Columbia during 1916:

	Gross Premiums Received	Gross Losses Paid Less Re-insurance
Aetna Life (A. & L.)	$35,806	$12,059
Aetna Accident & Liability	17,809	6,436
American Automobile	18,001	2,230
American Indemnity	4,908	115
Brotherhood Accident	953	450
Commercial National, D. C.	96,282	41,966
Commercial Casualty	7,532	2,550
Commonwealth Casualty	1,152	.....
Continental Casualty	45,037	10,679
Equitable Accident	1,282	838
Federal Casualty	259	87
Fidelity & Casualty	62,400	18,295
Fidelity & Deposit	59,532	36,148
Georgia Casualty	11,087	5,035
Globe Indemnity	14,516	3,886
Great Eastern Casualty	12,171	2,724
Home Plate Glass, D. C.	7,314	1,914
Hartford Acci. & Ind.	4,004	190
Hartford Steam Boiler	2,022	175
London & Lanc. Ind.	3,488	.....
Lloyds Plate Glass	693	208
Loyal Protective	302	317
Maryland Casualty	24,702	7,812
Massachusetts Accident	4,247	3,299
Massachusetts Bonding	30,205	11,223
Metropolitan Casualty	2,612	949
National Casualty	830	145
National Surety	673	.....
New Amsterdam Casualty	6,905	3,092
N. J. Fidelity & Plate Glass	6,187	1,099
New York Plate Glass	3,965	1,601
North American Accident	14,078	3,173
Peerless Casualty	1,795	926
Preferred Accident	20,700	5,087
Prudential Casualty	3,259	2,879
Royal Indemnity	27,648	8,272
Southern Surety	10,174	5,129
Standard Accident	17,670	4,422
Travelers Indemnity	9,421	5,631
Travelers	64,666	9,932
United States Casualty	13,435	7,478
United States Fid. & Guar.	43,747	4,593
FOREIGN		
Employers Liability	35,902	4,697
Frankfort General	16,219	3,758
General Accident	15,974	4,141
Ocean Accident	12,018	2,136
Zurich General	2,435	195
Total	$796,016	$247,971

DULY AUTHORIZED AGENT

Interesting Construction of Phrase By Supreme Judicial Court of Massachusetts

Lamontagne vs. Standard Life and Accident Insurance Company, Supreme Judicial Court of Massachusetts, 115 N. E. 244. Decided March 1, 1917.

"Its duly authorized agent," is sometimes a matter of considerable doubt and yet is of the greatest importance in determining the liability of the insurance company as in the case of Lamontagne vs. Standard Life and Accident Insurance Company. Lamontagne admitted that he did not send notice to the home office, but Lamontagne had one, Audet who, within three or four days after the accident, prepared a notice, proper in form. as a "team owner's report" which was left with Audet and accepted by him as a notice within the requirements of the policy. The question before the court was whether or not Audet was a "duly authorized agent" within the meaning of the policy. The Insurance Company denied liability on the ground that it received no notice and that notice to Audet was not notice to a "duly authorized agent."

The evidence tended to show that Audet was employed by the insurance company and was authorized to countersign, issue the policy and receive the premium to be forwarded to the home office less his commission, as well as having a general agent's commission which authorized him to transact a general liability insurance business, to sign contracts and to approve transfers and assignments and to do everything to the proper carrying out of all business of the company. In view of the fact that the jury found that Audet was clothed with these powers, it followed that Lamontagne was justified in assuming that notice to Audet would be sufficient compliance to the condition of the policy providing that notice must be given to the company's "duly authorized agent."

ACCIDENT RE-INSURANCE

Dee A. Stoker, Chicago, Specialist on Subject, Gives His Views—Discusses Catastrophe Hazard

D. A. Stoker, of Chicago, who is now a re-insurance underwriter, has recently delivered some interesting observations on the subject of accident re-insurance, catastrophe hazard, etc. He said in part:

ACCIDENT RE-INSURANCE

Early last year my contract with the accident department of a Chicago life company terminated except as to renewals. This left me with a splendid income and nothing to do. It appeared that no one in the United States was specializing on accident re-insurance, probably duc to the fact that most men who knew the business preferred to base their probable profits on their own underwriting. I am informed that the largest American account shows little or no underwriting profit.

My first year's experience convinced me that the problem could be so solved as to be of real benefit to all concerned.

Most of my re-insurance treaties to date apply to principal sum benefits only and most of these allow the re-insured company to cede more than it retains. Most carriers can get a fair distribution on all the benefits except principal sum losses and by making their net retention of principal sum low, they guard against the greatest hazard in the accident field. In order to render the desired service, it is necessary to accept re-insurance automatically and at a premium the ceding company can afford to pay. It is superfluous to say that I do this very thing.

EXCESS RE-INSURANCE.

I am not sure that the terms re-insurance and excess re-insurance are common to the vocabulary of the accident field, but inasmuch as my service became more elastic and I found a demand for a different service, I began to use these two terms to distinguish the two classes of coverage furnished by me (and to date so far as I have learned) by me only.

I use the term re-insurance to designate assuming a proportionate part of all losses on the indemnities covered by re-insurance and the term excess re-insurance to designate assuming the loss above a net retention on any risk. Example:—Re-insurance of $5,000 of $10,000. Principal sum provides for the payment of one-half of any principal sum loss on any such risk whether the claim be paid in full or compromised while excess re-insurance over $5,000 on a principal sum loss of $10,000 (gross) provides for the payment to the ceding company of the excess over $5,000 on any loss. If such a loss were compromised for $6,000 the re-insurance of course, would amount to $1,000, etc., etc. Excess re-insurance, of course, is furnished at a much lower cost to the ceding company and because of the very low cost appeals very strongly to some accident company managers.

CATASTROPHE HAZARD

While I am developing a plan in re catastrophe hazard as it may be applied to accident insurance, the service I offer at the present time applies to casualty lines other than accident insurance. My favorite catastrophe hazard begins at $25,000 and extends to $275,000; the excess of which over $75,000 is re-insured; although the lower limit need not be $25,000 but may be any smaller amount and in fact any larger amount.

Some carriers write for example liability policies with limits of $5,000—$10,000 and some $2,500-$5,000 which as can plainly be seen are not full coverage policies. My service includes catastrophe hazard as applied to all the business written by a carrier company or to risks only desiring larger limits or I can furnish same to the employer direct to supplement the limited coverage he purchases in the usual way.

The Brooklyn branch of the Aetna Companies will move to new quarters at 174 Montague street on May 11.

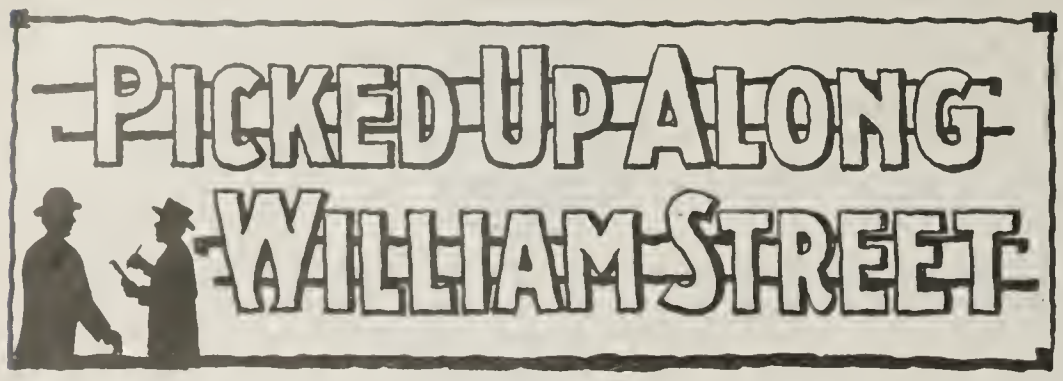
William B. Joyce, president of the National Surety Company, has returned from his winter home, Beverly Hills, Los Angeles.

Accident
Health Automobile
Plate Glass
Burglary Liability

Fidelity
Contract Judicial
Public Official
Depository Bonds

FIDELITY & DEPOSIT CO.
OF MARYLAND
BALTIMORE

General Accident
FIRE AND LIFE
ASSURANCE CORPORATION, Ltd.
SERVICE THAT EXCELS
FREDERICK RICHARDSON, United States Manager.
GENERAL BUILDING · 4TH & WALNUT STS.
PHILADELPHIA



The second advertisement in the Rochester agents' series of daily newspaper advertisements follows:

Take your agent into your confidence.

Every day in going through manufacturing plants and mercantile buildings some member of this association sees a fire hazard that might have been eliminated. Before putting up a building or making extensive alterations, get in touch with your agent, for he can show you how to cut down your rate.

A firedoor here, a wire-glass window there and other changes in your original plans may mean a substantial annual saving in your premium.

Don't ever attach a private garage to your residence without ascertaining its effect upon your rate.

The experiences of these agencies and the facilities of the Underwriters' Association are at your command for the asking. (Look for your agent's name.)

* * *

Brown & Co. Clubhouse

In an effort to promote the happiness and well being of every one connected with Henry W. Brown & Co., Philadelphia, Pa., employes of the Company have formed a vacation club and a clubhouse is in the course of construction on Mirror Lake, at Browns Mills. Theodore E. Brown, junior member of the firm, is directing the work. The structure will be a commodious affair, two stories high, with a large living room on the first floor and six comfortable bed-rooms on the second. The living room is 20 feet square and is surrounded on both sides by a porch overlooking the lake. The ground plan of the building is 36 feet wide by 34 deep and the construction is of timber with sidings and a shingle roof.

* * *

Oppose Dividing Commissions

Members of the New Orleans Insurance Exchange take the stand that companies can not pay less commissions to Louisiana agents on business bound and accepted at the head offices than is paid through agency channels. In this they seek to prevent the companies from dividing commissions with New York and Chicago brokers.

It is generally believed that this ruling, based on the resident agents law, will be the means of depriving New Orleans agents of many desirable lines now sent them from the home offices of companies. Lines controlled by New York and Chicago brokers can always be placed even in New Orleans on a division of commission.

* * *

Robb to Speak in Brooklyn

The fifth annual dinner of the Brooklyn Insurance Brokers' Association will be held at the Imperial Hotel on Thursday evening, April 19. An elaborate program has been arranged for the occasion. Willis O. Robb, manager of the New York Fire Insurance Exchange, and Fire Marshal Brophy will be the principal speakers.

* * *

To Move in Brooklyn

The Brooklyn branch of the Germania Fire will write policies for automobile, sprinkler leakage, explosion, rents, use and occupancy and tourists baggage. William H. Frank, Jr., is Brooklyn manager of the office. Within the next week the office will remove to larger quarters at 198 Montague street.

* * *

Sternberg Agency

The Sternberg Insurance Agency, Inc., of Hartford, has fifty shares of authorized capital stock subscribed, par value $100, and will begin business on $5,000. The officers are: President, N. Edward Nystrom; vice-president, H. L. F. Locke, and secretary and treasurer, A. G. Sternberg.

* * *

Minneapolis Loss Created Demand

Following the loss on the Minneapolis grain elevator on Monday, there was a stampede for explosion insurance in the West and considerable of this business reached New York.

* * *

Hamilton Fish, Jr., of John C. Paige & Co.'s New York office, is a captain in the 15th Infantry, N. G. N. Y., a colored regiment now organizing. Mr. Fish, who was captain of a Harvard football eleven, has also taken an interest in other military activities. He is president of the Junior Voluntary Naval Reserve and chairman of the American Ambulance in Russia. This organization, which is operated through the New York office of John C. Paige & Co., is sending twenty ambulances to Russia next week and has sent over fifty during the past eighteen months.

* * *

Grant A. Wheeler, connected with the mathematical department of the Mutual Benefit Life Insurance Company of Newark for over thirty years, and a former school teacher, died following an illness of several years from paralysis at his home in East Orange. Mr. Wheeler was eighty-eight years old and a native of Montclair.

* * *

Inspector Wilson of the Pennsylvania Insurance Department, and James J. Moran of the Bureau of Labor, have obtained much evidence against the bogus negro preachers operating fake insurance and employment agency schemes without a State license.

* * *

Leonard Dammann, former vice-president of the National Surety, and now with John C. Paige & Co., in New York City, with Mrs. Dammann, is taking a vacation at Norfolk, Va.

* * *

Fred L. Rushman, of Woodworth & Hawley, Buffalo agents, was in New York this week.

State Fund Makes Error in Statement

COMPARES ACQUISITION COST TO COMPANY RECORDS

False Reckoning of Administration Expense Corrected By A. C. Hendrick, of Globe Indemnity

The accuracy of the figures of the State Fund officials puhlished in the State Industrial Commission "Bulletin" is disputed by A. C. Hendrick, statistician of the Globe Indemnity, in the following letter:

"New York, April 5, 1917.

"Mr. Willard A. Marakle, Editor,
"New York State Industrial Commission Bulletin,
"Syracuse, N. Y.:

"Dear Sir:

"In the February issue of the Bulletin there appeared a statement in connection with the State Fund which was in error and as the succeeding issue (the Bulletin for March) did not contain a correction and as excerpts of this erroneous statement were published in various newspapers, it is evident that the authors of this statement have not had the matter called to their attention for rectification.

"The statement in question was somewhat elaborate in lauding the State Fund management for putting $1 of compensation on the books at a cost of only 31 cents and it may have been intended to reflect upon stock liability companies by stating that it cost such insurers 85 cents to pay for $1 of compensation.

"The statement as published in the Bulletin is not true and it is very unfair for those responsible to permit such a statement to be published without first thoroughly analyzing the facts in the matter.

Article Was Inconsistent

"The Bulletin for February said 'From statements of 26 casualty companies operating in New York State, the ratio of management expenses to net premiums for 1915 was 42.6 per cent.; the lowest expense of any stock company was 33.9 per cent. and the highest 57.8 per cent.' Further on is a separate statement under the heading 'Workmen's Compensation Insurance in New York State' wherein it is shown that the indicated loss ratio for all these stock companies during the same period of 1915 was 69.95 per cent.

"Above are all the factors necessary for an analyst to determine the true cost for the administration of workmen's compensation funds by stock company management, but the authors of the State Fund advertisement have mixed these facts and the resulting statement was decidly out of balance. Not satisfied with the average management expense for 26 companies at 42.6 per cent. the authors of the statement have taken the highest (57.8 per cent.) and the lowest (33.9 per cent.) and established a more suitable average of 45.85 per cent. (using the experience of 2 companies as against 26 companies) then from this basis, they reasoned along as follows: that, if 45.85 cents out of every dollar is used for management expense that must leave only 54.15 cents for claim payments. Therefore the analysis: if it costs 45.85 cents to pay 54.15 cents it must cost 84.67 cents to pay $1 of compensation or, to make their advertisement as big as possible, the authors said 85 cents.

"It appears to me that some very important items in the above collection of facts have been overlooked. Workmen's compensation insurance has occasioned considerable loss to the liability companies in the aggregate and this is borne out by the statement that the indicated loss ratio for 1915 is 69.95 per cent., and by adding the management expense to the loss cost, it can readily be seen that the companies administered and distributed more money than was received for compensation premiums. In plain figures, 42.6 per cent. plus 69.95 per cent. equals 112.55 per cent. or further refined this means that the 26 companies paid out $1.1255 for every $1 of compensation premium collected by them and that they had to draw on reserves to make good the excess.

"If it cost 42.6 cents to administer 69.95 cents, then it must cost 61 cents to administer $1. Therefore, this 61 cents subtracts 24 cents from the 85 cents State Fund argument. Furthermore, this 61 cents contains 17.5 cents of acquisition cost which the State Fund has never had to bear. Therefore, we will eliminate this brokerage expense from the stock company side of the equation. By this elimination, the true management expense of the stock companies was 25.1 cents on the dollar and, as this represents the kind of expense the State Fund is limited to, it is a just comparison from which to draw our final equation as follows: if it cost the average stock company 25.1 cents to administer 69.95 cents, then it must have cost 35.9 to administer $1, so a true analysis shows that the stock companies spent only 35.9 cents to pay $1 of compensation and not 85 cents as stated by the Bulletin. This deducts 49.1 more from the State Fund's 85 cent advertisement.

"Analyzing the final situation, if it cost 35.9 cents for the stock companies to pay $1 of compensation, and the State Fund 31 cents to pay the same amount, that makes a difference of 4.9 cents in favor of the State which can easily be accounted for by reason of the fact that the Fund was subsidized for 2 years at its beginning while the stock companies have had to survey and build their own road and when one figures the items of rent, stationery, office furnishings and salaries that may have hung over from the subsidized administration then this difference of 4.9 cents in favor of the State Fund may show only an amateurish effort and in a still further analysis with some additional facts, the complete argument may prove to be in favor of the seasoned management of the stock liability companies."

A. C. HENDRICK.

MUTUAL PLATE GLASS.

A bill providing that every person insured by the Mutual Plate Glass and Safe Insurance Company shall, before receiving a policy, pay a fixed premium to be recorded on the books of the company, has been adopted in Connecticut.

NEW GENERAL AGENTS

Michael Murphy, Dallas, Tex., has been appointed general agent of the National Surety for that portion of the State north of the 31st parallel and east of the Pecon River, and Askew & Saunders, of Amarillo, have been appointed general agents for the Panhandle.

BEST FOR PROTECTION
HOME OFFICE
Detroit, Michigan
EASTERN DEPARTMENT
100 William St., New York
For 22 Years the Repository

NATIONAL CASUALTY DETROIT

EASIEST TO SELL
WESTERN DEPARTMENT
Pacific Bldg., San Francisco
NORTHWESTERN DEPARTMENT
Palace Building, Minneapolis
of Public Confidence

The National of Detroit

C. A. CRAIG, President W. R. WILLS, Vice-Pres. C. R. CLEMENTS, Sec. & Treas.

The National Life and Accident Insurance Company
NASHVILLE, TENNESSEE

Industrial, Life, Health and Accident Insurance
in ONE policy

CASUALTY AND SURETY POINTERS

Where to Place Your Energy

There can be no question in the mind of any man who has studied any of the branches of science, or who is endowed with any degree of common sense, that every case of misdirected energy costs money, while every case of properly and carefully directed energy earns money, says the "Cog," published by the Standard Insurance Company.

We have been convinced that the majority of agents, whose work we have had the pleasure of seeing personally, are to a considerable extent inefficient in the direction of their energy. There is always the temptation on the part of the producer to chase and to follow up beyond a reasonable time the large prospect who is going to give a large premium. The other man who is your competitor is following that risk just as energetically and just as persistently as you are, and you are, therefore, directing your energy towards a point where the resistance is the greatest. In that respect you are inefficient, because efficiency means the direction of your energy towards the point of least resistance.

An agent who carries a multiple line of insurance in his office is always tempted to pursue that line which gives to him the greatest volume with the least amount of effort, and that is a proper course to pursue, for after all we engage in this business not solely, but very largely, for the purpose of earning an income and of building a business for the future. We have no quarrel with the man who thus directs his energy, but we do say that many men mistake the possibilities of lines in their office and pursue the development of other lines which are less productive to income and less productive of future benefit. We say this because we know that many agents of our own acquaintance spend the greater portion of their time in the development of other casualty lines aside from personal accident and health, while we know from positive experience of men who have gone on before that energy directed towards the production of accident and health business is the greatest single payer of any insurance line. The word "greatest" means the greatest producer of immediate income if properly written, and it means beyond that the greatest builder of accumulated assets for the future. There is no line so easy to renew; there is no line so easy to continue, and there is no volume so easy to build as the accident volume.

That brings us to the point of our story—that the man who pursues the other lines persistently and constantly, excluding either wholly or in part the accident and health business, is suffering from a case of misdirected energy and is certainly losing money which should otherwise be pouring into his bank account. On the other hand, we say that the man who directs his energy systematically and persistently towards the production of accident and health business as written by our regular department is pursuing a course which will make money and which will build a business and an income of which he can be proud and on which he can actually live in the future.

NATIONAL SURETY ITEMS

Marx & Bensdorf, of Memphis, Tenn., have been appointed agents for the National Surety, through William P. Rutland, general agent at Nashville.

The operating departments of the National Surety will occupy the seven upper floors of the Hazen Building, 2 Albany street, to conduct their business.

Auto Insurance as Seen in Europe

AN INTERVIEW WITH R. M. NAEF, OF ZURICH GENERAL

Insurance of Car Occupants—Cars on Basis of Personal Accident Policy Conditions

Robert M. Naef, sub-manager of the Zurich General Accident & Liability at the home office in Zurich, Switzerland, who has been in this country for several weeks this year, says that the policies issued by the companies in Europe are the same in intent as those issued in America, but in practice they do actually pay damages.

What Mr. Naef Says

"In Europe," says Mr. Naef, in an interview with the "National Underwriter," "we do not have the same condition that you have. There are fewer automobiles than in America and the average value of cars is high. Fords are just being introduced and they are, of course, far cheaper than anything else that is offered on the market. Workmen, employes in the offices, shops and mercantile establishments, and farmers do not earn as much money as they do in America, so that automobile owning is confined largely to people of wealth or of considerable means.

"Some countries, for instance, Germany and Austria, enacted laws about six years ago by which automobile owners are compelled to pay for all injuries which they inflict, whether due to their negligence or not, unless negligence on the part of the injured person can be proven. It is, of course, very difficult to ever prove such negligence on the part of pedestrians. This follows the same principle as the liability law that applies to railroads and has been in force for about thirty years.

"In some other European countries automobile laws of the same sort are under consideration.

Defect is Overcome

"In Switzerland the common law liability still applies in principle. However, licenses are granted to owners by the police departments only after liability insurance policies have been procured which provide for payment of damages due to injuries inflicted when the owner or any other person is driving the car. Thus the covering of additional persons which is optional in the United States is made compulsory in Switzerland.

"While the policies issued by casualty companies provide only to pay for losses sustained by the policyholder and for additional assured it is altogether likely, at least in some States, that the companies would be compelled to pay damages, whether the insured be financially responsible or not. It is the intent of the special laws and regulations to provide indemnity for the injured and the courts would probably see that they were paid if they were called upon to settle such a case. It is not likely, however, that this point will be passed upon judicially as there are virtually no irresponsible automobile owners.

Car Occupants Insured

"One new line of automobile insurance that has been introduced in Europe is the insurance of occupants of automobiles on the basis of the conditions of personal accident policies. The premium for such insurance is based on the number of seats in the cars and is paid by the owner. Contracts provide specified amounts for death and permanent disability and daily indemnities for temporary disability on the part of anybody riding in the car other than the owner and chauffeur who must carry individual accident policies. For women and children only reasonable medical expense, instead of daily indemnities, is provided.

"Theft insurance is not written in Europe on any such scale as it is in America, nor is collision insurance. European car owners seem to feel that if they cannot afford to pay for damage done to their machine, they cannot afford to have them."

READY LETTER WRITERS

Commercial Travelers Wrote Epistles Until Clause in Policy Outlawed Claim

Alvin D. Hill has brought action against the Commercial Travelers Accident Association in the Supreme Court, Kingston, N. Y., to recover on an insurance policy fourteen months after the plaintiff met with an accident. The jury that heard the case was relieved of the responsibility of finding a verdict when counsel for both sides agreed that the question was a matter of law and should be decided by the court.

According to the policy no action can be brought against the Company for injuries except within fourteen months from the time of the accident. Counsel for the plaintiff contended that the Company waived its right to this clause by carrying on a correspondence with the plaintiff leaving the issue undecided until after the time had elapsed. "They kidded me along," said Hill. Hill was a book salesman until 1913 and then went to work for a moving picture theatre in Hackensack. While thus employed he injured his leg. After notifying the Company he was paid $16.96 for partial disability for two weeks. Later, after a company doctor had examined him he was notified that as he had changed his business he should notify the Company and secure a new policy with his employment stated therein, which Hill did, the new policy calling for $25 a week for total disability, the same condition as the original policy.

A short time after Hill had resumed his work the leg began to bother him and he had to stop work entirely. His leg grew gradually worse and finally an operation had to be performed, after which he notified the Company, asking them to settle the matter.

W. E. SMALL, President PETER EPES, Agency Mgr. E. P. AMERINE, Secretary
GEORGIA CASUALTY COMPANY
HOME OFFICE: MACON, GEORGIA
"DIXIE AUTO POLICY"
THE LAST WORD IN MOTOR INSURANCE
Surplus and Reserves to Policyholders.....$1,526,022.81

The METROPOLITAN CASUALTY
INSURANCE CO. OF NEW YORK
HOME OFFICE, 47 CEDAR STREET
CHARTERED 1874
Plate Glass, Burglary, Accident and Health Insurance
EUGENE H. WINSLOW, President
Russell R. Cornell, Vice-Pres. S. Wm. Burton, Sec. Alonzo G. Brooks, Ass't Sec.
RELIABLE AND ENERGETIC AGENTS WANTED



THE SIGN OF GOOD CASUALTY INSURANCE
HEAD OFFICE
CHICAGO
F. W. LAWSON
General Manager
Liability, Accident, Burglary, Boiler and Credit Insurance
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The Agents' Winning Combination

LIFE—ACCIDENT AND HEALTH—INSURANCE

Covering Permanent and Total Disability,
and Weekly Indemnity for loss of time

The Policyholders' Winning Combination

Guaranteed Cost and Good Service

FOR AGENCIES AND SPECIMEN POLICIES, ADDRESS THE COMPANY

J. S. EDWARDS
Secretary

SAN JACINTO LIFE INSURANCE CO. - BEAUMONT-TEXAS -



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An opportunity for rapid advancement is offered to men who are willing—and will.

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BEAUMONT, TEXAS

In addition to the ordinary forms of life insurance

THE EQUITABLE

makes a specialty of the following:

Insurance to protect business firms and corporations.

Group Insurance, by which employers protect families of employes.

A flexible contract which can be converted by the Insured into an Ordinary Life, Limited Payment Life, or Endowment Policy.

A Bond giving the investor an income for his declining years.

A new policy is offered under which the insurance is DOUBLED if death results from ACCIDENT. This policy also embodies the following advantages if the person whose life is insured becomes totally and permanently disabled:

1. Thereafter the Equitable will carry the insurance —The Insured will have nothing further to pay.
2. The Equitable will pay the Insured an annual income for life equal to one-tenth of the face of the policy.
3. Upon the death of the Insured the full amount of the insurance will be paid to the Beneficiary (or double the amount if death is due to accident) without deduction on account of the income paid to the Insured while living.

(See the policy for conditions and details.)

For Agency Openings Address

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Superintendent of Agencies

THE EQUITABLE

LIFE ASSURANCE SOCIETY OF THE U. S.

120 BROADWAY, NEW YORK

-THE "LIVE" LIFE-INSURANCE-AGENCY-

"PROMPTNESS"

"EFFICIENCY"

TELEPHONE Connecting Both Offices | CANAL 8850 8851 8852

JOS. D. BOOKSTAVER
76 William St., also 230 Grand St.
General Agent
THE TRAVELERS INSURANCE CO. of Hartford, Conn. New York

--- ORGANIZATION --- SERVICE ---

WORTH KNOWING

Suppose that you are insured in the United Life and Accident Insurance Company of New Hampshire for $5,000 under the Company's Triple Indemnity Plan, what does your Policy guarantee to do?

ANSWER:

FIRST, it guarantees that in case of death from any cause, $5,000, the face of the Policy, will be paid.

SECOND, that in case of death from any ACCIDENT, $10,000, or DOUBLE the face of the Policy, will be paid.

THIRD, that in case of death from certain SPECIFIED accident, $15,000, or THREE TIMES the face of the Policy, will be paid.

BUT THIS IS NOT ALL. The Accident Disability Endorsement **FURTHER** guarantees that in case of total disability as a result of accidental injury, the Company will pay direct to YOU at the rate of $50 PER WEEK during such disability, but not to exceed 52 weeks, after which the weekly indemnity will be at the rate of $25 PER WEEK throughout the period of disability. **Can insurance do MORE?** And why should any man be satisfied with a policy that would do less? The cost is low.

Agents wanted in Maine, New Hampshire, Vermont. Connecticut, Pennsylvania, North Carolina, South Carolina, Tennessee, Georgia, Delaware, Maryland, Mississippi, Kansas, Missouri. An opportunity for Life Insurance Salesmen of ability. Address:

United Life and Accident Insurance Co.

Home Office, United Life Building - Concord, New Hampshire

San Francisco Losses
Amounting to $4,522,905.00
paid PROMPTLY IN CASH
WITHOUT DISCOUNT, from
funds largely supplied by head
office in Liverpool

U. S. Cash Assets, Dec. 31, 1916	$15,827,439.35
Surplus, - - - - -	5,460,745.59
Losses Paid by Chicago Fire, 1871	3,239,491.00
Losses Paid by Boston Fire, 1872	1,427,290.00
Losses Paid by Baltimore Fire, 1904	1,051,543.00

Liverpool AND London AND Globe Insurance Co. LIMITED

Over $152,000,000.00

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THE EASTERN UNDERWRITER

[SUCCEEDING THE JOURNAL OF INSURANCE ECONOMICS, ESTABLISHED IN 1899]

A WEEKLY NEWSPAPER COVERING ALL BRANCHES OF INSURANCE

Eighteenth Year; No. 16 | NEW YORK CITY, FRIDAY, APRIL 20, 1917 | $3.00 a Year; 15c. per Copy

RUSH FULL WAR RISK COVER BILL

Goes Through New York Legislature After Visit to Albany of Prominent Insurance Men

EXPLOSION CONFERENCE MEETS

Model Policy and Rates Discussed Today—Great Demand for Full Cover

Senator Towner's bill for the full war risk cover, including bombardment, invasion, riot, civil commotion, etc., was rushed through the Senate on Tuesday and taken to the House on Wednesday after a delegation of insurance men, including C. R. Perkins and Percy Ling, of the N. B. & M.; J. J. Hoey, of the Continental, and John A. Eckert and A. Clarence Hegeman, of the Fire Brokers' Association of New York, found upon their arrival in Albany on Monday that the bill was still in committee. There was no opposition of any kind to the measure. There is great satisfaction in insurance circles that the bill has gone through.

Explosion Conference Meets

Following meetings of the special committee of five (Howard P. Moore, of the Home, chairman; George H. Tryon, National; George W. Hoyt, Liverpool & London & Globe; James D. Lester, Globe & Rutgers; and George F. Hayden, Continental) appointed to draw up a policy for the full coverage, and also an endorsement for the same to be attached to the regular explosion policies. and to recommend rates and commissions, there was a meeting of the explosion conference on Thursday afternoon at 3 o'clock, which was called by Chairman Locke, of the Hartford. The meeting, which was to receive the report of the special committee, was held after The Eastern Underwriter had gone to press.

The committee's report was a form of policy that will be full war cover similar to that issued by London Lloyd's, including strikes; with rates not differing materially from those tentatively agreed upon for the bombardment cover.

The Rush for Bombardment Cover

During the rush for bombardment insurance coverage millions of dollars were written or bound, most of it on the Atlantic Coast. One company notified its Boston agents that it would accept lines as heavy as $500,000. Partic-

(Continued on page 15.)

DIRECTORY OF DEPARTMENTS

Life 1
Editorial 10
Fire 11
Casualty 17

"The Largest Fire Insurance Company in America."

THE HOME INSURANCE COMPANY NEW YORK

ELBRIDGE G. SNOW, President

Service to Policyholders and to Agents Unexcelled.

FIRE AND ALLIED BRANCHES OF INSURANCE

Fire, Lightning, Automobile, Commissions, Explosion, Hail, Marine (Inland and Ocean), Parcel Post, Profits, Registered Mail, Rents, Sprinkler Leakage, Tourists' Baggage, Use and Occupancy, Windstorm.

STRENGTH REPUTATION SERVICE

North British and Mercantile Insurance Co.

Established 1809

Entered United States 1866

Policyholders protected by the entire United States assets, with further guarantee in every policy, of protection by entire fire assets of the company which are many times larger.

SPRINGFIELD
Fire & Marine Insurance Co.

Cash Capital $2,500,000.00

THE SPRINGFIELD for two-thirds of a century has transacted business solely under its own corporate name, without annexes, underwriting agencies or subsidiary companies. An agent of the SPRINGFIELD is not a half, a quarter or any other fraction of an agent, but is vested with the rights and dignity of an undivided representative of an undivided and independent company. The SPRINGFIELD stands today pre-eminent among American fire insurance companies.

SPRINGFIELD, MASSACHUSETTS

NEW YORK LIFE HAS TWO WAR CLAUSES

Will Refund Extra Premium of 10 Per Cent. if Not Needed for Death Claims

MUTUAL ALSO HAS REFUND

Text of Prudential's and Northwestern Mutual Life's Letters—Variety in Clauses Continues

The New York Life announced the adoption of two war clauses this week.

Clause No. 1 provides that if the insured shall die within two years from the date of issue of the policy as a result of engaging in military, naval, Red Cross or other relief service outside Continental United States the insurance shall be limited to one-fifth of the face of the policy unless a single extra premium of 10 per cent. of the face of the policy shall have been paid before the insured left the United States for such service. The grace provision of the policy shall apply to the payment of such extra premium. One year after the end of the war the Company will refund any part of such extra premium as shall have not been required to pay death claims due directly or indirectly to such service. Service outside of the United States within two years from date of issue voids the total and permanent disability and double indemnity benefits, but a pro rata refund shall be made of the premium paid for said benefits for the remainder of the current insurance year.

Clause No. 2

War clause No. 1 will be placed in all policies with the exception of cases for excess of above $5,000 where the amount involved or liability of applicant to military service requires war clause No. 2.

Under war clause No. 2 if the insured dies within two years from date of issue as a result of war outside the boundaries of Continental United States the policy is null and void and the Company shall not be liable for any payment except for the return of the amount paid as premium. The same provision for annulment of disability and double indemnity benefits is made. War clause No. 2 is inserted in all policies in excess above $5,000 where the applicant is 25 years or under; where the applicant is now a member of the Army, Navy, National Guard, Red Cross or other relief service; where the Company has reason to believe applicant may volunteer; or where the applicant is between 25 and 35, unmarried, with no immediate member of his family dependent upon him for a living.

Mutual Life's War Clause

The new war clause of the Mutual Life of New York, is set forth in the following form:

This policy, (with the exception of the provision, if any, contained herein

for waiver of premium or other benefits in the event of total and permanent disability) is free, from its date of issue, from restrictions as to, or payment of extra premium for, military or naval service of the United States of America within the continental limits of the United States of America, not including Panama.

Outside of said limits, the following restrictions apply:

If the insured shall, within two years from the date of issue hereof, engage in either military or naval service of the United States of America, or of any other country, in time of war or in work as a civilian in any capacity whatever in connection with actual warfare, (1) notice thereof shall be given in writing by or on behalf of the insured to the Company within thirty-one days after the beginning of such service or work, and (2) an extra premium of ten per centum of the face amount of the Policy (or of the present value of the amounts payable after death if the insurance is not payable in one sum) shall be due and payable to the Company at the beginning of such service or work; if such service or work commence in the first policy-year and if the insured be engaged in such service or work at the expiration of one year from the date of the beginning of such service or work, a further extra premium of the same amount shall then be due and payable; grace periods of ninety days and thirty-one days respectively shall be allowed for the payment of the first and second extra premiums. After the Policy has been two full years in force, no further extra premium shall be due hereunder. If the ordinary premiums be duly paid but if such notice shall not be given within said thirty-one days or if such extra premium or premiums shall not be paid within the respective periods of grace, the Company's liability hereunder shall in either of the following events be limited to the reserve held for this Policy at the date of the Insured's death; first, if the Insured, having engaged in military or naval service, shall die within one year after the due date of the last extra premium payable while engaged in such service or within six months after the termination of such service, or, second, if the Insured, having engaged in work as a civilian in any capacity whatever in connection with actual warfare, shall die within two years after the date of issue of this Policy while engaged in such work.

Six months after the termination of any war, for which an extra premium shall have been paid under the above provision, an investigation shall be made of the mortality arising amongst lives insured by this Company's policies under which such extra premiums were paid; in such investigation such lives insured shall be treated as one class irrespective of the nature of the service or work, and if the extra premiums paid shall have been more than sufficient to pay for the extra mortality, the excess will be refunded, such refund being made to each such policyholder in proportion to the amount of extra premium paid, irrespective of the nature of the service or work in which engaged.

Except as hereinabove specified (with the exception of the provision, if any, contained herein for waiver of premium or other benefits in the event of total and permanent disability) this Policy shall be free from restrictions as to, or payment of extra premium for, military or naval service.

Northwestern Mutual Life

The Northwestern Mutual adopted the following measures with regard to war risks:

Old business. In recognition of the existing emergency, the Company has concluded to make the general announcement that all policies issued prior to April 10, 1917, are free for service with the forces of the United States regardless of any limitation contained in the policy contract.

New business. As the immediate extra risk involved in active military or naval service is not covered by the ordinary rates and cannot be determined in advance, the Company should not be expected to assume such extra hazard during the war period only. The questions in the Supplement to Application are designed to furnish the Company with information as to probable service and must be carefully explained to each applicant. It is impossible at the present time to set forth definite and complete rules to govern the acceptance of risks but the following statement will serve as a guide.

Those now in service. To the present rule that policies are not issued to officers or others in the regular army or navy should be added a similar limitation as to the National Guard, Naval Reserve or Militia or any volunteer force becoming or about to become a part of the national armed forces, including persons who contemplate joining either branch or engaging in aeronautics or any work in connection with military or naval maneuvers.

Other applicants. Citizens of the United States or foreign born persons holding "first papers" and whose answer to questions (4), (5) and (6) is "No" will be considered as usual except that insurance in excess of $2,000 including prior insurance in force, will not be offered to unmarried men under 25, or in excess of $5,000 in the case of unmarried men under 30 years of age.

(1) Are you a citizen of the United States?

(2) If foreign born, in what manner did you become a citizen and when?

(3) If you are not a citizen, have you declared on oath in court having jurisdiction your intention of becoming a citizen?

(4) Are you now a member of any military, naval or aviation organization or red cross service?

(5) Are you now subject to military or naval service in any foreign country?

(6) Do you contemplate joining any military, naval or aviation organization of this or any other country, or engaging in red cross service or work as a civilian in any capacity in connection with actual warfare?

(7) If your answer to any of questions 4, 5 or 6 is "yes," state full particulars regarding the branch of service and rank or nature of position.

(8) Do you contemplate a journey to any foreign country and, if so, where, when and for what purpose?

(9) It is agreed that any policy the company may issue upon the application to which this is a supplement shall be subject to the condition, any provision of the policy to the contrary notwithstanding, that if within two years from the date thereof I shall enter or be engaged in any military, naval or aviation service in time of war, without a written permit to be granted by the company, signed by the president or secretary, and payment of such extra premium or premiums as may be required by the company during the continuance of such service, any disability provisions issued in connection with such policy shall be null and void and the liability of the company under such policy, until the company shall have given written notice to the contrary, shall be limited to the amount of the reserve on the policy, less any indebtedness to the company on account thereof.

The Prudential's Letter

The full text of The Prudential's war provision letter follows:

To the field force of the United States:

Gentlemen: In view of present war conditions the following information and instructions are sent for your guidance with regard to present or prospective policyholders likely to be affected by these conditions.

Policies Now in Force—Industrial—Ordinary—Intermediate

Any one insured under a Prudential policy now in force may engage in any military or naval or allied service without obtaining a permit or paying an extra premium, whether or not the policy contains a provision as to military or naval service, except that ordinary or intermediate policies issued with restrictive clauses regarding aviation or submarine service or travel to the European war zone or actual service in the European war, will still be subject to the terms of such clauses.

New Business—Industrial

Until further notice no military or naval extra premium whatever will be charged under new industrial policies, but new insurance on males engaged in or about to become engaged in such service will be limited to $300.

New Business—Ordinary—Intermediate

All policies issued on applications received at the home office after this date written on the lives of males not more than forty-five years of age and on the lives of all those engaged in military or naval service, regardless of age, will contain a clause reading as follows:

"Provisions as to Military or Naval Service

"If the insured be engaged or shall within five years from the date hereof, while insured under this policy or any paid-up or extended insurance policy issued in lieu of this policy, in time of war, engage in military or naval service outside the United States as constituted before the year 1898, he shall pay to the Company an extra annual premium at the rate of one hundred dollars ($100) per $1,000 of the amount of insurance; the first payment of an extra premium on account of military service shall be made before or within thirty-one days after his departure from the United States for such service, or if such service be naval service the first payment of an extra premium shall be made within thirty-one days after the first day of such service following the date hereof, and in either case such first payment shall be such proportional amount of the extra annual premium as will cover that part of the then current policy year extending from the date of such departure or the date of such service, as the case may be, to the next anniversary of the policy, and thereafter, in either case, subsequent premiums shall be paid during the continuance of such service at the same time and subject to the same conditions as to payment as the regular premium under this policy. In event of failure to pay any such extra premium the liability of the Company under this policy, or under any paid-up or extended insurance policy issued in lieu of this policy, if such policy shall become a claim by the death of the insured during such service or within six months thereafter, shall be limited to the full amount of the premiums paid to the Company on account of this policy.

"In event of such service, the provisions in the policy as to total and permanent disability shall be null and void, provided, however, that if the insured after the termination of such service shall furnish evidence satisfactory to the Company that he is physically and mentally unimpaired and in sound health, they shall again become operative."

Attention is called to the fact that the first extra premium on account of naval service is payable within thirty-one days from the date of such service, which, if the applicant is already in the service when the policy is issued, would be within thirty-one days from the date of the policy. In case of service in the army the first premium is payable within thirty-one days

(Continued on page 9.)

THREE

Important new features are announced by

THE GERMANIA LIFE INSURANCE COMPANY

of NEW YORK

A Double Indemnity Clause

which provides for the payment of ***double*** the face of the policy in case of the death of the insured as a result of an accident of ANY KIND.

A New Income Endowment Policy

and

The Extension of Its Free Health Service to All New Policyholders

"A Growing Company for Growing Men"

T. LOUIS HANSEN, Superintendent of Agencies

50 UNION SQUARE NEW YORK CITY

Cocky Announcement of New Club Idea

EGAN'S SERVICE SOCIETY QUITE SURE OF ITSELF

Claims Lowest Net Cost, and Says Rates Will Never, Never Go Up

The National Service Life Society, of Rochester, of which James F. Egan is president, and Dom. T. Degnan, secretary, runs a two-page announcement of its plans in the "Fraternal Monitor" for April. This is the new "society" which "provides non-secret club service, in which members are not required to pay club dues, membership fees or medical fees."

This is the new "society" which "takes the place of the traditional lodge idea," "which provides non-secret local club service, in which members are not required to pay club dues, membership or medical fees." "The clubs are financially supported by the Society, which applies not less than $3 per member or per policy per year to the local service of its members, paying same to each club just as members pay their rates of insurance. A member is required to make just one payment—his rate. The Society does the rest."

Explains Club Idea

Continuing, the announcement says: "The Society's club service is most complete. Each local club is independent. It is not required to maintain relations with any other club or society The logical and natural alignments of the people locally—their established social, business, racial, religious, political or trade affiliations are not ignored."

The plans of the "Society" are on the basis of the American Experience Table of Mortality and 4 per cent. interest. Insurance is provided on the whole life plan at "cheap, current cost plans and in amounts of from $250 to $5,000 in multiples of $25 or down to $100 in other enrolled local organizations." Disability insurance is also provided, including disability pensions. Sickness or accident benefits from $1 to $5 per day, or from $30 to $150 per month; for death from accident, from $500 to $5,000. Other provisions are immediate cash benefits at death, a form of sight draft being attached to each policy to provide for this; burial by Society where requested without charge for service; maternity benefits for sickness incident to child-birth; reinstatement after 90 days and at any time before age 60.

Flamboyant Announcement

The announcement is flamboyant in the extreme, such expressions being used as "no flub-dub, no tinsel, no gold-brick appeals to the fraternal heart." The promoters are not only self-confident, but cocky, as is evidenced by the following paragraph:

"The Society undersells in price and excells in service and benefit provisions any other society or company, bar none. No rate changes or extra premiums from members will ever be required, since the Society's rates and reserves are based on a standard used by all the leading legal reserve companies of the world."

A sample figuring of net cost in the Society, $1,000 whole life, aged 35, as the Society gives it, follows: Monthly rate, $2.05; for twelve months, $24.60, less annual payment by Society to local club, $3, making net $21.60; less annual collection allowance by secretary to club secretary, 50c., net $21.10. Net payments made by member in twenty years, $422. Withdrawal equity (cash value) 20th year, $287, making total cost of insurance, 20 years, not counting annual earnings or savings, $135. Thus the average cost of the insurance is 56 cents per month, or $6.75 per year, for 20 years, exclusive of annual earnings or savings.

A PENN MUTUAL RECORD

The Penn Mutual Life Insurance Company carries a large and increasing proportion (now about 40 per cent.) of its assets in first mortgages on real estate. December 31, 1916, the total amount invested in mortgages was $68,284,455.94, representing 8,271 accounts. There was but one instalment of interest ($1,500) overdue December 31st upon this vast aggregate of mortgages, thus indicating their quality. The overdue interest then, therefore, represented less than one-four-hundredth of 1 per cent., the smallest proportion in ten years, with the exception of 1908, when nothing was overdue. The worst record in this regard made in the past ten years was for 1912, when the overdue represented about one-seventieth of 1 per cent. of the mortgages then owned. For the past ten years the average at the end of each year has been about one-one-hundred-and-sixtieth of 1 per cent., or $2,226.52.

SERVE U. S. DURING VACATION

Security Mutual Life Employes Volunteer to Work as Farm Laborers

About thirty members of the home office staff of the Security Mutual Life Insurance Co., of Binghamton, N. Y., headed by the president, David S. Dickenson and the comptroller, Z. Bennett Phelps, have offered to serve as farm laborers without pay during their summer vacations. The offer was prompted by a desire to be of service in helping avert a food shortage due to the scarcity of farm labor.

The text of the patriotic offer is as follows:

"We, the undersigned, hereby agree to offer our services without pay, during the period of any vacation to which we are entitled during the coming summer, as laborers upon farms, assisting in the cultivation and harvesting of crops."

(Signed) David S. Dickenson, Z. Bennett Phelps, R. L. Lounsberry, R. S. Riker, C. H. Jackson, F. L. Mabie, Leigh Morse, F. R. Brunner, J. L. Gregory, F. C. Goodnough, C. D. Barnes, William A. Dickerson, H. L. Harris, E. P. Brooks, S. H. Perkins, W. E Thompson, C. A. LaDue, Joseph H. Bell, W. C. Gilmore, H. J. McCormick, F. C. Germond, E. W. Doolittle, G. Nelson Watts, Carlton O. Rowley.

$100,000 FOR C. E. MITCHELL

C. E. Mitchell, president of the National City Company, a subsidiary of the National City Bank, of New York, the president of which is Frank A. Vanderlip, himself a large insurer, has taken out a life insurance policy for $100,000.

Discusses Benefit Clause in Policy

AS SEEN BY A HOME OFFICE MAN IN HARTFORD

Disadvantages of "Our Benefit" Policies —Connecticut Mutual's Percentage of Named Beneficiaries

By J. L. LOOMIS, Assistant Secretary, Connecticut Mutual

Under the head of payable to the executors or administrators the procedure is often delayed by the probate court, and coming into possession of the administrator or executor, the policy is chargeable with any other estate of the decedent with administration fees and debts of the deceased. Many "Own Benefit" policies are written for the purpose of producing a fund at death to pay administration expenses, the debts of the insured and inheritance taxes, leaving the other personal property of his estate and his real estate free from shrinkage by reason of these charges. He has needlessly subjected that fund to a shrinkage that may run to high percentage, cause more or less delay in the payment of it, and transfer the balance of the fund indirectly to the wife when he might well have made the policy payable directly to her. Times have changed and I think it could be said with assurance that an increasing proportion of our policies are now being written for the benefit of a named beneficiary. I find that upon looking at our own experience this is true. Out of the first 1,000 policies issued by the Connecticut Mutual in 1907, 451 were own benefit; five years later, in 1912, out of the first 1,000 policies issued, only 247 were own benefits. In 1917 out of the first 1,000 policies issued, only 197 were own benefit, thus showing a change in ten years from 451 to 197.

Sometimes the insured is insistent that a policy shall be written for the benefit of his heirs. His desire is apparently that the proceeds of the policy shall pass directly to his heirs-in-law and next of kin under the statute of distribution in force at his death without passing through his estate. I assume that most of the companies decline altogether to write policies for the benefit of heirs, or do so only in rare instances. At the death of the insured under a policy so written, the burden is placed upon the insurance company of determining who are the heirs of the insured, thus being called upon to construe the status of distribution and to locate perhaps in distant parts of the country remote relations with whom it is very difficult to make a satisfactory settlement, whether with them jointly or separately, according to provisions of the statutes determining their interests in the estate of the insured.

EXPECTED MORE ELABORATION

Editor Marsh's Comments Upon Professor Gephart's New Book on Insurance Principles

W. F. Gephart, professor of Economics in Washington University, has written a textbook on "Principles of Insurance." In reviewing the book, Editor Arthur R. Marsh, of "The Economic World," thinks it falls somewhat short of expectation, conclusion of his review, reading:

"It may appear ungracious, after thus pointing out the excellence of Professor Gephart's work from the standpoint of what he himself declares it to be intended to be, an insurance textbook, to express the wish that in certain respects it had been more fully elaborated and had penetrated a little more deeply beneath the practical surface of the matters it discusses. One who, like the present writer, conceives that it would be well were both the economic bases and the economic implications of insurance more generally comprehended, would have been glad to find in the work a more fundamental discussion of such primary questions as that of the true nature and the real place in the economic activities of mankind of that 'law of average,' upon which the entire structure of insurance is built. This is, to be sure, a question of ultimate theory, and perhaps out of place in a textbook pure and simple; but it is at this point that insurance becomes significant for economics in the broadest sense of the term. We could wish that Professor Gephart would some time put by the side of his textbook of insurance an analytical discussion of this far-reaching economic theme, and of some others of a similar kind."

As for Editor Marsh's comments they too, could stand a little more penetration as they are not particularly clear in this case, although as a rule he is a lucid writer.

DAILY PRAYER

Why Jenkin Hill Turned Down a $10,000 Prospect Who Kept a Saloon

Jenkin Hill, general agent, Reading, Pa., of the Penn Mutual Life, tells the following story:

"Two representatives of another company called at our office last week, introducing themselves and stating that they had a $10,000 prospect for the Penn Mutual. Of course, we were interested. Inquiring into the nature of the case, we were informed that the occupation of the applicant was a 'saloonist'—one who handles the booze. We thereupon remarked, 'Do you think that any company whose officers offer prayer three times a day would consider a case of that kind?' Amazed, one of the gentlemen inquired, 'Do your officers do that? We have often heard of such a thing being done in other lines of business, but never in the insurance line.'

"We then pointed to the portraits of the officers on the wall, especially to Brother Lippincott, and asked, 'Don't they look like praying men? Moreover, as insurance is next to preaching, don't you think that they ought to pray daily for the success of the business?'

" 'Well, I guess so,' came the answer; and the couple made their exit with a more exalted impression of the methods and ideals of the old Penn Mutual."

THE TRAVELERS
INSURANCE COMPANY
INDEMNITY COMPANY
HARTFORD, CONNECTICUT

WRITE THE GREATEST VOLUME OF

GUARANTEED LOW COST LIFE INSURANCE

AND

CASUALTY INSURANCE

THE OPPORTUNITY TO SUPPLY THESE INSURANCE NEEDS GUARANTEES AGENTS THE BROADEST FIELD AND THE LARGEST INCOME.

Telling Policyholders Phoenix Mutual Achievements

Company Presents Sixty-sixth Annual Statement in Original Manner—Officers Given a Page Each to Tell Brief Message

The unique manner in which the Phoenix Mutual Life issued its sixty-sixth annual report to policyholders has attracted so much attention that The Eastern Underwriter reproduces on this page facsimiles of two pages in



Preserving the Equities of Policyholders Whose Policies Aggregate $180,000,000

The actuarial department of the Company, which is in charge of the Vice-President, may be likened to the laboratory of a great factory, for it is in this department that the actuary uses the forces of mortality and interest in the construction of Life Insurance contracts that will meet all the needs of humanity that are in any way affected by the loss of a human life to any social group, whether it be a family or a business enterprise.

In this laboratory also are the experiments made which indicate what amounts may be expended for the development of the business, what sums must be set aside as reserves for the guarantees of the contract and what savings may be returned to the policyholders.

The Phoenix Mutual has standards of reserve and of efficiency which are far higher than those set by the laws of any State.

Vice-President

the little booklet. The first page, surrounded by a red line border, reads:

"To you as a member from those to whom you have entrusted your Phoenix Mutual interests. Sixty-sixth Annual Report."

The frontispiece consists of a large picture of President Holcombe, seated at his desk, smiling as he has a right to do in view of the fine report made. Under his picture appears the caption: "Office of the President." Then follows in larger type "A Welcome Awaits You in This Office Whenever You Come To Hartford."

Page 3 consists of a brief introductory message from the officers of the Company, under the caption "Our Interests Are Mutual." In the brief reading matter upon this page is a statement reading in part:

"It is important for you to know what your life insurance company, the Phoenix Mutual, has been doing during 1916—First, in order that you may keep informed as to the value of your contract; Second, in order that you may express your approval by adding to your own insurance or giving your friends advice based upon your own observations and thus aid our representatives to make this year's record better than that of 1916. Our interests are indeed mutual. By helping to add new members you will broaden the basis of your insurance."

On the next page, under the caption "Some Big Facts," appear in succinct form amount paid to policyholders during the year, and some facts about the Company's dividends, loans, etc. On the following page appears a short message from the president, under the heading, "Keeping Our Increasing Amount of Assets Now Over $42,000,000 Safely and Profitably Invested."

A page each is then devoted to brief messages from A. A. Welch, vice-president; S. H. Cornwell, secretary; Winslow Russell, agency manager; O. M.



Selling $25,208,950 of Insurance Through 600 Efficient, Trained Representatives

The new business written this year is the work of the 600 agents of the Company.

The work of the Agency Manager and his staff is to help these field men to be constantly more effective.

During the past few years we have improved our field representation by the elimination of those agents who were inefficient.

During that time the new business of the Company has increased from $19,500,000 in 1914 to over $25,000,000 in 1916.

Agency Manager

Thurman, assistant secretary, a picture of each man at his desk heading his page. Two of these pages are shown herewith in order to give a visual impression of the booklet, which was conceived by J. A. Richards' Staff, Inc.

THE MOST VALUABLE POLICY FOR YOU,
Mr. Agent, is to write your prospect in the Company writing the most valuable policy for the insured.
Secure **prompt action** in the

John Hancock MUTUAL LIFE INSURANCE COMPANY OF BOSTON MASSACHUSETTS

WILLIAM N. COMPTON, General Agent
METROPOLITAN DISTRICT, ST. PAUL BLDG., 220 BROADWAY, NEW YORK, N. Y.

DEATH OF ROBERT L. DOUGLAS

Founder of First Life Underwriters' Association and Prominent in Insurance Business, Passes Away

Robert L. Douglas, aged 85, founder of the first life underwriters' association in America, died at Piqua, Ohio, April 5th, and was buried at Spring Grove Cemetery, Cincinnati. Mr. Douglas was born at Pulaski, N. Y., September 4, 1831. He completed his studies at Clinton Liberal Institute and entered business with his father in early manhood, leaving to join his uncles in the commission business in San Francisco, whither he traveled by ocean from New York stopping in Central America en route. Returning after a short time he made his home in Buffalo, and New York. In 1865 he returned to Cincinnati to become general agent for the Charter Oak Life and it was here he made his home until January, 1887, when he was called to Philadelphia, Pa., to take charge of the Provident Savings. In 1896 he went to Indianapolis to accept a vice-presidency with the Inter-State Life.

Mr. Douglas was the first man in whose mind the idea of a life underwriters' association took form and with W. H. Dyer, of Boston, Collin Ford, general agent of the Aetna at Cincinnati, and J. W. Iredell, Jr., general manager of the Penn Mutual at Cincinnati and others held the first meeting on June 20, 1870. While the association did not take form at once as a national association, an Ohio association was organized of the constituent bodies in Ohio. Among those that took part in this movement were Thomas H. Geer of Cleveland, general agent of the Mutual Benefit Life. Mr. Douglas in the early days was not only a prominent life insurance man, but was an erudite and scholarly writer on life insurance subjects, contributing many articles to the Baltimore Underwriter, of which he was a regular correspondent, and was in close association with the late Dr. C. C. Bombaugh, editor of that paper. In September, 1914, he was the guest of honor at the annual convention of the National Association held in Cincinnati.

He always regarded his work in the insurance field as a calling almost sacred. Money meant little to him except as it made his loved ones comfortable. In all his dealings he was the soul of honor and he often lost money or refused to accept it for motives that to the average mind seemed an exaggerated sense of honor.

The
Perfect Protection Policy
OF THE
RELIANCE LIFE

gives you something absolutely new and different to talk to your prospects. Gives you a chance to earn more money than you are now making.

Our Life Insurance Contracts contain the most up to date clauses known to the Insurance World. The Accident and Health gives full protection for at least a third less cost than regular casualty companies. Our agency contracts are as liberal as can be made.

WRITE AND WE WILL TELL YOU MORE ABOUT OURSELVES

Reliance Life Insurance Company of Pittsburgh
FARMERS BANK BUILDING
PITTSBURGH, PENNSYLVANIA

Build Your Own Business
under our direct general agency contract

Our Policies provide for:
Double Indemnity, Disability Benefits, Reducing Premiums

See the new low Rates

JOHN F. ROCHE, Vice-Pres't
THE MANHATTAN LIFE INSURANCE COMPANY
66 BROADWAY NEW YORK
Organized 1850

ALWAYS A PLACE FOR DEPENDABLE AGENTS

Those who can not only write applications but deliver policies, and are energetic in their methods. Good positions are ready for such men.

Union Mutual Life Insurance Co.
PORTLAND, MAINE
ARTHUR L. BATES, President
Address: ALBERT E. AWDE
Superintendent of Agencies
7 W. Madison St., Chicago, Ill.

2,171 LIFE BILLS

No Reduction in Number of Legislative Measures Noticed—Tax Bills in Lead

That there has not been any reduction this year in the flood of legislative proposals which the representatives of life insurance have had to examine and analyze was indicated in reports presented to the Association of Life Insurance Presidents at its regular bimonthly meeting in New York on Friday, the 6th instant.

John J. Brinkerhoff, actuary of the association, stated that the number of bills which had been received and examined since January 1st was 2,081, while there were still in transit, of which notice had been received, 90 more, making a total of 2,171.

As usual the bills of largest importance were those dealing with the taxation of insurance companies either as a class or with corporations generally, and compulsory investment bills based on the Robertson Law of Texas.

PEORIA'S NEBRASKA MANAGERS

Hunt & Hogan have been appointed managers of the Peoria Life, for the State of Nebraska with offices at Lincoln, the company having recently entered that State. The two men have been sucessful as traveling salesmen all their lives and are expected to produce fruitful results.

MEET AT HARTFORD

The Metropolitan Life Insurance Million Dollar Club held its monthly meeting and dinner at Bond's restaurant, Hartford, Conn., last week.

Several hundred employes of the Electric Hose and Rubber Company of Wilmington, Del., have been covered by a group policy amounting to $300,000.

THE WESTERN AND SOUTHERN LIFE INS. CO.
W. J. WILLIAMS, President CINCINNATI, OHIO
The Largest Industrial Company West of The Alleghenies
Also Issues All Standard Forms of Ordinary $500 to $10,000
Organized 1888

COMPARATIVE RECORD—SEVEN YEAR PERIODS

Dec. 31,	Assets	Insurance in Force		Income	Policies Issued
1888	$ 104,307	$ 889,073	1889-1895	$ 1,085,087	265,931
1895	155,640	5,294,381	1896-1902	3,930,883	638,659
1902	876,007	22,374,980	1903-1909	11,312,912	839,426
1909	4,867,379	44,780,907	1910-1916	22,670,340	1,426,752
1916	11,943,640	104,989,362			

AGENTS WANTED IN THE PRINCIPAL CITIES OF OHIO, KENTUCKY, MICHIGAN, INDIANA, WEST VIRGINIA and WESTERN PENNSYLVANIA

The Loading

A Chapter from "Easy Lessons In Life Insurance," by Jacob A. Jackson of Mutual Life

(Concluded from last week.)

The cash value, or cash surrender value of a policy is the amount which the company will pay to the withdrawing policyholder in cash for the surrender and cancellation of his contract. It is usually a large fraction of the reserve pertaining to the policy, never the full reserve until after some years. Inasmuch as, theoretically, only the good risk will surrender his policy for cash, the invalid, preferring to maintain his insurance in force, it is customary for a company to retain part of the reserve pertaining to withdrawing policies as a surrender charge to compensate for the anticipated selection against the companies.

In view of the guaranteed cash surrender value of $389.00 on the policy above described, persons not versed in the scientific principles of life insurance suppose that company referred to was offering a cash value which exceeded the reserve by $78.25. In reality, the cash value named was not in excess of the reserve actually held by the company against that policy. If, for example, the contract, instead of being an ordinary life of $1,000, had been a twenty year pure endowment of $389, with term insurance of $1,000, every one would readily understand that the company would necessarily hold a reserve of $389 at the end of twenty years, since the reserve must equal the face of the endowment at the end of the endowment period. Now, although the policy referred to was in form an ordinary life with a gross premium of only $27.88, inasmuch as the company guarantees to pay $389 cash at the end of twenty years, the policy was virtually a twenty-year pure endowment for that amount (besides the $1,000 term insurance), and, under the law, the company was required to accumulate against it a reserve to the full amount of that endowment, to wit: $389. In other words, every company is obliged to maintain a reserve sufficient to make good every guarantee contained in its contract. In reality, the reserves in the case of the policy referred to during twenty years were based, not on the American Experience Table, but on a special table calling for much larger reserves than the former.

To accumulate a reserve of $389 in twenty years necessarily requires a larger net premium than to accumulate one of $310.75. It follows that the net premium of the policy described was considerably more than $19.91, and the loading correspondingly less than $7.97.

A Misleading Ratio

The foregoing observations illustrate the unfair and misleading character of such a ratio as that of "Expenses Incurred to Loading Earned." It is very often the case that the company which shows the smaller ratio of expenses to loading is able to do so by virtue of the fact that it has a much larger loading to start with than its competitor. With the same gross premium, one company may have a loading of $7.97, while another has but $5.00 or $6.00, or, in the case of non-participating insurance, perhaps $1.25 or even less. The first company may have a saving from loading simply because it has a large loading to begin with. The other may have no saving from this source and yet be the more economically managed, or it may have a very large saving from loading, but in any case the ratio would fail to give proper credit.

Net Valuation

The insurance laws of the several States require every regular life insurance company to have on hand at all times cash or approved securities not less in amount than the net value of its outstanding policies, according to the minimum legal standard of valuation.

By net value is meant the amount of the reserve pertaining to the policy at any stated time. It is always the difference between the present value and the net premiums to be paid on the policy, and the present value of the benefits guaranteed thereunder—such as amounts payable at death, at maturity, on surrender, etc.

Net valuation is the process of determining the legal net value, or reserve, of a company's outstanding policies, the net premium only—not the gross premium—being considered. To understand what is meant by the term minimum legal standard of valuation, observe that, in the computation of the premium it is assumed that the reserve will earn a specified rate of interest. The rate assumed for the hypothetical company is 3 per cent. On this basis, the required net annual premium of an ordinary life policy issued at age 56 was found to be $47.76. The reserve or insurance fund, consisting of the net premium receipts plus the interest earned thereon at the assumed rate suffices for the payment of all existing policies at maturity.

It is obvious that, in order to accumulate a specific sum of money such as the reserve of a life policy, within a stated time by means of small yearly deposits or premiums, the deposits must be larger, and the fund on hand at any time prior to age 96 must be greater, if the interest to be added to the fund is at the rate of only 3 per cent., than if 3½ or 4 per cent. interest is to be received. It is, therefore, equally clear that, if the net premium receipts of a life insurance company were certain to earn 3½ or 4 per cent. interest the premium rates necessary to provide funds sufficient for the payment of all policies at maturity would be smaller than when it is assumed that only 3 per cent. interest will be realized. In other words, when the reserve is to be accumulated at 3 per cent. interest, larger net premiums are necessary than when a higher interest rate is assumed.

In all cases, whatever the rate of interest assumed, the reserve at the attained age of 96 is equal to the face amount of the policy. Observe that in our Verification Table the reserve at the end of the thirty-ninth year at the attained age of 95 is $923.11. That sum plus the next year's net premium, $47.76, plus three per cent. interest amounts to $1,000 at the end of the year at the attained age of 96. Had it been assumed in the computation that the funds would earn 4 per cent. the required net premium would have been only $45 instead of $47.76, and the reserve at the attained age of 95 would have been $916.54 instead of $923.11. Observe that $916.54, plus the next year's net premium of $45.00, plus 4 per cent. interest, likewise amounts to $1,000 at the end of the year at the attained age of 96. Again, on the basis of 3½ per cent. the net premium would have been $46.34, and the reserve at the attained age of 95 would have been $919.84, which, plus the net premium of $46.34 and the interest at 3½ per cent. again would amount to $1,000 at the end of the 40th year. Thus, as stated before, the higher the rate of interest assumed the smaller will be the reserve pertaining to any policy. A 3½ per cent. reserve is larger than one computed on a 4 per cent. basis and smaller than a 3 per cent. reserve.

The laws of several States prescribe the maximum rate of interest that may be assumed and the mortality tables that shall be used in computing the reserve or net value of a company's policies. This requirement is termed the Legal Standard of Valuation. The net value computed by the legal standard is termed the Legal Net Value or Legal Reserve. In several States the rate of interest fixed by the Minimum Legal Standard, or the lowest standard prescribed by law, is 4½ per cent.—in others 4 per cent. In New York, Massachusetts, and one or two other States the minimum legal standard calls for 3½ per cent. interest, so that a company whose premiums are computed on a 4 per cent. reserve basis must, in order to do business in those States, submit to a valuation by the highest standard of 3½ per cent.—that is, it must at all times have on hand funds sufficient to put up the full 3½ per cent. reserve without exhausting its surplus. Many companies have recently adjusted their premiums for new business to a 3 per cent. basis and are accumulating 3 per cent. reserves accordingly, notwithstanding the lower

PURELY MUTUAL **THE** CHARTERED 1857

Northwestern Mutual Life Insurance Co.

MILWAUKEE, WISCONSIN

GEO. C. MARKHAM, President

Insurance in Force, $1,505,464,984

SATISFIED POLICYHOLDERS each year apply for over 35% of the new insurance issued.

POLICIES MOST FLEXIBLE AND EASY TO SELL

Complete Agency Protection:
Enforced Anti-Rebate and No-Brokerage Rules

Investigate before selecting your Company

Write GEO. E. COPELAND, Supt. of Agencies, Milwaukee, Wis.

Ambitious, Productive and Trustworthy Life Agents may be benefitted by corresponding with the

Berkshire Life Insurance Company

of Pittsfield, Mass.

Inc. 1851

New policies with modern provisions Attractive literature

W. D. Wyman, President W. S. Weld, Supt. of Agencies

BANKERS BLCo LIFE DES MOINES COMPANY

PAYS GOOD PAY TO GOOD MEN

A GOOD OPENING

An old, well established, progressive life insurance company, with unexcelled dividend record has good opening at PHILADELPHIA, covering Eastern Pennsylvania. Address, stating qualifications:

PHILADELPHIA, care of The Eastern Underwriter
105 William St., New York City

ORGANIZED 1871

Life Insurance Company of Virginia

RICHMOND, VIRGINIA

OLDEST, LARGEST STRONGEST
Southern Life Insurance Company

Issues the most liberal forms of Ordinary Policies from $1,000.00 to $50,000.00, and Industrial Policies from $12.50 to $1,000.00

CONDITION ON DECEMBER 31, 1916:

Assets	$14,464,552.23
Liabilities	12,436,717.56
Capital and Surplus	2,027,834.67
Insurance in Force	118,349,212.00
Payments to Policyholders since Organization	18,119,172.50
Is Paying its Policyholders over	$1,300,000.00 annually

GOOD TERRITORY FOR LIVE AGENTS

minimum standard authorized by law.

Determining the Net Value

Knowing the ages of the several policyholders we may determine how many of these according to the mortality table, will die in each year thereafter, and how many will be living at the end of each year, and hence may compute the amount of claims to be expected in each year until all existing policies have matured either by the death of the policyholder or the expiration of the term for which the contract was written. Having these data we may compute the present worth for present value of all outstanding policies—that is, the sum which, accumulated at a given rate of interest, say 3 per cent., will make an amount sufficient to pay every policy in full as the policies mature.

In like manner, knowing how many policyholders will he living according to the table at the beginning of each subsequent year to pay the premiums called for by the several policies, we may determine the net premium income of each year until the last existing policy has matured. Hence we may compute the present worth of all future net premiums to be collected on outstanding policies.

Let us now take for illustration the case of a company which has just issued 100,000 policies, aggregating a total of $100,000,000 insurance. Assume that the present worth of those policies—that is, the present worth of the benefits to accrue under their terms, is found to be $37,055,000. This sum then constitutes the present value of the policy obligations which the company has assumed. To pay these policies as they mature, the company has no other certain resource than the net premiums stipulated to be paid thereon, plus the interest which those premiums will earn at the assumed rate, say 3 per cent. If now the present worth of these premiums is likewise found to be $37,055,000, it is obvious that the company is solvent and will—if 3 per cent. interest is earned and the mortality does not exceed that indicated by the tables—be able to meet its obligations at maturity. A statement of its assumed condition would be as follows:

Credit Side

Present worth of net premiums to be collected on existing contracts	$37,055,000

Debit Side

Present worth of benefits under outstanding policies	$37,055,000

Such would be the exact status of a legally solvent mutual company the day it begins business, after a number of policies have been written but before any premiums have been collected.

Let us, however, take the same company after several years' premiums have been collected and a number of policies paid, a reasonable amount of new business having been written in the meantime. As some of the net premiums called for by existing contracts have been received and disbursed, the present worth of the premiums remaining to be collected will no longer equal the present worth of benefits under policies now outstanding. Assume, for example, the present worth of those benefits to be now $38,000,000 and the present worth of future net premiums $34,000,000. The present worth of benefits promised, or obligations assumed, will be larger in the case of each policy, and probably larger in the aggregate, than at first because every existing policy is nearer maturity, while the present worth of net premiums to be collected in the future will be less than before, because some part of the premiums originally called for by every existing policy has already been collected. Our debits then in this case would exceed our credits by $4,000,000, and the statement would now be as follows:

Credit Side

Present worth of net premiums to be collected on existing policies	$34,000,000
Deficit	4,000,000
	$38,000,000

Debit Side

Present worth of benefits under outstanding policies	$38,000,000

The company is now clearly insolvent under the law, for the present worth of net premiums to be received—its only apparent resource—is $4,000,000 less than the present worth of the benefits to be paid. This deficit represents the Legal Reserve Liability of the company—that is, the net value of its outstanding policies according to the legal standard of valuation, being the difference between the present worth of the benefits for which the company is liable under its policies, than the present worth of all the net premiums to be received. If the company, however, after providing for the tabular mortality and matured endowments, has reserved from year to year the balance of its net premium income, plus interest at the assumed rate, the funds so reserved will now aggregate exactly the amount of the computed reserve liability. In other words, it will have on hand a reserve required by law to maintain solvency and the statement of its condition will now assume the following form:

Credit Side

Present worth of net premiums remaining to be collected on existing policies	$34,000,000
Reserve (cash and invested funds)	4,000,000
	$38,000,000

Debit Side

Present worth of benefits contracted for in outstanding policies	$38,000,000

This suggests the definition of the legal reserve given above, to wit: "A fund equal in amount to the excess of the present value of benefits under outstanding policies over the present value of net premiums to be paid on those policies."

On the basis of the statement as last rendered, the company is technically solvent, since the credits and debits are equal. The form of the statement may be simplified by eliminating the two terms, "Present worth of net premiums" and "Present worth of policies," and simply carrying to the debit side of the account the difference between the present worth of policy obligations and the present worth of premiums to be collected, which is the company's legal reserve liability, or the net value of the benefits guaranteed under its outstanding policies. As the company holds cash and invested funds to the amount of this liability, the statement will assume the following form:

Credit Side

Cash, invested funds, and credits (admitted assets)	$4,000,000

Debit Side

Net value of all outstanding policies (liability)	$4,000,000

The Test of Solvency

The comparison of a company's admitted assets—money, invested funds, and valid credits approved by the insurance authorities—with its total liabilities constitutes the legal test of its solvency. By the financial statement last above set out, the company in question is legally solvent—its assets being exactly equal to its liabilities; nevertheless, a company in just that condition would in fact be upon the verge of bankruptcy, for the loss of a small amount by depreciation of values, extra mortality, or other cause, would render it insolvent under the law. Such being the case, it is of the first importance for every company to maintain as a margin of safety an additional fund in excess of all legal liabilities variously termed "surplus," "indivisible surplus," "unassigned funds," etc. Under the New York law this extra fund or margin of safety is called the Contingency Reserve—a fund reserved to meet unforeseen contingencies. Assuming that the company in question has such additional funds to the amount of $1,000,000, a statement of its financial condition would then read:

Admitted Assets

Cash, invested funds, and credits	$5,000,000

Liabilities

Net value of all outstanding policies	$4,000,000
Contingency reserve (surplus)	1,000,000
	$5,000,000

A Misleading Ratio

In the above case, a loss of assets in excess of $1,000,000 would sweep away the contingency reserve and render the company insolvent. The smaller the amount of such additional fund, the more imminent the danger. It is obvious, therefore, that the measure of a company's strength is to be gauged rather by the amount of extra or surplus funds which it holds in addition to the legal reserve or net value of its outstanding policies, than by the percentage which such extra funds are of the total liabilities, i. e., the company's "Ratio of Assets to Liabilities." For example: According to the statistics for 1916, a certain company of well known excellence had surplus funds at the end of that year of more than $6,000,000, and a ratio of admitted assets to liabilities of 106.5; that is, its assets exceeded its liabilities by only 6½ per cent.

On the other hand, the assets of another company of considerable prominence, though smaller than the first, exceeded its liabilities by 29 per cent., yet its total surplus funds were less than $130,000. Assuming that the assets in each case were of the highest class, there can be no doubt as to the relative strength of the two organizations—the fact being the reserve of what might be inferred if only the ratio cited were to be considered. A surplus of only $130,000 might readily be wasted or lost in a single transaction—far more readily, it will be conceded than a surplus of more than $6,000,000. A still more striking illustration of the misleading character of this ratio is afforded by the figures of a still smaller company with a ratio of assets to liabilities of $592 and a total surplus of less than $21,000.

HOME LIFE INSURANCE CO.

(Now Purely Mutual)

256 BROADWAY, NEW YORK

GEORGE E. IDE, President

The fifty-seventh annual report shows insurance in force of $133,493,000, an increase during the year of $7,832,827. The Company paid the policyholders in 1916 $3,536,233, of which $628,406 was in dividends or premium refund. Its insurance reserve fund was increased by $1,300,000 and the Assets are now $32-821,462.

For Agency apply to

GEORGE W. MURRAY,
Supt. of Agts.

256 Broadway, New York, N. Y.

WE have room just now for two or three good men—not the Million Dollar producer who takes it out in talk, but the man who can average $100,000 of personal business, plus experience in appointing and working with agents. Men who become valuable to this Company grow in value to themselves. We cannot guarantee your success, but we will give you a real opportunity, then it's up to you. Would you like to hear about it further?

Pittsburgh Life and Trust Co.

Home Office, Pittsburgh, Pa.

HOWARD S. SUTPHEN
Vice-President & Manager of Agencies

We don't contract with poor men.

We give a new man our attention until he is started.

We make our men make good.

Why don't you work for us?

Peoria Life Insurance Company

PEORIA, ILLINOIS

An Office doing business in Eastern Pennsylvania could use a good Life Insurance Company in this territory.

Address "KEYSTONE"
Care of The Eastern Underwriter
105 William Street, New York, N. Y.

NATIONAL LIFE INSURANCE COMPANY

(MUTUAL)

MONTPELIER, VERMONT

67th Year

FRED A. HOWLAND, President

On paid-for insurance basis and with bonds valued at par only (market value $409,882 above par) the 67th report shows:

Assets	$66,426,040.82
Liabilities	62,268,494.36
Surplus	$ 4,157,546.46
INSURANCE IN FORCE	$212,037,400.00

A good company for the policyholder and the agent

EDWARD D. FIELD, Superintendent of Agencies.

Personnel of the Union Central Life

BRIEF SKETCHES OF THE OFFICERS OF COMPANY

After Half Century Company Ranks Seventh Among Ordinary Writers in Business in Force

The Union Central Life, which is half a century old, has sent to policyholders a history of the Company, which now ranks seventh in volume of business in force among the life companies in the United States writing ordinary insurance exclusively, having passed, since 1884, sixteen companies which had been established prior to it. The six companies having more insurance were organized respectively in 1843, 1845, 1847, 1856, 1858 and 1859.

Early Days

Fifty years ago John P. P. Peck, prominent banker of Hamilton, Ohio, conceived the idea of forming a life insurance company in the Ohio Valley. Previous to this date, with one exception, all the successful insurance companies were located east of the Allegheny Mountains. To found a company in the Central West was indeed a great undertaking. Mr. Peck surrounded himself with a number of other prominent business men in Hamilton, Ohio, and after careful consideration they came to the decision that Cincinnati, with its large business interests, offered greater advantages for founding the Company.

Preliminary Organization

Having interested several business men of Cincinnati in the enterprise, the founders of the Company held their first meeting in the Methodist Book Concern, at which time a preliminary organization was effected and the first subscriptions to capital stock were made. In a short time everything was ready to apply for a charter, when a discussion arose in regard to an appropriate name. Some favored the Central Life, others the Union Life. A compromise suggested by Bishop Clark was adopted and the name became The Union Central Life Insurance Company.

Events of the First Decade

At the first organization of the official staff, John Cochnower, then a prominent coal merchant of Cincinnati, was elected president, John P. P. Peck, vice-president, and N. W. Harris, a young man, a local agent of one of the large eastern life insurance companies, was elected secretary and insurance manager. The first office, one floor of a building at No. 19 East Third street, was shared with a local fire insurance company, and it was several years before larger quarters were required. The Company's charter was received in January, 1867, and policy No. 1 for $10,000 on the ordinary life plan, dated March 28, 1867, was issued to John P. P. Peck.

The second annual report, prepared by Assistant Secretary E. P. Marshall, was submitted to the insurance departments of Ohio, West Virginia, Indiana and Illinois, the only States in which the Company was licensed to do business at that time. At the close of the first decade the Company had entered the additional States of Dakota Territory, Iowa, Kentucky, Missouri, Nebraska, New York and Pennsylvania.

The first death loss occurred in December, 1868. It was for $3,000, policy No. 684, on the life of John Dionne, of Georgetown, Ohio, who died from injuries received in a saw mill. His policy had been in force seven months and three days. The claim was promptly paid. It was during the first decade, October 1, 1874, that the first home office was purchased at Fourth and Central avenues, the Company occupying the first floor only. This location served as a home office for nearly forty years.

The First President

Corporations reflect to a great extent the traits and characteristics of their founders. It is interesting, therefore, to know something about the founders of a great institution like the Union Central Life. John Cochnower, the first president, was a self-made man. He was a man with a wide knowledge of men and events, a keen observer and



JESSE R. CLARK

a wide-awake business man. John P. P. Peck, of Hamilton, Ohio, the man who originated the idea of forming a life insurance company in the Central West, was in many respects a remarkable man and successful in accomplishing great things. He had organized and operated two banks in Hamilton, but the Union Central was his favorite enterprise. The records of the Company disclose his wonderful achievements, for during the first twelve years of the Company's history he actually collected and handed over to the treasurer of the Company over $565,000 premiums, old and new, the largest part of which was the result of his personal work.

N. W. Harris became the first manager in 1867, with the title of secretary. It was his duty to attend to everything —the management of the office, the securing of agents and the investment of the funds. He served the Company for nearly fourteen years.

The name of Davis is also closely identified with the Union Central. Dr. John Davis was one of the founders of the Company, its third president, one of the first medical directors and one of the foremost physicians of Cincinnati. He had an unsullied reputation for integrity and honor in his business relations. He was of a cheerful temperament and of winning address. Associated with him was his brother, Wm. B. Davis. He had been medical director of the Company since its organization in 1867. At the time of his death in February, 1893, he was chief medical director. Dr. Wm. B. Davis had achieved distinction in his profession and was recognized as an authority in the medical fraternity throughout the entire country. His death was a great loss to the Company he served so well for over a quarter of a century.

Other founders whose names have become closely identified with the Union Central are: Rev. R. S. Rust, Bishop Davis W. Clark, father of President Jesse R. Clark, Wm. M. Ramsey, W. G. Williams and Peter Murphy.

Progress From the Eighties

The rapid progress of the Company commenced with the election of John M. Pattison as vice-president and manager of insurance in 1881. He was elected president in 1891. It was not until he took hold that the new business began to grow in amount annually.

Mr. Pattison was a man of strong will power, of magnetic personality, excellent business judgment and an intense worker. Under his capable leadership the Company advanced rapidly and became a force to be reckoned with in the insurance world. Much of his success in establishing a firm basis was due to his ability to secure and hold capable, energetic and loyal agents. He was able to instill in new or prospective agents the Company's ideals. They became enthusiastic Union Central men because they believed in it.

The Late E. P. Marshall

Elbert Pike Marshall, vice-president, died on June 2, 1916, in the forty-eighth year of his connection with the Company. No other officer or employe had equalled his period of service. Entering as a clerk in 1869, he soon became assistant secretary and was elected secretary in 1881. For a period of twenty-six years he served as secretary and during that period was one of the few officers upon whose shoulders fell the great responsibilities and burdens of the Company. In 1907 he was elected vice-president, which office he held until the date of his death. He was a man who loved work, and, as his heart was in the Union Central, he willingly and enthusiastically gave himself to the Company. He was one of the charter members of the Actuarial Society of America and served this Company as actuary from 1887 to 1906. He was well known among insurance men and had the respect of the entire insurance world. He was of a peculiarly lovable disposition. Gentle simplicity of character and his kindliness endeared him to the Company's agents and to all. For many years he was a member of the board of directors and the executive committee.

The Present Officers

Jesse R. Clark was elected president June 30, 1906. With his installation there began another epoch in the history of the Company. New and great problems arose. The New York insurance investigation of 1906 paved the way for new laws in that State, followed by similar legislation in almost every State in the Union. The problem of making a complete change in the Company's form of policy contracts and of complying with requirements of the new laws presented itself. It became necessary to reorganize the official staff.

Mr. Clark was born in Cincinnati; he was educated in the public schools and Chickerings and was graduated from the Ohio Wesleyan University; he entered the service of the Company in 1873 as clerk, became the cash teller and in 1878 the cashier; in 1886 the treasurer and in 1906 president; a member of the board of directors in 1880, and of the executive committee in 1882. He is a member of the executive committee of the Association of Life Insurance Presidents. It was under his supervision as treasurer that the Company built up its wonderful investment organization. During his ten years' administration as president the Company has made remarkable progress, the assets have more than doubled and the insurance in force has increased over 95 per cent.

John D. Sage, vice-president, was graduated from Brown University, Providence, R. I., in 1899. He entered the service of the Company following his graduation; became the Company's editor in 1902; assistant secretary in 1906; secretary in 1907; third vice-president in 1912; second vice-president in 1913; vice-president in 1916. He became a member of the board of directors in 1903; a member of the executive committee in 1907.

Allan Waters, second vice-president and superintendent of agents, taught for several years, resigning the superintendency of public schools at Watseka, Ill., in 1880 to enter the service of the Union Central as solicitor. He served the Company as assistant superintendent and superintendent of the Western department at Chicago. He was transferred to the home office in 1895, and in 1904 he was elected superintendent of agents. He is also second vice-president and a member of the board of directors.

George L. Williams, secretary, was

(Continued on page 9.)

44 MILLIONS from 42 AGENCIES

THE 1916 RECORD OF OUR EARNEST, LOYAL AND HAPPY AGENCY FORCE

New England Mutual Life Insurance Company

BOSTON, MASS.

Business Attending to Business

General business is prosperous and the public confidence is proof against all alarms. Our deliveries for the first three months were much larger than for the first quarter in 1916. Patriotism requires that business shall attend to its business with the utmost zeal, that the stability of finance may remain unshaken; even as patriotism requires that every American shall support the government by such means as are his to contribute, that our country may be invincible.

Occasionally we have a general agency opening.

JOSEPH C. BEHAN, Superintendent of Agencies

MASSACHUSETTS MUTUAL Life Insurance Company

Springfield, Massachusetts

Incorporated 1851

LIVE HINTS FOR BUSINESS GETTERS

Practical Suggestions to Help the Man With the Rate Book Increase His Income and General Efficiency

Good "Don't Want Any" Answer

An agent of the International Life tells that Company he uses these arguments to good effect:

If a man says to me, "I have no insurance, I don't want any insurance, and I won't carry any insurance," I tell him:

"I know that you carry insurance because you just told me that you borrowed money when you bought this farm. How did you do it? You went to the banker and said, 'I want to borrow $5,000' or $10,000 or whatever the cost was, and the first thing the banker did was to ask you to insure. He said: 'Give me your note.' You gave him the note. That was insurance policy No. 1. Then he pulled out a mortgage and you signed that. That was insurance policy No. 2. You insured the banker that you would pay him live or die. Now No. 3 is what I want you to take, insurance so that your wife can pay if you live or die."

* * *

Work When on Duty, Loaf When Off

A talk by R. R. Kimball, general agent, at the field men's rally of the Old Line Life, Milwaukee. Mr. Kimball wrote and had examined $140,000 the first ten weeks of this year.

"When I began with the Company I worked about two or three hours a day and made myself believe I was an active underwriter. Then one day a story Mr. Fry told me opened my eyes and started me on the right track. When he was a field man he made up his mind he would learn the secret of success in this business. He soon learned that the successful man reported at eight or eight-thirty in the morning, spent not more than half an hour there, then got out and hustled all day with no regular quitting time, making it a practice to see a certain number of new people each day; the man who read all the literature sent out from the home office and enthused about the Company and the policies and was alert to all suggestions that might increase his volume. Mr. Fry was working out of a large office in a big city and it was, therefore, easy for him to make these observations.

"Now almost every day in my field work I see how much greater the opportunities are in this business than in any other—the harder you work the more money you are bound to make. Isn't this an incentive? The other day I talked to a barber. He told me he gets into the shop at seven in the morning, takes an hour for lunch and works through to seven o'clock. Saturdays he works fourteen hours, and he earns $18 a week and a small commission. I thought then if a life insurance man would be willing to work that many hours a day there would be no limit to what he could earn. I think the average insurance man, at least from my observation, gets into his office, if he has one, about nine in the morning, opens his mail and takes it easy and at about one o'clock in the afternoon he is ready to call on a few prospects. This is the extent of his day's 'work.'

"I believe the best plan for a man in the field, if he feels he needs a little rest, is actually to take off a day or two and forget work. Then when he gets back he should forget vacations. That is my method. There is good fishing in my territory and I enjoy it, so when I take off a few days I go fishing, and when I get back into the field I feel the better for it.

"In reference to getting prospects, I will cite a little instance to give you some idea of how I work. On the train one day I picked up a local paper and read of a fellow in the town where I had to change trains who had sold about $3,000 worth of ginseng. I decided to see this man. I went to the bank and inquired how old he was and learned incidentally that he had five children. He looked like a good prospect to me. I had an hour between trains. I saw the man and secured his application for a $25 income policy and got his check for the first premium.

"And speaking of income insurance, I wish to say that I have been very successful with that form of policy. The other day I talked to a banker and when I mentioned a lump sum policy he said he didn't care to hear about it—said he was going to fix it so that a trust company would take care of his estate and pay the income to his family. I asked him if he would object if this Company would act as a trust company and not charge him anything and I explained that our investments were all prescribed by law and his income would be safe at all times. He became interested. So I went over our beneficiary's monthly income policy with him. It was a revelation to the man—he never knew there was anything like it in life insurance, and I had no trouble in writing him for five units. I think the average man when he understands the income policy will be attracted to it much more than to the other forms of insurance. I increased by volume 50 per cent. through income insurance, and half of my business so far this year is on that plan."

* * *

Life Insurance Salesmanship

The first principle of salesmanship is to satisfy yourself that you understand the needs to be served, says Courtenay Barber, general agent of the Equitable Life Assurance Society, Chicago, Illinois.

The second principle which is tied up to the first is to make the person in need of the service conscious of its relative importance, which if tested and found to be a real consciousness will express itself in a desire for the service.

The third principle is to analyze the financial ability of the one in need of the service.

The fourth principle is to prepare accurately a service consistent with your findings.

The fifth principle (without which the others are of little value), is to transfer to the person such will power as he may lack, to insure immediate action or overcome unreasonable delay.

The study of man is quite the most important qualification for a successful salesman. That which we have to sell is a service to men who have a need which if not served will seriously interfere with their success in life. Most men do not realize this. They are glad to discover this great fact and are most appreciative when a man of real vision comes along and helps them make the discovery.

COMPLETE PROTECTION

The Northwestern National Life's new Income Policy provides an annual income of one-tenth of the face of the policy in case of total and permanent disability.

THE
METROPOLITAN LIFE
Insurance Company
(Incorporated by the State of New York)



Metropolitan Life Insurance Company
Home Office Building

The Company

Of the People
By the People
For the People

The Daily Average of the Company's Business during 1916 was:

701 per day in Number of Claims Paid.

8,304 per day in Number of Policies Issued and Revived.

$1,969,823 per day in New Insurance Issued, Revived and Increased.

$376,827.40 per day in Payments to Policyholders and Addition to Reserve.

$220,509.26 per day in Increase of Assets.

JOHN R. HEGEMAN, President

Representing

The Mutual Life Insurance Company
of New York

You will make money.

The great strength, big dividends and incomparable benefits of the *"oldest company in America"* mean certain success for you.

For Terms to Producing Agents, Address

GEORGE T. DEXTER, 2d Vice-President

34 NASSAU STREET, NEW YORK, N.Y.

Suspend Receiver for Royal Arcanum

APPOINTED BY JUDGE ALDRICH OF FEDERAL COURT

Certificate Holder in Braintree, Mass., Dissatisfied—Supreme Regent Calls Action Unjustified

Thomas J. Boynton, former Attorney General of Massachusetts has been appointed receiver of the Royal Arcanum by Judge Aldrich of the United States District Court. The petitioner for the appointment was Albert L. Hobart of Braintree, holder of a death benefit certificate, who wants the affairs of the organization wound up.

Says Funds Were Never Restored

On April 17 the receiver was suspended pending inquiry. The allegation was made that sums disallowed by the Insurance Commissioner in 1915, amounting to $500,000, were never restored and that, in the same year, the trust fund was depleted by $1,500,000 to pay preferential death benefit claims. It is sought to prevent the officers of the organization from doing further business. It is believed that ancillary receivers will be asked for in St. Louis.

Frederick A. Goodwin, grand regent of Massachusetts, who said he had no advance notice of the petition for a receiver, stated that a few days ago $50,000 in Pennsylvania Railroad stock was purchased for the emergency fund.

He gave these figures from the report of April 3, 1917: Emergency fund March 31, $3,107,759.30; excess of the W. and O. B. funds, $3,653,660.30; total paid to beneficiaries to March 31, 1917, $189,669,730.06; current W. and O. fund March 31, $687,755.80. The last figures are the balance on hand April 1.

As Seen in New York

Samuel N. Hoag, supreme regent of the Royal Arcanum, declared that there was no justification for the receivership; alleged that proper notice had not been given; and said the order was commercially and actuarially solvent.

72 YEARS A POLICYHOLDER

Samuel J. Winslow, the Mutual Benefit's oldest policyholder, seventy-two years with that Company has written the Company a letter expressing his great appreciation of the protection afforded him. His policy is for $3,500; he has paid in $1,321.75; and the cash surrender value is $3,333.89.

Personnel of the Union Central Life

(Continued from page 7.)

graduated from the Ohio Wesleyan University and the Cincinnati Law School. He entered the service of the Company in 1906 in the legal department. He later become the company's editor; then assistant secretary and secretary in 1913; member of the board of directors in 1913 and executive committee in 1916.

Louis Breiling, treasurer, entered the service of the Company in 1879 as messenger. He steadily advanced to the position of clerk and stenographer to the treasurer; chief clerk in the financial department, assistant treasurer in 1906; treasurer, director and member of the executive committee in 1907.

Dr. William Muhlberg, medical director, was graduated from the Ohio Medical College, and spent one year in studies abroad, and served as instructor in the Harvard Medical School and the University of Cincinnati. He was appointed assistant medical director of the Company in 1907; medical director and member of the board of directors in 1916.

E. E. Hardcastle, actuary, entered the service of the Union Central in 1898; having been previously engaged in actuarial pursuits for the New Zealand Government and in London. He became assistant actuary in 1900; associate actuary in 1904; actuary and director in 1907. In 1902 he became fellow of Actuarial Society of America by examination.

Ellsworth D. Haynes, auditor, entered the service of the Company in 1899 as a clerk in the actuarial department; he was assigned to the accounting division in 1891; made chief of that division in 1895, in addition to being chief clerk in the insurance department. He became auditor in 1906 and member of the board of directors in 1907.

SOME PROMINENT HOME OFFICE FIGURES



JOHN D. SAGE



ALLAN WATERS



G. L. WILLIAMS



LOUIS BREILING



E. E. HARDCASTLE



E. D. HAYNES

War Clauses

(Continued from page 2.)

after leaving the United States for such service.

Limit of Amount on Those Now in Service or Intending to Enter It

The limit of amount under new ordinary policies on the lives of persons now engaged in military or naval or any allied service and on the lives of persons who intend to engage in any such service, will be $2,000, subject to the usual limitation when other insurance in this Company is carried.

No change will be made in the limit of intermediate insurance. No policies will be issued on military or naval risks on the term plan or with preliminary term insurance.

The supplementary application, form 7147, should be signed by every male applicant, and also by every female applicant, who is or intends to be a nurse.

In all other respects the rules regarding military and naval service contained in the "General Instructions" of the ordinary rate book will remain effective.

COMMISSIONERS MEET

Some Criticism Made of War Rates—Federal Service Bureau Resolution

At the convention of the Insurance Commissioners in Des Moines this week there was some sharp comment on the rates charged for foreign service by some of the life companies. A resolution was offered that the United States War and Navy Department be and such departments are hereby respectfully requested to establish a Federal Life Insurance Service Bureau through which specific data as to life insurance upon enlisted men as well as mortality experience upon such men may be obtained.

Will Pay Members Serving U. S.

Employes of the Southland Life of Dallas, Texas, who are called out for military duty will be paid the same salary they are now getting, less the amount received from the Government. On their return from the service each will be given a position with the Company.

Great Southern Life Insurance Company

HOUSTON, TEXAS.



For Agency Contracts address

O. S. CARLTON

PRESIDENT

Are You Permanently Established?

Write for Territory

Pennsylvania—Ohio—West Virginia

PHILADELPHIA LIFE INSURANCE CO.

PHILADELPHIA

We want a GOOD PERSONAL PRODUCER and organizer for DESIRABLE TERRITORY in several states west of the Mississippi River. EXCELLENT CONTRACT.

Northwestern National Life Insurance Company

MINNEAPOLIS, MINNESOTA,

is a LEADING LOW NET COST, annual dividend, MUTUAL, OLD LINE company. Record for 1916—increase in insurance in force, 20%; in paid-for business, 51%; in assets, 15%; in amount apportioned for 1917 dividends, 71%.

A PENN MUTUAL PREMIUM, less a PENN MUTUAL DIVIDEND, purchasing a PENN MUTUAL POLICY, containing PENN MUTUAL VALUES, make an INSURANCE PROPOSITION which in the sum of ALL ITS BENEFITS, is unsurpassed for net low cost and care of interests of all members.

THE PENN MUTUAL

Life Insurance Company

OF PHILADELPHIA

On January 1, 1909, rates were reduced and values increased to full 3% reserve

Extracts from Report of Examination of

SOUTHWESTERN LIFE INSURANCE CO.

By the State of Texas, June 28, 1915

"It is noteworthy that this Company was organized without any promotion expenses."
"I beg to report further that I find the Company in excellent financial condition."
"The volume of its business has steadily increased, its surplus is growing rapidly and its funds are being carefully conserved under expert supervision."

Home Office, DALLAS, TEXAS

FOUNDED 1865

Unexcelled In Favorable Mortality and Economy of Management

The Provident Life and Trust Company

OF PHILADELPHIA

Rates of Premium Extremely Low and still further reduced by Annual Dividends

THE EASTERN UNDERWRITER

This newspaper is owned and is published every Friday by The Eastern Underwriter Company, a New York corporation, office and place of business 105 William Street, New York City. Clarence Axman, President; B. F. Hadley, Vice-President; W. L. Hadley, Secretary. The address of the officers is the office of this newspaper. Telephone 2497 John.

Subscription Price $3.00 a year. Single copies, 15 cents.

Entered as second-class matter January, 4, 1907, at the Post Office at New York, N. Y.; under the act of Congress of March 3, 1879.

FEDERAL FARM LOAN ACT.

Life insurance companies, as the holders of over $700,000,000, of farm mortgages, will be interested in any test of the constitutionality of the Federal Farm Loan Act that may be made. This law places the government in direct competition with private capital seeking investment, and places at the disposal of farmers $15,000,000 cash out of the United States Treasury, at a time when an abundance of money is available to them at low rates of interest.

Just now the life insurance companies and the other loaning agencies are in the keenest kind of competition in the farm mortgage field. Interest rates have yielded to the over-supply of farm credit and in some of the old agricultural States, the land values have risen to a point where the return to the farmers on the money invested is small. Many of the companies in the Middle West which have their assets very largely in farm mortgages, are confronted with a serious investment problem that is further complicated by this government subsidy in a field already adequately, if not excessively, supplied with funds.

In addition to this unasked and unlooked-for subsidy, the law provides for the payment by the government of the over-head expenses of the system; exempts from taxation the bonds issued against mortgages and Congress further appropriated $100,000 to put the system in operation, a considerable part of this fund being used in publicity work by the Federal Farm Loan Board. The exemption of the bonds from taxation will make a differential of as much as 2 per cent. in some States over the obligations of any other class in the community. The farmers' proportion of the burden of taxation is thereby shifted to others. This tax exemption feature seems to invite a test of its constitutionality.

The Farm Loan Board set a 5 per cent. rate in entire disregard of all economic considerations.

The unnecessary dilution of government credit at this time of severe strain is explainable only on the grounds of political exigency. The Federal Farm Loan Act was approved July 17, 1916 and from that date there was increasing activity in placing the features of the act before the people in the agricultural States all through the political campaign. The questions most frequently asked are: Is the law workable? Do its political sponsors expect it to work? Congressman Carraway, of Arkansas, a strong supporter of the Farm Loan Act, in an address last November before the Farm Mortgage Bankers' Association, confessed that the need for this legislation no longer existed; that the law is "full of defects"; that "they are not going to do much business under it." Continuing he said, "To tell you the facts about the matter, to be right candid with you all, we were all hoping to be re-elected by our activities in this matter." On December 2, 1913, in addressing the Congress on Rural Credits, President Wilson said, "The farmers, of course, ask and should be given no special privilege, such as extending to them the credit of the government itself."

BLOWING YOUR OWN HORN

Young E. Allison, author of that classic retort to a rival insurance paper's braggadocio,

"I'm a lady," said Calamity Kate,
"and I'll punch any son of a gun
who says I ain't"

probably was not the author of a boasting estimate of the automobile edition published recently by the paper of which Mr. Allison is the editor, because it does not sound like him, kindly philosopher that he is.

Mr. Allison's paper says of its own automobile edition that in excellence, utility, service, patronage and typography it eclipses all competitors.

Frank A. Munsey and William R. Hearst, in discussing their own wares, sometimes spread it on just as thick. It will be recalled that Mr. Munsey once took the cover page of the periodical named after himself to say: "This is a mighty good magazine. (Signed) Frank A. Munsey." And why shouldn't he say it or anything else in his own publication? And who was there to stop him?

KAVANAGH CLOSES GROUP

James E. Kavanagh, fourth vice-president of the Metropolitan Life, closed a $3,000,000 group policy on 4,000 employes of Gimbel Bros., Philadelphia, recently. The policies were from $500 to $1,000, depending on the length of service. Ellis Gimbel, one of the members of the firm, announced it in connection with the seventy-fifth anniversary of the firm, and said that the insurance was presented to the employes in recognition of their faithful and loyal service.

BELL TELEPHONE FUND

The American Telephone & Telegraph Co. in the four years 1913-1916 inclusive has expended in its benefit funds $5,611,016. The reserves for these funds aggregate $9,151,000. During 1916 18,760 cases of sickness for which benefits were paid under the plan occurred. There were 10,464 accidents during the year. Death benefits of $157,077 were paid. Total benefits during the year paid reached $1,816,000.

MORE THAN $2,000,000

L. A. Cerf, general agent of the Mutual Benefit Life in New York City, reports business written in that agency during the month of March, 1917, to be over $3,000,000 and that the paid for business of his agency during the same month amounts to over $2,000,000. It will be interesting to know what other large general agencies are doing throughout the land.

THE HUMAN SIDE OF INSURANCE



PERCY V. BALDWIN

Percy V. Baldwin is no longer of Boston in Massachusetts, he now answers the roll call from Hartford in Connecticut. The Travelers Insurance Company, whom Mr. Baldwin has served for many years in the capacity of manager of the life and accident departments of its Boston branch office, has called him to the home office. Mr. Baldwin has been a conspicuous figure in life insurance circles in New England, filling in creditable fashion the dual role of manager and producer. He has served on the executive council of the National Association of Life Underwriters and at one time was president of the Boston Association of Life Underwriters. Mr. Baldwin's legion of friends in Boston are reluctant to part company with him but know he will be welcomed in Hartford through his untiring activities to place on a higher plane the best business on earth.

Albert J. Farnsworth, manager of the life and accident departments of the Travelers Insurance Company in Newark, has been transferred from that city to Boston where he will succeed Mr. Baldwin.

* * *

Upton Beall, for more than seven years automobile department manager for Johnson & Higgins, has joined the forces of the Germania Fire of New York in the capacity of superintendent of agents of the automobile department. Mr. Beall has had considerable experience in automobile insurance business, having planted the Johnson & Higgins agencies for the United States Lloyds and the Indemnity Mutual Marine Assurance Co., from New York to California. Mr. Beall's many friends will be glad to learn that he is associated with the Germania Fire. He should prove a valuable acquisition to the field force of that office.

* * *

President Hegeman and **Vice-president Fiske,** Metropolitan Life; **President Day** and **Vice-presidents Lunger** and **Wilson,** Equitable Life Assurance Society; **President Kingsley,** New York Life; **President Cillis,** Germania Life; **President Ide,** Home Life; **Manager C. F. Shallcross,** Royal, and **Wallace Reid,** local fire agent, are the insurance men named by Mayor Mitchel to welcome the distinguished British and French commissions upon their arrival in New York City.

* * *

George E. McCarrell, of the Bankers' Life of Iowa, at Marshalltown, Iowa, has made a record in writing life insurance on the lives of every member of one family since January 1. He wrote insurance on the lives of the father age 51, a son age 30, a second son age 29 and a third son age 21. One of the policies was for $5,000 and the total on the four lives was $19,000.

* * *

Hubert Cillis, president of the Germania Life, headed a delegation of prominent citizens, who called upon Mayor Mitchel a few days ago and told the Mayor that the German-Americans wanted to do everything in their power to help the city and the country. The Committee, which was approved by the Mayor, will also furnish assistance and work for those who are in want.

Henry A. Warren, eighty-seven years old, of Columbus, O., is an agent of the New York Life who has been taking a vacation in Florida. While standing on a street corner in Riverside, Jacksonville, he entered into conversation with Charles Edwin Hunt, a machinery exporter, enlisting his interest to such an extent that after a few interviews he wrote Mr. Hunt for $12,000. Mr. Hunt was so impressed with this agent that he wrote a full account of the incident to the Home Office of the New York Life, adding: "The uppermost thought which ruled Mr. Warren was that he felt that he personally could help me and do for me, a stranger to himself, a real good. I want you to know that the whole affair has been a real pleasure to me. **When a man at age eighty-seven can drum up business after hours at night, and follow it up closely day in and out, I want those in authority who have such an agent to know how I feel about it."** The Home Office devoted a large part of its "Bulletin," this week to the incident, to Mr. Warren and to the lesson the episode should teach other life insurance men.

* * *

Mrs. George B. Peak, wife of the president of the Central Life, of Des Moines, was recently photographed in her library and a picture of her appears as the frontispiece of the "Central Life Messenger," April edition. This Company, twenty-one years old, has reached the $50,000,000 mark of insurance in force. The first office consisted of two rooms. The office force consisted of one person, the wife of the president. In speaking of her in the early days the "Messenger" says: "Mrs. Peak had become greatly interested in the new company during the preliminary organization and rendered great assistance as office manager the first year. The field force consisted of the president, who diligently canvassed for business. The list of policyholders among the best people in Iowa began to grow rapidly."

* * *

William H. Newell, who has been with the Aetna Life since 1888, was advanced from the office of assistant secretary to that of secretary. Mr. Newell was born in Hartford and educated in her public schools. When he entered the employ of the Aetna Life he was in the accounting department and in 1897 was made chief bookkeeper on the death of Cornelius O'Neil, who had held the place for many years. Mr. Newell was elected assistant secretary in 1905. Mr. Newell's promotion gives the company two secretaries to care for its increasing business, C. E. Gilbert still continuing in the office of secretary.

* * *

George Phelps Rose, of the Eyler & Henry Agency, Pittsburgh, was the leading producer of accident and health business for the Aetna Life in 1916; the second largest producer being W. M. Mulheron, of the Springfield, Mass., office of the Company. During the last year Mr. Rose gave two fine demonstrations of his business-getting ability. During the Los Angeles-Pittsburgh contest he came to the front as a contest producer by writing $2,844 in premiums, splendid work indeed for two weeks' production. Also, in "Pete Eyler Week" he wrote $1,100 in premiums.

* * *

Haley Fiske, Jr., son of the vice-president of the Metropolitan is one of the Harvard members of the steam yacht Harvard assigned to patrol duty between Barnegat and Montauk, N. Y.

The Harvard mounts two two-pound guns; two one-pound guns and one three-inch gun and is manned by Harvard men, who have always given a good account of themselves.

FIRE INSURANCE DEPARTMENT

STANLEY CARTER DEAD

A Popular Field Man Who Traveled in Pennsylvania For Three Decades

Stanley Carter, special agent of the Westchester Fire in Pennsylvania and Maryland, died on Sunday night in a small Pennsylvania town, and the funeral services were held on Wednesday in Mt. Vernon, N. Y., at the Church of the Ascension. A number of representatives of the Westchester Fire attended the funeral.

Mr. Carter's death was received with considerable regret not only by the Pennsylvania and Maryland agents, but also among his former associates among the field men.

Mr. Carter started in the old Reading Fire, Reading, Pa., and when that company went out of business he became a field man with the Westchester. About thirty years he traveled in the Pennsylvania field, and part of the time also in Maryland, and the fine agency corps of the Westchester in these States is in part a tribute to Mr. Carter. He was one of the most popular men in the field; as square as they make them; had implicit faith in human nature; and like all men who see the best in everybody, every one had equal faith in him. He never betrayed a trust, which reflected in the good feeling between the Westchester and its agents.

Mr. Carter was sixty-two years old, a bachelor, and in Mt. Vernon was active in church work.

FORMER MAYOR SUED

Jacob Amos Sued By Nephew For $10,000 as Result of Insurance Transaction

Jacob Amos, former mayor of Syracuse, is the defendant in a suit brought by his nephew, Jacob P. Miller, Jr., in the Supreme Court, Syracuse, N. Y., to recover $10,000 as a result of a transaction involving the insurance business formerly conducted by Miller. According to the complaint, Miller said that two or three years ago when he was in poor health, an agreement was signed by him, placing full control of the business in the hands of Amos until such time as he should be sufficiently recovered in health and should have done certain things in the way of settling up the business, it was to be returned to him. Although he paid Amos $2,000 for the purpose of making certain settlements, he says, this has not been done. The former mayor admits having received the money and further states that he controls the business, but denies the other allegations.

TRAVELERS' AUTO POLICY

The Travelers has prepared an Automobile Supplement to attach to the so-called Beneficiary Policy "TD" and "T" forms at a cost of $2.00 for each $1,000 principal sum, which extends the coverage of the policy to include injuries sustained by the insured beneficiary while riding in, operating or working directly upon a private automobile, or while riding in an automobile used for carrying passengers.

This makes the travel policy with the supplement cost $11.00 for $5,000 principal sum. The supplement will not be attached to any policy issued to a person who is engaged in the manufacture or sale of automobiles, or whose regular occupation is that of a chauffeur.

NEWARK LEADERS

O'Gorman & Young Premiums For Six Months, $84,537; Jos. M. Byrne & Co., $68,051

O'Gorman & Young are now leading other Newark agents in volume of premiums as that agency's premiums for the last six months of 1916 were $84,537. The Jos. M. Byrne Co.'s premiums for the same period were $68,051. The returns follow:

O'Gorman & Young: Hartford, $13,627; Phoenix of London, $16,730; New York Underwriters' Agency, $8,744; London Assurance, $6,799; St. Paul, $6,112; Norwich Union, $5,850; Delaware Underwriters, $5,725; Rhode Island, $5,515; Mechanics & Traders, $3,913; Netherlands, $2,277; Urbaine, $1,989; Nationale, $1,302; Assurance Company of America, $954.

Jos. M. Byrne & Co.: Home, $19,736; Queen, $7,974; North British & Mercantile, $7,439; Springfield, $6,693; National, $6,513; Palatine, $3,786; Norwich Union, $3,584; Pennsylvania, $3,326; Fire Association, $2,549; Connecticut, $2,392; Globe & Rutgers, $2,169; Citizens, $873, Columbian National, $747.

Companies leading in premium receipts for last half of 1916 follow:

L. L. & G.	$47,488
Firemen's	39,392
German-American	37,109
American	32,758
Home	29,927
Niagara	24,868
Hartford	23,004
Newark	21,765

Through a typographical error in the returns of the Newark Underwriters' Protective Association the L. & L. & G. premiums of Eickhorn & Foley and H. M. Van Sant & Co., were given as L. & L. & G., London, instead of L. & L. & G., New York. The L. & L. & G., London, maintains but two agencies in Newark, the T. W. Griffith Co. and M. J. Price.

NATIONAL UNION DINNER

At a dinner of the Round Table Society of the National Union in Pittsburgh on Thursday night the following toasts were responded to:

"The Trials and Tribulations of an Underwriter," E. E. Cole; "The National Union," W. G. Armstrong; "Silence," R. M. Nevins; "1916," Frederick Ackerman; "Please Remit," C. A. Tyler; "Oppressing the Widow and the Orphan," W. F. Ingraham; "Here They Come and There They Go," W. A. Strouss; "Insurance," B. F. G. McGee.

WOMAN SELLS FIRE INTEREST

The agency of Johnson & McCombs, of Churchville, N. Y., representing the Garfield Real Estate Company of Rochester, has purchased the fire insurance business of Miss A. E. Pierson, in Churchville, who succeeded her father in the business which has been conducted since 1859. Miss Pierson is selling her interests in fire insurance because of illness in the family, but will retain her life, sick and accident business.

14 PER CENT. DIVIDENDS

The Atlantic City Fire Insurance Company started in 1903 with $100,000 capital and $2,240 surplus.

At the end of last year the surplus was $230,051. The original stockholders who retained their interests in the Company have received in returns on their shares $123,000 on the original payment on their portion of the first $100,000 and are at present receiving 14 per cent. yearly as current dividends.

FIRE AND MARINE INSURANCE—ALL LINES

The Automobile Insurance Company of Hartford, Conn.

MORGAN G. BULKELEY, President

Statement January 1, 1917

Cash Capital	$1,000,000.00
Assets	2,748,832.19
Liabilities (Except Capital)	1,039,977.81
Surplus to Policyholders	1,708,854.38

AFFILIATED WITH

ÆTNA LIFE INSURANCE COMPANY

THE ÆTNA ACCIDENT AND LIABILITY CO.

J. A. TUFTS WITH PHOENIX

Former Inspector of New England Exchange Appointed Special Agent of Company in Massachusetts

The Phoenix Assurance of London announced this week the appointment of Joseph A. Tufts as special agent assisting Felix F. Porter, State agent of the Company for Massachusetts, at Boston. Mr. Tufts has for several years been an inspector for the New England Fire Insurance Exchange.

NOW A $150,000 CORPORATION

Rose & Kiernan, of Albany, have filed with the Secretary of State a certificate of incorporation. The Company is capitalized at $150,000, divided into $50,000 preferred and 100,000 shares of common stock. The incorporators are Peter D. Kiernan, William C. Rose, Tilden Sharp, John J. Ryan and James L. Noonan.

DOESN'T VOID POLICY

Provision in a fire policy that gasolene shall not be "kept, used or allowed" on the premises means a permanent keeping or using, so that having it there merely for temporary use in cleaning an auto or vulcanizing the tires does not void the policy.—Home Insurance Company of New York v. Bridges, 189 S. W. (Ky.) 6.

SCHWARTZ WITH WALLACE REID

Frank Schwartz, for several years solicitor for the local department of the Niagara, started on Monday with Wallace Reid. He will be in the production department of the Reid agency also.

HESS PORTRAIT PAINTED

Manager of Suburban Fire Insurance Exchange Honored By Insurance Library of Boston

The Insurance Library Association of Boston has commissioned an artist to come to New York for the purpose of painting the portrait of Henry E. Hess, manager of the Suburban Fire Insurance Exchange, which it is proposed to hang in the library of the association. Mr. Hess was the founder of the organization and for many years its secretary.

ATLANTIC CITY'S PROSPECTS

A number of insurance men of Atlantic City have been quoted in the newspapers of that city as looking forward to a big season at the resort.

"There is every prospect that Atlantic City is to have one of its best seasons in its history," said C. J. Adams.

Another insurance man quoted was former Senator Edward A. Wilson.

COMPANY ADDS NEW NAME

"Because of the inconveniences and loss of business suffered by the Knapp & Wakefield Company, insurance brokers, of Port Chester, N. Y., through the absence of the president's name, Irving M. Austin, in the company's title," the company will hereafter be known as Austin, Knapp & Wakefield Company.

VON GLAHM & ROSS DISSOLVE

Von Glahm & Ross, Brooklyn agents, have dissolved partnership and the business will be continued under the name of George H. Ross & Co.

NEW JERSEY NOTES

ELECTRICAL INSPECTIONS

Letters Sent to Assured By Underwriters' Inspection Service of Newark, N. J.

The Fire Insurance Society of Newark, of which John M. Hughes is Secretary, has sent letters to architects, electrical contractors and property owners advising them of its service and the importance of safe-guarding against fire.

The letter to property owners is as follows:

"Understanding that you are considering having your property equipped for the use of electricity, we take the liberty of advising that the use of electrical energy is one of the safest means of producing either light, heat or power, when introduced according to the rules of the National Electric Code. This code is recognized by electrical experts and insurance companies as the highest practical authority on electrical installations.

"Electricity not so introduced constitutes a serious fire menace to life and property. None but the most approved material and devices should be used, and installations should be made only by responsible and competent electricians.

"Experience has shown, however, that all electrical work, new or old, should be inspected. This is generally recognized in New Jersey.

"Fire insurance companies are vitally interested in this matter because it usually falls on them to pay the fire losses occurring from defective electrical installations, but the property owner and public are equally interested because the ultimate burden of fire waste must eventually fall upon them. For years the companies have been making inspections to minimize the fire hazards of electricity, and are, therefore, better qualified and equipped to continue making unbiased inspections than any other body.

"We urge you to safeguard your interest by requiring your architect or electrician to include in the contract, a clause expressly agreeing that on completion of the electrical work, you shall be furnished with an underwriters' certificate of approval of the entire electrical installation.

"Your attention is invited to the fact that this office maintains a highly efficient corps of specially trained and reliable electricians for making thorough electrical inspections, for which a small fee is charged to cover the cost of service and the issuance of an underwriters' certificate of approval of the installation."

RAMSEY, N. J., FIRE DEPARTMENT

Young Men Are Fined for Putting Out Fire When Volunteer Corps Fails to Respond

There is a virtual civil war raging in Ramsey, N. J., as a result of a fire last week. The town has a volunteer system. There was a fire recently to which the members of the volunteer corps failed to respond. Some of the young men of the village forced the doors of the fire house, took out the apparatus and put out the fire. The next morning they were hailed before a magistrate and fined for forceful entry. There was another fire last week and the volunteers failed to respond again. No one else did either while two houses and several barns burned to the ground. Such a commotion followed the publishing of the facts in the local papers that a change in polltical parties is predicted at the next election.

CANCELED; INSURED NOT TOLD

The right of an insurance agent to cancel a fire policy without notice to insured, and substitute a policy in another company, when he has the power to keep the property insured and choose the companies, is conceded in a recent Arkansas case. Although as a general proposition, notice of cancellation must be given to assured where a state of facts exists like the above, the notice to the assured need not be given and the company in which the new policy is written will be responsible for losses occurring in the same manner as if the personal notice to the assured had been given as it is given in the ordinary case. —Digested for The Eastern Underwriter by George F. Kaiser, of the New York Bar.

WILL NOT HOLD DINNER

The annual dinner meeting of the Insurance Society of New York, which was to have taken place on April 24, has been postponed indefinitely. This decision was reached at a meeting of the executive committee last Friday. It was a result of the feeling on the part of many members that this is not the time for banquets.

NEW OFFICERS ELECTED

Francis A. Lewis, James Logan Fisher, S. Pomberton Hutchinson. were elected dirccctors for a term of four years and J. Somers Smith was elected treasurer for one year at a meeting of the Philadelphia Contributionship for Insurance of Houses from Loss by Fire held in that city recently.

PACKING HOUSE FIRES

In the past eight years unspriuklered Slaughter and Packing House fire losses tctaled over $21,000,000 with an average loss per fire of nearly $60,000, while fires in Grinnell equipped risks in the same period caused a total loss of only $15,000, an average loss of $384 per fire.

LAWRENCE NICHOLS DEAD

Lawrence B. Nichols, an insurance man, died at his home in Ellicottville, N. Y., from heart disease, last week, aged fifty-eight. He was president of the Cattaraugus County Board of Underwriters and is survived by a widow and one son, Arthur L. Nichols.

PHOENIX ENLARGES SPACE

The Phoenix of London this week enlarged its space to include the entire front of the second floor of 100 William street and will continue to occupy the space on the first floor front and the second floor.

PHOENIX-CONNECTICUT CLUB

More than 300 couples attended a sociable which was given by the Phoenix Club to the employes of the Phoenix and Connecticut Fire Insurance companies at the new home of the Phoenix of Hartford. Officers of the two companies were present. A meeting was held on Monday at which the two clubs were merged under the name of the Phoenix-Connecticut Club.

WILL PAY SOLDIERS' SALARIES

Directors of the American Insurance Company, of Newark, have adopted a resolution to continue the salaries of office employes who are called to the colors, less the amount they receive from the government.

FORM CHESTER FINANCE CO.

The Chester Finance Co., of Philadelphia, has been incorporated with a capital of $50,000 to carry on a general real estate and insuraunce brokerage business with Wray C. Arnold, and H. Wolfender, both of Philadelphia, as the incorporators.

PACIFIC FIRE MOVES

The Pacific Fire Insurance Co. moved last Saturday from 100 William street to 55 John street.

John B. Carhart, for three and a half years associate editor of "The United States Review," has resigned and will engage in general literary work. Mr. Carhart first took up newspaper work in Philadelphia in 1901.

* * *

William G. Curtis, treasurer of the Insurance Federation, has made plans and perfected arrangements with the American Red Cross for insurance interests to undertake a Red Cross campaign. The plans contemplate handling the work through the federations of the various States, and by each federation executive committee handling its States as a unit. It is expected to throw the united effort of 50,000 field men into the work, and in addition to enlist all companies, and through them to exercise their influence and control over their field force, whether affiliated with State federations or otherwise. This is a splendid opportunity to demonstrate what the federations can do in constructive work, and they will take advantage of it.

1853 Sixty-Fourth Year 1917

FARMERS' Fire Insurance Company

YORK, PENNSYLVANIA

Assets (Dec. 31, 1916) $1,116,968.00
Net Surplus (Dec. 31, 1916)..... 514,025.00

W. H. MILLER, President
A. S. McCONKEY, Sec. and Treas.

GERMANIA FIRE INSURANCE COMPANY
NEW YORK.

ORGANIZED 1859
STATEMENT, JANUARY 1, 1917
Cash Capital $1,000,000.00
Assets 8,553,704.22
Liabilities 4,222,485.60
Net Surplus 3,331,218.62
Surplus for Policy Holders 4,331,218.62

HEAD OFFICE
Cor. William and Cedar Streets

Authorized Capital $500,000
Detroit National Fire Insurane Co.
DETROIT, MICHIGAN
A Company to be built gradually and along the indicated lines of permanence
AGENCY CONNECTIONS SOLICITED

Iowa National Fire Insurance Co.
DES MOINES, IOWA Capital Stock $500,000
The latest addition to Reliable Fire Insurance organizations began Writing Business on January 1, 1917
JOHN L. BLEAKLY, President
F. L. MINER, Vice-President
C. S. VANCE, Underwriting Manager
FRANK P. FLYNN, Treasurer
C. M. SPENCER, Secretary

F. H. HAWLEY, Pres. ORGANIZED 1848 W. E. HAINES, Secy.


Ohio's Oldest and Strongest Company
Net Surplus Over $1,293,741.00
AN AGENTS COMPANY
E. K. SCHULTZ & CO.
PHILADELPHIA
GENERAL AGENT
Pennsylvania, New Jersey and New York

Important Data From the Connecticut Department

PER CENT. OF LOSSES TO PREMIUMS, COMMISSIONS TO PREMIUMS AND UNDERWRITING EXPENSES TO PREMIUMS, 1916.

NAME OF COMPANY	Premiums Received	Losses Paid	Losses Incurred	Commissions and Brokerage	Total Underwriting Expenses Paid	Per Cent. of Losses Paid to Prems.	Per Cent. of Losses Incurred to Premiums	Per Cent. of Commissions to Premiums	Per Cent of Underwriting Expenses Paid to Prems.
Stock Co's of Conn.									
Aetna, Hartford	$13,507,408.71	$6,874,812.11	$7,278,230.81	$2,698,989.72	$4,894,863.87	60.90	53.88	19.24	36.24
Auto. Ins. Co., Hartford	1,473,408.98	518,981.92	652,102.13	310,307.33	574,739.93	35.22	44.26	21.06	39.01
Connecticut, Hartford	3,693,929.61	1,875,017.99	1,907,643.01	868,071.86	1,638,928.39	50.78	51.64	23.50	44.37
First Reins., Hartford	1,626,514.69	*798,986.12	877,962.62	487,885.41	641,946.66	60.38	53.98	30.00	33.32
Hartford, Hartford	20,351,480.18	11,240,083.96	11,660,224.18	3,905,002.16	7,784,703.44	55.23	57.29	19.19	38.25
National, Hartford	9,535,623.23	4,717,253.81	6,040,904.85	1,651,926.67	3,906,699.89	49.47	52.86	17.32	40.97
Orient, Hartford	2,048,185.03	1,034,083.26	1,138,549.68	445,726.29	855,680.83	50.49	55.59	21.76	41.78
Phœnix, Hartford	6,209,056.16	2,883,453.84	2,932,053.16	1,152,790.98	2,552,691.87	46.43	47.22	18.56	41.11
Security, New Haven	2,456,105.56	1,363,439.83	1,352,586.09	608,517.99	1,038,956.62	55.13	55.09	20.71	42.32
Standard, Hartford	609,722.39	348,076.76	347,995.76	134,422.65	311,091.28	57.09	57.07	22.05	51.02
Totals	$61,511,334.44	$31,645 088.60	$33,188,252.29	$12,063,641.05	$24,100,302.78	51.48	53.95	19.61	39.18
Stock Co's of Other States									
Agricultural	$1,911,746.00	$911,166.53	$948,626.73	$417,754.83	$802,809.76	47.66	49.62	21.85	41.99
Albany	327,037.98	173,078.77	181,229.58	86,751.57	132,638.16	52.92	65.42	26.53	40.56
Allemannia	841,029.08	393,941.31	386,354.79	223,326.73	389,121.93	46.84	45.94	26.55	46.27
Alliance	1,386,993.58	646,529.03	735,303.03	261,241.72	427,033.13	46.61	53.01	18.84	30.79
American, N. J	4,713,480.30	2,268,566.09	2,312,340.70	1,079,620.66	1,900,623.02	48.13	49.06	22.90	40.32
American Central	2,097,283.64	1,262,134.73	1,260,070.66	456,813.15	836,392.14	60.18	60.08	21.78	39.88
American Druggists'	157,092.00	36,930.53	39,445.29	17,012.92	62,502.77	23.51	25.11	10.83	39.79
American Eagle Fire	421,349.73	111,031.14	129,521.15	287.86	77,425.60	26.35	30.74	.07	18.38
Assurance Co. of America	344,168.56	126,937.80	134,964.80	93,415.25	121,013.93	36.88	39.21	27.14	35.16
Boston	5,165,771.14	2,353,868.56	2,906,894.57	969,697.09	1,647,647.72	45.57	56.27	18.77	31.90
Buffalo-German	730,955.33	324,250.67	327,969.61	180,684.41	323,318.75	44.36	44.87	24.72	44.23
Caledonian American	11,042.94	9,431.47	7,719.75	3,003.12	4,943.60	85.41	69.91	27.19	44.77
Camden	2,083,826.87	1,140,387.21	1,213,078.79	617,121.55	789,787 22	54.73	58.21	24.82	37.90
Capital	235,157.56	107,154.67	115,676.93	57,574.99	105,245.83	45.57	49.19	24.48	44.76
Citizens'	145,754.85	94,310.16	91,041.62	48,380.18	51,073.64	64.70	62.46	33.19	35.04
City of New York	718,504.69	348,918.02	375,984.94	183,486.69	320,553.42	48.56	52.33	25.54	44.61
Colonial Assurance	309,183.61	135,471.71	152,415.50	111,600.31	125,368.40	43.82	49.30	36.10	40.55
Commerce	239,199.88	121,692.32	122,605.08	56,236.62	108,813.54	50.87	51.26	23.51	45.49
Commercial Union	680,199.54	356,436.09	384,939.09	166,342.84	294,988.96	62.40	66.60	24.46	43.37
Commonwealth	1,353,159.83	599,182.12	768,423.81	274,350.41	487,826.81	44.28	56.79	20.27	36.05
Concordia	1,291,833.21	633,917.08	642,884.85	318,585.26	563,111.81	49.07	49.77	24.66	43.59
Continental	8,986,040.88	4,544,206.46	4,612,356.85	1,801,798.46	3,523,637.46	50.57	61.33	20.05	39.21
County Fire	212,341.50	97,190.63	113,320.30	10,332.44	61,337.76	45.77	53.37	4.87	28.89
Detroit	842,188.34	366,367.89	384,931.36	188,015.17	353,429.32	43.50	45.71	22.33	41.97
Detroit National	217,184.39	125,237.67	117,575.09	55,367.08	106,900.30	57.66	54.14	25.49	49.22
Eagle	217,298.42	86,570.00	115,340.23	66,651.07	84,116.70	39.86	53.10	30.69	38.73
Equitable	470,063.35	223,875.97	232,526.71	156,706.69	177,589.63	47.63	49.47	33.34	37.78
Fidelity-Phenix	$7,268,169.13	$3,445,338.34	$3,547,537.26	$1,549,084.28	$2,979,172.43	47.40	48.81	21.31	40.99
Fire Association	5,032,367.25	2,519,279.73	2,628,310.68	1,041,522.90	1,990,073.30	50.06	52.23	20.70	39.66
Fireman's Fund	10,029,340.75	4,746,176.99	5,074,780.08	1,806,509.97	3,208,458.33	47.32	50.60	18.01	31.99
Firemen's	4,110,813.14	1,851,778.89	1,913,636.39	1,143,462.29	1,695,081.37	45.05	46.55	27.82	41.24
First National Fire	645,869.89	470,091.67	536,951.37	145,493.22	297,060.77	72.78	83.14	22.53	45.99
Franklin, Pa	814,516.69	301,597.72	417,222.50	236,559.04	277,269.59	37.03	51.22	29.04	34.04
German Alliance	633,113.93	364,269.17	370,551.38	177,483.84	212,000.81	57.54	58.53	28.03	33.49
German American	10,698,220.18	5,562,029.20	5,627,199.23	2,197,856.52	4,177,880.70	51.99	52.60	20.54	39.05
German Fire	447,325.52	228,152.41	220,063.70	119,769.83	227,356.07	51.00	49.20	26.77	50.83
Germania	3,497,350.26	1,621,064.40	1,666,280.69	744,490.96	1,506,541.63	46.35	47.64	21.29	43.08
Girard	−95,211.06	108,444.36	110,008.96	−301,053.45	−121,079.32	-113.90	-115.55	316.20	127.17
Glens Falls	3,118,375.35	1,523,401.79	1,704,673.30	657,709.83	1,206,535.72	48.85	54.67	21.09	38.69
Globe and Rutgers	8,828,663.88	4,030,096.47	4,597,363.47	1,272,451.10	1,844,880.96	45.65	52.07	14.41	20.90
Granite State	725,895.51	409,043.82	414,134.51	159,572.91	284,872.88	66.35	57.05	21.98	39.24
Hanover	2,609,900.63	1,195,259.38	1,284,856.37	570,071.95	1,136,528.68	45.80	49.23	21.84	43.56
Home	18,820,825.60	10,756,410.87	11,063,307.68	3,760,692.58	7,110,047.69	57.15	58.78	19.98	37.78
Humboldt	862,603.94	367,458.61	384,109.01	246,585.92	395,015.11	42.60	44.53	28.59	45.79
Imperial	485,203.88	227,358.28	240,660.92	107,413.02	187,363.65	46.86	49.60	22.14	38.62
Ins. Co. of No. America	14,564,293.67	7,015,469.00	7,826,972.00	2,550,022.35	4,767,691.66	48.17	53.74	17.51	32.74
Ins. Co. of State of Penn	2,867,934.38	1,282,031.95	1,611,421.74	713,385.23	1,105,498.62	44.70	56.19	24.87	38.56
Liverpool & London & Globe	399,220.00	197,169.72	195,638.72	62,824.32	158,531.25	49.39	49.01	15.74	39.71
Maryland Motor Car	254,291.19	100,046.80	100,544.60	64,966.60	126,278.85	39.34	39.54	25.55	49.27
Massachusetts	1,023,254.95	510,658.16	571,655.10	272,676.39	395,814.42	49.91	55.87	26.65	38.68
Mechanics	458,502.20	200,966.54	211,809.86	109,710.64	216,651.98	43.83	46.20	23.93	47.25
Mechanics and Traders	665,882.00	342,606.53	349,625.86	120,429.38	271,798.77	51.45	52.51	18.09	40.82
Mercantile Ins. Co. of Amer	1,206,042.82	435,489.15	596,859.43	308,723.09	476,675.71	36.11	49.49	25.60	39.52
Merchants	845,304.67	311,781.07	383,517.07	116,694.13	221,046.78	36.88	45.37	13.79	26.15
Michigan Commercial	684,015.59	256,024.30	301,665.94	152,913.31	296,829.11	37.43	44.10	22.36	43.40
Michigan F. and M	790,187.45	597,859.46	418,513.28	198,763.42	354,031.55	50.35	52.96	25.15	44.80
Milwaukee Mechanics	2,078,019.10	984,963.33	986,590.77	487,150.05	928,830.18	47.40	47.48	23.44	44.70
National-Ben Franklin	$1,771,896.09	$810,903.26	$833,259.58	$497,706.21	$781,030.96	45.76	47.03	28.09	44.08
National Brewers'	27,921.89	8,892.52	10,392.52	5,671.13	11,294.83	31.85	37.22	20.31	40.45
National Union	2,310,614.62	1,258,387.40	1,317,414.87	374,746.10	903,793.58	54.46	57.02	16.22	39.11
Newark	1,353,101.13	697,035.04	748,317.12	302,439.64	561,489.84	61.51	55.30	22.35	41.50
New Brunswick	947,744.61	392,813.01	433,018.84	228,677.67	389,929.63	41.45	45.69	24.13	41.14
New Hampshire	2,870,596.29	1,547,613.19	1,601,423.28	642,215.84	1,147,603.70	63.91	65.79	22.37	39.98
New Jersey	838,029.18	263,059.79	302,692.00	204,503.09	332,410.61	31.39	36.12	24.40	39.67
Niagara	4,076,070.54	1,902,196.67	2,023,288.70	825,194.69	1,651,842.66	46.67	49.64	20.24	40.53
Northern	913,268.81	391,740.14	426,482.55	337,988.18	406,581.80	42.89	46.70	37.01	44.52
North River	2,300,668.57	947,677.98	1,088,804.21	582,426.68	959,885.42	41.19	47.33	25.32	41.72
Northwestern National	3,241,732.32	1,506,287.58	1,590,045.39	753,819.03	1,435,496.58	46.47	49.05	23.25	44.28
Old Colony	910,028.63	397,979.21	537,169.12	216,929.41	303,805.07	43.73	59.03	23.84	33.38
Pennsylvania	3,908,683.57	2,126,923.44	2,334,542.94	816,147.48	1,692,324.41	54.42	59.73	20.88	40.74
People's National	392,334.42	383,126.02	370,708.24	81,954.36	229,276.84	97.65	94.49	20.89	58.44
Providence-Washington	4,608,115.85	2,637,306.37	2,855,243.69	934,650.93	1,581,197.18	57.23	61.96	20.28	34.31
Queen	6,157,874.87	2,819,409.45	3,135,379.10	1,099,241.24	2,236,095.32	45.79	50.92	17.85	36.31
Reliance	672,170.64	376,115.79	374,023.02	168,220.56	341,681.88	55.96	65.64	23.54	50.83
Rhode Island	920,847.50	381,334.87	401,341.67	288,548.15	351,074.34	41.41	43.58	31.34	38.13
Safeguard Ins. Co. of N. Y	149,101.83	17,080.91	26,338.46	28,060.97	62,501.96	11.46	17.66	18.82	41.92
St. Paul F. and M	9,101,345.59	6,291,596.55	5,891,240.03	2,044,019.30	3,025,121.02	58.14	64.73	22.46	33.24
Springfield F. and M	6,823,926.17	3,562,831.58	3,653,003.37	1,386,900.68	2,786,671.91	52.21	53.53	20.32	40.84
Sterling Fire Ins	368,358.46	197,711.67	213,960.11	118,083.96	158,725.64	53.67	58.08	32.06	43.09
Teutonia Fire, Pa	532,968.54	298,642.00	294,326.78	142,072.78	244,169.03	56.03	55.22	26.66	45.81
United States	3,656,812.53	1,871,368.94	2,051,405.63	1,286,297.33	1,640,585.47	51.17	56.10	35.18	44.86
Westchester	4,363,841.70	2,523,591.53	2,571,582.68	901,162.79	1,753,731.03	57.83	58.93	20.65	40.19
Totals	$203.698.234.04	101,972,727.45	109,255,407.47	42,853,673.79	76,701,311.07	50.06	53.64	21.04	37.66
Co's of Other Countries									
Aachen and Munich	$1,105,348.98	$607,027.25	$618,175.47	$249,733.30	$508,221.70	64.92	55.93	22.69	45.98
Atlas	1,936,125.56	957,501.15	962,438.95	364,071.06	809,586.43	49.45	49.71	18.80	41.81
Balkan National	1,999,514.72	1,147,072.27	1,299,798.27	557,349.24	640,551.15	57.37	65.01	27.87	32.04
British America	991,915.32	684,861.07	730,732.69	216,241.16	441,589.18	69.04	73.67	21.80	44.52
British Dominions	57,407.46	2,828.59	7,087.87	11,611.24	19,591.58	4.93	12.35	20.23	34.13
Bulgaria, First Bulgarian	2,264,082.59	1,373,880.60	1,502,516.60	725,621.64	736,435.34	60.68	56.36	32.05	32.53
Caledonian	$1,432,748.99	$727,387.44	$742,090.07	$308,649.19	$617,662.60	60.77	61.79	21.54	43.11
Cologne Reinsurance	1,081,963.86	677,957.71	684,725.71	353,139.12	409,518.39	62.66	63.29	32.64	37.85
Commercial Union	8,038,729.90	4,671,136.58	5,135,220.25	1,635,481.77	2,895,528.46	58.11	63.88	20.35	36.02
Fire Reassurance	1,843,979.28	1,117,477.99	1,170,668.99	519,524.34	576,846.23	60.60	63.49	28.17	31.28
General Fire	517,705.99	262,801.48	301,915.11	170,214.98	208,483.98	50.76	58.32	32.88	40.27
Hamburg-Bremen	1,164,062.13	637,830.85	665,182.87	253,039.16	566,096.29	54.79	57.14	21.74	48.63
Law Union and Rock	474,491.97	232,070.51	239,147.45	77,611.87	196,815.30	48.91	50.40	16.36	41.48
Liverpool & London & Globe	9,439,181.96	5,150,898.16	5,334,662.63	1,816,455.49	3,314,236.36	54.57	56.52	19.24	35.11
London Assurance	3,584,320.44	1,401,893.74	1,736,032.89	703,295.16	1,292,039.26	39.11	48.43	19.62	36.05
London and Lancashire	2,919,203.33	1,411,317.38	1,465,579.01	464,203.06	1,164,782.55	48.35	50.20	15.90	39.90
Minerva Retrocession	463,565.38	292,424.98	297,845.98	156,122.75	177,176.71	63.08	64.25	33.68	38.22
Munich Reinsurance	7,643,068.92	4,660,538.73	4,835,893.73	2,301,738.67	2,406,055.70	60.98	63.27	30.12	31.48
Nationale	356,312.48	164,620.33	168,458.09	107,038.53	129,157.07	46.20	47.28	30.04	36.25
Netherlands Fire and Life	475,307.88	193,403.41	210,983.46	119,580.32	220,169.47	40.69	44.39	25.16	46.32
Nord Deutsche	2,374,882.79	1,136,833.67	1,400,189.80	466,329.92	730,607.91	47.87	58.96	19.59	30.76
North British and Mercantile	5,090,350.88	2,591,582.52	3,004,614.70	1,028,920.29	2,061,831.75	50.91	59.03	20.21	40.50
Northern Assurance	3,288,922.07	1,586,361.68	1,652,968.88	557,823.82	1,294,848.85	48.23	50.26	16.96	39.37
Norwich Union	2,195,917.79	1,108,395.81	1,120,377.01	400,741.77	874,008.38	60.48	51.02	18.25	39.80
Palatine	2,063,494.23	1,256,909.84	1,272,383.84	471,026.08	845,788.42	60.91	61.66	22.83	40.99
Patriotic Assurance	77,371.53	7,265.36	12,658.36	9,676.57	40,456.18	9.39	16.36	12.51	52.29
Phenix Fire (Paris)	356,312.48	164,620.35	169,476.82	107,038.55	129,246.65	46.20	47.56	30.04	36.27
Phœnix Assurance (London)	2,965,555.96	1,483,357.15	1,666,545.05	558,122.72	1,274,421.23	50.02	52.82	18.82	42.97
Prussian National	1,427,089.95	728,655.03	731,360.13	338,797.79	616,270.22	61.00	51.25	23.74	43.18
Rossia	9,006,052.90	6,262,278.59	5,906,829.59	2,364,512.31	2,599,910.06	58.44	65.59	26.26	28.87
Royal	9,911,710.40	4,865,758.60	5,145,225.05	1,641,800.25	3,577,231.59	49.09	51.91	16.56	36.09
Royal Exchange	2,399,408.82	1,087,425.90	1,254,718.23	546,923.33	900,262.90	45.32	52.29	22.79	37.52
Scottish Union and National	2,663,253.40	1,376,221.17	1,498,588.17	553,239.70	1,068,546.46	51.67	56.27	20.77	40.12
South German Reins	869,382.36	610,681.86	576,949.41	279,043.77	291,639.91	70.24	66.36	32.10	33.53
State	200,977.27	78,945.19	81,105.19	49,777.14	80,327.55	39.28	40.36	24.77	39.97
Sun	2,541,399.69	1,301,864.45	1,379,655.91	542,158.93	1,106,021.27	51 23	54.29	21.34	43.52
Svea Fire and Life	1,038,011.29	605,325.20	611,565.67	274,911.30	442,132.65	48.68	49.28	26.48	42.59
Swiss National	2,015,157.73	1,133,595.78	1,239,319.78	595,382.74	663,965.93	56.25	61.50	29.55	32.95
Union	626,063.51	245,368.49	253,639.49	137,828.17	266,842.88	39.19	40.51	22.02	42.62
Union Fire (Paris)	507,374.32	234,443.16	253,578.81	157,212.91	188,319.78	46.21	49.98	30.99	37.12
Urbaine Fire	472,048.03	224,901.19	263,625.33	156,925.44	181,810.04	47.64	55.85	33.24	38.52
Western Assurance	2,265,810.08	1,003,067.29	1,304,607.49	487,096.75	775,072.96	44.47	57.83	21.59	34.36
Yorkshire	628,025.86	330,758.83	357,344.99	126,194.19	274,670.53	52.67	56.90	20.09	43.74
Totals	$102,762,610.48	64,699,547.33	69,066,383.79	22,961,497.49	37,614,677.85	63.23	57.48	22.34	36.60

CAPITAL, ASSETS, LIABILITIES, SURPLUS AND AMOUNT AT RISK, DECEMBER 31, 1916

NAME OF COMPANY	Paid-up Capital	Admitted Assets	Liabilities excluding Capital	Capital and Surplus	Net Amount at Risk	Per cent of Assets to Amt. at Risk	Per ct. of Cap. and Surplus to Amt. at Risk
Stock Co'a of Conn.							
Ætna, Hartford	$5,000,000.00	$26,706,547.02	$13,203,222.49	$13,503,324.53	$1,950,798,991.00	1.37	.69
Auto. Ins. Co., Hartford	1,000,000.00	2,748,832.19	1,039,977.81	1,708,854.38	117,754,110.00	2.33	1.45
Connecticut, Hartford	1,000,000.00	7,249,879.84	4,413,815.90	2,836,063 94	779,138,753.00	.93	.36
First Reinsurance, Hartford	500,000.00	2,237,306.11	1,305,076.68	932,229.43	158,909,346.00	1.41	.59
Hartford, Hartford	2,000,000.00	29,878,349.31	20,190,123.17	9,682,226.14	3,343,110,378.00	.89	.29
National, Hartford	2,000,000.00	17,559,715.73	11,637,565.44	5,922,150.29	1,880,961,991.00	.93	.31
Orient, Hartford	1,000,000.00	4,030,146.21	1,992,964.57	2,037,181.64	343,708,628.00	1.17	.59
Phœnix, Hartford	3,000,000.00	16,503,963.37	6,747,898.58	9,756,064.79	1,209,168,485.00	1.36	.81
Security, New Haven	1,000,000.00	4,480,437.66	2,649,692.60	1,836,745.10	463,255,218.00	.97	.40
Standard, Hartford	750,000.00	1,524,128.43	634,964.46	889,163.97	120,522,754.00	1.26	.74
Totals	$ 17,250,000.00	112,925,305.87	63,821,301.60	49,104,004.27	10,367,328,554.00	1.09	.47
Stock Co's of Other States							
Agricultural	$500,000.00	$5,043,432.34	$2,554,291.28	$2,489,141.06	$441,460,700.00	1.14	.56
Albany	250,000.00	1,100,806.43	372,176.09	788,630.34	69,865,103.00	1.66	1.13
Allemannia	200,000.00	1,988,386.79	935,542.07	1,052,844.72	171,471,891.00	1.16	.61
Alliance	750,000.00	3,100,838.64	1,600,838.64	1,500,000.00	144,545,991.00	2.15	1.04
American, N. J	1,000,000.00	11,285,223.17	6,333,795.71	4,951,427.46	1,044,394,937.00	1.08	.47
American Central	1,000,000.00	4,142,833.03	2,110,098.30	2,032,735.57	357,176,967.00	1.16	.57
American Druggists'	200,000.00	480,318.16	92,550.90	387,767.26	16,157,571.00	2.97	2.40
American Eagle	1,000,000.00	2,880,851.04	757,214.28	2,129,637.36	62,697,953.00	5.49	4.05
Assurance Co. of America	200,000.00	841,474.82	277,722.76	563,752.06	45,769,873.00	1.84	1.23
Boston	1,000,000.00	8,184,478.50	4,502,190.70	3,682,287.80	501,899,839.00	1.63	.73
Buffalo-German	400,000.00	3,387,572.49	959,854.51	2,407,717.98	166,675,627.00	2.02	1.45
Caledonian-American	200,000.00	270,646.06	14,837.88	255,808.18	2,762,513.00	9.80	9.26
Camden	800,000.00	3,865,719.60	2,173,299.14	1,692,420.46	359,674,780.00	1.07	.47
Capital	300,000.00	926,143.23	365,908.88	560,234.35	44,305,065.00	2.09	1.26
Citizens	200,000.00	715,444.79	211,351.22	504,093.57	24,708,339.00	2.90	2.04
City of New York	583,200.00	1,641,966.50	757,948.96	884,017.54	138,436,969.00	1.19	.64
Colonial Assurance	200,000.00	674,109.65	245,402.98	428,706.67	38,538,698.00	1.75	1.11
Commerce	200,000.00	841,615.89	280,000.51	561,519.38	53,115,887.00	1.58	1.06
Commercial Union	200,000.00	1,327,048.74	765,006.49	502,042.25	130,277,602.00	1.02	.43
Commonwealth	500,000.00	3,338,189.74	1,477,206.97	1,860,982.77	243,568,365.00	1.37	.76
Concordia	600,000.00	2,587,558.08	1,572,389.53	1,015,168.55	250,622,214.00	1.03	.41
Continental	10,000,000.00	34,093,874.47	11,811,038.23	22,282,836.24	2,006,415,275.00	1.70	1.11
County Fire	400,000.00	985,794.81	381,848.33	603,946.48	42,617,208.00	2.31	1.42
Detroit	500,000.00	2,499,751.55	874,494.08	1,625,257.47	145,180,681.00	1.72	1.12
Detroit National	389,350.00	038,997.28	177,152.45	461,844.83	27,991,156.00	2.28	1.05
Eagle	200,000.00	502,118.76	185,357.37	316,761.39	27,101,147.00	1.85	1.17
Equitable	500,000.00	1,356,651.42	385,620 65	971,030.87	59,452,735.00	2.28	1.63
Fidelity-Phenix	$2,500,000.00	$19,219,357.62	$9,703,732.63	$9,515,624.99	$1,562,669,273.00	1.23	.61
Fire Association	750,000.00	10,046,848.04	6,757,913.18	3,288,934.86	998,120,169.00	1.01	.33
Fireman's Fund	1,500,000.00	13,445,953.99	8,059,761.49	5,386,192.50	958,678,780.00	1.40	.56
Firemen's	1,250,000.00	7,707,543.85	4,007,748.92	3,699,794.93	768,418,000.00	1.00	.48
First National Fire	911,305.00	1,743,996.83	665,823.34	1,078,173.49	77,909,910.00	2.24	1.38
Franklin, Pa	500,000.00	2,391,125.71	1,409,072.83	982,052.88	106,414,188.00	2.25	.92
German Alliance	400,000.00	2,098,366.94	628,767.72	1,469,599.22	104,391,571.00	2.01	1.41
German American	2,000,000.00	23,713,477.96	10,954,055.67	12,759,422.29	2,046,111,908.00	1.16	.62
German Fire	300,000.00	1,113,924.80	594,953.79	518,971.01	112,761,158.00	.99	.46
Germania	1,000,000.00	8,552,382.85	4,222,485.60	4,329,897.25	793,110,057.00	1.08	.55
Girard	500,000.00	2,330,388.56	1,190,628.16	1,139,760.40	122,533,381.00	1.90	.93
Glens Falls	500,000.00	6,413,771.65	3,541,925.76	2,871,845.89	603,301,254.00	1.06	.48
Globe and Rutgers	700,000.00	13,790,133.26	6,839,942.71	6,950,190.55	716,900,946.00	1.92	.97
Granite State	200,000.00	1,335,190.49	815,691.52	519,504.97	119,509,593.00	1.12	.43
Hanover	1,000,000.00	4,921,188.55	3,015,107.65	1,906,080.90	525,963,714.00	.94	.36
Home	6,000,000.00	40,263,879.55	21,395,766.42	18,868,113.13	3,192,491,945.00	1.26	.59
Humboldt	300,000.00	1,604,117.07	1,021,710.13	582,406.94	183,223,613.00	.88	.32
Imperial	200,000.00	959,530.49	459,263.13	500,267.36	91,350,968.00	1.05	.55
Ins. Co. of North America	4,000,000.00	23,792,493.82	14,792,496.82	9,000,000.00	1,507,167,180.00	1.58	.60
Ins. Co. of State of Penn	1,000,000.00	4,658,595.39	3,256,241.73	1,402,353.66	371,565,827.00	1.25	.38
Liverpool & London & Globe	400,000.00	1,284,695.93	459,205.66	825,490.27	74,016,186.00	1.74	1.12
Maryland Motor Car	300,000.00	498,920.59	139,280.01	359,640.58	10,461,321.00	4.77	3.44
Massachusetts	500,000.00	1,632,135.62	871,924.25	760,211.37	105,291,511.00	1.55	.72
Mechanics	250,000.00	1,512,914.99	858,335.38	654,579.61	112,830,015.00	1.34	.58
Mechanics and Traders	300,000 00	1,608,029.69	690,838.97	911,190.72	113,896,524.00	1.41	.80
Mercantile Ins. Co. of Amer	1,000,000.00	3,241,974.14	1,133,539.46	2,108,434.68	195,747,104.00	1.66	1.08
Merchants	400,000.00	1,827,740.63	801,233.36	1,026,507.27	95,561,801.00	1.91	1.07
Michigan Commercial	400,000.00	1,178,606.04	566,363.05	612,242.99	78,100,750.00	1.51	.78
Michigan F. and M	400,000.00	1,665,929.25	873,452.87	792,476.38	149,936,431.00	1.11	.53
Milwaukee Mechanics	1,000,000.00	4,659,805.92	2,606,099.55	2,053,796.37	463,027,957.00	1.01	.44
National-Ben Franklin	$1,000,000.00	$3,617,839.93	$2,045,277.68	$1,572,562.25	$361,069,456.00	1.00	.44
National Brewers'	200,000.00	349,948.53	17,275.39	332,673.14	3,800,571.00	9.21	8.75
National Union	1,000,000.00	4,432,172.85	2,675,910.69	1,756,262.16	440,382,514.00	1.01	.40
Newark	500,000

Transit Insurance a Commercial Necessity

POLICY SUPPLEMENTS BILL OF LAND COVERAGE

E. H. Ferguson, Adjuster, Outlines Why Full Protection is Necessary to Shippers

The Eastern Underwriter is in receipt of several inquiries regarding transit insurance, and in response to its request E. H. Ferguson, adjuster of transit claims, has prepared the following article on that subject:

"Many merchants and shippers believe that they are protected in full by the provisions of the standard bill of lading and this feeling has perhaps been augmented by their experiences with the various railroads. But more and more they are coming to realize the extent of its limitations and the necessity for full coverage. Only a few underwriters and brokers, however, have taken advantages of conditions to enter this field for new business.

"Only a few moments before this writing I was talking with one large shipper who acknowledged that a large factor influencing him to carry fire insurance on his merchandise was the financial assistance rendered as well as the protection in the event of a loss. Carrying a large stock, he was of course liable to a heavy loss but he had not considered before the fact that he had in transit, practically at his own risk, the same amount of goods when moving his merchandise to his customers. I asked him what would happen, for instance, on one day's shipment in the regions where any of the spring floods that occur all over the country from time to time, and the shipment was lost. I found that this was a feature that never before had been brought to his mind. He was aware that in order to have full insurance on express shipments, under an express bill of lading, he was obliged to specifically declare the market or invoice value of his merchandise and to be particular to see that the merchandise was so receipted for by the express company. But he did not know that public carriers were by law exempt from liability for 'acts of God.' He did not know that he could have full protection at a reasonable annual charge to cover the shipments by express companies without being obliged in each instance to see that the market or invoice value was declared in the bill of lading. He had not considered the instances of dishonest drivers stealing a case or part contents of a case but also whole truck loads involving far more than the average loss by fire.

Coverage of Policy

"While the transit policy as issued by the companies is to a great extent a contract of service, relieving the shipper of the necessity and expense of pressing his claim against the common carrier, it also provides coverage against losses that the common carriers are exempted from by statutory law. Among these are 'acts of God.' Such acts include fire, lightning, tornado, windstorm, high water and other causes beyond human control.

"Many merchants carry fire, sprinkler leakage and water damage insurance for the financial credit as well as the reimbursement in the event of a loss. As a large percentage of an active merchant's stock is in transit between himself and his buyer, transit insurance will also help his credit. Many manufacturers and merchants sell f. o. b. at a certain point and most of them like to provide insurance for their buyers free of charge. It is an added inducement to the sale. Or, they can offer it at a nominal charge always cheaper than is charged by the carrier.

"A practice exists among small shippers to declare a lesser value than the shipment is actually worth to secure a lower rate. The declared value is the maximum amount collectible in event of loss. A transit policy gives full coverage and eliminates any motive for under-valuation.

"The average public truckman is not financially able to pay for the loss of entire truckload of say silks or woolens and yet merchants unhesitatingly trust them to transport their goods to the place of shipment intact. This is a source of great loss to shippers generally.

"Millions of dollars in claims are decided by the courts in favor of the shippers. The average cost per suit is greater than the premium for a transit insurance policy and yet there are thousands of shippers who annually sue the carriers for small losses which, before decided, have eaten up in court costs more than was received in settlement.

Court Decisions Unavailable

"The decisions of the courts in construing the liability under tariff classifications, which are filed with the Interstate Commerce Commission or with the Public Service Commissions of the different States, are practically unknown to any but the closest students of transportation regulations. Yet, when a loss has been sustained, the shipper then realizes he is without protection. Recently, for instance, the United States Supreme Court decided that where property in interstate shipment has been forwarded at an agreed value per 100 pounds the carrier was liable only proportionately for the property lost or damaged. Merchants applying themselves to the mercantile lines with which they are familiar will not be aware of this until too late.

"Already at least one express company has interpreted this decision of the United States Supreme Court to apply to shipments valued at $50 or 50 cents a pound when in excess of 100 pounds and these holding their liability to be $10 for two packages lost from a shipment of five packages upon which a value of $50 has been placed.

"It is gratifying to see that underwriters are beginning to realize this field has been neglected and beneficial results must follow to the shipper as well as to the underwriter. If a shipper requires fire insurance to protect himself in the event of disaster, little less does he require protection against disaster on shipments in transit. It is a matter of common knowledge, immense losses were sustained recently in the Middle West, in our own State, and closer still in our own city, when the rainfall was so heavy that our sewerage system could not prevent overflow into railroad docks, causing much damage to goods lying on the floor of the dock.

"I recently was called upon to investigate the instance of a package valued at $650 which was forwarded by an agent of the shipper direct to the latter's customer. I learned that another customer received the merchandise through error of the public carrier and consequently the consignee declined to pay for the merchandise as it was to be delivered to him.

"Pursuant to a decision from the Court of Appeals of New York State, the liability of the express company was limited to the declared value of $50 or 50 cents per pound and the shipper found himself in the position of being obliged to prosecute his claim against another customer who would neither admit nor deny and who refused to remit for the merchandise without litigation. Needless to say that shipper has his policy of protection now."

BROKERS ACTIVITIES

Doremus & Co.

That the "wildcats" maintained by a certain type of surplus line broker "die hard" was evidenced in San Francisco last week when a broker there received a policy written by the Equity Mutual Fire of Iowa. The policy came from Doremus & Co., a New York firm specializing in surplus lines, and was for a cover on a suburban hotel line. The Equity Mutual Fire, according to the "Underwriters' Report," failed to pay a $4,000 hotel loss in Southern California.

* * *

Non-Board Broker Lands Big Line

The California Wine Association line, concerning which there was so much comment a year ago, has been landed by Leo Pockwitz, a non-Board San Francisco broker. This line is one of the largest in the West and the business has been the source of sharp competition on the part of brokers for some time.

* * *

Delay in Collecting Interinsurance

According to the Baltimore Underwriter the Lumber Mineral Company of Arbo, Miss., is having difficulty in collecting a loss from certain interinsurers. The fire occurred on May 11, 1916, and is still unpaid, the insured being forced to sue. It is alleged that various legal technicalities are being raised to avoid payment. This seems to be similar to the Forest Mills Lumber case in British Columbia.

* * *

Delion Loss Exaggerated

The Delion Tire Co., loss in Trenton last week which was reported by the daily papers to have been about $1,000,000 and of incendiary origin, was really only $3,000 and caused by an explosion of chemicals.

* * *

More Anti-Floater Action

Additional boards taking action against the mercantile floater follow: St. Paul, Minneapolis, Taunton, South Norwalk.

An office with an established Agency Plant in Eastern Pennsylvania could use two good Fire Insurance Companies.

Address "PENNSYLVANIA"

Care of The Eastern Underwriter
105 William Street, New York, N. Y.

A. K. BOUGHNER & CO.
INSURANCE AGENCY
Fire Automobile
NEWARK AND VICINITY
Brokerage Business Solicited
38 Clinton Street, Newark — 95 William Street, New York

ARTHUR C. SWINTON
1 Liberty Street GENERAL AGENT New York City
FIRST NATIONAL FIRE INSURANCE CO.
Washington, D. C.
New York Suburban and New Jersey
Exceptional Reinsurance Facilities Local Agents' Interests Protected

"The Leading FIRE INSURANCE Company of America"
ÆTNA INSURANCE CO. HARTFORD, CONN.
Explosion and Sprinkler Leakage Insurance
WM. B. CLARK, President

THE HANOVER
FIRE INSURANCE COMPANY
Incorporated 1852
The real strength of an insurance company is in the conservatism of its management, and the management of THE HANOVER is an absolute assurance of the security of its policy.
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FRED. A. HUBBARD, Vice-President
E. S. JARVIS, Secretary
WILLIAM MORRISON, Asst. Sec'y
HOME OFFICE
Hanover Bldg., 34 Pine St.
NEW YORK
HOWIE & CAIN, General Agents
Metropolitan District
100 WILLIAM STREET, NEW YORK

THE LEADING FIRE COMPANY OF THE WORLD
ROYAL INSURANCE COMPANY LIMITED
[of Liverpool, England]

BRITISH AMERICA
ASSURANCE CO.
Incorporated 1833
(FIRE AND INLAND MARINE)
Head Office, Toronto, Canada
United States Branch
January 1, 1917

Assets	$1,936,279.77
Surplus in United States	823,964.59
Total losses paid in United States from 1874 to 1916, inclusive	24,669,753.43

W. R. BROCK, President
W. B. MEIKLE, Vice-Pres. & Gen. Mgr.

207th Year
SUN
INSURANCE OFFICE OF LONDON
FOUNDED 1710
UNITED STATES BRANCH:
54 Pine Street - New York
WESTERN DEPARTMENT:
76 WEST MONROE ST., CHICAGO.
PACIFIC DEPARTMENT:
N. W. Cor. Sansome & Sacramento Sts.
San Francisco, Cal.

Conference Rates For Explosion Insurance

(Continued from page 1.)

ularly large lines were offered from Atlantic City and similar coast resorts, while in Morristown, N. J., (just to give one city away from the Coast) there was a tremendous demand, even lawyers and merchants wanting the indemnity. Most brokers accepted all of this business they could get, although one of the leading brokerage houses in the country advised its clients against taking out this insurance, saying that it was money wasted.

Early in the week the Queen announced that it would not accept bombardment risks.

Favorite Clause With Brokers

Brokers as a rule used the following clause:

Against the risk of loss and / or damage to the property hereby insured directly caused by War, Rioters, Strikers, or persons taking part in Insurrections and/or Rebellions or any person or persons of malicious intent, and / or Explosion of any nature other than Boiler Explosion.

No claim to attach hereto for delay, deterioration and/or loss of market, or for confiscation or destruction by the Government of the country in which the property is situate.

Only to pay hereon if not recoverable under any other existing policy of insurance.

No cancelling and no return of premium for short interest.

AVERAGE CLAUSE.

It is expressly stipulated and made a condition of this contract that the Underwriters shall be liable for no greater proportion of any loss than the amount hereby insured bears to Twenty-five per cent. (25%) of the actual cash value of the property described herein at the time that such loss shall happen.

Policies are written under this form by the month at the following rates:

Per cent. co-ins.	Rate per month.
100	12½ cents
80	15 cents
50	20 cents
25	33 1-3 cents

After the War

Fire underwriters say that after the war there will be a tremendous amount of explosion and strike insurance written under the broader powers granted the fire insurance companies.

The Connecticut law was amended last week to add "loss by war" to the hazards that may be covered by insurance, the bill being rushed through both houses. During the week the Automobile Insurance Company issued new war risk forms and rates.

Explosion rates and conference form as promulgated this month are shown by the following letter sent by one leading company to its agents:

TO OUR AGENTS:

Policies cover property damage due to explosions of every name and nature except from boilers and flywheels originating within such apparatus, which insurance is covered by casualty companies only. Use and occupancy prohibited by this Company.

POLICIES

All policies are issued at the New York office, 56 Cedar Street. Quotations will be made on receipt of specific information as to the identity of the risk (with map location if possible) and the nature of the cover desired. Binders are issued by telegraph on acceptance of the business.

COMPENSATION

Commission or brokerage is 10% subject to an additional 5% to agent signing the policy.

RATES

The minimum rates quoted herein (per $100 insurance for one year) are for policies written under the form described herewith and subject to change only as follows:

1. Eliminations from Conference form:
   The words "Occurring on the premises" charge 25% additional.
   "Inherent Hazard Clause":
   In the case of dwelling houses and mercantile risks charge 2½c. additional.
   In the case of machine shops and foundries of the 35c. class 2½c. additional, and the 50c. class 5c. additional.
   All other classes should be submitted to the Rating Committee for attention, save in the case of specifically rated risks.
2. Exclusions:
   The minimum rates quoted contemplate the inclusion of all buildings and all contents unless otherwise specifically provided and any form excluding buildings or parts of buildings, or contents or parts of contents, should be submitted for specific rating.

Term Rule:

Dwelling and mercantile buildings may be written for a period of three years at two and one-half times the published rates.

Other classes for annual term only.

WATCHING SERVICE.

See form of policy for warranty. Extraordinary watchman service is understood to be maintained, including armed guards, fenced premises and close supervision of employes and outsiders where deemed necessary.

Watchman warranty not required on dwellings or mercantile buildings.

We are enclosing sample policy, which is uniform with all companies writing this class of business, thus avoiding non-concurrency as to terms.

If you are in position to develop any of this class of business or desire any further particulars, please advise.

General Class Rates

20c. Rate.—Applies to asylums, banks, chapels, buildings occupied for charitable purposes, churches, clubhouses, colleges, dwellings, barns, hospitals, hotels, offices (not appurtenant to manufacturing plants), public libraries, schoolhouses, buildings occupied for society purposes, studios, mercantile buildings (not occupied for storage or sale of war materials or goods). Policies to contain warranty that no manufacturing shall be done on the premises.

35c. Rate.—Applies to manufacturing plants except of the 50c. and 2 per cent. classes below:

Note a.—Does not apply where plant consists of substantially only one building besides boiler house.

Note b.—Does not apply to plants where less than the entire plant is to be covered.

50c. Rate.—Covers acid factories, such as acetic, muriatic, nitric and sulphuric where no considerable normal explosion hazard exists. Warranty embodying all commodities manufactured, part of policy. (See also heading "Single Building manufacturing plants.")

$2.00 rate ($1.50 with explosion clause).—To cover benzole, picric acid and other high explosive plants, including plants having a normal explosion hazard.

Explosion Clause

This Company shall not be liable for any loss caused by explosion originating from any of the materials and/or processes incidental to the business of the assured.

70c. Rate.—To apply to all risks not embraced in the preceding classes, and also to apply to all plants where certain buildings are selected for cover of the policy, leaving the greater part of the plant uncovered. (See notes a and b above.)

Special Class Rates

Buildings and contents occupied by several tenants for light manufacturing:

Base rate	.25
Charge for the removal of the inherent hazard clause	.05
Charge for removal of the words "occurring on the premises"	.05
	.35

Chemical Warehouses.—Chemical and wholesale drug warehouses not in connection with factories:

Base rate	.20
Charge for the removal of the inherent hazard clause	.11
Charge for removal of the words "occurring on the premises"	.05
	.36

Subject to harbor charge for storehouses, viz.:

Within 500 feet of bulkhead line (under 200 feet 9c., otherwise 4c.) as the case may be.

Floating policies covering property located in New York harbor 3 per cent, subject to standard co-insurance clause for floating policy.

Flour Mills.—Flour mills generally, representing more than one building:

Base rate	.50
Charge for removal of the inherent hazard clause	.15
	.65

Gas Works.—Conference has relinquished jurisdiction for the present.

Grain Elevators.—Blanket policies over more than one elevator not permitted. Specific amounts must be placed in and/or on each elevator.

1. Fireproof including tanks of steel or concrete construction.

Building and contents:

Base rate	.50
Charge for removal of inherent hazard clause	.15
Charge for removal of the words "occurring on the premises"	.10
	.75

2. All other grain elevators:

Base rate	.70
Charge for removal of inherent hazard clause	.15
Charge for removal of the words "occurring on the premises"	.10
	.95

Ice manufacturing and refrigerating:

(A) Compressor system of refrigeration.
(a) Contents only.
(B) Absorption system of refrigeration.
(b) Contents only.

	(A)	(a)	(B)	(b)
Base rate (building, mach'ry and stock)	.35	.35	.35	.35
Add for removal of inherent hazard clse.	.10	.10	.15	.15
	.45	.45	.50	.59
Add for stock (only) when assuming refrigerating damage liability in case of disruption of system subject to the following clauses..		20		.20
		.65		.70
Deduct when policy form contains the following warranty of maintenance of duplicate refrigerating system, i. e..		.05		.05
	.45	.60	.50	.65

"This insurance being otherwise against only direct loss or damage by explosion, in consideration of additional rate charged, this Company also assumes liability (not exceeding the amount of this policy remaining after the liability of this Company for any direct loss or damage has been determined) for any loss or damage to the property described while contained in the above named building or buildings caused by change of temperature, resulting from the total or partial destruction or disablement of the cooling apparatus, connections or supply pipe by explosions occurring in the above described building or buildings."

"This policy being written at a reduced rate based upon the maintenance of a duplicate system of refrigeration, the capacity of which shall be equal to the regular working unit, it is a condition that said duplicate system shall be available at all times as an auxiliary to the original or working unit and that in so far as the maintenance of said duplicate refrigerating system is under the control of the assured due diligence shall be used by the assured to maintain same and that no change

The Phœnix Insurance Co.

OF HARTFORD, CONN.

January 1st, 1917

CASH CAPITAL $3,000,000.00

ASSETS.

Cash on Hand and in Bank	$865,635.57
Cash in hands of Agents and in course of transmission	1,192,810.33
Stocks and Bonds	13,589,815.84
Real Estate	500,027.44
Loans on Real Estate	115,280.00
Collateral Loans	100,000.00
Accumulated Interest and Rents and other Claims	109,746.40
Reinsurance due on Paid Losses	30,647.79
TOTAL CASH ASSETS	$16,503,963.37

LIABILITIES.

Cash Capital	$3,000,000.00
Reserve for Outstanding Losses	490,168.68
Reserve for Re-Insurance	5 996 729.90
Reserve for Contingencies and all other Liabilities	261,000.00
NET SURPLUS	6,756,064.79
	$16,503,963.37

Surplus to Policy-Holders $9,756,064.79

Total Losses Paid since Organization of Company

$84,500,583.03

EDWARD MILLIGAN, President.

GEO. M. LOVEJOY, Vice-President. JOHN B. KNOX, Secretary.
THOMAS C. TEMPLE, Secretary. GEO. C. LONG, JR., Secretary.
THEO. F. SPEAR, Ass't Secretary. HENRY P. WHITMAN, Ass't Sec'y.
FRED. C. GUSTETTER, Ass't Sec'y. EDWARD V. CHAPLIN, Ass't Sec'y.

GEORGE H. TYSON, General Agent Pacific Department, San Francisco, Cal.
J. W. TATLEY, Manager Canadian Department, Montreal, Canada.

AGENTS EVERYWHERE

shall be made in said duplicate refrigerating system without the consent of the Company in writing. Failure to fully comply with this condition shall render this policy null and void."

Mercantile buildings and contents .20

Newspaper printing plants:

Base rate ..... .40

Charge of removal of inherent hazard clause ..... .02½

.42½

Piers.—New York Harbor, buildings and contents: 1.70 with 50 per cent. clause; 1.30 with 80 per cent. clause; elsewhere 1 per cent. with 50 per cent. co-insurance clause.

Policies covering pier buildings to contain the following warranty "No explosives (including gun cotton) and no form of ammunition, other than small arms, ammunition and shrapnel without fuses or propelling charges, shall be stored or handled in the above described building."

Rents.—50 per cent. co-insurance clause, building rate, with full annual rent clause. With form covering occupied portions only, 25 per cent. may be deducted from this rate.

Single Building Manufacturing Plants.—A plant consisting of one manufacturing building outside of boiler house 50c.

Conference form 50 per cent. co-insurance clause. This rule does not apply when less than an entire plant is covered.

Storage Stores or Warehouses:

1. Public (New York City).

Buildings and contents of "Listed Stipulated Stores," located 500 feet from bulkhead:

Base rate ..... .20

Charge for removal of clause "from explosion occurring on premises" .05

Charge for removal of inherent hazard clause ..... .01

.26

Harbor charge ..... .04

.30

Listed stipulated storage stores, 200 feet or less from bulkhead:

Base rate ..... .20

Charge for removal of clause "Loss caused through explosion occurring on the premises" ..... .05

Explosion or harbor clause ..... .09

Charge for removal of the inherent hazard clause ..... .01

.35

Note: These quotations are based upon the use of an 80 per cent. co-insurance clause, and in the event of policies carrying a 50 per cent. co-insurance clause, to determine rate for the latter multiply by 132.

2. Private.

Located 500 feet from bulkhead, the basis of rating for New York stipulated warehouses is adopted as the basis for rating all private or public warehouses containing merchandise usually contained in a stipulated warehouse except that when such buildings are located more than 500 feet from the bulkhead line, the harbor charge of 4c. may be waived. (See also storage stores.)

Conference Form

$.....On all buildings of their manufacturing plant, including chimneys, ...
.....
also sprinkler tank and fixtures, and yard hose houses, all situate.....
.....
and on contents thereof (except accounts, bills, currency, deeds, evidences of debt, money, notes or securities) therein or on premises above described, through explosion (excluding boiler and/or flywheel explosions originating within said apparatus), occurring on said premises.

This policy also covers machinery or stock belonging to others which the assured are under obligations to keep insured; also machinery or stock consigned to them or held by them in trust or on commission, or sold but not delivered by being removed; but this policy does not cover machinery or stock on which there is a specific insurance.

This Company shall not be liable for any loss caused by explosion originating from any of the materials and/or processes incidental to the business of the assured.

It is warranted by the assured and made a condition of this contract that constant night watchman service shall be maintained; furthermore, that at times when plant is not in operation constant day watchman service shall be maintained during the life of this policy.

Other insurance permitted without notice until requested.

This policy does not cover any automobile which may be within the premises of assured.

Fifty Per Cent. Clause

In consideration of the rate and form under which this policy is written, in the event of loss this Company shall be liable for no greater proportion thereof than the amount hereby insured bears to 50 per cent. of the actual cash value of the property described herein at the time when such loss shall happen, nor for no more than the proportion which this policy bears to the total insurance thereon. In the event that the aggregate claim for any loss is both less than $10,000 and less than 5 per cent. of the total amount of insurance upon the property described herein at the time such loss occurs, no special inventory or appraisement of the undamaged property shall be required. If this policy is divided into two or more items, the foregoing shall apply to each item separately.

Attached to and forming part of policy No. ..... of the .....
of .....
.....
Agent.

Note: Co-insurance or contribution clause 50 per cent. mandatory. Allowance from 50 per cent. rate of 25 per cent. for the use of the 80 per cent. clause, or 33 1-3 per cent. for the use of the 100 per cent. clause.

BROKERS!
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Representing
DUBUQUE FIRE AND MARINE INSURANCE CO.
Excellent Facilities for Handling Suburban and Out Of Town Business
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Agricultural Insurance Company of Watertown, N.Y.
64th Annual Statement
Assets $5,036,003.01
Liabilities 2,296,861.95
Capital 500,000.00
Conflagration Surplus 250,000.00
Surplus to Policyholders 2,739,141.06
F. F. BUELL, Troy, N. Y., Special Agent.....NEW YORK STATE
E. J. PARMELEE, Syracuse, N. Y., Special Agent..NEW YORK STATE
GEORGE SHAW, 116 Milk St., Boston, Special Agent..NEW ENGLAND
F. L. GILPIN, JR., 422 Walnut St., Phila., Special Agent.MIDDLE DEPT.

Rossia Insurance Company
HARTFORD, CONN.
REINSURANCE

FIRE ASSOCIATION Of Philadelphia
401-405 WALNUT ST.
Organized 1817 Incorporated 1820 Charter Perpetual
Cash Capital $750,000 Assets $10,046,848.04
E. C. IRVIN, President T. H. CONDERMAN, Vice-President
J. B. MORTON, 2nd Vice-Pres. M. G. GARRIGUES, Sec. and Treas.
R. N. KELLY, Asst. Sec. and Treas.

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Assistant Secretaries
JAMES H. BREWSTER, Mgr.
Hartford, Conn.
A Broad Underwriting Service to Agents
Writes Fire, Automobile, Rent, Sprinkler Leakage, Tornado, Use and Occupancy, Explosion, etc.
Works in Harmony with American Agency Principles and Practices

Firemen's Insurance Co., Newark, N. J.
January 1, 1917
Cash Capital $1,000,000.00
Net Surplus $2,453,008.62
SURPLUS TO POLICYHOLDERS..$3,703,008.62
DANIEL H. DUNHAM, President
JOHN KAY, Vice-President and Treasurer A. H. HASSINGER, Secretary
NEAL BASSETT, Vice-President J. K. MELDRUM, Assistant Secretary

CASUALTY AND SURETY NEWS

How Courts Decide Compensation Cases

DECISIONS GIVEN IN NEW BOOK OF 400 PAGES

Who Is Covered and Who Isn't—Odd Twists and Turns of Law

The Department of Labor, State of New York, has issued an interesting volume of court decisions on the Workmen's Compensation Law. The book is 400 pages long. From July 1, 1914 to January 1916 there were 60,000 claims and agreements. Less than 300 were appealed from the commission to the courts up to January 1, 1916. By far the greater part of attention and time demanded of the courts and the commissions were problems of coverage. There will be another new batch of decisions following the new act, which became effective June 1, 1916.

The new book begins with the history of the constitutionality of the act. Under Coverage the first decision is to the effect that the law of compensation and the law of negligence apply to the accidental injuries.

Injuries of employes during absence from duty.—The Workmen's Compensation Law does not apply to employes continuously. It ceases to protect workmen and the law of negligence takes its place during such periods as they may not be at work. If employer and employe, for health or pleasure, are operating each his own motor vehicle on a highway and the employer injures the employe in a collision, the employe's only remedy is an action for negligence. The accidental injuries for which workmen receive compensation must arise out of and in the course of their employment. Here the Workmen's Compensation Commission and its successor, the State Industrial Commission, have had to decide legal controversies. Just where and when, as a man quits work at night, or comes to work in the morning, does his employment cease or begin? What of lunch intervals and other pauses in his work?

The Workmen's Compensation Commission decided that the dependents of a street railway motorman who, having finished his day's run, was mortally injured by an automobile while hurrying from the car barn to catch one of the company's cars to the city to get his watch tested in accordance with the company's rules, was entitled to compensation. The Appellate Division, in reversing this award, pointed out that the employe had ceased his hazardous occupation as motorman, had signed his name to the register as indicative that his day's work was over, had passed out of the car barn and had reached the middle of the public highway when he was struck by the automobile. The court said that the immediate errand upon which he was bent, having his watch tested in accordance with the company's rules, was not an incident but a condition of his employment.

A conductor returning to work on one of his employer's street cars was struck and killed by a passing car upon alighting at the car depot. The Appellate Division reversed an award of the Commission and dismissed the claim.

A young woman started home from her employer's works, mailed some letters for the company and was struck by a train while crossing a railway track. The Workmen's Compensation Commission held that her employment ceased when she had mailed the letters and that she furthermore had no claim for compensation because the mailing of the letters had not caused her to change her homeward route.

A longshoreman, losing an eye in a scuffle during the noon hour, was denied compensation, because at the time of the accident he was outside his employer's gate and his ticket had not been punched in acceptance of his services for the afternoon.

Employe engaged in another and a non-hazardous employment at the time of his injury.—Frank Newman drove a meat delivery wagon, acting both as driver and deliverer, and also delivered meat afoot to places very near his employer's store. While he was carrying a package of meat afoot from the store to a nearby flat, he fell over a pail of broken glass and bled to death from resulting injuries. The court held that the delivery afoot was totally separate from the delivery with the wagon.

Albert Gleisner was janitor of an apartment building. In such general capacity he occasionally repaired its plumbing, covered its pipes with asbestos, did painting and carpentry jobs and operated its steam-heating boiler. He fell and broke his leg while mounting a ladder. According to his own testimony he was on his way to the roof to hang out a flag. This task of hanging a flag may have been incidental to his main occupation of janitor but was not incidental to his plumbing, carpentry or other special hazardous tasks. The occupation of janitor is not among the hazardous employments enumerated in Workmen's Compensation Law, No. 2. Therein Gleisner's case differs from Newman's case, presented immediately above. Newman's main occupation of driver was hazardous under Workmen's Compensation Law, No. 2. The court noted this difference in reversing the Commission's award to Gleisner.

Employe injured while catching a ride along a public highway on a private vehicle belonging to a person other than his employer.—An employe traversing a highway in the course of his employment is entitled to compensation for injury due to ordinary, but not to extraordinary, risks.

The employe is injured by horseplay.—Millie De Filippis, a fifteen-year-old factory girl, lost the use of an eye by the sportive scissors thrust of a girl co-employe. The court held that the accident arose "in the course of" but did not "arise out of" her employment.

Failure to insure.—If the employer has failed to take out compensation insurance, the injured employe may elect either to present a claim for compensation to the Commission or to institute an action for damages in the courts. (Workmen's Compensation Law No. 11).

In Dick v. Knoberbaum, Appellate Term of the Supreme Court in the First Department, the court also held that the amount of damages recoverable against a third party bore no relation to the amount of compensation recoverable from the employer.

New Amsterdam Casualty Company

A Progressive

SURETY AND CASUALTY

Company

Accident due solely to intoxication.—Award of compensation was denied on account of intoxication of the injured employe in the case of a night watchman who was found lying helpless in his employer's plant and who died the day following; Butler v. Sheffield Farms, and in the case of a night watchman who incurred a scalp wound from a fall; Minnaugh v. Brooklyn Union Gas Co.

Cases in which awards have been made have presented the question of alcoholism on the part of the injured employes. A keg, rolling off a brewery wagon, struck the driver in the leg. He was taken to a hospital and died nine days later of delirium tremens and alcoholic meningitis. Award was made to his dependents.

When the injury is attributable to another not in the same employ and the injured employe has made claim for compensation and received an award, he cannot thereupon bring an action against the third party for damages. "There should not be double satisfaction for the same injury." The plea that he has received compensation is a good defense in an action for negligence, notwithstanding that compensation come through insurance and that compensation and damages are determined by different data.

In two decisions handed down on the same day, November 10, 1915, the Appellate Division made an interesting, important and somewhat unexpected application of the "pecuniary gain" clause. It denied compensation in Mihm v. Hussey to a shipper, a regular employe, whose fingers had been crushed while he was tiering barrels of vinegar in the private storehouse of his employer, a wholesale produce merchant, and in Bargey v. Massaro Macaroni Co. to the widow of a carpenter, a temporary or casual employe, killed in the collapse of a factory building while he was at work upon a partition. The court held in each case that the employer was not carrying on for the "pecuniary gain" of the statute the work in which his employe sustained the injury.

Injured employe working solely in employment not covered by Workmen's Compensation Law No. 2, though for employer so covered.—The Rheinwald, Mihm and Bargey decisions may profitably be compared with the decision in Aylesworth v. Phoenix Cheese Co. The Appellate Division handed down the Aylesworth decision on the same day with the Mihm and Bargey decisions. Aylesworth's fingers were frozen. He was harvesting ice for a cheese factory. He was not, and had not been, one of its cheese-making employes. The court held that his case lay entirely without the hazardous employment of making cheese and solely within the non-hazardous employment of harvesting ice.

The work is incidental.—Even an employe not at the moment of injury engaged strictly in his hazardous occupation may have compensation. Given the fact that he has an occupation hazardous under Workmen's Compensation Law No. 2, his occupations incidental thereto are to be regarded as hazardous. This, though they may not be hazardous when standing independent and alone.

The employe is injured while coming to, or leaving work.—Even when an employe is injured while coming to, or leaving work, he may have compensation.

A subway shorer who had reported late and had been suspended by his boss fell from a footpath and was killed while leaving the work and going to an exit. The Appellate Division upheld a compensation award.

The injury consists in poisoning.—An employe accidentally poisoned may have compensation when the poisoning arises out of his employment. Poisoning is an accident under certain circumstances, such as unconscious contact with a poisonous plant, the taking of poison by mistake, the sudden bite of a poisonous reptile or insect, envelopment in poisonous fumes. The direct results of poisoning may be classed as infection or disease, though sources of definition are meagre upon the point. A section hand who was mowing a railroad right of way came in contact with poison ivy. The poisoning led to congestion of his lungs which resulted in his death.

The injury is due to assault.—Even when his injury is due to an assault an employe may have compensation.

The Appellate Division on June 30, 1916, affirmed without opinion an award for injury to an employe's finger in a quarrel with a fellow workman.

The injury is caused by a machine owned and regulated by the injured employe.—An employe injured by a machine owned and regulated by himself may have compensation. A worker upon granite monuments used his own motor cycle not only in traveling between his home and employer's premises but in traveling between his employer's premises and the place of his jobs. One morning after arrival at his employer's premises he lost the ends of two fingers while cleaning the clutch of his motor cycle in preparation of his day's work.

General Accident

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PICK-UPS

Lesson From Portland

The general contractor for the new public auditorium now under construction in Portland, Ore., has advised the city that he cannot finish the job without financial aid from the city. His bid for the work was over $40,000 lower than his next competitor and it was generally predicted when the contract was awarded that he could never finish the contract. He was unable to secure corporate suretyship for this reason, and was forced to give personal bonds to cover his $320,000 contract. The work is about 65 per cent. completed, and it is estimated there will be a deficit of about $42,000.

* * *

Relieved of Plate Glass "Skate"

Plate glass underwriters are relieved that alterations have been started on the John Street building of the Dennison Manufacturing Company. The risk contained two of the largest bent lights in the city and each year plate glass companies have sought to sidestep the risk.

* * *

Thaw Guardian Bond

The Pittsburgh office of the American Surety Company has just written a $600,000 bond for the guardians of Harry Thaw.

ACTUARIES TO MEET

Paper on Gathering Social Statistics For the Next United States Census

The eighth meeting of the Casualty Actuarial and Statistical Society of America will be held in Boston today. Tomorrow morning there will be an automobile trip over the Paul Revere route to Concord and Lexington.

A paper will be presented at the meeting with reference to necessary or desirable information along the line of social statistics for collection and reporting in the next United States Census. If time allows, a discussion of these needs will follow looking forward toward the appointment of a committee by the Society to present our views to the directors of the Census.

Two of the new fellows of the Society are:—

Charles G. Smith, Assistant Actuary New York Insurance Department.

Ralph H. Blanchard, Instructor in Insurance, Wharton School of Finance, University of Pennsylvania.

CONTINENTAL'S BONUS

President H. G. B. Alexander, of the Continental Casualty Company, has announced that the Company has decided to grant all of its employes earning not exceeding $150 a month and who have been in the Company's employ six months or more, a bonus of 10 per cent. of salary, effective April 1, in recognition of the present high cost of living and on account of extra work required of them by tremendous increases in the business, which for the first quarter of 1917 shows a 30 per cent. increase over the record-breaking increase made in 1916.

CONTRACTORS' BONDS

Three Bills Introduced at Albany of Interest to Surety Insurance Men

There have been three bills introduced into the Senate at Albany, Nos. 1320, 1321 and 1425, being bills amending the general municipal law, the highway law and a canal appropriation law, which bills provide that every bond given by a contractor shall be to the effect that the bond not only guarantee the faithful performance of the work but will guarantee payment to supplymen and laborers for all supplies, materials and labor furnished on the work. Much opposition will be manifested to these bills because they ask more of the surety than ever before. It is all right to bond a contractor for the faithful performance of his work but when a surety company agrees to pay the supplymen for all material put in a job, then this would have a tendency to make a collection agency out of the surety company for supplymen would use no caution or discretion in the furnishing of supplies on public work for they would know a surety company had guaranteed to pay them and they would continue to sell the contractor all he wished for his particular job, knowing they would be protected. It is an absurd proposition when one stops to think that a third party has to step in and protect others beside the owner. The owner (in this case the State) would have its surety bond guaranteeing the fulfillment of the contract and should not be concerned over the claims of outsiders because it retains at least 15 per cent. of the contract until the completion thereof and is not in any way liable beyond the appropriation for the work.

However, if any of these bills ever become a law, it will surely mean that the companies will immediately establish a contractors' underwriting bureau to which every contractor will have to present his financial statement at least once or twice a year and this bureau will place surety limits on contractors the same as the fire bureaus now place on buildings, and no company will be given the privilege of writing over that amount or in fact writing any amount on a contractor without first obtaining the consent of the bureau, to which all surety companies will doubtless be subscribers.

DECIDES EXPENSE QUESTION

Where one surety company sells its business to another under a contract which requires the seller to maintain an agency to aid in transacting the business and to handle it in that State during the year and the contract further provides that the seller shall receive a commission the seller must pay the expenses of agency maintenance and also the salaries of sub-agents, says the Court of Civil Appeals of Texas in a recent case of the Southern Surety Co. against the Western Indemnity Co.

Digested for The Eastern Underwriter by Geo. F. Kaiser, of the New York Bar.

Three Casualty War Provisions

TRAVELERS, PACIFIC MUTUAL, METROPOLITAN

How Foreign Service Emergency is Handled By These Insurance Companies

The Travelers has issued the following letter to its field force, regarding accident and health policies:

The terms, conditions and provisions of the policy contract will govern in each case as respects new accident and / or health insurance issued on or after the third day of April, 1917.

The status of accident and/or health insurance continued in force issued to policyholders prior to April 3, 1917, will depend on the nature and extent of the duty or service performed, and until otherwise advised will be as follows:

Such policyholders will be covered in full while on home guard duty on land or while in military service on land (aviation service excluded) within the United States (territorial possessions excluded), except that in the event of injuries sustained while engaged in repelling an invasion their claims will be subject to pro rata adjustment at the classification for active military or naval service, accident insurance, the annual rate for which is $100 for each $1,000 principal sum and $5.00 weekly indemnity.

Upon engaging in naval service, or upon departure for military service in any of the territorial possessions of the United States or in territory foreign thereto, health insurance, if any, will immediately cease, and the insured will be entitled to return of the unearned premium figured pro rata paid therefor, and claims under accident insurance for injuries however sustained (aviation service excluded) will be subject to pro rata adjustment at the classification for active military or naval service above referred to.

Except under conditions, and to the extent set forth herein, the above advice does not waive or modify any provision in the policy contract or in rider attached thereto or endorsement stamped thereon which bars the right to recover if injuries are sustained outside of certain defined territorial limits, or are caused directly or indirectly by war or by any act of war, or for disease contracted or injuries sustained while in military or naval service.

Pacific Mutual Life

The Accident Department of the Pacific Mutual Life has sent a copy of instructions to all its representatives saying that members of military or naval organizations or men who contemplate joining such organizations are not to be insured, also to make a special inquiry in an effort to learn if the prospective policyholder is a member of any military or naval organization. The instructions read as follows:

Persons who are members of military or naval organizations or who contemplate joining are not to be insured.

Agents should make special inquiry to learn if the prospect is a member of any military or naval organization.

Such persons who are at present insured will not have their accident insurance policies cancelled but claims for accidental injuries resulting in death, disability, or dismemberment and received while exposed to the hazard of a soldier or naval militiaman will be paid for such amount only as the premium paid would have purchased at the rate but within the limits fixed by the Company's Manual of Classification of Risks for the occupation of soldier (in barracks or field service).

The above refers only to accidental injuries. Injuries inflicted by the enemy are intentional and expected, therefore not accidental and not covered by an accident insurance policy.

Army officers of the regular army, either retired or awaiting orders, if called upon for service, should have their policies surrendered as field or war service is not insurable.

Metropolitan Clause

This rider is attached to all forms of disability policies issued by the Metropolitan Casualty Company:

"It is hereby agreed that this policy is issued by the company and accepted by the insured subject to the express understanding and agreement that this insurance shall not extend to or cover any injury (fatal or otherwise) or any loss or disablement which shall result from any accident occurring in any country (Canada and the United States excepted) if at the time of such accident or within three months prior thereto the country in which the accident occurred was at war or in a state of revolution or insurrection, or any accident occurring outside of the limits of the United States and Canada or occurring while traveling by water to or from any foreign land or to or from any of the insular possessions of the United States if, at the time of such accident or within three months prior thereto, either of the following nations were at war, to-wit: Great Britain, Germany, France, Austria-Hungary, Russia, Italy, Japan or the United States; or any accident occurring while the insured is engaged in military or naval service."

AUTOMOBILE INSURANCE

New York and Connecticut

Continental Casualty Company, having entered the above states for the transaction of **Automobile Liability, Property Damage** and **Collision Insurance,** is now open for negotiations for **General Agency** connections in **New York State** (outside the Metropolitan District) and in **Connecticut.**

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Write For Territory

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AGENTS WANTED

CASUALTY AND SURETY POINTERS

When Apartment House Owners Are Held Liable

Insurance brokers frequently have difficulty in convincing owners of apartment and tenement houses that they ought to take out public liability policies covering their properties. They meet with this argument: "Why should I bother about insurance of that kind. My tenants are responsible for repairs, and if any accident happens in the premises they occupy, they are liable. I carry enough insurance now," says "Candor," published by the Commercial Casualty Co.

A brief recital of some of the instances in which such owners have been compelled to pay when accidents have occurred in and about apartment and tenement houses may aid the brokers in meeting this argument, and help them point out to the landlords that their six or eight family tenement and large apartment houses ought to be protected by public liability insurance. These instances are taken from cases decided in our courts, and the rules of law laid down in them are still applicable.

Not long ago there was a case in which a tenant, occupying the top floor of an apartment house, was injured by the falling of the ceiling, caused by its having become moist from water coming from the roof at times of rain and storms. After referring to the well-recognized rule (the one above advanced) that the landlord is not liable for injuries sustained by a tenant or his family or guests by reason of the ruinous condition of the premises demised, the court said: "But it is recognized that this rule does not apply to those portions of his property (such as passageways, stairways, and the like) that are not demised to the tenant, but are retained in the possession or control of the landlord for the common use of the tenants and those having lawful occasion to visit them." And in accordance with this ruling the landlord was called upon to pay for the damage done.

In another case a part of the gutter fell from the roof and caused injuries to a passerby and the same rule was applied.

A man going from the cellar to the first floor of a house while looking through it with a view of purchasing it was hurt when the stairs gave way. The court said that the falling of the stairs in ordinary use raised a prima facie presumption of lack of ordinary care on the part of the defendant, and he (the landlord) had to make good.

In still another case the chimney of a house fell and struck a tenant who was in the yard. The opinion of the court says: "The law is well settled that where the entry upon the owner's premises is made by his invitation, either express or implied, he is required to use reasonable care to have his premises in a safe condition."

The leading case on the subject in New Jersey is one in which the opinion was written by Chancellor Pitney, now justice of the Supreme Court of the United States, and that case lays down the following rule: "Where a landlord lets one portion of a building to several tenants, retaining in his own possession or control the passageways and stairways for the common use of the tenants and those having occasion to visit them, he is under the responsibility of the general owner of land who holds out an invitation to enter upon and use his property, and he is bound to see that reasonable care is exercised to have the passageways and stairways reasonably fit and safe for such use."

Then there are the cases of the woman who tripped over the torn carpet on the stairs and broke her arm; and the woman who leaned against a weak banister in the back porch and fell from the second floor into the yard.

These are instances in which accidents have occurred because of defects in parts of the house not included in any one particular tenant's premises. Dominion of these parts of the building is said to be retained by the landlord, and if anything happens in them, or on them, or because of them, it is up to the landlord to pay the bill. This is, of course, entirely apart from his elevator liability, and his responsibility for the acts of his janitors or other agents.

Brokers bearing in mind these liability cases, and the rule of law applied to them, ought therefore to be able to convince the tenement and apartment house landlord of the error of his ways if he refuses to have those buildings covered.

* * *

Supervision of Surety

Many surety bonds are executed by sub-agents at remote points and such sub-agents report that they have provided for joint supervision or countersignature of checks when in reality they have only partially provided for such safeguards. It is estimated that it now costs surety companies nearly 60 per cent. of their probate premiums to follow up these trust cases and ascertain if these safeguards are being properly attended to and with all this amount of supervision, losses show up on the bonds which are supposed to be carefully protected. Some companies do not even pretend to write probate business unless joint supervision is exercised and it is the rule in good underwriting to insist that this requirement be arranged for. The rates of surety companies were, therefore, made with the thought in mind that joint supervision would be exercised wherever possible.

SAFETY OF INVESTMENTS

Why Surety Company Cannot Take Risk of Insuring This or Solvency of Fiduciaries

It has been quite universally held that a trustee should not invest trust funds in his own name, says the "Fidelity Journal" of the Fidelity & Deposit Co. If an individual trustee should continuously and intentionally invest trust funds in his individual name, his conduct in so doing would meet with condemnation by the courts. There is no difference between a corporate trustee and an individual trustee in its or his duty in respect to investments. Trust funds should not only be kept independent of individual and other trust funds, but the investments thereof should, so far as possible, be clearly defined, and at all times stamped with the individual trust to which they severally belong. It is suggested that corporate or municipal bonds in which a trustee is authorized to invest trust funds may be payable to bearer, and consequently lack any stamp of ownership by the trust. While this is so of securities payable to bearer, the lack of any of ownership on such securities arises from the peculiarity of the investment, and it does not affect the rule in regard to investments that can properly be made distinctive and bear upon their face evidence of their ownership.

The effect of investing trust securities in the name of a trust company and in its own right, is the same as if the trust company took the trust fund as a deposit, leaving its investment and the account relating thereto wholly to its bookkeeping and the form adopted by it for keeping its accounts. Such holding of a trust fund does not outwardly distinguish the funds held by it as trustee from the funds of individual depositors with the trust company. Such manner of investing a trust fund violates the long-established rule that a trustee should invest trust funds in the name of the trustee as such, and also the rule that trust funds should, at all times, be kept, so far as reasonably possible, in the name of the trust, so that they can be identified, distinguished, and followed by all persons interested therein. Although trust funds do not lose their character as such when invested by a trustee in his own name, yet when they are so invested, their character as such not infrequently has to be established by a suit at law.

"We can only repeat that the Company can not, for the small premium which it receives, take the risk of insuring the solvency of fiduciaries or the safety of investments," says the "Fidelity Journal" in conclusion.

J. D. Davis, executive special agent of the National Surety, has been called to Parkersburg, Va., on account of the death of his father-in-law.

W. E. SMALL, President PETER EPES, Agency Mgr. E. P. AMERINE, Secretary

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OF LONDON, ENGLAND

The Fidelity and Casualty Company of New York

92 LIBERTY STREET, NEW YORK, N. Y.

Metropolitan Office—92 William Street

Annual Statement, December 31, 1916

Assets	$13,788,795.23
Liabilities	9,708,052.97
Capital	1,000,000.00
Surplus over all liabilities	3,080,742.26
Losses paid to December 31, 1916	56,090,684.58

This Company issues contracts as follows: Fidelity Bonds; Surety Bonds; Accident, Health, and Disability Insurance; Burglary, Larceny, and Theft Insurance; Plate Glass Insurance, Liability Insurance—Employers, Public, Teams (Personal Injury and Property Damage), Automobile (Personal Injury, Property Damage and Collision), Physicians, Druggists, Owners and Landlords, Elevator, Workmen's Compensation—Steam Boiler Insurance; Fly-Wheel Insurance.

Pan-American Life Insurance Company

NEW ORLEANS, U. S. A.

CRAWFORD H. ELLIS, President

Capital.....$1,000,000.00

OUR 1916 STATEMENT SHOWS

Insurance in force	(over)....	$42,400,000
Resources	(over)....	5,600,000
New Insurance paid for		10,000,000

The High Scores in the Life Insurance Profession are won by Trained Men. We will train you in the Profession and locate you in Productive Territory either North or South. Your Opportunity is Here.

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The Columbian National Fire Insurance Company



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Assets $1,643,174.45

Surplus to Policyholders.....$1,235,960.65

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THE EQUITABLE

makes a specialty of the following:

Insurance to protect business firms and corporations, under a corporate form of policy.

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A flexible contract, known as the Convertible Policy, which can be converted by the Insured into an Ordinary Life, Limited Payment Life, or Endowment Policy.

A Bond issued without medical examination giving the investor an income for his declining years.

A new policy is offered under which the insurance is DOUBLED if death results from ACCIDENT. This policy also embodies the following advantages if the person whose life is insured becomes totally and permanently disabled:

1. Thereafter the Equitable will carry the insurance —The Insured will have nothing further to pay.
2. The Equitable will pay the Insured an annual income for life equal to one-tenth of the face of the policy.
3. Upon the death of the Insured the full amount of the insurance will be paid to the Beneficiary (or double the amount if death is due to accident) without deduction on account of the income paid to the Insured while living.

(See the policy for conditions and details.)

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U. S. Cash Assets, Dec. 31, 1916	$15,827,439.35
Surplus, - - - - -	5,460,745.59
Losses Paid by Chicago Fire, 1871	3,239,491.00
Losses Paid by Boston Fire, 1872	1,427,290.00
Losses Paid by Baltimore Fire, 1904	1,051,543.00

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AUTOMOBILE INSURANCE EDITION

THE EASTERN UNDERWRITER

[SUCCEEDING THE JOURNAL OF INSURANCE ECONOMICS, ESTABLISHED IN 1899]

In Two Parts — A WEEKLY NEWSPAPER COVERING ALL BRANCHES OF INSURANCE — Part One

Eighteenth Year; No. 17 — NEW YORK CITY, FRIDAY, APRIL 27, 1917 — $3.00 a Year; 15c. per Copy

UNDERWRITERS' MAP ASSOCIATION OFFICERS

A. H. Wray, of Commercial Union, President, and Frank Lock, of Atlas, Vice-President

HAS COMMENCED OPERATIONS

More Than Fifty Companies Have Already Subscribed to Service—Maps Ready in Month

The officers and directors of the Underwriters' Map Association were elected last week. Col. A. H. Wray, United States manager of the Commercial Union, is president; Frank Lock, United States manager of the Atlas, vice-president; Charles J. Holman, assistant United States Manager of the Commercial Union, treasurer; James E. Husleton, lawyer, secretary and Henry A. Morison, former special agent of the London & Lancashire Fire on the Pacific Coast and originator of the Morison Unit Map System, general manager.

The directors are Colonel Wray, Mr. Lock; F. C. Buswell, vice-president Home Insurance Co.; John O. Platt, vice-president, Insurance Company of North America; John Marshall, Jr., western manager of the Fireman's Fund; and E. J. Sloan, secretary of the Aetna Insurance Co.

Details of Organization

In an interview with The Eastern Underwriter, Mr. Morison said that surveyors had already been placed in the field and that the first maps would be ready for publication within a month, He also said that more than fifty fire insurance companies had already subscribed to the service of the Association and there were still others which had signified their intention of doing so. The Association has taken offices at 227 Fulton St., New York City.

The object of the organization is to reduce the cost of maps to the companies. It was formed after an investigation by a committee of the companies. The committee reported that the use of the card map system would effect a saving of 59 per cent. in floor space, considerable time in the handling and correction of the maps and in the number of clerks necessary for this work. The original cost of producing the maps is nearly 50 per cent. of the amount charged at present while the cost of correcting is infinitesimal.

The committee recommended that the companies establish a bureau for the publishing of the maps under this system, which has been done. The cost to the companies is based on their premium incomes. Additional facts of the organization and its operations together with charts giving sample maps will be published in next week's issue.

DIRECTORY OF DEPARTMENTS

Life 1
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"The Largest Fire Insurance Company in America."

THE HOME INSURANCE COMPANY NEW YORK

ELBRIDGE G. SNOW, President

FULL WAR COVER
INCLUDING
BOMBARDMENT and EXPLOSION
Liberal Contracts Reasonable Rates
STRENGTH REPUTATION SERVICE

North British and Mercantile Insurance Co.
Established 1809
Entered United States 1866

Policyholders protected by the entire United States assets, with further guarantee in every policy, of protection by entire fire assets of the company which are many times larger.

GOLDEN ANNIVERSARY YEAR
1867 1917
Join Our Rapidly Growing Agency Ranks
Attractive Policies to Sell
Large Annual Dividends
Low Net Cost
Good Territory Open
Apply to
H. E. ALDRICH, Supt. of Agents
DES MOINES, IOWA
EQUITABLE LIFE of IOWA

CROCKER'S STRONG DEFENSE OF PRESENT AGENCY SYSTEM

Millions of People Brought Together Into Co-operative Movement of Insurance

SERVICE TO PUBLIC WINS TRUST

"If Any Classes of Men Really Earn Their Compensation They Are Life Insurance Agents"

On Saturday night last Walton L. Crocker, vice-president of the John Hancock Mutual Life Insurance Company, delivered an address before the Insurance Society of Massachusetts, which is one of the best arguments in favor of the present competitive system of life insurance salesmanship that The Eastern Underwriter has seen. After discussing the agency question Mr. Crocker briefly analyzed the attitude of life insurance companies toward the war. His remarks in part follow:

"The theme naturally of the greatest common interest to the members of this Society is insurance by so-called private instrumentalities. It has been developed in our land as a business in which citizens under proper regulations may rightfully engage. It has become a great human agency. It has come to attract a large public attention. It has had its dark hours and its times of trial. But it has been steadily responsive to processes of improvement. Even at its lowest plane of efficiency, it has been a powerful influence for good. It has been and is increasingly the ally and the stabilizer of commerce and the family. With the passage of time has been witnessed the addition of notable pages to its history of accomplishment. Its development in response to an economic need has been attended with difficult and sometimes expensive experience. But it has survived, and daily waxes more efficient as a factor of public service. In its outward form it presents the aspect of business, and yet it is not commerce.

"It is a system for the alliance of men for the purpose of collectively assuming the burden of losses occasioned from cessation of life, from fire, from accident or other casualties which cannot be prevented or whose imminence cannot be accurately forecasted, losses which for the good of society should be borne by collective bodies rather than by the individual. While its principle is co-operative, its form has been corporate. It rests upon scientific foundations, upon the doctrine and law of probabilities and averages. It has paid its own way, and has never been subsidized from the State revenue, but on the contrary is contributory thereto. It is a thoroughly useful institution, which has not only served well,

but is capable of even greater expansion of service in the future.

The Distinction Between Insurance and Commerce

"One of the marked distinctions between insurance and commerce is that commerce, when not restrained by operation of statutory restrictions, bases its charges on what the traffic will bear, while insurance prices are based on the cost of maturing benefits to the holders, plus a reasonable charge for the service. Commerce produces and accumulates wealth; insurance minimizes individual loss. Commerce creates and distributes; insurance re-distributes.

"The charges for insurance, broadly speaking, have for years shown an increasing downward tendency. In this it is distinguished from the charges of commerce, which rise with unusual demand or other economic abnormality. The more universal the demand for insurance, the greater the possibility of price reduction. As while during the decade or two past, the cost of commodities has generally risen in response to increased demand, the increasing demand for insurance of all kinds has been met by increased coverage in all branches and the cost in general has gone down. These are truisms which scarcely need statement here except for their relation to the subject matter.

The Competitive Agency System

"Many issues have been developed for public discussion from out of this great movement, but none are more interesting than the propaganda to invest the government with the operation of insurance facilities to the exclusion of all other institutions. This movement has appeared of late in several communities, and its importance justifies a word here at this first great meeting of the Massachusetts Insurance Society.

"The business of Insurance as it now stands has been built upon the relation of Agent and client, a personal relation in which the human elements are clearly to be recognized; personal acquaintance, personal service and the personal interest which such a relation must inevitably hold.

"The Competitive Agency System, as it is known, has been the instrument by which many millions of people have been brought together into this co-operative movement of insurance. The system has kept pace with the development of complex modern life. It has been quick to adapt itself to the ever changing conditions, and it has met every new need when manifest, by added service.

The Personal Equation of the Business

"The field agent of the Agency System is the medium of direct contact with the public. He is the missionary of the several associations engaged in carrying on the work. He is the personal equation in the business. I need him because he can help me. When I want insurance, or desire to know anything about it, I talk with the agent. He comes to see me if I wish it. He stands between me and the more impersonal organization which he represents. It is his life-work to do this. He gets his living that way, and I am glad to have this service done for me by an expert who knows me and my needs and who has a direct personal interest in covering these rightly. So long as he and the organization he represents serve me well, I continue to repose in them my trust and my business, but when the reverse is true, I may under present conditions freely seek another organization and its agent. In this way I can remain assured of good service.

Envying Agent's Proper Compensation for Service

"It is plain that there are those in the community who are in the business of envying and begrudging the Agent his proper compensation for his service. Whatever the motive may be, whether it be from sincere ignorance of what this service means, of what its necessity and value are to the community, or from a desire to tear down that the destroyer may mount upon the ruins, or from distrust of all institutions save those politically controlled by socialistic organization, the result is similar. Propositions have been made to do away altogether with the existing order of things, to limit you and me to a single carrier, and to destroy a valuable instrumentality of service as it exists in the so-called private companies, for that is what doing away with the insurance Agent really means. It has been urged that such a change would reduce insurance costs. I am convinced that if any classes of men really earn their compensation, they are the Agents of insurance companies. If these Agents are done away with, they must be replaced by some other means for performing the service now afforded, and it is not easy to perceive how any cost can be saved by the process. Experiments within the border of our own Commonwealth, and other non-agency ventures of record, have demonstrated the difficulty of bringing the benefit of insurance to any considerable number of the people except by and through Agents.

"If all instrumentalities of public or private service must be by the people's will turned into State-operated channels, then insurance must take its turn also. But that day is not here. If all the agencies and activities for the production and distribution of the commodities essential to life were already socialized and operated by Government, the consideration of the similar disposition of all insurance might logically follow. Until that day comes, however, the present instrumentalities should be permitted to serve the great and substantial body of our citizens who desire liberty to select their mediums of business, who prefer freedom in the choice of carrier in insurance matters, and who do not rely on the State for aid but who can pay their own way.

To Succeed Fully Best Service is Necessary

"The situation at present is one of active competition under strict governmental supervision, each rival institution striving for favor through the adoption of every improvement and advantage which can be devised for presentation to the public. The desire to succeed involves the necessity for supplying the best service possible. This brings progress in its train. The monopoly, however, unstimulated by competition, may naturally be expected to be less responsive to changing conditions, and thus relax the high measure of personal service, which, under conditions of free competition, is kept at concert pitch. Non-elastic conditions, resulting from non-competitive operations of insurance, will be a detriment to you and to me as users of insurance. If I am limited to dealing with a monopoly, I have no effective remedy if I be ill served. But with competitors in the field, I can remove my custom elsewhere as a penalty for poor service. With free initiative and many agencies of service at hand, I shall naturally prefer to transact my personal insurance affairs with some organization that I know, whose genius and spirit respond to my own and whose methods acclaim themselves to my habit of mind and mode of thought. I lose all this if the State close the avenues of just and healthful competition, and the Government becomes at once my servant and my master in all affairs, while now, if I am aggrieved, I may appeal to the State in its paternal capacity for protection or redress.

What American Agency System in Fire Insurance Has Accomplished

"It is a thing of common knowledge among insurance men, that the fire companies and their agents have been the direct means of materially abridging fire waste by research; by classification of hazards; by inducements to property owners to adopt safeguards by the procurement of improvements in fire-fighting service; and by the reduction to a science, and the application to present day problems, of the experience of long years, many of them marked with failure and disaster.

"It is equally well known in the fraternity that the original assumptions of the casualty organizations, modified by the scientific application of their experience during their years of business risk, have given to the coming generation a wealth of knowledge of great usefulness upon the subject of casualty hazards, and the prevention of disaster to life and property, while their field of coverage has constantly expanded to meet new and changing conditions of life and business.

"It is a matter of record how life insurance, long years since established upon scientific foundations, has been developed and broadened into a great public service, peculiarly devoted to the protection of family life, a service which not only realizes its peculiar mission of indemnity in the inevitable hour of death, but which also furnishes supplementary indemnities against sickness and accident during life, not only protecting the home against the loss of the productive power of its bread-winner, but protecting the bread-winner himself against disability, (less certain than death, but no less an economic disaster), and also bearing its part in the diffusion of the knowledge of hygiene and life conservation in the world.

Can Present System Be Supplanted?

"Is not this a real service? Is it all not worth the price? Does its recital

(Continued on page 9.)

Great Southern Life Insurance Company

HOUSTON, TEXAS.



For Agency Contracts address

O. S. CARLTON

PRESIDENT

CO-OPERATION No. 2

A full measure of agency co-operation to the real producer in securing business is responsible in part for this result in one of our agencies.
14 representatives in 1916 paid for twice as much business as 42 did in 1913

PHŒNIX MUTUAL LIFE INSURANCE COMPANY

Phoenix Mutual Life Insurance Company

of Hartford, Conn.

JOHN M. HOLCOMBE, President

The Agent and the War Clause

SALESMANSHIP END OF PRESENT SITUATION DISCUSSED

Views of A. A. Drew, Superintendent of Agencies of Mutual Benefit Life Insurance Co.

Under the heading of "The War Clause and Life Insurance Salesmanship," A. A. Drew, superintendent of agencies of the Mutual Benefit, makes some unusually interesting comments on the present situation, based on circular letters of President Frelinghuysen concerning war time rulings.

The Company has unquestionably received an exceptionally large volume of business in recent weeks and months occasioned by the fact that applicants have been anxious to get their insurance in force before war rulings should go into effect, says Mr. Drew. It is to be presumed that the Company's agents generally have encouraged this feeling of urgency among applicants, and as a result may possibly find themselves now in the position of not knowing how best to minimize the thing which they had previously used as a direct lever in the procurement of business. Continuing Mr. Drew says:

Discusses Prospects

"A prospect has been well defined as the attitude of the agent's mind toward an individual. That is to say, if an agent thinks that a certain man is a prospect for life insurance and thinks so hard enough that man is almost certain to become a prospect and may ultimately apply for life insurance. Mental attitude toward the war clause and the issues which have grown and will grow out of its adoption has as much to do with the present situation as has the question of who are prospects for life insurance. Whatever persuasion our agents may have used in procuring applications for Mutual Benefit insurance before the war clause was adopted must now be readapted and as urgently applied in the securing of applications as previous to the publication of the Company's war time rulings.

"Before touching upon the distinctive points of the Mutual Benefit's war clause it is well to remind ourselves that despite the many obvious disadvantages which come as a result of war there are at least some advantages which will redound greatly to the benefit of life insurance companies and agents. War emphasizes the great realities of life and puts a proper premium upon their recognition, while the passing superficialities assume the lesser proportion which they should have in a wholesome scheme of life.

"Old policyholders will without doubt prize the insurance which they have as never before. There should be fewer lapses and surrenders and a greater recognition of the truth that a man's life insurance is to be counted among his most precious possessions. If the fear of the war clause has been used at all by our agents to induce the taking of life insurance, the same fear can certainly be used to prevent lapses and surrenders.

National Preparedness

"Again, we should remember that national preparedness, which is now everywhere recognized as fitting and necessary, carries with it a highly individualized sense of personal preparedness. We may speak of preparedness as being all-inclusive—business protection, family protection, self protection have now an essentiality which they never had before. How can a man consistently belong to a Home Defense League and not seriously think of the necessity of life insurance protection? How can he listen to the appeal of the Government for greater adequacy in the matter of food reserves and at the same time fail to realize the necessity of preparing through life insurance during the years of plenty in his life for the years of need which may come later?

"War usually imposes heavy taxation burdens on the people. Not a little of this is to cover pensions. What an opportunity for us to stress the importance of a pension for the wife and children by way of the Mutual Benefit's monthly income service! It would seem that the monthly income idea now so prevalent in life insurance should receive a new impetus.

"Our Company enjoys the confidence of its old membership to a very large degree and we are writing our old policyholders for an increasing amount of insurance every year. Some Mutual Benefit agencies show a percentage as high as 40 or 50 per cent. of business written among old policyholders. A large proportion of our old policyholders are still insurable and many of them are beyond the age where they are likely to be called for military duty. The war clause can have but little, if any, effect upon them. Moreover, it can be used as a very fitting approach to these old policyholders since it will indicate to them the means of protection which the Company is taking in looking after their interests as old members.

Investment in War Bonds

"It is not unlikely that American life insurance companies will purchase United States war bonds, so that policyholders in paying their premiums will indirectly, but very practically, be represented in that patriotism evidenced by furnishing funds to the Government for the prosecution of its plans in the days of war. Many men who could not afford to purchase Government bonds outright can do their bit through the payment of life insurance premiums. The Canadian and British life insurance companies have invested millions of dollars of their assets in war bonds, and it is almost certain that the American companies will do the same.

The Burden of Extra Hazardous Risks

"The assumption of extra hazardous risks without adequate premium rates could never be justified on the ground of patriotism.

"It might be added that a mutual life insurance company is certainly not justified in assuming burdens which should be borne by the country at large. In every previous war the American Government has recognized that the burden of providing for soldiers' and sailors' dependents is properly a national one to be taken care of by Government pensions. Our first duty is to our present policyholders. As a conservative institution we were bound to adopt a war clause, covering new business, for their protection.

Insure Now: No One Can Forecast the Future

"In view of all the uncertainty which surrounds the issues of this war it may be well to call the attention of applicants to the fact that, while now the Company puts itself on record that it will only charge 10 per cent. of the amount insured during the first year of actual service and then only in case the insured shall engage in military service outside of the States of the United States and the District of Columbia, or in naval service, during the first policy year, later experience may reveal the necessity for increasing such percentage to new insurers or for making it extend to all military or naval service in time of war. The Company's agents are, therefore, justified in urging men to insure now when they may be assured of the present modified conditions of the war clause for the first year. The time may come when more urgent rules will have to be adopted. In conformity with the Company's general practice, the war clause being used by the Mutual Benefit represents the absolute maximum that can ever be required. The fact that the Company is much more liberal at the very outset than the terms of the war clause require should be quite conclusive evidence that there is every desire on the Company's part to be actuated by experience and to inflict no greater burden upon the policyholders than necessity demands.

"Too much emphasis can scarcely be laid upon some points, which, while self-evident, can nevertheless be easily overlooked. To the man who does not enlist and who does not engage in army or navy service the war clause can have no possible effect. It might just as well be in his policy as out of it. It may be likened in its practical effect to the suicide clause. To the man who does enlist in the army or navy and who fails to pay any extra premium, the war clause can have no effect on his insurance after the expiration of ten years. If the war should be of any considerable duration, the net reserve under his insurance in many instances would so closely approximate the amount of premiums paid as to leave a relatively small cost for the insurance protection which was given to him before he engaged in such service. If a man engages in army or navy service and after the termination of such service dies within the ten-year period, having paid no extra premium to the Company, the amount of insurance paid to his beneficiary under the terms of the war clause will almost

WAR CLAUSE MEETING

At a meeting of the National Convention of Insurance Commissioners held in Des Moines last week, a special committee was appointed on uniform war service regulations for all companies, associations and societies writing life insurance. This committee will meet at the Hotel Astor, New York City, on Friday, April 27, at 2 o'clock. All life insurance companies and fraternal benefit societies are invited to attend.

Burton Mansfield, of Connecticut, is chairman of the committee, other members being Winship, Michigan; Cleary, Wisconsin; Button, Virginia; English, Iowa; Phillips, New York, ex-officio.

Both the Association of Life Insurance Companies and the American Life Convention will be represented. The executive committee of the latter organization will meet here on Friday.

NEW ENGLAND'S RULES

The New England Mutual Life's war service rules in part follow:

Service within Continental boundaries of the United States: Class A: Officers, $5,000 limit, no extra premium; Class B, non-commissioned officers and privates, $2,500 limit, no extra premium. Class C: Insurance upon same lives in excess of above limits will be issued in separate policy, $50 extra premium for each thousand. Class D: Outside American Continental boundaries; $100 per thousand extra for Classes A and B, and an additional $50 for Class C while in service. Policies issued without disability clause. No extra premium for members holding policies bearing date of issue on or before April 6, 1917, no matter where engaged in military or naval service.



INDUSTRIAL CONCERNS throughout the land are proving the patriotism of business by insuring entire staffs of employees. The Prudential will lend a hand—make it easy for firms to insure their workers.

Family insurance has placed America First in Life Insurance, and Group Insurance will help to keep it there.

The Prudential has a fine Group plan. Group Insurance is endorsed by every concern that has tried it. Send for brief, forceful, descriptive circular.

THE PRUDENTIAL INSURANCE CO. OF AMERICA

Incorporated Under the Laws of the State of New Jersey

FORREST F. DRYDEN, President — Home Office: NEWARK, N. J.

invariably be much greater than the amount of the premiums paid.

To the Man Past 40

"To the man who is past forty and whose liability to military service is at a minimum we should not fail to point out that his chances of dying are nearly as great as were those of the young man of twenty, who served in the terrible battle of Antietam in the Civil War. It is well to remember also that thousands of young men, even at the younger ages, will be excused from military or naval service for reasons which would have no effect from a life insurance standpoint. For instance, a young man who has fallen arches would not be acceptable to the military recruiting officer, but he could probably secure Mutual Benefit insurance. Again, a man must have four good molar teeth to get into the army. This is not essential in order to secure a Mutual Benefit policy. In short, the standards for acceptability in the army or navy, on the average, are much higher than the standards of acceptability for Mutual Benefit insurance. Moreover, it is very doubtful if the Government will consider taking men from certain industries for army or navy service. In fact, it has been estimated that not more than 42 per cent. of the men of the country, even between the ages of nineteen and twenty-five, would be taken by the Government for military or naval training under the proposed selective draft bill.

"In war time the potential value of the older men of the country is enhanced. In fact, the money value of the lives of all men who do not engage in actual military or naval service is materially increased by reason of the fact that hundreds of thousands of young men are called to the colors, leaving their regular work to be done by others.

Business Insurance

"Business insurance can be stressed more earnestly than ever before. The men who will have in charge the great industrial enterprises of the country will be of greater potential value in relation to these enterprises by reason of the mobilization of all industry for the prosecution of the war. Their responsibilities will be heavier and their places will be harder to fill than under normal conditions. The Government has already publicly set a high value upon the services of the leaders in the industrial world. Even men without large amounts of capital who engage in productive enterprise will have a greater value in the face of war conditions. Hence the need for that protection which can be furnished only through business insurance. In passing it may be noted that, while this Company does not care to increase the percentage of its Convertible Five-Year Term business, there will undoubtedly be a number of cases acceptable to the Company under this plan to cover the immediate need of protection for the business interests of the small, but worthy, manager. The men who will need life insurance as never before, because of their greater value where they are, due to war conditions, are for the most part beyond the probable military age. Their best services, recognized by the Government at the very beginning of the war, will be in the conduct of productive business. While these men may take Term policies now, they will undoubtedly be in a position to convert them to regular forms very soon. Term policies, of course, should be sold only with the thought of their ultimate conversion. The main thing is to take advantage of the present unusual opportunities for the sale of life insurance on regular Life and Endowment plans, if possible, but under Term policies, if in the readjustment of business, due to the war, men are found who temporarily cannot pay the premiums for permanent protection.

Canadian Experience

"In the issues that now confront us as insurance men we should not overlook the experience of the Canadian life insurance companies, an experience that lies at our very doors, and which should inspire all of us to our very best endeavors. Despite the heavy draft that has been made upon Canadian manhood, despite all of the readjustments of business that have had to follow in the Dominion because of the exigencies of war, we have the very interesting spectacle of seeing these companies doing a greater business than ever before. In many a Canadian home where the father or son, or possibly both, have not returned, a life insurance claim has been paid. Businesses have been adequately protected by the institution of life insurance in times of the greatest stress. In seeking the reason, in times like these, why the life insurance business has so largely increased in Canada, one would probably find it in the simple fact that life insurance is appreciated at its true worth as it never was before.

Has Studied Question Exhaustively

"As a summary of the points made in the President's two letters referred to above, and by way of emphasis to some of those made in the present letter. The accompanying tabulation of questions and answers has been made up for the use of Mutual Benefit agents. Reports that have come to us lead to the belief that the Mutual Benefit has given this question of war time rulings more exhaustive study than most companies. The rules adopted are based on all available experience and with an eye to the security of the Company with liberality and justice to old and new policyholders. Our war clause is like our contract—specific, explicit and definite. It is all-inclusive of every vital point. The Company has set certain maximum premiums to cover the extra risk, but it is specifically stated that the actual charge will be such extra premium as may be required by the Company, with limits based on the experience of the Great War. If the extra premium shall not be paid when called for, the policyholder knows definitely and exactly what he is entitled to under all circumstances and conditions. There is no room for misunderstanding or difference of opinion. The very length of the clause is in its favor since thereby all conditions are covered. It will be recalled that this Company has refrained from adopting a disability clause for the reason that we were unable to prepare a form which would be in harmony with our own policy contracts and under which the concessions to be made to the insured would be clearly and explicitly stated so as to be of real value. It was pointed out in Pocket Guide sheet 318 that the adoption by us of one of the disability clauses, such as used by other companies, would not be in keeping with our ideas of the principles upon which our policy contracts should be based. As they stand to-day, they contain no provision which is not absolutely clear and explicit. Nothing is left to the judgment, or liberality, or good nature of the Company's managers. This would not be true of the disability clause, but it is absolutely true of the new war clause. The only thing under this clause left to the judgment of the Company's managers is the amount of future extra premiums which may be required by the Company to cover the war hazard, and even in this particular we have set fixed maximums. Our war clause is one that will stand careful analysis. It is true that it is strict, but the potential hazards of war are so great that it is only right that this should be so. While it is possible that competition, for a time at least, will center largely around the war clause, let us not lose sight of the fact that men are still subject to all the ills that flesh is heir to, and that the hazards of war constitute just one added reason for Mutual Benefit protection. Don't let the war clause paralyze your energies. It merely intensifies the reasons why men should insure."

THE MOST VALUABLE POLICY FOR YOU,
Mr. Agent, is to write your prospect in the Company writing the most valuable policy for the insured.
Secure **prompt action** in the
John Hancock MUTUAL LIFE INSURANCE COMPANY OF BOSTON MASSACHUSETTS
WILLIAM N. COMPTON, General Agent
METROPOLITAN DISTRICT, ST. PAUL BLDG., 220 BROADWAY, NEW YORK, N. Y.

COURT APPOINTS RECEIVER

Officials of North American Union and Fraternal Aid Union Approves Plan to Merge

A temporary writ of receivership was issued by the Chancery Court of Chicago, seeking to enjoin the transfer of Illinois members of the North American Union to the Fraternal Aid Union of Lawrence, Kansas. Robert S. Iles, a former president of the North American Union, was appointed receiver by the court.

Officials of the Fraternal Aid Union announce that they will appeal this action to the Appellate Court in order that an official review of the details of this merger may be had. The unanimous endorsement of the plan to merge the two societies was given by the Supreme Lodge of both, the terms of sale and amount of brokerage to be paid, as customary in such mergers, being approved by the two governing bodies representing the entire membership. Protest against the merger was made by the Illinois Insurance Superintendent on the plea that the brokerage to be paid, in his opinion, was excessive. It was because of this opposition that the Illinois Attorney General instituted the proceedings for receivership in that State for the North American Union.

The Illinois receivership action in no way involves the status of members affected by this merger outside that State.

APPRECIATE JAEGER'S TALKS

The Manhattan Agency, of the Bankers Life, of Des Moines, held a surprise party recently at its office 165 Broadway for W. W. Jaeger, special home office representative who has been with the agency since its inception, February 1. In appreciation of Jaeger and his services, he was given a gold cigar piercer.

The
Perfect Protection Policy
OF THE
RELIANCE LIFE
gives you something absolutely new and different to talk to your prospects. Gives you a chance to earn more money than you are now making.
Our Life Insurance Contracts contain the most up to date clauses known to the Insurance World. The Accident and Health gives full protection for at least a third less cost than regular casualty companies. Our agency contracts are as liberal as can be made.
WRITE AND WE WILL TELL YOU MORE ABOUT OURSELVES
Reliance Life Insurance Company of Pittsburgh
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Build Your Own Business
under our direct general agency contract
Our Policies provide for:
Double Indemnity, Disability Benefits, Reducing Premiums
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THE MANHATTAN LIFE INSURANCE COMPANY
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We don't contract with poor men.
We give a new man our attention until he is started.
We make our men make good.
Why don't you work for us?
Peoria Life Insurance Company
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Security Mutual Life Insurance Company
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Offers to men able to produce business first class territory, with direct contract providing liberal compensation.
For particulars, address
C. H. JACKSON, Supt. of Agencies

European War and Life Insurance

DEATH CLAIMS INCREASED ABOUT THIRTEEN PER CENT.

Experience of British and Canadian Companies—Chief Factors Mortality and Finance

By A. T. MACLEAN, Assistant Actuary of Massachusetts Mutual Life in "The Radiator"

We are all firm believers in the greatness of life insurance, and the present war in Europe has given us still further reason for the faith that is in us. If there is any economic condition that might be supposed to be detrimental to our business, surely war is such a condition, and of course a war of such magnitude does put a tremendous strain on life insurance institutions in the belligerent countries. In spite of this strain, however, we see that these companies have been able, not only to carry on their own business, but to give invaluable financial assistance to their several governments.

The two chief factors that life insurance companies have had to face in this war have been (1) the effect of war service on the rate of mortality experienced, and (2) the effect of the unusual conditions on the finances. The following remarks are based for the most part on the experience of the British companies. We have more information as to life insurance in Great Britain than of the companies in other belligerent countries, and, in any event, the British companies do business on lines more nearly approaching American conditions than those of other European countries.

Effect on Existing Policyholders

The first phase of the mortality question in so far as war is concerned is the effect on the existing policyholders of the company. About twenty-five years ago all policies issued in this country contained limitations as to military and naval service, and even in the most liberal policy the sum insured was not paid in full should death be the result of such service.

The first liberalization of this clause was to restrict the limitation of military and naval service to within a few years of the issue of the policy. About ten years ago the military clause was discontinued by some companies, and policies were issued absolutely free from restrictions as to military and naval service; and, in fact, most of the policies issued for some years prior to the beginning of the present war were absolutely unrestricted.

Conditions in Great Britain prior to 1914 were very much the same as in this country. The majority of recently issued policies were without any limitation as to military or naval service unless the insured were already a member of the regular army or navy.

When War Broke Out

When war broke out most of the British companies decided to waive all right to collect extra premiums from existing policyholders. This action has been criticized, and it has been stated that a serious responsibility was undertaken when this decision was made. It should be remembered, however, that the recently issued policies were generally without limitation in any event. Further, the average age of the policyholders in any company which had been in existence for any length of time would be such that the majority of the members would not be available for war service. In this connection it may be of interest to note that the average age of policyholders who took Massachusetts Mutual ordinary life contracts in 1916 was over 35 years, and that 87 1-2 per cent. of the Canadians enlisted up to March, 1916, were under 35 and 72 per cent. under 30. Further, the average amount of insurance is much smaller at the younger ages at issue than later on, and as the younger lives are those most likely to be exposed to the greatest risk, this means that there is a relatively smaller financial strain under those younger policies. One other factor that might in some small degree help matters is the popularity of the endowment policy in Great Britain. The larger reserves on these contracts make the actual sum at risk smaller than would be the case under corresponding life policies. In any event, the number of policyholders from whom an extra premium might have been collected was practically limited to those having contracts issued about five to ten years prior to the outbreak of war.

As far as existing policyholders are concerned, therefore, it would seem that in spite of the heavy death rates which the war has occasioned, the companies could, from the practical point of view, allow the continuation of the insurance under existing policies without any extra premium.

New Entrants

When we come to new entrants, however, the case is entirely different. At the inception of a war there will always be a rush of applicants for insurance, and these will come in many cases from men who have every intention of volunteering for service. It is not to be expected that any company should accept this almost certain material extra risk without proper consideration, and the experience of the war has shown how inadequate were the first estimates of the proper extra premiums to be charged.

It is of course impossible at this time to obtain more than a general idea of what the true extra premiums for such warfare should be, and the following figures are therefore only generally indicative of the cost of the extra mortality.

At the inception of the war the extra premiums quoted ranged from $20 a thousand to $50 a thousand, according to the various branches of service, but since that time it has been found necessary to increase these extra premiums to amounts varying from $120 to $300 per $1,000 of sum insured. In fact, it is still a question whether even these very material extras are sufficient.

In the first fourteen months of service the deaths in the British army numbered 6,700 officers and 95,000 men. One of the offices doing business in Great Britain has published its figures showing the experience on a group of insured officers. The total number included was almost 12,000, and the death rate amongst these during the first year of service was over 119 per 1,000, the death rate in the infantry being especially high, over 180 per 1,000.

First Division of Canadian Troops

The first division of Canadian troops consisted of approximately 22,500 men, of whom 830 were officers. The death rate for about ten months of actual service in the trenches proved to be over 120 per 1,000 in the case of the officers and 90 per 1,000 for the non-commissioned ranks. The above figures include both the combatant and non-combatant branches of the division. If the combatant branch alone had been taken the percentages would be slightly higher. These figures show how inadequate our present extra premium would be in the case of war attaining the intensity of the present conflict.

One of the first results of the consideration of such figures is made evident in the recent announcement of one of the leading American companies, whereby war clauses of varying degrees of severity are to be inserted in policies issued to applicants connected with or who contemplate joining the military, naval, Red Cross, or other service. Policies issued to those who have any intention of joining the regular army or navy are to be limited to $2,000, without

THE AVERAGE EARNINGS OF THE AGENTS
OF THE
Standard Life Insurance Company
∴ ∴ OF PITTSBURGH ∴ ∴
are higher this year than ever before. Our attractive Accident and Health Policies have helped them to make more money.
Write for a LIFE, ACCIDENT AND HEALTH Contract to
FRANK A. WESLEY
Vice-President and Director of Agencies

Ambitious, Productive and Trustworthy Life Agents may be benefitted by corresponding with the
Berkshire Life Insurance Company
of Pittsfield, Mass.
Inc. 1851
New policies with modern provisions Attractive literature
W. D. Wyman, President W. S. Weld, Supt. of Agencies

ILLINOIS LIFE INSURANCE CO.
CHICAGO
JAMES W. STEVENS, PRESIDENT
GREATEST ILLINOIS COMPANY
WANTS GOOD MEN AND WILL PAY THEM WELL

BANKERS BLCo LIFE DES MOINES COMPANY
PAYS GOOD PAY TO GOOD MEN

ORGANIZED 1871
Life Insurance Company of Virginia
RICHMOND, VIRGINIA
OLDEST, LARGEST STRONGEST
Southern Life Insurance Company
Issues the most liberal forms of Ordinary Policies from $1,000.00 to $50,000.00, and Industrial Policies from $12.50 to $1,000.00
CONDITION ON DECEMBER 31, 1916:

Assets	$14,464,552.23
Liabilities	12,436,717.56
Capital and Surplus	2,027,834.67
Insurance in Force	118,349,212.00
Payments to Policyholders since Organization	18,119,172.50
Is Paying its Policyholders over	$1,300,000.00 annually

GOOD TERRITORY FOR LIVE AGENTS

disability benefits, and an extra premium of 10 per cent. of the face of the policy continuous during war service is provided.

As far as the general effect of the war on the death claims of British companies is concerned, we have the published experience of 52 of the principal offices. These figures cover experience from the beginning of the war up to about the end of May, 1916, and would indicate that such claims have increased by about 13 per cent. on the average. In the case of one of the larger companies the increase was as much as 28 per cent. Apart from the war obligations, the regular claims have shown a tendency to rise, and this is not at all remarkable in view of the increased worry and strain brought about by war conditions. It is interesting to note that as far as war mortality is concerned there is a tendency for conditions to improve as the war progresses. The men become more accustomed to conditions in the field, and are better able to take care of themselves, not only in respect of matters such as sanitation, but also in the avoidance of the many dangers arising through unnecessary exposure to the enemy's fire, and which at first they were inclined to face rather recklessly.

Further, it should be remembered that not all of the effects of war are felt during the actual war period. For many years after there is bound to be a lessened vitality in the nation due to the very great many citizens who have done actual war service and who, although coming out of the war without serious damage, have none the less suffered a decrease in constitutional force. The burden of national debt will doubtless also have its effect, and although it may be that a nation emerges from such a conflict in a stronger spiritual condition, I do not think that there is the least doubt that it emerges in a very much weakened physical condition. It is with the physical condition of the population that a life insurance company is most concerned, and it is almost impossible to estimate completely the tremendous effects of war in this direction.

Investments

Turning now to the effect of war on the finances of a company, we find that the chief problems are (1) the large depreciation in the value of the investments, (2) the increased death claims, (3) the possible withdrawal from the Company of cash and other values, and (4) the necessary increase in taxation.

In war time the while investment situation becomes decidedly complex. Questions such as the issue of government loans, the popularity of so-called war stocks, and various other things too numerous to mention, have their effect on the class of securities held by life insurance companies. The investments of the life insurance companies are of course of the highest order, but a temporary fall in value has the effect of apparently decreasing the surplus of the company, and the situation is such that the managers of insurance companies feel the necessity of acting most conservatively on such questions as dividend payments. At the close of 1914 we find that of eleven British companies having at that time the question of dividend declaration before them, one actually increased dividends, two effected a reduction in the scale, seven maintained the existing schedule, while one took the very prudent position that it was impossible to foretell what might happen before the close of the war and for the meantime further dividend payments were deferred.

As far as increased death claims are concerned, the British companies had paid over 40 million dollars of such claims up to the middle of 1916. Since that time the Somme campaign has added great numbers to the list of dead, and there is no question that this amount has since been very materially increased.

Increased Income Tax

It has not been the custom in Great Britain to provide in the regular policies as large a guaranteed cash value as is granted in policies issued in the United States. The possibility of a run on the company through the demand for such values would not therefore be so great as might be the case in this country or in Canada, and this is probably something we should keep in view in considering what our own position in war time might be.

The companies have of course shared in the payment of the increased income tax, which rate at the present time is approximately 25 per cent. and is payable on the interest income of the companies.

As will be observed from the foregoing remarks, the financial problems of the companies have been multiplied, but in spite of this they have been able to come to the assistance of the nation in a most remarkable way. They have demonstrated in an almost unexpected manner the tremendous national value of life insurance. The total amount invested by the companies in government securities has been approximately 675 million dollars. The companies have, further, sold or loaned to the government approximately 250 million dollars of bonds and stocks which have been used for purposes of obtaining loans in this country and elsewhere. They have themselves assisted in creating a favorable market and rate of exchange by the voluntary sale of probably over 100 million dollars of their own securities. These loans and sales are of course of incalculable value to the nation, in that they help in the transfer and payment of food and munitions—a vital necessity at this time.

It may perhaps seem that these conditions are not likely to be reproduced in this country, but to the average citizen in Great Britain war seemed much more remote in the spring of 1914 than it does to us to-day. The great satisfaction which we as life insurance men can glean from all the horror and devastation of warfare is that our institution has more than proven its soundness, and that the conservativeness of its management has been amply justified. We have not only paid the claims, but we have done much more, because the actual funds have been used in such manner as has been for the greatest benefit of the living policyholders as well as for the beneficiaries of those who have unfortunately died.

TO CELEBRATE ANNIVERSARY

Interstate Life and Accident Agents Will Meet at Chattanooga on July 3, 4 and 5

On July 1st, the Interstate Life and Accident Company of Chattanooga, Tenn., will celebrate its seventh anniversary at the home office.

The accident and health department agents will hold a morning, afternoon and night session on July 3rd. The weekly industrial agents will meet on July 5th. On July 4th delegates from both departments will hold a patriotic demonstration.

To earn the right to attend the annual convention, agents must make a certain number of points between April 1st and June 30th. The number of points necessary to qualify will be based on the size of the city and the amount of the present debit.

The Northwestern National Life of Minneapolis, now includes in its policies the waiver of premium and income for total and permanent disability, also the double travel indemnity provision.

An Office doing business in Eastern Pennsylvania could use a good Life Insurance Company in this territory.

Address "KEYSTONE"
Care of The Eastern Underwriter
105 William Street, New York, N. Y.

INHERITANCE TAX

A Sample Form for Agents Prepared By a Northwestern Mutual General Agent

One of the Northwestern Mutual Life's general agents has suggested to his agents, the preparation of a statement for the prospect, as follows:

Gross amount of estate	.....
Deductions—	
Federal tax	.....
Attorney's fees	.....
Probate costs	.....
Executor's bond	.....
Total cost	.....
Net estate remaining...	.....
Gross income (5% basis)	.....
Deductions—	
Federal income tax.....	.....
(State) Inheritance tax.	
(State) Personal property tax	.....
Net annual income.....	.....

This form will not do for all States, but it gives the general idea, and can be adapted easily.

GERMANIA LIFE QUERIES

Two questions recently asked by the Germania Life by agents and answered by that Company follow:

Q. What rate of commission will be paid on life income endowment policies running for 17 years?

A. The rate of commission on life income endowment policies maturing in less than twenty years is the same as for regular endowment policies maturing in the same number of years.

Q. How do you obtain the additional premium for the double indemnity clause in connection with the family protection policy?

A. The only practicable way to add the double indemnity clause in connection with the family protection policy is to grant such benefit in the form of a cash payment equal to the face amount of the policy in addition to the income payments plus the first payment falling due when the policy becomes a claim. Under such arrangement the additional premium is the same as for a corresponding endowment policy with the same face amount.

White & Odell, State agents for Minnesota of the Northwestern National Life, wrote applications for $1,400,000 of insurance during the first quarter of this year.

HOME LIFE INSURANCE CO.
(Now Purely Mutual)
256 BROADWAY, NEW YORK
GEORGE E. IDE, President

The fifty-seventh annual report shows insurance in force of $133,493,000, an increase during the year of $7,832,827. The Company paid the policyholders in 1916 $3,536,233, of which $628,406 was in dividends or premium refund. Its insurance reserve fund was increased by $1,300,000 and the Assets are now $32-821,462.

For Agency apply to
GEORGE W. MURRAY,
Supt. of Agts.
256 Broadway, New York, N. Y.

WE have room just now for two or three good men—not the Million Dollar producer who takes it out in talk, but the man who can average $100,000 of personal business, plus experience in appointing and working with agents. Men who become valuable to this Company grow in value to themselves. We cannot guarantee your success, but we will give you a real opportunity, then it's up to you. Would you like to hear about it further?

Pittsburgh Life and Trust Co.
Home Office, Pittsburgh, Pa.
HOWARD S. SUTPHEN
Vice-President & Manager of Agencies

State Mutual Life Assurance Co.
OF WORCESTER, MASSACHUSETTS
Incorporated 1844

The Company that gives complete satisfaction to policyholders and agents because both are a part of it.

SEVENTY-THREE YEARS of faithfulness to every promise made.

Success for our ambitious representatives is a certainty.

Additions are made to our agency force when the right men are found

B. H. WRIGHT, President D. W. CARTER, Secretary
STEPHEN IRELAND, Inspector of Agencies

NATIONAL LIFE INSURANCE COMPANY
(MUTUAL)
MONTPELIER, VERMONT
67th Year
FRED A. HOWLAND, President

On paid-for insurance basis and with bonds valued at par only (market value $409,882 above par) the 67th report shows:

Assets	$66,426,040.82
Liabilities	62,268,494.36
Surplus	$ 4,157,546.46
INSURANCE IN FORCE	$212,037,400.00

A good company for the policyholder and the agent
EDWARD D. FIELD, Superintendent of Agencies.

Checks Power of State Supervision

HERALDS OF LIBERTY CASE ATTRACTS ATTENTION

Fraternals Read Important Significance in Decision of an Arizona High Court

Fraternal insurance newspapers think that the victory of the Heralds of Liberty in Arizona courts iu its fight for retention of a license to operate in that State is a step in restraining the supervisory authority of the State from assuming judicial functions.

The Corporation Commission of the State of Arizona, on March 31, 1915, issued an order revoking the authority of the Heralds of Liberty, a fraternal benefit society, to do business in the State. The New York Conference Bill is the statute law of the State governing fraternal insurance and the Commission, in revoking the license, believed that the plans and manner of conducting the affairs of the Society were not in accordance with its interpretation of the law. No further reason for the action was stated.

The society, Heralds of Liberty, operates on a "joint life distribution plan" wherein members are grouped in divisions and classes of corresponding ages and, when a member dies, some living member receives an amount equal to the sum paid to the beneficiaries of the deceased. It was this plan to which the Commission objected. On April 22, 1915, an application for a license was made and rejected and the case was taken to the Superior Court of Maricopa County for review. Mandamus proceedings to compel the Arizona Corporation Commission to issue a license to the Society were instituted. The Court decided in favor of the Society and, upon appeal to the Supreme Court, the judgment was affirmed. Following the decision, the Commission, by advice of the State attorney general, who held that "a revocation of the license of the Heralds of Liberty to do business in the State of Arizona is not warranted and cannot be sustained in the courts," rescinded its action and the Society is again doing business in the State.

Aside from the victory of the Heralds of Liberty the decision is important in that it restrains the supervising authority of the State from assuming judicial functions. The Court is positive on this point. The Supreme Court of Arizona says: "The Commission cannot license corporations other than those named by the law-making body, neither can it refuse arbitrarily or capriciously to license those named and possessing the qualifications prescribed by law," and "It is possible that cases might arise wherein the Commission passing upon an application for licenses to transact business in this State by a foreign fraternal society or corporation, would be required to exercise discretion or judicial functions; but clearly this is not shown to be a case of that kind." And furthermore: "We think the act of issuing a license to the appellee authorizing it to do the business of insurance under the facts of this case was specially enjoined as a duty resulting from the office of the Corporation Commission."

PRESENTED WITH NEW WRITINGS

Elbert Storer, general agent for the Bankers Life, of Des Moines, celebrated the first anniversary of George Kuhns as president, by sendiug the following wire to Mr. Kuhns:

"In honor of your first anniversary as president of our great company the Hoosier Agency is sending you in one package applications for $54,500 written since April 1. The hearty good wishes of the agency go with the applications."

44 MILLIONS from 42 AGENCIES

THE 1916 RECORD OF OUR EARNEST, LOYAL AND HAPPY AGENCY FORCE

New England Mutual Life Insurance Company

BOSTON, MASS.

GENERAL AGENTS' CONVENTION

New England Mutual Life Agents Meet in Boston to Discuss Field Problems

The General Agents' Association of the New England Mutual Life Insurance Co., will hold its convention at the Copley-Plaza Hotel, Boston, on May 23, 24 and 25.

May 23 will be devoted to golfing and other field sports. On the 24th the delegates will hold a general discussion on "Agency Development." At the afternoon session the topic "Effective Ammunition for the Firing Line" will be taken up; and also plans made for Policyholders' Month in June.

At the conclusion of the convention on the 25th, a report will be submitted by the Nominating Committee. Mr. Barbey will address the agents on the subject "Relation of the General Agent to the Company in Respect to the Efficient Conduct of Business."

TEXAS MEDICAL MEETING

The Life Insurance Section of the Texas State Medical Association meets in Dallas on May 8, with Dr. John L. Davis, of the Amicable Life, of Waco, chairman. Dr. Davis will deliver an address on "Pyorrhea." Other topics follow:

"Danger Signals for the Medical Examiner"; "The Relation Between Blood Pressure and Kidney Diseases"; "Cardio-Vascular Renal Diseases"; "How the Surgeon Adds to Longevity"; "The Significance of Casts in the Urine"; "The Three-Fold Duty of the Life Insurance Examiner"; "Life Insurance Examinations as a Specialty"; "The First Class Risk"; "The Importance to the Applicant of a Careful Life Insurance Examination."

WANT TO EARN $100?

Here's a chance for some enterprising life insurance agent with literary ability to earn $100! The Maccabees in a page advertisement in the "Saturday Evening Post" offer that sum to the person who writes the best argument against joining the Maccabees.

CENTURY LIFE ENTERS OHIO

G. M. Nettleship Appointed Agency Manager—Company Now Doing Business in Five States

George Montagu Nettleship who has many friends in the life insurance business, has been appointed agency manager at Cleveland, O., for the Century Life of Indianapolis.

The Century Life received a license to write business in Ohio on April 2, and on the same day Mr. Nettleship secured thirteen applications for $51,000 of insurance. He closed the first week with $67,000 to his credit; besides interviewing several possible applicants for agency openings.

The Century Life was organized on January 1, 1917, and received $750,000 in applications during the first three months of this year. The Company is now licensed in the States of Illinois, Ohio, Kentucky, Texas aud Indiana.

FORM SAMPSON & COTTON

C. C. Sampson, formerly superintendent of agents of the Scrauton Life Insurance Co. who has been located in Pittsburgh for the past year in charge of the Pittsburgh office, has formed a partnership with H. V. Cotton under the firm name of Sampson & Cotton, and will represent the Scranton Life as general agents for about twenty counties in the Western section of the State, with headquarters in the Union Bank Building, Pittsburgh.

MUST AWAKEN PUBLIC

How long will insurance companies be the victims of unjust taxation? As long, probably, as the insuring public remains ignorant—or what is worse, apathetic. The indifference of most people (including the majority of those in the business) to the seriousness of the situation, is one reason for our inequitable tax laws.—Aetna Life News.

AMICABLE LIFE GAINS

During the first three months of this year the Amicable Life of Waco, Texas, made a gain of $347,200 or 51 per cent. in new business over the first three months of 1916. The company has set its mark at one million dollars of new business for this month.

Business Attending to Business

General business is prosperous and the public confidence is proof against all alarms. Our deliveries for the first three months were much larger than for the first quarter in 1916. Patriotism requires that business shall attend to its business with the utmost zeal, that the stability of finance may remain unshaken; even as patriotism requires that every American shall support the government by such means as are his to contribute, that our country may be invincible.

Occasionally we have a general agency opening.

JOSEPH C. BEHAN, Superintendent of Agencies

MASSACHUSETTS MUTUAL Life Insurance Company

Springfield, Massachusetts

Incorporated 1851

FIVE BROTHERS INSURE

Members of a Southern Family, Insured For More Than $300,000

In an article appearing in the Mutual Life Quarterly are the names and pictures of five brothers who hold more than $300,000 insurance with the company. Joe B. Efird, Charlotte, N. C., president of the corporation in which the five brothers are interested, is insured in the Mutual Life for $200,000; Edward L., Winston-Salem, for $30,000; Jasper W., Durham, $25,000; Paul H., Columbia, S. C., $29,000, and John R. Concord, N. C., for $20,000. This business was placed by James A. Houston, division superintendent of the Charlotte, N. C., agency.

Fifteen years ago two of the brothers left the farm in Anson County, N. C., and secured employment as clerks in a Charlotte, N. C., department store. Scon after they were followed by the other three. The boys took great interest in their work and were so ambitious that they soon purchased a store of their own, now owning nine stores in the Carolinas.

TRAVELERS CLUB NOTES

Officers Elected at Annual Meeting—Company to Provide Club Rooms in New Building

The annual meeting of the Travelers Club, composed of about 800 members of the home office force of the Travelers Insurance Company of Hartford, was held on March 27.

New officers were elected for the ensuing year as follows: John E. Ahern, secretary of the Accident Department, president; C. C. Washburn, vice-president; Francis J. O'Neil, recording secretary; M. I. Hart, financial secretary; J. P. Carroll, treasurer; and R. L. Hills, historian.

Mr. Ahern, the new president of the club, made a prediction that within ten years the club would have no less than 2,000 members, and said that, although the club is without a club house at present, it would be provided with splendid quarters in the new building which the Travelers is erecting.

NEW INCOME BOND

The George Washington Life has added a new income bond to its contracts. The rates for a monthly income of $10 in part follow:

	Income to begin at		
Age	65	60	55
21	12.51	20.14	30.88
31	21.14	34.60	54.96
41	39.26	67.56	168.31
50	80.93	161.32	

McCORMACK'S SCHEME

C. B. McCormack's (Seattle) plau of a standardized war risk clause, a standardized extra rate per thousand, a new association to joiutly and collectively underwrite excess war hazard by paying into a common fund excess premiums, and a bill "making the Government liable for any excess loss on insured risks by virtue of military or naval service" not covered by the excess war hazard fund for which he outlines provision, is attracting editorial attention among daily papers on the Pacific Coast.

HOME LIFE OF PA., WINS

The Home Life Insurance Company, of Philadelphia, has been sustained iu the litigation against it instituted in the Court of Chancery, Delaware.

Julius M. Gass, who has been cashier and assistant secretary of the Marquette Life of Springfield, Ill., has been appointed secretary, succeeding the late J. L. Freund.

LIVE HINTS FOR BUSINESS GETTERS

Practical Suggestions to Help the Man With the Rate Book Increase His Income and General Efficiency

Failure to Keep Appointment May Ruin Your Sale

Punctuality in keeping appointments, particularly business appointments, has often been extolled and there are probably few business men who do not try to be punctual. It is always a bad thing to be late but in certain lines of business it is pretty apt to be disastrous. You can't expect a man to be impressed with the quality of your service after he has been waiting for you to keep an appointment. Such treatment is inexcusable. You may not mean to be rude but lateness in meeting your prospect, when a definite appointment has been made, oftentimes conveys an impression of deliberate rudeness.

No Aetna agent can afford to be late in keeping any appointments which he may have made to meet prospects. It always pays to be punctual, sometimes more than you may realize. If you make an appointment for 3.30 p. m., be there at 3.20 and your prospect will have no cause for complaint. It is better to keep yourself waiting than to make your prospect wait.

This vital necessity of always being prompt in keeping business appointments has been brought forcibly to our attention by the following letter which states the prospect's case so ably that we want all our agents to read, digest, and inwardly make note of its contents:

"When a person comes to you with out-stretched arms and actually begs you to write a health and accident policy, don't you think you ought to at least listen to him?

"I wrote you recently requesting information about your policies. In reply I received a form letter stating that the matter had been turned over to your representative who will care for me. Your representative calls and makes an appointment with me for last Friday at 2 o'clock. He shows up about 3.30—but doesn't find me waiting for him. I make a practice of keeping my appointments and consequently expected to meet your man at that hour; but I did not—and didn't—expect to wait all afternoon.

"Result: I have about decided to hunt another good company.

"You people are doing some mighty good advertising and it's a shame your follow-up isn't any better than it is. I like most of the copy you are running in the national magazines—but there are a whole lot of people in this world who, when they write in for certain information, expect to get it. And the giving of this information doesn't hinder your representative either—instead helps him.

"I had practically sold myself a policy before your man made the appointment with me. All he needed to have done was to have met me at the arranged time and have drawn up the policy. Now—well it will take a better man than your local representative to get another appointment with me.

"If you care to give me information about your policies direct by mail I'll listen to you, but I want to hear from you by return mail."

* * *

Pointers of Conservation

C. W. F. writing in the "Prudential Weekly Record," makes these comments: In these piping times, when business is coming in tremendous volumes, and still rising volume, through a thousand channels, and the days are not long enough to get it all in, it behooves every Prudential man steadfastly to maintain The Prudential's high standing of quality in the conservation of business; to carry undimmed in our mind's eye the electric message, "The business that stays is the business that pays"—the true conservation

Make haste calmly and with poise; do not allow your critical judgment of a prospect to be warped or dulled by any outside consideration—it is here the conservation of business begins.

Be sure and confident of yourself; be sure to use every precaution to avoid mistakes; be sure you know your client—the man, his manner and his home. Don't plant the seeds of lapse and cancellation by overinsuring him or selling him the wrong policy. These pointers assure quality, the essence of conservation.

Be sure your client understands and approves what he is buying; what and where he is to pay. Impress upon him the enhanced safety and peace of mind to be obtained by keeping his premiums paid in advance, thus discounting the "rainy days." Above all, be clear and brief.

He is a most valuable conservationist who never overlooks a vital point nor underestimates or misapprehends the signs of a lack of The Prudential's standard of quality that is essential to the conservation of business.

FRATERNAL STATISTICS

The 1917 edition of "Statistics Fraternal Societies" has been received from the press of the "Fraternal Monitor," Rochester, N. Y.

"Statistics Fraternal Societies" comprises 240 pages of carefully prepared information giving the date of organization and age of societies, the members and lodges in good standing, the plans, insurance, rates and special features of all societies, their increase in membership during 1916, their increase in insurance in force, the number of assessments and amount collected, the average age, mortality rate, assets, liabilities, members and insurance written, benefits paid since organization, and many other items of pertinent information. In addition is given the National Fraternal Congress table of mortality, together with many other tables of mortality, coupled with comparative tables showing chances of dying and old-line rates, etc.

THE
METROPOLITAN LIFE
Insurance Company
(Incorporated by the State of New York)



Metropolitan Life Insurance Company
Home Office Building

The Company

Of the People
By the People
For the People

The Daily Average of the Company's Business during 1916 was:

701 per day in Number of Claims Paid.

8,304 per day in Number of Policies Issued and Revived.

$1,969,823 per day in New Insurance Issued, Revived and Increased.

$376,827.40 per day in Payments to Policyholders and Addition to Reserve.

$220,509.26 per day in Increase of Assets.

JOHN R. HEGEMAN, President

SAYINGS THAT ARE NEVER SAID

Prospect (to office boy who has handed him a card): Ah! An insurance agent! Fine! Show him in.

Insurance Salesman—Yes, I've been writing insurance for twenty years and have never had a case rejected by the medical department.

Legislator—Tax the insurance companies? Certainly not! They are taxed already more than they should be. Just because they are prosperous is no reason why we should pick on them.

Policyholder—I understood my life insurance policy the first time I read it, and without any trouble, either.

The Widow—John left me $25,000 of insurance. It's all the money I own, but I wish he hadn't done it.

The company refused about 2,500 applicants for insurance last year. An average of over six a day! When will men learn to insure before it is too late?—Aetna Life News.

Representing

The Mutual Life Insurance Company
of New York

You will make money.

The great strength, big dividends and incomparable benefits of the *"oldest company in America"* mean certain success for you.

For Terms to Producing Agents, Address

GEORGE T. DEXTER, 2d Vice-President

34 NASSAU STREET. NEW YORK, N.Y.

REDUCTION OF LAPSES

In concluding his address, following the Superintendents' Convention Banquet, on the evening of Saturday, January 27th last, Vice-President Fiske's request of the superintendents was, "Cut your lapses in two. Come back here next year with not over 7 cents per $100 of debit."

If the record made for January and February, 1917, may be accepted as an earnest of their intention for the remainder of the year, the superintendents, in general, are certainly well on the way toward accomplishing what they were asked to do. The record is really remarkable. The lapse rate per $100 of debit (exclusive of the Pacific Coast) was in January and February, 1915, 21.39 cents; in 1916, 14.22 cents (an improvement of 7.17 cents) and in 1917, 10.78 cents, the latter being an improvement over the first two months of 1915 of 10.61 cents, and of 1916 of 3.44 cents.

SIGNS OF SPRING

Plans Formulated for Baseball League—Metropolitan, New York, Equitable and Mutual Represented

Plans have been made and a playing schedule arranged for the cry of "Play Ball" by the Life Insurance Baseball League of New York. Four teams will be represented in the league, namely, the Metropolitan Life, Equitable Life, New York Life and Mutual Life. The league has leased Degnon Field, Long Island City, considered the best semi-professional park in Greater New York. A double header will be played every Saturday afternoon, and the opening game will be played on May 5th. The cost of the league is being met by the sale of season tickets. Loving cups will be donated as prizes. The officers of the league are George Fisher of the Metropolitan, president; H. M. Korwan of the New York Life, vice-president; Edward Morris of the Equitable, treasurer; and F. W. Pennell of the Mutual, secretary.

BANKERS LIFE ENTERS TENNESSEE

The Bankers Life Company of Des Moines will enter Tennessee. Thomas D. Samuels will be a general agent with headquarters at Memphis and W. H. Carter will be general agent with headquarters at Nashville.

W. L. Crocker's Strong Defense of Agents

(Continued from page 2.)

not suggest the question whether our so-called private, but our really semi-public insurance institutions which render this service can he advantageously supplanted by other instrumentalities, except through and after a complete revolution of our entire social structure? And if they ever be so supplanted, would the public be any better served? Is there any guarantee, any certainty that a service conducted hy the State in its political capacity will prove any better medium for public advantage than the existing Agencies?

"Is it reasonable to suppose that the non-competitive conduct of insurance by a political body, circumscribed by rigid statutory standards, hampered by the inflexibility of management natural to the administration of General Government and lacking the primary motive for initiative induced by competition, will develop in its practice the ready adaptability to new conditions, and the sensitive responsiveness to the myriad and daily changing necessities of the insuring public, which are inherent in the present insurance system?

"These are questions which cannot be answered save in the fullness of time, hut the propositions ought to be demonstrated in some adequate degree before it can be truly seen whether the public interest will be advanced by the adoption of systems involving revolutionary changes. You and I may not be here to witness the demonstration. Our thoughts are concerned rather with the more immediate future and as we are representatives of the competitive Agency System, we hold that any change which spells the displacement of our form of service in favor of exclusive State service will only be another way of spelling Agency, will be more apparent than real, and will merely involve the substituting of political control in the place of business control under Government supervision.

Conclusions of Quarter of a Century's Experience

"I do not by any reference here mean to imply any lack of respect for good Government, nor to reflect upon the admitted capacity and public spirit of those who, in high office or otherwise worthily administer its functions. I am simply stating my conclusions upon an economic problem, as they have been matured by a quarter century of work and observation, and it is my judgment that these conclusions are shared by a very great mass of our citizens.

"Men of broad vision, who are engaged in insurance as their business, particularly those who bear responsibility for the future of the existing companies and associations will not, unless it involves monopoly, object in any degree whatever to the engagement by Government in the administration of general plans of collective relief, if that be the demand of the majority of the citizens. Indeed, it is difficult to understand how a right-minded public can fail to sympathize with such movements if they be soundly based and involve no economic wrongs upon the general citizenship, and provided they do not close the door of opportunity to the pursuit of cognate activities upon the part of private citizens.

Existing Institutions Should Carry on the Work

"It is conceivable that pension plans, annuities, insurance based on cessation of life, accident and health insurance, or workmen's compensation systems, may be established by the State without any necessary implication of monopoly whatever. If it be made clear that the present facilities afforded do not serve on the soundest economic lines certain classes of the population, there should be no objection to Government undertaking to supply the deficiency, or to better the service. This however, need not, and should not involve damage or destruction to institutions which are to-day so splendidly fulfilling their functions.

"So long as they continue to observe, as they do, the law and the proper spirit of service, the existing institutions should be permitted to carry on their work, irrespective of whatever plans may be adopted by Government. If Government adopts systems which are directly competitive with those of groups of its citizens, let the two operate side by side. Then whichever system shall best show its adaptability for service, will be resorted to by the people, and thus any question as to relative merits will be settled in due time by the process of natural selection."

Discusses Life Insurance and the War

Mr. Crocker then devoted some time to a discussion of the life insurance problems growing out of the war, saying:

"The war and its possibilities have brought grave and far-reaching problems to all insurance institutions. To none do these problems come with greater force than to life insurance. It is evident that an extraordinary demand for insurance based on the cessation of life is proceeding out of the grim exigencies portended by our war-like preparations. Men ordinarily do not seek life insurance, they have to be urged, and persuaded for the most part, to put that phase of their life's house in order.

"The elementary truth that life insurance is an economic necessity is but slowly making headway. But now that a nation-wide danger threatens, men are freely asking for this form of protection. Society will evidently demand that the need be satisfied. Managers of life insurance institutions are, therefore, confronted with a proposition of broad and perhaps serious proportions, which at once touches their professional interest, their patriotism and their sense of responsibility. They are being called upon to decide what is to be the true balance between continued solvency and the safety of their present policyholders' interest on the one side, and on the other the demand that men be now granted insurance for war coverage. It is one of the most important questions which they have ever faced, and perhaps it is to become the most serious. No one, I think, can rightly forecast the outcome. It is easy enough for Optimism to say that the war will not seriously engage any except our naval forces. But what must be the answer of those upon whom rests ultimate responsibility for the integrity of life insurance companies? We are all in the dark. The issue is shrouded in the mists of the future. The elaborate preparations by the National Government are significant. If they mean anything at all, they indicate, upon the part of those who should best know the situation, a belief in the gravest possibilities.

Companies Cannot Scale Their Obligations

"Nevertheless action must be taken by life insurance companies for better or worse, and once taken, cannot be abrogated nor repudiated. Contracts for future deliveries for the common commodities of life are even now being closed with unusual misgivings and restrictions. And here in the realm of life insurance is being anxiously considered the making of contracts of indemnity which a portentous future seems to say may be matured so rapidly by the unknown and multifarious hazards of modern warfare as to test possibly the strength of the strongest individual institution. We are compelled to fix the price in advance, on such a basis as to insure solvency and the equitable rights of policyholders present and to come. We have no taxing power. We cannot levy on the private resources of policyholders to liquidate deficits. We cannot scale our obligations. To set prices at a point which would eliminate the chance, would be to entirely defeat the object of the plan, would be to place protection out of reach and render it ridiculous. We must work then upon the matter with the crude, sparse and unreliable information available, use our good commonsense, let our spirit of trust take us by the hand, and act, leaving the issue to come as it may be ordained.

War May Reap Black American Harvest

"It may be that out of the hideous murk of war will come a black harvest so staggering in its horror as to confound even our most carefully determined prophecies, and to render futile our wildest estimates of liability. Heaven grant that for every reason of humanity we be spared such a calamity and that the future, now dark with foreboding, may hold within its shrouded portals a mercifully speedy ending of the strife.

"It is my belief that those who are entrusted with the responsibility of providing in this hour for this element of our national welfare are to the highest degree patriotic; that they are concentrating their best faculties upon the solution of this problem, and that the result will be such just and reasonable attitude and terms to our defenders as shall constitute an additional evidence of the fitness of our insurance institutions to serve the public of the United States."

J. S. EDWARDS
Secretary

SAN JACINTO LIFE INSURANCE CO.
THE SURRENDER AT SAN JACINTO
BEAUMONT-TEXAS

G. A. WELLS
Asst. Secretary

An opportunity for rapid advancement is offered to men who are willing—and will.

FOR AGENCY CONTRACTS ADDRESS

H. M. HARGROVE, President
BEAUMONT, TEXAS

J. C. Humes
President

THE CRESCENT LIFE INSURANCE COMPANY
OF INDIANAPOLIS, INDIANA
"ENDURING AS THE PYRAMIDS"

L. D. Clancy
Secretary

A Legal Reserve Company

Are You a Big Producer? Can You Prove It?
ONE GENERAL AGENT WANTED IN INDIANA

Home Office: Fletcher Trust Bldg., Indianapolis, Ind.

PAYS ITS FIRST D. I. CLAIM

Insured Died Before the Policy Was Delivered—Covered by Binding Receipt

The Equitable Life Assurance Society of New York, paid its first double indemnity claim on April 5. The application was written on a binding receipt for $5,000 on the life of a cattleman of Phoenix, Ariz., and the premium paid on March 12.

The policy was issued on March 24, and on the same day the insured, while driving his automobile, ran into a ditch and was overturned. His injuries resulted in his death on the same day.

The details of the accident and proofs of death were received at the home office of the Equitable on April 5, and a check for $10,000 was issued in favor of the insured's wife. Of this amount $5,000 represented the accident benefit, on which the extra premium was $8.75.

EQUITABLE EMPLOYES' DANCE

One of the best-attended affairs held this season was the fourth annual reception and dance of the Equitable Life Assurance Society Employes' Association in the Ball Room and Winter Garden of the Hotel McAlpin last week. Over eight hundred members of the home office force and their friends were present. Among the officers of the Equitable present were, W. A. Day, president; J. B. Lunger, vice-president; H L. Rosenfeld, fourth vice-president; W. E. Taylor, superintendent of agencies; G. R. Brown, comptroller; J. V. E. Westfall, assistant to the president; and S. S. McCurdy, assistant secretary.

FOUNDED 1865

Unexcelled In Favorable Mortality
and Economy of Management

The Provident Life and Trust Company
OF PHILADELPHIA

Rates of Premium Extremely Low and still further reduced by Annual Dividends

THE EASTERN UNDERWRITER

This newspaper is owned and is published every Friday by The Eastern Underwriter Company, a New York corporation, office and place of business 105 William Street, New York City. Clarence Axman, President; B. F. Hadley, Vice-President; W. L. Hadley, Secretary. The address of the officers is the office of this newspaper. Telephone 2497 John.

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THE AUTOMOBILE NUMBER

The aim of the editors of the Automobile Number of The Eastern Underwriter has been to present to underwriters and men in the field as many interesting, timely and valuable phases of the automobile insurance situation as could be gathered in a twenty-four page paper. The business is so big, the underwriting problems so many, that there was a great mass of material from which to select.

Various hackeneyed features and pictures that appeal to country journalism were immediately discarded, The Eastern Underwriter making a sincere effort to collect a wide variety of viewpoints, (including underwriting and agency opinions,) which are presented in this issue, so that the business as a whole will know what underwriting questions are uppermost in discussion at the present time. Considerable space is also devoted to the splendid reconstruction work being done by the Conference.

The human interest phase of automobile insurance is covered in two most unusual stories—the remarkably clever automobile identification activities of Sergeant Brennan, a real Sherlock Holmes at New York Police Headquarters, and the running down of that gang of automobile swindlers, the operations of which shocked William Street.

CAN THE AGENT BE DROPPED?

If the insurance agent is eliminated who is to take his place? Who is to perform the service he renders? Who is to make the direct contact with the public for the carrier?

Walton L. Crocker, vice-president of the John Hancock Mutual Life, in an unusually able address delivered in Boston on Saturday night, answers these questions by offering the opinion that if the agent is done away with a valuable instrumentality of commerce will be destroyed. A much needed personal equation in the life insurance business will be lost, there will be no saving in cost, and "experiments within the border of our own Commonwealth, and other non-agency ventures of record, have demonstrated the difficulty of bringing the benefit of insurance to any considerable number of people except by and through agents."

For years Mr. Crocker has been in the closest touch with the field force of a great company. He speaks with authority and has a contempt for honeyed words. It is opportune that an underwriter of his rank and experience should come out at the present time (when acquisition costs in some branches are being assailed) and give such a vigorous and unanswerable estimate of the men in the field.

WAR RATES

A great deal of space in this issue of The Eastern Underwriter is devoted to a discussion of various phases of life insurance war problems, the most important subject of the day in insurance.

Representatives of the Mutual Benefit, the Massachusetts Mutual and the John Hancock speak thoughtfully and frankly, giving opinions which should be read and weighed with care, especially at a time when the subject is under review by the State officials. It is particularly important that agents have a thorough understanding and appreciation of what the companies are doing.

As a comment on criticisms made in certain insurance departmental circles about extra rates for life insurance war risk the following story from the New York "World" is of interest at this time:

> At the outbreak of hostilities the Canadian companies decided that men going into the service should pay an extra premium of $50 on $1,000. When the death list began growing this was increased to $70. For a short time policies were issued on this basis, but finally, after one-third of the annual losses of one company proved to be war claims, the rate was increased to $150 on $1,000, an extra premium of 15 per cent., five more than United States companies are asking. British companies now demand an extra premium of $150 before insuring men going into the service.

SHOULD NOT TAX INHERITANCES

The Chamber of Commerce of the United States has issued a statement saying that a few should not be permitted to profit greatly by the war at the expense of many; and that industry, owing to large profits secured during the last two years, is in an uncommonly strong position and able to bear its full taxation. However, the Chamber correctly feels that burdens of taxation should not be unfairly distributed, and gives several important reasons why the income tax on corporations should remain unchanged. One paragraph of its report of particular interest to life insurance men follows:

> Inheritances, in the committee's opinion, are not proper subjects for war taxes, as such a tax would place an unjust burden upon the estates of those dying during the progress of the war.

Hiram Barnum, for many years superintendent of agencies of the Agricultural, is dead.

* * *

Louis Harding has been appointed head of the Improved Risk Department of the Scottish Union & National. He has been with the Home.

* * *

C. F. Davis, former general manager of the Prudential Casualty, has been appointed general agent of the State Mutual for Indiana.

THE HUMAN SIDE OF INSURANCE



JAMES J. BOLAND

James J. Boland, of Scranton, Pa., and Buffalo, has risen in a period of two years from a general agent at Scranton in 1915 to president of a million dollar fire insurance company in 1917. On the purchase of the National Lumber Underwriters of Buffalo by the J. J. Boland Co., Inc., of Scranton, a few days ago, Mr. Boland became president of the company, whose name has now been changed to the New York National Fire Insurance Company, of Buffalo. Mr. Boland plans eventually to make his headquarters at Buffalo and much of his time is now spent travelling between that city and Scranton.

* * *

Paul Wolf, the new partner to be admitted on the re-organization of F. Herrmann & Co., has had a fire insurance experience of international scope. Mr. Wolf has been connected with the Nord-Deutsche for fifteen years, during which time he has represented the company in an executive capacity in England, France and the United States. He has been in this country for the past six years associated with J. H. Lenehan, United States manager of the Nord-Deutsche.

* * *

Graham C. Wells, general agent at Pittsburgh for the Provident Life & Trust, is on a ten day tour of Southern cities, speaking at the World's Salesmanship Conventions.

* * *

William J. Graham, manager of the group insurance department of the Equitable Life Assurance Society, is being congratulated upon the arrival at his home of a third member of the Graham group: Miss Mary Graham, two weeks old.

* * *

J. J. Lamont, former foreign fire inspector for the London & Lancashire, and now assistant secretary of the National Safety Council, addressed the Fire Insurance Club of Chicago Tuesday evening on "Some Latin-American Underwriting Experiences." He dealt specially with conditions in Mexico, Chili and Porto Rico. Mr. Lamont was somewhat pessimistic as to both the underwriting and the national outlook for Mexico, owing to racial and governmental conditions. He analyzed the construction and protection of the country, in which only one American company is doing business, although there are twenty-three British companies, seven Germans and five other companies. General agents are allowed a commission of 25 per cent., out of which commissions (limited to 10 per cent.) are paid local agents. There are no insurance brokers in Mexico, but anyone bringing in business can demand 5 per cent. brokerage. Companies are allowed one general and one local agent in Mexico City; one general agent in certain other centers, and but one local agent in provincial towns.

Mr. Lamont closed with a review of Porto Rican conditions, where again the foreign companies have practically all the insurance business. At the time of his visit to Porto Rico, four years ago, there were twelve British, five German, two Canadian, one French and Swiss fire insurance companies operating there; but no American company was then represented on the Island. Mr. Lamont predicted that after the war the United States fire insurance companies would operate more extensively in other countries, and drew on his own experience to suggest a code of principles under which their operations should be carried on.

* * *

John R. Hegeman, Jr., son of the president of the Metropolitan Life, a major retired in Ordnance Corps, expects to be called out for duty soon. That sons of officers of the Metropolitan Life have the highest ideals about duty is shown by the fact that a large number of them are in or will be in the service. **Haley Fiske, 2d**, is on board ship learning gunnery for service in Naval Reserve. **Frederick Ecker** is in an officers' training camp. **George H. Gaston, Jr.**, has passed his examination for captain's commission in the new Army. **Ralph** and **Raymond Taylor**, sons of Third Vice-President Taylor, are training on ship in Naval Reserve. **Carlton W. Cox**, son of Third Vice-President Cox, is in officers' training corps. **Lee K. Frankel, Jr.**, is in officers' training corps. **Paul Fiske Willard**, son of Medical Director Willard, is in officers' training corps and is a candidate for admission to Squadron A, liable to be called for cavalry service. **Dr. William C. Craig**, son of the actuary, is surgeon in the Fifth New Jersey Regiment, National Guard, and is on duty with his regiment "somewhere in New Jersey." **Arthur H. Craig**, another son of the actuary, is on the reserve list of the National Guard and has applied to take the examination for the Officers' Reserve Corps. **Francis Stabler**, son of the comptroller, is drilling in the Officers' Reserve Corps. **Harold C. George**, son of the assistant treasurer, has enlisted in the Second Battalion of the New York Naval Militia and is now in service on the United States battleship New Jersey.

* * *

B. G. Chapman, Jr., who has been vice-president and secretary of the American Central Fire, has been elected president. D. E. Monroe, formerly Illinois State agent of the National, who has been assistant secretary for the last year, was made vice-president and secretary. Conrad Roeder continues as assistant secretary and H. R. Tyler as agency superintendent.

CONTROL OF THE NEWARK

As The Eastern Underwriter goes to press it learns that the majority interest in the stock of the Newark Fire has been purchased by the Royal Insurance Company, which will be continued under the direction of the present officers and staff. E. J. Haynes, president of the Newark Fire, is a well-known figure among the underwriters and is chairman of the executive committee of the Eastern Union.

The Newark is more than a century old.

FIRE INSURANCE DEPARTMENT

South Wiring for War Risk Coverage

NEW ORLEANS ASSURED IN MARKET FOR $6,000,000 INSURANCE

Brokers Discuss New Coverage Policy —Discussion Over Cancellation Feature Heard on Street

Up to the time The Eastern Underwriter went to press there were a number of companies which had not yet taken up the question as to whether or not they would write the full cover. Out of forty companies in the Explosion Conference only a dozen had decided to write the full war risk up to Thursday morning of this week.

Most of the demand for explosion and full war risk cover this week came from the South, telegrams from agents pouring into companies from New Orleans, Galveston, Jacksonville, Charleston and other cities, particularly for insurance on cotton storage warehouses, mills, etc. One of the largest lines—$6,000,000—explosion insurance was offered from New Orleans covering dock property. It was reported on William Street that one company had agreed its willingness to assume the entire risk, but was not accommodated to that extent.

In the East the largest writings were in Boston and other points on the Coast. In New York City lines were offered on office buildings, apartment houses and other properties, and The Eastern Underwriter heard of cases where lines of $30,000 to $50,000 were asked on household furniture on the upper West Side; but some brokers said that the cream of the business was placed here during the initial flurry and that London Lloyd's have loaded up.

Malicious Mischief

Some of the brokers thought that the new war risk cover was not broad enough in that malicious mischief is not included, saying that they believed that industrial enterprises should be covered against sabotage. A case cited was the damaging of machinery in the Federal plant of the Remington Arms Company, Bridgeport, where sand was used disastrously to the machinery. There was also sabotage in a Government plant at Springfield, Mass.

There was also some talk among the brokers relative to the five months' cancellation feature, but underwriters are agreed that five months is little enough notice for war risk insurance, saying that they should not be required to hold the bag. The Eastern Underwriter learned that one company which has been writing war risk since February has used on occasions a one year's notice of cancellation; in fact, the assureds asked for it.

The Home's "War, Riot, Strike, Explosion, and Bombardment Policy," issued this week on Battleship Grey paper caused much favorable attention.

Lloyd's Heavy Liability

There is a great deal of comment heard regarding the heavy liability assumed by Lloyd's. Naturally, the plunging has been because of a belief that the hazard is small, but what will happen if there are some heavy losses? An interesting phase of the situation is that the large newspaper offices have paid heavy premiums for war coverage and a leading member of the Council for National Defense, who is also manager of the Hudson Motor Car plant, is said to carry $4,000,000 war and explosion insurance on the plant.

So undoubtedly some unusually well-posted men in this country believe in insurance preparedness against war risks.

A full copy of the new war risk policy will be found on another page of this paper. A circular sent by the Home to agents and brokers this week said in part:

To Our Agents:

We are now prepared to bind and issue forms of policies as follows:

A. Explosion—A policy assuming all direct loss or damage caused by explosion (excluding steam boiler, pipe, engine, machine or flywheel explosions originating within said apparatus, which explosions may be covered only by casualty companies.)

B. Bombardment—A policy as above, including in addition damage caused by bombardment, naval and/or military, including aerial craft (hostile or otherwise) and bombs, shells and/or missiles dropped or thrown therefrom or discharged thereat, and fire and/or explosion directly caused by any of the foregoing whether originating on the premises of the insured or elsewhere. The condition as to bombardment being non-cancellable by either party for a period of one hundred and fifty days.

C. Full War Cover—A policy to cover against all direct loss or damage caused by —(1) war; (2) invasion; (3) insurrection; (4) riot; (5) civil war; (6) civil commotion including strike; (7) military or usurped power; (8) bombardment, whether naval or military, including aerial craft (hostile or otherwise), bombs, shells and/or missiles dropped or thrown therefrom or discharged thereat; (9) fire and/or explosion directly caused by any of the foregoing; whether originating on the premises or elsewhere; (10) explosion, whether originating on premises of the insured or elsewhere other than above described (excluding fire resulting from such explosion); also subject to a one hundred and fifty day non-cancellation clause.

D. War Risk Excluding Explosion—A policy to cover all of the hazards enumerated in paragraph C, with the omission of explosion, subject to a one hundred and fifty day non-cancellation clause. Such policy would include Causes Nos. 1 to 9, inclusive, and exclude No. 10).

E. Explosion Policy With a War Risk Rider—An existing explosion policy endorsed by a rider, including the entire war, strike, riot and bombardment coverage, Nos. 1 to 9, inclusive, as above, with one hundred and fifty day non-cancellation clause.

To determine rate for a policy to cover an explosion occurring on the premises of the insured and not due to any process of the business (mercantile or manufacturing), charge the general or special class rate as shown in the pamphlet headed "Explosion Insurance."

(Continued on page 13.)

FIRE AND MARINE INSURANCE—ALL LINES

The Automobile Insurance Company of Hartford, Conn.

MORGAN G. BULKELEY, President

Statement January 1, 1917

Cash Capital	$1,000,000.00
Assets	2,748,832.19
Liabilities (Except Capital)	1,039,977.81
Surplus to Policyholders	1,708,854.38

AFFILIATED WITH

ÆTNA LIFE INSURANCE COMPANY

THE ÆTNA ACCIDENT AND LIABILITY CO.

NORTH BRANCH FIRE INS. CO.
Sunbury, Pa.
Inc. 1911

Assets	$641,341.77
Reserve	230,513.29
Capital	300,000.00
Surplus	63,479.83

CITY INSURANCE COMPANY
Pittsburgh, Pa.
Inc. 1870

Assets	$357,318.58
Reserve	54,256.92
Capital	200,000.00
Surplus	96,379.07

OPERATING ON A CONSERVATIVE BASIS IN A LIMITED TERRITORY UNDER AN EXPERIENCED MANAGEMENT

FIDELITY-PHENIX FIRE INSURANCE CO.
OF NEW YORK
HENRY EVANS, President

Fire Rent Tornado Automobile Sprinkler Leakage Use and Occupancy Profits Explosion

The Fidelity-Phenix is fully prepared by its ample and safely invested resources, efficient management and fair treatment of claimants to provide agents with the representation they need and insurers with the indemnity they require.

FIDELITY-PHENIX; Famous for Fair Dealing

Home Office: 80 MAIDEN LANE, NEW YORK *Branch Offices:* CHICAGO, MONTREAL and SAN FRANCISCO

Brooklyn Brokers' Banquet

The fifth annual dinner of the Brooklyn Brokers' Association was attended by sixty-nine members of the Association and their friends.

Willis O. Robb, manager of the New York Fire Insurance Exchange, gave a general talk on business efficiency. He said present day business morals are lower than formerly and also below the individual standards of the men in their private lives. He then told of the work of organizations in other lines of business in raising the morale. He said brokers, by using a little diplomacy, can convince their clients the best way to do business is the right way.

Edward Ford, former congressman from Milwaukee, amused the company considerably with his sallies on political personalities.

Albert H. Butler, president of the Association and toastmaster, told of the progress which had been made in the campaign for new members and of the plans of the Association for the coming months.

Those present included Julian V. Lucas, Jr., Albert H. Butler, C. L. Bussing, Andrew Stark, Austin Cornwall, R. H. Poggenburg, Samuel Lese, A. J. Smith, J. Frank, H. E. Wood, H. E. Okerstrom, G. W. Minett, John E. Watson, Duncan Fraser, George Drumm, Samuel Block, E. C. Graff, B. H. Holmes, M. Green, John Pickering, G. S. Kessler, J. E. Leete, H. R. Homan, W. B. Barter, S. D. Kirk, C. H. Waterbury, L. T. Smith, W. Bernhard, W. G. Rehbein, George H. Holden, J. C. Specht, J. W. Metzer, W. Schaeffer, J. N. Hoosier, Walter Huethwohl, C. D. Fraser, John Egan, Arthur J. Hess, Edward Herbert, Henry Mollenhauer, Jr., George Sittig, G. S. Smith, O. Edwin Barnes, John W. Nichols, R. D. Walker, S. J. Corsa, C. M. Cloud, F. J. Hall, E. M. Smith, J. S. Blume, Harry MacAinsh, Walter Kuher, J. J. Mahoney, S. J. Comfort, Harrison Law, D. T. Kennedy, Jacob Hass, E. R. Williams, M. A. Kelsey, M. H. Gaubert, J. T. Schumacker, James Danzilo, C. M. Stums, H. C. Von Elm, and R. W. Swayne, of The Eastern Underwriter.



FIFTH ANNUAL BANQUET OF BROOKLYN INSURANCE BROKERS

NOW WRITING EXPLOSION

The National Union, in line with its progressive policy, has taken up the writing of explosion insurance, and is also giving consideration to the proposition of bombardment cover as soon as satisfactory legislative action is had. At the present time there is a bill pending in the legislature and until it becomes effective the Pennsylvania companies are prohibited from writing this class.

FLINDELL OFFICES COMBINE

The offices of E. F. Flindell, Flindell & Co., and Flindell & Seely will be combined on Saturday in Rooms 1,500-1 at 1 Liberty Strect. E. F. Flindell has heretofore been at 123 William Street while Flindell & Seely and Flindell & Co. are respectively Jersey City and Newark agencies. The New Jersey offices of the two last named will be retained as heretofore.

PITTSBURGH CONSOLIDATION

W. G. McCandless & Sons, Collingwood & Son and G. M. Alexander & Son have consolidated under the new firm name of McCandless, Collingwood & Alexander, with offices in the Commonwealth Trust Building. The new firm takes over the agencies of all the companies heretofore represented by the three offices.

DOUBLE U. & O.

Some of the New York City department stores have use and occupancy forms which provide double insurance during the weeks preceding the Christmas holidays, when the stores are crowded with Christmas shoppers.

"The Leading FIRE INSURANCE Company of America"

ÆTNA INSURANCE CO. HARTFORD, CONN.

Explosion and Sprinkler Leakage Insurance

WM. B. CLARK, President

THE HANOVER
FIRE INSURANCE COMPANY
Incorporated 1852

The real strength of an insurance company is in the conservatism of its management, and the management of THE HANOVER is an absolute assurance of the security of its policy.

R. EMORY WARFIELD, President
FRED. A. HUBBARD, Vice-President
E. S. JARVIS, Secretary
WILLIAM MORRISON, Asst. Sec'y

HOME OFFICE
Hanover Bldg., 34 Pine St.
NEW YORK

HOWIE & CAIN, General Agents
Metropolitan District
100 WILLIAM STREET, NEW YORK

THE LEADING FIRE COMPANY OF THE WORLD

ROYAL INSURANCE COMPANY LIMITED

[of Liverpool, England]

An office with an established Agency Plant in Eastern Pennsylvania could use two good Fire Insurance Companies.

Address "PENNSYLVANIA"
Care of The Eastern Underwriter
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NEW YORK STATE DEPARTMENT
PERCY B. DUTTON, Manager, Rochester, N. Y.

"STRONG AS THE STRONGEST"
The Northern Assurance Co.
(LTD., OF LONDON)
Organized 1836
Entered United States 1876
Losses Paid - - - $105,000,000
Losses Paid in U. S. - $38,000,000
Eastern and Southern Departments
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GENERAL FIRE ASSURANCE CO.
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C. B. G. GAILLARD
Assistant Manager

E. C. Jameson's Views on Use and Occupancy

BELIEVES IN SPECIFIC RATES FOR EVERY RISK

U. & O. Should Not be for Full Amount Claimed as Conditions Change

Asked by The Eastern Underwriter for his views on use and occupancy, E. C. Jameson, president of the Globe & Rutgers, said this week:

"The only pertinent views I have on the subject are first, as to moral hazard, and second, as to system of rating.

"Regarding the first, I do not think that use and occupancy insurance should ever be granted for the full amount claimed as changing conditions are so apt to create a moral hazard during the term of the policy.

Rating

"Regarding the system of rating, I think that every risk should be specifically rated as to use and occupancy. In some cases there will be three or four buildings constituting a plant, the destruction of any one of which would cause a complete shutdown, and in that case a plant ought to pay a rate four or five times the rate of the building insurance. In other cases, a single building being destroyed could be replaced in four to six months, and in that case the rate for use and occupancy ought to be much less than that on the building or contents, as the case may be."

UNION'S NEWARK AGENT

Walter F. Errickson Agency Makes Additions to Facilities—Now Writes Bombardment and Explosion

Walter F. Errickson this week announced his appointment as agent in Newark and vicinity for the Union Assurance Co., Ltd., of London. The appointment takes effect immediately and is deemed an attractive one from all angles. The agency has also announced the extension of its facilities to include the writing of bombardment, explosion and all forms of war risk coverage.

The Errickson agency now represents for Newark the Law Union & Rock, Atlas Underwriters' Agency, Farmers of York, First National, General of Paris, Imperial, Insurance Company of the State of Pennsylvania, Boston Insurance Co., and the Union of London. For New Jersey suburban it represents the Atlas, Boston, British America, First National, Franklin Fire, General of Paris, Imperial, Norwich Union, and Phoenix of London. For automobiles, the agency represents the Germania Fire for New York and general territory.

Mr. Errickson started on December 1, 1911 as an agent of the Boston Insurance Co. in East Orange, N. J. Since that time, he has underwritten as agent every form of insurance but life and marine. In 1912 he opened an office in New York City and has continuously sought to increase the facilities of his agency for the writing of general business. He has specialized on serving the New York brokers among whom he has attained a wide popularity.

Associated with Mr. Errickson is Walter S. Haff who, for the past three years, has assisted him in the development of the agency to its present high state of efficiency in the handling of the numerous details of the automobile and other lines.

FAGER WITH CONTINENTAL

E. J. Fager, Jr., has been appointed special agent for the Continental Insurance Co. of New York in the Central Pennsylvania territory. Mr. Fager is now associated with the Pittsburgh branch office of the General Adjustment Bureau.

TALKS TO FIELD CLUB

At the regular monthly meeting and dinner of the Albany Field Club held at Keeler's Hotel on the 20th inst., the members and guests listened to an address on the subject of "What is this Thing we call Insurance?" by Mr. E. R. Hardy of the New York Fire Insurance Exchange. The paper was both interesting and instructive.

The meeting was largely attended and a delightful feature was vocal solos by member T. J. Jones, of the Underwriters' Association and guest, F. M. Crittenden.

War Cover

(Continued from page 11.)

To include in addition damage caused by explosions occurring off the premises, add 25 per cent. to the base rate.

To include explosion caused by any inherent hazards of the business (mercantile or manufacturing) add the charge indicated under paragraph in "Explosion Insurance" circular headed "Inherent Hazard clause, or shown in the special class rates therein. (Should there be no charge shown for other special classes do not hesitate to write or wire us for information).

To obtain rate for bombardment in addition to explosion insurance, add the zone charge to the gross explosion rate. (See sheet headed "Zones").

For full war cover (Nos. 1 to 10, inclusive)—find the gross explosion rate (i.e., general or special class rate plus charge for outside explosion" and "inherent hazard"), and add the proper zone charge.

For war cover excluding explosion (Nos. 1 to 9, inclusive)—charge 1 per cent. 75c. or 50c. according to the location of the risk, as per zone sheet.

The above contemplate issue of policies for a term of one year. In the event, however, of an explosion policy now in force being endorsed by rider assuming the additional risks Nos. 1 to 9, inclusive, enumerated in paragraphs C and E, additional premium may be figured at pro rata of the annual rate for the unexpired term of the policy, the non-cancellation clause to be applicable from the date of the endorsement. Form of rider for this purpose will be forwarded on application.

Rates are based upon the use of a 50 per cent. Co-insurance Clause—25 per cent. reduction from these figures (unless otherwise specifically provided) for the 80 per cent. Co-insurance Clause, or 33 1-3 per cent. for the 100 per cent. clause.

Policies covering blanket at more than one general location require pro rata distribution clause in addition to 50 per cent. clause or the 80 per cent. clause, as the case may be.

The attention of property owners should be called to the fact that policies of fire insurance do not cover any of the causes Nos. 1 to 9, inclusive, nor explosions of any kind, and that they cover fire ensuing only from explosions not occurring from causes Nos. 1 to 9, inclusive.

WESTERN ASSURANCE CO.
OF TORONTO, CANADA
(Fire, Tornado, Ocean Marine and Inland Marine Insurance)
UNITED STATES BRANCH
January 1, 1917

Assets	$3,329,177.74
Surplus in United States	1,478,531.90
Total Losses Paid in United States From 1874 to 1916, Inclusive	41,657,814.31

W. R. BROCK, President
W. B. MEIKLE. Vice-Pres. & Gen. Man.

B. M. CROSTHWAITE & CO.
Fire and Automobile Insurance Specialists
Lines Bound Anywhere in New York State
105 William Street, New York City, N. Y. Telephones 2404-5-6-1758-1090 John

PHILADELPHIA
ADEQUATE FACILITIES
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LOCAL AND GENERAL AGENTS
325 WALNUT STREET PHILADELPHIA, PA.
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SATISFACTION SERVICE
ALL LINES

LOGUE BROS. & CO., Inc.
Fire—Casualty—Automobile Insurance
Nation-Wide Facilities for Handling SURPLUS LINES
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SCHAEFER & SHEVLIN
2 LIBERTY STREET GENERAL AGENTS NEW YORK, N. Y.
Representing
DUBUQUE FIRE AND MARINE INSURANCE CO.
Excellent Facilities for Handling Suburban and Out Of Town Business
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Representing
THE SCOTTISH UNION & NATIONAL
For the United States and Canada
THE YORKSHIRE INSURANCE CO., LTD.
For the United States and Cuba

NU
NATIONAL UNION FIRE INSURANCE CO. OF PITTSBURG, PA.

What we have proven to several thousand Agents we stand ready to prove to you.

If they HAVE been convinced — why shouldn't you be willing to be?

Our contention is that the NATIONAL UNION is a VERY GOOD Fire Insurance Company — we've been advertising it as such — nothing more nor nothing less.

We believe when when we say "GOOD" we have said enough, considering the fact that the NATIONAL UNION has

Ample capital and resources,
Capable and efficient management,
Strong directorate,
Splendid line facilities,
Excellent service,
An honorable loss paying record,
A high sense of justice,
Up-to-date methods,
High grade field men,
A large, loyal, energetic Agency force,

In fact, what does a real Agent desire that the NATIONAL UNION doesn't have?

You may be able to get along without the NATIONAL UNION— but not so well — and if not so well — why not act — today?

CASUALTY AND SURETY NEWS

Warning Against Cut Rates on Small Risks

AN EVIL IN COMPENSATION INSURANCE

General Accident Says Also That Schedule Rating is Not Perfect Rating System

In a statement to its agents about small compensation rates the General Accident says that there is little doubt that a sufficient volume of premiums developed from small risks of diverse industrial processes and employments can be profitably underwritten if care and common sense judgment is exercised in the choice and rating of the business.

Obviously some small risks are undesirable from the very element of smallness. Risks in which the industrial process, for example, is hazardous and of which there may be few written by any one company do not constitute acceptable business if the premium development is small. Small contracting risks are invariably bad owing to the inferior class of help which the small contractor is compelled to employ because of his limited capital and operations. Isolated risks which necessitate disproportionate service expenses cannot be considered favorably by any sensible underwriter.

The Great Weakness

The great underlying weakness in the compensation underwriting scheme is inadequate rates. The proper choice of business can be more or less satisfactorily controlled by the efficient underwriter, but the unfortunate cut-throat competition among the several active companies frequently precludes the exercise of that discretion and good judgment in rate making which it would seem the situation warrants.

Schedule rating, which is receiving such profound attention from underwriters, statisticians, safety engineers and others interested in the social insurance problem, is not yet the perfect rating system. Its principal deficiency is its sensitiveness to human frailty. Too much is left to the discretion and initiative of the individual inspector, hence schedule rating reports are frequently erroneous and misleading. Of course schedule rating is not intended to apply to the very small risks, but agents often overlook that restriction and expect to have the principle of schedule rating applied to all compensation risks regardless of size.

Small compensation risks cannot be written at greatly reduced rates. Few of them warrant rate reductions from physical hazard. As a matter of fact, most of them, if a schedule rating plan were strictly applied, would receive higher ratings than the basic manual rate provided for the industrial process involved. Guarded machinery does not always indicate the attainment of a perfect standard of accident prevention. It is recognized that the complete effectiveness of safeguards can only result from discipline and close supervision. Small risks do not maintain such organizations, hence much of the value of safeguards is lost to them.

Unhealthy Competition

Since small compensation risks do not justify rate cutting because of physical aspect or hazard of industrial process or employment, there remains but one apparent reason for the abusive practice and that is unhealthy and misdirected competition. It remains to examine competitive conditions carefully to ascertain the actual necessity for rate cutting as occasioned by the wild scramble for business. (Competition, by the way, is not restricted to the conflict between bureau and non-bureau companies. Schedule and Merit Rating plans which have been universally adopted by conference companies are wonderfully elastic and adaptable and merely foster abusive rate cutting under the sugar-coated guise of corrective remedies.)

Much of the rate cutting abuse, especially insofar as it is applied to small risks, arises from an exaggerated conception of the necessity for it. It is highly probable that small compensation risks can be successfully solicited upon a basis of service or perhaps personal relation with the prospective assured. This latter element enters largely into the business of insurance as most agents and solicitors have doubtless already learned. A cut of a few cents in rate hardly amounts to a sum of the premium on a small risk sufficient to comprise a very important factor in the final award of the business.

INJURY FROM FALLS

Cause of Majority of Accidents in Construction Work, Says State Labor Department

That 2,926 persons received injuries which proved fatal in factories and in building and construction work during the four years from October 1, 1910, to September 30, 1914, is shown in a special bulletin prepared by the Bureau of Statistics and Information of the New York State Labor Department. Of this number 1,641 came to their injuries while working on building and construction work, 1,081 while working in factories and 204 fatalities resulted from three large factory fires.

The bureau points out the fact that approximately four times as many people are employed in the factories of New York State as in building and construction work and yet more fatalities due to accidents occurred in building and construction work than in factories. It is shown in a table that falls cause more fatalities than any other single cause.

"It is not necessary, and less so today than ever before, to depend on legal requirements alone for the promotion of safety in industry," says the report. "Consideration for the welfare of employes, and the possibility of reducing economic loss from accident made definite and specific by the compensation law both weigh with employers to take measures voluntarily for prevention of accidents."

Measures recommended by experts are summarized in the report which are calculated to prevent injury to workmen by falls in building work and the use of such measures would prevent a large proportion of fatal accidents, the bureau states.

Accident
Health Automobile
Plate Glass
Burglary Liability

Fidelity
Contract Judicial
Public Official
Depository Bonds

FIDELITY & DEPOSIT CO.
OF MARYLAND
BALTIMORE

Burglary Companies To Extend Coverage

MEETING SOON TO ELIMINATE WAR CLAUSE.

May Charge Additional Premium of About 30 Per Cent. to Include Riot, Insurrection, Etc., Hazard

The Burglary Insurance Underwriters' Association will hold a meeting later this week at which it is proposed to take action permitting the companies to eliminate elause (f), paragraph 4, from the poliey. This clause reads as follows:

"Caused by any person or persons to whom access to the said premises is furnished by reason of invasion, insurrection, strike, riot or civil commotion."

This is the only clause of the burglary policy which it has not been possible heretofore to eliminate by charging an additional premium. The subtraction of the war clause will apply only to residence policies.

The opinion of the various burglary underwriters varies as to what the probable additional premium for the broader coverage will be, some thinking it will reach as high as 30 per cent. of the premium, others believing it will not be more than 10 per cent. Those placing 30 per cent. as the proper premium do so because they say this clause eliminated from the policy will give a broader coverage than the doing away with any other single clause, particularly in large cities where strikes are apt to occur at any time, not considering the hazard of war. It is felt that the war clause will be re-inserted in the policy after the discontinuanee of hostilities because the public will not want to pay the additional premium.

It was pointed out that the fire companies are issuing separate policies and charge almost double premium for the same risk the burglary companies propose to cover against theft by adding an endorsement and charging only about 30 per cent. of the premium.

NO CHANCE FOR COMPANY

When Court Decides Whether Insured Meets Death From Accident or Disease

That a jury will invariably decide against an insurance company when there is a question as to whether an insured met his death from accident or disease is again shown by a case recently reviewed by the Court of Appeals of Kentucky. Suit was instituted by a widow against the National Life & Accident Co., on a policy which covered injuries to her husband caused by accidental, external, and violent means.

It appeared that one night the insured fell down a flight of stairs landing at the foot of the steps in a much battered and bruised condition. The following morning it was discovered that he was paralyzed from the waist down and he was removed to a hospital where he was confined until his death about 5 days later. At the time of the death of insured he was suffering from pneumonia, so the question arose whether the accident caused the pneumonia or whether the pneumonia caused the death.

Physicians testified that the insured had hypostatic pneumonia which is apt to come on a person who has low vitality following an injury. An interne of the hospital, where the insured had been confined, testified that he found few if any bruises while attending insured, and that in his opinion the death was caused by pneumonia. The jury rendered a verdict against the company for the full amount of the policy and the appellate court affirmed the verdict.

Digested for The Eastern Underwriter by Geo. F. Kaiser, of the New York Bar.

FRED MURPHY RESIGNS

Fred J. Murphy, home office manager of the liability department of the Massachusetts Bonding, resigned this week, effective May 1. Mr. Murphy was for many years field representative of the London Guarantee & Aceident and the Aetna in New England prior to going with the Massachusetts Bonding.

BARTO & WOOD MOVE

Barto & Wood, Brooklyn agents, moved this week to 151 Montague St. The agency formerly had offices at 136 Montague. Barto & Wood have recently been appointed Brooklyn agents of the Standard Accident and of the New Jersey Fidelity & Plate Glass. The ageney also represents the Fidelity-Phenix for automobiles.

A CABLE FROM LONDON

On April 20—Wake Up, America Day—the General Accident's Ameriean branch received from General Manager Norie Miller the following cablegram, dated Perth, Scotland:

"On this, America Day, whole British staff send their American colleagues and all agents heartfelt greetings and expressions of pride in being brothers in arms."

PRAISES THE GLOBE

The Cleveland, Ohio, Board of Surety Underwriters at a meeting April 11, and the Casualty Underwriters' Association of Cleveland at a meeting two days later adopted resolutions commending the Globe Indemnity for its stand regarding the ownership of the agents' business.

TO HAVE ENTIRE FLOOR

On May 1, the Standard Aceident will remove to its new quarters in the Germania-American Building, 1 Liberty Street, where it will occupy the entire twelfth floor.

General Accident
FIRE AND LIFE
ASSURANCE CORPORATION, Ltd.
FREDERICK RICHARDSON, United States Manager.
GENERAL BUILDING · 4TH & WALNUT STS.
PHILADELPHIA

FULL WAR RISK POLICY

Adopted by the Conference of Underwriters

The entire text of the policy covering the full war risk is as follows:

In Consideration of the Stipulations Herein Named and of

..... dollars premium,
does insure .....
..... for the term of .....
from the ..... day of ..... 19 , at noon
to the ..... day of
..... 19 , at noon.

Against all direct loss or damage caused by any of the following: (1) war; (2) invasion; (3) insurrection; (4) riot; (5) civil war; (6) civil commotion, including strike; (7) military or usurped power;

(8) Bombardment, whether naval or military, including aerial craft (hostile or otherwise) and bombs, shells, and (or) missiles dropped or thrown therefrom or discharged thereat;

(9) Fire and (or) explosion directly caused by any of the foregoing; whether originating on the premises or elsewhere;

(10) Explosion, whether originating on the premises of the insured or elsewhere, other than above described (excluding fire resulting from such explosion);

Except as Hereinafter Provided to an Amount Not Exceeding

..... dollars

to the following described property while located and contained as described herein, and not elsewhere, to wit:

This entire policy shall be void unless the premium above stated shall be received by this Company or by a duly authorized agent of this Company within fifteen days of the beginning of the term thereof.

It is understood and agreed that no claim will be made hereunder unless the loss exceeds One Hundred Dollars ($100.00).

Damage caused by breakage of glass or by explosions originating within steam boilers, pipes, fly wheels, engines and machinery connected therewith and operated thereby is excluded from the cover of this policy.

No claim to attach hereto for delay, deterioration, loss of market, or any consequential loss, or for confiscation or authorized destruction by duly constituted governmental or civil authorities of the country in which the property is situate.

This Company shall not be liable beyond the actual cash value of the property at the time any loss or damage occurs, and the loss or damage shall be ascertained or estimated according to such actual cash value, with proper deduction for depreciation however caused, and shall in no event exceed what it would then cost the insured to repair or replace the same with material of like kind and quality; said ascertainment or estimate shall be made by the insured and this Company, or, if they differ, then by appraisers, as hereinafter provided; and, the amount of loss or damage having been thus determined, the sum for which this Company is liable pursuant to this policy shall be payable sixty days after due notice, ascertainment, estimate, and satisfactory proof of the loss have been received by this Company in accordance with the terms of this policy. It shall be optional, however, with this Company to take all, or any part of the articles at such ascertained or appraised value, and also to repair, rebuild, or replace the property lost or damaged with other of like kind and quality within a reasonable time on giving notice, within thirty days after the receipt of the proof herein required, of its intentions so to do; but there can be no abandonment to this Company of the property described.

This entire policy shall be void if the insured has concealed or misrepresented, in writing or otherwise, any material fact or circumstance concerning this insurance or the subject thereof; or if the interest of the insured in the property be not truly stated herein; or in case of any fraud or false swearing by the insured touching any matter relating to this insurance or the subject thereof, whether before or after a loss.

This Company shall not be liable for loss to accounts, bills, currency, deeds, evidences of debt, money, notes, or securities, nor by theft, nor unless liability be specifically assumed hereon for loss of profits, loss from use or occupancy, loss on fixed charges, loss by interruption of business, manufacturing processes or otherwise.

In any matter relating to this insurance no person, unless duly authorized in writing, shall be deemed the agent of this Company.

This policy shall not be subject to cancellation by the insured or by this Company for a period of one hundred and fifty days beginning with the date of this policy, but thereafter this policy shall be cancelled at any time at the request of the insured, in which case the company shall upon demand and surrender of this policy, refund the excess of paid premium above the customary short rates for the expired time, meaning the customary short rates of fire insurance practice; or this policy may be cancelled by the Company by giving to the insured a five days' written notice of cancellation with or without tender of the excess of paid premium above the pro rata premium for the expired time, which excess, if not tendered, shall be refunded on demand. Notice of cancellation shall state that said excess premium (if not tendered) will be refunded on demand.

If loss occur the insured shall give immediate notice in writing to this Company, protect the property from further damage, forthwith separate the damaged and undamaged personal property, put it in the best possible order, make a complete inventory of the same, stating the quantity and cost of each article and the amount claimed thereon; and within sixty days after the loss, unless such time is extended in writing by this Company, shall render a statement to this Company, signed and sworn to by said insured, stating the knowledge and belief of the insured as to time and origin of the loss; the interest of the insured and of all others in the property; the cash value of each item thereof and the amount of loss thereon; all incumbrances thereon; all other insurance, whether valid or not, covering any of said property; and a copy of all the descriptions and schedules in all policies; any changes in the title, use, occupation, location, possession, or exposure of said property since the issuing of this policy; by whom and for what purpose any building or other property herein described and the several parts thereof were occupied at the time of loss; and shall furnish, if required, verified plans and specifications of any building, fixtures, or machinery or other property destroyed or damaged.

The insured, as often as required, shall exhibit to any person designated by this Company all that remains of any property herein described, and submit to examinations under oath by any person named by this Company, and subscribe the same; and, as often as required, shall produce for examination all books of account, bills, invoices, and other vouchers, or certified copies thereof if originals be lost, at such reasonable place as may be designated by this Company or its representative, and shall permit extracts and copies thereof to be made.

In the event of disagreement as to the amount of loss the same shall, as above provided, be ascertained by two competent and disinterested appraisers, the insured and this Company each selecting one, and the two so chosen shall first select a competent and disinterested umpire; the appraisers together shall then estimate and appraise the loss, stating separately sound value and damage, and, failing to agree, shall submit their differences only to the umpire; and the award in writing of any two shall determine the amount of such loss; the parties thereto shall pay the appraiser respectively selected by them and shall bear equally the expense of the appraisal and umpire.

This Company shall not be held to have waived any provision or condition of this policy or any forfeiture thereof by any requirement, act, or proceeding on its part relating to the appraisal or to any examination herein provided for; and the loss shall not become payable until sixty days after the notice, ascertainment, estimate, and satisfactory proof of the loss herein required have been received by this Company, including an award by appraisers when appraisal has been required.

This Company shall not be liable for loss or damage recoverable under any different policy.

This Company shall not be liable under this policy for a greater proportion of any loss on the described property than the amount hereby insured shall bear to the whole insurance whether valid or not, or by solvent or insolvent insurers, covering such property.

This Company may require from the assured an assignment of all right of recovery against any party for loss or damage to the extent that payment therefor is made by this Company.

No suit or action on this policy, for the recovery of any claim, shall be sustainable in any court of law or equity unless all the requirements of this policy shall have been complied with, nor unless commenced within twelve months next after the occurrence of the loss.

This policy is made and accepted subject to the foregoing stipulations and conditions, together with such other provisions, agreements or conditions as may be indorsed hereon or added hereto, and no officer, agent or other representative of this Company shall have power to waive or be deemed or held to have waived such provisions or conditions unless such waiver, if any shall be written upon or attached hereto, nor shall any privilege or permission affecting the insurance under this policy exist or be claimed by the insured unless so written or attached.

IN WITNESS WHEREOF, this Company has executed and attested these presents.

.....Secretary. .....President

W. E. SMALL, President PETER EPES, Agency Mgr. E. P. AMERINE, Secretary

GEORGIA CASUALTY COMPANY

HOME OFFICE: MACON, GEORGIA

"DIXIE AUTO POLICY"

THE LAST WORD IN MOTOR INSURANCE

Surplus and Reserves to Policyholders.....$1,526,022.81

The METROPOLITAN CASUALTY

INSURANCE CO. OF NEW YORK

HOME OFFICE, 47 CEDAR STREET

CHARTERED 1874

Plate Glass, Burglary, Accident and Health Insurance

EUGENE H. WINSLOW, President

Russell R. Cornell, Vice-Pres. S. Wm. Burton, Sec. Alonzo G. Brooks, Ass't Sec.

RELIABLE AND ENERGETIC AGENTS WANTED

THE SIGN OF GOOD CASUALTY INSURANCE

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F. W. LAWSON
General Manager

Liability, Accident, Burglary, Boiler and Credit Insurance

Established 1869.

F. J. WALTERS
Resident Manager
55 JOHN STREET
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145 Milk St., Boston
Resident Managers
New England

London Guarantee & Accident Co., Ltd.

OF LONDON, ENGLAND

The Columbian National Life
OF BOSTON

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A CHANGE may be necessary to realize your ambition

Think a minute—then write

WM. H. MASTIN (West of the Mississippi). SYMES BUILDING DENVER, COLO.

FRANK D. LOMBAR (East of the Mississippi). 77 FRANKLIN STREET BOSTON, MASS.

SUPERINTENDENTS OF AGENCIES

DARL D. MAPES, Superintendent of Accident Agencies
77 FRANKLIN ST., BOSTON, MASS.

The service of a high grade Accident Department will also be offered so that you will not have to broker your Accident business to avoid violating your Life insurance contract.

American Central Life
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INDIANAPOLIS, INDIANA

Established 1899

All agency contracts direct with the company

Address:

HERBERT M. WOOLLEN, President

National Fire Insurance Company
OF HARTFORD, CONN.

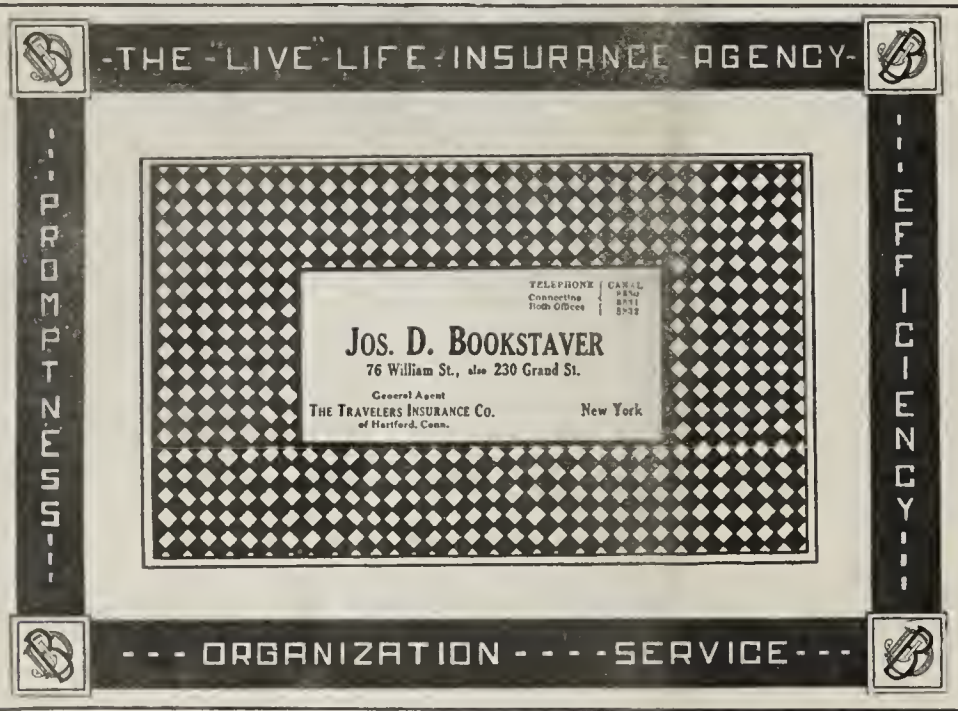
Statement January 1, 1917, to New York Insurance Department

LIABILITIES

Capital Stock, All Cash	$2,000,000.00
Funds Reserve to Meet All Liabilities, Re-Insurance Reserve, Legal Standard	9,912,715.84
Unsettled Losses and Other Claims	1,878,398.32
Net Surplus over Capital and Liabilities	3,743,747.60
Total assets January 1, 1917	**$17,534,861.76**

H. A. Smith, President — F. D. Layton, Ass't Sec'y — F. B. Seymour, Treas.
G. H. Tryon, Secretary — S. T. Maxwell, Ass't Sec'y — C. B. Roulet, Gen. Agt.

SURPLUS TO POLICY HOLDERS, - - $5,743,747.60



FOUNDED 1792



125th Anniversary

Insurance Company of
NORTH AMERICA
PHILADELPHIA

CAPITAL, $4,000,000 ASSETS OVER $23,000,000

FIRE, MARINE, AUTOMOBILE, Rent, Leasehold, Tornado, Explosion, Use and Occupancy, Sprinkler Leakage, Travelers' Baggage, Parcel Post

The Oldest American Stock Insurance Company

WORTH KNOWING

Suppose that you are insured in the United Life and Accident Insurance Company of New Hampshire for $5,000 under the Company's Triple Indemnity Plan, what does your Policy guarantee to do?

ANSWER:

FIRST, it guarantees that in case of death from any cause, $5,000, the face of the Policy, will be paid.

SECOND, that in case of death from any ACCIDENT, $10,000, or DOUBLE the face of the Policy, will be paid.

THIRD, that in case of death from certain SPECIFIED accident, $15,000, or THREE TIMES the face of the Policy, will be paid.

BUT THIS IS NOT ALL. The Accident Disability Endorsement FURTHER guarantees that in case of total disability as a result of accidental injury, the Company will pay direct to YOU at the rate of $50 PER WEEK during such disability, but not to exceed 52 weeks, after which the weekly indemnity will be at the rate of $25 PER WEEK throughout the period of disability. Can insurance do MORE? And why should any man be satisfied with a policy that would do less? The cost is low.

Agents wanted in Maine, New Hampshire, Vermont, Connecticut, Pennsylvania, North Carolina, South Carolina, Tennessee, Georgia, Delaware, Maryland, Mississippi, Kansas, Missouri. An opportunity for Life Insurance Salesmen of ability. Address

United Life and Accident Insurance Co.
Home Office, United Life Building - Concord, New Hampshire

WALTER F. ERRICKSON
38-40 Clinton St., Newark, N. J. 95 William St., New York

Representing

THE GERMANIA FIRE INS. CO.

For Automobiles

Special facilities for out-of-town business.

WILLIAM C. SCHEIDE & CO., Inc.
HARTFORD, CONN.

Re-Insurance in All Branches

San Francisco Losses Amounting to $4,522,905.00 paid PROMPTLY IN CASH WITHOUT DISCOUNT, from funds largely supplied by head office in Liverpool

U. S. Cash Assets, Dec. 31, 1916	$15,827,439.35
Surplus, - - - - -	5,460,745.59
Losses Paid by Chicago Fire, 1871	3,239,491.00
Losses Paid by Boston Fire, 1872	1,427,290.00
Losses Paid by Baltimore Fire, 1904	1,051,543.00

Liverpool and London and Globe Insurance Co. LIMITED

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AUTOMOBILE INSURANCE EDITION

THE EASTERN UNDERWRITER

[Succeeding the Journal of Insurance Economics, Established in 1899]

In Two Parts — A WEEKLY NEWSPAPER COVERING ALL BRANCHES OF INSURANCE — Part Two

Eighteenth Year; No. 17 — NEW YORK CITY, FRIDAY, APRIL 27, 1917 — $3.00 a Year; 15c. per Copy

QUEEN INSURANCE COMPANY OF AMERICA

84 William St., New York

Established 1891



Fire
Automobile
Use and Occupancy
Marine
Tourist

Rent
Profit
Sprinkler Leakage
Windstorm
Explosion

Statement, January 1, 1917

Assets .....$12,149,847.97 Surplus $5,176,149.57
Liabilities ..... 5,973,698.40 Capital 1,000,000.00
Capital and Surplus.....$6,176,149.57

NEW YORK DEPARTMENT.....84 William Street, New York
WESTERN DEPARTMENT, Chicago, Illinois.....P. D. McGREGOR, Manager
SOUTHERN DEPARTMENT, Atlanta, Georgia.....S. Y. TUPPER, Manager
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THE great confidence and friendship enjoyed by the GENERAL ACCIDENT with the public at large and the Insurance Broker in particular, is responsible for the large volume of business written within the past few months.

Spring is here and with it the AUTOMOBILE. As a vast number of Automobile owners specify Spring Delivery on their new cars, and as the prevailing habit is to put the old car in shape for early Spring use, the new and renewal premiums for Automobile Insurance open up tremendous possibilities for increased business. The General Accident desires to place at the disposal of the insurance brokers of this country all the **service, co-operation** and **prestige** that its world-wide organization provides.

Let us help YOU to beat all former records with a greater volume of Automobile Insurance over that of any previous year in the history of YOUR business.

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FIRE and LIFE

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HOW CONFERENCE COMPANIES ARE GATHERING EXPERIENCE FOR SCIENTIFIC RATING

It is the general opinion among underwriters and men in the field that the National Automobile Underwriters' Conference has done splendid work in a great and growing business in a remarkably short period of time. The management and the men on committees have worked day and night to stabilize the business. New forms have been promulgated, new rates have been adopted, staffs for the divisional conferences have been chosen, an automobile thief catchers' organization has been successfully launched, an exchange of information bureau has been put in operation and the business generally placed on an intelligent and uniform underwriting basis.

Opinion of New York Insurance Department

The opinion of the New York Insurance Department about the work of the Conference and its motives was recently summarized as follows:

"Earnest efforts are being made to organize an effective national body to regulate and control the business of automobile insurance carried on by fire and marine companies throughout the country. Standard policies have been drawn up, commissions are being regulated, rules for the conduct of the business established, a service and information bureau started, and rates promulgated. By a system of local autonomy, combined with a species of national control, it is hoped to eliminate as far as possible, general upheavals and cut-throat competition which have proven so disastrous in the liability field."

The Making of Rates

There has been some criticism of the new rates, brokers in particular regarding them as high, but any opinion that these rates have been made in a haphazard or hit-or-miss fashion is very wide of the mark.

In the first place it should be understood that the Conference companies write a large bulk of the automobile business transacted by the fire and marine companies. The writings of the Conference companies in 1916 footed a total in gross numbers of $17,000,000, a growth from $12,000,000 in the year before. If the Conference companies do not write close to $25,000,000 in 1917 a great many people will be surprised. The work of rating has been in the hands of the Executive and Underwriting Committee of the Conference, consisting of ten men, representing more than fifteen companies, and also representing a considerable percentage of the best experience. This committee had many meetings, at which individual experience was gone over with microscopic detail. In the opinion of these men,—and they were the underwriters who have known how the automobile business in the past has lined up on the company ledgers—the rates are entirely justified, and are as correct as it has been possible for underwriters to make them with the experience available.

In discussing rates Manager L. G. Hodgkins, of the Conference, said to The Eastern Underwriter this week:

"The men who made rates based their judgment squarely on their own companies' experience. They compared them uniformly across the table and decided upon the rates after considering their own experiences. We did not have what the department naturally thinks that we ought to have—combined experience—but we shall have it, beginning with the first of the year."

Arranging for Experience

Provision has now been made for a complete gathering of statistics. Beginning with January 1, 1917, the Conference will be put into possession of the experience of each of its members and it will be possible to defend every rate by data in hand. The companies in the Conference have equipped their offices with the Hollerith card system. There are three cards, one for recording liability, one for losses and one for cancellations. This latter card was not required in the plan adopted by the Conference but these companies believed that a statement of the exact liability was desirable since it could be obtained at such a small additional cost. The character of the information being gathered by the cards follows:

Coverages

It has been decided that the simplest method of recording coverages is to follow the new policy forms and give a code number to each form either with or without the additional coverages as the policy indicated. The code follows:

1—Form 1—(Valued Fire, Theft and Transportation).
2—Form 2—(Non-valued Fire, Theft and Transportation).
3—Form 3—(Non-valued Fire and Transportation).
4—Standard Fire Policy.
5—Form 1 and Additional Coverages.
6—Form 2 and Additional Coverages.
7—Form 3 and Additional Coverages.

It seemed unnecessary to divide the additional coverages in detail for the reason that in the majority of cases, all, if any, of the additional coverages (tornado, earthquake, explosion and water damage) are taken and the few cases where such was not the fact might be ignored without any material effect. It was further understood that when the standard fire policy was issued, no additional coverage was ever attached thereto.

Cities of 200,000 and Over Population

While the plan adopted by the Conference required only a separation of the collision experience between cities of 200,000 and over population and cities of less than 200,000 (and this separation without regard to any particular city) the companies interested in the Conference sorting and tabulating service decided that it was desirable to compile the theft experience at least separately for the below named cities and decided to punch this information on their cards. The code follows:

1—Boston, Mass.
2—Baltimore, Md.
3—Buffalo, N. Y.
4—Chicago, Ill.
5—Cleveland, O.
6—Cincinnati, O.
7—Columbus, O.
8—Detroit, Mich.
9—Denver, Colo.
10—Indianapolis, Ind.
11—Jersey City, N. J.
12—Kansas City, Mo.
13—Los Angeles, Cal.
14—Louisville, Ky.
15—Milwaukee, Wis.
16—Minneapolis, Minn.
17—Newark, N. J.
18—New Orleans, La.
19—New York, N. Y.
20—Philadelphia, Pa.
21—Pittsburgh, Pa.
22—Providence, R. I.
23—Portland, Ore.
24—Rochester, N. Y.
25—St. Louis, Mo.
26—San Francisco, Cal.
27—Seattle, Wash.
28—St. Paul, Minn.
29—Washington, D. C.

States and Territories

Each State is numbered and punched in this field. The code follows:

1—Alabama.
2—Alaska.
3—Arizona.
4—Arkansas.
5—California.
6—Colorado.
7—Connecticut.
8—Delaware.
9—Dist. of Columbia.
10—Florida.
11—Georgia.
12—Hawaii.
13—Idaho.
14—Illinois.
15—Indiana.
16—Iowa.
17—Kansas.
18—Kentucky.
19—Louisiana.
20—Maine.
21—Maryland.
22—Massachusetts.
23—Michigan.
24—Minnesota.
25—Mississippi.
26—Missouri.
27—Montana.
28—Nebraska.
29—Nevada.
30—New Hampshire.
31—New Jersey.
32—New Mexico.
33—New York.
34—North Carolina.
35—North Dakota.
36—Ohio.
37—Oklahoma.
38—Oregon.
39—Pennsylvania.
40—Rhode Island.
41—So. Carolina.
42—So. Dakota.
43—Tennessee.
44—Texas.
45—Utah.
46—Vermont.
47—Virginia.
48—Washington.
49—West Virginia.
50—Wisconsin.
51—Wyoming.

Year of Issue

The year of issue will be punched in the next field. It will be only necessary to punch the last figure of the year.

Year of Model

The year of model will be punched in the next field, exactly following the plan adopted in the rate schedules. The code follows:

Private Pleasure and Electric	Commercial
1—This and next year models	New cars
2—This and last year models	One-year-old cars
3—Year before last models	Two-year-old cars
4—Three-year-old models	Three-year-old cars
5—Older models	Four-year-old and older cars

Make of Car

Regarding make of car the companies interested in Conference service for sorting and tabulating cards decided that information of future value could be obtained without serious difficulty by showing separately the experience with makes of cars of which over 1,000 are manufactured annually and voluntarily decided to punch this information. Doubtless, this list will be changed from year to year: A revised list will be issued January 1st, of each year.

1—Allen.
2—Abbott.
3—Apperson.
4—Auburn.
5—Buick.
6—Cadillac.
7—Cartercar.
8—Case.
9—Chalmers.
10—Chandler.
11—Chevrolet.
12—Cole.
13—Dodge.
14—Dort.
15—Enger.
16—Ford.
17—Franklin.
18—Grant.
19—Haynes.
20—Hudson.
21—Hupp.
22—Jackson.
23—Jeffery.
24—Locomobile.
25—Maxwell.
26—Mercer.
27—Metz.
28—Moline.
29—Moon.
30—National.
31—Oakland.
32—Olds.
33—Paterson.
34—Pathfinder.
35—Pierce Arrow.
36—Peerless.
37—Regal.
38—Reo.
39—Saxon.
40—Simplex.
41—Stearns.
42—Studebaker.
43—Velie.
44—Willys-Overland.
45—Winton.
46—White.

List Price

The list price will be recorded by classes in accordance with the plan adopted in the rate schedules. The code follows:

1—Class A—$3,500 and up
2—Class B— 2,500 to $3,499.
3—Class C— 1,400 to 2,499.
4—Class D— 800 to 1,399.
5—Class E— 500 to 799.
6—Class F— 499 and under.

Collision—Original List Price

The actual original list price also will be punched in the next field.

Full or Deductible Coverage

Collision insurance will of course be issued either for $25.00 deductible coverage or for full coverage. It will, therefore, be necessary to punch the next column of the card in accordance with the following:

1—Deductible coverage. 2—Full coverage.

Power

The following code is to be used for power.

1—Gasoline.
2—Steam.
3—Electric.

New or Second Hand Cars

This is somewhat similar to the collision field as there are but two possibilities. The code follows:

1—New cars.
2—Second hand cars.

Use of Car

This field indicates the use to which the car is put and the following code will apply:

1—Pleasure.
2—Commercial.
3—Livery-public.
4—Taxicab.
5—Busses, sightseeing cars, all other public vehicles other than livery and taxicab.
6—Fire apparatus.

Liability

The next field will be used to record the exact amount of liability. The "Personal Effects" and "Additional Equipment" are to be included in the amount of liability.

Safety Appliances

The next field will be used for recording any safety appliances which may be attached to the automobile. At present there are but two for which any credit is given. The code follows:

1—Cars equipped with approved fire extinguisher only.
2—Cars equipped with approved locking devices only.
3—Cars equipped with approved fire extinguisher and approved locking device.

Cancellation Card

The cancellation card will be identical with the Liability card except that it will be of different color. No further explanation is therefore necessary with perhaps the exception of the following:

In the case of cancellation the amount to be punched in the Liability field shall bear the same relation to the entire liability as the unexpired term of the policy bears to the entire term. Furthermore, as it is impractical to determine the unexpired term to the day, it will be only necessary to calculate this term in even months, disregarding extra days unless fifteen or more when an additional month will be counted. For example, suppose a policy written for $1,000 the first of February; this policy is cancelled on the 10th of May, the policy having run for three months and ten days, the ten days are disregarded and the liability for the cancelled card is entered as—

9-12 of $1,000 or $750

If this same policy had been cancelled on May 16, the liability for the cancelled card would have been—

8-12 of $1,000 or $667

Loss Card

The loss card is very similar to the Liability card; it contains only twelve fields.

Kinds of Loss

At the present time there are ten distinct kinds of loss for which the code follows:

1—Fire, self ignition.
2—Fire, other causes.
3—Theft.
4—Transportation.
5—Explosion.
6—Tornado.
7—Earthquake.
8—Water damage.
9—Collision, deductible.
10—Collision—full.

Cities of 200,000 and over population, same code as Liability.

(4) States. (Same code as Liability.)
(5) Year of issue. (Same code as Liability.)
(6) Year of model. (Same code as Liability.)
(8) List price. (Same code as Liability.)
(7) Make of car. (Same code as Liability.)
(9) Amount of loss. The exact amount of loss will be recorded in this field. The amount of loss is the total loss suffered including actual losses and expenses.
(10) Power. (Same code as Liability.)
(11) New or second hand. (Same code as Liability.)
(12) Use. (Same code as Liability.)
(13) Safety appliances. (Same code as Liability.)

The Changes in Forms

Of the changes in forms recently made one of the most important is the elimination of the theft deductible and franchise. Full cover and theft were substituted where formerly there were three forms of theft coverage. Another important change was the inclusion of warranties by the assured in connection with the underwriting of these policies. Formerly warranties were not put in automobile policies proper because the standard fire policies do not require them. The third most important change was standardization, bringing together the provisions that the companies had been using up to that time and reducing them to a single form.

Excess Re-Insurance Bureau

The next move of consequence by the Conference will be the formation of the Excess Re-Insurance Bureau to take care of excess covers, most of which have been placed hitherto with London Lloyd's. The committee having the formation of the Bureau in charge has had a number of meetings at which it has agreed upon the principles which will be followed out in the workings of the Bureau. The question is now squarely up to the membership of the Conference to find out the attitude of members generally. Practically all of the companies have at the present time excess covers, which are believed to have been very profitable to the re-insurers and the idea now is to have the members handle the excess themselves, dividing the liability between them.

The Conference has practically established a new method of rating all schedule risks which will meet every criticism directed by the insurance representative against past methods of rating this business.

Bright Outlook

All in the outlook for the Conference is exceedingly bright. All situations are being met as they arise and are being handled in a manner giving general satisfaction to underwriters and the men in the field.

Automobile insurance was introduced into the United States by foreign Lloyds about fifteen years ago.

On December 1, 1909, representatives of about a dozen companies met in New York City and formed the "Association of Automobile Underwriters," adopting a constitution, rates and policy forms.

In June, 1911, it was succeeded by the "Automobile Underwriters' Conference" which, together with several affiliated associations, strove to regulate the business of automobile insurance for a five year period ending about July, 1916, when it was merged, as a local body, into the "National Automobile Underwriters' Conference."

The National Automobile Underwriters' Conference is an unincorporated association of five local "conferences" each with a specific territorial jurisdiction indicated by its name.

These local conferences are themselves unincorporated associations of insurance companies transacting a general fire, marine, or both fire and marine insurance business. Only through affiliation with some one of these local conferences in whose territory it does business, can an individual insurance company become a member of the National Conference.

The first meeting of the National Conference was held August 24, 1916.

Organization and Objects

The purpose of the organization, as set forth in the Constitution, is to "promote and facilitate scientific underwriting covering all forms of insurance pertaining to automobiles."

It is intended:

A. To serve as a medium of exchange of information.

B. To secure the adoption by underwriters of suitable and uniform policy forms and clauses.

C. To investigate class or general hazards and procure and compile statistics concerning losses and their causes, with a view to eliminating or reducing the danger of fire and other hazards insured against and to the furtherance of intelligent underwriting by its members.

D. To prevent rebating and unfair discrimination.

E. To harmonize insurable values, rates, methods of rating, commissions (including contingent commissions), brokerage, policy forms, and underwriting practices generally.

The National Conference consists of five delegates from each of the five local conferences. From these delegates the officers of the National Conference are elected, consisting of a president, a vice-president and a treasurer, the present incumbents being: President, Douglas F. Cox; vice-president, John Marshall, Jr.; treasurer, Chas. G. Smith; secretary, L. G. Hodgkins.

Membership Committee

The Conference carries on its business through the following committees:

1. Executive and underwriting committee, consisting of two delegates from each local conference, is charged with the duty of making rates and rules for carrying out the general work of the Conference; also, of adopting policy forms and clauses. It can thus call for such reports from local conferences as it sees fit and has such general powers as are necessary for the furtherance of the objects of the Association. The present membership of the committee consists of:

H. F. Sewall, C. K. Yungman, Eastern Conference; H. R. Clough, W. R. Hedge, New England Conference; J. Marshall, Jr., F. J. Sauter, Western Conference; M. Dargan, C. J. Neare, Southern Conference; J. B. Levison, T. H. Anderson, Pacific Coast Conference.

2. Committee on brokerage and commissions, consisting of one delegate from each local conference, has jurisdiction over all matters concerning the classifying and standardizing of commissions and brokerage.

Reference Committee

3. Reference committee, composed of two delegates from each local conference, possesses full power to hear and determine:

A. Differences between local conferences regarding rates, commissions and brokerages, where the question involves the business methods and practices in the territory of two or more local conferences.

B. All charges against local conferences based upon their obligations as members of the National Conference and their obedience to its rules, laws and regulations.

C. All charges against company members of local conferences or their officers or agents, relating to rules of the National Conference, or which may relate to acts or business practices occurring in the territorial jurisdiction of more than one local conference.

D. Any charge pending before a local conference which by unanimous consent may be referred to the National Conference reference committee.

E. Appeals from decisions made by local conferences.

The reference committee is thus designed to act as a court to hear and determine questions of violation of the National Conference rules, and to pass upon business methods and practices. Like a federal tribunal its jurisdiction attaches when more than one local conference is involved, and its activities are calculated to adjust differences which local conferences cannot themselves adjust. It enforces National Conference rules and regulations.

To enable this committee to fulfill these duties, it is given the power to examine all files and records of a local conference or its members and to examine, under oath, the officers and employes of such conference. And its decisions are made effective by its power to enforce proper penalties, including the imposition of fines. Provision is therefore made for a deposit of $2,500 from each local conference to be held subject to these fines.

Local Conferences

The five local conferences are unincorporated associations of marine and fire insurance companies, organized to handle the local problems arising in the transaction of automobile insurance business, and possessing practically a complete local autonomy within their respective jurisdictions. All of these local conferences are organized along the same lines with identical constitutions but with individual sets of rules made by themselves to meet their local needs and approved by the National Conference. Membership is open to all duly approved underwriters of automobile insurance.

Their constitutions provide for officers consisting of a president, vice-president and secretary-treasurer. There is also provided an executive committee consisting of the three officers and nine other members elected by the local conference, having general charge of the business and affairs of the Conference. It audits accounts, levies assessments, promulgates and enforces all rules with respect to rates, commissions and agencies, and rules generally relating to the business of automobile insurance authorized or adopted by the National Conference. It has power to fix and declare special rates under rules of the National Conference and to make rules covering local conditions which are not covered by any rule of the National Conference.

It acts as a grievance and arbitration committee with full power to hear and determine all differences between com-

(Continued on page 21)

THE AUTOMOBILE SHERLOCK HOLMES

STORY OF A REMARKABLE AND SUCCESSFUL SLEUTH HUNT FOR MOTORIST WHO RAN AWAY AFTER HIS CAR HAD KILLED A MAN

Poison, as a factor in modern crime, brought into being the chemist-detective. In the same way the motor car, an even greater criminal factor, has made it necessary for the police to produce another kind of specialist—the automobile-detective. For the motor car to-day plays a prominent part in more than half of the serious crimes with which the police of this country have to deal. It is frequently stolen. Hold-up men find it the swiftest and most convenient means of making a getaway. Through collisions and other accidents, frequently criminal in nature, it causes the death of thousands of people every year.

Yet how many of the regular police and detective force of American cities —or any cities for that matter, can recognize more than a dozen makes in motion at a distance of fifty yards? How many could identify the various parts of a rebuilt machine? And even if their judgment were correct, what would be the value of their evidence when submitted to cross-examination in court by a shrewd attorney? I am afraid you would have to comb the country to find a man who possessed all of the qualifications of an expert, and then you would find just one. That one is unique.

Sergeant John Brennan's System

Sergeant John Brennan was introduced in print in the last automobile number of The Eastern Underwriter. He is instructor in automobile indentification in the Training School at Headquarters. At that time, a year ago, he was practically unknown, and his system was still in the stage of experiment. But since that time he has performed at least one feat of detective work that Sherlock Holmes himself might have envied, and, what is more, his accomplishment is not fiction, but fact. We think of Holmes as a lean, studious, rather dudish sort of a chap who ran to tweed caps and expensive smoking tobacco. Sergeant Brennan is a bluff, genial, expansive soul, observant rather than studious, and the probability is that you couldn't get him to wear a tweed cap for love or money. That is where fiction and fact divide.

Sergeant Brennan's system may be described briefly as a Bertillion system for motor cars, in which each separate part of the machine affords a basis for identification. Just as a detective might identify a criminal by the shape of his ears and the slant of his forehead, so, according to this method, the make of an automobile may be determined, for instance, by the position of the head lights, the shape of the mud guards and the contour of the top of the radiator.

Start of Famous Mystery Case

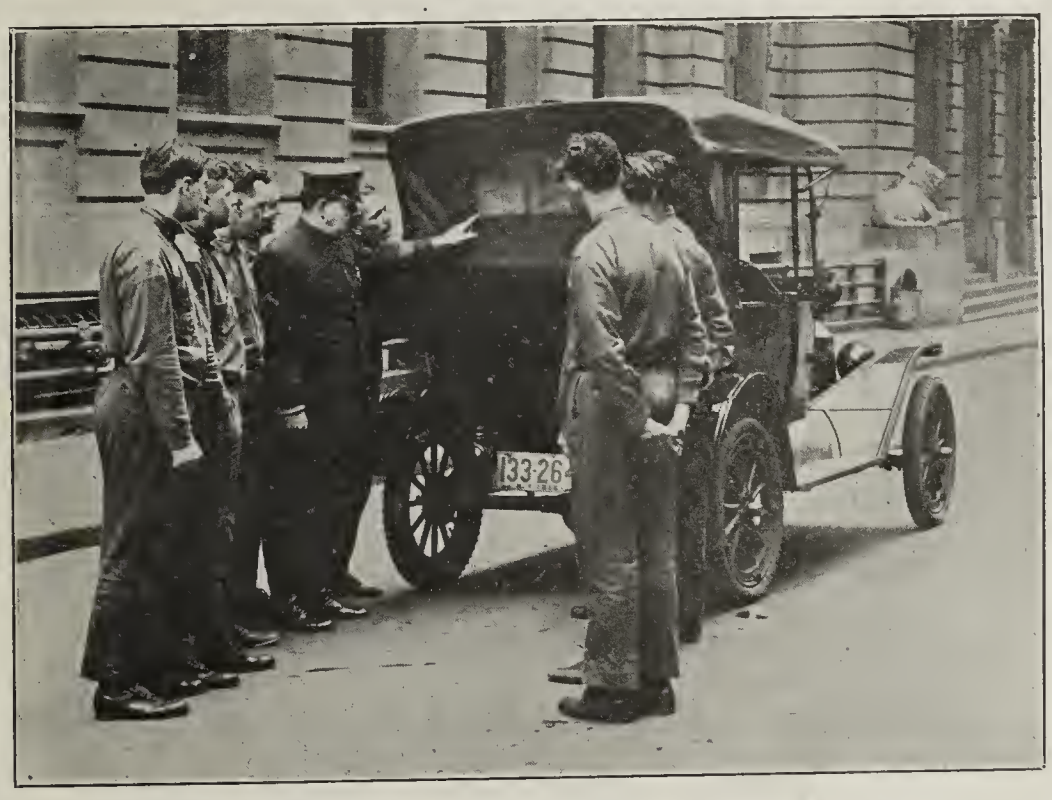
The details of Sergeant Brennan's recent achievement, which established his system as the most practical, scientific method of automobile identification known and won a special vote of merit from the Police Department, are as follows:

Foreman John McHugh, of the New York Street Cleaning Department, was inspecting his district on the night of June 24th. He drove a light buggy. About midnight, as he approached the corner of Sixty-ninth Street and Park Avenue, a speeding automobile came up from the rear and struck the buggy a terrific glancing blow. No signal was given. Foreman McHugh was knocked unconscious and a few hours later he died without making a statement. No one had seen the accident and no description of the car was available.

Patrolman John G. Dwyer, who was standing at the corner of Seventieth Street, heard the crash and ran at once to the scene of the accident, but the automobile was just turning the next corner.

Not Much Evidence

Following the rule of the Police Department which requires that all evidence, regardless of its importance, must be gathered, Dwyer carefully collected what little he could find. This consisted of a nickel plated lamp rim and a few bits of shattered glass from the lamp. Subsequently a scrap of rubber nicked from one of the tires was picked up by a street-cleaner. These



SERGEANT BRENNAN, THE AUTOMOBILE SHERLOCK HOLMES

comprised the entire list of clues which might be of service in locating the murderer.

In justice to Dwyer it should be mentioned that he discovered a number of gasoline drippings along the road and had the presence of mind to dip his finger into the fluid and determine that it was warm. He deduced from this that his engine was leaking, and by computing the extent of the leak from the size of the drippings, concluded that without a new supply of fuel the car would not be able to run more than a mile. All the garages within that radius were seached, but no damaged cars were found. However, it was later established that the car in question was actually stored only a few blocks away, but the workmen at the garage had succeeded in removing the broken parts before the police arrived, and claimed that this was a rebuilding job that had been in the shop for some time.

The regular detective force worked on this case for forty-eight hours without making any progress. It should be here stated that, properly speaking, Sergeant Brennan is not a detective at all. His duties in the department are confined to instructing the Traffic Squad and probationers in the rudiments of his system.

The McHugh case, however, was so baffling to the usual methods of procedure, and there was so little hope of apprehending the criminal that, as a last resort, Sergeant Brennan was called in. At this time Brennan's system, in spite of the fact that it was recognized as the best so far proposed, had never received a thorough, practical test—the acid test, they like to call it at Headquarters. If he solved the mystery it would reflect credit not only upon him and the system he evolved, but also on his superior officers, whose openness of mind and sense of fair play had led them to give a subordinate a chance to work out his own ideas. It was up to the Sergeant to show "pay dirt."

Inventory of Clues

An inventory of the available clues showed the following:

A nickel plated lamp rim, six inches in diameter, stamped "Ham Lamp Company, Rochester, New York."

Twenty-one bits of glass, the largest about two inches in length.

A piece of rubber from the tire, about three inches in length.

Examination of the glass showed that three lenses had been broken; one was of plain glass, one a mirror lens, and the third a concave-convex lens. In the corrugations of the latter minute deposits of soot were discovered, indicating that the concave-convex lens had covered an oil light. The curve of this lens, as determined by means of a compass, showed the diameter to be six inches. The plain glass proved to be from an eight inch lens and, since the mirror was also eight inches, it was therefore concluded that both were from the same lamp and that the lighting source was gas.

This was the story told by the glass: The car involved in the accident was equipped with six inch oil side lights and eight inch gas head lights, and being so equipped was, in all probability, an old model. When pieced together, the bits of glass showed a date—"October 9, 1906." An examination in the Patent Rooms of the Public Library revealed the fact that this lens was patented and manufactured by the Macbeth Company of Pittsburgh. Visiting their New York agents, it was found that the glass was from one of their concave-convex lenses of a type which had not been made since 1912.

Conan Doyle Outdone in Real Life

The rubber was measured with the compass, and the curve traced on the paper and continued for the purpose of obtaining a measurement. It proved it to be from a four inch tire. Sergeant Brennan knew, from his familiarity with the history of automobile design, that the combination of eight inch gas head lights, six inch oil side lights and four inch tires belonged to the carlier Packards. On examining the equipment of the old Packard cars in several garages, he found that the lamp rims of the Model 18, 1909 Packard were the exact shape, size and make as the rim found at the scene of the wreck, but that they were brass instead of nickel. Then he made a searching examination of the wrecked buggy. With a magnifying glass he found that one of the shafts, which had been broken, had scraped against the side of the car. In the shattered wood were fragments of grey paint. At this point he knew that the criminal machine was a 1909 Packard, Model 18, painted grey, with nickel plated lamps and therefore, in all probability, trimmed in nickel throughout. Also having been in an accident, it would need repairs. This hypothesis, it must be admitted, depended on the assumption that the car bore its original lamps. However, the likelihood of an alteration was considered small, particularly in view of the fact that both head and side lights, in addition to the tire, fitted perfectly into the Packard scheme. Furthermore, the parts were so old that they would hardly have been attached to a modern car.

Orders were sent out to check up all old model Packards which were in Manhattan at the time of the accident. After a search of repair shops specializing in this make, and after running down a number of misleading clues, Brennan learned from a mechanic in Long Island City that a grey 1909 Packard with nickel lamps was in rental service somewhere in Manhattan, in the neighborhood of Yorkville. The Yorkville garages were again searched and this time suspicion was directed towards a place known as Spengler's Garage.

The Car Found

The owner at first denied that he had stored a machine of this description, but after a grilling examination he at length admitted that such a car had been in his place but had left two days earlier for an unknown destination. The garage records gave the owner's name as Louis Casella of 113 East 75th Street. At his home nothing was known of his whereabouts, but it was learned that mail had been coming to this house postmarked "Allenhurst, New Jersey". Accordingly Brennan went to Allenhurst and looked through the garages there. In the Deal Garage in this town he found a Packard which answered his hypothetical description in every detail. He also discovercd Casella and had a talk with him. The man was naturally ready with an alibi, and Brennan knew that his evidence was still insufficient to justify arrest. During the examination of the machine, however, the Sergcant managed to break off with his fingers a small piece of the left front tire—the one which was supposed to have struck McHugh's buggy. The two pieces of rubber were submitted to the City chemist for analysis and he reported that both of them

were parts of the same tire. One week after the accident Sergeant Brennan sent the following report to the Detective Bureau: "The automobile which struck the buggy which Foreman McHugh was driving is a Packard 1909, Model 18, grey with white stripes, nickel lamps, license number 67388, owned by Louis Casella of 113 East 75th Street, who stored it at Spengler's Garage, 115 East 15th Street until about June 29th.

"I traced this car to Deal's Garage, Allenhurst, New Jersey, where I interviewed Louis Casella. From the examination of the car I can positively state that it was in collision recently."

Indicted for Murder

Returning to Spengler's Garage, Brennan succeeded in breaking down the garage owner's alibi and obtaining corroborating witnesses to the fact that Casella's car, badly injured, came into the garage shortly after the time of the accident. Duplicates were made of the repair bills. In the meantime Casella had left his place of residence in Allenhurst and disappeared. The evidence was given to the court and an indictment returned for murder in the first degree.

Brennan once told the writer that he was not a detective at all. "A detective," he said, "is a man hunter. I am a hunter of automobiles." In spite of his modesty, however, he is to be credited with a particularly clever piece of strategy at this point. Since the first interview Casella had not been communicated with, and Brennan was psychologist enough to know that if the man was really guilty the crime would weigh on his mind and the sustained silence of the police would have a disturbing effect. The most natural thing for him to do would be to consult his lawyer. Brennan investigated, found the name of Casella's lawyer, and visited the building in which he had his office. Here he stationed himself in a telephone booth near the main entrance, fixing the door of the booth obliquely so that the rays of light from the window falling on the glass would reflect and prevent anyone in the hall from seeing into the booth.

Gets Man at Last

Brennan stood through many sweltering hours—it was midsummer—waiting for Casella to appear, and finally his watch was rewarded. Casella was arrested and convicted.

Commissioner Fetherston of the Street Cleaning Department, of which McHugh was an employe, has written to the Police Commissioner expressing his appreciation of the remarkable work of Sergeant Brennan in bringing the criminal to justice. The Police Bulletin, commenting on the case, says:

"The care exercised by Patrolman Dwyer in preserving the glass found near the scene and the painstaking work of Acting Sergeant Brennan in locating the car and the operator through the glass and the grey paint found on the shaft of the buggy clearly proves that if proper search is made at the scene of every crime, in most cases clues will be found which will lead to the perpetrator. In this case, as in all others, it only required the application of common sense methods of search near the scene and intelligent and persevering investigation with the information at hand to bring results."

Which, if you recall, is just precisely what the modest Mr. Holmes used to say.

Elaborates His System

During the last year, Sergeant Brennan has done extensive work in elaborating and tabulating his system. It is his object to chart the characteristics of every car appearing on the streets of New York City in such a way that any member of the Police force who has received his instruction will be able to identify any make of automobile on sight. One of the principal advantages of this method from a police viewpoint is the sclentific nature of the evidence. Opinions are subject to change, and a shrewd lawyer can often break down an identification on this basis. But the patrolman who says that a car was a Pierce Arrow, for instance, because he saw that the head light was set in the mud guard, has a piece of evidence that will stand any challenge. In dealing with rebuilt automobiles the patrolman is expected to be able to give a full description of any car of this kind, including the nomenclature of exterior parts, and having made such a report, he may venture the opinion—"Looked like a ——".

Divides Cars Into Three Classes

For the purpose of preliminary elimination Sergeant Brennan has divided all cars into three classes, on a basis not of weight but of size. These classes include heavy cars, such as the Pierce Arrow, Packard, Locomobile, Simplex, German Mercedes and Winton; medium cars such as the Hudson, Studebaker, Chandler, Buick, Overland, Willys-Knight and Chalmers; and light cars such as the Ford, Scripps-Booth, Metz, Saxon, Dort and Crow-Elkhart. The class may be determined from the rear by the height, and the width indicates whether the car is a five or seven passenger or four or six passenger, depending upon the number of persons that may occupy the rear seat.

The most important feature in identifying an automobile, that is, the feature presenting the greatest individuality, is the radiator. Taken in connection with the head lights and mudguards, the radiator forms what Brennan calls the "face" of the automobile. Each face is distinct. Department charts illustrate eight styles of radiators. The rounded top, the flat top, the rounded top with rounded shoulders, the rounded top with sloping shoulders, the sloping top, the flat top with rounded shoulders and the circular top. The face of the radiator is divided into three classes according to whether the surface is rounded, as in the Pathfinder; pointed, as in the Kline; or flat, as in most other models.

The number of ventilators or panels along the side of the hood runs variously from three to twenty-four in number, and the determination of the exact number of these openings is frequently of valuable assistance in making an identification. The angle of the vent is also important; it may be perpendicular, oblique or diagonal. Even the cowl falls into three divisions according to the shape—whether concave, as in the Studebaker, convex as in the Oldsmobile, or in line as in the Mitchell. Some may be only slightly concave, but the curve of the convex is always approximately the same.

Other parts which have been subjected to the same sort of study are the mudguards, headlights, side-lights, rear oil lights, gas tanks, springs, tire carriers and hub caps.

150 Different Makes of Cars

All this, of course, looks toward the identification of the make. On the streets of New York there are something like 150 different makes, hence it is obvious that the knowledge of the particular make of the car sought makes the problem just 150 times simpler.

But the make is not the whole problem from the police viewpoint. Suppose the car stolen were a very common make, as usually happens. The search can then be further reduced by the knowledge of the style of body—in itself a more complex matter than the layman imagines. Many manufacturers give their bodies house names, causing additional confusion. What the Packard people call an Imperial body, for instance, is almost identical with the standard Limousine construction. In order to simplify this phase of the problem, Sergeant Brennan has therefore gathered all the various types and special designs under twelve general classifications. The patrolmen are all

(Continued on page 18.)

THE OCEAN
ACCIDENT AND GUARANTEE CORPORATION, LIMITED

AUTOMOBILE
LIABILITY
PROPERTY DAMAGE
COLLISION
INSURANCE

The Ocean Accident & Guarantee Corporation, Limited, nearly half a century old, issues Automobile Insurance as broad as the world-field over which its organization extends. Experience gained as insurers of Automobiles is one of its most attractive assets; and a great reputation, so well preserved in the United States throughout a generation, is due to the practice of principles which insist on full fairness in policies and service while ever sustaining the characteristics of conservation and strength by which it is so well known.

American Head Office

59 JOHN ST., NEW YORK CITY

THE KNOTTY PROBLEM OF COMMISSIONS

By CARROLL E. ROBB

ASSISTANT SECRETARY OF EASTERN AUTOMOBILE UNDERWRITERS' CONFERENCE

The question of agency and commission rules has troubled insurance associations more than indigestion or a bad conscience; and the knotty thoughts to which it gives rise have taken the hair from wise men's heads faster than danderine can put it on again. The thing has been put to sleep many times by a hundred committees; but it walks in its sleep.

The rapid development of automobile underwriting has now added a new chapter to this old, sad story. For automobile insurance, of course, is written by three distinct groups of companies, marine, fire, and casualty; and each of these groups has its own methods (mad or otherwise) and its own manners (good or bad). Each of these manners and methods, moreover, while it appeals greatly to that particular group which follows it, appeals not in the least to the other two which do not.

Three Fields Converge Into One

Before the automobile was invented, it didn't much matter. Marine, fire and casualty companies went their several ways in peace and quiet. Their mutual relationships were marked by the same calm quietude that broods over the diplomatic intercourse of Alaska and Patagonia, and for the same reason: i. e., there was no point of contact at which to quarrel. But now comes the snorting automobile, and turns these three placid groups into one united family, with the makings of the usual fine old family row in their midst.

First in the field came the marine companies. They regarded the automobile cover as a strictly marine form and handled the business as they would any other branch of marine business. They had no such agency plants as did the fire companies; a large part of their business was written through their home offices, and what agencies they possessed were for the most part confined to the larger cities. As they felt the necessity for reaching out into the field, they met the situation by appointing General Agencies at important points, with jurisdiction over large territory. These General Agencies relieved the home office of the care of the local agency system.

The fire companies soon followed the marine in taking up automobile business. With few exceptions, these companies operated large agency plants, with thousands of agents in all parts of the country reporting direct to the company without the intermediate machinery of general agencies. This system of widespread direct local agency plants, and its accompanying staff of special agents, was turned over for the use of the new automobile department; and the employment of such a system is the characteristic method of writing by fire companies.

When the casualty companies took up the writing of fire and theft hazards on automobiles (either directly or through subsidiaries), they in turn followed the practises prevalent in their own class of business. The characteristic feature of this is the Branch Office, with its manager (wholly or partly on salary basis) acting exclusively for one company. These Branch Offices are often numerous, taking the place of the larger fire agency, and forming the only connecting link between the home office and the broker or local producer.

Initial Attempt to Draft Commission Rules

At the formation of the National Automobile Conference, an attempt was made to draft agency and commission rules to fit these various systems; and early in the day, certain difficulties presented themselves. Indeed, they scarcely waited to be presented at all, but rather rushed in clamorously.

The marine companies (and a few fire companies) insisted that they must retain their General Agencies, and must pay them a higher rate of commission than was received by the local agents whom they were to supervise. These companies had no sufficient staff of field men to maintain a system of direct reporting local agents; and it would not pay to establish such a staff for the automobile business alone. There were also a few fire companies which, though in most places operating through direct reporting agencies, yet possessed one or two ancient and venerable General Agency arrangements, which compulsion could not change nor persuasion modify.

The greater number of fire companies, however, operating entirely through the direct agency system, complained that the marine General Agencies excluded them from their share of the business in such General Agents' home towns. That is, an agent located in a certain city and appointed General Agent over several surrounding counties, no doubt legitimately earned all the over-riding commission he got in such outside territory; but so far as his city business went (and this was usually a considerable part of the whole), he was really a local agent. Yet for this city business, one company proposed to pay him a General Agent's commission, while another could pay only the local rate.

The fire company, moreover, could not meet this situation by appointing legitimate General Agents of its own, any more than the marine company could adopt the fire system; for the major part of the direct reporting agents, accustomed to thinking themselves at least as good as their neighbors, simply refused to put their business through another agency.

Both fire and marine companies were inclined to look with some suspicion upon the large number of Branch Offices maintained by casualty companies, which seemed to give a considerable advantage over the divided representation of the agency systems.

"Legitimate" General Agents

The first solution attempted was the obvious one of permitting a limited number of "legitimate" General Agencies (that is, supervising agencies, whatever the title). Each company might have one to a State or to a given territory, subject to approval by a governing committee.

This solution solved nothing, and nearly dissolved the Conference. A considerable number of companies simply could not put down "legitimate" General Agencies; and forced by competition at points where others had established such agencies, they resorted to the creation under the rule of General Agencies of less than doubtful parentage. The system of "legitimate" General Agencies was a good deal discredited thereby.

The final answer has not yet been reached; but after a period of close and agitated consideration, certain elemental requirements have been made clear, and at least the main lines of the ultimate conclusion have been indicated.

First, each of the different groups of companies must be left free to follow, in the essentials, its own method of doing business. They will not, and cannot, change over into the other fellow's ways.

Second, companies newly taking up automobile business must not be faced with insurmountable difficulties in the planting of new agencies.

Third, no group of companies must indulge itself in special arrangements which another group is unable to meet in one way or another, and which genuinely injure such other group.

The Casualty Companies

Take the system of the casualty companies first. The Branch Office, though at a glance so disturbing to its neighbors, is in reality the least troublesome of all the special conditions which have to be met. The fact is, a real Branch Office is not a source of unfair competition to anybody, so long as the proper brokerage and local commission is paid. Nor is the definition of a "real Branch Office" hard to establish: A Branch Office should represent one company (or group of allied companies), and none other for any branch of business transacted. Wherever this condition is met, the basis or amount of compensation paid to the manager of such Branch Office is immaterial; for no other company is shut out from possible participation in its business—no other could break in with money or dynamite.

The same remarks apply in nearly full force to a long established and legitimate General Agency. But, unlike the Branch Office, it is impossible to fix the line at which the "legitimate" General Agency ends, and its illegitimate half-brother begins. Territory is no test; for an ancient and honorable appointment may be for one county, while another for an entire State may be made in the name of some subsidiary of a large company for the sole purpose of buying the local business of an office. Date of appointment is fatal, for it shuts all new entrants to the automobile field out of the fold. Here, too, there is no exclusive representation; and to give business to one company means to take it from another. In short, the devil is in it.

The thing comes to this: One company must be permitted to operate its local agents through General Agents if it so desires; and yet companies not so operating, must be enabled to compete on equal terms for the city business of the first company's General Agent.

An obvious solution would be to pay the General Agent his higher commission on his field business, and hold him down to the local rate on his own direct business. This solution is simple as talking, and good as gold; but underwriters all agree that it cannot be done. A long and painful experience has shown (or so it is said) that the payment of two scales of commission in this manner to the same agent is unworkable—it is too easy to work.

One Possible Solution

This being laid regretfully aside, there remains the possibility of beginning at the other end, and bringing all the agency commissions in the same city up to the same level, regardless what the rank of the agency may be. Under this arrangement, the company operating the General Agency, locates such agency in a certain city, and pays an appropriate rate of commission to take care of the cost of supervision. This General Agent pays out a lower rate to the local agencies reporting to him from the field. In this same city, companies not operating General Agencies pay their local agents the same rate of commission as the General Agent gets (it may easily be one and the same office,) without going through the expensive or farcical performance of calling him a "General Agent." In the field, these latter companies pay their direct reporting agents the same lower rate of commission that is paid out by the other fellow's bona fide General Agent.

To be sure, the company with the General Agent still has some small advantage for the city business, from the reflected glories of the large field they have turned over to said General Agent. But on the other hand, the company with the direct reporting agents has a considerable advantage in the field. In any event, the advantage and disadvantage, such as it is, is the legitimate result of the system employed.

Of course, the great peril of this rule lies in the multiplication of the General Agency points, with resulting increase in acquisition cost. Widespread high commissions mean high rates, which means cut-rate competition, the dissatisfaction of the public, and the tremendous frowns of the insurance commissioners. There is a limit, and it is a good ways short of the blue, blue sky.

But if General Agents are to exist, (and some companies must have them,) they must be paid. If they are paid, other companies must meet the situation in the cities where such agencies are located. To raise up arbitrary requirements merely puts uncomfortable thoughts into the heads of the conscientious company, while putting no fear of the Lord into the heart of the one which is willing to do a little juggling. The remedy lies in a strict confinement of the high commission points to the fewest possible locations.

To say 'the fewest possible," is to start another lady-and-the-tiger argument, no doubt. What is the fewest possible? Nevertheless, the question must be met—if necessary, by a forcible visit and search of every office involved—or there can be no more mixed Conference.

The Great Cities

The few great cities which contain a large brokerage business present a somewhat different phase of the problem. Here the old rule of "legitimate" General Agents provoked not only the setting up of local agents as "General Agents," but even the raising of brokers to the same bad eminence. This

(Continued on page 16.)

AUTO INSURANCE AND THE AGENT

By GEORGE D. MARKHAM
St. Louis

The insurance agent finds many problems in the writing of automobile fire and theft insurance, which are peculiar to this class of underwriting. The companies have been compelled to rely on their representatives for underwriting information, which places the responsibility squarely with the agent for the successful selection of the physical hazard as well as the moral.

Valued Policy Too Liberal

The use of a valued policy and the competition between agents, which the assured has become informed of, in giving larger amounts of insurance for some companies than others, makes the moral hazard on cars after the first year a very important, if not the most important, feature of automobile underwriting. This requires knowledge of the individual owner as well as the individual car. If the moral hazard is all right, and the amount of insurance is in keeping with the value of the car, the loss will not exceed a normal loss ratio at present rates.

The present valued form of policy is entirely too liberal, as it offers too many opportunities for morally weak automobile owners to sell cars to the insurance company at a higher price than they could be sold or traded for in the purchase of new model cars. With this weapon in the hands of a well-informed insuring public, it is surprising that the underwriting loss ratio is as favorable as is shown by the returns of the companies for 1916. If the companies would cease to use a valued form of policy, thus leaving the value of an automobile to be adjusted after the loss, they would eliminate the competition of agents, in offering higher amounts of insurance, which would do more than anything else to improve the underwriting of automobiles; and, if the three-fourths loss clause was adopted to cover all machines of a design three years old, or older (policy being not a valued policy but value being subject to adjustment after fire) you would practically eliminate the moral hazard. The reason for the three-fourths loss clause on cars three years old, or older, lies in this,—that the assured has all the advantage in the adjustment of value, even without a valued policy, and the older cars offer so serious a temptation that the three-fourths loss clause is really needed.

Competition Should Not Stop Reforms

The competition of the reciprocals and mutuals ought not to prevent these reforms taking place, because any consequent loss of premiums will be more than offset by new business. The conscientious agent always has in mind the profits of his company and takes a personal pride in the successful record of his agency. He must have, however, the co-operation of the managers in the improvement of policy forms and practices.

RATES JUSTIFIED

Opinion of John C. Paige & Co., Boston, Particularly Where Theft is Included

In response to a letter asking views on the automobile situation John C. Paige & Co., of Boston, have written the following letter to The Eastern Underwriter:

Editor The Eastern Underwriter:

We duly received your favor of the 16th inst. asking us that we give expression to our views relative to the various features involved in writing the different kinds of insurance on automobiles.

In view of the fact that we are general agents—not local agents—because we have entire charge of the automobile business for one fire insurance company over the whole country, anything we might say on the subject could hardly be construed to represent the views of a strictly local agent.

To be sure, we do a large brokerage business outside of the office, but judging from that experience, at least since January 1st, last, the market for automobile insurance is very broad and can be arranged to give any customer almost any kind of protection that may be desired.

Naturally, there is considerable criticism of the very high rates charged on low priced cars, but these seem to be entirely justified, particularly in cases where theft is included.

The matter of underwriting is hard to compare with other lines of insurance. It would appear to consist largely of getting a large volume of business, at the same time avoiding the writing of certain classes of automobiles which it is known cannot be written at a profit. In fact, the large increase in automobiles from year to year makes it extremely difficult to keep pace with the constant changes as well as the new conditions arising.

JOHN C. PAIGE & CO.

CHACE & STAFFORD VIEWS

Want Lower Rates to Compete With Mutuals—Collision Tariff Too High

Chace & Stafford, of Fall River, Mass., said to The Eastern Underwriter this week:

"The only change that we are at all anxious about is in the rates, that is to say, we feel that the stock companies should lower their rates in order to compete with the mutual company, located in Providence, R. I., which is very ably managed and is, we understand at the present time, writing at the same rates as the stock companies and paying 50 per cent. dividends. We have lost considerable business to them and there is more that will go their way upon expiration.

"We feel that the rates for collision insurance in this locality are excessive, and there is very little of this form of insurance carried owing to the high rates for this form of coverage."

AUTOMATIC DEPRECIATION

Asked if he had any comment to make on the automobile insurance situation, R. M. L. Carson, of the Carson Insurance Agency, Glens Falls, N. Y., said to The Eastern Underwriter:

"We are in favor of an automatic depreciation clause for automobile fire policies."

WOULD REDUCE INSURANCE

A. E. Bean, of Bean & Bean, an insurance agency in Berlin, N. H., said this week that he believes fire rates should be the same each year with a reduction in amount of insurance sufficient to equalize the hazard.

MUTUAL SURPLUS OF $100,000

The New York Senate has amended sections 184 and 194 of the insurance law by providing that domestic mutual liability insurance companies, insuring against damage or injury for which the insured is liable, and not arising out of or in connection with the business of the insured, and against loss or damage to property by horses or mules or animal-drawn vehicles or automobiles, and against loss by burglary of or theft from automobiles, must at all times maintain a surplus of not less than $100,000, and relative to the admission of foreign mutual compensation insurance corporations to do business in this State.

Automobile Facilities Second To None

WALTER F. ERRICKSON

95 WILLIAM ST. NEW YORK

ACTION-PLUS-SATISFACTION

WILLIAM STREET PAYS THE BILL FOR A "STRANGER THAN FICTION" THRILLER

By PRESCOTT LECKY

William Street has been witnessing for months one of those underworld dramas that good people everywhere believe never happen. It looks like sheer melodrama; a fabric of plot and counter-plot that appeals to our sense of fiction rather than our sense of fact. Yet not even the most skeptical can escape one note of grim reality—the fact that sixteen persons, some of them insurance men, have gone "up the river" to pay the price of their misdoings behind the walls of Sing Sing Prison. Here then is the plot, the synopsis, of a very real "thriller," staged at the expense of the automobile insurance companies of New York and costing upward of $175,000. The facts were brought out in an investigation by the grand jury of New York County.

Wolf the Master Mind

The heavy villain of the piece was Max J. Wolf, formerly the proprietor of an automobile salesroom and garage in Brooklyn known as the Moon Auto Sales Company. Wolf was the central figure of the whole conspiracy—the master mind, so to speak. Under cover of his legitimate business as an automobile dealer he conducted his criminal operations with comparative safety, a statement that needs no further proof than the fact that he and his accomplices burned more than 100 automobiles before the plot was discovered.

Wolf had reduced the firebug business to a formula. This was his system. In connection with his automobile business he frequently came into possession of old, wornout cars, many of them little more than junk and all of insignificant value. To these ancient bodies he would attach the most recent factory numbers, such as a 1915 number for a 1910 car. Then he would have the automobile insured through some reputable agent or broker in New York, generally using the name of one of his assistants.

Three Expert Firebugs

At other times he would take the old car of a prospective customer and by the same process of altered numbers have the customer insure the machine as a new car. This was even safer than the other plan, for usually the customer had never experienced a loss and was consequently considered a good risk. The same held true of Wolf's creditors, who were often paid in the same manner.

Having arranged the preliminaries, Wolf would then turn the car over to three expert firebugs in his employ: Frederick G. Strobel, William Stark and Walter Shirpinsky. Usually several months would be allowed to elapse between the time the car was insured and the time it was burnt.

When all was ready the car to be burned would be towed or driven out to some lonely spot on Long Island, where no particular investigation is made either by the Fire Department or the Police. They would take along ten or fifteen gallons of gasoline on these trips, and in every instance the owner of the car or his representative was required to be present when the fire occurred. The firebugs, as soon as the gasoline had been applied and the blaze started, would then drive off in another car and leave the owner on the scene. A little later they would return, pretend



MAX J. WOLF
Master Mind in Conspiracy

to be good Samaritans, as it were, and take the unfortunate travellers back to town. Naturally these things could not be accomplished without the co-operation of adjusters—but Wolf had provided for this also.

Wrecking Wrecks

So this was the system. It can never be worked again, as will be shown later, but it might be working to-day if Wolf had lived. For the old master played safe. The thread of events directly connected with the climax originated in this way.

A certain Dr. J. Richard Kevin, a reputable physician of Brooklyn, had his car badly damaged through collision with one of the elevated railroad trains which run on the surface outside of the city. This car was insured in the Globe Indemnity Company, and a legitimate claim of $850 was paid. The salvage, however, was turned in to the Moon Auto Sales Company, Wolf's concern, as part payment for a new car.

This machine was almost a total wreck, nevertheless Strobel affixed another factory number, had the car insured in the Globe again under his own name, and without making any repairs except to get the engine in working order took it to the suburbs and arranged a collision. This he did very neatly by simply dashing it into a telegraph pole, claiming that he had swerved sharply in order to avoid a passing vehicle. Through connivance with the Globe adjuster, Robert E. Caswell, $850 was collected, and the wreck kept as salvage.

$25 For Staging a Fire

It should be mentioned at this point that Strobel had entered Wolf's employ many years before as an office boy. He was an adventurous youth, always ready for a bit of excitement, and burning motor cars was to him more of a lark than a crime. To support this statement it need only be mentioned that his bonus for staging a fire was only $25, whereas Wolf received an average of something like $1,000 a car from the companies. He was serving his apprenticeship, evidently, under the master criminal.

When Strobel put over the claim on the Kevin car Wolf called his pupil to task. Strobel by this time was familiar enough with Wolf's plan to work it for himself.

"Look here, Strobel," said Wolf, "if you don't leave those casualty companies alone you'll have us all in the pen. You can burn all the cars you like if you do it carefully, but keep away from this collision game. It's dangerous."

Taking Advantage of Red Tape

It was Strobel's disregard of this advice that led to his downfall. At the risk of breaking the thread of the story, however, one incident should be recorded at this point which illustrates



RICHARD C. SACK
Superintending Building of Garage Used By Swindlers

how clever these men were in taking advantage of the "red tape" of business.

Strobel still had the Kevin wreck, which had already been through two collisions. He was thinking over several schemes for making another collection on this machine when the Automobile Show was held in Grand Central Palace. Strobel was in charge of one of the booths at the show, and he took advantage of this opportunity in the following manner.

Stark, working with Strobel, brought his mother-in-law, Mrs. Otelie Reichman, to the show and they visited Strobel's booth.

"I think I'll buy one of these cars," said Stark; then, turning to Mrs. Reichman, he said: "I'll buy it in your name and you can keep it at home." She was delighted.

"Here's the contract—just sign it on the dotted line," directed Strobel, and she wrote her name. The number on this contract was that of the Kevin machine.

Car Grows in Value With Age

Mrs. Reichman, at Stark's request, took the receipted bill of sale to an insurance agent and secured a policy in the Federal Insurance Company. A few weeks later, before Mrs. Reichman had ever seen her son-in-law's gift, the car was towed to Long Island and burned. Stark told the innocent old lady that the fire was caused by backfire, and that she should so present the case to the adjuster. Stark was supposed to be her chauffeur. She filled out the proof of loss, and a claim of $1,200 was paid. Evidently the car grew more valuable with age.

This fire took place just about the time of Wolf's death; in fact, one of his relatives had to leave the funeral to take the adjuster to inspect the loss.

Ran Machine Into a Quarry

Wolf died in June, and his influence swiftly declined. By August his carefully planned methods were forgotten, and Strobel and Stark decided that the casualty companies were good for another haul. So they took an old model seven passenger Oldsmobile up-State to the vicinity of Kingston, where they located a deserted quarry. They started the machine toward the precipice, jumped out, and the car plunged sixty feet down to the rocks. They claimed that they had been lost in a strange country at night and were following the quarry road when the accident took place. It was only by sheer good fortune that they were able to save their lives, they said. With the assistance of William E. Ramey, the Globe adjuster, a loss was paid in the amount of $1,101. The policy was in Strobel's name.

But it's a long lane that has no turning, and at this point it turned very sharply indeed and led off in the direction of State's Prison.

Enter A. Duncan Reid

For one of the chief lessons drawn from this case seems to be that the fire insurance companies were too lax in following up their losses. With the casualty companies, however, this did not hold. Perhaps the fire companies were in such close competition that they preferred to uphold a reputation for immediate settlements rather than invite criticism by too much investigating. The casualty companies, on the other hand, had a different system. Although the loss was paid as soon as the adjuster filed his recommendation, the case was not closed until it had passed through other hands.

And so it was that A. Duncan Reid, General Manager of the Globe, found himself studying the reports of two collision losses in six months to one assured. Frederick G. Strobel had collected one claim of $850 on March 20 and another of $1,101 on September 5, 1916. The proofs of loss did not appear plausible, and Robert M. McCormick, counsel for the Company, and Hugh McGann of the investigating department were authorized to begin an investigation.

McGann, searching for ex-employes of the Moon concern, of which Strobel was known to be a member, finally located a man named Cornelius Olsen. Through Olsen another man, one Walter Shirpinsky, was discovered. In spite of their guarded replies, enough was learned to strengthen the original suspicion, and McCormick telephoned Strobel to come to his office.

Lawyer McCormick's Coup

Strobel entered the next day smiling confidently.

"I think this loss is crooked," de-

clared the attorney. Strobel reared at the accusation.

"I won't have my honesty questioned by anyone!" he retorted. "I'll pay the money back even before I'll be called a crook."

"Fine," agreed McCormick, and after an intellectual fencing match in which McCormick won, Strobel signed a check for $100 in part payment. This, of course, was a fatal blunder from Strobel's standpoint and a distinct coup for the lawyer. No amount of explanation can whitewash the fact that a man who is willing to repay a loss, must be afraid of an investigation. As a result of this piece of sterling evidence, therefore, McCormick felt that he could pursue the trail as far as he liked in the certainty that eventually he could prove Strobel's guilt. The check was certified and held.

The officials of the Globe were nevertheless unwilling to believe that any of their adjusters were dishonest, for Ramey especially, was one of the most trusted men on the Street, and had even been elected president of an association of automobile adjusters.

Facts Go to District Attorney

However, it was agreed that something was wrong somewhere, and the facts were given to the District Attorney for further investigation. Assistant District Attorney Weller, who handled the case, made a search of the Globe files and declared that several claims paid by the Company were undoubtedly crooked. The investigation, he said, should begin with the adjusters who passed these claims for payment.

It was ascertained from various sources that the car involved in the collision on Long Island while owned by Strobel was identical with that damaged by the elevated train when the property of Dr. Kevin. Obviously the adjusters could have determined this if they had so desired simply by tracing the history of the car. Detectives working with the District Attorney's office then discovered these facts.

Ramey Arrested

Ramey had taken for his own use a year or more previous the salvage of a Marmon car belonging to the Company. Caswell also, pursuing the same course, had paid $1,800 to a New Haven assured named Rosenberg for a slightly damaged Mercer, and appropriated the salvage as his personal property. On this evidence Mr. Weller obtained indictments for both men.

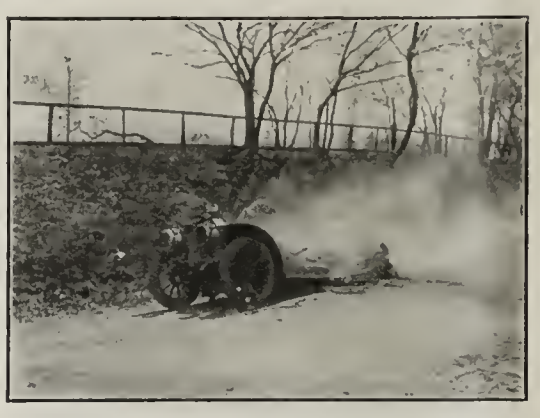
Ramey was arrested and held in $25,000 bail. Caswell at first fled jurisdiction and went to Jersey, but later returned and confessed. His story revealed that he and Ramey had been swindling the Globe for years by negotiating fake accidents, making false vouchers, padding bills, taking commissions on repairs, and accepting money for passing certain accidents without thorough investigation. Caswell went so far as to become a witness for the State, and additional testimony given by him served to indict Frank McGinley, who had formerly worked with Ramey and Caswell in the adjusting department of the Globe.

Former Office Boy Owned Five Automobiles

McGinley, according to Caswell's story, had started as an office boy with the Globe and in five years owned five automobiles. The three men together had put over twelve fake accidents in the last two years.

McGinley, it was found, had recently stolen a car in Portland, Me., and when arrested on this charge and brought to New York he pleaded guilty. In the grand jury investigation it developed that on one occasion McGinley had induced a cousin of his to drive a Velie car into a Locomobile. Both cars were the property of McGinley, who was himself at the wheel of the Locomobile. After the collision McGinley filled in his cousin's name on the proof of loss in his own handwriting and collected $825 from Ramey. Three months later the two men duplicated the accident with the same cars and collected $325.

McGinley was sent to Elmira Reformatory, Ramey to State's Prison, and Caswell to the penitentiary. All three confessed. Caswell and Ramey were also induced by Mr. Weller to give the true story about the Kevin case, and thus Strobel was definitely implicated.



CROOKS PHOTOGRAPHED CARS AFTER SETTING THEM ON FIRE

Sack, Brooklyn Contractor, Arrested

Strobel was indicted on October 11 charged with grand larceny and filing false proof of loss. A Brooklyn contractor, one Richard C. Sack, provided the $3,000 bail, and Strobel was released. On November 27 Strobel pleaded guilty and was remanded to City Prison for sentence. Sack, who had been himself deeply involved with Wolf and later with Strobel, gave Strobel's wife $750 and assured Strobel that he would support his family during the term of imprisonment if he would stand his ground and accept his sentence without confessing. Weller, however, saw that Strobel could be of immense assistance to the State if he could be made to talk, and at length succeeded in inducing Strobel to give a complete statement of the whole conspiracy. Largely as a result of this confession there followed the indictment of Sam Levy (4 fires), Richard C. Sack (9 fires) Jacob Welsing (4 fires) Thomas Gill (2 fires) and others. Twenty convictions have been obtained to date.

The vista of crime that opened up to Weller and McCormick stretched back over a period of more than eleven years. In the four years preceding Strobel's arrest he and William Stark, chief mechanic of the Moon Auto Sales Company, had taken part in the burning of between fifty and sixty cars.

The Babylon Fire

The most amazing episode of the whole story related by Strobel was what is known as "the Babylon fire," in which seven motor trucks and several damaged touring cars were burned for Richard C. Sack. Sack was the most influential member of the combination, and his money and reputation united to assist him in a hard fight. When this man was convicted the backbone of the defense was shattered, and practically all that remained was to gather up the remaining threads and bring the lesser offenders to justice. This process is still going on.

Sack was a man of excellent business reputation and was especially known for his religious interests. So firm was his position as a pillar of the church that no less than three ministers appeared during the trial to testify in his behalf. But underneath this pious exterior he had been the intimate friend and co-conspirator for many years of Max J. Wolf, a man concerning whose moral nature the less that is said the better. Wolf was certainly a confirmed scoundrel, and it is of course possible that he was responsible for Sack's initial back-sliding. At any rate Sack has confessed.

The Babylon fire was nothing short of wholesale incendiarism, every de-

(Continued on page 16.)

PIONEERS!

Mr. Appleton and Mr. Cox—as Underwriters—having written Automobile Insurance since the year 1904

AUTOMOBILE INSURANCE

COLLISION FIRE THEFT TRANSPORTATION

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Attorneys

State Agents Desired

Correspondence Invited

3 SOUTH WILLIAM STREET NEW YORK

RELATION BETWEEN AGENTS, BROKERS and CLAIMS

By EDMUND ELY, SUPERINTENDENT AUTOMOBILE DEPARTMENT

ÆTNA LIFE INSURANCE COMPANY IN NEW YORK CITY

"When in the course of human events" John Q. Everybody purchases an automobile, he has usually no conception of the hazards he is assuming. His own experience with his friends will acquaint him with the ordinary delights of motoring, and the salesman will probably convince him that the tire economy, gasoline saving and the absence of wear and tear on the left rear spring will enable him to save as much as he did last year, and leave a considerable balance for investment.

Then comes our friend and colleague—the insurance agent. Ordinarily, there is no difficulty in persuading him that it is his duty to protect his investment by a fire and theft policy, but it is not so easy to show him that there is a possibility of his running into somebody, something or a lamp-post, and doing corresponding damage. It is not my intention, however, to deal with the difficulties with which the solicitor has to contend in securing an order for the insurance. It is evident that he has successfully surmounted them. Year after year we see the automobile premiums increase in an even greater proportion than the automobiles in use.

Claims Are the Test

The final test of policy insurance is when the claim comes in. I think it is safe to say that 50 per cent. of the disagreements and unsatisfactory claim settlements is due to the fact that the assured is not acquainted with the terms and conditions of his policy. If every assured understood clearly the coverage afforded by the policy, the lot of the adjuster would be a happy one.

The aim of every company is to satisfy the assured, and the company ordinarily will spare no reasonable efforts in meeting the wishes of the assured and giving him perfect satisfaction. It is difficult, however, to leave the assured in a contented frame of mind, when he thinks he is going to be re-imbursed in full for whatever collision damage his car sustains, and he finds that in accordance with the conditions of the policy he is to bear the first $25 of the loss. Even more unsatisfactory have been roadbed collisions, or cases where tire damage is involved. Damage of this nature has been expressly excluded by the policy, and the assured could make no recovery at all.

Eliminating Restrictions

The recent trend toward eliminating these restrictions from the collision policy can not fail to have a helpful influence toward maintaining pleasant relations between the company and the assured. It remains to be seen whether or not this increase of coverage will require a higher rate; the experience on collision insurance is not such as to admit of any material extension of the coverage without a corresponding charge but even if such a charge should become necessary I believe that the average solicitor would be disinclined to revert to the old form with its restrictions.

But even had the policy form reached that ideal state as to be comprehensive in relation to each hazard assumed there would still be accidents where the company would be forced to deny liability. For example if an owner took out a liability policy in his own name and his wife were driving the car and were sued the defense of such suit and any consequent judgment could not be undertaken by the insurance company.

From cases which come under my observation only too frequently, there is an evident need for a more general understanding of the necessity for the inclusion of additional interests in liability and property damage policies. Indeed, under present conditions it may safely be said that more cases are declined by companies for this reason than from any other single cause. The public, consequently, is being educated to the necessity of covering the interests of those who may use the car, but it is an expensive and unpleasant means of education.

The laws of New York and of practically every Eastern State are being interpreted so as to explicitly fix the liability for negligence on the person under whose direction and control the car is at the time of the accident, and there is an apparent necessity for solicitors to lay stress on this point at the time the order for the insurance is secured.

Increase in Liability Limits

It is gratifying to note the increase in the demand for higher liability limits than 5,000/10,000 showing, as it does, that the solicitors have noted the frequency of high verdicts and are taking the necessary measures to secure adequate protection for their clients. The increase in cost of liability cases has been noted by all companies and this not only in cases involving death or serious injury where the verdicts may run to $10,000 or $20,000 or more, but also where the injuries may be of a trivial character.

The most usually accepted explanation for this condition is that the Workmen's Compensation Laws of the various States have withdrawn much of the employers' liability business from the hands of the lawyers and they are, consequently, devoting more attention to their public liability cases. We have, however, to deal with the effect, not the cause, and where the tendency toward higher verdicts is so manifest it behooves the careful insurer to protect himself by taking out higher limits.

The Broker

The relations between the company and the assured depend to a very large extent upon the broker, and as his own interests are involved in that relationship, it is of first importance that he should do his utmost to remove any possibility of differences. This is best done at the outset by making sure that the assured understands the essentials of his policy.

Much constructive work has been done within the past year toward simplifying the policy and making the coverage clear and it is pleasant to note that representatives of the Fire Brokers' Association of New York, in a conference with a joint committee from the two automobile organizations (fire and casualty), offered suggestions which are now embodied in the policy.

Rights of the Assured

The ultimate aim of the agent, the broker and the company in all adjustments with an assured is to give complete satisfaction. The practice of all companies should be to give the honest assured—who is usually a passive party to the making of the insurance contract—the benefit of every reasonable doubt, to waive all non-prejudicial technicalities, and it is no less a duty that every company owes to the public to resist by every means the dishonest or deliberately padded claim. And in all of these objects our ends will be more quickly and effectively attained by hearty co-operation of and with our friend—the man who gets the business.

TO QUENCH FIRE IN CARBURETOR

By WILLIAM H. STEWART, Jr.
President of Stewart Automobile School

When gasoline takes fire it is a serious matter, says William H. Stewart, Jr., president of The Stewart Automobile School. But the most dangerous accessory to a fire is the one you least expect, namely, "panic."

The average person has such an unreasoning fear for gasoline that he loses his head completely. The first few fires will leave one completely unnerved for a time, but after a little experience in fighting them, panic will disappear and self-control be gained. This does not mean that one should delay or move any more slowly, but should know what to do, and do it quickly.

The novice stands aghast as the first burst of flames comes from the carburetor. The experienced man jumps for the nearest preventive. At least one small fire extinguisher should be on every car. The large chemical devices are too bulky and cannot be laid in any position, whereas the ordinary instrument may be stowed away in a small space. The best place is beneath the hood on the carburetor side. This is where the fire starts and may be reached by raising the hood. Some carry them on the running board, but this is objectionable on account of theft liability. If placed under the seat or secured by a lock they are not readily placed in service, and the machine may be badly damaged meanwhile.

Always turn off the gasoline at the tank to stop feeding the flames. Ordinarily there is not more than two ounces in any float chamber, and this will not last long. All the parts about the carburetor are metal and not easily harmed. It is well also to use the self-starter to turn the engine. This will draw flames into the manifold. Quite often the whole fire may be extinguished, if this is done in time.

A greater danger arises from permitting an accumulation of inflammable material in the drip pan. Once this becomes fully ignited the situation requires prompt and efficient action. The work of extinguishing should begin right here, leaving the carburetor till the last. Otherwise the burning gasoline at the bottom will continue to ignite that at the carburetor.

So, remember, always start at the bottom and work upward. If there is a flame on the ground beneath the car, use the self-starter with gears in mesh to move to another position. Sand is good if available, but never throw sand on the carburetor or any other parts of the machine. It falls away, leaving gasoline free to burn, and also gets into the mechanism, doing incalculable harm. On a flat surface sand is excellent, or any other dry powder. Even flour has saved many a home where gasoline has been used carelessly.

The old method of covering the fire with a rug or carpet is good, but the extinguisher is better. This covers the fluid with a layer of non-inflammable gas which smothers the flame. Finally be cautioned never to throw water on burning gasoline. It is heavier than water and tends to spread the flame.

Everyone knows that any kind of a fire is dangerous, but if the above suggestions are employed under self-control the flame starting from a carburetor backfire will be efficiently stopped at the source.—New York American.

ASPHYXIATION

Danger of it Ever Lurks in Closed Garages—Coma, Then Quick Death

To avoid danger of sudden death from the insidious effects of inhaling an extremely poisonous gas, which is more than likely to be present in the exhaust of any gasoline motor, don't fail to open the doors of your garage and a window before allowing an automobile engine to run idle there even for a few minutes.

All persons who have anything to do with automobiles or gasoline engines of any kind should be warned of the dangerous conditions which may obtain in a closed garage with little or no ventilation when a gasoline engine is voiding its exhaust gases into the atmosphere. It is impossible to overestimate the danger of remaining even for a moment in such a place. Sudden death may be the penalty. The only safe course is to have plenty of fresh air in circulation while the motor is running.

Ignorance of this insidious peril, which lurks particularly in small private garages where the supply of air is limited, has resulted in a number of tragic deaths. In many instances the victims have been overcome while working on their cars and their bodies have been found where they had fallen, either sitting in or lying next to the cars, showing that unconsciousness must have come upon them with startling rapidity. "Petromortis" is the name which physicians have given to such asphyxiations caused by inhaling the fumes of carbon monoxide gas which is one of the products of incomplete combustion in a gasoline motor.

The poisonous effect of carbon monoxide gas is explained in a well-known textbook on chemistry as follows: "Carbon monoxide prevents the oxygen of the air from uniting with the haemoglobin of the red blood corpuscles by entering itself into combination with the haemoglobin to form a stable compound. It is because of this action that a comparatively small amount of the gas will cause death. The compound formed in the corpuscles has a brilliant red color and is so stable that it can be detected in a body years after death."

—Aetna Life News.

AUTOMOBILE INSURANCE
FROM THE CLAIM DEPARTMENT'S VIEWPOINT

By J. HORACE SHALE, COMMERCIAL CASUALTY INSURANCE CO., NEWARK

While it is unquestionably true that the cause of all automobile accidents can be summed up in one word "carelessness," yet it is also a fact that a large number can be traced directly to a comparatively small element who drive cars, and a careful study of the situation will undoubtedly demonstrate that the responsibility for most of the trouble can easily be classified, and an experienced claim man can tell you that it is not difficult to enumerate them.

One of the most prolific sources from which accidents arise is the "green" or inexperienced driver. Every prudent man, as soon as he purchases an automobile, makes it his business to at once secure protection in the way of liability insurance, and any number of purchasers, with a few hours' lessons, feel themselves competent to handle a machine and have no hesitancy in taking a car into crowded thoroughfares and through city streets where it requires all the skill of an experienced driver to avoid accidents. This is also true where an owner permits a wife or children to use the machine. A large percentage of accidents handled by an insuring company can be directly traced to the inexperience of the person driving the car.

The Moral Hazard

Another class of owners, of both pleasure and commercial vehicles, undoubtedly fail to make proper inquiries as to the ability of the men they hire as chauffeurs. They look but little further than to the fact that the man they employ is able to drive a machine. The reckless, careless and poorly paid chauffeur, realizing the fact that the responsibility for any damage will fall upon his employer, will take chances that no prudent man or ordinarily careful driver would think of.

The personal habits of an assured are also a matter of vital interest to the company carrying his insurance. The sporty element who use their cars for nightly joy rides and attempt to operate them after an evening's session at a road house, cause the company in time and money more than a dozen ordinary risks.

Selection

It seems truly remarkable when one stops to consider the difference in the care exercised in the selection of risks in other lines and that pursued by the underwriter in issuing an automobile liability policy. When a life insurance company issues a policy, however small, they surround themselves with every safeguard by looking into a man's past history, his family history, and make a careful medical and physical examination of the applicant. A fire insurance company thoroughly inspects its risk and ascertains just what the hazard is before they assume it. Even in the personal accident and health lines, an attempt is made to secure all available information before the company is satisfied that the risk is a desirable one. In the automobile liability field, however, all that it seems necessary to do in order to secure a policy is to make an application for it. The broker comes in, fills out a printed form, and without making any inquiries whatever, the company will issue a policy, assuming a liability of $5,000 to $10,000 and protect an owner in the use of an article that can be used as an instrument of destruction, paying absolutely no attention to his qualifications, but is satisfied with the meager facts the application discloses.

This is undoubtedly due to the fact that this line of insurance may be regarded as being yet in its infancy and that the fierce competition for business and a desire for volume has caused them to fail to exercise the degree of caution and care that is used in other lines of insurance, trusting rather to luck and that the law of average will place on their books the proper number of desirable risks.

The difficulty of overcoming this situation in the manner in which the business is at present conducted seems almost unsurmountable. There are, however, a number of things that might be suggested which would assist in bettering this condition.

The Man Who Drives

The first thing that should be considered is the experience of the party who expects to drive the car. It might be possible for the companies to reach an understanding wherein they would refuse to issue a policy of insurance, or extend the coverage, to any person who had not had at least three months' experience in driving a car. In this way the "green" driver would be practically eliminated.

There are, as all connected with the business well know, a number of companies organized and now engaged in the business of making reports upon applicants for automobile insurance. For a small charge a company could secure through this source a complete report covering the experience of the driver, his method of driving and using a car, and particularly get a line upon his habits. With this report in front of him, the underwriter would immediately know whether or not the risk was a desirable one. Another suggestion would be a general clearing house, such as now exists in the accident and health field, to whom a company would report, and through whom it would be possible to secure, an experience both as to the moral and physical hazard. To organize and equip such a company would require a large outlay of money and much time and labor. But as the automobile field is growing rapidly, would the effort not be justified by the results attained and the returns such a company would receive for the service it would render?

It would therefore follow that by eliminating the "green" driver, the man who employs inexperienced or cheap help, and the owner whose habits and method of living makes him an undesirable person for coverage, the insurance companies would materially reduce the number of accidents they are now called upon to take care of, and at the end of the year the claim department would be able to show the result of this system by producing a lower loss ratio.

The Small Car Exposure

There is another element in the writing of automobile liability insurance that claim departments believe should receive serious attention at the hands of the underwriter. Rates are now fixed and quoted according to the insurable horse-power of a car, and the company receives about one-third the premium for a small and inexpensive automobile that it does for the high powered and more expensive machines. The fact is patent that there are a great many more of the former than of the latter class, and anyone who has adjusted claims can testify that a Ford can do practically as much damage as a Packard. We have, therefore, the condition existing of having three times the exposure in the small car for the same premium received for the high powered one.

It would also seem that it is rather poor business for a company to receive the same premium for a car used by salesmen or physicians that it does for the car used exclusively for pleasure, the exposure in the former instance being many times that of the private owner who uses his car for pleasure purposes only.

Of course, the answer to this is the adjustment of the rate and securing for the small machine and for cars constantly in use a premium that will take care of the exposure.

Another matter that should receive careful consideration from the hands of the management of the various companies is the advisability of so amending the policy contract as to exclude accidents occurring while the driver is under the influence of intoxicants, as well as either excluding guests or occupants of the car from the coverage or charging an additional premium for this protection.

Guests in Pleasure Cars

In the case of an accident happening while the operator is intoxicated, the only thing involved is a question of the assessment of the damage, the amount of which is always aggravated, leaving little if any chance for the making of a reasonable settlement. Public policy prohibits the issuing of insurance against the commission of an unlawful act. In the case of an accident due to the intoxication of a driver, an insurance company will, however, assume the civil liability arising out of a criminal act of the policyholder.

The question of injury to guests or occupants of pleasure cars has become a very serious proposition, and the rulings of the courts as to negligence in this regard are such as to warrant giving this matter serious thought. It is a well-known fact that in most cases guests would not think of making claim did they not know or were they not advised by an assured that he is protected by a liability policy, and in addition it should be remembered that claims of this character are extremely difficult to defend or adjust on account of the assured being in sympathy with, and in many cases assisting, the claimant.

These are a few of the weak spots in the automobile situation as seen through the eyes of the claim department, and while it is realized that time and experience will bring about some of the changes herein suggested, it is probable that many needed reforms will only be effected after the lesson has been well paid for.

AUTOMOBILE INSURANCE

GLOBE & RUTGERS

Fire Insurance Company

111 WILLIAM STREET, NEW YORK

JANUARY 1, 1917

ASSETS		LIABILITIES	
Real Estate	$ 78,975.00	Capital	$ 700,000.00
Bond and Mortgages	59,700.00	Surplus	6,250,190.55
City, Railroad and other Bonds and Stocks	10,583,638.71	Re-Insurance Reserve	4,685,508.16
Cash in Banks and Office	606,034.77	Losses in Course of Adjustment	1,324,075.00
Premiums in Course of Collection	2,297,904.01	Commissions and other items	830,359.55
Interest Accrued	80,049.77		
Due on account Re-Insurance Loss Account	83,831.00		
	$13,790,133.26		$13,790,133.26

SURPLUS TO POLICYHOLDERS, $6,950,190.55

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W. L. LINDSAY, Assistant Secretary

Automobile Department
L. R. BOWDEN, Manager

A FAIR QUESTION: IS AUTOMOBILING ANY FUN?

By J. D. WHITNEY

TRAVELERS INSURANCE COMPANY, HARTFORD

Is Automobiling any fun? Probably it is. I understand that no less than 4,200,000 automobiles are in operation in the United States to-day. Yet, as I look over a pile of clippings having to do with the consequences of accidents, I wonder that anybody has the extreme intrepidity to venture out on the street with a car at all.

Once I was just foolish enough to believe that, if a person used a reasonable amount of caution and did not try to steer the car and take naps at the same time, nothing could happen to him. But, after reading in a Los Angeles paper that an ostrich kicked an automobile all out of shape on the highway and nearly killed a negro boy who tried to disentangle the bird from the machine, I have known that it was not so.

A Suit For $53,000

On Christmas Day a car belonging to a well-known New York gentleman was being driven with only the chauffeur in the car when it struck another car containing the whole Shilowitz family. The S. family reciprocated by bringing eleven suits for damages, aggregating $53,000.

So Chance goes, disguised sometimes as an ostrich with a penchant for kicking tinware out of shape, and sometimes as whole families determined to take advantage of the fact that the car-owner has money in the bank.

What chance, then, has the automobilist, when he drives out of his garage, of coming home solvent? We insurance men know the answer; and, judging from the extraordinary increase in the automobile insurance business, as reported from all sides, the good news is being pretty well disseminated to the public. People are at last beginning to realize that it is not businesslike to own or operate an automobile without full insurance protection.

"Sob Stuff" Justified

I remember writing in an advertisement about a year ago some sob stuff to the effect that the motorist, driving forth all gay and debonair on a fine June day, might at any moment be the author of an accident that would at one stroke wipe out the equity in his home. By special request, I cut that out. But I don't know. It took a jury just four minutes in a Bronx court not long ago to award a verdict of $12,500 for the killing of an eight-year-old boy! Juries are becoming extremely generous with defendants' money. Plenty of verdicts from $5,000 to $25,000 can be found on the court records.

It is, in fact, generally recognized that the ordinary $5,000 coverage is not sufficient for perfect safety; and the companies are pointing out to their clients that increased limits, as well as coverage for additional interests, are highly desirable.

Responsibility of the Owner

Two interesting decisions of high courts in New York State this year bear on the responsibility of the owner. Morris Rose was run over and killed. His widow obtained a verdict of $16,912. The car-owner appealed, however, on the ground that the chauffeur had been driving at the time and had taken the car without permission. The Appellate Division upheld the widow's judgment and ruled that an owner is liable for the acts of his chauffeur and cannot escape liability except by locking his car up in some secret spot. The other decision was the famous one by the Court of Appeals in which the court held that a father is not liable for the acts of his adult son, when the son is driving the car for his own exclusive ends.

The effect of these two decisions is easy to see. The first extends the liability of car-owners enormously; and the second makes it desirable that adult children who expect to do any driving should take out protection of their own or be included in the father's policy. In fact, it is equally true that a man is not responsible if his wife causes an accident, when driving the car for her own pleasure. Therefore, unless he wants to see his wife sued, it behooves him to have her included in his policy as an additional interest.

Verdicts on Children

I have mentioned above that the life of an eight-year-old child seemed to a jury to be worth $12,500. There was, no doubt, something punitive in this heavy verdict, for the conditions attending the accident were not wholly creditable to the 25-year-old man who drove the car. But good-sized verdicts for the deaths of children have been abundant this year. Down in Frederick, Md., the other day a mother recovered $5,000 because her seven-year-old boy, who had asked for a ride, fell off the automobile and was killed. A verdict for $2,500 against an express company was obtained by the mother of a seven-year-old girl. And a small boy in Buffalo, suing through a guardian, recovered $1,400 from a telegraph company, because, after asking for a lift, he fell under the truck and had his leg crushed.

But the most interesting thing, to my mind, is the absolute unexpectedness of the kind of accidents that result in claims. In a Connecticut town a man ran into a fine old tree and cut the bark. The owner of the tree turned around and sued the motorist for fifty dollars damages. A wheel rolled off a moving automobile and bounded along till it struck a woman of fifty-nine who was down on her hands and knees washing the front steps. The woman was badly cut about the head and had to take to her bed. A fire engine that was responding to an alarm up near Boston broke through a fence, plowed up a lawn, climbed part way up the front steps of a house, and did its best to enter the door of a house which, up to that time, had lived a peaceful and wholesome existence. Two women were operating a car of light proportions which ran into a five-ton truck loaded with oil. The little car was not all crumpled up, as you would expect. Instead, the truck was overturned and the oil all flowed away. (In this last case, both parties made charges of negligence).

A Christmas Story

A woman was run over in busy Thirty-second Street, New York City, just before Christmas. Packages which she had been carrying littered the street.

"Never mind an ambulance," she said. "I'm not hurt, and I must get home to the children with these Christmas presents."

She consented, however, to go to the French Hospital, where she died within an hour, of internal injuries.

This woman, before she died, absolved the chauffeur. But I sometimes wonder whether a jury would have been so lenient, had the case of the motherless children, trying to make a Christmas out of the toys that were scattered over Thirty-Second Street, been called to their attention.

Counter-Suits

Not at all infrequent is the kind of situation where two men blame each other and bring counter-suits. Indeed, automobile litigation, like every other kind of litigation, is disagreeable, bad-tasting, and expensive. It is the best recommendation of automobile insurance that it protects people against the embittering and time-wasting experiences of the civil court. The Travelers and, I am candid to say, a few others of the better companies, make it a point, and so advertise it, to save their policyholders, if possible, from any suit at all. The word "service" is used by us to designate the eagerness of Travelers representatives in all parts of the United States and Canada to be on the spot, when policyholders have had trouble, and do their utmost to settle claim controversies on a basis of fairness and good-feeling, without resort to the courts.

Property Damage

Now, as regards property damage, I think the most extraordinary accident recorded this year was when an automobile plunged over the Palisades of the Hudson River and fell 200 feet. There was one man in the car, and he was, of course, killed. The car was not so badly damaged as one would expect, having alighted on its tires; but it was so badly strained that it was only fit for the junk heap.

There are many extraordinary things about the use of the automobile in the State of Colorado, where it is fast supplanting the broncho and the huntsman's buckboard. And anyone who has driven over some of the narrow mountain roads will readily believe that there was something doing for a few seconds when a high wind blew a man's automobile clear off the road, not long ago, making it turn turtle down the embankment, and throwing the whole family, including the wife and two children, under the car.

Lightning May Strike Twice in Same Place

And lest any one should still think that lightning does not strike twice in the same spot, I should like to relate in closing the experience of a man in Seattle, Wash., last month. This man nearly had a collision with a street car, but stopped soon enough so that he merely entangled his front wheels in the fender. The motorman backed up, and the motorist got out to crank his car again. In the excitement, he had forgotten to put his gear in neutral; so the car leaped forward and ran over both the man's legs; and the man was taken to the hospital after all.

COMMERCIAL CASUALTY INSURANCE COMPANY
STRENGTH SERVICE
Newark, N. J.

More and Better Service To All

Specializing in Automobile Liability, Property Damage and Collision Insurance, the Commercial Casualty now offers facilities to all Brokers and Agents for writing Automobile, Fire and Theft policies.

Thus in one transaction can complete Automobile Insurance be provided for your assureds.

Prompt payments of liberal commissions is just as much a part of our service as the red-tape-less settlement of claims. Why not co-operate with the company which so generously co-operates with you.

COMMERCIAL CASUALTY INSURANCE CO.
NEWARK, N. J.

New York Office, 92 William Street

LIST 186 MANUFACTURERS

The Commercial Union has issued its annual booklet, containing a list of automobiles, showing model, type of body and list price, with horsepower and collision insurance ratings. Cars of one hundred and eighty-six manufacturers are listed.

THE MOTOR VEHICLE IN COURT

PREPARED FOR THE EASTERN UNDERWRITER

By GEORGE H. MURDOCH, NEWARK, N. J.

Reasonable Care and Prudence in Crossing Street

That a driver of an automobile is not negligent in attempting to cross a street in front of a trolley car if he may reasonably believe he can do so safely; and, that in forming a judgment whether he can do so in safety he may assume that a reasonable degree of care according to conditions will be observed by the trolley motorman, are rules laid down by the Michigan Supreme Court in the case of Travelers' Indemnity Company v. Detroit United Railway Company (159 N. W. 528).

The Indemnity Company sued as the assignee of the owner of the automobile and secured a judgment for $200.

On the trial it was shown in evidence that at the time of the accident the owner's chauffeur had come to his office, on a crowded business street in Detroit, for the purpose of driving him home. It had been raining and the evening was misty, with the light fading at the time. The chauffeur testified that he then had his lights lit and drove slowly north down the east side looking for a place to park, and, finding it necessary to cross over on account of cars being parked all along that side, watched his chance until he saw a south-bound street car pass, and, observing the next was coming south about a block and a half away, 300 or 400 feet beyond the first street north, and thinking he had plenty of time to get over, turned his automobile to the left to cross, driving slowly upon first speed, and just as he was about to cross the west track on which south-bound cars run this street car from the north struck his left rear wheel, violently throwing him around into another automobile, resulting in serious damage to the one he was driving, which he described in detail. His testimony was in part corroborated by a witness who saw the collision from the sidewalk, and who testified that he was familiar with the noise made by trolley cars in stopping—the grinding of the brakes, etc.,—and heard no such noise previous to the time when the street car struck the automobile and that he would judge that the street car was going at least fifteen miles an hour when the accident occurred.

In affirming the judgment rendered in the trial court, the upper court said in part:

> This is not a case of failing to look and see the approaching car, but of reasonable judgment and prudence in attempting to cross after seeing it. If it was reasonable for him to believe he could cross safely, he was not negligent in attempting it. Provided the car was as far away as he testified, it would have to travel at an unusual rate of speed to catch him, and in forming a judgment he had a right to assume that a reasonable degree of care according to conditions would be observed by the motorman also. If by reason of the misty evening and fading light it was more difficult for the motorman to observe clearly plaintiff's position and readily discover whether or not he had cleared the track, it was his duty "to have the car under such control as to admit of its being stopped after he became able to discern objects on the track, and before a collision with such objects should occur."
>
> Mutual care to avoid collisions was demanded and to be expected. Both parties were driving on a business street in a large city, which both had a right to use for their particular method of travel, but each in driving his conveyance was required to exercise all reasonable care and take precautions to avoid injuring others. Their duties were mutual. The questions of negligence and contributory negligence were questions of fact, properly left to the jury.

Injury Arising Out of Employment

In proceedings under the Workmen's Compensation Act of Massachusetts by Rollo S. Hewitt, employe, opposed by the John Hancock Mutual Life Insurance Company, employer, and the Casualty Company of America, insurer, the Industrial Accident Board made findings in substance as follows:

> The findings of the Industrial Accident Board in substance are that Rollo S. Hewitt was in the employ of the John Hancock Life Insurance Company as an insurance agent attached to its office in Taunton, Massachusetts; that it is customary for insurance agents to see prospective customers whenever and wherever it is most convenient and agreeable for such persons to be seen by them; that Hewitt at different times had talked with one Pierce on life insurance; that Pierce, having occasion to go in his automobile to Providence, Rhode Island, and desiring further to discuss the policy, invited Hewitt to accompany him; that the trip, in the going and returning, was expected to be made in three hours; that Hewitt went, believing that he could further the interests of his employer and have another chance to close the contract of insurance; that as a result of the discussion had during the ride, Pierce decided to take out a policy; that shortly before reaching Providence the machine broke down; that the machine was repaired; that after some slight delay they started back; that at about 1:15 a. m., just after passing the Taunton line, the machine "turned turtle," throwing out and injuring both Hewitt and Pierce. The only question is whether this accident was one arising out of and in the course of the employment of Hewitt.
>
> The field of Hewitt's employment, measured and limited, not by material space, but by his ability to find, interest and retain as customers, persons interested in providing for the whole or partial future independence of themselves and of those dear to them, in a sense was boundless. The time for work and the manner and method to be followed in its successful pursuit, necessarily rested in the judgment of the agent, founded upon his experience and skill. In going to Providence, Rhode Island, the agent plainly did not leave the field within which he was authorized to work for his employer; nor in availing himself of the opportunity for legitimate persuasion granted to him by Pierce, did he violate any express or implied condition of employment.

In reversing a decree based on this finding that the insurer pay compensation to the employe, the Supreme Judicial Court of Massachusetts (113 N. E. 573) said:

> In the prosecution of the business of soliciting insurance Hewitt was independent. While authorized and expected to go where there was any reasonable prospect of securing a customer, his time and his method of procedure were his own. He might travel on foot, on horseback, by trolley, train or automobile. He might write, telephone or telegraph. He was wholly free as to time, place or weather. Under such circumstances, when one accepts an invitation to ride an injury received is not "occasioned by the nature of the employment."
>
> The danger incident to the use of an automobile is not a "causative danger" "peculiar to the work," but is a risk which is common to all persons using one. The injury cannot be said reasonably to have been contemplated as the result of the exposure of the employment.
>
> It becomes unnecessary to decide whether Hewitt was an employe within the meaning of the Workmen's Compensation Act.
>
> The decree of the superior court appealed from is reversed, and a decree must be entered declaring that the employe has no claim against the insurer.

The Last Clear Chance

There was much conflict of testimony on the trial of an action by Myrtle E. Borders against the Boston and Maine Railroad, to recover damages for injuries sustained by her when the automobile she was driving was struck by a dummy train where the track crosses Atlantic avenue in Old Orchard, Maine.

From the fact that a verdict was rendered in favor of the plaintiff it is evident that the jury believed her side of the story. This was to the effect that she was acquainted with the crossing and knew that the company kept a flagman there to warn of approaching trains; that as she approached the crossing she saw the flagman on the piazza of his house seventy feet from the crossing, and that she listened, but heard no sound of bell or whistle. There was an obstruction between her and the train which prevented her from seeing it. When she passed the obstruction she glanced up the track in the direction of the train and saw it coming not many feet away. Some twenty or thirty feet ahead of her was an express team which crossed in safety. She was proceeding at the rate of ten or twelve miles an hour. When at a distance of ten or twelve feet from the track, she first saw the approaching train and attempted to increase her speed and cross in front of the train. In this she was not successful and the train struck the car before it cleared the track.

Of course the company set up contributory negligence and this was the defense it mainly relied upon. In passing upon this point, in an opinion overruling a motion for a new trial the Supreme Judicial Court of Maine, relying on the well-known doctrine of "the last clear chance," said:

> For one thing it is contended that it was negligence for the plaintiff not to stop his car when he saw the danger, instead of trying to speed up and cross in front of the train. Whether the plaintiff could have stopped his car soon enough to avoid being struck by the train is problematical. Some of the evidence is uncertain, as, for instance, the precise speed at which he was traveling, and the precise point where he first saw the train, and to these may be added the capacity of the car to be stopped. It may be possible that he could have stopped his car, although at his rate of speed he had less than two seconds in which to determine what to do, and to do it. But the answer to the contention is this: It is well-settled law that if a person is suddenly confronted by an unexpected peril, and must choose on the instant between alternative hazards, it is not necessarily negligence if he chooses unwisely, not even if it appears that by choosing the other alternative he would have escaped danger entirely.
>
> When one in imminent peril is compelled to choose instantly between two hazards, he is not guilty of contributory negligence if he exercises that degree of care that an ordinarily prudent person might exercise under the same circumstances. It is always a question of ordinary care, and ordinary care is a question for the jury. In this case the plaintiff was in a trap. The jury could find that he was led into the trap, in part at least, through the negligence of the flagman. The jury must have found that under all the circumstances the plaintiff was not guilty of contributory negligence in not trying to stop his car. And we perceive no sufficient reason to disturb their finding.—98 A. 664.

Workmen in Street

One working in a city street is not an ordinary pedestrian with no other care than his own safety. He has other things to think of and whether he was negligent or not can not be determined by the same standard as others not performing duties in the street. For these reasons Filippo Cecola was awarded a judgment against the 44 Cigar Company, of Philadelphia, for damages caused by its automobile when it struck him, while he was working for a traction company and in the act of carrying a Belgian block.

The judgment was affirmed on appeal.—98 A. 775.

Care as to Children in Street

Six-year old Hazel Meserve left her teacher at the gate of the school yard, near the sidewalk, and started to cross Center street, Portland, Maine, to her father's house on the opposite side, and when near the middle of the street was struck by William S. Libby's automobile. She was knocked down upon the paved street, her leg was broken and she sustained bruises about her mouth, nose and face. Libby carried her in his car to the Maine General Hospital, where she remained about four weeks, and after that she went daily to the Children's Hospital for treatment. Seven months afterwards, at the trial of an action brought to recover damages for the injuries, she was still a little lame and a little hard of hearing. She recovered a judgment of $600, which was on appeal affirmed by the Supreme Judicial Court (98 A. 754).

There was not much dispute as to the facts brought out on the trial. Libby testified that he was driving up Center street in a 1912 Cadillac weighing 4,300 pounds, using the "second speed," that he saw the plaintiff crossing the street when he was "about fifty or seventy feet" from her, "and, seeing," as he testified, "that if we continued on I would probably come in contact—at least it causes a start to a driver of a machine, so I applied my foot brake and threw my throttle and gas. That brought the car to a stop. * * * Then I saw the little girl come to a stop about the center of the street. * * * Supposing I had the right of way, I started to change gears. * * * I changed from second into low and started to proceed, then the fellow sitting in the seat beside me, in the front seat, he said, 'God! she is coming.' When he said that I had just caught a glimpse of her starting down the street on more of a general course. I threw my foot brake and threw my emergency. * * * My brake being locked that held the car, I immediately left the car, which had stopped, * * * and I went around and found Mr. Murphy and Mr. Valante (two of the three other men who were riding with him) out there at that time, just lifting the child from the street." In cross-examination he stated that he stopped his car the first time about "twelve feet" from the child. Q. She stopped and you stopped? A. Yes, sir. Q. And she turned and ran into you? A. She turned and ran into me; yes, sir. * * * Q. Did you see her when she turned and ran towards you, or did you not? A. I didn't see her when she started to run toward me. It was while she was running towards me I saw her. He claims that the child was hit by the left side of the automobile near where the mud guard and running board connect, and that she was picked up about two feet back of the car and to the left. Two of the men who were in the automobile at the time substantially corroborated the defendant's account of the accident. On the other hand, two witnesses, called by the plaintiff, testified that they were near the scene of the accident at the time and saw it. One of them testified that he heard no horn sounded or other warning signal given, and that he did not notice that the speed of the car was lessened until after the collision. The other testified that just before the child was hit "she kind of slowed up, that is, a trifle, and turned partly around. I thought she had seen the auto, but then it was too late."

In overruling a motion for a new trial the higher court said:

> Was the defendant negligent? Did he fail to exercise reasonable care—such care as the reasonably prudent man would have exercised under the same conditions and circumstances? That is the test. The jury decided that he did not exercise reasonable care; that he was negligent. Is that decision clearly wrong? We think not. Certainly the defendant cannot complain if the jury accepted his story of what he did and of the conditions under which he was required to act.
>
> Was it the exercise of reasonable care on his part to start his car forward while the child was nearly in front of it and only twelve feet from it? If instead of assuming that this little child would remain where she was in the street while he started his car and drove

(Continued on page 20.)

COVERING CARS SOLD ON DEFERRED PAYMENT

FORMS USED BY TWO COMPANIES REPRODUCED ON THIS PAGE — HOW NOTE FEATURE IS TAKEN CARE OF — PROTECTION WHEN CAR IS RETURNED

The Eastern Underwriter has secured two forms used by two different companies in the writing of policies on cars bought on the deferred payment plan. Both forms are presented herewith, the names of the insured and the companies being left blank. The rates on these policies must necessarily not be the same because in each instance the class of car is different. Form No. 1 covers commercial cars; Form No. 2 covers commercial and pleasure cars.

Form No. 1

.....
(Name of assured.)
or
For the account of whom it may concern.

1. It is understood and agreed that this policy of insurance covers automobiles, trucks and chassis sold to purchasers on installments or deferred payments evidenced by notes of written agreements or promises to pay, including the purchasing of notes on said automobiles.

2. The word "purchaser" as used herein refers to any person, firm or corporation to whom an automobile has been sold on deferred payments as stated in the preceding clause.

The word "note" as used herein refers to a written instrument in any form whatsoever, promising to make payments as a consideration for the sale of an automobile.

3. The assured under this policy are the ..... and/or purchasers of notes, and/or holders of notes given in payment for such automobiles; the seller of such automobiles if the payee or endorser of such notes, and the purchaser of such automobiles.

4. This policy shall apply only to such automobiles and the purchases thereof for such time, and against such risks as are specifically shown on a certificate of participation issued in connection herewith, and signed by a duly authorized agent of the Company. Certificates issued in connection herewith shall be subject to all of the conditions and limitations of the policy. The Company reserves the right to refuse a certificate to cover any automobile or purchaser.

5. This insurance shall attach and cover from the time of the agreement of the..... (name of assured) to purchase and advance money upon notes and provide insurance under this policy, provided the Company is requested by the..... .....(name of assured) or its agents, to issue a certificate of participation to cover the automobile, in payment for which the rates are given as promptly as possible upon receipt of such notice that such agreement is effective, but in no event is the insurance to cover unless a certificate of participation is requested within ten days of the date of the agreement to purchase or advance money upon notes.

6. Loss, if any, shall be payable first to the ..... (name of assured) and/or other holders of the purchased notes, and then to the purchaser as their respective interests may appear, at the time of loss.

7. Premiums for this policy shall be due and payable by the..... .....(assured) upon the issuance of the certificates of participation. Such premiums shall be computed for each certificate at the rate shown in the following schedule per $100 of the amount insured (except that upon certificate issued to cover second-hand automobiles the rate for fire and theft shall be computed upon the full second-hand purchase price.)

(Schedule of rates follow.)

8. This Company shall be liable for loss or damage caused by fire arising from any cause whatsoever, explosion, self ignition, lighting or the accidental and external discharge of leakage of water, cyclone, tornado, lightning, hail or earthquake, the perils of transportation while in or upon any conveyance by road, rail or water (including general average and salvage charges for which the insured may be legally liable.)

Attach theft clause—$25 deductible.

9. Attach collision clause—$25 deductible. Attach collision clause—full coverage. Attach collision clause—average.

10. It is specifically understood and agreed that automobiles insured hereunder are valued at the sum insured.

11. If the assured attach a fire extinguisher approved for this purpose by the Underwriters' Laboratory of the National Board of Fire Underwriters, the rates charged for as above for fire and theft will be reduced 15 per cent., providing the assured agrees at all times to carry said extinguisher upon the automobile.

1 per cent. additional premium will be charged for cars used for hire, rental or livery. It is understood and agreed that permission is granted for the automobiles herein insured to be used for carrying passengers for a compensation, provided it is under the personal supervision of the assured or chauffeur in his employ while being so used.

12. It is understood and agreed that no condition of this policy is to be construed so as avoid the insurance applying only to the interest of the..... ..... (insured's name) and/or the holders of the notes for or on account of any failure on the part of the purchaser to comply with the conditions of the policy.

13. This insurance is subject to the printed conditions of this policy and also the special conditions written herein, it being expressly understood and agreed that the conditions written herein, shall supersede and take the place of anything to the contrary in the printed conditions of this policy.

14. This insurance shall be deemed continuous and in full force and effect until canceled by either the company or by the ..... (insured's name) on sixty days' written notice to either party.

15. It is understood and agreed that if there shall be any default in payment on any purchase note and the ..... (insured's name) having violated no stipulation of the contract or sale, shall be unable to get possession of the automobiles after exercising all reasonable effort that are unable to locate the same, then this policy shall be held to cover the interest of the ....(insured's name) in such automobile.

16. Rates for pleasure cars and commercial vehicles, insuring the interest of the ..... (insured's name) only, where the note is made by the buyer and endorsed by the dealer.

17. Rates for insuring the interest of the ..... (insured's name) and the dealer, i. e., the payee and endorser of the notes on pleasure and commercial vehicles, or on any transaction where the dealer does not endorse, then in such event insuring the interest of the..... ..... (insured's name) only, the rates are as follows:

(Rates Given)

18. Notwithstanding the fact that this policy provides two forms of insurance, viz: fire and theft insurance and collision insurance, it is expressly understood and agreed that collision insurance shall apply only in such cases where the..... .....(insured's name) shall specifically request such insurance on the insurance requisition forwarded to the Company, but this coverage shall apply the same as the fire and theft covers.

Attached to and forming part of policy No.....

Form No. 2

.....(name of insured) and/or for account of whom it may concern. Loss,if any, adjusted with and payable to.....or their order.

This policy covers on new and used automobiles and chassis reported to this Company while the title to the property remains in the name of the ..... (name of insured) and sold under conditional contract of sale or on new and used automobiles and chassis reported to this Company on which title has been taken by the purchaser or purchasers. The policy is subject nevertheless to the following:

(1) All risks attaching under this contract are to be reported to the..... Fire Insurance Company not later than fifteen days following commencement of liability, which liability is to attach from the date of the execution of the conditional contract of sale by the.... ..... (name of insured) and to terminate within the period so specified in the contract, not exceeding twenty-two months from date of execution of such contract. But in no event is the risk or risks so reported to continue after the..... ..... (name of insured) has obtained the re-possession of the automobiles or chassis by reason of non-compliance of the purchaser with the conditions of such contracts. All such coverages are to be covered by a certificate of participation which certificate will give the extent of liability assumed under each entry as well as the amount of liability which shall not exceed actual sale price, form of coverage, expiration and premium.

(2) The open entry certificate just mentioned is subject to the terms and conditions of this policy and is a memorandum of the automobile or chassis insured under this policy.

(3) It is understood and agreed that, for the purposes of this policy the value of each automobile or chassis declared in said certificate shall be fixed at the sum insured and any loss or losses shall be adjusted on the basis of such value.

(4) This policy does not cover the property described while in a building or premises owned, occupied or controlled by the assured as a factory or place of manufacture, but this condition shall not refer to salesrooms, garages or service stations.

(5) In the event of damage or loss to the property covered by this policy, the assured hereby agrees to replace or to make the necessary repairs and furnish the necessary parts, including all labor, at actual cost to the assured.

(6) If the assured contemplate renewing the insurance under any entry or entries such insurance shall be considered binding by this Company for a period of twelve days from the expiration of such entry or entries pending authorization from this Company for such renewal or renewals.

(7) This contract is subject to cancellation by either party upon ten days' notice to the other which notice must be in the form of a registered letter, which cancellation takes effect ten days following the receipt of such notice.

(8). In the event of cancellation under condition Seven, the risks appearing in the certificate run until the designated expiration appearing in the certificates, providing such entries were made prior to the expiration of the ten days set forth herein.

(9) This Company has the privilege to examine any documents relating to any cars covered by this policy.

(10). Subject to its other conditions, this insurance is also extended to indemnify the ....(name of insured) for loss or damage occasioned by the embezzlement by the purchaser of any automobiles insured hereunder.

(11) This policy is also to cover cars sold subject to a chattel mortgage and so long as the..... .....(name of insured) retains an interest in such cars.

NEW MOTOR INSURANCE CO.

Will Carry All Insurance With Exception of Life and Bond Investment

The United Motor and General Insurance Co. Limited, London has registered with a capital stock of £100,000 to carry on a business of insuring all conveyances travelling on the ground, through the air or under water and it has deposited £20,000 with the Paymaster-General of the courts of justice, in respect of employes' liability insurance.

W. A. Mobbs, H. Moore, A. R. Atky, B. Coathupe, R. Wiuu, R. Woodhead and C. W. Phillips are the directors of the new company.

MAKING GOOD HERE

A number of New York men have gone to Hartford to work for companies there. Occasionally, the shoe is on the other foot and Hartford men come here. One of the Hartford men who is making good here is R. J. Rice, Jr., assistant manager of the automobile department of the Globe & Rutgers. After leaving the Hartford High School he joined the forces of the Aetna companies, later becoming assistant to H. R. Clough.

ENTERS MARYLAND

The American Automobile Insurance Co., of St. Louis, has been licensed in Maryland and has appointed F. M. Supplee, of J. Ramsey Barry & Co., general agent and attorney for service. The Company has a capital of $300,000, and surplus of $22,301. It began business in 1911. Chas. W. Disbrow is president and S. S. Williams, secretary and treasurer.

William Street Pays the Bill for a "Stranger Than Fiction" Thriller

(Continued from page 10)

tail of the plan being worked out carefully in advance. The business-like methods of the combination in preparing for the fire are most interesting.

Opened Sales Room in New York

Sack had become interested in a motor truck agency and had purchased twelve machines for exhibition. He opened an expensive sales room on East 54th Street, New York, and employed several men to conduct the business, but for various reasons the trucks would not sell. A year later, having disposed of only five of them, he came to Wolf for advice. The answer was "burn them up!"

So Sack and Wolf, together with Jacob Welsing, formed this plan. In order to show that the trucks were marketable Sack pretended to sell them to Welsing, and checks were drawn as records of the sale. Welsing then formed a fake corporation called the "Nassau Transportation Company" under which name he was to establish a general trucking business on Long Island. This business was actually started at Hewlett, L. I., but after a misadventure due to the audacity of the ex-convict in charge, who did a job of burning on his own account, it was decided that some other location would be safer. Sack paid all expenses as the arrangements went on, and it was understood that Wolf and Welsing would share in the profits.

Built Garage

At length a place was found near Babylon, L. I., and Sack even went so far as to build a new garage with a fake cement floor, although, of course, this building was insured also. The location of this garage was in the midst of a comparative wilderness, the nearest house being a mile and a half away. An honest transportation business could hardly except to thrive in such quarters, but an appearance of honesty was all that was necessary.

Sack then had new number plates cast in New York showing that the trucks were made in 1915. Previous to this he had written to the manufacturers of the trucks asking them for 1915 plates, but they declined to supply them. The false numbers were attached to the trucks, and all seven machines, together with a few old wrecks of passenger cars, were stored in the garage. In all, these preparations consumed more than a year.

One Hundred Gallons of Gasoline

On the night appointed, December 21, 1915, Strobel, Stark and Shirpinsky went out to the garage and deluged the trucks, old cars and the whole interior of the building with gasoline. More than a hundred gallons was poured here, there and everywhere, and the door closed in order that the fumes might gather and the liquid soak in. Then the firebugs went to bed.

Just before dawn the next morning they arose and went out to set the fire. Strobel tossed a lighted match through the door and the building exploded like a fire-cracker. The concussion was heard several miles away. Apparently the force of the discharge was upward, for the roof was blown to splinters, and the blaze lit up the whole neighborhood.

Strobel and Stark returned immediately to Brooklyn, leaving Shirpinsky in charge. He was instructed to say that the fire was caused by back-fire from one of the trucks, which he was endeavoring to start in order to run over to Babylon to see a doctor. Later in the morning Wolf, Sack and Strobel, together with Thomas W. Cashman, adjuster for the Home Insurance Company, came over to inspect the loss, and Shirpinsky told his story. In order that Cashman might feel disposed to pass the loss without unnecessary delay Wolf slipped $400 into his hand. Later an additional $800 was given to the adjuster, and settlement was made for $14,400. The seven burned trucks had cost Sack originally only $8,200.

A Shock to Employers

When Cashman heard that the Babylon fire was being investigated he visited the District Attorney's office and made a partial confession, saying that Wolf had given him $400 as a tip! His employers could not believe that a man who had worked for the Company for twenty-eight years, and who was regarded as one of their most trusted adjusters, was guilty of a deliberate swindle. But no doubt remained when it was discovered that Cashman had appropriated the salvage of an automobile turned in to the Company, and had been using the car for several years. He was given an indefinite sentence not to exceed three years.

Dozens of conspiracies against the fire companies in particular are believed to have been in operation recently in various sections of the country. There is reason to believe that Wolf perfected his scheme at least fourteen years ago, and it would be strange indeed if other crooks had not fallen in line. Automobile fires hereafter will not be taken so lightly, and woe to the man who pleads back-fire for a total loss! Strobel himself declares it can't be done. Mr. McCormick has been retained to carry the search as far as suspicion leads.

Six months ago, if a theatrical manager had staged such a thriller as this, insurance men would have laughed. The idea, they would have said, of melodrama on prosaic William Street!

The Knotty Problem of Commissions

(Continued from page 7.)

is a state of affairs costly to the companies, disconcerting to the old agents, and destructive to the broker's own contention that he is the representative of the assured and not of the underwriter.

In these few large cities, therefore, it is necessary (as in smaller cities) to permit the same rate of commission by all companies to their agents; it is necessary that this rate be sufficiently high to allow for the payment of brokerage; and it is necessary that the qualifications of an agent be such as will forbid the nominal appointment of brokers—for example, it may be required that an agent represent a company for more than one line of business.

Outline for a Settlement

We have then, for the outline of a settlement:

1. Branch Offices permitted wherever a company is willing to establish such an office, to represent this one company alone for all branches of business transacted.

2. Certain picked cities placed upon a higher level of commission than the surrounding territory, this to permit the establishment of General Agencies. All agents in these cities to receive the same rate.

3. All agents outside these picked points to receive the same lower rate of commission, whether paid direct by a company or through a General Agent.

4. A special level of commission to be allowed in the few great brokerage cities, with a special definition of the meaning of the term "agent."

Great Eastern Casualty Company
Incorporated 1892

"Service That Satisfies" and
"Protection That Protects"

Automobile Insurance

Liability -- Property Damage -- Collision

Automobile owners demand SERVICE from the maker or agent of the particular make of machine they have. They expect similar service from the company or agent whose policy of insurance they carry for protection.

THEY GET IT WHEN INSURED IN THE

Great Eastern Casualty Company
Incorporated 1892

OTHER LINES
Accident, Health, Burglary,
Plate Glass, General Liability

THOS. H. DARLING, Secretary
55 John St. NEW YORK

Sidelights On Automobile Underwriting

How Automobile Sales Specialists Are Developed—Tricks To Get Rates Reduced—Large Premiums on Fleets

Talks with automobile men in different parts of the country and different branches of the business have unearthed many interesting sidelights on the business and the men therein.

For instance, the superintendent of agents of a casualty company said a short time ago that he had been trying for a long period to divert some of the energy that is being used to push automobile insurance to some of the other casualty lines. He had circularized every agent of the company, pointing out to them that each auto owner is a prospect for a personal accident policy and advising them to get an application for accident insurance along with the liability, property damage, etc. One of the agents of the company who, until then, had been its leading accident producer and wrote nothing else, saw in this suggestion an opportunity to get a lot of new accident business with little effort. He started out to sell an accident policy to every automobile owner. Three weeks later he hung out his shingle as an automobile insurance expert.

* * *

Manager's Letter a Boomerang

A similar incident arose out of the efforts of a company manager to instruct a local agent as to what constitutes good and bad automobile risks. Doctors' cars he emphasized as having been bad in the experience of his company. The local agent evinced quite a lively interest in the subject and, after the company manager returned to his office, wrote asking for additional information. The manager was quite pleased that his pupil was coming on so rapidly and replied at great length. His letter included the statement that under no circumstances would his company write policies covering the cars of physicians and the reasons therefor. The local agent showed how apt he had been by securing the representation of another company and then exhibiting the manager's letter to every doctor in town. As he put it, he wrote a policy to every M. D. in his city except the four with which the first company had had a bad experience.

* * *

Putting it Over in Rochester

In Rochester, where it is claimed every third person owns an automobile, the municipal statute books are pretty well cluttered up with automobile traffic rules of every character and description. Competition among the agents there is keen, every one being spurred to do his utmost in leading the race. At an automobile show held in Rochester a couple of months ago it was found that one of the agencies had tabulated these numerous rules in convenient form with the agency insignia gloriously displayed on the front cover, and was giving these pamphlets away, free, to all who attended the show. Automobile owners helped themselves. It was necessary to have additional copies printed to supply the demand. The agency claims that this bit of advertising brought more automobile business than any it had written before.

* * *

Philadelphia Competition

There is one large automobile center, however, where stock automobile insurance is not thriving in proportion to the size of the town: Philadelphia. The laws of Pennsylvania make it exceptionally easy for mutual companies of all descriptions to be organized, and such institutions are constantly springing to life there. An agent in that city said recently that it was impossible to keep track of them all, that as soon as he secured the data on one of these reciprocals and was prepared to beat it in competition, he would run across another one of which he had never heard before.

* * *

Not New Yorkers for Rate-Making Purposes

A new wrinkle in the agency field has been introduced in New York City. It is said of an agency here that, though it represents a large casualty company for New York City and adjacent territory and its automobile premiums run in excess of $100,000 per month, it writes less than 100 policies a month reading "located in New York City." Policies written by this agency have been secured covering cars owned by residents of New York City but giving the address where the car is stored as being at some suburban point. The rates for suburban territory are considerably lower than for New York. This agency is credited with having made other interesting innovations in the writing of endorsements.

* * *

Hiring Men

One of the leading automobile underwriters tells of how he once applied, (and was discarded as unworthy,) for a position as clerk in the automobile department of a fire company. The man in charge of this department was primarily an adjuster, his idea of efficiency in employing a staff being to ask searching and personal questions. He insisted on knowing the business of the applicant's father. When he was informed the father was a member of a firm of public adjusters, he threw up his hands in horror. The relative positions of these two men were reversed a short time ago when the ex-claim man, now grown old, applied to the son of the public adjuster for a job as inspector at $1,500 per year. The former, however, employed him.

* * *

Dignifying the Office Boy.

The manager of a company told the writer a few days ago that in his opinion the automobile insurance would progress no further; that it had reached its zenith, and that "a bright office boy with a prohibited list and a rate manual can to all practical purposes conduct the automobile department of a fire or casualty company." After a shift in conversation, he was asked if his company had written any fleet insurance yet and how he regarded it.

"No," he replied, "but we are anxious to and would appreciate any information you could give on the subject."

The question was then propounded to him: "What are the requisites of a bright office boy?"

* * *

Cut Rate Discussion

Within ten minutes of each other, two equally prominent automobile men recently passed an opinion on the subject of cut rates. The first said that his company, which had but recently entered the field, would abide strictly by the tariff rates, feeling that if he started cutting rates and then changed to tariff it would be exceedingly difficult to renew business. The other man, in making application for membership in the conference, said that he had done so with the express understanding that at any time that he should find that another company member of the conference had violated any of its agreements, the membership of his company therein would automatically cease. This man's company has been writing automobile insurance for less than a year and it would seem that the experience thus gained has left him still unconverted to conference principles.

* * *

Joint Policies

Each underwriter has a different opinion regarding the success of joint policies but they agree in the main that this plan has not worked out as well as was anticipated.

In spite of rumors that joint policies sometimes cause trouble between companies and agents there are rumors going the rounds that several more fire companies are seeking to get in touch with casualty companies to whom such an agreement would be acceptable. Company men say joint policies are desirable because of the increased business, doubled agency staff and minimized liability. Brokers are in favor of joint policies and say it is the only way a fleet of cars can be satisfactorily covered.

* * *

Fleets

The writing of pleasure and mercantile fleets during the past year has come to be more or less of a business all its own. Each underwriter has his individual way of handling this business. One man will say that another's method of adding an endorsement for each additional car is too cumbersome to be effective and the other will reply that it is the only way you know just where you are at and the writing of individual certificates for each car is even more cumbersome because it requires a separate entry all the way through. Also, in the case of nearly every large fleet that has been written, it has been claimed by the men who did not get the business that some concessions were made. This has caused careful watching of this business on the part of the companies and several rulings on the part of the conference.

There have been a number of large group propositions offered the companies in the past few weeks which involved the writing of policies covering cars bought on the deferred payment plan. Some of these lines comprised manufacturers' outputs and others were holding companies organized for the sale of the car. In some instances the premiums on this business ran in excess of $1,000,000. Many of the companies hesitated to accept any part of these lines because of the demand on the company's reserve their writing entailed. Others accepted the manufacturers' output lines but turned down the holding companies' risks because of the forms offered by the brokers covering mortgagees' interests. Still others refused both classes of risks because of the difficulty in making them fit in with the various resident agency laws in some of the States and the necessity for making concessions in the way of rates and commissions. Unity of underwriters in the selection of automobile risks is finely illustrated in the writing of this business. Every dollar of it was placed.

* * *

Tendency of Agents to Specialize

It has been estimated for The Eastern Underwriter by the special agent of a casualty company who travels the whole country that seven out of every ten local agents and brokers he visits are to-day writing more automobile premiums than fire or casualty. He says there is a decided tendency on the part of agents and brokers to specialize on automobile business in a way that has not been characteristic of other fire and casualty lines. Particularly is this noticeable in the metropolitan district where practically every agency has a special department for the handling of the automobile business and there are a large number of brokers who do nothing but sell automobile insurance. This, of course, is exclusive of the automobile salesmen who have brokerage licenses.

Country Preferentials in Collision Rates

THOUGHT ADVISABLE BY NEW YORK INSURANCE DEPT.

Additional Cost of Settling Country Collision Losses Would Be Offset By Fewer Accidents

Most of the collision and property damage insurance is written by casualty companies. The rates, therefore, for this class of business have been promulgated for the use of such companies, by the Workmen's Compensation Service Bureau; and these rates have been adopted by the fire and marine companies composing the membership of the Conference.

For collision rates, private pleasure cars have been classified according to manufacture, list price on model, and flat rates have been established for the "deductible average" and "full coverage" forms. These rates range from $28 for class A to $200 for Class Z in $5 and $10 gradations, covering the "deductible average" form. The "full coverage" form demands a $35 additional charge for each class. Livery vehicles are rated the same as private pleasure cars plus 20 per cent. additional. Public cars other than livery vehicles are rated at 4 per cent. of list price, and plus $35 for "full coverage" form. Commercial cars are rated at 2 2-5 per cent. of list price and plus $35 for "full coverage form." Thus all collision rates are based upon the list price of the car.

In casualty companies, the maximum liability is limited only by the cost of the car, and therefore, full insurance up to the list price is afforded for these rates. However, fire policies usually limit the liability to the amount specified in the policy and such limit is not, in every instance, the actual list price of the car. That is a car listed at $5,000 may be insured for only $4,000 and the rate would be based upon the list price of $5,000, although only $4,000 protection was afforded.

Property damage rates for private pleasure automobiles are based upon the horse power of the car and apply to $1,000 of insurance, 4 per cent. additional being added for each $100 of insurance in excess of $1,000. In applying these rates six groups of districts have been defined and schedules of rates adopted for each district.

Higher rates are charged in the large cities, and more thickly settled sections of the country, (except Tennessee, Kentucky and Alabama.)

In discussing collision rates the New York Insurance Department said recently: "It would seem that if country risks are especially classified in regard to property damage rates, such preferred classifications should also be made for collision rates. While admitting the general theory that there is greater hazard under both these coverages in congested centers, the Conference contends that the additional cost of settling the country collision losses on account of inferior facilities, offsets to a very large extent the lesser probability of accident." Public vehicle rates are established according to districts and are based upon carrying capacity.

Commercial cars are rated according to the nature of the business and the territory in which they operate.

318,000 CARS IN NEW YORK

New York has a gasoline army of 318,000 cars and over 110,000 professional drivers.

Of the 32,800 automobile trucks in New York State one half of the number are in this city.

While there has been a phenomenal registration of cars in this State during the past few months, there are still 100,000 which must be licensed before the total figures of last year are equaled.

DON'T MAKE HALF SALES

Cover Fire and Theft as Well as Automobile Liability, Says Commercial Casualty

"We urge our representatives to interview all their clients who have automobile liability policies and endeavor to write their policies for fire and theft as the renewals occur from time to time," says the Commercial Casualty.

It is a hundred times easier to sell a man two policies at one time when you have him in the buying mood. Working him up to the point where he is willing to buy and then only half selling him by letting him have one policy is not full protection for him or efficient salesmanship for you. You won't find a clothing salesman selling a man a coat without the pants, because he needs both. Sell your prospect automobile liability and fire and theft at one and the same time; he needs them both just as badly.

LIBERALIZE POLICY

Continental Casualty to Pay Interest on Judgments Without Reference to Limits

The Continental Casualty Company has further liberalized its automobile policy. Formerly in clause "D" of the Company's policy the interest on a judgment was restricted to the same limit as the limit of liability, i. e., if there is a judgment against a man for $5,000 the Company paid the interest on the judgment only up to the limit of liability. The Company is now agreeing to pay interest on the entire judgment without reference to limits.

To clause "E" has been added a provision that the Company will pay the expense incurred by the assured in removing the injured person to a suitable place, this being in addition to the further agreement to pay the expense of immediate surgical aid.

VALIDITY OF AUTO INSURANCE

California Court Hands Down Decision Liability Cannot Be Denied, Even if Similar Loss is Paid

In a recent decision of the California District Court of Appeals it was decided that an auto insurance solicitor has no authority to contract final insurance, and no such authority can be inferred when he is appointed on an understanding that all policies are to be "written" at the office of the company. The fact that an insurance company pays a small loss does not prevent it from afterwards denying liability on a large similar loss, on the ground that it was not covered by the policy.

Science Bring Forth Another Wizard

(Continued from page 6)

required to memorize this chart. The result is that the alarm system is at once simple and definite. A limousine body is a limousine body whatever the name.

When the make and body are both known the capture of the missing car depends on the owner. For individual signs abound—dents, scratches, alterations, repairs, additions and accessories and so on. If the owner saw his car he would know it in a moment. But how does he know it? And how can he convey this ability to the police? The answer, and the only answer, is observation and memory.

Always Blames Police

When a man loses his car he blames the police "What's the use of paying taxes when you get no protection?" he complains.

"In time of peace prepare for war" says the Sergeant. "Look at your car now. Get out your note book and write down a complete description. When you stop guessing, so do we!"

THE

NEW BRUNSWICK FIRE

INSURANCE COMPANY

NEW BRUNSWICK, N. J.

GEO. A. VIEHMANN, President — CHAS. D. ROSS, Secretary

Established 1826

Capital $500,000

AND

THE

NEW JERSEY FIRE

INSURANCE COMPANY

NEWARK, N. J.

GEO. A. VIEHMANN, President — GRESHAM ENNIS, Secretary

Established 1910

Capital $1,000,000

Announce The Adoption of A New Plan For The Writing of Automobile Business

Every automobile depreciates in market value immediately upon its transfer from the dealer to the purchaser. The rate of this decrease, according to the opinions of the best informed automobile dealers, is 33 1-3 per cent. of the original cost price for the first year, 25 per cent. of the original cost price for the second year and at least 15 per cent. of the original cost price for the third year.

The automobile owner, therefore, who purchases *the ordinary non-valued form of policy* is insuring his car for the last half of the year which that policy covers for more than the car is worth and more than he will receive if he suffers a total loss, and he is paying for that extra insurance.

The automobile owner who insures his car under *the ordinary valued form of policy,* which provides for the payment of the full amount of the policy in case of total loss, at any time during the year, knowingly agrees to accept, during the last six months of the term of that policy, more, in case of a total loss, than he knows his car to be worth, and the rate which he pays must be large enough to take care of the losses, in excess of value which is paid under such policies.

We offer a *special form policy* which automatically adjusts the amount of insurance on an automobile every month during the term of the policy and we regulate the rate accordingly.

During the first month of ownership the policy calls for the payment, in case of total loss, of the full list price of the car. Each succeeding month, during the first year, the amount of insurance is automatically decreased 3 per cent. of the list price. The same policy, during the second year, decreases the amount of insurance each month 2 per cent. of the list price, and during the third year the same policy decreases the amount of insurance each month 1 per cent. of the list price, thereby keeping the owner protected during a period of three years to the extent of the full value of his car at all times.

This policy eliminates any controversy in case of loss. Its terms are fair and liberal, it avoids the many questions which arise in connection with both the valued and non-valued forms and *the rates are much lower than either.*

Additional Information Mailed On Request

The Thing To Do About Auto Rates

By HARRISON LAW
Of The Gauvin Agency, Inc., New Yo k

Automobile rates in my opinion should not be based on the value of the car, nor do I approve the valued form of policy for fire coverage.

The valued policy is an admission by the company that it will pay that amount in event of loss. Very good in theory and from the assured's point of view, but is it fair to assume that every automobile of a given make and list price is kept in the same condition? We know it is not, yet no rate credit is given to the car which has been kept in the best of shape as compared with the one which has been misused. To my mind, there is a moral hazard here which should count considerably.

Depreciation depends more on the moral hazard than the age of the car. How often do we see two cars of the same make and year standing side by side, one in a dilapidated condition and the other looking as if it had just come from the factory and, in fact, even in better condition than when it was new because it has been worked out so that the rough edges are worn off. Is it fair therefore, for a company to assume the same amount of liability on the car in a dilapidated condition than on the machine which has a greater intrinsic value than when it was new? Why is it not a better plan to insure your automobile on the same basis as you insure your house;—also, to make payment in case of loss on the real value of the car before the loss, not on what it was supposed to be? It would not be at all difficult to discover from the man who makes the repairs what the condition of the car was just previous to the loss. There again the moral hazard presents itself.

New Rates Present Problems

Since the promulgation of the new rates as of January 1, the automobile underwriter has had many problems to figure out. The limits that have been put on the cars as denoted by the cost and age have raised questions that were never before presented. High priced cars have not suffered to the extent of small cars but automobiles built prior to 1914, where there is a limit of 30 per cent. on the insurable value, constitute one of the hardest problems of the business, a problem which underwriters find particularly difficult to explain to the satisfaction of the assured and the agent. That to me is one of the most unreasonable features of the present method of rating.

It is a known fact, from an engineering standpoint, that the 1912, 1913, and 1914 cars were better than any since manufactured. A man who is fortunate enough to own a standard make of car of those years will spend money to keep it up to date and in good condition, and it will still be a good risk ten years from now whereas the cars now being turned out will have long since been relegated to the scrap heap. The owner of such a car will replace parts that become worn and possibly replace or re-upholster the body. In fact, the car may assume little of its original lines. Under these conditions, that car is a far better risk than those of recent make.

A case to the point: The line presented was a Panhard of 1912. The chassis is listed at $5,400. Originally the owner put on a body and added other appurtenances that brought up the cost price to $10,000. In the past year, a new body was substituted, a new self-starter added and other conditions altered to the extent of $4 000. That car to-day is in a better condition than the 1917 models, yet there is a question as to the insurable value. From the manual standpoint, the value is only 30 per cent. of the list price. On the original cost price, 30 per cent. would give us an insurable value of only $3,000, less than the price of the new body. Even taking 30 per cent. of the cost of the chassis and adding the cost of the additional body, the value according to the manual would then only be $4,500 yet the owner values the car at $7,500 and desired to insure it for that amount. The car was inspected by experts who approved the valuation of the owner. In the case of this automobile the rules work against the man who is willing to keep his car in good repair. This, to my mind, demonstrates that the non-valued policy is the best form, taken from all angles. It permits the owner to buy the amount of insurance he desires and reserves to the company the right of settling the loss on the demonstrated value of the car at the time of the accident, whether it is fire or theft.

On cars listed at less than $3 500, the limits placed by the conference have been the means of driving business to the non-conference companies. Many feel that the fire insurance rates are entirely too high, and possibly they are, but until we are able to secure statistics which will show the actual losses on cars of each year's vintage and the combined average of all companies writing automobile insurance, we will be at a loss to know how the experience is reflected in the rates. The experience of one set of companies should not be the guide for all companies.

Liability Rates Also Faulty

The opinion has been expressed by many that there is room for great improvement in liability rates also. I feel that the method used is antiquated and that it is time some new system was adopted. As an example of present rating, let us apply it respectively to a Ford car and a Mercer. A Ford sells for $360, the Mercer for $3,500. Both are rated at 22 h. p. and are charged a liability rate of $54.50. It is fair to assume that the owner of a Mercer car is more susceptible to a suit than the owner of a Ford. Not many owners of Ford cars carry policies with limits of 10-10 or higher, while it is not a rare occurrence for the owner of a Mercer to do so. Is it equitable? The only solution that I can see is to devise a plan whereby liability insurance will be written on the basis of the cost price or weight and not on the horse power. The property damage would naturally follow the same method as the liability, as it is reasonable to suppose that an expensive car will do more damage than a cheap car. The construction and material in a high priced car could certainly do more damage than the frail car.

I feel also that property damage should never be written with the fire policy. It should be a part of the liability coverage. There is always a question as to the damage done and also as to the responsibility of the accident. Fire companies do not maintain the staff of attorneys that are a part of the regular force of liability companies, and whenever a technical question arises or when it is necessary to bring an action outside, attorneys must be secured. Collision insurance belongs with the fire. The old practice of calling the collision clause the "damage sustained" clause better suited that part of the insurance and more clearly described the insurance it is meant to cover. Damage done and damage sustained state clearly the coverage. In a collision loss it is very easy to determine the damage sustained, because the company can repair the car to the extent of the damage sustained in the collision but when the company has no control of the car that is damaged it must pay the claim or stand suit. Frequently the cost of the suit will more than equal the difference between the amount asked and the amount offered which the salaried attorney would be able to save.

Discrimination in Commercial Writing

In the writing of commercial cars we have a condition bordering on discrimination. We have the Ford truck paying the same price as the 10-ton Pierce Arrow, if used in the same line of business; the big truck with the same property damage rates as the little truck. That alone shows the inequality in the rating. You can see at a glance that the 10-ton truck is more likely to do greater damage if it runs into any object and greater injury if it runs into any person. Here again is demonstrated the need of a differential which I believe ought also to be predicated on the cost price of the car. The charges as now set down could still be used but a charge should be made for the difference in tonnage of the car.

Considerable has been heard in reference to the companies writing collision insurance. I feel that we are never going to see the time when there is not going to be competition in automobile insurance. It will either be in the coverage or in the rates. If all companies adhere to the rates some are bound to interpret the rules differently from the way they were intended to be read. The elimination of the deductible clause in theft insurance is a step forward and it is hoped the next step will be the doing away with the deductible collision clause.

Doesn't Like Present Rating Conditions

The automobile business to-day is in a more or less demoralized state of affairs. Cuts in rates are offered by some companies which are writing pleasure cars only. Some companies have ordered that their underwriters do not accept commercial cars from agents and brokers where they do not get the pleasure cars also. If every company would do the same it would no doubt result in forcing the business to the companies which are willing to write all classes of cars. Many of the large companies are not getting the proportion of the automobile business that their resources warrant. Mutual companies are always on the alert to offer through the mail the large dividend prospect to the new owner; competition is growing more keen every day. Brokers are devising plans whereby they feel they are getting the better of the companies either on the coverage or the rates. In the long run, the automobile business is one of the meanest lines to handle from the agents' point of view owing to the many changes in the manual, the changes in the listing of the various makes of cars, the changes in the prices of the cars and the efforts of assureds to get more from the companies than they are entitled to.

Many automobile owners feel that when they have an accident that then is the time to have the car overhauled at the expense of the insurance company and feel grieved when the adjuster points out that certain of the damages were not caused by the accident and were not covered under the policy.

Business in Its Infancy

Less insurance is carried on automobiles than on other insurable property. Many accidents occur that are never reported so that it is next to impossible to secure the ratio of the losses to the insurable value and even if it were obtainable it would hardly be worth while owing to the different conditions under which the insurance was written. Automobile insurance is in its infancy and needs much consideration and trial before it is placed on a basis of equity for the owner and the company.

THE BREWSTER OFFICE

Appointing Agents in Metropolitan, Suburban and Connecticut Territories—Mgr. Shaw Battalion Adj.

The Continental Casualty Company, which has recently appointed J. N. S. Brewster & Co. general agents for this territory for automobile and general liability lines, is making agency appointments in Northern New Jersey, New York City and vicinity; and Connecticut.

L. Edward Shaw, a Williams College man who for the last four years has been with Platt & Farnum, representatives of the Insurance Company of North America and the Alliance, is manager of the automobile department for J. N. S. Brewster & Co. as a special partner. Mr. Shaw has recently received the commission of Battalion Adjutant in the Fifteenth New York Infantry. A short time ago he returned from six months' service on the border with Squadron A. Mr. Shaw expects to be called to his regiment within a few weeks and has secured the services of Henry V. Murphy as local manager in order that the service of the Brewster department may not be affected by his absence. Mr. Murphy was formerly with the Aetna Life and Accident and Automobile Insurance Companies in their automobile department at 100 William Street, New York.

In addition to representing the Continental the Brewster office also has the district agency of the automobile department of the Germania Fire in Metropolitan territory.

BILL TO BOND AUTOISTS

Introduced in Pennsylvania Legislature —Bond to be Furnished With Applications for License

A bond of $2,000 will have to be filed with every application for a motor car or motor truck license if a bill introduced by Representative Sinclair in the Pennsylvania legislature passes that body. The bond would be used for the benefit of any person obtaining a judgment for injury caused by the motor vehicle and the Highway Commissioner, when notified of a finding, would certify the bond to the county notary so that collection could be made upon proper order of the court.

BUFFALO A GOOD FIELD

One feature of the automobile situation in Buffalo is the fact that assureds owning delivery trucks are particular about carrying liability and property damage insurance, but neglect to take fire insurance. One house in Buffalo owns five delivery machines, on none of which there is any fire coverage. This is one of many cases.

There are an amazing number of automobile owners of all degrees of wealth in Buffalo and surrounding towns, so that the field for the companies to operate in is broad and varied.

The Motor Vehicle in Court

(Continued from page 14.)

it by her, the defendant had spoken to her, and told her to go on across the street, the unfortunate accident would not have occurred. We entertain no doubt that the evidence amply justifies the conclusion that a reasonably prudent man, acting under those circumstances, would not have started the car ahead until that little child was safely out of danger.

The court cannot say as a matter of law that this child, six years of age at the time, was or was not old enough to be capable of exercising some care for her safety under the circumstances. That was a question for the jury. It is common knowledge, of course, that children of that age do exercise care and caution, and often to a considerable degree. And certainly it cannot be said that the jury clearly erred if they decided that the child was old enough to exercise care for herself. If they so decided, then it follows, from the fact that they found a verdict in her favor, that they also decided that she did exercise reasonable care under the circumstances, the test being whether she used that degree or extent of care which ordinarily prudent children of her age and intelligence are accustomed to use under like circumstances. Here again we must say that if the verdict rests upon that finding of the jury, we are not disposed to disturb it. For we think the conclusion is not an unreasonable one that the ordinarily prudent child of the plaintiff's age and intelligence, seeing the approaching automobile come to a stop, twelve feet away from her, would, as she evidently did, undertake to go on across the street.

We do not know if the jury had occasion to determine whether the child's parents were negligent in permitting her to be unattended in crossing the street; for that question was not involved in the case, unless the jury decided that the child was too young to exercise care for herself. But if that question did arise in this case, we have no hesitancy in saying that a finding by a jury that the parents of this child were not negligent in allowing her to go unattended from their house across the street in the daytime to and from the schoolyard playground ought not to be set aside.

It is further contended that the damages awarded are excessive. We do not feel certain that they are, after reading the evidence as to the nature and extent of the plaintiff's injuries. At all events, we are not convinced that the verdict ought to be disturbed for that reason.

Duties of Driver at Congested Street Corners

The intersection of Fourth and Walnut streets, Louisville, is notoriously the most congested and busiest street crossing in that city. A traffic officer is kept constantly in the middle of the street controlling the movement of pedestrians and vehicles.

Two sections of the city ordinance, which are but declaratory of common law rules are as follows:

Section 55. Duties of Pedestrians.—The roadbeds of highways and streets are primarily intended for vehicles, but pedestrians have the right to cross them in safety, and all drivers of vehicles shall exercise all proper care not to injure pedestrians, and pedestrians, before stepping from the sidewalk to the roadbed, should look to see what is approaching, and shall not needlessly interfere with the passage of vehicles. Pedestrians shall not cross diagonally the intersection of any highway, and in crossing shall be governed by directions of traffic officers.

Section 59. Obedience to Traffic Officers, etc.—Drivers must at all times comply with any direction given by voice, hand or whistle of any officer of the police force as to stopping, starting, approaching or departing from any place, and also as to the manner of taking up or letting off passengers and the loading and unloading of vehicles.

Miss Minnie Rollwage, with two young women companions, walking south on the west side of Fourth street started to cross Walnut street but was halted in the center by a street car which had stopped to allow passengers to alight and await the signal from the traffic officer to proceed. There were ten or twelve pedestrians on the crossing at the time. When the signal was given allowing the car to proceed, before it got out of the way, Frank Melville, who had started his automobile from the other side of Fourth street in obedience to the same signal, reached the spot where the three young women were standing, knocked them down and caused such injuries to Miss Rollwage that she was under the care of physicians for some time thereafter.

She brought action to recover for the damages inflicted and secured a judgment for $1,250. On the trial there was much conflict in the testimony. On one side it was testified to that the automobile proceeded at the rate of ten or twelve miles an hour, while the defendant produced witnesses who testified that he was going not faster than three or four miles an hour. Defendant testified that he sounded the horn of his machine upon starting it after the signal to move was given by the officer, but did not again sound it after starting. This is where Melville was primarily negligent according to the decision of the Kentucky Court of Appeals, to which an appeal from the trial court was taken. In its opinion the court said in part:

In contending that in starting his automobile from the east side of Fourth street as was done by him, appellant acted in obedience to a requirement of section 59 of the ordinance and a signal given by the traffic officer, his counsel ignore the negligence manifested by his subsequent conduct. He may have been authorized to move his automobile by a signal from the officer, but such signal did not require or authorize him to move it over the intervening street and the crossing being used by appellee without giving the necessary warning of its movements, or at such speed as to make its collision with her unavoidable. The street car by which appellee's progress was obstructed was also put in motion by the same signal that caused appellant to start his automobile, and appellee, upon stopping to await the passing of the car, was rightfully in possession of the crossing, and all the while in plain view of appellant as he approached in his automobile. Consequently her presence there when struck by the automobile, instead of constituting negligence per se, seems to have been imperatively necessary, because she could not have gone in front of the moving street car without endangering her life, nor would she have had time to return to the pavement from which she stepped upon the street, without coming into collision with appellant's automobile. In leaving the pavement and going upon the crossing she obeyed the requirements of section 55 of the ordinance, by looking to see what vehicles were approaching the crossing, at which time appellant's automobile was not in her view; and, after going upon the street, she could not have kept a constant lookout in either direction for the coming of vehicles, because she also had to look to where she walked after reaching the street, to avoid collision with other persons. It cannot therefore be said that her conduct in leaving the pavement and proceeding to the place of the accident as she did, under the circumstances, necessarily constituted negligence.

Failure to Signal Cars Behind

A five-passenger Ford car, occupied by one Clark and members of his family, in attempting to cross a bridge over the Little Sioux river, near Rodney, Iowa, were impeded at the approach of the bridge by reason of two teams crossing from the other end. They had been moving at a rate of ten or twelve miles per hour, slowing down to half that speed, and bringing the car to a stop eighteen inches from the end of the bridge. In less than a minute thereafter, according to the testimony, they were struck from behind by a Cadillac car, and their car was injured.

On the trial of a suit for damages for the injuries sustained the evidence showed that while the car in the rear may have been moving at an unlawful rate of speed, neither the driver or any of the occupants of Clark's car in any way signalled to those following that they were about to bring their car to a stop. A verdict was directed for the defendant, and this was sustained by the Iowa Supreme Court in an opinion in part as follows:

It is argued that the evidence was such that the jury might have found that there was no direct causal connection between the omission to signal defendants that the car was about to stop and the collision. Of course, plaintiff's negligence cannot be found to have been the proximate cause, unless it can be said that but for such negligence the injury would not have happened.

As defendants' car was but 200 feet back, those in it must have seen and recognized such signal had it been given, and likely would have had ample time to have stopped their car before reaching the automobile ahead. Until aware of what was happening, they had the right to rely on the driver of plaintiff's car complying with the statutory mandate by giving timely warning by an appropriate signal of his purpose to stop the car. Some difficulty always is experienced in detecting an increase or decrease in the speed of an object directly in front, moving in the same direction, and especially in determining whether the decrease is with the purpose of stopping. This being so the automobile following likely would approach much nearer that ahead than it was when the front car began slowing down to stop before the driver of the rear car in the exercise of ordinary care must have observed that it was stopping. There was no evidence tending to prove how quickly or within what distance the driver might, in the exercise of ordinary care and skill have stopped a car such as defendants were driving. How, then, were it possible for a jury to say from the evidence whether the omission of the driver of the front car to signal that he was about to stop was not the contributing cause of the collision? The defendants may have been negligent in the matter of speed; but, as plaintiff was guilty of contributory negligence, apparently having causal connection with the collision, and there was no room to say from the evidence adduced that this must have occurred notwithstanding such contributory negligence, the court rightly directed a verdict for defendants.—159 N. W. 586.

STRENGTH SERVICE

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An Underwriting Viewpoint of Automobile Insurance Problems

By HERBERT L. KIDDER

Agency Superintendent of Liability Department of United States Casualty Co.

Greater uniformity of rates and coverage has simplified in an appreciable degree the underwriting of automobile risks, though increasing traffic density due in part to the rapid growth of urban communities and largely to the enormous expansion in transportation by automobile presents the old problem from a new angle.

Automobile liability, property damage and collision risks are made up of three principal factors, viz: traffic conditions, skill in operation, and luck. The first is theoretically disposed of by the zone system of rating; the second by the underwriting; while the third upsets the carefully built foundations of the other two, but over a series of years, by direct reflection in the compiled experience, finds a level and is compensated for in base rates.

Futile Rate Discussions

Discussion as to whether the method of rating by the S. A. E. standard is fundamentally sound, in the utter absence of a better plan, is futile, but, since the average automobile liability policy includes coverage of the passenger hazard, there seems scientific ground for rating cars of larger carrying capacity higher than smaller cars. Yet this factor has little bearing on property damage rating, where the weight of the car seems more important, or on collision rating, in which the cost of the car and repair costs figure largely.

However, rating is now a comparative study, as adequate statistics are maintained and averages have been established. Base rates being movable, the skill of the operator and the element of luck being shown in loss ratios, it only remains to be seen whether the present scale of progression in the horsepower ratings may be further maintained. As respects commercial automobiles, rated for liability and property damage according to the kind of business in which they are operated, the same questions arise.

Some Unfortunate Underwriting

It appears that there has been some unfortunate underwriting of commercial car risks of late, reports being current of quotations above manual in some quarters. Possibly the collective hazard in cases of large numbers of cars operated by one concern in a congested district or the speed at which certain types of trucks may be operated has served to render invalid the application of fundamental principles of rating, underwriting and economical claim adjustment, especially if policy form restrictions were not available.

The zone method of liability rating recently adopted will produce some interesting data for the statistician. For instance, will the number of insured cars rated in outside territory and operated much of the time in higher rated territory show a loss ratio which will necessitate a smaller difference in rates, or will the cars rated at top and operated largely in outside territory offset the converse proposition and justify continuation of present zone limits? And will more liberal traffic regulations in outside territory offset or overcome the factor of relative traffic density?

Emphasis on Service

It is pleasing to note the greater tendency on the part of agents and brokers to emphasize service, not only in the matter of claim-handling, but in the sale of policies. An assured should be sold everything in the way of coverage that is obtainable. Cutting down the protection to reduce the price is likely to cause dissatisfaction when a claim arises outside the coverage of the policy. Workmen's compensation policies cover all employes and all injuries within the scope of the law. Automobile insurance can be purchased covering nearly all hazards and should be brought to the attention of the assured in the order of their importance, as necessities not frills or luxuries.

Few men, in order to save a few dollars in premium, would purchase fire insurance covering all furniture except the dining-room table, or buy a life insurance policy which would not cover death by typhoid fever. Statistics are not readily at hand showing the ratio of insured cars to automobiles operated, but it is known that many thousands of cars are covered against fire only. Yet the damage by fire, collision or theft is limited to the replacement value, whereas the limit of a judgment for damage may many times exceed the cost of the car.

Loss of Use

Resultant loss of use is now a distinct feature of property damage coverage, an additional premium charge of 25 per cent. being made for the broader form, the sale of which is recommended to avert friction in handling claims, dissatisfaction in case claims are made against holders of the restricted form, and to comply with the modern idea of providing complete insurance protection. While loss of use claims are not likely to occur in connection with damage to pleasure vehicles, the premium charge is really small when it is considered that loss of use may be a source of a material claim when a commercial vehicle is damaged.

Most companies, fire and casualty, now include "road-bed" collision damage, though there are still outstanding and in force many collision damage endorsements excluding the so-called "upset" or "road-bed" feature. This hazard is not measurable in terms of premium and, strictly speaking, is not properly a collision hazard. The overturning of an automobile, generally attributed to striking a stone, a rut, a ditch-bank, a railway rail or tie, or a crosswalk, may actually result from internal rather than external conditions.

Referring to collision insurance, can anyone advance a sound reason why an insured automobile owner should himself pay all collision damage up to $25, except that by so doing he saves $35 per year in premium? And is that a sound reason? Is it not contrary to the primary idea, the fundamental principle, of insurance? Is it not likely to prove false economy? It is true that, from the standpoint of the insurance carrier, it prevents the making of petty claims, but when dispute may arise as to whether the damage is $24.75 or $25.25, whether the assured or the company is to pay, is there not chance for friction, dissatisfaction and an uncomfortable situation as respects the relations of the agent or broker and his client? A $500 deductible clause would be more sensible, but would not be insurance.

Higher Standard Liability Limits

More attention is now being given to the sale of higher than standard liability limits, owing to the heavy damages claimed for personal injuries in many instances. Judgments for large amounts are not at all unusual, a $12,500 recovery having been had on the Pacific Coast in March. In Minnesota, limits of $7,500 to $10,000 are the rule rather than the exception, and $7,500 to $15,000 limits are popular. Higher limits than standard are often brought to the attention of prospective purchasers of liability policies covering commercial automobiles, but in most localities the subject seems to have been neglected as respects users of pleasure type cars.

Conference Attitude Towards Competition

VIEWS OF INSURANCE DEPARTMENT OF NEW YORK

Control of Business Bids Fair to Be Complete—Six Non-Conference Companies

From New York Insurance Department's Report on the Conference

Organizations like this conference are subject to more or less competition from non-members. While some such competition has always existed, it has never become serious enough to require drastic action, although company members have been permitted to reduce rates to meet local competition collision and property damage insurance in Missouri.

As the success of a conference like this depends upon the co-operation of the greatest possible number of companies in the business, efforts have been made and are now being made to induce new members to join the conference, or at least adhere to conference rules and rates. In any event the control of the business by the conference (at least in Eastern and New England Conferences) bids fair to become complete, insofar as the members themselves live up to conference rules since only about six fire companies writing automobile insurance in these territories are non-conference companies. And where the conference has furnished rates to non-members, even such companies have quite generally adhered to these rates.

In accordance with the usual practice of organizations like this, conference companies are not permitted to reinsure any automobile business for a non-member, unless such non-member re-insures its entire automobile writings for the purpose of discontinuing the business.

The interests of the conference companies clash with those of other companies in the writing of property damage and collision insurance. Although the bulk of this business now goes to the casualty companies the conference uses the rates promulgated by the casualty bureau, and works in harmony with it, even to the extent of allowing company members to unite with casualty companies in reducing rates to meet local competition of non-board companies.

The effect upon rates of the actual and potential competition of non-conference companies, cannot of course be determined. But any attempts to raise rates are usually met by some objection on the part of members to the effect that non-conference companies may secure the business if such rates are raised.

STUNG BY MUTUALS

At The Dalles, Oregon, after fifteen months of operation, a garage loss put the Oregon Automobile Mutual Association out of business. The Insurance Commissioner, taking charge, levied an assessment on members, who have paid 80 per cent. of the claims. Also, at Cedar Rapids, Iowa, the Automobile Mutual Fire got severely burned during 1913; loss amounting to $5,455, the premium income to $7,793. The total disbursements for the year were $13,034, while the total income was $12,217.

VALUED POLICIES

Insurance companies are by no means a unit regarding valued automobile policies. While there are some underwriters who are against the issuance of such policies there are reported to be just as many on the other side of the fence.

EXPRESS COMPANY LOSS

The loss of the Adams Express Co., in Philadelphia, one of the largest of recent automobile losses, attracted considerable attention among underwriters of commercial cars.

BOWDEN IN HOSPITAL

L. R. Bowden, manager of the Automobile department of the Globe & Rutgers, is in a hospital recovering from an attack of appendicitis.

How Conference Companies Are Gathering Experience

(Continued from page 4.)

pany members, and all charges against members with respect to rules obligatory on members. And it has concurrent jurisdiction with the reference committee of the National Conference, subject to right of appeal to that committee, to hear and determine charges against its members relating to rates, policy forms and agents' commissions and brokerage.

Like the reference committee of the National Conference, it has the power, through the general manager of the National Board, to examine records and files of a member or its agents; to examine under oath the officers, agents and employes of its members, and to impose proper penalties and fines.

The company members of the local conferences, on their part, pledge themselves to submit all their disputes growing out of the rules of the National Conference, to the reference committee of the National Conference, and to submit all disputes growing out of local rules, to the executive committee of the local conference. Each member agrees to observe all provisions of the Constitution and rules of the National Conference and its local conference, and to carry out the decisions and awards of the two committees.

Definition of Agents

Local conferences are permitted to promulgate and enforce their own rules covering local conditions in so far as they do not conflict with those of the National Conference. These include rules regarding agents, granting of rebates, commissions, committees, hearing and determining of charges against members, etc.

The National Conference in its rules has established a standard set of definitions of agents as follows:

(a.) Department Manager: representative having exclusive authority over more than one State but less than U. S.

(b.) State Agent: representative having exclusive authority over not less than one State.

(c.) District Agent: representative who is appointed by the company in good faith to supervise and have exclusive jurisdiction over a territory less than a State, to whom all local agents in that territory report.

(d.) Local Agent: any local representative reporting to one of the above, or to a Home Office or Branch Office.

Argument Against Cut-Rate Companies

HOW SITUATION LOOKS TO A CONFERENCE PRODUCER

Says Brokers Make More Money By Sticking to the Tariff Companies

By NORMAN T. SCHINDLER, Manager, Automobile Department of Howie & Cain, Inc., New York

Brokers have told me they make much more profit from placing an automobile risk in a conference company than in a cut-rate company.

The premium on tariff business is, of course, higher, therefore yielding a greater commission. That, however, is only one item of difference. The time spent in selling, placing and handling the losses of a line placed in a tariff company is much less, giving the broker more time to go after new business. Also, when the major portion of a broker's automobile business is placed in cut-rate companies, it is necessary for him to hire additional clerks to handle the office end of the business. Brokers have found this to be an important factor.

When there is a loss, the methods of the two classes of companies compare unfavorably for cut-rate insurance. In the first place, I do not believe the losses are settled so promptly, and, secondly, cut-rate company adjusters have been known to quibble over a few dollars one way or the other in a fashion not characteristic of tariff company operations. All this is costly to the broker who must drop everything to pacify his assured; and then take the trouble several times a day to call up the adjuster and find out "what is holding up that draft."

Companies Cancel Policies

Another item of cost to the broker is the necessity of replacing cut-rate policies cancelled by the company. There seems to be a more or less universal practice among non-conference companies of cancelling a policy as soon as there is a loss of any kind thereunder. This also has a tendency to increase the moral hazard of the assured who has formed the habit of demanding insurance of this description because he believes it is cheaper and that all companies are the same. He has had several losses, perhaps. The adjuster has offered to settle for a few dollars less than was asked.

One large individual producer of automobile premiums told me how he handled his assureds and I believe that every broker could adopt a similar method with profit. He said: "If an assured offers to tell me how the insurance business should be conducted, I ask him if he advises his lawyer what court his case should be tried in. Nine times out of ten the assured will admit he follows the advice of his lawyer and will see the point immediately. If not, I explain that he has engaged me as his insurance counsellor and that if he has no confidence in my ability to act in that capacity he should not have done business with me. If, after a talk of this kind, an assured still proves obdurate, I don't bother with him further. I figure that if I can't obtain and hold his conndence, it will be necessary for me to spend a lot of time upon his business whenever it is up for renewal."

Many brokers do not realize that when they sell a policy at cut rates, it will be necessary for them to re-sell it at expiration; that most of the companies writing cut-rate business now, will have joined the conference within a year or so and it will be impossible to renew it in the same company at the same rate. The increased rate will demand explanation. There is little doubt but that all companies must eventually write at conference rates because they are not making a profit with cut rates.

Tariff Business Sticks

On the other hand, if the business is placed originally with a conference company, the broker knows that, at expiration, it will be renewed automatically at the same rate and will not call for any embarrassing explanations. Also he knows that he will not be apt to lose the line because of any action the company might take in adjusting a loss.

Cut rates, troublesome to the broker, are also embarrassing to the company which starts out with cut rates and later joins the conference. This works a real hardship on the producers and agents of such a company. The New York City agents of one of the large fire companies wrote $150,000 in automobile premiums last year. One of the members of the firm told me recently he did not anticipate holding $35,000 of those premiums in 1917 because, with the first of the year, the company had joined the conference. In addition to losing almost 75 per cent. of his business, he had already been forced to hire seven additional clerks to take care of the cancellations and the season had not yet started. He added that he did see how he could possibly better $35,000 as a conference company and that they would be fortunate if the agency was able to produce that amount this year. He explained the reason for this as being due to the necessity of dealing with an entirely new set of brokers, which would take six months or more to develop to any extent. Brokers who had been doing business with the agency right along were telling his solicitors every day that they were sorry but they were forced to give their good business with the cut rates to secure the accommodation.

Another company which started writing at cut rates had a similar experience. This company found that when it joined the conference it was impossible to get any appreciable percentage of the tariff business because brokers who had always placed their business with tariff companies had made connections which were difficult to overcome.

These incidents illustrate the disadvantages of starting to write automobile business at cut rates with the idea of securing a good volume of business immediately. The antidote has been found in starting and continuing as a conference company. From 80 to 90 per cent. of the business of companies which pursued this policy has renewed automatically without any additional expense. Also such companies have not been forced to cultivate a new set of brokers to hold their premium volume and they have enjoyed from the outset the advantage of having at their disposal the experience of all the tariff companies through the automobile conference. This gives them an established prohibited list and a knowledge of what classes have proved profitable.

Assureds Being Educated

The difference between tariff and cut-rate insurance is gradually being felt by discerning assureds. One such who recently had a loss told me at the time of adjustment that he would insist on the policy of a conference company if it cost him $50 additional. He said he had found the service to be worth it. This man has had an automobile since 1908 and insured it in the same cut-rate company for five years before he had a loss. The loss amounted to $127 and he has yet to collect it.

This experience is not limited to a few. A broker told me recently of one of his assureds who was a personal friend of twenty years' standing. The assured had purchased a new Cadillac which had rather drained his resources. The broker advised against placing it in a cut-rate company. Another broker solicited the line and got it, in spite of the long friendship, because he offered a lower rate. There was a loss which the man had to sue for and then the policy was cancelled. The loss did not equal the premium. The line came back eventually to the old broker but, because of the strained relations which had arisen over the automobile line, he had lost the fire insurance risk on the man's factory.

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Cash Capital - - - - - - - -	$1,000,000
Assets - - - - - - - - -	8,375,413
Liabilities (Except Capital) - - -	4,343,635
Surplus to Policyholders - - - -	4,031,778

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Security Insurance Co. OF NEW HAVEN
Merchants Fire Assurance Corp'n OF NEW YORK

Fire - Theft - Transportation - Collision - Property Damage

MARINE DEPARTMENTS

Fireman's Fund Insurance Co. OF SAN FRANCISCO
Continental Insurance Co. OF NEW YORK
Fidelity-Phenix Fire Insurance Co. OF NEW YORK
Scandinavian-American Assurance Corp'n, Ltd. OF SWEDEN

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Marine Transportation Floaters - Registered Mail Insurance

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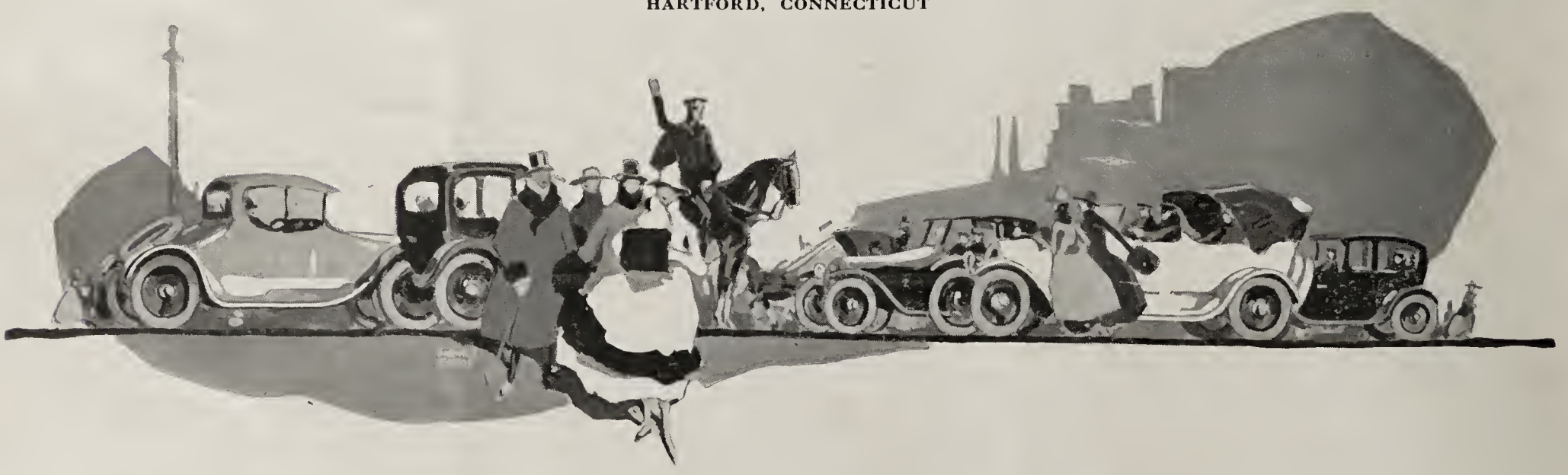
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RATES FOR U. & O. WAR COVERAGE

Double War Cover Zone Charge—Provisions Made For Additional Co-Insurance

SHORT TERM INSURANCE RULES

Hudson Terminal in London Lloyds—Large Lines Offered on Securities in Vault

A number of companies writing full cover insurance decided this week that rates for use and occupancy should be double the war cover zone charge (the same as in ordinary explosion insurance). In use and occupancy no deduction from 50 per cent. clause rates will be made unless 80 or 100 per cent. co-insurance clause is attached. No policy will be extended (as to term) by endorsement.

Short Term Classes

Regarding short term insurance companies are observing these conditions:

Short Term Insurance

(1) May be written only on the following classes: Contents of: (a) Public storage stores; (b) Railroad terminal elevators; (c) Railroad or steamship piers; (d) Cotton in public warehouses, compresses, yards and piers.

(2) No policy shall be written for less than one month, nor for other than multiples of a month (one, two or three months, etc., and not for any intermediate period).

(3) All insurance written (as above) for less than one year shall be charged for at usual short rates.

Rent and leasehold will be written at regular zone rates with 50 per cent. clause attached. No reduction for 80 or 100 per cent. clause.

Hudson Terminal

Many inquiries have been received by The Eastern Underwriter with reference to the war insurance on the Hudson Terminal Building. The facts as given to The Eastern Underwriter are as follows:

The Hudson Terminal people at first wanted a policy for a huge amount covering both buildings blanket. They were persuaded to change this requisition to large policies covering each building. One company offered to write $2,000,000, but it was found impossible to get the complete cover desired, as other companies refused to accept very large amounts. Eventually about $1,000,000 insurance was placed in London Lloyds, without co-insurance, it is stated.

Buffalo Market Active

A large amount of war cover and

(Continued on page 16.)

DIRECTORY OF DEPARTMENTS

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TEXT OF LAST WEEK'S AGREEMENT

Joint Committee of Commissioners and Companies Have No Trouble in Drawing Up Provisions

Life insurance companies and insurance commissioners are now communicating with Commissioner Mansfield of Connecticut, chairman of the Special Committee on Uniform War Service Regulations, appointed at the Commissioners' Convention at Des Moines in May, acquainting him with their position towards the recommendations adopted jointly by the commissioners' and a companies' committee at the Hotel Astor on Saturday morning of last week. These recommendations include a $37.50 minimum extra premium per thousand for war service (both in and outside of the United States), provision after the war for a refund of premiums not required to cover the extra hazard, a model war clause, and other details.

Superintendent Phillips, of New York State, was at his office in New York City the entire first half of this week, and was so busy in connection with matters arising out of the Pittsburgh Life & Trust case that he did not have time to consider the recommendations of the Hotel Astor conference on war clauses. Up to Thursday morning of this week he had not endorsed the Astor provisions, and it is said he will not do so until he decides whether or not the recommendations, if carried out, will be a violation of the standard provision law. One sub-division of this law provides that the policy must contain the entire contract. Under the proposed war clause the rate may be advanced after a man has purchased a policy, if mortality justifies it; in other words, the insured might be required to pay for something for which he had not contracted.

Attitude of the Companies

The Eastern Underwriter asked a number of companies this week regarding their attitude towards the recommendations of the joint conference committee.

The New York Life states that it has already adopted war clauses which it believes are fair, liberal and adequate, and sees no reason to change its plans at the present time, but the officers have not come to a conclusion as to answers to be made to the insurance commissioners.

The Mutual Life said that it has made no decision in the matter of the commissioners' companies' recommendations, but feels that it has already a liberal clause that has been endorsed

by the Insurance Department, and adopted at considerable expense, and sees no reason for making a change.

The Prudential said that if all the States in which it does business endorse the new recommendations, and they are also adopted by the companies generally it will adopt the recommendations of the conference, but "we think our own clauses are better."

Endorsed By Metropolitan

At the office of the Metropolitan Life it was stated that the Company endorsed the new recommendations.

The Equitable Life Assurance Society made the following statement: "We will adopt the proposed clause provided all the leading companies will agree to do so, but we believe our present clause better adapted to cover the risks we are expected to assume."

The Mutual Benefit will adopt the new recommendations if they are approved by the Insurance Departments of all the States in which the Company is doing business, and if the companies generally adopt them.

The New England Mutual Life said: "This Company is willing to join other companies in adopting a uniform war clause and schedule of extra premiums."

John M. Taylor's Views

John M. Taylor, of the Connecticut Mutual Life, said: "We are not interested in the new war clause adopted by certain companies in a recent meeting in New York at the call of the committee of the Insurance Commissioners. We believe our clause to be the equal, and perhaps the superior, of any other, and shall stand by it unless we are compelled by some technical construction of some insurance department to make the change."

Many Companies Represented

When the Commissioners' Committee, (consisting of Mansfield, chairman; Cleary, Wisconsin; Winship, Michigan; English, Iowa, Button, Virginia) began its hearing on the war clause situation at the Astor it found about fifty life insurance men from all parts of the country had gathered in response to a hurried call sent by Mr Mansfield.

Many company officials were present, as well as representatives, of the Association of Life Insurance Presidents and the American Life Convention. The fraternals had been invited, but only one man appeared. Superintendent Nesbit, of the District of Columbia Department, who had raised the cry at the Des Moines Convention, by telegram, that the prevalent 10 per cent. extra rate for foreign war service was too high, but who was not appointed by Superintendent Phillips on the special committee to take up the question, was present, as was Commissioner Merrill, of Vermont. At the outset the Connecticut commissioner announced that the lid was off so far as discussion was concerned and everyone was permitted to talk. A resume of the discussion will be found elsewhere in this paper.

The object of the conference was "to agree upon some recommendations, which, if adopted, would bring the companies in the United States into uniform action as far as possible regarding war risk provisions."

Sentiment of Meeting

After the life insurance men had gone over the war clause situation for three and a half hours, and it was clearly seen that there was a strong sentiment for uniformity, if it could be achieved, a decided feeling against competition on war clauses, a sentiment in favor of protecting the smaller companies in the crisis, and much opposition to any proposition to make old policyholders share the burden of the extra premiums. Chairman Mansfield announced that if the companies would immediately appoint a committee of seven the two committees would meet that night and come to an understanding. Seven men were finally picked out, both large and small companies being represented, as follows: E. E. Rhodes, Mutual Benefit; George B. Woodward, Metropolitan Life; Percy H. Evans, Northwestern Mutual Life; William BroSmith, Travelers; Actuary Henderson, Equitable Life; G. A. Grimsley, Jefferson State; F. B. Mead, Lincoln National. Arthur Hunter, president of the Actuarial Society of American and President Howland, National Life, of Vermont, originally named on this committee of seven, could not accept because of other engagements. The committee and the commissioners met on Friday night until nearly midnight and continued deliberations all of the next morning. Both sides took the position that no obstacles should be put in the way of speedy agreement; and by Saturday noon the joint committee arrived at the following conclusions, which were adopted and ordered sent to the companies and the commissioners not present.

Ambitious, Productive and Trustworthy Life Agents may be benefitted by corresponding with the

Berkshire Life Insurance Company

of Pittsfield, Mass.

Inc. 1851

New policies with modern provisions Attractive literature

W.D. Wyman, President W.S. Weld, Supt. of Agencies

The Recommendations That Go to Departments and Companies for Approval

The following recommendations were unanimously agreed upon by all the members of the committee representing the companies and by the members of the Insurance Commissioners' Committee:

1. The military clause shall cover the entire period of military or naval service, in time of war, if commenced within five years of the register date.
2. The clause shall call for such extra premiums as may be fixed by the company.
3. The extra premium charged for the present shall be at the rate of not less than $37.50 per annum per thousand of insurance.
4. In the event of death during service or within six months after termination thereof the liability of the company shall, unless all required premiums have been paid, be limited to an amount not exceeding the total premiums paid on the policy exclusive of any extra premiums which may have been paid for military or naval service.
5. The clause shall require payment of the extra premium within 31 days after entering upon service, or, if already in service, along with the first premium on the policy.
6. A refund will be made of any extra premium not required.

A war clause to be used as a rider or inserted in the policy itself, as the companies may see fit, was also unanimously agreed upon. This war clause is as follows:

> If within five years from the date of this policy the insured shall engage in military or naval service in time of war, the liability of the company in event of the death of the insured while so engaged, or within six months thereafter, will be limited to the return of the premiums paid hereon, exclusive of any extra premium paid for military or naval service, less any indebtedness to the company hereon, unless before engaging in such service or within one month (of not less than thirty days), or at the time of paying the first premium due hereon, if the insured shall be then so engaged, the insured shall pay to the company at its home office on such extra premium as may be required by the company, and in like manner shall pay annually thereafter on each anniversary of this policy or within one month (of not less than thirty days) while the insured shall continue to be so engaged, such extra premium as may be required by the company.
>
> Within one year after the termination of the war the company will return such portion of the extra premiums as in its judgment will not be required to cover the extra hazard.

Explain the War Clause

With regard to the war clause, it is understood that some companies may desire to prescribe a longer period than five years for commencement of service, or a longer period than six months after termination of service, to limit their liability in event of non-payment of extra premium to the policy reserve or cash surrender value, instead of to the premiums, or to provide for the payment of extra premiums otherwise than annually. Some companies may also desire to have the extra premiums fall due at other times than when the regular premiums fall due. Certain companies also issue life insurance policies incorporating disability or accident benefits, and will, of course, make the proper provisions to cover those features of the business.

Extra Premium on Being Mustered In

The $37.50 extra premium applies when troops are mustered in, and does away with the distinction "inside" or "outside" American continental boundaries. In other words, the commissioners insisted—and the committee of seven agreed—that there should be no discrimination in rate against the soldier in the trenches at war in favor of the soldier who doesn't get any nearer the battle fields than Long Island Sound or Chattanooga.

There was considerable discussion over the refund section of the war clause—the last three lines being finally adopted after it was admitted that the word "judgment" should stand in estimating what portion of the extra premium not required to cover extra hazard, should be returned.

Why Recommendations Should Be Adopted

Although the recommendations come from a body not having mandatory powers it is believed they will go a long way in improving the situation, and bring some order out of chaotic conditions. The strong plea of the commissioners and companies to have the recommendations accepted follows:

"We certainly hope and urge upon every company that it will adopt the recommendations herein contained, and the war clause also contained herein, to the end that uniform action may be had as far as possible by all the companies of the United States. At the same time we also hope and urge upon the insurance commissioners of the various States that they will accept and approve of the recommendations herein urged upon the companies, and the war clause, likewise with the purpose in view that the action of the commissioners may be uniform, as well as the action of the companies. We realize in urging these recommendations and the different provisions that all the companies may not be able to put them in force in exactly the same way, and

(Continued on page 12.)

THREE

Important new features are announced by

THE GERMANIA LIFE INSURANCE COMPANY

of NEW YORK

A Double Indemnity Clause

which provides for the payment of ***double*** the face of the policy in case of the death of the insured as a result of an accident of ANY KIND.

A New Income Endowment Policy

and

The Extension of Its Free Health Service to All New Policyholders

"A Growing Company for Growing Men"

T. LOUIS HANSEN, Superintendent of Agencies

50 UNION SQUARE NEW YORK CITY

Companies and Commissioners Discuss War Risk in Conference Here

Wide Divergence of Opinion, But General Sentiment That $100 Per Thousand Not Too Much Extra Premium if Americans in Great Numbers Fight in Continental Trenches

A large number of different viewpoints on the duties of life insurance companies towards old and new policyholders were presented at the conference at the Hotel Astor on Friday of last week between representatives of the companies and the special committee of the National Convention of Insurance Commissioners. Chairman Mansfield, of Connecticut, had issued a hurried call to life insurance companies, through the Association of Life Insurance Presidents, the American Life Convention and the insurance newspapers. The meeting was held in the wine vaults of the hotel, that being the only room available, and the place was crowded.

Full Discussion

It was stated at the outset that the conference would have no power to bind—only to recommend—and with that understanding the committee heard every one who wanted to talk. As is elsewhere printed, following the meeting there was a joint conference with a committee of seven representing companies, and the recommendations signed by the two committees went to the life companies and insurance departments for approval, accompanied by a statement that such approval was urged.

Superintendent Phillips, who was a member ex-officio of the committee, could not attend because of urgent departmental matters requiring immediate attention.

Nesbit Starts Discussion

The discussion was begun by Superintendent of Insurance Charles F. Nesbit, of the District of Columbia, who had started the agitation for uniformity by sending a telegram to the commissioners' convention in Des Moines, in which he took a position against the practice of charging $100 a thousand of insurance for service outside of the continental boundaries of the United States. He declared that uniformity among companies in the matter of clauses and extra premium charges is essential at this time. He said that if 95 per cent. of the companies agreed upon a certain charge, and some other companies made a smaller charge they might derive a certain amount of advertising, but he thought such action was decidedly unpatriotic. He cited the case of steel men in agreeing to co-operate with the army and navy departments through a committee of their own, with Washington headquarters, as an example of patriotism at this time. This committee will apportion the output of their plants in such a way that the government can get the best benefit from such a community of interest.

Mr. Nesbit said that this is to be no small war, from an American viewpoint. He would not be surprised if there were 5,000,000 men called to the colors, and if 1,000,000 of these will go abroad. He wanted to know what is to be the status of these men and what burdens they will have to carry for serving their country and risking their lives. He thought that if there were an extra burden, such as extra war premium, it should apply to every man who enters the army and navy service, whether he goes abroad or stays in the field here. He thought that instead of charging $100 per thousand on the men who serve abroad the charge should be spread so that it would amount to about $20 per thousand (on basis of 1,000,000 out of 5,000,000 going abroad) for every one who enters the service.

Canadian Experience

Mr. Nesbit then took up the difference between actual and expected mortality and cited the experience of Canadian companies, whose mortality has fallen below the expected. He declared the companies had built up enormous reserves and he thought that there was a contingency approaching which would make it desirable for the reserve to be called upon, so that all policyholders could bear their part of the burden.

Views of John K. Gore

John K Gore, of The Prudential, said that if anybody could suggest a plan to the American companies that they could agree upon he believed every life insurance man present would heartily favor it. He told how hard the life insurance fraternity had tried to get together in the meetings on the war clauses. Life companies from all parts of the country had gathered in conference, but they failed to reach an agreement.

In regard to Mr. Nesbit's suggestion of $20 a thousand extra for everybody who went into the service, he felt that the boards of directors could not approve that plan even if uniformly recommended. He said that it must be borne in mind that the companies must look after their old as well as their new policyholders, and he cited two extreme cases. If the war does not last a long time, with few if any men leaving the country, $20 extra charge will be too much. If it is a long war, millions of Americans going abroad and fighting in the trenches, the $20 charge will be too low. "In the latter instance $20 per thousand will be absolutely inadequate," said Mr. Gore.

"In Great Britain they began by charging 15 per cent., and now they are up to 25 per cent., and carrying on the business under a tremendous drain. Nobody can say that those companies are not patriotic. I know of one company which had 15,000 men in its employ when war began, and now it has 11,000 men fighting for Great Britain."

Not Much Canadian Experience Obtainable

At this point there was a demand that Superintendent Nesbit acquaint the conference with the information which he had from Canada. He said that he had wired the Canadian companies, but only two of them had responded. His wire asked what extra premium had been charged during the war and whether mortality has increased, and, if so what percentage.

The Sun Life wired: "No extra charge for service in Canada and United States. For service outside 10 per cent. for policies up to $2,500; 12½ per cent. for policies up to $5,000; 15 per cent. on policies over $5,000. Company's total mortality experience, 1914, 63 per cent.; 1915, 68 per cent.; 1916-17, 76 per cent. increase due to war claims."

Canadian Life wired that when war broke out it charged an extra premium of $50 per thousand. Now it is $100 per thousand to go into effect at time of leaving the country. In 1915 total claims were 62 per cent. of expected; including war claims, 73 per cent. of expected; 1916, 82 per cent. of expected.

Mr. Gore said that the mortality of the Prudential of Great Britain, at age 21 was five times as high in 1915 as in previous years, and in 1916 about nine times as high.

Commissioner Cleary: Have the companies in their conference over war clauses contemplated using the mortality savings in normal conditions for the relief of the excess mortality on account of the war?

Mr. Gore: Most companies believe that if the war continues long enough the companies will be obliged to reduce their dividends to policyholders.

E. E. Rhodes Discusses Three Questions

E. E. Rhodes, of the Mutual Benefit, said in part: "Assuming that an extra premium of 10 per cent. is required for those who go abroad the question is why an extra premium of $20 instead of $100 should not be charged among all. If 10 per cent. is required for those who go abroad (and if more than one-fifth of those who enlist go abroad) then 2 per cent. for all who enlist is not sufficient, and you cannot determine the percentage upon all those who enlist until you know what proportion is going abroad.

"Another question is as to the surplus which the companies have accumulated, whether that should not be spent in meeting the war hazard. That surplus is likely to be called upon in other ways. Unusual taxes will have to be met. There will be investments at low interest rates on government bonds, and the companies will have other burdens, heavy to bear, outside of any hazard of battle.

"The third question is as to whether the old policyholders should not bear this cost. The old policyholders, like all other citizens of this country, will have their burdens to bear. They have to meet increased taxes and the increased cost of living generally. Why should they be singled out and discriminated against compared with other citizens to meet a burden which should fall upon the whole country? When you look at it from that point of view you have to admit that this is not part of the burden to throw upon that particular section which has insured their lives.

"Now as to whether 10 per cent. is sufficient or not, if our soldiers get as close to the enemy's fire as the Canadian and English soldiers, the 10 per cent. will not be sufficient, and the Canadian companies will tell you that. Latest advices from England are that they are not charging any extra premiums. They are simply saying that if a man goes to war and is killed they will return the premiums. They are not in a position to measure this risk."

Robert Lynn Cox's Views

Robert Lynn Cox, third vice-president of the Metropolitan Life, referring to remarks of a previous speaker about aviators, called attention to the fact that while aviation was not specifically referred to in most of the military clauses it was in fact covered because aviation is now generally regarded as coming within the designation of military and naval service.

In discussing the broad subject of war coverage Mr. Cox said that it should be understood that we are dealing here with what is bound to be a definite economic loss. As war increases mortality it makes life insurance cost more than it would under normal conditions. The question is, who shall bear this extra cost or loss?

To the Man Who is Willing—and Will



We are prepared to offer unusual opportunities for money-making NOW and creating a competence for the FUTURE.

FOR CONTRACTS AND TERRITORY, ADDRESS

H. M. HARGROVE, President :: Beaumont, Texas

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HOUSTON, TEXAS.



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O. S. CARLTON

PRESIDENT

DISCUSSION AT COMPANIES-COMMISSIONERS WAR CONFERENCE

Policyholders must vary to the extent of the insurance now covered by policies in which there is no war clause, which include nearly all of the outstanding policies. These cannot be changed and no one is proposing that they shall be. The question is to those who would become policyholders stimulated by the dangers of war: shall existing policyholders give these applicants an unlimited privilege of buying new insurance at less than cost? It is quite as definite a cost of war as the purchase of munitions would be. Whatever provisions are made for pro-rating this cost over all the people, as patriotism demands, would seem to apply to the extra cost of life insurance upon the lives of its soldiers.

The Institutions Making Profits Out of the War

Furthermore, it would seem that this cost ought to be obtained largely from institutions which can make and are making profits out of war business rather than be taken out of life insurance policyholders who are, on account of increased mortality, bound to lose money as a result of the war. When we say life insurance companies (which means, of course, life insuranee policyholders) should write additional war insurance at a loss, we are saying that those already over-burdened should be burdened still more.

It seems strange, concluded Mr. Cox, that any one should feel that this is fair or just or should be required of policyholders as an act of patriotism when it must be remembered that they are bearing as citizens their cost of the war in paying their share of taxes imposed for carrying on the war.

War Practices of British Companies

Actuary John J. Brinkerhoff, of the Association of Life Insurance Presidents, presented to the committee an analysis of the war practices of British companies which had been prepared by the Presidents' Association. This data was obtained from companies direct last year and while as Mr. Brinkerhoff explained, all of the companies were unable to respond, enough information was secured to show the trend of action by the companies in that country. As an example of what some companies there deemed necessary, it was pointed out that three of them had reported that their extra premiums were 21 per cent. of the face of the policy per year. The highest rate thus far put forth by any American company, so far as is generally known, is 15 per cent.

Actuary Brinkerhoff's statement to the Insurance Commissioners' Committee was as follows:

Summary of British War Clauses

The Association of Life Insurance Presidents addressed a communication to all the British companies, asking for copies of their war clauses, rates and mortality experience in so far as they were able or willing to give them. Replies were received from 49 companies, but only 28 furnished copies of their war clause. All reported that no systematic attempt had been made to gather mortality statistics as yet, all being too short-handed. The conditions are shown by reply of one company: "Generally speaking, staffs on this side are so short through the war —we ourselves having lost 93 per cent. of our eligibles and likely to lose more —that it is impossible to undertake any other than purely pressing necessary work." The replies of the other 21 consisted merely of printed annual reports, making only general references to the effect of the war.

The most notable feature of the replies was the wide variation in the wording and provisions of the various war clauses used. This wide divergence made any exact tabulation impossible, and even the facts given below, for exact accuracy, would in nearly every case need some qualification or modification. In a rough way, however, the following tabuation will show the principal features of the English clauses:

War Clauses Tabulated

Number of companies reporting on war clause	28	
Companies that take no war risks	6	
War clauses tabulated		22

The 28 companies whose war risk regulations are tabulated wrote £32,916,105 of the total of £83,462,829 new issues written by the 89 British companies in 1914, or about 39.45 per cent. of total.

Application to Army

Applies on entering service	3	
Applies on leaving Great Britain	19	22

Application to Navy

Applies on entering service	11	
Applies on going afloat	5	
Applies on leaving Great Britain	6	22

Application to Aviators

Applies on entering service	8	
Applies on leaving Great Britain	1	
Aviation not mentioned	13	22

Continuous Restrictions

(Effect of Service Without Consent)		
A—Policy becomes void	4	
B—Benefits reduced:		
To gross premiums	2	
To each surrender value	2	
*To twice amount of premiums paid during war and one year after	1	
To twice amount of premiums paid during war and six months after	1	
*To twice amount of premiums paid during war	1	
To 1/10th of face of policy for each year of war service	1	
Not stated	5	17

Restrictions Limited

Limited to 3 years	2	
Limited to 5 years	1	
Limited to duration of present war	2	
(Effect of Service Without Consent)		
A—Policy becomes void	2	
B—Benefits reduced:		
*To twice amount of premiums paid during war and one year after	1	
To percentage of all premiums paid varying from 1/3rd on whole life to 2/3rds on endowment	1	
To gross premiums	1	5
		22

(*As all war clauses now in use have been adopted since the beginning of the war there is no accumulated reserve lost in such cases as these).

Rates for War Risk

At the beginning of the war it was thought that the experience of the Franco-Prussian War would be some guide and rates of 5 per cent. to 7 per cent. in addition to the ordinary rates were fixed accordingly, but it was soon found that these rates were wholly inadequate and they were raised by successive stages to those quoted below, the company stating in each case that rates quoted were those then in force and liable to change at any time, while six companies had withdrawn altogether from insurance of any war risks. With four exceptions, the amount of the extra war premium is not given in the policy, the usual expression being "such extra premium as the directors may deem necessary."

Extra Premium for War Hazard in Addition to Regular Premiums

Number of companies quoting rates		12
21% of face of policy per year	3	
20% of face of policy per year	3	
17.85% of face of policy per year	1	
16.8% of face of policy per year or thereabouts	1	
15.75% on endowment only	2	
12.6 % of face of policy per year	1	
10. % on 15-year endowments only	1	12

James L. Howard on Vera Cruz Experience

James L. Howard, secretary of the Travelers, discussed the subject from the angle of those who would have to pay an extra premium, but who do not go abroad. He thought that they would be slow about taking out insurance, whereas the men sure of foreign service would make a rush for life insurance. One interesting story he told was about the Travelers experienee following the Vera Cruz scare. At that time—two years ago—the National Guard thought sure it would be ordered into foreign service at any moment. The Travelers issued many policies without restrictions. Mr. Howard kept track of these policies. "I am sorry to say," he confided, "that sixty days after the scare passed practically 90 per cent. of the business was reported back not taken."

Mr. Howard was not enthusiastic about Superintendent Nesbit's United States Steel simile. He said there was a decided difference between making steel and insuring lives. The distribution of the risk was entirely dissimilar.

Danger of State Insurance

S. Herbert Wolfe, actuary, took up a phase of the discussion wherein there had been some talk of the government assuming the payment of extra premium. He thought that the government would not stop there, but before we knew it we would be having State insurance.

Difficulty of Arriving at Uniformity

Arthur Hunter, president of the Actuarial Society of America, was asked if there had been any subjects discussed at company representative meetings on the war clause where there had been disagreement. He smiled and cited any number of such cases. There was the definition of American Continental boundaries, for instance. Did that include Panama, Cuba, Porto Rico and the Philippines? And there was the three-mile limit which had to be reckoned with in judging the naval risk. There was the time limit, two, three, five or ten years, all having their advocates. There was the period of grace in which extra premiums should be paid. There were questions relating to the Red Cross, to the submarine, to aviation, regarding which there was lack of concord.

Commissioner Mansfield: Is the Red Cross service regarded as hazardous?

Mr. Hunter: Yes it is. It depends upon the type of men in the service and where they are engaged. In Europe I am quite satisfied that $100 per month is not sufficient to pay the extra premium.

Bravery of Americans

Mr. Hunter stopped to pay a tribute to the bravery of Americans, and he was quite sure that their dash and courage would carry them to the face of death so often that their death rate would be as high or higher than anybody else in any of the services. If 1,000,000 men out of a 5,000,000 army go abroad the extra premium should be high.

Other Speakers

Among others who spoke were Messrs. W. L. Crocker, John Hancock, who gave the view of a company writing both ordinary and industrial; A. E. Childs, Columbian National, who discussed the situation from the standpoint of the hundreds of thousands of lives that will be impaired if the war extends over a period of years and America's participation is on a great scale; D. H. Rose, of the Maryland Life, and Philip Burnet, of the Continental Life, who told of the problems that the smaller companies will face; R. Henderson, of the Equitable, who made a plea for an adequate extra premium; Secretary Blackburn, American Life Convention, who outlined what was in the minds of companies of that convention; Henry Moir, of Home Life, who said that about 40 per cent. of Home Life policyholders are of age 40 or less; W. A. Hutcheson of the Mutual Life, who told what the experience of that Company had been on its European policyholders; J. V. E. Westfall, of the Equitable, and Chairman Robinson, of the legislative committee of the National Fraternal Congress.

The Fraternals

The latter, speaking for 9,000,000 fraternal certificate holders, said that the fraternals had not decided yet what course to take, except that there would probably be assessments to protect the families of the men who went to the front and are insured in the fraternals.

SECURITY MUTUAL

Provisions of Its War Clause Adopted Before Conference at Hotel Astor

The Security Mutual of Binghamton, issued war provisions last week reading in part as follows:

Any policyholder, regardless of date of policy, may without extra charge engage in military or naval service or Red Cross work, within the continental limits of the United States and Canada during the continuance of the present European War.

The Company will waive during the balance of the present calendar year any restriction regarding military or naval service inserted in policies issued prior to October 1, 1916.

The following clause regarding service connected with warfare will be attached to all policies mailed on and after May 10, 1917:

It is agreed that the insured may at any time during the continuance of the present European War engage in military or naval service, except as hereinafter specified, within the continental limits of the United States and Canada, without the payment of any extra premium.

If within ten years from the date hereof the insured shall in time of war engage in travel for any purpose, in Red Cross, military, naval or other service connected with warfare, outside the continental limits of the United States and Canada in any capacity whatever, he shall within thirty-one days after entering upon such travel or service give written notice thereof to the Company and shall pay in advance an extra premium of ten per cent. of the face of this policy for the first year of such service, and annually thereafter on each anniversary of the beginning of such service such extra premium as may be determined by the Company. Such extra premium shall be paid within thirty-one days after notice of the amount thereof shall have been mailed by the Company to the last known postoffice address of the insured.

The amount of insurance hereafter written on any one life during the continuance of the present European War, including present insuranee in the Company, will be limited to $2,000 up to and including age twenty-nine, and $5,000 from ages thirty to thirty-five inclusive. The regular rules regarding limit of insurance will apply beyond age thirty-five.

The following clause will be added to total disability riders hereafter issued:

The foregoing provisions for waiver of premiums in event of permanent total disability shall become null and void if the insured shall at any time engage in military or naval service in any capacity whatever in time of war, either within or outside the continental limits of the United States, or shall engage in Red Cross work or travel outside the continental limits of the United States and Canada in time of war. The additional premium charged hereunder shall thereupon immediately cease, and the unearned portion, if any, of the current premium shall be refunded to the policyholder. The benefits provided for herein may be restored after the termination of such service or travel upon presentation of evidence of insurability satisfactory to the Company and payment of the additional premium aforesaid.

NEW MINNESOTA LICENSES

The Minnesota insurance department announces that it has licensed the following four insurance companies to transact business in Minnesota.

Iowa Life Stoek Insurance Company of Des Moines; Alliance Insurance Company of Philadelphia; Merchants Life Insurance Company of Burlington, Ia., and the American Indemnity Co. of Galveston, Texas.

The average man is buying too little life insurance.
The fault is not with the Agent.
Whose fault is it?

Chapter I

Most Life Insurance literature is Life Insurance literature—technical, dense, unapproachable.

Printed words can be made to sell Life Insurance. And specific policies at that.

The agent is, of course, indispensable, but his work begins where the work of the printed word leaves off.

He should fit the policy to the man.

How many more he could fit per month if that were his chief job!

Talk about efficiency! Why, there isn't an efficient agency staff in this broad land—not one—and the fault is not with the agency staff but with the companies and more specifically with the officials of the companies. You officials have permitted the general impression to persist that a Life Insurance agency job was beneath the respect of men of parts.

It is your fault, gentlemen.

You could sell, by printed word, Life Insurance to the people, so that the agent would be welcome everywhere.

Chapter II

Life Insurance men have been writing and printing life insurance literature.

That's where the trouble is.

Advertising men should write advertising about Life Insurance.

Advertising should sell Life Insurance—It sells everything else, and it is nonsense to say that it cannot sell Life Insurance.

And you need not be afraid of the costs and the Insurance department examination either.

Selling by advertising will decrease the cost.

The agent will make more money, larger sales, and more of them, while his commission on the individual sale would be less.

Under the present system you are handicapping your salesman and yet you give him so much on the individual sale that you encourage loafing.

He ought not have to work so hard on the individual sale, but should be able, by your assistance, to make bigger sales and more of them for the amount of work he does now.

Your present system of compensation is not right. The agent should be better compensated.

The fault lies in the lack of selling literature.

And that fault is yours, Gentlemen of the Official Staff.

Chapter III

Your agents should be educated—not in your offices—not so much in the technique of Insurance.

Rather in the translation that will prevent them entirely from using technical language.

We have just finished a series of 30 lessons on Life Insurance and Salesmanship for an enterprising Life Insurance Company, and we didn't dare to stay too long in the atmosphere of the home office, lest we should breathe the air of technique and forget the language of the average man.

And these lessons are a bit too technical even now.

We could do this work better a second time than we did at first.

We could sell life insurance in a broad sense to agents, to the public, direct through the printed word, and through agents in making their canvass simpler and more effective and more profitable.

We are still working for this Insurance Company and its President says, "If Life Insurance were done in ten times the volume it is done, it would not be overdone." Hence, the officers of this company would be glad to see us serve another Life Insurance Company.

Personally, I shall be pleased to hear from any officer of any Life Insurance Company as to whether he agrees with what he has read on this page, or not; preferably, if not.

J. A. RICHARDS
JOSEPH RICHARDS COMPANY
Incorporated
ADVERTISING
9 East 40th Street, New York

RULES GOVERNING WRITING OF WAR RISKS IN FRANCE

Rules Regulating French Risks

PROVISIONS OUTLINED BY DEPARTMENTS OF GOVERNMENT

Particular Protection Where There are Delays in Payment of Extra Premiums

Government rulings for insuring French soldiers are re-produced on this page.

The Minister of Labor and of Social Provision issued the following circular on August 24, 1914:

Paris, August 24, 1914.

Almost all the life insurance policies stipulate, that in case the insured is called to take part in the war against a foreign power, the insurance is suspended by full right from the day on which the incumbent entered the campaign, not only during the entire duration of the war but a further delay enduring eight months counting from the definite cessation of hostilities.

In order to avoid this suspension of his contract, the insured must subscribe a new insurance against war risk by paying an extra premium in advance, without fractions, within a respite of one month, counting from the first day of mobilization.

All the insured, for whom it has been impossible to pay this new premium, should by this fact be deprived of the benefit of the insurance for eight additional months after the cessation of hostilities, and this without making a distinction whether the death is a consequence of the war, or is due to causes independent of the war.

This situation could not fail to preoccupy the Government, and, in a thought of solicitude with regard to the mobilized, I have requested the life insurance companies to facilitate for their members the means of covering the war risk.

Letter From the French Companies

In reply to this request the French companies addressed to me on August 20 the following letter:

Mr. Minister: We have the honor to acknowledge receipt of your letter of the 18th inst.

Permit us, first off, to thank you for the kindness you have shown in being willing to appreciate our efforts to facilitate for all the insured the ways and means that allow them to cover themselves against the war risk. Although our action has been but entirely natural, we thank you for having been willing to acknowledge same. To-day you ask men in a patriotic spirit further to enlarge the facilities which we had spontaneously offered to our insured and which have allowed us, from the first days, to give satisfaction to a very large number among them. We hasten to tell you that we are glad to reply affirmatively to all your desires that we are in accord on all of the following points:

1. We shall render as easy as possible the subscription of the war agreement: by allowing to subscribe to same any person having an interest therein, direct or indirect; by authorization to realize this agreement in any form whatever, that is to say, that, besides the facilities given by the policies themselves (either declaration by registered letter or by telegraphic despatch, or else, in case communications should be interrupted, before a notary or a justice of the peace), any mobilized military man, who can not make use of these means, shall have the right to make a declaration in writing to the military authority, while he promises to pay later on the corresponding premium. The military authority must cause this promise to be sent to us, while simply verifying that at the time of this declaration the military man was able-bodied.

The subscription delay under one of the previously accepted forms is fixed at one month from the day of the individual mobilization, and we believe, Mr. Minister, that we meet your wish, by raising this delay to forty days, with regard to the insured already mobilized on August 20.

Grace in Paying Extra Premium

2. We grant and we will grant the largest possible facilities with regard to the payment of the extra premium, in a manner so as to spare the insured the necessity of an immediate disbursement. With regard to this point, as an example, a charge against the surrender value, a check under certain conditions, the deposit of securities to bearer will be accepted by our companies.

4. The arrear interest shall be fixed at a maximum of 3½ per cent.

5. We will reduce to three months the delay of eight months after the definite cessation of hostilities, both with regard to the stoppage of the account concerning the war risk and with regard to the partial suspension of the contract, which shall not have paid the extra premium of the war agreement.

We accept retroaction as of August 2, 1914, of the dispositions of paragraphs 4 and 5 above.

Refund Provision

Finally, as far as the third paragraph of your letter is concerned; "Return of possible excesses after the war," we shall apply the same the more gladly as our contracts already expressly stipulate this. It would never have occurred to our mind to make a profit out of a national calamity. We go even further, and it is in that way, that, in the insurance system with a war risk contract, we do not only distribute among our insured the excess, if the total of war extra premiums exceeds the amount of the losses, but, besides, we charge to our account the loss, whatever be the amount thereof, if the war account is deficient.

Yours, etc.
The president of the syndicate,
s/ PRETAVOINE.
The president of the committee,
s/ G. RAY.

1st. P. S. One single reservation is imposed upon our declarations, and that is, that, as certain of our contracts are reinsured, we shall not be able to, as far as the delay reduction is concerned, from eight months to three months, to bind ourselves beyond maintained marks by each one of our companies, unless upon understanding with our re-insurers.

2nd. P. S. It seems that you may have been informed that in case of non-payment of the war extra premium, certain companies would have reserved themselves the right to cancel or to annul their contracts. All the companies that sign the present letter bind themselves not to take advantage of this faculty in case it should exist in any one of their contracts and to consider that these terms simply mean to say "temporary suspension."

Interprets Companies' Letter

It results from this letter:

1. That the subscription of the war policy is possible, not only on the part of the insured himself, but, further, on the part of any insured who has, a direct, or even indirect, interest in the insurance (wife, relative, heirs, creditors, beneficiaries, etc.). It being duly understood that the subscription shall be considered as made whenever a third party shall have paid the extra premium. The subscription may take place in the most simple form; letter, telegram, declaration before a notary or justice of the peace or even before a military authority, who will forward the engagement to the insured, by simply verifying that the military man was able-bodied at the time of the declaration.

2. What was especially desirable was that the insured was not obliged to pay out the extra premium immediately.

Insured's Promise Sufficient

In default of immediate payment the Company is content with the insured's promise, provided it is sufficiently guaranteed; for example, by an advance made in the form of a loan given by the Company upon the value of the contract; by delivery of a check; by a deposit of securities or by any other guarantee admitted by the Company.

Those are the two essential points of the new dispositions relative to the war risk; it ought, in fact, to make the subscription of the contract and the payment of the extra premium as easy as possible.

3. The other modifications granted by the companies either concerning the delay of one month during which the contract of insurance may be subscribed against war risk or the delay of eight months, spoken of above reduced to three months, cause no comments.

It is proper to remark that the contracts relative to war risks and signed before August 20, 1914, likewise profit by this reduction of delay, as well as also by the reduction of the interest rate that is to be paid by the insured in case of his being too late with the payment of his premiums after the definite cessation of hostilities.

4. Finally, if the evaluations of the risks later on should be found too high, the companies promise to pay to their insured the excess upon payment of all the losses.

No Cancellation for Non-Payment

I add, as is shown in a most categorical manner by the companies' letter, that none of these reserves itself the right, in case of non-payment of the war extra premium, to cancel or to annul their contracts. If such a clause existed in any one of their policies they have formally bound themselves not to profit by this faculty.

You will oblige me by giving the widest possible publicity to this present circular.

The Minister of Labor and of Social Provision, CH. COUYBA.

The following circular relative to life insurance subscribed by military men or kindred was printed in the Official Journal of August 26, 1914:

The corps or service chiefs, within the zone of the armies as well as in the interior, shall make the necessary dispositions urgently to bring to the knowledge of all military or civil personnel under their commands the following dispositions:

I.—General Considerations

Life insurance contracts contain generally, whatever be their form, a clause that suspends by full right their effect from the day on which the incumbent entered the campaign, and not only during the duration of the war, but also pending a delay of eight months counting from the definite cessation of hostilities.

In order to avoid this suspension of his contract, the insured can subscribe an agreement and pay an extra premium payable in advance for the entire year, within a respite of one month counting from the first day of the mobilization.

Many military men have not had the time to sign this war agreement and to pay the extra premium.

In order to allow them the continuance of the benefit of the insurance, the Government, upon proposition of the minister of labor, has asked the French insurance companies to facilitate the subscription of the war agreement as well as the payment of the extra premium. The following dispositions have been decided upon with regard to this subject, in accord with the companies.

II.—Subscription of War Agreement

The war agreement may be signed either by the insured or by any person having therein a direct (future beneficiary of the insurance) or indirect (particularly the husband or wife, the ascendant or descendant of this beneficiary, his creditor, etc.) interest.

It being duly understood that the subscription shall be considered as made whenever any third party shall have paid the extra premium.

The agreement is validly subscribed either by registered letter or by a telegraphic despatch, or else if communications are interrupted, by a declaration before a notary or justice of the peace.

Besides, any military man that is mobilized and cannot use these means, shall have the right to make a declaration in writing, either to his corps or service chief or to an official of the commissariat for the isolated, while promising to pay later on the corresponding premium.

This declaration on free paper can be made in the following terms:

"I, the undersigned, (name in full, grade, actual situation; indicate the unit and the corps), subscriber of an insurance policy of the (state company), dated.....(for the want of date, state the number, and if the number cannot even be given, to give any other indications that permit identification of the policy, the place where it was signed and the beneficiary or beneficiaries, etc., state also whether this is the only policy subscribed by the deponent), declare that I insure myself against the risk of war and I promise to pay later on the extra premium fixed by the policy. This payment is to take place in the following manner: (see paragraph 4 below.)
'Dated at..... on the .....1914."

In case the statement is not written by the insured himself, he shall place in his own hand before his signature the words "read and approved." If he cannot write, he shall make a cross and two witnesses shall certify the statement.

Statement for Military Chief

In consequence of the statement the military chief who has received same, shall sign the following:

"I, the undersigned, (name, grade and function) certify that when the (grade and name) made the above statement he was able-bodied."

The signature shall be, if possible, accompanied by an imprint of the seal of the corps or service.

This declaration shall be forwarded as soon as possible to the ministry of war (bureau of archives), which will send the same to the home office of the Company and take a receipt therefor. This receipt shall be sent to the corps or service to be delivered to the interested party, unless the latter should have made it known in a note added to the statement that the receipt is to be sent to a named party.

III.—Delay Granted With Regard to Subscription of the War Agreement

The delay granted in order to subscribe the war agreement under the conditions provided for in paragraph 2 below, shall be:

1. Forty days counting from the first day of the mobilization with regard to insured already under the colors, when the general mobilization was ordered.

2. Forty days, counting from the day of their call to the colors, with regard to men mobilized before August 20.

3. One month, counting from the day of their call to the colors, with regard to men mobilized after August 20.

IV.—Payment Facilities

In order to spare the insured the

(Continued on page 7.)

RULES GOVERNING WRITING OF WAR RISKS IN FRANCE

War Clause of a Large French Company

EXTRA PREMIUM GRADES ACCORDING TO TYPE OF SERVICE

10, 7½ and 5 Per Cent. Classes—Refund Fixed; No Criticism Permitted

The war agreement provisions of La Nationale one of the leading French companies, follow:

La Nationale, a private institution subject to Government control. A joint stock life insurance company. 2, Rue Pillet-Will, Paris. Capital stock, fr. 15,000,000.

Agreement under insurance policy No.....Dated at Paris, on the .....issued for an amount of..... on the life of Mr.....

Upon request of Mr.....subscriber of the above mentioned insurance policy, the Company agrees, by waiving article 9 of the general conditions that govern the said policy, to continue the insurance, even if the insured takes part in a war against a foreign power, in consideration of payment of the extra premium, that will be spoken of.

Article 1. The rate of the extra premium demandable in case of war with a foreign power is fixed henceforth and in advance in the following manner, viz: 1. For officers, non-commissioned officers and soldiers who, at the time of war, form a part of the active army or of the reserve of the active army, in whatever capacity they serve, at 10 per cent. per annum of the amount insured, figured as will be stated in article 3, below.

2. For officers, non-commissioned officers and soldiers, who, at the time of war, form a part of the territorial amy or of the reserve of this army, in whatever capacity they serve, as well as for the chaplains, the civil and military surgeons and the ambulance men, at 7½ per cent.

3. For persons who take part in the war in the capacity of officers of the military commissariat, of officers of the administration, of the army paymasters and of civil employes of the mail and telegraphs and the railroads, at 5 per cent.

Article 2. In case the war should take place outside the limits of Europe, Algeria and Tunis, the extra premiums fixed by the preceding article would not include the risk of travel and residence provided against by the first paragraph of article 7 of the General Conditions.

Article 3. The extra premiums of 10 per cent., 7½ per cent. and 5 per cent., fixed by the first article of the present agreement are calculated on the amount of capital insured under the policy; however, when the policy has a surrender value, the extra premium shall apply only to the amount insured under the policy, reduced by the surrender value.

When it refers to an endowment policy, the extra premiums are calculated on the single premium that would have to be paid at the time of declaration of war, in order to establish for the child in the form of a deferred policy without counter-insurance, a capital equal to that of the policy; this capital shall be diminished in advance by the reduction value of the said policy, if it has such.

When it refers to survivorship annuity insurance, the premiums are calculated on the capital that would be necessary. in order to establish the annuity immediately, at the age of the beneficiary at the time of the war.

Article 4. No war extra premium is due and the policy reserves all its effects, when, on account of his service or otherwise, but without appointment or previous commission, an official or a civil employe of the railroads, the mail, the telegraphs or of any department whatever, or any other non-military insured happens to be exposed to risk or danger resulting from the state of war.

Article 5. The premiums forming the subject of this present agreement are due for the entire year; they are payable in advance, without division into fractions.

Article 6. The insured must make the declaration of his entry into the campaign within a respite of one month, counting from the first day of the mobilization.

The declaration prescribed by the first paragraph of the present article can be made either by registered letter or by telegraphic despatch, or, in case communications should be interrupted, before a notary or a justice of the peace.

Article 7. Within the respite of one month, fixed by the preceding article, the war extra premium must be paid at the risk and peril of the insured, either by direct remittance to the Company or into the hands of one of its general agents, at the option of the insured, against a temporary receipt, without any demand in due form or any notice whatever on the part of the Company or of its representatives being required.

Article 8. Further annual payments of this extra premium shall take place in the same manner each year, within a month from the day on which a new year commences.

Article 9. In default of full payment of the first extra premium or of the following ones within the respites stipulated above, the present agreement shall be rightly null and void.

Article 10. However, in case the insured should not be able or should not want to pay the total of the extra premium pertaining to the present agreement, in conformity with the rates and basis of calculation stated above, he shall be allowed to pay a smaller amount, but in that case the amount insured under the policy will be reduced in corresponding proportion.

Refund of the Surplus, if Any, on the War Extra Premium

Article 11. If, in consequence of a war, the total of the war extra premiums received by the Company exceeds the total of the losses resulting from deaths that have occurred during the war as well as during a respite of eight months, counting from the definite cessation of hostilities, among the insured that have paid the said extra premiums, this surplus, with deduction made for expenses, shall be distributed among the insured living at the end of said respite at so and so many cents on the dollar of extra premiums paid by each one of them. The distribution approved of by the Administration Board is law, with regard to all the insured, and nobody is allowed to criticise the same.

The Company acknowledges having received....francs for the cost of the present agreement.

Executed in dulicate at Paris on the .....

For the Company,

The Insured, The Director,

The Service Manager.

SUBSCRIBES $100,000 TO WAR LOAN

The Presbyterian Ministers' Fund of Philadelphia, the oldest life insurance company in America, is also the first to make a substantial subscription to the government's war loan. At a meeting held recently, the company subscribed $100,000. President Wilson, through Secretary Tumulty, acknowledged the subscription with personal thanks. The Fund was organized in 1717 and incorporated in 1759.

French War Conditions

(Continued from page 6.)

necessity of parting with his funds at once, the payment may be made in many ways. The companies may, for example, accept a previous deduction, made in the form of a loan by the companies themselves from the value of the contract or the sending of a check or a deposit of securities to bearer or guarantee by a responsible party.

As the extra premium for the entire year is demandable in advance and without fractions, there shall be paid an arrear interest fixed at the maximum rate of 3½ per cent.

V.—Reduction of the Eight Months' Delay

The companies agree to reduce to three months the delay of eight months after the definite cessation of hostilities, both with regard to the closing of the account concerning the war risk, as well as with regard to the partial suspension of the contract, which has not paid the war agreement extra premium. However, this delay reduction will not be certain, with regard to contracts that have been the object of re-insurance, unless the re-insurers consent thereto with regard to the portion re-insured.

VI.—Distribution of Returns

The companies that accept the return of possible excesses after the war, that is to say, that, if on the day of settlement of the amount of the special funds with regard to war risks exceeds the total of losses, this excess shall be divided among the insured at the rate of francs of the extra premium they have paid. If there have been more losses settled than extra premiums paid, the companies will charge the excess to their account.

Finally, the companies have promised not to benefit of the faculty that certain policies might give them to cancel or annul the latter in case of non-payment of the extra premium. These policies shall simply be suspended temporarily. Journal Officiel, Tuesday, September 8, 1914. Ministry of Labor and Social Provision. Decree concerning the war risk insurance by the national insurance treasury in case of death.

The President of the French Republic issued the following decree, on September 7, 1914, signed also by the Minister of Labor and of Social Provision and of the Minister of Finance:

Article 1. With regard to all insurance contracts, new or to be renewed, the purpose of which it is to pay a sum at death and which guarantees the war risk, there has been requested by the national insurance treasury in case of death, counting from the publication of the present decree and until the cessation of hostilities, an extra premium based upon the amount insured and of which the rate is the following:

The Extra Premiums

10 per cent. of the amount insured for insured who are part of the active army or of the reserve of the active army;

7½ per cent. for the insured who are part of the territorial army or of the reserve of the territorial army;

5 per cent. for citizens who, while not belonging to any of the preceding classes, are mobilized.

Pending the same period the war risk is excluded from new contracts or renewed ones subscribed without the payment of the extra premium referred to above.

Article 2. Three months after the cessation of hostilities and with regard to each category of insurance, the national treasury will proceed, if occasion be, to divide among the incumbents of a war policy or their assigns, proportionally to the amount of the capital insured, the excess of the extra premium collected over and above that of losses paid.

Article 3. The minister of labor and of social provisions and the minister of finance charged, each one as far as he is concerned, with the execution of the present decree, which is to be published in the Journal Officiel of the French Republic.

Dated at Bordeaux, September 7, 1914.

By the President of the French Republic, POINCARE; the minister of labor and of social provision, BIENVENU-MARTIN; the minister of finance, RIBOT.

USE OLD CLAUSES

General Assurance of Paris, Mutual Company, Has Maximum Assessment of 5 Per Cent.

The General Assurance Company, of Paris, allows its new insured—those that have contracted after the beginning of the war and those that still are contracting at the present time insurance in case of death—to obtain the benefit of the advantages of the special war risk policy issued in favor of its insured, in accordance with the principles and conditions elaborated prior to the year 1889.

The special insurance fund of the Company in case of war, opened in the beginning of August, 1914, operates on purely mutual principles (the Company simply having made a gratuitous contribution of Fr. 1,000,000). The maximum assessment is 5 per cent. According to the oral information furnished by the management, in case the war should end at the present moment, and according to the occurred, actually known deaths, the results would be that the settlement would be in favor of the interested parties on an approximate basis of 100 per cent., that is to say, that the amount paid in would be equal the annual insured.

PRU MEN TO TILL SOIL

Two Thousand of Home Office Force to Cultivate Vacant Lots, Backyards and Waste Acreage

The Prudential Insurance Company has mobilized a large portion of its home office force of nearly 2,000 to begin a systematic campaign for the cultivation of backyards, vacant lots and farm acreages. Need of such action is set forth in a special circular issued this week. Plans are in charge of Superintendent Harry Vliet.

The Company is seeking large tracts within easy reach of its offices and the homes of employes, which may be taken up by groups. Concerning the difficulty found in getting men and teams to plow land being taken in this way Mr. Vliet stated the Company had no uneasiness.

"We'll plow the land ourselves," he said. "There are plenty of men in this organization who can run a plow. I can myself. And there are plenty of teams now used by big companies, brewers and others, which can and should be put to work helping prepare land."

Prudential employes will be urged to plant crops which are likely to be short all over the country and can be carried through the non-growing seasons. Potatoes will be first, with beans next and carrots, parsnips, beets and cabbages in line. What disposition will be made of crops grown by those volunteering to give certain days of labor on the community tracts proposed has not been decided.

FIRST PUBLICATION OF GREAT BRITAIN'S WAR CLAUSES

Text of British War Risk Clauses

PROVISIONS WORTH CLOSEST STUDY AT THIS TIME

Return of Premium a Popular Feature —Military Service Not Covered By Some

The Eastern Underwriter has received from a well-known life insurance underwriter, recently returned from a visit to the Allied countries, copies of the war clauses of a number of the British companies. These clauses have not heretofore been published in this country. They follow:

NORTHERN ASSURANCE COMPANY, LTD.:

Provided also that, if the life assured shall engage in war beyond the limits of the United Kingdom without the permission of the company having been obtained after payment of the requisite extra-premium, this assurance will be rendered void with forfeiture of the premiums paid.

OLD EQUITABLE:

This policy shall be void if the life assured shall leave the United Kingdom (which expression does not include the territorial waters thereof) during the present hostilities without the license of the directors.

GRESHAM:

Notwithstanding anything contained in this policy if the assured shall during the existing European war engage in or be attendant upon any war-like operations outside the United Kingdom and shall die during the said war or within six calendar months after the declaration of peace in England the obligations of the society under this policy shall cease and in lieu thereof the society shall refund to the assured's representatives the premium or premiums theretofore received in respect of this policy together with compound interest thereon at the rate of £5 per centum per annum calculated from the respective dates of payment thereof, provided that the expiration of the before-mentioned period of six calendar months or within such extended period as may be agreed upon by the society the assured shall be bound to submit to a medical examination by one of the society's medical officers and if such medical examination shall be satisfactory to the society the obligations of the society under this policy shall continue and remain in full force and effect as though this clause had never been inserted, but if such medical examination shall be unsatisfactory to the society the obligations of the society under this policy shall cease and in lieu thereof the society shall refund to the assured the premium or premiums theretofore received in respect of this policy together with interest thereon as aforesaid.

UNITED KINGDOM TEMPERANCE:

Provided that should the assured in time of war engage in any service, combatant or non-combatant, beyond the limits of the United Kingdom, in connection with any army or navy, or at any time in peace or war engage in any kind of aerial ascent or of service on any kind of submarine and die during such service or engagement, or within twelve months afterwards, the sum assured under this policy shall not be payable unless the person or persons claiming thereunder furnish evidence satisfactory to the directors that the death was not directly or indirectly a consequence of such service or engagement, but all premiums paid shall be returnable, without interest, to the person or persons lawfully entitled thereto under the policy. Also, should the assured in time of war leave the United Kingdom in any capacity and die as the direct or indirect result of his presence within the area of operations of the belligerent forces on land or at sea, the sum assured shall not be payable, but the premiums paid shall be returned as aforesaid. For the purposes of this proviso the territorial waters of the United Kingdom shall be deemed to be beyond the limits of the United Kingdom.

THE STANDARD LIFE ASSURANCE COMPANY:

Notwithstanding the privileges and conditions printed on the back hereof it is hereby declared that in the event of the life assured proceeding outside the United Kingdom during the present war, without first obtaining a license from the directors and paying such extra premium as they may require this policy will be null and void.—Dated March 1, 1917.

ALLIANCE ASSURANCE COMPANY:

For Men of Military Age

If the life assured should at any time during the currency of this policy engage in aviation, or in any military service outside the United Kingdom, or in any naval service whether at home or abroad, the policy will thereupon become void. If he should, in time of war, leave the United Kingdom in any other capacity, the policy will be void unless immediate notice be given to the company and such extra premium as the directors require be forthwith paid to the company.

For Men Over Military Age

If the life assured should at any time during the current year of this policy engage in aviation or in any service (combatant of non-combatant) in connection with the army outside the United Kingdom or in connection with the navy whether at home or abroad or should, in time of war, leave the United Kingdom in any capacity, the policy will be void unless immediate notice be given to the company and such extra premium as the directors may require be forthwith paid to the company.

LIVERPOOL & LONDON & GLOBE:

Should the life assured proceed on active service with his majesty's forces in any capacity outside the United Kingdom, the Company will on application previous to his departure,

(1) Hold the policy in full force on payment of an extra premium of £20 per cent. for one year, or any less period, payable annually during the continuance of the war,

(2) Suspend the insurance for the period of the war and on the conclusion of hostilities will, provided the ordinary premiums continue to be paid, reinstate the policy upon satisfactory evidence of unimpaired health and on the terms then applicable to military service. In the event of death during suspension or non-reinstatement of the policy, the premiums paid during suspension will be refunded, without interest.

NORWICH UNION:

Travelling and military service outside the United Kingdom, and naval and Mercantile Marine risks are not covered by this acceptance.

PHOENIX ASSURANCE COMPANY:

In time of peace, the life assured is at liberty to reside in any place within the following limit, and to travel within these limits, and to voyage as a passenger by sea from any place within these limits to any other such place without payment of extra charge, such limits being: any part of Europe, Egypt north of 25 degrees, the Holy Land, Madeira, the Canary Islands, the Union of South Africa, Japan, Australia, and any other part of the world (Asia excepted) distant more than 33 degrees from the equator. but the policy will cease to be in force and become void if the life assured shall during the currency of this assurance proceed beyond the aforesaid limits or engage in naval, military or auxiliary service or visit any country, the seat of war, or in time of war voyage by sea from any place within these limits to any other such place (without having previously obtained the written consent of the directors and paid such extra charge as they may require.)

If assured goes on military service outside the United Kingdom an extra premium of £21 per £100 is charged.

LEGAL AND GENERAL:

Home Clause

This policy shall be void if the life assured shall leave the United Kingdom (which expression does not include the territorial waters thereof) during the present hostilities without having first obtained the license of the directors and made such extra payment if any, as shall be required by them for such license.

Foreign Clause

Inserted on policies issued to applicants already abroad.

This policy shall be void in the event of the life assured engaging outside the United Kingdom (which expression does not include the territorial waters thereof)

(1) In naval or military service connected with or arising out of the present hostilities.

(2) In any other service, business or occupation whatsoever connected with or arising out of the present hostilities and involving the risk of death from any of the King's enemies, or in any journey involving the said risk, without first having obtained or attempted to obtain by immediate notice in writing to the Society's Head Office the license of the directors and made such extra payment, if any, as shall be required by them for such license.

THE NATIONAL MUTUAL LIFE ASSURANCE SOCIETY:

Special clauses which are now included in policies issued by the society:

In the event of the life assured being drowned at sea during the present European war or being killed while engaged on war service in any capacity beyond the limits of the United Kingdom during the said war, or dying (from the results of injuries received or illness contracted whilst on such service) either during the present war, or within the period of three years after its termination, **this policy shall be absolutely void,** but the premium received by the society will be returned without interest.

The above written clause will be cancelled at any time during the said period of three years after the termination of the present war on the application of the life assured, and subject to his passing a satisfactory medical examination by the chief medical officer of the society.

In the event of the life assured deciding at the conclusion of the war to remain in the naval military service, an extra premium the amount of which will be determined by the directors, will become payable throughout such service. —Dated October 11, 1916.

LONDON LIFE ASSOCIATION, LTD.:

Policies Effected Before the Declaration of War

No extra premium is payable for active service in the present war, provided the life assured was at the date of the policy, a civilian or territorial and had never been in the regular army or navy.

New Policies

Except for service on land within the United Kingdom, which is permitted, this policy shall be void in the event of the assured entering into or being employed in war service of any kind, accompanying any troops or sailors so engaged or voluntarily exposing himself to any risks of hostilities without the license of the directors.

But any time before leaving this country on active service, providing the policy has not been mortgaged or assigned, the following request and undertaking may be sent to the association with also the policy itself for endorsement:

Policy No..... on the life of.....

.....

I, the life assured by the above policy, hereby request that you will endorse the following clause on my policy, and I agree to be bound by the terms of such endorsement:

The sum assured by this policy shall not be payable unless the person or persons claiming thereunder furnish satisfactory evidence that the death of the assured did not occur while in the actual performance of his duties as a member of his majesty's forces; or as a consequence directly or indirectly of the performance of such duties, during the present war against Germany and her Allies. In case the sum assured shall not be payable at death for the reasons aforesaid, all premiums paid shall be returnable to the person or persons lawfully claiming under the policy, but without interest.

Note: In the event of the policy having been assigned or mortgaged, the assignee or mortgagee must also sign this request and undertaking, and forward his documents of title for inspection.

COMMERCIAL UNION ASSURANCE COMPANY, LTD.:

Special Conditions

If the life assured shall at any time engage in military service outside the

(Continued on page 10.)

A GOOD OPENING

An old, well established, progressive life insurance company, with unexcelled dividend record has good opening at PHILADELPHIA, covering Eastern Pennsylvania. Address, stating qualifications:

PHILADELPHIA, care of The Eastern Underwriter
105 William St., New York City

The Connecticut Mutual Life Insurance Company,
PRESIDENT JOHN M. TAYLOR, HARTFORD, CT.

Insurance in force, 107,262 Policies for	$253,439,405.12

WHAT NO OTHER COMPANY HAS DONE

To repay to its Policyholders in Death Claims, Endowments, Dividends, Surrender Values, Annuities and other credits more than they have paid to it in premiums. It stands alone in that result.

Total premiums received, Dec. 1, 1846, to Dec. 31, 1916	$310,337,255.71
Total returned to Policyholders, as above noted, in same period	319,548,729.00
Excess of amount returned	9,211,473.29

Metropolitan Life's War Experience in Canada

Company Wrote $10,000,000 on Contingents From October, 1914, to May, 1915

About the time that the Canadian Government was about to send its first contingent to the war—consisting of something like 100,000 men, the municipal officials thought it advisable to have as many of the soldiers insured as possible, and a request for such coverage was made of life insurance companies. It has not been published how much individual companies took of this insurance but two American companies, the Metropolitan Life and the Aetna Life, insured some of the soldiers.

It was announced a few days ago that the Metropolitan's risk assumed was about $10,000,000. The Company wrote policies on the Canadian soldiers from October, 1914, to May, 1915, and when it had $10,000,000 on its books, stopped writing any more of the business. In some cases no extra premium was charged; in others $25, $50 and $60 a thousand.

The Eastern Underwriter has received from the Metropolitan Life Insurance Company a statement of claims under these risks that had an extra war premium. The statement follows:

Ordinary

Experience during the year 1915	Risks Exposed	Claims Paid
On policies issued during 1914	6,063	299
On policies issued during 1915	2,591	4
Total	8,654	303
Experience during the year 1916		
On policies issued during 1914	5,566	319
On policies issued during 1915	3,999	101
Total	9,565	420

Intermediate

Experience during the year 1915	Risks Exposed	Claims Paid
On policies issued during 1914	1,536	73
On policies issued during 1915	308	1
Total	1,844	74
Experience during the year 1916		
On policies issued during 1914	1,359	71
On policies issued during 1915	856	31
Total	2,215	102

Official Dominion Figures

The Dominion Insurance Department has made public war mortality to date. The companies were asked to give figures for three years under the headings: Enlisted soldiers killed in action or dead of wounds; enlisted soldiers dying from other causes, and the persons engaged in war service, as civilians, dying as a result of military operations.

In 1914 death claims against Dominion companies and societies were incurred to the extent of $17,595, and by provincial fraternal societies, etc., to the amount of $2,000.

In 1915, the Dominion companies' claims were $1,939,735, and provincial, $83,853.

In 1916, the claims incurred by Dominion licensees were $4,560,938, and by the provincial licensees, $265,516.

ALIEN CLAUSE

The Bankers Life of Des Moines recently paid a death loss to the estate of a resident of Vancouver, B. C. Letters of administration were issued by the Supreme Court of British Columbia and these were forwarded to the Des Moines Company prior to the payment of the loss.

One clause of these letters is as follows:

"This grant is made upon the condition that no portion of the assets shall be distributed or paid during the war to any beneficiary or creditor who is a German, Austro-Hungarian, Bulgarian, or Turkish subject wherever resident, or to anyone on his behalf or to or on behalf of any person resident in Germany, Austro-Hungary, Bulgaria, or Turkey of whatever nationality, without the express sanction of the Crown acting through the Minister of Finance; and if any distribution or payment is made contrary to this condition the grant of probate or letters of administration will be forthwith revoked."

ORGANIZED 1871

Life Insurance Company of Virginia

RICHMOND, VIRGINIA

OLDEST, LARGEST STRONGEST
Southern Life Insurance Company

Issues the most liberal forms of Ordinary Policies from $1,000.00 to $50,000.00, and Industrial Policies from $12.50 to $1,000.00

CONDITION ON DECEMBER 31, 1916:

Assets	$14,464,552.23
Liabilities	12,436,717.56
Capital and Surplus	2,027,834.67
Insurance in Force	118,349,212.00
Payments to Policyholders since Organization	18,119,172.50
Is Paying its Policyholders over	**$1,300,000.00 annually**

GOOD TERRITORY FOR LIVE AGENTS

We don't contract with poor men.
We give a new man our attention until he is started.
We make our men make good.
Why don't you work for us?

Peoria Life Insurance Company

PEORIA, ILLINOIS

A PENN MUTUAL PREMIUM, less a PENN MUTUAL DIVIDEND, purchasing a PENN MUTUAL POLICY, containing PENN MUTUAL VALUES, make an INSURANCE PROPOSITION which in the sum of ALL ITS BENEFITS, is unsurpassed for net low cost and care of interests of all members.

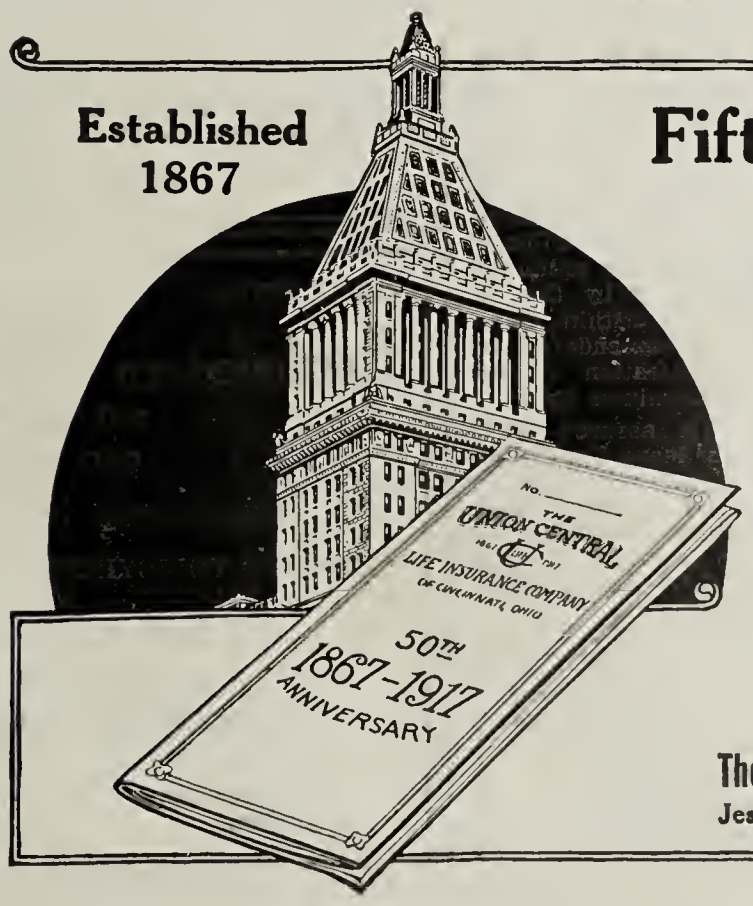
THE PENN MUTUAL
Life Insurance Company
OF PHILADELPHIA

On January 1, 1909, rates were reduced and values increased to full 3% reserve

Get On The Firing Line With
Our Triple Option Policy



Liberal Agency Contracts
Every Policy Registered With The State of Missouri
The Company of Today With Methods of Tomorrow
Assets over $8,000,000.00 Insurance in force over $67,000,000.00
International Life of St. Louis, Mo.
Massey Wilson-Pres. J. L. Babler-Gen Mngr. Agencies. St. Louis Mo.



Fifty years of success

The Strength of the Company—the growth of a half century—towering back of every policy contract, assures the largest possible measure of *security*, *service*, and *saving* to the insured.

The wisdom of the founders in restricting the Company's investments to farm loans, has throughout the years afforded the largest degree of safety, together with the greatest earning power on its invested funds. It has in addition served the Nation, and the wide world in these troublous times, by its signal aid in the development of the Country's Agricultural Resources.

The manifold service of the past half century may safely be accepted as a criterion of larger service in store for its policy-holders and their beneficiaries.

For Information address Allan Waters, Second Vice-Pres.

The Union Central Life Insurance Company

Jesse R. Clark, President — Cincinnati

ORDINARY LIFE POLICY

Mutual Life "Points" Compares This Form With Limited Payment Life and Endowment

For the average prospect the ordinary life policy is more desirable than the limited payment life or endowment policy, in the opinion of "Points," published by the Mutual Life. There are several reasons why.

In the first place there are very few people indeed who carry enough life insurance to protect their families adequately. This should be the first consideration in selecting the form of policy, but the right amount of insurance will cost too much for most prospects if limited payment life or endowment is chosen.

Many a man dislikes an ordinary life policy because under the impression that he will have to pay premiums "all his life." This is not necessarily the case. If he allows his dividends to remain with the policy in the form of paid-up additions the policy will become paid up before he is old, or before many years. These paid-up additions increase the cash value of his insurance, and after some years the cash value will be equal to the face amount of the policy. In this way even an ordinary life policy affords considerable protection for a man's advanced years.

When a man who is carrying his insurance on the ordinary life plan feels that he has sufficient protection and, being able to pay more for that protection, wants to change it to limited payment life or endowment he can do so regardless of the state of his health. This is not only an advantage to the insured and his beneficiary, but also to the agent, as it enables the latter to do more business with the insured.

On the other hand, if he began with limited payment life or endowment insurance and is able after a while to pay for more insurance he has not only had insufficient protection in the past, but also he will have insufficient protection in the future unless the state of his health permits him to get more insurance.

If he cannot get the additional insurance it is not only unfortunate for him and his beneficiary, but also for the agent, since the latter has lost his chance to do more business with the insured. Even if the insured can get this additional insurance, he may place it with some other company and again the agent's chance is gone.

Another advantage of the ordinary life policy, both to the insured and the agent, is the smaller opportunity for the twister to get in his work.

Again, many prospects and insured people do not understand the difference between a limited payment life policy and an endowment. Even after the agent thinks he has made clear to the prospect which form of contract he is getting, the prospect will often forget the explanation in after years. Persons whose ideas concerning these two forms of contract are confused, afford a fertile field of operation for the twister.

The ordinary life contract is more readily understood by the average man by reason of its simplicity. For this reason as well as because of its low cost, it is usually demanded by prospects. Most of the inquiries received at the home office of the Mutual from strangers call for a "straight life," as they term it. The man who gets an ordinary life policy knows just what he has and consequently is better satisfied with his insurance. This in turn makes the business more stable.

The State Senate of Connecticut adopted a bill providing that every insurance company chartered in that State shall annually pay to the State as a tax upon its corporate franchise 3½ per cent. of the total amount of interest, dividends, rents and other investment income by it during the year.

ROBERT SIDNEY TUCK DEAD

Robert Sidney Tuck, general agent for the Union Central Life Insurance Company, is dead at his home in Richmond, Va., at the age of 46, following an operation. Mr. Tuck was born in Texas and from boyhood on had been connected with the insurance company, working his way up to success. He was also secretary-treasurer of the Richmond Slate Company, a member of various clubs and identified with church work. He is survived by his widow, mother and brothers and sisters.

MUTUAL BENEFIT'S PROGRESS

During March, 1917, the Mutual Benefit paid for $14,254,166 of new insurance on 4,264 lives. This is an increase of $4,358,629 over March, 1916.

The Mutual Benefit paid for $34,773,688 of new business on 10,954 lives, during the first quarter of this year; an increase of $9,571,369 over the first three months of 1916.

British War Clauses

(Continued from page 8.)

British Isles or in naval service or make any ascent by aircraft or at any time during the continuance of the present war proceed beyond the British Isles this policy shall be absolutely void except to the extent of the surrender value thereof unless intimation be immediately made to the directors of the company and such additional premium as they may consider necessary be paid.

SCOTTISH WIDOWS' FUND LIFE ASSURANCE SOCIETY:

Special War Time Policy

Instead of issuing policies under which the risk of naval or military service (should the life assured engage in such) would be covered on payment of an extra premium, which would necessarily be very high and in most cases prohibitive, the society now offers a policy containing the following special clauses, to which the attention of the proposer is particularly drawn.

Special Clauses

(1) The sum hereby assured and any bonus additions thereto **shall not become payable, but the society's liability shall be limited to the repayment of all premiums paid hereunder,** if during the present war the life assured shall engage in any military service, combatant or non-combatant, beyond the limits of the United Kingdom, or in aviation or in any naval service whatsoever, and shall die from any cause either (a) during the war or (b) after the war without having produced (after the conclusion of peace) evidence to the satisfaction of the directors that his health has not deteriorated since he was medically examined for this assurance and that he has finally ceased to be engaged in any naval or military duties. Should the evidence produced be declared unsatisfactory by the directors the policy may within three months thereafter be surrendered to the society in consideration of an amount equal to the premiums paid.

(2) In case the life assured shall during the present war leave the United Kingdom in any capacity not falling under condition (1), without the license of the directors previously obtained in consideration of the payment of such extra premium as they may require, this policy shall be void.

An Office doing business in Eastern Pennsylvania could use a good Life Insurance Company in this territory.

Address "KEYSTONE"
Care of The Eastern Underwriter
105 William Street, New York, N. Y.

MUTUAL LIFE LEADERS

C. H. Anderson, of the Mutual Life in Chicago, paid for more than $300,000 of insurance during the first three months of this year. Mr. Anderson stands first on the list of leading producers of the Mutual for the first quarter; Samuel Heifctz of Chicago, ranking second; and J. P. W. Harty of New York, finished third.

MISSOURI LIFE PROSPEROUS

As evidence of the character of its business management, the Missouri State Life Insurance Company announces that it is paying 5 per cent. on dividend deposits, and 5 per cent. on trust fund deposits.

BANKERS BLCo LIFE DES MOINES COMPANY

PAYS GOOD PAY TO GOOD MEN

HOME LIFE INSURANCE CO.
(Now Purely Mutual)
256 BROADWAY, NEW YORK
GEORGE E. IDE, President

The fifty-seventh annual report shows insurance in force of $133,493,000, an increase during the year of $7,832,827. The Company paid the policyholders in 1916 $3,536,233, of which $628,406 was in dividends or premium refund. Its insurance reserve fund was increased by $1,300,000 and the Assets are now $32-821,462.

For Agency apply to
GEORGE W. MURRAY,
Supt. of Agts.
256 Broadway, New York, N. Y.

WE have room just now for two or three good men—not the Million Dollar producer who takes it out in talk, but the man who can average $100,000 of personal business, plus experience in appointing and working with agents. Men who become valuable to this Company grow in value to themselves. We cannot guarantee your success, but we will give you a real opportunity, then it's up to you. Would you like to hear about it further?

Pittsburgh Life and Trust Co.
Home Office, Pittsburgh, Pa.
HOWARD S. SUTPHEN
Vice-President & Manager of Agencies

Extracts from Report of Examination of
SOUTHWESTERN LIFE INSURANCE CO.
By the State of Texas, June 28, 1915

"It is noteworthy that this Company was organized without any promotion expenses."
"I beg to report further that I find the Company in excellent financial condition."
"The volume of its business has steadily increased, its surplus is growing rapidly and its funds are being carefully conserved under expert supervision."

Home Office, DALLAS, TEXAS

PURELY MUTUAL **THE** CHARTERED 1857
Northwestern Mutual Life Insurance Co.
MILWAUKEE, WISCONSIN
GEO. C. MARKHAM, President
Insurance in Force, $1,505,464,984
SATISFIED POLICYHOLDERS each year apply for over 35% of the new insurance issued.
POLICIES MOST FLEXIBLE AND EASY TO SELL
Complete Agency Protection:
Enforced Anti-Rebate and No-Brokerage Rules
Investigate before selecting your Company
Write GEO. E. COPELAND,
Supt. of Agencies,
Milwaukee, Wis.

Wrecking of Pittsburgh L. & T.; Company Looted

STATEMENTS OF NEW YORK AND PENNSYLVANIA DEPARTMENTS

Warrants for Clarence F. Birdseye and Others Charged With Conspiracy—Crooked Realty Deals

Statement By F. A. Wallis

I had been elected president of the Pittsburgh Life and Trust Company, but withdrew my acceptance of the office before the date fixed for my taking charge, because a complete statement of the condition of the Company and an explanation of all its transactions had not been laid before me and the Insurance Departments of New York and Pennsylvania, as had been agreed. While the character of the recent disclosures is of course a great surprise, they show that my suspicion that all was not regular was well founded.

A receiver will be appointed for the Pittsburgh Life & Trust, following charges by the New York and Pennsylvania Insurance Departments of fraud and conspiracy growing out of the recent "sale" of the company's New York real estate properties, Washington Life Building and St. James Building. A warrant has been issued for the arrest of Clarence F. Birdseye, a New York lawyer and others who engineered the deal. The company has been estopped from writing business.

New York Department's Statement

Superintendent of Insurance Jesse S. Phillips gave the following detailed statement of the transactions:

"On the afternoon of April 19, while returning from Des Moines, Iowa, where I had attended the spring meeting of the National Convention of Insurance Commissioners, I noticed in one of the New York newspapers of the day before that the Washington Life Building, 145 Broadway, New York City, one of the assets of the Pittsburgh Life & Trust Company, had been conveyed. Immediately upon my arrival in New York City the next morning, I received a telephone call from one Clarence F. Birdseye, who had previously advised me that new capital was to be invested in the Pittsburgh Life & Trust Company. He stated that the Washington Life Building had been transferred. I asked him to come to my office at 165 Broadway, and after questioning him as to the terms of the transfer, learned that instead of new capital being invested in the Pittsburgh Life & Trust Company, good assets of the company had been exchanged for bonds of a lumber company which were not adequatcly secured. I thereupon communicated with the Insurance Department of the State of Pennsylvania, in which State the Pittsburgh Life & Trust Company is domiciled, and was advised that it had received no notice of any contemplated transfer of the property, or any of the assets of the company. I directed Mr. Hadley, Chief Examiner of Life Insurance Companies, to go to Harrisburg and confer with the Commissioner of Insurance of that State, and that department requested this department to participate in a joint examination of the affairs of the company. The examination was immediately commenced, and in the meantime I made a preliminary investigation of facts with reference to such lumber company, and since the return of Mr. Hadley on Thursday afternoon have been constantly engaged in the examination of witnesses, and the taking of their depositions. The result of the examination and investigation discloses the following facts:

Lumber Companies

"It appears that prior to March 28 the Dare Lumber Company and the East Lake Lumber Company, corporations organized under the laws of the State of New York, owned and were operating a lumber property in the State of North Carolina; that one George F. Montgomery, a promoter of New York, without any apparent financial standing, entered into negotiations with the owners, which resulted in an agreement made by Montgomery to purchase the property for $1,000,000. No deposit on account of this purchase appears to have been made. Montgomery, about the time of the execution of said contract, began negotiations with one Clarence F. Birdseye, a lawyer in the City of New York. It further appears that the said Birdseye, a short time prior to March 28, made a proposition to the then president and vice-president of the Pittsburgh Life & Trust Company to purchase the majority of the stock of said company at $80 per share, which I am informed was considerably in excess of the price at which the stock of that company had been held by its owners. An agreement was entered into with the then directors controlling a majority of the stock of the company, which, in substance, provided that on the deposit of $10 per share on account of the purchase with the Keystone National Bank of Pittsburgh, which deposit would amount to less than $120,000, the directors agreed to resign and turn over the immediate control of the company, with its $24,000,000 of assets, protecting $115,000,000 of outstanding insurance, to a board of directors to be named by the said Birdseye.

The Two Birdseyes

"It appears from the investigation that on March 28 Birdseye negotiated a loan for $120,000 with the Commercial Trust Company of New York City upon his note or notes, bearing also the name of said Montgomery. It further appears that a few days previous to March 28 Kellogg Birdseye, the son of Clarence F. Birdseye, had approached several of his intimate friends and requested them to go to Pittsburgh on March 29, asking them to assist in the formalities of a reorganization of a corporation, and that they would be called upon to act temporarily as directors. On the evening of March 29 the two Birdseyes, together with some of the proposed directors and an assistant secretary of the Commercial Trust Company of New York, went to Pittsburgh. It appeared that although Birdseye had obtained a credit of $120,000 with the Commercial Trust Company, that institution was apparently unwilling to certify a check for that amount and sent its officer to Pittsburgh for that purpose.

"The next morning, at 11 o'clock, at the office of the Pittsburgh Life & Trust Company, at Pittsburgh, a meeting of the old directors was held. Birdseye having failed to bring with him from New York a sufficient number of dummy directors to take over the management of the company, had arranged for the assistance in that respect of a law firm of Pittsburgh, which supplied five lawyers of the office to serve for that purpose.

"The assistant secretary of the Commercial Trust Company of New York met with old directors, and after being assured that a transaction was to be consummated, certified in the City of Pittsburgh, to two checks on his bank in New York City—one for $1,380 to purchase 17 qualifying shares for the new board of directors, the other for $104,520 being the first installment on the purchase price of the stock, upon which payment the old directors had agreed to transfer the management of the company to the new directors of Birdseye's selection. These checks having been certified and delivered, Birdseye proceeded to take control of the company, the directors successively resigning one at a time, and each vacancy immediately being filled by the election of one of the dummy directors designated by Birdseye. The new board of directors thereupon proceeded to the election of new officers, and immediately adopted resolutions which had been previously prepared by Birdseye, authorizing the transfer of the Washington Life Insurance building in the City of New York to one Thomas A. Crawford for $3,900,000 par value of the bonds of the Dare Lumber Company. I have this day examined Mr. Crawford under oath, and find him to be a process server in the City of New York, 28 years of age, without any financial responsibility, and who was requested by Birdseye to act in this capacity for the purpose of taking the conveyance of the Washington Life building and executing a mortgage of $3,000,000 thereon. Mr. Crawford had no knowledge whatever as to the nature of the transaction. He simply signed such papers as he was requested to sign by Birdseye, and testified today that he never had heard of the Dare Lumber Company.

"The directors further authorized a loan to said Crawford of $3,000,000, secured by a mortgage upon the Washington Life building. The funds were to be advanced to Crawford, $1,900,000 in cash, $200,000 by a credit upon his purchase of another building, and $900,000 in bonds of the Dare Lumber Company. There was also another transaction relating to the transfer of the St. James building in the City of New York, which has not as yet been completely investigated. In order to supply the funds necessary to make the cash payment, the directors authorized the sale of certain high-class securities held by the Pittsburgh Life & Trust Company. The new directors also authorized an account to be opened with the Commercial Trust Company of New York, and delivered to the officer of that bank who accompanied the party to Pittsburgh $379,000 for deposit in his institution to the credit of the insurance company.

"It appears from the examination that none of the new directors had invested any money in the stock of the insurance company and before they were elected directors of the new company were requested to, and did assign to Birdseye their qualifying shares, and at the same time furnished him with their written resignations as directors, to take effect at Birdseye's pleasure.

Took Securities From Safe

"Birdseye and his associates returned to New York and on the next day, March 30, took from the safe deposit vaults approximately $1,500,000 of the highest grade of securities owned by the life insurance company, and delivered same to Spencer Trask & Co. for immediate sale. The latter firm consummated the sale of a portion of such securities, and on the same day, the proceeds thereof, to the sum of $1,000,000, were deposited to the credit of the life insurance company in the Commercial Trust Company. Immediately upon such deposit, the check of the life insurance company in favor of Thomas A. Crawford for $1,300,000 was delivered to that individual, and by him immediately endorsed to the order of Clarence F. Birdseye, and deposited to the credit of said Birdseye's account. Immediately, Birdseye drew checks on his account in sums aggregating $1,000,000 for payment to the owners of the Dare Lumber Company and East Lake Lumber Company properties, and another check for $100,000 to the order of said George F. Montgomery, and then and there delivered the same.

"Subsequently thereto, and on April 9, Spencer Trask & Co. made further advance in the sum of $600,000 upon the securities which had been placed in their hands, and such sum of $600,000 was immediately deposited to the credit of the life insurance company in the Commercial Trust Company, and a check therefor was drawn by the life insurance company to the order of said Thomas A. Crawford, and by him immediately endorsed to the order of Clarence F. Birdseye. Birdseye thereupon drew his check or checks in the sum of $313,360 on payment of the further 30 per cent. installment upon the purchase price of the stock of the life insurance company.

Further Disclosures

"On April 11 a further meeting of the new board of directors was held at Pittsburgh, at which the newly elected officers reported that they had carried out the transactions authorized at the meeting held on March 29.

"The investigation further discloses that after the execution of the agreement between Montgomery and the lumber companies Montgomery caused the Dare Lumber Company to issue $6,000,000 of bonds, secured by a mortgage upon the property which had been simultaneously acquired for $1,000,000. It is further contended that the property was greatly enhanced in value by reason of a certain underlying contract with the Pulp Wood Corporation, a corporation recently organized under the laws of the State of Delaware with an authorized capital stock of $2,000.

"In the course of the investigation I have obtained a copy of a contract entered into between Montgomery and Kellogg Birdseye, whereby the said Birdseye acquired bonds of the lumber company of the par value of $3,100,000 for $1,100,000, the payment for which has been above described.

"These bonds were delivered to the life insurance company at their full par value, and now form a portion of the assets of the company and take the place of the high-grade securities which the company by its new board of directors sold through Spencer Trask & Co.

"The investigation shows that not a dollar of new capital was invested in the life insurance company and no funds were used for the purchase of the capital stock of the company or for the acquisition of the property of the lumber companies except what was provided by the assets of the life insurance company in the manner hereinbefore indicated.

"It is hardly conceivable that the old directors of the life insurance company having charge of millions of trust funds would have turned over to strangers, none of whom had a dollar invested in the capital stock, the control and management of the company. These old directors are men of high financial responsibility, and it is my opinion that a cause of action exists against them to compel a restitution of the assets of the company which have been wrongfully dissipated, and I am sure that every effort will be made by the authorities in Pennsylvania to secure that result. So far as I am concerned, I propose immediately to present to the District Attorney of New York County the facts and depositions obtained in my investigation and co-operate with him in any efforts he may make to punish those responsible with respect to acts which took place in this county.

"The action taken by the so-called dummy directors in the dissipation of the funds of the company was in utter disregard of their fiduciary obligations, and the attitude of some of them can be best illustrated by the statement made by the witness, George A. Nichol, Jr., a friend of the Birdseyes and one of those selected by them to act as director and vice-

44 MILLIONS from 42 AGENCIES

THE 1916 RECORD OF OUR EARNEST, LOYAL AND HAPPY AGENCY FORCE

New England Mutual Life Insurance Company

BOSTON, MASS.

Business Attending to Business

General business is prosperous and the public confidence is proof against all alarms. Our deliveries for the first three months were much larger than for the first quarter in 1916. Patriotism requires that business shall attend to its business with the utmost zeal, that the stability of finance may remain unshaken; even as patriotism requires that every American shall support the government by such means as are his to contribute, that our country may be invincible.

Occasionally we have a general agency opening.

JOSEPH C. BEHAN, Superintendent of Agencies

MASSACHUSETTS MUTUAL Life Insurance Company

Springfield, Massachusetts

Incorporated 1851

NATIONAL LIFE INSURANCE COMPANY

(MUTUAL)

MONTPELIER, VERMONT

67th Year

FRED A. HOWLAND, President

On paid-for insurance basis and with bonds valued at par only (market value $409,882 above par) the 67th report shows:

Assets	$66,426,040.82
Liabilities	62,268,494.36
Surplus	$ 4,157,546.46
INSURANCE IN FORCE	$212,037,400.00

A good company for the policyholder and the agent

EDWARD D. FIELD, Superintendent of Agencies.

president of the reorganized company, who said in substance that the assurance of a personal friend was sufficient justification for him to dispose of trust funds of a life insurance corporation without any further inquiry or investigation.

"The other dummy directors who have testified before me are William D. MacQuesten, Elmer S. Keay and Alfred Lucry, all of whom have expressed keen regret at their connection with the matter, and Mr. MacQuesten, as the vice-president and only acting executive of the company in New York, has been particularly helpful to me in my efforts to unravel the complicated circumstances surrounding the case.

"I am advised that the Pennsylvania Insurance Department has late this afternoon applied to the court at Pittsburgh and obtained the usual order in proceedings to liquidate the affairs of the Pittsburgh Life & Trust Company."

Pittsburgh, Pa., May 1.—Charged with conspiracy against and defrauding the Pittsburgh Life & Trust Company, warrants were issued here to-night for Clarence F. Birdseye, Kellogg Birdseye, George Montgomery, Robert R. Moore and Alfred Luery, all of New York. This statement was made here to-night by J. Denny O'Neil, State Insurance Commissioner, who also gave out the following statement:

George Montgomery, who appears to have been an irresponsible promoter of New York, without any apparent financial standing, entered into negotiations with the Dare Lumber Company, a New York corporation, whereby Montgomery agreed to purchase the property for $1,000,000. Montgomery, having made this agreement, immediately took steps to issue bonds in the sum of $6,000,000 on the property.

In the meantime, Clarence F. Birdseye, of New York, suspended as a member of the bar of the State of New York, approached W. H. Nimick, president of the Pittsburgh Life & Trust Company, and W. C. McCausland, vice-president of the company, and proposed to purchase the holdings of the directors of the company and certain other stockholders, sufficient to give him a majority of the stock of the company at $80 per share. The stock of the company at the time was being held at from $55 to $65 per share.

The agreement entered into and a deposit of $10 per share on account of this purchase made at the Keystone National Bank (which deposit would amount to less than $120,000) the directors of the company agreed to resign as said directors and turn over the immediate control and disposition of the company with its $24,000,000 of assets, protecting $115,000,000 of outstanding policies to a board of directors to be named by Birdseye.

Birdseye and Montgomery having no funds in some way on March 28 induced the Commercial Trust Company of New York to give Birdseye credit for $120,000, a pass book on a note, signed by Birdseye and indorsed by Montgomery without collateral. Birdseye, with a dummy board of directors then proceeded to take control of the company.

The Pittsburgh Life had on that date in Pittsburgh banks between $500,000 and $600,000 for the purpose of carrying on its business. On authorization of Birdseye's dummy board $379,000 of this was immediately transferred to the Commercial Trust Company of New York as an account. Out of this money was taken the $120,000, covering the initial payment of $10 per share of the stock for the Pittsburgh Life & Trust Company.

The dummy board of directors then proceeded to dispose of the Washington Life building owned by the Pittsburgh Life as an asset, for $3,970,000. For this building, bonds of the Dare Lumber Company were taken as payment. The directors of the Pittsburgh Life then agreed to take a mortgage of $3,000,000 on the building giving in return about $2,000,000 in cash and the balance in bonds on the Dare Lumber Company and other credits. Not having that much cash the dummy board then authorized the sale of valuable securities and the proceeds amounting to $1,540,000 were then deposited at the Commercial Trust Company of New York. The fiscal officers of the Pittsburgh Life then drew two checks, one for $1,300,000 and the other for $600,000 on the funds in the Commercial Trust Company, which were turned over to one Crawford, who held the deed for the Washington Life building. These checks were immediately deposited to the credit of Birdseye. Birdseye then paid $1,000,000 of this money to the Dare Lumber Company for their property, and in return received $3,100,000 of the company's bonds, of which he transferred $3,070,000 to the Pittsburgh Life & Trust Company, a consideration which the dummy directors had agreed to take for the Washington Life building, the difference of $900,000 of these bonds retained by Birdseye apparently for the purchaser and the mortgagor as part of the $3,000,000 mortgage.

The net result of the remarkable transaction was that the Pittsburgh Life had gotten some $3,000,000 worth of bonds as a consideration for its property and had in addition parted with actual hard cash in the sum of $1,900,000, Birdseye having taken this $1,900,000 out of the Pittsburgh Life and used $1,100,000 to finance the Dare deal and had a balance of about $800,000 to his personal credit.

Realizing the gravity of the situation, the insurance departments of New York and Pennsylvania called the former directors of the company into conference to-day and asked them to take the company over and straighten out its financial difficulties. On their refusal to accede to this request, an application was made before Judge Shafer for a receivership.

SURPLUS EARNINGS

Prepared By
Northwestern Mutual Life

The surplus earnings of a year equal the difference between the assumed cost and the actual cost of fulfilling contracts as determined by actual experience. The mortality, interest and expense rates assumed in computing premiums are purposely fixed at points sufficiently high to guarantee absolute security under any contingency possible to arise, but the mortality, interest and net expense of actual business are, or ought to be, more favorable than these assumptions. Consequently there is a margin between the actual and the assumed rates that constitutes the surplus earnings of a company's transactions.

A life insurance company in common with other carefully conducted financial institutions, closes its books annually (usually January 1st), in order to determine the results of the year's business. On the one side the company has its income from premiums, interest and other sources, while on the other side are its payments for death losses, endowments, expenses of management, etc., together with the increase in reserve liability. The difference between the credits and the debits is the surplus arising from the year's transactions. From this surplus dividends are apportioned, and evidently no company may indefinitely continue to declare dividends in excess of the surplus earned.

Mortality

Having assumed, for the purpose of computing premiums, a loading for expense, rates of mortality and of interest, it is evident that the management of a company should endeavor to so transact its business that its actual mortality and its expenses will be less than its assumptions, and that the rate of interest earned will exceed the rate assumed. It is also evident that the efficiency of the management in reducing the cost of life insurance will be measured by the margin between its actual experience and the assumptions that have been made. Where several companies adopt practically the same assumptions it is clear that the most successful company will be that which by careful selection of risks, economy of management and judicious investments secures the largest surplus earnings or margin between actual conditions and its assumptions. In a general way the same is true of all business organizations, efficiency being measured by the margin between income and expenditure. A person contemplating the purchase of bank stock would certainly inquire into the business transactions of the bank. He would seek information as to the quality of its investments, the character of its managers, and above all the margin between its expense for various purposes and its income from various sources. Exactly the same investigation should be pursued by a person intending to insure, since it is evident that in the long run the life insurance company securing the largest margin between actual cost and assumed cost will give the best results, that is, will insure his life or mature his endowment at the lowest cost to himself.

(To be Continued.)

War Clause Recommendations

(Continued from page 2.)

that some modifications may be necessary.

"Every life insurance company and every commissioner is respectfully requested to notify Commissioner Burton Mansfield, whether it will accept and approve of these recommendations of the war clause at the earliest possible date. We hope that each insurance commissioner and each company will bear in mind that it would be difficult, if not impossible, to bring the companies and the commissioners together again, to agree upon any modifications of the recommendations and that accordingly they will accept these recommendations as urged."

THE MOST VALUABLE POLICY FOR YOU,
Mr. Agent, is to write your prospect in the Company writing the most valuable policy for the insured.
Secure **prompt action** in the

John Hancock
MUTUAL
LIFE INSURANCE COMPANY
OF BOSTON MASSACHUSETTS

WILLIAM N. COMPTON, General Agent
METROPOLITAN DISTRICT, ST. PAUL BLDG., 220 BROADWAY, NEW YORK, N. Y.

The
Perfect Protection Policy
OF THE
RELIANCE LIFE

gives you something absolutely new and different to talk to your prospects. Gives you a chance to earn more money than you are now making.

Our Life Insurance Contracts contain the most up to date clauses known to the Insurance World. The Accident and Health gives full protection for at least a third less cost than regular casualty companies. Our agency contracts are as liberal as can be made.

WRITE AND WE WILL TELL YOU MORE ABOUT OURSELVES

Reliance Life Insurance Company of Pittsburgh
FARMERS BANK BUILDING
PITTSBURGH, PENNSYLVANIA

Build Your Own Business
under our direct general agency contract

Our Policies provide for:
Double Indemnity, Disability Benefits, Reducing Premiums

See the new low Rates

JOHN F. ROCHE, Vice-Pres't
THE MANHATTAN LIFE INSURANCE COMPANY
66 BROADWAY NEW YORK
Organized 1850

ALWAYS A PLACE FOR DEPENDABLE AGENTS

Those who can not only write applications but deliver policies, and are energetic in their methods. Good positions are ready for such men.

Union Mutual Life Insurance Co.
PORTLAND, MAINE
ARTHUR L. BATES, President
Address: ALBERT E. AWDE
Superintendent of Agencies
7 W. Madison St., Chicago, Ill.

We want a GOOD PERSONAL PRODUCER and organizer for DESIRABLE TERRITORY in several states west of the Mississippi River. EXCELLENT CONTRACT.

Northwestern National Life Insurance Company
MINNEAPOLIS, MINNESOTA,
is a LEADING LOW NET COST, annual dividend, MUTUAL, OLD LINE company. Record for 1916—increase in insurance in force, 20%; in paid-for business, 51%; in assets, 15%; in amount apportioned for 1917 dividends, 71%.

Founded 1865
The PROVIDENT Life and Trust Company
OF PHILADELPHIA, PA.

What do most men fear?
An insufficient income for their wives and children if they die, and for their own old age if they live.

We will insure the income in either event.

WRITE FOR INFORMATION

Are You Permanently Established?

Write for Territory

Pennsylvania—Ohio—West Virginia

PHILADELPHIA LIFE INSURANCE CO.
PHILADELPHIA

LIVE HINTS FOR BUSINESS GETTERS

Practical Suggestions to Help the Man With the Rate Book Increase His Income and General Efficiency

Scope of Business Insurance

Clifford Elvins, advertising manager of the Imperial Life, of Toronto, recently prepared a paper on the "Scope of Business Insurance," in which he outlined in succinct fashion the functions of business insurance. He sees ten of these functions, viz.

First, it may be used to convert the interest of a principal into cash immediately at his desk, and at the same time, if desired, provide additional working capital for the benefit of the surviving partners or stockholders.

A second function is to offset the shock to a business which would result from the death of one of its members.

A third function is to strengthen the credit of a commercial enterprise by protecting bankers and other creditors from loss through the death of a partner or executive official.

A fourth function is to provide a readily available source from which money can be borrowed quickly, without publicity and at a moderate rate of interest during times of financial stress, or sudden opportunity.

A fifth function is to create a sinking fund with which to retire at maturity mortgages, bonds or stocks, or to pay off at a given time, or at the death of the assured, bank overdrafts or other financial obligations.

A sixth function is to add to the attractiveness, as an investment, of the stock or other securities of a limited liability company by protecting that company from financial loss due to the premature death of the man or men who are in the meantime essential to that company's success.

A seventh function is to create a fund with which to pay off the interests of a retiring principal.

An eighth function is to create an endowment, or mortgage redemption fund for colleges, universities hospitals, Y. M. C. A.'s or other community enterprises.

A ninth function is to compensate a business for losses which may arise through the death of a valued employe or official.

A tenth function is to establish and build up a pension fund for employes.

Mr. Elvins' paper was printed in the Canadian "Life Underwriters' News."

* * *

The Question of Personal Appearance

At the recent gathering of the Pennsylvania general and district agents of the Equitable Life of Iowa, Secretary F. F. Hadley talked on "Methods of Getting Men," saying that he had changed his mind somewhat in the past year as to his idea of a prospective agent. He stated that it was not so essential that he be attractive, well mannered, wore clothes of the latest cut, etc., but that he had ability to know how to work and work hard. He illustrated this point in giving his personal experience in buying cows. He said that he at first bought cows because they had nice straight backs, square rumps, nicely shaped heads and well filled out bodies, but he soon found out that he was on the wrong track, that it was not the looks that counted, but how they "talked in the milk pail." He said that he found as a rule that the animal that had large hip bones, crumpled horns and a large stomach were milk producers and not just "boarders." The place the agent should talk is in production. Man is a diamond in the rough and it is up to the general agent to discover him and make a brilliant success out of him. Look for the man that has unbounded energy and will work. One that enthuses over the life insurance business. The trouble with general agents is that they look for prospective agents that look good instead of looking for the man THAT IS GOOD. Don't count on the outward appearance too much, but the essential qualifications—honesty, integrity, enthusiasm and initiative. If you find that a man is unfitted for the life insurance business, it is your duty to see that the man gets another job. Get the unproductive agent out of your agency as it has a bad influence on the agency.

Mr. Hadley then spoke of getting good ideas from other business lines, giving as illustrations Mr. Grace now president of the Bethlehem Steel Corporation who eight years ago was an engineer on a yard engine, and Dinkey, now a high official in the U. S. Steel Corporation, who one time was a waterboy. Both were men that did well the thing that they had to do. He stated that he would not contract with a man whose idea of the business was "what do I get out of it?" Would not contract with a man that did not keep his appointments, nor a man that was too slow to move fast.

HART AGENCY FORGING AHEAD

During the first three months of this year the G. W. Hart agency of the Northwestern National Life in South Dakota, increased its business 84 per cent. over the corresponding period of 1916.

The Company ranked second in production in both South Dakota and North Dakota last year.

NINE CASES IN ONE DAY

During Wesendonck Month D. L. Harris, district manager of the Germania Life in Denver, more than made good a promise of one application for each working day in the month. He totalled forty-seven applications for $76,500. His best record was on March 22—nine applications for $22,500. The Company had submitted to it during Wesendonck Month $4,360,667.

THE
METROPOLITAN LIFE
Insurance Company
(Incorporated by the State of New York)



Metropolitan Life Insurance Company
Home Office Building

The Company

Of the People
By the People
For the People

The Daily Average of the Company's Business during 1916 was:

701 per day in Number of Claims Paid.

8,304 per day in Number of Policies Issued and Revived.

$1,969,823 per day in New Insurance Issued, Revived and Increased.

$376,827.40 per day in Payments to Policyholders and Addition to Reserve.

$220,509.26 per day in Increase of Assets.

JOHN R. HEGEMAN, President

AETNA'S NEW CAMPAIGN

Started May 1 and Will End October 31 —Includes All Casualty Lines—Trip to Home Office a Bonus

The Aetna Life and affiliated companies this week started a business-getting campaign to extend to all lines and ending October 31. Under the plan of campaign, every licensed agent who is under contract with the Aetna and affiliated companies will have an opportunity to earn a substantial bonus and the possibility of earning a trip to the home office at the Company's expense.

INSURANCE HEAD VANISHES

Search is being made for L. H. Miles, vice-president of the American Life and Accident Insurance Company, who disappeared from his residence last week. Mr. Miles has been despondent lately due to ill health.

ALBANY UNDERWRITERS MEET

The regular monthly meeting of the Capital District Life Underwriters' Association was held last Monday at Keeler's, Albany, Chairman Tripp presiding. After the usual routine business had been disposed, C. C. De Rouville reported on Senate bill 1161, which appears to have died in committee. The application of E. B. Houghton, of the Penn Mutual, Schenectady, was unanimously accepted. Three topics were discussed informally: the cessation of competition; results of systematic work, and interesting personal experiences.

Mr. Houghton told of the methods he employed in getting 44 applications in March—although only a beginner.

INSURES EMPLOYES FOR $120,000

The Cushman Chuck Company, of Hartford, has taken out group insurance for 166 of its employes, the policy being issued by the Travelers Insurance Company. The initial amount for which the men are insured is $120,000. Each employe who has been in the service of the company four months gets $500 insurance, this amount to be increased $100 at the end of one year's service and $100 more for every additional year thereafter until $1,000 is reached. The policy was issued through the agency of S. R. Benjamin & Co.

CITY TO INSURE SOLDIERS

A plan for the city of Philadelphia to insure the lives of men who enlist for military service was enthusiastically endorsed by Select Councilman James E. Walsh of that city. Mr. Walsh said that he will frame an ordinance which will provide for the payment by the city of $1,000 to dependents of men who die in the service of their country and urged that councils appropriate a sufficient sum to guarantee payment of premiums to relatives of Philadelphia soldiers who are killed while in action.

FALSE REPRESENTATION

The Appellate Term of the First Department has recently rendered a decision dismissing an action against the New York Life Insurance Company upon the ground that Section 58 of the insurance law precludes the policyholder or his representative from showing that he was not responsible for the statement made in the application.

Representing

The Mutual Life Insurance Company
of New York

You will make money.

The great strength, big dividends and incomparable benefits of the *"oldest company in America"* mean certain success for you.

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GEORGE T. DEXTER, 2d Vice-President

34 NASSAU STREET. NEW YORK, N Y.

THE EASTERN UNDERWRITER

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THE PITTSBURGH LIFE & TRUST

The wrecking of the Pittsburgh Life & Trust Co. is the worst insurance scandal in a great many years. A complete statement of the situation, printed on other pages and coming from the New York and Pennsylvania Insurance Departments, indicates that George Randolph Chester's "Get-Rich-Quick-Wallingford" was a mere babe in arms compared with Clarence F. Birdseye. And there undoubtedly will be interesting developments growing out of the ease with which securities amounting to $1,900,000 were taken from the Company and securities of very doubtful value substituted.

The integrity of Frederick A. Wallis, who was to have taken the presidency of the Pittsburgh Life & Trust on May 2, but who withdrew last week before it was time to take office, is not involved. He was about to be the victim of the machinations of one of the most plausible financial schemers of the decade. Mr. Wallis had been assured that the future security of the Company depended upon the sale of the Washington Life and St. James buildings, low interest earning properties of the Pittsburgh Company, and that this had already been done by replacing the values with 6 per cent. tax-free bonds. He was told by Birdseye that the latter had departmental endorsement secured after nine interviews with the Insurance Superintendent of New York; he had been shown a bank passbook by Birdseye disclosing a $2,100,000 deposit to the latter's credit; he had made several trips to Pittsburgh to see if the records of the Company were in good shape; and he had been convinced by Birdseye that too much investigation of the real estate and security end in New York would spoil the deal, inasmuch as the large interests involved "would become frightened." His position with Birdseye was that the transaction must be correct in every detail, and have the unqualified approval of the Insurance Departments of New York and Pennsylvania, to which Birdseye fully agreed. Discouraging and disquieting rumors came to him that all was not right and last week he withdrew his acceptance of the office of president to which he had been elected about a month ago. It has since developed that while Birdseye had nine interviews with the New York Insurance Department the result of those interviews was not what Birdseye said they were. It should be explained also that Mr. Wallis had nothing to do with the transfer of the securities and the installation of the dummy directors or the other acts which departmental investigation has disclosed, as this all occurred before they presented him with the presidency.

Mr. Wallis' hard luck was that he investigated more in Pittsburgh than he did in New York. Being a life insurance man instead of a financier he naturally thought the home office books would tell the story, but in Pittsburgh the cards were cleverly stacked against him. In New York he undoubtedly felt that a lawyer with $2,100,000 in the bank was a person who was swinging a big deal and whose sincerity was to be believed.

THE WAR CLAUSE CONFERENCE

The strong demand for uniformity in the war provisions of life insurance companies, and the conference between insurance commissioners and insurance companies last week, resulting in the drafting of recommendations that went to companies and commissioners, together with an earnest plea that they be adopted, has somewhat improved the situation, although some of the most important companies in the country are taking the position that their clauses adopted a few weeks ago, after approval by insurance departments, will continue to be used by them.

The widespread interest in the conference was shown by the large attendance, company officials on short notice coming from as widely distant points as Maine and Nebraska. There were at least two weak points about the gathering. In the first place, the commissioners could act only in an advisory capacity, their recommendations, no matter how strongly put, not being binding, so far as other States are concerned; while the company committee members said that they were acting only as individuals and not speaking for their boards. In the second place, no European mortality experience was available, and mighty little was quoted from Canada. This was simply because this experience is so closely guarded that it is practically unattainable, and has not been thoroughly collated and digested by the companies themselves. Thus, the confreres were groping more or less in the dark.

While the commissioners favored spreading the extra premium over the entire body of new war service policyholders it later developed that some of the most influential companies do not. Taking this attitude the latter believe that their present clauses are more liberal than those recommended. The present clauses make no extra charge, as a general practice, unless there is service outside the continental boundaries. In this way those not subject to extra hazard are not penalized in the rate. It is also widely believed that if this be a war with the participation at the front of hundreds of thousands of Americans, even a 10 per cent. extra premium may be insufficient. The fact that the recommendations may be a violation of the standard provision law also has carried weight, as it is not in keeping with jurisprudence or rules of commerce that the purchaser of a contract make himself liable for charges and burdens not in the contract.

That competition in life insurance war provisions should be discouraged will be generally conceded. This is not the time for reaping any business advantage. In such competition the weaker companies will be subject to a considerable strain. The rights of their policyholders must be protected, and from their standpoint, if for no other reason, uniformity is desirable. Unfortunately, uniformity seems a long way off for the reasons hereinbefore cited.

THE HUMAN SIDE OF INSURANCE



PERCY LING

Percy Ling has been appointed assistant general agent of the Middle Department of the North British & Mercantile, New York office, after seventeen years of faithful and continuous association with that corporation. Mr. Ling, whose home is in Brooklyn, began his insurance career with the Norwich Union, going subsequently with the Old Traders. After the collapse of the latter company, Mr. Ling became associated with the North British, soon gaining promotion through force of character and hard work. He was in the Western Pennsylvania and West Virginia field, with headquarters in Pittsburgh, remaining there for five years. Then he become special in Eastern New York, making his headquarters in Albany, a six years' stay in the State capital. He has been active in the Underwriters' Association of New York State. Mr. Ling is married, has two beautiful children and when work permits, indulges in golf—the game not the language. He is a member of the Albany Field Club. Personally, Mr. Ling is unassuming, has keen instinct and love for fire insurance, and has a large following of agents who have often looked to him and have received good advice. The appointment is a good one in every respect.

* * *

William A. Krouse, son of Clarence A. Krouse, prominent general and local agent in Philadelphia, sailed on the "La Touraine," of the French Line, Saturday, April 28th for France, where he will join the American Ambulance Corps doing service on the West front. Mr. Krouse will join his brother Cleon E. Krouse, who is now in active service in the American Ambulance Corps operating from Neuilly S. Seine, France, and who, as recorded in The Eastern Underwriter, was recently promoted to rank of Sergeant for the Corps with which he is connected.

Cleon Krouse has the honor of being the first American to be selected by the Department of War from the members of the Ambulance Corps to go direct to the front for service after the United States formally declared war against Germany. He is now somewhere on the West front.

Clarence A. Krouse accompanied his son to New York and saw him off Saturday afternoon.

* * *

Henry B. Howell, of H. N. Howell & Son, Lancaster, Pa., agents of Insurance Company of North America and other companies, has mailed to his patrons a card, topped with two American flags, headed "I'm in the Navy Now," and reading: "As I am an officer in the United States Navy—Reserve Force—I will be at sea until hostilities cease. During my absence our business will be under the capable management of my mother, Anna B. Howell. It will be a great favor if you will give prompt attention to the enclosed matter, as the office will be somewhat handicapped while I am away; any help you can give will be appreciated."

* * *

President Morgan G. Bulkeley, of the Aetna Life, which baseball team is one of the strongest in Hartford, has notified the employes of the Company that on and after May 1st the closing hour will be 4 o'clock instead of 5:30 as heretofore, and that the 10 per cent. bonus given the employes during the winter will continue. The action on the part of the ex-governor will allow the Baseball Insurance League to continue. Governor Bulkeley has always been a baseball fan.

* * *

F. C. Staniland, superintendent of the Metropolitan Life in Brooklyn, N. Y., was elected president of the Flatbush Chamber of Commerce at the annual meeting.

YORKSHIRE IN AUTO FIELD

Appoints Walter Blake-Lobb Manager of Newly Organized Department of Company

The Yorkshire Insurance Co., Ltd., has entered the automobile insurance field, and has appointed Walter Blake-Lobb, formerly with E. E. Hall & Co., as manager of that part of its activities.

WRITING RECORD BUSINESS

The Bankers Life, of Des Moines, is writing insurance at the rate of over $6,000,000 a month. The production for the first ten days of April was over $2,000,000 and the total production for March was $6,300,000. The business for the year has shown a steady increase each month with $4,000,000 in January, $5,000,000 in February, and $6,000,000 in March. The total for the first quarter was approximately $15,000,000 as compared with $10,000,000 for the corresponding period of last year.

FLAG AT RATING OFFICE

The unfurling of the American flag at the New Jersey Schedule Rating Office in Newark on May 1 was an impressive ceremony. Atlee Brown made a speech which was vigorously applauded by those who witnessed the ceremony.

FIRE INSURANCE DEPARTMENT

The Timidity of Insurance Directors

JUDGE BUSINESS BY MERCANTILE STANDARDS

Have Eye Singly Upon Earnings—Shortsightedness That is Unfair to Underwriters

The tendency of directors of insurance companies (particularly the smaller companies) to get what is colloquially called "cold feet" upon the least provocation is the subject of an unusually good editorial in "The Insurance Monitor," which is reproduced herewith because of the sound, common sense that it contains:

The Qualifications of a Fire Insurance Director

There is a popular idea that the larger the interest of the directors in the stock of their corporation the stronger is the guarantee of its sound management. However true this may be regarding ordinary business corporations the principle does not apply to fire insurance companies. The majority of fire insurance officers if they were free to speak their minds would confess that an excessive stock interest in the hands of its board is apt to be detrimental to the best management of the company.

The reason is a simple one. Insurance as a business is exceptional in its character. The average director is not an underwriter and has but an imperfect conception of the principles involved. He is apt to apply to the business the same rules by which he judges of ordinary mercantile transactions. If he sees a temporary diminution of surplus through an exceptionally heavy fire loss it is often difficult for him to comprehend that insurance is a business dealing with a problematic future and with long averages, that little can be predicated on the experience of a few weeks or months, or even perhaps on that of a single year. If he sees the reserve against the company growing at the expense of the surplus by reason of an increasing business, it is often hard for him to understand that a large percentage of this reserve is actually a future surplus temporarily withdrawn in order to comply with the technical requirements of State laws. In short, the natural tendency of the average director is to judge of the business of a fire insurance company by the same mercantile rules which he applies to ordinary business.

He compares perhaps the earnings of the year with the interest returns of the invested assets and straightway concludes there is little or no profit in the business itself, not realizing that an insurance company is like a bank whose profits partly come from the money belonging to its depositors. The interest earnings of the reserve belonging to its policyholders are as much the profits of the business as are the excess of premiums over the losses and expenses of the company.

Strong Temptation

The larger the stock interest of a fire insurance director the stronger is his temptation to go beyond his legitimate sphere and direct the management of the company in what he conceives to be his interest as a stockholder along insurance lines which only insurance experts are qualified to pass judgment on. His self interest as a stockholder tends to warp his judgment as a trustee whose care should be the future well being of the company itself. To the strain of steering the business is often added the burden on the president of combatting the crude ideas of directors who cannot be made to realize that they are incompetent to play the part of underwriters. It is a well-recognized fact in the profession that the attempt of directors to control the executive management is deadly to the success of the company.

A substantial interest in the stock of the company as an earnest of their loyalty to their obligations is a rightful requirement from the board. But beyond this the personal qualifications of the members are more important by far than the measure of such an interest. Their legitimate functions concern the company as a sound financial institution wisely directed by its expert management as business men, not the usurpation of the executive duties of its officers.

An insurance company has obligations to its policyholders and to the public apart from those which it owes to its stockholders. The paramount importance of these in case of the life company is recognized in the repeated substitution of a mutual for a stock control.

RENTAL INSURANCE

Some Views on Subject From a Pacific Coast Man—Annual Rentals

In a recent paper on the Pacific Coast, in which he discussed rental insurance, George E. Townsend, assistant general agent of the Aetna, said:

"The forms in use on this Coast do not consider a basis of less than the 'annual rentals.' We have not progressed under this class and we should consider the plan of graduating the rate applying according to the amount required to be carried by the assured bears to the probable length of time required to rebuild the property in the event of total loss. It is eminently unfair to charge a premium on insurance based on annual rental, when the building may be rebuilt in six months. 'Rental values' of property should be defined also and always bearing in mind that both of these features are always included in 'use and occupancy' contracts at a rate based on percentages materially less than the building rates, and contemplated to indemnify for full loss of 'rental value.'

"Companies generally agree that 'leasehold contracts' are undesirable in the majority of cases."

WAS AN AGENT 40 YEARS

Late Walter G. Harter, of Utica, Represented Germania Fire During 40-Year Period

Walter G. Harter, who died in Utica at the age of seventy-nine, was in the Utica insurance business for thirty-five years. He was born in Warren, N. Y. In 1870 he entered the insurance business and after engaging for five years in Herkimer, Mohawk and Syracuse, he came to Utica where he had since been located.

During the entire forty years of his connection with the insurance business he was agent for the Germania Fire. He also was district agent for the Connecticut Mutual and a number of other insurance companies. When he retired in 1910 he transferred his insurance business to his son, Fred G. Harter, who had long been associated with him.

F. S. Clain With Davis, Dorland

Frank S. Clain, who has been with Bagot & Co. for the past five years, started on Monday as superintendent of the audit department of Davis, Dorland Co.

FIRE AND MARINE INSURANCE—ALL LINES

The Automobile Insurance Company of Hartford, Conn.

MORGAN G. BULKELEY, President

Statement January 1, 1917

Cash Capital	$1,000,000.00
Assets	2,748,832.19
Liabilities (Except Capital)	1,039,977.81
Surplus to Policyholders	1,708,854.38

AFFILIATED WITH

ÆTNA LIFE INSURANCE COMPANY

THE ÆTNA ACCIDENT AND LIABILITY CO.

PHOENIX'S BINDING OFFICE

Placed in Charge of Stanton M. Bower Who Has Been Underwriter For Frederick C. Smith & Co.

As of May 1, the New York binding office of the Phoenix of Hartford, Connecticut Fire and Equitable Fire & Marine for risks anywhere in the United States and Canada, has been placed in charge of Stanton M. Bower and has been located at Room 1401, 1 Liberty Street. Mr. Bower has, for the past seven years, been with Frederick C. Smith & Co. and is a member of the firm. He will continue his connection with that office.

Mr. Bower has been in charge of the underwriting of Frederick C. Smith & Co., who represents the Phoenix for New Jersey and suburban territory, and for Griswold & Smith who, till May 1, had charge of the New York binding office of the Company. As an underwriter, he has come in contact with the New York brokers for several years and will continue to work with them as manager of the New York binding office of the Phoenix companies.

FORM INSURANCE ASSOCIATION

The Underwriters' Association and the Insurance Club of Scranton, Pa., have consolidated under the name of the Insurance Association of Scranton. The new association is composed of men who write all forms of insurance other than life. The officers are: W. F. Foster, president; G. N. Brown, vice-president; W. E. Huber, secretary, and H. J. Foster, treasurer.

NORTH BRANCH FIRE INS. CO.
Sunbury, Pa.
Inc. 1911

Assets	$641,341.77
Reserve	230,513.29
Capital	300,000.00
Surplus	63,479.83

CITY INSURANCE COMPANY
Pittsburgh, Pa.
Inc. 1870

Assets	$357,318.58
Reserve	54,256.92
Capital	200,000.00
Surplus	96,379.07

OPERATING ON A CONSERVATIVE BASIS IN A LIMITED TERRITORY UNDER AN EXPERIENCED MANAGEMENT

Eckert Writes Letter on Brokers' Troubles

TO FAVOR OFFICES WHICH CO-OPERATE

Loss of Clerks and Increase of Detail Cited as Reasons for Taking Action

John A Eckert & Co. last week gave notice to the underwriting offices on William Street that in the future it will favor those offices which consent to deliver policies, make corrections and sundry other details which have in the past been handled by the broker. The notice was in the form of a letter which reads as follows:

Gentlemen: The tremendous volume of detail work incidental to the insurance brokerage business has been subject to so much increase in recent years that it is becoming a serious problem for brokers to handle their business and properly care for their responsibilities.

The brokers must, in almost every instance, call on their customers to receive instructions; check their rates with necessary negotiations at the Exchange; plan and supervise improvements; place the business with the companies; prepare and deliver forms for policies; collect the policies from the companies; examine them, enter them and bill them; and collect and remit the premiums to the companies. This detail is augmented by the large amount of endorsement work necessary, which involves duplication of all the detail above outlined.

This problem of the broker will no doubt shortly become more serious by reason of the loss of efficient clerks who will enlist in the service of their country.

Of the branches of detail mentioned above, the most serious is the delivery of policies by companies. This office has decided to meet this situation by concentrating their business with the underwriting offices who will assist us by assuming part of this detail, which we believe rightfully belongs to them, as follows:

1st.—By the delivery at our office, through their own employes or mail, of all policies (new lines, renewals, and endorsements) within three days of the date of binding.

2nd.—By requesting policywriters or others who have supervision, to communicate with us in each case where there is any information desired in connection with an application, instead of filing our applications until a messenger is sent for the policy, which usually results in considerable delay because our messengers are not instructed to straighten out misunderstandings and must report to others higher in authority, which in turn involves more delay.

3rd.—By affording our junior clerks the attention which their business warrants in order that their work, and consequently our work, may be facilitated.

This communication is sent as a matter of necessity with no intention of being arbitrary, but with the view of meeting and remedying a serious condition of affairs which should have attention in the interest of the company as well as the broker.

We are aware that our own office is far from perfect, but believe that our shortcomings are largely due to the difficulties which we experience in the handling of our large detail.

Will you kindly advise whether it will be agreeable to you to render us the above service, and advise the name of the person in your office who will be responsible for the maintenance of same? This service, if rendered, will have a tendency to increase our business with your office.

JOHN A. ECKERT & CO.

Auto Insurance Views of Agents

SITUATION AS SEEN IN ROCHESTER AND JERSEY CITY

Valued Policy Called Immoral and Vicious —It Encourages Over-Insurance

In discussing phases of automobile insurance, two prominent local agencies gave The Eastern Underwriter their views this week:

R. S. Paviour & Son, Rochester, N. Y.—The only point that we wish to add to any discussion of automobile fire underwriting is emphasis on the viciousness of Form No. One. We believe that a valued automobile policy is immoral. Unquestionably it is responsible for the high loss ratio in automobile fire and theft insurance.

Form No. One exemplifies over-insurance in its worst form. Late in the first year the owner of a car listed at $2,000 may be insured for $2,000 when the machine is worth no more than $1,280. And he can collect $2,000 from the company! In other words, the agents and companies over-insure automobile owners knowingly. It is bad enough to over-insure property unknowingly

Woodward & Williamson, Jersey City, N. J.—The best thing, in our estimation, that has occurred in the automobile insurance business, for some time past, is the abolition of the $25 deductible theft clause and, in our humble opinion, it is now time to do the same thing with the collision coverage.

These clauses have always been the cause of considerable dissatisfaction in the adjustment of losses, and we are now called upon to contend with a number of companies who, in violation of their pledges, are offering full coverage collision at the reduced rate. Unfortunately, this is not done "in the open," but by agreement, either verbal or written, (not in the policy), to settle on the full coverage basis, the policy being written with the $25 deductible average clause.

That some of our largest companies, who should be able and willing to compete on the same basis as their smaller brethren, are doing this, is, to say the least, unfortunate.

Huff, Dryer & Co. Formed

Huff, Dryer & Co. this week succeeded the brokerage firm of Wachenheim & Huff. Perez F. Huff, general agent of the Travelers, is president of the new firm and E. R. Dryer, formerly of E. R. Dryer & Co., is treasurer. S. Salinger, who has been identified with Wachenheim & Huff for a number of years, is vice-president.

While Huff, Dryer & Co. Inc. will conduct a general brokerage business, the Perez F. Huff General Agency of the Travelers Insurance Company will continue to be separate, but the potential factors of both organizations will be to co-operate in giving expert service to agents and brokers in all branches of insurance.

The headquarters of the new combination will remain for the present at 84 William Street.

"The Leading FIRE INSURANCE Company of America"

ÆTNA INSURANCE CO. HARTFORD, CONN.

WM. B. CLARK, President

Explosion and Sprinkler Leakage Insurance

GET FIRST NATIONAL FIRE

Schaefer & Shevlin Appointed Agents of Company for Metropolitan and Suburban Territory and for Autos

The First National Fire on Wednesday announced the appointment of Schaefer & Shevlin as metropolitan and suburban agents of the Company and for automobiles. Schaefer & Shevlin also represent the Dubuque Fire & Marine for like territory.

O. E. SCHAEFER RETURNS

Otto E. Schaefer, vice-president of the Westchester Fire, returned last week from his annual winter vacation in Florida. Mr. Schaefer tells of visiting a number of Florida agents of the Company and learning from them that a movement is on foot to have the law amended to permit the paying of commissions to outside brokers on property located in the State but owned by non-residents.

U. & O. War Cover Rates

(Continued from page 1.)

explosion insurance is being written in Buffalo. One line discussed on the Street was $1,000,000 covering securities in a vault in a fireproof building.

Two lines that have gone through are the following:

$5,000,000 on Valley Mould & Iron Co., Sharpsville, Pa.

A line of more than $1,000,000 on Warren sugar refinery, Edgewater, N. J.

An office with an established Agency Plant in Eastern Pennsylvania could use two good Fire Insurance Companies.

Address "PENNSYLVANIA"
Care of The Eastern Underwriter
105 William Street, New York, N. Y.

THE HANOVER
FIRE INSURANCE COMPANY
Incorporated 1852

The real strength of an insurance company is in the conservatism of its management, and the management of THE HANOVER is an absolute assurance of the security of its policy.

R. EMORY WARFIELD, President
FRED. A. HUBBARD, Vice-President
E. S. JARVIS, Secretary
WILLIAM MORRISON, Asst. Sec'y

HOME OFFICE
Hanover Bldg., 34 Pine St.
NEW YORK

HOWIE & CAIN, General Agents
Metropolitan District
100 WILLIAM STREET, NEW YORK



Just say:
"Insurance Man"—
the open sesame to every courtesy within our power.

Room with detached bath $1.50 and $2.00

Private bath $2.50 and $3.00

BREVOORT Hotel
Insurance Headquarters
MADISON ST.—East of LaSalle
CHICAGO
LAURENCE R. ADAMS, Sec'y & Mgr.

INCORPORATED 1720

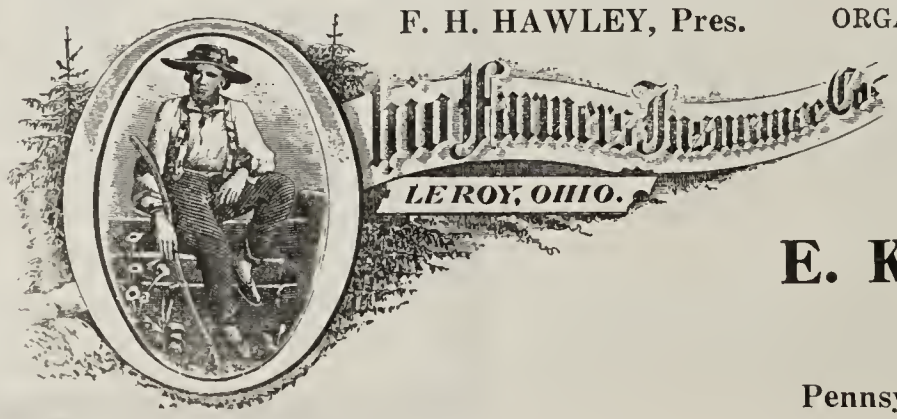
Royal Exchange Assurance

LONDON, ENGLAND

United States Branch
92 William Street, New York

RICHARD D. HARVEY
United States Manager

F. H. HAWLEY, Pres. ORGANIZED 1848 W. E. HAINES, Secy.



Ohio's Oldest and Strongest Company

Net Surplus Over $1,293,741.00

AN AGENTS COMPANY

E. K. SCHULTZ & CO.
PHILADELPHIA
GENERAL AGENT
Pennsylvania, New Jersey and New York

History of Newark Fire, Stock of Which Has Been Purchased By Royal

Started as a Mutual Insurance Company in 1810, and Has Grown Until Amount at Risk Tops $202,000,000— Old Officers to Continue

The purchase of the control of the Newark Fire Insurance Company, of Newark, by the Royal Insurance Company, noted in the columns of The Eastern Underwriter of last week, was one of the most important insurance happenings of the year, and the announcement that the officers and general staff of the Newark, headed by President E. J. Haynes, would continue in their present positions was received with the heartiest approval by the large agency corps of the Newark. The other officers of the Newark are Thomas L. Farquhar, secretary; T. D. Richardson, treasurer; and J. G. Maconachy, agency superintendent.

Agents Pleased With New Arrangement

The news was particularly interesting to underwriters because the Newark Fire has been and is an active, well-managed company in its class. Although the Newark Fire is more than one hundred years old there is nothing of the antiquated, dead-wood quality about it. The officers are young men, active, energetic and capable in their line. With the tremendous resources of the Royal behind it—a company with a net premium income in this country of nearly $10 000,000; with American assets on January 1 of this year of nearly $15,000,000; and surplus of more than $4,200,000, the Newark is bound to forge ahead. Manager Shallcross of the Royal said this week:

"The Newark will be continued as a separate company, with a liberal underwriting policy and additional carrying accommodations for its agency force."

Newark's Six Years' Growth

The growth of the Newark during the past six years is indicated by the following figures: Net premiums, 1911, $534,680; 1912, $722,421; 1913, $938,583; 1914, $1,090,843; 1915, $1,192,912. In 1916 net premiums were $1,353,101. Its assets in these six years grew from $1,370,565 to $2,270,309. In 1911 its expenses were 43.9. Last year they were cut down to 39.8. A large increase in the re-insurance reserve made a reduction necessary in the net surplus in order to meet reserve requirements, and it is probable that the prospect that stockholders might have to furnish additional surplus funds with which to keep up with the reserve requirements had something to do with their decision to accept the Royal's offer for their stock. The Newark case may be another example of the manner in which some fire insurance boards of directors judge surplus of a fire insurance company as they do surplus of a mercantile company, thinking that similar conditions apply to each, and not recognizing that the reserve may in the future be turned into surplus, a point that is covered in another part of this paper.

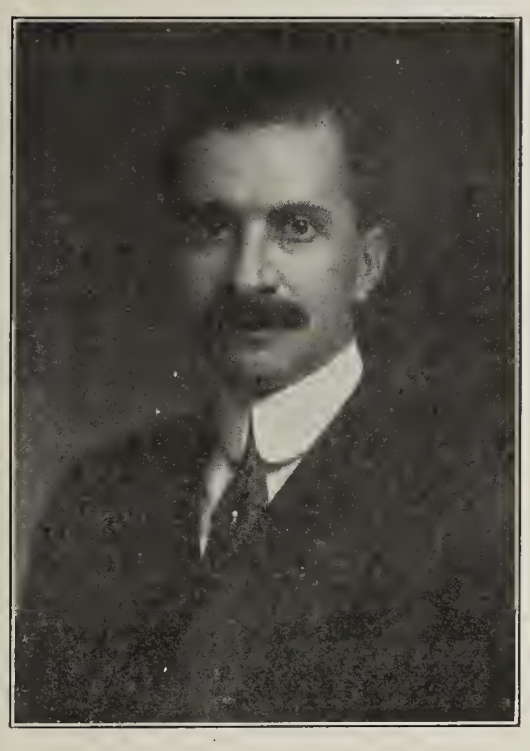
The Royal does not let many good opportunities slip by and it is suspected that Manager Shallcross broached the question of taking over the Newark at exactly the right moment and concluded the deal on terms which appear to be by no means extravagant.

History of the Newark

The history of the organization and development of the Newark Fire is a most interesting one. The Newark weekly newspaper, "The Centinel of Freedom," in its issue of January 30, 1810, contained a call for a meeting to consider the question of establishing a mutual insurance company in Newark.

The call was signed by "An Inhabitant of Newark," and the movement received the hearty approval of some of the leading men of the town. Aaron Munn was made chairman of the meeting, and James Vanderpool acted as secretary. A committee of nine was chosen to "digest and report a plan for the establishment of a company." Some of the representative men, not only of Newark but also of the State of New Jersey, were on that committee, including Judge William S. Pennington, who was, at that time, an associate justice of the New Jersey Supreme Court, and three years later he was elected Governor of the State.

The committee lost no time in the preparation of the details, and the organization was completed at a meeting held at the Court House, which convened at "early candle lighting," on March 17, 1810. The first board of directors included several members of the original committee. The officers were as follows: James Vanderpool, president; Joseph C. Hornblower, secretary; David D. Crane, treasurer.



C. F. SHALLCROSS

Isaac Nicholas was chosen the first surveyor and Obediah Baldwin, an additional surveyor. Subsequently, the directors discovered that the latter was not a policyholder of the company, and they were on the point of discharging him. It became a question of taking a policy or quit. He took the policy. The secretary, Joseph C. Hornblower, was a young lawyer who, at a later date, became Chief Justice of the Supreme Court of New Jersey.

The company is still in possession of the books containing the minutes of the meetings of the board of directors, including the first meeting, the minutes of which were entered in his own handwriting by Mr. Hornblower; the book was large enough to contain the records of business transacted for seventeen years.

The Deed of Settlement is a remarkable document, and is still among the company's archives in an excellent state of preservation. It contains thirty-two articles, and for over forty years every policyholder had to sign it. Opposite his name was placed a wafer and seal, and the autographs of a large majority of the property owners of Newark of that day are to be found on those musty, old pages.

The First Policy

The first policy was drafted by President Vanderpool and Secretary Hornblower; it was issued to Isaac Headley on May 14, 1810, for $1,000 on his frame house and kitchen "in Market Street in the Town of Newark." The premium was $15 for a term of five years. A committee of three was chosen, the president being one and Robert B. Campfield and Seth Woodruf, the others, who were to sign all policies, take possession of all securities and fix the rates of premium to be charged. On July 17, it was, also, "Resolved that this Company do not, for one year from the 14th May, last, insure any property out of the Town plot of Newark, say from David Hayes, Jur., on the South and Col. Sam'l Ogdens on the North."

The first annual meeting was held on November 22, 1810, when James Vanderpool was re-elected president, and on January 28, 1811, Caleb S. Halstead was chosen secretary, in the place of Joseph C. Hornblower, and Silas Condit succeeded David Crane, as treasurer. About a year later—November 4, 1811—a charter was granted the Company by the New Jersey Legislature. When the books were balanced, after the charter was granted, it was found that the funds on hand amounted to $2,626.51. For some time after incorporation, the "Eagle side" of an American half dollar was used as the seal of the Company. The directors met, for a number of years, in the office of President Munn, at first at 6 o'clock in the evening and later on at 7 o'clock. The meetings were usually adjourned with prayer by the president, or some other member of the board, and it is noteworthy that this custom prevailed until after the year 1900.

The First Loss

After the Company had been incorporated, the first loss was paid in June, 1813; it amounted to $250, and was on the stables of Moses Roff's tavern, on the corner of Broad and William streets. By the close of 1816, the Company's funds had reached the handsome sum of $7,042.83, and soon thereafter it was called upon to meet what was, by far, its heaviest loss, up to that time. Moses Smith's leather factory was burned; it was insured by the Newark Fire for $1,800, and the Company promptly paid the claim of over $1,500.

In 1836, Newark was visited by one of the greatest fires in its history, when the block bounded by Broad, Mechanic, Market and Mulberry streets was laid in ruins. The total loss was about $125,000, and the Newark Fire Insurance Company paid out nearly $19,000 to its policyholders in settlement of claims growing out of that catastrophe.

A Mutual Insurance Society Well Established

From what has been stated, it is plain that a co-operative, or mutual, insurance society had been firmly established and maintained by some of the public-spirited and benevolent citizens of Newark, the directors giving freely of their time in the development of the enterprise, without any pecuniary compensation. In addition to the less specific terms of the preamble to the Deed of Settlement, the third article of that instrument expressly stipulated that "the said directors, so to be chosen, shall not have, and they are hereby expressly debarred from having, receiving or taking for themselves, upon any account, or in respect of their being directors, in any manner whatsoever, any stipend, salary, gratuity or allowance or any benefit, profit or advantage whatsoever, other than in common with all other members of the Society in proportion to their respective insurances."

A notable degree of prosperity attended the Company in the thirty years from 1831 to 1861, during which the assets rose from $51,000 to $230,000. During practically the whole of that time the Company was under the able and painstaking supervision of William Pennington, as president, and Archibald W. Woodruff, as secretary. The original Deed of Settlement provided that the policies issued by the Company should cover a period of five years, except on goods, wares and merchandise, which might be insured for a shorter term. It also stipulated that every person insured should deposit, in addition to the premium paid, "a certain sum for every hundred dollars insured, according to the rates and regulations." These deposits were available for payment of losses and expenses, after the



E. J. HAYNES

premiums had been exhausted, but if not required for those purposes, or such portions as were not thus required, were to be returned to the insured at the end of the policy term.

While the Company had prospered under the original charter, experience taught the necessity of a number of amendments and additions. No provision had been made for the return of any surplus not needed, other than the deposit money, as stated above, and in 1826 a supplement was passed providing, among other things, that all persons who were members on the first of the following year, should be entitled to receive a certificate for the premiums paid to that date, with interest at 6 per cent., providing the premiums had been paid in for as much as five years. A like certificate was to be issued on January 1, of each year thereafter, upon the same conditions. The certificates were similar to ordinary stock certificates, except that the holder was not thereby entitled to vote at stockholders' meetings, although they were referred to as stock and the holders as stockholders. But they were destined to play a most important part in the transformation of the Company from a mutual to a stock basis.

This and other supplements that were passed provided for the payment of dividends. But a far more important supplement was passed in 1863, by which it was left optional with the directors, whether or not the holders of policies issued thereafter should have the right to participate in the profits of the Company, and the provision calling for the issue of certificates for the amount of premiums paid was repealed. The directors were also authorized to redeem and cancel so much of the scrip and certificates as should be necessary to reduce the capital stock to $150,000.

The practice of requiring every policyholder to sign the Deed of Settlement was discontinued in 1854, which by that time contained the signature of nearly every owner of a building in Newark—a perfect galaxy of the autographs of the leading citizens of Newark for nearly half a century, now carefully preserved by the Company.

A Transition Period

The Company continued to grow in the esteem and confidence of the public, and consequently in premium re-

ceipts and total assets. On December 31, 1871, the assets amounted to $388,417.35. Shortly thereafter the board of directors authorized the appointment of agents throughout the State of New Jersey, and in 1873 (May 8) the Company was admitted to New York—the initial step towards a further broadening of territory.

The president and directors favored the plan of writing only non-participating policies at somewhat lower rates of premium, and after the passage of the supplement which left the matter to their discretion, the participating business declined rapidly. The supplement was passed in 1863, and the aggregate net premium income in 1877 amounted to $80,644.55, of which only $20,183.29 was on participating policies. The statement at the close of 1877 showed assets amounting to $671,762.83, while the outstanding scrip aggregated $254,604, and all other liabilities, including unearned premiums, was only $60,469.78, leaving a net surplus of $356,689.05. During the following year (1878), it was decided to treat the scrip as "joint stock capital paid up in cash," or at least $250,000 of it, and thus it appeared in the Company's report for that year. It is an interesting fact that the change was accompanied by a remarkable increase in premium receipts which jumped from less than $81,000 in 1877 to $191,487 in 1878.

Reorganization of the Company

The name of the Company had already been changed by substituting the word Insurance for Assurance, and, on August 24, 1877, it was again changed, this time to the Newark Fire Insurance Company, the name which it has since continued to bear. The desirability of making the holders of scrip bona fide stockholders with all the rights and privileges pertaining thereto, including the right to vote, had long been recognized, and provision was made by the New Jersey Legislature in the general insurance act, passed in 1902, for such a change. Under the provisions of that act, the charter was amended on October 25, 1905, and the Company was reorganized as a stock company, new capital stock being issued in exchange for the scrip. All the old scrip has been thus exchanged, with the exception of a few certificates that have not been presented. The charter is now perpetual.

Home Office Building

The Newark has a beautiful home office building, one of the most attractive in the State.

FULL COVER IN HARTFORD

All the Hartford fire insurance companies, with the exception of one, have undertaken the full war risk coverage, and a considerable volume of business is reported. The Hartford company which is not yet in this field is the Standard Fire, which will have a directors' meeting some time next week, probably, and which may then step into line with the other fire companies.

WAR HAZARDS

The eighth volume of "Live Articles on Special Hazards," features war subjects.

There are articles on explosion insurance, the manufacture of munitions, the handling and care of high explosives, etc., and use and occupancy under wartime conditions.

SQUIRE HAS OHIO MILLERS

The Ohio Millers' Mutual Fire this week announced the appointment of Squire Co., Inc., to represent the company for the writing of petroleum business in the United States with the exception of California, Louisiana and part of Texas.

OPENS AGENCY IN NEWARK

James H. Epworth to Write Business in Jersey Suburban Territory From Clinton Street Office

A new agency office in Newark is that of James H. Epworth, 40 Clinton Street, writing business in the New Jersey suburban territory. Mr. Epworth is well known on William Street and in the suburban field, having been associated for a number of years with the Frelinghuysen office. He will represent in the New Jersey suburban territory the Globe & Rutgers, Pacific, Stuyvesant, Insurance Underwriters, Industrial, Phoenix of London, Providence-Washington, Glens Falls, Pennsylvania Fire, National of Hartford, Scottish Union & National and the Fire Association for fire lines, and the Fidelity & Deposit, Standard Accident and the Travelers for miscellaneous casualty lines. Mr. Epworth will also maintain an office in New York City at 80 Maiden Lane.

FOURTH ROCHESTER AD.

Fire Underwriters' Association Will Aid Public to Secure Lower Fire Rate

The fourth advertisement in the newspaper campaign inaugurated by the Rochester local agents called "You Make Your Own Fire Insurance Rate," follows:

No fire insurance official arbitrarily pronounces that your rate is this or that figure. The owner of the property is the rate-maker. He determines the cost of his own insurance.

Automatically as an adding machine, a heartless schedule, approved by the Insurance Department, computes your rate from figures which you supply. Charges and deductions are made on the basis of the property as built or equipped by you.

Substantial construction, cutting off exposing buildings and modern fire-fighting and fire-preventing devices lower your rate. Flimsy frame construction, carelessness and untidiness are a few of the factors which increase rates. Your insurance cost could be your smallest standing charge.

Consult these agencies for expert suggestions on the reduction of the fire hazard. (Look for your agent's name).

AGRICULTURAL'S APPOINTMENT

Ballard & Greene, Inc., Made Metropolitan District Agents of Automobile Department

The Agricultural Fire, of Watertown, this week announced the appointment of Ballard & Greene, Inc., as metropolitan district agents of the Company for automobiles. The appointment is effective immediately. All automobile losses of the Agricultural Fire will in the future be adjusted through the office of Ballard & Greene, Inc.

Ballard & Greene, Inc., now represent the Niagara Fire, for automobiles in New Jersey; the Georgia Casualty, as general agents; the Great Eastern Casualty for automobiles; and the Agricultural for automobiles.

FOUND—On William St.!

Bright ideas used by successful Casualty men

Each week in

THE EASTERN UNDERWRITER

Subscription $3 a Year

Iowa National Fire Insurance Co.
DES MOINES, IOWA — Capital Stock $500,000
The latest addition to Reliable Fire Insurance organizations began Writing Business on January 1, 1917
JOHN L. BLEAKLY, President
F. L. MINER, Vice-President — FRANK P. FLYNN, Treasurer
C. S. VANCE, Underwriting Manager — C. M. SPENCER, Secretary

Authorized Capital $500,000
Detroit National Fire Insurance Co.
DETROIT, MICHIGAN
A Company to be built gradually and along the indicated lines of permanence
AGENCY CONNECTIONS SOLICITED

STRENGTH INTEGRITY SERVICE
Scottish Union & National Insurance Company
HENRY J. HOUGE, Assistant Secretary — J. H. VREELAND, Assistant Secretary — JAMES H. BREWSTER, Mgr. Hartford, Conn.
A Broad Underwriting Service to Agents
Writes Fire, Automobile, Rent, Sprinkler Leakage, Tornado, Use and Occupancy, Explosion, etc.
Works in Harmony with American Agency Principles and Practices

Caledonian Insurance Co. of Scotland
FOUNDED 1805
"THE OLDEST SCOTTISH INSURANCE OFFICE"
UNITED STATES HEAD OFFICE
Caledonian Building, 50-52 Pine Street, New York
CHAS. H. POST, U. S. Mgr. — R. C. CHRISTOPHER, Asst. U. S. Mgr.
NEW YORK CITY OFFICE
Golden Hill Building, 59 John Street, New York

THE YORKSHIRE INSURANCE COMPANY, LTD., OF YORK, ENGLAND
ESTABLISHED 1824
The "Yorkshire" is the Oldest and Strongest of the English Fire Companies not heretofore represented in the United States
U. S. BRANCH
Frank & Du Bois, United States Managers — Ernest B. Boyd, Underwriting Manager
Harry F. Wanvig, Branch Secretary — Frank B. Martin, Supt. of Agencies
NO. 80 MAIDEN LANE, NEW YORK
New York Life Insurance and Trust Co., U. S. Trustee, No. 52 Wall St., New York
DEPARTMENTS—METROPOLITAN, Willard S. Brown & Co., Managers, New York, N. Y.; CAROLINA-VIRGINIA, Harry R. Bush, Manager, Greensboro, N. C.; SOUTHEASTERN, Dargan, Turner & Pattillo, Managers, Atlanta, Ga.; LOUISIANA and MISSISSIPPI, Jas. B. Ross, Manager, New Orleans, La.; PACIFIC COAST, Jas. C. Johnston, Manager, J. K. Hamilton and McClure Kelly, Assistant Managers, San Francisco, Cal.

Capacity For Local Agents
You can use our capacity as your own to take care of additional business beyond the capacity of admitted Companies.
Our capacity is as high as $150,000 on a single risk with immediate binders and 10% commission to brokers. Guaranteed Underwriters. Use our special Surplus Line Department. Special liberal policies for Baggage Insurance.
MARSH & McLENNAN
Insurance Exchange, Chicago
19 Cedar St. NEW YORK — 1615 California St. DENVER — 314 Superior St. DULUTH — 300 Nicollet Ave. MINNEAPOLIS
Ford Bldg. DETROIT — 17 St. John St. MONTREAL — 23 Leadenhall St. LONDON
THESE OFFICES GIVE YOU THE BEST THERE IS IN INSURANCE SERVICE

Profits Earned By Insurance Companies

FALLACIES ON SUBJECT POINTED OUT IN NEW BOOK

Professor W. F. Gephart the Author—Insurance Not a Business Suited For Profit-Taking

W. F. Gephart, Professor of Economics in Washington University, is author of a new book, bearing the title "The Principles of Insurance," which is published and copyrighted (1917) by The MacMillan Company, New York. This book is a thorough revision of the author's earlier work on the subject and will be, as the former volume was, extensively used as a text in college and university courses. The subject is presented with emphasis placed upon the social and economic, rather than upon the mathematical aspects, of insurance. The price of the book is $1.50.

In the chapter on "Relation of the State to Insurance" are some observations that will particularly appeal to the best current thought in fire insurance. These views, in part, follow:

Much of the confusion in thought and opinion, as to what the relation of the government to the business of insurance should be, arises very largely from a general ignorance or a mistaken understanding of what insurance is. The popular notions and sophisms of insurance are to be found in the case of scarcely any other business.

The first fallacy is, that insurance is a completely competitive business and, therefore, the public can benefit in the price by encouraging and compelling independent action on the part of all companies in selling their commodity. Both in life and fire insurance a large part of the work of the company is to distribute a cost already entailed on the public by the mortality and burning rates. It is true that in all businesses there are overhead costs, and, therefore, there is a field for the play of competitive forces among the producers of the service; but a large part of the total cost in insurance is fixed by forces over which the producer has no control. In distributing this cost there may occur unjust apportionments of it and the overhead cost may be too large. Nevertheless, no amount of competition can directly affect for any one company the fixed charges which rest as a whole upon all companies.

Discussion of Profit

The second fallacy is a popular notion that insurance is a business, suited for profit-taking, that is, profit in the technical economic sense. It is true that both life and fire insurance as conducted have often been and still are in some cases of this character. It is also true that denying to it these characteristics might seem to lead, as a logical conclusion, to a State monopoly of insurance. This is not, however, a necessary conclusion. Nor do life and fire insurance stand on a par as regards this profit-taking characteristic, for the reason that fire insurance has within it elements of risk, and also has demands for the enterpriser's ability which warrant under our present economic system, profit-taking. It is believed, however, that the essential and fundamental characteristics of life insurance are such that only pure wages, rent, and interest are justified.

Stockholders

In the third place it is generally believed that insurance is a peculiarly profitable business for those engaged in it; that is to say, that the stockholders or owners of the companies receive unusually high interest on the capital invested. This is supposed to be especially true in the case of fire insurance companies. Apparent proof of this fact is given by the quotations of the market value of fire insurance stock, some of which is many fold above par, and further by the large dividends of 20 to 30 per cent. which some companies declare. These facts do not themselves warrant the conclusion that fire insurance stands out among other businesses as peculiarly profitable. The mere fact that no particular obstacles are in the way of any group of individuals organizing a life or fire insurance company, and the additional fact that there is always free capital seeking the highest possible return, irrespective of the nature of the investment, ought to be sufficient to prove the error in the conclusion.

However, it must also be pointed out that the explanation of the returns in insurance, especially in fire insurance, as made by the companies, does not always express the exact financial condition of the business. It is often pointed out by fire insurance companies that the underwriting profit during the last fifty years has often been less than 1 per cent., and in some years has been nothing. This statement is correct, but it is not enlightening as to the financial experience of the fire insurance companies. The underwriting profit is only the remainder of the year's premiums after the loss payments and expenses have been deducted. Policies are written for periods of from one to five years, which under the method of calculating the reserve previously described makes it impossible to take any one year's experience in fire insurance as a test of the profitableness of the business. The ratio of losses to $100 of premium has during the past fifty years averaged 57.85 per cent., and the ratio of expenses to premium receipt has been during the same period 36.42 per cent. Such a calculation of profit on the basis of mere underwriting profit leaves out of consideration the item of interest earning.

Dividends

But not all of the interest earned can be counted in determining the actual profitableness of fire insurance companies. The funds on which such a company has to earn interest during the year are the capital, the surplus and the reserve. If the company has, for example, $1,000,000 of capital and $14,000,000 in surplus, and declares a dividend of 30 per cent. on the $1,000,000 stock, this 30 per cent. dividend resolves itself into a 2 per cent. dividend on the total capital set aside for conducting the business, to say nothing of the risk involved from the fact that the stockholders are liable for an assessment on the stock in the event of a conflagration, if they wish to preserve all or a part of the accumulated surplus. However, this would not be an absolute accurate method of calculating the actual profitableness of the business. The amount of capital which a company has invested in the business has, from the standpoint of calculating the earning, little significance. Its chief function is in determining the ownership of the company and only at times of crises in the affairs of the concern does it rise to importance in the financial aspects of the business. In an economic sense the real value of the company is not its capital value but what the business is worth or what it will sell for as a going concern. This going value of proprietary interest is determined by the capital, the surplus, and by a percentage usually about 30 per cent. of the reinsurance reserve.

Misconceptions About "Net Earnings"

This assumes that a fire insurance company, if in a normal condition, can reinsure its business for about 70 per cent. of the reserve. It will be recognized, then, that mere underwriting profit, that is, the difference between what is paid in to the company and what is paid out by the company, is not a full explanation of the company's net earnings. If the above described methods of calculating the actual profitableness of the business are applied to the fire insurance companies, it will be found that no excessive returns have as a whole been received. If the six largest, the six smallest, six medium-sized companies, six new and six foreign companies are taken for application of the method, the following results are shown: The six largest United States companies have earned during the past twenty years 10.1 per cent., ranging from a profit in one year by one company of 31.4 per cent. to a loss in one year by another company of 49.4 per cent. The rate of dividends for these companies, computed on this accurate method, has averaged for the twenty years 5.4 per cent., that is, they have distributed of this average earning of 10.1 per cent. a little over one-half in dividends and have kept the remainder in the business, allotting it to the surplus, which means that it may all be taken by a conflagration. Applying the same method of calculation to the other groups, results in an earning of 6.6 per cent. for the six medium-sized companies during the past twenty years, and of this 3.3 per cent. was used for dividends. The six smallest companies earned 4.5 per cent. and distributed dividends of 3.4 per cent. during the period.

Of the six new companies three earned nothing during the period; of the six foreign companies, three lost money during the period. On the whole the investigation seems to show that it is likely to be only the old well-established companies which are profitable and also that there is a close connection between size, age and success. In the second place it would seem to be clearly shown that the most successful companies have been earning about 10 per cent., of which 5 per cent. has been placed back in the business. Ten per cent. is considered a

Firemen's Insurance Co., Newark, N. J.

January 1, 1917

Cash Capital $1,000,000.00
Net Surplus $2,453,008.62
SURPLUS TO POLICYHOLDERS.. $3,703,008.62

DANIEL H. DUNHAM, President
JOHN KAY, Vice-President and Treasurer — A. H. HASSINGER, Secretary
NEAL BASSETT, Vice-President — J. K. MELDRUM, Assistant Secretary

The Columbian National Fire Insurance Company



T. A. Lawler, Pres. H. P. Orr, Sec.-Treas.

JANUARY 1st, 1917

Assets $1,643,174.45
Surplus to Policyholders..... $1,235,960.65

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Massachusetts, Rhode Island, New York, New Jersey, Pennsylvania and Maryland

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WESTERN DEPARTMENT:
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PACIFIC DEPARTMENT:
N. W. Cor. Sansome & Sacramento Sts.
San Francisco, Cal.

BRITISH AMERICA ASSURANCE CO.
Incorporated 1833
(FIRE AND INLAND MARINE)
Head Office, Toronto, Canada
United States Branch
January 1, 1917

Assets $1,936,279.77
Surplus in United States.... 823,964.59
Total losses paid in United States from 1874 to 1916, inclusive 24,669,753.43

W. R. BROCK, President
W. B. MEIKLE, Vice-Pres. & Gen. Mgr.

GERMANIA FIRE INSURANCE COMPANY NEW YORK.

ORGANIZED 1859

STATEMENT, JANUARY 1, 1917

Cash Capital $1,000,000.00
Assets 8,553,704.22
Liabilities 4,222,485.60
Net Surplus 3,331,218.62
Surplus for Policy Holders 4,331,218.62

HEAD OFFICE
Cor. William and Cedar Streets

[FIRE]
German American Insurance Company
New York
STATEMENT JANUARY 1 1916
CAPITAL
$2,000,000
RESERVE FOR ALL OTHER LIABILITIES
10,146,941
NET SURPLUS
10,217,685
ASSETS
22,364,626

very good return in most businesses, but it must be recognized that 5 per cent. is returned to the business and a risk of losing all of it is therefore incurred. Some return might be justified on this risk. These calculations were applied only to the larger companies. In many of the smaller companies the investors could doubtless have secured a better return by investing their capital in bonds, mortgages or stocks other than insurance stocks. Nothing is here said in reference to expense. Whether the expense is or is not unnecessarily high is an entirely different question. All that is here attempted is to show that the common assumption that fire insurance is an extremely profitable business has no basis in actual facts. This, however, is not to state that a profit is not made, even an underwriting profit from certain States and on certain classes of risks. It is because of the fact that each State has control over rates, and these two previous facts that a large part of the discussion and dispute arises in reference to the rates and the profit of companies. A particular State or locality finds that the fire insurance companies have received a certain amount of premiums from the State or section and have paid in losses only a fraction of this premium fund. It is but natural to conclude that the companies are making a large amount of money, and have no great desire to help pay for the losses in another State or locality by permitting the companies to charge the same rates.

"Paying" For Losses

Lastly, the fallacy still persists with many that the insurance companies pay for the losses. The truth is that the companies only act as collecting agencies for the policyholders and have no source of income and should have none except the premiums of the policyholders and the moderate rate of interest which these premiums earn when invested in long-time non-speculative securities. Nevertheless, many holders of life policies expect a company to return to them from some mysterious source sums far in excess of the premiums paid and their earnings. In the case of fire insurance policies, many object to becoming a co-insurer with the company of their property and in many States the legislatures have prohibited co-insurance and have enacted valued policy laws, both of which laws are essentially based on an assumption that a particular policyholder may collect money from a company as distinct from the policyholders. Courts and juries are often ready to give decisions in favor of a claimant against an insurance company notwithstanding that a burden is thereby imposed upon other policyholders and not upon the company. Accident policies are made collectible by law in some States in case of suicide notwithstanding that the contract was never intended to include suicide among the list of happenings which would make the policy payable. The payment of premiums is forgotten in the payment of the loss. It is this failure to balance the many against the few, the public against the individual, the long view against the short view, which leads to so many popular fallacies.

BROKERS!

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Nation-Wide Facilities for Handling SURPLUS LINES
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Annual Meeting of National Board

TO BE HELD AT ASTOR ON MAY 24

To Amend Constitution—Purposes of the Organization as Amendment Now Reads

In view of the active co-operation of the National Board of Fire Underwriters with the Government, the annual meeting of the National Board of Fire Underwriters, to be held at the Hotel Astor on May 24 is of widespread interest, not only to members but to the nation.

It is essentially important at this time that the grain elevators, storage warehouses and other buildings be protected from fire, and splendid work by the engineers, inspectors and other representatives of the National Board is being done. As has been pointed out by President Bissell, one grain elevator fire will nullify months of work of farmers and nothing is more important than the safeguarding of the buildings containing the nation's food supply. Underwriters are extremely gratified by the way in which the National Board officers have moved to meet the crisis and the splendid work being done.

An amendment to the Constitution of the National Board, reading as follows, will be offered for adoption:

Purposes

To promote harmony, correct practices, and the principles of sound underwriting; to inculcate the immutable law of average; to devise and give effect to measures for the protection of the common interests, and the promotion of such laws and regulations as will secure stability and solidity to capital employed in the business of Fire Insurance and protect it against unwise and unjust legislation.

To influence and encourage the introduction of improved and safe methods of building construction; the adoption of fire protective measures and State fire marshal departments in accordance with the established plan of the Board; the efficient organization and equipment of fire departments, with reliable, adequate and high pressure water systems; to establish rules designed to regulate hazards constituting a menace to life and property; to establish standards for the construction of buildings and for the installation of hazardous and protective devices; to establish and maintain stations for testing materials and such devices.

To repress incendiarism and arson by combining in suitable measures for the apprehension, conviction, and punishment of criminals guilty of that crime.

To gather and record such statistics, establish such classification of hazards and losses and make such compilations thereof as may be for the interest of members, beneficial to the public and calculated to reduce the fire waste of the country.

To publish and distribute papers, monographs and books designed to promote the purposes of the Board.

To secure the adoption of uniform and correct policy forms and clauses, and standard form of policy contract and its uniform use in all States; to endeavor to agree upon such rules,

(Continued on page 22.)

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Excellent Facilities for Handling Suburban and Out Of Town Business
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Cash Capital $750,000 Assets $10,046,848.04
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R. N. KELLY, Asst. Sec. and Treas.



Rossia Insurance Company
HARTFORD, CONN.
REINSURANCE

Agricultural Insurance Company, of Watertown, N.Y.
64th Annual Statement
Assets $5,036,003.01
Liabilities 2,296,861.95
Capital 500,000.00
Conflagration Surplus 250,000.00
Surplus to Policyholders 2,739,141.06
F. F. BUELL, Troy, N. Y., Special Agent.....NEW YORK STATE
E. J. PARMELEE, Syracuse, N. Y., Special Agent..NEW YORK STATE
GEORGE SHAW, 116 Milk St., Boston, Special Agent..NEW ENGLAND
F. L. GILPIN, JR., 422 Walnut St., Phila., Special Agent.MIDDLE DEPT.

NORD-DEUTSCHE
INSURANCE COMPANY
UNITED STATES BRANCH
123 William Street
New York
J. H. Lenehan, Manager

WANT BINDER STRETCHED

Recently some oil tanks located at a distance of 1,500 feet from the plant of the Seaboard By-Products Co., Marion, N. J., burned. The binder specifically covered building and contents, but not tanks. The assured's claim is that the binder should be stretched to cover the tank loss.

The Underwriters' Association of New York State is making a census, through inspectors, of munition plants.

CASUALTY AND SURETY NEWS

Wilkinson With Globe Indemnity

TO DEVELOP BONDING LINES

Superintendent of Fidelity & Surety Department of London & Lancashire Indemnity Makes Change

Samuel W. Wilkinson, who has been superintendent of the fidelity and surety department of the London & Lancashire Indemnity since 1915, started on Tuesday with the Globe Indemnity. He will develop the fidelity and surety business of the Globe among the New York brokers.

Mr. Wilkinson started in 1909 with the Bankers Surety in charge of the fidelity and public official department. When the Bankers Surety was taken over by the Maryland Casualty, Mr. Wilkinson became manager of the New York City branch office of the latter for all lines. From the Maryland Casualty, he went to the home office of the New England Casualty as superintendent of agents, from which position he went with the London & Lancashire in 1915 as superintendent of the home office fidelity and surety department.

FACILITATES ENLISTMENT

General Accident Will Pay Salaries of Employes Who Volunteer for Military Duty

The General Accident last week sent out a notice to its employes that it would hold positions of those who volunteered for military duty and would continue their salaries, minus the amount paid them by the Government.

CAN USE LIQUORS, SAYS COURT

The Supreme Court of Mississippi has decided that a person can habitually use intoxicating liquors and at the same time be temperate. It appeared that a man who made application for an accident insurance policy was a habitual user of intoxicants and the application contained a warranty that he was temperate.

The company contended that there was a breach of warranty by reason of his being a habitual user of liquor and that it was not responsible because of that fact but the court found the company liable notwithstanding the above.

Digested for the Eastern Underwriter by Geo. F. Kaiser, of the New York Bar.

F. & C. HELPS BROKERS

The Fidelity & Casualty this week announced it was prepared to extend its service to brokers who planned to go to the front by taking care of their business placed with the Company. The service includes the automatic renewal of policies, collection of premiums from assureds and the payment of the full commission to the dependents of the broker.

ISSUES PRESIDENT'S APPEAL

The Maryland Casualty Company has issued a handsomely printed copy of the President's appeal to the country to conserve the food supplies of the nation. On the back of the card is a personal appeal from President Stone, asking every official, agent, employe and policyholder of the company to support and co-operate with President Wilson.

COVERED IN UNITED STATES

Aetna's Ruling About Accident Policyholders Who are Members of Military and Naval Organizations

Until further notice holders of accident policies in the Aetna who are members of the National Guard, Naval Militia or so-called Home Guard organizations will be covered in full while performing military service on land within the continental limits of the United States, except aviation service, which is not covered. This extension will not apply to members of the Naval Militia or other naval organizations after they shall have gone on board any naval boat or vessel of any sort; nor to health insurance, which is not effective while policyholders are engaged in military or naval service.

Agents should not solicit new business on men already members of or intending to apply for membership in the National Guard, Naval Militia or Home Guard, but specially selected risks of that character may be insured (except under Acme policies, which are not to be issued to new risks already members or intending to apply for membership in such organizations) for not exceeding limits of $3,000 and $15.

PREMIUM UNPAID—NO LIABILITY

The Supreme Court has decided in the case of the Boston Forwarding & Transfer Company vs. the Contractors' Mutual Liability Insurance Company that, although the plaintiff had paid a claim for injuries caused by negligence in the "operation of its teams," the defendant insurance company had no liability in the premises since it had not waived any of the conditions in the policy, precedent to the plaintiff's right to recover, and, notably, that clause in the policy which stated:

"The payment of the full amount due under this policy shall be a condition precedent to any proceedings in law or in equity brought against this company," and since the amount due on the premium, although in dispute as to the amount, had not been paid the court held no action could be entertained.

COLLISION COVERAGE

The National Workmen's Compensation Service Bureau has ruled that in the future members can eliminate from the collision certificate that clause which now excludes loss or damage caused by striking any portion of the roadbed or by striking street, steam or electric rails or ties. No charge is to be made for the elimination of the restrictive clause.

U. S. F. & G.'S NEW LOCATION

The United States Fidelity & Guaranty on May 1 took additional space at 75 William Street. The offices of the Company at 47 Cedar St. will be continued as heretofore.

Accident
Health Automobile
Plate Glass
Burglary Liability

Fidelity
Contract Judicial
Public Official
Depository Bonds

FIDELITY & DEPOSIT CO.
OF MARYLAND
BALTIMORE

CHARLES H. PHELAN DEAD

Manager of New York Office of Aetna Companies Succumbs to Stroke of Paralysis

The news on Tuesday of the sudden death from a stroke of paralysis of Charles H. Phelan, manager of the New York City branch office of the Aetna Life companies, came as a totally unexpected shock to all of his



The Late CHARLES H. PHELAN

many friends and associates. He was stricken early Monday evening and died at 2 P. M. on Tuesday. The funeral will be held this morning at 10 o'clock from his late residence.

Mr. Phelan had been ailing constantly since his nervous breakdown last summer and it was necessary for him to remain away from the office for days at a time during the past winter but his friends had been congratulating him of late on his apparent complete recovery.

Mr. Phelan's first experience was in the home office of the Maryland Casualty in 1895 after his matriculation in the Baltimore schools. He was shortly transferred to the New York office of the Company where he remained for two years. He has been with the Aetna since 1902. His work as cashier of the New York office was such as to attract the attention of the officials of the Aetna and eventually led to his promotion as manager in 1909. His widow and two sons survive Mr. Phelan.

Investigation of Casualty Co. of A.

A FEDERAL SUIT THAT IS ATTRACTING ATTENTION

District Attorney Advised of Alleged Wrongdoings—Verdict of $200,000 Handed Down

As The Eastern Underwriter goes to press it is reported that interesting proceedings may be instituted against the Casualty Company of America not later than Monday. It was also reported that the district attorney would be asked to investigate allegations of wrongdoings on the part of a director of the corporation.

The contemplated action is the result of a verdict for $200,000.52 handed down by a jury last week, United States District Court Judge A. N. Hand rendering the opinion, against the Casualty Company, in favor of the Susquehanna Coal Company, a Pennsylvania corporation with headquarters in Philadelphia.

Coal Company Case

The case of the coal company against the Casualty Company is complicated, but according to Judge Hand, fraud, misappropriation of moneys and other criminal acts characterized the transactions.

In the complaint against the Casualty Company, drawn by Kellogg & Rose of 115 Broadway, this city, it was alleged that on April 14, 1915 the plaintiffs agreed to sell to the Interstate Coal Company anthracite coal at the rate of $50,000 a month, to be delivered at South Amboy, payable sixty days after date of bill of ladings. Subsequently this agreement was modified insofar as the payments were concerned, the terms being extended to 90 days.

The complaint alleges that in all, coal to the amount of $186 823.49 was sold to the Interstate and that the latter never paid a cent of its indebtedness.

In the affidavits for the Casualty Company, made under the supervision of Max D. Steuer, counsel for the Casualty Company, it was alleged that through no fault of its own, the funds of the Interstate Company were "mingled with funds and assets" of the A. H. Dollard Coal Sales Company to pay the debts of the latter and that money rightfully belonging to the Interstate Company was misappropriated by the Dollard officials. It was also alleged that no adequate notice in writing of the default in payments had been given to the defendant corporation.

Judge Hand's Opinion

In his opinion, Judge Hand avers that the funds of the Interstate were misappropriated by A. H. Dollard, controlling factor of the coal company bearing his name, and G. H. Bresette, New York sales manager of the Susquehanna Coal Company. Judge Hand holds that this is no excuse for the non-payment of the bond, as he discredits the testimony given at the trial by Dollard and brands Bresette in strong language. He has therefore ordered a verdict for the full amount, plus interest charges and court costs.

General Accident
FIRE AND LIFE
ASSURANCE CORPORATION, Ltd.
SERVICE THAT EXCELS
FREDERICK RICHARDSON, United States Manager
GENERAL BUILDING · 4TH & WALNUT STS.
PHILADELPHIA

Surety Bonds Better Than Personal Risks

FID'L'TY JOURNAL QUOTES CASES TO PROVE ITS CONTENTION

Individual Responsibility Too Great For Average Man to Carry in Addition to Business Burdens

The last issue of the "Fidelity Journal," house organ of the Fidelity and Deposit Company of Maryland, contains a highly interesting and instructive article: "Corporate Versus Personal Surety." The article is an argument against personal bonds and, of course, in favor of surety company bonding. But it is more than an argument—it is a statement backed by concrete facts, to prove the contention of the writer. After outlining the methods of the surety company, which are based upon scientific analysis of each case, the writer quotes a case to bear out his arguments:

Mr. A. was elected Treasurer of Blank County, and is required by law to file a bond in the amount of $100,000. Mr. A. decided to furnish a corporate bond, and, with that idea enlisted the services of a friend who was then representing a bonding company. The premium on this $100,000 bond amounted to $300 per year. When the bond was about to be delivered, Mr. A., while in conversation with a number of his friends, happened to mention the matter of giving a bond as Treasurer. His friends, some of whom were wealthy and influential, laughed at the idea, and attempted to show him how foolish he was to throw away this $300 every year, when he could, without the least trouble, call upon his friends and furnish a personal bond. Before that company parted Mr. A.'s bond of $100,000 had been made up, and when he qualified for office, instead of furnishing a corporate bond, he gave a personal bond signed by four of his friends. It was not long after Mr. A. had assumed the duties of his office when one of his sureties called upon him and asked him as a favor to him to give employment to a relative of his. This relative of the friend signing Mr. A.'s official bond was a young man of irregular habits and sporting tendencies. Mr. A. thought, therefore, that he would give this young man a minor position, and he appointed him as bank messenger.

Mr. A. was elected for a four-year term, and, at its expiration, was re-elected and requalified by again furnishing a personal bond. He also retained all of his old employes. In the third year of his second term an audit was being made by the State examiners of his office. A discrepancy of $75 000 was found in his bank accounts. Investigation proved that this shortage had been brought about by the manipulation of bank passbooks, and the employe directly charged with this shortage was the bank messenger, who had been employed as a favor to one of the sureties on Mr. A.'s official bond. The young man, of course, was irresponsible financially, and his uncle was a man of very small means, so that the shortage fell upon the Treasurer, by whom it was finally made good.

Two other instances of personal bonding, follow:

In 1888 C. W. L. was appointed guardian of the estate of a daughter, who was then 12 years old. He gave a guardian's bond in the amount of $65,000 which was signed by A., B. and C., his personal friends, as sureties. Mr. C. W. L. dissipated the estate and a suit was begun in the Circuit Court against the boudsmen. A judgment was rendered in favor of the ward for $78,000 and a creditor's bill was immediately filed upon the judgment. The property of A., B. and C., the bondsmen, was taken over by a receiver. Services could never be had on A. and B. C. W. L. was insolvent, so that the burden fell upon the only remaining bondsman, C. C. then a man of 80 years of age, and, while a man of some means, was still unable to satisfy the judgment in full. To avoid a long litigation a compromise was made, and Mr. C. turned in, cash and property, about $40.000.

As a result of the panic of 1907-8, the Allegheny National Bank of Pittsburgh closed its doors with a large deposit of State funds. It had at one time been a practice of the directors of the Allegheny National Bank to file personal bonds covering these State deposits, but this policy was changed and the bank then began giving corporate bonds covering its deposit of State funds. It really was the intention of the bank to supplant the bonds of all personal sureties, and the individuals signing these various bonds covering the deposit of State funds really thought that they had been released from their obligation and that the liability had been transferred to corporate bonds. When the receiver took charge of the failed bank, however, it developed that the personal bondsmen were jointly liable with the company signing the corporate bonds. The total loss to these personal sureties, who thought they had been released, ran up to about $500,000.

In conclusion the article avers that the individual who signs a surety bond impairs his credit and should schedule this risk as a distinct liability, his ability to borrow being lessened to that extent. In short, the individual has all to lose and nothing to gain. The personal bond is given to accommodate the principal only, while the surety bond is given to safeguard the principal and to insure the obligee. A corporate bond means better service, surer protection and prompter payment in case of default.

AWARDED TRAVELERS' MEDAL

There was held a luncheon at Delmonico's, New York City, on April 25th, at which the American Museum of Safety made presentation of certain honors bestowed this year. Among the recipients was the Commonwealth Steel Company, which has been awarded the Travelers gold medal for 1916.

TRAVELERS PAY JUDGMENT

The Travelers Insurance Company has paid a judgment amounting to $2.311.18 entered by Minnie Flynn, a school nurse, of Watertown, N. Y. against Dr. Harlow G. Farmer, who carried a policy in the company. Miss Flynn recently recovered a verdict of $2.250, against Dr. Farmer for injuries which she received when she was struck by the doctor's automobile last October.

A special meeting of the stockholders of the Aetna Accident and Liability Company of Hartford, was held on May 3rd, to vote upon the acceptance of an act entitled "An Act amending the Charter of the Aetna Accident and Liability Co.." passed at the 1917 session of the General Assembly of Connecticut, and approved March 8, 1917, changing the name of the company to "The Aetna Casualty and Surety Co.." authorizing an increase in the capital stock of the company to ten million dollars, and increasing the scope of the company's insuring powers.

CENTRAL BUREAU

Co-Operative Claim Investigations By Burglary Underwriters' Conference —Arbitration Clause in Policies

W. P. Learned, of the Fidelity & Casualty, was elected president of the Burglary Underwriters' Association at the annual meeting this week. Samuel Brewster was re-elected secretary.

On recommendation of the bank committee it was agreed to increase the rates on fireproof safes for moving picture establishments in Cook County, Ill. As regards residence business a rule was adopted in reference to garages constructed as part of the dwelling so as to exclude coverage of automobiles therein.

A committee was appointed to consider the question of the establishment of a central investigating bureau to investigate claims. A committee was appointed to consider the establishment of a central inspection bureau for New York, Chicago, St. Louis and such other cities as it deemed advisable.

A resolution was passed allowing for an arbitration clause in all forms of policies. A committee was appointed to consider the question of the organization of a reinsurance bureau.

WHERE AGENTS CAN HELP

There are more than two million men engaged in the insurance business. Each of this great mass of enterprising humans comes into close personal contact with many other humans daily. The insurance man can "do his bit" in this great campaign for the maintenance of republican ideals—he can preach the gospel of conservation in money and food supplies—in the restraint of unnecessary expenditures.

Given two million hustlers, there is no limit to the useful propaganda work they can do. It is the duty of every man in the insurance field to work for the good of the masses—to instill in the minds of those they meet that in parlous times like these, every one must do his or her best to aid—and the conservation of food—the conservation of money—the conservation of national health are just as necessary to the winning of the world war as is actual fighting.

Get to work—fight the good battle for conservation that the nation may maintain its prestige in the eyes of the civilized world.

BROKERS' LIABILITY

In an interesting case against an insurance broker, growing out of a loss under a burglary policy, the court has held that if a broker delivers to an insured a policy of insurance which he knows to be void, he is guilty of negligence and can be held responsible for any loss which ensues. In the trial of the action against the broker, however, the insured may not prove the burglary by submitting a record of the burglar's conviction in the criminal court.

The contract on the Creek Creek, N. Y., water job has gone into bankruptcy. This job was bonded by the American Surety Company.

National Board

(Continued from page 20.)

regulations and procedure in connection with the adjustment and payment of losses as may be desirable and in the interest of all concerned.

To conserve and promote the interests of its members and their policyholders by any and all proper and lawful means.

The Board shall not have nor exercise jurisdiction or control over rates of premium chargeable for insurance nor commissions or compensation to be paid to agents and brokers.

STOCK SUBSCRIPTION BILL

Among bills passed by the Pennsylvania Senate was one authorizing insurance companies upon any increase of capital to issue it at a price in excess of par, to require payment of such price as a condition to the right to subscribe and also to sell in such manner as the board of directors may prescribe for not less than such price any unsubscribed stock.

TO MEET IN ATLANTIC CITY

Atlantic City has been chosen by the Travelers Insurance Company for its convention, which is to be held on September 5th, 6th and 7th.

This is to be the first great gathering of Travelers men since the Golden Anniversary Convention, celebrating the Company's fiftieth year, held in Hartford in April, 1914.

LONG ISLAND APPOINTMENT

Garland & Watson have been appointed agents for Brooklyn and Long Island for the New Amsterdam Casualty Company with offices at 189 Montague Street, Brooklyn. Mr. Watson was formerly with the Metropolitan Casualty.

CALL TO THE RED CROSS

The Detroit Life has asked all employes, stockholders and policyholders to join the American Red Cross. The company hopes to supply from two to three hundred new members through this medium.

Equitable of Iowa

The Equitable of Iowa recently took the following action:

"Resolved that until further action by the board of trustees or executive committee, free permits for active military service of the United States within its borders will be granted by this Company upon application of a policyholder whose policy contains restrictions relating to military service which have not expired by the terms thereof."

And later the following:

"Resolved that until further action by the board of trustees or executive committee, the Company will accept applications for all forms of life and endowment policies, except term insurance and without disability benefits from National Guardsmen in mobilization camps or in active service for amounts up to $2,000, and will grant free permits for military service of the United States within its borders."

FOR SALE

INSURANCE LIBRARY consisting of Massachusetts, Connecticut, Ohio, and Wisconsin Life Reports for from fifteen to twenty years, also minutes of New York and Wisconsin investigation of 1906, and various other insurance works.

Address "Insurance Library"
care of The Eastern Underwriter
105 William Street
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THE EASTERN UNDERWRITER

Subscription $3 a Year

CASUALTY AND SURETY POINTERS

Accident and Health Writing Interesting and Profitable

C. G. Otwell, district manager for the Commercial Casualty Insurance Co., at Washington, D. C., in discussing his entrance into the Commercial organization, said: "The accident and health business attracted my attention about two years ago to the extent that I decided to divide my time between the two lines (life and accident and health) and finally I determined to specialize in the one line.

"Accepting the accident and health business as my choice and the Commercial Casualty as the company, I have for two years directed my efforts toward building a business which is now on a paying basis to myself and the Company.

"If you ask me whether I consider the business of accident and health easy, I will answer by saying that I find it very difficult when managed successfully, though to me it is exceedingly interesting as in the execution of the many duties of an agent problems confront us which call for all the gray matter at our command. I refer principally to the handling of claims, which is one of the chief duties of an agent, for unless we so manage our business that the Company is realizing a reasonable profit from our business we cannot expect to rise to the point of being recognized by the Company as a safe man to deal with.

"To the agent who has entered the business as sort of a makeshift, I would say that if you will apply yourself you will have no occasion to be seeking a connection in another line and you will find that selling Commercial Casualty policies is both pleasant and profitable, though rewarding you only in proportion to the time and energy expended. A field man who attempts to achieve success working from nine in the morning to four-thirty in the afternoon (no evenings) with an occasional knock-off (six times a week) at two in the afternoon for a ball game, is only fooling himself. If we would aspire to become 'men of the hour' we must devote eight hours of persistent work for business and be willing to go wherever and whenever duty calls us.

"I must confess that at one time I had not the remotest thought of being able to create a love for the work in which I am now engaged. There is nothing strange about that, however, as I never knew of the money-making possibilities of the business and the chances afforded for adding to one's store of knowledge of business in general, for I find that we can get a wonderful amount of valuable business training such as is not afforded in the life insurance business. And I believe a man is therefore rendering a great service to himself and to the public in devoting his time and energies to the building of an accident and health debit and is also paving the way for success and permanency in insurance underwriting.

"I am therefore proud that I am privileged to sign my name as a representative of the Commercial Casualty and while I expect to continue fishing for the small fish I do nevertheless expect to find time to add something to the record of the Commercial Department this year."

* * *

Can Be Patriots At Home

The accident-health agent can be of greater assistance in the national crisis by putting on a little more steam in his regular work than by enlisting as a soldier or sailor. Such is the effect of the statement sent out this week by Frederick Richardson, United States manager of the General Accident, to the agents of the Company. He said:

"The country is at war. The President has laid down a magnificent plan of industrial and agricultural activity. Do you realize what that means? The entire resources of the commonwealth will be drawn upon and there will scarcely be an idle or ill-paid man from Portland in the East to Portland in the West and from Florida to northernmost Alaska. If you are dead to the fact that there are great numbers of people who need accident and health insurance and are ready to buy it when it is properly explained to them—wake up! The gleaners are in the field already and you must get to work now if you wish to share in the harvest. At the same time you are performing a service for your country. Anyone who assists in conserving the well-being of the community is performing a social service. Those of you who are organizers will be branching out all the time in order to enlarge the field of operations. Those who are sub-agents will intensify the cultivation of their own plots. You must have the zeal of missionaries, the conviction that goes with all good works, and having raised the standard of your calling you will surmount all difficulties and achieve what you may hitherto have considered to be the impossible."

ADEQUATE BOILER INSURANCE

Must Study Surroundings of Factory to Fix Upon Proper Amount, Says Fidelity & Casualty

Circulars are being sent out by the Fidelity & Casualty to owners of factories in which steam boilers are used, pointing out the necessity and advantages of adequate boiler insurance. Every year there occur between 1,300 and 1,400 serious boiler accidents, of which 300 to 400 are disastrous. In a number of explosions that have occurred throughout the country it is shown that the amount of boiler insurance carried was not even one-tenth of the amount that was needed to reimburse the assured for the loss sustained. One boiler insuring company is advocating fixing the amount at $5,000 multiplied by the number of boilers in any one plant, the total on any one plant, however, not to exceed $50,000. This, the circular states, is a very poor way of settling upon the proper amount to carry. Another reason for the small amount sometimes carried, is that some boiler owners believe that if their chance of having an explosion is small, they only need a small amount of insurance.

"The only logical way to fix upon the proper amount of boiler insurance that should be carried is to go into the plant, study its surroundings, fix upon the value of the property that would be destroyed if explosion occurred, and then add to this the probable liability for the number of persons likely to be killed and injured by the explosion," says the Company.

FARNSWORTH IN BOSTON

Albert J. Farnsworth, manager of the accident department of the Newark branch office of the Travelers, has been promoted, effective as of April 16, to be manager of the life and accident departments of the Boston branch office of the company, succeeding Percy V. Baldwin, who has been transferred to the home office. A farewell dinner was given Mr. Baldwin by the agents of the Boston branch on April 16 when a telegram extending greetings to Mr. Farnsworth as the new manager was sent to Newark where the agents of the Newark branch were simultaneously giving him a farewell dinner.

EXTENDS COMPANIES' POWERS

Senator Boylan of New York has introduced a bill, which has been advanced to third reading by the Senate and referred, amending the Insurance Law (subdivision 5 of Section 70) by authorizing insurance against loss by forgery as well as by burglary or theft, and against loss of or damage to jewelry, wearing apparel and articles of personal adornment during transportation by any public carrier or other public conveyance within the confines of the United States, including loss caused by theft, pilferage, robbery, breakage, fire, lightning or otherwise.

W. E. SMALL, President PETER EPES, Agency Mgr. E. P. AMERINE, Secretary

GEORGIA CASUALTY COMPANY

HOME OFFICE: MACON, GEORGIA

"DIXIE AUTO POLICY"

THE LAST WORD IN MOTOR INSURANCE

Surplus and Reserves to Policyholders.....$1,526,022.81

The METROPOLITAN CASUALTY

INSURANCE CO. OF NEW YORK

HOME OFFICE, 47 CEDAR STREET

CHARTERED 1874

Plate Glass, Burglary, Accident and Health Insurance

EUGENE H. WINSLOW, President

Russell R. Cornell, Vice-Pres. S. Wm. Burton, Sec. Alonzo G. Brooks, Ass't Sec.

RELIABLE AND ENERGETIC AGENTS WANTED

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F. W. LAWSON
General Manager

Liability, Accident, Burglary, Boiler and Credit Insurance

Established 1869.

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Resident Manager
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Resident Managers New England

London Guarantee & Accident Co., Ltd.
OF LONDON, ENGLAND

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Fidelity and Surety Bonds, Liability Workmen's Compensation, Automobile, Accident, Health, Burglary and Plate Glass INSURANCE

APPRECIATE THE CO-OPERATION OF THE

Massachusetts Bonding and Insurance Company

BOSTON T. J. FALVEY, President

Paid-In Capital $1,500,000 Write For Territory

The Fidelity and Casualty Company of New York

92 LIBERTY STREET, NEW YORK, N. Y.

Metropolitan Office—92 William Street

Annual Statement, December 31, 1916

Assets	$13,788,795.23
Liabilities	9,708,052.97
Capital	1,000,000.00
Surplus over all liabilities	3,080,742.26
Losses paid to December 31, 1916	56,090,684.58

This Company issues contracts as follows: Fidelity Bonds; Surety Bonds; Accident, Health, and Disability Insurance; Burglary, Larceny, and Theft Insurance; Plate Glass Insurance, Liability Insurance—Employers, Public, Teams (Personal Injury and Property Damage), Automobile (Personal Injury, Property Damage and Collision), Physicians, Druggists, Owners and Landlords, Elevator, Workmen's Compensation—Steam Boiler Insurance; Fly-Wheel Insurance.

The Employers' Liability Assurance Corporation, Ltd.

The original and leading Liability Insurance Company in the World

LIABILITY, STEAM BOILER, ACCIDENT, HEALTH, FIDELITY AND BURGLARY INSURANCE

United States Branch

SAMUEL APPLETON, United States Mgr.

Employers' Liability Building

33 BROAD STREET, BOSTON, MASS.

AGENTS WANTED

THE HOME LIFE INSURANCE COMPANY OF AMERICA

PHILADELPHIA, PA.

Financial Condition, Year Ending December 31, 1916

ASSETS	
Cash in Banks and Office	$106,557.13
Certificate of Deposit	60,000.00
First Mortgage Loans	143,500.00
Loans to Policyholders	75,353.54
Real Estate	155,666.07
Premium Notes	383.34
Uncollected and Deferred Premiums	41,429.30
Unexpired Premiums of Fire Insurance	980.08
Accrued Interest	8,317.18
Agents' Balances	10,389.17
Furniture, Fixtures and Supplies	23,457.82
Bonds (See List of Bonds)	364,009.99
Total	$990,043.62

LIABILITIES	
Net Policy Reserves	$722,801.00
Death Claims in Course of Adjustment	7,149.00
Dividends Deposited with Company at Interest	17,047.45
Premiums Paid in Advance	8,432.36
Unearned Interest on Loans	1,783.22
Surplus to Policyholders, Including Capital Stock	232,830.59
Total	$990,043.62

RECORD OF YEAR 1916

Increase in Insurance in Force	$2,561,040.00
Increase in Assets	176,809.53
Increase in Premium Income	86,347.01
Increase in Policy Reserves	117,793.00
Total Paid Policyholders, 1916	187,578.84
Total Paid Policyholders Since Organization	1,058,196.52

COMPARATIVE STATEMENT OF THE PROGRESS OF THE COMPANY

Year	Premium Income	Assets	Policy Reserve	Policies In Force	Insurance in Force
1912	$365,592.00	$516,159.00	$267,568.00	48,999	$12,402,260.00
1913	473,987.00	604,768.00	381,685.00	57,166	13,931,720.00
1914	502,037.00	720,869.00	501,777.00	59,878	14,848,234.00
1915	528,748.00	813,234.00	605,008.00	65,016	16,049,381.00
1916	615,095.00	990,043.00	722,801.00	78,381	18,610,421.00

OFFICERS

BASIL S. WALSH, President — F. PIERCE BUCKLEY, Vice Pres. — P. J. CUNNINGHAM, Vice Pres. — HON. JOHN P. CONNELLY, General Council
JOSEPH L. DURKIN, Secretary — JOHN J. GALLAGHER, Treasurer — DR. E. BRYAN KYLE, Med. Dir. — GEORGE A. HUGGINS, Actuary

---

40% **Increase in Paid New Premiums—that tells the 1916 story of Fidelity progress.**

Direct leads and the Fidelity "Income for Life" plan are making money for Fidelity field men. Any man who can sell life insurance can sell MORE Fidelity insurance.

Write to-day—

Fidelity Mutual Life
INSURANCE COMPANY, PHILADELPHIA

INCORPORATED 1878 — WALTER LE MAR TALBOT, President

THE TRAVELERS
INSURANCE COMPANY — INDEMNITY COMPANY

HARTFORD, CONNECTICUT

WRITE THE GREATEST VOLUME OF

GUARANTEED LOW COST LIFE INSURANCE

AND

CASUALTY INSURANCE

THE OPPORTUNITY TO SUPPLY THESE INSURANCE NEEDS GUARANTEES AGENTS THE BROADEST FIELD AND THE LARGEST INCOME.

In addition to the ordinary forms of life insurance

THE EQUITABLE

makes a specialty of the following:

Insurance to protect business firms and corporations, under a corporate form of policy.

Group Insurance, by which employers protect families of employes.

A flexible contract, known as the Convertible Policy, which can be converted by the Insured into an Ordinary Life, Limited Payment Life, or Endowment Policy.

A Bond issued without medical examination giving the investor an income for his declining years.

A new policy is offered under which the insurance is DOUBLED if death results from ACCIDENT. This policy also embodies the following advantages if the person whose life is insured becomes totally and permanently disabled:

1. Thereafter the Equitable will carry the insurance —The Insured will have nothing further to pay.
2. The Equitable will pay the Insured an annual income for life equal to one-tenth of the face of the policy.
3. Upon the death of the Insured the full amount of the insurance will be paid to the Beneficiary (or double the amount if death is due to accident) without deduction on account of the income paid to the Insured while living.

(See the policy for conditions and details.)

For Agency Openings Address

WILLIAM E. TAYLOR,
Superintendent of Agencies

THE EQUITABLE
LIFE ASSURANCE SOCIETY OF THE U. S.

120 BROADWAY, NEW YORK

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THE EASTERN UNDERWRITER

[Succeeding the Journal of Insurance Economics, Established in 1899]

A WEEKLY NEWSPAPER COVERING ALL BRANCHES OF INSURANCE

Eighteenth Year; No. 19 | NEW YORK CITY, FRIDAY, MAY 11, 1917 | $3.00 a Year; 15c. per Copy

PROMOTIONS BY GLOBE & RUTGERS

W. H. Paulison, Who Has Been Company's Secretary for Years, Made Vice-President

SIX OF STAFF ARE ADVANCED

Board of Directors Creates New Office of Local Secretary—M. J. Volkmann Appointed

The board of directors of the Globe & Rutgers Fire Insurance Co., at its last meeting, promoted six of the staff of the Company. The new appointments have already gone into effect.

W. H. Paulison, who has been secretary of the Company for a number of years has been made second vice-president. W. L. Lindsay, who has been assistant secretary, has been made secretary, and J. H. Mulvehill, who has also been an assistant secretary, has been made a secretary of the Company.

Two heads of departments have been moved up to assume the positions left vacant by the promotion of Mr. Lindsay and Mr. Mulvehill. J. D. Lester, who has been in charge of the sprinkler leakage and explosion department, is now assistant secretary, as is also A. H. Witthohn, who has been in the underwriting department of the Company for a long term of years.

Local Secretary

Michael J. Volkmann is the man appointed to the new position of local secretary created by the board of directors. Mr. Volkmann went with the old firm of Jameson & Frelinghuysen twenty-four years ago. Of late he has been manager of the city department of the Globe & Rutgers. Before his connection with Jameson & Frelinghuysen, Mr. Volkmann was with the Commercial Union and made his start with the Mills & Ford agency, which has since gone out of existence. The Globe & Rutgers is having another amazingly successful year.

FLAG CEREMONIES

There was unveiled in the main counting room of the American Insurance Company this week a handsome silk flag, which is to remain displayed in the office from now on. The unfurling of the flag was accompanied by suitable exercises, in which the entire home office staff and a number of visitors participated. There was the salute and pledge of allegiance to the flag, a brief address, recitation of Rodman Drake's ode to the flag, and the exercises closed with the singing of "The Star Spangled Banner."

DIRECTORY OF DEPARTMENTS

Life 1
Editorial 10
Fire 11
Casualty 20

"The Largest Fire Insurance Company in America."

THE HOME INSURANCE COMPANY NEW YORK

ELBRIDGE G. SNOW, President

Equal Protection for ALL Policyholders.

FIRE AND ALLIED BRANCHES OF INSURANCE

Fire, Lightning, Automobile, Commissions, Explosion, Hail, Marine (Inland and Ocean), Parcel Post, Profits, Registered Mail, Rents, Sprinkler Leakage, Tourists' Baggage, Use and Occupancy, Windstorm.

STRENGTH REPUTATION SERVICE

North British and Mercantile Insurance Co.

Established 1809

Entered United States 1866

Policyholders protected by the entire United States assets, with further guarantee in every policy, of protection by entire fire assets of the company which are many times larger.

GOLDEN ANNIVERSARY YEAR

1867 1917

Operating in 18 States

Good Territory Open

Attractive Policies to Sell

Large Annual Dividends

Low Net Cost

Apply to

H. E. ALDRICH, Supt. of Agents
DES MOINES, IOWA

EQUITABLE LIFE of IOWA

PITTSBURGH L. & T. WON'T LOSE MUCH

All Agencies Working Hard and Successfully to Conserve Assets of Company

O'NEIL APPOINTED RECEIVER

Warrant Against Frederick A. Wallis Ordered Quashed By Authorities of Pennsylvania

The most important of all the developments in the affairs of the Pittsburgh Life & Trust Co., is that a great many interests are at work to save the assets of the company, and that restitution of funds will be made so that the policyholders will not lose more than a few thousand dollars.

All Working to Same End

The New York Insurance Department, the Pennsylvania Insurance Department, a policyholders' committee in New York, the Attorney General of Pennsylvania, the prosecuting officers of New York and Pennsylvania, a number of the former officers of the company, whose reputation in the transaction is unsullied, and policyholders scattered throughout the country are at work to protect the assets and straighten out the chaos, and the stolen funds and tangible misappropriated properties are being attached.

Commissioner O'Neil, of Pennsylvania, is now in charge of the Pittsburgh Life & Trust as receiver.

Warrants Issued

Deputy Attorney General Davis in a statement this week said:

"We will recover every cent taken from the Pittsburgh Life & Trust by Clarence F. Birdseye and his associates."

Among the twelve warrants for arrest sworn out to date are those for Clarence F. Birdseye and his son Kellogg; George A. Nichols, Jr., of New York; and J. S. Grant. A warrant against F. A. Wallis was quashed by the Attorney General of Pennsylvania as soon as Mr. Wallis made an official statement.

Washington Life Fund Account

The New York Insurance Department on an order from the Supreme Court has taken charge of the Washington Life, and in co-operation with the authorities of the State of Pennsylvania, will safeguard the interests of the policyholders of that company, which was re-insured by the Pittsburgh Life & Trust in 1909. It is said that an examination will shortly be made of the Washington Life Fund Account by the New York Department. This fund is reported to be $15,000,000.

Mahan, Sutphen, Dunlap and Parsons Demand Restitution

Four officers of the company under the Baldwin regime, James H. Mahan, Earl O. Dunlap, Fred C. Parsons, and

H. S. Sutphen, all insurance men with good reputations, and for whom there is much sympathy, have joined with seven hundred minority stockholders, in a demand for restitution. In a statement they say in part:

"We demand and feel that the policyholders and the general public have a right to demand that the directors who by their lax methods permitted the company to be looted of part of its funds, take prompt action to put the company in its former sound financial condition.

"The combined wealth of these directors represents many millions, and the small amount necessary to restore the company to its original strong financial condition would cause no want or hardship to them."

Agents Active

The 200 agents of the Pittsburgh Life, men who wrote the bulk of the $118,000,000 of the company's outstanding insurance, through their committee, consisting of William Cotton, F. W. Ries, S. A. Armstrong, D. G. MacPherson, M. I. Bernstein and James F. Malone, began active work to co-operate with the State Insurance Department and the minority stockholders to save the company.

It was learned that the deal with Birdseye, a transfer of the majority of the stock was put through by the obtaining of sufficient stock to gain control and without a meeting being called of the old board of directors to approve the deal.

The men who, in the presence of minority stockholders took chief credit for the deal with Birdseye, according to a fellow director, were W. Howard Nimick, president of the Keystone National Bank, and W. C. McCausland, treasurer of the Carnegie Steel Company.,

Wing and Gibb Confer With State Officials

On May 4 Commissioner O'Neil and Attorney General Brown, of Pennsylvania, held a conference with some of the leading insurance men of Philadelphia, including President Wing, of the Provident Life & Trust, and Actuary Gibb, of the Penn Mutual, whose advice they were seeking. At the same conference were Life Insurance Examiner Hadley, of the New York Department and Actuary Foster, of the Pennsylvania Department. Following the conference Commissioner O'Neil made this statement:

"The object of the meeting was to see if any plan could be suggested whereby the Pittsburgh Life & Trust could be re-habilitated or re-insurance secured in order to protect the policyholders. Various plans were discussed, but nothing definite was decided upon."

Dare Lumber Company Worth $150,657

The Dare Lumber Company, purchased by Birdseye for a million dollars taken from the Pittsburgh Life & Trust Company, and on which he immediately issued $6,000,000 in bonds, using $3,000,000 worth of the bonds to obtain control of the Washington Life Building of New York, is worth just $150,657, according to figures received from the treasurer of Dare County, North Carolina, where the lumber holdings are located.

Insurance men, men connected with reputable companies, say that again the lax insurance laws of Pennsylvania, which have received no attention in the present Legislature, are directly responsible for the alleged affair.

Attorney Ewing Optimistic

Attorney Frank Ewing, of the Pittsburgh Life & Trust, issued a statement to the effect that not more than $300,000 of the company's assets were taken which are beyond possibility of recovery. Later advices indicate that this figure is too high.

One of the interesting developments of the week was the testimony of Stonewall Jackson, a young man who suddenly found himself in the possession of the Washington Life and the St. James Buildings. He was a clerk in the office of a son of Clarence F. Birdseye, in Detroit. Jackson was asked to see Clarence F. Birdseye in New York. He did so.

Clerk Got Title to Two Office Buildings

Jackson's testimony before District Attorney Swann in part follows:

"When I got to Mr. Birdseye's office at 25 Church Street, New York, he told me he wanted to take title to some property for the purpose of bringing a transaction with an insurance company before the public. I do not think I saw Crawford (the process server through whom the conveyances were made.) They handed me a deed to sign. I did not go very much into details, because I trusted implicitly the parties with whom I was dealing, and was assured everything was o. k.

"I understood that the deed to these buildings were transferred to me from this man Crawford. I also signed two papers, but I do not know what they were. They may have been deeds or they may have been agreements in connection with some mortgages. I did not read the papers thoroughly. I just glanced at them. Clarence F. Birdseye handed me the papers to sign. There was a notary public present.

"It is my understanding that the title to that property is in my hands now. Since the transaction took place in Clarence F. Birdseye's office three or four weeks ago I have received no letters from any of the parties. I talked only with reporters and real estate men, but was instructed by Mr. Birdseye to say that I was simply acting for interested parties. I received no money."

At the end of the interview an order signed by Supreme Court Justice Guy, restraining Jackson from signing any papers or taking any action in connection with the buildings, was served upon him.

New York Committee

The New York policyholders' committee has Miles M. Dawson as consultant actuary and Henry A. Rubino as counsel. In the Washington Life Building alone there are about a dozen Pittsburgh Life & Trust Co. policyholders. This committee is co-operating with the insurance Departments and feels sure that most of the misappropriated assets will be returned.

Montgomery's Share in Deal

George F. Montgomery, a penniless promoter, made $450,000 out of the Pittsburgh Life & Trust Co. deal. He it was who negotiated the purchase of the properties of the Dare and East Lake Lumber Companies for $1,000,000.

He said that the assets of the Dare Lumber Company consisted of 6,000,000 cords of pulp wood and 1,500,000,000 cords of standing timber. There was also organized the Wood Pulp Company, with a capital stock of $2,00[illegible] which made a contract with the Dare Company to take 150,000 cords of pulp wood for ninety-nine years at not less than $5 a cord. Although this company had done no business the contract was figured in as a valuable asset in fixing the value of the Dare Company at $20,000,000.

On March 31, Montgomery said, he met Birdseye at the Commercial Trust Company, received $1,100,000 and turned over $4,000,000 in bonds of the Dare Company.

How the Deal Came Out

Montgomery said Kellogg Birdseye had agreed to pay $4,000,000 cash for all the bonds, but $900,000 of the bonds was turned back, so the net result was the purchase of $3,100,000 in bonds for $1,100,000 derived from the sale of securities from the vaults of the life insurance company.

Montgomery said that he paid two-thirds of a million to the former owners of the Dare property and one-third to the former owners of the East Lake property, and had $100,000 left for himself.

"Boobs"

The Pittsburgh daily papers have been printing scathing editorials on the front page about the scandal. One headed "Boobs" starts off as follows:

"A more scandalous transaction than that which wrecked the Pittsburgh Life & Trust is unknown in the history of life insurance. That a few New York crooks should put alleged intelligent Pittsburgh men in the 'Boob' class is bad enough, but when it is realized that it could have been nothing less than cupidity on the part of these Pittsburgh men that led them on to betray the interest of thousands of poor people the scandal verges on crime."

Great Southern Life Insurance Company

HOUSTON, TEXAS.



For Agency Contracts address

O. S. CARLTON

PRESIDENT

TRAVELERS WARNS AGENTS

Circular Decries Payments of Income Policies in Lump Sums and Outlines Reasons

The Travelers' Insurance Company has issued a statement to its agents concerning the sale of income policies, in which it says among other things:

"Experience has demonstrated that insurance largely fails of its purpose when paid in a lump sum. * * * The development of income insurance is due to the fact that insurance and the conservation of insurance proceeds are inseparable. The purpose of capital is the production of income, but whereas the man who has lost capital can generally recreate it, the people for whose protection insurance is bought have seldom the ability or the experience to do so. In their case the conservation of the proceeds of insurance is vital, and demands recognition from every company and agent as an imperative force, already manifesting itself in various directions. Many Workmen's Compensation acts decree that the compensation or pension must be paid not in a lump sum, but in the form of an income over a stated number of years or for life. The disability clause has for its purpose nothing less than the conservation of the insurance and the provision of an income at a critical period.

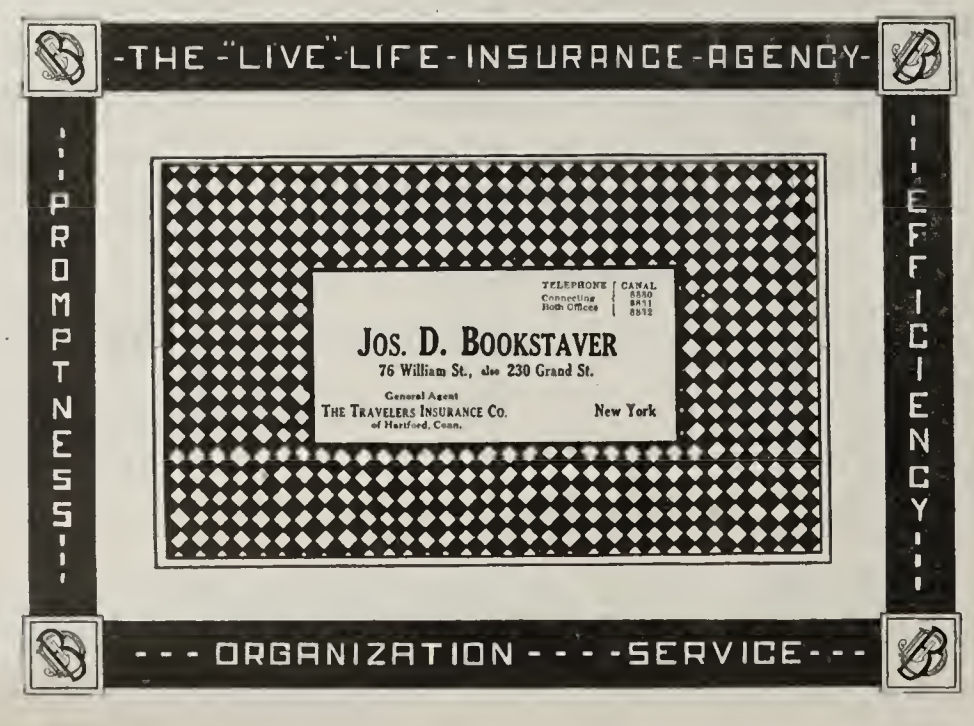
"Life insurance has reached its present importance, and every intelligent man understands its vital necessity, because of the persistent education of the public by insurance agents and companies. In the process of educating others the insurance companies have been educating themselves. They have learned that the protective purpose of life insurance is in an undue proportion of cases defeated by the payment of that insurance in a lump sum, and that that purpose can only be accomplished and the responsibility of the company lived up to by making that insurance yield an assured and certain income. The educational work of agents and companies must progress along these lines if the responsibilities of both companies and agents are to be met and insurance is to serve its true purpose."

BOSTON MUTUAL LIFE

The Boston Mutual Life speaking of its activities says, "the first quarter of 1917, for speed, makes the first quarter of 1916 look like a calm day compared to a western cyclone." The company reports a weekly premium gain of 52 per cent.; ordinary insurance gain 142 per cent.; combined insurance gain 92 per cent.; weekly collection gain 2 per cent.; advances gained 15 per cent. and arrears reduced 35 per cent.

INCREASES OFFICE FACILITIES

Because of the increase in its business, the Atlantic Life Insurance Company has been forced to increase its office space on the ninth floor of the Virginia Railway and Power Building, Richmond, Va. In addition, the Company has leased a floor in an adjoining building now in course of construction, to be used for the storage of records and supplies.



First News of Sale of New York Office Buildings of Pittsburgh Life and Trust Printed by "The Eastern Underwriter"

"Sale" Looked Suspicious to B. F. Hadley, Who Had Turned Down Presidency of Company—Superintendent Phillips on Birdseye's Preliminary Activities—Nimick and Hadley Issue Statements

The Eastern Underwriter—in its issue of April 14—was the first newspaper to tell about the sale of the Washington Life and St. James Buildings by the Pittsburgh Life & Trust. It was the news of the sale of these buildings that aroused the suspicions of State officials and eventually led to the uncovering of the Birdseye financial schemes.

Tipped Off By B. F. Hadley

The Eastern Underwriter had received a letter from B. F. Hadley, secretary of the Equitable Life of Iowa, saying that he thought the real estate deal suspicious, and adding:

> Unless Birdseye cares to give you the names of his parties and disclose the source of his finances, you would do well to refrain from playing up his end of the transaction.

Upon receipt of this letter The Eastern Underwriter endeavored to learn from Clarence F. Birdseye and F. A. Wallis facts about the real estate transaction but was unable to do so with the exception of a statement that the Pittsburgh Life & Trust Co. had sold the buildings and that tax free 6 per cent. bonds had been substituted. In its story about the election of Mr. Wallis, in whose honor The Eastern Underwriter has implicit confidence, and which election was made a prominent feature in the news columns of the paper, a few lines were inserted about the office building sale.

The daily papers did not print about the sale until several weeks later.

Playing One Against the Other

One of the most interesting phases of the Pittsburgh Life & Trust scandal was the manner in which Clarence F. Birdseye, who "bought" the company, played one man against another, representing to F. A. Wallis that he had the endorsement of the Insurance Department in his movements; representing to W. H. Nimick that he talked for F. A. Wallis and a group of "Eastern capitalists," etc. For instance, he made quite a point out of the fact that he had half a dozen interviews with the Insurance Department, and gave the intimation that Superintendent Phillips was approving various steps leading to his deals. Now, as a matter of fact, the Superintendent became suspicious of the promoter early in the proceedings, these suspicions finally crystalizing into the uncovering of the deal, the discovery about the Southern lumber companies, the dummy sale of the office buildings and other details. These discoveries were made after the stock deal had been consummated.

In regard to the interviews he had had with Mr. Birdseye before the scandal was uncovered the Superintendent said this week to The Eastern Underwriter:

While it is true that Mr. Birdseye had several conversations with me, that, it now appears was a necessary part of his scheme to induce other people to assume their parts in the affair, but any statement that he ever mentioned to me directly or indirectly of the Dare Lumber Company or its bonds, or that he ever mentioned any proposed disposition of the funds of the Pittsburgh Life & Trust, prior to the consummation of this deal, is unqualifiedly false. My activities since the discovery of the facts should indicate sufficiently that the transaction never had the slightest approval from me and neither did I have the slightest intimation of the substitution of the Company's assets for other assets.

Statement By B. F. Hadley

W. Howard Nimick, former president of the Pittsburgh Life & Trust, and from whom the State officials, daily newspapers and others are demanding that he shall pay for his credulity in turning the Company over to Birdseye, has been trying to shift the responsibility. In one statement he says that he was introduced to Mr. Birdseye by Benjamin F. Hadley, secretary of the Equitable Life of Iowa, who turned down Nimick's offer to become president of the Pittsburgh Life & Trust. Mr. Hadley in a statement said this week:

"My attention has been called to a statement given out by W. H. Nimick, former president of the Pittsburgh Life & Trust, regarding the recent sale of that Company in which he mentions advice given to him by me. The facts in the case are as follows:

"Following the death of the late president of the Pittsburgh Life & Trust, W. C. McCausland, a director of the Company, wrote me asking if I would call to see him some time when in Pittsburgh. I did so. W. H. Nimick was brought into the conference and I was offered an executive position with the Pittsburgh Life & Trust. While appreciating the honor, my relationship with my present Company and the pleasure obtained from my work were such that I would not consider a change, and so advised Mr. Nimick and Mr. McCausland.

Recommended Two Men

"They asked me to recommend a man for the position and I recommended two men who are now executives of very successful companies. A conference was arranged with one and correspondence with the other, but evidently nothing came of the negotiations. Subsequently, I received a letter from Mr. McCausland asking the privilege of seeing me when again in Pittsburgh. I did not reply to the letter, and later a second letter came from Mr. McCausland in which he stated they were very anxious to see me. When passing through Pittsburgh, I saw Mr. McCausland and Mr. Nimick. They told me that of all the men interviewed or recommended for the position, none pleased them so much as myself and urged me to take an official position with the Company, which I declined. In fact, Mr. Nimick offered me his hand as 'the future president of the Company' and I said I could not shake on that basis.

Meets C. F. Birdseye

"Mr. McCausland then asked me about Mr. Wallis, mentioned by Mr. Nimick in his interview—Mr. Wallis having negotiated with the Company several years ago for the position of agency manager. A short time prior to Mr. Baldwin's death, Mr. McCausland and myself chanced to meet in the Broad Street Station, Philadelphia, when both were coming West, and we discussed Mr. Wallis at that time. Mr. McCausland at the second meeting referred to in Pittsburgh recalled that conversation and wanted me to try and interest Mr. Wallis in their proposition. This I did, and was told of Mr. Birdseye. I met Mr. Birdseye and was not favorably impressed with him, and on several occasions, when interested in an entirely different matter and being asked to meet Mr. Birdseye, I refused to do so.

"Later, as Mr. Nimick states, it was arranged for a meeting in Pittsburgh, and I was asked at some time when in Pittsburgh to introduce the parties. One of the parties was unable to be present and it was arranged that I should introduce Mr. Birdseye, who was represented as having a plan 'approved by and arranged under the supervision of Superintendent Phillips of the New York Insurance Department, whereby several companies which were giving concern to the New York Insurance Department should be consolidated.'

Knew Nothing About Birdseye

"I named a date when I would be in Pittsburgh and that morning Mr. Birdseye came to the office. I walked over to the Keystone National Bank with him and told Mr. Nimick that I knew nothing whatsoever about him. I did not even sit down in the office during the conference, and am positive that I was not in the presence of Mr. Nimick and Mr. Birdseye three minutes. I knew nothing of the negotiations and certainly did not vouch for Mr. Birdseye. I told both Mr. Nimick and Mr. McCausland that the duties of my position were such that I positively could give no time to other matters.

Criticised Nimick and McCausland

"On April 7th when in Pittsburgh to meet two men with whom my Company had correspondence regarding a connection, I talked with Mr. Nimick regarding the transaction they had made and was astonished to learn that they had turned over the directorate and funds of the Company with a flimsy payment, and that the new directors had immediately taken an officer of the Company to New York and obtained a large amount of securities from its vaults. I told Mr. Nimick and Mr. McCausland, both of whom felt that they had a right to sell their stock if they so desired, that I believed the life insurance fraternity and the public would consider that they had been entrusted with a trusteeship which would extend in its obligations beyond a point they had considered and that in my opinion the transaction was a fraudulent one. At that time only ten dollars per share had been paid.

"I immediately wired one whom I thought would be interested to call me on the telephone and imparted the information I had received. I also wrote a letter to The Eastern Underwriter, acquainting them with my suspicions and saying in part:

" 'Unless Birdseye cares to give you the names of his parties and disclose the source of his finances, you would do wise to refrain from playing up his end of the transaction.'

Was Assured Transaction Was All Right

"Subsequently I received a letter in which I was assured that the transaction was a proper one and handled under the supervision of the New York

ABOUT TIME!

Harrisburg, Pa., May 9.—A bill creating a commission to revise the insurance laws of the State was presented in the Senate by Senator McNichol, of Philadelphia. The commission is to consist of two Senators and two members of the House to be named by the presiding officers and three persons to be appointed by the Governor.



INDUSTRIAL CONCERNS throughout the land are proving the patriotism of business by insuring entire staffs of employees. The Prudential will lend a hand—make it easy for firms to insure their workers.

Family insurance has placed America First in Life Insurance, and Group Insurance will help to keep it there.

The Prudential has a fine Group plan. Group Insurance is endorsed by every concern that has tried it. Send for brief, forceful, descriptive circular.

THE PRUDENTIAL INSURANCE CO. OF AMERICA

Incorporated Under the Laws of the State of New Jersey

FORREST F. DRYDEN, President

Home Office: NEWARK, N. J.

Insurance Department. That was the last I heard of the matter until on May 2nd when I saw an account of the affair in the St. Louis 'Republic.'

"Any interest taken in the Pittsburgh Life & Trust was solely with the idea of being of service to its directors, and though Mr. Nimick and Mr. McCausland voluntarily offered to pay any expenses involved, and, as Mr. Nimick added, a fee for my services, I told them that was not necessary."

Nimick Statement

W. H. Nimick, former president of the Pittsburgh Life & Trust Company, in a statement endeavored to shift responsibility for his connection with the sale of stock in the Company, his statement reading as follows:

Offered Presidency to Hadley

For a long time I, and the others who have been associated with the company, have been seeking to get some experienced insurance man, of ability and skill, to take charge as president of the company. I have felt that there was room for such a man to bring the company forward to a much higher efficiency than it has ever had. With this in view, I consulted Benjamin F. Hadley, secretary of the Equitable Life Company of Iowa. This was in January of this year. After some interviews, Mr. Hadley suggested that the better plan would be to sell the company to men experienced in the insurance business and strong financially, who would be able not only to give the benefit of their experience, but also increased capital to the company. With this end in view, Mr. Hadley interviewed F. A. Wallis of New York, of the Fidelity Mutual Life, and a man very well known and of the highest standing in insurance circles. We made inquiry in regard to Mr. Wallis and heard the best reports as to his character. He had been offered the appointment of Insurance Superintendent in the State of New York by Governor Hughes.

Talk of Syndicate

Mr. Wallis became interested in the matter at once and, we were informed, was arranging to make up a syndicate to purchase the stock of the company and take over its control. It was arranged by Mr. Hadley that Mr. Wallis and a Mr. Birdseye should come to Pittsburgh in February and go more into detail in the matter; but, instead of Mr. Wallis coming, I received a letter from him, dated February 13, stating that it was impossible for him to be here, but that Clarence F. Birdseye would meet Mr. Hadley in Pittsburgh on the following Saturday. Mr. Birdseye came to Pittsburgh and was introduced to me by Mr. Hadley on the following Saturday, February 17, at which time the matter was discussed generally. Mr. Birdseye said that he represented Mr. Wallis and other Eastern capitalists. He came again on March 5, and the price of the stock was discussed. Mr. Birdseye came again about the middle of March and showed me a letter from Mr. Wallis, bearing date March 14, 1917. In it occurred the following clause:

"If you can make satisfactory arrangements whereby, in your opinion, the new interests can be sure that the solvency of the company cannot be questioned, that all of its assets will be on a basis to carry its reserve liabilities, and that it can do business in the ordinary way, you should do so at the earliest moment possible, because, for reasons already explained to you, the matter should be closed promptly."

The letter also stated that Mr. Wallis' name must not be made public at that time.

Talked of Conferences With Phillips

In dealing with Mr. Birdseye, I and my associates dealt with him entirely as the representative of F. A. Wallis, whose position, as already stated, was above suspicion, and those whom he had associated with him. Also, during this period, we received a number of letters from Mr. Birdseye, in many of which he referred to extended conferences with Mr. Phillips, the New York Superintendent of Insurance. On March 28, 1917, prices and terms having been arranged by an agreement which had been signed by persons holding a majority of the stock, we arranged to make the formal transfer of the company to the purchasers. I may say in passing that we arranged that the same price which the majority was receiving should be paid to the minority stockholders, this right to be exercised at any time within six months from the date of purchase.

At that time Mr. Birdseye came to see me, accompanied by his counsel, a member of the Pittsburgh bar of the highest standing, and, in answer to my question as to whether or not he had a certified check for the initial payment on the stock, replied that he could not have a check certified in advance, as he did not know the number of shares to be acquired, but that he had his pass book on the Commercial Trust Company of New York, which he exhibited, showing a deposit of $120,000 to his credit, and that the assistant secretary of that company was with him and would certify the check as soon as its amount could be ascertained.

Certified Check Given

The Commercial Trust Company of New York is an institution of good standing. We then went to the company's offices, determined the number of shares to be transferred and a check for the initial payment, as provided by contract, of $10 a share, was drawn by Mr. Birdseye and certified by the assistant secretary of the Commercial Trust Company, J. C. Watson, whose position and signature were certified to me by letter from R. R. Moore, president of the trust company. I need hardly add that the fact that a bank or trust company certifies a check of its depositor is an absolute statement by the officer of the bank that money represented by the certified check is actually on deposit to the drawer's credit in the bank at the time of the certification.

We then proceeded to resign our positions as officers and directors and, in turn, there were elected the men who accompanied Mr. Birdseye from New York and four members of the law firm of his counsel, all of whom were reputable and well-known members of the Allegheny County Bar. Let me say in passing, that I may not be misunderstood, that I have not any criticism to make upon counsel or his associates, who I am sure acted in good faith throughout the matter.

Asked to Stay on Board

This ended my connection and the connection of my associates with the Pittsburgh Life Company at that time. Mr. Wallis came to Pittsburgh on April 4. He called me to the office of the company and I took him and Mr. McCausland to lunch. He told me he had spent a couple of hours going over the affairs of the company with the men in the office, and asked me and some of my associates to resume our positions as directors of the company. This I said I would do, as did also certain of those who had been associated with me on the former board, provided the board, as finally constituted, would be personally satisfactory to us. Let me call attention to the fact that we would not have done this had we entertained the slightest suspicion as to the solvency of the purchasers or their good faith in carrying on the operations of the company.

On April 11 Mr. Wallis was elected president of the company. At this time he gave the employes of the company a talk at the office and spoke of plans for extending its fields of operation and nationalizing its work. He also gave a dinner at the Duquesne Club that evening for these and others interested in the company. I understand that I was elected a vice-president of the company, but was not at the meeting and received no formal notification to that effect.

Outcome is Surprise

I had no further knowledge of the affairs of the company; there were no directors' meetings which I was called upon to attend, nor did I have any duties, except purely incidental and immaterial ones, and this, I believe, was the case with the others of the former board who had agreed, at the request of Mr. Wallis, to reassume their positions. The first knowledge which I, and I believe the other members of the board, had that anything had gone wrong was when Mr. Hadley of the New York Insurance Department called on me Saturday and apprised me of the fact that there had been a serious misappropriation of the company's funds.

The distress with which we have learned of this fact it is useless to attempt to describe. The demand made upon the directors to return the amount which it is alleged had been unlawfully taken from the treasury of the company, amounting to nearly $2,000,000, does not seem to us to be based upon either justice or equity. In this entire transaction we acted after a careful examination had been made and in the sincere belief of bettering the condition of the company and making it a stronger institution. It is not, however, with any desire of arguing this question that this statement is made, but simply to place before the public the simple facts connected with the transaction which are not involved, as I understand it, in any real dispute, and upon which they can draw their conclusions as well as we.

Doesn't Wish to "Retain Money"

As to the money which was paid on account of the stock, amounting to $40 per share, and which we now learn was paid out of the funds of the company itself, without indicating in the least what should be the duty of the other directors. I feel that I as former president of the company, would not wish to retain this money, no matter what my legal rights may be in the matter, and, when a receiver is appointed, I will send a check for the amount so received by me.

Mr. Wallis Replies to Mr. Nimick

After reading the statement of Mr. Nimick, F. A. Wallis made the following statement to The Eastern Underwriter:

Some months ago Clarence F. Birdseye represented to me that he represented Philadelphia financial interests who had acquired a valuable Pennsylvania charter under which they could merge and operate a number of life insurance companies and a trust company. Birdseye said that my insurance work had attracted favorable attention and that when th arrangements were completed the interests he represented might be glad to have me head of the life insurance end of the business and as such president of the consolidated companies. He said that the parties in question had unlimited capital but that for business reasons he could not disclose their names. I told him that if the details of his plan should receive the complete approval of the insurance departments having jurisdiction, I would be glad to consider his proposal.

Later Birdseye told me that his principals were to take over the Pittsburgh Life & Trust as the first step in their plan proposed. He said that this matter had been laid before the New York Insurance Department and that he was sure of their approval. I tentatively accepted the presidency, to take effect at a later date, that is May first, provided that before I took charge the insurance departments of New York and Pennsylvania should approve the entire transaction, of the details of which I had not been informed, and that satisfactory terms as to my compensation and my relations with his undisclosed capitalists would be made. I had been repeatedly assured that prior to the first of May, everything would be explained and arranged to my complete satisfaction, and I relied upon these assurances. These promises not being fulfilled, under date of April 27, 1917, I formally withdrew my acceptancy of the presidency of the Pittsburgh Life & Trust Co.

If Birdseye represented to Mr. Nimick, or anyone else in Pittsburgh that I was arranging a syndicate to take over the stock of the company, my connection with the matter was wholly misrepresented. As a matter of fact I knew nothing of the details of negotiations for the stock, the terms upon which it was to be taken over, who was buying, or how it was to be paid for. I knew nothing of these details until they were brought out by the New York Insurance Department in conjunction with the Pennsylvania Department, their approval having been made an explicit condition of my acceptance.

I deny that I ver gave Birdseye credentials to purchase control of the company, or to represent me, though I did at Birdseye's request.

(Continued on page 23)

FOR SALE

INSURANCE LIBRARY consisting of Massachusetts, Connecticut, Ohio, and Wisconsin Life Reports for from fifteen to twenty years, also minutes of New York and Wisconsin investigation of 1906, and various other insurance works.

Address "Insurance Library"
care of The Eastern Underwriter
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ILLINOIS LIFE INSURANCE CO.
CHICAGO
JAMES W. STEVENS, President

GREATEST ILLINOIS COMPANY

WANTS GOOD MEN AND WILL PAY THEM WELL

State Mutual Life Assurance Co.
OF WORCESTER, MASSACHUSETTS
Incorporated 1844

The Company that gives complete satisfaction to policyholders and agents because both are a part of it.

SEVENTY-THREE YEARS of faithfulness to every promise made.

Success for our ambitious representatives is a certainty.

Additions are made to our agency force when the right men are found

B. H. WRIGHT, President D. W. CARTER, Secretary
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THE CRESCENT LIFE INSURANCE COMPANY
OF INDIANAPOLIS, INDIANA

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A Legal Reserve Company

Are You a Big Producer? Can You Prove It?
ONE GENERAL AGENT WANTED IN INDIANA

Home Office: Fletcher Trust Bldg., Indianapolis, Ind.

Ambitious, Productive and Trustworthy Life Agents may be benefitted by corresponding with the

Berkshire Life Insurance Company
of Pittsfield, Mass.
Inc. 1851

New policies with modern provisions Attractive literature
W. D. Wyman, President W. S. Weld, Supt. of Agencies

THE UNITED STATES LIFE INSURANCE COMPANY
1850 IN THE CITY OF NEW YORK 1914
ISSUES GUARANTEED CONTRACTS

Good men, whether experienced in life insurance or not, may make direct contracts with this Company, for a limited territory if desired, and secure for themselves, in addition to first year's commission, a renewal interest insuring an income for the future. Address the Company at its Home Office, 277 Broadway, New York City.

JOHN P. MUNN, M. D., President

FINANCE COMMITTEE { CLARENCE H. KELSEY, Pres. Title Guarantee and Trust Co. / WILLIAM H. PORTER, Banker / EDWARD TOWNSEND, Pres. Importers and Traders Nat. Bank

Equitable's New Forms for Agents

SOCIETY'S PLANS FOR PICKING OUT WINNERS

Applicants Furnish Pictures, and Tell Why They Want to Sell Insurance

The Equitable Life Assurance Society has sent to its field managers the new forms for use in the appointment of agents which have been adopted by the Company, which is one of the members of the Bureau of Salesmanship Research of the Carnegie Institute, and which it believes will go a long way in weeding out incompetents among applicants for agents. The forms have had a good reception by the managers, who realize the direct loss, not only to the Company but to the agency director and to the entire staff, of solicitors who prove unproductive. Undoubtedly, these blanks are a step in advance, and will help solve the problem that faces all the life companies: the hiring and firing of solicitors.

Prepared By W. E. Taylor

The forms were prepared in the office of William E. Taylor, superintendent of agencies of the Equitable, who says:

"In spite of the careful consideration that has been given to agency appointments our turnover for last year was beyond what it should have been, although resulting in a small net increase in our domestic staff. We have been endeavoring to improve the machinery with a view to the appointment of perhaps fewer but better agents, and the present indications point to an actual reduction in the number of contracts outstanding by December 31st next. In introducing these forms and requiring their adoption we are doing so with the hope that they will prove of much value to all. There is no manager but that at one time or another has felt disheartened because of many hours of valuable time spent in training material that subsequently proved unproductive. Wasted effort on the part of a solicitor is unfortunate.

"It is our desire to limit this waste to a minimum and this, we believe, can be accomplished if a manager's time is given to the training of only such men and women as have in them the latent, but inherent, qualities of success.

"It is too much to hope that the enclosed forms cannot be improved upon, and it is our aim to revise them from time to time based upon the experience of our staff; but in the preparation of these forms we have been guided by your judgment and have named as the fundamental characteristics of success the factors that were brought out in the replies sent to the Home Office as a result of the inquiry made at the Managerial Meeting at Hot Springs in January last. We are pleased to add that the characteristics that received the highest number of 'votes' and which are the ones included in the enclosed forms tallied almost identically with the characteristics as recommended by the Institute at Pittsburgh."

Prospective Agent's History Blank

The history blank of the application for agency follows:

Name in full; last name first.....

1. Age..... Date of birth..... Place of birth.....

2. Nationality..... Languages spoken (besides English).....

3. Residence.....

Length of time at present residence .....

4. Present occupation.....

5. Education: Indicate by check whether graduate of college, high school, or grammar school. Give name of last institution attended.....

6. Family: Indicate by check whether single, married, widower, or divorced .....

Dependents—how many? .....

7. Social activities: Indicate clubs, lodges, military, church or other organizations with which at present connected. (If officer, so state.).....

(In the past).....

8. Health: Indicate by check whether good fair, or poor.....

Any physical infirmity?.....

THE EQUITABLE LIFE ASSURANCE SOCIETY
OF THE UNITED STATES
120 Broadway, New York City

INTERVIEWER

INTERVIEWER'S SCALE

DIRECTIONS: This blank is for use in preparing a standard by which to judge relatively of the value of Prospective Agents; and one is to be filled out by each Interviewer as his standard. Under each heading disregard every factor except what is indicated by the term. Then select that agent who, for example, you rate as Highest for "Appearance" indicate him by name under Highest—10, and in like manner indicate the agents that you would rate for "Appearance" as High, Average, Low and Lowest. In the same way classify and rate 5 agents under each heading; the same agents may appear under the different headings but will rarely be graded the same. That is, agent Smith may be rated as Highest under "Appearance" but as Average or Low under "Industry".

I. Appearance.
Consider facial expression, physique, carriage, clothing, neatness and cleanliness.
Highest 10 — High 8 — Average 6 — Low 4 — Lowest 2

II. Address.
Consider voice, manner of speech (whether convincing or persuasive), ability to express himself clearly and briefly quiet self-confidence, courtesy, tact, enthusiasm, cheerfulness.
Highest 10 — High 8 — Average 6 — Low 4 — Lowest 2

III. Character.
Consider integrity, truthfulness, personal habits, economy, loyalty.
Highest 10 — High 8 — Average 6 — Low 4 — Lowest 2

IV. Industry.
Consider ambition, initiative, perseverance, systematic effort.
Highest 10 — High 8 — Average 6 — Low 4 — Lowest 2

V Mentality.
Consider natural intelligence, versatility, general education, present insurance knowledge or aptitude to master same.
Highest 10 — High 8 — Average 6 — Low 4 — Lowest 2

VI. Value to Society.
Consider probable value to the Society, giving due weight to all factors, including impression conveyed by "History" blank.
Highest 40 — High 32 — Average 24 — Low 16 — Lowest 8

VII. Reports from others.
If reports are expected but not received they should be rated as "uncertain".
Favorable 10 — Uncertain 5 — Unfavorable 0

Date

D. D. 1828-A 17-8. Based upon Interviewer's Scale copyrighted by Bureau of Salesmanship Research, Carnegie Institute.

Amount of time lost through illness within past two years.....

9. Personal life insurance carried. Old line: $..... Lodge or Fraternal: $.....

10. Previous business experience (other than life insurance) for past five years: Name of concern and nature of business, capacity employed, when employed, immediate superior, reason for change.....

11. Previous life insurance experience: Name of company, when employed, where located, immediate superior, paid business: personal, through agents; reason for change.

12. Contract proposed is for: Whole time or part time..... Field in which it is desired to operate.....

13. Finances: Indicate by check whether indebted to anyone. Yes, No. (If so, to whom and amount).....

Indicate by check whether living at home, or boarding.

If former, is home personally owned, or rented.

Indicate by check kind of property owned—personal, or real estate.

Approximate value, $.....

Indicate approximately the monthly remuneration last received, $..... and whether salary, or commissions.

14. Corporate bond can or cannot be furnished. (If one furnished in past, give name of surety company.)

(.....)

Remarks: The prospective agent should state here, in at least fifty words, why he thinks he will succeed as a salesman for this Society.

Dated.....191...

.....

Signature of Prospective Agent.

Note: A photograph (a kodak will suffice), showing date taken, should accompany this blank; to be returned if desired.

In all cases where an Equitable representative (other than the general agent or agency manager himself) is concerned in the appointment of the prospective agent, the following is to be completed.

Introduced by .....

Contract recommended by.....

Approved by .....

Comment on Prospective Agent's Blank

In regard to the prospective agent's history blank the Society says:

"It has been claimed many times that managers frequently 'go after' new agency material, and that there is an impropriety in asking the prospective agent to sign an 'application for agency.' This point we have met in the title of the new form. In substance the form follows the one that we have heretofore used with the addition of a few features of importance, but in one particular respect it differs from the old form in that we have dropped the list of references. It was felt that they were of relatively little value, and that a man's past record is a better index to his reliability than references of his own selection.

"We attach special importance to the last provision of the blank under 'Remarks' where the agent is asked to state in at least 50 words why he thinks he will succeed as a salesman for the Society. It is believed that this in itself will be a valuable indication as to the probabilities of success of the prospective agent as his individuality and characteristics should be better disclosed than in any mere answering of questions.

"The intention is to have one of these blanks filled out in the case of every agent with whom a contract is consummated, but temporarily at least we are willing that same shall be filed at the local office with the agency copy of the contract."

Letter to Former Employer

The following is the letter to former employer:

Sir: We are considering the appointment of .....as an agent to represent this Society.

It will not be to his advantage to be appointed to this position unless he is fitted to succeed in it, and in order that he may secure proper consideration will you kindly give the within questions your careful attention and promptly return this letter to us in the enclosed envelope.

Yours very truly,

The answer to each question may be indicated by a cross (x) in the appropriate brackets. Any additional information that would assist us in judging the applicant's fitness for the position would be appreciated; the opposite page may be used for this purpose.

1. The subject of this inquiry states that he was in your employ from..... to..... operating under the immediate supervision of .....

Does this correspond with your record? Yes. No.

2. What was the general character of his duties?

3. He states that he left because .....

Is this an adequate statement? Yes. No.

4. Were you personally acquainted with him and his work? Yes. No.

5. (a) How do you rate his industry? Highest, high, average, low, lowest.

(b) How do you rate his personal habits and conduct? Highest, high, average, low, lowest.

WORTH KNOWING

Suppose that you are insured in the United Life and Accident Insurance Company of New Hampshire for $5,000 under the Company's Triple Indemnity Plan, what does your Policy guarantee to do?

ANSWER:

FIRST, it guarantees that in case of death from any cause, $5,000, the face of the Policy, will be paid.

SECOND, that in case of death from any ACCIDENT, $10,000, or DOUBLE the face of the Policy, will be paid.

THIRD, that in case of death from certain SPECIFIED accident, $15,000, or THREE TIMES the face of the Policy, will be paid.

BUT THIS IS NOT ALL. The Accident Disability Endorsement **FURTHER** guarantees that in case of total disability as a result of accidental injury, the Company will pay direct to YOU at the rate of $50 PER WEEK during such disability, but not to exceed 52 weeks, after which the weekly indemnity will be at the rate of $25 PER WEEK throughout the period of disability. **Can insurance do MORE?** And why should any man be satisfied with a policy that would do less? The cost is low.

Agents wanted in Maine, New Hampshire, Vermont, Connecticut, Pennsylvania, North Carolina, South Carolina, Tennessee, Georgia, Delaware, Maryland, Mississippi, Kansas, Missouri. An opportunity for Life Insurance Salesmen of ability. Address:

United Life and Accident Insurance Co.

Home Office, United Life Building - Concord, New Hampshire

(c) How do you rate his fitness for a selling position with our organization? Highest, high, average low, lowest.

Signature.....

Date.....

Interviewer's Scale

Every general agent and manager has to fill out a form called "Interviewer's Scale" which is reproduced by a cut in this story. This "Scale" is a standard by which to judge of all prospective agents that come for appointment, and one of these blanks is also made out by every member of the manager's staff who is engaged in the employment of agents—each man to prepare his own standard of values. The form explains the basis on which it is to be prepared. A duplicate copy goes to the Society.

Interviewer's Blank

There is also a form called "Interviewer's Blank" in which the prospective agent is graded by three interviewers and an average is figured. In discussing the "Interviewer's Blank" the Society says:

"One of these form is to be made out in connection with every prospective agent following the interview. You will note that in the preparation of this form the prospective agent is compared with the other agents, under each characteristic, that you have previously selected in your interviewer's scale. It is not the intention that this blank will be filled out in the presence of the prospective agent; it should be done immediately following an interview, but the interview should be conducted in such a manner as to enable the interviewer to judge of the prospective agent from the standpoint of each characteristic.

"Where practicable, each prospective agent should be interviewed by more than one person, in which case each interviewer should make out a separate blank.

"By the use of these forms it is not expected so much that the managerial staff will be enabled to invariably 'pick the winners' but rather that they will be of service to the staff in helping them avoid doubtful appointments. And it is our purpose to review the judgment of our staff from time to time in the light of the actual results of the various appointees to see how correctly a manager is able to forecast the probabilities of success in the individual case.

"You will note by reference to the scale that a prospective agent who is rated as but 'average' under each of the different headings will have a total of 59 to his credit as against a possible 100. We do not propose to lay down a definite rule that no agent shall be appointed who shall not measure up to this average, but, generally speaking, it would seem as though that would be the logical conclusion.

"The interviewer's blank is to be kept at the local office with the agency copy of the agent's contract on file."

After the Appointment is Made

Finally, there is an "Appointment and Digest Blank," after the agent has passed the test. The information on this blank follows:

Agent's name in full; last name last .....

Agency.....

Residence address.....

Business address.....

Age..... Nationality.....

Languages spoken (besides English) .....

Education. Graduate of college, high school or grammar school.

Family. Single, married, widower or divorced.

Dependents.....

Health. Good, fair or poor, and note any physical infirmity.....

Worth. $..... Personal life insurance: Old line $..... Fraternal.....

Occupation past five years:

Previous life insurance experience (name companies and when.)

Reputation. Best, good, average, based upon:

Personal knowledge of.....

Advice received from.....

Contract is for whole time; part time. If part time, indicate other occupation.

New appointment or re-appointment (a former agent counts as "New" if he has been out of the Society's service for one year).

Contract:

Date.....191...

Effective.....191...

Source through which agent was secured:

(a) Result of a circular sent to..... ..... (policyholders, bank cashiers, medical examiners, etc.)

(b) Answered "ad".....

(c) Suggested by another agent (name him).....

(d) Result of personal canvass by .....

(e) .....

Agent is, is not, to take the correspondence course.

Agent will be assigned for joint work or instruction to.....

Application for bond with remittance for premium is herewith attached.

Appointment has been reviewed by: Name..... Rating.....

Est. production 1st yr.....

The approval of this contract is recommended by

.....

Agency Manager.

Dated.....

CITIES PAYING PREMIUMS

What is Being Done in Wisconsin to Protect Soldiers' Life Insurance

Several cities of Wisconsin, through their business men's organizations or commercial clubs, have practically decided to pay the insurance premiums of their soldiers who have and will be called to the service of the country in war. The Commercial Club of the city of Platteville has a plan before it this week to insure every member in the company of the National Guard recruited in that vicinity. At the present time a census is being made of the enlisted men in Wisconsin who carry insurance. As soon as this data is complete Insurance Commissioner M. J. Cleary will submit the lists to each city and will confer with local organizations to have all insurance kept up. It is the plan of the Commissioner to have no enlisted man lose his insurance, through lack of money to pay his insurance premiums, because called to the defense of the country.

"I have had the matter of carrying out the general feeling that the public should assist the enlisted men under discussion with a number of different organizations," said Commissioner Cleary in discussing the matter. "In the city of Madison a number of men have suggested, and, in fact, agreed, that when the life insurance census is completed they will take up the matter of providing for the premiums of men who are not in a position to take care of themselves, or who have no beneficiary or relative to take care of them. I am also advised by the Rotary Club of Wausau that they have agreed to pay the premiums on all policies of men in the Wausau company where no other arrangements have been made for taking eare of those premiums. I am also advised by the Commercial Club of Chippewa Falls that that organization is guaranteeing the premium of all enlisted men where no other provision is made for taking care of them. In addition to this, the Chippewa Falls Club has agreed to purchase $1,000 of life insurance for each enlisted man who has no insurance and to take care of the premium during his term of service."

Aside from explaining this plan to the different cities in letters, Commissioner Cleary has made no speaking campaign on the question in the different cities. He will do so, however, as soon as the insurance military census of Wisconsin companies has been completed.

Edgar J. Rossman, of Hudson, N. Y., has purchased the insurance business of Eugene D. Smith.

An Office doing business in Eastern Pennsylvania could use a good Life Insurance Company in this territory.

Address "KEYSTONE"
Care of The Eastern Underwriter
105 William Street, New York, N. Y.

BANKERS BLC LIFE DES MOINES COMPANY

PAYS GOOD PAY TO GOOD MEN

HOME LIFE
INSURANCE CO.
(Now Purely Mutual)
256 BROADWAY, NEW YORK
GEORGE E. IDE, President

The fifty-seventh annual report shows insurance in force of $133,493,000, an increase during the year of $7,832,827. The Company paid the policyholders in 1916 $3,536,233, of which $628,406 was in dividends or premium refund. Its insurance reserve fund was increased by $1,300,000 and the Assets are now $32-821,462.

For Agency apply to
GEORGE W. MURRAY,
Supt. of Agts.
256 Broadway, New York, N. Y.

WE have room just now for two or three good men—not the Million Dollar producer who takes it out in talk, but the man who can average $100,000 of personal business, plus experience in appointing and working with agents. Men who become valuable to this Company grow in value to themselves. We cannot guarantee your success, but we will give you a real opportunity, then it's up to you. Would you like to hear about it further?

Pittsburgh Life and Trust Co.
Home Office, Pittsburgh, Pa.
HOWARD S. SUTPHEN
Vice-President & Manager of Agencies

Extracts from Report of Examination of
SOUTHWESTERN LIFE INSURANCE CO.
By the State of Texas, June 28, 1915

"It is noteworthy that this Company was organized without any promotion expenses."
"I beg to report further that I find the Company in excellent financial condition."
"The volume of its business has steadily increased, its surplus is growing rapidly and its funds are being carefully conserved under expert supervision."

Home Office, DALLAS, TEXAS

THE AVERAGE EARNINGS OF THE AGENTS
OF THE
Standard Life Insurance Company
∴ ∴ OF PITTSBURGH ∴ ∴
are higher this year than ever before. Our attractive Accident and Health Policies have helped them to make more money.
Write for a LIFE, ACCIDENT AND HEALTH Contract to
FRANK A. WESLEY
Vice-President and Director of Agencies

New York Life to Write Aviators

$2,000 MAXIMUM AND $25 EXTRA PREMIUM PER THOUSAND

New Clauses of Aetna Life and Massachusetts Mutual—Latter's 7½ Per Cent. Extra

The New York Life is now insuring aviators. A letter written by the Company to Charles D. Wolcott, chairman of the executive committee of the national advisory committee for aeronautics, says the Company will write this class at a maximum of $2,000; $25 extra premium a thousand per annum. So far as applications above $2,000 are concerned the New York Life will consider them with a clause providing for the return of the reserve in the event of death at any time, due directly or indirectly to engaging in aviation. The New York Life's letter to Chairman Wolcott signed by Actuary Hunter:

Dear Sir: Referring to my letter of the 9th instant, I take pleasure in giving you the plans on which we are willing to insure aviators.

Aeronauts, aviators, and men engaged in the manufacture of such devices who occasionally fly, provided they do not give exhibitions and do not undertake trick flying, will be considered for a maximum amount of $2,000 with an annual extra premium of $25 per thousand, together with a war clause. The extra premium will be eliminated from the policy one year after they have given up flying either as an occupation or as a pastime, subject to evidence of insurability satisfactory to the Company. A refund will be made of the extra premium paid during that year.

The war clause provides for a single extra premium of $100 a thousand in event of engaging within two years from the date of issue in any military, naval, red cross or other relief service outside the boundaries of continental United States. (The boundaries of continental United States are defined to include the waters within three miles of the coast line, but do not include the Panama Canal Zone.) If the insured does not pay the extra premium, and dies within the first two years from the date of issue of the policy as the result, directly or indirectly, of engaging in the service already mentioned, the insurance is limited to one-fifth of the face of the policy.

The foregoing provisions would not apply to persons who are in the service of, or who volunteer for service with a foreign power.

The Company does not issue to persons in hazardous occupations the so-called disability benefits or double indemnity benefits.

Aetna's Clause

The Aetna Life has adopted the following clause:

44 MILLIONS from 42 AGENCIES

THE 1916 RECORD OF OUR EARNEST, LOYAL AND HAPPY AGENCY FORCE

New England Mutual Life Insurance Company

BOSTON, MASS.

Any language in this policy to the contrary notwithstanding: If the insured shall within two years from the date hereof engage in any aeronautic or submarine service or expedition, or shall in any time of war within two years from the date hereof engage in any naval service, or in any military service outside of the continental limits of the United States of America, the provisions herein for permanent total disability and for double indemnity in event of death shall immediately cease and be void, but all other provisions of this policy shall remain in force, provided that prior to any such engagement, or within ten days thereafter notice shall be given to the Company by or on behalf of the insured, and an extra premium of five per cent. of the sum insured under this policy shall be paid to the Company or its authorized agent, and annually thereafter during its continuance, subject to the thirty-one days of grace applicable to regular renewal premiums; otherwise, such service will render this policy—including not only the original insurance, but also the provision for extended insurance and paid-up policy—null and void, except for the legal reserve then existing. If for any engagement or service described in this section the disability or double indemnity feature has ceased or become void, the Company will restore the same after such engagement and service is discontinued upon being furnished with satisfactory evidence of the good health and insurable condition of the insured, provided the policy is otherwise in full force.

If the insured does not continue in such service, said extra premium will not be required after the expiration of the year for which it has been paid, and if this policy shall lapse by reason of the non-payment of the regular premium no risk shall thereafter be covered by such extra premium, and the unearned portion thereof will be returned on demand.

Massachusetts Mutual's 7½ Per Cent. Extra Premium

The following supplemental statement to the Massachusetts Mutual Life Insurance Company as part of application for insurance in that Company has been adopted.

1. Are you a naturalized citizen of the United States?

A. .....

2. Are you a member of any military or naval organization?

A. .....

3. Are you now subject to recall as a reservist by a foreign country?

A. .....

4. Do you possess property in a foreign country? If so, name of country.

A. .....

5. Would you respond to any call or appeal for military or naval service from such country?

A. .....

6. Have you any intention of enlisting in the army or navy, or national guard, or naval militia, or of joining any military or naval organization?

A. .....

7. Do you agree that any policy the Company may issue upon the application of which this statement is a part shall contain the following provision?—

If within five years from the date of issue of this policy insured shall engage in military or naval service in time of war outside of the continental boundaries of the United States (including the Panama Canal Zone, Porto Rico, Hawaii, and the Virgin Islands) the liability hereunder shall be limited to the reserve value of the policy less any indebtedness to the Company on account of or secured by the policy, unless the insured within thirty-one days after entering upon such service shall give written notice to the Company and shall pay an extra premium, at the rate of seven and one-half per centum per annum of the sum insured by the policy, for that fraction of the current policy year from the date of entry upon such service to the end of said policy year and, thereafter on each anniversary of the policy year, during the continuance of such service in time of war, an extra premium of seven and one-half per centum of the sum insured by the policy. If death occurs during the said period of thirty-one days and the extra premium shall not have been paid, such non-payment shall not limit the liability under this policy, but the extra premium due shall be deducted from the amount payable hereunder. Any extra premium after the first shall be subject to the grace provision of the policy. If the aggregate extra premiums be in excess of the claims through war or disease incident to camp life, a refund will be made as determined by the Company. This provision is in lieu of the military or naval service clause printed on the first page of this policy, which clause has been stricken from the policy.

A. .....

Standard's Position

The Standard Life of Pittsburgh said: "We have adopted a war clause which we feel meets with our requirements in a better way than the clause recommended by the conference committee. We have, however, written to the representative of this committee stating that if a number of insurance companies representing 75 per cent. of the total insurance outstanding in the United States accept the war clause recommended by the conference that we will feel inclined ourselves to change the clause which we have already adopted and use the one as recommended."

Subscribe to War Loan

The Metropolitan Life Insurance Company has subscribed for $2,000,000 worth of the "Liberty Loan" bonds. The Company also is making to its employes, other than officers, numbering 20,000 in the home office and throughout the country, this proposition: The Company will loan to employes who may wish to subscribe for these bonds up to 90 per cent. of their face value, taking the bonds as collateral, the loan by the Company to bear the same rate of interest, 3½ per cent., as the bonds, and to be repaid to the Company in installments any time during the current year.

Upon learning that the rush of applicants for physical examination was so great that the physicians could not handle it, the Metropolitan offered the loan of its examination facilities to the Government, as a result of which more than 250 men have been examined at the Company's building. The Company has also loaned a great number of stenographers to one of the women's relief organizations.

$5,000,000 Subscriptions

The Mutual Life has participated to the extent of $5,000,000 in the "Liberty Loan."

Participation of the New York Life in the "Liberty Loan" is the same amount.

The Equitable subscription is $2,000,000.

The Home Life, of New York, bought $500,000 of the "Liberty Loan" bonds.

The Travelers will take $1,000,000.

Wolfe Getting Information for Government

S. Herbert Wolfe has been appointed

Business Attending to Business

General business is prosperous and the public confidence is proof against all alarms. Our deliveries for the first three months were much larger than for the first quarter in 1916. Patriotism requires that business shall attend to its business with the utmost zeal, that the stability of finance may remain unshaken; even as patriotism requires that every American shall support the government by such means as are his to contribute, that our country may be invincible.

Occasionally we have a general agency opening.

JOSEPH C. BEHAN, Superintendent of Agencies

MASSACHUSETTS MUTUAL Life Insurance Company

Springfield, Massachusetts

Incorporated 1851

NATIONAL LIFE INSURANCE COMPANY

(MUTUAL)

MONTPELIER, VERMONT

67th Year

FRED A. HOWLAND, President

On paid-for insurance basis and with bonds valued at par only (market value $409,882 above par) the 67th report shows:

Assets	$66,426,040.82
Liabilities	62,268,494.36
Surplus	$ 4,157,546.46
INSURANCE IN FORCE	$212,037,400.00

A good company for the policyholder and the agent

EDWARD D. FIELD, Superintendent of Agencies.

by the Federal Government Special Agent of the Department of Labor to investigate and report on methods of compensating the dependents of enlisted men in the military and naval forces of the United States.

Germania Life's Plan

The Germania Life's plan for the National Economic Mobilization of Life Insurance Policyholders has attracted wide and favorable attention. The Company will extend the Germania service features by a campaign of information on subjects having to do with

1. Health of the policyholder and his family.

2. Household economies.

3. Insurance.

Bulletins telling how each policyholder, his family and his friends can take an active part in national economic mobilization will be sent out on

1. Health of the policyholder and his family: (a) Personal hygiene; (b) physical exercise; (c) household diets; (d) child hygiene; (e) health service for policyholders, new and old.

2. Household economics: (a) Household budgets and family incomes; (b) thrift campaigns; (c) vegetable gardens.

3. Insurance: (a) How to take care of the beneficiary; (b) how much insurance should be carried; (c) how to keep a policy in force.

Southland Life's Plan

The Southland Life of Dallas adopted a clause on April 30, "Policies issued before May 31, 1917, are free from restrictions."

A ten-year period is covered by the war clause, "Engaged outside the continental United States the extra premium is $100 on the thousand."

Illinois Life Conditions

Under the terms of the Illinois Life war clause the policyholder who enters military or naval service has the option of notifying the Company of such service and preserving his insurance for the full amount by the payment of the required extra premium; but, if he fails to give such notice he is automatically granted, during the continuance of his war service, insurance equal to one-fourth the total amount insured under his policy, and full insurance benefits will be restored to him after his discharge from service.

Prudential Investigating Mexican Mortality Experience

The Prudential is now investigating its mortality experience in connection with the recent operations in and about Mexico and expects to return extra premiums received on that account. Regarding the present war it says: "It is our purpose to investigate carefully our mortality experience after the close of the present war for the purpose of determining if the extra premiums paid on account of military and naval service have been more than sufficient to cover the extra risk. If such should be found to be the case, the excess extra premiums will be returned to the policyholders entitled to them, provided they continue their policies in force at least six months after the close of the war."

The Royal Union of Des Moines is charging one per cent. within continental limits; 10 per cent. outside continental limits; 25 per cent. for aviators.

Phillips Approves Astor Recommendations

Superintendent of Insurance Jesse S. Phillips announced on Saturday that he had approved the so-called uniform "war rider" for life insurance policies adopted recently by the special committee of the National Convention of Insurance Commissioners and a special committee representing life insurance companies. When such riders are presented by the various companies pursuant to statute, they will receive formal department approval.

Great Southern Men Meet in Houston

SEVENTH ANNUAL SESSION OF COMPANY CLUBS SUCCESSFUL

Joint Convention of $200,000 and $100,000 Organization Proves Profitable in Business and Social Ways

The seventh annual joint meeting of the $100,000 and $200,000 clubs of the Great Southern Life, of Houston, convened at the home office Tuesday morning of last week.

The preliminary session was called to order by Vice-President Charles Boedeker. Vice-President Stephenson of Dallas, took the floor and presented to the management of the Company a life-size, oil portrait of President O. S. Carlton, on behalf of the members of the Dallas branch office. The portrait is the work of the Russian artist, Peter Plotkin.

Mr. Stephenson gave a short sketch of the career of O. S. Carlton, covering a period of nearly thirty years or since he entered the life insurance business. Mr. Carlton's speech of acceptance was received enthusiastically.

Homer Gaddy, of Beaumont, then voiced the sentiment of the agents when he gave Dr. J. H. Florence, medical director of the Company, a generous share of credit for the success of the Great Southern. On behalf of the agents, Mr. Gaddy presented to Dr. Florence a handsome and valuable solid gold watch bearing the trade mark of the Company.

After an informal luncheon at the Rice, the business meeting of the two clubs was called to order by President Carlton. He announced the officers of the $200,000 club as follows: president, Wm. Hargis Walker; 1st vice-president L. M. Generes; 2nd vice-president, J. Y. McQuigg, Jr.; 3rd vice-president, S. W. Carothers. Other members of the club are J. R. Parks, I. L. Cain, J. H. Caddy, V. R. Ferguson, David Schwartz, T. W. Lovett, J. F. Wellington, Elmer Abbey and R. L. Bains.

Officers of $100,000 Club

Officers of the $100,000 club were announced as follows: president, G. Q. Harris; 1st vice-president, T. J. Sandridge; 2nd vice-president, Vernon Major; 3rd vice-president, M. C. Talbot. Other members of the club are H. A. Waddle, Sam Maroney, Jas. A. Stephenson, E. C Brandenburg, G. F. Pierce, I. D. Getteh, Fred Boothe, C. W. Lamberth, J. C. Kirby, R. A. Peak, J. D. Hefley, Sr., J. R. Railey, F. J. Illig, E R. Pierce, G. F. Wear, A. H. Brodie, A. J. Jordan, J. E. Brown and T. E. Cranfill.

After the announcement of the club officers, President Carlton sprang a very pleasant surprise on the agents in the shape of two entirely new and attractive policies and a new rate book. The new policies contain many valuable and attractive features.

The daylight hours of the second and last day of the meeting were devoted to sight-seeing and other pleasures. Fifty automobiles were placed at the disposal of those attending the convention. Leaving the home office promptly at ten o'clock the entire party made a trip to Houston Harbor and the turning basin where about an hour was devoted to the inspection of the interned Austrian steamers and other ocean-going vessels. From there the party drove to Clear Lake Inn, about thirty miles down the channel, where an elaborate shore dinner was served.

One of the most enjoyable agency meetings ever held by the Great Southern closed with a banquet at the Rice at 7:30. Cash prizes as provided by the rules of the clubs were given the club officers. The presentation speeches were made by John T. Scott, treasurer of the Company.

HARDEE WITH P. M.

Theodore Hardee, formerly chief of the Liberal Arts exhibit of the Panama-Pacific International Exposition and acting director of exhibits and special days, has joined Manager Stearns' agency at San Francisco, specializing on health and accident policies. For many years Mr. Hardee has been in quasi public work and social betterment organizations. At one time he was secretary to the executive committee of the National Civic Federation, later going to the St. Louis Exposition as commissioner to the Orient, and then to the Lewis & Clark Fair in charge of the exhibits. While in New York City he gained valuable insurance experience, making a good record as a consistent producer.

MILLION A MONTH

The New York City general agency of the Mutual Benefit Life, headed by L. A. Cerf reports its paid for business for the first four months of 1917 as $6,628,604.

THE MOST VALUABLE POLICY FOR YOU,
Mr. Agent, is to write your prospect in the Company writing the most valuable policy for the insured.
Secure **prompt action** in the

John Hancock
MUTUAL
LIFE INSURANCE COMPANY
OF BOSTON MASSACHUSETTS

WILLIAM N. COMPTON, General Agent
METROPOLITAN DISTRICT, ST. PAUL BLDG., 220 BROADWAY, NEW YORK, N. Y.

The
Perfect Protection Policy
OF THE
RELIANCE LIFE

gives you something absolutely new and different to talk to your prospects. Gives you a chance to earn more money than you are now making.

Our Life Insurance Contracts contain the most up to date clauses known to the Insurance World. The Accident and Health gives full protection for at least a third less cost than regular casualty companies. Our agency contracts are as liberal as can be made.

WRITE AND WE WILL TELL YOU MORE ABOUT OURSELVES

Reliance Life Insurance Company of Pittsburgh
FARMERS BANK BUILDING
PITTSBURGH, PENNSYLVANIA

Build Your Own Business
under our direct general agency contract

Our Policies provide for:
Double Indemnity, Disability Benefits, Reducing Premiums

See the new low Rates

JOHN F. ROCHE, Vice-Pres't
THE MANHATTAN LIFE INSURANCE COMPANY
66 BROADWAY NEW YORK
Organized 1850

We don't contract with poor men.
We give a new man our attention until he is started.
We make our men make good.
Why don't you work for us?

Peoria Life Insurance Company
PEORIA, ILLINOIS

Founded 1865
The PROVIDENT Life and Trust Company
OF PHILADELPHIA, PA.

What do most men fear?
An insufficient income for their wives and children if they die, and for their own old age if they live.

WE WILL INSURE THE INCOME IN EITHER EVENT.

Write for Information

ORGANIZED 1871
Life Insurance Company of Virginia
RICHMOND, VIRGINIA
OLDEST, LARGEST STRONGEST
Southern Life Insurance Company

Issues the most liberal forms of Ordinary Policies from $1,000.00 to $50,000.00, and Industrial Policies from $12.50 to $1,000.00

CONDITION ON DECEMBER 31, 1916:

Assets	$14,464,552.23
Liabilities	12,436,717.56
Capital and Surplus	2,027,834.67
Insurance in Force	118,349,212.00
Payments to Policyholders since Organization	18,119,172.50
Is Paying its Policyholders over	$1,300,000.00 annually

GOOD TERRITORY FOR LIVE AGENTS

LIVE HINTS FOR BUSINESS GETTERS

Practical Suggestions to Help the Man With the Rate Book Increase His Income and General Efficiency

How to Conserve New Business

Speaking at the annual convention of the Insurance Superintendents at Cincinnati, A. F. Sommer of the Metropolitan Life Insurance Company outlined interesting and practical methods on the conservation of business. In the course of his remarks he said that to undertake to have a low lapse ratio, both with respect to new and old business, requires attention for more than a matter of months, or even a year. It must, in the final analysis, be part of the education and training of men in getting the business. That cannot be a matter of weeks or months. Teach men that you are interested only in good business and that you will pass no other kind. Don't hesitate to destroy an application. Refuse to entertain it, if in the judgment of your deputies or yourself, it does not represent business that will persist.

Cases which you refuse to consider favorably, have carded and make a permanent record of them in your repeater cabinet, in order to prevent some one else writing them later and transferring them to the agent controlling the debit where the people reside, from whom you previously refused to accept the applications. Investigate personally or by a deputy every application of doubtful character. Let the agent know the result.

Personally review every application submitted to catch errors, undesirables and large premiums. Let no application pass unless carefully checked with your repeater cabinet. Hold up every case that has a previous lapse history until such history is explained to your entire satisfaction. Continuing he said:

"My practice is not to accept an application on a risk who has previously lapsed policies twice, unless at least ten weeks are collected on such application; and even then it must look very good.

"Be on your guard as to applications which call for a 25-cent premium or more, unless for policies on lives well advanced in years, where the amount of insurance involved is not large.

"When a 25-cent application is finally submitted, it is usually wise to issue two policies—one for 15 cents and one for 10 cents—on the theory that in the event of lapse, you can often save one of the two.

"At young ages even a 20-cent application may be looked upon with caution, and you may go so far as to say that with young single persons having no one but themselves behind the application, they may well be limited to 10 cents.

"In the event of two agents, each seeming to feel that he has a prior claim to a given case, do not permit them to take the decision into their own hands by each writing an application, one of which will lapse. Let the first application submitted go through, and then let the second man come to you for adjustment of his claim. If he is entitled to it, let the policy, both first and second column, be credited to him. If you have agents having an excessively high new lapse ratio, have every one of their applications inspected by a deputy before submitting them to the doctor.

"On the issue of a policy, insist upon immediate delivery and collections in advance. Much business is killed by failure to place promptly, thus starting it out in arrears, rather than in advance. If a policy cannot be placed, or it gets two or three weeks in arrears, or whenever a policy is refused, insist upon its being reported on the lapse schedule at once, so that you and your lapse deputy have a chance to save it.

"Exact from your deputies the closest kind of supervision of the collection books, with a view to watching the new business.

"Take up from time to time with your weaker men their shortcomings.

"Publicly commend men for doing good work.

"When a policy is lapsed, agitate, and keep on agitating revival. Commend a man for reviving new business. Don't permit the lapsing agent, or other men, to re-write new business, but, whenever possible, insist upon revival instead. A careful analysis will show that a district's high lapse, both in old and new business, comes from comparatively few men. To train these men in particular along right lines is of prime importance. Create and cultivate a desire and tendency in your men to come to you and discuss the merits of doubtful cases before they are submitted. Eternally build, and keep on building up the moral side of your men's natures."

HURLEY ON TRADE JOURNALS

Edwin N. Hurley, who recently retired as chairman of the Federal Trade Commission, says regarding trade journals in his book, "The Awakening of Business":

"American business men do not realize the value which trade journals and technical magazines may be to them in increasing the efficiency of their factories and giving them a broad, comprehensive view of their business. Our trade journals and technical papers are the best in the world, and they should be encouraged and supported by our business men. Copies should be placed where employes can see them, and they should be urged to read and study them. These papers are preaching the gospel of sound business on practical lines, and are helpful, not only to business, but to the country as a whole."

THE
METROPOLITAN LIFE
Insurance Company
(Incorporated by the State of New York)



Metropolitan Life Insurance Company
Home Office Building

The Company
Of the People
By the People
For the People

The Daily Average of the Company's Business during 1916 was:

701 per day in Number of Claims Paid.

8,304 per day in Number of Policies Issued and Revived.

$1,969,823 per day in New Insurance Issued, Revived and Increased.

$376,827.40 per day in Payments to Policyholders and Addition to Reserve.

$220,509.26 per day in Increase of Assets.

JOHN R. HEGEMAN, President

Court Rules Notice of Lapse Insufficient

JUSTICE BIJUR DECIDES CASE AGAINST INSURANCE COMPANY

Holds That Words Printed on Back of Letter is Not Legal Cause for Cancelling Policy

Supreme Court Justice Bijur has handed down a decision in the case of McDonald, vs. the Aetna Life Insurance Company, which will prove of considerable interest to the insurance world, for it appears to establish a precedent. The plaintiff sued to recover upon a life insurance policy, the defense being failure to pay premiums within the appropriate time. Plaintiff asserted that no notice as required by section 92 of the insurance law was given to the assured. The section states definitely that no policy shall be forfeited for non-payment of premiums unless due written notice shall have been given. Justice Bijur held that the notice of forfeiture printed on the back of the usual routine notice, did not constitute a legal notification of lapse, not being part of the formal notice that premiums were due. In his opinion, the Justice says in part:

Section 101 of the Insurance Law enacted subsequently to section 92 provides that every policy of insurance shall contain a provision that the insured is entitled after the first year to a period of thirty days' grace for the payment of any premiums, with the right on the part of the insurance company to charge 6 per cent. per annum interest during the period of grace. The notice sent by the defendant to the insured in the instant case is in the form of a card. The following words, and no others, appear on the face of this card:

"Form No. 334. Edition Oct., 1910. Advance notice of premium as required by laws of New York, North Carolina and Louisiana. (March 1), 191(6). Dear Sir—You are hereby notified that the payment of ($49.05) on Contract No. (432024) in the Aetna Life Insurance Company, of Hartford, Connecticut, will become due on the (2d) day of (April), 191(6). B. F. Reinmund, manager. Room 406, Essex Building, cor. Clinton and Beaver streets, Newark, N. J. (three dotted lines for the name and address of the insured). For cash policies with annual dividends."

The words in parenthesis are written and the balance printed. The back of the card bears the following printed inscription:

"Thirty-one days' grace are allowed in the payment of premiums, but interest at 6 per cent. is charged for the time deferred, and practically it is better to pay promptly when due. Unless such payment shall be made to said company or its duly authorized agent in accordance with the above notice, the contract and all payments thereon will become forfeited and void, except as to any right that may have accrued to an extension, a surrender value or paid-up policy, as in the contract provided. Before the premium becomes due we will endeavor to send you the usual detailed statement showing the amount of cash that will be required after deduct-

(Continued on page 23.)

Representing

The Mutual Life Insurance Company of New York

You will make money.

The great strength, big dividends and incomparable benefits of the *"oldest company in America"* mean certain success for you.

For Terms to Producing Agents, Address

GEORGE T. DEXTER, 2d Vice-President

34 NASSAU STREET. NEW YORK, N.Y.

THE EASTERN UNDERWRITER

This newspaper is owned and is published every Friday by The Eastern Underwriter Company, a New York corporation, office and place of business 105 William Street, New York City. Clarence Axman, President; B. F. Hadley, Vice-President; W. L. Hadley, Secretary. The address of the officers is the office of this newspaper. Telephone 2497 John.

Subscription Price $3.00 a year. Single copies, 15 cents.

Entered as second-class matter January, 4, 1907, at the Post Office at New York, N. Y.; under the act of Congress of March 3, 1879.

PICKING AGENCY WINNERS

The new forms of the Equitable Life Assurance Society for agents, by which the Socicty hopes to pick the winners among agents who apply to sell insurance, are reprinted on other pages of this paper. They are a decided step in advance, and although tentative, and to be further improved, there is no doubt but what they will result in a better class and fewer agents. Other companies are contemplating the adoption of blanks along somewhat similar lines.

Some of the novelties in the blank which catch the eye at first glance are the requirements of a picture of the applicant, the writing by him of a fifty word or longer statement, and information about his personal affairs, including whether he owns his home. The interviewer's test, which is made by three men, the outstanding qualities of the agent being checked up and compared, will go a long way in keeping incompetents or men unqualified for life insurance off the Company's roll.

Of course, considerable stress is laid upon a man's appearance, dress, manner of speech, and other qualities that form impressions on the part of the public, and it will be important to know whether the life insurance companies in these tests are not laying too much stress on appearance and first impressions. Many of the most successful life insurance men do not make so favorable an impression on first interview as do others less successful, while a weakness in the tests may be that college men, or others of breeding, who naturally have acquired more polish than the self-made young man, may walk away with ratings to which they are not entitled. This will happen if too much stress is placed on personal appearance rather than upon those parts of the blanks relating to initiative, energy, grasp of affairs, etc.

The only way the efficacy of the blanks can be decided, of course, is by trying them out, and this the Equitable and some other companies, with similar forms, will do from now on. The agency managers are enthusiastic about the new forms.

THE RATE CONFERENCE

One of the most hopeful signs of the conference this week of fire insurance men with reference to the necessity of higher rates and lower expenses is the reception given the news of this gathering and its motive. So far as The Eastern Underwriter can discover everybody heartily approves of the work being done by the conferees and recognizes its necessity.

INSURANCE WAR TAX

The report of the Ways and Means Committee on the insurance end of the war tax will be found on page 18 of this paper.

CHILDS ON WAR HAZARD

In a letter to Commissioner Mansfield, President Childs, of the Columbian National, says that in his opinion the conference recommendation extra premium of $37.50 is inadequate to cover the hazard. He bases his conclusion on the predictions of the press that practically all of our army will be sent abroad.

GROUP WAR POLICY

Herbert N. Fell, a life insurance man of 71 Broadway, in a letter to the New York "American," says one company is writing group insurance on all employes eligible for military service, and covering submarines, aeroplanes, trench fighting, etc., at a cost to the employer of less than $10 per thousand.

TAX ON MARKET VALUE UNFAIR

(From the Hartford "Courant")

The Legislature ought to give careful consideration to the proposed change in the tax on stock insurance companies. Two years ago an additional tax of a half of one per cent. was laid on the market value of their stock. Any tax on market value is unfair. Throw a big block of stock on the market here and down goes the price. Throw a block big enough to carry control and probably up goes the price. The selling of a few shares offers no real test.

It is proposed now to alter the law so that there shall be substituted a tax of 3 1-2 per cent. on the investment incomes of the companies. This is a fixed and certain sum. The books show it. The effect of the change might at first be to reduce somewhat the State's income. This would not be serious and it would be followed by an enlargement of the source of supply. It is no secret that the rigid and unexpected law shut down right off the plans for establishing here in Hartford several new insurance companies. The tax burden to be laid on the new enterprise was too heavy to justify starting. If the law is changed, the new companies are likely to start, and each of these will bring in its own treasury for taxation under the new rule. It is a fair and progressive measure and an improvement of the law that is likely to encourage business instead of hindering it.

THANKS, MESSRS. EDITORS

(From the "Weekly Underwriter")

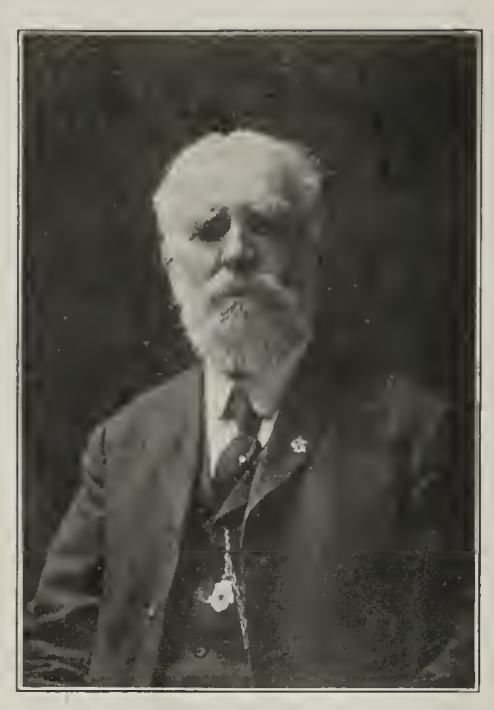
The rush of automobile insurance editions of insurance newspapers recently is well topped by the number issued this week by "The Eastern Underwriter." Excellently illustrated and containing a compact and interestingly written compendium of information about automobile underwriting, it is the best number of that sort that has appeared.

(From the "Standard")

The Automobile Number issued by The Eastern Underwriter of New York, with its comprehensive article on the work of the Conference, human interest stories, and many other features is, I believe, the most interesting and helpful automobile special that has come to my desk.

Non-essentials have been ignored and the text presented is of real practical use.

THE HUMAN SIDE OF INSURANCE



JOHN F. DEATRICK

J. F. Deatrick, one of the handful of "Gold Medal" agents of the Home Insurance Company of New York—men who have represented the Company half a century or more, and who also had represented several other fire insurance companies for more than fifty years—died in Defiance, O., Saturday morning last. He was also the oldest agent of the New York Underwriters' Agency. Mr. Deatrick was eighty-seven years old, and was the father of C. T. Deatrick, State Agent of the Home at Columbus, O. He had been ill for some months and his death was not unexpected.

Mr. Deatrick was born in Chambersburg, Pa., on November 26, 1829, and when a lad moved to Ohio with his father, J. J. N. Deatrick, locating in Defiance, Ohio, in 1854. He entered the insurance business in 1856, with the agency of the Knox Co. Mutual, of Mt. Vernon, Ohio, still in existence. Subsequently, he obtained the agency of the old Washington Union, of Cleveland, long out of existence, and on May 17, 1857, was appointed agent of the Phoenix, of Hartford, at Defiance, under Matthew Magill, general agent at Cincinnati. In 1858 he was appointed agent of the Aetna under J. B. Bennett, general agent at Cincinnati, and about that time he became special agent of the Phoenix, of Hartford, in Ohio, Indiana and Michigan, placing many of the pioneer agencies of that company, and, subsequently, became State agent of the Phoenix for Ohio, leaving the field along about 1870, as he found it more profitable to pay attention to his real estate and insurance business, and the practice of law. He was admitted to the Defiance County Bar about that time, and when he died was the oldest living member of the Defiance County Bar Association.

Mr. Deatrick was appointed agent of the Home in December, 1859, by Daniel A. Heald. The commission of J. A. Deatrick bore the date of February 13, 1860. Soon after he was appointed agent of the Hartford. In 1864 J. F. Downing appointed him agent of the Insurance Company of North America, and at the time the New York Underwriters' Agency was establishing agencies in Ohio he was appointed its agent. The New York Underwriters' Agency then was composed of the Niagara, Germania, Hanover and Republic. At the time of his death he represented the Home, Phoenix, Aetna, Hartford, Insurance Company of North America, New York Underwriters' and Niagara, each of them for a period of longer than fifty years.

State Agent C. T. Deatrick, in a letter to The Eastern Underwriter, this week, said: "Another interesting feature is that in the early days, in traveling over this section establishing agencies for the Phoenix, my father had as his associates George L. Chase, special agent of the Hartford, who subsequently became its president; Alexander Stoddart special agent for the Aetna, subsequently founder of the New York Underwriters' Agency; H. M. Magill, special agent of the Phoenix, with his father, Matthew Magill, general agent, and subsequently general agent of the Western Department of the Phoenix; F. C. Bennett, then a special agent of the Aetna, and later general agent in Cincinnati. Until last week my father was the last surviving member of that interesting coterie of underwriters. He had been identified with the insurance business in Ohio and the West all these years, being active in the conduct of the business at the Defiance agency until March 31 at which time he was in such physical condition that he could no longer leave his home."

C. T. Deatrick entered the office of his father in 1875, and has been continuously in the service of the Home since that date.

* * *

Tom Hoffman, ten years old, and the son of H. G. Hoffman, general agent of the Pacific Mutual Life in Mt. Sterling, Ky., recently insured President Cochran of the Pacific Mutual for $5,000, and in recognition of the achievement he was presented with a silver loving cup. Mr. Hoffman, pere, took Tom into the president's office, whereupon the young hopeful delivered the following speech, which proved irresistible:

"Mr. Cochran, I would like to speak to you a minute. You haven't known me very long, but you know my name is Tom Hoffman and I am with the Pacific Mutual Life Insurance Company of California. My great-granddaddy, my granddaddy and my daddy have all been insurance men and that's what I'm going to be. My daddy says that when a man is always changing companies he is making a great mistake, so I have gone with and am going to stick with the Pacific Mutual because I know they will stick with me.

"I haven't had a chance to write an application yet except on some of my kin folks and I want my first application to be on the life of a big man—the president of the Pacific Mutual Life Insurance Company I know you are busy and carry a lot of life insurance, but if you could give me an application for a small amount I would appreciate it ever so much."

* * *

Jasper E. Brady, an army captain who was with the International Life in its early history, is now writing scenarios for the movies and is editing a section of the "Woman's Home Companion."

* * *

Philip M. Childs, the only son of President Arthur E. Childs of the Columbian National Life, has enlisted in the Navy as a seaman of the first class attached to the Newport station. He has just received his degree from Harvard at mid-year.

* * *

Col. Washington Bowie, of the Fifth Regiment, Maryland National Guard, is an old F. & D. man, and received his commission on April 3. He has been a member of the Guard 23 years. He was at Chickamauga and Tampa during the Spanish-American war as captain, and later was successively major and lieutenant-colonel, holding the latter rank while with the troops for eight months on the Mexican border.

FIRE INSURANCE DEPARTMENT

A Short Study of Mutual Insurance

INTERESTING QUESTIONS MADE AND ANSWERED

How Long Does Liability of Every Member of Mutual Company Last?

A short study of mutual fire insurance, sent out by T. R. Weddell, of Chicago, gives questions and answers that should prove of interest to fire insurance agents. The questions and answers follow:

Question 1

When a person enters a mutual fire insurance company is he liable for more than his own proportion, or share, of its debts?

Answer:

As fast as this question is reaching the courts of last resort of the United States, they are deciding that he is.

In the case of Krugh vs. Lycoming Fire Ins. Co., Vol. 77 Penna. St. Reports, page 15, the court decided that members are liable as partners.

The court in the case of Shubrick vs. Fischer, 2 Dessauss Eq. (S. C.), page 148, follows the same doctrine.

Many other cases in many States decide the same way.

It is needless to say that "Each partner is liable for the entire indebtedness of the firm," for this rule is too well known.

"One is even a party to illegal acts of the mutual company, by reason of his membership," so the cases of Lycoming Fire Ins. Co. vs. Newcomb, 1 Leg. Chron. (Pa.) 9, and 12 N. J. Eq. 133, enunciate.

It is held in the cases of Sands vs. Bontwell, 26 N. Y. 233, Cooper vs. Shaver, 41 Barb. (N. Y.) 151, and Stockley vs. Hartley, 12 Pa. Sper. Ct., 628, that a member is liable to the extent of the liability of the company—the mutual company's entire indebtedness!

Question 2

Has any officer, or agent, of a mutual company power to guarantee to a member that his liability shall not exceed any certain amount?

Answer:

Neither officer, agent nor member can limit the liability of a member of a mutual company. His guaranty, if he made one, would be worthless. See the cases of Moore vs. Lupfer, reported in 32 Pitts. Leg. J. (Pa.) 366, and cases cited. Other States are following this decision. At whose expense may the next decision of this kind be made? Do you think it would pay to risk it?

Question 3

How long does the liability of every member of mutual company last?

Answer:

Until the courts wind the company up and until all debts, court costs, receiverships and attorney's fees are paid.

A member is liable even after his property has burned, or his policy cancelled, and even after the company has been dissolved, if he has property which can be reached and subjected to the mutual's debts for which the law makes him security. See following cases:

Commonwealth vs. Mass. Mutual Fire Ins. Co., 112 Mass., page 116;

Alliance Mutual Ins. Co. vs. Swift, 10 Cush. 433;

North Car. Mutual Ins. Co. vs. Powell, 71 N. C. 389;

Sterling vs. Mercantile Mutual Ins. Co., 32 P St. 75; also, 96 Iowa 114; 64 Me. 86, and others.

Question 4

Is there a lien put on a person's property when he enters a mutual fire insurance company? Can that lien be enforced and his property sold to pay the lien?

Answer:

Nearly every State has passed a law to that effect.

Sec. No 4889 of Statutes of Indiana declares every mutual policy a lien on the building insured and on the land. Sec. No. 4890 provides that such lien may be enforced! Sec. No. 4891 provides that the land and buildings may be sold to satisfy the lien. This lien is no better than a mortgage. The whole thing is like going another man's security and putting a mortgage lien on your property to secure his debt!

A mutual company may borrow money and give its notes (secured by your land) therefor, or it may sell, transfer and assign your notes for same. (32 N. Y. 591; 30 N. Y. 218; Orr vs. Mercer County Mutual Fire Ins. Co., 114 Pa. St., page 387; Lycoming Fire Ins. Co. vs. Newcomb, 1 Leg. Chr. (Pa.) 9; 4 Leg. Gaz. 409; and others, sustain this doctrine.) This is in the scope of its authority and you cannot question acts of its officers or agents within scope of authority! (179 Ill. 361; 122 Pa. St. 291; 154 Pa. St. 260.)

Is there a surer way of getting other people's hands in your pockets?

WITH LONGACRE & EWING

Franklin Townsend, formerly a well-known special agent in Eastern Pennsylvania has been appointed office manager of Longacre & Ewing, and will have charge of the brokerage end.

FIRE AND MARINE INSURANCE—ALL LINES

The Automobile Insurance Company of Hartford, Conn.

MORGAN G. BULKELEY, President

Statement January 1, 1917

Cash Capital - - - -	$1,000,000.00
Assets - - - -	2,748,832.19
Liabilities (Except Capital) - -	1,039,977.81
Surplus to Policyholders - -	1,708,854.38

AFFILIATED WITH

ÆTNA LIFE INSURANCE COMPANY

THE ÆTNA ACCIDENT AND LIABILITY CO.

LEWIS & GENDAR APPOINTED

Brooklyn Agency Now Represents Commonwealth For Metropolitan District —Open New York Office

Lewis & Gendar, Inc. announced on Monday their appointment as metropolitan agents of the Commonwealth Insurance Co., of New York effective immediately. Simultaneously, the agency opened an office on the ground floor of 1 Liberty Street, additional announcement of which will be found in another column.

The agency of Lewis & Gendar, Inc., has been doing business in Brooklyn for twenty-five years. Alfred H. Lewis organized the agency in 1892 and has operated it continuously since that time. Bertram E. Gendar joined the agency in 1909, when incorporation papers were taken out. Mr. Gendar has had 20 years' experience, having started with the Northern of London, eventually being promoted to metropolitan special agent, from which position he joined with Mr. Lewis in organizing the agency in its present form.

Lewis & Gendar, Inc., will continue their Brooklyn office at 145 Montague St. The agency represents for Brooklyn the Commonwealth of New York, Northern of London, Firemen's of Newark, Detroit Fire & Marine of Detroit, Globe & Rutgers of New York, and Employers' Liability of London.

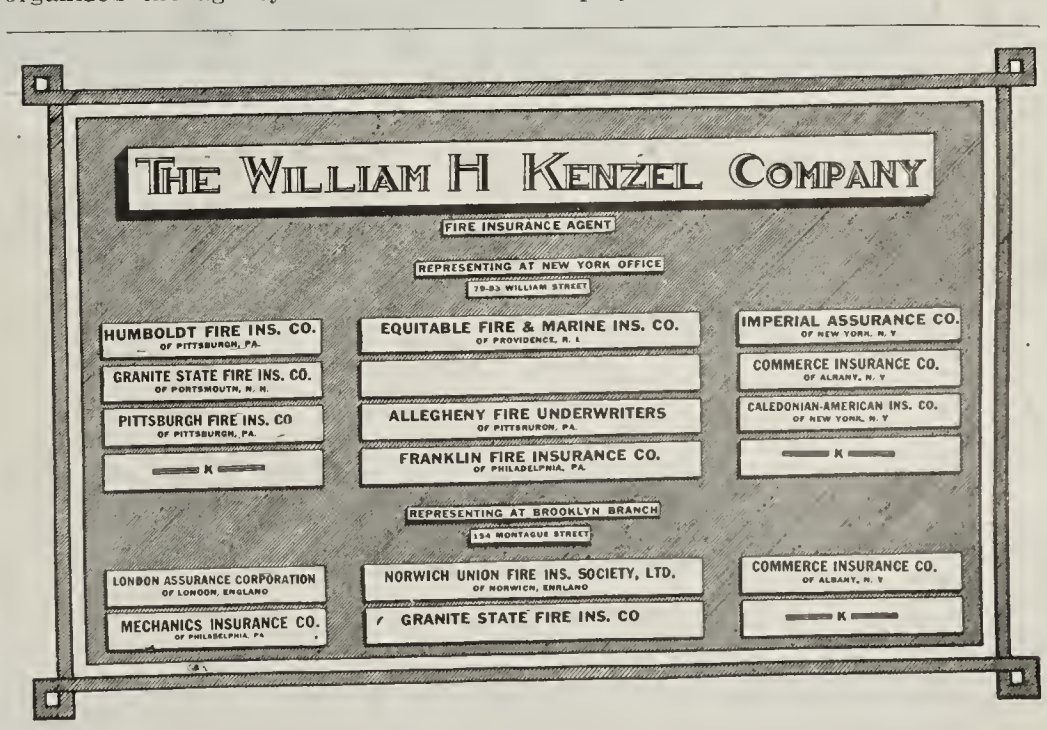
NORTH BRANCH FIRE INS. CO.
Sunbury, Pa.
Inc. 1911

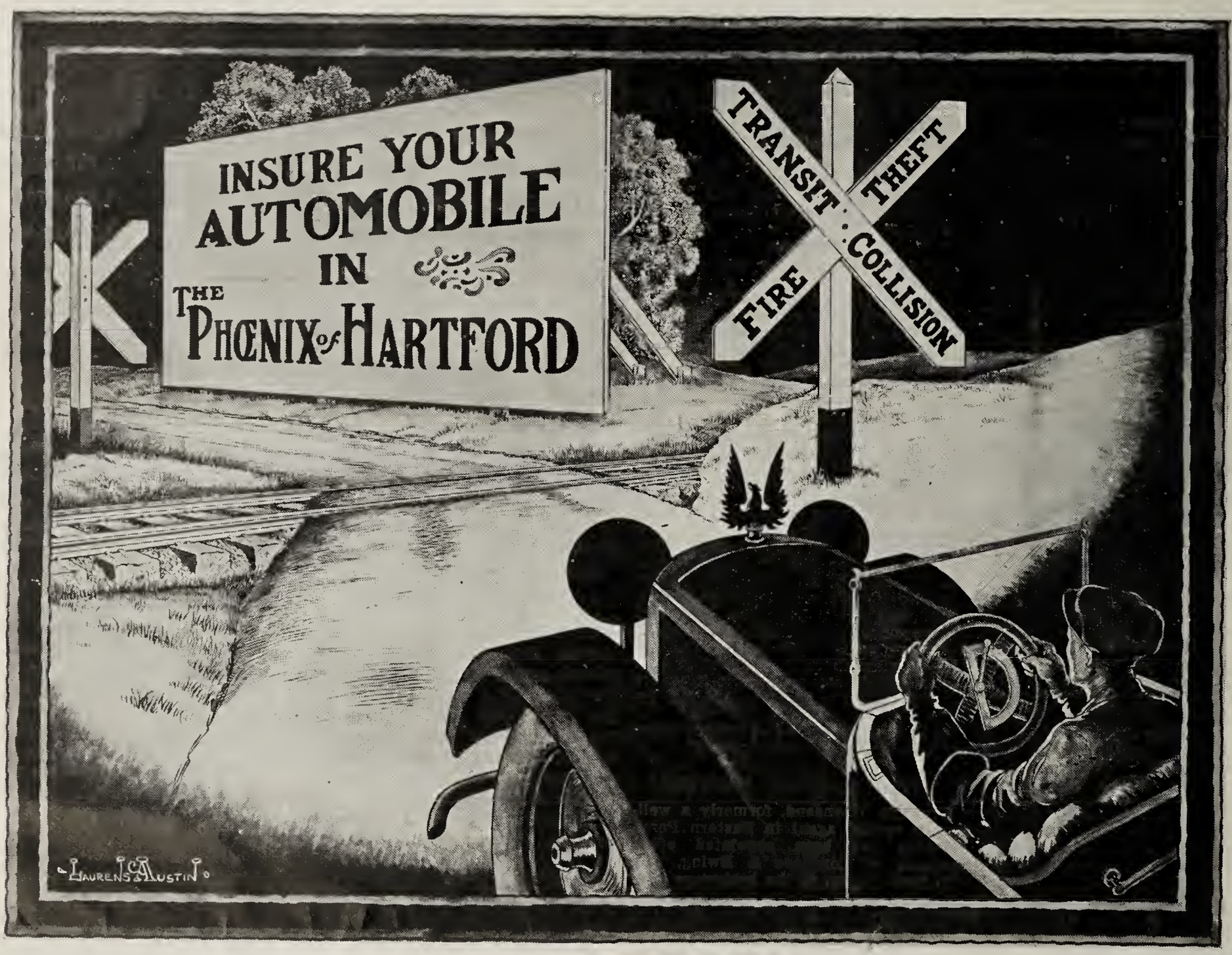
Assets	$641,341.77
Reserve	230,513.29
Capital	300,000.00
Surplus	63,479.83

CITY INSURANCE COMPANY
Pittsburgh, Pa.
Inc. 1870

Assets	$357,318.58
Reserve	54,256.92
Capital	200,000.00
Surplus	96,379.07

OPERATING ON A CONSERVATIVE BASIS IN A LIMITED TERRITORY UNDER AN EXPERIENCED MANAGEMENT




INSURE YOUR
AUTOMOBILE
IN
THE PHŒNIX of HARTFORD
TRANSIT
THEFT
FIRE
COLLISION
LAURENS & AUSTIN

Place Your Automobile Insurance

IN

The Connecticut

Fire Insurance Co. Hartford, Conn.

FULL MARINE FLOATER

(Fire, Theft, Transportation and Collision)

EQUITABLE

Fire & Marine Insurance Company

PROVIDENCE, R. I.

FULL MARINE FLOATER

(Fire, Theft, Transportation and Collision)

The owner of an Automobile insured in one State who may sustain a loss in another State, is assured of prompt attention on the spot, by one of our staff adjusters

A Lloyds Use and Occupancy Cover

INDEFINITE PERIOD FOR LOSS ADJUSTMENT ALLOWED

Twenty Per Cent. of Policy Provided to Cover Damage to "Property"

The following Lloyds Use and Occupancy form has recently come into the hands of the Fire Brokers' Association of New York and it has been published in the interesting "Bulletin" of that association:

The policy is not only liable for payment during the time necessary to repair or replace the property, but also covers "for the further period, if any, required for adjustment of losses."

Another new "wrinkle" will be observed in the last paragraph of the insuring clause, which provides that 20 per cent. of the amount of the policy covers damage to property. This operates as excess insurance in the case of loss by fire or boiler explosion.

Conditions of Contract

"The conditions of this contract of insurance applying to Use and Occupancy are that if the buildings herein described, or any part thereof, or the contents or any part thereof, shall be destroyed, or entirely or partially destroyed as the result of Fire, Insurrection, Invasion, Riot, Civil War or Commotion, or Usurped Power, Explosion, Collapse, Cyclone, Tornado or Windstorm, during the term of this policy, so as to entirely or partially prevent operating or carrying on of the business of the entire premises or any portion thereof at the above described locations, then this company shall be liable for the loss sustained by reason of such total or partial prevention not exceeding its pro rata share of $.....per day for each working day, or fraction thereof (excluding Sundays and legal holidays on which premises described are not usually open for business) and also for the further period, if any, required for adjustment of losses under this policy, but not exceeding in any case the amount insured $.....

"It is understood and agreed that the purpose of this contract of insurance is to indemnify the Insured, not only for loss of profits caused by interruption of business as the result of any of the above mentioned causes, but also for the expenditure and/or liability for rent, interest, taxes, salaries (under contract, verbal or otherwise,) payroll relating to individuals whose services are required in order to facilitate the prompt resumption of business after premises have been repaired, cost of lighting, heating, attendance and general maintenance during the period when the premises are partially or wholly untenantable.

Extension

"Loss, if any, to be computed from the day of the occurrence of any loss to the time when said buildings or any portion thereof or contents would, with ordinary diligence, be replaced, repaired or rebuilt ready for use, and not to be limited to the day of expiration named in this policy; and settlement shall be made without reference to or contribution with or from insurance covering other kinds of insurable interests; but in no event shall the amount collectible exceed the sum insured hereunder.

"It is further agreed that not exceeding twenty per cent. (20 per cent.) of the total amount of this policy is hereby extended to also cover the Assured against loss or damage to buildings or other property of the Assured while located anywhere on the premises as herein described resulting from any of the causes herein specified; but it is understood and agreed that such insurance does not extend to or cover loss caused by Fire or Boiler Explosion unless such loss shall exceed the amount payable under specific insurance or insurances which shall be maintained in full force during the whole term of this insurance, and then only for such excess, which said excess only is declared to be under the protection of this policy; and it is agreed that the conditions of this contract relating to the amount payable per day are hereby waived in so far as concerns the payment of any physical loss or damage that may occur to property herein referred to, it being the intent that twenty per cent. (20 per cent.) of the total amount of this policy may be available forthwith for the payment of any such physical loss."

STANLEY BAGG DEAD

Pioneer Syracuse Insurance Man, Representative of Well Known Companies, Dies at Age of 86

Stanley Bagg, a retired insurance man, who trained a number of well-known insurance men, died last week in his home in Syracuse at the age of 86. Born in Lanesboro, Mass., in 1831, he spent his early life on his father's farm. In 1838 his brother, James, moved to Syracuse and it was largely through his influence that Mr. Bagg came there in the early fifties.

At first Mr. Bagg gave his attention to law and was admitted to the bar, although he never took up active practice. He entered the insurance field and opened an office in the old Syracuse building, later becoming the representative of the Hartford, Aetna, Springfield and other companies. In 1909 he was forced to retire because of ill health.

On October 17, 1861, he married Amelia Bassett, daughter of Parley Bassett. They were both active members of the Unitarian Church.

Mr. Bagg was, for many years, treasurer of the Bureau of Labor and Charities and was a member of the Onondaga Historical Society. He is survived by three daughters, Mrs. John D. Pennock and Mrs. Henry R. Cooper of this city and Mrs. William A. Cooper of Conshohocken, Pa. He also leaves fourteen grandchildren.

EXCLUDES PLATE GLASS LOSSES

Action of Explosion Conference in Adopting Policy Makes Glass Coverage Against War Risk Unprocurable

As a result of the adoption last week by the explosion conference of a standard policy excluding losses from plate glass breakage due to explosions or any other war risk, property owners are unable to get this coverage at the present time. The plate glass insurance contract does not cover the war hazard and no plate glass company has as yet taken up the writing of this form of protection.

WAR INSURANCE IN CUBA

Owners of Piers Hasten to Seek Coverage—Continental and Several Others Are Writing Business

A demand for war coverage on property in Cuba has followed up the action of the Cuban Government in declaring for war. Practically every pier in Havana, Santiago, and other ports was offered to the New York market. Hotels and manufacturing risks were also submitted. The Continental Fire extended its war insurance writings to include Cuba and several other companies did likewise. Many, however, have refrained from entering Cuba.

KIND WORDS FOR KENZEL

We wonder what works the clock of the Kenzel Agency, it keeps so much ahead of its competitors. Does the Agency hold it up as an example to be followed? Perhaps it is trying to bring about gradually the lately-discovered theory, that if your clock is an hour ahead of the true time, you gain an hour of daylight.

(From Bulletin of Fire Brokers' Association of New York)

WRITES AUTO INSURANCE

C. E. Dickinson of Wilmington, Del., has opened an office at 820 Shipley Street, to represent the American Automobile Insurance Co., of St. Louis, Mo.

"The Leading FIRE INSURANCE Company of America"

ÆTNA INSURANCE CO. HARTFORD, CONN.

WM. B. CLARK, President

Explosion and Sprinkler Leakage Insurance

THE HANOVER
FIRE INSURANCE COMPANY
Incorporated 1852

The real strength of an insurance company is in the conservatism of its management, and the management of THE HANOVER is an absolute assurance of the security of its policy.

R. EMORY WARFIELD, President
FRED. A. HUBBARD, Vice-President
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HOME OFFICE
Hanover Bldg., 34 Pine St.
NEW YORK

HOWIE & CAIN, General Agents
Metropolitan District
100 WILLIAM STREET, NEW YORK

An office with an established Agency Plant in Eastern Pennsylvania could use two good Fire Insurance Companies.

Address "PENNSYLVANIA"
Care of The Eastern Underwriter
105 William Street, New York, N. Y.

The Gamewell Fire Alarm Telegraph Co.

Fire Alarm and Police Telegraphs for Municipal and Private Plants

OVER 1500 PLANTS IN ACTUAL SERVICE

GENERAL OFFICES AND WORKS
NEWTON UPPER FALLS, MASS.

AGENCIES
5708 Grand Central Terminal, New York
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1216 Lytton Building, Chicago, Ill.
335 Wabash Building, Pittsburgh, Pa.
915 Postal Building, San Francisco, Cal.
304 Central Building, Seattle, Wash.
Utica Fire Alarm Telegraph Co., Utica, N. Y.
Northern Electric Company Limited, Montreal, Canada.
General Fire Appliances Co., Ltd., Johannesburg, South Africa
Colonial Trading Co., Ancon; Canal Zone, Panama
F. P. Danforth, 1060 Calle Rioja, Rosario de Santa Fe, Argentine Republic

WILLIAM C. SCHEIDE & CO., Inc.
HARTFORD, CONN.
Re-Insurance in All Branches

GENERAL FIRE ASSURANCE CO.
OF PARIS

URBAINE FIRE INSURANCE CO.
OF PARIS

BRITISH DOMINIONS GENERAL INS. CO., Ltd.
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123 WILLIAM STREET, NEW YORK

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GEO. W. BLOSSOM
W. A. BLODGETT

C. B. G. GAILLARD
Assistant Manager

Details of New Map System Adopted by Fire Companies

Claim Saving in Floor Space and Expense—Map of a City Block Upon Each Card

Maps issued by the Underwriters' Map Association will be rendered to the company members within a period of a month. The adoption by the majority of fire companies in the United States of the Morison map system and the formation of a bureau to issue the maps is of great importance to the companies and agents.

Herewith is given an explanation of the Morison map system that has been taken from the report of the committee which investigated the plan for the companies and which was composed of F. C. Buswell, vice-president of the Home; Col. A. H. Wray, United States manager of the Commercial Union; John O. Platt, vice-president of the Insurance Company of North America; John Marshall, Jr., Western manager of the Firemen's Fund; and Frank Lock, United States manager of the Atlas.

Since 1856 the form of maps or surveys for fire insurance purposes has remained practically unchanged, the present maps being to all intents and purposes merely real estate atlases with special symbols added to give information needed for fire insurance usage. These maps are bound in cumbersome volumes, inelastic, expensive and inconvenient. The Morison system —the invention and patent of an experienced insurance man—is a practical adaptation of the principles of the modern filing card system to the necessities of the fire insurance business of the present day. The Morison map, not being issued in bound volumes and therefore not restricted to a period of from eight to fifteen years as to size of territory mapped, is perfectly elastic in that it grows with the growth of the city; is as inexpensive as a perfect mapping system can be; and is the last word in convenience in every department of the business.

Cabinet Card System

Briefly, the Morison system may be described as follows: special cards of durable quality, which may be filed in any standard make of legal-sized vertical filing cabinet, are used. Upon each card is printed the map of a single city block of average size, or the map of such an area as is required by good mapping practice, showing all the buildings contained therein by conventional survey symbols and colors as recommended by the Fire Underwriters' Uniformity Association and as used in present fire insurance maps. Each map card bears in bold type in its upper right hand corner the name of town or city and State and its consecutive filing number, the latter being the same as that of the block to which it refers. The outlines of all of the adjoining blocks are shown; their assigned numbers; their real estate description; the individual buildings with the construction of each shown by a narrow band of color, the number of stories and the height of the cornice; the nature of the occupancy or contents and the presence or absence of a special hazard. Thus each card is a map of its block (or blocks), and a summary of all of its exposing blocks, usually eight in number. The reverse side of the card, not being used for mapping purposes, is arranged to insert special agents' and inspectors' reports, instructions to examiners and any other information (or reference to where it may be found), that may be pertinent to the risks on that block.

Key and Conflagration Maps

In order to locate any block desired a key map card is provided at a suitable scale, showing every block in the city bearing its assigned number. This map card is issued in convenient form according to the size of the city. There is also supplied an index showing street numbers, special hazards, etc., from which may also be located the block desired.

For underwriting purposes a conflagration map card of the congested district is supplied, so that the underwriter may have before him in graphic form the conflagration hazard and congested values district of a city, without the necessity of referring to the individual block maps, except for special detailed information, for which they can be readily obtained from the file at hand. This map card on a scale of two hundred feet to the inch shows the buildings by customary symbols and colors.

Merits of the System

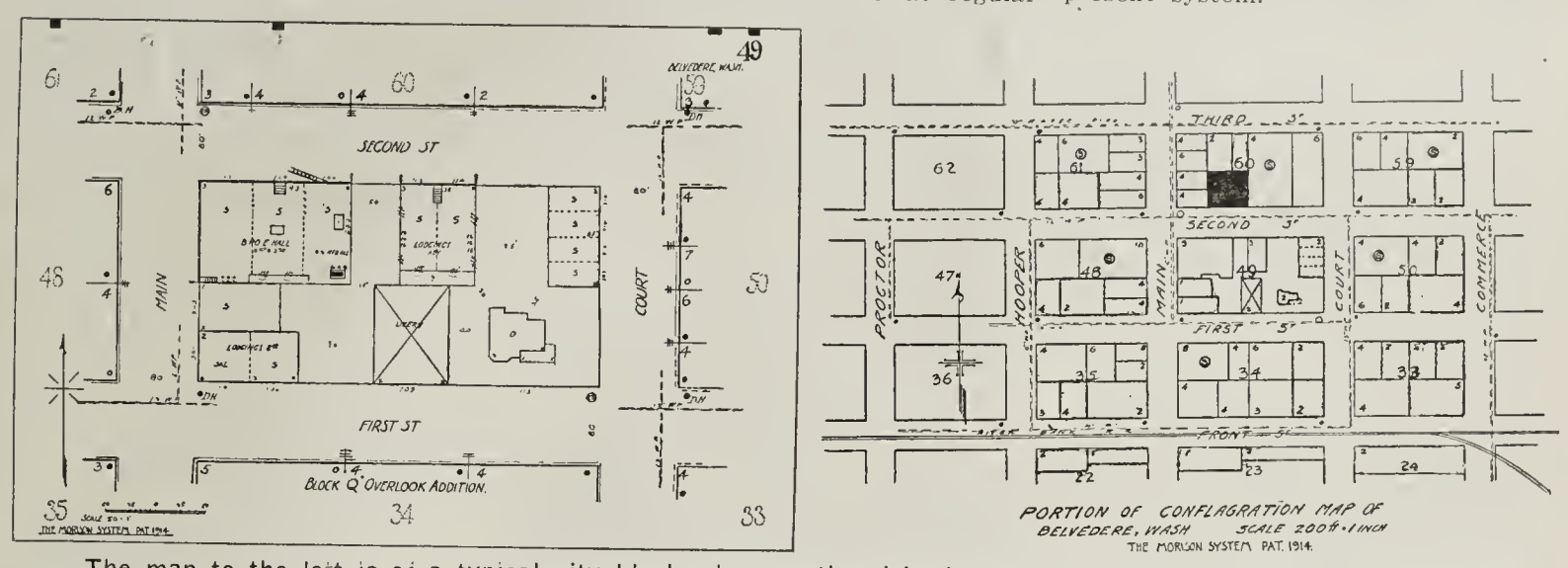
The map cards fit any legal-sized vertical file. A saving of approximately 50 per cent. of the floor space used for map racks in all offices is effected and in the home offices, where copies of all maps are kept, the saving in floor space will be as great as 60 per cent.

The cards are corrected at regular intervals, as at present, and at this time such additional blocks, industrial plants, etc., as have been added to the city since the previous correction, are mapped and map cards of them are added to the file. Thus the map is always up to date.

At the present time it is necessary to transfer all the lines from the old maps to the new at every reissue, which is approximately every tenth year. This entails an infinite amount of expense and work of the most painstaking kind and is largely eliminated in the Morison system.

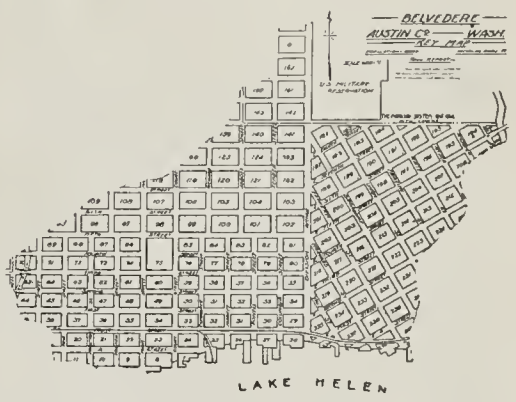
On the Morison map cards ample marginal space is provided for mapping lines. On the reverse side is provided space for all information referring to the block.

For inspection and rating bureau work, the map cards may be taken directly to the block itself for comparison—a physical impossibility with the present system.



The map to the left is of a typical city block, showing the risks located therein by the customary symbols and colors, also the overlap with a narrow band of color showing construction and assigned number of adjoining blocks. These cards fit any standard, legal-sized filing cabinet. The map to the right is the section of a conflagration map of a typical city, showing block No. 49 and the surrounding section of the congested values district by customary symbols and colors.

In the examination of a conflagration district, should more detailed information be desired on special buildings than the conflagration map gives, the individual cards may be procured from the file and examined, or even laid out to correspond roughly to a large scale detailed map. In the present bound volumes only the blocks on one sheet may be seen at one time, the others desired must be found on their respective pages, possibly in separate volumes and almost invariably with the point of the compass in different directions.



This map is a section of a typical key map, showing streets and blocks on a reduced scale, each block with its assigned number. No colors appear on this map, its object being merely to locate and give the card number of the block desired. Each block number refers to an individual map card. In addition, an index by street numbers is on the back of the key map, separate indices being published for large cities.

Another objection to the present system is the widening, in some instances, of street space beyond the map scale to allow for mapping. By placing the map cards together, any given territory of any size desired is conveniently available—an impossibility under the present system.

Block Numbers

A most serious objection to the present system is the changing of the block numbers at each re-survey of the city.

N U

NATIONAL UNION FIRE INSURANCE CO. OF PITTSBUG, PA.

What we have proven to several thousand Agents we stand ready to prove to you.

If they HAVE been convinced — why shouldn't you be willing to be?

Our contention is that the NATIONAL UNION is a VERY GOOD Fire Insurance Company — we've been advertising it as such — nothing more nor nothing less.

We believe when when we say "GOOD" we have said enough, considering the fact that the NATIONAL UNION has

Ample capital and resources,
Capable and efficient management,
Strong directorate,
Splendid line facilities,
Excellent service,
An honorable loss paying record,
A high sense of justice,
Up-to-date methods,
High grade field men,
A large, loyal, energetic Agency force,

In fact, what does a real Agent desire that the NATIONAL UNION doesn't have?

You may be able to get along without the NATIONAL UNION— but not so well — and if not so well — why not act — today?

This causes trouble and confusion to all users of the map. In the Morison system each block keeps permanently the number assigned to it, and therefore always corresponds to the rating bureau number for that block. The block number reference on the daily report immediately gives the reference required for finding the map card; also the map card can be found promptly from the rating number without reference to an index.

A great saving of time is effected where a constant handling of maps is necessary. Only one person can use a bound volume at one time, whereas each of the 350 map cards (approximately the number corresponding to an average volume) is available at the same time in the Morison system.

Some Savings Over Present System

The re-survey and publication of the entire city every tenth or twelfth year is made unnecessary by the Morison system because it is brought up to date at the time of each correction, a very large item of saving in itself. The saving of the bindings alone on the present volumes would be well worth while, not to speak of the considerable saving in cost of rebindings.

The buildings on about 30 per cent. of the blocks of a city do not change during their lifetime. These should not share the present constant expense of corrections and to re-survey and republish them every few years is a pure waste which is entirely avoided in the Morison system.

The purchase of maps from any company organized for profit necessarily means that the companies are paying, in addition to the actual cost of making the maps, interest charges on the money invested in the plant depreciation on same, cost of selling, dividends on capital stock, etc., practically all of which they will save under the Morison system of making their own maps for their own use at actual cost.

Cost

The committee has taken maps of the City of Seattle and the State of Washington and compared the cost of same covering a period of eleven years under the two systems, the result being greatly to the advantage of the new plan. The statement is made that on the matter of corrections alone for the twelve volumes of maps embracing the cities of Seattle, Tacoma, Spokane, Bellingham and Everett an annual saving of $10,140 could be effected.

It should be noted that the adoption of the card system does not mean an added expense for new equipment because of the replacement of the present map racks by filing cases: 1st for the reason that this replacement will take place gradually, thus giving opportunity to the companies to secure full value for their present investment; 2nd, because the cost of a three drawer filing case—containing the equivalent of 10 1-3 volumes—is only 25 per cent. of the cost of its equal in map racks; 3rd, this difference in cost, if applied only to the purchase of new map racks to hold the normal increase in volumes during a comparatively short period of years, would equal the entire replacement cost that would be necessary.

System of Colored Markings

To meet the criticism that a card might be misfiled, a system of colored marking has been perfected which greatly lessens that possibility. These colored symbols appear on the top margin and edge of the card and a misfiled card is detected at a glance.

It is the opinion of the committee, as it must be of everyone that gives the matter serious investigation, that the card system is a vast improvement over the present system in convenience and efficiency in the office, in expense, in floor space occupied, and—being owned and controlled by the companies—in the quality of service which such an association would offer. The system is especially adapted for the mapping of small cities and towns, detached risks and special hazards, where it should be started at once. In this way the companies would be given opportunity to become familiar with the cards and their use, so that the mapping of large cities on cards would come as a result of a general demand.

Results to Companies

The adoption of this system contemplates the furnishing to all member companies the services at cost.

The work of the Association will be of great value in collecting information referring to special hazards, such as the canneries of Oregon, Washington and Alaska, lumber plants, distilleries, cotton mills, etc. All such data would be on file and obtainable immediately at a fraction of the present cost, if indeed it can now be obtained at all, except by the individual work of a company.

The committee recommends that a map association be organized, that it acquire the Morison patents of a system of fire insurance maps, that it employ the services of Henry A. Morison, the patentee, to supervise and carry on its operations.

SUCCEEDS PERCY LING

Leon B. Temple Special of N. B. & M. in Eastern New York—W. J. Roberts New Special

In a letter to agents E. G. Richards, manager of the North British & Mercantile, and president of the Mercantile of America and Commonwealth, said this week regarding the appointment of Leon B. Temple to go in the field in Eastern New York:

"To our Agents: The promotion of Special Agent Percy Ling to the position of assistant general agent of the middle department enables us to announce the appointment of his successor of Leon B. Temple, whose office address will be 436-7 Broadway, Albany, N. Y. Mr. Temple has represented us in the Hudson River and North Suburban territory for several years past, having previously been in the home office of the Company since boyhood, serving in various capacities up to that of daily report examiner before going into the field, and we feel confident he will prove successful in his near and broader field."

Mr. Temple is a son of the late Thomas C. Temple, who was adjuster of the Palatine for years.

W. J. Roberts succeeds Mr. Temple. Regarding this appointment Manager Richards writes to agents: "We are pleased to announce the appointment of W. J. Roberts, who succeeds Leon B. Temple as special agent in the Hudson River and North Suburban field, Mr. Temple being transferred to the broader field of Eastern New York with headquarters at Albany. Mr. Roberts will make his headquarters at the home office of the Company. He has been in the service of the Company since April, 1899, latterly as examiner in the Eastern New York field. We feel confident he will prove a worthy successor to Mr. Temple."

C. H. CASE SCHOOL GRADUATES

Some insurence men were discussing the underwriters who were trained by the late Charles Hosmer Case of Chicago.

Among those developed in his general agency were Charles Lyman Case, United States manager of the London Assurance Corporation; E. L. Allen, vice-president of the German American; John S. Belden, manager of the London & Lancashire and the Fire Association; J. L. Whitlock, vice-president of the Glens Falls, and William D. Crooke, western manager of the Northern of London. From his local agency graduated Edward B. Case, L. D. Hammond Frank F. Holmes, Oscar E. Aleshire and Ben N. Anderson, of the present Chicago insurance men, and L. A. Moore of the New York Underwriters, and Thomas C. Temple, secretary of the Phoenix of Hartford.

PHYSICAL HAZARD PROTECTION

United States Manager A. H. Wray, of the Commercial Union has sent the following letter to general agents, special agents and agents:

"The present conditions in the country due to the war crisis have brought about a condition that is now interesting the National Government as to the conservatiou of the food supply.

"In this connection we are asked to use the good offices of our agents and staff and to secure their co-operation with the owners in carefully protecting the physical hazard at this time of all food supply depots; such as grain elevators and warehouses, wholesale groceries and all risks in fact where food supplies are stored—this applying alike to packing house plants and meat establishments.

"We are quite sure, in your natural desire to lend your aid to the Goverument, we may have your hearty co-operation in a careful inspection of all properties of this character; to see that proper guards are provided and the physical hazard brought to a minimum under these extraordinary conditions."

LEWIS & GENDAR

(Incorporated)

Announce their Appointment as New York City Agents of the

Commonwealth Insurance Co. of New York

and have opened an office at

ONE LIBERTY STREET, NEW YORK CITY

TELEPHONES: JOHN 63-64-65

Also continue their Brooklyn and Suburban Agency for

Northern Assce. Co. Ltd. of Eng.
Commonwealth Ins. Co. of N. Y.
Detroit F. & M. Ins. Co. of Mich.
Firemen's Ins. Co. of New Jersey
Globe & Rutgers Ins. Co. of N. Y.
Employers' Liability Assce. Corp. of London

145 MONTAGUE STREET, BROOKLYN-NEW YORK

TELEPHONES: MAIN 6370-6371-6372



125th Anniversary

Insurance Company of

NORTH AMERICA

PHILADELPHIA

CAPITAL, $4,000,000 ASSETS OVER $23,000,000

FIRE, MARINE, AUTOMOBILE, Rent, Leasehold, Tornado, Explosion, Use and Occupancy, Sprinkler Leakage, Travelers' Baggage, Parcel Post

The Oldest American Stock Insurance Company

National Fire Insurance Company

OF HARTFORD, CONN.

Statement January 1, 1917, to New York Insurance Department

LIABILITIES

Capital Stock, All Cash	$2,000,000.00
Funds Reserve to Meet All Liabilities, Re-Insurance Reserve, Legal Standard	9,912,715.84
Unsettled Losses and Other Claims	1,878,398.32
Net Surplus over Capital and Liabilities	3,743,747.60
Total assets January 1, 1917	$17,534,861.76

H. A. Smith, President — F. D. Layton, Ass't Sec'y — F. B. Seymour, Treas.
G. H. Tryon, Secretary — S. T. Maxwell, Ass't Sec'y — C. B. Roulet, Gen. Agt.

SURPLUS TO POLICY HOLDERS. - - $5,743,747.60

CRUM & FORSTER

GENERAL AGENTS

95 WILLIAM STREET NEW YORK CITY

United States Fire Ins. Co., N. Y.
Richmond Ins. Co., N. Y.
Potomac Ins. Co., Washington, D. C.
National Lumber Ins. Co., Buffalo, N. Y.
The North River Ins. Co., N. Y.
Union Fire Ins. Co. Buffalo, N. Y.
Seneca Fire Ins. Co., Buffalo, N. Y.
United States Underwriters' Policy, N. Y.

F. M. GUND, Mgr. Western Dept. Freeport, Illinois

W. W. ALVERSON, Mgr. Pacific Coast Dept. San Francisco, California

SWINTON AGENCY MOVES

The Arthur C. Swinton Agency, which has been located in the basement of 1 Liberty Street for several years, moved on Monday to Room 1003 of the same building.

ANNUAL MEETING DATE

The Insurance Society of New York will hold its annual meeting in the Library on May 29 at 12:15. The election of officers for the ensuing year will take place at this meeting.

BROKERS ACTIVITIES

Brokers Gives Views to Auto Conference

CITE OBJECTIONS TO DEDUCTIBLE FEATURES

Also Oppose "Tire Damage Limitation" in Present Collision Forms of Conference

The Fire Brokers' Association of New York has written a letter to manager L. G. Hodgkins, of the National Automobile Underwriters' Conference, expressing appreciation of the "receptive attitude accorded the brokers' association in the automobile joint conferences.

The letter, however, makes some interesting comments on the deductible feature and on tire damage limitation. The brokers' letter, in part, follows:

"We observe that your committee has voted also to evolve for use on and after January 1, 1918, two new forms of collision cover to replace existing forms, and that the views presented by the committee of the Fire Brokers' Association will be considered before adopting and promulgating the proposed new plans. We regret that your committee did not deem it practical to attempt further changes in the collision forms at an earlier date. In view of the very intimate knowledge we have of the deplorable conditions governing the writing of collision insurance, we cannot urge too strongly the advisability of more immediate action. We have explained to your committee at great length the serious objections to the 'Deductible' feature on the part of the insuring public. We have made it clear to you that your rates and rules are freely violated by your members, that 'full coverage' at 'deductible' rates is to be had readily from some company members, and that others adjust collision losses in full, even though the policies involved are subject to the 'deductible' clause. There has been no diminution in these practices since first we called them to your notice. We submit regretfully that these conditions, if permitted to continue, are bound to cause you serious embarrassment before long.

Tire Damage

"Nor should we fail to recall to you the serious objections to the 'tire damage limitation' in the present collision forms. When this item was under discussion at our two meetings, the opinions expressed by your committee members accorded most generally with our own views that the provision was unduly harsh. We felt reasonably confident that exclusion (1) would be amended radically as a result of our discussions. We suggested, as you will recall, that this provision be changed to read that the insurers shall not be liable for the cost of

"'Repairing or replacing rubber tires unless damaged by an accident involving damage to the car itself for which compensation is payable under this endorsement.'

"This change can be made without causing any serious disturbance to your conferences or to your membership. It need not wait upon complete revision of the forms. It would be a step in the right direction, as was generally conceded at our meetings, and we respectfully ask that it be put into effect now, rather than at a delayed date."

George Hamilton, formerly counterman for the local department of the Royal, resigned last week to accept the position of solicitor and counterman with Hall & Henshaw. He has already started in his new connection.

FOR RENT—PRIVATE OFFICE
WITH OR WITHOUT FACILITIES
TWO LARGE WINDOWS
I EAL FOR INSURANCE BROKER
Room 21-51 Liberty Street
NEW YORK CITY

C. T. Silver's Activities

Automobile circles were much interested last week in the announcement that C. T. Silver, the Broadway automobile dealer had declined to renew his contract for the handling of the Chalmers car in this territory and would confine his activities to the exploitation of the Dort. At the office of Mr. Silver it was stated that his concern would make no change in its connection with automobile insurance. As hitherto, all insurance will be placed from the office with such companies as offered the best inducement. Buyers of machines, however, had the choice of any company, did they express any preference.

Mr. Silver said that no automobile would be sold on time payments unless full insurance coverage is carried by the buyer.

* * *

With I. H. Klein & Co.

Charles P. Sackett will start as placer for I. H. Klein & Co. on Monday. Mr. Sackett has been placer for Hamlin & Co. for the past seven years.

* * *

Milton Levy Moves

Milton H. Levy, of Michael Levy & Co., moved his offices this week from 105 William street, where Michael Levy & Co. have been housed for about nine years, to 91 William street.

* * *

A. G. Gottlieb Changes Location

Augustus G. Gottlieb, broker, took offices this week in the City of New York Fire Building. He was formerly located at 105 William street.

Ralph W. Lee was elected chairman of the insurance committee of the Board of Trade of Washington, D. C., while Alexander K. Phillips was elected vice chairman and Charles F. Roberts, secretary.

Fifteen Days' Basis in New Film Clause

FILED WITH INSURANCE COMMISSIONER OF NEW JERSEY

Percentages of Reduction of Value Run From 60 Per Cent. Down—What "Public Exhibition" Means

Atlee Brown, New Jersey Rating Expert, has filed with the New Jersey Commissioner of Banking and Insurance a new film clause, which takes into account various features of public exhibition etc., which have been discussed by raters and underwriters. The clause follows:

In consideration of the reduced rate and (or) form under which this policy is written the following conditions are hereby made a part thereof:

First.—The value of any negative, the positive or positives of which have not been issued for public exhibition or which have been issued for public exhibition for less than fifteen (15) days, shall not exceed the original cost of any such negative, and that,

Second.—The value of any negative, the positive or positives of which have been issued for public exhibition for fifteen (15) days or more, shall not exceed the original cost of such negative, less the aggregate percentages of reduction of value stipulated herein for public exhibition, applying to the subject of insurance at time of fire, according to the following scale:

If positive has been publicly exhibited for not less than 15 days in the United States the reduction shall be 60 per cent.

If positive has been publicly exhibited for not less than 15 days in England the reduction shall be 10 per cent.

If positive has been publicly exhibited for not less than 15 days in Canada the reduction shall be 5 per cent.

Residual value of the original cost shall not exceed 25 per cent.

and that,

Third.—The value of all colored positives shall be limited in case of loss or damage to the cost of replacement not exceeding 7 cents per lineal foot, and the value of all other positives shall be limited in case of loss or damage to the cost of replacement not exceeding 5 cents per lineal foot, and that,

Fourth.—No negative, the subject of which has been censored and rejected by the National Board of Review, shall be covered by this policy after twenty (20) days from date of such rejection, unless within this period of twenty (20) days the approval of the National Board of Review is finally given, and that,

Fifth.—"Public exhibition," as used in the first and second sections, shall be interpreted as being shown in any place or places to which an admission fee is charged, and that,

Sixth.—By the term "negative," as referred to herein, is meant the completed and assembled negative, and that,

Seventh.—When two or more negatives of a subject are made the value of each negative shall not exceed the cost of the production divided by the number of negatives thereof.

Attached to and made a part of Policy No.....of.....Insurance Company of ....Agent.

Bombardment and Full War Cover

(Where State Laws Permit)

Against Damage by Attack from

LAND, SEA or AIR

Covering also Civil Commotion, including Strike, is now being written Separately or in Connection with

EXPLOSION INSURANCE

by

Continental (Fire) Insurance Co.
Fidelity-Phenix Fire Insurance Co.
American Eagle Fire Insurance Co.

Home Offices: 80 Maiden Lane HENRY EVANS, President

THESE ARE AMERICAN COMPANIES EACH WITH A 100% RECORD

JOINS G. B. FISHER CO.

H. F. Fisher Has Been Assistant Superintendent of Agencies of Connecticut Mutual Life

Herbert F. Fisher, assistant superintendent of agencies of the Connecticut Mutual Life Insurance Company, on June 1 will give up that place in order to become secretary of the George B. Fisher Company, Inc., resident local managers in Hartford of the Scottish Union & National and several other prominent fire and casualty insurance companies, with an office in the Hartford-Aetna Bank Building. Mr. Fisher began his career with the Connecticut Mutual as office boy in 1900 and later was in the actuarial department.

G. Burgess Fisher continues as president of the George B. Fisher Company. An interesting feature of the new combination is that these two men, although not relatives, have only five days' difference in their ages and have been intimate friends more than thirty years. Clarkson N. Fowler continues as treasurer, that office having been occupied by him since the incorporation of the Company in 1900. Lieutenant T. W. Brown, who has been with the Company for the past eleven years, although now engaged in active service with the First Connecticut Infantry, will retain his place as office manager.

Established in 1872 by the late Major George B. Fisher, the agency then handling fire insurance exclusively, was in November, 1900, incorporated under the laws of Connecticut, being the first corporation licensed in any Eastern State to transact business of this character. Upon the death of Major Fisher, G. Burgess Fisher, who had been secretary, became president, and Clarkson N. Fowler assumed the duties of secretary in addition to treasurer. He now retires from the secretaryship.

JOS. HARPER MAKES CHANGE

Joseph Harper, who has been with the Charles W. Mahoney Agency, Inc. since it was formed, started last week with Pendleton & Pendleton, Brooklyn agents, as a solicitor.

NEW PENN. INSURANCE BILL

A bill has been introduced into the Pennsylvania Legislature, authorizing mutual insurance companies to become members of rating bureaus. The fate of the bill has not yet been decided, it being referred to committee.

GLENS FALLS PUBLICITY

Window Displays and Reading Notices in Hundreds of Papers for Conflagration Pictures

The Glens Falls Insurance Company has received hundreds of columns of publicity in daily newspapers and made a hit with local agents by sending out some unusually effective colored posters, showing illustrations of the Chicago fire. Some of the pictures are from old prints. Agents are exhibiting these posters in their windows (all of them containing the name of the Glens Falls), and in some cases where the agency is not on the ground floor the agents ask friends among the merchants to make the exhibition in the windows of the latter.

When the posters are put on display the following letter is sent to city editors, who as a rule run it as written, merely inserting the name of the agent and street company in the reading notice:

A Vivid Reminder of One of the Greatest Fires of Modern Times

With the exception of the San Francisco fire, in 1906, the greatest fire of modern times is that of the Chicago fire, in 1871, when 17,450 buildings on an area of 3 1-3 square miles were destroyed; 100,000 people left homeless; 250 lives lost and property valued at $196,000,000 went up in smoke.

Tradition has it that the Chicago conflagration was the result of a balky cow, owned by a Mrs. O'Leary. The cow kicked over a lantern in the stable and started the fire that got beyond the control of the Chicago Fire Department. Some idea of this terrible conflagration can be gained from a group of pictures shown in the window of ———— on ———— Street. Mr. ————, the local agent of the Glens Falls Insurance Co., has placed them there on exhibition.

This set of pictures is the first of a series of authentic illustrations of the great fires in this country. The pictures were gathered by the insurance company and published for exhibition purposes.

This advertising matter was conceived and executed by the Joseph Richards Company, Inc., of New York.

INSURANCE WAR TAXES

Fight Cents on Each $100 or Fractional Part Thereof—Re-insurance is Exempt

The House Committee on Ways and Means has agreed upon the following war taxes regarding insurance:

That from and after the first day of June, 1917, there shall be levied, assessed, collected and paid the following taxes on the issuance of insurance policies:

(a) Life insurance: A tax equivalent to 8 cents on each $100 or fractional part thereof of the amount insured under any policy of issuance or other instrument by whatever name the same is called, whereby any insurance is made upon any life or lives;

Provided, that the provisions of this subdivision shall not apply to any fraternal beneficiary society or order, farmers; purely local co-operative company or association or employes' relief associations operated on the lodge system or local co-operation plan, organized and conducted solely by the members thereof for the exclusive benefit of its members and not for profit.

(b) Marine, inland and fire insurances: A tax equivalent to 1 cent on each dollar or fractional part thereof of the premium charged under each policy of insurance or other instrument, by whatever name the same is called, whereby insurance is made or renewed upon property of any discription (including rents or profits) whether against peril by sea or inland waters, or by fire, or lightning or other peril.

Provided, that purely co-operative or mutual insurance companies or associations carried on by the members thereof solely for the protections of their own property and not for profit shall be exempted from the tax herein provided, and provided further, that policies of re-insurance shall be exempt from the tax herein imposed by this paragraph.

(c) Casualty insurance: A tax equivalent to 1 cent on each dollar or fractional part thereof of the premium charged under each policy of insurance or obligation of the nature of indemnity for loss, damage or liability, issued or executed or renewed by any person, corporation, partnership or association transacting the business of employers' liability, plate glass, steam boiler, burglary, elevator, automatic sprinkler, automobile or other branch of insurance (except life, personal accident and health insurance and insurance described and taxed, or exempted in the preceding paragraph, and excepting also working men's compensation insurance carried on by the members thereof solely for their own protection and not for profit).

Provided, that policies of re-insurance shall be exempt from the tax herein imposed by this paragraph.

FREE INSURANCE

"Journal of Commerce" Says it Costs Underwriters From 2 to 3 Per Cent.

The "Journal of Commerce" said this week in discussing cancellations, under the head of "Giving Fire Insurance Gratis to the Dead Beats":

While fire insurance companies are retrenching, a certain and justifiable saving can be made in the matter of the great waste incurred by giving away fire insurance. Thousands of policies are returned with no premium paid after being in force anywhere from a week to three months or more. In nearly every instance, if a loss had occurred, a claim would have been made. The loss of earned premium in this manner is calculated by prominent company managers as from 2 to 3 per cent. of their premium incomes.

It must also be remembered that the expense of clerical labor and stationery is as much if not greater on a "not wanted" or "not taken" policy as on one on which an honest insurer pays the premium. If any credit is to be given for fire insurance the underwriters should be protected against dead beats and the broker or agent who delivers the policy should be required to guarantee the payment of the earned premium. If he is not certain enough of his customer to do this he should collect on delivery.

BUREAU ENDORSED

Reports of friction between the Western Union and the Western Insurance Bureau were set at rest in Philadelphia this week. At the annual meeting of the Bureau harmony resolutions were passed and a spirit of co-operation between the two bodies was evidenced.

The Russo-British Insurance Agency, Ltd., was registered as a private company in London, England, with a capital of £10,000, to act as insurance brokers and agents, insurers of vessels, etc.

B. M. CROSTHWAITE & CO.
Fire and Automobile Insurance Specialists
Lines Bound Anywhere in New York State
105 William Street, New York City, N. Y. Telephones 2404-5-6-1758-1090 John

PHILADELPHIA
ADEQUATE FACILITIES
ALL LINES
CLARENCE A. KROUSE & CO.
LOCAL AND GENERAL AGENTS
325 WALNUT STREET PHILADELPHIA, PA.
PENNSYLVANIA NEW JERSEY
SATISFACTION SERVICE
ALL LINES

LOGUE BROS. & CO., Inc.
Fire—Casualty—Automobile Insurance
Nation-Wide Facilities for Handling SURPLUS LINES
307 FOURTH AVENUE PITTSBURGH, PA.

SCHAEFER & SHEVLIN
2 LIBERTY STREET GENERAL AGENTS NEW YORK, N. Y.
Representing
DUBUQUE FIRE AND MARINE INSURANCE CO.
Excellent Facilities for Handling Suburban and Out Of Town Business
Phone: John 2312

HUMBOLDT FIRE INSURANCE CO., Pittsburgh, Pa.
TEUTONIA FIRE INSURANCE, CO., Pittsburgh, Pa.
CAPITAL FIRE INSURANCE CO., Concord, N. H.
NEW YORK STATE DEPARTMENT
PERCY B. DUTTON, Manager, Rochester, N. Y.

WALTER F. ERRICKSON
38-40 Clinton St., Newark, N. J. 95 William St., New York
Representing
THE GERMANIA FIRE INS. CO.
For Automobiles
Special facilities for out-of-town business.

WESTERN ASSURANCE CO.
OF TORONTO, CANADA
(Fire, Tornado, Ocean Marine and Inland Marine Insurance)
UNITED STATES BRANCH
January 1, 1917

Assets	$3,329,177.74
Surplus in United States	1,478,531.90
Total Losses Paid in United States From 1874 to 1916, Inclusive	41,657,814.31

W. R. BROCK, President
W. B. MEIKLE. Vice-Pres. & Gen. Man.

"STRONG AS THE STRONGEST"
The Northern Assurance Co.
(LTD., OF LONDON)
Organized 1836
Entered United States 1876
Losses Paid - - - $105,000,000
Losses Paid in U. S. - $38,000,000
Eastern and Southern Departments
55 JOHN STREET
NEW YORK CITY

E. F. FLINDELL
1 LIBERTY STREET Telephone John 2612 NEW YORK CITY
Representing
THE SCOTTISH UNION & NATIONAL
For the United States and Canada
THE YORKSHIRE INSURANCE CO., LTD.
For the United States and Cuba

H. KRAMER
ADJUSTER
FOR INSURANCE COMPANIES
105 William Street, New York City

What Advice Should Be Given This Agent?

The Eastern Underwriter has received from a local agent a letter asking advice, which is reprinted in the hope that something will develop in discussion which will help this man, whose case is similar to that of thousands of men entering the fire insurance business, and his problems are their problems as well. He wants to know how to succeed as quickly as possible in local agency work. In this particular case the agent is not a stripling about to learn the business, or a man who has failed in other things. He has been a successful life insurance agent and thinks from his large acquaintance and other opportunities that he can make a success in fire insurance. But how is he going to do it? What advice should be given him?

Editor, The Eastern Underwriter:—In building up a new general insurance agency I find that there are about a million things that I do not know. Undoubtedly some clever genius with a propensity for educating the public has written a book covering the subjects of fire and liability insurance. I want to get some book which will contain the information I desire.

I find in endeavoring to get a line of fire insurance that it is almost impossible to pry a risk loose from an agency where it has been established for any length of time. I can offer no better service, no lower rates, and there is really no reason why the man should give it to me.

I want to put myself in possession of such specific knowledge that I can demonstrate to the prospect that I can give him as good coverage and better service in that my knowledge can save him money. In other words, instead of pursuing a calling of high class mendicancy I want to go to these prospects and demonstrate that there is something in fire insurance besides merely filling up a policy blank. That is the sort of information I am after. Can you recommend anything?

THE RATE CONFERENCE

Higher Rates on Unprotected Business and Cutting of Unnecessary Expense Decided

Reduction of unnecessary expenses and the proposed increase of rates were discussed at the meeting of the company representatives in New York on Tuesday. Provision was made for the compiling of recommendations to be submitted to the several rate making bodies aiming to increase the rates on classes which have been unprofitable. It was also decided by the companies represented to discontinue the issuing of calendars, blotters, souvenirs, etc., and to curtail the use of supplies. Other means of reducing expenses are to be put into effect in the near future.

Views of F. W. Kentner

The Eastern Underwriter has received the following letter from Fred W. Kentner, general agent of the City of New York:

"Articles have appeared in certain insurance journals recently in connection with the necessity for increased fire insurance rates. We feel satisfied that if you test the sentiment of fire underwriters generally you will find them strongly in favor of such an advance.

"The facts that cannot be escaped or ignored are the increased costs in practically every expense item connected with the conduct of our business, i. e., clerk hire, traveling expenses, stationery and printing, adjustment fees, rating board assessments and State taxations of various kinds, and now we are confronted with the new war taxation. It seems to us that if there ever was a time when an increase in rates was justifiable the conditions of to-day certainly warrant such action.

"We trust that you will give wide publicity to this subject, which is of vital interest to those concerned in our business."

MUST PAY FOR BINDERS

The Graves anti-discriminating and rebating bill has been reported out by the Senate committee and it is expected will be signed by the Governor to-day or to-morrow. This bill prohibits the payment of a commission to the employe of an assured. It also compels the payment of an earned premium on a signed binder. The bill aims to prevent large corporations paying a man a salary to act as broker and turn the commissions back to the assured. It also prevents brokers from securing a fifteen-day binder on a risk and getting another binder in a different company at its expiration and paying nothing therefor.

FIRE COMPANIES SUBSCRIBE

Several of the fire companies have already subscribed to the Liberty War Loan of the United States. The application of the Germania Fire Insurance Co., of New York, for $150,000 of the bonds was the first of the fire companies on file with the Government. The board of directors of the Germania voted to purchase that amount of the bonds on April 27, before the war loan had become a fact.

The German-American announced on Monday that it had taken $1,000,000 of the bonds. The applications of other fire companies have already been sent to the Government and it is expected that practically every company will do likewise as soon as their directors can meet and ratify the action.

CITY CLUB OUTING

An outing has been planned by the newly formed City Insurance Club to take place on June 19. College Point, L. I., has been selected as the site and the trip will be made by boat. It has been decided to limit the attendance to 150 to accommodate the capacity of the boat chartered for the day. The tickets will cost $3 and will be ready in a few days. They may be secured from P. La Tourette, of the Pacific Fire, secretary of the Club.

GRAND JURY INVESTIGATES

The Westchester Grand Jury is investigating an alleged shortage of funds said to have been discovered in the accounts of Louis Wiesendanger, of Yonkers. Subpoenas were issued to insure the testimony of various city officials. The case grew out of the insuring of a fire auto apparatus.

TO WRITE AUTOS

The Caledonian-American has entered the automobile field. The Company plans to write automobile business in all States in which it is entered.

Brown's Patriotic Speech in Newark

TALKS AT CEREMONIES WHEN FLAG'S UNFURLED

Pays Tribute to Men Born Abroad Who Are Loyal to This Country

Atlee Brown, the New Jersy rating expert, made a patriotic speech at the recent flag raising ceremonies at the rating office, which has attracted considerable attention. He said in part:

"We are told, if from our birth we inherit love of mother, and love of liberty, we have within us all that is necessary to lead a satisfactory life, and to die a satisfactory death, and it is comparatively easy for us who are born in this country to have the proper attachment to the emblem of our liberty, and that for which our fathers fought, but we must in all sympathy and with proper respect remember those who come to live with us, have given up their country, and adopted by their oath of allegiance, citizenship in this country. Many thousands of these people have, no doubt, had a hard struggle to break off their natural love and sympathy for the Fatherland, and they deserve as much, if not more, credit than we who are born here, because they stand by the country of their adoption through a struggle of sympathy, while it comes to us by natural processes.

Protection For All

"These people have the full protection of the country, because they are a part of us. Even the people from the foreign countries who are not citizens of this country are given the promise of our President that no matter what their individual ideas may be or where their sympathy may be placed, they shall be protected by the full power of the army and the navy in the proper pursuit of their existence, so long as they refrain from expressing their sympathies and keep their mouths closed. But there are, sad to say, a certain percentage, the smaller number, who have sworn allegiance to this country and have 'torn the paper up.' They stamp themselves as liars before the world, and each one is a Judas, a Benedict Arnold. Their punishment shall be, if caught, death, but if they are not their conscience will take the slower, but just as sure process, and give them a life filled with remorse and disgrace, and they will be glad to sink out of existence by condemnation of their own memory.

Painful Memories

"I read in the paper about a boy so full of fear that he would be drafted that he cut off his forefinger. Think of the inheritance that boy has placed upon his future life. Every time he looks at that stump of a finger he will mentally say 'coward.' This should in time of years either drive him insane or to the river. Repent all he may, repent for forty years, do all that mortal being can do to overcome the effect of that one act of cowardice, will never grow another finger on the stump. I believe that those who do wrong against their nation, either of their birth or their adoption, will burn up in anguish through their own mental process, if not caught beforehand, and given the penalty due to all such monstrosities.

War Brings Us Together

"I will tell you of an inspiring little incident that happened last Sunday a week ago in Philadelphia. A certain Presbyterian church had a flag raising after the morning service. High in the air above one of the highest domes of the edifice was unfurled a beautiful American flag,. proper service was held on the lawn, while the Episcopal church members, a square away, walked by. I do not know what their thoughts were, but I can judge from their action before the night service. As this beautiful flag was waving beyond the highest steeples, with an electric search light thrown upon it, being alone a very inspiring sight, the chimes of the Episcopal church kept playing continuously, 'My Country 'Tis of Thee.' People stopped on the streets, and the silence and the thought of these people must have gone down and thrilled them to their very toes. What is the result? Do you realize that today there is a kindlier feeling between the members of those two churches. That is what the war will do for this country. It will bring us together in a common cause, and after over a hundred years of accepting immigrants into this country, and making them into citizens of all kinds, we will lose the main idea of today 'every man get his,' and we will see to it that our first thought is that we all collectively get ours, and shall impress upon the world the rights of the people versus the aristocracy, and those old monarchical ideas that come from centuries back and poison the very life-blood of hope and liberty as carried through the centuries up until the present time will pass away, this is what we are fighting to eradicate from the face of the earth.

A Universal Flag

"To this beautiful emblem, the raising of which we are now celebrating, I would like to make a suggestion for a change for a universal flag, put a ring in the center of the blue, and place therein a star for each nation that is willing to bow to the principle for which the thirteen stripes gave us the incentive, and which we endorse every time we cheer for the Red, White and Blue."

TO MEET AT SARANAC

Underwriters' Association of New York State's Mid-Summer Meeting —Uniform Rules

At its meeting this week the Underwriters' Association of New York State voted to hold its annual meeting at Saranac Inn, Lower Saranac Lake.

The association adopted conference report on uniform rules and clauses; also adopted a uniform co-insurance credit on protected mercantiles, 30 per cent. on buildings and 20 per cent. on contents. There was considerable discussion over agency matters at Hornell, N. Y., and other places.

E. R. HARDY TALKS ON U. AND O.

E. R. Hardy, of the New York Fire Insurance Exchange, addressed the Underwriters' Uniformity Association of Washington, D. C., on Tuesday. His subject was use and occupancy insurance, which he covered in considerable detail.

MECHANICS INCREASES STOCK

At a recent meeting of the Mechanics' Insurance Company, held in Philadelphia, stockholders voted to increase the capital stock from $250,000 to $1,000,000. William S. Clawson was elected a director to succeed the late Simon J. Martin.

Reilly With F. S. James & Co.

John J. Reilly, Jr., assistant office manager of I. H. Klein & Co. for the past five years, will start with Fred S. James & Co. on Monday. He will be in the marine department as a placer.

CASUALTY AND SURETY NEWS

District Attorney to Probe Casualty Co.

FOLLOWING RECEIVERSHIP PROCEEDINGS BY STATE

Susquehanna Coal Decision Important —Statements By Representatives and Former Representatives of Company

Certain facts have been laid before the district attorney in connection with the receivership of the Casualty Company of America (forecasted exclusively in last week's issue of The Eastern Underwriter) and it is expected that the grand jury will investigate certain transactions. Some of the allegations to which District Attorney Swann's attention has been called are:

The bonding of the contract between the Susquehanna Coal Company and the Interstate Coal Company. Although this bond was for $200,000, no collateral security was deposited with the Casualty Company to secure the possibility of loss. The only reserve placed aside for a contingency was $25,000, reserved to pay the legal fees of Max D. Steuer, in defending the suit for recovery under the terms of the contract.

The circumstances surrounding the placing of this bonding contract. The broker was Oscar C. Smith of 80 Maiden Lane. The bonds were two in number, for $100,000 each. The first was executed April 21, 1915. The second was dated June 17, 1915.

Mr. Smith had been a special agent for the Casualty Company and stood well with the coal firm of Archibald McNeil and Sons of No. 1 Broadway and Bridgeport, Conn. W. G. Townes, a director in the Casualty Company, is vice-president and general manager of the McNeil firm.

A. H. Dollard, head and tail of the A. H. Dollard Coal Sales Company and principal owner of the Interstate Coal Company, (to which the Susquehanna Coal Company sold the coal for which it never received a cent) was associated in coal deals with the McNeil concern.

George H. Bressette. New York sales agent for the Susquehanna, indirectly accused by United States District Court Judge A. N. Hand as "dishonest," was an intimate friend of Dollard and of the McNeil concern.

It is stated by those employed in the bonding department of the Casualty Company of America that Smith, the broker, asserted that Dollard was responsible for Townes' business career.

Department heads allege that the company was actually insolvent on June 30, 1914.

Big Stock and Bond Deal

The Casualty Company guaranteed certain notes given by parties interested in the Blair-Columbia Coal Company and the Altoona Northern Railroad, both Pennsylvania corporations. On September 12, 1916, seeing that it would have to make good, the Casualty Company entered into an agreement with the Blair-Columbia Coal Company, Sigmund Morris and Frieda Hart, and Morris as trustee for the Casualty Company, whereby the latter paying promissory notes not in excess of $275,000, which had been issued by the Blair-Columbia Company, Morris, Mrs. Hart or Nathan Eisenberg and $75,000 to be used in improving the property, the Blair-Columbia Company was to deliver to Morris as trustee, a first mortgage on its real and personal property on the Blair-Columbia Company and two leases on coal lands for $100,000 payable in semi-annual instalments of $5,000 with interest at 6 per cent. and Morris and Mrs. Hart were to sell to the Casualty Company 367 one thousand dollar first mortgage 5 per cent. gold bonds of the Altoona Northern, 500 shares of the preferred stock and 4,000 shares of the common stock of the railroad, each share having a par value of $50, and 333 1-3 shares of the Blair-Columbia Company, having a par value of $50.

Mrs. Frieda Hart is said to be the wife of Max Hart, who on August 28, 1914, was convicted before Justice Ray, sitting at Watertown, N. Y. of "note kiting." The verdict was set aside recently and a new trial ordered. The Circuit Court of Appeals, which reviewed the case, decided that remarks of the presiding judge were unfair.

The Casualty Company has paid notes under the above contract amounting to $133,300 and advanced $23,100 on account of improvements. There still is a balance due of $193,600.

The State Insurance Department values the mortgage at $60,000 the railroad bonds at $146,800 and places no value on the stock of the railroad or of the coal company.

Within the last few weeks a part of this security was sold by a representative of Casualty Company for a sum said to be about $4,000. The purchaser is said to have been the head of Swayze Advertising Agency of 112 East 19th Street.

Inquiries at the office of the Casualty Company elicited the reply from Receiver Wright that such a sale had been made, but that as yet, there was no official statement to be made.

These are the salient and outstanding allegations, but there are so many other angles to this confused tangle of financial manipulations that it is difficult to untangle all of them. The main inquiry seems to centre about the Susquehanna contracts. The District Attorney is also investigating a rumor that a man connected with the Company, but not an officer or department head, got $20,000 personally for his share in bond deal transactions, and also was given a $2,200 Cadillac automobile.

It is alleged that the officers and directors of the Company sometimes went over the heads of men in charge of departments. It is said further, that at the time the bonds were written no provision of any kind was made for eventualities and that after suit for recovery had been brought, only $25,000 was set aside—and this sum, for counsel fees. It is said that Steuer received $7,500 down for his counsel fee, with the proviso that he would get $17,500 more if he won the suit.

Reinsurance

Another interesting phase is the reinsurance of the Pacific Coast Casualty Company, the agreement being dated February 25, 1916.

It is stated that the Casualty Company was to receive about $75,000 as a fee for reinsurance. It never received this money and in addition, paid out more than $50,000 in losses under the reinsurance agreement.

E. W. DeLeon, who resigned the presidency in January, 1916 says he was in ignorance of the Susquehanna bond deal.

E. L. Hearn, former president, said he did not care to be quoted at this time.

Vice-President Lloyd declared indifference to what was said, but protested against blame being placed on the shoulders of any one individual.

Moses J. Wright, special deputy superintendent of insurance, who is acting as receiver, stated that his investigations had been too cursory as yet, to be able to make any definite statement.

A Hughes Report

James J. Hughes, manager of the fidelity and surety department of the Company, referred to a report he made the Company in October of last year, when the State Insurance Department was making an examination. In this report, Mr. Hughes said among other things:

The reserve on December 31, 1916, carried claims amounting to $54,419.18. The total losses paid plus reserves on the reported claims amount to $159,817.97 or 15 1-2 per cent. on the premiums written. In addition, to the losses stated above there was also paid out for losses $119,347.55 on which salvage was recovered of $25,984.52. The reason the last named losses are not computed as part of the underwriting experience of the Company is that the risks upon which these losses were paid were written by the directors of the Company over the protests of the underwriting department.

In the standard chart of 1916, it is stated that the total of surety and fidelity premiums written in 1916 amounted to $360,370.15 and that the losses paid amounted to $174,688.45, giving a loss ratio of 48 per cent.

These figures were based on incorrect information furnished by our accounting department. The correct figures, taken directly from the books of the underwriting department showed an additional premium of $50,000. The losses included those on risks above specified as having been written by the directors.

Oscar C. Smith, the broker, stated that he applied for the Susquehanna bonds in the regular course of business. He denied that Townes, a director had in any way used his influence in obtaining their execution.

Statement By W. G. Townes

W. G. Townes, when asked concerning his connections with the various activities of the Casualty Company, said that he was in Europe when the Susquehanna bonds were executed. He said he had been opposed to the Blair-Columbia coal deal and had denounced it at a directors' meeting, he added. He had never heard the report that some one connected with the Company had received a personal fee of $20,000. He was certain too, that the Company would be able to pay all its indebtedness and pay its stockholders 100 cents on the dollar.

Judge Hand's Opinion

Just how the courts look upon the Susquehanna-Dollard-etc., proposition is shown by the tenor of Judge Hand's opinion, which reads in part:

At the close of the testimony both sides moved for the direction of a verdict. The action brought to recover the sum of $186,823.49, with interest, upon two bonds dated respectively April 14, 1915 and June 14, 1915, given to secure payment for coal delivered by the plaintiff to the Interstate Coal Company, Inc. The defense is that the defendant, which is the surety upon both bonds, was discharged before the beginning of the action. The following conditions appear in each bond:

First: That immediately after any breach of any part of said agreement, or the occurrence of any act on the part of said Principal, or its Agents or employes which may involve a loss for which the said surety is responsible hereunder shall have come to the knowledge of the Obligee, its agents, servants or representatives, notice in writing shall be given to the said Surety.

Second: That in the event of any breach of the conditions

(Continued on page 22)

New Amsterdam Casualty Company

A Progressive
SURETY AND CASUALTY
Company

General Accident
FIRE AND LIFE
ASSURANCE CORPORATION, Ltd.
SERVICE THAT EXCELS
FREDERICK RICHARDSON, United States Manager
GENERAL BUILDING · 4TH & WALNUT STS.
PHILADELPHIA

Using Mails to Handle Delinquents

GOOD TIPS TO BONDING AND SURETY AGENTS

Letters of Arthur Schneider, Manager of Jersey City Office of American Surety Co.

By Arthur Schneider

In transmitting bonds to attorneys, brokers, or directly to the assured, we always enclose the regular Form A 686 (our bill) with premium plainly marked thereon, and frequently send with the bill a courteous letter, as follows:

No. 1.—Enclosed herewith you will find bond covering——as—— together with our bill for premium, which we trust you will find in order.

We thank you heartily for your favor in this matter and hope to serve you in the future.

Very truly yours,

In a great many cases when the bond is received it is scrutinized for errors, and the attached bill is an excellent reminder that it should be paid. This is oftentimes done immediately.

Next, a monthly statement is sent to the proper person, be he the agent, attorney, broker or assured, so that it is received on the first day of the month; and as most people pay their bills between the 1st and 10th, this statement again recalls to his mind that he has not paid the premium on his bond. In this way we receive many of our collections.

All Brokers and Agents Are Notified of the Collection Rules

In the cases of delinquent collections in the hands of brokers or our agents, I have found that most of the surety brokers and agents are also fire agents and as such have a practice among themselves of remitting to their general agents or home offices only after ninety days have elapsed. Hence these agents have the impression that the bonding premiums can be remitted in a like manner. I have found it profitable to notify them that such is not the case in connection with the American's accounts, and that it is an absolute rule that premiums due must be remitted to the Home Office by us as soon as collected, and must be paid within forty days after the business is written. Therefore, as brokers or general agents, they may be allowed only forty days' time in which to report premiums to us, giving us a reasonable time in which to put the matter through the necessary routine and proper reports.

In advising agents of the Company's requirements we have found it desirable to thank them for their efforts and assistance in keeping our agency to the front, and to assure them that we will reciprocate by giving them prompt, efficient and courteous service.

Letters Used in Soliciting Premiums From Principals

On those accounts where we deal with the assured direct, if the premium is not received within thirty days, a letter is written as follows:

No. 2.—We respectfully call your attention to our bond written on your behalf as————on————, 1917.

The premium of $———is still due us and we would thank you for whatever courtesy you may show us in this matter.

We enclose a duplicate bill for your information.

Who is the Delinquent?

On those accounts where we deal with the broker, if the premium is not paid within forty days, a letter is written as follows:

No. 3.—We respectfully call your attention to our bond written on behalf of your good client, Mr. ——— on———, 1917.

The premium of $———is still due us, and we inquire at this time whether or not we can be of assistance to you in collecting this item. Trusting to receive your valued favor, we remain,

We feel that if the broker has collected the premium, he will forward it to us. At any rate we have opened up the way to learn whether it is the broker or his client who is the delinquent.

In ten days if we have not received his reply to our letter or the premium, he is called on the 'phone. We have thus accomplished our end as set forth in letter No. 3.

The same form of letter is also used in connection with premiums due from our agents.

Final Letter

In about sixty days, if the premium still remains unpaid, we write to the broker, attorney or agent as follows:

No. 4.—Permit us to refer you to our communication of———requesting payment of premium due since ———. The collection division of our home office has requested us to remit this item in our next statement, and we ask you to remit to us at an early date, thus enabling us to keep in the good graces of our collection division.

Thanking you for your prompt attention to this matter, we remain,

If Letters Fail a Personal Call is Made

The above usually brings the premium, but if not a personal visit or a telephone call is made to ascertain the reason. In this way we can determine whether the time for the collection of the premium should be extended; whether a letter is to be written threatening cancellation of the bond, where possible; or whether we should enclose a check for the premium drawn to our order upon the bank where funds are kept under our countersignature and requesting the principal's signature, as in the instance of probate bonds, etc.

In connection with this class of business, we can indicate on our records that no further checks are to be countersigned and that the estate is not to be closed out until our premium is paid.

Another Help

Further classes of bonds can also be safeguarded, such as license and similar bonds.

We are very friendly with the officials of the Government at this location who handle licenses and have received letters from them directed to our principals, as follows:

No. 5. The American Surety Co. notify this department that they will be compelled to cancel their bond on your behalf as——— if the premium is not paid forthwith. In such event your license as——— will be cancelled.

Kindly attend to this at once, and oblige.

W. P. Learned, of the Fidelity & Casualty, was elected president of the Burglary Insurance Underwriters' Association last week. Mr. Learned has been engaged in burglary business since 1895, three years after he became identified with the Fidelity & Casualty. With that company he worked his way up by force of intelligence, good nature and the hardest kind of hard work. He was born in Pittsfield, Mass., attended Exeter Academy, was graduated from Harvard and then joined the Fidelity & Casualty. He is a member of the Calumet and Richmond County Field Club.

IRVING D. KRAFT WITH AETNA

Irving D. Kraft joined the agency staff of the New York branch office of the Aetna Accident & Liability this week. Mr. Kraft has for several years been with the Ocean Accident.

Lack of Powder Marks Wins $8,009 Verdict

ARKANSAS COURT DECIDES AGAINST AETNA LIFE

Holds That Physical Evidence Surrounding Man's Death Precludes Theory of Self-Destruction

On account of being unable to show powder burns on the head of an insured where the bullet entered, the Aetna Life Insurance Company failed to show suicide in its defense of an accident insurance policy, and a judgment of the Jefferson Circuit Court of Arkansas against the Company for $8,009 was affirmed by the Supreme Court of that State last week. The case was that of Dan Taylor, special administrator of the estate of Ella S. Sears, deceased vs. Aetna Life. It appears that the insured, Edgar P. Sears, of Salt Lake City, a traveling salesman for a sheet music house, came to Pine Bluff, Arkansas, and registered at the Jefferson Hotel, November 22, 1914.

Early on the morning of November 26 his body was found lying partly under a cotton platform and ten or twelve feet from the street with a pistol wound in the head entering the right side near the temple and coming out on the opposite side. The body was lying on its back and the pockets of the trousers were turned inside out. A pistol was found on his breast with his hand lying loosely over it. On the ground and near the body was a silver dollar, a nickel, some keys and a pipe. His hat was found probably a foot away from the body.

It was alleged by the plaintiff that the insured was killed by unknown persons. The company denied liability on the grounds that the death was not effected by accidental means but resulted from suicide. The case was tried May 8, 1916 and the company showed that Sears, the insured, had been a wealthy man, making money, and spending it freely until a few years before his death, when he lost his money and his business. He had been forced to ask his daughter's husband to pay even his insurance premiums, and to advance him small sums of money from time to time. He had been living precariously selling sheet music and had been living in a cheap boarding house. He was very despondent at times just before his death and worried a good deal. An examination of the ground disclosed no tracks but those of the dead man. All the circumstances surrounding the body, when found, pointed to suicide.

Both of the physicians testifying for plaintiff said that a wound of the character received by Sears would have produced instant death, followed by complete relaxation of the muscles, and that if he had been holding a pistol in position to have inflicted the wound found in his head his arm would have dropped to his side and the pistol would have fallen from it. All of the witnesses viewing the body testified there were no powder marks or burns on the face of the deceased, no charred flesh in the wound and his hair was not singed and his hat brim was not burned or powder marked and plaintiff maintained it was a physical impossibility for the insured to have held a pistol in position to shoot himself through the temple without bending his arm in such a manner as to place the muzzle of the pistol within four or five inches of his head and a discharge of the pistol in that position would have inevitably resulted in powder marks and burns. The company showed that Sears had not even money enough to pay his board bill at his hotel and was being watched for fear of his leaving without paying. The plaintiff set up robbery as a motive for the murder of Sears. Taylor, Jones & Taylor, of Pine Bluff, Ark., and Gustin, Gillette & Brayton, of Salt Lake City were attorneys for plaintiff and Danaher & Danaher were attorneys for the company. Besides the judgment, damages and attorneys' fees amounting to over $2,000 were assessed against the company together with interests and costs. The only relief the company procured on appeal was a $500 reduction of attorneys' fees which evidently was the only item the Supreme Court considered excessive.

WITH MASSACHUSETTS B. & I.

A. Victor Hansen Appointed Superintendent of Accident and Health Department of New York Office

A. Victor Hansen, assistant superintendent of the accident-health department of the New York branch office of the Aetna, resigned this week, effective June 1. Mr. Hansen has been appointed superintendent of the accident-health department of the New York office of the Massachusetts Bonding & Insurance Co. succeeding W. E. Robertson, resigned. He will assume his new duties early in June after a visit to the Chicago and Saginaw, Mich., offices of the Company.

Mr. Hansen has had an accident-health experience extending over a period of sixteen years. Before going with the Aetna, he had been interested for a few months in oil field operations in the West. Prior to that he had been an independent accident-health adjuster in the South and Southwest, doing work for a number of companies and at that time he was the only casualty adjuster in that field. In 1911 he took charge of the Aetna's office at Fort Worth, Texas, previous to which he had acted as an agent in Oklahoma City for a number of years and earlier in Aurora, Ill. Mr. Hansen received his early training in the Chicago offices of the Maryland Casualty and the Travelers.

TALKS ON SURETYSHIP

On Friday, May 4, J. W. Mason, vice-president of the American Surety Company of New York, addressed, by invitation from the Manufacturers Trust Company of Brooklyn, Broadway and Sumner avenue, in that borough, the officers and employes of that Company on the subject of suretyship.

B. G. WILLS APPOINTED

B. G. Wills, of Los Angeles, superintendent of the Southern California branch of the Royal Indemnity, has been appointed manager of the automobile liability department of the Fireman's Fund, effective June 1, when he will take up his new work at the latter's home office at San Francisco.

W. S. Cooper, manager of the liability department of the Newark branch office of the Aetna Life, returned on Monday from his honeymoon spent in the South. Mr. Cooper on April 28 married Miss Rena C. Griffith, of Brooklyn.

FOUND—On William St.!

Bright ideas used by successful Casualty men

Each week in

THE EASTERN UNDERWRITER

Subscription $3 a Year

What Legislature at Albany Has Done

MANY BILLS GO THROUGH AND GOVERNOR SIGNS SOME

Insolvency of Insured Does Not Release Company—Insurance Against Loss By Forgery

A bill has been introduced by Senator Newton, amending Section 67 of the insurance law in relation to the approval of premium rates, by including the State insurance fund as administered by the State Industrial Commission. The bill has been advanced to third reading by the Senate and referred to committee.

The Assembly has passed the bill of Assemblyman McCue, adding a new section, 109, to the insurance law by requiring policies of insurance against damage or loss resulting from accident or injury to employes or other persons for which the insured is liable, or against loss or damage to property caused by horses or vehicles propelled by any motive power vehicles, and for which the insured is liable, to contain a provision that the insolvency or bankruptcy of the insured shall not release the insurance carrier.

Coffey and Boylan Bills

The Senate has passed Assemblyman Coffey's bill amending Section 96 of the insurance law by providing that intermediate policies of insurance, issued by industrial insurance corporations, and policies which by reason of residence, occupation, personal or family history, or altered health, call for payment of higher premiums than those charged for standard risks, shall not be included in determining the amount of new business of a life insurance company.

Two of Senator Boylan's bills have been passed by the Senate. One amends section 136 of the insurance law by striking out the provision that any person acting as a broker between an agent or an insurance corporation and the insured must notify the officer entitled to receive the premium tax upon such insurance of the fact of such insurance, together with the precise location of the property insured, the name of the insurer, and the amount of the premium to be paid.

The other Boylan bill amends Subdivision 5 of Section 70 of the insurance law by authorizing insurance against loss by forgery, as well as by burglary or theft, and against loss of or damage to jewelry, wearing apparel and articles of personal adornment during transportation by any public carrier or other public conveyance within the confines of the United States, including loss caused by theft, pilferage, robbery, breakage, fire, lightning or otherwise.

Signed By Governor

Governor Whitman has signed the following bills of Assemblyman Coffey:

Amending Sections 16 and 95 by making certain changes relative to the acquisition by insurance companies of shares of their own stock and the conversion of stock life insurance corporations into mutual companies.

Adding a new section (195) by providing that two or more domestic mutual liability and workmen's compensation corporations may merge or consolidate under name of either corporation, and regulating procedure.

Amending Subdivision 2 of Section 86 by substituting entirely new provisions regulating the method of computing reserves of casualty or surety insurance corporations, and relative to additional reserves, and annual statements showing schedule of experience by insurers of liability or compensation.

The Assembly has passed Senator Boylan's bill, amending Section 136, by striking out the requirement that persons acting as brokers for fire insurance companies shall notify the officer entitled to receive the tax upon the premium on such insurance of the fact of such insurance having been written, together with location of the property, name of the insured and the amount of premium to be paid, within ten days after effecting such insurance.

The Eastern Underwriter is indebted to "The Spectator" for this digest of Albany legislative and gubernatorial activities at Albany.

Questions Usefulness of Casualty Exchange

COMPANY OFFICIAL ADVOCATES REORGANIZATION

Implies That Much of Work is Repetition of That Done by Workmen's Compensation Bureau

The Eastern Underwriter is in receipt of the following letter from a casualty company official:

"The Casualty Insurance Exchange was intended primarily to deal with purely local questions, but in spite of the fact that it is directed by home office officials, nothing of either local or national moment has resulted from its operations to place it in the class of public beneficiaries. One of its objects is the regulation of agents and commissions. Rules are promulgated by the bureau and passed to the exchange for ratification. Many companies, nevertheless, disregard the matter of agencies as well as the question of commissions, reserving unto themselves the right to determine the number of agents it should have and the rate of commission payable to obtain a desirable connection and preferred business. The president of one of the companies is on record with the exchange admitting that his company is paying a dual agency excess commissions above those authorized. Other companies also are violating all rules respecting rates and commissions, thus defying the power vested in the exchange.

"Recently a new plan for writing general, elevator and theatre liability insurance was adopted effective May 1. Criticism is ripe among the companies, some insinuating a clever move on the part of one member to hold the business remaining on its books after the cancellation of a large volume of unprofitable risks, and that the plan will not solve the problem.

"The exchange is not popular, as the attendance at the meetings indicates. Harmony does not prevail. There should be a complete reorganization. The by-laws should be revised, imposing a penalty for failing to observe the rules to the fullest extent. All questions should be decided by local representatives. Only in this way can we hope or expect to derive any benefit from the exchange and I believe such a reorganization is necessary to obtain any result at all."

HOME PURCHASE PLAN

A few of the life insurance companies are offering mortgage loans on homes, with the provision that this loan will be paid off when the insurance policy which the owner takes, matures or becomes a claim, said Neil D Sills, of Richmond, in a talk to Johns Hopkins University students. This is proving not only a service to the assured, but a blessing to the community, because men by owning their homes take more of an interest in their town's civic life and in keeping their houses and grounds fixed up.

New Argument Against Health Insurance

FRANK F. DRESSER DISCUSSES FOREIGN EXPERIENCE

In Massachusetts Workman Would Contribute $9,000,000; Employer $9,000,000; State $5,000,000

A strong argument against health insurance has been made in the New York "Times" by Frank F. Dresser, a prominent member of the Massachusetts bar, who has made a careful study of employers' liability and compensation laws. He says in part:

"Let us consider the cost, not the most important but always a material item in any scheme which is to be worked out practically. The data in this country is of the vaguest description; and such foreign data as is available are difficult to transpose into our terms. We know that the German costs have been rising steadily since 1884, and that the peak of expenditure is not yet reached, that the days of sickness per insured have increased rather than diminished, and that the duration of illnesses has lengthened remarkably. A similar condition is observed in other countries having an insurance system.

"It has been computed, arguing from German and British experience, that the cost of sickness, medical and funeral benefits, including administration costs, but excluding, apparently, any contribution to reserves and the quite considerable sums which employers must in the first instance pay for their accounting department, would be between the limits of 3 and 5 per cent., say about 4 per cent., of wages.

"If we apply this 4 per cent. of wages to a single State, say Massachusetts, assuming the average wage to be $570 a year and that there are about a million persons who would be insured, the cost to Massachusetts is about twenty-three million dollars annually. Of this the workman would contribute nearly nine million, the employer nine million, and the State about five million, an increase of our present State tax by over 40 per cent."

Casualty Company

(Continued from page 20)

of said agreement which might involve a loss for which the said surety shall be subrogated to all the rights of said agreement or to sub-let the same or any part thereof.

The plaintiff supplied coal to the A. H. Dollard Coal Sales Company, and that Company was far behind in its payments. It also made two contracts to supply coal to the Interstate Coal Company upon a two months', which was afterwards extended to a ninety days' credit, and these latter contracts were secured by the bonds upon which that action is brought.

The Dollard Coal Sales Company was accustomed to bill out the coal sold by the Susquehanna Coal Company to the Interstate Coal Company in its own name. * * *

Bressette, the active sales agent of the plaintiff, of course, knew that Dollard and he were acting unlawfully in regard to the special account which constituted any part of the cash belonging to the Interstate Coal Company. * * *

I am satisfied that the officers and auditor of the plaintiff did not know that Dollard and Bressette were acting dishonestly. The only person who testified that the officers or auditor of the plaintiff knew anything about the existence of the special account was Dollard himself. * * *

It is, of course, incredible that plaintiff's officers should have known of the abstraction of large sums by Dollard and Bressette and allowed it to go on. Dollard was at best a highly discredited witness and that if he was intending to tell the truth he was doubtless confusing conversations about the special account. This special account did not appear in the books of the Dollard Coal Sales Company and was used very largely for fradulent purposes by Dollard and Bressette. * * *

Bressette, who was the only employe or agent of the plaintiff who had knowledge of these transactions, was not acting for the plaintiff when he obtained such information. He was engaged with Dollard in the perpetration of a fraud upon the plaintiff and the strict language of the bonds as to the knowledge not only of the Obligee, but of "Its agents, servants or representatives" relates to the agents, servants or representatives whose knowledge is obtained in the course of their employment and not by reason of perpetration of a fraud upon the Company they serve.

I deny the motion of the defendant for the direction of a verdict, and grant the motion of the plaintiff for the direction of a verdict for the reason: (1) That the plaintiff never acquired knowledge of any act, other than the exchange checks which were not occurrences which could on their face be regarded as likely to involve a loss for which the surety might become responsible: (2) That the knowledge of Bressette as to unlawful abstractions from the special account of the Dollard Coal Company of moneys belonging to the Interstate Coal Company, Inc., was acquired under circumstances where he could not be regarded as agent of the plaintiff because his knowledge was secured only while he was engaged in perpetrating a fraud upon the plaintiff.

The Insurance Department is trying to salvage the assets of the Company.

INSURED IN THE AETNA

Leicester D. Klous, city manager for the Aetna Life at Utica, New York, insured the employes of the Utica Heater Company under the group insurance plan. The policy covers over one hundred employes, and the amount of the insurance depends on the length of service with the company.

C. A. CRAIG, President W. R. WILLS, Vice-Pres. C. R. CLEMENTS, Sec. & Treas.

The National Life and Accident Insurance Company

NASHVILLE, TENNESSEE

Industrial, Life, Health and Accident Insurance in ONE policy

CASUALTY AND SURETY POINTERS

Go After Medium-Size Banks

Some years ago the writer became convinced that a branch office having a good line of fidelity business well scattered and placed would have not only an asset that could be relied upon to remain fairly constant but, if to this be added a fair proportion of the medium-size banks located at distributing and business centers, he would have one of the strongest possible factors for increasing and holding the Company's business in all its various lines, says John F. Clark, of the American Surety Company in Newark, writing in that Company's "Bulletin."

To bring the average agent to realize this we found was not so easy, as the tendency is to drive ahead for the "big contract." But, by carefully studying the territory, working up leads and cooperating with the agent in closing his deals, thoroughly coaching him in the value of possessing the bonds of his banking institution, business and manufacturing concerns as a permanent asset, and finally inducing him to see that the general public knowledge that he had of these lines would assist him materially in obtaining all other lines of the Company's business, we succeeded in establishing a number of well-grounded, reliable, profitable and loyal agents.

We have reason to believe that no amount of persuasive eloquence on the part of the suave "special" will induce many of such agents to forsake their allegiance to our Company; for we have worked for and with them in establishing themselves as the surety men in their localities. We know this to be true in several instances where other companies represented in our agent's office have offered to apply the larger commissions paid by them to our agent's surety business, and the proposition refused on the grounds of the existing co-operation and the incident specialized service afforded the agent.

Auto Owner Not Liable

The Court of Appeals of the State of New York in an opinion just handed down, holds that the owner of an automobile is not necessarily responsible for damages or injury done to another, merely because of the fact of ownership. The case in question was one in which a machine struck a pedestrian in the streets of Rochester. The injured man sued the owner of the car, a woman. At the trial it was shown that the car was driven by a chauffeur employed and paid by the husband of the car's owner. This, the court held, shifted the financial responsibility from the shoulders of the owner to that of the chauffeur.

Lapse Decisions

(Continued from page 9)

ing the dividend. Should such statement not be received, you will remit in accordance with the above and the dividend will be forwarded to you as soon as it is determined. Payment may be made as directed by the general agent or in the absence of such direction to the Aetna Life Insurance Co., Hartford, Conn."

The defendant insists that in view of the requirement of section 101 of the Insurance Law, to which I have referred, the matter on the face of the card, coupled with the first and second sentences of the matter printed on the back, constitutes a substantial and commonsense compliance with the requirement of section 92. Plaintiff, on the other hand, contends, upon the authority of Flint v. The Provident Life Ins. & Trust Co. (215 N. Y., 254), that the notice is insufficient. The controversy in this respect is concerning the adequacy of the notice in calling the attention of the insured to the fact that unless the premium is paid as provided in section 92 "by or before the day it falls due, the policy * * * will be forfeited." Although it may be that the form adopted by the defendant in the instant case lacks somewhat both in the simplicity and precision in its attempt to incorporate within the terms of the statutory notice the provision for the days of grace, nevertheless, I am inclined to believe that in that respect the notice complies with the statute as such notices have been construed.

To my mind, however, the notice in the instant case is totally defective for an entirely different reason. It will be observed that the notice on its face makes no mention whatsoever, directly, impliedly or by reference, through notation or otherwise, to the possibility of forfeiture, or to the matter contained on the reverse side of the card. I know of no principle of law or business by which the inscription on the reverse side, therefore, can be regarded as a part of the notice.

It is quite plain that the requirement of section 92 of the Insurance Law is not met by the fact that information of the character required to be incorporated in the notice may come, or indeed has come, to the insured by some informal means. In other words, it is not sufficient that the assured obtained knowledge of the fact that his policy will or may be forfeited by reason of the non-payment of a premium. The insurer is required to send him a notice to that effect, and in another part of the statute it is spoken of as the notice. The defective form of notice adopted by the defendant in the instant case does not even afford any assurance that the insured may have seen the reverse side of the card. There is no reference to the reverse side in the notice itself. Under the circumstances, therefore, the matter printed on the reverse side is as much disconnected with the notice iself as if it were contained in a separate clipping or other form of printed matter quite apart from the notice itself, which by the terms of the statute is manifestly intended to define a communication.

Pittsburgh Office Building

(Continued from page 4)

give him a letter under date of March 14, 1917, in which I stated as follows:

> If you can make satisfactory arrangements whereby the new interests can be assured that the solvency of the company cannot be questioned, that all of its assets will be on a basis to carry its reserve liabilities, and that it can do business in the ordinary way, you should do so at the earliest possible moment, because for reasons already explained to you the matter should be closed promptly.

This was for the reason that my relations with my own company required a prompt decision concerning my plans. When I went to Pittsburgh to look over the situation, after the presidency had been tendered me, I was invited to meet some of the officials at dinner at the Duquesne Club, and made a few remarks conditioned upon my later taking hold. The conditions I had imposed not being met, I declined to take the presidency as already stated. The extent of my connection with this unfortunate affair is perfectly clear. I trust there will be no exaggeration or misrepresentation of it.

Nimick Statement Misleading, Says Commissioner O'Neil

Commissioner O'Neil, of Pennsylvania, upon reading the statement of Mr. Nimick, said:

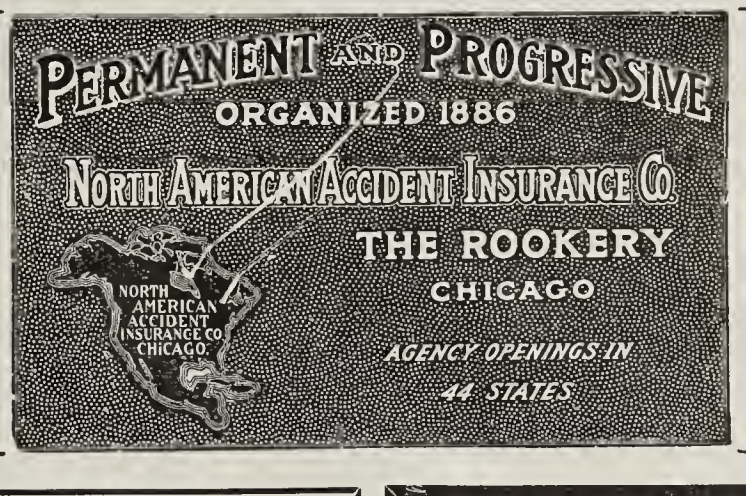
The statement of Mr. Nimick (former president of the company) in this morning's papers is misleading and does not agree with the facts in the case which have been adduced by the testimony of witnesses, people who know, taken during the last week in New York and Pittsburgh.

The offer to return some of the money obtained by the stock and for which the entire control of the company was turned over to a set of New York crooks, will not be very helpful now. Nimick and his associates were given ample opportunity to make good the $1,900,000 stolen from the company through their actions. They were implored to save the company for the innocent stockholders and policyholders and they coldly refused. They will now have to shoulder full responsibility for their actions.

W. E. SMALL, President PETER EPES, Agency Mgr. E. P. AMERINE, Secretary
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"DIXIE AUTO POLICY"
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There is a spirit of mutual helpfulness among Continental agents
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The service of a high grade Accident Department will also be offered so that you will not have to broker your Accident business to avoid violating your Life insurance contract.

American Central Life
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INDIANAPOLIS, INDIANA

Established 1899

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The Germania Life Insurance Company
Established 1860

Under the laws of the State of New York

A Growing Company for Growing Men

RECORD FOR 1916

(The Best Year in the Company's History)

New Paid-for Business	$ 21,061,120.00
Gain over 1915 nearly	6,000,000.00
Total Insurance in Force, January 1st, 1917	158,839,851.00
Gain in 1916 nearly	8,000,000.00
Saving to Policyholders on account of favorable mortality of 61%	513,000.00
Assets	53,793,290.00
Surplus and Dividend Fund	6,424,602.62

Income from Investments alone more than sufficient to pay all Death claims.

Business paid for in the first four months of 1917 shows a gain of 44% over the same period in 1916.

Two attractive Agency openings

ADDRESS

T. LOUIS HANSEN, Superintendent of Agencies

50 UNION SQUARE, NEW YORK CITY

In addition to the ordinary forms of life insurance

THE EQUITABLE

makes a specialty of the following:

Insurance to protect business firms and corporations, under a corporate form of policy.

Group Insurance, by which employers protect families of employes.

A flexible contract, known as the Convertible Policy, which can be converted by the Insured into an Ordinary Life, Limited Payment Life, or Endowment Policy.

A Bond issued without medical examination giving the investor an income for his declining years.

A new policy is offered under which the insurance is DOUBLED if death results from ACCIDENT. This policy also embodies the following advantages if the person whose life is insured becomes totally and permanently disabled:

1. Thereafter the Equitable will carry the insurance —The Insured will have nothing further to pay.
2. The Equitable will pay the Insured an annual income for life equal to one-tenth of the face of the policy.
3. Upon the death of the Insured the full amount of the insurance will be paid to the Beneficiary (or double the amount if death is due to accident) without deduction on account of the income paid to the Insured while living.

(See the policy for conditions and details.)

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HENRY W. EATON, Manager
G. W. HOYT, Deputy Manager
HUGH R. LOUDON, Assoc. Deputy Mgr.
J. B. KREMER, Asst. Deputy Manager
T. A. WEED, Agency Superintendent

U. S. Cash Assets, Dec. 31, 1916	$15,827,439.35
Surplus, - - - - -	5,460,745.59
Losses Paid by Chicago Fire, 1871	3,239,491.00
Losses Paid by Boston Fire, 1872	1,427,290.00
Losses Paid by Baltimore Fire, 1904	1,051,543.00

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[SUCCEEDING THE JOURNAL OF INSURANCE ECONOMICS, ESTABLISHED IN 1899]

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JUN 5 1917

ARGUMENT ON FIRE INSURANCE END OF TAX

Richard M. Bissell, President of National Board, Points Out Burden of Insurance Taxation

ARCHIBALD G. THACHER BRIEF

A Point Made By Mutuals—Excess Profits Tax Diagnosed at Hearing

Richard M. Bissell, president of the National Board of Fire Underwriters, and Archibald G. Thacher, representing foreign fire and marine insurance companies, appeared before the Finance Committee of the Senate and presented arguments in relation to various features of the tax. J. H. Doyle, counsel for the National Board, was also present.

What Mutuals Want

Messrs. Freeman and Ekern, who talked for the mutual companies, devoted their time allotment wholly to an effort aimed to secure further exemption for mutual companies and a special provision that the maintenance of reserves would not serve to prevent their exemption as mutual companies conducted solely for the protection of their own property and not for profit.

Richard M. Bissell in his argument before the committee said:

"The reasons which I have to urge why we should not be singled out for a special tax in excess of this levied upon others, are, first, that we are one of the most heavily taxed industries in the United States to-day. The company with which I am connected, the Hartford Fire Insurance Company, paid taxes during the year 1916 of 4.6 per cent. of the entire gross income. For a five year period, ending December 31, 1916, for all fire insurance companies in the State of New York, as shown by the sworn statements on file there, the net profit amounted to a net sum of $50,200,000. There was also collected from them on taxes during that period $49,100,000. If you add these two together and assume a gross profit of $100,000,000, you will see that one-half of the gross profit under existing statutes, before any of these new items which I will mention come into play, are already taken in the form of taxation. That includes all taxes except real estate taxes. Taxes on property are not included.

"The bill as drawn proposes the following items of additional tax; 50 cents per thousand dollars of capital or surplus over $99,000; net income tax, formerly 2 per cent., now to be raised to

(Continued on page 16)

DIRECTORY OF DEPARTMENTS

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THE HOME INSURANCE COMPANY NEW YORK

ELBRIDGE G. SNOW, President

FULL WAR COVER
INCLUDING
BOMBARDMENT and EXPLOSION
Liberal Contracts Reasonable Rates
STRENGTH REPUTATION SERVICE

v fixes

North British and Mercantile Insurance Co.
Established 1809
Entered United States 1866

Policyholders protected by the entire United States assets, with further guarantee in every policy, of protection by entire fire assets of the company which are many times larger.

SPRINGFIELD
Fire & Marine Insurance Co.
Cash Capital $2,500,000.00

THE SPRINGFIELD for two-thirds of a century has transacted business solely under its own corporate name, without annexes, underwriting agencies or subsidiary companies. An agent of the SPRINGFIELD is not a half, a quarter or any other fraction of an agent, but is vested with the rights and dignity of an undivided representative of an undivided and independent company. The SPRINGFIELD stands today pre-eminent among American fire insurance companies.

SPRINGFIELD MASSACHUSETTS

ON 1916 BASIS 8c. TAX WOULD COST COMPANIES $3,500,000

Life Insurance Singled Out to Bear Greater Burdens Than Other Lines

LEGAL RESERVE PROTEST BRIEF

No More Justifiable Than Germany's Indemnity Imposed on Belgium, Say Counsel

The special additional life insurance tax of eight cents a hundred will cost the companies (on the basis of their 1916 business) about $3,500,000, the total writings of the life companies last year being $4,303,502,818.

Among the insurance men who attended the Senate Finance Committee's hearing on the Revenue Bill last Saturday were Messrs. Robert Lynn Cox and Frederick G. Dunham, representing the Association of Life Insurance Presidents; and T. W. Blackburn, representing the American Life Convention.

A memorandum was filed on behalf of legal reserve compan[illegible] tax on life insuranc[illegible] imposed by Section 505 A (a special tax of 8 cents per $100 laid "upon the amount for which any life is insured under any policy of insurance.") This tax is in addition to the same taxes on incomes and excess profits which are imposed upon other corporations. The memorandum follows:

Without yielding the principle for which we have heretofore consistently contended, that life insurance should, upon grounds of sound public policy, be exempt from all taxation, we are not now, in view of the imperative need for revenue which confronts the Government, making objection to or asking relief from the war taxes on income and excess profits. That burden we are content to carry, until the emergency which requires it shall have passed. We do not, under existing circumstances, ask or expect specially favorable consideration, but we do submit that the institution of life insurance should not be singled out for unfavorable treatment and subjected to greater burdens than other lines are called upon to bear, through the imposition of a special tax, in addition to the general taxes which it will pay in common with all business.

The Eight Cent Tax Imposed By Section 505 (a) Violates Sound Principles of Taxation

This tax violates the fundamental principle of taxation, which counsels that no tax should be laid without regard to the ability of the person or thing taxed to pay. The general tax imposed by this bill, being a tax upon income and profits is wholly in consonance with this principle. Specific and ad valorem taxes, such as those provided for by Title V., involve a very different rule. They are unjustifi-

I desire to correspond with New York City Life Agents, who would prefer a District Managership covering several of the wealthy counties in Pennsylvania. Three Millions of old business in force. Company over Sixty Years Old.

This is an opportunity where an Agent can make money and live on the first year's business, leaving his renewals for future profit and savings.

A salary is paid for supervision of old business in addition to the regular New York State Contract with renewals, over-riding first year commissions and renewals paid on sub-agents appointed.

Do not reply to this unless you can stand closest inspection and prove up a Paid Business of $100,000 in the last twelve months (term excluded).

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able unless capable of being passed on to the ultimate consumer and thus receiving the widest possible distribution. The eight cent tax on life insurance is not in accord with this rule, because, as we shall show, it cannot be passed on or further distributed by the companies furnishing life insurance protection.

Life Insurance is a Co-operative Agency For Mutual Protection Against Economic Loss

Statistics show that over 75 per cent. of the legal reserve or old line life insurance in the United States is carried in mutual companies, and that more than 87 per cent. of such insurance is written on the mutual or participating plan. The severity of competition has, moreover, reduced the premiums charged for the comparatively small residue of 13 per cent. of non-participating insurance to a practical equivalence with the mutual rate. As a result it may be stated without reservation that life insurance is to-day furnished to policyholders in the United States as nearly as practicable at cost. The entire business being thus conducted without the desire for or expectation of profits, it is essentially a co-operative enterprise, and the companies, whether stock or mutual, and whether transacting business upon the participating or non-participating plan, are merely the agencies through which the funds necessary to the undertaking are collected, accumulated and disbursed. A specific tax laid on life insurance is therefore incapable of further distribution, because the body of policyholders is in most cases actually and in every instance practically identical with the corporation from which the tax will be collected.

Life Insurance a Quasi-Public Service Which Should Be Fostered and Encouraged

Life insurance is a facility afforded the living to provide, after their decease, for their dependents. It involves a pecuniary sacrifice by the person insured which has been aptly described as a self-imposed tax, and indirectly enures to the benefit of the State. In innumerable cases, life insurance is all that stands between the beneficiary and absolute destitution. Without it the dependents of the average man would become, for a time at least, either objects of private charity or charges upon the public. Where its amount is insufficient to provide permanent or entire support for the widow or orphan, it serves at least to tide them over until they can adjust themselves to the changes in their situations. All told there are upwards of forty-six million policies, aggregating about twenty-five billions of old line life insurance in force in the United States. The average amount of insurance under each policy is approximately $530. The aggregate of insurance outstanding in France on December 31, 1912, was $1,214,339,923. The per capita amount of life insurance in France at the outbreak of the war, was probably not in excess of $40. If the average Frenchman had carried adequate insurance, is it conceivable that the fate of the French "war orphans" would to-day be dependent upon the justice of their government or the charity of foreign peoples?

Notwithstanding the importance of life insurance, it is not yet generally recognized by the individual as a necessity, and its inevitable cost even under normal or ordinary circumstances too often deters the individual from embracing its protection. While the per capita amount of life insurance, including fraternal and assessment insurance, in the United States on January 1, 1916 was $320, it is safe to assert that more than fifty per cent. of the insurable population, including a large proportion of those whose circumstances most require this form of protection, are not insured. Any increase in the cost of insurance over the present cost, through the imposition of a specific tax thereon, payable absolutely and without regard to the existence of any margin in the premiums now charged out of which it can be paid, would, therefore discourage and impede the issuance of new insurance and be against the public interest. Such we submit will inevitably be the effect of the eight per cent. tax proposed by Section 505 (a).

Fraternal and Assessment Life Insurance is Exempted From All Taxation

Fraternal orders and co-operate life insurance associations transacting business on the assessment plan are exempted from the income and excess profits tax imposed by the Act of Sept. 8, 1916 and from the war tax on income and excess profits which is carried in this bill, and their policies are also exempted from the special tax of eight cents per $100 of insurance issued, by an express provision of this bill. The treatment so accorded these forms of life insurance is, we submit, a recognition by the framers of the bill of their public character and their peculiar claims to consideration at the hands of the Government.

There is no difference in principle between old line life insurance and that afforded by the fraternal orders and assessment societies. The only difference lies in the methods pursued to achieve the common end. The interest of the State in each is identical. The claims of each to the consideration of Government are the same. Despite these facts the treatment accorded the old line life insurance companies and their policyholders in the matter of taxation not only denies to them that consideration to which they are entitled and which the fraternal orders and assessment societies enjoy, but also involves a degree of unfair discrimination between the two systems of insurance such as does not exist in the case of any other interest affected by the tax laws. Whatever may be said of the relative ability of the two systems to pay taxes upon the income or profits, they are upon the same basis with respect to a tax upon the amount of insurance issued. Moreover, the keenest competition occurs in the struggle for new business, upon which both systems alike depend for their perpetuation.

We have not, however, adverted to these facts for the purpose of asking that like taxes be imposed upon the fraternal orders and assessment societies. Believing that all life insurance should be exempt, we are content that they should be exempt. Moreover, realizing the need of the United States Government for revenue in the present emergency, we are not asking to be relieved at this time from either the general or the war taxes on net income and excess profits. We ask only that the arbitrary, absolute and inescapable specific tax of eight cents per $100 of insurance issued be stricken from the bill. The elimination of this tax would remove the discrimination which exists between the two systems upon the one point of vital importance to the old line life insurance companies.

Effect of the War on Life Insurance

From an economic or business standpoint the institution of life insurance is in much the same situation as Belgium. It is life insurance that is bound to be caught between the upper and nether millstones of battle. This war will drive across our economic territory, and the slaughter and desolation will fall upon us. Apart from the expenses of operation and taxes, the cost of life insurance is dependent upon the mortality experience, and it goes without saying that the war will inevitably involve an appalling increase in mortality. The Metropolitan Life Insurance Company, in carrying some eleven million dollars of Canadian war risks, with maximum exposure extending over a period of less than a year of service at the front, has suffered losses at from fifteen to twenty times the normal rate of mortality. English companies at the outset charged an annual war extra premium of 5 per cent. of the amount insured. This charge has since been increased, as a result of actual experience, to 25 or even 30 per cent. which is, of course, practically prohibitive.

Of the twenty-five billions at risk in the United States, approximately three billions, or about one-eighth of the whole, is on male lives between the ages of twenty-one and thirty years, which are subject to the selective draft. Practically all insurance on the books today is free from what we call military restrictions. Notwithstanding the fact that the war hazard was not taken into consideration in the calculation of the premium, the risk, so far as present policyholders are concerned, will therefore be carried without additional premiums. Under normal conditions there is a margin over actual requirements in the current premiums, the existence of which has hitherto been regarded as necessary to guarantee future solvency. How long it will take the war mortality to absorb this margin is the only matter for conjecture. That it will be exhausted is inevitable if our young men actually participate in this war.

In addition, the small contingency surplus which the law allows the com-

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Under the laws of the State of New York

A Growing Company for Growing Men

RECORD FOR 1916

(The Best Year in the Company's History)

New Paid-for Business	$ 21,061,120.00
Gain over 1915 nearly	6,000,000.00
Total Insurance in Force, January 1st, 1917	158,839,851.00
Gain in 1916 nearly	8,000,000.00
Saving to Policyholders on account of favorable mortality of 61%	513,000.00
Assets	53,793,290.00
Surplus and Dividend Fund	6,424,602.62

Income from Investments alone more than sufficient to pay all Death claims.

Business paid for in the first four months of 1917 shows a gain of 44% over the same period in 1916.

Two attractive Agency openings

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Tax Protest Arguments of Legal Reserve Companies

panies to maintain has already become reduced by shrinkages in the value of the securities in which the assets are invested. and are likely to be further depleted by further losses of this sort. Finally, it is doubtless expected that the companies will become heavy investors in the bonds which are to be issued by the Government to finance this war, at a rate of interest from one to one and a half per cent. less than they are able to realize from other investments.

It should be kept in mind that the life insurance companies are subject not only to the normal income and excess profits taxes, but also to the proposed war tax upon income and excess profits. If they have income in excess of outgo, and if they realize profits, the Government will receive its taxes. If no net income be realized, however, the eight per cent. tax will have to be paid out of trust funds which are required by State laws to be held intact for the benefit and protection of policyholders. We submit, therefore, that the imposition of this latter tax upon the business of life insurance in disregard of the disturbing effect upon its affairs of the very war into which it has unwittingly come, and which the tax is intended to support, is no more justifiable than the indemnity tax imposed by the German invaders upon the desolated people of Belgium.

The eight cent tax imposed upon life insurance by Section 505 (a) should be stricken from the bill.

R. L. Cox Before the Committee

At a meeting of the executive committee of the Association of Life Insurance Presidents, Robert Lynn Cox was appointed to represent the Association at the Senate Finance Committee's hearing on the revenue bill.

Mr. Cox urged that for the present at least the Government does not impose on the institution of life insurance taxation additional to that imposed on corporations generally. Although through the war itself the life insurance companies would have to meet increased cost because of higher mortality, Mr. Cox presented no objections to the proposed doubling of the income tax and the excess profits tax. But he did seriously question the justice and advisability of imposing the proposed further tax of eight cents per $100 on new life insurance policies—a tax which would amount to more than three million dollars a year, based on the business of 1916.

Ability to Pay

Mr. Cox in part said: "You are dealing with one of our largest American institutions. There are twenty-five billion dollars of life insurance carried by the United States companies today, most of which is carried on lives in the United States. We are not saying anything at present about the income tax which you propose to double or the excess profits tax which you propose to double, because in this you are dealing with this business as with other large businesses.

"But the third and final form of taxation on life insurance is the eight cents per $100 of new insurance. There you seem to have entirely forgotten the rule as to ability to pay. That comes to be a very important thing in life insurance, because we are dealing in this question with mortality. The cost of life insurance is made by mortality. The very purpose of war is to increase mortality. Therefore, war will increase the cost of our business. When you come to impose a tax of eight cents on the one hundred dollars you have no regard to the question of what our experience may be as to our ability to meet the tax.

"We estimate that out of this twenty-five billion dollars outstanding insurance in the United States about three billions is being carried on ages between twenty-one and thirty, which is the age period now being discussed as subject to the selective draft. This is about one-eighth of the whole amount of our life insurance—that is, one-eighth of our insurance is on male lives subject to the selective draft. That part of the business is on the books today under policies not subject to what we call military restrictions. That share of our business is going to be put in this war hazard without extra premium or without extra cost to the policyholders. It is necessary for me to state only that fact to show you how much the mortality must be increased. The only guide we have is what has happened in Europe with reference to foreign companies. In Canada the companies there started with $50 extra premium to cover war hazards on all lives. Then one hundred dollars and then one hundred and fifty dollars and finally some of them went to three hundred dollars extra premium on one thousand dollars of insurance. The company of which I am an officer wrote eleven million dollars in Canada on soldiers' lives. Our experience there shows us a mortality on that business of fifteen to twenty times the normal mortality. That is a very important thing to be considered in connection with the taxing of our business.

Increased Mortality

"Aside from the question of increased mortality we come to various other elements which should be taken into consideration, such as the shrinking of the value of assets held by the companies to mature policy obligations. We are limited in the amount of surplus we may carry. New York law fixes it at 7½ per cent. of the reserve. Shrinkage of high grade bond values in recent times has been enough to consume that surplus in large part. There is a decrease in our earning powers.

"It has been suggested lately. in addition, that a large institution like life insurance, having these large assets to mature their obligations, should be heavy investors in the Government bonds at three and one-half per cent That is one and one-half per cent. less than they can get elsewhere. That is a tax in itself. You must consider these questions in considering taxation in life insurance.

Will Be Caught Between the Millstone

"You may look at this business from an economic standpoint, very much as one could have looked at the Belgium invasion. The life insurance companies are the ones who are going to be caught between the upper and nether millstones. This war will drive across our economic territory. The slaughter will be of our policyholders. It certainly doesn't seem that this Government should reach out and impose this tax on the business of life insurance where mortality is going to be enormously increased, any more than you should put a tax on the poor struggling people of Belgium whose country was devastated. That is rather a doleful picture. It is an absolutely true picture. If there was any way in the world to tell the extent to which mortality is going to come to our business that would be a different story We don't know how many you are going to be compelled to draft or send to the trenches abroad, but we do know that as to the number you do send abroad many will be killed and thus will the cost of this particular kind of business be enormously increased.

"So I suggest that the proper attitude for this Congress is to be satisfied for the present with the system under which we pay only income and excess profits taxes and see how they work out. If we have income you will get the tax. If we have excess profits you will get that tax also. But it will depend on how this thing works out. We cannot believe that the future holds in store for us anything that justifies Congress in imposing at this stage of the war any such exceedingly heavy tax on our companies. It would run into millions and millions of dollars per annum. It is too heavy. It is discriminatory. It is unfair."

MANHATTAN LIFE ELECTION

B. L. Gill, former Insurance Commissioner of Texas, was among the directors chosen at the annual election of the Manhattan Life last week. Mr. Gill is vice-president of the Seaboard National Bank of New York. The officers of the Company were all re-elected at the annual meeting.

EXAMPLE OF CULTIVATION

E. A. Benjamin, one of the Mutual Life's New York City agents, insured a man for $14,000 in April, 1911. In the six years since then, he has written the same man for eight more policies, totalling $64,000 of additional insurance, or $78,000 in all.

EQUITABLE LIFE GAINS

The Equitable Life of New York, paid for $56,022,760 new insurance during the first three months of this year, a gain of $7,868,037 over the first quarter of 1916.

Agencies in the New York Metropolitan District paid for $13,867,854 during the first quarter of this year, an increase of more than $3,000,000 over the corresponding period of 1916.

Great Southern Life Insurance Company

HOUSTON, TEXAS.



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PRESIDENT

Charged With Stealing Funds For Years

JESSE WILLIAMSON, PHILADELPHIA SOCIETY MAN, ARRESTED

Complainant is Pennsylvania Company for Insurances on Lives and Granting Annuities

Jesse Williamson, 2d, prominent in Philadelphia society circles and member of the leading clubs of the city, has been arrested charged with misappropriating funds estimated at more than $500,000 from the Pennsylvania Company for Insurances on Lives and Granting Annuities.

Williamson formerly was secretary of the Company. He resigned last October and entered business for himself. His alleged defalcation was discovered May 1 by officials of the Company and it was decided to prosecute him.

C. S. W. Packard, president of the Company. swore out the warrant for his arrest. His attorney, Charles L. McKeehan, informed the magistrate that the defendant wished to waive a hearing. Counsel for the Company agreed that he should do so, but asked that bail be fixed at $25,000 for the defendant's appearance at the next term of Criminal Court. The United States F. & G. signed his bail bond.

Officials Reticent

Beyond making public a formal statement signed by Mr. Packard, the president of the Company, officials of the bank would not discuss Williamson's arrest. Counsel for the Company also made public a copy of the affidavit upon which the warrant had been issued. It charged Williamson with misappropriating, through forgery, $20,000 in West N. Y. Pennsylvania General 4 per cent. bonds, and $15,000 worth of Lehigh and Wilkes-Barre 4 per cent. bonds.

Dispatches from Harrisburg said that officials of the State Banking Department estimated the defalcation at between $650,000 and $775,000. It also was said at Harrisburg that the Pennsylvania Company had made good the loss, aided by Williamson's bondsmen. The bonding company, it is understood, restored approximately $150,000 of the misappropriated funds. According to information at the State Banking Department the securities were abstracted by Williamson during a period of seven years, all of the bonds being taken from the estates of women, one of whom, it is said, lost $250,000.

Since May 1 the Company has taken steps to restore the lost securities in kind.

Company Issues Statement

While admitting the loss to be large, the Company would give no figure for publication. Mr. Packard pointed out that a large part of the defalcation would be recovered through the bonding company and that the strength of the Pennsylvania Company was in no wise impaired. The formal statement issued by the Company follows:

A defalcation through forgery by a former employe has been discovered. The amount is a large one and has been definitely ascertained, but a substantial part of it will be recovered through employes' liability insurance and from other sources.

The bank itself discovered the defalcation, although during the last four weeks six examiners of the State Department of Banking have been making their usual inspection of the Company's affairs. A week ago Banking Commissioner Lafean had a conference with Mr. Packard and the board of directors of the Company, following a statement which Mr. Packard had made to the examiners.

Williamson kept books of all the securities he took, and until he obtained counsel, it is said, gave the bank all the information it desired about his de-

(Continued on page 8)

Conserves Interests of Policyholders

WORK OF ASSOCIATION OF LIFE INSURANCE PRESIDENTS

Lofty Motives Praised By New York Insurance Department After Examination

After an examination of the records of the Association of Life Insurance Presidents for the five-year period ending December 31, 1916, the New York State Insurance Department has filed a report in which it is stated that the criticisms or suggestions made by the association in legislative matters seemed to have been prompted rather by the desire to secure legislation free from ambiguity in expression or unfairness in provision than to obtain special privileges for its own member companies or life insurance companies in general.

"The general impression, based upon the correspondence examined, the association minutes, and data furnished by the association officers," states the report, "is that the general policy in legislative matters is to support and promote legislation intended to conserve policyholders' interests and to secure standardization and substantial uniformity of statutory requirements in different jurisdictions."

The report also shows that the total payments in each of the various States for legislative expenses are as a rule small in amount.

After going into a detailed analysis of the receipts and disbursements of the association the report makes a special survey of the expenses for legislative work, saying:

"The marked year to year variation in legislative charges is due to the fact that in many States legislatures meet biennially and in off years there is little, if any, expense involved in such States for that part of the association's work. During such off years also, it is further explained that the association officers are able to handle in person legislative field work, which in the other years would require the services of special counsel.

"It would not be practicable, in view of the thousands of bills studied and acted upon by the association, to even attempt, in a report of this kind, to ascertain its position as to each bill. The general impression, based upon the correspondence examined, the association minutes and data furnished by the association officers, is that the general policy in legislative matters, is to support and promote legislation intended to conserve policyholders' interests, and to secure standardization and substantial uniformity of statutory requirements in different jurisdictions. No cases were noted in which its position could be deemed to have been unfair or detrimental to the interests of policyholders. Neither was there any indication found in any of the records examined that the association had sought to accomplish its purpose by other than proper and legitimate means. The criticisms or suggestions in legislative matters seemed to have been prompted rather by the desire to secure legislation free from ambiguity in expression or unfairness in provision than to obtain special privileges for its own member companies or life insurance companies in general."

Dealing with the other activities of the association the report says:

"Without attempting to cover the subject in detail, I may be permitted to mention, however, some of the association's other activities which have come to my attention during the progress of the examination. It has gathered and compiled original statistics from companies and other sources for the purpose of obtaining data by which to judge the trend of different phases of the business of life insurance. An instance of such investigation is the analysis of the geographical distribution of the investments of American life insurance companies in real estate mortgage loans in cities and rural communities. Investigation has also been made of the subject of the growth of the practice by policyholders of borrowing on their policies. Reports have been presented giving the results shown by the companies' mortality records with reference to their bearing upon the subject of proposed reforms in personal and public hygiene. Its publications are distributed to public libraries, universities, colleges, schools, economic societies, national, State and municipal officials, including health officers, and to insurance company executives.

"During the past five years some 43,650 copies of the reports of proceedings at its annual meetings have been printed. In addition, 129 miscellaneous pamphlets (including reprints of earlier editions) have been issued to the number of 445,000 copies.

"Mention of the library was made in the previous department report. This work has been continued and the library enlarged, not only as to contents, but scope of subjects covered.

"The association has prepared a card index of the statutory requirements of all States on the subject of life insurance, the requirements being classified by States and then according to subjects. This index, supplied to all member companies, is revised and kept up to date from year to year.

"A bulletin service to members is maintained. The service includes interchange of information between members, together with matter from other sources believed to be of special value.

Conclusions

"The minutes, correspondence, vouchers, association publications and other records examined would indicate that the association is actively engaged in furthering the objects for which it was organized, viz.:

"'First: To promote the welfare of policyholders.

"'Second: To advance the interests of life insurance.

"'Third: To promote economy and reduce expenses in matters of general administration by an interchange of views on practice among life insurance companies.

"'Fourth: To consider carefully important measures that may be introduced from time to time in legislative bodies, with a view to ascertaining and publicly presenting the grounds which may exist for their adoption or rejection by the legislature.

"'Fifth: To consider anything that may be suitably a matter of general concern to the life insurance business'."

INSURANCE BASEBALL

Delayed a week by adverse weather conditions, the Life Insurance Baseball League of New York opened its 1917 season last Saturday with two games at Degnon Field, Long Island City. The Mutual Life defeated the New York Life in a close game, 5 to 4, while the Metropolitan won an easy victory over the Equitable by the score of 11 to 1. All four teams were newly uniformed and presented a neat appearance.

On Saturday afternoon, May 19, two more games will be played and so on throughout the summer until the schedule of 15 games for each team is completed. The next games are: Metropolitan vs. New York Life at 1:30; Mutual Life vs. Equitable Life at 3:45. Degnon Field, where the games are played, is only five minutes out from Grand Central on the Queensboro subway, and seats 3,500 spectators. Expenses are being defrayed by the sale of season tickets at $1 and $2, and by single admission tickets at 15 and 25 cents.

TRAVELERS LEASES BUILDING

New York Branch to Occupy Site Formerly Housing Newman & McBain About July 1—Will Retain Present Space

The Travelers Insurance Co. this week leased the building at 72 William Street which has been occupied by Newman & McBain. Certain of the sectors of the New York branch office of the Company which have been heretofore located at 76 William Street will be transferred as soon as alterations have been completed. It is expected the building will be ready for the new occupancy about July 1. The present space occupied by the Travelers at 76 William Street and in the 42nd Street building will be continued.

CONN. GENERAL'S WAR RISKS

The Connecticut General Life Insurance Company has issued a statement to its agents regarding war risks. In this announcement the Company says that it will adopt the uniform war clause so soon as it has been approved by the various State insurance departments; that it will charge the standard additional premium of $37.50 per $1,000; that it will issue no term insurance and that it will limit all life or endowment policies on military or naval risks to $5,000.

ACTUARIAL SOCIETY MEETING

The annual meeting of the Actuarial Society of America was held at the Hotel Astor yesterday and to-day. A number of interesting papers dealing with current problems were read at the meeting.

MUTUAL FUNDS TAXABLE

Baltimore Life Insurance Company Loses Case Against Maryland State

The action of the Maryland State Tax Commission in assessing the personal property of the Baltimore Life Insurance Company at $2,500 and the Company's foreign stocks and bonds at $1,699,495 for taxation purposes has been upheld by Judge Bond in Part 3 of the Baltimore City Court. In an opinion handed down the judge dismissed the Company's appeal from the commission's finding.

The question of law in the case was whether or not a mutual insurance company without capital stock was assessable upon its reserve fund, or merely upon its funds held in absolute ownership and taxable merely upon its surplus above the value of its outstanding policies.

In his opinion, Judge Bond states that the funds in question "cannot be likened to safe deposit accounts, which are rather in the nature of loans, and cannot on any ground be distinguished from other property and assets of the company."

FOR SALE

INSURANCE LIBRARY consisting of Massachusetts, Connecticut, Ohio, and Wisconsin Life Reports for from fifteen to twenty years, also minutes of New York and Wisconsin investigation of 1906, and various other insurance works.

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105 William Street
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We don't contract with poor men.
We give a new man our attention until he is started.
We make our men make good.
Why don't you work for us?

Peoria Life Insurance Company
PEORIA, ILLINOIS

A PENN MUTUAL PREMIUM, less a PENN MUTUAL DIVIDEND, purchasing a PENN MUTUAL POLICY, containing PENN MUTUAL VALUES, make an INSURANCE PROPOSITION which in the sum of ALL ITS BENEFITS, is unsurpassed for net low cost and care of interests of all members.

THE PENN MUTUAL
Life Insurance Company
OF PHILADELPHIA

On January 1, 1909, rates were reduced and values increased to full 3% reserve

Are You Permanently Established?

Write for Territory

Pennsylvania—Ohio—West Virginia

PHILADELPHIA LIFE INSURANCE CO.
PHILADELPHIA

100,000 Life Agents to Sell Liberty Bonds

JUNE 5 AND 6 SET ASIDE FOR NATION-WIDE CANVASS

Great Drive for Popular Subscription to Loan Organized By Life Underwriters' Associations

June 5 and 6 have been designated by Secretary of the Treasury McAdoo as "Life Insurance Liberty Loan" days, when more than 100,000 licensed life insurance agents will go through the highways and byways of the land, selling Liberty Loan bonds to their risks—and anybody else willing to subscribe to this patriotic fund.

The plan, which Secretary McAdoo considers the best yet evolved for a popular distribution of bonds, originated with the National and New York City Life Underwriters' Associations. William F. Atkinson, president of the local organization and Lawrence Priddy, vice-president of the national body, consulted with Mr. McAdoo a week ago and found him enthusiastic. They went to work at once to map out a comprehensive plan for soliciting the entire country, with the result that on June 5 and 6, 100,000 agents, it is believed, will make a canvass to dispose of Liberty Loan bonds.

Agency Managers are Captains

The plan of action is simple. Each agency manager has been appointed captain. He will divide his force into teams of ten each, with a lieutenant in immediate charge. Each man will make out a list of his prospects and submit them to the captain. On the first day, each agent will call on his risks. The second day, if he has finished his first day's work, he will solicit among his friends and friends' friends.

There are more than 15,000 agents in New York and Kings counties alone and more than 100,000 in the United States. It is estimated that each man will call on fifty persons in the two days. This number is apparently small, but in country districts, where distances between residences are great, the average may not be half that number. Allowing fifty calls for each man, the total in the country would be 5,000,000. In discussing the total it is hoped will be reached in this great drive for popular subscriptions, Mr. Atkinson said:

"The national Administration is most desirous of making this a great popular loan and Secretary McAdoo has said that he knows of no better way to reach the people quickly and in great numbers than through our agents. I estimate and hope that the two days total will reach $250,000,000."

The committee of which Mr. Atkinson is chairman, includes Lawrence Priddy, of the New York Life; Sigourney Mellor of the Provident Life & Trust; Charles B. Knight, of the Union Central; Julian S. Myrick, of the Mutual; T. Reid Fell, of the Massachusetts Mutual; Charles Jerome Edwards, of the Equitable; Ora S. Rogers, of the the Phoenix; Edward W. Allen, of the New England Mutual; Sheppard Homans, of the Equitable; S. S. Voshell, of the Metropolitan, and R. W. Goslin, of The Prudential.

Liberty Loan Committee

Insurance Company Committee on the Liberty Loan consists of the following representative men: Charles A. Peabody, Mutual Life Insurance Company; D. P. Kingsley, New York Life Insurance Company; John R. Hegeman, Metropolitan Life Insurance Company; William P. Day, Equitable Life Assurance Society; Forrest F. Dryden, president of Prudential; George E. Ide, Home Life Insurance Company; Henry Evans, Continental Insurance Company; E. G. Snow, Home Insurance Company; W. F. Atkinson, president Life Underwriters' Association.

HELPS MEN TO BUY BONDS

Activities of New York Life in the Liberty Loan—A Thrift Endowment

In discussing its subscription of $5,000,000 to the Liberty Loan, the New York Life announces a plan by which all salaried employes, wherever located, will have the privilege of subscribing for these Liberty Bonds, a savings fund, in such amount as their patriotism and their means permit.

The New York Life will hold the bonds, to be paid for by the employes in semi-monthly instalments. Agents will doubtless have no difficulty in accomplishing the same thing by buying bonds through their local bank on a partial payment plan.

"Let everyone, high and low, subscribe," says the Company. "It's a thrift endowment that should be encouraged. Aside from the element of patriotism, it will become a savings accumulation that will be twice blessed, blessing the Government that receives and the individual who saves and turns over to his Government in its hour of need.

"Look at it in another way. It is as if you received 3½ per cent. interest on your ten or twenty dollar bills.

"The Government will take this money, put it back in circulation through the purchase of supplies, equipment, material, and so on, stimulating trade in a myriad of ways and keeping the country over the wheels of commerce and industry in motion.

"For most of us these Liberty Bonds will be saving for investment where we never saved before, and getting 3½ per cent. interest where we got nothing before."

SUBSCRIBES TO LIBERTY LOAN

The Germania Life Insurance Company of New York announces its subscription of $500,000 to the Liberty Loan of 1917. In order to facilitate the subscription to the loan by its employes, the Company will allow payments on account of the bonds purchased to be covered by salary deductions. The Company will also, upon request, hold the bonds in its vaults for safe-keeping.

Cleary Will Not Approve 10% Charge

WRITES COMPANIES ASKING THEM TO OUTLINE POSITION

Says Burden of Extra Cost Should Be Borne By All in Service of War

Replies to the letter of the Astor Conference Committees have been coming into Commissioner Mansfield very slowly. The American Life Convention has adopted the recommendations.

In a letter to all life insurance companies operating in Wisconsin, Insurance Commission Cleary, of Wisconsin, has advised that he contemplates "revoking the approval given to the clause providing for 10 per cent. extra for men going into foreign service upon the grounds that this provision is impracticable, inequitable and discriminatory." He asks the companies to submit their views.

His letter in part follows:

Says Cost Should Be Distributed

"From press reports it is now apparent that many of our troops will see foreign service. In my opinion, the imposition of the entire burden of the extra cost which will inevitably result from such service upon the men who go abroad is inequitable and illogical. The provision violates the principle underlying the distribution of cost of life insurance. The cost should be distributed over the largest possible number of insured lives subject to the hazard. Logically it should be distributed over all lives subject to service. To require this might deter men, subject to service, from insuring until called and consequently result in selection against the company.

"To distribute it over all enlisted men, however, is practical without danger of adverse selection. These men are all subject to foreign service at the direction of the Government, and if the extra charge attaches upon entering the service no adverse selection can occur. To apply the extra charge to all enlisted men who are insured will require an extra premium which will be small when compared with that required if applied only to those who go abroad.

"To provide that men enlisted in the military or naval service of the United States in time of war shall not be subject to the extra charge unless they are ordered into service in foreign land, is to my mind very much like providing that a man shall not be subject to a charge an account of death from a particular disease until the symptoms of the disease are developed and that he and others who develop those symptoms shall bear the entire burden of cost resulting from death due to that particular disease. All men who are insured are subject to the danger of death from any given disease. All men mustered into the military or naval service of the United States are subject to the hazard of foreign service. Equitably the cost resulting from that hazard should be distributed over those who are subject to it.

"I learn from the press that a number of the eastern companies have not accepted the recommendations of the New York conference pending the action of competing companies. This to my mind is not the broad spirit in which the great life insurance companies of this country should approach the present serious situation. The opportunity to remove this clause from competition ought to be accepted without hesitation by all companies. I believe that the removal of this subject from competition will have a wholesome effect upon the business and will tend to a better distribution between companies of the extra hazard resulting from war service.

Asks Views

"I contemplate revoking the approval given to the clause providing for 10 per cent. extra from men going into foreign service upon the grounds that this provision is impractical, inequitable and discriminatory. I will be pleased to have your views before taking action."

Ambitious, Productive and Trustworthy Life Agents may be benefitted by corresponding with the

Berkshire Life Insurance Company
of Pittsfield, Mass.
Inc. 1851

New policies with modern provisions Attractive literature
W. D. Wyman, President W. S. Weld, Supt. of Agencies

40% **Increase in Paid New Premiums—that tells the 1916 story of Fidelity progress.**

Direct leads and the Fidelity "Income for Life" plan are making money for Fidelity field men. Any man who can sell life insurance can sell MORE Fidelity insurance.

Write to-day—

Fidelity Mutual Life
INSURANCE COMPANY, PHILADELPHIA
INCORPORATED 1878 WALTER LE MAR TALBOT, President

THE WESTERN AND SOUTHERN LIFE INS. CO.
W. J. WILLIAMS, President CINCINNATI, OHIO
The Largest Industrial Company West of The Alleghenies
Also Issues All Standard Forms of Ordinary $500 to $10,000
Organized 1888

COMPARATIVE RECORD—SEVEN YEAR PERIODS

	Assets	Insurance in Force		Income	Policies Issued
Dec. 31, 1888	$ 104,307	$ 889,073	1889-1895	$ 1,085,087	265,931
1895	155,640	5,294,381	1896-1902	3,930,883	638,659
1902	876,007	22,374,980	1903-1909	11,312,912	839,426
1909	4,867,379	44,780,907	1910-1916	22,670,340	1,426,752
1916	11,943,640	104,989,362			

AGENTS WANTED IN THE PRINCIPAL CITIES OF OHIO, KENTUCKY, MICHIGAN, INDIANA, WEST VIRGINIA and WESTERN PENNSYLVANIA

We want a GOOD PERSONAL PRODUCER and organizer for DESIRABLE TERRITORY in several states west of the Mississippi River. EXCELLENT CONTRACT.

Northwestern National Life Insurance Company
MINNEAPOLIS, MINNESOTA,

is a LEADING LOW NET COST, annual dividend, MUTUAL, OLD LINE company. Record for 1916—increase in insurance in force, 20%; in paid-for business, 51%; in assets, 15%; in amount apportioned for 1917 dividends, 71%.

SURPLUS EARNINGS

Prepared By Northwestern Mutual Life For Its Field Force

There are stock companies and some mutual companies issuing non-participating or stock rate plans under which no surplus is returnable. The premium rates charged for such policies are somewhat less than the rates on participating policies, the policyholder having in effect, sold his surplus to the company for a slight reduction in premium rate. As no company would buy prospective surplus for more or even as much as it is worth, and as the company is evidently better informed of the value of such surplus than the policyholder can possibly be, it is evident that a non-participating policy, in the long run, surely profits the company rather than the non-participating policyholder. Whatever price the company may in the fullness of its information place upon prospective surplus, it is obvious that such surplus will be worth more to the policyholder. It speaks well for the fairness of American life insurance managers that most of the companies issuing both participating and non-participating policies have advised the public that such contracts for insurance are in the long run more expensive than participating policies.

There are three assumptions necessary in fixing upon a safe premium rate, to wit: an assumption of expected mortality, of interest necessary to carry out the contracts, and a loading to cover expenses of all kinds and any irregular contingencies that may arise in the course of business.

Savings From Mortality

In selecting a mortality table it is desirable to obtain one which will represent the mortality of the class of risks the company intends to insure,—for example,—a company insuring risks in tropical countries will perhaps select the Tropical Experience Table of Mortality because it has been adjusted to tropical mortality, and is a better guide than a table based upon mortality in the temperate zone. It is not necessary that the mortality shown by the table shall closely approximate the actual mortality of the company's business, but it is important, for obvious reasons, that the tabular mortality be, on the whole, higher than the company's actual experience. If a suitable mortality table has been selected and a careful medical selection has been exercised, a company's actual mortality will be less than the tabular or expected mortality; that is, there will be a margin between the actual and the tabular mortality, and such margin will indicate the measure of care taken by the Medical Department in selecting risks. This margin or saving from mortality constitutes an important item of surplus earnings out of which the company will be able to apportion dividends at the end of the year.

Savings From Interest

The level premium plan of insurance provides for the collection of premiums in excess of curreut mortality cost of insurance, in order that a fund (designated as the reserve) may be accumulated which will enable the company to continue the insurance without an increase in the premium payments. The premium rates have been adjusted to the assumption that a certain rate of interest will be earned upon the reserve accumulated therefrom. By reason of this assumption the premium rates are much lower than they otherwise would be. As has been pointed out, the rate of interest assumed is lower than the rate actually obtainable; therefore, it is evident that as the rate actually secured exceeds the rate assumed, there will be a surplus of interest each year. If the surplus rate is one per cent. (1%) in excess of the rate assumed, it is evident that as the policy reserve increases, the saving from interest will increase, and therefore, as time passes, the surplus interest constitutes an increasing proportion of the dividend of surplus which the company is able to return at the end of each year.

Savings From Loading

It is evidently impossible to predict the expense of carrying on the business, but a loading sufficient in the judgment of the management to meet all expenses and contingencies is added to the net premiums. Conservative management requires that the business shall be so conducted that the actual expenses will be within the provision therefor. It is clear that if the loading has been fixed at 25 per cent. and the company actually expends but 15 per cent., there will be a margin for surplus arising therefrom. The economy of the management is measured by the amount of this margin or saving, and such saving, together with the savings from mortality and interest, mainly constitute the surplus earnings of the company from which the dividends are declared.

Surrenders and Lapses

Persons entering into a contract with a life insurance company are not always able or willing to continue their policies. Where premiums have been paid on a level premium contract of life insurance there has been accumulated a reserve, which may be considered as premiums paid in advance. If a policyholder desires to discontinue his insurance, after it has been several years in force, it is customary on most forms of policies to allow him some consideration for this accumulated reserve, either in the form of paid-up or extended term insurance, or cash. If this allowance were equal to the full amount of the reserve it is evident that there would be no surplus, but it is certainly fair that if a contract has been made at some expense to the company, some charge should be made to those who discontinue, in order to reimburse persistent members for such expense; consequently, the allowance made to discontinuing members is not ordinarily equal to the reserve on the policy. The difference between the surrender value allowed and the reserve on the policy is a surrender charge that is merged with the funds at the disposal of the company for expenses in obtaining new members to replace those who surrender. Some companies exact a surrender charge during the entire life of the policy, while others exact a charge only during the earlier policy years.

It is evident that to obtain the best results in savings to the policyholders, a company's business should be well balanced and no one of the sources of savings mentioned should alone determine the company's efficiency in reducing the cost of insurance to its members. If two companies have an equal aggregate saving but one of them makes its entire saving from surplus interest while the surplus of the other is derived from well balanced savings from mortality, interest and expense, it is clear that the latter company would be the more desirable because its surplus does not depend upon one single source but has the broader foundation of three sources and hence is more stable and less subject to fluctuations. Evidently no satisfactory conclusion regarding the efficiency of the management of a company may be reached if only one particular feature of its transactions be considered. It is clearly necessary to take into consideration the combined results of the several features of the business, and competitive arguments based solely upon one feature should be regarded with suspicion.

The sources of surplus outlined may be said to arise from the insurance transactions of a company. The surplus of the year as shown by the financial statement is, however, modified by profit and loss from the purchase and sale of securities and by changes in the market prices of securities in which the company may have invested its funds.

Summary

If the mortality, interest and expense assumed by a company in fixing its rates were exactly realized in its actual transactions, there would be no surplus earnings from these sources. The entire gross premium would be required to carry out the company's contracts. But because of careful medical selection there is a saving from mortality; because of judicious investments and ruling rates of interest there is a saving from surplus interest on the funds; and because of economy in management there is a saving from expense out of the usual provisions for expenses and contingencies. Policies issued on the participating plan contemplate a return to the policyholder of the surplus which he has contributed. This surplus, or so-

(Continued on page 8)

HOME LIFE INSURANCE CO.
(Now Purely Mutual)
256 BROADWAY, NEW YORK
GEORGE E. IDE, President

The fifty-seventh annual report shows insurance in force of $133,493,000, an increase during the year of $7,832,827. The Company paid the policyholders in 1916 $3,536,233, of which $628,406 was in dividends or premium refund. Its insurance reserve fund was increased by $1,300,000 and the Assets are now $32-821,462.

For Agency apply to
GEORGE W. MURRAY,
Supt. of Agts.
256 Broadway, New York, N. Y.

BIG WRITERS
READ
THE EASTERN UNDERWRITER
Each Week for New Ideas
DO YOU?
Subscription $3 a Year

BANKERS BLCo LIFE DES MOINES COMPANY
PAYS GOOD PAY TO GOOD MEN

ALWAYS A PLACE FOR DEPENDABLE AGENTS
Those who can not only write applications but deliver policies, and are energetic in their methods. Good positions are ready for such men.
Union Mutual Life Insurance Co.
PORTLAND, MAINE
ARTHUR L. BATES, President
Address: ALBERT E. AWDE
Superintendent of Agencies
7 W. Madison St., Chicago, Ill.

An Office doing business in Eastern Pennsylvania could use a good Life Insurance Company in this territory.
Address "KEYSTONE"
Care of The Eastern Underwriter
105 William Street, New York, N. Y.

Extracts from Report of Examination of
SOUTHWESTERN LIFE INSURANCE CO.
By the State of Texas, June 28, 1915
"It is noteworthy that this Company was organized without any promotion expenses."
"I beg to report further that I find the Company in excellent financial condition."
"The volume of its business has steadily increased, its surplus is growing rapidly and its funds are being carefully conserved under expert supervision."
Home Office, DALLAS, TEXAS

A GOOD OPENING
An old, well established, progressive life insurance company, with unexcelled dividend record has good opening at PHILADELPHIA, covering Eastern Pennsylvania. Address, stating qualifications:
PHILADELPHIA, care of The Eastern Underwriter
105 William St., New York City

Clarence F. Birdseye Takes the Offensive

CLAIMS DARE LUMBER ASSETS WORTH $20,000,000

Attacks New York and Pennsylvania Insurance Departments—Gives Statement to Daily Papers

Clarence F. Birdseye took the offensive this week, announced through lawyers that he would fight, and claimed the New York and Pennsylvania Insurance Departments were aware for a long time "of the insolvent condition of the Pittsburgh Life & Trust and Washington Life."

"The Pittsburgh Life and Trust Company and the Washington Life Insurance Company have been in a condition of practical insolvency for a number of years," Birdseye's statement reads. "This condition had been fully known to the Insurance Departments of both New York and Pennsylvania, which departments have during this period allowed the companies to carry certain of their assets at grossly inflated prices, so that their true condition might not be known to the insuring public.

"During this period of practical insolvency the Insurance Departments of both States have sanctioned the writing of tens of millions of dollars of new insurance by the Pittsburgh Life and Trust Company and have placed in jeopardy both the money and the possibility of obtaining further insurance by all new policyholders."

Says Proceedings are One-Sided

The statement says that Birdseye held several interviews with the Superintendents of Insurance in both States, with the result that he understood he had their approval to substitute lumber bonds for some of the so-called "nonproductive and grossly overvalued real estate."

"The one-sidedness of the Pennsylvania official presentation of this matter," the statement continues, "is emphasized by the criminal proceedings against five New York directors, while six other directors participating in the same acts and having exactly as much knowledge, but who reside in Pittsburgh, are left unmolested and unmentioned."

It is then stated that the lumber lands, bonds for which the Company holds, are covered by pine, spruce and gum trees and comprise practically an entire county in North Carolina, and that improvements, mills, etc., with the woodlands, have been appraised by experts at $20,000,000.

"The Pittsburgh Life and Trust Company was placed in a very much stronger condition by their acquisition," the statement says, "and the income increased to a point where it was sufficiently in excess of the expenditures, so that it could meet the legal reserve requirements."

Answers Birdseye

Jesse S. Phillips, State Superintendent of Insurance of New York, issued a statement, saying in part:

"In reference to his statement of the condition of the Pittsburgh Life, it seems to me the best answer to that is the fact that Birdseye actually agreed to purchase its stock at a price $30 in excess of its par value."

PHILADELPHIA APPOINTMENT

Thomas Murphy, of Johnstown, Pa., has been appointed Philadelphia general agent for the Columbian National Life Insurance Company of Boston. Mr. Murphy began his life insurance work at Philadelphia and was very successful as an agency manager at that point. Later Mr. Murphy was transferred to St. Louis, and made equally as good a record there.

44 MILLIONS from 42 AGENCIES

THE 1916 RECORD OF OUR EARNEST, LOYAL AND HAPPY AGENCY FORCE

New England Mutual Life Insurance Company

BOSTON, MASS.

"DRUNK QUESTION" UP

South Carolina Court Decides Weight of Evidence Favors Insured, Against Company

The ever-recurring questions: "Does applicant drink intoxicating liquors? If so, to what extent?" are again before the court in a recent suit filed by a beneficiary against the New York Life Insurance Company, decided by the Supreme Court of South Carolina, recently, entitled Fowler vs. New York Life Insurance Company and reported in 91 Southeastern Reporter, page 1,042.

In this suit, the insurance company elected to return the premium and to rescind the policy on the life of one Miles who at the time he took out his policy, represented that he did not drink at all but who, the insurance company claimed, was a confirmed drunkard and that they did not learn of the fact till after his death. The beneficiary of the policy produced six witnesses who swore that Miles did not drink to excess, but moderately while the company witnesses, five in number, testified that Miles was a "regular" drunkard at the time the policy was taken out and continuously to the time of his death.

The company lost in the lower court, and contending that Miles committed a fraud on them in making false answers to the above questions, they appealed the case. The higher court could find no ground to discredit the testimony of the six witnesses for the beneficiary as against the five for the company and therefore, held the verdict of the lower court in favor of the beneficiary should stand, but the court intimated that if it had been proven that Miles was a "regular" drunkard at the time he took out his policy and stated he did not drink, the company could legally exercise its right to return the premium and rescind the policy, freeing itself from liability therefor.

The Columbian National Life of Boston announces the appointment of Claude D. Moody of that city, but formerly of Louisville, as its general agent for Kentucky, with offices in the Stark Building at Louisville.

DEBAR PART-TIMERS

Action of Association in Richmond, Va. —T. F. Witt Joins Officers' Camp

Members of the Richmond Association of Life Underwriters agreed unanimously at their May meeting to debar part-timers from further operations after July 15. They adopted the following plan reported by the executive committee:

"No member shall in Richmond and vicinity after July 15, 1917, allow directly or indirectly any life insurance commission to any person who is not a bona-fide life agent devoting his or her whole time to life insurance, except to a person or persons known to be in the general insurance business who represents one and only one life company and has a bona fide signed contract with the life company he represents and first tenders to that company all his life insurance business."

The association accepted the resignation of its secretary, T. Foster Witt, special representative for the Penn Mutual, who has gone to Fort Myer, Va., to enter the officers' training camp there. Mr. Witt is a graduate of the Virginia Military Institute, having been star quarter on the football team for several seasons. R. E. Lewis, cashier of the Richmond agency of the Mutual Life of New York, was chosen secretary in his place. The following new members were admitted: Ralph P. Harrison, Union Central; W. B. Cridlin, Atlantic Life; B. R. Elam, Connecticut Mutual.

HELEN'S CHOICE

Give me a man who drinks good, hot, dark, strong coffee for breakfast! A man who smokes a good, dark, fat cigar after dinner!—Helen Rowland, in the "Evening World."

Especially if he keeps up his insurance, is the comment of F. P. A. in the New York "Tribune."

NETTLESHIP PROGRESS

Secretary Tuck, of the Century Life of Indianapolis, advises The Eastern Underwriter that G. M. Nettleship, agency manager for Ohio, closed up his first month with that company with $100,000 of business.

Business Attending to Business

General business is prosperous and the public confidence is proof against all alarms. Our deliveries for the first three months were much larger than for the first quarter in 1916. Patriotism requires that business shall attend to its business with the utmost zeal, that the stability of finance may remain unshaken; even as patriotism requires that every American shall support the government by such means as are his to contribute, that our country may be invincible.

Occasionally we have a general agency opening.

JOSEPH C. BEHAN, Superintendent of Agencies

MASSACHUSETTS MUTUAL Life Insurance Company

Springfield, Massachusetts

Incorporated 1851

A Statement By Basil S. Walsh

DISCUSSES DECISION OF CHANCELLOR OF DELAWARE COURT

Position of Company Sustained—Has About $19,000,000 of Insurance in Force

Basil S. Walsh, president of the Home Life insurance Company of America, of Philadelphia, (which company should not be confused with the Home Life. of New York,) issues the appended statement in connection with the decision of the Chancellor in the Court of Chancery of Delaware in favor of the Company, of which he is the head, after long litigation of a suit instituted by some of its stockholders.

Suit was instituted in the court of chancery of the State of Delaware by certain stockholders against the Home Life Insurance Company of America, and after litigation covering a period of several months, a decision was handed down by the Chancellor on the 19th of April, sustaining the position of the insurance company in every way and denying relief to the complaining stockholders.

In his decision the learned Chancellor states in regard to dividends paid on the stock of the Company:

"If the complainants desire to pursue this branch of the case further by amendments to the prayers of the bill, it will probably be necessary to refer this branch of the case to an insurance expert as master to consider the evidence and report thereon, whether the dividends have been declared otherwise than from the surplus or profits of the business of the insurance company. An opportunity will be given to counsel to be heard on this point before entering a decree." In conclusion the Chancellor states, "Unless, therefore, the complainants be given some relief based on the payment of dividends, the dismissal of the bill would follow."

This victory is of very great consequence to the Home Life Insurance Company of America, and is a proof of its stability and standing in the community, notwithstanding the adverse criticism directed, not only against the Company, but the actions of its officials against whom charges were made. The business of the Company during the past year was the most satisfactory in its entire history.

We are satisfied that the complainants in this case, led by a discharged employe of the Company, will endeavor to deceive the stockholders as to the complete vindication of the Company and its officers, as their actions throughout this attack on the Company have been prompted by motives of revenge. Any information that you may desire in regard to the decision will be gladly furnished by the officers of the company.

The Plaintiffs

The plaintiffs in the suit were: Thomas Kingston, Julia M. Mack, Warren Geiger, John W. Dean, Mary F. Lynch and John C. Maginnis. The defendants were Basil S. Walsh, Bala, president of the Company; F. Pierce Buckley and Mr. Cunningham, vice-presidents; Joseph L. Durkin, secretary, and John J. Gallagher, treasurer.

The plantiffs alleged that the affairs of the Company had been mismanaged, stock had been fraudulently transferred and unearned dividends paid.

COMPARATIVE STATEMENT OF THE PROGRESS OF THE COMPANY

Year	Premium Income	Assets	Policy Reserve	Insurance in Force
1912	$365,592	$516,159	$267,568	$12,402,260
1913	473,987	604,768	381,685	13,931,720
1914	502,037	720,869	501,777	14,848,234
1915	528,748	813,234	605,008	16,049,381
1916	615,095	990,043	722,801	18,610,421

The officers of the Company are: Basil S. Walsh, president; F. Pierce Buckley, vice-president; P. J. Cunningham, vice-president; Joseph L. Durkin, secretary; John J. Gallagher, treasurer; Dr. E. Bryan Kyle, medical director; Hon. John P. Connelly, general counsel; George A. Huggins, actuary.

USEFUL INSURANCE CHARTS

The 1917 life insurance and fire insurance charts of the "American Underwriter" for the year ending December 31, 1916, contain much of value and interest to all insurance men. The first of these charts relates to all the principal stock fire insurance companies, both domestic and foreign. It includes complete underwriting and investment exhibits of gains and losses and other official data compiled from statistics of the New York State Insurance Department. The other chart covers life insurance companies and shows among other things the status at the end of the year of practically every legal reserve life company.

ELECT CARL G. WINTER

New President of Public Savings Insurance Company of Indianapolis —Educated as Physician

Carl G. Winter has been elected president of the Public Savings Insurance Company of America, Indianapolis. He has been a director in the Company since 1910, and was also assistant medical director.

Mr. Winter is an eloquent speaker and has a genial and pleasing personality. He received his academic education at Wabash College, Crawfordsville, Ind., and his medical education at Cincinnati Medical College.

AETNA BUSINESS CAMPAIGN

The Buffalo and Syracuse agencies of the Aetna Life are busily engaged in seeking each other's scalps—in a business way, of course. Augustus H. Knoll of the Buffalo agency, has issued a defy to the Syracuse organization in which he says: "Having beeu advised by the Company that I am to go after your scalp in the 1917 Business Getting Campaign, I now assure you that I intend to get it and I will start in by taking a good piece of it in the Syracuse-Buffalo accident and health contest this month."

Heavy casualties are expected and the insurance red cross contingent has been notified.

HUNT RENEWS ATTACK

President W. H. Hunt, of the Cleveland Life, has issued another attack on new insurance company promoters. He says in part:

"If the police functions of the State were properly exercised, Ohio would quickly be made free from the activities of these lingering, unscrupulous promoters whose operations have been reduced to feeble efforts to obtain daily 'meal tickets' in continued petty peculations."

DEATH OF WILLIAM F. J. McKEE

William F. J. McKee, of the Shamokin, Pa., office of The Prudential Life Insurance Company, died there last week. Mr. McKee, who was one of the oldest insurance men in his district, was 69 years old. He had been in the insurance business for 27 years, all the time under the banner of The Prudential. Two years ago the Company gave him a gold medal in commemoration of his twenty-fifth year with the Company. He is survived by his widow and a stepdaughter.

REACHING $100,000,000 GOAL

The Kansas City Life of Kansas City announced at the beginning of the year that its aim in 1917 was to have at least $100,000,000 insurance in force by December 31. At the rate of production so far this year, despite increased taxation, the Company will reach its goal by the second month of summer.

BLANK COMMITTEE MEETS

The committee on blanks of the National Convention of Insurance Commissioners met here this week.

HINTS FOR BUSINESS GETTERS

to help you write more and Better

READ

THE EASTERN UNDERWRITER

Subscription $3 a Year

MUST TELL WHO OWNS STOCK

To make it impossible for any life insurance company operating in Wisconsin to be exploited, Insurance Commissioner Cleary has prepared a bill for submission to the legislature this week. The measure requires all stock life insurance companies operating in Wisconsin to file with the insurance department a list of stockholders and a list of all transfers of stock. No transfer can be voted by the new owner until notice of transfer is filed and acknowledged by the department of insurance. No director can be elected to fill a vacancy except by a vote of the stockholders upon 20 days' notice of all the stockholders and 15 days' notice to the insurance department. Insurance Commissioner Cleary believes that this bill will curb the activities of any exploiter who may contemplate operating in Wisconsin.

SOUTHLAND WAR POLICIES

The Southland Insurance Company, of Dallas, Texas, has made public its war service regulations. War service extra premium of $37.50 per $1,000 becomes payable on and after June 1. Aeronautic and submarine service is barred absolutely. Disability benefits will not be paid to any one engaged in military or naval service. Term policies will not be issued if applicant be under 35 years old.

Surplus

(Continued from page 6)

called "dividend," reduces cost of insurance, and in general, it may be said that the efficiency of the management of a company is measured by the extent to which the net cost of insurance to the individual member is so reduced.

General Surplus

A general surplus fund must be created and on hand lest contingencies arise which the insurance company would otherwise be unprepared to meet. This general surplus is of necessity created by setting aside a portion of the current surplus or savings from time to time. It might be hazardous to set aside too small a portion of surplus and it would be unfair to the policyholders to set aside too large a portion. The proper amount that should be held in the general surplus is a question of judgment upon which the decision of the management of the company must be final, arising, as it does, from their knowledge of the nature of the company's investments and general business conditions. It is not necessary that the general surplus fund increase in the same ratio as the assets, because as a company increases in size it becomes more stable and relatively less general surplus is necessary, especially if its investments are of a character not subject to extensive fluctuations in value. A company investing in stocks liable to sudden and violent fluctuations would require, for the sake of safety, a larger general surplus to be withheld from current savings than a company the investments of which are in first-class mortgages and bonds.

From year to year the current surplus earnings of the company is determined, a suitable proportion increasing the general surplus fund and the remainder apportioned to the policyholders in the form of dividends.

Founded 1865

The PROVIDENT Life and Trust Company

OF PHILADELPHIA, PA.

What do most men fear?

An insufficient income for their wives and children if they die, and for their own old age if they live.

WE WILL INSURE THE INCOME IN EITHER EVENT.

Write for Information

Arrested For Defalcation

(Continued from page 3)

falcations. He promptly paid the interest on the securities as it fell due, it is said.

Banking Commissioner's Statement

Banking Commissioner Lafean in Harrisburg said:

"The officials of the Banking Department have been engaged for several weeks past in making an examination of the Pennsylvania Company for Insurances on Lives and Granting Annuities of Philadelphia, and the embezzlement of securities alluded to in the papers was discovered about the close of the examiners' work.

"A special written report has been made to the Commissioner of Banking, relating to the defalcation, and was submitted to the Attorney General of the Commonwealth for his action thereon.

"I am informed the loss to the Company will be considerably reduced, as the supposed guilty party was bonded in a large sum, and in no event should it affect the corporation's financial integrity, as it has a capital, surplus and undivided profits of more than $7,000,000.

"This Company was incorporated by a special act of the Legislature, March 10, 1812. Its officers and directors are men of high standing and among the best known in the city."

THE MOST VALUABLE POLICY FOR YOU,

Mr. Agent, is to write your prospect in the Company writing the most valuable policy for the insured.

Secure **prompt action** in the

John Hancock MUTUAL LIFE INSURANCE COMPANY OF BOSTON MASSACHUSETTS

WILLIAM N. COMPTON, General Agent

METROPOLITAN DISTRICT, ST. PAUL BLDG., 220 BROADWAY, NEW YORK, N. Y.

The

Perfect Protection Policy

OF THE

RELIANCE LIFE

gives you something absolutely new and different to talk to your prospects. Gives you a chance to earn more money than you are now making.

Our Life Insurance Contracts contain the most up to date clauses known to the Insurance World. The Accident and Health gives full protection for at least a third less cost than regular casualty companies. Our agency contracts are as liberal as can be made.

WRITE AND WE WILL TELL YOU MORE ABOUT OURSELVES

Reliance Life Insurance Company of Pittsburgh

FARMERS BANK BUILDING

PITTSBURGH, PENNSYLVANIA

Build Your Own Business

under our direct general agency contract

Our Policies provide for:

Double Indemnity,
Disability Benefits,
Reducing Premiums

See the new low Rates

JOHN F. ROCHE, Vice-Pres't

THE MANHATTAN LIFE INSURANCE COMPANY

66 BROADWAY NEW YORK

Organized 1850

Security Mutual Life Insurance Company

Binghamton, N. Y.

Offers to men able to produce business first class territory, with direct contract providing liberal compensation.

For particulars, address

C. H. JACKSON, Supt. of Agencies

ORGANIZED 1871

Life Insurance Company of Virginia

RICHMOND, VIRGINIA

OLDEST, LARGEST STRONGEST Southern Life Insurance Company

Issues the most liberal forms of Ordinary Policies from $1,000.00 to $50,000.00, and Industrial Policies from $12.50 to $1,000.00

CONDITION ON DECEMBER 31, 1916:

Assets	$14,464,552.23
Liabilities	12,436,717.56
Capital and Surplus	2,027,834.67
Insurance in Force	118,349,212.00
Payments to Policyholders since Organization	18,119,172.50
Is Paying its Policyholders over	$1,300,000.00 annually

GOOD TERRITORY FOR LIVE AGENTS

LIVE HINTS FOR BUSINESS GETTERS

Practical Suggestions to Help the Man With the Rate Book Increase His Income and General Efficiency

What Will Your Money Earn?

The question of whether a man can save more money by placing it in a savings bank than by investing it in insurance, is interestingly discussed in a recent issue of Twin City "Life," published in St. Paul and Minneapolis. In discussing the question, the paper says:

"I can invest my money to better advantage than buying life insurance."

We frequently hear this statement made. Is it true? There are several factors that have to be taken into consideration: 1. Will you save regularly, the same as you would pay life insurance premiums? 2. Can you always promptly invest these small sums of money at a good rate of interest? 3. Will you live long enough so that your accumulations will amount to as much as the proceeds of the policy?

To the first two questions we can almost unanimously reply—NO! Few persons have the perseverance to save definite sums annually for a period of ten, fifteen or twenty years, unless there is some definite object to force them, such as paying life insurance premiums.

It can also be said without fear of contradiction, that small sums of money such as $25, $50 or $75 per year, cannot be promptly and safely invested, and the only disposition that can be made of them is to place them in the savings bank at 3, or 4 per cent. interest until the amount is large enough to invest otherwise.

The third question determines the problem. There is no doubt but that if a man lived long enough, he could invest his money to net his estate more than the proceeds of a life insurance policy, but it would take a great many years, and he cannot tell how long he will live. It is a speculation pure and simple because no one can tell how long a certain individual will live, but life insurance is not a speculation because one can tell with reasonable accuracy the average length of life of 10,000 or more individuals. The following table shows what rate of simple interest your money invested in a 20 Payment Life Policy would yield, in case of death from one to forty years, after the policy is issued:

If Death occurs in years	Age of Insured at Entry 25	35	45
	Per cent.	Per cent.	Per cent.
1	3941.	3215.	2493.
2	1313.	1071.	831.
3	657.	535.	415.
4	394.	321.	243.
5	262.	153.	118.
6	188.	115.	89.
7	141.	89.	69.
8	109.	71.	55.
9	87.	58.	45.
10	71.	48.	38.
15	32.	23.	18.
20	18.	14.	11.
21	17.	12.	10.
22	15.	11.	9.
23	14.	11.	8.
24	13.	10.	8.
25	12.	9.	7.
30	9.	7.	5.
32	8.	6.	5.
34	7.	6.	4.
35	7.	6.	4.
37	7.	5.	4.
40	7.	5.	4.

You should also bear in mind that the average expectancy of life of a man at age 25 is less than 39 years, and at age 45, less than 39 years, and at age 45, less than 25 years. Of 100 men starting their savings at age 25, 17 will die before the end of twenty years, and 45 before the end of the forty years; of 100 at age 35, 22 will die before the end of twenty years and 68 before the end of forty years; of 100 at age 45, 33 will die before the end of twenty years, and all but eight will be dead at the end of forty years.

Stevens on Inverted Salesmanship

The minds of some men are so constructed that they are always pessimistic as regards their own abilities or the accomplishment of the thing which they are trying to do, says R. W. Stevens, of the Illinois Life. When they have a proposition to present instead of studying that proposition from the standpoint of why the man to whom they are going to present it should accept it, they think up all the reasons why they would not accept it, if they were in the place of the prospect. In other words, they undertake to sell by the elimination of reasons why the purchase should not be made, and put but very little, if any, stress upon the reasons why the purchase should be made; and since the average man who is approached with a proposition not of his own seeking is instantly on the defensive and opposed to its purchase no matter how desirable and advantageous to him the investment might prove, salesmen of the type described never achieve noteworthy success.

The slogan "Sell Yourself" means look into the proposition you are presenting with a view of discovering all the reasons why you should invest in it, paying no attention whatever to reasons why you should not invest; and if as a result of your investigation you find sufficient reasons as to why you should invest, you can safely go ahead, forgetting all about the reasons, if any there may be, as to why you should not do so.

The present day war clause is not a selling argument for life insurance, but neither is it an argument against its purchase. There is no more reason for introducing the war clause into the sales talk than there would be for calling the suicide provision to the prospect's attention and pointing out to him that death by his own hand during the first two years of the policy limits the Company's liability to the return of the premiums paid.

Inverted means: upside down; back end to; contrary, or opposite to logical order. The world always looks upside down when you stand on your head.

THE
METROPOLITAN LIFE
Insurance Company
(Incorporated by the State of New York)



Metropolitan Life Insurance Company
Home Office Building

The Company

Of the People
By the People
For the People

The Daily Average of the Company's Business during 1916 was:

701 per day in Number of Claims Paid.

8,304 per day in Number of Policies Issued and Revived.

$1,969,823 per day in New Insurance Issued, Revived and Increased.

$376,827.40 per day in Payments to Policyholders and Addition to Reserve.

$220,509.26 per day in Increase of Assets.

JOHN R. HEGEMAN, President

Says Advertising is Not an Expense

New York, May 15, 1917.

Editor The Eastern Underwriter:—I have noticed in one or two life insurance advertisements lately, this statement in parenthesis at the bottom of the advertisement. "This advertisement not at the expense of policy holders."

Now, strictly speaking, that is not true, for the agent in whose name these advertisements have appeared gets his compensation from a part of the premiums of the policy holders, and so the policy holder does pay for the advertisement. Therefore, that is a piece of sophistry which should not be permitted to go unchallenged.

In the same statement, I find a deeper and more serious fault, namely, the implication that advertising is an expense.

I submit that good advertising of an educational nature is not an expense at all but an investment and that if men of J. I. D. Bristol's* influence would take the trouble to understand this well-established fact—I might almost say axiom of modern business—there would be less apathy and even antagonism toward advertising on the part of the "men higher up" in the great insurance companies.

"'Tis true, 'tis pity; pity 'tis 'tis true,"—that the insurance companies refuse to see that educational advertising is now a tried and proven instrument of big business. The great railroads, financial institutions and recently the Bethlehem Steel Company have followed the paths blazed years ago by advertisers too numerous to mention who educated millions to recognize a new need, a new economy or a new way of thinking.

It is difficult to conceive of a business more truly in the public service—more vitally in need of interpretation to the public—more hampered by the lack of educational advertising—than the life insurance business.

To my mind, therefore, it is little short of treason, for insurance men to spread the doctrine among the public no less than in their own circles, that advertising is an expense.

J. A. RICHARDS.

*Mr. Richards here refers to Mr. Bristol's advertisement in a magazine which included the following statement: "This Advertisement Not at the Expense of Policyholders."

Representing

The Mutual Life Insurance Company
of New York

You will make money.

The great strength, big dividends and incomparable benefits of the *"oldest company in America"* mean certain success for you.

For Terms to Producing Agents, Address

GEORGE T. DEXTER, 2d Vice-President

34 NASSAU STREET, NEW YORK, N.Y.

FRANK SYKES MONTH

Fidelity Mutual Field Workers Set Aside Period to Break May Records

This gladsome month of May, when spring should be here but isn't, has been designated by the field men of the Fidelity Mutual Life Insurance Company as "Frank Sykes Month," in honor of Frank Sykes, assistant manager of agencies. This unique honor came unsolicited by Mr. Sykes—it was the call of the field men, pouring in in the shape of letters and telegrams. As a result, the Sykes campaign to eclipse all May records is well under way and every field man is working his head off for the new assistant agency manager—who has been their friend these many months.

Mr. Sykes is editor of "The Field Man," one of the best of the Company organs, and through his activities in this field, came into close personal contact with the workers after whom the publication was named.

THE EASTERN UNDERWRITER

This newspaper is owned and is published every Friday by The Eastern Underwriter Company, a New York corporation, office and place of business 105 William Street, New York City. Clarence Axman, President; B. F. Hadley, Vice-President; W. L. Hadley, Secretary. The address of the officers is the office of this newspaper. Telephone 2497 John.

Subscription Price $3.00 a year. Single copies, 15 cents.

Entered as second-class matter January, 4, 1907, at the Post Office at New York, N. Y.; under the act of Congress of March 3, 1879.

THE ANTI-DISCRIMINATION LAW OF NEW YORK STATE

Superintendent of Insurance Phillips has ordered that fire insurance rates in certain portions of the Bronx East of the Bronx River shall be reduced to the same figure as those prevailing in the Bronx West of the River. The Bronx River has been the dividing line between the territory in which rates are made by the New York Fire Insurance Exchange and that in which rates are made by the Suburban Fire Insurance Exchange. The rates prevailing West of the Bronx River are those which apply throughout the territory of the New York Fire Insurance Exchange, and the rates East of the Bronx River are those which apply throughout the territory of the Suburban Fire Insurance Exchange.

At a hearing before the Superintendent on March 30, 1917, certain evidence was produced to show that the water supply, fire department and police supervision in the Bronx are substantially the same on both sides of the River, and based on this evidence, the Superintendent finds that an unfair discrimination in rates exists in those sections East of the Bronx where the streets are graded and paved, and that the rates in such sections should be the same for similar construction as those West of the Bronx.

Interpretation of the anti-discrimination law is sometimes difficult, and the departmental viewpoint and the underwriting viewpoint can't always be reconciled. It has been the claim of the Suburban Exchange that from a practical underwriting standpoint, conditions on the two sides of the River are substantially different. Even if it be granted that the water supply, fire department and police supervision are as good on one side as the other, there still remain conditions which underwriters say should be recognized in the rate. For instance, the East Bronx is largely frame construction, while the West Bronx is largely brick; the East Bronx is developed only along comparatively narrow lanes while the West Bronx is quite generally developed. This is further shown by the last available figures which give the density of population of the West Bronx as 63 inhabitants per acre, while in the East Bronx it is only 7.3 inhabitants per acre. The East Bronx is now undergoing a reconstruction period while the character of the West Bronx is pretty well settled. Underwriters also claim that conditions generally East of the Bronx are **suburban** rather than **urban**, and do not differ materially from those which prevail generally in the counties contiguous to New York that are included in what may be termed "The Commuting Zone"; furthermore, that, in any case, since the same rates prevail throughout the Suburban Field, no unfair discrimination exists.

Underwriters generally regret that Superintendent Phillips did not share this view. Furthermore, the order means a reduction of rate which the companies can ill afford at the present juncture, and it has been stated that some companies intend to cease doing business in the section affected, believing that New York City rates will prove to be below fire cost when applied East of the Bronx.

It is not generally realized how seriously the fire insurance companies are affected by the tremendous increase in the cost of practically everything. Fire insurance rates have not increased; if anything, they have decreased, **yet a fire of five minutes' duration today does fully 25 per cent. more damage than it did three years ago,** because of the fact that the cost of repair or replacement is fully 25 per cent. greater than then; therefore, merely to continue present rates, is equivalent to a substantial reduction of rates. Added to this, the companies are faced with the payment of increased taxes; they have felt compelled to increase salaries of the lower paid clerks, or to give bonuses amounting to the same thing, so that they are facing increased costs both from the expense standpoint and loss standpoint. State supervision does not permit much elasticity in rates, and underwriters regretfully note that when discrimination is found in fire insurance rates its removal spells a reduction in rate; never an increase. Indeed, the very terms of the Anti-Discrimination Law of New York State prescribe that a discrimination found to exist shall not be removed by increasing a rate or a set of rates. If there comes a year when premiums do not increase, yet the aggregate of fire losses remains the same and expenses likewise, the fire insurance business will be facing a grave crisis.

INSURANCE AXIOMS

"Life insurance is wife insurance."

* * *

It's a wise agent who knows his own policy.

* * *

If Adam had had a "use and occupancy" policy he would not have felt so peeved about the garden of Eden.

* * *

It is reported that Noah carried a floating policy on the ark.

* * *

Damon and Pythias formed the first mutual life assurance company on record.

* * *

The greatest "war risk" for some men is the possibility of being conscripted.

THE HUMAN SIDE OF INSURANCE



CLARENCE F. BIRDSEYE

Clarence F. Birdseye, recently held in $10,000 bail on an indictment for alleged conspiracy in connection with the control of the Pittsburgh Life & Trust, is now the central figure in a strong fight against extradition, as he is wanted by both New York and Pennsylvania authorities. The principal interest in the case now turns about the real value of the Dare Lumber Company. Attorney Thomas Patterson, counsel for W. H. Nimick, former president of the Pittsburgh Life, who sold stock to Birdseye, asserts that the Dare Lumber Company owns 18,000 acres of timber land, and that on this land, in addition to millions of feet of timber, is a great deal of pulpwood. The point is made that the timber land may be so valuable as to cover the Pittsburgh Life & Trust transactions.

Birdseye has retained prominent New York counsel and says he is going to fight. The Eastern Underwriter has secured his picture which is reproduced in this column. The promoter is more than sixty years old, is so near-sighted that he reads a paper by holding it close to his eyes, and first attracted attention as a compiler of legal decisions. At one time he was the man behind the "Higher Education Association," and was also directing editor of that association's publication "The American College."

* * *

Dr. Frederick L. Hoffman, statistician of The Prudential Insurance Company of America, has just completed an extended trip through Louisiana, in the private car of the State Board of Health, with Dr. Oscar Dowling, the president of the board; Dr. W. H. Seemann, president Louisiana State Medical Society; and Dr. H. C. Carter, senior surgeon of the United States Public Health Service, in the furtherance of the State-wide campaign for malaria eradication, improved accuracy and completeness in birth and death registration, and public health matters generally. The principal stops made were: New Orleans, New Iberia, Lake Charles, De Ridder, Shreveport, Monroe, Tallulah, Baton Rouge and Alexandria. Some twenty or more public meetings were held, including medical societies, high schools, churches, etc. A special effort was made to reach the negro population, in view of the fact that the death rate among that element of the Louisiana population, from all causes, as well as from malaria, is decidly excessive. It is anticipated that as the result of the State-wide education, material progress will be made in the direction of malaria eradication and the required improvement in the accuracy and completeness of vital statistics, so as to qualify at least a number of parishes for admission to the United States Registration Area.

* * *

John D. Henderson, assistant manager of the Pittsburgh Branch of the Travelers liability department, also one of the members of the Henderson, DuBois & Carter agency of Herkimer, N. Y., entered the Officers Training Camp at Madison Barracks, N. Y., May 12. Mr. Henderson was a member of the Ft. Sheridan Training Camp in 1915. With D. J. Carter of the same firm a Lieutenant in the Home Defense Corps Company of Herkimer, this agency is snuggling up to Uncle Sam in good shape.

* * *

Richard Bedford Bennett, of Calgary, Canada, has been elected a director in the Metropolitan Life. Mr. Bennett was born in New Brunswick, but has lived in Calgary for more than twenty years. He has been a member of Parliament a number of years and is expected to become a member of the Senate, a life office. He is chairman of the National Service Commission of the Dominion and in years gone by, was counsel for the Canadian Pacific Railroad. He is a man of highest character, and because of his many qualifications, is expected to become a valuable acquisition to the directorate of the Metropolitan.

* * *

F. W. Hubbell, secretary of the Equitable Life Insurance Company of Iowa, has enlisted in the artillery, as has his brother "Jim," who won the Inter-collegiate Golf Championship recently.

* * *

J. F. Hastings, assistant manager of the North British & Mercantile, has been ill for a month.

* * *

J. Lester Parsons, of Crum & Forster, is in Hot Springs, Va.

* * *

John H. Stoddart, of the New York Underwriters' Agency has returned from the Pacific Coast.

* * *

A. A. Springmeyer, secretary to George T. Wilson, second vice-president of the Equitable Life of New York, has composed the music for a song entitled "America," the words for which were written by Samuel Francis Smith. Mr. Springmeyer also wrote the words and music for the Equitable "Alma Mater."

* * *

Claude Norie-Miller, former manager of the General Accident, is the first of the well-known insurance men to be killed in the war. He was with a Canadian contingent on his way to Egypt when the end came. C. Norie-Miller was the son of the home office manager, and resigned about two years ago, later entering the Service.

* * *

GETS MASS. LICENSE

The Norwegian Globe Insurance Company, Ltd., has been licensed by the Massachusetts Insurance Department for the transaction of re-insurance of fidelity and surety, accident and health, liability, compensation, and burglary insurance.

TOKIO IN MASSACHUSETTS

The Tokio Marine Insurance Company, Ltd., of Tokio, Japan, has to-day been admitted to Massachusetts to do marine business. Patterson, Wylde & Windeler are named as agents.

The Pennsylvania Senate has passed a bill (already passed by the House) authorizing insurance companies to insure against damage by bombardment. The bill now goes to Governor Brumbaugh for his signature.

FIRE INSURANCE DEPARTMENT

Electrical Contractors Meet Insurance Men

CONFERENCE HAS GOOD RESULTS; COMMITTEE APPOINTED

Agree About Charges for Inspection and Other Points That Have Been Under Discussion

As a result of a conference in New York between underwriters, members of rating and inspection associations and representatives of the electrical industries, a harmonious understanding was reached with regard to the relations between the underwriters and the electrical contractors. F. W. Day, of the Royal, was chairman of the meeting. Others who attended were F. J. T. Stewart and J. C. Forsyth, New York Board of Fire Underwriters; R. G. Potter, Arthur Paddon, Underwriters' Association of New York State; H. E. Hess, J. Lester Parsons, G. E. Bruen, Suburban Exchange; E. H. Sigison, Buffalo Association of Fire Underwriters; J. P. Ryan, Secretary of Advisory Board of the Allied Electrical Industries of the State of New York; J. J. O'Leary, Buffalo, president; C. C. Mackenzie, Syracuse; L. R. Rogers, Schenectady, and J. F. Schroeder, Albany, representing the Electrical Contractors' Association of New York.

It was the consensus that the charge made by the U. A. N. Y. S. for inspection of slight alterations and additions to existing installations seemed a little high. It was also agreed that the charges for inspecting electrical installations in the country should not be the same as in the city, but should be higher.

At present the U. A. N. Y. S. makes no charge whatever for inspections of small installations in case the original equipment was approved and certificate issued. After considerable discussion it was agreed that this practice was erroneous in principle and that a charge should be made for inspection of any wiring or equipment however trifling in amount, which charge will be small.

A committee was appointed for further conference.

W. R. McLEOD DEAD

W. R. McLeod, New York State agent of the Dubuque Fire & Marine at Syracuse, died suddenly on Sunday of heart failure. Mr. McLeod has represented the Dubuque as State agent for a long term of years. He leaves a wife and family. The funeral was held on Wednesday.

BISSELL NAMES COMMITTEES

Announces Names of Men to Advise With National Council of Defense

President Bissell of the National Board of Fire Underwriters, has announced the names of those he has appointed on various committees to co-operate in advisory capacity with the National Council of Defense. The various committees consist of:

President's Advisory Committee—F. C. Buswell, Chas. L. Case, Frank Lock, John O. Platt, H. A. Smith.

Arkansas Committee—Gilbert Leigh, chairman; J. V. Boyle, J. S. Speed.

Chicago Committee—W. H. Sage, chairman; Benjamin Auerbach, Neal Bassett, F. S. Danforth, A. G. Dugan, Thos. E. Gallagher, J. O. Harding, Chas. L. Hecox, John Marshall, Jr., C. R. Tuttle, C. R. Street.

Dallas Committee—Sam. P. Cochran, chairman; D. D. McLarry, C. F. Thomas.

Louisiana and Mississippi Committee—Clarence F. Low, chairman; T. B. Norton, J. B. Ross.

Middle States Committee—J. B. Morton, chairman; E. T. Cairns, Sheldon Catlin, Geo. Davies, J. B. Lauber.

New England Committee—E. C. Benton, chairman; Guy Beardsley, W. R. Hodge, Geo. Neiley, F. W. Sargeant, Geo. Shepley.

New York Committee—F. C. Buswell, chairman; Geo. Branson, Frederick W. Day, F. W. Jenness, Geo. Kline, C. G. Smith, W. H. Stevens, Geo. A. Viehmann, E. W. West.

Northwestern Grain Elevator Committee—F. R. Bigelow, chairman; A. D. Baker, Walter Fisher, Chas. W. Higley, Chas. E. Sheldon.

Pacific Coast Committee—W. J. Dutton, chairman; A. M. Brown, Dixwell Hewitt, A. A. Maloney, A. W. Thornton.

Southeastern Committee—S. Y. Tupper, chairman; H. R. Bush, Milton Dargan, W. H. Palmer, W. R. Prescott.

The annual meeting of the National Board is next week.

BROKERS' RESOLUTION

At a meeting of the Fire Brokers' Association of New York the following resolution was adopted this week:

Resolved, That it is the sense of the Fire Brokers' Association of the City of New York, Inc., in regular meeting assembled, that our members shall not make the absence of any insurance brokers (whether members of this association or not) in such service, the occasion to interfere with or solicit or seek to obtain or receive the business of any such brokers to their injury or disadvantage; and that we shall endeavor to conserve the business and interests of such brokers during their absence on account of the war.

Plays Baseball

Eugene Gauvin, of the Gauvin Agency, which has grown faster than any other agency in town during the past few months, is one of the best baseball players in New York, and has turned down offers from big leagues.

FIRE AND MARINE INSURANCE—ALL LINES

The Automobile Insurance Company of Hartford, Conn.

MORGAN G. BULKELEY, President

Statement January 1, 1917

Cash Capital	$1,000,000.00
Assets	2,748,832.19
Liabilities (Except Capital)	1,039,977.81
Surplus to Policyholders	1,708,854.38

AFFILIATED WITH

ÆTNA LIFE INSURANCE COMPANY

THE ÆTNA ACCIDENT AND LIABILITY CO.

LING BLUSHES TO-NIGHT

Percy Ling, who was recently appointed assistant general agent of the North British & Mercantile, will be the special guest of the Albany Field Club to-night. The Albany Field Club is not only a social but also an educational organization. Membership seems to bring a good luck talisman, and if this continues the club will soon have a waiting list about as long as that of the New York Bankers' Club in the Equitable Building.

UNDERWRITERS MEET

The Orange County (N. Y.) Board of Fire Underwriters met in Middletown last week and after a social session were addressed by President E. Hecox, of the State Local Agents' Association. The committee on the new constitution and by-laws also handed in its report.

RALSTON FOR PRESIDENT

The annual meeting of the Fire Insurance Society of New York will be held this month. The report of the nominating committee follows:

President, T. A. Ralston, Northern; vice-presidents, J. Lester Parsons, North River; C. H. Holland, Royal Indemnity; John A. Eckert, broker; Edmund Dwight, Employers Liability.

New members of the executive committee; A. E. Clough, loss committee New York Board; John H. Packard, London Assurance; Paul H. Graef, Benedict & Benedict, Brooklyn.

They say that a snake's eye is hypnotic, which may account for the influence the bird's eye exercised upon certain directors.

NIAGARA

Fire Insurance Company

ESTABLISHED 1850

OTHO E. LANE, President

BERNARD M. CULVER
WILLIAM L. STEELE
Vice Presidents

CHAS. A. LUNG
WILBUR C. SMITH
Secretaries

"Agents Everywhere"



FIRE
TORNADO
AUTOMOBILE
RENTS
SPRINKLER LEAKAGE
EXPLOSION
FULL WAR COVER
LEASEHOLD

Use and Occupancy, Profits, Commissions — All Forms

123 William Street, NEW YORK

NORTH BRANCH FIRE INS. CO.
Sunbury, Pa.
Inc. 1911

Assets	$641,341.77
Reserve	230,513.29
Capital	300,000.00
Surplus	63,479.83

CITY INSURANCE COMPANY
Pittsburgh, Pa.
Inc. 1870

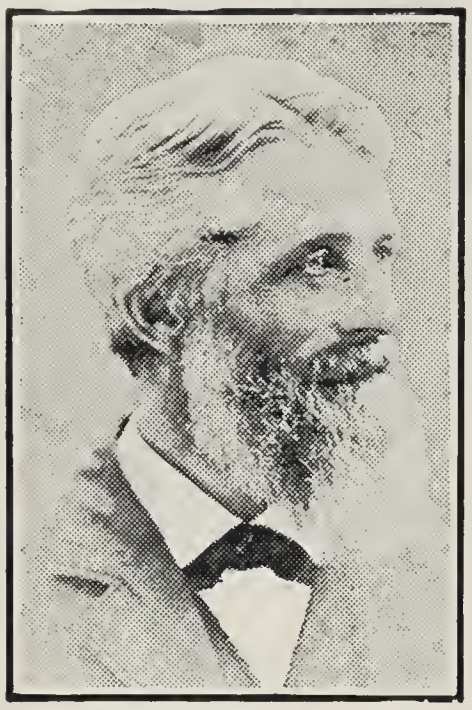
Assets	$357,318.58
Reserve	54,256.92
Capital	200,000.00
Surplus	96,379.07

OPERATING ON A CONSERVATIVE BASIS IN A LIMITED TERRITORY UNDER AN EXPERIENCED MANAGEMENT

THE LATE STANLEY BAGG

Agency Was Purchased By Alonzo W. Haight—Hartford, Aetna, Springfield, Albany, Represented

The agency of Stanley Bagg, the Syracuse agent who died last week, was



THE LATE STANLEY BAGG

purchased by Alonzo W. Haight in July 1, 1910. It is now being conducted by Mr. Haight.

Mr. Bagg, who had been in the insurance business half a century, represented the following companies: Hartford, Aetna, Springfield and Albany.

FIRE AND CASUALTY LEAGUE

Home, Continental, Globe & Rutgers and Commercial Union are Winners of First Contests

The Fire and Casualty Baseball League played the first four games of its 1917 season last Saturday. The Globe & Rutgers defeated the United States Fidelity & Guaranty by a score of 15 to 4; the Commercial Union defeated the Hartford by 19 to 7; the Home defeated the Caledonian by 12 to 7; and the Continental defeated the Preferred Accident by 10 to 9.

The schedule of the League calls for games between the teams of the several companies which are members to be played on every Saturday between May 12 and September 1. Two games will be played at each of two locations, Prospect Park, and Lefferts Oval. One game will be played at 2 o'clock and the other at 4 o'clock in the afternoon.

The companies whose teams are members of the League are the Home Insurance Co., Hartford Fire, Caledonian Insurance Co., Commercial Union, Preferred Accident, United States Fidelity & Guaranty, Continental Fire, and Globe & Rutgers. William F. Stanz, formerly with the Hartford Fire and now with Quinn, Warner & Quinn, is president of the League. G. W. Graham, of the Continental, is vice-president, and T. F. O'Donohue, of the Home, secretary-treasurer. The League is a combination of the Fire Insurance League and the Casualty Insurance League of last year.

JOHN E. ALLEN DIES

John E. Allen, senior member of the insurance firm of Allen & Stults, of Highstown, N. J., died suddenly last week. Mr. Allen, who was 68 years old, was the oldest member of the Board of Corporators of Peddie Institute and chairman of the property committee of that institution for twenty years. He was identified with church work and is credited with the success of the Citizens' Building and Loan Association of Highstown. He is survived by his widow and a daughter.

B. M. CROSTHWAITE & CO.
Fire and Automobile Insurance Specialists
Lines Bound Anywhere in New York State
105 William Street, New York City, N. Y. Telephones 2404-5-6-1758-1090 John

PHILADELPHIA
ADEQUATE FACILITIES — ALL LINES
CLARENCE A. KROUSE & CO.
LOCAL AND GENERAL AGENTS
325 WALNUT STREET PHILADELPHIA, PA.
PENNSYLVANIA NEW JERSEY
SATISFACTION SERVICE — ALL LINES

LOGUE BROS. & CO., Inc.
Fire—Casualty—Automobile Insurance
Nation-Wide Facilities for Handling SURPLUS LINES
307 FOURTH AVENUE PITTSBURGH, PA.

BROKERS ACTIVITIES

WRITES SPRINKLER LEAKAGE

Germania Fire Appoints C. H. Vaughan Manager of New Department—Company's Activities

C. H. Vaughan, who has the past three years been with the sprinkler department of the New York Fire Insurance Exchange, has been appointed special agent of the sprinkler leakage department of the Germania Fire Insurance Company of New York. Besides writing this class of business the Company is also specializing in automobile, tornado, bombardment, explosion and tourists floaters.

The Company have appointed to the management of these departments experts in their line assuring the brokers and the assured the very best of service. The Germania Fire is now known on the Street as one of the foremost progressive companies.

* * *

Explosion Cover on Woodward Iron

Policies totalling $3,960,000 were written this week covering the Alabama plants of the Woodward Iron Co., of Delaware. The plants are situated outside of Birmingham. The policies give full property damage and use and occupancy coverage on glass furnaces and by-products plants.

* * *

$5,640,000 Line Offered

A $2,500,000 use and occupancy line offered this week was on the Cleveland Electric Illuminating Co., Cleveland, O. Property damage of $3,140,000 was also offered on the same risk.

* * *

Stanz With Quinn, Warner & Quinn

William F. Stanz, for several years in the brokerage department of the Hartford Fire, has resigned his position and is now with Quinn, Warner & Quinn, brokers at 27 William Street.

* * *

A Fair Week's Business

One of the leading brokerage houses of New York City collected $250,000 in premiums on war risk business during the days when the Lloyd's jumped in and wrote a large part of this business about New York City.

* * *

Brooklyn Brokers End Season

The Brooklyn Brokers' Association will end its meetings for this season with a stag on June 14. Plans have already been made for the fall meetings and a series of addresses has been arranged covering the various classes of insurance, one to be given at each meeting of the Association.

SCHAEFER & SHEVLIN
2 LIBERTY STREET GENERAL AGENTS NEW YORK, N. Y.
Representing
DUBUQUE FIRE AND MARINE INSURANCE CO.
Excellent Facilities for Handling Suburban and Out Of Town Business
Phone: John 2312

Agricultural Insurance Company, of Watertown, N. Y.
64th Annual Statement

Assets	$5,036,003.01
Liabilities	2,296,861.95
Capital	500,000.00
Conflagration Surplus	250,000.00
Surplus to Policyholders	2,739,141.06

F. F. BUELL, Troy, N. Y., Special Agent.....NEW YORK STATE
E. J. PARMELEE, Syracuse, N. Y., Special Agent..NEW YORK STATE
GEORGE SHAW, 116 Milk St., Boston, Special Agent..NEW ENGLAND
F. L. GILPIN, JR., 422 Walnut St., Phila., Special Agent.MIDDLE DEPT.

ARTHUR C. SWINTON
1 Liberty Street GENERAL AGENT New York City
FIRST NATIONAL FIRE INSURANCE CO.
Washington, D. C.
New York Suburban and New Jersey
Exceptional Reinsurance Facilities Local Agents' Interests Protected

THE LEADING FIRE COMPANY OF THE WORLD
ROYAL INSURANCE COMPANY LIMITED
[of Liverpool, England]

1853 Sixty-Fourth Year 1917
FARMERS' Fire Insurance Company
YORK, PENNSYLVANIA

Assets (Dec. 31, 1916)	$1,116,968.00
Net Surplus (Dec. 31, 1916)	514,025.00

W. H. MILLER, President
A. S. McCONKEY, Sec. and Treas.

DIAGNOSES GARAGE LOSSES

Gasoline Cleaning Most Hazardous—Filling Tanks Causes 10 Per Cent. of Fires

The question "What causes fires in Garages"? is answered by W. F. Chase, Superintendent of Rating, Metropolitan District of the New England Exchange, as follows:

The fire records for the past five years in garages is given as follows:

Automobile fires, 9 per cent.
Carburetor fires, 10 per cent.
Filling gasoline tanks, 13 per cent.
Gasoline fires, 10 per cent.
Gasoline or benzine cleaning, 16 per cent.
Repairing, 7 per cent.
Tire vulcanizing, 3 per cent.
Common hazards, 21 per cent.
Miscellaneous special hazards, 11 per cent.

Briefly these causes could be further itemized as follows:

Back-fire into carburetor, use of gasoline for cleaning, filling tanks while lamps on cars are burning, smoking, gasoline torch, gasoline leaks in contact with hot exhaust pipe, defective electrical equipment on cars, spontaneous combustion, static or frictional electricity.

POPIK AGENT FOR RELIANCE

David Popik has been appointed agent of the Reliance of Philadelphia for Newark and vicinity.

No Quick Road to Agency Success, Say Underwriters

PROMINENT INSURANCE MEN DISCUSS NOVICE'S LETTER

New Local Agent Must Learn By Experience, Not By Correspondence School—Suggestions

The Eastern Underwriter this week asked a number of fire underwriters if they cared to give any advice to the local agent who wrote to this paper, saying that he had started an insurance agency, that he wanted to equip himself to become a success in his line, that he did not want to put himself in the attitude of being a mendicant begging for business. He is a man of extended acquaintance. and intelligent. His letter follows:

Editor, The Eastern Underwriter:—In building up a new general insurance agency I find that there are about a million things that I do not know. Undoubtedly some clever genius with a propensity for educating the public has written a book covering the subjects of fire and liability insurance. I want to get some book which will contain the information I desire.

I find in endeavoring to get a line of fire insurance that it is almost impossible to pry a risk loose from an agency where it has been established for any length of time. I can offer no better service, no lower rates, and there is really no reason why the man should give it to me.

I want to put myself in possession of such specific knowledge that I can demonstrate to the prospect that I can give him as good coverage and better service in that my knowledge can save him money. In other words, instead of pursuing a calling of high class mendicancy I want to go to these prospects and demonstrate that there is something in fire insurance besides merely filling up a policy blank. That is the sort of information I am after. Can you recommend anything?

Here is what some of the underwriters, to whom the case was submitted, wrote The Eastern Underwriter:

Frank Lock, manager of the Atlas: By your letter you correctly indicate that the problem you suggest is a puzzling one.

There is no other business so far as I am aware, except those which are purely scientific, which calls for so much knowledge of a technical kind in order that the agent, or broker, may give the highest grade of service to a client.

Taking the case which you instance of presumably a middle-aged man of somewhat better than average intelligence and capacity; provided he lives in a community which is large enough there is no reason why he should not succeed with fire insurance. This further provides that he has a capacity to meet people intelligently and the courage to do so. Some people otherwise capable seem to be born without these qualifications. It is in his favor that he has a large acquaintance in his city. It is further in his favor that he has been a successful life insurance agent, although the life insurance business is simplicity itself as compared with the complex problems of fire insurance.

Should First Engage a Capable Clerk

The danger which ought to present itself to the mind of a right thinking man in his position is, lest through his inexperience he should misguide or not suitably enlighten a client and so involve the latter in a serious loss in case of fire. A client will generally listen to a man who has a good presence and who seems to talk intelligently about the subject of fire insurance, such client being very often unable to discern that the solicitor of his business perhaps knows but little more of the technical problems involved than does the client himself. This discovery is apt to be made through trouble in the event of a loss or through the success of a better equipped agent in securing a reduction in rate to which the said client is legitimately entitled.

To break into the fire insurance business intelligently, if your correspondent is sufficiently well equipped financially, he should engage a first class clerk who has been trained in the business, and rely upon his own executive ability and superior qualities to bring in the business for his assistant to put into proper shape.

Advice From Special Agents

Another comparatively safe way is for your correspondent to make a connection with a first class insurance company which is fully equipped to render service. Such a company will have a special agent for the territory involved and will be able to give "first aid" to the new agent and give him practical points which no book study could equal. In this way by coaching and watching the field man would be able to get your correspondent into shape and before a great while, able to stand upon his own feet with reasonable confidence, and he will learn how to have his hard problems solved for him by the field man or the head office of the company which he represents. Such service is promptly rendered by mail or telegram and many good agents are drilled in this way.

A third way would be to form a partnership with a man who has a ready made agency but who is perhaps lacking in initiative, so that such partner might run the inside office while your correspondent could develop the outside.

Technical books for a man who has a considerable agency and time to study them are of value, but there is no one book which covers the requirements of your correspondent. The instructions given by a first class insurance company equipped for service would prove of more practical value than any books written at the present time.

More Than a Mere Soliciting Game

W. H. Stevens, president of the Agricultural: I fancy the trouble with your correspondent is that he thought insurance was just a solicitor's game and now sees that there's "more to it." Possibly he has known agents who didn't "magnify their office" and have won because they were just persuasive, or popular or would not be denied.

But there is only one real way nowa-days to get into the business right. Meet all comers, including the big brokerage houses, and show that the community really needs your services. That way is to know considerable about the modern science of insurance engineering. Then one can get customers by giving service.

Still Learning After Thirty-five Years' Experience

For myself, I should hesitate to tackle the agents' job to-day. After thirty-five years in the business I'm put to shame daily by my ignorance, mainly because I didn't have a technical training or begin at a low enough rung in the ladder. Our junior-est examiners pass examinations that would "plough" me; studious local agents give me points continually, and as for our field men—why they can draw circles all around me, and not half try. Changes make us old fellows dizzy headed, if we endeavor to keep pace with them.

But there, I mustn't judge other men's capacities by my own, and if your correspondent has youth, that's half the battle; his mind is open and retentive. What would you say to his beginning by studying the schedules of a few of the prominent risks in his field with a view to showing the owners how he can reduce their rates more than enough to pay the interest in the cost of necessary changes? If his companies have the right sort of field men they can help him land prospects in this way.

But it's not an easy game. The day is past, I hope, when the "American Agency System" is a refuge for the wounded.

P. S. I assume your correspondent is not like Col. Cunningham's young man who worked in an agent's office a month, quit because he didn't like it, and was "sorry he ever learned the business."

No Short Cut

E. G. Snow, president of the Home: I have nothing in the way of suggestion or advice to offer; indeed it may be questioned whether there is any "short cut" to proficiency of practice of fire insurance agency, any more than in any other avenue of knowledge or endeavor. There are a number of books, or sets of books, on the subject of fire and liability insurance, and the literature of the business is pretty full with respect to fundamentals, theory and practice, but I should not expect to become an expert billiard player by reading any number of volumes on the subject.

Get Help From Expert

C. D. Dunlop, vice-president of Providence Washington: I would advise that a man to be successful in the local branch of the insurance business must possess two qualifications; first, the ability to get business, and second, the ability to care for it. The first depends upon industry, acquaintance and standing in the community; the second upon experience. The first qualification is the all-important one; the second can be acquired. While it is true that a man cannot buy experience nor could he successfully secure underwriting knowledge from a hand-book, he can buy the services of some other man who has the knowledge and not the prestige. I would say that if your correspondent has the standing and influence that he thinks he has he could easily secure the underwriting talent that is needed by employing some young man at from $1,200 to $2,000 a year.

Stick, and Keep on Learning

Cecil F. Shallcross, manager of the Royal: Your correspondent inquires how to learn before bed-time all there is to know about fire insurance. You ask for a statement from me as to what in my opinion this man could do to win success. I hardly know. The only method I know of learning the fire insurance business is to start at the bottom, stick at it until you get to the top, and then begin to learn.

Can't Learn in Correspondence School

James H. Brewster, United States Manager Scottish Union & National: I note the letter you have received from a man who recently has gone into the fire insurance business. This man is not unlike others who innocently believe that fire insurance is the short road to easy money. I would remind the gentleman of his error. Fire insurance is a profession, not to be mastered in a day nor in correspondence schools. He will find the best instruction in persistent application, step by step, until through experience he acquires a small part of the knowledge that others have gained in the same way by years of effort.

Bound to Succeed

J. H. Stoddard, New York Underwriters' Agency: Any agent who is competent to write so good a letter as the one you quote will have no trouble about making a success in the business.

Begin at Bottom; Have Patience

P. L. Hoadley, president American Insurance Company: The new recruit will have to begin at the bottom and gradually accumulate experience, the same as the rest of us have done. You very well know that a successful insurance solicitor—fire, life or any other branch—must possess native qualifications of a very peculiar sort in order to meet with success. Not only beginners, but seasoned, experienced local agents also, have troubles of their own in building up an insurance business.

The only advice I can give is to stock up with lots of patience and work hard.

Learn By Experience

J. Lynn Truscott, vice-president Camden Fire: Replying to your letter asking for advice for a certain man who knows practically nothing regarding the fire insurance business, the only way I can suggest, in such a case as you state, is for him to secure the renewals through his friends and learn by the experience he can then obtain by the re-placing or renewal of the business, one risk at a time, it being my understanding he is past the age to be able to learn in the usual way.

IMPORTANT CONVENTION

New York Agents Will Discuss Rating and Non-Board Matters at Newburg

The annual meeting of the New York State Association of Local Insurance Agents will discuss subjects of greatest interest to the business, including rate control and non-board competition. A committee has been looking into the New Jersey rating situation. The convention will be held in Newburg on June 7 and 8.

F. R. Holman Resigns

F. R. Holman, for some time with Lewis & Boardman, resigned last week. Mr. Holman plans to specialize in life insurance.

The Columbian National Fire Insurance Company



T. A. Lawler, Pres. H. P. Orr, Sec.-Treas.

JANUARY 1st, 1917

Assets $1,643,174.45

Surplus to Policyholders.....$1,235,960.65

EASTERN DEPARTMENT, Scranton, Pa.

Massachusetts, Rhode Island, New York, New Jersey, Pennsylvania and Maryland

James J. Boland, Manager

Reliable agents wanted in unrepresented territory

Firemen's Insurance Co., Newark, N. J.

January 1, 1917

Cash Capital $1,000,000.00

Net Surplus $2,453,008.62

SURPLUS TO POLICYHOLDERS..$3,703,008.62

DANIEL H. DUNHAM, President

JOHN KAY, Vice-President and Treasurer — A. H. HASSINGER, Secretary

NEAL BASSETT, Vice-President — J. K. MELDRUM, Assistant Secretary

How Nonnabo U. & O. Loss Was Adjusted

INTERESTING FACTS ABOUT A LINE OF $1,000,000

Negotiations Resulted in Final Settlement at 47½ Per Cent. of Insurance

The Eastern Underwriter has been asked to get and print the facts about the adjustment of the insurance on the Nonnabo Chemical Co., Rhode Island, as one of the most important of the use and occupancy adjustments that have arisen in some time.

The plant was occupied by the insured for the manufacture of guncotton and consisted of some eleven or twelve detached buildings. There was but one building destroyed, to wit: the nitrating house with its contents consisting of eight extractors (nitrating machines) and the usual accompanying equipment, including eight motors of special type to operate the extractors. The value of the nitrating building and its equipment was about $98,000, with a loss of practically the same amount (the salvage amounting to only a few hundred dollars). The value of the entire plant was about $932,000 with insurance under general form of $880,000 and a loss to insurance of about 11 per cent.

Insured Under Six Months' Form

The use and occupancy was insured for $1,000,000 under a six months' form (the plant was originally constructed in about sixty days). There was but one nitrating house and the operation of the plant was entirely suspended until there could be a replacement of the building and its equipment.

The adjusters, on taking up the use and occupancy loss, were informed that it was estimated by the manufacturer of the extractors that twenty-eight weeks would be required to furnish new extractors with the motors, set up and ready to run. On that basis the loss would have been total to insurance, but the estimate was reduced to twenty-two weeks, and the adjusters were subsequently informed that the insured within a few days after the fire let a contract to the manufacturer for the new equipment to be delivered on approximately that basis.

The insured offered settlement on the basis of 75 per cent. of the policies, but subsequently filed proofs claiming the entire insurance.

Delivery

Negotiations with the manufacturer and the electric company (who were to furnish the motors) expedited the work so that the adjusters were able to secure a promise of delivery of one-half of the equipment in eleven weeks from date of contract, and the other half in fifteen weeks; but this was the best delivery possible to be secured for new material.

At this stage, it was decided to ascertain definitely whether it would be possible to repair the damaged equipment and to that end all of the extractors were shipped to the factory where they were made and after examination experts for the companies gave it as their opinion they could be repaired and put in about as good condition as before the fire. The electric motors were also shipped to the works of the electric company for examination and the company in question expressed the opinion that they could be rebuilt and put in serviceable condition.

An adjustment at 35 per cent. of the insurance was proposed to the insured, but declined. The insured expressed the opinion that the equipment in question could not be repaired in a satisfactory or acceptable manner and expressed themselves as quite unwilling to take any chances with the damaged equipment. In this situation, it was decided to undertake the repairs at the expense of the companies. Satisfactory arrangements were made with the respective manufacturers and the work was commenced. Subsequently the insured modified their claim to a basis of 55 per cent. and negotiations finally resulted in a settlement at 47½ per cent. of the insurance, or about four and one-half times the property loss.

LIEN VOIDS POLICY

Georgia Court Holds That Stipulation in Agreement Cancels Liability of Fire Insurance Company

H. E. Johnson took out some fire insurance on his personal property and afterwards put a chattel mortgage on it, without notifying the Pacific Fire Insurance Company who issued the policy. There was in the policy a clause reading: "This entire policy unless otherwise provided by agreement, indorsed thereon or added hereto, shall be void * * * if the subject of insurance be personal property and be or become incumbered by a chattel mortgage."

After the loss by fire, Johnson sued the company on the policy. The lower court found for the insurance company holding the above clause made the policy void. Johnson appealed to the Court of Appeals of Georgia, claiming the clause was in conflict with Civil Code law of Georgia of 1910, which reads: "An alienation of the property insured and a transfer of the policy without the consent of the insurer, voids it; but the mere hypothecation of the policy or creating a lien on the property does not void."

The court held that this section, when properly construed, means that the mere act in itself of creating a lien on the property insured does not avoid the policy; it does not mean that the policy cannot be avoided by the creation of a lien on the property insured where there is an express stipulation in the policy itself that such an act will void it. In this case, there was an express stipulation in the policy itself that such an act will void it; hence, the ruling of the lower court in favor of the insurance company should stand.

In Clay vs. Phoenix Insurance Company, reported in 97 Georgia reports, page 44, the insurance company through its agent, knew that the property was mortgaged when the policy was issued but nevertheless, issued the policy and accepted the premiums, therefor, and the Supreme Court held that by such conduct, the insurance company was prevented from claiming a forfeiture of the policy under the stipulation therein and was held liable.

SPRINKLER EFFICIENCY

Statistics Show Overhead Extinguishing System Best of All Safety Devices for Munition Plant Use

In an exhaustive article on the use of sprinklers in munition plants, "Construction" declares itself in favor of this system of fire extinguisher. After reviewing in detail a fire in Dayton, Ohio, the paper says:

> All the kinds of occupancy listed as entering into the munitions industry are not separately classified in the record of sprinkler efficiency. However, grouping steel, brass and bolt shops, pressed metal works and can factories as metal workers, the following record is available:

Extinguished Fire		Held Fire in Check		Total Satisfactory		Unsatisfactory		Tot. No Fires
No.	%	No.	%	No.	%	No.	%	
416	64.7	197	30.7	613	95.4	30	4.6	643

> Others classified in the sprinkler record are:

Machine Shops:								
No.	%	No.	%	No.	%	No.	%	Fires
169	62.4	87	32.1	256	94.5	15	5.5	271
Forge and Smithy:								
No.	%	No.	%	No.	%	No.	%	Fires
10	76.9	3	23.1	13	100.0	..	..	13
Box Factories:								
No.	%	No.	%	No.	%	No.	%	Fires
87	48.3	74	41.1	161	89.4	19	10.6	180

> The sum of all these occupancies co-ordinated in the munitions industry therefore demonstrates a sprinkler efficiency as follows:
>
> Extinguished fires, 682, percentage, 61.6; held fire in check, 361, percentage, 32.6; total satisfactory, 1,043, percentage, 94.2; unsatisfactory, 64, percentage, 5.8; total number of fires, 1,107.
>
> It is reasonable to assume, therefore, that with this high percentage of sprinkler efficiency in the industries whose individual hazards make up the sum of hazards in a munitions plant, sprinkler protection is essential to the safety of the munitions plant itself. This point takes on added importance from the fact that these plants are now making munitions for the United States, as well as for its Allies.

STRENGTH INTEGRITY SERVICE

Scottish Union & National Insurance Company

HENRY J. HOUGE, Assistant Secretaries — J. H. VREELAND, Assistant Secretaries — JAMES H. BREWSTER, Mgr. Hartford, Conn.

A Broad Underwriting Service to Agents
Writes Fire, Automobile, Rent, Sprinkler Leakage, Tornado, Use and Occupancy, Explosion, etc.
Works in Harmony with American Agency Principles and Practices

THE YORKSHIRE INSURANCE COMPANY, LTD., OF YORK, ENGLAND
ESTABLISHED 1824
The "Yorkshire" is the Oldest and Strongest of the English Fire Companies not heretofore represented in the United States
U. S. BRANCH
Frank & Du Bois, United States Managers — Ernest B. Boyd, Underwriting Manager
Harry F. Wanvig, Branch Secretary — Frank B. Martin, Supt. of Agencies
NO. 80 MAIDEN LANE, NEW YORK
New York Life Insurance and Trust Co., U. S. Trustee, No. 52 Wall St., New York
DEPARTMENTS—METROPOLITAN, Willard S. Brown & Co., Managers, New York, N. Y.; CAROLINA-VIRGINIA, Harry R. Bush, Manager, Greensboro, N. C.; SOUTHEASTERN, Dargan, Turner & Pattillo, Managers, Atlanta, Ga.; LOUISIANA and MISSISSIPPI, Jas. B. Ross, Manager, New Orleans, La.; PACIFIC COAST, Jas. C. Johnston, Manager, J. K. Hamilton and McClure Kelly, Assistant Managers, San Francisco, Cal.

Caledonian Insurance Co. of Scotland
FOUNDED 1805
"THE OLDEST SCOTTISH INSURANCE OFFICE"
UNITED STATES HEAD OFFICE
Caledonian Building, 50-52 Pine Street, New York
CHAS. H. POST, U. S. Mgr. — R. C. CHRISTOPHER, Asst. U. S. Mgr.
NEW YORK CITY OFFICE
Golden Hill Building, 59 John Street, New York

NORD-DEUTSCHE INSURANCE COMPANY
UNITED STATES BRANCH
123 William Street, New York
J. H. Lenehan, Manager

FIRE ASSOCIATION Of Philadelphia
401-405 WALNUT ST.
Organized 1817 — Incorporated 1820 — Charter Perpetual
Cash Capital $750,000 — Assets $10,046,848.04
E. C. IRVIN, President — T. H. CONDERMAN, Vice-President
J. B. MORTON, 2nd Vice-Pres. — M. G. GARRIGUES, Sec. and Treas.
R. N. KELLY, Asst. Sec. and Treas.

A. K. BOUGHNER & CO.
INSURANCE AGENCY
Fire — Automobile
NEWARK AND VICINITY
Brokerage Business Solicited
38 Clinton Street, Newark — 95 William Street, New York

BRITISH AMERICA ASSURANCE CO.
Incorporated 1833
(FIRE AND INLAND MARINE)
Head Office, Toronto, Canada
United States Branch
January 1, 1917

Assets	$1,936,279.77
Surplus in United States	823,964.59
Total losses paid in United States from 1874 to 1916, inclusive	24,669,753.43

W. R. BROCK, President
W. B. MEIKLE, Vice-Pres. & Gen. Mgr.

207th Year
SUN
INSURANCE OFFICE OF LONDON
FOUNDED 1710
UNITED STATES BRANCH:
54 Pine Street - New York
WESTERN DEPARTMENT:
76 WEST MONROE ST., CHICAGO.
PACIFIC DEPARTMENT:
N. W. Cor. Sansome & Sacramento Sts.
San Francisco, Cal.

Gold Medal Agents of The Home Insurance Company

Six Local Representatives Had Been With Company for Half A Century or More—J. F. Alden and W. H. Miller Tell How They Became Agents

The recent death in Defiance, O., of John F. Deatrick leaves six agents in the United States who are Gold Medal Men of the Home Insurance Company, i. e., have represented that Company half a century or more. As was printed in The Eastern Underwriter last week, Mr. Deatrick was appointed in December, 1859, although his commission did not arrive from the home office until the early part of 1860. The other gold medal men, with the dates of their appointment, follow:

S. J. Jones, Rushville, N. Y., December 10, 1860; William H. Miller, Racine, Wis., May 3, 1860; Charles G. Storms, Dobbs Ferry, N. Y., June 27, 1862; E. A. Gammon, Mechanic Falls, Me., January 7, 1864; Jared F. Alden, Middleboro, Mass., May, 1864; DeLancey Stow, Clyde, N. Y., June, 1864.

How J. F. Alden Became Identified With Home

Jared F. Alden, agent of the Home at Middleboro, Mass., gave The Eastern Underwriter this week the following statement regarding his connection with the Home:

"In 1858 I began to act as agent for the Holyoke and Quincy Mutual Companies of Massachusetts. Previous to this I had solicited for a Mr. Richardson, of Boston, who hired me by the month. I also had collected assessments for the Farmers' Mutual, of Georgetown, of which company my father was one of the directors. These things gave me a pretty good acquaintance with the people in the surrounding towns, so that I concluded to take some companies and follow in the footsteps of my father.

"No stock company was represented in Middleboro at that time, but it occurred to me that to have some stock companies would be the right thing. Accordingly, I applied for the agency of the Home. Just why this was my choice I do not know; probably, the name attracted me. But of this much



WILLIAM HENRY MILLER

I am sure, I have never regretted my action.

Assisted By E. G. Snow

"The president of the Home, E. G. Snow, was then special agent, stationed in Boston. Mr. Snow assisted me in every way. It was to him that I looked for instruction and advice, and it was always readily given. At that time there were but two agents in this vicinity. Now there are over twenty, while surrounding towns have one or more.

"In addition to the gold medal given me there was a beautiful letter. In my reply I made boast of two things: first, that I had never allowed myself to write a risk when I had the slightest doubt as to the moral part of the hazard. Perhaps in consequence of this there has never been a loss but what has been settled satisfactorily to both the Company and the assured. Second, I boasted that I had never lost a farm risk. It certainly was not because I let them alone, for that was quite a business in the early part of this agency. In fact, I have some of them on my books now.

"Great changes have taken place in this locality in fifty years. Perhaps the greatest may be our high pressure hydrants, with our efficient fire department and police patrol day and night. Before we depended upon wells and buckets for we did not even have a hand tub.

"During these years this district has sent me two times to the Legislature. I have also served this town as selectman and assessor.

"There are several parties who have offered to buy me out as it is well known that I represent the very best companies, but I fully intend to stand pat and do the best I can to the end. However, I hardly expect to be here to receive the Home Insurance Company's Diamond Medal."

W. H. Miller's Early Days

William Henry Miller, of Racine, Wis., told The Eastern Underwriter that he was very proud of his gold medal from the Home.

"My connection with that Company commenced almost with the emigration of the Company to the West," he said. "My uncle, H. S. Durand, who was appointed the first agent for the Company in this section, was for many years and up to the time of his death the general adjuster for the Western States.

"A few years after his appointment he formed a partnership with my father, Moses Miller, and the business has been conducted by our family at this agency ever since. A very good volume of premiums has been yearly paid to the Company from this agency, the business having been quite profitable, and it is with pleasure that I state that there is still a large share of it in the hands of the Company.

WANTED TO PURCHASE

Life, Accident and Health and Automobile Renewal Account of Broker retiring from business.

Address "BROKER,"
Care of The Eastern Underwriter
105 William Street, New York City

"It gives me great joy to review the past and to recall to my mind the different men who have been at the head of the Company, as my relations have been exceedingly pleasant with each and all of them, having been accorded a most kind and courteous treatment



J. F. ALDEN

through all these years and changes. This little sketch would be incomplete if I did not express my very kind feeling for the present management of the Company. No company could be more considerate or generous in every way than the Home has been and is now to me."

In its May 25 issue The Eastern Underwriter will print the picture and story of DeLancey Stow, of Clyde, N. Y., who has one of the oldest agencies in America.

GOES TO PA. DEPARTMENT

New Agreement of Philadelphia Association, Limiting Agencies, Must Have State's Approval

The new constitution and agreement of the Philadelphia Fire Underwriters' Association, adopted last week by a two-thirds vote after months of discussion, and limiting companies to three agents, including underwriters, has been referred to the Pennsylvania Insurance Department for approval.

The chairman has ruled that the adoption of the new agreement does not affect the rights of existing members. Three members are the New York Underwriters' Agency, Philadelphia Underwriters and Pittsburgh Underwriters.

N. F. P. A. SEES FIRE

Residents of Washington, D. C., staged a fire for the benefit of the members of the National Fire Protective Association in annual convention in that city last week. The convention was held at the Hotel Willard and, in the midst of one of the sessions, a fire broke out in the paper box factory across the street from the hotel, which resulted in a total loss.

LYONS WITH SIMMONDS

Joseph J. Lyons has resigned as special agent of the Pennsylvania for Suburban New York and New Jersey, to go with John G. Simmonds & Co., Inc., in the same field.

AGENT'S SONS IN WAR

Cleon and William Krouse With American Ambulance Corps "Somewhere in France"

"Somewhere in France"—driving an ambulance, is William Krouse, son of Clarence A. Krouse, a well-known Philadelphia insurance broker. William has joined his brother, Sergeant Cleon, who has been with the American ambulance corps for some time. In a letter received by the boys' father a few days ago, Cleon reveals the true state of affairs "out there"—where men have been turned into brutes—where civilization seems to have relegated to the scrapheap of memory. In his letter Cleon Krouse says, among other things:

"Yesterday I had a run back of the lines a few miles where they allow civilians to come and they only came back to find their homes totally destroyed. Really, dad, you cannot imagine how they did things, and I know if it were American people they would be lost and not know what to do. In other words, the American people could not stand a war like this, for they would never endure the hardships which these people go through, but they get right to work and build new houses and the rest live in ones which are simply shot to pieces. They do not live—they simply exist. Well, as I was saying, I found so many mothers and fathers with small children running around them, many without even bread in the house and other children running around without enough clothes to cover them, not alone keep them warm.

"I had 120 francs in my pocket—about $24.00—and it just made me feel so sad and unhappy to see them that I made up my mind I would have to help them. I bought bread and gave it to the children and, to the mothers—about twenty in all—I gave money. Well, when I reached our barn I had 11 francs in my pocket, but really I felt so good I will never regret it. Although I could have used it on many other things but, dad, I know you will approve of it and it has meant so much to me. Now every little kid I see I either give a franc or two or else bread and jam, which I carry around with me all the time in my sack, besides other food.

"All the time I have been writing this the big guns have been roaring away for dear life and I know we are going to be going for some time."

JAMES H. EPWORTH
NEW JERSEY FIRE INSURANCE SPECIALIST
NEWARK AND SUBURBAN NEW JERSEY TERRITORY

40 CLINTON STREET
NEWARK
Phone Market 6536

SERVICE FIRST

80 MAIDEN LANE
NEW YORK
Phone John 4560

MADE LOSS SUPERINTENDENT

Marshall A. Woodman Succeeds Late A. R. Hosford—Has Been With Company 27 Years

Marshall A. Woodman, who the been with the Royal for twenty-seven years, has been appointed superintendent of the loss department of the Royal, succeeding the late A. R. Hosford. With the exception of a few months Mr. Woodman's entire insurance experience has been with the Royal, which he has served in many departments, always with ability.

Mr. Woodman's first position with the Royal was as an office boy when the Company was at 50 Wall Street. He had attended grammar and high school in Brooklyn. For seven years he was head of the Company's railroad department. Among other positions he held with the Company were those of suburban underwriter, manager of the agency department and special agent of the suburban department.

WITH N. J. DEPARTMENT

New Jersey State Commissioner of Banking and Insurance La Monte, has appointed Winfred W. Green, formerly of the New York and Colorado State Insurance Department, Special Assistant Deputy Commissioner of Banking and Insurance.

Fire Insurance Arguments on War Tax

(Continued from page 1.)

4 cent.; a 16 per cent. tax on profits over 8 per cent., if any; an additional charge of 50 per cent. on the postal charges which we pay, which amount, roughly speaking, to one-half of one per cent. of our income and in addition the possible infliction of a retroactive income tax of thiry-three and a third per cent. on the amount due on the income of 1916.

War Has Already Made Companies Suffer

"There is another reason why I think our business should not be selected out for specific and special taxation, namely, that we are one of the industries who have suffered heavily by the war. I could furnish you with a detailed list of probably one hundred fires, involving large amounts, for which fire insurance companies have had to pay, which fires were the direct result of the condition of war existing. I will mention two or three:

"The Black Tom Island disaster in New York, where eleven million dollars worth of property was destroyed, and the insurance companies paid about four million dollars.

"The disaster at Kingsland, where ten million dollars of property was destroyed, and the fire insurance companies paid in the neighborhood of three million dollars.

"The destruction by fire of Hopewell, Va., where the insurance loss was not less than $500,000.

"The fires in Copper Hill and Kinsford, Tennessee where the insurance loss was not less than a million dollars.

Small Margin of Profit

"I could name over one hundred of such cases of varying amounts, and the sum total is an enormous one."

In addition to that we are suffering losses, I think I may say without exaggeration, every day of the week which are indirectly due to the war, and while time will not allow me to go into detail I will say, and can explain to anyone who desires to inquire later, that we have even paid for two schoolhouses destroyed as a perfectly palpable, indirect result of the existence of war. We are getting these losses because the factories are being run overtime, because the proprietors in their desire to complete their rush orders do not take time to shut down for repairs, for re-alignment of shafting, for proper cleanliness and the removal of inflammable rubbish which always accumulates in a factory when it is being crowded, and for many other incidental causes connected with high pressure use of our industries.

We are then a very heavily taxed industry. We are losing very steadily by the war. So far as the taxes which I have instanced are concerned, and which I believe are to be inflicted generally upon all corporations, we have no objection to offer. We do not feel there is anything in our business which entitled us to any privilege of any kind.

The business of fire insurance has always been conducted on a small margin of profit. In the past ten years, which have been characterized by no great conflagration, the margin of profit, pure underwriting profit—that is to say, the fraction remaining on premiums after the establishment of reserves, payment of losses and expenses—has been not to exceed two per cent.

There is one other reason which I may perhaps be pardoned for mentioning here but which seems to us to be operative, i. e., that even before the war began the fire insurance companies of the country, through the National Board of Fire Underwriters, organized themselves for Government service and are doing a variety and volume of work for the different departments of this Government, the secret service arm, the War Department, the Council for National Defense and various bureaus of that Council, the National Board of Munitions, the Food Supply, and different matters of that sort, and if I took the time to go into it I think it would very much astonish all of you."

A. G. Thacher's Brief

Foreign fire and marine insurance companies doing business in the United States last week protested to the finance committee of the Senate against the injustice of the clauses referring to them in the "excess profits tax law" recently brought before Congress. Archibald G. Thacher, of the law firm of Barry, Wainwright, Thacher & Symmers of this city, in his brief, argued:

Memorandum asking for a correction in the Excess Profits Tax Law, in behalf of foreign fire and marine insurance companies, doing business in the United States.

As the Committee appreciated at the hearing on Friday, May 11, 1917, the foreign fire and marine Insurance companies did not appear in order to object to this Bill to amend the Excess Profits Tax Law, approved March 3, 1917, but for the sole purpose of pointing out an inequality in the law, which inadvertently discriminates against them as compared with other foreign corporations doing business in the United States and asking that the act be so amended that the excess profits tax will be justly measured upon them.

The insurance companies do not protest against the tax as such nor do they object to the proposed increase from 8% to 16%.

They appreciate that a duty rests upon them to bear their share of the financial burden of the war, but it should be remembered that in the case of foreign companies their war burdens are already very large.

The position of the companies is not complicated by any question of holding corporations or stock dividends.

These corporations believe that it is the purpose of this Act to levy a tax upon profits derived from business transacted and capital used and employed in their business in the United States; they conceive that it is not the intent of the Act to subject to the excess profits tax, income not received from business transacted here and not derived from capital used or employed here. The language of the Act, however, as pointed out later does not carry out this purpose.

Unlike most other foreign corporations doing business in the United States, foreign insurance companies receive income not only from business transacted and capital used or employed in that business here, but also from other United States sources, to wit: from the interest and dividends from bonds and stocks of American corporations that the foreign insurance companies hold as investments at their home offices abroad and which they do not use or employ in their business in the United States.

Such securities are owned and held by the home offices of the foreign fire and marine insurance companies merely as investments, just as they own French war loan bonds or invest in the industrial enterprises of South American countries. These investments have nothing to do with the business transacted in the United States and are not capital "used or employed in the business in the United States." Inasmuch, however, as the income accrues to the foreign owners of such American securities, these interest or dividend payments come within the literal description of the words of Sec. 201 as income "received from all sources within the United States." Upon such income the foreign owners pay an income tax to the United States, as do all other foreign corporations similarly situated, and we do not complain of this. But, unlike the foreign insurance companies, other classes of foreign corporations, doing business in the United States, hold few, if any, investments in American securities that are not used or employed in the business transacted in this country.

The incquality of the method imposed by the Act, in computing the excess profits tax, is manifest when it is appreciated that in ascertaining the amount of the excess profits—on the business transacted in this country—the income derived from capital not used or employed in the business in the United States is subjected to the excess profit tax as though it were so used or employed.

The insurance laws of all the States sharply define the "capital" of foreign insurance companies doing business in the United States, as including only the securities which these companies have deposited with State insurance departments or other assets or securities which they have placed in the hands of United States trustees, for the protection of American policyholders, and certain other funds in the custody of the managers of the American branches.

They do not recognize as part of the United States capital of a foreign insurance company, such American securities as that company may own and hold abroad. Therefore it would be no solution of the present inequality to suggest that such foreign held American securities should be included by the Act as part of the capital of the company "used or employed in the business in the United States," for two reasons: first, because such a statement would not be true, and, secondly, because the States very properly refuse to recognize such foreign owned and held securities as part of the "United States capital" of a foreign insurance company.

The particular portions of the Act which create the inequality referred to and impose an excessive burden upon foreign insurance companies, thereby differentiating between them and other foreign corporations, are contained in Sections 201 and 203 of the Excess Profits Tax Law.

Sec. 201 of the Act provides that

Every foreign corporation and partnership * * * shall pay * * * a like tax upon the amount by which its net income received from all sources within the United States exceeds the sum of (a) eight per centum of the actual capital invested and used or employed in the business in the United States, etc.

From the foregoing it is evident that the amount of the excess will be erroneously arrived at by applying the net income of the foreign corporation "received from all sources within the United States," to the actual capital "used or employed" in its business in the United States—regardless of the fact that a part of the income is not derived from such source.

The same principle is emphasized and established by the provisions of Sec. 203 of the Excess Profits Tax Act,

That the tax herein imposed upon corporations and partnerships shall be computed upon the basis of the net income shown by their income tax returns * * * and shall be assessed and collected at the same time and in the same manner as the income tax. * * *

It is believed that the Committee appreciates the injustice of including as income under the Excess Profits Tax Act, income not derived from business transacted or from capital "used or employed" in the business in the United States, and it is respectfully urged that in amending the present law, by the bill now pending, the Committee should make it abundantly clear that income not received from business transacted nor from capital used or employed in the United States business of these foreign insurance companies shall not be deemed income for the purpose of computing the excess profits taxable under this Act.

To cure the irregularity existing under the present wording of the Excess Profits Tax Law the foreign insurance companies suggest that the following language be inserted at the end of Sec. 203 of that Act, as appropriate to accomplish an equitable result:

Provided further that in the case of foreign insurance companies, partnerships and other foreign corporations there shall not be included for the pur-

(Continued on page 19.)

"The Leading FIRE INSURANCE Company of America"

ÆTNA INSURANCE CO. HARTFORD, CONN.

WM. B. CLARK, President

Explosion and Sprinkler Leakage Insurance

THE HANOVER
FIRE INSURANCE COMPANY
Incorporated 1852

The real strength of an insurance company is in the conservatism of its management, and the management of THE HANOVER is an absolute assurance of the security of its policy.

R. EMORY WARFIELD, President
FRED. A. HUBBARD, Vice-President
E. S. JARVIS, Secretary
WILLIAM MORRISON, Asst. Sec'y

HOME OFFICE
Hanover Bldg., 34 Pine St.
NEW YORK

HOWIE & CAIN, General Agents
Metropolitan District
100 WILLIAM STREET, NEW YORK

GERMANIA
FIRE INSURANCE COMPANY
NEW YORK.

ORGANIZED 1859

STATEMENT, JANUARY 1, 1917

Cash Capital	$1,000,000.00
Assets	8,553,704.22
Liabilities	4,222,485.60
Net Surplus	3,331,218.62
Surplus for Policy Holders	4,331,218.62

HEAD OFFICE
Cor. William and Cedar Streets

Iowa National Fire Insurance Co.
DES MOINES, IOWA Capital Stock $500,000
The latest addition to Reliable Fire Insurance organizations began Writing Business on January 1, 1917
JOHN L. BLEAKLY, President
F. L. MINER, Vice-President
C. S. VANCE, Underwriting Manager
FRANK P. FLYNN, Treasurer
C. M. SPENCER, Secretary

F. H. HAWLEY, Pres. ORGANIZED 1848 W. E. HAINES, Secy.



Old Farmers Insurance Co.
LEROY, OHIO.

Ohio's Oldest and Strongest Company
Net Surplus Over $1,293,741.00
AN AGENTS COMPANY
E. K. SCHULTZ & CO.
PHILADELPHIA
GENERAL AGENT
Pennsylvania, New Jersey and New York

CASUALTY AND SURETY NEWS

Non-Policy Writer Cannot Bind Company

GEORGIA SUPREME COURT DECIDES FOR AETNA LIFE

Holds That Persons Not Directly Representing Company Cannot Make Contracts

The Supreme Court of Georgia decided last week in the case of Lassetter vs. Aetna Life Insurance Company that a non-policy writing agent or a broker does not have power to bind a risk under a personal accident policy.

S. J. Boykin & Sons, of Carrollton, Georgia, solicited applications for accident insurance and submitted same to Rhett & O'Beirne, of Atlanta, general agents of the Aetna Life, for acceptance or rejection. There was no contract between the two firms. The Boykin firm was not a licensed agent of the Aetna Life, but merely acted in the capacity of broker.

In his complaint the plaintiff alleged that he was invited by the Company to take out a policy of $5,000 and he made his application in the forenoon of October 27, 1913, giving to the Company such facts as were demanded. The application was forwarded by the Boykin firm to Rhett & O'Beirne, of Atlanta, who in return submitted it to the home office of the Company in Hartford for the reason that the Company instructed its agents not to issue to a planter any accident policy for more than $5,000, and the plaintiff at the time he made the application was a planter and already had another policy of equal amount in the Company written, however, in a different classification of occupation.

Investigation on the part of the Company followed and in the meantime the accident for which indemnity was asked occurred and the policy was never issued. Mr. Lassetter alleged in his complaint that whereas he made application for the insurance on October 27, 1913, the Company gave him no report from the date of the reception of his application until after his injury, which latter occurred on November 8, 1913, thereby depriving him of the right and privilege of getting insurance in another company. He urged that this delay was an unreasonable time to hold his application without action and that it was negligence on the part of the Company in not issuing or turning down the application within a reasonable time, and that a reasonable time would be within five days from the date of the application. He claimed that Boykin & Sons were agents of the defendant Company and that that firm accepted the application and their acceptance constituted a valid contract of insurance.

The Aetna did not dispute that plaintiff made the application, but showed that the application had never been accepted by the Company nor by any agent of the Company authorized to accept applications and that no policy had been issued by the Company. From the date of the application to the date of the accident only eleven days had passed. Such delay could not be held to be an unreasonable delay nor inaction on the part of the Company in passing upon the application. It was urged that even if it were held that the Company was dilatory and inactive in passing upon the application such delay and inaction would not amount to an acceptance of the application.

The judge charged the jury at the trial, among other things, that the application and its acceptance by an authorized agent of the Company, if one was made would constitute a contract of insurance. It was proved that Boykin & Sons had no blank policies and never issued policies and plaintiff knew this when he signed the application. By mistake Shirley Boykin, of the firm of Boykin & Sons, endorsed upon the bottom of the application that the policy had been issued but it was shown that this was an erroneous statement as that firm had no authority to make such statement, or to issue policies. The case was tried in the Superior Court of Carroll County, Georgia, in October, 1915, and the jury returned a verdict for the defendant Company. Appeal was perfected to the Supreme Court and the judgment of that court affirming the lower court in favor of the Company was rendered. Sidney Holderness, of Carrollton, Ga., was attorney for the plaintiff, and Bryan, Jordan & Middlebrooks represented the Company.

KELLER WITH MASS. B. & I.

Former Fidelity & Surety Special Agent of Aetna Accident & Liability Makes Change

The Massachusetts Bonding & Insurance Co. has appointed E. A. Keller supervising special agent of the Company. Mr. Keller has been special agent of the fidelity and surety department of the Aetna Accident and Liability for the past four years. During that time he has covered for the Aetna all territory east of the Mississippi. In his new connection Mr. Keller will be attached to the home office of the Massachusetts Bonding. He assumed his new duties on Tuesday.

INSURANCE ALMANAC

The 1917 Insurance Almanac and Encyclopedia,, issued by the Weekly Underwriter has made its welcome appearance, better than ever and full to overflowing with useful information. Aside from the great mass of insurance information which is contained in its 444 pages, the book furnishes highly valuable data concerning insurance laws, changes in laws during the year past, statistical data and facts concerning compensation and liability laws, fee and tax laws; and miscellany invaluable to the insurance man. The Insurance Almanac is unquestionably one of the most useful compendiums in its line.

NATIONAL SURETY SUBSCRIBES

The National Surety Company of New York, will subscribe for $1,000,000 toward the Liberty Loan bonds of the United States. Additional subscriptions for $350,000 have also been received from officers, agents and employes of the Company. It is fully expected that the total amount will reach $2,000,000 when all reports are in.

Accident
Health Automobile
Plate Glass
Burglary Liability

Fidelity
Contract Judicial
Public Official
Depository Bonds

FIDELITY & DEPOSIT CO.
OF MARYLAND
BALTIMORE

Officers of American Re-Insurance Company

$300,000 OF $500,000 CAPITAL FULLY PAID IN

C. H. Miller, of Huntingdon, Pa., President—Carl M. Hansen, Formerly of Bureau, Secretary

The details in connection with the American Re-insurance Company of Pennsylvania are, that the Company has been incorporated and approved by the Pennsylvania Insurance Department authorizing $500,000 capital, of which $300,000 has been fully paid:

The officers of the Company are: C. H. Miller, Huntingdon, Pa., president and treasurer; Harry Boulton, Clearfield, Pa., vice-president; J. P. Bird, New York City, vice-president; Carl M. Hansen, Huntingdon, Pa., secretary.

Mr. Hansen was formerly with the Workmen's Compensation Service Bureau.

Directors

The directors follow: Harry Boulton, Clearfield, Pa., attorney-at-law and capitalist; John C. Forsyth, Clearfield, Pa., attorney-at-law and secretary of the Central Pennsylvania Coal Mine Operators' Association; C. B. Maxwell, Philipsburg, Pa., mining engineer and director of the Moshannon National Bank of Philipsburg, Pa.; John Langdon, Huntingdon, Pa., capitalist and director, Union National Bank of Huntingdon, Pa.; C. H. Miller, Huntingdon, Pa., president of the Pennsylvania Bituminous Mutual Association; president Pennsylvania Mutual Liability Association; president National Mutual Hardware Fire Insurance Company; president Hardware Mutual Fire Association of Pennsylvania; W. B. Swope, Madera, Pa., president Madera National Bank; W. P. Lewis, Huntingdon, Pa., secretary National Mutual Hardware Fire Insurance Company; secretary Hardware Mutual Fire Association of Pennsylvania; secretary Pennsylvania Mutual Liability Association; secretary Pennsylvania & Atlantic Seaboard Hardware Association.

W. W. E. Shannon, Saxton, Pa., vice-president Moshannon Coal & Coke Company, Boston; director First National Bank of Saxton, Pa.; E. M. C. Africa, Huntingdon, Pa., president J. C. Blair Company, Huntingdon, Pa., director First National Bank of Huntingdon; director Keystone Mutual Fire Insurance Company of Philadelphia; J. P. Bird, New York City, New York general manager National Association of Manufacturers, 30 Church street, New York City, N. Y.; president New Jersey Manufacturers' Association; president New Jersey Manufacturers' Casualty Insurance Company of Trenton, N. J.; O. H. Irwin, Huntingdon, Pa., cashier First National Bank of Huntingdon, Pa., the largest banking institution in Central Pennsylvania; Samuel McKnight, Pittsburgh, Pa., president National Ben Franklin Fire Insurance Company of Pittsburgh, Pa., director of the Pennsylvania Mutual Liability Association; director National Mutual Hardware Fire Insurance Company; director Monongahela Trust Company, Pittsburgh, Pa.

What Company Will Write

The classes of business the Company will write are workmen's compensation, employers' liability, public liability, automobile liability and accident lines.

"It is our intention to offer our facilities to stock companies, mutual companies, reciprocal exchanges and interexchanges," said William R. Mearns, manager of the re insurance department of Ream, Ives & Wrightson.

Ream, Ives & Wrightson are the underwriting managers of the American Re-Insurance Company.

IDENTIFICATION CARDS

Commercial Casualty Company Gives Illustration of Their Value to Public

In discussing the value of identification cards the Commercial Casualty Company says:

"Only a few days ago another instance developed showing the value of the identification card issued by the Commercial with every accident and health policy and the importance of always carrying it with you.

"An apparently unknown man was found dead in Providence. It was evident that he had committed suicide. A hasty examination of the clothing revealed no mark, sign or paper by which the man could be identified.

"Later, when the coroner made a more complete investigation he found a Commercial identification card, which the victim carried in an inside vest pocket. This card bore the man's name and address and policy number, and word was at once sent to the Commercial home office.

"In a few moments the dead man's relatives, who lived in Philadelphia, were notified and preparations were at once completed for the transfer of the body. This is only another indication of Commercial service."

AN EXCLUSION

Both houses of the New York Legislature passed the bill of Assemblyman Coffey, amending section 96, by providing that intermediate policies of insurance, issued by industrial insurance corporations, and policies which, by reason of residence, occupation, personal or family history, or impaired health, call for payment of higher premiums than those charged for standard risks, shall not be included in determining the amount of new business of a life insurance company.

General Accident
FIRE AND LIFE
ASSURANCE CORPORATION, Ltd.
SERVICE THAT EXCELS
FREDERICK RICHARDSON, United States Manager
GENERAL BUILDING · 4TH & WALNUT STS.
PHILADELPHIA

War Bonds Maturing Show Good Experience

LARGE WRITING COMPANIES MADE PROFIT

Fidelity & Casualty Reviews Statistics of All Companies and Explains Reasons for Worst Losses

The experience of all companies in the writing of war bonds guaranteeing the manufacture and delivery of munitions is reviewed by the Fidelity & Casualty in its Monthly Bulletin. The company states that new business of this description is practically nil and that the experience on the earlier bonds has practically matured. Further details of the experience of the various companies were given as follows:

All Companies Made Profit

"In general, it may be said that the record is highly favorable, and all the companies that went into the war-bond business extensively have made gratifying profits. This happy result has been due, we think, partly to the conservative practices wisely adopted by the companies in the underwriting of these somewhat novel risks, and more especially to the fact that the obligees of the bonds were forced by the prolongation of the war and by other developments to be extremely lenient with the contractors.

Severe Underwriting Standards

"In the matter of cautious underwriting, all the companies at once decided that it would not do to issue war bonds upon the basis of ordinary contract bonds. While it does not often happen that a surety company is able to obtain cash collateral for its protection in connection with the issuance of ordinary contract bonds, we found it practicable to do that in a number of war-bond cases; and we know from our reinsurance experience that other companies sometimes took the same position, and were similarly successful in carrying their point. In many cases, too, where it was deemed impracticable or unnecessary to obtain cash collateral, the surety companies were able to effect joint or even exclusive control of the money advanced for the obligee for use in the execution of the given contract. So careful have been the underwriters that in numerous cases contractors of excellent general standing in their line and possessed of fair financial resources and equipment have been unable to obtain suretyship and have been obliged to abandon the attempt to secure war orders.

Companies Were Conservative

"This conservatism of the companies has been justified by the event, notwithstanding the profitable outcome of the business; and we are satisfied that the statistics might have pointed a very different moral if the war had ended in a year or so, as many people expected it would, and if the Allies, as would have been true in that event, had not been in so desperate need of supplies as to overlook delayed deliveries and other defaults that would ordinarily mean serious trouble and heavy loss to the surety. We have had a hand, either by direct issuance of the bond or by reason of reinsurance participation in the risk, in most of the more important war-bonds that have been put out; and as a result of this experience we believe it to be true, as regards most kinds of munitions, that hardly a single long-time and large-quantity contract made in this country was completed in accordance with its original terms. Time and time again not a single shell nor a single rifle was ready by the date when the first quantity shipment should have been made.

Experience on Defaults

"In almost all lines—we are speaking throughout here of contracts for munitions, contracts for staple supplies (shoes, textiles, horses, etc.), having been fulfilled, for the most part, with commendable dispatch—we fell down lamentably, but our record in rifle contracts ought to convert the craziest pacifist (and the least of them is crazy enough for all ordinary purposes) into an ardent champion of preparedness. In the case of every important rifle contract, we think, the default of the contractor was complete, and no acceptable rifles were ready for delivery for months after the contract date, and then only in quantities far below the contract requirements. The reason is not far to seek now that we have been through it all. The complexity of the manufacturing process—there are said to be fourteen hundred distinct factory operations in the production of a rifle—and the necessity for educating an army of mechanics explain the fiasco. As one manufacturer put it, 'Day laborers had to be made into jewelers before we could assemble an efficient force for quantity production.'

One Close Shave

"Even under the fortunate (for the surety companies) conditions described there have been some losses on war-bonds, though none in large amounts so far as we know. There would, however, have been one very large loss, in all probability, except for the lucky circumstance that a prominent surety executive who was chiefly instrumental in the issuance of the given bond was also high in the counsels of the company that was the principal upon the bond. By reason of this gentleman's complete understanding of every aspect of the case and of his influential and important affiliations in high banking circles, the contracting concern was rehabilitated financially and made strong enough to shoulder itself the heavy loss that now seems probable (the whole controversy being still in litigation). The surety companies that participated in this risk may well feel grateful to the gentleman in question for his energetic and efficient action when the crisis came."

ARRANGE ANNUAL CONVENTION

A meeting of the executive committee of the International Association of Casualty and Surety Underwriters has been called for May 24 to be held in the office of the Royal Indemnity at which the plans for the coming annual convention of the Association will be formulated.

War Rules of Two More Companies

MARYLAND'S WAR CONDITIONS

Special Provision Claims for Injuries Where Soldier is Repelling Invasion

The Maryland Casualty has sent the following bulletin to agents and brokers in reference to military and naval service.

Until further notice, holders of accident and health policies in this Company who are members or who may become members of the National Guard, Naval Militia, or any volunteer military or naval organizations, will be covered in full while performing military service on land within the continental limits of the United States (excluding aviation service which is not covered), except that in the event of injuries sustained while engaged in repelling an invasion, their claims will be subject to pro rata adjustment at the classification for active military or naval service, accident insurance, the annual rate and the limits for which are $15 for $500 principal sum and $2.50 weekly indemnity.

This extension will not apply to members of the Naval Militia or other naval organizations after they shall have gone on board any naval boat or vessel of any sort. Upon engaging in active naval service or upon departure for military service in any of the territorial possessions of the United States, or in territory foreign thereto, accident and/or health insurance will immediately cease, and the insured will be entitled to the return of the unearned premium figured pro rata.

Except under conditions and to the extent set forth herein the above advice does not waive or modify any provision in the policy contract, or in rider attached thereto or endorsement stamped thereon.

Agents should not solicit new business of men already members of or who intend to apply for membership in military or naval organizations or who contemplate enlisting for active military or naval service.

It should be understood that this ruling is only temporary and that circumstances may at any time require modifications.

RICHARD H. THOMPSON,
Fourth Vice-President.

STANDARD'S WAR RULES

Detroit Accident Company Announces Regulations Concerning Risks on Soldiers and Sailors

The Standard Accident Insurance Company, of Detroit, has just issued its "war service rulings." In its memorandum the Company states that "the terms, conditions and provisions of any policy or policies issued on or after April 6, 1917 will govern in each case of claim." The Company further states that it wishes to avoid the acceptance of any new risk where such risk is now a member of any branch of the army or navy. In addition, any man employed in any branch of aviation as applied to war service, will have his policy cancelled, or, if such policy is continued all claims thereunder will be denied. Health insurance too comes under the ban. No risk contemplating travelling abroad will be acceptable. Soldiers or sailors will lose any claim they may have under existing policies the moment they leave the United States soil.

Home guards (except aviation service) while within United States territorial possessions will be covered in full if their policies are dated prior to April 6, with the following exceptions:

In the event of injury sustained while engaged in repelling an invasion or while engaged in hostilities of any character, will be subject to the pro rating clause in the policy as applied to the classification provided in the Manual of the Company. The Manual provides in such case that the limit for death shall be $500 and for weekly indemnity $5.

For the purpose of determining when military or naval service begins, the Company will consider that persons are engaged in military or naval service from the time they have taken the oath until such time as they may be discharged from the service by proper authority. In the event that any insurance by reason of this ruling or by reason of policy conditions shall become void, the insured will be entitled to a return of the unearned premium, figured pro rata, paid therefor.

TO DISCUSS WAR MEASURES

The Accident and Health Underwriters' Conference will meet on May 24 at the Hotel Astor to determine upon uniform action by the companies covering the war situation.

SEEKS AUTO BUSINESS

Fidelity & Casualty Company Aims at $2,000,000 Mark for This Year

The monthly "Bulletin" of the Fidelity & Casualty announces a campaign aiming at the $2,000,000 mark in automobile insurance for 1917. In announcing this ambition, the paper says:

> We regard the automobile branch of our business as exceedingly important. We are striving hard to develop and increase our volume. We made a fairly satisfactory showing during 1916, but we are determined to make a better showing for the current year. In fact, we have set our hearts upon reaching the $2,000,000 figure. Of course every automobile owner should be insured. It is the work of our agency staff to convince every automobile owner that he should carry a policy with the F. & C., that he should carry insurance protecting him against liability for personal injury claims, against claims for damage to the property of others, and indemnifying him against damage to his own car.

BUSINESS=BUILDERS

DEVELOPING

Fidelity and Surety Bonds, Liability Workmen's Compensation, Automobile, Accident, Health, Burglary and Plate Glass INSURANCE

APPRECIATE THE CO-OPERATION OF THE

Massachusetts Bonding and Insurance Company

BOSTON — T. J. FALVEY, President

Paid-In Capital $1,500,000 — Write For Territory

The Fidelity and Casualty Company of New York

92 LIBERTY STREET, NEW YORK, N. Y.

Metropolitan Office—92 William Street

Annual Statement, December 31, 1916

Assets	$13,788,795.23
Liabilities	9,708,052.97
Capital	1,000,000.00
Surplus over all liabilities	3,080,742.26
Losses paid to December 31, 1916	56,090,684.58

This Company issues contracts as follows: Fidelity Bonds; Surety Bonds; Accident, Health, and Disability Insurance; Burglary, Larceny, and Theft Insurance; Plate Glass Insurance, Liability Insurance—Employers, Public, Teams (Personal Injury and Property Damage), Automobile (Personal Injury, Property Damage and Collision), Physicians, Druggists, Owners and Landlords, Elevator, Workmen's Compensation—Steam Boiler Insurance; Fly-Wheel Insurance.

CASUALTY AND SURETY POINTERS

A Clever Soliciting Document

Subjoined is a copy of a unique document actually used in the solicitation of an accident and health policy by one of the Fidelity & Casualty's most successful special agents in the Metropolitan district, Alvah E. Stern.

Mr. Stern, who is connected with Messrs. E. E. Clapp & Co., is a firm believer in the efficacy of new ideas and new methods as a means of gaining the interest of his prospects. In addition to his other activities, he finds time to publish each month an extremely readable little brochure, entitled "Stern Facts," in which are set out the merits of the contracts he has to offer, with innumerable reasons why they should appeal to the favorable consideration of his clients. That he is capable of doing so attractively and forcefully is attested by his "brief" in the case of Blank.

BRIEF
For the Consideration of
Hon. JOHN BLANK

ARGUMENT

On March 9, 1917, Alvah E. Stern, hereinafter called the party of the first part, called at the chambers of the Hon. John Blank, hereinafter called the party of the second part, to outline in detail a plan of Income Protection.

The party of the first part did not outline the plan in full, inasmuch as the party of the second part stopped him, giving the following objections, viz.:

(1) "That if insurance companies could declare dividends and pay agents' commissions he (said party of the second part) could afford to assume his own chance."

(2) That the only form of insurance carried by said party of the second part was fire and burglary insurance on his personal effects.

This brief is submitted by the party of the first part with the consent of the party of the second part and with the latter's promise that he will give it due consideration.

POINT I.

It is admitted by the party of the first part that well managed insurance companies do pay dividends to their stockholders and that agents of said companies do get commissions. However, the point raised that because of such conditions the party of the second part can assume his own risk is worthy of some reasoning.

A well-known weekly insurance publication, in its issue of April 27, 1916, gave the following facts, as gathered from various State insurance reports, viz.:

Fifty-three (53) casualty companies, representing all the companies of this class reporting to the New York Insurance Department, during the ten years from 1906 to 1915, earned an underwriting income of $664,555,179, on which the underwriting net profit was $97,087, or, on a percentage basis, one-tenth of one per cent.

During the same period the investment income was $26,510,058, on which dividends of $10,514,522 were paid.

The contract in which the party of the first part desired to interest the party of the second part requires an annual deposit of $150. According to the experience of fifty-three casualty companies as cited above, the net average underwriting profit experienced by them on such annual deposit is 15 cents.

Does the party of the second part think it consistent with good business to assume his own risk, with these facts staring him in the face?

The above facts prove that the dividends paid stockholders were not paid out of underwriting profit, but out of investment income.

If the party of the second part should become a client of the party of the first part, he can feel absolutely assured that no large dividend melon will be cut out of the annual deposit of $150.

The profit that a well managed casualty company enjoys, so to speak, is the banking profit, and the party of the second part will admit that for the risk assumed they are entitled to it; and he will also admit that for a banking profit, plus an underwriting profit of one-tenth of one per cent., said profit would not warrant the hazard of assuming and carrying his own risk.

POINT II

The party of the first part does not wish to go into this matter more in detail, or take up any further time of the party of the second part now.

He earnestly hopes, however, that he has opened up a channel of thought, and prays that the party of the second part will allow him an opportunity to try his case in detail.

He further prays that the party of the second part will place the case on his preferred personal calendar, when the party of the first part may answer in person and in detail the other objections raised by the party of the second part.

The party of the first part awaits with pleasure the notice of trial at the convenience of the party of the second part, with the hope that he may be allowed six minutes and thirty-one seconds when the party of the second part may be in a receptive mood.

Respectfully submitted,
ALVAH E. STERN,
Party of the First Part,
90 William St., New York City, N. Y.

To Hon. JOHN BLANK,
Party of the Second Part,
City Court of the City of New York,
Borough of Manhattan, N. Y. City.

WINS BURGLARY SUIT

Fur Dealer Gains Verdict in Washington Court After Dispute Over Time Agreement

Horwitz conducted a ladies' ready-to-wear fur store with a stock of about $9,000 and took out burglary insurance on it with the United States Fidelity & Guaranty Company. The policy, among other things, provided that no suit should be brought on the policy until three months after the particulars of the loss, as required, had been furnished the company. The loss occurred on January 9, 1915, and notice and proof of loss was immediately sent in and within forty-eight hours, the insured received a letter from the company, finding no fault with the form or extent of the proof submitted, but merely disclaiming liability and refusing payment absolutely.

After the insured had waited about sixty days, or on March 9, 1915, he filed suit against the company on the policy, in the lower courts of Washington, recovering judgment against the insurance company for the amount of the loss, $3,000.

The insurance company appealed to the Supreme Court of Washington, claiming that the policy provided insured must wait three months before filing suit and that he had waited only two months. On this point, the court ruled that the company not having found fault with the form or extent of the proof of loss, but absolutely refusing payment and disclaiming all liability, waived its right to three months' delay and insured had right to file suit immediately after notice of company's refusal and disclaimer of liability. The policy also provided that insured must keep such records as will easily enable accountants or adjusters to determine the actual loss and that the insured in this policy kept only his original inventory when he opened his store, pads showing purchases and his sales slips. The evidence showed all sales were cash and that inventory, purchase pads and sales slips were sufficient from which to determine the amount of the loss.

The proof, in other respects being sufficient and no errors of law in the lower court, the supreme court held the insured should recover the amount of his loss, $3,000. (164 Pacific Reporter 77.)

COMPENSATION LAW PASSED

The Wisconsin Assembly has passed the Everett bill providing for the regulation of workmen's compensation insurance rates and the classification on risks. It now goes to the senate for consideration. It is expected that the bill will pass without further opposition and will be in the hands of the governor before the end of the month. This bill creates a workmen's compensation board of three members, to be composed of one member of the industrial commission, one of the insurance commission, and the third person to be appointed by the governor, at a salary to be fixed by the insurance department.

W. E. SMALL, President PETER EPES, Agency Mgr. E. P. AMERINE, Secretary
GEORGIA CASUALTY COMPANY
HOME OFFICE: MACON, GEORGIA
"DIXIE AUTO POLICY"
THE LAST WORD IN MOTOR INSURANCE
Surplus and Reserves to Policyholders.....$1,526,022.81

The METROPOLITAN CASUALTY
INSURANCE CO. OF NEW YORK
HOME OFFICE, 47 CEDAR STREET
CHARTERED 1874
Plate Glass, Burglary, Accident and Health Insurance
EUGENE H. WINSLOW, President
Russell R. Cornell, Vice-Pres. S. Wm. Burton, Sec. Alonzo G. Brooks, Ass't Sec.
RELIABLE AND ENERGETIC AGENTS WANTED

THE SIGN OF GOOD CASUALTY INSURANCE
HEAD OFFICE
CHICAGO
F. W. LAWSON
General Manager
Liability, Accident, Burglary, Boiler and Credit Insurance
Established 1869.
F. J. WALTERS
Resident Manager
55 JOHN STREET
New York
Elmer A. Lord & Co.
145 Milk St., Boston
Resident Managers New England
London Guarantee & Accident Co., Ltd.
OF LONDON, ENGLAND

The Frankfort General Insurance Co.
UNITED STATES DEPARTMENT
123-133 William St., New York, N. Y.
TRUSTEES:
Union Trust Company, 80 Broadway, New York City
CASUALTY INSURANCE
AGENTS WANTED FOR UNOCCUPIED TERRITORY

AMERICAN SURETY COMPANY
OF
NEW YORK
100 BROADWAY
Fidelity and Surety Bonds

The Employers' Liability Assurance Corporation, Ltd.
The original and leading Liability Insurance Company in the World
LIABILITY, STEAM BOILER, ACCIDENT, HEALTH, FIDELITY AND BURGLARY INSURANCE
United States Branch
SAMUEL APPLETON, United States Mgr.
Employers' Liability Building
33 BROAD STREET, BOSTON, MASS.
AGENTS WANTED

Marine Companies' Brief on War Tax

(Continued from page 16)

pose of the Excess Profits Tax, income received from capital not used or employed in their business in the United States.

In order to avoid any inconsistency between the words of the above amendment and the existing provisions of another section, viz., Sec. 201 of the Excess Profits Tax Act, it is advisable to insert in the second paragraph of Sec. 201 after the words "net income received from all sources within the United States," the words:

except as herein otherwise provided.

The effect of the foregoing suggested amendments will be to carry out the undoubted intention of the framers of the Excess Profits Tax Act, namely, to measure and base the tax imposed upon foreign corporations having branches here, upon the profits of the business transacted and the capital used or employed in their business within the United States, and not to include as income in ascertaining such profits, income received from capital not used or employed in any manner in connection with the American business.

In order that in making this request of the legislative branch of the Government the foreign insurance companies may not be lacking in complete frankness toward the administrative and executive branches of the Government that will enforce and administer this Act, a copy of this memorandum, accompanied by an explanatory letter, is being sent to the Commissioner of Internal Revenue for his information.

Pan-American Life Insurance Company

NEW ORLEANS, U. S. A.

CRAWFORD H. ELLIS, President

Capital.....$1,000,000.00

OUR 1916 STATEMENT SHOWS

Insurance in force	(over)....	$42,400,000
Resources	(over)....	5,600,000
New Insurance paid for		10,000,000

The High Scores in the Life Insurance Profession are won by Trained Men. We will train you in the Profession and locate you in Productive Territory either North or South. Your Opportunity is Here.

Further information on request. Address:

E. G. SIMMONS, Vice-President and General Manager
Whitney Central Bank Building
NEW ORLEANS, U. S. A.

PURELY MUTUAL **THE** CHARTERED 1857

Northwestern Mutual Life Insurance Co.

MILWAUKEE, WISCONSIN

GEO. C. MARKHAM, President

Insurance in Force, $1,505,464,984

SATISFIED POLICYHOLDERS each year apply for over 35% of the new insurance issued.

POLICIES MOST FLEXIBLE AND EASY TO SELL

Complete Agency Protection:
Enforced Anti-Rebate and No-Brokerage Rules

Investigate before selecting your Company

Write GEO. E. COPELAND,
Supt. of Agencies,
Milwaukee, Wis.

INCORPORATED 1720

Royal Exchange Assurance

LONDON, ENGLAND

United States Branch
92 William Street, New York

RICHARD D. HARVEY
United States Manager

Authorized Capital $500,000

Detroit National Fire Insurance Co.

DETROIT, MICHIGAN

A Company to be built gradually and along the indicated lines of permanence

AGENCY CONNECTIONS SOLICITED

Rossia Insurance Company

HARTFORD, CONN.

REINSURANCE

THE TRAVELERS

INSURANCE COMPANY · INDEMNITY COMPANY

HARTFORD, CONNECTICUT

WRITE THE GREATEST VOLUME OF

GUARANTEED LOW COST LIFE INSURANCE

AND

CASUALTY INSURANCE

THE OPPORTUNITY TO SUPPLY THESE INSURANCE NEEDS GUARANTEES AGENTS THE BROADEST FIELD AND THE LARGEST INCOME.

In addition to the ordinary forms of life insurance

THE EQUITABLE

makes a specialty of the following:

Insurance to protect business firms and corporations, under a corporate form of policy.

Group Insurance, by which employers protect families of employes.

A flexible contract, known as the Convertible Policy, which can be converted by the Insured into an Ordinary Life, Limited Payment Life, or Endowment Policy.

A Bond issued without medical examination giving the investor an income for his declining years.

A new policy is offered under which the insurance is DOUBLED if death results from ACCIDENT. This policy also embodies the following advantages if the person whose life is insured becomes totally and permanently disabled:

1. Thereafter the Equitable will carry the insurance —The Insured will have nothing further to pay.
2. The Equitable will pay the Insured an annual income for life equal to one-tenth of the face of the policy.
3. Upon the death of the Insured the full amount of the insurance will be paid to the Beneficiary (or double the amount if death is due to accident) without deduction on account of the income paid to the Insured while living.

(See the policy for conditions and details.)

For Agency Openings Address

WILLIAM E. TAYLOR,
Superintendent of Agencies

THE EQUITABLE

LIFE ASSURANCE SOCIETY OF THE U. S.

120 BROADWAY, NEW YORK

Capacity For Local Agents

You can use our capacity as your own to take care of additional business beyond the capacity of admitted Companies.

Our capacity is as high as $150,000 on a single risk with immediate binders and 10% commission to brokers. Guaranteed Underwriters. Use our special Surplus Line Department. Special liberal policies for Baggage Insurance.

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Ford Bldg. DETROIT
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THESE OFFICES GIVE YOU THE BEST THERE IS IN INSURANCE SERVICE

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THE EASTERN UNDERWRITER

[Succeeding the Journal of Insurance Economics, Established in 1899]

A WEEKLY NEWSPAPER COVERING ALL BRANCHES OF INSURANCE

Eighteenth Year; No. 21 | NEW YORK CITY, FRIDAY, MAY 25, 1917 | $3.00 a Year; 15c. per Copy

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JUN 3 1917

MORTGAGEE AND PAYEE INTERESTS

A Chapter From New Book on Fire Insurance, Written By R. P. Barbour

STATUS OF ENCUMBERED REALTY

Courts Lean to Giving Mortgagee an Insurance Interest Superior to That of Owner

Robert P. Barbour, general agent of the North British & Mercantile, has written a book of 304 pages called "The Agents' Key to Fire Insurance." One of the most able of the younger underwriters, he has compiled a most useful volume, in which forms are included. The book, which will soon be published by the Spectator Company, of New York, contains among other informative chapters, the following on "Mortgagee and Payee Interests":

Insurable Interest

When reality is encumbered by mortgage the mortgagee has an insurable interest therein, and may insure it as such, but the customary method is to issue the insurance to the owner or mortgagor, making loss, if any, payable to the mortgagee and attaching a mortgagee clause. If the policy covers both real and personal property, the mortgagee clause should be made to apply to the realty only. A mortgage on realty does not give the mortgagee any ownership interest in the property, and therefore does not affect the "sole and unconditional ownership" referred to in the policy.

Mention Unnecessary

Unless required by the mortgagee it is not necessary to make any mention in the policy of a mortgage interest in realty, nor to make loss, if any, under the policy payable to the mortgagee, nor to attach the mortgagee clause. Sometimes two policies are taken out by the assured, one for the amount of the mortgage, payable to the mortgagee, and the other for the remainder of value of building, omitting any loss payable clause; but this is not as good practice as to make all policies payable to the mortgagee, as his mortgage interest may appear, thus protecting the owner, the mortgagee and the insurance company.

Mortgagee Clauses

In New York State there are two forms of standard mortgagee clauses,

(Continued on page 14.)

"The Largest Fire Insurance Company in America."

THE HOME INSURANCE COMPANY NEW YORK

ELBRIDGE G. SNOW, President

FULL WAR COVER
INCLUDING
BOMBARDMENT and EXPLOSION
Liberal Contracts Reasonable Rates
STRENGTH REPUTATION SERVICE

North British and Mercantile Insurance Co.
Established 1809
Entered United States 1866

Policyholders protected by the entire United States assets, with further guarantee in every policy, of protection by entire fire assets of the company which are many times larger.

AN IOWA COMPANY
Operating Under Iowa Reserve Deposit Law
POLICYHOLDERS OF THE
EQUITABLE LIFE of IOWA
ARE SAFEGUARDED AGAINST ANY POSSIBLE MISAPPLICATION OF THE FUNDS OF THE COMPANY
SO ARE ITS AGENTS
THE RIGHT COMPANY TO REPRESENT
Apply to
H. E. ALDRICH, Supt. of Agents, DES MOINES, IOWA

THE GAUVIN AGENCY

BRITISH LIFE STATISTICS OF WAR LOSSES

President Mitchell of National City Company, Says Mortality is Better Than Expected

DISCLOSES AUTHORITATIVE DATA OF WARRING NATIONS

Information Shows German Corporations to be Prosperous, Despite Reported Heavy Losses

That the financial condition of European life insurance companies has shown advancement in spite of the war losses, is the conclusion drawn by Charles E. Mitchell, president of the National City Co., an auxiliary of the National City Bank, from facts and figures he presented to the Life Underwriters' Association of New York on Tuesday. He said in part:

"Prevailing fears at the commencement of the European hostilities that war meant the wiping out of life insurance companies have been proved unfounded. British companies have successfully paid all war claims, even adopting the policy of not fully taking advantage of clauses in the original contracts which excluded war hazards. In 1915, the life insurance companies of Great Britain paid total claims of £18,082,092, of which the total war claims amounted to but £1,980,217 or 11 per cent. The largest company in England, the Prudential Assurance Company, Ltd., catering principally to the working classes, to the end of 1916 had paid a total of 88,000 war claims involving £1,860,000 in amount. Probably one-third of England's heroic dead were Prudential policyholders, yet the annual disbursements for war claims constituted but one-eighth of the total claims paid in 1916 by the Prudential.

Incomes Are Normal

"Not only have English companies remained solvent, but the income accounts for 1916 so far as available to date indicate that profits are not a great deal below normal. The ordinary stocks of nine of the larger companies listed on the London Stock Exchange, indicate an average depreciation in price of only 13 per cent. as compared with the normal basis in 1913.

"The English companies, moreover,

THE GAUVIN AGENCY

I desire to correspond with New York City Life Agents, who would prefer a District Managership covering several of the wealthy counties in Pennsylvania. Three Millions of old business in force. Company over Sixty Years Old.

This is an opportunity where an Agent can make money and live on the first year's business, leaving his renewals for future profit and savings.

A salary is paid for supervision of old business in addition to the regular New York State Contract with renewals, over-riding first year commissions and renewals paid on sub-agents appointed.

Do not reply to this unless you can stand closest inspection and prove up a Paid Business of $100,000 in the last twelve months (term excluded).

Address **"PENNSYLVANIA"**

Care of The Eastern Underwriter, 105 William Street, New York City

have surely done their bit in the financing of the war. The forty larger insurance companies subscribed to £70,460,000 of the recent British War Loan or over seven per cent. of the total. The Prudential alone has invested a total of over £27,000,000 in war loans out of total assets as of December 31, 1916, amounting to £99,123,746.

"In addition the Prudential to December 31, 1916, had loaned or sold to the British Treasury, under the various mobilization schemes, securities to a nominal value of $6,955,159.

Borrow to Buy Governmemnt Bonds

"British policyholders have availed themselves of their right to borrow on policies, a large proportion of the proceeds undoubtedly having been invested in government loans by individuals. Loans on war bonds have generally been considered the function of the banks but many holders of small policies, who were not in a position to establish banking connections were cared for by the insurance companies. Numbers of the principal English companies in writing new policies have instructed their agents to endeavor to secure subscriptions to the war loan, partial payment to be made simultaneously with the premiums and the company carrying the bonds at the rate of interest paid by the loan until such time as the new policyholder shall have liquidated by installments. We have been greatly interested to learn of the extensive Red Cross work which has been installed and maintained by the British companies Ambulances and automobiles have been purchased and are being operated by insurance company employes who meet incoming trains and convey the convalescent and wounded soldiers to homes and hospitals where arrangements have previously been made to care for them.

"All British insurance companies have a large proportion of their former staffs with the colors. Several companies have reported that practically 100 per cent. of the staff volunteered and as a general rule it is probable that 50 to 60 per cent. of the former staff of nearly all companies are now in service. Many of the companies are continuing to pay salaries and practically all are keeping positions open and making some suitable arrangements for the maintenance of income to those members of its staff absent at war. The remarkable feature of the financial reports of British insurance companies is the fact that business as shown by the ordinary life premium income has held its own. These results have been obtained because of the excellent work which has been done by the new members of the staff, most of the additions being women."

German Life Statistics

So far as the German life companies are concerned Mr. Mitchell says:

"In 1915 there was a reduction in premium income and an appreciable increase in life insurance losses. The total premium yield for all classes of business combined was 1,403,013,805 marks; the net losses were 927,539,983 marks; and the surplus over all losses and expenses amounted to 159,170 426 marks. The 51 companies writing life insurance in Germany had about 30,000,000 marks less of premiums in 1915 than in 1914, and the item of depreciation written off was more than double."

Other German Figures

Mr. Mitchell also compiled the following statistics concerning German fire insurance companies:

"Fifty-eight fire insurance companies did business in the Fatherland in 1915, receiving some 7,000 000 marks less of premiums than in 1914, and sustaining about 8,000,000 marks less in losses.

"There were forty-eight marine insurance companies writing in 1915, whose combined premiums were about 5,000 000 marks under the figures of the preceding year, while their losses also declined more than 7,000,000. Two new re-insurance companies embarked in business in 1915, but the combined premium income of the 45 so operated was 7,000 000 marks under that of 1914 with 10,000,000 marks less of losses.

"One accident and liability company retired in 1915 and two new ones entered the list, making the full number 32. In this line of insurance the decline in premium volume was 16,000,000 marks in 1915, as compared with 1914, and the net losses were nearly 8,000,000 marks less than the year before."

W. M. Horner Scores Individual Politics In National Association

SAYS SMALL GROUP DOMINATES ORGANIZATION

Urges Northwest Life Underwriters to Adopt Constitution Making This Condition Impossible

There are six or seven individuals who perpetuate their own personal control over the National Association of Life Underwriters. Two or three of these men have given valuable service to association work, but are now spoiling the effect of their good work by treating the National Association as a private corporation of their own, creating a very indelicate situation by the undue injection of their own company affiliations into the organization—the exponent of every sound insurance interest. Others of this coterie of self-constituted autocracy have nothing to warrant their hold upon the National Association, but acts of a political nature to perpetuate their control.

The result is that individuals from every part of the country who have gone to National Association meetings with real visions as to constructive measures to better our business leave in disgust at the non-democratic manner in which our National body is conducted.

The above statement from the lips of Warren M. Horner, general agent of the Provident Life & Trust Company in Minneapolis, one of the most prominent figures in life underwriting circles in the United States, a conspicuous producer and organizer and high in the councils in the National Association of Life Underwriters, is sensational to say the least, and will be received by members of that organization with no little interest.

This statement was made by Mr. Horner in an address on "Permanent Organization," before the Northwest Congress of Life Underwriters at its meeting in Des Moines, Ia., on Friday and Saturday of last week. Mr. Horner said in part:

"Now, my friends, endeavor has been made to give you a simple, constructive constitution to the end that this congress may become a useful and potent factor in the upbuilding of our business in the great Northwest and all over the United States. Let us not be too technical to-day in dotting 'i's' and crossing 't's,' but adopt this simple document as a foundation upon which to build a great structure."

Mr. Horner in the above referred to the preamble, constitution and by-laws of the Northwest Congress of Life Underwriters which was adopted at this meeting.

Continuing Mr. Horner said: "The meeting last year in Minneapolis and St. Paul, together with the success of this occasion at Des Moines, pre-eminently warrants our perfecting a permanent organization. I shall review the conditions leading up to the meeting of last year and causes which appear to impel this congress to make its existence a necessity.

"I am fully alive to the fact that what I say or do here is of little importance only as it may start, just start, mind you, forces that will live on and push a little farther those already inaugurated.

"The lesson is learned, not alone from one's own experience, but from history and the example of national characters of our time, that there are three stages of an individual's relation to important enterprises or movements. The first stage is the creative and inaugurative period where initiative and foresight are required by some one person. Then forces are loosened that swamp this personality, which require a composite effort of many minds and the subordinating of individuality.

"If the composite stage does not meet with the originator's views and he remains fighting for the full fruition of his plans, it matters not whether for principle or place, the cause suffers. So what I would have you understand is that there are three stages in all important local, or world movements, to wit: personal domination, individual subordination and self-effacement.

(Continued on page 7.)

CO-OPERATION No. 3

OUR methods of co-operation with agents in the securing of business are most effective when limited to the real producers. They attract the best type of men to the business.

One new representative produced more in 1916 than 114 average part-time men did in 1913.

Phoenix Mutual Life Insurance Company

of Hartford, Conn.

JOHN M. HOLCOMBE, President

E. E. Rhodes Discusses War Revenue Act

SAYS MUTUAL COMPANIES DO NOT MAKE PROFITS

Discusses Question of Capital Investments—Explains Meaning of Mutual Life Insurance

An unusually interesting paper on insurance taxation, with particular reference to the present revenue act, was read by Edward E. Rhodes, of the Mutual Benefit, at the meeting of the Actuarial Society of America last week.

Mr. Rhodes began by discussing the general rule regarding construction of tax acts. Among other points he made in this discussion was the fact that the business of mutual life insurance is not conducted for profit. He concludes that section of his paper by saying that as mutual life insurance is a business in which there are not and cannot be any profits it follows that the mutual life insurance companies do not come within the scope of the act. He further makes the point that the act does not provide a basis for the taxation of mutual life insurance.

What is Meaning of "Actual Capital Invested"?

Assuming, however, that notwithstanding the argument he makes mutual life insurance is taxable he asks "What Constitutes 'Actual Capital Invested'?" which question he answers as follows:

We come now to a consideration of the capital of a mutual life insurance company, which, like a partnership, has no capital stock but which does use or employ capital in its business. Unlike a partnership, a mutual life insurance company, strictly speaking, has no "paid in or earned surplus and undivided profits." Its capital is represented by the premiums paid by the policyholders, which become the invested assets of the company. These are the funds used in meeting its policy obligations and in otherwise conducting its business. Some companies maintain what they call a surplus, but such surplus is not at all analogous to the surplus of an ordinary commercial business. Recognizing the incongruity of the term, its use was abandoned several years ago by a number of companies, and what was formerly known as surplus is now designated as a contingency reserve. This term is recognized in section 87 of the New York Insurance Law and in the insurance laws of Minnesota, Montana, North Dakota, Tennessee and West Virginia. It represents nothing more nor less than that part of the invested assets which is held for contingencies. The contingency reserve or surplus represents portions of premiums received but not yet returned to policyholders, and held by the company as a reservoir from which may be drawn such sums as are needed to meet the various contingencies which arise. It is distinctly and positively no profit or source of profit.

Discrimination

We have seen that if the words "actual cash paid in" and "the actual cash value, at the time of payment, of assets other than cash paid in" be limited in meaning to capital represented by shares of stock, partnerships are discriminated against in favor of corporations with capital stock. The discrimination would be far greater in the case of mutual life insurance companies, for partnerships have surplus and undivided profits upon which the exemption of 8 per cent. might be computed, while mutual life insurance companies may be said to have no real surplus and no undivided profits, and their tax would, therefore, be computed upon the full amount of their net income. The courts will not favor the imposition of a tax involving such discriminations unless the language of the law imposing the same is so clear and unequivocal that no other construction of the law is possible.

It follows that, since partnerships are taxed as well as corporations and that since they are entitled to an exemption of 8 per cent. upon their capital and surplus, so life insurance companies are entitled to a like exemption. In their case the exemption is to be based upon all their invested assets, which are the actual capital invested and used or employed in the business, and not simply upon that part held for contingencies, which represents only a small fraction of the entire capital. This contention is based not only upon legal considerations, but upon fairness and justice.

A Simple Illustration

The following is a simple illustration of the principle involved: One hundred persons agree to contribute $10 each month to a common fund, thus creating a fund of $1,000 each month. Instead of using this capital for manufacturing or mercantile purposes, they agree that it shall be invested each month and used only for the following purpose, namely, that upon the death of each member his estate shall receive its proportionate share of the entire amount then invested, includ-

(Continued on page 8.)

MANSFIELD WANTS REPLY FROM COMPANIES

Hartford, Conn., May 23.—Insurance Commissioner Burton L. Mansfield, of Connecticut, to-day sent wires throughout the country insisting upon a specific and immediate reply from life insurance companies regarding whether or not they accept or reject the Hotel Astor $37.50 extra premium war provision recommendations.

Mortality Experience Given to Actuaries

PRESENT STAFF OF OFFICERS RE-ELECTED

Data of Massachusetts Mutual and Mutual Benefit Presented at Annual Meeting of Society

Patriotic simplicity characterized the proceedings of the annual meeting of the Actuarial Society of America held in the Hotel Astor on Thursday and Friday of last week. The individual and collective service of the 100 members present were offered to the Allied Governments.

A cablegram of greeting was received from S. G. Warner, president of the Actuaries Club of London and of the Institute of Actuaries of Great Britain, to which President Arthur Hunter, vice-president of the New York Life, replied saying in part, "American and Canadian members have worked side by side in this society for many years, and we all now rejoice that America and the British Empire will hereafter battle side by side in the great struggle for freedom and civilization."

Mr. Hunter will continue to serve as president during the ensuing year; E. E. Rhodes, vice-president of the Mutual Benefit, and R. M. Henderson, actuary of the Equitable Life, as vice-presidents; Wendell W. Strong, actuary of the Mutual Life, as secretary; David G. Alsop, actuary of the Provident Life & Trust, as treasurer. A. A. Linton, J. S. Thompson and J. D. Craig were elected to the council succeeding F. H. Johnston, E. B. Morris and A. B. Wood, whose terms had expired.

C. A. Angell on Mortality

Charles A. Angell, actuary of the Massachusetts Mutual, gave the mortality experience of his company, going back to 1851. The total experience from 1851 to 1911 shows the expected deaths come out 100 per cent. of the Medico-Actuarial Select Experience.

The experience shows a progressively improving mortality. For the issues of 1851 to 1870, the mortality was 110 per cent.; for the issues of 1871 to 1890, it was 105 per cent.; from 1891 to 1910, it was 91 per cent. By ages at issue the total results show a considerably higher relative mortality by the Medico-Actuarial Table for the younger ages than the older. This comes from the policies issued before 1890.

An investigation was also made for policies issued from 1895 to 1914, inclusive. In this investigation, the experience was taken both by lives and by amounts. It was shown that the mortality by amounts of insurance was considerably higher than by lives. This is in accordance with the general experience and brings out that a company would lose money if its mortality

(Continued on page 4.)

SELECTING AGENCY MATERIAL

The E. A. Woods Agency, Inc., Adopts Rules Eliminating Triflers and Unfit

Pittsburgh, May 22.—The E. A. Woods Agency, Inc., is not accepting the application of any person for an agency unless the application is accompanied by $10. This shows that the applicant means business; that he really desires to be an insurance man and helps eliminate triflers and the unfit.

The Woods Agency is also hiring men now on the test system without seeing them.

One of the new blanks used by the Woods Agency follows:

Give a little study to the questions below and get as much of the data as you can. We will show you how it will be worth money to you.

1—How many widows do you know of whose husbands, while living, supported them and who either work for the support of themselves and children or are dependent upon others?

2—Compare the condition of ten of your prominent citizens of twenty years ago with their condition to-day, or that of their family at death.

3—Take the field in which you will work if you associate yourself with our organization; take the population of it; assume that out of every five people there is one provider—on this basis how many people in the field ought to carry life insurance?

4—How much life insurance do you estimate is needed by the families of these people, or for their own old age?

5—How much do you estimate is carried by them?

6—Following is the total expenditure in the United States for the various items noted. How much of this total do you estimate is spent in your community?

Liquors	$2,300,000,000	$
Tobacco	1,200,000,000	$
Amusements	1,000,000,000	$
Automobiles	1.000,000,000	$
Jewelry	800,000,000	$
Candy	365,000,000	$

6—In your own circle of acquaintances or family, what instances do you know where at death of the provider

(a) Life insurance played a part;

(b) Lack of life insurance played a part.

OHIO DEPT. RULINGS

Columbus, Ohio, May 23.—The Ohio Insurance Department has ruled that companies cannot make ineffective the incontestibility clauses of their policies by new phraseology invented to meet war conditions. There are two ways in which a policy can be contested; one is by non-payment of premiums, the other, by violation of the terms of the contract. The department states unofficially that one of the best of the two-year incontestibility clauses is that of the Penn Mutual Life Insurance Company.

The department has disagreed with some of the companies in regard to Red Cross, submarine and aviation coverages. It is understood that the department does not agree that Red Cross service is military service.



INDUSTRIAL CONCERNS throughout the land are proving the patriotism of business by insuring entire staffs of employees. The Prudential will lend a hand—make it easy for firms to insure their workers.

Family insurance has placed America First in Life Insurance, and Group Insurance will help to keep it there.

The Prudential has a fine Group plan. Group Insurance is endorsed by every concern that has tried it. Send for brief, forceful, descriptive circular.

THE PRUDENTIAL INSURANCE CO. OF AMERICA

Incorporated Under the Laws of the State of New Jersey

FORREST F. DRYDEN, President

Home Office: NEWARK, N. J.

FRATERNAL WAR RISKS

Benefit Societies Report on Handling Question of Insuring Enlisted Men

Reports received from various fraternal benefit societies show the trend of opinion concerning war risks. Among reports received are:—

Alliance Nationale, Quebec—Our experience since the opening of the war is as follows: The effect of our Society at the 31st of December, 1916, were 25,771. The number of members enlisted since the fourth of August, 1914, to 31st of December, 1916, is: 157. The loss of the Society on account of the war is: 5 deaths, which represent a loss of $5,500.00. Amongst them there is a thousand dollar which was caused by the sinking of "Lusitania" on which was a commercial traveller, member of the Alliance Nationale who was drowned in that circumstances. That is to say that our loss by death amongst the soldiers is only $4,500.00. The loss by sickness from the 4th of August, 1914, to the 31st of December, 1916, is: $303.57 in 1915, $719.98 in 1916. These benefits were divided between 17 soldiers for sickness or wounds.

The Grand Fraternity, Philadelphia, Pa.—We are issuing dispensations to all our members, authorizing them to enlist in the army without extra premium, and the payment of full benefits until our Governing Council meets in June, when the whole question will be taken up and finally decided. No extra premium or restrictions will be placed on our members admitted up to the time of the meeting of our Governing Council, when the whole question will be finally determined.

LEADS IN OHIO

David King Paige, of Akron, O., has been advised by the home office of the Mutual Life that he has again led the State for the Mutual Life, ending May 1. This makes the fifth consecutive year that he has led all the Mutual Life agents in Ohio.

Mortality Experience Given to Actuaries

(Continued from page 3.)

by lives followed the mortality table exactly since, in all probability, its mortality by amounts would be considerably in excess of the expected.

Modes of Settlement

Oliver W. Perrin, assistant actuary of the Penn Mutual, read a paper on the various modes of settlement under the policy provisions. He showed that the various optional modes of settlement now contained in policies of life insurance, though constituting an indispensable service to policyholders, often develop into beneficiary provisions as complicated as a deed or a will. There are two principal lines of development: first, as a contract; second, as a trust.

By the contract method, Mr. Perrin said, the full legal title to the proceeds of the policy is vested in the beneficiary. When this method is extended, as is the case with some companies, to impose restraints upon attachment for debts, it mingles legal and equitable features and creates some uncertainty at the present time as to how the contract would be interpreted in court. It is probable, however, that it avoids some of the duties and responsibilities of a trust, such as segregation of the proceeds from other assets.

By the trust method, he pointed out, the insuring company becomes trustee and takes the legal title to the proceeds, while the beneficiary has an equity or beneficial interests. This may involve segregation of the assets and possibly charter or statutory powers to do a trust business. By incorporating a spend-thrift provision, this method can, no doubt, make the proceeds exempt from the claims of the beneficiary's creditors, provided the provision, by definite stipulation to this effect, is to be governed by the laws of a State permitting a spend-thrift trust. Such a trust, however, may be considered as ultra vires unless care is taken not to depart too far from the specific charter powers of the insuring company or from powers germane thereto.

Under both the contract and the trust methods the great difficulty in drawing complicated settlement provisions which will be free from ambiguity in the use and meaning of words will be productive of conflicting interpretations which in turn may result in litigation between the beneficiaries and thereby add to the delay and expense of settling claims.

The disadvantages of either method as illustrated by Mr. Perrin, are largely hypothetical at the present time; but nevertheless uniformity of practice between life insurance companies for the purpose of eliminating beneficiary provisions from competition and keeping them as free as possible from complicated contingencies, seems to be most desirable, especially until the serious legal and practical difficulties which they now involve have been cleared away.

P. C. H. Papps on Life Expectation

A paper presented by Mr. Percy C. H. Papps, actuary of the Mutual Benefit Life Insurance Company of Newark, N. J., exhibits the mortality experience of that Company during the years 1900 to 1915. The data distributed by the Company to the new mortality table now being compiled formed the basis of the paper. Owing to the fact that on account of the size of the Company but 7 per cent. of the insurance issued since 1900 was contributed, the paper deals almost entirely with the experience of the Company, excluding the first ten years of insurance, when the greatest effect of medical selection is supposed to be experienced.

The expectation of life according to the Mutual Benefit experience, both by policies and amounts of insurance, is in very close agreement with the experience of the British offices, omitting the first ten years of insurance, being practically identical for ages seventy and over. Below age seventy the expectation according to the Mutual Benefit experience, is slightly greater than that of the British offices, the greatest difference being at the younger ages. As compared with the American experience, which is the basis of the premium rates and policy values of the American companies, the Mutual Benefit experience shows a somewhat greater expectation of life at all ages, but the difference is not very great from ages forty-five to seventy-five.

S. A. Joffe Proposes New Formula

S. A. Joffe, assistant actuary of the Mutual Life, presented a paper on "Interpolation-Formulae and Central-Difference Notation." After having pointed out that modern writers were going over the same ground that had been covered by previous writers, he gave a review of the important contributions to the theory of interpolation-formulae, especially in central differences, and traced the developments in their chronological order. Special reference was made to the valuable work done by two illustrious members of the actuarial profession: Woolhouse, the astronomer-actuary, of Great Britain, and our own actuary-mathematician Emory McClintock. Although the foundation for the modern central-difference notation dates back to a lecture by Gauss in 1812, and although there is a considerable variety of schemes of notation already in existence, there is so far no settled system, and Mr. Joffe elaborated and proposed a new system which, he believed, enjoys certain advantages not possessed by the others, and which, he proposed for general adoption.

Computation of Reserves

A. D. Watson, actuary of the Canadian Insurance Department, gave his views on the proper basis of calculating policy values. His paper dealt primarily with the adaptation of familiar processes for the continuous calculation of terminal reserves to the direct calculation of medical reserves. He proposed a new method of compiling and printing these tables.

ILLINOIS LIFE INSURANCE CO.
CHICAGO
JAMES W. STEVENS, PRESIDENT
GREATEST
ILLINOIS
COMPANY
WANTS GOOD MEN
AND
WILL PAY THEM WELL

Great Southern Life Insurance Company
HOUSTON, TEXAS.



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PRESIDENT



Fifty years of success

The Strength of the Company—the growth of a half century—towering back of every policy contract, assures the largest possible measure of *security*, *service*, and *saving* to the insured.

The wisdom of the founders in restricting the Company's investments to farm loans, has throughout the years afforded the largest degree of safety, together with the greatest earning power on its invested funds. It has in addition served the Nation, and the wide world in these troublous times, by its signal aid in the development of the Country's Agricultural Resources.

The manifold service of the past half century may safely be accepted as a criterion of larger service in store for its policy-holders and their beneficiaries.

For Information address Allan Waters, Second Vice-Pres.

The Union Central Life Insurance Company
Jesse R. Clark, President Cincinnati

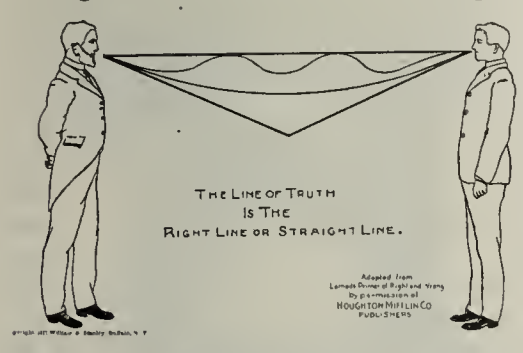
William H. Stanley's Study in Thrift and Economic Independence

Buffalo Man's Charts Trace Economic Line of Average Man—Why and How to Save—Graphic Visual Demonstration of Material Progress or Retrogression

One of the best selling arguments for life insurance that The Eastern Underwriter has seen in some time is the new book with charts, entitled "Study in Thrift and Economic Independence—Why and How To Save," written and copyrighted by William H. Stanley, of Buffalo who is associated with the general agency of the Mutual Benefit in that city, Johnson & Monser. Mr. Monser recently returned from a tour of Mutual Benefit general agencies with the Stanley charts, which he illustrated for agents of that company.

The principal point in the Stanley book and charts is the study of a man's economic progress. A great many illustrations are given up to the age of sixty-five. The economic line starting at the age of twenty, when the average man first starts making money, is traced pausing at age fifty-five ,when a man starts becoming less efficient mentally and less active physically.

What does one intend to do from age twenty to age sixty-five? The charts cleverly show what happens to the average man. One of the first pic-

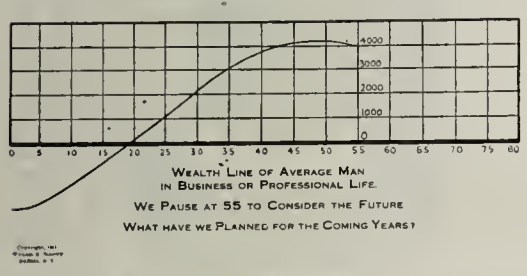


tures in the book shows two men standing face to face, the line of truth being drawn between them. There are other lives which wave, and which are therefore not the truth.

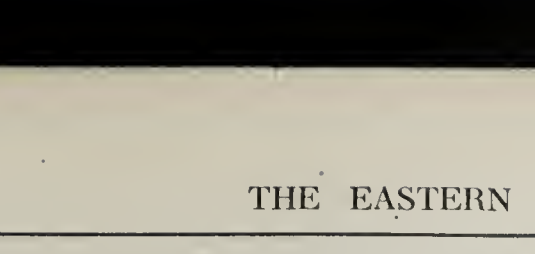
"In this little talk," says Mr. Stanley, "I propose to deal with some fundamental truths which are based on the right line or straight line of truth."

The economic line is then taken as the straight line which is the basis of the talk. There is also given a line of life, which in the chart is colored red to signify the virility and hope and courage of life. There are also income lines drawn on the charts—the wealth line.

Mr. Stanley shows that from birth to about age twenty a man has little economic value, depending upon his father for



maintenance. After age twenty a man starts to establish his own place in the economic world. If industrious his wealth line rises on the economic chart. The further he can plot the wealth line above the economic base line the more successful is his business, and if he has lived on the line of truth the stronger, more forceful and more beautiful becomes his character. As there is an upward tendency to the curve there must in the natural order of events be a high spot or apex or point of breaking. On the Stanley chart there is a pause at age 55 to ask What of the future? With many a man at that age the best part of his life is behind him so far as productive capacity is concerned. What has he done with the money earned? Did he take time to think out his future and



did he know what he wanted. Did he have a vision of that future and will power to plan it? Or is he satisfied with the material present and does he spend his money as fast as it is earned? In other words, what is his aim: Independence or Dependence?

There are two courses that the wealth line can follow. In one it comes down at 60 or 65; in the other it goes up.

The wealth line of the spender and of various types of men are cleverly depicted.

One unusually powerful argument is given in a chart showing the result of the study of one hundred average young men, which study, as has already been considerably exploited by life insurance men, shows that only one of the hundred is rich after forty years. Fifty-four are in the despondent, down and out dependent class.

The charts lead to unanswerable arguments in favor of various types of insurance.

In brief the charts are a summary of Mr. Any Man's entire plan and give a complete picture of his progress. Mr. Stanley's talk closes with the following statement which can be made to the prospect in connection with the charts and arguments in the book:

"You would like to start the habit of thrift. You would like to have a safe full of money for your old age. Will you let us give you a vision of the value of saving? Will you let us enter into partnership with you and help you to effect the happy result of economic independence when you wish to retire? All right, let us send the doctor around to look you over, and if he says O. K. we will talk over details later."

STATE LIFE CLUB MEETINGS

The 1917 agency club convention of the One Hundred Thousand Dollar and Two Hundred Thousand Dollar Clubs of the State Life Insurance Company of Indianapolis has been postponed from June to September 20 and 21.

THE AVERAGE EARNINGS OF THE AGENTS
OF THE
Standard Life Insurance Company
∴ ∴ OF PITTSBURGH ∴ ∴
are higher this year than ever before. Our attractive Accident and Health Policies have helped them to make more money.
Write for a LIFE, ACCIDENT AND HEALTH Contract to
FRANK A. WESLEY
Vice-President and Director of Agencies

BLACKBURN'S BRIEF

Discussion of Amendment to Exempt Re-insurance of Excess From the Tax

Thomas W. Blackburn, counsel for the American Life Convention, filed in Washington a brief on behalf of this amendment to the Revenue Bill:

Provided further that policies of re-insurance shall be exempt from the tax herein imposed by this subdivision.

The brief follows:

Policies of life insurance issued by life insurance companies are subject to a tax of eight cents per $100 of the face of the policy. A $10,000 policy is, therefore, taxed $8 and larger and smaller policies in proportion.

Many of the States provide that no policy shall be issued in excess of 10 per cent. of the amount of the capital of the company unless the same be re-insured in some other like company.

Hence, a company having a capital of $100,000, cannot issue a contract for more than $10,000 carrying the entire risk.

Therefore, it is customary to re-insure the excess and the company issuing a $20,000 policy must obtain a policy of re-insurance for $10,000.

The re-insurance policy runs to the re-insured company and not to the policyholder. The insuring company pays $16 under this provision upon the $20,000 policy. It is manifestly wrong to tax that same policy as a re-insurance.

Evidently the omission of the proviso suggested is due to an oversight on the part of the Honorable House Committee on Ways and Means. This is apparent for the identical exemption is allowed to companies named in subsections who cede this re-insurance.

To re-insuring companies for the same and similar reasons.

The companies of the American Life Convention, 105 in number domiciled in States west of New York excepting one in New Hampshire are frequently referred to as the younger companies. They are the western and southern life companies and their combined volume of old line or legal reserve life insurance approximates Three Thousand Million Dollars. They are for the most part stock companies and are becoming the great fiduciary companies of the West and South.

In this connection the committee is reminded that there is no essential distinction in principle between stock companies and mutual companies than old line life insurance. Both forms of the business collect from policyholders the premiums from which losses are paid and matured contracts are satisfied. Stock companies add their capital stock to the reserve and many write non-participating business. When they do so write, the "refunds or dividends" which under participating policies are returned to policyholders (whether policies of this character are participating in a stock company or participating in a mutual company) are anticipated by a reduced annual premium.

Therefore there being no fundamental difference between stock life companies and mutual life companies writing legal reserve life insurance up in established tables of mortality premiums or which are computed in the same way there should be no discrimination in levying taxes. The non-participating and the participating premiums are equivalents and mutual and stock companies may and in fact do write either or both forms of policies.

The revenue act proposed makes no distinction. This is right.

The act in question—the section to which this brief is directed—makes the 8 cents per hundred dollars a direct tax and not a stamp tax. For this all life insurance companies are grateful, since they are to be taxed.

While we regard the taxation of life insurance as fundamentally wrong, however, the tax is levied and collected. We of the South and West appreciate the necessity of collecting the revenue contemplated in this law.

We therefore acquiesce and take our medicine for the good of our common cause.

PITTSBURGH MEETING

Pittsburgh, May 22.—The meeting of the Life Underwriters' Association of Pittsburgh was addressed to-day (Tuesday) by Edward A. Woods and Charles W. Scovel of Pittsburgh, both former presidents of the National Association of Life Underwriters and by Henry L. Rosenfeld, fourth vice-president of the Equitable Life Assurance Society, who stopped here on his way South. Various phases of the war and the "Liberty Bond" sale were discussed.

WANTS U. S. TO INSURE SOLDIERS

Washington, D. C., May 21.—Extension of the government's insurance system to include the soldiers of the country has been proposed to Secretary Baker of the War Department by Louis Addison Dent, former auditor of the District Supreme Court. Secretary Baker turned the letter over to Adjt. Gen. McCain, who wrote that there was no authority for instituting an insurance system for the troops. Mr. Dent's reply to this was that he knew there was no authority of law for it, but that he thought the initiation of it would properly be by recommendation of the Secretary of War and so submitted the suggestion to him. He pointed out that the Secretary of the Treasury had proposed an insurance system for officers and sailors of the merchant marine.

COL. W. G. BATEMAN DEAD

William Grafton Bateman, a prominent insurance man of Passaic, N. J., died a few days ago. He was known as Colonel Bateman, and was a prominent resident of the city. After a long experience in the Middle West in the insurance business he was appointed superintendent of the Metropolitan Life in Passaic. He was a member of the County Tax Board, and had held other distinctive offices.

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Berkshire Life Insurance Company
of Pittsfield, Mass.
Inc. 1851
New policies with modern provisions Attractive literature
W. D. Wyman, President W. S. Weld, Supt. of Agencies

Extracts from Report of Examination of
SOUTHWESTERN LIFE INSURANCE CO.
By the State of Texas, June 28, 1915
"It is noteworthy that this Company was organized without any promotion expenses."
"I beg to report further that I find the Company in excellent financial condition."
"The volume of its business has steadily increased, its surplus is growing rapidly and its funds are being carefully conserved under expert supervision."
Home Office, DALLAS, TEXAS

Life Men Discuss War Loan Campaign

AGENCY MANAGERS MEET AT SPECIAL DINNER

Plans for Selling Days, June 5 and 6 Outlined and Details Arranged to Help Move

A special meeting of the Life Underwriters' Association of New York was held at a dinner given at the Arkwright Club last Tuesday evening to formulate plans for the life insurance campaign for the Liberty Loan. William F. Atkinson, president of the organization, presided.

The meeting which followed the dinner was an unusual one, in that it dealt in financial statistics—in a call to patriotism—in an appeal to the spirit of sacrifice. It revealed that which all men familiar with the insurance field knew—that its workers would respond nobly to the call for that vital necessity in war, money.

Mass Meeting on Tuesday

Mr. Atkinson, in his brief introductory speech, called attention especially to the mass meeting of life insurance agents to be held next Tuesday night at the Century Theatre at which the principal speakers will be Darwin P. Kingsley, president of the New York Life; Frank A. Vanderlip, president of the National City Bank, and Major Charles W. Gordon who will tell of his experiences at the front with the 43rd Cameron Highlanders.

The first speaker from the financial world was Allen S. Forbes, of Harris, Forbes & Co., the largest bond house in America, and chairman of the distribution committee of the Liberty Loan Committee.

A. S. Forbes on Liberty Loan

Mr. Forbes said at the outset, that war was a serious business and that this country was engaged in a serious war and that the sooner people realized this the more certain would be ultimate victory. He emphasized the patriotic duty due to our ideals—to materialize those ideals by subscribing the money necessary to maintain them against military aggression. He asserted that in helping to place Liberty bonds, insurance men were doing their bit just as much as though they were in the service of the army or navy. He described the Liberty bonds and their financial advantage, being non-taxable. He roused his auditors to cheers hy declaring that they were not selling bonds, but insurance against the greatest calamity that could befall the world—the death of democratic institutions.

The second speaker was Charles E. Mitchell, president of the National City Company, the sales agency of the National City Bank. Mr. Mitchell measured the Libery Loan of two billion dollars by the resources of this country. He said that it was forty per cent. of the savings bank resources of this country; 14¼ per cent. of the total of our bank resources, and represented 92 per cent. of all the money in circulation in this country. It represented 91 per cent. of our exports in 1916 and 200 per cent. of our imports in the same year. The total resources of American insurance companies is 5,548 million dollars; the gross income 1,123 million dollars and the total insurance in force 19,828 million dollars, so that two billion dollars appeared a small amount to raise, with the credit of the government behind the loan. He declared that previous experience had shown that this district, comprised of New York State, Fairfield County, Conn., and the twelve northern counties of New Jersey, must subscribe one and one-half billion dollars to assure the oversubscription of the loan.

W. S. Kies, president of the American International Company, said that the flotation of the Liberty Loan was the best insurance against an indemnity loan later. He called upon those present to make good their patriotism.

As an illustration of what arguments life insurance agents should use to sell Liberty bonds, Mr. Kies drew a $5 bill from his pocket. He said that this piece of paper was worthless without the promise of the United States to pay, and that furthermore, it bore no interest. On the other hand, the Liberty bond was also backed by the promise to pay and that in addition it bore 3½ per cent. interest, so that it was really a superior investment to legal tender.

Charles Jerome Edwards, the last speaker, called for enthusiastic support of the campaign.

Many Agents Present

Among those present: Lawrence Priddy, New York Life; Sigourney Mellor, Provident Life; Orra S. Rogers, Phoenix Mutual Life; A. R. Allen, Provident Life; E. M. Carroll, Northwestern Mutual; R. W. Goslin, Prudential; S. S. Wolfson, Equitable; B. Ganz, Equitable; J. J. Wilson, Equitable; H. Mindlin, Equitable; T. J. Stewart Prudential; J. J. Coonly, New York Life; P. W. Ditto, Equitable; G. A. Kederich, New York; W. O. Robinson, Equitable; C. C. Bell, Mutual; Le Roy Barnes Mutual; R. H. Hardy, Mutual; F. O. Dunning, A. R. Taylor, Penn Mutual; E. W. Lee, John Hancock; C. V. Dyckman, B. F. Bates, Prudential; A. W. Sawrzwald, Equitable; F. R. Robbins. Home; T. R. Fell, Massachusetts Mutual; Charles Subrink, Metropolitan; L. A. Cerf, Mutual Benefit; R. L. Jones, State Mutual; C. B. Knight, Union Central; J. A. Jarvis, David Rudberg, Max Menschel, Isidor Siegel, B. Chess, H. Hart, G. A. Weigel, S. S. Voshell, F. P. Danziotio and H. M. Hale, all of the Metropolitan; C. R. Harper, Columbian National; T. C. Scherer, Travelers; M. E. Goulden, Penn Mutual; W. E. Barton, Union Central; T. R. Gaffney, New York; J. H. Scott, Home; C. J. Goulden, Connecticut General; W. H. Wadsworth Fidelity Mutual; G. A. Smith, New England Mutual; R. K. Stowe, Aetna; R. B. Curtis, John Hancock; Adolph Goetze, John Hancock; C. E. Mabie, Columbian National, and A. B. Blackman, John Hancock.

And John C. Dempsey, who will be in charge of the music at the Century Theatre meeting, was there too. Before he joined the New England Mutual, Mr. Dempsey was a noted singer, appearing with Patti and Nordica. Recently he sang at the tenth music festival of the Irish societies at Syracuse.

"JOHN HANCOCK SIGNATURE"

Company Issues New Monthly Periodical for Use and Views of Field Men and Managers

The "John Hancock Signature" makes its first appearance as a Company periodical for the use and information of the field men in the ordinary department.

The name "Signature" which it bears, is typical of the strong, distinctive signature of John Hancock, to the Declaration of Independence.

It will be used for bulletin purposes from time to time as far as is practicable. It will be for the exchange of news and the record of field achievement, and it may also become devoted in some degree, to the publication of the views, experience and other items of interest to be contributed by those in field and office.

COTTON MILLS GROUP

The Metropolitan Life has written 1,000 employes of the Armstrong mills, Gastonia, N. C., on the group plan, the policies aggregating $300,000. After an employe has been with the mill for a period of 12 months the policy will be increased to $400 and at the end of the second year to $500, this being the final limit.

NEW WAR RULINGS

John Hancock Publishes Industrial and Ordinary Regulations in Force After June 1

The John Hancock Mutual Life Insurance Company announces that on and after June 1 it will limit intermediate policies to $500, without war premium, and that on the weekly premium policies it will make an age limit from 18 to 35 and the amount of the policy to $300, of new insurance or insurance additional to that taken before April 6. On ordinary life policies, the new rulings are:

Single men without dependents: Such men will be insured with $2,000 as a limit up to and including ratable age 35.

Single men with dependents: Such men will be insured with $2,000 as a limit up to and including ratable age 25. The limit for ages 26 to 35 inclusive will be $5,000.

Married men up to age 25 inclusive: Such men will be insured with $2,000 limit.

Married men ages 26 to 35: The limit for ages 26 to 35 inclusive will be $5,000.

Men ratable at ages over 35: The limits on such will be substantially as now, with the exception of term insurance, or as otherwise hereinafter set forth.

Beginning June 1, no term insurance will be issued up to and including ratable age 35 in the ordinary department, except that preliminary monthly term premiums to bring annual premiums to a certain period of the year, as heretofore, will be continued. On lives rated at 36 upward, only so much term insurance will be issued as will make the total term insurance on the life equal to the total of the other forms of insurance held on the same life. In all cases the requirement will be that the term policy be not delivered unless the other policy is delivered therewith, and the premium paid.

Disability will not be allowed in the ordinary department in connection with any risk rated at 35 or under, or upon anyone exposed to service with the army or navy.

"WAR SERVICE" DETAILS

The Connecticut General Life Insurance Company has issued a statement of its "war service" in which it says that "the extra premium of $37.50 per thousand to be charged for war service may be paid semi-annually or quarterly in accordance with the manner in which the regular premiums on the policy are payable. The semi-annual extra per thousand is $19.13, and the quarterly, $9.75. Members of Home Guard organizations organized for police or constabulary duties will be given free permits to engage in such service for one year without extra charge."

RELIANCE LIFE

The Reliance Life of Pittsburgh is writing more business than ever before in its history. At the present gait the Company will write over $27,000,000 of new business this year. It is doing business in forty States. The Company's most popular contract is its Perfect Protection Policy covering life, accident and health.

HOME LIFE INSURANCE CO.

(Now Purely Mutual)

256 BROADWAY, NEW YORK

GEORGE E. IDE, President

The fifty-seventh annual report shows insurance in force of $133,493,000, an increase during the year of $7,832,827. The Company paid the policyholders in 1916 $3,536,233, of which $628,406 was in dividends or premium refund. Its insurance reserve fund was increased by $1,300,000 and the Assets are now $32-821,462.

For Agency apply to

GEORGE W. MURRAY,
Supt. of Agts.
256 Broadway, New York, N. Y.

BANKERS LIFE BLCo DES MOINES COMPANY

PAYS GOOD PAY TO GOOD MEN

THE CRESCENT LIFE INSURANCE COMPANY OF INDIANAPOLIS, INDIANA

J. C. Hnmes, President

L. D. Clancy, Secretary

"ENDURING AS THE PYRAMIDS"

A Legal Reserve Company

Are You a Big Producer? Can You Prove It?

ONE GENERAL AGENT WANTED IN INDIANA

Home Office: Fletcher Trust Bldg., Indianapolis, Ind.

Wrote 700 Policies in One Texas County

SAM W. CAROTHERS FINDS HELP IN THE EASTERN UNDERWRITER

Insures Many Prominent Texans in Great Southern Life—Mostly in Small Policies

Samuel W. Carothers, special agent of the Great Southern Life, who makes his headquarters in Waxahachie, Tex., practises what he preaches as he is insured in that company for $94,325. He has written the following interesting letter to The Eastern Underwriter:

Waxahachie, Tex., May 20.

Editor, The Eastern Underwriter: Enclosed please find check to pay my subscription to January 20, 1918.

Your paper is enjoyed by myself every week, and I get lots of good from reading same. I have made a great



SAMUEL W. CAROTHERS

record with the Great Southern Life of Houston during the past five years, and The Eastern Underwriter has been a real help to me in making this record.

I went to work for the Great Southern Life April 1, 1912. In the following nine months I led the Company for 1912 in number of paid policies and was president of the $100,000 Club for 1913 in which the company also started a $200,000 Club. During 1913 I wrote the largest number of paid policies and was second vice-president of the $200,000 Club. In 1914 I wrote the largest volume of paid for business and was first vice-president of the $100,000 Club.

In 1915 I went back into the ranks of the $200,000 Club, being second vice-president for the largest number of paid policies. Last year, 1916, I paid for the second largest number of policies, the result of which I am third vice-president for the $200,000 Club for 1917.

Does Work Close to Home

I do most all my work close to home. During the past two years my business has been over 50 per cent. increasing old policy holders. During the five years I have won over $1,000 in prize money or an average of $200 per year. I took a vacation last summer and with my family went to California. This was accomplished by making use of the prize money referred to above.

I am enclosing herewith a copy of the Seventh Anniversary Edition of the "Great Southern Life," the Agency Bulletin published by the Great Southern Life, which I think is the best the Company ever issued. I take a great pride in this edition as I feel I have an interest in same. On page 7 you will see a picture of J. M. Alderdice, State Senator of Waxahachie, Texas; on page 11, a picture of William A. Briggs, farmer of Waxahachie; on page 12 a picture of Leon S. Caveness and family, druggist of Maypearl, Tex., on page 14, a picture of myself, from which you can glean that I believe in life insurance; on page 15 a picture of T. J. Cole, banker; on page 22 a picture of L. M. Graham, farmer of Hutchins, Tex.; on page 42, a picture of W. M. Shippey, real estate, Maypearl, Tex.; all of whom were written by me. I have over seven hundred policy holders in Ellis County, Tex.; carrying policies ranging from $1,000 to $10,000.

I have also been the cause of other men going to work for the Great Southern Life. Last year three men who went with the Company through my efforts qualified in the $100,000 Club.

I am proud of the record I have made, and as stated above, the weekly visits of The Eastern Underwriter have done their part in assisting me in this great work.

SAM W. CAROTHERS.

44 MILLIONS from 42 AGENCIES

THE 1916 RECORD OF OUR EARNEST, LOYAL AND HAPPY AGENCY FORCE

New England Mutual Life Insurance Company

BOSTON, MASS.

PENSION LIFE DIES

The Dauphin County, Pennsylvania, Court has ordered the Pension Life Society, an insurance corporation of Pittsburgh, dissolved and the business liquidated, as asked by State Insurance Commissioner J. Denny O'Neil through the Attorney General's Department.

S. H. Nicholson, president of the corporation, in answer to the petition submitted to the court order and decree, explained that the insolvency of the company was due to the fact that the Pension Mutual Life Insurance Company has been trustee since 1912, and has been declared insolvent.

Horner Scores Politics in National Association

(Continued from page 2.)

"Now, this is not a word picture of myself, although it is a rule of conduct which has characterized my acts in the past and will govern them in the future. The principles laid down have a larger significance for your consideration and guidance than their mere relation to a single individual. They strike at the very roots of your organization and are fundamental in the future advancement and perpetuity of this sector of the National Association, and are vital in the parent body itself."

At this point Mr. Horner made the statement found at the head of this article.

Continuing Mr. Horner stated: "This bold statement is not one of animus against the National Association as a body, or as a force, and it is a force, and a tremendous force, in the business of life insurance. It is a statement made deliberately and advisedly against the individuals who are retarding the full fruition of this force in such matters, close to our hearts as the standardization of agency representation through agency qualification laws and in a thorough and systematic carrying out of the various education and conservation measures which have promulgated over the country in recent years and endorsed generally by field men.

"What we want to do is not to talk so much to the people about taxation, the writing of 6,000 000 policyholders, and the membership in this congress, and in the national body, as to adopt such measures and advocate them the year around, and live up to them in our daily work, as will draw the people to our profession both with respect and patronage.

"I am talking to you about an everyday common sense proposition which is self-evident. We have not had the grit and determination to perform a major operation in this business and handle it as a business instead of a discredited profession. Those who in the past advocated preparedness, system, efficiency and institutional ideas have been jeered at or at least met with indifferent support. Now, we find ourselves in a totally unprepared state from beans to battleships, and everyone urging efficiency mobilization, co-operation; organization and co-ordination. The unfortunate supineness in the past makes these things now mingled with much unnecessary sacrifice and confusion."

Concluding, Mr. Horner moved that, "We resolve ourselves into a permanent organization and adopt the constitution substantially as read to the end that we may fairly, sanely and effectively spread the gospel of right methods in the glorious business of life insurance."

The Northwest Congress of Life Underwriters adopted the following preamble to their constitution:

"We, the accredited Life Underwriters of the Northwest, in order to strengthen the National Association of Life Underwriters; form a more perfect fraternal union; establish insurance justice and efficiency; insure domestic and business tranquillity; promote the general welfare; and secure the blessing to the people and ourselves of a standardization and professionalization of the business of sound life insurance, do organize and establish this Congress of Life Underwriters for the States of Minnesota, Iowa, Wisconsin, Nebraska, North and South Dakota."

CHARLES E. HUGHES NAMED

Appointed Special Deputy Attorney-General to Handle Pittsburgh Life Cases

As the result of a conference between Governor Whitman, Attorney General Lewis and Superintendent of Insurance Phillips, of New York State, the Attorney General has designated Charles E. Hughes as special deputy attorney-general to represent the Superintendent of Insurance in connection with the civil proceedings growing out of the recent transactions involving the Pittsburgh Life & Trust Company and the Washington Life Insurance Company. Mr. Hughes has accepted such designation and will immediately take charge of the litigation.

LIFE UNDERWRITERS MEET

Glover S. Hastings of Boston, superintendent of agencies of the New England Mutual Life Insurance Company, addressed the May meeting of the Connecticut Life Underwriters' Association in Bridgeport on May 18. He spoke on the service of the life insurance men to the public with special reference to the present unsettled situation in national affairs. In Boston he said, life insurance agents are among those who are devoting an hour a day to soliciting subscriptions to the Liberty Loan bonds. It is probable that similar action will be taken by agents in Hartford, New Haven and Bridgeport.

The association will entertain the all-New England congress of life underwriters in Hartford, Saturday, June 23.

Business Attending to Business

General business is prosperous and the public confidence is proof against all alarms. Our deliveries for the first three months were much larger than for the first quarter in 1916. Patriotism requires that business shall attend to its business with the utmost zeal, that the stability of finance may remain unshaken; even as patriotism requires that every American shall support the government by such means as are his to contribute, that our country may be invincible.

Occasionally we have a general agency opening.

JOSEPH C. BEHAN, Superintendent of Agencies

MASSACHUSETTS MUTUAL Life Insurance Company

Springfield, Massachusetts

Incorporated 1851

NATIONAL LIFE INSURANCE COMPANY

(MUTUAL)

MONTPELIER, VERMONT

67th Year

FRED A. HOWLAND, President

On paid-for insurance basis and with bonds valued at par only (market value $409,882 above par) the 67th report shows:

Assets	$66,426,040.82
Liabilities	62,268,494.36
Surplus	$ 4,157,546.46
INSURANCE IN FORCE	$212,037,400.00

A good company for the policyholder and the agent

EDWARD D. FIELD, Superintendent of Agencies.

MORTALITY INCREASES

Metropolitan Life Statistics Show Considerable Additions to Percentage of Fatal Accidents

On the basis of recently compiled mortality statistics covering the experience of the Metropolitan Life Insurance Company during the year 1916 on nine million white lives insured in its industrial department, that Company concludes that the accident rate for the working classes of the United States increased five points per 100,000 living over the mortality showing for 1915. This condition is contrary to the more recent tendency toward a reduction in the fatal accident rate and may well be the result of the increased activity in industry and to the speeding up processes incident to war conditions. The following table gives a comparison of the detailed statistical results for 1915 and 1916:

Number of Deaths From Accidents and Rates Per 100,000 Exposed Metropolitan Life Insurance Company—Industrial Department, White Lives, 1916

	1916		1915	
	No. of deaths	Rate per 100,000	No. of deaths	Rate per 100,000
Causes of accidental death	6,635	73.5	5,861	68.9
Accidents and unspecified violence (total).....				
Burns	754	8.4	687	8.1
Absorption of deleterious gases.....	270	3.0	214	2.5
Accidental drowning	858	9.5	1,008	11.9
Traumatism by firearms	140	1.6	122	1.4
Traumatism by cutting or piercing.....	17	.2	11	.1
Traumatism by fall	1,241	13.7	1,051	12.4
Traumatism in mines and quarries.....	91	1.0	81	1.0
Traumatism by machines	143	1.6	118	1.4
Traumatism by steam railroads	685	7.6	622	7.3
Traumatism by street cars	237	2.6	192	2.3
Traumatism by automobiles	795	8.8	486	5.7
Traumatism by other crushing & other vehicles	303	3.4	299	3.5
Electricity	93	1.0	62	.7
Other accidental & unspecified external causes.	1,008	11.2	908	10.7

There was a slight increase in the mortality from burns. The rate in 1916 was 8.4 per 100,000; this may be compared with a figure of 8.1 per 100,000 in 1915. Absorption of deleterious gases showed an increase in mortality from 2.5 to 3.0 per 100,000. Accidental drowning showed a decrease in the rate from 11.9 per 100,000 to 9.5 per 100,000. The figure for 1915 was rather high because of the inclusion of the deaths in the Eastland disaster. With these deaths excluded, the rate for accidental drowning in 1916 would still have shown a slight decline over the 1915 experience. Traumatism by firearms increased in rate from 1.4 per 100,000 to 1.6 per 100,000. Falls caused more deaths in 1916 than in 1915, the two rates being 13.7 and 12.4 respectively. Machinery accidents showed a higher mortality in 1916 than in 1915 as did also steam railroad and street railway accidents and injuries.

Mortality from automobile accidents and injuries showed by far the largest increase in the rate for any of the specified causes of accidental mortality. In fact, these automobile accidents were alone responsible for three-fifths of the increase in the total accident rate in 1916. In 1916 the rate was 8.8 per 100,000 as compared with 5.7 per 100,000 in 1915. Deaths from electricity also showed a slight increase in the rate, from .7 per 100,000 in 1915 to 1.0 per 100,000 in 1916. Accidental deaths caused by vehicles other than steam railroads, street railways and automobiles had slightly less mortality in 1916 than in 1915, the two figures being 3.4 for 1916 and 3.5 for 1915.

A PATRIOTIC MOVE

The Equitable Life of Iowa announces in its May issue of the "Equiowa" that any salaried home office employe who has been in the employ of the Company for six months or longer will be granted leave of absence for either military or naval service for the United States, and that throughout such leave of absence, it will pay the difference between his salary with the Company and the compensation that he receives from the government.

AETNA GIRLS MEET

Feminine Employes of Life Company Honer Their Officers at Banquet

The Aetna Life Girls' Club, which has led rather a quiet existence since its organization early in 1916, came out of its obscurity Monday evening, when about 125 members of the club and employes of the Aetna Life Insurance Company and its affiliated companies held a banquet at the Heublein in Hartford. The affair was given in honor of the retiring officers of the club: President, Helen M. Smith; vice-president, Dorothy A. Bowers; secretary, Marie L. Maloney, and treasurer, Ethel L. Locke, and of the new officers who were elected Friday afternoon, they being: President, Ethel Mae Davis; vice-president, Katheryn McDonald; secretary, Helen U. Ganley; treasurer, Eleanor Crane.

The club was organized March 3, 1916.

NEW BANKERS' AGENCY

Hogan & Paquin is a new general agency for the Bankers' Life of Des Moines. The members are John W. Hogan, formerly general agent for North and West Wisconsin, and Louis Napoleon Paquin, new but already famous as a Bankers' Life saleman.

Rhodes Discusses Revenue Act

(Continued from page 3.)

ing its share of the accumulated earnings. In the natural course of events the amounts payable to the estates of the respective members at their death will vary, but at the death of the last surviving member the entire fund will be exhausted.

This is an illustration of a simple plan, involving only one of the principles of mutual life insurance, viz., that each member or his estate is to receive nothing until death. Its features as to its invested capital, are, however, the same as that of a modern life insurance company. The only matter of difference is that in the latter case the contributions which the members agree to make are adjusted according to mathematical calculations based upon estimated earnings and death losses, so that each member is entitled to receive a fixed amount at death, whether it occurs in one year or fifty. This involves the question of life contingency, which is not involved in this illustration and which has no bearing upon the question of the invested capital of either association, but is purely a matter concerning the rights of the individual members as between themselves, and the extent of their respective rights in the invested funds of the association. The capital invested, in both cases, is the total amount paid in by the members, together with the accumulated earnings thereon. The mere fact that the modern life insurance company has provided a rather elaborate system for the conduct of its business, can have no bearing in determining the question as to what constitutes the capital invested in the enterprise. It must be the same, whether the plan be the simple one shown by the above illustration, or a more complicated one required by the necessities of modern life insurance companies and the laws which have been passed in the various States regulating their operations.

In the act of September 8, 1916, it was provided that in estimating the value of capital stock in the case of insurance companies such deposits and reserve funds as they are required by law or contract to maintain or hold for the protection of, or payment to, or apportionment among, policyholders, should not be included. This exclusion was not based upon the idea that such deposits and reserve funds did not represent money used in the business, but upon the fact that they were no part of the surplus and undivided profits to be used in ascertaining the value of the capital stock. There is, therefore, no conflict between the act of September 8, 1916, and an interpretation of the act of March 3, 1917, by which reserve funds would be counted as a part of the invested capital.

THE MOST VALUABLE POLICY FOR YOU,
Mr. Agent, is to write your prospect in the Company writing the most valuable policy for the insured.
Secure **prompt action** in the
John Hancock MUTUAL LIFE INSURANCE COMPANY OF BOSTON MASSACHUSETTS
WILLIAM N. COMPTON, General Agent
METROPOLITAN DISTRICT, ST. PAUL BLDG., 220 BROADWAY, NEW YORK, N. Y.

The
Perfect Protection Policy
OF THE
RELIANCE LIFE
gives you something absolutely new and different to talk to your prospects. Gives you a chance to earn more money than you are now making.
Our Life Insurance Contracts contain the most up to date clauses known to the Insurance World. The Accident and Health gives full protection for at least a third less cost than regular casualty companies. Our agency contracts are as liberal as can be made.
WRITE AND WE WILL TELL YOU MORE ABOUT OURSELVES
Reliance Life Insurance Company of Pittsburgh
FARMERS BANK BUILDING
PITTSBURGH, PENNSYLVANIA

Build Your Own Business
under our direct general agency contract
Our Policies provide for:
Double Indemnity, Disability Benefits, Reducing Premiums
See the new low Rates
JOHN F. ROCHE, Vice-Pres't
THE MANHATTAN LIFE INSURANCE COMPANY
66 BROADWAY NEW YORK
Organized 1850

Founded 1865
The PROVIDENT Life and Trust Company
OF PHILADELPHIA, PA.
What do most men fear?
An insufficient income for their wives and children if they die, and for their own old age if they live.
WE WILL INSURE THE INCOME IN EITHER EVENT.
Write for Information

State Mutual Life Assurance Co.
OF WORCESTER, MASSACHUSETTS
Incorporated 1844
The Company that gives complete satisfaction to policyholders and agents because both are a part of it.
SEVENTY-THREE YEARS of faithfulness to every promise made.
Success for our ambitious representatives is a certainty.
Additions are made to our agency force when the right men are found
B. H. WRIGHT, President D. W. CARTER, Secretary
STEPHEN IRELAND, Inspector of Agencies

ORGANIZED 1871
Life Insurance Company of Virginia
RICHMOND, VIRGINIA
OLDEST, LARGEST STRONGEST
Southern Life Insurance Company
Issues the most liberal forms of Ordinary Policies from $1,000.00 to $50,000.00, and Industrial Policies from $12.50 to $1,000.00
CONDITION ON DECEMBER 31, 1916:

Assets	$14,464,552.23
Liabilities	12,436,717.56
Capital and Surplus	2,027,834.67
Insurance in Force	118,349,212.00
Payments to Policyholders since Organization	18,119,172.50
Is Paying its Policyholders over	**$1,300,000.00 annually**

GOOD TERRITORY FOR LIVE AGENTS

LIVE HINTS FOR BUSINESS GETTERS

Practical Suggestions to Help the Man With the Rate Book Increase His Income and General Efficiency

Cash In Advance

A strong argument for advance payments is made by Frank T. McNally, manager in Duluth of the Massachusetts Mutual Life, writiug in "The Radiator," published by the Massachusetts Mutual Life. He cites the advice to agents of Vice-President Sargeant, of the Massachusetts Mutual Life, that "the proper time to sell a man life insurance is when you take the application." Continuing he said:

For some time past we have been using the following system. In the first place we endeavor by every means in our power to carry out Mr. Sargeant's advice, to actually sell the man when we secure his application, and we make it a point to get at least a part payment in cash at the time, if the applicant cannot pay it all, and, of course, a note for the balance, payable upon a delivery of the policy or at a time convenient to the applicant. His paper is just as good at the time of making application as it will be a week later, and by using this method you make sure of two important items. The examination will be made, you don't need to worry about that (and another element of wastage is eliminated.) In the second place, the policy is delivered when it is issued, as far as you are concerned.

Of course this is nothing new to anyone—we have all followed this plan upon occasions—but why not make it a rule of action rather than an exceptional event. The Manual of Arms is an old thing, but how many of us are familiar with it? We have found this to be true, that an applicant never failed to be examined if he had made even as small a cash payment as ($2.23,) which is the smallest we have ever taken. This method lessens worry, saves money, saves time, makes you feel better—why? Bcause the case is closed! The sale is made! You have done your part,—now it is all up to the Censors at the Home Office. Try it out!

We have used this system with old policyholders, with old friends, and with strangers, and it works! For instance, in a recent month we issued twelve binding receipts to men who were entire strangers to the Agents involved, and in towns where we knew no one and where we had no policyholders.

And it's reasonable and in line with the customers of the business world we live in. Selling a life insurance policy is not taking an order, it is closing a deal. And in every business transaction, whether it is selling a suburban lot or an iron mine, the rule is, "some cash in advance to bind."

In a recent month I made a comparison of ten cases—five binding receipt cases and five without the binder. The five without the binding receipt required an average of about forty-five minutes more time to close and secure a settlement than the other five.—and eventually cost us $17.85 extra travel expense, a loss of one-half day's time spent on the train, took an average of 1 hour and 15 minutes to deliver each, while the binding receipt cases required no extra time to deliver. Which was the more profitable? A child could figure it out.

Let me repeat: The success or failure of a life insurance salesman depends primarily upon the use he makes of his time. The inexperienced solicitor wastes hours upon a prospect—to whom the experienced salesman would refuse to give the "once over." And even the experienced salesman wastes myriad hours in the course of years by the use of loose methods which too often become a matter of habit. Such methods have not prevented him making a mediocre success, but this essential difference in methods, and proper use of time, spells the difference between our $250,000 men and the $2,000,000 man who seldom sits at his desk in his office in Providence, R. I.

* * *

Suggestions For Writing Ordinary

David Kahn, representing The Prudential Life in Brooklyn, N. Y., stood seventh on the list of leaders in Ordinary business during 1916.

When asked by "The Prudential Weekly Record" what methods he follows in writing Ordinary business, he said:

I entered this business with the intention of getting from it the very best there is in it. I soon learned that to be successful, I must thoroughly acquaint myself with all the details of the work. So I began to study the contracts that our company sells, the various literature the company sends us, and to read regularly "The Prudential Weekly Record."

I believe that what success I have made in our business can be ascribed to the following attributes: confidence, concentration and conscientiousness.

Confidence—This is gained by a thorough knowledge of the contracts you are selling, coupled with the belief that you are representing the best company in the world and the fact that you can meet any competition because of the low cost of our policies. So prepared, we should all be able to go out and make a record for ourselves.

Concentration—We must concentrate the knowledge we have gained about our business that we may use it to the best advantage. We must concentrate our minds upon selling the policy best suited to our prospect, and not underestimate his ability to take a large amount of protection. We must concentrate our effort so as to bring us the largest result with the least expenditure of work.

Conscientiousness.—Having first acquired confidence and then properly concentrated our plans and our work, it is then up to us to be conscientious in our time, in our acts and in our loyalty. We must ever be alert to get the business, never letting a single opportunity slip. We should diligently canvass for business and then give this business the attention we would if we had our own money invested in it.

THE
METROPOLITAN LIFE
Insurance Company
(Incorporated by the State of New York)



Metropolitan Life Insurance Company
Home Office Building

The Company
Of the People
By the People
For the People

The Daily Average of the Company's Business during 1916 was:

701 per day in Number of Claims Paid.

8,304 per day in Number of Policies Issued and Revived.

$1,969,823 per day in New Insurance Issued, Revived and Increased.

$376,827.40 per day in Payments to Policyholders and Addition to Reserve.

$220,509.26 per day in Increase of Assets.

JOHN R. HEGEMAN, President

EQUITABLE AIMS HIGH

Once more the slogan of the Equitable of Iowa for its agency force has been changed, this time to forty millions new business for 1917. This change is not due entirely to a hope, being principally caused by the fact that the production of new business for the past few months has been in pro rata excess of that figure. For instance, the new business for April totaled $3,636,329, bringing the total for the first four months of the year above $12,000,000, an increase of 60 per cent. over the same period last year. For the month alone the increase over last year was more than $1,400,000. These records bring to notice the fact that in the last three years the Company's production has been more than tripled.

Representing

The Mutual Life Insurance Company
of New York

You will make money.

The great strength, big dividends and incomparable benefits of the *"oldest company in America"* mean certain success for you.

For Terms to Producing Agents, Address

GEORGE T. DEXTER, 2d Vice-President

34 NASSAU STREET. NEW YORK, N.Y.

POLICE INSURANCE

Philadelphia Force Revolts Against Slavery Under Political System

Authority for the disposal of the insurance funds of the Philadelphia police force was taken away from the Police Beneficial Association and placed in the hands of the newly organized Patrolman's Benevolent and Beneficial Association at the third meeting of the latter organization. This is the first move of the police in their fight for freedom from political slavery.

In the old association patrolmen were compelled to pay $3.50 a month for their insurance, but through the new move all the members of the new organization will pay 50 cents less and will be insured for a $?,000 policy. Last year it was discovered that "blanket" policies had been given out, and through their distribution the insurance association of the police department had been d·prived of many thousands of dollars.

PAGE SHERLOCK HOLMES, BOY!

A curious idea of the functions and activities of a life insurance company has been discovered in a letter received by the Bankers' Life Company of Des Moines, from a correspondent in Louisiana. This correspondent is seeking information as to the ultimate fate of his former better half who left him, about four years ago. The gentleman recites that he knows that his wife was at one time located at a certain address in New York. He has since lost track of her and wishes now to know if she is still living. He makes a special point that this information be secured in such a way as to keep his former sponse from a knowledge of the fact that he has made inquiry. The Bankers' Life Company has admitted to this correspondent that it has no Sherlock Holmes among its representatives and that it is unable to furnish the information sought.

BIG TREE CLUB MEMBERS

Among those who have qualified from the Pacific Mutual Life Insurance Company for the Big Tree Club convention to be held in New Orleans, September 21, are, J. D. Adams, T. A. Waltrip, R. A. Brown, W. H. Nolan, E. W. Maxson, Charles L. Lewin, Thomas F. Cantwell, Charles L. Bogue, L. P. Brown, E. E. Peck, James L. Collins, O. E. Carter, Francis Beckett, J. O. Westervelt.

THE EASTERN UNDERWRITER

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THE RIGHT OF AN AGENT TO LEARN HIS AVOCATION

That there is no royal road to learning the local agency end of the fire insurance business, is the consensus of opinion of a number of distinguished company heads who have responded to a request of The Eastern Underwriter that they give to an ambitious new agent the benefit of their advice. The case of this agent appealed to most of the underwriters because under the present system of wholesale appointments of local representatives there are hosts of novices, men who are in the same position as the correspondent who presented his case to The Eastern Underwriter: anxious to learn, but how can it be done? Only one of the insurance heads to whom The Eastern Underwriter wrote soliciting aid for this agent, viewed the subject through unsympathetic glasses.

The attitude of The Eastern Underwriter is that any man who is singled out by an insurance company to act as its local representative is certainly entitled to ask for guidance. In fact, it is unfortunate that agents are appointed in wholesale lots and then so often left to drift by themselves. The agent who wrote to The Eastern Underwriter also asked this paper if there were not some helpful book that could be recommended, the study of which would aid him to master his business. Of all the letters The Eastern Underwriter received—and more than a dozen came in, which could not be published because they were marked "confidential"—only one suggested the name of a book. A pretty poor commentary on the literature of fire insurance!

"I did hear of such a book, but I have forgotten its name and that of its publisher," wrote the president of a great fire insurance company.

Fortunately, there is much of stimulation and encouragement for this novice from some of the letters; the most constructive thought being that the agent employ some one who understands the technical end of the business paying him $1,200, $1,500 or $2,000. This is a combination that has worked to advantage for years in all branches of insurance; the business-getter who is not an expert, but who has the acquaintance and personality to inspire confidence, coupled with the expert, who in addition to giving advice, attends to the practice and routine; in other words, keeps the office in shipshape fashion.

Reverting again to the indifference shown by fire companies to their new representatives, the methods of some of the more progressive life and casualty companies might be studied to advantage. One of the great casualty companies runs a school for agents attended by representatives from all parts of the country. There are innumerable life insurance schools; some general agents taking the position that no agent can solicit until he has had a certain amount of instruction. In fact, these general agents will not permit an untrained man to go into the field.

In fire insurance much good is being done by fire insurance societies in various cities, while there are some indications that there is an awakened conscience towards the agent, an appreciation of his problems and a desire to meet them.

The Agricultural and the Glens Falls are two of the companies which have practically launched classes for the study of fire insurance in which agents are invited to participate.

WAR TAX OF $8,550,000?

(From the "Journal of Commerce.")

Clarence F. Birdseye, who with others is charged with wrecking the Pittsburgh Life & Trust Company, in his statement alleges that the property of the Dare Lumber Company has been "appraised by experts at $20,000,000." As the property was purchased by Montgomery with the assistance of Birdseye for $1,000,000 of the Pittsburgh Life & Trust's money, it thus shows an apparent profit on his statement of $19,000,000. New York and Pennsylvania Insurance Department officials are, therefore, keen to know whether the new holders of the Dare Lumber Company stock will declare the $19,000,000 apparent profit on the deal to the Federal Government and pay the 45 per cent. excess profits tax provided for in the new War Revenue bill. This tax on the $19,000,000 profit would amount to $8,550,000, and it is likely the Federal tax collectors would want real money for that amount.

BIRDSEYES EXTRADICTED

Governor Whitman has granted applications for the extradition from New York to Pennsylvania of Clarence F. Birdseye, Kellogg Birdseye and George Montgomery, who have been charged with conspiracy in connection with the recent alleged irregularities in the management of the Pittsburgh Life & Trust Company.

At the request of Lemuel Ely Quigg, a hearing on the application for the extradition of Joseph C. Watson, who is wanted in Pennsylvania on the same case, was adjourned until June 15, with the understanding that it would be held sooner if the Pennsylvania authorities were insistent that Watson appear in that State before that date.

AETNAS BUY LIBERTY BONDS

Morgan G. Bulkeley, president of the Aetna Life, Aetna Casualty and Surety Company and of the Automobile Insurance Company of Hartford, announces that the three corporations have taken $1,500,000 of Liberty bonds, for sale among their thousands of employes.

The bonds will be sold on time payments.

Frederick A. Griswold, general agent of the Northwestern Mutual for Connecticut, has been elected president of the Wethersfield Country Club.

* * *

Harrison Law, formerly secretary of the Fire Brokers' Association, has been elected assistant secretary of the Gauvin Agency, Inc.

THE HUMAN SIDE OF INSURANCE



CHARLES R. NEIDLINGER

Charles R. Neidlinger, the former Columbia football player who has made a remarkable success in a few years in Cuba, is one of the strikingly picturesque personalities of the insurance business. He is a self-made man in every sense of the word as he started to work for the New York "Herald" when a boy, continued there for a number of years, and worked his way through public schools, the College of the City of New York and Columbia University. With the "Herald" he was in every department, including advertising and editorial, even writing for the Sunday paper. At Columbia he was a member of the most famous team that ever was there, beating Yale and other elevens. He played end. Upon leaving college he tried his hand at many things, at one period of his life being an advertising solicitor, an insurance broker, a teacher and a buyer of machinery for the export trade.

All in all he liked insurance best, which led to the decision to sell insurance exclusively. He went to work in the office of C. A. Timewell, of the Standard Accident of Detroit, and his first policy for that company was sold ten minutes after he began work. He returned with the premium, five $5 bills.

For many years—at college, in his college fraternity, and other places—Mr. Neidlinger made the acquaintance of a large number of Cubans, some of whom became his warmest friends, and their praises of Cuba made the eulogies of California by native sons pale into insignificance. He took their advice and decided to go there. He began correspondence with the Maryland Casualty Company relative to entering Cuba in 1904 and kept right at it until 1911 when President Stone went to the Island, looked over the situation, and opened a branch office in Havana. Later, this office was taken over by Mr. Neidlinger as an agency, the company writing everything, including bonding bonds. A workmen's compensation law, enacted on June 12, 1916, went into effect on December 16, that year.

A compensation law had been passed three times. Twice it had been vetoed by the President of Cuba as not being broad enough. The law that finally became effective, was modeled after the laws in American States, and because it made this insurance compulsory the Maryland, as the only American company in Cuba at that time writing casualty lines, decided not to write it, as it did not care to have the impression created that it was responsible for the legislation in any way, which it was not.

The Maryland's decision not to write compensation in Cuba still holds.

For some years Mr. Neidlinger had in contemplation the organization of a local Cuban company, designed originally to handle fire and marine. When the compensation act was finally passed the Compania de Seguros "Cuba" (Insurance Company of Cuba) was started, and it is now the foremost company on the Island writing compensation business. Mr. Neidlinger is general agent, and has planted agencies in every city in Cuba. The president of the company is Don Jose Lopez Rodriguez, one of the largest stockholders in the Banco Nacional de Cuba; also an important sugar estate man and real estate owner. One of the directors in the company is Regnio Trufin, vice-president of the Cuba Cane Sugar Corporation, largest sugar corporation in Cuba, controller of sugar mills, etc. Another director is Jose Miguel Tarafa, also a sugar and real estate capitalist. Counsel for the company is Senator Moralles, perhaps the best lawyer in the Cuban Republic.

Mr. Neidlinger has the agency of the Continental, writing fire and marine there; and will soon announce his appointment as agent of another fire insurance company. He also intends to enter three prominent companies, two fire and one casualty, in Porto Rico. There are now twenty-four companies writing fire insurance in Cuba. Most of this business is reported direct to London. The American companies writing there are the Continental, Home, Hartford and National.

* * *

Lawrence M. Cathles, secretary and actuary of the Southwestern Life, of Dallas, Tex., was in New York last week. While here, of course, he called upon Henry Moir, Actuary of the Home Life, and acquainted him with the latest news about Henry Moir Cathles, born a few weeks ago. The insurance fraternity is invited to make three guesses as to what profession will be adopted by H. M. Cathles when he leaves college—the George Watson School for Boys?—some time in 1934.

* * *

Captain Dexter M. Ferry, Jr., president of the Michigan Fire and Marine Insurance Company of Detroit has been ordered to Fort Sam Houston, Texas, where he will report to the commanding general of the Southern Department for duty as assistant to the department quartermaster. Captain Ferry is a member of the quartermaster officers' reserve corps.

* * *

Max Arthur Jameson, assistant manager of the fidelity and surety department of the Aetna Casualty and Surety Company at its 100 William Street, New York, office, joined the army of benedicts on May 19. The bride was Miss Nettie Spears. The newly-weds will be at home after August 1, at 4 President Street, New Rochelle, N. Y. Just now they are honeymooning.

* * *

Morgan G. Bulkeley, president of the Aetna Life, has subscribed $500,000 in bonds for the proposed new million dollar hotel in Hartford. A condition of the subscription is that the remainder of the bonds be subscribed to by June 1.

* * *

Robert Forrest, special agent for western New York for the New York Underwriters' Agency has tendered his resignation. He has joined a battery of the Canadian Field Artillery for the duration of the war and will shortly depart for Canada.

FIRE INSURANCE DEPARTMENT

National Board Reviews Year's Developments

FIFTY-FIRST ANNUAL MEETING PROCEEDINGS

President Bissell Tells of Numerous Ways Board Can Assist National Government in Prosecuting War

The fifty-first annual meeting of the National Board of Fire Underwriters was convened and adjourned at the Hotel Astor yesterday.

R. M. Bissell, president of the Hartford Fire and of the National Board, said that, in spite of war conditions, the regular work of the Board had been carried on and that all of the engineering and chemical records had been placed at the disposal of the Government. He told of the conferences between officials of the National Board and the Government and the plan of co-operation which had resulted. This plan includes the assistance of the Board in the handling of food stuffs and in the campaign of conservation.

Mr. Bissell said that the weight of these public efforts of the fire insurance companies will have a good effect in moulding favorable opinion and bringing the people to realize that the companies should be fostered and not hindered by legislation. He quoted Commissioner Mansfield, of Connecticut in this regard.

Comments on 1916 Record

Mr. Bissell said that 1916 was not a fortunate year for the companies, showing an underwriting loss of 2.46 per cent., but he saw comfort in the fact that the experience covering ten years shows an underwriting profit of 1.67 per cent. In this regard, Mr. Bissell said:

"For the first time in recent years this ten-year table does not include the losses resulting from the great disaster at San Francisco. Nevertheless, it will be noted that the net underwriting profit, taking into account our increased liabilities for the entire period, is but 1.67 per cent. Surely when for so long a period in which there have been no really serious conflagrations the margin of profit is so slight as to arouse our grave concern, it must be evident that only by the exercise of the greatest wisdom and economy of operation may we hope that our business as a whole can be conducted without actual loss."

Speaking on the subject of taxes, Mr. Bissell read from a table showing the results of taxes on fire insurance premiums for the past eight years. In closing, he said that, in view of the additional work which was being done by the National Board, he did not recommend any further expansion of the Board's activities into new fields.

Executive Committee Report

Frank Lock, United States manager of the Atlas, and chairman of the executive committee, read the report of the committee which is in part as follows:

"It has been both a privilege and pleasure to serve as chairman of this committee and from that point of observation to watch the interest manifested to further the aims of the entire insurance fraternity and of the public at large by some of the hardest working men in our profession. In almost every activity of the Board there are elements of service which attract attention in a favorable manner from press and public; the past year records numerous instances of favorable comment on such work of our organization. It is long since the Board has been seriously criticised for deeds of commission or omission, and a retrospect of the past reveals steady advancement of the objects and purposes set forth in our constitution. Hence it results that to-day we are expected to do many things not directly related to fire insurance per se, yet there are matters of vital and immediate importance, not only to the industrial and commercial world, but also to the furtherance of social and economic progress generally."

Mr. Lock further reported of the work done by the Board in conjunction with the Insurance Commissioners' Convention and the Fire Marshals' Association, and in describing the other phases of the work, he said in closing:

"Not confined to the limits of fire underwriting, our service has long since been extended to the conservation of life and property, with public education upon these and all kindred subjects, and now at a time of national crisis it is a matter of gratification that the Board finds itself equipped to render effective assistance to the Government in the urgent and indispensable work of helping to preserve the national food supply, as well as in many other ways as will separately appear.

"Thus, at the outset, originally organized to collect and distribute information and data upon fire insurance, the usefulness of the National Board has extended far beyond its original purposes or the ideas of even its most far-seeing founders. Designed as a professional organization, its activities have extended into almost every field of public service, and as these fields expand and the needs of the commercial world or of the nation become greater, this Board proposes to stand equipped ready to voluntarily perform service in such fields of activity, even should they become yet broader in their requirements."

Report of Law Committee

C. A. Ludlum, vice-president of the Home, reported as chairman of the committee on laws. He told in detail what had been done in a legislative way in the various States and what action the committee had taken thereon. He also told of the work being done by the committee in securing the co-operation of mercantile organization in legislative matters.

The committee on incendiarism and arson, of which N. S. Bartow, secretary of the Queen, is chairman, presented a table showing what had been done in the different States in curbing arson and securing the arrest and conviction of incendiarism.

Building Codes Established

H. A. Smith, president of the National Fire of Hartford, made his report as chairman of the committee on construction of buildings. The report gave the work which has been done by the Board in the past year in fostering better building construction.

The committee on lighting, heating and engineering standards, of which C. F. Shallcross, United States manager of the Royal, is chairman, reported on the accomplishments under this head of the National Fire Protection Association Underwriters' Laboratories, Inc., and other bodies.

The work of the National Board in fire prevention is summarized and tabulated by States by the committee in charge. Richard D. Harvey, United States manager of the Royal Exchange is chairman of this committee and made the report.

The report of the actuarial committee was also made, George W. Babb, manager of the Northern of London, reporting for the committee of which he is chairman. The report showed the interest and co-operation being taken by the State Fire Marshals' Association and the Insurance Commissioners' Convention in the work of collecting and collating statistics respecting losses.

Special committee reports were also made by Mr. Babb for the committee on the revision of the constitution and by-laws, by F. C. Buswell, vice-president of the Home, for the committee on public relations, and by E. G. Richards, United States manager of the North British & Mercantile, for the committee on uniform accounting and kindred subjects.

H. E. DRUGAN APPOINTED

H. E. Drugan has been appointed special agent for the Glens Falls in Ohio, succeeding E. W. Reynolds resigned. Mr. Drugan is well known to many of the agents in Ohio, through his connection as an inspector with the Ohio Inspection Bureau. He has made many friends both with the local agents and State agents. The appointment takes effect June 1. Mr. Drugan's headquarters will be at Columbus, Ohio.

ALBANY FIELD CLUB PLANS

Decided at Dinner to Percy Ling to Hold Annual Field Day Meeting at Saratoga Lake on June 16

At the meeting of the Albany Field Club held May 18, it was decided to hold the annual field day meeting on June 16 at Saratoga Lake.

At the meeting last Friday the Club tendered a farewell dinner to Percy Ling, recently appointed assistant general agent of the North British & Mercantile at New York. The club had as its guests R. P. Barbour, general agent of the North British & Mercantile, and F. W. Peters, special agent of the Albany Insurance Co. A handsome solid silver loving cup was presented to Mr. Ling by the members of the Club.

FIRE AND MARINE INSURANCE—ALL LINES

The Automobile Insurance Company of Hartford, Conn.

MORGAN G. BULKELEY, President

Statement January 1, 1917

Cash Capital	$1,000,000.00
Assets	2,748,832.19
Liabilities (Except Capital)	1,039,977.81
Surplus to Policyholders	1,708,854.38

AFFILIATED WITH

ÆTNA LIFE INSURANCE COMPANY

THE ÆTNA ACCIDENT AND LIABILITY CO.

NORTH BRANCH FIRE INS. CO.
Sunbury, Pa.
Inc. 1911

Assets	$641,341.77
Reserve	230,513.29
Capital	300,000.00
Surplus	63,479.83

CITY INSURANCE COMPANY
Pittsburgh, Pa.
Inc. 1870

Assets	$357,318.58
Reserve	54,256.92
Capital	200,000.00
Surplus	96,379.07

OPERATING ON A CONSERVATIVE BASIS IN A LIMITED TERRITORY UNDER AN EXPERIENCED MANAGEMENT

Atlanta Fire Loss Greatly Exaggerated

GEORGIA MUTUAL COMPANIES HEAVILY HIT

Final Figures Will Show Less Than $2,000,000 Net—Will Have Little Effect on Year's Loss Ratio

Special advices to The Eastern Underwriter from Atlanta are to the effect that the fire losses in that city as a result of the conflagration have been highly exaggerated by the newspapers and by the fire insurance companies in reporting their amounts involved. Some of the companies are said to have given their gross liability for the entire City of Atlanta, whereas the section burned, while large in area, was exclusively a middle-class residential section.

In the area burned, reliable authorities say, there was not a single manufacturing risk of any consequence and that the maximum loss on any one location will not be in excess of $5,000 while the average will be in the neighborhood of $500. Men who are acquainted with the burned section say the total loss will be well under $2,000,000.

The Atlanta fire will be a heavy blow at the life of the Georgia Mutuals. The Southern Mutual is said to be very heavily interested in the burned section. This Company in 1915 received $393,000 in premiums in Georgia alone and it also suffered heavy losses in the Augusta fire on March 22-23 last year. This and the other Georgia Mutuals have made a strong play for dwelling house risks and as a result were heavy losers in both the Augusta and Atlanta fires. The liability of the Southern Mutual in the Atlanta fire has been estimated at $200,000.

RUTLAND AGENCY PASSES

M. J. Francisco & Son Absorbed by F. A. Field & Son—Agency Was Established in 1868

The business of the Rutland, Vt., agency of M. J. Francisco & Son has been purchased by F. A. Field & Son, of the same city. This action is the result of the decision of I. H. Francisco to retire from the business because of ill health.

Mr. Francisco is the son of M. J. Francisco who founded the agency in 1868 and who has been at the head of the business since his father died in 1913. M. J. Francisco was one of the first representatives of the Liverpool & London & Globe to be appointed in New England, his agency commission having been signed in 1868, and his agency has represented the company continuously to date. The agency of Field & Son was established in Rutland in 1894. The transfer is effective June 1.

Insurance rates in Batavia, N. Y., have been reduced.

E. U. RICHARDS' CAREER

New Assistant Manager of National Board Began With Ohio Inspection Bureau

E. U. Richards, who has been made assistant general manager of the National Board of Fire Underwriters, is a graduate of the University of West Virginia, who had his first insurance experience with the Ohio Inspection Bureau, beginning as an electrical inspector and becoming assistant manager of the Bureau. He next went with the National Board of Fire Underwriters, working for the fire prevention committee for three years, during which time he did investigation work in about forty cities. From there he went with the improved risk department of the Continental, and two years ago became secretary of the Eastern Union, in which position he has made many friends.

The staff of the National Board of Fire Underwriters has had innumerable duties added as a result of the war. As President Bissell stated in Washington, if a full list of its activities were printed it would be surprising to many people.

Manager Mallalieu is one the busiest men in New York. The appointment of Mr. Richards will help shift some burdens from his shoulders.

MAP COUNTER 200 FEET LONG

The National Union Fire of Pittsburgh is now located in its new offices in the Chamber of Commerce Building, one of Pittsburgh's newly constructed skyscrapers. This is one of the most up-to-date efficient insurance offices in the country; and one feature is a map counter more than 200 feet long, built on the latest model. Near each examiner's desk is a desk of an assistant, and a smaller desk for a file boy.

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Representing
THE SCOTTISH UNION & NATIONAL
For the United States and Canada
THE YORKSHIRE INSURANCE CO., LTD.
For the United States and Cuba

National Fire Insurance Company
OF HARTFORD, CONN.
Statement January 1, 1917, to New York Insurance Department
LIABILITIES

Capital Stock, All Cash	$2,000,000.00
Funds Reserve to Meet All Liabilities, Re-Insurance Reserve, Legal Standard	9,912,715.84
Unsettled Losses and Other Claims	1,878,398.32
Net Surplus over Capital and Liabilities	3,743,747.60
Total assets January 1, 1917	$17,534,861.76

H. A. Smith, President F. D. Layton, Ass't Sec'y F. B. Seymour, Treas.
G. H. Tryon, Secretary S. T. Maxwell, Ass't Sec'y C. B. Roulet, Gen. Agt.
SURPLUS TO POLICY HOLDERS, - - $5,743,747.60

AMERICAN EAGLE FIRE INSURANCE COMPANY
OF NEW YORK
HENRY EVANS, President
Fire Rent Automobile Tornado Sprinkler Leakage Use and Occupancy Profits Explosion
The American Eagle, succeeding the Fidelity Underwriters, which was established in 1910, maintains a well earned position in the front rank of fire insurance. Its management is most efficient and its record of square deal with both agent and assured is undisputed.
THE AMERICAN EAGLE—An American Institution
Home Office: 80 MAIDEN LANE, NEW YORK *Pacific Coast Dept.:* SAN FRANCISCO

Cunningham's Advice to Novice Agent

WRITES CHARACTERISTIC LETTER ON HOW TO SUCCEED

Views of George A. Viehmann, President of New Jersey and New Brunswick Fire

The Eastern Underwriter has received several additional interesting communications regarding the local agent who asks advice as to how he can succeed.

J. L. Cunningham, Glens Falls Insurance Company:

This agent's letter presents a rather puzzling agency problem. The conditions you mention start off with the discouraging facts that the agent lacks knowledge of the business from experience or otherwise and is located where there is no visible opening for another agency. These conditions are not, however, exceptional to new appointments.

In the case under discussion there are the advantage features of the agent's successful business experience in other lines; his large acquaintance, favorable character and personality. These are helpful agency assets when joined with the representation of reputable companies and made alert and active. These qualities are somewhat valuable even when passive; but we observe that those who do not possess them in full measure win out by a busy forcefulness. Dormant good personal qualities, like buried treasure, do not produce increment in our business as now conditioned.

The Qualities That Count

Other things being equal, we prefer to deal with those we are fully acquainted with and in whom we have confidence, even as against those who have treated us well but with whom we are less acquainted and in whom we may, consequently, have less confidence. There are personalities which beget confidence and have influence, even in cold-blooded business, and so, too, of a manly reputation. These things your agent appears to have, but they are not likely to crowd his office with seekers of what he has to sell. These qualities must be made aggressive, even dignifiedly intrusive to have consideration and influence—and this can be done without reaching "high class mendicancy" which your agent wishes to avoid.

Soliciting is an important part of every business and is certainly essential to a successful insurance agency.

He may have companies offering an indemnity more or less decidedly reliable for the present and future than that of some companies in which his friends are insured, or when of about equal quality the influence of "between friends" may dominate. Anyway, your agent need not be despondent if he has the courage of perseverance. However, he gives the crux of the needful when he says: "I want to put myself in possession of such specific knowledge that I can demonstrate to the prospect that I can give him as good coverage and better service," etc.

An Agent's Real Influential Value

The real influential value of an insurance agent to his client is the service the agent can render and which he can render in so many ways, if he is intelligently equipped with a practical knowledge of his business.

Knowledge of business in general will give the fundamentals of the business of insurance, and yet there is so much that is technical to our business that he needs a practical acquaintance with the work he has undertaken, to achieve success.

Fire insurance now covers such a variety of hazards, can furnish such a diversity of indemnity that an agent is handicapped in proportion to the less he knows of the business as a whole. An experienced agent just now writes that "the new bay window additions to the fire insurance structure by recent legislation give me a new sense of ignorance and I must trouble you with many questions." This is mentioned as one way of securing information—asking.

More Than Smattering of Knowledge Necessary

"Your agent should pursue his expressed purpose of informing himself and not be content with a mere 'smattering' of knowing, but proceed to learn all he can and as fast as he can, and if in earnest he is likely to be surprised how readily it will come.

"To become familiar with the policies of his companies, their conditions and requirements, will put him ahead of many some-time agents in ability to interestingly enlighten policyholders—tell them things of consequence which they had not known. Knowledge will come from daily experience; books there are and journals that will be of decided help. Can learn from his companies by questioning and also from his fellow agents for he must have fellowship with them. Proper competition should not make enemies of competitors. In fact, he should become an interrogation point and indifferent as to how simple the question it punctuates.

"Pardon this hasty and superficial response to your inquiry, complete treatment of which might fill a volume."

Agent to Succeed Must Put Heart and Soul Into Work

George A. Viehmann, president New Jersey Fire Insurance Company:

A doctor would be a failure without a thorough education and then the natural love for his profession; a lawyer would never make a success without thorough training and the same natural attachment to his profession. No matter whether a man is a carpenter, a bricklayer, a boiler maker, a farmer, a merchant or an insurance agent, the man who understands his business throws his heart and soul into it, and finds it the natural vocation to which he is adapted, will make a success. There is plenty of opening at the top in every vocation of life and in every field there is a congestion at the bottom.

Let this man, who has had a successful experience in business, learn what fire insurance is; let him understand what the policy means; let him find out how risks are rated, what the different hazards are; let him understand the forms and requirements and the law relating not only to the writing of a policy and its cancellation, but to losses and adjustments. If he gets this training he can pick out one risk after another and show an owner how to improve it, how to get his rate reduced, how to properly be protected, and thereby get a reputation for himself and build up a business that will be limited only by his energy and activity. The knowledge of the insurance business is the real reason why the big New York City brokers, who have made a study of the principles of insurance, are able to take away from the inexperienced and ordinary agent the larger risks which are located in their agency field. It is a good deal like a grown man taking candy away from a kid.

The most remarkable condition which exists in the insurance business is to find so many companies of big capital who will hire or employ, for when an agent is appointed it is merely a case of hiring or employing on a commission basis, so many people as agents who have absolutely no knowledge of the insurance business, and who probably have never read a fire insurance policy through from beginning to end, and could only make a sorry attempt at explaining its meaning.

Too Easy to Become a Broker

The hard draw-back about getting qualified men to go into the insurance business is the system which permits the appointment of every Tom, Dick and Harry as a broker and passes over to them, merely for their ability to get from their friends the business, the larger portion of the commission which is allowed a regular qualified agent for attending to that business. If brokerage could be eliminated and only pay to men who devoted their whole time to and made their living out of the insurance business, the caliber of agents would be materially improved, there would be more inducement for high grade men to become agents and the people whose property was insured would materially benefit, because they would have better qualified people looking after their interests.

From Detroit National's President

Paul Turner, president of the Detroit National Fire Insurance Company, writes:—

Editor, Eastern Underwriter:—Your letter of the 11th inst., enclosing a printed slip relative to the administration of a Fire Insurance Agency, was duly received.

It would, of course, make a great difference where the gentleman making the inquiry is located. The desire to give value received or efficient service is certainly praiseworthy and if the business is to be operated in a community of varied and extensive interests where service is necessary I should suppose that service would be the way to success.

One of the elements of efficient service is reduction in expenses. Reduction in expenses means elimination of deficiencies. The best way for a new agent would be to carefully study the standards in use and the deficiency charges applicable to those risks which do not measure up to the standard as given in the various schedules employed in present day rating. Acquiring that information would enable an agent soliciting the business to tell his prospective client what, if anything, he could do to legitimately reduce his rate and therefore his insurance tax and nobody could have any objection to that as the companies and the public should both be agreeable to any suggestions that would tend to make a risk a better one and reduce the chances of fire and the size of the annual ash heap.

The agent should, also, be in a position to detect errors, if any, in existing contracts and provide his customer with a form of policy, which will secure to him a full and prompt reimbursement of any loss he should sustain if he should be unfortunate enough to have a fire.

The ability to provide a contract, which will meet the requirements of both parties is best acquired by careful study of the conditions of the contract itself and an analysis of some of the forms on various hazards in use today.

When the business has been acquired and properly taken care of, it may rest until there is further need for the services of the agent in connection with the loss if any.

The agent should place himself in the position to properly advise his client in case he should have occasion to call upon the companies to cash in their contracts, and he can do that by familiarizing himself with the rights and duties of the assured at and after the fire and the rights of the companies and their duties as well.

There are various text books, which have from time to time been written, but they are couched in obscure language and so involved as to be confusing to the new man in the business.

If your friend ever wants any information that I can give him I would be glad to give it gratis.

Sharp Letter From a Production Executive

A company production executive, to whom many agents and brokers report,

(Continued on page 16.)

N U

NATIONAL UNION FIRE INSURANCE CO. OF PITTSBURG, PA.

TESTED

Thousands of Agents have tested the NATIONAL UNION and found it to their liking. There is an appeal in its uniformly efficient service. There is a consciousness of the honor and equity with which every obligation is dispensed. There is the satisfaction of transacting business with a company which promotes an Agent's progress. The NATIONAL UNION seeks high grade connections solely upon its past record, its present resources, its service and facilities, which are of a very high character, and upon its recognition of those principles of justice which contemplate benefits to ALL contracting parties. To enlist in the Agency ranks of this thoroughly modern, aggressively energetic Company is to become allied with an institution ever ready to do its utmost to consolidate a relationship which should prove a growing asset as the years go on. Over 200 men are at your service at the Home Office and in the field. If interested, your inquiries will receive courteous response.

MORTGAGEE AND PAYEE INTERESTS

(Continued from page 1)

one called the non-contribution mortgagee clause, and the other the full contribution mortgagee clause. The two are exactly alike, except for a condition in the full contribution mortgagee clause which is self-explanatory and reads as follows: "In case of any other insurance upon the within described property this company shall not be liable under this policy for a greater proportion of any loss or damage sustained than the sum hereby insured bears to the whole amount of insurance on said property, issued to or held by any party or parties having an insurable interest therein, whether as owner, mortgagee or otherwise."

Contribution

Where there is insurance under two or more policies containing the mortgagee clause without the "full contribution" feature, the mortgagee may demand that the full amount of any loss ascertained to be payable, and not in excess of the amount of such insurance, shall be payable to him (mortgagee), even though the insurance so payable constitutes but part of the total insurance, the balance being payable to some other interest. The non-contribution mortgagee clause may therefore be a greater protection to the mortgagee than the full contribution mortgagee clause, but if all the insurance is payable to the mortgagee and held by him it does not matter which clause is used. The company's interest is better protected by the full contribution clause.

Separate Contract

The mortgagee clause is held to be a contract between the insurance company and the mortgagee, separate and distinct from the policy contract between the company and the insured. It contains several provisions which may be reviewed as follows:

(1) LOSS PAYABLE

That loss, if any, under the policy shall be payable to the mortgagee.

Payment of Loss

Most companies in paying a loss where a mortgagee clause is attached to the policy make draft payable both to the mortgagee and the insured, thus obtaining a release from both. If the company were to pay the insured only and the mortgagee were afterward to demand payment, the company might be required to pay him even though it could not recover the money paid to the insured, and would then be in the position of paying the loss twice.

Multiple Mortgages

Where there is more than one mortgage on realty and each mortgagee has separate insurance to protect his interest, the non-contribution clause being attached to the policies, it is sometimes thought that each set of insurance must pay to the mortgagee named therein the full amount of any loss that occurs under the policy (not exceeding such insurance), even though the amounts so paid are double the amount of the loss. This does not seem equitable, and it is doubtful if the mortgagee clause would always be construed so favorably to both mortgage interests.

Where realty is encumbered by two mortgages there are several ways in which the rights of each mortgagee may be protected without jeopardizing the rights of the insurance company, bearing in mind that any insurance money paid to a mortgagee reduces his mortgage by such amount. Either of the following methods will protect either mortgagee, providing the property is worth the amount of both mortgages and all insurance thereon is made payable to one or to the other, or to both:

First: By making the loss payable to John Doe, first mortgagee, and Richard Roe, second mortgagee, as interest may appear.

Second: By making loss payable to John Doe, first mortgagee, as interest may appear, and remainder, if any, to Richard Roe, second mortgagee.

Sometimes a third method is adopted, viz., of attaching the full contribution mortgagee clause to policies which are issued separately, in favor of one or the other mortgagee interest, or in any case attaching it to the policies of the second mortgagee. This method is not recommended.

(2) INTEREST NOT INVALIDATED

That the insurance as to the interest of the mortgagee therein shall not be invalidated by any act or neglect of the insured, or of any tenant, or by any legal proceedings, or by change of title or occupancy or increase of hazard, provided, however, that the mortgagee shall notify the insurance company of any change of title or occupancy or increase of hazard that comes to his knowledge, and shall on demand pay the premium for such increased hazard.

Policy Void

If the mortgagee at the inception of the policy knows of conditions which render it void as to the insured, it is probably void also as to the mortgagee, but knowledge acquired by the mortgagee after the inception of the policy, except as to change of ownership or occupancy or increase of hazard, does not affect his rights.

This condition shows how thoroughly the interest of the mortgagee is protected against any act of the owner or tenant that does not come to his knowledge. On this point an eminent authority says: "If there are any rights or advantages which the mortgagee does not possess, it is either because he has not yet discovered them or has not gone after them, and more remarkable still is the fact that for all this the mortgagee pays nothing whatever. He gets without money and without price a contract which the mortgagor or owner of the best risk in the land cannot buy at any price."

(3) LIABILITY FOR PREMIUM

That if the owner (insured) neglects to pay any premium due on the policy the mortgagee, on demand, shall pay the premium.

Payment of Premium

When the mortgagee himself orders the insurance he is expected to pay the premium in the ordinary course of business, but if the insured orders the insurance and does not pay the premium, then on demand the mortgagee must pay it within a reasonable time, or forfeit his rights under the contract. It is doubtful if the mortgagee can be held except for the proportion of the premium from the date of demand for premium to the expiration of the policy; or, in other words, it is doubtful whether in all cases he can be made to pay for that portion of the insurance which has already run at the time of demand for the premium, even though he has had the protection of the insurance during such time.

(4) CANCELLATION

That the interest of the mortgagee may be terminated (1) by cancellation of the policy, or (2) by cancellation of the mortgagee clause, but in either case the mortgagee must be given ten days' notice and his interest continues for ten days after notice is received. (See Cancellations.)

(5) SUBROGATION

That when the insurance company shall pay the mortgagee for a loss under the policy, and shall claim that as to the owner (insured) no liability existed, then the company shall, to the extent of such payment, be subrogated to all the rights of the mortgagee.

This means that the company will in such case have an interest in the mortgage to the extent of the amount of loss paid to the mortgagee. When subrogation to the rights of the mortgagee is to be taken, it is customary for the insurance company to pay the entire amount of the mortgage, which is then assigned to such company.

A Personal Contract

The loss payable and mortgagee clauses are personal; they protect the mortgagee not the mortgage. Hence, if the mortgage is sold or transferred, the policy should be endorsed, making loss payable to the new mortgagee. If a mortgage is paid off and a new mortgage is executed to the same party, it is held to be a change of mortgage interest and to require endorsement on the policy. If the policy contains no provision making loss payable to a mortgagee there is no obligation on the company's part to pay such loss to the mortgagee. The mortgagee in such case has only such rights as are given him by the terms of his mortgage, and by the law, and these must be asserted in the proper manner in order to be effective.

Amount of Loss

The making of loss, if any, payable to a mortgagee, with or without a mortgagee clause, is not intended to waive the conditions of the policy relating to the amount of loss that is so payable; it merely stipulates, in this respect, that loss in such amount as may be duly ascertained to have been sustained, under the terms and conditions of the policy, shall be payable as provided.

Therefore, the loss payable, or the mortgagee clause, is not intended to waive the application of a coinsurance or average clause, or any other clause affecting the amount payable, or change in any way the application of the insurance.

The contention sometimes asserted that the mortgagee clause overrides such provisions and clauses and nullifies them in so far as the mortgagee is concerned does not coincide with the general understanding, and a mortgagee cannot safely rely on such an extreme construction of the rights given to him under the mortgagee clause.

The following clause is sometimes used on a policy of insurance which is ordered and paid for by the mortgagee:

"Loss, if any, to be adjusted with, payable to and recoverable by....., mortgagee. It is understood and agreed that if in the event of fire there is found to be in force any other insurance in this or any other company, said other insurance shall not be considered as contributing insurance nor shall said other insurance pro rate with this company as far as the interest of..... in said loss is concerned, unless said other insurance is also payable to .....as....., mortgagee. It is further understood and agreed that it is the intent of this company to reimburse.....as mortgagee for the full amount of his loss up to the amount of this policy, regardless of any other insurance (except such as may also be payable to him) which may have been effected on said property."

CHATTEL MORTGAGE

Notice in Policy

Where a policy on personal property is made payable to a chattel mortgage many companies will not permit the attachment of a mortgagee clause, being unwilling to give to the chattel mortgagee the benefit of that separate and broad contract. In such cases the payee clause is made to read, "Loss, if any, payable to John Doe as interest may appear (or as mortgage interest may appear), subject, nevertheless, to all the conditions of this policy." The exception to this rule is where a large enterprise, such as a railroad, has executed a mortgage, covering both real and personal property, to protect an issue of bonds, in which case there is usually no objection to making loss payable to the trustee for the bondholders, and attaching the mortgagee clause.

Where Permitted

While insurance companies do not as a rule regard chattel mortgaged property as a good insurance risk, there are circumstances under which they will accept lines with more or less freedom on the recommendation of the agent. The following will serve as illustrations of such cases:

Saloon stocks chattel mortgaged to the brewer;

The stock of an old established drug, grocery or jewelry concern that has been purchased by one familiar with the business, giving in payment part cash and protecting the balance by a purchase money mortgage, which is to be reduced in regular installments;

Stocks in warehouses mortgaged to a bank to protect a loan. In such cases the simple loss payable clause is attached, without the mortgagee clause.

PAYEE INTERESTS

Where a policy contains the provision, "Loss, if any, payable to John Doe, as interest may appear," it has been understood that such a clause did not cause the insurance company to assume any obligation, nor the payee to receive any rights, beyond requiring that any money becoming due and payable by reason of loss under the policy shall be paid to said payee and that payee shall be notified in case the insurance company elects to cancel the policy. There is no disputing this view in so far as any payee interests are concerned except a mortgage interest, but the courts in some cases now seem to be leaning toward the view that the intent of such clause is to give the mortgagee an interest in the insurance that is superior to the owner's interest. No opinion is ventured on this point, and it is mentioned only to show the care that needs to be exercised in putting loss payable clauses on policies covering personal property.

"JUMBO LINES"

National Insurance Commissioners to Meet Here June 18 and 19

The Sub-Committee of the National Convention of Insurance Commissioners consisting of Commissioners Button, Phillips, Cleary, Merrill and S. W. McCulloch has been called to meet at the Hotel Astor at ten o'clock A. M., Tuesday, June 19, to consider the question of limitation of net liability over and above re-insurance liability, commonly known as Jumbo Lines.

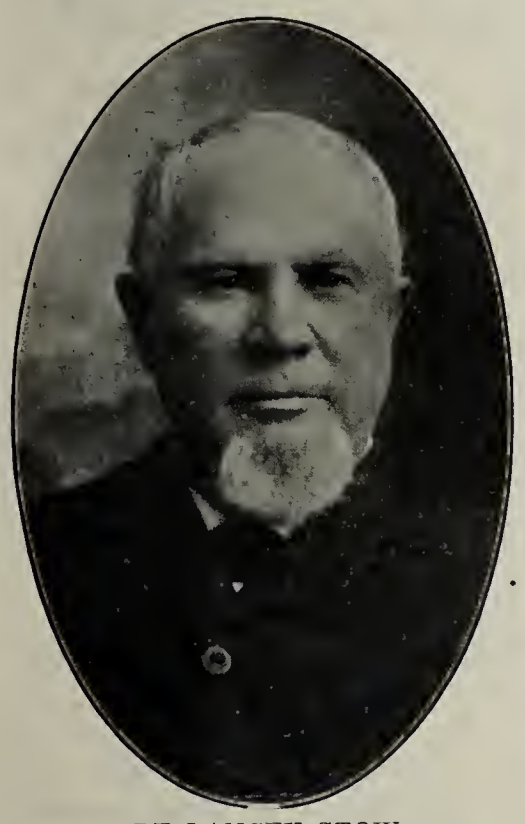
At this time all parties at interest will be heard. To this committee was referred the resolution recommending for general enactment the law proposed in Illinois for limitation of net liability to re-insurance liability, the limitation being not in excess of 10 per cent. of the paid-up capital and surplus of the fire insurance company.

On Monday, June 18, at ten o'clock A. M., at the Hotel Astor, the Executive Committee of the National Convention of Insurance Commissioners will meet to receive the report of the Committee on Blanks and to consider such other matters as may come before it.

The Oldest Insurance Agency in the United States

De Lancey Stow, of Clyde, N. Y., Who Began Insurance Career in 1860, Succeeded His Father, Who Started in 1825

In 1825 William S. Stow erected in Clyde, N. Y. a one-story frame office building, which he continuously occupied during his entire life ending in 1883, as a law office and insurance agency. In the year 1860 De Lancey Stow, his son, entered the office with his father, and has continued the same



DE LANCEY STOW

business until the present day, making ninety-two years during which the same business has been conducted by members of the same family, in the same rooms.

It is claimed, and it has never been contradicted, that this is the oldest insurance office in the United States. In the files of the office is an insurance



STOW OFFICE, CLYDE, N. Y.

policy issued in 1827 by The Farmers Fire Insurance and Loan Co., of New York (now the Farmers Loan & Trust Co.) upon a frame store in a neighboring hamlet, and this identical building and the stock of goods therein, are to-day insured by companies represented in this agency and by policies issued therefrom. Only one New York State Company which was in existence when the policy was issued is to-day doing a fire insurance business.

On June 20, 1864, De L. Stow was commissioned as agent for the Home Insurance Co. of New York, at Clyde, N. Y., and during the same week received the appointment as agent from the Aetna Insurance Co., of Hartford, and the Phoenix Insurance Co., of Hartford, and he has continued to act, under his original appointment, for all of these companies to the present day.

In the year 1914 the Home Insurance Co. presented to Mr. Stow, a gold medal in commemoration of his fifty years of continuous service, ending at that time. The commission of appointment issued to Mr. Stow by the Home Insurance Co. is signed by Charles J. Martin, president, and John McGee, secretary. During all of these years the business of this agency has been uniformly profitable, both to the companies and the agent, and the relations existing between the parties have been of the most harmonious character.

ALL MARINE CLASSES

Writing Plans of Automobile Insurance Company—How Business Will Be Handled

While the Automobile Insurance Co. has been writing marine business for only a short time, it is the intention that the company will write practically all classes of marine risks. The plan has been to establish direct underwriting facilities at the principal branch offices, and up to date the company is fully equipped to handle marine business through its underwriters located at New York, Chicago, Philadelphia, Boston and San Francisco. This plan is somewhat different from the system followed by most marine insurance companies, as their representation outside of their home offices is usually through agencies, but in view of the vast organization which is possessed by the Automobile Insurance Co., the branch office system has been utilized, and so far has proven to be a satisfactory method for handling marine business. The company will also equip the branch offices located in other cities to handle marine business and, of course, the many agents of the company will eventually have similar facilities.

SUES RED HOOK AGENT

The Liverpool & London & Globe has commenced an action for the collection of $383.74 against Andrew J. Gedney, representative of the company at Red Hook, claiming that after repeated demands the defendant has refused to pay. The company claims that Gedney, who is a highly respected resident of the town, unlawfully and wrongfully keeps and retains funds that rightfully belong to the company and asks judgment for the full amount, together with interest from Nov. 30, 1916, and costs of the action.

ACTION BY "THE STANDARD"

"The Standard" has decided not to publish the advertisement of the United States Branch of any insurance company the head office of which is located in any country with which the United States is at war.

BROKERS ACTIVITIES

Rate Cutting in Auto Insurance

NEW "WRINKLE" EXPOSED IN LAWYER'S LETTER

Restrictive Clause Waived in Subsequent Letter, Removing Part Cover for Collision

A new "wrinkle" in automobile insurance rate cutting seems to have been uncovered by George F. Kaiser, a lawyer of 52 Broadway. In a letter to The Eastern Underwriter, Mr. Kaiser says:

I am enclosing herewith copy of a letter which I think may interest you. What kind of a game is this anyway? I will appreciate it if you can tell me anything about this concern, so that I can advise my client. Why don't you make an investigation?

The copy of the letter to which Mr. Kaiser refers, reads:

We beg to thank you for returning our postal requesting rates on your 1915 five passenger Studebaker car, and we submit the following:

Liability	$60.50
Property damage	14.75
Collision	28.00
Fire and theft, $700	28.00
Total	$131.25

You may of course take such items of protection as you desire to carry. Collision insurance (damage to your own car) would be **written** subject to $25 being deducted from each settlement, but in the payment of claims **this clause would be entirely waived** and you would be paid in full for every item of accidental damage amounting to less than $25 as well as all sums above that amount. We note that your present policies do not run out until July, and we shall be glad to have you keep these rates and communicate with us when the time comes.

A visit to the offices of the broker in question, who, by the way, is most advantageously located, revealed the fact that he was and is prepared to write a restrictive collision policy and then—

He agrees to write a letter waiving all restrictive clauses.

He asserts that he has authorization from a 64 year-old company to do this.

He is frank and open about the matter, even going to the extent of exhibiting the rate book of the company in question, in which the regular rate is $63 for full cover, and $28 for the part and restrictive cover.

While there is said to be nothing illegal in this rate cutting, it is placed under the head of "unethical," because it violates the binding agreement against rate cutting. Incidentally, there is also the legal question, whether a letter can void a clause included in a contract.

* * *

A $15,000,000 Line

The explosion insurance line of $15,000,000 of the Inland Steel Company, of Indiana Harbor, near Chicago, is going through the offices.

* * *

Enters Brokerage Field

Charles S. Forbes, former manager of the liability department of the Casualty Company of America, has joined his brother in the brokerage firm of Forbes & Co., Inc., with offices at 66 Broadway.

* * *

American Mfg. Co. War Policies

The American Manufacturing Co. took out $5,000,000 war insurance on its Brooklyn plant last week. Explosion cover was not wanted.

WANTED TO PURCHASE

Life, Accident and Health and Automobile Renewal Account of Broker retir ng from business.

Address "BROKER,"
Care of The Eastern Underwriter
105 William Street, New York City

INTER-INSURANCE

How Agreement Provides for Fixing of Liability—How Concurrence is Arranged

Two interesting paragraphs of the contract of one of the leading inter-insurers follow:

"The Underwriters shall not be liable beyond the actual cash value of the property at the time any loss or damage occurs, and the loss or damage shall be ascertained or estimated according to such actual cash value, with proper deduction for depreciation however caused, and shall in no event exceed what it would then cost the insured to repair or replace the same with material of like kind and quality; said ascertainment or estimate shall be made by the insured and the attorney, or, if they differ, then by appraisers, as hereinafter provided; and, the amount of loss or damage having been thus determined, the sum for which the Underwriters are liable pursuant to this policy shall be payable sixty days after due notice, ascertainment, estimate, and satisfactory proof of the loss have been received by the attorney in accordance with the terms of this policy. It shall be optional, however, with the Underwriters to take all, or any part, of the articles at such ascertained or appraised value, and, also, to repair, rebuild, or replace the property lost or damaged with other of like kind and quality within a reasonable time on giving notice, within thirty days after the receipt of the proof herein required, of its intention so to do; but there can be no abandonment to the Underwriters of the property described.

"If at the time of any loss under this policy, any other insurance shall be in force which shall cover specifically in two or more divisions and amounts, upon any property covered in any one division and amount by this policy, then this contract shall be assumed to be written in the like form to the policy containing the greatest number of divisions. But in case of non-concurrence in specific items only, all other policies of insurance shall be considered as concurring fully with this contract, and the Underwriters shall pay only their equitable share on that basis."

INSURANCE FRAUD EXPOSED

The Phoenix Insurance Company of Hartford saved $660 through the arrest of William A. Halliday a real estate agent of Bridgeport who pleaded guilty in the criminal court to the charge of conspiring to defraud the company out of this sum. He was sentenced to jail for 6 months. The arrest followed the discovery that Halliday had sold a house without transferring the deed and that the house becoming scorched from a fire in a nearby house was represented to be damaged more than it really was. In his efforts to collect the insurance an investigation was made and his arrest followed.

PROTECTED MERCANTILES

The experience on protected mercantile stocks is so bad that rates on this class will be advanced by companies.

As has already been published rates on unprotected property generally are to be raised.

WALTER F. ERRICKSON
38-40 Clinton St., Newark, N. J. 95 William St., New York
Representing
THE GERMANIA FIRE INS. CO.
For Automobiles
Special facilities for out-of-town business.

WILLIAM C. SCHEIDE & CO., Inc.
HARTFORD, CONN.
Re-Insurance in All Branches

U. S. Senate Passes War Risk Bill

VOTES $50,000,000 TO INSURE VESSELS AND MEN AT SEA

Compulsory Insurance to Cover Capture, Death, Injury and Compensation for Detention

The Senate has passed without debate the bill of Senator Simmons providing for the creation of a Bureau of War Risk Insurance in the Treasury Department, with an appropriation of $50,000,000 to carry it on. The bureau is to insure American merchant vessels, officers, and crews of the vessels against accident, loss of life or loss of their effects.

The insurance of officers and crews is a new feature of the bill. Another change made in it since it was originally offered in the Senate was to increase the appropriation at the disposal of the War Risk Bureau from $15,000,000 to $50,000,000. The measure now goes to the House Committee on Ways and Means.

The bureau is empowered to adopt forms of war risk policies and to fix what it regards as reasonable rates of premium. These rates may be changed as conditions justify. If submarine activity were particularly violent, the rates would be raised, but with a slackening of it they would be cut down.

The rates of insurance for officers and crews of vessels are provided as follows in the bill:

In the event of death, permanent disability, or the loss of both arms, both feet, both legs, both eyes, a payment equivalent to one year's earnings, or to twelve times the monthly earnings, the insurance not to exceed $5,000 or to be less than $1,500.

Loss of one hand, 50 per cent. of the yearly earnings; loss of one arm, 65 per cent.; loss of one foot, 50 per cent.; one leg, 65 per cent.; one eye, 45 per cent.; total deafness, 50 per cent.

In the event of capture of a vessel and detention of officers or crew, they are to receive during the time of detention compensation at the same wage as when employed on the ship.

The bill provides that if the owner of any vessel fails to insure his ship and men before leaving port, the War Risk Bureau may arrange for complete insurance, charging it up to the vessel's owners. This makes insurance of both ships and crews compulsory. The bill also fixes a penalty not exceeding $1,000 for failure of an owner to insure his crew and ship.

The bureau is authorized to establish an advisory board of three members, skilled in the practices of war risk insurance, to aid the bureau in fixing rates of premium and to adjust claims for losses, both of life and property. The director of the War Risk Bureau is to get $7,500 a year salary and the three members of his advisory board compensation for the work they perform not to exceed $20 a day each while actually engaged. To maintain the office of the bureau $250,000 is authorized, the $50,000,000 being set apart entirely for insurance payments.

GAMEWELL CO.'S HISTORY

The Gamewell Fire Alarm Telegraph Company has issued a book—rather a history of its life—well illustrated, handsome from a typographical viewpoint, in which it tells the history of automatic signal systems for fire, police and other protection. The book details the history of emergency signaling from 1845, when the first attempt to sound fire alarms in this country was established in New York City, to the present day. It tells most interestingly the history of the development of the art and science of emergency signaling; of the struggles attendant upon the perfection of the complicated and delicate apparatus; of the eventual success despite adverse circumstances. The founder of the business, John N. Gamewell of South Carolina, died in Hackensack in 1896, at the age of 74, having been in the business of manufacturing fire alarm systems continually since 1855.

CITY CLUB DINNER

The first dinner of the City Insurance Club was held at the New York Athletic Club on Tuesday night. J. J. Hartnett, Eastern manager of Geo. R. Hess & Co., of Chicago, president of the Club, presided.

Completed arrangements were announced at the dinner of the outing of the Club to be held on June 16. The boat will leave Fulton St., East River, for College Point, L. I., where baseball games, tennis and other out-door sports have been planned. Tickets for the outing will cost $3 and include dinner to be served at College Point. They may be had from any of the members.

Among those present at the dinner on Tuesday was E. J. Dowling, State Senator, who is a member of the Club.

Subscribe $1,020,000

Continental, Fidelity-Phenix and American Eagle, the companies of which Henry Evans is president, subscribed for $1,020,000 of the Government bonds known as the Liberty Loan.

INLAND MARINE

What is an inland marine cover? How far can a marine company go in writing fire insurance under inland marine? These are questions that are now being investigated by underwriters.

NEW MEMBERS OF F. B. A.

The following brokers have joined the Fire Brokers' Association of New York: Nathan Joseph & Co., Warren M. Kimball & Co., Lyall & Taylor, Leon Rosenblatt, Inc., Edward E. Hall & Co., L. A. Wight & Co., Cox & Cox, Fleischmann & Sulzbacher, Stuart W. Jackson, Inc., Jones & Hadnot, Walter F. Errickson, Jones & Jones, S. Dannenberg Co.

Advice to Novice Agent

(Continued from page 13.)

has written the following letter to The Eastern Underwriter:

New York, May 15.

Editor The Eastern Underwriter: In your issue of May 11 a letter was published from a man complaining that he, as a beginner knowing nothing of fire and casualty insurance, was unable to go out and switch business from old and established agencies.

He claims to have been a successful life insurance producer. If he was a success in the life insurance business he must realize that it was because he knew the various contracts and the other essentials of the business. He now says that he is unable to pry business loose from other agents because he can offer no reduction in rates or great difference in contracts.

It is true that the rates are the same but on service and coverage the field is limited only by the knowledge and conception of the individual. There are hundreds of means of performing service to do which he must be thoroughly familiar with the business. It is foolish for him to try to sell fire or casualty insurance without this knowledge.

It is one of the inconsistencies of the law that a man such as the writer of this letter is licensed to go out and try to take the business away from agents who have the knowledge to properly protect their clients.

Is the licensing of such a man any worse than the licensing by the department of a blind man, from the point of being qualified to protect the public? Such a license was issued a few days ago. Neither can read the policy and know that it gives the proper coverage.

Did the writer of this letter, who claims to have been a successful life producer, build up his life insurance business by switching policies which another man had no doubt worked hard to get, or did he go out and create the business himself? If he did the former, I question his claim to success even though his temporary volume was large for such tactics will not produce lasting results. If he created the business, why, on entering the fire and casualty field, does he stoop to practices that he would discredit as a life man?

In my opinion, this man is a discredit to the business of insurance and should never have been granted a license. At any rate he should be made to realize that the first requirement of a general insurance agent or broker is a real knowledge of how properly to cover his assured and, further, that a successful insurance business is not built up in a day but requires long, faithful and hard work. The business has passed the stage where it is a dumping ground for derelicts of all other businesses who take up insurance because it requires no capital and, they think, no special training. It is to men of this description that the business owes many of its disruptions of the past and the lack of the full confidence of the public.

"The Leading FIRE INSURANCE Company of America"

ÆTNA INSURANCE CO. HARTFORD, CONN.

WM. B. CLARK, President

Explosion and Sprinkler Leakage Insurance

THE HANOVER
FIRE INSURANCE COMPANY
Incorporated 1852

The real strength of an insurance company is in the conservatism of its management, and the management of THE HANOVER is an absolute assurance of the security of its policy.

R. EMORY WARFIELD, President
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E. S. JARVIS, Secretary
WILLIAM MORRISON, Asst. Sec'y

HOME OFFICE
Hanover Bldg., 34 Pine St.
NEW YORK

HOWIE & CAIN, General Agents
Metropolitan District
100 WILLIAM STREET, NEW YORK

"STRONG AS THE STRONGEST"
The Northern Assurance Co.
(LTD., OF LONDON)
Organized 1836
Entered United States 1876
Losses Paid - - - $105,000,000
Losses Paid in U. S. - $38,000,000
Eastern and Southern Departments
55 JOHN STREET
NEW YORK CITY

WESTERN
ASSURANCE CO.
OF TORONTO, CANADA
(Fire, Tornado, Ocean Marine and Inland Marine Insurance)
UNITED STATES BRANCH
January 1, 1917

Assets	$3,329,177.74
Surplus in United States	1,478,531.90
Total Losses Paid in United States From 1874 to 1916, Inclusive	41,657,814.31

W. R. BROCK, President
W. B. MEIKLE. Vice-Pres. & Gen. Man.

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URBAINE
FIRE INSURANCE CO.
OF PARIS

BRITISH DOMINIONS
GENERAL INS. CO., Ltd.
OF LONDON

FRED. S. JAMES & CO.
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FRED. S. JAMES
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C. B. G. GAILLARD
Assistant Manager

CASUALTY AND SURETY NEWS

Wallace Reid Heads Penna. Federation

ANNUAL MEETING HELD IN PHILADELPHIA LAST WEEK

Rapidly Organizing Counties of State —Organization One of Most Active in Country

Philadelphia, May 21.—The annual meeting of the Insurance Federation of Pennsylvania was attended here last week by about 150 insurance men. J. W. Henry, who has done wonders in organizing Pennsylvania, along with Wallace M. Reid, refused to run again for president and was elected second vice-president. Mr. Reid, who is one of the leading casualty writers in the State and who also lives in Pittsburgh, was elected president.

Other officers elected follow: First vice-president, S. H. Poole, Philadelphia; third vice-president, F. D. Buser, Philadelphia; fourth vice-president, Jere H. Barr, Reading; fifth vice-president, J. B. Longacre, Philadelphia; secretary-treasurer, J. L. Rivolta, Pittsburgh; executive secretary, Albert N. Wold, Pittsburgh. Directors with terms expiring May, 1918: Jesse S. Bell, Williamsport; J. F. Broadbent, Scranton; W. S. Essick, Harrisburg; Jas. Glenn, Philadelphia; O. C. Hurst, Pittsburgh; N. S. Riviere, Pittsburgh; Louis M. Wagner, Philadelphia; terms expiring May, 1919: Robert M. Coyle, Philadelphia; J. W. Doriss, Philadelphia; Houston Dunn, Philadelphia; A. G. Hare, Philadelphia; A. C. McLain, Sharon; Harry J. Shoemaker, Philadelphia; Jas. F. Tanner, Erie; terms expiring May, 1920: E. H. Bair, Greensburg; Franklin Suydam, Harrisburg; J. W. Barr, Oil City; Jas. C. Murray, Pittsburgh; W. P. Lewis, Huntingdon; George R. Packard, Philadelphia, and J. E. Parnell, Indiana. President Wallace M. Reid, was designated as delegate to the National Council of Insurance Federations.

An open discussion of the affairs and work of the Federation was a prominent part of the annual meeting. All the speakers agreed that the work of extension must be carried on with vigor all through the year. All the delegates present were a unit in asking that the work of organization which is now represented by 36 committees in as many counties be extended into every county of the State—67 in all. Plans were laid for an active campaign to increase the membership, increase the number of county organizations, increase the sustaining or maintenance fund and otherwise perfect the Keystone Federation so that it will at all times be in a position where it can effectively take care of the interests of the insurance seller and buyer.

The delegates to the annual meeting were greatly disappointed in not getting an opportunity to hear Secretary Mark T. McKee of the National Council, who was scheduled to deliver the principal address. Bad train connections altered Mr. McKee's plans. He has, however, promised to spend a week in the State, during which time large meetings will be held in five or six of the larger cities.

Among those who spoke were: Mr. Henry, Secretary A. N. Wold, Treasurer John L. Rivolta, John S. Turn, Harry Shoemaker, Franklin Suydam, J. W. Doriss, Anson P. Dare, Fred J. Mai, S. H. Pursell and J. L. Bergstresser.

DESERTS CALIFORNIA

U. S. Fidelity & Guaranty Fourth Company to Quit Compensation Business

The U. S. Fidelity & Guaranty discontinued writing workmen's compensation in California May 15 because of dissatisfaction with conditions in the business. It will carry all business now on its books to expiration, but discontinues writing the line in this State entirely, not even accepting the compensation business that usually attends public liability, blanket automobile lines, etc. The Company will continue, however, to write liability and all the other casualty lines in California, and its discontinuance of compensation applies to this State alone. The U. S. Fidelity & Guaranty collected compensation premiums in California last year of $232,549, and paid losses of $188,318.

The U. S. Fidelity & Guaranty is the fourth large company to discontinue writing workmen's compensation in California during the past year, the other three—the Fidelity and Deposit, London & Lancashire Indemnity and Massachusetts Bonding—also quitting the line all over the country. There is a feeling that several other companies are about to retire from compensation, and it is believed that in time the line will be written generally by less than a dozen companies.

TRAVELERS' GIRLS WIN

The Travelers' girls' bowling team, which is composed of employes of the home office of the Travelers Insurance Company of Hartford, is making a great record in bowling circles having defeated the celebrated Phoenix Mutual Girls' team, and many other Hartford girl teams. The last victims were the Willimantic Girls and the contest was waged in the thread city of Connecticut. The score was close, being 865 to 851, in favor of the Travelers.

WRITES $1,500,000 BOND

The New Amsterdam Casualty Company, through its general agent at Cleveland, Burt A. Miller, has executed a bond for $1,500,000 on behalf of the Thompson-Starrett Company of New York covering contract of $2,500,000 guaranteeing the construction of the Hotel Cleveland, to be erected on the Public Square in Cleveland. This is the largest contract ever used in Cleveland.

WITH GILMOUR, ROTHERY & CO.

Fred J. Murphy, former manager of the liability department of the home office of the Massachusetts Bonding, has been appointed manager of the casualty department of Gilmour, Rothery & Co., Boston, general agents of the Fidelity & Casualty. Gilmour, Rothery & Co. are represented in New York by Gilmour, Rothery & Cortis at 100 William Street.

New Amsterdam Casualty Company

A Progressive

SURETY AND CASUALTY

Company

Casualty Companies Form Jersey Bureau

IN ACCORDANCE WITH SECTION OF STATE LAW

Representatives Met in Trenton Yesterday and Adopted Constitution and By-Laws—Office in Newark

Final plans have been made for the formation and immediate operation of the Compensation Rating and Inspection Bureau of New Jersey. This is a result of the meeting of the company representatives in Trenton yesterday.

Arrangements have been made to secure an office in Newark and announcement of the appointment of a manager to take charge of the work is expected in the course of the next few days.

The organization of the Compensation Rating and Inspection Bureau is in accordance with Chapter 178 of the New Jersey Law of 1917, which was fostered by the Department of Banking and Insurance. The law further makes membership in the Bureau compulsory and provides that no company shall be licensed to write compensation insurance in the State until it shall have first become a member of the Bureau.

At the meeting yesterday, the constitution and by-laws as formulated by the committee of seven appointed at the meeting of the companies on April 24 were adopted with a few minor changes. The committee was composed of W. C. Billman, manager of the New Jersey Manufacturers Casualty Co.; F. J. Walters, manager of the London Guarantee & Accident; Henry Collins, manager of the liability department of the Ocean; Norman R. Moray, vice-president and general manager of the Hartford Accident & Indemnity; J. H. Shale, treasurer of the Commercial Casualty; E. C. Higgins, manager of the liability department of the Newark office of the Aetna; A. E. Williamson, general manager of the Manufacturers Liability Insurance Co.

BURGLARY STATISTICS

Maryland Casualty Company Ascribes Increase to War and Strike Conditions

As evidence of the reported increase in burglaries, a statement made by Arthur L. Amos, manager of the home office of the Maryland Casualty Company, shows that the report of such an increase is correct. In his statement, Mr. Amos says:—

"From January 1 to April 31, 1917, there were reported to this Company exclusive of New York, 260 claims entailing a payment of $26,810.81. For the unsettled claims we are holding a reserve of $30,478.40. In New York for the above period we had reported 50 claims, on which we made payments amounting to $2,701.38, and on which we are holding reserves of $4,051.50.

While there is no way of ascertaining definitely the responsibility for the increase in burglaries this year, it is my personal opinion that the prevailing war conditions are in a great measure responsible. Losses are also liable to increase where there are strikes, due to the reduction of the police protection on account of extra police being drawn to cope with the strike situation."

A. H. PAPE DEAD

Augustus H. Pape, assistant superintendent of the plate glass department of the New York office of the Hartford Accident, died on Saturday from pneumonia. Mr. Pape made his entry in the business with the Fidelity & Casualty in the plate glass department and was with that Company for eleven years. From the F. & C. he went to the Casualty Company of America as assistant superintendent of the plate glass department of the Company, going with the Hartford Accident about six months ago.

Mr. Pape was a young man, well under the thirty-five year mark, and his death was very sudden. He was in his office on the previous Saturday, apparently in perfect health. He was taken down with the grippe on Monday, but expected to return to his work later in the week. Pneumonia set in on Wednesday. He leaves a widow and two children.

C. F. NICOLINI RESIGNS

Charles F. Nicolini, underwriter in the home office liability department of the Massachusetts Bonding & Insurance Co., has resigned and is now manager of the casualty department of Kaler-Carney-Lifflen Co., of Boston, general agents for New England of the Zurich General Accident & Liability.

RETIRES FROM MASSACHUSETTS

It is reported from Boston that the Hartford Accident & Indemnity Co. plans to retire from the writing of liability and compensation business in Massachusetts.

General Accident

FIRE AND LIFE

ASSURANCE CORPORATION, Ltd.

SERVICE THAT EXCELS

FREDERICK RICHARDSON, United States Manager.

GENERAL BUILDING · 4TH & WALNUT STS.

PHILADELPHIA

TRAVELERS' CLUB MEMBERS MAKE MERRY AT ANNUAL DINNER



Seated at the guest table at the third annual banquet of the Travelers Club at the Hartford Club, May 7, 1917, reading from left to right, were James H. Coburn, Edward B. Morris (with hat), J. W. H. Pye, Major Howard A. Giddings, Major James L. Howard, Edward J. Lowry, President Louis F. Butler, John E. Ahern, John L. Way, Walter G. Cowles, E. J. Donnelly, Bertrand A. Page, Samuel R. McBurney, Benedict D. Flynn, and Robert J. Sullivan; standing in the doorway, William BroSmith.

Supt. Phillips Urges Fund Supervision

BILL PUTS COMPETITION ON EQUAL BASIS

Governor Whitman Gives Hearing on Measure Passed By Legislature Last Week

The bill passed by the Legislature last week providing supervision of the rates of the State Fund by the Insurance Superintendent is in the hands of the Governor for signing. At the hearing before the Governor on Wednesday, Superintendent Phillips urged that the bill be made a law and presented the following reasons therefor:

"First—Regulation of this character has been found necessary because of the strong temptation for insurance managers to cut rates and gamble on the sufficiency of the consequently reduced reserves in order to win customers from more prudent competitors and thereby to build up imposing volumes of business for themselves.

"Second—The State Fund needs this regulation more than any other insurance carrier for the reason that in the State Fund the loss, if premium rates should prove inadequate, must fall on the injured workman, thus defeating the very purpose of the Workmen's Compensation Law. The resources of the State Fund arise solely from premiums and investment earnings. The Fund is not financed by other capital. In the event of the insolvency of the Fund, it will be discovered that the State of New York's credit is not pledged to its support. Further, it is claimed by the management of the Fund that there exists no power, as in the case of a mutual corporation, to levy an assessment upon policyhoiders to make good a deficiency. And still further, the Workmen's Compensation Law provides that an employer by insuring in the State Fund is thereby relieved of all liability for compensation to his injured workmen. It is evident, therefore, that insolvency of the State Fund would work a loss upon injured claimants and their dependents by depriving them of their benefits under the Workmen's Compensation Law, which benefits the statute undertakes to secure to them by compulsory insurance.

"Third—Unrestricted competition in rates leads to disintegration of the insurance structure and eventual insolvency. The provisions of section 67 are intended as a safeguard against the danger of improper and unrestricted competition. Similar statutes have been enacted in Massachusetts, New Jersey, Pennsylvania, Colorado, California, Maryland, Maine and Texas. The State Fund is operating as one of many units in the compensation system of insurance and is subject to the same competitive influences and tendencies to which private corporations are exposed. If permitted to continue without supervision as to rate approval, the Fund may easily reach the point where the strife for business and the natural desire to exceed its rivals will impair its reserves and endanger its solvency.

"Fourth—The present position of the Fund in competition is grossiy unfair to the other carriers. Under any competitive system abuses will be found to exist. These are greatly aggravated by the presence of a carrier like the State Fund which enjoys undue advantages and immunities. The fact that the State Fund can offer special rates to particular policyholders, a privilege which may not be exercised under the insurance law by a private insurance carrier, encourages the introduction of devious methods on the part of its competitors for accomplishing the same end, with resulting unfair discrimination against risks of essentially the same hazard. Thus, while the private companies are required by law to avoid such unfair discrimination, the present uncontrolled methods of the State Fund put a premium upon such acts, while at the same time, the State Fund is free to grant discriminatory rates with impunity.

"Fifth—The State Fund needs the co-operative assistance of its competitors. This it has heretofore received as a matter of courtesy, but it should be free to enjoy such co-operation as a matter of right. No insurance carrier is self-sufficient for the determination of rates. Its own experience taken alone can never be adequate. Accurate rates for workmen's compensation insurance can be determined only by the consolidation of all available experience. The only safe guide which the State Fund has, is to be found in the rates established by the private companies. On its part, the State Fund contributes nothing. In a recent revision of rates based upon combined experience aggregating $4,500,000,000 of payroll expenditure, the State Fund was permitted, by courtesy, to participate to the fullest extent, although it had contributed nothing to the general fund of information. In short, at the expense of its competitors, the State Fund has reaped advantages which the private companies would have been fully justified in withholding. To establish adequate rates the State Fund must have the right to combine its experience with that of all other carriers, and upon the other hand, the other carriers should have the benefit of its experience in the interest of accurate and adequate rates.

"Sixth—And finally, there is well-established precedent for this measure. In Pennsylvania the rates of the State Fund are subject to the approval of the Insurance Commissioner. This provision is recent (1915) and reflects the latest thought on this question. A similar situation exists in California. In Pennsylvania the rates approved for the State Fund are somewhat less than those approved for the private companies, while in California both classes of carriers impose the same rates. It does not necessarily follow that if this measure receives executive approval the State Fund will be required to charge identically the same rates as the private carriers. It seems proper to state, however, that whereas, during the first year and a half of the existence of the New York State Fund dividends to policyholders were earned and paid, by reasons of the relatively low rates charged by the Fund it has been impossible since that time for the Fund to continue such payments. Furthermore, the annual statement of the Fund, as filed with the Superintendent of Insurance, indicates that during the year ended December 31, 1916, the Fund experienced a depletion of surplus amounting to $124,220,000, a fact which demonstrates that the rates charged during that period by the Fund have been decidedly inadequate.

"Much more might be said on this subject. It is believed, however, that the foregoing memorandum embodies sufficiently substantial reasons for the executive approval of this measure.

"Respectfully submitted,

"JESSE S. PHILLIPS,

"Superintendent of Insurance."

CLOTHING CO. LIQUIDATED

The final report of the State Superintendent of Insurance, Jesse S. Phillips, upon the liquidation of the Clothing Contractors' Mutual Compensation Insurance Company was approved by Justice Benedict of the Supreme Court, Kings County, this week in an order directing the final distribution of the surplus of that company. This was a mutual company formed by clothing contractors to insure against the liability imposed by the Compensation Law. It was placed in liquidation on January 26, 1916, because of its failure to accumulate a sufficient reserve to cover the catastrophe hazard. There will be paid to the policyholders a dividend of 66.32 per cent. of their original premium amounting to the sum of $4,518.41. The total amount of assets handled by the Insurance Department in this liquidation was $9,091.43.

CASUALTY AND SURETY POINTERS

A Good Business Builder

We have spoken of Parcel Post Insurance as a good builder says the "Aetna-izer." Another line which may have small beginnings, but may make a profitable business is Personal Baggage Insurance. It may be made a good feeder for other business.

Many persons who travel a great deal appreciate the worth of this protection. They carry a thousand dollars or more protection the year round. When they leave for an extended trip, they telephone Mr. Aetna-izer to increase their protection for whatever amount and period is necessary.

Such business is easy to handle and the repeat orders cost little. Therefore you can afford to handle such small stuff. To start the ball rolling, however, and get Mr. Tourist on your books for this line is the problem.

It would seem as if a circular letter, sent to a selected list of one thousand persons, would furnish a good way to start. The first of the three sample letters which follow this article is one which has been used with success in a campaign of this sort. The Automobile Insurance Company furnishes a reply card (Form 40169-A) which should be sent out with each letter. Two cent postage should be used and the letters addressed to the residences being mailed so as to arrive on the afternoon delivery of Thursday.

The first letter is to attract the year round business. After two weeks a second letter—for example, the second of the three letters printed below—should be sent to the list, repeating the advisability of constant protection, but with emphasis laid on the certain advisability of protection for short trips and an explanation of the ease with which the policy is issued. Again enclose the rate card. You may have a second card for this purpose, in the form of a blotter. The blotter could be made more effective by a line cut, with perhaps a caption reading: "Telephone Mr. Aetna-izer to insure your baggage."

Some of our busy agents will now rest and wait for the telephone to bring the business. Others will select fifty of the best known persons from their list of one thousand (or as many more as they can) and follow them up personally. With a minimum of $5 and a drive for $10, the time should be well spent. You have something new, an article of great value, unappreciated by many people, of small cost, and with the ground well plowed in advance.

Watch the Daily Papers

Efforts needn't cease here, however, Agents are more and more recognizing the daily newspaper as a prospect file. You read that Miss Tourist is going to leave your fair city for a few weeks. Why not send Miss Tourist a letter—for example, the third of the series printed below? She will be glad to know that it pays to Aetna-ize, and she will more than likely return the card.

Such business is easily renewable and Mr. Competitor won't work very hard for a ten dollar premium, especially when he faces the added difficulty of taking the business away from a rival. The Aetna-izer, with $1,000 in premiums, gets a profit on the volume—besides the opportunities to solicit other business.

In selling this policy, the agent will do well to read over and explain the first condition. This is, in effect, a co-insurance clause. While the insured—with a five hundred dollar policy, let us say,—is at home, his property, such as golf clubs, tennis outfit, clothes at the tailor's etc., would probably be valued at less than $500. But if he went away for a vacation, leaving $500 worth of personal effects in various places behind him and taking $1,000 worth with him, then a loss would be adjusted on a co-insurance basis.

For that reason, it is probably best that this policy should be sold to your clients on a basis of $1,000 the year round, and that it should be increased according to property value when the insured or his family is traveling.

Letter No. 1

Dear Sir:

When you travel, there is a constant risk of losing your baggage, either through fire or by theft. We insure baggage and personal effects with our Personal Baggage Policy.

The enclosed card gives you the rates. It is necessary only to fill out the card, or telephone us, and we will protect you against loss while your property is away from your residence.

Many people have taken advantage of the broad coverage offered. May we extend our service to you?

Yours truly,

Letter No. 2

Dear Sir:

As one who travels a great deal, you will appreciate the chance of loss of your baggage and personal effects. Even though you check your baggage you are not absolutely certain that you will get it back. If your baggage is lost or damaged by fire, the transportation company is responsible for only a limited amount, although you may have $1,000 value or more in your trunks.

Even while you are at home, you may send several suits to the tailor, (or several gowns to the cleaner). If any of these are damaged by fire, you stand the loss.

We have a Baggage Insurance Policy which protects you against loss or damage through fire, theft, and transportation hazards, while the property insured is away from your residence. Many of our clients carry $1,000 protection the year round—and when going away for long trips, they call us up to obtain increased protection.

If you will fill out the enclosed card, we will take care of your risk.

Your truly,

Letter No. 3

Dear Sir:

In a department store fire recently one of our clients lost a fur coat which he valued at $600. Of course, the store was not legally liable for the loss. When you send your suits to the tailor (or gowns to the cleaner) you risk the loss of your property.

In the same way, it would cost you quite a sum to replace your effects at the golf club. A cigarette or match carelessly flipped into your automobile might ruin your coats or baggage.

When you travel, the chances are multiplied. Your baggage represents more than the $150 for which the railroad may be held responsible. You have not only fire but theft to think about. The burning of a hotel has often meant loss of baggage and personal effects to the patrons.

We can insure you, whether you are at home or traveling, with our Personal Baggage Policy. The cost is nominal, the convenience great, and the coverage very broad.

Many people carry $500 to $1,000 protection the year round and telephone us to make increases whenever they go traveling. If you will fill out the enclosed card, or telephone us, we are at your service.

Your truly,

COURT UPHOLDS COMPANY

Declares That Misrepresentation in Application Voids Personal Accident Policy

The right of an insurance company to make an effective cancellation of a personal accident policy was decided recently by the Supreme Court of Rhode Island in the case of Carrie B. Wells vs. Great Eastern Casualty Co. It appears that the original policy was issued on December 7, 1911 for a term of 12 months. In the application appeared the following:—

> I hereby apply for a policy to be based upon the following statement of facts all of which I warrant to be true, complete, and material and binding on me whether written by me or any other person.

Among the statement of facts contained in the application was the following:—

> No accident, sickness or life insurance policy issued to me has ever been cancelled or renewal refused except as follows—no exceptions.

The policy was renewed at its expiration for another year. During that year, or in 1914, an agent of the company was informed that the insured had a policy of accident insurance cancelled by the Maryland Casualty Co. which information the insured had failed to mention in his application for his policy in the Great Eastern. This agent notified the company and on April 20, 1914 the company wrote the insured that it had learned that certain material statements contained in his application for his policy were untrue and incomplete and that on account of the falsity and incompleteness of the statements the policy had never been in force and effect. The company sent with the letter its check for $150 being the full amount of premiums paid on the policy and demanded that the Insured return the sum of $32.14 which the company had paid to the Insured for certain accidental injuries. No reply was received by the company and the money sent or demanded by the company was not returned. On May 2, 1914 the insured died as the result of opium poisoning. How the opium caused the death of the insured was not shown.

Denial of liability was entered by the company on the sole ground that the policy had never been in force. At the conclusion of the plaintiff's testimony the company's attorney moved for a verdict for the defendant company and after argument the court granted the motion in favor of the company on the ground that the undisputed testimony showed that there had been a material misrepresentation by the insured when he made application for the policy and on that account the policy was void from the beginning.

A question was raised by the plaintiff that the Maryland Casualty had not cancelled its policy but that the insured had voluntarily surrendered it. The evidence however showed that the Maryland Casualty notified the insured that it had cancelled the policy and directed him to bring to the company his policy to be cancelled. The Supreme court in its decision said that from these facts it clearly appeared that the transaction was one of cancellation by the Maryland Casualty and not a voluntary surrender of the policy by the insured and that the statement in question made by the insured in his application was willfully untrue.

Walter P. Suesman of Providence and Asa B. Suesman of Springfield, Mass., were attorneys for plaintiff and Boss and Barnefield of Providence represented the defendant company.

A COMMISSION DECISION

A complaint by an insurance broker for a commission, in which he alleged an agreement by the defendant to furnish the insurance to the customer procured by the broker, but no promise to pay the commission, but to which no objection was made, implies that there was a promise to pay the commission, but does not imply whether it was expressed or implied, so that testimony of a customer to pay commissions in such cases is not at variance with the complaint. This has been decided in the case of H. T. E. Beardsley, Inc., vs. American Fidelity Co.

Where an insurance broker introduced a qualified and apparently disinterested witness, who testified that it was the custom for an indemnity insurance company, which had issued a policy to a customer whom the broker had introduced, to pay that broker a commission on all future business obtained from that customer in the ordinary course of business, which testimony was not shaken on cross-examination and was not contradicted, that testimony required a finding for the broker, notwithstanding his failure to prove an express contract for that commission, since the custom was reasonable, and not so extraordinary and opposed to common sense as to be practically incredible. The case has been reported in the "Insurance Law Journal."

W. E. SMALL, President PETER EPES, Agency Mgr. E. P. AMERINE, Secretary

GEORGIA CASUALTY COMPANY

HOME OFFICE: MACON, GEORGIA

"DIXIE AUTO POLICY"

THE LAST WORD IN MOTOR INSURANCE

Surplus and Reserves to Policyholders.....$1,526,022.81

The METROPOLITAN CASUALTY

INSURANCE CO. OF NEW YORK

HOME OFFICE, 47 CEDAR STREET

CHARTERED 1874

Plate Glass, Burglary, Accident and Health Insurance

EUGENE H. WINSLOW, President

Russell R. Cornell, Vice-Pres. S. Wm. Burton, Sec. Alonzo G. Brooks, Ass't Sec.

RELIABLE AND ENERGETIC AGENTS WANTED

THE SIGN OF GOOD CASUALTY INSURANCE

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F. W. LAWSON
General Manager

Liability, Accident, Burglary, Boiler and Credit Insurance

Established 1869.

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Resident Manager
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New York

Elmer A. Lord & Co.
145 Milk St., Boston
Resident Managers
New England

London Guarantee & Accident Co., Ltd.

OF LONDON, ENGLAND

The Columbian National Life
OF BOSTON

ARTHUR E. CHILDS, President

A CHANGE may be necessary to realize your ambition

Think a minute—then write

WM. H. MASTIN — FRANK D. LOMBAR

SUPERINTENDENTS OF AGENCIES

(West of the Mississippi). SYMES BUILDING DENVER, COLO.

(East of the Mississippi). 77 FRANKLIN STREET BOSTON, MASS.

DARL D. MAPES, Superintendent of Accident Agencies
77 FRANKLIN ST., BOSTON, MASS.

The service of a high grade Accident Department will also be offered so that you will not have to broker your Accident business to avoid violating your Life insurance contract.

WORTH KNOWING

Suppose that you are insured in the United Life and Accident Insurance Company of New Hampshire for $5,000 under the Company's Triple Indemnity Plan, what does your Policy guarantee to do?

ANSWER:

FIRST, it guarantees that in case of death from any cause, $5,000, the face of the Policy, will be paid.

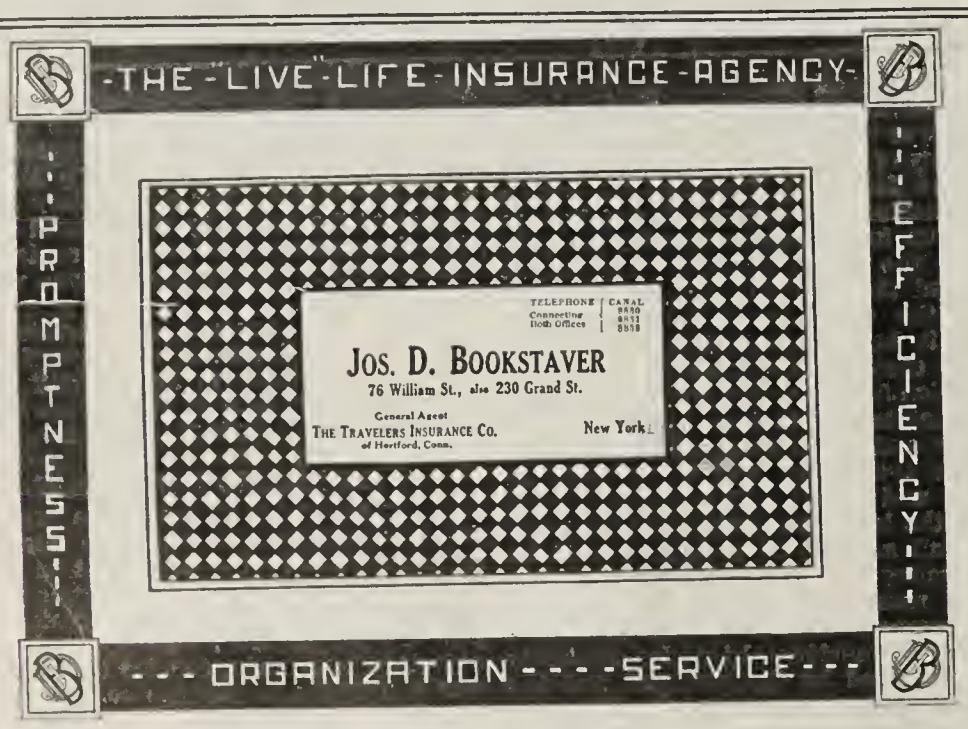
SECOND, that in case of death from any ACCIDENT, $10,000, or DOUBLE the face of the Policy, will be paid.

THIRD, that in case of death from certain SPECIFIED accident, $15,000, or THREE TIMES the face of the Policy, will be paid.

BUT THIS IS NOT ALL. The Accident Disability Endorsement FURTHER guarantees that in case of total disability as a result of accidental injury, the Company will pay direct to YOU at the rate of $50 PER WEEK during such disability, but not to exceed 52 weeks, after which the weekly indemnity will be at the rate of $25 PER WEEK throughout the period of disability. Can insurance do MORE? And why should any man be satisfied with a policy that would do less? The cost is low.

Agents wanted in Maine, New Hampshire, Vermont. Connecticut, Pennsylvania, North Carolina, South Carolina, Tennessee, Georgia, Delaware, Maryland, Mississippi, Kansas, Missouri. An opportunity for Life Insurance Salesmen of ability. Address:

United Life and Accident Insurance Co.
Home Office, United Life Building - Concord, New Hampshire



American Central Life
Insurance Company

INDIANAPOLIS, INDIANA

Established 1899

All agency contracts direct with the company

Address:

HERBERT M. WOOLLEN, President

In addition to the ordinary forms of life insurance

THE EQUITABLE

makes a specialty of the following:

Insurance to protect business firms and corporations, under a corporate form of policy.

Group Insurance, by which employers protect families of employes.

A flexible contract, known as the Convertible Policy, which can be converted by the Insured into an Ordinary Life, Limited Payment Life, or Endowment Policy.

A Bond issued without medical examination giving the investor an income for his declining years.

A new policy is offered under which the insurance is DOUBLED if death results from ACCIDENT. This policy also embodies the following advantages if the person whose life is insured becomes totally and permanently disabled:

1. Thereafter the Equitable will carry the insurance —The Insured will have nothing further to pay.
2. The Equitable will pay the Insured an annual income for life equal to one-tenth of the face of the policy.
3. Upon the death of the Insured the full amount of the insurance will be paid to the Beneficiary (or double the amount if death is due to accident) without deduction on account of the income paid to the Insured while living.

(See the policy for conditions and details.)

For Agency Openings Address

WILLIAM E. TAYLOR,
Superintendent of Agencies

THE EQUITABLE
LIFE ASSURANCE SOCIETY OF THE U. S.

120 BROADWAY, NEW YORK

San Francisco Losses Amounting to $4,522,905.00 paid PROMPTLY IN CASH WITHOUT DISCOUNT, from funds largely supplied by head office in Liverpool

U. S. Cash Assets, Dec. 31, 1916	$15,827,439.35
Surplus, - - - - -	5,460,745.59
Losses Paid by Chicago Fire, 1871	3,239,491.00
Losses Paid by Boston Fire, 1872	1,427,290.00
Losses Paid by Baltimore Fire, 1904	1,051,543.00

Liverpool AND London AND Globe Insurance Co. LIMITED

Over $152,000,000.00
Losses Paid in the United States

HENRY W. EATON, Manager
G. W. HOYT, Deputy Manager
HUGH R. LOUDON, Assoc. Deputy Mgr.
J. B. KREMER, Asst. Deputy Manager
T. A. WEED, Agency Superintendent

NEW YORK OFFICE
80 William Street

THE EASTERN UNDERWRITER

[Succeeding the Journal of Insurance Economics, Established in 1899]

A WEEKLY NEWSPAPER COVERING ALL BRANCHES OF INSURANCE

Eighteenth Year; No. 22. NEW YORK CITY, FRIDAY, JUNE 1, 1917 $3.00 a Year; 15c. per Copy

INVITES WEDDELL TO PROVE HIS CASE

Frank P. Tucker Takes Exceptions to Published Statements—Gives Mutual Co. Angle

CLAIMS FACTS WERE JUGGLED

"A Short Study in Mutual Insurance," in The Eastern Underwriter, Stirs Up a Hornet's Nest

The Eastern Underwriter is in receipt of a letter from Frank P. Tucker, secretary of the Co-Operative Fire Underwriters' Association, of New York State, in which he takes exception to statements in an article printed in this paper in the issue of May 11th, on Page 11, under the caption, "A Short Study in Mutual Insurance." The letter follows in part:

I have read in your "Fire Insurance Department" under the caption "A Short Study in Mutual Insurance," an article said to have originated in the fertile brain of one T. R. Weddell of Chicago.

I confess to never before having heard of this man, Weddell, although he may be a most valuable adjunct to the stock insurance fraternity of the progressive West.

I am not sufficiently versed in court decisions of all States to determine without investigation, as to the correctness of the application of those referred to as proof of the statements made. I do not, however, believe that the manufactured answers preceding or following the references to decisions, are based either upon the decisions referred to or upon facts.

In support of this position, it is only necessary to mention the very first New York decision referred to in Mr. Weddell's "Comedy of Errors," viz.: "Sands vs. Bontwell, 26 N. Y. 233." He refers to this as proof that "the members of a mutual company are individually liable to the extent of the total liabilities of the company." Such a claim is not only false, but so wide a departure from the truth as to warrant its being classed as a malicious misrepresentation.

The case cited had no such question involved and was merely an action to recover on an actual promissory note given to one of the old New York State "Note Mutuals" of 1849. The policyholder was held for a proportionate

(Continued on page 16.)

"The Largest Fire Insurance Company in America."

THE HOME INSURANCE COMPANY NEW YORK

ELBRIDGE G. SNOW, President

Underwriting Capacity Second to None.

FIRE AND ALLIED BRANCHES OF INSURANCE

Fire, Lightning, Automobile, Commissions, Explosion, Hail, Marine (Inland and Ocean), Parcel Post, Profits, Registered Mail, Rents, Sprinkler Leakage, Tourists' Baggage, Use and Occupancy, Windstorm.

STRENGTH REPUTATION SERVICE

North British and Mercantile Insurance Co.

Established 1809

Entered United States 1866

Policyholders protected by the entire United States assets, with further guarantee in every policy, of protection by entire fire assets of the company which are many times larger.

To the Man Who is Willing—and Will

SAN JACINTO LIFE INSURANCE CO. - BEAUMONT-TEXAS -



We are prepared to offer unusual opportunities for money-making NOW and creating a competence for the FUTURE.

FOR CONTRACTS AND TERRITORY, ADDRESS

H. M. HARGROVE, President :: Beaumont, Texas

THE GAUVIN AGENCY

CLOSE RACE BETWEEN PIERCE AND ALBRIGHT

Both Passed $4,000,000 Mark in This Year of Greatest Prosperity—Crowding H. B. Rosen

FACTS ABOUT MILWAUKEE MAN

Has Room at Union League Club, N. Y.; Is a Millionaire; Won Over Handicaps

Milwaukee, Wis., May 29.—The tremendous prosperity of the country has had its reflex in increased life insurance production, one result of which will probably be the marking up of records of individual production eclipsing all recent and former feats of this kind. If any life insurance agent can write $5,000,000 on individual lives during the course of twelve months, this in the year in which it must be done.

There are two men who have a chance to do it—Dr. Charles E. Albright, the wonderful agent of the Northwestern Mutual Life, who has not been able to explain before a roomful of other agents how he succeeds, nor can anybody diagnose his case; and Harold Pierce, the millionaire writer of the New York Life, who helped make the name of J. P. Morgan—and incidentally, his own—more famous.

Will Rosen Lose Out?

The real rivalry for supremacy this year is between these two—with the odds on Albright—and if Henry B. Rosen, the grouchy agent of the New York Life—(grouchy toward reporters)—who for some years led all individual producers, does not step at a pretty lively pace he must surrender his crown.

Why Dr. Albright Rests

A representative of The Eastern Underwriter seeking an interview did not find Dr. Albright at his office to-day, as he is completely exhausted by his extraordinary production achievements, and is taking a vacation. However, at the office of Superintendent Copeland, of the agency force of the Northwestern Mutual, he learned that Dr. Albright has a good excuse for wanting to rest up because up to April 1, he had written $2,300,000 in the Northwestern Mutual Life alone; his aggregate writings for all companies being $4,000,000. Mr. Copeland doubted that Dr. Albright will attempt any more star production feats for a while, as he is resting upon his well-worn laurels for the time-being.

If $100,000 more will help Dr. Albright any on his way to $5,000,000 this

THE GAUVIN AGENCY

I desire to correspond with New York City Life Agents, who would prefer a District Managership covering several of the wealthy counties in Pennsylvania. Three Millions of old business in force. Company over Sixty Years Old.

This is an opportunity where an Agent can make money and live on the first year's business, leaving his renewals for future profit and savings.

A salary is paid for supervision of old business in addition to the regular New York State Contract with renewals, over-riding first year commissions and renewals paid on sub-agents appointed.

Do not reply to this unless you can stand closest inspection and prove up a Paid Business of $100,000 in the last twelve months (term excluded).

Address **"PENNSYLVANIA"**

Care of The Eastern Underwriter, 105 William Street, New York City

year, and if he, Dr. Albright, will send The Eastern Underwriter his address, the editor of this paper will gladly give him the name of the prospect. It is a perfectly good prospect, too, because the man who wants the insurance so informed the editor of The Eastern Underwriter, adding that if Dr. Albright calls he can get the insurance, "but I am not going to chase him up."

Pierce Passes $4,000,000 Mark

An officer of the New York Life informed The Eastern Underwriter a few weeks ago that he thought that Mr. Pierce had passed the $4,000,000 figure, or will pass that mark when all the Morgan insurance is placed. The Morgan and Davison insurance alone foot $3,500 000.

How Dr. Albright Does It?

The manner in which Mr. Pierce gets business has been pretty widely published, but no one to whom The Eastern Underwriter has talked—and the list has included some of his insureds—seems able to say just what it is that enables Dr. Albright to top other agents.

"Sometimes I come in on a seven fifteen a. m. train, and Dr. Albright is on board en route to his office," said one man in explanation, "he is always on the job."

"It's his acquaintance. They send for him," said another.

"He knows every angle of insurance," said a third.

"He is a millionaire; he is in the habit of thinking and acting in large affairs," said a fourth.

"He has a genius for insurance," said a fifth.

Maybe, they are all correct, and he has a collection of important requisites, all of which have helped.

Dr. Albright's success should contain a lot of inspiration for other agents. He is not a striking man in appearance; he has not the gift of a silver tongue—in public; he is not dominating, yet despite his lack of the grand manner, and the Success and System Magazine idea of masterful personality, here are the facts:

Dr. Albright was an assistant medical director at the home office. In poor health he went to Europe on what he thought would be a few months' trip. Instead he was away a year and a half. Returning to find someone else at his desk, he announced that he intended to sell insurance. Some of his friends shook their heads thinking possibly that he did not possess the necessary aggressive qualifications. The first year he wrote more than $300,000, and it was not long before he qualified for that select group of writers who produce "more than a million a year."

At Home Everywhere

While Dr. Albright has his headquarters here, he is just as much at home in New York, Philadelphia, Pittsburgh, and Chicago, in all of which places he acts as a member of the local force, being duly licensed, etc. In New York he has a room at the Union League Club in which all the year around are evening clothes, business suits and other sartorial paraphernalia, so that he can hop on the Twentieth Century Limited upon hearing of a New York case; go to the Club and be ready for any emergency that presents, town or country, social or business.

EQUITABLE TURNS FARMER

Establishes Twenty-two Acre Farm on Overbrook Country Club Property at Hillsdale, N. J.

In order to assist in promoting and conserving the food supply of the country, the employes of the Equitable with the consent of its officers, have established a farm at Hillsdale, Bergen County, New Jersey.

The organization is to be known as the Equitable Farm Corps. Property belonging to the Overbrook Country Club has been leased, club house privileges obtained, and an expert farmer employed. T. I. Haubner will superintend the farm. There are about twenty-two acres to be planted, cultivated and harvested.

The cost of the entire enterprise is being guaranteed personally by the officers of the Equitable. The produce from the farm will be sold to the employes at reasonable prices, and the balance, if any, marketed.

A number of bills to safeguard policyholders have been introduced in the Pennsylvania legislature.

Bill Gives Fraternals Chance to Retrench

PERMITS INSOLVENT SOCIETIES TO INSURE CHILDREN

Wisconsin Senate Adopts Measure Allowing Benefit Organizations to Bolster Up Financial Status

(Special to The Eastern Underwriter)

Milwaukee, May 28.—The Wisconsin Senate, after a two hours' discussion on Saturday, concurred in the Stone bill No. 467 A, authorizing large fraternal benefit societies to insure children between the ages of 2 and 18 years, for whose support and maintenance a member of the society is responsible. Senator Bray, who opposed the bill, declared that former State Insurance Commissioner H. L. Ekern had for weeks lobbied for the bill. The real purpose of the bill, Senator Bray said, was to bolster up weak fraternal societies which were not charging adequate rates for their insurance and, though the bill provided the premiums paid for child insurance should be kept in a separate fund, it was like allowing an insolvent bank to receive and care for deposits and money of children. Fraternal societies could probably handle child insurance cheaper than stock industrial companies, Senator Bray stated, but only a small percentage of the fraternals are in a solvent condition. He declared that only fraternals which were in a solvent condition should be permitted to write child insurance.

Senator Skogmo, speaking in favor of the bill, said that the provision requiring the child insurance fund to be kept separate from other funds of the insuring society, would amply safeguard such fund. Sixteen other States have passed a bill similar to the Stone measure, Senator Skogmo said. Senator Cunningham declared that direful predictions regarding the probability of the Modern Woodmen of America going into insolvency unless it raised its rates to an adequate basis, as stated by Senator Bray, were unfounded.

Fraternals Cause Loss

Senator Everett said it was the history of all fraternals operating on an inadequate rate basis, that they ultimately became insolvent, and their members lost their premium money and insurance. Senator Witter declared that insolvent fraternals should be required to quit business or get on an adequate rate basis. Senator Bennett declared that the Modern Woodmen of America were solvent. In reply Senator Everitt asserted that the Woodmen would be compelled to raise their rates to keep out of insolvency.

Two amendments by Senator Brady were rejected, one providing that only fraternals on an adequate rate basis should be authorized to issue child insurance, and the other providing that the insurance society should not be permitted to exchange a policy for an adult for a policy of a child after the child had attained the minimum age for initiation into the society, unless the society was on an adequate rate basis. Both amendments were rejected. A motion by Senator Albers to non-concur in the bill failed by a vote of 9 to 17.

AN AMERICAN COMPANY

True to American Ideals and Traditions

The Germania Life Insurance Company

Established 1860

Under the laws of the State of New York

A Growing Company for Growing Men

RECORD FOR 1916

(The Best Year in the Company's History)

New Paid-for Business	$ 21,061,120.00
Gain over 1915 nearly	6,000,000.00
Total Insurance in Force, January 1st, 1917	158,839,851.00
Gain in 1916 nearly	8,000,000.00
Saving to Policyholders on account of favorable mortality of 61%	513,000.00
Assets	53,793,290.00
Surplus and Dividend Fund	6,424,602.62

Income from Investments alone more than sufficient to pay all Death claims.

Business paid for in the first four months of 1917 shows a gain of 44% over the same period in 1916.

Two attractive Agency openings

ADDRESS

T. LOUIS HANSEN, Superintendent of Agencies

50 UNION SQUARE, NEW YORK CITY

A 25-YEAR ANNIVERSARY

George H. Gaston, of the Metropolitan Life recently completed a quarter of a century of service as second vice-president of that company. He was elected to the office in April 26, 1892, being then secretary of the company. All in all he has been with the Metropolitan thirty-seven and one-half years. The superintendents of the company made a considerable feature of the occasion much to the surprise of Mr. Gaston. He was visited in his apartment by a large committee of superintendents and also by officers, and presented with several packages of silverware, the presentation being made by Peter Kraus, of Chicago. In his speech Mr. Kraus said in part:

"We have been privileged to observe the democracy of your nature and to fathom the generosity of your heart, and to witness the innumerable acts of kindness you have so unselfishly bestowed upon your less fortunate brothers and subordinates, and the patience you have ever exercised in their behalf; and these precious virtues also are as indelibly inscribed upon our hearts and minds as they will forever remain recorded upon the tablets of Metropolitan history."

Horner Stands Ready to Defend His Remarks

MEANT EVERY WORD HE SAID AT NORTHWEST CONGRESS

Declares Unless Combination is Broken it Spells Ruin for National Association

Minneapolis, May 28.—Warren M. Horner, manager of the Provident Life and Trust in several Northwestern States returned from the Des Moines Convention of the Northwest Congress of Life Underwriters, where he made a sensational attack on the ruling powers of the National Association of Life Underwriters, broken in health, and for several days was under medical treatment at home. He has been under a considerable nervous strain because of an unusual number of activities, including the successful launching of a book on salesmanship, which has now entered into its second edition.

Horner Meant What He Said

To a representative of The Eastern Underwriter Mr. Horner said that he meant every word he said at the Northwest Congress of Life Underwriters Convention, and that he would be at New Orleans ready to make good any statement if it were questioned. He declared that for years the National Association of Life Underwriters had been near and dear to him; and he deprecated any deviation in this great body from its real mission: the upbuilding of life insurance.

Mr. Horner believes that there are two groups in the association which run it; the dominant group consisting of Edward A. Woods, Pittsburgh; Charles Jerome Edwards, Brooklyn, and Colonel Henry J. Powell, Louisville; all with the Equitable Life Assurance Society. Closely affiliated with this trio are Messrs. J. Newton Russell, Los Angeles; Ernest J. Clark, Baltimore; Lawrence Priddy, New York; Wilson Williams, New Orleans; Neil D. Sills, Richmond; Lee C. Robens, Hartford; H. Wilbert Spence, Detroit; C. W. Scovel, Pittsburgh, and others. Unless the combination is broken it spells ill for the National Association of Life Underwriters, in Mr. Horner's opinion.

Full of Fight

The Minneapolis man who is full of fight has been greatly encouraged by the reception given his remarks and the progress made by the Northwest Congress of Life Underwriters, the idea of which he originated. At Des Moines, Mr. Horner, at rather high tension, although trying to keep himself in check, snapped his remarks which were greeted by a rising crescendo of applause. Since then he has received a large number of letters pledging support, and it looks as if there will be an animated gathering at New Orleans.

Remarks "A Rebuke"

Asked by The Eastern Underwriter if his remarks at Des Moines could be called "an attack" on the powers that be in the National Association of Life Underwriters. Mr. Horner answered, "Call it a rebuke, if you want to, because that's what it was."

Code of Ethics Adopted

Mr. Horner is greatly elated by the adoption of the new code of ethics for life underwriters, which, by the way, has been adopted by the Minneapolis and St. Paul Associations, in the drafting of which it is whispered that he had a stellar part; and he predicts it will be generally followed.

Northwest Congress Supplemental Organization

In speaking of the Northwest Congress of Life Underwriters Mr. Horner made it clear that this new organization is not intended to supplant the National Association of Life Underwriters in any way, but merely to supplement it. "We need the new association and a lot of others," he said, "and they should be meeting all the time in order to stimulate interest in insurance; to develop new ideas; to keep the business to the front; to make the subject of selling vibrant and constantly interesting."

Says Letter Was Private

Chicago, May 29.—A representative of The Eastern Underwriter asked Manager E. A. Ferguson, of the Union Central Life for a copy of the much-discussed letter which he sent to a Dakota man in which he spoke encouragingly of the Horner revolt. Mr. Ferguson seemed disturbed over the publicity given his letter; declared he did not want to be posed as fighting the National Association of Life Underwriters; said his own views on the subject were "private"; and in writing he had marked his letter "personal."

NORTHWESTERN MUTUAL

Figures for First Three Months of 1917 Show Paid-for Insurance of $52,043,540

Figures showing activities of the Northwestern Mutual Life for the first quarter of 1917 give that Company $52,043,540 of new insurance paid-for, an increase of 23.42 per cent. over the same period of 1916, and 54.64 over the same period of 1915.

The Company's investments for the quarter amounted to $17,778,574.15, on which the average rate of interest was 5.031 per cent.

The total investments of the Company in real estate mortgages, policy loans and bonds, on March 31, amounted to $356,044,560.43 divided as follows:

Mortgages	$197,703,334.01
Policy Loans	54,927,031.49
Bonds	103,414,194.93

The total amount of insurance in force on March 31 on the written basis was $1,551,767,635 under 589,200 policies.

How Horner's Address Appealed to Criticized

STATEMENTS RECEIVED BY THE EASTERN UNDERWRITER

Leading Life Underwriters Long Engaged in Association Work Willing to Step Aside

Upon receipt of transcript of the address delivered by Warren M. Horner at the annual meeting of the Northwest Congress of Life Underwriters at Des Moines, The Eastern Underwriter sent telegrams to Edward A. Woods, Henry J. Powell, Ernest J. Clark and Neil D. Sills, asking them if they cared to make any statement in connection with the allegations of Mr. Horner. We have received the following replies:

Edward A. Woods, Pittsburgh

"Thanks for your telegram. I have glanced at Mr. Horner's address and I have nothing to say to it. If I am one of the coterie he believes is dominating the association, I regret his opinion, but am too busy to answer it. Any time the association desires Mr. Horner or any other man, or set of men, to take a more active part in its affairs, I am sure I and numbers of others who have given a good deal of time to it, will be delighted."

Neil D. Sills, Richmond

"I appreciate very much your wire this morning, offering me the use of your columns to combat Mr. Horner's attack, but knowing Mr. Horner as I do, I am inclined to think that he is anxious to get a little publicity of that kind, and I cannot help but feel that the best thing to do is just simply to ignore it."

Interview With Chas. Jerome Edwards

"I don't know what Warren M. Horner had in mind when he talked 'at' the Northwest Congress, but it is easy to see that he referred to Clark, Powell, Sills, Wood, Willett and myself as the 'Six or seven individuals who perpetuate their own personal control over the National Association.' For the life of me I can't conjure up the seventh man—unless he thinks it ought to be himself.

"The assertions he makes remind me of that cryptic Pittsburgh ditty 'It may be true, I do not know; but it sounds to me like a .... joke!'

"The fact is that Horner is not up to date; his vocal efforts are inspiring, but evidently he has more of a nose for discord than an ear for harmony; the lyre he plays upon has three or four broken strings, for of the 'six or seven' he sings about, at least three are as dead as door nails as far as either effort or influence goes in the National Association.

"I have not, and, I doubt if Willett, Powell or Sills have been advised, or have any direct knowledge of the working program of the National Association, or what action is proposed by the officers of the Executive Council.

"Clark, as a more recent president, and Woods as the immediate past president, are undoubtedly in a continued and closer relation to the administration.

"I cannot even recall the names of all the officers, or the members of the Executive Council. I am active only as a member of the Publication Committee of the 'News,' and have been trying to have the president accept my resignation for over a year. Mr. Powell has been doing a huge amount of work on the Taxation Committee and I guess anyone who wants his job is welcome to it. And I imagine the same is true of the other 'six or seven.'

"I assume that Mr. Horner will consent to the regularly elected officers of the National Association continuing their work until the end of the year; or does he assume that Russell and Priddy are a part of the 'autocracy'? If so, he doesn't know either man.

"Horner's ability as a personal producer and as an agency manager does not qualify him to be a Perpetual First Consul of the National Association, any more than it does the 'six or seven.' He is most unfortunate in his stricture that the 'six or seven' had introduced 'undue injection of their own company affiliations' for it is a fact that companies or company methods, or any reference thereto is taboo in all National Association work. And further, it is worthy of note that the three executive officers of the National Association are agents of the so-called newer companies, and entirely independent and apart from any affiliation with or influence by the companies with which the 'six or seven' are concerned.

"The absurdity of Horner's suggestion of any six or seven 'self-constituted autocracy' is shown by the fact that, when the 'six or seven' endeavored to secure his selection as a vice-president, at the Memphis Convention, a revolt was started among the delegates. It was these 'six or seven' whom he now excoriates, that got behind Horner in his advertising program and spent two years and a pot of money and a prodigious amount of effort in an endeavor to put into effect his ideals; and it turned out to be the one monumental mistake the National Association has made, and for which they should apologize. It was the most expensive and illusory scheme that our money was ever wasted upon.

"All good luck to the Northwest Congress; but one word of advice is, not to incur Horner's displeasure and philippics, by running counter to his leadership and self-perpetuating control."

Agency Supervisor Wanted

A YOUNG life company, strongly financed, with a splendid reputation and a record without an equal in recent insurance history, wants an Agency Supervisor who can appreciate and make the most of an opportunity to grow into and grow up with an institution which has more than an even chance of becoming the best in the business.

Policy dividends are equalled by few others, young or old, while the earnings, which are more than three times those dividends, afford a tremendous margin to increase them still further.

The opportunity of a lifetime for a man of character who can show a record of actual accomplishment in the organization of rural territory and who is willing to take off his coat, get out into the field himself, and find and train new men.

Please state age and experience in detail. Address, in confidence—

PRESIDENT,

Care of "The Eastern Underwriter,"

105 William St., New York

TO ORGANIZE INS. DEPARTMENT

At the forthcoming State convention of the Order of Eagles, which will be held in York, Pa., June 5th and 6th, one of the important subjects to be discussed by the delegates will be the organizing and maintaining of a life insurance department by that order.

Shuff Advertising Attracts Attention For Human Interest

IS INSTRUMENTAL IN 500 PER CENT. INCREASE

Home Office General Agent of Union Central Life Inducts Personality Into Agency

John L. Shuff, manager of the Home Office General Agency of the Union Central Life, is doing some corking good advertising in the Cincinnati newspapers. He has learned the trick of human interest, and that it pays is shown by the fact that his office is going at a $6,000,000 gait, whereas before he took the management of the office it was writing about $1,250,000 a year. Mr. Shuff was formerly a special agent of the Union Central, and was appointed Postmaster by President Wilson, the appointment being made without any solicitation for the office by Mr. Shuff.

During the time that he was Postmaster he wrote $600,000 of personal business, all in six applications. Mr. Shuff, who is known as "Jack" to thousands of people, comes down to his office at 8.30 in the morning, where he generally finds twenty or thirty men waiting for him, all waiting favors of some kind. For instance, he has written more than 1,000 letters since the war, recommending people for the reserves. He has frequently made trips to Washington, for the purpose of pushing the cause of some friend with the Administration.

Some of the best of the Shuff advertisements follow:

"Successful Man" Ad.

Name a successful man who doesn't carry life insurance.

You probably can't name one. The very characteristics that mark a successful man—clearness of judgment, foresight that guards the future by the strength of to-day's plan and, very important, his habit of positive action that means to-day, not delay—these characteristics make him the man who does carry life insurance.

Doesn't the action of hundreds of Cincinnati's successful men suggest the thing you should do to-day?

"Pass the Hat" Appeal

Don't let anyone pass the hat for you.

Maybe you've been asked as a friend of his to "chip in" to help his wife and children through the immediate stress and the certain need of the coming years—for he is gone now; his family is deprived of his earning power, his protection, everything.

The boys passed the hat. You willingly put something in. His wife and kiddies needed your help; they had to have it and you pitied them from the bottom of your heart.

But did it strike you that, even though your loved ones are cared-for now and cared-for well by you, there may be a time when your friends' knowledge of your true affection cannot excuse your lack of foresight?

You don't want them to have to pass the hat for you.

Well, then right now while you can, insure your life. Agree to pay a stated small sum annually for 10 or 15 or 20 years to some strong, reliable insurance company and know that in event of your death, whether one or all of these payments have been made, your family will receive from the insurance company $1,000, $2,000, $5,000 or whatever amount your chosen policy calls for—will get back every cent you've paid in and that with interest at the time when they need it most.

Portrays Condition at 60

Are you getting ready to smile at 60?

Sixty years old—you won't be so fit then as you are to-day—your step not so firm—your hands unsteady, perhaps—your eyes not so bright—your mind, a part of an aged body, won't be quite so keen, quite so able as it is to-day.

Are you getting ready to smile then?

The man who is putting away a small amount yearly with a strong life insurance company is getting ready to smile at 60. He is saving a part of his earnings now while he can spare it. For only 10 or 15 or 20 years he will do that—this choice being his—and after these premiums are paid he doesn't need to dread 60 any more than 40. Should misfortune come upon him he will find his insurance policy readily convertible into cash. He knows that, at his death, those dependent upon him will receive from the insurance company more than he paid in—will get back his money with interest.

This man is wise.

There are a number of strong insurance companies in this country but their rates vary. It will pay you to find out, before you get your insurance, which of these strong companies can give you the kind of policy best suited to you, the greatest amount of protection at the lowest net cost.

APPOINT SCHOOL SUPERINTENDENT

Wilbur B. Sprague, superintendent of public schools in Utica, N. Y., has been appointed general agent of the New England Mutual Life at Worcester, Mass., effective September 1.

For eight years he has been the head of the Utica schools and in his work he has shown splendid ability in the handling of the teachers under him. His success was such as to bring high commendation from the State Department of Education at Albany.

"That Mr. Sprague will make good in his new field of labor is the belief of all who know him and he will take with him the best wishes of many friends in Utica," says the Utica "Dispatch." "He has always taken strong interest in everything that pertained to the welfare of the city and his influence has been strongly felt."

REAL SATISFACTION

Working with **William N. Compton** and the **John Hancock Mutual Life Insurance Company** in New York City forms the happiest combination imaginable for the life insurance salesman.

If you have any doubt in your mind have it dispelled by calling at

220 BROADWAY

Phone 6030 Cortlandt

Are You Permanently Established?

Write for Territory

Pennsylvania—Ohio—West Virginia

PHILADELPHIA LIFE INSURANCE CO.

PHILADELPHIA

Great Southern Life Insurance Company

HOUSTON, TEXAS.



For Agency Contracts address

O. S. CARLTON

PRESIDENT

GROUP INSURANCE

Life, Accident and Health

With the same Prompt and Expert Safety Engineering and Inspection Service and Organization which has made the Name of The Travelers Famous

AGENTS AND BROKERS

Refer Your Inquiries to The Group Insurance Division.

THE TRAVELERS INSURANCE COMPANY

Hartford, Connecticut

Get On The Firing Line With Our Triple Option Policy



Liberal Agency Contracts
Every Policy Registered With The State of Missouri
The Company of Today With Methods of Tomorrow
Assets over $8,000,000.00 Insurance in force over $67,000,000.00
International Life of St. Louis, Mo.
Massey Wilson-Pres. J. L. Babler-Gen. Mngr. Agencies. St. Louis, Mo.

Agents' Mass Meeting Boosts Liberty Loan

F. A. VANDERLIP TELLS OF ONE $75,000,000 SUBSCRIPTION

Darwin P. Kingsley and Major Charles W. Gordon Discuss Insurance and War's Demands

Some two thousand persons, twenty-five per cent. of whom were women, attended the mass meeting of life insurance agents, held Tuesday evening at the Century theatre under the auspices of the Life Underwriters' Association of New York. While the number was a bit disappointing to the men who had worked night and day to make the meeting a huge success, those present made up in enthusiasm for what they lacked in numbers. Some of the best-known men in the life insurance business, both officials and field men were present. Equally of course, there were lesser lights. But all vied with one another in their enthusiasm for what successive speakers termed a "war of justice."

As a result of this meeting all indications are that June 5 and 6 will be great days for the "Liberty Loan" throughout the length and breadth of the United States. Roused to a pitch attained by warriors steeled for battle when the cannon begin to boom, and the order is given to charge on the advancing enemy, the leash, holding at bay the world's greatest and best trained army of salesmen, schooled in selling sacrificial duty—the members of the National Association of Life Underwriters, and thousands of other good agents, who would be better agents, if they were members—will be severed, and these humanity and country servers will do "THEIR BIT" in disposing of the National Government bond issue.

An Interesting Phenomena

As a rule, insurance men are not prone to psychology, unless it be in the psychology of salesmanship. Yet, Tuesday night, a psychologist in the Century theatre would have noted an interesting phenomena—among the insurance men present. President William F. Atkinson of the Life Underwriters' Association of New York, who presided ably, appealed to the latent patriotism of his hearers and they responded with a will. Darwin P. Kingsley, president of the New York Life Insurance Company, did likewise, with a similar result. Frank A. Vanderlip, president of the National City Bank, followed their example—and roused his hearers.

Then came Major Charles W. Gordon of the 43rd Cameron Highlanders of Canada, a hero of the trenches and, as he himself said, "a Christian minister of the Gospel." Major Gordon who writes under the pseudonym of Ralph Connor, is an eloquent speaker and he roused his hearers to a fine frenzy of enthusiasm when he praised the sacrifices made by France. He elicited applause when he sang Britain's praises. He roused the crowd when he told of Belgium's woes. And then—stating that he was a "Christian minister"—he declared that he did not believe in a war without hate—he thundered that he had to hate the "Prussian huns" who had murdered men, outraged women and killed children. Dead silence greeted his remarks—eloquent though he was—brilliantly though he phrased his sentences—neatly though he coined his expressions. Perhaps it was because he had not caught the spirit of President Wilson's war message, which, Mr. Kingsley and Mr. Vanderlip both declared to be one of the greatest public documents of all times.

Patriotic Musical Festival

The evening's exercises opened with patriotic selections by a German orchestra, whose members the leader warned not to indulge in their native tongue. They played American national airs and "God Save the King," and then they played the crashing, stirring strains of the "Marseillaise." And last, but not least, they played the new Russian anthem, which, to be truthful, is neither as musical, nor as heart-throb-compelling as their old melody. The musical part of the evening was under supervision of John C. Dempsey.

Slogan—"Enlist or Invest!"

President Atkinson, in his brief introductory remarks, emphasized his belief in the justice of the war, so far as the United States is concerned. He outlined the bond selling campaign, as already told in The Eastern Underwriter, and declared that the slogan of all Americans should be "enlist or invest!"

Darwin P. Kingsley's Address

Mr. Kingsley was the next speaker. Knowing that he was addressing men who understood him—who sensed his meaning almost before the words were uttered—he grew eloquent and held his audience to the end. He said:

"Before we as a people undertook to make the world safe for democracy, who had already long labored to make it safe for the defenceless?

"To all these queries one answer:

"You and thousands of others like you who carry the Rate Book—the Bible of true democracy and of sound economics. You have had this equipment, you have preached these doctrines, and you have done these things.

"Your business is teaching men—individuals—to do their duty. You constantly fight the natural inertia of selfishness. Men know that all must die, but most men think that the other fellow will be the one to go. Endowed with good health, busy at his appointed work, death seems far off and no man likes even to discuss it. 'Why worry? Why surrender time or money as against a contingency that of course threatens others but not me?' is about the train of thought of the average man.

"There is a striking similarity between this mental attitude and the attitude of the American people toward war,—toward this war. 'Why should we worry? We are protected against invasions by two great oceans. We love peace and hate war. We want no other people's territory. We have no designs on other people's rights. War may come to others; it may come to us some time but not now.' That fairly expressed our feelings up to April 2, 1917.

The Realization of War

"Then something happened. Just as there comes a day to every man when he realizes that death is for him as well as for his brother, so on the second of April we—some of us at least—realized that war meant no longer to make favorites of us but in its hideous activities would thereafter have no regard for our high professions and love of peace. But not all of us understood that instantly. Some do not grasp the truth now.

"Your ordinary work as life insurance men is rendered very easy when your prospect has squarely confronted his duty, when he has either mentally worked the problem out under your tutelage or has been shocked by some physical circumstance into a realization of his individual weakness. Then he responds. Then he gets ready.

"The nobility of your work day by day, in the undramatic times of peace, lies in this: You persuade men to think when the natural tendency is not to think. You persuade them to face duty—when the call of duty is uncomfortable, when it seems indeed almost an abstraction. You persuade them to prepare for loss and to make sacrifices in that preparation when no sense of danger lives in their consciousness. You labor to make men a little bigger, a little more unselfish, a little more heroic, a little more rational, a little less provincial and a little more God-like than the average man naturally is. Who attempts daily a more difficult or a nobler task? What other training so perfectly equips men for the labor that confronts us all to-night, as patriots? This particular call of the nation finds you so ready that you have only substantially to go on doing your usual work. The charter which controls your activities needs no change.

"The day has come when America—generous but self-centered, idealistic but intensely practical, peace-loving and war-hating—must be shaken from her lethargy, must be taught that in this little world rivers of human blood cannot flow without draining her veins also.

The People Patriotic

"There is nothing the matter with the patriotism of our people; they have

(Continued on page 8)

ALWAYS A PLACE FOR DEPENDABLE AGENTS

Those who can not only write applications but deliver policies, and are energetic in their methods. Good positions are ready for such men.

Union Mutual Life Insurance Co.
PORTLAND, MAINE
ARTHUR L. BATES, President
Address: ALBERT E. AWDE
Superintendent of Agencies
7 W. Madison St., Chicago, Ill.

A GOOD OPENING

An old, well established, progressive life insurance company, with unexcelled dividend record has good opening at PHILADELPHIA, covering Eastern Pennsylvania. Address, stating qualifications:
PHILADELPHIA, care of The Eastern Underwriter
105 William St., New York City

The Connecticut Mutual Life Insurance Company,
PRESIDENT JOHN M. TAYLOR, HARTFORD, CT.

Insurance in force, 107,262 Policies for	$253,439,405.12

WHAT NO OTHER COMPANY HAS DONE
To repay to its Policyholders in Death Claims, Endowments, Dividends, Surrender Values, Annuities and other credits more than they have paid to it in premiums. It stands alone in that result.

Total premiums received, Dec. 1, 1846, to Dec. 31, 1916	$310,337,255.71
Total returned to Policyholders, as above noted, in same period	319,548,729.00
Excess of amount returned	9,211,473.29

Ambitious, Productive and Trustworthy Life Agents may be benefitted by corresponding with the

Berkshire Life Insurance Company
of Pittsfield, Mass.
Inc. 1851

New policies with modern provisions Attractive literature
W. D. Wyman, President W. S. Weld, Supt. of Agencies

We don't contract with poor men.
We give a new man our attention until he is started.
We make our men make good.
Why don't you work for us?

Peoria Life Insurance Company
PEORIA, ILLINOIS

A PENN MUTUAL PREMIUM, less a PENN MUTUAL DIVIDEND, purchasing a PENN MUTUAL POLICY, containing PENN MUTUAL VALUES, make an INSURANCE PROPOSITION which in the sum of ALL ITS BENEFITS, is unsurpassed for net low cost and care of interests of all members.

THE PENN MUTUAL
Life Insurance Company
OF PHILADELPHIA

On January 1, 1909, rates were reduced and values increased to full 3% reserve

We want a GOOD PERSONAL PRODUCER and organizer for DESIRABLE TERRITORY in several states west of the Mississippi River. EXCELLENT CONTRACT.

Northwestern National Life Insurance Company
MINNEAPOLIS, MINNESOTA,

is a LEADING LOW NET COST, annual dividend, MUTUAL, OLD LINE company. Record for 1916—increase in insurance in force, 20%; in paid-for business, 51%; in assets, 15%; in amount apportioned for 1917 dividends, 71%.

Company President Originates "Pulling" Cartoons



Two Ways of Looking At It

"Come in out of the wet"

"Disagreeable weather," remarked the Pessimist to the Optimist one afternoon, "too rough to travel around much."

"Really," replied the Optimist, "didn't the *sun shine* this morning?"

"No, it was raining all morning," said the Pessimist.

"I had not noticed," continued the Optimist. "The Ten I wrote this morning and the three new prospects I interviewed, who wish to see me tomorrow, kept me pretty busy. Did it really rain? Well, I have *enough money* to buy an umbrella, rubbers and raincoat, if I want them. This is not vacation weather, of course, but I rather like a day like this. I find I can see more people—they stay inside."

"You must have been born with that disposition of yours," remarked the Pessimist.

"What the good Lord did not endow me with naturally, I try to acquire," came back the Optimist, *with a pleasant smile.*

The conversation ended there. Mr. Optimist headed for another prospect.

This Optimist makes the people he interviews, *forget the weather* with his smile and cheery "Good morning," "Good afternoon," or "Good evening," and crisp canvass. He has no time to think about or discuss the weather—*he is busy* pointing out the good reasons why his prospect should refrain from procrastinating longer.—R. F. F.





HITTING THE NAIL

Agents should remember that insurance is most easily sold by pointing out the "benefits" that are to be derived. Do not talk "Company" when the prospect is satisfied with your Company. Do not spend time talking about another Company. Do not talk INSURANCE when a prospect is satisfied that insurance is a good thing. Point out the BENEFITS. Show your application and talk about it. Make your canvass short and crisp. The money is made in CLOSING ARGUMENTS. Tell the man before you that you do not work on "futures," and mean it. Be polite but firm. Stick to your first resolution—that you are going to write him now or never. Scratch "The Old Man Going-To" off your list. See a new one every hour. Talk *deposit and saving.* Eliminate the word "cost" and "pay." DO IT NOW TELL THE OTHER FELLOWS *TO DO IT NOW*. "It is easier said than done." But it *is* being done by the LIVE WIRES.—R. F. F.

The cut above is a reproduction of a folder written, and cartoons conceived (with the exception of the man with the hammer), by Rupert F. Fry, president, of the Old Line Life Insurance Company of America, Milwaukee, Wis., and was copyrighted by him. The Eastern Underwriter secured permission for its reproduction.

HOME LIFE INSURANCE CO.
(Now Purely Mutual)
256 BROADWAY, NEW YORK
GEORGE E. IDE, President

The fifty-seventh annual report shows insurance in force of $133,493,000, an increase during the year of $7,832,827. The Company paid the policyholders in 1916 $3,536,233, of which $628,406 was in dividends or premium refund. Its insurance reserve fund was increased by $1,300,000 and the Assets are now $32-821,462.

For Agency apply to
GEORGE W. MURRAY,
Supt. of Agts.
256 Broadway, New York, N. Y.

H. E. ROBERTS DEAD

Editor and Owner of "Insurance Advocate" Succumbs to Heart Failure in Hoboken Ferry House

Harry E. Roberts, editor and owner of the "Insurance Advocate," died suddenly on Wednesday in the Hoboken terminal of the D. L. & W. railroad. He was on his way home from his office. He was taken by an attack of acute indigestion which brought on heart failure.

Mr. Roberts has been a unique figure in insurance journalism. He had a wide circle of acquaintances to the majority of whom he was known as "Harry." His ready wit and constant good humor won him entree into all circles.

Mr. Roberts was 56 years old. He started his business career in 1881 in the Chicago office of Marshall Field & Co. In 1888 he came to this city as New York representative of the Chicago "Investigator," a few months later purchasing a half interest with A. G. Hall in the "Surveyor." He disposed of this in 1903 to become vice-president of the Interstate Life of Indianapolis. He resigned in 1906 and returned to New York where, in 1908, he purchased the "Insurance Advocate."

Mr. Roberts leaves a widow and three sons surviving him. The eldest son, E. Weston Roberts, who has been manager of the "Advocate" since 1913, will continue the paper.

WILL ERECT OFFICE BUILDING

The La Fayette Life Accepts Plans for Ten-Story Structure—Will Issue New Policies

La Fayette, Ind., May 29.—The La Fayette Life announces the acceptance of plans for the erection of a ten-story office building on the Public Square of its home city. The location is the best in La Fayette and the structure will be the most imposing in the city. La Fayette is the center of a region which is having great prosperity and is growing fast.

The La Fayette Life is making consistent and steady progress, has about ten million dollars of business in force and has about one million two hundred and fifty thousand dollars, and is licensed to do business in eight States, although its operations are practically confined to four States.

The Company is at work on a number of new policies, which it will shortly announce to the field.

NEW REFERENCE BOOK

Life Underwriters Publish Compendium "What Life Insurance is and What it Does"

"What Life Insurance Is and What It Does," by William Alexander, has just made its appearance. The book was written at the request of the National Association of Life Underwriters, and is published by that body. It is designed for the information of the man in the street as well as for the life insurance salesman. Although the latter is not addressed directly, the book should have a special value for him; first, because it tells him the things he must know in order to have confidence in himself and in what he has to offer; and, second, because it explains the many usages to which life insurance may be put. It states the arguments which induce people to invest in life insurance, and the arguments which prompt them to buy are the arguments which enable the agent to sell. Some idea of the value of the book can be gathered from the following headings:

Why People Insure.
The Value of Life Insurance.
Its Development and Scope.
Popular Fallacies.
When is a Man Fully Insured?
How to Select a Company.

Attention is drawn to the salient points in every policy form, and all kinds of insurance are commented upon, including Industrial Insurance, Income Insurance, Business Insurance, Group Insurance, Joint-Life Policies, Fraternal and Assessment Insurance and Annuities of all kinds.

At the end of the book there is a chapter on the insurance salesman, describing the development of the American agent and sketching the characteristics of the ideal insurance salesman.

"What Life Insurance Is and What It Does," sells for $1.50 a copy and liberal discounts are offered on orders for fifty copies or more. The book may be obtained by addressing the National Association of Life Underwriters, 56 Pine Street, New York City.

William Alexander needs no introduction to the life insurance fraternity, having been identified with the life insurance business for more than a quarter of a century.

PROMOTERS HELD LIABLE

The life insurance fraternity is greatly interested in a Colorado State Supreme Court decision handed down last week affirming that incorporators of an incompleted life insurance company are liable for all the money paid in the stock subscriptions. This case was fought by Cyrus K. Drew, editor of "Insurance Report" at Denver who bought into the concern solely to make an example of it for the good of legitimate life insurance. The court's ruling enunciates the principle that incorporators hold a personal relation of trust to the public in the creation of a life insurance company and even where they resign from all connection with the venture as was the case with the U. S. Postal, they cannot escape this financial responsibility. This venture was never completed and the rule of the court, which is the first decision to cover the point ever rendered in America, is that until the promotion scheme is licensed as a life insurance company the original incorporators are legally responsible to the stock subscribers for every dollar paid in and must make restitution if the venture collapses.

BANKERS LIFE COMPANY
DES MOINES
BLCo
PAYS GOOD PAY TO GOOD MEN

Security Mutual Life Insurance Company
Binghamton, N. Y.

Offers to men able to produce business first class territory, with direct contract providing liberal compensation.

For particulars, address

C. H. JACKSON, Supt. of Agencies

First Annual Meeting, Life Agency Officers

HOTEL STATLER, DETROIT, JUNE 9

The Selection of Agents and the Training of Agents Keynote of Program Arranged

The first annual meeting of the Association of Life Agency Officers will be held in Detroit at the Hotel Statler Saturday June 9th, 1917, in connection with the World's Sales Congress. In making this announcement the executive committee of the Association expresses the hope that every company will have at least two of its agency officers present, in order that the discussions of the two set addresses, "The Selection of Agents," by Professor Walter Dill Scott, Carnegie Bureau of Salesmanship Research, and "The Training of Agents," by William Alexander, secretary, Equitable Life Assurance Society, may have a wide range, and that the best possible good may come from this interchange of opinion.

Morning Session

Following Professor Walter Dill Scott at the morning session on the subject of "The Selection of Agents," the discussion will be in the hands of W. E. Taylor, superintendent of agents, Equitable Life Assurance Society; Philip Burnet, President, Continental Life Insurance Company; A. N. Mitchell, assistant superintendent, Canada Life; E. G. Simmonds, vice-president and agency manager, Pan-American Life; and H. E. Aldrich, superintendent of agents, Equitable Life of Iowa.

Afternoon Session

At the afternoon session, following William Alexander on "The Training of Agents," the general discussion will be led by George H. Hunt, superintendent of agents, Imperial Life, Toronto; James P. Sullivan, vice-president, Farmers and Bankers Life; and Thomas R. Hill, superintendent of agents, Provident Life & Trust Company.

Dinner for Delegates

The Life Underwriters' Association of Detroit have arranged an evening dinner and meeting of their Association, especially for the visiting agency officers. The executive committee says, "It will do us all good to attend this meeting and rub elbows with a live group of life insurance salesmen."

The membership list of the Association of Life Agency Officers corrected to May 1, 1917 contains the names of 74 companies. The executive committee personnel is as follows: Winslow Russell, chairman, Hartford, Conn.; Harry E. Aldrich, Des Moines; Glover S. Hastings, Boston, Mass.; George H. Hunt, Toronto, Can.; George B. Stadden, Springfield, Ill.; Joseph B. Reynolds, Kansas City, Mo.; and William E. Taylor, New York, N. Y. Secretary-Treasurer, Isaac Miller Hamilton, Chicago, Ill.

FIFTY YEARS OLD

Northwestern Mutual Life Issues Interesting History to Commemorate Its Semi-Centennial

To celebrate its fiftieth anniversary, the Northwestern Mutual Life Insurance Company has issued a complete and interesting "Semi-Centennial History" of its half century of life. The book, which contains 389 pages, tells of the history of life insurance in general; of its career in America; in Wisconsin and last, but not least, of the birth, growth and life of the Northwestern.

The book is copiously illustrated with pictures of the various founders and officers and also contains a facsimile of the first policy issued November 25, 1858.

44 MILLIONS from 42 AGENCIES

THE 1916 RECORD OF OUR EARNEST, LOYAL AND HAPPY AGENCY FORCE

New England Mutual Life Insurance Company

BOSTON, MASS.

Agent Versus Principal

The relation of an agent to his principal carries with it a delegation of responsibility and discretion; and it imposes a work to be performed according to the rules and regulations adopted for the satisfactory and profitable conduct of a business.

With us, the most important responsibility is entrusted to the general agent, and through him it is handed on to the men who comprise the field and office force organized as the general agency.

This agency relation is a mode of exercising power to produce the effects desired by the principal. It is the means through which is developed the ability and force to carry on the business of the company.

The life insurance agent, then, is entrusted with a delicate and important responsibility. His appointment carries with it stipulated powers, with large field for the exercise of discretion. It grants authority to do and say for his principal the things that are proper in fulfilling the services he is employed to render.

Keeping the relation on a satisfactory basis depends absolutely on this distinction between principal and agent. The essential factor that makes the relation mutually profitable is that the agent subscribes to and is in hearty sympathy with the ideas, methods and policies of his principal. When he ceases to be in accord with his principal, his usefulness is gone.

But when a man of loyalty and intelligent responsiveness, of trustworthiness, and of untiring diligence is secured, then the company has an agent who reflects his principal with complete satisfaction. He will be a success in the highest sense, because in doing well by his company, he does not less well by himself.

The position of agent carries with it a delegated authority of high order. Therefore it demands a keen sense of duty and obligation to the company. This fact is the basis of its natural dignity; and the realization of it always has been and always will be the foundation of true success in life insurance. —"New England Pilot."

NEW INSURANCE BILLS

Pennsylvania Legislature is Considering a Number of Measures Affecting Life Companies

Members of the Pennsylvania Legislature, now in biennial session, have introduced a number of bills affecting life insurance in its various activities. What is considered the most important is one known as the "Blue Sky Law." Its official designation is the Hole Bill No. 1361, now in Committee on Banks and Banking, in the House of Representatives. It is intended to prevent fraud and deception by regulating the sale or disposition of stocks.

TWO PER CENT. TAX IN ILLINOIS

Springfield, May 29.—Life insurance men throughout the West are greatly concerned over the 2 per cent. tax imposed on life insurance companies in Illinois. Agents in many cities have taken up the fight in connection with the matter with individual members of the legislature.

Another bill is being prepared and will be introduced in the Senate in a few days which will provide that the control of an insurance company cannot be transferred without first securing the consent of the insurance department.

Fraternal Bill

Thousands of working men have to depend upon insurance in fraternal and beneficial societies. At the present time, the above organizations are exempt from the insurance laws and are not in any way under the control of the Insurance Department. A bill has been prepared and is endorsed by the National Fraternal Congress of the United States, for the purpose of safe-guarding insurance of this character. The bill was introduced in the Senate by Senator Crow and is known as Senate Bill No. 630. This bill has been enacted into law in thirty-four States.

Business Attending to Business

General business is prosperous and the public confidence is proof against all alarms. Our deliveries for the first three months were much larger than for the first quarter in 1916. Patriotism requires that business shall attend to its business with the utmost zeal, that the stability of finance may remain unshaken; even as patriotism requires that every American shall support the government by such means as are his to contribute, that our country may be invincible.

Occasionally we have a general agency opening.

JOSEPH C. BEHAN, Superintendent of Agencies

MASSACHUSETTS MUTUAL Life Insurance Company

Springfield, Massachusetts

Incorporated 1851

POWER OF ATTORNEY

The Indianapolis Life Sends Document to Its Policyholders, for Execution, If Going to War

The Indianapolis Life has sent the following power of attorney to policyholders, suggesting that it be signed and returned if the insured is about to enter the military or naval service:

Know All Men By These Presents: That the undersigned, the insured under policy or policies No..... in the Indianapolis Life Insurance Company of Indianapolis, Indiana being engaged in military or naval service in time of war and having in mind that my duties in such service will interfere with my getting mail regularly and otherwise interfere with my ability to do and perform expeditiously, matters pertaining to my said policy or policies, and desiring to vest full power and authority in someone who may, in my absence be able to act for me, and in my name, place and stead do and perform any and all things I myself could do if personally present, relating to said policy or policies, do hereby constitute and appoint..... of ...., with full power of substitution, as my lawful attorney-in-fact with power and authority for me, and in my name, place and stead to do and perform, all and singular, the following with reference to my said policy or policies as fully and as effectually as if done by me in person.

My said attorney-in-fact is given full power and authority to receive any and all notices or communications from said Company in any way pertaining to or connected with said policy or policies; to exercise any and all options available to me from time to time under said policy or policies and may for the purpose of exercising any of said options, execute any and all agreements and releases the said Company may require in the premises; to execute whenever he deems it necessary or advisable, notes or agreements for extension of time for payment of premium; and in general to do and perform any and all acts I myself could do if personally present with reference to said policy or policies.

I hereby ratify and confirm any and all acts done and performed by my said attorney-in-fact in carrying out the foregoing powers, and hereby expressly bind myself, my heirs and assigns.

Nothing herein contained shall however be construed as giving my said attorney-in-fact the power to change the beneficiary under my said policy or policies in said Company.

This power of attorney shall remain in full force and virtue until revoked by me by written notice given to and received by said Company.

Witness my hand and seal this..... ..... day of ..... 191... ..... Insured.

State of ..... ss: County of ..... Before me ...., a notary public in and for said County and State, personally appeared ..... who acknowledged the execution of the foregoing power of attorney as his voluntary act and deed.

Witness my hand and notarial seal this ..... day of ..... 191.. ..... Notary Public.

My commission expires .....

CONTINENTAL LIFE OFFICE

The Continental Life Insurance Company of Wilmington, Delaware has appointed Walter M. Graham, agent at its branch office in Centerville, Maryland. Mr. Graham is making his headquarters at the present time at the Arlington Hotel.

Agents' Mass Meeting Boosts Liberty Loan

(Continued from page 5.)

[illegible] of their citizenship, more of their love of liberty—just as there is nothing the matter with the individual man's love of his family. Your task in life insurance ends with the individual, is to make him appreciate the dangers, your task as patriots with the nation, is exactly the same. The first task ought to be easy but we know that it is not, the second task must be performed however difficult it may be.

"On the 5th and 6th of June you and your fellows will sell Liberty Loan bonds exclusively and hope you'll sell them incidentally every day—bonds which rest on the faith of a free and mighty people. Why does the Government sell these pledges? Because it believes and on our behalf has declared that the natural, the inalienable rights of humanity are desperately assailed and that even our own liberties are imperilled. Unless the people can be made to see that they will not buy these bonds. Until a man has been shocked into an appreciation of his inability to carry the risk of his own mortality you can't insure his life. Until a peace loving nation has been shaken out of its natural lethargy it is difficult to make it understand that a given condition is a deadly menace when that condition is physically a long way off.

Ready for Work

"Later on many of you may take your places under the flag in the trenches or on the sea. Once the nation is aroused there can be but one result. These, however, are the days of hesitation. It all seems so horrible, so impossible. To arouse our people Paul Revere must again go thundering through the country side. Signals of great danger have been flashed to us from the watch tower as they were to him, and there must be riders or the people will not be awake and ready. And what do the signals tell? They tell that a great nation drunk with power has foresworn itself; that the Lusitania has been sunk in such violation of every natural impulse of civilized men; that it is clearly a case of conscious barbarism; that Edith Cavell had been shot; that Belgium has been outraged again and again; that the young womanhood of Northern France has been debauched by savages more ruthless than the Huns; that a power is raging through the land and lurking undersea as sharks lurk in order to strike as sharks strike a power which jeers at the principles of our Declaration of Independance and mocks at government by the people. If the true significance of those danger signals can be driven home, there will be no trouble about the bonds nor about the other billions yet to come; but on June 5th and 6th Paul Revere must ride again; there must come to every home in the nation as there came to every home in Concord and Lexington on that April morning in 1775:

"'A voice in the darkness a knock at the door,
"'And a word that shall echo forevermore.'

"On June 5th and 6th you will ride to help quicken the patriotism, the idealism of the nation. You are already organized; you are veterans in a like service; you know what the signals mean and you know your duty. You can qualify in this fight for liberty as completely as Rhode Island did under Roger Williams' charter. You will thereby help to win from the people assent to the high and unselfish purpose which has made our Government denounce and attack this Prussian monster."

War Not Men and Guns—But Organization

Mr. Vanderlip was the next speaker. He began with the statement that the war was for the purpose of making the world safe for democracy. This was not a mere phrase, he contended, but a vital truth. He explained the reason for the need of so great a sum as two billion dollars, by declaring that war was no longer a matter of men and guns, but of the organization back of the armies in the field.

First Service—Money

The first service of all good citizens, Mr. Vanderlip said, was the service of money. That money would eventually return to us, for it was to be used to establish credit for the allies in this country. Great Britain had given five billion dollars' credit to her allies, he said, and it was no more than right that we should give three billions.

Future Savings Must Pay

He then went on to explain that all the actual cash in the banks of the United States amounted to only two billion dollars. The Liberty Loan would have to be paid out of the savings of the future and, he added, that would be a splendid thing, for it would teach a profligate nation something of economy. He explained in detail the financial operations of floating the loan and predicted an intense industrial activity as a result of war work. Then he thrilled his hearers:

"The loan will be a success; there can be no doubt of it. Confidentially I will tell you that to-day we received a single subscription of $75,000,000."

Warns Against Undue Optimism

And as one man, the audience applauded, only to grow serious again when Mr. Vanderlip warned this country against undue optimism about the ultimate outcome of the war. He hoped—but did not feel certain—that Russia would not make a separate peace. He hoped—but felt none too certain—that the U-boats would be conquered. He admitted that Britain would be on the point of starvation within ninety days after her next harvest if the U-boat kept up their ravages. That is why he appealed to his hearers to raise the funds necessary to fight the battle of "militarism versus democracy."

Price of War—Human Lives

The last speaker was Major Gordon. He predicted that even as the blood had been squeezed out of the hearts of Canada and Britain and France, so would the blood be squeezed out of the hearts of America. He declared that, we Americans would have to bear our cross and our agony, for the price of war is, as it always was, not money, but human lives. He did not agree with the hopeful optimism of Mr. Vanderlip, he said. He feared the worst for Russia and said that it would not be surprising if hereafter Russia would prove a negation in the war.

Calls for Speed in Aiding Allies

"Speed up! Speed up! For God's sake speed up!" he cried again and again, imploring America to come to the aid of the sorely pressed allies. Not a minute was to be lost in the matter of preparedness, he declaimed. Then he told of the horrors he had seen in Belgium and in France—of the incendiarism, the looting, the rapine and murder.

And then—the audience rose to its collective feet and, led by Mr. Dempsey, thundered forth "The Star-Spangled Banner," in mighty volume and with patriotic fervor.

The full program follows:

"Columbia The Gem Of The Ocean," Miss Kathryn Shaw.
New Russian Anthem, Mr. John S. Dempsey and Soloists.
William F. Atkinson, President of Life Underwriters' Association of New York.
Italian National Anthem, Miss Margaret Abbott.
"Le Marseillaise," Mr. McCall Lanham.
Darwin P. Kingsley, President of New York Life Insurance Company and Chairman Liberty Loan Life Insurance Committee.
"God Save The King," Mr. Albert Wiederhold.
Frank A. Vanderlip, President of National City Bank and Chairman Liberty Loan Publicity Committee.
"The Maple Leaf," Canada's National Anthem, Mr. Redferne Hollinshead.
Major Charles W. Gordon, 16th Cameron Highlanders of Canada.
"The Star-Spangled Banner," Mr. John C. Dempsey and Entire Audience.

MORE GROUP INSURANCE

The Lynchburg, Virginia, Foundry Company has taken out group insurance on 500 of its employes, the policies ranging from $3,000 on the lives of officers of the Company, to $1,000 on the lives of other employes. The insurance has been issued by the Equitable Life Assurance Society of New York. The Lynchburg Foundry Company will bear the cost of insurance while the insured are in its employ.

The Georgia Cotton Mills of Griffin, Ga., has insured its 800 employes in the Aetna Life, the mills paying the entire premiums. The amount of insurance on each worker varies according to the time the insured has been in the employ of the Company and will increase antomatically until the maximum is reached. Thomas & Thomas, Atlanta managers of the Aetna, placed the risk.

THE MOST VALUABLE POLICY FOR YOU,
Mr. Agent, is to write your prospect in the Company writing the most valuable policy for the insured.
Secure **prompt action** in the
John Hancock MUTUAL LIFE INSURANCE COMPANY OF BOSTON MASSACHUSETTS
WILLIAM N. COMPTON, General Agent
METROPOLITAN DISTRICT, ST. PAUL BLDG., 220 BROADWAY, NEW YORK, N. Y.

The
Perfect Protection Policy
OF THE
RELIANCE LIFE
gives you something absolutely new and different to talk to your prospects. Gives you a chance to earn more money than you are now making.
Our Life Insurance Contracts contain the most up to date clauses known to the Insurance World. The Accident and Health gives full protection for at least a third less cost than regular casualty companies. Our agency contracts are as liberal as can be made.
WRITE AND WE WILL TELL YOU MORE ABOUT OURSELVES
Reliance Life Insurance Company of Pittsburgh
FARMERS BANK BUILDING
PITTSBURGH, PENNSYLVANIA

Founded 1865
The PROVIDENT
Life and Trust Company
OF PHILADELPHIA, PA.
What do most men fear?
An insufficient income for their wives and children if they die, and for their own old age if they live.
WE WILL INSURE THE INCOME IN EITHER EVENT.
Write for Information

Build Your Own Business
under our direct general agency contract
Our Policies provide for:
Double Indemnity, Disability Benefits, Reducing Premiums
See the new low Rates
JOHN F. ROCHE, Vice-Pres't
THE MANHATTAN LIFE INSURANCE COMPANY
66 BROADWAY NEW YORK
Organized 1850

40% Increase in Paid New Premiums—that tells the 1916 story of Fidelity progress.
Direct leads and the Fidelity "Income for Life" plan are making money for Fidelity field men. Any man who can sell life insurance can sell MORE Fidelity insurance.
Write to-day—
Fidelity Mutual Life
INSURANCE COMPANY, PHILADELPHIA
INCORPORATED 1873 WALTER LE MAR TALBOT, President

ORGANIZED 1871
Life Insurance Company of Virginia
RICHMOND, VIRGINIA
OLDEST LARGEST STRONGEST
Southern Life Insurance Company
Issues the most liberal forms of Ordinary Policies from $1,000.00 to $50,000.00, and Industrial Policies from $12.50 to $1,000.00
CONDITION ON DECEMBER 31, 1916:

Assets	$14,464,552.23
Liabilities	12,436,717.56
Capital and Surplus	2,027,834.67
Insurance in Force	118,349,212.00
Payments to Policyholders since Organization	18,119,172.50
Is Paying its Policyholders over	$1,300,000.00 annually

GOOD TERRITORY FOR LIVE AGENTS

LIVE HINTS FOR BUSINESS GETTERS

Practical Suggestions to Help the Man With the Rate Book Increase His Income and General Efficiency

Canvass Old Policyholders

"Pop" Golden, associate general agent of the Equitable Life of Iowa at Pittsburgh, led that Company's producers in amount of personal business in April with $111,000. The premiums amounted to $3,439.37. Speaking of this record, "Pop" says:

"The point that I hope will be helpful to the fellows is that all but $20,000 was written on old policyholders, whom I have written from two to three times; also that binding receipts were received on all but $10,000; in one case received a check for seventeen months' premium to make payment fall due at a desired time.

"I mention this as I feel that many of us overlook our big asset—the old policyholder. In proof of this, within the last two weeks I ran across one man whom I had sold twice before; he had just purchased $24 000 of another party to round out his line, and said that I could have had it without question had I been around but he had not seen me for so long that he did not know but that I had quit the game. Another of my policyholders had just been examined the day before for $5.000 that he assured me I could have had if I had asked him for it. There is $29.000 more that I lost last month simply by not keeping in touch with them.

"Of the amount written there were four $10,000; two $20,000 and a $25 000 and a $6,000 for total premiums of $3 439.37."

* * *

What 15 Cents Per Day Will Do

The dread of many men to obligate themselves for a large amount of money is done away with by the Equitable Life of Iowa by showing such men they can adequately protect themselves by saving 15 cents a day. To this end, the Company has sent the following to its agents:

"A saving of fifteen cents per day is sufficient to pay the net annual premium on an Equitable policy for the amounts shown in the accompanying table at the various ages and upon the different plans indicated.

"The amount of the insurance is based upon first year's cost with dividend deducted, the 1917 dividend scale being used in making the computation. Over a period of years the average cost would doubtless be materially lower, yet this table is sufficient to indicate the substantial insurance estate which can be immediately created by the saving and investment of but fifteen cents daily in an insurance premium.

"Who cannot save fifteen cents a day? The man with limited income can easily do that. The more prosperous can save twice or three or four times that amount. For instance, you are canvassing a man aged 30. Take fifteen cents out of your pocket and lay it down in full view of your prospect. Ask him candidly, 'Where in the world can you put fifteen cents per day where it will do so much for you?

" 'If you die it means $2,000.00 cash to your wife and children; if you are totally disabled and wholly incapacitated, no more premiums to pay, the insurance is continued in full force, and you receive a life income of $200.00 per year as long as you live and at your death still leave $2,000.00 to your family. If all goes well and you live, look at the cash you have accumulated for your old age. After twenty years no more premiums to pay in any event, and the present cash worth of your policy is then equal to all you have saved and invested in premiums. Your protection against premature death or disability has cost you nothing. Think of the comforts all this will give you along life's way, how it will secure your home, educate your children, substantiate your credit in business. It's a great privilege you are given by this splendid company—to invest fifteen cents per day. Begin now. Place your signature here, please.' "

Computed by Ages

Age	Ord. Life	20 Pay. Life	20 Yr End.
20	3,936	2,497	1,322
21	3,844	2,452	1,319
22	3,750	2,410	1,317
23	3,652	2,368	1,315
24	3,557	2,323	1,312
25	3,469	2,283	1,310
26	3,377	2,237	1,308
27	3,284	2,194	1,306
28	3,194	2,151	1,301
29	3,101	2,109	1,298
30	3,013	2,065	1,294
31	2,924	2,022	1,289
32	2,835	1,979	1,284
33	2,747	1,937	1,280
34	2,660	1,891	1,274
35	2,572	1,850	1,268
36	2,487	1,807	1,262
37	2,403	1,765	1,255
38	2,319	1,720	1,247
39	2,237	1,680	1,238
40	2,157	1,638	1,229
41	2,075	1,593	1,219
42	1,998	1,553	1,208
43	1,920	1,511	1,195
44	1,844	1,469	1,182
45	1,770	1,427	1,165
46	1,698	1,386	1,152
47	1,627	1,344	1,135
48	1,556	1,302	1,118
49	1,493	1,262	1,098
50	1,427	1,222	1,078

* * *

Life Insurance vs. Stocks

Truth is sometimes stranger than fiction, to quote an old platitude, but recently a widely read magazine published a very interesting story under the caption "Tales from a Safe-Deposit Box." The family of a supposedly wealthy man gathered at the bank to hear the reading of the will.

The safe-deposit box gave up a $2.000 life insurance policy, and some railroad stock. The life insurance was worth par, of course. The stock, however, was almost worthless. The deceased had been a man of good business judgment, and when he purchased his securities they were considered gilt-edged investments, and he proceeded to deposit them in his strong box, and went about his business, confident that his family was amply provided for, in the event of his death.

THE
METROPOLITAN LIFE
Insurance Company
(Incorporated by the State of New York)



Metropolitan Life Insurance Company
Home Office Building

The Company

Of the People
By the People
For the People

The Daily Average of the Company's Business during 1916 was:

701 per day in Number of Claims Paid.

8,304 per day in Number of Policies Issued and Revived.

$1,969,823 per day in New Insurance Issued, Revived and Increased.

$376,827.40 per day in Payments to Policyholders and Addition to Reserve.

$220,509.26 per day in Increase of Assets.

JOHN R. HEGEMAN, President

Unfortunately, that particular railroad got into difficulties, and the owner of the stock did not live long enough to make good the depreciation in the value of the contents of his safe-deposit box.

What better illustration could be found of the inherent soundness of life insurance? It is the one investment that is always worth 100 cents on the dollar, whether the owner dies the day after he buys it, or fifty years later. Panic times and war times may influence securities, real estate, and other investments, but the life insurance companies stand ready and willing to pay, in full, and immediately upon receipt of claim and due proof of death.—"Field Notes."

* * *

Statistics You Should Remember

At age 55 in case of business failure only one in five thousand ever recovers.

At age 65 97 per cent. of all men are dependent financially.

The average estate lasts from seven to nine years following the creator's death. 90 per cent. of estates over five thousand become dissipated within seven years. 7 per cent. of the estimated value of American lives are covered by life insurance, and still 7-8 of what Americans leave at death is life insurance.

Nineteen out of twenty fail to provide for their old age, or for their family.

Eight million women must work to live.

35 per cent. of widows are in want, while 90 per cent. lack life's common comforts.

90 per cent. of children who enter school at age six have to go to work before they reach the eighth grade.

69 men out of 85 reach the age of 65 without one dollar.

89 men out of 100 leave no estate at death.

American life insurance has reduced pauperism 33 1-3 per cent. since 1880.

7 per cent. of the estimated economic value of human life in America is covered by life insurance.

The records of the New York Surrogate's office over a period of five years, show the following facts regarding the estates left by adults who die during that time.

(a) 85.3 per cent. left no estate.

(b) 4.3 per cent. left from $300 to $1,000.

(c) 5.3 per cent. left from $1,000 to $5,000.

(d) 1.8 per cent. left from $5,000 to $10,000.

(e) 1.8 per cent. left from $10,000 to $25,000.

(f) 1.5 per cent. left over $25,000.

* * *

How Money is Wasted

The Germania Life Insurance Company's house organ "Service" published interesting figures concerning the waste of money by the American public:

Thirty per cent. (30%) of the money annually spent for intoxicating drinks, tobacco, jewelry, and confectionery would give every married woman in the United States, rich and poor, $2,000 of life insurance protection.

Every insurable man in the United States could have an average of $1,000 of life insurance by saving the price of a daily ten cent cigar.

Life insurance companies differ from other business enterprises, says "Service," in the fact that they are mostly mutual and combined return nearly all of their savings to the policyholders. Of all the dividends paid by life insurance companies operating in New York State during the past fifty years 97.7 per cent. went to the policyholders, 2.3 per cent. to the stockholders.

Representing

The Mutual Life Insurance Company of New York

You will make money.

The great strength, big dividends and incomparable benefits of the *"oldest company in America"* mean certain success for you.

For Terms to Producing Agents, Address

GEORGE T. DEXTER, 2d Vice-President

34 NASSAU STREET, NEW YORK, N.Y.

THE EASTERN UNDERWRITER

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THE HORNER REVOLT

The National Association of Life Underwriters should give Warren M. Horner, the belligerent Minneapolis general agent, a medal of some kind for throwing a bomb at the leaders in the Association; or if they decline, undoubtedly editors of insurance newspapers, or passenger agents, of coastwise steamships, or railroad lines will gladly oblige. With a few strokes of his pen, followed by the delivery of those strokes at the Des Moines Convention of Northwestern insurance producers, Mr. Horner has suddenly galvanized a tremendous interest in a convention which has not heretofore given promise of a gathering that would be much different from others the organization has held.

It is the same principle as the press agent of the popular light operatic prima donna uses when he has her trunk full of diamonds stolen or her racing car dramatically wrecked just before her show reaches town. The papers are so full of the theft or the wreck that everybody flocks to the theater for a close view of the heroine.

If Mr. Horner has done nothing else he has fixed all eyes on New Orleans, and there will be many reservations from Iowa, Nebraska, North and South Dakota, Minnesota and adjoining States at the New Orleans hotels for life insurance men who will attend the annual meeting of the National Association of Life Underwriters, that would not otherwise have been booked.

We hope to get a ringside seat ourselves, and, for the sake of a good scrap will pray that Mr. Horner's supporters join him in the open, accompanying him to New Orleans and be not afraid to unsheath their swords, because Messrs. Woods, Edwards, Powell and Priddy are gladiators handy with broadswords or mits, either.

That the National Association of Life Underwriters is managed and manoeuvered by a few men is just as true as a statement that the moon is not made of pink cheese. It is no more correct, however, than that Congress, or the National Association of Piano Manufacturers; or the National Association of Insurance Agents; or the American Bankers' Association; or the American Casket Makers' Institute are directed by a handful of men. In fact, after going to conventions for twenty years the writer cannot recall any association of men whose destinies are not directed by a clique.

Associations have a way of disintegrating if they are not bossed by some live spirit, full of ginger and enthusiasm who take charge. Conventions do not run themselves; they are not snatched, snappy and strong out of the ambient.

We had always thought that twelve of the leaders of the National Association of Life Underwriters were E. A. Woods, W. M. Horner, C. J. Edwards, Neil D. Sills, Ernest J. Clark, Lawreuce Priddy, Colonel Henry J. Powell, Lee C. Robens, Wilson Williams, John Dolph, J. Newton Russell and Maurice H. Stearns. Now Mr. Horner counts himself out. As we recall former conventions he was to our mind one of the most influential of the influential members. What has happened in the meantime? We would not be surprised if it had something to do with institutional advertising to which work Mr. Horner has contributed his best brains and efforts in splendid fashion. It may be the reception by the council of the National Association of the book recently completed and published by Mr. Horner. Whatever may be the basis of his grouch it will all come out at New Orleans.

The convention of the National Association of Life Underwriters at St. Louis last year was one of those inspirational, thrilling, worth-while conventions which life insurance seldom sees. It may be that to those behind the scenes one or more groups in control over-emphasized their hobbies, or killed something vital of which the attendants of the open convention knew nothing. But whoever is in charge of the 1917 or 1918 convention will have to step lively to equal the 1916 gathering. Whatever happens Mr. Horner's charges can do no harm to the convention as a whole; it will be a good thing to have the matter threshed out; and the only regret is of the ruffled emotions that have already been released, and which may cause personal bitterness.

U. S. WAR INSURANCE

Government Drafting Bill to Insure Lives of Soldiers, Sailors and Marines

(Special to The Eastern Underwriter)

Washington.—Assistant Secretary of Commerce Sweet is preparing statistics to be used as a basis for drafting a bill for the insurance of soldiers, sailors and marines who will go to the front in France and Belgium.

Mr. Sweet is in communication with foreign governments and the heads of foreign and American insurance companies seeking information on which to build the various provisions of the proposed measure.

It is understood that the bill will provide for pension-insurance; i. e, that by means of insurance the necessity of pensions to be saddled upon future generations will be obviated, and at considerably less cost.

Mr. Sweet desires it to be known that his proposed measure is not the bill recently passed by the Senate, which applies only to marine war risks and crews of merchantmen.

W. C. Hubbard, staff adjuster of the General Adjustment Bureau at its Pittsburgh office, died last week. No successor has been appointed as yet.

THE HUMAN SIDE OF INSURANCE



ROBERT TERRY STUART

Robert Terry Stuart, chairman, board of directors, Mid-Continent Life Ins. Co. (familiarly known as "Bob Stuart"), confesses to having been born thirty-six years ago. His grandfather while yet a youth, came from Scotland and settled in Texas. "Bob's" father and mother were born in the Lone Star State and Bob therefore is truly a Texan. He was educated in the public schools and universities of that State and after leaving the university, taught school for a time and while thus engaged utilized his off hours and Saturdays in selling life insurance.

About contemporaneous with this, he established the R. T. Stuart & Co., (general trust company business) and was made special representative for the Equitable Life Assurance Society of New York, over a considerable territory in the State of Texas, and in the year 1905, in a world's contest of the Equitable's agents, won the highest prize for greatest number of applications. Later, he was made State manager for the Pacific Mutual Life for Western Texas, and in 1908 won that company's loving cup for largest personal production.

During the fall of 1916, Mr. Stuart (and his associates) secured control and became the owners of a large majority of the capital stock of both the Mid-Continent Life Insurance Company and the Mid-Continent Trust Company. At this time the home office of both the Mid-Continent Life and Mid-Continent Trust Company was located in Muskogee, Okla. The home office of the Mid-Continent Life, was changed from Muskogee to Oklahoma City in October, 1916.

Mr. Stuart was made chairman of the board of Mid-Continent Life Insurance Company in October, 1916, when the company was moved to Oklahoma City, in which capacity he has rendered the company invaluable service, particularly in handling its financial interests, as well as by bringing to its agency force several personal producers of marked successful experience.

Mr. Stuart is a 32-degree Mason, a Knight Templar and a Shriner and a member of the M. E. Church. In 1904, he married Maude Elizabeth McKibbin, daughter of Mr. Horace F. McKibbin of Vernon, Texas. He is a man of indomitable energy—thinks nothing of the conventional "eight hour" a day idea as applicable to the business or professional man—and frequently works eighteen hours a day. He is a friend to the man who believes in himself and then works for accomplished results. His slogan is "Results Count," and he practices what he preaches. He has no time for, nor patience with the slacker.

Millard Mack, general agent in Cincinnati of the Northwestern Mutual, is completing his twenty-fifth year with the Company. He does not deal with brokers and his policies average $6,000 each. One of his producers is 67 years old and this man has qualified for the Northwestern Mutual's Marathon Club, To get into this exclusive club it is necessary for an agent to write one hundred policies a year. Two members of the Mack agency do this.

Mr. Mack is an enthusiastic believer in the Marathon Club and says it is a "bracing stimulant." He is one of the general agents who believe that the high water marks of 1916 will be passed. In fact, his office is considerably ahead of last year's record and expects to continue in the van.

* * *

Milo M. Belding, pioneer silk manufacturer of New York died Wednesday of last week at his home in this city. Mr. Belding was for several years associated with P. B. Armstrong in the promotion and operation of the American Union Life, organized in 1894, and which discontinued business in 1900. Mr. Belding's venture in the insurance business under the leadership of Mr. Armstrong did not add anything to his achievement as one of the country's most successful business men.

* * *

Alexander McGregor, agent of the Mutual Life at Boston, is up to his old tricks again. Some twenty years ago he was the leading producer of the Boston Agency and was in a class by himself by virtue of writing more than $300,000 a year for ten consecutive years. He left the Company to enter public life, returning to the call of the rate book last October. He is going to the Yellowstone Convention of the Mutual Life as a member of the $200,000 section.

* * *

George A. Clarke having been appointed Assistant Secretary of The Home Insurance Company, has severed his connection with the brokerage firm of Clarke & Howe. F. K. Clarke and W. B. Howe have formed a partnership under the same firm name, and have offices at 80 Maiden Lane, New York City, and 9 Nassau Street, Princeton, N. J., where the business will be continued under their management.

* * *

President G. B. Stadden, of the Franklin Life, returned to Springfield to-day from Washington where he attended the Red Cross Congress. While in Washington he met some of the most prominent men in the nation, and he believes the movement to raise $100,000,000 for Red Cross now will be successful.

* * *

Charlie Hoyt Smith, the popular and picturesque special agent for the Liverpool & London & Globe in New York State is experiencing some trouble in getting into condition for the coming season at tennis, which game he heartily enjoys. At the present time he is suffering from an acute attack of lumbago.

* * *

Harold Morris, of Antigo, Wis., who has been connected with the Northwestern Mutual's agency force at Madison, Wis., the past year, will leave June 1 for New York to enter the bond department of the National City Bank for a six months' training period.

* * *

Miss Marion J. Wyper, daughter of Vice-President James Wyper, of the Hartford Fire, will be married on June 12 to Robert C. Stoughton, Connecticut representative of the National City Bank, of New York.

FIRE INSURANCE DEPARTMENT

Will Not Inaugurate New Iowa Rate War

DISCRIMINATION LAW REPEAL FAILS TO DISRUPT

American and Other Companies Instruct Agents to Continue Tariff Rates —Experience is Unprofitable

Fire companies this week are instructing their Iowa agents to continue to charge tariff rates for new and renewal business in spite of the repeal of the anti-discrimination law in the State, effective July 4. Company managers have informed The Eastern Underwriter that the experience in Iowa has been so unprofitable that there will be few if any companies, which will cut the rates. A canvass of the companies whose head offices are in New York City reveals only one such company.

C. E. Sheldon's Letter

The attitude of the companies on the Iowa situation is well illustrated by the letter sent to the agents in the State by Charles E. Sheldon, western manager of the American of Newark, under date of May 26 which reads in part as follows:

"The repeal of the anti-discrimination statute relating to rates for fire insurance, and which repeal becomes effective July 4th next, has prompted many inquiries from local agents as to the attitude of this office with respect to the rates we shall require in Iowa after that date.

"It is known to most of you that in connection with the anti-discrimination law the fire insurance companies yielded to the representations of the Insurance Department and acquiesced in the promulgation by the Rating Bureau of Rates which were lower on the larger classes of risks than experience warranted. It was hoped that placing all insurance rates upon a uniform basis and 'playing no favorites' and with a possible better loss experience than had been the case in Iowa of late years a modest underwriting profit might be secured. The companies have not been able, however, to realize their expectations.

"Now, apparently rich and politically powerful 'interests' have been able to bring back the former unequal situation and the fire waste has likewise been unfriendly. Further, in common with all business, fire insurance has been experiencing increasing costs of operation and is faced with special tax legislation which will subject it to peculiarly heavy burdens for years to come. This situation sufficiently warrants higher insurance rates the country over. Even if this condition did not exist the record of the companies in Iowa would call for higher and adequate rates and these must be obtained through a proper re-adjustment of tariffs at an early date.

Requires Full Bureau Rates

"In the meantime you are hereby instructed to not write or renew in the American any risk at less than the full advisory rate as promulgated by the Iowa Inspection Bureau. Further, you are prohibited from receiving for an American Policy anything less than the full premium named as the consideration in the policy. In view of the position we have taken it is only fair to you and to our patrons that we should back it up by an exhibit of our experience in Iowa.

"Excluding farm property insurance in which you are not particularly interested but which has been a continuous loss to us in Iowa—the figures of our city, town and village business are are as follows:

Loss Ratio Excessive

	Premiums.	Loss Ratio.
1912	88,109	70.9
1913	87,120	69.9
1914	85,984	64.6
1915	82,671	62.9
1916	80,929	81.7

"If you will add to the above mentioned loss ratios 40 per cent. in round numbers for agent's commissions, taxes and administration expense you will see how considerable is the deficit.

"The position we have assumed is not entirely selfish, for unprofitable conditions do not make for permanency and your patrons need the indemnity of strong companies while you need the commissions which will accrue from adequate rates."

INSURANCE STOCKS

Insurance stocks in Hartford have maintained their usual price in spite of the price recessions recorded in the general list of late. The following were prices quoted recently:

	Bid	Asked
Aetna Acc. & Liab.	500	505
Aetna Fire	390	400
Aetna Life Ins.	675	700
Conn. General Life	715	—
Hartford Fire	750	775
Hartford Steam Boiler	425	445
National Fire	350	360
Phoenix Fire	390	400
Standard Fire	40	47
Travelers Ins.	710	720

National Surety, a popular stock in the Hartford market, was quoted 213 bid and 217 asked.

G. S. HARDING DEAD

Gardiner S. Harding, former secretary of the Citizens Fire, died at his home in Brooklyn last week from a complication of ailments. Mr. Harding was 64 years old.

FIRE AND MARINE INSURANCE—ALL LINES

The Automobile Insurance Company of Hartford, Conn.

MORGAN G. BULKELEY, President

Statement January 1, 1917

Cash Capital	$1,000,000.00
Assets	2,748,832.19
Liabilities (Except Capital)	1,039,977.81
Surplus to Policyholders	1,708,854.38

AFFILIATED WITH

ÆTNA LIFE INSURANCE COMPANY

THE ÆTNA CASUALTY & SURETY CO.

Phillips, Cox and Hoey to be Guests

WILL ADDRESS LOCAL AGENTS

Annual Meeting New York State Association to be Held at Newburgh June 7 and 8

The thirty-fifth annual convention of the New York State Association of Insurance Agents will be held at Newburgh, N. Y., on June 7 and 8, with headquarters at the Palatine Hotel. Matters of importance to the field man will come up for discussion at the meeting and a large attendance is anticipated.

The Association has invited Superintendent of Insurance Jesse S. Phillips of New York State; Fred J. Cox, president of the New Jersey Association of Insurance Agents; and James J. Hoey, executive special agent of the Continental (Fire) Insurance Company, to be present and address the members.

The officers of the Association extend a hearty invitation to all local agents in New York State to be present.

KILPATRICK IN HOSPITAL

W. H. Kilpatrick, manager of the General Adjustment Bureau at Malone, New York, is confined in the hospital. The result of an X-ray examination recently disclosed a fractured hip bone, which necessitated an operation.

Charles E. Hibbs of the Albany office of the General Adjustment Bureau is in Malone temporarily during Mr. Kilpatrick's absence.

NIAGARA FIRE INSURANCE COMPANY

announces the removal of its Western Department from Chicago to the New York Office as of June 1.

ESTABLISHED 1850

OTHO E. LANE, President

BERNARD M. CULVER
WILLIAM L. STEELE
Vice Presidents

CHAS. A. LUNG
WILBUR C. SMITH
Secretaries

"Agents Everywhere"



FIRE
TORNADO
AUTOMOBILE
RENTS
SPRINKLER LEAKAGE
EXPLOSION
FULL WAR COVER
LEASEHOLD

Use and Occupancy, Profits, Commissions — All Forms

123 William Street, NEW YORK

NORTH BRANCH FIRE INS. CO.
Sunbury, Pa.
Inc. 1911

Assets	$641,341.77
Reserve	230,513.29
Capital	300,000.00
Surplus	63,479.83

CITY INSURANCE COMPANY
Pittsburgh, Pa.
Inc. 1870

Assets	$357,318.58
Reserve	54,256.92
Capital	200,000.00
Surplus	96,379.07

OPERATING ON A CONSERVATIVE BASIS IN A LIMITED TERRITORY UNDER AN EXPERIENCED MANAGEMENT

All Lines Combine in Patriotic Move

FORM ENLISTMENT COMMITTEE

James Marshall, Hendon Chubb, W. C. Potter, W. B. Joyce, A. C. Hegeman and Others Help Campaign

An insurance enlistment committee composed of some of the most prominent men in the business has been formed and sent out the following letter to companies and employes:

"May 28, 1917.

"To the Insurance Men of New York State:

"The Governor of New York State has issued instructions to make preparations to put the National Guard of New York on a war footing, which will require the enlistment of 10,000 men.

"The above committee has been appointed to canvass the insurance men of New York State for recruits to the National Guard.

"Among the inducements for joining the Guard are the following:

"1. Enlistments are voluntary as against conscription which is to follow.

"2. Individuals will have an opportunity to select their commands and serve with their friends.

"3. Voluntary service will be recognized as having prior claim to advancement over enforced service.

"4. The Guard age is from 18 to 45. The conscription age is from 21 to 30.

"5. The names of all enlistments reported to this office will be published in the insurance publications.

"6. Assurances have been given that militia regiments mustered into service will be promptly mustered out at the close of the emergency.

"The realization that this war and its successful prosecution means life, health and happiness to our State and Nation and those we hold dear, must be an impelling force for co-operation and self-sacrifice, and an ambition to serve. Employers and individuals alike must recognize the public call.

"We, therefore, count upon your immediate and early co-operation. Further blanks and information may be obtained from

"HENRY S. TERBELL, Secretary,
"120 Broadway, New York City.
"Telephone 10,000 Rector."

The committee is composed of George T. Wilson, chairman, vice-president Equitable Life; Hendon Chubb, of Chubb & Sons; Edward Griffith, E. E. Clapp & Co.; A. C. Hegeman, E. C. Anderson & Co.; W. B. Joyce, president, National Surety; F. W. Lafrentz, president, American Surety; James Marshall, president, New York Board of Fire Underwriters; W. C. Potter, secretary, Preferred Accident; Col. A. F. Schermerhorn, broker; R. Emory Warfield, New York Board of Fire Underwriters; Major A. White, president, City of New York Fire; William F. Atkinson, general agent, Northwestern Mutual Life; J. G. Batterson, resident director, Travelers Insurance Co.; Willard S. Brown, W. S. Brown & Co.; F. L. A. Cady, president, Buffalo Association of Fire Underwriters; E. B. Cantine, president Albany Life Underwriters' Association; James C. Clements, president, Fire Underwriters' Association of Rochester; William F. Dix, secretary, Mutual Life Insurance Co.; Haley Fisk, vice-president, Metropolitan Life; John C. McCall, 2nd vice-president, New York Life; Charles G. Monser, president, Life Underwriters' Association of Buffalo; Charles G. Porth, president, Albany Board of Fire Underwriters; Henry S. Terbell, Equitable Life; and W. Sam Weaver, president of the Life Underwriters' Association of Buffalo.

DISTRIBUTES NEW STOCK

American Insurance Co., of Newark, Raises Its Capitalization From One to Two Millions

The American Insurance Company of Newark, has sent out a circular to stockholders announcing the action of the directors, increasing the capital stock from $1,000,000 to $2,000,000 and inclosing certificates on the basis of one share of such increase in the capital for each share held by the recipient.

It is recalled that in 1914 the stockholders of the American authorized the increase of the stated capital from $1,000,000 to $2,000,000. No action was taken at that time, but of late, owing to the increasing business of the company, and the preference shown by many for companies with a relatively large fixed capital, the board of directors of the American decided to double the capital of the concern in the old-fashioned way of declaring a one-hundred per cent. stock dividend.

The American Insurance directors, with the approval of the commissioner of banking and insurance, transferred to its capital account out of the surplus earned previous to January 1, 1895, as per announcement to stockholders, the sum of $1,000,000 in full payment of the increase of capital and directed that full paid up stock to that amount be issued to shareholders as of record May 10, 1917.

In its statement of January 1, 1917, it announced liabilities of $6,033,795, special reserve fund, $300,000, and net surplus, $3,951,427. Officers of the company are, Philemon L. Hoadley, president; Charles E. Sheldon, vice-president; C. Weston Bailey, vice-president; Frederic Hoadley, secretary; Archibald C. Cyphers, treasurer, and Roy C. Vanderhoof, assistant secretary.

LICENSED IN COLORADO

The Norwegian Globe Insurance Co., Ltd., of Christiania, Norway, has been licensed to transact re-insurance of fidelity, surety and casualty insurances in Colorado.

B. M. CROSTHWAITE & CO.
Fire and Automobile Insurance Specialists
Lines Bound Anywhere in New York State
105 William Street, New York City, N. Y. Telephones 2404-5-6-1758-1090 John

PHILADELPHIA
ADEQUATE FACILITIES — ALL LINES
CLARENCE A. KROUSE & CO.
LOCAL AND GENERAL AGENTS
325 WALNUT STREET PHILADELPHIA, PA.
PENNSYLVANIA NEW JERSEY
SATISFACTION SERVICE — ALL LINES

LOGUE BROS. & CO., Inc.
Fire—Casualty—Automobile Insurance
Nation-Wide Facilities for Handling SURPLUS LINES
307 FOURTH AVENUE PITTSBURGH, PA.

SCHAEFER & SHEVLIN
2 LIBERTY STREET GENERAL AGENTS NEW YORK, N. Y.
Representing
DUBUQUE FIRE AND MARINE INSURANCE CO.
Excellent Facilities for Handling Suburban and Out Of Town Business
Phone: John 2312

ARTHUR C. SWINTON
1 Liberty Street GENERAL AGENT New York City
FIRST NATIONAL FIRE INSURANCE CO.
Washington, D. C.
New York Suburban and New Jersey
Exceptional Reinsurance Facilities Local Agents' Interests Protected

Agricultural Insurance Company, of Watertown, N. Y.
64th Annual Statement

Assets	$5,036,003.01
Liabilities	2,296,861.95
Capital	500,000.00
Conflagration Surplus	250,000.00
Surplus to Policyholders	2,739,141.06

F. F. BUELL, Troy, N. Y., Special Agent.....NEW YORK STATE
E. J. PARMELEE, Syracuse, N. Y., Special Agent..NEW YORK STATE
GEORGE SHAW, 116 Milk St., Boston, Special Agent..NEW ENGLAND
F. L. GILPIN, JR., 422 Walnut St., Phila., Special Agent.MIDDLE DEPT.

Capacity For Local Agents

You can use our capacity as your own to take care of additional business beyond the capacity of admitted Companies.

Our capacity is as high as $150,000 on a single risk with immediate binders and 10% commission to brokers. Guaranteed Underwriters. Use our special Surplus Line Department. Special liberal policies for Baggage Insurance.

MARSH & McLENNAN
Insurance Exchange, Chicago
19 Cedar St. NEW YORK — 1615 California St. DENVER — 314 Superior St. DULUTH — 300 Nicollet Ave. MINNEAPOLIS
Ford Bldg. DETROIT — 17 St. John St. MONTREAL — 23 Leadenhall St. LONDON
THESE OFFICES GIVE YOU THE BEST THERE IS IN INSURANCE SERVICE


F. H. HAWLEY, Pres. ORGANIZED 1848 W. E. HAINES, Secy.
The Farmers Insurance Co.
LE ROY, OHIO.
Ohio's Oldest and Strongest Company
Net Surplus Over $1,293,741.00
AN AGENTS COMPANY
E. K. SCHULTZ & CO.
PHILADELPHIA
GENERAL AGENT
Pennsylvania, New Jersey and New York

What "Novice" Thinks of Your Advice

(Sequence to)

"What Advice Should Be Given This Agent?"

The fire insurance agent who recently inquired as to the best methods of learning the business, having digested the answers to his inquiry, comes back at his would-be advisers with a keen analysis of their replies. The analysis follows:

Editor, The Eastern Underwriter:—I was exceedingly interested in the use made of my inquiry, but not much enlightened by the comments made by the company executives who were kind enough to respond to your appeal.

The outstanding features of your several communications were:—

(a) the extreme paucity of authoritative literature on the subject;
(b) that about the only source of knowledge was to stumble along the paths of "experience" and
(c) that nobody but an unsophisticated damphool (or worse) would attempt to undertake the building of a general insurance agency.

The most amusing comment was made by a "company production executive." That keen analyst (?) missed the point of my letter altogether and focused his eagle eye on an intended facetious remark, working himself into a fine frenzy over it. Of such is the kingdom of fire insurance!

My inquiry was for information as to authoritative sources of knowledge, to the end that I might render valuable service to my clientele, both present and prospective. There was no thought of the use to which my letter was put, but I am disappointed that there is so little of value in printed form to guide a novice in building so important and honorable a business.

PITTSBURGH AGENCIES MERGE

Logue Bros. & Co., Inc., Have Absorbed the Raiber-McAfee & Co. Corporation

Harry a Logue, President of Logue Bros. & Company, Inc., Pittsburgh, advises The Eastern Underwriter that the insurance corporation of Raiber-McAfee & Company was merged on May 24 with Logue Bros. & Co. Inc. Hugo C. Raiber, who has been in the insurance business for a great many years, succeeding his father, N. Raiber as head of the Raiber-McAfee & Co. Agency, will be associated with the Logue office.

This merger will add very materially to the writing facilities of Logue Bros. & Co., Inc. They will take over the agency of the Germania Fire, Camden Fire Insurance Association, New Jersey Fire, Keystone Underwriters, and the British & Foreign Marine, bringing the total number of companies represented in their office up to twenty-two.

The Logue Bros. & Co., Inc., office is one of the largest in Pennsylvania, and with its rapidly increasing business, the companies taken over in this merger should find their new connection a very profitable one.

COMPANIES AID PATRIOTISM

Sent Out to Policyholders Products of National Committee—Causes Favorable Comment

The Niagara Fire and several other fire, life and casualty companies, have purchased and sent out to their policyholders pamphlets published by the National Committee on Patriotic Literature. This literature has the definite aim of encouraging the patriotism and interest of the foreign element of the country.

The committee has prepared two pamphlets entitled "Your Flag and Mine" and "Songs of Our Country" which have appealed to the companies. These pamphlets may be secured from the committee headquarters at 461 Eighth avenue, New York City, at the rate of $25 per thousand. The money is used solely for the education of aliens.

OPEN ST. LOUIS BRANCH

F. J. Finley, of Chicago, Transferred By National Inspection Company

The National Inspection Company of Chicago has opened a branch office in St. Louis, Mo , in order to facilitate the handling of inspections in that city and surrounding territory. F. J. Finley, formerly an examiner with the New Jersey Fire Insurance Company, later, a member of the Inspection Staff of the National Inspection Company, at Chicago, has been transferred and appointed a resident inspector at the St. Louis office.

Arthur Rogers Porter, only son of the late Rogers Porter, assistant manager of the western department of the German American, joined the Canadian expeditionary force last year and was sent to the front in January.

Rating Office and Liberty Bond

PLAN FOR EMPLOYES' PURCHASE

Atlee Brown Outlines Proposition at a Meeting Held Last Week in Newark

At a meeting of the employes of the Schedule Rating Office held last week Atlee Brown, Expert, outlined the proposed action of the Schedule Rating Office with regard to the Liberty Loan.

The Schedule Rating Office offered to purchase bonds for the employes in the sum of $50 and over, and take 1-24th of the amount of their bond from each salary period in the year, and no interest to be charged, the accrued premium to be handed with the bond to the subscriber.

Masses Must Buy

Mr. Brown explained to their satisfaction that the masses must contribute their savings to this loan or it would be a failure, and a disgrace upon the country.

Mr. Brown said that while those more fortunate in financial matters would have to pay a high tax through the Income Tax Law, money which would go out every year and not come back (for the year 1916 about one in every six hundred of population paid an Income Tax) but for the millions the Government would not ask any money that would not come back. In fact they gave the 99 1-2 per cent. of the people a chance to loan money to the Government, handing them the best security the world can produce with 3 1-2 per cent. interest. If the Government can continue to borrow money from the people, under such favorable conditions to the people, no doubt, the great masses or the 99 1-2 per cent. who do not pay an Income Tax will never see more harsh taxation.

Employes Approve

The employes generally approved this system, and their subscriptions are coming in rapidly. They will also devote what is known as their Christmas Saving Fund, a little saving institution which they have, and divide before each Christmas Day. This fund will be hereafter devoted to the purchase of bonds.

BINDS LOSS LECTURES

Insurance Society of New York to Publish Valuable Volume by Prominent Men of the Business

The Insurance Society of New York announced this week that it was planning to bind in book form the loss adjustment and standard fire insurance policy lectures which were delivered under its auspices and many of which it has already printed in pamphlet form.

The series has been completed and numbers thirty-six. The volume will cost $3 and must be ordered in advance. Some of the subjects covered are the following:

Abandonment; protection and removal of property; adjustment of automobile losses; adjustment of cotton losses; adjustment of building losses; adjustment of stock losses; ascertainment of value and profit from books of account; ascertainment of machinery values and losses; appraisal of fire losses; authority of agent and officers of companies; cancellation and substitution; cash value; claims, proof of loss, and when is loss payable; co-insurance; commission clause; concealment, misrepresentation, fraud or false swearing; estimates of building values; former and present day methods of adjustments; fundamentals in the law of insurance and why adopted; increase of hazard; mortgage clause; non-liability matter; origin of standard fire insurance policy; ownership; policy of fire insurance prior to standard policy; psychology of loss adjustments; rights of administrators and executors over real property under the standard policy; salvage handling; subrogation; true purpose of the loss settlement; unusual and interesting claims; use and occupancy insurance; profits and commissions; rents and leasehold insurance; waiver and estoppel; and what is a fire loss.

INSURANCE SOCIETY ELECTS

Thomas A. Ralston Made President and E. R. Hardy Re-Elected Secretary-Treas. at Annual Meeting

The annual meeting and election of officers of the Insurance Society of New York was held on Tuesday. Sixty-four votes were then cast and Thomas A. Ralston, assistant United States manager of the Northern of London was elected president; Charles H. Holland, manager of the Royal Indemnity, vice-president; J. Lester Parsons, vice-president of the North River, vice-president; John A. Eckert, of John A. Eckert & Co., vice-president; Edmund Dwight of Dwight & Hilles, vice-president; and E. R. Hardy, of the New York Fire Insurance Exchange, was re-elected secretary-treasurer. The executive committee members elected for three years were Allan E. Clough, manager of the loss committee of the New York Board of Fire Underwriters, chairman; Paul H. Graes, of Benedict & Benedict, Brooklyn; and John H. Packhard, agency manager of the London Assurance.

The secretary's report showed that the membership of the Society and the attendance at the library had increased several fold. The secretary, in his report, complimented the librarian, Miss Maud Inch, on the manner in which the library had been conducted during the year. The treasurer's report showed that the receipts of the Society for the first time reached the sum of $5,000.

The report of the committee having in charge the testimonial dinner given to President James E. Marshall and Secretary-Treasurer Edward R. Hardy on Monday evening was made at this time.

C. A. ABRAMS DEAD

Charles A. Abrams, prominent Pennsylvania and New York State local agent, died in Los Angeles, Cal., last week. Mr. Abrams was a member of the family figuring in the Abrams & Dale agency in Butler, Pa., Abrams & Wiltsie, Jamestown, N. Y., Abrams Agency, Inc., Mayville, Pa., and Abrams & Son, Olean, N. Y.

Firemen's Insurance Co., Newark, N. J.

January 1, 1917

Cash Capital $1,000,000.00
Net Surplus $2,453,008.62
SURPLUS TO POLICYHOLDERS .. $3,703,008.62

DANIEL H. DUNHAM, President
JOHN KAY, Vice-President and Treasurer — A. H. HASSINGER, Secretary
NEAL BASSETT, Vice-President — J. K. MELDRUM, Assistant Secretary



125th Anniversary

Insurance Company of

NORTH AMERICA

PHILADELPHIA

CAPITAL, $4,000,000 — ASSETS OVER $23,000,000

FIRE, MARINE, AUTOMOBILE, Rent, Leasehold, Tornado, Explosion, Use and Occupancy, Sprinkler Leakage, Travelers' Baggage, Parcel Post

The Oldest American Stock Insurance Company

BROKERS ACTIVITIES

OPENS INDEPENDENT OFFICE

Walter B. (Josh) Coutant Invades Manhattan Brokerage Fields—Office on William Street

Walter B. Coutant, who for the last ten years has been identified with the brokerage office of Benedict & Benedict in their Montague Street, Brooklyn, office, has left the service of that office and gone into business on his



WALTER B. COUTANT

own account having established headquarters at 135 William Street. Mr. Coutant began his insurance career with the Dutchess Insurance Company at Poughkeepsie, New York, as a clerk. At one time he was placer for the Brooklyn office of Benedict & Benedict, and later did part-time soliciting. His training thoroughly qualifies him to act as a broker, and he will be able to render valuable service to his clients.

Many people on William Street know Mr. Coutant as "Josh," this nom de plume having been affixed to him by Edward H. Mount, of Brooklyn, when Mr. Coutant first arrived in the insurance district from the up-State sticks. It is not an uncommon thing as he is going along the street to hear someone call "Hi there, Josh."

* * *

Weber Moves to New York

G. C. Weber, formerly with H. R. Sommer, 150 Montague street, Brooklyn, has severed his connection with that office and has associated himself with the Colonial Insurance Agency, 54 Maiden Lane, New York. He will devote his time largely to the solicitation and handling of his personal automobile business.

* * *

$1,800,000 U. & O. Line

Bayer & Company, chemists of Rensselaer, New York, are experiencing some difficulty in placing the $1,800,000 use and occupancy line on their establishment. Some companies seem to feel that a rate of 60 cents a year is inadequate.

WANTED TO PURCHASE

Life, Accident and Health and Automobile Renewal Account of Broker retiring from business.

Address "BROKER,"
Care of The Eastern Underwriter
105 William Street, New York City

Joins Wilcox, Peck & Hughes

Robert E. Noonan, formerly special agent of the Hanover Fire on the Pacific Coast and later a local agent at Seattle, Washington, has joined the staff of Wileox, Peck & Hughes.

* * *

Thomas E. Sears Here

Thomas E. Sears, member of the firm of Gilmour, Rothery & Co., of Boston, was in New York this week.

EXCEEDS £1,500,000

Income of Fire Department of Phoenix of London—Premiums for Decade £14,357,522

In discussing the latest report of the Phoenix, of London, the "Policyholder," a British newspaper, said in a reeent issue:

"There is as mueh difference between the Phoenix of 1917 and the Phoenix of 1817 (when the Company had already attained the age of 35 years) as there is between a modern dreadnought, with its mass of complieated maehinery, and the wooden sailing ships which fought at Trafalgar.

"In the former year the Phoenix restricted its operations to the insurance of premises, etc., 'against the calamity of fire,' but to-day the Company is a huge composite offiee, writing all recognized classes of insurance so sueeessfully that, while every great disaster, whether on sea or land, in England, her Colonies or elsewhere, affeets the Company directly or indireetly, it is impossible to conceive a calamity whieh eould seriously disturb the progress of the Company."

Twenty-seven years ago the income of this department passed the million sterling point, and now, for the first time, it exceeds one and a half millions. The growth may have been comparatively slow, but the results show that quality of business must have had the first eonsideration with the management all the time. Taking the figures for the last deeade, we find:

Premiums—1907-16 (10 yrs.)		£14,357,522
Claims (51.8%)	£7,402,783	
Expenses (38%)	5,465,471	
		12,868,254
Balanee		£1,489,268

After dedueting the amount required to meet unexpired liability it will be seen that an annual trading profit of about £147,000 has been secured. In addition thereto, the interest on the fire reserves amounts to about £53,000, so the total produetivity of the department is about £200,000 per annum. Last year the figures were as follows:

Premiums		£1,531,873
Losses	£748,471	
Expenses	597,662	1,346,133
		185,740
Interest on investments		53,134
		238,874
Less for unexpired liability		25.000
Balance		£213,874

"THE HANDY GUIDE"

Twenty-sixth Annual Edition of Useful Life Insurance Compendium Issued By "Spectator" Press

From the "Spectator" press comes the 26th annual edition of "The Handy Guide," a standard compendium of life insurance information. This year's edition is filled with information which every insurance man should have at his elbow—facts and figures which he needs every hour of the working day. Typographically it is all that can be desired. It is well printed on bible paper and contains 1,300 pages, bound in red leather.

"The Handy Guide" shows all the leading forms of policies now issued by many life insuranee companies, with their conditions and the application agreements, with special attention to the new forms issued in the present year. Premium rates in almost endless variety are given, covering participating and non-participating life, endowment and term contracts; also annuities and industrial insurance.

BRITISH AMERICA ASSURANCE CO.
Incorporated 1833
(FIRE AND INLAND MARINE)
Head Office, Toronto, Canada
United States Branch
January 1, 1917

Assets	$1,936,279.77
Surplus in United States	823,964.59
Total losses paid in United States from 1874 to 1916, inclusive	24,669,753.43

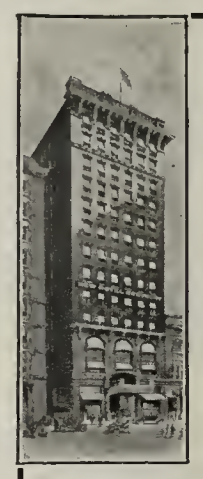
W. R. BROCK, President
W. B. MEIKLE, Vice-Pres. & Gen. Mgr.

JAMES H. EPWORTH
NEW JERSEY FIRE INSURANCE SPECIALIST
NEWARK AND SUBURBAN NEW JERSEY TERRITORY
40 CLINTON STREET, NEWARK, Phone Market 6536 | SERVICE FIRST | 80 MAIDEN LANE, NEW YORK, Phone John 4560

GERMANIA FIRE INSURANCE COMPANY
NEW YORK.
ORGANIZED 1859
STATEMENT, JANUARY 1, 1917

Cash Capital	$1,000,000.00
Assets	8,553,704.22
Liabilities	4,222,485.60
Net Surplus	3,331,218.62
Surplus for Policy Holders	4,331,218.62

HEAD OFFICE
Cor. William and Cedar Streets



Just say:
"Insurance Man"—
the open sesame to every courtesy within our power.

Room with detached bath $1.50 and $2.00
Private bath $2.50 and $3.00

BREVOORT Hotel
Insurance Headquarters
MADISON ST.—East of LaSalle
CHICAGO
LAURENCE R. ADAMS, Sec'y & Mgr.

STRENGTH INTEGRITY SERVICE
Scottish Union & National Insurance Company
HENRY J. HOUGE, J. H. VREELAND, Assistant Secretaries
JAMES H. BREWSTER, Mgr., Hartford, Conn.
A Broad Underwriting Service to Agents
Writes Fire, Automobile, Rent, Sprinkler Leakage, Tornado, Use and Occupancy, Explosion, etc.
Works in Harmony with American Agency Principles and Practices

INCORPORATED 1720
Royal Exchange Assurance
LONDON, ENGLAND
United States Branch, 92 William Street, New York
RICHARD D. HARVEY, United States Manager

The Columbian National Fire Insurance Company



T. A. Lawler, Pres. H. P. Orr, Sec.-Treas.
JANUARY 1st, 1917

Assets	$1,643,174.45
Surplus to Policyholders	$1,235,960.65

EASTERN DEPARTMENT, Scranton, Pa.
Massachusetts, Rhode Island, New York, New Jersey, Pennsylvania and Maryland
James J. Boland, Manager
Reliable agents wanted in unrepresented territory

Insurance "A Great, Honorable Business"

COL. CUNNINGHAM OF GLENS FALLS, OUTLINES ITS HISTORY

Tells of Beginning of "Risks" in Time of Demosthenes, and Subsequent Development

Speaking before the Insurance Study Club of the Glens Falls Insurance Company recently, Colonel J. L. Cunningham, ex-president of the corporation, declared insurance to be a "great and honorable business." In his address, which covered the historical side of insurance from the days of Demosthenes to 1917, Colonel Cunningham outlined the varying phases and growth of the business. He said in part:

"After three centuries, this righteously condemned wager form of insurance reappears in the valued policy laws of several of the United States; for these laws destroy the principle of indemnity, which is the essential quality of insurance, and making a fire policy simply a bet of a specified sum against the happening of a specified possible event, made almost probable by the 'bet' itself. In spite of these prohibitions, speculation by wager on lives was secretly practiced. In the course of time—am not able to give the date—but some time after England permitted life insurance as a custom, Holland also approved it.

"In England it grew from custom and the first statute on the subject that we find was passed in the reign of Elizabeth, 1601, life insurance being quaintly referred to as 'a tyme out of mynde usage amongste merchants.' Gambling and wagering on human lives became outrageously dangerous, leading to murders, as suggested in the Code of Holland, before quoted. Fire, marine and other sorts of risks were also gambled in as wagers, betting a shilling against pounds that a named event would happen, and too often the event was criminally made to happen.

Insurable Interest

"No question in insurance has probably caused more decisions in courts of England, America and Canada than that of insurable interest. Many definitions have been given by judges and authors, but when applied to practice these have failed, circumstances being so varied.

"The following is given as an early underlying principle: 'When a person has no interest in the preservation of life, or of ship, or goods, or property, and holds insurance on same, the inference is that he would wish their perishing as soon as possible in order to secure the insurance money, and be tempted to promote his wish.' No hard and fast rule can be laid down to cover all possible cases—each needing separate consideration.

"An interesting English case was that of a creditor against the executors of William Pitt, the English politician and member of Parliament. It was shown that Pitt was deeply in debt and that this creditor had insured Pitt's life for security. There was an insurable interest, but on Pitt's death Parliament paid all of his debts, including what was due this creditor; but the creditor also claimed the payment of the insurance. This was in 1805 and the Court held that as the debts had been paid, insurable interest ceased and recovery of the insurance was denied.

The Pitt Case Overruled

"The American courts followed this decision, but in 1854, nearly fifty years later, the Exchequer Chamber of England, consisting of six judges, in a case similar to that of Pitt overruled the Pitt decision and held, that when the insurable interest has once attached it is not cancelled by the payment of the debt by another than the insured debtor, and thus the creditor recovered double payment of his debt.

"The main ground of this decision was, that while marine and fire insurance covered indemnity for actual loss from a possible event, life insurance is not an indemnity, but against an event certain to occur. Reference is made to these decisions not only to give an example of how courts differ at different periods, but to predicate the suggestion that the study of insurance requires dealing not only with custom and statute law, but also the interpretation of the courts.

"What is known as the Tontine Scheme of life insurance originated in 1653 by an Italian physician named Tonti. This plan provides for payment to the survivor of a group of lives, but is little used at present.

"The earliest known life insurance policy was issued in London, June 18, 1583, for one year on the life of William Gibbons—rate 8 per cent. Sixteen underwriters signed it, each for a specified share. Gibbons died May 29, 1584, and the underwriters refused payment, alleging that by law one year consisted of twelve months of twenty-eight days and that Gibbons survived the twelve times twenty-eight days! The court compelled payment.

Beginning of Corporations

"The conception of an artificial person to hold property and support obligations uninterrupted by the death of individuals was found in Roman law and custom. Its first use was perhaps the Bank of St. George in Genoa, about A. D. 1200, a joint stock company with transferable shares, whose owners were liable only for their shares. In England the crown, itself the chief and type of corporations sole, was the source of chartered rights, and from 1600 the principle steadily gained recognition.

"Experience showed that the corporate form was the obvious remedy for the difficulties in the practice of insurance. Single risks were but speculative wagers; a great number must be taken together to obtain a dependable average. A larger capital than an average private fortune was needed as a guaranty, and this capital must not be exposed to the dangers of trade, but set aside for the special purpose.

Fire Insurance

"Fire insurance being the offspring of marine, originally applied to vessels and cargoes at sea, but gradually developed into including houses and goods and, finally, to all kinds of property on land.

"There is mention of a person having an office in London in 1667 for insurance of houses against loss by fire, and of another in 1700 for insuring not only houses, but personal property, and the business of the latter is supposed to have led to the organization of the Sun Fire office, which took over the business in 1706.

"We find mention of a private fire office being opened in May, 1680, 'at the back side of the Royal Exchange,' to insure houses in London at '2½ per cent. of the yearly rent for brick houses and 5 per cent. for frame, the rent being always assumed to be one-tenth of the value of the fee.' In the fourteen years after the Great London Fire of 1666, it is said that 750 houses had been burned in that city with an average loss of £200, so it was calculated that a subscribed fund of £40,000 as a guaranty, increased by £20,000 for every 10,000 houses insured, would produce interest earnings sufficient to meet the losses and even provide a surplus.

"In former times and especially in England, before the establishment of corporate offices, fire, marine and life insurance was practiced by individuals, or groups of individuals, usually amounting to private wagers, with few conditions. This developed into what was and still is called Lloyds. The name is derived from Edward Lloyd, who in 1688 kept a coffee-house in London, which was much frequented by shippers and seamen. The practice was to pass around a simple letter or form of contract to individuals, who would respectively underwrite their names and the amounts of their assumed liability. This gave the name of 'underwriting' to the business; but as the business is now transacted the name is neither significant nor appropriate.

Corporate Insurance

"Then came the present corporations, with capital and enlarging contract conditions, limitations and regulations, growing into the system which now exists and which commands the confidence of the business world and without which commerce, trade, manufactures and solid finance could not exist.

"We find, however, that there was opposition to this business of fire insurance in its early days, even alarm, because of its menace to the safety of cities in instigating fires for gain.

"There is an old tabulated list of the principles of insurance, derived from the old customs of the business as recognized by all countries and which has its application to the business of to-day.

1. It is the duty of the insured to disclose material facts and answer all questions truthfully.
2. He must disclose any circumstances of which he has knowledge likely to affect the insurance.
3. There must be no concealment or misrepresentation of any kind or of any material facts, or make representation not consistent with facts.
4. All parties to the contract must act in perfect good faith.
5. A wrong answer is equivalent to a false answer.
6. Insurance must not be for more than value of ship cargo or other property.
7. The insured must prove that he has an insurable interest in the insured property equal to the insurance.
8. If a ship deviates from the usual course of the voyage specifically insured, without necessity or reasonable cause, the insurance immediately becomes void.
9. The risk on a ship for a voyage commences at the port of departure and continues until the port of destination is reached. On the cargo it commences with the loading and ends with the discharge at destination.
10. Insurance is only to indemnify the actual loss sustained and never to make the insured richer.

"This is rather a brief catalogue of principles, but probably sufficient for the time when issued, and contains some fundamental things of present day importance.

"In this country insurance began in marine writing by individuals, as it had in other countries. It is said that in Philadelphia, then our National Capital, there were about fifty individuals engaged in this business and that each might assume a liability as high as $1,000 on a bottom, or cargo, so that many valuable cargoes were scantily insured.

Some "Went Broke"

"Some of these underwriters were lucky and prospered; but many 'went broke.' Fire insurance was considered too small a 'game' for these individuals.

"It is claimed that there was a mutual fire insurance company in Charleston, S. C., as early as 1730; but it has been considered that the first organization was that of the 'Philadelphia Contributionship for the Insurance of Houses from Loss by Fire' in 1752, which still lives in good financial health. Benjamin Franklin was one of its first directors.

"A second mutual or co-operative company was organized in Philadelphia, because the 'Contributionship' would not insure houses with shade trees in front, claiming that they hindered fire extinguishment, so the second organization came to be known as 'The Green Tree Company.'

"It appears that the first incorporated joint-stock insurance company in this country was that of 'The President and Directors of the Insurance Company of North America,' of Philadelphia, established in 1792, after a long and stubborn opposition on the part of the individuals in the business.

"For a period this company confined its business to marine writing, commencing writing fire insurance in 1794, by issuing 'proposals,' or offers to write fire policies for selected property-owners, for only those of well-known standing and responsibility could obtain insurance. Only seventy-three fire policies were issued during the first year."

FIRE ASSOCIATION Of Philadelphia
401-405 WALNUT ST.
Organized 1817 Incorporated 1820 Charter Perpetual
Cash Capital $750,000 Assets $10,046,848.04
E. C. IRVIN, President T. H. CONDERMAN, Vice-President
J. B. MORTON, 2nd Vice-Pres. M. G. GARRIGUES, Sec. and Treas.
R. N. KELLY, Asst. Sec. and Treas.

Rossia Insurance Company
HARTFORD, CONN.
REINSURANCE

Iowa National Fire Insurance Co.
DES MOINES, IOWA Capital Stock $500,000
The latest addition to Reliable Fire Insurance organizations began Writing Business on January 1, 1917
JOHN L. BLEAKLY, President
F. L. MINER, Vice-President
C. S. VANCE, Underwriting Manager
FRANK P. FLYNN, Treasurer
C. M. SPENCER, Secretary

Authorized Capital $500,000
Detroit National Fire Insurance Co.
DETROIT, MICHIGAN
A Company to be built gradually and along the indicated lines of permanence
AGENCY CONNECTIONS SOLICITED

APPROVES DAYLIGHT SAVING

Fire Companies Through Executive Committee of the National Board Endorse Movement

The following resolution has been adopted by the executive committee of the National Board:

"Whereas, in the present national crisis, the full conservation of all American resources has become imperative, and

"Whereas, this need applies as strongly to the resources of time, health and working efficiency, as to those of a material nature; and

"Whereas, the project generally known as the 'Daylight Saving' plan has been extensively tried, and officially adopted by various European countries, and by several large American cities; and

"Whereas, its practical application has been seen in an extension of the utilized daylight hours during a portion of the year, with a consequent enhancement of efficiency in work, increase in the daylight time available for recreation, improvement in health, and large saving in coal and electricity; and

"Whereas, this movement has received the thoughtful endorsement of President Wilson, the American Federation of Labor, the United States Chamber of Commerce, and many railroads, manufacturing institutions, and a large number of commercial, scientific, civic and athletic organizations; therefore be it

"Resolved: That the National Board of Fire Underwriters, being an earnest advocate of conservation, and being convinced of the value of the 'Daylight Saving' plan, hereby expresses its approval of the said plan, and respectfully urges its early and favorable consideration by the Congress of the United States; and be it

"Further Resolved: That the general manager, be and he is hereby instructed to send a copy of this preamble and resolution to the chairman and members of the House and Senate Committee of the Congress of the United States having the proposed measure in charge."

FRANK LOCK, Chairman.
W. E. MALLALIEU, Secretary.

JOINS BARTO & WOOD

Fred. D. Robbins Takes Charge of Marine and Inland Department of Brooklyn Agents of Continental

Barto & Wood this week announced the appointment of Fred D. Robbins as manager of the marine and inland departments of the agency. Mr. Robbins was for several years in the inspection department of the Travelers prior to which he represented the marine departments of several companies as agent in Boston.

Barto & Wood represent the Continental and Fidelity & Phenix for marine in Brooklyn and also the marine department of the Insurance Company of North America for like territory.

BOILER EXPLOSIONS IN U. S.

In the April issue of "The Locomotive," the office publication of The Hartford Steam Boiler Inspection and Insurance Company, appears a compilation from the Company's records of the number of explosions of boilers in the United States, together with the fatalities and accidents to persons resulting from such explosions. Absolute completeness is not guaranteed for the figures, but the Company has endeavored to make them as nearly complete and accurate as possible.

SUMMARY OF BOILER EXPLOSIONS FOR 1916

Month.	Number of explosions	Persons killed	Persons injured	Total killed and injured
January	67	30	28	58
February	66	25	36	61
March	49	40	33	73
April	21	7	39	46
May	24	6	23	29
June	20	4	14	18
July	28	23	25	48
August	29	18	37	55
September	39	17	15	32
October	33	7	15	22
November	60	13	23	36
December	63	9	87	96
Totals	499	199	375	574

DEATH OF HARRY B. KNOWLTON

Harry B. Knowlton, who died suddenly on the links of the Westmoreland Golf Club, Chicago, on May 20, was one of the oldest managers, in point of service, connected with The Travelers. His first agency contract was dated twenty-nine years ago, and the location was at Hastings, Nebraska. The young agent was secured by John L. Way, then special agent in Iowa and Nebraska, but now first vice-president of the Company. Two years later Mr. Knowlton was appointed district agent at Dubuque, Iowa, and five years later at Des Moines.

On March 1, 1902, he was made supervising special agent at Louisville, Kentucky, and later was manager of the State of Kentucky, excepting the counties of Boone, Kenton, and Campbell. In 1905 he was put in charge of the branch office at Peoria, but his territory was soon increased to include the whole State of Illinois, Cook County excepted, and his old territory in Kentucky. Of recent years Mr. Knowlton had been manager at Chicago for the State of Illinois, the counties of Cook, St. Clair, and Madison excepted.

$83,000 PREMIUM INCOME

The New Rochelle, New York Agency, formed by Leonard C. Ketchum, Sr., and Sidney W. Goldsmith in 1912, has made rapid strides.

During 1912 the premium income of the agency amounted to about $20.000; and at the end of the fifth year, which closed March 1, 1917, the premium income was $83,000.

APPROVES BOMBARDMENT BILL

Governor Brumbaugh of Pennsylvania has approved the House bill authorizing fire insurance companies to "make insurance against loss or damage caused by bombardment, invasion, insurrection, riot, civil war, or commotion and military or usurp power."

AETNA'S INSTALLMENT BONDS

The Aetna Life has announced that it will open subscriptions to the Liberty Loan to the general public and accept installments as low as 5 per cent. per month until the amount is repaid. Subscriptions to the loan in amount of over $100,000 were placed through the Company on the first day following this announcement.

"The Leading FIRE INSURANCE Company of America"

ÆTNA INSURANCE CO. HARTFORD, CONN.

WM. B. CLARK, President

Explosion and Sprinkler Leakage Insurance

WALTER HUETHWOHL MARRIED

Walter Huethwohl, New York City representative of the Flindell-Seely Co., of Newark, at 1 Liberty Street, is to be married on Monday and will depart immediately for a two weeks' trip. Mr. Huethwohl sought enlistment in the marine corps last week and was declined.

Invites Weddell to Prove His Case

(Continued from page 1.)

share only and the decision proved just the contrary to Weddell's claim.

The other New York reference, "Cooper vs. Shaver, 41 Barbour, N. Y." is also an antiquated moss-covered case of 1853, and on the point in question it is precisely the same as above.

Investigation of the only other two New York references under question 4, shows there is no such case in "30 N. Y.," while that shown in "32 N. Y. 591" is merely on the question of a promissory note and has not the slightest connection with the fool question—"Is there a lien put on a person's property when he enters a mutual fire insurance company?"

Taken as a whole, the article in question is little short of a "fake" from the beginning to end, because it is misleading. The court references given do not support the claims made and even if they did, would be of little value for they date back to a period when the laws governing Mutual insurance were almost as crude as Weddell's present methods of attack.

Who is Weddell? Maybe he would welcome an opportunity to prove his case, and if so, I will meet him in debate at the next convention of Insurance Commissioners, such debate to take place following a banquet to be served to the Commissioners, they to be the judges and all expenses paid by the loser.

Kindly give this letter the same prominence given Mr. Weddell's "comedy" and thus correctly serve your subscribers and readers. Very truly,

FRANK P. TUCKER,
Sec. & Mgr.

THE HANOVER
FIRE INSURANCE COMPANY
Incorporated 1852

The real strength of an insurance company is in the conservatism of its management, and the management of THE HANOVER is an absolute assurance of the security of its policy.

R. EMORY WARFIELD, President
FRED. A. HUBBARD, Vice-President
E. S. JARVIS, Secretary
WILLIAM MORRISON, Asst. Sec'y

HOME OFFICE
Hanover Bldg., 34 Pine St.
NEW YORK

HOWIE & CAIN, General Agents
Metropolitan District
100 WILLIAM STREET, NEW YORK

[FIRE]
German American Insurance Company
New York
STATEMENT JANUARY 1, 1916
CAPITAL
$2,000,000
RESERVE FOR ALL OTHER LIABILITIES
10,146,941
NET SURPLUS
10,217,685
ASSETS
22,364,626

A. K. BOUGHNER & CO.
INSURANCE AGENCY
Fire Automobile
NEWARK AND VICINITY
Brokerage Business Solicited
38 Clinton Street Newark
95 William Street New York

Caledonian Insurance Co. of Scotland
FOUNDED 1805
"THE OLDEST SCOTTISH INSURANCE OFFICE"
UNITED STATES HEAD OFFICE
Caledonian Building, 50-52 Pine Street, New York
CHAS. H. POST, U. S. Mgr. R. C. CHRISTOPHER, Asst. U. S. Mgr.
NEW YORK CITY OFFICE
Golden Hill Building, 59 John Street, New York

NORD-DEUTSCHE
INSURANCE COMPANY
UNITED STATES BRANCH
123 William Street
New York
J. H. Lenehan, Manager

THE YORKSHIRE INSURANCE COMPANY, LTD., OF YORK, ENGLAND
ESTABLISHED 1824
The "Yorkshire" is the Oldest and Strongest of the English Fire Companies not heretofore represented in the United States
U. S. BRANCH
Frank & Du Bois, United States Managers
Harry F. Wanvig, Branch Secretary
Ernest B. Boyd, Underwriting Manager
Frank B. Martin, Supt. of Agencies
NO. 80 MAIDEN LANE, NEW YORK
New York Life Insurance and Trust Co., U. S. Trustee, No. 52 Wall St., New York
DEPARTMENTS—METROPOLITAN, Willard S. Brown & Co., Managers, New York, N. Y.; CAROLINA-VIRGINIA, Harry R. Bush, Manager, Greensboro, N. C.; SOUTHEASTERN, Dargan, Turner & Pattillo, Managers, Atlanta, Ga.; LOUISIANA and MISSISSIPPI, Jas. B. Ross, Manager, New Orleans, La.; PACIFIC COAST, Jas. C. Johnston, Manager, J. K. Hamilton and McClure Kelly, Assistant Managers, San Francisco, Cal.

CASUALTY AND SURETY NEWS

Liability Men Form Weekly "Round Table"

DEVOTED TO DISCUSSION OF LOCAL PROBLEMS

First Luncheon Will Be Held Next Wednesday—Home Office Men Excluded—Will Have No Officers

A "Round Table" of local departmental managers to meet at luncheon once or twice a week to discuss local problems was formed on Tuesday. The object of the luncheons is to permit the discussion of intimate phases of the business in an informal way by the men in daily contact therewith. It was felt that to do this properly it would be best to have it understood that home office officials are not to be included.

The first luncheon will be held at Gibson's Restaurant, Maiden Lane, at 1 o'clock on Wednesday, June 6. It will then be decided how often the meetings will be held and other details.

It is the intention of the organizers that there be no officers, constitution or name for the body, it being felt that in this way frankness and good fellowship can best be promoted.

The men interested are all primarily liability men and it was thought at first to limit the organization to the liability field to prevent it from becoming unwieldy in numbers but it was later decided that it would be best to permit any department manager to invite those whom he thought would be interested in the discussions.

The men first interested in the organization are: G. G. Wetzel, Massachusetts Bonding; A. J. Hodson, Fidelity & Casualty; W. G. Minner, Zurich General Accident; F. E. Wilkens, Commercial Casualty; C. E. Ward, Preferred Accident; W. J. Kelly, Maryland Casualty; J. L. Mautner, General Accident; Arthur Murray, Aetna Casualty & Surety.

It is planned to hold the luncheons in such a manner that each man may order and eat as his appetite and pocket-book dictate.

TRAVELERS AMENDS POLICY

Rider Attached to Accident and Health Policies Extends Weekly Indemnity to Life of Assured

The Travelers Insurance Co., this week, sent out the following rider to be attached to all existing and new accident and health policies:

"It is hereby agreed that if injuries covered by this policy shall result independently and exclusively of all other causes in

"(1) Loss of both hands by severance at or above the wrists; or

"(2) Loss of both feet by severance at or above the ankles; or

"(3) The entire and irrecoverable loss of the sight of both eyes;

under conditions which entitle him to recover the principal sum payable for such loss under the terms and provisions of Part A, the insured shall receive in lieu of such principal sum for the loss so sustained, weekly indemnity in accordance with the terms of the policy so long as he, the insured, shall live."

In commenting on the rider, the company says:

"Any policyholder insured under one of the forms above listed may have this rider attached to his policy if he desires it by executing same in duplicate, but it is expected that the principal use of the rider will be in connection with policies of the above forms issued in combinations of a small principal sum and large weekly indemnity. We do not favor its use where level insurance is issued as we believe that it is to the insured's advantage in such a case to accept the specified sum for a loss such as is described rather than to elect to receive weekly indemnity in lieu thereof."

ROBINSON WITH U. S. CASUALTY

New Superintendent of Agents Started With Co. Originally—Has Been With Aetna for Several Years

It was announced by the United States Casualty on Thursday that Hugh Robinson had been appointed superintendent of agents of the Company starting to-day.

Mr. Robinson has been in the producing end of casualty insurance for a long term of years. He started originally with the United States Casualty as a special agent. Later he went with the Empire State Surety, travelling the entire country. When the Empire State was re-insured, Mr. Robinson went with the Aetna and organized the Jersey City office of that company. Later he was made a special agent in New York City. In this capacity he developed a large general casualty business which he is turning over to Montgomery & Montgomery, special agents of the Aetna at 92 William Street.

AN ADMIRABLE SPIRIT

In a letter to Branch Manager Jenks of the American Surety Company at Chicago, Charles E. Brown said:

I hereby apply for leave of absence to attend the Officers' Training Camp at Fort Sheridan, Illinois, for three months beginning Tuesday, May 8th. If, at the expiration of this period, I am offered a commission in the Officers' Reserve Corps and assigned to duty, I wish this application to stand as and for an application for indefinite leave of absence.

Because of the fact that this Company has been more than generous to me in the past, and the fact that if commissioned at the end of three months my Army pay will be more than the amount the Company now pays me, I request that the Board make no provision for continuing to pay me any part of my present salary. In good conscience I could not accept any further favors.

The spirit shown in Mr. Brown's letter is admirable and worth passing along.

AUTO DEATHS INCREASE

During the first four months of this year, 42 fatal automobile accidents have occurred in Connecticut. In the same period for 1916 the number was 20. It is an interesting fact that the difference in the number of fatalities for the first quarter of 1916 and those of 1915 was only one, the number in 1915 being one less than in 1916. Liquor was the cause of most of the accidents.

Accident
Health Automobile
Plate Glass
Burglary Liability
Fidelity
Contract Judicial
Public Official
Depository Bonds
FIDELITY & DEPOSIT CO.
OF MARYLAND
BALTIMORE

Casualty Underwriters Call off Convention

PRESIDENT J. SCOFIELD ROWE ADVISES OF ACTION

Economy in Time Given as Reason—Business Meeting in New York Later

The International Association of Casualty & Surety Underwriters will not hold a summer convention this year.

J. Scofield Rowe, president of the association in speaking of the matter, said:

"It has been decided that because of this country's entry into the 'World War' and the situation thereby created demanding all possible economy in both time and expenditure the 1917 summer convention of the International Association shall be omitted.

"While it is appreciated that substantial benefit is derived by the members of the association through company executives meeting in annual convention with a view to maintaining closer acquaintance and more friendly relations for the common good of the business, it is believed that since separate bureaus or associations are now maintained by the companies for each important class of casualty business that no material loss will be suffered by omitting the 1917 convention.

"The annual business meeting of the association will be held in New York City some time during the fall, the date and place for such meeting to be fixed and announced later by the executive committee."

PHYSICIANS OPPOSE BILL

Medical Societies Adopt Resolution Disapproving Proposed Compulsory Health Measures

Following the action taken by the New York State Medical Association at its recent convention in Utica, at which a resolution was passed putting the Association on record as being opposed to compulsory health insurance, the delegates to the convention of the American Medical Association which will be held in New York City, June 4 and 5, are being circularized on the subject. W. G. Curtis, president of the National Casualty, and chairman of the educational committee of the Insurance Economics Society, addressed a letter to the delegates of the American Medical Association on May 9 in which he said:

"You will recall that Dr. Alexander Lambert presented a thirty-five page report at your convention last year. A copy of that report appeared in the Journal of the American Medical Association, and doubtless his committee will present another report with further arguments in the affirmative. The subject is complex and no man can discuss or debate it without study. We are unable to see any other course for the American Medical Association than that followed by the New York State Medical Association, Bronx County Medical Society, Westchester County Medical Society, New York County Medical Society, Medical Alliance, Chicago Medical Society, Illinois State Medical Society, and California Medical Society, namely, a resolution of disapproval after thorough investigation, debate and consideration of the subject."

The Insurance Economics Society is not composed of insurance interests but is an organization of business men and organizations, the objects of which, as stated in the letter head of the Society, are "For the study of all forms of social insurance and to disseminate information best calculated to enlighten the public, and to promote practical economy by the conservation of human time values."

CONVENTION AT ST. LOUIS

National Association of Casualty and Surety Agents Meets October 10 and 11

The executive committee of the National Association of Casualty and Surety Agents have decided to meet at St. Louis during the same week as the National Association of Insurance Agents, the latter organization has fixed its dates for October 11, 12 and 13.

The Casualty Association will hold its meeting October 10 and a joint session will be held the first day of the agents' convention. These arrangements will enable a large number of people who are interested in both meetings to take them in without additional expense.

MUTUAL POLICIES ASSESSED

Members of First Mutual Liability of New York Taxed—Being Liquidated By Department

Policyholders of the First Mutual Liability Co., of New York, have been assessed 70 per cent. of the premiums to meet the obligations of the company. The First Mutual was organized in 1914 and had a premium volume of $55,000 annually.

The company is being liquidated by the New York State Insurance Department which expects to realize about $33,000 on the assessment.

AMERICAN CASUALTY IN N. Y.

The American Casualty announced this week it had completed plans to enter New York State for automobile business as of June 1.

General Accident
FIRE AND LIFE
ASSURANCE CORPORATION, Ltd.
SERVICE THAT EXCELS
FREDERICK RICHARDSON, United States Manager
GENERAL BUILDING · 4TH & WALNUT STS.
PHILADELPHIA

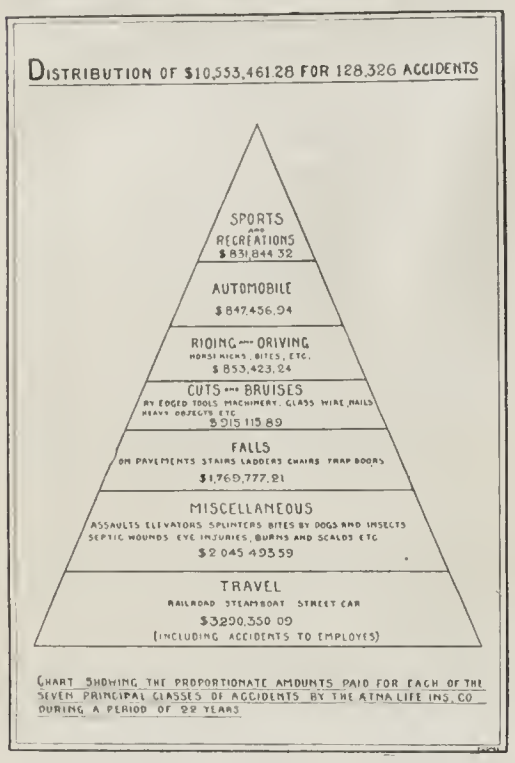
Twenty-Two Years' Accident Experience

AETNA PUBLISHES TWO UNIQUE EXPERIENCE CHARTS

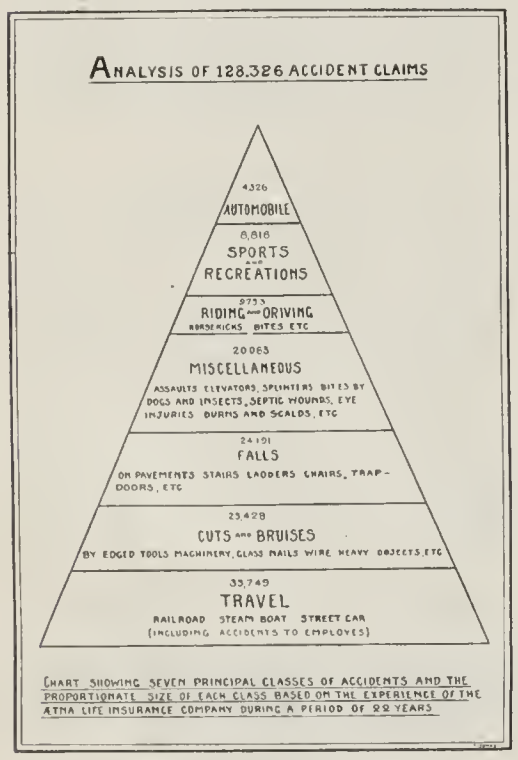
Statistics Show Greatest Losses in Numbers and Money Are From Common Carrier Accidents

The Aetna Life this week compiled and published two charts showing the monetary losses and the number of claims from the various classes of accidents. These charts are reproduced herewith and cover the experience of the Aetna Life and affiliated companies in this branch of the business for the past 22 years.

One of the charts shows the pro-



portionate size of each of the seven principal classes of accidents. The other chart shows the proportionate



amounts paid out in claims for each. Both charts represent the experience on 128,326 claims for which $10,553,461.28 was expended.

A comparison of the two charts shows that the number of accidents in the different classes and the amount expended therefor do not in all cases correspond. This is due to the varying sums paid out in accordance with the seriousness of the accidents in the several classes.

Travel accidents lead both in number of claims and in amount paid. Cuts and bruises, however, do not embrace as a rule such serious accidents and the amount of money paid out for this class of accidents.

EXTENDS OPERATIONS ON COAST

Travelers Enlarges Field Organization and Establishes Underwriting Office in San Francisco

The Travelers Insurance Company announces an important plan for expansion on the Pacific Coast. Beginning June 1st, it will write liability and indemnity lines in Washington, Oregon, and California introducing its subsidiary, The Travelers Indemnity Company. The Coast organization has been considerably enlarged to take care of the new business.

Walter A. Quinlan will be branch manager in charge of liability and indemnity business at San Francisco; William E. Shiels at Los Angeles; and John S. O'Neill at Seattle. In addition to these, the general agency of the Pettis-Grossmayer Company will take care of Travelers interests in Portland, as hitherto.

Mr. Quinlan was previously assistant manager at Milwaukee, Mr. Shiels assistant manager at Detroit, and Mr. O'Neill a special agent at Newark.

Among the lines which the Company will particularly feature are automobile, property damage and collision, general liability, steam boiler, burglary, and plate glass. Claim adjusters and inspectors have been stationed at appropriate places to render Travelers service. An underwriting office, a branch of the home office, will be established in San Francisco, with A. E. Lucy in charge. Mr. Lucy has formerly occupied the position of assistant superintendent of the New York City underwriting division.

The life, accident, and health departments will be continued in full force, with Arthur S. Holman in charge at San Francisco, L. A. Greenwood at Los Angeles, and William L. Waltz at Seattle.

Willard Curtis, producer extraordinary of the New York branch office of the Aetna Life, shattered all previous individual production records of the Company covering a specified period of time. During the recent two-weeks' contest of the Metropolitan branch office, Mr. Curtis wrote new accident and health premiums of $3,481.

Mr. Curtis has been with the Aetna for only a few years but during that time he has specialized on accident and health and has continuously refused to branch out into the other lines to any great extent. The Company, in commenting on Mr. Curtis's achievement, points out that it has been only men who have thus specialized who have produced big results and that the returns have been well worth the effort.

National Surety Leads in Qualifying Power

TREASURY DEPARTMENT GIVES LIMITS ON BONDS

Four Companies Have Dropped Out During Past Year—Capital of Only One Company Impaired

The ruling of the United States Treasury Department as to the amount accepted from the Government from each casualty company on any one bond was published on Tuesday. The qualifying power is based on 10 per cent. of the combined capital and surplus of each company. The rating given to the companies by the Treasury Department is as follows in the order of the amounts and taken from the financial statement of the companies as of March 31, 1917:

National Surety	$827,020
American Surety	656,264
Fidelity & Deposit	515,889
U. S. F. & G.	475,911
Aetna Cas. & Sur.	433,099
Maryland Cas.	299,582
F. & C.	288,811
Mass. B. & I.	189,114
Royal Ind.	152,314
Globe Indemnity	127,471
New Amsterdam	123,157
Hartford Accident	117,622
London & Lan. Ind.	111,800
U. S. Guarantee	91,079
International Fidelity	78,172
Chicago Bonding & Sur.	74,417
Southern Surety	74,341
American Indemnity	68,711
Penn. Surety	52,136
American Fidelity	27,941

This list, compared with that of last year shows the American Bonding, New England-Equitable, Equitable Surety and Casualty Company of America to have ceased to qualify.

BONDS FOR EMPLOYES

Travelers to Sell Liberty Loan Certificates to Employes on Part-Payment Plan

President Louis F. Butler of The Travelers announced this week that the Company would buy Liberty Loan bonds for its employes in any amount up to $1,000 and would allow employes to pay for them in twenty instalments of 5 per cent. each. The payments, it is understood, will be taken out of pay envelopes on the 15th and last days of each month.

These terms, in the case of a $50 bond, will require twenty semi-monthly payments of only $2.50 each. No interest will be charged, and the purchaser will receive all the interest from the bond. As the first interest payment does not fall due until December 15, it will be applied to reduce the amount of the last instalment of purchase money. The Company will hold the bonds until the instalments are completed and will then deliver them to the owners.

WILL MEET IN CHICAGO

The World's Salesmanship Congress will meet in Chicago on June 10-14.

GIVES BONDS FOR BONUS

Preferred Accident Offers $100 of Liberty Loan for $500 in Accident and Health Premiums

The Preferred Accident to-day starts a two months' campaign for accident-health premiums the special inducement of which is a $100 Liberty Loan bond to every agent who produces $500 or more in new accident and health premiums. In addition to the above, the Preferred has subscribed to $100,000 of the bonds and the officers and employes of the company have subscribed to an additional $75,000, making $275,000 in all. W. C. Potter, secretary of the company, told The Eastern Underwriter, on Tuesday that the directors of the company planned to secure as many of the bonds as possible as assets of the company.

LICENSES FOR ADJUSTERS

The Pennsylvania Legislature is considering House Bill No. 1365 which provides for the licensing of public adjusters and is designated to bring persons who are engaged in adjusting fire losses under the control and supervision of the Insurance Department. This bill does not prevent an attorney, or insurance agent, from settling his own losses, and is intended solely for the purpose of regulating all public adjusters and provides for a license fee of $25.

Mutual Insurance Bill

House Bill No. 1934, introduced by Hon. W. H. Mearkle, was prepared at a joint meeting of the representatives of Pennsylvania and other State mutual insurance companies. This bill provides for the incorporation and regulation of mutual insurance companies and has already been enacted into law in a large number of the States. The above bill does not affect any Grange or Mutual Company already organized; although all of the above companies can accept the provisions of the bill, if they so desire.

SPECIAL THEATER POLICY

The Fidelity & Deposit has prepared a special form of policy protecting proprietors and custodians of moving-picture theaters against loss of funds represented by the daily receipts, etc., occasioned by hold-up occurring at the box office or in the interior of the theater, by highway robbery while funds are being conveyed to the home of the proprietor or custodian, by burglary while in the home of the custodian or while kept in a safe at the theater and completing the coverage while the funds are being taken to the bank for deposit the next business day against highway robbery.

BUFFALO AGENCY WINS

The Buffalo agency of the Aetna Life, under the managership of Augustus H. Knoll, defeated the Syracuse agency of the Company in a two weeks' contest for accident-health premiums. The Buffalo agency produced $6,019 and the Syracuse agency $3,340. The contest ended May 26.

The Fidelity and Casualty Company of New York

92 LIBERTY STREET, NEW YORK, N. Y.

Metropolitan Office—92 William Street

Annual Statement, December 31, 1916

Assets	$13,788,795.23
Liabilities	9,708,052.97
Capital	1,000,000.00
Surplus over all liabilities	3,080,742.26
Losses paid to December 31, 1916	56,090,684.58

This Company issues contracts as follows: Fidelity Bonds; Surety Bonds; Accident, Health, and Disability Insurance; Burglary, Larceny, and Theft Insurance; Plate Glass Insurance, Liability Insurance—Employers, Public, Teams (Personal Injury and Property Damage), Automobile (Personal Injury, Property Damage and Collision), Physicians, Druggists, Owners and Landlords, Elevator, Workmen's Compensation—Steam Boiler Insurance; Fly-Wheel Insurance.

BUSINESS=BUILDERS

DEVELOPING

Fidelity and Surety Bonds, Liability Workmen's Compensation, Automobile, Accident, Health, Burglary and Plate Glass INSURANCE

APPRECIATE THE CO-OPERATION OF THE

Massachusetts Bonding and Insurance Company

BOSTON T. J. FALVEY, President

Paid-In Capital $1,500,000 Write For Territory

CASUALTY AND SURETY POINTERS

Effect Of War On Sales

Interviews with agents in different parts of the country about the effect of the war on their business leads Gerald Bunker, agency director of the National Casualty, to the statement that, providing the agent has the proper attitude, the war will help his business. Mr. Bunker sizes up the situation:

"In calling recently on one of our newer field representatives who is just building up his agency, I was very much impressed with his remark, which directly stamped him as a real man and showed conclusively just why he was succeeding in his work, both for himself and his company.

"He said, 'Since the change of conditions on account of the war, it has been harder to secure new business than it was before, and I have had to work much harder to obtain the same volume, but you will find from my record that I have been making good right along just the same.'

"Compare this with the other fellow, and we have that kind too, who has decided that new business is harder to secure now, and for that reason he has quit trying. There you are! The first man is going to get there, and you can bet your life on it—the other fellow will soon be a memory, and hardly that.

"There never was a time when there was more real necessity for accident and health insurance than there is right now. Heretofore, when living was cheap. the man who had a few dollars laid away could stand quite a siege of disability, but now the fellow who does not have a regular steady income is right up against it, and the few dollars previously saved will avail but mighty little.

"The business is there to be had, and while it may take a little more effort now to get the name on the dotted line—what of it? How many of the field men are working right up to their limit? Mighty few, I dare say, and by putting on some extra pressure, the production of new business in every agency can be held right up to where it should be. The real man is the one who has the stamina and courage to hustle right up to the limit, regardless of anything or everything.

"The United States Government loan of $7,000,000,000. soon to be made, is really a monster order, which the Government of the United States will place with the farmers, manufacturers, miners and all business men. It all comes back to us in the shape of purchases of supplies. This means that the whole business machinery of the country will run at a higher speed than ever before. There will be work for everybody and at good wages."

* * *

The Camera As An Aid

These suggestions by an agent of an Idaho life insurance company recently won the prize offered to solicitors for the "best suggestions." Use them, says the "National Economist."

Experience proves that country business is most successfully obtained by methods which savor not of high pressure, but are calculated to disarm the seeming universal suspicion of the "man who sells things."

Under no circumstances should rural solicitation be conducted in "city" garb. Shabbiness or uncleanliness is never desirable, but with the very simplicity of your attire will you many times obtain an entry when city clothes would close the door.

Your task is lighter by talking the language of rural folk when, among them. What better introduction could you have at the average farmhouse than—"Good morning, Mr. Oatstraw, have you heard of yesterday's ten cent jump in wheat?" or "Hello, Mr. Cornfield, I should think you'd be shipping those fat hogs while you're sure of catching the high market."

Immediately do you become part and parcel of his very existence, for you meet him on his plane—not on the technical, vague ground of life insurance, which nine times out of ten is an enigma to him.

What a simple task daily to peruse the market sheet of your paper and inform yourself on the quotations on food stuffs and live stock. The good housewife whose sympathy you would so often enlist is much more approachable after you've discussed the number of eggs her hens are giving her and what the grocer is paying.

If intensive work is done and call backs made, a camera is an effective aid to your success. Ever go down in the feed lot to see Farmer Hawkin's new colt? Can't you see Hawkin's eyes sparkle when you drop in a few days later and present him with a photo of that famous colt?

A practically unlimited field of endeavor is offered you here—the new baby—a family group—the herd of Jerseys, and a pen of fat hogs—all the apple of your prospect's eye.

If remaining in the country over night, select well the place where you will stop, for defeat is seldom met around the supper table after the dishes are done and the cows are pailed.

Always insist upon paying for your meals, lodging and team feed. If fortunate enough to possess an automobile, a ride for the family after supper has been known to accomplish seemingly impossible things.

* * *

Courtesy Pays Good Dividends

We can all profit by being civil and courteous in our business dealings. If no other motive prompts us, we should remember it is profitable.

Particularly is this quality desirable in business conducted over the telephone. Many persons seem to imagine that by the brusqueness with which they receive telephonic communications they demonstrate how busy they are, and also their importauce in the office. There never was a greater misconception.

The largest business institutions today insist that courtesy and civility be extended to all patrons by every employe down to the office boy. You will often notice that the degree of courtesy you receive seems to increase with the size and importance of the office you are dealing with. You are more likely to encounter the lack of it in a small, unsuccessful, penny-wise institution.

We know of a large, prosperous brokerage firm which employs a young woman as telephone operator at a substantial salary because of her ability to handle calls of all kinds in a way that causes favorable comment by all the clients of the office. Her salary is returned a hundredfold by the good impression created. She gives a certain tone to the office to which this particular firm insists upon throughout their organization.—Fidelity & Deposit "Fidelity Journal."

* * *

Are You Merely a Drifter?

Are you satisfied to duplicate last year's record, or are you alive to the possibilities within you which have not yet been developed?

Get above the dead level of mediocrity. Pick out the class you belong in—then get there.

Before you can make a big success you must plan for it. You must aim for the very best that you can conceive, before you can start to travel even a little way in that direction. Mediocrity is content to "get by"; its universal badge is that of self-satisfaction at attaining such a standard as to avoid the criticism of others. But the leader knows that nobody will ever think he is worth talking about unless he aims far above what people expect of him, and keeps plugging away even if he fails at first, until he accomplishes it.

The mediocre man does no better than people expect him to do, and, of course, nobody thinks anything about it. He's a drifter. The exceptional man looks about him, decides where he wants to go, and then goes there. The reason he gets there is because, having made up his mind about it, the amount of time and energy he is willing to expend is limited only by one factor—the amount that is needed. He regulates his exertions by the requirements of the job, not by what he feels like doing from time to time.—"Equitable Items."

* * *

Importance of Cancellation Evidence

A large bonding company has recently suffered a loss on an administrator's bond after the estate had been closed for several years. The administrator was discharged by order of court and the estate, amounting to about $8,000, had been apparently distributed in a proper manner.

Several years afterwards, however, the heirs, who had not received their full shares, went into court, re-opened the case, and proved that the administrator owed them nearly $7,000. In the meantime, the administrator had become insolvent and the surety company was obliged to pay the loss.

Whenever the principal, in a case in which this company is acting as surety, completes a trust, an order of court should be secured, discharging the principal and releasing the surety. It is most important that this cancellation evidence be sent in to your General Agent or Branch Office Manager or to the Home Office. In fact, the agreement between the principal and the surety provides for this cancellation evidence without cost to the surety.

* * *

Legs and Brains the Best Team

The two greatest factors in promoting insurance salesmanship are leg work and brain work. Leg work renders active the brain and brain work incites to leg work.

Selling insurance is always profitable but, like any other profession should be learned, not merely picked up, to make it so.

Only through being perfectly honest can a steadfast long time clientele be built up and secured.

Honesty in an agent becomes known of his neighbors and is for him an active, permanent voucher.—"Preferred Pilot."

* * *

Adjuster Frank W. Payne, of Chattanooga, in charge of the personal accident and claim department of the Aetna Life in the South, is on a trip to the home office in Hartford. His son, Wallace G. Payne, is a member of the National Guard of Connecticut and one of his objects in visiting Hartford at this time was to see his son before he was mustered into the Federal service.

W. E. SMALL, President PETER EPES, Agency Mgr. E. P. AMERINE, Secretary

GEORGIA CASUALTY COMPANY

HOME OFFICE: MACON, GEORGIA

"DIXIE AUTO POLICY"

THE LAST WORD IN MOTOR INSURANCE

Surplus and Reserves to Policyholders.....$1,526,022.81

The METROPOLITAN CASUALTY

INSURANCE CO. OF NEW YORK

HOME OFFICE, 47 CEDAR STREET

CHARTERED 1874

Plate Glass, Burglary, Accident and Health Insurance

EUGENE H. WINSLOW, President

Russell R. Cornell, Vice-Pres. S. Wm. Burton, Sec. Alonzo G. Brooks, Ass't Sec.

RELIABLE AND ENERGETIC AGENTS WANTED

THE SIGN OF GOOD CASUALTY INSURANCE

HEAD OFFICE CHICAGO

F. W. LAWSON General Manager

Liability, Accident, Burglary, Boiler and Credit Insurance

Established 1869.

F. J. WALTERS Resident Manager 55 JOHN STREET New York

Elmer A. Lord & Co. 145 Milk St., Boston Resident Managers New England

London Guarantee & Accident Co., Ltd.

OF LONDON, ENGLAND

The Employers' Liability Assurance Corporation, Ltd.

The original and leading Liability Insurance Company in the World

LIABILITY, STEAM BOILER, ACCIDENT, HEALTH, FIDELITY AND BURGLARY INSURANCE

United States Branch

SAMUEL APPLETON, United States Mgr.

Employers' Liability Building

33 BROAD STREET, BOSTON, MASS.

AGENTS WANTED

In addition to the ordinary forms of life insurance

THE EQUITABLE

makes a specialty of the following:

Insurance to protect business firms and corporations, under a corporate form of policy.

Group Insurance, by which employers protect families of employes.

A flexible contract, known as the Convertible Policy, which can be converted by the Insured into an Ordinary Life, Limited Payment Life, or Endowment Policy.

A Bond issued without medical examination giving the investor an income for his declining years.

A new policy is offered under which the insurance is DOUBLED if death results from ACCIDENT. This policy also embodies the following advantages if the person whose life is insured becomes totally and permanently disabled:

1. Thereafter the Equitable will carry the insurance —The Insured will have nothing further to pay.
2. The Equitable will pay the Insured an annual income for life equal to one-tenth of the face of the policy.
3. Upon the death of the Insured the full amount of the insurance will be paid to the Beneficiary (or double the amount if death is due to accident) without deduction on account of the income paid to the Insured while living.

(See the policy for conditions and details.)

For Agency Openings Address

WILLIAM E. TAYLOR,
Superintendent of Agencies

THE EQUITABLE
LIFE ASSURANCE SOCIETY OF THE U. S.
120 BROADWAY, NEW YORK

CO-OPERATION No. 3

OUR methods of co-operation with agents in the securing of business are most effective when limited to the real producers. They attract the best type of men to the business.

One new representative produced more in 1916 than 114 average part-time men did in 1913.

Phoenix Mutual Life Insurance Company
of Hartford, Conn.

JOHN M. HOLCOMBE, President

PURELY MUTUAL THE CHARTERED 1857

Northwestern Mutual Life Insurance Co.
MILWAUKEE, WISCONSIN

GEO. C. MARKHAM, President

Insurance in Force, $1,505,464,984

SATISFIED POLICYHOLDERS each year apply for over 35% of the new insurance issued.

POLICIES MOST FLEXIBLE AND EASY TO SELL

Complete Agency Protection:
Enforced Anti-Rebate and No-Brokerage Rules

Investigate before selecting your Company

Write GEO. E. COPELAND,
Supt. of Agencies,
Milwaukee, Wis.

American Central Life
Insurance Company

INDIANAPOLIS, INDIANA

Established 1899

All agency contracts direct with the company

Address:

HERBERT M. WOOLLEN, President

San Francisco Losses Amounting to $4,522,905.00 paid PROMPTLY IN CASH WITHOUT DISCOUNT, from funds largely supplied by head office in Liverpool

U. S. Cash Assets, Dec. 31, 1916	$15,827,439.35
Surplus, - - - - -	5,460,745.59
Losses Paid by Chicago Fire, 1871	3,239,491.00
Losses Paid by Boston Fire, 1872	1,427,290.00
Losses Paid by Baltimore Fire, 1904	1,051,543.00

Liverpool AND London AND Globe Insurance Co. LIMITED

Over $152,000,000.00
Losses Paid in the United States

HENRY W. EATON, Manager
G. W. HOYT, Deputy Manager
HUGH R. LOUDON, Assoc. Deputy Mgr.
J. B. KREMER, Asst. Deputy Manager
T. A. WEED, Agency Superintendent

NEW YORK OFFICE
80 William Street

368.6
EA Com RR

THE EASTERN UNDERWRITER

[Succeeding the Journal of Insurance Economics, Established in 1899]

A WEEKLY NEWSPAPER COVERING ALL BRANCHES OF INSURANCE

Eighteenth Year; No. 23 | NEW YORK CITY, FRIDAY, JUNE 8, 1917 | $3.00 a Year; 15c. per Copy

CONTINENTAL RESIGNS FROM NATIONAL BOARD

It Was a Member, But Fidelity-Phenix and American Eagle Were Not

EXPENSE AMENDMENT IS CAUSE

Sharp Comment Made By Underwriters on Mr. Evans' Withdrawal From Organization

The Continental Insurance Company has resigned from the National Board of Fire Underwriters. The action was taken after the adoption of an amendment offered by a member of the executive committee of the National Board, relative to expenses. This substitute amendment reads as follows, the objection of President Evans, it is generally understood, having been to the paragraph which is printed in black face type:

General Fund

"For the purpose of creating a fund to meet the general expenses an assessment shall be made upon each company on the gross fire and lightning premiums written in the United States, including premiums under fire and lightning floater policies on automobiles less cancellations and less only re-insurances effected in companies members of the National Board, and also excluding premiums derived from Colonial dependencies.

Committee on Laws

"That the assessment for work of the Committee on Laws be hereafter made upon the same basis as that for the General Fund, but that there be included in addition thereto the net premiums from tornado policies, deducting only cancellations and re-insurances in companies members of the National Board and premiums derived from the Colonial dependencies.

"Inasmuch as the benefit of the work of the National Board accrues to all companies alike that are operating under the same direct management, it is further provided that in such cases where two or more companies are so represented the aggregate premiums of all companies under such management shall be returned for assessment purposes by the member company.

"That stock companies incorporated in the United States and transacting only a re-insurance business therein,

(Continued on page 18)

"The Largest Fire Insurance Company in America."

THE HOME INSURANCE COMPANY NEW YORK

ELBRIDGE G. SNOW, President

Sixty-four-Year Record for Fair Dealing and Prompt Adjustment and Payment of Losses

FIRE AND ALLIED BRANCHES OF INSURANCE

Fire, Lightning, Automobile, Commissions, Explosion, Hail, Marine (Inland and Ocean), Parcel Post, Profits, Registered Mail, Rents, Sprinkler Leakage, Tourists' Baggage, Use and Occupancy, Windstorm.

STRENGTH REPUTATION SERVICE

North British and Mercantile Insurance Co.

Established 1809

Entered United States 1866

Policyholders protected by the entire United States assets, with further guarantee in every policy, of protection by entire fire assets of the company which are many times larger.

AN IOWA COMPANY

Operating Under Iowa Reserve Deposit Law

POLICYHOLDERS OF THE

EQUITABLE LIFE of IOWA

ARE SAFEGUARDED AGAINST ANY POSSIBLE MISAPPLICATION OF THE FUNDS OF THE COMPANY

SO ARE ITS AGENTS

THE RIGHT COMPANY TO REPRESENT

Apply to

H. E. ALDRICH, Supt. of Agents, DES MOINES, IOWA

THE GAUVIN AGENCY

SUGGESTS GOVERNMENT ISSUE $4,000 POLICIES

Plan of Assistant Secretary Sweet, of the Department of Commerce, Washington

WILL ASK ADVICE OF COMPANIES

What European Governments Have Done, Learned From British, French and Italian Missions

Life insurance men were naturally interested this week in despatches from Washington outlining the plans for insurance of soldiers by the Government, made in a report of Assistant Secretary Sweet, of the Department of Commerce.

Recommended for Council of National Defense

Mr. Sweet's plan is in the nature of a report which he is to submit to the Council of National Defense, which in turn will submit it to Congress. The Council has been considering the life insurance situation for some time, having discussed it with representatives of the French, British, and presumably the Italian missions, to ascertain what the European Governments are doing in the matter.

As The Eastern Underwriter was going to press yesterday, we received the following telegram from Assistant Secretary E. F. Sweet:

The Eastern Underwriter,
105 William Street.
New York, N. Y.
Washington, D. C., June 6.

Subject is under consideration, no completed plan determined upon. Probably not visit New York, but very glad to confer here with insurance officials or others interested.

E. F. SWEET.

The Plan

The plans as prepared provide for a flat insurance of $4,000 on the life of every officer and private in the military and naval service, to be paid to his beneficiaries without premiums. A Government insurance bureau would handle the whole subject, and there would be a provision for a system of insurance by which officers and men desiring to do so, could take out

THE GAUVIN AGENCY

I desire to correspond with New York City Life Agents, who would prefer a District Managership covering several of the wealthy counties in Pennsylvania. Three Millions of old business in force. Company over Sixty Years Old.

This is an opportunity where an Agent can make money and live on the first year's business, leaving his renewals for future profit and savings.

A salary is paid for supervision of old business in addition to the regular New York State Contract with renewals, over-riding first year commissions and renewals paid on sub-agents appointed.

Do not reply to this unless you can stand closest inspection and prove up a Paid Business of $100,000 in the last twelve months (term excluded).

Address **"PENNSYLVANIA"**

Care of The Eastern Underwriter, 105 William Street, New York City

amounts higher than the $4,000 free policy by paying premiums at peace rates.

At the end of the war the Government, it is suggested, could turn over to insurance companies its premium war business, dropping the flat $4,000 policies on all who leave the service, but continuing it on men who remain.

The plan would provide also insurance for partial or total disability. In case of death the insurance would be paid in installments, whose amount would be determined by a Government board.

The Washington despatches also contained the statement that Mr. Sweet would come to New York to confer with the insurance companies in order to learn their attitude. Up to Thursday morning of this week Mr. Sweet had not been in communication with the companies so far as could be learned.

Not Administration Measure

Mr. Sweet is insistent in stating that the proposal, so far as it has been shaped, is not an administration proposal; that is, administration support for it has not yet been accorded, whatever its merits. He hopes that the widest possible public discussion will take place as to its merits—or demerits. The plan is something that he has worked out individually and not in an official capacity.

Stop Pension Legislation

The advantages claimed by Mr. Sweet for such a plan are that it would afford Government protection before the creation of beneficiaries, and so would tend to do away with the necessity of pension legislation, with all its evils, and that the United States, in affording such protection, and thus doing only what the Government now is doing for many thousands of its civil employes, would be rightly recognizing the hazards as well as the service rendered by actual or potential fighters to the nation at this juncture.

Not State Insurance

The opinion is advanced by Mr. Sweet that objections to the plan would not be interposed by the insurance companies, if it was made plain that the procedure was purely a war emergency one, and did not forecast State insurance in peace times. He paid tribute to the patriotic action of insurance companies in holding to policies taken out before the war by men entering the military or naval service. It is unreasonable to expect, he said, that new policies on the lives of men in those services could be issued by insurance companies except at a very decided advance in premiums.

There is a possibility that private insurance concerns might not find it feasible, as the war progresses, to grant new insurance on the lives of soldiers and sailors.

SELL $2,500,000 OF BONDS

Out of 198 agencies which took part in the Greater New York campaign of the Life Underwriters' Association selling Liberty bonds, the association has reports from 47 agencies showing that 680 agents sold 2,241 individual bonds aggregating $605,000.

On this basis, President Atkinson estimates that the total sale will approximate 6,000 bonds for a total of $2,500,000.

NEW ENGLAND CONGRESS

Annual Meeting Will Be Held in Hartford on June 23—State Officials Will Speak

Arrangements have been made by the general committee for the fourth annual congress of the Life Underwriters' Association of New England, which will be held in Hartford, on Saturday, June 23. Golf and tennis at the Hartford Golf Club will precede the formal gathering. At 1 o'clock luncheon will be served at the Hartford Club and the annual meeting will be held at 2 o'clock.

The speakers for the meeting include Governor Marcus H. Holcomb, Mayor Frank A. Hagarty and Insurance Commissioner Burton Mansfield. After the meeting automobile parties will ride around the city, visiting the parks and other points of interest. The chairmen of committees for the congress are:

John H. Thompson, reception; Douglas T. Smith, automobile; Max Hartstall, hotel; E. C. Tryon of New Haven, district; T. W. Russell, golf and tennis.

Lee C. Robens, Dwight G. Holbrook and Clayton W. Welles comprise the general committee.

Actuaries Institute Meets In Chicago

A. G. PORTH, FRANKLIN LIFE, ELECTED PRESIDENT

Amends Constitution and Adopts Resolution Offering Professional Services to Government in Crisis

The ninth annual meeting of the American Institute of Actuaries held at the Hotel La Salle, Chicago, Tuesday and Wednesday, was well attended, sixty-four fellows and associates being present.

Technical Papers Presented

Tuesday's forenoon session was taken up largely with the presentation of set papers of a technical nature. E. W. Hyde, of the Columbia Life, of Cincinnati, discussed "Deferred Annuities With Return of All Premiums Less Annuity Payments." J. C. Seitz, of the Security Life of America, dealt with "Accumulation Formulas for Disability Reserves." Calvert F. Stein, of the Maryland Life, spoke on "Investments of Life Insurance Companies." H. L. Rietz, professor of mathematics in the University of Illinois, read a paper on "The Value of Certain Proposed Refunds Payable at the Death of an Annuitant Under a Pension System."

Constitution Amendments Adopted

At the afternoon session various amendments to the constitution were adopted. The revised constitution provides for the election of the editor of the "Record" and the librarian by the board of governors subject to confirmation by the fellows of the institute.

Officers Elected

The election of officers resulted as follows: President, A. G. Portch, Franklin Life, Springfield; vice-president, Franklin B. Mead, Lincoln National Life, Ft. Wayne; secretary, C. B. Carr, American Central, Indianapolis; treasurer, B. J. Stookey, Illinois Life, Chicago; librarian, E. R. Carter, National Life of U. S. A., Chicago. New members of the board of governors: J. C. Seitz, Security Life of America, Chicago, and C. H. Beckett, State Life, Indianapolis.

Wednesday's Session

At the forenoon session Wednesday able addresses were delivered by Miles Menander Dawson, of New York, and Donald F. Campbell, of Chicago, on "The Maintenance of Appropriate Reserves in Connection with Pension Funds."

In connection with the discussion of the treatment of the item of uncollected and deferred premiums in the annual statements to the insurance departments considerable discussion followed the suggestion that, net premiums being considered, there can in no instance be any "excess" over the true reserves on individual policies.

Offers Services to Government

The institute passed a resolution offering its service to the government in connection with any matters in which the professional services of the institute or its members could aid in the present crisis.

In addition to the ordinary forms of life insurance

THE EQUITABLE

makes a specialty of the following:

Insurance to protect business firms and corporations, under a corporate form of policy.

Group Insurance, by which employers protect families of employes.

A flexible contract, known as the Convertible Policy, which can be converted by the Insured into an Ordinary Life, Limited Payment Life, or Endowment Policy.

A Bond issued without medical examination giving the investor an income for his declining years.

A new policy is offered under which the insurance is DOUBLED if death results from ACCIDENT. This policy also embodies the following advantages if the person whose life is insured becomes totally and permanently disabled:

1. Thereafter the Equitable will carry the insurance —The Insured will have nothing further to pay.
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3. Upon the death of the Insured the full amount of the insurance will be paid to the Beneficiary (or double the amount if death is due to accident) without deduction on account of the income paid to the Insured while living.

(See the policy for conditions and details.)

For Agency Openings Address

WILLIAM E. TAYLOR,

Superintendent of Agencies

THE EQUITABLE

LIFE ASSURANCE SOCIETY OF THE U. S.

120 BROADWAY, NEW YORK

TOTAL DISABILITY

Analysis of Claims of Pacific Mutual Life—Sickness Cause of 87.5 Per Cent. of Claims

The Pacific Mutual Life gives some interesting facts relative to its claim experience under permanent total disability feature of its life insurance policies.

Sickness is the cause of 87.5 per cent. of all permanent total disability claims, while 12.5 per cent. are caused by accident.

27.5% of claims are caused by paralysis.
20.0% of claims are caused by tuberculosis.
12.5% of claims are caused by accident.
5.0% of claims are caused by blindness.
5.0% of claims are caused by rheumatism.
2.5% of claims are caused by diabetes.
2.5% of claims are caused by pellagra.
2.5% of claims are caused by neuritis.
2.5% of claims are caused by Bright's disease.
2.5% of claims are caused by spinal abscess.
17.5% of claims are caused by miscellaneous diseases.

That youth is no safeguard against permanent total disability is conclusively demonstrated by the fact that over 70 per cent. of all claimants are under 50 years of age.

The argument that death comes soon to a person who is permanently totally disabled is refuted by the fact that 57.5 per cent. of all claimants are still living.

Outlines Plan for War Service Risks

TWO COMPREHENSIVE PROPOSALS COMPARED

Underwriters and General Public Are Vitally Interested in Question of Proper Coverage

By Preble Tucker

Among the many problems created by the great war, none presents greater difficulties in the way of a satisfactory solution than that involved in adequately providing insurance protection for those engaged in war service. It is very easy to say, "let the government take care of that," but the people of this country are most vitally concerned in the method to be adopted by the government. If nothing better than the clumsy, costly, not to say fraudulent, "pension system" we have labored under since the Civil War is to follow this war, then indeed shall we be justly charged by future generations with crass stupidity or criminal inefficiency.

It may be taken for granted, however, that something better will be devised and adopted by the government. At the present writing various plans are being suggested and discussed, with a view to ultimate legislative action. Broadly speaking, the principles on which these various suggestions are based may be divided into two classes:

(a) Government insurance, under which the government assumes the entire war risk.

(b) An arrangement with the insurance companies, under which these companies shall assume the entire risk.

Of course, the fundamental principle underlying both is that the cost of carrying the war service risk shall be paid by the government and not by the individuals insured. It would seem to require no argument to establish the eminent justice of this underlying principle.

Same Principle in Compensation

The employers' liability and workmen's compensation laws of the various States are based on a similar principle. If, under these laws, the employer of labor is obliged to pay the cost of insuring his employes against loss arising from death or disability incurred in the course of their employment, the United States, when it employs its citizens in war service, should be similarly obligated, especially when, under the conscription law, such service is compulsory. The question, therefore, which should most concern us as a people is, which of the above suggested plans is likely to result in the greater efficiency and at the same time prove the more economical?

On the score of efficiency, past experience would seem to demonstrate that any system involving the settlement of money claims, such as compensation for damages, payments of annuities, etc., is, on the whole, much more efficiently handled by business organizations equipped for such service, than by any Federal or State government bureau. The reasons for this comparative inefficiency on the part of government bureaus are not pertinent to the present discussion, since it is generally admitted to exist. We have the right to assume, therefore, that so far as probable efficiency is concerned, a plan, which eliminated the Federal government from all concern in the settlement of claims for pensions arising out of this war, has strong arguments in its favor.

What Happens After the War?

Another objection to the government undertaking to assume the entire risk of war service, which I have not seen stated anywhere, but which I think worthy of consideration, is that, unless it is prepared to go into the life insurance business as a permanent proposition, a serious condition affecting a large proportion of the population of this country is certain to arise after the war is over. This condition will be due to the fact that among those in war service who survive the war, there will be many who, while they may not be sufficiently disabled to claim a war pension under a war policy, will be impaired risks and consequently will be unable to obtain life insurance for the rest of their lives. Of course, the government could, to some extent, obviate this danger by issuing policies to cover the normal life risk as well as the war risk, which could be continued by the insured after terminating his war service, by paying the normal premium rates.

The success of the government insurance bureau established to cover the war risk on shipping, cannot be used as an argument for government life insurance, because of fundamental differences between life insurance and marine insurance. The latter is a temporary proposition covering a particular voyage of a particular ship. While the law of average is used in figuring the premium charge, other factors essential to life insurance calculations are entirely absent. The proposition that the government shall cover the war service risk by issuing temporary insurance policies which shall terminate with such service, ignores these differences.

Temporary Insurance Inadequate

Furthermore, as I have already pointed out, such temporary insurance would be inadequate to furnish real insurance protection to thousands of those who either voluntarily or under the draft law, engage in war service. Their entry into such service will make it impossible for them to obtain permanent life insurance, by reason of the practically prohibitive extra premiums charged by the companies. Only by issuing permanent life insurance policies, which the insured can continue after the termination of his war service, can this serious objection to the government insurance proposition be met. In order to do this the government would be obliged to go permanently into the life insurance business, to which there are numerous objections.

This brings us to the suggested plan, whereby the insurance companies shall assume the entire war risk under an arrangement by which the Federal government shall pay the premiums so long as the insured is engaged in war service. It cannot be denied that this plan would offer the simplest and most satisfactory solution of the problem, had the insurance companies been able to agree completely among themselves as to what would be an adequate rate to cover the war service risk.

The actuarial departments of the various companies, accustomed as they were to dealing with problems involving only well-known and long-established mathematical factors, were suddenly confronted with a problem in which the most important factor was practically a matter of guesswork. The experience of the English and French insurance companies was of little value, in view of the very limited period covered and the differing conditions prevailing. The experience of the Canadian insurance companies during the past three years, so far as disability and death from wounds were concerned, was used by some companies, because the conditions in Canada were considered more nearly analogous to our own.

Could Have Avoided Confusion

It is hardly to be wondered at that the conclusions arrived at differed widely. It is true, that if the companies could have agreed upon a uniform war service rate, as well as the maximum amount they would write on a war risk, much confusion would have been avoided. The distinction made by many of the companies between those in the naval and military service who left the country and those who remained here further complicated the situation. The fact that all the companies felt constrained to eliminate the disability provisions of their policies in case of war service was another hardship. Yet what else could the insurance companies do under the circumstances? However patriotic their officers might wish to be, however desirous of providing insurance protection for those who went to fight for their country, their duty to their policyholders was paramount. They had no right to let sentiment guide them in a matter which involved the future solvency of their companies and the financial security of millions of people. But let us suppose that the Federal government should say to the insurance companies, "Get together and agree upon a uniform war service rate, a uniform policy contract which shall provide for a death and disability benefit payable in the form of an income to the insured, if disabled or to his dependents if he is killed in war service, such policy to provide that if the insured is not disabled or killed during the war service, he shall have the privilege of exchanging such policy for a regular form of life policy of an equivalent amount, at the normal premium rate for the age at which the original policy was issued. Issue this policy to every man accepted by the government for war service, and the government will pay you the premium thereon as long as the insured remains in war service, on condition that should the actual cost to the companies of carrying the war risk prove less than the rate charged, the company will refund the difference, and if more, the government will make up the deficit."

Medical Examination

Under such a plan the insurance companies could safely assume the war service risk and, in view of the compulsory insurance of every man in war service, the present estimated rate could be very materially reduced. The insured should have the privilege of selecting the company in which he desired to insure, provided, of course, that it must be one of those coming into the arrangement with the government. The necessity for medical examination by the company would be eliminated, because of the fact that every risk must have been already examined by the government when it accepted him for war service. Furthermore, the law of average would operate to make the companies safe in thus dispensing with medical examination.

It has been said that the insurance companies are not desirous of assuming the war service risk and would prefer that the government should do so. I feel confident, however, that under the conditions outlined above, and in view of the probability of the government otherwise being forced into the life insurance business permanently, they would welcome such a solution of the problem.

Of course, this is only a rough outline of a possible solution of the problem, but is there any doubt that the insurance companies could safely get together on such a proposition or on something along similar lines!

Substitute for Pension System

I firmly believe that as a substitute for the present pension system, the Federal government would find it far less costly and far more satisfactory. The fact that every man engaged in war service would have in his possession a tangible guarantee that in the event of his death or disablement, an adequate pension would be immediately forthcoming, would be far more reassuring than the expectation that Congress would provide for himself or his dependents by pension legislation in the vague future. As to what amount should constitute an adequate pension, there will be differing opinions. This would be so under any plan which shall be adopted.



INDUSTRIAL CONCERNS throughout the land are proving the patriotism of business by insuring entire staffs of employees. The Prudential will lend a hand—make it easy for firms to insure their workers.

Family insurance has placed America First in Life Insurance, and Group Insurance will help to keep it there.

The Prudential has a fine Group plan. Group Insurance is endorsed by every concern that has tried it. Send for brief, forceful, descriptive circular.

THE PRUDENTIAL INSURANCE CO. OF AMERICA

Incorporated Under the Laws of the State of New Jersey

FORREST F. DRYDEN, President

Home Office: NEWARK, N. J.

Sees Great Increase In Women Risks

VIEWS OF ACTUARY MORRIS, TRAVELERS, AT HUFF DINNER

An Optimistic View of Life Insurance—Success of Huff Agency Toasted

E. B. Morris, actuary of The Travelers Insurance Co., in outlining the future of the life insurance business to the agents of the Perez F. Huff general agency at its annual dinner on Monday, said that, in his opinion, the conscription measure and the resulting extra premium charged for military service will not affect the production to any great extent. He said that the figures showed the men between the ages of 21 and 30 who are called constitute 40 per cent. in the total number of policyholders but that this ratio was decreased to 28 per cent. in amount of insurance.

Mr. Morris's announcement that, before leaving Hartford to attend the meeting, the latest reports showed that the production of the Company in the life department since January 1, had more than equalled the total production of the Company last year, was received enthusiastically by those present. As an additional development of the business, Mr. Morris said that from the experience of the British and Canadian companies, there would be a broader field open up as a result of the war in the writing of life insurance on the lives of women who had taken the places of men in business life.

Presented With Cuff Buttons

Toastmaster Berthold, of the agency staff, presented Mr. Huff with a pair of diamond cuff links as a token of the appreciation and affection of the agents.

Following several talks on phases of production by members of the staff, Mr. Huff spoke. He announced that, to date, the agency had made an increase of $1,625,000 in paid-for business over the same period of last year. He said that five of the staff had produced in excess of $300,000 thus far in the year, and that twelve had paid for more than $200,000. He then instructed the agents how to proceed in broaching the various forms of policies to men in different circumstances.

The dinner was held at Reisenweber's and furnished many original features.

$7,674,104 IN FIVE MONTHS

L. A. Cerf General Agency, Mutual Benefit Life, Making Great Record

Writing $7,674,104 of business in five months is no mean achievement for any general agency. The accomplishment of this feat is announced by L. A. Cerf, general agent, of the Mutual Benefit Life in New York City during the first five months of this year. Mr. Cerf in announcing this fact, says, "Judging from the record of life insurance written for the first five months of this year, 1917 is going to be a banner year for the companies."

ROBENS PRESIDENT

Lee C. Robens, of Hartford, elected president of the General Agents' Association of the New England Mutual Life at its recent meeting in Boston, is one of the best known life insurance men in the East, and has had a long and successful career.

Other officers elected were: Vice-president, A. L. Saltzstein, Milwaukee; secretary and treasurer, Wilson Williams, New Orleans, re-elected; and C. A. Hinkley, Buffalo, executive committeeman.

There were no formal papers read at the convention, but much interesting discussion of agency topics.

PHOENIX MUTUAL BUSINESS

Results for May Show Largest Increase in Company's History—Annuities Popular

The Phoenix Mutual Life report that the total volume of new insurance accepted during the month of May, was the largest for any month in the company's history and was double the amount issued in the corresponding month of 1915.

In a notice to its agents the company calls attention to the fact that the volume of new insurance issued during each month of this year has exceeded the amount issued in the best corresponding month of any previous year. The policies total $16,800,000 of insurance for the five months' period, representing a gain of over 35 per cent. of the amount reported in the same period of 1916 and a gain of almost 80 per cent. over the same period of 1915.

An even greater increase has occurred in the sale of Life Annuities, in consideration of which over $275,000 has been received so far in 1917, representing almost two and one-half times as much as was secured in the same period of 1916.

EASIEST MAN TO CLOSE

He's the Chap Who Tries to Argue With Agent—Stick to Him, Says G. T. Sibley

The easiest man to close is the one who tries to argue with you, says G. T. Sibley, in "Agency Items." The man who admits at once that insurance is a great thing and wishes he was able to take some more is the fellow who can stand you off the easiest.

I called on a man who said he wouldn't take any more insurance, and didn't want to waste my time. He used the regular stock arguments of the man who argues, and who is of course at the mercy of any insurance man who will use a little tact, and let his prospect down easy, when he starts to prove his case. I told him he was evidently well posted on insurance matters, and by the time I had disposed of his arguments in an appreciative sort of way, he was in a receptive mood, and ready to listen to my talk on life income insurance. I landed him.

Stick to the fellow who argues. He is the prospect you can close. Let him blow off his surplus steam, then tactfully take his application.

TRAVELERS' PROMOTIONS

The Travelers announces the following important promotions in the life and accident department, to be effective June 1st.

Walter E. Mallory, to be assistant superintendent of agencies.

W. C. Bailey, J. O. Hoover, and John A. Coffman to be agency assistants.

Thomas F. Willmore, to be assistant in the group division.

Mr. Mallory lives in Hartford, but the other four are being brought from other cities. Mr. Mallory was appointed soliciting agent at Woodsfield, Ohio, on June 10, 1908; special agent at Cleveland, Ohio, January 1, 1909; special agent at Boston July 1, 1909; and has been agency assistant at the home office since January 1, 1912.

Mr. Bailey was appointed special agent at Cleveland in September, 1914, and assistant manager at Cleveland, March 31, 1916.

Mr. Hoover comes from Chicago, where he has been a special agent since July 1, 1915.

Mr. Coffman also comes from Chicago, having been a special agent there since April 10, 1916.

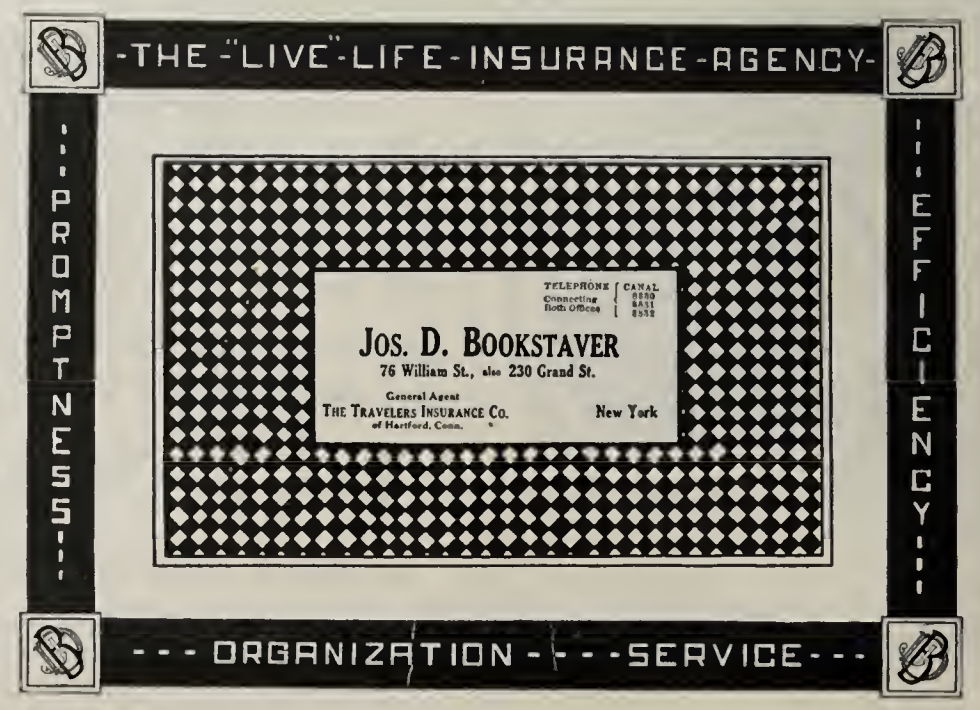
Mr. Willmore has been a special agent at Bridgeport, Conn. On account of the rapid growth of the Company's group insurance department, the Travelers has brought Mr. Willmore to the home office and assigned him to the group division, as assistant to William F. Chamberlin, the superintendent of that division.

The Columbian National Life
OF BOSTON
ARTHUR E. CHILDS, President
A CHANGE may be necessary to realize your ambition
Think a minute—then write
WM. H. MASTIN — FRANK D. LOMBAR
SUPERINTENDENTS OF AGENCIES
(West of the Mississippi). SYMES BUILDING DENVER, COLO.
(East of the Mississippi). 77 FRANKLIN STREET BOSTON, MASS.
DARL D. MAPES, Superintendent of Accident Agencies
77 FRANKLIN ST., BOSTON, MASS.
The service of a high grade Accident Department will also be offered so that you will not have to broker your Accident business to avoid violating your Life insurance contract.

Great Southern Life Insurance Company
HOUSTON, TEXAS.


For Agency Contracts address
O. S. CARLTON
PRESIDENT

American Central Life
Insurance Company
INDIANAPOLIS, INDIANA
Established 1899
All agency contracts direct with the company
Address:
HERBERT M. WOOLLEN, President



Burnet Ads Pave Way for Good Feeling

CONTINENTAL LIFE PAYS FOR PRAISE OF COMPETITORS

Tells Public of Merits of Other Companies—Important Thing is to Insure

In view of the meeting this week in Detroit of the Association of Life Agency Officers, there is more than ordinary interest in a series of advertisements printed in "Every Evening," a daily paper in Wilmington, Del., inserted and paid for by the Continental Life, of Wilmington, of which Philip Burnet is president. These advertisements mention names of companies, operating in the State; call these companies excellent; recite their merits; say that insurance in any of the companies will return full value for the investment, and bring out emphatically that the important thing is not where you insure but to insure promptly, adequately and on the plan best adapted to your particular requirements.

Mr. Burnet in a letter to Chairman Winslow Russell, of the Association of Life Agency Officers, says:

Dear Mr. Russell:

I have been wondering if it would be at all possible to start some sort of a propaganda for revising the attitude of life insurance men toward each other. We all know, for instance, that if bond salesmen were to compete for business in the manner usually adopted by life insurance men, many of us would lose confidence in most of the investments offered and in the bond houses which put them out.

Isn't it possible to bring home to life insurance men, the conviction that every one of them can make the work the most profitable to himself only by handling it on much the same plane as financial institutions are accustomed to deal with each other?

Isn't there some way to persuade the man in the field that he cannot afford to adopt any other attitude than that of the sincerest good faith in all of his relations, never fearing to condemn when condemnation is proper, but being quite as ready to commend when commendation is due?

Is there any escape from the conclusion that the thousands of life insurance men throughout the country are making their work daily more difficult by bringing the whole business into disrepute through their attitude toward every company except the one which they happen to represent?

What I have in mind is not so much the matter of assuming such an attitude, as it is of bringing about an actual feeling among life insurance men everywhere that people are going to get their money's worth if they insure in any one of a large number of excellent institutions; and then, having such a feeling, that it will be freely expressed, without reservation, whenever there is occasion for it.

In other words, can we, in any way, drive home the conviction that the really important thing is for people to insure somewhere; and that where they do it is vastly less important than the question of doing it promptly and adequately?

PHILIP BURNET, President.

The Continental set of advertisements numbers eighteen. One-half of the ad. is devoted to the company under discussion, the balance of the space is given to the Continental, reading as follows:

The Truth About Life Insurance

The conflicting claims of rival life insurance companies are sometimes so confusing that the question of where to insure becomes a difficult one to determine.

These advertisements may be helpful in reaching a decision; they present some of the most significant facts regarding the different companies operating actively in this State.

Full information about all companies and their rates, dividends, plans, etc., is on file in our office. It is yours for the asking. Telephone our Service Department for anything you want to know.

No. 1

The Connecticut Mutual of Hartford displayed admirable foresight in increasing its basis of reserves many years before any other American Company, while its well-taken stand against tontine dividends many years ago is especially commendable. In line with its mutual principles, it began, in 1911, to search for lost policyholders; inquiries were made through all available channels, and up to the present time it has paid some $300,000 to such policyholders or their beneficiaries. The company is managed very economically, investments are excellent and the mortality rate favorable. Dividend returns to policyholders are large, claims are promptly settled and the policy contracts are very liberal and fair.

No. 2

The Equitable of New York is one of the largest companies in the world. Investments are excellent and yield a good return; management expenses are low. Dividend returns to policyholders are liberal and have increased greatly in recent years. Claims are promptly and liberally settled and the policy contracts are fair and liberal in their terms.

No. 3

The Equitable Life of Washington although one of the smaller companies, has large assets in proportion to its liabilities. Its actuarial methods are sound and investments are of good character and remunerative. Death claims are promptly paid and the policy contracts are fair and liberal in their general terms.

No. 4

The Fidelity Mutual of Philadelphia bears a good reputation and has built up a large business. Investments are substantial and the management is economical. Good dividend returns are paid to policyholders, claims are promptly settled and the policy contracts are liberal and fair.

No. 5

The Metropolitan of New York transacts a tremendous industrial or weekly payment business in addition to writing a very large amount of ordinary insurance. It is one of the marvels of efficient business organization; in spite of the fact that a large part of the business is on the weekly payment plan, expenses are moderate. Investments are solid and remunerative, just claims are promptly paid and the policy contracts are fair and liberal. The company was recently mutualized through the retirement of its capital stock, so that all profits now belong to the policyholders.

No. 6

The Mutual Life of New York is the oldest active life insurance company in the United States and one of the largest in the world. Investments are of excellent character, expenses are moderate and the mortality rate is favorable. Dividend returns to policyholders have increased steadily and are very liberal. Claims are paid promptly and the terms of the policy contracts are liberal and fair.

No. 7

The Mutual Benefit of Newark, N. J., throughout its entire existence has sustained the highest ideals of business equity. Investments are high-grade and yield a good return, the management is economical and the mortality rate favorable. Dividend returns to policyholders are remarkably liberal, claims are paid promptly and the terms of the policy contracts are liberal and fair.

No. 8

The National Life of Vermont is renowned for the remarkably high character of its investments which consist exclusively of farm mortgages and municipal bonds of the highest grade. It is in the front rank for honorable and efficient management, the mortality rate is favorable and dividend returns to policyholders are liberal. Claims are promptly settled and the policy contracts are liberal and fair in their terms.

No. 9

The New England Mutual Life of Boston in all essentials takes high rank. Investments are of very high character, the management is conservative and economical, and the mortality rate is very favorable. Dividend returns to policyholders are very liberal, claims are promptly settled, and the policy contracts are exceedingly liberal and fair.

No. 10

The New York Life is the largest insurance company in the world and is

(Continued on page 7.)

THE AVERAGE EARNINGS OF THE AGENTS
OF THE
Standard Life Insurance Company
∴ ∴ OF PITTSBURGH ∴ ∴
are higher this year than ever before. Our attractive Accident and Health Policies have helped them to make more money.
Write for a LIFE, ACCIDENT AND HEALTH Contract to
FRANK A. WESLEY
Vice-President and Director of Agencies

NATIONAL LIFE INSURANCE COMPANY
(MUTUAL)
MONTPELIER, VERMONT
67th Year
FRED A. HOWLAND, President
On paid-for insurance basis and with bonds valued at par only (market value $409,882 above par) the 67th report shows:

Assets	$66,426,040.82
Liabilities	62,268,494.36
Surplus	$ 4,157,546.46
INSURANCE IN FORCE	$212,037,400.00

A good company for the policyholder and the agent
EDWARD D. FIELD, Superintendent of Agencies.

State Mutual Life Assurance Co.
OF WORCESTER, MASSACHUSETTS
Incorporated 1844
The Company that gives complete satisfaction to policyholders and agents because both are a part of it.
SEVENTY-THREE YEARS of faithfulness to every promise made.
Success for our ambitious representatives is a certainty.
Additions are made to our agency force when the right men are found
B. H. WRIGHT, President D. W. CARTER, Secretary
STEPHEN IRELAND, Inspector of Agencies

Extracts from Report of Examination of
SOUTHWESTERN LIFE INSURANCE CO.
By the State of Texas, June 28, 1915
"It is noteworthy that this Company was organized without any promotion expenses."
"I beg to report further that I find the Company in excellent financial condition."
"The volume of its business has steadily increased, its surplus is growing rapidly and its funds are being carefully conserved under expert supervision."
Home Office, DALLAS, TEXAS

THE UNITED STATES LIFE INSURANCE COMPANY
1850 IN THE CITY OF NEW YORK 1914
ISSUES GUARANTEED CONTRACTS
Good men, whether experienced in life insurance or not, may make direct contracts with this Company, for a limited territory if desired, and secure for themselves, in addition to first year's commission, a renewal interest insuring an income for the future. Address the Company at its Home Office, 277 Broadway, New York City.
JOHN P. MUNN, M. D., President
FINANCE COMMITTEE: CLARENCE H. KELSEY, Pres. Title Guarantee and Trust Co; WILLIAM H. PORTER, Banker; EDWARD TOWNSEND, Pres. Importers and Traders Nat. Bank

Ambitious, Productive and Trustworthy Life Agents may be benefitted by corresponding with the
Berkshire Life Insurance Company
of Pittsfield, Mass.
Inc. 1851
New policies with modern provisions Attractive literature
W.D. Wyman, President W. S. Weld, Supt. of Agencies

Life Underwriters' Code of Ethics

Prepared By Committee of Northwest Life Men and Adopted By Minneapolis and St. Paul Associations

The Minneapolis and St. Paul Associations of Life Underwriters have adopted a code of ethics, which, it is thought, will be adopted by all other similar bodies. The code was drafted after long and serious thought by I. R. Cambell, chairman of the Code of Ethics Committee of the Minneapolis association, J. J. Ahern, R. G. Lorin Hord, W. M. Horner, W. J. Keating, E. P. Kelly and W. E. Johnson, secretary. The code follows:

The Professional Character of Life Insurance

The most important truth about the vocation of life underwriting is its professional character. In the last analysis it embraces the essential elements of all the great professions.

It makes its appeal to the best in the heart with the zeal and religious fervor of the Ministry. In its work of educating the public to an understanding of its principles and purposes it follows the best methods of the Teaching Profesion. The science of insurance is now being taught in our schools and universities as a fundamental branch of economics.

The actuary's tables of mortality are based upon the Physician's knowledge of the laws of health and the science of life. For the necessity of clear and precise language in its policy contracts and for its ideal confidential relationship between agent and client it draws upon the genius and ethics of the Legal Profession. It solves its fiduciary and investment problems by utilizing only the soundest practices of the trust companies and banking houses.

Life insurance, then, gathering within the scope of its activities the veritable essentials of the Great Professions and building them upon the deep and impregnable foundations of business, rears a structure that will withstand the severest ravages of time.

Life insurance in its purest form accepts no financial profit for itself, but propagates its work of persuading men to conserve their moral and financial resources for the common good by altruistic co-operation with their fellowmen; and, therefore, upon this unselfish service life insurance bases its right to be classed as a profession of the highest character.

The Qualifications of Companies Eligible to Membership

The constitution of the Minneapolis Association of Life Underwriters defines an acceptable company as "One that is incorporated, operated and supervised under legal reserve laws; one that does not indulge in any special scheme or device as inducement to take insurance; one that does not make use of extravagant methods or depleted policy valuations and one that for a satisfactory period has maintained a reputable history as measured by the standard herein defined."

The Essential Qualifications of the Life Underwriter

The Life Underwriters, in moral fiber, intelligence, address and understanding of business problems, should compare favorably in all these attributes with leading professional and business men in other high-class vocations.

The agent should be trained for his work just as individuals are trained for other professions. It is not sufficient that the agent be actuated by honorable motives alone, but, coupled with his high purposes, he must have such a thorough understanding of the science of life insurance as will enable him to show its relation to other business and economic problems.

Only those who are in this business from an earnest conviction that it affords them the best opportunity to render their greatest service to humanity can claim to have the true professional spirit.

This Association will not knowingly admit to its membership anyone who does not possess these qualifications, and will oppose the licensing of anyone who does not aspire to these high standards.

In order to define and vitalize these sentiments, this Association favors a legalized standard of qualifications requisite to obtaining license as a life underwriter.

Duties of Managers and General Agents

It shall be the duty of all agents intrusted with the management of companies:

To create and maintain the professional atmosphere in the conduct of the business.

To engage as regular sales agents only those who are specially fitted in moral and mental equipment to bring intelligent, efficient and conscientious service to the profession.

To refuse to hire agents who are already engaged with other life companies before they shall have been honorably released from such employment.

To refuse to contract with or to accept business from any person, making him an intermediary, when such person has no serious intention of becoming a life insurance agent in good faith.

To observe strictly the advanced idea of "Truth in Advertising," to discountenance the use of misleading and unfair comparisons by their agents and to forbid them from speaking disparagingly of any sound life company.

To co-operate with the State Insurance Commissioner: in preventing all unworthy persons from being licensed to write life insurance; in securing adequate legislation governing the prerogatives and conduct of life insurance companies; and in the strict enforcement of such law.

Duties of the Agent to His Fellow Agents

In his attitude toward his fellow agents, as toward all mankind, the agent should endeavor to follow

The Golden Rule

"Therefore all things whatsoever ye would men should do to you, do ye even so to them, for this is the Law."

The agent worthy of respect and confidence will never make unfair criticisms or untruthful statements regarding a fellow agent or his company. On the contrary, he will respect all worthy competitors and will cultivate a friendly relationship with them.

Concerning Competition

Competition should always cease when the application is signed in good faith and when the applicant feels morally obliged to complete the transaction. The fact that the applicant has made a settlement for the premium shall be conclusive evidence of his moral obligation.

If the applicant has been given the privilege to accept or reject any policy issued upon his application, the case is open to competition.

In general, however, the Association discountenances inconsiderate competition as a waste of time and energy and on the ground that it destroys public confidence in the profession.

Duties of the Agent to His Client

The true relationship between the agent and the buyer of life insurance is that of adviser and client.

The profession of life underwriting is a service to humanity, and reward or financial gain must always be a secondary consideration in the mind of the conscientious agent. He should not be influenced by any calculation of commissions, but, after thoughtful analysis of the particular circumstances of each case, he should recommend that policy which he considers best suited to his client's needs.

The agent who is actuated by such motives may rightly expect to win the confidence of the public. This conscientious service, together with an intimate knowledge of life insurance and its social and economic value to society, entitles the agent to the complete confidence of his client, and such a relationship must be established before intelligent service can be rendered.

The agent should feel the responsibility of such confidence placed in him and he should not under any circumstances divulge any information thus entrusted to him.

Necessity for Adequate Legislation

Human interests of vast magnitude are inseparably connected with the destinies of Life Insurance.

Enormous sums of money representing the savings and faith of millions of people are annually deposited with life insurance companies to be invested in sound securities and to be returned after a period of years either to the insured himself or to his beneficiary.

The trust relationship thus created may extend over a period of a hundred years or more. Since nothing so disturbs the healthy growth of life insurance as breaking faith with the public, it is a matter of the utmost importance that this institution, organized upon a scientifically sound basis, should be protected by law against the possibility of becoming corrupt or insolvent.

Of equal importance with the need of legislation governing the organization of life insurance companies is the necessity for adequate laws regulating the conduct of the agents.

Concerning the Part-Time Agent

In support of this necessary legislation the Association is unalterably opposed to the practice of licensing as part-time agents individuals who do not sincerely intend to become, within a reasonable period, full-time regular agents.

The constitution of this association, provides that those who are not "engaged specifically in the business of legal reserve life insurance in connection with an acceptable company" are not eligible to membership in this association.

Concerning Brokers

This association in accordance with the State law, refuses to recognize any agent or broker as having the legal right to perform the function of a life insurance agent "who does not in good faith intend to carry on the business of insurance agent or broker." (Quoted from Minnesota Insurance Law. For full text see page 17.)

We, therefore, in support of this high standard, favor for brokers a separate license that will carry the legal right to perform the functions of a life insurance agent only and which does not

HOME LIFE INSURANCE CO.

(Now Purely Mutual)

256 BROADWAY, NEW YORK

GEORGE E. IDE, President

The fifty-seventh annual report shows insurance in force of $133,493,000, an increase during the year of $7,832,827. The Company paid the policyholders in 1916 $3,536,233, of which $628,406 was in dividends or premium refund. Its insurance reserve fund was increased by $1,300,000 and the Assets are now $32-821,462.

For Agency apply to

GEORGE W. MURRAY,
Supt. of Agts.
256 Broadway, New York, N. Y.





J. C. Hmes, President

L. D. Clancy, Secretary

A Legal Reserve Company

Are You a Big Producer? Can You Prove It?

ONE GENERAL AGENT WANTED IN INDIANA

Home Office: Fletcher Trust Bldg., Indianapolis, Ind.

include various other kinds of insurance. We refuse to accept business from anyone holding a broker's license whose principal occupation is not the life insurance business.

Concerning the "Twister"

Self-styled life insurance "auditors" and "experts" by insinuations and manipulation of figures are inducing policyholders to surrender for their cash values policies which are partially or fully paid-up and are advising them to buy new insurance in companies they represent.

This "twisting" of policies, as it is commonly designated, results in a financial loss to the insured, is the grossest kind of malpractice, and, is therefore, prohibited by the State insurance law.

This Association is committed to the practice of advising policyholders to complete all standard forms of contracts in accordance with the original terms thereof. This applies to policies in the company in which they have been placed as well as to those in competing companies. A loan against a policy is of the same nature as a loan secured by any other form of collateral, and does not justify the substitution of a new policy at an increased age and cost.

Policyholders should notify the Commissioner of Insurance regarding malpractice of this character.

Concerning Rebates

State laws prohibit life insurance companies or their representatives from offering, making or permitting any advantage or distinction in favor of any individual, with respect to the amount of the premium to be paid on any policy of insurance.

Within the meaning of the law, any reduction of the premium or any valuable inducement not specified in the policy, or, any offer to give, sell, or purchase, as inducement to insure, any stocks or bonds or other securities of any corporation, association, partnership or individual, or the exchange of merchandise or other commodity for a policy of insurance constitutes a rebate. (See page 21.)

The person giving or offering a rebate and the person accepting a rebate are equally guilty and liable under the Statute.

Policyholders are hereby warned that the acceptance of a rebate not only makes them liable under the Statute but that it may place a cloud on the title to their insurance.

Duty of the Public to Discriminate

It is the duty of the public to use the same keen, analytical discretion in the selection of its Life Underwriters which it employs in choosing its lawyers and its physicians.

Buyers of life insurance are morally obligated to co-operate with the Association in eliminating from the profession those agents who are unfitted for the work. Standardization will progress more rapidly if the public refuses to recognize or favor with patronage the untrained or the unreliable agent.

Such discrimination on the part of the public will result in better service than is otherwise possible.

Conclusion

Every profession has its own duties, which must be understood and obeyed if its ideal achievements are to be attained.

The life underwriter who subscribes to this Code of Ethics thereby breathes into it the living spirit of the profession. He makes it more than a mere abstract statement of the ideal, he adopts it as the atmosphere of his life's behavior.

Having deliberately subscribed to these rules of conduct, it shall be the duty of every member of the Minneapolis Association of Life Underwriters to expose without fear or favor every violation of these rules, and any member of this Association who shall willfully depart from the spirit of these obligations shall be dealt with as provided in the Constitution and By-Laws of the Association.

44 MILLIONS from 42 AGENCIES

THE 1916 RECORD OF OUR EARNEST, LOYAL AND HAPPY AGENCY FORCE

New England Mutual Life Insurance Company

BOSTON, MASS.

Burnet Advertising

(Continued from page 5.)

growing very rapidly. Investments are of very high class and management expenses are very low. Death claims are paid promptly and the policy contracts are fair and liberal in their terms.

No. 11

The Northwestern Mutual of Milwaukee ranks high. It has grown very rapidly for many years, is economically managed, the mortality rate is very favorable and investments are excellent throughout. Dividend returns to policyholders are exceptionally liberal, claims are paid promptly and the policy contracts are liberal and fair.

No. 12

The Penn Mutual of Philadelphia is managed economically in the interests of its policyholders, investments are of excellent character and the mortality rate favorable. Dividend returns to policyholders are very liberal, claims are promptly paid and the terms of the policy contracts are liberal and fair. The company takes high rank in all the essentials.

No. 13

The Provident Life and Trust of Philadelphia, founded originally to promote life insurance among the Society of Friends, is renowned for the sterling integrity of its management. Investments are substantial and yield a good return; the mortality rate is exceptionally favorable. Dividend returns to policyholders are very large, claims are promptly settled and the policy contracts are liberal and fair.

No. 14

The Prudential of Newark has been one of the most successful companies in the country. Considering the fact that a large part of its business is on the industrial or weekly payment plan, the management is very economical and the mortality rate remarkably low. Investments are sound and yield a substantial return. The company was recently mutualized through the purchase of its capital stock for the benefit of the policyholders who are now entitled to all the profits of the business. Claims are promptly settled and policies are liberal and fair.

No. 15

The Travelers of Hartford is the leading exponent of flat-rate or non-participating insurance. It is economically managed, investments are carefully made and are remunerative and the mortality rate is favorable. Claims are promptly paid and the policy contracts are liberal and fair.

No. 16

The Union Central of Cincinnati is noted for its wide experience and great success with farm mortgages. For many years its investments have been limited exclusively to farm mortgages, losses have been negligible and the interest return remarkably high. Expenses are very moderate, the mortality experience exceptionally favorable and dividends to policyholders are very large. Claims are promptly paid and the policy contracts are liberal and fair.

No. 17

The United Life and Accident of Concord, N. H., is a new company which specializes upon an attractive policy combining life insurance with disability benefits. Investments are high grade and yield a good return. The assets of the company are very large in proportion to its liabilities.

No. 18

The preceding series of seventeen advertisements has been limited to a consideration of the merits of those companies which wrote $50,000 or more of new insurance in Delaware last year; many others are quite as worthy of commendation and public confidence. If your company has not been mentioned, it will be a pleasure to give you what information we have regarding it if you will telephone our Service Department.

WAR CLAIMS PAID

London papers announce that British life insurance companies have paid the following war claims to date of publication (about three weeks ago):

	Amount £	s.
Britannic	94,026	15
British Legal and United Provident	52,341	13
British Widows	9,493	10
Hearts of Oak	389	16
Pearl	301,642	0
Prudential	2,132,653	0
Refuge	335,731	10
Salvation Army	5,017	15
Wesleyan and General	107,678	18

Business Attending to Business

General business is prosperous and the public confidence is proof against all alarms. Our deliveries for the first three months were much larger than for the first quarter in 1916. Patriotism requires that business shall attend to its business with the utmost zeal, that the stability of finance may remain unshaken; even as patriotism requires that every American shall support the government by such means as are his to contribute, that our country may be invincible.

Occasionally we have a general agency opening.

JOSEPH C. BEHAN, Superintendent of Agencies

MASSACHUSETTS MUTUAL Life Insurance Company

Springfield, Massachusetts

Incorporated 1851

Liberty Bond Drive Shows Good Total

3,000 LIFE AGENTS HERE AVERAGE $400 to $500 EACH

About 20% of Men in New York Respond to Call of Life Underwriters' Association

About 20 per cent. of the life insurance agents in Greater New York responded to the call of the Life Underwriters' Association of New York to sell Liberty bonds on Tuesday and Wednesday of this week. But although the number of workers was not up to expectations, the work done by the patriotic 3,000, showed excellent results. Returns are incomplete and not tabulated, but so far as received at the time this is being written, they show that the average for each agent was between $400 and $500 in actual sales. The number of bonds sold averaged between 2½ and 3.

Five agencies, which had reported complete figures Wednesday afternoon, had totalled $65,900, with 143 men out. Many other agencies reported favorable results.

One agency announced that it would keep its force of more than twenty men cut selling Liberty bonds until June 15 and that it guaranteed to have 500 savings bank accounts opened for the part payment of bonds.

One agency reported that its twenty-one men could not sell a single bond.

Agents' Experiences

The agents reported uniformly courteous receptions. Wherever they went, into the highways and byways of life, men and women treated them well. Employers urged employes to buy.

Three enterprising agents hired an automobile and appeared in Wallabout Market, Brooklyn, at 3 o'clock Tuesday morning to interview the farmers and produce men. They report good results.

Another agent went to a factory and was introduced by the owner. The agent asked who would be the first to subscribe. A poorly dressed girl of fifteen responded and poured $1 in small change into the agent's hand, as first payment.

In a contractor's office, where there were four clerks, one had already bought a bond. The other three purchased from the agent.

The sexton of a church, with a large family and a salary of $100 a month, bought a $50 bond, paying cash.

In another factory, one of the partners had bought a considerable amount of bonds. He advised the agent to go through the place and see the employes. As he was about to do so, the senior partner stopped him.

"You're butting into my preserves," he said to the agent. "I have a scheme to sell to the employes on the instalment plan. If they won't buy, I want you to come over again and make a speech to them and shame them into it."

Out of Town Results

News from Pittsburgh, Boston, Chicago, Detroit, Baltimore, Philadelphia and other centers is to the effect that the life insurance campaign has brought material and satisfactory results. It is reported that the sale of Liberty bonds in Minneapolis piled up an astonishingly high total.

In Des Moines, the Bankers Life made June 5 a holiday for its field and office force, the latter numbering 300. Every man and woman was expected to go out and sell bonds.

Approximately $500,000 has been subscribed by the 2,200 employes of the New York Life Insurance Company. Darwin P. Kingsley, president, stated that this amount had been subscribed under the Company's plan for handling subscriptions for its employes.

Capitol Life to Commute Policies

COLORADO COMPANY ANNOUNCES RADICAL STEP IN WAR RISKS

Issues Form of Rider Under Which Insured Need Not Pay Extra While in War Service

In a notice to its agents, the Capitol Life Insurance Company of Colorado announces what may be termed a radical step insofar as the war hazard is concerned. The Company states among other things that it will not charge extra premiums for war risks, but will commute policies under conditions set forth in the special rider to be attached to the policies, as usual. In its announcement, the Company says:

1. War rider to apply to applications taken and policies issued after May 31, 1917.

2. To enable the Company to meet the extraordinary hazard incident to war, the Company has adopted a supplementary application designed as a "War Rider" which must be signed beginning June 1, 191.. by each applicant for insurance and accompany the regular application.

3. A copy of this supplementary application designed as War Rider will be attached to and form part of every policy issued after May 31, 1917.

No Change in Premium

The premiums are to remain as shown in the rate book, the change being in benefits of the policy as modified by the war rider.

War Rider

The War Rider and percentages of death benefits are printed herein on pages 2 and 3, the War Rider being shown by way of illustration at age of 35 for a limited payment life or endowment policy.

Instructions

In filling out this War Rider in connection with the regular application always write in the percentage, the number of the regular application which accompanies it and date it, also witness the signature.

No Change of Rules

The war rider does not conflict with the regular writing of any business nor change any of the rules heretofore in operation and no modification of the policy is made until engagement in the services mentioned in the war rider. Applications from men already engaged in aeronautic and submarine services will not be considered.

The Rider.

NOTICE:—This Rider does not apply to persons who do not engage in any Service mentioned herein The Capitol Life Insurance Company of Colorado

WAR RIDER

It is hereby agreed that the terms of the Policy to which this War Rider is attached shall be modified as follows:

1. The consent of the Company to engage in Military or Naval Service as provided in the application shall not be required, but death while engaged in or as a result directly or indirectly of Military, Naval, Aeronautic or Submarine Service is a risk not assumed by the Company except as hereinafter provided notwithstanding the provision of the Policy relating to incontestability after one year from its date.

2. Death while engaged in or as a result directly or indirectly of Military, Naval, Aeronautic or Submarine Service is a risk not assumed under Term Policies. If the Policy to which this War Rider is attached be a Term Policy and the Insured engages in such Service, the Policy shall without notice to the Insured at once become void, whereupon the sole obligation of the Company shall be to return the amount of any unearned premium paid for the then current year.

3. Death while engaged in or as a result directly or indirectly of Military, Naval, Aeronautic or Submarine Service for any government other than the United States is a risk not assumed; and, in case of death so happening, the liability of the Company under the Policy shall not exceed the reserve then maintained thereon.

4. Death while engaged in or as a result directly or indirectly of Military or Naval Service, other than Aeronautic and Submarine Service, for the United States and within the confines of the United States (meaning within the territorial limits of the United States and its dependencies), except any portion thereof invaded or attacked, is a risk assumed without extra charge or reduction in death benefit, but subject to the following condition:

(A) Upon the Insured entering such Service, the Premium Waiver and Permanent Disability Benefit, Extended Insurance and Automatic Extension clauses in the Policy shall automatically become void, and default in any premium payment after three (3) full years' premiums have been paid, shall then secure to the Insured without action on his part Paid Up Insurance in accordance with the table of Paid Up Insurance values in the Policy.

5. Death while engaged in or as a result directly or indirectly of Military or Naval Service for the United States, without the confines of the United States as hereinabove defined, or within any invaded or attacked portion thereof, or upon the High Seas, and Aeronautic or Submarine Service for the United States anywhere, is a risk assumed subject to condition ("A") in paragraph 4 of this rider, and subject also to the following limitation as to liability.

(B) The Company's liability in the event of death in such service or as a direct or indirect result thereof, shall be limited to 43 per cent. of the face amount of the policy.

6. Military and Naval Service as used herein includes the Red Cross and any other service or employment directly auxiliary to Military or Naval Service.

7. If, after the discontinuance of Service hereinabove described, the Insured furnish evidence of physical condition satisfactory to the Company, the Company will, upon terms prescribed by it, reinstate in whole or in part, any provision or condition of the Policy made void or modified by this War Rider.

8. Nothing contained in this War Rider shall be held or construed to change any provision of the Policy except as provided herein.

I hereby accept all of the provisions of this War Rider as part of my application No. 250000 to The Capitol Life Insurance Company of Colorado.

Dated at Denver, Colorado, this First day of June, 1917.

JOHN DOE, Applicant.

Automatic Application to Conditions

The intention of this War Rider is to enable Agents and Applicants to do business as though there was no war and still protect both Company and Insured; protect the Company by making the War Permit and Restrictions operate automatically as a safeguard to its thousands of present Policy Holders against a hazard never contemplated either in Premium Charge or Policy Provisions; to protect the Insured by making his policy apply automatically to his new hazard should he either voluntarily or otherwise enter service, thus removing the fear of voiding the policy by such service, the necessity of obtaining a permit and the uncertainty as to its cost should permit be granted.

Limit of Amount of Insurance

The face amount of insurance we will carry on an already enlisted man or non-commissioned officer is limited to $2,000 on Ordinary Life and Twenty Payment Life, and to $3 000 on Endowments; and on a Commissioned Officer, to $5,000.

In Case Where Full Death Benefit is Desired

1. Some applicants may desire to maintain the policy in force for its full face value; to such, we will issue a Special War Rider which will apply on the percentage of the policy not otherwise covered for the period paid for, at such rate as the Company may deem necessary.

2. Such Special War Rider will continue to the next anniversary of the premium payment on the policy and may be renewed on each anniversary.

3. For the present, an annual premium charge of $50 per thousand of the face of the policy covered under the War Rider will be made, the Company reserving to itself the right to increase this charge should the experience of the Company show that such increased charge is necessary. No commission will be paid on this extra premium.

LICENSE SUSPENDED

State Insurance Commissioner, W. M. Sheehan of Maryland recently suspended for four months the license of Andrew F. McDonald, a general agent at Fort Deposit, Maryland, for improper practices in giving rebates.

THE MOST VALUABLE POLICY FOR YOU,
Mr. Agent, is to write your prospect in the Company writing the most valuable policy for the insured.
Secure **prompt action** in the
John Hancock MUTUAL LIFE INSURANCE COMPANY OF BOSTON MASSACHUSETTS
WILLIAM N. COMPTON, General Agent
METROPOLITAN DISTRICT, ST. PAUL BLDG., 220 BROADWAY, NEW YORK, N. Y.

ORGANIZED 1871
Life Insurance Company of Virginia
RICHMOND, VIRGINIA
OLDEST LARGEST STRONGEST Southern Life Insurance Company
Issues the most liberal forms of Ordinary Policies from $1,000.00 to $50,000.00, and Industrial Policies from $12.50 to $1,000.00
CONDITION ON DECEMBER 31, 1916:

Assets	$14,464,552.23
Liabilities	12,436,717.56
Capital and Surplus	2,027,834.67
Insurance in Force	118,349,212.00
Payments to Policyholders since Organization	18,119,172.50
Is Paying its Policyholders over	**$1,300,000.00 annually**

GOOD TERRITORY FOR LIVE AGENTS

George Leosch in New Headquarters

ESTABLISHES THREE BRANCH OFFICES

Production for May Over $400,000—75 Per Cent. Written By Whole Time Agents

The Metropolitan department of the Manhattan Life under the management of George Leosch recently moved into a new suite of offices on the eleventh floor of the home office building, at 66 Broadway, which have been especially fitted up with private offices for $200,000 men.

In addition to the above Manager Leosch has established three new offices, one up-State, one in the Bronx and another at Forty-second Street and Fifth Avenue.

The members of the Leosch Agency tendered him a surprise last week on the occasion of his birthday when they presented him with a mahogany wall clock for his private office. The month of May closed with a production of over $400,000, 75 per cent. of which was produced by whole time agents.

The month of June has been set aside as "Dedication Month," to dedicate the new headquarters, and when asked by a representative of The Eastern Underwriter how it was working out in the way of business, Mr. Leosch said, "Well, I hate to tell you. Just wait till the month is over. I think we will be able to show you something, not thought possible in New York with the old Manhattan Life."

SOUTHLAND LIFE BUILDING

Dallas Company Acquires Chamber of Commerce Property—Plans to Erect Ten-Story Structure

The Southland Life Insurance Co., of Dallas, Texas, has acquired the property known as the Chamber of Commerce Building and will proceed immediately on plans to erect a ten-story modern office building thereon. The Company will occupy the first two floors of the building and rent the balance of the space on long term leases.

A. S. JOHNSTON ILL

A. S. Johnston, of Johnston & Monser, general agents of the Mutual Benefit Life Insurance Company, at Buffalo, is confined in his home. He has been seriously ill for some time.

Build Your Own Business
under our direct general agency contract
Our Policies provide for:
Double Indemnity, Disability Benefits, Reducing Premiums
See the new low Rates
JOHN F. ROCHE, Vice-Pres't
THE MANHATTAN LIFE INSURANCE COMPANY
66 BROADWAY NEW YORK
Organized 1850

Founded 1865
The PROVIDENT Life and Trust Company
OF PHILADELPHIA, PA.
What do most men fear?
An insufficient income for their wives and children if they die, and for their own old age if they live.
WE WILL INSURE THE INCOME IN EITHER EVENT.
Write for Information

SUTPHEN IN CLEVELAND

Becomes Vice-President and Agency Manager of the Cleveland Life Insurance Company

Howard S. Sutphen for many years associated with the Pittsburgh Life & Trust Company and later vice-president and manager of agents of that Company, has been elected vice-president of the Cleveland Life Insurance Company in charge of its agency department. Mr. Sutphen took up his new duties last week.

LIVE HINTS FOR BUSINESS GETTERS

Practical Suggestions to Help the Man With the Rate Book Increase His Income and General Efficiency

Risks That Farmers Assume

E. T. Meredith, in a recent issue of "Successful Farming," which is distributed very widely among farmers of the country, says the following:

"Every farmer should carry life insurance if he can possibly get it. It only takes a jiffy to snuff out a life when a machine or implement breaks, a team becomes frightened, a bull becomes uncontrollable, a gun goes off unexpectedly, a bolt of lightning strikes, or a tornado sweeps all with destructive force. There are the many careless acts, like sliding off a load of hay upon a fork, or risking sunstroke, over-exhaustion, or disease. Life really hangs by a slender thread.

"There is no desire to frighten any one, or cast a gloom over any life. But ask yourself—what would happen to the family if I should die? Is my will made so that lawyers do not get most of the property in settling the estate? Would the wife have cash enough on hand to tide her over the months that may be required in squaring up my affairs? Would she become the victim of some loan shark the first thing?

"If you carry ample life insurance you can go to work every morning whistling and always know that you have provided against the day when the wife is left a widow and the children left fatherless. If you believe in fire or wind and hail insurance you surely believe in life insurance, which is far more important. The greater your debts the greater the need of ample life insurance."

* * *

When To Stop Talking

It is an axiom in many circles that the average life insurance agent talks too much. The Equitable Life of Iowa recognizes that this fault is prevalent with some and seeks to educate them to a realization of when best to stop, as follows:

"When you get a man's name on the dotted line stop talking. You may say something to cause your prospect to change his mind. Many an insurance solicitor has talked himself out of getting an 'app' by not closing at the right time, or by letting well-enough alone. Two corking good methods of wasting time and losing as well, are to talk either politics or religion.

"Get away from the old stereotyped presentation of life insurance. Dress your proposition in a new and effective method of presentation. Originality of expression wins attention. Find a new set of words for describing the old game of life insurance and at once you are presenting to a prospect a new proposition.

"When you are asked to answer an objection which you cannot readily do, at the earliest possible moment get the desired information and write out a clearly worded answer. commit it to memory. It is then yours and part of your selling equipment.

"In other words, acquaint yourself thoroughly with all features of your contracts.

"Write down and commit to memory the most important sales-arguments. Every time you are defeated by an objection, write down a forceful answer and commit it to memory. The next time you hear the same objection you will be able to answer it with astounding readiness. An objection which is quickly, forcefully and conclusively answered checks the growth of further objections. When you have astounded a prospect with several quick, conclusive answers he will allow you to go on uninterrupted."

How To Become a Good Closer

E. A. Shafer, an agent of the Massachusetts Mutual Life who believes that at least three out of five cases can be closed on the first interview, and who spoke at the company's Mid-West agency meeting in Chicago on the subject, "How to Become a Good Closer," gave his hearers the following advice:

Give each case plenty of thought before attempting to see your prospect; when admitted, then every step in the interview should be carefully taken. The methods adopted will vary according to the prospect.

Avoid talking at long range,—get as near to the prospect as possible.

Technical terms should be avoided. There are times when it may be safer to use "Yearly Payments" for "Premiums," "Contracts" for "Policy," "Savings" for "Accumulations," "Cash at end of twenty years" or "Insurance at death" for "Cash surrender values" and "Paid-up insurance values" because agents are frequently misunderstood in the use of these insurance terms. When "Paid-up insurance" has been taken to mean "Cash surrender value," the misunderstanding has caused a serious disappointment to the insured and humiliation to the agent.

Don't talk too much. A prolonged interview may jeopardize the chance of securing immediate business. Telling talk is needed. The quality and not the quantity should be regarded. Everything spoken during the approach and interview should contribute to the securing of an application.

Objections to the insurance proposition can be anticipated and arguments prepared to meet them. Our propositions are constant and the objections of prospects are so much alike that we can, if we will take the trouble, train ourselves to make a perfect presentation and to meet almost any development which may arise in the course of a canvass.

All men are very much alike, and if we are careful in the approach and study the prospect carefully during the explanation or interview, at least three out of five can be closed on first call. I feel safe in saying four out of six.

Everything in the approach and interview should be plain and to the point. When this is successfully and carefully done, the prospect is convinced of his need of insurance, he is satisfied with the policy presented, he is satisfied with the company because he is satisfied with the agent, and the only thing remaining is to get the application. Talk one contract, do not jump from one to another.

As "there is no royal road to learning," neither is there any prescribed way by which an agent can close business. Everyone will do this in a manner peculiar to himself. The proper moment will be waited for, and when in the agent's judgment it has arrived, he will make an appeal for a prompt decision and present the application. I think every prospect should be approached and interviewed with the intention of getting immediate business.

In conclusion, I would say that when as real business salesmen we give due attention to ourselves, and learn all that is possible about our prospects before the approach, and make special preparation for each interview, we can then go forward in the performance of our duty confidently expecting an application to be secured from almost every well-directed effort.

Don't appear too anxious. Put your entire thought and effort in selling the contract, not your commission.

Talk new policies,—this appeals to people for the reason that everyone is interested in that which is new.

THE
METROPOLITAN LIFE
Insurance Company
(Incorporated by the State of New York)



Metropolitan Life Insurance Company
Home Office Building

The Company
Of the People
By the People
For the People

The Daily Average of the Company's Business during 1916 was:

701 per day in Number of Claims Paid.

8,304 per day in Number of Policies Issued and Revived.

$1,969,823 per day in New Insurance Issued, Revived and Increased.

$376,827.40 per day in Payments to Policyholders and Addition to Reserve.

$220,509.26 per day in Increase of Assets.

JOHN R. HEGEMAN, President

Will Incomes Be Continued

Approximately 350,000 persons have recently received a short notice from the Collector of Internal Revenue, United States Treasury Department, to the effect that the Income Tax as assessed is due and payable on or before June 15, 1917. Most of them will do a lot of thinking about their incomes just now, and it is a good time to talk to them about their income value.

The average man's death cuts off his income, but does not cut off his responsibilities to his family. A very few men accumulate enough before death, so that the income, presuming safety and permanence, from their estates, will maintain their families and keep them from want. The balance have only one sure way, and that is to use a portion of their current earnings to purchase Income Insurance, and thus extend their incomes to a point twenty or more years beyond death, for the benefit of the surviving families.

The following table shows the returns for the calendar year 1915, based on net income:

Incomes	Number	Total Taxes
$ 3,000 to $ 4,000	69,045	
4,000 to 5,000	58,949	
5,000 to 10,000	120,402	$23,995,777.28
10,000 to 15,000	34,102	
15,000 to 20,000	16,475	
20,000 to 25,000	9,707	
25,000 to 30,000	6,196	
30,000 to 40,000	7,005	$ 6,091,775.71
40,000 to 50,000	4,100	
50,000 to 75,000	4,791	$ 4,071,361.94
75,000 to 100,000	2,056	$ 3,623,472.62
100,000 to 150,000	1,793	
150,000 to 200,000	724	$10,936,326.15
200,000 to 250,000	386	
250,000 to 300,000	216	
300,000 to 400,000	254	$ 6,393,858.64
400,000 to 500,000	122	
500,000 to 1,000,000	209	
1,000,000 and over	120	$12,647,862.91

Instead of talking life insurance, point out the necessity of extending incomes beyond death. Remember that incomes of less than $3,000 are just as important to those who depend upon them, as the largest incomes and are usually in greater need of insurance protection.—"Field Notes."

Representing

The Mutual Life Insurance Company
of New York

You will make money.

The great strength, big dividends and incomparable benefits of the *"oldest company in America"* mean certain success for you.

For Terms to Producing Agents, Address

GEORGE T. DEXTER, 2d Vice-President
34 NASSAU STREET. NEW YORK, N.Y.

THE EASTERN UNDERWRITER

This newspaper is owned and is published every Friday by The Eastern Underwriter Company, a New York corporation, office and place of business 105 William Street, New York City. Clarence Axman, President; B. F. Hadley, Vice-President; W. L. Hadley, Secretary. The address of the officers is the office of this newspaper. Telephone 2497 John.

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Entered as second-class matter January, 4, 1907, at the Post Office at New York, N. Y.; under the act of Congress of March 3, 1879.

ENCOURAGEMENT FOR INSURANCE

Commendation is being heard generally in insurance circles as to the action of the Finance Committee of the Senate on May 29th in having voted to eliminate Section 504 of the war revenue bill, which section imposed a gross production tax on the various classes of insurance, that on life insurance being 8 cents per $100 on new issues. This is the first, not the final, step in the fight being made on behalf of insurance policyholders. It is to be hoped that when the committee makes a final report this week that the Senate will sustain that report, and if the action of the committee is sustained then the center of the struggle will be transferred to the conference committee of the Senate and House. There have been a vast number of changes made in the revenue bill by the Finance Committee, insurance being only one of the vast number of points of contention.

It is generally believed that the Administration will try to have the Conference Committee replace many of the items in the House draft of the measure. So the whole situation is fraught with a great deal of uncertainty. However, it is a fact there has been a rapidly growing sentiment in the Senate against gross production taxation, in which is included, of course, this special tax on life insurance. As Robert Lynn Cox ably pointed out in his brief, gross production taxation is a tax which does not take into consideration ability to pay.

This brief said in part:

You are dealing with one of our largest American institutions. There are twenty-five billion dollars of life insurance carried by the United States companies to-day, most of which is carried on lives in the United States. We are not saying anything at present about the income tax which you propose to double or the excess profits tax which you propose to double, because in this you are dealing with this business as with other large businesses.

MR. BURNET'S FINE IDEA

Philip Burnet, president of the Continental Life, of Wilmington, Del., has long stamped himself as a life insurance executive of unusual good sense, marked ability and fine ethics. That impression is corroborated by the remarkable series of advertisements inserted by him in Wilmington evening papers, where he pays for space in order to tell the merits of each company entered in the State. Mr. Burnet rightly feels that while his own company should write its share of insurance the big point is that as many people shall be insured by all companies as it is possible to reach. Company is incidental; insurance is supreme. Each company has something of value to offer and the more people taking advantage of insurance the better for all concerned. This viewpoint is practical, unselfish and should and will meet with general approval. It also will help life insurance in Delaware, while the idea should be copied in other States.

A STATEMENT OF FUNCTION

At a time when the power of insurance commissioners is growing, and some commissioners are even trying to usurp underwriting prerogatives, the subjoined views on the functions of an insurance commissioner, made by Burton R. Mansfield, of Connecticut, in his report to Governor Holcomb, of that State, is of decided pertinence:

I consider the main tests of competent supervision to be the solvency of the companies, their obedience to the law, discouraging foolish and unfair legislation and the bringing together of the companies and their insured in cases of dispute, especially where the amounts involved are small and the people concerned ignorant of the force and effect of their contracts. It is not our business to manage the companies' affairs.

DATING BACK OF POLICIES

Commissioner Winship, of Michigan, has written companies as follows:

"Michigan has two laws bearing upon this subject: The Standard Provisions Law (Act 187, P. A. 1907) in the third subdivision of Section 2, provides that no policy shall purport to be issued or take effect before the original application for insurance was made, if thereby the insured would rate at an age younger than his age at date when the application was made, according to age at last birthday.

"This, in effect, means that a policy may be dated back one year less one day, but Section 31 of Act 77, Session Laws of 1869 modifies the above provision according to the established practice of companies. The latter law provides that no life insurance company doing business in this State shall make or permit any distinction or discrimination in favor of individuals between insurants of the same class and equal expectation of life, in the amount of payment of premium or rates charged for policies of life or endowment insurance, etc.

"This is in reality an anti-discrimination provision, and requires companies to apply the privilege of dating back policies accorded by the standard provisions law, to all applicants alike. If, therefore, a company's practice is to rate applicants on their age at nearest birthday, they must apply this practice to all applicants without regard to the provision of the Standard provision law. In other words, the principle of dating back policies must be applied to all alike."

ROSA BILL ACTION POSTPONED

Madison, Wis., June 6.—Without a roll call the senate indefinitely postponed the Rosa Bill, which would repeal the reciprocal insurance tax law, passed by the 1915 session of the legislature. The Bill passed the assembly by a large vote, but was unfavorably recommended by the senate committee on corporations.

THE HUMAN SIDE OF INSURANCE



ALFRED R. JENTES

Alfred R. Jentes sold hats in a retail store not so long ago. Next he acted as city salesman for a fur house. Then he joined the Equitable Life Assurance Society and became one of its agents at 271 West 125th Street. That was two years ago. Last week he qualified for the Eastern Century Club of the Society, having written $147,000 of insurance since July 1 of last year. Mr. Jentes admits to being a young man without a past. His associates predict a considerable future for him however in the insurance field. He has for his motto: "Service to the policyholder, before and after the issuance of the policy," to which he attributes considerable of his undoubted success.

* * *

A. L. Thorsen, agent of the Mutual Life at Milwaukee, is a "family" man. He believes in writing the "whole family." Recently he succeeded in writing four members of the Levy family in Milwaukee. Arthur A., age 22, $1,000; Isadore M., age 24, $2,000; Adolph J., age 30, $3,000; and Harry M., age 35, $1,000. Agent Thorsen says there is more coming.

* * *

Clarence D. Tuska, manager and editor of the "I.S.T.," a magazine devoted to the subject of wireless telegraphy, gave an interesting and instructive lecture to the Travelers' Girls Club Monday, May 29, in the assembly hall of the Travelers' building in Hartford. The object of the lecture was to stimulate the formation of a class for the study of wireless.

* * *

James B. Moody, Jr., of Hartford, superintendent of the New England Mutual Life for Connecticut, is at Plattsburg attending the officers school for the United States Army.

* * *

Dr. E. K. Root, medical director of the Aetna Life, has been elected president of the Medical Association of Connecticut which is composed of the practicing physicians of the State.

* * *

Andrew C. Mitchell, Deputy Superintendent of the Metropolitan Life, of Bessemer, Ala., has been elected president of the Board of Education in his city.

* * *

A. G. McIlwaine, Jr., of the London & Lancashire, has taken a house for the summer at Waterford on Long Island Sound.

Louis A. Cerf, Jr., son of General Agent L. A. Cerf, Mutual Benefit, New York, has enlisted in the American Ambulance Corps. He is an undergraduate of Princeton. **E. J. Phelps, Jr.,** son of General Agent E. J. Phelps, Mutual Benefit, Omaha, a student of Leland-Stanford University, has enlisted in the same corps, as has **H. C. Thurman,** son of General Agent C. T. Thurman, of Mutual Benefit, Raleigh, N. C. **Howell Foreman,** son of General Agent R. L. Foreman, Atlanta, is in the Officers' Training Camp, Fort McPherson. **Gerald Allen,** son of General Agent H. W. Allen, Wichita, Mutual Benefit, is in the Officers' Training Camp, Fort Reilly. **Henry J. Matchett,** of the Minneapolis agency of the Company, is a second lieutenant in the regular army.

* * *

Frederick A. Savage, general agent of the New England Mutual Life at Baltimore has been called into service and is now an officer in the United States Naval Militia.

Until his return the New England Mutual Life has authorized Mrs. Anne H. Savage to take up and protect her husband's interests. She will have the co-operation of A. Eugene Blair who for many years has been closely identified with the Baltimore agency.

* * *

E. W. Harden, until recently State agent for Oklahoma for the Pittsburgh Life and Trust, has been appointed State agent for the Northwestern National Life of Minneapolis for Oklahoma.

OFFER SERVICES TO CANADA

The Actuarial Society of America, which offered its services to the Council for National Defense recently, sent the following letter this week to Sir Edward Kemp, Minister of Militia and Defense, Ottawa:

Dear Sir: At the recent meeting of the Actuarial Society of America considerable discussion arose in regard to the enormous developments in organization and other work connected with statistics, mortality, pensions, census work, and other such matters which the Government of the United States now has to undertake as a result of its recent entry into the war. The opinion was very generally expressed that under these new conditions, scientific, expert advice should be valuable. A resolution was accordingly adopted, cordially and freely placing the services of the Society and its members at the disposal of the Government.

The Actuarial Society of America is an international body, including practically all the leading actuaries of both Canada and the United States. The Canadian members constitute a large and influential section, not merely of the Society but of its governing council. Canadians have on several occasions been elected to the presidency, and meetings of the Society have been held in the Dominion. We mention this to emphasize the fact that the Society is Canadian in character as much as American.

At the request of our Canadian members, we beg now to inform you that if the Canadian Government considers that expert advice or suggestions of any kind would be of assistance to it in any department of its war work, this Society and its members, whether Canadian or American, are absolutely at your disposal. Our members will indeed be pleased and proud if they can at this time be of any service to either or both of our national Governments, now so happily allied.

We beg to assure you that if any need for our services now exists, or should hereafter arise, you have but to command us.

Respectfully yours,
ARTHUR HUNTER, President.

FIRE INSURANCE DEPARTMENT

Gov. Brumbaugh Vetoes a Tax Bill

PROVIDED TAX BE PAID TO FIREMEN'S RELIEF ORGANIZATIONS

Reasons for Veto—State Insurance Fund Figures in Situation—What Governor Says

Governor Brumbaugh, of Pennsylvania, has vetoed the Sproul Senate bill providing that the entire proceeds of the State tax on premiums of foreign fire insurance companies shall be paid to firemen's relief organizations in various municipalities. The Governor in the course of a lengthy message says that the Legislature has failed to provide for revenue to take the place of income which it is proposed to pay to the municipalities for the firemen.

The Present Tax Law

Under the present law half of the proceeds of the $400,000 tax goes to the organizations, the balance being paid to the State Fire Insurance Fund. The Governor says that the creation of the fire insurance fund was an important economic measure for the State government and that the tax is a vital item in the creation of the fund which it is expected will amount to a million dollars in a few years. "It would be the height of folly to compel the State to carry its insurance and at the same time remove from its treasury the fund dedicated to this service," says the Governor. "This bill is a direct attack upon the State Insurance Fund. Due notice of this fact was conveyed to the responsible representatives in the Assembly and they were urged, in case they wished to dedicate all this income * * * to make other fiscal provision to carry out the law's mandate in the matter of the insurance of its own property from the fund. Such provision was not made."

Makes Compromise Offer

The Governor says that the responsibility for the situation does not rest upon him and that the president of the State firemen admitted at the hearing that the fund must be conserved. He says that the firemen have a right to compensation for injuries received on duty. The Governor closes by voicing his regret at being compelled to veto the bill, but offers to sign a measure which will provide for the appropriation of more relief money and at the same time preserve the State's Fire Insurance Fund.

LOUDON BEST GOLFER

Doesn't Have Much Trouble Beating Easterners at Underwriters' Golf Association Tournament

Chicago golf evidently is an improvement over the New York variety, despite the fact that mid-Western courses have to triumph over the flat prairie, which is the only conclusion to be drawn from the defeat of all the Eastern golfers at the tournament of the Underwriters' Golf Association this week by Hugh R. Loudon, of the Liverpool & London & Globe. Mr. Loudon, who has not been in the East long enough to have his swing corrupted, or his putting marred, finished first at the morning session, making the eighteen-hole course in 81. C. L. Tyner, of the Home, wearing a sartorial outfit that rattled all the other players, with the exception of Mr. Loudon, finished second, with 86. H. A. Smith, of the National; E. J. Haynes, of the Newark, and R. H. Folsom, re-insurance man, tied for third place with 87. At matching coins Mr. Folsom was an easy winner, and he got third prize.

In the afternoon there was a best ball foursome. Major A. White, of the City of New York, and Wilfred Kurth, of the Home, triumphed with a 77, while J. A. Kelsey, Aachen & Munich; R. P. Barbour, North British, and E. G. Snow, Jr., re-insurance man, tied for second with an 80. Kelsey and Barbour were finally declared winners.

F. R. Sherman, Sun, paraphrased his famous ancestor's saying into "Golf is Hell," piling up 149, but looked the situation squarely in the face and didn't blame it on the course.

Charles Dodd, of the Royal in Newark, and best dressed man in that city, helped entertain the underwriters with song and jest, although his statement that there was a subtle connection between Treasurer Tyner's nifty suit and his accounts was nothing more than sour grapes.

J. A. Kelsey was elected president for the ensuing year; E. G. Snow, Jr., vice-president, and C. L. Tyner, treasurer. This is the executive committee: H. A. Smith, C. F. Shallcross, C. J. Holman, H. R. Loudon, C. D. Dunlop.

PRACTICAL PATRIOTISM

The Fire Underwriters' Association of Rochester, N. Y., at its last meeting voted to devote the next two advertisements of its co-operative campaign to the interests of the Signal Corps United States Reserve, a battalion for which serivce is being enlisted in that city.

The committee which has been writing the educational fire insurance copy will try its hand in formulating an appeal to young men to join the signal corps, "a mighty arm of the service."

Lieutenant A. M. Lindsay, Jr., 600 Park Avenue, Rochester, N. Y., has been commissioned to raise the battalion in New York State and Northern Pennsylvania. When the matter of promoting this service was brought before the local agents there was not a dissenting vote.

MADE ASSISTANT TREASURER

The Gauvin Agency, Inc., has announced the promotion of Sterling S. Smith to the position of assistant treasurer of the agency. Mr. Smith has been connected with the Gauvin Agency, Inc., since its inception.

KENZEL ADDITION TO STAFF

The William H. Kenzel Co. has appointed J. J. Blewett counterman and solicitor of the Brooklyn branch office of the agency. Mr. Blewett has been connected with the Commercial Union for the past thirteen years.

ROYAL RIBBON & CARBON COMPANY

26 Barclay Street, New York City

Telephone Cortlandt 4569-4570-4571-5926

WHOLESALE STATIONERS *and* PRINTERS

"Everything for the Office"

FIRE AND MARINE INSURANCE—ALL LINES

The Automobile Insurance Company of Hartford, Conn.

MORGAN G. BULKELEY, President

Statement January 1, 1917

Cash Capital	$1,000,000.00
Assets	2,748,832.19
Liabilities (Except Capital)	1,039,977.81
Surplus to Policyholders	1,708,854.38

AFFILIATED WITH

AETNA LIFE INSURANCE COMPANY

THE AETNA CASUALTY & SURETY CO.

Appoints Errickson Metropolitan Agent

NEW JERSEY FIRE MAKES AUTO ANNOUNCEMENT

Company is Prepared to Offer New York City Brokers Facilities Effective Immediately

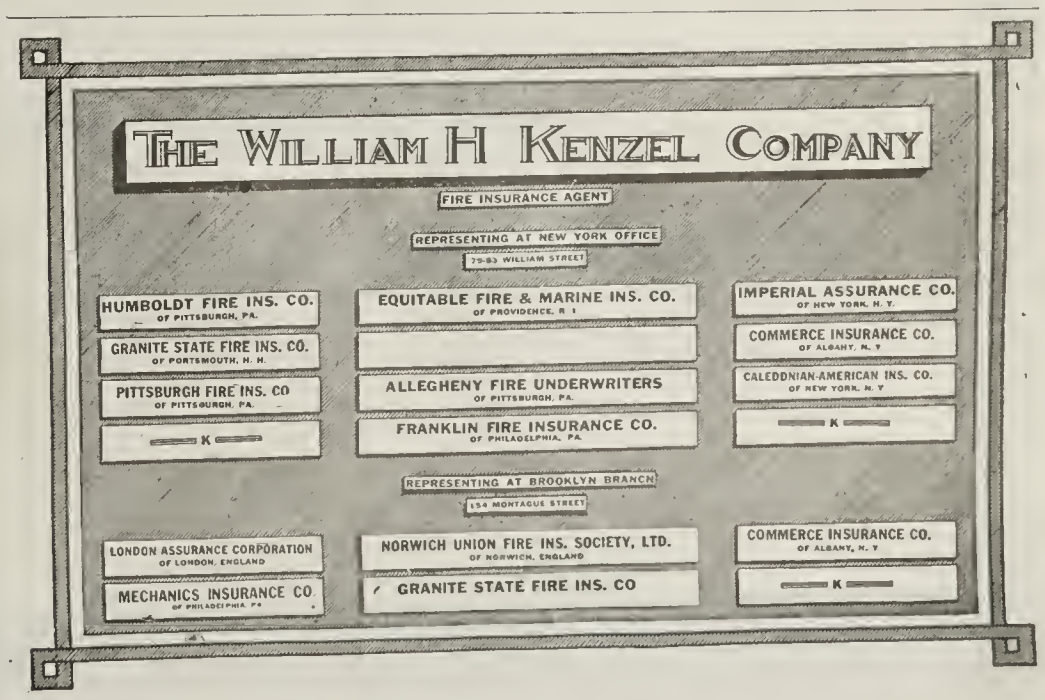
The New Jersey Fire Insurance Co., of Newark, today announces the appointment of the Walter F. Errickson Agency, of 95 William street, New York, as metropolitan agents of the automobile department of the Company. The appointment is effective immediately.

The Company also announces the designation of E. B. Hopwood as staff adjuster of its automobile losses in New York City and that, through Mr. Hopwood, it will bend every effort to make its claim service a real asset to brokers.

In conjunction with these appointments it is the intention of the New Jersey to introduce to the New York City brokers its minimum premium automobile policy, announcement of which will be found on another page. This policy is an innovation in automobile underwriting and has been endorsed by the leading automobile men of the country. It is easy for the broker to handle, as it is only necessary to know the list price of the car to be able to compute the premium.

AGENTS IN NEWARK

The Farmers Fire, of York, has appointed A. K. Boughner & Co., agents of the Company for Newark and vicinity.



THE NEW JERSEY FIR

Announces The

WALTER F.

95 WILLIAM STREET

TELEPH

As Metropolitan Manager o

In This

Attention Is Directed

In securing the low cost automobile policy mentioned herein you have four distinct advantages:

(1) You are doing business with an office through which you can place your automobile insurance at reduced rates with the certainty of being able to renew the policies next year in the same company at the same rates;

(2) The policy covers the full value of the car in excess of that computed by the manufacturer and specifies the value at all periods;

(3) The rate is automatically dependent on the list price of the car and when you meet a friend on the street who asks the rate on his new car, you can tell him immediately;

(4) You have the comfort of knowing that once the assured has your policy, no other broker can undersell you or improve on the fairness of your coverage.

The policy clearly states the exact coverage in the fewest possible words, which appeals to the layman.

WRI

GEORGE A. VIEHMANN, President

Established 1910

Newar

"ULTIMATELY—

INSURANCE COMPANY

Appointment of

ERRICKSON

JOHN 5416

NEW YORK CITY

Its Automobile Department

nnection

The Following Facts:

When there is a loss, there can be no question and no delay of the draft because of a difference of opinion as to the value of the car when it was burned, stolen or otherwise lost.

Leading automobile insurance underwriters have endorsed this policy as the form which must eventually be universally adopted as a result of legal decisions that the "valued form" is not a valued policy, and that, because a man's car was insured for $1,000 six months ago, is no reason why he should collect that amount for a loss when it is only worth $750 now.

Brokers have told us it is the easiest policy to sell of them all, because of the simplicity and logic of the coverage and the patent saving in premium, while, at the same time, it is apparently different from the "cheap insurance" which has heretofore been associated with reduced rates.

Would it not be worth your while to familiarize yourself with this policy and save the worry of having your business displaced? We would be glad to furnish additional information on request.

E TO

- GRESHAM ENNIS, Secretary

N. J. Capital $1,000,000

HY NOT NOW?"

Writing Powers of Companies Extended

COMMISSIONER CLEARY ORIGINATED WISCONSIN BILL

Provides That Companies May Write Full Cover Policy—Now in Governor's Hands

Madison, Wis., June 6.—Governor Philipp will receive this week for consideration a bill which has just been passed by both houses of the legislature relating to the lines that may be written by fire insurance companies operating in the State.

The measure provides that any corporation organized under the laws of this State for the insurance of property against loss or damage by fire, may also insure the same classes of property, subject to the limitations prescribed by the law under which it was organized against loss or damage by lightning, hail, windstorms, tornadoes, cyclones, hurricanes, "earthquake, bombardment, invasion, insurrection, riot, civil war, military or usurped power."

This bill takes cognizance of the present war and to the possible destruction of property by invasion, insurrection or civil war.

The bill originated in the assembly and passed without opposition and was given final action in the senate early this week. As the measure originated with Insurance Commissioner Cleary, the bill will probably be approved by the Governor.

EFFECTIVE JANUARY 1, 1918

Wisconsin Standard Fire Policy Law to Become Operative Coincident With Other States

Madison, Wis., June 6.—Senator Wilkinson has introduced a new bill providing that the Standard Fire Insurance Policy law enacted by the present session of the legislature shall not become effective until January 1, 1918. The bill as originally passed provided that it should go into effect on July 1, 1917.

Owing to the fact that the New York legislature has passed a similar law to take effect January 1, 1918, Commissioner Cleary deemed it expedient to delay the time when the Wisconsin Standard Fire Policy shall become effective, and a bill is being pushed through the legislature to accomplish the result.

As several other States have enacted laws of this character to become effective January 1, Commissioner Cleary felt it was but just to the companies in the different States to have the law go into effect at a uniform time.

WALDEN ON WAR PATH

Wants Underwriters' Association of New York State to Reconsider Recent Action

At a special meeting of the Board of Trustees of Walden, N. Y., held recently, the members took action on the communication received from the Underwriters' Association of New York State, in which as a result of the removal of the pump and the abandonment of pumping station known as No. 1 by the Water Board, the class A rating accorded the village of Walden in 1914 is threatened unless immediate action is taken to protect the village from a serious conflagration.

This communication followed a recent inspection made by the Underwriters' Association and came as a distinct surprise to the village officials who claim that the village is in a better protected condition from fire ravages than at any time in the history of the local public water supply.

A committee composed of trustees was appointed to co-operate with the water commissioner and town clerk to draft a building code that will meet with the approval of the Underwriters' Association and endeavor to have the Association reconsider its report submitted to the Walden Board of Trustees.

NIAGARA'S WESTERN DEPT.

Now Installed in Home Office of Company—Vice-President W. L. Steele Will Continue in Charge

On Tuesday the Western department of the Niagara Fire was installed on the fifth floor of 123 William street. W. L. Steele, vice-president of the Company, who was in charge of the Western department in Chicago, has moved his family to New York and will continue to manage the department.

J. P. Singleton, who has been assistant manager of the Western department, has been made general adjuster and will have supervision of the loss department of the Company for the whole United States. His headquarters will also be in New York.

FROGGATT & CO. NAMED

Joseph Froggatt & Company, insurance accountants and auditors, have been appointed examiners for the New Jersey Insurance Department. Many additions have been made to the staff, including Garrison Lowe, formerly chief accountant of the Nord-Deutsche, and later of the Casualty Company of America, who has been made secretary of the Froggatt organization and manager of the Newark office; Herbert Hess, statistician of the Massachusetts Bonding and Insurance Co., and Henry D. Holmes, formerly chief accountant of the American Fidelity of Montpelier. A. S. Baty, for many years chief accountant of the Atlas, is now manager of the Chicago branch.

TENNESSEE REPORTS

The Tennessee insurance commissioner has issued an interesting report on the work of the department for 1916, on all lines of insurance done in the State. The report, issued in the shape of a pamphlet, covers everything appertaining to insurance from "agents' taxes" to "Premiums and losses on Tennessee business of fraternal orders in 1916." Incidentally, the report furnishes brief excerpts of State laws affecting insurance and its practices. There is also a mass of statistical information of use to insurance men. Copies of the report may be obtained from the State insurance department, or the Brandon Printing Company, Nashville.

THE CONTINENTAL SOLDIER
of '76
Typified the Spirit that Stood for
FREEDOM AND LIBERTY
THE
Continental (Fire) Insurance Company
Has Always Stood for
SQUARE TREATMENT OF HONEST CLAIMANTS
War Risk Bombardment Explosion
Marine and Inland Transportation
Fire Insurance and Allied Lines

HENRY EVANS, President

HOME OFFICE
80 Maiden Lane,
New York.

BRANCH OFFICES
Chicago, Montreal and
San Francisco

NEW YORK STATE DEPARTMENT
HUMBOLDT FIRE OF PA. TEUTONIA FIRE OF PA.
CAPITAL FIRE OF N. H. GEORGIA HOME OF GA.
PERCY B. DUTTON, Manager, ROCHESTER

WALTER F. ERRICKSON
38-40 Clinton St., Newark, N. J. 95 William St., New York
Representing
THE GERMANIA FIRE INS. CO.
For Automobiles
Special facilities for out-of-town business.

WESTERN ASSURANCE CO.
OF TORONTO, CANADA
(Fire, Tornado, Ocean Marine and Inland Marine Insurance)
UNITED STATES BRANCH
January 1, 1917

Assets	$3,329,177.74
Surplus in United States	1,478,531.90
Total Losses Paid in United States From 1874 to 1916, Inclusive	41,657,814.31

W. R. BROCK, President
W. B. MEIKLE. Vice-Pres. & Gen. Man.

"STRONG AS THE STRONGEST"
The Northern Assurance Co.
(LTD., OF LONDON)
Organized 1836
Entered United States 1876
Losses Paid - - - $105,000,000
Losses Paid in U. S. - $38,000,000
Eastern and Southern Departments
55 JOHN STREET
NEW YORK CITY

GENERAL FIRE ASSURANCE CO.
OF PARIS

URBAINE FIRE INSURANCE CO.
OF PARIS

BRITISH DOMINIONS GENERAL INS. CO., Ltd.
OF LONDON

FRED. S. JAMES
GEO. W. BLOSSOM
W. A. BLODGETT

FRED. S. JAMES & CO.
United States Managers
123 WILLIAM STREET, NEW YORK

C. B. G. GAILLARD
Assistant Manager

New York Agents Meet at Newburgh

ADDRESS OF PRESIDENT W. H. HECOX OPENS CONVENTION

Suggests That Agents With Grievances Against State Association Pay Visit to Syracuse

The annual meeting of the New York State Association of Local Insurance Agents was held in Newburgh this week. The meeting is of unusual interest because there is considerable discussion being made of rating matters. The relations between the Underwriters' Association of New York State and the local agents is being threshed out.

The President's Address

The annual address of President William H. Hecox, who is a prominent local agent in Binghamton, N. Y., and who was formerly a special agent, follows:

"This is the second time in the history of this association that I have had the privilege and pleasure of addressing you as president. The New York State Association of Local Insurance Agents is one of the oldest, if not the oldest organization of its character in the country, this being our thirty-fifth annual meeting. We are fourteen years older than the National Association, of which we are a part.

"Last year, at the convention held at Binghamton, it was voted to amalgamate the two agents' organizations; the Fire Agents' Association and the Casualty and Surety Agents' Association. Combining the two we had September 1 a membership of 495. We were at that time the third State in the country in point of membership, Massachusetts and Pennsylvania leading us by a small margin. However, the matter of adjusting the funds of the two organizations has never been settled, and I would recommend that this be done without further delay, as there is now but one treasurer and all funds should be in his charge and keeping.

Underwriters Assn. of New York State

"As president of your organization, many complaints have come to me about the Underwriters' Assoeiation of New York State, which has its headquarters in Syracuse. Some of these complaints are just; some unjust.

"I would suggest when individual agents, city or county boards have a grievance, that they go to Syraeuse and lay the matter under dispute before Secretary Potter personally, instead of trying to adjust these differences by correspondence. It would be the most satisfactory way for all parties interested, as often times letters do not get beyond some subordinate, who takes it upon himself to make reply. Secretary Potter will be very glad to give sueh agent, or committee, whieh ever the ease may be, all the time necessary, a day if need be, or longer. He has assured me he would be very glad to discuss matters of difference of opinion as to rates, etc., with agents at any time. The office has grown to such an extent, that it is impossible for him to keep in personal touch with every little detail.

Membership

"During the past year we have had no membership campaign, consequently, have made little progress in this direction. After the meeting of the Orange County Board of Underwriters, held recently at Middletown, where I had the pleasure of meeting with, and addressing the assemblage, I sent in seven applications for membership. Our organization should have at least two thousand members, as there are about thirty-five hundred agents in the State. The good work done by the State and National Assoeiations benefits all agents alike. There should be no 'slackers.' I would recommend that during the coming year another campaign for members be inaugurated, similar to the one conducted during President Amsden's term of office.

Meetings

"During the year I have attended meetings in the interest of our association, at Syracuse, Albany, New York City, Washington, D. C., Salamanca and Middletown. At the meeting held in New York City last December, a committee of our association and one from the National Association, appeared before the quarterly conference of the National Convention of Insurance Superintendents, to protest against the growing evil of multiple agents' and underwriters' agencies. While our efforts were unsuccessful in getting the commissioners to take any drastic action in the matter, they did, however, pass the following resolution. 'Resolved: That the matter of multiple agents' and underwriters' annexes, so-called, is not properly one for action of this convention, but we believe the plan is wrong in theory and bad in practice, unfair to agents, and subversive of the best interests of public service. We, therefore, urge that both companies and agents make mutual concession and adjustment of the situation.' I believe the only way to remedy the evil is through legislation.

Conventions

"I would recommend that our association select some centrally located city for our regular annual meeting place, and hereafter our conventions be held there. This would do away with the trouble and expense by agents in cities inviting the convention. Also that all form of entertainment be dispensed with, except the annual banquet, which the agents attending pay for and enjoy the good fellowship which always abounds at these affairs.

Change in By-Laws

"I would also suggest and recommend that our by-laws be amended by reducing the number serving on the executive committee from eighteen to ten. It is expensive, as well as a difficult proposition to handle such a large committee and I believe a smaller one would serve the association to better advantage.

Legislation

"During the past year, your association has had two committees working on legislative matters. The first having in charge an amendment to the Brokers' Qualification Law, which Chairman Glenn H. Johnson, of Syracuse, will explain fully to you later on.

"The second committee has been investigating the New Jersey law, entitled, 'An act to provide for the regulation and incorporation of insurance companies and to regulate the transaction of insurance business in this State.'

"In this proposed legislation we are going to meet with opposition, I might say, strong opposition from the companies, as they are against the proposition of changing the present law. However, I believe some sort of legislation should be enacted, which would prevent a company being a member of a board in one location, respecting rates and rules; and non-board in another section, paying no attention to regulation and demoralizing business generally, at the same time holding membership in the Underwriters' Association of New York State. Mr. Amsden, chairman of this committee, will report on this subject later.

"I wish to take this opportunity to publicly thank Messrs. Johnson and Amsden and the members of their respective committees for their faithful work in these matters.

"During the past session of the legislature there were many bills introduced effecting insurance, both fire and casualty. The most important was the one relating to a new standard form of policy, which was recently signed by the Governor. No doubt you have all seen a copy of this new policy.

"During the years the State and national associations have been in existence, the important reforms we are responsible for are many. It is unnecessary for me to mention them at this time, but they have been of untold benefit to local agents and could not have been brought about without organization.

Wants Agency Recognition

"While our association does not believe it proper to intentionally interfere with, or try to dictate to our companies in matters relating to the conduct of their business, we believe, however, we should have recognition in the make up of committees formed for making new, or changing old rules; also be consulted in matters of rate making, and effecting the general conduct of the insurance business. Our influence and co-operation aids the companies in many ways. They always call upon their agents for help when threatened with hostile legislation, and we respond cheerfully and willingly. We are working with the companies in a common cause, for the best interest of the business and there should be perfect harmony and co-operation between the Underwriters' Association of New York State, the companies and the New York State Association of Local Insurance Agents, at all times, but which I regret to say does not always exist. We believe our organization is just as necessary and important as theirs, and hope to see the day when local agents, special agents and company officials work together, shoulder to shoulder in perfect harmony for the general welfare of the insurance business, and the preservation and uplift of the American Agency System."

N U

NATIONAL UNION FIRE INSURANCE CO. OF PITTSBURG, PA.

TESTED

Thousands of Agents have tested the NATIONAL UNION and found it to their liking. There is an appeal in its uniformly efficient service. There is a consciousness of the honor and equity with which every obligation is dispensed. There is the satisfaction of transacting business with a company which promotes an Agent's progress. The NATIONAL UNION seeks high grade connections solely upon its past record, its present resources, its service and facilities, which are of a very high character, and upon its recognition of those principles of justice which contemplate benefits to ALL contracting parties. To enlist in the Agency ranks of this thoroughly modern, aggressively energetic Company is to become allied with an institution ever ready to do its utmost to consolidate a relationship which should prove a growing asset as the years go on. Over 200 men are at your service at the Home Office and in the field. If interested, your inquiries will receive courteous response.

TENNESSEE COPPER CO.

National Surety Officers Think There Will Be No Loss From Russian Contract

The Tennessee Copper Company gave a bond in the sum of $1,140,000, covering its contract with the Russian Government, with the National Surety Company as surety. After deducting cash security and re-insurance (in satisfactory surety companies), the net possible liability exposure of the National Surety Company is $367,000.

The Tennessee Copper Company informs the National that it is carrying as a precautionary measure, a reserve of $1,140,000 against its liabilities. It is, therefore, the opinion of the officers of the National that from present indications it is practically certain no loss whatever will be sustained in this case.

PLAN GOLF TOURNAMENT

June 19 and the Glen Ridge Golf Club Named as the Time and Place—Club May Buy Liberty Bonds

A special meeting of the Good Practice Club of Newark, was held on Wednesday in the rooms of the Fire Insurance Society at which it was proposed that the Club invest in Liberty Bonds.

Charles S. Dodd, president of the Club, announced that in accordance with the resolution adopted at the last meeting a committee composed of W. S. Naulty, Robert O'Gorman and the president had been designated to arrange for a golf tournament. It was decided to hold the tournament at the Glen Ridge Golf Club Tuesday, June 19.

WIND CARRIES POLICY 65 MILES

From Mattoon, Illinois, comes word that in the recent cyclone which blew at the rate of some 100 miles an hour, it struck the house of Mrs. E. C. Schaeffer of that town, demolishing it.

Among various items the tornado picked up were clothing, a pig, Mrs. Schaeffer and an insurance policy. A few days later Mrs. Schaeffer received word from a man in Dana, Indiana, sixty-five miles from Mattoon, that he had received an insurance policy by aerial express. He said nothing, however, about the pig.

Negligent Assured Treated Liberally

IMPORTANT TO COMPLY WITH POLICY TERMS

Insurance Companies Do More Than Required By Law in the Settlement of Losses

The National Association of Credit Men say, in the May issue of the "Bulletin" published by the Association, that they had the opportunity of observing at first hand recently, how important it is that the insured know the conditions of his risk and scrupulously observe them. In some of the States, particularly in the South, policies covering stocks carried by merchants contain the so-called "iron safe" clause, a provision for the proper safeguarding of the records of the merchant so that in case of the destruction of his store by fire, there shall be records which he can lay before the adjustors of the fire insurance company from which to determine the amount of stock in hand at the time of the fire. In these States, the custom of writing in this provision is well understood, so that it should be no surprise to the insured to find in case of fire that he was expected to be able to produce such records as have been referred to.

Violated Policy Provisions

A case in point was brought to the attention of the National Association office by the adjustment bureau of the Clarksburg, (W. Va.,) association. Here a small merchant carried $600 insurance on his stock and $75 on his fixtures. A fire destroyed his store with a claimed loss of $1,600 on stock, his household goods, clothing and the building, on all of which there was no other insurance. The insurance company,—in this case the Globe & Rutgers Insurance Company of New York—held that the merchant had clearly violated the terms of his policy in not having an iron safe in which to keep his records and that as a result the merchant could not make a proof of loss which could be based upon those records clearly called for in the policy.

Settled on 90 Per Cent. Basis.

The company offered a fifty per cent. compromise, which the insured and his creditors thought was pretty harsh in view of the merchant's loss in excess of the amount of the policy. The matter was taken up by the National Association office, which presented it to the insurance company with the full understanding that the company was not obligated legally to pay the policy, not even on the basis of a fifty per cent. compromise it had offered. The company, through its loss department, indicated with every show of sincerity that it desired to do more than the law required and to give generous treatment to the case. After securing as complete figures as were available, the National Association office presented them to the company and was able to secure a settlement on a basis of about ninety per cent. of the full amount of the policy.

Policyholder Must Appreciate Contract

The Association, in this incident, had its opinion confirmed that the better group of insurance companies have no desire to fight with their policyholders who suffer fire loss. They do want their policyholders to appreciate, however, that a policy of insurance is a contract which contains obligations not only for the insurer but also for the insured and the best way to impress this point is to penalize the insured for non-observance of his part of the contract. It would be demoralizing if the companies made such contracts and then made settlements without considering whether the conditions of the policy had been observed or not.

PARDON A SURPRISE

The pardoning of Percy D. Sullivan, former president of the Assureds' Mutual Fire Insurance Company, under a sentence on a charge of having used the mails to defraud, was a surprise. Percy Sullivan's record has been in the possession of Western insurance men for years. He has often figured in the public prints, and one of his most startling stunts was to attack a man who was securing evidence against him, knock him down and stamp on his face.

BYRNE CAMDEN FIRE SPECIAL

George F. Byrne has been appointed special agent of the Camden Fire Insurance Association for the State of New Jersey and will be associated with Special Agent Harry O. Huth in the same field. Mr. Byrne was formerly expert's assistant of the New Jersey Rating Bureau at Trenton, N. J.

NORWEGIAN GLOBE'S CAPITAL

The Norwegian Globe Insurance Co., Ltd., announced this week that it had increased its deposit capital in the United States to $800,000 to permit the company to accept a larger limit on fidelity, surety, and miscellaneous casualty lines.

E. A. FITZGERALD DEAD

E. A. Fitzgerald, who was with the Underwriters' Association of New York State for twenty-six years, died last week. Mr. Fitzgerald was widely known for his efforts in lending publicity to the hazards of electricity.

CULVER ELECTED DIRECTOR

At a meeting of the directors of the Niagara Fire Insurance Company, held Wednesday, B. M. Culver, vice-president, was elected a member of the board.

HEAR "BILLY" SUNDAY

Delegations from the J. S. Frelinghuysen office and from the brokerage department of the Home Insurance Co. attended the Tabernacle on Tuesday evening to hear "Billy" Sunday speak.

B. M. CROSTHWAITE & CO.
Fire and Automobile Insurance Specialists
Lines Bound Anywhere in New York State
105 William Street, New York City, N. Y. Telephones 2404-5-6-1758-1090 John

ADEQUATE FACILITIES
ALL LINES
PHILADELPHIA
CLARENCE A. KROUSE & CO.
LOCAL AND GENERAL AGENTS
325 WALNUT STREET PHILADELPHIA, PA.
PENNSYLVANIA NEW JERSEY
SATISFACTION SERVICE
ALL LINES

LOGUE BROS. & CO., Inc.
Fire—Casualty—Automobile Insurance
Nation-Wide Facilities for Handling SURPLUS LINES
307 FOURTH AVENUE PITTSBURGH, PA.

SCHAEFER & SHEVLIN
2 LIBERTY STREET GENERAL AGENTS NEW YORK, N. Y.
Representing
DUBUQUE FIRE AND MARINE INSURANCE CO.
Excellent Facilities for Handling Suburban and Out Of Town Business
Phone: John 2312

WILLIAM C. SCHEIDE & CO., Inc.
HARTFORD, CONN.
Re-Insurance in All Branches

[FIRE]
German American Insurance Company
New York
STATEMENT JANUARY 1, 1916
CAPITAL
$2,000,000
RESERVE FOR ALL OTHER LIABILITIES
10,146,941
NET SURPLUS
10,217,685
ASSETS
22,364,626

The Gamewell Fire Alarm Telegraph Co.
Fire Alarm and Police Telegraphs for Municipal and Private Plants
OVER 1500 PLANTS IN ACTUAL SERVICE
GENERAL OFFICES AND WORKS
NEWTON UPPER FALLS, MASS.
AGENCIES
5708 Grand Central Terminal, New York
448 John Hancock Building, Boston, Mass.
1216 Lytton Building, Chicago, Ill.
335 Wabash Building, Pittsburgh, Pa.
915 Postal Building, San Francisco, Cal.
304 Central Building, Seattle, Wash.
Utica Fire Alarm Telegraph Co., Utica, N. Y.
Northern Electric Company, Limited, Montreal, Canada.
General Fire Appliances Co., Ltd., Johannesburg, South Africa
Colonial Trading Co., Ancon; Canal Zone, Panama
F. P. Danforth, 1060 Calle Rioja, Rosario de Santa Fe, Argentine Republic

THE YORKSHIRE INSURANCE COMPANY, LTD., OF YORK, ENGLAND
ESTABLISHED 1824
The "Yorkshire" is the Oldest and Strongest of the English Fire Companies not heretofore represented in the United States
U. S. BRANCH
Frank & Du Bois, United States Managers Ernest B. Boyd, Underwriting Manager
Harry F. Wanvig, Branch Secretary Frank B. Martin, Supt. of Agencies
NO. 80 MAIDEN LANE, NEW YORK
New York Life Insurance and Trust Co., U. S. Trustee, No. 52 Wall St., New York
DEPARTMENTS—METROPOLITAN, Willard S. Brown & Co., Managers, New York, N. Y.; CAROLINA-VIRGINIA, Harry R. Bush, Manager, Greensboro, N. C.; SOUTHEASTERN, Dargan, Turner & Pattillo, Managers, Atlanta, Ga.; LOUISIANA and MISSISSIPPI, Jas. B. Ross, Manager, New Orleans, La.; PACIFIC COAST, Jas. C. Johnston, Manager, J. K. Hamilton and McClure Kelly, Assistant Managers, San Francisco, Cal.


F. H. HAWLEY, Pres. ORGANIZED 1848 W. E. HAINES, Secy.
The Farmers Insurance Co.
LEROY, OHIO.
Ohio's Oldest and Strongest Company
Net Surplus Over $1,293,741.00
AN AGENTS COMPANY
E. K. SCHULTZ & CO.
PHILADELPHIA
GENERAL AGENT
Pennsylvania, New Jersey and New York

Controversy Over Cost of Mapping

SANBORN SAYS ITS SHEETS ARE AN ECONOMY

Morison Comes Back Defending Card System—Hot Shot From Colonel Wray

The controversy between the Underwriters' Map Association (using the Morison cards) and the Sanborn Map Company held part of the stage this week. The Sanborn Map Company printed an advertisement in a daily newspaper in which it stated that it had had some experience with the card system and "our intimate knowledge of costs long ago satisfied us of the impracticability and expensiveness of that kind of maps."

Claims Disputed

The Underwriters' Map Association, of which Colonel A. H. Wray, of the Commercial Union is president, and Henry A. Morison general manager, issued a statement disputing claims made by the Sanborn Map Company in its advertisement. In addition a letter was sent to newspapers by Colonel Wray, in which he declared that much of the capital stock of the Sanborn Map Company was water.

The Sanborn Map Company was asked if it cared to make any reply to the Morison criticisms of the Sanborn ad, or to Colonel Wray's letter. S. E. Buchanan the Sanborn's general manager, said that the Morison reply and the Wray attack had been discussed at a meeting in the office of the Sanborn Map Company on Wednesday afternoon, and it was decided that if anyone wanted legitimate information about mapping systems one could get it, but Mr. Buchanan added that there would be no attention paid to the criticisms of the ad.

Rockport, Ind., Test

The Sanborn ad compared card maps with sheet maps, giving a concrete example in Rockport, Ind., which the Sanborn Company surveyed and issued in seven sheets in January, 1917. This is a town of 2,736 people. The Sanborn comparison showed that there was a considerable difference in cost in favor of the sheet map system. Printing, coloring, proof-reading etc., showed a saving in cost for the Sanborns. Their figures show 43 cards for the Morison system in mapping the town, and 7 sheets for the Sanborn.

In his reply to the ad Mr. Morison said that Rockport, Ind., which requires seven Sanborn sheets, would be mapped by the Underwriters' Map Association's system with six cards for the business district, two cards for key, index and conflagration maps, and eight additional cards to care for the balance of the town on a 100 ft. scale—a total of sixteen cards "against the forty-three that Mr. Buchanan presumes we will use." The cost total figured by Mr. Morison is very much less than that figured by Mr. Buchanan.

Mr. Morison then takes up each item of cost by the card system and analyzes the result as he would arrive at it, compared with the way that Mr. Buchanan arrived at the card cost The two managers did not agree on any point. Morison concludes as follows:

"Mr. Buchanan is very careful not to tell us anything about correction profits. I have led him up to the trough of bound maps and corrections on several occasions, but up to now have found it impossible to make him drink. I wonder if he will ever be so good as to give me a little information on the correctness of my guesses regarding the profits of bound volume and correction work?

"In view of the fact that our association has not yet issued a map, or even offered one for sale at any price, is it not really pathetically quixotic on Mr. Buchanan's part to rush into the advertising columns of the press and spend his money to save the insurance profession from wasting theirs?"

Colonel Wray's Letter

Colonel Wray in his letter, sent to newspapers, says in part:

"The Sanborn Map Company is a corporation which started with a capital, it is stated, of $100,000; some additional cash was subsequently appropriated, but a very large proportion of its present $900,000 capital is water. Of that capital a considerable part is held by officers of insurance companies; none by the companies themselves. It is considered by some people improper for an officer of an insurance company to be a director or even a stockholder in a corporation of which the insurance company is a large customer, ignoring the cost to his company of such trading.

"Because of this individual holding of stock the influence of at least several of these officers is being used to bolster up the Map Company's arguments. There is no reasonable reason offered from any source why insurance companies should not make for themselves surveys, diagrams and maps at cost, rather than continue to allow a private corporation on watered capital to pay large dividends and handsome salaries and maintain an extensive plant and general offices.

"The Underwriters' Map Association invites criticism and correspondence, whether on the part of insurance companies, agents, or the Sanborn Map Company."

HOME RETIRES SECY. BURTIS

Has Been Identified With Company for Fifty-three Consecutive Years, for Nineteen as Secretary

The Home Insurance Co., of New York, this week announced the retirement as secretary, of Areunah M. Burtis as of June 1, as a result of the infirmities caused by his great age.

Mr. Burtis has passed his eightieth birthday. He has served the Home for fifty-three years. He started in August, 1864, as a clerk after having served through the entire Civil War with the Grand Army of the Republic. In his experience with the Company he saw service as adjuster, special agent and assistant secretary. He was made secretary on March 1, 1898. The board of directors of the Home in retiring Mr. Burtis, adopted the following resolution:

"Resolved, that it is the sense of this board in approving the recommendation of the joint committee to retire Secretary A. M. Burtis, it is fitting to place upon their minutes their appreciation of his long and faithful service extending over a period of fifty-three years, and it is their hope that the relaxation from labor may have the effect of prolonging his life and enabling him to spend his remaining years in peace and happiness."

BRITISH DOMINIONS' CHANGE

The amalgamation of the British Dominions General Insurance Company, Ltd., with the Eagle Insurance Company, has been completed and the title of the amalgamated companies is the Eagle and British Dominions Insurance Company, Ltd. The authorized capital is now £3,000,000, the subscribed capital, £2,453,688, and the paid-up capital, £548,159. F. Handel Booth has resigned his connection with the company, and E. M. Mountain has been appointed the chairman and managing director.

1853 Sixty-Fourth Year 1917

FARMERS' Fire Insurance Company

YORK, PENNSYLVANIA

Assets (Dec. 31, 1916) $1,116,968.00
Net Surplus (Dec. 31, 1916)..... 514,025.00

W. H. MILLER, President
A. S. McCONKEY, Sec. and Treas.

The Columbian National Fire Insurance Company



T. A. Lawler, Pres. H. P. Orr, Sec.-Treas.
JANUARY 1st, 1917
Assets $1,643,174.45
Surplus to Policyholders.....$1,235,960.65
EASTERN DEPARTMENT, Scranton, Pa.
Massachusetts, Rhode Island, New York, New Jersey, Pennsylvania and Maryland
James J. Boland, Manager
Reliable agents wanted in unrepresented territory

Iowa National Fire Insurance Co.

DES MOINES, IOWA Capital Stock $500,000
The latest addition to Reliable Fire Insurance organizations began Writing Business on January 1, 1917
JOHN L. BLEAKLY, President
F. L. MINER Vice-President
C. S. VANCE Underwriting Manager
FRANK P. FLYNN Treasurer
C. M. SPENCER Secretary

SPRINGFIELD Fire & Marine Insurance Co.

Cash Capital $2,500,000 00

THE SPRINGFIELD for two-thirds of a century has transacted business solely under its own corporate name, without annexes, underwriting agencies or subsidiary companies. An agent of the SPRINGFIELD is not a half, a quarter or any other fraction of an agent, but is vested with the rights and dignity of an undivided representative of an undivided and independent company. The SPRINGFIELD stands today pre-eminent among American fire insurance companies.

SPRINGFIELD MASSACHUSETTS

E. F. FLINDELL

1 LIBERTY STREET Telephone John 2612 NEW YORK CITY
Representing
THE SCOTTISH UNION & NATIONAL
For the United States and Canada
THE YORKSHIRE INSURANCE CO., LTD.
For the United States and Cuba

National Fire Insurance Company

OF HARTFORD, CONN.
Statement January 1, 1917, to New York Insurance Department
LIABILITIES

Capital Stock, All Cash	$2,000,000.00
Funds Reserve to Meet All Liabilities, Re-Insurance Reserve, Legal Standard	9,912,715.84
Unsettled Losses and Other Claims	1,878,398.32
Net Surplus over Capital and Liabilities	3,743,747.60
Total assets January 1, 1917	$17,534,861.76

H. A. Smith, President F. D. Layton, Ass't Sec'y F. B. Seymour, Treas.
G. H. Tryon, Secretary S. T. Maxwell, Ass't Sec'y C. B. Roulet, Gen. Agt.
SURPLUS TO POLICY HOLDERS, - - $5,743,747.60

BROKERS ACTIVITIES

Boylan Bill Not Signed by Whitman

BROKERS BELIEVE AMENDMENT WOULD HAVE BEEN FAIR

Say Present Law About Reporting Risks for Taxation Makes Them Detectives

Up to the time that The Eastern Underwriter went to press this week Governor Whitman had not signed the Boylan bill, eliminating from Section 136 of the New York Insurance Law, the paragraph compelling brokers to report to tax officers name of assured, location of risk, amount of premium and other facts in connection with the insurance. If this amendment is not signed this week by the Governor it will be lost.

Most insurance companies, domestic as well as foreign, strongly favor the bill, while the Fire Brokers' Association of New York, through its laws and legislation committee, of which A. Clarence Hegeman is chairman, and John A. Eckert is also a member, has worked hard and successfully to get the bill through the Legislature. James J. Haly, of the Continental, has also aided the committee. The paragraph eliminated is as follows:

> All persons acting as brokers between any such agent or any such corporation and the assured, shall, within ten days after effecting any insurance specified in Section 135, notify the officer entitled to receive the tax upon the premium upon such insurance of the fact of such insurance, together with the precise location of the property, the name of the insurer and the amount of the premium to be paid by the assured. Any broker wilfully neglecting or refusing to comply with the provisions of this section shall be liable to a like action and like penalty brought in the like manner hereinbefore provided. Actions brought under this section must be tried in the county in which the property alleged to be so insured is situated.

Points Made in Brief

A brief in favor of the amendment makes the following points:

There seems to have been no necessity to include the above phraseology with reference to brokers in the law, nor does there ever seem to have been any great advantage to the Exempt Firemen's Associations because of its existence. On the other hand it is a well known fact that it has worked to the disadvantage of the Firemen's Associations as follows:

The law requires the payment of a 2 per cent. tax on the premiums of foreign fire insurance companies (meaning thereby companies authorized to do business in the State of New York but not organized under the laws thereof).

The effect of that part of Section 136 which refers to insurance brokers is to forcibly make detective information bureaus out of their offices. The brokers object to this from the standpoint of principle, and more particularly object to it because the filing of the reports required puts in the hands of local fire departments (many of which are of the volunteer class) full information in connection with the business effected by such brokers in the territory of such fire departments.

Agents in Fire Departments

In many of these volunteer departments are one or more insurance agents and brokers who can be classed as competitors, who, with the information which the reports include, can solicit the clients of the brokers who make the reports, for a renewal of such business.

Many brokers have failed to make these reports largely because they were unfamiliar with the law, the enforcement of which is difficult in any event. Many brokers, familiar with the law and expert in their business, realizing on one hand the danger of furnishing insurance agent competitors throughout the State with the detail of their business, and on the other hand, realizing their liability for fine for not making the reports, have met the situation by refusing to accept policies on any risks effected, in other than companies organized under the laws of the State of New York. As the tax is not payable on insurance written through New York companies, it is obvious that the Firemen's Associations have lost many thousands of dollars in taxes which might not have been lost had this law not existed.

What Other Sections Provide

Sections 133, 134 and 135, which provide for the payment of the tax also have provisions whereby every agent of a foreign insurance company in this State must file a bond guaranteeing the payment of the tax, and every foreign company operating in the State must file a bond guaranteeing the payment of the tax on policies not written through agents.

Section 135 provides a penalty against those who fail to file these bonds.

Thus it is apparent that the law amply provides for the payment of the taxes without the paragraph referring to brokers.

It is also apparent that unless this law is amended the tendency on the part of brokers to discriminate against companies other than New York State companies will increase with the result that the amount collected by the Firemen's Associations from this 2 per cent. tax will be largely reduced.

WANTED TO PURCHASE

Life, Accident and Health and Automobile Renewal Account of Broker retiring from business.

Address "BROKER,"
Care of The Eastern Underwriter
105 William Street, New York City

FRANK & DU BOIS MERGER

Famous Brokerage Firm Absorbs Dutcher & Edminster, Also Well Known Brokers

It was announced on Saturday that the offices of Dutcher & Edminster would be consolidated with that of Frank & Du Bois. M. B. Dutcher has been made a partner of the latter and the consolidated office will do business under the name of Frank & Du Bois as soon as the merger can be completed.

Frank & Du Bois is one of the most widely known brokerage concerns in the United States. For years the firm specialized in railroad insurance; in fact, was the principal authority on railroad insurance in America, controlling many lines. Frank & Du Bois are also United States managers of the Yorkshire.

Dutcher & Edminster for a great many years have been the brokers of the Metropolitan Life, placing all of that Company's mortgage business.

* * *

With John A. Eckert & Co.

John Scanlon, formerly placer for I. Tannenbaum & Son, and for some time with R. A. Corroon & Co., started with John A. Eckert & Co. this week as placer.

Continental Resigns From National Board

(Continued from page 1.)

and stock companies of foreign countries admitted to do business in the United States and transacting only a reinsurance business therein may, as from May 1, 1917, if now members of the National Board of Fire Underwriters, continue their membership, or if not members may be admitted to membership on payment of fifty per centum (50%) of the assessments and fees levied by the National Board of Fire Underwriters on direct writing companies for the General Fund.

"That the same class of companies doing a re-insurance business in the United States be permitted, as from May 1, 1917, to affiliate with the work of the Committee on Laws on payment of fifty per centum (50%) of the assessments and fees payable thereto by direct writing companies.

"The assessments shall be made by the Board or the Executive Committee, and collected by the treasurer."

While the Continental belonged to the National Board of Fire Underwriters, the Fidelity-Phenix and the American Eagle did not.

Comment of Colonel Wray

The resignation of Mr. Evans caused keen resentment and there was sharp criticism on the part of company members. When the objection of the Continental to the amendment became known, some satirical observations were made. It is reported that at a meeting Colonel Wray, United States manager of the Commercial Union, declared that he could not see why any exception should be made for the Continental group, but that if the views of Mr. Evans should prevail he would see that the Hand-in-Hand Underwriters became the National Board's representative of his office, and that his other companies would pull out, as there would be no necessity for more than one company to be a member, so far as his office was concerned. Other underwriters, managing more than one company, expressed similar opinions.

Asked for a statement by The Eastern Underwriter, Mr. Evans said that he did not care to say anything for publication.

Regret About Mr. Rumsey

One regret expressed was that the resignation of the Continental removes David Rumsey, counsel of the Company, from National Board counsel participation. He has done splendid work with the Committee on Laws and Legislation; and was particularly active as one of the Company committee representatives in helping to clear up the complicated South Carolina and Kentucky situations. With C. F. Shallcross he was also the consultant of the insurance commissioners in the drafting of the new standard provision policy. He was also active in the drafting of the war risk policy.

THE LEADING FIRE COMPANY OF THE WORLD

ROYAL INSURANCE COMPANY LIMITED

[of Liverpool, England]

San Francisco Losses Amounting to $4,522,905.00 paid PROMPTLY IN CASH WITHOUT DISCOUNT, from funds largely supplied by head office in Liverpool

U. S. Cash Assets, Dec. 31, 1916	$15,827,439.35
Surplus, - - - - -	5,460,745.59
Losses Paid by Chicago Fire, 1871	3,239,491.00
Losses Paid by Boston Fire, 1872	1,427,290.00
Losses Paid by Baltimore Fire, 1904	1,051,543.00

Liverpool AND London AND Globe Insurance Co. LIMITED

Over $152,000,000.00

Losses Paid in the United States

HENRY W. EATON, Manager
G. W. HOYT, Deputy Manager
HUGH R. LOUDON, Assoc. Deputy Mgr.
J. B. KREMER, Asst. Deputy Manager
T. A. WEED, Agency Superintendent

NEW YORK OFFICE
80 William Street

Frank Lock Explains Co-Insurance Clause

SENDS CIRCULAR ON SUBJECT TO ATLAS AGENTS

Comprehensive Letter Shows Workings of Co-Insurance Principle and Why It is Necessary

The principle of co-insurance as applied to fire insurance is comprehensively explained by Frank Lock, United States manager of the Atlas Assurance, in a circular which he sent to the agents of the company and which was reproduced in the "Bulletin" of the Fire Brokers' Association of New York. The circular follows:

"The intent of the co-insurance clause is to equalize payment of premium on property of like character, between property owners for like benefit promised in a policy contract. It is not primarily intended as a benefit to insurance companies. Insurance is analogous to a tax, differing from it in that a tax is compulsory, but insurance is voluntary.

Public Demand Application

"To name a rate of premium and not provide for a percentage of the value of the property insured, to equalize as between property owners the payment of premium, is as though a tax rate on property of, say, 2 per cent. was levied by the authorities, but the assessment of valuations was left to each individual to fix for himself! In such case it is obvious that, on two adjoining properties, each worth $10,000, one man might assess himself $8,000 and pay a tax of $160, while his neighbor might assess himself $4,000 and pay a tax of $80 on property worth just as much. This would be unequal payment for like benefit, which as a system of taxation would be denounced as unjust. The like principle exactly obtains in fire insurance, and it is the public, not the insurance companies, who finally suffer the inequity and injustice, and it is the public who should demand that the co-insurance principle be universally applied for its own protection.

"To illustrate, take a row of four brick stores all built at the same time, each costing $10,000 to build, but each owned by different owners. A rate of premium is fixed, based on general experience, which everywhere assumes that about 80 per cent. of value is insured. The average rate is figured on the expectation that, because of good construction, fire department and water supply, the probability of total destruction is remote, a partial destruction only being reasonably expected. This rate, say, is 1 per cent. Each owner is insured for, say, $8,000; each pays $80 premium, or $320 in all, to go into the general insurance fund. This kind of thing is done all over the city or over the State, and so produces enough premium to pay losses, expenses and profit.

Should Be Required By Law

"But suppose that in some sections or cities the companies carelessly omit, or by law are compelled to omit, to require co-insurance or a similar basis of equitable assessment; what happens?

"Owner 'A,' who is either fair-minded or who is mortgaged, takes out $8,000 and pays $80.

"Owner 'B,' who is rich or miserly, says $4,000 is enough, and pays $40.

"Owner 'C' takes $6,000, and pays $60.

"Owner 'D' takes amount of his mortgage of $5,000, and pays $50.

"The total premiums paid into the general insurance fund are $230 instead of $320, which is the reasonable amount. In the course of time companies find their premiums on this class are not enough to pay losses, expenses and profit; they must be advanced, say, to 1.40 instead of 1 per cent.

"Then 'A' on $8,000 at 1.40 pays $112; 'B' on $4,000 at 1.40 pays $56; 'C' on $6,000 at 1.40 pays $84; 'D' on $5,000 at 1.40 pays $70.

Eliminates Discrimination

"Now the companies are recouped their $320, but it is evident that 'A' is equally mulcted, while 'B,' 'C,' and 'D' are variously favored. This is discrimination which ought not to be allowed, and which companies could and would prevent by the co-insurance principle, yet some States legislate in substance, saying, by statute, 'you shall not be permitted to remove the discrimination, but shall continue to favor some citizens at the expense of others.'

"The position of the companies virtually is, 'it is needful to have a rate of about 1 per cent. upon 80 per cent. of the value of all properties we insure of that class to enable us to meet the loss cost of the class, or, in other words, to receive premium upon 80 per cent. of the full value of such properties; this we can only obtain equitably by the principle of co-insurance'; the same holds good in the same manner for rates upon other classes generally. But if the law says 'you shall not do this,' then we still must obtain the 1 per cent. blindly, unequally and unjustly as between property owners, as we are helpless to prevent it.

"Compare the foregoing with the analogy of taxation and you will see the point.

"Now to explain and illustrate the effect of co-insurance, in case of loss, assuming the 80 per cent. clause to be used (of course, if 75 per cent. or 90 per cent. or 100 per cent. or any other percentage was used, it would work out in just the same way for such percentage):

Has Levelling Effect

"First. Remember the co-insurance clause has no effect whatever where the amount of insurance equals or exceeds 80 per cent. of the value of the property insured.

"Second. Remember the co-insurance clause has no effect whatever when the amount of loss equals or exceeds 80 per cent. of the value of the property insured.

"Therefore, it only operates when both the loss and amount of insurance are less than the agreed percentage of insurance, whether that is 80 per cent. or any other figure.

"To illustrate, simply, the working of the 80 per cent. clause—

"Value of property, $10,000; insurance, $8,000 or more. The clause has no effect in settlement of any loss, large or small, because the insurance equals or exceeds 80 per cent. of the value of the property.

"Value of property, $10,000; insurance, $6,000; loss, $8,500. Clause has no effect because loss exceeds 80 per cent. of value of property.

"Value of property, $10,000; insurance, $6,000; loss, $6,000. The clause operates just as though there was actually $8,000 insurance upon which to apportion the loss, because the insured had the benefit of a reduced rate of premium which assumed he would carry so much; hence in settlement companies pay 6-8 of the loss, or $4,500, and assured loses $1,500 because he took the option of paying the premium on a smaller amount than 80 per cent., getting the benefit of a reduced rate. So the loss follows the amount of premium paid, which amount was the voluntary choice of the assured.

Guarantees Rate Equality

"To sum up, the clause operates before a fire to guarantee to each property owner that he pays no more and no less than others for an equal benefit, and this is its main purpose.

"It operates after a fire, if at all, only when both the amount of loss and amount of insurance are less than the agreed percentage of co-insurance, otherwise the policyholder must bear a part of his own loss."

NORTH BRANCH FIRE INS. CO.
Sunbury, Pa.
Inc. 1911

Assets $641,341.77
Reserve 230,513.29
Capital 300,000.00
Surplus 63,479.83

CITY INSURANCE COMPANY
Pittsburgh, Pa.
Inc. 1870

Assets $357,318.58
Reserve 54,256.92
Capital 200,000.00
Surplus 96,379.07

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THESE OFFICES GIVE YOU THE BEST THERE IS IN INSURANCE SERVICE

Agricultural Insurance Company, of Watertown, N.Y.

64th Annual Statement
Assets $5,036,003.01
Liabilities 2,296,861.95
Capital 500,000.00
Conflagration Surplus 250,000.00
Surplus to Policyholders 2,739,141.06

F. F. BUELL, Troy, N. Y., Special Agent.....NEW YORK STATE
E. J. PARMELEE, Syracuse, N. Y., Special Agent..NEW YORK STATE
GEORGE SHAW, 116 Milk St., Boston, Special Agent..NEW ENGLAND
F. L. GILPIN, JR., 422 Walnut St., Phila., Special Agent.MIDDLE DEPT.

Firemen's Insurance Co., Newark, N. J.

January 1, 1917
Cash Capital $1,250,000.00
Net Surplus $2,449,322.25
SURPLUS TO POLICYHOLDERS...$3,699,322.25

DANIEL H. DUNHAM, President
JOHN KAY, Vice-President and Treasurer
NEAL BASSETT, Vice-President
A. H. HASSINGER, Secretary
J. K. MELDRUM, Assistant Secretary

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National Lumber Ins. Co., Buffalo, N. Y.
The North River Ins. Co., N. Y.
Union Fire Ins. Co. Buffalo, N. Y.
Seneca Fire Ins. Co., Buffalo, N. Y.
United States Underwriters' Policy, N. Y.

F. M. GUND, Mgr. Western Dept.
Freeport, Illinois
W. W. ALVERSON, Mgr. Pacific Coast Dept.
San Francisco, California

Explosion and War Risk Insurance

By Howard P. Moore, Assistant Secretary, Home Insurance Company, New York

Written for "Bulletin" of National Association of Credit Men

Fire insurance companies in the United States since the beginning of the European War have written insurance covering damage by explosion. The demand for this class originated principally with plants manufacturing arms, munitions, uniforms, shoes and other military supplies, and soon spread to elevators and grain storehouses and other depositories of food products. Numerous fires occurred and bomb explosions were greatly feared by the owners or operators of such plants.

Following the tremendous explosion, July 30, 1916, on Black Tom Island in New York Harbor, which disaster destroyed by explosion, and by fire following, nearly ten million dollars' worth of property, explosion insurance took a decided jump. The demand covered the entire United States, with especial force in large cities and at terminal points. Not many months later the plant of the Canadian Car and Foundry Company at Kingsland, N. J., was entirely destroyed by a series of explosions followed by fire, involving a loss of about fifteen million dollars. Both of these plants were what is known in fire insurance as sprinklered risks, the Black Tom storage warehouses being exceptionally well constructed of brick, while the plant at Kingsland was of frame construction, but having buildings well separated. In both cases fire protection by outside hydrants and hose lines and internal automatic sprinklers was of negligible value.

As soon as the entrance of the United States into the European War was clearly foreshadowed inquiries began to be made of fire insurance companies for protection against the hazards of bombardment. Fire insurance policies throughout the United States while varying in some particulars are uniform in one respect, viz., that they do not cover fire or other losses from invasion, insurrection, civil war, civil commotion or military or usurped power. Similar conditions are in fire insurance policies throughout the world, and no insurance against such hazards is ordinarily granted because either there is imminent danger from them which would not be compensated by any obtainable rate, or the risk is so remote that property owners prefer to take their own risk.

The position of the United States in the European War being at present unique in respect to the comparatively slight hazard from bombardment and military risks in general, a few of the fire insurance companies concluded that they could reasonably exercise such charter rights as might be granted to them by their respective States, and cover war risks at moderate rates of premium.

New York Legalizes Writing

The legislature of the State of New York was the first to act on bombardment insurance. Within a week thereafter there was introduced in the legislature of the State of Connecticut a bill granting fire insurance companies the right to assume the risks of war. This bill was promptly passed as an emergency measure. New York State companies could not, however, by their charters assume such risks, and a peculiar provision in New York State forbade companies of other States to exercise any powers in New York State which New York State companies do not possess. It was necessary, therefore, to give New York State companies additional powers. A bill introduced with the consent of the Insurance Department at Albany was passed by both houses of the legislature and signed by Governor Whitman without delay, giving fire insurance companies having authority to write explosion insurance (which included practically all fire companies), the right to insure against damage by invasion, insurrection, riot, civil war, civil commotion and military or usurped power, they having previously obtained by a separate bill the right to insure against damage by bombardment. Fire following any of these things specifically excluded by the "standard" (and in most cases statutory) fire insurance policies of the various States practically left property owners without protection.

An informal conference of companies interested in explosion insurance was called, and a number of the larger institutions decided to make use of the additional powers in New York and, where permitted by law in other States, to insure against the perils enumerated.

Policy Form

Substantially, a uniform form of policy contract was devised which covers as follows:

Against all direct loss or damage caused by any of the following: (1) War. (2) Invasion. (3) Insurrection. (4) Riot. (5) Civil War. (6) Civil Commotion including Strike. (7) Military or usurped power.

(8) Bombardment, whether naval or military, including aerial craft (hostile or otherwise) and bombs, shells, and/or missiles dropped or thrown therefrom or discharged thereat.

(9) Fire and/or explosion directly caused by any of the foregoing, whether originating on the same premises or elsewhere.

(10) Explosion, whether originating on the premises of the insured or elsewhere, other than above described (excluding fire resulting from such explosion.)

A number of the fire companies writing the above kinds of insurance will issue policies covering Causes Nos. 1 to 9 inclusive, separately from No. 10, while other companies prefer not to insure against Causes Nos. 1 to 9 inclusive, without covering No. 10, which is commonly known as "Bomb Explosion," but may also cover explosion hazards inherent in the business carried on.

Rates Divided By Zones

One of the elements of hazard being bombardment, which would affect only sea coast property or that accessible by deep water ways from the open ocean, the fire companies generally have subdivided their rates by zones, naming the highest rate on the open ocean front and back for a distance of five miles. A second zone commences five miles from the open ocean front and runs for twenty miles back, the theory being that not only bombardment but danger from landing parties from submarines and possible raids from warships should be felt with the greatest force on property bordering deep water, and become less dangerous according to the distance from the same. The third zone comprises all property more than twenty miles from the open ocean front, and includes of course, the interior of the country. The rates for the so-called war cover only (Causes Nos. 1 to 9 inclusive) are usually 1 per cent. per $100 for one year on the open ocean front and up to five miles back therefrom, 75 cents between five miles and twenty miles back, and 50 cents for the remaining territory.

Inland Liability

In some insurance circles more apprehension is felt in the interior cities than on the sea coast. This is partly because of the character of the population and the danger of insurrections, riots and strikes. Without full judicial authority a riot has been understood to include the acts of three or more persons operating overtly and inimically against property. For many reasons "malicious mischief" is not included by any insurer. Exercised by an individual by setting a fire it would be incendiarism or arson and be covered by ordinary fire insurance. The placing of sand or emery in bearings, poisoning food products, etc., are not considered within the legitimate scope of fire insurance indemnity.

Broad Cover Wanted

During all the period since the beginning of the European War and while the fire insurance companies were able to cover only damage by explosions, there was a considerable demand by property owners, principally manufacturers, for a "broad cover." This could be satisfied only by recourse to what is known as London Lloyds, the general character of which class of insurance is popularly known as taking a chance on almost anything, from damage to a show man's business by rain, to the occurrence of twins, and the like. Lloyds insurance was taken out by a considerable number of concerns who would have preferred regularly organized and supervised stock companies. The laws of many States were violated in dealing in this class of insurance by agents and brokers. The cover now being obtainable in large amounts from regular companies, the business at Lloyds is expected to fall off to very small proportions.

Banks Demand Protection

One of the consequences of the ability to obtain war risk and explosion insurance has been a requirement on the part of banks and trust companies that goods which are the subject of collateral loans shall be protected by explosion and war insurance. This has stimulated the demand for this kind of protection. Financial institutions find it quite apparent that no protection whatever would be afforded them in case of a fire starting from any of the causes above enumerated, the danger of a conflagration in any large city being always existent.

Demand After War

Every class of insurance was new and experimental at one time. Far-seeing underwriters prophesy that even after the European War is over, a legitimate demand will continue for protection against insurrection, riot, strike and by fire (not covered by regular fire insurance policies) following them, and also against all kinds of explosions due to inherent hazards of manufacturing plants, or resulting from any cause except explosions in boilers and fly wheels, which continue to be covered by casualty companies exclusively.

GLOBE & RUTGERS OUTING

Employes of the local office of the Globe & Rutgers on Saturday held an outing at College Point, L. I.

"The Leading FIRE INSURANCE Company of America"

ÆTNA INSURANCE CO. HARTFORD, CONN.

WM. B. CLARK, President

Explosion and Sprinkler Leakage Insurance

THE HANOVER
FIRE INSURANCE COMPANY
Incorporated 1852

The real strength of an insurance company is in the conservatism of its management, and the management of THE HANOVER is an absolute assurance of the security of its policy.

R. EMORY WARFIELD, President
FRED. A. HUBBARD, Vice-President
E. S. JARVIS, Secretary
WILLIAM MORRISON, Asst. Sec'y

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Hanover Bldg., 34 Pine St.
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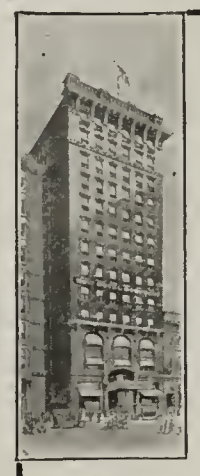
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THE LARGEST GENERAL INSURANCE COMPANY IN THE WORLD.

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INSURANCE AGENCY
Fire Automobile
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Just say:
"Insurance Man"—
the open sesame to every courtesy within our power.

Room with detached bath $1.50 and $2.00
Private bath $2.50 and $3.00

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CHICAGO
LAURENCE R. ADAMS, Sec'y & Mgr.

CASUALTY AND SURETY NEWS

National Casualty's Position on War

SAYS DEATH FROM BULLET IS NOT ACCIDENTAL

W. G. Curtis Estimates That Losses Will Be Twice Premium Income Under Existing Rate Charges

W. G. Curtis, president of the National Casualty, has stated his Company's position on the subject of war coverage in a manner that permits of little debate. In giving to his agents this week the reasons why the National will not write war coverage, Mr. Curtis said:

"We realized that our course might invite or provoke criticism, but after careful consideration, we concluded that our course must be direct and open, because logically it would be sound. Our decision was based upon the determination that war is not an accident. It is a declaration that follows when every effort for peace has failed. It is a declaration to fight, avenge and conquer by force of arms, and its first contemplation is the destruction of opposiug forces, engagements by land or sea or in the air, are always intentional. Destruction of munition factories by incendiary fires or bomb explosions, are the result of carefully laid plans. There is no element of accident. It is usually an accident if the destruction fails. Every gun fired in any engagement, whether between battleships, or tanks, or artillery, or machine guns, or aeroplanes, or trenches, is fired with the deliberate intent of eliminating the human unit. Property damage is but incidental. Therefore, men who enlist do so with full knowledge that when war exists, enlisting means fighting, and fighting does not produce accidental injuries.

Statistics Support Contention

"Accident insurance agrees to cover only the results of accidental injury, therefore any policy of accident insurance in force today would have to be reconstructed in order to cover the hazards of war. If that reconstruction were undertaken, it would not only be necessary to add a rider reciting coverage, but it would also be necessary to revise premium rates. Since the war began there has been an average of 12,000,000 men engaged. Ordinarily those 12,000,000 could procure policies paying $500 for accidental death and $50 per month for accident and $50 per month for sickness, for less than $20 per year each. The war has lasted nearly three years, so the premium would total $720,000,000. During that time the number of killed has been over 2,000,000, and the number of disabled over 3,000,000. The death loss at $500 each would total $1,000,000,000, and the dismemberment, loss of sight, permanently crippled and temporary disability losses would total $500,000,000; total of both, $1,500,000,000, or more than twice the whole premium. If we actually get to fighting, and we probably will, those ratios will hold good, therefore it should appear perfectly plain just why the National, or any other company, cannot cover the hazards of war under existing policies and premium rates."

OPENS BOSTON BRANCH OFFICE

The Hooper-Holmes Bureau Extends Service Throughout New England —John J. McIntyre, Manager

The Hooper-Holmes Bureau announce the opening of the Hooper-Holmes Bureau Boston office at 161 Devonshire Street, Boston, under the management of John J. McIntyre who has been connected with the home office of the Bureau for the past five years and who needs no introduction to the casualty or life insurance companies.

This office is equipped to handle the inspection of risks and the investigations of suspicious claims throughout the New England territory and it will enable companies doing business in the New England field to order their inspections from the Boston branch office instead of sending them on to New York.

BOOK ON COMPENSATION

James E. Rhodes, 2nd, of Travelers, Author of Valuable Compendium Published by the Macmillans

The Macmillan Publishing House announces for the latter part of June an important book on "Workmen's Compensation" by James E. Rhodes, 2nd. Mr. Rhodes is claim examiner in the compensation and liability department of The Travelers Insurance Company at the home office in Hartford.

According to the preface, this book has been written in the attempt to give a brief history of the Workmen's Compensation movement in this country and an outline of the principles on which the system is based. The problem is considered in its national rather than its local aspects.

Many Subjects Treated

There are some three hundred pages, including a workable bibliography, a table of cases cited, and an index. The body of the book discusses industrial accidents and accident insurance, European background, the agitation in the United States, early attempts in the United States, the constitutionality of compensation legislation, compensation legislation in the United States, the insurance of the compensation obligation, the adminstration of compensation laws, and some social aspects of Workmen's Compensation.

In an appendix, Mr. Rhodes discusses the Workmen's Compensation movement in New York and Standards for Workmen's Compensation Laws, and gives a digest of such laws.

LOSES SUIT

The suit of H. T. E. Beardsley against the defuuct American Bonding Co. of Baltimore, which was tried before Justice Goff of the Supreme Court of New York, resulted in a jury decision in favor of the plaintiff. The referee will assess the amount of damages after an examination of the Company's books. Beardsley sued for $100,000 for business placed on the books of the Company during the years 1904 to 1908 when the Company was represented by the general agency of Southworth & Beardsley in New York. It was claimed that the Company terminated the contract for the purpose of opening a branch office.

New Amsterdam Casualty Company

A Progressive

SURETY AND CASUALTY

Company

"Round Table" Dinner Proves Success

BINDER MEASURE HEATEDLY DISCUSSED

One Suggestion is That Companies Get Policy Acceptance Slip From Assured Within Fifteen Days

The meeting of liability men at Gibson's Restaurant on Wednesday proved a success from every angle. The attendance was representative and enthusiastic.

It was decided to hold the meetings weekly and on Wednesday. It was a feature of the meeting that several of the liability managers who had thought they knew every liability man in New York City discovered that there were several with whom they had not previously come in contact.

The main topic of conversation was the binder measure recently enacted by the New York Legislature. It was felt by the men present that, unless all companies agreed to charge for binders on liability policies, it would be impossible for any of them to do so. They all agreed, however, that it would be a great saving to have this law prove effective in eliminating the issuance of policies which were returned not wanted.

Another suggestion having the same object in view was that the companies secure from the assured within fifteen days after the policy was issued a signed slip from the assured accepting the same. It was stated that this method would relieve much of the unpaid premiums carried on the books of the compauies for more than ninety days.

There were many other suggestions made and the discussion covered the operations of the Exchange, phases of the general liability business and of automobile.

A NEW AUTO MUTUAL

Massachusetts has licensed the Automobile Mutual Liability Insurance Co., of Boston. D. K. Webster is president of the company and A. S. Ladd secretary and underwriter.

Chapple Bill Becomes Law

INTER-INSURERS MUST HAVE $100,000 ASSETS

Prohibited From Effecting Re-insurance With Any Other Exchange—50% Unearned Premium Reserve

Madison, Wis., June 6.—Governor Philipp has signed the Chapple Bill (142-A) and on July 1 no inter-insurance exchange writing workmen's compensation or employers' liability insurance will be permitted to operate in Wisconsin unless such exchange have, at least, $100,000 of assets.

After July 1 exchanges will be required to carry 100 per cent. reserve for all liabilities other than unearned premiums. The unearned premium liability will be 50 per cent. of the gross deposit. Exchanges other than those writing compensation and liability insurance will be on the same reserve basis, but will be required to have assets of $50,000.

Cannot Effect Re-insurances

No inter-insurance exchange can reinsure any part of its individual risk in any other exchange. Under this measure all laws of the State relating to insurance, except the Standard Fire Policy law and the requirement of signature by local agents, will apply to inter-insurers.

Power of Attorney for Service

The bill further provides that failure of the attorney to file the appointment required under the law or failure on the part of any subscriber to authorize the attorney to do so shall not invalidate any service made by serving upon the commissioner of insurance.

By accepting a license to transact business in this State every such attorney in fact and each of the subscribers shall be held to have appointed the commissioner of insurance the agent and attorney for each of them to accept service of summons or other process and such authority shall continue so long as any liability remains unsatisfied against any of such members on any contract or contracts issued by such attorney.

Any judgment recovered in any action where the summons or other process has been served upon the commissioner of insurance shall be binding upon each of the subscribers at such exchange the same as if personal service was had upon each of such subscribers.

F. & D.'S ROCHESTER AGENT

The Fidelity & Deposit of Baltimore, this week announced the appointment of Hayes & Sharp, Inc., as agents of the Company in Rochester and vicinity, succeeding Charles D. Luke.

General Accident

FIRE AND LIFE

ASSURANCE CORPORATION, Ltd.

FREDERICK RICHARDSON, United States Manager

GENERAL BUILDING · 4TH & WALNUT STS.

PHILADELPHIA

SERVICE THAT EXCELS

John S. Turn Heads New York Office

ELECTED SECRETARY AFFILIATED AETNA COMPANIES

H. K. Remington, Aetna Manager at Springfield, Mass., Made Manager at Philadelphia Office

The Aetna Life Insurance Company and its affiliated companies announce the election of John S. Turn to the position of secretary of the three companies and the placing of him at the head of the 100 William Street, New York branch office as manager, succeeding the late Charles H. Phelan. Mr. Turn was formerly manager of the Philadelphia branch of the Aetna group.

Coincident with the above, the Aetna companies announce the transfer of H. K. Remington, manager of the branch office at Springfield, Mass., known as its model branch office, to Philadelphia succeeding Mr. Turn.

There had been much speculation outside the Aetna office as to who would succeed the late C. H. Phelan as manager in New York. In the selection of Mr. Turn New York gains a most able man who will bring with him a valuable experience gained through many years of active service in connection with multiple line casualty business, and a thorough knowledge of the practices and traditions of the Aetna group.

For many years Mr. Turn had charge of the Philadelphia branch office of the Aetna Life and its subsidiary companies where his endeavors met with pronounced success. There is nothing spectacular in Mr. Turn's activities. He has ability and a quality of mind which is often sought, but seldom possessed, and is keenly appreciated by those with whom he comes in contact. Mr. Turn assumed charge of the New York office on June 4th. He will be supported by the following department heads:

A. M. Murray, Liability and Compensation; Clarence Giffin, Accident & Health; J. Harvey Patterson, fire; Edmund Ely, automobile; E. J. Perrin, tourist baggage and miscellaneous lines; W. M. Smith, bonding; E. B. Southworth, surety; M. A. Jameson, fidelity; J. M. Thurlow, burglary; W. C. Gallaer, plate glass; C. A. Stetson, accounting; J. J. Phelan, Brooklyn office; G. Langenau, Brooklyn accident department; J. J. Conaty, Brooklyn bond department; C. E. McDonnell, payroll audit; J. E. Quinn, inspection; B. E. Emory, claim; Dr. H. M. Archer, surgeon and adjuster; J. B. Henney, counsel; and B. W. Wren, counsel.

Goes to Larger Field

H. K. Remington, who succeeds Mr. Turn in Philadelphia as manager of the Philadelphia branch has for some time been manager of what is known throughout the Aetna field as the Aetna's model branch office at Springfield, Mass. It would be pretty hard for one to imagine an office better equipped, and its equipment put to better use, and the use to which it is put getting better results than that found in the office referred to above.

Mr. Remington leaves Springfield after earning his spurs for larger activities in the Aetna service. While he will have a large pair of shoes to fill there is no doubt that his administration at the Philadelphia office will be marked with success.

Mr. Turn Tendered Banquet

On Tuesday night an unusual tribute was paid to the New York manager of the Aetna companies when the home office officials and department heads, together with the personnel of the local offices, tendered him a "get acquainted" banquet at the Waldorf Astoria.



JOHN S. TURN

When Mr. Turn entered the banquet hall he was given a great reception by his fellow officers and associates who had gathered to meet him.

On Wednesday, President Morgan G. Bulkeley, who came from Hartford to attend the dinner paid his first visit to the New York branch office of the company. With the other members of the home office staff who had come to this city to welcome Mr. Turn into the official family of the company, he made a tour of the various departments housed on the tenth floor of 100 William Street..

Those Present at Banquet

Morgan G. Bulkeley, president; J. L. English, vice-president; Morgan B. Brainard, vice-president and treasurer; C. E. Gilbert, secretary; W. H. Newell, secretary; Frank Bushnell, agency secretary; H. W. St. John, actuary; M. H. Peiler, associate actuary; E. E. Cammack, associate actuary; W. E. A. Bulkeley, auditor; M. G. Bulkeley, Jr., assistant treasurer; C. H. Remington, assistant treasurer; Edward K. Root, medical director; Phineas H. Ingalls, associate medical director; W. E. Dickerman, associate medical director; Ernest A. Wells, associate medical director; Walter C. Faxon, vice-presiden; J. Scofield Rowe, vice-president; J. M. Parker, Jr., secretary; E. C. Higgins, secretary; E. C. Bowen, assistant secretary; J. B. Adams, assistant secretary; C. B. Morcom, assistant secretary; H. R. Clough, secretary; J. J. McGivney, assistant secretary; D. N. Gage, secretary; A. R. Sexton, assistant secretary; A. B. Palmerton, assistant secretary; R. W. Myers, secretary; D. N. Stone, secretary; J. C. Barden, secretary; J. B. Adams, assistant secretary; N. C. Stevens, secretary; David Van Schaack, director; W. L. Mooney, agency supervisor; B. A. Hunt, actuary; H. T. Smith, counsel; O. R. Beckwith, counsel; H. C. Munday, publicity department.

John S. Turn, secretary and manager, New York office; Arthur M. Murray, liability and workmen's compensation department; Clarence Giffin, accident and health department; Edmond Ely, automobile and miscellaneous lines; Edward J. Perrin, automobile and miscellaneous lines; Wilmot M. Smith, bonding department; Edward B. Southworth, Jr., bonding department; M. A. Jameson, bonding department; J. H. Patterson, fire insurance department; John N. Thurlow, burglary department; W. C. Gallaer, plate glass department; C. A. Stetson, accounts department; J. J. Phelan, Brooklyn office; C. Langenau, Brooklyn office, accident department; J. J. Conaty, Brooklyn office, bond department; C. E. McDonnell, payroll audit department; Joseph E. Quinn, inspection department; Burton E. Emory, claim department; Dr. Harry M. Archer, surgeon and adjuster; J. B. Henney, counsel; Beverly W. Wrenn, counsel.

C. B. Beardsley, Arthur H. French, Chas. A. Sterling, Geo. Curtis Sterling, Jas. R. Pitcher, Wm. T. Ritch, Walter A. Hughes, Frank F. Eagles, Eugene F. Smith, Lewis D. Mowry, Wm. F. Patterson, W. A. Nicolay, C. Russell Elbert, Carl I. Kellogg, Jas. W. Redmond, Frank L. Greene.

WORTH KNOWING

Suppose that you are insured in the United Life and Accident Insurance Company of New Hampshire for $5,000 under the Company's Triple Indemnity Plan, what does your Policy guarantee to do?

ANSWER:

FIRST, it guarantees that in case of death from any cause, $5,000, the face of the Policy, will be paid.

SECOND, that in case of death from any ACCIDENT, $10,000, or DOUBLE the face of the Policy, will be paid.

THIRD, that in case of death from certain SPECIFIED accident, $15,000, or THREE TIMES the face of the Policy, will be paid.

BUT THIS IS NOT ALL. The Accident Disability Endorsement FURTHER guarantees that in case of total disability as a result of accidental injury, the Company will pay direct to YOU at the rate of $50 PER WEEK during such disability, but not to exceed 52 weeks, after which the weekly indemnity will be at the rate of $25 PER WEEK throughout the period of disability. Can insurance do MORE? And why should any man be satisfied with a policy that would do less? The cost is low.

Agents wanted in Maine, New Hampshire, Vermont. Connecticut, Pennsylvania, North Carolina, South Carolina, Tennessee, Georgia, Delaware, Maryland, Mississippi, Kansas, Missouri. An opportunity for Life Insurance Salesmen of ability. Address:

United Life and Accident Insurance Co.

Home Office, United Life Building - Concord, New Hampshire

New Report on Social Insurance

READ AT MEETING OF AMERICAN ACADEMY OF MEDICINE

Report Covers 160 Pages, Tells of European Conditions, Gives Views of Physicians

The American Academy of Medicine met in New York this week. One of the most valuable papers read was the report of the Committee on Social Insurance, Lenna L. Meanes, chairman; M. L. Turner, secretary. The report covers 160 pages, and covers exhaustively the situation in the leading European countries.

Conclusions

Some conclusions follow:

There are four fundamental principles in the consideration of any insurance laws in relation to the medical profession which seem to be essential for the just working of these laws.

First, the freedom of choice of physician by the insured, because only in this way can conditions of mutual confidence between physician and patient be preserved.

Second, a sufficient medical representation in the administration of the insurance laws, because only in this way can the profession be protected against exploitation and from destructive competition within its own ranks.

Third, a standard of payment in proportion to the amount of work done, preferably on a basis of fees per visit. The payment by capitation, and competition and exploitation within its own ranks, will surely bring on contract practice and all its evils to the profession and to the patients.

Fourth, there must be a separation between the medical superintendence of the funds and the daily medical care of the individual patient.

Must Keep Duties Separate

The physician that superintends the medical questions relating to the funds must not be permitted to perform the duties of the personal care of the sick, nor can the physician who cares for the sick among the insured act in the position of superintending medical questions, relative to the fund. These two can, to advantage, mutually help each other and mutually keep the medical questions between funds and patients in equilibrium; but it will surely be to the disadvantage of both funds and insured if the functions of these two physicians are blended in one man.

CASUALTY AND SURETY POINTERS

Circulars Are Good Introductions

The waste caused by agents throwing away or shelving the circular matter sent them by the companies has caused many managers to curtail this form of campaign. The General Accident, however, is seeking to educate its agents in the real usefulness of the circular and tells how it can best be taken advantage of as follows:

"Circulars have a potential advertising value which we fear is not entirely recognized by our agents. We have been careful to provide them with an abundance of circular matter and shall continue to meet reasonable requests at all times. Are you using these circulars so as to derive the greatest advantage from them? They have but one use and that is—distribution. Their advertising effect is cumulative and supplemental rather than direct. The best circular ever devised will not sell insurance of any kind, but thorough and consistent distribution will prove an admirable introduction for the agent and his facilities.

"Every circular that you receive from the Corporation should eventually reach a prospect. This distribution can be economically effected in a number of ways. The cheapest, of course, is to see that every piece of mail which leaves your office contains one or more circulars."

* * *

Advantages Of Sticking To Company

The manifold advantages of sticking to one company in selling accident and health insurance are pointed out by the "Preferred Pilot" as follows:

"It pays an agent to stick to his company. Changing is apt to create an unfavorable impression. When an agent changes from one company to another, suspicion is aroused, the community is inclined to lose faith in him and to wonder whether he is not possessed of a more or less unstable nature.

"Loyalty to a company always pays. It commends itself to your business associates and the business interests of your vicinage.

"An agent who becomes known as a permanent representative of his company has established himself upon a sure foundation. People know just where he stands and for what.

"He is not called upon for an apologetic statement as to why he made a change. He retains full confidence of his community, retains their faith in him as a stable, reliable business man and therefore he secures his business with less effort than the changeling and it sticks by him better.

"Stick to your company and your business will stick to you and you will grow faster."

TRIBUTE TO C. NORIE-MILLER

Frederick Richardson Gives Character Sketch of Predecessor Who Was Lost While Serving Colors

Frederick Richardson, United States manager of the General Accident, pays a fine tribute to the personality of his predecessor, C. Norie-Miller, in the current issue of the Company's monthly publication, which is as follows:

"Only last month it was with pride and pleasure that we sent out to our agents and friends a reproduction of the cablegram from our general manager in which he conveyed fraternal greetings to our American comrades in arms. That was a moment of justifiable pride and joy which marked the coming together of all the great, free people of the earth in the common cause of liberty and justice. Alas, that emotion has too soon been overshadowed by a deep sorrow, for our chief has announced in a brief message that his eldest son—and our colleague and friend—Lieutenant Claud Norie-Miller, lost his life by drowning on the fourth of May. He was on his way to Egypt, where he was to have assisted in the British operations against the Turks. At present particulars are lacking, but we can imagine only too well the circumstances by which he came to his untimely end.

"It is hard for us who knew him to realize that he has gone. His bright and ardent spirit was always undimmed and undaunted. Generous-hearted, considerate of the feelings of others, witty but kindly, he inspired affection in all who knew him. How fond he was of America, of American people and American ways! I have before me a letter dated April 8, in which he reveals again this dominant feeling, and ever so sincerely. There was not in him the slightest trace of that snobbery which is sometimes ascribed to people of his race and social position. He was in the truest sense a citizen of the world. And it was in that sense that he gave up his life. It is sweet and becoming to die for one's country, but it is nobler still to die for the world, for human progress and human freedom. I never knew a man who was so utterly free from cant as he was, and if one had asked him why he was setting out to fight the enemies of his country, it would have been almost impossible to get anything but a jest for an answer.

"And now he has kept his rendezvous with death, and we are left to lament the moment and the manner of his going. With a sadness too deep for tears we contemplate in silence the grief of his father and mother who have been called upon to make this greatest of sacrifices, a sacrifice which we know will be nobly borne.

'And so to interpose a little ease
Let our frail thoughts dally with false surmise,'

and pondering for a brief space on the mystery of all human grief and partings, we wonder

'Whether he, to our moist vows denied,
Sleeps by the fable of Bellerus old,
Where the great vision of the guarded Mount
Looks toward Namanco's and Bayona's hold.'

"No matter! He has heard the call of 'Lights Out' and now lies in deepest repose. May we meet again at Reveille!

"F. R."

POLICY LIMIT DECISION

Supreme Court Decides in Favor of Employers' Liability in Action of Automatic Sprinkler Co.

In the suit of the Automatic Sprinkler Company of America, appellant, against the Employers' Liability Assurance Corporation, Limited, of London, respondent, the Court of Appeals has handed down a decision setting aside judgment for $14,528.35, in favor of the plaintiff, and ordering judgment absolute against the appellant on the stipulation, including costs of the Trial Term, and the costs directed to be paid by the Appellate Division.

The action was brought to recover the excess of more than $5,000 which the plaintiff was required to pay in settling a judgment of $17,120.05, obtained by an employe in a negligence action. The defendant issued a policy to the plaintiff, insuring its employes for any liability to the extent of $5,000. In the case of this claim the assured alleged the assurance company could have settled the claim within the policy limit but refused, and litigated, with the result of judgment being rendered for $17,120.05. The assured, therefore, brought action against the assurance company for the difference between the policy limit and the amount of the judgment against him. The court has now finally determined the case in favor of the Employers' Liability Assurance Corporation.

UNITED LIFE INSURES GROUP

General Agent Henry W. Lyndall, of Wilmington, Del., whose jurisdiction extends over Delaware, Maryland and the District of Columbia, for the United Life and Accident, of Concord, recently completed arrangements providing for group insurance for all the members of the Independent Order Sons of Israel of Baltimore, in his Company. The insurance is for $500 on each member. At present the order has between 400 and 500 members, but this number is expected to be increased greatly within the next few weeks. The new members will be covered under the group plan the same as those originally included. The contract was effective June 1, and the policies were delivered promptly on that date.

W. E. SMALL, President PETER EPES, Agency Mgr. E. P. AMERINE, Secretary
GEORGIA CASUALTY COMPANY
HOME OFFICE: MACON, GEORGIA
"DIXIE AUTO POLICY"
THE LAST WORD IN MOTOR INSURANCE
Surplus and Reserves to Policyholders.....$1,526,022.81

The METROPOLITAN CASUALTY
INSURANCE CO. OF NEW YORK
HOME OFFICE, 47 CEDAR STREET
CHARTERED 1874
Plate Glass, Burglary, Accident and Health Insurance
EUGENE H. WINSLOW, President
Russell R. Cornell, Vice-Pres. S. Wm. Burton, Sec. Alonzo G. Brooks, Ass't Sec.
RELIABLE AND ENERGETIC AGENTS WANTED

THE SIGN OF GOOD CASUALTY INSURANCE
HEAD OFFICE
CHICAGO
F. W. LAWSON
General Manager
Liability, Accident, Burglary, Boiler and Credit Insurance
Established 1869.
F. J. WALTERS
Resident Manager
55 JOHN STREET
New York
Elmer A. Lord & Co.
145 Milk St., Boston
Resident Managers New England
London Guarantee & Accident Co., Ltd.
OF LONDON, ENGLAND



NATIONAL CASUALTY DETROIT
The NATIONAL of DETROIT
Is ready—and qualified—to write
GROUP INSURANCE
This new form represents the future plan of INDUSTRIAL underwriting
NOW is the time to get started
National Casualty Company
Detroit, Michigan
Eastern Department
100 William St., New York
Western Department
Pacific Bldg., San Francisco
Northwestern Department
Palace Bldg., Minneapolis

A New Departure
IN
Life Insurance Advertising

THE advertisement reproduced on the right and and two others of a similar nature were run in three consecutive Sunday editions of a certain metropolitan newspaper and brought 1106 Inquiries for Booklets and 241 Inquiries for Agencies. The actual results were more than satisfactory; many applications have been written and many new agency contracts have been made with high class men without previous experience in the life insurance business.

The ADS occupied such space as to command the attention of the readers of the paper, the copy herewith presented being a reduced facsimile of the first one. They differ from the usual advertising in that, instead of being merely educational in their nature and intended for publicity purposes only, they contain a direct appeal with an undisguised effort to sell something.

They were successful because we had as our text, the NATIONAL 5 POINT POLICY. It is unique, appeals to the public because of its genuine worth and has "caught on" as nothing ever before presented. The advertisements and design are all copyrighted and application filed for registry in the U. S. Patent Office as a Trade-Mark.

The design and name of the NATIONAL 5 POINT POLICY cannot be forgotten by anyone who ever reads one of these ADS. They are fixed in memory. Try it yourself and see if you can forget them. National Agents with the help of National advertising will nationalize the NATIONAL 5 POINT POLICY.

We have opportunities for agents everywhere to help introduce the NATIONAL 5 POINT POLICY, and especially are we in need of four experienced men about thirty or thirty-five years of age to act as Agency Supervisors.

Apply to ROBERT D. LAY, Secretary

NATIONAL LIFE INS. CO. OF U. S. OF A.

29 So. La Salle St., Chicago



Announcing -

A New Form Of Insurance
***-Complete* Protection!**

The National

5 POINT POLICY

"Complete Protection-Insurance - at Lowest Cost"

AND now we announce a new form of insurance—the National Five Point Policy—a policy that guarantees you COMPLETE protection at a very low rate. For only one dollar more per thousand at the age of thirty-five than some other companies charge, the new National Five-Point Policy protects you on *five* points instead of only one or two. You are protected against loss from Sickness, Accidents, Total Disability, Old Age and Death. We are only enabled to make this exceptional offer by COMBINING several policies in one—thus giving you the benefit of *decreased* operating costs. Send the coupon below for FREE booklet describing the new National Five-Point Policy

The Five Points Explained

Under the regular life insurance policies you are usually protected on only one or two points—Death and Old Age. Under the new National Five-Point Policy you are given the same beoefits covered in other policies—with several benefits added. The five points on which you are protected under the new National Five-Point Policy are:



An Annual Income for Life if Permanently Disabled by Accident.

1. Sickness
2. Accidents
3. Total Disability
4. Old Age
5. Death

Point One insures you in case of sickness. If you are temporarily confined by any sickness or disease, you are paid a weekly income. *Point Two* insures you in case of any accident If you are either *partially* or *totally* disabled by any accidental injury, you are paid a weekly income. *Point Three* insures you in case of total disability If you are totally and permanently disabled from *any* cause you are NOT required to pay further premiums and you are given an annuel income for life.

Point Four insures you against poverty in old age. The face value of the policy is payable to the insured IN CASH at the age of eighty-five; or, you can draw an annual or monthly cash income beginning at the age of sixty-five. The policy is paid-up for life at the end of twenty years *Point Five* insures you in case of death In case of death from ordinary causes, the face value of the policy is payable *IN CASH*. In case of death from accident, *DOUBLE* the face value of the policy is payable *IN CASH*

National Life Insurance Company of the U. S. A.

"Chicago's Oldest and Strongest Company"

ALBERT M. JOHNSON, President *ROBERT D. LAY, Secy.*

Executive Offices: National Life Building
Dept. A, 29 South La Salle Street Chicago, Illinois

WANTED: We have positions in our organization for several high class business men who have been successful in other lines. Men without insurance experience who are now earning $1,500.00 to $5,000.00 per year, to assist in introducing the NATIONAL FIVE-POINT POLICY everywhere. Apply by letter or in person, to MR. ROBERT D. LAY, Secretary, 13th floor National Life Building, 29 South La Salle Street, Chicago, Illinois. All applications confidential.

Complete Protection



Weekly Income in Case of Sickness

We believe the National Five-Point Policy offers the maximum of protection at minimum cost. It is only by offering insurance on these five points in a combination policy, that we are enabled to make such a low rate. The rate is based on the insured's age and occupation. If you are 35 years of age, you may secure a National Five-Point Policy for as low as $39.73 per thousand — *approximately One Dollar more than the cost of a twenty payment life policy in some companies*—and you are protected on FIVE POINTS! By combining *all* points in one policy, costs are reduced. You get the benefit.

An Old Reliable Company

The National Life Insurance Company of the United States of America has been established since 1868. Of the several hundred insurance companies in America, it is 32nd in age. *It has nearly one hundred millions of insurance in force.* It owns its own building. It operates only in the United States. It issues all forms of life insurance, but the new National Five-Point Policy is especially featured All of the mighty resources of this old, substantial company amounting to more than Fourteen Millions of well invested funds, are back of the National Five-Point Policy.



Home Office: Our Own National Life Building, 29 S. La Salle Street, Chicago.

Special Offer: Booklet Mailed Free

In order to acquaint the public with the benefits of the new National Five-Point Policy, we have prepared a special booklet explaining, in simple terms, how complete protection is given at such low cost thru the National Five-Point Policy. Whether you are considering life insurance NOW or not, whether you live in Chicago or out-of-town—you will appreciate learning about the National Five-Point Policy We shall be glad to send a copy of this booklet to you by mail—prepaid. Please use the coupon. No obligation whatever.

Send this Coupon for Free Booklet

FREE BOOKLET COUPON

National Life Ins. Co. of the U. S. A.
Dept. A, 29 South La Salle St.
Chicago, Ill.

Without any obligation whatever, please send me a copy of your booklet describing the new National Five-Point Policy.

Name _____

Address _____

City _____ State _____

Occupation _____

Copyright, 1917, National Life Ins. Co. of the U. S. A.

368.05
E A
Commerce

THE EASTERN UNDERWRITER

[Succeeding the Journal of Insurance Economics, Established in 1899]

A WEEKLY NEWSPAPER COVERING ALL BRANCHES OF INSURANCE

Eighteenth Year; No. 24 | NEW YORK CITY, FRIDAY, JUNE 15, 1917 | $3.00 a Year; 15c. per Copy

STANDARD AGENTS' MONTHLY ACCOUNT

Adopted By the Executive Committee of National Board of Fire Underwriters

SOON TO BE GENERALLY USED

Co-operation With National Association of Insurance Agents—New Disbursement Sheet, Too

Agents throughout the country will doubtless be interested to learn that the National Board of Fire Underwriters, through its Executive Committee, has adopted a standard form of Agents' Monthly Account, and the use will be recommended to every company member of the board. A committee of the National Association of Insurance Agents has been at work in a similar direction for several years, and a form prepared by its committee in charge of same had already been adopted by fifteen or twenty companies. The National Association, however, is in concurrence with the National Board in this matter, and, therefore, will have without doubt hearty co-operation of agents as well as companies throughout the country. It is believed that by January 1 the new standard form of Agents' Monthly Account will be generally used throughout the United States much to the satisfaction of all concerned.

Another branch of The National Board work that has been adopted by the executive committee, and in concurrence with the Insurance Commissioners' Committee on Banks, has been approved for use in the annual statement blank for the year 1918, is the disbursement sheet page three of that blank, and by its use a complete separation between premiums, losses and expenses of the fire from marine business will be very throughly effected—much to the satisfaction of the fire insurance statistician.

HAD NO CO-INSURANCE

Troy Seminary Burned in Troy Was Covered Only to Extent of $60,000 —Value $240,000

The St. Joseph Seminary Catholic school which was burned in Troy last week was insured for $60,000 with no co-insurance clause in the policies. The building was valued at $240,000. The loss was less than fifty per cent. of the value but was a total loss for the insurance companies.



"The Largest Fire Insurance Company in America."

THE HOME INSURANCE COMPANY NEW YORK

ELBRIDGE G. SNOW, President

Equal Protection for ALL Policyholders.

FIRE AND ALLIED BRANCHES OF INSURANCE

Fire, Lightning, Automobile, Commissions, Explosion, Hail, Marine (Inland and Ocean), Parcel Post, Profits, Registered Mail, Rents, Sprinkler Leakage, Tourists' Baggage, Use and Occupancy, Windstorm.

STRENGTH REPUTATION SERVICE

North British and Mercantile Insurance Co.

Established 1809

Entered United States 1866

Policyholders protected by the entire United States assets, with further guarantee in every policy, of protection by entire fire assets of the company which are many times larger.

SPRINGFIELD
Fire & Marine Insurance Co.

Cash Capital $2,500,000 00

THE **SPRINGFIELD** for two-thirds of a century has transacted business solely under its own corporate name, without annexes, underwriting agencies or subsidiary companies. An agent of the SPRINGFIELD is not a half, a quarter or any other fraction of an agent, but is vested with the rights and dignity of an undivided representative of an undivided and independent company. The SPRINGFIELD stands today pre-eminent among American fire insurance companies.

SPRINGFIELD MASSACHUSETTS

ROUSING MEETING OF LIFE SALES OFFICERS

Prof. Scott, Carnegie Bureau of Salesmanship Research, Starts Discussion on Selection

MUCH INTEREST IN CONGRESS

Winslow Russell Elected President; Isaac Miller Hamilton, Secretary; Executive Committee Personnel

(*Special to The Eastern Underwriter*)

Detroit, June 11.—The first annual meeting of the Association of Life Agency Officials, which was organized during the meeting of the World's Salesmanship Congress last year, was held at the Hotel Statler on Saturday, with an attendance of eight-five. Insurance Commissioner Winship, of Michigan, extended greetings and a hearty welcome on behalf of the State. Winslow Russell, president of the Association, stated that the Association is growing and pointed out the necessity of co-operation and said that this movement is for better life insurance salesmen.

Professor Scott Starts Discussion

The first topic, "The Selection of Agents," was opened by Dr. Walter Dill Scott, director of the Carnegie Bureau of Salesmanship Research. He raised several questions, the first of which was "Selection." He said that the chief function of the superintendent of agents is the selection and appointment of agents, and the rule has been first practice and then theory, but to-day more attention is being given to theories. Great strides have been made in practice, due to theories.

The second topic was, "Why consider selection?" Third: "Is there necessity of selection among applicants?" Of two men one can succeed best at one kind of work, and the other at another, hence the value of selection. The man who has shown his ability in one line has a better chance at another, but it does not follow that he will be successful. Fourth: "Is there a possibility of selecting wisely?" a question which he answered in the affirmative. Fifth: "What should be done with questionable men?" Sixth: "What are some potential facts of selection?" He said that he believed in physiognomy, and in ancestry to some extent as determining factors, but these are only guides. Seventh: "What are the essentials of selection?"



In answering this question Professor Scott emphasized personal history, reputation, self-analysis, and the judgment of experts. The manager should make it a point to study the applicants carefully, without prejudice, and above all should use tests to get at the man's qualifications. Results can be obtained by tests which cannot be reached otherwise. Eighth: "How may methods of selecting agents be checked?" Ninth: "Should an agency manager employ expert services?" These questions were asked largely to stimulate thought and endeavor to secure a higher grade of men. He said that he considered the agency manager as the greatest sales expert in America.

W. E. Taylor Says Waste Must Be Eliminated

W. E. Taylor, superintendent of agents of the Equitable Life Assurance Society, was the first in the discussion following Professor Scott's talk. He outlined the methods employed by his Company in securing and stimulating agents. The Equitable holds a conference of the agents January 1 and makes an allotment for the year. Later the results are sent out in the form of a chart, and this plan, he said, awakens great interest in the agency force. Questions regarding their methods of procedure are also sent out and the replies summarized. Form letters for managers to send out to teachers, business men, etc., are prepared. A number of good agents have been secured in this way, but he found during a period of four years the production of these new men gradually fell off. Something should be done to eliminate this waste. He believed in having the agent answer a series of questions as to why he will succeed, and from these replies he gets a good pen picture of the men.

Burnet's Efficiency Test

Philip Burnet, president of the Continental Life, Wilmington, Del., outlined the results obtained by this Company in applying the efficiency test. The rule of how closely an agent approximates the standard is divided into four parts: First, the man must have hosts of friends who make good prospects; second, he must want to sell life insurance; third, he must believe he can do it; fourth, he must need the income. Mr. Burnet said he believed in the part salary and part commission basis of compensation.

Go Slow About Selection

A. N. Mitchell, assistant superintendent of the Canada Life, in continuing the discussion, thought that there is need of devising some plan to assist in selecting agents. Many a man properly selected fails because he is improperly placed. He must be properly adjusted to form of contracts, territory, etc. The work of selecting should not be hurried. Going slowly is difficult but necessary. He suggested an experience table of failures, compiled from the combined experience of a number of companies. As a rule the best men are those who are sought by the position.

High Moral Qualities Demanded

H. E. Aldrich, superintendent of agents of the Equitable Life of Iowa, in discussing this subject said that his Company demands high moral qualities on the part of its managers, and its favorable mortality ratio is largely due to this fact. Elaborate blanks are used for the purpose of getting at the men's qualifications and they must measure up to the requirements outlined. Among the things required are a good education, good morality, financial worth and good health of self and family. In short, full information is required. The efficiency of the men is measured by the card rating system, which Mr. Aldrich explained. General agents are required to exercise the same care in the selection of agents.

Luncheon was served in the Detroit Athletic Club at which most of those in attendance at the meeting were present.

Searching for Agency Managers

President Russell said a few words on the selection of agents and spoke of results he had had from advertising for managers. He had used the daily papers and magazines, and simply advertised for salesmen, omitting all mention of the kind of business. He received a large number of replies, but as soon as he informed those who replied that he wanted them for life insurance work, very few answered the second time. He also sent out booklets and from these received a few replies. Altogether he obtained a small percentage of good men.

Mr. Russell announced that there are two vacancies in the Bureau of Salesmanship Research, and inquired as to the advisability of the association applying for membership. After some discussion a motion was carried providing that application be made for such membership, if the association could join on satisfactory terms. This matter was left with the executive committee.

George H. Hunt's Talk

At the evening session the question of "The Training of Agents" was opened by a paper by Wm. Alexander, secretary of the Equitable Life Assurance Society. He was followed by George H. Hunt, superintendent of agents of the Imperial Life of Toronto. Mr. Hunt said that the first step in the training of agents was to inculcate a right mental attitude. The agent must have a thorough belief in what he is selling and in Canada this is being thrust upon people through the relief afforded widows and orphans by the payment of claims of Canadians who died on the battlefields of Europe. Now that the United States has entered the war he predicted the same condition here. He said if after going into all the details of life insurance, its objects, benefits, etc., the man does not become enthusiastic, he had better go into some other line of business.

The agent should also be taught to thoroughly believe in the company he represents but should not knock other companies. He should also be taught the value of service which begins with the first interview, and the prompt delivery of a policy should be emphasized. The agent should have a certain knowledge of the technicalities of the business, but he should talk little of them and mostly from the insurance aspect. An agent should keep a card record. He mentioned one case where a man's cards showed that after working 100 days he had only thirty cards showing about one interview in three days. This man was helped and encouraged and became a very good producer.

Salesman Must Be a Worker

Jas. P. Sullivan, vice-president of the Farmers & Bankers, of Wichita, Kans., made an address on the same subject. He said that the first thing was to make a salesman a worker, the second a hard worker, the third a very hard worker, and the fourth an intelligent worker. He said that men can be developed to hard work, and by hard work he meant that which keeps an agent going all day. The most certain method to train men properly is to inculcate loyalty and an idea that he is a part of the business as a whole. This is loyalty to the business. He must also be taught loyalty to his company and loyalty to himself. He must be taught to love his business and realize its great benefits to mankind. He should be made to realize the strength and good features of his own company, and that his company is loyal to him. Always give a salesman a square deal. Many good men have been lost because they felt that they were badly treated. A loyal salesman always shows up when a call is made for more business. Then an agent must be loyal to his prospect by telling him the truth and selling him insurance in the right manner. Such an agent can keep his business renewing. Pride in his work should be taught him. This will lead to hard work and a desire to rank high among his company's agents. This sort of training is more essential to a new agent than to an old one.

As a boy in college is first taught the college spirit so an agent should be taught a similar spirit. Once this spirit and loyalty are established it becomes easy to produce efficiency. Agents should be taught to speak well of other companies, and twisting, rebating and other evils should be warned against. His own Company, Mr. Sulivan said, had had good results from this plan of training.

T. R. Hill on Life's Keynote

The subject was further discussed by Thos. R. Hill, superintendent of agents of the Provident Life & Trust. He said that the keynote of life is the opportunity for love and service, and no man has greater opportunities along these lines than the life insurance man. His work rightly done leads to the prevention of poverty which is the foundation of ills that flesh is heir to. Life insurance work lifts a community, and you can't lift a community without lifting a State, or a State without lifting a nation. He considered it a great privilege to be a life insurance man. Success should be the basis of all acts. A successful agent must have besides other qualifications, persistence with intellectual integrity. Keeping everlastingly at it is of itself not correct. The work must be intelligently applied in terms of service rendered.

Behan on Human Element

Joseph C. Behan, superintendent of agents of the Massachusetts Mutual,

Great Southern Life Insurance Company

HOUSTON, TEXAS.



For Agency Contracts address

O. S. CARLTON

PRESIDENT

AN AMERICAN COMPANY

True to American Ideals and Traditions

The Germania Life Insurance Company

Established 1860

Under the laws of the State of New York

A Growing Company for Growing Men

RECORD FOR 1916

(The Best Year in the Company's History)

New Paid-for Business	$ 21,061,120.00
Gain over 1915 nearly	6,000,000.00
Total Insurance in Force, January 1st, 1917	158,839,851.00
Gain in 1916 nearly	8,000,000.00
Saving to Policyholders on account of favorable mortality of 61%	513,000.00
Assets	53,793,290.00
Surplus and Dividend Fund	6,424,602.62

Income from Investments alone more than sufficient to pay all Death claims.

Business paid for in the first four months of 1917 shows a gain of 44% over the same period in 1916.

Two attractive Agency openings

ADDRESS

T. LOUIS HANSEN, Superintendent of Agencies

50 UNION SQUARE, NEW YORK CITY

LIFE INSURANCE SELLING CONGRESS IN DETROIT

said that the human element in life insurance must not be overlooked. An agent should make a study of men, find out what is wrong and set them right. He should study individual troubles and get the agent's confidence.

Emphasizes Sincerity

R. W. Stevens, vice-president of the Illinois Life, emphasized sincerity as a necessary part of an agent's equipment. If he believes in life insurance and what it does he will be successful. A part-time man who writes but three applications a year should be encouraged and helped.

Sidney A. Foster, vice-president and secretary of the Royal Union, said agents are engaged in the process of evolution, and their whole purpose should be protecting humanity.

Winslow Russell President

The following officers were elected: President, Winslow Russell, Phoenix Mutual; secretary, Isaac Miller Hamilton, Federal Life. Executive committee: H. E. Aldrich, Equitable of Iowa; George E. Copeland, Northwestern Mutual; George H. Hunt, Imperial of Toronto; Glover S. Hastings, New England Mutual; Wm. E. Taylor, Equitable Life; Jos. C. Reynolds, Kansas Life.

The following companies were represented: Berkshire, Equitable of New York, National of U. S. A., Phoenix Mutual, Preferred Life, German Mutual, Manufacturers, Connecticut Mutual, Central Life, California State, Register, Standard, Central States, American Central, Superior Mutual of Canada, Continental, Provident Life & Trust, National of Vermont, Guardian, Ohio National, Northern of Ontario, Franklin, Massachusetts Mutual, John Hancock, Century, Indianapolis, Inter-Southern, Western of Des Moines, Southern L. & T., Fort Worth Life, Life Insurance Company of Virginia, Central Life of Iowa, George Washington, Lincoln National, Equitable of Iowa, State, Germania, Northwestern Mutual, Connecticut Mutual, Dominion, North American, Toronto, Sun Life, Royal Union, Union Central, Farmers & Bankers, London Life, Imperial, Jefferson Standard, Midland Mutual and Philadelphia Life.

Detroit Association's Lunch

Monday noon a complimentary luncheon was given by the Detroit Life Underwriters' Association at the Detroit Athletic Club to visiting officials of life insurance companies. Following the luncheon 3-minute speeches were made by T. C. Rice-Wray of Detroit, Secretary Larson of the National Association of Life Underwriters, W. J. Graham of the Equitable of New York, J. Gordon Ramsay of the Canada Life and W. E. Bilheimer of the Franklin Life.

Another insurance session was held at the Hotel Statler Monday afternoon with a large attendance. Everett W. Owen, local manager of the Sun Life, presided, and extended a hearty welcome to all life insurance men, who are the dynamic force of the country, to the dynamic city of this United States. He spoke of the good work done by the life underwriters of Detroit in selling Liberty bonds, and said that life insurance men are in the fore-front when it comes to giving their services for Liberty. He said the Detroit life underwriters sold their quota and more in four days. He then introduced W. J. Graham, superintendent of the group department of the Equitable, whose topic was "How to Sell Business Insurance."

Discuss Advertising

The subject of the second section was the selling of life insurance through advertising, and C. A. Larson, secretary of the National Association, presided. The subject was opened by Joseph A. Richards. In reply to questions Mr. Richards said that he did not approve of institutional advertising but thought it could be made effective. The trouble is that men fail to agree. As to advertising of life insurance by banks he said he favored it.

W. F. Steedman, of the Sun Life, said that all advertising can be useful only so far as it is followed up by the man with the rate book. It can do no more than prepare the way. Every agent is advertising his company better than any other advertising can do.

Section 3, entitled, "A Real Business for Real Salesmen," was next taken up with Winslow Russell as chairman.

William A. King, of the Missouri State Life, opened the subject by a paper on "Selection."

E. J. L'Espereance, manager of the Imperial Life at Montreal, followed with an address on "Efficient Selling Methods." He outlined these methods as: First, calls; second, persistency; third, knowledge of anatomy; fourth, new goods to show; and, fifth, painting the picture. As to calls, he said his agents should call on men who can buy and pay for insurance, and not waste time calling on men who are uninsurable or have not the means to pay for insurance. He should see ten or fifteen new faces daily. As to persistency and by having the men keep card accounts he has proven that persistency pays. Then the life insurance salesman should know something of anatomy and should always have something new to show. He believes in pictorial illustrations to show the value of insurance protection against death.

W. H. Beers, of the Mutual Benefit, Rochester, spoke on the same topic and illustrated his remarks by diagrams. In his own agency he had found that 63 per cent. of cases were closed on the first interview and 83 per cent. without appointment. By working six hours per day and two evenings per week his force had averaged one application per 6.6 interviews.

Graham C. Wells, of the Provident Life & Trust of Pittsburgh, also spoke on this topic. The first thing to get into an agent's mind he said was service. He believed in arranging for a consecutive weekly production and this plan had been very successful in his agency. It sets a possible ideal for every man and spurs him on to do his best. If other men can do it so can he, and he will exert himself to that end. Then the habit of continually writing applications gives a man a certain skill in doing it, and makes him more efficient. If he writes business every week he will not be in the company's debt. There may be objections raised to this plan, but it has worked out well in his agency.

The closing speech was made by W. E. Bilheimer, of the Franklin Life, who spoke of the great opportunities of the future and the importance in embracing it. The one essential thing is that a man should be loyal to himself and strive for the better things that are in every man. He needs to discover the hidden power that is concealed in every one. There are great forces in nature, but no power in the world like that of a man who has found himself. Service in the highest sense is when a man sells himself to himself for the betterment of the world. The world is full of men who live in valleys, and what is needed is men with world-vision, not men with restricted vision. Under the United States flag every man has a chance to make just as big a life as he chooses.

Salesmanship is the power to persuade people to purchase product at a profit.

Life insurance salesmanship is the power to persuade people to apply for life insurance—be examined for life insurance—and pay for life insurance—when it is issued for them.

There can be no life insurance salesmanship without the insurance applied for being paid for.

Are you a salesman?—Weekly Bulletin, Missouri State Life Ins. Co.

HELPS CORPORATION INSURANCE

Treasury Department Rules Payments Can Be Deducted in Figuring Annual Net Income

The following communication from Chief Deputy John F. McEvoy, of the Treasury Department, Philadelphia, Pa., to S. M. Hertz, of the New York Life in Philadelphia, explains itself and will clarify the situation for those who are working to get corporations and business houses to insure the lives of their employes or officials in favor of the Company:

"Sir: Referring to your letter of even date, relative to deduction of premiums paid on life insurance policies of the employes of a corporation by the corporation, the policies being drawn in favor of and made payable to the corporation, I beg to state that payments made in this manner are legally deducted for the purpose of ascertaining the annual net income of a corporation.

"JOHN F. McEVOY, Chief Deputy."

Vice-President Buckner believes that this ruling will help agents in writing corporation insurance.

PRACTICE WHAT YOU PREACH

By E. W. Hillweg,
In "Northwestern National Agent."

One of our successful agents recently asked, "Will the company furnish me a duplicate of my policy?" When asked if his policy had been lost or destroyed, he replied, "No, but I have worn it out showing it to people." He further stated, "I begin my talk to a prospect by showing him my own policy, with the statement, 'The Northwestern National Life agrees to pay to my wife and children two thousand dollars if I should die at any time. Would you not like to have one like it?'" I at once understood the value of his argument and knew why he was and is a successful life insurance salesman, and agreed to supply him with any number of duplicates of his policy to replace those worn out with that kind of an argument.

Unfortunately, not all agents carry insurance on their own lives; some because they are not physically able to pass a satisfactory medical examination, others because they are not financially able to pay the premiums, and still others because they are negligent and are like some doctors who do not take their own prescriptions, or ministers who do not practice what they preach.

All agents who are physically able to secure insurance, should take as much as they can reasonably carry, and those who are not financially able to pay premiums, probably soon would be if they would follow the example set by the successful agent who wears out his own policies to show the people his faith and belief in life insurance and the company that he represents.

CHANGE-OF-AGE LETTER

Will G. Farrell, General Agent Penn Mutual Life, Salt Lake City, Using It

An effective change-of-age letter is being used by the Penn Mutual Life's general agency in Salt Lake City, Will G. Farrell. He not only incorporates date of birth, but also the day. The letter follows:

Dear sir: You were born on Thursday, November 5, 1874.

Therefore, May fifth of this year is an important date for your consideration, as at that time you become one year older for insurance purposes. You still have, however, the privilege of applying for additional insurance at your present age, though in a few days your insurance cost will increase not only for the first year, but for every year that you carry it.

As a good business proposition, would it not be wise to act at once and thus save an increase in premium? We will cheerfully send particulars of our latest contracts without obligation or importunity upon the return of the enclosed card without signature.

Very truly yours,

The national officers of the American Insurance Union, of Columbus, Ohio, are conducting an investigation of whole family protection plans

We don't contract with poor men.
We give a new man our attention until he is started.
We make our men make good.
Why don't you work for us?

Peoria Life Insurance Company
PEORIA, ILLINOIS

A PENN MUTUAL PREMIUM, less a PENN MUTUAL DIVIDEND, purchasing a PENN MUTUAL POLICY, containing PENN MUTUAL VALUES, make an INSURANCE PROPOSITION which in the sum of ALL ITS BENEFITS, is unsurpassed for net low cost and care of interests of all members.

THE PENN MUTUAL
Life Insurance Company
OF PHILADELPHIA

On January 1, 1909, rates were reduced and values increased to full 3% reserve

LIFE INSURANCE SELLING CONVENTION

Alexander on How to Train Agents

CLOSER RELATIONS BETWEEN HOME OFFICE AND FIELD

Secretary of Equitable Life Assurance Society is Writing a New Book on Salesmanship

"How to Train Insurance Salesmen," was the title of a valuable paper read at the Life Agency Officers' Convention in Detroit by William Alexander, secretary of the Equitable Life Assurance Society. Mr. Alexander said the ideal plan for training salesmen would be to send the youthful agent to school for a week and then give him a week in the field, but such a scheme would be too expensive. What then should be done? Mr. Alexander said in part:

1. We must select agents with greater care and skill than has been customary in the past, discarding all applicants who obviously lack character, intelligence, and aptitude.

2. All the instruction possible should be given at the home office of the company and in the office of the general agent, to the soliciting agents whose headquarters are near by.

3. The officers should go into the field—not only the agency officers, but the President, the Actuary, and the rest. The amount of valuable instruction which can be given by this course is remarkable. Moreover, it is a wholesome thing for the officers to confer with the field men where they do their work. By such excursions the officers learn lessons quite as valuable as those they are able to teach.

4. Every agent who has made good by writing a certain amount of insurance during a series of months or years, and has become a permanent representative of his company, should it seems to me be given at least one trip to the home office of the company he represents.

5. The company should have at least one or two competent instructors to be sent to agency centers, primarily for the purpose of teaching and encouraging the soliciting agents within reach, but also to give the general agent any advice or instruction that may be appropriate.

6. The company should supplement the practical training which the agents will get in the field by such theoretical knowledge as it can give in textbooks and lesson papers; emphasizing the things that cannot be learned from the people they meet from day to day.

Just here let us pause for a moment to consider the comparative value to the agent of practical and theoretical instruction.

Field Training the Best

The most valuable training the insurance salesman can get will always be in the field, especially if he is guided in the beginning by an experienced solicitor. But there will always be a great deal of information which will never be gathered by the agent in his interviews with prospects. Some of this information is essential; for the agent must have strong convictions or he will not be able to convince others. And he will never have absolute confidence in life insurance until he knows that it is based on principles as steadfast as the everlasting hills; until he knows that the premiums charged are not arbitrary, or the result of guesswork, but based on a reliable mortality table and careful assumptions as to interest and expenses.

Of course, it must be pounded into him that such information is for his own enlightenment and not to be passed on to applicants for insurance. He must be shown that such information is given exclusively for the purpose of broadening his vision, increasing his confidence, and enabling him to give intelligent answers to the occasional questions of the people he is trying to insure.

Writes Books and Correspondence Course

In this connection, let me tell you what I am trying to do to supplement the agent's work in the field.

I have written several books for the agents of the company with which I am identified, and I have given those who have been willing to take it, a correspondence course, which has been, I think, of practical value.

In launching the course of lessons to which I have just referred I announced that it would be given exclusively to people connected with my own company, the object being to give the students a feeling that they were enjoying a special privilege.

My present view is that if my work is helpful to the agents of my own company it ought to have some value to the agents of other companies. Consequently, when, about a year ago, the National Association of Life Underwriters invited me to write a primer—or elementary textbook—on Life Insurance, I accepted the invitation and have written such a book. It is entitled: "What Life Insurance Is And What It Does, A Primer for Laymen and Students."

Writing a New Book

I am now working on a sequel to this primer, to be entitled:

"How To Sell Insurance, A Practical Guide to the Insurance Salesman." With these two volumes as textbooks, I hope to construct a revised correspondence course for agents, divided into two parts: the first a practical preliminary course for new agents; and the second a regular course for those who make good, and are seen to be worth following up.

This course will not deal with the usages and policies of the company with which I am identified; that ground will be covered by a few supplementary lessons. Consequently the course will be as appropriate for the agents of one company as for those of another; and although most of the companies now have their own courses of instruction, and may not be interested in my lessons, they will be freely offered to any companies or agents who care to utilize them.

In conclusion, a brief summary of the lessons I try to teach in these two books will show you what education I regard as essential for the soliciting agent, in addition to the training which is given him by other field men, and the skill he acquires by his own effort and practice.

In the first place, I insist upon the importance of a subordinate position for the youthful agent. "The more haste the less speed." The agent who attempts to go it alone may be confronted by insurmountable obstacles, and "half a loaf is better than no bread." So the novice should get a position where he will get a training. He must get it in some way or other and he will be lucky if he can get it without being compelled to pay cash for it.

I advise every new agent to take a preliminary canter over his educational course by reading the first part of my primer.

Outlines a Program

I then advise him to go to work in accordance with the following program:

1. Begin your work under the wing of an experienced agent. Introduce him to your friends, acquaintances, and such prospects as you are able to reach. Let him do all the work at first. Watch him closely, and store up the knowledge thus acquired.

2. After that, work jointly with your guide, or go out alone and write all the applications you can without assistance, calling upon your guide for help only in cases which you are unable to close alone.

3. After you have had this expert advice and assistance for a time, you will acquire sufficient confidence and skill to proceed without help. Always remember, however, that team work will be desirable from time to time as long as you are an insurance solicitor.

4. While you are getting your preliminary training, spend as much of such leisure time as you have in getting an adequate insurance education. Review your preliminary work by rereading the first part of the primer, which you will appreciate far more than in the beginning. After that read the rest of the book. Or, better still, take advantage of the company's correspondence course, using the primer as a preliminary textbook, as directed in the lessons of that course.

5. Then continue the correspondence course in connection with my second book.

In this second book, "How to Sell Insurance," I shall attempt to tell the agent what to do and what to avoid; what to say and what to leave unsaid; how to begin his work and how to carry it on.

Self-Made Men

I hope I have made it clear that the company can do a great deal of good work in helping to train the soliciting agent. Nevertheless, when all is said and done, I believe the successful agent will always be a self-made man, but necessarily with a supplementary training, given by his company, by his business associates, and by competent textbooks and lesson papers.

OVER $1,000,000 IN MAY

New York Office John Hancock Mutual Life Has Largest Month in Its History

A representative of The Eastern Underwriter this week asked William N. Compton, general agent for the John Hancock Mutual Life in New York, how business was keeping up. Mr. Compton said "This office in May produced considerably over $1,000,000 of business, which established by far the biggest record ever made by the agency." Thus another is added to the field of $1,000,000 a month agencies in the metropolitan territory.

It is not a long way back to the place where the John Hancock Mutual Life office in New York produced annually about the same amount of business as was produced in the month of May. Since Mr. Compton became general agent the agency has had a steady and consistent growth.

Ambitious, Productive and Trustworthy Life Agents may be benefitted by corresponding with the

Berkshire Life Insurance Company

of Pittsfield, Mass.

Inc. 1851

New policies with modern provisions Attractive literature

W. D. Wyman, President W. S. Weld, Supt. of Agencies

HOME LIFE INSURANCE CO.

(Now Purely Mutual)

256 BROADWAY, NEW YORK

GEORGE E. IDE, President

The fifty-seventh annual report shows insurance in force of $133,493,000, an increase during the year of $7,832,827. The Company paid the policyholders in 1916 $3,536,233, of which $628,406 was in dividends or premium refund. Its insurance reserve fund was increased by $1,300,000 and the Assets are now $32-821,462.

For Agency apply to

GEORGE W. MURRAY,
Supt. of Agts.
256 Broadway, New York, N. Y.

BANKERS BLC LIFE DES MOINES COMPANY

PAYS GOOD PAY TO GOOD MEN

ALWAYS A PLACE FOR DEPENDABLE AGENTS

Those who can not only write applications but deliver policies, and are energetic in their methods. Good positions are ready for such men.

Union Mutual Life Insurance Co.

PORTLAND, MAINE

ARTHUR L. BATES, President

Address: ALBERT E. AWDE
Superintendent of Agencies
7 W. Madison St., Chicago, Ill.

LIFE INSURANCE SELLING CONVENTION IN DETROIT

Correct Advertising Would Reduce Cost of Selling

J. A. RICHARDS POINTS OUT WEAKNESS OF PRESENT SYSTEM

Life Insurance Men Should Not Write Its Literature—Where Agents Should Rank

J. A. Richards, of the Joseph Richards Company, whose work for the Phoenix Mutual Life has attracted wide attention among life insurance officials and agents because of its originality and human appeal, addressed the Association of Life Officers, taking as his subject "The Sheep and the Goats of Life Insurance Advertising." He hit out from the shoulder, pointing out the weaknesses of the present system of life insurance publicity.

Mr. Richards began by discussing the greatness of life insurance, and quoting from a pamphlet addressed to all students of the Phoenix Mutual Course of Salesmanship Lessons, written by John M. Holcombe, president of that Company, in which Mr. Holcombe asked agents to realize the magnitude and significance of life insurance and their responsibility. Continuing he said:

Yes, Mr. Holcombe, but who was it that provided the field men of life insurance an opportunity to do such things? Who was it that built the frame work of company after company, that has cared for and distributed the millions of dollars which have been gathered in from year to year by the field men from the policyholders? Who was it that figured out a fabric of finance which makes it possible for the companies to guarantee the payment of this nearly twenty-two billion dollars of present contracts—guarantee it so absolutely that when, perhaps fifty years from now, the last thousand dollars of this vast sum shall be due and payable that one thousand will be on hand to meet the obligation?

Who was it but the men of the home office who reject our bad risks, and some of our good ones, as we sometimes think, who loan the funds that we collect, so that safety and profit unite to make insurance doubly sure?

Take Off Hat to Officers of Companies

Gentlemen, we of the field force take off our hats, do we not, to the officers of our companies, and salute them as the great builders and conservators of national protection.

Do you notice that I said "we." Oh yes, I am a field man in the life insurance world, for I am selling life insurance with my pen.

But now for a dash of cold water and a vigorous, but not vicious, thrust at you all in the interest of better business and more of it.

The average man is buying all too little life insurance. Opportunity is the test of efficiency and in the light of that fact the life insurance business is inefficient. President Holcombe says, —"Far from being overdone, it ought really to be sold in ten times the present volume."

Should Sell More Life Insurance

Who is to blame? Well, in order that we may not have too many on our hands at once, permit me to divide you into sheep and goats.

Gentlemen of the official staffs of the life insurance companies of North America, you are seriously to blame for not protecting more men, women and children on this continent and for not more adequately protecting those who now hold smaller policies in your companies than they ought to hold. The trouble is you don't use advertising tools and advertising experience to sell life insurance.

It is almost absolutely accurate to say that there is no such thing as life insurance advertising.

There is a vast amount of company advertising and you will allow me to register my deliberate judgment that about 90 per cent. of it is waste.

I sat in the presence of the vice-president of one of the largest companies in the world a few days ago and told him that the money wasted in the vain boasts of life insurance companies who have been content to swell up and shout about the size of their assets and surplus, business written—such vaingloriousness has cost life insurance companies enough to finance the war. I confess I said this before I realized how much the war was likely to cost, but I say now that it is a shame that life insurance has so prostituted its high calling as to have wasted such great sums in publishing the details of company pride.

Charging Wasteful Expenditure to Advertising

But that is not the worst of it, for the companies have had the assurance to charge this wasteful expenditure up to advertising. They have thereby given advertising a bad name and spread the almost universal fallacy that advertising cannot sell life insurance. Gentlemen of the life insurance executive staff of the country, I want right here and now to nail that statement as an untruth. The fact is that advertising has never been tried on life insurance and I will demonstrate in a few minutes what I mean by advertising; but first, I must finish my indictment against the companies for not really advertising.

The same vice-president to whom I referred a few moments ago shoved over a statement to me which he bade me examine to prove that his company was now doing more life insurance than the law allowed. And he wanted to know what I had to say in view of that situation. Well, I have this to say, that if advertising were properly used it would reduce the costs of selling so that this very company could sell all the protection that people ought to have and not get into conflict with the Insurance Department either.

That vice-president didn't know it, but he was glorying in his shame. It is a shame indeed that a great company like the....., organized as it is on such mathematically accurate facts as the mortality table and the laws of insurance reserve,—it is a shame indeed that such a company, thus founded and conducted, should ever be in a position where it has to turn down a sound risk.

The trouble is that it costs that company, and all companies, too much to sell their goods and advertising would reduce the cost of selling.

These big, self-complacent companies are hiding behind their present big business when, in truth, opportunity is the test of efficiency and they are really proclaiming their own inefficiency when they say they cannot do any more business because the Insurance Department won't let them.

But what is this flutter and stir I hear over in the sheepfold of the agent?

Yes, I did say that good advertising would cut down the cost of selling. But that doesn't mean that you agents will make less money. Wouldn't you be content if you made sales easier, and more of them and larger ones; wouldn't you be content with less on the individual sale under such circumstances? Of course you would. Haven't you had to sell life insurance and sell it hard to most of your prospects?

Now you ought not have to do this at all. Your business ought to be simply that of fitting a prospect with the right policy and serving him in the little, but very important, details connected with that policy.

Now gentlemen of the official staff, you have been negligent in two very distinct respects,

1st. In the training of your field men.

2nd. In not selling life insurance through intelligent advertising to people.

And the fundamental error beneath both exhibitions of negligence is this: You have been allowing life insurance men to write life insurance literature. The result is that whether written or spoken, life insurance always needs an interpreter and rarely has one.

Were it not for the fundamental soundness, righteousness and true philanthropy of your business, you could not possibly have done the volume of business that you have in the past years. Your agents speak in an unknown tongue of insurance technique and the only thing that saves them and you is that they preach protection. But how much more intelligently would they preach it if they could learn to speak the simple terms of life insurance in the language of the people.

Appeal Should Be Human

And yet, you guard your so-called life insurance literature as if it were some sacred writing. "How can a man," say you, "who doesn't know life insurance write about it"? And I respond, how can a man who is soaked in life insurance terminology write intelligibly to plain men and women? Don't you know that it is the business of advertising men to interpret all businesses to the people? Oh, but you say, "Our business is so technical and complicated." Pardon me, but I have found it profoundly simple in its essence and when it comes to the individual kinds of the policies of the individual companies, why we can depend on our sheep over here, when properly trained, to use untechnical language,—we can depend on them to explain these little, but very important kinks. So I reiterate the statement that you should employ advertising men to write insurance literature and insist that they should only come into your office often enough to get facts and report work for correction of facts.

But now you officials have a right to ask me to show you what I mean by advertising life insurance and what I mean by a proper training of a life insurance salesman, so that he will be understood when he talks the general term of a policy to a prospect. In reply I must remind you of the statement I made a few moments ago that while there is plenty of company literature, practically there is no advertising of life insurance, nor will you expect me to apologize for using some of my own work to illustrate what I mean.

But when I say my own work, I want to say in the same breath, that it is not my work at all but the work of the officers of the Phoenix Mutual Life Insurance Co. All that I have done is to express their work in advertising fashion in a way that a layman can understand.

And now, if you please, to a brief discussion of a few pieces of advertising of life insurance.

1st, for the consumption of the consumer

2nd, for the instruction of the life insurance solicitor.

(Here follows informal discussion of special pieces of advertising matter.)

The Agency End

And now, you officers of life insurance companies may leave the goat pen while I lead out the agents from the sheepfold, and lo, and behold, I find them goats.

Gentlemen, one reason why life insurance soliciting has been looked upon as such a disreputable business is because agents have had no individual business initiative. They have not taken their places among the business men, the merchants, manufacturers and others, in their respective communities, who carry on a business in their own name. They have been merely agents, representatives of a big corporation called a life insurance company that lives somewhere else and controls the actions of their solicitors. Hence these men have little or no standing in the business communities where they operate. They have desk room somewhere but no business front. It is true that the companies have to a large extent fostered this feeling. They have led the agent to think that he must feed out of their hands. He must depend on the company for his literature and advertising; must work in the traditional way that life insurance agents have always worked and be a sort of a tentacle of an octopus that is reaching out everywhere for victims of a premium gathering system that while alleged to be beneficial is everywhere looked upon with illy-concealed tolerance to say the least.

Now, men of the field forces, I've done finding fault with the companies and I say to you that you are to blame for the low estimate set upon your business.

Line Up Alongside of Merchants and Manufacturers

With the big commissions you now enjoy, it is up to you to put yourselves alongside any merchants or manufacturers in your communities and command the respect of all, as wide-awake business men swinging a business which is at little better than that of any man under the sun, not excepting any save that of the preacher of the Gospel of the Grace of God.

The way to establish this new revelation in your city or community, is to advertise,—advertise your goods and your service as a salesman of the best stuff in the world except religion.

You know, don't you, that with the present system of commissions, your companies cannot afford to do what they ought to do in advertising? But you have the whip hand; your contracts would allow you to push for business with advertising if you would only make an initial investment in something which would talk your life insurance service to be the people where you live. You would have a name, good will and business before you knew it. Some men are waking up to these facts and are willing to go into the life insurance agency business with capital and confidence, and they are winning.

And just here, much that I have said to the officers of the companies applies to you, for you too, need to speak a language in advertising which your readers will understand. You need, in other words, to get a competent advertising man to help you, for as things are now and until the companies have interpreted their contracts and their courses of salesmanship into the language of the people, until then you will have to do your own interpreting by employing your own advertising interpreter.

A Word About Stationery

But don't ask him to make bricks without straw. Don't do as a prominent insurance agent in New York did the other day, upon reading my advertisement in The Eastern Underwriter. He wrote me and then informed me through my associate that if I would bring him down an advertisement that would make people wake up to the value of life insurance, why we might get together and do business. I had to tell him that I was not in the business of going into a trance and telling his future from a lock of his hair and a photograph. Furthermore, that man wrote me on stationery furnished by a great company, but such flimsy, poor contemptible stuff that I judged him to be a little six-by-nine agent that I would scarcely be justified in trusting.

(Continued on page 10.)

Horner Answers Edwards' Satirical Dig

SAYS NEW YORKER BLUFFS TO COVER REAL ISSUE

Will Continue Fight to Build Life Insurance to Higher Level For Common Good

W. M. Horner, the Minneapolis general agent who shook up the National Association of Life Underwriters through a speech in Des Moines in which he charged that it was bossed by a cliquc, sends a letter to The Eastern Underwriter in which he comments upon the satirical interview given by Charles Jerome Edwards, of New York, when the latter read the Horner speech.

Mr. Edwards was one of the heads hit by Mr. Horner. The latter says Mr. Edwards is making a good bluff to cover up the real issucs.

On June 6th Mr. Horner wired Mr. Edwards:

> I am getting a lot of fun out of your bluff.

Mr. Edwards wired the retort:

> All right, Warren; but why not call my bluff?

Letter From Mr. Horner

The Eastern Underwriter has received the following letter from Mr. Horner:

Minneapolis.

Editor The Eastern Underwriter: I have read your editorial, Mr. Edwards' statement, and your interpretation of my remarks very carefully.

I hope you can find some way of correcting your statement attributed to me in regard to certain individuals, because I think my right of being interviewed or quoted correctly is the right of every man under similar circumstances.

[Editor's note.—The above paragraph refers to the listing of certain men in the National Association of Life Underwriters published by The Eastern Underwriter after the editor of this paper interviewed the Minneapolis general agent in his office, following the Des Moines attack. In justice to Mr. Horner it should bc stated that he did not mention a large number of names. What he said was that he regarded the influential men in the National Association of Life Underwriters as being embraced in two groups, the dominant group being Messrs. Woods, Edwards and Powell. He did not mention the names of the men in the second group, but The Eastern Underwriter, being familiar with the affairs of the National Association of Life Underwriters, printed as the names of the members of the second group the men it knows to be the most active in the association's affairs other than Mcssrs. Woods, Edwards and Powell whose names, as already stated, were mentioned by Mr. Horner in his dominant group of associ'ation leaders.]

However, the main portion of this letter is to reply to Mr. Edwards, very briefly. I do not intend at this stage to indulgc in any bill of particulars, nor do I intend by personalitics, emanatiug from the other side, to be plunged into a drawn-out controversy.

I bclicve that a careful analysis of the personnel of the executive council, extending back to 1911, up to 1915, inclusive together with the nature of the association meetings, will be sufficient for the general rank and file.

Mr. Edwards' remarks only amuse me in the main. I am reminded of the story, which I am sure has gone the rounds, about the fellow who was arrested for stealing money, there being, however, no reason excepting his guilt, that he should suspicion as to why he was put under arrest. When he was told that he was in the hands of the law, his first exclamation was, "I did not steal the money."

I shall not even answer, by stating some historical facts of record, some of the statements or wrong impressions given by Mr. Edwards' interview in The Eastern Underwriter. I do notice, with both amusement and satisfaction, that he has reached the apologetic stage with respect to the education and conservation movement, or bureau. Certainly apology is due, because of the scattering of the composite idea of that movement.

Incidentals are not what the rank and file of the United States are interested in. What I believe the great body of life underwriters want is a national association, virile the year around in pushing to a higher level the principles and practices of life insurance, an association conducted in a reasonably democratic manner. Also, that its meetings and elections be attendant with some spontaneity, rotarian methods, and institutionality maintained.

Mr. Russell's make-up of his council this year is very good. However, the rank and file are not conversant with the fact that when certain ones have been dropped from the council, because of appearance's sake that they have gone on attending its meetings as usual and dominated the actions of the council, to a certain extent at least.

My remarks at Des Moines were the crystallization of many things, extending over a period of several years. I do not believe it is necessary to dignify those remarks, or agitate the matter further, by a long drawn-out statement. However, if I deem the necessity has arisen, a statement will be made, but entirely free from personalities and, in so far as I can make it, a judicial review of the situation, for the digestion of the general insurance public. Any decision along these lines will be reached with due deliberation.

I believe there are enough strong men and sincere men on both sides of the proposition, interested in the harmonious upbuilding of the national association to profit by the situation to such extent that abuses and the evils of the past will be eliminated from the future, without an unseemly controversy at this time.

Charles Jerome Edwards is not such a bad fellow, and I admire the good bluff he is making, to cover up the real issues. I would rather work in harmony with him than in opposition, to him, but what I intend to do is move along lines that I think will build the life insurance business to a higher level in its institutional aspect for the common good.

W. M. HORNER.

PURELY MUTUAL **THE** CHARTERED 1857

Northwestern Mutual Life Insurance Co.

MILWAUKEE, WISCONSIN

GEO. C. MARKHAM, President

Insurance in Force, $1,505,464,984

SATISFIED POLICYHOLDERS each year apply for over 35% of the new insurance issued.

POLICIES MOST FLEXIBLE AND EASY TO SELL

Complete Agency Protection:
Enforced Anti-Rebate and No-Brokerage Rules

Investigate before selecting your Company

Write GEO. E. COPELAND, Supt. of Agencies, Milwaukee, Wis.

Pan-American Life Insurance Company

NEW ORLEANS, U. S. A.

CRAWFORD H. ELLIS, President

Capital.....$1,000,000.00

OUR 1916 STATEMENT SHOWS

Insurance in force	(over)....	$42,400,000
Resources	(over)....	5,600,000
New Insurance paid for		10,000,000

The High Scores in the Life Insurance Profession are won by Trained Men. We will train you in the Profession and locate you in Productive Territory either North or South. Your Opportunity is Here.

Further information on request. Address:

E. G. SIMMONS, Vice-President and General Manager
Whitney Central Bank Building
NEW ORLEANS, U. S. A.

Are You Permanently Established?

Write for Territory

Pennsylvania—Ohio—West Virginia

PHILADELPHIA LIFE INSURANCE CO.

PHILADELPHIA

Established 1867



Fifty years of success

The Strength of the Company—the growth of a half century—towering back of every policy contract, assures the largest possible measure of *security*, *service*, and *saving* to the insured.

The wisdom of the founders in restricting the Company's investments to farm loans, has throughout the years afforded the largest degree of safety, together with the greatest earning power on its invested funds. It has in addition served the Nation, and the wide world in these troublous times, by its signal aid in the development of the Country's Agricultural Resources.

The manifold service of the past half century may safely be accepted as a criterion of larger service in store for its policy-holders and their beneficiaries.

For Information address Allan Waters, Second Vice-Pres.

The Union Central Life Insurance Company

Jesse R. Clark, President **Cincinnati**

Against Conference War Recommendations

ATTITUDE OF COMMISSIONER A. L. WELCH OF OKLAHOMA

Should Be Limit of Time Regarding Restrictions in Reference to Extra Premium Payments

The Eastern Underwriter has received the following letter from the Insurance Commissioner of Oklahoma, in which he states his position regarding war clause provisions:

My ruling in reference to the war riders, of the various companies, submitted to this department has been in accordance with the law governing same, which law in part, reads as follows:

Section 3470, Paragraph 3:

That the policy, together with the application therefor, a copy of which application shall be endorsed upon or attached to the policy and made a part thereof, shall constitute the entire contract between the parties and shall be incontestable after two years from its date, except for non-payment of premiums and except all violations of the conditions of the policy relating to the naval or military service in time of war; Provided, that the application therefor need not be attached to any policy containing a clause making the policy incontestable from date of issue.

Under the law, my ruling has been that the companies could charge any amount they so desired in the way of extra premium for the extra hazard, which is created by the insured joining the military or naval service in time of war. Also, the company, under our law, is at liberty to limit the amount of their liability under the policy to any amount they so desire, provided the insured does not pay the extra premium for the extra hazard, but the company is not permitted to extend the limitation of the amount of their liability in the policy beyond the actual duration of the war.

Neither is it fair or just to the insured to be required to furnish evidence to the company of insurability before their policy is restored to the full face value of same after the termination of said war. I feel that there should be a limit, in reference to time, in regard to the restrictions placed upon the policy when the insured is not able to pay the extra premium so charged, although he has paid his level premiums regularly during the continuation of his service in the war, but has had very little insurance from the company.

That is the reason that I cannot accept the phraseology in the war clause that is recommended by the joint committee, for the reason that they wish to extend their restrictions six months after the termination of said war, provided the service of the insured is continued to the end of same.

WAR CLAUSE MEETING JUNE 18

Commissioners' Special Committee to Meet at Hotel Astor—Views of Some Departments

A meeting of the special committee of the insurance commissioners on uniform war clauses will be held at the Hotel Astor June 18. In response to requests from The Eastern Underwriter about the recent Astor recommendations this paper has received the following statements:

Michigan Attitude

Commissioner Winship, Michigan: "This department has taken no position regarding the war clause regulations, in so far as the extra premium is concerned. We insist that the recommendations shall comply with our existing laws. I have been trying to co-operate with the effort on the part of the National Convention of Insurance Commissioners to reach a conclusion with the insurance companies for a uniform regulation. Another meeting of the special committee will be held at the Hotel Astor June 18."

Commissioner Merrill, of New Hampshire: "This department will accept and approve war clause when submitted by life insurance companies in accordance with the recommendations of the joint committee which met at the Hotel Astor in April and which report was issued under date of April 28, 1917."

Commissioner Young, North Carolina: "Under the law I am required to approve this policy contracts before they can be issued in the State, and I am anxious to get them uniform. I see no use of the commissioners and companies agreeing upon a form for uniformity unless they are going to comply with it."

Superintendent Potter, Illinois: "I have to advise you that I have not taken any position regarding the war clause recommendations adopted at the Hotel Astor. As you doubtlessly know, I have just entered upon a new term as insurance superintendent, and have not yet reached the matter to which you refer."

Rhode Island Sympathetic

Insurance Commissioner Wilbour, Rhode Island:

"We have informed our one home company of the Hotel Astor recommendation. Our law does not give us the right of approving or disapproving policy forms in regard to life companies. We, however, are heartily in sympathy with the recommendation adopted at the above mentioned place."

Vermont Approves

Commissioner Brown, of Vermont:

"This Department has approved the uniform war service regulations in connection with life insurance as given in circular of April 28th."

44 MILLIONS from 42 AGENCIES

THE 1916 RECORD OF OUR EARNEST, LOYAL AND HAPPY AGENCY FORCE

New England Mutual Life Insurance Company

BOSTON, MASS.

Provident L. & T. Rider

The new war and naval rider of the Provident L. & T. follows:

If within five years from the date of this Policy the Insured shall engage in any military or naval service in time of war, the liability of the Company in event of the death of the Insured while so engaged, or within six months thereafter, will be limited to the return of the premiums paid hereon, exclusive of any extra premium paid for military or naval service, less any indebtedness to the Company hereon; unless before engaging in such service or within thirty-one days thereafter, or at the time of paying the first premium due hereon, if the Insured shall be then so engaged, the Insured shall pay to the Company at its Home Office in the City of Philadelphia such extra premium as may be required by the Company, and in like manner shall pay annually thereafter on each anniversary of this Policy or within thirty-one days after such anniversary, while the Insured shall continue to be so engaged, such extra premium as may be required by the Company. Within one year after the termination of the war the Company will return such portion of the extra premiums as in its judgment will not be required to cover the extra hazard.

For those who engage in military or naval service, the annual premium for the first policy year will, until further notice, be at the rate of $37.50 for each $1,000 of insurance.

Attention is called to the important provision at the end of the war clause, that within a year after the termination of the war the company will return such portion of the extra premiums as in its judgment will not be required to cover the extra hazard.

Amicable's Attitude

Amicable of Texas: "At this time it is impossible for the Amicable to fix a rate for extra premium for war permit. Many companies in Texas and elsewhere have issued policies without war restrictions, while the Amicable would not, and have thereby written many persons going to war, while the Amicable has not purposely written anyone with such intentions. The war clause in Amicable Life policies applies equally to all policyholders. When the amount of extra premium which should be charged for military service can be equitably and safely established, this Company may adopt such extra premium rate and issue permits accordingly, but, now and all the time, this Company will stand squarely on its well-defined policy of Safety First."

Business Attending to Business

General business is prosperous and the public confidence is proof against all alarms. Our deliveries for the first three months were much larger than for the first quarter in 1916. Patriotism requires that business shall attend to its business with the utmost zeal, that the stability of finance may remain unshaken; even as patriotism requires that every American shall support the government by such means as are his to contribute, that our country may be invincible.

Occasionally we have a general agency opening.

JOSEPH C. BEHAN, Superintendent of Agencies

MASSACHUSETTS MUTUAL Life Insurance Company

Springfield, Massachusetts

Incorporated 1851

ATTITUDE OF COMPANIES

Further Information Regarding Acceptance or Rejection of Hotel Astor Recommendations

The Federal Life Insurance Company, through its president, Isaac Miller Hamilton, has accepted the recommendations and war clause of the Hotel Astor company-commissioners' conference. Action of some of the companies, as communicated to The Eastern Underwriter, follows:

Columbus Mutual Life—"We have informed Commissioner Mansfield that we would adopt the recommendation of the Insurance Commissioners' Committee with only such modifications as were necessary to make it conform to the conditions of our policies."

Central States Life—"We advised Commissioner Mansfield that at the present time we are not accepting war risks. Our clause covers service in the United States, but returns premiums in the event of death from service abroad."

Franklin Life—"We notified Commissioner Mansfield that this company had in its policies a war clause containing in substance the provisions of the clause adopted by the committee in New York, and that this company would follow the recommendations made by such committee."

Illinois Life—"We notified Commissioner Mansfield we intended to conform to the substance of the recommendations of the joint committee."

Equitable Life of Iowa

The Equitable Life of Iowa, has mailed the following letter to Commissioner Mansfield:

Dear Mr. Mansfield: In reply to your circular of April 28th just received, relating to the proposed adoption of a uniform war clause under life insurance policies, I have to advise you, that our company agrees to accept the recommendations of the committee and a war clause, which will contain substantially the provisions of the clause recommended by the committee, upon condition that the recommendation and a similar clause will be likewise accepted by a sufficient number of the leading and other companies operating in the various States, so as to make the action substantially uniform throughout this country.

For your information, we enclose a copy of the clause originally adopted by this company, which we understand will conform with the proposed uniform clause by eliminating from the paragraph entitled "War Service," all of the words of the last two lines of that paragraph after the word "issued"; namely, "but excepting for aviation, no extra premium shall be charged for military or naval service of the United States within the Continental limits of the United States."

In this connection it may interest you to know that representatives of the local life insurance companies met with Commissioner English on the 4th, and heard his report of the meeting in New York City, and a general discussion of the proposed rules and war clause was engaged in, with the result that practically all of the companies are willing to adopt the recommendations of your committee upon the conditions above stated.

Before revising our present clause and practice, we hope to receive a further communication from you, giving us the result of your inquiry.

Kansas City Life: "Our answer to Commissioner Mansfield of Connecticut, with reference to war regulations, was that we have adopted the recommendations of the New York Conference Committee, to become effective and to supersede all other regulations beginning June 21.

Pittsburgh Agents' Liberty Loan Drive

HAD STREET PARADE AND MEETING TO STIMULATE INTEREST

Sold More Than $1,089,000, Securing Over 4,500 Applications; Woods Sold Most Bonds

On receipt of notice that June 5th and 6th had been set aside to boost the sale of Liberty bonds, the Life Underwriters' Association of Pittsburgh determined to make the campaign the greatest possible success. After several meetings, participated in by general agents, irrespective of membership in the Association, the following plans were adopted:

(A) Headquarters were secured in the Union Arcade Bldg.

(B) A mass meeting announced, at which an effort was made to have present all the life insurance agents of the Pittsburgh district, irrespective of company or life association affiliations.

(C) To precede this meeting by a parade through the business district of Pittsburgh.

(D) To conduct an elaborate and extensive two-day drive.

Parade

The parade was an unqualified success. About 500 men and women were in line, headed by a band of 50 pieces, and an impression was made on the city. The marching was fine and the agents had an hour's drilling by Lieutenant Corbett and others belonging to the Military Training Association of Pittsburgh. Each marcher had an arm band of Red, White, and Blue silk, on which was stamped a Liberty Bell, and the words "Liberty Bonds." At regular intervals the marchers carried signs reading "Buy Bonds and Insure the Freedom of the World"; "If You Can't Go On the Firing Line go on the Dotted Line"; "Your Brother Gives His Life, You Loan Your Money."

Meeting

The meeting was addressed by Harrison Nesbitt, of the Bank of Pittsburgh, and Pomeroy Burton, of the London "Daily Mail." His services were secured by Lawrence Priddy, vice-president of the National Association.

That the drive was a success is evidenced by the accompanying statistical report. That it could have been a phenomenal success can be readily seen from the fact that reports have been received from only thirty-three companies. Had all the companies joined in the movement, or had all agents of all companies joined, it would have been easy to double or treble the sales made.

Some good would have been done had not a single bond been sold. Everyone knew the life insurance men were on the job, and their patriotic arm bands were in great demand. In one vaudeville house every actor and actress wore an arm band. Every effort was made to boost the bonds and many of the audience bought.

The New York Life and the Mutual Life have increased their Liberty Bond subscriptions to $10,000,000. The Prudential and Equitable have increased their Liberty Bond subscriptions to $5,000,000.

REPORT OF THE LIFE AGENTS DRIVE FOR LIBERTY BONDS

June 5 and 6, 1917, Pittsburgh, Pa.

Name of company	No. of men reporting	No. of apps. secured	Total amt. of sales
Aetna	1	20	$ 1,550
Berkshire	6	76	17,500
Columbia Natl.	2	27	5,450
Conn. General	2	27	5,500
Conn. Mutual	4	23	63,150
Equitable, N. Y.	193	1,882	479,350
Equitable of Ia.	7	54	8,700
Fidelity Mutual	1	45	3,900
Germania Life	8	67	5,400
John Hancock	1	64	24,800
Manhattan Life	1	3	150
Mass. Mutual	4	40	8,300
Michigan Mutl.	1	14	850
Mutual Benefit	5	169	25,400
Mutl. Life, N. Y.	13	162	42,100
Natl. Life, Vt.	6	75	15,500
New England Mutl.	1	5	550
New York Life	2	42	3,150
Northwestern Mutl.	8	193	20,000
Penn Mutual	1	41	3,400
Phoenix Mutual	12	193	35,850
Provident L. & T.	21	208	127,000
Prudential	15	171	13,050
Reliance Life	12	91	17,850
Scranton Life	1	14	1,050
Standard Life	24	262	85,350
State Mutl., Mass.	5	154	20,200
Sun Life of Can.	1	12	2,650
Travelers	11	139	15,450
Union Central	2	49	3,150
Union Mutual	1	12	3,750
U. S. Life	2	54	6,250
Western & Southern	1	1	50
Miscellaneous	16	207	23,450
Grand Total	390	4,597	$1,089,750

Reports of Individual Agents

Individual agents who secured more than fifty applications were E. A. Woods, 114; F. C. Boyd, 102; St. Peter & Clark, 94; L. C. Woods, 71; C. R. Notman, 65; J. E. Knott, 62; E. E. Johnson, 60; Lothair Smith, 51; William M. Duff, 50; Miss Bertha Strauss, 50.

Those securing more than thirty applications were T. J. Danner, J. E. Hershey, J. Lynch, O. M. Crosby, E. E. Deemer, Mr. Bargar, L. G. Ball, C. R. Putnam, Frank A. Johnson, W. C. Loeffler, Mr. Goo, C. A. Tushingham, W. B. Rankin, P. De France, M. J. Donnelly.

The literature of the Pittsburgh Association was unusually clever, and William M. Duff, of the committee, did particularly good work in that connection.

Welcomed the Agents

George W. Ryan, president of the Pittsburgh Life Underwriters' Association, said to The Eastern Underwriter:

"Many hundreds of persons felt relieved as we appeared, as they wanted a bond but did not know how to secure it. You can realize that these persons were quickly disposed of.

"Fifty-dollar bonds were bought by soda fountain clerks, elevator men, window cleaners, waitresses, etc.

"The largest subscription in the Pittsburgh district was one for $100,000—an investment by the Standard Sanitary Mfg. Co., manufacturers of bath tubs, which was secured by Mr. Ryan."

We want a GOOD PERSONAL PRODUCER and organizer for DESIRABLE TERRITORY in several states west of the Mississippi River. EXCELLENT CONTRACT.

Northwestern National Life Insurance Company

MINNEAPOLIS, MINNESOTA,

is a LEADING LOW NET COST, annual dividend, MUTUAL, OLD LINE company. Record for 1916—increase in insurance in force, 20%; in paid-for business, 51%; in assets, 15%; in amount apportioned for 1917 dividends, 71%.

PRESIDENT APPRECIATIVE

Tells Vice-President of Metropolitan Life That it is Practicing Practical Patriotism

Haley Fiske, vice-president of the Metropolitan Life, has received the following letter from President Wilson.

My Dear Mr. Fiske:

May I not express my very great appreciation of the work you are doing to assist in the purchase of the Liberty Bonds among your employes and among your policyholders? This is practical patriotism of a very fine sort.

Cordially and sincerely yours,

WOODROW WILSON.

In a letter to employes of the Metropolitan Vice-President Fiske amends a former subscription offer as follows:

1. Instead of an initial payment of 10 per cent to the Company, we will require a payment of only $3 on a $50 Bond, $6 on a $100 Bond, etc., namely, 6 per cent, such initial payment to be made so as to reach this office not later than June 11th. The Company will lend the balance on the security of the Bond.

2. The subscriber is to agree to make payments to us on the loan at the rate of $1 a week for a $50 Bond, $2 a week for a $100 Bond, etc., namely, 2 per cent. He does not have to complete his payments in 1917.

3. If any of our employes enlist or are conscripted, the Company will, if desired, take the Bonds off their hands and repay the amount they have paid in with interest at 3 1-2 per cent.

4. If any man leave the service of the Company for any other cause than enlistment, the Company will take over his subscription and reimburse him for the payments already made, with interest at 3 1-2 per cent.

AMICABLE SUBSCRIBES $150,000

Artemas R. Roberts, president of the Amicable Life, of Texas, has sent the following wire to the Secretary of the Treasury:

"The Amicable Life Insurance Company of this city desires to subscribe for $150,000 of Liberty Loan bonds and pay full cash in advance. Wire how payment shall be made and when bonds will be delivered."

Thus far the Amicable's subscription is the largest recorded from a single institution in Texas.

The Re-insurance Life Company of America has been incorporated at Des Moines with $500,000 capital.

MEET AT EXCELSIOR SPRINGS

More Than 200 Representatives of Equitable Life's St. Louis District Hear Home Office Men

More than two hundred representatives of the Equitable Life Assurance Society from the St. Louis district, which embraces the State of Missouri, Southern Illinois, Southern Iowa and Arkansas, met at Excelsior Springs, Mo., on June 4, 5 and 6, in annual convention. A number of officials from the home office in New York City were present, including Secretary William Alexander, Superintendent of Agencies William E. Taylor, Inspector of Agencies Leslie C. York and Actuary Robert Henderson. Agency Managers W. G. Fatherly, St. Louis; F. N. Croxson, Springfield, Ill.; A. M. Embry, Sedalia, Mo.; M. A. Nelson, Springfield, Mo.; J. E. Walker, Red Oak, Iowa; A. E. Lee, Little Rock, Ark., and Agency Secretary R. R. Hale, of St. Louis, had charge of the sessions of the meeting.

The meeting was the culmination of a short campaign in which more than $2,500,000 of new business was written. The St. Louis clearing office is now going at a more than a million a month gait.

C. E. GLEESON RESIGNS

For Eight Years Superintendent of Agencies of Cleveland Life Insurance Company

Charles E. Gleeson has resigned as Superintendent of Agencies of the Cleveland Life, with which company he has been connected for eight years. He has been in the life insurance business for the past sixteen years, starting with the New York Life Insurance Company, with which company he gained the distinction of being one of the sixty "Star Producers" in 1904, for which he was awarded a diamond medal.

He was appointed Supervisor of Agents of the Cleveland Life in 1909, and was later promoted to Superintendent of Agencies in charge of the agency organization. On his departure, the agency organization presented him with a loving cup.

ROSEN'S $1,500,000 CASE

H. B. Rosen, of the New York Life, has written insurance of $1,500,000 on the life of Mortimer Davis, a British baronet, who is at the head of the British-Imperial Tobacco Co.

40% Increase in Paid New Premiums—that tells the 1916 story of Fidelity progress.

Direct leads and the Fidelity "Income for Life" plan are making money for Fidelity field men. Any man who can sell life insurance can sell MORE Fidelity insurance.

Write to-day—

Fidelity Mutual Life

INSURANCE COMPANY, PHILADELPHIA

INCORPORATED 1878 WALTER LE MAR TALBOT, President

Security Mutual Life Insurance Company

Binghamton, N. Y.

Offers to men able to produce business first class territory, with direct contract providing liberal compensation.

For particulars, address

C. H. JACKSON, Supt. of Agencies

Teachers' Insurance and Annuity Association

PLAN OF CARNEGIE FOUNDATION ADOPTED BY TRUSTEES

Maximum Policy $25,000—Teachers' Savings Association to Receive Deposits for Annuities

The plan of insurance and annuities for college teachers, prepared by Henry S. Pritchett, president of the Carnegie Foundation for the Advancement of Teaching, and made public in July of last year (at which time the main scope of the plan was published in The Eastern Underwriter), has been adopted and the recommendations have been sent out to colleges and universities.

Studied Needs of 4,000 College Professors

The plan is based upon the results of a study of the personal statements of some four thousand college teachers. The conclusion of the Pritchett report was that a contributory system in which both teacher and college join so constructed that it will not restrict migration from one college to another, is the only system of retiring annuities which is at once socially wise, economically sound and permanently secure. In other words, the plan is a co-operation of the college, the teacher and the Carnegie Foundation, as individual colleges cannot undertake the scheme because their teaching staffs constitute groups too small to maintain with safety plans of insurance and annuities, nor could the colleges command the capital necessary to afford security. The endowment of the Carnegie Foundation is a gift to the teachers of the United States, Canada and Newfoundland.

To Be Supervised By Insurance Department

The plan in part follows:

"For legal reasons, no less than for convenience, it would be necessary to carry on the business of insurance and annuities through a sub-agency controlled by the Foundation. This agency might be called the Teachers' Insurance and Annuity Association, incorporated under the laws of the State of New York, with a moderate capital stock owned by the Foundation. In addition to its paid up capital there must be provided a paid up surplus sufficient to ensure complete stability, the surplus to be increased from time to time as the number of teachers who participated grew. Such an agency would do a pure insurance and annuity business under the direct scrutiny of the State of New York Insurance Department. It would offer only legitimate insurance including term insurance to end at age sixty-five or later, ordinary life policies, and life policies paid up in twenty, twenty-five and thirty years. Such policies would seem to meet completely the needs of teachers. No policy greater than $25,000 would be written. It would offer annuities under the terms already indicated.

"For receiving deposits of teachers and accumulations toward annuities there would be organized a second subagency, which might be termed the Teachers' Savings Association. The sole function of this agency would be to receive the payments of colleges and of teachers, to invest them in sound securities, and to guarantee an interest equal to that realized by ordinary conservative trusts like life insurance companies. Upon the retirement of the teacher, the accumulated capital would be paid to the insurance and annuity association for the purchase of an annuity. In case of death before sixty-five. the accumulated capital would either be returned to the widow of the teacher or invested in an annuity under specified rules. In case of retirement from the teacher's calling, the accumulated capital would be returned with interest at an agreed rate, let us say, three and one-half per cent.

"It is generally agreed by those familiar with the business of life insurance savings that such an agency should guarantee four and one-half per cent. At the present time and for many years to come this rate of interest is likely to be realized by trust funds like those of life insurance companies. Later, should the current rate of interest fall somewhat below this figure for a term of years, there would seem no better use of trust funds like those of the Foundation than to pay from its own income such annual sums as might be necessary to make good the guarantee. If, after a term of years, it was evident that the current rate of interest was permanently lowered, future policies could be written at four and a quarter per cent. of such other rate as represented the current income of trust funds conservatively managed. The object is not to offer the teacher an abnormal interest on his savings, but simply to secure to him the benefit of such income as is legitimately obtained by conservative investors, and to protect his savings against the fluctuations of this rate of income due to temporary causes. Only by some such plan can the teacher hope to obtain a fair income on his savings. He is able to put aside money easily only in the form of monthly payments. The ordinary commercial avenues of investment offer to him no opportunity for investing his savings except at extremely low interest or in the way of speculation. To provide such an agency by which he may help himself is one of the most direct and justifiable means of practical relief.

"This plan is an extension of the system which Mr. Carnegie has long carried on. It has been his habit for years to take care of the savings of employes and of many acquaintances of moderate means, guaranteeing them a good interest.

Investments

"The load which might come from such a provision is a small one compared with the cost of the accrued liabilities which the Carnegie Foundation is at present carrying. For example, if deposits accumulated to the extent of forty millions of dollars and the Insurance and Annuity Association realized but four and a quarter per cent. on its investments, the cost to the Foundation of making up the four and one-half per cent. would amount to $100,000 a year.

"The process of investment and reinvestment would naturally require the constant attention of men qualified for such duties. It is not realized, perhaps, that this duty already falls upon those who administer the financial affairs of the various institutions founded by Mr. Carnegie. These institutions together hold some two hundred millions of dollars of securities, a large part of them being in underlying bonds of the United States Steel Corporation, which under the charter of the Steel Corporation are retired in increasing amounts. This process requires each year the re-investment of large sums of money. Through the members of its own board and through those closely associated with it there is available to the trustees of these institutions the best financial advice of the country. The investment of a large sum and its re-investment does not, therefore, present a financial problem different from that with which the trustees are already dealing.

"The financial load upon the Foundation would be of the following nature: first the cost of administration, including the two sub-agencies, if not supported by their own surplus. It would undertake to carry the cost of the invalidity pension in the case of all teachers having insurance and annuity contracts, and it would doubtless be called upon to carry some load in connection with the cost of the pensions of widows, although that load under actuarial computation is found to be a small one. It would pay taxes on the insurance premiums and guarantee a good rate of interest on accumulations."

REAL SATISFACTION

Working with William N. Compton and the John Hancock Mutual Life Insurance Company in New York City forms the happiest combination imaginable for the life insurance salesman.

If you have any doubt in your mind have it dispelled by calling at

220 BROADWAY

Phone 6030 Cortlandt

A GOOD OPENING

An old, well established, progressive life insurance company, with unexcelled dividend record has good opening at PHILADELPHIA, covering Eastern Pennsylvania. Address, stating qualifications:

PHILADELPHIA, care of The Eastern Underwriter
105 William St., New York City

ISSUES FIRST WAR PERMIT

Member of American Ambulance Corps Gets Document From Phoenix Mutual Life

The first war permit for service abroad has just been issued by the Phoenix Mutual Life. The insured is going abroad very soon to engage in ambulance work.

When war was declared with Germany the Phoenix Mutual immediately annulled all restrictions regarding military and naval service in policies issued previous to that date, giving the policyholders the right to engage in any capacity in the service of the United States. The policy upon which the first war permit has just been issued by the Company is one taken out subsequent to the declaration of war and provides for an extra premium to engage in war service outside the United States only during the first two years of the policy.

NEW TRAVELERS GROUPS

The Henry & Wright Manufacturing Company of Hartford, makers of automatic drill presses, have made a contract with The Travelers Insurance Company to provide $1,000 life insurance on the group plan for all their employes. More than one hundred men profit by this at the outset, and many more will be included when they have completed three months' service with the firm. The plan went into effect on June 1st. The certificates will contain the usual disability clause.

Four Travelers group cases in Cincinnati are the Boye & Emmes Machine Tool Co., for 250 employes, each insurance for an amount equal to one year's wage, after employment of 60 days. This is one of the best known machine-tool concerns in the United States.

The Krohn-Fechheimer Co., shoe manufacturers, for a total of 910 employes. Each employe is insured on completion of one year's service for $200, on completion of two years' service for $500, increasing by $100 for each succeeding year until a maximum of $1,000 is reached. This plan is retroactive.

The Julian & Kokenge Co., also manufacturers of fine shoes, 675 employes affected; $500 on all employes of two years' service, increasing by $100 per annum until a maximum of $1,000 is reached.

The Krippendorf & Dittman Co., also shoe manufacturers; 1,200 employes affected. After one year of service, $250, after 2 years, $500, increasing thereafter by $100 to a maximum.

The
Perfect Protection Policy
OF THE
RELIANCE LIFE

gives you something absolutely new and different to talk to your prospects. Gives you a chance to earn more money than you are now making.

Our Life Insurance Contracts contain the most up to date clauses known to the Insurance World. The Accident and Health gives full protection for at least a third less cost than regular casualty companies. Our agency contracts are as liberal as can be made.

WRITE AND WE WILL TELL YOU MORE ABOUT OURSELVES

Reliance Life Insurance Company of Pittsburgh

FARMERS BANK BUILDING
PITTSBURGH, PENNSYLVANIA

ILLINOIS LIFE INSURANCE CO.
CHICAGO
JAMES W. STEVENS, PRESIDENT

GREATEST ILLINOIS COMPANY

WANTS GOOD MEN AND WILL PAY THEM WELL

TEN COMMANDMENTS

Used By Milwaukee Agency of Penn Mutual Life—Wisdom Nuggets Epitomized

Ten commandments, written by the head of the agency of the Milwaukee Penn Mutual Life, epitomize a great deal of life insurance wisdom. The Penn Mutual's "News Letter," gives Paul H. Kremer credit:

1st. Take a day off and map out your campaign, putting everything into concrete shape—separating the wheat from the chaff.

2d. Don't waste time on impossible cases—there are many "dead ones" (who are not in cemeteries) on whom the time spent is worse than wasted.

3d. While working on the closing of old prospects do not neglect the making of new prospects, otherwise you will soon come to the end of the rope.

4th. Do not depend on occasional spurts to make your quota. One application a week is better than four a month in a bunch. It keeps you in a better condition mentally to have a steady business, than to be in high spirits for four days and have the blues for the rest of the twenty-seven days.

5th. Have the interests of your prospect at heart and do not let the amount of the commission enter into your thoughts.

6th. Do not invite competition by making unnecessary statements about our Company or its policies.

7th. Sell your prospect what he wants, and not what you want him to have.

8th. Be brief, punctual in keeping appointments and lead your prospect on to do most of the talking.

9th. Make no rash promises, and make no statements which the Company cannot live up to. You will never write a policyholder for additional insurance if you do.

10th. Make your prospect's interests your own. A satisfied policyholder is a valuable asset.

WHO KNOWS ABOUT THIS?

Editor The Eastern Underwriter: I am seeking information on the following: The writer has been appointed administrator of the estate of a Mr. George K. Montgomery who died in the latter part of February 1917, age about 69 years, and it has been brought to my attention that a number of years ago this Mr. Montgomery had an insurance policy which was either paid in full, or if not paid in full, a policy that was changed into a paid-up policy.

This insurance policy I am informed was afterwards pledged and given as collateral security for a loan either to the company that issued it, or some private individual. Before closing Mr. Montgomery's estate I would like if possible to find out if there is, in your opinion, any way of reaching the company that issued this insurance, and was informed that by writing you possibly you could enlighten me. The gentleman who directed me to write you stated that he thought that your publication reached all of the Life Insurance Companies and that they were continually seeking out old and lost policyholders and doubtless if this is a fact they may be possibly looking for this Mr. Montgomery.

JOHN DUNLOP, Hartford.

ROGERS & ASHE WRITE GROUP

Rogers & Ashe, Inc., have just written a group life policy through the Travelers on the employes of D. H. Burrell & Co., in its Little Falls, N. Y., Rome, N. Y., and Brockville, Canada, plants, covering life, health and accident. The life policies range from $1,000 to $1,500, according to term of service, and the health and accident policies carry $5 weekly indemnity each.

WAR TAX PROVISOS

Senate Finance Committee Agrees on Terms for Taxing Profits and Dividends

The United States Senate Finance Committee has made some radical changes in the income tax section of the war revenue bill. The principal changes are:

Stock dividends, the committee proposes, shall be taxed the amount of earnings or profits so distributed in accordance with the present Treasury Department practice.

To prevent double income taxation of corporation profits it was decided to exempt from taxation income received by a holding or other corporation from another corporation upon which the income tax has once been paid.

The committee plans to settle the rate on excess profits, with an increase from the House rate of 16 per cent. to at least 20 per cent.

Joseph A. Richards on Insurance Advertising

(Continued from page 5)

But I learned that he was one of the largest individual writers of insurance in the city. Men, your stationery ought to breathe the dignity of your business and it is a shame for you to use the stuff your companies hand out to you unless it is much better than most that I have seen.

Did it ever occur to you that you were in business for yourself and that you could develop an individuality as valuable to you as that of any merchant or manufacturer in your community?

Don't use blotters, for pity's sake find some other medium of conveying your business news to the people you want to reach and influence. "Why?" Just because blotters have been used and abused until there seems to be no new way of making them tell your worthwhile story.

"Calendars?" Well, most men use them because they are putting so little thought upon their advertising that they find a calendar a conveniently lazy way of quieting their advertising conscience.

Permit me again to refer to the fact that with the commissions that you men now enjoy, and with the disposition which I trust some of you have to be true merchants of life insurance, and with the willingness to put capital into business, you ought to be able to advertise so that you will have a good will and a business which will not only impress your community, but will command the respect of the companies with which you do business.

In fact, I am hatching a scheme for a great use of advertising which I believe will make some enterprising agent rich. However, any discussion of such a thing is not in place here.

Too Much Emphasis on Bigness and Greatness

Finally, let me urge you agents, individually and collectively, to put this whole question of advertising life insurance up to your companies where it belongs, remembering that it should be advertising of life insurance and the attractive features of policies and not the bigness or greatness of the companies writing them. Also remembering that advertising of insurance should be done by advertising men who do not breathe the insurance-laden atmosphere of their companies, but the common air of the people whom you want to insure and with these friendly thrusts and these well-meant words of constructive suggestion I bid you Godspeed in the conduct of one of the greatest unselfishly selfish business enterprises on which the Lord ever smiled.

THE MOST VALUABLE POLICY FOR YOU,
Mr. Agent, is to write your prospect in the Company writing the most valuable policy for the insured.
Secure **prompt action** in the
John Hancock MUTUAL LIFE INSURANCE COMPANY OF BOSTON MASSACHUSETTS
WILLIAM N. COMPTON, General Agent
METROPOLITAN DISTRICT, ST. PAUL BLDG., 220 BROADWAY, NEW YORK, N. Y.

ORGANIZED 1871
Life Insurance Company of Virginia
RICHMOND, VIRGINIA
OLDEST, LARGEST STRONGEST Southern Life Insurance Company
Issues the most liberal forms of Ordinary Policies from $1,000.00 to $50,000.00, and Industrial Policies from $12.50 to $1,000.00
CONDITION ON DECEMBER 31, 1916:

Assets	$14,464,552.23
Liabilities	12,436,717.56
Capital and Surplus	2,027,834.67
Insurance in Force	118,349,212.00
Payments to Policyholders since Organization	18,119,172.50
Is Paying its Policyholders over	**$1,300,000.00 annually**

GOOD TERRITORY FOR LIVE AGENTS

THREE $1,000,000 MONTHS

In closing the month of May with a total of $1,028,650 business, covering 295 lives (paid-for basis) gives Johnston & Clark, Detroit, (Mutual Benefit) three consecutive months,—March, April and May,—when their paid-for record has exceeded a million dollars per month,—a record never before approached by any agency or any company in Michigan. March record was 332 lives for $1,156,100; April, 342 lives for $1,069,225; and May, 295 lives for $1,028,650.

Monroe Rosenfield and Pierre in the West were the star producers of the agency. Martin H. Spater, of this agency, has passed the examination for the Officers' Reserve Corps, Fort Sheridan.

BUYS COLUMBIA LIFE

The New World Life Insurance Company of Spokane, Wash., has just purchased the assets and business of the Columbia Life & Trust Co., of Portland, Ore. As a result the New World Life will be in possession of assets aggregating $2,686,000 and insurance in force of more than $16,000,000. The financial statement of the New World Life issued on December 31st last showed assets of $1,910,920.

The business of the New World Life will be managed by the present officers without change, Mr. Cadigan continuing as president, Thomas A. E. Lally as vice-president and general counsel, Edward J. O'Shea, secretary-treasurer, J. P. Fordyce, agency manager, R. C. Burton, actuary and Dr. H. B. Luhn, medical director.

The offices will be maintained in the Stevens Building, Portland, with M. M. Johnson former secretary in charge. Joseph H. Gray, formerly agent supervisor of the Columbia Company will take the same office for the amalgamated concerns.

Build Your Own Business
under our direct general agency contract
Our Policies provide for:
Double Indemnity, Disability Benefits, Reducing Premiums
See the new low Rates
JOHN F. ROCHE, Vice-Pres't
THE MANHATTAN LIFE INSURANCE COMPANY
66 BROADWAY NEW YORK
Organized 1850

Founded 1865
The PROVIDENT Life and Trust Company
OF PHILADELPHIA, PA.
What do most men fear?
An insufficient income for their wives and children if they die, and for their own old age if they live.
WE WILL INSURE THE INCOME IN EITHER EVENT.
Write for Information

THE WESTERN AND SOUTHERN LIFE INS. CO.
W. J. WILLIAMS, President CINCINNATI, OHIO
The Largest Industrial Company West of The Alleghenies
Also Issues All Standard Forms of Ordinary $500 to $10,000
Organized 1888
COMPARATIVE RECORD—SEVEN YEAR PERIODS

	Assets	Insurance in Force		Income	Policies Issued
Dec. 31, 1888	$ 104,307	$ 889,073	1889-1895	$ 1,085,087	265,931
1895	155,640	5,294,381	1896-1902	3,930,883	638,659
1902	876,007	22,374,980	1903-1909	11,312,912	839,426
1909	4,867,379	44,780,907	1910-1916	22,670,340	1,426,752
1916	11,943,640	104,989,362			

AGENTS WANTED IN THE PRINCIPAL CITIES OF OHIO, KENTUCKY, MICHIGAN, INDIANA, WEST VIRGINIA and WESTERN PENNSYLVANIA

LIVE HINTS FOR BUSINESS GETTERS

Practical Suggestions to Help the Man With the Rate Book Increase His Income and General Efficiency

The Science of Choosing a Vocation

Choosing a vocation is no longer the haphazard matter it once was if Vocation Counsellor Holmes W. Merton's advice is to be followed by the present generation of life's debutants.

In his treatise on "How to Choose a Vocation" he has happily reduced the whole troublesome business to a scientific basis, says the "New York Evening Post" in an editorial. Continuing its observations that paper says: Hitherto a young man adopted a calling in the same way that he elected his political party. Sometimes it was inherited; less often a matter of superficial acquaintance, a kind of hasty elopement. The college graduate, untethered at just about this season of the year, by his alma mater into the sweet pasturage of life, often failed to distinguish between the clover and the thistle. He frequently had no better reason for choosing to be a surgeon than his ability to carve a welsh rabbit. In this connection the famous motive announced by an ambitious though urban-minded mother for making her son study the fiddle instead of the piano, that a fiddle was so much less bother when you were moving, comes crowding into the reflecting mind.

Now our Vocation Counsellor has changed all that. He not only points out the way by following which every round peg and every square peg can find its fitting berth. That, of course, is a comparatively simple affair; if you are really round or square, you are easily oriented. But how if you are elliptical, or parabolic, or hyperbolic, or are an amœba peg of constantly shifting values and nuances? The Counsellor has found a system for taking your measure and fitting you with a calling-suit even in that event. He has classified all life's possibilities according to the qualities demanded in pursuing them. And when you come to lay out your future, instead of saying to yourself, for instance, "I always did like pickles and caviare" when deciding to be the proprietor of an epicerie, you turn to page 181 of Merton and see that you must ask yourself: "Have I the Dominant quality of business ability and the Subdominant of taste and smell?" If you want to be a Michelangelo, a horseshoer, or a taxidermist, you must ask yourself: "Have I the Form ability?" The Subdominant requisites vary; prospective Phidiases need, in addition to very large Form ability, Construction-imagination, Intuition, and Dexterity. The horseshoer, strange to relate, in addition to experience in handling horses, requires mobility and caution-vigilance, these latter especially if engaged in shoeing army mules. And so on all along down the line, the psychology of vocation choosing has been worked out with the utmost accuracy. Any college graduate who is willing to take half an hour off can locate himself for the rest of his life.

Moreover, the Vocation Counsellor's system, like poor Yorick, is full of infinite variety. It is not open to the objection of being limited in scope, as is the list from which a young man has usually to choose, Medicine, Law, the Clergy, and Business. The Counsellor's list appears to be much more like the switchboard of one of our great telephone centrals, with an endless variety of openings. He has professions and pursuits and sub-pursuits never before catalogued, such as Router, Throwster, Puller-over, Whizzer, Flanger, Baster, Clicker, Fakir, Shank-fakir, Heel-slugger, and Cuffer, all respectable professions, he assures us, in which any nice young chap can engage without having to deceive the old folks at home.

Nor do you have to make any irrevocable decision at the very threshold of your bright career, as did the old-fashioned young man, who often found out too late that he had made a fatal mistake and that a talent for carving a duck without landing the dressing in his neighbor's lap did not necessarily open up the prospects of a Carrel to him. Under each classification of vocations, grouped according to their respective Dominant Abilities, there is a great choice and an infinite downward gradation of opportunities. If you have reason as your Dominant ability, you are not committed to being a Vocation Counsellor, a Social Welfare Worker, an Ethician, a Cytologist, or a Diplomat all your life long, on pain of being torn up by the roots, if you find yourself a misfit, and try to transplant into a more congenial way of life. If you have chosen to be a Gnosologist, and then tire of Gnosologizing, you can, by invisible gradations, exercising your Reasoning ability all the time, descend to being a Lawyer, a Dietician, an Algologist, a Filler-in (an ideal versatile calling surely), a Smasher-piecer, a Burer-speckler, a Dry-killman, a Foxing cutter, or a Dinker. If you have Color ability, and after having tried to be a Whistler, a Rubens, or a War-correspondent have decided the business is uncongenial, then you can still, staying within your Color ability class, shift to Wall-paper designer, Bunting-draper, a Sponger, a Hand-machine Kettler, a Saturator, or Liquor man (in these days of prohlbition an arid outlook), a Patch dyer, or a Madder. With Attention as Dominant ability you can volplane from being an aviator to being a Chauffeur, a Ballplayer, a Poultryman, an Advertising Agent, and then, by speedy descents, to being a Quiller, a Slasherman, a Reeler, and a Congenial Squeezer.

A few branches have been omitted in the Vocation Counsellor's otherwise comprehensive list of several thousand, however. There is the calling of Censor, which requires the Dominant ability of Nerve, with the Subdominants of Critical ability and a sense of humor. Possibly, this combination is impossible to find in any one man, and therefore this calling is not mentioned. But the most glaring omission is one of the most popular careers the country has now to offer the young man, and one which more than ten million of our young men have just decided to choose, thus making it the profession with the greatest membership—a profession which demands the Dominant ability of Patriotism and the Subdominant of courage.

THE
METROPOLITAN LIFE
Insurance Company
(Incorporated by the State of New York)



Metropolitan Life Insurance Company
Home Office Building

The Company
Of the People
By the People
For the People

The Daily Average of the Company's Business during 1916 was:

701 per day in Number of Claims Paid.

8,304 per day in Number of Policies Issued and Revived.

$1,969,823 per day in New Insurance Issued, Revived and Increased.

$376,827.40 per day in Payments to Policyholders and Addition to Reserve.

$220,509.26 per day in Increase of Assets.

JOHN R. HEGEMAN, President

ENLARGES ITS SANITARIUM

The Metropolitan Life Insurance Company has made extensive additions to the tuberculosis sanitarium at Mt. McGregor, N. Y.

The Aetna Life Club held a theater party at Parson's Theater in Hartford on June 4. About 1,200 attended. The performance given was "Sari."

Representing

The Mutual Life Insurance Company
of New York

You will make money.

The great strength, big dividends and incomparable benefits of the *"oldest company in America"* mean certain success for you.

For Terms to Producing Agents, Address

GEORGE T. DEXTER, 2d Vice-President
34 NASSAU STREET, NEW YORK, N.Y.

SUBSTITUTE FOR PENSIONS

Arthur Richmond Marsh Skeptical of Government Insurance Proposition —What Insurance Can't Prevent

In discussing the Sweet government insurance on soldiers and sailors proposition, Arthur Richmond Marsh, in the "Economic World," said this week:

"A deeper question, however, is whether the policy is in itself sound and practicable to set up at the beginning of the war a substitute for the pension system, upon the assumption that this substitute will replace at once and for all time the traditional practice of modern governments in dealing with the victims of war or their dependents. We confess that we have the most serious doubts about the advantages of this undertaking. None yields to us in detestation of the gross abuses of the pension system as we have known in this country. It has unquestionably been a veritable running sore in our body politic, spreading corruption in all directions. Yet from such study as we have been able to give the subject, at home and abroad, we have been with not a little reluctance brought to the conclusion that in itself the pension system affords far and away the best means a nation can adopt for the adequate provision of compensation for those of its citizens who sacrifice their lives or health in fighting its battles. And there is this to be remembered besides, that we are certain to have a pension system in any case. No scheme of insurance can prevent this because long after the war is over dependents of the dead and claimants for benefits on account of injuries will continue to appear, asserting that the insurance did not cover their case; and the politicians will not deny them."

PRUDENTIAL AGENTS MEET

Three hundred members of the Prudential Insurance Company's $100,000 League heard Vice-President Edward D. Duffield speak at Atlantic City on the cause of the United States entering the war. He declared that Wall Street, generally accused, had nothing whatever to do with our entry into the world war. Incidentally, he mentioned the gratifying fact that reports showed a gain of $47,964,000 in new business over the figures reported at last year's meeting.

THE EASTERN UNDERWRITER

This newspaper is owned and is published every Friday by The Eastern Underwriter Company, a New York corporation, office and place of business 105 William Street, New York City. Clarence Axman, President; B. F. Hadley, Vice-President; W. L. Hadley, Secretary. The address of the officers is the office of this newspaper. Telephone 2497 John.

Subscription Price $3.00 a year. Single copies, 15 cents.

Entered as second-class matter January, 4, 1907, at the Post Office at New York, N. Y.; under the act of Congress of March 3, 1879.

INSURANCE FOR TEACHERS

The report of "A Comprehensive Plan of Insurance and Annuities for College Teachers," by Henry S. Pritchett, president of the Carnegie Foundation for the Advancement of Teaching, presented to colleges and universities, goes extensively into the insurance needs of the college teachers and frankly states that no system of relief involving pensions has ever proven satisfactory to those who are directly interested. It points out in detail the weakness of the existing pension system of the Foundation and the need for insurance.

The report also shows that in proportion to their incomes college professors have been consistent and large patrons of insurance. In the seventy-three colleges associated with the Carnegie Foundation the typical salaries attained at various ages are as follows: instructor, age 30, salary, $1,400; junior professor, age 35, salary, $2.000; professor, age 40-45, salary, $3,000.

Inquiries show that among teachers in small colleges a common form of investment is the purchase of a home accomplished by gradual payments. Individual teachers invest in all the varying enterprises that attract other investors, including speculative ones, but the most common form of investment is insurance. The average teacher spends about 5 per cent. of his income on some form of insurance.

To ascertain the practice of American college teachers in the matter of insurance and to obtain also their wishes with regard to it, a letter was sent, in December, 1914, by the president of the Foundation, to each one of the five thousand teachers in the universities, colleges, and technical schools associated with the Foundation, asking the co-operation of these teachers in ascertaining the facts concerning the participation of teachers in insurance and their wishes and needs with regard to it. Replies were obtained from some 3,500 teachers, or about 70 per cent. of those to whom inquiries had been sent. Some anxiety was felt lest this 70 per cent. of answers was not representative of the whole number of teachers involved, but by taking up studies of particular colleges it was ascertained that those who failed to answer were on the whole representative of the majority. They were not made up, as was at first suspected, mainly of those who had no insurance. Some had insurance and did not desire more; some had no insurance at all; some did not care to reply to a letter of inquiry for one reason or another. On the whole, the majority which did reply seems to be thoroughly representative.

The summarized experience of these 3,500 teachers in institutions scattered throughout the United States is shown in the following table:

	Age	Salary	Insurance	Annual cost
Instructor	30	$1400	$2000	$ 60
Junior Professor	35	2000	3000	100
Professor	40-45	3000	5000	150

The first salient fact is that a considerable proportion, nearly 20 per cent. of teachers, carry no insurance at all. This proportion is larger naturally among the younger teachers. Eighty-six per cent. of full professors have insurance in some amount, while only 78 per cent. of instructors have insurance. Omitting women teachers, who constitute about one-twelfth of the whole number, 93 per cent. of full professors are married or are widowers with children; 87 per cent. of intermediate professors and 70 per cent. of instructors are married.

The number of children in the families of full professors varies from zero to ten, but the typical family has three children. In the Western States the typical family is somewhat larger, that of New England somewhat smaller, than the normal. The number of children in the families of intermediate professors varies from zero to eight, and the typical family includes two children with also a tendency to larger families in the West. The number of children in the families of instructors varies from zero to six, and the typical instructor's family contains one child.

Characterizing the whole group of college teachers by a single statement, it may be said that the typical teacher's family consists of himself and wife and two or three children. In addition it is not infrequent that there are other dependents who look to the teacher for support.

Of one thousand teachers carrying 1,044 policies, it was found that 455 endowment policies were taken out, 411 limited payment life policies, 268 ordinary life policies, 100 term insurance policies, and the remainder were scattered between fraternal orders, accident, tontine policies and other offerings of insurance companies and fraternal orders. In other words, the teacher has used insurance partly as an investment rather than solely for its principal purpose.

One reason is given by teachers for preferring insurance to any other form of investment, and this reason has much to do with the fact that teachers have invested their savings to such a large extent in insurance. Many teachers write that they have taken out endowment policies for the reason that this involves an obligation for a regularly recurring payment either annually or semi-annually. The teacher thus places himself under an obligation which he cannot well avoid. Without this definite fixed obligation a large proportion of teachers find that they would make no saving from income whatever. It seems clear from the tenor of many of these letters that the use of insurance as an investment, and, particularly the preference for endowment insurance, is in no small measure due to the fact that this form of investment provides a means by which the teacher is not called upon for a large payment at one time, but under which he accepts an arrangement which compels him at regularly recurring intervals to set aside a part of his income which otherwise would not be saved at all.

THE HUMAN SIDE OF INSURANCE



H. K. REMINGTON

Harold K. Remington, who has been appointed manager of the Philadelphia branch office of the Aetna Life and its affiliated companies succeeding John S. Turn, now manager in New York, was formerly manager of the Aetna Life in a territory embracing Western Massachusetts, Vermont and part of New Hampshire. Mr. Remington is another exhibit of the fact that the city of Hartford is a mighty good training school for underwriters and producers. He was reared there and after graduation from school became a mail clerk for the Aetna Life. He became identified with the liability department and was made private secretary to Walter Paxon, vice-president. Mr. Remington has made good in every job, and is a representative in all respects of the kind of insurance men turned out through Aetna Life training of the combination of underwriter and producer.

Assisting Mr. Remington in the Aetna Life office at Philadelphia are: John T. Horton, assistant to manager; George D. Weaver, surety department; William T. Govert, brokerage department; Chas. W. Stockwell and Samuel Shuttleworth, policy department; C. Shepard, automobile; H. I. Jackson, burglary and plate glass; H. I. Jackson, M. Graham Miller and R. V. Mosley, accident and health branch; Frank O. Beitel and Stanley W. Cowman, general fire lines; W. L. Lown, marine department; M. T. Slade, C. K. Horn, and F. S. Compton, accounts department; Wm. Barnard, special agent; O. M. Bosbyshell, L. B. Merrifield and E. V. Attick, claim department; O. F. Parlee, inspection division; O. J. Axtmann, schedule rating division; George T. Barbor, payroll auditor, and Gordon Scott, uptown service office at 712 Widener Building.

* * *

Morgan B. Brainard, vice-president of the Aetna Life, is in Newfoundland on a salmon fishing trip.

Miss H. E. Gass, who for a number of years was associated with Platt & Farnum in their automobile department, has severed her relations with that firm and joined the Germania Fire family as assistant to Upton Beal, special agent of the Germania's automobile insurance department. Miss Gass will confine her duties particularly to matters arising in the metropolitan department.

* * *

Colonel Fred W. Fleming, chairman of the board of the Kansas City Life Insurance Company, received the following letter from R. W. Woolley, director of publicity of the Liberty Loan, of Washington, D. C.:

Dear Colonel Fleming: I have just read the excellent advertisement of the Liberty Loan bonds which your company had published in the Kansas City "Journal," Friday, May 25, and beg to congratulate you upon this splendid service.

It is the best advertisement I have seen and is certain to do a tremendous amount of good.— R. W. WOOLLEY, Director of Publicity, Liberty Loan of 1917.

The advertisement was written by Colonel Fleming.

* * *

R. M. Simons, general agent of the Home Life of New York, at 115 Broadway, New York City, enjoys the distinction of being the first in six counts in the list of general agents of that company for May. He ranks first in amount of insurance produced in May; also, for the first five months of 1917. He also ranks first in the amount of premiums produced in May and for the first five months of 1917. The foregoing refers to settled business for general agencies. He also leads for personal productions of general agents for the month of May and for the first five months of 1917.

* * *

William C. De Witt, former president of the Kingston (N. Y.) Board of Education, and head of the insurance business in that city bearing his name, has been appointed postmaster of Kingston, to succeed the late S. R. Deyo. Mr. De Witt's bond was furnished by the Massachusetts Bonding & Insurance Company, after he had been unanimously indorsed for the Federal appointment by the business men of the city.

* * *

John R. Hegeman, president of the Metropolitan Life, has entered upon the 48th year of his service with the Metropolitan. The report of the State Insurance Department gives a list of all the companies of the United States doing business in New York. The dean of the life insurance presidents—the oldest in point of service—among this number, is the president of the Metropolitan.

* * *

Sidney N. Moon, at one time a distinguished figure in the casualty world, numbering his friends by the hundred, died in London recently.

HOPPIN PROMOTED BY AETNA

Made Assistant Superintendent of Liability Department of New York Office of Company

C. P. Hoppin has been made assistant superintendent of the liability department of the New York office of the Aetna. Mr. Hoppin has been in the New York office since 1906, of late as a liability underwriter previous to which he was head payroll auditor. Before going with the Aetna, he was manager of the liability department of the Ocean. He joined the underwriting department of the Fidelity & Casualty in 1896.

FIRE INSURANCE DEPARTMENT

LESSEE WINS SUIT

American Insurance Company Must Pay Damages Despite Abrogation of Lease

In Kahn et al, vs. American Insurance Company, decided May 18, 1917 by Supreme Court of Minnesota, we find that Kahn, the lessee, bought a policy in Minnesota standard form, containing the following provisions:

> This insurance is to indemnify the insured named herein against loss to the leasehold interest in said property under the terms of the certain lease entered into between the Schneider Realty Company (a corporation) and the insured herein.
>
> In case of loss whereby the above referred to lease is vitiated, this company agrees to pay to said insured the whole amount of this policy of insurance less one forty-second part of said policy for each month that has elapsed from date of issuance of this policy to the date of the occurrence of any loss.
>
> In the event, however, of any loss whereby said lease is not impaired then this company shall not be liable to said insured for any amount whatever.

At the time Kahn took out his insurance, the Schneider Realty Company, from whom he leased, and Kahn had a lease for the property in question, which contained the following provision:

> Provided also that in case the premises or any part thereof or any part of the building of the lessor of which they form a part, shall be taken for any street or other public use, or shall, during this lease, be destroyed or damaged by fire, or other unavoidable casualty, or by the action of the city or other authorities, then this lease and the term demised shall terminate at the election of the lessor.

After the fire, the lessor terminated the lease and later settled with Kahn, who filed suit on his policy.

The insurance company set up as their defense the settlement by the Realty Company with Kahn, but the court held that the fact that Kahn settled with the Realty Company is no concern of the insurance company; that Kahn had a valuable insurable interest in the leasehold and that the insurance company undertook to insure the same against loss and have no right to resort to the settlement between Kahn and the Realty Company to escape liability on the policies. There being no exemption in the policies, the insurers' liability to the amounts specified in the policies attached immediately upon the occurrence of the loss and the loss occurred, in this case, upon the legal termination of the lease. The Realty Company had a right to and did legally terminate the lease after the loss; therefore, Kahn should recover.

WOMAN MAP CLERK

Miss Anna H. Wolfram Takes Up New Duties in Office of Fred S. James & Co.

One of the hardest tasks in underwriting offices of New York City—and elsewhere, of course—is to recruit and maintain a clerical force, and, with the draft in sight, the future does not look particularly encouraging for improvement of this situation. Furthermore, boys and young men in the William Street district are constructing visions of their own importance which do not coincide with the ideas of the office managers. In several offices girls are being substituted for positions formerly held by men or boys.

The first woman map clerk in William Street began her new duties this week. She is Miss Anna H. Wolfram, of Fred S. James & Co. Miss Wolfram began with the United States Fidelity & Guarantee as a file clerk. She went with Fred S. James & Co. in a clerical capacity and has just been made assistant map clerk. She does not find any difficulty in lifting maps, the weight of which has heretofore been regarded as a handicap for the job.

THREE MONTHS FOR SCOTT

Former Prosperous Appearing Marine Insurance Swindler Looked Like Hobo When Arrested

Forsaken by former associates, and "broke" financially and in health, James Burton Scott, originator of one of the cleverest and most unique frauds in this country, pleaded guilty to misuse of the mails, and was sentenced to three months in the Doylestown jail, and fined $1,000 by Judge Dickinson in the Federal Court, Philadelphia.

Five years ago, when he was arrested for swindling ship owners in this country by representing that he was agent for Lloyd's, Scott had the appearance of a prosperous broker. Last week he wore a cheap dark suit, his hair was shaggy and his thick stubby beard was of several days' growth.

Scott is said to have extensive mining interests in the West, but since his arrest last April, his supposed friends have been taking advantage of his incarceration in jail, and are believed to be in possession of his property.

After his indictment in June, 1912, Scott left the city and forfeited $7 500 bail.

FIRE AND MARINE INSURANCE—ALL LINES

The Automobile Insurance Company of Hartford, Conn.

MORGAN G. BULKELEY, President

Statement January 1, 1917

Cash Capital	$1,000,000.00
Assets	2,748,832.19
Liabilities (Except Capital)	1,039,977.81
Surplus to Policyholders	1,708,854.38

AFFILIATED WITH

AETNA LIFE INSURANCE COMPANY

THE AETNA CASUALTY & SURETY CO.

PASS FULL VALUATION BILL

Madison, Wis., June 12.—Without amendment the senate passed the Carpenter full valuation insurance bill, which provides that the amount of insurance stated in the policy shall be taken as a true value of the property when insured. The senate rejected all proposed amendments. The bill now goes to the governor in its original form. In effect, it is a repeal of an insurance law enacted by the 1915 session of the legislature.

MULTIPLE AGENCY HEARING

Insurance Commissioner L. D. O'Neill of Pennsylvania has made arrangements to hold a hearing of parties interested in the matter of the proposed constitution and by-laws of the Philadelphia Fire Underwriters' Association. The hearing is to be held at the commissioner's office in Harrisburg on June 21 at 2 o'clock.

The metropolitan Lloyds has been organized. Meserole & Bowden are managers.

W. L. WEBSTER & CO., INC.,

ONE LIBERTY STREET, NEW YORK CITY.

Correspondent for

Fire Insurance Companies desiring to secure for their local agents lines on out of town risks, controlled by brokers.

SAMUEL W. SCOTT, Underwriting Manager.

NIAGARA FIRE INSURANCE COMPANY

announces the removal of its Western Department from Chicago to the New York Office as of June 1.

ESTABLISHED 1850

OTHO E. LANE, President

BERNARD M. CULVER
WILLIAM L. STEELE
Vice Presidents

CHAS. A. LUNG
WILBUR C. SMITH
Secretaries

"Agents Everywhere"



FIRE
TORNADO
AUTOMOBILE
RENTS
SPRINKLER LEAKAGE
EXPLOSION
FULL WAR COVER
LEASEHOLD

Use and Occupancy, Profits, Commissions — All Forms

123 William Street, NEW YORK

NORTH BRANCH FIRE INS. CO.
Sunbury, Pa.
Inc. 1911

Assets	$641,341.77
Reserve	230,513.29
Capital	300,000.00
Surplus	63,479.83

CITY INSURANCE COMPANY
Pittsburgh, Pa.
Inc. 1870

Assets	$357,318.58
Reserve	54,256.92
Capital	200,000.00
Surplus	96,379.07

OPERATING ON A CONSERVATIVE BASIS IN A LIMITED TERRITORY UNDER AN EXPERIENCED MANAGEMENT

$500,000 SUIT SETTLED

Lloyds of London Pay Claim for Damaged Paintings to Duveen Brothers

London Lloyds has settled for an unstated amount, the claim of Duveen Brothers, art dealers of No. 720 Fifth Avenue, against insurance companies for $500,000. The claim arose out of a shipment of paintings brought to this country on the Mississippi of the French Line in October, 1914. During a fire aboard the ship, a number of the paintings were seriously damaged.

On April 29, 1915, fifteen of these paintings were sold at auction and Thomas E. Kirby, of the American Art Association, obtained $190,000 for them at the Plaza Hotel. Among the paintings were Cuyp's "Horsemen, Cattle and Shepherds in Landscape," for which Scott & Fowles paid $73,000; Lawrence's "Portrait of Miss Southeran," which went to the same firm for $31,000; Reynolds' "Portrait of Mrs. Otway and Child," taken for $30,000 by a buyer using the name "W. E. Evarts," and a "Holy Family," by Rubens, taken for $20,000 by C. F. Williamson, an American dealer of Paris, who lost his life on board the Lusitania a few days later.

DINNER TO ROBERT FORREST

Former Special Agent Now With Canadian Field Artillery's Seventieth Battery

Robert Forrest, who resigned his position as special agent of the New York Underwriters, to join the 70th Battery Canadian Field Artillery, was given a farewell dinner on Friday evening, June 8th, at the Rochester Club, by the Rochester field men. He was presented with a handsome gold officer's wrist watch.

Frank E. Burke, of the Home, presided at the banquet.

EXPERTS FREE OF CHARGE

Atlee Brown Offers Public Service of His Staff to Help Reduce Fire Waste

Atlee Brown, New Jersey rate expert, has issued a statement to the public, based on President Wilson's proclamation against America's "Unpardonable fault of wastefulness and extravagance." After discussing the size of the nation's ash-heap Mr. Brown says:

> The Schedule Rating Office of the State of New Jersey has at your service, free of charge, experts on various lines of fire prevention, construction, heating, lighting and hazards of manufacturing devices. Just a little forethought, a little change in service, may obliterate many of the hazards that produce fires. Those who pay the losses know by experience.
>
> We can help you do what you should for yourself and your neighbor, and what is now due your country.

R. H. WILLIAMS RECOVERS

Robert H. Williams, special agent of the Liverpool & London & Globe in Western New York, headquarters at Rochester, N. Y., has undergone an operation for appendicitis at his old home in Nashville. He has recovered sufficiently to leave the hospital, he is recuperating at the home of his mother at the Tennessee capital, and will leave for Rochester in a few days. At the time of the operation of the special agent, Mrs. Williams was also ill at Nashville, and when they return to Rochester the population of that city will be increased by three, the father and mother and little Miss Williams, the latter born last week in Nashville.

VACATIONS? SURE

Plan to Drop Them in Western Union Territory Coldly Received By Most Managers

One of the managers in Western Union territory conceived the idea that because the companies are short-handed and will be even worse off from now on, there should be no vacations. A bulletin of the Western Union says that companies were sounded on the subject, but that most of the members decided not to dispense with the customary summer recreation periods.

W. H. RYAN'S CHANGE

Former Superintendent of Sprinkler Leakage Department of Aetna Now With Massachusetts Bonding

William H. Ryan, formerly in charge of the sprinkler leakage and water damage of the New York office of the Aetna has been appointed assistant to A. Victor Hansen, superintendent of the accident and health department of the New York office of the Massachuetts Bonding & Insurance Co. Mr. Ryan started in his new connection on Monday.

A LETTER FROM MR. LOCK

Editor The Eastern Underwriter: In your issue of the 8th inst., I note you have thought it worth while to reprint my circular to agents on "Co-insurance," which fact is duly appreciated by me.

Thinking that possibly some of your readers might deem the matter of sufficient interest to keep the article for reference .I would like to point out a somewhat serious misprint which is evidently a printer's error. It occurs in the paragraph immediately following the illustrations of premiums paid by A, B, C and D, respectively. The paragraph goes on: "Now the companies are recouped their $320 but it is evident that 'A' is equally mulcted." The misprint is in the word equally. It should read unequally. It is evident that the difference in meaning is quite material and worth correction if anybody is going to pay attention to the article.

Should any of your readers care to have a copy of the little pamphlet we shall be glad to send it upon receipt of application with an addressed envelope at the Company's office, 100 William street, N. Y.

FRANK LOCK.

WITH INSURANCE FUND

Alfred S. Clark, a member of the real estate and insurance firm of Huegel & Clark, Newark, has been selected as expert for the Municipal Insurance Fund Commission. James A. Byrne remains as secretary. Mr. Clark was a candidate for alderman in the Thirteenth Ward two years ago on the Republican ticket, but was defeated. He is a graduate of the insurance branch of the New York University.

CHANGE RE-INSURANCE BILL

The House Committee on Interstate and Foreign Commerce of Congress has amended the re-insurance part of the "trading with enemy" bill as follows:

"That any contract entered into prior to the beginning of the war between any citizen of the United States or any corporation organized within the United States and an enemy or ally of enemy, the terms of which provide for a termination thereof upon notice from such citizen or corporation, may be terminated by like notice served by such citizen or corporation upon the Alien Property Custodian, and said notice so served shall have, in all respects, the same force and effect as if duly served upon the enemy, or ally of enemy, personally, in accordance with the terms of the contract."

GERMANIA
FIRE INSURANCE COMPANY
NEW YORK.

ORGANIZED 1859

STATEMENT, JANUARY 1, 1917

Cash Capital	$1,000,000.00
Assets	8,553,704.22
Liabilities	4,222,485.60
Net Surplus	3,331,218.62
Surplus for Policy Holders	4,331,218.62

HEAD OFFICE
Cor. William and Cedar Streets

The Columbian National Fire Insurance Company



T. A. Lawler, Pres. H. P. Orr, Sec.-Treas.

JANUARY 1st, 1917

Assets $1,643,174.45
Surplus to Policyholders.....$1,235,960.65

EASTERN DEPARTMENT, Scranton, Pa.
Massachusetts, Rhode Island, New York, New Jersey, Pennsylvania and Maryland

James J. Boland, Manager
Reliable agents wanted in unrepresented territory

Iowa National Fire Insurance Co.
DES MOINES, IOWA Capital Stock $500,000
The latest addition to Reliable Fire Insurance organizations began Writing Business on January 1, 1917
JOHN L. BLEAKLY, President

F. L. MINER
Vice-President

C. S. VANCE
Underwriting Manager

FRANK P. FLYNN
Treasurer

C. M. SPENCER
Secretary

Capacity For Local Agents

You can use our capacity as your own to take care of additional business beyond the capacity of admitted Companies.

Our capacity is as high as $150,000 on a single risk with immediate binders and 10% commission to brokers. Guaranteed Underwriters. Use our special Surplus Line Department. Special liberal policies for Baggage Insurance.

MARSH & McLENNAN
Insurance Exchange, Chicago

19 Cedar St. NEW YORK
1615 California St. DENVER
314 Superior St. DULUTH
300 Nicollet Ave. MINNEAPOLIS
Ford Bldg. DETROIT
17 St. John St. MONTREAL
23 Leadenhall St. LONDON

THESE OFFICES GIVE YOU THE BEST THERE IS IN INSURANCE SERVICE

F. H. HAWLEY, Pres. ORGANIZED 1848 W. E. HAINES, Secy.



Ohio's Oldest and Strongest Company
Net Surplus Over $1,293,741.00
AN AGENTS COMPANY

E. K. SCHULTZ & CO.
PHILADELPHIA
GENERAL AGENT
Pennsylvania, New Jersey and New York

NEW YORK STATE ASSOCIATION OF LOCAL AGENTS

Non-Board Competition In New York State

AGENTS' ASSOCIATION DISCUSSES QUESTION AT CONVENTION

Decides Not to Recommend Substitution of New Jersey Rate Law for This State

The New York State Association of Local Insurance Agents at its convention in Newburgh last week—the thirty-fifth annual meeting—dropped further investigation of or any agitation for the New Jersey anti-discrimination law, but decided to appoint a committee to see if there cannot be relief from the inequalities of the present non-board agency system in this State. Just what action will be taken is not intimated and will not be known until after July 15 when there will be a report of this special committee to the executive committee.

Non-Board Competition Resolution

The association at the Newburgh convention adopted the following resolution after considerable discussion of the rating question, not only in the meeting but in a paper on the subject read by Thomas C. Moffatt, a Newark local; and in a banquet talk by James J. Hoey, executive special agent of the Continental, Fidelity-Phenix and American Eagle:

Whereas, a number of companies are doing a fire insurance business in this State, and, as we believe, contrary to the prescribed laws of the State, in so far as they are not filing with the Insurance Department the schedules upon which they base their rates; and

Whereas, we are led to believe by the Department that they have not the power to enforce the compliance with the requirement; and

Whereas, we believe that the failure of the companies to comply with this law is inimicable to the best interests of the proper practices of good underwriting; and

Whereas, we understand that the Insurance Department is willing to cooperate in any plan that appears to be for the best interest of the insuring public, the fire insurance companies and their local representatives throughout the State, be it

Resolved, that this whole subject matter be referred to a committee to be appointed by the president to take up the question, and that they report to the executive committee not later than July 15 the results of their work; and that our executive committee be instructed to take such action, looking to the correction of the evil at once.

Grievances of Up-State Agents

The grievances of the local agents arise from the fact that some companies are non-board in certain towns, while board in other towns; also, the agents allege that the Insurance Department is not insistent upon non-boarders filing schedules. It is the contention that when boarders file their schedules the non-boarders make rates a certain percentage lower. An example of an agent's plaint was cited from Syracuse. There the manager of a chain of cheap stores this month got a rate of $1.25 for his Syracuse store. He later told the board agent, who quoted the rate, that he could get a non-board rate of $1.00. When the agent argued that the non-boarders "are pirates," the store manager said that his Buffalo store was insured in the same companies, but that in Buffalo they were board. He also declared that in case of loss he was assured that the General Adjustment Bureau would adjust the loss in either city; therefore, he could not see the advantage of paying the extra 25 cents.

Rates in Buffalo, New York Fire Insurance Exchange and Suburban Exchange territory are made locally, and rates in Syracuse, Binghamton, Poughkeepsie and such cities are made by the Underwriters' Association of New York State. This accounts for a lack of uniformity and for some of the dissatisfaction.

Investigation in New Jersey

Anyway, some months ago the State agents' association decided to investigate the New Jersey situation, with the idea of recommending the passage of a bill here for a similar law. Accordingly, a "Committee on Atlee Brown Rating System" was appointed, composed of G. T. Amsden, chairman; Robert F. Gilmour, Frederick V. Bruns and William H. Murray. The companies for the most part objected decidedly to any attempt by agents aiming at rate law legislation. They claim that the present law is satisfactory enough, and that the Superintendent has the desired power (if he will only exert it) to stop rate discrimination. They assert that the non-boarders, mutuals and co-operatives are given pretty much their own way, so far as rating matters are concerned.

Report on Atlee Brown System

The report of the Committee on Atlee Brown Rating System follows:

Your committee was appointed at the last meeting of the executive committee to investigate and report recommendations on a rating system for the State of New York, and particularly to investigate the Atlee Brown rating system as operating in the State of New Jersey.

Your committee first communicated with about thirty representative agents or agencies in the various parts of the State of New Jersey to obtain their views on the Atlee Brown system. The replies received were all of the same nature, that they were entirely satisfied with the system after an operation of from three to four years; that this system was very ably conducted by Atlee Brown; that discrimination in rates was reduced to a minimum; and that they believed the insurance companies were perfectly satisfied with this system and the results obtained.

After obtaining such favorable replies from the agents of New Jersey your committee sent a circular to each member of your association, asking them to express their approval or disapproval of this system as applying to New York State, also letters were sent to each company, members of the New York State Underwriters' Association.

125 Companies Oppose Change in Present System; 25 Favor It

The results obtained from these circulars were very interesting as to the companies. Of some 150 companies 125 were opposed to any change in the present system, or for our association to present to the Legislature any bills along these lines; about 25 companies who seemed to feel that a change would bring about better conditions in our State. The agents' replies showed about 160 in favor and 10 opposed.

Your committee was appointed as a result of certain conditions maintaining in New York State and about which many complaints have been received from members. We find that a number of companies are operating at non-tariff rates in one city and tariff rates in another city. These complaints are not from New York City, Rochester, Buffalo or New York suburban territory. As a result of this condition we find that dangerous conditions amounting to a fire hazard cannot be remedied by the addition of a specific charge to the schedule when these companies will write the same business without requiring a uniform, specific charge for such defective condition, or without the correction of the defect.

System Not Perfected

Furthermore, we find that the companies, members of the rating organizations, have only filed certain schedules which do not cover all the schedules which should be filed, thereby showing the insurance superintendent that their system has not yet been perfected and putting the insurance superintendent in such a position that he cannot require or compel non-tariff companies to file their schedules.

Recommends New Committee

As a result of the investigation made by your committee it is recommended that a committee be appointed to further investigate the subject and to confer with the superintendent of insurance on the matter of the enforcement of the anti-discrimination law and to bring about the filing of schedules by all companies; furthermore, that the insurance law be so amended that power to enforce or correct violations of the anti-discrimination law or application of schedules be placed in the hands of the superintendent of insurance.

We would refer you to the fact that under the present system of compensation insurance the State recognizes that schedules made up with specific basic charges and credits for physical and other defects and improvements are proper, and the most efficient and effective way of preventing discrimination between risks of a similar nature, to bring about uniform standards as a protection against the loss of life and limb, and, furthermore, of securing for the people of the State of New York the most complete and safe protection against losses, by the requiring and obtaining of adequate rates to maintain adequate reserves. Therefore, your committee feel that there is no reason why a similar system should not prevail in fire insurance as is recognized as being correct and fair in the handling of compensation insurance.

In closing the report your committee cannot but add a few words on the conditions as above outlined. Certain localities in our association are doing business under more or less favorable conditions, due properly to local conditions, but there is a large proportion of our territory which is suffering from the conditions surrounding their business, and we feel that it is the duty of our association to assist our members in every possible way and we feel that this situation should have the earnest consideration of this convention and the active support of all members.

"The Leading FIRE INSURANCE Co. of America"

INC. 1819
CHARTER PERPETUAL



WM. B. CLARK
PRESIDENT

SPRINKLER LEAKAGE
EXPLOSION AND WAR COVER

CAPITAL
$5,000,000.00

RESERVE FOR ALL OTHER LIABILITIES, . . .	$13,547,121.90
NET SURPLUS, ...	8,146,446.99
ASSETS, ...	26,693,568.89

At the same price do YOU specify loss paying ability?

AGENTS EVERYWHERE

KNOWN BY COMPANY YOU KEEP

There is no situation which, to an honest, reliable agent, is more humiliating than that in which he is placed by the failure of an insurance company of which he is a local representative. Even though the client be protected by the re-insurance of the risk in another company, there is still the need of difficult explanation as to his recommendation of a concern that was financially weak, says "Whittlings," published by the New Hampshire Fire Insurance Co.

In the event that the policies lapse with the return of a small percentage of the premium, the agent must either make up the difference from his own pocket, or assume the stigma of a personal failure from which his agency will suffer for years to come.

An agent being known by the companies he keeps, he ought to be well posted as to their financial integrity.

NEW YORK AGENTS

Compares New York and Jersey Laws

THOMAS C. MOFFATT DISCUSSES FIRE RATE SITUATION

Doesn't Recommend New Jersey Act Be Substituted for New York Statute

Thomas C. Moffatt, secretary of the New Jersey local agents' association, and a prominent agent in Newark, told the members of the New York State Association of Insurance Agents all about the New Jersey rating law at the convention in Newburgh last week. Atlee Brown, who had been scheduled to speak, did not appear. Mr. Moffatt took the position that the New Jersey law worked satisfactorily under present circumstances—with Atlee Brown as expert and George M. La Monte as commissioner and the present insurance department staff at Trenton, in which there are no politicians—but he doubted if it would be as effective in New York as the present law. He compared New York and New Jersey rate laws.

The Old Conditions

Previous to 1909 rates in New Jersey were made by four different organizations: New York Board of Fire Underwriters, Newark Fire Insurance Exchange, Philadelphia Suburban Exchange and Middle Department.

Rating conditions were generally unsatisfactory. In towns adjacent to Newark there was a 40 cents for three years rate on dwellings, while across the street in Newark rates on dwellings were 70 cents for the same period. Complaints of discriminations finally brought about the dissolution of the Newark Fire Insurance Exchange by a decision of the Court of Errors and Appeals. Then followed some years of rating by three private rating bureaus, one in Newark, one in Jersey City, one in Camden, who sold their rates to such companies as cared to purchase them.

Manufacturers Back of Ramsey Act

These rating organizations had their own ideas of rates and schedules, and, consequently, there was flagrant discrimination between cities of the same class. The influential broker and the political-minded insurance agent had all the advantage. Rates were too often made to serve special purposes. Finally, through the activities of the Middlesex County Manufacturers' Association, the Ramsey rating law was enacted.

Compares the Two Laws

A comparison of the New York and New Jersey rating laws in part follows:

The companies in both laws are prohibited from charging a rate which discriminates unfairly between risks within the State of essentially the same hazard.

New Jersey says the schedules must be filed with the Insurance Department.

New York says on demand they must be filed.

New Jersey allows the companies to engage an expert to make filings and says several companies may employ the same expert.

New York says companies themselves, or the agents, may make the rates.

The Insurance Department in both States has the right of review and power to order the removal of discriminations which are unfair.

The provision in the New York law that the companies cannot make a rate which is predicated on all or any part of the insurance being placed with certain companies is unnecessary in New Jersey, as the court decision holds this to be in restraint of trade and needs no specific mention to produce the same result as obtained in New York. The same thing is true of the passage referring to brokers.

The New Jersey law does not allow the companies to maintain local boards, nor does it allow their agents or special agents any voice in determining what a rate should be, or any agreement to maintain that rate.

Violations

Each company is required to file with the commissioner its own schedule and work out on those schedules its own rates. Thus, it is seen that instead of putting the non-board writer out of business it makes every company in the State a non-boarder.

Mr. Moffatt then told of the employment of Atlee Brown by the majority of companies to act as rate making expert. He paid a great tribute to Mr. Brown's tact and ability; and to the fairness and courage of the New Jersey Insurance Department, which he said, has not sought to use its office or rulings for political advantage.

"We, of New Jersey, hope and pray we shall always be as fortunate. I do not mean to infer that the New York Department is incompetent, or subject to political influence, but one may easily stretch the imagination and picture incompetent public officials being appointed to these offices."

There are 35 mutuals and stock companies which do not employ Mr. Brown as expert, and who file their own rates. While all daily reports written by companies employing Brown go through his stamping office no record is kept of the numbers nor of the violations of rules or rates. A red slip is attached, showing that the policy is not written in accordance with the filings that he has made as a notice only that the company may secure the correction and thus observe the law. There is no organization to follow up the company or agent to see that the corrections are made, "and we who see business go off our books can only imagine that somebody has slipped it over."

Mr. Moffatt then stated that some companies "were low enough and crooked enough to take a chance on being caught under the New Jersey system and pass business which does not agree with the filings made on their behalf." He added that the Ramsey act should have at least five or six years' fair trial before it can be called a success (it is almost four years old), but enough is known to say that agents are for it; the public is satisfied and companies prefer it to the old system.

He added: "The Ramsey bill is working satisfactorily in New Jersey, more because of a happy combination of circumstances than on account of the wording of the bill. Atlee Brown has been sufficiently susceptible to reason to produce results which are

(Continued on page 18.)

B. M. CROSTHWAITE & CO.
Fire and Automobile Insurance Specialists
Lines Bound Anywhere in New York State
105 William Street, New York City, N. Y. Telephones 2404-5-6-1758-1090 John

PHILADELPHIA
ADEQUATE FACILITIES — ALL LINES
CLARENCE A. KROUSE & CO.
LOCAL AND GENERAL AGENTS
325 WALNUT STREET PHILADELPHIA, PA.
PENNSYLVANIA NEW JERSEY
SATISFACTION SERVICE — ALL LINES

LOGUE BROS. & CO., Inc.
Fire—Casualty—Automobile Insurance
Nation-Wide Facilities for Handling SURPLUS LINES
307 FOURTH AVENUE PITTSBURGH, PA.

SCHAEFER & SHEVLIN
2 LIBERTY STREET GENERAL AGENTS NEW YORK, N. Y.
Representing
DUBUQUE FIRE AND MARINE INSURANCE CO.
Excellent Facilities for Handling Suburban and Out Of Town Business
Phone: John 2312

INCORPORATED 1720
Royal Exchange Assurance
LONDON, ENGLAND
United States Branch
92 William Street, New York
RICHARD D. HARVEY
United States Manager

Authorized Capital $500,000
Detroit National Fire Insurance Co.
DETROIT, MICHIGAN
A Company to be built gradually and along the indicated lines of permanence
AGENCY CONNECTIONS SOLICITED

Firemen's Insurance Co., Newark, N. J.
January 1, 1917
Cash Capital $1,250,000.00
Net Surplus $2,449,322.25
SURPLUS TO POLICYHOLDERS...$3,699,322.25
DANIEL H. DUNHAM, President
JOHN KAY, Vice-President and Treasurer
NEAL BASSETT, Vice-President
A. H. HASSINGER, Secretary
J. K. MELDRUM, Assistant Secretary

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NEW YORK CITY OFFICE
Golden Hill Building, 59 John Street, New York

NEW YORK ASSOCIATION OF LOCAL AGENTS

Tell How Brokers Should Qualify

REPORT OF COMMITTEE READ BY GLENN H. JOHNSON

Bill Prepared, After Conference With Brokers' Association and Superintendent Failed in Assembly

Glenn H. Johnson, of Syracuse, gave the New York Agents' Convention a full report of the Brokers' Qualification Committee, of particular interest in view of the fact that the committee has been working in eo-operation with the Fire Brokers' Association of New York City and the Department of Insurance. The committee on November 3, 1916, held its first conference with the superintendent. The committee is composed of E. H. Warner, Buffalo; B. P. Mills, Rochester; A. T. Armstrong, Syracuse; Edgar M. Griffith, Albany; W. H. Hecox, Binghamton, and Mr. Johnson.

At the first conference with the Superintendent the brokerage situation and the evils and injustice arising out of the present law were thoroughly discussed. The advisability of an examining board composed of such men as might be acceptable was suggested by the committee which would enable the Department more accurately to determine the qualifications of applicants. This in brief was as follows:

Examining Board

A commission of say two or three persons from each county, which shall constitute an examining board to hold written and oral examinations as to the competency of applicants at such time and places as shall be designated by the Superintendent of Insurance. The results of said examinations shall be forwarded to the superintendent for his approval, and licenses shall not be issued until such examinations are held for applicants, and the final approval of the superintendent given, and applicant shall not be examined unless at least three references give satisfactory answers. Five reference sheets shall be sent out by the Superintendent of Insurance to those individuals designated by the applicant. One reference at least shall be from one engaged in the insurance business in the immediate vicinity of said applicant, exclusive of life. The findings and rulings of the so-called commission shall be subject to review of the superintendent in all eases.

Questions for various examinations shall be changed, and no two successive examinations shall have similar sets of questions requiring like answers.

Conference With Brokers

It was suggested that the committee formulate ideas and present them to the Department at a later date. The committee at once took up the proposition with the Fire Brokers' Association of New York, and after some delay arranged a conference at their board rooms for January 25. Those in attendance were this committee from the New York State Association of Local Agents; Glenn H. Johnson, chairman; John L. Tiernon, Jr., Buffalo; Edward H. Warner, Buffalo; A. T. Armstrong, Syracuse; Buell P. Mills, Rochester; Louis G. Morgan, Buffalo, and William H. Hecox, Binghamton, and also the following members of the Fire Brokers' Association of New York: John A. Eckert, A. C. Hegeman, R. C. Rathbone, 2nd., F. J. Waters, Theodore M. Riehle, J. C. Ammermuller and F. W. Stillman.

A. C. Hegeman, Chairman of Laws and Legislative Commlttee of the Fire Brokers' Association, called the meeting to order and on motion made and carried Glenn H. Johnson of Syracuse was elected chairman and secretary B. M. Harris, of the Fire Brokers' Association, secretary.

Co-Operation

Mr. Eckert addressed the meeting and said better conditions prevalled in New York than up-State because the New York Fire Insuranee Exchange requires higher standard for brokers than the Insurance Department. He said that members of the Fire Brokers' Association feel that the laws need amending and that they would gladly co-operate with the up-State agents in this movement. He suggested that laws be amended to strengthen the deseription of an insurance broker, similar to those of Massachusetts and New Jersey, so that the Insurance Department would be in a position to refuse to issue many licenses. He also suggested that three examining boards be created to meet every three months in Buffalo, Albany and New York City where applicants for brokers' licenses could appear for examination and that these examining boards be appointed by representative organizations of those cities and that applicants pay a small fee to pay expenses of said boards.

Chairman Johnson then reported that he had submitted to the Superintendent of Insurance the suggestions.

An outline was prepared of a more complete application blank which would if possible give the Department a mental picture of the class of individuals they were licensing. At the meeting the following recommendation was made:

"Neither the insured named in any policy of insurance, nor any employe of such insured, shall knowingly receive or accept at any time direetly or indirectly, any such rebate, discount, abatement or reduction of the premium payable on any policy of insurance, as therein expressed, or any special favor or advantage in the dividends or other benefits to accrue thereon, or any valuable consideration or inducement whatever, not specified in the policy contract of insurance."

A committee of five was appointed consisting of three up the State members and two New York City members to shape up matters adopted at this meeting for presentation to the Superintendent of Insurance. The committee, Messrs. Johnson, Tiernon, Warner, Hegeman and Richle were then appointed to serve on this committee.

It was also suggested that the committee be instructed to request Superintendent of Insurance to amend the law so that it will have the same requirements as that of New Jersey compelling agents to render semi-annual statements of brokers from whom they have accepted business and for whom they have issued policies.

New Questions in Blank

The sub-committee was further instructedto ask the Superintendent the following questions inserted in the present application blank:

Q. Does applicant intend to hold bimself out to the public as an insurance broker and carry on business in good faith as such?

Q. Does applicant as a broker intend to effect any policy of insurance and obtain any commission, rebate or recompense in whicb he or his employer is named as insured?

"Our sub-committee met and organized immediately following this meeting and adjourned to the following day at which time prepared a plan to lay before the Superintendent of Insurance, having made an appointment through the Department for a personal conference the following day," said Mr. Johnson, in his report to the Newburgh Convention. "When our committee met for this conference with the Superintendent we were notified from Albany that he would be unable to come to New York on account of the serious illness of his mother. We were requested to mail our briefs to Attorney LeRoy H. Lincoln, of the Department, who would at the earliest possible moment discuss the subject with Mr. Phillips."

A letter was prepared containing the following requests:

That the Anti-Rebate Laws of the State of New York be amended to prohibit the paying or allowing of any eommissions or rebates to the insured or any employe of the same, and that the penalty for any violation thereof to conform to the penalty prescribed in said law. That questions to the following effect be added to the present application blank:

Q. Does applicant intend to hold himself out to the public as an insurance broker and carry on business in good faith as such?

Q. Does applicant as a broker intend to effect any policy of insuranee and obtain any commission, rebate or recompense in which he or his employer is named as insured?

Five References

The Superintendent was asked to get up reference blank embodying the questions as outlined herewith: that the application blank be modified to the extent of requiring five references to be procured by the applicant and forwarded direct to the Superintendent. If the applicant is a resident of a city of the first, second or third class, at least three of the references shall be persons from those engaged in the business of insurance other than life insurance. For applicants living elsewhere in the State at least one reference shall be a person engaged in the business of insurance other than life insurance.

The questions to be embodied in the reference sheet, as suggested by the committee, are as follows:

1. Are you related to the applicant?
2. How long have you been acquainted?
3. What do you know of the applicant's character and reputation generally?
4. What is applicant's age?
5. Do you regard the applicant as competent to discharge the duties of an insurance broker?
6. Do you know of anything which, in your judgment would unfavorably affect applicant's title to confidence?
7. What has been his occupation for the last five years?
8. Do you think he intends to engage solely in the insurance business? If not, how much time do you think he will devote thereto?
9. Does he maintain an office under his own name?
10. Do you know whether or not he is an agent of any company, exclusive of life? If so, what companies? Give names.

The Conference Committee further requested that the Insurance Law of the State of New York be amended by adding thereto a section to read in substance as follows:

That hereafter every insurance company, other than life insurance companies, doing business in this State, and each agent thereof, shall file with the Superintendent of Insurance, within fifteen days after the 30th day of June and the 31st day of December of each year, a sworn statement on blanks furnished by said Superintendent setting forth the names and addresses of all brokers who have done business through said companies or agents during the preceding six months, and that it is the sense of this meeting that the Superintendend of Insurance appoint an examining board before whom all applicants for broker's license shall appear for examination when requested, and that all applicants pay an examination fee therefor.

Examining Board Suggestion

The suggestions for the examining board heretofore refcrred to were as follows:

The Board of Examiners shall be appointed by the Superintendent of Insurance, and shall consist of three members appointed for one, two and three years each. The examining board shall be allowed actual expense in the conduct of duties pertaining to their offiees which revenue shall be derived from a charge of $5 from each applicant trying examinations. Such fees shall entitle applicant to one examination only and shall be payable to the properly designated authority in the Insurance Department. Expense of examinations so conducted shall be paid from said fund. All postage, stationery and printed matter, however, shall be paid for by the Insurance Department.

All new applicants shall be examined by a Board of Examiners when requested by the Superintendent of Insurance at such times and places as shall be determined by him. Any brokers now holding licenses shall be examined by said Board of Examiners when directed by the Superintendent. When two or more examinations are held at different places, for the convenience of applicants, examinations shall be held on the same day at the same time and the same questions used at all examinations for that day. As soon as practical, and within 15 days after examinations, members of examining board shall meet as a committee to pass upon written examinations. All papers shall then be turned over to Superintendent.

Bill Failed in Assembly

Again on February 14, 1917, the committee had a conference with Mr. Phillips at which time a bill was agreed upon.

The bill, known as the Crafts Bill was passed in the Senate, but failed to pass in the Assembly as it reached it too late for hearing and has been laid over until the next session.

"The committee having this matter in charge has spent a great deal of time and thought, and it is hoped that the time and efforts expended will be of definite good in the near future," said Mr. Johnson. "As chairman of this committee I would be remiss in my duty if I did not acknowledge the faithful and untiring efforts of my associates and whatever good has been accomplished should be credited to their most patient and self-sacrificing efforts."

NATIONAL'S OUTING JUNE 23

The National Fire Club will hold its seventh annual outing at Cosey Beach on June 23. Athletic events have been planned, including jumps, runs, dashes, water sports and a baseball game. The committee in charge consists of S. R. Agnen, R. J. Peard, G. F. Butler, J. Curry and C. Waterhouse. The officers of the club are: President, W. J. Scott, of the underwriting department; vice-president, F. J. Nolan, accounting department; treasurer, George W. Staib, brokerage department; secretary, F. W. Horton, re-insurance department; historian, Joseph Holton, accounting department.

New York Local Agents

Syracuse Permanent Convention City

DECIDED UPON AT NEW YORK AGENTS' ANNUAL MEETING

Elect John Tiernon, Buffalo, President —Continue Brokers' Qualification Committee

John S. Tiernon, of Buffalo, was elected president of the New York State Association of Local Agents at its convention in Newburgh last week. Other officers elected follow:

Vice-Presidents, F. V. Bruns, Syracuse; W. M. Gilderslceve, Central Valley; E. S. Hawley, Buffalo; C. J. Curtin, Rochester; N. C. S. Spencer, Buffalo; C. G. Cool, Glens Falls; M. M. Fiero, Middletown, and L. W. Pellett, Newburgh; secretary, Albert Dodge, Buffalo and treasurer, R. G. Wadsworth, Binghamton.

The executive committee (fire) is composed of C. A. Porth, Albany, chairman; W. H. Hecox, Binghamton; R. F. Gilmore, Schenectady; L. G. Morgan, Buffalo; G. H. Johnson, Syracuse; W. P. Blackman, New Rochelle; S. Carlisle Goodrich, Newburgh; W. L. Pelton, Olean; and L. M. Irving, Malone.

The executive committee (casualty) is as follows: John Kavanagh, Rochester; E. H. Warner, Buffalo; A. T. Armstrong, Syracuse; G. T. Amsden, Rochester; W. H. Murray, Hornell; A. T. Matthews, Watertown; L. H. Gardner, Poughkeepsie; C. C. McNitt, Norwich; and J. S. Kernan, Utica.

Resolutions

The following resolutions were adopted by the convention:

Be It Resolved, that the Agents' Association of the State of New York, in convention assembled, wish to again record our loyal allegiance to our President in his efforts to assist in the re-establishment of peace to the world and the continuation of the growing spirit of democracy as the only means of bringing mankind to a perpetuation of security and peace.

Be It Resolved, that we recommend that the board of directors select Syracuse as the convention city hereafter and that it be understood that local agents prepare no entertainment for visiting members.

Resolved, that a special committee shall be appointed to continue the work on the brokers' qualification law.

Resolved, that we affirm our allegiance to the National Association of Local Agents in its efforts for the general betterment of our business.

Resolved, that we accord a vote of thanks to the president and retiring officers and committee for their painstaking and efficient work they have done on behalf of this association.

Newburgh Courtesies

Be It Resolved, that a vote of thanks be extended to the Local Board of Insurance Agents of Newburgh for the courtesies and entertainment that has been extended to the visiting delegates by the board and the officials of the city.

Every effort has been made to make our stay a pleasant one and our committee only regrets that our convention was not twice the size numerically to take advantage of the generous hospitality offered.

Be It Resolved, that this convention goes on record in opposition to any further taxation of the insurance corporations by the Federal government for the reason that these corporations are already overtaxed by the Federal, State and municipal governments.

Friday's Session

On Friday morning, the meeting was addressed by Leon S. Senior, schedule rating expert; by Robert S. Paviour, Rochester, on collective advertising for agents; and by Stanley Otis, executive secretary of the Federation, on the progress of that organization. W. G. Sturtevant, of the National Association, also made a short talk.

Hoey's Talk

James J. Hoey, former Deputy Superintendent of Insurance in this State, and now executive special agent of the Henry Evans' companies, followed Superintendent Phillips and advised the agents to watch bills affecting insurance as they are introduced, rather than introduce or inspire new bills themselves. He said in part:

As some of you know, I was for many years an insurance broker. The knowledge and experience that I gained in those days prompted me as a member of the Legislature to introduce a bill, which was subsequently enacted into law, providing for the examination and licensing of insurance brokers by the State Insurance Department. This law has been largely responsible for the weeding out of the business of many crooks and incompetents. You know in the old days the insurance brokerage business was the last refuge of broken down politicians, ex-sports and those who had failed in every business or profession. Many of these so-called brokers knew nothing of the principles of insurance. The standard policy or any of its provisions was Greek to them. They solicited authorizations for insurance from sympathetic friends and acquaintances; secured policies from some insurance company and trusted to luck that no losses would occur. Losses did come, however, and many an assured, who had intrusted his insurance to a broker of the kind I have referred to, discovered to his loss and sorrow that his insurance policy was not worth the paper on which it was written. The mortgagee clause was not affixed to the policy, or for some other reason the insurance contract was invalid. Very often the insurance companies settled the losses even though they were not legally bound to do so. Sometimes they refused to settle and endless litigation resulted, and all because of the incompetency of the brokers.

I am happy to say that this condition of affairs no longer exists. To be an insurance broker these days the applicant must prove to the satisfaction of the Insurance Department that he is competent and trustworthy.

I am not as familiar with conditions in the local agents' field, but I am strongly of the opinion that there is room for improvement. I will venture the guess that occasionally an undertaker, a barber, a grocer, a livery stable keeper or a plumber masquerades around as an insurance agent.

If the test of competency and trustworthiness was applied to local agents, I believe it would be better for the insurance companies, for the bona-fide, legitimate insurance agent and equally beneficial to the insuring public.

Many Don't Know Their Business

The reason that so many eke out a miserable existence in this business of ours is because they don't know their business as they should. You can't get enthusiastic about a proposition unless you understand it thoroughly and you can't enthuse anybody else if you are not enthusiastic yourself.

There is one other thing to which I wish to call attention and that is the lack of co-operation between those who are engaged in the different branches of the insurance business. The life, casualty, surety and fire companies and their agents should all be united because what is good for one is good for all. It has been my experience, however, that each branch of the business is playing a lone selfish game.

I am glad to know that in this association you have recognized the necessity for co-operation, and have among your members agents representing all branches of insurance.

There is no big business in this country that is so clean and conducted in so honorable a way and yet is so subject to attack as the insurance business, and yet the attitude of some of the officials and agents of insurance companies amounts to almost absolute indifference.

Every year the Legislatures of this and other States are flooded with bills aiming to regulate and supervise the insurance business, and little or no interest is taken to prevent the enactment of vicious laws that threaten the very existence of the business.

In Washington at the present moment they are trying to squeeze the last dollar out of the insurance companies in the way of taxation. It would seem to me our legislators are sadly lacking in education and those who know the facts ought to take it upon themselves to see that they are properly presented. Instead of burdening the insurance companies with excessive taxation at this time, Congress ought to be planning legislation to strengthen and bolster them up so as to make certain the payment of the extraordinary losses they will be called upon to pay in the near future.

The Rating Situation

I understand that one of the subjects under discussion at your convention was whether or not Atlee Brown's methods of rate making were superior to the methods now in use in this State. Last winter an enterprising legislator attempted to solve this problem for you. He introduced a bill putting the authority to make fire insurance rates in the Insurance Department. You all know the disastrous experience in States where they have State made rates and you also know that almost every State in the Union follows New York in insurance legislation.

Are you aware that this State rate making bill passed the Assembly with only five votes against it, and that it would have passed the Senate if my old friend and colleague Superintendent Phillips had not got on the job and killed it? This proposition vitally affected every insurance agent in this State and as far as I know not one of them raised a finger to stop the passage of the bill.

Some years ago I was responsible for a law, creating the office of State Fire Marshal. The purpose of this office was to compel the installation of improvements to safeguard life and to reduce to a minimum the fire hazard in buildings of all kinds. Notwithstanding the fact that an intelligent supervision by the State Fire Marshal would have resulted in great savings to the insurance companies, the office was abolished without a single protest from those who ought to have been most interested—from a financial point of view—the fire insurance companies and agents.

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Moffatt On Rates

(Continued from page 16)

satisfactory to so many different interests, companies, agents and the public."

New York Situation

Taking up the question whether it is advisable to have in New York a law similar to the Ramsey act Mr. Moffatt discussed the great premium volume in New York City, and added:

"I, as an agent in your territory, would hesitate to undertake legislation which undoubtedly would upset conditions in that big city. You would be opposed not only by the companies, but by the Insurance Department and business men's associations.

"I have had considerable experience with the Legislature in New Jersey, and I tell you that the Legislature is a dangerous court to which to resort for the curing of real or fancied evils of this business. The less legislation on insurance the better for all parties concerned. The Legislature may take it into its head—while on the subject of rates, to ask what makes up a rate—losses, expenses, commissions, profits, reserves.

"I've no doubt the companies could justify everything that enters into rate, but would point their fingers at 'agents' commissions.' Do you relish the thought of attempting to defend before the Legislature your present commissions? This in the face of the recent rulings about acquisition costs in the casualty business?"

CONTINENTAL GROUP OUTING

Three Hundred and Fifty Employes at Donnelly Park—Beat Home in Ball Game

Employes of the Continental, Fidelity-Phenix and American Eagle held their annual outing at Donnelly's Park, College Point, L. I., last Saturday. From the various departments and offices of the Continental group about 350 employes gathered at the Wall Street slip headed by a brass band and boarded the steamer "Keansburg," chartered for the occasion, and proceeded to Donnelly's Park.

A baseball game was the feature, a team representing the Continental, Fidelity-Phenix and American Eagle, playing the nine of the Home Insurance Company, of the Fire Insurance League. Continental, Fidelity-Phenix, American Eagle aggregation won; score 5 to 3. A timely two-base hit by H. Sullivan, of the Continental, in the sixth inning, scoring three men, did the trick. Fred Merkle, of the Continental crowd (not the Cubs' first baseman), had the number of the Home's nine, striking out a number of men.

Preceding the ball game there was a relay race in which teams from the various departments of the Continental, Fidelity-Phenix and American Eagle, contested. The team from the twenty-fourth floor won; the supply department team second. In the 220-yard dash a surprise was sprung on the attendants at these outings when a newcomer, quite a young lad too, E. Freedon, breezed in a winner, beating out W. Weber and H. Sullivan, picked to win. The three-quarter mile run was won by J. Cramond.

The shoe race was the mirth-provoker of the afternoon. There were all styles and sizes of shoes, thoroughly mixed by those in charge of that end of the event.

The bowling event had been arranged so that each contestant was permitted to roll three balls and was allowed three sets of ten pins with a total possible score of thirty. John Cornell, inspector in the local department, was the only contestant to get a perfect score. Two others were tied with twenty-seven.

Following the baseball game a dinner, attended by over 300, was served.

The outing committee having charge of this very successful affair was headed by John S. Little, of the American Eagle, chairman; Henry A. Keck, John Bahr, Charles S. Killmon, Joseph Scott, E. A. Morrell, Charles Repper, E. V. Starkweather, and J. W. Steinway. The following associate members of the committee had charge for the arrangements for the field events: William H. Emes, William Weber and Thomas F. Clark.

U. & O. REQUIREMENTS

Companies are watching use and occupancy lines more carefully than formerly and there have been a number of cancelations.

BROKERS ACTIVITIES

Misconceptions Over Expression "Floater"

TERMS EXCESS, FLOATING AND GENERAL COVER OFTEN CONFUSED

R. P. Barbour, in New Book, Points Out Distinctions—What a "General Cover" Means

The terms Excess, Floating and General Cover Contracts should not be confused, says Robert P. Barbour, in his new book "The Agent's Key to Fire Insurance," published by the Spectator Company of New York. Floating insurance may be excess and Excess insurance may be floating, but each may be used without the other, while General Cover Contracts are different from either.

General Cover Contracts

In discussing the subject of general cover contracts, Mr. Barbour says in this book:

"A general cover contract, while it may provide for insurance anywhere within wide limits, is not floating insurance, because it requires that insurance shall be specific at stated locations which are given in detail in the statements of value which the insured must render under the terms of said agreement. The general cover contract is not a policy of insurance, but rather a **contract to insure** under specific policies to be written in accordance with rates and rules applying where the property is located; it is in the nature of a general binder for a stated amount, the specific amounts and locations making up the aggregate to be furnished at a stipulated time.

"This form of contract to insure is required by large concerns having property in many different localities, usually in different States where the values, though fairly stable in the aggregate, fluctuate so rapidly as between the various locations that it makes it a practical impossibility to keep covered with separate insurance at each location. With constant shipments to and from widely separated locations it would often happen that insurance would be in excess of—or less than—the actual value at any point, and in the latter case the insured would be without adequate insurance protection. As a rule, general cover contracts are written only on merchandise in warehouses, stores, piers, railway terminals, etc., and do not cover in any manufacturing plant or plant warehouses.

Rules Not Settled Practice Yet

"The rules governing the issuance and forms of general cover contracts have not as yet become settled practice, and some of the conditions set forth in the sample form may require changing.

"The theory upon which increases and decreases at specific locations are permitted at pro rata rates, providing there is no change in the aggregate amount of insurance (see form), is that the insurance in such case is **transferred,** thus following the usual rule whereby it is permissible to cancel insurance pro rata when it is to be rewritten as of the same date in another location; but if the aggregate amount is diminished this must be at short rates."

* * *

$9,000,000 on Bell Steel

The companies this week wrote use and occupancy and explosion insurance to the amount of $9,000 000 on the plant of the Bell Steel Co. at Steubenville, Ohio. The business was placed in New York City.

OPENS BROKERAGE DEPARTMENT

Phoenix of London Offers Additional Facilities for Out-of-Town Business to Local Brokers

The Phoenix Assurance, of London, has established a brokerage department for the acceptance of out-of-town business. The department is already in operation.

Harry Hellriegel, who has been with the Phoenix for a number of years, of late in charge of the sprinkler leakage department, has been placed in charge of the brokerage department.

* * *

S. W. SCOTT MAKES CHANGE

Well-Known Brokerage Representative and Underwriter Goes With W. L. Webster & Co.

W. L. Webster & Co. of No. 1 Liberty Street, New York City, have competed arrangements whereby they have secured the services of Samuel W. Scott, former secretary of the Jefferson Fire Insurance Co. of Philadelphia, and for the past four years office manager of the fire department of one of the largest insurance brokerage houses of New York City, to act as underwriting manager in charge of the department representing companies desiring to secure for their local agents, lines on risks controlled by brokers.

* * *

APPOINT JONES & WHITLOCK

Westchester Fire Announces Disposition of Metropolitan Automobile Department to Growing Agency

Jones & Whitlock this week were appointed metropolitan agents of the automobile department of the Westchester Fire. The appointment is effective immediately.

The agency of Jones & Whitlock is one of the oldest in New York. It represents the marine department of the Insurance Company of North America for the writing of inland marine, tourist, commercial travelers, horse and wagon, transit and parcel post insurance.

* * *

Unseen Forces

Commissioner O'Neil, of Pennsylvania, discouraged because departmental measures which would have protected the insurance public against fraud did not go through in that State, gave out an interview saying that "unseen forces of a selfish nature" had been successfully at work to block progress in the legislature of Pennsylvania.

"Unseen forces" also succeeded in blocking the Boylan bill, which would have relieved brokers from being compelled to act as detective agencies, in this State after the legislature had passed it.

* * *

Insuring Shrubbery and Shade Trees

The following letter to the "American Agency Bulletin," written by a Gadsden (Ala.) agent, is rather out of the ordinary:

"I see no reason why any company should not accept insurance on shade trees and shrubbery, as they can't burn unless the dwelling near them burns and they are not any more hazardous, of course.

"I have done a little tree insurance for twelve years, rating them same as the dwelling, making a diagram of the premises and numbering each tree, naming the amount on each. I consider a large oak worth at least $100, or rather insurable for that amount. The way to do is to write it up and send in the D. R. and if the company does not want it they will tell you so.

"H. B. MYERS."

BOND BONUS FINDS FAVOR

The announcement in The Eastern Underwriter last week that the Preferred Accident had adopted the plan of offering a Liberty Bond to the agent or broker who produced $500 in new accident-health premiums within three months, is followed this week by the action of the E. B. Quackenbush general agency of the Ocean, and by the Continental Casualty in offering similar bonuses. The plans differ in details but the patriotic motives have resulted in a hearty response as to no other previous campaign.

Tate With Davis, Dorland Co.

Irving Tate, who has been placer for Bale, Snedecker & Co., started on Monday as placer for Davis, Dorland Co.

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CASUALTY AND SURETY NEWS

A Report on Acquisition Cost

By E. H. Warner, Buffalo

This report read at Casualty Section of New York State Association of Local Agents at annual convention in Newburgh last week

Each and every form of modern business has its particular form of troubles and worries, some more and some less. Our particular business is one of the some more.

The insurance busines, I believe, is the only occupation that I know of where if a man is willing to work he must first improvise ways and means to prevent the legislature from passing laws that will prevent him from doing so.

Our latest affliction is embodied in that euphonious phrase, "Reduction of acquisition cost." In fact, so terse is the phrase that it has already in some quarters been adopted as a slogan.

The Emmet Ruling

Troublesome agitation of this subject first made its appearance in 1913 as the direct result of a ruling by the then Superintendent of Insurance of the State of New York, William Temple Emmet, at which time he made his ruling that all companies must deduct their acquisition cost on certain classes of business, not only in New York State, but also in all other States.

This drastic ruling caused an unroar from Maine to California and many protests were filed with Superintendent Emmet at that time.

It was also at this time that the agents from various parts of the country came to New York to meet the bureau companies and object to any such arrangement. Needless to say, the companies showed their representatives scant courtesy and did not in any way indicate what their position in the matter would be. In fact, it became immediately apparent that if the agents wanted any relief they must depend upon their own efforts.

How National Association of Casualty and Surety Agents Was Started

On that very day in a small room in lower New York, eleven men, one of whom I had the pleasure of being, formed the National Association of Casualty and Surety Agents. This meeting adjourned subject to a later call—and that same fall in Cincinnati at the meeting of the National Association of Local Fire Agents, the Casualty Association was inaugurated as a vital factor in our business.

A committee from the casualty association called upon Superintendent Emmet at Albany, and he finally agreed to call a meeting of the various State commissioners at Chicago, at which time the companies and agents would be invited to be present, and this matter of limitation of commissions would be discussed. This meeting was held in Chicago, December, 1913.

As a result of this meeting it was decided between the agents and the companies (please take notice I said between the agents and the companies) that the commission on compensation insurance should be fixed at 17½ per cent.; and after coming to this decision Mr. Emmet, on behalf of the various State superintendents, acquiesced to this arrangement, and stated that this meeting, in his opinion, was one of the most memorable events in the history of insurance, inasmuch as it proved that when the companies and agents got together on an important problem, they could always adjust any differences and that gratifying results were bound to be the outcome.

The Phillips Recommendation

We all supposed that this matter was finally disposed of and that we would not be troubled with same again. But this evidently is not to be the case. Early this spring the newspapers published a copy of the recommendations of Superintendent Jesse Phillips, of the New York State Insurance Department, and in one of which he recommended the reduction of acquisition cost on workmen's compensation insurance. Your chairman of the executive committee immediately put himself in communication with Superintendent Phillips and asked that he defer action on this important matter until after such a time as a hearing could be arranged for. This the Superintendent kindly assented to, and on March 22, 1917, a joint meeting was held at the Ten Eyck Hotel at Albany, at which were present your casualty executive committee and committes from the New York Brokers Association and the National Association of Casualty and Surety Agents.

There were also present at this meeting home office representatives, consisting of the president of one company, United States manager of one of the foreign companies, the secretary of one of our largest American companies, and the superintendent of agencies of another leading company. It is only fair that I should inform you that two of the largest companies represented very strongly advised the combined committees to oppose any action on the part of the State Department affecting a reduction in commission.

Phillips Postponed Action

After discussing the matter from all angles, it was unanimously agreed to oppose any change in present commissions, the meeting adjourned to the State Capitol and a hearing lasting three and one-half hours was had befor the Superintendent of Insurance.

Mr. Phillips was very courteous to your representatives and showed a disposition of the utmost fairness to the agent body. After listening carefully to all we had to say, he finally consented to postpone any action he intended taking untll the next session of the legislature.

We were, in the meantime, to confer with the companies and put our house in order and make some recommendations for reducing the cost of compensation insurance to the assured.

What is Acquisition Cost?

I have recently received letters from several insurance periodicals asking the question: "What is acquisition cost?" I avoided answering these questions, as I felt that a newspaper controversy was the last thing to be desired at this time on a subject so vital to our existence.

Th answer as to what constituted acquisition cost depends so entirely as to who answers it—it is so dependent upon the point of view. The company would answer acquisition cost represents principally agents' commissions, plus special agents and fieldmen's expenses, inspection of plants and safety appliances, advertising, printing, plus various other expenses, altogether making a rather formidable total.

From the agents' standpoint, acquisition cost represents all the commissions received from the companies, less the few dollars that are left after paying brokers' commissions, office help, rent, and the many expenses that go to make up the total on the debit side of our ledgers.

So also the broker answers this question in his way from his particular angle.

It seems a pity that it should be necessary at this or any time to defend our rights to earn a fair livelihood and to receive a fair compensation for our efforts.

The "Compulsory" Argument

It is the contention of Superintendent Phillips that inasmuch as compensation insurance in this State is compulsory and as all manufacturers and employers of labor, excepting a few classes, must procure this insurance, it therefore does not require much effort or salesmanship to sell same.

Also, that there are too many engaged in this business and by reducing commissions it will eliminate a goodly number of those now engaged in the business and thus create a larger business for those who remain, thus making up in volume for the reduction of commissions.

Of course, with this argument goes the proposition that the purpose of all this is that same is done in the interest of the public, who are having to bear this burden.

Agents Not Over-Paid

In justice to the Department, I want to say to you men that the Department through Superintendent Phillips accorded your representatives every possible courtesy and the utmost consideration. We know that Superintendent Phillips is acting in accordance with what he deems right, but we are in hopes of convincing him that our contentions on this subject are just and proper. We contend:

I. We are not being over-paid for the work that we perform and that our services to the assured are worth the meager commissions paid for this class of business. I say meager on account of the great amount of work and time that is necessary to the proper handling of compensation insurance.

II. That an attempt on the part of the State to regulate commissions is an interference with our inherent rights; that same is unconstitutional, inasmuch as it interferes with the right of private contract.

III. The fact that compensation insurance is compulsory does not drive the business into our offices. With mutual competition, State Fund competition and occasionally self-insurance, there still is required the same amount of solicitation as under the old liability conditions and also many more hours of work in the way of service to your clients in order that they may obtain a proper classification, proper schedule credits, prompt payroll adjustments, and in many cases quarterly adjustments which entail four times the cost of collecting and accounting that we had previous to compensation.

IV. That a reduction of commissions would not benefit the policyholders. It never has in the past and we may be sure it will not in the future. The only ones benefitted by such a move will be the stockholders of the companies.

V. We further contend if this question is really vital it should be approached from the angle of a reduction of the total cost of doing the business. It should not be confined to commissions only. The reduction should be a percentage one from the president down through all departments, including the agents—and why not? Are the president and other executive officers more important to the company than the men who make the existence of the company possible. How long would a Company last that did not have an efficient selling force? Where would home office salaries come from? Not from the money invested; that must be held inviolate for the stockholders, and the interest on same must form the backbone of the dividends. As a matter of fact, it comes from the efforts and results obtained by the selling force.

Where Expense Can Be Reduced

We, therefore, recommend instead of reduction of commissions an intelligent investigation of the present wasteful and cumbersome methods of handling the business. We believe there is a duplication of efforts on the parts of individual companies, such as the separate inspectors of plants and safety appliances, and many other employes engaged in the same territory, all doing the same things for each company.

A heavy reduction of expense might he accomplished by the opening of local inspection bureaus, said inspections to be made under the general supervision of the combined companies following out the methods of the fire companies, both as to reporting on physical condition of plants and application of schedules, for the purpose of rate adjustment.

Medical Attention

Another cause for the high cost of doing this business is due to the medical attention to injured employes. This item is becoming abnormal, and until the assured will interest himself in keeping this cost down by seeing that unnecessary service is not given or

(Continued on page 22.)

Accident
Health Automobile
Plate Glass
Burglary Liability
Fidelity
Contract Judicial
Public Official
Depository Bonds
FIDELITY & DEPOSIT CO.
OF MARYLAND
BALTIMORE

General Accident
FIRE AND LIFE
ASSURANCE CORPORATION, Ltd.
SERVICE THAT EXCELS
FREDERICK RICHARDSON, United States Manager
GENERAL BUILDING · 4TH & WALNUT STS.
PHILADELPHIA

Says War Injuries Are "Accidents"

SURPRISING POSITION OF AN INSURANCE DEPARTMENT

Text of Correspondence Between An Insurance Commissioner and President of Insurance Company

That some of the insurance commissioners are endeavoring to usurp underwriting as well as other supervisory prerogatives is the only conclusion to be drawn by the correspondence between the insurance department of one of the most important States in the country and one of the leading casualty companies. The correspondence started by the submission to the department in question of the following war rider:

This policy shall not cover the hazards of war. Death, disability or injury, resulting from Army or Navy service in any department; or from the manufacture or transportation or handling of munitions of war, where death, disability or injury results from an act of destruction; or which may result from being upon any vessel that may be sunk, wrecked or damaged by any agency or act of war, are hereby declared as not covered.

Correspondence Between Department and Company

The following series of letters followed the receipt of the war rider by the department:

Dear Sir: This department is in receipt of your letter enclosing two copies of war rider form.

In the light of its present information, the department is unable to give approval to this war rider. "Death, disability, or injury resulting from Army or Navy service in any department" deals with the matter of classification of risks. It has no place in an insurance contract. "From the manufacture or transportation or handling of munitions of war" is a question of classification of risks. "Where death, disability or injury results from an act of destruction" is too indefinite to admit an intelligent construction. "Or which may result from being upon any vessel that they may be sunk, wrecked, or damaged by any agency or act of war" does not describe an exception from the coverage. "Classification of risks" and "exemption from the coverage" are apparently inextricably confused in the portions of the proposed rider, which I have quoted. In formulating this proposed rider you have probably given the matter considerable attention. Before finally acting on this rider I should appreciate your observations and comments.

COMMISSIONER.

Company's Observations

Dear Sir: We acknowledge receipt of yours, wherein you make comment regarding war rider submitted, and suggest that we express our views.

You are correct in your assumption that we gave the matter close consideration before drafting the rider, and we think you will concur in our views after considering our explanations.

In the first place, war is not an accident, and therefore, all that results in the way of death, disability or injury from actual participation in war, or exposure to its hazards, cannot be regarded as coming within the purview of policies such as we sell. Samples of all our policies are on file. Paragraph "A" of those policies recites specifically that coverage shall extend only to those conditions which result solely from bodily injuries effected directly and independently of all other causes by the happening of an accidental event. It must be obvious that there is no promise to cover anything else than accident, and we think you will concur in our belief that the language of Paragraph "A" makes it perfectly clear to a policyholder that all other than actual accidental injuries and disabilities are excluded from coverage. It is our belief that the language of Paragraph "A" would protect us against all the hazards of war without our going to the extent of covering the matter by a special rider.

The execution and attachment of the rider, therefore, is for the purpose of putting the policyholder on notice, and of dissipating any erroneous belief that he would be covered.

In times like the present, it seems to us that an insurance company should not attempt any middle course, by which we mean that it should be out in the open with a plain advice to its policyholders relative to the hazards of war. The question is agitating the minds of many companies, and some of them are trying to avoid loss of business by pursuing a course which, to our minds, isn't perfectly frank. We don't offer this as criticism, merely passing comment.

Taking up the war rider itself the first sentence covers the whole intent, "This policy shall not cover the hazards of war." If we had stopped at that point, the question naturally arises, "Well, what do you mean by the hazards of war?" And some would think it meant nothing but the actual engagement of battle, so therefore all that follows is intended to define what we mean by the hazards of war.

There is no disturbance of any policy until there is an exposure. The enclosed letter is being sent to every policyholder whose name is submitted by any local representative as one who has enlisted. It makes clear to the risk the extent to which he is covered under changed conditions, and it becomes his privilege to continue or discontinue his insurance. We demand notice from the agent so that we can send the letter promptly and have it in the hands of the risk before he leaves his home community.

The second contingency, dealing with the manufacture or transportation or handling of munitions will represent a very grave menace to life. You of course are aware that a great many plants are to-day making all kinds of munitions and supplies, and we are both aware that there will be ten times the number of plants turning out supplies of one kind and another, and all will be subject to the exposure of destruction by force and by intent. We have had eight or ten examples in the last year while our country was not at war, and in the consideration of war coverage it doesn't matter whether a man is in the trenches firing the cartridges, or in the munitions plant making them, if the trench is blown up, or if the plant is blown up, either act is an act of war, because in the case of the plant the destroying agent is the agent of an opposing nation.

Taking up the third section, the history of the high seas, as written within the last six months, shows that every vessel of whatever character traveling in the war zone is subject to submarine destruction. With vessels being destroyed at the rate of from fifty to one hundred per week, the chance seems to run strongly against any vessel getting through. In addition to the submarine hazard we have the hazard of mines, the hazard of destruction by time bombs placed when cargo is loaded. We have the hazard of storms and exposure even where crew and passengers escape in the boats, and even the life boats are subject to destruction, as has occurred in more than one instance.

Every such contingency when it resolves itself into a condition is a condition brought about by intent, and not by accident, and therefore it all reverts back to the limited coverage of Paragraph "A," and knowing the limit of that coverage it resolves itself into our desire and intent that the insuring public shall not be misled, and shall know by the special rider that it is not and will not be covered against the hazards of war.

This rider was carefully considered by our General Counsel and approved, and has likewise been approved by every other department to which it has been submitted.

PRESIDENT.

A Letter to Insured

Dear Sir: We have been advised that you have enlisted and this, therefore, is to notify you that your insurance does not contemplate the hazards of war. We are anxious to carry your protection against all disability from accident or illness, but the injuries incident to war are not the results of accident. Most of them are the result of the deliberate intent of the opposing force to destroy or disable, and where effort is made to accomplish such result the element of accident is wholly lacking. We will be glad to continue your insurance so long as your duties do not involve any actual war exposure. By "War Exposure" we mean service at the front, or maneuvering for practice or instructions, or doing guard duty at munitions plant, or any such service as that. Just as soon as such service begins on your part we desire you to notify us so that we can cancel your policy, or we are willing to permit it to continue in force with the understanding that we do not cover any of the hazards of war.

If you deem it advisable to discontinue the policy, we will be pleased to take the matter up with you again when you have left the service.

PRESIDENT.

Says Rider Should Be Reformulated

Dear Sir: I am in receipt of your letter of May 8 giving your views on the war rider form. The gist of your letter is found in the third paragraph.

I cannot see the matter in the same way as you do. While as you say, war is not an accident, the results of war as to the holder of an accident policy, are accidentally caused. Murder so far as the murdered person is concerned, is accidental. Suicide while insane, is an accident to the insured. An insurance company is not liable for any loss which is due to the voluntary act of the insured. Voluntary exposure to danger relieves an insurance company from liability, not on the ground that the loss was not due to accident, but on the ground that the insured himself caused the loss.

Applying the principles embodied in the observations to your proposed war rider, I am of the opinion that your war rider should be reformulated in order that your company may be protected. I suggest that you would receive all the protection that you can secure, if you provide that "the policy to which this rider is attached does not cover bodily injury or death or sickness caused by acts of war or by conditions arising out of a state of war."

COMMISSIONER.

Again Writes Commissioner

Dear Sir: Your esteemed favor of the 11th received, and while I do not wish to be contentious, I beg the privilege of disagreeing with some of your statements, or of at least offering opposite views. My reason for so doing is because I think that we should always arrive at common understanding, if possible.

You say that to the holder of an accident policy, injuries resulting from war cause are accidental. We would argue against that statement on the ground that anything that is intentional can never be accidental. A mine anchored in the lane of travel of trans-Atlantic ships, is anchored there to destroy whatever comes in contact with it. The torpedo launched by a submarine is intended to destroy the vessel aimed at. The bombs dropped by the Zeppelins were intended to destroy life and property. And so we might continue. The fact is that the intention is to destroy as much property and as many lives as possible, and without regard to their being the lives of men, women or children in or out of the service.

Your point regarding murder is not sustained by court decisions. Companies make an exception where murder is done by a highwayman, but in other cases murder is a deliberate act and is not accidental. Among others we had one interesting case where a man walked into a saloon seeking for another whom he desired to assault. He thought he saw his man, and walking up to him, struck him, knocking him to the floor. The man's head struck the bar rail and caused his death. Immediately the blow had been struck, the murderer discovered that he had struck a man that he didn't know at all. The argument was made that it was an accident, but the point was sustained that inasmuch as the man had gone up deliberately to this person and struck him, that the act was intentional, the injury intentional, and there was nothing accidental about it.

Suicide is not an accident except that it has been legislated to be such in the State of Missouri, but in all other States a policy provision against suicide, sane or insane, holds good.

An insurance company is liable for

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Life, Accident and Health

With the same Prompt and Expert Safety Engineering and Inspection Service and Organization which has made the Name of The Travelers Famous

AGENTS AND BROKERS

Refer Your Inquiries to The Group Insurance Division.

THE TRAVELERS INSURANCE COMPANY
Hartford, Connecticut

the voluntary act of the insured, but it is not liable for the voluntary act where the intended result is personal injury.

Voluntary exposure to danger does not relieve a company from liability. We used to think it did, and carried the clause in our policy, but we found the question of what constitutes voluntary exposure to be a question that invariably resolved itself against the company, and the last case we tried out, and which seemed to be an undoubted case of voluntary exposure to obvious danger, went against us. We thereafter eliminated the clause from the policy. The case was one of fisherman who had to cross the railroad tracks in order to get to his boat. Signs were posted against trespass on the right of way, which was fenced in, the regular crossing being some two or three blocks below. This fisherman climbed the fence and crossed the tracks daily, and apparently it was known to the railroad company. The place of crossing was at a sharp curve, and on a windy day, while crossing the tracks, he observed a train approaching. He stepped off of the track to get out of the way. The wind blowing from him and the noise of the train he saw, prevented his hearing the other train coming from the opposite direction, and he was killed. The danger was obvious, and there was a violation of the corporation rules, but the argument went against us. On the point of corporation rules, the jury concluded that if the railroad company knew of the violation, it was suspending the rules; and in the matter of voluntary exposure, it concluded that it wasn't an exposure for the man who traveled back and forth every day over those railroad tracks, that he was oblivious to personal danger, and therefore was not exposing himself voluntarily. This is but one of many cases that different companies have had.

Your suggestion regarding a reconstruction of the rider is somewhat in line with a draft submitted by our own general counsel, but which we turned down because it was too broad. That is, it could be construed too strongly against the public. Our desire was to be very concise, and to make the restriction exactly that of a real war exposure. If we were to follow your suggestion and make a rider to read that the policy does not cover bodily injury or death or sickness caused by acts of war, **or by conditions arising out of a state of war,** we could under the second stipulation defend against a vast number of perfectly legitimate claims, and that we hold would be unfair and really immoral.

The situation is grave, and all companies are wondering just how to cover all that isn't a war exposure and how to make the point clear. We think the rider as devised does precisely that. It continues the insurance of every risk up to the point of real war exposure, and then it discontinues the insurance.

There is another very good reason for the discontinuance, which is that risks are insured for an average of perhaps $40 or $50 per month, and our policy, like other policies, limits indemnity to 80 per cent. of the income. The income of a soldier is very small, and the realization under a policy would not exceed one-third the amount of the insurance stated in the policy, even if the policy were continued in force, and any such settlement would disturb and disappoint. So we have felt that the only course was the course we have pursued.

PRESIDENT.

"Intentional Acts"

Dear Sir: I am in receipt of your letter of May 19, and agree heartily with you in the desire to arrive at a common understanding.

You argue against my statement that to the holder of an accident policy injuries resulting from war causes are accidental, with the statement "that anything that is intentional can never be accidental." In that statement you do not bear in mind the limitation I put upon my statement, "to the holder of an accident policy," nor do you have in mind the distinction that I made, that an act may be intentional to one human being but an accident to another. If we were all gods, and had infinite minds, nothing could be accidental, but we are finite.

You state that my point regarding murder is not sustained by the court decisions. In running through volume 28 of Deitch's Insurance Digest, I find the following: * * *

Your position on the subject of murder makes it necessary to divide murder into classes and to call those degrees of murder lacking the deliberate intent to take life, not accidental and those degrees of murder having the limitation of criminal neglect or carelessness, accidental. I am sure that after deliberation you will admit that such a result would be ridiculous. I am sure that it is not necessary for me to call attention to the fact, that in considering your argument I have passed from the sublime (divine) to the ridiculous. * * *

The effect of these quotations from Deitch and from the Wisconsin decisions, is that an insurance company is relieved from liability if a loss be due to an intentional act of the insured but is not relieved from liability if the loss be due to the intentional act of another.

Applying the principles derived from the cases cited, to the war hazard it may be stated as the rule, that to relieve the insurer from liability the exception or the exemption must be described without reference to the mental state of the person causing the loss.

I appreciate the force of your criticism of the form suggested. I believe that the force of your criticism would be nullified if the form suggested were to be modified to read "This policy does not cover bodily injury or death or sickness caused by acts of war or by conditions arising directly and solely out of a state of war." I admit that the suggestion that I have made is not entirely satisfactory, I am not sure but the adverb "necessarily" should be incorporated into the suggestion. However, I submit my amended suggestion for your criticism.

As you suggest the situation is grave. The necessities of the situation will not be met by the cancellation of policies of those who enter military or naval service. They should be covered except for losses or injuries resulting from actual battle. Civilians should be covered in all cases except of voluntary exposure to unnecessary danger, i. e., case of recklessness, or wanton carelessness which are cases of self inflicted loss for which the insurer would not be liable.

Risks are classified by occupation. The exposure from which you wish and should relieve yourself from liability is not a hazard of occupation but is common to persons in the military and naval service of the government and also to civilians who may be at a place of battle. As to civilians the exception can be made for the present by relieving the insurer from liability for accident or sickness occurring outside of continental United States. I am not sure, but that the same limitation as to those engaged in military or naval service would be sufficient.

I trust this letter will be helpful to you and shall appreciate your criticisms thereon.

COMMISSIONER.

Answers Court Citations

Dear Sir: I have read with a great deal of care your letter of the 25th, and it appears to me that the discussion has drifted wide of its original basis, which was an intention on the part of the Company to exempt the Company from liability where injury or death resulted from an intentional act of destruction incident to a condition of war.

My letter to department under date of the 19th, carried with it error, in that I made answer to his comment relative to intentional injuries, and hence your reply deals to a considerable extent with the same point, as well as with murder and assassination. All three of the points are somewhat wide of the issue. Acts of war are not dealt with as either murder or assassination.

I have, however, looked up the decisions you quote, and have looked up a good many others, and have also read Cooley on the subject of intentional injuries, and the gist of it all is that injuries received by the insured are accidental so far as the insured is concerned, even though intentional as far as someone else is concerned, and the Company is liable except where its policy specifically provides that such injuries shall not be covered. Where policies carry such language, the ruling has been that the court may interpret but may not broaden a policy, and that where the language is clear it isn't within the province of the court to enlarge upon the intent.

On page 2, in the next to the last paragraph, you quote a Wisconsin decision exactly in line with this position. It says:

"In the absence of any express provision to that effect, an Insurance Company is not relieved, etc." So the natural inference is that where an express provision excepting certain coverage is in the policy, then the language of the policy controls.

In the second paragraph, page 3, you lay down precisely our own ground of argument when you say: "Applying the principles derived from the cases cited to the war hazard, it may be stated as the rule that to relieve the insurer from liability, the exception or exemption must be described." I omit the further reference to mental state of the person causing the loss, as that doesn't seem to enter into the matter. As a general proposition, the act of a mentally irresponsible person could not be looked upon as intentional.

Reverting to your language just quoted, it covers precisely what we have undertaken to do in relation to the hazard of war. We have made specific exception against such hazard, and the exemptions that we claim are carefully described, and that's precisely what you say we should do.

Let us analyze the rider again. You will of course admit that it is within the province of a company to stipulate that it will not cover the hazards of war, and we might let it go by making no further statement in relation to the hazards of war, and if we did we would be in far better position to deny a great many claims. But not wishing to take advantage of such an opportunity, we make three specific exemptions.

First, death, disability or injury resulting from Army or Navy service in any department.

Second, death, disability or injury resulting from the manufacture or transportation or handling of munitions of war where death, disability or injury results from an act of destruction. Analyzing this provision we find that the proposition is that we will not cover the hazards of war, and that if death or injury results from an act of destruction, the Company must be able to prove that the act of destruction was carried out because of the manufacture, transportation or handling of munitions of war, and therefore it would be clearly an act of war if so proven. There will be a thousand conditions where we might plead war hazard, but which we should not properly plead, and therefore the carefully devised language draws a very rigid line indicating where we intend to stop in denying liability under such condition.

Third, death, disability or injury which may result from being upon any vessel that may be sunk, wrecked or damaged by any agency or act of war.

PRESIDENT.

Acquisition Cost

(Continued from page 20.)

forced upon injured employes, so long will they have to bear the burden of same. If, however, some plan can be devised to cut down the abnormal medical cost this will accomplish much of the desired result.

Predicts Commissioners' Recommendations

In August the insurance commissioners will have their annual meeting, and a committee of six, headed by Superintendent Phillips of this State, will probably make some recommendations on this matter.

THE SPIRIT OF 1917

There is a spirit of mutual helpfulness among Continental agents

Continental Casualty Company

H. G. B. ALEXANDER, President

GENERAL OFFICES

910 Michigan Avenue, Chicago

C. A. CRAIG, President W. R. WILLS, Vice-Pres. C. R. CLEMENTS, Sec. & Treas.

The National Life and Accident Insurance Company

NASHVILLE, TENNESSEE

Industrial, Life, Health and Accident Insurance in ONE policy

The Fidelity and Casualty Company of New York

92 LIBERTY STREET, NEW YORK, N. Y.

Metropolitan Office—92 William Street

Annual Statement, December 31, 1916

Assets	$13,788,795.23
Liabilities	9,708,052.97
Capital	1,000,000.00
Surplus over all liabilities	3,080,742.26
Losses paid to December 31, 1916	56,090,684.58

This Company issues contracts as follows: Fidelity Bonds; Surety Bonds; Accident, Health, and Disability Insurance; Burglary, Larceny, and Theft Insurance; Plate Glass Insurance, Liability Insurance—Employers, Public, Teams (Personal Injury and Property Damage), Automobile (Personal Injury, Property Damage and Collision), Physicians, Druggists, Owners and Landlords, Elevator, Workmen's Compensation—Steam Boiler Insurance; Fly-Wheel Insurance.

A PERSONAL APPEAL

To every man who, as a Broker or Agent, receives a commission or salary from the sale or handling of insurance premiums:

Your income is threatened with reduction and possible extinction.

How, You ask?

By the Menace of State Insurance!

"Oh," you say, "the Mills Bill is dead." Mistake No. 1.

"Anyway, that will never affect my business." Mistake No. 2.

"Besides, I will go into some other line and make just as much." Mistake No. 3.

A Nation-wide propaganda is being conducted by the American Association for Labor Legislation. They will keep busy from now until the next legislatures meet and so must you.

While the present bill will affect only health and industrial life insurance, it is the forerunner to State insurance of every description. Once the principle of State insurance is established by law it will undoubtedly rapidly extend to all branches of the business.

The accident and health men are merely in the first line of trenches. The fire men are in the second line and the casualty men of other lines and the life men are in the third. You second and third line men are just as vitally concerned in having the first line hold as we. Give us the munitions of war and it WILL hold. If it breaks, then the enemy is at your trenches.

Let us concede that State Insurance cannot come for 5 years. You will then be 5 years older. Who would want you at that age? How many years would it take you to create an equal income in another line, if you ever did? Could you and your family adjust yourselves to a reduction in income of $1.000 a year? Wouldn't even $500 embarrass you?

How can you best fight State Insurance? By Organizing.

The Insurance Federation of the State of New York is such an Organization. It's your organization, but you're not supporting it. It is fighting and has fought and won the same victories for you. Are you willing to have a few unselfish men work always for you? Do the work you should do for yourself? Are you willing to be a slacker?

You can enlist for this fight by becoming a member of the Insurance Federation. The dues are $1 per year. You will receive a membership card and the Federation News for one year. This paper will keep you informed of the fight in all States.

We need funds as well as members and want 350 volunteers to become sustaining members. The cost is $10.

This Advertisement Paid For By The Accident and Health Membership Committee.

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JAMES R. GARRETT, Chairman,
100 William St., New York.

CASUALTY POINTS

Age of Beneficiary

A recently reported case indicates the necessity for some change of action on the part of the Company if we are to be protected under our policies against the giving of that insurance, which we never intended to give, and which our agents know we never intended to give, says the Standard Accident in its "Cog."

This is the case of Cook vs. National Fidelity & Casualty Company, 160 Northwestern Reporter 957. In that case the policy contained a clause extending insurance to cover the beneficiary, and that clause had the following provision: "If one person only over eighteen years and under sixty years of age, other than the insured, is specifically named as beneficiary * * * this policy shall also * * * insure the person so named as beneficiary."

The beneficiary was fifty-nine years of age at the time the policy in question was issued and was, therefore, at that time insurable. In three years thereafter the policy was renewed. The beneficiary was then sixty-one years of age, and at that time was injured, which injury resulted in death.

The Court held that the policy could not be construed as meaning that it would terminate upon the beneficiary reaching the age of sixty years, so the Company was liable.

You will see, therefore, under the above decision the courts would have us grant insurance to beneficiaries over sixty years of age, while the terms in the policy seem clearly to provide that such insurance shall not be granted. Agents who issue their own policies will, therefore, please forward to this office for endorsement all policies naming beneficiaries over sixty years of age. The endorsement to be attached will be an endorsement excluding beneficiary coverage. Upon renewal of policies which contain a beneficiary clause, the endorsement will be attached to the renewal, excluding beneficiary coverance when the beneficiary is over sixty years of age. This should also be checked up by the agent before delivery of such renewals to make sure that proper endorsement is attached.

In those States where separate beneficiary policies are issued, such policies will not be renewed if the assured has reached the age of sixty years, and will in no case be issued where the beneficiary will reach the age of sixty years prior to expiration of policy.

In asking you to assist us in caring for this matter in this way we do so with the belief that you will thoroughly understand that we are merely taking a precaution against a construction of the policy, which was never intended.

* * *

Arthur L. Dietrich, assistant manager of the New York office of the F. & D., has been given personal supervision of the accident and health and burglary departments of the office. This announcement follows the retirement of A. G. MacAinch, former manager of the accident and health department and who has gone into business for himself.

SUBSCRIBE $300,000

$300,000 has been subscribed to the Liberty Loan by the following Norwegian Companies, of which Robert Van Iderstine is United States manager: Norske Lloyd Insurance Company, Ltd., Norwegian Assurance Union, Ltd., and Norwegian Globe Insurance Company, Ltd.

GOES WITH SCHLESINGER

Harry Wind, for many years with the Universal Inspection Bureau, has joined the staff of Louis Schlesinger, Inc., general agents for the Maryland Casualty Company in Essex County, N. J. Mr. Wind will be superintendent of the casualty insurance department.

W. E. SMALL, President PETER EPES, Agency Mgr. E. P. AMERINE, Secretary

GEORGIA CASUALTY COMPANY

HOME OFFICE: MACON, GEORGIA

"DIXIE AUTO POLICY"

THE LAST WORD IN MOTOR INSURANCE

Surplus and Reserves to Policyholders.....$1,526,022.81

The METROPOLITAN CASUALTY

INSURANCE CO. OF NEW YORK

HOME OFFICE, 47 CEDAR STREET

CHARTERED 1874

Plate Glass, Burglary, Accident and Health Insurance

EUGENE H. WINSLOW, President

Russell R. Cornell, Vice-Pres. S. Wm. Burton, Sec. Alonzo G. Brooks, Ass't Sec.

RELIABLE AND ENERGETIC AGENTS WANTED

THE SIGN OF GOOD CASUALTY INSURANCE

HEAD OFFICE
CHICAGO

F. W. LAWSON
General Manager

Liability, Accident, Burglary, Boiler and Credit Insurance

Established 1869.

F. J. WALTERS
Resident Manager
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New York

Elmer A. Lord & Co.
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London Guarantee & Accident Co., Ltd.

OF LONDON, ENGLAND

The Frankfort General Insurance Co.

UNITED STATES DEPARTMENT

123-133 William St., New York, N. Y.

TRUSTEES:

Union Trust Company, 80 Broadway, New York City

CASUALTY INSURANCE

AGENTS WANTED FOR UNOCCUPIED TERRITORY

BUSINESS=BUILDERS

DEVELOPING

Fidelity and Surety Bonds, Liability Workmen's Compensation, Automobile, Accident, Health, Burglary and Plate Glass INSURANCE

APPRECIATE THE CO-OPERATION OF THE

Massachusetts Bonding and Insurance Company

BOSTON T. J. FALVEY, President

Paid-In Capital $1,500,000 Write For Territory

AMERICAN SURETY COMPANY OF NEW YORK

100 BROADWAY

Fidelity and Surety Bonds

The Employers' Liability Assurance Corporation, Ltd.

The original and leading Liability Insurance Company in the World

LIABILITY, STEAM BOILER, ACCIDENT, HEALTH, FIDELITY AND BURGLARY INSURANCE

United States Branch

SAMUEL APPLETON, United States Mgr.

Employers' Liability Building

33 BROAD STREET, BOSTON, MASS.

AGENTS WANTED

The Columbian National Life
OF BOSTON

ARTHUR E. CHILDS, President

A CHANGE may be necessary to realize your ambition

Think a minute—then write

WM. H. MASTIN — (West of the Mississippi). SYMES BUILDING, DENVER, COLO.

FRANK D. LOMBAR — (East of the Mississippi). 77 FRANKLIN STREET, BOSTON, MASS.

SUPERINTENDENTS OF AGENCIES

DARL D. MAPES, Superintendent of Accident Agencies
77 FRANKLIN ST., BOSTON, MASS.

The service of a high grade Accident Department will also be offered so that you will not have to broker your Accident business to avoid violating your Life insurance contract.

American Central Life
Insurance Company

INDIANAPOLIS, INDIANA

Established 1899

All agency contracts direct with the company

Address:

HERBERT M. WOOLLEN, President

In addition to the ordinary forms of life insurance

THE EQUITABLE

makes a specialty of the following:

Insurance to protect business firms and corporations, under a corporate form of policy.

Group Insurance, by which employers protect families of employes.

A flexible contract, known as the Convertible Policy, which can be converted by the Insured into an Ordinary Life, Limited Payment Life, or Endowment Policy.

A Bond issued without medical examination giving the investor an income for his declining years.

A new policy is offered under which the insurance is DOUBLED if death results from ACCIDENT. This policy also embodies the following advantages if the person whose life is insured becomes totally and permanently disabled:

1. Thereafter the Equitable will carry the insurance —The Insured will have nothing further to pay.
2. The Equitable will pay the Insured an annual income for life equal to one-tenth of the face of the policy.
3. Upon the death of the Insured the full amount of the insurance will be paid to the Beneficiary (or double the amount if death is due to accident) without deduction on account of the income paid to the Insured while living.

(See the policy for conditions and details.)

For Agency Openings Address

WILLIAM E. TAYLOR,
Superintendent of Agencies

THE EQUITABLE
LIFE ASSURANCE SOCIETY OF THE U. S.
120 BROADWAY, NEW YORK

New Amsterdam Casualty Company

A Progressive

SURETY AND CASUALTY

Company

WORTH KNOWING

Suppose that you are insured in the United Life and Accident Insurance Company of New Hampshire for $5,000 under the Company's Triple Indemnity Plan, what does your Policy guarantee to do?

ANSWER:

FIRST, it guarantees that in case of death from any cause, $5,000, the face of the Policy, will be paid.

SECOND, that in case of death from any ACCIDENT, $10,000, or DOUBLE the face of the Policy, will be paid.

THIRD, that in case of death from certain SPECIFIED accident, $15,000, or THREE TIMES the face of the Policy, will be paid.

BUT THIS IS NOT ALL. The Accident Disability Endorsement FURTHER guarantees that in case of total disability as a result of accidental injury, the Company will pay direct to YOU at the rate of $50 PER WEEK during such disability, but not to exceed 52 weeks, after which the weekly indemnity will be at the rate of $25 PER WEEK throughout the period of disability. Can insurance do MORE? And why should any man be satisfied with a policy that would do less? The cost is low.

Agents wanted in Maine, New Hampshire, Vermont. Connecticut, Pennsylvania, North Carolina, South Carolina, Tennessee, Georgia, Delaware, Maryland, Mississippi, Kansas, Missouri. An opportunity for Life Insurance Salesmen of ability. Address:

United Life and Accident Insurance Co.
Home Office, United Life Building - . Concord, New Hampshire

San Francisco Losses.
Amounting to $4,522,905.00
paid PROMPTLY IN CASH
WITHOUT DISCOUNT, from
funds largely supplied by head
office in Liverpool

U. S. Cash Assets, Dec. 31, 1916	$15,827,439.35
Surplus, - - - - -	5,460,745.59
Losses Paid by Chicago Fire, 1871	3,239,491.00
Losses Paid by Boston Fire, 1872	1,427,290.00
Losses Paid by Baltimore Fire, 1904	1,051,543.00

Liverpool AND London AND Globe Insurance Co. LIMITED

Over $152,000,000.00

Losses Paid in the United States

HENRY W. EATON, Manager
G. W. HOYT, Deputy Manager
HUGH R. LOUDON, Assoc. Deputy Mgr.
J. B. KREMER, Asst. Deputy Manager
T. A. WEED, Agency Superintendent

NEW YORK OFFICE
80 William Street

364.05 Commerce
EA

THE EASTERN UNDERWRITER

[Succeeding the Journal of Insurance Economics, Established in 1899]

A WEEKLY NEWSPAPER COVERING ALL BRANCHES OF INSURANCE

Eighteenth Year; No. 25 | NEW YORK CITY, FRIDAY, JUNE 22, 1917 | $3.00 a Year; 15c. per Copy

PREDICT LARGER NET INSURANCE LINES

Foes and Advocates of Big Lines Discuss Merits and Disadvantages of Re-Insurance

COMMISSIONERS AS AUDITORS

Spirited Hearing at Hotel Astor—Divergent Opinions of Present System of Retentions

About the most spirited debate that has been heard by insurance commissioners in some time took place on re-insurance at the Hotel Astor on Tuesday afternoon, before a special committee of the commissioners' convention, State officials present including Button, chairman; Merrill, Hardison, Cleary and McCulloch. The subject under consideration was the Illinois bill making it unlawful for an insurance company operating in that State to carry a net liability over and above re-insured liability on any one risk on property located in the State in excess of 10 per cent. of its paid capital and surplus. The act doesn't cover marine insurance, but a number of representatives of the marine companies were on hand anyway to argue against the bill, saying that if it did apply to marine insurance a great deal of marine indemnity is going to be driven to England and other foreign countries.

Kennedy's Characterization of Debate

At first the debate took the turn that the viewpoint towards the prospective legislation represented in reality a struggle between small and large companies, but E. R. Kennedy, of Weed & Kennedy, arose and declared the real issue was between enterprising and unenterprising companies. Presidents Hoadley, of the American of Newark; Gerwig, representing all the Pittsburgh companies except the National Union; and Kahn, Vulcan, were particularly bitter against the present system of re-insurance, saying that jumbo lines were assuming more elephantine proportions, and that the road of the smaller companies was becoming more and more difficult; but those against changing the re-insurance system said that even if there were a change it wouldn't help the smaller companies a bit, and that the jumbo line was an evolution of the business which no legislation could stop.

The attitude of the insurance commissioners was one of extreme interest, and they smiled broadly when E. R. Kennedy accused them of trying to

(Continued on page 13.)

"The Largest Fire Insurance Company in America."

THE HOME INSURANCE COMPANY NEW YORK

ELBRIDGE G. SNOW, President

Service to Policyholders and to Agents Unexcelled.

FIRE AND ALLIED BRANCHES OF INSURANCE

Fire, Lightning, Automobile, Commissions, Explosion, Hail, Marine (Inland and Ocean), Parcel Post, Profits, Registered Mail, Rents, Sprinkler Leakage, Tourists' Baggage, Use and Occupancy, Windstorm.

STRENGTH REPUTATION SERVICE

North British and Mercantile Insurance Co.

Established 1809

Entered United States 1866

Policyholders protected by the entire United States assets, with further guarantee in every policy, of protection by entire fire assets of the company which are many times larger.

AN IOWA COMPANY

Operating Under Iowa Reserve Deposit Law

POLICYHOLDERS OF THE

EQUITABLE LIFE of IOWA

ARE SAFEGUARDED AGAINST ANY POSSIBLE MISAPPLICATION OF THE FUNDS OF THE COMPANY

SO ARE ITS AGENTS

THE RIGHT COMPANY TO REPRESENT

Apply to

H. E. ALDRICH, Supt. of Agents, DES MOINES, IOWA

WILL AGAIN TRY FOR UNIFORM ACTION

Insurance Commissioners at Astor Hear Reports of Progress on Conference War Clauses

HOW COMPANIES HAVE LINED UP

Sixty-Four Companies Which Have Rejected Provisions Will Be Asked to Reconsider

Despite the fact that the response sent to Commissioner Mansfield, chairman of the Insurance Commissioners' Special Committee on War Provisions, was not so complete, nor satisfactory as it had been hoped, the Insurance Commissioners' Special Committee at a meeting in New York on Monday afternoon decided to make another effort for uniformity. Accordingly, Commissioner Mansfield will mail a letter in a few days which will go to companies which have not accepted the Conference Committee's Hotel Astor proposals and which will make a plea that they come into the agreement.

Three Points for Consideration

The three chief points in the Commissioner's letter will be: (1) The desirability of general distribution of risk over the whole field. Companies will be urged to insure risks whether they go abroad or not. (2) An emphasis on the fact that the $37.50 extra is only a minimum charge and that companies may charge more than that. (3) Distribution to the insured of the excess should any be found to exist after the war.

Commissioner Mansfield told briefly about the reception that the war clause recommendations got. In all 255 letters were sent out; twenty-eight companies did not answer; 48 companies accepted the conference recommendations without qualification; 45 companies substantially accepted it; 64 companies rejected it; 50 companies are undecided, of which number 28 companies are waiting for action of other companies, or, as Commissioner Mansfield expressed it, they want to follow the leader. Twenty companies are in a position where they cannot take action either because they are not writing business or because they are in the hands of a receiver. Some of the companies wrote very long letters. Some of them were several pages.

Keep Names of Companies Secret

There was considerable discussion as to whether the names of the companies should be made public. It will be recalled that Commissioner Mansfield has

consistently refused to tell newspapers what companies have accepted and which have rejected the war clauses. The information that the newspapers have printed on the subject, including The Eastern Underwriter, was dug up by the newspapers themselves from the companies. Commissioner Mansfield told the meeting he thought there was grave doubt as to whether the names should be published. Most of the insurance men who were on the conference committee said that they did not think the information should be made public, and a number of the commissioners present shared in this view. Commissioner Button, of Virginia, and Commissioner Young, of North Carolina, seemed anxious to have the information, which was privately divulged to the commissioners. The thought in the commissioners' mind in withholding names of companies was that the commissioners as a general proposition, were acting in this matter in a public service way and without power, therefore, it would look, if they made the names public, as if they were trying to force the companies to accept.

Cleary's Power

Commissioner Cleary, however, said he had the power to approve or reject either war riders or war provisions. When war clauses were first adopted he approved a number of them. After the Hotel Astor conference he notified companies that he would revoke any riders that did not conform to the Astor recommendations. Commissioner English, of Iowa, said that he had the power to accept or reject riders. He informed the convention that he had advised smaller companies in Iowa to accept the Hotel Astor recommendations, but to put their rates so high as to make the business prohibitive. He has insisted that the unearned premiums be returned to the insured after the war.

Deputy McCulloch, of Pennsylvania, also said that he had insisted upon the return premium division.

Superintendent Phillips doubted the power of the Insurance Commissioners regarding war clause rate provisions. Commissioner Winship seemed to think that it would be better if the recommendations had said nothing about rates. Commissioner Mansfield added that the stumbling block was the extra charge, but added that there seemed to be a general misunderstanding as this charge was not arbitrary, but was only the setting of a minimum figure. Mr. Mansfield added that thirty-one commissioners out of the forty-nine had answered the recommendation letter, but only three of them refused to accept same. These were the commissioners of Texas, Oklahoma, and Colorado, and their objection was based upon the fact that their laws do not permit them to do so.

There was some talk about another meeting between companies and commissioners, but it was agreed that this would not be advisable at the present time. Such a conference may come later. It will all depend upon how many companies answer the new letter.

No Talk of Government Plans

One of the surprising features of the meeting was that no one present seemed to have any information about Government plans. The question was even asked if any one knew what the Government was going to do. No one could answer it.

J. A. Richards, of the Joseph Richards Company, who delivered one of the most interesting papers at the Detroit Selling Conference, is a poet of no meagre ability. His efforts along this line are chiefly on religious subjects. He is one of the professors or lecturers at the National Bible Institution, New York City, is recognized as a student of the Bible, an active churchman, and during the "Billy" Sunday campaign, he was in charge of one of the campaign districts in New York City.

Great Southern Life Insurance Company

HOUSTON, TEXAS.



For Agency Contracts address

O. S. CARLTON

PRESIDENT

SUSTAIN BUTTON RULING

Commissioners Say He Was Correct in Atlantic Life War Clause Re-instatement Case

Some time ago Commissioner Button, of Virginia, ruled that it is improper to add a war clause as a condition precedent to the re-instatement of a lapsed life insurance policy which was originally issued free from restrictions as to residence, travel and occupation. The company was the Atlantic Life. The man who applied for re-instatement was within conscription age.

Commissioner Button, at the executive committee meeting of insurance commissioners this week, asked the commissioners if they endorsed his ruling, after he had read a brief of the Atlantic Life. All agreed with him except Commissioner McMaster, of South Carolina.

WAR CLAUSE LIMITS

The New York Life has decided to limit to $2,500 the amounts issued with its No. 1 war risk clause on unmarried men who have not reached their 31st birthday on June 5, 1917. Amounts in excess of $2,500 will be considered, if the risk is approved for excess amounts, with No. 2 war clause.

A CORRECTION

In its report of the Actuaries' Institute meeting in Chicago the correspondent of The Eastern Underwriter wrote that J. C. Seitz, Security Life of America, dealt with the topic, "Accumulation Formulas For Disability Reserves." This paper was presented by J. C. Reitz, State Life Insurance Company of Indianapolis.

The Minnesota Department has approved the Hotel Astor recommendations.

CO-OPERATION No. 4

A full measure of agency co-operation with the real producers is responsible in part for these 1916 results as compared with 1914.

Decrease in number of licensed agents 70%

Increase in new business paid for 30%

Increase in number of representatives who paid for $3,000 or more in new premiums—135%

Phoenix Mutual Life Insurance Company

of Hartford, Conn.

JOHN M. HOLCOMBE, President

MASSACHUSETTS SAVINGS BANKS AND THE WAR

The war clauses of the Massachusetts Savings Banks charge an extra premium of 15 per cent., (5 per cent. more than that charged by the leading life insurance companies) in case of foreign war service. Subjoined is the military and naval service rider of the City Savings Bank of Pittsfield, Mass.:

Military and Naval Service

The insured may at any time, without the consent of the bank, engage in military service within the limits of the United States as constituted before the Spanish-American War of 1898.

During the first five years of this policy, naval service of any kind in connection with actual warfare or military service in any capacity in connection with actual warfare outside the limits of the United States as constituted before the Spanish-American War of 1898 is a risk not assumed by the bank under this policy unless the insured shall give notice thereof to the bank in writing within thirty-one days after entering upon such service, and shall pay to the bank annually in advance during the continuance of such service an extra premium of 15 per cent. of the face of this policy. The pro rata part of said extra premium for the balance of the policy year current at the time such service begins shall be paid to the bank within the said thirty-one days. Succeeding extra premiums shall be payable at the times when the premiums under the policy are payable.

If within the said five-year period the insured enters upon naval service of any kind in connection with actual warfare or military service in any capacity in connection with actual warfare outside the limits of the United States as constituted before the Spanish-American War of 1898 and fails to pay the extra premium provided above, the liability of the bank for death of the insured while engaged in, or as a result of, such service shall be limited to the reserve at the time of death less any indebtedness thereon to the bank.

FRATERNAL WAR RISKS

Orders Issue Widely Divergent Decisions Concerning Extra Assessments on Soldiers and Sailors

Fraternal orders throughout the country are reporting on war risks. A wide divergence of opinion seems to prevail as to whether there should be any extra premium for soldiers and sailors. Some of the decisions follow:

American Protective League—No extra premium.

American Woodmen—No extra premium; Order will keep assessments paid for members absent on military or naval service.

Catholic Family Protective Association of Wisconsin—$35 per $1,000 extra on war risks.

Federal Reserve Association, Wilkes Barre—Premiums to be returned on deaths in service.

Grand Carniolian Slovenian Catholic Union—Members going to war forfeit membership.

Independent Order of Foresters—Members in good standing prior to August 17, 1914, will be fully protected without extra assessment; those initiated between that date and July 20, 1915, must pay extra war rate of $50 per thousand After the last named date, the order assumes no obligation in regard to war risks.

Knights and Ladies of Security, Topeka—Will pay no war claims.

The Praetorians, Dallas—Will pay up to $2,000 in any class except F or $4,800 Instalment Class I, without extra assessment.

Royal League—No restrictions on any member in good standing prior to May 1, 1917.

United Workmen (various lodges)—No extra assessments.

How Equitable of Iowa Selects Agents

COMPANY'S SYSTEM EXPLAINED BY SUPT. H. E. ALDRICH

Finds General Agency System Works Most Satisfactorily—Data Carefully Secured and Weighed

At the recent Detroit Selling Convention, H. E. Aldrich, superintendent of agencies of the Equitable of Iowa, explained how that Company selects its field representatives.

The Equitable of Iowa employs the general agency system, who are employed on a first year and renewal commission basis. It assigns territories to general agents, which are practically exclusive. General agents are charged with the responsibility of the production of a satisfactory business within their agencies. They are required by contract to appoint and develop agents and to keep the agency field well worked.

The Company does not attempt to select all its general agents from its own agency ranks; such a system is ideal but at the present time is not deemed practicable for it. The work of organization would be greatly simplified if it were possible to fill all agency positions through a system of promotion from the sales force.

High Moral Qualities Required

The Company's first and most important requirement of one seeking a general agency, is high moral qualities; and if it is found that the person seeking a general agency is lacking in these, negotiations are soon terminated.

It attributes its favorable mortality experience, in part, to the high character of the men in charge of their agencies. "Like begets like"; the general agent, as a rule, collects around him salesmen of similar moral standards.

For general agency positions the Company requires men experienced in life insurance salesmanship; but in cases of partnerships, one partner may be inexperienced.

How General Agency Negotiations Start

General agency negotiations are started through inquiry of the Company by letter; through information from our own general agents, or from representatives of other companies; and also from our supervisory force, which keeps in close touch with what is transpiring in their supervisory fields.

Before any contract proposition is made, the Company must have considerable information regarding the one seeking the agency, and before negotiations proceed very far a personal interview is insisted upon. Regardless of any preliminary negotiations through correspondence or in personal negotiations the Company usually submits an information blank, requiring certain pertinent information as a basis for further negotiations.

Mr. Aldrich distributed several forms used in connection with the Equitable's organization work, and called attention to the one captioned "Information as a Basis for Negotiations with the Equitable Life Insurance Company of Iowa for a general agency," which is reproduced on this page.

Home office contracts are offered only to men who will devote full time to the Company's work and who can demonstrate ability to organize successful agencies. Having assigned a territory to an agent the Company does not thereafter grant agency rights to anyone else in such territory.

EXHIBIT I.

INFORMATION AS BASIS FOR NEGOTIATIONS WITH EQUITABLE LIFE INSURANCE COMPANY OF IOWA FOR A GENERAL AGENCY

Reply here:

1. Your age? 2. Married? — 1. 2.
2. Present address (street or office)
4. Are you a graduate of any school, academy or college? Name
5. Are you now and have you always been of temperate habits?
6. What is your financial worth?
7. If you have a family, are the members, including yourself, in good health?
8. Amount of level premium insurance on your own life?
9. What is the nature and extent of your acquaintance among business men?

10. In the following blanks give particulars of your employment during the past ten years, carefully covering the full disposition of your time, whether employed or not. If not in business during the entire period, account for time since leaving school.

From what date. Give Month and Year	To what date. Give Month and Year	Position Occupied	Employer's Name and Address (Give street and Number, town and state)	Name of Immediate Superior	Reasons for Leaving

11. What is your record of personal production for the last year? What for the last three years?
12. What is your record as an Agency Organizer during last three years? Give production of sub-agents.
13. In what territory do you desire to work?
14. Are your circumstances such that you could devote your entire time, without serious interruption, to the work of an agency?
15. Are you now indebted to any Life Insurance Co., Ass'n or Gen. Agt.? If so, to whom and to what extent?
16. Does this negotiation result from your acquaintance with any representative of this Co.? If so, with whom?
17. In the space below give names and addresses of four persons to whom you can refer as to character, ability, etc.

Name of Reference	Profession or Trade	ADDRESS: Street and Number	Town	State

(Give on reverse side any other information that you think will aid the Company in gaining an accurate idea of the degree of success attained.)

Dated at

this day of 191 Signed

Information Form

Frequently the information afforded the Company by this form is of such character as to cause an immediate termination of negotiations or correspondence. However, if the information thus supplied pleases the Company it then proceeds to make inquiry of references given and also through reporting agencies. Frequently information is secured from independent sources as well. If Equitable agents may know the applicant, inquiry of them is also made.

Questions Asked Important

All of the questions asked are important and the Company begins right at the first by requiring a statement as to age and whether married or single.

Field Supervisors Have Full Authority

The Company holds occasional conferences of its field supervisors, and problems of organization work are then discussed. Each supervisor is fully advised as to the Company's requirements as applied to agency territories of more or less importance based on population, wealth and industries.

Many contracts are consummated out in the States by the home office field supervisors, who have full authority to sign contracts without first submitting them to the home office for approval. However, a prospective agent is frequently brought to the home office for final negotiations, in order that several persons may pass judgment on him, to determine his fitness and qualifications for the important position sought.

If a home office representative goes to an applicant's home city, he always makes a personal investigation before calling on the applicant. Rarely is a contract agreed upon and closed at one interview; more often one or more days are consumed before a decision is reached and the contract signed.

Red Ink Report

That this work may be thorough and that all points, favorable and unfavorable, shall be duly weighed, we are required to prepare a "Red Ink Report."

This report is not actually written up in the presence of the applicant, but what is required in the report, serves as a prompter to the home office representative carrying on the negotiation, to the end that no detail may be overlooked in measuring the man and determining his qualifications. The report is not based alone on what the applicant for a general agency may say, but it is written after the outside inquiry has been made and after the interview has been had.

For instance, question 4—"What is his general standing there?"—cannot be answered by just taking the general agent's statement of his own standing in the community, but it is answered by the home office representative after diligent inquiry among business and professional men.

Question 5—"What is his financial standing?"—necessitates a knowledge on the part of the one making the investigation, which is gained by personal statements of the prospective agent, as well as inquiries of those who have more or less intimate acquaintance with him.

The answers to question 6—"If he has represented other life insurance companies, state what companies, where, for what time, and degree of success with each. Give details"—affords certain information that is indeed very valuable in determining a number of things, such as probable permanent connection with our Company, effectiveness, mental attitude loyalty, etc.

Question 8—"Would he work principally in town or country?"—may develop the fact that he would not do at all for the territory for which he is negotiating; for if it should develop that he would work principally in the country—that is, small towns and rural communities—and we had a city of considerable size to develop, which would be his headquarters, then the fact would be revealed that he would not fit into that territory and do the work we would want done.

Continuing, Mr. Aldrich said:

EXHIBIT II.

RED INK REPORT

on

of with whom I have this day negotiated for an agency

1. About how old is he? 2. Is he married?
3. About how long has he lived in that community?
4. What is his general standing there?
5. What is his financial standing?
6. If he has represented other life insurance companies, state what companies, where, for what time and degree of success with each. Give details
7. What kind of Agency does he ask for, or did you offer him?

If territory was named, what counties?

8. Would he work principally in town or country?

If in country, has he his own team?

9. Is he now and has he always been a man of good habits?
10. Is his appearance good?
11. What do you estimate to be his best qualities as an agent?
12. If you think he is probably deficient on any points, what are they?
13. Is he loyal to Old Line principles? Or would he willingly represent an Assessment Company or a Fraternal Order, if to do so would pay him?
14. Has he in view a permanent arrangement?
15. Do you think he is industrious?

And ambitious?

16. Is he indebted to any life company, (otherwise than a running account, not due, in present employment)?
17. What amount of new business would he expect to furnish yearly?
18. Name his references
19. Add anything else of interest

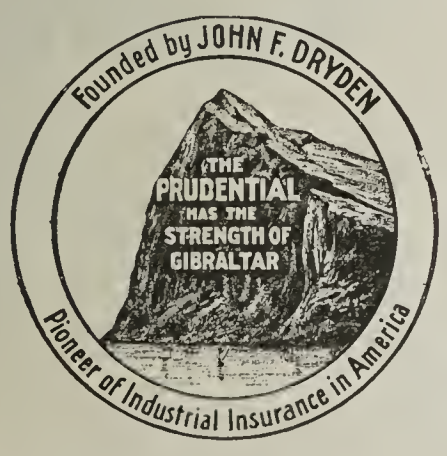
CARD RATING

Qualifications		Relative Ratios (Total 100)	Estimated Ratings of Persons
Physical	Of Sensible Age	5	
	Good Health	10	
	Industry (a habit)	10	
	Good Habits (as generally understood)	7	
Financial	Freedom from debt	5	
Business	Attractive appearance	6	
	Capacity to learn	7	
Mental	Ability to set forth business (which requires tact)	8	
	Initiative (which requires tact)	10	
Spiritual or Psychological	Integrity	10	
	Personality	10	
	Social and Mental Attitude	7	
	Sound Judgment	5	
	Totals	100%	

Dated at

Field Supervisor

I will not cover all the questions, as some of them will be brought out later in the "Card Rating System" which will be explained. However, the Home Office representative, in answering Questions 11 and 12—"What do you estimate to be his best qualities as an Agent?" and "If you think he is probably deficient on any points, what are they?" is compelled to record what he considers really strong qualities, as well as deficiencies.



INDUSTRIAL CONCERNS throughout the land are proving the patriotism of business by insuring entire staffs of employees. The Prudential will lend a hand—make it easy for firms to insure their workers.

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THE PRUDENTIAL INSURANCE CO. OF AMERICA

Incorporated Under the Laws of the State of New Jersey

FORREST F. DRYDEN, President

Home Office: NEWARK, N. J.

Having secured full and complete information through inquiry and interviews, we are now prepared to measure our man in what we think the very important points in our final analysis and determination of his probable fitness to conduct successfully a general agency for our Company.

The Card Rating System

Several years ago, in a conference of our supervisors with President Cummins, a Card Rating System was adopted. Its use is required in negotiations for Home Office contracts, and by general agents in selecting agents. It often reveals deficiencies in the person under observation, sufficient to cause us to abandon negotiations. Bear in mind that this is a system of rating men under consideration for agency contracts—not in rating agents already under contract.

At the foot of the second page of the Red Ink Reort we have undertaken a system of marking the qualifications of the person under consideration. There are five qualifications to be considered, with thirteen sub-divisions. The "Physical Qualifications," which are subdivided into "Suitable Age," "Good Health," "Industry (a habit)", and "Good Habits (as usually understood)"; "Financial Qualifications," sub-divided into "Freedom from debt"; "Business Qualifications," sub-divided into "Attractive Appearance"; "Mental Qualifications,' sub-divided into "Capacity to learn"; "Ability to set forth" and "Initiative (which embraces tact)"; and finally, the "Spiritual or Psychological Qualifications," embracing "Integrity", "Forcefulness," "Social and Mental Attitude" and "Sound Judgment."

The perfect ratios are printed in the third column of the rating sheet and the total of the ratings is 100 per cent.

The fourth column is to be filled out by the supervisor, who will in this column, rate the prospect as to each qualification, giving him the number of points in each to which, in the judgment of the supervisor, he is entitled, as compared with the perfect ratios shown in the third column.

Now if our prospect's age comes within the years twenty-eight to forty-five, he will receive a perfect score on "suitable age." We know that men are, as a rule, of more value to us, coming within the ages of twenty-eight to forty-five.

The same importance, however, is not placed upon all the different sub-divisions, and while we give but five points to "suitable age," we give ten points each to "good health," "industry," "initiative," "integrity" and "forceness."

We have recorded "good health," not only in the individual, but among members of his family, as usually necessary to the successful prosecution of his work, and in this rating, we aim to take into consideration, the health of the individual as well as the health of the members of his family. In an article by E. A. Woods on "Determining Essential Qualities of Life Insurance Salesmen," it was shown that the least successful agent, on the whole, seemed the healthiest. We recognize that very often, those possessed of the best health are not industrious; are phlegmatic; lack enthusiasm, forcefulness and initiative. But here we have, in this rating, a combination of qualifications, each more or less bearing a close relation to the other in the final determination on our part, of the fitness of the person thus rated, for general agency work.

We regard "good habits"—such as morality, freedom from excessive use of liquor, slovenly or disgusting habits—as one of the important factors to be considered.

Freedom From Debt

As to the sub-division, "Freedom from debt"—by this we do not mean a reasonable mortgage on property that is being paid for—but running accounts; unpaid store bills, and bills for professional services. Our experience has taught us that generally debts have discouraging and debilitating effects and that they greatly prejudice an individual in the minds of business and professional men. Then, too, there may be an overwhelming temptation on the part of the agent who is pressed for the payment of bills, to engage in doubtful financial transactions, even to the extent of applying Company funds for the liquidation of his personal obligations. Certainly, such a person would be greatly handicapped in the work of a general agent.

We recognize that "attractive appearance" is not necessary with some individuals who have other qualities very highly developed, to enable them to "get by" fairly well; but with the ordinary or average individual, "attractive appearance" has much to do with his success.

Under "Mental Qualifications" we have the sub-divisions, "Capacity to learn," "Ability to set forth" (or, as Mr. Woods would say, "convincingness"), and "initiative (which embraces tact)". We do not assign quite as much importance to "capacity to learn" as we do to "ability to set forth"—and we place greater importance on "initiative." Surely, it goes without argument that even though one may be marked high in "capacity to learn" and "ability to set forth," but without much "initiative" these two qualifications will be greatly reduced in value. Since the work of a general agent requires a great deal of "initiative" and "tact," more importance is attached to this rating than to a number of others already mentioned.

Finally, we have the "Spiritual or Psychological Qualifications," comprising "Integrity," "Forcefulness," "Social and Mental Attitude" and "Sound Judgment"; and to "integrity and forcefulness," we give ten points each as a perfect score. To mark a person on "integrity" requires more than a superficial knowledge of him, and the marking can only be made after a very careful investigation and after interviews with the person under consideration, so directed as to reveal any lack of character as indicating laxness in integrity.

"Forcefulness" is, as a rule, more easily determined, and we consider it on a par, in our estimate of qualifications, with "integrity," "initiative," "industry" and "good health," to each of which ten points are given as a perfect marking.

"Social and Mental Attitude" is taken into consideration and is given a relatively important percentage, for we have learned that no great progress nor no decided success can be expected, where the general agent's social and mental attitude is not right, either toward society in general, financial institutions, individuals, or the business of life insurance.

"Sound Judgment," the last to be rated, and perhaps one of the hardest to score properly, is made up largely of what we have come to know about the individual, in the way he has conducted his financial affairs in the past, as well as from ideas, plans and schemes revealed in conversation. For instance, has he mortgaged his home to buy a big touring car? Has he made advance agreements with agents, that plainly should never have been made in the first place? Has he diverted his capital and thereby crippled his business? Even with some such record against him, and a poor scoring on "sound judgment," his other strong qualities might easily offset this unfavorable feature—so much so, as to largely render it of no great importance in our final judgment of the man.

EXHIBIT 111.

BLUE INK REPORT

on ____

of ____ with whom I have contracted as solicitor.

1. About how old is he? ____
2. About how long has he lived in that community? ____
3. What is his general standing there? ____
4. What is his financial standing? ____
5. Are his habits good? ____

Contract will not be approved nor license ordered unless you have knowledge as to these matters and answer satisfactorily.

6. Is his appearance good? ____
7. State the different occupations in which he has been engaged during the last five years. ____
8. If he has represented other life insurance companies, state what companies, where, for what time and degree of success with each. Give details ____
9. In what, if any other business or employment, is he engaged? ____
10. About what portion of his time do you expect him to devote to this work? ____
11. (If this contract is not for whole time) Do you anticipate getting his whole time later on? ____
12. When the Company appoints an agent, it necessarily invests him with certain authority. This authority is appropriate in each case to the work to be done, and is described in the contract. Does this agent understand that his authority is limited, as above? ____ And just what it is? ____
13. The acceptance by him of the relation of agent to principal carries with it duties and obligations to such principal, such as loyalty, good faith, etc. Have you explained this to him, and do you state to us that you believe he will fulfill these duties and obligations? ____
14. Has he read the "Instructions to Agents"? ____ And do you think he understands them and will endeavor to comply with them? ____
15. Have you instructed him as to uninsurable and undesirable risks, as shown by such printed "instructions" by the "agreement" clause in the Application, and in accordance with your own experience? ____
16. Does he know how to fill out an application? ____ And appreciate the necessity of making it correct and complete to avoid delay and extra labor? ____
17. Have you instructed him that the Company grants no credit to an applicant? And as to his responsibility to you for net premiums, and for Medical Examiner's fees on "not taken" policies? ____
18. Are there regularly appointed Medical Examiners throughout the field where he is to work? ____ (If not, you should send in recommendations at once. Do this yourself. Do not leave it to him.) If there are such examiners, is he instructed as to use and treatment of them? ____
19. Add anything else of interest ____

Dated at ____ Agent.

CARD RATING

		Perfect Ratios	Supervisor's Ratings
Physical	Of Suitable Age	5	
	Good Health	10	
	Industry (a habit)	10	
	Good Habit (as usually understood)	7	
Financial	Freedom from debt	5	
Business	Attractive appearance	6	
Mental	Capacity to learn	7	
	Ability to set forth	8	
	Initiative (which embraces tact)	10	
Spiritual or Psychological	Integrity	10	
	Forcefulness	10	
	Social and Mental Attitude	7	
	Sound Judgment	5	
	Total	100%	

Rating System Instituted Three Years Ago

We have never yet found a one hundred point man. When this system was first instituted, some three years ago, the president, supervisors and the superintendent, in conference, undertook the rating of a number of our strongest, most efficient and most dependable general agents. The totals in percentage on these men, ranked from ninety-two to ninety-five. It is not so much the matter of what the total percentage will be on the rating on any one individual, but it is sought to bring out the strong and weak qualities, and to carefully co-ordinate these qualities in an effort to measure the man from the standpoint of probable managerial and organizing ability. For illustration, we recognize that no hard and fast rule can be set as to "age"; but if the age is under twenty-eight or over forty-five, then we should consider more carefully than otherwise, the probable outcome of the agency. We know that not many men will do their best work beyond age fifty-five; therefore if an applicant for an agency is, say fifty or fifty-five years of age, we must recognize that there will be only a few years of energetic work—and ordinarily, in such a case, this alone would weigh very heavily against other good points he might possess. But suppose the applicant is twenty-six years of age; then we have before us, many years of activity and development, and we can draw from the best years of that man's life; and though below the perfect age limit, his youth might possibly counter-balance other qualities not fully developed. Suppose he has, at age twenty-six, some debts; also a little property. We will not look upon his youth and inexperience with as much apprehension, if he has initiative, integrity, forcefulness and industry well developed, as though he were forty-five yeats of age, had debts, but good health; however, had accumulated no property.

The Blue Ink Report

Duplicates of all contracts between general agents and agents are forwarded to the Home Office for approval, accompanied by Blue Ink reports. This form is somewhat different from our Red Ink Report and is intended for the use of the general agent exclusively. We insist on intelligent and quite complete answers to the questions asked in the Blue Ink Report and not infrequently we refuse to approve contracts on the statements contained in this report. What we are trying to do in the selection of general agents, we are asking our general agents to do in the selection of their agents. We advocate to our general agents, careful selection. We are very much opposed to the "hit and miss" system of appointments. We make mistakes, but we want to make as few mistakes as possible, and to the end that some restraint may be placed on general agents in their appointments, and that in so doing, they may make better selections, the Blue Ink Report, accompanied by a duplicate copy of the contract, is required.

These Blue Ink reports are systematically filed, and when agents fail, or when they are not making very much progress, we occasionally take the Blue Ink Report as a basis for a letter to the general agent, requesting him to explain why we should not have had greater results from his appointment.

MRS. W. L. TALBOT DIES

The untimely death of Mrs. Walter LeMar Talbot, wife of the president of the Fidelity Mutual Life Insurance Company, was announced by Vice-President F. X. Quinn, in the following appreciation:

"She has been a very patient sufferer during a period of months, in which her fortitude has been sorely tried. We who have been following with sympathetic interest all the painful details of her illness, were not unprepared for the end. Nevertheless it has come as a terrible shock.

"To all who came in contact with Mrs. Talbot, in company with her husband, there was clearly apparent a true love and ideal comradeship, an attachment so tender, so considerate and so constant that it was frequently a matter of comment among their friends. Mrs. Talbot's nature was gentleness itself, and she had a sweetness of character which endeared her to all who knew her.

"Our heartfelt sympathy goes out to President Talbot in this hour of sorrow."

HOME LIFE'S SUBSCRIPTION

The Home Life Insurance Company subscribed for $250,000 additional to the Libery Loan total subscription being $750,000. Every member of the home office staff has made an individual subscription to the loan.

HOME LIFE INSURANCE CO.
(Now Purely Mutual)
256 BROADWAY, NEW YORK
GEORGE E. IDE, President

The fifty-seventh annual report shows insurance in force of $133,493,000, an increase during the year of $7,832,827. The Company paid the policyholders in 1916 $3,536,233, of which $628,406 was in dividends or premium refund. Its insurance reserve fund was increased by $1,300,000 and the Assets are now $32-821,462.

For Agency apply to
GEORGE W. MURRAY,
Supt. of Agts.
256 Broadway, New York, N. Y.

BANKERS BLCo LIFE DES MOINES COMPANY
PAYS GOOD PAY TO GOOD MEN

Ambitious, Productive and Trustworthy Life Agents may be benefitted by corresponding with the
Berkshire Life Insurance Company
of Pittsfield, Mass.
Inc. 1851
New policies with modern provisions Attractive literature
W.D. Wyman, President W.S. Weld, Supt. of Agencies

ALWAYS A PLACE FOR DEPENDABLE AGENTS
Those who can not only write applications but deliver policies, and are energetic in their methods. Good positions are ready for such men.
Union Mutual Life Insurance Co.
PORTLAND, MAINE
ARTHUR L. BATES, President
Address: ALBERT E. AWDE
Superintendent of Agencies
7 W. Madison St., Chicago, Ill.

Points to Remember in Business Insurance

CORPORATION SHOULD BE DIRECT OWNER OF POLICY

Tips for Agents From William J. Graham—Ideas About Joint Life Insurance

William J. Graham, superintendent of the group insurance department of the Equitable Life Assurance Society, gave life men at the World's Salesman Congress in Detroit some valuable pointers on group insurance. One recommendation made was that a business insurance contract be written in a way that will make the business the direct owner of the policy. There are two legal points in the writing of corporation insurance that are of the utmost importance. One is the fixing of the insurable interest and the other is in the right of assignment, both having to do with the ownership of the policy. To absolutely insure that the business is the owner of the policy it is advisable in all instances and necessary in most that the corporation be made the direct applicant-beneficiary. It is also necessary that the relationship under which the life becomes valuable to the corporation be clearly set forth. It is further necessary that the insured consent to the insurance upon his life, and that the insured act in his individual capacity while the corporation applicant-beneficiary acts in legal capacity as its rights are wholly statutory. By so doing all assignable rights and in fact the entire ownership of the policy legally vests which it is desired to vest, in the applicant-beneficiary.

Any other plan is likely to bring a contest as to the insurable interest in the policy taken out by the man's individual act for the benefit of a corporation or raise issue as to rights under an assignment of such policy to a corporation both as to the matter of the rights themselves and as to the extent of these rights as provable under the assignment.

Limitations—Joint Life Insurance

It is desirable in practically all cases to issue separate policies where more than one life is concerned. A common fallacy in co-partnership insurance has been the thought that the insurance should be on the joint life plan. A joint life insurance is merely a promise to pay one claim on the first death, which cancels the whole contract, whereas each life should be protected to the extent of the value of the company in such way that the contract cannot be cancelled upon the payment of the first claim. A joint life insurance on two lives leaves the surviving partner without insurance on his own life and perhaps without insurability. It also means in event of discontinuance of the partnership, the necessity to surrender the whole insurance to avoid carrying insurance on a man no longer valuable to the concern. Where there are three partners or three lives involved in one policy the case becomes much worse, and four lives or more are practically prohibitory from an underwriting standpoint. Moreover, there are difficulties in the way of placing business insurance upon two lives or more upon the joint plan because the probabilities are greatly increased that the lives will not all be found uniformly acceptable by the medical department.

On a joint insurance this means a loss of the business. On single life policies a different form of rated or higher premium insurance or substandard insurance can be placed on the weaker life and the protection consummated that way. By carrying separate policies, in event of discontinuance of partnership or retirement from partnership for various reasons, the terminating individual may either have his particular policy surrendered for its cash value to the firm or else continue this insurance as an individual policy by paying individually the cash value back to the firm.

Plan of Policy

The form of insurance is usually the whole life plan, although there are many business insurances written on endowment plans. Endowment plans are most applicable where it is desired to use the same both as indemnity and as a sinking fund against the future impairment of the life or against some other contingency calculated to arise at the end of the endowment period. Term insurance is occasionally used, but in business insurance just as in individual insurance the use of the term plan usually means a weak agent. In the term plan some arbitrary number of years must be fixed for the continuance of the insurance and it is obviously difficult to prophesy in advance just what this period should be. Where there is no right to renew, to understate the period would be serious, and where there is a right to renew the insurance at attained age the increased cost of doing so may prove awkward and disappointing. The ordinary life policy fits admirably here for pure protection because it is a contract with unlimited right to renew from year to year for the same level premium for the term of life. The surrender values of the policy are such as to make the net cost of the insurance during the period for which it is carried compare favorably with the limited term plan.

Selling It

Now as to canvassing for business insurance. There are big businesses and small businesses, just as there are big men and smaller men, all needed in our public life, and all serving avenues of usefulness. The selling of business insurance should follow the same classification as the selling of individual insurance namely, the $5,000 men should stick to the $5,000 business policy and the writer of the $100,000 individual insurance is the logical man to write the $100,000 business insurance policy. And the process of writing the million dollar policy is identical with the process of writing the $100,000 policy or even the $50,000 policy.

Unfortunately, business insurance is confused in many agents' minds with that of huge volume of insurance in single transactions.

It is my observation that it is fatal to many agents who are achieving success by writing the smaller policies to attempt to write a large business insurance. It is also my observation that such agents are neglecting the legitimate field that is open to them in the corner grocery, the drug store, the laundry and in general the establishments of all kinds, the proprietors of which they are writing for small and moderate sized individual insurance.

The small business insurance can be written with much the same tactics as personal insurance because the small business is often a personal affair with one or two men. The larger policies are written more as pure business matters in which associates, officers or partners are called in or in which the board of directors is called upon to consider the insurance.

The successful canvass of a corporation insurance means, therefore, creating the interest by showing intelligently its usefulness in event of unexpected death of the life solicited or as a supporter of credits and as a dissolver of debt in event of death or both.

It is usually essential to the success of the case to prevent the same in interview arranged for such sole purpose and absolutely controlled by the agent in order to make the most satisfactory progress.

The First Interview

I will go further and say that it is necessary to do this in order to impress the man with the distinctive character of the proposition which you have to offer. This first interview should outline the subject intelligently and completely and get definite facts as to the amount of insurance that might be considered, the prospect's age and when and how he would take this up either with his associates or the board. I am assuming, of course, that before any such visit had been made that the need for such insurance has been carefully thought out by the agent and that inquiries have been made to give him a basis on which to lay the foundations of his case.

Where the business control is in the hand of one man it may be possible for the agent to write the application in the first interview, arrange for the medical examination and practically complete the case. Where the agent can arrange to do this by force of the individual solicited being practically owner of the business, he should endeavor to make it a one-interview case. These cases, however, are rare. Usually several interviews are necessary. The agent should then ask himself what is the most I can get out of the first interview. The answer will probably be to interest the man; get from him further information that will enable you to make the most intelligent proposition; organize his mind for the next step by finding out when he will have the next meeting of the board, or call a meeting of his associates to consider the proposition; finally leaving the case where you are to prepare a proposition to be submitted to him as the basis for discussion with those who must further consider it with him.

The "Fatal" Second Interview

For the second interview, which we have known in life insurance as the fatal interview, because most of us are one-interview men in the sense of preparing only for the first call, we should have our proposition thoroughly prepared, ready to give to the man and to discuss with him. The preparation of this proposition in a business-like, intelligent and attractive form, is but another way to establish that confidence without which no large deal of this character is likely to be quickly consummated.

Guide for Subsequent Interviews

Never have a needless interview. Never go in to see any one without having a definite object in view. This is necessary to save your time as well as your standing. This is the best and only guide I know for subsequent interviews. Don't talk about your big case or let it fill your mind.

The reason so many men are injured in our business by soliciting the big case or even by writing one, is that they waste their time and unsettle themselves talking about it beforehand and forever afterward. The actual amount of time a first-class man can put on a big case without hurting it is really small. You are dealing with big men who think fast and who build on confidence rather than detail. Give them the big idea in a way that fires their imagination and inspires confidence and you have your case started. Then never let down. Follow up your business, but never squander a call.

MUTUAL LIFE DATA

In 11 Years Company Paid Policyholders $155,424,969 More Than it Received

For a period of eleven full years, 1906-1916, the Mutual Life received from and paid to policyholders the following figures:

Received from policyholders.....		$625,547,055
Benefits to Policyholders		
Paid death claims $254,159,892		
Paid endowments, annuities and on surrendered policies	236,311,740	
Paid in dividends.....	136,831,514	
Increase in funds held for policyholders	153,668,878	
Total benefits to policyholders..		$780,972,024
Excess of benefits to policyholders over amount received from them		$153,424,969

THE AVERAGE EARNINGS OF THE AGENTS
OF THE
Standard Life Insurance Company
∴ ∴ OF PITTSBURGH ∴ ∴
are higher this year than ever before. Our attractive Accident and Health Policies have helped them to make more money.
Write for a LIFE, ACCIDENT AND HEALTH Contract to
FRANK A. WESLEY
Vice-President and Director of Agencies

To the Man Who is Willing—and Will



We are prepared to offer unusual opportunities for money-making NOW and creating a competence for the FUTURE.
FOR CONTRACTS AND TERRITORY, ADDRESS
H. M. HARGROVE, President :: Beaumont, Texas

Benefits Not In Policy

By F. H. Small, Pacific Mutual

Possibly a better title for this article would be Pat's definition of debt—"Something which you have when you haven't." At any rate, the benefits not provided for in the policy to which we refer exist for the policyholder just as truly as those set out under the conditions and provisions of the contract in black and white.

An understanding of these benefits will prove of great value in meeting competition, especially where the benefit in question may be printed in the contract presented by the other fellow. Let us look into one of such benefits, frequently set out in the life insurance contract—the so-called "Accelerative Benefit."

The Pacific Mutual policies of the current edition do not contain an accelerative benefit so far as a printed provision is concerned. The accelerative benefit, boiled down to its essential elements, is merely the use of dividends declared under a participating policy to shorten the premium paying period, thereby converting the policy into a paid-up life or endowment contract, or to provide for the maturity of the policy as an endowment for its face value.

Four Options

The Pacific Mutual under its annual dividend contracts gives the insured four options for the use of the dividends. Under the option numbered "4" the insured may leave the dividends with the Company to be invested and increased by interest earnings, reserving the right to withdraw such dividends and their interest earnings at any time he may see fit. Practically a bank deposit subject to check, but which, unlike most bank deposits when subject to check, pays an excellent rate of interest to the depositor.

Now let us look at page 10 of the Company's Annual Dividend Leaflet, Form 4020. Based on the Company's present dividend scale, we find that under an annual dividend policy for $1,000, issued on the 20 payment life plan, age thirty-five, the dividends declared at the end of each of the first nine years total $55.78. The Company, under the provisions of the policy, agrees to increase dividends left with the Company with interest at such rate as the profits warrant, it being guaranteed that the rate shall be not less than three per cent. and that the interest shall be compounded annually. We know that in recent years the actual interest allowed on funds of this nature has been four and three-fourths per cent., but let us stick to the guaranteed rate. That is good enough for our present purpose. Improving our nine dividends with three per cent. interest compounded annually we increase our total to $65.05.

The annual premium required is $37.30. The insured has $64.05 on deposit with the Company subject to check. He has more than enough to pay an annual premium, nearly enough to pay two of them. It is his own money. If he wishes to use it to pay the premiums on the policy, there is nothing in the world to prevent his doing so.

Interest Rate

From the fact that under a well conducted life insurance company each annual dividend is larger than the one preceding it, and that under the Pacific Mutual's current contract it is a reasonable assumption that the interest rate will be better than three per cent., the results will without doubt be better than we have just figured on for the end of the ninth policy year, and will be increasingly better the longer the policy continues in force. But let us deal strictly with facts. Making estimates of results growing out of future profits under a life insurance contract is not only against the law in a majority of States but is sure to prove a boomerang for the man who proposes to stay in the life insurance game for any length of time.

Under the policy we have used for our computation, the insured contracted to make twenty annual premium payments for $1,000 of insurance protection. Having made those twenty annual premium payments he will have paid all the premiums required. It makes no difference whether the insured pays one premium each year for twenty years, or the twenty premiums all at one time, or any unpaid balance of those twenty premiums all at one time.

The Company's actuary knows just how much money must be paid to the Company by each individual insured, in order that a fund may be maintained which, when increased by interest-earnings, will be sufficient to pay, at the time each individual insured dies, the amount of insurance agreed on. The contributions to this fund, obtained by the premiums paid under any particular policy, together with their interest earnings, are what the actuary calls "the reserve held on the policy."

Having received all the required premiums under our 20 Payment Life policy, the Company has on hand all of what we might call the the principal which that policy is to contribute to the fund, it being only necessary to keep such principal invested to make the amount adequate for the purpose for which it is to be used.

Under a Whole Life policy the insured contracts to pay premiums as long as he shall live. However, under either a 20 Payment Life or a Whole Life policy each premium paid adds to the amount of the principal which the policy is to contribute to the fund. And just as with the 20 Payment Life policy, there will come a time with the Whole Life policy when the amount of the dividends left with the Company will be sufficient to complete the principal required, and with the result that no more premiums will be necessary and that the policy will become a paid-up insurance contract.

It makes no difference whether the contract provides life insurance, to be paid at the time the insured dies, or whether it provides endowment insurance, to be paid to the insured at the end of a specified period of time. It is only necessary that the contributions to the fund, obtained by the premiums paid under the policy, be increased by the dividends and their interest accumulations to a point where the total equals the sum needed to complete the principal, and paid-up life insurance or paid-up endowment insurance results, just as the case may be.

Payment of Contract

There is one important point which should be kept clearly in mind. The completion of the principal required under an endowment contract does not mean that the contract will immediately become payable to the insured as an endowment. Remember that the principal must be invested to make the amount adequate for the purpose for which it is to be used—namely to pay to the insured at the end of the period specified the amount agreed on.

To provide for the immediate maturity of the policy as an endowment it will be necessary that an additional amount be obtained, namely, the amount represented by the interest to be earned by the principal and which, as we have just stated, is necessary, after the policy becomes fully paid, to make the amount of the principal adequate for the purpose for which it is to be used.

Let us again refer to our 20 Payment Life policy, which provides for the payment of $1,000 when the insured shall die. This policy provides under its conditions that it may be surrendered for a cash value, the amount shown in the policy to be paid at the end of the twentieth year being $610. This $610 in reality represents the amount of our principal increased by the amount of the interest earned up to that time by its investment. Notwithstanding that at the end of the twentieth year all the required premiums under this policy will have been paid the principal will continue to increase from the fact that the Company will keep it invested and earning interest. There will come a time when the amount of the dividends left with the Company will be sufficient to increase the amount available as a cash surrender value to $1,000. At such time, under the cash surrender value and the Option 4 dividend provisions of the policy, the insured is actually the possessor of that $1,000. If he elects to take the same, he has to all practical intents and purposes required that the Company mature the policy as an endowment and for its face value.

Had the contract been issued on the Whole Life plan, or on the Endowment plan, given cash surrender values and Option 4 dividends, it becomes merely a question of time before the same will equal the face of the policy, which time, as compared with our 20 Payment Life policy, would obviously be longer under the Whole Life and shorter under the Endowment plan.

There's just one more point to remember—that when set out in the policy contract the accelerative benefit, from the fact that it is based on an unknown quantity (namely, future dividends whose amount depends on the measure of prosperity the Company may enjoy), cannot in any way be considered as a guaranty. It is merely an agreement for the doing of something to which no sane life insurance company could possibly raise any objection.

FOR MAY IN MAY

The agency force of the Peoria Life produced $1,107,000 for President May during the month of May. General Agent N. E. King was the leading producer. A pleasant incident in the May month campaign was the presentation to Mr. May of American beauty roses by the agency force.

The Company's $100,000 club is to meet in Colorado Springs in August.

NATIONAL LIFE INSURANCE COMPANY
(MUTUAL)
MONTPELIER, VERMONT
67th Year
FRED A. HOWLAND, President

On paid-for insurance basis and with bonds valued at par only (market value $409,882 above par) the 67th report shows:

Assets	$66,426,040.82
Liabilities	62,268,494.36
Surplus	$ 4,157,546.46
INSURANCE IN FORCE	$212,037,400.00

A good company for the policyholder and the agent
EDWARD D. FIELD, Superintendent of Agencies.

Extracts from Report of Examination of
SOUTHWESTERN LIFE INSURANCE CO.
By the State of Texas, June 28, 1915

"It is noteworthy that this Company was organized without any promotion expenses."
"I beg to report further that I find the Company in excellent financial condition."
"The volume of its business has steadily increased, its surplus is growing rapidly and its funds are being carefully conserved under expert supervision."

Home Office, DALLAS, TEXAS

The
Perfect Protection Policy
OF THE
RELIANCE LIFE

gives you something absolutely new and different to talk to your prospects. Gives you a chance to earn more money than you are now making.

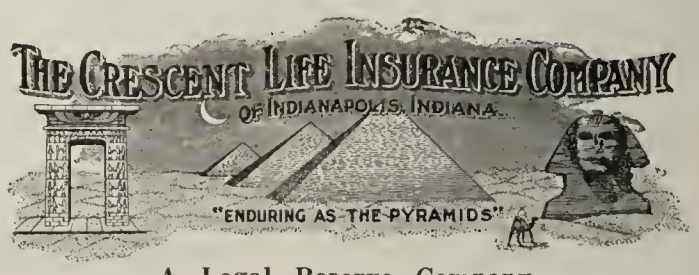
Our Life Insurance Contracts contain the most up to date clauses known to the Insurance World. The Accident and Health gives full protection for at least a third less cost than regular casualty companies. Our agency contracts are as liberal as can be made.

WRITE AND WE WILL TELL YOU MORE ABOUT OURSELVES

Reliance Life Insurance Company of Pittsburgh
FARMERS BANK BUILDING
PITTSBURGH, PENNSYLVANIA

INFORMATION WANTED
Regarding the life insurance policies of the late James F. Delaney, of 103 Front St., New York City, by his widow.
Address: Elizabeth Delaney,
care of The Eastern Underwriter.

J. C. Humes, President — L. D. Clancy, Secretary



A Legal Reserve Company
Are You a Big Producer? Can You Prove It?
ONE GENERAL AGENT WANTED IN INDIANA
Home Office: Fletcher Trust Bldg., Indianapolis, Ind.

State Mutual Life Assurance Co.
OF WORCESTER, MASSACHUSETTS
Incorporated 1844

The Company that gives complete satisfaction to policyholders and agents because both are a part of it.
SEVENTY-THREE YEARS of faithfulness to every promise made.
Success for our ambitious representatives is a certainty.

Additions are made to our agency force when the right men are found

B. H. WRIGHT, President — D. W. CARTER, Secretary
STEPHEN IRELAND, Inspector of Agencies

Advertising Cure for Insurance Ills

WM. KING, OF MISSOURI STATE LIFE, ADVOCATES PUBLICITY

Tells Salesmanship Congress Present System of Selling Life Insurance is "All Wrong"

Speaking before the World's Salesmanship Congress in Detroit last week, William King, agency supervisor of the Missouri State Life and dirccor of its School for Salesmen, declared that in advertising lay the salvation of life insurance.

Mr. King said that the "present system of selling life insurance is wrong." He said:

"It seems to me that a system must be developed that will fire the imagination of men concerning the business of life insurance. I believe that system is advertising, just as it is conducted in a large measure by the automobile concerns of this country. Men have confidence in life insurance. There is no doubt on this point, but frankly, do you believe that men have confidence as a class in the business of life insurance? Let's use a supposition—we seem not to have a case n point which will allow us to use an illustration:

"Suppose that a company wishes to organize a State; suppose that it advertised its insurance in substantially every paper of general circulation in that State. Suppose that in addition to that, before its supervisor went out they took up an individual compaign in an individual community to bring in inquiries for life insurance. Don't say this can't be done, because I know people will inquire concerning life insurance. Suppose, then, that its supervisor went into the particular territory and advertised for a resident agent—suppose that he could show this resident agent that he had a number of inquiries from people right in that town for his life insurance. Suppose, further, that he could say, 'We will continue this advertising for one year without cost to you, but after that, you will continue at your own expense or we will get someone who will.' Gentlemen, do you believe that he would have suitable applicants for that agency? Do you believe that he could get enough applicants from which to pick a really desirable agent? There is absolutely no question about it in my mind.

"In a small way, I know this is true, because from our correspondence department we secure any number of inquiries for agencies, and in new territory our supervisors go out and make contracts and a number of these men have developed into good agents. We also know it in a general way from another source and that is the development work we do for our general agents. A general agent in a certain territory under my direction spent $20. We held an agency meeting and gathered in the students produced by this $20. We made eleven contracts and the month following, these eleven agents produced $60,000 of new business. It is my opinion that advertising in the public press, and advertising almost alone, will make men respect the business of life insurance and desire to make it theirs. We must commercialize life insurance, and the cost of doing business will be reduced in the process, the individual commission will be lower, the management expense slightly higher, but the net expense of business much less. Also, it will produce better agents on the whole, making more money than is the case at present."

At the very outset of his remarks Mr. King made the blunt statement that "certain agencies are making an effort to secure a selection of men, but in most cases the 'hope that springs eternal in the human breast' makes most managers obtain the services of practically every man he can possibly contract with, in the hope of securing business." Then he launched into his subject energetically:

Discusses School

The real point at issue, therefore. is, "Can a system of selection be worked out, and, if so, what means are to be followed?" As some of you know, my particular business for more than a year has been conducting in connection with the agency department of my Company the only school of its kind in the country—an absolutely free school of life insurance salesmanship—free to any man—anywhere. I will not deal with the correspondence department of this school, which has about 4,000 pupils at this time, and which I believe can be increased at any time to one of 40,000 or more students.

In the period between January 18, 1916, and January 18, 1917, we handled approximately 1,330 students in our night and day departments. Not one of them was under any obligations to become identified with our Company. A number of them, perhaps 150, came into what we are pleased to call our agency day school, in which we train agents for active field work in St. Louis. In the period mentioned we handled 112 of these 150 students. Now notice these facts:

We had as a preliminary group who came to some extent under the immediate influence of the life insurance business 1,300 students. Of these, 150 were more than ordinarily interested and took our second and more intensive course. Of this 150, 112 were actually contracted with as agents. These 112 men in the varying periods they worked, paid for $1,340,000 of new life insurance. But from the standpoint of selection of men, we have to show from this group of students only the following: 10 men are connected with the St. Louis agency and writing $100,000 or better; 2 men are connected with the Company out of St. Louis and showing similar results; 7 men are showing some ability and we think will develop into $100,000 men this year. Four men are not to be considered agency acquisitions at all, but they are sticking to the business.

From the standpoint of any life insurance agency, the results of this department show a suecess; it not only delivers a larger volume of business, perhaps, than was ever delivered by an entirely new group of men—new in the business as well as in the agency—but the department from a company's standpoint actually made a profit during the first year. But, gentlemen, the net result in so far as selection is concerned is this: 112 contracts made; 12 men added to the business of life insurance as successful agents. Technically, it is a success—practically it is a success—but actually is it a success?

It seems to me that we must recognize that the selection of salesmen is a different proposition from the selection of physical risks for life insurance.

Mr. King then asserted that the human equation was the greatest single factor in the selection of salesmen nd that each individual should be judged as an entity—not as a part of a group. He also stated that the man who showed discontent in the business in which he had not made a sucess, might make a good insurance salesman, provided other conditions were equal. Continuing, he said:

I believe we have made some advance in this section of our work. We have standardized our working system but we have not yet discovered a satisfactory method of enforcing the standardized system. It is well enough to suggest that the agent's contract be cancelled, but nearly every agency manager knows that this is impractical at this time when the demands for agents far exceed the supply. Nevertheless, we have worked out the following results: 48 new men were handled in a group covering a period of time varying up to ten weeks, and these results were then deducecd: For every 18 hours they worked they made 53 calls, saw 35 people, interviewed 10—and wrote one. These results were on new men in city work. Experienced men showed a much higher average. On the basis of these figures we adopted the results as a standard for new men. We stated that 6 hours per day was a standard day's work and that if the new man worked 6 hours the results would be satisfactory both to him and to us. And, gentlemen, we have never had a man fail who worked 6 hours per day and made his required number of calls. The entire fault at present seems to be in finding some method, force, psychology, or what not, which will absolutely make men work in the life insurance busness.

In addition to standardizing the work itself, as stated above, we have worked out and applied a standardized system of presentation. We think we have solved the question of "What is an interview?" We know that a sale consists of attention, interest, desire and action. We worked out a standardized selling talk which we require every man to commit to memory before he can sell our goods. You ask me how? To begin with, life insurance policies are substantially the same, except in three particulars: the number of premiums to be paid by the insured, the time the company pays the claim and the method of paying the claim. There are only three ways to close a contract, as you know—live, die or quit—and possibly become totally and permanently disabled. From these facts we organized a standard selling talk; we tried it out a sufficient number of times to know that it did work, and then we made our requirements and they must be lived up to. We recognized that methods of getting attention vary, and therefore we have worked out many styles of approach, which are committed to memory; answering objections are standardized and the new agent is required to have a working knowledge of them. We further coach him on creating desire which may vary, but it has a definite place in his selling talk, and the variation is made there. And to close we have worked out and applied several different closes, and the new men are shown how to close; what to say; what to do; these variations are also allowed for.

44 MILLIONS from 42 AGENCIES

THE 1916 RECORD OF OUR EARNEST, LOYAL AND HAPPY AGENCY FORCE

New England Mutual Life Insurance Company

BOSTON, MASS.

The Nation Needs Its Business

Not less patriotic than those who serve the Nation in organizations directly connected with the war, are those who keep the wheels of business steadily turning. Their work contributes to the country's moral poise, and, as well, keeps sound the financial foundation on which our great part in the war must rest. Life insurance is one of the great conservators of national resources, through its protection of the myriad homes of the people and the businesses which furnish their maintenance. Life insurance has therefore a great opportunity and a great duty in this time of crisis.

Occasionally we have a General Agency opening

JOSEPH C. BEHAN, Superintendent of Agencies

MASSACHUSETTS MUTUAL Life Insurance Company

Springfield, Massachusetts

Incorporated 1851

GERMANIA APPOINTMENT

The Germania Life Insurance Company announces the appointment of Charles K. Brust, of Pittsburgh, Pa., as manager for Southern California with headquarters at Los Angeles.

Mr. Brust has been in the life insurance business in Pittsburgh for a number of years and is a former president of the Life Underwriters' Association of that city.

During the last five years his general agency for another life insurance company has produced more than a million a year; its production last year being over $1,400,000.

PRESIDENT FOR TEN YEARS

Darwin P. Kingsley, president of the New York Life, has had that position ten years. He is sixty years old, and has been with the company twenty-nine years. A longer story about the company's accomplishments during the period of Mr. Kingsley's stewardship will be printed next week.

Gore and Rhodes Discuss Sweet Plan

NEWARK INSURANCE MEN ENDORSE GOVERNMENT IDEA

Suggestion That U. S. Payments Be Made in Monthly Installments for Definite Term Excellent

Two well-known life insurance men who have discussed the government life insurance plan suggested to the Council of National Defense by Edward F. Sweet, Assistant Secretary of Commerce, are John K. Gore, of The Prudential, and E. E. Rhodes, of the Mutual Benefit.

Mr. Gore's Views

These are the views of Mr. Gore:

"The men in the military services are employed in an extra-hazardous occupation, and they or their dependents are entitled to compensation for injury or loss of life. Assistant Secretary Sweet's plan, so far as made public, would follow the lines of the Federal employes' compensation act, and seems to be sound in principle.

"The plan," he continued, "would probably not preclude pensions altogether, as Mr. Sweet appears to desire, but it should restrict their scope and reduce abuses. In former wars those who received pensions had previously received no other compensation, and it was easy therefore to pass relief bills by appeals to sympathy. If some such plan as Mr. Sweet proposes were put into effect, substantial provision for the men or their dependents would be assured for perhaps fifteen years, provided the compensation were paid in instalments, as it should be.

"After the payment of compensation for so many years, the public feeling would be that the Government already had done much, and it would be more difficult to procure the passage of special bills for continuing the payments. Politically, too, the plan would be an improvement. Members of Congress, as a rule, would probably welcome relief from the old-time pressure by constituents for pension legislation."

Mr. Gore was asked whether he would favor having life insurance companies take over the business, they writing the insurance and issuing the policies, and the Government paying the premium. He replied:

Might Offer Services Free

"With the Government standing back of the plan, the actual issuing of policies would not be necessary, and the life companies could then assume the business without this additional administrative expense."

"How would it be," it was suggested, "to have the companies aid the Government, on the administration side, by disbursing the payments?"

"That might be worked out," said Mr. Gore. "There has been some discussion among insurance men on this point. A suitable number of men might be detailed from the companies for this work and the agencies could be utilized. Such a service would not be costly, and it is even possible that it might be offered to the Government free. The Liberty Loan bonds have been and are being floated by financial and business institutions without charge to the Government or the buyers, from motives of patriotism. It is conceivable that the life insurance companies would perform a similar service in the disbursal of military life insurance payments.

"This would doubtless include disability awards. Compensation schedules, under workmen's compensation laws, are now fairly well standardized. There should be no great difficulty in administering this part of the proposed plan, if it became law, and the life companies could handle it if desired."

According to Mr. Gore, it would be incomparably better to provide instalment, rather than lump-sum, payments under a military insurance plan. The flat $4,000 for loss of life, suggested by Mr. Sweet, including interest, would, Mr. Gore thought, furnish payments of $30 a month to the beneficiary for fifteen years, and after that period in many cases need of relief might be lessened. In some instances there might still be pressure for continued payments, and to this extent, he believed, the political evils of the old pension system might be expected to recur.

Mr. Rhodes' Views

The views of Mr. Rhodes follow:

"Strictly speaking, the proposition is not life insurance. There would not be, as I understand, any contract of life insurance, and the soldiers and sailors would not pay premiums. It is simply proposed that the Government shall indemnify soldiers and sailors who become disabled during the war, or indemnify the families of those who are killed.

Plan Feasible

"The plan is entirely feasible and it can be operated in the form proposed much better and more simply than a plan for ordinary life insurance. The Government, as stated, will not receive any premiums and will not have to maintain the legal reserve which the laws of the several States require life insurance companies to maintain. The Government's disbursements would be made entirely out of funds appropriated by Congress from year to year.

"The suggestion that the Government's payments be made in monthly instalments for a definite term of years is most excellent, as it will relieve the soldiers and sailors and their beneficiaries from the necessity and uncertainties of private investment. The purposes of the Government would undoubtedly be defeated in a great many cases if the amount of the proposed indemnity was paid in one sum. Life insurance companies have found that in many instances, when the proceeds of policies were paid in one sum, the beneficiaries who were unused to the investment of funds have quickly lost the entire principle, and a very large proportion of the life insurance issued at the present time is written under a plan by which the beneficiaries receive a stated income, either for life or for a certain number of years.

What Companies Are Doing

"The life insurance companies are doing their utmost to provide life insurance for enlisted men during the present emergency at a reasonable cost. All policies issued prior to the outbreak of hostilities are practically free from restrictions regarding military or naval service. The companies are offering to insure soldiers and sailors at the present time with a moderate extra premium to cover the risk and they are agreeing to refund at the close of the war any excess of such extra premium, if there be any excess.

"They are required, however, by the laws of the several States to accumulate out of the regular premiums paid a certain reserve, and this fact makes the temporary cost of the insurance larger than it would otherwise be. Moreover, the first duty of the managers is to conserve the funds accumulated for the payment of outstanding policies, and no life insurance company would be justified, from patriotic or other motives, in hazarding those funds in connection with the present emergency.

"The life insurance companies will be very glad to co-operate with the Government in all possible ways. The services of the actuaries are at the call of the Government without charge; in fact, the Actuarial Society of America, whose membership comprises the actuaries of all the leading companies, has freely offered its services to the Government. In addition thereto, the companies stand ready to give the Government the benefits of their experience.

Paid Insurance Side of It

"The suggestion that the Government provide insurance in excess of $4,000 on the basis of ordinary rates involves complications which make it somewhat difficult to comment upon this part of the plan. It is very clear that a new life insurance company could not be organized at this time for the purpose of insuring only soldiers and sailors at ordinary life rates, as such rates would not cover the war hazard.

"If the Government desires to place such risks with the regular companies it would have to be upon some basis which guaranteed the companies against loss. The companies would undoubtedly agree to assume the risks on a basis of actual cost.

"As a substitute in whole or in part for the old pension plan, with all its abuses, the plan suggested deserves great consideration and the utmost practicable co-operation on the part of all who can in any way further its successful operation."

PROVIDENT L. & T. LIMITS

Until further notice, the following limits will be imposed upon new insurance of the Provident L. & T., under policies containing the military or naval rider:

Men born since June 5, 1886, who are not connected with, nor drafted into, any military or naval organization or service and who do not intend to volunteer for military or naval service, will be limited to $10,000 forty-year endowment, if married, or to $5,000 thirty-year endowment, if unmarried.

Men at present engaged in the military or naval service of the United States for the duration of the present war or for a period not exceeding five years following the date of the application, or men who intend to volunteer for, or who shall have been drafted into, such service, will be limited to $1,000 twenty-year endowment.

In every case the above amounts shall be inclusive of the amount of insurance already carried in the Company.

ALGER BEST PRODUCER

W. H. Alger, Baltimore, headed the list of leaders of the United States Fidelity & Guaranty in production of accident and health business in March and April.

THE MOST VALUABLE POLICY FOR YOU,
Mr. Agent, is to write your prospect in the Company writing the most valuable policy for the insured.
Secure **prompt action** in the
John Hancock MUTUAL LIFE INSURANCE COMPANY OF BOSTON MASSACHUSETTS
WILLIAM N. COMPTON, General Agent
METROPOLITAN DISTRICT, ST. PAUL BLDG., 220 BROADWAY, NEW YORK, N. Y.

ORGANIZED 1871
Life Insurance Company of Virginia
RICHMOND, VIRGINIA
OLDEST, LARGEST STRONGEST Southern Life Insurance Company
Issues the most liberal forms of Ordinary Policies from $1,000.00 to $50,000.00, and Industrial Policies from $12.50 to $1,000.00
CONDITION ON DECEMBER 31, 1916:

Assets	$14,464,552.23
Liabilities	12,436,717.56
Capital and Surplus	2,027,834.67
Insurance in Force	118,349,212.00
Payments to Policyholders since Organization	18,119,172.50
Is Paying its Policyholders over	$1,300,000.00 annually

GOOD TERRITORY FOR LIVE AGENTS

GOVERNMENT INSURANCE

Plans for Insuring Men on Ships Announced—J. J. Crowley Put in Charge

Regulations under which all officers and men of American merchant ships plying between ports of the United States and the war zone must be insured by their owners for from $1,500 to $5 000 against death, maiming or capture were issued by Secretary McAdoo. They become effective as to vessels leaving the United States June 26 and as to those sailing from foreign ports July 10.

The Secretary announced the appointment of John J. Crowley, of Hartford, Conn., to have charge of a new seamen's insurance division of the War Risk Insurance Bureau, as assistant to Director De Lanoy.

Under authority of the recently enacted amendments to the war risk law, owners of ships voyaging through the war zone will be compelled to insure or be subjected to an assessment of the amount of such insurance and a fine of $1,000. Insurance also is made available for vessels plying in American coastwise trade, or to other parts of the world than the war zone. But in their case it is permissive and not mandatory.

The policies will provide for the payment of the amount of one year's earnings—in no case more than $5,000 or less than $1,500—for loss of life or permanent disability. During detention by the enemy compensation must be paid at the rate of the earnings of the insured immediately preceding capture. For maiming, short of complete disability, losses will be paid at rates ranging from 45 per cent. of a year's earnings for an eye to 65 per cent. for an arm or leg.

Build Your Own Business
under our direct general agency contract
Our Policies provide for:
Double Indemnity, Disability Benefits, Reducing Premiums
See the new low Rates
JOHN F. ROCHE, Vice-Pres't
THE MANHATTAN LIFE INSURANCE COMPANY
66 BROADWAY NEW YORK
Organized 1850

Founded 1865
The PROVIDENT Life and Trust Company
OF PHILADELPHIA, PA.
What do most men fear?
An insufficient income for their wives and children if they die, and for their own old age if they live.
WE WILL INSURE THE INCOME IN EITHER EVENT.
Write for Information

We don't contract with poor men.
We give a new man our attention until he is started.
We make our men make good.
Why don't you work for us?
Peoria Life Insurance Company
PEORIA, ILLINOIS

LIVE HINTS FOR BUSINESS GETTERS

Practical Suggestions to Help the Man With the Rate Book Increase His Income and General Efficiency

Prize for Aetna Essay Writers

The Aetna Life offers $50 in cash prizes—first prize $20—to agents writing the best essays of not more than 1,000 words in length. Instructions to contestants follow:

"This contest will be simply called a contest of agents' experiences. Write out some experience that you have had in soliciting a policy or settling a claim or tell of some experience you had where insurance was refused or accepted, and the result of the refusal or acceptance if it was quite out of the ordinary. Primarily the experiences must be of such a nature that they will help in soliciting—they must not be simply amusing anecdotes, although humorous situations that develop while soliciting frequently are as helpful as serious one. The articles will be judged by their selling points—that is, if two agents related experiences that were very much alike and one of them told how his experience helped to get insurance in another case, and the other agent did not, naturally the prize would go to the former."

* * *

Three Guesses As To This Man's Identity

"Do you know that the biggest income made by a New York life man in 1916 was earned by an agent who came from German Poland to America in the steerage of an ocean liner—who arrived here friendless, penniless, and without a working knowledge of the English language?" asked D. P. Kingsley, president of the New York Life, of J. Herbert Duckworth in an interview for the "American Magazine."

"Last year this man made $107,000 in commissions alone, an amount $32,000 greater than the salary of the President of the United States. When you consider that many life insurance agents make less than $1,000 a year, you will see what this immigrant's achievement signifies.

"What is most interesting to me about this man is the fact that he is not one of those 'natural born geniuses' who begin to challenge attention as soon as they step out of the cradle. When he entered our employ thirteen years ago he stated on his application blank that he hoped to write "about $5,000 worth of insurance a month.' This is an amount so modest that any agent who expects to hold his job ought to reach it, at least.

"Soon after he entered our employ, a change, a development, came into this man's life. New possibilities opened before him, new ambitions within him. In a few years he was breaking all records. In 1916 he wrote over $10,000 of paid insurance for every working day in the year.

"There is nothing surprising to me in this. Almost every man has undreamed-of possibilities. If something hits him in the right spot, if his ambitions and energies are unloosed, he will quickly discover these possibilities. Otherwise he may pass through life in an easy rut, never tapping the great reserves within him.

"For one thing he has developed a dynamic, driving personality," replied Mr. Kingsley. "He will say 'Good morning' in a way that will make you sit up straighter in your chair—you feel that he means that greeting with his whole soul. Talk with him for five minutes and you will find yourself almost dazed by the flow of his nervous force.

"He believes in this company and its policies with a fierce intensity. Selling life insurance is the greatest thing in his life. It is his vocation, his avocation and his gospel. I have known him to reserve a hotel table for New Year's Eve and then give up the party at the last minute to talk insurance to some prospect. He has an absolute confidence that he can sell any amount of insurance he sets his heart on. And confidence in one's self and one's cause is half the battle.

"On my first anniversary as president of this company he wrote a good-sized policy as an anniversary present. The next year he wrote two policies on that day. Every year since he has gone out and got a number of policies equal to the number of years I have been president—without holding over a single policy to make his task easier. Last year he brought in nine policies on June 17th; this year I expect ten.

"Three or four years ago physicians told him that he was driving himself to death—that he had only three or four weeks to live unless he stopped work and went to Carlsbad for treatment. He went to Carlsbad—but he did not stop work. Instead, he wrote policies for the man who sold him his transatlantic ticket, the captain and the first officer of the liner, the physician who treated him and the attendant who waited on him at Carlsbad * * * What are you going to do with a man like that!"

* * *

Various Forms of Group Insurance

It might properly be said that the group business is only about four years old, says the Aetna Life "News."

In the beginnings of group business the favorite plan was to cover all employes for a given amount and then simply increase that amount of insurance for various individuals as the management might see fit. Arbitrary increases of that kind naturally subjected the individual whose life was to be so insured to medical examination of some sort, or inspection. It sometimes happened that those for whom insurance was most desired were undesirable at the time. Largely on this account the term of service basis of insurance, or what is more commonly known as the bonus system, lately has been adopted largely. By this system the insurance on individual lives is made to depend on the completed terms of service, the amount increasing usually $100 a year up to a certain specified limit, the limit in many cases being dependent upon a particular class of employment and the resultant value of the services of the employe.

The Aetna Life has written a number of policies which contain schedules of insurance somewhat like the following:

Ordinary laborers, first year $200 and second year $300, and so forth up to $500.

Expert employes, mechanics and so forth, first year $500 and up to $1 000 the same way, and office force $1,000 to $1,500; foremen and superintendents $1,500 to $2,000.

Under such schedules or plans the increase of insurance is automatic. It takes effect at the proper time without special request upon the part of the employer other than the requests contained in the original application for the policy. The increases of this class do not subject the individual to medical examination, the assumption being that there is no selection of risks against the interests of the insuring company.

Many employers prefer not to insure employes who have completed less than six months of continuous service, thereby eliminating to a large extent the floating element that is always in evidence. Some employers go so far as to eliminate employes who have been in service less than one year, but the advantages of this elimination are doubtful.

Other plans of insurance which are being widely adopted are as follows: Married employes $1,000 and single employes $500, regardless of previous terms of service.

Another scheme is simply to equal the annual salary with a certain defined limit—say $2,000.

Where the officers or executives of a company desire to be included under the group, the amounts of insurance written are usually from $1,000 to $3,000, satisfactory evidence of insurability often being required. Officers or heads of a concern usually wish to be included, not so much for the sake of insurance at group rates as they wish their employes to feel that they are glad to benefit under the same conditions as are applicable to their employes. It may be said that banks, trust companies and financial institutions in general adopt the annual salary basis. Manufacturers, especially those employing machinists and expert mechanics, adopt the term of service or bonus plan, and the employers of lower classes of labor are more inclined to place a fixed amount of insurance upon every employe with dependents, and a smaller amount on employes without.

It is now a generally recognized fact that group insurance stabilizes labor. The individual insurance certificate issued under a group policy is about the only gift of an employer to his employes which in practically all cases gets into the home.

THE
METROPOLITAN LIFE
Insurance Company
(Incorporated by the State of New York)



Metropolitan Life Insurance Company
Home Office Building

The Company
Of the People
By the People
For the People

The Daily Average of the Company's Business during 1916 was:

701 per day in Number of Claims Paid.

8,304 per day in Number of Policies Issued and Revived.

$1,969,823 per day in New Insurance Issued, Revived and Increased.

$376,827.40 per day in Payments to Policyholders and Addition to Reserve.

$220,509.26 per day in Increase of Assets.

JOHN R. HEGEMAN, President

Representing

The Mutual Life Insurance Company
of New York

You will make money.

The great strength, big dividends and incomparable benefits of the *"oldest company in America"* mean certain success for you.

For Terms to Producing Agents, Address

GEORGE T. DEXTER, 2d Vice-President
34 NASSAU STREET. NEW YORK, N.Y.

W. H. D. BARR DEAD

W. H. D. Barr, a well-known insurance man of Buffalo and treasurer and director of the Erie Savings and Loan Association, is dead in that city. Mr. Barr was a prominent member of Lake Erie Commandery No. 20 Knights Templar.

The Lincoln National Life has adopted the Astor recommendations.

THE EASTERN UNDERWRITER

This newspaper is owned and is published every Friday by The Eastern Underwriter Company, a New York corporation, office and place of business 105 William Street, New York City. Clarence Axman, President; B. F. Hadley, Vice-President; W. L. Hadley, Secretary. The address of the officers is the office of this newspaper. Telephone 2497 John.

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FOUR-FLUSH EDITORS

The Eastern Underwriter doubtless should feel profoundly flattered that Messrs. Underwood and Caverly and Hughes and Heilman—the telephone books says they are editors if you have never heard of them—credit this publication with sufficient influence to have been able to have stopped the Pittsburgh Life & Trust debacle **after it occurred.** This paper has all the facts about the Johnstown Flood, the Mount Pelee disaster and the Fall of Pompeii. We doubt if with all of our credited influence we could save a single life lost in those catastrophes at the present time. The Eastern Underwriter, some time after the Pittsburgh Life & Trust was turned over to Birdseye, received a rumor from Pittsburgh, saying that it looked rather suspicious. But, later, F. A. Wallis, a distinguished general agent of good reputation, was elected president of the company, which had always been known as a decent company, and the rumor seemed hardly worth hiring a detective agency at an expense of possibly several thousand dollars to run it down, merely on the chance that here would be a sensational story to print in big type; and a story that could not possibly have turned one single share of stock back to the directors who had sold the company to Birdseye.

"The insurance department is only three blocks from the office of The Eastern Underwriter," says Underwood. Yes, and the Insurance Department is only two blocks from the office of Clarence F. Birdseye, who had been having interviews with the Superintendent for weeks; and two blocks from the office of Frederick A. Wallis. The facts in the matter are that The Eastern Underwriter was the first paper to print that the Broadway office buildings of the Pittsburgh Life & Trust had been sold by the company. It was this news that started the insurance department quizzing Birdseye from a new angle, and led to the exposure.

In newspaper offices there is an expression, "four-flush editors," which interpreted means the man who hits at heads far away when there are hittable heads at home which he does not but should punch. In such a category is the country editor who blazes away at the Standard Oil, the Japanese cabinet or some other terrible and remote "evil" where there is no comeback in the shape of revenues to be lost. Such an editor ignores the local mill owner who is working girls of tender age fourteen hours a day. With a little exercise of common sense in the matter of classification we would call Messrs. Underwood, Caverly, Hughes and Heilman four-flush editors. They cannot justly be accused of biting the hand that feeds them.

THE BIG LINES

Although the hearing on re-insurance by the Insurance Commissioners held at the Hotel Astor, New York, on Tuesday afternoon led directly to a vacant lot, it occasionally was stirring, sometimes impertinent, and frequently amusing. Thus, the grizzled E. R. Kennedy shook his finger at the commissioners and accused them of blockading the engine of industrial progress by even considering legislation about re-insurance. Commissioner Button informed Mr. Kennedy that a broker does not represent the people, but the companies, which Mr. Kennedy strenuously denied. President Kahn, of the Vulcan, took advantage of the occasion to make an impassioned speech criticising the insurance fraternity because the Vulcan didn't get any of the millions of insurance placed on the J. P. Morgan art collection, whereupon Mr. Kennedy said he thought that omission was just about right; to which Mr. Kahn retorted that it ill became a man associated with the old Liberty to make such a remark.

Commissioner Merrill asked some questions about annexes and insurance capitalization that he had been carrying around in his head for months. Vice-President Platt, of the Insurance Company of North America, after a commissioner had shot at him a most carefully primed, cleverly put, skillfully conceived question, aimed to embarrass almost any underwriter of consequence, and starting "Now, Mr. Platt, don't you think——?" answered in five words "No, I do not think so." Mr. Ludlum, of the Home, declared that in his opinion "a $1,000,000 company" was not necessarily a "big company." Mr. Hoadley, of Newark, told a couple of anecdotes about Carl Schreiner, of the Munich, and Mr. Ryon, of the National Board, threw up his hands and begged leave to print, saying that he couldn't begin to cover the subject in the time at his disposal. Marine men, not directly affected by the bill, insisted upon making speeches.

These were only a few of the sidelights on a hearing that did not have a dull moment; and they illustrate where the session was weak. There wasn't time enough for real, vital information about re-insurance. One side merely attacked the prevailing system; the other defended it.

To have been a success there should have been offered data of the kind Mr. Hardison asked for—congested district liability, for example, of treaty companies.

To say that the hearing did not get anywhere is not exactly correct. It developed the fact that if there is a restriction in the re-insurance situation the net lines of the companies will be increased; and that this increase in some cases will be very large. The hearing further indicated that in the opinion of the large companies there is grave doubt if the smaller companies will be any better off with the new legislation than they were before. These companies allege that the large insurers will adjust themselves to new conditions somehow; that no good can come of the proposed legislation, the only effect of which will be to disturb conditions and cause some annoyance for a time, while a new foothold for paternalism will be given.

As for the small companies, there is constantly before them the specter of Henry Evans' prophecy that only a few companies will survive the pace. They are sure they have the right to survive and that they can do so in a fair race. They want the legislatures to prevent their being unnecessarily handicapped.

THE UNIFORM WAR CLAUSE

It is to be regretted that despite the general desire of the bulk of life companies for uniform war clause provisions, the similar wish of nearly all the insurance commissioners, and the intelligent and commendable efforts of Commissioner Mansfield and his war provision committee confreres there are at least three States which through their Insurance Departments, object to the uniform provisions adopted at the Hotel Astor in April. If these States could be won over in some way the Astor recommendations would probably go through with flying colors. In the meantime, here's hoping that Commissioner Mansfield's committee will have good luck in its new effort to have companies accept the Astor report. The principal States of the country having taken the lead, the three other States should follow, if they can possibly do so under their laws.

FIDELITY LEADERS' CLUB

The convention of the Fidelity Leaders' Club was held in Philadelphia, June 20, 21 and 22; and continues in Atlantic City, June 22 and 25. George W. Meacham is president of the club. The convention was opened by President Talbot with a word of greeting. Thomas H. Beck, of the American Lithographic Co., will talk on aids to selling.

Some topics for discussion are the "Income for Life" policy, continuous instalment plan; Fidelity Disability Provision and "Under Present Conditions Do the Industrial or the Agricultural Districts Offer the Better Opportunity for New Production?"

AMERICAN LIFE CONVENTION

War Risks and Other Subjects to Be Discussed August 8, 9, 10 at Grand Rapids

The annual meeting of the American Life Convention in Grand Rapids on August 8, 9 and 10 will be unusually important because of war conditions, changed situations and new problems. It is proposed to devote the executive session of the evening of August 8 to practical discussions of the business, especially war risks.

Governor Osborn will address the convention.

MOLLOY SPECIAL AGENT

William P. Molloy has been appointed special agent of the fire department of the Automobile Insurance Company of Hartford. Mr. Molloy, who has been office superintendent, will make his headquarters in Hartford.

HUMAN INTEREST



GEORGE F. MURRELL

George F. Murrell, of Clark & Murrell, general agents for the Bankers' Life of Des Moines at Pittsburgh, is president of the Bankers' Life Hundred Thousand Dollar Club for 1917. The officers of the club are chosen on the basis of issued business. Mr. Murrell had issued $583,500 in 1916. The general agency of which he is a member was one of eighteen million dollar agencies of the company and stood twelfth on the list with a production of $1,315,000.

* * *

Eli Deeming Weeks, one of the best-known insurance men in the New England States, died at his home in Bantam, Conn., last week at the age of eighty-seven. Mr. Weeks was born in Washington, Conn., where, after an elementary school education, he learned the trade of carriage maker. Eventually he went to New Preston, where he went into business as carriage maker under the firm name of Weeks & Burnham. In 1859 he went to Bantam, where he established the Litchfield Carriage Co., of which he was secretary and treasurer for five years. In 1878 he retired from the concern and became identified with the Phoenix Mutual Life. He served three terms in the legislature, 1867, 1877 and 1913, being the oldest member of the 1913 session. Mr. Weeks was a member of the Litchfield School Board and at various times held other town offices. For many years he acted as moderator at the town meetings of Litchfield. In 1856 he married Maria T. Bradley of Bantam, the couple celebrating their golden wedding in 1906.

Mr. Weeks served for eighteen terms as treasurer of the National Association of Life Underwriters, declining renomination at the Atlantic City Convention in September, 1913. Previous to being treasurer, he acted as vice-president of the association. He was also an officer in the Connecticut Life Underwriters' Association. In 1894 he was president of the association.

* * *

Charles L. Tyner, vice-president of the Home, has two sons who have joined the colors. His eldest son is now at Plattsburg and the next youngest has joined the Naval Militia.

BLAKE'S CLEVER LETTER

J. M. Blake, of Blake & Davies, Philadelphia, is author of a clever letter in the Philadelphia "Ledger," written in Japanese dialect, and making an appeal for the purchase of Liberty bonds. "Junkers must not make junk of the United States," is one of his lines.

FIRE INSURANCE DEPARTMENT

Commissioners Talk of Binder Situation

PUT NEXT STEP UP TO THE NATIONAL BOARD

Want Memorandum Containing Concrete Suggestions for Stopping of Credit Abuses

The executive committee of the National Association of Insurance Commissioners which met here this week discussed the question of binders. Some time ago Commissioner Hardison of Massachusetts proposed to the committee of blanks of the commissioners' convention that the following new interrogatory be inserted in the stock and mutual fire blanks.

> Amount of earned premiums lost on policies or binders under which the company became responsible in case of loss, which policies or binders were cancelled or terminated during the year, but for which no premium was received by the company or its agents.

National Board Point of View

The proposition was discussed at length by the members of the committee, who also listened to remarks on the subject by Messrs. Richards, Porter and Crockett, of the National Board of Fire Underwriters, who were at the time in conference with the committee on other matters. While these gentlemen admitted that the practice of granting insurance on binders or policies which were afterwards cancelled from date without any remuneration to the companies was an evil which the companies recognized and had endeavored to find means of overcoming, it was their opinion that nothing short of legislation by the various States would prove an effective remedy. An effort to get information through the blank as to the cost to the companies of this free insurance, which information would have to come from the agents who often made no record of binders and who could not or would not furnish the data in anything approaching correctness, would, in their opinion, produce no valuable results.

The chairman of the committee on blanks thereupon requested of Messrs. Richards, Porter and Crockett that they use their best efforts to have the National Board of Fire Underwriters prepare and furnish to the secretary of the Convention of Insurance Commissioners a memorandum setting forth its views on the proposition and including therein concrete suggestions for such remedial legislation as might, in their judgment, seem practical and desirable. To this request the above gentlemen readily acceded.

On the question of a new interrogatory, as proposed by Commissioner Hardison, the committee on blanks then voted that no action be taken at this time.

Say Present Laws Are Sufficient

That was the situation up to the time the commissioners met this week. Some of the commissioners thought that the present anti-rebating laws are adequate to stop insurance on credit evils, but others doubted it. Commissioner McMaster told of practices in South Carolina and Commissioner Button of practices in Virginia. Commissioner Young of North Carolina thought that the companies were not particularly serious in their desire for binder reform because "they have now reached a position where opposition would line them up against agents," intimating that they are afraid to act.

Commissioner Mansfield of Connecticut said that the National Board's committee had promised to use its efforts to prepare a memorandum on the subject offering suggestions for relief, and he had implicit confidence in the word of the National Board; that when its committees said they would do a thing experience showed they would perform their part.

It was decided to write to the National Board and ask them to prepare a memorandum for the commissioners.

OPEN MARINE OFFICE

Jan Hermert & Gaudesaboos to Do Brokerage Business and Average Adjusting

John Van Hermert and E. G. Gaudesaboos have entered into partnership and opened a marine brokerage office at 59 Pearl street, New York. Mr. Van Hermert has been with Fred S. James & Co. for about six years prior to which he was in the Amsterdam, Holland, office of the National Board of Marine Underwriters of New York. Mr. Gaudesaboos has been with W. H. McGee & Co., coming there from the office of Price & Forbes, London Lloyds, London. Before the beginning of the war in Europe Mr. Gaudesaboos was with the representative of the National Board of Marine Underwriters in Antwerp, Belgium.

SHOULD HOLD CONVENTIONS

Mistaken Idea About Policy of United States Government—Favors Trade Meetings

A mistaken idea has prevailed that the Government is against the holding of trade conventions this year, as a result of which several insurance conventions have been called off, and others are in abeyance. The Eastern Underwriter is informed that the Washington authorities think it a mistake to call off these trade conventions unless the transportation situation changes very materially from what it is now.

WILL HOLD MEETINGS

The regular monthly luncheon-meeting of the Maryland Field Club, which was held at the Hotel Rennert on June 5, reconsidered the proposed abandonment of the July and August meetings, and it has been announced that the usual monthly sessions will be held in those two months.

At the June meeting the instructive talk by Manager John H. Kenney, of the Association of Fire Underwriters, on the new mercantile building schedule, was greatly appreciated.

MUST PRODUCE BOOKS

That a claimant under a fire policy on personal property must produce for examination his books of account, bills, invoices and other vouchers as required by the policy, unless it is impossible or good cause be shown for his failure to do so, was decided a few weeks ago in the Supreme Court of Appeals of West Virginia in the case of Riley vs. Aetna Insurance Company.

In the same case it was also held that the existence of a chattel mortgage upon personal property or placing such mortgage thereon after the policy was issued and during the life of the policy without the consent of the insurer endorsed on the policy would invalidate the policy.

FIRE AND MARINE INSURANCE—ALL LINES

The Automobile Insurance Company of Hartford, Conn.

MORGAN G. BULKELEY, President

Statement January 1, 1917

Cash Capital - - - -	$1,000,000.00
Assets - - - -	2,748,832.19
Liabilities (Except Capital) - -	1,039,977.81
Surplus to Policyholders - -	1,708,854.38

AFFILIATED WITH

AETNA LIFE INSURANCE COMPANY

THE AETNA CASUALTY & SURETY CO.

LECTURES FOR WOMEN

In view of the influx of women into the underwriting offices the Insurance Society is considering, but has not yet decided upon definitely, lectures for women. As to just what scope the lectures will take—whether about underwriting or clerical problems—is not known yet.

Hendon Chubb, of Chubb & Son, has subscribed for $100,000 worth of Liberty bonds.

RED CROSS

The Red Cross campaign in the insurance district has been a decided success. Wallace Reid, at the head of one committee, and A. C. Hegeman chairman of another, report insurance men eager to make contributions in this patriotic cause. Among dividend Red Cross contributions announced in the morning papers Thursday is that of the Home Insurance Company, $60,000.

W. L. WEBSTER & CO., INC.,

ONE LIBERTY STREET, NEW YORK CITY.

Correspondent for

Fire Insurance Companies desiring to secure for their local agents lines on out of town risks, controlled by brokers.

SAMUEL W. SCOTT, Underwriting Manager.

NORTH BRANCH FIRE INS. CO.
Sunbury, Pa.
Inc. 1911

Assets	$641,341.77
Reserve	230,513.29
Capital	300,000.00
Surplus	63,479.83

CITY INSURANCE COMPANY
Pittsburgh, Pa.
Inc. 1870

Assets	$357,318.58
Reserve	54,256.92
Capital	200,000.00
Surplus	96,379.07

OPERATING ON A CONSERVATIVE BASIS IN A LIMITED TERRITORY UNDER AN EXPERIENCED MANAGEMENT

BROKERS ACTIVITIES

IS BROKER PUBLIC'S MAN?

"Yes," Says E. R. Kennedy; "No," Says Commissioner Button in Rebuttal at Hearing

At the hearing this week on re-insurance, E. R. Kennedy, of Weed & Kennedy, did not like the twist that the discussion was taking and asked: "When are my people's rights to be considered?"

"What do you mean by your people?" asked Commissioner Button.

"I mean the policyholders whom I represent as a broker," retorted Mr. Kennedy.

"I do not consider that the broker represents the public. He is the companies' man," said Mr. Button. "Aren't you paid by the companies?"

"No," answered Kennedy. "The assured pays me the premium, and I deduct my commissions and send the balance to the companies."

The incident caused considerable amusement.

* * *

Kling Returns to J. & H.

George Kling, who left Johnson & Higgins a short while ago to go with R. A. Corroon & Co., has returned to the former office.

* * *

Hart Promoted By Corroon

T. J. Hart, who for several years has been traveling the entire country for R. A. Corroon & Co., has been taken into the office and placed in charge of several departments.

* * *

Mutual Automobile Assessments Questioned

The Oregon attorney general decided last year that automobile policies could not be written by mutual fire companies and Commissioner Wells so informed the Mutual Fire Insurance Company of Portland, directing it to cancel such policies and return the premiums. Since then the Company has been placed in receiver's hands and he is attempting to collect an assessment on an automobile policy, which right is denied by the insurance department. A test suit to determine the question will be instituted.

* * *

Cornering the Market

Considerable objection is being voiced by small brokers to the practice of the larger brokers in cornering the marine insurance market for a ship far in advance of the date of sailing. The practice is for brokers to ask for a large coverage on cargoes, cleaning up the market so that later when the smaller brokers get lines on the same cargoes they find the companies "loaded up."

CITY CLUB OUTING

Representatives of Company and Brokerage Offices Play Baseball Game at College Point, Long Island

The broker is stronger than the company, if the baseball game between representatives of both offices at College Point, L. I., on Saturday, is any criterion. The occasion was the first annual outing of the City Insurance Club.

There were 148 persons present. The trip was made from Fulton street at 1:30 on the steamer H. S. Caswell. A 440-yard race was run and won by George F. Murphy, of Jackson & Potter. The fat man's race was won by George Planning, of Newman & McBain.

Albert Lyons, of Lyons, Stadholz Co., umpired the baseball game. He lost seven pounds. Victor Metz, of the Central Fire Office, Inc., made the only home run of the game and lost nine pounds. Albert Geering, of Maiden Lane and William street, was the starter of the races. Jos. Blume, of Jos. S. Blume & Co., and James S. Skinner, broker, were the judges. Eddie Ziegler, of Russell, Scott & Ziegler, was present with his smile. Frank Ross, with Frank, Jr., arrived in time to eat. Dinner was served at 6 o'clock and in sumptuous fashion—so sumptuously in fact that one of our shining brokerage lights mistook the butter for French ice cream.

The committee in charge of the affair was composed of:

George L. Hodson, Newman & McBain; G. J. Kingsley, Wickham & Kemp; E. J. Habrich, R. A. Corroon & Co.; J. E. Hylind, Gibson & Wesson; Chas. Miller, Cornwall & Stevens; George Shevlin, Schaeffer & Shevlin; John Doherty, Fred S. James & Co.; E. L. Heffner, Automobile Insurance Co.; Wm. Morsel, Fred S. James & Co.; Frank Gibson, Fred S. James & Co.; J. Fitzpatrick, Fred S. James & Co.; Harry Cox, Wilcox, Peck & Hughes; Jos. Leffson, Merchants Fire; and H. Tusick, Gibson & Wesson.

SUES FOR SALVING SHIP

The Reid Wrecking Company, a Canadian corporation, has brought suit in the U. S. District Court in Buffalo against the Commercial Union Insurance Company of North America and the Standard Marine Insurance Co., Ltd., to recover $15,305.56, a balance alleged to be due in salving the steamer I. W. Nicholas, stranded in Lake Huron in 1913. The wrecking company admits that the insurance companies paid all of their bill save the amount for which it has brought suit.

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ADEQUATE FACILITIES — ALL LINES
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LOGUE BROS. & CO., Inc.
Fire—Casualty—Automobile Insurance
Nation-Wide Facilities for Handling SURPLUS LINES
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Representing
DUBUQUE FIRE AND MARINE INSURANCE CO.
Excellent Facilities for Handling Suburban and Out Of Town Business
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1 Liberty Street GENERAL AGENT New York City
FIRST NATIONAL FIRE INSURANCE CO.
Washington, D. C.
New York Suburban and New Jersey
Exceptional Reinsurance Facilities Local Agents' Interests Protected

NEW YORK STATE DEPARTMENT
HUMBOLDT FIRE OF PA. TEUTONIA FIRE OF PA.
CAPITAL FIRE OF N. H. GEORGIA HOME OF GA.
PERCY B. DUTTON, Manager, ROCHESTER

WALTER F. ERRICKSON
38-40 Clinton St., Newark, N. J. 95 William St., New York
Representing
THE GERMANIA FIRE INS. CO.
For Automobiles
Special facilities for out-of-town business.

Agricultural Insurance Company, of Watertown, N.Y.
64th Annual Statement
Assets $5,036,003.01
Liabilities 2,296,861.95
Capital 500,000.00
Conflagration Surplus 250,000.00
Surplus to Policyholders 2,739,141.06
F. F. BUELL, Troy, N. Y., Special Agent.....NEW YORK STATE
E. J. PARMELEE, Syracuse, N. Y., Special Agent..NEW YORK STATE
GEORGE SHAW, 116 Milk St., Boston, Special Agent..NEW ENGLAND
F. L. GILPIN, JR., 422 Walnut St., Phila., Special Agent.MIDDLE DEPT.

GENERAL FIRE ASSURANCE CO. OF PARIS
URBAINE FIRE INSURANCE CO. OF PARIS
BRITISH DOMINIONS GENERAL INS. CO., Ltd. OF LONDON
FRED. S. JAMES & CO.
United States Managers
123 WILLIAM STREET, NEW YORK
FRED. S. JAMES
GEO. W. BLOSSOM
W. A. BLODGETT
C. B. G. GAILLARD
Assistant Manager

RE-INSURANCE HEARING BEFORE COMMISSIONERS

Companies May Increase Net Retentions

(Continued from page 1.)

block the car of modern industrial progress. Just before adjournment they announced that the matter would be taken under consideration, and that if anyone wanted to file a brief they would be glad to read it. O. B. Ryon, of the National Board, said the subject was so big that he could only cover a few high spots in the limited time at his disposal and that he would file a brief.

Mr. Ludlum's Argument

In addition to Mr. Ryon the National Board was represented by a committee consisting of Messrs. Ludlum, vice-president of the Home and Franklin; Babb, United States manager of the Northern; and Platt, vice-president Insurance Company of North America.

Mr. Ludlum, who is chairman of the laws committee of the National Board, started the discussion by saying that he represented both a large and a small company, but proposed to discuss the question from the broadest, economic standpoint. One reason which made him object to the Illinois re-insurance bill is that it is an added instance of an unnecessary and restrictive legislation proposition; further, that it aimed to limit and restrict practices of underwriting which were perfectly innocent, necessary and unobjectionable. Mr. Ludlum did not think that the question of the amount of a company's own net retention interested the public. He did think, however, that the bill, if it became law generally, would interfere with the exchange of business between companies and their distribution of lines.

In other words, that it would seriously interfere with a system that has been evolved by gradual but sure process, and which best meets the needs of the times. He described the manner in which large lines are re-insured, and declared that the needs of large insurers were being satisfactorily met. He said there had been a great deal of misapprehension regarding the attitude of the larger companies on re-insurance. So far as the Home was concerned he said that circulars had been sent to field men, asking them to urge agents to give the Company net lines rather than excess lines. There were many reasons why the Company wanted only net lines from agents. For one thing the Company would just as soon have the net line as a larger line, the excess of which would have to be distributed anyway. Then, too, if the agent sends an unusually large line he may think the Company is keeping all of it, not knowing that it is necessary to distribute the excess, so that it makes misunderstanding.

The Treaty Company

In discussing an angle that foreign companies through the re-insurance route get too much business, Mr. Ludlum wanted to know what difference it made to the State if the foreign companies got the excess as re-insurance or as direct writers. There was nothing to stop treaty companies from qualifying as direct writing companies and planting agencies.

Mr. Ludlum said there was a great deal of exaggeration regarding the amount of premiums that go abroad. A superficial examination of the premiums of the treaty companies is misleading. After legal and surplus deposits, reserve requirements, losses, expenses, etc., are deducted, there is much less than thought.

The present system has many advantages to the insurer, who does not want a trunkful of policies. If the Illinois bill would help the small companies he would be the first to approve of it. He expressed himself as being sympathetic with small companies not because he was an officer of one (the Franklin) but from general principles. His attitude was that he wanted any well-managed, decently-operated, small company to succeed, but he said that if the Illinois bill were enacted by all States small companies would be, like the label on the bottle, "Not in it at all." At the present time the small company is or may be a factor. If re-insurance were restricted he could see very easily how they would not be.

If re-insurance facilities are interfered with to any extent the larger companies will increase their net lines, and will offer such large net lines to agents that the smaller companies will have extreme difficulty in meeting the competition.

Discussion By Mr. Babb

George W. Babb, United States manager of the Northern, said that he believed the great body of insurance commissioners oppose paternalistic legislation, except when they consider that the best interests of the public demand it. He had tried to discover what might be a logical and good reason for the introduction of legislation such as was proposed limiting re-insurance. If this legislation were of such a character as to serve the public interest he could understand it, but he did not know of any time or place or point by which the public suffers or has suffered by reason of the present practice of re-insurance. He told of the experience in San Francisco of his own company with its treaties, this re-insurance amounting to about $1,500,000. With the exception of a very few thousand dollars re-insured in a domestic company the Northern had collected every cent, and this loss would not have been prevented if the proposed Illinois law had been effective in California at the time.

The present practice of re-insurance is a great equalizer among companies. It enables the wholesome, good company of ordinary size to maintain its position and to gratify demands of policyholders of considerable size.

The property owner objects to a large number of policies on the same risk. It is an inconvenience from several standpoints. One property owner prefers companies of a certain class; others of another class. Under the present system there is perfect freedom, and if he wants small policies he can get them. He is the arbiter; not the insurance companies. In other words, the present status is the result of the wishes and preference of the policyholder, and is not an imposition by the companies. Companies are equalized without regard to their size. Mr. Babb said he had a great respect for companies of small or medium size, who conduct their business along lines of sound underwriting practice and carry out their contracts properly. He thought that if the Illinois measure prevailed it would result in the formation of a large number of small companies, for which there is no demand whatever, which would lead a brief and checkered life, and would fade out or fail, but which in the meantime would have done considerable damage. These small companies would multiply the number of agencies.

Too Many Agents

"It is a fact that there are too many agents to-day," said Mr. Babb. "The passage of this re-insurance measure would further multiply them. The result would be an increase in expense of conducting the business. It would further sub-divide the business already too much sub-divided in the agency field. This competition would make the older agents come to us and say that they had lost so much business that they could not exist on their present compensation."

Mr. Babb described conditions in former years when there were fewer agents, when commissions were 10 per cent. and agents made a good living. Then came a multiplicity of companies, with an increase in commissions, and higher expense.

Mr. Babb was asked by Commissioner Button if he did not think that underwriters' agencies had increased the number of agents and expenses. He replied that he did not think the underwriters' agencies had increased the number of local agents appreciably. There would be no underwriters' agencies if there were no demand for them. The demand of agents for the representation of the classes of companies that the public wants has led to the establishment of the underwriters' agencies; they have been established largely in the older agencies and others seeking to become strengthened; they have not created new agencies to any extent.

Kennedy Strongly in Favor of Present System

E. R. Kennedy, of Weed & Kennedy, made a strong talk in favor of the present system of re-insurance, pointing out that the additional accommodation now possible in fire insurance—because of the treaty system—helped American fire insurance to take its place along with American banking and industrial leaders. Expansion is in the air; American participation in foreign business is being encouraged; new fields are being explored; America is taking her place among the world's commercial leaders, and no obstacles should be placed in the way of fire insurance which should do its part to make the name of America known in every part of trade, commerce and finance.

Mr. Kennedy growing more emphatic declared that the commissioners would be negligent in their duty to the public if they did not assist the business of insurance to expand. He said that the re-insurance treaty system had been in vogue in Europe and other parts of the world for years, and that a company which did a world service in furnishing insurance might have a bad record in one part of the globe, but in another part the record would be good and balance up. Foreign companies were able to operate everywhere because of the advantages of their treaties, and he told what they were doing in Cuba and other places.

Under the present system he was able to place $400,000 with one company on Cuban sugar stores when a few years ago the company would not have written more than $50,000.

Mr. Kennedy did not think that there should be any handicap on the American companies. He told of one company which does a large business in the Philippines in which the Kaiser is a stockholder.

In former years much surplus line business was done by Weed & Kennedy, but now there is no necessity to go to the surplus liners, all of which is a gain in taxation for the State.

Mr. Kennedy said that the present situation was such an advantage to large insurers that it would be an injustice to make a change, and anyway he was quite convinced that any change, such as is proposed in Illinois, would simply send insurance over to Hamburg, London, Paris or Petrograd.

Assured Talks

One of the interesting features of the meeting was the appearance of Frank Chambers, of Rogers, Peet & Co., merchants and clients of Weed & Kennedy, who made a strong plea for the present re-insurance system. Instead of the Illinois bill preventing a monopoly

N U

NATIONAL UNION FIRE INSURANCE CO. OF PITTSBURG, PA

PUBLIC SATISFACTION and AGENCY SATISFACTION are indispensable to the progress and permanency of a Fire Insurance Company. The NATIONAL UNION is building for permanency. A very important phase of its business is to satisfy as it grows. And it grows because it satisfies. Standing firmly upon its resources and good name, it relies upon the inflexible sincerity of its purposes and deeds for Public appeal and Agency favor. It seeks to merit these considerations not merely as a good present day policy but as a wise all time plan. It means the Company must live up to what it looks up to. NATIONAL UNION efficiency and reliability have been demonstrated by years of satisfaction giving service. Good Agents who need help—real help—the kind that satisfies—will do well to learn about NATIONAL UNION

CONSTANT SERVICE

RE-INSURANCE HEARING

he thought it would have the effect of cutting down the insurance market. Years ago there was extreme difficulty in placing lines, but that is not the situation now. He made a plea to the commissioners to conserve the interests of the public by declining to endorse the Illinois measure.

Gerwig Attacks Re-insurance System

The first speaker to take the other side of the re-insurance controversy was H. W. Gerwig, president of the Tentonia Fire, who read a letter from every company in Pittsburgh—except the National Union—asking him to favor some legislation seeking to prevent the writing of jumbo lines. Mr. Gerwig said he didn't object so much to re-insurance as he did to abuses growing out of re-insurance. He had seen lines grow larger and larger until they had reached their present dimensions. He knew of an offer of one company to take a $2,000,000 line—and to accept every line of a concern in a certain State. He did not blame the company managers as much as he did their field men, who were constantly driving for business.

Mr. Gerwig characterized the large line writers as being actuated by greed and wanted to know where it would all end if not checked by legislation. He then told what effect the present liberal underwriting operations have on the small companies. They are forced to take larger lines than they can easily digest. Agents send in larger lines than they should and often the small companies are compelled to carry a large liability until they are successful in placing the re-insurance. He believed there was insurance facility enough in this country to carry the risks if the risks were properly distributed. He did not think the smaller companies should be compelled to write more than they wanted to, or be reckless underwriters.

Net Lines Will Be Larger

Vice-President Platt of the Insurance Company of North America told the commissioners frankly that restrictive re-insurance legislation would cause the larger companies to make large increases in their net lines. So far as the Insurance Company of North America was concerned he had recently gone over their line sheets and found that the company was carrying net on some classes the same amounts that were set many years ago. If necessary a great increase could be made in many of the net lines.

Mr. Platt told of the growth of the country in wealth and resources and also of the growth of companies in keeping pace to meet the requirements of the insured. He thought it spoke well for insurance that the companies could respond to the great demand for increased indemnity. If the Illinois bill became a law generally he thought the larger insurance companies would be able to meet the situation without trouble, but he thought the smaller companies would be hampered.

Hoadley Says Treaty Liability is Too Heavy

P. L. Hoadley, president of the American of Newark, said that he has always been opposed to jumbo lines. He told of the gradual growth of the practice until it reached its present proportions.

Insurance men present followed with a great deal of interest Mr. Hoadley's account of an interview with Carl Schreiner, United States manager of the Munich. Mr. Hoadley was looking over his New York line sheets with Mr. Schreiner one day when the Munich manager sighed and said he would like to change places with the American as far as New York City liability is concerned. Mr. Hoadley said that this statement of the Munich manager was extremely significant. "What would happen if there were a conflagration in New York City," he said. He intimated that it would play havoc with the treaty companies. He said the Munich had arrangements with possibly twenty small German companies who took its excess. He had no information as to what had become of these small companies, Anyway, he had canceled his contract with the Munich and he felt that the American could do all of its re-insurance without appealing to the treaty companies for assistance in carrying excess lines.

Mr. Hoadley thought it would be better for the local agents if re-insurance lines were cut down. Under the present system companies are carrying larger lines than they want to.

Says Enterprise Wins

Counsel Ryon, of the National Board, said that the cry against big lines and big companies did not have a legitimate leg to stand upon. Merit and ability put companies to the front. In the same year the Hawkeye and the St. Paul were organized. Under the same laws and with equal opportunities one became a great company; the other long ago passed from the scene.

Point Made By Hotchkiss

Judge Hotchkiss, former insurance superintendent of New York, said that some years ago the commissioners were discussing dual agencies, and at that time decided that the subject was a trade controversy and the commissioners should keep hands off. He said the cry against re-insurance was a trade controversy, "and nothing you gentlemen can do will affect the situation permanently."

H. K. Fowler, H. W. Farnum, Isidore Kahn, and others also spoke.

$6,000,000 U. & O. POLICY

At the convention of Michigan agents this week, George M. Goodell, of Lansing, said that Sears, Roebuck & Co., Chicago, are carrying a $6,000,000 use and occupancy policy.

Continuing Mr. Goodell said:

"No one, however, seems settled at present on the question of rates for this new branch. Until there can be proper experience from which to draw deductions, and some equitable manner of rating risks, rates are certain to be more or less unsettled. It is at least a most interesting field for study. Rents, leases, net profits, labor scarcity, machinery, stocks and many other items must be reckoned with in this field.

"The fire may not only destroy the physical plant but it interrupts the business. The products are not sent regularly to customers, many expenses, wages, taxes and many other fixed expenses are continued, where the plant is running or closed. In other words, the owner is receiving no income from his plant, while all the expenses or many of them, are still to be paid. It is for these cases that use and occupancy insurance must be developed.

"Proceeds from this insurance may be used to lease another building, or to purchase new machinery and to pay these fixed charges, and also look after the former customers. Use and occupancy insurance, I want you to understand, in my judgment is to be developed into a very useful branch because it will attend to keep business moving."

DEGREE FOR M. G. BULKELEY

Former Senator Morgan G. Bulkeley, president of the Aetna Life Insurance Company and affiliated companies of Hartford, received the honorary degree of doctor of laws at the 91st commencement of Trinity College held in Hartford on June 18.

CASUALTY AND SURETY CLUB

The golf tournament of the Casualty and Surety Club of New York will be held June 26 at the Ridgewood, N. J., Country Club.

THE
Fidelity-Phenix Fire Insurance Co.

Is American Thru and Thru
It is a Strong American Company Backed by Strong American Assets, Managed by Good Loyal Americans

CASH CAPITAL TWO AND A HALF MILLIONS

Assets $19,324,466
Liabilities 12,203,733
Net Surplus 7,120,733

POLICYHOLDERS' SURPLUS.....$9,620,733

Losses Paid Since Organization
Over One Hundred Twelve Millions

FIRE INSURANCE AND ALLIED LINES
WAR RISK BOMBARDMENT EXPLOSION
MARINE AND INLAND TRANSPORTATION

HENRY EVANS, President

HOME OFFICE
80 Maiden Lane,
New York.

BRANCH OFFICES
Chicago, Montreal and
San Francisco

The Columbian National Fire Insurance Company



T. A. Lawler, Pres. H. P. Orr, Sec.-Treas.

JANUARY 1st, 1917

Assets $1,643,174.45
Surplus to Policyholders.....$1,235,960.65

EASTERN DEPARTMENT, Scranton, Pa.
Massachusetts, Rhode Island, New York, New Jersey, Pennsylvania and Maryland

James J. Boland, Manager
Reliable agents wanted in unrepresented territory

National Fire Insurance Company
OF HARTFORD, CONN.
Statement January 1, 1917, to New York Insurance Department

LIABILITIES

Capital Stock, All Cash	$2,000,000.00
Funds Reserve to Meet All Liabilities, Re-Insurance Reserve, Legal Standard	9,912,715.84
Unsettled Losses and Other Claims	1,878,398.32
Net Surplus over Capital and Liabilities	3,743,747.60
Total assets January 1, 1917	$17,534,861.76

H. A. Smith, President F. D. Layton, Ass't Sec'y F. B. Seymour, Treas.
G. H. Tryon, Secretary S. T. Maxwell, Ass't Sec'y C. B. Roulet, Gen. Agt.

SURPLUS TO POLICY HOLDERS, - - $5,743,747.60

E. F. FLINDELL
1 LIBERTY STREET Telephone John 2612 NEW YORK CITY
Representing
THE SCOTTISH UNION & NATIONAL
For the United States and Canada
THE YORKSHIRE INSURANCE CO., LTD.
For the United States and Cuba

WILLIAM C. SCHEIDE & CO., Inc.
HARTFORD, CONN.
Re-Insurance in All Branches

More Comment on Agent Wanting Aid

NOT A SUBJECT FOR LEVITY, BUT A SERIOUS SITUATION

Views of the "Insurance Field" and "American Agency Bulletin" Presented to Readers

The letter to The Eastern Underwriter of a novice agent in Massachusetts, appealing for help in guiding him to master the details of his business so that he would not have to go to a prospective client with his hat in his hand begging for a risk, and the replies of leading underwriters to this letter, in which it was admitted that there is a decided paucity of self-help fire insurance literature, have attracted wide comment from contemporaries, including the "Insurance Field."

A Four-Year Probationary Period

Mr. Allison's contribution was a two-column satirical editorial, poking fun at the poor agent's ambition to learn about his job, winding up with the comment that it takes at least four years of training in a local agent's office before the agent can qualify for good service.

Unfortunately, there are some subjects which do not command levity. To illustrate, Franklin P. Adams, who conducts a humorous column in the New York "Tribune," had daily contributions in August, 1914, making humorous sallies at war conditions and war personalities. Soon he learned from his readers that war, serious and tragic, does not lend itself to flippancies and bon mots. Will Rogers, a Ziegfeld comedian, was hit one night on the New Amsterdam Roof Garden because he poked fun at a war relief committee. So, too, it is inadvisable to invent japeries about the Red Cross. On the same principle that serious matters must be treated seriously there is nothing of a mirth-provoking nature in a craving for knowledge, particularly when it is addressed by an insurance agent to the insurance fraternity.

Protest From a Reader

The "Insurance Field" is a newsy, valuable paper, and, offhand, we would say that if an agent read that paper alone for even less than four years he would help himself mightily, and go many miles towards educating himself along the way to success. That some readers of the "Insurance Field" view the subject in the same light is indicated in the following editorial which the "Field" ran last week:

"An esteemed reader of 'Insurance Field' takes us to task for using sarcasm and 'witty writing' in answer to an appeal for information and encouragement by an unnamed inquirer who wanted to know how he was to learn the fire insurance agency business and be able to compete for business with other local agents in his community. Our correspondent writes as if we had given only sarcasm and 'witty' writing and no information or encouragement. But, as a matter of fact, we gave the inquirer valuable information. Then, because the inquirer's statement seemed to be rather toploftical for one who confessed to having absolutely no knowledge of fire insurance, we thought a little sarcasm would be invaluable in awakening him to the seriousness of his questions and the fatal complacency that enveloped him. Now, says our correspondent:

> I believe that the men connected with the "Insurance Field" are fully capable of rendering a service that will encourage, rather than editorials that will discourage this and other seekers for insurance knowledge from going to the one source where they might rightfully expect to receive real co-operation. It seems to me that the "Field" could make a host of friends, particularly among the newer agents, if it were to publish just such information as this man is seeking.

"That is very nicely and fairly said, in spite of the assumption that we do n-o-t publish exactly such information all the time and with a strong intention to render exactly such service. For instance, in September, 1916, we published the last of 141 articles containing detailed information covering every aspect of this inquirer's questions. The series, 'Little Lessons in Insurance,' ran weekly for two years and thirty-seven weeks. They were carefully and laboriously prepared. We are constantly publishing such articles on every aspect of the business. In addition we make it a duty to answer all appeals for information and assistance privately made. That is the 'day's wash' of every trade newspaper worth its salt. Every individual is assured of considerate and earnest attention, free from sarcasm and 'witty writing.'

Name and Address Available If You Want Them, Mr. Allison

"But this particular inquirer was no individual. He had no name, no habitation. The inquiry seemed to us launched 'to draw.' When a newcomer seeking information starts in with the assumptions (1) that there is 'high class mendicancy' in the agency business and (2) that 'merely filling up a policy blank' is a simple thing, it seems to us that, first of all, the fear of the Lord should be thrown into him for the good of his soul. Frankly enough we considered the inquiry a 'plant.' It was plain the inquirer couldn't have acquired freshly the agency of strong companies in an established community without having been put through the most searching inquiry himself as to the quality and volume of business he could produce; or, unless he had purchased an established agency with the consent of the companies therein, which would be given only after the same careful investigation. In either event he was not likely to go shooting into the open sky for information the companies would eagerly instruct him how to get.

"As we stated in the article under criticism, there is no royal road to success in fire insurance. The 'sixth sense' that makes a good agent is created by patient study, practice and the accumulation of experience. Neither study nor practice alone will be sufficient—they go hand in hand to round out the useful fire insurance agent whose success depends absolutely upon real and intelligent service."

Agency Bulletin's Viewpoint

The American Agency "Bulletin," published by the National Association of Insurance Agents, also has printed some comments upon the novice's letter to The Eastern Underwriter, which are herewith reprinted:

> The Eastern Underwriter recently had a letter from one of its subscribers who had just started in the insurance business and wanted to know how to equip himself in that line of work. The Underwriter appealed to a number of company managers to answer the question and one of the best, is the following from Manager Shallcross of the Royal:
>
> **"Your correspondent inquires how to learn before bed-time all there is to know about fire insurance. You ask for a statement from me as to what in my opinion this man could do to win success. The only method I know of learning the fire insurance business is to start at the bottom, stick to it until you get to the top, and then begin to learn."**
>
> The "Bulletin" has always had a sneaking notion that the best way to make an insurance agent was to run him through the mill of some other agency. We have always felt that practical experience in agency work was the best qualification for procuring a license.
>
> However, almost any other qualification seems to be considered "just as good" by many of the companies, who will take any man from any other calling, without any previous experience, give him the policies to issue, and "do the underwriting at the home office."

The Eastern Underwriter does not believe that Mr. Shallcross' letter was the best it received, although it was the cleverest. Agents cannot all have the keen perception, tremendous ability and comprehension that is part of the make-up of the manager of the Royal, and, furthermore, it is neither practical as a general rule nor always desirable to start at the bottom. To start at the foot of a ladder in an agency means to act as an office boy or a clerk. As has been pointed out by other correspondents it is much better for a new agent—of middle age—to employ an expert or two for office and technical assistance, and to utilize his acquaintance and business-getting opportunities more speedily.

Has 9,800 Books

The Insurance Society of New York, with a membership of 1,259, now has 9,800 books and pamphlets in its library. And yet, in all this collection of literature there are not a dozen books the study of which will aid an agent in becoming a more effective solicitor for business (the bound volumes of insurance papers being an exception).

This is not the fault of the Insurance Society of New York, which obtains or is presented with every new volume, but of the writers of insurance literature, most of whom are sterile to the point of absurdity, in view of the tremendous importance of fire insurance. Two of the most valuable of the Insurance Society's books are the collection of loss lectures and the R. P. Barbour agents' key to fire insurance. As an evidence that there is considerable literature printed, even if not much of it is worth a hang, the Society during the past year added 759 books or pamphlets to its collection.

L. & L. & G. HOME OFFICE DATA

In the course of the last ten years an annual average profit of £298,000 has been secured by the L. & L. & G. in the fire branch. Taking the consolidated returns for the period, we find:

Premiums—1907-16		£29,240,681
Claims	£15,759,421	
Expenses ...	10,286,484	
		26,045,905
Balance		£3,194,776

After providing for unexpired risks, the surplus amounts to about £298.000 per annum. The results for 1916 are well up to this average, for, with an increase in the premiums of some £56,000, the turnover was £3,263,109. Claims absorbed £1,784,294, expenses £1,147 598, and the balance was £331,217, or about £313,000 net.

STANDARD POLICY INDEX

F. O. Affeld, Jr., has published an index to the new New York Standard Fire Insurance Policy, which goes into effect on January 1, 1918.

"The Leading FIRE INSURANCE Company of America"

ÆTNA INSURANCE CO. HARTFORD, CONN.

WM. B. CLARK, President

Explosion and Sprinkler Leakage Insurance

THE HANOVER
FIRE INSURANCE COMPANY
Incorporated 1852

The real strength of an insurance company is in the conservatism of its management, and the management of THE HANOVER is an absolute assurance of the security of its policy.

R. EMORY WARFIELD, President
FRED. A. HUBBARD, Vice-President
E. S. JARVIS, Secretary
WILLIAM MORRISON, Asst. Sec'y

HOME OFFICE
Hanover Bldg., 34 Pine St.
NEW YORK

HOWIE & CAIN, General Agents
Metropolitan District
100 WILLIAM STREET, NEW YORK

PHOENIX-CONNECTICUT CLUB

James F. Noonan Elected President—Outing on June 23 to Be Attended By Officers



J. F. NOONAN

The Phoenix-Connecticut Club, composed of most of the men clerks in the home office of the Phoenix Insurance Company of Hartford, and its subsidiaries, gave a concert recently at Governor's Foot Guard Armory, which was for the benefit of the Hartford Committee for the Relief of France and her Allies. Organized April 23, 1915, the club is starting its third year.

The officers of the Phoenix, Connecticut and Equitable F. & M., from President Milligan down, give their hearty support to the club, an asset thoroughly appreciated by the members. The club is prominently connected with the Insurance Institute of Hartford and in addition expects to carry on extra educational work next year. On June 23 the club will hold its third annual outing at Lake Compounce, about twelve miles from Hartford. Automobiles will convey the party to and from the Lake. It is planned to take the women employes along as guests of the club. At 1:30 a sheep bake will be served in the large shed on the picnic grounds.

The athletic committee in charge of the outing consists of Thomas M. Donahue, chairman; O Edwin Gustafson, Harold G. Whitney, Clarence G. Wahlberg Charles N. Banning and Raymond E. Stowell.

The officers of the club are as follows: James F. Noonan, president; Louis C. Saunders, vice-president; C. E. Hurst, secretary; Edward B. Cook, treasurer.

H. H. Barton, historian; T. M Donahue, chairman athletic committee; Henry B. Faucher chairman educational committee; G. A. Williams, chairman press committee.

Golf Association Supports Red Cross

FIRE AND MARINE MEN HOLD TOURNAMENT

Prominent Figures of Insurance World Seek Prizes at Raritan Valley Country Club

The spring tournament of the New York Fire and Marine Insurance Golf Association was held last Saturday at the Raritan Valley Country Club, Somerville, N. J. The proceeds of the tournament were devoted to the Red Cross. A total of $190 was donated to that cause from the receipts and from voluntary contributions.

Those participating in the tournament include the following in Class A: H. N. Eyre, B. N. Exton & Co.; Sidney Wilcox, Wilcox Peck & Hughes; A. F. C. Milligan, Coe Milligan & Coe; R. S. Cleaves, Royal Exchange Assurance; J. S. Schaefer, Wilcox, Peck & Hughes; H. W. Barley, F. R. Cruickshank & Co.; P. M. Topfte, Jr.; W. H. Kenzel Co; L. H. Smith, broker; H. D. Gubner, R. C. Rathbone & Son; C. S. Dodd, Royal; J. C. Haywood, adjuster; E. L. Lewis, Woodward & Lewis; Gardiner White, Weed & Kennedy; W. T. Glenney, Wallace Reid; and H. Messinger, Smythe, Sanford & Gerard.

The Class B players were:

H. S. Baird, Fidelity & Casualty; T. F. Handy, Benedict & Benedict; Edward Gallagher, Benedict & Benedict; S. W. King, Chubb & Sons; S. T. Perrin, W. L. Perrin & Son; D. Morinson, F. S. James & Co.; D. Roberts, J. D. Wyeth & Co.; L. C. Dameron, National of Hartford; R. H. Folsom, Fester & Folsom; T. W. Lamar, L. A. Wight & Co.; T. C. Moffatt, Newark agent; J. H. Patterson, Automobile Company of Hartford; F. Little, Goff & Little; A. T. Post, Seibels, Collins & Co.; P. F. Huff, Huff, Dreyer & Co.; G. A. Robinson, Henry Honig & Son; R. S. Kissam, City of New York Fire; E. W. Speroni, German-American Fire; D. M. Darby, Darby, Hooper & McDaniels; E. H. Woodward, Springfield Fire & Marine; J. T. Honnes, Mills & Honnes; C. L. Tyner, vice-president Home Insurance Co.; E. D. La Tourette, adjuster; J. D. Mills, Mills & Honnes; W. Garretson, General Adjustment Bureau; W. S. Naulty, Jos. M. Byrne & Co.; R. D. O'Gorman, O'Gorman & Young; Martin J. Kelly, Chubb & Sons; J. H. Hodgson, Chubb & Sons; and T. H. Allen, Chubb & Sons.

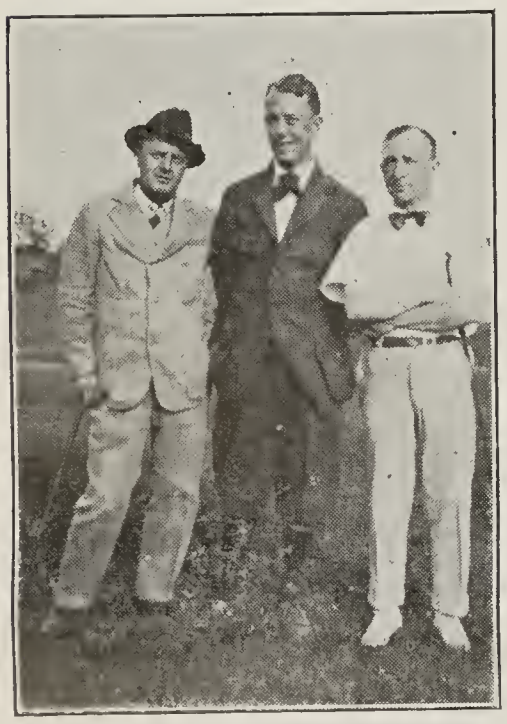


NEW YORK FIRE AND MARINE GOLF PLAYERS

Top Row: C. C. Haywood, Adjuster; J. D. Mills, Mills & Honnes; Thos. F. Handy, Benedict & Benedict; Thos. C. Moffatt, Newark Agent; H. S. Baird, Fidelity & Casualty; L. C. Dameron, National of Hartford; Dan Morinson, F. S. James & Co.; Harry Gubner, Chubb & Sons, Robert O'Gorman, O'Gorman & Young; David Roberts, J. D. Wyeth & Co. Second Row. Harvey Patterson, Automobile Co.; A. F. C. Milligan, Coe, Milligan & Coe; R. H. Folsom, Fester & Folsom; J. F. Honnes, Mills & Honnes; Edward Gallagher, Benedict & Benedict; E. T. Ralston, Fester & Folsam. Third Row: R. S. Cleaves, Royal Exchange; W. T. Glenney, Wallace Reid; Chas. S. Dodd, Royal Insurance Co.



CHAMPION
Gardiner White, Weed & Kennedy



OFFICERS OF ASSOCIATION

Secretary William T. Glenney, of Wallace Reid Agency; President Harry W. Barley of F. R. Cruickshank & Co.; and Treasurer Edward Gallagher, of Benedict & Benedict.

Prizes Closely Contested

The prize for the lowest gross score was won by Gardiner White and was a large loving cup presented by Wallace Reid to be won three times in three calendar years before becoming the permanent property of any contestant. The prize for the best net score, Class A, was won by D. Morinson, and consisted of a pair of military hair brushes presented by William H. Kenzel. Sidney Wilcox won the loving cup which was the prize for the best net score, Class B. Two silver and copper steins were awarded by the club to the second best net scores in Class A and B. These were won by Harry Barley and L. C. Dameron, respectively. The two loving cups for the 4-ball medal play handicap were awarded to Gardiner White and H. Messinger. Thomas H. Handy and H. S. Baird won the loving cups which were posted as the prizes for the second best score in the 4-ball handicap play. John D. Mills won the loving cup trophy as the best duffer putter.

The officers of the association, H. W. Earley, president; E. S. Powell, Jr., vice-president; Edward Gallagher, treasurer, and W. T. Glenney, secretary, and the tournament committee, composed of E. D. La Tourette, A. F. C. Milligan, John T. Honnes and P. F. Topfte, Jr., were congratulated by those present on the manner in which the tournament had been handled.

Dinner in Evening

At the dinner in the evening, when the prizes were awarded, Mr. La Tourette, probably because of his French antecedants, made a splendid plea for the support of the American Red Cross which was supplemented by Charlie Dodd, who specified that nothing less than $5 bills would be accepted. The result was really amazing, there being but forty present at the dinner.

Messrs. Handy and Baird were condoled for having lost the first prize in the 4-ball match through only one stroke. The score of Gardiner White in the afternoon of 77 set a new amateur record for the course.

Wallace Reid was given a round of applause when his telegram of good wishes was read at dinner.

There was much speculation as to whether the possession of a pair of hair brushes would help Dan Morinson's hair to grow.

The awarding of the prize to the duffer putter was a unique feature from the brain of the versatile Bill Glenney. Mr. Mills had gotten to the point where he was convinced his prize package was mostly wrapping paper and excelsior before he finally uncovered his quite handsome loving cup.

Mr. Lamar had as his guest at the tournament Tom B. Owens, cotton expert of Fort Worth, Texas.

At the dinner in the evening, it was announced that the membership of the organization had grown to more than one hundred, insuring its permanency.

FOUNDED 1792

125th Anniversary

Insurance Company of

NORTH AMERICA

PHILADELPHIA

CAPITAL, $4,000,000 ASSETS OVER $23,000,000

FIRE, MARINE, AUTOMOBILE, Rent, Leasehold, Tornado, Explosion, Use and Occupancy, Sprinkler Leakage, Travelers' Baggage, Parcel Post

The Oldest American Stock Insurance Company

Firemen's Insurance Co., Newark, N. J.

January 1, 1917

Cash Capital $1,250,000.00
Net Surplus $2,449,322.25
SURPLUS TO POLICYHOLDERS...$3,699,322.25

DANIEL H. DUNHAM, President
JOHN KAY, Vice-President and Treasurer — A. H. HASSINGER, Secretary
NEAL BASSETT, Vice-President — J. K. MELDRUM, Assistant Secretary

THE YORKSHIRE INSURANCE COMPANY, LTD., OF YORK, ENGLAND

ESTABLISHED 1824

The "Yorkshire" is the Oldest and Strongest of the English Fire Companies not heretofore represented in the United States

U. S. BRANCH

Frank & Du Bois, United States Managers — Ernest B. Boyd, Underwriting Manager
Harry F. Wanvig, Branch Secretary — Frank B. Martin, Supt. of Agencies

NO. 80 MAIDEN LANE, NEW YORK

New York Life Insurance and Trust Co., U. S. Trustee, No. 52 Wall St., New York

DEPARTMENTS—METROPOLITAN, Willard S. Brown & Co., Managers, New York, N. Y.; CAROLINA-VIRGINIA, Harry R. Bush, Manager, Greensboro, N. C.; SOUTHEASTERN, Dargan, Turner & Pattillo, Managers, Atlanta, Ga.; LOUISIANA and MISSISSIPPI, Jas. B. Ross, Manager, New Orleans, La.; PACIFIC COAST, Jas. C. Johnston, Manager, J. K. Hamilton and McClure Kelly, Assistant Managers, San Francisco, Cal.

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(LTD., OF LONDON)

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Entered United States 1876

Losses Paid - - - $105,000,000
Losses Paid in U. S. - $38,000,000

Eastern and Southern Departments

55 JOHN STREET
NEW YORK CITY

WESTERN ASSURANCE CO.

OF TORONTO, CANADA

(Fire, Tornado, Ocean Marine and Inland Marine Insurance)

UNITED STATES BRANCH
January 1, 1917

Assets $3,329,177.74
Surplus in United States..... 1,478,531.90
Total Losses Paid in United States From 1874 to 1916, Inclusive 41,657,814.31

W. R. BROCK, President
W. B. MEIKLE. Vice-Pres. & Gen. Man.

A. K. BOUGHNER & CO.

INSURANCE AGENCY

Fire Automobile

NEWARK AND VICINITY

Brokerage Business Solicited

38 Clinton Street Newark — 95 William Street New York

CASUALTY AND SURETY NEWS

What Acquisition Costs Some Leading Agents

LETTERS ABOUT PERCENTAGES ANSWER AN INQUIRY

Great Variety of Opinion Expressed Regarding Expenses of Doing Business—Some Viewpoints

One of the most enterprising agents in the country recently wrote to a number of important agents, asking them to give him their acquisition cost figures. The replies follow:

Up-State Agents

Replying to your letter, we beg to advise that our expenses figure as follows in proportion to net commission income: office rent 4 per cent., other miscellaneous items, including postage, printing, advertising, lighting, telephone, etc., 11 per cent. It is difficult to give an exact estimate as to salaries but would say that the compensation of the junior member of our firm, who does the bulk of the clerical work, is about 20 per cent. of the remainder and the other three members of the firm divide the balance.

I have your favor of the 3rd in relation to the question of expenses and cost and will say that ours runs about 60 per cent. of the premium. This includes office expenses of every description, salaries, advertising, rental, etc.

Replying to your inquiry of yesterday as to the percentage of our overhead charges in relation to gross profits, beg to advise that in the year ending December 31, 1916, it was $0.225. This figure varies slightly in our office each year as we charge everything to expense. If we buy a new safe or desk or any office fixtures, we charge it into expense immediately and do not carry it as an asset, but simply wipe it off our books immediately.

My percentage is .3285 per cent. I do mostly fire, but some accident, health and life.

The net income averages and overhead charges in our insurance agency, would say that we estimate it to be about 33½ per cent.

Our condition here is such and has been for quite a while that probably 55 per cent. of our commissions are used in overhead expenses.

My percentage of expense to net commissions is 26 per cent. I might add that my percentage of expense for operating my business to premium income is 5 per cent.

I would judge that 26 per cent. in the former case and 5 per cent. in the latter was low, and below the average office. I note in your letter based on inquiries you find that in some cases the percentage of expenses to net commissions run as high as 65 per cent. I should think that this is way too high and it should be found that there is something wrong with the system in the office which produces this high percentage.

Our office expenses for year 1916 were 28¼ per cent. of our net commissions. There are two members of our firm and that allows no salary to them. We suggest that the reason of the large variation from 25 per cent. to 65 per cent. in expense ratios may be because some agencies are incorporated and a salary is given to the owners, whereas in co-partnerships there is usually no salary to firm members, simply a division of net profits.

Our operating costs are about 7½ per cent., which is equivalent to about 40 per cent. based on acquisition costs. I think that the statistics would be much more valuable if they showed the percentage which each agency paid in its total operating expenses; for instance, we would say that office rent represented 1 per cent, salaries 4 per cent. and miscellaneous expenses 2½ per cent.

You ask me if we can tell you the approximate division of overhead expense, etc., in percentages. Our total expense, including everything, officers' salaries, office expense, employes, telephones, postage and printing (we use all our own stationery and supplies—nothing belonging to the companies with the exception of policies) would figure from 75 to 80 per cent. of the total income of the office. In considering this, it must be understood that the officers' drawing accounts also appear in this amount. We presume if the percentages were itemized, probably by eliminating the officers' expenses, etc., 60 per cent. would be ample.

Boston Agents

You raise the question of overhead expense and the net commission income. This is a matter that we have always considered, but found it very difficult to compare except where local conditions were the same.

In this city a substantial amount of our premium income is from brokerage sources and consequently our net commission income is on a different basis from offices which do largely a direct business, but as near as we can figure we should judge that 50 per cent. was about the proper ratio.

We rather doubt if the figures such as we could furnish you would be of educational value or of comparative value for the reason that we do not keep our departments separated.

We have a surety bond department, a casualty brokerage business, marine business, the agency of many fire companies, but after all our main business is that of brokers. The whole thing is lumped in together and no attempt made to keep expenses of the several departments separated.

The average of all our departments would not be a fair figure to use because some of these departments, we know, are conducted on a very small expense and help materially to reduce the average. Our straight fire agency business is run under a heavy expense, probably as high as 80 per cent. of the commission.

In conversations with some of the principal offices in the past, we were led to believe that the average expense of offices is about 60 per cent., and some run as high as 80 per cent.

(Continued on page 19)

Accident
Health Automobile
Plate Glass
Burglary Liability

Fidelity
Contract Judicial
Public Official
Depository Bonds

FIDELITY & DEPOSIT CO.
OF MARYLAND
BALTIMORE

Hartford Steam Boiler Conference Held

FOUR DAYS OF INSTRUCTIVE TALKS AT HOME OFFICE

Every Phase of Steam Boiler Insurance Covered By Experts in All Branches

A meeting of department heads of the Hartford Steam Boiler Inspection and Insurance Company was held at the home office of the Company in Hartford last week. Fifty managers, engineers and inspectors from all parts of the country attended the convention. The president, C. S. Blake, and vice-president, Francis B. Allen, delivered addresses of welcome Monday morning. Following these speeches E. Sidney Berry, general counsel and assistant secretary of the Company, reviewed and explained the policy forms of the Company. Comparison of policies was made by Chief Inspector J. B. Warner, of San Francisco; general agents Lawford and McKim, of Baltimore; H. N. Roberts, of Toronto; Manager H. M. Lemon, of Chicago; Chief Inspector R. T. Burwell, of New Orleans; general agents W. G. Lineburgh & Son, of Bridgeport; Chief Inspector C. B. Paddock, of Portland, Ore.; General Agent Thomas E. Shears, of Denver; Manager C. E. Roberts, of Boston; and Manager O. E. Granberg, of Montreal.

Inspection Problems

On Monday afternoon problems of inspection service were discussed and the following talks made:

The Responsibilities of the Inspection Department, S. F. Jeter, chief engineer home office.

Excessive Boiler Pressure Joseph H. McNeill, chief inspector of the New York department.

Careless or Ignorant Operatives, J. B. Warner, chief inspector of the San Francisco department.

Requirements for Boiler Fittings and Attachments, C. D. Noyes, chief inspector of the Boston department.

Business Getting and Inspection Topics

On Tuesday morning, June 12, the general subject for discussion was selling insurance and special subjects and those who presented them were as follows:

Advertising, by C. H. Denning, assistant manager of the Philadelphia department; selection and training of special agents, by C. C. Gardiner, manager of the New York department; stimulating special agents, by C. D. Ashcroft, manager of the St. Louis department; searching for new business, by F. H. Williams, Jr., general agent of the Hartford department; soliciting arguments, by A. S. Wickham, manager of the Philadelphia department; co-operation with local agents and brokers, by J. J. Graham, superintendent of agencies of the home office.

Inspection costs were taken up in the afternoon as follows:

Inspection cost keeping, by R. T. Burwell, chief inspector of the New Orleans department; cost of inspection, by S. B. Adams, chief inspector of the Philadelphia department; inspections in sparsely settled districts, by Thomas E. Shears, general agent of Denver; co-operation of inspectors in reducing cost, by R. E. Munro, chief inspector of the Baltimore department; and regulation of inspection expense, by James L. Foord, chief inspector of the Chicago department.

Competition was the subject for this morning, which was opened by Wm. R. C. Corson, secretary of the Company, who spoke on manual rates and rules, following which W. E. Gleason, manager of the Cincinnati department, read a paper on meeting competition and W. M. Francis, manager of the Atlanta department, discussed the subject "Giving Service."

Engineering questions were discussed in the afternoon under the following heads:

The aims and objects of engineering department, by H. E. Dart, superintendent engineering department of the home office; boiler specifications, by S. B. Adams chief inspector of the Philadelphia department; maximum speed for fly-wheels, by Walter Gerner, chief inspector of the Cincinnati department; and staying rim joints of "B" type wheels, by C. C. Perry, editor of "The Locomotive," Hartford department.

A banquet was served at the Hartford Golf Club Wednesday evening.

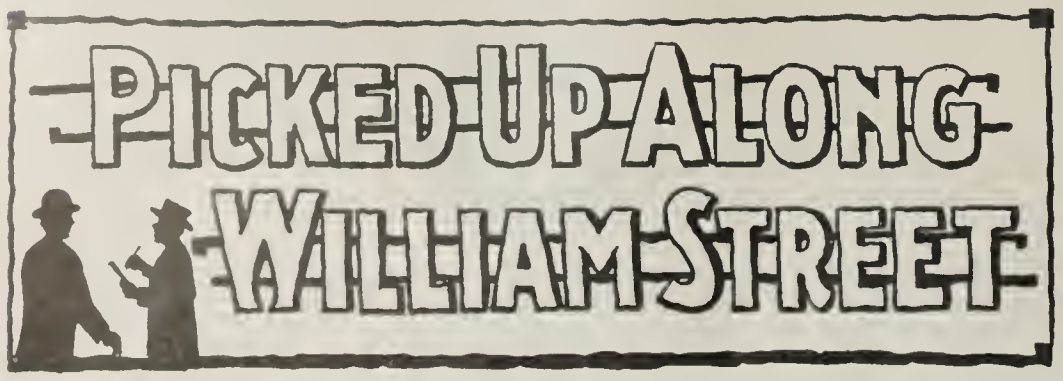
Home Office Problems

Thursday morning home office and department problems were discussed by H. A. Baumhart, manager of the Cleveland department, who talked on home office assistance for branch offices. C. C. Gardiner, manager of the New York department. spoke on the advantages of a daily report system, the other subjects for the morning being as follows:

Effective advertising as viewed from the field, by H. M. Lemon, manager of the Chicago department; the relation of the inspection to the underwriting department by W. I. Cornell, assistant manager of the Boston department; Losses, by Wm. R. C. Corson, secretary of the Company; and the annual statement, by L. F. Middlebrook, assistant secretary of the Company.

Talks were given on shop inspections by H. A. Baumhart, manager of the Cleveland department; tube failures, by A. E. Edkins, assistant chief inspector of Toronto, and cracking of cast iron boilers, by J. P. Morrison, chief inspector of the St. Louis department.

General Accident
FIRE AND LIFE
ASSURANCE CORPORATION, Ltd.
SERVICE THAT EXCELS
FREDERICK RICHARDSON, United States Manager.
GENERAL BUILDING · 4TH & WALNUT STS.
PHILADELPHIA



The Late Sidney N. Moon

As was announced in The Eastern Underwriter last week, Sidney N. Moon, died on May 18 at his brother's house, Streatham Hill, London, where he had made his home for the last two years. Since his departure from this country some years ago his death had several times been reported, and many of his former friends, who have not been in communication with him, will now learn that he had been living until May 18. He was about sixty-five years of age. The Eastern Underwriter has received the following comments on the death of Mr. Moon, written by Ralph Marden, of the Employers' Liability:

Up to the summer of 1910, while never robust, he enjoyed fairly good health, but the symptoms of locomotor ataxia then began to develop and rapidly became worse, and it was this that caused his death. Mr. Moon was born and received his education in England, and had been a number of years in the life insurance line before entering that of casualty. According to the system then prevailing in England he spent a four years' apprenticeship under articles with the Life Association of Scotland, and during that time was instructed in actuarial valuations; then he was made a member of the Institute of Actuaries of England. Later he was appointed to the Commercial Union Life Department in London where he had charge of the Indian Branch. When the Employers' Liability Act was passed in England, Mr. Moon was selected, among others, to take charge of the new feature in the Commercial Union; a few years later when the Company opened business in the United States he was sent here to apply the experience gained in the Old Country to liability underwriting. Then the Ocean Company entered this country and Mr. Moon was elected manager of the casualty lines, and while it was in his care the foundations were laid for the large and profitable business which has grown to great proportions. He was with the Employers' Liability Corporation for ten years, and later assumed the management of departments for several American companies.

It was the writer's privilege to have been closely connected with him for several years during the latter period of his residence here, and as well, to have enjoyed his confidence. A sometimes strange, yet in many respects a remarkable man, and one to be remembered. Nature had denied him a suitable physical frame to house his keen and ingenious brain, and this resulted in his frail appearance, which was inclined to impress a first acquaintance as inferiority; this also in a general way affected his health, for which his capacity for brain work was prodigious, his strength was unequal to it. Some believed that he was cold and unyielding, but those who were his intimates knew better. It was his delight to entertain his friends in his home in Brookline, Mass., and on such occasions he was always the center of the conversing group. He knew literature, art, and music, and yet was modest enough not to force his opinions or judgment against those of others. He was a man of fine instincts, of generous heart and mind and did a great deal of charitable work in the quiet way that was characteristic of him. Only a short time before he left for England he suffered the loss of his wife, which coming suddenly and unexpectedly caused a shock that robbed him of much ambition, and consequently life's enjoyments. His letters since his residence in London have been uniformly cheerful, in spite of his infirmity, yet it could be seen he felt the end was slowly approaching. It was his pride that some of his closest friends here never forgot him, but, divided with the breadth of the ocean as they were, and he a broken and gradually dying man, they remained loyal and constantly cheered him with their expressions of affection. His last letter to me was written in December last, and in it he expressed a fear that he would not write again, as his mental faculties were rapidly failing.

And so has passed on, one who did his work well, who had his place in life and filled it, giving at all times the best he had—an honest man.

How fast they fall—those we have known—
As leaves from Autumn branches, blown,
So quickly sear;
Yes, one by one they drop away
As withered leaves that fall and stray
And disappear.

* * *

Insurance Agents' Bonds

It is getting more and more difficult for an insurance agent to be bonded by a surety company, especially if he does not possess any property of any kind or has had any difficulty in settling with some of his companies. Surety companies claim that in the last two years they have had more claims on insurance agents' bonds than any other class—not so much in size but in the number of claims presented. The insurance man who collects his premium and remits within his contract period and maintains a good record, need not worry about being able to procure a corporate bond. Practically every bonding company has now absolutely declined to bond insurance corporations as agents of insurance companies because if the corporation fails to remit and is unable to do so, it is insolvent, whereas if an individual makes collection and fails to remit, it is an embezzlement. It is merely the difference in legal status between an individual and a corporation which has caused the companies to seldom, if ever, bond corporations without limiting the liability in some way or procuring in advance the indemnity of the stockholders who must be responsible persons.

* * *

American's Bulletin

The American Surety Company of New York has recently issued a bulletin stating that every salaried employe who has enlisted or who may hereafter enlist, will be compensated while in the service of the Government to the extent of at least the difference between the Government pay and his regular salary but that before this becomes effective, each case is to be passed on its merits. All absentees, for the country's cause, will be held in line for promotion in the company's employ, their service in the field being counted as service with the company. The bulletin closes with a request that all employes who remain in the service of the company exercise their very best judgment in the matter of short cuts and economies so that the work can be accomplished with a less number and thereby make possible the larger reimbursement to those who serve their country.

* * *

Sheriff and Bondsmen

All through the counties in the different States, the sheriffs are appointing deputy sheriffs for the special purpose of guarding property during war time and the question has often been raised as to the liability of the sheriff and his bondsmen for acts done by the deputy. There does not seem to be any ruling or law which exactly covers this point, nevertheless some of the bonding companies have insisted that the sheriff shall bond every one of his deputies no matter what their duties might be—where they are now surety for the sheriff. The Eastern Underwriter would be glad to receive comments on this phase of the surety's liability.

* * *

Covers Equitable of Iowa Staff

The Des Moines, (Iowa), branch office of the American Surety Company, during May, wrote a schedule bond of $265,000 covering the staff of the Equitable Life Insurance Company of Iowa and a $500,000 bond for the State Treasurer and a $200,000 bond for his deputy. F. H. Noble is manager.

GROUP
INSURANCE
Life, Accident and Health

With the same Prompt and Expert Safety Engineering and Inspection Service and Organization which has made the Name of The Travelers Famous

AGENTS AND BROKERS

Refer Your Inquiries to The Group Insurance Division.

THE TRAVELERS
INSURANCE COMPANY
Hartford, Connecticut

Medical Society Weighs Health Measure

MANY PROMINENT MEN SPEAK AGAINST COMPULSION

Dr. E. V. Delphey Says Proposed Legislation Would Only Give Small Relief to Poor

Discussion of the proposed compulsory health insurance legislation was one of the principal features of the recent meeting in New York of the American Medical Association. Prof. Irving Fisher, of Yale, was the principal speaker for the measure.

Dr. F. L. Hoffman Against

Dr. Frederick L. Hoffman, of The Prudential, made a general statement of the many inaccuracies of the advocates of sickness insurance and described the medical aspect of the subject such as the experience of English physicians with sickness insurance, and the deplorable effects of the plan on the medical practice.

Dr. Delphey's Remarks

Dr. Eden V. Delphey, of New York, continuing in this strain, said:

"It is a fact that normal evolution is slow; it is a fallacy to imagine that all social changes are not controlled by this law. Great and desirable social reforms are not due to the will of this or that person, but to a gradual system of natural and sane evolution and more social revolutions have been wrecked on the reef of undue haste than in any other way. It is a fact that the construction of a large building is slow and tedious, but its destruction may be quick and easy. It is a fact that amateur and professional uplifters may be governed by purely altruistic motives, but their undue haste and the sinuosity of their erroneous methods and propositions are none the less dangerous not only to the medical profession but to the public at large—that instead of adding a useful component part to the structure of the social organization, they are doing their best to destroy a large and important part of it.

Poverty Not Due to Sickness

"It is a fact that there is a considerable amount of poverty and destitution in the world; but it is a fallacy to claim that it is all or even mostly due to sickness. The converse is true; there is more idleness and consequent poverty due to voluntary and involuntary holidays, alcoholism, laziness, and to general incompetency than is due to sickness. It is a fact that some sick poor people do not receive proper medical attendance and treatment when ill; but it is a fallacy to think they are always unable to get it on account of their poverty. Many persons, in the exercise of their God-given freedom, prefer unwisely to depend on 'home treatment' or on quack medicines, even though proper medical treatment might be had free of cost. It is a fact that there is a large amount of money spent each year on account of sickness, but there is a great deal more spent for 'movies' and for 'rum' than is spent for medical attendance and treatment of the needy poor. If the amateur and professional uplifters really wish to help and assist the poor and needy, they should look also into the other causes of poverty and destitution and not try to enslave the most altruistic profession on the face of the earth—the medical profession. This same medical profession, composing but one-fifth of one per cent. of the population of this city, is now doing ninety-five per cent. of the medical charity, and is doing it freely and willingly. The methods of these proponents remind one of quack medicine advertisements in which the real and imaginary dreadful symptoms are vividly portrayed and then the gulled weaklings are told that the only sure and safe cure is Dr. Fowler's sovereign remedy, and whereby they will be relieved of all their ills—and their money.

(Continued on page 19)

CASUALTY POINTS

High Place Held by Accident and Health Insurance

When a branch of the insurance business grows to the point of producing fifty million dollars a year in premiums, it has arrived, has become established in the minds of men, is in the class where an agent no longer need explain what it is all about, says the Maryland Casualty Company's "Budget."

Last year the American premiums on accident and health insurance exceeded fifty-one million dollars.

That means a total of several million men who are so well aware of the danger of loss from disability and from death by accident, that they pay money in order to get guaranties of indemnity covering this danger of loss.

All of those millions of men are unconsciously working to make the agent's work easier, every time one of them mentions accident insurance he is acting as a human advertisement for that very thing, he is putting an idea in some other man's head that the agent can develop into a conviction, a premium, much more easily than was the case ten years ago.

The accumulative force of those fifty millions of dollars, the preliminary canvassing done unintentionally by those millions of men who carry accident and health insurance, this is an asset that every agent can turn to real advantage; after working all these years to help build that vast volume of business, it now begins to help him in return. The mere knowledge that so many millions of men have spent all those millions of dollars for this protection can be made extremely convincing in persuading other men to spend other dollars for that same protection.

All of us, however strong-minded, are greatly influenced, sooner or later, willingly or unwillingly, by what other people are doing and have done. Buying accident and health insurance is something armies and legions of men are doing and have done. This is of large value to remember; it is something every agent's prospects should always be made to bear in mind.

* * *

A Sermon On Mistakes

When a plumber makes a mistake, he charges twice for it.

When a lawyer makes a mistake, it's just what he wanted, because he has a chance to try the case all over again.

When a carpenter makes a mistake, it's just what he expected, because chances are ten to one that he never learned his trade.

When a doctor makes a mistake, he buries it.

When a judge makes a mistake, it becomes the law of the land.

When a preacher makes a mistake, nobody knows the difference.

When an electrician makes a mistake, he blames it on induction; nobody knows what that is.

But, when a surety underwriter makes a mistake, "GOOD NIGHT."—Exchange.

Took Policy Just in Time

The "Journal" of Corning, N. Y., said a few days ago:

Liability insurance of $10,000 went into effect yesterday at noon on Samuel K. Wolcott's autobus operating between Corning and Bath and had been in effect only about 15 minutes when the autobus with two passengers and two chaffeurs plunged down an embankment about 12 feet into the Conhocton River near Curtis.

It seems that Monday Mr. Wolcott, through the advice of his attorney, Guy W. Cheney, applied to Walter S. McCarty, W. S. & J. J. McCarty, for liability insurance to cover his autobus and passengers. As insurance of that kind can not be written in Corning, Mr. McCarty immediately sent an application to New York to the United States Fidelity and Guaranty Company. Mr. McCarty received notice this morning that the application was received and that the bus was covered with liability insurance dating from Tuesday, June 5, at 12 o'clock noon.

SUBSCRIBES $5,000

The Surety Association of America has subscribed for $5,000 worth of Liberty bonds.

Medical Society Weighs Health Measure

(Continued from page 18.)

"It is a fact that research work may give useful and valuable information; but it is a fallacy to suppose that research work will be accurate unless it is done by qualified and competent persons, and the only properly qualified persons to conduct investigations as to the amount of poverty due to sickness and the competency of the medical treatment are the physicians who have been accustomed to attend and treat this class of people. All data otherwise obtained are unreliable and unsafe.

Should Have Consulted Doctor

"Should not the medical practitioners who are to do the work under the proposed law have been properly consulted and adequately considered in the devising and promulgation of the scheme for compulsory health insurance instead of being compelled to fight with all their might to prevent an unfair, obnoxious, and insane law from being placed upon the statute books? Such a law would depress the physician to such financial depths that the union brick-layer or house-smith would be an aristocrat beside him.

"It is a fact that the only concrete expression of compulsory health insurance is the bill which has simultaneously been introduced into the legislatures of fourteen States of the Union and which, for the sake of brevity, will be referred to as the 'Standard Bill'; it is a fallacy for us to think that we can definitely and tangibly consider anything else. It is a fact that the A. A. L. want it; but it is a fallacy that any other large body of people want it. Organized labor is against it; unorganized labor has not asked for it; real estate owners' associations, manufacturers' associations, chambers of commerce, boards of trade, the New York Medical Jurisprudence Society, various county medical societies including the two largest in the world, the New York State Medical Society, and even the California Commission are all against the 'Standard Bill.' The Special Commission of the State of Massachusetts reported that it was 'therefore unanimous in not recommending any health insurance legislation for immediate passage' but it did recommend 'An Act to Establish a State Board of Employment.' It is a fallacy to think its coming is inevitable. It is no more inevitable than the German Kaiser's eating his Christmas dinner in Paris in 1914 was inevitable. Some of the proponents of this scheme may be earnest and honest but they are afflicted with mental hypermetropic astigmatism whereby they are neither able to apprehend the whole field of vision, nor are they able to see things clear or straight.

"The whole scheme is a glistening bubble, a beautiful iridescent dream, and will only be possible of execution among a free and independent people when the millennium comes—when the lion and the lamb lie down together side by side, not outside inside; when all men are perfect and dwell together in peace, brotherly love, and mutual helpfulness. But when that time comes, compulsory health insurance will not be necessary."

W. E. SMALL, President PETER EPES, Agency Mgr. E. P. AMERINE, Secretary

GEORGIA CASUALTY COMPANY

HOME OFFICE: MACON, GEORGIA

"DIXIE AUTO POLICY"

THE LAST WORD IN MOTOR INSURANCE

Surplus and Reserves to Policyholders.....$1,526,022.81

The METROPOLITAN CASUALTY

INSURANCE CO. OF NEW YORK

HOME OFFICE, 47 CEDAR STREET

CHARTERED 1874

Plate Glass, Burglary, Accident and Health Insurance

EUGENE H. WINSLOW, President

Russell R. Cornell, Vice-Pres. S. Wm. Burton, Sec. Alonzo G. Brooks, Ass't Sec.

RELIABLE AND ENERGETIC AGENTS WANTED

THE SIGN OF GOOD CASUALTY INSURANCE

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F. W. LAWSON General Manager

Liability, Accident, Burglary, Boiler and Credit Insurance

Established 1869.

F. J. WALTERS Resident Manager 55 JOHN STREET New York

Elmer A. Lord & Co. 145 Milk St., Boston Resident Managers New England

London Guarantee & Accident Co., Ltd.

OF LONDON, ENGLAND

N. J. COMPENSATION BUREAU

Company Representatives and Department Reach Agreement on Organization Plans and Work

A meeting was held on Tuesday between representatives of the companies and the New Jersey Department of Banking and Insurance at Trenton. At the meeting on May 24, the Commissioner refused to approve the plan of organization of the Compensation Bureau as adopted by the companies on the ground that there was no provision made for the payment of the salary of the manager. It was felt by the companies that this should be borne by the State.

At the meeting in Trenton on Tuesday morning, the companies still objected to this feature of the Bureau as proposed by the department, so a committee was appointed to come to an agreement with the department. The committee was composed of William BroSmith, counsel of the Travelers; A. O. Kaplan, manager of the liability department of the Ocean; H. F. Burns, manager of the American Mutual; and W. C. Billman, general manager of the New Jersey Manufacturers.

As a result of the conference, it was announced at the afternoon session that the companies would pay the salary of the special deputy in charge of the Bureau until November 1, 1918, when the Commissioner planned to co-operate with the companies in recommending a change in the law, making the salary part of the expense of the Department of Banking and Insurance.

A resolution was adopted that all policies issued subsequent to July 4 should bear an endorsement to the effect that any change or amendment in the law should carry with it a revision of the rate effective with the date of the amendment or change.

Acquisition Costs

(Continued from page 17.)

Pennsylvania Agents

I find the percentage of office expense to net commissions ran in 1915 62 per cent., and in 1916, 61 per cent. In our office expense we include salaries paid to the members of the firm. Of course, this percentage will vary in different agencies depending upon the amount of brokerage or sub-agency business done, which in our case is large.

St. Louis Agents

Regarding the proportion of our net commissions consumed by office expenses, we find that this percentage in our office will run about 50 per cent. We operate a local agency, representing twenty companies, so that our average commission would probably run some higher than office that brokers more business that we have to.

Newark Agents

We have not gone very closely into the acquisition expense of our business but we are interested in ascertaining what is the overhead cost of our office. We find that it costs us 7½ per cent. out of every dollar of premiums to put a policy through our books. This means rent, salary and general expenses. As we are doing some insurance on a 5 per cent. overhead basis, we are actually losing money on this class, such as automobile liability, etc. On the fire end, if we get a 10 per cent. overwriting commission it shows a profit.

Detroit Agents

I beg to advise that my percentage of acquisition expense to net commission income is a slight fraction over 40 per cent.

The Columbian National Life
OF BOSTON

ARTHUR E. CHILDS, President

A CHANGE may be necessary to realize your ambition

Think a minute—then write

WM. H. MASTIN — (West of the Mississippi). SYMES BUILDING, DENVER, COLO.

FRANK D. LOMBAR — (East of the Mississippi). 77 FRANKLIN STREET, BOSTON, MASS.

SUPERINTENDENTS OF AGENCIES

DARL D. MAPES, Superintendent of Accident Agencies
77 FRANKLIN ST., BOSTON, MASS.

The service of a high grade Accident Department will also be offered so that you will not have to broker your Accident business to avoid violating your Life insurance contract.

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-PROMPTNESS-

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JOS. D. BOOKSTAVER
76 William St., also 230 Grand St.
General Agent
THE TRAVELERS INSURANCE CO. of Hartford, Conn. New York

---ORGANIZATION----SERVICE---

In addition to the ordinary forms of life insurance

THE EQUITABLE

makes a specialty of the following:

Insurance to protect business firms and corporations, under a corporate form of policy.

Group Insurance, by which employers protect families of employes.

A flexible contract, known as the Convertible Policy, which can be converted by the Insured into an Ordinary Life, Limited Payment Life, or Endowment Policy.

A Bond issued without medical examination giving the investor an income for his declining years.

A new policy is offered under which the insurance is DOUBLED if death results from ACCIDENT. This policy also embodies the following advantages if the person whose life is insured becomes totally and permanently disabled:

1. Thereafter the Equitable will carry the insurance —The Insured will have nothing further to pay.
2. The Equitable will pay the Insured an annual income for life equal to one-tenth of the face of the policy.
3. Upon the death of the Insured the full amount of the insurance will be paid to the Beneficiary (or double the amount if death is due to accident) without deduction on account of the income paid to the Insured while living.

(See the policy for conditions and details.)

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THE EQUITABLE
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120 BROADWAY, NEW YORK

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Suppose that you are insured in the United Life and Accident Insurance Company of New Hampshire for $5,000 under the Company's Triple Indemnity Plan, what does your Policy guarantee to do?

ANSWER:

FIRST, it guarantees that in case of death from any cause, $5,000, the face of the Policy, will be paid.

SECOND, that in case of death from any ACCIDENT, $10,000, or DOUBLE the face of the Policy, will be paid.

THIRD, that in case of death from certain SPECIFIED accident, $15,000, or THREE TIMES the face of the Policy, will be paid.

BUT THIS IS NOT ALL. The Accident Disability Endorsement FURTHER guarantees that in case of total disability as a result of accidental injury, the Company will pay direct to YOU at the rate of $50 PER WEEK during such disability, but not to exceed 52 weeks, after which the weekly indemnity will be at the rate of $25 PER WEEK throughout the period of disability. Can insurance do MORE? And why should any man be satisfied with a policy that would do less? The cost is low.

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U. S. Cash Assets, Dec. 31, 1916	$15,827,439.35
Surplus, - - - - -	5,460,745.59
Losses Paid by Chicago Fire, 1871	3,239,491.00
Losses Paid by Boston Fire, 1872	1,427,290.00
Losses Paid by Baltimore Fire, 1904	1,051,543.00

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Over $152,000,000.00

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THE EASTERN UNDERWRITER

[Succeeding the Journal of Insurance Economics, Established in 1899]

A WEEKLY NEWSPAPER COVERING ALL BRANCHES OF INSURANCE

Eighteenth Year; No. 26 | NEW YORK FRIDAY, JUNE 29, 1917 | $3.00 a Year; 15c. per Copy

DETROIT NATIONAL NOT TO MERGE

A Flat Denial By Paul Turner, President—Expresses Indignation at Circulars

TALKS OF INTERSTATE FIRE

Says Plan Originated in Mind of Someone Not Connected With Detroit National

Paul Turner, president of the Detroit National Fire, denied this week with considerable emphasis that his Company contemplated a merger of any sort. The manner in which the report originated is explained by Mr. Turner, along with his own views of the proceedings, in the following characteristic letter which he sent to The Eastern Underwriter:

Detroit, June 25, 1917.

Editor The Eastern Underwriter:
Secretary Rowland, of this Company, and myself were very much surprised the other day to receive, as individual stockholders of the Detroit National Fire Insurance Company, circulars offering us $10 a share and a share of the Interstate Fire Insurance stock for each share of Detroit National stock which we held. All arrangements seem to have been made for the decent or indecent burial of the Detroit National Fire Insurance Company, but as is entirely customary in such cases the chief mourners were to be entirely ignored by the Interstate Fire Insurance Company and its affiliations. This would look like quite an innovation, but as there is always something new turning up I do not suppose we need to be surprised at it.

Mr. Turner Makes Comparisons

The proposition itself would give the stockholders of the Detroit National Fire Insurance Company, so the promoters of the scheme say, $10 in cash and a share of stock in the Interstate Fire Insurance Company. Now, whether a share of stock in the Interstate Fire Insurance Company is any better investment than one of the Detroit National Fire Insurance Company, I leave entirely to a comparative analysis of the management of the two institutions. It is true I have never been Insurance Commissioner or a petty politician and my name is not "Puss," although the first part of it commences with "P," but I believe I am a man and as long as I sit here there will never be any proposition

(Continued on page 12.)

"The Largest Fire Insurance Company in America."

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INSURANCE COMPANY
NEW YORK

ELBRIDGE G. SNOW, President

Every Agent of "THE HOME" is a "Booster" of the Company because of its Constant Interest in his welfare, as such

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Established 1809

Entered United States 1866

Policyholders protected by the entire United States assets, with further guarantee in every policy, of protection by entire fire assets of the company which are many times larger.

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POLICYHOLDERS OF THE

EQUITABLE LIFE of IOWA

ARE SAFEGUARDED AGAINST ANY POSSIBLE MISAPPLICATION OF THE FUNDS OF THE COMPANY

SO ARE ITS AGENTS

THE RIGHT COMPANY TO REPRESENT

Apply to

H. E. ALDRICH, Supt. of Agents, DES MOINES, IOWA

McADOO CALLS WAR RISK CONFERENCE

Secretary of Treasury Invites Companies to Discuss Government's Taking Risks

MANSFIELD UNIFORMITY PLEA

Connecticut Commissioner Makes Strong Talk at New England Congress of Life Underwriters

Secretary McAdoo, of the Treasury Department, has telegraphed companies, inviting them to a conference in his office on Monday afternoon to consider the ways and means of providing insurance on the lives of men in the service.

Members of the New England Congress who made the trip to the annual meeting in Hartford on Saturday were well repaid by hearing Commissioner Mansfield discuss the present status of the war provisions, by being stirred in a patriotic talk delivered in Alfred Hurrell's best vein, and by having Governor Holcombe and Mayor Haggerty, of Hartford, make stirring addresses. If the chairman, John Thompson, of the Connecticut Mutual, had only injected some selling talk everybody would have left even happier than they were because the life insurance selling note was not once sounded at the congress. Not to discuss salesmanship in any form is a mistake in gatherings of this kind, the Eastern Underwriter believes.

The congress was attended by seventy-five agents and general agents, including several women agents from Boston.

Now is Time to Get Together

Mr. Mansfield made a strong plea for uniformity among the companies in the adoption of war clauses. He briefly outlined the history of the movement to do away with competition in war provisions from the time the first letter on the subject was sent by Superintendent Nesbit of Washington to the Convention of Insurance Commissioners in Des Moines. He told about both meetings at the Astor and analyzed the replies that were received by him in which companies accepted or rejected recommendations. He said that both large and small companies were in each group, and, continuing, said: "It does seem to me that at the present time there is a splendid opportunity for all the companies to get together in a way that they have never cooperated before and eliminate competi-

tion entirely in the national emergency that confronts us."

Mr. Mansfield said he was greatly encouraged by the fact that seven representatives of companies, both large and small, had signed the recommendations and he declared that if these men could get together all the companies could.

Why Some Companies Declined

Mr. Mansfield then gave his version of why some companies have declined to adopt the recommendations. First, there is the matter of rates. There is no experience in this country or in any country on which to base a war rate. There necessarily has to be more or less of an estimate. The answer is that $37.50 charge is the minimum and the whole range of arithmetic is open on the other side as to what the maximum rate may be. He then quoted some companies as saying, "We are perfectly willing to insure the men at the front, but we do not think the men who stay at home should be charged the same rate as those who are actually engaged in the war." Mr. Mansfield made a strong argument in favor of equal rate for all. "Unless I am very much mistaken," he said, "and unless something unexpected happens, this country is going to be in for a much longer period than one or two years, and there may be millions of men take part before the war is over. Now, gentlemen, you are punishing the men who are called to the front. I do not think it fair."

With considerable emphasis he said: "Another objection made by companies is that they are perfectly willing to insure men on the front, but that they think that the men who stay at home should not pay at the same rate as those actually engaged in war. They say that if I became a munition worker I must pay an extra premium which the extra hazard enforces upon me, but I think that they overlook the fact that a man who enters the service of the United States either in the Army or Navy is subject to a draft which will compel him to go whether he wishes or not, while I am not obliged to enter into the munition field. One is entirely optional, the other is not.

"The man in the service on this continent may be called to the front tomorrow. You are putting upon a man called to actual service at the front a responsibility and a burden of the advance premiums for insurance when he is called under circumstances which he cannot control and which I as a fellow citizen of the United States, and as a citizen equally interested in that he is fighting my battle as a citizen, should be called to contribute. You are punishing a man for being a soldier. All men who will be subject to service should be subject to the same rate.

In commenting upon the plan to make the government carry the risk Commissioner Mansfield thought this was another name for State insurance.

Mr. Hurrell's Talk

Associate General Solicitor Alfred Hurrell, of The Prudential Insurance Company, declared that life insurance in the United States has served its country well through the constructive conservation of its wealth. He complimented the State of Connecticut upon its efficient Insurance Department and referred to the pleasure and satisfaction with which the insurance world of the United States some time ago received the news that Governor Holcombe, a Republican, had reappointed to the head of the department the Democratic Commissioner in the person of Mr. Mansfield. "In doing this," said Mr. Hurrell, "the worthy Governor not only served Connecticut best, but helped legitimate insurance in every line, not only by assuring sane supervision in Connecticut, but at the same time preserving and continuing the influence of the present Commissioner in the national counsels of the Insurance Commissioners' Convention.

"Tested by constructive results, life insurance, as a business, presents an inspiring record of accomplishments which have strengthened and matured this nation," he said. "The stress and strain of war is now on. The resources of this country are to be put to proof. From the first it has been conceded that the entry of the United States would decide the fate of the war in favor of it and its Allies, because of the volume of its developed wealth.

"The institutions then, which for the past years have conserved this wealth, have served America best. Life insurance is entitled to first rank among such institutions, as its functions are two-fold in such conservation. By reason of its contract with the policyholder, it protects his family from financial loss which otherwise would result from his death, thus permitting one generation to effectively finance the next, and in doing this, it induces and co-ordinates the savings of millions of citizens of average or less than average means. These small contributions made in the way of premium payments have become a mighty financial current, which has flowed for years with increasing volume, resulting in permanent improvements to our counties and municipalities, development of our agriculture, the growth of our industrial centers, and the expansion of the vast transportation systems of the country.

"This country is now facing what appears to be its supreme opportunity for real service to the human race. Its citizens have indicated their complete approval of the course the government has taken. To the number of tens of millions they stand ready to work and fight under its colors until victory comes. The militant spreading of the life insurance gospel for generations has helped to implant the homely virtues among the men who will compose that army. It is not an accident that we are in this war to help others and not for selfish interests. The declared purpose of the nation in this conflict is but the expression of the attained morality of the mass of the people. The obligation of being our brother's keeper first expressed in the Spanish-American war has again received offcial national recognition. The people agree with this policy. They have risen to it. Now this altruistic ideal is one of the primal forces which has crowned life insurance with its success. It is an ideal which every true life insurance man understands. It is an ideal which he has urged. He knows its influence upon men. It is with gratitude, therefore, we recognize that the steady expansion of our business has had its definite part in preparing the people of this country for their determined entry into a war which is to make the 'world safe for democracy.' And besides this, our practical sense must lead us to find comfort in the knowledge that along with this development of national character, for which it is partly responsible, life insurance has helped the nation in its material progress so that there now exists ample means to sustain the armies which will go forth."

A CHANGED ATTITUDE

The eleventh annual legislative report presented to the Association of Life Insurance Presidents by Actuary Brinkerhoff shows a substantial decrease in the number of statutes enacted as compared with 1915. The apparent change in legislative attitude towards life insurance is discussed by Actuary Brinkerhoff. War conditions and the general recognition of the absolute need of large business organizations to meet them, have resulted in more respect for and less distrust of corporations by the people.

AN AMERICAN COMPANY

True to American Ideals and Traditions

The Germania Life Insurance Company

Established 1860

Under the laws of the State of New York

A Growing Company for Growing Men

RECORD FOR 1916

(The Best Year in the Company's History)

New Paid-for Business	$ 21,061,120.00
Gain over 1915 nearly	6,000,000.00
Total Insurance in Force, January 1st, 1917	158,839,851.00
Gain in 1916 nearly	8,000,000.00
Saving to Policyholders on account of favorable mortality of 61%	513,000.00
Assets	53,793,290.00
Surplus and Dividend Fund	6,424,602.62

Income from Investments alone more than sufficient to pay all Death claims.

Business paid for in the first four months of 1917 shows a gain of 44% over the same period in 1916.

Two attractive Agency openings

ADDRESS

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War Experience of Canadian Companies

EXTRACTS FROM LETTERS SENT TO INTERNATIONAL LIFE

Death Rate in Infantry 20 Per Cent., Says One Company—What Companies Say

The International Life, of St. Louis, has secured from Canadian companies, mortality figures of significant interest at this time. The letters in part follow:

A. A. Wood, Actuary Sun Life of Canada:

"For service outside of the United States we are at the present time charging an extra premium of 10 per cent. ($100 per $1,000) on policies up to $2,500, 12½ per cent. ($125 per $1,000) from that up to $5,000, and 15 per cent. ($150 per $1,000) on policies of larger amounts.

"From what study I have been able to make of the question I estimate that taking all services combined, the death rate among those in active service will not be less than 10 per cent., and in the infantry it may run even to 20 per cent. or higher. The extra premiums which we are charging now are in our judgment not too heavy and we doubt if they will be sufficient to cover the actual death losses."

M. P. Langstaff, Actuary Dominion Life:

"I may state that we have made no calculations as to the amounts involved in this way, but so far have found our mortality increased by about 40 per cent. I am attaching a copy of our present war clause."

W. A. P. Wood, Actuary Canada Life:

"In reply to your letter of the 12th inst. I may say that as far as we have been advised at the present time we believe there are about 2½ per cent. of our policyholders on active service in Europe.

"The effect of the war on our mortality may be shown from the following:

"During the year of 1915 the total death claims of this company, including war claims were 72.9 per cent. of the expected, and excluding war claims were 60.4 per cent. In the year 1916 the actual death claims, including war claims amounted to 81.9 per cent. of the expected, and excluding war claims, amounted to only 55.2 per cent. of the expected."

Note.—This company has $160 000,000 in force. The increase in mortality in 1915 was 20 per cent. and in 1916 48 per cent.—due to the war hazard.

C. C. Moore, Assistant General Manager, Imperial Life:

"The war clause which we have placed on our policies since the 1st of January, 1915, provides for an unnamed extra and the extra we have been charging is at the rate of $150 per thousand, payable yearly during the continuance of active service. The clause reads that failing to notify the company and pay the extra, there would be only the reserve payable in event of death, while on active service outside of Canada or within six months after the termination of such service.

"The mortality rate in the last three or four large wars as, for example, the British-Boer war, the Russian-Japanese war, the Franco-Prussian war and the American Civil war, was between 9 per cent. and 10 per cent. yearly. About half of this rate was due to sickness which has been largely eliminated in the present war. On the other hand the destructiveness of modern weapons has greatly increased and we feel that the rate of $150 per thousand yearly is not too much; in fact, we be-

(Continued on page 8.)

The Atlantic Life's Re-Instatement Brief

INSURABILITY MEMORANDUM TO VIRGINIA COMMISSIONER

Points Brought Out in Controversy of Particular Interest to Life Companies Now

The Atlantic Life's brief filed with Commissioner Button of Virginia after he had ruled it improper to add a war clause as a condition precedent to the re-instatement of a lapsed life insurance policy which was originally issued free from restrictions as to residence, travel and occupation, follows:

This ruling can rest on only two conditions in the contract which are as follows:

"1. This contract is entirely free from all restrictions as to residence, occupation and travel."

"2. This contract, should it have lapsed, may be re-instated at any time upon evidence of insurability satisfactory to the company," etc.

With reference to the first condition in the contract cited above, it must be borne in mind that the policy contract requires the performance of only two obligations by the insured, namely: the truthful answer by him to the inquiries propounded by the company and the payment of the premiums as and when required in the policy contract. When these conditions have been complied with, the company is bound to carry out all the conditions in the contract and has no opportunity to secure release therefrom no matter what future conditions may make such releases desirable. But the insured may at any time abandon the contract by failure to pay the premium thereon and that abandonment is of the same effect whether it is voluntary on the part of the insured or whether it may be involuntary but the result of conditions over which he has no control, such as inability to pay the premium or inability to get the premium to the company within the time allowed for its payment. When so abandoned by the policyholder, the contract has no value except such as may be set out therein or provided by statute. If there are no surrender values specified therein (and the contract is not contrary to any statute) then the contract will have no value. If surrender values are mentioned and are in accordance with the statutes of the State governing the contract the values can only be such as are mentioned in the contract, or in the statute. If paid-up or extended term insurance is granted by the contract, then this paid-up or extended term insurance is subject to all the provisions of the contract which may govern it, and if the contract is written free from restrictions as to residence, travel and occupation, then such paid-up or extended term insurance is free of such condition. The insured may demand either one of the values provided therein, if they are selected in accordance with the provisions of the contract, but no other values. If there is no value in the contract and no provision for its re-instatement, then the company may absolutely refuse re-instatement or grant re-instatement upon such terms as it may deem prudent and expedient. **The point to be emphasized is that the holder of a lapsed policy establishes no equity and is possessed of no right because of past premiums paid by him other than such rights or values as are set out in the contract or provided by statute. In the case in question the statutes make no provision with reference to the contract contrary to its terms.**

But the policy provided that it might be re-instated on certain conditions.

We are then brought face to face with the second one of the conditions mentioned above and it is necessary to construe the phrase "evidence of insurability satisfactory to the company."

This language leaves it to the company to determine what is "evidence of insurability." But we do not desire to rest our case upon any arbitrary action. We prefer to show that our action is not only within our rights as determined by what seems to be the clear meaning of the phrase above quoted but also that it is reasonable, fair and equitable.

Insurability must rest primarily upon two conditions, namely: the risk to be insured and the contract to be issued setting forth the conditions of that insurance. A risk may not be insurable under a standard contract and at a standard rate. The same risk, however, may be insurable under a standard contract at an increased or sub-standard rate. For example, a locomotive engineer is not insurable at standard rates but he can be insured under a standard contract at a rate sufficiently in excess of that for a standard risk to cover the extra mortality incident risk to the occupation of a locomotive engineer.

Insurability is also determined not alone by the condition of health of the risk to be insured, but also by the occupation in which that risk is engaged, by his health, manner of life, the conditions under which he lives and many other conditions which may influence the longevity of that risk, by conditions which may exist at the time the risk is presented for insurance, or by conditions which, in the judgment of the company passing upon the risk may arise in the future and affect the life and health of that risk. A prospective change of occupation may be sufficient cause for the rejection of the risk. For example, a man may be engaged as a clerk but may contemplate engaging in the manufacture of high explosives or in submarine diving. The fact that such occupation was contemplated by the applicant would be sufficient cause for the rejection of the risk, unless in the contract some provision be made to safeguard the company against the possible hazard.

In other words, it is the duty of a company to respect the rights of all its policyholders in passing upon any risks submitted for life insurance, and to safeguard the company against the acceptance of any risks which would bring undue loss to the company and, therefore, to its policyholders.

Let us consider this question of insurability with particular reference to the clause granting freedom from restriction as to residence, travel and occupation. **It should again be mentioned, however, that the contract only grants these privileges so long as the insured pays the premiums on his policy or in connection with any insurance that may be granted on lapse as a condition of the policy because of the premiums paid by him, such as extended term or paid-up insurance.** Such values, however, would be either for a smaller amount than the face of the contract, or for a limited term of years.

We would not issue this contract to a man residing in Central Africa or contemplating residence there. The purpose of this provision in the contract is to protect the policyholders against enforced changes of residence after the contract has been issued. **But as above stated, to grant that protection only so long as the premiums are paid under the contract.** Can a policyholder who lapses his contract and abandons it, and then finds that it is necessary for him to reside in the heart of Africa, in fairness come to the company and say because he is in good health now (the contract making no such provision) the company must assume the risk on an abandoned contract, that it would not have assumed on the original contract at any premium at all, or only at a premium largely in excess of that charged when the policy was issued?

A man may be insured as a clerk, may lapse his policy and it may remain lapsed one, two or three years, then he may change his occupation to the manufacture of high explosives. Would it be fair to a company, would it be proper to allow a company to issue a contract containing a provision to permit a policyholder under these circumstances to come in, simply because he is in good physical health, and demand the restoration of that abandoned policy at a rate notoriously inadequate to the risk involved? The insured could have had the privilege of changing his occupation had he not abandoned the contract.

Under similar circumstances, would it be right to rule that, simply because a man is in good health, he can come to the company and require the re-instatement of the lapsed policy, when he may be engaged as a soldier in the front line of trenches in France or Belgium? To require the company to re-instate this policy at the normal premium rate would be to establish a precedent that, if widely advertised, might bring losses upon life insurance companies, if this country participates in the present war as now seems possible, which would be a serious burden, if not a menace, to the continuing policyholders' rights in the assets of the company, and which would be assumed under conditions contrary to all sound principles of underwriting.

There are millions of lapsed policies on the lives of those subject to conscription, containing clauses similar to those in question, upon which re-instatement might be required under a ruling of that character.

Can it be denied that the hypothetical conditions are factors constituting evidence of uninsurability?

As stated above, sound underwriting requires that a company not only consider conditions that may presently exist, but also conditions that may exist in the future and influence the ratio of loss on any group of risks that may be accepted. The case of a man contemplating change of his occupation was cited, and it seems an unanswerable argument.

What is the condition facing life insurance companies to-day with reference to the questions of military or naval service? Within the ages of 21 and 31 every healthy man is liable to military or naval service, and no one can determine who may be called upon to-morrow for such service. Even beyond those ages men are volunteering for service involving tremendous hazards. It is the duty of companies, therefore, to protect their continuing policyholders against such hazards; this duty applies as to those who are now being insured under contract permitting the company to charge an extra premium for military or naval service, as well as to those old policyholders from whose number many may be called for service, and who may engage therein without paying an extra premium. For this purpose companies have added to their policies clauses giving them the right to charge extra premiums for military or naval service. The action of practically all the companies of the United States in thus modifying previous practices, and to-day only issuing contracts giving the right to charge an extra premium for military or naval service certainly is overwhelming evidence that the liability to military or naval service is a factor of insurability to-day, and that a man is not insurable who is subject to, or may volunteer for, such service under a contract which does not give the company the right to charge an extra premium when he engages in that service.

It may be argued that to re-instate a policy means to re-instate all of its conditions, ab initio, but if that be true then no company would be protected under any re-instated policy, except such as might have no limitation with reference to the time within which it could be contested. The sale of such policies would not be permitted to-day. Practically all policies now issued provide that within one or two years from date of issue the policy shall be incontestable. If, therefore, this condition in a re-instated policy must have the same effect as if the policy had never lapsed, then all inquiries prior to re-instatement, and any provisions as to good health or insurability, would be worthless because the policy would be incontestable after one or two years from date of issue and the company could not raise any question with reference to any mis-statement made by the insured as a condition to re-instatement. Any such condition would be manifestly improper, and if a company were desirous of issuing such contracts, it should be prohibited from doing so by an insurance commissioner, because this practice would encourage the imposition upon the policyholders of an outrageous and improper burden; there would be no reason for paying a premium until one approached his death bed, if the company relied upon the statements of the insured entirely, and insolvency would be the result unless a company conducted very expensive investigations and in addition required a complete physical examination on each re-instatement. If then the condition as

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THE TRAVELERS
INSURANCE COMPANY
Hartford, Connecticut

to incontestability can be—must be—modified upon re-instatement, why not any other condition which it may be necessary to modify in order to permit the company to safely re-instate the contract.

In the case in question, the insured is within the conscription age, and, therefore, liable to military or naval service. The company feels that this risk is no different from that of a man who presents himself for insurance today, under the same conditions to whom will be issued only a policy giving the company the right to charge an extra premium for military or naval service.

Viewing the case from another angle, in view of these conditions recited, if the policy must, if re-instated at all, be re-instated with all conditions applicable from the date of the contract, then the company would, in justice to its continuing policyholders, be compelled to refuse re-instatement. Desiring however, to grant every possible advantage to the lapsed policyholder, the company in effect says:

"We cannot re-instate the policy in its entirety because of the conditions recited, but we are willing, **if properly protected against the military or naval service hazard which did not exist at the time this policy was taken out,** to re-instate the policy and give the policyholder the advantage of premiums paid on the contract."

Is not this position within a broad and liberal interpretation of the very plain and far-reaching language used in this contract? Is not the position of the company proper when it is measured by every rule of equity to the continuing policyholders of the company whose rights and security must not be impaired by any desire to be liberal to those who have abandoned their contracts and forfeited their rights thereunder?

While on this question another one arises, namely: the position of the company in considering the re-instatement of a policy which has been running a number of years, and on which extended term insurance for a period beyond the probable term of the war might be demanded. In such cases it would be fair to the continuing policyholder, and no violation of equity or discrimination against those who lapsed their policies without such values, to re-instate the policy without adding the war clause thereto. To do otherwise would probably result in the continuation of the contract on extended term insurance, while the company would be better protected against the possible military or naval risk if the policy were continued as a premium-paying contract. No violence would be done to old policyholders, while an advantage would accrue to the continuing policyholder. A ruling on this question should also be given while the case is being fully considered.

One other question arises, namely: the limitation of the amount of insurance which may be re-instated on any one life. All companies are limiting the amount that they will write on persons within the conscription ages, and also enforcing limits upon those above those ages on the theory that many of them may volunteer for service or may be included in some later draft. This company limits the amount on unmarried men between 21 and 31 to $2 000. We enforce the same limitation upon the re-instatement of a policy, permitting the continuance of any excess above $2,000 on condition that only the reserve will be paid in the event of death while engaged in military or naval service. If we are correct in one position, we would seem to be correct in the other.

What Hazards Should Companies Assume?

VIEWS OF A LIFE OFFICIAL GIVEN TO THIS PAPER

Companies Will Gladly Co-operate With Government—Will Go as Far as Prudent Themselves

An official of one of the leading life insurance companies who was asked his opinion as to what hazards the companies could assume in the present emergency, made the following statement:

"Those who risk their lives in defense of the nation are unquestionably entitled to the utmost consideration by their countrymen. However, this consideration should not be given at the expense of policyholders only—men and women whose thrift has induced them to make provision for their dependents through insurance. It is a civic, State or national function. Our soldiers and sailors are not merely serving American policyholders—they are serving the nation and if it is not deemed wise that the soldier or sailor should pay the premium the nation should do it, not that part of the nation which happens to be insured. Officials, and those connected with life insurance, are and should be free in giving of their private means to the support of the country, but they cannot and should not administer the trust funds consigned to their care with the same freedom and generosity.

"The war mortality on the immense volume of non-contestable insurance already outstanding may cause a very heavy drain upon the contingent surplus which now guards the solvency of life insurance companies. This surplus belongs to the policyholders now insured and it would be manifestly unjust to take this money to cover war losses on new policyholders who are being insured for the sole purpose of protecting them against the excessive hazards of war.

Safety

"The companies have gone as far as they deemed safe or prudent in granting freedom of military service under all their old policies. In this company this affects several hundred thousand persons of all ages. Our losses may be small; they may run into hundreds of thousands; they may run into millions of dollars—it all depends on the nature and duration of the war. In addition, there are other burdens imposed upon life insurance companies in the way of increased taxation upon which they have, up to the present time, been unable to get relief; the depreciation in the value of first-class investments and the necessity, from motives of patriotism, of subscribing for large blocks of Government loans at rates of interest less than those prevailing generally.

"If the Government should decide to pay the premiums or such portion thereof as is due to the extra war hazard in aeronautics, on the sea or in service at the front, we believe that the companies would gladly co-operate in furnishing facilities for such insurance at actual cost, by returning to the Government any portion of the premium which was not actually used. Our company would welcome such a co-operative plan and stands ready to make every possible concession beyond what we have already made in the insuring of the defenders of the nation that will not jeopardize its solvency or cause an unauthorized use of trust funds under our supervision."

CENSORSHIP

In an otherwise excellent report of the recent Northwest congress of life underwriters, "The Life Association News," official organ of the National Association of Life Underwriters, does not mention the fact that Warren M. Horner, general agent of the Provident Life & Trust, in Minneapolis, delivered a speech at that convention.

The New York Life's $200,000 Club will meet at the Griswold in New London in September.

ALWAYS A PLACE FOR DEPENDABLE AGENTS

Those who can not only write applications but deliver policies, and are energetic in their methods. Good positions are ready for such men.

Union Mutual Life Insurance Co.
PORTLAND, MAINE
ARTHUR L. BATES, President
Address: ALBERT E. AWDE
Superintendent of Agencies
7 W. Madison St., Chicago, Ill.

HOME LIFE INSURANCE CO.
(Now Purely Mutual)
256 BROADWAY, NEW YORK
GEORGE E. IDE, President

The fifty-seventh annual report shows insurance in force of $133,493,000, an increase during the year of $7,832,827. The Company paid the policyholders in 1916 $3,536,233, of which $628,406 was in dividends or premium refund. Its insurance reserve fund was increased by $1,300,000 and the Assets are now $32-821,462.

For Agency apply to
GEORGE W. MURRAY,
Supt. of Agts.
256 Broadway, New York, N. Y.

ILLINOIS LIFE INSURANCE CO.
CHICAGO
JAMES W. STEVENS, PRESIDENT
GREATEST ILLINOIS COMPANY
WANTS GOOD MEN AND WILL PAY THEM WELL

BANKERS BLCo LIFE DES MOINES COMPANY
PAYS GOOD PAY TO GOOD MEN

Ambitious, Productive and Trustworthy Life Agents may be benefitted by corresponding with the
Berkshire Life Insurance Company
of Pittsfield, Mass.
Inc. 1851
New policies with modern provisions Attractive literature
W.D. Wyman, President W.S. Weld, Supt. of Agencies

A PENN MUTUAL PREMIUM, less a PENN MUTUAL DIVIDEND, purchasing a PENN MUTUAL POLICY, containing PENN MUTUAL VALUES, make an INSURANCE PROPOSITION which in the sum of ALL ITS BENEFITS, is unsurpassed for net low cost and care of interests of all members.

THE PENN MUTUAL
Life Insurance Company
OF PHILADELPHIA
On January 1, 1909, rates were reduced and values increased to full 3% reserve

Canadian Decision Attracts Attention

SUSSEX V. AETNA LIFE INVOLVED RE-INSTATEMENT

Commercial Traveler Who Became Soldier Allowed to Become Policyholder Again After Lapse

The re-instatement decision in the case of Jackson vs. Sussex vs. Aetna Life in Canada is attracting attention among life underwriters.

This action was brought to have it declared that a policy of life insurance issued by the defendants to the plaintiff on March 24, 1914, is a valid and subsisting security or that the plaintiff is entitled to have the policy re-instated under the 14th condition thereof and for an order directing the defendants to re-instate the policy.

The insurance is for $3,000, payable to the plaintiff's mother at his death. The plaintiff agreed to pay twenty consecutive annual premiums of $80.04 each in advance, and he paid the first and second premium. The third annual premium fell due on March 21, 1916, and was not paid, nor was it paid or tendered within the thirty-one days' grace allowed for payment of premiums after the day stipulated for payment thereof. On April 25, 1916, the plaintiff mailed his cheque to the defendants' agents in Toronto for $80.04. This was refused and returned.

A Condition of the Policy

Condition 14 is as follows: "Within five years after default in payment of premium, unless a cash value has been paid or the extension period has expired, or if this policy has not been surrendered, it may be re-instated upon evidence of insurability satisfactory to the company and by payment of arrears of premiums with interest at six per cent. per annum, and by re-instatement of whatever indebtedness to the company existed hereon at the date of default with interest from that date."

At the time the insurance was effected the plaintiff was a commercial traveler. He has since become a soldier, and liable to be called to active service in Europe in the present war, if in fact he has not already gone to the front.

Condition 6 provides that the policy endorsements thereon and application constitute the entire contract between the parties.

Condition 7 states: "This policy contains no restrictions regarding change of occupation, residence, travel or service in the militia, or army or navy in time of war or in time of peace; but if the insured shall commit suicide within one year from the date hereof, while sane or insane, this policy shall be null and void."

The decision in part follows:

The defendants are willing to continue the insurance but only upon the condition "that should the insured go into any military or naval service outside of the Dominion of Canada he, or someone on his behalf, shall notify the company and within ninety days from so engaging, and annually thereafter shall pay to the company an extra premium of fifty dollars per thousand of insurance, and that otherwise the said policy shall become and be null and void except for the cash surrender value existing at the time of engaging in such service," and contend that condition 14 is only binding as to a policy upon which at least three years' annual premiums have been paid. They rely upon conditions 9 and 12 and table A of the policy as modifying and limiting the generality of the language of condition 14, and particularly that there is no "cash surrender value" or "extended time insurance" until the policy has been carried for at least three years.

It is pointed out that upon payment for three years there is an automatic "extended term insurance" for 4 years and 286 days.

It is quite clear from the company's proposal above set out and is bluntly admitted by Mr. Parkinson, the company's manager for Western Ontario, that the real difficulty or cause of dispute is not the delay in payment but the necessity of readjusting methods by reason of the unforeseen burdens imposed upon insurance companies by the daily casualty lists of the war. In consequence of this the company adopted new rules—and altered interpretation of their contracts in fact—after the making of this contract and after the war, to-wit, on the 1st of September, 1915. It is not shown that notice of the change was given to the holders of current policies. I am not wedded to any general rule of interpretation but all the same it is right to keep in mind that the language of the policy is the language of the company, that the plaintiff, like thousands of others similarly situated, entered the service of the country upon the faith of it, and without saying that it is therefore to be construed unfavorably or favorably to its author, it is plainly right that the generality of the language of condition 14 should not be narrowed or cut down, or the express provisions of condition 7, in effect, abrogated, unless there is clear notice to the insured, somewhere upon the face of the policy, that the undertaking of the company by condition 14 is to be read in a more limited sense than the prima facie meaning of its language would import. Section 71 of the Insurance Act, R. S. O. 1906, ch. 34, enacts; "No condition, stipulation or proviso modifying or impairing the effect of any policy or certificate of life insurance * * * shall be good or valid unless such conditions, stipulation or proviso is set out in full on the face or back of the policy." Evidence was given, subject to objection, of the practice of some other companies, adopted since the war, under somewhat similar policy conditions. I have not examined into whether the analogy is close or not. Upon consideration, I am of the opinion that the statements of these witnesses are irrelevant and inadmissible and that the issue here must be determined by interpretation of the policy alone, construed in the light of its own circumstances, of course, in so far as they afford any aid. I entertain no doubt as to the meaning of the term "insurability." The letter of the defendants' solicitors to Mr. Flock and his reply, put in as exhibit 11, in no way affects the question; "proof of insurability" in condition 14 means that the insured at the time of application for re-instatement is a proper risk for insurance upon the basis of the original contract and the condition of the health of the insured is the only matter to which I can think it could apply in this case, and at all events it is the only matter to which it did in fact apply upon the circumstances here. If the policy had excepted the risks incident to warfare, the insured having become a soldier, would not be eligible for insurance without the consent of the company, and so would lack the quality of "insurability" and the right to re-instatement, but the policy itself determines this point against the defendants. I give no weight to the argument, somewhat faintly urged, that the evidence of insurability is to be "satisfactory to the company:" the provision is not a contract that the company is to be allowed to be arbitrary or unreasonable. The plaintiff furnished proof of good health by the certificate of the doctor who originally examined him—Dr. Drake says: "this is to certify that I have this day carefully examined the above J. E. Sussex and find him in perfect health and an A No. 1 risk for life insurance as in previous examination on May 9th, 1914"—tendered the overdue premium with interest at six per cent. and offered to furnish any further proof of insurability required. The defendants did not at the time dispute the sufficiency of the proof or tender, nor since or at the trial claim that the tender or proof was insufficient or defective if as a matter of contract the plaintiff comes within the provisions of condition 14. The clear cut issue was and is the interpretation of this condition.

The lower court decided in favor of the plaintiff. The higher court sustained the lower court, saying in part: "All that was required was to pay or tender the overdue premium with interest and furnish proof that he has an insurable interest in his life and was in good health, and that was done."

Great Southern Life Insurance Company

HOUSTON, TEXAS.



For Agency Contracts address

O. S. CARLTON

PRESIDENT

Interesting Mortality Experience of Metropolitan Life

Deaths and Death Rates. Principal Diseases in Mortality Experience, 1916, White and Colored Lives Combined, in the Industrial Department, Metropolitan Life Insurance Company

	1916			1915			1911		
Cause of deaths	Deaths	Per cent. of all causes	Rate per 100,000	Deaths	Per cent. of all causes	Rate per 100,000	Deaths	Per cent. of all causes	Rate per 100,000
All causes	118,880	100.0	1,158.8	109,311	100.0	1,130.9	97.615	100.0	1,253.0
Typhoid fever	1,320	1.1	12.9	1,251	1.1	12.9	1,778	1.8	22.8
Acute infectious diseases of children: (Measles, scarlet fever, whooping-cough, diphtheria — combined)	4,145	3.5	40.4	3,533	3.2	36.6	4,589	4.7	58.9
Acute poliomyelitis	1,245	1.0	12.1	113	.1	1.2	123	.1	1.6
Influenza	2,425	2.0	23.6	1,261	1.2	13.0	1,239	1.3	15.9
Tuberculosis of the lungs	17,590	14.8	171.5	17,394	15.9	180.0	15,814	16.2	203.0
Cancers—all forms	7,150	6.0	69.7	6,856	6.3	70.9	5,299	5.4	68.0
Organic diseases of the heart	14,264	12.0	139.0	13,216	12.1	136.7	11,050	11.3	141.8
Acute and chronic bronchitis	1,191	1.0	11.6	1,110	1.0	11.5	1,191	1.2	15.3
Pneumonia—all forms	11,637	9.8	113.4	10,291	9.4	106.5	8,978	9.2	115.2
Bright's disease	10,074	8.5	98.2	9,253	8.5	95.7	7,439	7.6	95.5
Diseases and conditions incidental to child-birth	1,787	1.5	17.4	1,741	1.6	18.0	1,542	1.6	19.8
External causes	10,131	8.5	98.8	8,524	7.8	88.2	7,625	7.8	97.9
Accidents	7,454	6.3	72.7	6,503	5.9	67.3	6,028	6.2	77.4
Suicides	995	.8	9.7	1,179	1.1	12.2	1,039	1.1	13.3
Homicides	706	.6	6.9	669	.6	6.9	558	.6	7.2
War deaths	976	.8	9.5	173	.2	1.8	...	..	..

TO INCREASE MEMBERSHIP

The National Association of Life Underwriters Charged With Too Much Indifference

W. A. R. Bruehl, chairman of the Membership and District Organization Committee, in extending a greeting to the local association of the N. A. L. U., called attention to the rapidity with which time is flying, and the good work that had been done by the insurance people in assisting the Government in raising its Liberty Loan Fund, and said that the time had now come when attention should be directed to increasing the membership of the association. "The true bond of fellowship is not a common opinion but a common purpose and a common spirit," he declared, "and the greater the number of good fellows, even of different opinions who are joined in a common purpose and spirit, the greater will be the influence which will be exerted for the institution of life insurance." As life underwriters, he said, the organization had been devoting its time and energies to many things pertaining to the interest of the national welfare, and the time had now come when all differences should be forgotten and in a spirit of unity they should work for the extension of the membership of the association.

"I am thankful" he said, "that there is a time limit to all things. We have had but one ambition the enlightenment of earnest men in a great union for the furtherance of the greatest thing in the world. If there be any knockers who have not liked our method, the door will soon be open and they may come in and have the chairmanship; it is theirs for the asking."

In a talk before the American Institute of Homeopathy in St. Louis a few days ago, Dr. F. B. Grosvenor, of Columbus, declared that the average life insurance examination for tuberculosis of the chest is a mere farce.

Dow, Jones & Company, publishers of the "Wall Street Journal," have made a present of group insurance to their employes.

PURELY MUTUAL **THE** **CHARTERED 1857**

Northwestern Mutual Life Insurance Co.

MILWAUKEE, WISCONSIN

GEO. C. MARKHAM, President

Insurance in Force, $1,505,464,984

SATISFIED POLICYHOLDERS each year apply for over 35% of the new insurance issued.

POLICIES MOST FLEXIBLE AND EASY TO SELL

Complete Agency Protection:

Enforced Anti-Rebate and No-Brokerage Rules

Investigate before selecting your Company

Write GEO. E. COPELAND,
Supt. of Agencies,
Milwaukee, Wis.

Darwin P. Kingsley's Tenth Anniversary

HOW NEW YORK LIFE HAS GROWN IN THAT TIME

Almost as Much Received and Disbursed as in all Previous Years Combined

On June 17, Darwin P. Kingsley closed the first ten years of his career as president of the New York Life Insurance Company. In referring to the past, President Kingsley called the attention of his co-workers to the fact that it had been his belief that size in life insurance would ultimately prove to be an advantage, not merely because size means strength and permanency, but because size means economy. He then proceeded to call attention to some significant facts which have developed during the past ten years of the present administration.

"On the intervening occasions on which you have re-elected my associates and myself, I have touched on some of these facts so that it will not be necessary to repeat them here. But you will be surprised when I tell you that in fundamentals as much work has been done and as much has been accomplished in those ten years as was done and accomplished in the previous sixty-two years of the company's life.

"Divide the history of the company into two periods; include in the first the work and the accomplishments from 1845 to 1906 inclusive, and in the second the record and work from 1907 to 1916 inclusive, and we get some rather startling results:

Company's receipts 1845 to 1906 inclusive	$1 250,000,000
Company's receipts 1907 to 1916 inclusive	1,177,000,000
Disbursements, first period	783,000,000
Disbursements, second period	768,000,000
Payments to policyholders, first period	540,000,000
Payments to policyholders, second period	616,000,000

"There are few types of institutions in which money is more fluid and active than in a life insurance company aggressively conducted. The securities in the company's vaults may seem to be, and in fact may be, static in their character. But in the lives of the people throughout the organization of the institution all over the world, the transactions of the company keep its money through payments to policyholders, interest and other avenues, in a constant condition of activity. In fact, in referring to the usefulness of money as a circulation medium, I question whether any money held by any type of institution is more completely fluid and active. The nearly nine hundred millions in the company's vaults are represented merely by instruments recording obligations and promises to pay. There is never any considerable sum of actual cash in the company's vaults and the actual cash in the company's depositories is only such as is necessary in the process of investment for the company to maintain itself in a stable condition.

Officers' Years of Service

"Four days ago I reached my sixtieth year. I have served the company nearly twenty-nine years. Vice-President Wecks has served the company fifty years; Vice-President Buckner, thirty-seven years; Treasurer Shipman, twenty-four years; Second Vice-President McCall, eighteen years; Second Vice-President Buckner, thirty-two years; Secretary Ballard, twenty-four years. Your executive officers combined represent two hundred and fourteen years' of service. Time will not be denied, yet none of us concede that he is old. Serving in so worthy a cause, under such confidence and sympathy, as you extend to us not only adds to the joy of service but robs age of its terrors.

"On the occasion of my first election as president, I think I stated that I was one of the few men who had had the rare experience of reaching the very height of his ambition. I have enjoyed that peculiar sensation for ten years. It is a sensation that not very many men are ever privileged to feel. That may be because most men are never satisfied, but most men I think would be satisfied with the presidency of the New York Life."

LIFE COMPANIES MERGE

Preferred Life of America and Merchants of Iowa Announce Their Consolidation

The consolidation of the Preferred Life Insurance Company of America, with home office at Grand Rapids, Mich., and the Merchants' Life Insurance Company of Burlington, Iowa, has been approved by the insurance departments of both States. It is to be known as the Merchants' Life Insurance Company, and will have assets approximating $2,500,000, and something like $60,000,000 of insurance in force. The capital stock is $400,000. Owing to the fact that the Merchants' Life had the largest volume of business, and has been operating over such a large territory, it was decided to continue under this name. The Eastern business will be handled by the Grand Rapids office which will be maintained permanently. William A. Watts, organizer and president of the Preferred Company of America, has been made president and general manager of the consolidated concern, and the board of directors will be increased to include directors of the latter company. The Preferred Life Insurance Company of America was organized by William A. Watts and incorporated under the laws of Michigau in 1909. The company began business seven years ago with a capital of $1 000,000 paid in, and a surplus of $25,000. A year following an additional $50,000 was added to the surplus, and since then its progress has been steady and healthy, as will be seen by the following table:

Year.	Admitted Assets	Ins. Written	Ins in Force
1910....	$127,211	$1,206,249	$1,206 249
1912....	211,252	2,154,293	4,096 573
1915....	485,985	2,323,772	8,382 497
1916....	623,296	1,982,865	9,283,934

A few years ago the Finniah Mutual of Hancock, Mich., and the Ideal Reserve were re-insured, and the company secured thereby about $2,300 000 of insurance. The Merchants' Life Insurance Company was organized in 1894, and re-incorporated as a stock company in 1915. It has a capital stock of $100,000, and had over $50,000,000 of insurance now in force at the beginning of the current year. It has confined its business largely to the non-participating feature, its policies being fair and liberal. Its premium income last year was $823,013, with a total income of $950,067; its admitted assets on Dec. 31st last year were $1,623,241, and of these $1,410,930 was invested in mortgage loans that yielded a good rate of interest. The company has a surplus in excess of capital and all other liabilities of $182,716.

CONNECTICUT MUTUAL OUTING

The Connecticut Mutual Club, composed of some 100 employes of the home office of the Connecticut Life, held its annual outing at Cosey Beach near New Haven, Connecticut, on Saturday June 16. The officers of the club include: President, W. J. Tuller, of the policy department; vice-president, S. C. Pickett, of the actuary's department; secretary, A. E. Giddings, of the farm loan department, and historian, G. A. Hunt, of the agency department.

EQUITABLE LIFE OF IOWA

The Equitable Life of Iowa, for the first five months of the current year has written well over fifteen million of new business, and its record of $3,201,618 new business for the month of May is in line with this average, and a good stride in its march toward the 1917 goal, which has been set at forty million of new business. A record of dividends to policyholders for the first five years from 1912 to 1916 inclusive, shows that during that period the company paid $208,083 more in dividends than for death claims, or nearly $111 of dividends to each $100 in death losses.

The Northwestern National Life of Minneapolis reports an average of $1,500,000 monthly in applications received during the past five months, an increase of 65 per cent., compared with the first five months of 1916.

Security Mutual Life Insurance Company
Binghamton, N. Y.

Offers to men able to produce business first class territory, with direct contract providing liberal compensation.

For particulars, address

C. H. JACKSON, Supt. of Agencies

We want a GOOD PERSONAL PRODUCER and organizer for DESIRABLE TERRITORY in several states west of the Mississippi River. EXCELLENT CONTRACT.

Northwestern National Life Insurance Company
MINNEAPOLIS, MINNESOTA,

is a LEADING LOW NET COST, annual dividend, MUTUAL, OLD LINE company. Record for 1916—increase in insurance in force, 20%; in paid-for business, 51%; in assets, 15%; in amount apportioned for 1917 dividends, 71%.

The
Perfect Protection Policy
OF THE
RELIANCE LIFE

gives you something absolutely new and different to talk to your prospects. Gives you a chance to earn more money than you are now making.

Our Life Insurance Contracts contain the most up to date clauses known to the Insurance World. The Accident and Health gives full protection for at least a third less cost than regular casualty companies. Our agency contracts are as liberal as can be made.

WRITE AND WE WILL TELL YOU MORE ABOUT OURSELVES

Reliance Life Insurance Company of Pittsburgh
FARMERS BANK BUILDING
PITTSBURGH, PENNSYLVANIA

A GOOD OPENING

An old, well established, progressive life insurance company, with unexcelled dividend record has good opening at PHILADELPHIA, covering Eastern Pennsylvania. Address, stating qualifications:

PHILADELPHIA, care of The Eastern Underwriter
105 William St., New York City

40% **Increase in Paid New Premiums—that tells the 1916 story of Fidelity progress.**

Direct leads and the Fidelity "Income for Life" plan are making money for Fidelity field men. Any man who can sell life insurance can sell MORE Fidelity insurance.

Write to-day—

Fidelity Mutual Life
INSURANCE COMPANY, PHILADELPHIA

INCORPORATED 1878 WALTER LE MAR TALBOT, President

We don't contract with poor men.

We give a new man our attention until he is started.

We make our men make good.

Why don't you work for us?

Peoria Life Insurance Company
PEORIA, ILLINOIS

Fidelity Mutual Leaders' Club Meets

PATRIOTIC KEYNOTE SOUNDED AT GATHERING

Splendid Progress Made During Club Year—Increases Made All Along the Line

The annual meeting of the Fidelity Leaders' Club, leading producers of the Fidelity Mutual Life, held last week in Philadelphia and Atlantic City, was an enthusiastic and patriotic affair. A large motto, "Do Your Bit," stretched across the convention hall. Every reference to the great international struggle was heard with closest interest and there were cheers for the Government, its aims and its leaders.

After a preliminary program of patriotic music and tableau, there was a remarkable address by Arthur Guy Empey, an American, who for nearly two years was in the thick of the fighting in France as a machine gunner and bomber of the Royal Fusilleers.

Red Cross

By way of lending aid to the Red Cross campaign a resolution was passed on Wednesday morning that a Red Cross box be placed at the door of the assembly room and each member who reported after a session opened would be required to deposit not less than 25 cents. Absentees were fined a dollar. Before adjournment on Friday a general collection was taken. In all, the sum of $537.16 was raised and, by resolution of the convention, was turned over to the Red Cross campaign committee as a donation "In Memory of Mrs. Walter LeMar Talbot," wife of the president of the Company, who died on June 11.

The opening session on Wednesday morning was featured by an interesting and instructive address on "Aids to Selling," by Thomas H. Beck, sales vice-president of the American Lithographic Company.

The installation of officers was performed by Professor John Dennis Mahoney, "office boy" of the publicity department and head of the department of English literature in the Philadelphia Boys' High School, who carried through the entire installation ceremony in rippling verse, which he had written for the occasion, cleverly playing upon the foibles of the various officers-elect and setting the convention in an uproar.

President Talbot, in welcoming the convention, said in part:

"On behalf of the management I extend congratulations to the ninety-one qualified members of this convention, remembering especially the fifty-five men who qualified in 1916 and who still retain their membership in the club. I know it will be a pleasure to these men to extend the right hand of fellowship to the new members of the club and to the 'Recruits' who are with us today.

"This has been a wonderful club year. The list of qualified members shows an increase of 16 over the convention of last year and is the largest membership in the history of the club. In addition, the 'Recruit' class shows a gain of six members over last year.

"The personal premium produced by the first five men, who have elected themselves officers of the club, aggregate very close to one hundred thousand dollars, and I might say that the amount of premiums which this year wins the fifth office would ordinarily have secured the presidency. The average premium settlements of the entire club is 27 per cent. greater than that of last year. The progress of the entire field has been in line with your own. The Company's paid for business for the club year represents an increase of over 21 per cent., and the paid premiums represent an increase of 39 per cent.; but best of all, in my opinion, is the decrease of over 15 per cent. in the business which has terminated and cancelled out. At the beginning of 1917 we adopted as our slogan '$142,000,000 of insurance in force December 31, 1917.' It was made in good faith and it is being held to in good faith for, I am glad to say, the first five months of the year have yielded the required average."

44 MILLIONS from 42 AGENCIES

THE 1916 RECORD OF OUR EARNEST, LOYAL AND HAPPY AGENCY FORCE

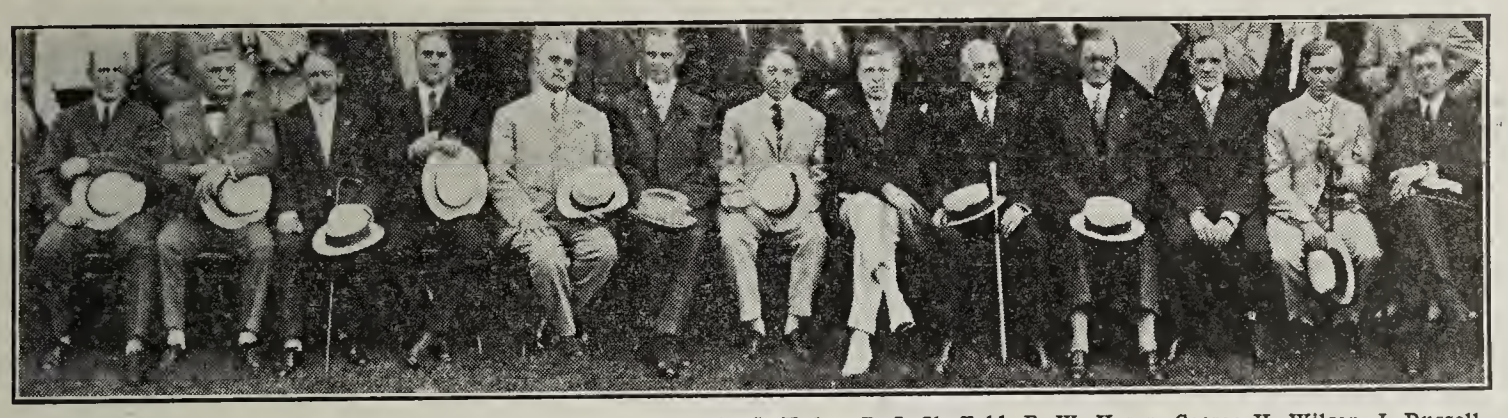
New England Mutual Life Insurance Company

BOSTON, MASS.

PROMINENT FIGURES AT FIDELITY MUTUAL LEADERS' CLUB



Left to Right: J. D. Brown, Detroit, President of Club, 1917-18; Vice-President Quinn; C. M. Hunsicker, Philadelphia; S. J. Steel, , Dr. W. H. E. Wehner, Actuary Marshall, Dr. Mydette, John D. Mahoney, R. C. Bright, C. H. Jones, W. C. Walker, E. S. Gordy.



Left to Right: G. W. Power, E. H. Felt, George W. Meacham, C. G. Hodge, E. J. Sheffield, F. W. Heron, George H. Wilson, J. Russell Sykes, J. B. Franks, E. S. Freeman, , R. J. Seiberlick, President Talbot.

The Nation Needs Its Business

Not less patriotic than those who serve the Nation in organizations directly connected with the war, are those who keep the wheels of business steadily turning. Their work contributes to the country's moral poise, and, as well, keeps sound the financial foundation on which our great part in the war must rest. Life insurance is one of the great conservators of national resources, through its protection of the myriad homes of the people and the businesses which furnish their maintenance. Life insurance has therefore a great opportunity and a great duty in this time of crisis.

Occasionally we have a General Agency opening

JOSEPH C. BEHAN, Superintendent of Agencies

MASSACHUSETTS MUTUAL Life Insurance Company

Springfield, Massachusetts

Incorporated 1851

FINAL DIVIDEND SAVES POLICY

A Mutual Benefit final dividend has been the means of protecting the beneficiary under lapsed Mutual Benefit policies. Claim was paid on May 1, 1917. The policies were on the life of Mr. William R. Chaney, a farmer, of Clinton, Ky. There were three policies all issued at the same time in March, 1911, at age sixty, on the ordinary life plan, each for $1,000. When the regular premiums came due February 1, 1917, the insured had secured loans on his policies up to the full limit of his equity. The premiums were not paid in cash during the month of grace, so the policies lapsed. Each of them was subject to a loan of $150.55 with interest of $9.03, making the total indebtedness $159.58, which was the exact amount of the loan value of the policy. Under the terms of the Company's nonforfeiture system applicable to these policies and the Company's equitable system of apportioning surplus, however, there was a final dividend in each case amounting to $17.59, which sum was applied to reduce the indebtedness, thus recreating a net value which was applied to extend the insurance until August 12, 1917. On April 11th the insured died at age sixty-six, as a result of a brain hemorrhage. The Company paid $858.01 under each of the three policies. There was other insurance under older policies, the net proceeds of which exceeded $2,000, which was also paid.

SECURITY AFTER TWO MILLION

The Security Mutual Life Insurance Company, of Binghamton, N. Y., expects to close the month of June with two million of new business. Superintendent of Agencies Jackson declares that it is never hard times when there is work for everybody and everybody is at work; while the full dinner pail is one of the conspicuous things among the ranks of workingmen; when a newspaper can print an advertisement calling for two thousand carpenters, fifty steamfitters and fifty plumbers, each man guaranteed twelve hours' work each day, eight hours being considered a day's work and time and a half for the extra four hours; a guarantee against labor troubles and strikes, and also paying transportation from the home town.

Mr. Jackson calls attention to the fact that nearly nine million acres have been sowed to food crops in New York State, and the army of workers that will be required to harvest the crop. All these foods will be converted into money which will flow in golden streams over the whole land so that all will be benefited. Jackson says that this is the time to sit tight and to be careful lest we rock the boat. "There is a panicky wave of economy going over the land," he says, "and we must not get hysterical and hoard food, which is the one thing that creates panic; it is our patriotic duty to prevent catastrophe."

APPOINT SENATOR'S DAUGHTER

Mrs. Marie B. Owen, Montgomery, Ala., has been appointed manager of the women's department of the David A. Holloway general agency of the New England Mutual Life in that city. Mrs. Owen is the daughter of Senator Bankhead and a brother of Congressman Bankhead of Alabama. She is active in club life church work, philanthropics and is head of the Confederated Clubs of Montgomery.

How To Sell An Income Policy

AGENT SHOULD PUT ALL STRESS ON INCOME FEATURE

Insures a Man's Insurance—Points to Bring Out in Sale of This Contract

By FRANK T. McNALLY, Duluth
From "The Radiator," published by the Massachusetts Mutual Life

I believe to sell the income contract properly, to get the most out of its selling value, we should lay all stress on the income feature. Give a prospect the best there is in us on this feature alone and forget about everything else.

Why?

First, because by so doing we eliminate all substandard competition. The average prospect is often solicited by life insurance men who have a few stock arguments already known to the prospect. The income specialist must necessarily know his business, and he can use the whole force of his personality to play upon fundamentals, not upon incidents such as comparative "delay" clauses, loan conditions, and so forth, to the dire disadvantage of his weaker competitor.

Second, we should place all importance on the income feature because it opens up a new avenue of thought to the prospect. Up to this time he has had a mental picture of a life insurance agent paying a few thousand dollars to a woman in black, but now he sees that same agent paying his wife and daughters a small salary in years to come. He sees an entirely new service for life insurance.

Third, we should give all the force there is in us to the income feature alone because when a prospect is made to realize the distinct value of creating the principal of a trust fund by life insurance he will not look so much upon the premium as a fixed, annual charge. He will realize that he is in reality creating the principal of a fund which may extend its benefits to another generation, and the more it appeals the less unpleasant is the charge.

Fourth, we should lay all stress upon the income feature because, permit me to say, there is a prejudice in the minds of many men, not against life insurance, but against talking about it. Why not talk to them about something more interesting? Why not forget the picture of a shrond, a hearse and an undertaker, and draw a picture of a Springfield Safe Deposit & Trust Company draft coming with due regularity to his postoffice box for 10 or 15 years after the policy matures if he lives—and payable to his youngest daughter if the worst should happen.

$50 a Month

Now, some claim that, after all, life insurance is bought in such a case; that life insurance is cheapened by such soliciting, and that it should stand upon its own merits. Well, why do men buy life insurance? Is it for the pleasure of reading a prettily engraved document, or is it as a vehicle to provide for the uncertainties of the future? Should anyone object if another use is found for life insurance? The American people pay millions annually to see pictures **move.** Should we object if they wish to see life insurance **work?** It is what the people want, so why not sell it to them?

In solicitation of small income policies we almost invariably use commuted values. We do not like to inconvenience the actuaries, but we have to. If a man were out of work and applied for a position, and was told by a certain concern that he would be hired, he probably would ask at what salary. Suppose the employer said, "We will pay you such an amount yearly as at 4½ per cent. interest will produce $27.55 per year." The man would say, "Yes, but what will I get a month?" And the employer would simplify things by saying, "$50 per month."

Is not our explanation of income insurance usually very similar to the first answer of the employer? If we talk $10,000, the guaranteed installment without excess interest would be $652.50 per year, or $54.40 per month for 20 years, a peculiar amount, an unfamiliar amount, an unappealing figure. We find it more satisfactory to talk $50 per month to the beneficiary, or $50 per month to the insured at the beginning of the endowment period, but anyway $50 per month for 10 years, 15 years, 20 years, or life.

"$50 per month" is not a large sum. It would never permit a luxurious existence or the gratification of epicurean tastes, but it is more than the income of the average wage-earner—more than the annual income of the average American family in this the richest nation in the world. It would pay the grocery bill, the meat bill, the cost of medicine. It would take care of the extreme necessities of life. These are the thoughts in the mind of the prospect; these are the images produced by the words, "$50 per month."

"$50 per month" would keep from his household the miseries of extreme, abject poverty; it would keep his daughters off the street; it would give the wife an income to assist in the education of his children.

STARTS WITH EXEMPTION

How House of Commons in Canada Regards Life Insurance in Considering Taxation

In an act passed by the House of Commons of Canada on March 27, 1915, to supplement the revenue required to meet war expenditures, life insurance was distinctly exempted as follows:

"Sec. 2. **Every company, other than a life insurance company,** a company transacting marine insurance, a fraternal benefit society and a purely mutual company licensed or registered or otherwise authorized to transact in Canada or in any province thereof, the business of insurance shall pay to the Minister of Consolidated Revenue Fund a tax of one per cent. upon the net premiums received by it in Canada on and after the first day of January one thousand nine hundred and fifteen."

SECURITY'S NEW PRESIDENT

The presidency of the Security Life Insurance Company of America, with home offices at Chicago, recently made vacant by the death of W. O. Johnson, has been filled by the appointment of the latter's son, O. W. Johnson, who has been secretary for the past eleven years, and treasurer since 1910. He will continue as treasurer, while the secretaryship will be filled by J. Charles Seitz, who has been assistant secretary and actuary. The new president is a graduate of the Chicago University, class of 1905. Since taking up life insurance he has devoted his time to the Security Life, which now has more than $19,000,000 in force, and has gained over a million dollars since the beginning of the current year.

Canadian Experience

(Continued from page 2.)

lieve the experience of British offices has shown that the rate is too small for officers and probably slightly higher than is necessary for privates."

J. B. McKechine, Manufacturers' Life:

"As the company waived all rights to any military or naval restriction on all business issues before the outbreak of the war, we have not been able to make a complete tabulation of the amount at risk at the front, but we are aware it is considerable. The extra charged at present under the war clause is an annual one of 15 per cent. ($150 per $1 000) of the sum insured and from experience at the present time this does not appear to be excessive."

DR. ALBRIGHT HERE

Northwestern Mutual's Leading Producer Thinks Good Will of Business Community Best Asset

Dr. Charles E. Albright, the famous writer of the Northwestern Mutual Life, who has written more than $4,000,000 of personal production this year, was in New York this week.

Dr. Albright was an assistant medical examiner of the Company. The production end of life insurance offered the best opportunities and he made as exhaustive a study of the leading producers' methods as he could and he has always solicited intelligently, each year becoming more effective and more a master of his business. His acquaintance among men of prominence is unusually large and he has often said that the most valuable asset for a life insurance man to have is the good will of the business community. He does not worry much about new prospects, but when he sees a man the desire for insurance is usually already created. He is appealed to as an expert. He does not waste time trying to convince a man who does not want insurance.

Dr. Albright's experience in the medical department has been of great aid to him in closing business. He does not feature any particular type of insurance but tries to put himself in the other man's place and to sell him what he wants. He has a large number of clients in New York City. Some time ago he placed one policy of $800,000 here. It is reported that within the last twelve months Dr. Albright has sold twice as much insurance as any individual producer ever placed on the Northwestern Mutual Life's books in the same period.

An interesting feature of Dr. Albright's work is that he has no organization of any kind.

THE MOST VALUABLE POLICY FOR YOU,
Mr. Agent, is to write your prospect in the Company writing the most valuable policy for the insured.
Secure **prompt action** in the
John Hancock MUTUAL LIFE INSURANCE COMPANY OF BOSTON MASSACHUSETTS
WILLIAM N. COMPTON, General Agent
METROPOLITAN DISTRICT, ST. PAUL BLDG., 220 BROADWAY, NEW YORK, N. Y.

ORGANIZED 1871
Life Insurance Company of Virginia
RICHMOND, VIRGINIA
OLDEST, LARGEST STRONGEST Southern Life Insurance Company
Issues the most liberal forms of Ordinary Policies from $1,000.00 to $50,000.00, and Industrial Policies from $12.50 to $1,000.00
CONDITION ON DECEMBER 31, 1916:

Assets	$14,464,552.23
Liabilities	12,436,717.56
Capital and Surplus	2,027,834.67
Insurance in Force	118,349,212.00
Payments to Policyholders since Organization	18,119,172.50
Is Paying its Policyholders over	**$1,300,000.00 annually**

GOOD TERRITORY FOR LIVE AGENTS

Build Your Own Business
under our direct general agency contract
Our Policies provide for:
Double Indemnity, Disability Benefits, Reducing Premiums
See the new low Rates
JOHN F. ROCHE, Vice-Pres't
THE MANHATTAN LIFE INSURANCE COMPANY
66 BROADWAY NEW YORK
Organized 1850

Founded 1865
The PROVIDENT Life and Trust Company
OF PHILADELPHIA, PA.
What do most men fear?
An insufficient income for their wives and children if they die, and for their own old age if they live.
WE WILL INSURE THE INCOME IN EITHER EVENT.
Write for Information

Are You Permanently Established?
Write for Territory
Pennsylvania—Ohio—West Virginia
PHILADELPHIA LIFE INSURANCE CO.
PHILADELPHIA

LIVE HINTS FOR BUSINESS GETTERS

Practical Suggestions to Help the Man With the Rate Book Increase His Income and General Efficiency

Individual Liability

An interesting decision upon the status of the members of a voluntary mutual benefit association has recently been rendered by the Appellate Division of the New York Supreme Court. The action, says Best's "Insurance News," was the outgrowth of the disbanding of an association known as "The Teachers' Mutual Life Assurance Association." After the failure of the association, a member died and her beneficiary sued upon the theory of a contractual obligation aga nst the members individually. This form of action was necessary, since it appeared that at the time of the trial there was only about $86 in the treasury of the association.

The court examined the nature of such associations and held that no recovery could be had against the members individually, the association being a voluntary one for the mutual benefit of the members, and there being no contractual obligation to pay the death benefit.

* * *

Joint Life Policies

When a corporation wishes to insure the life of one or more of its officers, or the life of a valued employe, a separate policy on each life would be the obvious way to place the insurance, but if the several members of a firm, or partnership, desire to take insurance on the lives of all for the benefit of the firm, a joint life policy may be employed or a separate policy may be issued on each life. I believe, however, that separate policies will prove much more satisfactory than a joint life policy.

When the insurance is issued under a joint life policy the total insurance ceases at the first death, and if the surviving partners still desire insurance a new policy must be applied for at the advanced ages, and there is always the possibility that one or more of the partners may not then be insurable. If, however, single policies have been issued, there is always insurance in force on the surviving partners. If a new member is admitted to the firm he cannot be included in any existing joint life insurance, and if a member withdraws from the firm the remaining partners cannot carry the full amount of insurance on their lives unless satisfactory evidence of insurability is given to the company. In our own experience we have had many difficult problems to solve in connection with joint life policies due to business changes and the desire on the part of the parties involved to readjust the insurance to meet the changed conditions. In all these cases, if each member of the firm had carried an individual policy there would have been no complications. The policy of a withdrawing member could be surrendered for cash or could be continued for the benefit of his family, and another policy could be taken on the life of a new member. In other words, the joint life policy is not elastic and cannot be adapted to changed conditions. It may be said that the individual policies call for a larger premium; this is true, but they are worth the additional premium. If the cash surrender values of the policies are carried on the books as an asset the aggregate values of the individual policies will be larger than the value of the joint life policy.

A few figures in this connection may be of interest. The premium for a joint ordinary life policy of $10,000 at ages 35, 35, and 35, is $511 and the aggregate premium for three policies of $10,000 each on the separate lives is $790. Assuming that our present dividend schedule is maintained, and that the cash surrender values are carried as an asset, and that there are no deaths, the net cost of the joint life policy at the end of the fifth policy year would be $1,268, and the net cost of the separate policies, $1,507, or only $239 more; the net cost of the joint life policy at the end of the tenth policy year would be $2,161, and the net cost of the separate policies only $2,000, or $161 less than under the joint life policy; and at the end of the twentieth policy year the net cost of the joint life policy would be $3 556 and of the separate policies only $1,979, or $1,577 less. In this comparison, however, no account has been taken of the interest on the difference in premiums.

If business insurance is issued on the short term plan it should never be issued under a joint life policy, for the aggregate premium under the separate policies is only a very little more than the joint life premium. For example, the premium per $1,000 at age 35 for a five-year term policy is $12.20; hence the aggregate premium for three policies of $1 000 each at this age would be $36.60. The premium for a joint five-year term policy of $1,000 at ages 35, 35, and 35 is $36.19, or only 41c less than the aggregate premium under the three separate policies. The explanation is this: the only risk that the company runs under the three single life policies that is more than, or different from, the risk under the joint life policy, is the risk that more than one of the insured may die within the term, for if all survive or if only one dies the outcome is the same under either form of insurance. Now, by the American Experience Table in only six out of one thousand such groups would more than one of the three lives die within the five years, so that a small addition to the premium is all that is needed to pay for the extra risk under the separate policies, especially when the fact is taken into account that under the separate policies the premium payments do not cease at the first death, as under the joint life policy, but are continued on the other policies until they too have terminated.

—Charles H. Angell in "The Radiator."

* * *

Recanvass on Another Plan

George B. Woodward, of the Metropolitan Life, makes this suggestion for conservation of business:

Another suggestion in the saving of ordinary business, is that you carefully scan the business reported by the agent for lapse during the first year, with a view of sending him back to recanvass the former insured on some other plan, if the stub of the receipt shows inability to pay the premium on the policy already issued. The circumstances of the insured are constantly changing, and unfortunately sometimes not for the better. Business is undoubtedly not always properly canvassed; that is, not for the right kind of policy. We believe that if intelligently canvassed a large proportion of these early cancellations could be induced to take policies calling for a smaller outlay. That there is ample field for work in this direction is proven by the home office figures, which show that in 1916, 10,646 ordinary policies lapsed after payment of either one quarterly premium, two quarterly premiums or one semi-annual premium. Even if it were not possible to have re-written this business on other than a weekly premium basis, ten cents on each of the insured would have meant a very substantial increase.

An English Viewpoint

Conscience: "What is your income?"

Citizen: "£400 a year."

Conscience: "How much life assurance do you carry?"

Citizen: "£200."

Conscience: "What will your family have to live on if you die?"

Citizen: "My life assurance, of course."

Conscience: "What! You expect your wife and children, in the event of your death, to live all the rest of their lives on the half of one year's income? Preposterous!"

Citizen: "I hadn't thought of it in that light. What do you advise?"

Conscience: "You are still young, and can buy insurance cheap. Economize a little; live on £350 a year, and invest the whole of the remaining £50 as a life assurance premium. That will buy you a policy for about £2 400. That amount, increased by bonuses, and wisely invested by your wife, in the event of your death will give her a permanent annual income towards the support of herself and children."—"G. I. Recorder."

ONE MAN'S RECORD

J. L. Haas, general agent of the Travelers Insurance Company in St. Louis has made a record for himself. On February 14, 1913, Mr. Haas wrote the youngest of three brothers for $1,500. An additional policy of $1,000 was placed almost immediately after, and on April 14 another $2,500 policy was placed on the same risk. Total $5 000. Almost immediately after placing the first policy Mr. Haas started in on the rest of the male members of the family and here are the results:

Second Brother

May 1, 1913, 2 policies, $5,000 each.
Feb. 2, 1914, $20,000.
Apr. 1, 1915, 2 policies, $5,000 each.
Apr. 25, 1917, $20,000.
Apr. 25, 1917, $10,000.
Total—$70,000.

Vice-President Charles W. Helser, of the West Coast Life of San Francisco, in his Company's publication, "The Pioneer," offers to run a quarter page advertisement for insurance journals free of charge. He says the Company is anxious to have its agents read good insurance journals.

The St. Lawrence Life Association, of New York City, has removed its offices from 100 William street to the Graham building, 127 Duane street, west of Broadway.

THE
METROPOLITAN LIFE
Insurance Company
(Incorporated by the State of New York)



Metropolitan Life Insurance Company
Home Office Building

The Company
Of the People
By the People
For the People

The Daily Average of the Company's Business during 1916 was:

701 per day in Number of Claims Paid.

8,304 per day in Number of Policies Issued and Revived.

$1,969,823 per day in New Insurance Issued, Revived and Increased.

$376,827.40 per day in Payments to Policyholders and Addition to Reserve.

$220,509.26 per day in Increase of Assets.

JOHN R. HEGEMAN, President

Representing

The Mutual Life Insurance Company
of New York

You will make money.

The great strength, big dividends and incomparable benefits of the *"oldest company in America"* mean certain success for you.

For Terms to Producing Agents, Address

GEORGE T. DEXTER, 2d Vice-President
34 NASSAU STREET, NEW YORK, N.Y.

THE EASTERN UNDERWRITER

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INSURABILITY AND RE-INSTATEMENT

Elsewhere in this paper The Eastern Underwriter publishes the brief of the Atlantic Life Insurance Company with reference to a letter of Colonel Button, Insurance Commissioner of Virginia, in which the commissioner ruled that it is improper to add a war clause as a condition precedent to the re-instatement of a lapsed life insurance policy which was originally issued free from restriction as to residence, travel and occupation. The applicant is within the conscription age. It will be recalled that last week the Virginia commissioner submitted the brief and his own opinion to the other commissioners for a corroboration or rejection of his point of view, and that with one exception the commissioners coincided with him.

It is doubtful, however, if such corroboration could be obtained in the legal, underwriting or actuarial departments of the life insurance companies. So far as The Eastern Underwriter can ascertain the memorandum of the Atlantic Life, prepared, it is understood, by the vice-president and actuary, Charles G. Taylor, Jr., is regarded as containing the very arguments with which U. S. court experience and underwriting interpretation have guided companies in the matter of insurability and re-instatement.

The insurance companies have demonstrated their patriotism so repeatedly and convincingly in recent historical events that their motives cannot be questioned; they want to extend to the man engaged in military or naval service every favor, every concession that they can. They desire the conservation and protection of the equity of the policyholders, but the line must be drawn somewhere, and the place should be at that particular point where the widows who remain at home are given every whit of the protection which their husbands provided or thought they provided for them, when they first bought and paid for the policies.

And while discussing the question of national service it is not fair to demand by ruling or insinuation that companies shall go outside of their legitimate province, which is insuring lives, and stretch their functions too far into acts of so-called patriotism or philanthropy. Some leeway is offered by which companies do their bit, and they are quick to take advantage of it, but they should not be chosen above all others in the community to bear burdens which should not legally and legitimately belong to them.

So too the commissioners are trying to do the fair thing; they want to spare the man in the service every sacrifice possible; but just as they realize their responsibilities not only to the soldiers and sailors who want to insure they should also remember that other great army of policyholders and their beneficiaries which has rights that must be protected. Furthermore, their position as State officers must be kept clearly in mind, they are supervisory officials; not judges on the bench. They can endorse or reject new riders or forms; it is a question how much authority they have on the existing policy contract.

The re-instatement clause in a life insurance policy is a liberal concession in itself. Until the standard policy form drafted after the Armstrong investigation some companies did not have such clauses. Of those companies which did permit of re-instatement some granted it "upon presentation of satisfactory evidence of good health." This proved unsatisfactory as it did not permit the companies to take into consideration change of occupation, of residence, and other conditions which experience showed it necessary to scrutinize. Accordingly, the language was changed to "evidence of insurability," so as to take into account all of the things that are ordinarily the basis of insurability.

It has been held in a number of cases that the re-instatement of a lapsed policy creates a new contract subject to all the provisions and conditions of the original contract except in so far as modified by the contract of re-instatement. This question has arisen mostly in cases where the companies have defended on account of breaches of warranty contained in the re-instatement application. In such cases the courts have uniformly held that a new period of contestability begins to run from the date of the application for re-instatement and not from the date of the original policy. In discussing the court rulings one of the great legal experts of the life insurance business said this week:

> The original contract has ceased to be in force by reason of the lapse occasioned by non-payment of the premium and as conditions have changed since the original contract was made, unless the companies have the right to attach condition to the re-instatement in accordance with the changed conditions then the policyholder has a great advantage over the company —an advantage which is not only inequitable to the company but to all the other policyholders of the company.

There has been some discussion in life insurance offices this month over the Sussex vs. Aetna Life case where a Canadian court ruled that as the policy contains a specific statement that it does not restrict against military or naval service, and, also an agreement to re-instate upon being furnished with "evidence of insurability satisfactory to the company" the evidence of insurability need consist only of proof that the applicant is a good physical risk. This decision is regarded as so unjust and defective that it is understood that Canadian life insurance companies are continuing to stand by their former interpretation of "evidence of insurability"; viz: such evidence must include facts about occupation and change of residence as well as physical condition.

HOME ON RE-INSURANCE

The letter of the Home of New York, asking for the views of its agents on re-insurance handles a difficult situation in an intelligent, just and democratic fashion. President Snow not only seeks to get the agents' point of view, but says the Company will be guided by what they say. This is real co-operation.

THE HUMAN SIDE OF INSURANCE



J. U. DIXON

J. U. Dixon, who has been special agent of the Newark Fire in New York State, has been transferred to the New Jersey field, and will make his headquarters in the home office after July 1. Mr. Dixon, who is one of the most popular of the Eastern field men, and who has a large acquaintance among brokers as well as agents, began his insurance career with the old Manchester Fire in New York City in 1896. He left that company to go with the Royal Exchange as statistician. Later he was a local agent in Brooklyn, after which he had charge of the Albany branch of the Underwriters' Association of New York State. There his work attracted company attention and he was engaged by the Standard of Connecticut to become special agent in New York and New Jersey. In December, 1911, he went with the Newark. Frank T. McBride has been the New Jersey special agent of the Newark. In discussing the change President Haynes, of the Newark, in a letter to the field, said:

"Special agent Frank T. McBride, who has so long and faithfully served the company, will hereafter devote the larger share of his time to the handling of our losses.

"On July 1 next, we shall transfer to the New Jersey field, J. U. Dixon, who has represented us as special agent in New York State for the past five years, and we are confident you will find him not only a courteous gentleman but peculiarly fitted by knowledge and experience to be of material assistance to your agency. Mr. Dixon will make his headquarters in the home office."

Henry N. Hansen, a life insurance man in Decatur, Ill., who recently averaged $100,000 of business for each of eight consecutive months, has written a clever little book, entitled "The Optimist vs. The Pessimist," which consists largely of epigrams, the reading of which should spur an agent to an increased effort in production.

* * *

James M. Woodhouse, of Indianapolis, supervisor of agents for Indiana for the Phoenix Mutual Life, and Mrs. Woodhouse motored from their home to Hartford last week. They made the trip by way of Wheeling and Washington and will return next week via Buffalo and Chicago.

* * *

James R. Pitcher, of the Aetna Life, has written a letter to the New York "World," in which he says that these are times when every worthy inhabitant of the country, "not alone its citizens," should display the emblem of the United States, the Stars and Stripes, "as a glad manifestation of loyalty." Continuing he says: "The real patriots of America, composed of all races, eagerly fly the flag of the United States, and those who fail to do so may justly be regarded as lacking in appreciation of their privileges and ungrateful to the Government that protects them."

* * *

Gardiner White, of Weed & Kennedy, and a golf expert, on Saturday will marry Miss Sylvia Curtis, of Plainfield, N. J.

* * *

E. J. Carter, Insurance Commissioner of Maine, has issued a bulletin to the public on Maine's potato crop. It is an argument for conservation by cutting down the potato storage warehouse hazard. These storage houses are in rows and outside of protection. He estimates that last year sufficient potatoes were lost by fire to feed an entire State, and that much of this loss could have been avoided. Concluding he urges: "Let us safeguard the storage of this food crop; make our potato warehouses safe, standard houses; build cut-offs or fire stops of brick walls between houses situated in rows; repair them; equip them with proper heating apparatus."

* * *

Charles Kederich, agency director, Grand street branch of the New York Life, on June 15 completed his personal new organization allotment of $200,000 for the year 1917.

* * *

H. S. Tierney, office manager of John A. Eckert & Co., had a lively time last week. First he was married. A few hours thereafter, he, as a member of the aviation corps, was ordered to a camp in Texas immediately. He started for there, and then received telegraphic orders that he was transferred to Ithaca, N. Y., where he is now stationed.

* * *

S. Herbert Wolfe, famous actuary, has been commissioned a captain in the Officers' Reserve Corps, United States Army.

DONATES AN AMBULANCE

The office of Fred S. James & Co. has donated an ambulance to the American Volunteer Ambulance Corps to be used in the Red Cross work in France. France B. Blossom, son of George W. Blossom, one of the partners in Fred S. James & Co., will sail for France on an early date to enter the Ambulance Service and will drive the car donated by the firm.

FIRE INSURANCE DEPARTMENT

Marking Off Binders Violates State Laws

STREET OPINIONS ON CHECKING CREDIT EVILS

What Standard Policy Law Says—Enforcement of Law Will Improve Conditions

Of seventeen underwriters, brokers and company executives interviewed by The Eastern Underwriter this week practically all were of the opinion that the binder provision of the standard policy law enacted by the New York State Legislature, and now effective, will improve conditions if applied literally.

To date there has been much confusion due largely to the lack of knowledge of the law on the part of many of the brokers. The fact that the law brands failure to charge for binders, marked off and cancelled policies as a rebate and a misdemeanor is emphasized by the New York Fire Insurance Exchange in the following notice sent to its members:

Exchange's Notice

"The arbitration committee directs that the attention of all members be called to the fact that the amended form of Section 65 of the Insurance Law of the State of New York dealing with the subject of rebates, etc., became operative on May 14, 1917, by the signature of the Governor, and that it contains the following language, the words here in black-face type being new matter:

"Nothing herein contained shall be held to prevent the covering of risks by binders or temporary contracts of insurance or such other memoranda as do not conflict with the provisions of this chapter, provided that the premium applicable to the risk insured shall be payable, and shall be paid, for the time during which insurance is in force by virtue of such binders, temporary contracts of insurance or other memoranda, and any violation of this provision shall constitute a rebate."

In some quarters the opinion is held that the literal application of the law is impractical. In the past it has always been found that concessions have sometimes been made to secure additional business. Others have pointed out that the matter is no longer a question of good faith, but of law, which must be observed by all alike. Brokers point out that there are sometimes extenuating circumstances, such as the holding up of a policy through no fault of theirs, and they want to know what body is going to arbitrate the question of whether or not there should be a charge under such conditions.

The new binder provision was aimed at such brokers as habitually seek to cover their assureds free of charge or endeavor to profit on the transaction in addition to their regular commission. It has been estimated that brokers of this class are few and far between and the law cannot work a hardship on others because it is merely emphasizing by statute what has heretofore been dictated by good business practice.

Affects Casualty Business Also

The law is also applicable to casualty business and has caused some brokers considerable worry for fear that it would prove a large and unavoidable drain on their profits, but it has been pointed out that, in the casualty lines where there is a larger percentage of policies returned not wanted than in fire insurance there can be no charge so long as the policy is returned before the date it is effective. With the casualty companies, however, the practice of charging earned premiums has not been as studiously observed as in the fire business and casualty men say the application of the law will involve considerable alteration in custom.

One large broker has already ordered forms printed which he plans to have his assureds sign and which relieve him of the financial responsibility for policies returned by the assured not wanted.

Other brokers have met the situation by arranging to have their renewals and new business ordered sufficiently in advance to allow some leeway and eliminate the probability of any charge.

KELLY WITH GIRARD

Resigns as General Agent Arizona Fire to Become Assistant to President Gratz

William B. Kelly has resigned as Eastern general agent of the Arizona Fire, effective June 30, to become assistant to the president of the Girard Fire & Marine, Henry M. Gratz. His new position involves both field and office work.

Mr. Kelly is the son of the former president of the old American Fire of Philadelphia. He started with the Jefferson Fire as a boy; and later went with the Camden. Mr. Kelly has innumerable friends, has shown considerable ability, is an industrious worker and will make good in his new position.

FIRE AND MARINE INSURANCE—ALL LINES

The Automobile Insurance Company of Hartford, Conn.

MORGAN G. BULKELEY, President

Statement January 1, 1917

Cash Capital	$1,000,000.00
Assets	2,748,832.19
Liabilities (Except Capital)	1,039,977.81
Surplus to Policyholders	1,708,854.38

AFFILIATED WITH

ÆTNA LIFE INSURANCE COMPANY

THE ÆTNA CASUALTY & SURETY CO.

ENTERTAINS SUFFOLK BOARD

A meeting of the Suffolk County Board (New York State) of local agents, was held in this city last week. By a peculiar co-incidence most of the members are representatives of the North British & Mercantile, which company loaned the board a room in which to meet; and lately entertained the members at a Drug Club luncheon.

FRED PETERS WITH ALBANY

Fred Peters, formerly special agent of the New Hampshire in this State, is now with the Albany as special agent.

TO MEET IN SYRACUSE

Instead of holding a summer meeting at a lake resort, the Underwriters' Association of New York State will meet next month at the Onondaga Hotel in Syracuse. This was decided upon by a mail vote.

W. L. WEBSTER & CO., INC.,

ONE LIBERTY STREET, NEW YORK CITY.

Correspondent for

Fire Insurance Companies desiring to secure for their local agents lines on out of town risks, controlled by brokers.

SAMUEL W. SCOTT, Underwriting Manager.

NIAGARA FIRE INSURANCE COMPANY

ESTABLISHED 1850

OTHO E. LANE, President

BERNARD M. CULVER
WILLIAM L. STEELE
Vice Presidents

CHAS. A. LUNG
WILBUR C. SMITH
Secretaries

"Agents Everywhere"



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TORNADO
AUTOMOBILE
RENTS
SPRINKLER LEAKAGE
EXPLOSION
FULL WAR COVER
LEASEHOLD

Use and Occupancy, Profits, Commissions — All Forms

123 William Street, NEW YORK

NORTH BRANCH FIRE INS. CO.

Sunbury, Pa.

Inc. 1911

Assets	$641,341.77
Reserve	230,513.29
Capital	300,000.00
Surplus	63,479.83

CITY INSURANCE COMPANY

Pittsburgh, Pa.

Inc. 1870

Assets	$357,318.58
Reserve	54,256.92
Capital	200,000.00
Surplus	96,379.07

OPERATING ON A CONSERVATIVE BASIS IN A LIMITED TERRITORY UNDER AN EXPERIENCED MANAGEMENT

Increasing Valuations and Fire Insurance

HENRY EVANS GIVES HIS VIEWS TO "DUN'S REVIEW"

Average Amount of Insurance Per Risk About Same as It was Three Years Ago

In the June 16th issue of "Dun's Review," New York, Henry Evans, president of the Continental Insurance Company, sets forth his views on increasing valuations in terms that will impress fire insurance policyholders. The note reads:

There has been considerable discussion of late regarding the adequacy of insurance protection in view of the increased value of all kinds of property due to the heavy increase in costs that has occurred during the past two years The policy pursued by those taking out insurance is generally to carry only sufficient to cover such damage as might occur through fire or other destructive elements against which it is protected, and it is a matter of comment among those who have given this question consideration that little or no attention has been paid to the abnormal rise that has taken place of late in the prices of labor and materials.

Should Carry Sufficient Protection

If it is a wise policy to carry sufficient insurance to provide protection against any possible loss, every one, not only the business man, but the householder, who seeks to protect himself against contingencies, should readjust his insurance on the basis of what the replacement of his property would cost in case of disaster.

It is reported that the average amount of insurance per risk varies little from the figures of three years ago, whereas the cost of machinery, merchandise, household effects, building materials, labor, etc., has risen to heights in many cases never before witnessed, the increase in some classes of goods being in excess of 100 per cent No doubt, the bulk of those carrying insurance consider themselves amply protected, basing their belief on the values ruling two or three years ago, and they would probably be surprised to be informed that they are under-insured to a very substantial amount.

This condition would be especially the case should a total loss occur, because the insurance would probably be on the basis of the cost of replacement and if the protection has not been adjusted to an equivalent of the present range of prices the position of the insured in the event of disaster would be very unfortunate.

Co-Insurance Clause

Under the terms of the 80 per cent. co-insurance clause, which is part of the fire insurance contract throughout the country generally, the effect in case of loss would be as follows:

Value of property	$10,000
Amount required to be carried under 80 per cent. clause....	8,000
Amount of policy	8,000

In case of loss, should assured carry the insurance as above, he would receive the amount of his loss up to the amount of his policy. Assuming that the value of the property has increased to $15,000 and the assured still carries the old insurance of $8,000, in case of a partial loss he could only recover eight-twelfths of his loss. In the case of a total loss he would recover the face value of the policy, $8,000. To fully protect himself and to comply with the 80 per cent. clause, assured should carry at least $12,000 insurance.

BROKERS ACTIVITIES

What's This?

The National Brokerage Co., of Wilmington, Del., has been incorporated with $700,000 capital. Delaware papers announce that it will conduct "a general insurance brokerage business."

* * *

Holman, Brush & Craft Dissolve

H. M. Craft this week announced the organization of Craft, Son & Co., Inc., to continue the brokerage business of Holman, Brush & Craft. This announcement follows the dissolution of the co-partnership of H. H. Holman, F. M. Brush and H. M. Craft, the affairs of which are now in liquidation.

Detroit National Not to Merge

(Continued from page 1.)

sent out to the public for the merger of some other company with this Company, until the concurrence and approval of the proper persons connected with the company to be merged have been secured.

I would be glad if you would state in the columns of your valuable paper that this plan originated in the minds of either the Interstate Fire Insurance Company or their brokers and that in so far as the Detroit National Fire Insurance Company is concerned, that is where it will remain. In other words, there is nothing doing and we have (unsolicited) been the recipients at this office of numerous letters from our stockholders, advising us that they want nothing whatever to do with the matter. We would suggest to the Interstate Fire Insurance Company that the next time they want to swallow something to try it with the Home of New York, or the Aetna of Hartford, or the Liverpool & London & Globe, or some other company like those and not try to swallow a big company like this. But, all jokes aside, whilst the Detroit National is not very big, it had at the end of 1916, $104,000 more assets than the Interstate Fire Insurance Company.

PAUL TURNER, President.

B. M. CROSTHWAITE & CO.
Fire and Automobile Insurance Specialists
Lines Bound Anywhere in New York State
105 William Street, New York City, N. Y. Telephones 2404-5-6-1758-1090 John

PHILADELPHIA
ADEQUATE FACILITIES — ALL LINES
CLARENCE A. KROUSE & CO.
LOCAL AND GENERAL AGENTS
325 WALNUT STREET PHILADELPHIA, PA.
PENNSYLVANIA NEW JERSEY
SATISFACTION SERVICE — ALL LINES

LOGUE BROS. & CO., Inc.
Fire—Casualty—Automobile Insurance
Nation-Wide Facilities for Handling SURPLUS LINES
307 FOURTH AVENUE PITTSBURGH, PA.

SCHAEFER & SHEVLIN
103-5 William Street GENERAL AGENTS New York, N. Y.
Representing
DUBUQUE FIRE AND MARINE INSURANCE CO.
FIRST NATIONAL FIRE INSURANCE CO.
Excellent Facilities for Handling Suburban Business Phone: John 2312

FIRE ASSOCIATION Of Philadelphia
401-405 WALNUT ST.
Organized 1817 Incorporated 1820 Charter Perpetual
Cash Capital $750,000 Assets $10,046,848.04
E. C. IRVIN, President T. H. CONDERMAN, Vice-President
J. B. MORTON, 2nd Vice-Pres. M. G. GARRIGUES, Sec. and Treas.
R. N. KELLY, Asst. Sec. and Treas.
F A 1817

Caledonian Insurance Co. of Scotland
FOUNDED 1805
"THE OLDEST SCOTTISH INSURANCE OFFICE"
UNITED STATES HEAD OFFICE
Caledonian Building, 50-52 Pine Street, New York
CHAS. H. POST, U. S. Mgr. R. C. CHRISTOPHER, Asst. U. S. Mgr.
NEW YORK CITY OFFICE
Golden Hill Building, 59 John Street, New York

Capacity For Local Agents
You can use our capacity as your own to take care of additional business beyond the capacity of admitted Companies.
Our capacity is as high as $150,000 on a single risk with immediate binders and 10% commission to brokers. Guaranteed Underwriters. Use our special Surplus Line Department. Special liberal policies for Baggage Insurance.
MARSH & McLENNAN
Insurance Exchange, Chicago
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Ford Bldg. DETROIT — 17 St. John St. MONTREAL — 23 Leadenhall St. LONDON
THESE OFFICES GIVE YOU THE BEST THERE IS IN INSURANCE SERVICE

F. H. HAWLEY, Pres. ORGANIZED 1848 W. E. HAINES, Secy.


Ohio's Oldest and Strongest Company
Net Surplus Over $1,293,741.00
AN AGENTS COMPANY
E. K. SCHULTZ & CO.
PHILADELPHIA
GENERAL AGENT
Pennsylvania, New Jersey and New York

How a Broker's Office Should be Organized

VIEWPOINT OF ALEXANDER HAMILTON INSTITUTE GIVEN

Cost Much Greater Than is Generally Supposed—Harrison Law Author of Article

The Alexander Hamilton Institute, of 13 Astor Place, New York City, is this week mailing to the business men of the country who are subscribers to its service a report on the organization of a general insurance brokerage business. The report sets forth in detail the various functions of a broker and was compiled by Harrison Law, of the Gauvin Agency, Inc. Portions of the report are given herewith:

Necessity for Broker

"With the growth of insurance and its extension to many fields has come the institution of insurance brokerage. The insured does not always know what form of insurance is best suited to his needs, nor does he know how such insurance may be obtained most advantageously. He needs someone who is disinterested from the insurance companies' point of view and who is fully conversant with the subject of insurance—one, therefore, whose advice may be sought and whose judgment may be trusted.

"It is to meet this need that the insurance broker has arisen, and the fact that he has obtained a strong foothold in the insurance world is probably sufficient proof of his usefulness just as it is a strong indication of his permanence as an economic factor.

"The present report describes the functions of the insurance broker and relates the manner in which his business is being conducted.

Selecting the Manager

"When the details of organization have been decided, it is necessary to select a manager. The man selected for that position must have had a thorough insurance training and long experience in the insurance business. He must be familiar with all conditions that arise in that business. This training and experience may have been obtained by long service with the insurance companies, but more than likely it has been acquired by acting in a similar capacity in a brokerage office or as an assistant.

"The manager must be aggressive, efficient and firm, since upon him responsibility for the success of the business largely rests. He must be thoroughly familiar with all kinds of insurance, must know where they can be obtained; he must also be able to hire and manage the necessary help and to gain and hold the confidence of those employed.

Scope of Business

"Ordinarily, no attempts should be made to organize a brokerage house with less than $5,000 capital if any considerable volume of business is contemplated. The cost of equipping the office and of financing the business the first few months of its existence must come out of the original capital, since no commission is earned until the company has collected the premium—generally from sixty to ninety days after the policy is issued. In addition to a manager it is necessary to employ clerks, bookkeepers, inspectors and other assistants.

"The insurance brokerage business embraces all classes of insurance: fire, life, casualty, accident, health, compensation, employers' liability (which is gradually giving way to workmen's compensation) general liability, public liability, plate glass, burglary and other kinds of insurance, including surety bonds.

Duties of Broker

"The insurance broker is an important factor in the present-day insurance business. It is he who advises the assured with regard to the kind of insurance that can be secured or that is required by the assured. If the broker's business consists merely in securing a small line of insurance, and in taking this to the company, collecting and transmitting the premium and collecting his own commissions, he is not an insurance broker in the proper sense of the word. That type of broker cannot expect to secure business from a very large concern, since insurance brokers in order to secure that class of business must be equipped to give advice and to furnish information of other than a mere clerical nature. He must be a great deal more than a collecting agent for the insurance companies.

"The courts have held that 'the broker in procuring insurance is legally bound to exercise reasonable care, diligence and skill and is personally liable to his principal or the insured for the consequences or damages resulting from the negligent performance of such duties.'

"Ability and experience are therefore important requisites of the successful brokerage house in the insurance business. Such houses usually employ many experts.

Forms and Records Necessary

"When an order is secured, whether over the phone, by mail or through the efforts of a solicitor, it is noted on a record slip commonly known as a 'binder,' and made out in duplicate. The binders are all numbered consecutively in order that a record of each case may be readily available. The original binder is called the 'street binder' and is used by the 'placer' when calling on the company. The duplicate is placed in an open file until the policy is received. These binders may be recorded in an order but it is not necessary inasmuch as the binder itself is the best evidence of the details of the order, and since all the essentials of the order are recorded thereon. When the transaction is completed, the binder is indexed and filed away in numerical order.

"The binder contains the name of the assured's location, a brief description of the property to be covered and the kind of insurance desired. The amount, rates, term of the insurance and date of inception are also noted.

"Part of the binder is filled in at the office of the broker and the remainder is filled in by the counter man or the representative of the company that accepts the liability.

Placing of Risks

"When the broker receives an order for insurance he must find a company that will accept the liability. To do this it is necessary for some one to visit the company or its representative. The clerk who acts in that capacity is called a placer. He must first of all be conversant with all the companies and with the class of business that they are willing to write. He must also be able to secure the goodwill and confidence of these companies and of the underwriters with whom he comes in contact. It is his function to find a company that will accept the liability for the premium that is offered. In some cases that is very easy, while in others it is extremely difficult, so much so that in many cases the placer is unable to secure all the insurance that is required. That especially applies to fire insurance.

"It may be asked why this is so. The answer is, because the companies by experience have found that in a given locality they can take only a certain amount of a given class of business based upon the previous records of fire for that locality. Or it may be that bad inherent hazards or badly exposed risks or the moral hazard is such as to make the companies unwilling to accept the line. If the line is one where the experience is good, that is, where there have been few, if any, fires, and where the insurance and moral hazard are good, very little trouble is experienced in placing the business; on the other hand, if the record is unfavorable, the placer may have to call on many companies in his efforts to induce them to take small lines until the amount desired is secured or until the available market is exhausted. It may, therefore, happen that as many as one hundred companies are interested in a single risk.

Work of Solicitors

"Certain insurance brokerage houses secure much of their business through established relationships and have therefore but little fear of losing their business. Others depend upon the immediate efficiency of their work for business. The latter class must be active and alert at all times, as competing houses are always endeavoring to secure additional lines and are therefore ready to take advantage of any slip-up that may occur. New accounts must be secured to take the place of those that are lost. This class of office must keep a large corps of solicitors to visit the assured and seek to induce them to carry the necessary insurance. To a large extent these solicitors are smaller brokers who realize the advantage of a connection with large houses both for the financial and the moral backing which such connection gives. The solicitors must be proficient, and in many cases they are experts in some one class of insurance. Some of them make a specialty of lumber risks, others of automobile lines, and so on. Solicitors work on a commission basis and must develop the business if they are to retain their connection with the house.

"With the adoption of workmen's compensation laws in the various States, the assured has come to look to the broker for advice with regard to conditions and the probabilities under the law of the State in which his property is situated. In order to furnish such advice a broker must keep in touch with conditions all over the country, and must watch the laws that are introduced in the various legislatures. The assureds have learned to recognize the fact, hence they usually rely more upon their broker in questions of insurance than upon their lawyer.

Brokerage Business Will Grow

"The insurance brokerage business is likely to grow, although many insurance company officials look upon the broker as an unnecessary evil of the business. With the courts deciding that the agents of the company cannot ordinarily be the agents of the assured at the same time, and that the broker is the agent of the assured only, the result will probably be that the agents will look after their own business connections only and leave the interests of the assured in the brokers' hands.

"The actual cost of securing and handling the business is much greater than the ordinary person realizes, and a large volume of business must be obtained if the business is to be conducted at a profit. That fact has its advantages in that the volume of business determines largely the concessions granted by the insurance companies.

"Insurance laws in some States are rather drastic. The license fees in most States are $10 for each person acting as a broker within the State. Accordingly, a broker who is doing business in all or in nearly all States,

(Continued on page 18.)

N U

NATIONAL UNION FIRE INSURANCE CO. OF PITTSBURG, PA.

PUBLIC SATISFACTION and AGENCY SATISFACTION are indispensable to the progress and permanency of a Fire Insurance Company. The NATIONAL UNION is building for permanency. A very important phase of its business is to satisfy as it grows. And it grows because it satisfies. Standing firmly upon its resources and good name, it relies upon the inflexible sincerity of its purposes and deeds for Public appeal and Agency favor. It seeks to merit these considerations not merely as a good present day policy but as a wise all time plan. It means the Company must live up to what it looks up to. NATIONAL UNION efficiency and reliability have been demonstrated by years of satisfaction giving service. Good Agents who need help—real help—the kind that satisfies—will do well to learn about NATIONAL UNION

CONSTANT SERVICE

Release of Surety On Agent's Bond

FAILURE TO NOTIFY SURETY OF PRINCIPAL'S DELINQUENCY

Effect of Termination of Agency, Notice of Dishonesty, Alteration of Contract With Principal

An agent in Missouri of a fire insurance company, appointed April 1, 1904, became delinquent in his accounts so that on August 9, 1913, he owed the company on premiums issued during the five preceding months nearly $3,000. Demand was thereupon made for payment of the account, and this failing, suit was brought against the agent and his surety.

Defense of the Surety

The defense of the surety was made upon what may be divided into three grounds: (1) That on December 20, 1912, the plaintiff terminated the agency and suspended the authority of said agent to issue policies until he should pay all premiums due the company and collected by him up to November 1, 1912; that afterwards, upon the payment of all sums due from him up to November 1, the company re-instated him as agent; that the surety knew nothing of this, and the suspension and subsequent re-instatement was, as to such surety, a cancellation of the old contract of agency and the making of a new contract, for the performance of which he was not liable. (2) That said agent, prior to December 20, 1912, had misappropriated and converted to his own use the premiums he had collected and then owed, and that plaintiff, with knowledge of said agent's dishonest conduct, neither notified the surety nor discharged the agent, but continued to allow him to act in that capacity, whereby the surety was released and discharged from liability for all losses arising from the subsequent defaults of such agent. (3) That during the continuance of said agency the plaintiff, without notice to the surety, changed the postage allowable to the agent from fifteen cents per policy to five cents, and required the agent to remit premiums in forty-five days after the issuance of the policy instead of seventy-five days, and that by reason of such changes in the contract of agency without notice to the surety, the latter was released.

Court of Appeals Decision

In affirming a judgment in favor of the company the Kansas City Court of Appeals found as follows:

"With reference to the first ground above mentioned, the evidence discloses no discharge and re-instatement of said agent whereby a new contract of agency was created. It seems that the agent did get behind in his remittances to the company, and that a large amount of correspondence passed between them in relation thereto, the agent sending in small amounts from time to time and asking for time as to the balance due and giving various reasons for not sending same in at the time promised; and that finally the company notified him that his authority to accept new risks was suspended until he should make settlement, and for a period of four days, according to plaintiff, and fifteen days, according to the agent, he wrote no new policies. But he had many other duties to perform in addition to writing policies, namely, collect premiums, make proofs of loss, cancel insurance and return premiums, report losses, adjust some of them, pay some of them and correspond generally with the company in regard to the business. All these duties the agent continued to perform without interruption during the few days he did not write new insurance. He continued in charge of the office and of the plaintiff's business, and the correspondence shows that he was still agent during that time. He paid up the amount due and resumed writing new risks and collecting new premiums. His compensation was not a fixed salary, but was a commission of fifteen, twenty and twenty-five per cent., according to the character of the work done, and there was no change in said compensation from the time the bond was given in 1904 to the date of the ending of said agency in August, 1913.

"Under the evidence, the trial court sitting as a jury was clearly justified in finding that there was no termination of the agency or creation of a new contract in relation thereto, and that the surety could not rightfully claim to be discharged on that account. In April, 1913 the plaintiff, along with other insurance companies, having gotten at outs with the General Assembly over the passage of the Orr law, notified all its agents, including Casey, not to write new insurance until the matter was adjusted as the company was looking forward to being compelled to suspend operations in Missouri. This was not mentioned in the pleadings as a termination of the contract of agency, but even if it had been we do not think it would constitute any disruption of the agency relationship existing between plaintiff and Casey. Certainly the parties never contemplated that such was the result. Nor did such notification have the effect of releasing all agency bonds and the requiring of new ones. This last notice was no more a termination of the agency and the creation of a new contract in regard thereto than was the former notice.

"As to the second ground upon which release is claimed, namely that the company did not notify the surety of the agent's falling behind in remitting his premiums, the general rule is well settled, as to bonds which are silent on the subject of notice, that failure to notify the surety of any dishonest conduct on the part of the principal coming to the knowledge of the obligee will release the surety as to all losses suffered subsequent to the obtaining of such knowledge.

(To be continued.)

THINK PLAN VISIONARY

Editorial Opinion of the Newark "News" Relative to Government's Crop Insurance

The Newark "News" does not think highly of the Department of Agriculture's scheme for Government crop insurance, fathered by W. G. Reed, of the Department. The "News" says:

"Insurance experts are declared to have said that insurance against damage to crops from hail has not been very successful. But whether this is to be regarded as a drawback to the plan by Mr. Reed may be doubtful, for he suggests a ten years' insurance of crop success, not one year at a time.

"It would require no very highly stimulated imagination to vision what might take place were crop success insurance an insurable entity. No one need be told what the vision may be. To say the least, one may be permitted to regard the scheme as Utopian. To get the farmers to pay a premium for ten years ahead might be the solution of the project. But when one considers all that has been told about farming conditions for some years it might call for an extraordinary campaign of education to make a go of it. Still it is an employe of the Department of Agriculture who proposes the scheme. And it might be easy as compared with guaranteeing for or against twins, at that."

DECLARES RED CROSS DIVIDEND

The board of directors of the Insurance Company of North America last week declared an extra dividend of $50,000 for the American Red Cross.

Firemen's Insurance Co., Newark, N. J.

January 1, 1917

Cash Capital $1,250,000.00
Net Surplus $2,449,322.25
SURPLUS TO POLICYHOLDERS...$3,699,322.25

DANIEL H. DUNHAM, President
JOHN KAY, Vice-President and Treasurer — A. H. HASSINGER, Secretary
NEAL BASSETT, Vice-President — J. K. MELDRUM, Assistant Secretary

STRENGTH INTEGRITY SERVICE

Scottish Union & National Insurance Company

HENRY J. HOUGE, J. H. VREELAND, Assistant Secretaries — JAMES H. BREWSTER, Mgr., Hartford, Conn.

A Broad Underwriting Service to Agents
Writes Fire, Automobile, Rent, Sprinkler Leakage, Tornado, Use and Occupancy, Explosion, etc.
Works in Harmony with American Agency Principles and Practices

Iowa National Fire Insurance Co.

DES MOINES, IOWA — Capital Stock $500,000

The latest addition to Reliable Fire Insurance organizations began Writing Business on January 1, 1917

JOHN L. BLEAKLY, President

F. L. MINER, Vice-President — FRANK P. FLYNN, Treasurer
C. S. VANCE, Underwriting Manager — C. M. SPENCER, Secretary

Authorized Capital $500,000

Detroit National Fire Insurance Co.

DETROIT, MICHIGAN

A Company to be built gradually and along the indicated lines of permanence

AGENCY CONNECTIONS SOLICITED

INCORPORATED 1720

Royal Exchange Assurance

LONDON, ENGLAND

United States Branch
92 William Street, New York

RICHARD D. HARVEY
United States Manager

BRITISH AMERICA ASSURANCE CO.

Incorporated 1833

(FIRE AND INLAND MARINE)

Head Office, Toronto, Canada
United States Branch

January 1, 1917

Assets	$1,936,279.77
Surplus in United States	823,964.59
Total losses paid in United States from 1874 to 1916, inclusive	24,669,753.43

W. R. BROCK, President
W. B. MEIKLE, Vice-Pres. & Gen. Mgr.

207th Year

SUN INSURANCE OFFICE OF LONDON

FOUNDED 1710

UNITED STATES BRANCH:
54 Pine Street - New York

WESTERN DEPARTMENT:
76 WEST MONROE ST., CHICAGO.

PACIFIC DEPARTMENT:
N. W. Cor. Sansome & Sacramento Sts.
San Francisco, Cal.

Re-Insurance Leading Topic of Discussion

HEARING IN ILLINOIS ON WEDNESDAY

Home Sounds Sentiment of Its Local Agents; Ready to Be Guided By Them

Among the re-insurance developments this week were the hearing in Illinois at which Illinois companies favored the Illinois limitation bill (passed by the Illinois Legislature), the passage by the Wisconsin Senate of a re-insurance limitation bill, the writing by E. R. Kennedy, of Weed & Kennedy, New York brokers, of a letter to Governor Lowden, protesting against change in present re-insurance system, and a circular letter sent to agents of the Home of New York, asking for expression of opinion about re-insurance. The Company expresses its preference for net lines, and concludes its letter as follows:

If our agents do not care for the accommodation we have extended to them in authorizing and permitting large line commitments, we shall be quite content to accept for them only our net line capacity (which is not small); if, on the other hand, they believe that a mandatory legal prohibition, applying all the way through and not subject to exception in any circumstances is harmful we think they should make that belief known.

Another development was the issuance of a statement by President Bissell, of the Hartford, that he opposed the Illinois limitation bill.

E. R. Kennedy, of Weed & Kennedy, New York brokers, has written a letter to Governor Lowden, of Illinois, arguing against the bill limiting re-insurance which has passed both branches of the Illinois Legislature. Mr. Kennedy's principal arguments in favor of the present re-insurance system were given in a paper delivered before the insurance commissioners at the recent hearing. The Eastern Underwriter has secured a copy of this document, which follows:

1916 Increase of $44,000,000

The premiums paid to re-insurance companies licensed to transact business in the State of New York amounted to nearly $44,000,000 in the year 1915. In the decade ending with 1916 the total premiums of direct writing fire insurance companies in the United States increased 33 1-3 per cent. over the premiums of the previous decade. During the same period the premiums paid to re-insurance companies increased 400 per cent. This seems to prove that the re-insurance companies were needed in the business. There was no governmental aid afforded them. Their increase was natural. It was because the men carrying on the business of fire insurance found the system of treaty re-insurance to be in accordance with business necessities. I know one eminent president who dislikes the system; who declares that he is regretfully working for the re-insurance companies; but he finds it wise to fall in with a system that has not the approval of the companies—or the men who are responsible for results.

I believe the supervising authorities of the State governments will hesitate to approve of measures to restrict operations that are the natural and healthy development of business.

System Has Long Prevailed in Europe

I suppose no one will contend that the generality of American companies are any better than the generality of European companies. The system of treaty re-insurance has long prevailed in Europe. Indeed, it is the most conspicuous characteristic of the business, and nobody would think of abandoning it, nobody would think of invoking the powers of government to compel the discontinuance of a system that has grown naturally and has been approved by experience in a long time.

The European companies carry on their business all over the world. They could not do this unless they had extensive re-insurance treaties. The method generally followed is for property owners to negotiate with the representatives of one strong company for the amount of insurance that they need to cover property at a certain location. This accommodation to the property owner could not be granted if the direct-writing company was not in possession of re-insurance treaties; but the moment a company is bound for a certain amount its re-insurers, thousands of mile away, are automatically bound for whatever proportion may be provided in the treaty or contract.

Do not suppose that companies of certain nations have especial advantages in the colonies of those nations only. I have heard managers of German companies boast of the headway they were making in British colonies; and managers of English companies have admitted to me that they were compelled to meet severe competition of the sort mentioned. Yet, if alien companies display superior enterprise; if they offer the public more advantageous terms than companies of the governing nations, the companies of those nations would never have the temerity to ask governmental aid to overcome the advantage offered by their competitors.

Hitherto, nearly all of our American companies have contented themselves with the business of the American States. Even in our newly acquired colonies but very few American companies have established agencies. In Australia and in the Philippines one of the most aggressive competitors for business is a German company in which the German Emperor is a stockholder. It possesses the advantage of having re-insurance treaties; thus it is able to insure large amounts and yet be itself protected against an extensive loss. Companies in the Philippines follow the same method. To forbid American companies to follow it would be to simply throw the business into the hands of English and German and Swiss companies.

The Cuban Situation

The advantage of the re-insurance system is illustrated in dealing with the fire insurance situation in Cuba. Several hundreds of thousands of dollars may be placed on one risk with one company. At present some of the chief American companies are holding their own in competing with the great British companies. Forbid the American companies to retain their re-insurance treaties and you simply drive all the business away from the American companies into the British and German.

It is in the air that American commerce must be extended. Our banks are establishing branches in South America and other foreign lands. European insurance companies, both fire and marine, are already in position to supply indemnity to the commercial world in these distant parts. Deny our American companies the right to take advantage of the practice of treaty re-insurance and our companies cannot hope to carry on branches where British and Continental European companies are thriving.

I was conversing with the manager of a British company in his office in London, and I expressed my regret that America was giving him such heavy losses that year. "Oh, well," he answered, "we are having an unusually good year in India." It is inevitable that companies will have occasional bad years in certain fields, but it is almost as inevitable, if not quite so, that other fields will come forward in the same years to help out. When American banks and manufacturers and merchants are about to extend their operations abroad, would it be wise to place restrictions upon our fire insurance companies that would preclude them from going with our other American business?

How Will Restriction Affect Business

Now, let us see how the proposed restrictions would affect business in this country. A few years ago large manufacturers and merchants—and, indeed, many not so large, who were crowded in certain business districts—were unable to obtain sufficient fire insurance in this country to protect the value of their property. My own firm sent hundreds of thousands of dollars of premiums abroad, year after year, to companies that had no representatives in the United States, to furnish what was commonly called "surplus insurance." Many States recognized the necessity for such relief and enacted legal regulations of the traffic. At the same time vast amounts of very poor insurance were obtained from little American companies that ought never to have extended their underwriting beyond their local fields. Consequently when great fires occurred several of these little local companies were always wiped out and unable to pay more than a fraction of their losses. But worse, a large number of worthless policies were floated. That unsatisfactory condition is ended—not by legislative relief; not by administrative measures and efficiency; it was ended by the ability of bona fide companies to offer ample insurance protection—and that was made possible almost entirely by the development of treaty re-insurance. If you cut that off, what are you going to give the public in its stead? Capitalists are not going to start new companies to supply the deficiency you are asking to create. The cost and difficulty of building up the business of a new company to compete with those that are already established will discourage new organizations.

Perhaps some one State will decline to enact such a restriction as is proposed. Companies of that State will thus possess a manifest advantage over companies that are restricted. But if no State fails to grasp such an opportunity, there will still be London, Hamburg, Amsterdam and other markets. You certainly will not undertake to prevent a property owner from going where he can obtain insurance.

Marine Insurance

And what are you going to do about

(Continued on page 19.)

"The Leading FIRE INSURANCE Company of America"

ÆTNA INSURANCE CO. HARTFORD, CONN.

WM. B. CLARK, President

Explosion and Sprinkler Leakage Insurance

THE HANOVER
FIRE INSURANCE COMPANY
Incorporated 1852

The real strength of an insurance company is in the conservatism of its management, and the management of THE HANOVER is an absolute assurance of the security of its policy.

R. EMORY WARFIELD, President
FRED. A. HUBBARD, Vice-President
E. S. JARVIS, Secretary
WILLIAM MORRISON, Asst. Sec'y

HOME OFFICE
Hanover Bldg., 34 Pine St.
NEW YORK

HOWIE & CAIN, General Agents
Metropolitan District
100 WILLIAM STREET, NEW YORK

GERMANIA
FIRE INSURANCE COMPANY
NEW YORK.

ORGANIZED 1859

STATEMENT, JANUARY 1, 1917

Cash Capital	$1,000,000.00
Assets	8,553,704.22
Liabilities	4,222,485.60
Net Surplus	3,331,218.62
Surplus for Policy Holders	4,331,218.62

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123 William Street
New York
J. H. Lenehan, Manager

Automobile Insurance

By Le Roy G. Withey, Grand Rapids, Mich.

Read Before Michigan Local Agents' Association

Leading insurance men estimate that the aggregate sum of money that will be paid out for premiums on automobile insurance this year will approximate $100,000,000. The fire and marine companies, it is figured, will collect about one-third of that amount in premiums and the casualty companies two-thirds.

The development of automobile insurance began with the issuance of fire and theft policies shortly after the automobile first made its appearance, for as soon as an insurable piece of property is presented insurance companies get ready to insure it. Liability insurance was the next step in the development of complete insurance for automobile owners. Previous to the introduction of the automobile, about the only vehicles on which liability insurance had been written were those used for teaming purposes.

As the automobile became immediately popular for pleasure use the casualty insurance companies were confronted with an entirely new insurable proposition. The problem which the underwriters of automobile liability insurance have had to meet becomes apparent to any one who compares the condition of the streets in any large city to-day with conditions existing ten years ago.

Six Kinds of Automobile Insurance

There are six distinct and separate kinds of automobile insurance, to wit: fire, theft, collision damage to auto, liability of the motorist for injuries to property and personal accident insurance for the motorist himself.

It does not take a great deal of argument to convince the average man who buys a car that he would do well to protect himself by taking out a policy against fire and theft—the two hazards which might deprive him of his newly acquired property—but the insurance solicitor is not content to rest his case there.

He endeavors to convince the motorist that the destructive possibilities of an automobile to life, limb and property, even with the utmost care of operation, far outweigh the possibilities of financial loss which might be sustained by the loss of a car through theft or its destruction by fire. And even with fire, theft and liability insurance the motorist, the insurance solicitors say, is not fully insured until he has taken into consideration the possibility of accidents which might destroy the property of others and accidents which might result in damaging or destroying his own car.

Liability

Why run the risk of having to pay heavy damages for personal injuries caused by your car? Accidents resulting in such injuries are happening every day. It may be your turn to-morrow.

You may drive with the utmost caution, but you can't always control the situation. You can regulate yourself, but you can't regulate the careless pedestrian.

And, no matter whose fault the accident may be, the responsibility is almost invariably put up to the owner or user of the car.

An automobile liability policy furnishes full protection againt this hazard. It protects you against claims for damages, whether your legal liability is proven or not. It not only guards you against money loss, but it relieves you of all possible inconvenience and anxiety.

It protects for $5,000 in event of an accident causing the death or injury of one person, and for $10,000 in event of an accident causing the death or injury of more than one person (larger limits as desired). The premium for pleasure cars is based on the horse power of the car insured, commercial cars, on uses to which they are put, public vehicles on carrying capacity and dealers on named chauffeur or specified car or on payroll basis.

Property Damage

Another risk you run is that of your car injuring or destroying property belonging to others. Such accidents are even more frequent than those involving personal injuries, and claims for damages are as inevitably the result of the one as of the other.

There are all sorts of possibilities in this line, ranging from collision with another vehicle to breaking a garage door, or a fence or window. Even spattering a woman's dress with mud is sufficient basis for a damage claim.

Property damage insurance protects you just as effectively against claims for damage to property as the liability policy does against claims for personal injuries. It covers claims for damages on account of injury to, or destruction of, property of every description belonging to other persons, except property carried by the car. It is written for limits from $1,000 up. The premium is based on same system as for liability insurance.

Collision

How about injury to your car? Is it not pretty sure to suffer its share when it is involved in an accident? And is not the blow-out of a tire or the breaking of a part likely any day to turn it out of its course and throw it against something that will hit back?

Are you any more anxious to pay damages to yourself than to the other fellow? There is no chance, of course, of a legal action against you for injury to your own car, but it is up to you to pay just the same. The bill for necessary repairs will come to you, and, unless you have been wise enough to provide otherwise for such a contingency, you must settle it all out of your own pocket.

Collision insurance protects you against this risk more amply than any other insurance of the kind. It covers not only damage to your car or its operating equipment from the impact of another vehicle, but also from collision with other moving or stationary objects. It is the broadest of contracts, only recently having been extended to cover damage done by striking the roadbed or rails or ties of railroads. The premium is based on the value of the car.

Fire

Motorists generally realize the necessity of insuring their cars against fire. Many also appreciate the additional protection of a fire policy that covers loss or damage to their cars through transportation perils.

But how about loss or damage to your car that may be caused by lightning, explosion, cyclone, tornado or water damage? It is now possible to secure this coverage from conference companies.

Fire policies insure you against all these hazards in addition to fire and transportation perils. A special discount off premiums is allowed for autos equipped with approved hand fire extinguishers.

Theft

Did you ever have lamps or an extra tire stolen from your car, when you had left it standing in the street? If you haven't had this experience yet, others have, and there is no special reason why you should always be exempt.

Odometers and tools are also very attractive to others than their owners, and they have a mysterious way of disappearing. And it is by no means impossible that some exceptionally bold thief may appropriate your car itself. This has been known to happen. Whatever the loss, however, you will have to bear it all yourself, unless you have used a little forethought.

Burglary, theft and pilferage insurance protects you against any of these losses. It covers loss or damage by burglary, theft or larceny of the assured's automobiles or their equipment, by any person other than an employe of the assured. The premium is based on the value of the car and its equipment.

Loss of Use or Other Consequential Loss

Have you ever figured up how much you would lose through not being able to use your car while some accidental damage to it was being repaired?

If it is a pleasure car, you and your family would doubtless spend a lot of money for other means of getting about. If you are a physician or a real estate man, you would simply have to pay for an equally speedy conveyance. If it is a car used for delivery or other business purposes, teams must be hired.

Loss of use and other consequential loss policy pays a daily indemnity while the car is being repaired or replaced (in addition to the cost of repair or replacement) if it is damaged or destroyed by fire, lightning, explosion, or other calamities not hitherto covered by automobile insurance.

The premium is based on the sum insured and the amount of daily indemnity desired.

Combination Policy

Did you ever have to hunt through your automobile policies to find out which one covered you in some contingency? If you did you know what a nuisance it was.

You can save yourself all such trouble by purchasing a combination automobile policy, which combines in one contract all of the kinds of automobile insurance hitherto written—and then some.

Your responsibility for damages on account of either personal injuries or damage to property;

Your loss through collision with moving or stationary objects;

Your loss by reason of theft of your car or any part of its operating equipment;

Your loss of use of your car and other consequential loss through fire, etc., as already described;

All may be covered in one policy.

The premium for this policy consists of the combined premiums of the several forms of insurance included in it.

The owner of an automobile may be held liable for any injury to person or damage to property caused by the use or maintenance of his car.

Hundreds of thousands of dollars are being paid each year to settle claims for such injury or damage, and the accidents giving rise to the claims cover a range of territory as wide as the country itself.

No district is exempt. The automobile accident is no respecter of locality. And the claimant flourishes in the rural sections, the little town and the relatively small city, as well as in the great metropolis.

Why not, when both country and city furnish such an abundance of possible causes for accident?

The automobilist living outside of the big centers of population does not labor under the disadvantage of streets crowded with vehicles and thronged with pedestrians, but he runs a lot of risks peculiarly his own.

In the small city he is every day in peril of the preoccupied man crossing the street with his head down, of the child playing in the public highway, of the passenger alighting from the trolley car who insists upon darting around the rear end. And the stubborn driver of trucks and the careless boy running the delivery wagon are a constant menace.

The Small Town

In the little town and the country proper there is always the chance of frightening a nervous horse and causing a runaway, in addition to the probability of collision on account of a narrow road or the car skidding in sand or mud.

Whenever and wherever an accident happens the inevitable result is a claim for damages. It may be well founded or it may not. In either case it is up to the autoist to settle, if he would avoid annoyance or further expense. And if he is legally liable and allows the case to go to court, there will almost surely be a large judgment to satisfy.

The foresight and business ability of our home offices gives us the opportunity of saving our clients many serious losses, and places in our hands at the same time a piece of goods that will sell readily by insurance salesmen.

DYNAMITING

Value of Destroying Buildings to Stop Spread of Fire Questionable, Says National Board

In its report on the Atlanta conflagration the National Board of Fire Underwriters makes these comments on dynamiting:

"Dynamiting.—The value of dynamiting buildings to prevent spread of fire in this case is questionable. It is not apparent from the ruins that any good resulted from such work done on or near Ponce de Leon avenue; with the wide street intervening and the narrow face of the fire, the department, together with the military forces which were doing excellent work at this time, stopped the spread from direct exposure and the wider spacing of the buildings and the newer roofs were very favorable to the work of preventing spread from flying embers and brands. The fire department is of the opinion that the dynamiting on Hunt street was of some value, as it allowed buildings to be wet down with direct hose lines which otherwise would have been of insufficient reach."

WESTERN RECOMMENDATIONS

Companies Wrestling With Expense Problems See Some Savings That Can Be Made

A committee on expenses of the Western Union and Western Insurance Bureau has made recommendations for the enforcement of the sixty-day provision for the payment of the losses, charging for non-taken policies and binders, enforcement of uniform rules as to agents' balances, elimination of duplication of inspections and bureau work, collection of additional charges for policy clauses, elimination of the various forms of combination policies and limitation of the distribution of blotters and calendars.

BALLARD ON THE TRAYMORE

Judging by the subjoined paragraph from the "Journal of Commerce" Sumner Ballard recently invited some one to luncheon at the Traymore in Atlantic City:

"The annual meeting of the Middle Department Association, at which the question of economy will undoubtedly be considered, is being held at the Hotel Traymore, Atlantic City, N. J., on July 19. The rates here are only from $7 to $20 per day, so quite an opportune selection seems to have been made."

CASUALTY AND SURETY NEWS

Jeweler Solicits Compensation Risks

WRITES CIRCULAR LETTER TO N. J. MANUFACTURERS

Krementz & Co., of Newark, Sing Praises of Manufacturers' Liability Insurance Company

The rate for compensation insurance in New Jersey is to be increased so that the agents of stock insurance companies may be paid 17½ per cent. commission and "to take care of all their other extravagances," according to a letter sent to New Jersey manufacturers urging them to insure in the Manufacturers' Liability. Here is the epistle in question:

KREMENTZ & COMPANY
Manufacturing Jewelers
Newark, June 25, 1917.

N. J. Lakes Realty Co.,
Paterson, N. J.

Gentlemen:

SUBJECT: MORE AND MORE TAXES.

More taxes to all of us New Jersey manufacturers after July 4th next.

What are we going to do about it?

A compulsory insurance law goes into effect in this State on July 4th.

All companies will charge the same rate, and of course it will be a great deal more than we now pay in order that the insurance companies may pay their agents seventeen and a half per cent. and all their other extravagances, some of them using as much as sixty-five cents of every dollar we pay them for "overhead."

We write to ask why you stand for this when you don't have to?

For three years we have insured with a company that pays no agents' commission—who uses less than fifteen per cent. for all "overhead" expenses—who will insure you now or after July 4th and return a dividend on what you pay of probably twenty or twenty-five per cent—not a Mutual Company (in our opinion mutuals are not safe because of the possible assessment) but a co-operative stock company owned and operated by manufacturers for their own protection.

We can vouch for their service. It is better than any other company we have ever had experience with.

The more of us there are in it the lower the cost to each. Full particulars will be sent you if you return enclosed postal.

Yours very truly,
KREMENTZ & CO.

The postal card enclosed is addressed to the Manufacturers' Liability Insurance Co, 1 Montgomery St., Jersey City, N. J., and has blank spaces to be filled in describing the risk.

The high class English and typographical make-up of this letter will probably appeal to a certain class of manufacturer.

Krementz & Co., however, do not state that the Manufacturers' Liability must also charge the same rates and it also carelessly neglects to state what percentage of the premium was returned during the three years' experience with the Company but plays up the probable twenty or twenty-five per cent. the Manufacturers' Liability hopes to be able to return. It has not approached this mark in its five years' experience.

Also, the exact connection between taxes and the compensation law is somewhat ambiguous.

TYPHOID VICTIMS PAID

Madison, Wisconsin.—The State Industrial Commission has announced its awards in the Eau Claire typhoid fever cases. It made awards totaling $5,356.83 in the seven cases involved.

In June and July, 1914, thirteen workmen employed by the New Dells Lumber Company, and two men employed by the Pioneer Furniture Co., adjoining, contracted typhoid fever, two of whom died. The widow of one of the men Mrs. Frieda Vennen, brought suit at common law against the lumber company. The Supreme Court held that any claim which the widow might have would be under the compensation act.

Mrs. Vennen and Mrs. Holst, the widow of another man, and five of the men employed by the New Dells Lumber Co. who had contracted typhoid fever, then filed application with the Industrial Commission for compensation.

JOINS OFFICERS' RESERVE CORPS

Max B. McKee, assistant secretary of the National Council of Insurance Federations, has enlisted in the Officers' Reserve Corps and has begun training at Mt. Sheridan. Mr. McKee has been granted a leave of absence by the National Council covering the period of his war duties.

Mr. McKee is twenty-six years of age. He was graduated from the Detroit College of Law in 1915. He has not engaged extensively in actual practice, however, but has utilized this training and knowledge in his work as an organizer. Since a boy he has been engaged in organization work, first among fraternal societies as a deputy, as a State manager for the Brotherhood of American Yeomen in Ohio, and then in the broader federation field embracing all branches of insurance.

HARTFORD MEN ENLIST

The New York office of the Hartford Accident this week suffered the loss of two of its staff through enlistment. Alfred C. Crespi, cashier of the office, left on Monday to join Troop C, of the cavalry. William C. Cavanaugh, superintendent of the claim department, has been made a first lieutenant of the 69th.

Martin Owens, who was selected by the New York Police Department to drive the department's ambulance in France, was for years identified with the liability department of the Ocean. While with the Ocean he performed several spectacular feats in the handling of claims which were instrumental in creating his opportunity in the Police Department.

DINNER TO WINSHIP

A dinner to Commissioner Winship, who will retire from office soon, was given by the other commissioners in New York recently. Comissioner Winship formerly ran a daily paper in Saginaw. He has not announced his future plans.

Accident
Health Automobile
Plate Glass
Burglary Liability

Fidelity
Contract Judicial
Public Official
Depository Bonds

FIDELITY & DEPOSIT CO.
OF MARYLAND
BALTIMORE

General Accident's Views of Late Notice

WHY NOTICE PROVISION APPEARS IN CONTRACT

Premium Not Loaded to Cover Claims of Doubtful Nature, Says Company

The General Accident discusses the importance of the notice provision in the insurance contract, in the latest issue of "The General." The Company says:

"A policy of insurance is a contract, and in view of that fact, when notice of claim is not given within the time specified in the policy, the insuring company may legitimately take under consideration the question of declining the claim. Contrary to the belief of some people not versed in such matters, the notice provision is not placed in the policy for the purpose of providing the Company with a way of escape from claim payments. As a matter of fact, the stipulated periods in which notices of disability are to be filed are absolutely essential features of the contract, and must be determined before the premium charge can be computed. It is common knowledge that the more remote in time the notice is from the date of the accident or the onset of illness, the more difficult it is to check up the claim and measure it by the provisions of the policy, and this difficulty in determining the facts concerning the disability accurately and with precision, entails losses of a more or less doubtful nature; in other words the notice received long after the occurrence of the accident or the beginning of disability, puts the Company in a position that it cannot to its satisfaction determine whether it had liability or not. This means that the Company must pay claims which it cannot disprove, and that in turn means that the actual cost of claims under such conditions will be very high.

Clouding of Liability

"If an applicant walked into an insurance office and made application for an accident policy, stipulating that he reserve the right to give notice of disability at his convenience, the insuring company would be compelled to take into account the fact that its liability would be clouded and befogged by a lapse of time and would perforce make its premium charge to cover its claim liability under the contract, plus an additional charge for claims arising from concealment of facts and misrepresentations.

"The present industrial policy requires notice within a specified time, and the premium charge for the policy is computed on the basis that notice will be given within the time specified and that on that account the Company will be able to eliminate all claims which do not come within the range of the coverage. When, therefore, a claim is declined because notice is not given within the time specified it is not declined because the Company does not want to pay, but because the premium is not adequate to cover claims the merits or demerits of which cannot be checked up with positive accuracy. The assured should not take offence when his claim is declined because of late notice, for the reason that the premium he pays was not loaded or made adequate to cover claims of doubtful nature. Furthermore, when the policy was accepted the assured expressly agreed to report all disabilities for which he intended to make claim within the time specified, and not to make claim for disability not so reported.

"There are always two sides to a story and this is the Company's side as regards late notice."

NEW YORK EXCHANGE OUTING

The seventeenth annual outing of the employes of the New York Fire Insurance Exchange was held last Saturday at College Point, L. I. About seventy-five were present. The employes boarded two auto busses at John and William Streets at 1 o'clock. The feature of the outing was a baseball game between the "alumni" of the Exchange, former employes now with insurance companies and brokerage offices, and the present employes in which the "alumni" won by a score of 2 to 1. Manager Willis O. Robb and Vice-President W. P. Young were present. After a clambake, the party returned to New York.

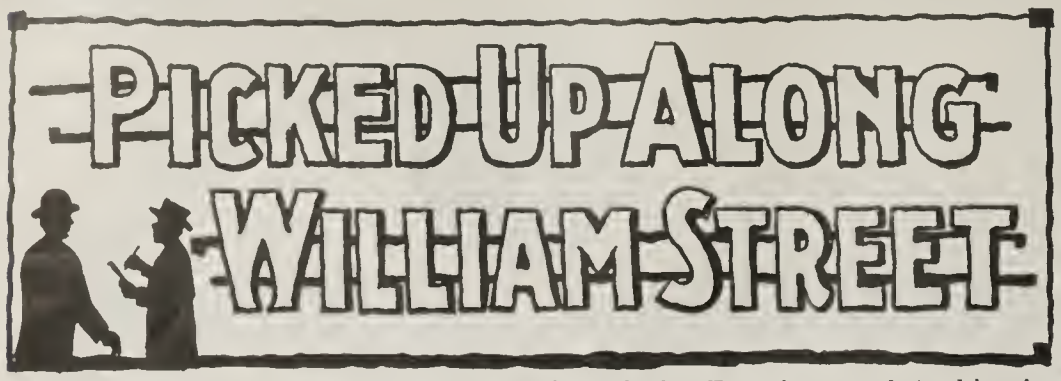
NEW PROVISIONS ANNOUNCED

The Connecticut General Life Insurance Company announces two new provisions for its policies. The first of these, in addition to waiving premiums on the policy, the disability annuity, provides for payments to the insured of $10 a month for each $1,000 of insurance and does not reduce the amount of the policy. The second new provision provides that for an additional $1.25 per thousand for ordinary life at 35, the company will issue a rider doubling the amount of insurance if death occurs by accident, even though not while travelling. Either or both provisions may be attached to any form of insurance except term.

LAW'S RETURN PREMIUM TABLE

Harrison Law, Secretary of the Gauvin Agency, Inc., this week published his return premium table, the price of which is $1. The tables are comprehensive and handily arranged. There is also included in the volume a liability short-rate table and a short-rate table for one year and term policies.

General Accident
FIRE AND LIFE
ASSURANCE CORPORATION, Ltd.
SERVICE THAT EXCELS
FREDERICK RICHARDSON, United States Manager
GENERAL BUILDING · 4TH & WALNUT STS.
PHILADELPHIA



No Cost for These Policies

President Van Reed announces that automobile policies carried with the American Casualty Company, of Reading, Pa., will cover the automobiles insured therein when placed at the disposal of the National Defense League, National Guard or similar organizations, and no additional premium will be charged if used at the home location of the assured and vicinity.

* * *

Department Rules on 10 Per Cent. Limitation

Commissioner Fishback has issued a ruling construing that section of the Washington code limiting the amount of a bond to 10 per cent. of the paid-up cash capital and surplus of the surety company to apply to the aggregate of an accumulation of bonds on behalf of any one bank, corporation or individual. A previous construction confined the limitation to the amount of a single bond permitting any number of bonds to be written on behalf of one corporation or individual if each bond was within the 10 per cent. limitation. Under the Oregon code surety companies may exceed the limit of 10 per cent. if the excess is re-insured.

* * *

Watertown's One Hundred Dollars a Day in Auto Premiums

Last month L. J. Brownell & Sons, agents of the Maryland at Watertown, New York, gathered three thousand dollars in automobile premiums. In the next two weeks they sold fifteen hundred and eighty-four dollars' worth of additional auto policies. This averages something better than one hundred dollars a day, and Hollis Brownell says it has become a habit. Really a grand habit, and acquired just in time, for if Mr. Herbert Hoover doesn't do something swift and savage to those food speculators it will soon cost a man one hundred dollars a day just to sit down at the breakfast table and surround three bread pills made out of horse feed and smeared with axle ointment, says the Maryland's "Budget."

* * *

Maryland's Patriotic Activities

A number of the Maryland's employes worked hard and faithfully in raising the Baltimore Fund, of which President Stone is the chairman. This is a fund of $1,500,000 which is designed to provide financially for charitable and patriotic needs of Baltimore during the war period. The Red Cross is a constituent of the Baltimore Fund. More than four hundred Maryland officers and employes have subscribed over ten thousand dollars to this fund.

Four hundred and one of the Company's employes have subscribed to the Liberty Loan bonds an aggregate of $42,750. The Company itself has subscribed for $500,000 of these bonds.

* * *

W. R. Williamson Marries

W. Rulon Williamson, assistant actuary of the Travelers Insurance Company, left for three weeks' vacation on Saturday. His first act was to go to Springville, New York, and play the leading role in a marriage ceremony, the bride being Miss Carolee Churchill. The wedding was Tuesday afternoon. Mr. Williamson has actuarial supervision of the rapidly growing group division of the Travelers, and to him is due a great deal of the credit for its growth. He would also seem to be popular with the persons under him, for they gathered in his office on Friday afternoon and presented him with a box containing $100 in gold.

* * *

Interesting Metropolitan Documents

The Metropolitan Life has issued a number of unusually valuable pamphlets. One by George H. Van Buren, supervisor, is headed, "General Popuuary of the Travelers Insurance Compared—A Discussion of the Mortality Experience of the Metropolitan Life Insurance Company, Industrial Department and of the General Population—1915." Another is an article by Dr. Louis I. Dublin, statistician of the Metropolitan, captioned "The Vital Statistics of Old Age."

* * *

Suit Over "Arabic" Death

A Western accident company has taken an appeal from the decision of Circuit Judge George Grimm at Janesville, Wis., in a suit brought by the estate of the late Dr. Edmund F. Woods against the company. Dr. Woods lost his life in the torpedoing of the "Arabic."

Judge Grimm held the company was liable in the amount of $2,500, the face value of the policy for the accidental death of Dr. Woods in August, 1915. Papers in the case have been sent to the State Supreme Court at Madison.

MARYLAND'S WAR RIDER

The Maryland Casualty has adopted the following war rider:

It is further agreed that this policy shall not cover accident or injury, whether fatal or non-fatal, sustained by the insured anywhere on land or sea, which shall be caused by war or by any act of war, or anywhere at sea which shall result from or be caused by damage to, or wreckage or loss of any vessel by whatsoever cause, or anywhere at sea, or while in any part of the territory of any of the Governments at war beyond the confines of North America, which shall result from or be caused by any weapon, implement, projectile, explosive or contrivance of any kind used in warfare, anything in the policy to the contrary notwithstanding.

Nothing herein contained shall vary, alter or extend any provision or condition in the policy other than as herein stated.

Joseph F. Izzie, assistant superintendent of the plate glass department of the Casualty Company of America, is spending this week in Atlantic City on his honeymoon. He was married last Saturday.

James D. Craig on Compulsory Insurance

CASUALTY ACTUARIAL SOCIETY HEAD ADVOCATES CAUTION

What if State Health Fund Has to Ask Legislature for More Funds? Actuary Asks

James D. Craig, president of the Casualty Actuarial and Statistical Society of America, recently delivered a strong paper on "Compulsory Insurance," in which among other things he discussed health insurance. He said that while health insurance may have been a factor in the general scientific study of disease prevention it has not been the all-important one. Whether or not compulsory health insurance comes we must look forward with a clear knowledge of results experienced in the past, he said. Continuing he said:

"There may continue to be an improvement in mortality, accompanied, as it has been in Germany, by an increase of 50 per cent. in the sickness rate and a corresponding increase in England. On the other hand, the rates of both mortality and sickness may move in cycles, and as a result of the present war we may experience a radical change in both rates. It is easily within the realm of possibilities that the death rates throughout the world will show substantial increases within the next decade with either increases or decreases in the sickness rates. Let us frankly state that whatever health insurance will cost this year, it may carry another cost next year and, by so doing, convince the world at large that we are cognizant of the difficulties of the problem. Above all, let us give full weight to the difficulties, rather than under-estimate them. Let us be conservative in our statements, rather than extravagant, and if losses should not come up to our estimates, the remedy is easy to apply by an extension of benefits. Do not let us advocate a system under which in a year or two State funds or approved societies or fraternals or independent companies or other carriers will be in financial difficulties. Let us remember that probably no greater catastrophe could happen to a State health fund than to be compelled to follow a State compensation fund to the legislature for an additional grant in order to make good the deficiencies caused by building too high and making too extravagant promises.

EXPENSE MONEY CUT OFF

Pennsylvania Legislature Refuses Financial Aid to Workingmen's Compensation Fund

The chairmen of the Pennsylvania House and Senate appropriations committees have decided to appropriate no further monies to pay expenses of the Workingmen's Compensation State Insurance Fund. The expenses for this year will be provided by the State, but on and after January 1, 1918, no State funds will be available for at least two years, as the Legislature meets only biennially.

The Legislature of 1915 appropriated $300,000 to pay the administration expenses of the board until July 1, 1919. On June 1 of this year the board had expended $203,132.51 of this appropriation. Members of the appropriations committee charged that the Fund board has mismanaged its affairs.

Also it developed at the committee hearing that insurance companies doing business in the State had offered to place compensation insurance on coal mines at a less rate than had been charged by the State, but were prevented by the Insurance Department. Officials of the latter department insisted that higher rates were fixed because they did not believe that the companies could safely sell the insurance at the rate offered. These officials, however, admitted that the capital and surplus of the insurance companies offering the lower rate would have guaranteed safety for those buying the insurance.

The dividend of 15 per cent. declared this year by the State Insurance Fund also was declared by members of the committees to have been bad business. Officials of the Fund admitted that they had paid dividends to subscribers who had not renewed their policies this year. They said they had paid out $72,535.90 in dividends to date, but more was to be paid. Most of the interrogations were made by Speaker R. J. Baldwin of the House of Representatives, a practical insurance man.

TO LET—Private, outside office, in large handsomely furnished suite, switchboard, all facilities. $25. **Room 703, 68 William St.**

NEW MARCASCO POLICY

The Maryland Casualty Company announces a new accident policy, to be known as the Marcasco accident policy, a running mate to the well-known Marcasco disability policy. The new policy provides for the usual doubling of benefits, and agrees to pay $500 for loss of one foot or one hand within 90 days of accident; $100 monthly indemnity for total disability for not more than 50 months, and $50 monthly indemnity for partial disability for not more than six consecutive months. The cost per $1,000 is: select and preferred risks, $10 annually; extra preferred risks, $12; ordinary, $25.50.

FEDERATION DAY SUCCESSFUL

As a result of the special campaign for sustaining members on Federation Day, June 21, 126 members of this class were secured. John A. Eckert, Julian Lucas, W. C. Potter, James R. Garrett, and other prominent men devoted the entire day to the work of securing new members.

Broker's Office

(Continued from page 13)

is likely to have a license account of approximately $500. Each State also has its own laws with regard to the qualifications of a licensed broker. In some States brokers are not recognized at all.

Ratio of Profit Small

"Brokerage commissions vary in the different classes of insurance. In some cases, fire insurance pays only five per cent. In others, twenty per cent. The average is probably about seventeen and one-half per cent. In the liability classes the brokerage varies from 10 per cent. on compensation business to 30 per cent. on accident and health. It is fair to assume that the average profit to the insurance broker is approximately five per cent. That is extremely small when one considers the conditions and the work necessary in order to give proper service to the property owner. Probably no business yields so small a profit when considered from the standpoint of the volume of business handled."

C. A. CRAIG, President W. R. WILLS, Vice-Pres. C. R. CLEMENTS, Sec. & Treas.

The National Life and Accident Insurance Company

NASHVILLE, TENNESSEE

Industrial, Life, Health and Accident Insurance in ONE policy

CASUALTY POINTS

When Will Your Turn Come?

Under the caption, "When Will Your Turn Come?" the American Liability Co. has been using the following talking point in its health insurance production department:

Of course you do not expect sickness. It generally comes without warning and as suddenly as accidents. The strongest and healthiest man may be overtaken by it at any time. The precautions and care which he exercises to maintain his health may not avail at all against infection. You cannot travel in street cars or trains, walk the streets, or associate with your fellowmen without being constantly liable to contract disease.

Any man of ordinary observation knows that the hazard of accidental injury is an ever present one. Statistics indicate that the liability to personal accident is sixty-five times as great as liability to loss from fire. But the liability to sickness is twice as great as the liability to accident.

It is not necessary to go into complicated mathematical calculations in order to indicate the fact that any man is subject to illness at any time.

It is said that more than $1,500,000,000 is lost in wages in this country through illness every year. Doctors' fees account for $225,000,000 annually, not to mention the sums paid for hospital service and medicine.

The consequences of illness can never be foretold. A cold may develop into something very much more serious, involving long confinement and medical attention. If provision has not been made for such a contingency the expense entailed by it is a serious burden to the man of moderate means. Prudence demands that every man, and especially every one with dependents, should safeguard himself with a policy providing for indemnity in the event of sickness or accident.

* * *

How To Train Sub-Agents

In canvassing for prospects, we should also canvass for sub-agents, says Arthur Dacy in the "Federal Record." We cannot always obtain experienced men and, personally, I would rather secure the inexperienced man, for it is much easier to teach him the business in one's own way—to start him right and not permit crooked or misleading methods.

Oftentimes, part-time men in factories or railroad shops are very valuable and my experience with this class has been unusually good. In almost every small town, we can find a bank employe, druggist or station agent, who, if given the proper coaching and encouragement, will become a "live wire."

The first thing I can ask any man is, "In what company do you carry health and accident insurance?" I do not believe that a man can successfully sell insurance who does not carry a policy in some good company. He must first believe in it himself, with all his heart, before he can transmit to some other the desire to carry this form of protection.

The inexperienced man who writes a surprising amount of business at first is the man, to my belief, who will bear watching. Seemingly the man's desire at first is to get quantity, and the first thing we know, the result the second month will be about 90 per cent. lapses.

Re-Insurance Discussion

(Continued from page 15)

marine insurance? From time immemorial the bulk of such insurance has been carried by this system. To forbid its continuances is to assert a wisdom superior to that of all whose lives have been devoted to the business. And what will be the effect if you obtain prohibitory legislation? The method will not be changed—it has stood too long and served too well to be given up. If marine insurance according to the usages well established cannot be obtained in New York it will be obtained in foreign ports.

It would be interesting to learn the reason or reasons for the proposed restriction. Here is a business of more than $40,000,000 in one year, transacted by companies that have met the requirements of our laws and been licensed to do business in this State and in most other States as well. Any proposed curtailment of that business by the State should be justified by excellent business reasons.

Is one reason the fact that many of the re-insurance companies are American branches of nations with which we are at war? That can hardly be the reason, because there are direct-writing companies of those same nations whose operations have not been terminated or even restricted.

Question of Solvency

The American branches of those direct-writing companies are solvent, and our supervisory departments do not look beyond these branches for assets to most American losses. If there is a question of the thorough solvency of the branches of re-insurance companies every insurance department is already possessed of full power to act in a way to protect American policyholders, whether individuals or corporations. If it is felt that the re-insurance companies are doing more business than their assets warrant, a word from the departments of two or three important States would immediately effect reform. These remarks are quite as applicable to several Continental European re-insurance companies of nations with which we are friendly.

It has been stated in newspapers that this movement for restriction of direct-writing companies by means of restricting them in their re-insurances, is upon the demand of certain local agents in the West who represent companies that have taken advantage of the facilities for re-insurance, so that those agents are not able to write as large lines as the agents competing and stronger companies. It seems incredible that such a reason could seriously influence the superintendents of insurance in our various States.

Either the re-insurance which companies have licensed to do is good—and therefore enlarges the market for American property owners—or it is not satisfactory. If it is not, it may be repeated that the departments are already in possession of ample powers to protect American interests. If it is good, should strong American companies and property owners be deprived of the advantage of using it to serve the interests of certain local agents whose companies have refused or failed to adopt methods approved by the best companies.

NEW MEMBERS OF F. B. A. OF N. Y.

The following new resident memberships in the Fire Brokers' Association of New York have been elected:

Huff, Dreyer & Co., Inc., Abraham Arndt Co., Inc., Daniel Birdsall Co., Inc., Joseph S. Blume & Co., Inc., E. W. De Leon, Inc., Howard Douglas, C. Joshua Epstein & Co., Mackenzie & Vail, Inc., Samuel Metzger, Horace W. Olcott, John Paret, Jr., Wiliams & Yuengling, Wm. H. Whiting & Co.

JACKSON & POTTER MOVE

Jackson & Potter this week moved from the third floor of 1 Liberty street to the seventh floor. The present quarters of the agency are in the same position as the previous location.

The United States Casualty and Fireman's Fund have a joint automobile policy on the Pacific Coast.

GAUVIN AGENCY HAS PAPER

In conjunction with the appointment of the Gauvin Agency, Inc., as metropolitan managers of the accident and health department of the United States Fidelity & Guaranty, that agency plans to issue a monthly publication containing information regarding accident and health insurance. The name of the publication is to be "The Pilot," which has been taken from the name of the leading disability policy of the Company. It will be distributed free to brokers.

W. E. SMALL, President PETER EPES, Agency Mgr. E. P. AMERINE, Secretary
GEORGIA CASUALTY COMPANY
HOME OFFICE: MACON, GEORGIA
"DIXIE AUTO POLICY"
THE LAST WORD IN MOTOR INSURANCE
Surplus and Reserves to Policyholders.....$1,526,022.81

The METROPOLITAN CASUALTY
INSURANCE CO. OF NEW YORK
HOME OFFICE, 47 CEDAR STREET
CHARTERED 1874
Plate Glass, Burglary, Accident and Health Insurance
EUGENE H. WINSLOW, President
Russell R. Cornell, Vice-Pres. S. Wm. Burton, Sec. Alonzo G. Brooks, Ass't Sec.
RELIABLE AND ENERGETIC AGENTS WANTED

THE SIGN OF GOOD CASUALTY INSURANCE
HEAD OFFICE
CHICAGO
F. W. LAWSON
General Manager
Liability, Accident, Burglary, Boiler and Credit Insurance
Established 1869.
F. J. WALTERS
Resident Manager
55 JOHN STREET
New York
Elmer A. Lord & Co.
145 Milk St., Boston
Resident Managers New England
London Guarantee & Accident Co., Ltd.
OF LONDON, ENGLAND

The Fidelity and Casualty Company of New York
92 LIBERTY STREET, NEW YORK, N. Y.
Metropolitan Office—92 William Street
Annual Statement, December 31, 1916

Assets	$13,788,795.23
Liabilities	9,708,052.97
Capital	1,000,000.00
Surplus over all liabilities	3,080,742.26
Losses paid to December 31, 1916	56,090,684.58

This Company issues contracts as follows: Fidelity Bonds; Surety Bonds; Accident, Health, and Disability Insurance; Burglary, Larceny, and Theft Insurance; Plate Glass Insurance, Liability Insurance—Employers, Public, Teams (Personal Injury and Property Damage), Automobile (Personal Injury, Property Damage and Collision), Physicians, Druggists, Owners and Landlords, Elevator, Workmen's Compensation—Steam Boiler Insurance; Fly-Wheel Insurance.

BUSINESS=BUILDERS
DEVELOPING
Fidelity and Surety Bonds, Liability Workmen's Compensation, Automobile, Accident, Health, Burglary and Plate Glass INSURANCE
APPRECIATE THE CO-OPERATION OF THE
Massachusetts Bonding and Insurance Company
BOSTON
Paid-In Capital $1,500,000
T. J. FALVEY, President
Write For Territory

The Employers' Liability Assurance Corporation, Ltd.
The original and leading Liability Insurance Company in the World
LIABILITY, STEAM BOILER, ACCIDENT, HEALTH, FIDELITY AND BURGLARY INSURANCE
United States Branch
SAMUEL APPLETON, United States Mgr.
Employers' Liability Building
33 BROAD STREET, BOSTON, MASS.
AGENTS WANTED

The Columbian National Life
OF BOSTON

ARTHUR E. CHILDS, President

A CHANGE may be necessary to realize your ambition

Think a minute—then write

WM. H. MASTIN — (West of the Mississippi). SYMES BUILDING DENVER, COLO.

FRANK D. LOMBAR — (East of the Mississippi). 77 FRANKLIN STREET BOSTON, MASS.

SUPERINTENDENTS OF AGENCIES

DARL D. MAPES, Superintendent of Accident Agencies
77 FRANKLIN ST., BOSTON, MASS.

The service of a high grade Accident Department will also be offered so that you will not have to broker your Accident business to avoid violating your Life insurance contract.

CO-OPERATION No. 4

A full measure of agency co-operation with the real producers is responsible in part for these 1916 results as compared with 1914.

Decrease in number of licensed agents 70%

Increase in new business paid for 30%

Increase in number of representatives who paid for $3,000 or more in new premiums—135%

Phoenix Mutual Life Insurance Company
of Hartford, Conn.

JOHN M. HOLCOMBE, President

In addition to the ordinary forms of life insurance

THE EQUITABLE

makes a specialty of the following:

Insurance to protect business firms and corporations, under a corporate form of policy.

Group Insurance, by which employers protect families of employes.

A flexible contract, known as the Convertible Policy, which can be converted by the Insured into an Ordinary Life, Limited Payment Life, or Endowment Policy.

A Bond issued without medical examination giving the investor an income for his declining years.

A new policy is offered under which the insurance is DOUBLED if death results from ACCIDENT. This policy also embodies the following advantages if the person whose life is insured becomes totally and permanently disabled:

1. Thereafter the Equitable will carry the insurance —The Insured will have nothing further to pay.
2. The Equitable will pay the Insured an annual income for life equal to one-tenth of the face of the policy.
3. Upon the death of the Insured the full amount of the insurance will be paid to the Beneficiary (or double the amount if death is due to accident) without deduction on account of the income paid to the Insured while living.

(See the policy for conditions and details.)

For Agency Openings Address

WILLIAM E. TAYLOR,
Superintendent of Agencies

THE EQUITABLE
LIFE ASSURANCE SOCIETY OF THE U. S.

120 BROADWAY, NEW YORK

WORTH KNOWING

Suppose that you are insured in the United Life and Accident Insurance Company of New Hampshire for $5,000 under the Company's Triple Indemnity Plan, what does your Policy guarantee to do?

ANSWER:

FIRST, it guarantees that in case of death from any cause, $5,000, the face of the Policy, will be paid.

SECOND, that in case of death from any ACCIDENT, $10,000, or DOUBLE the face of the Policy, will be paid.

THIRD, that in case of death from certain SPECIFIED accident, $15,000, or THREE TIMES the face of the Policy, will be paid.

BUT THIS IS NOT ALL. The Accident Disability Endorsement FURTHER guarantees that in case of total disability as a result of accidental injury, the Company will pay direct to YOU at the rate of $50 PER WEEK during such disability, but not to exceed 52 weeks, after which the weekly indemnity will be at the rate of $25 PER WEEK throughout the period of disability. Can insurance do MORE? And why should any man be satisfied with a policy that would do less? The cost is low.

Agents wanted in Maine, New Hampshire, Vermont. Connecticut, Pennsylvania, North Carolina, South Carolina, Tennessee, Georgia, Delaware, Maryland, Mississippi, Kansas, Missouri. An opportunity for Life Insurance Salesmen of ability. Address:

United Life and Accident Insurance Co.
Home Office, United Life Building - Concord, New Hampshire

San Francisco Losses Amounting to $4,522,905.00 paid PROMPTLY IN CASH WITHOUT DISCOUNT, from funds largely supplied by head office in Liverpool

U. S. Cash Assets, Dec. 31, 1916	$15,827,439.35
Surplus, - - - - -	5,460,745.59
Losses Paid by Chicago Fire, 1871	3,239,491.00
Losses Paid by Boston Fire, 1872	1,427,290.00
Losses Paid by Baltimore Fire, 1904	1,051,543.00

Liverpool AND London AND Globe Insurance Co. LIMITED

Over $152,000,000.00
Losses Paid in the United States

HENRY W. EATON, Manager
G. W. HOYT, Deputy Manager
HUGH R. LOUDON, Assoc. Deputy Mgr.
J. B. KREMER, Asst. Deputy Manager
T. A. WEED, Agency Superintendent

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THE EASTERN UNDERWRITER

[Succeeding the Journal of Insurance Economics, Established in 1899]

A WEEKLY NEWSPAPER COVERING ALL BRANCHES OF INSURANCE

Eighteenth Year; No. 27 | NEW YORK, FRIDAY, JULY 6, 1917 | $3.00 a Year; 15c. per Copy

ORGANIZE FIELD MEN FOR CONSERVATION

Committee to Represent Up-State, New York Board, Suburban and Buffalo Territories

WILL HAVE AUTHORITY UP-STATE

Frank E. Burke Made Chairman of Its Up-State Committee of Special Agents

The great fire insurance campaign for conservation being carried on by the National Board of Fire Underwriters, in conjunction with the National Council of Defense, has reached a point where the field men in New York State are being organized in order that every section of the State shall be thoroughly covered. In some other parts of the country, particularly the West, similar committees were recently appointed. Chairman Buswell, of the New York and Northern New Jersey conservation committee of the National Board of Fire Underwriters, has appointed a committee, representing up-State territory, and a committee representing Suburban Fire Insurance Exchange territory. Frank E. Burke, of the Home, is chairman of the New York State field men's committee, known as the Auxiliary Committee, in conference with the Advisory Committee of the National Board of Fire Underwriters, other members being F. M. Crittenden, J. M. Carothers, J. M. Daggett, F. M. Smalley, C. A. Rich, C. R. Folsom, and W. R. Somerville.

Suburban Committee

The Suburban Fire Insurance Exchange territory committee consists of Burt G. Wray, J. V. N. Simonson, R. C. Alton, Louis H. F. Peck and F. G. Smith. Committees representing the Buffalo Board of Fire Underwriters and the New York Board of Fire Unoerwriters' territories will also be appointed.

It is understood that these four committees of prominent field men will in turn appoint sub-committees.

Since the original statements made by President Bissell, of the National Board of Fire Underwriters regarding the conservation work to be undertaken by the fire insurance interests, the scope of this undertaking has been considerably broadened.

Inspections and cutting out danger points will extend over a great many classes of risks. The primary and sole aim of the campaign is to conserve the

(Continued on page 14.)

"The Largest Fire Insurance Company in America."

THE HOME
INSURANCE COMPANY
NEW YORK

ELBRIDGE G. SNOW, President

Underwriting Capacity Second to None.

FIRE AND ALLIED BRANCHES OF INSURANCE

Fire, Lightning, Automobile, Commissions, Explosion, Hail, Marine (Inland and Ocean), Parcel Post, Profits, Registered Mail, Rents, Sprinkler Leakage, Tourists' Baggage, Use and Occupancy, Windstorm.

STRENGTH REPUTATION SERVICE

North British and Mercantile Insurance Co.

Established 1809

Entered United States 1866

Policyholders protected by the entire United States assets, with further guarantee in every policy, of protection by entire fire assets of the company which are many times larger.

Great Southern Life Insurance Company

HOUSTON, TEXAS.



For Agency Contracts address

O. S. CARLTON
PRESIDENT

GIVE WAR RISK VIEWS TO McADOO

Distinguished Gathering of Life Insurance Men at Conference With Secretary of Treasury

A COMMITTEE TO CO-OPERATE

Indemnity, Not Insurance, to Be Provided By Government—To Rush Through Legislation

(Special to The Eastern Underwriter)

Washington, D. C., July 2.—In response to a call from Secretary of the Treasury McAdoo for a conference regarding indemnification of men in the Army and Navy service, about as distinguished a collection of life insurance executives as ever gathered together under one roof met with the Secretary at the New Willard Hotel and for three hours this afternoon discussed freely and frankly ways and means of protecting Uncle Sam's fighters and guarding them against perils of the future, if they are disabled, and indemnifying their dependents in case they are killed in battle or from disease.

Offer Government Hearty Co-operation

From the start the companies made it clear that their resources were at the disposal of the Government in every way consistent with the trust reposed in the life companies and their policyholders. They offered their heartiest co-operation, and did so with such a show of spirit that at the conclusion of the conference the Secretary paid them the compliment of praising their patriotism, comprehension and vision, adding that it was a pleasure to know that companies were managed by the type of executives who responded to the McAdoo call to-day.

Secretary McAdoo Asks for a Vote

Indications were numerous, largely in the loud applause of sentiments expressed on the floor, that the life officers present favored the Government's assuming a large part of the war risk; and the Secretary asked for a rising vote on the following question:

> Do you favor the Government undertaking the indemnification of soldiers and sailors?

This question was prepared with a great deal of care after the executives present had made it plain (and in this Secretary McAdoo acquiesced) that

what the Government proposes to undertake is indemnity and not insurance.

Four Voted No

With four exceptions every person present voted affirmatively upon the Secretary's question. The negative votes came from President Butler and Secretary Howard, of the Travelers; Vice-President Duffield, of The Prudential; and President Daly, of the Capitol Life, Denver.

Committee to Counsel Secretary

The Secretary then announced that he would appoint a committee of ten to come down to Washington and act as counsel for the Administration in the preparation of a law to enable the Government to handle the indemnity proposition. The Secretary made it quite plain that the committee would act in an advisory capacity only, and that the Government officials would make up their own minds as to the wording of the Congressional bill.

"What we want," said the Secretary, "is the best counsel obtainable, and I am glad to see that you are willing to be commandeered and do this public service for your country. Americans do things speedily, and we haven't much time in this matter. Once having made up our minds what we shall do we must act quickly before Congress adjourns."

When Secretary McAdoo called the conference he found facing him a great many of the most prominent insurance officials and actuaries in the country. Names of those present will be found elsewhere in this issue.

Seated With McAdoo

Seated at Mr. McAdoo's right and left, as advisers, were Assistant Secretary of Commerce Sweet, whose $4,000 insurance plan acted as the basis of discussion at the meeting; Hendon Chubb, the New York marine insurance underwriter, who represented the advisory board of the new War Risk Bureau; Director De Lanoy, of the Bureau of War Risk Insurance; Dr. Rowe, Assistant Secretary of the Treasury; Major Harry Leonard, U.S.M.C.; and Captain S. Herbert Wolfe, in uniform, who has been made a captain in the Army, and who is also advising the Government regarding life and accident insurance matters. Superintendent Nesbit, of the District of Columbia, who started the commissioners on the uniform war clause proposition, was present, but did not talk. Lawrence Priddy, at whose suggestion Secretary McAdoo called the conference, it is understood, remained in New York.

Metropolitan's Offer

One of the most interesting things about the conference was a talk by Second Vice-President Woodward, of the Metropolitan Life, who, after offering on behalf of the Metropolitan assistance in the way of expert advice or free clerical aid, said that he presumed that in asking companies to attend the conference Secretary McAdoo expected them to come with some concrete suggestions. He said that the Metropolitan's concrete suggestion was that it would join any or all of the life companies in furnishing the Government with the maximum amount of insurance desired; or that the Metropolitan would agree to write any amount up to $300,000,000 if called upon to do so by the Government. If the Government wanted the companies in a group to write two or three billions of insurance the Metropolitan would participate, providing its own liability should not exceed $300,000,000. If the States expected the companies to pay a tax on any premiums paid by the Government Mr. Woodward, as a suggestion, offered the thought that the Government in that case re-imburse the companies for the amount of the tax. He thought that this was only fair.

In further discussing the $300,000,000 insurance carrying offer Mr. Woodward said his Company would want to reserve the right to distribute the risk. The Metropolitan would write these risks at age 25 for a premium of $8.20, annual renewable term, with extra premium of $50 per annum per $1,000; policies to be terminated six months after peace is declared. The Company did not desire to profit by the business, and would agree to return to the Government any surplus as might remain after paying claims and expenses.

In answer to a question of Mr. McAdoo, Mr. Woodward said that the Metropolitan had not given any consideration to the question of disability.

Why Conference Was Called

In starting the conference Mr. McAdoo said that this was a war of democracy in which America had entered heart and soul, and would see it to the finish of final triumph for the Allies. Soon hundreds of thousands of our men will be fighting in Europe. For the first time in our history these men will go into battle feeling assured that they will be taken care of, if maimed or otherwise disabled; and their dependents will not be paupers if they are killed. President Wilson had set his heart on this, and the Secretary concurred in the sentiment. It was not only the square thing for the Government to watch over the men in this fashion, but it would elevate the morale. The question therefore, was how to give the fighters this indemnification, whether by private companies acting individually or in groups; whether in co-operation between companies and the Government or whether the Government alone should undertake the indemnity. He had not made up his mind, and that was why he had called the conference. He wanted the great men of the life insurance business to reveal what in their minds was best to do. Accordingly, the floor was open to anyone. As a basis for discussion he would ask Assistant Secretary of Commerce, Mr. Sweet, to present his views.

The Sweet Plan

Mr. Sweet told about his insurance proposition, saying that it was evolved after much correspondence and numerous conferences with the leading men in life insurance. The Sweet plan follows concisely:

"I believe there should be created, in connection with one of the existing executive departments of the Government, a soldiers' and sailors' indemnity bureau, with a competent man of insurance experience at its head; that the necessary actuarial and clerical assistance should be provided; that protection for a definite amount, not exceeding $4,000, should be automatically furnished to every one in the military and naval service of the United States, without regard to rank and without expense to the insured; that such insurance or protection should cover partial and total disability as well as death; that no medical examination should be required except that necessary for admission into the service; that all losses should be paid in regular instalments; that all adjustments should be made with the least possible delay; and that a limit, analogous to statutes of limitation, should be fixed for the correction of records and the presentation of claims.

"As concrete evidence of the Government's obligation a certificate or policy might well be given to each soldier and sailor. This would materially add to its moral influence.

"In addition to the protection thus furnished to all engaged in war service, I think the same bureau should be authorized to furnish death and casualty benefits or protection to soldiers and sailors to the amount of $6,000 to one individual, upon terms as favorable as in times of peace. From the experience of the Bureau of War-Risk Insurance it is conceivable that this can be done by the Government without material loss. The funds that a private corporation applies to commissions, medical examination fees, advertising, etc., would be available by the Government for the payment of losses. But if loss should result, a proper recognition of the obligation conferred upon the general public by the defenders of their country demands that it should be met by the Government, and thus fall upon all who receive the benefit of the service rendered rather than upon those who render it.

"With admirable patriotism many life insurance companies, I am informed, have already notified their policyholders that policies issued prior to the entrance of the United States into the war will continue in full force without the payment of additional premiums, even if the insured engage in the military or naval service outside of the United States. But prudence and a proper regard for their present policyholders forbid that insurance companies take on an additional indefinite number of risks subsequent to our entrance into the war without the payment of premiums conmensurate with the greater hazard involved in war service. To determine this in advance with any degree of accuracy is impossible, and rates are suggested which are considered prohibitive. Men engaged in war service who wish to buy protection for their dependents and themselves beyond that freely furnished by the Government ought not to be left powerless to do so. On the contrary sound public policy dictates that the purchase of additional insurance should be encouraged. It means fewer dependents in the future. I therefore believe that both justice and self-interest demand that the Government itself furnish such insurance. This has the further advantage of introducing an element of flexibility into the system which cannot well be provided in the fixed amount of insurance to be furnished without expense to the insured, and adapts it to the varying needs of families which differ in the number of dependents or in the accustomed scale of living.

Concrete Suggestions

"The following suggestions have been made:

"1. That the Government bureau or the department of which it is a part be given authority to arrange with one or more insurance corporations for the transaction of this business if expense can be saved thereby.

"2. That at the close of the war impaired risks which have not become actual claims but which insurance associations would not accept, be continued by the Government.

"3. That the amount of protection to be furnished without cost to the insured be in proportion to the number of dependents, even though the total may, in exceptional cases, exceed the suggested maximum of $4,000.

"4. That discretion be given to the bureau for the payment of benefits in instalments of varying amount whenever it should be clearly shown that the interest of the beneficiaries requires it."

In addition to protection thus furnished to all engaged in the service the same bureau should be authorized, Mr. Sweet said, to furnish certain benefits on terms as favorable as in times of peace.

President Day's Memorandum

E. E. Rittenhouse, of the Equitable Life Assurance Society, was the first speaker representing insurance interests. He read a memorandum from President Day, of the Equitable, giving the following conclusions:

1. No part of the cost of new insurance for our fighting forces can be paid from the funds of the present policyholders.

2. The entire mortality cost must come from the premiums on the highly hazardous class insured.

3. This cost must either be paid by the men themselves, or

4. By the men and the Government combined, or

5. By the Government alone.

6. All that life insurance companies

CO-OPERATION No. 5

CO-OPERATION means, among other things, that we are giving our best attention to every representative in placing life insurance contracts, but to those who accomplish most, most is given.

We are extending this co-operation to Life Annuity contracts also. Rates have been reduced.

In five months of 1917 a gain of 254 Per Cent in Annuity premiums has been established over the sum secured during all of 1916.

Phoenix Mutual Life Insurance Company
of Hartford, Conn.
JOHN M. HOLCOMBE, President

DISCUSSION AT McADOO CONFERENCE IN WASHINGTON

can consistently offer the Government in this case is the use of their organizations and machinery at actual cost.

7. If the companies should be given this work, a safe charge must be made. If the actual cost should fall below the amount collected the excess should be returned at the end of the war. If the charge proved inadequate to cover the cost the Government should guarantee to make good the deficiency.

8. The better plan, in the judgment of the Equitable Life Assurance Society, is for the nation to pay its obligations of personal injury and death benefits for our soldiers and sailors directly to the beneficiaries and thus avoid the unnecessary work and confusion of putting it in the form of insurance and issuing it through insurance companies.

President Kingsley's Statement

Arthur Hunter, actuary of the New York Life, read a statement from President Kingsley, of that Company, reading in part as follows:

"We have for months considered in what way this Company could meet or help to meet the coming need of indemnities for the dependents of our citizen soldiers, and after having worked out and rejected several plans we have reached this conclusion:

What you desire to do, what we all desire to do in this crisis does not fall within the function or scope of life insurance.

"Life insurance, as transacted by a life insurance company, is a business based on assumptions which cover the hazards of life where these are known from past experience and where the law of average applies. The contracts of life insurance companies are not primarily contracts of indemnity, but agreements to pay specified sums at death or at fixed dates of maturity. In the case of soldiers and sailors the indemnity should be guaranteed by the Government under some equitable plan whereby the family may be re-habilitated, dependent children supported until capable of taking care of themselves, the wife assisted to become self-supporting or supported until remarried, and a dependent mother suitably provided for. In addition, provision should be made for the support or partial support of the soldier or sailor himself who is (1) partially disabled; (2) totally disabled; (3) permanently disabled; (4) mutilated.

Life Insurance Principle Must Be Maintained

"Life insurance cannot accept at any known rate a man ill with pneumonia at the time of his application, although his policy, if taken during normal health, covers death by pneumonia. **Life insurance cannot under its established principles accept the mortality risk on men about to go into battle, except under limitations and at a rate which destroys the life insurance principle and does not provide the necessary indemnity.**

"If this risk is to be covered—and we think it should be—the expense, whatever it may be, must be met by general taxation. That, we repeat, is not life insurance.

"This Company stands ready to offer the Government any service it can. If we assume any part of this risk we can do so only if the Government guarantees us against all loss in this group in excess of our general experience among insured in corresponding groups not in military or naval service in time of war. The very principles of the Company's being demand this. If, therefore, the guaranty of the Government is necessary, and we assume that most life companies will feel that guaranty to be absolutely necessary, the easy, direct and economical way to solve the problem is for the Government to do it all.

"Having decided on what indemnity is just, the Government should underwrite it. You will need little book-keeping, no reserves, no premiums, and little of the detail necessary in the accounting of a life insurance company.

"In life insurance no part of the premium is paid from the public treasury. On the contrary, the policyholders pay a heavy toll to the States and to the nation for the privilege of doing business.

"To solve your problem the entire country must pay the cost, however high that cost may be.

"If our trained staff can help you in any way, it is at your service, but we respectfully suggest that it will be wise to recognize at the beginning of your conference that your problem is not a problem in life insurance. It is a war problem and can be solved only by war methods."

President Peabody's Views

Second Vice-President Hutcheson, of the Mutual Life, read a statement from President Peabody, of that Company, saying in part:

"I have no hesitation in stating that the most economical method for the Government to provide for these indemnities is for the Government to look after the whole matter itself. It has in the records of the Army and Navy Departments full particulars regarding each soldier and sailor; it knows when the death occurs, and the simplest process for the Government would be for it to undertake to pay whatever indemnity it decided upon to representatives of each deceased citizen soldier or sailor when each death occurred. No sum of money would require to be laid aside by the Government prior to the date when it was called upon to pay these indemnities. Provision could doubtless be made for paying these indemnities in one sum, or for agreeing to spread payment of the amount of the indemnity over a period of years, in monthly or other periodic payments if it is thought best. The indemnities could be paid by the issuance of bonds running for a definite period of years, or by serials bonds maturing at the end of each year for some period, as the Government thought best. Under such a plan the Government would not require to pay the full amount of the indemnity for some time after the death had occurred. The expense, however, whatever it might be, would require to be covered by general taxation; the nation at large would have to pay for these indemnities, no matter what they cost.

"Life insurance is based upon the principle that the value of the premiums received by the company equal the value of the sums insured paid under policies. There is nothing mystical about life insurance, and this being so, the value of the payments which the Government would have to make in the way of premiums would be equal to the value of the indemnities it would have to pay at the death. Why, therefore, pay them in advance? Why not delay all payments until known and necessary? Why, then, go through the form of calling the suggested indemnities life insurance?

"Again I strongly urge upon the Government the advisability of its undertaking payment of these indemnities itself. All of the book-keeping details which would be necessary if a life insurance company undertook to transact this business, would thus be avoided. In addition, the premiums would require to be paid by the Government immediately to the companies, whereas no payments would be necessary until deaths arose under the Government scheme.

Ready to Offer All Assistance

"We stand ready to render the Government such assistance as we can from our staff of experts, long trained in life insurance business, if the service of such staff can be of use to the Government, but we strongly recommend that the whole matter of indemnities to the dependents of our citizen soldiers and sailors be looked upon in its true light, from the point of view of a war problem, and not from the point of view of life insurance. If we can be of any assistance to the Government in this respect, we respectfully tender our services.

"We would suggest that the best expert knowledge in the country could be obtained by the Government availing itself of the offer which the Actuarial Society of America has made to the Government, to name a committee to help it in this, or in any other matter, for which training and experience of the actuary best fits such a committee of trained actuaries."

President Butler's Suggestion

President Butler, of the Travelers, said that in his opinion life companies are prepared to carry the war risk for the Government, without profit to themselves or loading for anything except the detailed expense, and to return to the Government any premiums not required for payment of losses. There is no experience to guide the companies regarding rates; it is all a matter of guess what the cost will be except that the mortality will be tremendous. In discussing the question of dependency he thought its effect would be to reduce the possible cost because often soldiers have no dependents of any kind.

The call of the Government for troops is for men without dependents. Continuing he said:

"It has been proposed that the Government furnish this indemnity, and it has been suggested that possibly the companies can do it. I am sure that every company in this room would be glad to assist the Government in this undertaking.

"The companies can do it if a reasonable premium is provided. They can take over the hazard. They can state the premium that will be required according to their best judgment, and they can bind themselves to that undertaking. This is a proposition of hundreds of millions of dollars. It is no proposition for one or a few companies, but the life insurance companies of the United States can get together and underwrite this plan. With a reasonable premium the life companies can furnish the insurance to the Government.

"Washington is busy. There is a tremendous work there for public officials to do and I would suggest that a committee of companies be formed to take up with the officers of the Government a plan for a definite scheme; and that this scheme with its indicated premium be submitted at another meeting of the companies, and if a sufficient number of companies think it wise to underwrite the business; that they make a proposition to the Government as to what they are willing to do."

No Need For Group Insurance, Says Ide

George E. Ide, president of the Home Life, immediately arose, and said there was no analogy between the needs of the present situation and group insurance. He said there was no necessity for the Government to pay premiums to companies, and the companies to pay the beneficiaries of the men who died. The Government should make the payment itself; it didn't need elaborate book-keeping, or any premium accounts or reserve accounts. It had all the records. The whole thing should be simple. He said the Government should be the disbursing agent, and the life insurance companies would offer the



INDUSTRIAL CONCERNS throughout the land are proving the patriotism of business by insuring entire staffs of employees. The Prudential will lend a hand—make it easy for firms to insure their workers.

Family insurance has placed America First in Life Insurance, and Group Insurance will help to keep it there.

The Prudential has a fine Group plan. Group Insurance is endorsed by every concern that has tried it. Send for brief, forceful, descriptive circular.

THE PRUDENTIAL INSURANCE CO. OF AMERICA

Incorporated Under the Laws of the State of New Jersey

FORREST F. DRYDEN, President — Home Office: NEWARK, N. J.

DISCUSSION AT McADOO CONFERENCE

Government all of their experience, the service of their actuaries and every assistance required. It was the patriotic thing to do.

Arthur Hunter agreed with Mr. Ide.

E. E. Rhodes a Speaker

E. E. Rhodes, of the Mutual Benefit, said that the companies were in favor of the Government granting indemnities, and told of the Actuarial Society of America offering its services to the Government. He said the Government needed only to call upon the companies which would patriotically and immediately respond to any demand for their services. All the expert advice in life insurance was available, and would be cheerfully given. He thought the plan of Mr. Sweet could well be taken as a foundation for the Government's indemnity structure.

Among others who spoke were Messrs. Duffield, Prudential, who recommended that a committee be appointed to discuss the suggestions made at the meeting and counsel the Government; President Carroll, of the Provident Life, Des Moines; President Peak, Central Life; Isaac Miller Hamilton, Federal Life; Vice-President Foster, Royal Union; Miles M. Dawson, Professor Glover, University of Michigan; Judge Julian W. Mack, of Chicago, and Captain S. Herbert Wolfe, who discussed the situation from the Government's compensation of Federal employes act.

At McAdoo Conference

The following is the official list of those who attended the McAdoo conference in Washington:

Association of Life Insurance Presidents:—Major Binkerhoff, Secretary Wight, Counsel Dunham.
American Life Convention:—T. W. Blackburn.
Casualty Actuarial and Statistical Society:—
Aetna Life:—Vice-President English; Assistant Actuary Peiler.
American Central:—President Woollen; Secretary Carr.
Atlantic Life:—Vice-President Taylor.
Bankers, Ia.:—President Kuhns; Actuary Nollen.
Bank Savings:—President Lupton.
Berkshire:—President Wyman; Actuary Washburn.
Capitol Life:—President Daly.
Cedar Rapids Life:—Secretary Svoboda.
Central Life, Ia.:—President Peak; Actuary Johnson.
Central States:—Vice-President McVoy.
Colonial Life:—George A. Huggins.
Columbian National:—President Childs.
Columbus Mutual:—President Brandon.
Commonwealth, Ky.:—Secretary Johnson.
Connecticut General:—Vice-President Bulkeley.
Connecticut Mutual:—Mr. Rice.
Continental Life:—President Burnet.
Dakota Life:—
Equitable of Washington:—President Blair.
Equitable of Iowa:—Vice-President Nollen.
Equitable Life Assurance Society:—Actuary Henderson; E. E. Rittenhouse.
Farmers & Bankers:—Vice-President Sullivan.
Federal Life:—President Hamilton.
Franklin Life:—Secretary Abels.
Fidelity Mutual:—President Talbot.
Germania:—Vice-President Fuehrer.
German-American, Colo.—Secretary Brown.
Girard:—Secretary Short.
Globe:—Secretary Moore.
Hamilton:—
Home Life:—President Ide.
International Life:—President Wilson.
Inter-Southern:—President Duffin.
John Hancock:—President Lamb; Mr. Wakefield.
Jefferson Standard:—President Grimsley.
Kansas City Life:—President Reynolds; Vice-President Fleming.
Life Insurance Company of Virginia:—President Walker; Actuary Davenport.
Lincoln National:—Secretary Mead.
Maryland:—President Rose.
Massachusetts Mutual:—Actuary McLean.
Metropolitan:—Vice-Presidents Woodward and Kavanagh; Actuary J. D. Craig.
Midland:—President Boone.
Michigan Mutual:—
Midland Mutual:—Secretary Steinman.
Minnesota Mutual:—President Randall.
Missouri State Life:—President Hoyt.
Mutual Benefit:—E. E. Rhodes.
Mutual Life:—Second Vice-President Hutcheson.
National Life of Vermont:—President Howland.
National Fidelity:—President Rice.
New York Life:—Actuary Hunter.
Ohio National:—President Bettinger.
Ohio State:—President Sarver.
Oklahoma National:—President McCartney.
Pan-American Life:—Actuary Allison.
Penn Mutual:—President Johnson.
Postal:—President Malone.
Protective:—President Jelks.
Provident L. & T.:—President Wing; Medical Director McCombs.
Provident, Ia.:—President Carroll.
Provider's:—President Bozinch.
Prudential:—Counsel Duffield.
Puritan:—Secretary White.
Royal Union:—Vice-President Foster.
Scranton:—President McAnulty; also Actuary
Shenandoah:—President Angell; L. St. John Thomas.
Security Mutual:—President Dickenson; Counsel Gregory.
Southland:—President Seay.
Standard Life, Ia.:—Secretary Knotts.
Southern, N. C.:—Secretary Watt.
Southwestern:—President Vardell.
State Life:—President Bennett.
Travelers:—President Butler; Secretary Howard.
Union Central:—President Clark; Actuary Hardcastle.
United Life & Acc.:—M. M. Dawson.
United States Life:—President Munn.
Volunteer State:—Vice-President Key.
Western & Southern:—President Williams.

Peoria Life for Uniformity

The Peoria Life has notified Commissioner Mansfield that it has complied with the Hotel Astor uniform war provisions.

Endorsed By Indiana.

In discussing the uniform war recommendations, Auditor Otto L. Klauss of Indiana, said to The Eastern Underwriter:

"We have not laid down any particular requirements, but are advising all those making inquiries regarding this matter to follow out as nearly as possible the suggestions made at this meeting as I am of the opinion that for the present at least this is the advisable thing to do. However, if a company does not adhere entirely to this recommendation, we are not making objections as long as their position is within reason."

Bankers Life of Nebraska

The Bankers Life, of Nebraska, concludes a statement about the war hazard with the following paragraph:

"The policyholder of the Bankers Life who enters the military or naval service in time of war is not required to pay a large extra premium which in many cases would be prohibitive and necessitate the dropping of his insurance. Such policyholder can continue to pay the same premium as heretofore. In case of death as a result of this service, his beneficiaries will receive all of the surrender value that stands to his credit on the books of the company. If he returns after the service in good health, his policy will be re-instated for full amount and he will be given the benefit of surplus accumulations. This is fair and just both to the man who goes to war and to the one who stays at home. Good faith in both cases has been kept with the insured. The financial strength of the company has not been changed or perverted because of war conditions. The safety and protection that the company has guaranteed to policyholders through eliminating hazard and the placing of every policy on a preferred risk basis, is not and will not be disturbed present or future, so far as the business of this company is concerned."

Advice to Agents

In a letter to agents of the Missouri State Life, Actuary George Graham said:

"We sincerely believe that the war clause cannot do otherwise than have a stimulating effect upon business, especially among those over the military age. It has brought home to men the uncertainties of life. It has made them think of to-morrow and, after all, remember that men do not buy life insurance because of this provision or that restriction, but for one of three things —love of family, fear of old age, or protection of business. Canada has found it so and we shall, also, if we measure up to our responsibilities."

George Washington Life

The George Washington Life does not believe that service in the Officers'

(Continued on page 7.)

HOME LIFE INSURANCE CO.
(Now Purely Mutual)
256 BROADWAY, NEW YORK
GEORGE E. IDE, President

The fifty-seventh annual report shows insurance in force of $133,493,000, an increase during the year of $7,832,827. The Company paid the policyholders in 1916 $3,536,233, of which $628,406 was in dividends or premium refund. Its insurance reserve fund was increased by $1,300,000 and the Assets are now $32-821,462.

For Agency apply to
GEORGE W. MURRAY,
Supt. of Agts.
256 Broadway, New York, N. Y.

State Mutual Life Assurance Co.
OF WORCESTER, MASSACHUSETTS
Incorporated 1844
The Company that gives complete satisfaction to policyholders and agents because both are a part of it.
SEVENTY-THREE YEARS of faithfulness to every promise made.
Success for our ambitious representatives is a certainty.
Additions are made to our agency force when the right men are found
B. H. WRIGHT, President D. W. CARTER, Secretary
STEPHEN IRELAND, Inspector of Agencies

Build Your Own Business
under our direct general agency contract
Our Policies provide for:
Double Indemnity, Disability Benefits, Reducing Premiums
See the new low Rates
JOHN F. ROCHE, Vice-Pres't
THE MANHATTAN LIFE INSURANCE COMPANY
66 BROADWAY NEW YORK
Organized 1850

BANKERS BLCo LIFE DES MOINES COMPANY
PAYS GOOD PAY TO GOOD MEN

Ambitious, Productive and Trustworthy Life Agents may be benefitted by corresponding with the
Berkshire Life Insurance Company
of Pittsfield, Mass.
Inc. 1851
New policies with modern provisions Attractive literature
W. D. Wyman, President W. S. Weld, Supt. of Agencies

THE CRESCENT LIFE INSURANCE COMPANY
OF INDIANAPOLIS, INDIANA
"ENDURING AS THE PYRAMIDS"
J. C. Humes, President
L. D. Clancy, Secretary
A Legal Reserve Company
Are You a Big Producer? Can You Prove It?
ONE GENERAL AGENT WANTED IN INDIANA
Home Office: Fletcher Trust Bldg., Indianapolis, Ind.

A Surprised and Grateful Beneficiary

LOCATED BY NEW ENGLAND MUTUAL IN BANGOR, ME.

Restored To Full Benefit as an Annuitant—Company's First Case of Kind

In 1905, a Brooklyn ship broker applied through the New York office of the New England Mutual Life for an ordinary life policy, $5,000, payable to his wife, in ten installments of $500 certain and continuous; ages 54-53; premium, $302.50.

In 1907 the insured died, having paid only three premiums. His net deposit was $846.80. An installment certificate was delivered to the beneficiary, and thereupon the Company paid the yearly income of $500 as follows: 1907, 1908, 1909 in Brooklyn; 1910, Conway, N. H.; 1911, Lincoln, Me.

Annuitant Re-Marries

In the meantime, 1909, the annuitant re-married. Two years later, 1911, desiring to assist her second husband in a business venture, she requested commutation of the future installments. Her first husband, when making application for the insurance in 1905, declined to have a clause inserted in the policy denying to his beneficiary the right to commute or assign any of the unpaid installments. Therefore, the Company paid the sum of $2,290 for surrender of the installment certificate.

Five years later, in the spring of 1917, the Company's actuary called attention to the fact that in commuting installment contracts, it was impossible, in individual cases, to commute the continuous installments; and, inasmuch as the $2,290 paid the annuitant in 1911 for the surrender of her installment certificate was the present value of only the remaining five installments certain, it would be equitable to restore her, if living, to full benefit as an annuitant.

Although this was the first case of the kind in the Company's history, its justice was apparent. Search for the beneficiary was made, and upon locating her in Bangor, Maine, all the facts in the case were explained, and payments of equivalent monthly installments of $42.24, instead of annual installments of $500 were arranged.

Incidentally it was learned that the business venture of the second husband had passed into the hands of a trustee in bankruptcy. The financial loss was complete.

Here is a letter from the beneficiary in which she expresses her gratitude:

When your representative called upon me, and said that your Company had been searching for me for weeks, to pay some money on an old policy, I could not believe that such good fortune was to be mine.

I have since received your letter with the checks enclosed, and find that what he told me was not a dream but a great reality, and that I am now to receive a Monthly Income as long as I live.

I was so surprised when your representative informed me of these facts that words failed me. But I wish now to express my gratitude to the New England Mutual for its kindness to me. I also thank you most heartily for all the trouble taken in my behalf, and for wishing me a long life to enjoy what an honest Company has bestowed upon me.

May God's blessing rest always upon the New England Mutual.

Gratefully yours,

AGAINST PUBLIC POLICY

A decision was recently given by the Supreme Court of Alabama holding that it is against public policy for life insurance companies to pay for loss of life by suicide. The case in question was that of T. E. Lovejoy, administrator, vs. Mutual Life Insurance Company. In its opinion the court held that an express agreement to pay insurance money to a beneficiary when the insured was in his right mind at the time of committing the act would be offensive to law and good morals.

TRIBUTE TO FLEMING

Kansas City "Times" Prints Eulogistic Editorial on Front Page About Life Men

Kansas City raised more than $1,000,000 for the Red Cross. Col. Fred W. Fleming was chairman of the Red Cross Committee, and so pleased were the citizens of the city with his work that they presented him with a loving cup. The Kansas City "Times" published the following editorial on its front page, under the heading "The Man Behind It All."

In the great Red Cross campaign one man was on the job night and day. His work began two weeks in advance of the campaign and it continued to the very end. He worked out the most effective money getting organization this town has ever had. He mapped out the plan of operations. He aroused the enthusiasm of every worker. He got an energy and vigor into the organization that surpassed the achievements of any private business. Today Kansas City throws up its hat for Col. Fred W. Fleming, chairman of the Red Cross finance committee, organizer of victory!

CLEAR CUT PRACTICE

Attitude of Northwestern Mutual Life When Settlement is Made Under Installment Options

It is the practice of the Northwestern to permit the beneficiaries to retain the original policy or policies, when settlement is made under the installment options. This is important for two reasons; first, it shows clearly that the payments are being made from the general funds of the Company, and are guaranteed by the entire assets. No individual account is created for the payment of that particular policy or policies.

Secondly: the beneficiary is receiving an income in the form of installment payments of life insurance money, and such payments are clearly defined in the various inheritance and income tax laws of the various States and of the United States. There seems to be no chance of confusing such funds with certificates of deposit, etc.

THE AVERAGE EARNINGS OF THE AGENTS
OF THE
Standard Life Insurance Company
∴ ∴ OF PITTSBURGH ∴ ∴
are higher this year than ever before. Our attractive Accident and Health Policies have helped them to make more money.
Write for a LIFE, ACCIDENT AND HEALTH Contract to
FRANK A. WESLEY
Vice-President and Director of Agencies

TO BOOST SECURITIES

Forrest F. Dryden Made Vice-President of Nation-Wide Organization

With a view to taking an active part in the movement now spreading to bring about intensive organization of the newly-formed National Association of Owners of Railroad Securities, Forrest F. Dryden, president of The Prudential Insurance Company; Fred W. Egner, vice-president of the Fidelity Trust Company, and former Governor Stokes, of New Jersey, are going to bring that State into line. Mr. Dryden has been elected a vice-president of the association. It is pointed out in the association's declaration that the treatment of the $17,000,000,000 of capitalization invested in railroads directly or indirectly, affects the prosperity of some fifty millions of people.

The first compilation put out by the association states that more than one million individuals own outright $10,000,000 of railroad stocks and bonds; that life insurance companies have $1,550,000,000 invested in these securities; fire, marine and other insurance companies $649,000 000. The theory of the founders of the movement is that the real owners of railroad securities should now be heard to the end that prices of railroad securities may be stabilized and the railroads themselves given such privileges in operating as to enable them to maintain their credit.

FRATERNAL VALUATIONS

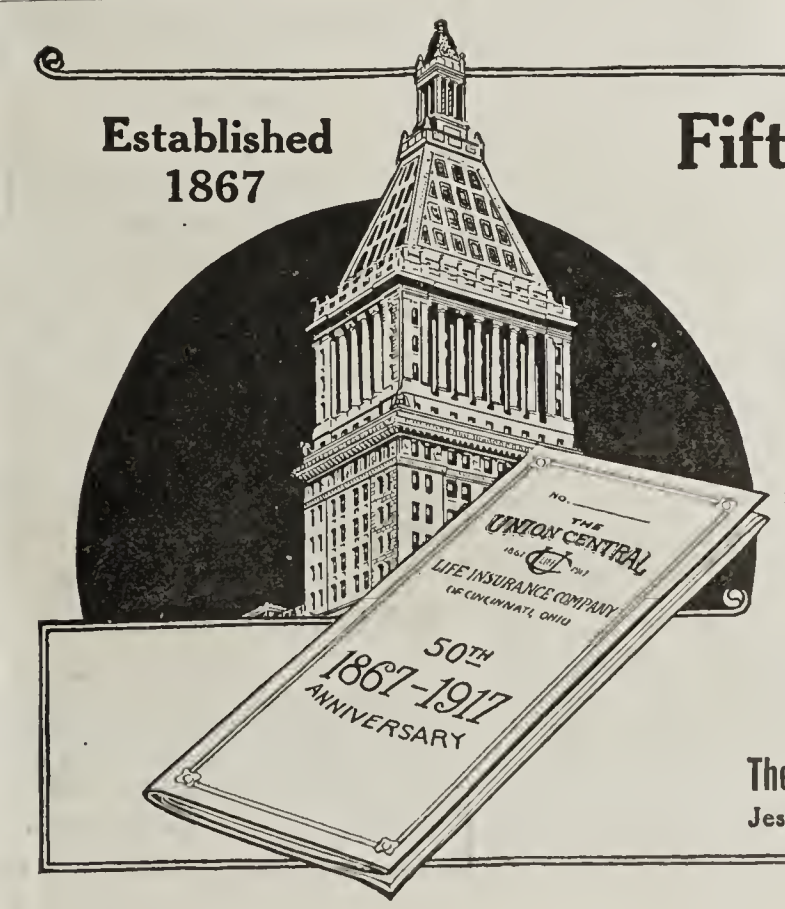
Commissioner Cleary, of Insurance, has issued a leaflet in which he shows valuation results of the fraternal benefit societies as of December 31, 1916. Wisconsin has twenty-two of these societies, and his data includes these and 40 others from different States.

The amount of assets a society should have on hand to mature the certificates according to their terms and pay all future death losses in full, compared on the basis of the assessments now being collected, according to Commissioner Cleary, does not appear very substantial.

The total net value of all outstanding certificates (required reserve) is shown as $1,018,521,042.98, while the assets available for the payment of future death claims is reported as $129,924,167.17. The leaflet shows the ratio percentage of actual assets to the required reserve to be 12.8. Taking the Royal Arcanum, which has been somewhat in the limelight during the past year, owing to the demand for a receivership, for an example, its total outstanding certificates (reserve required) is $5,131,937, while the assets available for payment amount to $3,427,424.71.

It is due to this order however, to say that the application for receiver has been dismissed by the courts.

The fall meeting of the Actuarial Society of America will be held in Baltimore on Thursday and Friday, October 25th and 26th, at the invitation of the Maryland Life.



Fifty years of success

The Strength of the Company—the growth of a half century—towering back of every policy contract, assures the largest possible measure of *security*, *service*, and *saving* to the insured.

The wisdom of the founders in restricting the Company's investments to farm loans, has throughout the years afforded the largest degree of safety, together with the greatest earning power on its invested funds. It has in addition served the Nation, and the wide world in these troublous times, by its signal aid in the development of the Country's Agricultural Resources.

The manifold service of the past half century may safely be accepted as a criterion of larger service in store for its policy-holders and their beneficiaries.

For Information address Allan Waters, Second Vice-Pres.

The Union Central Life Insurance Company
Jesse R. Clark, President Cincinnati

LIVE HINTS FOR BUSINESS GETTERS

Practical Suggestions to Help the Man With the Rate Book Increase His Income and General Efficiency

Essence of Successful Soliciting

In soliciting life insurance nothing is more essential than tact. The man who is always ready in mental discernment—showing and doing the proper thing at the proper moment, or avoiding what might offend a prospect; who is skilled in dealing with men or emergencies, is the one who is usually successful in landing his game. Perhaps an acquaintance has an abhorrence for life insurance, as a few men do who have not taken the time to weigh its benefits, tact knows exactly how to turn that man's mind around and cause him to look at the proposition from another angle. It will show him that life insurance is something that perpetuates human life, that it furnishes food for widows and orphans, and supplies them with clothing when their bread-winner has been taken away.

Tact will show him that the very thing that he has been laboring for all his life will not cease when he passes away; that there is plenty in this world for those who have the money with which to buy, and that life insurance is the one dependable thing that will provide that essential; tact will paint a picture of a family living in a comfortable home, surrounded with all the luxuries that contribute to life's enjoyments; boys and girls attending educational institutions, preparing themselves for the economic fields of life, without having to begin with a meager learning, which means a struggle to keep abreast with the strong competition put up by those who have been equipped for the race.

Tact tells an agent when to talk and when to stop talking; what to say and what not to say; in fact, tact is a barometer of one's brains. Tact would not suggest approaching a man in a crowd for life insurance; it would, however, select from a crowd one who is most likely to either want life insurance or at least would listen to a presentation of the subject at the proper time and place; it would suggest that you refrain from exhausting all your argument at the first conference, and from using too many technical terms in presenting the proposition, from ridiculing or speaking disparagingly of other life insurance companies, or remaining so long as to deter your prospect from going ahead with his business. Tact will prompt you to make a good impression and leave your man in such a pleasant mood that he will be glad to have you—in fact, will ask you to call again and give him further information.

* * *

Beneficiary's Rights in Corporation Insurance

In corporation insurance, as contrasted to insurance in favor of individuals, the position of the insured and the beneficiary is practically reversed. In the one the beneficiary (the corporation) pays the premiums and is at all times the real party in interest; in the other the insured (the individual) pays the premiums and usually retains for himself the full control of the policy.

This important distinction must at all times be kept in mind by the agent when filling out applications for policies of corporation insurance. Since the corporation pays the premiums, it, rather than the insured, naturally should receive all dividends on the policy. Again, the corporation should be privileged to negotiate loans on the policy without the requirement that the insured join in or consent to them. The corporation, too, must be protected against the insured; that is, the options must be reserved to the corporation so that the insured will find it impossible to surrender the policy and collect the cash value for his own purposes.

Unless contrary to the laws or insurance department requirements of any particular State, the Mutual Life will, when specifically requested in writing in the application, so modify the regular policy forms that these rights of the corporation will be fully protected. For purposes of illustration we quote the following from a corporation insurance policy recently written: "It is mutually understood and agreed between all parties in interest herein that the beneficiary (here the name of the corporation is inserted), herein mentioned, shall have the sole power without consent of the insured to obtain all benefits and exercise all options conferred by the clauses entitled 'Participation,' 'Loans' and 'Options on Surrender or Lapse.'"

* * *

The Cheap Dollar

Every student of economics knows that the purchasing power of money changes from decade to decade. How this applies to life insurance is clearly expressed in the current issue of the Northwestern Mutual Life's "Field Notes." That paper says:

We are sure of three things, viz: first, the purchasing power of our dollar does vary; second, its purchasing power is now and for some time past has been decreasing; third, such periods of decreased purchasing power, or inflation of prices, have always been followed in the past by a period of readjustment, the exchange value of the dollar has again increased and prices have decreased. It seems certain therefore that in the years to come history will repeat itself, and our standard of exchange, the dollar, will regain some of its apparent loss in purchasing power.

This is of particular interest to us in connection with life insurance. The net cost of life insurance protection, expressed in dollars, has been steadily decreasing for a number of years past, but on the other hand the purchasing power of the money paid in death claims and matured endowments has also been decreasing, necessitating a larger amount of insurance for the man who desired to provide for a certain fixed measure of protection for his dependents. Another and very important element enters here however. A man in buying a thousand dollar life policy is paying a small number of dollars today in return for the promise of the life insurance company to repay one thousand dollars in the future. It is a contract for the future delivery of one thousand dollars. The dollars used today in meeting the premiums are so called "cheap dollars," that is, their purchasing power in exchange for the necessities of life is relatively small. The claim will be paid in the future however and in all probability many years in the future. We can reasonably expect that in this future period the dollar will have readjusted itself, and will have a higher exchange value—in other words, we can today buy life insurance with cheap money and most of it will be repaid in so called "dear money" or dollars. The insured or his family will correspondingly benefit because the policyholder was wise enough to take his insurance during the present period of "cheap dollars."

THE MOST VALUABLE POLICY FOR YOU,
Mr. Agent, is to write your prospect in the Company writing the most valuable policy for the insured.
Secure **prompt action** in the

John Hancock MUTUAL LIFE INSURANCE COMPANY OF BOSTON MASSACHUSETTS

WILLIAM N. COMPTON, General Agent
METROPOLITAN DISTRICT, ST. PAUL BLDG., 220 BROADWAY, NEW YORK, N. Y.

ORGANIZED 1871
Life Insurance Company of Virginia
RICHMOND, VIRGINIA
OLDEST, LARGEST STRONGEST
Southern Life Insurance Company
Issues the most liberal forms of Ordinary Policies from $1,000.00 to $50,000.00, and Industrial Policies from $12.50 to $1,000.00
CONDITION ON DECEMBER 31, 1916:

Assets	$14,464,552.23
Liabilities	12,436,717.56
Capital and Surplus	2,027,834.67
Insurance in Force	118,349,212.00
Payments to Policyholders since Organization	18,119,172.50
Is Paying its Policyholders over	$1,300,000.00 annually

GOOD TERRITORY FOR LIVE AGENTS

Founded 1865
The PROVIDENT Life and Trust Company
OF PHILADELPHIA, PA.
What do most men fear?
An insufficient income for their wives and children if they die, and for their own old age if they live.
WE WILL INSURE THE INCOME IN EITHER EVENT.
Write for Information

The
Perfect Protection Policy
OF THE
RELIANCE LIFE
gives you something absolutely new and different to talk to your prospects. Gives you a chance to earn more money than you are now making.
Our Life Insurance Contracts contain the most up to date clauses known to the Insurance World. The Accident and Health gives full protection for at least a third less cost than regular casualty companies. Our agency contracts are as liberal as can be made.
WRITE AND WE WILL TELL YOU MORE ABOUT OURSELVES
Reliance Life Insurance Company of Pittsburgh
FARMERS BANK BUILDING
PITTSBURGH, PENNSYLVANIA

NATIONAL LIFE INSURANCE COMPANY
(MUTUAL)
MONTPELIER, VERMONT
67th Year
FRED A. HOWLAND, President
On paid-for insurance basis and with bonds valued at par only (market value $409,882 above par) the 67th report shows:

Assets	$66,426,040.82
Liabilities	62,268,494.36
Surplus	$ 4,157,546.46
INSURANCE IN FORCE	$212,037,400.00

A good company for the policyholder and the agent
EDWARD D. FIELD, Superintendent of Agencies.

The Connecticut Mutual Life Insurance Company,
PRESIDENT JOHN M. TAYLOR, HARTFORD, CT.

Insurance in force, 107,262 Policies for	$253,439,405.12

WHAT NO OTHER COMPANY HAS DONE
To repay to its Policyholders in Death Claims, Endowments, Dividends, Surrender Values, Annuities and other credits more than they have paid to it in premiums. It stands alone in that result.

Total premiums received, Dec. 1, 1846, to Dec. 31, 1916	$310,337,255.71
Total returned to Policyholders, as above noted, in same period	319,548,729.00
Excess of amount returned	9,211,473.29

Extracts from Report of Examination of
SOUTHWESTERN LIFE INSURANCE CO.
By the State of Texas, June 28, 1915
"It is noteworthy that this Company was organized without any promotion expenses."
"I beg to report further that I find the Company in excellent financial condition."
"The volume of its business has steadily increased, its surplus is growing rapidly and its funds are being carefully conserved under expert supervision."
Home Office, DALLAS, TEXAS

Mutual Benefit's War Time Rulings

COMPANY INSTRUCTS AGENTS HOW TO USE SAME

Is Applicable to War Clause Recommended by Commissioners and Supersedes Previous Ruling

The Mutual Benefit outlines its position on the war clause in the following message to its agents:

No War Clause Over 45

"1. Policies issued on applications in connection with which the medical examination was made on or after July 9, 1917, will contain the war clause recommended by insurance commissioners in place of the clause heretofore used, provided that at the date of the application the insured rates at age forty-five or a youuger age. If the insured's age at the date of the application is above forty-five, no war clause will be imposed, provided the applicant is not a member of any military or naval organization aud has no intention of becoming a member of any such organization or engaging in military or naval service.

"The new war clause reads as follows:

"If within five years from the date of this policy the insured shall engage in any military or naval service in time of war, the liability of the Company in event of the death of the insured while so engaged, or within six months thereafter, will be limited to the return of the premiums paid hereon, exclusive of any extra premium paid for military or naval service, less any indebtedness to the Company hereon; unless before engaging in such service, or within one month (of not less than thirty days), or at the time of paying the first premium due hereon, if the insured shall be then so engaged, the insured shall pay to the Company at its home office in Newark, New Jersey, such extra annual premium or instalment thereof as may be required by the Company, and in like manner, while the insured shall continue so engaged, shall pay with each regular premium as it falls due, such extra annual premium or instalment thereof as may be required by the Company.

"Within one year after the termination of the war the Company will return such portion of the extra premiums as in its judgment will not be required to cover the extra hazard.

Supplement to Application Forms

"2. Two new supplements to application have been prepared. For all applicants whose age is not over forty-five, the form of supplement which recites the war clause, being Form No. 475, will be used. The other form of supplement, being Form No. 475-A contains the same questions but does not include the war clause. This form will be used where the insured is over forty-five years of age and is not engaged and has no intention of engaging in military or naval service. One of these forms must accompany every application for insurance.

"3. If the application does not show that the insured is engaged in military or naval service, the following notice will be attached to the first premium receipt of each policy issued with the uniform war clause:

"Important—Attention is called to the policy provisions regarding military or naval service in time of war, and to the extra premiums payable in the event thereof.

"For the first year of this policy the extra premium will be at the following rates for $1,000 insurance: $37.50 if paid annually; $19.13 if paid semi-annually; or $9.75 if paid quarter-annually. The extra premium is payable at the same time and in the same manner as the regular premium. For any interim between the date of engaging in such service and the next regular premium due date the extra premium is at the rate of eleven cents per day per $1,000 insured, but not more than the extra premium for the full period from the last to the next premium due date. The extra premium or instalment thereof must be paid to the Company at its home office in Newark, New Jersey, within one month of the date of entering upon such service. Otherwise the Company's liability under the contract shall be only as set forth therein.

(To be continued)

44 MILLIONS from 42 AGENCIES

THE 1916 RECORD OF OUR EARNEST, LOYAL AND HAPPY AGENCY FORCE

New England Mutual Life Insurance Company

BOSTON, MASS.

SOLD LIBERTY BONDS

Bankers Life, of Des Moines, Sold More Than a Million Dollars' Worth

The Bankers Life of Des Moines, played more than a million dollar part in the Liberty Loan campaign. The Company itself bought $100,000 worth of bonds and every member of the home office force joined in making subscriptions which amounted to over $25,000. The home office employes also sold Liberty bonds in the total sum of $20,000. The field force reported aggregate sales of approximately one million dollars.

The general agencies of Elmer Dwiggins of New York, and George R. Craft of Cleveland, were in the lead with total sales of over $300,000 each.

INSURING SHIP CREWS

A number of applications for insurance for officers and crews of American merchant ships are being received at the Bureau of War Risk Insurance, at the Custom House in Philadelphia. The vessels are each carrying from forty to fifty men and the policies will run from $65,000 to $67,000. As fast as the crews are completed arrangements are made to insure them at once. Scores of inquiries are coming in daily for information.

ROSEN STILL IN LEAD

During May the six leaders of the New York Life on volume of paid business were H. B. Rosen, New York; S. Hertz, Philadelphia; Lawrence Priddy, New York; G. W. Taylor, Missouri; S. L. Joseph, New York; and Harold Pierce, Philadelphia.

BROKE ITS RECORD

The June bulletin of the Connecticut General Life Insurance Company shows that the Company wrote new life business since January 1, amounting to $16,878 751, as compared with $12,714,175 for the corresponding period last year.

AN EFFECTIVE DRAWING

Story of a Laundress' Position Wanted Ad Pictured as Insurance Argument

The Missouri State Life has issued a patriotic number of the "Missouri State Life News," which goes to its thousands of policyholders. The number is not only unusually interesting but it is well arranged typographically.

The leading article is entitled, "Life Insurance—War—Humanity." A central spread carrying the caption, "The story of the Want Ad." is a most effective life insurance argument. The ad is that of a laundress who wants a position. A drawing represents her at the bedside of her dying husband with her two children at her side. Underneath in large type appears the following:

He meant to buy life insurance—he knew they would need it "if" he should die—but he failed to provide for the "when" he did die——

His wife didn't know his financial circumstances — but his widow soon found out——

WANTS WOMEN INSURED

An article in the "Massachusetts Workmen" by J. R. Fisher advocates the admission of women to the A. O. U. W. of Massachusetts, a society which at the present limits its membership to men. Mr. Fisher presents statistics to show that the mortality experience of women is as favorable or better than for men.

Company Rules On War Risk

(Continued from page 1.)

Reserve Corps, or encampments entails an extra hazard. It is, therefore, permitting such service without extra premium. Furthermore, it does not believe that any extra premium will have to be collected when mobilization is effected.

In discussing European service, President Smith said:

"Should our troops go to France, there may be vast differeuces in the amount of exposure. It may be that they will be assigned some special mission without great war hazard, or they may be put into the front ranks where the hazard entails an extra war risk of large percentage. It is our purpose to impose no extra premium, except as required by the particular facts connected with the service of each policyholder, on the principle that each case must govern itself. We believe this better than fixing a low rate for all policyholders, or a maximum rate too high for most cases, too low in a few cases. For illustration, some companies are proposing to charge $37.50 per thousand in all cases of mobilization. This cannot be accurate, as few of those mobilized are likely to incur extra risk, and many are paying for the few. Others are fixing a maximum rate of 10 per cent. This amount, however, is far too large, and likely to be prohibitive to most of those to whom it applies, and not sufficient for those few who are placed in the front ranks on the firing line.

"We believe that our clause is the fairest and most equitable possible for us to adopt. It provides for meeting only the actual cost of the extra hazard. It does not seek to shift this extra rate from the few to the many, nor make any extra rate applicable until the facts are before the Company. It does not undertake to say beforehand what the minimum or maximum of such extra hazard may be, as no one can now tell what exigencies may or may not arise.

"The Company has no desire to gain from the use of any war clause. This must be borne in mind by both agents and intending policyholders, and, therefore, that clause which permits of the policyholder and the Company meeting each emergency as it arises is fairest for both. We have considered this clause carefully. We must protect our policyholders, and we must not levy from them extra premiums to guard against hazards which may not arise. Our clause is drafted, and very carefully drafted with this in view, and we submit that a careful consideratiou of its provisions will not only enable you to highly recommend it to your applicants, but will meet their ideas of equity and fair dealing. Some agents have said that the clause is too indefinite, but that is its merit, not its defect. It is as definite as the uncertainties of this war permit, and to make a definite rule to govern an indefinite situation always means that the rule maker that is, the Company, must give itself the benefit of all doubts. What we, have done is to formulate an elastic clause that will permit of our meeting the facts as they arise, without benefit to ourselves and in perfect fair dealing with our policyholders."

Ohio State Life

The Ohio State Life war regulations limit the amount of insurance granted to any policyholder to $1,000, which will be increased by the required legal reserve on the amount of insuraunce in excess of $1,000.

Extra premium for military or naval permit during the first year will be $37.50 per thousand. The refund of special reserve not required to cover the extra hazard will be made at the end of the war.

Men who have entered, or are about to enter, the military or naval service will not be considered for insurance. Men of conscripted ages may be written unless drafted.

The war rider of the Capital Life undertakes the charge of $50 extra premium, either by reduction of the death benefit, or the maintenance of the face of the policy at an increased charge.

The George Washington Life now has a $100,000 league.

The Nation Needs Its Business

Not less patriotic than those who serve the Nation in organizations directly connected with the war, are those who keep the wheels of business steadily turning. Their work contributes to the country's moral poise, and, as well, keeps sound the financial foundation on which our great part in the war must rest. Life insurance is one of the great conservators of national resources, through its protection of the myriad homes of the people and the businesses which furnish their maintenance. Life insurance has therefore a great opportunity and a great duty in this time of crisis.

Occasionally we have a General Agency opening

JOSEPH C. BEHAN, Superintendent of Agencies

MASSACHUSETTS MUTUAL Life Insurance Company

Springfield, Massachusetts

Incorporated 1851

THE EASTERN UNDERWRITER

This newspaper is owned and is published every Friday by The Eastern Underwriter Company, a New York corporation, office and place of business 105 William Street, New York City. Clarence Axman, President; B. F. Hadley, Vice-President; W. L. Hadley, Secretary. The address of the officers is the office of this newspaper. Telephone 2497 John.

Subscription Price $3.00 a year. Single copies, 15 cents.

Entered as second-class matter January, 4, 1907, at the Post Office at New York, N. Y.; under the act of Congress of March 3, 1879.

THE McADOO CONFERENCE

There was something inspiring in the way the companies responded to Secretary McAdoo's call for a conference on indemnification of sailors and soldiers; and it showed that in the face of a great issue companies large and small can work together in utmost harmony. The spirit of co-operation among the executives, coupled with their desire to aid the Government, was so manifest that the Secretary went out of his way to speak of the patriotism and vision of these executives. It was also gratifying from the life insurance viewpoint that Mr. McAdoo now stands committed to the indemnity proposition and has the distinction between that and government insurance so clearly in his mind.

PROVIDENT L. & T. CHANGES

The Provident Life and Trust Company has adopted several important changes.

At the first of this year the Company adopted a new edition of policies containing a revised schedule of non-forfeiture and loan values. In view of the fact that the life and endowment premium rates of the Provident have remained practically unchanged from 1868 until about a year ago, when an adjustment in the premium loadings was made, it has been deemed fitting that all of the policyholders of the Company should be entitled to paid-up, cash and loan values computed on a uniform basis. Policies issued prior to 1903 contain non-forfeiture values based upon the Actuaries' 4 per cent. table. Those issued from 1903 to 1916 inclusive contain values upon the American 3½ per cent. basis. All of these policies will now be entitled to paid-up, cash and loan values upon the American 3½ per cent. basis, using the revised and more liberal surrender charges provided by the new edition of policies. To make the retroactive change effective, no action on the part of the policyholder will be necessary. When paid-up, cash or loan values are granted, they will as a matter of course be computed upon the new basis.

By the adoption of this retroactive measure, the older policyholders of the Provident will receive a substantial benefit which will afford them tangible evidence that the Company is caring for their interests by granting privileges that time has shown can be granted with safety.

Commencing July 1 another valuable benefit was extended by the Company, in that the holders of policies issued prior to the new edition of policies adopted this year, may, under certain conditions and in advance of the time when their policies become payable, elect to have the policy proceeds applied under any one of the applicable optional methods of settlement contained in the new edition.

The new options that will thus become available to old policies are:

Option 1, whereby the proceeds of a policy may be left with the Company at a rate of interest not less than three per cent.

Option 2, the annuity option.

Option 3, whereby the proceeds of the policy may be paid in a limited number of installments.

Option 4, which provides a life income to the beneficiary, a certain number of payments guaranteed, and

Option 5, which provides a joint life and last survivorship income to the insured and beneficiary at the maturity of an endowment policy, with a definite number of payments guaranteed.

Also commencing July 1 the Provident discontinued its renewable term policy, but will continue to write, as heretofore, non-renewable convertible term insurance at present rates. This action on the part of the Company is a logical development of the stand it has taken in the matter of term insurance. Term insurance is adapted to protect the insured against a definite risk extending over a limited period. Experience has amply demonstrated the fact that the renewable term policy, because of its deceptively low cost, is frequently renewed beyond the period for which the temporary protection is needed. The ideal of any Company should be to sell the type of policy with which the policyholder will **always be satisfied.** The Provident has become convinced that the renewable term policy is at variance with this ideal.

LIFE ASSOCIATION MEMBERSHIP

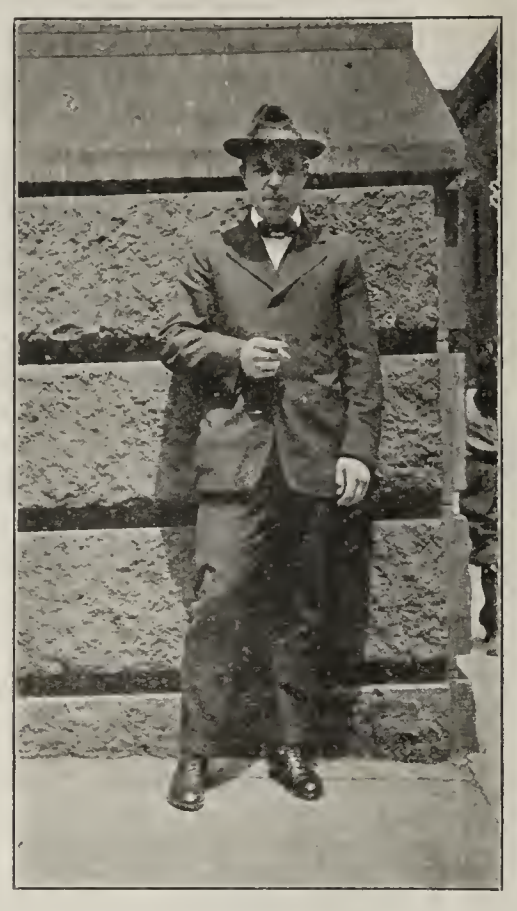
Perhaps the most talked of point in connection with life association activities, where men are banded together for the common good of the business, is the fact that in union and numbers there is strength. This seems to count for little with certain life underwriters' associations.

While in no way having behind it the unanimous endorsement of association members, there are known instances where membership has been denied good agents representing some of the younger and smaller life companies, just because they represented such companies. This sort of action retards association advancement, narrows its usefulness and robs it of the power of performing the very service which brought the association into being.

The fact that a man or woman is a life insurance agent, maintaining good principles and practices, abiding by the laws supervising the writing of life insurance business in association territory should determine their eligibility to membership in an agents' association.

This question should receive attention at the forthcoming annual meeting of the National Association of Life Underwriters at New Orleans.

THE HUMAN SIDE OF INSURANCE



WILLIAM B. KELLY

William B. Kelly has become associated with the Girard Fire & Marine of Philadelphia, as assistant to President Gratz, announcement of which was made in last week's edition of The Eastern Underwriter. Mr. Kelly was formerly with the Arizona Fire in charge of its Eastern department.

* * *

Charles T. Carpenter, of the Carpenter Insurance Agency of Coffeyville, Kansas, has four sons enlisted for war duty and the only thing that has kept a fifth son from doing likewise is his extreme youth. The four Carpenter brothers, who have answered the call of their country are Sam, Charles T., Jr., Walter and Hugh. Both Sam and Charles have been associated with their father in the insurance business. Sam has already seen active service on the border last summer. All four brothers belong to Company M, K. N. G. The Carpenter agency has been writing a substantial volume of business in the

* * *

Cleon Krouse, son of Clarence Krouse, Philadelphia local agent, is returning to Philadelphia on a six weeks' leave of absence from the front. Recently, he was poisoned from drinking from a well that had been tampered with by the enemy; but cables that he is recovering.

* * *

Paul L. Woolston, a well known actuary and examiner of Denver, Col., has been appointed consulting actuary for the Nevada State Life of Reno, which was recently licensed, and is the first life insurance company organized in that State.

* * *

Barry Truscott, son of the vice-president of the Camden Fire Insurance Association, has been commissioned a second lieutenant in the British Royal Flying Corps.

* * *

Henry G. Stephens, secretary of the Pacific Fire, is at Sea Girt, N. J., where he is stationed as a captain in the Ordnance Department of the Army.

Henri Balu, European actuary of the Equitable Life Assurance Society, is receiving the condolences of his many friends in this country, on the death of his two sons. A letter which he sent to Fourth Vice-President Rosenfeld, announcing the death of his second son, sounds a pathetic and lofty note of nobility.

"Dear Mr. Rosenfeld:

"Barely a few months have elapsed since you had the kindness to express to me the warm expression of your personal sympathy on the occasion of the death of my eldest son who fell at Verdun on the 6th of April, 1916.

"It is a second death, equally glorious, which I now have to announce to you, which has deprived me of my younger son who was killed near Rheims on the 26th of April last at the same age of twenty years.

"In the month of January when I spoke with you about him he was then still in the rear of the fighting line, but we felt that the hour of danger was near. It came for him at the time of the great attack of the 16th April, and on the same day, at six o'clock in the morning, he met his death by the sudden fire of machine guns.

"My son was happy in his patriotic faith to participate in the great battle but, like his brother, he fell after only a few hours of fighting. He nevertheless had the happiness before dying to pass over the German position which his regiment had taken, and now he lies in his last sleep on the reconquered ground.

"May the loss of my two sons, young and devoted victims of the war, with the merits and heroism of many of their comrades similarly fallen, advance the hour of a glorious and durable peace which will terminate such sacrifices and prevent the mourning of other families.

"HENRI BALU."

* * *

Mrs. Frederick A. Savage, acting general agent of the New England Mutual Life, was in New York City last week. Mrs. Savage had never had a day's business experience until her husband went into the naval service, but pitched in and has done splendid work. Mr. Savage, who is with the United States Naval Volunteers, is now in command of the Cape May section.

* * *

Miss Annie Russell, of the Equitable in New York, has qualified for the Quarter Million Club of the Society.

BUFFALO ELEVATORS

Plans to Protect Them Against Fire Submitted to Authorities in Washington

Tentative plans and suggestions for the protection of Buffalo's great grain elevators during the period of the war have been worked out and sent to Food Commissioner Hoover, agreeable to suggestions made to local underwriters and grain men this week by representatives of the National Board of Fire Underwriters and of Adjutant General Stotesbury's office.

These plans, following a day spent in inspection of the waterfront and a subsequent conference in the Iroquois, were taken to Washington by W. E. Mallalieu, manager of the National Board of Fire Underwriters.

"It would hardly be proper to give an outline of the report before it is considered by Commissioner Hoover," said E. Harrison Sigison, manager of the Buffalo Association of Fire Underwriters, this morning. "Plans have been formulated which will, if adopted, we believe, result in adequate protection to local grain elevators, thus tending to a nationwide plan of food conservation."

FIRE INSURANCE DEPARTMENT

New York "Tribune" Schreiner "Spy" Story

ALSO SAYS RE-INSURANCE MAN CAME HERE AS VALET

This is Denied By Fellow Passenger—New York Daily Attacking German Companies

On its front page nearly every morning for a week the New York "Tribune" has been criticising the President and Superintendent Phillips for permitting German companies to transact business in this country. The chief complaint of the "Tribune" is that the companies and their representatives are placed in possession of information about ships and ammunition plants "which the newspapers are not able to print because of the censorship."

"The Tribune" seems to have a particular grudge against Carl Schreiner, manager of the Munich, and has twice printed the statement that after the war began he "escaped" from England by booking passage as a valet to a friendly American millionaire. "The Tribune" does not mention the insurance man's name, but uses the name of the Company and makes the identification so plain that there is no doubt who is meant.

The valet story, whether true or false, has caused considerable amusement on William Street among insurance managers personally acquainted with Mr. Schreiner's dominant characteristics. They are trying to picture him acting in a menial capacity.

Hartford Man Who Traveled With Schreiner

The "millionaire" for whom Mr. Schreiner is alleged by the "Tribune" to have been a valet is G. F. Heublein, of Hartford. The Hartford "Courant" interviewed Mr. Heublein when the "Tribune" story came out, and then printed this version:

"The 'Tribune' story apparently refers to Mr. Schreiner, who was reported to have made a quick getaway from England with Gilbert F. Heublein of this city two weeks after the European war broke out in August, 1914. According to the 'Tribune' story, Schreiner reached the United States by playing the part of a valet for Mr. Heublein. Another story has had it that Mr. Heublein acted as valet for Mr. Schreiner.

Heublein Denies It

"Mr. Heublein talked freely about his trip from Europe when asked about it last night. He said that he and Mr. Schreiner returned on the Laconia in 1914 but denied that either had traveled on the passport of the other. Passports were not needed on that trip, said Mr. Heublein. Both came over on the regular passenger list after booking at the Cunard offices. He said the only trouble in securing passage was caused by the fact that some 10,000 people were making attempts to secure tickets. He mentioned the fact that he had to secure a passport when he went to Europe a year ago, but pointed out that when the war broke out and passengers were returning to America in a panic no passports were needed and no one had one.

"Mr. Heublein has known Mr. Schreiner for twenty or more years and regards him highly. He said that Mr. Schreiner's property may have been confiscated in England as all German companies in England were closed up after the war began. He denied positively, however, that a wireless outfit was seized on Mr. Schreiner's London house or that he was forced to flee the country on account of any acts.

"Mr. Heublein said he had often heard the report relating to the fraudulent passport and he was glad to take the occasion to deny it.

Schreiner Born in Germany

"Carl Schreiner, president of the First Reinsurance Company of Hartford, and manager of the Munich Reinsurance Company, was born in Germany, February 7, 1855. After finishing his education in the high school in Germany he was employed in the early years of his life in the office of a cotton mill, where he received his first business training. In 1874 he entered the insurance business, and, after the Munich Re-insurance Company of Munich was organized in 1880, he was one of the first men employed by that Company.

"Schreiner left the Munich in 1886 to accept the management of the Baden Company and Re-insurance Company in Mannheim, but re-entered the service of the Munich Re-insurance Company in August, 1890, when he assumed the management of the foreign department of the Company in London.

"In 1891 the Munich commenced to transact re-insurance business in the United States, this business also being organized by Schreiner. In 1898 the Company established its United States Department, of which Schreiner is manager."

On Tuesday the "Tribune" printed a despatch from Hartford saying Schreiner had left Connecticut without permission and is in the Adirondacks.

AMERICAN'S MARINE AGENCY

S. D. McComb & Company, Inc., Made Managers of Marine Department of Newark Company

The American Insurance Co., of Newark, this week announced the appointment of S D. McComb & Co., Inc., as managers of the marine department of the company effective immediately. S. D. McComb & Co., Inc., are located at 56 Beaver St. and represent for marine business the American, Glens Falls, Globe & Rutgers, and Hartford Fire.

APPOINT TRUSCOTT

J. Lynn Truscott vice-president of the Camden Fire, has been appointed general agent of the British-America for the State of New Jersey.

FIRE AND MARINE INSURANCE—ALL LINES

The Automobile Insurance Company of Hartford, Conn.

MORGAN G. BULKELEY, President

Statement January 1, 1917

Cash Capital	$1,000,000.00
Assets	2,748,832.19
Liabilities (Except Capital)	1,039,977.81
Surplus to Policyholders	1,708,854.38

AFFILIATED WITH

AETNA LIFE INSURANCE COMPANY

THE AETNA CASUALTY & SURETY CO.

LEWIS & GENDAR, Inc.

New York City Agents

Commonwealth Insurance Co. of New York

Telephones: John 63-64-65 ONE LIBERTY STREET, NEW YORK CITY

Brooklyn and Suburban Agency

Northern Asse. Co., Ltd. of Eng. — Firemen's Ins. Co. of New Jersey
Commonwealth Ins. Co. of N. Y. — Globe & Rutgers Inc. of N. Y.
Detroit F. & M. Ins. Co. of Mich. — Employers' Lia. Assce. Corp. of London

145 MONTAGUE STREET, BROOKLYN—NEW YORK

Telephones: Main 6370-6371-6372

W. L. WEBSTER & CO., INC.,

ONE LIBERTY STREET, NEW YORK CITY.

Correspondent for

Fire Insurance Companies desiring to secure for their local agents lines on out of town risks, controlled by brokers.

SAMUEL W. SCOTT, Underwriting Manager.

NORTH BRANCH FIRE INS. CO.

Sunbury, Pa.

Inc. 1911

Assets	$641,341.77
Reserve	230,513.29
Capital	300,000.00
Surplus	63,479.83

CITY INSURANCE COMPANY

Pittsburgh, Pa.

Inc. 1870

Assets	$357,318.58
Reserve	54,256.92
Capital	200,000.00
Surplus	96,379.07

OPERATING ON A CONSERVATIVE BASIS IN A LIMITED TERRITORY UNDER AN EXPERIENCED MANAGEMENT

E. F. FLINDELL

1 LIBERTY STREET Telephone John 2612 NEW YORK CITY

Representing

THE SCOTTISH UNION & NATIONAL

For the United States and Canada

THE YORKSHIRE INSURANCE CO., LTD.

For the United States and Cuba

American Ag

Full War Cover Automobile



THE FIDELITY-PHENIX
FIRE INSURANCE CO.
OF NEW YORK

ncy

PREPAREDNESS

PROTECTION

Explosion
Bombardment

AMERICAN EAGLE
FIRE INSURANCE
COMPANY

THE AMERICAN EAGLE
FIRE INSURANCE CO.
OF NEW YORK

RESOURCES
JAN. 1. 1917
CAPITAL $1.000.000.00
NET SURPLUS 1.145.233.00
POLICY HOLDERS - - 2.145.233.00
TOTAL ASSETS 2.902 498.00

THE
NTINENTAL
INSURANCE CO.
OF NEW YORK

OFFICE
EN LANE
YORK
EVANS
SIDENT

Munition Plants and Fire Hazards

PRODUCTION OF HIGH EXPLOSIVES AND WAR MATERIALS

Processes Entering Into the Manufacture of the Two Most Dangerous Substances

In view of the exceptional prominence now given to the fire hazard in plants manufacturing materials used in the production of high explosives or other war necessities, a description of the processes entering into the manufacture of two of the most hazardous substances now being produced in enormous quantities, where formerly they were little more than a by-product or an incident of the output of plants producing other and less hazardous chemicals, is interesting.

In the manufacturing of benzol the processes are as follows: Coal gas from the gas plant is passed through two water tanks, then through two tanks of straw oil, then through two empty drip tanks, thence back to the gas manufacturing division of the works. From a storage tank straw oil, which is a petroleum distillate, which flashes at about 300 degrees, Fahr., passes by gravity through the gas condensers dissolving from the gas several compounds including among others naphtha "C," benzol toluol and naphthalene. This charged oil is returned to a storage tank, which, with the oil scrubbing and drip tanks, are connected by a pump to a tank on the roof of the stillhouse or to a reserve tank. Thence the charged oil is passed to the still, which is heated by direct and indirect steam. The distillate passes to a condenser and then to a cooler, from which it is still further cooled by flowing over pipes containing cold water.

This step is performed in the open air and vapors of benzol, naphthalene and probably other volatiles are given off into the air and escape. This appears to be the chief hazard of the process, as mixtures of these gases with air are explosive. From the tank under the cooling coils the products (two separate mixtures) are separately pumped at separate times to storage tanks there awaiting shipment. The two mixtures are called "primary oil" and "secondary oil." The first boils at from 50 to 120 degs. C. The primary oil contains benzol and other light ingredients of coal gas, while the secondary oil contains toluol and other heavier ingredients.

It is believed that a uniform mixture of 10 per cent. of water with picric acid would warrant its shipment as an inflammable rather than as a high explosive, provided that the material is packed in a container practically air- and water-tight to prevent evaporation of the water. The relative explosibility of various materials is as follows: Dry gun cotton, 5; wet gun cotton, 40; picric acid, dry and compressed 20; tri-nitro-toluol, dry and compressed, 80.

Both picric acid and tri-nitro-toluol will burn when sufficiently dry with considerable rapidity similar to celluloid. The wet materials can never be exploded. The dry picric acid will burn freely, but the vapors from this combustion will eventually form an explosive. The materials cannot be detonated in the ordinary sense of the word. Although the explosive hazard at risk is inherent, explosions are unlikely.

The final rectifying of benzol and toluol is done at the main works. From the still the remainder of the straw oil is cooled sent through decanters and pumped to storage tanks from which it is returned to the tanks at the beginning of the process and is used over again.

Picric acid (tri-nitro-phenol), is a yellowish crystalline salt having a moisture content of about 20 per cent., and never less than 10 per cent. It is classed by the Interstate Commerce Commission, when in this condition as an inflammable solid.

Pure benzol is pumped to the sulphonating shed, where it is treated with sulphuric acid and the benzol becomes converted into sulphonic acid, which is a partial solid and non-hazardous material. This sulphonic acid is then treated in kettles with caustic soda. These kettles are heated with fuel oil burners, and the product is crude carbolic acid. This crude product is dissolved and recrystallized in steam-heated vats in the refining building. Certain liquids which might go to waste are absorbed and recovered in the reclaiming building.

The nitrating of the pure phenol is done in earthen crocks holding 100 gallons set inside of wooden tubs in which steam coils are inclosed about the vats. The nitrating is done by introducing nitrate of soda and sulphuric acid, and a careful regulation of temperature determines the success of the proper nitration to produce trinitrate of phenol or picric acid. The liberated fumes of nitrous oxide are conducted away in brick ducts to a condensing tower outside, where nitric acid is virtually remade. The picric acid, a crystalline salt, must be washed to free all the acid and passed through filters.

ARE BRITISH-AMERICA AGENTS

W. M. Dickinson, who places the Trenton Pottery Co. risk and other large lines, has been appointed agent of the British-America for Trenton.

The British-America also announces the appointment of W. T. Mifflin as agent in Salem, N. J.

JOHN F. BOOTH MOVES

John F. Booth, adjuster, who has been located at 1 Liberty Street, moved on Monday to 95 William Street.

B. M. CROSTHWAITE & CO.
Fire and Automobile Insurance Specialists
Lines Bound Anywhere in New York State
105 William Street, New York City, N. Y. Telephones 2404-5-6-1758-1090 John

PHILADELPHIA
ADEQUATE FACILITIES — ALL LINES
CLARENCE A. KROUSE & CO.
LOCAL AND GENERAL AGENTS
325 WALNUT STREET PHILADELPHIA, PA.
PENNSYLVANIA NEW JERSEY
SATISFACTION SERVICE — ALL LINES

LOGUE BROS. & CO., Inc.
Fire—Casualty—Automobile Insurance
Nation-Wide Facilities for Handling SURPLUS LINES
307 FOURTH AVENUE PITTSBURGH, PA.

SCHAEFER & SHEVLIN
103-5 William Street GENERAL AGENTS New York, N. Y.
Representing
DUBUQUE FIRE AND MARINE INSURANCE CO.
FIRST NATIONAL FIRE INSURANCE CO.
Excellent Facilities for Handling Suburban Business Phone: John 2312

JAMES H. EPWORTH
NEW JERSEY FIRE INSURANCE SPECIALIST
NEWARK AND SUBURBAN NEW JERSEY TERRITORY
40 CLINTON STREET NEWARK Phone Market 6536 | SERVICE FIRST | 80 MAIDEN LANE NEW YORK Phone John 4560

NEW YORK STATE DEPARTMENT
HUMBOLDT FIRE OF PA. TEUTONIA FIRE OF PA.
CAPITAL FIRE OF N. H. GEORGIA HOME OF GA.
PERCY B. DUTTON, Manager, ROCHESTER

WALTER F. ERRICKSON
38-40 Clinton St., Newark, N. J. 95 William St., New York
Representing
THE GERMANIA FIRE INS. CO.
For Automobiles
Special facilities for out-of-town business.

THE YORKSHIRE INSURANCE COMPANY, LTD., OF YORK, ENGLAND
ESTABLISHED 1824
The "Yorkshire" is the Oldest and Strongest of the English Fire Companies not heretofore represented in the United States
U. S. BRANCH
Frank & Du Bois, United States Managers Ernest B. Boyd, Underwriting Manager
Harry F. Wanvig, Branch Secretary Frank B. Martin, Supt. of Agencies
NO. 80 MAIDEN LANE, NEW YORK
New York Life Insurance and Trust Co., U. S. Trustee, No. 52 Wall St., New York
DEPARTMENTS—METROPOLITAN, Willard S. Brown & Co., Managers, New York, N. Y.; CAROLINA-VIRGINIA, Harry R. Bush, Manager, Greensboro, N. C.; SOUTHEASTERN, Dargan, Turner & Pattillo, Managers, Atlanta, Ga.; LOUISIANA and MISSISSIPPI, Jas. B. Ross, Manager, New Orleans, La.; PACIFIC COAST, Jas. C. Johnston, Manager, J. K. Hamilton and McClure Kelly, Assistant Managers, San Francisco, Cal.

GENERAL FIRE ASSURANCE CO. OF PARIS
URBAINE FIRE INSURANCE CO. OF PARIS
BRITISH DOMINIONS GENERAL INS. CO., Ltd. OF LONDON
FRED. S. JAMES & CO.
United States Managers
123 WILLIAM STREET, NEW YORK
FRED. S. JAMES
GEO. W. BLOSSOM
W. A. BLODGETT
C. B. G. GAILLARD
Assistant Manager

Producers Differ About Re-insurance

EXPRESSION OF OPINION GIVEN TO THIS PAPER

Some Agents Come Out Flat-Footed in Favor of Present System of Re-Insurance

In sounding the views of a number of agents and brokers this week in reference to whether or not they believed treaty liability should be cut down, and whether or not they favored the Illinois bill—which was vetoed by Governor Lowden of Illinois a few days ago, and which limited the amount of re-insurance liability—The Eastern Underwriter learned that there is a wide difference of opinion among insurance agents and brokers.

New Jersey Views

One of the agents who believes in the present system is W. M. Dickinson, of Trenton, former president of the New Jersey Association of Fire Underwriters, who said to The Eastern Underwriter:

"In reference to jumbo lines I beg to advise you that I am in favor of such lines and feel that it would be a serious curtailment of the present insurance facilities to enact adverse legislation."

An equally emphatic position is taken by the Jos. M. Byrne Co., Newark. This company is an agent of the Home of New York, which recently circularized its agents asking their views about re-insurance and net lines. The following answer to the Home's letter was sent by the Jos. M. Byrne Co., the letter being signed by W. M. Naulty, vice-president:

Gentlemen: We are in receipt of your circular letter of the 26th inst., inquiring as to the attitude of this agency on the subject of so-called "jumbo lines." We have given the subject very careful consideration and we think it would be a great mistake to revert to the old plan of each company covering its net line only. Our memory recalls the old days where we had a multitude of policies on a risk and in order to cover large insurers, we were obliged to accept a number of companies of doubtful character. We feel, that in justice to our clients we should give them policies for large amounts in companies whose reputation for the settlement and prompt payment of losses is satisfactory. We furthermore feel, that the agitation for net lines is created by small companies and by small agents, who want the active agents to furnish them with business which they are too incompetent or too lazy to secure for themselves.

Puts It Up to the Companies

The Meyer & Klein Company, who represent a large number of companies in Jersey City, think the question one for the companies themselves to work out, and the views of this agency as given to The Eastern Underwriter follow:

"Our opinion is, that this condition was largely brought about by the insistance in years gone by of the brokers for large line policies. The companies in their desire to accommodate the brokers, gradually extended their re-insurance facilities until it became possible to get a policy for almost any amount with a single company.

"It became possible for the larger companies to make a profit out of their re-insurance transactions and so it became not only an accommodation to the brokers but a profitable transaction to the companies to write these large lines.

"From a local agent's standpoint it became simply a question whether the local agent can control a sufficient volume of business to make it profitable to him to continue the writing of large lines or whether he is so dependent upon his neighbors for an exchange of business that he must have this exchange in order to make up his volume. It seems to us like a problem which the insurance companies must work out for themselves.

"There seems to be some problems which the insurance companies find it impossible to solve; the limitation of agencies and the regulation of underwriting agencies being two more besides the re-insurance liability limitation, which it seems impossible for them to regulate."

Views of Marsh & McLennan

The opinion on re-insurance liability of one of the leading brokerage houses in the world, Marsh & McLennan, as given to this paper by Manager F. A. Mannen, follows:

"Our feeling regarding this matter is, that owing to the enormous values of properties subject to one fire which are accumulating in so many of the adjacent districts of the United States, it would be a great mistake at this time to place any severe restrictions or limitations of any form on the underwriters which would adversely affect their liability to re-insure outstanding liabilities.

"We find the greatest difficulty in securing sufficient insurance, even under present conditions, to cover values in many risks, and this has been particularly true since August, 1914. Prior to that time German re-insurances were freely taken by the companies doing business in the United States, and many of these re-insurance contracts now having been cancelled it makes it necessary for the companies to place even larger lines with other re-insurance companies than formerly.

"We have just learned that the Governor of Illinois has vetoed the bill which passed both Houses there, limiting the ability of the companies to re-insure, largely owing to the fact that the leading brokers in Illinois were able to clearly demonstrate to the Commissioner that it would be impossible to secure sufficient insurance for their patrons if this bill should become a law. If this argument be true in Illinois, it certainly would be in New York, where the congestion of values is much greater and the need for large lines of insurance more pressing."

Bagot & Co.'s Statement

Another prominent New York brokerage house, Bagot & Company, says to The Eastern Underwriter:

"In the last thirty years that we have been in business we have always advocated to allow a company to have as much re-insurance facilities as they could possibly get. If you will go back and find the times before we did this, New York City was flooded with a lot of Lloyds, which were not worth the paper they were printed on. I hope you will advocate that there should be no limitation on re-insurance."

As Seen By John Eddy & Son

A decided position against the present re-insurance system is taken by John Eddy & Son, Providence (R. I.) local agents, who say:

"We think the present condition of re-insurance is very undesirable, both from the companies' interest and that of the agency, and we think it will not be long before the States themselves will take this matter up and limit the policy which any company may re-insure.

"It reduces the value of the agency of any company, and brings no compensating condition to any of us. From a financial standpoint we doubt if the security of the company is attained by re-insurance of the large percentage of their policies as is now being done.

"Every agent to whom I have mentioned the subject is strongly against the present condition, and we would be very glad to see the conditions modified."

N U

NATIONAL UNION FIRE INSURANCE CO. OF PITTSBURG, PA

PUBLIC SATISFACTION and AGENCY SATISFACTION are indispensable to the progress and permanency of a Fire Insurance Company. The NATIONAL UNION is building for permanency. A very important phase of its business is to satisfy as it grows. And it grows because it satisfies. Standing firmly upon its resources and good name, it relies upon the inflexible sincerity of its purposes and deeds for Public appeal and Agency favor. It seeks to merit these considerations not merely as a good present day policy but as a wise all time plan. It means the Company must live up to what it looks up to. NATIONAL UNION efficiency and reliability have been demonstrated by years of satisfaction giving service. Good Agents who need help—real help—the kind that satisfies—will do well to learn about NATIONAL UNION

CONSTANT SERVICE

VIEWS OF NEW YORK AGENTS

Wickham & Kemp: "If practical to do so we are in favor of a reasonable limitation of treaty liability."

Lawrence Fay, of Ogden & Fay: "While it is no doubt true that there are flagrant abuses in the treaty systems, so far as this office is concerned the advantages more than counteract the abuses and we do not favor the restrictive legislation proposed in Illinois and Wisconsin. In an office of our size there is a great saving in expense in the large writing facilities companies now offer us, and it is also a decided convenience for the assured in being able to obtain large policies."

Darby, Hooper & McDaniel: "We are satisfied with the present system."

W. L. Perrin & Son: "We believe that the present system of re-insurance is a menace to correct and beneficial underwriting practices, and we would like to see the jumbo lines greatly cut down if this can be done without sending the excess business to Europe by the secret portfolio route, instead of being distributed here as it should be."

T. M. Ten Broeck, New York and Jersey City: "I most certainly favor a radical check on the current practice on jumbo line writing not necessarily because it will help companies of any particular size, but for the general good of the insurance business. Lines more closely near to net retention than are carried under the present system will mean a wider distribution of liability with all the benefits that accrue to such a distribution. I do not believe the assured is interested one way or the other whether his line is carried in one policy or a dozen policies. He is only interested in knowing that his insurance is safely placed and that in the event of loss he will be dealt with fairly. In our office there are seventeen companies; some small, some giants. We think for the best interests of all—the company, the agent and the assured—treaty liability should be cut down. Another point for agents to remember is that the larger the line the wider grows the relations between the local agents. There was a time when agents exchanged generally among themselves to their mutual advantage. At the present time there is not enough exchange business to make that an item of any consequence."

H. H. Fuller, Kelly & Fuller: "Efficiency" and "concentration" are slogans of the times. I can see no reason for issuing ten policies where one will do. The expense is certainly greater at every turn. A revision of re-insurance conditions would certainly be detrimental to the best interests of agents in large cities and I also think in the smaller towns as well. I fail to see any glaring fault in the present system which would be corrected by the legislation proposed.

B. M. Crosthwaite & Co.: In our opinion the present system of re-insurance, by which accommodations of the most liberal nature are available to the local agent, should continue undisturbed for numerous reasons, two of the most important being reduction of agency expense and convenience to the assured. It is also possible for the agent to conduct his business with a fewer number of companies, which, in our opinion, is an economy worth considering.

BALTIMORE COMPANIES

The German Fire, of Baltimore, had its usual good run of luck last year, its losses paid being $84,985 as against $210,214 net premiums received. The German-American of Baltimore received $62,138 in premiums; and paid $16,829 in net losses.

Editorial Views of Re-Insurance

MAY BE DANGER IN LEGISLATION, SAYS "ROUGH NOTES"

Proper Co-ordination of Domestic Company Effort Would Solve Situation, Says "U. S. Review"

Regarding jumbo lines and attempts to limit them is very much of a live wire subject. The insurance periodicals are discussing the pros and cons of the subject. The comments for the most part are cautiously couched, some of the editorial views being subjoined.

Rough Notes, Indianapolis: Jumbo lines in fire underwriting have long been unpopular from the viewpoint of the local agent and the small fire insurance company and some States have enacted or attempted to enact legislation which will tend to check the growing tendency on the part of some of the larger companies to accept risks with almost no limit as to liability, reinsuring in their treaty companies down to the limit of risk they are willing personally to assume. Illinois is the latest State to take action in this connection and both houses of her legislature passed, by large majorities, a bill which specifies that it shall be unlawful for any fire insurance company doing business in that State to carry a net liability, over and above its reinsured liability, on any one risk in the State in excess of ten per cent. of its paid-up capital and surplus. And it further provides that no company shall reinsure more than one-half of its total liability on a single risk in that State. Railroad policies are exempted from the provisions of the bill and township, county and State mutuals are also not included in its restrictions. The State stock fire companies of Illinois were back of the bill and the National Association of Insurance Agents gave strong support for its passage.

Not only are the small fire companies and local agents ardent supporters of movements with the end in view of curbing the jumbo line practice, but some of the larger companies, which, it would be supposed, might combat any attempt to restrict the legal writing limits of fire companies, appear themselves to be in opposition to jumbo lines. A recent article in the Hartford Fire's company magazine takes this stand and claims that it is to the interest of agents and companies also, as a whole, to have a wide distribution of liability. That companies do not make the profits they are supposed to make from reinsurance contracts is a declaration of the writer of this article and it is also maintained that the agents, themselves, are responsible for the jumbo line practice and that they have it in their hands to put a stop to it when they will so to do. Evidently they have had their part in accomplishing the desired end in Illinois, but it is not altogether safe to seek remedies of this sort from a State law-making body. There is always the danger that the seeker is liable to get more than he is asking for, and of a character not to his liking. But the aim sought was safely accomplished in this case.

United States Review: There nothing surprising or unnatural in the fact that of late a strong opposition to the system in question, as at present conducted, has grown up in various parts of the country. No disposition is apparent to force a discontinuance of it either in principle or practice, or to otherwise deal harshly with it by means of unjust legislative restrictions. All that seems to be asked for is that such proper limitations shall be placed upon the scope of its operations as will afford reasonable and entirely just protection to the American companies against the unfair and steadily increasing inroads now being made upon their business by re-insurance treaty operations. The fact is well understood and admitted by every intelligent observer that under the prevailing fire underwriting conditions in the United States it would be practically impossible for the number of home companies now existing to supply entirely by themselves all the fire insurance necessary for the proper protection and conservation of the country's stupendous business interests, and it is for that reason, of course, that recourse is had to the ever-ready facilities afforded by the transatlantic companies for supplying the deficiency.

But while this situation may seem to justify to some extent the utilization of the foreign help and co-operation proffered where needed, the fact is also clearly recognized that any and all deficiency along the line referred to is due not at all to any necessary inability on the part of American fire insurance public spirit and enterprise, but rather to a lack of proper co-ordination of aim and effort by the hundreds of established domestic companies throughout the country.

National Underwriter: We believe that now is the time for companies and agents to come together and get nearer to a net line basis. Many of the reinsurance companies are reaping a large harvest at the expense of medium-sized and small American institutions. We believe that now is the time to take some step to modify the present practice. The American companies, medium and small sized, should be able to play a better part in the business.

D. N. IVERSON APPOINTED

Former Special Agent of Fidelity-Phenix in Northern New Jersey Now With National Union

D. N. Iverson, formerly special agent of the Fidelity-Phenix in Northern New Jersey, has been appointed special agent of the National Union of Pittsburgh for the entire State of New Jersey. Mr. Iverson had traveled extensively for the Continental group in the Eastern Canadian provinces and in New York State.

E. S. BROKAW PROMOTED

Fidelity-Phenix Appoints Former Inspector Special Agent of Co. for Northern New Jersey

The Fidelity-Phenix this week appointed E. S. Brokaw special agent of the company for Northern New Jersey. For several years Mr. Brokaw has been an inspector attached to the home office engineering department of the Fidelity-Phenix.

Organize Field Men For Conservation

(Continued from page 1)

resources of the country, not only those resources which are essential for the successful carrying on of the war, but food, clothing and other products.

Authority of the State

The committees in this State will work under the full authority of officers of the State. In other words, they will themselves be representative of the State, with all the power that implies. In a recent statement about the conservation movement on the part of the National Board of Fire Underwriters President Bissel said:

"In general, it may be said that our aim will be to approach and to influence property owners, with the backing of the State authorities and of State councils of defense, from an entirely new viewpoint and in an entirely different way from that ordinarily employed. Ordinarily, we attempt to impress our views and recommendations upon property owners by appealing to their selfish interests. Thus, we offer reductions in rate for suggested improvements or threaten advances in rate if glaring deficiencies are not corrected. This method is frequently but not always effective. Now, with the backing of authority and with every possible appeal to their patriotism and sense of duty, let us try to persuade property owners, even at extra cost and inconvenience, to take such precautions and make such improvements as will largely eliminate fire danger. The cost of the war will be stupendous and will constitute a burden upon the entire nation, the extent of which is as yet but dimly realized. There is no way in which the fire insurance interests can better help to make the burden lighter than by a well-planned, consistent, and thorough campaign of conservation."



125th Anniversary
Insurance Company of
NORTH AMERICA
PHILADELPHIA
CAPITAL, $4,000,000 ASSETS OVER $23,000,000
FIRE, MARINE, AUTOMOBILE, Rent, Leasehold, Tornado, Explosion, Use and Occupancy, Sprinkler Leakage, Travelers' Baggage, Parcel Post
The Oldest American Stock Insurance Company

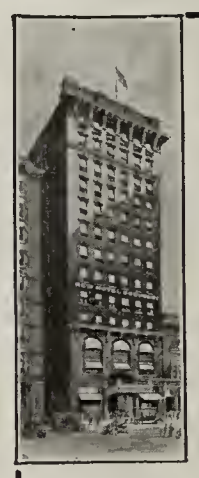
National Fire Insurance Company
OF HARTFORD, CONN.
Statement January 1, 1917, to New York Insurance Department
LIABILITIES
Capital Stock, All Cash $2,000,000.00
Funds Reserve to Meet All Liabilities, Re-Insurance Reserve, Legal Standard 9,912,715.84
Unsettled Losses and Other Claims 1,878,398.32
Net Surplus over Capital and Liabilities 3,743,747.60
Total assets January 1, 1917 ..... $17,534,861.76
H. A. Smith, President — F. D. Layton, Ass't Sec'y — F. B. Seymour, Treas.
G. H. Tryon, Secretary — S. T. Maxwell, Ass't Sec'y — C. B. Roulet, Gen. Agt.
SURPLUS TO POLICY HOLDERS, - - $5,743,747.60

Agricultural Insurance Company, of Watertown, N. Y.
64th Annual Statement
Assets $5,036,003.01
Liabilities 2,296,861.95
Capital 500,000.00
Conflagration Surplus 250,000.00
Surplus to Policyholders 2,739,141.06
F. F. BUELL, Troy, N. Y., Special Agent ..... NEW YORK STATE
E. J. PARMELEE, Syracuse, N. Y., Special Agent .. NEW YORK STATE
GEORGE SHAW, 116 Milk St., Boston, Special Agent .. NEW ENGLAND
F. L. GILPIN, JR., 422 Walnut St., Phila., Special Agent . MIDDLE DEPT.

ARTHUR C. SWINTON
1 Liberty Street — GENERAL AGENT — New York City
FIRST NATIONAL FIRE INSURANCE CO.
Washington, D. C.
New York Suburban and New Jersey
Exceptional Reinsurance Facilities — Local Agents' Interests Protected

WILLIAM C. SCHEIDE & CO., Inc.
HARTFORD, CONN.
Re-Insurance in All Branches

[FIRE]
German American Insurance Company
New York
STATEMENT JANUARY 1, 1916
CAPITAL
$2,000,000
RESERVE FOR ALL OTHER LIABILITIES
10,146,941
NET SURPLUS
10,217,685
ASSETS
22,364,626



Just say:
"Insurance Man"—
the open sesame to every courtesy within our power.
Room with detached bath $1.50 and $2.00
Private bath $2.50 and $3.00
BREVOORT Hotel
Insurance Headquarters
MADISON ST.—East of LaSalle
CHICAGO
LAURENCE R. ADAMS, Sec'y & Mgr.

BROKERS ACTIVITIES

NEWSPAPERS' U. & O. LINE

St. Louis "Globe Democrat" Places Line of $2,000,000—One Company Takes Half

A use and occupancy line of $2,000,000 written on the St. Louis "Globe Democrat," and its allied publishing interests was recently placed.

The use and occupancy coverage was taken on this line by a number of the leading stock companies. The mills themselves are mutual risks in the paper fire line and it is understood that the use and occupancy was written at a 15 cent rate, one of the big English companies taking a gross line of about a million dollars.

"The Weekly Underwriter," which prints an interesting story of this line, says in part:

"The line was easily secured by a St. Louis agency upon the proper presentation of the quandary which these publishing interests would face in case of the cessation of their supply of print paper through fire in the mills with which they have a contract. It would be absolutely impossible under present conditions in the paper business for them to secure a duplicate supply immediately, and although the mills with which their contract was placed are among the best protected in the country, being the International at International Falls, Minn., the publishers of the "Globe Democrat" decided very promptly to cover even that remote chance, as its contingency was so vital.

"It is understood that the annual contract of the St. Louis newspaper with the paper mill called for the expenditure of $750,000 for the same amount and quality of paper which last year cost in the neighborhood of $500,000. The indemnity of course was based on the operating costs and profits of the newspaper and publishing business involved."

* * *

J. N. S. Brewster, Jr., Gets Big Risks

J. N. S. Brewster, Jr., of Elizabeth, N. J., has secured the fire insurance on the J. H. Meyer Tire Duck Co. plant consisting of the $750,000 sprinklered risk located on Frelinghuysen Ave., Newark. Mr. Brewster also placed last week $500,000 on the Egyptian Laquer Co. plant at Kearney, N. J.

Mr. Brewster is a son of J. N. S. Brewster, of J. N. S. Brewster & Co., metropolitan agents. He conducts a local agency at Elizabeth in addition to his brokerage business.

* * *

American Enters British Controversy

The Corporation of Insurance Brokers and Agents, Great Britain, is the central point of an attack by insurance men in British insurance papers. The first bomb was thrown by F. H. Haines who resigned from the association with the accompaniment of a stinging letter. Next F. H. Haines, who describes himself as an American who is familiar with the New York and New Jersey fire insurance laws, wrote declaring he had never become a member of the Corporation of Insurance Brokers and Agents "because it lacks both initiative and ginger." Then W. T. Oversby, well-known to British underwriters, took part in the correspondence, deploring "the illness of F. H. Haines, adding that it no doubt had made him irritable."

* * *

Coe & Silvey's Atlas

Coe & Silvey, an enterprising New York brokerage house, has issued a "Compact Atlas of the World," containing accurate and easily read colored maps, those of various European countries being particularly valuable at this time.

LOUIS EHRHARD DEAD

Manager of City Department of J. S. Frelinghuysen & Company Dies Suddenly of Acute Indigestion

Louis Ehrhard, manager of the city department of Jos. S. Frelinghuysen & Co., died suddenly last Wednesday. He had been at the office all day and had not complained. On arriving at home he was taken with an attack of acute indigestion and died almost immediately. He leaves a widow and a fourteen year old daughter.

Mr. Ehrhard has been with the Frelinghuysen office for sixteen months prior to which he had been counterman for the Wallace Reid agency for a long term of years. He started in the underwriting department of the German-American Fire.

COMPANIES SUE RAILROAD

Developments Following Burning of Piper Ice Co.'s Plant at Chili, New York

Rochester, N. Y., June 30.—Louis C. Piper, as receiver, together with six insurance companies as co-plaintiffs, has sued the Pennsylvania Railroad in the Supreme Court before Justice George A. Benton, asking $50,196.45 on the ground that the railroad company was said to be responsible for the destruction of the Piper Ice Company's plant in Chili on June 28, 1915. The plaintiffs allege that the fire, which swept the buildings of the Piper Company, was started by sparks from a Pennsylvania railroad engine which was on a siding in the ground of the plant.

The claim is made that the railroad company negligently allowed the locomotive to be run by inexperienced men and that inflammable refuse was permitted to remain in cars on the siding. The six insurance companies paid to the Piper Company $29,274.91 and now seek to recover it from the Pennsylvania Railroad. The Piper Company, by its receiver, asks $30,921.44, the money lost over and above the insurance collected. J. Leo Hilbert is counsel for the plaintiffs and Ernest Whitbeck represents the defendant company.

CIRCULAR ABOUT BINDERS

Rochester Agents Tell Public It's Against Law To Get Insurance For Nothing

In a statement to the insuring public the Fire Underwriters' Association of Rochester calls attention to an amendment to the insurance law by which insurance policies once put into the hands of the assured cannot be returned except that the premium applicable to the risk for the time during which the insurance is in force be paid. Also the marking off without charge of binders or temporary contracts of insurance, constitutes a rebate. Both the agent and assured can be punished for violating the amendment.

"The intent of this law," say the local underwriters, "is to prevent policyholders from getting 'something for nothing.' In the past agents and companies have been imposed upon by persons who ordered insurance or accepted policies renewing insurance and then in a few weeks or a month asked that the binder or policy be cancelled without charge. Hereafter policies not returned at once will be charged for from the date of issue or renewal and binders (memoranda which hold insurance good before the policies are issued) will be treated in the same manner."

"The Leading FIRE INSURANCE Company of America"

ÆTNA INSURANCE CO. HARTFORD, CONN.

WM. B. CLARK, President

Explosion and Sprinkler Leakage Insurance

TOURIST CONFERENCE DROPPED

Chubb & Sons, Who Control Federal, Refuse to Co-Operate With Other Companies

The plan of the companies to form a conference for the regulation of rates and coverage of tourist floaters has been abandoned. This action is a result of the failure of all attempts to secure the co-operation of Chubb & Sons, which firm controls the Federal and represents several other companies for the United States. Chubb & Sons offer a reduced rate which they consider adequate and refuse to rescind.

A. K. BOUGHNER & CO.
INSURANCE AGENCY
Fire Automobile
NEWARK AND VICINITY
Brokerage Business Solicited
38 Clinton Street Newark
95 William Street New York

THE HANOVER
FIRE INSURANCE COMPANY
Incorporated 1852

The real strength of an insurance company is in the conservatism of its management, and the management of THE HANOVER is an absolute assurance of the security of its policy.

R. EMORY WARFIELD, President
FRED. A. HUBBARD, Vice-President
E. S. JARVIS, Secretary
WILLIAM MORRISON, Asst. Sec'y

HOME OFFICE
Hanover Bldg., 34 Pine St.
NEW YORK

HOWIE & CAIN, General Agents
Metropolitan District
100 WILLIAM STREET, NEW YORK

The Columbian National Fire Insurance Company



T. A. Lawler, Pres. H. P. Orr, Sec.-Treas.
JANUARY 1st, 1917
Assets $1,643,174.45
Surplus to Policyholders.....$1,235,960.65
EASTERN DEPARTMENT, Scranton, Pa.
Massachusetts, Rhode Island, New York, New Jersey, Pennsylvania and Maryland
James J. Boland, Manager
Reliable agents wanted in unrepresented territory

Every Good American Honors The American Eagle

It is the native bald Eagle; was first adopted on the United States seal June 20, 1782, and has been used on most of the coins issued since that date.

THE
American Eagle Fire Insurance Company
IS AN AMERICAN INSTITUTION

IT ISSUES POLICIES OF
Fire *Profits* *Rents*
Tornado *Automobile*
Sprinkler Leakage *Use and Occupancy*
War Risk *Bombardment* *Explosion*
INSURANCE

HENRY EVANS, President

HOME OFFICE
80 Maiden Lane
New York

PACIFIC COAST DEPT.
Insurance Exchange Building
San Francisco

Release Of Surety On Agent's Bond

(Continued from Last Week.)

Mere Negligent Inattention Will Not Require Notice

"And it is also the rule that knowledge of mere negligent inattention to business, diligence or something of that kind, not amounting to a lack of integrity, on the part of the bonded agent, will not require notice thereof to be given the surety by the obligee, unless indeed the surety by inquiry creates such obligation.

"So far as concerns the evidence offered by plaintiff and the correspondence between the company and the agent with reference to the balances due from the latter, there does not appear to be anything disclosing dishonesty on the part of the agent at the time he got behind in the latter part of 1912, any more than that the fact he had not remitted and was not able to do so would tend to indicate that, technically, he might be guilty of embezzlement; but he paid up these amounts, thereby disclosing that he was not intentionally seeking to get away with plaintiff's property, but was honestly paying what was due from him.

"However, conceding that plaintiff had knowledge that the agent had converted the balances due to his own use, and was therefore dishonest to the extent of using money not his own although he afterwards paid up, still we do not think plaintiff's failure to notify the surety was ground for the latter's release under the circumstances herein and the express agreements of this particular bond. The bond contained a specified agreement to the effect that:

"'The said sureties waive notice of any default the said above bounden principal may at any time make, and hereby agree that failure to give such notice shall not in any manner affect their obligations under this bond.'

"This was an express agreement on the part of the surety obviating the necessity of notice. He made no inquiry at any time to inform himself as to the way in which the agent was carrying on the business; nor was the plaintiff guilty of any concealment of the agent's conduct. We may grant defendant's contention that this waiver clause would not authorize plaintiff to intentionally sit back and invite an agent, known to be a thief and known to be stealing, to continue on and steal more, with the idea on plaintiff's part that no matter if he did continue to steal, his surety would make good the loss. Such conduct on plaintiff's part would be tantamount to fraudulent collusion with the agent whereby plaintiff would consent to the stealing with the expectation of being reimbursed therefor by the agent's surety. The evidence does not afford room for that view of the case, nor did the instructions asked by defendant, and which were refused by the court, cover that extreme situation.

Postage Allegation Insufficient

"The third ground relied on, to wit: that a change was made in the amount of postage allowed and in the time of remitting of premiums, is insufficient to release defendant. The agent was not on a fixed salary. His compensation was the commissions above mentioned. No change was made in them. The matter of postage was not a part of the contract of agency which the surety agreed to guarantee. It seems that it had been a custom for agents to take credit for postage at the rate of fifteen cents a policy written, and that, although this exceeded the postage used, the company allowed it to be done, until by agreement of all insurance companies the matter of postage was regulated and reduced to five cents a policy, and this more than covered the postage used. The lessening of the time the agent should allow his customers to pay their premiums was not a change of the contract of agency or of defendant's conduct of suretyship. It did not increase defendant's risk. One of the conditions of the bond was that the agent should 'observe and fulfill the instructions and directions, general and special, which may from time to time be given to him by said company and its authorized officers and agents.' And the change of time of remittance was merely a change in one of the general rules of the company, and comes within the above-quoted provision. The bond makes no mention of the compensation the agent is to receive nor as to the details of the agreement between the agent and the company. If the surety had thought any of the details thereof was an essential ingredient of the contract of surety, then it would seem that a stipulation should have been expressly inserted in the bond that they would be liable only so long as such details remained the same. The matters changed were not such as were essential ingredients in the contract of surety, and therefore what was done with respect to them did not have the effect of releasing the surety."—Hartford Fire Insurance Company v. Casey, et al., 191 S. W. 1072.

This digest prepared for The Eastern Underwriter by George H. Murdock, of Newark.

MOVES BROKERAGE OFFICE

The National Union has taken new quarters for its New York brokerage office at 91 William street. The office was formerly located at 80 Maiden Lane.

The Company this week started the distribution of one of the most attractive buttons which has appeared on William street. The button consists of the Company's emblem which is also patriotic in design.



BATTERY OF MAPS IN NATIONAL UNION OFFICE

A picture of the new map cases and underwriting department of the National Union Fire Insurance Company of Pittsburgh is shown here. This is said to be the longest battery of map cases to be found in any of the fire insurance offices.

The National Union recently moved into a new skyscraper in Pittsburgh, where the latest and most up-to-date furniture and fixtures obtainable for an underwriting headquarters were installed. It is an efficiency office in every sense of the word. These offices have been visited by a large number of fire insurance men, all of whom compliment the officers of the Company most highly on the arrangements.

BREWSTER AGENCY ADDITIONS

Made Metropolitan Agents of Germania Sprinkler Leakage Department—R. H. Burdett Manager

J. N. S. Brewster & Co., Inc., on Tuesday were appointed metropolitan district agents of the sprinkler leakage department, of the Germania Fire Insurance Co., announcement of which will be found on this page. The appointment is effective immediately.

R. H. Burdett, who has been in charge of the fire insurance department of the agency since last August, has been made manager of the sprinkler leakage department. Mr. Burdett has had a wide experience in this field. He started with the Factory Insurance Association in 1903 in charge of its work in Georgia, Alabama, Mississippi and Louisiana. In 1908 he went with Fred S. James & Co. in charge of the fire prevention and engineering department, later going with Frank B. Hall as engineering expert, from which position he joined the Brewster agency last August.

In conjunction with the sprinkler leakage department of the Germania, the Brewster agency also announces the appointment of George W. Johnston as manager of the loss department of the agency.

Another addition to the agency staff is Charles R. Simpson who on Monday became manager of the liability and compensation department. Mr. Simpson was formerly manager on the Pacific Coast of the Casualty Company of America.

The Chalfont Mutual Wind and Storm Company of Bucks and Montgomery Counties, Pennsylvania, has nearly $4,000,000 of insurance in force.

THE GERMANIA FIRE INSURANCE COMPANY

Announces The Appointment of

J. N. S. BREWSTER & CO., INC.

As Metropolitan District Agents

OF ITS

SPRINKLER LEAKAGE DEPARTMENT

R. H. BURDETT, Manager

55 LIBERTY STREET - - NEW YORK

PHONE CORTLAND 8370

CASUALTY AND SURETY NEWS

N. J. Co-Operative's Follow-Up Letter

ELIZABETH MACHINIST MAKES EXTRAVAGANT CLAIMS

Manufacturers Liability Starts Intensive Campaign for Compensation Business Under New Law

The chain letter campaign for New Jersey compensation business which the Manufacturers Liability has started includes a follow up letter mailed a few days after the original. The first letter which was sent out on the stationery of Krementz & Co., manufacturing jewelers of Newark, was published in The Eastern Underwriter last week. The second letter follows:

THE MOORE BROTHERS COMPANY
Machinists and Founders

Elizabeth, N. J., June 25.

N. J. Lakes Realty Co.,
Paterson, N. J.
Gentlemen:

Hundreds of manufacturers in New Jersey are doing their best to build up the business of the Manufacturers Liability Insurance Co. We are one of the number because—

The Company gives better service than any other insurance company. They operate eighteen hospitals of their own in which unlimited medical treatment is given our injured employes.

It is a co-operative company and does not deal through agents, thereby saving seventeen and a half per cent. to all of us who are in it.

It is strong financially and carries the workmen's compensation insurance of some of the largest factories in the State.

It pays claims more promptly than others, taking all responsibility and worry off our minds. We simply report an accident. Our insurance company takes care of all the details.

After July Fourth when the compulsory insurance law goes into effect in this State we believe it will be the only substantial stock company which will return a dividend to all its policyholders—as it has done in the States of New York, Pennsylvania and Maryland for several years past.

It is owned and operated by manufacturers, and the more of us there are in it the lower the cost to each of us will be.

Never in our experience have we known any institution to get the unqualified endorsement of so many manufacturers as the Manufacturers Liability Insurance Company. Hundreds of manufacturers have written letters similar to this in its behalf.

We earnestly suggest that you get into communication with the company by using the card enclosed.

SAM'L L. MOORE,
Vice-President and Manager.

By the use of the same axioms of incorrect English, by the same peculiar method of punctuation and by the fact that both letters are mimeographed apparently on the same machine, it would appear that they were each dictated by the same man and sent out by the company. Thus it would seem that these unselfish manufacturers who are boosting the business of the Manufacturers Liability reserve the right to collect the entire twenty-five per cent. refund described in the first letter without spending any of it in advance for postage.

The Manufacturers Liability is a New Jersey corporation. It has operated in that State since 1912, when it was organized. This letter, however, evades stating what the return has been in New Jersey but insinuates great performances in the past in New York, Pennsylvania and Maryland, performances which are not borne out by the facts.

According to the amount of subscriptions asked for by the various charity organizations, it takes quite a few hundreds of thousands of dollars to properly operate a small hospital for one year. The letter quoted above, however, credits the Manufacturers Liability with operating "eighteen hospitals of their own."

TRAVELERS STARTS CAMPAIGN

Announces Cash Bonus Plan Continuing Six Months' Accident and Health Premium Contest

The Travelers Insurance Company this week announced the beginning of a cash bonus campaign for new accident and health business. The Company offers $50 for $500 of premiums and $5 for each additional $50 of premiums. The contest will cover the period between July 2 and Dec. 22.

O'NEIL FLAYS PENROSE

Pennsylvania Commissioner Charges Senator With Defeat of Fraternal Insurance Bill

J. Denny O'Neil, Insurance Commissioner of Pennsylvania issued a statement on Monday, in which he bitterly assailed United States Senator Penrose for attempting to kill insurance legislation in the State of Pennsylvania. The Commissioner had particular reference to that class of legislation applying to fraternal insurance, which he claimed "would have safeguarded the interests of the workingmen who are compelled to a large extent to depend upon fraternal insurance for protection."

CLAIM MEN TO MEET IN AUGUST

The International Claim Association will hold its Eighth Annual Convention at Cedar Point, Ohio, on Lake Erie, near Sandusky, Ohio, August 27th, 28th and 29th at Hotel Breakers.

WELLS RE-APPOINTED

Harvey Wells has been re-appointed Insurance Commissioner for the State of Oregon, by Governor Wells.

Gauvin and Hanson in Cartoon

Messrs. Gauvin and Hanson, of the Gauvin Agency, were the central figures in a cartoon of "Abie the Agent" in the New York "Evening Journal" one night last week.

Cleofas Romero is the new Insurance Commissioner of Mexico, succeeding Jacovo Chavez, who was not a candidate for reappointment.

New Amsterdam Casualty Company

A Progressive
SURETY AND CASUALTY
Company

Beneficiary Causing Death May Recover

IMPORTANT RULING OF CALIFORNIA SUPREME COURT

With No Evidence of Felony Company Must Show Why Beneficiary Be Debarred

Although public policy prevents a beneficiary who unlawfully kills an insured from recovering on a policy of personal accident insurance where such beneficiary has been acquitted of criminal homicide, the Supreme Court of California has decided in the case of Drown vs. New Amsterdam Casualty Company, that a demurrer to the complaint on the grounds that beneficiary or the insured's estate could not recover because the death was caused by the act of the beneficiary, will not be sustained.

It appears that while the insured, Archer C. Drown, was sleeping, his wife took a loaded pistol and discharged it at Drown, killing him instantly.

The Question of Public Policy

In argument on appeal it was conceded by the appellant that where one insures a life for the benefit of another and the beneficiary unlawfully kills the person insured, public policy would not allow such a beneficiary to recover. It was, however, contended that even in such a case if the terms and conditions of the policy were fully performed by the person insured, the law would not permit the policy to lapse in favor of the insuring company, but would raise a resulting trust in favor of the estate of the insured person and allow a recovery on the policy by his personal representatives.

The higher court held that there was no foundation in the complaint for the argument that Mrs. Drown was guilty of the murder of her husband, and there were no allegations in the complaint to the effect that the killing of Drown was done with that malice either express or implied which is necessary to make the act a murder. No allegation was set up that the killing was done upon the sudden quarrel or heat of passion, which is necessary to reduce an unlawful and intentional killing to manslaughter, and there was no basis for the claim that the complaint showed an involuntary manslaughter. The act of Mrs. Drown might have occurred without any intention on her part either to shoot or kill him.

In view of the lack of any showing in the complaint that the killing was felonious, the Supreme Court held that the case could not be considered upon the theory that Mrs. Brown was estopped by her conduct and on grounds of public policy from claiming the benefits of the policy. The court further stated that if the company desired to make a defense on the grounds of the argument brought out by its demurrer, an answer would be necessary, setting up the facts upon which it is claimed the beneficiary is debarred from recovery.

SETS ASIDE COMPENSATION

New Jersey Supreme Court Reverses a Ruling Made By Common Pleas Court

The New Jersey Supreme Court has just reversed a ruling of the Essex County Common Pleas Court and set aside a compensation allowance of $5.50 weekly for four hundred weeks obtained by Florence A. Brabban against Benjamin & Johnes, of Newark. The plaintiff was injured while in the employ of that firm on May 1, 1913, and about two years later she filed a petition declaring there had been a dispute over compensation and asking for a judicial determination of the controversy.

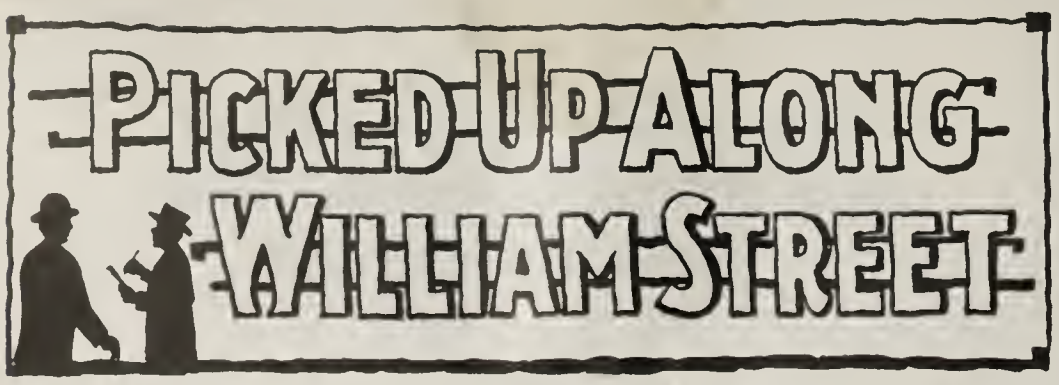
The firm claimed the right to maintain that such an action had been barred by the lapse of a year, the statutory period within which suit must be brought. Subsequently an amended petition was filed setting forth two weeks after the accident an agreement had been reached that no compensation should be paid and that plaintiff should return to work in the factory. It was further agreed that the firm should pay for the medical service rendered in the case. The Common Pleas Court held this promise constituted an agreement for compensation and was therefore subject to review for the purpose of having the amount of compensation increased or decreased.

The Supreme Court held that the law required the company to pay the physician's bill, and therefore a promise to do so was not an agreement as compensation.

AETNA ADVANCES COOPER

William S. Cooper has been promoted in the Newark branch office of the Aetna Life and Aetna Casualty & Surety to the position of superintendent of the automobile department. He has been associated with the Newark office of the company as an underwriter for the past two years.

General Accident
FIRE AND LIFE
ASSURANCE CORPORATION, Ltd.
SERVICE THAT EXCELS
FREDERICK RICHARDSON, United States Manager
GENERAL BUILDING · 4TH & WALNUT STS.
PHILADELPHIA



Burned by Jitneys

The Manufacturers Liability Insurance Company of Jersey City, which has been writing jitncy business, has reinsured seventy-five Newark policies in the Manufacturers Casualty Insurancc Company of Philadelphia. The company had the usual experience in writing jitney business—it was unprofitable.

* * *

Dickinson Writes To Newspaper

W. M. Dickinson, the well-known Trenton agent, has written a letter to the Trenton "Times," discussing workmen's compensation insurance in that State. His letter is an argument against the mutual compensation insurance companies. He says that if insurance could not be written cheaper in insurance companies than individuals, or bodies of individuals, could carry it, there would not be any insurance companies.

* * *

Rubinow Recommended Mining Rates

I. M. Rubinow, consulting actuary of New York, who was brought to Salt Lake by the Utah chapter of the American Mining Congress to voice the latter's protest against the alleged high mining rates fixed by the Utah Industrial Commission for compensation insurance under the State law, has recommended the following rates: Coal mines—$6.04, instead of $9 tentatively fixed by the commission; metal mines—$4.25, instead of $5.95, and ore reduction works—a reduction from the present rate of $4.04.

Compensation Law Starts in New Jersey

RATING AND INSURANCE BUREAU TO BE LOCATED IN NEWARK

Minimum Reduced One-Half in Casualty Charges Filed by Companies, But $10 is the Lowest

The Compulsory Workmen's Compensation law went into effect in New Jersey on Wednesday, July 4. By way of explanation, Commissioner George M. La Monte of the Department of Banking and Insurance, has issued a statement in which, aside from announcing that the headquarters of the Compensation, Rating and Insurance Bureau will be located in the city of Newark, he says that he has cut in half the scale of the proposed minimum premiums that have already been submitted to him for approval with a provision that the minimum premium shall be $10 a year. The statement further says:

"The matter of the minimum premiums charged employers in the several industrial classifications for their compensation insurance has been receiving for some weeks past the attention of the Commissioner and of the special deputy. The scale of the minimum premiums filed with the Commissioner for his approval was identical with that adopted for use in the State of New York and a majority of other compensation States.

"Having in mind the fact that the Commissioner's power in approving rates extends not only to their adequacy but to their reasonableness, the Commissioner has not approved this scale of minimum premiums, inasmuch as this scale of minimum premiums seemed to the Commissioner to be unreasonable from the standpoint of the small employer, although presumably adequate in all instances.

"The Commissioner has therefore fixed the scale of minimum premiums for New Jersey at one-half of the minimum premiums as filed in the manual, with the provision that the lowest minimum shall be $10. This action was taken after consideration of the memorandum submitted by W. W. Greene, special deputy commissioner."

The statement of the Commissioner is given over mostly to a description of features of the new law which have been outlined in The Eastern Underwriter. In addition, he says that Mr. Greene, as special deputy of the department and chairman of the rating bureau, will establish his office in the Clinton Building, Newark, and adds: "All appeals and correspondence directly affecting the bureau should be addressed to the special deputy at his office."

Mr. La Monte explains that no penalty will be attachable to employers until ninety days after July 4.

"This provision," he says, "will enable an employer who is dissatisfied with the rates promulgated to appeal therefrom and to state his reasons therefor in order that a proper adjustment may be made, but such employer, during such time, is, of course, liable for injury to his employes under the act of April 4, 1911."

The Commissioner points out that the act does not apply to farm hands or domestic servitors. In addition to describing the authority given to the department, the Commissioner stresses the fact that the department has power to compel the production of all books, papers and other data that may be regarded as necessary "for the purpose of determining the pure cost" of workmen's insurance in the State.

ROYAL'S RED CROSS BEDS

The Royal Insurance Company and the Royal Indemnity have given birth to a new form of war service. Ninety-five young lady employes of the two companies have organized the Macmillan Chapter, Auxiliary No. 122 of the New York Chapter Red Cross Society, which, since the middle of May has raised $100 by the making and sale of Allied war badges and with this money purchased the equipment for two beds in France to be known as the "Royal" beds. The men employes contributed the funds to buy materials and the girls did the work.

DISTRIBUTES TABLES FREE

The Eastern Underwriter is in receipt of the following letter from the Gauvin Agency, Inc.:

"Regarding the reference to Law's Return Premium Table on page 17 of your issue of June 29, it would seem from that article that these tables are for sale. We would thank you to correct that impression to the extent that the Gauvin Agency, Inc., is distributing these books to all brokers gratis."

The Pennsylvania Legislature has passed a bill providing for the incorporation and regulation of mutual insurance companies other than life.

Compensation Laws and Maritime Injuries

By A. J. Lilly, Maryland Casualty.

From the Maryland Casualty Co.'s Budget"

In Southern Pacific Co. vs. Jensen, and in Clyde Steamship Co. vs. Walker, handed down May 21, 1917, the Supreme Court of the United States has decided that the Workmen's Compensation Act of New York cannot constitutionally be made to apply to maritime torts. Thus, in the Jensen case the dependents of a deceased stevedore, and in the Walker case, an injured longshoreman, were finally denied compensation after awards by the Commission of New York had been affirmed by the State courts of last resort. Both the stevedore and longshoreman had been employed directly by the ship, and were working on ship board, in New York harbor, and were engaged in interstate commerce when injured.

Significance of Decisions

Already numerous questions have arisen and others suggest themselves as to the effect, actually and potentially, of these decisions. What do they mean? How far do they go? What is their effect upon compensation acts of other coast States and upon the acts of inland States located upon public navigable waters? Will the fact that a State act is elective and not compulsory have any bearing? What is the present compensation status of stevedores injured on land? Of stevedores employed by stevedoring companies (as distinguished from ships and shipping companies), and injured on ship board? Of stevedores, however employed, engaged in moving interstate commerce on ship board—of carpenters, mechanics and others (not stevedores nor seamen), engaged at work on ships in harbor? How shall we handle the awards of continuing compensation now pending, and the new claims that are daily being filed involving similar conditions?

These are vital questions. Volumes could be written on some of them; but in the limited space at our disposal we can give no more than skeleton answers, sufficient only, at best, to form a present and temporary guide through the mazes of the situation. And let it be understood that all opinions hereinafter set forth are respectfully subject to the future action of the Supreme Court; meaning, in substance, that all of the matters and facts referred to are not irrevocably disposed of in the Jensen and Walker cases.

Admiralty's Jurisdiction

(1) Actually the decisions mean that stevedores and longshoremen employed by shipping companies, injured while handling interstate commerce on board ships afloat in public navigable waters in or adjacent to New York are subject exclusively to the Admiralty jurisdiction, and are not bound by, and have no rights under the New York Compensation Act. Potentially they mean that no person injured on board any ship afloat in public navigable waters is subject to the jurisdiction of any commission board or other body or court charged with the administration of any compensation act. The meat of the proposition is contained in our last sentence. We realize that the Supreme Court's ruling will be tested from every conceivable angle, and that every word in the main (Jensen) opinion upon which it appears possible to hang a distinction will be honored by the attempt. Nevertheless, as it stands, we see no reasonable construction other than the one above advanced. We believe the facts that Jensen and Walker were engaged in interstate commerce, and that they were employed by the ships, and not by stevedoring companies, although much dwelt upon in the opinions, are incidental and not governing; were used to point a moral, (i. e., the effect upon such commerce and shipping of a contrary holding) rather than to support the ruling: and that in its last analysis, the ruling was bottomed upon the locus of the tort. The tort—the wrong complained of—happened upon public navigable water. The compulsory feature of the New York Act is not referred to.

The Judiciary Act which, under authority of the Constitution, established the United States Courts, provides (Rev. Stat. sec. 563, Sub. sec. 8) that the Federal District Courts shall have exclusive jurisdiction of "all cases of Admiralty and Maritime jurisdiction, saving to suitors in all cases the right of a common law remedy, where the common law is competent to give it." In matters of tort, Admiralty jurisdiction "can depend upon nothing but that the wrong occurred upon the sea, or upon navigable waters," * * * "the places where maritime commerce is had are the places where the Admiralty has jurisdiction of wrongs" (Benedict's Admiralty, 4th Ed. Sec. 181). The several State decisions awarding compensation in such cases (Jensen vs. So. Pac. Co., 218 N. Y. S.. 514, among others) have held that compensation is, for the purpose of giving the State courts concurrent jurisdiction with Admiralty, a "common law remedy" within the Judiciary Acts saving clause, but the United States Supreme Court says (Southern Pacific vs. Jensen, supra) "the remedy which the Compensation Statute attempts to give is of a character wholly unknown to the common law." Thus we see that Admiralty has exclusive jurisdiction over maritime torts except where the common law can give a remedy. Compensation is not a common law remedy: ergo, Admiralty is exclusive.

(2) Other states, coast and inland having compulsory acts, will be affected alike. Admiralty jurisdiction extends over all public navigable waters of the United States, even where such waters are wholly within the boundaries of a State. (U. S. vs. Burlington, etc., Ferry Co., 21 Fed. R., 331): so long as they form a highway over which passes commerce between several States. (Maloney vs. City of Milwaukee, 1 Fed. R., 611), including canals (Exparte Boyer, 109 U. S. 629); rivers (In re Garrett 141 U. S. 1); and the Great Lakes (Rev. Stat. sec. 566).

There will probably be, as we have said above, some contests based on matters of apparent distinction, but it is not likely they will be successful, or even if successful, have any general application.

(3) We come now to those States having an elective act Upon this phase of the situation we are, for obvious reasons, forced to touch but lightly, though we believe it will be the source of further litigation.

Elective Acts

In our opinion, however, elective acts are affected the same as compulsory, for the following reasons:

The only distinction that can be made between the two classes of acts, is that

(Continued on page 19.)

CASUALTY POINTS

Violating the Law

Every accident insurance company has a clause in its policies which either prohibits recovery, or limits the recovery by the insured to a small proportion of the indemnity provided where the injury or death occurs while the insured is "violating law," says Henry C. Walters, general counsel of the National Casualty Co.

The National policies limit the recovery to one-fifth of the amount which would otherwise be payable under the policy in the event of injury received by the insured "while knowingly violating the law."

In a leading case upon the subject where the policy provided that the insurance "shall not extend to death or injury caused by dueling or fighting or other breach of the law on the part of the insured," the Supreme Court of the United States held that there could be no recovery on the policy, where the insured was killed while engaged in horse-racing in a State where horse-racing is prohibited by statute.

In still another case where the insured was injured while crossing a railroad track at a point other than a public crossing, in violation of law, it was held that no recovery could be had.

The Supreme Court of Vermont has laid down the rule that an insured can not recover for injury received by slipping on frozen ground while returning home from a Sunday hunting expedition, hunting and traveling on Sunday being prohibited by statute.

The above cases serve to show that the courts are inclined to give full force and effect to provisions of this character. Where the clause is in substance the same as the one contained in the National policy, the courts hold that it is not necessary to establish a causal connection between the violation of law and the injury. In other words, the clause operates in all cases where it can be shown that the insured was in the act of violating the law when the injury or loss occurred, and this regardless of whether the violation of law actually contributed to the injury.

Clauses of this character apply only in the case of violation of criminal laws. They cannot be applied unless the loss or injury occurs while the insured is actually in the act of committing the violation. It is immaterial whether the violation was the cause of the loss or injury.

In investigating claims, it is of the utmost importance that the Company be fully advised as to all of the facts and circumstances surrounding the claim in order that it may be determined what its rights are with reference to this clause of the policy.

* * *

Policies With Frills

Probably every accident insurance company is continually besieged with requests from agents to issue new policies. They want to meet competition. The agent finds that his competitor has something "new"—a talking point that glitters like gloss. The only way to meet it is by adding a little polish to his own policies, or by outdoing the competition. It is a race that runs in a circle. It is a game of tag. Pride and envy seem to be its chief emotions. To hear the cry of agents for more policies with prettier frills one would think that accident and health insurance salesmanship is comparable to selling trinkets to Indians, says the "Mutual Underwriter."

A few special policies have a place in the business, for special coverage for certain occupations is desirable and satisfactory to both the policyholder and the company. But the standard provisions policy, sold at a premium that will cover claims and expense and leave a margin of profit, is the only substantial article that will develop a sound business. The companies that stick to standard forms, that give honest indemnities and impress their agents with the reasons for such a course are the ones which will have a satisfied clientele and loyal agents. The companies that issue a profusion of policies with frills are getting into trouble all the time. If their indemnities are based on actuarial data the coverage must be reduced to balance the cost of the extra frill. When the claims come in these limitations cause dissatisfaction among the policyholders with a consequent injury to the business. If the frill is added to the benefits without a reduction in coverage and no increase in premium the company discovers in course of time that the business is unprofitable. To protect itself, the policy is withdrawn, and the agents become discontented. The policies that sell like "hot cakes" are rarely renewed. Like any other article for sale, the gilt and tinsel may cause a first sale, but repeat orders are obtained for substantial goods only.

The agents who ask for freak policies are guilty of neglecting the principles of sound salesmanship. It may be not so easy to sell a good policy as a flashy one to the new prospect, but more thorough work will dispose of the former. The satisfaction of having sold a good article, the satisfaction of the insured with his policy and the ease with which further policies are placed on the good reputation secured, are factors that build an enduring business. If more attention be paid to selling good policies at a fair price the agitation against limited coverage will stop, the question of acquisition cost will be solved and the cry of "no profits" will cease.

* * *

Loss of Use

Have you been stumped for a point when talking with prospects in connection with coverage from loss of use of their automobile? The prospects may advance the argument that they are good and careful drivers and that they know the roads thoroughly in and about their respective communities. They may be able to leap the gap, take curves on two wheels, and do a snakeline through town and thus avoid collisions, head on, rear or sidewise, but with all their expertness they cannot beat the time it takes to recover their automobile when it has been stolen, even after the machine has been located in a neighboring State.

Recently a theft was reported, the car being covered by a prominent company, the car was found in an adjoining State, put in a railroad car and started on its way back home. Over three months has elapsed and the automobile is still on the way. Think it over.

AN ODD LOSS

The Fidelity & Casualty recently paid upon a fidelity bond a considerable loss that was a direct consequence of the war. The insured operated a large lumber camp in a forest, and the principal was the insured's cashier and paymaster. Finding, soon after the war broke out, that many of the hands in the lumber camp did not care to draw their full wages because they could not remit to their people in Europe, the principal worked out a scheme for making this condition of things serve his fraudulent purpose. He would tender to the hands checks for the full wages due (they were regularly paid by check), and when they said that they did not want the full amount, he would have them nevertheless endorse the check, and he would then convert to his own use the difference between the amount thereof and the amount required by them. By manipulating checks, cash, and accounts he succeeded in defrauding his employer before detection of about $6,000.

W. E. SMALL, President PETER EPES, Agency Mgr. E. P. AMERINE, Secretary

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OF LONDON, ENGLAND

Maritime Insurance

(Continued from page 18.)

under the elective acts (New Jersey, for instance) compensation is theoretically a matter of contract between employer and employe, while the compulsory act is forced upon both, willy nilly: and the question thus arises: is such a contract maritime in its nature? As between ships and shipping companies and their employes it undoubtedly is—and is thus exclusively subject to the Admiralty so far as compensation is concerned. (Benedict sec. 143 et seq.). As between stevedoring companies and their employes, it probably is since the contract of the stevedore company, by virtue of, and under which the laborer is engaged upon the ship is a maritime contract, and the laborer's contract is merely incidental to it (Benedict sec. 143). We can see the possibility of a stevedore or longshoreman enforcing a claim for compensation on the theory: (a) that his right to compensation grows out of contract and (b) that said contract is not maritime in its nature, and hence not cognizable by the Admiralty; but in view of the United States Supreme Court decision in the New Jersey case of Erie R. R. Co. vs. Winfield (handed down May 21, 1917) holding that the Federal Employers' Liability Act is exclusive in all instances of injuries received in interstate commerce independent of the test of negligence sought to be applied, (thus reversing same 88 N. J. L. 619) we do not anticipate such a ruling. We merely call attention to the possibility; not to the probability. For it seems to us that if one cannot contract out of the Federal Employers' Liability Act, we cannot contract out of Admiralty.

(4) Stevedores injured on land are subject to the compensation acts as before. In tort, Admiralty jurisdiction is governed by the place of effective consummation of the injury: (The Plymouth, 3 Wall, 20, 18 L. Ed. 125) it is only where the cause of action arises upon a maritime contract that Admiralty has jurisdiction of wrongs perpetrated on land. So close is the line between maritime and civil torts that in one case, where a ladder from a ship to a wharf fell through the ship's negligence, precipitating a man to the wharf, it was held a maritime tort (The Strabo, 90 Fed. R. 110), and where a ladder similarly fell through negligence of some one on the wharf, it was held a civil tort (The H. S. Pickands 42 Fed. R. 239)

(5) Since the locus of the tort, and not its character nor the object or perpetration of it, is the test, it follows that stevedores employed by stevedoring companies; stevedores however employed, engaged in moving interstate commerce; and all others injured on board ships afloat in navigable waters, are subject to the exclusive jurisdiction of Admiralty as against the jurisdiction conferred by State compensation acts saving only the possibility of recovering compensation under contract, in elective States, as mentioned in section (3) above.

(6) As to awards now pending, and as to present and future claims affected or controlled by the Jensen and Walker decisions, we are advised that at this time and until the various possibilities of the situation can be considered, and a course shaped in accordance therewith, it will be the Company's policy to continue and to assume generally the payment of compensation (that is to say, of benefits equivalent to compensation) subject to the terms of the Act heretofore controlling, where the policy carries a compensation rate, and the injury occurs in the course of work as scheduled and rated; provided satisfactory releases are obtained in advance from all parties in interest, and the releases legally effectuated where necessary for the protection of the Company and the employer.

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(See the policy for conditions and details.)

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	Assets	Insurance in Force		Income	Policies Issued
Dec. 31, 1888	$ 104,307	$ 839,073	1889-1895	$ 1,085,087	265,931
1895	155,640	5,294,381	1896-1902	3,930,883	638,659
1902	876,007	22,374,980	1903-1909	11,312,912	839,426
1909	4,867,379	44,780,907	1910-1916	22,670,340	1,426,752
1916	11,943,640	104,989,362			

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THE EASTERN UNDERWRITER

[Succeeding the Journal of Insurance Economics, Established in 1899]

A WEEKLY NEWSPAPER COVERING ALL BRANCHES OF INSURANCE

Eighteenth Year; No. 28 | NEW YORK, FRIDAY, JULY 13, 1917 | $3.00 a Year; 15c. per Copy

WHEN IS BROKER'S OBLIGATION FULFILLED?

Broker Insists Upon Commission for Entire Term Despite Cancellation By Insurance Company

NO WRITTEN OPINION ON TOPIC

A Controversy Which Interests Companies, Agents and Brokers—Views of a Lawyer

The attention of The Eastern Underwriter has been drawn to the case of a broker who placed a line of $50,000 in New York City with a local agency, the premium being $1,000. After the policy was in force for two months there was a $1,500 loss, directly after paying which the company elected to cancel. The premium earned at the time of cancellation was $200.

The broker insisted that the agent pay him his full commission for the entire term, in addition to returning to the assured the amount of the return premium. The agent refused to pay the full commission to the broker, saying that the terms of the standard policy provide in the contingency for a retention by the company of the pro rata premium and that the broker has no right to a full commission.

Broker's Retort

The retort of the broker was that he was not a bit interested in whether the company elected to cancel; that he had done his full duty in placing the line originally with the agent. Furthermore, he declared that one of the leading fire companies in the city pays gross return premiums, although all other companies do not do so.

It is understood that the Insurance Department has never made a ruling on this point; and that there has been no formal court decision covering this identical circumstance, although there have been some court rulings touching the points involved.

Legal Viewpoint

The opinion of William Otis Badger, Jr., one of the leading insurance lawyers in the city, was asked regarding this controversy. He said:

"The question of an insurance broker and his commission is one that has not been finally settled by the decisions of

(Continued on page 18)

"The Largest Fire Insurance Company in America."

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NATIONAL DEFENSE INDEMNITY MEETING

Held in Rooms of Civic Federation; Committee Appointed; Captain S. H. Wolfe on It

SOME INSURANCE MEN ATTEND

McAdoo in Harmony With Wolfe and Mack, Who Are Formulating General Plan

Four movements at Washington which have been started as a basis of legislation for soldiers' and sailors' indemnity:

Council of National Defense: Gompers-Mack-Wolfe committee.

Treasury Department: Committee of life insurance men to confer with Secretary of Treasury.

Department of Commerce: Sweet report.

Department of Labor: Wolfe report.

Life insurance men who attended the recent McAdoo conference at the New Willard in Washington, at which the question of government indemnification of soldiers and sailors was discussed, were a little bit mystified when they read in Monday morning newspapers a report of another conference to consider the question of government war indemnities, the Sunday conference having as its chairman Samuel Gompers.

At first it was thought that this might be another case of where several movements of a conflicting nature were launched at Washington almost simultaneously. In discussing the situation with sub-committee representatives of Council of National Defense, The Eastern Underwriter learns the facts to be as follows:

Council of National Defense

The Council of National Defense, in which are a number of Cabinet members, Mr. McAdoo not being one of them, has sub-divided its work through advisory committees. Mr. Gompers, for instance, is chairman of the committee on labor. Under Mr. Gompers there is a committee having to do

with social welfare, conservation and compensation for soldiers and sailors and their dependents. Of this section Judge Julian W. Mack, of Chicago, is chairman.

The Council of National Defense requested the Secretary of Commerce to prepare a report on insurance matters. He designated Assistant Secretary Sweet to do it. When Mr. Sweet filed his report with the Council it requested Mr. Gompers, as chairman of the Committee on Labor, to appoint some one to draft a suitable bill. Mr. Gompers asked Judge Julian W. Mack, of Chicago, to do it.

The Gompers Meeting

At the suggestion of Mr. Gompers a special meeting was held here on Sunday at the offices, No. 1 Madison avenue, New York, of the Workmen's Compensation Department of the National Civic Federation—of which both Messrs. Gompers and Mack are members—and at this meeting, which was strictly informal, Judge Mack after hearing from a number of men, asked that they submit their views to Mr. Gompers in Washington so that the legislation to be proposed to the Council of Defense and later to be submitted to Congress could be drafted.

Capt. Wolfe's Report

It is recalled that some time ago Captain S. Herbert Wolfe—the actuary who is now in the U. S. Army Service—was sent to Canada to make a report on the care of dependents of enlisted men in Canada. Captain Wolfe's report was circulated by the Children's Department of the United States Department of Labor, Julia C. Lathrop, chief. In transmitting the report to Secretary of Labor, William B. Wilson, Julia C. Lathrop said:

Sir: The following report especially authorized by you upon the care given to the dependents of enlisted men has been prepared by an actuary of recognized authority, Mr. S. Herbert Wolfe, of New York, who visited Canada for that purpose. Mr. Wolfe discusses especially public provisions. In general, the methods described by him are capable of extension and adaptation into a complete system. The provision for the insurance of the lives of soldiers is unique. It is important to enlist the skill of experts on the various social and economic matters involved, and such skill is absolutely indispensable if the development of an insurance system is undertaken.

In the 50 years since the Civil War, legislation affecting the family and its economic status has shown marked growth. Mothers' pension laws and minimum-wage laws are recognized examples, and it is acknowledged that their result has not been to pauperize but distinctly to improve the power of the family to protect itself. In view of this tendency it is to be expected that a system of compensation for soldiers and sailors can be developed whereby the Government will make possible for their children the home life and parental care which are the common need of every child.

This report is accompanied by appendixes containing copies of laws, orders, forms, etc., used in Canada in connection with the care of Canadian soldiers and their dependents.

The Sweet Report

The Department of Commerce's connection with the question of indemnification came when Assistant Secretary Sweet, of that Department, announced to the daily newspapers that he had a plan—the $4,000 proposition—which he was outlining for the Council of National Defense. Mr. Sweet had been a member of Congress where he was a member of the Committee on Pensions. There he had a chance to see the absurdity of pension legislation as it works out, and was sincerely impressed with the necessity for some better system.

Mr. McAdoo Steps In

It was at this point that Mr. McAdoo stepped in and issued the call to the companies to come to Washington and confer with him. Just why he acted when there were other movements on foot has not been quite clear, but those who know the Secretary best say that he probably took the matter up in the interest of "haste."

It is now recalled that at the McAdoo hearing the Secretary made the statement that the United States is a country which has the reputation of doing things; and that it has earned that reputation. The Government has come to the conclusion that the pension system is absurd and is equally positive that the United States must take care of its dependents; that the time to do this is now before Congress has adjourned; and that he had called the life companies into conference in order to get their best judgment. At the McAdoo conference nothing was said by the Secretary about what any other branch of the Government is doing in the matter of indemnifications and other phases of the dependency question, but seated with Mr. McAdoo were Mr. Sweet, who was introduced by the Secretary of the Treasury as a man who had a plan for indemnification which might well serve as a basis for discussion; Captain S. Herbert Wolfe, who made a brief talk; Hendon Chubb, of the advisory board of the War Risk Bureau, who did not talk; and Judge Mack, who made a few remarks. Mr. McAdoo gave the life insurance men the impression that his report would be made direct to Congress.

The Eastern Underwriter is informed that when he issued his call Mr. McAdoo was not acquainted with all the steps that had been taken regarding indemnities, elsewhere in Washington, but, later, upon learning that Judge Mack and Captain Wolfe are engaged in formulating a broad general plan, he expressed his desire to work with these gentlemen and there is absolute harmony between all the various interests. A meeting was held in New York on Wednesday, which was attended by Judge Mack, Captain Wolfe and some others, progress being reported.

The sentiment expressed at the Sunday meeting here where Mr. Gompers presided was much the same as at the McAdoo meeting, viz.: everyone believed that the Government should undertake the indemnification and that life insurance companies should not be called upon to do it.

To Submit Written Memorandum

At the Sunday meeting Mr. Gompers said that all phases of the subject would not be discussed at that time because that might necessitate a session lasting three or four days. He said that those present would be asked to give views briefly, and then submit to him in Washington a written memorandum going into the subjects more extensively. Mr. Gompers said that he was unqualifiedly in favor of the Government's assuming the entire cost of allowances, compensation and pensions for widows and dependents. He introduced Judge Mack who explained what was being done in Washington, and then said that information was now being obtained as to the treatment of dependents by the belligerent countries. The discussion branched off somewhat into avenues regarding manner in which the Government should pay dependents, whether by lump sum, monthly instalments, etc. John Mitchell, chairman of the New York State Industrial Board, was an active figure in the discussion at this point.

Insurance Men Speak

E. E. Rittenhouse, of the Equitable Life, said that the relief for families should be conducted by the Government; it was not an insurance proposition. It should not be left to charity or to the Red Cross. There was an obligation for the Government to meet, and charity had nothing to do with it. He thought the most direct way to handle the question was by the issuance on the part of the Government of an indemnity contract to every soldier and sailor, covering all of the contingencies which the law would provide against. Dr. Frederick Hoffman, of The Prudential, entered the discussion at a time when there was talk whether the dependents of a soldier from a small town should receive less indemnification than the dependents of a soldier from a large town where the cost of living is higher. Dr. Hoffman said: "Don't let us have any discrimination of this kind." He made a plea for simplicity and uniformity and said that the Government should not investigate the private affairs of the dependents, but that all should share alike, no matter what their private incomes or circumstances might be.

August Belmont's Views

August Belmont said that in his opinion the best plan would be a scheme of insurance that would insure the payment of a lump sum to disabled soldiers at the completion of their service. This arrangement, he said, would enable the soldier to start in some kind of business or to complete the education that might have been interrupted by the war. Monthly payments were all right, Mr. Belmont thought, but they did not serve the man who came out of the war without funds and with no way to re-establish himself. The plight of such a man was especially precarious if he came out wounded, and the only adequate help was of the sort that would enable him to become independent and make a living for himself and those looking to him for support.

Warren S. Stone, Grand Chief of the International Brotherhood of Locomotive Engineers, agreed with Mr. Belmont that a lump payment was best, and he added that pensions should be made large enough to enable the beneficiaries to maintain a decent standard of living without assistance from other sources.

Dudley M. Holman, president of the International Association of Industrial Accident Boards, said it was essential that the young men whose education was interrupted by the war receive opportunities upon their return for continuing their studies. In allied countries, he said, this need had received careful attention, and 80 per cent. are able as well to take up some gainful occupation.

The Committee

After further discussion the following were appointed to the committee that is to receive suggestions for the legislation to be proposed to the Council of Defense and Congress. The suggestions called for cover:

(a) Separation allowances for dependents of men in the military and naval service.

(b) Compensation for injured sailors and soldiers.

(c) Pensions for widows and dependents.

P. Tecumseh Sherman, lawyer and social insurance expert of New York, Chairman; D. I. Cease, editor, of Cleveland, Secretary; Frank V. Whiting, general claims attorney, New York Central Railroad; Professor F. Spencer Baldwin, manager of the New York State Fund of the Industrial Board; Capt. S. Herbert Wolfe, of Washington, D. C.; and J. W. Sullivan, assistant to Samuel Gompers as member of the Advisory Commission of the Council of National Defense.

Following were some of the others who attended the meeting: V. Everit Macy, president National Civic Federation; Dr. Lee K. Frankel, third vice-president Metropolitan Life Insurance Company; Charles Thaddeus Terry, chairman Committee on Uniform State Laws, American Bar Association; Ralph M. Farley, chairman Executive Council, National Civic Federation; Hugh Frayne, American Federation of Labor; Dr. Frederick L. Hoffman, statistician Prudential Life Insurance Company; William J. Moran, attorney Travelers Insurance Company; John Golden, international president United Textile Workers of America; A. Parker Nevin, general counsel National Association of Manufacturers; Warren S. Stone, grand chief Brotherhood of Locomotive Engineers; Leon S. Senior, manager and secretary New York Compensation Inspection Rating Board; E. E. Rittenhouse, Commissioner of Public Service and Conservation, Equitable Life Assurance Society; John Mitchell, chairman New York State Industrial Board; Timothy Healy, president International Brotherhood of Stationary Firemen, and Miss Gertrude Becks, secretary Executive Committee of the Committee on Labor.

AN AMERICAN COMPANY

True to American Ideals and Traditions

The Germania Life Insurance Company

Established 1860

Under the laws of the State of New York

A Growing Company for Growing Men

RECORD FOR 1916

(The Best Year in the Company's History)

New Paid-for Business	$ 21,061,120.00
Gain over 1915 nearly	6,000,000.00
Total Insurance in Force, January 1st, 1917	158,839,851.00
Gain in 1916 nearly	8,000,000.00
Saving to Policyholders on account of favorable mortality of 61%	513,000.00
Assets	53,793,290.00
Surplus and Dividend Fund	6,424,602.62

Income from Investments alone more than sufficient to pay all Death claims.

Business paid for in the first four months of 1917 shows a gain of 44% over the same period in 1916.

Two attractive Agency openings

ADDRESS

T. LOUIS HANSEN, Superintendent of Agencies

50 UNION SQUARE, NEW YORK CITY

McAdoo Committee Hasn't Met Yet

TEN PROMINENT LIFE INSURANCE MEN APPOINTED

First Bill Introduced By Woman Congressman Provides for Pension Fund for Dependents

There has been no meeting yet of the committee of life insurance men appointed by Secretary McAdoo to act in an advisory capacity in the preparation of Government action relative to indemnification of soldiers and sailors and their dependents. The committee consists of the following:

George E. Ide, president of the Home Life; Edward D. Duffield, vice-president of The Prudential; Louis F. Butler, president of the Travelers; Arthur Hunter, president of the Actuarial Society of America; John L. Shuff, Union Central Life; John T. Stone, president of the Maryland Casualty Company; George B. Woodward, vice-president of the Metropolitan Life; Franklin B. Meade, secretary of the Lincoln Life; T. W. Blackburn, secretary of the American Life Convention, and I. I. Boak, President of the National Fraternal Congress of America.

Miss Rankin's Bill

Washington, D. C.—Miss Rankin, of Montana, has introduced a bill to provide a pension fund for the dependents of American soldiers called to fight against Germany.

The bill, calling for an initial appropriation of $5,000,000 for the current fiscal year, proposes that the scale of compensation to the dependent members of a soldier's family shall be as follows:

"That to the wife or dependent mother of the soldier there shall be paid not less than $30 a month; to the wife of the soldier who has one dependent child, not less than $45 a month; to the wife of the soldier who has two dependent children, not less than $60 a month, and to the wife of the soldier who has more than two dependent children there shall be paid $75 a month."

ENEMY TRADING BILL

Text of Insurance Section Passed By House of Representatives on Wednesday

The insurance section of the Trading-With-the-Enemy Bill, passed by the House Wednesday, follows:

"Provided, That if any property belonging to an enemy or ally of the enemy insurance company be delivered to the alien property custodian or deposited in the Treasury of the United States under the provisions of this Act, and any insurance company not an enemy or ally of the enemy, shall claim any right, title, or interest in such property which has been so delivered to the alien property custodian or to the Treasurer of the United States, such insurance company not an enemy or ally of the enemy may institute suit in equity in the District Court of the United States for the district in which the principal office of such company is located, or in the Court of Claims, for the purpose of establishing its right, title or interest and procuring a decree thereon and such court may thereupon, on proper showing direct that the property in the custody of the alien property custodian or in the Treasury of the United States to which such company may show itself to be thus entitled, be delivered to such company and such case may be heard and determined and the property delivered before the end of the war. The alien property custodian or the Treasurer of the United States, as the case may be, shall be made party defendant to such suit."

JOHN HANCOCK SCHOOL

Every Saturday Morning Sessions at Cambridge for New Agents of Company

The John Hancock has instituted at its Cambridge agency a school where an instructor explains to new agents the contracts they have to place and the methods of successful men in placing them. The school sessions are held every Saturday forenoon for one hour. The course is three months. The purpose is to give the new agent immediately the essential information regarding the contract, in order that he may have a foundation from which to start canvassing at once.

The subjects taken up in their numerical order are the company, the rate book, the contract, securing of prospects, manner of approaching prospects, presenting the proposition, taking the application and completing same, delivery of policy.

AGREEMENT BINDING

Sub-Standard Risk Charged Additional Premium and Assignee Had No Knowledge of Certificate

In a case where the insured was a "sub-standard risk" and was charged an additional premium for this reason, the agreement for such additional premium contained in a "certificate of advances" signed by the insured, is binding upon an assignee of the insured even though he had no knowledge of such certificate. This is the holding of the Appellate Division of the New York Supreme Court in the case of Silverman vs. Pittsburgh Life & Trust Co. recently decided. In the case in question, the plaintiff, an assignee of the insured, had obtained a decree under which a referee was to be appointed to determine the amount of profits apportionable to the policy in question. Upon appeal, the court held that there was no trust or fiduciary relationship between the insured and the company, and therefore a general accounting to determine the amount of profits was improper.

This was particularly true in view of the fact that the policy provided that any determination by the company of the amount to be apportioned to his policy was ratified and accepted by the insured. This left the matter entirely to the decision of the company, and the insured or his assignee had no rights until an apportionment of profits was made by the company.

Digested for "Best's Life Insurance News" by W. O. Badger, Jr.

The annual convention of the Big Tree Club of the Pacific Mutual Life will be held in New Orleans on September 24 and 25.

Wisconsin's New Insurance Statutes

LEGISLATION ABOUT DISABILITY AND OTHER PROVISIONS

Regulate Transfer of Company Stock and Broaden the Scope of Security Investments

One of the bills just enacted by the Wisconsin legislature revises the life insurance investment laws and brings the statutes of that State into conformity with that of many other States. Under the amended law, life insurance companies and fraternal societies in Wisconsin are authorized to invest in Canadian bonds and also in bonds issued by the Federal Farm Loan Banks, as well as bonds issued by Wisconsin organizations under the Farm Loan Act in that State.

Disability

Prior to this session of the legislature life insurance companies were prohibited from using disability clauses used in most of the other States. Under a new law recently enacted, insurance companies are authorized to incorporate in their contracts a provision under which the company will, in the event of the assured becoming totally and permanently disabled, waive all future premiums on the policy and pay to the assured an indemnity not greater than 10 per cent. of the face of the policy, and also may pay to the beneficiary the full face of the policy at its maturity. Under the provisions of this same act a life insurance company is prohibited from incorporating a double indemnity clause under which the company would pay twice the face of the policy if the assured met his death as a result of accident. Companies are, however, permitted to grant this benefit under a separate contract providing for an adequate premium. This contract will not be required to contain the standard provisions necessary in the ordinary health and accident contract.

Dividend Notice

Another act of interest to the insurance companies operating in that State provides that the dividend notice of the company shall contain the policy number and the total amount of dividend and a statement that the details of sources from which the dividend came will be furnished on request. This act relieves the companies of the necessity of filing the "cost of insurance" and other data heretofore required.

Through the efforts of the Wisconsin Association of Life Insurance Companies and the Insurance Department a new agency qualification law was enacted. The law which will go into effect on the 1st of March next, follows closely the recommendations of the National Association of Life Underwriters, and is considered a decided step in advance by insurance people, although it relates only to life insurance agents.

Another law regulates the transfer of stock in life insurance companies to protect the policyholders against promoters.

LARGEST LIFE YEAR

More Than 30 Per Cent. Increase for First Six Months of This Year, Says Newspaper

So far in 1917 the demand for life insurance has been beyond all precedent. Reports to "The Insurance Press" from a large number of companies, including the largest corporations, show increased writings of 30.96 per cent. during the first five months of the year. Reports from the same companies show that the new life insurance written in May, 1917, was 32.39 per cent. greater than in May, 1916. If a ratio of gain of 31 per cent. holds good during the remaining 7 months of the year as an average for all companies, the 1917 record for new business in the United States will exceed $5,895,000,000, incomparably the greatest gain on record.

The increasing demand for life insurance is wholly normal and is based upon the intelligence of the public. A life insurance statistician is authority for the statement that 87 per cent. of all estates left in the United States consist solely of life insurance.

J. L. ENGLISH WITH AETNA FOR HALF CENTURY

Vice-President Discusses Early Day Personnel—Company Had $12,000,000 Assets 50 Years Ago

J. L. English, vice-president of the Aetna Life, started with that Company on July 1, 1867. In discussing the Company's personnel at that time, he said this week:

"The offices of the Aetna Life Insurance Company at that time occupied half of the first floor of the old building of the Aetna Fire Insurance Company, which was then, however, a new building just completed. The entire office force of the Aetna Life, including the janitor, I think numbered about sixteen, and a large business was being transacted. The assets of the Company which now amount to over $131,000,000, were then about $12,000,000.

"The president of the Company was Eliphalet A. Bulkeley, father of the present president, Morgan G. Bulkeley, and although at that time with failing eyesight he was nevertheless at the office every day and occupied a desk at the front window near the door. His genial manner toward the young clerks made him adored by every one and his death, in 1872, was sincerely mourned by all connected with the office.

"Thomas O. Enders, then in the prime of life, was the very efficient secretary of the Company, who succeeded to the presidency on the death of Judge Bulkeley. Mr. Enders was an indefatigable worker, remaining at his office nearly every night until 10 o'clock or later, and was the one man who knew everything about the Company's affairs. He made the contracts with agents throughout the country, directed the bookkeeping, superintended the preparation of the policy contracts, employed the clerks, and with the advice of the president superintended the investments. Through him was largely due the great prosperity of the Company which attended its earlier years.

"Dr. G. W. Russell was then and for many years after the sole medical director of the Company. He rigidly scrutinized all applications for insurance on the moderate salary of $500 a year."

REAL SATISFACTION

Working with **William N. Compton** and the **John Hancock Mutual Life Insurance Company** in New York City forms the happiest combination imaginable for the life insurance salesman.

If you have any doubt in your mind have it dispelled by calling at

220 BROADWAY

Phone 6030 Cortlandt

ACTUARIAL CHANGES

Charles H. Hildebrand Made Actuary of Connecticut Mutual and Daniel H. Wells Consulting Actuary

Daniel H. Wells, who has been actuary of the Connecticut Mutual Life for many years, was made consulting actuary at a meeting of the Company's directors Friday, and Charles H. Hildebrand, who has been assistant actuary, was advanced to actuary. Harry I. B. Rice, was promoted from assistant to associate actuary, and Harold F. Larkin, was made assistant actuary.

Mr. Wells was born in Aquebogue, L. I., August 19, 1845. He attended the Lee Private School on Long Island, near his home town and entered the Yale Sheffield Scientific School. He was graduated from that institution in the class of 1867, and remained there until 1874 as instructor in engineering and mathematics. In this year, Mr. Wells went to work for the insurance company with which he has been connected ever since.

Charles H. Hildebrand was born in New Haven and was prepared for college at the Hopkins Grammar School, graduating from the Yale Sheffield Scientific School in the class of 1875, Burton Mansfield, the present insurance commissioner, being a member of the same class. He took the degree of M. E. in 1877, and then took a course of study at the Polytechnic School of Dresden. Following this he traveled a year in Europe, and later was instructor for one year at the University of Illinois.

In 1880 he went to Yale Sheffield Scientific School as instructor of mathematics and civil engineering. He came to Hartford in 1884 as clerk in the actuary department of the Connecticut Mutual Life. Shortly afterward he was appointed assistant actuary, a position he held until his recent appointment.

ROYAL ARCANUM AGAIN SUED

Beneficiaries of St. Louis Member Allege Policy Not Paid and Ask for Receivership

The Royal Arcanum is again in legal entanglements. Suit was instituted last week for a receivership in the Federal District Court in St. Louis, Mo., by J. A. Jenkins, E. F. Brady, Ethel S. Bury, Anna O. Bury, L. M. Ottofy and E. W. Dehlendorf. The petition asks that the officers be compelled to make an accounting, that they be restrained from paying out money or from withdrawing money on deposit in Missouri and that a receiver be appointed to take charge of the property of the order in the State of Missouri and in the jurisdiction of the court. Brady, Ottofy and Dehlendorf are members of St. Louis lodges of the order. Ethel and Annie Bury are beneficiaries of James C. Bury, Jr., whose $3,000 policy it is alleged has not been paid. The petition states that the Supreme Council is endeavoring to suspend Ottofy on account of a controversy concerning dues and assessments.

The petition further alleges that the trust reserve was dissipated in 1915 by using $1,500,000 to make preferential payments, that the Supreme Council has not restored $500,000 which the Massachusetts commissioner in 1915 ruled was not a valid asset, that the order is not in financial condition to pay certificates at maturity, that the trust fund has been depleted by hiring organizers and by paying prizes, and that the rates have been raised to such an extent that members have no beneficial advantage over holders of regular insurance, that the average age is 60 years and new members are decreasing, that the trust reserve will be depleted in two years, that money has been improperly spent for conventions and that in the present condition of the membership it is impossible to rehabilitate the order.

PERCY V. BALDWIN

Elected Assistant Secretary of the Travelers Life Department at Directors' Meeting Monday

At a meeting of the Directors of the Travelers Insurance Company in Hartford last Monday, Percy V. Baldwin was elected an assistant secretary of the life department. For several years prior to April last, Mr. Baldwin was manager of the life, accident and health departments of the Company's Boston office. But the rapid growth of the life business of the Travelers necessitated his going to the home office to assist in certain important work, where he has been engaged for the past three months. Mr. Baldwin is a native of New York, and soon after taking up the insurance business he went to Boston where for the past dozen years he has had charge of the Travelers business. He was president of the Boston Association of Life Underwriters.

TO TEST DRAFTED MEN

Suggestion of Philadelphia Medical Director Approved by Federal Government Officials

That medical inspectors of the insurance companies throughout the country are looked upon by the United States Government as the most efficient and skilled force for the examination of drafted men when the exemption boards have completed their selections from the ten million men who have registered for military service, and the making of examinations in the home towns instead of at the concentration camps is the conclusion that was reached following a conference between Federal officials and Dr. Robert S. McCombs, of Philadelphia, last week.

Surgeon-General Gorgas and other officials have heartily subscribed to Dr. McCombs' plan and labeled it as the most feasible one to solve a problem that threatened to be an extremely vexatious one. Under the method which the Government had decided upon as its standard the intention was to obtain more army physicians from civil life and to place in their hands the physical examination of at least one and a quarter million men who will be selected for the first two contingents of the new army, one million being designed for service, and the other quarter million being considered as a reserve to provide for the failure of at least twenty-five per cent. of those passed by examination boards ultimately to fill the severe army medical examination conditions.

METROPOLITAN GROUPS.

One for $1,500,000 at Corning, N. Y.—Limited Pay Policies on Brooklyn Risk

The following are the most recent cases of Metropolitan Life groups which have been closed:

Ohio Machine Tool Co., Kenton, Ohio, is the second group case to be closed by Agent Orville McDonald of the Piqua, Ohio, district. Home Store, Springfield, Ohio, closed by Superintendent M. E. Hallinean of the Springfield, Ohio, district. Trenton Cotton Mills, Trenton, N. C., closed by Deputy A. L. Perdue of the Charlotte, N. C., district. This is the fifth case to be closed by this deputy and the sixth written to the credit of this district. Northwestern Trust Co., Philadelphia, Pa., closed by Superintendent H. S. Leyman of the Philadelphia middle district. The Corning Glass Works of Corning, N. Y., was placed through Superintendent A. H. Tully of the Corning, N. Y., district. There is a total of 2,200 employes in this group, and the initial insurance will amount to some $1,500,000.

The Eastern District Piece Dye Works, Inc., of Brooklyn, N. Y., went about their plan of insurance in a different manner than usual. They insured all their employes under age 50, on a limited payment life policy, paid up at age 60. All employes who leave with the consent and good will of this firm after five years of service are entitled to the usual policy concessions, and naturally the cash values on this policy will amount to much more than that under the regular endowment at age 90 policy. All those over age 50 were insured on the endowment at age 90 plan.

THE LATE J. W. CUMNOCK.

James W. Cumnock, general agent in Boston for the Equitable Life Assurance Society, who died recently, was a member of the Century Club in 1914 and 1915, and of the Quarter Million Club in 1916. He and his wife were watching a procession pass when he was taken suddenly ill and died while being taken to the hospital. He was sixty years old.

HOME LIFE INSURANCE CO.
(Now Purely Mutual)
256 BROADWAY, NEW YORK
GEORGE E. IDE, President

The fifty-seventh annual report shows insurance in force of $133,493,000, an increase during the year of $7,832,827. The Company paid the policyholders in 1916 $3,536,233, of which $628,406 was in dividends or premium refund. Its insurance reserve fund was increased by $1,300,000 and the Assets are now $32-821,462.

For Agency apply to
GEORGE W. MURRAY,
Supt. of Agts.
256 Broadway, New York, N. Y.

Build Your Own Business
under our direct general agency contract
Our Policies provide for:
Double Indemnity, Disability Benefits, Reducing Premiums
See the new low Rates
JOHN F. ROCHE, Vice-Pres't
THE MANHATTAN LIFE INSURANCE COMPANY
66 BROADWAY NEW YORK
Organized 1850

BANKERS BLIFE DES MOINES LIFE COMPANY
PAYS GOOD PAY TO GOOD MEN

Ambitious, Productive and Trustworthy Life Agents may be benefitted by corresponding with the
Berkshire Life Insurance Company
of Pittsfield, Mass.
Inc 1851
New policies with modern provisions Attractive literature
W. D. Wyman, President W. S. Weld, Supt. of Agencies

J. C. Humes, President — L. D. Clancy, Secretary
THE CRESCENT LIFE INSURANCE COMPANY OF INDIANAPOLIS, INDIANA
"ENDURING AS THE PYRAMIDS"
A Legal Reserve Company
Are You a Big Producer? Can You Prove It?
ONE GENERAL AGENT WANTED IN INDIANA
Home Office: Fletcher Trust Bldg., Indianapolis, Ind.

Lectures to Women About Insurance

DOROTHY WISEMAN CLUB MEETINGS IN TORONTO

First Woman Supervisor of Women Munitions Labor in Canada—With North American Life

Toronto, Canada, July 9.—Miss Dorothy Wiseman, manager of the new women's department of the North American Life of Toronto, recently returned from Boston where she talked with a number of life insurance women. Her career has been of exceeding interest.



MISS WISEMAN

Miss Wiseman is the eldest daughter of the late Captain Sir William Wiseman, Bart., R. N. Miss Wiseman was born in Aberdeen. About 1903 she had to start and earn her own living. Her first venture in business was in operating tea rooms in London, England. In 1912 she came out to Canada on business for her brother, Capt. Sir W. Wiseman, Bt., and to view possibilities of permanent work in this country.

In the fall of 1912 she went into the office of Robins Limited, and was two years in their land sales and house department—making out very successfully.

In 1914 she returned to England to act as political secretary to her brother, who was standing in the Conservative interests. When war broke out she acted as County Secretary for the Soldiers' and Sailors' Family Association in Warwickshire, with nineteen local secretaries under her. She also worked in the recruiting office after setting the S. S. F. A. firmly on its feet in that county. She went up to London, England, in August, 1915, to organize some Red Cross work, and in March, 1916, she again came to Canada and during the summer of last year spoke at many recruiting meetings.

Supervised Women Munitions Labor

Last September she was asked by L. Goldman president of the North American Life Assurance Company, to take the position of manager for their women's department. At that time M. H. Irish, M. P. P., approached her to take up the work of organizing the Women Munitions Workers of Canada, and Mr. Goldman kindly loaned Miss Wiseman to the Imperial Munitions Board until the work of organization was completed. She resigned in March, and received a gold badge with the inscription, "First Woman Supervisor of Women Munitions Labor in Canada" and the hearty thanks of the Board for her work.

In a letter to The Eastern Underwriter Miss Wiseman said: "We are getting along well in the new department. Of course, insurance for women is a new thing in this country on any large scale and a great deal of missionary work has to be done. About one month ago I was elected president of the Canadian Business Women's Club here. Once a month I have held meetings in our board room for business women in the evening to explain the value of life insurance. We have also had other business women and patriotic workers speaking and the enthusiasm at these meetings has been very encouraging."

Great Southern Life Insurance Company

HOUSTON, TEXAS.



For Agency Contracts address

O. S. CARLTON

PRESIDENT

Bristol Office First Six Month Production

PAYS FOR NEARLY MILLION AND HALF A MONTH

Plans Made to Contract With Large Number of New Men for Route Work This Fall

John I. D. Bristol, general agent of the Northwestern Mutual Life for the Boroughs of Manhattan and the Bronx, reiterated to the writer this week that life insurance commissions for life insurance men only and agency protection mean something to the life insurance salesman and the life insurance business. He then produced a report of the activities of his general agency for the first six months of 1917 showing that the paid for business for that period totalled $8 837,360, an average per month of $1,472,893.

Annual Meeting Contest Winners

In the agency bulletin containing the above information Mr. Bristol also announced the names of the winners in the Milwaukee Annual Meeting Trip contest. Those earning the trip are: Herman Duval, Rudolph Recht, Herman Brandt, I. I. Messing and Theo. A. Peyser.

Six Month Leaders

Following is the record of thirty-four agents who averaged in excess of $12,500 of reported business per month, (personal work only) for the first six months of this year in the Bristol Agency:

Rank	Pd. For Ins.	Rank	Pd. For Ins.
1	656,000	18	156,500
2	522,166	19	156,000
3	452,000	20	153,000
4	375,000	21	132,500
5	370,500	22	131 500
6	362 500	23	118,000
7	314,500	24	115,000
8	283,500	25	106 000
9	222,000	26	98,000
10	193,020	27	97,500
11	177,000	28	95,000
12	175,000	29	93,500
13	174,000	30	91 000
14	172 000	31	89,000
15	171,000	32	82,000
16	161,200	33	80,000
17	159,500	34	80,000

Lost Opportunities

While results in the Bristol Agency are gratifying, Mr. Bristol calls the attention of the members of his agency staff to lost opportunities for greater production. He says:

"More cases than ever before are coming to our attention, of poor work on the part of a number of agents, who are in the habit of 'opening less doors' than they should.'

"These include cases of policyholders having small amounts of Northwestern insurance, written years ago, who have since taken large amounts in other companies; change-of-age cases, where the agent has been fully satisfied with the mailing of notices and having some other agent call and write the case; and quite a number of wholly neglected term conversions that should have gone to the credit of the agents writing the original applications.

"In all of these cases, the applicants have mentioned their surprise that the agents writing the original applications had not called upon them.

To Inaugurate New Departure

"We have heard so much of this of late, that it will be clearly to the interest of this general agency to inaugurate a new departure early in the coming Fall, for which preparations are now being made, looking to the making of contracts with a large number of new men, who will consistently work our route plans, in order that a large portion of the enormous business now being lost to this general agency may be saved."

GROUP INSURANCE

Life, Accident and Health

With the same Prompt and Expert Safety Engineering and Inspection Service and Organization which has made the Name of The Travelers Famous

AGENTS AND BROKERS

Refer Your Inquiries to The Group Insurance Division.

THE TRAVELERS INSURANCE COMPANY.

Hartford, Connecticut

LIVE HINTS FOR BUSINESS GETTERS

Practical Suggestions to Help the Man With the Rate Book Increase His Income and General Efficiency

Put Yourself in His Place

In cracking the ice preparatory to talking life insurance to a prospect it is always important that you put yourself in his place and then argue from that standpoint. If you follow this plan you will always appreciate the moral of the story told about an aged Southern judge who had lost a mule. Although he offered a liberal reward for the animal's return, and the populace hunted diligently, the hybrid "hawss" remained in hiding. One day after the people had given up hope of ever earning the reward, one of the ne'er-do-wells of the town approached the office of the judge holding the end of a rope in his hand while on the other end was the mule.

"Jim, where did you find him?" inquired the surprised jurist.

"Well, suh, jedge, ah'll tell yeh; Ah jes' asked mas'f whur would ah go ef ah wus er mule. Ah jes' went. An' he had."

* * *

Study Less and Work More

A young man came into the office of the New York Life some time ago and asked for "anything we had on the psychology of salesmanship."

He said he was making an exhaustive study of mental phenomena. He had visited several public libraries and was reading all the books he could on the subject. He said he was endeavoring to post himself on the various crooks and turns of the prospects' minds he expected to encounter. He said he wanted to be able to handle every situation and master every contingency in advance. He had been with the New York Life several months. The Company asked him how much he had written and he said three thousand dollars. He preferred to wait, he said, until he felt that he was thoroughly posted psychologically before he went out into the busy world and really tried to get signatures.

"We thought the young man was making a great mistake and we told him so," said Second Vice-President Buckner. "We have great respect for psychology but believe it can be studied better by the majority of life insurance men at the other fellow's desk than in a public library. The place to get experience in psychology is by studying it in the great University of Practical Experience. Suffice it to say the young man is no longer with us. He was too technical, too much of a dreamer, too studious. We advised him to study less and work more. We hardly need to advise most New York Life men that the agent who is well posted on the principles and practice of life insurance, the agent who knows his company and its policies, gets out and hustles and tells his story with enthusiasm to six or eight people every day, is bound to collect a fund of knowledge and a practical experience in psychology that beats everything he could get in ten years from books, and will soon bring him in the shekels and pay his house rent and living expenses up into the luxuries.

"The way to learn psychology is by good, hard work, plenty of it, out among your fellows—you can't get it by theorizing—you can't get it by reading in Public Libraries."

* * *

The Life Insurance Agent

It has become customary for a certain class of ignorant "reformer" to claim that the life insurance agent should be discarded and that the cost of life insurance would be reduced thereby.

He is probahly right about the cost. Abolish the life insurance agent and there will be no cost, because there will be no life insurance.

Just put these questions up squarely to yourself—

Who was it that made you protect your wife and family and home, almost against your own will?

Who hammered into you the knowledge of life insurance and sound protection that you now have?

Where would your family be to-morrow, if you should die to-night and had never seen the life insurance agent?

Who is entitled to credit for protecting your loved ones? Does the credit really belong to you or to the life insurance agent? Be honest!

The life insurance agent is one of the real necessities of modern life. If he is a qualified man, he is an expert in his profession and is able to give you advice regarding life insurance that is as valuable to you as the advice of your doctor or your attorney, whom you pay much more handsomely. The life insurance agent will be a necessity as long as men and women continue to put off or overlook their duty even to their loved ones. Many a widow blessed the memory of her husband because he was thoughtful to protect her with a life insurance policy, but she does not know that the blessings should fall upon her real benefactor—the life insurance agent.—The Franklin Life.

Leonard A. Spalding, who was brought from Omaha, Neb., to become general agent for the Mutual Benefit Life in Baltimore eight months ago, has increased the business at the Baltimore office during the past six months $5,000,000, as against $1,300,000 during the corresponding period last year.

THE MOST VALUABLE POLICY FOR YOU,
Mr. Agent, is to write your prospect in the Company writing the most valuable policy for the insured.
Secure **prompt action** in the

John Hancock MUTUAL LIFE INSURANCE COMPANY OF BOSTON MASSACHUSETTS

WILLIAM N. COMPTON, General Agent
METROPOLITAN DISTRICT, ST. PAUL BLDG., 220 BROADWAY, NEW YORK, N. Y.

ORGANIZED 1871
Life Insurance Company of Virginia
RICHMOND, VIRGINIA
OLDEST, LARGEST STRONGEST Southern Life Insurance Company
Issues the most liberal forms of Ordinary Policies from $1,000.00 to $50,000.00, and Industrial Policies from $12.50 to $1,000.00
CONDITION ON DECEMBER 31, 1916:

Assets	$14,464,552.23
Liabilities	12,436,717.56
Capital and Surplus	2,027,834.67
Insurance in Force	118,349,212.00
Payments to Policyholders since Organization	18,119,172.50
Is Paying its Policyholders over	$1,300,000.00 annually

GOOD TERRITORY FOR LIVE AGENTS

Founded 1865
The PROVIDENT Life and Trust Company
OF PHILADELPHIA, PA.
What do most men fear?
An insufficient income for their wives and children if they die, and for their own old age if they live.
WE WILL INSURE THE INCOME IN EITHER EVENT.
Write for Information

The
Perfect Protection Policy
OF THE
RELIANCE LIFE
gives you something absolutely new and different to talk to your prospects. Gives you a chance to earn more money than you are now making.
Our Life Insurance Contracts contain the most up to date clauses known to the Insurance World. The Accident and Health gives full protection for at least a third less cost than regular casualty companies. Our agency contracts are as liberal as can be made.
WRITE AND WE WILL TELL YOU MORE ABOUT OURSELVES
Reliance Life Insurance Company of Pittsburgh
FARMERS BANK BUILDING
PITTSBURGH, PENNSYLVANIA

A GOOD OPENING
An old, well established, progressive life insurance company, with unexcelled dividend record has good opening at PHILADELPHIA, covering Eastern Pennsylvania. Address, stating qualifications:
PHILADELPHIA, care of The Eastern Underwriter
105 William St., New York City

THE UNITED STATES LIFE INSURANCE COMPANY
1850 IN THE CITY OF NEW YORK 1914
ISSUES GUARANTEED CONTRACTS
Good men, whether experienced in life insurance or not, may make direct contracts with this Company, for a limited territory if desired, and secure for themselves, in addition to first year's commission, a renewal interest insuring an income for the future. Address the Company at its Home Office, 277 Broadway, New York City.
JOHN P. MUNN, M. D., President
FINANCE COMMITTEE {CLARENCE H. KELSEY, Pres. Title Guarantee and Trust Co. / WILLIAM H. PORTER, Banker / EDWARD TOWNSEND, Pres. Importers and Traders Nat. Bank


Get On The Firing Line With Our Triple Option Policy
Liberal Agency Contracts
Every Policy Registered With The State of Missouri
The Company of Today With Methods of Tomorrow
Assets over $8,000,000.00 Insurance in force over $67,000,000.00
International Life of St. Louis, Mo.
Massey Wilson-Pres. J. L. Babler-Gen Mngr. Agencies. St. Louis Mo.

ILLINOIS LIFE INSURANCE CO.
CHICAGO
JAMES J. STEVENS, PRESIDENT
GREATEST ILLINOIS COMPANY
WANTS GOOD MEN AND WILL PAY THEM WELL

Northwestern Mutual on Extra Territory

AGENTS CAN'T SOLICIT OUTSIDE WITHOUT GEN'L AGENT'S O. K.

Company Emphatic About Observance of Resident Agency Laws—Instructions to Agents

Every agent's contract of the Northwestern Mutual Life includes the following paragraph, and the Company will not knowingly issue a policy where this rule has been violated:

> Agent shall not solicit insurance either personally or by correspondence outside of the territory covered by this contract unless the written consent of the general agent of the company in charge of such other territory shall first have been secured through general agent; nor (if such solicitation is to be in a State or territory other than that in which agent is already licensed) until an agent's license in such other State or territory shall have been secured through general agent and company.

In discussing this rule the company says in the latest issue of its "Field Notes":

The Company gives its general agents exclusive control of a certain definite field, and in some cases the general agent gives a district agent like exclusive control of a portion of his general agency field. Manifestly it is not possible for an agent to solicit or write insurance in any locality, either by correspondence or in person, that is not included in his contract. The actual soliciting, the signing of Part 1 and the medical examination must all take place in the agent's own field.

Resident Agents' Laws

Sometimes the applicant, after signing Part 1, will be unable to complete the application by having the medical examination made in the same place. In such cases the agent can ask permission from the general agent in charge of such outside territory, to have the examination made in his field. This courtesy is usually extended but the application and medical examination must be accompanied by a letter signed by the general agent giving such permission.

This does not mean however, that an agent can, for example, sell a policy to the father to be issued on the life of a son who is in another field. Such business is clearly extra territorial and requires the written permission of the general agent for soliciting as well as examination. If State boundaries intervene a license must be ordered through the general agent of the outside field before any soliciting can be done, even if the consent of the general agent has already been obtained.

This is particularly important as a number of States refuse to license non-resident agents and others require a special form of broker's license. Agents residing in States that have a non-resident agents' rule, will usually find it impossible to secure licenses in other States because of the operation of retaliatory laws. By obtaining the license in advance the agent not only complies with the law, but, if the license cannot be obtained for any reason, he saves himself from being put in a very embarrassing position with his prospect or client.

All correspondence with outside general agents in regard to extra territorial business must be through the local general agent. This is necessary because the agent in his contract "agrees that he will devote his time, energy and ability to the promotion of the interests of general agent and of Company as contemplated by this contract, etc." By carrying on the negotiations through his own general agent, implied permission is obtained for such work.

General Agent's Letter of Permission

Every extra territorial case must be accompanied by the necessary letter from the general agent in control of the field. Such letter must be signed by the general agent personally and should state to what office the business is to be credited.

When an agent has written extra territorial business, after the proper procedure, either a contract or memorandum covering the commission agreement should be filed with the agency department.

Violations of these rules not only do an injustice to the general and district agents who have been given exclusive territory, but jeopardize the interests of the Company and frequently involve the agent in serious difficulties with the State Insurance Commissioners.

44 MILLIONS from 42 AGENCIES

THE 1916 RECORD OF OUR EARNEST, LOYAL AND HAPPY AGENCY FORCE

New England Mutual Life Insurance Company

BOSTON, MASS.

BLIND AGENT QUITS

Lloyd C. Baker's Success Had Been an Inspiration to Handicapped Agents Everywhere

With regret The Eastern Underwriter learned this week that Lloyd C. Baker, agent of the Connecticut General in Olean, N. Y., has been forced to retire from life insurance selling by reason of physical infirmities. In spite of handicaps Mr. Baker has written a large amount of insurance. His work, described in detail by The Eastern Underwriter recently, was an inspiration to hundreds of agents. His eyesight, which has been growing weaker steadily, has entirely failed him and he is no longer able to carry on the business of the agency.

Mr. Baker wrote his policies from a wheeled chair and under circumstances which would have discouraged many a man of greater physical strength. "The men that he has persuaded to sign on the dotted line, know how thoroughly he had informed himself as to the details of the business and how forcibly he could present the advantages of any of the Company's policies," was a comment of a local paper in announcing his retirement.

Program of American Life Convention

MEETINGS IN GRAND RAPIDS AUGUST 8, 9 AND 10

Handling of War Hazard and Insurance Journalism Executive Session Topics

The American Life Convention, which is to hold its annual convention in Grand Rapids on August 8, 9 and 10, now has 105 members. These companies, which have headquarters in thirty-three States, have more than $2,570,000,000 in force. Their assets are more than $335,000,000; their reserve more than $272,646,219. They made a total gain in insurance in force last year of $352,503,076 and increased their assets last year more than $42,000,000.

The day before the convention—August 7—will be devoted to the legal section, the subjects to be discussed being "Waiver of Forfeitures" and "Claims Under Disability Clauses."

At an executive session of the main convention, on the evening of August 8, there will be a discussion of the method of handling the war hazard and of questions relating to insurance journalism.

Insurance Journalism

The insurance newspapers have occupied some time in executive committee deliberations at past conventions, and for two years the American Life Convention has been asking for circulation figures. As is well known, there are three types of insurance circulation which account for a considerable variation of figures.

First, there is the paper with individual circulation, every reader sending his check for his subscription.

Second, there is the group circulation paper, which companies buy in club lots, distributing to their agents gratuitously.

Third, there is the paper which features write-ups, subsisting by the sale of extra copies.

The American Life Convention, which is composed of 105 companies, is trying to separate the sheep from the goats and is also attempting to do away with some abuses.

Program in Full

The Grand Rapids program follows:

Wednesday Morning, August 8.

Music by Schubert Male Quartet.

"The Convention Host," Mr. W. A. Watts, president Merchants Life, Grand Rapids, Mich.

Address of Welcome, Hon. P. C. Fuller, Mayor of Grand Rapids.

Response, Mr. George A. Grimsley, president Jefferson Standard Life, Greensboro, N. C.

The President's Address, Mr. Charles F. Coffin, vice-president State Life, Indianapolis, Ind.

Afternoon.

General Topic—"Home Office Efficiency."

(a) "Home Office Organization," Mr. H. A. Hopf, manager planning department, Phoenix Mutual Life Insurance Co., Hartford, Conn.

(b) "Educating the Employe," Mr. Charles G. Taylor, vice-president and actuary Atlantic Life, Richmond, Va.

Discussion.

Thursday Morning.

General Topic—"Home Office Duties to Policyholders."

(a) "When the Policyholder is New," Mr. Frank P. Manly, president Indianapolis Life Insurance Co., Indianapolis, Ind.

(b) "When the Policyholder is Old," Mr. Emmet C. May, president Peoria Life Insurance Co., Peoria, Ill.

Discussion.

Afternoon.

General Topic—"The Payment of Claims."

(a) "Ordinary Payments," Mr. G. W. Steinman, secretary Midland Mutual Life, Columbus, O.

(b) "Extraordinary Payments," Mr. George Fowler, assistant secretary Bankers Life Company, Des Moines, Ia.

Discussion.

Evening.

Music—Schubert Male Quartet.

Address—Ex-Governor Osborn.

Convention Social Hour—Mr. and Mrs. W. A. Watts in charge.

Friday Morning, August 10.

"Elimination of Waste in Agency Management," five minute addresses—Mr. H. R. Cunningham, vice-president Montana Life, Helena, Mont.; Mr. A. D. Hindman, vice-president American Life, Des Moines, Ia.; Mr. Edw. S. Chadwick, vice-president Idaho State Life, Boise, Idaho; Mr. J. P. Sullivan, vice-president Farmers & Bankers Life, Wichita, Kans.; Mr. R. W. Stevens, vice-president Illinois Life, Chicago, Ill.

Business session; election of officers; adjournment.

PREACH MONTHLY INCOME

I personally believe that it's the duty of every life insurance man in the country to preach Monthly Income protection every business day of his life! says Robert J. Mix, of The Prudential. I think it's his duty because every life insurance man who has given any thought to the subject knows that there is nothing on earth that compares with Monthly Income! Every insurance man in the country knows that if he could persuade every one of his prospects to invest in a Monthly Income protection contract he would be doing each man more good than he could possibly do him in any other way! He knows that the selling of a Monthly Income contract means, or may mean, the preservation of the prospect's family—its protection from want—an absolutely safe and sure fixed income for the life of the beneficiary, and he doesn't know of any other way under heaven whereby the same result can be accomplished through a contract that can be purchased on the instalment plan! That's what every life insurance man in the country knows!

The Nation Needs Its Business

Not less patriotic than those who serve the Nation in organizations directly connected with the war, are those who keep the wheels of business steadily turning. Their work contributes to the country's moral poise, and, as well, keeps sound the financial foundation on which our great part in the war must rest. Life insurance is one of the great conservators of national resources, through its protection of the myriad homes of the people and the businesses which furnish their maintenance. Life insurance has therefore a great opportunity and a great duty in this time of crisis.

Occasionally we have a General Agency opening

JOSEPH C. BEHAN, Superintendent of Agencies

MASSACHUSETTS MUTUAL Life Insurance Company

Springfield, Massachusetts

Incorporated 1851

WAR TIME RULINGS OF THE MUTUAL BENEFIT LIFE

(Continued from last week)

"Where the applicant is engaged in military or naval service at the time the policy is issued, the extra premium is immediately payable and an agent must not accept prepayment of the regular premium or sign the prepayment receipt unless the applicant shall pay both the regular and the extra premiums. The first premium receipt will include the regular and the extra premium. Where the applicant subsequently engages in military or naval service, a pro rata extra premium will be required to carry the risk until the next regular premium or fractional premium is payable. The uniform extra premium is payable with the regular premium under the policy.

"It should be remembered that under the uniform war clause the extra premium is payable by all those engaged in military or naval service, whether in the United States or abroad. In the event of failure to pay the extra premium required, the liability of the Company in the event of the death of the insured while engaged in military or naval service, or within six months thereafter, is limited to the return of the premiums paid. An applicant so engaged who fails to pay the extra premium when due cannot subsequently, when going abroad, for example, pay the extra premium and restore the liability to the full amount of the policy. Agents should make sure that policyholders clearly understand this provision of the uniform war clause.

"Agents are reminded that the Company is free at any time to change its practice as to new policies, or to require in case of outstanding policies which are subject to the uniform war clause, whatever extra premium the Company may decide to be necessary. The Company does not agree to maintain the extra premium at its present amount, except during the first policy year for outstanding policies subject to the uniform war clause. Agents are strictly warned that they must not under any circumstances make any statement, express or implied, regarding future war premiums or the conditions under which they will be required, beyond the provisions of the war clause.

"Attention is drawn to the fact that under the provisions of the uniform war clause, any portion of the extra premiums as in the judgment of the Company is not required to cover the extra hazard, will be returned within one year after the termination of the war. The Company will do likewise in case of extra premiums paid under the war clause first adopted.

"4. Men whose regular occupation was that of the Army or Navy at the time war was declared will not be considered for any amount. Otherwise, the limit of insurance for those who have enlisted or expect to enlist in military or naval service is $5,000.

"5. Single men over twenty-one and not thirty-one years of age on June 5, 1917, will not be considered for more than $5,000 insurance. Married men within the same age limits who do not expect to volunteer for military or naval service and who have not been and are not likely to be drafted will be considered for not more than $10,000. In exceptional cases where, by reason of the insured's occupation, it seems highly probable that he will not be drafted, the Company is willing to consider applications for larger amounts, but in each such case full particulars must be submitted to the home office before an application in excess of $5,000 or $10,000, as the case may be, is submitted.

"6. The limit of insurance for applicants who do not contemplate engaging in military or naval service, who were above age thirty-one on the fifth of June, 1917, but whose insurable age is thirty-one, will be $60,000, increasing by $10,000 for each age up to and including age thirty-five. For ages above thirty-five the limit will be as at present.

"7. Applicants who are engaged as civilians in Red Cross, ambulance or hospital work connected with war operations, or who expect to be engaged therein, will be limited to $2,000 on the fifteen-year endowment plan without extra premiums, but their policies will be subject to the conditions of the war clause if they become engaged in military or naval service. If enlisted members of hospital or ambulance units, they will not be so limited and the payment of the extra premium for military service will be required to maintain their policies in full effect.

"Members of the United States Ambulance Corps, of the American Field Service, and of the Naval Coast Defense Reserve, or Coast Patrol, are regarded as engaged in military or naval service.

"Members of the Civilian Police Reserves will be considered without any other restrictions than those that apply to all applicants.

"The $5,000 limit applies to members of the National Guard and to members of the Naval Reserve.

"Members of the Medical Reserve Corps will be part of the regular army and not part of the Red Cross if they are called upon to serve. They are therefore subject to the $5,000 limit and not to the restrictions relating to Red Cross workers.

"Those who are training for or have become convalescent nurses will be subject to no other limitations than those imposed on all other women applicants.

"Applicants who expect to engage in Y. M. C. A. work within the field of war operations in Europe will be limited to $5,000 of insurance and will be charged a single extra premium of $10 per thousand of insurance, payable on delivery of the policy, in addition to the first regular premium. Policies will not be issued on the term plan or with a preliminary term rate. Such applicants are not engaged in military or naval service, but their policies will be subject to the provisions of the war clause, and the payment of the above extra premium will not relieve the insured of the necessity of paying the required extra premium for military or naval service if the insured shall become engaged in such service.

"Applicants who are members of sawmill units who shall be engaged as

ALWAYS A PLACE FOR DEPENDABLE AGENTS

Those who can not only write applications but deliver policies, and are energetic in their methods. Good positions are ready for such men.

Union Mutual Life Insurance Co.
PORTLAND, MAINE
ARTHUR L. BATES, President
Address: ALBERT E. AWDE
Superintendent of Agencies
7 W. Madison St., Chicago, Ill.

We want a GOOD PERSONAL PRODUCER and organizer for DESIRABLE TERRITORY in several states west of the Mississippi River. EXCELLENT CONTRACT.

Northwestern National Life Insurance Company
MINNEAPOLIS, MINNESOTA,

is a LEADING LOW NET COST, annual dividend, MUTUAL, OLD LINE company. Record for 1916—increase in insurance in force, 20%; in paid-for business, 51%; in assets, 15%; in amount apportioned for 1917 dividends, 71%.

40% Increase in Paid New Premiums—that tells the 1916 story of Fidelity progress.

Direct leads and the Fidelity "Income for Life" plan are making money for Fidelity field men. Any man who can sell life insurance can sell MORE Fidelity insurance.

Write to-day—

Fidelity Mutual Life
INSURANCE COMPANY, PHILADELPHIA
INCORPORATED 1878 WALTER LE MAR TALBOT, President

State Mutual Life Assurance Co.
OF WORCESTER, MASSACHUSETTS
Incorporated 1844

The Company that gives complete satisfaction to policyholders and agents because both are a part of it.
SEVENTY-THREE YEARS of faithfulness to every promise made.
Success for our ambitious representatives is a certainty.

Additions are made to our agency force when the right men are found

B. H. WRIGHT, President D. W. CARTER, Secretary
STEPHEN IRELAND, Inspector of Agencies

Security Mutual Life Insurance Company
Binghamton, N. Y.

Offers to men able to produce business first class territory, with direct contract providing liberal compensation.

For particulars, address

C. H. JACKSON, Supt. of Agencies

Are You Permanently Established?

Write for Territory

Pennsylvania—Ohio—West Virginia

PHILADELPHIA LIFE INSURANCE CO.
PHILADELPHIA

A PENN MUTUAL PREMIUM, less a PENN MUTUAL DIVIDEND, purchasing a PENN MUTUAL POLICY, containing PENN MUTUAL VALUES, make an INSURANCE PROPOSITION which in the sum of ALL ITS BENEFITS, is unsurpassed for net low cost and care of interests of all members.

THE PENN MUTUAL
Life Insurance Company
OF PHILADELPHIA

On January 1, 1909, rates were reduced and values increased to full 3% reserve

War Time Rulings of Mutual Benefit

(Continued from page 8)

civilians to work solely in Great Britain or in France, will be subject to the same rules as are applicable to the Y. M. C. A. workers.

"Aeronauts will not be considered on any plan.

"8. In all cases the limit of insurance will include all outstanding insurance held in this Company, whether in full force or running under extension. The amount of risk under deferred survivorship annuities must also be included.

"9. No commissions will be paid on any extra premiums.

"10. No survivorship or deferred survivorship annuities will be issued on the lives of those who are engaged or who expect to be engaged in military or naval service, nor on the lives of applicants rating at forty years of age and under.

"11. Term policies will not be issued to those who have enlisted or who expect to enlist in military or naval service, nor to those between the ages of twenty-one and thirty-one on June 5, 1917. This rule applies also to the preliminary term.

"12. Lapsed policies which do not contain a war clause and are re-instated within sixty days of the premium due date, or which have not less than two years' extended insurance from the date of re-instatement, will be re-instated without the war clause. Where sixty days have elapsed since the premium due date and there is less than two years' unexpired extended insurance and policies are less than five years in force, the information called for on Form No. 476 must first be furnished. Where policies are more than five years old Form No. 476-A must be furnished. The re-instatement of such policies will depend upon the answers to the questions contained in Form No. 476 or No. 476-A, which should be forwarded with the application for re-instatement. The insertion of the war clause and the re-instatement of policies will be governed by the rules applicable to new insurance. For example, if the insured has enlisted, insurance will not be re-instated which would increase the total amount in force on the life in the Mutual Benefit to over $5,000. That is to say, if the insured has a $3,000 policy in force and a $5,000 contract in default, $2,000 only of the $5,000 policy will be re-instated, and in the re-instatement the insured must surrender the balance of the $3,000 which is in force under the extended insurance provision. Again, if the insured is a Red Cross worker and has a $5,000 policy in force on the ordinary life plan, the Company would be willing to consider re-instatement for $2,000 only and if changed to the fifteen year endowment plan. Again, if the insured has not enlisted and has a policy of $50,000 in default and he is not over thirty-one years of age, the Company would be willing to re-instate $5,000 or $10,000 only, depending upon whether or not the applicant is married, and, as above, the remaining insurance which would otherwise be in force under the extended insurance provision must be surrendered in connection with the re-instatement. It will be remembered that these special rules apply only to policies in default for more than sixty days and where the extended insurance is for less than two years, and to policies less than five years in force.

"13. Applications on the lives of women must in every instance be accompanied by Form No. 475-A, and applications for re-instatement on the lives of women must be accompanied by Form No. 476-A. The war clause will not be attached to policies issued on the lives of women, but the information called for on Forms Nos. 475-A and 476-A will be required in every case.

"14. No changes of plan which would increase the amount at risk will be made if the insured contemplates engaging in army or navy service or in Red Cross work, or was over twenty-one and less than thirty-one years of age on June 5, 1917. Otherwise a change will be considered if the insured does not contemplate engaging in such service or Red Cross work, provided the credit to the insured on account of the change is not over $25.00 per thousand of insurance. If the credit which would arise on account of the change is in excess of $25.00 per thousand, no change will be made under any circumstances if the insured is under forty years of age. If the insured is over forty years of age and does not contemplate engaging in military or naval service or in Red Cross work, changes of plan will be considered without restriction. These rules regarding changes do not apply to the conversion of five-year term policies in accordance with their terms, or to changes of plan which reduce the Company's risk. The conversion of five-year term policies which are more than four years and one month in force will not be considered on any terms, unless the insured is over forty-five years of age.

"15. Within two months from the date of this circular the Company, upon return to this office of any policy containing the war clause first adopted, with Form No. 477, signed by the insured, will cancel the war clause now attached thereto and substitute therefor the new war clause, provided that at the time of making such request the insured shall pay the extra premium or premiums that would have been payable if the new war clause had been originally incorporated in the policy, with six per cent. interest. This change will not be made if the insured has engaged in military service outside the States of the United States or the District of Columbia, or in naval service, without paying the extra premium required for such service. If the extra premium has been paid, the Company will refund the difference between the premium paid and the premium required under the new clause, without interest.

"16. Hereafter, the extra premiums payable under the war clause first adopted will be payable with the regular premiums instead of annually from the date of engagement in service, as heretofore. During the first policy year the extra premium will be at the following rates for $1,000 insured: $51.00 each half year, or $26.00 each quarter. For the interim between the time of engaging in military service outside of the States of the United States and the District of Columbia, or in naval service, and the next regular premium due date, the extra premium will be at the rate of twenty-nine cents per day per $1,000 insured, but not more than the extra full annual, semi-annual or quarterly premium, as the case may be.

"After the first policy year the extra premiums and conditions under which such extra premiums are payable will be the same under the war clause first adopted as under the new clause, and to those who have paid an extra premium under the first clause, which runs into the second policy year, the Company will make a proper refund or credit.

"The provisions of the clause first adopted will not be enforced by the Company if the insured shall not engage in military or naval service in time of war during the first five policy years. If he shall be so engaged and shall not pay the required extra premiums, the reduced liability of the Company will continue during the full term of ten years."

THE
METROPOLITAN LIFE
Insurance Company
(Incorporated by the State of New York)



Metropolitan Life Insurance Company
Home Office Building

The Company
Of the People
By the People
For the People

The Daily Average of the Company's Business during 1916 was:

701 per day in Number of Claims Paid.

8,304 per day in Number of Policies Issued and Revived.

$1,969,823 per day in New Insurance Issued, Revived and Increased.

$376,827.40 per day in Payments to Policyholders and Addition to Reserve.

$220,509.26 per day in Increase of Assets.

JOHN R. HEGEMAN, President

Representing

The Mutual Life Insurance Company of New York

You will make money.

The great strength, big dividends and incomparable benefits of the *"oldest company in America"* mean certain success for you.

For Terms to Producing Agents, Address

GEORGE T. DEXTER, 2d Vice-President

34 NASSAU STREET. NEW YORK, N.Y.

Did Year's Task in Half Year's Time

SPLENDID ACCOMPLISHMENT OF KANSAS CITY LIFE

Wanted to Become $100,000,000 Company by December, 1917—Succeeded by July

On June 30, 1917, the Kansas City Life, had insurance in force of $103,372,467. The significance of this achievement can be seen when the Company announced at the beginning of the year that it would attempt to make good its slogan—"A Hundred Million Dollar Company During 1917." The entire agency force took hold of the task and completed it in less than half the time. It was an evidence of the Kansas City Life spirit manifested time and time again by the field force.

Discusses Achievement

In discussing the achievement the Company says:

"We have written during the half year $24,814,963 which is a great record for our agency force. There has been no large amount come from new territory and little has been lost from old territory, so that the gain seems fairly evenly distributed. Some splendid personal records have been made. In all, the written business shows a gain of 122 per cent. over the first half of 1916; the issued and paid for business shows a gain of 106 per cent. over the first half of last year.

"In spite of the disturbed commercial conditions on account of the war, there has been a steady increase in all departments of the Company. The investment of $2 000 000,000 in Liberty bonds by the people of the country has caused little, if any, disturbance in the cash payment of premiums on both renewal and first year business.

"Agency representatives together have accomplished a great task. To whom this means individual success, the records of the Company will show. We are sure your prosperity is commensurate with the amount of effort put forth.

"We are entering upon a new era. The first one hundred million is an actual reality. We have dreamed it but now we realize it and we felicitate ourselves upon its achievement. To the agency force is due in great part the honor of this accomplishment and we heartily commend the spirit of loyalty which has prompted and inspired you."

THE EASTERN UNDERWRITER

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COMPLICATED SITUATION

If life insurance men are a little bit puzzled regarding war provision clause uniformity and about the soldier and sailor dependency situation at the national capital the fault is not their own. In the main their chief desire is to cooperate, to offer their services, to help straighten matters out, to do all that they can for the interests of all. When Secretary McAdoo called upon the life companies to meet and advise with him in Washington they responded to the number of more than one hundred. They placed at the disposal of the Government their actuaries, their clerks, their co-operation in every way. A committee of ten was named by the Secretary for further consultation.

It is now learned that when the Secretary issued his call he was not completely informed of other movements in the Government along the same line. However, he soon learned that Judge Julian W. Mack and Captain S. Herbert Wolfe are engaged in formulating a broad general plan, and The Eastern Underwriter is informed that he has expressed his desire to work with these gentlemen and that there is absolute harmony between all the various interests. Up to Wednesday of this week the special life insurance committee, appointed by Secretary McAdoo, had not been informed of any date for a meeting, and the committee is watching developments.

In the meantime, the uniform war clause committee of commissioners does not seem to be making great progress, and some companies which at first agreed to uniformity are somewhat perturbed, particularly that element which printed hundreds of thousands of circulars and then had to toss them into the waste-paper baskets. The weakness in the commissioners' uniformity movement was the fact that the committee naturally and legally had only advisory powers, while three of the States, at least, not only did not agree to uniform clauses but opposed them.

With the system of a multiplicity of jurisdictions in State supervision—a superintendent in every State—and with a large group of public officials in Washington, all having more or less power, misunderstandings cannot be prevented, particularly in war time when problems are of magnitude, acute and pressing. In the case of the soldier and sailor indemnities, however, co-ordination is only a question of time, and on the surface at least is rapidly being reached.

WHY NOT CALL ADAMSON'S BLUFF?

For sheer misinformation it would be hard to surpass some of the statements about the New York fire loss submitted to New York daily newspapers by Fire Commissioner Adamson. His figures and the companies' differ by a margin of anything between $1,500,000 and $3,000,000; and his estimate of the amount of insurance on buildings as compared with contents is ridiculous. Fire insurance men are naturally modest, and do not care to see their names in print; but there are times when the light should come from under the basket before a great deal of harm is done to fire insurance interests, and there should have been fire insurance rebuttals to Adamson's statements, not only when they did appear but every time that they appear.

ENTERS INSURANCE BUSINESS

Large Brokerage House Expands Scope—William G. Goodwin, of Gilmour, Rothery & Co., Manager

The Ocean Company, Inc., of 26 Beaver St., has organized an insurance department to do a fire and marine brokerage business. William G. Goodwin, resident manager in New York of Gilmour, Rothery & Co., of Boston, has been made manager of the department. He will retain his connection with Gilmour, Rothery & Co. Arthur F. Houts, of Arthur F. Houts & Co., has been made assistant manager.

The Ocean Company, Inc., conducts a world wide general brokerage business and has already taken over several large fire and marine accounts.

TO WRITE AUTOS

The National Union is now writing automobile insurance under various forms.

HEAR CONSERVATION TALKS

The meeting of the Underwriters' Association of New York State in Syracuse this week was largely devoted to a discussion of conservation questions. E. W. West, of the Glens Falls; Lawrence Daw, of the association; and others spoke.

RICHARDS' NEW APPOINTMENT

Harry S. Richards has been appointed special agent of the New York Underwriters' Agency in Western New York, as successor to Robert Forrest, who has enlisted for service in the war. Mr. Richards' experience covers many years as field man in this State, first for the Continental and afterwards for the Niagara.

TRADING WITH ENEMY

The insurance section of the Trading-With-the-Enemy Bill will be found on page 3 of this issue.

CAPTURED BY F. & D.

The Fidelity & Deposit secured five of the sixteen contract bonds running to the Government for the construction of the army cantonments. This was more bonds than was secured by any other surety company.

THE HUMAN SIDE OF INSURANCE



HENRY L. ROSENFELD AND HIS TWO SONS, H. L., JR. (LEFT) AND JAMES (RIGHT)

Henry L. Rosenfeld, fourth vice-president of the Equitable Life Assurance Society, is one of the life insurance executives who have more than one son in the service. A picture of Mr. Rosenfeld and his two sons is reproduced in this column. Henry L. Rosenfeld, Jr., who was at one time with the Equitable Life Assurance Society, is now in Camp Funston, Leon Springs, Texas, trying for a commission in the infantry. James Rosenfeld served five months on the Mexican border last year with the First Field Artillery of Pennsylvania. He has now been recommended for a commission in the Engineers.

Henry L. Rosenfeld himself has seen the European armies at pretty close range, as he has made several trips to Europe since the war started and has visited most of the countries engaged in the great conflict.

Whenever Mr. Rosenfeld visits an agency he is generally asked by the manager to relate his European experiences and give his impressions of the great events through which the world is now passing. Recently, he discussed the various human interest elements of the war before 150 of the life insurance men at Pittsburgh.

* * *

E. G. Snow, president of the Home, had a narrow escape from death when an automobile in which he was riding, and which was driven by his son, ran off a viaduct in the Bronx, fell thirty feet and landed on its wheels. With the exception of a slight dislocation of his shoulder he was not injured. News of the accident caused a great deal of concern to Mr. Snow's hundreds of friends, as he is one of the most popular insurance executives in the United States.

* * *

Frank H. Ellsworth, of Benton Harbor, has been appointed Insurance Commissioner for Michigan to succeed John T. Winship, whose term of office expired on June 30. Mr. Ellsworth is a lawyer in high standing throughout the State, and was at one time Judge of Probate of Berrien County. At the present time he is president of the Berrien County Bank of Benton Harbor, and was formerly corporation attorney of his home city. Among other interests in which he is engaged is that of the Michigan Realty Company, of which concern he is president, and he also has represented the Globe Indemnity Company.

H. E. Maxson, former special agent of the Continental, who left to go with the Charles R. Neidlinger office, and who has just joined the forces of the American Eagle, will have supervision of the Eastern States, Southern States and Cuban business. He has made one trip to Cuba since his connection with the Neidlinger office.

* * *

R. G. Poland has been appointed Insurance Commissioner of Montana. The former Commissioner, who was also State Auditor, William Keating, died.

* * *

Rupert F. Fry, president of the Old Line Life, Milwaukee, is a life insurance chief executive who goes into the field when he feels a little stale. Last week he traveled with one of the company's general agents. He and this general agent wrote and had examined $54,000 and secured settlements at the time the applications were taken which will insure the delivery of such contract. Five applications were taken for the amount of insurance involved. When the result of the president's excursion into the field was posted it had an encouraging and stimulating effect upon the field force.

THE WISCONSIN LAW

Anti-Rate Discrimination—How Stamping Office is Supervised—Power of Department

The new Bennett law in Wisconsin provides for the regulation of fire insurance rates and prohibits discrimination. Under the provisions of this act all insurers writing fire, tornado or sprinkler leakage insurance are required to be members of a rating bureau. All rating bureaus are required to maintain an office in the State of Wisconsin in which a record covering all risks rated by it are to be kept permanently. Another feature of this law that is new is a requirement for a stamping office to which a report of all writings of companies is to be made. This stamping office will be under the supervision of the Insurance Department and is designed as a check upon discrimination by companies or agents. A company is authorized to write at a rate different from the rate made by the bureau by filing with the bureau and the Insurance Department a schedule of its variation from the bureau rate. The variation must be uniform for all risks within a class. The Commissioner of Insurance is given the power, upon his own motion, or upon the complaint of any interested person, to investigate a rate to determine whether or not it is reasonable or discriminatory. He is empowered to make an order fixing a maximum reasonable rate and also to require the removal of the discrimination.

If any company is found to be discriminating it cannot remove the discrimination by raising the rate. All riders affecting the hazard for which a bureau charge is not made must be submitted to and approved by the Department of Insurance. Under another provision of this law a schedule and classification is required to be uniform for all insurers operating in the State. On or before January 1, 1919, the report of survey of all risks specifically rated must be stamped with the class number, and after that date all records relating to a policy covering such risk must bear the class number. Insurance companies will be required to annually report the amount of insurance written, the amount of losses incurred and the volume of premiums collected by classes.

FIRE INSURANCE DEPARTMENT

Schreiner Writes to New York "Tribune"

DIDN'T WANT MUNICH TO CARRY MUNITION PLANTS

Denies That He Traveled to New York as Valet to American Millionaire

Carl Schreiner, United States manager of the Munich, who has been attacked in the New York "Tribune," which called him a German spy, has mailed from Rockledge, Lake George, N. Y., the following statement to the New York "Tribune":

Editor the New York "Tribune": On the first page of the New York "Tribune" appears this heading, "First To Last—The Truth."

This leads me to believe that when I correct a statement which appeared in the New York "Tribune" of June 29, 1917, in the third column of the front page, my correction will receive the same prominence which has been given to the original statement causing the correction. Moreover, the statement contained in the "Tribune" of June 29 has been taken up by other papers, (I refer to the Hartford "Courant," Hartford "Times," etc.,) and has received an extended publication.

I am one of the managers of the Munich Re-Insurance Company of Munich; I have been the manager of the Munich Re-Insurance Company's foreign department, in London from 1890 to 1914; I am the manager of the Munich Re-Insurance Company, United States department in Hartford, Conn. As such I declare the statement made in your issue of June 29 that a re-insurance company has the right of access to munition plants as untrue. I further state that neither my company nor I myself has employed Professor John Bassett Moore.

I am not aware of the name, nor do I know the man of whom your paper states that he has made pilgrimages to the Capitol in the interest of German companies.

During my business career I have often requested our business friends if possible not to interest the Munich on munition plants, I am also aware that at least one other manager of a German company doing re-insurance business in this country has acted in the same manner.

Your statement that I am one of the thirty-two spies Scotland Yard made every effort to reach when war was declared, I am unable to verify, but I am able to state that a day before I left London—I left Saturday, the 8th of August, 1914, per steamer "Laconia," Liverpool for New York—I went personally to the police station in Crouch End, London N., and gave notice of my departure.

The passenger list of the "Laconia" contains the following particulars: passenger: Carl Schreiner; business, insurance manager; nationality: German. This list is in the papers of the Port of New York. It is untrue that I travelled as the valet of an American millionaire.

I finally state that I have no connection with the German Government. I am a German and have never hesitated to act as such. Since the United States has declared war on Germany I considered it, however, my duty to abstain from any arguments.

FRED'K ACKERMAN PROMOTED

Former Special Agent of National Union Made Assistant Secretary of Company

At the last meeting of the board of directors of the National Union Fire Insurance Co., of Pittsburgh, Frederick H. Ackerman was elected assistant secretary of the company. Mr. Ackerman was formerly special agent of the company in New Jersey and was transferred to the home office last March to take charge of the brokerage department. Mr. Ackerman has been with the National Union for a long term of years and has had a wide experience including the adjustment of losses in San Francisco after the conflagration.

PREMIUM VOLUME GROWING

This Despite Decreases in Individual Rates—Larger Values and Side Line Activities

Is the premium volume increasing or going back? In the opinion of underwriters it is growing and that despite the cutting down of the individual rates caused by sprinkler installations and other reasons.

The premiums are increasing because of the enhanced valuations and of the growing popularity of side lines.

APPOINTED FOR NEWARK

The J. H. Epworth agency has been appointed agents of the New Brunswick Fire Insurance Co. for Newark and vicinity.

Additional Belle Iron Insurance

The George Gescheiter agency of Steubenville, Ohio, this week finished placing in New York the $9,000,000 use and occupancy and $7,000,000 property insurance on the Belle Iron Works plant of that city.

FIRE AND MARINE INSURANCE—ALL LINES

The Automobile Insurance Company of Hartford, Conn.

MORGAN G. BULKELEY, President

Statement January 1, 1917

Cash Capital	$1,000,000.00
Assets	2,748,832.19
Liabilities (Except Capital)	1,039,977.81
Surplus to Policyholders	1,708,854.38

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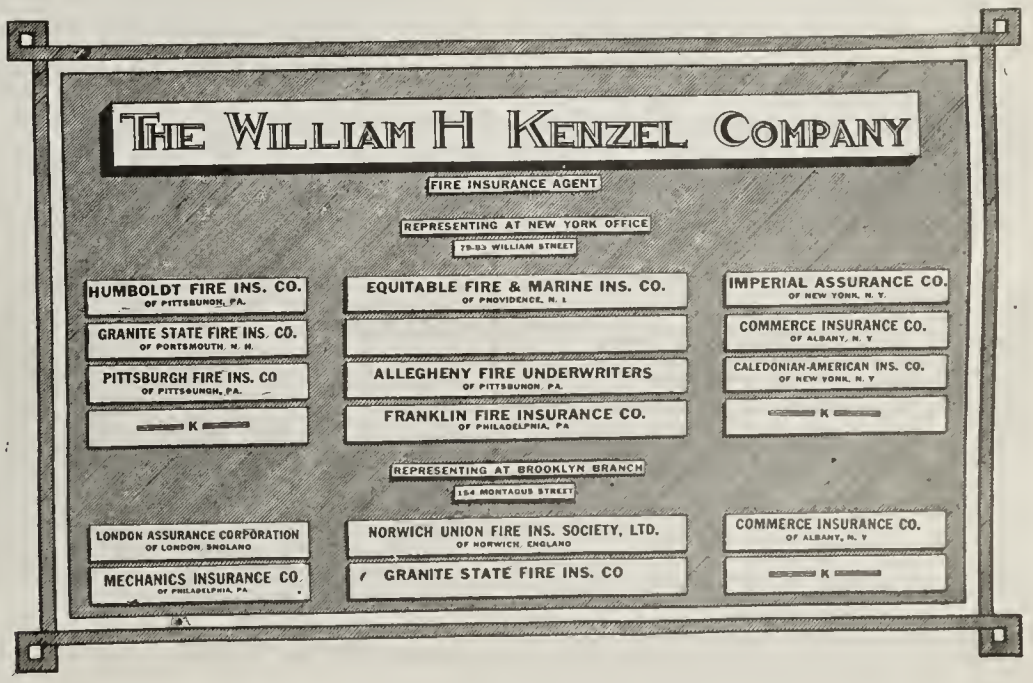
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Adamson's Colored Fire Loss Figures

DISCREPANCY BETWEEN HIS RECORDS AND COMPANIES

Trying to Make Capital for Fire Department at Expense of Insurance Companies

A series of attacks upon the fire insurance rates of New York City made in daily newspapers by Fire Commissioner Robert Adamson, is believed to be an attempt to throw off the scent that part of the public which is making too close a scrutiny of the fire loss of New York City last year in comparison with some other years. Mr. Adamson is a clever writer, who served a long apprenticeship as a political reporter on the New York "World," who has managed several political campaigns, and who appreciates and understands the eternal popularity of making an assault on fire insurance rates.

Adamson's Statement

Mr. Adamson makes the statement that in this city last year there was collected $25,000,000 in premiums, while the fire loss was only $8,746,404. He makes the bald statement that the public paid the companies $16,000,000 more than it received from the companies. He further says that insurance on buildings and vessels in which fires occurred in this city last year was $222,786,999 whereas the fire loss of these buildings and vessels was $3,018,410. He also declares that on contents of buildings estimated insurance was $53,482,805 and the fire loss was $5,060,569. Another statement he makes is that the great bulk of local insurance is on buildings, instead of the contents of buildings, and that the real estate owner, therefore, bears four-fifths of the total insurance burden.

It is presumed that Mr. Adamson has relied heavily upon fire patrol figures.

It would be hard to grossly misrepresent the actual figures more than Mr. Adamson has done, and the unfortunate part of it is that he knows there is misrepresentation. Time and time again his attention has been called to underestimates of losses. It is only natural that the fire commissioner of a metropolis should want the fire loss kept as low as it can be jammed down for the purpose of making a record, but when the extent of the loss is deliberately faked for the purpose of impressing the public the proceeding smacks of the very Creelism which has placed the Government's Bureau of Information in a bad light—colored news.

The present system of reporting insurance leads to misconceptions also. The fire damage reports show amount of insurance involved in fires as reported and adjusted. If there are four fires in one year on four floors of a skyscraper the total insurance on the building is given four times, but the contents insurance is reported only according to the occupancy damaged. This will account for discrepancies between the actual amount of insurances and reported amounts.

While Mr. Adamson believes the fire loss was less than $9,000,000, the companies are sure it was in reality over $10,000,000. Every year there is anywhere between $1,500,000 and $3,000,000 difference between what the fire commissioner says the loss was and what the companies actually paid. Now, if Mr. Adamson had included Black Tom—lines written over the New York counters—there would be some additional millions to reckon with, and why did he not include Black Tom?

Forgets About Conflagration Excess

Another point lost sight of by Mr. Adamson is the constant menace of conflagration and the charge therefor. It is axiomatic that in a city of the size of New York there must be considerable excess of premiums over losses because the conflagration hazard is greater here. It is not fair to attack this margin in non-conflagration years unless some mention is made of conflagration possibilities and the necessary protection for the companies if a conflagration occurs.

The statement in daily newspapers that complaints against New York City rates have been filed with the New York Fire Insurance Exchange by allied realty interests is incorrect.

SOUTHGATE MEMORIAL

The special committee of the James H. Southgate Memorial appointed at the mid-year conference of the National Association of Insurance Agents, has decided that the most appropriate memorial would be in the form of a tablet placed in Trinity College at Durham, N. C., which he served for many years as chairman of the board of trustees. The committee took the matter up with the trustees of the college, who have assented to the proposal and heartily endorsed the idea.

The committee requests that contributions of $1 be sent promptly to the treasurer of the National Association at 55 Kilby St., Boston, Mass. The committee follows:

A. W. Neale, Cleveland, chairman; C. F. Hildreth, Freeport, Ill.; Walker Taylor, Wilmington, N. C.; W. E. Sharpe, Burlington, N. C.; Fred W. Offenhauser, Texarkana Tex.; Edward S. Cowles, Hartford, Conn.; Fred W. Cole, Atlanta, Ga.; Louis C. Merrill, Concord, N. H.; Henry H. Putnam, Boston, Mass.

Mr. Southgate was former president of the association and was exceedingly popular with all insurance men.

MORAN SUCCEEDS DODD

F. W. Dodd has resigned his position with the Concordia Fire as agency superintendent for the Eastern department. He is a brother of Charles Dodd, manager of the Royal in Newark.

The territory is now in charge of James M. Moran.

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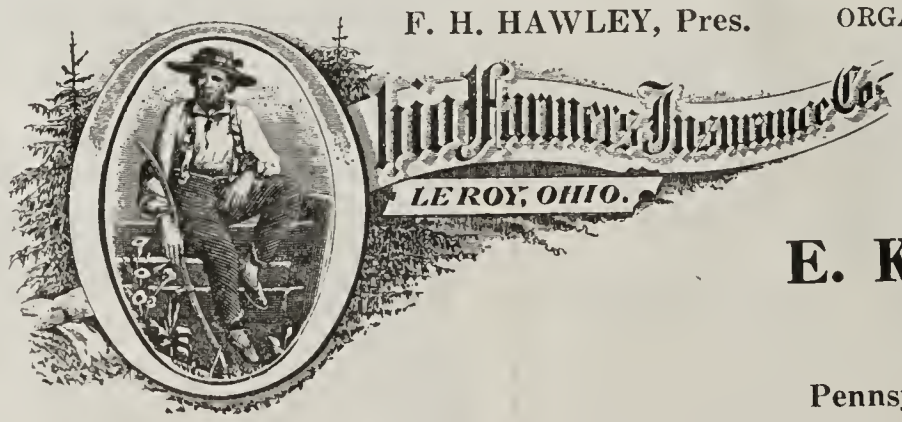
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Riegel Criticizes Auto Rate System

SUGGESTIONS MADE BY PROFESSOR AT WHARTON SCHOOL

Calls for More Rate Zones Without Reducing Exposure on Which Rates are Based

Robert Riegel, of the Wharton School of Finance, University of Pennsylvania, is regarded by experts as the clearest thinker among laymen who are making a study of insurance rating problems. Professor Riegel's newest analysis is of automobile rates, and in the "Journal of Political Economy," published by the University of Chicago Press, he makes suggestions for the improvement of automobile insurance rate making.

Professor Riegel's views in brief are that there is a desirability for a reduction of discriminations (unavoidable, he says, under the present territorial divisions); that there should be a consideration of certain admitted factors of hazard which at present have no influence on rates, and that a system of equitably allocating expenses should be adopted.

The defect in the present rating system, as Professor Riegel sees it, is that at the boundary line of the State or other territorial division the rates change much more abruptly than hazards. The same trouble, for example, would ensue in the parcel-post system if a flat rate existed outside of the local zone, or in the express-rate system if the blocks were too few in number. One method of reducing the inequity of such abrupt transitions in automobile insurance would be to increase greatly the number of rate zones without reducing, below a point sufficient for an average, the exposure upon which rates are based. It is believed that this might be done without such fatal result and without enormously increasing the necessary number of rate schedules by the following method:

Every large city in the United States of over 55,000 inhabitants should be considered as the center of a series of rate zones, the city itself (approximately) forming the highest of these zones. It would then be necessary to obtain a basis rate for liability and property damage insurance for each of these cities—a rate which would cover merely the losses incurred, or, in other words, provide the amount actually returned to policyholders. Such a rate is obtainable by comparing the ratio of losses to exposure on all private pleasure cars in the particular city with the ratio of losses to exposure over the entire United States. The particular city's rates would then be in proportion to the average rate of the United States as its loss ratio is to the average loss ratio of the United States. Thus, to use figures, if the Greater New York liability loss is on the average $40 per car insured twelve months, while the average loss in the United States is $30 per car year, the rates in New York will be 133 per cent. of the average rates of the United States.

A Task of Magnitude

It would seem from this that it would be necessary to construct a vast number of rate schedules in order to cover all the large cities in the United States. Two facts operate, however, to reduce the apparent magnitude of the task. First, the number of cities of over 55,000 inhabitants in the United States is only about 100, according to the 1910 census. Secondly, while it may be necessary for a time to carry nearly 100 schedules, this number may be considerably reduced if a reasonable coincidence of experience is discovered among these cities, which will permit of grouping. Grouping may also be necessary where insufficient exposure is found.

There still remain to be considered the cities of less than 55,000 inhabitants. These are so numerous and the possible exposure in each is so small that the construction of separate rate schedules for them is impossible. Consequently they will be grouped in a class, and a rate made for the class in the same manner that a rate was arrived at for the larger cities. This will not do absolute justice among such smaller cities and towns, inasmuch as a city of 50,000 will obtain a rate equally low with a town of 5,000, but it will be 100 per cent. superior to the present system, under which a city of 100,000 and one of 5,000 frequently find themselves on equal terms.

We have now to consider the territory outside of cities, including suburban and rural districts. It is proposed that each of the cities be considered as surrounded by a series of concentric circles, with the geographic center of the city as a common center, the circumferences of the circles being considered as the boundary lines of rate zones. Thus, using New York as an illustration, the greater part of the city would be circumscribed by a line, say, 25 miles distant at all points from the city's geographical center and forming a circle 50 miles in diameter. All cars within this zone would take the Greater New York rates, which will vary, of course, with the horsepower. Outside of it would appear another imaginary circle with a diameter of, say, 55 miles, and all cars between the circumference of this circle and the one first mentioned would take a rate which would be a percentage of the rate for the city zone and lower than the latter by, say, 5 per cent. It may be assumed with some degree of equity that, beyond a certain point, the farther a car is kept from the city, the less it will be used within the city limits. The loss experience of a number of larger cities might be used to determine upon a statistical basis what the percentages of the various zones should be, and their diameters. There would be many cases in which the location of the automobile would fall within two zones of different cities, and under such circumstances the higher rate of the two would be charged.

Favorable Points

Such a system of adjusting rates to location would have the following points in its favor:

(a) The assumptions upon which it is based may be more readily defended upon theoretical grounds, admitting of some explanation to the insured of the causes of rate differences.

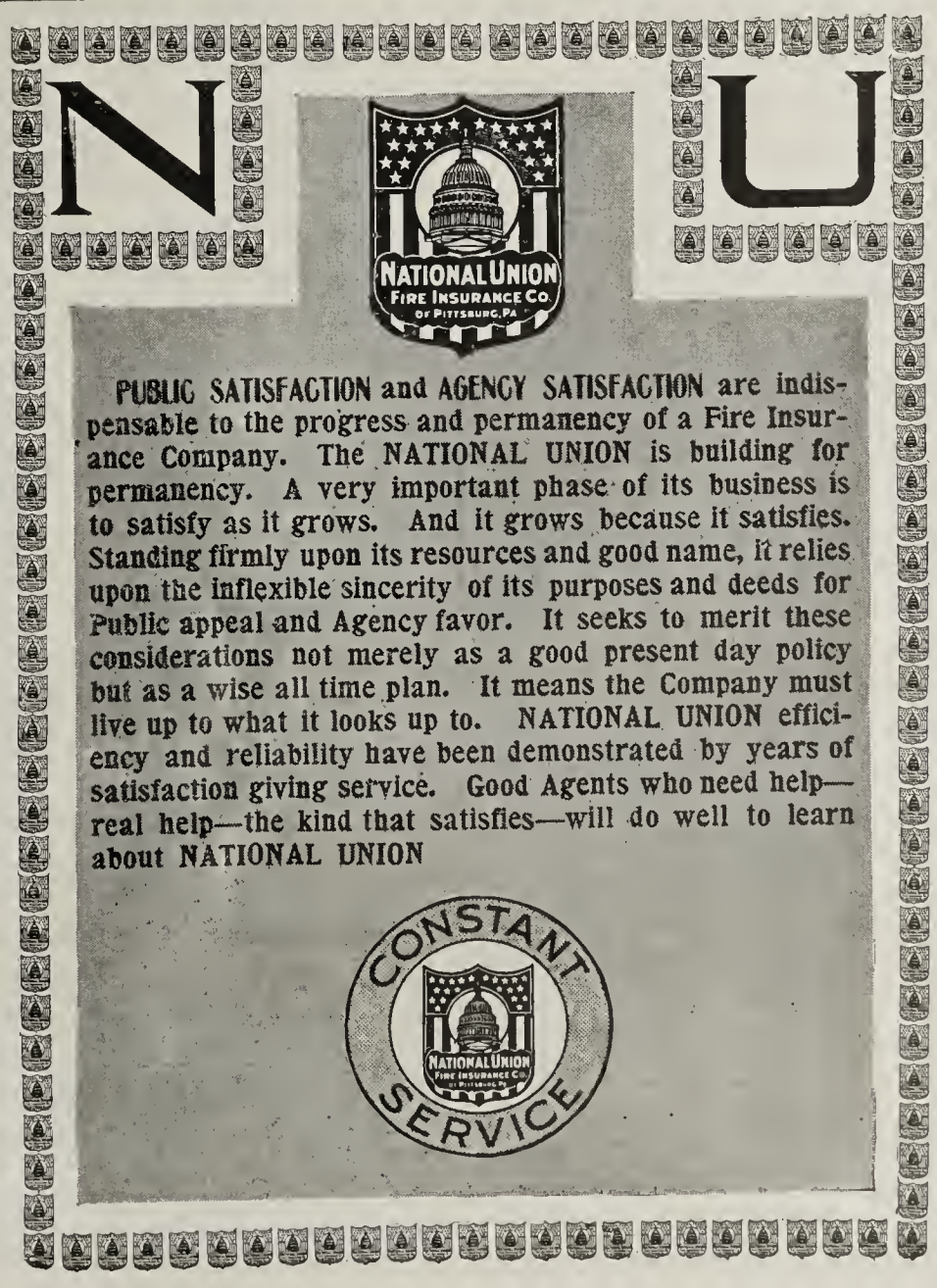
(b) It would lessen the effect of discriminations which inevitably result from the present territorial divisions, such as a distance of a half-mile causing a $5 difference in property damage rates or a $23 difference in liability rates.

(c) It would eliminate the anomaly of cities with 5,000 and 100,000 inhabitants having the same rates.

Some consideration should be given to certain factors of hazard which now have no influence on rates, such as (1) mileage covered and (2) competent driving. We reach the general conclusion regarding these factors, however, that a number of desired results in rate making are unattainable or are not worth the trouble involved.

Expense

Finally, some method of accurately ascertaining the expense involved in connection with all forms of automobile insurance is necessary. The public is entitled to know that each line of coverage is bearing its equitable portion of the total cost of doing business. Considerable criticism of the percentage of premiums devoted to expenses exists and has even led to the establishment of so-called automobile mutuals. A more fundamental inquiry, however, is whether automobile insurance is being charged with more than its share of total expenses, and whether liability and property damage insurance are each bearing their appropriate portions of the expense burden. This question has already been discussed by an able writer on casualty insurance, who has proposed an efficient cost system for companies writing multiple lines. His plan is described for the benefit of those companies "transacting multiple lines of insurance which desire * * * enlightenment and guidance to ascertain as close an approximation as possible to the true cost of conducting each of its lines." This expense problem appears to be second in importance only to the improvement in methods of ascertaining pure premiums in automobile insurance.



FIRES CAUSED BY LIGHTNING

Farm Mutual Companies Place Half Their Losses to This Class of Fires

Fire losses caused by lightning form not a small percentage of the annual devastation of our country. Such losses are usually total, since they are most frequent in isolated localities, and it is estimated that could farm mutual insurance companies eliminate fires from this source they would decrease their losses fully fifty per cent. The secretary of one farm mutual insurance company says: "Eighty-five per cent. of the losses of my company during the year 1913 were caused by lightning." Another says: "Every loss in my company during the year 1913, with one exception, was caused by lightning." Still another says: "Lightning striking wire fences, thereby killing stock in pastures, caused 50 per cent. of the losses paid to policyholders by my company last year."

It is the unanimous opinion of the fire marshals of the United States based upon the fire reports, that lightning rods prevent lightning fires. Of the 419 lightning fires reported to the Illinois fire marshal during one year not one was reported as having occurred in a building properly rodded. All buildings made of stone, wood or brick should be protected by soft copper cable conductors. A building constructed of metal and with metallic connection with the earth carries its own protection. So also do buildings which are provided with metal roof if properly grounded, and it is even contended by many that a metal roof in itself is a sufficient protection. Lightning is entirely dependent upon resistance. There is no question but that lightning rods, properly set up and grounded, will offer ample protection and will greatly reduce the probability of lightning fires.

Undoubtedly the best material to be employed is pure copper cable. When these conductors are made of copper they should be soft drawn in the form of either tape or stranded cable. A flat woven wire conductor is probably more effective than solid copper tape because of its greater conducting surface. In protecting dwellings from lightning the metal systems should be connected in the attic and then a line of connecting cable run outside just under the eaves and there connected to the lightning conductor, instead of making the connection near the ground. Often metal systems extending into the attic can be connected to a ventilator pipe and in that way to the main rod instead of going through the wall or connecting at the outside. Every home and every building that stands out alone needs protection from lightning. In most sections of the country lightning during the summer months is particularly destructive to life and property, and in this age of civilization and science the waste from this mighty force of nature is uncalled for.

BROKERS ACTIVITIES

FOOD SUPPLY RISKS

Effect of Sprinkler Rates on Flour Mills and Grain Elevators Made Public

The former rate of the Mansfield Milling Co., Mansfield, O., was $2.50. Since sprinklers were installed it is 62½ cents. The Barber Milling Co., Minneapolis, is insured in the mutuals at net rate of $1.20. Before sprinklers were installed it was $5. E. W. Conklin & Son, Binghamton, has a rate on its warehouse of thirty cents. Formerly, it was $1.40. Sprinklers have reduced the rate of George Q. Moon & Co., Binghamton, from $2.50 to $1.50. Federal Milling Co., Lockport, write the Grinnell people that they are saving $3,300 in premiums a year, their equipment costing $15,100. Thompson Milling Co., Lockport, pays $1 instead of $2.50. Ferger Grain Co., Cincinnati, reduced its rate from $30.10 to $10.

* * *

Smaller Forms of Policies Agitated in London

According to the London "Times," the marine insurance companies in Great Britain have now decided to adopt, by common agreement, as from July 1, a standard form of "slip," which is in size substantially smaller than that at present commonly used. The slip is the document on which particulars of the insurance are supplied to the company after the latter has written the risk, and from the details on the slip the policy is duly prepared. Apart from a very considerable saving of paper the standard slip will permit of the employment of duplicating machines by brokers, where the risk is being placed with a large number of insurance companies, thus ensuring economy of labor. A large marine office may deal with between 300 and 400 slips a day, and the total number used in London market may probably be estimated at about 2,000,000, so that a saving on each slip is well worth making. Some offices are already using the smaller forms, and are finding them at least as suitable as the old-style slips. Reduced forms of policies are also now being used by some companies, but no general agreement was reached on this subject, since it was found that in certain instances large stocks of the existing forms were held, and there was also reluctance in certain quarters to alter the form of formal documents which had been in use for generations and had become thoroughly familiar to shipowners and merchants.

* * *

Erie Coal Pocket Risk

Hanley & Co., of Jersey City, started placing the frame, concrete and steel coal pockets of the Erie Railroad this week. The risk is located at Edgewater, N. J., and is placed separately from the Erie general schedule.

* * *

The Wellhorn Tree Insurance

In view of the discussion there has been over magnolia tree insurance in some papers the following letter from Alfred Wellhorn, of New Orleans, is of interest:

"I have The Eastern Underwriter's letter asking for the forms used in insuring trees with residences. We regret very much that we cannot supply you with this form for the reason that we are not now carrying through this agency any such insurance.

"However, several years ago we insured some large magnolia trees against damage by fire by the consequence of the burning of the residence located near by. We represented several companies at the time we issued this insurance and we do not know which company accepted this risk, but it was carried for several years and the companies no doubt recognize the insurable value of such property.

"This is a class of business which we can appreciate would not be generally accepted by companies, but if the risk is inspected and a value placed upon each tree they would no doubt be written by some companies for a specified amount provided that the loss occurred in no other way than by the consequence of the burning of the building which would also be insured under the same contract."

* * *

Joins Jos. S. Blume & Co.

Charles T. Kenney, for two years in the bonding department of the Casualty Company of America, started on Wednesday with Jos. S. Blume & Co. He is stationed at the Providence office of the company of which he has charge.

FACTS ABOUT FOOD FIRES

Unsprinklered Flour Mills' Loss Since 1908 $23,943,578; Grain Elevators, $36,753,853

In view of the conservation movement for the protection of food supplies it is interesting to note that the records of the National Fire Protection Association, covering seventy fires in flour and cereal mills protected by automatic sprinklers show that in 54.3% of the cases the fires were completely extinguished by the sprinklers and that in 37.2% of the cases the fires were successfully held in check. Of the so-called unsatisfactory fires making in all 8½% of the total, over half were due to partial sprinkler installation or exposure fires, leaving ony three fires out of the seventy where the type of construction was such as to handicap proper sprinkler performance, or where the hazard was too severe for the ordinary sprinkler system.

The same records show for grain elevators a total of fifty-two fires, 38½% of which were completely extinguished by the sprinklers and 32.7% successfully held in check. Out of the remaining so-called unsatisfactory fires there were only six where the hazard of occupancy or the nature of the building were such as to make unsatisfactory the performance of automatic sprinklers.

The record of fire losses in unsprinklered flour mills and grain elevators is herewith reproduced:

Flour and Cereal Mills

Year.	Total Loss.	No. Fires.	Average Loss.
1908	$2,064,500	67	$30,813
1909	2,913,500	62	46,991
1910	1,823,000	57	31,982
1911	3,508,000	69	50,826
1912	2,479,778	80	30,887
1913	3,677,700	73	50,379
1914	1,446,100	51	28,355
1915	1,435,000	49	29.286
1916	3,692,000	56	65,928
1917 (5 mos.)	904,000	28	32,286
Totals	$23,943,578	592	$40,445

Grain Elevators

Year.	Total Loss.	No. Fires.	Average Loss.
1908	$4,116,450	63	$65,340
1909	3,511,000	56	62,696
1910	2,880,000	39	73,846
1911	2,047,500	37	57,094
1912	2,648,193	55	48,147
1913	2,767,200	59	46,902
1914	4,419,350	61	72,448
1915	5,307,250	62	85,601
1916	4,115,000	69	59,638
1917 (5 mos.)	4,942,000	46	107,435
Totals	$36,753,853	547	$67,191

SPRINGFIELD
Fire & Marine Insurance Co.
Cash Capital $2,500,000 00

THE SPRINGFIELD for two-thirds of a century has transacted business solely under its own corporate name, without annexes, underwriting agencies or subsidiary companies. An agent of the SPRINGFIELD is not a half, a quarter or any other fraction of an agent, but is vested with the rights and dignity of an undivided representative of an undivided and independent company. The SPRINGFIELD stands today pre-eminent among American fire insurance companies.

SPRINGFIELD MASSACHUSETTS

Firemen's Insurance Co., Newark, N. J.

January 1, 1917

Cash Capital $1,250,000.00
Net Surplus $2,449,322.25
SURPLUS TO POLICYHOLDERS...$3,699,322.25

DANIEL H. DUNHAM, President
JOHN KAY, Vice-President and Treasurer — A. H. HASSINGER, Secretary
NEAL BASSETT, Vice-President — J. K. MELDRUM, Assistant Secretary

STRENGTH INTEGRITY SERVICE

Scottish Union & National Insurance Company

HENRY J. HOUGE, J. H. VREELAND, Assistant Secretaries
JAMES H. BREWSTER, Mgr. Hartford, Conn.

A Broad Underwriting Service to Agents
Writes Fire, Automobile, Rent, Sprinkler Leakage, Tornado, Use and Occupancy, Explosion, etc.
Works in Harmony with American Agency Principles and Practices

Iowa National Fire Insurance Co.
DES MOINES, IOWA — Capital Stock $500,000
The latest addition to Reliable Fire Insurance organizations began Writing Business on January 1, 1917
JOHN L. BLEAKLY, President

F. L. MINER, Vice-President
C. S. VANCE, Underwriting Manager
FRANK P. FLYNN, Treasurer
C. M. SPENCER, Secretary

Authorized Capital $500,000
Detroit National Fire Insurance Co.
DETROIT, MICHIGAN
A Company to be built gradually and along the indicated lines of permanence
AGENCY CONNECTIONS SOLICITED

FIRE ASSOCIATION Of Philadelphia
401-405 WALNUT ST.
Organized 1817 — Incorporated 1820 — Charter Perpetual
Cash Capital $750,000 — Assets $10,046,848.04
E. C. IRVIN, President — T. H. CONDERMAN, Vice-President
J. B. MORTON, 2nd Vice-Pres. — M. G. GARRIGUES, Sec. and Treas.
R. N. KELLY, Asst. Sec. and Treas.

Not Afraid of the Legislatures

MARKHAM AND PELLETT WOULD GO THERE FOR RELIEF

Further Discussion of Jumbo Line Situation—John A. Eckert Has Definite Limitation Plan

George D. Markham, of W. H. Markham & Co., St. Louis, and one of the most influential men in the National Association of Insurance Agents, discussed the re-insurance situation in a communication to The Eastern Underwriter this week. He said that he had been particularly interested in the summing up of arguments for and against jumbo lines and heavy re-insurance made by Richard M. Bissell, president of the Hartford Fire Insurance Company. In Mr. Markham's opinion the conclusions of Mr. Bissell are excellent. Mr. Markham quotes Mr. Bissell as saying:

> It will be seen that there are involved in the question important considerations affecting the interest of the agent and the public at large, and the balance seems to us to be heavily in favor of a revision of present practices.

Thinks Jumbo Line, Heavily Re-insured, Should Be Outlawed

"I believe this is the feeling of everyone in the business, except those actuated by selfish motives," said Mr. Markham. Continuing he said:

"A company manager who cares nothing for the good of the business, and only desires a big premium income, and the selfish agent who cares nothing for the good of the business but thinks only of the laziest and most secret way of writing his business, will both argue against any interference with jumbo lines and excess re-insurance. But, every thoughtful man, loyal to the best interests of our business, will, I believe, agree that the jumbo line, heavily re-insured, should be outlawed.

"I do not fear a substantial or permanent lessening of coverage, either in large risks or congested districts. When the risk needs the insurance, and the insurance company needs the premium, they are likely to get together, And if a few big companies do not take up all the re-insurance facilities of these foreign companies, such facilities may be scattered more widely or may even be offered to the public in direct policies,—possibly even through established agencies. Therefore, I cannot but believe that the scare among large insurers has been skillfully worked up by some of our friends who are adepts at that sort of thing, and whose operations we have watched with amusement on previous occasions.

"But it seems absurd to me to hear people protest against going to the legislatures for help. What other help can come? The companies, in their own associations, will never interfere with this practice any more than they will interfere with underwriters annexes and multiple agencies. The greedy boy has plenty of excuses for his appetite and will fight for the biggest plate. But if they were all compelled to quit at one time, many of them would be really relieved; for multiple agencies and jumbo lines 'are not all beer and skittles' for the manager."

Pellet Wants Abuses Checked

Another prominent person in the counsels of the National Association of Insurance Agents—Clarence S. Pellet, of Critchell, Miller, Whitney & Barbour, Chicago,—gave these views to The Eastern Underwriter:

Generally speaking, I have much sympathy with the suggestion to limit the gross line. The present, however, seems to me an inopportune time to suggest such legislation. During the continuation of the war I assume that the re-insurance facilities of the companies will be reduced to a noticeable extent. I think we may find ourselves needing all the re-insurance help in certain cases which our companies can give us; therefore, I am in favor of "letting things ride."

In the future if companies or agents abuse the present privilege as to gross line, I will be in favor of legislation to restrain them, much as I dislike rushing to the legislature with our business ills.

Frederick V. Bruns, of Syracuse doesn't think there should be interference with the present system, saying this week:

"The best judgment of the writer seems to be that there should be no limitation on re-insurance liability. We already have too much restriction of business through legislative channels.

"Executives of insurance corporations should be given the right to adjust their re-insurance to their own peculiar financial conditions without intervention."

John A. Eckert's Succinct Views

The views of John A. Eckert, a prominent New York broker, and former president of the Fire Brokers' Association of New York, are always worthy of reproduction. His opinion of re-insurance liability follows:

"If I understand the insurance law correctly, in my mind the solution is quite easy, as follows:

1. No company should be allowed to re-insure with a re-insuring company unless under limitations the same as apply to what is known as the affidavit law, which forbids me as a broker to place insurance in a non-represented company until I have filed an affidavit that I cannot secure the insurance in represented companies.
2. Lines placed with represented re-insurance companies should be limited to 10 per cent. of their capital and surplus, and I think I am correct in saying that the law invokes this limit on direct writing companies.

"If these limitations could be applied I think the solution would be arrived at."

No Limitation, Says Van Alstyne

W. N. Van Alstyne, president of Rogers & Ashe, Inc., Little Falls, N. Y.:

"Taking up the subject of limitation of re-insurance liability from the up-State agents' viewpoint, I say 'No limitation.' This conclusion is perhaps prompted from selfishness, but it is strangely coincident that with the increased cost of 'everything,' there has been an increase of compensation generally, save to the agent, who is receiving the same commission or less than he received a score of years ago. Large policies help to reduce the office over-head and to a fractional extent have offset the increase of operating cost.

"There is something to be said, of course, in behalf of the small and medium-sized company, but I believe they can better profit themselves in the division of the 'spoils' by tearing up their 'four-page' prohibited list and adopting a more liberal underwriting policy, instead of the picayune 'a cent's worth of this and two cents' worth of that.'

"Legislative reforms always work hardships, for they make no exceptions, and flexibility is vital to the sane conduct of the insurance business. The relief to the company that seeks a more uniform distribution of the business is not in legislation such as proposed in Illinois, it is in a correction of the fault of management."

T. C. Moffatt, of Newark, said this week: "Briefly stated, I am opposed to limitation on re-insurance by the Legislature for a good many reasons which I can give you if you want to hear them. I know there are arguments in favor, which may be worthy of some consideration, but the balance seems to be the other way."

WITHDRAWS ITS UNIFORM FORM

National Association of Insurance Agents Will Use That of National Board

The National Association of Insurance Agents makes the following announcement about the National Board's uniform accounts current form, recently adopted by the executive committee of the National Board:

"As the Agents' Association has spent considerable time and money on this effort, over a long period of years, we feel that the outcome is a happy one, even though the acceptance of the National Board form means the withdrawal of our own.

"We feel that it is proper that these matters should be within the control of the companies, and since the aim of uniformity is accomplished it is in order for the Agents' Association to withdraw from the field, which we gladly do."

STAND TO LOSE $1,500,000

Companies Liable for That Amount Each Year on Binders in Greater New York

A man in a position to know says that the fire insurance companies are covering about $1 500,000 of liability each year in Greater New York on the binder system for which not a cent of premium is paid.

"The Leading FIRE INSURANCE Company of America"

ÆTNA INSURANCE CO. HARTFORD, CONN.

WM. B. CLARK, President

Explosion and Sprinkler Leakage Insurance

THE HANOVER
FIRE INSURANCE COMPANY
Incorporated 1852

The real strength of an insurance company is in the conservatism of its management, and the management of THE HANOVER is an absolute assurance of the security of its policy.

R. EMORY WARFIELD, President
FRED. A. HUBBARD, Vice-President
E. S. JARVIS, Secretary
WILLIAM MORRISON, Asst. Sec'y

HOME OFFICE
Hanover Bldg., 34 Pine St.
NEW YORK

HOWIE & CAIN, General Agents
Metropolitan District
100 WILLIAM STREET, NEW YORK

GERMANIA
FIRE INSURANCE COMPANY
NEW YORK.

ORGANIZED 1859

STATEMENT, JANUARY 1, 1917

Cash Capital	$1,000,000.00
Assets	8,553,704.22
Liabilities	4,222,485.60
Net Surplus	3,331,218.62
Surplus for Policy Holders	4,331,218.62

HEAD OFFICE
Cor. William and Cedar Streets

INCORPORATED 1720
Royal Exchange Assurance
LONDON, ENGLAND

United States Branch
92 William Street, New York

RICHARD D. HARVEY
United States Manager

CRUM & FORSTER
GENERAL AGENTS
95 WILLIAM STREET NEW YORK CITY

United States Fire Ins. Co., N. Y.
Richmond Ins. Co., N. Y.
Potomac Ins. Co., Washington, D. C.
National Lumber Ins. Co., Buffalo, N. Y.
The North River Ins. Co., N. Y.
Union Fire Ins. Co. Buffalo, N. Y.
Seneca Fire Ins. Co., Buffalo, N. Y.
United States Underwriters' Policy, N. Y.

F. M. GUND, Mgr. Western Dept.
Freeport, Illinois

W. W. ALVERSON, Mgr. Pacific Coast Dept.
San Francisco, California

New Suggestions About U. & O.

EXECUTIVE WOULD DO AWAY WITH PHRASE 1-300THS

Submits a New Per Diem Liability Clause—Actual Loss Sustained Protection

Some new ideas about Use and Occupancy are given to "The Standard," of Boston, by a prominent company executive. In risks, whose operations are continuous (Sundays and holidays generally excepted) custom has established the method of applying the co-insurance requirement to be by making the maximum of the per diem liability one three-hundredths of the total amount of the policy, but in what are known as seasonal risks and in risks with fluctuating earnings, such as summer hotels or vegetable canning factories, this method cannot be used and the result can only be attained by some such clause in the policy, this executive says, as the following:

> It is a condition of this insurance that this Company shall be liable for no greater proportion of any loss than the amount of this policy bears to the amount of loss which would be incurred by total suspension of business during an entire year beginning with the date of the fire.

He is of the opinion that if we can dismiss from our minds the practice of using the phrase one-three-hundredths (1-300ths) we could utilize the above clause on all use and occupancy policies, and simplify in that way the securing of full insurance to amount at risk, and we would have the added advantage of a wording almost identical with the ordinary co-insurance or reduced rate clause now used on fire policies, which has become familiar to all, and this would carry with it any advantage which might result from court decisions, which have been rendered as to the application of that particular form of wording.

The use and occupancy policy drawn along the lines laid down above, will be both fair to the insurer and the insured, will provide indemnity up to the amount purchased for all losses that can be fairly attributable to business interruption, for all classes of risks.

Expressing Liability in Definite Terms

There remains, however, to be introduced the clauses that will provide for the definite terms as to the liability for any loss under each particular policy on a particular risk, under each of the two possible occurrences:

(a) Complete or total business interruption.

(b) Curtailment of business or a partial business interruption.

As all use and occupancy losses depend upon the two factors, first the amount, or perhaps rather the ratio, and second the duration of the interruption, we must necessarily provide a basis or a unit of measure for each and this cannot, as in a fire loss, be the dollar unit alone.

The ratio of the interruption is evidently the proportion of net profits of the business which the fire prevents the assured from realizing, in a total interruption the net profits are entirely cut off, and in a partial interruption they may be reduced by 50 per cent. or any other per cent. of the possible curtailment which would take place under a total interruption.

It should be evident that in a total interruption the loss would be all of the net profits plus the fixed charges and expenses that must necessarily be continued. It would seem equally evident that if the business, whatever may be its nature, was interrupted 50 per cent., that the loss so far as net profits were concerned would be 50 per cent. of those profits and I think it will be admitted that in such case the liability of the company should be only 50 per cent. also of the "fixed charges and expenses which must necessarily be continued," so that we find the measure of the ratio of the interruption is the proportion by which net profits are reduced and that this proportion must also be the measure of the ratio of liability for all other items entering into the loss.

We still have to deal with the exceedingly important factor of the duration of the interruption, and to select a unit of measure for that, and here we have a wide scope of choice. We might have taken as the unit of measure the entire year and have divided the loss for a year's interruption by twelve, in case the interruption was for one month, or we might have taken for a unit the week and in case of an interruption for forty-five days, multiplied by 6 3-7ths, but we did not, for of course the natural unit to choose was the smallest one, that is, the day, and this is so eminently the best that it probably was the only one considered.

Ascertaining Amount of Real Loss

In reaching, therefore, the real loss due to interruption we simply multiply the ascertained ratio, according to the completeness of the interruption, of the daily loss of net profits and the daily increments of the proportion of the fixed charges and expenses, by the number of days duration, and thus the loss incurred, for which indemnity under the particular terms of the policy may be claimed, is obtained; it sounds simple and it is simple theoretically, but is not so simple when you endeavor to provide the wording in the brief and clear phraseology in which a contract, as far as possible, always should be drawn.

As the maximum per diem indemnity under total interruption can never be greater than the amount of the policy divided by the number of business days in a year, the best wording to be used in the policy form may be either "1-300ths part of the amount of the policy," or the amount in dollars, which equals 1-300ths part of the amount of the policy.

We now have to provide for a partial or incomplete interruption, and it would seem that, if in a fire policy the liability with full insurance when the property is 50 per cent. destroyed, is just 50 per cent. of what it would have been had the property been entirely destroyed, then in use and occupancy insurance, as we have started with the assumption that we required insurance sufficient to cover a year's interruption, we must concede that in a 50 per cent. interruption the per diem amount to be paid should be just 50 per cent. of what would have been paid for a complete interruption, or that for a 50 per cent. interruption for a certain period of time, the total amount paid would be just 50 per cent. of what would be paid for a total interruption for the same period.

This would seem to be expressed by the following clause:

> During the time of a partial suspension of business, the per diem liability under this policy shall not exceed the same proportion of the per diem liability which would have been incurred by a total suspension of business, as the proportion by which the daily business, at the time of the fire, is decreased.

It should also be stated in the policy that the word "day" however qualified shall be taken to mean a period of 24 hours, in order to avoid any possibility of a misunderstanding.

In many policy forms, while the per diem liability in case of total interruption of business, has been stated as the "actual loss sustained not exceeding 1-300ths part of the amount of the policy" thus leaving the determination of the actual loss per diem open to the usual processes of adjustment, yet in connection with a partial interruption of business, there has been brought in a reference to the daily average profit of some preceding period.

While such a method is undoubtedly useful in the general run of policies it is frequently not applicable and is of course no more necessary in case of a partial interruption than in case of a total interruption. Surely, if we can determine the per diem loss of net profits of the total interruption, we can also determine the proportion by which those net profits are reduced, when the interruption is only partial and we can determine them by the same usual processes of adjustment, and that is all that is needed to fix the per diem liability.

Any mandatory basis fixed by figures which show what the loss would have been at some previous period when the fire did not occur, would often prove unsatisfactory to the man who is trying to protect himself against the loss which he is suffering at the time when the fire does occur.

It would then certainly seem that if it is thought desirable to refer to any previous period as a basis for the daily average profits, the rule should be permissive rather than mandatory, thus allowing of modification of the earning capacity due to changes which may have been made in the plant itself, or which may have occurred in business conditions, especially as we must remember that the company is always protected by the words "actual loss sustained."

Calculation of Daily Average Business

It would seem that when desired it should be allowable to insert a clause basing the daily average business at the time of the fire upon the daily average business for a period of not less than thirty days of full operation next preceding the fire, or in policies with seasonal or fluctuating earnings, upon the daily average business for the period in the preceding calendar year corresponding to the period of suspension due to the fire.

GRISWOLD WITH MERCHANTS

Harold E. Griswold, one of the best equipped special agents in the United States, from the technical end, has been elected a vice-president of the Merchants Fire, of New York. For some years Mr. Griswold has been special agent of the Phoenix Fire in New Jersey, and he has also been in charge of the New York branch for binding of business throughout the United States. In fact, Mr. Griswold is credited with being the originator of the brokerage departments in New York City established by the fire insurance companies.

ALLEGHENY BOARD MEETING

The Allegheny County Board of Fire Underwriters met yesterday. Eliminations in forms and other questions were discussed.

THE LEADING FIRE COMPANY OF THE WORLD

ROYAL INSURANCE COMPANY LIMITED

[of Liverpool, England]

The Gamewell Fire Alarm Telegraph Co.

Fire Alarm and Police Telegraphs for Municipal and Private Plants

OVER 1500 PLANTS IN ACTUAL SERVICE

GENERAL OFFICES AND WORKS
NEWTON UPPER FALLS, MASS.

AGENCIES

5708 Grand Central Terminal, New York
448 John Hancock Building, Boston, Mass.
1216 Lytton Building, Chicago, Ill.
335 Wabash Building, Pittsburgh, Pa.
915 Postal Building, San Francisco, Cal.
304 Central Building, Seattle, Wash.
Utica Fire Alarm Telegraph Co., Utica, N. Y.
Northern Electric Company Limited, Montreal, Canada.
General Fire Appliances Co., Ltd., Johannesburg, South Africa
Colonial Trading Co., Ancon; Canal Zone, Panama
F. P. Danforth, 1060 Calle Rioja, Rosario de Santa Fe, Argentine Republic

"STRONG AS THE STRONGEST"

The Northern Assurance Co.

(LTD., OF LONDON)

Organized 1836
Entered United States 1876

Losses Paid - - - $105,000,000
Losses Paid in U. S. - $38,000,000

Eastern and Southern Departments

55 JOHN STREET
NEW YORK CITY

BRITISH AMERICA ASSURANCE CO.

Incorporated 1833

(FIRE AND INLAND MARINE)

Head Office, Toronto, Canada
United States Branch

January 1, 1917

Assets $1,936,279.77
Surplus in United States.... 823,964.59
Total losses paid in United States from 1874 to 1916, inclusive 24,669,753.43

W. R. BROCK, President
W. B. MEIKLE, Vice-Pres. & Gen. Mgr.

207th Year

SUN

INSURANCE OFFICE OF LONDON

FOUNDED 1710

UNITED STATES BRANCH:
54 Pine Street - New York

WESTERN DEPARTMENT:
76 WEST MONROE ST., CHICAGO.

PACIFIC DEPARTMENT:
N. W. Cor. Sansome & Sacramento Sts.
San Francisco, Cal.

NORD-DEUTSCHE

INSURANCE COMPANY

UNITED STATES BRANCH

123 William Street
New York

J. H. Lenehan, Manager

CASUALTY AND SURETY NEWS

Dr. F. A. Stillings, of Concord, Dies

MEDICAL DIRECTOR OF UNITED LIFE AND ACCIDENT

Had Distinguished Career as Surgeon and Hospital Corps Director—A Hater of Shams

Dr. F. A. Stillings, medical director of the United Life & Accident Insurance Company, Concord, N. H., and a director and a large stockholder in the Company is dead. He was educated at Dartmouth and in Europe.

For a number of years Dr. Stillings had been advisory surgeon at the Margaret Pillsbury and New Hampshire Memorial Hospitals and for 30 years was surgeon for the Boston & Maine Railroad.

He served as surgeon general on the staff of Gov. Hiram A. Tuttle and also of Gov. Frank W. Rollins, during which time he reorganized the hospital corps of the National Guard, instituting regular drills which accounted for the efficiency of the corps which accompanied the First New Hampshire Regiment when the call came for the Spanish War.

In 1899, Dr. Stillings represented Ward Five in the General Court and was returned two years later. At the following session, that of 1903, he represented the Concord district in the State Senate. As a legislator he was instrumental in the passage of measures relating to public health and hospital improvements, also causing to be passed a resolution creating a commission to investigate the advisability of establishing a sanatorium for consumptives which was reported favorably.

In discussing Dr. Stillings, R. H. Burns, second vice-president and superintendent of agencies of the United Life and Accident, said to The Eastern Underwriter:

"He was selected as medical director on account of his eminent ability as a physician and surgeon, and on account of his prestige in many States.

"In addition to his education, broad culture and experience in practice, he was endowed with a great many of those natural gifts which are so essential for a medical director of a life insurance company—common sense, honesty, quick to discover sham or hypocrisy in agents, applicants, local examiners or anyone else. He was a good listener, but did his own thinking."

NEW BOILER RATES

New boiler insurance rates became effective on July 1.

The new rates are somewhat higher than formerly and simplify the method of rate computation. Simplification is accomplished, partly by abolishing the limited form of policy and retaining only the multiple-indemnity form, and partly by providing a system of numbered classifications so arranged that to obtain the complete rate it is necessary only to add together three figures taken directly from tables in the manual. Rate increases are accomplished by so fixing the classification numbers that certain types of boilers and pressure vessels take a higher rating than heretofore.

ECHO OF KINGSLAND

An attempt to remove Lyndhurst township authorities from adjusting for residents' losses incurred in the Canadian Car & Foundry Co. (Kingsland disaster) is being made in the courts.

NEW LIVE STOCK COMPANY

Michigan Corporation Will Issue Fifteen Kinds of Coverage—Optimistic About Breeders

The Michigan Life Stock Insurance Company has been incorporated, with Colon C. Lillie as president.

Mr. Lillie is a farmer on a large scale. H. J. Wells, secretary, is also a farmer.

There are said to be $200,000,000 worth of live stock in Michigan, only a small percentage of which is insured, except against fire or lightning. There has been a tendency during the past few years to a higher grade of live stock of every species. All scrub stocks are being supplanted by registered stock, and to-day on a thousand hills are pastured animals of the best thoroughbred sort. Statistics show that only two and a half per cent. of the live stock losses are from fire and lightning; that ninety-seven and one-half per cent. are from accident and disease.

Various plans of policies will be issued, carrying various benefits. Under the blanket form two-thirds of the cash value of the animals at the time of death to the limit of $200 will be paid. Full value will be paid on all individual policies. Under this plan the people will be inclined to improve their stock. At the present time many farmers hesitate to purchase the best animals because of the hazard of the large loss by disease or accident. Now that they are able to insure these animals at a reasonable rate many farmers will be inclined to purchase two good cows rather than three medium ones, and will see that they are the best. Many breeders will be willing to sell on partial payments if their interests can be protected by insurance. The banker will look upon live stock insurance for short loans as he does on property insurance for real estate loans. The Company issues the following policies:

Individual policies for breeding stallions, jacks, boars, rams and bulls.

Castration of stallions and colts and for any surgical operation.

Mares in foal; also 30-day foaling policies.

Also on any animal if the individual policy is preferred to our blanket policy.

Blanket policies for all classes of farm live stock at two-thirds their collective cash value, as follows:

Common farm horses and mules, excluding stallions and mares in foal.

Logging horses, construction horses, and city dray horses.

Milch cows in breeding herd.

Farm young stock and other cattle, excluding bulls.

Feeding policies covering time of feeding for all classes of cattle.

Breeding flock of sheep.

Feeding policy for lambs.

Brood sows.

Feeding policy for hogs of all ages.

Shipping policies for all kinds of live stock.

Accident
Health Automobile
Plate Glass
Burglary Liability

Fidelity
Contract Judicial
Public Official
Depository Bonds

FIDELITY & DEPOSIT CO.
OF MARYLAND
BALTIMORE

Report on Hazards of Aeroplane Making

INQUIRY BY DIVISION OF INDUSTRIAL HYGIENE OF THIS STATE

"Doping" the Danger Point; No Eating Should Be Allowed in "Dope Rooms"

A complete report on the hazards of the aeroplane industry, with particular reference to the hazardous gases in varnish doping, which cause abdominal pains, has been made by the Division of Industrial Hygiene of the New York State Industrial Commission.

The Modern Aeroplane

Without going in actual engineering features of these machines, it is sufficient to say that at least 90 per cent., exclusive of the engine, is constructed of spruce and mahogany wood, which forms the skeleton, or framework, over which is stretched Irish linen of the finest and closest weave obtainable.

Experienced upholsterers are engaged in the work of stretching and sewing the linen on the wings, rudders, ailerons, stabilizers and on the fuselage. When this process has been completed, these parts are turned over to the "dopers," whose duties consist in applying to them a mixture or "dope varnish" which makes them impervious to water and air.

It contains chiefly as its base either acetate or nitrate of cellulose mixed with a solvent which, when applied, quickly evaporates and leaves the base of acetate or nitrate of cellulose firmly fixed within the interstices of the linen.

In the search for the solvent, tetra chloride of carbon, tetrachlor ethane, trichlor ethylene, amyl acetate, acetone, benzine and wood alcohol or methylated spirits were used. In the early days of the industry, tetrachlor ethane was supposed to be the one which, when applied, rendered the linen most taut.

Illness and Deaths Among European Aeroplane Workers

It was not until 1913 or 1914 that it was definitely known in Europe that the peculiar sickness occurring among the aeroplane workers, varying from nausea, vomiting, abdominal pain to marked jaundice, followed by delirium, which frequently terminated in death, was due to inhalation of the vapor of the "dope varnish."

The symptoms of this sickness were studied and classified, and, in the fatal cases, post-mortem findings noted. Experiments were made upon different rats with the "dope mixtures" and its various constituents; tetrachlor ethane, acetone, benzol, wood alcohol and amyl acetate.

The symptoms of the different rats exposed to the various substances were minutely described, together with the post-mortem findings. It was found that the symptoms and necropsy findings in the rats, exposed to "dope mixture" and tetrachlor ethane, were identical with those found among the aeroplane workers exposed to the fumes of "dope varnish." This proved conclusively that this particular form of illness was due to the tetrachlor ethane contained in the "dope."

Recommendations

The following recommendations have been made by the Division of Industrial Hygiene:

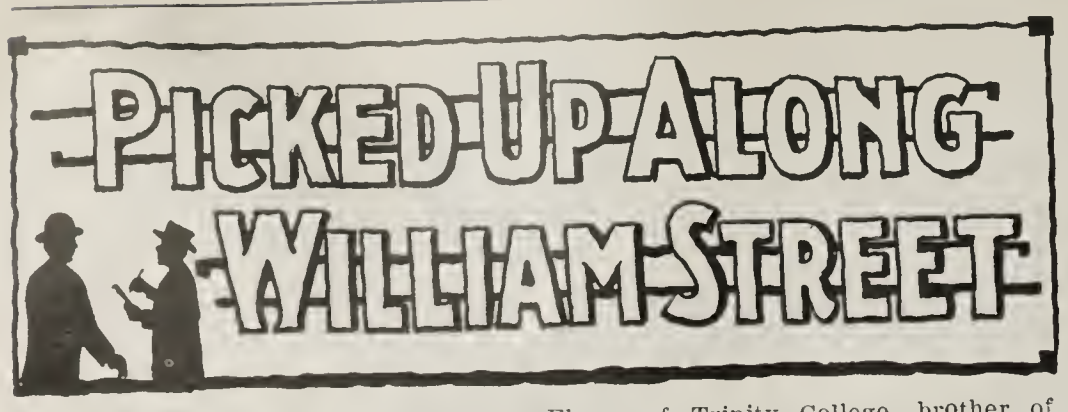
1. In aeroplane factories where "dope" is used a downward system of ventilation should be furnished; intakes to be located at floor level, which should be situated about six feet apart beneath working areas.
2. Drying of wings, ailerons and rudders to be done in a room separate and apart from "dope" room.
3. When fuselage is "doped" it should be done in proximity to a downward system of ventilation.
4. Each morning and afternoon should be interrupted by a fifteen minute rest period, men to go into the open air during such times.
5. Hot running water, soap and individual towels, also overalls, should be provided for all "dope" workers.
6. Lockers, which shall be well ventilated, should be provided for all "dope" workers.
7. No eating should be permitted in any "dope" room.
8. Not less than one hour shall be allowed as a lunch period to any worker engaged in the process of "doping."
9. Active medical supervision, as early diagnosis of "dope" poisoning, to prevent serious after effects.
10. No "doping" should be conducted in the open air unless same is done under a shed, so as to prevent rapid evaporation of the poisonous fumes.
11. Any workers, who complain of dizziness or sleepiness, should be immediately removed from the work for forty-eight hours.

JOINT CONTROL

All the surety companies that write probate bonds take substantially the same view of the joint-control feature of probate risks, and follow substantially the same practice in the matter of requiring joint control; that is to say, they all regard joint control as highly desirable in almost every case; they all simply will not write the bond at all without joint control under certain conditions of frequent occurrence; and they all, under the stress of competition, and with great reluctance, waive joint control in a considerable number of cases, says the Fidelity & Casualty Co. in its "Monthly Bulletin."

The Monarch Health and Accident Insurance Company of Peoria Ill., has been enjoined from doing further business and I. L. Fuller, an attorney, has been appointed receiver, on petition of the State Superintendent of Insurance.

General Accident
FIRE AND LIFE
ASSURANCE CORPORATION, Ltd.
SERVICE THAT EXCELS
FREDERICK RICHARDSON, United States Manager
GENERAL BUILDING · 4TH & WALNUT STS.
PHILADELPHIA



Livingston on Compensation

In a talk before Michigan local agents, J. K. Livingston, of Detroit, well known among local agents everywhere, said he was strongly of the opinion that considering the unsatisfactory condition of compensation insurance it is not a stable and permanent line of insurance to which an agent should devote all of his time. Other lines of insurance hold out a much brighter future for permanency.

* * *

The Hartford's Mail

As an evidence of the wide variety of lines handled by the Hartford, that Company has recently received checks from agents payable as follows: Hartford Marine Insurance Company; Hartford Marine and Transportation Insurance Company; Hartford Marine Department; Hartford Mail Department; Registered Mail Department; Hartford F. & M. Insurance Company; Hartford Live Stock Department; Hartford F. & M. Department; Hartford M. & T. Department; Hartford Farm Insurance Company.

* * *

Good Thing It Wasn't Somebody Else's Calendar

When a certain passenger conductor on the New York Central decided to take a day off, he had no thought that a three weeks' enforced leave of absence would be handed to him. He climbed on a chair to tear a date page from the pad of a large Pacific Mutual calendar and the chair tipped over. Four or five ribs were cracked in the wreck which followed. A Pacific Mutual calendar caused the crash and a Pacific Mutual accident policy paid the bill.

* * *

Has Paid $1,000,000

The Pacific Mutual Life has now paid out nearly $1,000,000 for accidental deaths of railroad employes. Three of the claims were on dining car cooks. They met with legitimate accidental deaths, and not from eating their own wares. Mortality among firemen was heaviest.

* * *

Distinguished Lineage of Bulkeleys

At the recent dedication of bronze memorial tablets in the main hall of the Aetna Life in memory of Judge Eliphalet Adams Bulkeley, first president of the Company, there were four generations of distinguished lineage present. President Morgan G. Bulkeley gave an interesting review of his father's life and the tablets were unveiled by two greatgrandsons of the late Judge Bulkeley—Gardner Bulkeley, III, aged three years, and William E. C. Bulkeley, aged four years, sons of Captain Morgan G. Bulkeley, Jr. The concluding paragraph of the bronze tribute reads: "He was honorable in his descent, skilled in his profession, a pioneer in the beneficent work of the institution which he founded and a useful and exemplar townsman of the communities in which he lived."

* * *
* * *

Benedict D. Flynn on Honeymoon

Benedict D. Flynn, of Hartford, assistant secretary of the Travelers Insurance Company and Miss Genevieve M. Brady, daughter of Mrs. Thomas H. Brady of New Britain, Conn., were married recently in St. John's Church, Old Saybrook. Professor Joseph D. Flynn, of Trinity College, brother of the groom was best man, and the ushers were George W. Brady, brother of the bride, G. Frank Olmsted, John E. Ahern, George W. Flynn, and Harry H. Walkley of Hartford. Harry J. Barreuther, cousin of the bride, played the wedding march.

* * *

Sammis With Maryland

Walter Sammis assumed his new position as counterman at the New York office of the Maryland Casualty Company on Monday. Mr. Sammis formerly held a similar position with the Fidelity & Deposit Company and the Southwestern Surety Company.

* * *

War Stops These Indemnities

According to a ruling of the State Industrial Commission of Colorado, members of Austrian, German, Turkish and Bulgarian families whose relatives were killed in the Hastings mine disaster on April 27, cannot collect compensation insurance until after the termination of the war. In no event will insurance be paid on any claim arising since the outbreak of the war, according to the ruling. Claims presented before war was declared and on which money is now being paid, will not be affected by the recent decision. Following is the wording of the commission's decision:

"As to the claims which have arisen subsequent to the declaration of war, the Industrial Commission will accept for filing the claims of claimants (citizens of the countries named) resident within the borders of the United States or friendly countries, and wherever the facts justify will award, but payment under said award will be ordered held in trust during the period of the war."

The Employers' Liability Assurance Corporation, Ltd.
The original and leading Liability Insurance Company in the World
LIABILITY, STEAM BOILER, ACCIDENT, HEALTH, FIDELITY AND BURGLARY INSURANCE
United States Branch
SAMUEL APPLETON, United States Mgr.
Employers' Liability Building
33 BROAD STREET, BOSTON, MASS.
AGENTS WANTED

NATIONAL CASUALTY DETROIT
The NATIONAL of DETROIT
Is ready—and qualified—to write
GROUP INSURANCE
This new form represents the future plan of INDUSTRIAL underwriting
NOW is the time to get started
National Casualty Company
Detroit, Michigan
Eastern Department
100 William St., New York
Western Department
Pacific Bldg., San Francisco
Northwestern Department
Palace Bldg., Minneapolis

Broker's Commission Rights

(Continued from page 1)

the courts. This is especially true when a series of policies procured by the broker for an insured is cancelled prior to expiration by either company or insured under the privilege contained in the standard policy. Practically speaking, when the broker retains the line for the insured and simply replaces it in another company, or even when he retains the insured as his customer, there is no difficulty upon this point since the broker is usually willing to forego his commission upon the unearned premium and look upon this loss as one of the features of his business. In this respect, the effect of the transaction between broker and company is that the former follows the fortunes of the latter, and only receives his commission upon the portion of the premium actually earned by the company. When, however, there is a break in the relationship between broker and insured, resulting in the cancellation of policies, some very difficult questions arise. In a recent instance, where there had been a change in brokers, resulting in the cancellation of a series of policies, John A. Eckert & Co. started two actions against Pathe Freres to recover from the latter the portion of the commission unearned because of the cancellation of the policies previous to expiration. The starting of such actions was an admission by the broker that he was not entitled to the commission on the unearned premiums from the companies, since he claimed this from the insured." Continuing Mr. Badger said:

Effect of Decisions

One of these actions was commenced in the Municipal Court, and resulted in a judgment for the insured. This was affirmed upon appeal by the Appellate Term and motions for reargument and for leave to appeal to the Appellate Division were denied. The other action was a Supreme Court action and in this the insured demurred to the broker's complaint, which demurrer was sustained and this is as far as the action has proceeded.

The effect of these decisions and of the cases upon which they were based is that in no event is the broker entitled to recover his commission from the insured. The reason for this lies in the fact that the insured never undertakes to pay a commission, only paying the fixed premium from which he is quite content that the broker, with the permission of the company, should make a deduction before payment to the latter.

So far as the question of the broker's right to recover full commission from the company despite cancellation, no definite answer can be given at the present time. The contention of the broker is that he receives his commission for negotiating the insurance and that he may retain this irrespective of the subsequent fate of the policy. The contention of the company is that the broker, having negotiated a policy of insurance containing a cancellation clause which may terminate it at any time, is bound to follow the fortunes of the company and when he has received full commission must repay them to the company upon cancellation.

Richards on Insurance, 3rd ed., p. 94, note, states:

"The broker receives a commission in the shape of a percentage out of the premium. Devens vs. Mechanics' & Traders' Ins. Co., 83 N. Y., 171; McGrath vs. Home Ins. Co., 88 App. Div., 153, 84 N. Y. Supp., 374. He earns full commission though policy be cancelled before expiration. Am. Steam Boiler Co. vs. Anderson, 130 N. Y., 134, 29 N. E., 231. Contra, dictum, Devereaux vs. Ins. Co., 98 N. C., 6, 3 S. E., 639. But by custom in order to keep on good terms with the company the broker makes return of his commission to the company pro rata, inasmuch as the company is obliged on cancellation to pay back to the insured the unearned premium without credit for its payment to broker."

These authorities are, however, not quite conclusive upon the question since they are in reality applicable to an agent and not to a broker. It is quite apparent that the question of an agent's commission depends upon his contract which is usually written, whereas there is rarely a definite contract between broker and company, simply the rate of commission being fixed. It has, however, been definitely established in the case of an agent of an insurance company, that where the policies of the latter are cancelled because of its insolvency, the agent may retain full commission notwithstanding the cancellation. This ruling was made in the case of American Union Fire Ins. Co.,—Johnson vs. Button, 49 Ins. L. J., 335, and in T. W. Hay vs. Union Fire, 83 S. W., 241. This same result will in all probability be held to obtain in case of a broker since he has fully completed his work, and the termination of the policy is not due to any fault attributable to him nor was the termination had in conformity with any provision of the policy.

Breach of Trust

It is also clear, that in a case where a broker had placed a line of insurance and then prevailed upon the insured to cancel the same and replace it in another company, that this is such a breach of trust almost amounting to fraud as would make it necessary for the broker to repay to the company the commission on the unearned premium, and this holding was made in the case of American Steam Boiler Co. vs. Anderson already referred to.

Where, however, a policy is cancelled in ordinary course of business by either company or insured, and as is usually the case there is no specific agreement between the broker and the company, it would seem that the eventual holding will be that the broker must follow the fortunes of the company and suffer a loss of commission so that his earnings will be only a percentage of the earnings of the company. This would seem to be the better ethical ruling and in line with the practice of the business. The legal basis for it would be the fact of the cancellation clause in the policy. When, therefore, a broker deducts his commission before paying the premium to the company, this would be only a conditional payment, and would always be subject to the contingency that the policy would run through to its appointed end.

THE SPIRIT OF 1917
There is a spirit of mutual helpfulness among Continental agents
Continental Casualty Company
H. G. B. ALEXANDER, President
GENERAL OFFICES
910 Michigan Avenue, Chicago

New Amsterdam Casualty Company
A Progressive
SURETY AND CASUALTY
Company

CASUALTY POINTS

A Little Opportunity With a Big O

There is perhaps no other class of business which possesses as much promise of underwriting success as general liability risks when applied upon such types as private residences, club houses, country clubs, hotels, country estates and small retail establishments.

This productive field has been generally overlooked. Doubtless the smallness of the average premium has hindered its development. Possibly the companies have been inexcusably negligent in their failure to stimulate interest in it. Whatever has been the cause the fact remains that a rich insurance field has not been properly cultivated.

One notable exception to the rule seems to be the city of Boston, where general liability insurance upon private residences and apartments is almost as popular as fire insurance. But, then, insurance is a religion in New England and perhaps it is unfair to intimate the comparison.

This is an age of commercial magnitude. American business men are impatient of the attempt to build large from an accumulation of small units. Continual contemplation of the big idea is one of our national failings. We miss the importance of seemingly insignificant things so that our enterprises frequently lack solidity and permanence. Ambition is truly an admirable state of mind. It realizes progress and development. But assuredly it can be achieved with the aid of small accomplishments. There is a cumulative value in constantly repeated small successes that cannot be dismissed without serious attention. "Little by little" is the surest motto if we would build a structure that will last.

Thus it is with general liability risks of the class to which reference has already been made. The premiums, it is true, are small, but that very factor is one of the favorable features.

The opportunities of the field are by no means restricted to cities. The thoroughly aggressive small town or country agent will have no difficulty in finding prospects. After all it is not where the agent works but how he works that makes him either a successful insurance salesman or a failure.

It is sincerely hoped that our agents will devote more of their attention to the solicitation of this class of business. Premium income from such a source is vitally necessary to the continued welfare of the corporation. It will strengthen and stabilize the development of its business. And we firmly believe that when once the value of this hitherto unexploited branch of casualty insurance is fully appreciated our agents will materially benefit from their efforts.—The General's "Review."

* * *

Agent's Chauffeur Takes the Plow

At least one Northwestern Mutual Life agent is fully alive to the possibilities in the rural districts this year. This agent has a man drive him through the farming section in an automobile, and while he talks insurance to the farmer, his driver, who is a farmer also, takes the plow, so no one is losing time. If the applicant is too busy to go to town to be examined, the agent takes the doctor to the farm and during the examination takes the plow himself.

Ready August 15

The National Automobile Mutual Fire Insurance Company and the National Automobile Mutual Casualty Company, James Tracy Hill, manager, will be ready for operation about August 15.

INSURING SEAMEN

Details of the Plan Mr. Crowley Has in Charge Given Out in Washington

The work cut out for John J. Crowley of the Travelers, as assistant to Director De Lannoy at Washington, in arranging for insurance of crews on ships, is interesting in its details.

Under the law, shipowners may take out insurance either with the bureau of war risk insurance or with insurance companies, in the latter case the terms of the policy to be satisfactory to the Secretary of the Treasury. Companies, however are not likely to write much of this class of business.

Owners of ships plying between American ports may also insure the officers and crew but are not required to do so. Owners of foreign bound ships must provide this insurance under penalty of a fine of $1,000 and an assessment of the amount of the insurance.

The policies will provide for the payment of the amount of one year's earnings—in no case more than $5,000, or less than $1,500—for loss of life or permanent disability. During detention by the enemy, compensation must be paid at the rate of the earnings of the insured immediately preceding capture. For maiming, short of complete disability, losses will be paid at rates ranging from 45 per cent. of a year's earnings for an eye to 65 per cent. for an arm or leg.

The plan evolved for carrying out the new work contemplates using virtually the same machinery which operates the insurance on hulls and cargoes; that is, the collectors of customs in all ports of the United States will be agents of the bureau in receiving applications for insurance and quoting rates fixed by the bureau in Washington with the approval of the secretary. In regard to the sailings from abroad to the United States, American consuls will perform the same function.

No claim agent or attorney under the law will be entitled to receive any compensation whatever for services in the collection of claims against the bureau of war risk insurance for death, personal injury or detention, except in cases of proceedings before a United States district court in connection with disputed claims, when the judge will determine the amount of such compensation not to exceed 10 per cent. of the amount recorded.

THE AETNA'S BIG DRIVE

New York Agency to Compete for Substantial Pecuniary Allowance on New Line of Risks

The New York branch of the Aetna is pushing its business-getting campaign with intense vigor by offering its agents a bonus in addition to a trip to the home office during the ensuing year. With a view to making it the greatest campaign in the history of the Aetna and its affiliated companies, the agents are asked to put all their energy in such lines as tourists, baggage, accident and health, burglary, physicians, surgeons hospital, dentist and druggist liability. Water damage insurance is also a feature having been created on account of the recently installed high pressure system in the city. The campaign is to be a contest between the New York office and the two largest producing general agencies or branch offices in the country, and some vigorous hustling will be done between now and the close on October 31st next.

During the first half of 1917 there were 302 persons killed by automobiles in New York City. This is forty-five in excess of the number killed in the first half of last year. More than half of those killed in the entire State met their fate in this city.

W. E. SMALL, President PETER EPES, Agency Mgr. E. P. AMERINE, Secretary

GEORGIA CASUALTY COMPANY

HOME OFFICE: MACON, GEORGIA

"DIXIE AUTO POLICY"

THE LAST WORD IN MOTOR INSURANCE

Surplus and Reserves to Policyholders.....$1,526,022.81

The METROPOLITAN CASUALTY

INSURANCE CO. OF NEW YORK

HOME OFFICE, 47 CEDAR STREET

CHARTERED 1874

Plate Glass, Burglary, Accident and Health Insurance

EUGENE H. WINSLOW, President

Russell R. Cornell, Vice-Pres. S. Wm. Burton, Sec. Alonzo G. Brooks, Ass't Sec.

RELIABLE AND ENERGETIC AGENTS WANTED

THE SIGN OF GOOD CASUALTY INSURANCE

HEAD OFFICE CHICAGO

F. W. LAWSON General Manager

Liability, Accident, Burglary, Boiler and Credit Insurance

Established 1869.

F. J. WALTERS Resident Manager 55 JOHN STREET New York

Elmer A. Lord & Co. 145 Milk St., Boston Resident Managers New England

London Guarantee & Accident Co., Ltd.

OF LONDON, ENGLAND



BUSINESS=BUILDERS

DEVELOPING

Fidelity and Surety Bonds, Liability Workmen's Compensation, Automobile, Accident, Health, Burglary and Plate Glass INSURANCE

APPRECIATE THE CO-OPERATION OF THE

Massachusetts Bonding and Insurance Company

BOSTON T. J. FALVEY, President

Paid-In Capital $1,500,000 Write For Territory

The Fidelity and Casualty Company of New York

92 LIBERTY STREET, NEW YORK, N. Y.

Metropolitan Office—92 William Street

Annual Statement, December 31, 1916

Assets	$13,788,795.23
Liabilities	9,708,052.97
Capital	1,000,000.00
Surplus over all liabilities	3,080,742.26
Losses paid to December 31, 1916	56,090,684.58

This Company issues contracts as follows: Fidelity Bonds; Surety Bonds; Accident, Health, and Disability Insurance; Burglary, Larceny, and Theft Insurance; Plate Glass Insurance, Liability Insurance—Employers, Public, Teams (Personal Injury and Property Damage), Automobile (Personal Injury, Property Damage and Collision), Physicians, Druggists, Owners and Landlords, Elevator, Workmen's Compensation—Steam Boiler Insurance; Fly-Wheel Insurance.



The Columbian National Life
OF BOSTON

ARTHUR E. CHILDS, President

A CHANGE may be necessary to realize your ambition

Think a minute—then write

WM. H. MASTIN — (West of the Mississippi). SYMES BUILDING DENVER, COLO.

FRANK D. LOMBAR — (East of the Mississippi). 77 FRANKLIN STREET BOSTON, MASS.

SUPERINTENDENTS OF AGENCIES

DARL D. MAPES, Superintendent of Accident Agencies
77 FRANKLIN ST., BOSTON, MASS.

The service of a high grade Accident Department will also be offered so that you will not have to broker your Accident business to avoid violating your Life insurance contract.

PURELY MUTUAL — **THE** — CHARTERED 1857

Northwestern Mutual Life Insurance Co.
MILWAUKEE, WISCONSIN

GEO. C. MARKHAM, President

Insurance in Force, $1,505,464,984

SATISFIED POLICYHOLDERS each year apply for over 35% of the new insurance issued.

POLICIES MOST FLEXIBLE AND EASY TO SELL

Complete Agency Protection:
Enforced Anti-Rebate and No-Brokerage Rules

Investigate before selecting your Company

Write GEO. E. COPELAND, Supt. of Agencies, Milwaukee, Wis.

In addition to the ordinary forms of life insurance

THE EQUITABLE

makes a specialty of the following:

Insurance to protect business firms and corporations, under a corporate form of policy.

Group Insurance, by which employers protect families of employes.

A flexible contract, known as the Convertible Policy, which can be converted by the Insured into an Ordinary Life, Limited Payment Life, or Endowment Policy.

A Bond issued without medical examination giving the investor an income for his declining years.

A new policy is offered under which the insurance is DOUBLED if death results from ACCIDENT. This policy also embodies the following advantages if the person whose life is insured becomes totally and permanently disabled:

1. Thereafter the Equitable will carry the insurance —The Insured will have nothing further to pay.
2. The Equitable will pay the Insured an annual income for life equal to one-tenth of the face of the policy.
3. Upon the death of the Insured the full amount of the insurance will be paid to the Beneficiary (or double the amount if death is due to accident) without deduction on account of the income paid to the Insured while living.

(See the policy for conditions and details.)

For Agency Openings Address

WILLIAM E. TAYLOR,
Superintendent of Agencies

THE EQUITABLE
LIFE ASSURANCE SOCIETY OF THE U. S.

120 BROADWAY, NEW YORK

-THE-"LIVE"-LIFE-INSURANCE-AGENCY-

-PROMPTNESS-

-EFFICIENCY-

TELEPHONE Canal 6330 / Connecting 6331 / Both Offices 6332

JOS. D. BOOKSTAVER
76 William St., also 230 Grand St.
General Agent
THE TRAVELERS INSURANCE CO. of Hartford, Conn. — New York

---ORGANIZATION----SERVICE---

WORTH KNOWING

Suppose that you are insured in the United Life and Accident Insurance Company of New Hampshire for $5,000 under the Company's Triple Indemnity Plan, what does your Policy guarantee to do?

ANSWER:

FIRST, it guarantees that in case of death from any cause, $5,000, the face of the Policy, will be paid.

SECOND, that in case of death from any ACCIDENT, $10,000, or DOUBLE the face of the Policy, will be paid.

THIRD, that in case of death from certain SPECIFIED accident, $15,000, or THREE TIMES the face of the Policy, will be paid.

BUT THIS IS NOT ALL. The Accident Disability Endorsement FURTHER guarantees that in case of total disability as a result of accidental injury, the Company will pay direct to YOU at the rate of $50 PER WEEK during such disability, but not to exceed 52 weeks, after which the weekly indemnity will be at the rate of $25 PER WEEK throughout the period of disability. Can insurance do MORE? And why should any man be satisfied with a policy that would do less? The cost is low.

Agents wanted in Maine, New Hampshire, Vermont. Connecticut, Pennsylvania, North Carolina, South Carolina, Tennessee, Georgia, Delaware, Maryland, Mississippi, Kansas, Missouri. An opportunity for Life Insurance Salesmen of ability. Address:

United Life and Accident Insurance Co.
Home Office, United Life Building - Concord, New Hampshire

San Francisco Losses Amounting to $4,522,905.00 paid PROMPTLY IN CASH WITHOUT DISCOUNT, from funds largely supplied by head office in Liverpool

Liverpool AND London AND Globe Insurance Co. LIMITED

Over $152,000,000.00
Losses Paid in the United States

HENRY W. EATON, Manager
G. W. HOYT, Deputy Manager
HUGH R. LOUDON, Assoc. Deputy Mgr.
J. B. KREMER, Asst. Deputy Manager
T. A. WEED, Agency Superintendent

U. S. Cash Assets, Dec. 31, 1916	$15,827,439.35
Surplus, - - - - -	5,460,745.59
Losses Paid by Chicago Fire, 1871	3,239,491.00
Losses Paid by Boston Fire, 1872	1,427,290.00
Losses Paid by Baltimore Fire, 1904	1,051,543.00

NEW YORK OFFICE
80 William Street

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Commerce

THE EASTERN UNDERWRITER

[Succeeding the Journal of Insurance Economics, Established in 1899]

A WEEKLY NEWSPAPER COVERING ALL BRANCHES OF INSURANCE

Eighteenth Year; No. 29 | NEW YORK, FRIDAY, JULY 20, 1917 | $3.00 a Year; 15c. per Copy

NIAGARA FIRE WINS GATELY-HAIRE CASE

Insurance Contract Ended When Assured Gives Company Unequivocal Notice of Cancellation

NEED NOT SURRENDER POLICY

Court of Appeals Decision of Tremendous Importance in View of Former Decisions

The Court of Appeals, this State, has dismissed the complaint of the Gately-Haire Co., Inc., against Niagara Fire and Insurance Company of the State of Pennsylvania, reversing the decisions of the Special Term and the Appellate Division. The decision is regarded by underwriters, adjusters and insurance associations of various kinds as one of the most important in the history of fire insurance.

Gately-Haire Co. ran a talking machine, music and camera store in Albany. The fire occurred in January, 1916. The point of issue was the lines in the standard policy covering cancellation. The insurance companies were represented by Gwinn & Deming, R. W. Gwinn making the argument.

A Clearly Defined Ruling

This decision holds that the only thing necessary for the insured to do to cancel his policy is to give unequivocal notice to the company of his desire. He can give this notice by letter, by telegram or by word of mouth; but once the notice is served on the company the contract of insurance immediately is ended. The relation of the insured and insurer then becomes one of debtor and creditor. The company need not give up these unearned premiums until the insured surrenders his policy.

The decision construes the effect of Section 122 of the insurance law giving an absolute right to the insured to cancel his policy upon request, irrespective of whether he surrenders the physical policy itself or the company actually returns the unearned premium.

If a fire should occur after the receipt by the company of notice from the insured of his desire to cancel there would be no liability, although the insured should retain in his possession the policy and the company still had in its possession the unearned pre-

(Continued on page 14.)

"The Largest Fire Insurance Company in America."

THE HOME INSURANCE COMPANY NEW YORK

ELBRIDGE G. SNOW, President

Service to Policyholders and to Agents Unexcelled.

FIRE AND ALLIED BRANCHES OF INSURANCE

Fire, Lightning, Automobile, Commissions, Explosion, Hail, Marine (Inland and Ocean), Parcel Post, Profits, Registered Mail, Rents, Sprinkler Leakage, Tourists' Baggage, Use and Occupancy, Windstorm.

STRENGTH REPUTATION SERVICE

North British and Mercantile Insurance Co.

Established 1809

Entered United States 1866

Policyholders protected by the entire United States assets, with further guarantee in every policy, of protection by entire fire assets of the company which are many times larger.

SPRINGFIELD
Fire & Marine Insurance Co.

Cash Capital $2,500,000 00

THE SPRINGFIELD for two-thirds of a century has transacted business solely under its own corporate name, without annexes, underwriting agencies or subsidiary companies. An agent of the SPRINGFIELD is not a half, a quarter or any other fraction of an agent, but is vested with the rights and dignity of an undivided representative of an undivided and independent company. The SPRINGFIELD stands today pre-eminent among American fire insurance companies.

SPRINGFIELD MASSACHUSETTS

METROPOLITAN GETS PITTSBURGH L. & T.

One of the Largest Re-insurance Deals on Record Waits Only on Approval of Court

WASHINGTON LIFE IS INCLUDED

Funds and Accounts of Two Companies to Be Segregated From Metropolitan

The Metropolitan Life on Tuesday morning corroborated reports which had been published in the daily papers that it will take over the outstanding life insurance policies of the Pittsburgh Life & Trust and of the Washington Life of New York, which the Pittsburgh Life & Trust re-insured in 1909. This will be done by a re-insurance contract which has been approved by the New York and Pennsylvania insurance departments, and is to be put into effect as soon as approved by the courts, which it is thought will be in a few days.

Thus is written one of the concluding chapters in the affairs of a company that has been in the limelight for weeks, and in the hands of a receiver for some time. Death claims that have been pending will immediately be paid, and policyholders will breathe a sigh of relief that it is all over, and that they have nothing more to worry about. In one office building alone downtown—the Washington Life Building, which figured so sensationally in the Birds-eye tangle—there are nine or ten policyholders, most of them men of prominence.

A Big Deal

In size it is one of the biggest re-insurance deals on record. The Washington Life had life insurance of $27,000,000 outstanding, with a reserve of $13,000,000, while the Pittsburgh Life & Trust had total life insurance in force of $92,000,000, with a reserve of $8,000,000, making a total of $119,000,000 insurance outstanding, with a total reserve of $21,000,000.

At the office of George B. Woodward, second vice-president of the Metropolitan Life, it was said that no statement about the re-insurance transaction will be made by the Company until after the court has added its approval to that of the two insurance departments. Mr. Woodward said, however, that the

facts published in the following newspaper story are substantially correct:

This re-insurance contract when consummated will put an end to the uncertainty as to the standing of the Pittsburgh Life and Washington Life policyholders. Under the terms of the re-insurance contract the Metropolitan Life takes all the assets of the Pittsburgh Life and Washington Life, and assumes all the policy liabilities with a lien of 33 1-3 per cent. against each policy to provide for the deficiency in the reserves as a result of the wrecking of the two companies.

All the policies of the two companies are, under the contract, taken over on an equal basis, and all losses occurring within the first five years of the contract are to be paid in full, thus affording full protection during the first five years without regard to the lien. The lien was made because the assets taken over were valued by the Metropolitan Life on a basis equal to 72½ per cent. of the liabilities assumed under the policies. The re-insurance contract further provides that the funds and accounts are to be segregated from the regular business of the Metropolitan Life.

The Metropolitan Life, under the contract, takes over all the assets of the two re-insured concerns except those involved in the litigations against those responsible for the wrecking of the companies, and it is provided that should these litigations result in recoveries such recovered funds will be turned over to the Metropolitan Life and applied to the reduction of the lien or the extension of the five-year full cover period.

No Statement About Personnel

The Metropolitan was asked about the future of F. C. Parsons, who was comptroller of the Pittsburgh Life & Trust and who has been acting for the State Insurance Department which has been in charge of the Pittsburgh Life & Trust affairs since the receivership; and of other men at the home office, but did not care to make any comment. H. S. Sutphen, who was superintendent of agents under the old regime, is now with the Cleveland Life. The agency force has scattered more or less. The company has not had any president since F. A. Wallis, elected to the office, decided not to take it, but to continue instead as general agent of the Fidelity Mutual in New York City.

The Pittsburgh Life & Trust, which prospered under President Baldwin, was handicapped in its later years by owning two New York office buildings which did not have much earning power. The Company's home office building in Pittsburgh has been profitable. When Clarence Birdseye came along with his schemes to unload the New York office buildings, he was sympathetically received by directors, including Nimick, McCausland and Parsons. Nimick, a leading bank president in Pittsburgh, has been twice president of the Company. McCausland, who had been vice-president, is with the Carnegie Steel Co.

The details of how Birdseye, a lawyer, sold those office buildings, one to a clerk in his son's office and the other to a process server, both of the buyers being persons without bank accounts; and how he bought the Dare Lumber Company and put its bonds in the Pittsburgh Life & Trust vault, withdrawing in substitute nearly $2,000,000 of first class securities, together with all of the other sensational developments which followed, are familiar to all insurance men.

Dare Lumber Company

After the smash-up, Nimick and some others were called upon by the agency force to make restitution. One of the most interesting phases of the situation is the valuation of the Dare Lumber Company. Nobody knows exactly what it is worth, estimates of value running all the way from less than $200,000 to the $20,000,000 figure which Birdseye says is the correct one. If the Dare Lumber Company is worth $20,000,000 Birdseye was not a J. Rufus Wallingford.

ECHO OF PITTSBURGH L. & T.

Commercial Trust Company of New York, Makes General Denial, But Admits Holding Moneys

As attorney for the Commercial Trust Company, of New York, one of the defendants in the case of J. Denny O'Neil, Insurance Commissioner of Pennsylvania, as receiver of the Pittsburgh Life and Trust Company, plaintiffs, against Clarence F. Birdseye, et al., defendants, Lemuel E. Quigg has filed an answer in which a general denial is made to practically all the allegations in the original complaint. The Commercial Trust Company as defendant, therefore asks judgment, dismissing the complaint, as against it, with costs and disbursements.

The Commercial Trust Company denies any knowledge or information thereof sufficient to form a belief as to any or either of the allegations contained in the complaint. As to a paragraph in the complaint the defendant states that between March 29, 1917, and April 9, 1917, sums of money aggregating $1,919,700 were deposited by the Pittsburgh Life & Trust Company to its own credit in the Commercial Trust Company of New York, and that it has no knowledge or information thereof sufficient to form a belief as to any other allegation. The company further says that it has in its possession certain moneys to the credit of certain defendants named in the complaint, information of which moneys and of the names of the parties to whose credit they stand on defendant's books, has heretofore been supplied to the plaintiffs, but it denies allegations in the complaint. As to paragraph 34, the trust company denies every allegation relating to itself or the other defendants, but declares that it has retained in its possession and does now retain every money deposit or thing of value which it can suppose in any way relates to the transaction referred to in the complaint, which was in its possession on the date of the verification of the complaint.

DIVISION OF INSURANCE

Superintendent Potter, of Illinois, has sent the following letter to companies:

"By the provisions of an act effective July 1, 1917, the Insurance Department is merged with certain other departments under the Department of Trade and Commerce. Under this law 'The Department of Trade and Commerce shall have power to exercise the rights, powers and duties vested by law in the Insurance Superintendent, his officers and employes.' Hon. William H. Stead will be Director of Trade and Commerce, and Hon. James S. Baldwin, Assistant Director. Under the new department, there will be a Division of Insurance. The head of this division will be styled Superintendent of Insurance and the undersigned will assume this position."

J. Denny O'Neil was confirmed Insurance Commissioner by the Pennsylvania Senate at its closing session recently without a dissenting vote. James W. Leach nominated by Governor Brumbaugh for membership on the Workmen's Compensation Board, was rejected by a vote of 23 to 22, 34 votes being necessary to confirm.

CO-OPERATION No. 5

CO-OPERATION means, among other things, that we are giving our best attention to every representative in placing life insurance contracts, but to those who accomplish most, most is given.

We are extending this co-operation to Life Annuity contracts also. Rates have been reduced.

In five months of 1917 a gain of 254 Per Cent in Annuity premiums has been established over the sum secured during all of 1916.

Phoenix Mutual Life Insurance Company

of Hartford, Conn.

JOHN M. HOLCOMBE, President

SUITS TO CONTINUE

Pennsylvania Department Believes $2,000,000 Can Be Recovered in New York and Pittsburgh

Harrisburg, July 18.—Insurance Commissioner J. Denny O'Neil, upon returning to his office here following a conference in New York with Attorney General Brown and the New York Insurance Department, said:

"Every effort was exhausted on our part to bring about a reorganization of the company. Former Justice Hughes, counsel for the New York department, opposed any reorganization scheme on the ground that while it might work for four or five years, he was convinced that the company could not write any new insurance, and that this would mean eventually the liquidation of the company. There was nothing left, then, but re-insurance.

"The only offer we received was from the Metropolitan Life Company, and we were compelled to accept its offer, which was an exceptionally good one. This provides that $450,000 in death policies, now accrued, will be paid in full, and that all policyholders who die within the next five years will be paid in full.

"The re-insurance contract provides that any money recovered from the New York looters of the Pittsburgh company and all profits obtained through the sale of real estate and all other assets shall be used to reduce the lien and all policyholders, it is believed, will thus be eventually paid in full.

"The stockholders, however, will be wiped out entirely unless they can recover by civil suits against the men who wrecked the company. This department will go right ahead with its civil and criminal suits in New York and Pittsburgh. We feel that we can recover $2,000,000 in the civil suits and convict some of the men implicated in breaking up the company."

STATE INSURANCE

Has Never Met the Expectations of Those Who Urged It on the Public

State insurance wherever it has been tried in this country has not proven a success or in any way met the expectations of those who have urged it upon the public. In a more striking way, State insurance has been illustrated in Italy. Four years ago, life insurance was made a national monopoly in that country and private companies were prohibited from doing business, all insurance being authorized through the government. Great promises were made both as to the cost of the insurance and its benefit but none of these are coming true. After four years' experiment, over a million dollars has been spent by the Italian government to put the plan in motion and while it was stated that repayments would be made of this money, nothing has been done in that line. The only reports given are of the assets of the State insurance but no figures are given as to liabilities because of the fact that it is known the insurance fund is already insolvent. The only result that has been secured has been to create positions for men with large salaries but with no responsibilities for securing a certain amount of business; these salaried positions are simply individual sinecures. The fact remains that life insurance prospers and grows and its great results are achieved through the individual solicitation made by representatives of companies going directly to those who need insurance and presenting it in such a way that the insurance is taken and kept. State insurance has no incentive behind it to work through such channels and the result is that those who most need insurance protection are never solicited "Bankers' Life Bulletin."

Northwestern Meant Just What It Said

TERRITORIAL RIGHTS OF GENERAL AGENTS MUST BE UPHELD

Resignation of Richmond General Agent Following Controversy Over New York Risk

The Northwestern Mutual Life, as printed by The Eastern Underwriter last week, has taken a positive stand for the protection of local representatives in that agents cannot solicit insurance either by correspondence or personally outside of the territory covered by their contracts unless the written consent of the general agent of the company in charge of such other territory shall have at first been secured through the general agent. This is the explanation of the situation in Richmond. John I. D. Bristol, who is in Milwaukee attending the Northwestern Mutual Life's general agency meeting, wired The Eastern Underwriter that he did not care to be quoted.

By J. P. MADISON.

Richmond, Va., July 17.—Upon learning of the resignation of T. A. Cary as general agent for Virginia for the Northwestern Mutual Life, the Richmond Association of Life Underwriters, of which organization he was formerly president, sent the following telegram to President Markham of the company:

"We note with much regret the publication in our local press of the resignation of T. A. Cary as general agent for your company in Virginia and express the hope that he can be prevailed upon to reconsider his resignation. His retirement from the life insurance business would be a loss to Virginia. This action is taken without the knowledge of Mr. Cary."

Mr. Cary recently tendered his resignation effective August 1, his action being prompted by a difference between him and the company as to who was entitled to a commission from the conversion of a term policy to one of another form. The policy was written by Percy Montague, Jr., one of Mr. Cary's Richmond agents on the life of his (Montague's) father-in-law, a resident of New York. It is said that the transaction of conversion was effected by mail. John I. D. Bristol, New York general agent of the company, put in a claim for the full commission of $1,448.04 and it appears from Mr. Cary's letter of resignation that this was finally awarded the New York agency after Mr. Montague had been paid his commission of $1,131.94 by Mr. Cary.

Mr. Cary's views of the case are embodied in his following letter of resignation:

Mr. George E. Copeland,
Superintendent of Agencies,
Northwestern Mutual Life Ins. Co.,
Milwaukee, Wis.

Dear Sir:

I hereby notify you of my resignation as general agent of the company, under paragraph (e) of the "termination provisions" of my contract, to take effect sixty days from to-day, or, if agreeable to you, August 1, 1917.

I am brought to this decision by the unfair, arbitrary and dilatory treatment accorded to the Collier commission matter, shown by the correspondence during the past six months, as I cannot now feel the genuine enthusiasm for the company, which it is necessary for me to have, to push its interests.

I might add that I shall not bring what my counsel advises would, in his opinion, be a hopeless law suit against Mr. Percy Montague, Jr., for the commission of $1,131.94, unless the company evidences its faith in the correctness of its position by agreeing to abide the result of such suit, with the privilege of conducting the same.

I paid Mr. Montague under the action and authority given to me by the Secretary's Department with the entire facts in its hands, although after allowing me the commission of $1,448.04, and knowing further that I had, in turn, paid Mr. Montague his contract commission, that department peremptorily recalled from me the whole commission. I am thus, in all innocence called on to make good the company's own act.

Yours truly,
(signed) T. A. CARY.

Mr. Cary has been connected with the Northwestern for about forty years.

MARKET GARDENING

Canada Life Rents a Farm and Its Staff Become Farmers—Afternoon a Week

The Canada Life has rented a large market farm some few miles out of the city, where the male members of the staff put in one afternoon a week. Potatoes, carrots, beans and turnips have been planted, with indications of a bumper crop.

The lady members of the staff also have obtained a plot of ground from the War Thrift Committee and are growing all the different market vegetables in their spare time. At both "farms" the staff is divided into teams, and great friendly rivalry exists between the different "farmers."

The White & Odell Agency, State agents in Minnesota, held its annual agency convention in Minneapolis on July 6 and 7. A luncheon at the Minneapolis Athletic Club was served at the expense of the Captain of the losing team in the three months' contest.

Senate Tax May Foot Up 31 Per Cent.

EXCESS PROFITS AND SURTAX MEASURE UNJUST

Would Force Distribution of Deferred Life Insurance Dividends—Bad for All Lines

The Senate War Revenue Bill would tax certain life insurance companies 31 per cent. if it became legislation in its present form. The situation is serious, but not so serious as it would be if the Senate and House were not far apart on taxation matters. This division of opinion is so great that some observers do not expect the Revenue Bill to become law until the Fall.

The Situation

But here's the situation: There is a corporation tax of 4 per cent. on net income to start with. Then comes the excess profits feature. This is graded, the minimum being 12 per cent. The excess profits are determined by comparison with the prewar period, which is defined as follows:

The term "prewar period" means the calendar years 1911, 1912 and 1913.

That in addition to the taxes under existing law and under this Act there shall be levied, assessed, collected and paid for each taxable year upon the income of every corporation, partnership or individual, a tax equal to the following percentages of the excess profits.

There then follows the percentages, starting, as before stated, with 12 per cent.

How is the excess profits tax to be determined? Section 203 reads in part as follows:

In the case of a domestic corporation or partnership or of a citizen or resident of the United States by deducting the net income of trade or business received during the taxable year the average amount of the annual net income of the trade or business during the prewar period; and

If the average capital employed in the trade or business during the taxable year is greater or less than the average capital or proportion thereof so employed during the prewar period, the excess profits shall be determined by deducting from the total net income for the taxable year an amount which bears the same proportion to the average annual net income for the prewar period which the average capital or proportion thereof employed during the prewar period, etc.

If a taxpayer fails to present satisfactory evidence as to the average amount of the annual net income of the trade or business during the prewar period, the excess profits shall be determined as provided in Section 205.

Capital shall be deemed to be the fair average value of the assets actually invested and employed in the trade or business less the average amount of the liabilities incurred in respect to such trade or business.

What About Reserves?

In the case of life insurance companies, particularly mutual companies, income naturally increases, but so do the reserves, and, apparently, the reserve is going to be ignored in this bill in fixing the return on which the tax shall be based. As the Senate tax bill now reads if there is to be a comparison with the calendar years 1911, 1912 and 1913 considerably increased "profits" naturally will be earned. The reserve should certainly be taken into consideration, particularly as under the law there is a certain allowance for increase in capital used, etc.

The Surtax

We now come to the surtax, which is 15 per cent. This reads in part as follows:

In addition to the income tax imposed there shall be levied, assessed, collected and paid annually an additional tax of 15 per cent. upon the amount, remaining undistributed sixty days after the end of each calendar or fiscal year of the total net income of every corporation, joint stock company or association, or insurance company, received during the year, as determined for the purposes of the tax imposed, etc.

This would hit deferred dividend companies because of the sixty-day feature.

The surtax really tends to force a life insurance company to distribute surplus. That is really what would be the effect of the tax.

Bad Time for This Legislation

This is a bad time to try and force insurance companies or other corporations to distribute surplus when it should not be done. These are times when corporations are working under tremendous tension. First-class bonds have depreciated, expenses of supplies are constantly going up, war claims will be unusually heavy despite increase in premiums on war risks. Most of the life companies have given free permits to old policyholders. Under the circumstances it is felt there should be no law on the books which would compel distribution of surplus in order to avoid unjust taxation.

The objection to the surtax applies to all lines of business. It has the tendency to weaken the entire economic system; it is double taxation, and, furthermore, it puts a bonus on bad corporate management and financing, inasmuch as insufficient funds are apt to be retained in the business for liquid working capital.

TRAVELERS M. D.'S IN SERVICE

Dr. Wilson at Fort Van Wick; Dr. Le Compte at Fort Oglethorpe

Dr. H. H. Wilson, chief examiner for the Travelers in New York City, is in Ambulance Unit 33, consisting of 119 men from Summit, N. J., where he holds the rank of lieutenant. He is now at Fort Van Wiek, Butler, N. J. Dr. J. R. Le Compte, Assistant Medical Referee in New York for the Travelers, is in the Medical Officers' Reserve Corps, commissioned first lieutenant, and is stationed at Fort Oglethorpe. Dr. T. C. Parks, is taking the place of Dr. Wilson, and Dr. R. A. Smith is taking the place of Dr. Le Compte.

TO INCREASE RATES

The latest fraternal order to increase its rates is the Royal League, which, owing to the increased mortality among its members who have not been rerated and those who have been rerated and are still paying the old rate.



INDUSTRIAL CONCERNS throughout the land are proving the patriotism of business by insuring entire staffs of employees. The Prudential will lend a hand—make it easy for firms to insure their workers.

Family insurance has placed America First in Life Insurance, and Group Insurance will help to keep it there.

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FORREST F. DRYDEN, President — Home Office: NEWARK, N. J.

Talk How Poor We Are; Not How Rich

COUNSEL BARNES' ADVICE TO INSURANCE COMPANIES

Plain Truths in Taxation Views of John Barnes, of Northwestern Mutual Life

A valuable paper on "Federal Taxation of Life Insurance Companies," prepared by John Barnes, counsel of the Northwestern Mutual Life Insurance Company, has been made public.

Discussing so-called insurance extravagance he says that if the cost of insurance is excessive the way to deal with the question is to reduce the expense, not to increase it.

When the Government taxes life insurance it stations its revenue collector at the door of the beneficiary and takes its "bit" from the contributions made for the purpose of distributing death losses. Every cent of taxes exacted is taken from the policyholder or his beneficiary. There is no other place it can come from, because the corporation not being organized for profit, there is no profit to draw on. The tax is a tax on a fund which is gathered for the purpose of paying losses and that only. When you tax such a fund, you are adding loss to loss. It is true that the reserves held produce an interest income, but when the level premium was fixed, this fact was taken into account, and it was made lower than it otherwise would have been because of this interest; hence, the interest is neither a profit nor a production. It is the increment from the part of a fund set aside to pay losses.

There is not, in his judgment, a single forceful argument that can be advanced for exempting fraternals that does not apply to level premium mutuals. "The reasons put forth are mere piffle," he said.

Inequity of Ignoring the Individual in Taxing Corporate Entity

Mr. Barnes discussed the inequity of ignoring the individual in taxing the corporate entity:

"I think it is safe to say as to more than 90 per cent. of the persons insured in old line life companies that if they had set aside their premiums to create a self insurance fund, neither the fund nor the income from it would pay a cent of Federal income tax.

"It should always be kept in mind that the great body of those who take life insurance consists of farmers, clerks, students, teachers, railway employes, carpenters, salesmen, and the like, and that many of them deny themselves the comforts and conveniences of life in order to keep up their insurance. Figures for the first nine months of 1916 show that of those who took insurance in the Northwestern 14.4 per cent. were farmers, 9 per cent. merchants, 6 per cent. office employes, 5.3 per cent. clerks in stores, 3.4 per cent. doctors, 2.9 per cent. lawyers, and 3 per cent. manufacturers. Teachers, students, salesmen, carpenters, railway employes, stationary engineers and plumbers, architects and draftsmen, telephone and telegraph operators, and clergymen make up the bulk of the remainder of the 36,407 persons who insured during this period. The average for a period of years would not differ materially from the figures above given."

Property Accumulations of Life Co.'s

The statement is often made that life insurance companies own property running into the hundreds of millions of dollars, and the question is glibly asked: Why shouldn't they pay taxes as others do?

"The question is not much of a poser. If a merchant has $10,000 due him from customers, and he owes a like sum to his creditors, it has, I think, invariably been the practice to offset debts against credits and pay a tax on the balance only, if any there was. A bank or trust company with a million dollars of capital and surplus may have a hundred millions of assets. Ninety-nine of these millions represent indebtedness to the depositors. There is no jurisdiction that I know of that would think of imposing a tax on a hundred millions of property against such an institution, nor a tax on any more than one million. Banking is a business engaged in for profit and the life insurance company is entitled to at least as much consideration in the matter of taxes as is the bank," he said.

The moneys the insurance companies hold, they hold for their policyholders. Moreover the policyholders have the right to demand what is theirs whenever they see fit, and it must be paid. The most daring among the companies have only protected themselves to the extent of reserving the right to postpone settlement for ninety days after demand.

If Companies Were Voluntarily Liquidated

It is true that the companies carry a small surplus over and above their reserve. In his judgment, there is no justification for piling up large sums for surplus. It should be sufficiently large to take care of unusual losses and fluctuations in the values of securities and there it should stop. "I question whether if the companies were to go into voluntary liquidation, taking a reasonable time to wind up their business, there would be much surplus to divide when the reserve values were paid the policyholders," he continued.

"It might be well for the companies to quit talking about how rich they are, and tell how poor they are. They are not necessarily rich because they are large and hold the title to vast amounts of securities. The individual who owes nothing and has $5 is as well off at least as the one who has $100 in property and owes $95, and the latter is as well off as the one who has a thousand dollars' worth of property, and owes $995. These figures might be extended indefinitely. Debts do not decrease unless they are paid, while assets may shrink and sometimes become worthless. Reserve values are debts due policyholders because of the payment of premiums and they are not debts that are demandable in the remote future either. Almost any industrial corporation whose assets and liabilities were so nearly equal as are the assets and liabilities of our insurance companies, if not considered insolvent, would at least not be considered a good financial risk by the money lender. The safety of the insurance company is due to the fact that it collects premiums in excess of the cost of insurance, which are customarily turned back to the policyholders, but which it has the right to retain if necessity so requires. The margin is so large that a company can be perfectly safe and solvent without piling up a big surplus."

MILLION AND A HALF MONTHLY

First Half of 1917 Yields Northwestern National Life $9,219,847 in Applications

An average of more than a million and a half monthly—a gain of 61 per cent. over the same period of last year, or a gain of 123 per cent. over the same period of 1915, is the record made by the Northwestern National Life during the first half of the current year. The total for the first six months of 1917 exceeds the total for the entire twelve months of 1915, or of any preceding year.

At the beginning of the year some of the most optimistic officers expressed the hope that the gain of 159 per cent. made in 1916 would be maintained during the present year, although it was fully realized that this increase over the large volume of 1916 would be a remarkable achievement. The company asked for a maximum increase of fifty per cent., and was given sixty-one per cent. for the first six months, in spite of the most abnormal conditions occasioned by the war, which particularly affected the business of the larger cities, including the company's stronghold—Minneapolis. An increase of 50 per cent. would have given the company a yearly total of $18,000,000. The gain of sixty-one per cent.. if maintained for the remainder of the current year, will give a total of approximately $20,000,000. So the company is going to revise its estimates by raising the target and shoot for $20,000,000 for the year.

TO MERGE ASSOCIATIONS

There is a movement on foot in Tennessee to organize a State Association of Life Underwriters, forming this body out of the four existing local organizations at Nashville, Chattanooga, Knoxville and Memphis. One of the strongest advocates of forming the State association is C. C. Dabney, of the Union Central agency.

HOME LIFE INSURANCE CO.
(Now Purely Mutual)
256 BROADWAY, NEW YORK
GEORGE E. IDE, President

The fifty-seventh annual report shows insurance in force of $133,493,000, an increase during the year of $7,832,827. The Company paid the policyholders in 1916 $3,536,233, of which $628,406 was in dividends or premium refund. Its insurance reserve fund was increased by $1,300,000 and the Assets are now $32-821,462.

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Supt. of Agts.
256 Broadway, New York, N. Y.

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PAYS GOOD PAY TO GO MEN

Build Your Own Business
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Our Policies provide for:
Double Indemnity, Disability Benefits, Reducing Premiums
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JOHN F. ROCHE, Vice-Pres't
THE MANHATTAN LIFE INSURANCE COMPANY
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Berkshire Life Insurance Company
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New policies with modern provisions Attractive literature
W. D. Wyman, President W. S. Weld, Supt. of Agencies

We don't contract with poor men.
We give a new man our attention until he is started.
We make our men make good.
Why don't you work for us?
Peoria Life Insurance Company
PEORIA, ILLINOIS

Jury to Decide What is "Good Health"

DOES NOT MEAN ABSOLUTE PERFECTION; ONLY COMPARATIVE

Pennsylvania Court Favors Policyholder Who Declared He Was in "Perfect Health"

In an action on a policy providing that it should not take effect unless insured was in good health when the first premium was paid, held, in Baer vs. State Life Insurance Company, decided June 8, 1917, by Supreme Court of Pennsylvania and reported in 100 Atlantic Reporter 744, that whether insured who stated in his application that he was in good health, so far as he knew, either knew or had reason to believe that he was not in good health, was for the jury.

Baer's policy on his life called for $5,000 payable to his wife, Emma, in event of his death. The first year's premium was paid on July 31, 1913, and insured died on the following May 4. The Company refused payment on the ground that insured had made false representations in his application as to his state of health and his last consultation of a physician. It was not claimed that there were misrepresentations in the application proper, but the answers alleged to be untrue were contained in the medical examiner's report which was filled out by the examiner and signed by the applicant. The questions and answers involved were as follows:

Assured's Answers

"(5) Are you in perfect health so far as you know or believe? Yes."

"(22) Have you now, or have you ever had, any of the following: headache, severe, protracted or frequent? No."

"(24) Have you consulted a physician within the past two years for anything, trivial or otherwise, not mentioned above? How often, and for what? No."

"(24a) When did you last consult a physician?

"(24b) For what? Appendicitis.

(24c) Names and addresses of consulting physicians? Dr. Swope."

In his answer to question 23 the applicant said that his attending physician was Dr. A. R. Schuster, Finleyville, Pennsylvania.

The application contained the following stipulation: "It is hereby agreed that all the foregoing statements and also those I make to the Company medical examiner, which are hereby made a part of this application, are offered to the Company as a consideration for the policy applied for." Also a stipulation that the policy should not take effect unless the applicant was in good health when the first premium should be paid.

Condition 8 of the policy was as follows: "Entire contract. This policy, together with the application therefor, shall constitute the entire contract between the parties hereto. All statements made by the insured shall, in the absence of fraud, be deemed representations and not warranties, and no such statement shall avoid this policy unless it is contained in the application therefor."

Statement of Insured's Doctor

Upon the trial, Dr. Schuster testified he had been a physician for the past twelve years for Baer; that Baer had stomach distress frequently and headaches. On Labor Day, 1913, Baer suffered so that his condition was alarming and Schuster advised him to consult a specialist, which Baer did and later told Schuster that the specialist had pronounced the disease hardening of the arteries. Baer first consulted an eye specialist on September 5, 1913, and indications of Bright's disease were found. On September 8, 1913, the specialist said Baer was suffering from Bright's disease in an advanced stage. Baer died eight months later from hardening of the arteries and Bright's disease. Mrs. Baer recovered a judgment in the lower court in the sum of $5,505 and the Company appealed.

The higher court, in holding that there was no error and that the lower court's judgment was right, says, that the term "good health," as used in insurance policies, does not mean absolute perfection but is comparative. The insured need not be entirely free from infirmity or from all the ills to which flesh is heir. Good health simply means that the applicant has no grave, important or serious disease and is free from any ailment that seriously affects the general soundness and healthfulness of the system.

Baer's representations as to his health were not considered by the court false as claimed by the Company, but the good faith of Baer in making his answers seemed to have been proved by the testimony given, and it was for the jury to decide whether or not at the time Baer paid his first premium he was in good health. The jury having decided he was and there being no error of law, the verdict must stand.

PRAISED BY FISKE

L. K. Arrington, the recently appointed State Insurance Commissioner of Tennessee, has been showered by letters and telegrams of congratulation. Especially pleased are insurance men over the fact that the department, so long regarded as a political adjunct of the prevailing administration. is or will be free from politics as in the case of Commissioner Dunbar. The general opinion regarding the appointment is well voiced in a letter that was addressed to the new commissioner by Vice-President Haley Fiske of the Metropolitan, who concluded a letter of congratulation to Mr. Arrington with these words:

"It is a fine thing to have the Governor recognize merit in the department instead of bringing in a stranger. You have got a very high model in Mr. Dunbar to follow, but we have every confidence that your experience will enable you to successfully meet the test."

REACHES $1,000,000

Reau E. Folk, general agent of the Equitable Life for Middle and East Tennessee, has completed his $1,000,000 mark, the amount having been secured by July 1, registering the high water mark for the Equitable in this territory for the first six months of the year. Mr. Folk has also qualified ten men in the South Central department for attendance at the meeting of the Company at Macinac, Mich., September 10, 11, 12 and 13.

THE AVERAGE EARNINGS OF THE AGENTS
OF THE
Standard Life Insurance Company
∴ ∴ OF PITTSBURGH ∴ ∴
are higher this year than ever before. Our attractive Accident and Health Policies have helped them to make more money.
Write for a LIFE, ACCIDENT AND HEALTH Contract to
FRANK A. WESLEY
Vice-President and Director of Agencies

MARRIED, NOT RELATED

Court Decides Widower Cannot Claim Dead Wife's Insurance Benefits

Mary Tierney, at time of her death, was a member in good standing of Local Union No. 68 of Cigarmakers' International Union, an unincorporated association. The Union's constitution provided that a member in good standing at time of death, was entitled to certain funeral and death benefits and if no beneficiary was designated by such member, "such benefits shall be paid to the widow of such deceased member, if there be no widow, then to the minor children of such deceased member and if there be no widow and no minor children of such deceased member, then to any relatives of the deceased member who at the time of his death were dependent for support in whole or in part upon such deceased member."

Mary's husband, Cornelius Tierney, filed his suit, claiming the benefits and the court held that a constitution providing for payment to widow or dependent of member of death benefit, does not authorize payment to the widower of a member in full possession of his faculties and able formerly to earn a livelihood for himself and wife, the wife having helped him only occasionally in his business, since a beneficiary must be dependent upon the member in a material degree for support, maintenance, or assistance.

A husband is not a "relative" of his wife, since they are merged in one during life, and upon death of either the survivor cannot, of course, bear any relationship to the deceased.—Tierney vs. Perkins, President of Cigarmakers' Union. Reported May 17, 1917 in 164 New York Supplement, page 982.

NEW YORK LIFE WINS

Louisiana Supreme Court Holds Company Need Not Pay Shreveport City License Tax

In suit entitled "City of Shreveport vs. New York Life Insurance Company, decided May 16, 1917 by Supreme Court of Louisiana," we find an interesting suit where the city sought to recover a license tax for the year 1916 on the business done by the New York Life Insurance Company through its branch office in the city of Shreveport. The ordinance levying the tax provided that each and every life and accident insurance company conducting a life or accident insurance business of any kind in the city shall pay a license tax on the gross amount of annual premiums on all risks located within the city, and on all risks located elsewhere, contracted for in the city or from its office in that city, for which a local license is not paid elsewhere. The license is graduated, in 59 classes in the ordinance, according to the gross amount of the annual premiums.

The premiums in this suit amounted in 1915 to $183,179.47 and in addition, the Shreveport office on outside business written by the company, collected premiums amounting to $280,820.82. The contest arose as to whether or not the license tax should be based only upon the amount of premiums on the risks located in the city of Shreveport and contracted for in that city or upon the total amount of premiums collected by Shreveport branch, including premiums collected on risks located elsewhere, for which a local license tax was not paid elsewhere.

The district court found for the insurance company which contended that it should pay license tax based only on amount of premiums on risks located in Shreveport. The city appealed and the higher court in holding that the lower court was right, said:

"A contract of life insurance is completed at the place where the policy is delivered and the first premium is collected. A municipal corporation has no authority to compel life insurance companies to pay a license tax on the annual premiums on policies of life insurance contracted for and written and delivered elsewhere than in the city, even though no municipal license tax be paid in the towns or cities in which the policies were contracted for and delivered."

Great Southern Life Insurance Company
HOUSTON, TEXAS.


For Agency Contracts address
O. S. CARLTON
PRESIDENT

LAFAYETTE LIFE ADVICE

(From The Dotted Line)

Life insurance doesn't begin to cost as much as the cost of being without it.

You can't fool disease, but it fools lots of people—and then they can't get life insurance.

Put off deciding till to-morrow, eh? That's just what you do when the baby gets sick, isn't it?

LIVE HINTS FOR BUSINESS GETTERS

Practical Suggestions to Help the Man With the Rate Book Increase His Income and General Efficiency

An Aid In Business Insurance

Here is a valuable point to keep in mind regarding business insurance, says "Points," the exceedingly intelligent and valuable paper published by the Mutual Life. When a corporation or partnership is computing the amount of its net income as required by the income tax law, the premiums paid on any life insurance carried for its benefit may be deducted from the gross income. This of course is not true in the case of an individual's personal insurance. The ruling of the Treasury Department at Washington reads as follows:

> Premiums paid on life insurance taken out by a partnership upon the lives of individual members of such partnership constitute allowable deductions in ascertaining the net earnings of the partnership. However, when such policies mature or upon the death of the insured partner, the amount received as life insurance shall be included in the gross income of the partnership.

A similar ruling, recently made by Chief Deputy Collector of Internal Revenue, John F. McEvoy, of Philadelphia, Pa., in reply to an inquiry by a prominent life insurance man as affecting corporations, reads as follows:

> Referring to your letter of even date, relative to deduction of premiums on life insurance policies of the employes of a corporation by the corporation, the policies being drawn in favor of and made payable to the corporation, I beg to state that payments made in this manner are legally deducted for the purpose of ascertaining the annual net income of a corporation.

* * *

Monthly Income Insurance

Here are a a few excerpts from an article on "Monthly Income Insurance," which recently appeared in Harper's Weekly, and written by Albert W. Atwood, a well-known writer for magazines on financial subjects:

"Every person should endeavor to save and to invest productively. But we should not forget that there is such a thing as expecting too much of one's savings. After all, money has only one utility—its power to purchase the necessities and luxuries of life. All that really matters to any of us in a material sense is that we and those most nearly dependent upon us shall have the necessities and a reasonable measure of the luxuries of life.

"Now the simplest and surest way, as we all know, of providing for our families after our death, is by life insurance. It is surer, of course, than any form of investment, because by the payment of a small sum we at once insure a far larger sum to our beneficiaries in case of our immediate death, whereas all other forms of providing for others require many years of life to perfect. But as death is the only certain thing about life, the ability to continue earning, saving and investing is a great gamble.

"Income insurance is so valuable a social contribution that despite its lack of complexity there is nothing in the financial field that more demands description and explanation.

"Monthly income insurance merits description for one all-important reason; it is probably the safest and surest method of getting a fixed income which has yet been devised. Suppose a man of thirty-five takes out a policy for $12,000, payable to his wife in a lump sum at his death. For a somewhat less yearly payment on his part (premium) he can arrange with an insurance company to pay his wife after his death $50 a month for twenty years, or for a little larger premium, all the rest of her life. If she dies before receiving such installments as are due, and no other beneficiary is named, there is turned over to her executors the commuted value of remaining installments.

"Now why is this form of income safe and sure? To begin with, even if the beneficiary requests a lump sum payment the company cannot by law grant her request. No change in the terms of the policy can be made after the death of the insured. The policy cannot be sold. It cannot be attached by creditors, except perhaps for necessities. What is of greater importance, it cannot be borrowed upon and cannot be taxed.

"Men rarely insure their lives to assure their wives and children the enjoyment of luxuries. Yet suddenly acquired means tempts anyone to buy luxuries in a prodigal manner. There are many instances of women receiving $4,000 from an insurance company and buying a $2,000 automobile forthwith. But suppose the woman is too strong to give away to the natural temptations to indulge herself. She may have denied herself luxuries all her life and, despite a certain fatalism and desperation because of her husband's death, may still be strong enough to forego these pleasures. There are almost always debts to be paid off, debts which could wait if there were no lump sum to pay them out of.

"Where property is left by will the instrument can often be broken. But no one can upset a monthly income insurance policy. It is the surest form of post mortem control of property. Many men will not take out life insurance at all because they are afraid the proceeds will be badly invested. With income insurance there can be no loss through bad investment, at least, if one insures through a strong reputable company. It goes without saying that money left with a big, strong insurance company is safer than in any possible form of private personal investment, because not only does the company have the advantages of strict government inspection and regulation as to what it shall invest in, as well as officers highly paid for their knowledge of the subject of investment, but its resources are so widely distributed in different bonds, loans and mortgages that even the total loss of one investment will not affect the aggregate.

"The only material value attaching to the lives of most men is a moderate earning or income power. This ability is probably more surely perpetuated after death for one's family by income insurance than in any other way."

* * *

The Non-Forfeiture Clause

J. S. Hale, assistant actuary of the Northwestern National Life, says agents should not forget the sure and silent working of the non-forfeiture clause. In discussing that clause in a recent issue of the "Northwestern National Agent," he said:

"The other day a death claim came in on a policy which the records showed lapsed two years ago. But the non-forfeiture clause was working for the widow with the result that the full face-value of the policy was paid to her. Let us look into the facts in this case a little more closely. About the time the fifth premium was due, the insured sent in a check to pay it, but a few days later the check came back marked 'insufficient funds.' The credit was removed, and a letter sent telling him of the check's return and asking for a remittance to make it good. He paid no attention to that letter nor to numerous others that followed in the next four months urging him to reinstate, notifying him of his dividend and finally sending him the dividend in cash and telling him about the extended insurance. No word of reply, not even an acknowledgment of the dividend check, was ever received by the Company. He had evidently forgotten our existence, yet all the while that little non-forfeiture clause was protecting him in spite of himself and of his carelessness. It takes a jolt of this kind once in a while to give a live meaning and importance to a rusty phrase. Those many form letters are not signed now with the same careless flourish of the pen. They mean something to us by virtue of a concrete example, and we hope the experience of this policyholder may be of value to you who can make practical use of it in your daily work."

THE MOST VALUABLE POLICY FOR YOU,
Mr. Agent, is to write your prospect in the Company writing the most valuable policy for the insured.
Secure **prompt action** in the

John Hancock MUTUAL LIFE INSURANCE COMPANY OF BOSTON MASSACHUSETTS

WILLIAM N. COMPTON, General Agent
METROPOLITAN DISTRICT, ST. PAUL BLDG., 220 BROADWAY, NEW YORK, N. Y.

ORGANIZED 1871
Life Insurance Company of Virginia
RICHMOND, VIRGINIA
OLDEST, LARGEST STRONGEST Southern Life Insurance Company
Issues the most liberal forms of Ordinary Policies from $1,000.00 to $50,000.00, and Industrial Policies from $12.50 to $1,000.00
CONDITION ON DECEMBER 31, 1916:

Assets	$14,464,552.23
Liabilities	12,436,717.56
Capital and Surplus	2,027,834.67
Insurance in Force	118,349,212.00
Payments to Policyholders since Organization	18,119,172.50
Is Paying its Policyholders over	$1,300,000.00 annually

GOOD TERRITORY FOR LIVE AGENTS

The
Perfect Protection Policy
OF THE
RELIANCE LIFE
gives you something absolutely new and different to talk to your prospects. Gives you a chance to earn more money than you are now making.
Our Life Insurance Contracts contain the most up to date clauses known to the Insurance World. The Accident and Health gives full protection for at least a third less cost than regular casualty companies. Our agency contracts are as liberal as can be made.
WRITE AND WE WILL TELL YOU MORE ABOUT OURSELVES
Reliance Life Insurance Company of Pittsburgh
FARMERS BANK BUILDING
PITTSBURGH, PENNSYLVANIA

Founded 1865
The PROVIDENT Life and Trust Company
OF PHILADELPHIA, PA.
What do most men fear?
An insufficient income for their wives and children if they die, and for their own old age if they live.
WE WILL INSURE THE INCOME IN EITHER EVENT.
Write for Information

Extracts from Report of Examination of
SOUTHWESTERN LIFE INSURANCE CO.
By the State of Texas, June 28, 1915
"It is noteworthy that this Company was organized without any promotion expenses."
"I beg to report further that I find the Company in excellent financial condition."
"The volume of its business has steadily increased, its surplus is growing rapidly and its funds are being carefully conserved under expert supervision."
Home Office, DALLAS, TEXAS

State Mutual Life Assurance Co.
OF WORCESTER, MASSACHUSETTS
Incorporated 1844
The Company that gives complete satisfaction to policyholders and agents because both are a part of it.
SEVENTY-THREE YEARS of faithfulness to every promise made.
Success for our ambitious representatives is a certainty.
Additions are made to our agency force when the right men are found
B. H. WRIGHT, President D. W. CARTER, Secretary
STEPHEN IRELAND, Inspector of Agencies

Judge J. W. Mack on Dependency Questions

DISCUSSES SEPARATION ALLOWANCES AND OTHER QUESTIONS

What Will Happen to Soldier or Sailor Who Comes From War an Uninsurable

In view of the active part that Judge Julian W. Mack, of Chicago, will take in drafting legislation covering soldiers' and sailors' dependents, and the soldiers and sailors themselves, if dependent, his views on the subject are particularly pertinent at this time. These views appeared in the Boston "Transcript" of last Saturday, and were in part:

The only legislation that this country has had on the separation allowance was a bill enacted a year ago in connection with the troops on the Mexican border. After a very considerable conflict in Congress the law was enacted under which the Secretary of War was authorized to expend not exceeding fifty dollars a month for those families of enlisted or National Guardsmen, newly drafted, who should be in need, and the act provided only that maximum. I don't know at the present moment what was done under that law because the law did not come into effect until the end of August, and supplementary legislation appropriating a larger amount was made in December. But the legislation was emergency legislation. Therefore, new legislation will have to be enacted.

Canadian Action Cited

Now, that is the only precedent that we have in American legislation. Inasmuch as the increase in pay was in all probabilities given in order that out of that increase a man would be able to make some provision for his family, it has seemed to us in conference that if a man has a wife and children he ought to be compelled out of his pay to make provision. In all foreign countries, including Canada, the enlisted men must make an allotment or an assignment, as it is differently called, of a portion of their pay for the protection of their families. Canada is the only country that gives a pay at all approaching ours. In Canada the lowest pay is also thirty-three dollars, just exactly what ours is, and to a great extent approximates the pay here.

Now, it has seemed to us that there is no reason why a man should not be required to give one-half of his pay, no matter what it is, for the support of his family, if he has one; that the Government should supplement that, because the fifteen dollars is utterly inadequate for the family's support. How much should the Government supplement and what should be the basis of that supplement? Well, some say, we must take the standard of living, and the Government must pay enough in addition to see that the family is maintained on what may be considered the standard of living. The trouble with that is that the standard of living in a rural hamlet in Georgia would be very, very different from the standard of living in the city of New York, and the query is whether any legislation could be feasible that attempted to make a distinction of this kind. That problem is dealt with in Canada in this way: that the Canadian Government makes a flat allowance, but that the so-called Canadian Patriotic Fund, which is more or less analogous to our Red Cross Fund, supplements that allowance. The Canadian allowance is independent of the question, however, of the number in the family. The Patriotic Fund, in supplementing that, takes into account the number in the family.

Philanthropy

The Government of the United States itself ought to combine the work of the Canadian Government and the Patriotic Fund, because no matter what the Federal Government does there is going to be an abundance of work in connection with these families to be done by the Red Cross and by private philanthropy, and by the State and the city. If the United States Government gives a grant that will give the family in proportion to the number, if the Federal Government will give that amount which, added to the soldier's compulsory assignment, will give a decent living in the average American community, there is scope for supplementing that in those larger cities, those States where the cost of living is very much higher than in the average American community; and that would be an appropriate field, first, for State action; second, municipal action; and, third, or Red Cross or private philanthropic action.

It has been thought that the amount to be given would range from about twenty-five to fifty dollars per family by the United States Government, and that, supplementing the fifteen dollars or more which the soldier would allot, would bring the family from forty dollars up to sixty-five dollars, or, if it be a non-commissioned officer, it might rise to more; that, in fixing the amount, the question of the number of children should be taken into consideration. A serious question as to which, however, I think everybody who has been in conference on this subject has agreed, although Congress may not agree, is this: Should the separation allowance be automatic in that it goes to wife or wife and children, regardless of their actual dependency or not, merely on application of the soldier and on his compulsory allotment, or shall this compensation given by the Federal Government be given only in case of actual need?

Reasons have those who have been in conference to believe that it should go to wife and children regardless of actual need, but, of course, with the right to remit it or the right to apply for it on the part of the family of the soldier.

Should Be Modeled After Compensation Act

The next problem, after the separation allowance, is the problem of compensation for the injuries and the death suffered, and there, of course, the model is in a sense the Workmen's Compensation Act. These men are in service practically twenty-four hours a day. The situation in that respect is different from the ordinary workman's. If an enlisted man in the field is injured or diseased with few exceptions, it will be the result of his service and perhaps it may be taken to be the result of his service unless it is clearly proven not to be the result of his service. I give that as one of the basic principles differing from the workmen's compensation principle.

Workmen's compensation is based upon the wage. Query: How should this be based? Of course, the wage, the actual money paid, is not the real wage. The real wage in any real sense of the word would include not only the money paid but the separation allowance given the family, and the value of the subsistence and the lodgings that a man gets. Query: Whether all of these combined should be taken as the wage and the compensation fixed on that basis, and should the ordinary principles governing workmen's compensation be followed in that respect, that is, of giving for total disability one-half to two-thirds of that amount. Now, in the case of the civil employes of the United States Government who are injured in the course of the employment, the law gives two-thirds for total disability and up to two-thirds for wife and children in the case of death, with smaller percentages, dependent upon the number of children or the lack of children, or for wife alone; and it bases this percentage on a minimum compensation of $50 a month, that is, a minimum wage of fifty dollars a month, irrespective of the actual wage, and a maximum of a hundred dollars a month; so that the civil employe's family can get, the wife and the man himself, for total incapacity—up to $66 a month.

Entitled to Re-Education

As a direct part of the compensation, it is considered that the soldier is entitled to re-education. Even more than that, he is not only entitled to re-education, but in the interest of the country, pressure must be brought to bear on him that he take re-education, and that pressure should be the threat or danger of a loss of the compensation, if an impartial authority considers that the man, though incapable of performing his former vocation, can be educated to some other. For instance, to-day under our pension law a man who loses both legs is considered totally incapacitated—or both feet, I have forgotten which it is—and gets as high as a hundred dollars a month total incapacity. Now that man may be perfectly capable of working at his own trade without legs or feet, or with artificial ones; or, if his occupation be one in which the legs and feet are necessary, that man may be perfectly capable of being educated in another occupation in which the hands will enable him to earn at least as much as he earned before, and in that case the Government compensation should, of course, cease; but it is the duty of the Government to see to it that he be given the opportunities for this re-education, to keep up the compensation which he is receiving and the separation allowance which his family may be receiving, or whatever may be the fair sum, during the period required for this re-education, and, either through Governmental action or with the aid of private philanthropy or educational institutions to furnish him the full opportunity for that new vocational education.

Non-Insurable Risks

Now, then, a further thought: The soldier and sailor that goes into the war may come out without any definite, ascertainable injury or disease, and yet be a non-insurable risk from the standpoint of life insurance companies.

Unless the wise and the proper steps be taken in advance at this time, we are dead sure in twenty years from now to have a deluge of service legislation bills, probably in even greater measure than they came twenty years ago—thirty years ago. For this reason, and as a strict measure of justice, it has been suggested that there is a further duty of the Government to these men—namely, it enables them, without the cost, the excessive cost due to the extra hazardous employment into which they are going, to protect themselves against the dangers of inability to earn a livelihood, of old age, even though this inability have no direct connection with the war and their service in the war. It is often difficult to prove one way or the other, and men will go out of the Army feeling they are in good condition and patriotically not claiming anything from the Government, inasmuch as they do feel they are in good condition, and then afterwards they may be impaired and old age may prevent them from earning their livelihood, and this may be due to their war service. But, even if it is not due to their war service, while you and I, not being eligible for service because of our age, may be able to-day to go out and protect ourselves against the dangers of old age and disease and disability and death, these boys, going into the war, cannot do that to-day, except at what is undoubtedly a very fair price from the standpoint of the hazard, but which from the other point

McAdoo Committee to Meet

The much discussed McAdoo Committee, appointed the first week in July following a conference in Washington, at which representatives of about 100 companies exchanged views about soldiers' and sailors' indemnities with Secretary of the Treasury McAdoo, will hold a meeting in the Secretary's office in Washington on Monday of next week. Invitations to the meeting came to the committee early this week. Nothing was said as to details scheduled for discussion.

On the same day another meeting to discuss the dependency question will be held in Washington by the Gompers Sub-Committee, of which Judge Julian W. Mack, of Chicago, is the principal member.

44 MILLIONS from 42 AGENCIES

THE 1916 RECORD OF OUR EARNEST, LOYAL AND HAPPY AGENCY FORCE

New England Mutual Life Insurance Company

BOSTON, MASS.

The Nation Needs Its Business

Not less patriotic than those who serve the Nation in organizations directly connected with the war, are those who keep the wheels of business steadily turning. Their work contributes to the country's moral poise, and, as well, keeps sound the financial foundation on which our great part in the war must rest. Life insurance is one of the great conservators of national resources, through its protection of the myriad homes of the people and the businesses which furnish their maintenance. Life insurance has therefore a great opportunity and a great duty in this time of crisis.

Occasionally we have a General Agency opening

JOSEPH C. BEHAN, Superintendent of Agencies

MASSACHUSETTS MUTUAL Life Insurance Company

Springfield, Massachusetts

Incorporated 1851

of view, the point of view of the man who is to pay it, is a very exorbitant price of insurance. Therefore, it has been suggested that the United States Government should bear the risk of impaired health which makes a man non-insurable after the war and should bear that extra war hazard which makes insurance at this time for those who go out excessively expensive.

Government's Responsibility After the War

How should this be done? It might be done by arrangement with private insurance companies. The Federal Government as such might bear its own insurance risk, that the Federal Government in connection with these compensation bureaus should also enable men, up to some reasonable amount, to carry instalment insurance, something in the nature of endowment instalment insurance or life instalment insurance, with maturity at total disability or at old age, which would be practically endowment. Not only should the Government bear that war risk during the war, but the Government should make provision by which these men can keep that up through the Government, afterward, and that the Government should do that service at cost. That would be in addition to the direct compensation to which the man or dependents is entitled because of injuries, disease, or death due to his service.

BABLER ON WAR RISKS

"Cannot Conceive of Common Sense Man Objecting to War Premium," He Says

General Manager of Agencies J. L. Babler, of the International Life, said this week about war risks:

"Depend upon it; the man who won't pay an extra premium to get insurance when he expects to go to war,wouldn't pay the regular premium for stay at home insurance.

"We cannot conceive of a common sense man objecting to paying a war premium. His mind tells him that no insurance company can possibly afford to insure men bound for the battle front—insure them for the same price it does men thousands of miles from the war front.

"Speak of the war premium, when it comes up, as something you have no idea any sensible man can possibly object to.

"And don't forget that already several State Guards have been shot down while guarding bridges and viaducts in the United States. And again, when it comes down to International Life rates and rulings on war risks, show your prospects that our whole aim is to do strict justice in every case. International Life policyholders may rest assured that the management of the Company is not 'going it blind' but proceeding along lines that will maintain the high grade of protection for which our policies are noted.

"We want all the good business we can get, but in justice to policyholders we conceive it to be our duty to see that rates are made equitable and according to individual hazards. There is no other sound business way of furnishing life insurance that will always insure."

PRU. PAYS FOR WAR SERVICE

The Prudential Insurance Company has decided to pay its employes who enter the army or navy, and has so notified all those in its employ. That is, the company proposes to pay the difference between what the Government pays and the amount which the employe received from the company when he or she entered the service of the United States. This however, does not apply to the ordinary agents.

Secretary of the Treasury McAdoo has appointed A. G. Porch, of Springfield, Ill., president of the American Institute of Actuaries, on his committee.

Kingsley on Problem Facing Government

LIFE COMPANY CAN'T AT ANY KNOWN RATE INSURE SOLDIERS

Again Points Out Definition of Life Insurance—Guarantee of United States Government

Darwin P. Kingsley, president of the New York Life, has written a letter to the New York "Sun," in which he said that the overwhelming decision of the life companies on July 2 in Washington that they could not undertake to insure our soldiers and sailors under existing conditions without Government guarantees against loss was sound and inevitable.

Not An Insurance Problem

The problem facing the Government, he continued, is not a problem in insurance but a war problem. Insurance is not based on unlimited power of taxation. It is based on a mortality table and on an assumed rate of interest, and these fundamental factors are in turn based on ascertained facts developed under average conditions. The life insurance premium cannot be increased once the contract is made. The normal premium is sufficient to cover the usual vicissitudes of life, including war, but when the contract is made the applicant is not suffering from pneumonia or typhoid or about to go into battle; if he were the contract would not be made. Made under average conditions the contract covers death from all these causes.

A life company cannot at any known rate insure the units of an army about to go into battle. To do so would mean either a prohibitive rate or an ineffective policy. If all the units of our coming civilian army and navy had insured their lives during normal times they would be covered now, and at the same time the companies would be safe, because in that event most of the men would have been insured for some time, the policies would (on account of age) be small and such a condition would presuppose the insurance with them of substantially the entire population—which would spread the hazard very thin. But such an ideal condition, arrived at through normal processes or by order of Government, would not solve our problem. The policies would not individually be large enough to discharge the obligation. The taxing power would have to be resorted to in any event.

It is proposed now that the companies make a rate to cover possibly a million lives all suddenly exposed to the gravest of hazards. This can't be done without a guarantee by the Government. It can't be done because it isn't life insurance.

Government Provision for Dependents

If the Government makes provision (as it should) for the dependents of the country's defenders and for their own disability, it will do so under its general power of taxation—a power which the companies cannot exercise. But the Government would not even then be doing a life insurance business. To conclude that if the Government undertakes this duty it will have gone into the life insurance business is incorrect. To assume that by paying proper indemnities under its taxing power the Government will have demonstrated its ability to do an insurance business is absurd. Taxing all citizens in order to do justice to those who assume the supreme risk is not only wise but imperative. Nevertheless it is not life insurance.

A PENNSYLVANIA LAW

Probation of Proceeds of Life Insurance and Annuity Contracts From Creditors' Claims

The Pennsylvania Legislature, on May 3, 1917, advanced another step in the protection of the proceeds of life insurance and annuity contracts from the claims of creditors. Two years ago the exemption law of that State was strengthened where the insurance was taken out for the benefit of the wife, or children, or other dependent relative, but the Act of 1917, only recently operative, frees from the claims of the insured or annuitant's creditors the income or return from his insurance or annuity to an extent not exceeding $100 per month—$1,200 a year. Many agents have found it to their advantage to know what inroads the Federal and State laws make on the prospect's estate. It is well worth while also to consider how this Commonwealth has legislated on the subject of insured's creditors vs. insurance, and a knowledge of the law on this point will not be amiss when canvassing. The Pennsylvania solicitor should remember the law quoted below when selling the trust certificate form of insurance.

"Section 1. Be it enacted, etc., That any policy or contract of insurance, or annuity, hereafter taken out, or issued by any insurance company, domestic or foreign, lawfully doing business in this Commonwealth, to any solvent citizen thereof, whereof the said insured or purchaser of said annuity shall be the beneficiary or annuitant, not exceeding in income or return therefrom one hundred dollars ($100) per month, shall be exempt and free and clear from the claims of all his or her creditors, and from all legal and judicial processes of execution, attachment, or otherwise, whatsoever.

"Section 2. This act shall not be construed to in anywise affect, modify, or repeal any other exemption laws of this Commonwealth, now in force or hereafter to be passed."

WAR WILL HELP GROUP INSURANCE

Speaking of group insurance in connection with the war, James L. Howard, secretary of the Travelers, is of the opinion that it will receive an impetus that will be materially beneficial. He says that it will not only bring men and nations together, but it will strengthen the bond of friendship existing between employers and employes.

NATIONAL LIFE INSURANCE COMPANY

(MUTUAL)

MONTPELIER, VERMONT

67th Year

FRED A. HOWLAND, President

On paid-for insurance basis and with bonds valued at par only (market value $409,882 above par) the 67th report shows:

Assets	$66,426,040.82
Liabilities	62,268,494.36
Surplus	$ 4,157,546.46
INSURANCE IN FORCE	$212,037,400.00

A good company for the policyholder and the agent

EDWARD D. FIELD, Superintendent of Agencies.

CLEVELAND LIFE MEETING

Home Official and Field Men Gather at Cedar Point, Lake Erie—Subjects Discussed

The Cleveland Life is holding its annual business convention this week at Cedar Point on Lake Erie July 18 to 20, inclusive. Including home office officials, there are about 40 in attendance. Agents in the life and health and accident departments who qualified were present. The field men from Ohio, Michigan and West Virginia, the territory in which the Company operates, met at the home office on Tuesday afternoon, July 17. To many of the agents this was the first opportunity they have had to view the new home office quarters of the Company in the Guardian Building. Many old friendships were renewed when these agents from the above States mentioned met in their annual convention.

Several business sessions were held—the main business meeting, however, occupied practically all of Thursday afternoon, on which occasion Wm. H. Hunt, president of the Company, reviewed the history of the Cleveland Life and in an interesting address advised as to the future developments of the Company.

October 7, 1917, is an important anniversary date to the Cleveland Life as it records its first ten years of activities. There has been under way for some time a special effort to fittingly celebrate this occasion by materially increasing by that date the insurance in force.

Howard S. Sutphen, vice-president and manager of agencies, was in charge of the business meetings. At the meeting on Thursday, referred to above, the following named gentlemen spoke on the topics assigned to them:

H. M. Moore, Secretary, "Salesmanship"; S. J. Payne, "Getting the Business"; G. H. Plecker, "Consecutive Weekly Production"; O. S. Boda, "The Four Square Man"; W. P. B. Wachtel, "Health and Accident"; H. S. Martin, "Doing Your Bit"; J. P. Gilfether, "Reinstatements"; H. W. Merriman, "Conserving the Debit"; H. W. Voice, "Inspection of Claims."

The Cleveland Life is experiencing in both departments the best year in its history.

INSURANCE TAX $817,621

According to the report of William H. Corbin, State tax commissioner of Connecticut, the franchise tax paid by stock insurance companies to that State in 1917 amounts to $817,621.33. This is an increase over the previous year of $200,636. According to the tax laws every insurance company having capital stock incorporated under the laws of Connecticut and doing business in that State, on or before the 15th day of July each year, shall pay to the State treasurer a tax on its corporate franchise equal to one-half of one per cent. on the market value of each share of the capital stock. The Travelers was the heaviest contributor, having paid $237,000. The Aetna Life paid $179,750, these being the only two insurance companies to pay over $100,000.

BANKS INSURE EMPLOYES

The Marine National Bank and the Bankers' Trust Company of Buffalo, N. Y., have adopted the group insurance plan for their employes, claiming that it produces greater efficiency among their working forces. Policies are issued by the Equitable Life Assurance Society. The largest sum paid to a beneficiary is $3,000.

Perez F. Huff, general agent of the Travelers, has started a summer course of life insurance instruction.

Baltimore Insurance Man Recruits 800 for the Navy

Charles F. Kuhns, Baltimore manager for the Germania Life Insurance Company is the distinguished individual standing in the automobile, just above the sailor lad. He —the manager, not the lad—has been active in enlistment service, having been appointed by the Governor of Maryland a member of the "Flying Squadron" assigned to raise 800 men for the Navy. The complement was raised without trouble and much of the success of the "Flying Squadron" is due to the untiring efforts of Mr Kuhns. Mr. Kuhns, who is a bright, capable young insurance man, has made a success of life insurance by coupling intelligence with knowledge of his business and hard work.

Formerly Mr. Kuhns was manager of the Germania Life in Philadelphia, and in 1915 was transferred to Baltimore, where he put the Company's agency among the leaders of the Company.



THE
METROPOLITAN LIFE
Insurance Company
(Incorporated by the State of New York)



Metropolitan Life Insurance Company
Home Office Building

The Company
Of the People
By the People
For the People

The Daily Average of the Company's Business during 1916 was:

701 per day in Number of Claims Paid.

8,304 per day in Number of Policies Issued and Revived.

$1,969,823 per day in New Insurance Issued, Revived and Increased.

$376,827.40 per day in Payments to Policyholders and Addition to Reserve.

$220,509.26 per day in Increase of Assets.

JOHN R. HEGEMAN, President

PLEA FOR PATRIOTISM

President of Northwestern Mutual Life Loudly Cheered By Agents' Association

President Markham, of the Northwestern Mutual Life, delivered a strong patriotic speech in welcoming members of the Agents' Association in Milwaukee this week. He was loudly cheered. He said in part:

"This country has no place for slackers, no place for alien spies, no place for anyone except he be in fact, as well as in name, an American citizen and well worthy of that name.

"We cannot tell what further changes may take place during the coming year. We cannot tell what sacrifices we may be called upon to make, but we must be prepared to meet and make any sacrifice that is necessary in order to preserve our rights and maintain our prestige as a free and independent nation.

"This country has called for soldiers to defend its rights in whatever place or in whatever nation our flag may be unfurled. Very many of our agents and employes have been and many more will be summoned to the colors. To all those who have been called upon, or may be called upon, to offer their lives in defense of their country's rights, may we not express with confidence that they will fulfill every duty as American soldiers, and at the end of this wicked war come back to us in the full vigor of health and with the proud distinction of honorably discharged American soldiers. There can be no greater honor than that conferred upon any man, and they will be welcomed back to the several positions they left vacant in order to meet their country's call."

James A. Campbell, agency director of the central branch in Chicago of the New York Life, celebrated twenty-five years of connection with the Company on Friday, July 13. His agents had conducted a test in his honor during May and June, writing $2,490,000. This would have been materially increased had it not been for the amount of time given to the sale of Liberty bonds during that period. The central branch had been given an allotment of $8,000,000 for the entire year, and this was paid for by July 13. Mr. Campbell celebrated the anniversary with a luncheon to his agency force at the Edgewater Beach Hotel, taking the entire party through Lincoln Park and the boulevards in motorbuses. He had as his principal guests Walter Buckner, second vice-president of the Company; J. J. Parker, of Cleveland, agency counselor, and W. H. Wood, inspector of agencies at Memphis. All four had been associated in the St. Paul office of the New York Life twenty-five years ago, when Mr. Campbell entered its service. He began with the Company in a clerical capacity July 13, 1892, and in 1895 was made assistant cashier. On January 1, 1896, he was made cashier at Cairo, Ill., but after six months was returned to St. Paul in the interest of his health. He remained there until 1901, and in October of that year was made agency organizer, being made agency director at St. Paul January 1, 1902. In December, 1903, he was transferred to Chicago in charge of the Fisher branch. On July 1, 1896, he was given charge of the central branch, where he has been ever since. In his fifteen years of agency director work the Company has allotted him $88,000,000 of protection, while the amount secured has been $106,000,000.

Representing

The Mutual Life Insurance Company
of New York

You will make money.

The great strength, big dividends and incomparable benefits of the *"oldest company in America"* mean certain success for you.

For Terms to Producing Agents, Address

GEORGE T. DEXTER, 2d Vice-President
34 NASSAU STREET. NEW YORK, N.Y.

FEMALE RISK APPLICATIONS

Questions Asked By Missouri State Life—"If Not Insured, Why Not?" One Query

The Missouri State Life has mailed to agents a new form of application blank. It is printed in unusually attractive form. In addition to customary questions asked of applicants there is a series of supplemental questions to be answered if application is on female risk. These supplemental questions follow:

1. Do you own property in your own right?
2. What is your source of income?
3. For whose benefit is this insurance desired—and what pecuniary loss would fall upon that person in the event of your death?
4. Will the premium be paid out of your personal funds? If not, from what source?
5. If married, give your husband's full name, date of birth, occupation, address.
6. Is his life insured? If so, in what companies and for how much?
7. Who is the beneficiary named in your husband's policies?
8. If not insured, why not?
9. If married, give full maiden name.
10. If previously married, give full maiden name and name of former husband.
11. If a widow, when did your husband die and what was the cause of his death?
12. In what companies was he insured?

AGENCY CONVENTIONS

The annual convention of the Crary-Turner Agency for Northwestern National Life of Minneapolis was held at Devils Lake, North Dakota, July 2, 3 and 4. President Baxter, Vice-President and Medical Director Dr. Cook and Superintendent of Agents Wilson attended. These officials also attended the agency convention of the Wilhelm Agency in Omaha the latter part of June.

EAGLES OPPOSE INSURANCE

The Fraternal Order of Eagles, of New Jersey, held its first annual convention at Wildwood recently. The insurance plan recommended by the commission appointed at Savannah last year was rejected and the representative of the Grand Aerie to be held in Buffalo, was directed to vote against the measure.

THE EASTERN UNDERWRITER

This newspaper is owned and is published every Friday by The Eastern Underwriter Company, a New York corporation, office and place of business 105 William Street, New York City. Clarence Axman, President; W. L. Hadley, Secretary. The address of the officers is the office of this newspaper. Telephone 2497 John.

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RE-INSURANCE OF PITTSBURGH L. & T.

The re-insurance of the Pittsburgh Life & Trust and the Washington Life by the Metropolitan Life, only awaiting final action by the courts for approval, is not only the largest re-insurance deal on record, but can probably be called the most important, inasmuch as no one knows what would have happened to the policyholders in the end. The receivership was doing its best, but scandal, coupled with tangled court proceedings, did not conduce to peace of mind. That the Metropolitan Life had been investigating the affairs of the company for weeks with the aim of subsequent re-insurance was generally known. Furthermore, there was no secret of the fact that pretty nearly everybody in the insurance world was "pulling" for the deal to go through. It was regarded as the best and maybe the only way out of an unfortunate and complex situation. For the good name of insurance alone it was felt that these policyholders must be saved. The Metropolitan, therefore, is entitled to the thanks of the insurance fraternity.

It was only natural that the Pittsburgh Life & Trust smash should result in some corrective legislation in Pennsylvania, but what did peter through to the desk of the Governor was not enough to satisfy Commissioner O'Neil and responsible insurance men. Politicians in that State are unblushing; political pull proved too strong to permit the passage of drastic laws which may prevent other scandals.

WOULD BE AN ECONOMIC MISTAKE

That the United States Senate could seriously consider taxing certain life insurance companies 31 per cent. on at least part of their income does not seem possible when there is taken into consideration the public spirit of the life insurance companies and the position they occupy of protecting the future welfare of millions of people. Yet, that is exactly what is contemplated in the Senate bill. Even a war is not an excuse for legislation which borders on the confiscatory.

The 15 per cent. tax of annual net earnings remaining undisturbed is an injustice to all corporations and will compel surplus or dividend distributions in a manner that will be a serious economic mistake. The subject is well handled in a letter to President Wilson by President Evans, of the Continental group of fire insurance companies, who says in part:

> As applied to fire insurance companies this legislation will create so unsound a business condition as to affect the stability of fire insurance companies throughout the country. No fire insurance company can conduct its business with proper regard either for the interest of its stockholders or its policyholders, except upon the principle of accumulating net income during the periods when it is able to secure a profit in order that the funds so accumulated may be distributable to policyholders during periods when it is called upon to respond to losses in excess of its income. Any fire insurance company conducting its business upon a basis of distributing its entire net earnings to stockholders is doomed to failure and its policyholders are certain to find that the policies do not provide the safe indemnity which property owners are entitled to. A bill which recognizes the propriety of allowing banks to accumulate 20 per cent. of their net income should, in the interest of the people of this country, if not in the interest of the corporations themselves, allow equal or greater consideration to insurance companies.

Lauchlan Sinclair Here

North British's Foreign Fire Manager Has Friends in Nearly Every Country

Lauchlan Sinclair, foreign fire manager of the North British & Mercantile, and one of the most distinguished and traveled of all the British company officials, has arrived in New York after a trip through the Orient. There may be a few places, such as Thibet, Liberia or East Aurora, N. Y., that Mr. Sinclair has not visited in his time, but they are not many and he has personal friends, much attached to him, everywhere. This is by no means his first visit to this country, and he has looked forward with considerable pleasure to renewing his acquaintances here.

It was just forty-one years ago that Mr. Sinclair entered the insurance business. "I thought it would be a nice, pleasant easy occupation," he confided to some friends while here this week, "but I soon found that while it was a most agreeable business it was also a most exacting one, calling for a highly specialized collection of talents coupled with great industry, and young men possessed of those qualities will find to-day just as they did in years gone by that the opportunities are magnificent, the game well worth while and that there is plenty of room at the top. Good men are in demand; difficult to get, and always will be in fire insurance."

The Scottish Commercial was Mr. Sinclair's first company; he went with it when a boy. Seven years later he joined the Lancashire. Before going with the North British he was with the South British and the Scottish Union & National. Two of his trips to this country were in the interest of the Scottish U. & N.

Mr. Sinclair was asked by The Eastern Underwriter if there were any re-insurance shortage in Great Britain because of the war, and replying he said that there had been no difficulty in substituting contracts of British companies for the German treaties abrogated after hostilities began. So far as the North British is concerned it had not made any re-insurance contracts with German companies, so he had none to abrogate. Just before the war the North British was doing the largest business of any foreign company in Germany, and there owned its own buildings, offices, etc It had been in that country for fifty years.

"Compared to our entire business it was only a flea bite, however, and did not affect us in the least when we stopped writing in the enemy countries," said Mr. Sinclair. "We sold our German business to the Stuttgart company, which took over our liability there."

Asked whether marine insurance is profitable in Great Britain Mr. Sinclair said that at the beginning of the war it was very profitable; then for a time it became less so; following which there was a turn in the scale and it became profitable again. It was all a question of underwriting; companies which were reckless paid the consequences. He knew of some underwriters at Lloyds who had made a great fortune out of the marine business; then quit to retire on their earnings. While there is less shipping, there has been a corresponding enhancement of values so that the premiums are keeping up.

The latest achievement of the North British has been the absorption of the Fine Art & General.

In 1916 the fire premiums of the North British were £2,354,732; and losses, £1,229,381.

THE HUMAN SIDE OF INSURANCE



PHOENIX MUTUAL MEN AT PLATTSBURG.

The accompanying cut shows a group of Phoenix Mutual Life men at the Plattsburg Training Camp. The first man in the top row is J. Fay Newton, a graduate of Williams College. He spent a successful year as a member of the Connecticut agency and then became a member of the agency department of the home office. The next man in the back row is John M. Holcombe, Jr., son of President Holcombe, who is a graduate of Yale and the Harvard Law School and who was engaged in legal work for the Company James B. Slimmon, the third man in the top row is a graduate of Yale and was in the terminations department of the home office. The first man in the bottom row is H. G. Bissell, a former member of the new business department; the next man is D. Gordon Hunter, a successful member of the Connecticut agency and the third man is Dwight Clark of the planning department, who is a graduate of Amherst.

Messrs. Holcombe, Slimmon and Clark were members of Troop B, Connecticut Cavalry, which went to the Mexican border last year.

George W. Cheney, of the new business department, also went to the border in the same troop and is now first lieutenant of Troop L, Connecticut Cavalry, which will go into Federal service July 25. Chauncey Deming, of the home office, is in service with the Naval Reserves, and Charles E. McCarthy will be called out with the cavalry on July 25.

From the Company's agencies the following are in service:

W. H. Sullivan, Quartermaster's Corps; B. C. Thurman, Officers, Training Camp, Fort Benjamin Harrison; H. A. Hauenstein, Officers' Training Camp, Fort Snelling; John D. Warlick, Officers' Training Camp, Fort Oglethorpe; W. Carter Haley, Officers' Training Camp, Fort Benjamin Harrison; E. A. Ziegler, Officers' Training Camp; H. C. Ritter, Hospital Corps, Fort Slocum; J. Joseph Connor, 2nd Lieut., Officers' Reserve Corps, Madison Barracks.

And the following are ready to be called into Federal service:

Ernest Johnson, Lieut. Coast Reserves; Harvey White, Capt. Engineering Corps; George Farwell, Capt. Massachusetts Infantry.

Raymond R. Kelly, formerly in the field for the State Mutual Life of Chicago and teacher of salesmanship in the Englewood High School, has been appointed manager of the Chicago agency of the Security Life of America.

Frank L. Owen, special agent of the Yorkshire, who has been making his headquarters in Albany, has moved his residence to Brookline, Mass. He will continue to supervise New York State, Massachusetts and Rhode Island as heretofore. His office will be in Boston.

Frank L. Armstrong, special agent of the National of Hartford in New Jersey, recently drove up to a risk in Bayville, N. J., to inspect it. He arrived just in time to see the property burn.

POOR PITTSBURGH!

A local agent sent in a daily report covering for a considerable amount on what appeared to be stock of wood while contained in frame barn. The examiner wrote him for information regarding it, asking whether it were cord wood or lumber and the agent replied as follows:

Wool—that grows on a sheep's back. You know—Mary had a little lamb
Its wool was white as snow.
She took it to Pittsburgh——
Now look at the d—— thing.

FIRE INSURANCE DEPARTMENT

NO RECOVERY

New Jersey Court Rules That Assured Must Know Terms of His Policy

Willhelm Urbaniak sued the Firemen's Insurance Company of Newark, as well as the Commercial Union, in the Superior Court of Suffolk County, New Jersey. The policies provided that Urbaniak, after the loss, was required to render forthwith to the company a statement in writing, signed and sworn to, setting forth the value of the property insured, his interest therein and other insurance thereon, in detail, the purpose for which and the persons by whom the building insured was used, "and the time at which and the manner in which the fire originated so far as known to the insured."

While conceding that such statements were not furnished, Urbaniak contended that this condition was waived by the conduct and assurances of the company's agent through whom the policies were obtained and by the agreement of reference and appearance of the companies before the referees upon whose awards the actions are brought.

The jury undoubtedly could have found that Urbaniak, who appears to have acted for his wife as well as for himself, was illiterate and unable to read the policies and relied upon the representations of the agent: "Leave it to me and I will take care of it," and "that he had sent the papers—and that he would get the insurance."

But as the evidence when viewed in the light most favorable to Urbaniak, fails to show that in making the representations, the agent acted within the scope of his authority, there was no waiver on this ground. **The insured must be presumed to have known of the terms of the policies.** Whether the circumstances would have been sufficient to have warranted the jury in finding that the delay was excusable, if proof of loss had been rendered when the plaintiffs upon being dissatisfied with the conduct of the agent consulted counsel, is immaterial as even then no attempt at compliance appears. And the agreement for reference having expressly provided, that neither the submission nor the award of the referee shall in any way affect any other question than the amount of loss or damage, "nor waive nor impair any right of any party hereto" the companies are not stopped by the agreement or the award from contesting liability. The ruling of the lower court that Urbaniak could not recover was right and that ruling is sustained.—(Decided June 25, 1917. Reported in 116 Northeastern Reporter 413.)

MONTANA HAIL INSURANCE

The Montana hail insurance board has adopted a resolution recommending to the State board of equalization that it make a levy of sixty cents an acre on acreage insured under the law on grain crops, pea, bean, potato, seed alfalfa, seed clover and seed millet crops and 25 cents on hay crops. It is estimated that this will yield about $120,000, of which not more than $12,000 can be expended on administration, leaving a balance of $108,000 with which to pay for hail losses. A loss of $90,000 was sustained by the combined companies operating in the State about two years ago.

The Stuyvesant of New York has reinsured about 30 per cent. of its net premiums, as of June 30, in the Globe & Rutgers.

AGENCY LOSSES

Assured Wins Case in New Jersey Supreme Court—Brief Summary of the Case

The Supreme Court at Trenton has handed down its opinion in the case of the General Insurance Agency of Philadelphia, plaintiff, against Stewart J. Rogers, defendant of Park Place Avenue in favor of Mr. Rogers.

This case was tried twice in the district court in Asbury Park before Judge Taylor and a jury and both times the jury decided in favor of Mr Rogers, from which verdict the insurance company appealed both times to the Supreme Court. Through a technicality upon the first appeal the Supreme Court sent the case back for new trial. It was retried and a verdict rendered for the defendant Rogers.

The facts of the case disclosed that Mr. Rogers took out three policies of insurance in companies represented by plaintiffs. After being in force four or five months the companies went into liquidation and Rogers was obliged to effect new insurance. The plaintiffs, claiming they were only agents and that they had paid on each policy three years' premiums for the benefit of Rogers, that the latter must pay them for the money advanced in his behalf and present his claims for rebate to the receivers. This Rogers declined to do and fought when suit was brought against him. The Supreme Court has again decided in his favor.

HOW CONSERVATION WORKS

State Fire Marshal Fleming of Ohio, has issued a thousand orders for correcting fire hazards disclosed by a corps of 230 fire insurance company inspectors who have offered their services to the State during the war. Over eleven hundred grain elevators, five hundred grist mills, and nearly every wholesale grocery warehouse in the State have been inspected by these volunteer experts. Among their discoveries was a car load of "strike everywhere" matches in an inflammable building where there were $350,000 worth of groceries stored.

H. C. EDDY AT ROCKAWAY BEACH

H. C. Eddy, Western manager of the Commercial Union, is at Rockaway Beach for the summer.

OGDENSBURG AGENCY SOLD

W. J. Russell, of Ogdensburg, N. Y., has sold the business of his three offices in Ogdensburg Massena, and Potsdam. H. J. Hensby takes over the Ogdensburg business, H. E. Foote the Potsdam business and W. E. Garvey & Sons the Massena business.

IN MARYLAND

Four companies which have entered Maryland in the past year are the United Firemen's, British Dominions, Merchants and Marquette National.

BROOKLYN AGENCY CHANGE

The firm of Von Glahn & Ross with headquarters at 147 Montague Street, Brooklyn, has been dissolved. The agency represented the Detroit F. & M. and the Phoenix of Paris for the Eastern district. George H. Ross has been appointed agent of the companies and will continue the agency at present headquarters.

S. E. Willcuts, who has been an automobile loss adjuster and has had field experience, has been appointed special agent in Kansas for the German-American Fire, assisting State Agent Drum, with headquarters at Topeka.

FIRE AND MARINE INSURANCE—ALL LINES

The Automobile Insurance Company of Hartford, Conn.

MORGAN G. BULKELEY, President

Statement January 1, 1917

Cash Capital - - - -	$1,000,000.00
Assets - - - -	2,748,832.19
Liabilities (Except Capital) - -	1,039,977.81
Surplus to Policyholders - -	1,708,854.38

AFFILIATED WITH

ÆTNA LIFE INSURANCE COMPANY

THE ÆTNA CASUALTY & SURETY CO.

LEWIS & GENDAR, Inc.

New York City Agents

Commonwealth Insurance Co. of New York

Telephones: John 63-64-65 ONE LIBERTY STREET, NEW YORK CITY

Brooklyn and Suburban Agency

Northern Asse. Co., Ltd. of Eng. — Firemen's Inc. Co. of New Jersey
Commonwealth Ins. Co. of N. Y. — Globe & Rutgers Inc. of N. Y.
Detroit F. & M. Ins. Co. of Mich. — Employers' Lia. Assce. Corp. of London

145 MONTAGUE STREET, BROOKLYN—NEW YORK

Telephones: Main 6370-6371-6372

W. L. WEBSTER & CO., INC.,

ONE LIBERTY STREET, NEW YORK CITY.

Correspondent for

Fire Insurance Companies desiring to secure for their local agents lines on out of town risks, controlled by brokers.

SAMUEL W. SCOTT, Underwriting Manager.

NORTH BRANCH FIRE INS. CO.
Sunbury, Pa.
Inc. 1911

CITY INSURANCE COMPANY
Pittsburgh, Pa.
Inc. 1870

Assets	$641,341.77	Assets	$357,318.58
Reserve	230,513.29	Reserve	54,256.92
Capital	300,000.00	Capital	200,000.00
Surplus	63,479.83	Surplus	96,379.07

OPERATING ON A CONSERVATIVE BASIS IN A LIMITED TERRITORY UNDER AN EXPERIENCED MANAGEMENT

BROKERS ACTIVITIES

CANTONMENT INSURANCE

Captain S. Herbert Wolfe, of Army, Confers Here With Insurance Company Representatives

Captain S. Herbert Wolfe, of the United States Army, has conferred with the insurance companies relative to insurance on the machinery and other supplies for the sixteen cantonments where the troops are mobilized or will be mobilized. The insurance covers from the time the supplies leave the train until inspected by the United States Government. Insurance is applied for by contractors. Contractors of the standing of Thompson, Starrett & Company, who are building the cantonments for the Government, sublet parts of the work.

Several questions have arisen which the insurance companies want the Government to decide. In the meantime, agents in various parts of the country are writing business. The popular rate for the Virginia cantonment seems to be 3½ per cent. for fire and 1½ per cent. for tornado.

It is rather interesting to note that Captain Wolfe now seems to be the leading Government expert on insurance, in view of the fact that he is one of the men who is helping to draft legislation for the indemnification of soldiers and sailors and other dependants. He is a famous actuary, who has a remarkably fine reputation among insurance companies. Other insurance men who are helping out the Government include Hendon Chubb, of Chubb & Son, of the Advisory Board of the War Risk Bureau; Mr. DeLanoy, with Johnson & Higgins, when appointed; and Mr. Crowley, formerly of the Travelers. There is also a committee of ten prominent life insurance men who are in conference with Secretary McAdoo about the indemnification proposition.

* * *

Placed By W. R. Mowe

In addition to insurance carried in authorized companies on the plant of the Read Phosphate Company, Nashville, amounting to $111,500 on building and machinery and $42,500 on stock, insurance was also carried in outside companies to the amount of $42,475 on building and machinery and $25,000 on stock. The insurance with the non-admitted companies was placed through W. R. Mowe, a New York broker, and was divided partly as follows: On stock, Central Ins. Co., Ltd., $4,000; Gresham F. & A., $4,000; Richmond, $3,000. On building and machinery, Central, $3,000; Gresham, $2,000; Industrial, $3,775; Legal, $2,500; Michigan Millers, $1,500; Merchants, $7,500; People's National, $2,500; Pacific Fire, $5,000; Richmond Fire, $8,200.

* * *

L. H. Smith's Change

Lloyd H. Smith, who has been office manager for Starkweather & Shepley in Chicago for a number of years, has taken a partnership interest in the Chicago agency of Joseph C. Knight & Co. Mr. Smith will become actively connected with the agency as soon as he can close his relations with Starkweather & Shepley.

* * *

Coal Insurance

Because of the shortage in the coal supply a number of owners of apartment houses in Chicago are filling their basements with coal, so as not to be caught if any shortage develops in the fall and winter. Some of them are seeking insurance on this coal, one apartment house owner having $5 000 worth stored in his basement. He was given insurance at the contents rate on apartment houses, which is 30 cents. The same coal stored in the dealers' yards would probably pay a rate of $1. Apartment house owners are being urged to provide for the hazard of spontaneous combustion in this coal, the suggestion being that they place open pipes in the piles so as to provide ventilation for the interior.

* * *

Inter-Insurance Ruling

Acting on an opinion of Attorney-General Brundage, the Illinois Insurance Department has ruled that incorporated attorneys-in-fact can not act for inter-insurance or Lloyds concerns. Incorporated attorneys-in-fact have become popular with inter-insurance concerns during the recent years, and many abuses have resulted.

B. M. CROSTHWAITE & CO.
Fire and Automobile Insurance Specialists
Lines Bound Anywhere in New York State
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Assistant Manager

THE
CONTINENTAL
(FIRE) INSURANCE COMPANY
HENRY EVANS, President
The AMERICAN COMPANY with the Largest Capital and Largest Policyholders' Surplus
Agents in Every City and Town
Home Office:
80 MAIDEN LANE, NEW YORK
Managing Branch Offices,
CHICAGO, MONTREAL, SAN FRANCISCO

Companies Win an Eight-Year Litigation

HANOVER VICTORY ENDS KLINE BROS. & CO. SUITS

Tobacco Warehouse Fire in Florida Fought in New York Courts —Iron Safe Clause

After dragging through courts for eight years the case of Kline Bros. Co. vs. Hanover Fire Insurance Company has been decided in favor of the latter by the Court of Appeals, this State. The significance of the decision is that it establishes the law that an inventory under the iron safe clause is something that requires a statement of values. The judgment of the Court of Appeals means that cases of Kline Bros. & Co. against five other companies—Royal, Liverpool & London & Globe, London & Lancashire, Hartford and Insurance Company of America—have been won by the companies. It is also the first time that the issues involved have ever been adjudicated in New York courts. Ivins, Wolff & Hoguet represented the Hanover, Hartford, Insurance Company of America and L. & L. & G. in this litigation. Cardoza & Nathan represented the Royal; Hartwell Cabell, the London & Lancashire.

How Controversy Began

The controversy started when a tobacco warehouse in Quincy, Fla., burned in the spring of 1909. Some of the insurance was taken out three days before the fire. Some companies which were on the loss settled immediately; some paid 87 cents on the dollar, some 50 cents, 40 cents, etc. The concurrent insurance was close upon $125,000. The policies of the six companies which finally entered the litigation aggregated $25,000. They were all represented by the Southern Adjustment Bureau, Atlanta, and they made up their minds to fight the issue out in the courts. Since then the cases have gone through a number of Federal and State courts and in one instance there was a writ of certiorari asked in the United States Supreme Court. Finally the issue was concluded in the Court of Appeals when the Hanover was given a judgment.

Iron Safe Clause in Three Policies

In three of these insurance cases the iron safe clause was involved. This is a provision that an inventory shall be taken once a year and if one has not been taken within the calendar year preceding the issuance of the policy such inventory shall be taken within thirty days after the issuance of the policy. Then that inventory, together with the books and papers of the concern, are to be kept in an iron safe at night. The inventory must be produced for inspection of companies upon demand.

The iron safe clause is generally used throughout the South and the Southwest, but has not heretofore come before the courts in this section of the country, and there are few decisions on the subject.

Risk a Co-operative Tobacco Warehouse

The Kline Bros. risk was a tobacco warehouse, a co-operative venture in the sense that it was a warehouse run by the Kline brothers, who had come to Quincy from Cleveland, O. Arriving in Quincy they got up a syndicate among the tobacco growers under which the growers brought their crop to the warehouse where it was graded, packed and then sold, the profits being divided, a certain percentage going to the managers of the enterprise, Kline Brothers, and the balance to the growers.

The warehouse, as tobacco was brought in by the growers, issued receipts which merely stated the name of the broker and the amount of the tobacco, without giving any data as to value, grades or brands. After the tobacco was baled up, a list thereof was made, known as the bale book, which gave the name of the grower, number of bales, together with some indications as to grade and brand, without, however, giving any specific information as to the weight of each bale.

Contention of Companies

It was contended on behalf of the insurance companies that the stubs of the receipts heretofore mentioned, and the bale books put in evidence, did not specify the provision of the iron safe clause, inasmuch as they did not constitute an inventory. The principal point made on the behalf of the companies was that an inventory is an itemized list of specific chattels, giving a description thereof, together with a statement as to the value of each item on the list.

It was also pointed out in this case that the bale books did not begin to be made up until thirty-one days after the occurrence of the fire, and were, therefore, inadequate as not being a timely fulfillment of the iron safe clause provision, i. e., not made up within thirty days after the occurrence of the fire.

The assured claimed that the iron safe clause in this particular policy required an inventory "showing grades and brands." It went on to argue that inasmuch as the grading processes took about six weeks, literal compliance with the policy terms was impossible. The position taken in brief was that an inventory made as soon as grading processes were completed should be sufficient even though made more than thirty days after the issuance of the policy. The assured also claimed that the first receipt was an inventory inasmuch as it was a complete list of all tobacco in the warehouse on that particular day.

All of these contentions were overruled by the courts and judgment was given for the insurance companies in all three of these cases.

The Policies Not Containing Iron Safe Clause

The other three policies—Hartford, Insurance Company of North America and Liverpool & London & Globe—did not contain the iron safe clause. They were, however, taken out under very peculiar circumstances. The venture hereinbefore described, consisting of a sort of loose partnership between the Klines and the growers, was intended to be incorporated, and, as a matter of fact, articles of association were filed under Florida law about the first of August, 1908. No definite incorporation, however, took place until the middle of December, when the corporation was organized. It seems that after the organization meetings in December dissensions broke out between the growers on the one hand and the Klines on the other, as a consequence of which the growers called a rump meeting among the stockholders of the company on improper and inadequate notice at which time the Klines were ousted and the presidency of the concern was conferred upon one McIntosh.

Removed Books to a Law Office

McIntosh actually took possession of the warehouse at Quincy. Thereupon the Klines sued out a writ of mandamus to annul the election of McIntosh, and to secure possession of the property of the corporation. Having obtained this writ one of the Klines went to Quincy and secured the key to the warehouse from one Schwartz, manager thereof. As he was about to leave the building he was met by McIntosh who upon learning that Kline had secured the key of the building forced Kline to surrender it to him at the point of his pistol. McIntosh having thus again secured possession of the warehouse and its contents took all of the books of the corporation from the safe and put them into his buggy and drove off with them to an attorney's office.

These events occurred within ten days before the fire and three or four days later McIntosh took out the three policies of insurance last mentioned, and did not even pay the premium thereon. The warehouse burned four days later at 2.30 o'clock in the morning from an unknown cause.

Defense

The companies contended in defense of these policies that McIntosh, when he took them out, was not an authorized officer of the company, his election having palpaby been illegal, so he was not a de jure officer and that also he could not be regarded as a de facto officer of the corporation for the reason that his securing possession of the warehouse was the result of a wholly illegal act, viz., an armed assault upon Kline.

Anomalous Position of Assured

Kline Bros. Co., in suing the three companies, were compelled to assume the anomalous position that the act of McIntosh, their opponent, was as a matter of fact the authorized legal act of an officer of Kline Bros. Co. It was also claimed by them that the companies had ratified the unauthorized act of McIntosh by corresponding with the adjusters representing the assured.

The cases were tried before Judge Hand, District Court of the United States (in New York). He held for the companies on the ground that McIntosh's act was unauthorized. An appeal was taken to the Circuit Court of Appeals. That court handed down a majority opinion on behalf of Judges Ward and Noyes, and a minority opinion on behalf of Judge La Combe. The majority judges held that the unauthorized act of McIntosh could be ratified even after the occurrence of the fire. Judge La Combe dissented, holding that the occurrence of the fire wrought an absolute alteration in circumstances, and it would be manifestly unjust to permit Kline Bros. Co. to ratify the unauthorized act of McIntosh when the occurrence of the fire made it perfectly certain that such ratification must innure to their benefit.

There was a re-argument after which the decision of Judge Hand was affirmed, all the judges taking the position that independently of the question as to whether or not ratification after the fire was permission from the legal point of view the record disclosed no evidence whatever of any such ratification.

Robert Louis Hoguet handled the case for Ivins, Wolff & Hoguet.

N U

NATIONAL UNION FIRE INSURANCE CO. OF PITTSBUGC, PA

PUBLIC SATISFACTION and AGENCY SATISFACTION are indispensable to the progress and permanency of a Fire Insurance Company. The NATIONAL UNION is building for permanency. A very important phase of its business is to satisfy as it grows. And it grows because it satisfies. Standing firmly upon its resources and good name, it relies upon the inflexible sincerity of its purposes and deeds for Public appeal and Agency favor. It seeks to merit these considerations not merely as a good present day policy but as a wise all time plan. It means the Company must live up to what it looks up to. NATIONAL UNION efficiency and reliability have been demonstrated by years of satisfaction giving service. Good Agents who need help—real help—the kind that satisfies—will do well to learn about NATIONAL UNION

CONSTANT SERVICE

NEW YORK CITY RATES

Henry Evans has suggested that it would be wise for Manager Robb, of the New York Fire Insurance Exchange, to invite an investigation of New York City rates through a committee representing the New York Board, Fire Department, Insurance Department, Real Estate Board and Advisory Council of Real Estate Interests in order that rates in this city be equalized. He thinks some rates too low; others too high.

UNDERWRITERS TO DINE

The Board of Underwriters of Suffolk County will give a dinner on Thursday evening next. Among those expected to be present and make addresses are Jesse S. Phillips, Superintendent of Insurance of New York; Henry E. Hess, manager of the Suburban Fire Insurance Exchange, and officials of New York and Hartford insurance companies.

NEW MARINE COMPANY

The North Atlantic Insurance Company is being organized under the laws of New York to do general marine insurance business. The company will have a capital of $250,000 and a paid insurance surplus of the same amount. The company expects to be ready to start in business by September.

Important Decision Covering Cancelation

(Continued from page 1.)

mium. The company need not acknowledge receipt of the notice of cancelation, make any notation on its books or do any other act so far as it is concerned. In fact, the company is powerless to do anything to affect the cancellation of the policy one way or the other. Under the statute the insured has in his control absolutely the matter of cancellation.

Revives An Old Question

The Gately-Haire case also revives the old question of how the company may cancel the policy in case it decides for any reason that it is carrying an undesirable risk. The standard clause in the policy is: "This policy shall be canceled at any time at the request of the insured; or by the company by giving five days' notice of such cancellation."

Judge Laughlin in his concurring opinion says:

> In the paragraph quoted it will be observed that the first sentence provides for a complete scheme for cancellation, either by the insured or the insurer: "This policy shall be canceled at any time at the request of the insured; or by the Company by giving five days' notice of such cancellation."
>
> If nothing further appeared in the paragraph no one, I take it, would seriously contend it was necessary in order to effect a cancellation, that the policy should be returned. But what follows in the paragraph is another sentence and deals not with cancellation, but only with the rights of the parties after cancellation has been placed. Observe the words, "If this policy shall be canceled as hereinbefore provided * * * the premium having been actually paid, the unearned portion shall be returned on surrender of this policy. * * *" If the return of the policy is a necessary prerequisite to cancellation, then the last sentence is not only contradictory of the first, but the last five words in the sentence are meaningless. But they are not. The notice to cancel having been given by the insured and received by the insurer, cancellation is complete and the unearned premium must then be returned upon surrender of the policy.

What Other States Have Held

In New York, Massachusetts and other States it has been held under this standard form of policy that it was not sufficient for the company to give five days' notice of cancellation, but that in addition to giving five days' notice the company must return or tender the unearned premium so as to put the insured back in the position he was before taking out the insurance.

Judge Laughlin holds that cancellation of the policy is complete when the insured makes the request to cancel upon the company, and by inference the same language that he uses while interpreting this cancellation clause which governs cancellations, both by the assured and the company, he holds that cancellation of the policy is complete when the company gives five days' notice of its desire to cancel upon the assured. He holds that the second sentence in the paragraph of the standard form of policy dealing with cancellation and which follows the one just quoted is another sentence and deals "not with cancellation but only with the rights of the parties after cancellation has taken place. Observe the words 'if this policy shall be cancelled as hereinbefore provided the premium having been actually paid the unearned portion shall be returned upon the surrender of this policy.'"

If under the standard form of policy it is unnecessary for the insured to surrender his policy and secure the return of the unearned premium when cancelling upon his initiative it would follow, according to Judge Laughlin's reasoning, that the return of the unearned premium by the company when it desires to cancel is not necessary.

MILL MUTUAL SALVAGE

Interesting Meeting Held in Chicago—Trying to Conserve Foodstuffs in West

The salvage committee of the Mill Mutuals met in Chicago Wednesday to consider the problem of increasing salvage recoveries from the numerous losses involving ten carloads of salvage grain, or less. The object sought is to conserve food values in the smaller lots of salvage, which are frequently allowed to spoil because of ignorance or poor handling in towns where facilities are not available for proper treatment. It is believed that many thousand dollars of foodstuffs can be saved by careful and systematic handling of small lots of salvage, which heretofore have been allowed to go to waste. The various salvage companies and adjusters are co-operating in the work, and will endeavor to educate elevator men and insurance agents in the smaller towns.

PENNSYLVANIA REFORMS

Governor Brumbaugh, of Pennsylvania, has signed one of the most important reform insurance measures advocated by Insurance Commissioner O'Neil. The bill forbids the issuance of insurance stock to persons selling stock in insurance companies, in payment of services or otherwise. Moreover, it provides that statements must be filed with the Insurance Commissioner, giving full data concerning organization and purpose before insurance company stock may be sold. Had such a law been in force at the time, it is claimed the Pension Life scandal would have been prevented.

WISCONSIN FIRE COMPANIES

At the close of the year 1916, the insurance in force in the three stock fire insurance companies of Wisconsin —the Concordia, the Milwaukee Mechanics and the Northwestern National —was $63,344,918 over that of 1915 in the same companies. On the same date the net premiums were $573,595.20 and the surplus $353,255.10 over 1915. Net losses increased $84,958.15. These figures represent the total field covered by these companies, not the Wisconsin business alone. The most marked increase was in marine insurance. On December 31, 1915, the amount of marine insurance in these companies was $1,837,719, while on December 31, 1916, it was $7,671,238, an increase in a year of $5,833,519.

DANISH COMPANY ENTERS U. S.

The National Insurance Company of Copenhagen, Denmark, has been admitted to do business in New York by Insurance Superintendent Phillips. Walter D. Despard, of this city, will be the United States manager of the National, which has already deposited $775,000. It will write marine business, both direct and as re-insurance, but its fire business will be re-insurance treaties exclusively.

The Armstrong Agency, Inc., at 55 John street, New York, has been appointed agents for the Glens Falls Insurance Company for automobile, fire, theft, collision and property damage risks in this city.

The agitation in underwriting circles against shingle roofs has been carried to Buffalo, which has a great shingle roof hazard.

E. F. FLINDELL
1 LIBERTY STREET Telephone John 2612 NEW YORK CITY
Representing
THE SCOTTISH UNION & NATIONAL
For the United States and Canada
THE YORKSHIRE INSURANCE CO., LTD.
For the United States and Cuba

The Columbian National Fire Insurance Company



T. A. Lawler, Pres. H. P. Orr, Sec.-Treas.
JANUARY 1st, 1917
Assets $1,643,174.45
Surplus to Policyholders.....$1,235,960.65
EASTERN DEPARTMENT, Scranton, Pa.
Massachusetts, Rhode Island, New York, New Jersey, Pennsylvania and Maryland
James J. Boland, Manager
Reliable agents wanted in unrepresented territory



125th Anniversary
Insurance Company of NORTH AMERICA
PHILADELPHIA
CAPITAL, $4,000,000 ASSETS OVER $23,000,000
FIRE, MARINE, AUTOMOBILE, Rent, Leasehold, Tornado, Explosion, Use and Occupancy, Sprinkler Leakage, Travelers' Baggage, Parcel Post
The Oldest American Stock Insurance Company

National Fire Insurance Company
OF HARTFORD, CONN.
Statement January 1, 1917, to New York Insurance Department
LIABILITIES

Capital Stock, All Cash	$2,000,000.00
Funds Reserve to Meet All Liabilities, Re-Insurance Reserve, Legal Standard	9,912,715.84
Unsettled Losses and Other Claims	1,878,398.32
Net Surplus over Capital and Liabilities	3,743,747.60
Total assets January 1, 1917	$17,534,861.76

H. A. Smith, President F. D. Layton, Ass't Sec'y F. B. Seymour, Treas.
G. H. Tryon, Secretary S. T. Maxwell, Ass't Sec'y C. B. Roulet, Gen. Agt.
SURPLUS TO POLICY HOLDERS, - - $5,743,747.60

JAMES H. EPWORTH
NEW JERSEY FIRE INSURANCE SPECIALIST
NEWARK AND SUBURBAN NEW JERSEY TERRITORY
40 CLINTON STREET NEWARK Phone Market 6536 | SERVICE FIRST | 80 MAIDEN LANE NEW YORK Phone John 4560

NEW YORK STATE DEPARTMENT
HUMBOLDT FIRE OF PA. TEUTONIA FIRE OF PA.
CAPITAL FIRE OF N. H. GEORGIA HOME OF GA.
PERCY B. DUTTON, Manager, ROCHESTER

WALTER F. ERRICKSON
38-40 Clinton St., Newark, N. J. 95 William St., New York
Representing
THE GERMANIA FIRE INS. CO.
For Automobiles
Special facilities for out-of-town business.

WILLIAM C. SCHEIDE & CO., Inc.
HARTFORD, CONN.
Re-Insurance in All Branches

McAdoo to Decide "War Risk" Meaning

PRESIDENT WILSON'S PROCLAMATION NOT CLEAR

General Belief it Refers Only to Marine Insurance—Mansfield Discusses Schreiner

President Wilson's proclamation prohibiting German companies to transact marine and war-risk insurance did not specify what was meant by the term "war risk," and the New York Insurance Department wired the Secretary of State, asking for more specific information. On Thursday morning the Insurance Department received a letter from the State Department, saying the matter had been referred to Secretary of the Treasury McAdoo, who is the real head of the war risk bureaus. On William Street the impression prevails that the proclamation is directed against marine insurance, not against American branches of German companies writing industrial plants.

Mansfield and the First Re-Insurance

The Hartford "Courant" says that the Aetna, National and Hartford Fire have canceled their treaties with German companies.

The "Courant" asked Commissioner Mansfield if he intended to disturb Carl Schreiner as head of the First Re-insurance Company of Hartford.

He explained that, although President Wilson has issued a proclamation prohibiting German companies from continuing in the marine insurance and war risk business, in his opinion the order would not affect Schreiner's position with the First Re-insurance Company, as this Company is a Connecticut corporation.

"Are you going to submit the question to the attorney general, or to any other State or Federal official for a formal decision?" he was asked.

"No, I don't think so," the commissioner replied.

Mr. Mansfield was asked what steps he would take to enforce the President's proclamation in his State. He said that no formal notice would be required from his department. The newspaper announcement would be sufficient warning to the German companies, he thought, and he did not expect any violations. He said the companies having offices in his State—the Munich, Prussian Life and South German—were reporting regularly to his office, as the law requires, and their reports did not show any infraction of the law. Every financial disbursement is shown in these reports; but the commissioner admitted that he could not know what facilities the German companies had for communicating valuable information to the enemy.

The First Re-insurance

Mr. Schreiner organized the First Re-Insurance Company of Hartford November 13, 1912, under a charter granted by the Connecticut Legislature, and approved by the Governor, May 11, 1911, and he at once became its president. The company is authorized "to carry on a re-insurance business, and to make re-insurance on insurance risks of every kind or description undertaken by other insurance companies, associations, corporations or persons."

It is the first company chartered by any State of the United States to do a re-insurance business exclusively. The directors at the time of organization were: Richard M. Bissell, president of the Hartford Fire Insurance Company; the late Sylvester C. Dunham, who was president of the Travelers Insurance Company; Wilhelm von Finck, of Merck, Finck & Co., bankers; Charles E. Gross, of Gross, Hyde & Shipman, lawyers; Walter T. Rosen, of Messrs. Ladenburg, Thalmann & Co., bankers; Carl Schreiner, president, and Heber H. Stryker, vice-president. The officers were: Carl Schreiner, president; Heber H. Stryker, vice-president and secretary; and William Ehmann, assistant secretary.

Bissell Resigned

Mr. Bissell resigned from the directorate, and his place was taken by M. H. Whaples. President Louis F. Butler of the Travelers took the place of Sylvester C. Dunham in the board upon the latter's death.

A number of insurance men, whose names have not been made public, have asked United States Marshal McCarthy for permission to remove the enemy alien ban from Carl Schreiner so that he can come to New York. He is now at Lake George. Mr. Schreiner will be permitted to live at the Waldorf-Astoria.

The Proclamation

President Wilson's proclamation follows:

Whereas, certain insurance companies, incorporated under the laws of the German Empire, have been admitted to transact the business of marine and war risk insurance in various States of the United States, by means of separate United States branches established pursuant to the laws of such State, and are now engaged in such business under the supervision of the insurance departments thereof, with assets in the United States deposited with insurance departments or in the hands of resident trustees, citizens of the United States, for the protection of all policyholders in the United States; and

Whereas, the nature of marine and war risk insurance is such that those conducting it must of necessity be in touch with the movements of ships and cargoes, and it has been considered by the Government of great importance that this information should not be obtained by alien enemies;

Now, therefore, I, Woodrow Wilson, President of the United States of America, by virtue of the powers vested in me as such, hereby declare and proclaim that such branch establishments of German insurance companies now engaged in the transaction of business in the United States pursuant to the laws of the several States, are hereby prohibited from continuing the transaction of the business of marine and war risk insurance, either as direct insurers or re-insurers; and all individuals, firms and insurance companies incorporated under the laws of any of the States or territories of the United States, or any foreign country, and established pursuant to the laws of such States and now engaged in the United States in the business of marine and war risk insurance, either as direct insurers or re-insurers, are hereby prohibited from re-insuring with companies incorporated under the laws of the German Empire, no matter where located; and all persons in the United States are prohibited from insuring against marine or war risks with insurance companies incorporated under the laws of the German Empire, or with individuals, firms and insurance companies incorporated under the laws of any of the States or territories of the United States, or of any foreign country and now engaged in the business of marine or war risk insurance in the United States, which re-insure business originating in the United States with companies incorporated under the laws of the German Empire, no matter where located.

The foregoing prohibition shall extend and operate as to all existing contracts for insurance and re-insurance which are hereby suspended for the period of the war, except that they shall not operate to vitiate or prevent the insurance or re-insurance of, and the payment or receipt of, premiums on insurance or re-insurance under existing contracts on vessels or interest at risk on the date of this proclamation, and such insurance or re-insurance, if for a voyage, shall continue in force until arrival at destination, and if for time, until thirty days from the date of this proclamation, but if on a voyage at that time, until the arrival at destination.

Nothing herein shall be construed to operate to prevent the payment or receipt of any premium, or claim now due or which may become due on or in respect to insurances or re-insurances not prohibited by this proclamation.

That all funds of such German companies now in the possession of their managers or agents, or which shall hereafter come into their possession, shall be subject to such rules and regulations concerning the payment and disposition thereof as shall be prescribed by the insurance supervising officials of the State in which the principal office of such establishment in the United States is located, but in no event shall any funds belonging to, or held for the benefit of, such companies be transmitted outside of the United States, nor be used as the basis for the establishment, directly or indirectly, of any credit within or outside of the United States to or for the benefit or use of the enemy, or any of his allies without the permission of this Government.

"The Leading FIRE INSURANCE Company of America"

ÆTNA INSURANCE CO. HARTFORD, CONN.

Explosion and Sprinkler Leakage Insurance

WM. B. CLARK, President

Big Drive Made by Syracuse Agents

Insurance Men Show Great Interest in the Federation—Local Men Pleased

S. L. Otis, of the Insurance Federation, is up-State, arousing interest in the movement. On Wednesday a special drive was made in Syracuse, eighteen men being engaged.

Glenn H. Johnson, of Syracuse, who was chairman, wrote The Eastern Underwriter that the drive had been a great success. "Mr. Otis has shown rare enthusiasm," he said, "and no mistake was made when he was picked out to do this work."

Among others engaged in the drive were A. T. Armstrong, L. F. Lighton and E. H. Greenland.

NEW INSURANCE AGENCY

Morehouse, Newland & Co., Inc., with offices in the White Building, Buffalo, will carry on a general insurance business representing the Massachusetts Bonding & Insurance Company, Commercial Union Fire Insurance Company, British Dominions General Insurance Company, Caledonian Insurance Company, and Georgia Home Insurance Company. Both Mr. Morehouse and Mr. Newland have had considerable experience in the insurance business. For the last six years Mr. Morehouse has been Western New York resident manager for the Massachusetts Bonding & Insurance Company of Boston while Mr. Newland has occupied a similar position with the New England Casualty Company.

THE HANOVER
FIRE INSURANCE COMPANY
Incorporated 1852

The real strength of an insurance company is in the conservatism of its management, and the management of THE HANOVER is an absolute assurance of the security of its policy.

R. EMORY WARFIELD, President
FRED. A. HUBBARD, Vice-President
E. S. JARVIS, Secretary
WILLIAM MORRISON, Asst. Sec'y

HOME OFFICE
Hanover Bldg., 34 Pine St.
NEW YORK

HOWIE & CAIN, General Agents
Metropolitan District
100 WILLIAM STREET, NEW YORK

1853 Sixty-Fourth Year 1917
FARMERS' Fire Insurance Company
YORK, PENNSYLVANIA

Assets (Dec. 31, 1916) $1,116,968.00
Net Surplus (Dec. 31, 1916)..... 514,025.00

W. H. MILLER, President
A. S. McCONKEY, Sec. and Treas.

ARTHUR C. SWINTON
1 Liberty Street GENERAL AGENT New York City
FIRST NATIONAL FIRE INSURANCE CO.
Washington, D. C.
New York Suburban and New Jersey
Exceptional Reinsurance Facilities Local Agents' Interests Protected

Agricultural Insurance Company, of Watertown, N. Y.

64th Annual Statement
Assets $5,036,003.01
Liabilities 2,296,861.95
Capital 500,000.00
Conflagration Surplus 250,000.00
Surplus to Policyholders 2,739,141.06

F. F. BUELL, Troy, N. Y., Special Agent.....NEW YORK STATE
E. J. PARMELEE, Syracuse, N. Y., Special Agent..NEW YORK STATE
GEORGE SHAW, 116 Milk St., Boston, Special Agent..NEW ENGLAND
F. L. GILPIN, JR., 422 Walnut St., Phila., Special Agent.MIDDLE DEPT.

THE YORKSHIRE INSURANCE COMPANY, LTD., OF YORK, ENGLAND
ESTABLISHED 1824
The "Yorkshire" is the Oldest and Strongest of the English Fire Companies not heretofore represented in the United States
U. S. BRANCH
Frank & Du Bois, United States Managers Ernest B. Boyd, Underwriting Manager
Harry F. Wanvig, Branch Secretary Frank B. Martin, Supt. of Agencies
NO. 80 MAIDEN LANE, NEW YORK
New York Life Insurance and Trust Co., U. S. Trustee, No. 52 Wall St., New York
DEPARTMENTS—METROPOLITAN, Willard S. Brown & Co., Managers, New York, N. Y.; CAROLINA-VIRGINIA, Harry R. Bush, Manager, Greensboro, N. C.; SOUTHEASTERN, Dargan, Turner & Pattillo, Managers, Atlanta, Ga.; LOUISIANA and MISSISSIPPI, Jas. B. Ross, Manager, New Orleans, La.; PACIFIC COAST, Jas. C. Johnston, Manager, J. K. Hamilton and McClure Kelly, Assistant Managers, San Francisco, Cal.

Sturhahn Says He's Rossia's Manager

CALLS STORY PRINTED IN NEW YORK "TRIBUNE" TOMMY-ROT

Naturalized in 1914—Position of B. N. Carvalho Defined—Documents in Case

Carl F. Sturhahn, manager of the Rossia Insurance Company has denied the article printed in the New York "Tribune," to the effect that he (Sturhahn) had been deposed as manager of the Rossia Insurance Company because of pressure brought to bear by the English Government. He said that "it was all tommy-rot" and that it was some scheme devised by some person unknown to him. He said that there are no Germans connected with the Rossia Insurance Company.

The article said that the American business of the Rossia Insurance Company "at the time of the breaking out of the war nearly three years ago was under the direction of Carl F. Sturhahn a German, and about him he had many Germans, so many that the British Government brought influence to bear on Petrograd to have him removed. This was finally accomplished but when it came to appointing a new manager, the Germans scored by putting in that place, B. N. Carvalho, a near relative of the man deposed."

"Since that," the article went on to say, "Sturhahn, who was also at one time the assistant manager in this country of the Munich Reinsurance Company, in which the dominant American figure is Carl Schreiner, has maintained office within the office of the Rossia Company in Hartford."

Mr. Carvalho Acting Manager

According to a notice filed with the insurance commissioner on December 14, 1915, by G. A. Katz, foreign manager of the company at Petrograd, Mr. Sturhahn was granted a leave of absence and Mr. Carvalho was nominated as acting manager until Mr. Sturhahn returned to his office. This notice reads as follows:

December 15, 1915.

Honorable Insurance Commissioner, State of Connecticut, Hartford, Conn.

Dear Sir:—As the board of directors of my company has granted a leave of absence to Mr. C. F. Sturhahn, Mr. B. N. Carvalho has been nominated as acting manager until Mr. Sturhahn returns to the office and the customary appointment for your files is now being prepared at Petrograd, Russia, and will be forwarded to you as soon as received here. Please accept this notification in the meantime.

Yours respectfully,
Rossia Insurance Company,
(Sig.) G. A. KATS,
Foreign Manager at Petrograd.

Mr. Carvalho's Appointment

The official notification of Mr. Carvalho's appointment as acting resident manager "in all the States of the United States for the Rossia Insurance Company of Petrograd" was dated November 24, 1915 (Russian time), and December 7, 1915 (American time). The document gives to Mr. Carvalho all the powers of a manager. It follows:

Know all men by these presents: That the Rossia Insurance Company of Petrograd, a corporation formed under the laws of the Russian Empire and fully authorized to conduct the business of insurance against loss or damage by fire and the business of marine insurance within the said Empire, and elsewhere, has constituted and appointed and by these presents does constitute and appoint Bertram N. Carvalho, of the City of Hartford, County of Hartford, and State of Connecticut, its acting resident manager in all the States of the United States.

The said Bertram N. Carvalho, so appointed acting manager as aforesaid, shall have power to conduct all business of fire and marine insurance at Hartford and elsewhere in the United States, insuring property in that city and elsewhere in the United States, settling, adjusting, compromising and paying losses.

And further, the said acting manager, appointed as aforesaid, shall have power to appoint and remove general agents, sub-agents, local and special agents in all the States of the United States, and to otherwise transact the business of fire and marine insurance in all such territory and to do all things pertaining to the affairs and operations of said Company in the territory mentioned in as full and complete a manner as the said Company is authorized by its charter or acts of incorporation or otherwise howsoever to do, subject only to such instructions as he may receive from the home office of the Company.

Also, the said acting manager shall have authority to collect and collate all the statistics necessary for the making up of the annual statement of the United States branch of this Company for the entire United States.

And the said Bertram N. Carvalho so appointed acting resident manager, shall have full power and authority to execute and sign in the name of the Company all papers, statements, declarations and agreements, including appointments of attorneys for the service of legal process, required by any of the insurance departments of any of the States of the United States as a condition of doing business therein.

In witness whereof, the said Rossia Insurance Company in accordance with a resolution of its board of directors, duly adopted by said board on the 24th November, 7th December, 1915, has to these presents affixed its corporate seal and caused the same to be subscribed and attested by its proper officers at the City of Petrograd, on the twenty-fourth day of November, seventh day of December, 1915.

A. Bylinin, General Manager.
E. Albom, Secretary.

In the year of Our Lord one thousand nine hundred and fifteen, the twenty-sixth day of November, old style, the present power of attorney was produced for registration before me, Konrad A. Goetz, notary public for foreign affairs and those of the exchange of Petrograd, Nevsky Prospect No. 11, by Mr. A. Bylinin, general manager of the "Rossia Insurance Company" of Petrograd and by Mr. E. Albom, secretary of said Company, personally known to me, having the legal capacity to sign acts and documents; further I, the notary, certify that the present power of attorney was duly signed by the above named Messrs. A. Bylinin and E. Albom and obliges the said "Rossia Insurance Company." This power of attorney is entered into my book for acts in foreign languages, sub No. 211. In witness whereof my hand and seal of my office.

Qurd attester,
Konrad A. Goetz, Notary.

I do hereby certify that the foregoing is the true signature of Konrad A. Goetz, notary.
North Winship,
American Consul.

Petrograd, December 10, 1915. No. 362.

Mr. Sturhahn's Side

Mr. Sturhahn was located at Eastern Point, New London, by the Hartford "Courant." He was asked who is manager of the Rossia Insurance Company at the present time. He replied that he is manager of the Company while in Hartford, but that when he is out of town, Mr. Carvalho acts in that capacity.

He said that the article printed in the New York "Tribune" was "all tommy-rot" and that it was "a scheme devised by somebody he did not know." "If I knew who did concoct it," he said, "I'd do things."

He denied that there were any Germans connected with the Company and said that he was an American. He said that there was nothing in the story, that he received leave of absence from the Company for the duration of the war because the Company thought that the fact that a German was at the head of its American office would hurt its business.

"It was an indefinite leave," he said.

Naturalized in 1914

According to Mr. Carvalho, a brother-in-law of Mr. Sturhahn, the latter took out his final naturalization papers in 1914 and has voted in West Hartford for the last three years. Mr. Carvalho said that Mr. Sturhahn's leave of absence lasted "two or three months" and that he (Carvalho) is acting manager of the Company when Mr. Sturhahn is out of town. The document giving Mr. Carvalho full power as manager of the Company in this country will never be rescinded, Mr. Carvalho said, but the appointment making him acting manager could be.

Mr. Sturhahn has been away since the middle of June, according to Mr. Carvalho, staying at Eastern Point.

Nothing in Reports

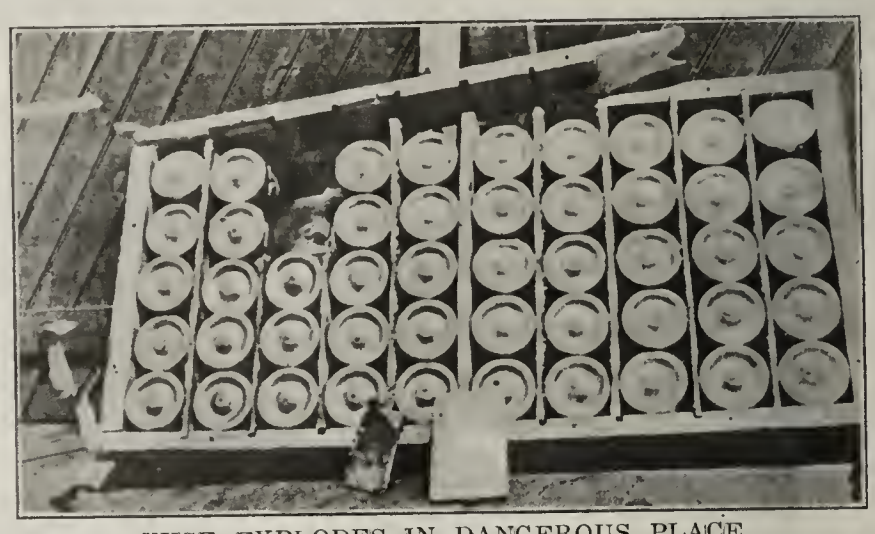
In answering that part of the "Tribune" article which said that "the objection of the English movement to German management of this Company's affairs (meaning the Rossia Insurance Company) in the United States was that it afforded too good opportunity for Berlin to learn of the movement of ships and cargoes from this country through re-insuring risks taken by American companies," Mr. Carvalho said that it was impossible for a re-insurance company to learn what ship it had re-insured and the goods that the ship carried until approximately three months after the ship had sailed.

Minimum of Risk in Fuse Manufacturing

ONE EXPLODES NEAR T. N. T. CARGO; NOTHING HAPPENS

Standard Fuse Corporation Says Severe Test Asked By Underwriters Has Been Met

In February tests were conducted at the plant of the Standard Fuse Corporation in Paulsboro, N. J., for the benefit of the insurance companies as to the fire and explosion hazard on fuses. These demonstrations were attended by representatives of various insurance companies, brokers and underwriters. The representative of the Schedule Rating Office, of Newark, made the suggestion that, if possible, a single fuse placed among others and packed for shipment in the regular manner should be exploded to ascertain the effect of the explosion on the other fuses in the same case. As this was something that was very difficult to accomplish artificially, it was the only thing that was not actually demonstrated at that test.



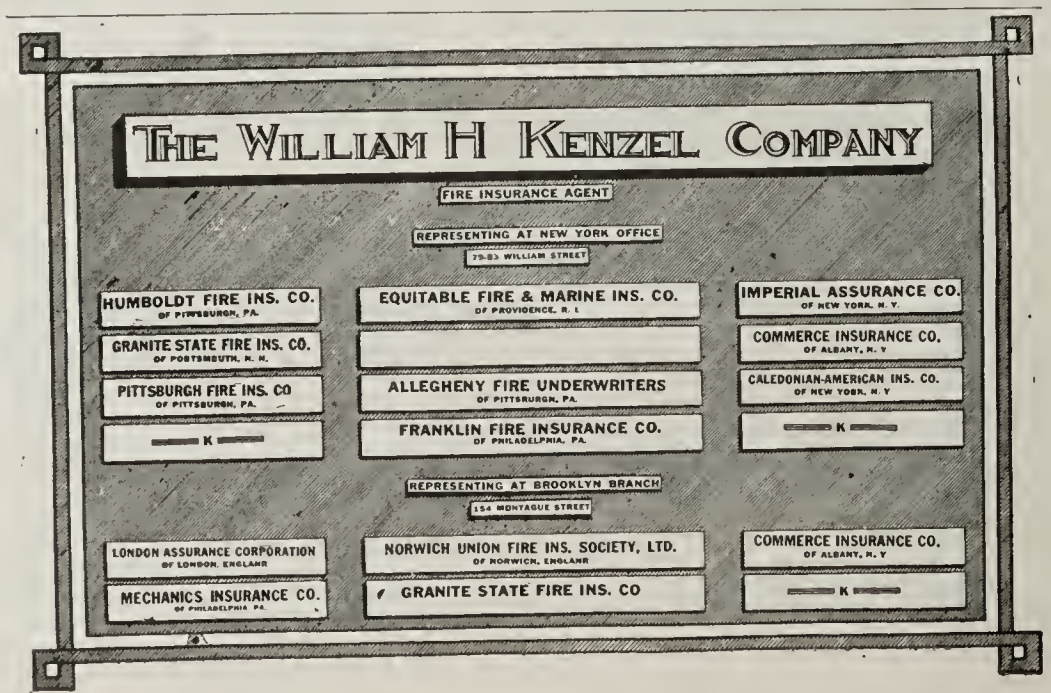
FUSE EXPLODES IN DANGEROUS PLACE

Recenty the Standard Fuse Corporation learned of a case of this kind happening in connection with the shipment of a box of fuses (identical with those of its manufacture) that were assembled and loaded by an ammunition company in no way controlled by it.

"We asked the chief inspector of the British Government to let us have a copy of the report on this case, together with a photograph, in order that we might distribute them to the insurance companies for their information," says the Standard Fuse Corporation, in a communication to The Eastern Underwriter. "Upon his compliance with our request we sent copies of the report and photograph to a few of the companies, and we beg to transmit herewith for your information and use facsimile copies thereof, in the event that you desire to publish the data in the next edition of your good periodical, The Eastern Underwriter.

"The report and photograph, we

(Continued on page 18.)



A. K. BOUGHNER & CO.
INSURANCE AGENCY
Fire Automobile
NEWARK AND VICINITY
Brokerage Business Solicited
38 Clinton Street, Newark — 95 William Street, New York

H. KRAMER
ADJUSTER
FOR INSURANCE COMPANIES
105 William Street, New York City

WESTERN ASSURANCE CO.
OF TORONTO, CANADA
(Fire, Tornado, Ocean Marine and Inland Marine Insurance)
UNITED STATES BRANCH
January 1, 1917

Assets	$3,329,177.74
Surplus in United States	1,478,531.90
Total Losses Paid in United States From 1874 to 1916, Inclusive	41,657,814.31

W. R. BROCK, President
W. B. MEIKLE, Vice-Pres. & Gen. Man.

CASUALTY AND SURETY NEWS

Insuring Soldiers In U. S. Limits

TRAVELERS DEATH AND DISMEMBERMENT ACCIDENT POLICY

Issued Up to $2,000 for Enlisted Men; $5,000 for Officers; the Cost

The Travelers announces a new death and dismembership accident policy for men in the army.

This policy will be issued up to $2,000 for enlisted men, $5,000 for commissioned officers, annual premiums only. It will not be issued to any person now carrying accident insurance in this company except in substitution for such insurance. The cost per $1,000 is $4.50 for commissioned officers, $6.00 for enlisted men. Commission on this policy is limited to ten per cent.

The insurance will give coverage for injuries sustained within the limits of Canada and the United States (excluding all of its territorial possessions.) It will not cover aviation or naval service. If injury is sustained while repelling invasion, claim will be pro rated to the company's rate for unrestricted military service. If the insured engages in naval service, or upon his departure for military service in any of the territorial possessions of the United States or territory foreign thereto (Canada excepted), the insurance will be void, and the insured entitled to the pro rata unearned premium at such time, upon surrender of the policy.

This policy was formulated to meet the demand of those who engage in military service and desire accident insurance protection during the time that they remain within the limits of the United States (excluding its territorial possessions) and Canada.

The company will not issue any form of accident insurance to cover aviation, naval service or residence or travel or military service outside of the limits stated or any form of health insurance to cover military or naval service, inside or outside of the United States.

Additional Provisions Clause

The "additional provisions" clause in the policy follows:

(a) This insurance shall not cover disappearance, suicide (sane or insane), or cover accident, injury, death, or other loss sustained elsewhere than on land within the limits of the Dominion of Canada and the United States (excluding all of the territorial possessions of the latter) or caused directly or indirectly, wholly or partly, by bodily or mental infirmity, ptomaines, bacterial infections (except pyogenic infections which shall occur simultaneously with and through an accidental cut or wound), or by any other kind of disease, or injuries, fatal or non-fatal intentionally self-inflicted or sustained by the insured while engaged in aerial navigation, or while under the influence of any narcotic or intoxicant; nor shall this insurance cover injuries, fatal or non-fatal, sustained while the insured is in naval service or if engaged in military service after departure for service in any territorial possession of the United States or territory foreign thereto other than Canada. If the insured while in military service within the United States (excluding all of the territorial possessions thereof), or within the Dominion of Canada, shall sustain any such bodily injury after he shall have engaged in resisting invasion, he or his beneficiary shall recover hereunder only such portion of the amounts insured hereunder as the premium paid for this policy will purchase at the company's rates for death and dismemberment accident policy, army and navy unrestricted service.

Upon engaging in naval service or upon departure for any territorial possession of the United States or territory foreign thereto (Canada excepted), the insured shall be entitled to the premium unearned at such time upon surrender of the policy.

OFFER $100 ON $2,500 POLICY

Company Must Pay Claim in Full, Says Court—Assured Cut Himself With Knife

Kinney Scott took out accident policy calling for $2,500 in event of death, naming his mother as beneficiary. Kinney accidentally cut himself with a knife, ultimately causing his death. The Union Liability Company claimed its liability was $100, whereas the beneficiary claimed the amount the policy seemed to call for, $2,500. Suit was thereupon filed in the Kansas courts the lower court construed the policy as calling for $2,500.

The company, contending that in view of the manner of the death, that its liability was only $100, carried the case to the Kansas City Court of Appeals, but in preparing the record of the case for the higher court, the company considered the question of the amount of liability—$2 500 or $100—as a question of fact to be determined from all of the testimony given and it, therefore, did not have the policy itself copied into the record so that the higher court could read it, word for word.

The ruling of the higher court was that the policy itself is the contract, controls the entire situation, and that the amount of liability is not a question of fact but of law based exclusively on the words of the policy. The failure of the company to bring the copy of the policy before the higher court in the proper way, made it necessary to find that the lower court was right in holding the beneficiary entitled to $2,500.—(Scott vs. Union Liability Co. decided June 21, 1917, reported in 194 Southwestern Reporter, 900.

WHEELER GOES WITH KNOLL

Herman Wheeler, recently credit manager of the Morris Plan Bank of Buffalo, N. Y., and previously associated with the Federal Telephone and Telegraph Company, has been made superintendent of the accident and health department of the Aetna Insurance Company at its Buffalo Agency, the head of which is Augustus H. Knoll.

MEETING IN MADISON

Madison, Wis., July 14.—One of the provisions of the Everett law on Workmen's Compensation insurance is that a rating and inspection bureau must be organized by all the companies writing such insurance in Wisconsin. The State Insurance Commissioner is required to call a meeting for that purpose. He has issued a call for a meeting in the Senate chamber July 24 at 2 P. M.

New Amsterdam Casualty Company

A Progressive SURETY AND CASUALTY Company

Key-rings Take Place of Identification Cards

AETNA LIFE INNOVATION FOR POLICYHOLDERS

Each Agency to Keep Accurate List of Its Insureds' Identification Numbers

A new feature in the way of an identification mark for Aetna accident policyholders has been devised to take the place of the identification cards with which all policyholders have hitherto been furnished. It is in the form of a key-ring and serves not only to identify the carrier by means of the number stamped on the attached metal disc but also to locate the owner of the keys should he happen to lose them. The practical usefulness of this key-ring will, we believe, appeal strongly to Aetna policyholders. It is something which every business man has to carry and will thus answer three practical purposes without adding an unnecessary encumbrance to his already over-loaded pockets. It will carry his keys; it will serve as a means of identification should he be hurt in an accident or need to be identified for any other reason; and it will facilitate the return of his keys should they be lost at any time.

The key-ring consists of a silver chain with a patent fastener, which will not permit the keys to come off once they have been attached except by the usual method of opening the fastener. Attached to this chain is a silver disc on one side of which appears the Aetna seal with the words: "I am insured against accident in the Aetna Life, Hartford, Conn." On the other side of it, this wording appears: "Telegraph this number 45,673 (or whatever the number happens to be) Aetna Life Ins. Co., Accident Dept., Hartford, Conn., for identification of person."

When a new policy is written, the policyholder will be given an identification number which will be duly stamped on his key-ring. At the home office, a list will be kept showing to whom the key-rings bearing the respective identification numbers are sent.

"Each agency should keep an accurate list of its own policyholders' identification numbers as stamped on their key-rings," says the Company in its home office paper. "Then on receiving word here at the home office that key-ring No. 45,673, for instance, had been found by Miss Phylis Brown, of Cleveland, O., we can simply telegraph our Cleveland agency that said Phylis Brown is holding key-ring No. 45,673. The keys can then be returned to their owner through the Cleveland office.

"When an Aetna key-ring has been found on an unknown person and is to be used for identification purposes, a local list of policyholders' identification numbers will again be advantageous. Let us therefore urge every agent to keep a tabulated list of policyholders with their identification numbers to whom key-rings are given. This list should of course be arranged in such a way that by looking up the number stamped on a key-ring, the name of the policyholder to whom it belongs will be revealed. This is a simple enough matter and need not be enlarged upon further.

"This key-ring idea will, we believe, be well worth any slight additional work which it may entail, as an added feature of Aetna service to accident policyholders. We all of us have to carry keys, and, alas, most of us have at one time or another the unfortunate experience of losing them. What is more embarrassing, inconvenient, exasperating and even perilous at times to one's possessions than to be without one's keys and to have them in the hands of heaven knows whom! Aetna accident policyholders will now stand a pretty good chance of getting their keys back if they lose them, thanks to the Aetna's assistance.

"Key insurance for accident policyholders will, we anticipate, become a popular adjunct of Aetna service. We shall do all in our power to make it a success and we are counting upon the full co-operation of all Aetna agents to that end."

CONTINENTAL EXPANDS

The Continental Casualty Company has decided to enlarge the scope of operation of its liability department in New York to include the writing of Workmen's Compensation and the usual liability lines in connection therewith. They will be prepared to commence writing this line by September 1st next.

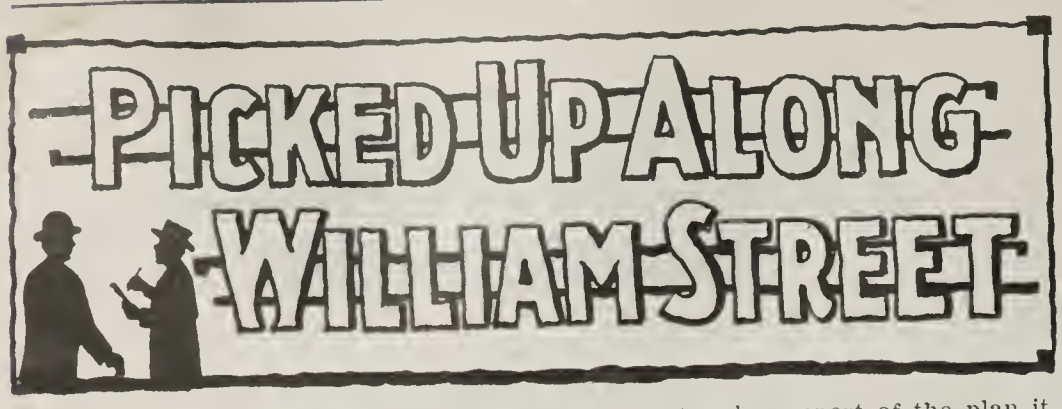
TURN ON MOUNTAIN TRIP

John S. Turn, New York manager of the Aetna, is on a two weeks' motor trip through the Adirondacks.

THREE NEW CLAIMS DISTRICTS

Albany, July 9.—Three new claims divisions have been established in up-State districts by the State Industrial Commission to facilitate the handling of compensation cases.

General Accident
FIRE AND LIFE
ASSURANCE CORPORATION, Ltd.
SERVICE THAT EXCELS
FREDERICK RICHARDSON, United States Manager
GENERAL BUILDING · 4TH & WALNUT STS.
PHILADELPHIA



Craig in California

C. A. Craig, president of the National Life & Accident Ins. Co., of Nashville, is in California on a vacation. Mr. Craig spent several months in California last year in order to recuperate his health, which was fully restored, and the present sojourn will be purely one of pleasure.

* * *

Another Travelers Man With Government

James D. Maddrill, of the Travelers Insurance Company, has resigned to become actuary of the Bureau of Efficiency and Economy at Washington. Mr. Maddrill came to the Travelers four years ago, and has done important actuarial and statistical work. He will leave for Washington in about ten days.

The Bureau of Efficiency and Economy was established three years ago as an arm of the Department of Commerce and Labor. Herbert D. Brown is its chief; and the success of the Bureau is indicated by the fact that its appropriation has been greatly increased by the Government from year to year.

Mr. Maddrill is a graduate of the University of California and a doctor of philosophy. He was born in Nevada and was graduated from college in 1903. He spent four years at the Lick Observatory as an astronomer and at the end of this period received his degree of Ph. D. from his alma mater. He then took charge of the International Geodetic Observatory at Ukiah, Cal., and was there for five years. His introduction to insurance was as an instructor in insurance mathematics at the University of California during the year previous to his coming East. He is a fellow of the Casualty Actuarial Society of America and a member of other technical societies.

His new position at Washington will call for the preparation of a plan for the pensioning of all the civil employes of the Government, numbering more than 300,000, and for other calculations of an actuarial and statistical nature. For this the work he has done for the Travelers in laying the groundwork for the solving of difficult compensation and casualty problems well fits him.

* * *

Largest Ohio Premium

The largest premium ever received by the Ohio Workmen's Compensation Fund was the semi-annual premium of $76,364 from the Goodyear Tire & Rubber Co. of Akron, which is the largest employer of labor in the State.

* * *

Farmers' Cars

It is believed that the committee of the Western Automobile Conference, which is working out plans for insuring farmers' cars on the term plan, will soon have rates and forms prepared. The principle of the plan has been approved by the National Automobile Underwriters' Conference, and although there was some opposition, the idea is now favored by nearly all the leading companies. It was held that it was necessary to write the farmers' cars on the term plan, as the farmer writes his other insurance on that plan. The system proposed is to issue a three-year policy, diminishing by 2 per cent. monthly, at a rate of $3.50 for the term. Considering the steadily decreasing liability and the fact that the companies have the use of the money, this would give a very satisfactory average rate. In support of the plan it has been urged that unless the regular companies go into the field against the mutuals and inter-insurance concerns which are fattening on the farmers' car business the latter might eventually get so strong that they would invade the town and city business. The companies were reminded that about twenty years ago nearly all those writing farm business in Wisconsin stopped it because of the enactment of the valued policy law. The result was the organization of an unusually large number of small mutuals, which grew so rapidly that eventually they began writing town business, so that Wisconsin now has a larger proportion of town business written in mutuals than any other Western State. The experience on farmers' cars have been eminently satisfactory, as they have not the danger of collision and accident that exist in the city, and thefts are not so frequent.

* * *

Get Diamond Cuff Buttons

The Fidelity & Casualty has a $10,000 club, with membership limited to field men who produce at least $10,000 in premiums during a twelve-month period. R. Kemper and J. C. Lang of Chicago have achieved membership, and have been presented with diamond cuff buttons by the company.

* * *

Aetna's Contractors' Bonds

Five contractors' bonds amounting to $498,000 have been written by the Aetna Casualty & Surety at Seattle, Wash.

* * *

Two Army Cantonment Bonds

Manager George D. Weaver, of Philadelphia, of the bonding department of the Aetna Casualty and Surety Company, wrote two large cantonment bonds for $250,000 carrying the construction of the army cantonments at Wrightstown, N. J., and Gettysburg, Pa. The contracts provide for quarters for Aero Squadron & Balloon Company, Telegraphic Battalion Squad Corps and Regiment Heavy Artillery, Horse-Drawn. The Government is having the contracts completed on the "cost-plus-percentage basis," ranging from 7 per cent. to 10 per cent. The premium was 2 per cent., or $5,000 on one of the bonds.

INTER-OCEAN OPTION

J. W. Scherr, president of the Consolidated Casualty Co. of Louisville, has secured an option on the controlling interests in the stock of the Inter-Ocean Casualty Co. of Springfield, Ill., which was owned by the widow of former Lieut. Governor Northcott, who was president of the Inter-Ocean Casualty Co. When the option is closed, the Inter-Ocean Casualty will re-insure the outstanding business of the Consolidated Casualty, which will then be liquidated. The business of both companies is largely on the monthly health and accident plan. If this goes through it will finally wind up the Consolidated Casualty, which is what remains of the elaborate plans made by Robert B. Armstrong, formerly Assistant Secretary of the Treasury, for a big Chicago casualty company. Large amounts of stocks were sold by professional promoters, most of the money being absorbed for expenses, and when the collapse came only enough was saved out of it to start the Consolidated Casualty Co. of Louisville.

Nashville Auto Liability Changes

The question of automobile liability is still unsettled at Nashville, where there was a tangle a few weeks ago between the automobile club and the casualty agents as to the rates charged for insurance—the members of the automobile club contending that they were being charged too much. In answering, the agents agreed to show by actual figures that the companies were not making any money on this class of insurance and the companies were written to and asked to produce figures so that the agents might show the owners of machines just what is the real situation.

The automobile club had discovered a 27 per cent. loss, so they thought, in the figures of the State Department giving the liability figures, but when it came to estimating the loss on automobile liability it was quite another question. The companies are to give the estimates when this is obtainable from the semi-annual statement. So far, one company has reported to its agent at Nashville, and the loss ratio is 114 per cent. The automobile club will no doubt be satisfied if figures anything like this are shown, though there has been some discussion by the members to have the business placed all in one company or the organization of a mutual. Some of the companies have expressed an indifference to the business altogether, so unsatisfactory has it been. The question will no doubt be settled within the next few weeks.

* * *

Peculiar Claims

E. R. Hunt, Superintendent of the Liability Claim Department of the Chicago Bonding & Insurance Company, cites some of the peculiar claims which come to his department. A man will call at the assured's home for the "laundry," and the trusting maid will hand over to him a bundle of choice, if soiled, garments. Later the real laundryman appears, the fraud is revealed, and the bundle never returns. Or, some glib individual will appear in behalf of a well-known magazine, offering a tempting subscription inducement. The household "falls" for the proposition and he walks off with some of assured's good money. The magazine fails to appear and the assured wakes up to his loss. Even a bolder plan has succeeded where trunks or household articles were to be removed from the assured's premises, and the "expressman" gets away with the property before the mistake is discovered.

Under such circumstances the assured feels that he has been robbed, and naturally seeks consolation and indemnity from his insurance company. The position which the insurance company has always taken in such cases has recently been confirmed by a New York Supreme Court decision in which an auto theft claim was adjusted. It was held that while the policy insures against theft, it was not the intention of the parties to the contract of insurance to insure against larcency by trick and device, in which an essential element was the deception of the insured resulting in the surrender of the possession of his property. This decision draws the line on "swindling" and "confidence games" which are non-insurable hazards.

Fuse Explosion

(Continued from page 16.)

think, speak for themselves and the negligible effect of the explosion upon the other fuses and high explosive material standing nearby is very evident. It served also to strengthen our contentions as to the minimum of risk involved in the manufacture of fuses. Even an occurrence of this kind is so rare that it has never before come to our notice."

British Government Report

The report of the Inspector in the case follows:

1. The signer of the following statement obtained a case which was packed to contain fifty fuses on the s. s. "Manchester Miller."

2. This case had been burst open due to a premature explosion taking place in one of the fuses. The lid was completely shattered. One side of the case was burst open about 16 inches from the seat of the explosion, the wooden joints strained, and the millboard partitions on either side of the exploded fuse pulverized About 18 of the surrounding canisters containing fuses were slightly dented or cracked, but not one of them sufficiently badly to be worthy of notice

3. The remainder of these fuses; that is, 48, were thoroughly examined, and all found to be in excellent condition. The forty-ninth fuse, unfortunately, was thrown overboard by the mate, and therefore could not be examined. The remains of the fuse which caused the explosion were examined, and making due allowance for distortion due to the accident, the fuse was in good condition.

4. Incidentally, I may mention that this explosion took place in company with several thousand fuses and some barrels of T. N. T. standing within four feet, within the hold of the vessel, with no damaging results to this material.

RED CROSS

Insurance Companies and Men Make Splendid Response—Large Contributions

Chairman Wallace Reid has made public a list of Red Cross dividends and subscriptions of the various insurance offices, where the amount is not less than $250:

Home, Red Cross dividend	$60,000
Insurance Co. of N. A., Red Cross dividend	50,000
Johnson & Higgins	25,000
German-American, Red Cross dividend	20,000
Hartford	10,000
Phoenix of Hartford	10,000
American of Newark	10,000
Commercial Union	10,000
St. Paul F. & M.	10,000
Willcox, Peck & Hughes	10,000
North British & Mercantile	10,000
National of Hartford	10,000
Germania, Red Cross dividend	10,000
Alliance of Philadelphia, Red Cross dividend	7,500
Marsh & McLennan	7 500
Aetna of Hartford	5,000
United States	5,000
Automobile Insurance Co.	5,000
Firemen's of New Jersey	5,000
Chubb & Son	5,000
William G. Willcox	5,000
Westchester	5,000
Preferred Accident	5,000
Federal Insurance Co.	5,000
Milwaukee Mechanics, Red Cross dividend	5,000
Fire Brokers Association Unit	3,500
North River	2,500
Hanover	2,500
Wallace Reid	2,500
United States Casualty	2,500
Northern Assurance	2,000
Dwight & Hilles	2,000
Phoenix of London	2,000
Assurance Co. of America	1,000
Norwich Union	1,000
Atlas	1,000
Caledonian	1,000
Rossia	1,000
Royal Exchange	1,000
Fred. S. James & Co.	1,000
Pacific Fire	1,000
Newark	1,000
Henry Evans	1,000
J. G. Hilliard	500
Colonial Assurance Co.	500
Harrold Herrick	500
Darby, Hooper & McDaniel	500
Kelly & Fuller	500
J. Montgomery Hare	400
George W. Babb	250
E. G. Richards	250
Henry W. Eaton	250
Charles H. Post	250

CASUALTY POINTS

Holiday Hints for Agents

Duncan C. Macintyre, superintendent of the miscellaneous department of the Chicago Bonding and Insurance Company, in commenting on future business, calls attention to the fact that the vacation season is producive of accidents. Boating, fishing, gunning, railroad and automobile accidents will be recorded daily. People will visit the country and drink water they know nothing about and as a result will increase the typhoid average. "One time when a select risk is not a select risk is when a man goes on a vacation," says Mr. Macintyre, "therefore if you would do your duty by your neighbor, see that he is furnished with an accident or disability policy before he goes on a vacation, or if he already has insurance, see that he has enough. After your friend has been personally protected, then see that his property also is protected from loss by fire or burglary, during his absence."

* * *

I Want Another Job

"The Fieldman" is the latest addition to insurance company publications. It is published by the Chicago Bonding and Insurance Company, and is replete with snappy suggestions for the wide-awake insurance man. E. A. Westerfield, superintendent of the surety and claims department, says that "nobody loves a fat man and with equal truth the same can be said of the surety claims man, but when the two are combined into one, plus a bald head?" He declares there should not be such an animal as a claim man—a fat man—because, while accidents will happen, and the worst and best must bump the inevitable bump, yet there is no reason why the cashier should disappear with the bank's funds and his neighbor's wife, who is not covered by the company's bond, yet it will happen, and when it does, the cry goes up from Macedonia for the claim man, and the agent is as glad to see him as though the claim man, not the agent, were really human. The surety claim man is undoubtedly the least understood of all individuals, which accounts for his air of deepest woe, and he can always be picked out of a crowd by this. While he should encourage claims, that his department "may grow upon that on which it feeds," yet his aim in life is to prevent complaints from becoming claims and claims from becoming losses, and sometimes he even succeeds, thereby improving the agent's "showing" and the company's surplus. Mr. Westerfield argues that there should be no fidelity and surety claims department and asks for the co-operation of his co-workers to labor for the abolition of that department. "Perhaps then I will be able to get a real job in the agency field, that field that blossoms as the rose," he ventures.

W. G. RICE RESIGNS

On July 9 W. G. Rice resigned as superintendent of the health and accident department of the Cleveland Life Insurance Company. He was with the Company two years as a general agent, and for the past three years as superintendent of the health and accident department.

APPOINT RECEIVER

E. V. Champion has been appointed receiver for the Merchants Accident Promotion Company of Peoria, organized four years ago to promote the Merchants Accident Insurance Company to be operated on the mutual plan. The liabilities of the companies are $20,000, with assets of $8,000.

The Continental Casualty has re-insured the monthly health and accident business of the Bankers' International Life of Denver.

THE PILOT POLICY

What it Pays for $60 a Year—Six Special Features Are Included

The Pilot disability policy of the U. S. F. & G. is the most extensively advertised policy in the Greater New York territory, by reason of the publicity given to it by the Gauvin Agency. The premium is $60 a year, and this is what it pays:

For Sickness

Total disability, not requiring house confinement, $25 weekly for 52 weeks.

Partial disability, $12.50 weekly for 52 weeks.

Hospital expenses paid in addition (limit 15 weeks), $25 weekly; or

Surgical operation fees up to $100.

Indemnity for permanent losses resulting from illness such as loss of both eyes, both feet, both hands, hand and foot, foot or hand, one eye, speech or hearing, from 25 to 100 weeks' indemnity and weekly indemnity to date of loss.

Life indemnity, 25 per cent. of weekly indemnity paid for total disability after first 52 weeks' total disability.

For Accident

	Travel accidents	Ordinary accidents
For loss of life.....	$15,000	$7,500.00
Dismemberment, loss of sight, speech or hearing, from	2,500 to 15,000	1,250.00 to 7,500.00
Permanent stiff or rigid elbow and knee joints	2,500	1,250.00
Permanent stiff or rigid elbow or knee joint	1,350	625.00
Total disability (time unlimited), weekly.	50	25.00
Partial disability (limit 52 weeks), weekly.	25	12.50
Optional indemnity for certain losses, from	100 to 650	50.00 to 325.00

Hospital expenses paid in addition (limit 15 weeks), $25 weekly; or

Surgical operation fee from $10 to $100.

Doctor bills paid for non-disabling injuries, up to $25.

Identification indemnity, $100.

For Accident and Sickness (Disability).

Ages 18 to 50 inclusive.

Select and preferred.....$60.00
Extra preferred 65.00

Ages 51 to 60.

Select and preferred $70.00
Extra preferred 75.00

Special Features

1. Insuring clause; 2. House confinement not required (health); 3. Partial disability paid under health feature; 4. Double hospital indemnity; 5. Partial indemnity for 52 weeks (accident); 6. Immediate coverage (health).

AN INSTALMENT PLAN

Discussion of Automobile Insurance End of Security Companies—No Insurance Profit Argued

Many members of the Automobile Conference urge that concerns financing the purchase of automobiles on the instalment plan should not be enabled to make a profit on insurance, which could assumedly only be sold to them at less than regular rates by reason of the companies saving the commission which would ordinarily go to local insurance agents, says the "Journal of Commerce."

Furthermore, involved in the consideration of this matter is the question of the extension of automobile theft coverage to include the so-called embezzlement of automobiles by purchasers, which coverage is specifically excluded from the conference form of policy, but for which there has been a demand on the part of concerns financing automobiles sold on time. There is a feeling among many automobile underwriters that same is not an insurance proposition and should find no place in an automobile insurance policy, but should be a subject for coverage by a surety company, and, indeed, more than one insurance department has already so ruled.

CITY'S AMUSEMENT PLACES

New York City has more than two hundred theaters and approximately one thousand moving picture houses, with a seating capacity of 800,000.

W. E. SMALL, President PETER EPES, Agency Mgr. E. P. AMERINE, Secretary

GEORGIA CASUALTY COMPANY

HOME OFFICE: MACON, GEORGIA

"DIXIE AUTO POLICY"

THE LAST WORD IN MOTOR INSURANCE

Surplus and Reserves to Policyholders.....$1,526,022.81

The METROPOLITAN CASUALTY

INSURANCE CO. OF NEW YORK

HOME OFFICE, 47 CEDAR STREET

CHARTERED 1874

Plate Glass, Burglary, Accident and Health Insurance

EUGENE H. WINSLOW, President

Russell R. Cornell, Vice-Pres. S. Wm. Burton, Sec. Alonzo G. Brooks, Ass't Sec.

RELIABLE AND ENERGETIC AGENTS WANTED

THE SIGN OF GOOD CASUALTY INSURANCE

HEAD OFFICE
CHICAGO

F. W. LAWSON
General Manager

Liability, Accident, Burglary, Boiler and Credit Insurance

Established 1869.

F. J. WALTERS
Resident Manager
55 JOHN STREET
New York

Elmer A. Lord & Co.
145 Milk St., Boston
Resident Managers New England

London Guarantee & Accident Co., Ltd.
OF LONDON, ENGLAND

The Frankfort General Insurance Co.

UNITED STATES DEPARTMENT

123-133 William St., New York, N. Y.

TRUSTEES:

Union Trust Company, 80 Broadway, New York City

CASUALTY INSURANCE

AGENTS WANTED FOR UNOCCUPIED TERRITORY

The Fidelity and Casualty Company of New York

92 LIBERTY STREET, NEW YORK, N. Y.

Metropolitan Office—92 William Street

Annual Statement, December 31, 1916

Assets	$13,788,795.23
Liabilities	9,708,052.97
Capital	1,000,000.00
Surplus over all liabilities	3,080,742.26
Losses paid to December 31, 1916	56,090,684.58

This Company issues contracts as follows: Fidelity Bonds; Surety Bonds; Accident, Health, and Disability Insurance; Burglary, Larceny, and Theft Insurance; Plate Glass Insurance, Liability Insurance—Employers, Public, Teams (Personal Injury and Property Damage), Automobile (Personal Injury, Property Damage and Collision), Physicians, Druggists, Owners and Landlords, Elevator, Workmen's Compensation—Steam Boiler Insurance; Fly-Wheel Insurance.

AMERICAN SURETY COMPANY OF NEW YORK

100 BROADWAY

Fidelity and Surety Bonds

The Columbian National Life
OF BOSTON

ARTHUR E. CHILDS, President

A CHANGE may be necessary to realize your ambition

Think a minute—then write

WM. H. MASTIN — FRANK D. LOMBAR

SUPERINTENDENTS OF AGENCIES

(West of the Mississippi). SYMES BUILDING DENVER, COLO.

(East of the Mississippi). 77 FRANKLIN STREET BOSTON, MASS.

DARL D. MAPES, Superintendent of Accident Agencies
77 FRANKLIN ST., BOSTON, MASS.

The service of a high grade Accident Department will also be offered so that you will not have to broker your Accident business to avoid violating your Life insurance contract.

Pan-American Life Insurance Company
NEW ORLEANS, U. S. A.

CRAWFORD H. ELLIS, President

Capital.....$1,000,000.00

OUR 1916 STATEMENT SHOWS

Insurance in force	(over)....	$42,400,000
Resources	(over)....	5,600,000
New Insurance paid for		10,000,000

The High Scores in the Life Insurance Profession are won by Trained Men. We will train you in the Profession and locate you in Productive Territory either North or South. Your Opportunity is Here.

Further information on request. Address:

E. G. SIMMONS, Vice-President and General Manager
Whitney Central Bank Building
NEW ORLEANS, U. S. A.

American Central Life
Insurance Company

INDIANAPOLIS, INDIANA

Established 1899

All agency contracts direct with the company

Address:

HERBERT M. WOOLLEN, President

In addition to the ordinary forms of life insurance

THE EQUITABLE

makes a specialty of the following:

Insurance to protect business firms and corporations, under a corporate form of policy.

Group Insurance, by which employers protect families of employes.

A flexible contract, known as the Convertible Policy, which can be converted by the Insured into an Ordinary Life, Limited Payment Life, or Endowment Policy.

A Bond issued without medical examination giving the investor an income for his declining years.

A new policy is offered under which the insurance is DOUBLED if death results from ACCIDENT. This policy also embodies the following advantages if the person whose life is insured becomes totally and permanently disabled:

1. Thereafter the Equitable will carry the insurance —The Insured will have nothing further to pay.
2. The Equitable will pay the Insured an annual income for life equal to one-tenth of the face of the policy.
3. Upon the death of the Insured the full amount of the insurance will be paid to the Beneficiary (or double the amount if death is due to accident) without deduction on account of the income paid to the Insured while living.

(See the policy for conditions and details.)

For Agency Openings Address

WILLIAM E. TAYLOR,
Superintendent of Agencies

THE EQUITABLE
LIFE ASSURANCE SOCIETY OF THE U. S.

120 BROADWAY, NEW YORK

WORTH KNOWING

Suppose that you are insured in the United Life and Accident Insurance Company of New Hampshire for $5,000 under the Company's Triple Indemnity Plan, what does your Policy guarantee to do?

ANSWER:

FIRST, it guarantees that in case of death from any cause, $5,000, the face of the Policy, will be paid.

SECOND, that in case of death from any ACCIDENT, $10,000, or DOUBLE the face of the Policy, will be paid.

THIRD, that in case of death from certain SPECIFIED accident, $15,000, or THREE TIMES the face of the Policy, will be paid.

BUT THIS IS NOT ALL. The Accident Disability Endorsement FURTHER guarantees that in case of total disability as a result of accidental injury, the Company will pay direct to YOU at the rate of $50 PER WEEK during such disability, but not to exceed 52 weeks, after which the weekly indemnity will be at the rate of $25 PER WEEK throughout the period of disability. Can insurance do MORE? And why should any man be satisfied with a policy that would do less? The cost is low.

Agents wanted in Maine, New Hampshire, Vermont. Connecticut, Pennsylvania, North Carolina, South Carolina, Tennessee, Georgia, Delaware, Maryland, Mississippi, Kansas, Missouri. An opportunity for Life Insurance Salesmen of ability. Address:

United Life and Accident Insurance Co.
Home Office, United Life Building - Concord, New Hampshire

San Francisco Losses Amounting to $4,522,905.00 paid PROMPTLY IN CASH WITHOUT DISCOUNT, from funds largely supplied by head office in Liverpool

U. S. Cash Assets, Dec. 31, 1916	$15,827,439.35
Surplus, - - - - -	5,460,745.59
Losses Paid by Chicago Fire, 1871	3,239,491.00
Losses Paid by Boston Fire, 1872	1,427,290.00
Losses Paid by Baltimore Fire, 1904	1,051,543.00

Liverpool AND London AND Globe Insurance Co. LIMITED

Over $152,000,000.00
Losses Paid in the United States

HENRY W. EATON, Manager
G. W. HOYT, Deputy Manager
HUGH R. LOUDON, Assoc. Deputy Mgr.
J. B. KREMER, Asst. Deputy Manager
T. A. WEED, Agency Superintendent

NEW YORK OFFICE
80 William Street

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Commerce

THE EASTERN UNDERWRITER

[Succeeding the Journal of Insurance Economics, Established in 1899]

A WEEKLY NEWSPAPER COVERING ALL BRANCHES OF INSURANCE

Eighteenth Year; No. 30 | NEW YORK, FRIDAY, JULY 27, 1917 | $3.00 a Year; 15c. per Copy

SEEK CHANGE IN COMMISSION SCALE

Monmouth County, New Jersey Agents' Association Appoints Committee to Secure Action

CLAIM DISCRIMINATION OVER OTHER SECTIONS

Rate Prevailing in Northern New Jersey Counties is Five Per Cent. More On All Classes

Red Bank, N. J., July 24, 1917.—The agents of Monmouth County, N. J., want five per cent. more commissions on all classes of business. They feel they are discriminated against in that the agents in the other sections of the State are now and have long been receiving this rate of commission.

At a meeting held here to-day, of the Monmouth County Insurance Association, which embraces a majority of the agents, a committee was appointed to bring the facts of the situation before the New Jersey committee of the Eastern Union with a view of securing a readjustment of the commission scale on the same basis as that paid in the residue of the State.

J. G. Coleman's Views

J. G. Coleman, of Milan Ross Agency, Asbury Park, stated that the regulations which permitted this condition are not just and that there is no reason why work done in Monmouth County is not worth as much as the same work done in Essex County. He quoted statistics which showed that the companies had made a profit in the county in spite of the Asbury Park conflagration, and that this was more than they had done in some of the communities where they paid more to get the business. Others of the agents cited the additional detail and cost of doing business as reasons why the increase is necessary.

Association is Young

The meeting on Tuesday was the second of the association which was organized March 14. The constitution and by-laws which had been prepared by the executive committee were adopted by the association.

Fred J. Cox, Perth Amboy, and president of the State association. was to have addressed the meeting but his illness prevented.

S. H. Calvert of the Asbury Park Realty Co., who is president of the Monmouth County Association, spoke of the approaching fall meeting of the State Association in Asbury Park and a committee was appointed to assist in the arrangements for the meeting.

"The Largest Fire Insurance Company in America."

THE HOME INSURANCE COMPANY NEW YORK

ELBRIDGE G. SNOW, President

Sixty-four-Year Record for Fair Dealing and Prompt Adjustment and Payment of Losses

FIRE AND ALLIED BRANCHES OF INSURANCE

Fire, Lightning, Automobile, Commissions, Explosion, Hail, Marine (Inland and Ocean), Parcel Post, Profits, Registered Mail, Rents, Sprinkler Leakage, Tourists' Baggage, Use and Occupancy, Windstorm.

STRENGTH REPUTATION SERVICE

North British and Mercantile Insurance Co.

Established 1809

Entered United States 1866

Policyholders protected by the entire United States assets, with further guarantee in every policy, of protection by entire fire assets of the company which are many times larger.

AN IOWA COMPANY

Operating Under Iowa Reserve Deposit Law

POLICYHOLDERS OF THE

EQUITABLE LIFE of IOWA

ARE SAFEGUARDED AGAINST ANY POSSIBLE MISAPPLICATION OF THE FUNDS OF THE COMPANY

SO ARE ITS AGENTS

THE RIGHT COMPANY TO REPRESENT

Apply to

H. E. ALDRICH, Supt. of Agents, DES MOINES, IOWA

MUTUALIZATION OF EQUITABLE LIFE

Control By Policyholders Made Possible By Action of General T. Coleman du Pont

PLAN APPROVED BY DIRECTORS

Completes One of the Most Interesting Chapters of Life Insurance History

General T. Coleman du Pont has kept his word and made good his promise to the policyholders of the Equitable Life Assurance Society. This great Company, with assets of more than $500,000,000 and outstanding insurance in force of more than $1,500,000,000, is to belong to its over 500,000 policyholders for all time. The mutualization of the Equitable Life records one of the four most far-reaching chapters in the history of the life insurance business, those preceding it being the famous Armstrong Investigation, the mutualization of the Metropolitan Life Insurance Company of New York, and the mutualization of the Prudential Insurance Company of America of Newark.

The terms of a plan adopted by the board of directors set forth that General T. Coleman du Pont, holder of a majority of the stock, would turn it into the Company for $2,000,000 less than he paid the J. P. Morgan estate for it two years ago, and the holders of the minority stock would receive a price of approximately $1,500 a share for their holdings. The stock would be paid for out of the reserve funds of the Society and then canceled, the Society being then made entirely mutual. The plan has to be ratified by the policyholders before being put into operation; it is regarded as most probable that they will approve it. The plans were worked out under the direction as counsel of Charles E. Hughes, who was counsel for the Armstrong Committee.

Echo of Armstrong Investigation

The plan announced is an echo of the famous Armstrong Insurance Investigation of 1906, and means that control of the half billion and more of assets passes permanently into the hands of the policyholders and forever guarantees against a repetition of the use of the funds of the Company for speculation and other purposes by those in control of the Company.

There are 1,000 share of Equitable stock of a par value of $100 each, but

this stock has reached a value as high as 10,000 per cent. for the reason that its possession meant control of the vast funds of the concern. It can, under the charter of the Society, pay only 7 per cent. dividends.

Du Pont's Generous Action

In giving up the control of the Equitable General du Pont surrenders control of the Society's affairs completely. At the time of the purchase of the stock he let it be known that he would like to see the policyholders become the possessors of it. Officials of the Equitable said that for the $2,000,000 the transaction cost him he will receive nothing except the satisfaction of knowing he had done a good thing. General du Pont is chief owner of the Equitable office building at 120 Broadway, on which the Equitable Society holds a mortgage of $20,500,000. The payments to be made to General du Pont for the stock will be paid in the form of deductions from the interest and amortization charges on the mortgage. So the reserves of the Society will not be weakened.

Varied Stock Ownership

The stock of the Equitable has had a variety of ownerships since the insurance investigation. Prior to that time it was held by the Hyde family, under whose ownership the late E. H. Harriman obtained the use of large parts of the Society's funds. Harriman and Hyde quarreled, which did much to bring on the investigation. At a time when Harriman was thought to be after the stock, Thomas F. Ryan stepped in and bought the 502 shares which the Hyde family held. This led to a feud between Harriman and Ryan, already in embryo, and the railroad builder, when asked at the investigation if he had been trying to get the stock and whether he had succeeded, made his famous reply, "Not yet, but soon."

In 1909 the late J. P. Morgan bought the controlling interest. He got part of the stock from Ryan and a part from the Harriman estate, thus showing that Mr. Harriman did get part of it from Ryan.

Morgan Started Mutualization Plan

Mr. Morgan formed mutualization plans because, he said to a friend, he wished to remove the Equitable as a menace to the financial situation. A committee on mutualization was formed and when General du Pont got the control in 1915 he pledged himself to lend aid to the mutualization plans.

Approved By Directors

In a statement President Day said: "A plan for retiring the stock of the Equitable Life Assurance Society and placing the control in the hands of its policyholders for all time has been presented by the mutualization committee of the board of directors. The plan was approved by the board of directors on July 19." Thomas Spratt of Ogdensburg, N. Y., is chairman of the mutualization committee, which was appointed in 1911 to solve the problem. The other members are T. de Witt Cuyler of Philadelphia, Jay Morton of Chicago, Eugenius H. Outerbridge, and Charles D. Norton of New York, and John D. Kernan of Utica.

Charter Provides for Mutual Company

The Equitable charter requires the Society to do business on the mutual plan, although it has a capital stock of $100,000 divided into 1,000 shares, par value $100.

General du Pont purchased the controlling stock of the Society from J. P. Morgan in June, 1915, for $4,394,540. With interest added this aggregates now $4,800,000. When he purchased the stock, General du Pont stated in a communication to the Commissioner of Insurance:

"My desire is that the mutualization of the Society be brought about, in order to give assurance that its affairs will always be managed in the interest of the policyholders, fears relating to stock control being forever ended. For I believe that such assurance is necessary if the society is to be brought to the larger success which seems to be within its reach."

President Day's statement said: "Chairman Spratt and the mutualization committee immediately opened negotiations with General du Pont, which have resulted in the plan now approved by the directors and which must also be approved by the stockholders, the policyholders and the State Superintendent of Insurance."

Features of Plans

The main features of the plan are given as follows:

"General du Pont carried out his promise to co-operate in placing the policyholders in control of the stock of the Society by offering them his holdings of 564 shares at approximately $2,000,000 less than they cost him, plus interest. His offer aggregates $2,799,900 and includes, in addition to the control stock, 63 shares of minority stock at $1,500 per share. From the date he acquired the stock he has held the opinion that he could render no greater service to the public than to assist in the mutualization of the Society and gives practical and substantial expression to this view by contributing this amount in the interests of mutualization."

As to the payment for the stock, President Day's announcement said: "The transaction with General du Pont will not involve a flat cash payment by the Society. The payment will be made in semi-annual installments, covering a period of twenty years, by deducting the amount of such installments which include interest on deferred payments, from the semi-annual interest payments to the Society on the mortgage of $20,500,000 which it holds on the Equitable office building, of which General du Pont is the chief owner. Thus the desire of the board and of the Superintendent of Insurance in a mutualizing plan to avoid making any substantial reduction in the working surplus of the Society, or to make any appreciable increase in the cost of insurance to policyholders, will be accomplished.

Deal Liberally With Minority

"The Society in its desire to deal with the owners of the 436 shares of minority stock has offered a price which is believed to be considerably above the average cost to them of these shares. The price provided for the 436 shares of minority stock is the same as will be paid to General du Pont for his sixty-three shares of minority stock, namely, $1,500 a share. Thus 436 shares will be paid for in cash and at the price above stated the amount would aggregate $654,000. Under the law the Society can amend its charter and qualify all policyholders to vote for directors and thus practically mutualize the Society as far as the voting by policyholders is concerned through the acquisition of the majority stock only. It is believed, however, to be for the best interests of the Society that all stocks be purchased and retired and the mutualization thus fully completed. Hence it suggests a price for the minority stock that seems proper and advisable in view of all existing conditions and in the interest of the prompt acquisition of the stock."

Stock Held By Trustees

As the stock is acquired under this plan it will be assigned to these three trustees: Dr. John H. Finley, State Superintendent of Education; Morgan J. O'Brien and George Wharton Pepper of Philadelphia. The trustees will hold the stock acquired by the Society in trust until all is canceled. They are also required by the plan to vote the stock at all stockholders' meetings in favor of qualifying policyholders to vote for the directors.

George W. Perkins, one of the minority stockholders, said he was gratified at the offer of General du Pont, as the Equitable should have been mutualized long ago. He said it was wrong for such a large concern to be ruled by $100,000 worth of stock.

While the great value of the Equitable stock came from the fact that a majority of it carried the power to control the Society's great assets, the statement of President Day shows that Mr. du Pont could mutualize the concern by the vote of his own stock. In any event, the minority stock would not be worth so much without the power to control large assets. The attitude of the committee is that $1,500 is a good price for a 7 per cent. stock and at the same time approximates what it cost the holders. There is a certain faction of the stockholders that may oppose the plan on the ground that they should have a share in the large reserves of the Society.

Ten-Year Comparison

The condition of the Equitable Life's affairs at the close of business December 31, 1916, as compared with December 31, 1910, is shown by the following statement:

1910—New business	$107,965,091
1916—New business	209,706,988
1910—Mortality ratio	78.79%
1916—Mortality ratio	75.94%
Dec. 31—	
1910—Assets	$492,197,585
1916—Assets	562,381,599
1910—Total surplus	82,658,985
1916—Total surplus	91,634,699
1910—Dividends to policyholders	10,575,157
1916—Dividends to policyholders	13,226,900
1910—Contingent surplus..	8,272,647
1916—Contingent surplus..	11,514,211
1910—Insur. outstanding...	1,347,158,692
1916—Insur. outstanding...	1,607,089,581

Minority Stockholders

Among the minority stockholders are Franklin B. Lord, personal counsel to Governor Whitman, representing the Lord estate; the estate of former Presi-

(Continued on page 9.)

Great Southern Life Insurance Company

HOUSTON, TEXAS.



For Agency Contracts address

O. S. CARLTON

PRESIDENT

"AN AMERICAN COMPANY"

True to American Ideals and Traditions

The Germania Life Insurance Company

Established 1860

Under the laws of the State of New York

The following are a few Germania features which have helped to make

Every Month This Year a Record Breaker

Free HEALTH SERVICE for policyholders both new and old.

Free Insurance Money INVESTMENT SERVICE for Beneficiaries.

WAIVER and ANNUITY CLAUSE which, in case of total and permanent disability, before age 60, provides for waiver of all future premiums, the payment of 1/10 the face of the policy annually to the insured as long as he lives and payment of the face of the policy to the beneficiary at death of the insured.

DOUBLE INDEMNITY CLAUSE which provides for payment of double the face of the policy in case of death as a result of an ACCIDENT OF ANY KIND.

"A Growing Company for Growing Men"

For Direct Agency Connection

ADDRESS

T. LOUIS HANSEN, Superintendent of Agencies

50 UNION SQUARE, NEW YORK CITY

Fears Government As a Competitor

TUCKER SUSPICIOUS OF FEDERAL INSURANCE

Thinks Agents Will Find Uncle Sam Keeping Tight Hold on Risks Secured

BY PREBLE TUCKER.

If the report from Washington, to the effect that the life insurance companies have endorsed the Sweet plan of "Government insurance for those in war service" is correct, then indeed it is time for the Life Underwriters' Association to get busy.

The far reaching result of the adoption of such a plan on the business of life insurance in this country, can not have been fully appreciated by the companies' representatives or they never would have endorsed it. In order to escape the burden of handling the war risk business, the companies are represented as favoring the establishing of a Government life insurance bureau to take this burden off their hands. In other words, the companies are blindly assisting in the creation of a "Frankenstein," who will surely turn and rend them. If this would result in benefit to the public at large, it would be another matter—but can it be successfully maintained that anything that menaces the future of the life insurance companies will eventually inure to the benefit of the public?

What Soliciting System Has Done

This country leads the world in life insurance—both in the number of individuals and amount of insurance carried, it exceeds all the rest of the nations combined. This enormous business has been built up by the life companies through the soliciting system. A vast plant has been created, the operations of which extend to every part of the country.

If the United State Government, through its bureau of life insurance, enters into competition with this plant, it is bound to seriously disturb its operations ,and eventually disintegrate it. While it may be claimed that the plan endorsed by the companies does not contemplate anything beyond temporary government insurance, which shall cease after the war and shall cover war risks only, and that it therefore involves no competition with them, the inevitable outcome will be a permanent bureau after the war.

In the Business for "All Time"

The Government will be in the life insurance business for all time, for the very good reason that to relinquish it, would bring about great loss to the public, which the public would not stand for. This would arise from the fact that thousands of those holding government policies would be unable, after leaving the government service, to substitute company insurance for their expiring government insurance. Having been practically deprived, by reason of entering the government service, of the opportunity to obtain permanent insurance, although otherwise acceptable risks, they will be justified in demanding that the Government give them such permanent protection by continuing their policies at the normal premium rates, and public opinion would back such a demand.

Can it be reasonably questioned that Congress would yield to popular clamor under such circumstances? Behold then, the Government in the life insurance business, receiving premiums, maintaining policy reserves, paying death losses.

If the Government were to confine itself to simply carrying the insurance already on its books and taking no new business to offset that going off through lapses and deaths, the time would soon come when the normal premiums collected would not suffice to cover the growing death losses. Would not the public be justified in claiming that this was an unscientific and costly method of conducting life insurance? Would not the taking on of new business be the next logical step?

His Idea of What Should Be Done

These are questions which should be faced and answered to-day. There is no poular demand for government life insurance at present. The few experiments made in that direction by various States have not been successful. Whether the United States Government would furnish life insurance at a lower cost than the companies, is a matter for debate. But do the companies wish to raise this issue? If the companies should get together to-day and offer to issue to every man in the military and naval service a life policy for $4,000, payable in installments to his heirs if he dies or to himself if he is disabled during this service, charging the Government a fixed annual premium to cover the war risk, which the latter shall pay so long as the insured remains in Government service and with the privilege to the insured to continue his insurance thereafter by paying the regular normal rate for his age at entry, there would be no excuse for the issue of government policies.

In the matter of fixing the premium rate charged the Government, the companies could protect themselves by an agreement to the effect that if the rate agreed upon shall prove by actual experience to be inadequate to meet the actual loss from war service, the Government shall make up the deficit, there being of course, a reciprocating agreement on the part of the companies that a refund will be made to the Government should the actual results show that the premium charged was excessive.

It may be contended that under such an arrangement the companies would have to continue the insurance on risks impaired by war service although not disabled, and that self selection would operate unfavorably on the subsequent mortality experience of the companies. However, this objection can surely be overcome by some arrangement, whereby the risks impaired by war service shall be treated as substandard risks and the additional rate paid by the Government.

WEST VIRGINIA RULING

Department Prohibits Dating Back of Applications to Secure Benefit of Lower Age

The West Virginia Insurance Department makes the following ruling on the antedating of applications for life insurance:

> The constantly increasing practice of "dating back" applications or policies of life insurance for the purpose of giving the applicant the benefit of the premium rate for a year younger than the actual age, has been brought to the attention of this Department with the request that a ruling be issued as to whether or not this practice is in violation of the anti-discrimination law of this State, which states that "no life insurance company doing business in this State shall make or permit any distinction or discrimination in favor of individuals of the same class or of equal expectation of life, in the amount of payment of premiums or rates charged for policies of life or endowment insurance, or in the dividends or other benefits payable thereon or in any other of the terms and conditions of the contracts it makes."

"I am clearly of the opinion that the 'dating back' of an application or a policy for the purpose above named is a violation of the above quoted section, and subjects the officers and agents to the penalties prescribed by law, and may be held to render any policy so issued null and void. I am further of the opinion that the date of the completion of the application, i. e., when the medical examiner's statement is attached, must be regarded as the date of the application, and the policy must be issued at the rate for age of applicant at nearest birthday, as evidenced by the date of the completion of the application."

A New Argument For Income Agent

GOOD REASON WHY WEALTHY SHOULD INSURE

Business and Income Insurance to Offset Inheritance Taxes Both Federal and State

The live agent is not only looking for new prospects, but for new arguments for all prospects. Certain conditions that have been brought about the past few years have created a new class of prospects for insurance and with them new arguments. I refer to men of wealth who have heavy inheritance taxes and Federal and State inheritance taxes to pay and who might easily be persuaded to put some of their money into business or income insurance. The agent will explain, of course, that any amount of insurance taken in our Company is exempt from taxation.

The following table, which is summary of the Federal Estate Tax, revised March, 1917, is valuable for reference and should be carried by every agent:

Rate of Tax.	Total Net Estate.	Tax.	Total Tax.
1½% on first.....	$50,000	$50,000	$750	$750
3 % on next.....	100,000	150,000	3,000	3,750
4½% on next.....	100,000	250,000	4,500	8,250
6 % on next.....	200,000	450,000	12,000	20,250
7½% on next.....	550,000	1,000,000	41,250	61,500
9 % on next.....	550,000	2,000,000	90,000	151,500
10½% on next.....	1,000,000	3,000,000	105,000	256,500
12 % on next.....	1,000,000	4,000,000	120,000	376,500
13½% on next.....	1,000,000	5,000,000	135,000	511,500
15% on all amounts in excess of $5,000,000.				

The above tax is in addition to the tax enforced by the State. There are not many men, however wealthy, that keep on hand any large amount of cash —surely not enough to pay the inheritance exactions. Yet in case of the death of the man of wealth, the inheritance tax must be paid within one year. If not paid within 60 days after the year of grace, the Government can satisfy its claim by foreclosure. If this course is not taken, often a forced sale is necessary, which entails heavy losses on the estate. Happily, this is all taken care of by the man who carries a proper amount of life insurance—at least enough to provide for all payments of the inheritance tax in the event of untimely death. Try this as an argument. —"Pointers."

INSURANCE MEN FOR WAR

The clerical forces in the insurance offices in Hartford. Conn., are becoming noticeably thinned out by the call for war service. Tbis applies to both men and women. Hundreds of young women have gone to do Red Cross work, and are studying first aid, wireless telegraphy, automobile-driving and repairing, so that they may be ready to answer the call when emergency arises.

Honor rolls are being prepared in the various offices. A temporary list has been placed on a bulletin board in the office of the affiliated "Aetnas," embracing seventy-five names of young men in the employ of this company who have already enlisted, and there are many more to be added. Secretary C. E. Gilbert says:

"We expect to furnish each man with a blank form, which when returned to us will give us data for a roll of honor to be preserved here, setting forth the principal events in each case of the military or naval career. We desire to add to the record from time to time new names, any transfers, promotions or other items of interest which may occur."

Pay Claims on Men Who Die in Europe

THE NEW WAR LIFE POLICY OF A BRITISH COMPANY

Yearly Premium of £1 Gets £100 Benefit—£5 if Killed in Action

London, July 6.—The Eagle and British Dominions is now issuing a new "war life policy" for officers, non-commissioned officers and men of the army and navy.

The principle on which the new war policy is based is that in exchange for a fixed premium benefits shall be given varying according to the actual risks to which a sailor or soldier is subjected. Thus, taking the yearly premium as £1 (premiums will be accepted up to any sum not exceeding £20 per annum on any one life, the benefits being in proportion thereto), should death occur during the currency of the policy from natural causes or accident on home service or elsewhere in Europe, exclusive of the Balkan Peninsula, or as regards sailors anywhere at sea, the sum of £100—the maximum—is payable. The Balkan Peninsula (i. e., Turkey in Europe, Bulgaria, Serbia, Greece, Albania and Montenegro) is regarded as a specially risky area, and in event of death taking place in that particular danger zone or outside Europe from natural causes or accident the sum assured is reduced to £50.

Covers Man Killed in Battle

The crux of the scheme, however, is the provision made in the contingency of death on the battlefield or from wounds received in action. Hitherto it has been difficult for men on active service to insure their lives, except at a prohibitive cost, and some of the "war policies" designed for their benefit have hardly been sufficiently attractive to become really popular. It is, of course, a difficult problem for the offices issuing such policies. They are anxious to do the best they can to enable the brave fellows going to the front to make provision for those they leave behind, but they are bound, in self protection, to limit the risk they undertake. The Eagle and British Dominions has hit on a very fair solution of the difficulty. If the life assured is killed in action or dies from wounds, or as the result of aviation disaster or drowning at sea, an immediate payment of £5 is given—that is five times the premium paid, and the main intention of the scheme being to assist the families and relatives of sailors and soldiers who fall in the war—it is further provided that nine-tenths of the surplus arising from the war policy scheme shall be divided amongst the representatives of that class.

The arrangements for ascertaining the surplus to be divided are as follows: The whole of the premiums received under the scheme, after deduction of the moderate allowance of 10 per cent. for expenses—an allowance which certainly is considerably less than the cost incurred by the Company —will be invested in a trust fund out of which claims will be paid. On the expiry of eighteen months after the official declaration of peace 90 per cent. of the residue of the fund will be divided among the persons who are entitled thereto.

The Selection of Agency Managers

PERTINENTLY DISCUSSED BY FIELD MAN

Business Is a Scientific Specialty Requiring Qualifications Above the Average

A field man in the July number of the "Life Underwriters' News," the official organ of the Life Underwriters Association of Canada, under the title of "The Greatest Need in Life Insurance," ably discusses the question of selection of agency managers for life insurance companies. He says in part:

The crying need in life insurance is not so much for salesmen as for sales managers.

Men cannot be trained up in the business from boys, such as is the rule in most mercantile establishments.

There are practically no intermediate positions between the office boy and the salesman.

Insurance is a scientific specialty, and requires a salesman with qualifications very much above the average.

Such salesmen may be born thus, but most often they are trained.

A prospective life insurance salesman must, as a rule, be a man who has left the adolescent stage some years behind him—therefore, he must have come to the insurance business from some other.

Why Men Enter Business

Now, why did he come? He comes in many cases because he did not succeed in his previous venture or ventures.

It is no disgrace to fail; and it is no criterion of ultimate failure that a man has failed early in life. The present Lord Chief Justice of England was a failure as a stockbroker at 45. At the same time, there is no doubt that a much higher rate of success would be attained if prospective insurance men were uniformly selected from among successful business men instead of the reverse.

Then, why does the average Canadian life insurance company not select its men from among those who have become successful in other lines of endeavor—if they must, as it appears, take men from other occupations?

Not Attractive to Successful Men

It is because the company has nothing to offer the successful man. As a rule, the best a prospective insurance man is offered is a chance to go out with very little instruction and try to make a living at a business of which he knows nothing.

He does not know—and cannot be expected to know—the essential requirements of a successful insurance man.

The agency manager should know, and when he has come to the conclusion that a certain man would make a good insurance man, the company should make him a business proposition and should take the chance of his proving a success—and not throw the onus on the man.

Why do the companies—and they are all crying for good salesmen—not do this?

It is because they have not, as a rule, agency managers who have the time, inclination and knowledge necessary to discover and develop the high-class men. Now we come to the reason.

Usually some man is selected from the field staff of the company, or its competitors, who has shown himself to be a producer of a large volume of personal business. The large personal producer is generally selfish and a past-master at looking out for number one. He has to be. He has no time to devote to the interests of others. His motto is "Get the Business."

When he becomes agency manager he is expected to get an agency force together. Not having had time to study the requirements—in others—of a successful agent, he does not know what constitutes one. His usual method of securing a force is to switch the agents of another company.

The agency manager is expected to produce business personally—and, being the type of man he is—no offense meant—he cannot refrain from entering into competition with his salesmen.

The writer has been in a position to observe the workings of not merely one, but practically all the companies operating in Canada, and the above procedure is the rule rather than the exception.

Now, how can this be remedied?

Practices in Other Businesses

The great firm of Swift & Co., in Chicago, have found out by careful investigation that they have $300 invested in each employe the moment he or she is hired. They have determined what qualities or qualifications applicants for each class of work require, and they have formulated a series of simple tests that eliminate those unfitted. The applicants selected are then carefully trained and placed in positions most suited to their attainments.

Men who sell National Cash Registers are most carefully selected and no man—no matter what his ability as a salesman in other lines—is allowed to go before the public as a National Cash Register salesman without being very thoroughly trained in the manufacture and the methods of salesmanship peculiar to the utility which he expects to sell.

I can hear a chorus of "But life insurance is different." I consider that answer a confession of incompetence. Life insurance salesmen are human and all humanity is amenable to certain laws, if we take the time and trouble to discover and use them.

The life insurance companies have experts to pass on the class of risks which they will accept; they also have experts to draw up their policy contracts; and they have reduced that end of the business to a science.

It is safe to say that few, if any, companies have a department in charge of men trained to scientifically select men to represent them in the field. A company is judged by the men that represent it—not by the policies it issues. It is most important that the proper class of men should represent a company in the field.

This never can be done until the companies realize that in order to build up a field staff which will be a credit to the great institution of life insurance they must employ as agency managers men whose interest it will be to instruct and assist the agent and not to exploit him.

A man having charge of the development of other men has a very great responsibility, and he must be of broad sympathies and understanding—a man who will inspire his staff with confidence in his fairness.

NORTHWESTERN MUT. LEADERS

Agents' Association Meets at Milwaukee—Millard W. Mack, of Cincinnati, Elected President

At the annual meeting of the Association of Agents of the Northwestern Mutual Life, held at Milwaukee, Millard W. Mack, of Cincinnati, was elected president; with Rudolph Recht, of New York, vice-president; and M. S. Edmonds, of Racine, secretary and treasurer. Addresses were made by leading officials and agents and the prize winners in the various classes were announced.

Dr. C. E. Albright, of Milwaukee, led in production with a total of $2,294,500, which is more than double his production of last year, when he also was leader. H. L. French of Wausau wrote the largest number of lives, 198.

Leaders in the various classes were as follows: Class A, Herman Duval, New York City, $986,500; Class B, E. B. Stinde, St. Louis, $769,750; Class C, Herman Brandt, New York City, $627,000; Class D, M. L. Woodward, Detroit, Mich., $550,500; Class E, E. J. Kohn, Chicago, Ill., $520,000; Class F, H. R. Kaufman, Minneapolis, $517,000.

The general agents' association of the company also held its annual meeting and elected P. T. Throop of Nashville Tenn., president; Franklin Mann, of Omaha, vice-president; Millard W. Mack, of Cincinnati, secretary and treasurer. The district and special agents association elected H. C. Coffeen of Chicago, president; A. C. Schauffler, of Kansas City, and H. L. French of Wausau, Wis., vice-presidents; and D. L. Hayne, of Chicago, secretary and treasurer.

COMMISSIONER ENGLISH UPHELD

The Iowa courts have upheld the refusal of Insurance Commissioner English to license life insurance agents residing outside of the State. An Omaha agent brought mandamus proceedings to compel the commissioner to license him in Iowa, but this was opposed on the ground that the State has had an unsatisfactory experience in the past in getting service on outside agents in case of irregularities or evasion of the law.

HOME LIFE INSURANCE CO.

(Now Purely Mutual)

256 BROADWAY, NEW YORK

GEORGE E. IDE, President

The fifty-seventh annual report shows insurance in force of $133,493,000, an increase during the year of $7,832,827. The Company paid the policyholders in 1916 $3,536,233, of which $628,406 was in dividends or premium refund. Its insurance reserve fund was increased by $1,300,000 and the Assets are now $32-821,462.

For Agency apply to

GEORGE W. MURRAY,
Supt. of Agts.
256 Broadway, New York, N. Y.

Build Your Own Business

under our direct general agency contract

Our Policies provide for:

Double Indemnity, Disability Benefits, Reducing Premiums

See the new low Rates

JOHN F. ROCHE, Vice-Pres't

THE MANHATTAN LIFE INSURANCE COMPANY
66 BROADWAY NEW YORK
Organized 1850

BANKERS BLIFE DES MOINES LIFE COMPANY

PAYS GOOD PAY TO GOOD MEN

Ambitious, Productive and Trustworthy Life Agents may be benefitted by corresponding with the

Berkshire Life Insurance Company
of Pittsfield, Mass.
Inc. 1851

New policies with modern provisions Attractive literature

W. D. Wyman, President W. S. Weld, Supt. of Agencies

We want a GOOD PERSONAL PRODUCER and organizer for DESIRABLE TERRITORY in several states west of the Mississippi River. EXCELLENT CONTRACT.

Northwestern National Life Insurance Company
MINNEAPOLIS, MINNESOTA,

is a LEADING LOW NET COST, annual dividend, MUTUAL, OLD LINE company. Record for 1916—increase in insurance in force, 20%; in paid-for business, 51%; in assets, 15%; in amount apportioned for 1917 dividends, 71%.

A Company View of War's Optimistic Side

WILL STOP EXTRAVAGANCE AND DRINKING OF SPIRITS

Equitable Life of Iowa, Sees Savings Diverted From Luxuries to Economic Needs

So much has been printed about the pessimistic side of the war that the subjoined observations showing the other side of the war picture, printed in the "Equiowa," will be found of considerable interest.

There is another advantage and this affects the individual solicitor and general agent. The present is an era of conservation; of increased efficiency; of elimination of waste. It is a time when a man, in order to catch the prevailing spirit, must analyze self, and pick out "weeds" which prevent efficient service. We are told that the Standard Oil is paying dividends to-day, and has been for several years, from things which were thrown away and wasted fifteen years ago. If the individual, through this war, could get a better idea of self, eliminating the characteristics which retard progress and hinder success and marshall for more effective work, latent powers possessed; think what this would mean for increased production.

Less Extravagance

Another advantage which this war will mean to the salesman is that of an elimination of extravagances. The probable eradication of the liquor traffic, with its enormous cost to the individual and family. We do not know how true the figures are, but we have seen it stated that annual expenditures for luxuries are as follows:

Alcoholic drinks	$1,750,000,000
Tobacco	500,000,000
Moving pictures	450,000,000
Candy and chewing gum	500,000,000
Jewelry	300,000,000
Annual expenditure for automobiles and maintenance is approximately	1,250,000,000

We believe many of these items will be materially reduced and the savings will be available for things more in conformity with national economic needs and requirements. One thing is sure, no business will survive this war, no matter what the conditions may be, in a more substantial and permanent manner than life insurance. The man in the field cannot afford to "turn from the plow," because if life insurance should suffer, which we firmly believe it will not, there will be slight hope for other branches of business.

Safe Contract the Essential Perquisite

A policyholder wants a safe contract and he would not care for one about which there was the remotest element of question should it become a claim upon the company. We believe he is more interested in this than in the question of a war clause, which may not be applicable in the practical working of his policy. We believe that it would be decidedly advantageous to the man with the rate book were he to look at the war clause with a feeling that it is necessary. It would then cease to be a "bug-a-boo" to him.

We frankly admit that we are in a period where conditions have changed, but we believe that there is plenty of business to be written by the man who is resourceful, who has initiative, who is alert to mold himself to new conditions. Merchants, during the past ten years, owing to innovations or new inventions, which have been brought about, have been compelled to entirely reconstruct their methods of doing business. Those most willing and capable of doing this, have experienced the greatest success.

LIBERALITY

Officers of North American Union, Chicago, Pay $228,000 for Merger—Receiver Appointed

The recent merger of the North American Union, of Chicago, with the Fraternal Aid Union of Kansas, disclosed that a commision of $228,000 had been paid by the officers of the Chicago order for bringing it about. The Illinois Insurance Department secured the appointment of a receiver, and in course of the investigation it was disclosed that the manager of the North American Union, who had been receiving a salary of $10,000 annually, had paid each one of the officers several thousand dollars to allow the deal to take place. Of course, the outside members of the order were ignorant of this transaction.

Insurance legislation seldom involves the conduct of fraternal orders. There are always enough legislators who are members of the fraternal concerns to keep them immune from too exacting laws. A recent canvass of the Illinois legislature showed that ninety-five per cent. of its members belonged to one single order. Politicians make it a point to join all the societies possible in order to increase their prestige. Fraternals are exempt from the taxes imposed on regular insurance companies, and manage to use their influence with legislators to keep from under the laws that regulate other insurance methods. This modus operandi has been going on so long that the lodges themselves now find they have no defense against the treachery of their own officials.

PERMANENT BUSINESS

The agent who builds up a big permanent business is usually the fellow who stands out from among the large number of life insurance agents. People remember him and when he makes his second or third call he doesn't have to introduce himself again. Policyholders refer to him by his individual characteristics and give him more advertising than any newspaper could do.

Make use of whatever capital the Creator gave you, develop it and make it your foundation.—Northwestern Mutual Life's "Field Notes."

The Old Colony Life of Chicago has been licensed in Montana and is now operating in eleven States.

GROUP INSURANCE
Life, Accident and Health

With the same Prompt and Expert Safety Engineering and Inspection Service and Organization which has made the Name of The Travelers Famous

AGENTS AND BROKERS

Refer Your Inquiries to The Group Insurance Division.

THE TRAVELERS INSURANCE COMPANY
Hartford, Connecticut

Metropolitan Honors Third Vice-Pres. Ayres

CELEBRATES 25th ANNIVERSARY

Vice-President Fiske Pays Strong Tribute to His Ability—Gets Loving Cup From Officers

A dinner was tendered to Third Vice-President Francis Oliver Ayres of the Metropolitan Life by his brothers of the Round Table, commemorating his twenty-fifth anniversary in the service of the Company, on the evening of June 27th. Vice-President Ayres has a wide acquaintance among the field force, being particularly active in the organization of the intermediate writing department, and the ordinary branch of the Company's business.

Tribute From Vice-President Fiske

Vice-President Fiske, at the officers' dinner, spoke at considerable length of Mr. Ayres' service with the company. He said in part:

"Entering the Metropolitan on June 27, 1892, Mr. Ayres started in by learning the routine of the industrial business under the tutelage of Secretary Roberts in the audit division. After serving as head of the claim division, he became connected with the agency division, and in 1897 was made superintendent of agencies, and later in the same year became the head of the intermediate branch. Mr. Ayres had entered on the work of education among the field force with his characteristic energy. When he began there were about three millions of intermediate in force; in five years it jumped to sixty millions, more than doubled again in the next five years, and now has over four hundred millions. He had traveled the entire country, visiting the agencies, and, with untiring zeal, inspired the men with the new proposition. He took charge of the ordinary in 1901 (two years later being made fourth vice-president) when it had about one hundred and sixty millions in force. It more than doubled in five years, and nearly doubled the next five years, and now has over a billion and for years the Company has annually reached the limit. This was the result of hard and skilful field work. It meant taking industrial men and teaching them to be ordinary agents. No other company has ever done this. Mr. Ayres has the faculty of getting close to the agents and looking at the business from their viewpoint and lifting them up. The result is his immense popularity with the agents."

Able Legislative Service

Vice-President Fiske spoke of the legislative fights in Massachusetts and Tennessee against child insurance. In Tennessee the burden of defense on behalf of the Company had devolved upon Mr. Ayres, who had devoted himself with unflagging ardor and with ultimate success. In Massachusetts the same fight had been going on at the same time; the fight there having devolved upon himself, he was unable to assist Mr. Ayres; but, separated as they were by a thousand miles, they had succeeded in overthrowing the hostile attacks. These fights threatened the very existence of industrial insurance. The fate of the Metropolitan had hung in the balance, and Mr. Fiske extended the proper credit to Mr. Ayres for the great work he had done in overcoming the attacks.

Untiring Field Work

In his work in the field Mr. Ayres had literally overtaxed his strength. He never knew what it was to be tired. He was constantly appearing before gatherings of agents, explaining and inspiring the men to greater efforts. Mr. Fiske remembered very well when he had laid down the standard as $1,000 a month—then a high figure; and how later Mr. Ayres had pushed him into making it $1,500, while now it is $2,600. Mr. Fiske painted an inspiring picture of the great campaign involved in developing an industrial agent into a writer of ordinary insurance—a campaign that had been so successful that now the Company is the marvel of the world for its ordinary writings. Mr. Fiske touched on Mr. Ayres' personal characteristics—his education, his knowledge of the law, his New England reserve, his reticence, his modesty, his quiet, self-contained poise, and his unceasing energy. He also spoke of his charming married life, paying high tribute to Mrs. Ayres as a wife and mother of beautiful children, and spoke most feelingly of the great service which Mr. Ayres had rendered to the Company, and of his own deep personal attachment to him, arising in part from an unfailing loyalty under all circumstances. In closing, he handed to Mr. Ayres a loving cup which the officers were presenting to him as a souvenir of the anniversary gathering. It was a beautiful cup of sterling silver of unusual design, richly ornamented and engraved with a picture of the tower, and bore this inscription:

"Presented to
Francis Oliver Ayres,
Third Vice-President,
by his brothers of the 'Round Table'
in commemoration of Twenty-five years
of Service with the Metropolitan Life
Insurance Company, and as a token of
their admiration for him as an Officer,
and of their affection for him as a man.
1892—June 27th—1917."

Directors' Resolution

Vice-President Fiske then read the following resolution, which had been passed by the directors the previous day when they learned that Mr. Ayres was completing twenty-five years of service:

"Resolved, that the board of directors extends to Third Vice-President Ayres its congratulations upon his anniversary, and its recognition of the splendid work he has done for the Company."

DOUBLE INDEMNITY IN ILLINOIS

The Illinois Legislature has enacted a law which permits double indemnity in life insurance policies in that State. The measure also provides that life insurance companies may issue policies in the States which contain a total and permanent disability clause. This has been done for many years, under a ruling of the Insurance Department, and the new act simply confirms this ruling as now fixed by the statutes.

New England Mutual Reviews Half-Year

COMPANY ESTABLISHES SPLENDID RECORD

Rolls Up New Business Paid-for to June 30th Exceeding Total Production in 1915

Discussing the splendid achievement of the New England Mutual Life and its agency force during the first six months of 1917 the "Pilot," the agency paper of that Company, says:

The extraordinary record of life insurance generally, during these first six months of 1917, is doubtless a reflection of the abnormal times in which we have been living.

But after all due allowance is made for this, the fact remains that so far as the New England Mutual is concerned, our field forces have risen to the occasion with power and striking effect. As one man, they have worked together to create a splendid volume of business. The record of these months, therefore, is one of which our whole family may properly make a careful review.

In the first place, it is highly significant that the new insurance paid-for during each single month of this year has surpassed the corresponding month of every other year in our history. This of itself is a remarkable achievement. April was the largest of all months up to that date. May nearly equalled it. And now June has passed into our history—the month that swept aside all records!

The new business paid-for up to the end of June actually exceeded the total amount for the whole year 1915.

The War and the Company

The exceptional increase in the business this year has been both because of the war and also in spite of it. A large proportion of our new members are connected, or will be, with the military forces of the country. But thousands are not in this class, and have defied the business disturbances and adjustments that war is certain to cause, in order to protect their families and estates against an increased hazard that the whole country has now to face.

But with regard to the first class—we have accepted soldier risks liberally. It will be recognized in the days to come that this Company "did its bit" in generous measure.

And why should not the same policy of administration during the nation's previous wars be followed to-day? Why should not the same breadth and the same patriotism of the Mexican, the Civil and the Spanish wars prevail to-day? A public-spirited institution of the city of Faneuil Hall and Bunker Hill could do no less!

Permits and Clauses

On April 6, the day Congress declared that a state of war existed with Germany, the Company announced a general permit to all our then policyholders to enter the military or naval service of the United States without restriction and without extra premium. Our one-year war clause policy was allowed to remain available for new applicants until June 2. Since that date a five-year clause, the uniform conference clause, as it is called, has been included in all contracts. This permits the Company to charge from year to year such extra premium as the changing conditions of military service require for the protection of its membership against a risk not covered by the regular rates.

This liberality to both old and new policyholders has brought the Company cordial approbation from the insuring public, and of course has in no wise affected the firm foundations of its business.

Changing Conditions

Beyond all doubt the war will make tremendous changes in the life of our country. These changes will affect business as much as they will affect politics and society. The entrance of the Government into controlling relations with industry is charged with enormous possibilities. The cry, "Business as usual during the war" is a half-truth. In most lines, especially in the so-called "basic industries," of which insurance is one—business will be most unusual, both in volume, method, and, in some cases, even in price regulations.

Throughout the world the war is causing tremendous destruction, but is also bringing a change that is reconstruction, and this reconstruction will be of incalculable advantage. A new status has come to large business. War has done over night what we have been bickering about for years. The magic words, "military necessity," have brushed away in a moment contentions that had grown as hard and as big as mountains. War just now is the world's great hastener. It forces a regime that is accepted by all—not on principle, but to meet emergencies and to conquer obstacles.

Opportunities Through War

Every insurance man should realize, more even than men in most lines of work, that to-day individual initiative is wider than ever! Skill and invention will have their rich reward. Superior talent and conscientious work will earn larger returns. The finest things in a business life—its abiding satisfactions—will remain what they are, but with increased scope. To originate, to plan largely, to get great things done—these are the joys of our world and of the business world generally. They remain as engaging and as powerful as ever, with the distinct advantage that they can be carried through on a broader field and with a greater usefulness.

This year life insurance comes into its own, so far as universal, unquestioning recognition by the people is concerned.

Comparative Semi-Annual Summary

The following figures of our business during the first half-year form a group quite beyond comparison with any that the Company has had:

New Insurance Paid-for

		6 Months' Increase.
1915.....	$19,845,493	$2,211,917
1916.....	23,273,835	3,428,342
1917.....	35,633,182	12,359,347

Insurance in Force

		6 Months' Increase.
1915.....	$301,947,402	$11,214,956
1916.....	324,676,308	13,976,337
1917.....	365,218,558	27,813,854

Security Mutual Life Insurance Company
Binghamton, N. Y.

Offers to men able to produce business first class territory, with direct contract providing liberal compensation.

For particulars, address

C. H. JACKSON, Supt. of Agencies

A PENN MUTUAL PREMIUM, less a PENN MUTUAL DIVIDEND, purchasing a PENN MUTUAL POLICY, containing PENN MUTUAL VALUES, make an INSURANCE PROPOSITION which in the sum of ALL ITS BENEFITS, is unsurpassed for net low cost and care of interests of all members.

THE PENN MUTUAL
Life Insurance Company
OF PHILADELPHIA

On January 1, 1909, rates were reduced and values increased to full 3% reserve

Are You Permanently Established?

Write for Territory

Pennsylvania—Ohio—West Virginia

PHILADELPHIA LIFE INSURANCE CO.
PHILADELPHIA

State Mutual Life Assurance Co.
OF WORCESTER, MASSACHUSETTS
Incorporated 1844

The Company that gives complete satisfaction to policyholders and agents because both are a part of it.

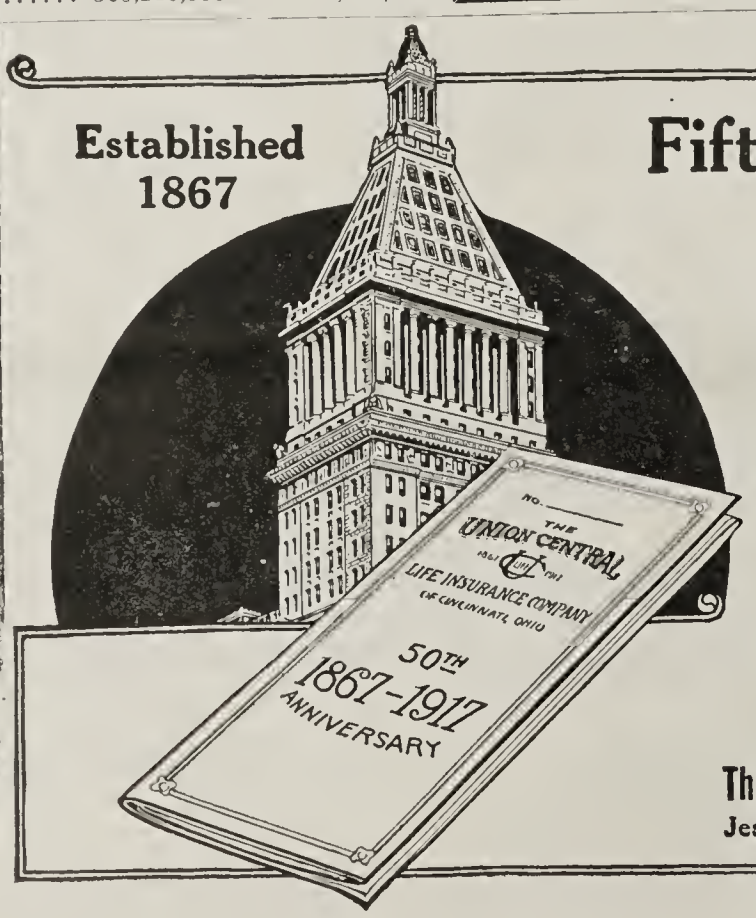
SEVENTY-THREE YEARS of faithfulness to every promise made.

Success for our ambitious representatives is a certainty.

Additions are made to our agency force when the right men are found

B. H. WRIGHT, President D. W. CARTER, Secretary
STEPHEN IRELAND, Inspector of Agencies

Established 1867



Fifty years of success

The Strength of the Company—the growth of a half century—towering back of every policy contract, assures the largest possible measure of *security*, *service*, and *saving* to the insured.

The wisdom of the founders in restricting the Company's investments to farm loans, has throughout the years afforded the largest degree of safety, together with the greatest earning power on its invested funds. It has in addition served the Nation, and the wide world in these troublous times, by its signal aid in the development of the Country's Agricultural Resources.

The manifold service of the past half century may safely be accepted as a criterion of larger service in store for its policy-holders and their beneficiaries.

For Information address Allan Waters, Second Vice-Pres.

The Union Central Life Insurance Company
Jesse R. Clark, President **Cincinnati**

Official's Experience With Country Agent

R. W. STEVENS TRIES TO BUY INSURANCE

Rate Book Man Proved Bureau of Misinformation and Careless Handler of Truth

One of the most interesting agency officials in the life insurance business is Vice-President R. W. Stevens of the Illinois Life. He is ever trying to learn something new and finds what he is after just where he happens to be.

The current issue of the Illinois Life "Bulletin" contains the following, relating a vacation experience of Mr. Stevens:

The first two weeks of this month were spent by me in the Wisconsin woods where I made a business of resting and enjoying life out of doors. One of my principal recreations was to walk to the nearest town about five miles distant and, since I usually waited with the population to see the train come in, my periods in town varied from fifteen minutes to two hours.

On one of the occasions when the train was very late I located, after due inquiry and search, a man who was said to be a life insurance agent. When he was pointed out I recognized him as one of the regular committee of train-welcomers, as well as a member of the whittling brigade.

Agent Was a Whittler

I was slow to disturb him at his thoughtful occupation of whittling a piece of lath, but finally approached him and inquired if he wrote life insurance. The mention of life insurance seemed to shock him but he made a fairly quick recovery and said, "Yes, sometimes." I told him that I was from Chicago, with nothing to do but rest, had never carried any life insurance but was inclined to think that it might be a good thing, and was willing to listen without interruption to all the arguments he had to make as to why I should insure.

He asked my age and, without remarking that I looked younger, began going through such contortions that I was fearful that a tarantula had crawled up his trouser leg, but in a period of calm he explained that he did not have his ratebook and requested me to accompany him up the street to his office.

The ratebook was finally located and turning to my age he gave me a very searching look and inquired how much was I thinking of taking. I explained that I was thinking of taking all he could persuade me to buy; but until he did persuade me to buy, I was not thinking of taking any. He then wanted to know how much I could afford to lay by each year for insurance. I told him as much as he could induce me to spend. His next question was if I had any particular form of policy in mind. I told him I knew nothing about the various policies and would rely upon his judgment.

Knocks Other Companies

After a brief reflection he apparently decided that an ordinary life policy would best suit my needs, therefore, after quoting the rate per thousand he explained about the dividend at the end of the first year which I could take without regard as to the payment of the second annual premium; he pointed out the second-year loan value; told me about cash values; paid up insurance and extended insurance; gave a very expansive estimate as to the net cost of the insurance over a period of twenty years; and after awing me with his own estimated net cost, which was so low that he should have blushed, he compared it with the net cost of some six or eight other leading companies.

He surely had a fund of misinformation about other companies, and I was amazed and horrified to learn that of all the companies mentioned his was the only one officered by men fit to hold their jobs. Several times I was on the point of inquiring why—knowing, as he did, the vital weaknesses of so many of the companies—he did not visit their home offices and either through an uprising of the policyholders, or by hammering some sense into a board of directors, place himself at the head of their affairs in order that further grave wrong and injustice might not be perpetrated upon an innocent and trusting public.

After he had exhausted the subject of other companies, and convinced me that he represented the only one that was any good, he gave me a most ingratiating smile, spread out his application blank and said, "Now, how much shall I write for you?"

Failed to Create Desire

"Mr. Agent," I said, "I told you frankly at the beginning of this interview that I carried no life insurance, but was somewhat inclined to think it would be well for me to do so, and I have given you the opportunity of convincing me that I should carry it. You have not advanced one single argument for life insurance. If I had made up my mind that I wanted a certain amount of life insurance and was shopping around to find what was represented to be the best bargain, or if I were looking for the best liar in the business, you certainly would be entitled to my application; but on the basis of creating a desire in my mind for life insurance you have completely failed. The train is about due and I must leave you."

He accompanied me to the station, in fact during the remainder of my stay in town he was my unshakable companion, and made a strenuous effort to secure my permission for an interview with one of his company's special agents for whom he was anxious to send.

It certainly is a shame the way some agency managers do interrupt the peaceful, aimless, effortless lives of train-welcomers and town-whittlers by educating them to sell life insurance.

44 MILLIONS from 42 AGENCIES

THE 1916 RECORD OF OUR EARNEST, LOYAL AND HAPPY AGENCY FORCE

New England Mutual Life Insurance Company

BOSTON, MASS.

Missouri State Life Special War Bulletin

ISSUES NEW INSTRUCTIONS TO AGENTS

$5,000 Total Amount to be Issued on Any One Risk Entering War Service

The Missouri State Life has issued a special war bulletin revising the Company's action in connection with war risks, effective July 25th. The changes from their original program will be found in the following, printed in black face type:

Limitation as to Amount of Insurance

The rules of the Company as to insurance limitations set forth on page 9 of the rate-book are suspended for the present so far as they are in conflict with the following rule, which is to be substituted:

The largest policy that the Company will write on a life not over 30 years of age, on June 5, 1917, registration day, and under which provision will be made for removal of the restriction relating to war service, will be $5,000. This amount is to include insurance heretofore issued.

Policies for larger amounts will be issued but the war rider will be amended to read as follows:

"The removal of the aforesaid restrictions shall not under any conditions apply to more than $..... of the amount of insurance provided by this policy."

This will enable agents to satisfy all reasonable demands likely to arise under normal peace conditions, and at the same time protect the Company from speculative war risks.

If the holder of a policy, containing the rider amended as here explained, is called upon for war service, he will have the satisfaction of knowing that should he find himself in an uninsurable condition after peace is declared, his foresight has placed him in a position to maintain a more adequate amount of insurance than the $5,000 maximum war insurance permitted by our rules. This risk of uninsurability after the war is assumed by the Company without extra charge.

If the applicant already has insurance with the Company amounting to less than $5,000 and the total insurance including the new application will amount to more than $5,000, the following request should be written in the application in the space provided for special requests:

"Liability in case of military or naval service in time of war is to be limited to a total of $5,000."

If the applicant already has $5,000 or more of unrestricted insurance in force with the Company, the war rider attached to any new policy will be amended so as to contain no provision whatever for waiver of the war restrictions, and the special request in the application should read:

"Liability in case of military or naval service is not to be assumed."

Regardless of this age limit, where it is known that an applicant is already engaged or contemplates engaging in any service for which an extra premium may be charged in accordance with these rules, a policy of insurance which will make the total amount subject to the war hazard greater than $5,000 will not be issued. Any excess of insurance over $5,000 in such cases will be issued subject to war rider amended and limited as above explained.

Double Indemnity Benefit

On all policies hereafter issued this benefit will be declared null and void in event of military or naval service.

Aviation Service

Persons who are at present engaged in aviation service or who contemplate entering such service will not be accepted on any conditions whatever.

National Guard

Members of the National Guard will be written as heretofore at standard rates, subject to the restrictions and limitations above set forth.

Regular Army and Navy Service

Officers and enlisted men of the Army and Navy will be written at the table ratings applicable to times of peace as set forth in the rate-book, but subject to the war restrictions and limitations above set forth.

Restricted Plans of Insurance

Applicants who come within any of the restricted classes here referred to will not be accepted on term, return premium, guaranteed paid-up additions, continuous monthly income or joint life policies, nor will the term insurance dividend addition option be granted in such cases.

Old Business

All persons who now hold policies which contain restrictions as to military and naval service can, by making written application to the Company, have such restrictions removed so far as they relate to military service not involving aeronautics within the continental limits of the United States.

The term "Continental limits of the United States," includes the States of the United States, the District of Columbia, Alaska, Panama Canal Zone, and the insular possessions of the United States, excluding the Philippine Islands.

Medical and Red Cross Service

The rules here set forth will apply in every particular to applicants engaged in medical or Red Cross work.

Commissions

No commissions will be paid on any extra premiums charged for war hazards.

The Nation Needs Its Business

Not less patriotic than those who serve the Nation in organizations directly connected with the war, are those who keep the wheels of business steadily turning. Their work contributes to the country's moral poise, and, as well, keeps sound the financial foundation on which our great part in the war must rest. Life insurance is one of the great conservators of national resources, through its protection of the myriad homes of the people and the businesses which furnish their maintenance. Life insurance has therefore a great opportunity and a great duty in this time of crisis.

Occasionally we have a General Agency opening

JOSEPH C. BEHAN, Superintendent of Agencies

MASSACHUSETTS MUTUAL Life Insurance Company

Springfield, Massachusetts

Incorporated 1851

NEW DEPUTY SUPERINTENDENT

Charles C. Wright has been chosen to fill the office of Deputy Superintendent of Insurance of the District of Columbia by the District Commissioner. Mr. Wright will take the place of W. S. Hall, who resigned recently to take a position as auditor of the Peoples Life Insurance Company, Chicago.

LIVE HINTS FOR BUSINESS GETTERS

Practical Suggestions to Help the Man With the Rate Book Increase His Income and General Efficiency

The Illinois Life "Bulletin"

Although the editor of the Illinois Life "Bulletin" doesn't quote us half so much as we do him and frequently gives to other papers credit for news stories which first saw the light of day in the columns of The Eastern Underwriter, we take off our hats to him as one of the most effective compilers of sales talks in this country. He has a gift of felicitous expression which can convey to an agent, sometimes in a nutshell, a powerful sermon in salesmanship. Moreover, he can do this without appearing in the guise of a preacher, a lecturer, or a cock-sure man, thus never patronizing his large audience. Furthermore he is original, avoiding the deadly sin of being obvious.

The inspiration for these reflections is a current issue of the Illinois Life "Bulletin" in which he finds a moral in the game of golf, something often attempted, although not always with success. Having gone this far it is up to us to reprint the little talk which the Illinois Life editor based upon golf; so here it is:

"Never up, never in" is a golf term used to emphasize the simple fact that, no matter how straight your shot may be you can't expect to "sink your putt" unless your ball covers the entire distance to the hole.

So it is in life insurance salesmanship. "Never see, never sign." In other words, you can't sell policies unless you see people. You may have an attractive personality; you may be endowed with a remarkable vocabulary and with great power of persuasion; you may know life insurance from the ground up—but you won't be able to sell it unless you talk to people. Unfortunately the public has never evidenced a strong enough desire for life insurance to come to the counter to buy it, as it does food, clothing and other necessities. Life insurance is fundamentally an unselfish proposition. A man buys it primarily for the protection of his dependents. He may realize the pressing need for the protection and at the same time hesitate to purchase it because to do so may mean a curtailment of some of his already too few pleasures. For this reason the desire must be created by the life salesman. This desire cannot be successfully created by letter, by advertisement, or by any manner other than by word of mouth. The problem of success in selling life insurance, therefore, resolves itself into one of seeing people. You can't sign 'em unless you see 'em.

* * *

He Left No Life Insurance

An editorial in a recent issue of the Grand Rapids, Mich., "Press," gave expression to the following views concerning life insurance.

"Life insurance day had the merit of projecting upon the public attention a business great in both aim and substance, but which unfortunately for itself and the public lacks all the attributes of sensationalism. Thrift and persistence, the virtues which it calls out in human beings, are always at a premium. Health seems unimportant until it is threatened, and death a total stranger until he knocks at your door.

"To look squarely at life and death, take stock of one's chances, expectations and resources and weigh the responsibilities of one's position as to the custodian of dependents and their prospects—these are not pleasant tasks. By preference a man will dodge them until either the persistence of an agent or a horrible example of an insuranceless friend's demise overcomes the tendency to take the 'easier way.' This accounts for the paradox that life insurance which everyone ought to carry in amount consonant with income and responsibility, is about the hardest thing to sell in the category of salesmanship.

"Most of us consider the life insurance salesman an undesirable caller, but that is because he is our own fault. In an ideal world, where everyone insisted upon being solvent, strong and thoughtful, he would be unnecessary, because all who needed insurance would march up to the counter and sign blanks, buying insurance as the present generation buys clothes or groceries. But ours is a world, alas, where considerable wrestling of the soul is required before a man will practice the supreme unselfishness of surrendering cash in hand for cash some years distant, perhaps after death, in order that others may benefit.

"Every right-minded man thinks he should do something of the sort sometime or other, but the agent who suggests it be done right now this minute, without delay, and says, 'Sign here, please,' rouses resentment. One reason for this prejudice may be that the prospect knows at heart he ought to do as directed. In reality the agent performs a friendly act because every person who voices the call of duty over pleasure is at bottom the friend of one's better nature."

* * *

Seeing Doc Fitzgerald

"You go and see Doc Fitzgerald," said Maloney. "Who's Doc Fitzgerald?" said I. We were at lunch in the Union Club. Some one had introduced the subject of "Success in Business."'

I had said, "Successful men are born, not made."

Doc Fitzgerald is a sure enough person, a Scotchman and a phrenologist. He spends his time examining the craniums of persons who are not quite clear in their minds or altogether sure what the Lord intended them to work at. He also examines the head pieces of applicants for jobs, these latter at the instigation of employers, who know that a number of Chicago's successful business men employ Fitz by the year for just this purpose. If you apply for a job as a salesman they say to you, "Go and see Fitzgerald," and if this canny Scotch doctor can't find a real business bump on your head you are told how to develop one and placed on the firm's waiting list till you do.

But to resume. I called on the doctor, at his request, and gently passed him ten dollars to start things with (for as I say he is a Scotchman) and after he had solemnly measured my head with what looked like a pair of miniature ice tongs, he told me many things worth many dollars but the piece de resistance, the Real Sermon, the thing I got my big dividend on was all about money.

"See here, son," he remarked, "When you look at a dollar what do you see:—a dollar or a dollar's worth? Do you see one hundred cents or a handful of cigars or a theater ticket or something else that you can immediately swap that dollar for?"

"Do you know," he went on, "that the man who accumulates wealth is the man who sees the dollar and the chap who ends up 'broke' is the one who in looking at his dollars simply sees what they will buy."

Pretty sound piece of philosophy, boys:—pretty sound and since the Doc put it up to me I've looked more at the dollar and not so much at the store windows.

Oh yes, he told me a lot more good things but I've actually saved money on that dollar stuff.

The Eastern Underwriter is indebted to the publicity department of the Aetna Life for the foregoing account of a visit to Doc Fitzgerald.

HAS MORE THAN $5,000,000

The Farmers' National Life now has more than $5,000,000 of life insurance in force; and it is a most desirable class of business. John M. Stahl, president of this company, is making an unusually good record. For years he was one of the leading editors of farm journals, and he is a skilled observer of conditions, events and men.

THE MOST VALUABLE POLICY FOR YOU,
Mr. Agent, is to write your prospect in the Company writing the most valuable policy for the insured.
Secure **prompt action** in the
John Hancock MUTUAL LIFE INSURANCE COMPANY OF BOSTON MASSACHUSETTS
WILLIAM N. COMPTON, General Agent
METROPOLITAN DISTRICT, ST. PAUL BLDG., 220 BROADWAY, NEW YORK, N. Y.

ORGANIZED 1871
Life Insurance Company of Virginia
RICHMOND, VIRGINIA
OLDEST, LARGEST STRONGEST Southern Life Insurance Company
Issues the most liberal forms of Ordinary Policies from $1,000.00 to $50,000.00, and Industrial Policies from $12.50 to $1,000.00
CONDITION ON DECEMBER 31, 1916:

Assets	$14,464,552.23
Liabilities	12,436,717.56
Capital and Surplus	2,027,834.67
Insurance in Force	118,349,212.00
Payments to Policyholders since Organization	18,119,172.50
Is Paying its Policyholders over	$1,300,000.00 annually

GOOD TERRITORY FOR LIVE AGENTS

The
Perfect Protection Policy
OF THE
RELIANCE LIFE
gives you something absolutely new and different to talk to your prospects. Gives you a chance to earn more money than you are now making.
Our Life Insurance Contracts contain the most up to date clauses known to the Insurance World. The Accident and Health gives full protection for at least a third less cost than regular casualty companies. Our agency contracts are as liberal as can be made.
WRITE AND WE WILL TELL YOU MORE ABOUT OURSELVES
Reliance Life Insurance Company of Pittsburgh
FARMERS BANK BUILDING
PITTSBURGH, PENNSYLVANIA

Founded 1865
The PROVIDENT Life and Trust Company
OF PHILADELPHIA, PA.
What do most men fear?
An insufficient income for their wives and children if they die, and for their own old age if they live.
WE WILL INSURE THE INCOME IN EITHER EVENT.
Write for Information

J. C. Humes, President — L. D. Clancy, Secretary
THE CRESCENT LIFE INSURANCE COMPANY OF INDIANAPOLIS, INDIANA
"ENDURING AS THE PYRAMIDS"
A Legal Reserve Company
Are You a Big Producer? Can You Prove It?
ONE GENERAL AGENT WANTED IN INDIANA
Home Office: Fletcher Trust Bldg., Indianapolis, Ind.

40% Increase in Paid New Premiums—that tells the 1916 story of Fidelity progress.
Direct leads and the Fidelity "Income for Life" plan are making money for Fidelity field men. Any man who can sell life insurance can sell MORE Fidelity insurance.
Write to-day—
Fidelity Mutual Life INSURANCE COMPANY, PHILADELPHIA
INCORPORATED 1878 — WALTER LE MAR TALBOT, President

The Disastrous Effect of Policy Lapsation

SPREADS DISCONTENT AND INCREASES EXPENSE RATIO

A Lapsed Policyholder is the Worst Advertisement An Agency Can Possibly Have

There are three classes directly affected in an injurious way by a lapsed policy, the policyholders, the company and the field force, says "Life" the agency paper of Canada Life in a recent issue.

Let us consider them individually and see just what result a policy that is in force only one or two years and then lapses can have upon each.

The Policyholder

A man who allows his policy to lapse is naturally in a discontented state of mind, either on account of the policy not being suited to his needs, he having heard of a better one elsewhere, or at himself for not being able to pay his premium. This feeling is bound to make his view of life insurance antagonistic rather than receptive for the future. He will be chary of attempting the proposition again. He has failed once and lost the money he put into it without being able to see any return at all, whereas had he kept his initial policy in force he would have had all that standing to his credit instead of loss. Then there is the terrible chance that he takes of leaving his family unprotected should he die; this of course is the worst possible evil result from a lapsed policy and how often it actually happens can never be told.

The Company

The company that has a high lapse ratio is operating at an unnecessary high expense rate. As you know, the first year's premium on a policy does not pay at all for the expense in connection with writing the insurance, composed of commission, medical examination, agency and head office clerical cost, reserve and other necessary incidentals. Consequently a policy does not begin to "pay for its keep" so to speak, for quite a few years. Where then can the money come from to pay for it but out of the profits made from and for the old policies?

The new policy if kept in force will eventually pay back this debt and become a profit-bearing unit of the company itself, whereas if it lapses it has been not only a non-profit bearing unit, but a direct loss to the company as well as to the other policies. All this increases the general insurance expense, which naturally acts in a reflex manner on the profits earned by the company, a very important item in canvassing from the fieldman's standpoint.

The Field Force

The difference between the agency with practically all its business renewing in force until maturity and the one with its policies lapsing after a few years is exactly the same difference as between economical and extravagant living. One is a comfortable, happy life, and the other a hand-to-mouth existence. There is no greater drawback, snag or handicap in the advance or success of an agency than a heavy lapse rate. As in all credit concerns, the agent and his staff are constantly engrossed trying to get the business back upon the books when they could be utilizing this time in broadening their field instead of striving might and main to keep what should be theirs already. Aside from that view, compare the standing of an agent in a district where he has numerous policies in force to the agent in a district where he has insured many people who have later dropped their policies. The best advertisement the first man can have is his list of old and satisfied policyholders. They are always approachable for "repeat orders" and ever ready to speak a good word for him when least expected. The second man is in the position almost of a creditor or tax collector. There is, and it cannot be helped, a certain feeling of constraint between them. If some of the policies have lapsed through dissatisfaction, fancied or otherwise, upon the part of the policyholders, it is the worst advertisement the agent and the company can have. To continue business successfully among associations where you have failed to keep former contracts in good standing is obviously very difficult and as a rule not conducive of remuneration sufficient for the energy and time expended.

It is a losing proposition all around, and the man who in the first place sells the right policy to the right man is certain to have his lapses down to a minimum.

FIRST SEAMAN LOSS PAID

The Federal Government has suffered its first loss under its new plan by which it insured the officers and men of merchant vessels in the Federal War Risk Insurance Bureau. It had a policy of $92,450 on the officers and sailors of the steamer "Kansan," which was sunk by a submarine. Four men lost their lives, and their estates will recover $7,200.

WOODMEN'S WAR HAZARD

The Modern Woodmen of America have recognized war hazards by deciding that for the present no new members between the ages of 18 and 31 shall be given more than $1,000 of insurance, as against a previous limit of $3,000.

Mutualization of Equitable Life

(Continued from page 2.)

dent Grover Cleveland, Charles B. Alexander, Thomas DeWitt Cuyler of Philadelphia, Chauncey M. Depew, Marcellus Hartley Dodge, Hornblower & Weeks, James H. Hyde, Samuel W. Lambert, the MacLaren estate, Levi P. Morton, Valentine P. Snyder, Thomas Spratt, Gage E. Tarbell, Spencer Trask estate, George T. Wilson, and the Hurlbut estate.

History

The Equitable Life Assurance Society, formed in 1859, has always occupied a unique position in that it is a mutual company with a capital stock. This was required by law when the Society was organized, the object being to protect the policyholders during the dangerous period of infancy. The life insurance scandals which came to light in 1905 and which led to the Armstrong Investigation deeply involved the conduct of the Equitable. It was often said if it had not been for a dispute between the late E. H. Harriman and James Hazen Hyde, there would never have been the investigation which led to the remodeling of the insurance laws of New York and other States. Mr. Harriman, through Mr. Hyde, had been able to use much of the cash of the Equitable in his financial coups. It was shown at the investigation that the Equitable held millions of Mr. Harriman's securities at various times. There came a break between Harriman and Hyde, whom the railroad magnate accused of "double-crossing" him. When it was reported that Harriman was trying to buy the stock and get control of the concern's resources, Mr. Ryan, in 1905, bought the 502 shares of the Hyde family for $2,500,000 and placed it in the hands of trustees.

Morgan Paid $3,000,000

Then, in 1909, the late J. P. Morgan bought the stock, paying a price of about $3,000,000. Why he bought it never was made quite clear. Mr. Morgan, when questioned by Samuel Untermyer before the Pujo Committee, said that he bought it "because he thought it was the best thing to do." He got more than the controlling stock, part of which came from Mr. Ryan, and, according to persons who ought to know, a part from the Harriman estate. It was never made a matter of record that Mr. Harriman got any stock from Mr. Ryan, although for a long time there was a bitter feud between them over the Equitable control. Mr. Ryan is known to have believed that Mr. Harriman wanted to control the Society because in the "good old days" of Wall Street the vast resources of the Equitable were well worth the management.

When Mr. Morgan got the stock he at once acquiesced in mutualization plans and helped in the formation of a committee. The present J. P. Morgan inherited the stock from his father. When he sold it to the powder millionaire in 1915, no official reason was given for the transaction. It was remarked at the time that General du Pont agreed to continue the trustee relationship looking to mutualization. One reason advanced unofficially was that the Morgan firm wished to have all the ready cash possible to swing the big war contract business it was doing for the Allies at that time. Mr. du Pont had made the arrangement for the building of the Equitable Office Building before he acquired the control of the Equitable Society.

General du Pont

General du Pont is a native of Kentucky and was graduated from the Massachusetts Institute of Technology in 1885. His family had begun the manufacture of powder in Delaware in 1880. Young du Pont devoted himself to the mining business in Kentucky until 1900, when he became the controlling factor in the du Pont powder business. He extended the business to a vast scope and sold out to other members of the family just before his purchase of the Equitable control. He had $20,000,000 available, and it was said by his friends that the purchase of the Equitable was more or less a matter of pride with him. In 1912 he had purchased the site of the old Equitable Building and started the erection of the largest office building in the world. In 1914 General du Pont gave $2,000,000 to Delaware to build a highway from one end of the State to the other. He has given more than $1,000,000 to the Massachusetts Institute of Technology and large sums to the Y. M. C. A. In 1913 he was named an honorary vice-president of the International Peace Forum.

THE
METROPOLITAN LIFE
Insurance Company
(Incorporated by the State of New York)



Metropolitan Life Insurance Company
Home Office Building

The Company
Of the People
By the People
For the People

The Daily Average of the Company's Business during 1916 was:

701 per day in Number of Claims Paid.

8,304 per day in Number of Policies Issued and Revived.

$1,969,823 per day in New Insurance Issued, Revived and Increased.

$376,827.40 per day in Payments to Policyholders and Addition to Reserve.

$220,509.26 per day in Increase of Assets.

JOHN R. HEGEMAN, President

Representing

The Mutual Life Insurance Company
of New York

You will make money.

The great strength, big dividends and incomparable benefits of the *"oldest company in America"* mean certain success for you.

For Terms to Producing Agents, Address

GEORGE T. DEXTER, 2d Vice-President
34 NASSAU STREET. NEW YORK, N.Y.

THE EASTERN UNDERWRITER

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Entered as second-class matter January 4, 1907, at the Post Office at New York, N. Y.; under the act of Congress of March 3, 1879.

EQUITABLE MUTUALIZATION

The plan to retire the stock of the Equitable Life Assurance Society and to remove the control for all time from stockholders to policyholders brings to a successful conclusion the efforts of President Wm. A. Day and his associates on the Mutualization Committee of the Society's Board of Directors, who have been endeavoring for several years to find a solution for this difficult problem.

The charter requires the company to be operated on the mutual plan and it has been so managed. Those who have controlled the stock since the Armstrong Investigation are said to have avoided the slightest act that would indicate any interference in the management of the Society or its finances. They permitted the directors, the majority of whom were policyholders, to manage the company without dictation of any kind.

There are those who will ask, "Why not let well enough alone? What is the use of the Society buying the stock when it is already satisfactorily conducted as a mutual company?"

The answer should be plain to everyone. The Equitable is a permanent and perpetual organization. Like other great life insurance institutions, it may last as long as the Government itself. How do we know that the present satisfactory conduct of the controlling stockholders will continue throughout the future? That the assets will not be improperly handled or the business misconducted by some future owner of the control can only be guaranteed by eliminating the stock ownership entirely.

The recent happenings in the Pittsburgh Life & Trust show what may happen even with the checks of modern law and State supervision.

General du Pont evidently likes to do big things in a big way. This was emphasized by his courage and business foresight in the construction of the Equitable Building in New York which is the largest office building in the world. His donation of virtually two million dollars to the purpose of Equitable mutualization appears to be consistent with other donations he has made for public purposes in recent years.

The policyholders are to be congratulated upon the conclusion of these important negotiations which have been so successfully carried on by their officers and directors. They will doubtless be able, within a few months, to place the ownership of the Society in the policyholders' hands for all time.

The plan is especially gratifying as it provides a fair and, in fact, substantial price for the minority stock. Instead of being called upon to make a heavy sacrifice of their investment, as General du Pont has made, the minority stockholders will receive $1,500 per share which is believed to be far above the average cost of the 436 shares outstanding.

While they do not receive as much as he did, for his majority stock, they are gaining, while he is losing in the transaction so far as profits are concerned.

As regards the value of minority stock generally, while such shares may be cast in an election of directors, it is, of course, the majority which control. It was the struggle to secure a majority of shares which, a few years ago, forced Northern Pacific stock to $1,000 per share. When the majority was secured the market value of the stock fell like a plummet to about 150.

The payments to General du Pont are distributed over a period of twenty years, and are to be paid out of the interest income from the mortgage on the Equitable Building which is chiefly owned by General du Pont. Thus in effect the stock will be paid for by reduction in the interest rate on this particular investment during the twenty years; a rate which will still be higher than the rate earned on the old building. By this plan any material reduction in the surplus is avoided, and, in fact, the cost is so distributed that it will not be felt by the policyholders.

NEW YORK RATES

There is every indication that fire insurance rates in New York City are to be investigated, as there are several movements to attain that end on foot. The fire insurance interests should and undoubtedly will meet the issue half way, and co-operate heartily in the quest for facts. They have nothing to conceal; and much they want the public to know, not the least important of this information being the manner in which the city's fire commissioner is juggling the fire record figures. So successful has Mr. Adamson been as a statistician and claimer of credit that he has made such an unusually well-informed paper as the New York "Sun" actually believe he has made the companies lower rates here.

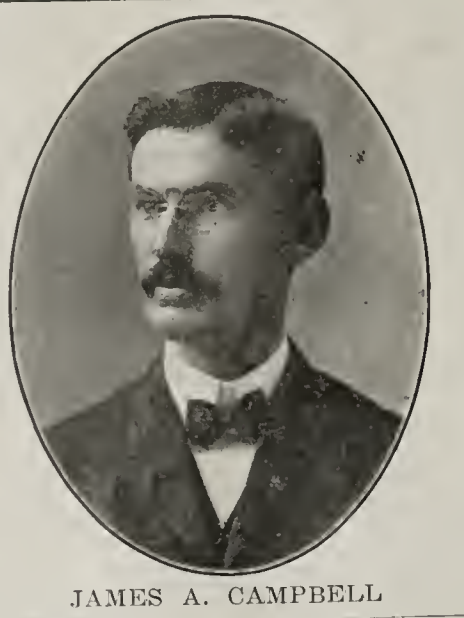
SECRECY

A lot of good common sense is incorporated in an editorial published by "The Spectator," in which a plea is made that insurance companies and insurance organizations take the decent, enterprising, conscientious insurance journals into their confidence more generally than they have and break away from the old policy of secrecy and suspicion. As "The Spectator" points out more dependence should be placed upon the discretion of the insurance newspapers which have as their aim service to the business of insurance. Naturally, unless the insurance newspaper men are in the confidence of those who are doing the big things in insurance, they are handicapped in discussion of insurance problems. By this time underwriters and other executives should understand the harm that secrecy has done the business. If experience has taught anything at all it is that insurance is an open book and the less mystery there is about it the better. As a general proposition life insurance men are less secretive than fire insurance men and more willing that their affairs shall be analyzed and presented with the perspective secured through extending open confidence and good faith. However, there has been growing recently, a tendency among some life organizations in the direction of secret sessions, and along this line "The Spectator" says:

So far as insurance conventions are concerned, they are breeders of suspicion, deterrents in the progress of business, and are not in accord with the American idea. Secret or executive sessions are indicative of retroaction, and really endanger the existence of the insurance organization.

Such private sessions were formerly in much greater vogue among political organizations, city, county, State and Federal, but with the progress of the times, star chamber meetings are decidedly out of fashion. While the executive session is still known in the Senate of the United States, the greatest deliberative body in the world, it is an open secret that members of that august organization freely and knowingly acquaint the newspaper men with what goes on at such private meetings, and the public therefore is pretty well informed on the proceedings in senatorial executive sessions. Progressive Senators intend eventually to kill star chamber proceedings, which invite the suspicion of the public, and are primarily designed to cater to the ideas of men of narrow views and secretive tendencies, who are too timid to transact their organization business always above board and in accord with American methods of open-mindedness and freedom of discussion and criticism.

THE HUMAN SIDE OF INSURANCE



JAMES A. CAMPBELL

James A. Campbell, agency director, central branch, New York Life, at Chicago, celebrated his 25th anniversary with that Company by paying for his allotment of $8,000,000 for the first six months of 1917 on Friday, the 13th of July. Jim Campbell, as he is affectionately known by his associates, entered the services of the New York Life as a clerk in the St. Paul branch office in July, 1892. At that time Second Vice-President Walker Buckner was cashier. In January, 1896, Mr. Campbell was promoted to cashier; in November, 1901, he was advanced to the position of agency instructor; and in January, 1904, he became agency director of a small Chicago branch office. The current bulletin of the New York Life says of him: "By sterling methods and executive ability he has built the greatest organization in the Company's list." They have paid in a little over six months for a top allotment of $8,000,000 against a total of about the same amount in all of last year.

Mr. Campbell has advanced from position to position without ostentation, without outside influence, solely on merit. He has those qualities of mind and heart that tie men to him and make them glad to work at his behest. His door stands open, he requires no card to enter, yet his methods are so direct and simplified that he wastes no time in trivialities. His days and nights are devoted to the welfare of the members of his organization.

They had a little meeting for him the other day that is of historic interest. With the 160 branch agents and employes were Second Vice-President Walker Buckner, William H. Wood, Inspector of Agencies, Memphis, Tenn., and Agents' Counselor John J. Parker, of Cleveland, O., all three of whom were in the St. Paul office on July 13, 1892, when young Campbell presented himself for employment. He was hired by Mr. Buckner, cashier, and the young man immediately made good.

* * *

Robert Adamson, Fire Commissioner of New York, will be the fusion candidate for President of the Board of Aldermen. In approving of his selection the New York "Sun" says that he has improved the fire hazard to such an extent that the fire companies "have been compelled to take cognizance of a new state of affairs," in consequence of which "they have been obliged to revise their schedules of premiums." A little bit premature! Continuing the "Sun" says: "Mr. Adamson in a period of sky-rocketing prices has contributed an actual decrease in the cost of a necessary of life to his fellow citizens, and this fact will not be forgotten on election day." Just as true as a statement that there is no European war.

* * *

William S. Crawford, one of the men in insurance journalism who is well-equipped technically for his work, who understands that the way to get insurance news is to see people, who has a record for integrity, and who is an interesting and authoritative writer, has resigned from the "National Underwriter" to become associated with T. R. Weddell in the "Insurance Post" of Chicago. Messrs. Weddell and Crawford will make a good team. They are also to be associate editors of the "Insurance Field" in Chicago.

* * *

W. P. Gundry, auditor and cashier of the Industrial Accident Commission of Maryland, has succeeded J. A. Bradley as superintendent of the State Accident Fund. Mr. Bradley continues with the commission as inspector for the Eastern Shore district. Y. O. Wilson, formerly chief clerk in the auditing department, has succeeded Mr. Gundry as auditor and cashier.

* * *

A. K. Simpson, manager of the Eastern department of the Firemen's Fund of San Francisco, who has been at the home office of the company, has started on his return trip, and will come by way of the Pacific Northwest.

* * *

William S. Warren, Western manager of the Liverpool & London & Globe, is spending the summer at White Plains, N. Y., where his daughter, who married recently, now resides.

FIRE INSURANCE DEPARTMENT

Sprinkler Losses In New York City

CARELESS SMOKING PREDOMINANT CAUSE

212 Fires in Sprinkler Equipped Plants During 1916 in Fire Patrol Territory

The New York Board of Fire Underwriters has just issued a condensed report of losses equipped with automatic sprinklers in the New York fire patrol territory, which were attended by the fire patrol during the year ending December 31, 1916.

The report shows that the total number of losses in sprinklered risks was 212 involving a loss to buildings of $44,769.15 and contents $520,762.02.

This report emphasizes the carelessness found in factories in regard to smoking. The report shows that 65 of the 212 fires were the direct result of careless smoking. This is particularly important at the present time when the country's entire energy is being expanded in an effort looking to the conservation of manufactured products.

The report also shows that 14 of the fires in sprinklered risks were caused by carelessness in the handling and use of the electric heating and pressing iron. The report further shows there were 83 fires among garment workers and button manufacturing establishments. Of these 83 fires 40 were the result of careless smoking, 13 from the careless use of electric iron and 30 from miscellaneous causes.

The amount of loss on buildings resulting from these 83 fires was $15,808.45; on contents, $297,439.90.

New York Losses

In line with the above it is interesting to know that the loss record for New York City in recent months is considerably higher than it has been for some time. This is especially interesting in view of the agitation that is now being made in regard to lowering of fire insurance rates in New York City.

Losses handled by the Loss Committee of the New York Board of Fire Underwriters for the first half of 1917 were $4,694,000 as compared with $2,743,000 for the first half of 1916.

The losses above mentioned are those handled only by the Loss Committee of the Board and constitute, perhaps, only about two-thirds of the fire losses of the City.

Middle Department to Adopt Uniform Clauses

IN LINE WITH OTHER ASSOCIATIONS' ACTION

Will Form Conference Committee Consisting of Secretaries and Managers of Rating Organizations

Atlantic City, N. J., July 19, 1917.

A request was made to consider the matter of uniform rules and clauses as submitted by committee of company officials, at the July meeting of the Underwriters' Association of the Middle Department, but, the necessary two-thirds vote was not secured, and the proposition was submitted under the head of new business. The rules will be printed and submitted to the members, with a report from the rules committee of the association before the October meeting, when they will come up for adoption.

The necessity for uniform rules and clauses is quite apparent even to a layman, and as several associations have already adopted the same uniform rules and clauses as discussed at the Middle Department meeting at Atlantic City, there is no doubt that they will receive favorable consideration, not only in the Middle Department territory, but by other rating associations in Pennsylvania and Maryland.

The adoption of the rules in question will greatly facilitate the work in the company offices and give a property owner the same form where he has insurance to place in several rating jurisdictions.

To Establish Conference Committee

A conference committee will be established consisting of the secretaries and managers of the fifteen rating organizations having jurisdiction in New England, New York and the Middle States, to take care of any necessary changes in the rules that may develop from time to time.

HOLD MID-YEAR MEETING

Board of Fire Underwriters of Suffolk County Have Officials as Guests

As The Eastern Underwriter goes to press there is being held at "Tidewater Inn," on Great South Bay, foot of Foster Avenue, Sayville, L. I., the mid-year meeting and dinner of the Board of Fire Underwriters of Suffolk County.

Among those present as guests of the Board are: Hon. Jesse S. Phillips, Superintendent of Insurance of New York State; Henry E. Hess, manager of the Suburban Fire Insurance Exchange; C. A. Ludlum, vice-president Home Insurance Company; George A. Clark, assistant secretary Home Insurance Company; Thomas J. Lasher, metropolitan department Hartford Insurance Company; A. B. Roome, superintendent of agencies Westchester Fire; Roswell Davis, general agent Sun of London; E. Stanley Jarvis, secretary Hanover; A. C. Martin, president of the Suburban Exchange and special agent of the Northern; and J. W. Horn, agency department Liverpool & London & Globe.

The following special agents have accepted invitations to attend the dinner: C. C. Wayland, Atlas; R. C. Alton, National; Paul J. Clarke, American, Newark; Clark R. Hall, Springfield Fire & Marine; A. M. Harned, National Union; Fred A. Heath, Prussian National; Pomeroy Lee, Hartford; Max Liebler, Continental; Benjamin L. Linkfield, North British & Mercantile; Fred R. Paine, New Jersey Fire; Louis H. Peck, Providence-Washington; W. Payne Phillips, German-American; M. S. Reeves, Pennsylvania; E. C. Ryan, Hanover; J. B. Simonson, Home; Frank J. Steier, Insurance Company of North America; Richard Suits, Phoenix; George J. Weiss, Northern; H. A. Richards, Norwich Union; Russell Young, Hartford; George Berry, Pittsburgh Underwriters; and William McGuire, Glens Falls.

FULTON AT HARTFORD

George R. Fulton, special agent of the Automobile Insurance Company of Hartford in Western Pennsylvania and West Virginia is visiting the home office this week. Mr. Fulton is accompanied by his wife.

FIRE AND MARINE INSURANCE—ALL LINES

The Automobile Insurance Company of Hartford, Conn.

MORGAN G. BULKELEY, President

Statement January 1, 1917

Cash Capital	$1,000,000.00
Assets	2,748,832.19
Liabilities (Except Capital)	1,039,977.81
Surplus to Policyholders	1,708,854.38

AFFILIATED WITH

AETNA LIFE INSURANCE COMPANY

THE AETNA CASUALTY & SURETY CO.

NIAGARA FIRE INSURANCE COMPANY

ESTABLISHED 1850

OTHO E. LANE, President

BERNARD M. CULVER
WILLIAM L. STEELE
Vice Presidents

CHAS. A. LUNG
WILBUR C. SMITH
Secretaries

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TORNADO
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RENTS
SPRINKLER LEAKAGE
EXPLOSION
FULL WAR COVER
LEASEHOLD

Use and Occupancy, Profits, Commissions — All Forms

123 William Street, NEW YORK

NORTH BRANCH FIRE INS. CO.
Sunbury, Pa.
Inc. 1911

Assets	$641,341.77
Reserve	230,513.29
Capital	300,000.00
Surplus	63,479.83

CITY INSURANCE COMPANY
Pittsburgh, Pa.
Inc. 1870

Assets	$357,318.58
Reserve	54,256.92
Capital	200,000.00
Surplus	96,379.07

OPERATING ON A CONSERVATIVE BASIS IN A LIMITED TERRITORY UNDER AN EXPERIENCED MANAGEMENT

WISCONSIN RATES REDUCED

Commissioner Cleary Exercises Power Provided By Insurance Rate Regulation Law

Madison, July 21, 1917.—The new fire insurance rate regulation law, one of the administration measures, the original bill having been drafted in the insurance department, became wholly effective on July 9. Under the provisions of this act the Commissioner of Insurance is given authority to regulate fire insurance rates and practices in this State.

An order was issued last week providing that mercantile buildings of frame, iron clad, and brick veneer construction shall on and after August 1st, 1917, be given the same term privilege as accorded buildings of like occupancy of brick or other construction.

The term rules now in effect on brick building permit a saving of one-half a year's premium on a three year policy, and a full year's premium on a five year policy. The Commissioner is of the opinion that the additional hazard of buildings of an inferior grade of construction is amply taken care of in the rate given, and that policyholders in this class of risks should have the same opportunity to save by extending policies for a longer term as owners of better constructed risks.

Since the rate regulation law became effective companies have filed with the department a reduction from brick basis rates of 50 cents to 35 cents, frame, iron clad, or brick veneer of 90 cents to 80 cents, and fireproof of 37½ to 30 cents.

UNAUTHORIZED AGENTS

Insurance Commissioner Arrington of Tennessee Sends Letter to Companies on Subject

State Insurance Commissioner, L. K. Arrington, of Tennessee, is this week sending out a letter of warning to all of the companies doing business in Tennessee, that in future companies must not accept business either directly or indirectly from unauthorized agents or solicitors. The letter in part follows:

A company or its agency supervisor in this State should, upon the appointment of an agent or solicitor, immediately mail to this Department request for his certificate of authority, and hold all applications from such agent or solicitor in suspense until certificate is received, and if for any reason certificate of authority is not issued companies cannot legally issue policies upon such applications.

Most of the companies are complying with the law, but there are a few who are not, and all companies are hereby notified that in future where we find that a company has accepted business from an unlicensed representative either directly or indirectly, the case with all information will be turned over to the proper prosecuting authorities of this State for such action as the facts warrant.

DETWEILER'S NEW QUARTERS

Walter S. Detweiler & Co. of Philadelphia, have removed to their new and commodious quarters at No. 307 Walnut Street, in that city. This company has now one of the best equipped insurance offices in Philadelphia, all of the old furniture having been discarded for new and modern furnishings. Detweiler & Co. represent the following strong fire insurance companies: American Eagle, Germania, Nord-Deutsche, Urbaine of Paris and the National of Paris. For automobile fire insurance they represent the Home of New York, the Commonwealth and the American Eagle. In the casualty department the agency represents as general agent the Fidelity and Deposit Company of Baltimore, which writes practically all forms of casualty insurance.

B. M. CROSTHWAITE & CO.
Fire and Automobile Insurance Specialists
Lines Bound Anywhere in New York State
105 William Street, New York City, N. Y. Telephones 2404-5-6-1758-1090 John

PHILADELPHIA
ADEQUATE FACILITIES
ALL LINES
CLARENCE A. KROUSE & CO.
LOCAL AND GENERAL AGENTS
325 WALNUT STREET PHILADELPHIA, PA.
PENNSYLVANIA NEW JERSEY
SATISFACTION SERVICE
ALL LINES

LOGUE BROS. & CO., Inc.
Fire—Casualty—Automobile Insurance
Nation-Wide Facilities for Handling SURPLUS LINES
307 FOURTH AVENUE PITTSBURGH, PA.

SCHREINER IN NEW YORK AGAIN

Re-insurance Man Permitted By United States Marshal to Live at Waldorf-Astoria

Carl Schreiner, United States manager of the Munich Re-Insurance Company, and president of the First Re-Insurance Company, Hartford, returned to New York on Friday of last week from Lake George, New York. The alien ban on Mr. Schreiner had been removed by United States Marshal McCarthy, and he was permitted to resume his residence at the Waldorf-Astoria. The United States Marshal acted after a petition had been received by him signed by presidents of at least three insurance companies and by the heads of Ladenburg, Thalman & Company, and J. & W. Seligman & Co., two prominent banking houses.

Mr. Schreiner said that he did not care to say anything for publication with refcrence to the Munich treatise. There has been considerable sympathy expressed for Mr. Schreiner in some quarters because of the persistent attacks made upon him by the New York "Tribune." Mr. Schreiner is regarded as the father of the re-insurance system and he has seen a tremendous business that he has built up in Great Britain go to smash. He is regarded as one of the world's greatest underwriters, and underwriters say that personally and through his company he has played fair in his dealings with other insurance companies.

The Union Fire of Paris, one of the strongest of French companies, has been admitted to New Hampshirc, and an agency force in that State will be organized by Thomas H. Flaherty, a well-known field man operating in Northern New England. The Union has American assets of $1,142,463, substantial reserves and a policyholders' surplus of over $600,000. The United States Trustees are the Firemen's Loan & Trust Company of New York, and the American interests of the company are being handled by Starkweather & Sheply, Incorporated, of Providence, R. I.

SCHAEFER & SHEVLIN
103-5 William Street GENERAL AGENTS New York, N. Y.
DUBUQUE FIRE AND MARINE INSURANCE CO.
FIRST NATIONAL FIRE INSURANCE CO.
FIRE AND FULL COVERAGE AUTOMOBILE INSURANCE
Excellent Facilities for Handling Suburban Business Phone: John 2312

Rossia Insurance Company
HARTFORD, CONN.
REINSURANCE

Lieutenant Krouse Home on Furlough

MEMBER OF AMBULANCE CORPS IN FRANCE

Comes to States to Recuperate From Illness Caused by Poisoned Water

There was perhaps no happier man in Philadelphia than Clarence A. Krouse, a popular local agent of that city, when on Thursday the 19th, there stalked into his office at 325 Walnut Street, his son, Lieut. Cleon E. Krouse, of Haddonfield, N. J., member of the American Ambulance Corps serving in France who had arrived home for a two months' furlough granted to permit his recuperation from serious illness caused by drinking poisoned water while at the front.

Glad to be Home

In an interview in the "Evening Bulletin," Lieut. Krouse said: "It seems like a dream being back in the U. S. A. again. One thing that surprised me when I stepped ashore at a port in the United States was the absence of flags. You ought to see Paris. Why the city is crammed with them.

"The Fourth of July in Paris in the year 1917—nobody ever has seen, and nobody ever again will see a sight so touching and so magnificent. Crowds! You couldn't move in the streets. Pershing's men came striding down the boulevard, with the Old Flag streaming in the wind, and I tell you the men and women, even the kids, had tears pouring from their eyes.

"Why, you don't know how France feels about our coming in. The women threw armfuls of flowers at our fellows, they even covered the streets with flowers for the men to march over. I wouldn't exchange my whole experience over there for a fortune, and I wouldn't have missed the Fourth in Paris for anything on this earth.

"And the day the United States broke off diplomatic relations," he went on. A glint came into his blue eyes. "We were at Neuilly when the news came. Glad? We went absolutely wild with joy. But you don't understand; you can't understand, unless you've been over there and seen the war."

He has seen war, and plenty of it. One day as he motored carefully on his ambulance road around Verdun, he came upon Jeanne and Lillie. They were two pitiful, tiny French girls, starving with their mother in the ruins of their home. The father, a French soldier, had been killed in one of the Verdun attacks. Lieutenant Krouse adopted them.

"I can't pronounce their last name," he said with a boyish smile lighting the seriousness of his mouth. "But they're wonderful children, all right. Dress in boys' clothing all the time now—easier to get around, you know.

"How did I happen to adopt them? It just happened. We fellows generally run out to some of the ruined villages on our time off, and if we have a little extra money or candy or food or anything we naturally give it to the kids."

COMPULSORY FIRE PREVENTION

Frank H. Hardison, Insurance Commissioner of Massachusetts, in his annual report just issued, warns against the "habit of the average mind in this country to think that fires are inevitable." Commissioner Hardison urges compulsory measures for fire prevention "as far as public opinion will permit," and the education of the rising generation to an appreciation of the tremendous annual loss from preventable fires.

Authorized Capital $500,000
Detroit National Fire Insurance Co.
DETROIT, MICHIGAN
A Company to be built gradually and along the indicated lines of permanence
AGENCY CONNECTIONS SOLICITED

After Scalp of Seaside Reporter

UNDERWRITERS' ASSOCIATION OF MIDDLE DEPARTMENT PEEVED

Newspaper Correspondent Writes Real Interesting Story of Specials' Meeting—Plenty of Color

After reading a story in the Philadelphia "Ledger" about the recent Atlantic City meeting of the Underwriters' Association of the Middle Department the chances are that some rifles will be borrowed from the War Department upon the occasion of the next meeting and anybody who looks like a reporter will be shot on the spot. The meeting was held in the Traymore, and was anything but dull. It seems the association discussed uniform rules and clauses and other matters of which the reporter heard an inkling, or maybe he smuggled himself in as a hat boy, but this is what he wrote:

Some Excitement!

"Amazing statements as to 'utter lack of uniformity' in making fire insurance tariffs; the admitted 'unfairness' of many existing methods and the 'urgent necessity' of adopting reforms in justice to the public, were made when representatives of the 'little companies' clashed openly with 'big companies'' agents in the quarterly convention of the Underwriters' Association of the Middle Department, at Hotel Traymore.

"Spokesmen of the 'little companies' emphatically refused to have 'crammed down their throats' a new set of rules and regulations, designed, so speakers for the 'big companies' and the administration forces in the association maintained, to make the tariff-fixing system in Pennsylvania and other parts of the Middle Department conform to more approved practices effective elsewhere.

"Speakers for the 'big companies' replied with equal firmness that there was no intention to cram anything down anybody's throat, but that the Middle Department had reached a stage where it must wake up. The opposition maintained that officials of many smaller companies had not been afforded any opportunity to examine the proposed new rules and regulations.

"The upshot was that the 'big companies' failed to marshal the required three-fourths vote to adopt the new rules, which took the administration heads by surprise, inasmuch as a 'general alarm' was sent out last night for all supporters of the new rules, according to the opposition. The meeting was one of the largest in point of attendance the Middle Department has held for a long time.

"Afterward, F. W. Jenness, manager of the Rochester-German Underwriters, poured oil on troubled waters in a plea for harmony. 'This association cannot afford to stand in the way of a movement now general to make tariff adjusting uniform throughout,' he said. 'There are fifteen rate-making organizations and no two have rules which bear any considerable resemblance. It is unthinkable that different rates are necessary in different cities or different States.'

"Other speakers said the Middle Department was asked to meet a specific situation, and cited the fact that ratings in seven jurisdictions upon the same kind of buildings owned by a corporation which does business nationally, vary from 75 cents to $2.50.

New Light on "Special Hazards"

"One objection of the 'little companies' was that the new rules would allow writing for special hazards, which has been discountenanced by the Middle Department Association.

"Finally the rules committee was directed to submit the proposed new rules to the next meeting. In the meantime every company is to receive a copy for study."

RULES ON BINDER CHARGE

West Virginia Department Holds Marking Off With No Collection of Premium is Violation of Law

A replica of the binder situation in New York State is seen in the following ruling of the West Virginia Insurance Commissioner, made public this week:

"Your favor, in which you ask whether it is a violation of the insurance laws of West Virginia to 'mark off binders under fire insurance contracts, with no collection of premium thereunder' has been received. In my opinion, this is clearly a violation of the anti-discrimination law of this State, which reads in part:

" 'No insurance company, association or society, by itself or any other party, and no insurance agent, solicitor or broker, personally or by any other party, shall offer, promise, allow, or give, set off or pay directly or indirectly, any rebate of, or part of, the premiums payable on the policy.'

"Any arrangement whereby the policyholder is protected by insurance, but does not pay the full amount of the premium as set forth in the contract of insurance, is a rebate within the meaning of the law."

MOTHER MANAGES BUSINESS

Local Agent Henry B. Howell, Lancaster, Pa., Now Lieutenant in Navy

Henry B. Howell, Lieut. U. S. N. R. F., is a local agent in Lancaster, Pa. During his absence in the service his mother is managing the agency. To his companies he has mailed this card, with an American flag in each corner:

U. S. S. De Kalb.

I'm In the Navy Now.

As I am an officer in the United States Navy—Reserve Force—I will be at sea until hostilities cease.

I am attached to the U. S. S. De Kalb (formerly the German raider "Prinz Eitel Friederich"). Our Red Rose City is represented by several of her sons on this ship and believe me, we will do our best to be a credit to the old town.

During my absence our business will be under the capable management of my mother, Anna B. Howell.

It will be a great favor if you will give prompt attention to the enclosed matter, as the office will be somewhat handicapped while I am at sea.

For a Victorious U. S. A. I am,

SAYS RATES MUST GO UP

Insurance rates are certain to increase, according to Leo. H. Hennes, a Detroit fire insurance man, who discussed that subject at the meeting of the Michigan local agents at Muskegon. Mr. Hennes points out that there has been an increase of 40 per cent. in the cost of materials, compared to a less than 5 per cent. increase in the rates. "The high cost of living, as well as many other things have figured," said Mr. Hennes. "The proposed war burdens will add considerable to the cost of insurance. I believe the duty of the agent is twofold, to protect both the company and the client."

Capacity For Local Agents

You can use our capacity as your own to take care of additional business beyond the capacity of admitted Companies.

Our capacity is as high as $150,000 on a single risk with immediate binders and 10% commission to brokers. Guaranteed Underwriters. Use our special Surplus Line Department. Special liberal policies for Baggage Insurance.

MARSH & McLENNAN

Insurance Exchange, Chicago

19 Cedar St. NEW YORK | 1615 California St. DENVER | 314 Superior St. DULUTH | 300 Nicollet Ave. MINNEAPOLIS

Ford Bldg. DETROIT | 17 St. John St. MONTREAL | 23 Leadenhall St. LONDON

THESE OFFICES GIVE YOU THE BEST THERE IS IN INSURANCE SERVICE

FULL COVERAGE PERMITTED

West Virginia Law Amended to Enable Fire Companies to Write All Forms of Automobile Insurance

The following law has been passed by both houses of the West Virginia Legislature permitting fire companies to write all forms of automobile insurance except personal injury:

"Any fire insurance company now or hereafter authorized to do business in this State may, in addition to insurances now authorized, include insurances on automobiles and other motor vehicles, whether stationary or being operated under their own motor power, against any and all hazards of fire, explosion, transportation, collision, loss by legal liability for damage to property resulting from the maintenance and use of automobiles, and loss by burglary or theft or both, but shall not include loss by reason of bodily injury to the person, upon filing with the Insurance Department official notification of their purpose to do so."

SECURES CHICAGO SCHOOL RISKS

Harry E. Goeble, who is connected with the Tramel Agency for the Aetna companies, was awarded the contract for $244,775 of fire insurance on the parental school buildings by the Chicago Board of Education. The Chicago Board of Underwriters makes no rates on public properties, and this was let at competitive bids. Mr. Goeble's bid was 77 cents, with a premium of $1,884. Before Jacob M. Loeb, formerly president of the board, protested against the awarding of the insurance without asking for bids, it had been proposed to give the insurance to W. L. Bennett, Chicago manager of the Hartford, who has had the line for several years, at a premium of $3,182.

NO TROUBLE ABOUT FUNDS

The New Jersey Firemen's Relief Association is not worrying about the high cost of living. At the meeting of the Executive Committee in Atlantic City reports were made showing assets of $1,845,000. The funds of the Association represent income from fire insurance companies and from theater revenues as specified by law.

NOT A STATE MATTER

Deputy Attorney General Hargest has informed Insurance Commissioner O'Neil that he had no authority to compel a department of the Underwriters' Association of the Middle Department to furnish its service to any person or any agent of the insurance companies. It is a matter not covered by any act of the assembly.

O. W. FOLLETT WITH NAT'L UNION

O. W. Follett has resigned as special agent for the Home of New York in Iowa to become State agent of the National Union.

"STRONG AS THE STRONGEST"

The Northern Assurance Co.

(LTD., OF LONDON)

Organized 1836
Entered United States 1876

Losses Paid - - - $105,000,000
Losses Paid in U. S. - $38,000,000

Eastern and Southern Departments

55 JOHN STREET
NEW YORK CITY

GERMANIA FIRE INSURANCE COMPANY
NEW YORK.

ORGANIZED 1859

STATEMENT, JANUARY 1, 1917

Cash Capital	$1,000,000.00
Assets	8,553,704.22
Liabilities	4,222,485.60
Net Surplus	3,331,218.62
Surplus for Policy Holders	4,331,218.62

HEAD OFFICE
Cor. William and Cedar Streets

F. H. HAWLEY, Pres. ORGANIZED 1848 W. E. HAINES, Secy.



Ohio Farmers Insurance Co.
LE ROY, OHIO.

Ohio's Oldest and Strongest Company

Net Surplus Over $1,293,741.00

AN AGENTS COMPANY

E. K. SCHULTZ & CO.
PHILADELPHIA
GENERAL AGENT
Pennsylvania, New Jersey and New York

Killing Two Birds With One Stone

CONSERVATION AND RED CROSS BOTH HELPED IN JERSEY

Agents Pay 30 Cents a Hundred for 40,000 Fire Waste Reduction Leaflets

Thousands of copies have been sold of the New Jersey Schedule Rating Office's wastefulness "Dodger," based on President Wilson's proclamation that it is the public's duty to do everything possible for the elimination of carelessness and extravagance. This dodger, the gist of which has already been printed in The Eastern Underwriter, makes a plea for a reduction of the size of the nation's ash-heap, and puts at the service of the public the Rating Office's advice and employes.

How Agents Help

In order to get this dodger before the public the Schedule Rating Office sells it for thirty cents a hundred, agents being the purchasers. Thus, agents are given an opportunity not only to contribute to conservation, but also to the Red Cross Fund, as all the money received from the sale of the dodgers goes into the Red Cross Collection Bureau in the Schedule Rating Office.

The rating office has also sent the dodgers to the State Board of Education, various State institutions, and has felt that of the 3,000 schools in New Jersey many children have already read them. Up to the present time 40,000 of the dodgers have been sold.

In sending the leaflets to State institutions and large trolley and public service properties the rating office suggests that there is no necessity to use the name of the Schedule Rating Office, or of Atlee Brown, and, if desired, the man or corporation receiving the circulars can put his own name or that of the corporation on them for sponsors. The big idea is to have the leaflet read and circulated, and that's what has been accomplished.

NEW ENGLAND RULES

The New England Insurance Exchange has adopted the following recommendations prepared by the Executive Committee:

"Policies written for any less than one year shall be at the short rate of the published annual rate for the time as shown in the short rate table for annual insurance.

"Policies covering classes eligible to be written for a term of more than one year at less than pro rata rates may be written for one full annual premium plus pro rata of 75 per cent. of the annual premium for periods in excess of the first year.

"Endorsements increasing policy amounts are subject to the same rule as new policies as to the application of the foregoing rule, except that policies covering buildings insured specifically and/or household furniture in use may be increased for the whole remaining period of such policies at pro rata rates."

COMPANY LOSSES IN WEST

A tabulation has been made of the companies writing more than $1,000,000 of premiums in Western Union territory as to their comparative loss ratios for 1916. The Milwaukee Mechanics makes the best showing with 44 per cent., followed by the Hanover and the Northwestern National with 45; the Ohio Farmers with 46; the London & Lancashire with 47, and the Fire Association ,the Phoenix of Hartford, and the North British with 49.

PACIFIC TO WRITE TORNADO

It is reported that the Pacific Fire contemplates the writing of tornado insurance in the near future.

Re-INSURANCE CHANGES

Demand for Re-Insurance Much Greater Than Supply—Contracts Being Changed

Every week sees a number of changes in the re-insurance situation and the demand for coverage is simply tremendous. Cancellation of contracts with German companies has made it necessary to find a haven elsewhere, and a number of offices have openings for re-insurance companies. They are difficult to get, however, because it is necessary to buy up $500,000 in deposits: $200,000 at Albany; $100,000 at Columbus; and $200,000 with the United States Trustees. The managers of the Scandinavian companies in particular, have been making a number of new contracts.

CO-OPERATE FOR SANE FOURTH

Nebraska State Fire Marshal Asks Agents Not to Issue Permits for Sale and Storage

W. S. Ridgell, State Fire Marshal of Nebraska, has issued an order prohibiting the sale of fireworks at retail during 1918. He has sent to every municipality in the State an ordinance to this effect which he has requested them to adopt. He has also sought the co-operation of the fire companies by asking the agents in the State to withdraw outstanding permits for the sale of fireworks under the policy contract and not to issue any in the future.

WHITMAN ON FIRE PREVENTION

Governor Whitman has issued a proclamation calling upon citizens to exercise the greatest care about fires, thereby aiding materially in our war work. His appeal is particularly to those engaged in handling food products and munitions of war and all other supplies useful or necessary to the successful conduct of the war.

The Governor calls attention to the fact that a number of trained inspectors have been furnished by the National Board of Fire Underwriters and other organizations to conduct a fire prevention campaign under the authority of the State Defense Council, through its industrial division. These men will advise and assist in taking precaution to prevent the slightest loss by fire. The co-operation of the people all over the State is requested.

WHISKY AND LEATHER RISKS

Since the introduction in Congress of the proposed prohibition measure, over ten million gallons of whisky have been taken from the Government warehouses and placed in retail establishments, and insurance companies have been asked to place insurance on the stocks. Leather has also taken a big jump in value, and it is said that there is not enough fire insurance capital to cover the entire supply.

ENEMY'S WHEREABOUTS

At least one British censor has a sense of humor. When a soldier wrote home to his people that he had been buried alive for two hours in a demolished dug-out, he added: "I had the satisfaction of sending five of the Germans to hell." The censor drew a line through the sentence, but wrote underneath: "It is not permitted to refer to the whereabouts of the enemy."

COMMISSIONERS' MEETING

The annual meeting of the National Convention of Insurance Commissioners will be held at St. Paul August 28 to 31. As a number of Eastern commissioners desire to go by way of the Lakes, Insurance Commissioner Button of Virginia is organizing a party to leave Buffalo August 21, arriving at Duluth August 25.

INCORPORATED 1720

Royal Exchange Assurance

LONDON, ENGLAND

United States Branch
92 William Street, New York

RICHARD D. HARVEY
United States Manager

Firemen's Insurance Co., Newark, N. J.

January 1, 1917

Cash Capital $1,250,000.00
Net Surplus $2,449,322.25
SURPLUS TO POLICYHOLDERS...$3,699,322.25

DANIEL H. DUNHAM, President
JOHN KAY, Vice-President and Treasurer — A. H. HASSINGER, Secretary
NEAL BASSETT, Vice-President — J. K. MELDRUM, Assistant Secretary

STRENGTH INTEGRITY SERVICE

Scottish Union & National Insurance Company

HENRY J. HOUGE, J. H. VREELAND, Assistant Secretaries
JAMES H. BREWSTER, Mgr. Hartford, Conn.

A Broad Underwriting Service to Agents
Writes Fire, Automobile, Rent, Sprinkler Leakage, Tornado, Use and Occupancy, Explosion, etc.
Works in Harmony with American Agency Principles and Practices

Iowa National Fire Insurance Co.

DES MOINES, IOWA — Capital Stock $500,000

The latest addition to Reliable Fire Insurance organizations began Writing Business on January 1, 1917

JOHN L. BLEAKLY, President

F. L. MINER, Vice-President
C. S. VANCE, Underwriting Manager
FRANK P. FLYNN, Treasurer
C. M. SPENCER, Secretary

FIRE ASSOCIATION Of Philadelphia

401-405 WALNUT ST.

Organized 1817 — Incorporated 1820 — Charter Perpetual

Cash Capital $750,000 — Assets $10,046,848.04

E. C. IRVIN, President — T. H. CONDERMAN, Vice-President
J. B. MORTON, 2nd Vice-Pres. — M. G. GARRIGUES, Sec. and Treas.
R. N. KELLY, Asst. Sec. and Treas.

F A 1817

Caledonian Insurance Co. of Scotland

FOUNDED 1805

"THE OLDEST SCOTTISH INSURANCE OFFICE"

UNITED STATES HEAD OFFICE
Caledonian Building, 50-52 Pine Street, New York

CHAS. H. POST, U. S. Mgr. — R. C. CHRISTOPHER, Asst. U. S. Mgr.

NEW YORK CITY OFFICE
Golden Hill Building, 59 John Street, New York

NORD-DEUTSCHE

INSURANCE COMPANY

UNITED STATES BRANCH

123 William Street
New York

J. H. Lenehan, Manager

How National Board Serves the Nation

THANKED BY DIRECTOR OF COUNCIL OF NATIONAL DEFENSE

Field Forces Organized for Conservation Work—Improvements at Elevators and Munition Plants

A resume of what the National Board of Fire Underwriters has done in the cause of conservation of resources inside the last three months is a matter for considerable pride. That it is appreciated is indicated by a letter from Director W. E. Gifford, of the Council of National Defense, who wrote: "We are much indebted to the National Board of Fire Underwriters for its splendid efforts in behalf of National defense."

In pursuance of the tenders of service made to the Council of National Defense, President Bissell of the National Board of Fire Underwriters addressed the Governors of the grain-growing States and of the cotton-producing States, urging their co-operation with the National Board and its affiliated organizations for the purpose of safeguarding grain elevators and warehouses, cotton gins and compresses, against the danger of fire. Later the scope of the work was extended to include other food repositories, flour mills, coal properties, fertilizer works, saw mills, piers, docks and wharves, and letters were addressed to the chairmen of the various State councils of defense soliciting their co-operation.

Advisory Committees

Advisory committees of insurance officials were then appointed in different sections of the country, ten in all, to co-operate with State officials and committees in the inspection and safeguarding of the above specified classes of properties as well as to bring about a general and widespread movement looking toward the conservation of all kinds of property. Meetings have been held in most States and have been attended by Governors, chairmen of State Councils of Defense, State Fire Marshals and officials of other State committees. At these meetings property owners' associations of various classes have also been represented. In every instance great interest has been aroused and the support of State officials and property owners has been quite generally secured.

The advisory committees having been appointed, we then circularized all members and all the various inspection bureaus and other affiliated organizations, soliciting the services of their inspectors, special agents, engineers, etc., for the purpose of carrying out the National Board's conservation work.

Each local advisory committee was furnished with a list of the various special agents in its territory and was requested to organize the field force therein for conservation work and to carry out any investigations and to secure any information which might be desired by any department of the Government or of the Council of National Defense. In practically all the States thus far organized special authority has been granted to National Board inspectors, usually in the form of a letter or card of identification, carrying the photograph and signature of the bearer and in addition the signatures of the Governor, State fire marshal, and in some cases that of the chairman of the State Council of Defense. In certain States where the law permits the State fire marshal has deputized insurance inspectors as assistant fire marshals. In New York the State Council of Defense has a Bureau of Fire Prevention and has designated two of the board's engineers as directors thereof and has provided an office for the use of this bureau and an appropriation for clerical hire, etc.

Inspections

Inspections of the various classes of properties listed for the purpose of eliminating dangerous features which might result in fire are being made in great numbers, this work taking precedence in all cases over the regular work of the men engaged in it. Inspectors are directed to impress strongly upon owners the importance of cleanliness, good housekeeping, etc. Their reports indicate that owners are quick to follow suggestions for improvements. Inspectors are not permitted to talk of rates, to solicit insurance, or in any way to discuss insurance during their inspections. The chief appeal is made to the patriotism of the owners and with the backing of State authorities the efforts of inspectors are meeting with much success. Where serious faults and defects are found prompt re-inspections are made. Where the owner is slow to realize the necessity for better conditions the facts are reported to the State fire marshal, the State Council of Defense or some other State official.

The National Board of Fire Underwriters has prepared a pamphlet, "Safeguarding Industry," for the use of property owners, also placards containing suggestions for fire prevention, which are intended to be posted in conspicuous places in factories and warehouses. In addition, directions—including necessary blank forms—for a system of "Self-Inspection" have been prepared. All of these will be furnished to manufacturers and merchants desiring them.

Recently in connection with efforts to safeguard food repositories the National Board has come into close contact with the activities of the department managed by Herbert C. Hoover. "We have prepared for him a list of the terminal grain elevators at the principal grain storage centers, such elevators being graded by the engineers according to the factor of danger of fire which exists in each," says Manager Mallalieu. "We have also gotten up a standard manual of 'Rules and Suggestions for the Safeguarding and Maintenance of Grain Elevators,' to be put into the hands of their owners and operators, and are organizing a system of co-operative supervision of such properties with Mr. Hoover's approval.

Munitions

"Aside from our conservation service outlined above the National Board has been able to furnish a very considerable amount of information to several of the sub-committees of the Council of National Defense and to some of the departments of the Government. To the Board of Munitions we have furnished and are still furnishing classified lists of factories capable of manufacturing munitions and many other commodities needed by the Government for war purposes. We have co-operated with the Emergency Construction Board, the Storage Committee of the General Munitions Board, and the Cantonment Committee by furnishing maps and diagrams of standard warehouses, also maps showing in detail the dock facilities at the principal Eastern ports. We have provided for the use of Mr. Hoover's Department maps and diagrams showing the construction, area, capacity and fire protection of the terminal grain elevators at the principal grain storage centers. Many of the maps referred to herein have been obtained through the courtesy of a map company. Two highly qualified engineers have been detailed for permanent service with the Emergency Construction Board and are planning and supervising the construction of water works and designing the systems of fire protection for all of the new cantonments and for other new structures which the Government is erecting. In addition one of our engineers has been detailed to direct in person at each cantonment the lay-out of water mains, the organization of fire brigades and the installation of both temporary and permanent fire protective apparatus," the National Board says.

REVERSE INSURANCE ACTION

New Jersey Errors Court Judge Sets Aside a Middlesex County Court Verdict

With six judges voting to affirm and seven voting to reverse the action of the Middlesex County, N. J., Court, holding the Home Insurance Company liable for the amount of a policy after it had been transferred to Max and Abe Swiller, on Middlesex County property, has been set aside by the Court of Errors and Appeals of that State in a decision just rendered. The case came to the Errors Court from the Supreme Court. The policy upon which claim was made was issued to Max Herman and Wolfe Fischer for a term of one year. Five months afterward the property was conveyed to the Swillers, partners in the business, who also received the policy, and in turn gave it to their broker to have the ownership transferred. Before the policy was presented to the insurance company on the following day for indorsement of the transfer, the property was burned, but the agent was not informed of this fact. In reversing the judgment the Court said that the question to be decided was whether the company was under a contractural liability to the Swillers for the loss after the title rested in them and before the indorsement of ownership. The trial court held that the company had agreed to such liability by its indorsement made after the fire and without its knowledge that it had occurred. This was erroneous, says the Errors Court.

FEDERAL FARM RISK BUREAU

Bill Introduced in Congress Providing for Coverage of Growing Crops Against Hail and Tornado

A bill has been introduced in Congress providing for the organization of a Federal farm risk bureau to insure growing crops against hail, tornado and other hazards of the elements. The bill states that as the Government desires to stimulate protection of agricultural products the bureau is to be created to insure growing crops whenever it shall appear to the Secretary of the Treasury that producers are unable to secure adequate farm risk insurance on reasonable terms. The bill appropriates $10,000,000 as a subsidy, with $100,000 for salaries and other expenses, and provides for an advisory board of three members, skilled in such insurance to assist in drafting forms, preparing rates and supervising adjustments. Similar State hail insurance plans have been tried in various western States, but most of them have resulted disastrously, as losses were not paid in full and the State did not guarantee the indemnity.

"The Leading FIRE INSURANCE Company of America"



WM. B. CLARK, President

Explosion and Sprinkler Leakage Insurance

THE HANOVER
FIRE INSURANCE COMPANY
Incorporated 1852

The real strength of an insurance company is in the conservatism of its management, and the management of THE HANOVER is an absolute assurance of the security of its policy.

R. EMORY WARFIELD, President
FRED. A. HUBBARD, Vice-President
E. S. JARVIS, Secretary
WILLIAM MORRISON, Asst. Sec'y

HOME OFFICE
Hanover Bldg., 34 Pine St.
NEW YORK

HOWIE & CAIN, General Agents
Metropolitan District
100 WILLIAM STREET, NEW YORK

1853 Sixty-Fourth Year 1917
FARMERS' Fire Insurance Company
YORK, PENNSYLVANIA

Assets (Dec. 31, 1916) $1,116,968.00
Net Surplus (Dec. 31, 1916)..... 514,025.00

W. H. MILLER, President
A. S. McCONKEY, Sec. and Treas.

207th Year
SUN
INSURANCE OFFICE OF LONDON
FOUNDED 1710
UNITED STATES BRANCH:
54 Pine Street - New York
WESTERN DEPARTMENT:
76 WEST MONROE ST., CHICAGO.
PACIFIC DEPARTMENT:
N. W. Cor. Sansome & Sacramento Sts.
San Francisco, Cal.

BRITISH AMERICA
ASSURANCE CO.
Incorporated 1833
(FIRE AND INLAND MARINE)
Head Office, Toronto, Canada
United States Branch
January 1, 1917

Assets $1,936,279.77
Surplus in United States ... 823,964.59
Total losses paid in United States from 1874 to 1916, inclusive 24,669,753.43

W. R. BROCK, President
W. B. MEIKLE, Vice-Pres. & Gen. Mgr.

Full Text of the Gately-Haire Decision

The Eastern Underwriter has been requested to print the text of the Court of Appeals decision in the Gately-Haire Case, Albany, which clearly defines the cancelation provision of the standard fire policy. Under this decision the only thing necessary for the insured to do to cancel his policy is to give unequivocal notice to the company of his desire. The decision follows:

Appeal by defendant from a judgment of the Supreme Court, third Appellate Division, modifying and as modified affirming a judgment entered upon an order made at special term, which granted a motion by plaintiff for judgment on the pleadings.

The nature of the action and the facts, so far as material, are stated in the opinion.

Ralph W. Gwinn for appellant.

Franklin M. Danaher for respondent.

The complaint in this action alleged that by a certain policy of insurance, dated May 5, 1915, the defendant in consideration of a premium to it paid by the co-partnership of Fitch & Hahn, said firm against loss or damage by fire on enumerated insured personal property for the period of one year. In July, 1915, the plaintiff having purchased from Fitch & Hahn the insured property, the policy of insurance, with the consent of the defendant, was assigned and transferred to the plaintiff. On January 27, 1916, the property described in the policy was damaged and in part destroyed by fire. Plaintiff thereafter duly served on defendant verified proof of loss with a demand for payment of the amount claimed by reason of the loss. Defendant refused to recognize a liability under the policy. The answer served by defendant admitted the foregoing facts.

A further allegation of the complaint that the policy was in force at the time of the loss was denied in the answer. As an affirmative defense, defendant alleged that under a provision of the policy which was set forth at length in the answer, defendant was required to cancel the contract when requested so to do by the assured; that on January 18, 1916, nine days prior to the loss, the plaintiff made such request by a notice in writing addressed to defendant which was received by defendant the same day, which reads:

"Gately-Haire Co., Inc.,
"108 State Street,
"Albany, N. Y.

"Jan. 18, 1916.

"Messrs. Van Allen & Hamilton,
"8 Tweddle Building,
"Albany, N. Y.:

"Gentlemen: On taking our inventory we find we are carrying more insurance than is necessary. We wish to cancel policy No. 15,997 with the Niagara Falls Co. of the city of New York for $3,000. Cancellation to take effect at once.

"Please give this matter your immediate attention and oblige,

"Yours very truly,
GATELY-HAIRE CO.,
"Per J. L. Gately."

Each party moved for judgment on the pleadings. The application of defendant was denied. Judgment for the relief demanded in the complaint was granted to plaintiff.

Upon appeal therefrom a slight modification was made by the Appellate Division, and as so modified the judgment was affirmed. Defendant appeals to this court.

The question presented by the pleadings is one of law, viz.: Was the policy of insurance in force on January 27, 1916, the day when the loss occurred? The opinion of the justice at special term tersely stated the claims made by counsel for both parties, and evidently determined that the failure of plaintiff to surrender the policy with the notice of cancellation or prior to the loss, continued the contract of insurance in force. I have reached a contrary conclusion.

Section 122 of the Insurance Law (Cons. Laws, chap. 28; formerly section 3, chapter 110, Laws of 1880) was enacted for the protection of an assured and conferred upon the assured the sole right to cancel a policy of fire insurance. It reads as follows:

"Any corporation, person, company or association transacting the business of fire insurance in this State shall cancel any policy of insurance upon the request of the insured or his legal representatives, and shall return to him or to such representative the amount of premium paid, less the customary short rate premium for the expired time of the full term for which the policy has been issued or renewed, notwithstanding anything in the policy to the contrary."

Counsel for respondent argued that the letter of January 18, addressed by plaintiff to defendant, was not a request to cancel the policy within the meaning of the Insurance Law for the reason that the statute requires a request thereunder to be couched in terms positive and unequivocal; that plaintiff merely expressed a "wish" to cancel the policy rather than a "request" that same be canceled, hence plaintiff failed to exercise the privilege secured to it to cancel the policy. The attempted distinction between the expressions "wish" and "request" is unwarranted. A casual reading of the communication discloses the unmistakable intention of the plaintiff. It was carrying more insurance than its inventory warranted. It expressed a desire to have the policy issued by defendant canceled, not at a future day or upon any condition but "at once" and the urgency of the demand made was emphasized by a request that defendant give immediate attention to the same. I conclude that the notice of cancellation fully complied with the requirement of the statute. Counsel contends that even assuming the notice of cancellation was sufficient in form, nevertheless it was ineffective to terminate the contract because the defendant did not give "immediate attention" to a cancellation of the policy as requested or take steps to cancel the policy. That argument proceeds upon the assumption that subsequent to a notice of cancellation received by an insurer from an assured some affirmative act on the part of the insurer is necessary to terminate the contract. The answer to the suggestion is twofold, first, the statute which has been in force for a long period of time does not so provide but on the contrary authorizes an assured to cancel the policy at any time upon making request for cancellation and requires the insurer to cancel upon receipt of such request: second, the construction placed upon the statute by the decisions of this court is to the contrary. (Crown Point Iron Co. vs. Aetna Ins. Co., 127 N. Y. 608, 614; Boutwell vs. Globe & Rutgers Fire Ins. Co., 193 N. Y. 323.) In the Crown Point case, as stated in the opinion, the question presented was, "Was the policy in force when the fire occurred?" The identical question presented here. Judge Vann writing for the court in that case quoted the substance of the statute and then interpreted the same in the following language: "The command of the statute is clear and no discretion or option is left to the company. The sole requirement to set the command in motion is a request by the insured, and after that request is made, the further continuance of the contract would be in contravention of the statute." The opinion also referred to the clause of the policy there under review which contained a provision in the language of the policy here considered that the "insurance may be terminated at any time at the request of the assured," and the opinion then continued: "While the method of terminating the insurance upon the motion of the insured is not specified, except that the insured party is to request it, the language of the contract indicates that the subject is within his control, and that the terminating act is to be done by him alone, without any concurrent or supplemental act on the part of the company." The statute as thus construed was approved in the opinion in the Boutwell case and must be held controlling in the case at bar upon the parties to this action.

I pass to the suggestion that the policy was in force notwithstanding the request of plaintiff that the same be canceled by reason of a failure of plaintiff to surrender the policy and the omission of defendant to tender or pay the unearned premium thereon. The clause in the policy set out in the answer provides for a cancellation by the company as well as by the assured. It reads:

"This policy shall be canceled at any time at the request of the insured, or by the company, by giving five days' notice of such cancellation. If this policy shall be canceled as hereinbefore provided or become void or cease, the premium having been actually paid, the unearned portion shall be returned on surrender of this policy or last renewal, this company retaining the customary short rate, except that when this policy is canceled by this company by giving notice it shall retain only the pro rata premium."

As bearing upon the privilege of the assured to cancel the policy it is essential that the statute and the provision of the policy be read together. The statute peremptorily requires a cancellation upon the request of the assured "notwithstanding anything in the policy to the contrary." The policy is the standard form policy adopted pursuant to legislative authority intended to make effective the requirements of the statute which had been in force since 1880. To adopt the argument of counsel would require this court to read into the statute and the policy unproved by law conditions precedent to a cancellation of the policy by an assured which the legislature in numerous codifications of the statute has omitted to impose. I cannot assent to such proposition.

The policy provides: "This policy shall be canceled at any time at the request of the insured; if this policy shall be canceled as hereinbefore provided (at the request of the insured), the premium having been actually paid, the unearned premiums shall be returned on surrender of the policy or last renewal." Under the statute and language of the policy upon receipt by defendant of the notice of cancellation by plaintiff, the contract was ipso facto terminated and "a further continuance of the contract would be in contravention of the statute." The contract terminated. The premium having been paid thereon the policy prepared by legislative direction (Section 121, Insurance Law) provides how and when the unearned premium shall be paid, viz., "on surrender of the policy or last renewal." It does not provide for a surrender of the policy or refund of unearned premium as condition precedent to effect a cancellation, but recognizes the absolute right of the assured to cancel a policy at any time, and having exercised such right that the assured becomes a creditor of the company for the amount of unearned premium as of the date of cancellation, payable upon surrender of the policy or last renewal.

Certain decisions relied upon by counsel necessitate reference to the clauses of the policy relating to the right of an insurer to cancel the same. The provision is: "This policy shall be canceled at any time by the company by giving five days' notice of such cancellation, if this policy shall be cancelled as hereinbefore provided (by giving notice) the premium having been actually paid, it (the company) shall retain only the pro rata premium."

In Nitsch vs. American Central Ins. Co. (affirmed without opinion, 83 Hun, 614; 152 N. Y. 635) the trial justice held that under a like provision in a policy an insurer could not make the notice of cancellation effective and at the same time retain the whole premium, that the notice of cancellation by the company could only be effective by an actual tender of the unearned premium. That decision was followed in Tisdell vs. New Hampshire Fire Ins. Co. (155 N. Y. 163), and while determining the right of a company to terminate a policy has no application to the right of an assured to cancel the contract.

The case of Buckley vs. Citizens Insurance Co. of Mo. (188 N. Y. 399, 404), cited in the opinion at special term and statements contained in the opinions in the Crown Point and Boutwell cases it is said by counsel are decisive of the right of plaintiff to recover in this action.

An examination of the opinions in the cases cited when interpreted with regard to the subject-matter under consideration by the court demonstrates the fallacy of that argument. In the Buckley case the policy was terminated by the company, not by the assured. Accompanying the notice of cancellation the company requested a return of the policy. Buckley returned the policy and thereafter a loss occurred. The unearned premium not having been paid by the company, Buckley asserted that the policy was in force, brought action thereon and recovered judgment. This court reversed the judgment on the ground that the voluntary and unconditional surrender of the policy was as matter of law a waiver of his right to treat the policy as in force until the company paid or tendered to him the unearned premium, distinguishing the cases of Nitsch v. American Cen. Ins. Co. and Tisdell v. N. H. F. Ins. Co. Notwithstanding the fact that the reversal of the judgment proceeded upon the sole ground of waiver; that the question of the right of the assured to cancel a policy of insurance under the Insurance Law on the policy was not presented upon the appeal before the court, the opinion continued: "It is a question of vital importance to the insurer and the insured as to the precise meaning of the cancellation clause in the standard policy. The situation is not a complicated one and the court desires to so construe the clause that its meaning may be made clear. If the insurance company desires to cancel it must, as we have held in the cases cited, not only give the notice required, but accompany it by the payment or tender of the pro rata amount of the unearned premium; it cannot legally demand of the insured the surrender of the policy and its cancellation until this is done. If, on the other hand, the insured desires to terminate the contract, he must give the notice of cancellation, allow the company to retain the customary short rate of unearned premium and surrender the policy. If the company fail, on demand, to pay the balance of the premium due he can sue and recover the same."

Counsel for plaintiff interprets the decision of the Buckley case as a determination that a surrender of a policy is necessary to effectuate a cancellation of the same. Reference is not made in the opinion to the provisions of the Insurance Law that an insurer shall upon request of the assured cancel a policy, nor to the construction placed upon the same by this court sixteen years before the decision of the Buckley case in the Crown Point Co. case, where it was held that the request of an assured for a cancellation upon receipt of same by the insurer ipso facto terminated the contract. When occasion demands that a decision solemnly made by this court cannot longer be considered as controlling, it is the universal practice not only to indicate that fact in unmistakable language but to point out the reasons why such conclusion has been reached. Had this court intended to adopt a rule of construction adverse to the one so clearly defined in the Crown Point Co. case, precise language to that effect would be found in the opinion. That it was not intended to overrule the earlier construction is evidenced by the fact that in the Boutwell Case (193 N. Y. 323), decided eighteen months after the decision of the Buckley case, this court in a unanimous opinion referred to the decision of the Crown Point Co. case, quoted at length from the opinion therein upon the interpretation of the Insurance Law and reiterated the principle that the receipt by an insurer of an unconditional request for cancellation ipso facto cancels the contract. The opinion in the Buckley case does not change or weaken the construction of the statute as determined in the Crown Point Co. case, reaffirmed in the Boutwell case. The judge writing in the Buckley case in speaking of the unearned premium and surrender of the policy referred to the rights of the parties subsequent to the cancellation of the policy. Thus the opinion states, "he (the assured) must * * * allow the company to retain the customary short rate of unearned premium," that is, the premium

(Continued on page 19.)

CASUALTY AND SURETY POINTERS

Attacks National Plate Glass Bureau

F. & C. DISCREDITS MOTIVES OF ITS PROMOTERS

Company Says it is Attempt of Rate Cutters to Shirk Responsibility of Their Acts

The Fidelity & Casualty in the last issue of its "Bulletin" has this to say of plate glass insurance, which it has headed "The Day of Reckoning":

Those plate glass insurance companies that in the past sacrificed sound underwriting methods to their ambition for a rapidly increased volume are today paying the penalty of their recklessness. And the results that were predicted by conservative underwriters are being fully realized.

The companies that have steadfastly adhered to normal rates, and in consequence lost a large volume of business by the ruthless attacks of the rate-cutters, are now asked to step in and save these people from the result of their injudicious underwriting—if the words may be used to describe their methods.

Pretend Co-Operation

Under the guise of co-operation the promoters of the National Plate Glass Insurance Bureau are making strenuous efforts to reduce the loss which such so-called competitors will undoubtedly suffer this year. It is not from purely altruistic motives, however, that they are advocating the adoption of uniform rates, because, judging from the annual statements of 1916, some of the supposedly conservative companies themselves fell under the spell of cut-rate competition. And the average premium rate of the aggregate business in force is materially reduced by the volume written at inadequate rates.

The far-reaching effect of such competition may be measured in some degree by the lack of solicitation by the agents of the company that refuses to accept business at rates below cost. After a few experiences which show such agents the advantage which accrues to their cut-rate competitors, further solicitation is discontinued. Another reason for the inactivity of the agent of the conservative company is his unwillingness to expose himself to the loss of collateral lines by writing the plate glass risk. The cut-rater, on the other hand, makes use of his inadequate figure to arouse the assured's suspicion that he is paying excessive rates on other lines.

Problem of Conservative Companies

Therefore the problem that confronts the conservative company is whether it is better to enlarge its agents' opportunities of business-getting by agreeing to the rates proposed at this time, and thus stimulate the development of business, or to be satisfied with a moderate growth at rates of its own determination. One advantage to be gained by such an agreement lies in the fact that a property owner will almost invariably buy the best protection that he can obtain at the minimum cost, and his inability to secure plate glass insurance from the financially weaker company at a lower rate than that charged by the company whose position is unassailable will eventually lead to a larger patronage of the latter. This result would indirectly benefit the agent.

Of course there is a natural inclination to compel the former cut-raters to suffer the consequences of their previous actions and a very decided disinclination to help them out of their precarious situation by establishing rates that will allow them to continue in the business. It is believed, however, that the interests of agents of the conservative companies are better served by placing them at once on an equality with all than by waiting for the inevitable day of reckoning on which the business will be placed on the books of the solvent reinsurer. While such reinsurance transactions are merely steps in the process of elimination of the cut-rater and the centralization of business with the conservatives, they also seem to be the height of inconsistency. They really mean that the business is thus acquired in bulk at rates which the reinsuring company refuses to meet when individually submitted to it.

Effect of Cut Rates

The question also arises whether it is better to await the day of retribution and incidental reinsurance or to agree at this time to a system of rates which will result in a gradual accumulation of such business through the stimulation of soliciting effort. The cut-rater loses the business in either event, but in one case the agents of the reinsuring company secure the business and in the other case all agents have an equal opportunity.

We have studied the situation carefully from every angle, and believe that in those States where we have agreed to follow the adopted rates our agents will approve of our action. We feel that by so doing their opportunities for business-getting will be broadened, and that, backed by the prestige of this Company, we can confidently expect them to institute a vigorous campaign for business, bearing in mind that the cut-rater must charge his client a renewal rate which will offer no inducement for further patronage of other than the strongest company.

STEVEDORE RATES

The Workmen's Compensation Service Bureau is giving careful study to the Supreme Court decisions in connection with stevedore risks. It is not known at this time whether any changes will be made in the rates for this class or not.

REORGANIZE COMMITTEE

Matters are proceeding satisfactorily in connection with the reorganization of the standing committee on Workmen's Compensation rating. This committee is composed of representatives of the different boards.

Accident
Health Automobile
Plate Glass
Burglary Liability

Fidelity
Contract Judicial
Public Official
Depository Bonds

FIDELITY & DEPOSIT CO.
OF MARYLAND
BALTIMORE

The Great Eastern Casualty Examination

COMPANY HAS HEALTHY GROWTH

Report Discloses Underwriting and Investment Profit of $200,820.62 in Three Years

The examination of the great Eastern Casualty Company by the New York Insurance Department as of March 31, 1917, has been completed and shows the company in excellent condition. The Department examiners report the total admitted assets on that date as $1,322,357 and give the liabilities as follows:

Liabilities

Unpaid losses, including expenses:	
Accident and health	$127,397.33
Plate glass	9,623.78
Burglary and theft	29,628.28
Auto property damage	1,877.16
Total	$162,526.55
Special reserve for unpaid liability and Workmen's Compensation losses	$23,939.62
Total unpaid losses	$192,466.17
Unearned premiums	494,635.24
Commissions on policies effective on or after Jan. 1, 1917	65,150.68
Salaries, rents, expenses, bills, accounts, fees, etc., due or accrued	5,866.15
Estimate of State taxes due or accrued	11,575.86
Re-insurance (net)	4,199.68
Due agents for commissions under profit-sharing contracts	1,925.55
Outstanding checks credited	1,007.51
Total liabilities, except capital	$776,826.84
Capital stock paid up in cash	$350,000.00
Surplus over all liabilities	195,530.86
Surplus to policyholders.	545,530.86
Total liabilities	$1,322,357.70

The examiners say:

"The condition of the company has shown material improvement since the Department's examination as of March 31, 1914. Its admitted assets have increased during this period from $949,568.77 to $1,322,357.70, including $100,000 from an increase of capital stock; its liabilities, exclusive of capital, from $638,858.53 to $776,826.84, and its surplus from $60,710.24 to $195,530.86. The significance of these figures is that while the business of the company has increased, its liabilities have borne a decreasing ratio to the admitted assets, and the surplus a corresponding increase in the ratio to liabilities. The growth of the company, therefore, has been healthy, which is further indicated by an underwriting profit during the past three years of $85,138.71, and an investment profit of $115,681.91."

CONTINENTAL'S B'KLYN AGENT

Former General Agent of General Accident Makes New Connection Effective Immediately

Sylvester L. O'Brien on Wednesday was appointed general agent for Brooklyn of the Continental Casualty, of Chicago, for all lines. The appointment is effective immediately and Mr. O'Brien has already begun to accept business. Mr. O'Brien was general agent of the General Accident until last week.

Mr. O'Brien was one of the first employes of the liability department of the New York office of the Aetna which he joined in 1901 as a special agent in Brooklyn. He left the service of the Aetna to go with the Empire State Surety, on the failure of which he was made manager of the home office automobile department of the Ocean Accident & Guarantee. After five years in this position, he joined the General Accident in 1914 as general agent in Brooklyn.

ENTERS N. Y. FOR COMPENSATION

The Continental Casualty of Chicago will begin writing Workmen's Compensation and the usual liability lines in connection therewith, in New York State after September 1.

General Accident
FIRE AND LIFE
ASSURANCE CORPORATION, Ltd.
SERVICE THAT EXCELS
FREDERICK RICHARDSON, United States Manager.
GENERAL BUILDING · 4TH & WALNUT STS.
PHILADELPHIA

NEW AMSTERDAM CASUALTY COMPANY
A Progressive
SURETY AND CASUALTY
Company

IN CONNECTION WITH WAR

Travelers Offers Accident Insurance to Policyholders Who Go Abroad—Gathering Data

At the rates charged for accident insurance, it is manifestly impossible to cover the transportation hazard between this country and Europe, Africa or Asia, nor can the company cover at such rates the war hazards in the zone where such hazards prevail, said Secretary Ahern, of the Travelers, in a letter to agents of that company:

"There is no obligation to extend special coverage for the transportation and war hazards to those who purchased insurance after the declaration of war by the United States, but to those going abroad to engage in some form of service in connection with the war who were insured with us prior to April 3, 1917, we will give the privilege of applying for the unrestricted service 'a' and 'n' form of death and dismemberment accident policy, for an amount which the premium theretofore paid by the insured to this company for accident insurance will purchase, but not in excess of $2,000 principal sum, and application may be made for $1,000 principal sum where the annual premium theretofore paid is less than $50," he said. "The company reserves the right to reject any application so made.

"Policies of regular forms in force on such risks must be surrendered before the insured leaves this country. Please advise us the names of any policyholders on your books who have gone or are going to any part of Europe, Asia, Africa or Australia, what branch of service they will be engaged in and how long they expect to remain."

PHOENIX INDEMNITY DISSOLVED

General Adverse Conditions and Money Stringency Cause Directors to Return License

The Eastern Underwriter learns on good authority that the Phoenix Indemnity Co., of Phoenix, Ariz., has been dissolved. The company was organized last January and licensed in March with a deposit, capital and surplus of $1,000,000. The company had assumed no liabilities and the directors, in surrendering the license and requesting the return of the deposit, gave as their reasons for abandoning the company the general adverse business conditions on account of the war and the money stringency.

AUTO INSURANCE FIELD

The war has had the effect to put out of commission a large percentage of automobiles in Great Britain. The number, roughly estimated, is placed at two hundred thousand. What effect the war will have upon the use of motor vehicles in the United States is as yet problematical. It is estimated that there are at present something like four millions of motor vehicles in use in this country, and the output at the manufactories has not been curtailed by the lack of demand here.

J. M. BOGGS PROMOTED

John M. Boggs, who has been manager of the Commercial Accident Department of the National Life of the U. S. of A., has been appointed supervisor of agents of the life department, succeeding O. G. Wilson, who has gone with the Des Moines Life & Annuity.

F. W. Benjamin, formerly superintendent of the industrial and accident health department of the Prudential Casualty, and more recently of the monthly payment department of the Chicago Bonding & Insurance Co., has been appointed district manager at Indianapolis for the Peerless Casualty of New Hampshire.

W. F. MURPHY WITH TRAVELERS

Special Agent of London & Lancashire Indemnity Will Become Compensation Assistant on August 1

William F. Murphy has been appointed compensation assistant of the New York office of the Travelers. The appointment is effective August 1. While bearing the nominal title of compensation assistant, Mr. Murphy's work will consist of helping the New York brokers in all casualty lines as well as compensation.

Mr. Murphy has had a broad casualty experience. He has been special agent of the London & Lancashire Indemnity for about two years, prior to which he was special agent of the Casualty Company of America for a long period. In each instance he worked with the New York brokers in all branches of the business. He entered the business with Gordon, Roberts & Co.

GETS $7,000 VERDICT

The Appellate Division of the Supreme Court of this state has rendered a unanimous opinion affirming with costs a judgment in favor of Anna M. Hammill against the Commercial Travellers' Insurance Company of America. The action was brought to recover $7,000 the amount of an insurance policy issued by this company in favor of Mortimer J. Hammill of Brasher. His sister, Anna M. Hammill was the beneficiary named in the policy. The insurance company refused to pay the claim on the ground that the beneficiary had not furnished sufficient proof of the injury or that the injury was the cause of Hammill's death. The insurance company also maintained that the notice of the accident was not given in time.

A RECORD OF ACCIDENTS

According to the Travelers, which has tabulated 20,302 accidents, the largest number was 3,542 contributed by the hazard of being at home; 2,761 were from automobiles; pedestrians are credited with 2,541, and sports and recreations with 2,061. Elevators were responsible for the most serious accidents, showing the largest proportion of fatalities, but auto accidents continue to increase more rapidly than any other cause.

AGENCY MANAGERS' MEETING

The National Agency Managers Association of Health and Accident Insurance will hold its annual meeting at Pittsburgh, July 25. An increase in commission to be paid general agents will be urged.

C. A. CRAIG, President W. R. WILLS, Vice-Pres. C. R. CLEMENTS, Sec. & Treas.

The National Life and Accident Insurance Company

NASHVILLE, TENNESSEE

Industrial, Life, Health and Accident Insurance in ONE policy

Practice Business Righteousness

The highest attainable propositions of men in business life are complete and satisfactory results. The accomplishment of such results is so dependent on persevering effort and ceaseless care and work that otherwise they are unattainable.

Whatever is undertaken with honest intent in a straight forward business deserves success.

Disappointment may occur, obstacles may intervene, difficulties may arise, storm clouds may threaten but threatening and apparently formidable as they are will matter little in the face of ceaseless and unremitting persistency in the carrying out of honest endeavor and method in business.

Temptation to get around or overcome threatening things, by what are called shrewd business tactics, even though plausible and promising, spells "danger" and eventually "disaster" if yielded to.

Trickery, device and sharp practice are foes to honesty and gains made thereby are illegitimate and neither comforting nor permanent.

There is no prospect for genuine permanent success where wrong methods are used and everything that pertains to, or borders on aught else save absolute straight forward honesty is wrong, individually demoralizing, and lowers the tone of business.

The greatest study for a person in business life is of self. Study to know one's self; his own personality, character and possibilities, his own moral standing, strength and ability to hold in check and resist an almost natural desire to overreach and get a little the best of somebody else.

Only by and through such study is that true business manhood cultivated and established which leads to building up and conducting a business on the principle and basis "Do unto others as you would have others do unto you," which is the only true principle of business life and makes for success through both the living and the doing.

To be genuinely successful means to be genuinely honest.—"Preferred Pilot."

THE NATIONAL RELIEF

The National Relief Assurance Company of Philadelphia, has during the past three months, experienced the best business in its history. The June business proved to be five per cent. better than that of the best previous month, and July is expected to maintain the increase. The company specializes in the $1.00 per month combination accident and health policy, which is proving popular throughout the territory in which the company operates. During the past ten years the company's premium receipts have grown from $16,375, in 1906, to $205,147 in 1916. M. S. Boyer has been its president six years, during which time he has infused new life into the company.

Gately-Haire Case Decision

(Continued from page 16.)

which would have been payable had the policy been originally written for the time in which it actually remained in force. If the policy in question was not ipso facto canceled upon request of the assured, the company was powerless to change the rate of premium and retain the customary short rate, likewise the assured could not demand the balance of the premium, or maintain an action to recover the same if the contract was still in force. The contract terminated by the request, the company was then required by the policy to compute the amount of premium due the assured after such cancellation, for which amount it became a debtor to the assured. Such indebtedness was payable on surrender of the policy. In the event of the failure on the part of the company to pay the same, the assured was then at liberty to "sue and recover the same."

The principle established in the Crown Point Co. case, approved in the Boutwell case, has been adopted and followed in numerous cases in other jurisdictions (Webb v. Granite Ins. Co., 164 Mich. 139; Hillock v. Traders Ins. Co., 54 Mich. 531, 539; Colby v. C. R. Ins. Co., 66 Iowa, 577; Parsons v. N. W. Ins. Co., 133 Iowa, 532; Davidson v. German Ins. Co., 74 N. J. L. 487; El Paso Co. v. Hartford Ins. Co., 121 Fed. Rep. 937; Skillings v. Royal Ins. Co., 6 Ont. L. Rep. 401) and is still the law in this State.

In the Crown Point Co. case six several actions against six several insurance companies were tried before a referee who reported in favor of the plaintiff in each action. The judgments entered thereon were reversed by the General Term. On appeal to this court the order of the General Term in the action against the Aetna Company was affirmed; in each of the remaining actions the decision of the General Term was reversed and the judgments entered upon the report of the referee affirmed.

In each case the companies interposed as an affirmative defense that prior to the fire the plaintiff had surrendered the several policies for cancellation and terminated the insurance. The court held that the policy of the Aetna Company, with notice of cancellation, had been received prior to the time of the loss, but that as to the other companies the policies and notice of cancellation were not received until subsequent to the loss.

All that was written in the Crown Point Co. case upon the question of surrender of a policy had reference to the facts appearing in that case where there had been a voluntary surrender of the policy by the assured accompanying the request for cancellation.

In the Boutwell case, to which reference has been made, a binding slip had been issued but no premium paid thereon or on the policy subsequent to the loss. In an action upon the policy, judgment was rendered for defendant, which was affirmed by the Appellate Division but reversed by this court for the reason that the request for cancellation as made carried with it and as a part of it the abandonment by the defendant company of any claim for insurance premiums, and the court held, "To avoid an assent to the conditional proposition it was necessary for the agents to reject it wholly. The rejection of the proposition left the binding slip and the policy issued thereon unaffected and at full force at the time the loss occurred." (p. 327.)

Additional decisions cited by counsel for plaintiff, respondent, have been examined and considered. To distinguish each case and excerpts quoted by counsel from the same would extend this already voluminous opinion at too great length.

The judgments of the Appellate Division and Special Term should be reversed, and the complaint dismissed, with costs to appellant in all courts.

C. A. TIMEWELL, Resident Manager
123 WILLIAM STREET
NEW YORK CITY

The Greatest Selling Help

for the accident insurance agent is

Prompt and Liberal Claim Service

WE GIVE IT

STANDARD SERVICE SATISFIES

There are Great Opportunities

for agents in unoccupied territory

Write us to-day

The Standard Accident Insurance Co.
of Detroit, Mich.

CASUALTY POINTS

The Night Workers

"In every good-sized city in the United States there is a large number of men whose hours of occupation are between sunset and sunrise; in other words, 'night workers' the nature of whose work calls for their being on duty from evening until morning," says the "Agency Edition," of the Aetna. "In the largest cities the number of these night workers is enormous and among them are many whose occupations bring them under classes: select, preferred, extra preferred and ordinary, and who are in every way desirable prospects for accident and health insurance. Among these are editors and reporters on newspapers, express, railroad, telegraph and telephone employes, and many others.

"Probably not one of a hundred of these men is ever solicited for accident and health insurance and there is a profitable and unworked field open to the agent who gets after this class of risk.

"Usually the night worker is not hampered by rules or restrictions as to his time, as is the average day worker during business hours, and is more free to talk personal business.

"We would like to see at least one enterprising Aetna-izer in every community of 50,000 people or over try out and report on the results obtained from a systematic canvass of night workers."

* * *

The Seventh Man

He is the every-day type of man you meet on the street, in the office, at the theater or at the club. There is nothing particularly striking about him. Perhaps he belongs to your church and if he does, the chances are that he is about as regular in his attendance as you are. He has about the same virtues and shortcomings that most men have. He plays golf in summer and now and then joins the ranks of the "tired business men" in winter. He goes to the movies and laughs at Charlie Chaplin. He reads the sporting page of his newspaper first and then turns to the daily cartoon. He is something of a baseball fan and can hold his own with anyone when the current baseball "dope" is being bandied about. Occasionally he takes a flier in Wall Street, but it is not often that he cares to boast about it.

This Seventh Man is just an ordinary human being. Perhaps he has a wife and a family. If he has, the chances are that he holds their welfare above everything else. His home is about like yours. So is his home-life. He enjoys good health, and takes excellent care of himself. He is sheltered from all but the ordinary dangers of life and does not feel that harm can come to him in a physical sense. In other words he has perfect confidence in his own safety at all times. If anyone should seriously suggest to him the possibility of his being injured or killed by accident, he would ridicule the idea just as you or any other red-blooded man would. Not that he thinks of himself as bearing a charmed life, but merely that all his past experience has ministered to this deep-seated feeling of personal safety and immunity from accident in a physical sense.

Where is this Seventh Man to be found? In any crowd, in any circle of friends, in any set of business associates, in any group of workers, there are likely to be seventh men. A Seventh Man is not necessarily the seventh son of a seventh daughter nor is he ordinarily like "the objectionable tenth man" described by a distinguished popular writer as a "perpetual menace against aggressors for the protection of the other nine." This writer's idea was that you could swing your umbrella about with impunity to the danger of nine of your fellows, but that when the tenth man came along, this impunity vanished. Instead of standing for this unwarranted "umbrella-ing," the newcomer would seize the umbrella and subject you to the same treatment you had been inflicting upon your fellows prior to his arrival.

Who is this mysterious Seventh Man? He may be your friend or neighbor. He may be the victim of your carelessness. He may be a member of your household. He may be you. If his identity does not coincide with yours, he is probably a man like yourself who is careful and takes no unnecessary chances, who has no fears for the future, and whose feeling of personal safety is too deep-seated to admit any serious consideration of the menaces which surround him. He takes precisely the same view of life's uncertainties that you do. Why then should he be arbitrarily set apart, with some 14,000,000 of his fellows, as a Seventh Man?

Who knows? The tragedy of being a Seventh Man lies in the fact that one never suspects it until one has been run down by a motor car or had one's skull fractured by falling on a slippery pavement or injured in some other accident. Who knows why one in seven is killed or injured every year by accident? Who knows whether or not he is destined to be a Seventh Man? —"Agency Edition Aetna."

* * *

Now and Then

It is the Now and Then man who never develops success as an insurance agent or, in fact, anything else. Among accident insurance agents there is a large percentage of Now and Then men. They Now and Then secure an application and because of so doing cling to their title of agent.

Now and Then—Now and Then an application! What can they expect from a Now and Then regime. A Now and Then method of eating is not conducive of health or physical energy. Regularity of meals is a necessity in the gaining and maintaining of health and strength. Similar regularity is equally indispensable in the insurance business.

Regularity—regular work in securing applications is absolutely necessary to business health and success.

Now and Then won't work in anything and it certainly won't work in accident insurance.

Ask the Now and Then agent as to his measure of success and, if honest, he must reply "nothing to speak of, now and then I secure an application," at the same time feeling an inward consciousness of shame because of his membership in the ranks of the Now and Then men.

Poor fellow! To be a member of the ordinary branch of Now and Then men means nothing in the way of satisfaction or success.

There is, however, a different and successful branch of Now and Then men, which they can join, and which they will join if they are true to themselves and really desire to rise above mediocrity.

This successful branch is composed of agents who Now secure an application and Then Some.

No sooner do they get an application than they are on the go for another and their slogan is "a Now application and Then Some."

This involves steady, constant work, and no success in any branch of business can be reached except thereby.

Get out of the Now and Then branch at once and enlist for keeps in the Now and Then Some corps of workers and do it now.—"Preferred Pilot."

* * *

What Harry Miller Has Done

Henry Miller, of the Commercial Casualty, after his daily work of nine hours, always finds time to secure some new business. He has built up a $200 a month collectible debt as a part time man. He created this amount of business after six o'clock P. M.

* * *

W. E. SMALL, President PETER EPES, Agency Mgr. E. P. AMERINE, Secretary

GEORGIA CASUALTY COMPANY

HOME OFFICE: MACON, GEORGIA

"DIXIE AUTO POLICY"

THE LAST WORD IN MOTOR INSURANCE

Surplus and Reserves to Policyholders.....$1,526,022.81

The METROPOLITAN CASUALTY

INSURANCE CO. OF NEW YORK

HOME OFFICE, 47 CEDAR STREET

CHARTERED 1874

Plate Glass, Burglary, Accident and Health Insurance

EUGENE H. WINSLOW, President

Russell R. Cornell, Vice-Pres. S. Wm. Burton, Sec. Alonzo G. Brooks, Ass't Sec.

RELIABLE AND ENERGETIC AGENTS WANTED

THE SIGN OF GOOD CASUALTY INSURANCE

HEAD OFFICE CHICAGO

F. W. LAWSON General Manager

Liability, Accident, Burglary, Boiler and Credit Insurance

Established 1869.

F. J. WALTERS Resident Manager 55 JOHN STREET New York

Elmer A. Lord & Co. 145 Milk St., Boston Resident Managers New England

London Guarantee & Accident Co., Ltd.

OF LONDON, ENGLAND

BUSINESS=BUILDERS

DEVELOPING

Fidelity and Surety Bonds, Liability Workmen's Compensation, Automobile, Accident, Health, Burglary and Plate Glass INSURANCE

APPRECIATE THE CO-OPERATION OF THE

Massachusetts Bonding and Insurance Company

BOSTON T. J. FALVEY, President

Paid-In Capital $1,500,000 Write For Territory

The Fidelity and Casualty Company of New York

92 LIBERTY STREET, NEW YORK, N. Y.

Metropolitan Office—92 William Street

Annual Statement, December 31, 1916

Assets	$13,788,795.23
Liabilities	9,708,052.97
Capital	1,000,000.00
Surplus over all liabilities	3,080,742.26
Losses paid to December 31, 1916	56,090,684.58

This Company issues contracts as follows: Fidelity Bonds; Surety Bonds; Accident, Health, and Disability Insurance; Burglary, Larceny, and Theft Insurance; Plate Glass Insurance, Liability Insurance—Employers, Public, Teams (Personal Injury and Property Damage), Automobile (Personal Injury, Property Damage and Collision), Physicians, Druggists, Owners and Landlords, Elevator, Workmen's Compensation—Steam Boiler Insurance; Fly-Wheel Insurance.

AMERICAN SURETY COMPANY OF NEW YORK

100 BROADWAY

Fidelity and Surety Bonds

The Employers' Liability Assurance Corporation, Ltd.

The original and leading Liability Insurance Company in the World

LIABILITY, STEAM BOILER, ACCIDENT, HEALTH, FIDELITY AND BURGLARY INSURANCE

United States Branch

SAMUEL APPLETON, United States Mgr.

Employers' Liability Building

33 BROAD STREET, BOSTON, MASS.

AGENTS WANTED

The Columbian National Life
OF BOSTON

ARTHUR E. CHILDS, President

A CHANGE may be necessary to realize your ambition

Think a minute—then write

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SUPERINTENDENTS OF AGENCIES

(West of the Mississippi). SYMES BUILDING DENVER, COLO.

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DARL D. MAPES, Superintendent of Accident Agencies
77 FRANKLIN ST., BOSTON, MASS.

The service of a high grade Accident Department will also be offered so that you will not have to broker your Accident business to avoid violating your Life insurance contract.

PURELY MUTUAL — THE — CHARTERED 1857

Northwestern Mutual Life Insurance Co.

MILWAUKEE, WISCONSIN

GEO. C. MARKHAM, President

Insurance in Force, $1,505,464,984

SATISFIED POLICYHOLDERS each year apply for over 35% of the new insurance issued.

POLICIES MOST FLEXIBLE AND EASY TO SELL

Complete Agency Protection:
Enforced Anti-Rebate and No-Brokerage Rules

Investigate before selecting your Company

Write GEO. E. COPELAND, Supt. of Agencies, Milwaukee, Wis.

To the Man Who is Willing—and Will

SAN JACINTO LIFE INSURANCE CO. - BEAUMONT-TEXAS -



We are prepared to offer unusual opportunities for money-making NOW and creating a competence for the FUTURE.

FOR CONTRACTS AND TERRITORY, ADDRESS

H. M. HARGROVE, President :: Beaumont, Texas

In addition to the ordinary forms of life insurance

THE EQUITABLE

makes a specialty of the following:

Insurance to protect business firms and corporations, under a corporate form of policy.

Group Insurance, by which employers protect families of employes.

A flexible contract, known as the Convertible Policy, which can be converted by the Insured into an Ordinary Life, Limited Payment Life, or Endowment Policy.

A Bond issued without medical examination giving the investor an income for his declining years.

A new policy is offered under which the insurance is DOUBLED if death results from ACCIDENT. This policy also embodies the following advantages if the person whose life is insured becomes totally and permanently disabled:

1. Thereafter the Equitable will carry the insurance —The Insured will have nothing further to pay.
2. The Equitable will pay the Insured an annual income for life equal to one-tenth of the face of the policy.
3. Upon the death of the Insured the full amount of the insurance will be paid to the Beneficiary (or double the amount if death is due to accident) without deduction on account of the income paid to the Insured while living.

(See the policy for conditions and details.)

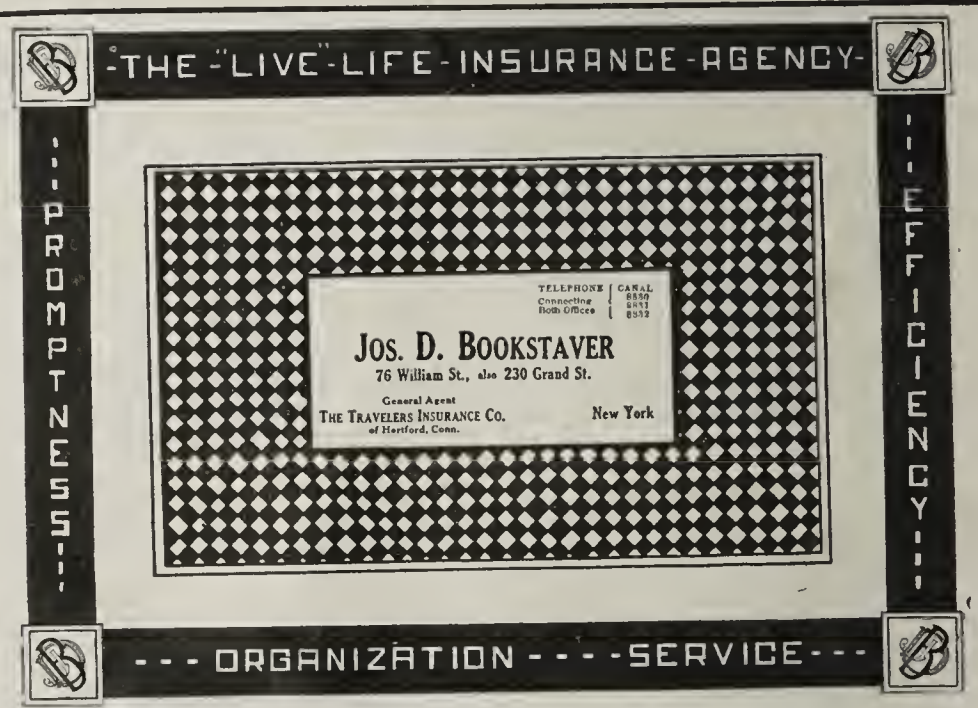
For Agency Openings Address

WILLIAM E. TAYLOR,
Superintendent of Agencies

THE EQUITABLE

LIFE ASSURANCE SOCIETY OF THE U. S.

120 BROADWAY, NEW YORK



San Francisco Losses Amounting to $4,522,905.00 paid PROMPTLY IN CASH WITHOUT DISCOUNT, from funds largely supplied by head office in Liverpool

U. S. Cash Assets, Dec. 31, 1916	$15,827,439.35
Surplus, - - - - -	5,460,745.59
Losses Paid by Chicago Fire, 1871	3,239,491.00
Losses Paid by Boston Fire, 1872	1,427,290.00
Losses Paid by Baltimore Fire, 1904	1,051,543.00

Liverpool AND London AND Globe Insurance Co. LIMITED

Over $152,000,000.00

Losses Paid in the United States

HENRY W. EATON, Manager
G. W. HOYT, Deputy Manager
HUGH R. LOUDON, Assoc. Deputy Mgr.
J. B. KREMER, Asst. Deputy Manager
T. A. WEED, Agency Superintendent

NEW YORK OFFICE
80 William Street

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THE EASTERN UNDERWRITER

[SUCCEEDING THE JOURNAL OF INSURANCE ECONOMICS, ESTABLISHED IN 1899]

A WEEKLY NEWSPAPER COVERING ALL BRANCHES OF INSURANCE

Eighteenth Year; No. 31 | NEW YORK, FRIDAY, AUGUST 3, 1917 | $3.00 a Year; 15c. per Copy

RATE INVESTIGATION MAY INCLUDE STATE

Insurance Department Has None But Recommending Power if Rates Are Excessive Only

HAS BEEN NO ACCUSATION OF DISCRIMINATION

Criticism of Fire Companies By Commissioner Adamson Influenced Board of Estimate's Action

The major developments in the investigation of the New York Insurance Department into the rate situation in New York City, to the time of The Eastern Underwriter's going to press, are:

1. The investigation may possibly be extended to cover the entire State because of the difficulty in divorcing New York City figures of the companies from those of the State as a whole and because of complaints received by the Department from other sections.

2. The Insurance Department has asked the National Board of Fire Underwriters, the New York Board of Fire Underwriters and the New York Fire Insurance Exchange for their loss figures.

3. The Insurance Department has also asked Fire Commissioner Adamson for the basis of his figures purporting to show that the New York City rate is excessive.

4. None of the above mentioned has as yet presented any statistics but all will do so.

Deputy Superintendent Francis R. Stoddart, of the New York Department, is authority for the statement that the Department will conduct the investigation with a view to determining if the rates are unfair to the public. In an interview with The Eastern Underwriter on Tuesday he stated that the Department has no jurisdiction over excessive rates so long as they are not discriminatory and that any action on excessive rates will be in the nature of a recommendation.

Board of Estimate Argument

When asked if the Department planned to take any action on the ac-

(Continued on page 13)

"The Largest Fire Insurance Company in America."

THE HOME INSURANCE COMPANY NEW YORK

ELBRIDGE G. SNOW, President

Equal Protection for ALL Policyholders.

FIRE AND ALLIED BRANCHES OF INSURANCE

Fire, Lightning, Automobile, Commissions, Explosion, Hail, Marine (Inland and Ocean), Parcel Post, Profits, Registered Mail, Rents, Sprinkler Leakage, Tourists' Baggage, Use and Occupancy, Windstorm.

STRENGTH REPUTATION SERVICE

North British and Mercantile Insurance Co.

Established 1809

Entered United States 1866

Policyholders protected by the entire United States assets, with further guarantee in every policy, of protection by entire fire assets of the company which are many times larger.

SPRINGFIELD
Fire & Marine Insurance Co.

Cash Capital $2,500,000 00

THE SPRINGFIELD for two-thirds of a century has transacted business solely under its own corporate name, without annexes, underwriting agencies or subsidiary companies. An agent of the SPRINGFIELD is not a half, a quarter or any other fraction of an agent, but is vested with the rights and dignity of an undivided representative of an undivided and independent company. The SPRINGFIELD stands today pre-eminent among American fire insurance companies.

SPRINGFIELD MASSACHUSETTS

ADDITION TO LIFE SURPLUS ESSENTIAL

Proposed Fifteen Per Cent. Surtax on Annual Undistributed Profits Against Public Policy

LIFE PRESIDENTS' ARGUMENT

Brief Filed With Senate Finance Committee by Attorney Dunham Urges Exemption of Life Co.'s.

Declaring that the application to life insurance companies of the proposed 15 per cent. surtax on undistributed profits, as contained in the present form of the War Revenue Bill, is against public policy, the Association of Life Insurance Presidents has presented arguments for relief to the members of the Senate Finance Committee. The avowed object of the proposed undistributed profits tax is to force corporations generally to distribute their net earnings annually and thus make these funds subject to taxation in the hands of stockholders. The measure does not take into consideration the peculiar relationship of surplus in life insurance to the security of policyholders and it is on this ground principally that exemption is sought.

Surplus Provides Security for Policyholders

In his memorandum filed with the Finance Committee ten days ago and just now made public, the Association's attorney, Frederic G. Dunham, states in part, as follows:

"The existence of a surplus commensurate with the amount at risk in an insurance corporation is essential to the protection of its policyholders. Any legislation tending to discourage the accumulation of such surplus is, therefore, necessarily against public policy. The provision in the Senate draft of the War Revenue Bill (H. R. 4280) imposing a surtax of fifteen per cent. upon so much of the annual net taxable income of corporations as remains undistributed sixty days after the expiration of the tax year, by penalizing the accumulation of surplus, tends to induce its distribution. If the insurance company be a stock corporation, the distribution of the entire net annual income will diminish in a corresponding degree the security of

policyholders and the insuring public. If the insurance company be operated on the mutual plan and the distribution made be to policyholders, while the distributees will benefit slightly, as individuals, by small additions to the amounts received by them, the security of each as a policyholder, as well as the ability of the company to afford protection to the insuring public, will be no less affected than though the distribution had been made to stockholders.

Government Loses Income Through Bill

"In the case of dividends paid to stockholders, the revenue of the Government will, of course, be increased through the increase in the amount of the taxable income of the distributees. In the case of increased dividends paid to mutual or participating policyholders of life insurance companies, however, the Government will not only gain no revenue by reason of such distribution, but will actually lose the normal tax of two per cent. imposed by Section 10 of the Act of September 8, 1916, as well as the proposed war income tax of two per cent. provided for in Section 4 of the pending bill which would otherwise be paid upon the net income of the corporation. The reason for this result is that the dividends paid by life insurance companies to their policyholders are properly recognized as mere returns of premiums, and as such are not only deductible from the gross income of the companies in arriving at their net taxable income, but also exempt from tax to the policyholders. (Sections 4 and 12 [a] Act, September 8, 1916).

Companies Willing Distributors of Net Income

"Insurance companies generally have incentive enough to distribute their net annual income. From all sides the demand is heard by the company managers for a distribution of surplus, which they have heretofore withstood only in part. It cannot be said that insurance corporations have in the past improperly withheld payment of dividends to stockholders. Likewise, the dividends allowed to the participating policyholders of life insurance companies have been increasingly liberal, and the additions to surplus or contingency reserves, from year to year, have uniformly been small, when the surplus of such corporations is compared with their reserves. For these reasons we believe that the provisions of the proposed revenue law imposing a surtax on the undistributed net annual income of corporations and thus penalizing any increases in their surplus should be made inapplicable to insurance corporations.

Jones Amendment Does Not Afford Relief

"The first exemption incorporated in the Jones amendment as it appears in the Senate draft of the bill, does not afford relief to insurance corporations. The additions to their reserves required by law are already recognized as the equivalent of disbursements, from the point of view of a proper income tax, in the Act of September 8, 1916 (Section 12 [a]). In addition to the necessity of accumulating adequate contingency reserves (the term applied to the surplus of life insurance corporations), which we have already explained, the companies are obliged by contract to accumulate funds for the benefit of deferred dividend policyholders. The greater part of these funds are, by the prevailing interprctation of the present law, subject to the normal income tax, and, unless exempted, will be subject to the proposed surtax of fifteen per cent. When one appreciates that the companies are powerless to distribute these funds, which if distributed would be taxable neither to themselves nor to the distributees, the extreme hardship and injustice of the provision, which the author of the provision and the Committee could not have intended, is apparent.

Great Southern Life Insurance Company

HOUSTON, TEXAS.



For Agency Contracts address

O. S. CARLTON

PRESIDENT

Presidents' Association Suggestions

"The following is suggested as necessary to afford the insurance companies the relief from the proposed surtax which the best interests of their policyholders require that they should have; To be added to or substituted for the first exemption (line 9, page 108):

"The tax imposed by this subdivision shall not apply to—

"(1) That portion of the undistributed profits used for the establishment or maintenance of reserves required by law, or, in the case of life insurance companies, added with the express approval of the State Insurance Commissioner or other local supervising authority having jurisdiction over such corporations, to their contingency reserves or surplus or to funds required to be accumulated to meet their policy obligations."

In a supplementary statement the functions of the surplus or contingency reserve of a life insurance corporation are described, as follows:

"1. To ensure the maintenance of unimpaired reserves in event of

a. Depreciation in the value of assets.

b. Inadequate returns from investments.

c. Unfavorable mortality experience.

d. Other unforeseen adverse conditions.

"2. To equalize the dividends paid or apportioned to policyholders, notwithstanding possible deficiencies in the amounts available for distribution due to variations in the results of operation from year to year."

CO-OPERATION No. 5

CO-OPERATION means, among other things, that we are giving our best attention to every representative in placing life insurance contracts, but to those who accomplish most, most is given.

We are extending this co-operation to Life Annuity contracts also. Rates have been reduced.

In five months of 1917 a gain of 254 Per Cent in Annuity premiums has been established over the sum secured during all of 1916.

Phoenix Mutual Life Insurance Company

of Hartford, Conn.

JOHN M. HOLCOMBE, President

Phoenix Mutual Official Changes

O. M. THURMAN RETURNS TO FIELD WORK

R. L. Jones, Asst. Sec'y—Howard Goodwin Heads New Business Dept.—H. N. Kaufman, Actuary

At a meeting of the board of directors of the Phoenix Mutual Life Insurance Company held Tuesday, Oliver M. Thurman asked to be relieved of his duties as assistant secretary in order that he might resume field work. His resignation was accepted and his appointment as manager of the Eastern Massachusetts department of the Company, at Boston, was announced by the officers.

For many years this agency, which is one of the largest in the Phoenix Mutual organization has been under the management of the firm of Haven & Fish, but the retirement of Mr. Haven to accept an executive position with an industrial service corporation leaves a vacancy which will be filled by Mr. Thurman.

Mr. Thurman is a field man by experience. He was for six years in charge of the agency work for the Mutual Benefit in Maryland. In 1910 he made a contract with the Connecticut agency of the Phoenix Mutual and on January 1, 1912, was appointed assistant agency manager.

Elected Assistant Secretary

In April, 1913, he was elected by the directors as assistant secretary to take charge of the new business department of the company. In that position Mr. Thurman has had a successful career. He has built over the department, introduced many new methods of handling the applications for new insurance with a resulting service to the members of the field force that has won well-merited approbation.

R. L. Jones, Assistant Secretary

For the accounting and auditing department Russell Lee Jones was elected assistant secretary. He will assist Secretary Silas H. Cornwell and Assistant Secretary Harry E. Johnson in this department. In 1891, soon after his graduation from Princeton, he entered the home office of the Phoenix Mutual in the actuarial department. Subsequently he was appointed auditor of the company and his work in handling the agency accounts has led to his election as assistant secretary.

Heads New Business Department

Howard Goodwin was elected assistant secretary by the directors and will be in charge of the new business department of the company. Mr. Goodwin came to the Phoenix Mutual in 1907 shortly after his graduation from Yale. For several years he was in charge of the claims department. Upon the reorganization of the new business department in 1913, he joined Mr. Thurman in that work and has co-operated with him in building one of the most efficient departments of its kind.

H. N. Kaufman, Actuary

For many years Henry N. Kaufman has been associated with Vice-President and Actuary Archibald A. Welch in the development of the actuarial department of the company. Mr. Kaufman has been gradually assuming more and more of the details of the department and has thereby relieved Vice-President Welch of those responsibilities. Now the officers of the Company have recognized Mr. Kaufman's ability by appointing him actuary, Mr. Welch relinquishing that office. Mr. Kaufman is a Canadian by birth and before coming to the Phoenix Mutual in 1899 he had the benefit of considerable experience in the home office of the Sun Life of Canada. He was appointed assistant actuary in 1905 and associate actuary in 1913.

Rates and Values for Lower Ages

JOHN HANCOCK ANNOUNCES ACTION

Provides Schedules Covering From 15 to 19—Made Possible By New Legislation

The John Hancock Mutual Life sent notice to its agency force announcing that on August 1st they put into effect specially prepared rates and values beginning at age 15 and ending with age 19. Theretofore the company had rated all younger ages at 20.

This action was made possible when the Legislature of Massachusetts enacted a provision which legalized life insurance contracts made by persons, ages 15 and upward, at its last session. This is in line with the provisions of law in New York State.

Rates and Values for $1,000

The rates and values under popular forms of policies are as follows:

Ordinary Life

END OF YR.	Age 15 Paid up	AN. PREM. 15.86 S. A. 8.09 Qy. 4.08 Cash Value	Extension Yr.	Da.
3	$35	$10	1	111
4	58	16	2	81
5	81	23	3	67
6	104	30	4	73
7	127	37	5	99
8	150	45	6	145
9	173	52	7	211
10	192	59	8	237
11	212	67	9	278
12	232	74	10	333
13	251	82	12	35
14	271	90	13	108
15	290	98	14	183
16	310	106	15	249
17	329	115	16	297
18	349	124	17	316
19	368	134	18	297
20	387	144	19	234

Twenty Payment Life

END OF YR.	Age 15 Paid up	AN. PREM. 24.30 S. A. 12.39 Qy. 6.26 Cash Value	Extension Yr.	Da.
3	$118	$33	4	246
4	169	48	7	21
5	221	63	9	262
6	273	79	12	252
7	326	96	15	361
8	379	113	19	225
9	432	131	23	163
10	482	149	26	361
11	533	167	30	74
12	583	186	33	7
13	635	206	35	165
14	686	227	37	217
15	738	249	39	193
16	790	271	41	133
17	842	294	43	93
18	894	319	45	165
19	947	344	48	161
20	1000	371	Paid up	

Twenty Year Endowment

END OF YR.	Age 15 Paid up	AN. PREM. 47.70 S. A. 24.33 Qy. 12.28 Cash Value	Extension Yr.	Da.
3	$166	$96	16	306
4	224	134	16	...
5	282	174	15	160
6	338	215	14	236
7	394	258	13	308
8	448	303	12	377
9	501	349	11	444
10	552	397	10	506
11	602	446	9	565
12	650	498	8	622
13	697	552	7	677
14	744	608	6	729
15	789	666	5	779
16	833	728	4	827
17	877	791	3	873
18	919	858	2	917
19	960	927	1	959
20	1000	1000		

Company Rules

In its announcement to agents the John Hancock states no person will be considered for insurauce unless he shall have reached his fifteenth birthday, that age being the statutory age in Massachusetts and New York at which minor may make valid contracts of insurance. Generally speaking the limit of insurance that may be written on the lives of persons included in the ages of this new provision will be $5,000.

No term insurance will be granted at these ages. Producers, that is wage-earners, those who are paying or helping to pay their own way will as a general rule be granted any form of insurance except term. Non-producers, that is, dependents, will, as a general rule, be granted only the endowment form or in some exceptional cases, limited payment life.

ELMIRA'S WAR INSURANCE

City Takes Up Project of Accumulating Fund to Secure Blanket Policy on Its 153 Soldiers

An enterprising life agent in Elmira has broached a plan to the City which is somewhat original in solving the war insurance problem. His plan as being considered by the public-spirited folk of Elmira, is to have one of the newspapers act as depository for a fund of $10,000 to be contributed by the citizens of the City and for which he agrees to procure a blanket policy paying $1,000 to the beneficiaries of each of the 153 soldiers in the local military company who are killed in battle. The average age of the men is 25 years.

CAMPBELL PRU. DIRECTOR

John A. Campbell, president of the Trenton Bank and of the Trenton Potteries Company, and one of the most active business and civic men of Trenton, has been elected a member of the board of directors of The Prudential.

U. S. Competition A Near Reality

PERMANENT BUREAU URGED BY GOVERNMENT OFFICIALS

Many Favorable Arguments Presented Prior to Series of Conferences With Company Executives

The Eastern Underwriter herewith publishes exclusively and for the first time some of the arguments it is reliably advised were strongly urged on the United States Government as reasons why a permanent Federal life insurance bureau should be established. These facts bear out the prediction made by Preble Tucker in the July 27 issue that once the Government had engaged in the life insurauce business it would be forced by circumstances and public opinion to continue even though intended only for the period of the war.

Prominent Men Favored Plan

Many prominent officials urged the establishment of such a bureau. Their attitude was that the extra premium charge of the life insurance companies to men entering the military or naval service warranted the establishment of such a bureau. They asserted there is no data available showing that the proposed extra charges of the companies is even approximately the charge necessary to cover the war risk.

The supporters of this proposition also credited the Government with the right to thus establish a permanent bureau as provided in the Act of Congress of September 2, 1914, establishing a Bureau of War Risk Insurance. These men urged that, if the necessities of commerce required that the Government should relieve merchants and shippers from paying exhorbitant rates, it is much more important that the Government provide that the men who join the Army or Navy and risk their lives in battle shall be protected from paying unnecessary charges in providing for their families' welfare. The success of the War Risk Bureau was cited as evidence that the Government could promptly and efficiently handle the most intricate insurance problems.

The fact that the Government would not pay agents' commissions would mean a lower cost in the protection to enlistants. Medical examinations, salaries, rents, advertising, etc., were classed under the same head.

A "Relief" to Companies

Another claim made was that the establishment of a Government life insurance bureau would be a relief to the companies and would not interfere with their stability or business and would, therefore, not be objectionable to them. This was elaborated with statements similar to the following:

That war risks are not provided for in the mathematical tables on which the companies base their rates; that the life companies have built up their business through agency systems providing adequate compensation to the agency force which they are unable to refuse on war business; that they must protect their millions of policyholders and be prepared to pay their losses as they come; that it is only natural when assuming the war risk they should make a charge which would fully cover it but which they had no means of determining, and that, in substance, the whole system is adjusted to the condition of peaceful industry and not adaptable to war circumstances.

It was further argued that in eliminating agency commissions and medical expenses alone the Government could save millions of dollars annually which could be devoted to direct payments to beneficiaries and that, should the premium charges not fully cover the risk, the Government could make up for the deficiency by general taxation, thus putting the burden on the shoulders of the whole people of the country, whereas, if an insurance company failed to make adequate charges, the extra burden would fall on the policyholders of that particular company.

Is Continuation of Compensation Principle

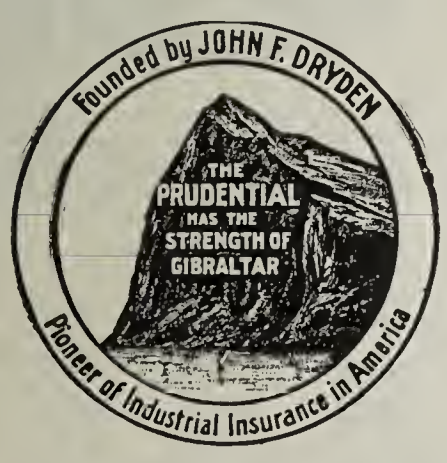
The Federal Life Insurance Bureau was urged also on the theory of justice to the men who are taken from industrial pursuits where they are protected by compensation laws and exposing them to the extra hazard of war with no protection.

The political capital and difficulties made of the pension system in Civil War times were cited as additional reasons why the Government should adopt at the earliest possible moment a plan protecting the soldiers and sailors but having none of the disadvantages of the pension system.

The fact that these and other arguments were advanced to the Government previous to any hearing or conference with insurance company officials is evidence of the consideration and study given to the subject by important Government officials. The result of the conference with the insurance company officials was that no alternative proposal was advanced and it is almost certain that the necessary legislation for the Government to establish a permanent life insurance bureau will be presented to Congress at an early date.

HOW FRATERNALS DO IT

The Royal Arcanum and the Modern Woodmen have decided to levy an assessment of five and ten cents, respectively, on each $500 of insurance carried by their members that remain at home during the war. The money so collected is supposed to aid these orders in paying the death losses caused by the war. No other provision has been made for such an emergency, and the strain would be greater than any fraternal organization could stand.



INDUSTRIAL CONCERNS throughout the land are proving the patriotism of business by insuring entire staffs of employees. The Prudential will lend a hand—make it easy for firms to insure their workers.

Family insurance has placed America First in Life Insurance, and Group Insurance will help to keep it there.

The Prudential has a fine Group plan. Group Insurance is endorsed by every concern that has tried it. Send for brief, forceful, descriptive circular.

THE PRUDENTIAL INSURANCE CO. OF AMERICA

Incorporated Under the Laws of the State of New Jersey

FORREST F. DRYDEN, President

Home Office: NEWARK, N. J.

Group Insurance Advantages

Co-Partnership and Profit Sharing Era

By Harvey Thomas, Supervisor of Publications, Prudential Insurance Company of Newark

The extraordinary things of one age become the necessities of the next. All progress is by gradual development. Profit-sharing by employes in the enterprise for which they work, once looked upon as the most revolutionary of labor experiments, is now surely happening both in this country and abroad, as it becomes evident that mutual consideration begets increased production and carefulness in place of indifference.

In this period of history when the world is being made over the readjustment of man's relation to his fellows will form an important part of the great problems awaiting solution. Mankind is on the threshold of new industrial relationships. Co-partnership is being discussed as never before. The age of profit-taking without consideration for the welfare of the employes is waning, and a new dawn will usher in another phase of conditions.

In harmony with this fast approaching era, group life insurance finds a peculiarly appropriate place. It is one link in the chain of new appreciation between employer and employe. It provides a plan whereby an employer may insure the lives of his workmen for the benefit of their families by means of a blanket policy, which does not require medical examination of the persons insured.

As a medium for engendering goodwill between master and men, nothing more satisfactory could be found. It provides a protection in numerous instances for those who otherwise would not be protected at all. An employe who finds his employer has paid the premium cannot fail to experience appreciation for the aid offered, and appreciation is the forerunner of better service and better understanding, which brings with it a desire on the part of the honest workman to stick by the employer who thus proves himself a friend.

Where can an employer secure a better return from his investment than in group life insurance? Where can he add more convincingly to his reputation for fair dealing with those under him? And all it represents in outlay is a premium scarcely ever in excess of one per cent. of the payroll.

Another point of appeal to the employer is the ease with which group life insurance is placed. The law averages show that one group of insured workers differs little from another group in the same occupation, a fact that renders examination unnecessary, the only requirement being satisfactory factory or office conditions for the group. The amount of insurance on each life carries a maximum of $3,000 and a minimum of $250. New employes between the ages of 15 and 65 may subsequently be added. The policy is issued on a one-year term, renewable at the end of each year, and annual dividends are payable, also, under such policy, thus reducing its cost. Moreover if any male employe less than full 60 years of age shall become disabled, totally and permanently, no premiums are required on his insurance thereafter, and payment of the insurance shall be made in instalments over a period of five years, to begin six months after the disability occurs.

The insurance ceases automatically with the termination of employment of any individual, and a refund of any unearned portion of a premium on account of such termination of employment will be made. A group policy represents a very distinct social service. A family left wholly unprovided for is a source of danger and expense to the community. Experience has show that in many instances the group policy provides the first and only insurance ever issued. In such cases the group insurance to some extent avoids the evils resulting from the neglect or folly of the family head, thus reducing the burden imposed on society of caring for the destitute.

As a burden group life insurance is an insignificant factor. As a benefit to employes it is of incalculable merit, while as a medium for the employer to obtain manifold advantages at an almost trifling cost it ranks superior to any other agency available.

INDUSTRIAL AGENTS' INCOME

Earn More Than Double Their Incomes Fifteen Years Ago—Last Year Broke Record

Nothing stimulates a man to greater endeavor so much as the prospect of increasing his income. He at once throws all the energy he possesses into his work, because he realizes that there is a goal ahead that is worth striving for. Such an opportunity is known to have brought out results that he never knew were possible to attain. The truth of this was recently verified by Second Vice-President Gaston, of the Metropolitan Life, in "The Intelligencer," under the caption "Improving Status of Industrial Agents," who said: "It is an opportunity for large earnings that attracts superior men to the service, and such opportunity presents itself through the combined earnings of the men from the two departments—Industrial and Ordinary. Such earnings have more than doubled in the last fifteen years and were higher in 1916 than in any previous year."

Moreover, larger income spells broader happiness, higher edueation, and reduced concern as to what the future has in store for the agent's family. To realize the purchasing power of a dollar is one of the main props of one's prosperity. It places him in more intimate relation with his policyholder and widens his field of labor. It is disclosing no secret to say that the agents of the Metropolitan Life are enjoying prosperity from an economic standpoint, and they fully appreciate the liberal treatment they have been accorded by the company. In keeping with this general doubling of the earnings of its agents, the Metropolitan has increased the benefits of its patrons, which is one of the marvelous features of the whole economic situation.

Ambitious, Productive and Trustworthy Life Agents may be benefitted by corresponding with the

Berkshire Life Insurance Company

of Pittsfield, Mass.

Inc. 1851

New policies with modern provisions Attractive literature

W. D. Wyman, President W. S. Weld, Supt. of Agencies

A SACRIFICE HIT

From "Grit"

Bankers Life Company

ALL fans know that a sacrifice hit means a hit that helps. You can make a sacrifice hit for yourself and help yourself to score by helping your prospect to make up his mind. Use your gray matter in some hard study of this very important problem. Concentrate on the best possible method to help a man toward his decision. Don't make it hard for him to sign. Make it easy for him. Consider the power of suggestion. Make your suggestions positive. Speak the right word in the right place. When it comes to the point where you think your man is ready for decision, don't put it up to him so he must say "Yes" or "No." Ask him where he was born and then lead gradually up to the final point.

With the job well done the prospect is in proper frame of mind to give it a good finish. Don't ask him to sign; just give him the chance, and then, if he signs, you have a run to your credit; and, if he doesn't, don't tear up the application, but hand it to him and say, "Here, you tear up this application—it isn't my business, but yours; it isn't my wife and children that are affected, it is yours." And then, perhaps, he will think differently of it, and you will be able to score on a passed ball.

FOOD FACTS

A little thirty-two page brochure from the press of the Metropolitan Life, and prepared by Donald B. Armstrong, M. D., M. A., M. S., is replete with valuable hints on the purchase of food. Not only does it tell how to buy, but where to buy, when to buy and what to buy. The booklet is being circulated among the Metropolitan's thousands of policyholders.

Build Your Own Business

under our direct general agency contract

Our Policies provide for:

Double Indemnity, Disability Benefits, Reducing Premiums

See the new low Rates

JOHN F. ROCHE, Vice-Pres't

THE MANHATTAN LIFE INSURANCE COMPANY

66 BROADWAY NEW YORK

Organized 1850

HOME LIFE INSURANCE CO.

(Now Purely Mutual)

256 BROADWAY, NEW YORK

GEORGE E. IDE, President

The fifty-seventh annual report shows insurance in force of $133,493,000, an increase during the year of $7,832,827. The Company paid the policyholders in 1916 $3,536,233, of which $628,406 was in dividends or premium refund. Its insurance reserve fund was increased by $1,300,000 and the Assets are now $32-821,462.

For Agency apply to

GEORGE W. MURRAY,

Supt. of Agts.

256 Broadway, New York, N. Y.

BANKERS LIFE CO. DES MOINES

PAYS GOOD PAY TO GOOD MEN

COMPANY

THE WESTERN AND SOUTHERN LIFE INS. CO.

W. J. WILLIAMS, President CINCINNATI, OHIO

The Largest Industrial Company West of The Alleghenies

Also Issues All Standard Forms of Ordinary $500 to $10,000

Organized 1888

COMPARATIVE RECORD—SEVEN YEAR PERIODS

	Assets	Insurance in Force		Income	Policies Issued
Dec. 31, 1888	$ 104,307	$ 889,073	1889-1895	$ 1,085,087	265,931
1895	155,640	5,294,381	1896-1902	3,930,883	638,659
1902	876,007	22,374,980	1903-1909	11,312,912	839,426
1909	4,867,379	44,780,907	1910-1916	22,670,340	1,426,752
1916	11,943,640	104,989,362			

AGENTS WANTED IN THE PRINCIPAL CITIES OF OHIO, KENTUCKY, MICHIGAN, INDIANA, WEST VIRGINIA and WESTERN PENNSYLVANIA

Metropolitan Life Childbirth Mortality

EXPERIENCE ON 2,750,000 LIVES

Favorable Condition Among Insured Females Attributed to Care Given By Nurse Service

The Metropolitan Life has just released for publication a press bulletin on "Mortality of Mothers in Childbirth," which contains some very valuable information gathered from the company's experience. The Company says:

More than two and three-quarter million women of child-bearing age, namely, between 15 and 44 years, are policyholders in the industrial department of the Metropolitan Life Insurance Company. The largest number of them are wives and mothers. Among these women, 1,769 deaths occurred during the year 1916 from diseases and conditions incident to childbirth. The statistics of these deaths, which are particularly complete and accurate, will be of interest to the medical profession, to health and social workers, and to the general public.

It is very gratifying to report a continued decrease in the death rate in the year 1916 from the causes associated with childbirth. The number of deaths was 70.1 per hundred thousand white female policyholders, ages 15 to 44, in 1911, and 62.6 per hundred thousand in 1916; which is a decrease of 10.7 per cent. Among colored women of the same ages, the rate was 88.4 per hundred thousand in 1911 and was reduced to 70.4 per hundred thousand in 1916; a drop of 20.4 per cent. In other words, the general conditions of mortality from the puerperal causes were practically the same among colored women in 1916 as among white women only six years earlier.

Diseases Responsible for Maternal Mortality

Childbirth fever or puerperal septicemia was the most important of the particular diseases and conditions responsible for this maternal mortality. This single cause of death was responsible for 41 per cent. of the total deaths from puerperal conditions. Albuminuria and convulsions associated with child-bearing were responsible for 29 per cent. and the accidents of labor for 10 per cent. Accidents of pregnancy, chiefly abortions and miscarriages, caused 8 per cent. of the total, as did also puerperal hemorrhage.

Decline More Rapid Among Policyholders Than in General Population

The consistent decline in mortality from these diseases and conditions among white and colored policyholders is in marked contrast to the practically stationary death rate from the diseases incident to childbirth in the population of the Registration Area of the United States. The latter fact was emphatically pointed out in a bulletin on maternal mortality recently issued by the Federal Children's Bureau. In fact, the death rate among the company's policyholders is now lower from these puerperal conditions than among the female population in general, although the insured group is composed almost entirely of mothers of the industrial classes.

Effect of Public Health Nursing Upon Mortality From Childbirth

This more favorable condition among the insured females is in large measure the result of the extensive care given by the Visiting Nurse Service of the Company to policyholders during pregnancy and after childbirth. In 1916, out of a total of 217,422 cases cared for, 42,124 or 19.4 per cent. were concerned with maternity. Of these maternity cases, 30,189 were intensively nursed under the direction of a physician, with an average of 7.7 visits per case.

To Extend Nursing System

As a result of this very encouraging mortality showing, the Company has recently extended the privilege of the Nursing Service to female policyholders during the period of pregnancy, and two prenatal visits by nurses are allowed in addition to the eight nursing visits permitted after childbirth.

MUST PAY IN GOLD

French Court So Holds When Insurance Policy Calls for Such Payment

The French courts have just decided that an insurance company whose policies read that payment of premiums will be made in gold, is bound by the clause in spite of altered conditions incident to the war. The complainant held a policy in an American company, which entitled him to receive some $13,500 in gold in 1916. The company declined to pay in gold on the ground that the law of August 5, 1914, had established forced currency in paper money.

The court ruled that the object of the law of August 5, 1914, was to ensure the free circulation of Bank of France bills as the equivalent of gold, relieving the bank of being obliged to pay in gold, and thus the bank's enforced currency must always be respected for payments made under normal conditions in France. But such considerations, the court holds, do not apply in this case. Public interest exacts the strict observance of the obligation entered into by the American insurance company, the more so because, at the time that payment was due in 1916, the United States had not brought the valued co-operation to the Allied Powers.

UNDERWRITERS' MEETING

Special Cars Provided for Delegates From New York to New Orleans

Owing to the fact that the boat previously chartered to carry the delegates from the east to the annual meeting of the National Association of Life Underwriters at New Orleans in September has been requisitioned by the Government to transport troops to France, arrangements have been made by the committee in charge to go by rail.

The Pennsylvania and the Southern Railway will provide special cars for the delegates or, if need be, a solid special train from New York to New Orleans and return.

THE AVERAGE EARNINGS OF THE AGENTS
OF THE
Standard Life Insurance Company
∴ ∴ OF PITTSBURGH ∴ ∴
are higher this year than ever before. Our attractive Accident and Health Policies have helped them to make more money.
Write for a LIFE, ACCIDENT AND HEALTH Contract to
FRANK A. WESLEY
Vice-President and Director of Agencies

Building and Loan and Life Insurance

ASSOCIATIONS CANNOT INSURE MEMBERS

Prohibited in Pennsylvania By Act of July 12, 1913, Says Deputy Attorney General

The Attorney-General's Department of the State of Pennsylvania, in a recent opinion to J. Denny O'Neil, Insurance Commissioner, advised him that building and loan associations cannot lawfully insure their members either in a group or as individuals.

The opinion even goes so far as to say that the joint solicitation of building and loan membership and insurance or their ostensible connection is prohibited by the act of July 12, 1913.

Deputy Attorney-General Davis, who wrote the opinion for the Department, says, in part:

"It is not the function of a building and loan association to do the thinking for its members and to determine for them whether or not any individual member desires to carry insurance. Building and loan associations were never intended as a means of securing business for insurance companies. They are designed along independent and unrelated lines.

Departures Dangerous

"The experience of the officers of this Commonwealth charged with the supervision of these corporations has demonstrated the fact that departures from the old legitimate methods of operating building and loan associations is disadvantageous to the rank and file of their members, and are, in most instances, the result of those in control or charge of them endeavoring to obtain profits or advantages to themselves.

"The officers of any building and loan association will well be performing their duty to its members if they endeavor, with fidelity, to guard their interests within the limits of laws pertaining to such associations. If their motives are correct, it would be well for them, without coercion, to defer to the opinion of those charged with the supervision of such associations throughout the State, which opinion is founded on the unsatisfactory and, in some cases, disastrous results of associations which have extended their activities to include insurance and similar features.

"In the first place the business is illegal and they are compelled to resort to various subterfuges in an effort to evade the law. This alone should be sufficient to condemn it.

"Second: It creates two different kinds of membership, the insured and non-insured.

"Third: The contracts made are outrageous. Members are promised large profits from lapses, so that the shares of stock would mature at a much earlier time.

Both Good—But Don't Mix Well

"Thousands of men of moderate means are to-day living in homes of their own, which they have acquired by the and of building and loan associations. The mortgage on the property is liquidated month by month. As long as the breadwinner lives this home is protected. But human life is uncertain, and death may come at any time, and a policy of life insurance as well as building and loan association has saved the home for many a widow or orphan.

"They are both good, and it is a good thing to have both, but like many kinds of medicine which are excellent remedies, they lose much of their value when combined."

BECOMES DISTRICT MANAGER

The Fidelity Mutual Life Appoints George M. Spears at Nashville

George M. Spears, of Pulaski, Tenn., who for a number of years has been associated with the office of Secretary of State at Nashville, has been appointed district manager by the Fidelity Mutual Life for the City of Nashville.

Mr. Spears is making fine progress in his new position and is so well pleased with his life insurance experience that flattering offers from a prominent Chattanooga business concern for his services have been turned down.

SECURITY MUTUAL MANAGER

Robert F. Hopkins, of Nashville, Tenn., has been appointed manager for the Security Mutual Life for the middle Tennessee territory, succeeding L. W. Long, who has been transferred to Birmingham, Ala., by the Company.

REAL SATISFACTION
Working with **William N. Compton** and the **John Hancock Mutual Life Insurance Company** in New York City forms the happiest combination imaginable for the life insurance salesman.
If you have any doubt in your mind have it dispelled by calling at
220 BROADWAY
Phone 6030 Cortlandt

Sentiment is Life Insurance Backbone

BEAUTIFUL PICTURE OF HEART INTEREST

Colonel W. B. Davis Stirs Agency at "Get-Together" Meeting in Virginia

At the recent "get-together" meeting of the Virginia Department of the Reliance Life of Pittsburgh, Colonel W. B. Davis, Supervisor of the Virginia Department, in the course of a speech delivered at that time, referred to sentiment in life insurance, in the following language:

"I want to mention something about which I have given much thought. I have thought about it a mile underground in the Comstock; I have talked it to the stars on the northern edge of Death Valley; I have whispered it to the silence of the land "Where the snows are older than history and the rivers all run God knows where," but this is the first time I have ever attempted to give it to human ears.

Human Side of Life Insurance

"I have reference to the human side of life insurance which is but another name for sentiment. I have been accused of being an apostle of sentiment and I plead guilty to the charge. As light is to nature, so is sentiment to the human soul. Light is the angel of the beautiful. It unveils the universe and reveals to mortal eyes its glory. Sentiment is the ministering angel of life. Its warmth and light are in every thought, its wings flutter in every dream. It sheds its sweet influence on every pathway and smooths and softens every pillow. It hangs a bow in every cloud and sets a star in every horizon. Its morning is a smile, its noon is a joy, and its evening a tear. It sweeps the harpstrings of human hearts and they thrill with every human passion. It steals a poem from the rose, a song from the bird, a melody from the brook. It gathers a whisper from the winds, a sigh from the sea, a prayer from the stars. It catches music from the lips of the morning and somber beauty from the jewelled night. It touches all the tender chords of feeling and exalts the soul to higher planes of happiness.

In Gubernatorial Chambers

"I sat beside the Governor of Tennessee; I saw old men tottering on their staffs with broken hearts and tear-stained faces and I heard them plead for their wayward boys. I saw a wife and seven children in tattered garments clad fall upon their knees around him who held the pardoning power. I saw sickness and sorrow and poverty and trouble and distress and suffering and agony and anguish march in solemn procession before the Gubernatorial door, and I said: 'Thank God for the sentiment in the human heart that bids the strong give help to the suffering and distressed and ruined of the Earth!'

In Shakespeare's Dreams

"Sentiment! yes—it built the ideals and shaped the dreams of Shakespeare and made his 'Romeo and Juliet' the oracle of love in whose divine presence all the world are lovers. It touched the harp of Burns and warmed his genius into the flower of song whose fragrance will linger forever.

Lessons From Brush and Bow

"I stood before a great painting and was awed and charmed by the master's art. He touched the canvas with his brush, and lo! Paradise sprang from the dust of long ago and lived again. I sat in a great theater and saw the wizard of the bow turn his cello into a thing of passion; it laughed and wept and sung; it hoped and despaired and sobbed like a child. I saw the brilliant Carmack play on the passions of men as the child plays with its toys, and the dauntless Patterson thrill the hearts of his countrymen with his imagery and his eloquence. They were the plumed knights of opposing sentiments and won the plaudits of the populace of Tennessee with their magnetism and their power.

The Flowers' Part

"I saw June unbar a gate of roses and the sweet-scented morning came forth from the pavilion of enamored night bringing me the keys to a thousand heavens.

The Key to Heaven's Door

"Yes, Sentiment. It holds the key that unlocks the gate of every paradise and opens the door of every heaven. Life insurance was founded upon sentiment and the business of procuring must give due consideration to this fact. When you commercialize the securing of life insurance, you strike at its very foundation. I thank God that my profession is associated with all that is beautiful and sublime and good. You, gentlemen, are the standard bearers in the army of sentiment, because you appeal to the greatest of all sentiment—The Love of Home. You are soldiers in the front rank of civilization's mighty army, because you make it possible for the son to begin where the father leaves off. You are prominent factors in the social and economic progress of the nation, because you keep the sons of men from having to struggle up through poverty and ignorance as their fathers did before them. You make it possible for a man and his achievements to live after he is gone. You make the world a safer, a happier, and a better place in which to live. You can not carry the message of life insurance to humanity without aiding in the betterment of the race. When I see a man commercializing life insurance by figuring ratios and personal gain to his prospect and burying him under a sea of actuarial mud, I fell like taking him by the nape of the neck and consigning him to outer darkness. He is not fit for the profession.

No Regrets Follow Agents' Work

"As the dew is to the rose, so is sentiment to the message of life insurance. The widow who doesn't have to take in boarders; the son who is not compelled to leave the high school for a place at the forge; the daughter who is not driven from a sheltered home to the sweat shop, are not going to transmit to your children any tale of regret that you carried the message of life insurance to the husband and father.

"Gentlemen, the human side of life insurance is nine-tenths of the whole structure and that you, your company, and your department, recognize this fact, is a greater asset than all the gold in the coffers of the company. Life insurance is founded upon sentiment, the business of procuring it is conducted by the reliance on the same thing, and your department is being organized and managed with this thought uppermost."

$17,854,263 FIRST SIX MONTHS

Equitable Life of Iowa Makes Gain of About $6,000,000 Over Same Period of 1916

In a news bulletin the Equitable Life of Iowa states that a record of production was established by the agents of that Company during the first six months of 1917, when $17,854,263 of new business was written, giving the Company a gain of nearly $6,000,000 over the same period of 1916.

The total business in force in the Equitable Life of Iowa as of July 1, 1917, is $131,577,981, a net gain for the first half of the year of $13,257,528.

The Company has gained more than $30,000,000 in insurance in force in the past eighteen months, thus enabling it to maintain its world's record of having on its books more than 60 per cent. of all the business it has written during its entire history.

American Central Life

Insurance Company

INDIANAPOLIS, INDIANA

Established 1899

All agency contracts direct with the company

Address:

HERBERT M. WOOLLEN, President

NATIONAL LIFE INSURANCE COMPANY

(MUTUAL)

MONTPELIER, VERMONT

67th Year

FRED A. HOWLAND, President

On paid-for insurance basis and with bonds valued at par only (market value $409,882 above par) the 67th report shows:

Assets	$66,426,040.82
Liabilities	62,268,494.36
Surplus	$ 4,157,546.46
INSURANCE IN FORCE	$212,037,400.00

A good company for the policyholder and the agent

EDWARD D. FIELD, Superintendent of Agencies.

State Mutual Life Assurance Co.

OF WORCESTER, MASSACHUSETTS

Incorporated 1844

The Company that gives complete satisfaction to policyholders and agents because both are a part of it.

SEVENTY-THREE YEARS of faithfulness to every promise made.

Success for our ambitious representatives is a certainty.

Additions are made to our agency force when the right men are found

B. H. WRIGHT, President D. W. CARTER, Secretary

STEPHEN IRELAND, Inspector of Agencies

The Connecticut Mutual Life Insurance Company,

PRESIDENT JOHN M. TAYLOR, HARTFORD, CT.

Insurance in force, 107,262 Policies for..... $253,439,405.12

WHAT NO OTHER COMPANY HAS DONE

To repay to its Policyholders in Death Claims, Endowments, Dividends, Surrender Values, Annuities and other credits more than they have paid to it in premiums. It stands alone in that result.

Total premiums received, Dec. 1, 1846, to Dec. 31, 1916	$310,337,255.71
Total returned to Policyholders, as above noted, in same period	319,548,729.00
Excess of amount returned	9,211,473.29

Extracts from Report of Examination of

SOUTHWESTERN LIFE INSURANCE CO.

By the State of Texas, June 28, 1915

"It is noteworthy that this Company was organized without any promotion expenses."

"I beg to report further that I find the Company in excellent financial condition."

"The volume of its business has steadily increased, its surplus is growing rapidly and its funds are being carefully conserved under expert supervision."

Home Office, DALLAS, TEXAS

We don't contract with poor men.

We give a new man our attention until he is started.

We make our men make good.

Why don't you work for us?

Peoria Life Insurance Company

PEORIA, ILLINOIS

Two Striking Cases Of Fatal Delay

AGENTS SHOULD EMPHASIZE RISKS TAKEN

Signature and Medical Examination Factors in Two Bankers Life Company Experiences

Procrastination and business engagements often prove fatal elements entering into the creation of life insurance estates, as is pertinently pointed out in the news letter of the Bankers Life of Iowa, wherein it states:

Dr. Adolph M. Evetz of Carroll, Iowa, met a tragic death when crushed to a lifeless pulp in a recent elevator accident. He was an examiner for the Bankers Life of Des Moines and was only 33 years old. P. W. Flandermeyer, a member of the Iowa field force for the Company, solicited Dr. Evetz for life insurance on the very day of his death and has written the Company the following letter:

Signature Not Affixed

"In connection with the sad and untimely death of our efficient regular examiner at Carroll, it may interest you to know that I solicited Dr. Evetz for a policy with us on the morning of the day he was killed. The policy selection was made, application all made out and ready for his signature. I said to the doctor, 'Now, doctor, write your name right here,' pointing to the dotted line below, 'and write it as it appears above.' 'No,' he said, 'I will think it over. Come in and see me tonight.' I remember distinctly of making this reply, 'Tonight may be too late, doctor. You are reasonably sure that you can get this now, tonight or tomorrow may be too late.' However, he laughed it off as a joke and did not sign the application. He was killed at 2:45 that afternoon.

"The last interview I had with this prospect was the 3rd and he gave me the same answers at the close of the previous interviews—but he put it off too long."

Business Delays Examination

A local newspaper of Deadwood, Iowa, contained the following item in connection with the death of one of its prominent citizens:

A rush of business that prevented the late Walter Wheaton of Deadwood from complying with the preliminary requirements incident to the taking out of an insurance policy cost his family $3,000. Mr. Wheaton, who died last week as the result of burns sustained in a gasoline explosion in his home, had applied for a $3,000 life insurance policy in the Bankers Life Company of Des Moines, through the local agent, Charles C. Heckendorn. Arrangements had been made for the payment of the first premium and all other details, except the physical examination, had been attended to.

Five times Mr. Wheaton had arranged to go to the doctor's office for the examination, but on each occasion his presence at his vulcanizing plant was required for some rush work at the time of the engagement. Before another engagement could be made and kept, the accident occurred and within twelve hours thereafter Mr. Wheaton had passed away.

LEVEL DEPOSIT FOR ANNUITIES

A law providing that annuity companies shall deposit with the insurance commissioner, in trust, for the benefit of their contract holders acceptable securities equal to one hundred per cent. of their liability on all outstanding contracts has been passed in West Virginia.

44 MILLIONS from 42 AGENCIES

THE 1916 RECORD OF OUR EARNEST, LOYAL AND HAPPY AGENCY FORCE

New England Mutual Life Insurance Company

BOSTON, MASS.

UNDERWRITER FIFTY YEARS

C. R. Gearhart of Lock Haven, Pa., Observes Golden Anniversary Quietly With Friends

C. R. Gearhart, who has been writing life and fire insurance in and about Lock Haven, Pa., for the past half century, celebrated his fiftieth anniversary on July 23rd. Unfortunately he had been somewhat indisposed for a few weeks, and the occasion was quietly celebrated with a few of his most intimate relatives and friends.

Mr. Gearhart wrote his first fire insurance policy in Dunnstown, a neighboring place, on July 23, 1867, and this property proved to be the first one of his risks to burn. Subsequently he entered the life insurance field, and at the present time is the general agent in that locality for the Northwestern Mutual Life. He has written and published several insurance pamphlets, and in 1888 he started the Investors' Guide, as an oragn of publicity for the Northwestern agents. At present the Guide has a large circulation. It was Mr. Gearhart's publications that formed the nucleus for the Clark Printing Company, which is one of the substantial concerns of his home city today.

NEW MASSACHUSETTS AGENCY

The Bailey-Barnes Co., Inc., with Lester V. Bailey, president; Charles E. Barnes, treasurer, and A. S Trowbridge, secretary, has been incorporated, with headquarters in the Park Building, Worcester, Mass., and in the Smith Block, Framingham. In Worcester the company will represent the Massachusetts Mutual and the Connecticut General Life insurance companies. At Framingham the concern will act as general agent for a dozen or more dwelling house mutuals, and also the Massachusetts Mutual and the Connecticut General.

The Northwestern National Life policies now contain waiver of premiums and income upon total and permanent disability, without deduction from the face of the policy; also double travel provisions.

Amicable Life War Risk Policy

PROVIDES FOR RETURN OF RESERVE ONLY

President Roberts Issues Letter of Instructions to Company's Field Representatives

In a letter to its field representatives President Roberts of the Amicable Life of Waco, Texas, sets forth the position of that company with regard to accepting risks on probable entrance of policyholders into the fighting ranks of the Army or Navy, and the Cash and Loan Value question. He says in part:

"The premium rates of this company are based upon the American Experience Table of Mortality. This table does not take into account experience including deaths resulting from war. Therefore, if this company issued permits for service in war, an adequate extra war rate should be charged. As no such extra rate has been named in any policy issued by this company, the policy stipulates it is void in case of death from war, except that the net premium received or the reserve held by the company only will be paid in case of such death. Thus, neither the company nor the policyholder can receive any advantage one over the other, nor something for nothing.

"Life insurance funds are the most sacred of trust funds. A large number of persons in good health have banded together for the purpose of each equitably contributing to a fund to be used in paying to the beneficiary (usually widows and orphans) of each a sum of money in case of the death or old age of such policyholder. For no other purpose can those funds be applied other than in strict accordance with the terms of the policies issued. Hence, a company must be builded on the foundation stones of safety, integrity and conservatism. If the vigilance of the management ever relaxes and is lured by the hope of temporary advantage into reckless methods for big profits so that security is forgotten, these sacred trust funds are imperiled and disaster will surely follow.

"The only practical and fair way, if war rates are to be accepted, is to charge such policyholder an extra premium equivalent to the risk involved. But the difficulty to-day is in knowing exactly what the extra premium should be. The experience of past wars, with their death rates, does not serve us to-day, because every war is a law unto itself, and methods and conditions are changing every year. This world's war is doubtless the most deadly in history. Whole regiments and battalions have been blotted out in an hour's battle. To fix a premium rate sufficiently high to cover such appalling death loss is practically impossible. Some conservative companies are unwilling to assume war risks even at extra rates which seem prohibitive; for it is not fair to the great body of old policyholders to put this dangerous class of business on the books. Really, the soldiers' protection should be provided for by the Government and not by the widows and orphans who are the beneficiaries of the ordinary insurance contract.

"The extra hazard of war risks is not a liability for a life insurance company to assume, without adequate compensation. Such a company is an economic institution. It is composed of a limited number of persons, citizens of different countries which may be at war against each other, but who have banded together for the sole purpose of mutually furnishing protection to themselves and to their loved ones in case of old age or death. Each pays for the corresponding benefit he is to receive, be it much or little. The premium rate to be paid by each member is dependent upon the amount of insurance, the kind of policy, age of the insured, and sometimes the age of the beneficiary. No provision has been made by extra premium for war risk, or usually for any other extra hazard in policies issued by such companies. If so, such extra premium is named in the policy for such extra liability, and each and every member of this mutual corporation pay their pro rata part of the cost of the conduct of the business. Otherwise, inequity would be established, and the whole system of equality would fall.

Cash and Loan Values

In another letter President Roberts said in discussing cash and loan values:

"In time of peace, one of the greatest risks a life insurance company can take to possibly undermine its future solvency, is issuing policies with cash and loan values payable upon demand of the policyholder. This cash and loan demand banking feature should have no place in a life insurance policy. It is a practice of recent years, and formerly was not incorporated into any policy of insurance. There will come a time in the history of every life insurance company having in all its policies these pay upon demand cash and loan agreements, when it will be sorely pressed, if not wrecked thereby. As in the past, so it will be in the future, that periodically money will become stringent, and regardless of sentiment for loved ones, policyholders will procure money along lines of least resistance. No security is so easily converted into ready money as the pay upon demand cash or loan clauses in a life policy, as usually written.

"This company has in its policies these cash and loan clauses, but reserves the right to delay paying the cash or making the loan for six months after application therefor has been made by the policyholder."

The Nation Needs Its Business

Not less patriotic than those who serve the Nation in organizations directly connected with the war, are those who keep the wheels of business steadily turning. Their work contributes to the country's moral poise, and, as well, keeps sound the financial foundation on which our great part in the war must rest. Life insurance is one of the great conservators of national resources, through its protection of the myriad homes of the people and the businesses which furnish their maintenance. Life insurance has therefore a great opportunity and a great duty in this time of crisis.

Occasionally we have a General Agency opening

JOSEPH C. BEHAN, Superintendent of Agencies

MASSACHUSETTS MUTUAL Life Insurance Company

Springfield, Massachusetts

Incorporated 1851

GENERAL AGENTS' CONVENTION

The Equitable Life of Iowa announced that as part of the celebration of the golden anniversary year of that Company, the annual convention of its general agents' association will be held at the home office this year. The dates fixed for the convention are August 14, 15 and 16.

LIVE HINTS FOR BUSINESS GETTERS

Practical Suggestions to Help the Man With the Rate Book Increase His Income and General Efficiency

Selling Extension of Incomes

Barney Pearson of the Pittsburgh Agency of the Equitable Life of Iowa presents his talk in selling income insurance in the following manner:

"Sell to the small policyholder an extension of his income in an amount sufficient to hold the family together until they can adjust themselves to the new conditions caused by the death of the breadwinner, instead of lump sums of so much money.

"Of course the matter of presenting the proposition would have to be adapted to the individual case but the following will serve as an example. Ask an employe in a bank or any established business institution how it would appeal to him if the manager were to come to him and say:

"'John, you are doing good work and we are interested in you and feel that you will make good progress if nothing happens to you, but we are also interested in your good wife and children. You might be taken from them, either by accident or some other cause, and they would be left without a means of support.

"'So, John, we have decided if you will leave with us a dime each day of your present income we will agree with you, giving you the company's contract, that we will give your wife $250 with which to pay your funeral expenses and then we will keep your name on our payroll and will send your wife our check for $50 per month for three years, or thirty-six months.

"'The fifty dollars, John, would pay rent on a modest cottage and buy the necessities of life, thus enabling your wife to prepare herself to do the kind of work at which she can earn the most money and at the same time take care of the children.

"'Of course, John, the dime a day or $36 per year would buy a $2,000 life insurance policy, but the advantages of the plan we offer you lie in the fact that the money would go to your wife just as she needed it and there would be no danger of her spending more on your funeral and tombstone than was necessary or spending more for the things you have both hoped to be able to buy; neither would it be subject to the danger of her loaning it to some relative to go into business or being swindled out of it by some of the investment sharks who make a living robbing the inexperienced by selling them fake investments.

"'You know, John, it frequently occurs that a wife is left with $2,000 and feels that it is a great deal of money and she spends more for herself and children than she has been spending, thereby raising their standard of living above what they will be able to maintain after the money is gone, and it sometimes happens that it would have been better if they had been left without the money.

"'The greatest value of the income plan lies in the fact that it gives to your wife an absolute measure of the amount of money left her.

"'A short time after the funeral she will be thinking of what a nice thing you have done for her in arranging for the company to send her the $50 each month and as her thoughts extend into the future, seeing the check being delivered each month by the postman, all at once she will start and exclaim, "Oh!" as she sees the end of the monthly checks, for the thirty-seventh month she will receive no check and this realization will cause her to begin immediately to prepare to get ready for that time.

"'The average mother left with small children and an income of $50 per month for 36 months will hold the family together and will be earning a living long before the 36 months have passed and will probably have saved the last year's income as a sinking fund for emergencies or the education of her children.'

"Of course, John, in most cases would be willing to leave the 10 cents a day with the company for which he works on the above proposition and it can be suggested that the company for which he works cannot make him this proposition, but that the life insurance company is in the business of making and carrying out just such propositions. Presenting the subject in this light has a big appeal.

"Listen, fellows, study the thought in the above article, learn to apply it to your prospects who cannot afford to carry large amounts of insurance and you will not only sell policies a thousand or two larger, but will also be laying a foundation for bigger things in the life insurance business. Every man, after considering the income proposition, will more fully realize how little an amount of money $5,000 or $10,000 is, and as he progresses in his particular line of endeavor and his salary increases, you will have laid a foundation upon which to build a business for yourself and that will bring the real joy that accompanies success."

* * *

America Envied by the World

The wealth of America is estimated at approximately $250,000,000,000, or more than the wealth of England, France and Germany combined. In commenting on our colossal wealth recently, Mr. Armour of Chicago is quoted to have said: "I consider the present the most auspicious period from the standpoint of national prosperity in my memory. There is not one good reason why the business of this country should not proceed in its normal course and on ever-increasing lines. There is not one reason why people should fear for the future or should permit themselves to be swayed from the certainty that they are on a sound financial basis. The per capita wealth of America today is greater than ever before—greater than that of the people of any nation at any time in the past or in the present. Our national wealth is past the wildest dreams of a few years back. Whether the war ends tomorrow or whether it lasts indefinitely, this much is certain: The United States, having possession of forty per cent. of the world's supply of gold, the greatest natural resources, and geographical isolation, is certain to suffer less than any other nation in the war or in the whole world."

* * *

Responsibilities Are Liabilities

An exchange tells a story of an agent who was trying to convince the prospect that he should have more insurance. He was already carrying $2,000 twenty-payment life, and the agent was trying to show him that he needed at least $5,000. Having approached the prospect from many angles without finding a vulnerable point to attack, the agent finally told him that it was every man's duty to cover his liabilities with insurance.

The prospect came back with the reply that he had that amount of life insurance, and more too. He admitted that he owed less than $1,000 and that he has that protected with $2,000 insurance in a good company. The agent then told him that a man's liabilities did not consist of what he owed, but of what he was responsible for, to which the man readily agreed. In reply to the agent's inquiry as to how much it cost him to live each year and keep his family properly clothed, and his children in school, he admitted that $1,000 would not pay the bills.

"Then you admit that you are liable for one thousand dollars a year, and if you should die your $2,000 would keep your family for two years, provided it was applied to their support," said the agent, who continued: "Now, your family ranges in age from five to fourteen years, and according to your own statement you are responsible for $1,000 a year for the next fifteen years, or $15,000, and you are trying to deceive yourself and your family by covering that $15,000 liability with $2,000 worth of life insurance."

* * *

An Angel in Disguise

A life insurance agent entered a San Francisco hardware store, inquired for the proprietor and proffered his card by way of introduction. As he was about to make known his wants, the card was thrust back, accompanied by the statement: "You must excuse me, sir, but I have no time to talk insurance during business hours. I can't listen to you. You can do no business with me today."

The astonished agent replied: "But, my dear sir, I had no intention of talking life insurance; I called to purchase an electric pump for a mine I own in Nevada."

The merchant, of course, was profuse with apologies, according to the way the story runs, but a rival establishment got the order, which amounted to nearly a thousand dollars.

* * *

Do You Want To Earn Big Money

Suppose a company offered you $50 per day to work for it, right along, six days in the week. Lots of field men would snap up such an offer as the God-send of a lifetime. They would work as never before dreamed of working. You'd see force, energy, hustle, stick out all over them. Their friends would just about think they had gone crazy, from the way they worked. And yet lots of those very same men could actually be making $50 per day now if they'd work as they would under a company offer of that much.

Now why in God's name won't they fight in and make it as commissions—just as well as they would by salary? A big lot of life field men are making $50 a day and have been for years. It's only about $15,000 a year—working days. That's no marvelous shake's of earnings for a high class salesman.

THE MOST VALUABLE POLICY FOR YOU,
Mr. Agent, is to write your prospect in the Company writing the most valuable policy for the insured.
Secure **prompt action** in the
John Hancock MUTUAL LIFE INSURANCE COMPANY OF BOSTON MASSACHUSETTS
WILLIAM N. COMPTON, General Agent
METROPOLITAN DISTRICT, ST. PAUL BLDG., 220 BROADWAY, NEW YORK, N. Y.

ORGANIZED 1871
Life Insurance Company of Virginia
RICHMOND, VIRGINIA
OLDEST, LARGEST STRONGEST Southern Life Insurance Company
Issues the most liberal forms of Ordinary Policies from $1,000.00 to $50,000.00, and Industrial Policies from $12.50 to $1,000.00
CONDITION ON DECEMBER 31, 1916:

Assets	$14,464,552.23
Liabilities	12,436,717.56
Capital and Surplus	2,027,834.67
Insurance in Force	118,349,212.00
Payments to Policyholders since Organization	18,119,172.50
Is Paying its Policyholders over	$1,300,000.00 annually

GOOD TERRITORY FOR LIVE AGENTS



Just say:
"Insurance Man"—
the open sesame to every courtesy within our power.
Room with detached bath $1.50 and $2.00
Private bath $2.50 and $3.00
BREVOORT Hotel
Insurance Headquarters
MADISON ST.—East of LaSalle
CHICAGO
LAURENCE R. ADAMS, Sec'y & Mgr.

Founded 1865
The PROVIDENT Life and Trust Company
OF PHILADELPHIA, PA.
What do most men fear?
An insufficient income for their wives and children if they die, and for their own old age if they live.
WE WILL INSURE THE INCOME IN EITHER EVENT.
Write for Information

ALWAYS A PLACE FOR DEPENDABLE AGENTS
Those who can not only write applications but deliver policies, and are energetic in their methods. Good positions are ready for such men.
Union Mutual Life Insurance Co.
PORTLAND, MAINE
ARTHUR L. BATES, President
Address: ALBERT E. AWDE Superintendent of Agencies
7 W. Madison St., Chicago, Ill.

The Christian Principle in Life Insurance

From a Sermon by Rev. Leroy M. Coffman, D. D., to the Davenport (Ia.) Association of Life Underwriters

From "The Equiowa"

I have a right as a man to speak upon life insurance because I have believed in it, and practiced it since twenty years of age. I have a right, as a minister, to preach upon this topic because life insurance is a Christian enterprise, born in a parsonage, and launched as a means of fulfilling the law of Christ. The first company was originated and organized by an English clergyman, named Anhate, in the year 1688, as a means of providing for needy families in his Lincolnshire parish. This child of the church has gone far, and now moves through the financial world as an independent giant, but is has never lost the marks of its parentage and has never ceased to be essentially Christian in the motive to which it appeals or the ministry which it brings to the needy human kind.

I wish to begin by showing that to insure one's life is a Christian duty. The conception of securing the future by the use of present resources is drawn from the ethics of the new testament; and to act upon that conception is to fulfill the ethics of the new testament.

1. **Life insurance is built upon the Christian principle of prudence.** Paul distinctly taught (I. Tim. 5:8) that "if any provide not for his own, and specially for those of his own house, he hath denied the faith, and is worse than an infidel." The word "provide", as here used, means "to think of before-hand," or "to furnish for future use," and he is referring to that provision for the future which is a daily and hourly duty upon which we constantly act. Every time we secure enough food in the morning to supply the evening meal; every time we put enough coal in the bin to weather the next wintry blast; every time we send a boy to school with a lunch in his pocket or an umbrella in his hand, we are insuring against the future. Life insurance is but one application of a general principle, by which God has ordered that we must direct our lives, providing now for a need that is probably just ahead, and that will find us unprepared unless we provide for it. No thoughtful man would dream of going to New York for even so brief a space of time as one week without leaving sufficient funds in the hands of his wife to meet the expenses that are sure to accrue during his absence. Still less would any man with the least gleam of honor think of going upon some long journey to the far East or the far North without making adequate provision for the comfort of his little flock during his absence. And yet many a man sets out for the "undiscovered country from whose bourn no traveler returns" without having given a thought to what will happen to the little woman and her band of flaxen haired angels while he is gone. Many a man goes out without facing the fact that when he dies his wife will become his widow and his children will become his orphans. After we men are gone our families must be fed and clothed and housed just as they were before, and it is as much a crime for a man to make no provision for this after death, as it would be for him to make no provision for it during life. I do not wonder then that the man who had no vision of things to come, and no care for the days that have not dawned, seems to the apostle a man without an adequate conception of life —vea. worse than an infidel.

2. But farther, **life insurance is built upon the Christian principle of faith.** "If any man provide not for his own he has denied the faith." There is no such thing as leaning on God in faith while neglecting a plain duty and thrusting our own responsibilities upon Providence. That is as much an act of unbelief as to deny God altogether. It is refusing to believe what he has plainly said in nature and the scriptures about the necessity of thrift and foresight and about the blessing which always falls upon diligence and self-help. Said one man to another: "What provision have you made for your wife and those four curly heads of yours?" The Christian man replied: "Trust in the Lord and do good and verily thou shalt be fed." At forty-two he dropped one day as if he had been shot, and left his family homeless. That was not trust; it was presumtion. Walk off the roof and trust the Lord to prevent gravity from breaking your neck; and it will be just as much faith as it is to ask the Lord to break His laws in order to undo the results of your neglect. Men say: "I have more faith than you; I believe that if anything should happen to me, God will take care of my family." That is, you believe that God has put a premium on laziness; you believe the sins of indolence and improvidence are not visited upon the children; you believe that the laws of nature are a joke. And you are just as much an infidel as the man who denies that there is either a God or a Providence. Yes, I believe that God will take care of the family of even an improvident man; but look you! He will do it in the county poor-house, or the orphan asylum. But real faith believes that God works through fatherly industry, and paternal foresight, and conjugal faithfulness, and prefers to take care of an orphan family in a home which a father's love has provided.

3. **Life insurance is built upon the Christian principle of duty.** No man has the right to leave those who are dependent upon his love and care to the chances of life. The man who deserts his wife and child is by some States jailed for non-support. Death puts you out of the reach of human law; but it cannot relieve you of the responsibility. For duty, like the Deity, is omnipresent. "Whither shall I flee from thy presence? If I descend up into heaven, thou art there; if I make my bed in hell, behold, thou art there." (Ps. 139:7-8.) The man who could but does not provide for the future of his family, does not die, he absconds. And when he reaches the other shore the Eternal Vigilance is there to apprehend him as a defaulter who has run away from duty. When that young man lived merrily with his wife, and would hear no opportunities to provide for the future; when death came like lightning out of a clear sky and they laid him away in a coffin that his fellow workers had to buy; when the cold wind whistled through the bleak November trees upon his sobbing wife in whose pocketbook there was not enough to pay her way back to the cheerless home and a cupboard that had no bread in it, had he discharged his duty? Did he promise to cherish only "till death us do part?" "No," says Duty, "your responsibility stretches beyond the grave to the full limit of your ability in life to provide for the future of those you have made dependent upon you." To die with the wolf so near the door that he is certain to be waiting on the step when the funeral procession returns from the cemetery is the most serious default in duty of which a man can be guilty in this life. As has been said, it is meanly selfish for you to be so absorbed in the heaven to which you are going as not to consider what will become of the wife and children after you go. You expect to move into a house of many mansions and leave them to the fourth story of a grimy tenement house.

4. **Life insurance is built upon the Chhristian principle of Co-operation.** "Bear ye one another's burdens and so fulfill the law of Christ." (Gal. 6:2.) And this life insurance does by distributing among the many the loss incurred by the death of the individual, which loss must otherwise fall with crushing weight upon the heirs who are left behind. Every man who carries a policy thereby bears a part of the general burden of mankind. But more particularly he bears the burden that might otherwise fall upon those nearest and dearest to his heart. In the deepest, truest and most intimate sense, he fulfills Christ's law which bids us love one another as He has loved us.

I am glad to put the stamp of Christian approval upon this vocation. Every life insurance agent is a preacher of sobriety who goes out to beseech a frivolous age to be serious and think of the future. Every life insurance agent is a preacher of prudence that calls the headlong and confident man to face the fact of death and be ready for it. Every life insurance agent is a teacher of thrift, and every policy he places is a text book which bids the holder practice economy, system and frugality, and to cut off the indulgence that will certainly waste his means, if it does not destroy his body and damn his soul. Every life insurance agent is a conserver of wealth and the reserves that have been built up out of small yearly savings aggregate a fabulous sum and an immeasureable resource in the financial world. Every life insurance agent is a benefactor bent upon a mission of mercy and a labor of love; and when after ninety days he goes to the bereaved household and pays the face of the policy, upon the authority of the Apostle James, he performs a definite act of religion, for "Pure religion and undefiled before God the Father is this, to visit the fatherless and the widows in their affliction." (James 1:27.)

THE
METROPOLITAN LIFE
Insurance Company
(Incorporated by the State of New York)



Metropolitan Life Insurance Company
Home Office Building

The Company
Of the People
By the People
For the People

The Daily Average of the Company's Business during 1916 was:

701 per day in Number of Claims Paid.

8,304 per day in Number of Policies Issued and Revived.

$1,969,823 per day in New Insurance Issued, Revived and Increased.

$376,827.40 per day in Payments to Policyholders and Addition to Reserve.

$220,509.26 per day in Increase of Assets.

JOHN R. HEGEMAN, President

Representing

The Mutual Life Insurance Company
of New York

You will make money.

The great strength, big dividends and incomparable benefits of the *"oldest company in America"* mean certain success for you.

For Terms to Producing Agents, Address

GEORGE T. DEXTER, 2d Vice-President
34 NASSAU STREET, NEW YORK, N.Y.

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VITAL STATISTICS AND OLD AGE

Much has been written concerning the expectation of life at what is commonly termed "old age." The greatest students of the subject have been the medical statisticians employed by the great life insurance companies. These authorities place sixty-five as the threshold of old age, arguing that it is at this point that the rates of mortality begin to show a decided increase. The age of sixty-five is also the time when most superannuation allowances begin, whether such provision is made through State funds or voluntarily by private employers. At the present time there are in the United States approximately four and one-half millions at the age of sixty-five years or over. Of the total, 92.2 per cent. are white and 7.8 are colored; thirty per cent. are foreign born. It is among the latter that the old form the highest proportion, nearly nine per cent., while among the native population of native parentage only 4.5 per cent. are found at these ages. Of the four and one-half millions of old persons, 70.7 per cent. are concentrated in the ten-year period between sixty-five and seventy-four years, and twenty-five per cent. more between the ages seventy-five and eighty-four.

Dr. Louis I. Dublin, Ph. D., statistician for the Metropolitan Life, finds that the numbers and proportions of the later age periods become rapidly smaller until in the age period ninety-five years and over, there are only about 11,000 persons, forming 0.3 per cent. of the total population over sixty-five years. In 1910 there were 3,555 centenarians reported. Of this number more than three-fourths were colored, which is far in excess of the relative proportion of colored in the population. He found that many claimed to have reached the centennary mark who had no right to that distinction. The entire group of sixty-five and over is about the same number. In the age period of fifty to fifty-four years, there were in 1910, 118 males for every 100 females. Between seventy-five and seventy-nine years the relations were reversed, and thereafter the number of females was greatly in excess of the males. After the age ninety, for example, there were four females for every three males, the mortality among the males being the greater.

In 1914 Dr. Dublin found the mortality rate in the registration area of the United States for persons sixty-five years and over was 78.6 per thousand living. In other words, one out of every twelve died during the year. The situation is somewhat analogous to that found in the first year of life when one in every ten die. In the period sixty-five to sixty-nine years during the triennium 1909 to 1911, the rate is 48.6 per thousand, or less than five per cent. Between seventy-five and seventy-nine it is 106.2 per thousand; between eighty-five and eighty-nine, 225.3 per thousand, or one out of every five persons living.

The most pathetic feature of old age, as has been shown by expert investigation, is that one and a quarter million persons in the United States who have reached the age of sixty-five are in want and are supported by charity, public and private. The economic disability of the aged seriously complicates the medical problem and makes the interest of the community all the more acute. In some foreign countries this interest is expressed in terms of old age pensions or other provisions by the State, or through agencies encouraged by State subsidies. As interest in old age in this country increases the life insurance companies are endeavoring to teach the public that independence may be enjoyed until death, no matter at what age, by the protection they offer, which is within the reach of all.

CONNECTICUT LAWS

Public Acts passed by the Connecticut General Assembly at its last session, which relates to insurance and insurance companies, is a supplement to the last edition of the Connecticut insurance laws published by the Insurance Department in December, 1911, to which two other supplements have been issued, one for 1913 and one for 1915. Following are the titles of the new enactments: Anti-Rebate Law; Automobile Insurance; Children, Funeral Expenses of, Benevolent Societies; Compensation Insurance Policies issued or cancelled to be reported to the Compensation Commissioner; Corporations to act as Insurance Agents; Fraternal Benefit Societies; Health and Accident Policies; Insurance against loss by War; Insurance Companies, Advertisements by; Insurance Companies, Loans and Investments of; Insurance Companies, Mutual Boiler; Liability and Workmen's Compensation Insurance, Reserves for; Licensed Resident Agent Law; Public Welfare, Commission on; Securities, Valuation of, held by Insurance Companies; Workmens Compensation Act, Amendments to the.

BEST'S PUBLICATIONS

The Alfred M. Best Co., Inc., placed four of its annual statistical compilations on the market this week. Best's Fire and Marine Insurance Reports for 1917 contains the annual statements for 1916 and confidential reports on the business of all fire and marine companies doing business in the United States. Best's Casualty and Miscellaneous Insurance Reports for 1917 contains like information about the casualty companies. Best's Policy Analysis and Dividend Illustrations for 1917 is compiled from the 1916 figures of the life companies. Best's Life Insurance Reports for 1917 displays the business and 1916 financial statements of the life insurance companies.

THE HUMAN SIDE OF INSURANCE



CHARLES W. CAMMACK



JOHN E. CROUSE

Charles W. Cammack, recently appointed general agent for the John Hancock Mutual Life at Huntington, West Virginia, with jurisdiction over Southern West Virginia, was born in Williamstown, West Virginia, in 1870, and his folks moved to Huntington in 1878. For ten years, from 1886 to 1896, he served as teller in the First National Bank at Huntington. In the course of this employment he became interested in and began life insurance work. He next entered our service under State Agent J. C. Campbell of Columbus, Ohio, and has been most successful in the prosecution of the business in Ohio and West Virginia for over twenty years. His appointment to the important responsibilities now devolving upon him is a natural outcome of his productive efforts.—John Hancock Signature.

* * *

Jesse S. Phillips, superintendent of insurance of New York State, has two great likings. One is his fondness for salt water bathing and the other his devotion to his home county of Allegheny. He linked the two together in a talk to the Suffolk County Board of Underwriters last week when, in commenting on the manner in which he had enjoyed his dip in the bay in the morning, he said he was glad Allegheny County had also made considerable progress in this respect over the days when its residents enjoyed the reputation of not being overly familiar with baths of any kind.

* * *

Dr. Walter Dill Scott, director of the Bureau of Salesmanship Research, Carnegie Institute of Technology, Pittsburgh, well known to all life insurance men who are interested in the Association of Life Insurance Officers, which is studying scientific salesmanship, returned on July 18th from Pittsburgh and is now working for the Government at Fort Harrison and Fort Sheridan. It is understood that his efficiency tests are being used for guidance in commissioning army officers.

* * *

T. M. Watlington, general agent for the Bankers Life Company at Oklahoma City, and president of the General Agents' Dinner Club entertained the new organization recently on the occasion of its first meeting. He has been named one of the delegates to represent the Oklahoma Association of Life Underwriters at the National Convention in New Orleans.

John E. Crouse, general agent of the John Hancock Mutual Life for Central West Virginia, with headquarters at Charleston, W. Va., was born on a farm in Fayette County, that State, and lived there during his boyhood. He taught school in Fayette County, and, at the age of eighteen, accepted a position with the National Furniture Company of Chicago. He bought a farm in Mercer County, West Virginia, residing there and farming for four years. At the end of that time he sold the farm and moved to Beckley, and became local agent for the John Hancock. He represented Raleigh County in the West Virginia Legislature at the session of 1913. At the close of his legislative term he moved to Charleston, the capital of West Virginia, to become district agent for the John Hancock, in which capacity he served so acceptably that his promotion to the position he now holds was simply in accordance with the fitness of things. —John Hancock Signature.

* * *

N. B. Hadley, Chief Examiner of Life Companies of the New York State Insurance Department, was forced to go through a heart-rending experience last week. An expert life insurance statistician of the Department, Mr. Hadley is perfectly at home in a life insurance gathering of any kind, but in accompanying Superintendent Phillips to the dinner of the Suffolk County Board of Fire Underwriters, he was forced to listen for a whole afternoon to fire insurance technicalities. To all appearances he was duly impressed with the unbounded wisdom of the proponents of fire insurance but we wager he breathed a sigh of relief when he grasped the steering wheel and turned his car toward home.

* * *

Miss Sara Frances Jones, manager of the woman's department of the Equitable Life in Chicago, has qualified for the quarter million club of the Company, being one of its two women members.

* * *

Robert D. Lay, secretary of the National Life of the U. S. of A., is on a tour of the Western agencies, which will take him as far as the Pacific Northwest.

* * *

H. G. Buswell, Chicago manager of the Home of New York, is spending the month of August at his summer home on Long Island.

FIRE INSURANCE DEPARTMENT

Force Non-Boarders to File Class Rates

SUGGESTION OF H. E. HESS AT SUFFOLK MEETING

Superintendent Phillips, C. A. Ludlum, F. D. Layton and Other Prominent Speakers at Dinner

That local boards are not without a well-defined and important usefulness in New York State in spite of the anti-discrimination law was the development of the dinner meeting of the Suffolk County Board of Underwriters at the "Tidewater Inn," Sayville, L. I., last Thursday.

Superintendent Phillips' Talk

Superintendent of Insurance Phillips, in urging that the work of the Board be continued, said that the Department was desirous of co-operating with the agents to so conduct the business that the agitation for State supervised rates will not come up again. Mr. Phillips said he did not believe in State rates and that he was bending every effort to limiting the work of the department to the mere vising of existing rates.

Mr. Phillips paid a tribute to Assemblyman Murphy, who acted as toastmaster. He said that the presence of an insurance man on the insurance committee of the State legislature had proved of great assistance to the Department.

Frank D. Layton, secretary of the National Fire of Hartford, was present at the organization meeting of the Suffolk County Board in 1908 and he reviewed the reasons for organization and conditions existing at that time at the dinner.

Mr. Layton was particularly pleased with the meeting. In a letter to The Eastern Underwriter he said: "It was my good fortune, with special agent Alton, to attend this meeting and I was particularly impressed with the able manner in which the affair was handled by Local Agent A. C. Edwards of Sayville, L. I., of the committee on arrangements, and on the part of Assemblyman Murphy of Huntington, L. I., who was toastmaster. Both of these men performed their duties in an exceedingly clever way and they deserve great credit for its signal success."

A. G. Martin, president of the Suburban Exchange, told of the work of the Underwriters' Association of New York State in organizing for the Government a committee of one hundred special agents in the State who had volunteered their engineering experience and services to the cause.

C. A. Ludlum Describes War Work

C. A. Ludlum, vice-president of the Home Insurance Co., said that the work of the field men was not limited to the committee on one hundred. He said that every special and local agent should stand ready to do whatever the committee of one hundred had for them to do. He also said that the companies were facilitating in every possible way this work of their field men. He congratulated the Board on maintaining its identity and said that it has been his experience that conditions where local boards ruled were far better than where rates were privately made.

H. E. Hess Proposes New Forms

Henry E. Hess, manager of the Suburban Fire Insurance Exchange, outlined several improvements in conditions which could be effected either by the action of the Insurance Department or by changes in the law. His first suggestion was that the State force non-

(Continued on page 15)

WAR RISKS RATES RISE

Federal Bureau Makes Advance of 1½% Effective August 15—Due to Increased Losses

The Federal War Risk Insurance Bureau has been suffering unusually heavy losses of late, and has been forced to make an increase in rates. The former rate of 5 per cent. covering the war risk on vessels sailing from American ports for Europe and for African ports on the Mediterranean will be discontinued August 15 as inadequate, the rate being advanced to 6½ per cent.

The new rate of 6½ per cent. will apply also to American-bound vessels from the foreign ports mentioned. It is the first increase since the United States entered the war and was made necessary, said the bureau's announcement, because "the 5 per cent. rate is not adequate for the risks undertaken through the so-called war zone, as the bureau has sustained a number of heavy losses."

A change has been made in the bureau's policies for insuring masters, officers and seamen, providing for payments in monthly instalments, or in a lump sum, at the option of the bureau, but without interest. Previously the policies provided for payments in a lump sum only. The general plan will be to make the payments in instalments whenever feasible.

SCHRUP NOW PRESIDENT

Heads Dubuque Fire & Marine—S. F. Weiser Elected Secretary—Well Earned Promotions

N. J. Schrup, who has been secretary and manager of the Dubuque Fire & Marine for the past thirty-four years, has been elected president, succeeding the late John Ellwanger, who died a few months ago. S. F. Weiser, who has been assistant secretary, succeeds Mr. Schrup as secretary, and Spencer Warring, who has been the chief accountant for over ten years, succeeds Mr. Weiser as assistant secretary.

Mr. Schrup has been an active man in the Dubuque for over a third of a century, and is chiefly responsible for its remarkable record of having made thirty-four consecutive annual increases in assets, reserve and net surplus, a distinction which can be claimed by but one other company.

His election as president is a well deserved recognition of his long services.

The Dubuque is represented in the metropolitan territory by Schaefer & Shevlin, with offices at 105 William Street.

CANADIAN CAR & FOUNDRY ECHO

The settlement of the losses to adjoining property as a result of the Canadian Car & Foundry Co. explosion under the $100,000 policy which the company had taken in the Globe & Rutgers, is proceeding slowly. The residents of Lyndhurst, N. J., have petitioned in court that the settlement of the losses be taken out of the hands of the township commissioners, whom they accuse of temporarizing with the insurance company.

PROTECTION FACILITIES

The City of Jackson, Tenn., is soliciting bids for a combination city service truck, chemical engine, hose wagon and pumping engine, to take the place of the horse-drawn hook and ladder and chemical engine which the city now has. The city will build a 2,000,000-gallon elevated reservoir and construct a new fire station in the resident section.

FIRE AND MARINE INSURANCE—ALL LINES

The Automobile Insurance Company of Hartford, Conn.

MORGAN G. BULKELEY, President

Statement January 1, 1917

Cash Capital	$1,000,000.00
Assets	2,748,832.19
Liabilities (Except Capital)	1,039,977.81
Surplus to Policyholders	1,708,854.38

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Employers' Lia. Assce. Corp. of London

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CHANGED ITS NAME

On the recommendation of the board of directors of the German Mutual Fire Insurance Company, of Savannah, Ga., the policyholders at a recent meeting adopted "Atlantic Mutual Fire Insurance Company" as the Company's new name. The word "German" was dropped.

H. L. ANDERSON MAKES CHANGE

Hartley L. Anderson has been appointed manager of the city agency department of Starkweather & Shepley. Mr. Anderson for the past ten years has been associated with E. F. Schleyer, local secretary of the Norwich Union. He has already assumed his new duties in the office of Starkweather & Shepley.

NORTH BRANCH FIRE INS. CO.
Sunbury, Pa.
Inc. 1911

CITY INSURANCE COMPANY
Pittsburgh, Pa.
Inc. 1870

Assets	$641,341.77	Assets	$357,318.58
Reserve	230,513.29	Reserve	54,256.92
Capital	300,000.00	Capital	200,000.00
Surplus	63,479.83	Surplus	96,379.07

OPERATING ON A CONSERVATIVE BASIS IN A LIMITED TERRITORY UNDER AN EXPERIENCED MANAGEMENT

Germania's Western Manager Passes On

EDWARD G. HALLE DIED IN CATSKILLS

Funeral Which Occurred on Sunday Was Attended By Many Prominent Fire Underwriters

Edward G. Halle, western manager of the Germania Fire, died last week at Highmount, N. Y., in the Catskills, where he had gone to spend several weeks.

Mr. Halle had been western manager of the Germania Fire for thirty-four years, and was regarded as the father of the Western Insurance Bureau, of which he was the organizer and first chairman.

Edward Gustav Halle was born at Leipzig, Germany, January 5, 1844, and came to the United States at the age of 22, locating in Minnesota as a druggist. He became special agent of the Germania Fire in 1873, afterward was appointed special agent for Wisconsin and Minnesota, and in 1883 was made its western manager at Chicago. He was long recognized as a leader in the former non-union circles, and several years ago headed the movement which resulted in the organization of the non-union companies as the Western Insurance Bureau, of which he served as chairman for several years.

Mr. Halle was prominent in Republican politics, being president of the advisory committee of the Republican National Committee in 1896, a McKinley elector in 1909 and served on the staff off Governor Yates from 1900 to 1904. He was also a member of the Chicago Board of Education from 1891 to 1898, and served as president from 1896 to 1898.

Underwriters at Funeral

The funeral was held at 2 o'clock Sunday afternoon from the Germania Club, with interment at Graceland. There was a very large attendance, and the floral tributes were numerous and beautiful. Insurance was represented among the active pallbearers by Paul Koch, assistant manager of the Germania, and Fred A. Rye, manager of the Western Sprinklered Risk Association. The insurance men on the long list of honorary pallbearers were: Gustav Kehr, vice-president of the Germania; Charles E. Sheldon, president of the Western Insurance Bureau; A. F. Dean of the Springfield; Neal Bassett of the Firemen's of Newark; P. D. McGregor of the Queen; Harry W. Clayton, senior special agent of the Germania; Charles H. Coates, assistant manager of the Germania; Carl Huncke, city manager of the Germania; Martin A. Scholbe, secretary of the Western Insurance Bureau, and Louis O. Kohtz, assistant general agent of the Aetna.

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MARQUETTE GETS SECURITIES

Long Litigation Ended—Amount Involved With Interest Accrued Approximates $430,000

Judge Frederick A. Smith of the circuit court in Chicago has decided that the Marquette National Fire is entitled to the securities it had left for safe keeping in the vaults of the La Salle Trust & Savings Bank at the time of its failure. These securities amounted to $375,000, and with accrued interest, the amount involved is now approximately $430,000.

The Marquette National was preparing to begin business, and had purchased a large amount of securities through the La Salle Trust & Savings Bank a few days before the failure. As the company's vaults were not yet ready, the securities were left in the vaults of the bank, marked as the property of the insurance company. When the bank closed its doors they were seized by the receiver with the other assets, and lengthy litigation has been necessary to recover them.

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DWIGHT W. SLEEPER & CO.

Dwight W. Sleeper, who for the past three years has been associated with Cyrus Brewer & Company, of Boston, as their fire protection engineer and rate expert, on August 1 opened an agency at 18 Central Street, Boston, under the name of the "Dwight W. Sleeper Company." The new company will be general agent of the New Jersey Fire, and the Boston agents of the London & Lancashire Indemnity. The advent of the New Jersey Fire is very timely, as the insurance values in Boston have taxed the resources of companies.

RESERVE STOCK OPPORTUNITY

One of the fire companies has pointed out to its agents and brokers that there is a big opportunity for additional premiums in soliciting merchants of all classes to cover the additional stock which many are accumulating in anticipation of higher prices.

ROCHESTER ELEVATOR LOSS

The Rochester elevators A and B which, with the warehouse adjoining, burned last week at a total loss could not have burned at a more opportune time for the companies. At the time of the fire, they contained only about 80,000 bushels of grain whereas the week before they had housed 450,000 bushels.

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URBAINE FIRE INSURANCE CO. OF PARIS

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WHISKEY INSURANCE

Distillers Demand Adjustment in Accordance With Increasing Values —Courts May Have to Decide

In view of the status of pending legislation in Washington, whiskey dealers are anxiously inquiring about their insurance policies, some of which are being re-written with a proviso attached, to the effect that settlement shall be made on the basis of value at the time of destruction. They advocate one policy to cover the stock and another to cover the profit. But the insurance people look at the proposition as one of great importance, and intimate that the courts may have to be called upon to adjust the matter, which is of world-wide interest.

In anticipation of legislation that will prohibit the manufacture of whiskey, the distillers are working overtime in order to have as large a supply on hand as possible when the lid is put on. These stocks are well insured, and it is understood that in case of loss adjustments will be made on the basis of the value at the time the loss is sustained.

On the question of adjustment according to value, it is maintained that this basis has its foundation in court decisions which have held that settlement must be made on the value at the time of destruction, or the whiskey must be replaced, identical in brand, quality and age. Hence the impossibility of complying with the court ruling relative to brand, quality and age, would force settlement on the basis of present value.

EDWARD B. CASE DEAD

Brother of United States Manager of London Assurance and Member of Chicago Agency Succumbs

Edward B. Case, of the Chicago agency of Moore, Case, Lyman & Hubbard, died on Monday. He had long been a prominent figure in underwriting and agency circles and his passing is regretted by friends in all sections of the country.

Mr. Case was a brother of Charles Lyman Case, United States manager of the London Assurance. He had been ill for several months and his death was brought on by a complication of diseases. He is survived by his widow, a son and three married daughters.

JAMES W. DURBROW DEAD

James W. Durbrow died of dropsy on Tuesday at his home in Brooklyn. Mr. Durbrow was seventy-two years old and during the major portion of his life time was engaged in the agency and brokerage business in New York City. He was greatly interested in the failure of the Commercial National Fire, of Chicago, which he represented for surplus lines, and it is thought the accompanying worry had much to do with his rapid decline.

AGENCY CHANGE AT SIDNEY

Owing to the death of the senior partner in the insurance firm of Wanzer & Ward, of Sidney, N. Y., the firm name has been changed to the Wanzer Insurance Agency. Mr. Wanzer's interest has been purchased by E. E. Nichols, who with A. B. Ward, will conduct the business in the future.

NEW JERSEY AGENCY CHANGE

Sears & Osmond have purchased the Frank S. Brown Hudson County Agency and will continue the business at No. 1 Montgomery Street, Jersey City, retaining all the companies in the agency. The New York office of Sears and Osmond is at No. 91 William Street.

Rate Investigation May Include State

(Continued from page 1)

cusation of Fire Commissioner Adamson that the profit of the companies in New York City went to make up their losses in other sections of the country, Mr. Stoddart said that the control of discriminations outside of New York State was not the province of the New York Department. A statement to the effect that the profits of the companies on New York City business are used to distribute the burden of the losses in other States is embodied in the resolution of the Board of Estimate and Apportionment as a reason why the rate should be lowered. This resolution is the cause of the investigation.

Fire Loss Increasing

Investigation of the rate situation was agitated by Robert Adamson, fire commissioner of New York City. Mr. Adamson has compiled loss figures of his own which have received comment in previous issues of The Eastern Underwriter and on which he bases his assertion that the rate is excessive. In compiling these figures, Mr. Adamson comes a few millions under what the companies actually paid out. He does not emphasize, however, that the fire loss in New York City increased about $3,000,000 in 1916, according to his own report, and at a greater rate thus far in 1917. In this connection, we reprint statistics presented in last week's issue of The Eastern Underwriter:

> Losses handled by the Loss Committee of the New York Board of Fire Underwriters for the first half of 1917 were $4,694,000 as compared with $2,743,000 for the first half of 1916.

This, in spite of the expensive equipment, the elimination of the conflagration hazard, the general improvement of conditions and the many other Utopian changes, Mr. Adamson claims to have been effected during his administration.

Has Political Aspect

Another phase of the rate reduction agitation is its political aspect. Fire Commissioner Adamson is a candidate for the presidency of the Board of Aldermen. William J. Dowling, the present incumbent, is a candidate for re-election. In their respective campaigns, which of these two will claim credit with the public for having reduced the fire insurance rate?

The language of the resolution of the Board of Estimate clearly indicates that its framers consider themselves authorities on the proper manner to conduct the fire insurance business. Their expert opinion is that New York City should be treated as a territory separate and distinct from all other boundaries and that fire insurance companies, regardless of whether the year has proved disastrous as a whole or not, should write business in New York at practically cost price, said cost price not providing any conflagration reserve. Fire Commissioner Adamson says there is no conflagration hazard to speak of.

Because of the political nature of this agitation and the increase of losses, many fire insurance men are not inclined to lay undue stress on its probable results, feeling that the facts will show that a decrease is not warranted.

On the other hand, men in high position say such an investigation has been imminent for several years but was postponed on account of the war with a view to not embarrassing the underwriters. This view is borne out by the fact that Examiner Deutschberger, of the Insurance Department, who will have this investigation in charge, reported on his examination of the New York Fire Insurance Exchange, in 1911, in his opinion the rates were too high.



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Capital 500,000.00
Conflagration Surplus 250,000.00
Surplus to Policyholders 2,739,141.06
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Clauses Violate Standard Policy

OPINION OF NEW JERSEY COMMISSIONER

Sustained By Second Assistant Attorney General Backes in Ruling to Rating Office

In a letter to companies Atlee Brown of the Schedule Rating Office discloses some correspondence with the Insurance Department of the State of New Jersey in connection with certain clauses coming to his attention attached to fire insurance policies. Mr. Brown's letter to the Department and the Department's reply follow:

"As an individual subscriber to the Schedule Rating Office we hand you copy of letter to Hon. Geo. M. LaMonte, Commissioner of Banking and Insurance, and reply received from that office.

Expert's Letter

Newark, N. J., July 11, 1917.

"Hon. Geo. M. LaMonte,
"Commissioner of Banking and Insurance,
"State House, Trenton, N. J.

"Dear Sir:

"We beg to enclose you herewith three clauses commonly used of late on policy contracts. There is a slight difference in wording, although the main purpose of all is shown in the first clause.

"We desire a decision from you as to whether or not these clauses violate the standard policy, lines 7 to 10, inclusive.

"The clauses also, in a blanket way, provided by agreement, for lines 11 to 30, inclusive. These are items that can be provided for under the standard policy, but the question is whether or not each of these different subjects between lines 11 and 30 should not be specifically mentioned and not by a blanket rider.

"From line 31 to the end of the policy the rider appears to give privilege to violate other conditions of the policy, and then the policy to be alive again when the violating conditions are removed. We wish to ask if this is not in violation of the last clause of the standard policy following line 112, where it states—

"No officer, agent or other representative of this Company shall have power to waive any provision or condition of this policy except such as by the terms of this policy may be the subject of agreement endorsed hereon or added hereto.

"Kindly reply under the sections as we have presented them to you.

"Yours truly,

"(Signed) ATLEE BROWN,
"Expert."

Department's Reply

STATE OF NEW JERSEY,
Department of Banking and Insurance
Trenton, July 11, 1917.

Mr. Atlee Brown, Expert,
No. 40 Clinton Street,
Newark, N. J.

Dear Sir:

I have your letter of this date enclosing three clauses which you state are commonly used of late on policy contracts. The clauses read as follows:

Clause One

In case of errors or omissions in name, title or description of the property, it shall not prejudice this insurance. If any violation of the terms and conditions of this policy occur to vitiate the terms of this insurance, it is specifically understood and agreed that after the condition which has occasioned the said violation has ceased, then this insurance shall immediately be considered as being in full force and effect as if said violation had never occurred, and further, it shall not be held to void this entire policy, but part of the insurance only applying to the particular building in which the said violation occurred.

Clause Two

Should any violation of the terms and conditions of this policy occur, such as to void the insurance, then it is understood and agreed that such violation will be held to void only that portion of the insurance which applies to the building and/or contents whereon or wherein the violation occurred; and furthermore, should this insurance in whole or in part be voided by such violation, then it is agreed that the subsequent cessation or removal of such violation will automatically reinstate to full force that portion of the insurance so voided.

Clause Three

If any violation of the terms and conditions of this policy occurs to vitiate this insurance, it is specifically understood and agreed that after the consideration which has occasioned the said violation has ceased, then this insurance shall immediately be considered as being in full force and effect, and further it shall not be held to vitiate this entire policy, but that part of the insurance only applying to the particular building in which the said violation occurred.

I am clearly of the opinion, and in this I am sustained by the Second Assistant Atty. Gen., Mr. Backes, that the use of these clauses is contrary to the provisions of the standard fire insurance policy section of the law, as also the provisions of the standard fire policy. The standard fire policy provides, at the end, as follows:

"This policy is made and accepted subject to the foregoing stipulations and conditions, together with such other provisions, agreements, or conditions as may be endorsed hereon or added hereto, and no officer, agent or other representative of this Company shall have power to waive any provision or condition of this policy except such as by the terms of this policy may be the subject of agreement endorsed hereon or added hereto."

Under this provision of the policy lines 7 to 10, inclusive, and from line 31 to the end of the policy, cannot be waived by any endorsement attached thereto. The provisions contained in lines 11 to 30, inclusive, are by their terms made the subject of an agreement by endorsement thereon, but any such endorsement should refer specifically to the particular provision therein specified, and not by way of a general blanket endorsement.

Yours very truly,
(Signed) C. A. GOUGH,
Ass't Deputy Commissioner.

NO DANGER FROM SPIES

Senator Frelinghuysen Defends His Proposed Amendment to Trading-With-Enemy-Act

In replying to a published statement that an amendment offered by him to the "Trading-With-the-Enemy-Act," would "open the door to spies," United States Senator Frelinghuysen of New Jersey, declares that this country's interest will not be imperiled by a continuance of business by German companies. The Senator is an officer of an insurance company which holds a contract with a Germany company, but he insists that his proposed amendment to the above act cannot in the least jeopardize American interests.

COMPANIES CLOSE SHOP

Because of the excessive heat on Wednesday many of the fire and casualty companies sent practically their entire office forces home, leaving only sufficient to meet with the legal requirements.

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CONSTANT SERVICE

TAX BILL CHANGE FAVORABLE

Companies By Amendment Are Permitted to Reserve 20 Per Cent. of Net Incomes

The finance committee of the Senate has added insurance companies to the provision in the revenue bill allowing the accumulation of 20 per cent. of the net incomes by corporations.

While this provision is a recognition of the necessity for companies to retain a portion of their earnings in profitable years to repay their losses in unprofitable years, a further effort will be made by the representatives of insurance companies, The Eastern Underwriter was informed this week, to exempt insurance companies from the distribution of unearned profits.

The amendment secured is to paragraph 3, page 108 of the revenue bill. The section as amended reads as follows, the change being in black-faced type:

An amount of the undistributed profits equal to twenty per centum of such net incomes of corporations, or joint stock companies and associations, (not including railroads), directly engaged in the production or distribution of commodities or in banking **or insurance** but only while and to the extent that such exempted amount is derived from such activities, and so employed: Provided, That if any portion of such exempted amount at any time ceases to be so employed and is not distributed, a tax shall be levied, assessed, collected, and paid in respect thereto at the same rate as would have been imposed if such amount had not been so employed during the year in which earned: Provided further, That not more than one of the exemptions in clauses (1), (2), and (3) of this subdivision shall be allowed to the same taxpayer.

The foregoing tax rate shall apply to the undistributed net income received by every taxable corporation, joint stock company or association, or insurance company in the calendar year nineteen hundred and seventeen and in each year thereafter, except that if it has fixed its own fiscal year under the provisions of the existing law, the foregoing rate shall apply to the portion of taxable undistributed net income returned for the fiscal year ending prior to December thirty-first, nineteen hundred and seventeen, which the period between January first, nineteen hundred and seventeen, and the end of such fiscal year bears to the whole of such fiscal year.

LOCAL AGENTS ORGANIZE

The local fire insurance agents of Northern Virginia, embracing the Valley and Piedmont, met at the office of Hansbrough and Carter, Winchester, Va., and perfected an organization to be known as "The Local Fire Insurance Agents' Association of Northern Virginia." G. M. Hansbrough, of Winchester, was elected president; Dr. E. L. Robey, of Herndon, vice-president; C. H. Shipman, of Leesbury, secretary and treasurer; W. Frank Garrett, of Leesburg, and A. N. Adams, of Purcellville, were elected members of the executive committee.

SUES FOR BURNED AUTO

Insurance Company Refuses to Pay Jersey Man $1,200 for Machine That Cost $500

Samuel Silverman, of Jersey City, N. J., has filed papers in a suit to recover $1,200 for the alleged loss by fire of his automobile. The casualty is said to have taken place some time ago on a lonely road, far away from any fire-fighting facilities, and the owner was compelled to stand helpless and see his vehicle go up in smoke. When he submitted proof of loss and demanded the amount called for in the policy, the insurance company, prompted perhaps, by some occult reason, refused to settle until the case had been investigated.

The company's inspector learned that instead of being valued at $1,200, Silverman's machine had been purchased by him a year ago at an auction of second-hand automobiles for the sum of $500. Possessing this information, the company filed an answer to the suit, refusing to adjust the loss on the basis demanded by Silverman. The case will be tried some time in the fall, unless in the meantime Silverman elects to settle the case out of court.

Force Non-Boarders to File Class Rates

(Continued from page 11)

board companies to file with the Department their rates on risks at the time written as a method of forcing these companies to do business on an equal plane with the Board companies. He also advocated the adoption by the companies of a uniform simplified household furniture and other forms as a means of reducing unnecessary labor and expense. He scored those brokers who prey on the business of the local agents with the plea that the agent is compensated by and working for the interests of the companies and suggested that these brokers should be forced to collect their remuneration from the assureds or at least explain to the assured from whence they derived a profit from their activities if it was not from the companies also.

Superintendent Phillips journeyed to Sayville with N. B. Hadley, also of the Insurance Department, by automobile.

Letters of regret at not being able to attend the dinner were read from E. J. Sloan, secretary of the Aetna; G. W. Burchell, vice-president of the Queen; John B. Knox, secretary of the Phoenix, of Hartford; W. H. Hecox, president of the New York State Agents' Association; and Henry S. Brush, president of the Suffolk County Board.

There were one hundred and twenty present at the dinner and it was so successful that Vice-President A. C. Edwards, secretary of the Board, announced that frequent similar gatherings would probably be held in the future.

The Guests Present

Hon. Jesse S. Phillips, Superintendent of Insurance State of New York; Henry E. Hess, manager Suburban Fire Insurance Exchange; Geo. A. Clark, secretary Home Insurance Co.; Roswell Davis, general agent Sun Insurance Office; E. Stanley Jarvis, secretary Hanover Fire Insurance Co.; Thos. J. Lasher, general agent Hartford Fire Insurance Co.; Frank D. Layton, secretary National Fire Ins. Co.; C. A. Ludlum, vice-president Home Insurance Co.; A. G. Martin, president Suburban Fire Insurance Exchange; John M. Price; A. B. Roome, agency superintendent Westchester Fire Insurance Co.; Hon. Geo. L. Thompson; C. C. Wayland, general agent Atlas Insurance Co.; J. W. De Mott, general agent Phoenix Insurance Co.; N. H. Hadley, Chief Examiner N. Y. State Insurance Department.

Special Agents

The companies were represented by the following special agents: R. C. Alton, National Fire; Geo. Berry, Pittsburgh Underwriters; Paul J. Clark, American; Clark R. Hall, Springfield F. & M.; A. N. Harned, National Union; H. W. Knight, Glens Falls; Pomeroy Lee, Hartford Fire; Max Liebler, Continental; B. L. Linkfield, North British & Mercantile; Wm. McGuire, Glens Falls; Fred R. Payne, New Jersey Fire; W. P. Phillips, German-American; M. S. Reeves, Pennsylvania Fire; H. A. Richards, Norwich Union; E. C. Ryan, Hanover; J. V. N. Simonson, Home Insurance Co.; Fred G. Smith, Westchester; Frank J. Steier, Insurance Company of North America; Richard Suits, Phoenix of Hartford; Geo. J. Weiss, Northern Insurance Co.; Russel Young, New York Underwriters' agency; J. W. Horne, Liverpool & London & Globe.

Board Members Present

Henry W. Arthur, Smithtown branch; Carleton E. Brewster, Bayshore; Arthur T. Brown, Sag Harbor; Charles N. Butler, Jr., Bluepoint; John Bagshaw, Riverhead; Jonathan Baker, Easthampton; Edward Bialla, Northport; E. S. Clock, Islip; Geo. L. Chichester, Patchogue; Clarence E. Coleman, Patchogue; R. E. Conk, Port Jefferson; Samuel H. Cook, Huntington; W. S. Young, Bayshore; B. D. Corwin, Sag Harbor; John Deans, Greenlawn; Chas. O. Doxsee, Islip; Clarence Dugan, Riverhead; Claire C. Duball, Riverhead; A. C. Edwards, Sayville; Abram L. Field, Huntington; C. H. Floyd, Port Jefferson; C. F. Roe, Port Jefferson; E. M. Fredericks, Jamesport; Geo. E. Gould, Lake Grove; M. E. Griffin, Quogue; John L. Havens, Centre Moriches; Harris Henschel, Northport; Adolph Hoffman, Medford; H. H. Howell, Riverhead; Chas. S. Chase, Bayshore; Martha Hulse, Bayshore; F. H. Huttenlocker, Patchogue; Solomon Ketcham, Amityville; N. V. W. Colyer, Amityville; E. W. Davis, Amityville; G. W. Irmish, Lindenhurst; John F. Kelly, Kings Park; R. R. Kendrick, Southampton; Jos. T. Lossee, Patchogue; Jos. A. Moore, Islip; Harry T. Mott; Northport; Henry A. Murphy; Huntington; Jos. A. Nauert, Sayville; A. S. Osborn, Southampton; C. Arthur Payne, Southampton; S. R. Pancoast, Point O' Woods; E. W. Penny, Eastport; Chas. V. Platt, Port Jefferson; E. A. Potter, Greenport; John A. Potter, Patchogue; Richard E. Potter, Patchogue; Henry H. Preston, Riverhead; H. S. Raven, Bayshore; J. S. Raynor; East Moriches; Jeremiah Robbins, Babylon; John J. Roe, Patchogue; W. A. Schwab, Bayshore; Albert H. Silkworth, Mattituck; Dwight G. Squires, Port Jefferson; W. H. Suydam, Babylon; J. B. Sweezey, Patchogue; Arthur M. Tasker, Greenport; W. H. Terry, Southold; I. P. Terry, Southold; G. C. Topping, Sagaponack; Geo. De Kay Townsend, Huntington; A. A. Tuthill, Quogue; G. H. Terry, Bayshore; E. G. Van Wyck, Copaigue, Theo. Voelker, Lindenhurst; Geo. H. Wiedner, Bellport; J. M. Wells, Greenport; Bessie Wiggins, Patchogue; Milton G. Wiggins, Patchogue; C. P. Kraterville, Riverhead.

"The Leading FIRE INSURANCE Company of America"



WM. B. CLARK, President

Explosion and Sprinkler Leakage Insurance

THE HANOVER
FIRE INSURANCE COMPANY
Incorporated 1852

The real strength of an insurance company is in the conservatism of its management, and the management of THE HANOVER is an absolute assurance of the security of its policy.

R. EMORY WARFIELD, President
FRED. A. HUBBARD, Vice-President
E. S. JARVIS, Secretary
WILLIAM MORRISON, Asst. Sec'y

HOME OFFICE
Hanover Bldg., 34 Pine St.
NEW YORK

HOWIE & CAIN, General Agents
Metropolitan District
100 WILLIAM STREET, NEW YORK

[FIRE]
German American
Insurance Company
New York
STATEMENT JANUARY 1, 1916
CAPITAL
$2,000,000
RESERVE FOR ALL OTHER LIABILITIES
10,146,941
NET SURPLUS
10,217,685
ASSETS
22,364,626

WESTERN
ASSURANCE CO.
OF TORONTO, CANADA
(Fire, Tornado, Ocean Marine and Inland Marine Insurance)
UNITED STATES BRANCH
January 1, 1917

Assets	$3,329,177.74
Surplus in United States	1,478,531.90
Total Losses Paid in United States From 1874 to 1916, Inclusive	41,657,814.31

W. R. BROCK, President
W. B. MEIKLE. Vice-Pres. & Gen. Man.

National Fire Insurance Company
OF HARTFORD, CONN.
Statement January 1, 1917, to New York Insurance Department
LIABILITIES

Capital Stock, All Cash	$2,000,000.00
Funds Reserve to Meet All Liabilities, Re-Insurance Reserve, Legal Standard	9,912,715.84
Unsettled Losses and Other Claims	1,878,398.32
Net Surplus over Capital and Liabilities	3,743,747.60
Total assets January 1, 1917	$17,534,861.76

H. A. Smith, President — F. D. Layton, Ass't Sec'y — F. B. Seymour, Treas.
G. H. Tryon, Secretary — S. T. Maxwell, Ass't Sec'y — C. B. Roulet, Gen. Agt.

SURPLUS TO POLICY HOLDERS, - - $5,743,747.60

Fire Prevention; Fire Insurance

COMPANIES UNSELFISH IN GREAT CAMPAIGN

Underwriters Conceded Greatest Factor in Reducing the Nation's Colossal Ash Heap

Fire insurance companies have been engaged in the work of fire prevention through the mediums of the National Board and the National Fire Protection Association for many years and their purposes have been of an entirely unselfish character. There has always been a very small minority in our business who reserved the view that fire prevention was not a desirable propaganda for fire insurance interests to advocate, more particularly from a business standpoint. Some of the old school were antagonistic to the installation of sprinklers in the days of their early introduction, and opposed the increased use of them from the standpoint of reduced rate which followed their introduction, as well as the doubted efficiency of the protection. The perfection of the sprinkler equipment and its reliability has been constantly increased, until to-day this protection is so standardized that there is no difficulty from a mechanical standpoint in arriving at what might be termed "full protection." The question of rate now follows in the wake of perfection in the equipment, affected by exposure, occupancy and competition.

Tribute to Insurance Companies

As good citizens, all individuals engaged in the fire insurance industry are advocates of fire preventive measures. As underwriters there are still perhaps left some few who believe that the subject is one which should be left for civic solution, independent of the influence of underwriters. The fire insurance companies, however, are doing more to secure fire prevention, along fire-fighting, constructive and administrative lines, than all other interests combined. It has been justly stated in the official organ of the National Association of Credit Men—"The Bulletin"—"that the work in the reduction of the great fire waste as approved by the insurance companies is a mere incident, but our studies have brought out what very few business men have known, and few would before have been willing to believe, that the soundest insurance interests of the country are undoubtedly doing more than all other factors put together to point the way to a reduction of our fire losses, though their success would mean a reduction in fire rates." This is a great tribute to those engaged in the fire insurance industry and one justly conferred.

Fire insurance interests as such have spent time, money and brainsweat in forcing upon the attention of the public, for the public's good, and to their own business disadvantage, facts of omission and commission with reference to public service in public works and in the building and fire protection departments of cities, only to have the net result often of being maligned as seekers of special benefits from civic authorities. The complexities and responsibilities of city life are daily increasing. The congested workshop, like the congested districts of cities, is daily becoming a point fraught with momentous public interest.

Awaking to Their Responsibility

The life of the individual in our crowded city is touching closer and closer the lives of all, so that problems of sanitation, food and water supply, fire protection and fire prevention are more and more important to the individual and of greater responsibility to the city; the communal interest becomes the interest of the greatest number and the individual interests are eclipsed by the greater interest of all.

Cities of even smaller size are awakening to their responsibility with reference to their individual construction as a whole, and with particular reference to the individual in constructing his own particular home or place of business. Cities are studying, as they have never before, the entities of safe building construction. Wooden shingle roof hazard as shown by recent Atlanta conflagration, unprotected openings, open shafts and stairways, lack of outside means of escape from buildings, are largely the items in faulty construction which contribute more to the conflagration of cities than all other items combined. Public conscience is awakening to the pestilence of loss of life, limb and property, which has been caused by the avarice of property owners in not protecting the lives of those domiciled in their premises through these common agencies of destruction.

In the light of experience, city officials who close their eyes to the repeated and oftentimes flagrant violations of city building ordinances to safeguard the city's physical life by proper fire limits or the extension of them, enacted for the protection of citizens as a whole against the selfish interests of some particular individual, or who fail to prevent the erection of frame buildings with wooden shingle roofs within the city limits, or to extend these limits with the growth of the city, are committing a crime against society as selfish, cowardly and as horrible as men who would seek refuge in an overloaded life-boat on a threatening sea, the difference being only that the danger is not so apparently imminent in the one case as in the other.

The numerous losses by fire through conflagration in this country, upwards of one billion dollars in the last forty-odd years, and the average annual fire loss of $250,000,000 in property in this country with the attendant loss of life, have been emphasized in the past few years through the various agencies of the companies, particularly the publicity and educational committee, to an extent that it would seem that every intelligent citizen at least does now comprehend our recklessness and carelessness as contributing factors to fire waste.

The Primary Cause

The primary causes are, first, through poor and flimsy construction and without regard to scientific methods of building from fire prevention standpoint, now so well understood; second, to personal or civic indifference and carelessness; third, to a lack of integrity and conscience in enforcement of building laws and fire ordinances; and last, but not least, by the effect of laws upon our Statute books, such as the Valued Policy Law, which inspires and encourages the felon, who for profit, commits the crime of arson; the anti-compact law, which prohibits the free co-operation of fire insurance companies to profit by their experiences and interchange of information, and the State law regulating rates of fire insurance, which at once adds to the expense of the business and nullifies a scientifically prepared basis of measuring the cost of fire insurance to one of a knockdown price, made according to the whims, caprices and ambitions of the politician temporarily in control of the State regulatory steam roller. Fire rates become his football and the lower he can drive the rates the easier the goal is made of any ambition to which he may aspire.

State-Made Rate States

By this unique combination, the State also pushes its conflagration charges on to its sister States. There will be a rude awakening for some of the sponsors of the fallacy of fire insurance rates by law when these lawmakers, appreciating their handicraft, will also turn their attention to the wares of the merchant and the manufacturer as well, in bringing about a reduction in the present high cost of living, for which the numerous middlemen in merchandising are so much responsible. It does not require a great stretch of the imagination for the underwriter to foresee the time when States not indulging in the State-made rate fallacy will adopt retaliatory laws, excluding such companies from transacting business within their borders as assume liability in the State-made rate States.

If a State by law prevents a just participation in the spread of cost of its own conflagration losses and fires and will not contribute to the payment of conflagration losses outside its borders as well, the position of such other States might be defended if they should resent such practice and take means of preventing such avariciousness by enactment of laws excluding from their borders such companies as transact business in State-made rate States. The disregard for these contributing factors to fire waste in this country accounts for the disparity as well as the discouragement in the comparative figures of fire losses in Continental Europe of 33 cents per capita as against about $2.50 in the United States. These factors, there, are eliminated in each particular not only by law, but by practice, and not until the several States of the United States take hold of this problem of fire waste with a determination of solving it, and enforcing recognized remedies, will the condition materially change.

AMERICAN EAGLE APPOINTMENT

U. S. Brokers Agency, Inc., Made Metropolitan Managers of Automobile Department

The American Eagle Fire Insurance Co. announced on Wednesday the appointment of the U. S. Brokers Agency, Inc., as metropolitan managers of the automobile department of the Company. The agency has leased offices at 16 Liberty street and started writing immediately.

The U. S. Brokers Agency, Inc., through an arrangement with the Maryland Casualty, is enabled to write full fire and casualty automobile coverage. Walter G. Boschen, president of the agency, has been identified with the Globe & Rutgers for ten years in an executive and underwriting capacity. His experience qualifies him as an expert on automobile business.

Norman T. Schindler, secretary-treasurer of the agency, has been manager of the automobile department of Howie & Cain. Mr. Schindler, prior to going with Howie & Cain, was assistant manager of the liability department of the metropolitan branch of the General Accident. He started with that Company 11 years ago as an office boy. Three years later he was promoted to the position of chief clerk of the factory department of the Company, and after two years in this capacity, he entered the liability department as home office underwriter. When the Company established a separate metropolitan department in New York, Mr. Schindler was made chief counterman and assistant superintendent of the liability department under J. L. Mautner, manager of the New York office.

W. F. STANZ PROMOTED

W. F. Stanz has been made office manager of Quinn, Warner & Quinn, brokers. He has heretofore been a solicitor.

OPPOSING RATE INCREASES

Politicians in some parts of the country are trying to strangle every attempt to increase fire insurance rates. Despite the fact that on premiums on frame buildings and their contents last year, amounting to $3,500,000 in Texas, the loss ratio was over 95 per cent. Take all the business done in that State in 1916 and the loss ratio was 69.3 per cent., and yet Texas is opposing an increase in its fire rates. In these days when patriotism is considered the highest principle in business, insurance companies—both life and fire—occupy a place at the head of the line. Prices of every other commodity have advanced all the way from 50 to 500 per cent., while the cost of sound insurance has not increased to any material extent.

INSURANCE FEDERATION

As a result of special effort on the part of the Insurance Federation of the State of New York for two days, the membership has been materially increased. Stanley L. Otis, secretary of the federation, expresses himself as well satisfied at the cordial manner in which the movement has been supported by the insurance fraternity. It is practically certain that the State-wide publicity campaign that is being waged against the dangers and fallacies of State insurance will have the effect that is designed.

J. & H. OFFICERS

The present officers of Johnson & Higgins, as given in the New York Department's brokerage directory, follow: William H. La Boyteaux, Pres.; William R. Coe, Chairman Board of Directors; William H. Davidge, Vice-Pres.; Stephen C. Hunter, Vice-Pres.; George V. Coe, Vice-Pres.; John A. H. Hopkins, Vice-Pres.; Herbert R. Howard, Sec.; Willis H. Botsford, Dir.; William N. Davey, Dir.; Henry W. Lowe, Dir.; Thomas J. Prindiville, Dir.; John S. Keegan, Dir.

STREETS AND RATES

In view of the chaotic condition of the streets of New York City due to the subway construction and general street improvements, the prospect of a reduction of fire insurance rates should be treated with derision. Torn up streets and a poor fire alarm system are declared by the underwriters to be poor advocates for low insurance rates.

ROYAL'S FIGURES

The Home office figures of the Royal for 1916 show premiums of £4,435,636 in the fire account compared with £4,161,252 for 1915, an increase of £274,384. Losses for 1916 were £2,276 332 compared with £2,120,146 for 1915. The Company's surplus is £777,695.

Meyer & Klein, Inc., of Jersey City, have been appointed agents of the Newark Fire. Meyer & Klein now represent twelve companies. The partners in the firm have been in business for 27 years.

1853 Sixty-Fourth Year 1917

FARMERS' Fire Insurance Company

YORK, PENNSYLVANIA

Assets (Dec. 31, 1916)	$1,116,968.00
Net Surplus (Dec. 31, 1916)	514,025.00

W. H. MILLER, President
A. S. McCONKEY, Sec. and Treas.

CASUALTY AND SURETY NEWS

Would Reconstruct Casualty Organization

ADVOCATES ADOPTION OF PROFIT SHARING PLAN

Lack of Unified Effort Between Officials, Department Heads, Home Office and Agents Deters Progress

There has always been more or less difference of opinion with regard to the systems and methods of management as practiced by the various casualty insurance companies. Recently a representative of The Eastern Underwriter in making the rounds of the casualty offices came across an expression of opinion from the lips of a member of the official staff of one of the most prominent casualty companies which, to say the least, is interesting and far reaching in its scope.

This official no doubt had in mind the placing of casualty insurance company organization upon a profit-sharing basis as obtaining in the Standard Oil Company, the Ford Motor Company and other large institutions where compensation and progress is based upon the quality of service rendered by the employes. Several of the large life insurance companies have adopted bonus systems for the benefit of their employes and the fire insurance companies very generally tend toward compensation for agents on the contingent commission plan.

One prominent fire insurance company paid a 20 per cent. salary bonus to all of its employes at the close of 1916, and the same company declared a 5 per cent. salary bonus dividend to all employes out of its earnings of the first six months of 1917.

The Eastern Underwriter presents these views and invites criticism of same by casualty insurance company executives and field men.

Learn From Outside

We were discussing casualty insurance organization and in course of our conversation the official said:

"Did it ever occur to you to question the systems or methods of casualty insurance company management which now obtain? More than in any other line of insurance is the obvious overlooked. Even the makers of flivvers and of shoes, if we would learn from them, could teach us many points about the benefits that we are supposed to be organized to supply to them.

Too Much Parliament

"Is there any such thing as co-operation in casualty insurance organization? There are conferences where our laundry is sent to be washed, and bureaus for artificial drying, out of the public's view, and in the maintenance of these cleaning establishments more time, effort and money is required than would supply each company in the casualty insurance business with a dozen more wash tubs than it would need, while sunlight and air are, as yet, free.

Pay Agents for Losses

"In casualty insurance that producer is best paid who produces the greatest number of losses for his company to pay. Agents and brokers are paid commission solely on the volume of business they pitch over the home office plate, and the largest and strongest producers are the most expert pitchers —the star twirlers—and like all stars they must be humored as personages of artistic temperament or else they might grow sulky and refuse to play.

"Really, they are clever, broad-minded and know their business, and it is no wonder that they are treated with friendliness, admiration and consideration by home office underwriters, many of whom have acquired the bulk of their knowledge of the business from the submissions of the producers.

Partnership—Company, Agent and Broker

"Are we not trying to swing an elephant by its tail when we provide great extensive organizations for rating and classification, for auditing and inspecting, for improving and safeguarding, when all these things could be accomplished at nominal expense by co-operation—by taking the agents and brokers into co-partnership? At present we are as friendly with our producing agents all over the country as France was with Germany before the war.

Make Agents Underwriters

"Would not many of the problems and worries of the business be eliminated if the underwriting were done by the agent in the field, instead of theoretically in a perforated seat of learning a mile or three thousand miles distant from the point where any direct knowledge of the risk could be acquired. Pay for the service a reasonable price but let the risk be accepted and the policy be written and delivered by the agent on the ground. Accept no agent until he has proved competent and trustworthy as an underwriter. Let him make a proper living by his effort to serve the company, but, if he is successful in writing a profitable business for the company let him then share the company's profit under a generous contract. Fire companies are wiser in this respect than our casualty companies.

Agent Logical Adjuster

"When the loss occurs: Are we not now inviting or inducing our agents to help the insured to pad claims? Is there not every advantage to the agent in inveigling the company to pay with over liberality as an advertisement in the agent's behalf? What chance has the little $30 a week adjuster representing his company's claim department to know or learn the character or conditions surrounding the claimants, and does he dare ignore the advice of the $30,000 agent? Why not make it the agent's duty to adjust the loss and cut out the directly employed adjuster? It would cost no more, and the agent knows his claimant. He knows the conditions and he is on the ground where he can give immediate attention which is half the battle. If he has a contract calling for quality of business rather than for volume, would he not be the ideal adjuster?

"Intelligent, keen broad-minded, his interests are the company's interests and he will save where saving is right

(Continued on page 19)

New Amsterdam Casualty Company

A Progressive

SURETY AND CASUALTY

Company

"Non-Cancellable Term" Policy

MARYLAND CASUALTY ISSUES NEW FORM

Provides for Scientific Underwriting of Accident and Health Insurance By Medical Examination

The Maryland Casualty Company has just placed in the hands of its agents a new form of policy known as the "Non-Cancellable Term" disability policy, which the Company believes will shortly show it to be the biggest step ever taken in the right direction in the writing of accident and health insurance.

The Maryland says: "For a long time the business has been big enough to be scientifically underwritten the same as life insurance, and we fully believe that such underwriting cannot be applied too soon to it, in view of the high continuous loss ratio that the companies have for years been bearing, due to what we believe to be unscientic and incomplete underwriting."

Speaking of the policy in a letter to agents the Company says:

In the late fall of 1915 when we inaugurated our new accident and health campaign, we assured our agents that we would put in their hands policy forms such as would enable them to meet and "scalp" all reasonable competition. Further, that when there appeared to be a need on the part of the insuring public for policy forms other than those we were issuing, we would if practical, formulate and place in their hands such additional forms.

Continuing this campaign, we have, after considerable thought, prepared a policy, which, from the nature of its coverage, we have concluded to call the Non-Cancellable Term Disability Policy.

This policy was prepared for the purpose of meeting, so far as practical from an underwriting standpoint, two objections that have been repeatedly raised against disability policies as at present written. The one objection is a distinction which is ordinarily made between disability arising from disease, and disability arising from accident. The other objection is that the Company, under the ordinary disability policy, can cancel the policy at any time, or insist upon riders of various kinds being attached to the policy, which alters the protection it originally gave.

In connection with the latter objection, we should say in defense of these practices, that it is clearly evident that in the absence of any medical examination, prior to the issuance of the ordinary disability policy, and taking into consideration the low rate of premium charged, it is absolutely necessary that the Company should have the right to cancel and request waivers in certain cases, as above referred to.

On account of the liberal coverage afforded by the Non-Cancellable Term Disability Policy, and especially in view of the fact that after it is once written and delivered the company cannot cancel or in any way alter the contract, it is imperative that this policy be issued only after a medical examination, to be made at our expense, by one of our regularly appointed physicians, for which examination and report, to be made on blanks which have been prepared by us, we will allow a fee of $5. The procedure therefore for the underwriting of this policy, will be as follows:

The application will be taken in the usual way on accident and health form, which will be forwarded to the home office. This application will be reviewed by the underwriting department, and if the risk appears to be satisfactory, an examination will be authorized, and when made report of same will be forwarded to the home office to be passed on by our medical director, and if satisfactory, policy will be issued at the home office and forwarded to you for delivery. We feel that this procedure is absolutely necessary in order that we may have an opportunity of satisfying ourselves that, aside from the results of a medical examination, the risk is desirable.

On account of the practically unlimited liability which the company assumes under this policy, it is of the utmost importance that you exercise in the highest possible degree care in soliciting prospects, and submit only such risks that you have every reason to believe are desirable in every respect, and will pass the medical examination successfully. Otherwise, the expense incident to make examinations with unsatisfactory results will be so great as to preclude our writing the policy at a profit.

At the expiration of five years, provided the assured is fifty years of age or under, and our experience has been satisfactory, the policy will be renewed for a further period of five years, on the assured's submitting to a medical examination as before. In event he does not care to undergo a further medical examination, we will, if the risk has proven satisfactory, renew it on another form of policy.

ACCIDENTAL DEATH BENEFITS

$ 7,500 if death results from an ordinary accident.
15,000 for fatal accidents of travel, etc.
And in addition weekly indemnity from date of accident to date of death.

LOSS OF LIMB AND SIGHT BENEFITS—ACCIDENT OR ILLNESS

$ 7,500 for loss of Two Limbs or loss of Sight of Both Eyes.
3,750 for loss of Either Foot or Hand or Sight of One Eye.
2,500 for loss of Thumb and Index Finger of Either Hand.

The above payments are provided for loss caused by disease as well as by accidents. The above amounts are doubled for accidents of travel, etc.

WEEKLY INDEMNITY—ACCIDENT OR ILLNESS

$ 25.00 per week for Total Disability from any cause—No limit.
12.50 per week for Partial Disability from any cause—26 weeks.

The above amounts are doubled for accidents of travel, etc.

HOSPITAL INDEMNITY OR SURGEON'S FEES

$ 25.00 per week reimbursement for Hospital Expenses, or specified amounts payable for surgical operations, in addition to weekly indemnity, for either accident or illness.

Elective benefits in lieu of weekly indemnity for fractures, dislocations, etc.

Cost of surgical attention payable for non-disabling injuries up to $25.00

ANNUAL RATES FOR NEW RISKS

Select and Preferred. Ages 18 to 50 years, inclusive $75

General Accident

FIRE AND LIFE

ASSURANCE CORPORATION, Ltd.

SERVICE THAT EXCELS

FREDERICK RICHARDSON, United States Manager

GENERAL BUILDING · 4TH & WALNUT STS.

PHILADELPHIA

Extra Preferred, Ages 18 to 50 years, inclusive $80

QUESTIONS ON MEDICAL EXAMINATION BLANK

1 A. What is your occupation? (Full details.)
B. How long have you been engaged in your present occupation?
C. What was your previous occupation?
D. Do you contemplate making any change, temporary or permanent, in your occupation? (If so, give full details.)

2 Do you contemplate changing your residence, or making a journey, or is there any probability that you will do either? (If so, give full details.)

3 In what States have you lived the last ten years, and which years in each? (If outside the U. S., in what countries, and which years in each?)

4 A. Have you now any connection, direct or indirect, with the manufacture or sale of wines, spirits or malt liquors?
B. Have you ever had any connection? (If so, in either case, give full details.)

5 A. How frequently, if at all, and in what quantity do you use beer, wine, spirits or other intoxicants?
B. How frequently, if at all, and in what quantity have you used any of them in in the past?
C. Have you within the last five years used any of them to excess?
D. Do you now or have you ever used morphine, cocaine, or any other habit forming drug?
E. To what extent do you use tobacco?

6 What is the name of the agent through whom you are making application?

7 A. Has any Life or Accident Insurance Company or Society ever examined you, either on an application for insurance, for reinstatement of insurance, or for any other reason, without issuing or reinstating such insurance?
B. Has any Life or Accident Insurance Company or Society ever issued or offered to issue a policy on your life differing from the one then applied for; or have you applied for reinstatement of a policy and been offered a different contract?

Answer the following "Yes" or "No."

8 Have you ever suffered from any ail- or disease of
A. The Brain or nervous System? .....
B. The Heart or Lungs? .....
C. The Stomach or Intestines, Liver, Kidneys or Bladder? .....
D. The Skin, Middle Ear or Eyes? .....

9 A. Have you ever had Rheumatism, Gout or Syphilis? .....
B. Have you ever raised or spat blood? (If so, give full details) .....
C. Have you ever had any accident or injury? .....
D. Have you consulted a physician for any ailment or disease not included in your above answers? .....
E. What physician or physicians, if any, not named above, have you consulted or been treated by, within the last five years and for what illness or ailment? (If none, so state.).....

10. Family Record	Age if Living
Father	.....
Mother	.....
	.....
Brothers	.....
	.....
	.....
Sisters	.....
	.....

11 A. Is any person in your immediate household now ill with consumption?
B. Or has any one of them recently suffered from or died of that disease?

CONFERENCE DISCUSSIONS

A. E. Forrest, vice-president of the North American Accident Insurance Company and president of the Health and Accident Underwriters Conference, announces that spirited discussions of problems all-important to health and accident underwriting, acquisition and maintenance cost, war coverage, adequate premium, conservation, salesmanship, new ideas, an awakening as to possibilities through co-operation, a number of interesting addresses and a rousing patriotic session with speakers of national reputation will fill out a three days' program of the Conference Meeting at the Hotel Breakers, Cedarpoint, O., August 22, 23 and 24.

MADE ASSISTANT SUPT.

The National Life and Accident of Nashville has appointed H. Heslop assistant superintendent at Beaumont, Texas. Mr. Heslop has been connected with the Company as soliciting agent at Beaumont.

CITY CLUB MEETING

The City Insurance Club had its last meeting of the season on Tuesday at Sheepshead Bay. The next meeting will be held in September. The meeting on Tuesday took the form of a shore dinner and was largely attended.

Scientific Rating of Plate Glass

WILLIAM F. MOORE ESTABLISHES OFFICE

Operated Along Line of Towner Rating Bureau for Fidelity and Surety Rates

The "Journal of Commerce" publishes the announcement that William F. Moore has organized a rating office for plate glass insurance and expects to open his headquarters in this city in the very near future. Mr. Moore's rating office will be established along the lines recently discussed among plate glass underwriters. Its objective will be the formulation of plate glass premium rates based upon statistical data received from the companies which are to become subscribers to the service. That this experience for rating purposes will be of great value for the determining of scientic rates for plate glass may be judged from the fact that already practically all the plate glass writing companies except a few of the smaller ones have agreed to buy the experience based rates formulated by Mr. Moore's office. In general Mr. Moore's plan will be to organize along the lines of operation of the Towner Rating Bureau for fidelity and surety rates, except that statistical data will be more of a factor in the formation of the plate glass rates.

Mr. Moore is particularly well fitted to undertake a work of this sort, for during the past ten years, as president of the New Amsterdam Casualty Company, he has taken a special interest in the progress of plate glass insurance, and has devoted much of his time to its development. While serving in this capacity for five years he held the presidency of the Plate Glass Insurance Association, and by his intelligent grasp and intimate knowledge of the situation, conducted the affairs of that body in such a way as to give the utmost satisfaction to its members.

RICHARDSON'S MESSAGE

Tells How War Has Augmented the Volume of Business for General Accident

Frederick Richardson, United States manager of the General Accident, has just issued a statement covering the Company's business for the past half-year. Contrary to expectations that general business would receive a setback on account of the war, Manager Richarson shows that the General Accident's business has increased in volume during the last six months by $500,000 over the first six months of 1916.

The increase in the number of accidents, the unexpectedly high cost of medical benefits and the constant changes of the various compensation laws, have brought about a situation demanding the utmost skill and judgment of the underwriters. He calls attention to the fact that only by the most careful methods can the Company hope to escape the losses which are being incurred generally as the result of inadequate rates.

Business in accident, health and burglary has been increased, and by concerted action it is hoped to show a large gain over the figures of last year. Notwithstanding that the ranks of the General Accident's official family have been greatly thinned by the demands for war service, Mr. Richardson expects to live up to the Company's motto: "More and better business all the time."

Accident and Health Insurance From The Agent's Viewpoint

By Charles E. Ward, Executive Superintendent, Preferred Accident Insurance Company

Editor's note—This article was written especially for The Insurance and Commercial Magazine, and is reprinted by permission of that paper's editor.

I have never talked with a man who had a good line of accident and health policyholders on his books who was not pleased with the business, with the ease of renewals, with the income from it, and who did not say that, volume considered, it was absolutely the best insurance line in his office. I have talked with others who formerly wrote accident and health business and most of them regret that they ever were influenced to get actively into other lines—while still others, knowing the possibilities of the business now wish they had written it and so kept out of the bondage of "detail" that accompanies so many of the other casualty lines and the fire business. These views are general and, representing, as they do, the opinions of men who know and who, like most of my readers, must make their income by hustling for business that will pay them well are worth the careful consideration of insurance men who may not have given much thought to what can be done with a good accident and health policy.

Success a Matter of Effort

An agent's premium income is usually responsive to the effort he puts into his work and directed also into the channel he wants it to take. To express it in other words, it is about as easy to write a thousand dollars in premium in one line as in any other if the effort to get the thousand is made. Fire policies, life policies, automobile policies, compensation policies, accident and health policies all have an average premium value, i. e., some are large. some small and the average on each line is about the same except possibly on compensation lines in large manufacturing communities. Even in the latter case the "big ones" are usually so distributed that no one man gets enough of them to greatly increase his average premium per policy. This being so and a policy in one line averaging about the same premium as a policy in any other line the commission and renewal account becomes important in reaching a conclusion as to the line you will push and develop. The following commission schedule on various lines may also help, these figures being the minimum and maximum so far as known.

Insurance.	Per Cent. First Year.		Renewals.
Life	30	to 60	5 to 7½
Fire	10	to 25	same
Automobile	17½	to 25	same
Compensation .	10	to 17½	same
Accident	25	to 30	same
Health	25	to 30	same

It takes ten years for an agent to earn, in commission, a sum equal to 100 per cent. of his premiums in life insurance and then he is through—perhaps just at a time when he needs an income most. Fire, burglary, plate glass, automobile, etc., etc., require new policies every year, innumerable endorsements, changes in rates and locations, cancellations, rewrites and an immense amount of detail all tending to retard growth in premium account (your income) because of the physical impossibility of taking care of more than a limited amount of such business.

Advantages of Accident and Health

These objections do not apply to the accident and health business. The policy is issued once, thereafter it is renewed by a receipt delivered once or twice a year, and the records of the business show that the permanency of the renewal is second to no other line of insurance. So much for the "pocketbook" feature of the business. Accident and health insurance offers an immense field for the man who knows it, and it isn't hard to learn. Because there is something to learn many insurance men pass it up—haven't time, too busy, too complicated—so they say. Too indifferent to their own interests would be a better explanation. However, the result is that the field is by no means covered with solicitors and there is room for any number of ambitious men. Because there is no great technical skill necessary to quoting "$1.00 per hundred" or "$30 for 20 H. P." or "60c. on your payroll" everybody is selling or trying to sell fire, automobile and compensation insurance and, in consequence, there are in many towns too many "agents" for the good of the business and to the detriment of those who have studied their subject and acquired real skill in proper underwriting. My own observation is that nearly every city of 25,000 to 75,000 population has five to fifteen active agents in other lines of insurance and no one making a drive for accident and health business. Without attempting to say why this is so the facts remain that it is so and some one in each of those cities is missing an opportunity to create for himself, without competition, a handsome renewal income that will be paid so long as the business is renewed.

No Better Time Than Now

Conditions have never been more propitious than now for getting results. The people are better educated to the virtues of complete protection, policies are more liberal than they ever were, and probably more liberal just now than they will be later; money is easy and war conditions have tended to make men think more about sudden deaths, dismemberments and bodily injury than heretofore. Furthermore, time, to-day, is more valuable and has gone into the class of things that must be protected by an equivalent amount of cash if the time must be lost by reason of disability.

Learning the business is easy! All policies are built around a few fundamentals, viz: Loss of Time, Loss of Limbs, Loss of Sight, Loss of Life. Take any policy, read it carefully with respect to its coverage of these losses and you will find every other policy carrying out the same idea with changes rather in the amounts to be paid than in the things paid for. Beware, however, of limited policies. When you sell, sell complete protection. It may cost a trifle more and may take more talk to sell it, but in the long run results will be more satisfactory. Next to "a woman scorned" the worst fury is that of a man disappointed in his indemnity check after he has done his share by losing time and money through an accident or sickness. Select a good company, one old enough and large enough to inspire confidence. From such you will get a policy fair to all concerned, at a commission rate that can be continued and good prompt settlement of claims. With this equipment do your share. Talk it, believe in it and you will do business.

Penna. Department Wins Important Suit

COURT DECISION DIRECTS THE REMOVAL OF RECEIVER

Union Casualty Insurance Company Affairs Placed in Hands of Commissioner

A signal victory for the Pennsylvania State Insurance Department in its long legal fight against the management of the Union Casualty Insurance Company of Philadelphia was won when Judge Woolley, of the United States Circuit Court of Appeals, ousted Samuel W. Cooper, an attorney of Philadelphia, as receiver of that company.

The appointment of Cooper as receiver for the Union Company occurred in the Federal courts in Philadelphia, several months ago on the same day that Attorney General Francis Shunk Brown, in the Dauphin County courts, was seeking to have State Insurance Commissioner J. Denny O'Neil appointed as receiver.

Judge Woolley in his decision states that when the State has begun an action for the dissolution of an insurance company, incorporated under its laws, it has acquired jurisdiction over the affairs, and neither the corporation nor its stockholders nor its creditors can divest the State court of its jurisdiction by subsequently invoking the aid of a Federal court to remove the corporation's property from State control.

Meaning of Decision

The decision of Judge Woolley means that State Insurance Commissioner O'Neil will be able to continue his probe into the affairs of the Union Casualty Insurance Company, and that he will be the sole receiver.

Judge's Opinion

"When the statutory proceeding has been begun in a State court," says Judge Woolley in his opinion, "and by its commencement jurisdiction has been acquired over the corporation, neither the corporation nor its stockholders nor its creditors can divest the court of its jurisdiction or deprive the State of its public function by subsequently invoking the aid of a Federal court to remove the corporation's property beyond the reach of the State court and thereby withdraw from the State court the subject-matter of the action there pending.

"If this were not so, every action instituted by the State government against insurance companies might be interrupted by a non-resident stockholder filing in the Federal court a bill accompanied with the answer of an acquiescing corporation after action had been begun in the State court and before in its orderly progress the property of the corporation has been physically seized. Thus the policy of the State would be thwarted and its administration overthrown; the State's creature would be more powerful than the State itself. We are satisfied that no such thing was contemplated, either in Federal or State policy."

O'Neil's Interpretation

When told of the decision State Insurance Commissioner J. Denny O'Neil said: "This cleans up the entire situation and puts everything in connection with the Union Casualty Insurance Company and the Pension Mutual Life Insurance Company receivership into the hands of the Insurance Department."

Pending the decision of the court the deputy in charge of this case was granted his annual vacation. He returned on Monday of this week and has taken over the affairs of the Union Casualty Insurance Company and is proceeding with an audit of the books.

CASUALTY POINTS

Accident Insurance Growth

In this age of rapid transportation, with automobiles and trolley cars vying in speed with the railroads, and with the great congestion in our popular cities, it is not surprising that one person in every half dozen suffers from an accident every year, nor is it surprising, in view of this fact, that accident insurance has become more popular in the United States than in any other country in the world. Some of the largest concerns make a specialty of different forms of accident and disability insurance with policies ranging in cost from about twenty cents a week and upward according to the liability involved. An accident policy can be had that will not only provide the payment of a weekly sum during disability, but also yield a life insurance benefit and promote other attractive features. Considering the amount of traveling we do in the United States, every thoughtful person should have an accident policy as well as a life policy. Life insurance is objected to by some on the ground that "one must die to win," but an accident policy gives the beneficiary the benefit when he needs it the most. There is every reason, therefore, for the unexampled growth of the accident insurance business in this country. It promises to extend much further.

* * *

Base Premium on Mileage

Automobile owners have been accustomed to think of their expenses in terms of cost per mile. One often hears the questions: "How many miles do you get out of a gallon of gas?" "What is your tire mileage?" The astute automobile salesman has been quick to take it up—especially the tire salesman who talks his product in terms of cost per mile instead of cost per tire. If a $35 auto tire is guaranted at thirty-five hundred miles, it is represented to the owner that the tire costs one cent per mile. If sales of accessories are made easy in this manner, why not automobile insurance? Ascertain the approximate number of miles your prospect gets out of his car per year, then, instead of quoting him a flat rate for insurance on the car, get it to him in terms of cost per mile. It does not follow that you should not quote the flat premium; you are the best judge of that. But, even if you quote a flat premium, divide the mileage into the premium, and get into his mind the suggestion of low cost per mile. Putting a proposition to a man in a novel way—one that he has not heard before, often lands the deal.

* * *

An Impressive Truth

Based on the mortality experience, one of the big insurance companies estimates that more than a million of the inhabitants of North America will die at home during the year. The experience of accident insurance companies shows that from ten to twelve per cent. of deaths among people of insurable age is due to accident. Therefore, with equal certainty it may be said that one hundred thousand persons will be killed in North America within the year. The fact that accidents usually come one at a time renders people indifferent to their own danger. Following a disaster in which many lives are lost, similar to the sinking of the steamer Eastland in the Chicago harbor about two years ago, agents are able to sell a large amount of new accident business. With the ordinary individual cold statistics are not as impressive as the scare heads in the newspapers, but if the solicitor can bring home to the prospect the fact that one hundred thousand persons will die from accident on this continent within a year, he will doubtless make a dent in his indifference.

* * *

Accidents to Women

One of the casualty companies in May paid twenty-four claims for injuries, actual or imagined, suffered or supposed to have suffered, by persons falling on premises insured under general liability policies. The smallest of these claims payments for falling was $100, but most of the amounts were very much more. One woman gathered in more than $1,600 from the Company after tripping over a bit of iron on the sidewalk. Some of these injured people slipped on sidewalks, some fell down stairs, one fell into a cellar, one fell through a coal-hole, and another woman got her feet tangled in something, and although she did not fall she collected $250 for a wrenched back.

W. E. SMALL, President PETER EPES, Agency Mgr. E. P. AMERINE, Secretary
GEORGIA CASUALTY COMPANY
HOME OFFICE: MACON, GEORGIA
"DIXIE AUTO POLICY"
THE LAST WORD IN MOTOR INSURANCE
Surplus and Reserves to Policyholders.....$1,526,022.81

The METROPOLITAN CASUALTY
INSURANCE CO. OF NEW YORK
HOME OFFICE, 47 CEDAR STREET
CHARTERED 1874
Plate Glass, Burglary, Accident and Health Insurance
EUGENE H. WINSLOW, President
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RELIABLE AND ENERGETIC AGENTS WANTED

THE SIGN OF GOOD CASUALTY INSURANCE
HEAD OFFICE
CHICAGO
F. W. LAWSON
General Manager
Liability, Accident, Burglary, Boiler and Credit Insurance
Established 1869.
F. J. WALTERS
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New York
Elmer A. Lord & Co.
145 Milk St., Boston
Resident Managers New England
London Guarantee & Accident Co., Ltd.
OF LONDON, ENGLAND

Would Reconstruct Casualty Organization

(Continued from page 17)

and possible, and he will be careful to pay properly every right and just claim. Fire companies are wiser in this respect. Big fire agents laugh tolerantly at the very casualty companies they represent, wondering when they will see the light.

Companies Should Practice What They Preach

"There is room for co-operation elsewhere along the line—in the home office organization and among the direct employes of the company in the field. Companies that are selling and preaching broadcast the advantages of compensation and disability coverage might take a little of their own medicine with benefit to themselves, quite as much as to their workers. What enthusiasm and esprit de corps now exists among the rank and file of insurance accountants, clerks, bookkeepers and stenographers? How they love and how earnestly they work and think for the stockholders and directors whom they do not know!

Employes Should Share Profits

"They generally do know if the market price of the stock of the company with which they are connected is above or below par, and what dividends are paid both on the original and on the existing capitalization, and they even feel pride in the strength of their company; but discontent and apathy are the most common and natural characteristics under the present system, and changes in remuneration will never change the evils until each worker, whatever his wage, has a vested right to some share in the profits commensurate to that drawn by by the absentee stockholder, in dividends, and until his future is assured to some extent in line with the disability insurance he sees his company advocating and selling, but which he is unable to purchase.

Insurance Greatest Business Virtue

"But that is another story—the story of the shoemaker's children. Many of us know that charity should begin at home, but few of us in the insurance business realize that our profession is akin to charity in its revised or broadest and most lovable interpretation; that the three cardinal virtues of modern business may be stated as finance, transportation and insurance. 'And the greatest of these is insurance,' for without it finance would not be faith and transportation would be without hope, and where would progress be?

"The analogy can be carried further. Let those who have the vision help promote future civilization by making every effort to establish a proper and real co-operation in all insurance lines—including casualty insurance."

The Columbian National Life
OF BOSTON

ARTHUR E. CHILDS, President

A CHANGE may be necessary to realize your ambition

Think a minute—then write

WM. H. MASTIN (West of the Mississippi). SYMES BUILDING DENVER, COLO.

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SUPERINTENDENTS OF AGENCIES

DARL D. MAPES, Superintendent of Accident Agencies
77 FRANKLIN ST., BOSTON, MASS.

The service of a high grade Accident Department will also be offered so that you will not have to broker your Accident business to avoid violating your Life insurance contract.

PURELY MUTUAL — CHARTERED 1857

THE Northwestern Mutual Life Insurance Co.
MILWAUKEE, WISCONSIN

GEO. C. MARKHAM, President

Insurance in Force, $1,505,464,984

SATISFIED POLICYHOLDERS each year apply for over 35% of the new insurance issued.

POLICIES MOST FLEXIBLE AND EASY TO SELL

Complete Agency Protection:
Enforced Anti-Rebate and No-Brokerage Rules

Investigate before selecting your Company

Write GEO. E. COPELAND, Supt. of Agencies, Milwaukee, Wis.

In addition to the ordinary forms of life insurance

THE EQUITABLE

makes a specialty of the following:

Insurance to protect business firms and corporations, under a corporate form of policy.

Group Insurance, by which employers protect families of employes.

A flexible contract, known as the Convertible Policy, which can be converted by the Insured into an Ordinary Life, Limited Payment Life, or Endowment Policy.

A Bond issued without medical examination giving the investor an income for his declining years.

A new policy is offered under which the insurance is DOUBLED if death results from ACCIDENT. This policy also embodies the following advantages if the person whose life is insured becomes totally and permanently disabled:

1. Thereafter the Equitable will carry the insurance —The Insured will have nothing further to pay.
2. The Equitable will pay the Insured an annual income for life equal to one-tenth of the face of the policy.
3. Upon the death of the Insured the full amount of the insurance will be paid to the Beneficiary (or double the amount if death is due to accident) without deduction on account of the income paid to the Insured while living.

(See the policy for conditions and details.)

For Agency Openings Address

WILLIAM E. TAYLOR,
Superintendent of Agencies

THE EQUITABLE
LIFE ASSURANCE SOCIETY OF THE U. S.

120 BROADWAY, NEW YORK

To the Man Who is Willing—and Will



We are prepared to offer unusual opportunities for money-making NOW and creating a competence for the FUTURE.

FOR CONTRACTS AND TERRITORY, ADDRESS

H. M. HARGROVE, President :: Beaumont, Texas

WORTH KNOWING

Suppose that you are insured in the United Life and Accident Insurance Company of New Hampshire for $5,000 under the Company's Triple Indemnity Plan, what does your Policy guarantee to do?

ANSWER:

FIRST, it guarantees that in case of death from any cause, $5,000, the face of the Policy, will be paid.

SECOND, that in case of death from any ACCIDENT, $10,000, or DOUBLE the face of the Policy, will be paid.

THIRD, that in case of death from certain SPECIFIED accident, $15,000, or THREE TIMES the face of the Policy, will be paid.

BUT THIS IS NOT ALL. The Accident Disability Endorsement FURTHER guarantees that in case of total disability as a result of accidental injury, the Company will pay direct to YOU at the rate of $50 PER WEEK during such disability, but not to exceed 52 weeks, after which the weekly indemnity will be at the rate of $25 PER WEEK throughout the period of disability. Can insurance do MORE? And why should any man be satisfied with a policy that would do less? The cost is low.

Agents wanted in Maine, New Hampshire, Vermont. Connecticut, Pennsylvania, North Carolina, South Carolina, Tennessee. Georgia, Delaware, Maryland, Mississippi, Kansas, Missouri. An opportunity for Life Insurance Salesmen of ability. Address:

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Home Office, United Life Building - Concord, New Hampshire

San Francisco Losses Amounting to $4,522,905.00 paid PROMPTLY IN CASH WITHOUT DISCOUNT, from funds largely supplied by head office in Liverpool

U. S. Cash Assets, Dec. 31, 1916	$15,827,439.35
Surplus, - - - - -	5,460,745.59
Losses Paid by Chicago Fire, 1871	3,239,491.00
Losses Paid by Boston Fire, 1872	1,427,290.00
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Over $152,000,000.00
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THE EASTERN UNDERWRITER

[Succeeding the Journal of Insurance Economics, Established in 1899]

A WEEKLY NEWSPAPER COVERING ALL BRANCHES OF INSURANCE

Eighteenth Year; No. 32 | NEW YORK, FRIDAY, AUGUST 10, 1917 | $3.00 a Year; 15c. per Copy

LACK OF KNOWLEDGE RESPONSIBLE FOR ENEMY AGITATION

Companies Could Not Furnish Valuable Information Until Too Late if They so Desired

RE-INSURANCE FIRMS PROCURE NO VITAL DATA

Indictment of All Foreigners a Misdirected Effort—A Result of Uninformed Daily Newspapers

That the action of the Government in ameliorating the Alien Enemy Act as applicable to insurance companies is but broad-minded recognition of the integrity and patriotism of the men identified with the business is the feeling of men informed on the subject in New York City. They expressed themselves to The Eastern Underwriter this week as of the belief that the whole agitation is a result of the hysterical sensationalism of ill-informed daily newspapers.

These newspapers have accused companies and men as having the information and the inclination to furnish data to the enemies of the United States which would be of assistance to them.

That there is not an insurance company in this country transacting any kind of business which is in a position to give the enemy information about ships, cargoes, manufacturing plants, etc., which the enemy did not already know or which was too late to be of any value is the statement of these men.

The greatest agitation has been directed against enemy and neutral reinsurance companies. The manager of one of the largest foreign re-insurance companies, who has been such for a long term of years, told The Eastern Underwriter on Tuesday that in the regular conduct of his business he has seldom, if ever, asked for the survey of a plant and that, while the re-insurance companies are privileged to demand such a survey, he had no personal knowledge of any company ever doing so except on rare occasions.

Request Would Create Suspicion

He pointed out that the contracts with direct writing companies were such that the re-insurance company

(Continued on page 14.)

"The Largest Fire Insurance Company in America."

THE HOME INSURANCE COMPANY NEW YORK

ELBRIDGE G. SNOW, President

Service to Policyholders and to Agents Unexcelled.

FIRE AND ALLIED BRANCHES OF INSURANCE

Fire, Lightning, Automobile, Commissions, Explosion, Hail, Marine (Inland and Ocean), Parcel Post, Profits, Registered Mail, Rents, Sprinkler Leakage, Tourists' Baggage, Use and Occupancy, Windstorm.

STRENGTH REPUTATION SERVICE

North British and Mercantile Insurance Co.

Established 1809

Entered United States 1866

Policyholders protected by the entire United States assets, with further guarantee in every policy, of protection by entire fire assets of the company which are many times larger.

50th ANNIVERSARY YEAR

Operating under Iowa Reserve Deposit Law, which safeguards all policyholders

Entered for business in 18 States

GOOD TERRITORY OPEN.
ATTRACTIVE POLICIES TO SELL.
LARGE ANNUAL DIVIDENDS.
LOW NET COST.

For agency apply to

H. E. ALDRICH, Supt. of Agents

EQUITABLE LIFE of IOWA DES MOINES, IOWA

SUBMARINED RELIEF SHIPS AND LIFE TAXATION COMPARED

Charles F. Coffin Scores Heavily in Address to American Life Convention

EDUCATION IS MEETING'S KEYNOTE

Legal Section Recommends Adoption of Uniform Policy Disability Provisions by Convention

Grand Rapids, Mich., August 8.—Easily the crowning feature of the first day's session of the American Life Convention was a bird's-eye view of life insurance, past and present, delivered by President Charles F. Coffin in which he tried and succeeded in conveying something more than a superficial perspective of the subject. To the largest gathering on the first day of any American Life Convention meeting he briefly traced life insurance through its three great developments, the periods of experiment, of speculation and of scientific exactitude.

Coming down to present day problems, and speaking in the language of a scholar and a thinker, he declared that he could see only two clouds on the horizon; one that of taxation, to which he referred at length; the other that of supervision, which he did not care to discuss in detail at present time.

In ringing tones he traced the analogy between the Germans submarining Belgian relief ships and the attacks on the ship of life insurance by taxation submarines of States and Governments.

The convention cheered when he prayed that some genius would invent a ship to drive the German submarine off the sea, and also when he declared that Germans do not send ships to the bottom any more ruthlessly than do certain public officials when they attack and try to sink the craft of life insurance through taxation.

He told about the commission of fifteen which is to study taxation from every angle, consisting of representatives of the Association of Life Insurance Presidents, the American Life Convention and Insurance Commissioners. Mr. Coffin concluded with a stirring reference to the patriotism of American insurance companies.

President Watts, Merchants Life of Grand Rapids, official host, introduced

Mayor Fuller of Grand Rapids, who welcomed the convention. He was classmate of George E. Ide, president of the Home Life of New York, at Yale.

President Grimsley of Jefferson Standard Life of Greensboro, North Carolina, responded.

Harry L. Seay, president Southland Life of Dallas, took the chair while President Coffin read his masterly address. When he had concluded the audience was so moved that applause continued for a minute; and Sidney S. Foster, vice-president Royal Union Mutual Life, of Des Moines, his eyes dim, moved that ten copies of the address be sent to each life underwriters' association in the land. When he called the address a classic everybody agreed with him.

The afternoon session was devoted to a discussion of the education of home office employes, following two excellent papers on that subject by Harry A. Hopf, efficiency expert, Phoenix Mutual Life, of Hartford, and C. G. Taylor, vice-president Atlantic Life of Richmond.

President May, Peoria Life, of Peoria, told about monthly meetings in his company at which efficiency methods were threshed out. The company pays a dollar for each suggestion of an employe that is adopted, it also maintains a library full of inspirational books and will add to the library any good book suggested by an employe.

Carroll B. Carr, secretary American Central Life, Indianapolis, told of need of educated office employes, and their great scarcity. He thought the best plan for a young company was to send clerks to other companies' offices for brief preliminary training. His experience showed that bookkeepers from commercial houses rarely made good insurance clerks.

George E. Decker, president Register Life of Davenport, said that officers in his company held morning conferences at which matters outside of routine were brought up and viewpoint of all was secured.

Harry A. Hopf, Phoenix Mutual Life, made a concrete suggestion that business English be studied by clerks so that they could master art of expression. He dwelt upon the fact that so much of routine business in offices consists of correspondence and few employes can write a satisfactory letter. He told how fifty clerks in the Phoenix Mutual Life office are studying a business English course under tutelage of a New York University professor.

Harry L. Seay, Southland Life, told how a committee consisting of certain Southland Life directors, men of large affairs outside of life insurance and certain officers of the company meet to devise ways and means of doing away with lost motion in the home office.

George B. Peak, Jr., president Central Life, of Des Moines, explained lessons given by his company to agents on the policy contract and route of application after reaching office; and lessons given to stenographers. This company has a woman supervisor of stenographers who maps out their work and reviews their letters.

James A. McVoy, vice-president Central States Life, of St. Louis, expressed himself against promotion by seniority, recommending that clerks showing greatest aptitude be promoted quickly.

The suggestion of C. G. Taylor, vice-president Atlantic Life of Richmond, of an office practice text book was referred to executive committee with power to act.

Discussion to-morrow is on home office duties to policyholders.

More than one hundred are in attendance, including representatives of sixty-five American Life Convention companies. Prominent outsiders, including J. V. Barry, assistant secretary Metropolitan Life; J. J. Brinkerhoff, actuary Association of Life Insurance Presidents; Mark B. McKee, secretary National Council of Insurance Federations.

Great Southern Life Insurance Company

HOUSTON, TEXAS.



For Agency Contracts address

O. S. CARLTON

PRESIDENT

The life men golfed at two country clubs, the most interesting match being between Col. Daniel Boone, president Midland Mutual Life, and Sidney S. Foster, vice-president Royal Union Mutual Life, the match taking place during a rain storm. Boone won. The best score was in the handicap match, J. W. Hurst, Jr., Southland Life, getting a seventy-eight on a course where Chick Evans got a seventy-six. E. G. Simmons, vice-president Pan-American Life, New Orleans, beat Hurst with a handicap.

Excerpts from President Coffin's Address

Of Taxation and Federal Supervision, President Coffin said:

As I survey the field, there appear in the horizon, at least two clouds, each of which is "larger than a man's hand." There are two life insurance problems that remain in a genuinely chaotic condition. I mean the problem of taxation and the problem of governmental supervision.

With these questions settled and settled right, with a correct theory of taxation of life insurance assets written into the law, both State and Federal, and with the principles of supervision formulated into a logical and consistent code and administered by the departments in a broad and liberal manner, the two greatest hindrances, not to say menaces, to the future development and growth of life insurance would be removed.

I do not advert to these topics at the present time for the purpose of entering on any elaborate discussion of them. My object is to assist in separating clearly, mere matters of management, whether in the home office or in the field, from the great unsettled questions that fundamentally and vitally affect the very institution itself; and to assist in focussing general attention and thought on these problems to the end that they may be settled, correctly settled, and with the shortest possible delay.

It is conceded in two continents at this hour, that the most serious obstacle to an early and decisive victory of the Allies in the great war, is the submarine. From all quarters the word has gone out, that the submarine is the present great unsolved problem of the war, and that it must be overcome. May God speed the day when some inventive genius in either Europe or America will launch a boat that shall drive the submarine from the sea! When that day comes, the war is over.

Gentlemen of the American Life Convention, the unwise, the illogical, not to say vicious, theories and practices of taxation, constitute to-day the very submarine of life insurance. We condemn the German Government in no unmeasured terms for its ruthless barbarism in torpedoing relief ships laden with food for the starving Belgians, and no condemnation can be too severe for the heinousness of this crime.

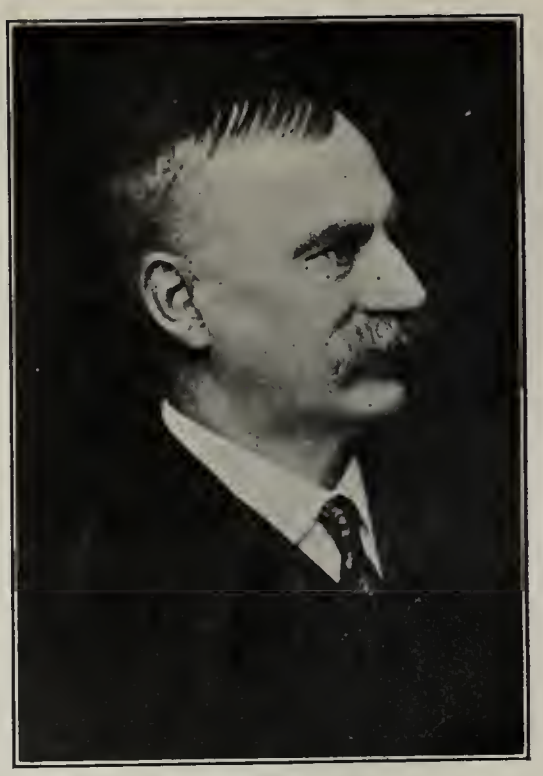
But the Germans do not send to the bottom the Belgian relief ships any more ruthlessly than have legislatures, both State and national, in the last few years, seized under guise of revenue laws, funds sacredly set aside for the relief of those dependent on the bread winners who have fallen by the way, or who in no far distant day, will be numbered with the great majority.

And, when this peril is averted, when right laws, economic wisdom, and wise statesmanship shall prevail over blind and indiscriminate grasping out in every direction for revenue the greatest of all victories for the unimpeded relief which life insurance brings to the family and to society, will be achieved.

Upon the subject of the best methods of solving the tax problem, I had the honor of submitting some remarks at a recent meeting of the Association of Life Insurance Presidents held in New York. Further reflection has convinced me that the plan then outlined should lead to substantial results.

Some of you will remember that the suggestion was made for the creation of a tax commission of fifteen members, five of whom should be members of the Presidents' Association, five of whom should be members of the American Life Convention, and the other

(Continued on page 6.)



CHARLES F. COFFIN
Vice-Pres. and General Counsel State Life Insurance Company and President American Life Convention 1916-1917

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AMERICAN LIFE CONVENTION

The Policyholder Is Always Right

CORRECT RELATIONSHIP BETWEEN CO. AND ASSURED

Address By President May, of Peoria Life, Before American Life Convention

The duties of the home office of a life insurance company to the old policyholder were discussed by President Emmet C. May, of the Peoria Life, in a talk before the American Life Convention.

In order to render true service the company must have clean agents and these agents must be taught that it is not only a part of their business but it is an absolute requirement of their company that they give service to policyholders and to the general public. That service should not stop with soliciting a policy and paying death claims but it should extend to the making of friends for his particular company and for insurance generally and it should extend to the building of a business for himself in a way which will give him a reputation of "Insurance Counselor" in the community in which he resides.

Don't Put Too Much Stress on Technicalities

And in order to further render true, efficient and lasting service every home office employe must be taught that "the policyholder is always right." No technicalities must be dwelt upon to annoy and disturb policyholders. But there should be a simple, efficient and diplomatic consummation of every deal leaving the policyholder impressed with courtesy and fairness as well as business. The company's rights should be protected, but the benefits to the insured should be given to him with a speed and courtesy in keeping with the business methods of the times. Therefore, it is necessary to have able, efficient, diplomatic heads of departments at the home office and local offices to carry on all dealings with policyholders. No great commercial institution dealing with the public will have an employe who deals with or meets the public, who does not do so with such efficiency, courtesy and diplomacy that his dealings will retain the established trade and bring more. Every transaction must be sincere and must appear so. Sincerity and not trickery or chicanery builds the solid business. Life insurance is a sacred, sincere business and in it there is no place for aught else than sincerity. The company never grows too large to keep closely and intimately in touch and acquainted with its policyholders through its various organizations.

Life insurance is a very sensitive business. And every act and transaction with a policyholder makes a record which is spread out to the public. The good company so conducts its business and carries on its transactions with policyholders in a way that it is like the laying of the hand upon the shoulder of a friend. All its acts enter into its good reputation. Its good character is spread from person to person. Everyone hears it. Every little word that is breathed is heard by all of them. No matter from what point of the compass comes the little breath of thought or act it is heard and carries on. But if the company does not so build up such a reputation for correct dealing and transactions with its policyholders and beneficiaries, then every word that is spoken and every act that is done is always heard by every policyholder and by every citizen in the entire country. And its reputation is one for unfairness, insincerity, or unjust dealings. And the scandal which makes a bad reputation, travels faster than light or sunshine or good thought or words—it is hard to check or stop. Then, if we at the home office realize that every policyholder hears and every policyholder knows the acts and transactions of the company and if we realize that we should make those actions and transactions an open book to all so that they will be reflected by the policyholders into a reputation that will be for good and for the better building of the company, then I think the company is transacting its business in the way that it should and whenever its dealings are so recorded and whenever the policyholder is made to feel that the company is his friend and is interested in his welfare, the business will stay on the books and the waste of securing new business one year and letting it go off the books the next year will be eliminated. The policyholders with whom we are personally acquainted and who know us and understand us and our company, do not terminate their policies save by maturity or death. Then it does really pay to cultivate the policyholder with the utmost intimacy.

Impression Made By Agents

There is no member in attendance at this convention to-day but who, if he went over to one of the stores in this city for a purchase and was accorded the kind of service which a live, up-to-date business house of to-day must give, will go away remembering that institution. But how much more would you remember it (and avoid it) if you were given very poor service and a very poor impression of the store. Now then, why not let's realize and build

(Continued on page 6.)

Taylor Suggests A New Text Book

SHOULD COVER LIFE INSURANCE OFFICE PRACTICE

Thinks It Should Be Prepared Under Auspices of American Life Convention

In a paper on the "Need of Education of Life Insurance Office Employes," Charles G. Taylor, Jr., vice-president of the Atlantic Life, suggested that under the auspices of the American Life Convention there should be prepared a text book of life insurance office practice. Mr. Taylor said in part:

The Life Company's Obligation to Employe

In developing a program for educating employes we should be actuated by a higher motive. Do we not as employers have an obligation to our employes? If we expect, as we should and do, from each employe more than a mechanical performance of what he is told to do, has not that employe a right to expect more from us than the mere allotment of a task and the payment of a salary? If we expect him not to be an eye servant, to have an eye single to our business, to seek opportunities for its advancement, has he not the right to expect from us a continuing unselfish interest in his welfare?

Do we not owe it as a duty to our fellow business-men to give the best possible training to the youth or young lady whose first appearance in business is in our employ? Have you not employed men for whose slipshod training by some previous employer you have paid the penalty?

There is on the part of the employer an ever-growing recognition of this responsibility for the welfare of his employes. As one writer has expressed it, there is an increase in realization of the fact that "all men, regardless of race, origin or experience, have powers for greater things than has been realized," and that it is the duty of the employer to develop such powers.

The argument is well summed up in the following statement from the employment manager of a corporation employing thousands of men, girls, women and boys: "The word 'employ' should signify the care and development of employes rather than the mere act of engaging workers and placing them on the payroll." This corporation takes girls in their teens, who have had limited educational advantages, supplements their education while they are working at such tasks as they can perform, and makes of them stenographers, typists and other higher grade employes; it takes boys in their teens and in time makes expert operators of type-setting machines of them.

Arguments Applicable to Clerical Employes

The illustrations under the last two headings have been taken from the industrial world, because like illustrations have been lacking in the study of clerical workers. But like facts could be developed with reference to clerical workers I do not doubt. The cost of training a clerk would no doubt prove to be greater than the cost of training the operative of a machine in some industrial establishment. Clerical work generally requires the display of more judgment and there are many phases of the work to which safety devices for the prevention of errors cannot well be applied, as safety devices are attached to machinery. The clerk's mistakes may be hidden for a long time before discovery while it is easy by inspection to discover a flaw in a piece of cloth, or a shoe. The same methods of inspection cannot in every instance be applied to clerical work. For example, a certain life insurance company was some time ago called upon to defend a $10,000 suit because of the mistake of an uneducated employe, that very simple instruction might have avoided. There is a woeful ignorance yet on the part of the public with reference to the business of life insurance, and woeful inability on the part of many engaged in the business to so present its problems to the untrained as to engage their sympathy and understanding. Hence, the need for, the necessity for furnishing and the obligation to provide proper instruction for clerical employes.

What Has Been Done in Life Insurance?

The insurance institutes in the larger cities have accomplished a great deal toward meeting the need under discussion, but unfortunately a great many life insurance companies are so scattered as to make the organization of insurance institutes to serve the great majority of companies impossible.

In the office with which I am connected we have found great advantages in office conference, in which department heads and junior officers are brought together for the discussion of company problems and policies; in the distribution of insurance journals among the employes that they may read them and indicate the important matter found therein, and subsequently bringing the employes together for the discussion of the important matters recorded and encouraging them to read selective books.

These methods have two serious defects The first is that much of the discussion will be above the head of many

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Investigate Atlantic Life's record, then in your own way, if you are looking for a larger opportunity, let us tell you what we have to offer

ATLANTIC LIFE INSURANCE COMPANY
RICHMOND, VA.

AMERICAN LIFE CONVENTION

and uninteresting, because of its primary character, to others. The second is that, even with the expenditure of a great amount of time, it is impossible to so grade the instruction as to furnish a systematic course of study applicable at once to the needs of the employe who is just entering upon the service of the company and that may at the same time be pursued by him until he may have completed a course of study that will fit him for his ultimate destiny in the business.

In our efforts we have found great comfort and value in our desk instructions. At one time the employe taking hold of a new desk was instructed either by the one leaving that desk, if available, or by someone who had formerly filled that position. Sometimes an instructor remembered all that had to be done at that desk. Sometimes he did not. Sometimes we discovered the omission at once, sometimes it was not until we were immediately in need of some information that could not be produced. Now each employe is furnished with a catalogue of the duties he is required to perform. The time in periodical tasks are to be completed and the description, as far as feasible of the manner in which the work can be most expeditiously completed. While this is an important step in the right direction and is of great value, it still does not fill the larger need. Only at an expenditure of time and money, impossible save to few, would it be possible to elaborate the desk instructions as to give the employe the broad knowledge that is so essential to the best possible performance of any task, and to enable him, even by successive service at all desks, to obtain the more comprehensive knowledge that is essential if his education is to be finally so complete as to fit him for executive service.

Two Notable Examples

Two notable examples of educational effort are furnished by the banking business. The first, the educational activities of the National City Bank of New York, should be an inspiration to every business man, whether his business be large or small, to give heed to the necessity for some systematic plan for the education of his employes. Two courses of instruction are provided, one entitled "The Banking Apprenticeship" plan, the other "The College Training Class." The first is designed for office boys just entering the service of the bank. After receiving instruction in reference to the duties to be immediately performed by him, each boy, until twenty-one years of age, is required to follow a complete course of instruction designed to make him, upon its completion, a competent bank clerk eligible for promotion. Personal interest in the boys in the bank is taken by officers of the institution and from time to time the students in the apprenticeship classes are required to have interviews with the officers covering their ambitions and complaints or suggestions that they may have to make. The bank officer at the same time points out his weak as well as his strong points and gets an opportunity to "size up" the boy.

The College Training Class was originally intended for college graduates to be trained for service in the foreign branches of the bank but has recently been extended to qualified employes in the bank who are not college graduates.

The courses of study are planned with the care of a college curriculum. The instruction given is of the highest character. The students are not only trained in the technical phases of banking but are encouraged to broaden their cultural education by outside and well directed reading. It costs this bank a considerable sum of money each year to carry on this work, but its continuation and enlargement demonstrates that the money so expended is a good investment for the bank.

It would be impossible to estimate the value of this intelligent direction and sympathetic co-operation in developing a loyal and efficient working force and in encouraging each employe to advance himself.

The fact that few, if any, of the companies in the American Life Convention could undertake such an ambitious plan of educating employes but emphasizes the necessity of seeking some other method. What we cannot take individually we can take collectively. The educational plan of the American Institute of Bank Clerks is worthy of study in this connection and is the second illustration.

A standard course of instructions, prepared by recognized authorities for the American Institute of Bank Clerks, is available to every bank clerk of the United States. The institute maintains an educational director to foster and guide the work. Many bank officials take an active interest in the local chapters through which the classes are conducted in the larger cities and deliver lectures on various phases of banking supplementary to the text books. Such classes are conducted in seventy-seven cities of the United States. The institute also maintains a correspondence chapter making the course available to bank clerks in smaller cities where it is impracticable to organize chapters. The American Institute of Banking has 22,270 students enrolled, which number is estimated to represent about 20 per cent. of the bank men, including officials, in the United States. The esteem in which this work is held by the foremost bankers is evidenced by the fact that the National City Bank offers an unusual scholarship, with a salary of $1,500 per annum in its educational department, to the holders of certificates given by the American Institute of Banking for the completion of the course. Many banks ask prospective employes whether they are Institute graduates or are willing to enroll for the Institute course of study and it goes without saying that the trained man is given preference for promotion. That the bankers and clerks are compensated for their interest in this work is evidenced by the large number of students and the continued co-operation of the bank officials.

A Suggestion for American Life Convention

The president has requested that this paper convey a definite suggestion. It can only be a suggestion for the subject is too broad to be covered in the time alloted to this paper. The suggestion is that the American Life Convention undertake the preparation of a text book of life insurance office practice.

While the topic refers to home office efficiency it will probably not be improper to digress from it to remind you that general agency and branch office employes are even more sorely in need of thorough training. They must handle a wider range of topics than the average home office employe, and coming more directly and intimately in touch with the public, often independent of any personal supervision, their opportunities for helping or harming the business are much greater.

Employes in the actuarial, legal and medical departments have ample opportunity for preparation in their respective fields. The employe in the many departments of a life insurance company, who should have a comprehensive grasp of the business, has a very limited opportunity for acquiring the necessary information. No one particular source of information is available. He must cull his instruction from innumerable sources. The type of man who will succeed, despite all difficulties, will get the instruction, perhaps with much waste of valuable energy and time on account of lack of direction, and without that thoroughness that would result from intelligent direction of his study. Such men are, however, far too few. We must deal with the average type of man who will not do the unusual thing, who must be assisted if he is to succeed, but, when assisted, will make a valuable employe and take full advantage of the training offered.

This work should be the result of joint efforts of trained life insurance men and trained educators. A committee from the American Life Convention should be appointed to have charge of the work, to outline its scope and to supervise its preparation, to secure the co-operation of the members of this convention, or others outside who could contribute to its success and to work in conjunction with the trained educator whose services should be sought in arranging matter collected in such manner as to conform to the best educational standards. There should be included some scheme for cultural education to supplement the practical instruction to be given to the end that the course of study outlined may not only develop a technical expert but may also develop a well-rounded, broad-minded business man.

(Continued on page 6.)

HOME LIFE INSURANCE CO.
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GEORGE E. IDE, President

The fifty-seventh annual report shows insurance in force of $133,493,000, an increase during the year of $7,832,827. The Company paid the policyholders in 1916 $3,536,233, of which $628,406 was in dividends or premium refund. Its insurance reserve fund was increased by $1,300,000 and the Assets are now $32-821,462.

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New policies with modern provisions Attractive literature
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We want a GOOD PERSONAL PRODUCER and organizer for DESIRABLE TERRITORY in several states west of the Mississippi River. EXCELLENT CONTRACT.
Northwestern National Life Insurance Company
MINNEAPOLIS, MINNESOTA,
is a LEADING LOW NET COST, annual dividend, MUTUAL, OLD LINE company. Record for 1916—increase in insurance in force, 20%; in paid-for business, 51%; in assets, 15%; in amount apportioned for 1917 dividends, 71%.

Proof of Death In War Claims

PROCEDURE IN CANADA TOLD AMERICAN LIFE CONVENTION

How Atmosphere Was Cleared in Dominion Told By Secretary Steinman, of Midland

In a paper on "Payment of Claims," George W. Steinman, Secretary of the Midland Mutual of Columbus, after ably discussing various angles of this broad topic, took into consideration the proving and payment of war claims. In these cases ordinary and usual methods of proving the claim, with the exception of the claimant's statement, go by the board, and the question of securing sufficient proof of death to protect the company is surrounded with difficulty. In discussing this subject, Mr. Steinman said in part:

Situation in Canada

Canadian life insurance companies have been subjected to some criticism in the public press, charging delay in settlement of war claims, and it, of course, follows that they have not been free from complaints by beneficiaries and agents. However, delay in settlement seems to be unavoidable in connection with many of such claims. Correspondence with Canadian companies has elicited interesting information as to their experiences in this connection and the practices which have been followed. The sources from which proof of the death of the soldier can be obtained are very limited and, therefore, the practices of the companies have not differed in any material degree. From a patriotic standpoint much was expected of the companies. When a casualty was reported in the press, friends of the deceased, without further information, made application for payment under the policy and expected action at once. Frequently the usual telegram of notification of death from militia headquarters was produced, but this could not be accepted as conclusive because of the numerous instances where soldiers were taken prisoners who had been reported as killed. It was, therefore, necessary to take a broad view in each case and endeavor by some means to secure evidence corroborating the press report or the telegraphic report from the militia headquarters.

Official Certificate of Death Hard to Get

It was frequently found that the claimant had in his or her possession letters of consolation, written at the time of the death of the deceased by either the Chaplain of the deceased's regiment, his Captain or Lieutenant, or by some comrade in arms serving in the same unit or regiment. These letters were frequently found to be of such a definite nature, when submitted to the company in the original envelope, showing that they actually came from the front, that the companies were able to accept them as corroborative evidence of the correctness of the official notification of death. Sometimes, however, there was absolutely no reliable information obtainable from any one positively proving that the insured was dead. He may have been blown to atoms on a field of battle, or he may have been taken prisoner and died in a prisoners' camp. In such cases delays were absolutely unavoidable and none of the companies made settlement until an official certificate of death had been issued by the militia headquarters in Canada. Quite often this certificate was not issued for from six to eight months after the insured had been reported as missing. Some companies in paying claims, where the proof has not been absolutely satisfactory, have required for such protection as it afforded a bond of indemnity from the claimant, providing for reimbursement of the company in event it should later be found that the information respecting the death of the insured was incorrect.

The difficulty on the part of the claimants in establishing the death of the insured under policies of insurance; the delay in payment of claims, resulting in criticism from numerous sources; and the hazard to the company in paying claims on the basis of insufficient information, led to action by the Canadian Government looking to the relief of all concerned. On the 15th day of March, 1917, the Governor in Council at Ottawa, passed an order in Council greatly simplifying the procedure in connection with the payment of claims, and affording adequate protection to the companies in event the Government report of death proves incorrect. This regulation provides that insurance companies

shall accept as satisfactory proof of death the official certificates of death or presumption of death, as the case may be, issued by the Department of Militia and Defense, and shall, on the production of such certificate, pay to the beneficiary under any policy of life insurance on the life of an enlisted soldier, resident in Canada at the time of the issue of the policy or at the time of enlistment, the amount to which such beneficiary is entitled thereunder, and that in the event of such policyholder subsequently proving to be alive and the amount of the said payment not being refunded by the said beneficiary, there may be paid to such company out of the Consolidated Revenue Fund under the provisions of the War Appropriation Act, 1916, the amount by which the payment so made to the said beneficiary exceeds the actuarial reserve maintained by the company in respect of the said policy at the date on which the said payment is made.

This regulation cleared the atmosphere materially, although it does not absolutely avoid delays in the payment of the claim, especially in cases where the certificate of death is issued because of the fact that the soldier has been officially reported missing for a sufficient length of time, usually not less than six months. The certificate is issued after full inquiry is made and in event no information has come to hand which would indicate that the soldier is not dead. Even the official certificates of death, issued as the result of positive information to the effect that the soldier has been killed, are not issued until from two to three months after the date of death.

Will Meet Same Difficulties Here

There is no question but that the companies of this country will meet the same difficulties if the present great conflict is not terminated in the near future. Possibly a presentation of this matter to the proper officials of our Government might lead to action similar to that taken by the Canadian Government, with a view to avoiding delay and the resulting hardships to dependents of the soldier, at the same time protecting the insurance company in event the certificate of death issued by the Government should prove to be incorrect. Indirectly the Government is responsible for the necessary delays and difficulties in this connection, and on the ground of this responsibility the same relief as has been granted to Canadian companies might be provided for the companies of this country.

44 MILLIONS from 42 AGENCIES

THE 1916 RECORD OF OUR EARNEST, LOYAL AND HAPPY AGENCY FORCE

New England Mutual Life Insurance Company

BOSTON, MASS.

G. W. Fowler on Extraordinary Payments

BENEFICIARY COMPLICATIONS CAUSE MOST ANNOYANCE

Interesting Case Where Mennonite Bought Insurance in Favor of Legal Heirs

In a talk to the American Life Convention this week, G. W. Fowler, assistant secretary of the Bankers' Life of Iowa, discussed "Extraordinary Payments," dividing the subject into three general classes, (1) Those involving fraud; (2) Those involving disappearance; and (3) Those involving beneficiary complications.

The last group causes more grief to companies than all the others combined, not that they are as a rule surrounded by unusual circumstances, but it seems if there is the slightest opportunity for rival claimants to demand the proceeds of a policy they all clamor for the insurance making it exceedingly difficult to dispose of the case in such a way as to discharge the company against all possible claimants.

New Federal Law Offers Some Relief

This is especially true where the parties reside in different States although some relief, so far as the company is concerned, may result from the Federal Law recently enacted, under which suit may be brought in the Federal Courts and proper jurisdiction obtained on all the interested parties or parties claiming an interest.

Cases of this character dealt with by the Bankers of Iowa have not been of an extraordinary nature except possibly in one instance which is now pending. Mr. Fowler thought it has always been said that while a beneficiary might object at the time the insured was making application for his policy, when the time came to receive the proceeds the money would be accepted with alacrity. He cited one case, however, where it has been otherwise.

In Favor of "Legal Heirs"

Peter B. Dirks, of South Dakota, took out insurance in the Bankers in favor of his "legal heirs." He died leaving a wife but no children so that under the laws of South Dakota those to participate in his estate are the widow and his parents, the latter of whom are quite old and of the Mennonite Faith. The parents have not only refused to accept their portion of the insurance but would have nothing to do with the matter, not even to the extent of releasing their interest in favor of the wife so that the only thing to do is to have an action brought by the widow which has now been done at our suggestion. The claim will be paid as soon as the Company learns who can give a release that will effectually discharge us from further liability.

"An amusing incident occurred in connection with this case when we received a letter from a woman in our own city who had seen a newspaper account of the matter and stated that if we did not know what to do with the money she would be willing to accept it as she was in poor circumstances and could use it very nicely," continued Mr. Fowler. "We, of course, appreciated her willingness to help us out of the dilemma but had to refuse her proffer of assistance.

"In the early history of our Company detective agencies were used quite freely in conducting investigations and securing special reports where needed, but during later years we have depended almost wholly on our own inspector which I believe is the better arrangement, especially if you secure a capable man and the volume of business in force is such there are likely to be a sufficient number of cases requiring his attention to keep him busy at least most of the time.

"When I first took up work in the claim department I thought it would be a fine thing to keep a record of what was done and how the unusual cases were handled, believing that it would be of assistance in dealing with others of like nature when they came up. However, I soon found that no two cases were exactly alike, so that aside from classing them under a few general heads it was an impossible scheme as I have never yet found two cases that were identical but each one must be handled and dealt with according to its own peculiar circumstances.

Good Legal Advice

"When dealing with an unusual or difficult case the important thing is to have good legal advice and in this connection I cannot refrain from saying that our Company is exceedingly fortunate in having a most able General Counsel for it is due almost entirely to his good judgment and ability that we have been so fortunate in satisfactorily disposing of the knotty problems which confront us from time to time in the settlement of our claims."

The Nation Needs Its Business

Not less patriotic than those who serve the Nation in organizations directly connected with the war, are those who keep the wheels of business steadily turning. Their work contributes to the country's moral poise, and, as well, keeps sound the financial foundation on which our great part in the war must rest. Life insurance is one of the great conservators of national resources, through its protection of the myriad homes of the people and the businesses which furnish their maintenance. Life insurance has therefore a great opportunity and a great duty in this time of crisis.

Occasionally we have a General Agency opening

JOSEPH C. BEHAN, Superintendent of Agencies

MASSACHUSETTS MUTUAL Life Insurance Company

Springfield, Massachusetts

Incorporated 1851

YOUNG AT SIXTY-TWO

Louis Rothschild, 62 years of age, joined the Henschel Agency of the Equitable Life Assurance Society, Dec. 5, 1916 and wrote $9,000 up to the 20th of that month. He broke his leg and was disabled until early in April, when he started on a vigorous campaign. He wrote $27,500 up to July 25th, and then brought in an application for $50,000 with a $3,500 premium.

AMERICAN LIFE CONVENTION

The Policyholder is Always Right

(Continued from page 3.)

into our insurance companies the same kind of service that we expect to have accorded to us when we go into any other kind of institution to-day for any business dealings? It is not hard to do—it is not hard for us to make our literature so that it gives this impression; most of us have eliminated the red tape which annoys and disgusts everyone; all we want is a simple record of transactions. It is not hard for us to gather into the home office employes who must realize that "the policyholder is always right" and who will act accordingly. It costs us nothing to be courteous—it costs us nothing to be prompt nor will it add to our expense to build up a reputation for fairness and promptness and sincerity and one of friendship just like the friendship of an individual. The warm expression of friendship, human interest and sincerity in letters can be written upon the same typewriter which formerly printed the cold and grouchy words which made dissention and trouble.

Every Transaction Important

Every transaction with a policyholder is of enough importance that it should be thoroughly understood by the employe handling it so that he can intelligently handle it with speed and without any bungling and at the same time give the impression of interest in the policyholder and the utmost sincerity in the transaction. A little bit of instruction and training will make every agent get into personal touch with his policyholders and the public in general. Money is much better spent and the company gets much more for it to teach an agent, who is the company in his particular locality, to say to everyone:

"Hullo!" and "How d'ye do?
How's the world been using you?"

I say much better results are obtained by the spending of money to create human interest in life insurance in our own individual company than by flaring head lines that John Smith, the president, is the biggest man in the world. We cannot eliminate all the grouchy agents but we can go a long way in improving them by a little instruction, training and rules requiring service which is real service. Service to policyholders, service to our competitors, service to the public—all of this is service to ourselves.

Taylor Suggests a New Text Book

(Continued from page 4.)

The course of instruction should be so planned that an employe without experience may, upon entering any department of the business, find in it that information necessary for his immediate guidance. It should also enable him to have an intelligent understanding of the business in which he is engaging and the part in it played by the duties he is to perform. The course should also be so planned that from the beginning the employe may pursue a definite course of instruction until he has mastered the entire series of text books. The course should be so arranged for study under the personal direction of the officers of a company or through correspondence where personal instruction is impossible.

The inspirational opportunities should not be neglected. An employe imbued with a high conception of this opportunity for service through his business will help to infuse into an organization the spirit which contributes to the greatest efficiency.

Will employes take advantage of these opportunities? Any one who has given any attention to this question, or has made any effort to assist employes in this way has no doubt found a ready response on their part. In the education classes of the National City Bank for the year 1916-1917, sixty-one per cent. of the clerks in the bank were enrolled in the classes and the attendance and promptness record for the year was eighty per cent.

Shall We Seize the Opportunity?

Reference has been made to the need for developing executives and department heads. Many of us are now facing a serious problem in this respect through the enlistment of male employes. In our office over 45 per cent. of all male employes, including officers, have already enlisted. Some of them may return—some may never return. There will be, if the war continues long, a thinning of the ranks of the young men from whom our junior officers may be recruited. There is an immediate demand for the training of new employes. We have found our desk instructions of great value in the present emergency, but more than they furnish is needed. Our business must go on.

Students are almost of one accord in the belief that the demand for the maximum of efficiency in business will be greater after the war. If so, life insurance will be no exception.

Charles F. Coffin Scores at Convention

(Continued from page 2.)

five should be insurance commissioners. The recommendation further provided that the commission should be requested to make a careful and detailed examination of all of the existing statutes in the United States, in Canada and in Europe touching the subject of life insurance taxation. To examine the latest and best opinions of students of government sociology, and economic principles relating to the correct theory of the taxation of life insurance funds, and as a result of these investigations and studies to prepare a model life insurance taxation law which might be used for the presentation of the subject to the various legislatures of the country.

I have unusual pleasure in advising you in this formal way that the recommendation met with such favor that it was adopted. The Presidents' Association and the American Life Convention have made their appointments, and the insurance commissioners will be asked in a few days to name five of their numbers to complete the commission. My pleasure in bringing to you this information is so much the greater because the action of the Presidents' Association was a tribute, not to the individual who offered the suggestion, but to the American Life Convention whose official representative he was.

The work before the commission is an important one, and will not be easily nor quickly completed. It may require years, but with definite, intelligent and continuous co-operation nothing will be impossible.

Federal Supervision

Relating to the much discussed and to the ever recurring question of government supervision, there is no present necessity for extended discussion. There is no acute situation demanding attention or relief.

One of the foundation stones in the American Life Convention structure is State supervision in preference to Federal supervision, and strongly supporting our view stands the Supreme Court of the United States saying that than State supervision there shall be no other.

Legal Section Recommendations

The legal section of the American Life Convention recommended to the executive committee of the association the following uniform policy disability provisions, drafted by H. B. Arnold, of Midland Mutual Life:

That disability must occur before attainment of sixty years.

That clause shall be brief and simple.

That the definition of disability shall be in general terms of inability to earn any money by any labor or occupation with usual accepted definitions of disability by loss of two legs, two arms, both eyes, etc.

That proper notice and proofs of disability and physical examination shall be furnished as often as may be required by the company.

That there shall be no participation in surplus during the period of disability.

That clause may be cancelled by insured.

That upon recovery from disability premium payments shall be resumed.

That benefits shall be payable without deduction from the face of the policy except for indebtedness or advances on the policy.

That in event of disability after sixty years subsequent premiums will be accumulated with interest as an indebtedness against the policy.

That disability clause shall be void if insured engages in army or naval service during actual war.

THE CRESCENT LIFE INSURANCE COMPANY
OF INDIANAPOLIS, INDIANA
"ENDURING AS THE PYRAMIDS"
J. C. Hmes, President
L. D. Clancy, Secretary
A Legal Reserve Company
Are You a Big Producer? Can You Prove It?
ONE GENERAL AGENT WANTED IN INDIANA
Home Office: Fletcher Trust Bldg., Indianapolis, Ind.

Security Mutual Life Insurance Company
Binghamton, N. Y.
Offers to men able to produce business first class territory, with direct contract providing liberal compensation.
For particulars, address
C. H. JACKSON, Supt. of Agencies

A PENN MUTUAL PREMIUM, less a PENN MUTUAL DIVIDEND, purchasing a PENN MUTUAL POLICY, containing PENN MUTUAL VALUES, make an INSURANCE PROPOSITION which in the sum of ALL ITS BENEFITS, is unsurpassed for net low cost and care of interests of all members.
THE PENN MUTUAL
Life Insurance Company
OF PHILADELPHIA
On January 1, 1909, rates were reduced and values increased to full 3% reserve

THE UNITED STATES LIFE INSURANCE COMPANY
1850 IN THE CITY OF NEW YORK 1914
ISSUES GUARANTEED CONTRACTS
Good men, whether experienced in life insurance or not, may make direct contracts with this Company, for a limited territory if desired, and secure for themselves, in addition to first year's commission, a renewal interest insuring an income for the future. Address the Company at its Home Office, 277 Broadway, New York City.
JOHN P. MUNN, M. D., President
FINANCE COMMITTEE: CLARENCE H. KELSEY, Pres. Title Guarantee and Trust Co; WILLIAM H. PORTER, Banker; EDWARD TOWNSEND, Pres. Importers and Traders Nat. Bank

State Mutual Life Assurance Co.
OF WORCESTER, MASSACHUSETTS
Incorporated 1844
The Company that gives complete satisfaction to policyholders and agents because both are a part of it.
SEVENTY-THREE YEARS of faithfulness to every promise made.
Success for our ambitious representatives is a certainty.
Additions are made to our agency force when the right men are found
B. H. WRIGHT, President D. W. CARTER, Secretary
STEPHEN IRELAND, Inspector of Agencies

Metropolitan Life--- Pittsburgh Life Deal

POLICIES ASSUMED WITH LEGAL RESERVE LIEN

Haley Fiske Sends Letter to Policyholders Outlining Company's Position in the Matter

In a letter to the policyholders of the Pittsburgh Life and Trust Company, Haley Fiske, vice-president of the Metropolitan Life, outlines that Company's position in connection with the re-insurance contract effected by Insurance Commissioner O'Neil of Pennsylvania looking to the Metropolitan Life taking over the defunct Pittsburgh company's risks. Mr. Fiske's letter says in part:

"Hon. J. Denny O'Neil, Insurance Commissioner of Pennsylvania, who was appointed by the courts receiver of the Pittsburgh Life and Trust Company, has made with the court's approval a contract with the Metropolitan Life Insurance Company of New York for the re-insurance of such policyholders of the Pittsburgh Life as may desire to have their contracts assumed and carried out by the Metropolitan Life.

"The conditions in brief, of the contract are: The Metropolitan Life will assume and carry out the conditions of the existing policies of the Pittsburgh Life, or of those companies re-insured by the Pittsburgh Life, provided the holder or owner of each policy will execute a lien equal to one-third of the amount of the legal reserve on such policies. This lien is to draw interest at the rate of 4 per cent. until liquidated. In any settlement under the policy, the amount of the lien with accrued interest is to be liquidated, except that the Metropolitan Life agrees, should the insured under any assumed policy while in force die within five years from May 7, 1917, the face of the lien will not be deducted from the amount due as death claim, but the Company will deduct any unpaid or accrued interest on lien.

"The Metropolitan Life has agreed to keep separate record on its books of all transactions in connection with business assumed from the Pittsburgh Life, and to distribute at stated periods among the policyholders, whose policies have been assumed, such part of any surplus, if any, it may be able to accumulate as the Metropolitan Life with the approval of the Insurance Department of Pennsylvania, may think advisable.

"You will find the enclosed with this communicat'on:

(1 & 2) Letters from the Insurance Commissioner of the State of Pennsylvania and from the Superintendent of Insurance of the State of New York, recommending your acceptance of the offer of the Metropolitan Company.

(3) Lien in amount of one-third of the legal reserve on your policy which, if you desire the Metropolitan to assume the contract, you should execute immediately, have your signature witnessed and mail to the Metropolitan Company in the

(4) Addressed envelope.

"As soon as the agreement for lien, properly executed, is received at the home office of the Metropolitan Life, there will be mailed to you a certificate of assumption which you should file away with your policy.

"It is of the utmost importance that you should give this matter your prompt attention.

"The amount of lien is based on reserves calculated by the Pittsburgh Life and which are assumed to be correct. If later on it should be found that any errors have been made, policyholders will be advised and corrected liens sent to be executed.

"Owing to the necessity for haste in communicating with policyholders, no attempt has been made to eliminate cases where a premium may have fallen due since May 7 and has not been remitted to the Pittsburgh Life.

"If the premium is now overdue on your policy and you wish the Metropolitan Company to assume the policy you should send us with the lien, a check, draft, money or express order for the amount of the premium, including interest at the rate of 5 per cent. from the date the premium fell due.

"If you have paid a premium in the meantime to the Pittsburgh Life, you will get a receipt from the Metropolitan Company just as soon as we are able to dispose of the accumulation of mail now in the office of the Pittsburgh Company."

Superintendent Phillips' Letter to Policyholders

Superintendent Phillips of the State of New York Insurance Department, in a letter to the policyholders of the Pittsburgh Life and Trust Company, discussing the re-insurance contract, said in part:

"The re-insurance contract provides, in substance, that the receiver of the Pittsburgh Life and Trust Company is to turn over to the Metropolitan Company the assets in his hands applicable to reserves on its policies, and thereupon the Metropolitan Company agrees to assume the policy obligations of the Pittsburgh Company with a lien against the policy equal to 33 1-3 per cent. of the reserves and interest thereon at 4 per cent. This means that if the legal reserve upon a policy of $1,000 is, for instance, $300, the lien against such policy would be 33 1-3 per cent. of such $300, or $100. In other words, in the event of death, $900 would be payable upon such a policy. There will be no lien, however, in case of death within five years, but any accrued and unpaid interest thereon will be deducted.

"The lien of 33 1-3 per cent. is slightly larger than that which would actually be demanded by the assets in hand, and is fixed at such figure in order that the Metropolitan Company may make provision for payment in full of all death claims within five years from the date of the receivership, to wit, May 7, 1917. The contract so provides, and you may therefore feel assured that, if you accept the assumption of your contract by the Metropolitan Company, any death claim thereunder during five years from May 7, 1917, will be paid in full.

"Without hesitation, I recommend to each and every policyholder of the Pittsburgh Life and Trust Company, or any of the companies whose business was re-insured by such Company, the acceptance of this proposition upon the part of the Metropolitan Life Insurance Company. By so doing, such policyholders continue their insurance protection."

40% Increase in Paid New Premiums—that tells the 1916 story of Fidelity progress.

Direct leads and the Fidelity "Income for Life" plan are making money for Fidelity field men. Any man who can sell life insurance can sell MORE Fidelity insurance.

Write to-day—

Fidelity Mutual Life
INSURANCE COMPANY, PHILADELPHIA

INCORPORATED 1878 WALTER LE MAR TALBOT, President

Mutual Life's War Clauses

INTERESTING HISTORY COMPILED BY COMPANY

Reviews the Whole Subject from the Early Days Up to the Present Time

In "Points" the Mutual Life presents an interesting review of war clauses in vogue in that Company from the early years up to the present time. They say in part:

"Until the adoption of unrestricted policies, which action came in 1903, all contracts of the Mutual Life, as well as of other companies in general, contained the 'permit' clause. In brief, this gave the Company the right to make an extra charge if it so desired in the event that the policyholder travelled into territory where he might be exposed to unusual hazards as, for example, the hazards of war; or, the Company might under such a clause even refuse to assume the risk altogether in case the policyholder went into such territory.

"During the Civil War, the Company exercised its rights under the permit clause by charging policyholders who participated in the war, an extra premium of from 5 to 10 per cent., the exact percentage in each case being determined by the geographical location of the troops. This charge was found later on to have been just sufficient to meet the extra mortality resulting from the war. When peace was declared, the extra premiums were immediately stopped and the permit clause was no longer applied by the Company, although it remained, of course, as a part of all policies.

"Similarly, during the Spanish-American War 'permits' were required of old and new policyholders who went to the front. Such policyholders were given the alternative either of paying in cash an extra premium amounting to 10 per cent. of the face of the policy or of having this extra amount charged up as a lien against the policy at 4 per cent. interest. It may be remarked that some of these policies are still in force although they have, for the most part, either been fully paid through death claims or matured endowments, or reduced materially by dividends.

"The extra mortality of the Spanish-American War was found to have been 1.67 per cent., or $16.70 for each $1,000 of insurance on the lives of soldiers holding policies in the Mutual Life. This enabled the Company to make a return of $83.30 to each policyholder who had paid the $100 extra premium.

"During the Boer War, which followed the Spanish-American, the extra premium amounted to 5 per cent., this being required of all our policyholders who entered into active service. The lien method was, however, abandoned, making it necessary for the extra premium to be paid in cash. Through adjustments at the end of the war this extra charge of 5 per cent. was reduced to about 4 per cent. by pro rata returns of the overcharge to those who had been obliged to pay the extra premium.

"In 1901, the Company first began issuing policies to Army and Navy officers on an established basis of one-half of 1 per cent. extra premium, payable annually and for life, and covering in full the risks both of active and inactive military and naval service. Prior to 1901, Army and Navy officers had been governed by the permit clause, in other words, had been regarded by the Company in the same way as were civilians. On April 10, 1917, by resolution of the board of trustees, these Army and Navy policies which had been issued prior to 1901, that is, those containing the permit clause, were made free of all restrictions.

"In 1903, all policies, excepting those held by Army and Navy officers, were made, as before mentioned, absolutely unrestricted—meaning, of course, that even in the matter of old policies the Company voluntarily waived the right to exercise the permit clause. In other words, the retroactive principle was fully applied.

"The acute Mexican situation led in April, 1914, to the adoption by the Company of the 3 per cent. war clause and it was at once incorporated in all new policies. This was continued until April, 1917, when the 10 per cent. clause was substituted. It is evident, therefore, that the very last of the policies which contain the 3 per cent. clause will become unrestricted after April, 1918, so far as participation in war after that date is concerned. A large percentage of these policies are, of course, already unrestricted by reason of the termination of the prescribed one-year period.

"In reference to military or naval service within the United States, for which no extra charge is made, it should be remembered that both the waiver of premium and the disability benefits clauses are voided where the policyholder is in the Federal service. Such is not the case, however, where the service is that of the State or some other local defense."

GROUP INSURANCE
Life, Accident and Health

With the same Prompt and Expert Safety Engineering and Inspection Service and Organization which has made the Name of The Travelers Famous

AGENTS AND BROKERS

Refer Your Inquiries to The Group Insurance Division.

THE TRAVELERS INSURANCE COMPANY
Hartford, Connecticut

LIVE HINTS FOR BUSINESS GETTERS

Practical Suggestions to Help the Man With the Rate Book Increase His Income and General Efficiency

War-Time Caution to Men and Women

If ever there was a time in the history of this country when the life insurance agent's work could count toward the general benefit of his own community, that time is the present, because it is, of all previous times, the time for all people to carry life insurance—not only for their own sakes, but for the sake of the general welfare of the community.

For instance: Have you ever known a time when so many and increasing calls are being made on the people for monetary help of some kind? And these calls are pressing. They are not idle calls. They are the calls of humanity.

We must expect deaths in many family circles during this war-time, just the average number of deaths. In many instances dependents will have to appeal to relatives for aid. In ordinary times such aid might be more or less available; but at this time, when the numerous and unexpected calls for money have been responded to, people who otherwise might be able to aid the dependents are not in a position to do so.

And here is just where the life insurance policy comes in. This is a plain, blunt statement of the condition that faces every household. It puts it up squarely to every man and woman in the country to not only have life insurance protection, but to have more.

And when we look at this matter from the community standpoint, we must appreciate that the larger the number of people in need in the community, the worse for that community, and the greater the general demoralization.

And for any man or woman at such a time to lapse insurance already possessed, is to put that man or woman into the position of the worst kind of "slacker."

* * *

Business Insurance and the Bankers

Not long ago the principal bankers of the country gave a remarkable endorsement of business insurance in letters to an officer of a big eastern company. Many bankers declare that it is their practice not only to make inquiry about life insurance, but to urge it for personal and business reasons, and in special cases to demand it for credit extended. They hesitate to loan in cases where business would be seriously affected by the death of the borrower. The fact that the partner's life is insured places the firm in a much better position to secure credit, for the reason that the bank granting credit knows that upon the death of a partner the firm will not be forced to liquidate immediately, if at all.

"We make it an invariable rule," says one banker, "to look into the large loans that we make and endeavor at all times to persuade our patrons who do not carry life insurance for the business, that they do so. Especially is this the case where the individual owns the business rather than a copartnership."

"We hesitate," says another, "to loan in cases where the business would be affected in event of the death of the insured."

"Life insurance," continues a third, "is an increasingly important element in estimating the desirability of commercial paper."

Certain banks have incorporated in their forms a question relating to insurance, as follows: "Do you carry life insurance on any of the officers, managers or partners of your concern?"

Another banker said: "In our opinion ninety-five per cent. of the elements to success in any business originate in the personality of the management, to replace the loss of which life insurance offers the only medium."

* * *

Are You a Duck?

In a very attractive little four-page folder, the Aetna Life Insurance Company, under the accompanying caption gives the following pointers to salesmen:

"Every once in a while," said Old-Man Eddinger of the G. A. A. Company, "every once in a while, some solicitors get the idea that the Company is just a little bit crazy, and occasionally (because all of us are just ordinarily human), the Company gets the idea that some of its solicitors are a bit off.

"There was Mills, for example; a good man to write business, but not very hefty on collecting the money; so I said to him:

"'Mills, can you imagine a man who had never seen a duck, or even a picture of one? Never even knew there was such an animal.' 'Sure I can,' said Mills. 'What about it?'

"'Well, just suppose this chap saw a big white gander that had just walked up on the shore after having been out there on the lake all day—would the man ever believe that gander had been swimming around among the waves and diving down to the bottom for his grub?

"'Of course he wouldn't believe it; and the reason is that when a duck comes out of the water he gives himself a nervous wiggle and afterwards doesn't show even a damp feather.

"'Men, you know, are a good deal like ducks. They file out of the sales manager's or the treasurer's office where they have just heard the Good Stuff, or they come out of church after listening to a rattling fine sermon, and so far as you can judge, "there isn't a damp feather on them." They return to business, or go home, and eat and swear and stay up late nights in the same old way.

"'Yes, Mills, you're a "duck," and from your actions nobody would ever dream you had absorbed all the good things I've been saying to you for lo, these many years. You just give yourself a "nervous wiggle" afterwards, and shed the truths you've heard the way a duck sheds water.'

"Then I put on my hat and coat and started for the door, when Mills came suddenly out of his reverie and shouted excitedly, 'Hold on a minute, Mr. Eddinger, I want you to distinctly understand that this talk of yours doesn't apply to me at least. I'm no duck.'

"Still, I guess he was a little bit 'ducky' at that."

Now, the point of all this is that when we talk to you about the importance of collecting premiums, we want you to "stay wet"; we want you to realize that "money makes the mare go," and that Cash—Good Old Money—Coin of the Realm, is the only thing we can use to meet our everlasting daily expenses.

A signed up policy is a fine thing, but the transaction isn't closed until you collect the cash.

Not to mention yourself, and your own needs, our home offices are chock full of workers who need the money and so are our many branch offices, and there's rents to pay, and electric light bills, and coal bills, and supply bills, and salaries, and taxes, and a hundred other items that call for cash as insistently as a young baby calls for his meals, and every man in the country who owns a good old Aetna policy has got to come across and help still the clamor; and you, as an Aetna agent, have got to get the cash for those policies and send it on its way to the home office.

"Get" all this, gentlemen, and "get it good." Realize it!

Don't be a "Duck"; don't shake off the effects of these valuable suggestions we are passing out.

"Stay wet" and get the money; your money and ours.

It's business, and just as important business as writing the risk.

Don't be a "Duck."

* * *

You and Your Job

Willis Brooks, in an article entitled, "You and Your Job," in the New York Evening World, says:

"There are distinctions to be made between the richly and the inexpensively dressed, though it is better to err by offering high-price goods to the rich. Most persons are pleasantly flattered by being overrated in the matter of wealth, but few enjoy being underrated.

"A successful salesman in one of the large stores of New York tells me that when he is in doubt about the financial position of a prospect, he begins with a medium-price article and works either way from it, according to its reception. He makes this beginning rather adroitly, by casually laying out the medium article without a word, as if it were the first thing that came to hand—something for the prospect merely to look at while he is getting out the real thing. It is then that he watches most closely, without appearing to do so, for an indication as to whether something better or something cheaper is wanted."

* * *

Getting in Step With The Buyer

At the recent convention of the Fidelity Mutual Life Leaders' Club, Thomas H. Beck, sales vice-president of the American Lithograph Company, related some of his devices for getting "next to" a prospect. "I find it advantageous," said Mr. Beck, "to put a proposition to a buyer in such a way as to get him to say yes, yes, yes. When I was selling soap in Pine Bluff, Arkansas—two cakes for five cents—I would say 'Mr. So and So, that is a very attractive little cake of soap, isn't it?' 'Yes.' 'Smells good, doesn't it?' 'Yes.' 'Thirty-three and one-third per cent. is a pretty good margin of profit, isn't it?' 'Yes.' 'Well, there's forty per cent. in this.' You keep him saying yes, yes, yes. That is what I call getting in step with the buyer."

THE MOST VALUABLE POLICY FOR YOU,
Mr. Agent, is to write your prospect in the Company writing the most valuable policy for the insured.
Secure **prompt action** in the
John Hancock MUTUAL LIFE INSURANCE COMPANY OF BOSTON MASSACHUSETTS
WILLIAM N. COMPTON, General Agent
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ORGANIZED 1871
Life Insurance Company of Virginia
RICHMOND, VIRGINIA
OLDEST, LARGEST STRONGEST Southern Life Insurance Company
Issues the most liberal forms of Ordinary Policies from $1,000.00 to $50,000.00, and Industrial Policies from $12.50 to $1,000.00
CONDITION ON DECEMBER 31, 1916:

Assets	$14,464,552.23
Liabilities	12,436,717.56
Capital and Surplus	2,027,834.67
Insurance in Force	118,349,212.00
Payments to Policyholders since Organization	18,119,172.50
Is Paying its Policyholders over	$1,300,000.00 annually

GOOD TERRITORY FOR LIVE AGENTS

Founded 1865
The PROVIDENT Life and Trust Company
OF PHILADELPHIA, PA.
What do most men fear?
An insufficient income for their wives and children if they die, and for their own old age if they live.
WE WILL INSURE THE INCOME IN EITHER EVENT.
Write for Information

ILLINOIS LIFE INSURANCE CO
CHICAGO
JAMES W. STEVENS, PRESIDENT
GREATEST ILLINOIS COMPANY
WANTS GOOD MEN AND WILL PAY THEM WELL

Group Insurance Advantages

Solves Employer's Problems— Attracts Public's Good Will

By Harvey Thomas, Supervisor of Publications, Prudential Insurance Company of Newark

There was a secret there and the visitor to the big factory felt that somehow he had missed it. And this, despite the fact that he had walked over many miles of flooring and put countless questions to all sorts and conditions of men.

He had seen the huge machines at work, talked with husky workmen, watched the quick moving figures in the shipping department and chatted with executives across the great, bare desk in the conference room. And still his mission was not accomplished. He had been sent down to the factory to find out why it was that this organization was so successful that its fame had gone out beyond the boundaries of town, county and State and come into national prominence. And now he was going home with the secret of its success still unsolved. For so far as he could discover, this factory and its methods did not differ essentially from any up-to-date efficiently run organization of its sort.

It was on the jolting five-thirty trolley that lumbered down the spur line from the factory that the visitor first came across an intimation of the truth behind this organization's success.

Two workmen with dinner-pails a'dangle from their arms swung over him. They were talking shop.

"We're going to get out a new line next week," said one.

"We'll put it over that Centerville crowd," said the other, and there was a prideful note in his voice.

Right there a great light fell upon the visitor. When men talk of their organization in the first person plural there is a reason for it. That "we" means that the organization has in it the essential element of success that is called team-work.

It is as true of the office as of the factory, as true of the clerk as of the mechanic. Once the rank and file of any organization, whether it does its work in an office or a factory, begins to think in terms of the whole body that office or that factory has an unbeatable impetus that pushes forward to success.

To the most casual onlooker it is evident that American industry is undergoing a far-reaching change. The policies that shape every conspicuous success have in them a new spirit—a bigger outlook—a broader vision.

The business men of this country who are at the top have every one of them looked into the future. They are planning for years to come where their predecessors planned for months.

And by the very act of so planning they are brought face to face with the biggest problem of the times—the problem of men. It was this problem that the visitor to the factory, busied with methods and machines, had overlooked.

But you cannot overlook it if your organization is to lead.

When the business men of this country first began to recognize the importance of keeping their organizations intact and thereby eliminating the wasteful practices of constant hiring and firing, there was much talk about co-operation, welfare work and good-will.

But despite the amount that was written and spoken on this subject it was difficult for the employer to get hold of something tangible that would show results in increased good-will of employes and a consequent heightening of the efficiency of the whole organization.

That difficulty has been met. A number of plans have been put into practice that show actual results in increased team-work and good-will.

Of these plans one that has achieved a definite place and is occupying the thoughtful consideration of up-to-date business men is group life insurance.

Group life insurance provides a means whereby the employer may provide for the insurance of the lives of all of his employes by a blanket policy.

One outstanding advantage of group life insurance is that medical examinations can be dispensed with (except in rare cases where it is required by law.)

Groups of employes show remarkably little variation as between one group and another engaged in the same occupation and subject to the same general conditions. Following an investigation into office and factory conditions a company insuring groups of employes is amply protected, if the conditions are satisfactory.

To the employer group insurance represents a small investment upon which the return is definite and continuous. It is rarely in excess of one per cent. of the pay-roll. A slight improvement in the efficiency of the employes soon returns the premium in full to the employer.

And in all cases where group life insurance has been adopted there has been a distinct improvement in the quality of the workmanship.

This is the natural outcome of the increased interest of the employe in the success of the organization where group life insurance is installed. The employe very naturally feels that his employer is broad-minded in his relations to those who are working for him. It is evident that there is more here than a certain amount of pay for a certain amount of service and this is the sort of an organization to stick to.

As a result, desirable employes are given a strong incentive to remain in organizations that have adopted group life insurance.

An employer who has tried the plan for nearly two years writes: "I have noticed a material change for the better in the tendency of men to remain in the employ. While we still have many changes, those are due to discharges for inefficiency, unsteadiness, or other causes, very few now leaving of their own accord."

The group life insurance works to advantage beyond the walls of the factory or office. It turns that invaluable asset—the good-will of the public towards the organization.

More and more the public is becoming interested in the relations of employers and employes. A tremendous public sentiment has been formed that will work for an organization that shows a recognition of the spirit of the times in some definite manner just as it will work against reaction. There is an increasing evidence of the intention of no considerable part of the purchasing public to judge or the merits of an organization on the records of its dealing with labor.

The spirit that is behind group life insurance has the approval of the best thought on these subjects.

Group life insurance, then, offers a direct means of an investment in team-work. It is a long step forward to well-builded success. Well past the experimental stage, its benefits are proved facts. The organization that adopts it has placed itself on a par with those forward-looking businesses the country over that are writing new meanings into the word co-operation.

THE
METROPOLITAN LIFE
Insurance Company
(Incorporated by the State of New York)



Metropolitan Life Insurance Company
Home Office Building

The Company
Of the People
By the People
For the People

The Daily Average of the Company's Business during 1916 was:

701 per day in Number of Claims Paid.

8,304 per day in Number of Policies Issued and Revived.

$1,969,823 per day in New Insurance Issued, Revived and Increased.

$376,827.40 per day in Payments to Policyholders and Addition to Reserve.

$220,509.26 per day in Increase of Assets.

JOHN R. HEGEMAN, President

ACTION TO PREVENT MERGER

Policyholder of North American Union Seeks Court Injunction to Restrain Fraternal Aid Union

A court injunction is sought by policyholders of the North American Union, of Chicago, to prevent the consummation of the merger between that company and the Fraternal Aid Union, of Kansas. The suits seek to have the merger set aside, a receiver appointed and an injunction issued to restrain the treasurer of the Fraternal Aid Union from demanding and receiving dues from policyholders of the North American Union.

Frank Nunemaker, organizer and formerly secretary of the North American Union is reported to be dying as a result of a nervous breakdown caused by criticisms of his part in the selling of the company to the Fraternal Aid Union, with a promise of $150,000 commission to a broker and what amounted to bribes to various officers.

PRUDENTIAL LOANS $8,000,000

Mortgage Covers New Hotel Pennsylvania at Seventh Avenue and Thirty-third Street, New York

An $8,000,000 mortgage given by The Prudential Insurance Company of America to the Pennsylvania Terminal Real Estate Company, was recorded in the Register's office in New York City last week. The loan affects the east side of Seventh Avenue, from Thirty-Second and Thirty-Third Streets, 200x400, on which is being built a twenty-story structure, to be called the Hotel Pennsylvania. The loan is for six years at 5 per cent.

The hotel will have 2,200 rooms and be under the management of Franklin J. Matchette, of Milwaukee, Wis., who holds a twenty-one-year lease of the proposed building. The building will be connected by tunnel with the Pennsylvania station and the express station of the Seventh Avenue subway.

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The Mutual Life Insurance Company
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You will make money.

The great strength, big dividends and incomparable benefits of the *"oldest company in America"* mean certain success for you.

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GEORGE T. DEXTER, 2d Vice-President
34 NASSAU STREET. NEW YORK, N.Y.

THE EASTERN UNDERWRITER

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CAUSES OF DEATH, BY OCCUPATION

No institutions are in so favorable a position to study the influences of occupation on life and health as the large industrial insurance companies. The publications on the occupational mortality experience of The Prudential Insurance Company from the pen of Dr. Frederick Hoffman have been invaluable in the discussion of industrial hygiene in America. According to these records 94,269 deaths occurred in the three years 1911, 1912, and 1913 among occupied white males, and 102,467 deaths in the same three years among white females, at ages 15 and over, insured in the industrial department of the Company.

The latest report of the United States Bureau of Labor Statistics shows that the largest number of deaths occurred among laborers, undefined, which was 10,748, or 11.4 of the total number. Teamsters, drivers and chauffeurs come next, with 6,471; then follow office men, carpenters, farmers and machinists in their order. Occupations showing the lowest percentage of deaths include barbers, coopers and electricians, which show a record of only 6 per cent. In a table showing the number and per cent. of deaths from specified causes in all occupations, exclusive of "retired," by age periods, fifteen years and over among white males, tuberculosis of the lungs claims the largest number, 19,349. At the age of sixty-five and over cancer claimed the largest percentage, 1,388 dying from this cause. Typhoid was one of the minor causes of death, being responsible for only 1.5 per cent. of the total deaths of all ages combined. The disease shows its highest proportionate mortality at the age period 15 to 24 years. The average age at death from this cause is 31.1 years. The disease is found to be most prevalent among engineers and trainmen, and the least prevalent among bricklayers, masons, longshoremen, painters, etc.

Tuberculosis of the lungs is the most prevalent cause of death for all occupations combined, being responsible for 20.5 per cent. of all deaths at all ages. Cancer (of all forms) is of slight importance until the age period of 45 to 54 years, when it causes 5.9 per cent. of all deaths, all occupations combined. The average age at death from cancer is 58.8 years. It is highest among blacksmiths and farmers, and lowest among enginemen and trainmen. It is pointed out that the number of deaths from alcoholism is always underestimated, many cases being assigned to the minor effects of alcoholism. The figures show that it is responsible for only 0.9 per cent. of all the deaths among all occupied males.

The investigation of organic diseases of the heart according to labor statistics shows that they are responsible for 12.0 per cent. of all deaths in all occupations combined, and form a prominent cause of death in every age period, but reach the highest proportionate mortality at the advanced age. Bright's disease shares with cirrhosis of the liver and alcoholism has the characteristic of being most prevalent among saloonkeepers, bartenders, engineers and trainmen. Suicide as a cause of death is closely related to alcoholism, being responsible for 2.3 per cent. of all deaths at all ages combined. In the Metropolitan Industrial Experience during the years 1911 to 1914, it was 81.5 per 100,000 among white males in the age period of 65 to 74, where it is greatest. It is found highest among bakers, saloonkeepers, bartenders, cigarmakers, and iron molders, and lowest among coal miners, laborers, and other occupations where mental stress is supposedly at a minimum.

The average of death of all occupied persons is 47.9 years, based on the age distribution of the living workers in each of the occupations. Following is a re-capitulation in ascending order, of the average age at death in the various occupations, as well as in all occupations combined:

	Average age at death.
Bookkeepers and office assistants.	36.5
Enginemen and trainmen (railway)	37.4
Plumbers, gas fitters, and steam fitters	39.8
Compositors and printers	40.2
Teamsters, drivers and chauffeurs	42.2
Saloonkeepers and artenders	42.6
Machinists	43.9
Longshoremen and stevedores	47.0
Textile-mill workers	47 6
Iron molders	48.5
Painters, paper hangers, and varnishers	48 6
Cigarmakers and tobacco workers.	49.5
Bakers	50.6
Railway track and yard workers.	50.7
Coal miners	51.3
Laborers	52.8
Masons and bricklayers	55.0
Blacksmiths	55.4
Farmers and farm laborers	58.5
All occupations	47.9

It is pointed out that the occupations having a low age at death are, in general, either composed of large proportions of young men or characterized by special occupational hazards inducing an early death. On the other hand, occupations having a high average age at death must not necessarily be supposed to exhibit freedom from injurious influences. This condition may rather result from the high average age of the living.

In the distribution of deaths among females, by occupation, the Labor Bureau says: "For all ages, housewives and housekeepers constitute 86.0 per cent. of the total. At the later age periods, however, this percentage is considerably greater, since the members of the other gainful occupations are to a very large extent young women. It is, therefore, in the earlier ages that the most marked differences between the group of housewives and housekeepers and the general group will be found. Thus, in the first two age periods, 15 to 24 and 25 to 34, we find the proportions of deaths from the puerperal state to total deaths 20.0 per cent. and 16.5 per cent., respectively, as against 11.5 per cent. and 14.0 per cent. in the general group. This is accounted for by the fact that the other occupied females, who are largely represented in these two age periods, are often unmarried women, and have a low proportionate mortality from the puerperal state. The proportionate mortality from tuberculosis is lower in the earlier age periods among housewives and housekeepers than among all occupied females, probably due to the non-industrial character of their work. In the age period 35 to 44 the two sets of figures approach a very close agreement, and in the remaining age periods of life the figures are virtually interchangeable. The housewives and housekeepers constitute so large a part of the total group that it is not at all surprising to find this very close correspondence."

THE HUMAN SIDE OF INSURANCE



EVELYN HALSTEAD EDWARDS

Evelyn Halstead Edwards is manager of the new Women's Department of the Charles B. Knight General Agency of the Union Central Life in New York City. Mrs. Edwards, the daughter of August J. Varno, formerly a prominent importer of New York City, and a resident of Montclair, N. J., has been successfully soliciting life insurance for more than three years and is now a member of the Life Underwriters' Association of New York and of the New York Salesmanship Club. Among her social activities Mrs. Edwards was a charter member of the Upper Montclair Country Club, was Chairman of Art of the famous Rainy Day Club and president of the junior branch of the Montclair Fresh Air Home and a member of the Montclair Dramatic Club.

Mrs. Edwards is a singer of considerable talent, with a repertoire of songs in four languages. Oscar Saenger and Douglas Powell were her musical instructors.

As a sales manager in life insurance she has already enlisted several high-grade solicitors in her department and feels optimistic about its success. She believes that women without previous business training are best fitted to take up life insurance work, and is particularly impressed with the selling aptitude of young widows and daughters of prominent families who hear the call of business. The department will write both men and women.

* * *

J. E. Rhodes, II., of Hartford, is the author of a book on Workmen's Compensation, published by the MacMillan Company, New York, which is written in language that anybody can understand, and which is a real text book on a subject that has enlisted the specialized attention of a great many men in the last three years. As claim examiner in the compensation and liability department of the Travelers he has the experience and the authority to be author of such a volume. Not the least interesting feature of the book is the bibliography of this subject, which already is quite impressive. Mr. Rhodes has written his volume from the standpoint of a clear headed thinker who is more interested in presenting the history of Workmen's Compensation and the manner in which it has worked out to date rather than as a partisan who has an axe to grind. He has given little space to theories, being content to present facts as he has found them, leaving others to draw conclusions.

Even in discussing developments along the general aspects of social insurance he has not indulged much in prophecy. Along this line he says, however: "Insurance against industrial accidents has to a certain extent been developed by the compensation system; that system cannot of itself establish a system of social insurance for those other (social) contingencies but by emphasizing the insurance principle it has shown how it might be applied to them."

* * *

Captain Charles Button Coulbourn, Examiner of the Bureau of Insurance, Richmond, has been granted indefinite leave of absence, without salary, to accept the position of Post-Adjutant and Assistant Professor of Mathematics at the Virginia Military Institute, at the urgent request of General E. W. Nichols, the Superintendent. He is a nephew of Commissioner Button. The position of Post-Adjutant was made vacant by the detail by the War Department of Captain George A. Derbyshire, U. S. A., retired, as Professor of Military Science and Commandant of Cadets. Captain Coulbourn was the first distinguished graduate of the Class of 1910 and served the following session as an Assistant Professor. Coming to Richmond, he was elected Captain of Company C of the First Regiment, serving three years, when he resigned for business reasons. He subsequently enlisted in the Richmond Blues, but was mustered out during the Mexican trouble last year on account of defective hearing. At the outbreak of the war, he immediately tendered his services, but was rejected. Desiring to render some service, he has relinquished his duties here to accept the position at the Institute, for which he is eminently qualified.

* * *

U. C. Crosby, for years United States manager of the Royal Exchange, is spending the summer at Nantucket where he has entertained a number of insurance men and wives of insurance men, Mr. and Mrs. Crosby always having their latchkey out for members of the insurance fraternity and those closest to them.

FIRE INSURANCE DEPARTMENT

Inspection Report and Moral Hazard

BRITISH-AMERICA'S FORM ELIMINATES CHANCE

Mass of Detail Required of Special Agents Gives Home Office Comprehensive Grasp of Risk

The British-America Assurance, of Toronto, has evolved an inspection report form which, in the opinion of many, practically eliminates the moral hazard.

The form starts off with the usual office number, agency, policy number, name, risk and location. It then asks for the amount insured, rate term and expiration on building, machinery, stock and furniture, itemized. It also requires full data about all policies covering within 100 feet.

Moral Hazard Requirements

After providing space for the special to set down the value of the property, the amount of the mortgage and amount of insurance, the form then asks how long the assured has been in the present business? Is it profitable? If not, explain prospects, and four lines are provided for the special to describe the man's business prospects. The next item under the moral hazard reads: "If a Hebrew, East European, Asiatic or colored explain fully his business record and reason for passing."

Must Be Engineer

To go on with the filling out of the report, the special must be something of a construction engineer. He is asked to give the construction of walls, floors and roofs with their condition, age, heating and lighting conditions together with the occupancy of each floor separately. Under the head of "protection," water pressure and watchmen are stipulated and an "etc." with four blank lines gives plenty of room to volunteer additional protection information. If the risk is divided, the special is required to detail the separate risks and tell specifically how they are cut off. He is then invited to express his opinion on the care, order and management of the premises and describe the defects in the risk after which he must enumerate the improvements necessary.

"Previous fires, if any," is the next item. The special is asked to explain the causes, tell the amount of the claims and whether he deems them bona fide in every way or otherwise. The special is asked to stipulate whether the line comes from agent or broker.

Spaces are provided after each of the following words for the special to insert his opinion: "Superior, good, fair, poor, bad, should be cancelled, drop at expiration, pass only for connection," with practically the same formula on the subject of the rate.

The special is also asked to recommend a net line limit and to state what percentage of such limit is subject to one fire. He is then asked to state under a separate heading and altogether every hazard in the building, the greatest hazard and whether they are all properly guarded. Next, he must enumerate the north, south, east and west exposures, after which a half page is provided for a summary of the risk.

TORNADO RATES AMENDED

Southern and Eastern Associations Adopt Limitation Rule and Term Policy Provision

At recent meetings of the Eastern and Southern Tornado Associations, rules and rates of the two organizations were amended.

The Southern Association notified all agents that a limitation clause had been adopted by the association making $100 the minimum loss under tornado policies in cities situated on the Gulf of Mexico, where the losses of the companies from tornadoes have been exceptionally severe, and to $25 in the balance of the Southern territory. Amended rate sheets were sent out showing the rates applicable to the Gulf section to have been increased.

The Southern Association also adopted a seventy-five per cent. provision applying to term policies. Under this provision, policies written for three years will carry a premium charge of two and one-half times the annual and policies written for five years, four times the annual.

The Eastern Association, having been in operation only a few months, had embodied the above change in its original set of rules, but it was found that the experience of the companies writing tornado insurance in the East showed the rates to be inadequate and the schedule as amended at the meeting contains increased rates for most every location.

A. F. DEAN HONORED

A. F. Dean, Western manager of the Springfield Fire & Marine, celebrated his seventy-fifth birthday on July 30, and was presented by his office associates with a colonial silver pitcher. Time deals gently with this manager who continues to look more and more like William Dean Howells every day. Mr. Dean has recently had the satisfaction of seeing his rating schedule, which is in general use throughout the West, being tried out successfully in the East. This schedule has been found successful not only in the small cities but in the largest cities as well. It has been a great many years since the Dean Schedule was promulgated first, but it has gained friends constantly. Mr. Dean has always been a student; and in making a study of the rating problem he used as a basis the leading works of scientific writers. Jevons, Kant and others fascinated him from the start, and they taught him much. The personality of this Western student-manager is highly attractive, and there is no greater treat than to find him in a talkative mood and yourself in a listening mood, with no one to disturb your tete-a-tete.

FIRE AND MARINE INSURANCE—ALL LINES

The Automobile Insurance Company of Hartford, Conn.

MORGAN G. BULKELEY, President

Statement January 1, 1917

Cash Capital	$1,000,000.00
Assets	2,748,832.19
Liabilities (Except Capital)	1,039,977.81
Surplus to Policyholders	1,708,854.38

AFFILIATED WITH

AETNA LIFE INSURANCE COMPANY

THE AETNA CASUALTY & SURETY CO.

ASSETS INCREASE $3,359,634

The Automobile Insurance Company Shows Large Gains in Semi-Annual Report

The Automobile Insurance Company of Hartford, has just made public its semi-annual statement as of June 30, 1917, the figures of which show assets of $5,862,861.46, an increase of $3,359,634.19 over the corresponding period of 1916. The Company has surplus to policyholders amounting to $3,823,518.67, an increase of $1,898,727.89 over the like period of 1916—this includes $1,000,000 paid in by stockholders.

Some idea as to the rapid growth of the Company may be had in the fact that its premium income increased $1,813,439.60. The Company has a paid up capital of $2,000,000.

NIAGARA FIRE INSURANCE COMPANY

ESTABLISHED 1850

OTHO E. LANE, President.

BERNARD M. CULVER
WILLIAM L. STEELE
Vice Presidents

CHAS. A. LUNG
WILBUR C. SMITH
Secretaries

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RENTS
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FULL WAR COVER
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Use and Occupancy, Profits, Commissions — All Forms

123 William Street, NEW YORK

NORTH BRANCH FIRE INS. CO.
Sunbury, Pa.
Inc. 1911

Assets	$641,341.77
Reserve	230,513.29
Capital	300,000.00
Surplus	63,479.83

CITY INSURANCE COMPANY
Pittsburgh, Pa.
Inc. 1870

Assets	$357,318.58
Reserve	54,256.92
Capital	200,000.00
Surplus	96,379.07

OPERATING ON A CONSERVATIVE BASIS IN A LIMITED TERRITORY UNDER AN EXPERIENCED MANAGEMENT

Commercial Union Increases Dividend

HOME OFFICE FIGURES SHOW PROFIT IN ALL LINES

Reserves Increased $4,500,000 Over 1915, According to Annual Statement Received From London

Advices received by The Eastern Underwriter from London this week herald an increase of 18.18 per cent. in the annual dividend of the Commercial Union which was declared late in July.

The "Policyholder," an insurance paper published in Manchester, England which was received in the same mail, contains the following comment on the Commercial Union's dividend and annual statement, fire department:

The combination of good luck and able management—presenting, no doubt, in a great measure an example of cause and effect—produced highly gratifying results, the outcome of which is seen in a credit balance in profit and loss some £24,000 in excess of the amount brought forward, permitting of an increased dividend to shareholders at the rate of 26s. per share, less income tax, as compared with 22s. per share for 1915 and 20s. per share for the preceding year. It is worthy of note that the new dividend and also the interest on debenture stocks are more than met by the interest earned on the Company's investments other than those of the life branch.

It was in 1905 that the fire premium income of the Commercial Union reached the second million, the third million being passed four years later. Nineteen hundred and sixteen saw another "milestone" left behind, an increase of £270,000 taking the fire premiums to £4,025,942. A favorable loss experience, shown by a ratio considerably below the Company's general average, with commission and expenses taking a proportion about 1 per cent. less than in the previous year, and a net trading profit equal to about 10 per cent. on the turnover, are the salient features of the account. The figures are as follows:

Premiums		£4,025,942
Losses (51.7%)	£2,081,471	
Exp., etc. (35.7%)	1,440,862	
		3,522,333
Gross surplus		£503,609
Deduct for unexpired liability 40% of increase in premium income		108,020
		£395,589
Bad debts		1,528
Net trading profit		£394,061

It has always been the first consideration of the directors of the Commercial Union to maintain the financial position at the highest possible pitch of strength, and, following the customary prudent practice, only £200,000 of the profit shown above has been carried to profit and loss, the balance being retained in the fire account to swell the additional reserve. The position is, indeed, one of the strongest to be seen in the accounts of any insurance company at the present time, the fire fund, now amounting to £4 231,065, indicating a security for policyholders, apart from capltal, equivalent to about 105 per cent. of the year's premiums.

On December 31, 1916, the balance sheet of the Commercial Union showed, in addition to paid up capital of £295,000 and investment reserve and contingency fund of £1,000,000, the following funds:

Fire insurance	£4,231,063
Marine insurance	1,392,699
Accident insurance	201,762
Employers' liability	593,436
General accident	1,752,058
Re-insurance and other funds.	545,848
	£8,716,866

The above total is to be compared with one of £7,815,325 shown in the 1915 balance sheet, marking an increase of over £900,000, and indicating anew the powerful position in which the Commercial Union is entrenched and its splendid prospects of continued success in the future.

COMMERCIAL NATIONAL FIRE

The receiver of the Commercial National Fire, of Chicago, holds out little hope of recovering on their claims to the creditors of the company. The reported assets of the company on January 1 were $387,234 but the securitles were entirely in the control of the manipulators of the Auburn State Bank, which failed recently, and the receiver says, cannot be recovered because sold to innocent parties.

NEW ATLANTA MUTUAL

The South Eastern Mutual Fire, of Atlanta, Ga., has made application for a charter "to engage in and carry on the business of fire insurance under the laws of Georgia, for a period of fifty years, with the privilege of renewal at expiration of that time." The concern will operate on a strictly mutual or cooperative basis, and will have no capital stock.

NOT TO ENTER MARYLAND

The National Trades Fire of Chicago, formerly the National Brewers, which decided to enter Maryland a few weeks ago, with F. M. Supplee as general agent, has notified the insurance department of its later decision not to take this step.

FIRE ASSOCIATION MEETING

The Fire Association, of Philadelphia, will celebrate its centennial by a meeting of its department managers beginning September 4.

B. M. CROSTHWAITE & CO.
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N U
NATIONAL UNION FIRE INSURANCE CO. OF PITTSBURG, PA

An Insurance Company's safety depends upon the ability, experience and integrity of the men who manage its affairs. The proper conservation of its premiums for prompt and equitable payment of claims and for reserves, to safeguard policyholders is a matter of prime importance to all agents who seek complete protection for their patrons. The safety of funds is always the first consideration of the NATIONAL UNION, which weighs every transaction with due regard to the inalienable rights of its policyholders, agents and stockholders. There are no exceptions to this rule—ABSOLUTELY NONE. The NATIONAL UNION has a Policyholders Surplus of $1,756,262. Its Reserve for the protection of policyholders is $2,362,164. And aside from ample resources, excellent experience and strict integrity dominate an orgahization whose service and facilities are adding prestige every day to the name
NATIONAL UNION

F. H. HAWLEY, Pres. ORGANIZED 1848 W. E. HAINES, Secy.

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Net Surplus Over $1,293,741.00
AN AGENTS COMPANY
E. K. SCHULTZ & CO.
PHILADELPHIA
GENERAL AGENT
Pennsylvania, New Jersey and New York

No Rate Deviation on Exchange Lines

RULING BY INSURANCE COMMISSIONER OF WASHINGTON

Surplus Business Must Be Solicited and Accepted on Same Basis as Net

In view of requests for rulings made of Insurance Commissioner Fishback, of the State of Washington, that official has given a definition of "Exchange of Business," which must be observed by agents. His interpretation follows:

The question has been frequently asked of this department as to the right, under the guise of "exchange of business" of an agent of one company to solicit and place business, at a rate other than that adopted or filed by the company or companies for which the agent is licensed, with the agent of another company, where the latter named company has adopted or filed a different rate than that adopted or filed by the first named company.

This question was submitted to the Attorney General, and his answer makes the whole matter dependent on the "good faith" of the transaction. This department will have to be the judge of the term "good faith."

It is the ruling of this department that an agent may not or can not solicit or accept business at a rate other than that adopted or filed by the company or companies for which the said agent is licensed, and still show "good faith."

An agent may solicit and accept business at the rate adopted or filed by the company or companies for which the agent is licensed, and if the line is in excess of the carrying capacity of the company or companies for which the agent is licensed, the surplus may be placed with an agent or agents of other companies on the basis of "exchange of business" at the rates adopted or filed by the latter companies.

The latter transaction would show "good faith" on the part of all interested in this "exchange of business."

The law does not provide that an "exchange of business" can be made in the classification of life and accident and health insurance. A person must be licensed for each and every company with which these classes are placed, or be the holder of a broker's license.

WANT LOWER RATES

Twenty-third Ward, Rochester, N. Y., Citizens Want Cost of Fire Insurance Reduced

Residents of the twenty-third ward, (formerly Charlotte) Rochester, N. Y., are seeking a reduction in fire insurance rates. They claim they should have same by reason of the fact that they now have a city fire house with motor truck and electric alarm system in addition to the Volunteer Department.

Residents of the ward pay 60 cents a $100 on dwellings and 70 cents a $100 on household furniture. This is 10 cents more a $100 than the Rochester rates. Residents who took out three-year policies just before the new ward was annexed feel that they have a rebate coming.

The question has been referred to the Underwriters' Association of New York State by William P. Whelhan, a fire insurance agent located at 4110 Lake Avenue. In reply to his communication the State Association says:

"We have carefully read and filed the petition from property owners in this district, which was attached to your letter. We are now listing this district for an early inspection by one of our engineers."

PARSON BECOMES SPECIAL

The Rev. Elwood R. Ackerly Goes Into Field—Will Travel By Motor

The Rev. Elwood R. Ackerly, of Montgomery, N. Y., has forsaken the pulpit for the field and will adjust losses, appoint agents and collect balances for the Mutual Fire in one-half of this State. Ill health compelled him to give up the ministry. A local paper says he will use a Ford car in his field work. Thus he will not have to catch some of those early morning trains or be compelled to complain of the dining car services.

Bert Van Alstine, of Little Falls; "Bob" Gilmour, of Schenectady, and some of the other local agents have been gathering information as to how to treat a parson who is a special agent or a special agent who is a parson. At the end of a month or so The Eastern Underwriter will ask the Rev. Mr. Ackerly to tell its readers how it feels to call upon sinners.

WHO WRITES INSURANCE

Oregon Commissioner Staggered by Answers to Questions on New Qualification Blanks

The Oregon State Insurance Department is now receiving answers from fire insurance agents on blanks they were asked to fill out as to their qualifications. The replies to the question as to what occupation the applicant is now engaged in have fairly staggered Harry Wells, the State Insurance Commissioner.

Several are dispensers of soft drinks, some take care of lawns and write insurance between crops. One is a dairyman, one a conductor and still another an evangelist, while the last to apply for a fire insurance license is an undertaker.

NEW RUBBER STAMP CABINET

The office of Harry F. Klinefelter & Co., insurance agents of Baltimore, Md., has installed a new rubber stamp cabinet which displaces the old method of racks and nails for holding the rubber stamps. The new cabinet has a capacity of over 75 stamps and any stamp can be had at a moment's notice, the operation being entirely automatic. Stamps cannot be lost or placed on policies up-side down and they are always in their respective places at all times. The cabinet is dust-proof, which prolongs the life of the stamps and the new invention fills a long-felt want in the insurance offices.

OIL TANK FIRE LOSSES

Fires caused by lightning striking tanks in the oil fields of Oklahoma, have destroyed fifty-five million barrels of oil and $20,000,000 worth of steel since oil was discovered in that vicinity. Much time and money have been expended in an effort to produce something that will prevent these fires or check the loss after they are once started, but without success. The constantly escaping gas is subject to ignition by the most trivial causes, and once started, the tank explodes and is then beyond control.

KIRKPATRICK BETTER

William H. Kirkpatrick, of the General Adjustment Bureau, Malone, N. Y., is in Atlantic City, following an operation. He is walking on crutches, and will soon resume active duty.

Marion E. Harlan, of Baltimore, has been appointed Baltimore general agent for the National Life, U. S. A. of Chicago, and has opened offices in the Lexington Street building.

INCORPORATED 1720

Royal Exchange Assurance

LONDON, ENGLAND

United States Branch
92 William Street, New York

RICHARD D. HARVEY
United States Manager

STRENGTH INTEGRITY SERVICE

Scottish Union & National Insurance Company

HENRY J. HOUGE, Assistant Secretary
J. H. VREELAND, Assistant Secretary
JAMES H. BREWSTER, Mgr. Hartford, Conn.

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401-405 WALNUT ST.
Organized 1817 Incorporated 1820 Charter Perpetual
Cash Capital $750,000 Assets $10,046,848.04
E. C. IRVIN, President T. H. CONDERMAN, Vice-President
J. B. MORTON, 2nd Vice-Pres. M. G. GARRIGUES, Sec. and Treas.
R. N. KELLY, Asst. Sec. and Treas.



THE LEADING FIRE COMPANY OF THE WORLD

ROYAL INSURANCE COMPANY LIMITED

[of Liverpool, England]

GERMANIA FIRE INSURANCE COMPANY
NEW YORK.

ORGANIZED 1859
STATEMENT, JANUARY 1, 1917

Cash Capital	$1,000,000.00
Assets	8,553,704.22
Liabilities	4,222,485.60
Net Surplus	3,331,218.62
Surplus for Policy Holders	4,331,218.62

HEAD OFFICE
Cor. William and Cedar Streets

Caledonian Insurance Co. of Scotland
FOUNDED 1805
"THE OLDEST SCOTTISH INSURANCE OFFICE"
UNITED STATES HEAD OFFICE
Caledonian Building, 50-52 Pine Street, New York
CHAS. H. POST, U. S. Mgr. R. C. CHRISTOPHER, Asst. U. S. Mgr.
NEW YORK CITY OFFICE
Golden Hill Building, 59 John Street, New York

CRUM & FORSTER
GENERAL AGENTS
95 WILLIAM STREET NEW YORK CITY

United States Fire Ins. Co., N. Y.
Richmond Ins. Co., N. Y.
Potomac Ins. Co., Washington, D. C.
National Lumber Ins. Co., Buffalo, N. Y.
The North River Ins. Co., N. Y.
Union Fire Ins. Co. Buffalo, N. Y.
Seneca Fire Ins. Co., Buffalo, N. Y.
United States Underwriters' Policy, N. Y.

F. M. GUND, Mgr. Western Dept. Freeport, Illinois
W. W. ALVERSON, Mgr. Pacific Coast Dept. San Francisco, California

London and Lancashire Absorbs Marine Co.

SUN WAS REPUTED TO HAVE BEEN NEGOTIATING

Multiple Line Fire Companies Now Operate All But Five of British Marine Companies

An official announcement from London states that negotiations have been entered into between the London & Lancashire Fire and the Marine Insurance Co., of London, by which the former acquires control of the Marine on terms which should realize to the shareholders approximately $285 per share. It is planned to continue the Marine as a separate company with its present management and board of directors. The Eastern Underwriter has not been informed whether this proposal has been approved by the stockholders of the Marine.

It was generally supposed in London circles that the Sun Insurance Office was making overtures for the purchase of the stock of the Marine. That more than one company was negotiating would seem to be supported by the rise in the quoted price of the stock of the Marine from 35 to 42 pounds in a period of two months.

By acquiring the Marine, the London & Lancashire controls a larger marine business than any other company. With the exception of the Economic, Merchants' Marine, Northern Maritime, Ulster Marine and World Marine, all the British marine companies have been absorbed by the multiple line fire companies. The companies which have been thus absorbed together with the companies taking them over are as follows: British and Foreign Marine, by the Royal; Indemnity Mutual Marine, by the Northern; Maritime, by the Scottish Union and National; London and Provincial Marine, by the Yorkshire; Ocean Marine, by the North British and Mercantile; Reliance Marine, by the Guardian; Standard, by the London and Lancashire; Union, by the Phoenix; Marine, by the London and Lancashire.

W. J. NICHOLS DEAD

General Adjuster of North British & Mercantile Taken Suddenly By Attack of Heart Failure

Waldemar J. Nichols, who has been general adjuster of the North British & Mercantile since 1901, died suddenly from heart failure while on his way from his office to his camp at Lake Hopatcong, N. J., on Saturday.

Mr. Nichols was interested in educational work in all forms and has given their early training to several prominent adjusters. He has from time to time read papers on adjusting to the Insurance Society of New York, in which he was interested from its organization and on the executive committee of which he has served for a number of years. In South Orange where Mr. Nichols lived, he has long been a member of the Board of Education and was chairman of its teachers' committee at the time of his death.

Mr. Nichols was born in Augusta, Me., on February 8, 1858. His early insurance experience was with the Dwelling House Insurance Company, of Boston, of which his father was president; in January, 1895, he was appointed general adjuster of the Merchants Insurance Company of Newark, and in May, 1901, he became a member of the staff of the United States branch of the North British & Mercantile Insurance Company.

The funeral was held on Tuesday at South Orange. Interment was made at Rosedale Cemetery, South Orange.

Misinformation Caused Enemy Agitation

(Continued from page 1.)

obligated itself to take a certain participation of the gross line predicated on the net retention of the original company, so there is no constant need of a survey and that, were one requested of a munitions plant, it would be inclined to attract suspicion.

In respect to information about shipments, this man said that like contracts prevailed all along the line in the marine field. Marine re-insurance companies have similar contracts with marine offices to take a fixed percentage of the excess; the direct writing marine underwriters have other contracts with the large shippers agreeing to cover for stipulated amounts all shipments of their goods on various classes of vessels at rates applicable to each. All the marine underwriters have in the way of information in most cases is the amount, the date coverage is to become effective, the character of goods and the name of the vessel. In the majority of instances, the goods are classed as merchandise unless they are of such a nature as to carry a specific freight rate, in which event they are specifically declared.

In a good many instances this notice of coverage is received after the ship has sailed and too late for the underwriter to communicate it to any person or persons in time for action against the ship or her cargo to be taken thereon. The underwriter knows the port of sailing and the port of delivery but the captain of the vessel is the only man to know the route to be taken between the two points, so the accusation that information as to routes could be wirelessed by underwriters to submarines is absurd.

Greater Hazard in Other Lines

Another prominent re-insurance man said he failed to understand why the searchlight had been directed to the insurance business in the first place. He pointed out that insurance companies were the last to come into possession of any information which could conceivably be of any value to the enemy; that the banks and the manufacturers were aware of all vital facts long before the insurance companies; that any one of a thousand or more of the employes of a trunk railroad had access to all information about shipments even before they had been loaded into freight cars; and that there were certainly as many enemies and foreigners engaged in these lines of business who would be inclined to furnish aid and comfort as there were in the insurance business.

Method is Too Cumbersome

Still another re-insurance man, who represents companies whose home offices are in the domains of our Allies, said that he believes the whole agitation to be a fiasco. This man, who is exceptionally familiar with foreign affairs, said that it was common knowledge and accepted by all governments that embassies are maintained for two purposes: one to look after subjects and the other to gather statistics. Practically every government employs and develops specialists for this purpose. He said that to the same extent as the United States Government is made cognizant of the fact that Germany has laid the keel for a new dreadnought to be completed about 1920, Japan is apprised that there are a certain number of manufacturers of munitions in the United States whose annual output approximates a certain figure. He said it was too cumbersome a method for any government to try to get information of this nature from its insurance companies which were operating on foreign soil, to say nothing of the fact that since these companies only write a small portion of the business, the information thus obtained would be incomplete and valueless.

Another point made was that even though foreign governments sought to gather information in this manner, the companies in writing insurance on munitions plants are only able to carry part of the risk so that the information would not be complete even about any one risk unless the underwriter serving the enemy could reproduce the maps he has been permitted to view for a short time before accepting or declining the risk. Presuming the enemy did procure maps of munitions plants, of what value would they be? The Government has already taken steps to protect such plants from attack.

The losses which have occurred both to munitions plants and to vessels have been of such a character as to clearly demonstrate that insurance companies were not the sources of information, which is one more reason why they should not have been attacked and made the subject of restrictive legislation.

National Fire Insurance Company
OF HARTFORD, CONN.
Statement January 1, 1917, to New York Insurance Department
LIABILITIES

Capital Stock, All Cash	$2,000,000.00
Funds Reserve to Meet All Liabilities, Re-Insurance Reserve, Legal Standard	9,912,715.84
Unsettled Losses and Other Claims	1,878,398.32
Net Surplus over Capital and Liabilities	3,743,747.60
Total assets January 1, 1917	$17,534,861.76

H. A. Smith, President — F. D. Layton, Ass't Sec'y — F. B Seymour, Treas.
G. H. Tryon, Secretary — S. T. Maxwell, Ass't Sec'y — C. B. Roulet, Gen. Agt.
SURPLUS TO POLICY HOLDERS, - - $5,743,747.60

THE YORKSHIRE INSURANCE COMPANY, LTD., OF YORK, ENGLAND
ESTABLISHED 1824
The "Yorkshire" is the Oldest and Strongest of the English Fire Companies not heretofore represented in the United States
U. S. BRANCH
Frank & Du Bois, United States Managers — Ernest B. Boyd, Underwriting Manager
Harry F. Wanvig, Branch Secretary — Frank B. Martin, Supt. of Agencies
NO. 80 MAIDEN LANE, NEW YORK
New York Life Insurance and Trust Co., U. S. Trustee, No. 52 Wall St., New York
DEPARTMENTS—METROPOLITAN, Willard S. Brown & Co., Managers, New York, N. Y.; CAROLINA-VIRGINIA, Harry R. Bush, Manager, Greensboro, N. C.; SOUTHEASTERN, Dargan, Turner & Pattillo, Managers, Atlanta, Ga.; LOUISIANA and MISSISSIPPI, Jas. B. Ross, Manager, New Orleans, La.; PACIFIC COAST, Jas. C. Johnston, Manager, J. K. Hamilton and McClure Kelly, Assistant Managers, San Francisco, Cal.

FOUNDED 1792


125th Anniversary
Insurance Company of NORTH AMERICA
PHILADELPHIA
CAPITAL, $4,000,000 — ASSETS OVER $23,000,000
FIRE, MARINE, AUTOMOBILE, Rent, Leasehold, Tornado, Explosion, Use and Occupancy, Sprinkler Leakage, Travelers' Baggage, Parcel Post
The Oldest American Stock Insurance Company

The Gamewell Fire Alarm Telegraph Co.
Fire Alarm and Police Telegraphs for Municipal and Private Plants
OVER 1500 PLANTS IN ACTUAL SERVICE
GENERAL OFFICES AND WORKS
NEWTON UPPER FALLS, MASS.
AGENCIES
5708 Grand Central Terminal, New York
448 John Hancock Building, Boston, Mass.
1216 Lytton Building, Chicago, Ill.
335 Wabash Building, Pittsburgh, Pa.
915 Postal Building, San Francisco, Cal.
304 Central Building, Seattle, Wash.
Utica Fire Alarm Telegraph Co., Utica, N. Y.
Northern Electric Company, Limited, Montreal, Canada
General Fire Appliances Co., Ltd., Johannesburg, South Africa
Colonial Trading Co., Aneon; Canal Zone, Panama
F. P. Danforth, 1060 Calle Rioja, Rosario de Santa Fe, Argentine Republic

NORD-DEUTSCHE
INSURANCE COMPANY
UNITED STATES BRANCH
123 William Street, New York
J. H. Lenehan, Manager

Iowa National Fire Insurance Co.
DES MOINES, IOWA — Capital Stock $500,000
The latest addition to Reliable Fire Insurance organizations began Writing Business on January 1, 1917
JOHN L. BLEAKLY, President
F. L. MINER, Vice-President — FRANK P. FLYNN, Treasurer
C. S. VANCE, Underwriting Manager — C. M. SPENCER, Secretary

The Cantonment as a Fire Risk

CONSTRUCTION DETAILS OF GOVERNMENT CAMPS

Larger Companies Are Accepting Considerable Lines Quite Freely—Amounts Run Into Millions

Additional data to that published by The Eastern Underwriter on July 20 describing the insurance coverage of the Government troop cantonments is now available. The estimated amount to be involved during the year is said to be in excess of $120,000,000.

Captain S. Herbert Wolfe, the former insurance actuary who is advising the Government in securing coverage for these camps, has informed the companies of the construction details. There are to be 16 army cities located near Ayer, Mass.; Yaphank, L. I.; Wrightstown, N. J.; Annapolis Junction, Md.; Petersburg, Va.; Columbia, S. C.; Atlanta, Ga.; Chillicothe, O.; Louisville, Ky.; Battle Creek, Mich.; Des Moines, Ia.; Fort Riley, Kan.; Fort Sam Houston, Tex.; Rockford, Ill.; Little Rock, Ark., and American Lake, Wash.

Each cantonment necessitated a building problem involving the construction of about 1,000 houses, all of them of considerable size, in the space of but a few weeks. The average ground area covered by each cantonment will be between 1,500 and 2,000 acres.

Each cantonment will be a city of orderly and properly laid out streets and blocks, with complete sewerage and electric lighting systems, railroad yards, water lines and fire departments, garbage incinerators and hundreds of other conveniences necessary in the life of any well-organized modern settlement.

Construction Methods

To construct each cantonment were required about 4,000 carloads of materials. As soon as the site was determined upon a sanitary engineer, a city planner, and an Army officer, representing the War Department, proceeded to the place selected and started the work going They were followed by the contracting engineer, who holds a major's commission, and under whose supervision the city is now being built.

An idea of the size of this undertaking may be gained from a glance at the material estimate for a typical cantonment. Lumber is the big item, some 26,000,000 feet or 1,325 carloads being the requirement. Roofing nails alone will fill one modern freight car. Crushed stone for the roads will make 812 carloads.

Here are some of the other items: 28,000 squares of roofing, 60 cars; 20 carloads nails and hardware; 20 carloads plumbing; 192 carloads of tanks, heaters, stoves, ranges, piping, electrical materials for five miles of track, divided into 30 carloads of ties and other timber, 20 carloads of spikes, rails, fishplates, and 114 carloads of hallast; 10 carloads of electric light poles, wires, insulators and other items.

Materials for 12,000 cubic yards of concrete will take 70 carloads of cement, 350 carloads of stone, and 175 carloads of sand.

Fire Protected

In order to extinguish fires in these cantonments about 8,300 fire extinguishers will be placed around the buildings. There will also be at convenient places about 5,900 water casks similar to those used in shipping oil. The 16 cantonments will require nearly 120,000 fire pails.

There will be water mains running through the camps fitted with hydrants and about 380,000 feet of 2½-inch hose will be provided for connection with the hydrant nozzles.

The men of the cantonments will sleep in double-deck bunks. This means there will be at least 37,000 separate bunks, each with its mattress. To transport the mattresses 125 cars will be required, and the bunks will take 62 more. Water and sewer lines will make 65 carloads each, and 150 carloads of hospital equipment will be necessary. Three carloads of screens are also included in the estimate, as are 20 carloads of construction tools.

Where water cannot be obtained from already utilized sources, wells must be driven or reservoirs constructed.

FIREMEN GOING TO WAR

Complaint That Many City Fire Departments Are Being Crippled by Drafting for the Army

A serious situation is arising in connection with the war, and the safety of our cities by the depletion of fire departments for soldier duty. Already the fire departments of Philadelphia and Boston have been badly crippled through the draft upon their members for service in war. In fact, the government authorities have been appealed to for the return of many of these men on the ground that the citizens and property in our large cities will be left without proper protection unless this is done.

It would be a misfortune if the fire departments of the United States, which are already short of men, should be thrown into a state of confusion by further drafts on their resources and the extreme danger while the country is at war, of incurring immeasurable losses through conflagrations because there were not enough men to subdue them. In Cincinnati 103 firemen are subject to call, and the Director of Public Safety has asked them to claim exemption on the ground that they are doing governmental duty as members of a municipal fire department.

ARIZONA FIRE'S TROUBLES

New Mexico Insurance Department Cancels License—Company Re-insures Most of Eastern Business

Following an examination of the Arizona Fire by the insurance departments of New Mexico and Arizona, the license of the company in New Mexico has been cancelled, the Insurance Department claiming an impairment in the company's capital of more than $75,000. E. M. Davis, manager of the Arizona, says that the impairment is largely technical, due to the non-admission of certain assets, and that it will be corrected as rapidly as possible.

The Arizona has re-insured its outstanding business in New York. Massachusetts, New Jersey and Pennsylvania, excepting Philadelphia and Pittsburgh, in the City Insurance Co., of Pittsburgh, and the company has ceased to operate in New York, New Jersey and Massachusetts.

MORE INSURANCE FOR CHICAGO

The Chicago Board of Underwriters is going to spend $20,000 to tell the people of that city that they are inadequately insured. Most of this money will be spent in advertising in various ways. It is argued that all kinds of household articles have advanced fully fifty per cent. during the past three years, and it is contended that there should be an enormous increase in the volume of business done in the city. Moreover, the increase in value of buildings should be accompanied by additional fire insurance, which has not been the case, for the alleged reason that the insurance salesmen have not been equal to the task of bringing this feature out.

GOVERNMENT INVENTS

Department of Agriculture Patents Fire Prevention Device for Threshing Machines

A bureau of the U. S. Department of Agriculture has recently developed a fire extinguisher to be attached to threshing machines for the purpose of automatically putting out fire caused by an explosion in the latter.

Explosions are often produced by ignition of dust from smutty grain which permeates the chambers of the thresher, in many cases resulting in the destruction of the crop, the threshing outfit and nearby buildings.

This protective device consists of a cylindrical tank mounted beside the thresher and connected with it by pipes. The tank is filled with water containing chemicals in solution and also a sealed flask of acid. It is so connected with the machine that an explosion releases a hammer in the tank which breaks the flask. The resulting mingling of the liquids instantly creates a gas, while the pressure produced by the gas forces the fluid through the pipes, so that the threshing machine is thoroughly sprayed before the fire gains headway.

The extinguisher will be patented by the Agricultural Department for the benefit of the public.—Glens Falls "Now and Then."

FOREST FIRE FIGHTING

Elaborate Telephone System to Summon Aid When Flames Threaten —Fifty-Two Stations

New methods adopted by the New York State Conservation Commission to prevent forest fires, consist in the establishment of fifty-two new stations with steel towers located on as many lofty peaks in the Adirondacks and Catskills. At each of these stations there will be observers on the watch during the summer season.

When a fire is observed the alarm is given by 'phone, and assistance comes in from all directions to the ranger's quarters where they are supplied with fire-fighting tools and sent by automobiles to the scene of the flames. It is expected not only to preserve our forests in this way, but much valuable property in the shape of farm buildings located adjacent to the forests.

E. H. McCONKEY RETURNS

E. H. McConkey, formerly of Pittsburgh, but for the past four years general agent at San Francisco for the International Life, of St. Louis, has returned to Pittsburgh, and has been appointed general agent of the Reserve Loan Life for Western Pennsylvania territory.

"The Leading FIRE INSURANCE Company of America"

ÆTNA INSURANCE CO. HARTFORD, CONN.

WM. B. CLARK, President

Explosion and Sprinkler Leakage Insurance

THE HANOVER
FIRE INSURANCE COMPANY
Incorporated 1852

The real strength of an insurance company is in the conservatism of its management, and the management of THE HANOVER is an absolute assurance of the security of its policy.

R. EMORY WARFIELD, President
FRED. A. HUBBARD, Vice-President
E. S. JARVIS, Secretary
WILLIAM MORRISON, Asst. Sec'y

HOME OFFICE
Hanover Bldg., 34 Pine St.
NEW YORK

HOWIE & CAIN, General Agents
Metropolitan District
100 WILLIAM STREET, NEW YORK

BRITISH AMERICA
ASSURANCE CO.
Incorporated 1833
(FIRE AND INLAND MARINE)
Head Office, Toronto, Canada
United States Branch
January 1, 1917

Assets	$1,936,279.77
Surplus in United States	823,964.59
Total losses paid in United States from 1874 to 1916, inclusive	24,669,753.43

W. R. BROCK, President
W. B. MEIKLE, Vice-Pres. & Gen. Mgr.

"STRONG AS THE STRONGEST"
The Northern Assurance Co.
(LTD., OF LONDON)
Organized 1836
Entered United States 1876
Losses Paid - - - $105,000,000
Losses Paid in U. S. - $38,000,000
Eastern and Southern Departments
55 JOHN STREET
NEW YORK CITY

207th Year
SUN
INSURANCE OFFICE OF LONDON
FOUNDED 1710
UNITED STATES BRANCH:
54 Pine Street - New York
WESTERN DEPARTMENT:
76 WEST MONROE ST., CHICAGO.
PACIFIC DEPARTMENT:
N. W. Cor. Sansome & Sacramento Sts.
San Francisco, Cal.

Rossia Insurance Company
HARTFORD, CONN.
REINSURANCE

History of Fire Insurance in Japan

NO MUTUAL COMPANIES IN NIPPON LAND

There Are Twenty Domestic Companies and Twenty-four Foreign Companies Engaged in Business

The Insurance Library Association of Boston in the July issue of the Bulletin presents a very interesting history of fire insurance in Japan. The editor of the Bulletin states that the article was prepared from data submitted by Professor Z. Takidani, of the Kobe Higher Commercial School. Continuing the article reads:

The first fire insurance company organized in Japan was the Tokyo Fire Insurance Company, which began business in 1889.

There are now twenty companies which write fire insurance. These comprise fourteen fire insurance companies, four fire and marine insurance companies and two re-insurance companies.

Twenty-four foreign companies are also writing fire policies, comprising eighteen English. one French, one German, one Dutch, two New Zealand and one Chinese (Hong Kong) Company.

The aggregate amounts of fire insurance written in Japan for the last five years were as follows, it being remembered that the yen is equivalent approximately to 50 cents of United States money:

TABULATION

A. Home Companies

Year	Ordinary policies	Day-to-day policies
1911....	Y 1,458,268,362	Y 6,590,723,195
1912....	Y 1,493,258,820	Y 8,400,249,314
1913....	Y 1,959,790,468	Y 8,725,785,952
1914....	Y 2,162,366,794	Y 9,556,357,913
1915....	Y 2,477,243,318	Y 8,660,741,873

B. Foreign Companies

1911.....	Y 457,892,817
1912.....	Y 485,940,762
1913.....	Y 768,150,476
1914.....	Y 882,473,472
1915.....	Y 997,767,179

At present fire insurance is transacted exclusively by stock companies. A mutual company, organized to do a fire insurance business, failed after a few years. There are no State or municipal organizations for the insurance of either buildings or contents.

The Japanese insurance code limits the right to transact fire insurance to associations organized on the stock company or the mutual plans.

In Tokyo there exists the Association of Fire Insurance Companies (Kwasai Hoken Kyokwai) for the general betterment of the business. It furnishes its members with fire statistics of Tokyo and vicinity, but prints no official reports for general distribution.

Some of the larger towns have local tariff associations but they make no reports and their rules are not available for the public.

There is no organization of national scope that would compare in influence with the National Board of Fire Underwriters, for example, in the United States.

For a time there existed an association for the inspection and supervision of cotton and woolen mills, but it failed of receiving the unanimous support of the companies and ceased operations.

Fire insurance is written chiefly through local agents and salaried solicitors of the offices. Brokers are found only in a few of the largest cities. For their services agents and brokers receive a flat commission.

There is no legalized or standard fire policy in use in Japan, but companies preparing their own forms are expected to conform to the general principles found in the Japanese commercial code. While wide latitude is permitted the companies in the preparation of policies all forms must be submitted for approval to the Insurance Office maintained in the Bureau of Commerce and Industry under the Department of Agriculture and Commerce. This tends to uniformity and results in the use by all companies of forms that are substantially identical, the variations being for the most part in unimportant details.

Fire insurance usually is written for a period of one year, but in the case of merchandise of certain classes in warehouses, a "day-to-day" policy is written, which is believed to be peculiar to Japan.

Average is legally required in writing property insurance. According to Article 391 of the Commercial Code, the insurer, in case of partial insurance, is liable for the loss only in the proportion that the insured amount bears to the insurable value.

The ordinary civil courts have jurisdiction in all fire insurance cases. Decisions of the Imperial Supreme Court are published periodically by the Central University (Chuo Daigaku).

The insurance business generally is supervised by the Imperial Government under the Insurance Act of 1900, revised in 1912. No official English translation of this act exists, but Becker's English text, which is sold at Maruzen Kabushiki Kwaisha, Nihonbashi Torisanchome, Tokyo, for two yen ($1.00), gives a faithful rendering of the original.

The Minister for Agriculture and Commerce is charged with administering the Insurance laws. There is in the Bureau of Commerce and Industry, Department of Agriculture and Commerce in Tokyo, an Insurance Office, presided over at present by Mr. Yoshikatsu Katayama as Chief of Office. The Department of Agriculture and Commerce issues each year the Insurance Year Book, which gives annual statistics covering all insurances in Japan. This may be obtainable from The Association of the Life Insurance Companies, Yurakucho, Tokyo, for Y 1.20 (60 cents)

Foreign insurance companies are supervised under the requirements of an Imperial Ordinance of 1900, revised in 1912.

Before it will be concessioned to do business in Japan each fire insurance company must submit for the examination of the Insurance Office all ordinary clauses used in its fire policy.

Some of the fire insurance companies keep classified statistics of fire losses but they are not available for public use.

Glens Falls On Trial By Jury

LENIENCY OF COURTS TENDS TO RAISE COST

Fire Company Portrays Effect on Business of Sympathetic Attitude of Modern Juror

The Glens Falls Insurance Co. in its bulletin "Now and Then," gives the following description of what effect the sympathetic action of courts and juries will have on the fire insurance business:

"Gentlemen of the Jury: You have for your consideration the case of a neighbor as plaintiff seeking to profit by his fraud and crime against an insurance company which is trying to defend its rights. Unfortunately, the defendant is a corporation and a stranger to you and experience tells us that in such cases jurors somehow confuse their sense of justice to the extent of a favorable leaning toward the neighbor whom they know, even when what they know is unpropitious. They are inclined to minimize the injustice they may do to an impersonal, soulless corporation and magnify the hurt which exact justice will inflict upon their fellow citizen. They take a lop-sided view of the golden rule and of the question, 'Who is my neighbor?' It is quite always the insurance company that, 'going down from Jerusalem to Jericho, fell among thieves.'

Companies Can Afford to Pay

"Jurors have an aptitude for thinking that an insurance company can better afford to lose; that it expects losses, sells indemnity against fire and that the neighbor-plaintiff has paid for this indemnity, and first-off has a claim thereunder. True, but obsessed with unbalanced motives you excuse and palliate the fraud and crime which the evidence more or less discloses, even accepting the accused's declaration of 'not guilty' against strong, if not quite positive proof of motives and acts substantiating guilt. Jurors say that anyhow it was the plaintiff's own property that burned and that the company should have provided against the possibility of a fire becoming profitable instead of making over-insurance a temptation, and, that the whole matter concerns only the litigants.

"Now, gentlemen, in this case, the plaintiff has himself rendered his contract of indemnity void and he is in court without insurance and has no claim. He had no right to burn or arrange for the burning of his own property to defraud others and in doing so endangering the property of others, possibly to a conflagration extent.

"Perhaps we may not appeal to your own involved personal interest as property owners and insurers, but the parties to this suit are by no means the only ones interested. The whole public are importantly concerned—not only because fraud and crime should be punished, but because every fire is a tax upon the insuring public.

Arson Increases Cost of Insurance

"The first principle of fire underwriting finance is, that the cost of its protection must be based upon the fire loss, and incendiary fires should not be permitted to increase this cost; but they do, and largely because of the toousual attitude of juries to which we have made phantom hints.

"This attitude of jurors has encouraged frauds against fire insurance and discouraged companies from contesting fraudulent claims—thus working a twofold public damage.

"Experience and cunning incendiaries have too many chances of escape without having hope from jurors temperamentally repellant to the exact rights of insurance corporations—as against neighbors.

"Let us now proceed to discuss the evidence in this particular case."

The Statistical Bureau of the Imperial Government (Naikaku Tokei Kyoku) publishes annually a statistical abstract of the Empire which includes a brief summary of the fire losses.

The estimated monetary losses by fire throughout the Empire are available only for the last two years. The figures show that the total losses for 1915 were Y 31,159,723. the per capita loss being Y 0.58; while for 1916 the losses were Y 16,154,319 and Y 0.30, respectively.

Statistics of fire losses are now kept by the Department for Home Affairs, and are published in the annual report of the department which may be had on request.

The average rate of premium on an annual basis is not easily obtained; but the average rate on buildings, received in the last five years by Japanese companies is approximately 5.5 per 1,000.

Of net premiums received by home companies during the last five years, the disbursement apportioned was about as follows:

1. For fire loss payments..46.6%
2. For expenses of management and taxes 45.8%
3. For reserves and dividends 7.6%

Fire prevention and fire protection have not engaged the attention of fire insurance company officials as generally as in America. The approximate figures of fire losses have already been given. Fires are more frequent in winter, especially in the larger cities, but seldom involve large areas or many buildings at one time. Heavy losses in large mercantile establishments are comparatively rare.

Personal responsibility for damage done by fire, under Japanese law, is limited to cases of proven gross negligence or criminal intent.

Fire departments on either a paid or volunteer basis are general throughout the Empire. In the smaller towns they often lack equipment and organization. In the larger towns and especially in the larger cities fire departments are well organized, equipped and drilled. Departments are supported out of local taxes and are administered by the Chief of the local police, whose appointment is by the Imperial Minister or by the Provincial Governor, according to the importance of the position.

The Japanese literature of insurance is already considerable. It is to be found in class periodicals, the publications of the colleges and law courts and the reports of government departments.

Authorized Capital $500,000

Detroit National Fire Insurance Co.

DETROIT, MICHIGAN

A Company to be built gradually and along the indicated lines of permanence

AGENCY CONNECTIONS SOLICITED

Firemen's Insurance Co., Newark, N. J.

January 1, 1917

Cash Capital $1,250,000.00
Net Surplus $2,449,322.25
SURPLUS TO POLICYHOLDERS...$3,699,322.25

DANIEL H. DUNHAM, President
JOHN KAY, Vice-President and Treasurer — A. H. HASSINGER, Secretary
NEAL BASSETT, Vice-President — J. K. MELDRUM, Assistant Secretary

CASUALTY AND SURETY NEWS

Bankers' Fidelity-Burglary Company

NOT LIKELY TO BECOME A REALITY

Vote on Question Will Be Taken at American Bankers' Association Meeting in September

It is not plain to The Eastern Underwriter just what the editors of the "Financier," a semi-monthly financial paper published in New York City, is trying to do, or where they are trying to go, in advocating the formation of a stock or mutual fidelity and burglary company among the members of the American Bankers' Association, for writing risks in those classes among members of the association; but from the present status of the affair and from investigations made by a member of our staff, they are trying to put over something that is not wanted by very many members of the Bankers' Association. In the last issue of the "Financier" there appeared the following editorial:

Will Bankers Insure Themselves?

Dissatisfaction has existed for a long time past in banking circles over the charges and premiums exacted by insurance and bonding companies for fidelity and guaranty business transacted between banks and these corporations. At the meeting of the executive council of the American Bankers' Association this spring it was decided to submit to a referendum vote the matter of establishing a mutual or stock company to be controlled by the bankers themselves and operated on a lower cost plan.

The vote has not been completed, but evidences are cropping up every day that the bonding companies do not intend to be deprived of a rich field without a struggle. One or more of the companies are financing a propaganda through agencies in all parts of the country to influence bankers against the plan. They are in the fight to win, if possible, and unless the American Bankers' Association and various State associations take steps to counteract the influences now at work, the bankers will lose in this case, as they have in others, because of indifference to the principles at stake.

The banks feel that they have a just grievance. They have paid the highest market rates for accommodation, and are convinced that they have paid much more than the risk warrants. The decision is up to the banks themselves, as they are voting or are to vote on the matter, and the association will be governed by the result.

The idea of establishing a mutual or stock company to be controlled by the bankers of the country and operated on a lower cost plan, has been proposed to the bankers several times during the past few years, and each time it has been voted down as impracticable. Nor would the proposition command the attention of the bankers again at this time were it not for the fact that someone is evidently working with mercenary motives. No other conclusion can be reached from information gathered by a representative of The Eastern Underwriter. It would be difficult to find a prominent banker in the country who is interested in the formation of a company for the purpose of bonding themselves. H. A. Moehlenpaugh, president of a bank in Clinton, Wis., with a capital of $50,000, appears to be the moving spirit in the scheme to-day, and the question is asked: "Why should the representative of a small bank in a little village of eight hundred inhabitants, be so solicitous about the welfare of the great banking interests of this nation?"

At a regular meeting of the Executive Council of the American Bankers' Association, held at Briarcliff, May 7, 1917, the following resolution was adopted:

"That an expression from the members of the American Bankers' Association be had by referendum as to the advisability of forming either a stock company or a mutual company, controlled by the members of the American Bankers' Association, to protect its members on the insurance risks of bankers, members only; and that an auxiliary committee, to be appointed by the president of the State Secretaries Section of the association, be authorized to secure this expression from the membership and report at the next annual convention to be held at Atlantic City."

It Has Been Repudiated Before

The adoption of the above resolution does not mean that the proposition will be sanctioned by the American Bankers' Association. A referendum vote on the proposition was the least courtesy that could be accorded it, and it will be found when the vote is taken that the effort will meet the same fate that its predecessors did—a complete repudiation. There are many reasons why the bankers will turn it down. In the first place, after many years of effort, a similar proposal was made in 1911, at the annual meeting of the American Bankers' Association held at New Orleans, and after a full discussion the proposal was voted on and lost. Moreover, it is urged that because the business of banks is regarded as being preferred, the formation of such a company will result in bankers obtaining a better rate for the fidelity bonds and burglary insurance required by them in the conduct of their business. The banking business is preferred business, and the fidelity and burglary companies now recognize it as such by giving it a preferred rate. Rates for baukers' fidelity bonds and burglary insurance are very much lower than rates for other classes of fidelity and burglary insurance. They are so low that the ratio of losses to premium earnings is actually higher than the ratio of losses to premium earnings on many other classes of business—in some instances very much higher.

How Premiums Have Been Reduced

The continuous reduction of premium rates for bank fidelity and burglary insurance during the past thirty years has been greater than is generally understood. The reduction has been on both sides. Banks have secured all the advantage of competition between bonding companies without the necessity of going into the bonding business themselves. In 1885 the rate applied to

(Continued on page 18)

Accident
Health Automobile
Plate Glass
Burglary Liability

Fidelity
Contract Judicial
Public Official
Depository Bonds

FIDELITY & DEPOSIT CO.
OF MARYLAND
BALTIMORE

Schnaring Retires From Ins. Business

JOINS FORCE OF NAT. CITY BANK

One of the Most Popular Young Field and Agency Men Connected With Casualty Branch

Walter L. Schnaring has resigned as eastern manager of the Continental Casualty Company to enter special service of the National City Bank of New York. He left for Chicago to close up matters with the Continental on Tuesday night and will return to New York to-day or to-morrow.

Mr. Schnaring has been one of the most popular of the younger field and agency men connected with the casualty insurance business and his host of friends will keenly regret his leaving the business he has been associated with so long.

He entered the insurance business in 1899 as a clerk in the Houghton and Muir Insurance Agency in Philadelphia. Houghton and Muir were appointed United States managers of the General Accident in 1899 and made Mr. Schnaring manager of the Philadelphia department. Later he was made manager of the burglary department. In 1906 he resigned to become special agent of the Union Fire Insurance Company and the Insurance Company of the State of Pennsylvania, which companies were controlled by Houghton and Muir. Some time later he formed the Chicago general agency of the General Accident, to which city he removed for about a year, after which he returned to the head office of the General Accident at Philadelphia, occupying various positions with the Company until 1910. He then became assistant to the late Louis S. Amonson, whom he assisted in completing the organization of the People's National Fire and several industrial corporations. In 1913 Mr. Schnaring returned to the service of the General Accident as manager of the accident and burglary departments and in 1914 was appointed an assistant United States manager of the corporation.

In 1915 he resigned his connection with the General Accident to become assistant to Vice-President Edward L. Hearn of the Casualty Company of America. While with the Casualty Company, in a period of eighteen mo ths, the result of his work showed an increased annual income in the accident department of over half a million dollars. When the Casualty Company retired from business last November Mr. Schnaring negotiated reinsurance of a large part of the Company's business with the Continental Casualty Company, at which time he joined that Company's agency organization.

TO RAISE BURGLARY RATES

Increase of Crime Said to be Due to Police Inefficiency—May Increase 50 Per Cent.

The abnormal number of burglaries and thefts that have taken place during the past few months has forced the burglary and bonding companies to take drastic action. It is reported by these insurance companies that the crime of burglary has increased fully one hundred per cent. during the past year, and when asked for a reason there is but one reply "inefficiency of the New York Police Department."

During the past few weeks losses aggregating more than $500,000 have been reported to the police by the victims. Moreover, it is claimed that not all of the crimes of this character are made public, the police preferring to keep them quiet. An official of one of the bonding companies says that when a concern robbed carries insurance the police at once assume an indifferent attitude.

The insurance companies will hold a meeting next week, at which time, it is said, the rates for burglary insurance will be advanced probably 50 per cent.

William P. Learned, superintendent of the burglary department of the Fidelity and Casualty Company, said that his Company had paid out about the same amount this year as last. H. M. Cluff, manager of the burglary department of the Great Eastern Casualty Company, is confident that the rates will be raised at the coming meeting.

AETNA CASUALTY & SURETY

Semi-Annual Statement Shows Phenomenal Growth During First Half of Current Year

According to the semi-annual report of the Aetna Casualty and Surety Company of Hartford, Conn., very encouraging progress has been made during the past six months. The assets have reached $9,190,190.32, which is a gain of $2,109,121.58 as compared with the assets of this Company a year ago. Also it has increased its premium income $1,370,869.46 over the same period. The paid up capital is now $2,000,000. After making allowances for the substantial increases shown, due to the unusual industrial and commercial activity of the country, the excellent results have been obtained because of the constantly expanding organization of the Aetna Life and affiliated companies.

General Accident
FIRE AND LIFE
ASSURANCE CORPORATION, Ltd.
SERVICE THAT EXCELS
FREDERICK RICHARDSON, United States Manager
GENERAL BUILDING · 4TH & WALNUT STS.
PHILADELPHIA

PAYS CLAIM IN LUMP SUM

Maryland Casualty Makes Interesting Settlement of Moon Gasoline Company Explosion Loss

An accident at Bixby, Oklahoma, in the plant of the Moon Gasoline Company, illustrates what underwriters have always dreaded when speaking of the catastrophe hazard. This plant was insured by the Maryland Casualty Company under a combination policy that provided indemnity both for industrial injuries covered by the Oklahoma compensation law, and also for industrial deaths not included in the coverage of that law.

The assured is engaged in the manufacture of what is called casing-head gasoline, that is, gasoline made from gas in the oil fields, at the head or opening of an oil well. The operation of a casing-head gasoline plant is based upon pressure. The manufacturing unit consists of two engines, a low pressure engine and a high pressure engine, each engine having its complementary compressor. The compressor is a sort of double cylinder, the gas being drawn into the outer chamber of the cylinder through a valve that opens inward only, and a piston then compresses the gas in the inner chamber.

It was one of these compressors that blew out in the Bixby plant, probably in consequence of the accidental breaking of the spark wire on the engine. The explosion occurred a few minutes after the noon hour, and of the eight men in the plant seven were killed or subsequently died of their injuries, the remaining man being badly hurt.

The assured elected to handle the death claims directly, and the Maryland therefore paid to the assured a lump sum of twenty-one thousand dollars, also taking care of the injury case in accordance with the provisions of the compensation law. Industrial accidents of this sort are inevitable now and then, and unless industry is to be crippled by the exceedingly heavy financial drains that follow such catastrophes, there must be insurance, reliable insurance.

JULY VEHICLE VICTIMS

Automobiles Killed 42 in City, of Whom 24 Were Children—The State Record

Accepting the Police Department report as authority, there were forty-two deaths in July due to automobiles in New York City, as compared with thirty-six for the corresponding period of last year. Twenty-four of the victims were children under sixteen years of age. During the same period trolleys killed ten, as against eleven during July, 1916. Wagons caused four deaths, as compared with three in July, last year.

The National Highways Protective Society, which covers New York and New Jersey, reports that automobiles killed ninety-one outside New York City, as compared with seventy-three last July. Outside the city trolley cars killed four, and wagons four. Thirty-one lost their lives in automobile accidents in New Jersey, while two were crushed by trolley cars in that State.

Railroad grade crossings in New York State are charged with seven deaths in July, and three were killed at grade crossings in New Jersey. The police reports place the number of traffic deaths in the city in July at sixty-eight, an increase of seventeen over July last year.

STARTS BLACK TOM SUIT

New Jersey Fidelity Files Complaint Against Lehigh Valley—Other Companies May Await Decision.

The New Jersey Fidelity & Plate Glass last week filed suit against the Lehigh Valley Railroad Company for $47,356 on account of losses paid as a result of the Black Tom explosion. The complaint alleges neglect on the part of the railroad in the storing of explosives.

Immediately following the Black Tom disaster, it was thought probable the companies having the larger losses would pool their interests in suing the Lehigh Valley and institute proceedings against the railroad simultaneously but, from information gathered by The Eastern Underwriter from the majority of companies having more than $5,000 involved, these companies plan to await the decision in the action of the New Jersey company in order to take advantage of the precedent established.

HEADS DEPARTMENT

Leslie W. Winslow Will Handle Personal Accident and Health Business in New York Office

F. E. Wilkins, manager of the New York office of the Commercial Casualty Insurance Company of Newark, sent an announcement to the brokers in the Metropolitan section setting forth that Leslie W. Winslow, who was formerly affiliated with the Liability Department in that office, will in the future devote his entire time to the development of the personal accident and health business, of the Commercial Casualty in New York.

Mr. Winslow is very favorably known on William Street and a good measure of success should result from the effort he will expend in his new position.

FIDELITY & CASUALTY AGENTS

James J. Hughes and C. E. Bates, Formerly With Casualty Co. of America, Form Partnership

James J Hughes, formerly manager of the fidelity and surety department of the Casualty Company of America, and C. E. Bates, formerly manager of the contract bond department of that company, have formed a partnership and have been appointed agents of the bond department of the Fidelity & Casualty with offices at 90 William St.

Bankers Fidelity and Burglary Company

(Continued from page 17.)

banks having a capital of $25,000 and thereto, was 75 cents per $100; the present rate is 24 cents per $100. For over was 75 cents per $100 per annum. To-day it is 25 cents. Bank burglary rates in Middle Western States for towns of less than 1,000 population, (highest class safes) in 1897 and prior highest class safes within highest class vaults, in 1897 and prior thereto the rate was 50 cents; to-day it is $.056. In other words, in burglary insurance the basic rate for a round door safe in the best and most modern vault cost in 1897, $125 per annum for $25,000, whereas it now costs but $56 per annum for $100,000 burglary insurance. Rates on equipment with less burglary proof protection also show a material reduction from those formerly existing. Larger discounts have been allowed the banks for burglary alarm systems, watchman's services and population of the larger towns and cities.

What is Required

To serve members of the American Bankers' Association, the proposed company must be prepared to operate in every State. It is not practicable to start a mutual company to do business generally throughout the United States, for the reason that the laws of only a few States permit an assessment mutual company to do a fidelity and burglary business. It will therefore be necessary to comply with the statutory requirements of each State for the formation of a stock company as a condition precedent to doing business. This alone will require an outlay of over half a million of dollars. If the company decided to do business in Wyoming as it must, unless it slight the association's Wyoming members, a capital of at least $1,000,000 would be required.

No better proof of the fallacy of the statements made by the "Financier" is needed than to say that since 1909 twenty-six bonding companies have gone to the wall. The fidelity and burglary companies now doing business are the successful survivors of about seventy companies which entered the field from time to time during the past twenty-five years. Forty-five companies have failed, retired, re-insured (surety) or submitted to receivership.

Against whatever profits may be shown to have been realized by some of the surviving companies, there should be offset the vast sum of capital paid in and lost by the forty-five retired companies. Many millions were lost by the stockholders and policyholders. Fidelity and burglary insurance are hazardous forms of underwriting, and the losses made by these unfortunate companies greatly exceed the profits shown by a few survivors. A new company, such as Banker Moehlenpaugh of Clinton, Wis., proposes, can measure its chances of success more accurately by the average experience of all the new companies started during the past quarter century than by the exceptional experience of the few survivors of that number.

Proposal Will Be Voted Down

The proposed stock company or mutual company will not appeal favorably to the American Bankers' Association. In fact, a canvass of the members of that association already made shows that the proposition will be voted down by a majority of ten to one at the convention that is to take place in September.

At the last meeting of the Massachusetts State Bankers' Association held on May 23, 1917, at Narragansett Pier, the following resolution was adopted:

Whereas, the Executive Council of the American Bankers' Association at its meeting held at Briarcliff adopted a resolution to take a referendum of its members as to the advisability of forming a stock or mutual company controlled by the members of the American Bankers' Association to protect its members on the insurance risks of bankers, members only; and

Whereas, a similar proposal was fully considered by the American Bankers' Association in 1911 at the New Orleans Convention and was voted down, and

Whereas, at the meeting of the American Bankers' Association held at Kansas City in 1916, the Insurance Committee of the association reported:

"Your committee does not believe that the American Bankers' Association should either directly or indirectly engage in the business other than by maintaining some committee for performing an advisory service as is now being done," and

Whereas, the proposal to be submitted in the referendum has been heretofore fully considered by committees of the American Bankers' Association and by the association itself, and upon each occasion having been voted upon adversely, it is the opinion of the Massachusetts Bankers' Association that as no new reasons have been advanced for the formation of a stock or mutual company for doing insurance business of its members

It is therefore resolved, that the Massachusetts Bankers' Association recommend that when such referendum is taken that its members vote "No" to the proposal for the establishment of a stock or mutual company to do the insurance business of its members.

It would seem from the foregoing that there is little likelihood of any action being taken at the forthcoming meeting of the American Bankers' Association at Atlantic City, which will result in the formation of a surety company among members of the association writing risks for bankers only.

The Fidelity and Casualty Company of New York

92 LIBERTY STREET, NEW YORK, N. Y.

Metropolitan Office—92 William St.

SEMI ANNUAL STATEMENTS JUNE 30, 1917

Assets	$14,005,236.30
Liabilities	10,395,192.68
Capital	1,000,000.00
Surplus over all liabilities	2,610,043.62
Losses paid to June 30, 1917	58,554,792.60

This Company issues contracts as follows: Fidelity Bonds; Surety Bonds; Accident, Health, and Disability Insurance; Burglary, Larceny, and Theft Insurance; Plate Glass Insurance, Liability Insurance—Employers, Public, Teams (Personal Injury and Property Damage). Automobile (Personal Injury, Property Damage and Collision), Physicians, Druggists, Owners and Landlords, Elevator, Workmen's Compensation-Steam Boiler Insurance; Fly-Wheel Insurance.

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Bituminous Coal Compensation Rates

EXPERIENCE SAYS THEY MUST GO UP

Commissioner O'Neil Sends Letter to Operators and Insurers in Answer to Criticism

Insurance Commissioner J. D. O'Neil of Pennsylvania has addressed an open letter to Bituminous Coal Operators and to Compensation Insurers of Coal Mines, in connection with rates as applied to that class of business. The letter says:

"The action of the Insurance Department with respect to compensation insurance rates on bituminous coal mining has been the subject of much criticism by insurance agents and coal operators. It has been alleged by sundry insurance agents that the Insurance Department was arbitrarily compelling the stock companies to charge excessive rates for this class of insurance. It is believed, therefore, that a candid recital of the record will conduce to a better understanding on the part of all concerned.

"When the Compensation Act of Pennsylvania went into effect, there was no available compensation experience upon coal mines. It was necessary, therefore, to develop the insurance rates from accident statistics of the State Mine Department and the U. S. Bureau of Mines. From these statistics was developed a basis rate of $3.83 per $100 of payroll, which rate includes a loading of 30 per cent. for management expenses. The experience of 1916 indicates that this expense loading is somewhat insufficient, the actual expenses of the companies having been approximately 33 per cent. of premiums.

Operators Have No Ground for Complaint

"Along with the basis rate the Insurance Department approved a rate schedule which was intended to produce, and has produced, substantial reductions in premium as compared with basis rates. In point of fact the average adjusted rate on bituminous coal mines at the present time is $2.80, or 73 per cent. of the basis rate. This is the rate actually paid by bituminous coal operators, as distinguished from the nominal or book rate. The experience of 1916 as so far reported indicates that the actual insurance cost on bituminous coal mines is something over $3 per $100 of payroll. Hence the bituminous coal operators have no ground of complaint that their present rates are excessive. On the contrary, experience indicates that some increase will be necessary in the average effective rates in order to cover the actual cost of this insurance. As far as we can ascertain the average rate in Pennsylvania is lower than in any other State.

Most Serious Objection—Inequitable Distribution

"The most serious objection to the present schedule is that it does not equitably distribute the insurance burden. In other words, the schedule does not produce rate differentials which correspond to actual differences of hazard as between different mines and different mining districts. In particular the schedule fails to produce a sufficient rate differential between those mining districts which have the best record and those which have the worst record in point of accidents. Thus, at the present time the average adjusted rates are 2.72 in Allegheny County, 3.00 in Butler County, 2.77 in Cambria County, 2.64 in Clearfield County, 2.68 in Fayette County, 2.83 in Huntingdon County, 2.60 in Indiana County, 3.33 in Somerset County, 3.11 in Tioga County, 2.91 in Washington County, and 2.71 in Westmoreland County—rates which obviously do not correspond to the hazards of these counties as disclosed by the State Mine Department records.

"This result could not have been foreseen in advance of experience. It was recognized when the schedule was framed and approved that the subject was still experimental, and no one imagined that a perfect schedule could be produced at the first attempt.

Solution—Combines Experience and Schedule Rating

"The Insurance Department has given prolonged and serious consideration to the subject, with a view to producing rates more in accord with the differences in hazard of the several mining districts. It appears from the studies thus far made that the only method of accomplishing this result is to combine some form of experience rating with schedule rating. Under such a plan the accident experience of each operator for a period of say five years would be taken into consideration, as well as the physical conditions of his mine as disclosed by inspection.

"The Associated Companies in the fall of 1916 proposed a revision of the rating schedule which was intended to correct defects revealed by experience. It was expressly stated by the Associated Companies that their proposal would not materially increase or decrease the adjusted rates on the average, but that it would produce a larger differential in favor of the less hazardous mines and mining districts. The most important feature of this plan, and the feature which was relied upon to produce the desired result, is a graded charge for the height or thickness of the coal mined. The proposed charge amounts to approximately eight cents per $100 of payroll for each foot of thickness above four feet; that is, eight cents for coal from 4 to 5 feet, sixteen cents for coal from 5 to 6 feet, and forty cents for coal from 8 to 10 feet in thickness of seam. The theory of this differential charge is that the hazard from falls of roof and coal increases with increasing thickness of the seam worked. The Associated Companies were unable to present statistics or other convincing evidence to substantiate this theory. The Insurance Department accordingly disapproved the proposal pending further investigation.

Results of Investigation

"This investigation has now been completed. A detailed study of every fatality reported by the State Mine Department for the five years 1911 to 1915, and of every mine reporting during said period, shows that the relationship between thickness of coal and fatality rates per 1,000 workmen is not that which the Associated Companies assumed. The actual fatality rate throughout the State and in each important county is less in coal between 4 and 5 feet in thickness than in coal under 4 feet, and is less in coal over 8 feet than in coal from 6 to 8 feet. The proposal of the Associated Companies therefore would work an unfair discrimination against operators who are producing coal from 4 to 5 feet in thickness, or over 8 feet in thickness. In particular the Associated Companies' proposal would produce a higher rate in Clearfield County than in Cambria and Somerset Counties, a result which is directly contrary to the accident records. There is no question that the proposal of the Associated Companies was made in entire good faith, but it is clear on the face of the record that this proposal would not produce the results intended. It is probable that some modification of this plan can be made which will produce more equitable results.

To Revise Schedule

"A revision of the present schedule will be undertaken and pushed through as rapidly as possible in the light of all information now available. The object which has been kept in view by the Insurance Department is to establish a rate and rating system which will require the bituminous coal operators, collectively and individually, to pay neither more nor less than the actual cost of their insurance. There is no doubt that all of the insurance carriers have the same object in view. The whole subject is so new, however, that it will take time and patience to produce satisfactory results. To that end the Insurance Department bespeaks the co-operation of all concerned in this problem."

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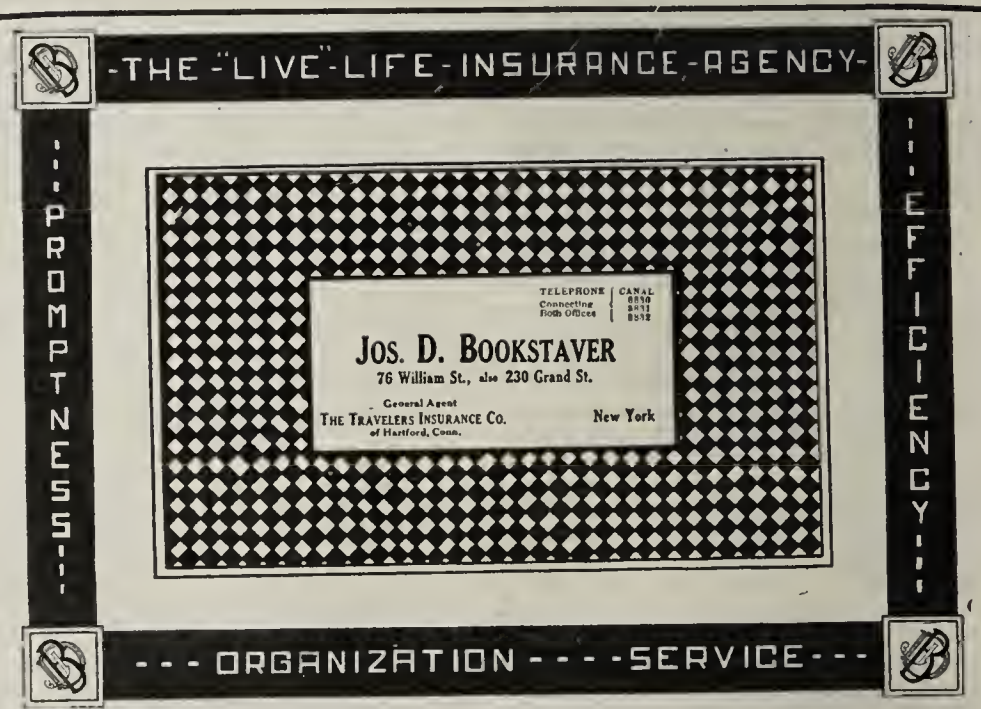
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Losses Paid by Chicago Fire, 1871	3,239,491.00
Losses Paid by Boston Fire, 1872	1,427,290.00
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EA

THE EASTERN UNDERWRITER

[Succeeding the Journal of Insurance Economics, Established in 1899]

A WEEKLY NEWSPAPER COVERING ALL BRANCHES OF INSURANCE

Eighteenth Year; No. 33. NEW YORK, FRIDAY, AUGUST 17, 1917 $3.00 a Year; 15c. per Copy

VIOLENTLY ATTACKS AMERICAN COMPANIES

Lawyers Mortgage Co. Refuses to Accept Policies of Companies Having German Treaties

"PUBLIC INTEREST" IS PRETEXT

Richard M. Hurd, President of Company, Insinuates That Nine Prominent Companies Are Insolvent

The quasi-patriotic attacks of Richard M. Hurd, president of the Lawyers Mortgage Co. and vice-president of the Mortgage Bond Co., on the solvency of American companies as affected by their re-insurance treaties with German companies has been given wide publicity by the daily newspapers.

They are not only absolutely unfounded but contain reflections on the patriotism and business integrity of certain of our prominent American companies and therefore should not go unrebuked because of a fear that the public might deduce that these companies were seeking to protect German interests to the detriment of the United States.

A section of an article appearing in the New York "Tribune" of August 2, which bears on the solvency of the American companies is as follows:

Statement in "Tribune"

This action of the directors, President Richard M. Hurd said yesterday, followed an investigation into the financial resources of the German companies doing business in the United States, and a decision that such companies are weak, and do not afford the protection trustees of other people's money are bound in honor to demand.

In conformity with this decision, the names of nine American companies which re-insure some of their business with German companies have been stricken from the list of 115 companies whose policies are acceptable to the Lawyers Mortgage Company.

The companies affected include the Insurance Company of the State of Pennsylvania, of which Senator Frelinghuysen, of New Jersey, is a stockholder and director. Mr. Frelinghuysen is responsible for a tentative amendment to the trading with the enemy act now before the Senate Committee on Commerce, by which German companies would be permitted to continue writing insurance in the United States.

The Companies Affected

The other companies affected are: The German-American, of New York City; the German Alliance, of Buffalo; the Germania, of New York; the Buffalo-German, of Buffalo; the Milwaukee, of Milwaukee; the Phoenix, of

(Continued on page 19)

"The Largest Fire Insurance Company in America."

THE HOME INSURANCE COMPANY NEW YORK

ELBRIDGE G. SNOW, President

FULL WAR COVER

INCLUDING

BOMBARDMENT and EXPLOSION

Liberal Contracts Reasonable Rates

STRENGTH REPUTATION SERVICE

North British and Mercantile Insurance Co.

Established 1809

Entered United States 1866

Policyholders protected by the entire United States assets, with further guarantee in every policy, of protection by entire fire assets of the company which are many times larger.

SPRINGFIELD
Fire & Marine Insurance Co.

Cash Capital $2,500,000 00

THE SPRINGFIELD for two-thirds of a century has transacted business solely under its own corporate name, without annexes, underwriting agencies or subsidiary companies. An agent of the SPRINGFIELD is not a half, a quarter or any other fraction of an agent, but is vested with the rights and dignity of an undivided representative of an undivided and independent company. The SPRINGFIELD stands today pre-eminent among American fire insurance companies.

SPRINGFIELD MASSACHUSETTS

PROVISIONS OF GOVERNMENT LIFE INSURANCE SCHEME

Policies to Be Written on One Year Renewable Term Plan Convertible After the War

ALLOTMENTS, ALLOWANCES AND COMPENSATION INCLUDED

Bureau Managed by Director Under the Supervision of the Secretary of the Treasury

The United States Government, through H. R. Bill 5723, introduced by Representative Alexander August 10, in the first session of the 65th Congress, will engage in the life insurance business. This measure is intended to provide life insurance, allotments, allowances and compensation for the soldiers and sailors entering the military or naval service of the United States. Whether the proposition will prove successful, all that the Government anticipates, or whether it is to be, or not to be, a permanent part of governmental activities, remains for the future to reveal.

The impression is gaining ground, possibly encouraged by partial statements in the newspapers, that insurance officials have approved the plan. This is not the case. The insurance officials, invited to confer with the Secretary of the Treasury, were given only a few hours in which to study the bill. They suggested various changes and amendments, but there is no evidence to show that any of their recommendations have been considered.

The bill provides that the bureau be equipped with all the working appurtenances of a regular life insurance company, and that it is to be headed by a director who will have complete charge of its affairs under the direct supervision of the Secretary of the Treasury.

Appropriations accompanying the bill include $100,000 for organization expense, $23,000,000 for military and naval insurance fund, $141,000,000 for allow-

ance fund and $12,150,000 for military and naval compensation fund, a total of $176,250,000.

Taking literally the sections of the bill next following, the Government will engage in the business of life insurance on a permanent basis, so far as the assumption of risks during war is concerned. That this might become a reality was forecast in the August 3 issue of The Eastern Underwriter. The sections referred to read:

$23,000,000 Insurance Fund

"Sec. 20. That there is hereby appropriated, from any money in the Treasury not otherwise appropriated, the sum of $23,000,000, to be known as the military and naval insurance appropriation. All premiums that may be collected for the insurance provided by the provisions of Article IV shall be deposited and covered into the Treasury to the credit of this appropriation.

"Such sum, including all premium payments, is hereby permanently appropriated for the payment of the liabilities of the United States incurred under contracts of insurance made under the provisions of Article IV.

ARTICLE IV.

Insurance

"Sec. 400. That in order to give to every commissioned officer and enlisted man and to every member of the Army Nurse Corps (female) and of the Navy Nurse Corps (female) when employed in active service under the War Department or Navy Department the opportunity to secure upon equitable terms greater or broader protection for themselves and their dependents than is provided in Article III, the United States, upon application to the bureau and without medical examination, shall grant insurance against the death or total disability of any such person in any multiple of $500, and not less than $1,000 or more than $10,000, upon the payment of the premiums as hereinafter provided.

"Sec. 401. That such insurance must be applied for within one hundred and twenty days after enlistment or after entrance into or employment in the active service and before discharge or resignation, except that those persons who are in the active war service at the time of the publication of the terms and conditions of such contract of insurance may apply at any time within one hundred and twenty days thereafter and while in such service. Any person in the active service on or after the sixth day of April, nineteen hundred and seventeen, who, while in such service and before the expiration of one hundred and twenty days from and after such publication, becomes or has become totally disabled or dies, or has died, without having applied for insurance, shall be deemed to have applied for and to have been granted insurance, payable to such person during his life in monthly installments of $25 each. If he shall die before he shall have secured two hundred and forty of such installments, the balance of such two hundred and forty monthly installments shall be paid, but only if and while there survive him a wife, child or widowed mother, and in that event the amount of the monthly installments shall be apportioned between them as may be provided by regulations.

Insurance Not Assignable

"Sec. 402. That the director, subject to the general direction of the Secretary of the Treasury, shall promptly determine upon and publish the full and exact term and conditions of such contract of insurance. The insurance shall not be assignable, and shall not be subject to the claims of creditors of the insured or of the beneficiary. It shall be payable only to a spouse, child, grandchild, parent, brother or sister, and also during total disability to the injured person, or to any or all of them, and to such other persons as may be provided from time to time by regulations. The insurance shall be payable only in installments. Provisions for maturity of certain ages, for continuous installments during the life of the insured or beneficiaries, or both, for cash, loan, paid-up and extended values, and such other provisions for the protection and advantage of and for alternative benefits to the insured and the beneficiaries as may be found to be reasonable and practicable, may be provided for in the contract of insurance. Rights and privileges not provided for may be granted from time to time as may be prescribed by regulations. Subject to regulations, the insured shall at all times have the right to change the beneficiary or beneficiaries of such insurance without the consent of such beneficiary or beneficiaries, but only within the classes herein or as in the regulations provided.

"Sec. 403. That the United States shall bear the expenses of administration and the excess mortality and disability cost resulting from the hazards of war. The premium rates shall be the net rates based upon the American Experience Table of Mortality and interest at three and one-half per centum per annum.

"Sec. 404. That during the period of war the insurance shall be term insurance for successive terms of one year each, convertible after war, without medical examination into such form or forms of insurance, and with such provisions for premium payments as may be prescribed by regulations. Payments of premiums in advance shall not be required for periods of more than one month each and may be deducted from the pay or deposit of the insured or be otherwise made at his election."

Government Pioneering

The question involved, insurance for soldiers and sailors, which resulted in the preparation of this bill, which empowers and calls for the Government to tread out boldy into hitherto untrod fields, has been attended by publicity unequalled in connection with any act of the present Administration, except the Declaration of War, the Goethals-Denman controversy and the Food Control Bill. The bill as submitted to Congress sets forth in part:

"Sec. 12. That sections two to nine, inclusive, shall be construed to refer only to the Division of Marine and Seamen's Insurance.

"Sec. 14. That the bureau and its divisions shall have such deputies, assistants, actuaries, clerks and other employes as may be from time to time provided by Congress. The bureau shall, so far as practicable, by arrangement with the Secretary of War and the Secretary of the Navy, respectively, make use of the services of surgeons in the Army and Navy. The Secretary of the Treasury is authorized to establish an advisory board consisting of three members skilled in the practice of insurance against death or disability for the purpose of assisting the Division of Military and Naval Insurance in fixing premium rates and in the adjustment of claims for losses under the contracts of insurance provided for in article four and in adjusting claims for compensation under article three; compensation for the persons so appointed to be determined by the Secretary of the Treasury, but not to exceed $20 a day each while actually employed.

$100,000 Organization Fund

"Sec. 17. That for the purpose of carrying out the provisions of this Act there is hereby appropriated, out of any moneys in the Treasury not otherwise appropriated, the sum of $100,000 for the payment of all expenses incident to the work authorized under this Act, including salaries of the director and commissioners and of such deputies, assistants, accountants, experts, clerks and other employes in the District of Columbia or elsewhere, as the Secretary of the Treasury may deem necessary, traveling expenses, rent and equipment of offices, typewriters and exchange of same, purchase of law books and books of reference, printing and binding to be done at the Government Printing Office, and all other necessary expenses. With the exception of the director, the commissioners, and such special experts as the Secretary of the Treasury may from time to time find necessary for the conduct of the work of the bureau, all employes of the bureau shall be appointed from lists of eligibles to be supplied by the Civil Service Commission and in accordance with the civil service law.

$141,000,000 Allowance Fund

"Sec. 18. That there is hereby appropriated from any money in the Treasury not otherwise appropriated, the sum of $141,000,000, to be known as the military and naval family allowance appropriation, for the payment of the family allowances provided by Article II.

$12,150,000 Compensation Fund

"Sec. 19. That there is hereby appropriated, from any money in the Treasury not otherwise appropriated, the sum of $12,150,000, to be known as the military and naval compensation appropriation, for the payment of the compensation, funeral expenses, services and supplies provided by Article III.

Bureau Activities Outside

"Sec. 24. That the Bureau of War Risk Insurance, so far as practicable, shall furnish information to and act for persons in the military or naval service with respect to any contracts of shall be in an amount equal to the insurance whether with the Govern-

(Continued on page 10)

Great Southern Life Insurance Company

HOUSTON, TEXAS.



For Agency Contracts address

O. S. CARLTON

PRESIDENT

CO-OPERATION No. 6

EFFECTIVE PLANS of co-operation with real producers are responsible in a measure for these results:

Our licensed representatives paid for a larger volume of new premiums in half of 1917 than almost three times as many agents produced in the entire year of 1910.

Phoenix Mutual Life Insurance Company

of Hartford, Conn.

JOHN M. HOLCOMBE, President

H. L. Seay Heads The American Life Convention

No Action Taken in Connection With War Hazard at the Grand Rapids Meeting

RESCIND GROUP RESOLUTION—DROP UNIFORM COST BLANK

To Provide Permanent Headquarters for Convention—Trade Paper Circulation Resolution Revoked

Grand Rapids, Mich., August 10, 1917. —Stronger than ever before and with a spirit of co-operation pervading its sessions the American Life Convention concluded a three days' session here to-day which was largely devoted to a discussion of office practice and agency problems. No action was taken on the war situation, principally for the reason that the convention was without sufficient information about the Washington situation until within an hour of adjournment when the details of the Administration measure for indemnifying soldiers and sailors was learned by members of the convention through afternoon newspapers.

There was a resolution regarding war hazard introduced by Wm. A. Fricke, of Wausau, Wis., (printed elsewhere in The Eastern Underwriter), but no one was in the mood to discuss it, and upon a motion offered by Henry Abels, secretary Franklin Life, Springfield, the matter went on the table, the convention deciding that the time was inopportune for a discussion of the resolution.

No Discussion of Commissioners' Activities on Uniform Clause

Although in the lobbies it was admitted by individuals that the commissioners' attempts for war clause uniformity had been a failure the convention, without a dissenting voice, took the position that it was not called upon to pass judgment of any kind on the commissioners in this matter, and it did not do so. The discussion in the executive session about the war coverage situation in Washington did not develop into anything of a concrete or official nature. The talks were illuminating merely as expressions of opinion.

The decision to drop the uniform cost of business blank met with practically unanimous approval.

Office Practices

The suggestion of Vice-President Taylor, of the Atlantic Life, that the principles of office practice be gathered together into some sort of comprehensiev text book of instruction, was sympathetically received and the executive committee may act favorably upon it, although it will be some time yet before the matter is gone into. Certainly, if there were any dominant note in the American Life Convention of last week it was the expression of a keen desire on the part of members for the best information obtainable in training office employes to grow in efficiency and skill. Every pointer offered was grasped eagerly.



HARRY L. SEAY
President
Southland Life Insurance Co.
Elected President
American Life Convention
1917-1918

The paper of H. A. Hopf, of the Phoenix Mutual, on this subject, as well as the paper of Mr. Taylor, were of unusual value. Mr. Hopf illustrated his paper with charts. The discussion disclosed that the home office conference is growing and with many companies is becoming an every morning affair.

The New President

President Henry L. Seay, of the Southland Life, who was elected president to succeed Mr. Coffin, was nominated by the president of another Texas company, T. W. Vardell, Southwestern Life, Dallas. It was a popular nomination. Mr. Vardell said that it was the unanimous wish of the Texas companies in the American Life Convention that Mr. Seay should be elected president of the convention. Mr. Seay came to Texas from Tennessee in 1904. He

(Continued on page 4)

Equitable of Iowa Agency Convention

ASSOCIATION HONORS TREASURER HUBBELL

Agency Building is Keynote of Four-Day Session at the Home Office in Des Moines

Agency building was the target at which the general agents and home office officials of the Equitable Life of Iowa were shooting at during the ninth annual convention of the General Agents' Association which was held in Des Moines on Tuesday, Wednesday and Thursday of this week. The regular meeting was preceded by a company meeting on Monday.

J. C. Cummins, president of the Company, presided at this meeting, and the paper of H. E. Aldrich, superintendent of agents, was transferred from the regular program to the Monday session, because it dealt with agency building.

The Equitable of Iowa recently inaugurated a special campaign among its agencies, dealing with the securing and training of men and the work of the past few months formed the basis of the discussion at the Monday session.

There were a large number of ladies in attendance, and they were placed in charge of a committee headed by Mrs. J. C. Cummins, wife of the president, for entertainment during the entire stay in Des Moines.

Honor Treasurer Hubbell

The Agency Association voted in recognition of the splendid work of Treasurer Frederick W. Hubbell, in the service of the Equitable of Iowa and his services in volunteering for service in the present war to present the Company on his behalf with a permanent flag, six by ten feet, to be placed in the home office of the Company, also to present Mr. Hubbell, personally, with a silk flag to be used in his tent while in the service of the Government.

Cleveland and Atlantic City loom up as probable selections for next year's convention, although many agents favor Chicago as a permanent meeting place.

The Agents' Association, too, voted to pro-rate the expense of attending conventions among all general agents attending.

W. B. Anderson, of Chicago, was unable to attend the meeting.

Monday Meeting

At the Monday meeting, the value of schedule rating was pointed out as being a system of great importance but effective only proportionate to the thoroughness with which the work is done. It was pointed out that the plan inaugurated by the Equitable of Iowa several years ago has received endorsement in the highest quarters among sales organizations. It was also shown that the system can be made more effective by a second rating of the agent following a three or six months' period of service.

Mr. Cummins pointed out the value of the rating system as a "tickler," to point out deficiencies of the agents, which should be a prompter to the general agent of the opportunity existing for improvement.

General Agents Spend Too Much

Considerable discussion took place as to the matter of agency building from the financial point of view. It was the consensus of opinion that too many general agents spend all the money they receive from their labor to live up to the maximum style in their respective communities, instead of putting the money back into the agency for development.

In the matter of developing agents, it was shown that the general agent could not expect to have an efficient agency force unless he determined to "show the goods" to the agent in the way of production.

Superintendent Aldrich called attention to his idea of sticking with a man until business was produced and General Agent St. Clair, of Pittsburgh, supplemented these with experiences in his agency.

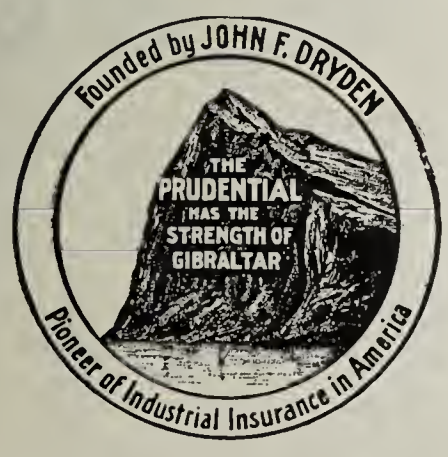
General Agent Steinbauer, of Detroit, spoke of the method of selecting agents and selling them the life insurance business. He used as an illustration the Detroit agency of the Mutual Benefit Life, which is looked upon as one of the greatest agency organizations in the United States.

A feature of the meeting Monday was the reading of the address of Norval A. Hawkins, read at the first annual meeting of the Association of Life Agency Officers, held at Detroit, Mich., June 9.

It was voted to form a One Hundred Thousand Dollar and a Two Hundred Thousand Dollar Club, and a committee consisting of Harry Stanley, of Wichita, Kans.; L. V. Barnes, of Springfield, Ill., and J. A. Lott, of the home office, were appointed to formulate the plan for such an association.

NOT TO TAX POLICIES

The United States Senate has accepted the elimination of the House provision taxing all insurance policies. Congress had proposed a tax of eight cents per $100 on life insurance policies and about one per cent. on other new or re-insurance.



INDUSTRIAL CONCERNS throughout the land are proving the patriotism of business by insuring entire staffs of employees. The Prudential will lend a hand—make it easy for firms to insure their workers.

Family insurance has placed America First in Life Insurance, and Group Insurance will help to keep it there.

The Prudential has a fine Group plan. Group Insurance is endorsed by every concern that has tried it. Send for brief, forceful, descriptive circular.

THE PRUDENTIAL INSURANCE CO. OF AMERICA
Incorporated Under the Laws of the State of New Jersey
FORREST F. DRYDEN, President
Home Office: NEWARK, N. J.

Advocates Uniform Minimum Reserves

DAWSON'S SUGGESTION IN AMERICAN LIFE CONVENTION

Says Present System Encourages Twisting and is Unfair to Many Companies

Grand Rapids.—Miles M. Dawson, consulting actuary of New York, in a talk to the American Life Convention, said that one reason why American companies have not had the full advantage of their liberality of policyholders is because our liberal features have usually been imported by statute or, in any case, made a matter of contract. Thus the idea was obscured—that this was merely a matter of a company dealing justly and generously with its policyholders as a purely voluntary matter.

Mr. Dawson briefly recounted the statutory enactments in these regards from the introduction of extended insurance by Elizur Wright's Massachusetts extended insurance statutes to the present time. These he contrasted with the growth, much more rapid and spontaneous, of liberal treatment of policyholders in other countries merely as a matter of company policy, notably in the Australian Mutual Provident Socicty, which policy had caused that company to be regarded with peculiar confidence.

Mr. Dawson also reminded those present of the large number of liberal features which American Life Convention companies have introduced—first of all, the automatic premium loan feature which first appeared in the very earliest preliminary term policy put out by a regular company in this country. He recommended as a means of retaining business a certain flexibility in mode of payment of premiums, as change from limited premiums to whole life or vice versa.

Discusses Twisting

Upon resuming the floor, Mr. Miles M. Dawson suggested that twisting from preliminary term companies is largely due to insistence by certain agents that their companies are better for the policyholder because maintaining net level premium reserves, miscalled "full reserves." This he denounced as fundamentally dishonest because two companies, incurring the same expense and other disbursements, have the same amount really left in reserve, though one put up out of other policyholders' money an additional sum.

He advocated a movement for a uniform minimum reserve system, applicable to all companies, with no requirement that policies be called "preliminary term"; and that all companies be required to report that as their reserve, setting out any extra reserves held voluntarily, as separate items; and that American Life Convention companies inaugurate and maintain a movement to compel this.

In the course of his talk Mr. Dawson declared that Massachusetts reserve requirements were such that many companies could not transact business in that State; and he intimated that "if Massachusetts could keep companies of other States out of Massachusetts, companies of other States could find a way to keep Massachusetts companies out of their States."

ATTEND MEETING

Two former officers of the Pittsburgh Life & Trust attended the American Life Convention: Hon. Howard S. Sutphen, vice-president and general manager of agencies of the Cleveland Life; and James H. Mahon, who has not yet announced his future plans. Former Actuary E. O. Dunlap of the Pittsburgh Life & Trust, and General Counsel Frank Ewing, are with the Metropolitan Life in New York.

American Life Convention Meeting

(Continued from page 3)

was an attorney. Shortly after he arrived in Dallas, Mr. Vardell gave him some notes to collect, which was done with tact and promptitude.

Mr. Vardell raised a laugh by saying: "I thereupon wrote Mr. Seay for a policy large enough to pay him for collecting the notes."

Continuing Mr. Vardell said that Lawyer Seay did such good work that his service came to be demanded by several companies for whom he began to act in a legal capacity. It wasn't very long before his abilities became recognized more generally, until finally when Dallas became disgusted with the type of city administration it had been enduring and decided to go over to the commission form of government, Mr. Seay was one of the five commissioners named.

"Had Mr. Seay desired to be mayor he could have had the job, but he desired not to continue in politics."

After Sidney A. Foster, of the Royal Union Mutual, and Charles F. Coffin, State Life, had attested to Mr. Seay's abilities and integrity and still others seemed desirous of adding their testimony, he was unanimously elected.

Re-Elect Mr. Blackburn

Thomas W. Blackburn, of Omaha, was re-elected secretary and treasurer of the convention. A circular attacking Mr. Blackburn had been distributed by a personal enemy, as a result of which Mr. Blackburn had insisted that his books be examined. When he told this to the convention there was a long outburst of applause, the convention arising to its feet as an evidence of its belief in Mr. Blackburn's services and integrity. Members of the convention seemed anxious to express confidence in Mr. Blackburn, and in the vote upon his nomination only one company cast a ballot against him, the Cleveland Life. President Hunt of that Company arose and declared that he wished to express his displeasure with Mr. Blackburn.

Praise for Insurance Newspapers

The retiring president, Mr. Coffin, made a felicitous speech about the insurance newspapers. He thanked them for the interest they have shown in the American Life Convention, an interest that they have manifested throughout the year and in former years, and for the treatment they were giving the convention.

Memorial resolutions were read covering the deaths during the year of William C. Baldwin, Pittsburgh Life & Trust; B. H. Robinson, Bankers Reserve; T. F. Giddings, Michigan Mutual; Charles Timblin, Western Union; W. O. Johnson, Security Life, Chicago.

Rescinds Group Resolution

At the executive session of the convention the old resolution against group insurance was rescinded.

Permanent Meeting Place

It was decided at the executive session to establish a permanent headquarters for the American Life Convention. The executive committee will decide its location.

Drops Trade Paper Issue

The American Life Convention revoked the resolution passed at its Pacific Coast meeting in which insurance newspapers were asked to furnish affidavits and details of their circulation by States.

This resolution has been the subject of widespread controversy ever since it made its initial appearance. Most of the newspapers took the attitude that the influence and value of insurance papers has little to do with circulation and refused to give their circulation to anyone but an advertiser or a prospective advertiser who has the right to know.

Circulations in the insurance newspaper business mean extra copy sales or selling by bulk papers which are issued without cost to the reader, certain companies paying the bills.

Upon this basis one paper has claimed a circulation as high as 47,000 a week, whereas papers which charge each reader three dollars a year do not find it possible to maintain a circulation of more than 7,000 a week. Thus, for many reasons the American Life Convention action, which required affidavit, was unwise, as it would stimulate padded circulation, interfere with editorial independence and handicap legitimate publishers who are doing their best to reflect the best sentiment of insurance and give thoughtful men in the business the type of service that they want.

It was for these reasons that the best papers decided not to give circulation affidavits. The justice of this position has been seen and the convention drops the trade paper issue, the chief backers of which were said to be Messrs. Hilser, of San Francisco, and Sullivan, of Wichita. Association Secretary T. W. Blackburn, who asked for circulation affidavits, merely carried out instructions.

HOME LIFE INSURANCE CO.

(Now Purely Mutual)

256 BROADWAY, NEW YORK

GEORGE E. IDE, President

The fifty-seventh annual report shows insurance in force of $133,493,000, an increase during the year of $7,832,827. The Company paid the policyholders in 1916 $3,536,233, of which $628,406 was in dividends or premium refund. Its insurance reserve fund was increased by $1,300,000 and the Assets are now $32-821,462.

For Agency apply to

GEORGE W. MURRAY,
Supt. of Agts.
256 Broadway, New York, N. Y.

Build Your Own Business

under our direct general agency contract

Our Policies provide for:

Double Indemnity, Disability Benefits, Reducing Premiums

See the new low Rates

JOHN F. ROCHE, Vice-Pres't

THE MANHATTAN LIFE INSURANCE COMPANY
66 BROADWAY NEW YORK
Organized 1850

BANKERS BLCo LIFE DES MOINES COMPANY

PAYS GOOD PAY TO GOOD MEN

Ambitious, Productive and Trustworthy Life Agents may be benefitted by corresponding with the

Berkshire Life Insurance Company
of Pittsfield, Mass.
Inc. 1851

New policies with modern provisions Attractive literature
W. D. Wyman, President W. S. Weld, Supt. of Agencies

THE WESTERN AND SOUTHERN LIFE INS. CO.
W. J. WILLIAMS, President CINCINNATI, OHIO
The Largest Industrial Company West of The Alleghenies
Also Issues All Standard Forms of Ordinary $500 to $10,000
Organized 1888

COMPARATIVE RECORD—SEVEN YEAR PERIODS

	Assets	Insurance in Force		Income	Policies Issued
Dec. 31, 1888	$ 104,307	$ 889,073	1889-1895	$ 1,085,087	265,931
1895	155,640	5,294,381	1896-1902	3,930,883	638,659
1902	876,007	22,374,980	1903-1909	11,312,912	839,426
1909	4,867,379	44,780,907	1910-1916	22,670,340	1,426,752
1916	11,943,640	104,989,362			

AGENTS WANTED IN THE PRINCIPAL CITIES OF OHIO, KENTUCKY, MICHIGAN, INDIANA, WEST VIRGINIA and WESTERN PENNSYLVANIA

Drop "Cost of New Business" Blanks

TOO MANY FACTS ENTER INTO EXPENSE ITEM

Uniformity Attempts Fail—Inquirers Regarding Cost Referred to State Insurance Departments

Grand Rapids.—In the report of the Committee on Costs of New Business Blank, it was recommended that the idea of securing reports of this character upon a uniform basis that will be of any value for purposes of comparison, be dropped. A number of companies have been out of sympathy with the idea of the blanks and had refused co-operation.

There was a short discussion on the subject, as most of the company executives present have keenly felt the sting of unfair competition caused by agents submitting to prospects cost comparisons in which one company is apparently disclosed as being much more economically managed than some other company, when often circumstances have shaped themselves in such a way that these figures are misleading.

Chart Comparisons Often Misleading

One speaker discussed the unfairness of some of the charts, which even if conscientiously compiled—and he gave their editors that interpretation of their work and character—were misleading. There is the case of the company which during the year adds greatly to its volume by re-insurance, which new business is placed upon the books at small cost. In the records, however, even when a note at the bottom of the page is made that there is a re-insurance it is in very small point type, and the attention of the prospect who is negotiating with several agents of competing companies is not called to the fact.

Committee's Report

The report of the committee follows. "In the convention of 1912 occurred the first extended discussion of 'The Cost of New Business.' It resulted in the appointment of a committee to devise a blank upon which should be reported by each of our members an analysis of the cost of new business. The blank became known as 'The Cost of New Business Blank.'

"The underlying thought was that it would be informative and beneficial to our members to have brought to their special attention each year a tabulation of the cost of new business of all our companies. It was well known that some of our companies secured their business at lower cost than others and it was thought that the study of this tabulation by the less fortunate would be beneficial in helping all of us reduce the cost of securing business.

"A large majority of our members have been filing these blanks annually with our Secretary, who has in turn compiled them and redistributed them to the companies furnishing the original data.

Blank Difficulties

"In each of our previous reports, your attention has been called to the difficulty in devising a blank which would result in reports upon a uniform basis, and that to be of value for purposes of comparison, the reports would necessarily need to be upon a uniform basis.

"Our companies are domiciled from New Hampshire to California, from Minnesota to Texas. The field conditions under which they operate in these widely separated territories are totally unlike. The methods that are pursued in securing new business are therefore of necessity very different. Some of our companies write a very large new business in proportion to old business in force and some the reverse. Some write wholly participating business, some wholly non-participating, and some both kinds. Several different methods of valuing policies are used. Some of our companies charge as high as 30 per cent. of all officers' salaries and office expenses to new business, some charge smaller proportions and some none at all. Some of our companies operate on the branch office plan, some on the general agency plan and some under both plans, and some charge all branch office expense to new business, some a certain ratio and some none at all.

"For these reasons your committee has found it impossible in the past, and thinks it will be impossible in the future to devise a blank that will result in reports of any considerable value to the members of this convention. For these same reasons some of our best members have never filed a report and never will.

"The records show that a large number of companies do file the blank and inquiry develops the fact that quite a considerable number think it has been of value and are in favor of its continued use. The attention of these companies is called to the fact that if they are interested in the cost of securing new business of other companies this information can be easily secured from the statements on file with the insurance departments.

"For the reasons set out your committee is of the opinion that it is impossible to secure reports that will be of any value to our members for purposes of comparison.

"It, therefore, recommends to this convention that the use of 'The Cost of New Business Blank' be discontinued."

FRICKE'S WAR RESOLUTION

Grand Rapids.—Dr. Fricke, the former Wisconsin Insurance Commissioner who is now head of one of the Wisconsin companies, introduced a resolution, which was referred to a committee, and which read as follows:

> Resolved that the companies represented in this convention be requested to have their actuaries consider the advisability of a factor in all life insurance premiums under a system of "universal service" for the creation of a war risk reserve, and the elimination of the service in war clause and extra war premiums to cover the contingencies of the hazard in the future wars.

THE AVERAGE EARNINGS OF THE AGENTS OF THE

Standard Life Insurance Company

∴ ∴ OF PITTSBURGH ∴ ∴

are higher this year than ever before. Our attractive Accident and Health Policies have helped them to make more money.

Write for a LIFE, ACCIDENT AND HEALTH Contract to

FRANK A. WESLEY

Vice-President and Director of Agencies

LAPSES NOT COMPANIES' FAULT

Views of W. W. Moore, R. W. Stevens and C. A. Atkinson on Service to Policyholders

One of the discussions at the American Life convention covered the topic "What Is Your Company Doing For Its Policyholders?" The companies' representatives were not inclined to be specific in relating individual company practices but handled the matter in an academic way.

These among other views were expressed:

W. W. Moore

W. W. Moore, Inter-Southern: The best way to be regarded as a good man is to be a good man. The best way to make policyholders feel that they are a part of your organization and to want to continue so is to consider their interest in whatever is done. People who like their fellows are liked by their fellows. If the policyholder feels that the company is watching out for him he will stick to the company. I agree with President May, of the Peoria Life, that the policyholder is always right.

H. W. Johnson

H. W. Johnson, Central Life: The company should be an adviser of its clients. It is our policy not to shift our agents too much. They stay close to their regular territories; thus they know the needs and ambitions and purposes of all in their vicinity who are carrying policies with our company.

R. W. Stevens

R. W. Stevens, Illinois Life: We have heard companies admonished for not giving proper service, carrying the intimation that the companies are largely to blame for the lapsation of their policyholders. I do not believe that the fault is with the service of the companies. That service needs no defense. The lapsation of policies is caused by representatives of other companies destroying confidence in the company carrying the insurance. When a policyholder raises a question about his contract he receives the consideration of an executive officer. If a man makes a complaint of hotel service he is attended to by some clerk, not by an officer of the hotel. The life insurance companies are rendering the best service to patrons of any corporations that I know.

C. A. Atkinson

C. A. Atkinson, Federal Life: Give the policyholder what he needs, not what you can sell him by ingenuity. Never permit a $50 premium to be contracted for by a man who can only stand $25.

THE CHANGING COMMISSIONERS

Twenty-one New Ones in the Interim of Two American Life Conventions

Grand Rapids.—A report by a committee, chairman of which was President Hamilton, of Federal Life, made a report of which the following is an extract:

Since the last annual meeting of the Convention 21 States have changed commissioners, as follows: Arizona, Arkansas, California, Colorado, Delaware, Idaho, Illinois, Indiana, Michigan, Minnesota, Montana, New Mexico, North Dakota, Ohio, Pennsylvania, Rhode Island, South Dakota, Tennessee, Texas, Utah, Vermont. In some of the States the new commissioners are without supervising or other insurance experience, but notwithstanding this handicap we are hopeful they will develop as many other such have done, into able, conservative commissioners, as insurance experts, skilled and experienced in administering the important duties with which they are charged.

Your committee is much pleased to be able again to report that during the past year no instance of friction between a member and a commissioner has been brought to its attention, nor has it received any complaint of unnecessary or excessively expensive examinations of companies.

The commissioners in furtherance of their attempts to secure uniformity of company practices endeavored to secure the adoption by the companies of a uniform war clause and premium rate.

The FEDERAL LIFE INSURANCE COMPANY, Chicago, the OLDEST and LARGEST Illinois Legal Reserve Company, originally organized and ever since continuously operated as such, now operating in its eighteenth year and in eighteen adjoining central States, with over $25,000,000 of high grade insurance in force, over $4,000,000 of assets, $500,000 of surplus to policyholders and a premium income of over $3,000 per day, recently qualified to transact business in Colorado and Montana, desires to contract with State and District Managers and Solicitors in each of said States.

It wants only determined, capable, industrious men of high character and correct habits, who stand well in their communities, who will be ASSETS (not LIABILITIES) to the Company, preferably inexperienced in insurance, desirous of life-long connections, willing to be taught the profession by a company of enterprising, conservative and honorable management, whose policies and agents' contracts are unexcelled in fairness.

Such men (or women) may secure contracts, affording an opportunity to establish a COMPETENCY and a CONTINUING INCOME, to represent either the LIFE DEPARTMENT, or the ACCIDENT & HEALTH DEPARTMENT, or BOTH, as may seem mutually most advantageous.

For detailed information address, giving references, Isaac Miller Hamilton, President, or Charles S. Rannells, Secretary, FEDERAL LIFE BUILDING, Chicago.

Home Office Duties to Policyholders

FRANK P. MANLY ABLY DISCUSSES SUBJECT

Policy Lapses, Officials' Qualifications, Their Responsibilities and Agency Representation Analyzed

The duties of the life company home office to the policyholder, particularly the new policyholder, were described in detail by President Frank P. Manly, of the Indianapolis Life, at the American Life Convention.

"The long record of honorable achievement of American life insurance companies bears ample testimony to the fact that they have fully appreciated their responsibilities and dutics to their policyholders, as no other class of institutions have to their patrons," said Mr. Manly. Continuing, he said:

"During these times of soaring prices and multiplying expenses, the life insurance companies are actually decreasing the cost of insurance. No policyholder, new or old in any company has received a notice to the effect that his dividends are reduced or the benefits under his policy curtailed 'on account of the war.' Yet, this is a most appropriate time for this association to place added emphasis on this subject.

Are Giving Value Received

"While we, as company managers, know that we are giving good values and good service to our policyholders, it is quite evident from the enormous lapses, that altogether too big a percentage of them do not know it. The total volume lapsed during the past ten years by some two hundred and fifty companies reach the staggering figure of six billions of dollars, more than twice the volume in force in the one hundred and five companies in this association. This is an appalling waste to the companies, and in nearly every case, a waste to the individual policyholder. A lot of this waste can be eliminated. Policyholders who have confidence in the company management and understand the value of the service given them, do not lapse. Not one policyholder in a hundred in any healthy, going company, can afford to let his policy lapse. It is therefore the plain duty of the company to keep him from lapsing. This is both good morale and good business. 'Oh, yes,' you may say, 'but how will you do it?' The fundamental is simple. Establish his confidence. Educate him to the value of life insurance and of your special service, and begin early—when he is new to the company. One of the world's greatest religious organizations, noted for the persistence and fidelity of its members, places special emphasis on the religious training of the child to the twelfth year; by then, he is well-grounded in the faith and there is little danger of lapsing.

"The average new policyholder has at best only a vague and indefinite understanding of his policy. He is apt to feel that the company has no personal interest in him other than to get his money. One of the big companies, noted for years for its intensive cultivation of its policyholders and agents, advertised last year that over thirty per cent. of its new business was obtained from old policyholders. There is a splendid sermon under the surface of this statement of fact.

Character Required of Leaders

"Men who seek or accept places of responsibility on the official boards of life insurance companies must be men of character and intelligence, awake to their duties and sacred responsibilities, and more, they should be inspired with the spirit and broad scope of service as it is exemplified in the great work of life insurance. Officers and directors must have the right perspective as to the purpose of a life insurance company.

"It is generally conceded by the broadest and keenest minds in the business, that a life insurance company is not and should not be a mere commercial institution for the purpose of making money for the men who own the stock or manage the company. The whole appeal of life insurance is and always has been to the sentimental and unselfish side of men. The company is a quasi-public institution, recognized as such by the States and the Federal Government. Its first and primary purpose is to serve the policyholders and the public, and in this service there can be no important clear distinction between a company under stock management or control, and a mutual company. In either, the policyholders constitute the company. They have a right to the best that the company can give them. Not necessarily the lowest premium or the most liberal policy, but a fair and cordial recognition of the rights of the policyholder and his status with the company.

Have Been Too Many Failures

"Notwithstanding the high plane upon which the life insurance business is conducted. there have been too many shameless exploitations of the policyholders and the public under the name of life insurance. There are too many who feel that a life insurance company is legitimate prey to spoilation and even piracy. And sad to tell, this form of buccaneering has not been limited to mere promotion schemes. Another class of officers, with a strong development of the commercial instinct, but weak ideas as to their responsibilities and duties to their policyholders, consider a life insurance company a fair subject for barter and trade. Well established companies have been sold for cash, like a mere chattel, removed bodily to some other section of the country, with no apparent thought on the part of the vendors, of the employes who had devoted years to its faithful service, of agents who had conscientiously labored in the field to establish the business, of the policyholders who had given their money and their confidence to the company, nor to the city or State that nurtured them.

"No matter how legal these transactions may be, they tend to shake the confidence of the public, and impose an added burden upon the younger companies. It puts them in a position to prove at every turn their right to patronage. The policyholders in a company have a right to demand that the company be placed beyond the reach of speculators. The sentiment is growing stronger and stronger each year, that there is only one set of men to whom a healthy life insurance company should be sold, and that is the policyholders themselves. We have had during the past few years some magnificent examples of this type of service to policyholders. It is therefore doubly important that the younger companies establish, at the earliest date, that mutual confidence between home office and policyholders that is so essential to the permanent and best success of the company.

Must Employ Right Agents

"It is plainly the duty of the home office to see that the right kind of agents be employed. The agent usually is the go-between. The policyholder knows the company through the agent, and judges the company by the agent. If the agent is doubtful, the company is doubtful. Of course, it is one of the constant big problems of the company to get and keep dependable men in the field. I am not going to try to tell you how to do it. If I knew, I would have a much bigger staff myself. Nevertheless, I am going to tell you something that you already know from painful experience—that doubtful representation in the field is of doubtful value, and bad representation is altogether too expensive for the big company, and disastrous for a small company, fighting for a place 'in the sun.'

Greatest Influence Is Agent's

"As far as it immediately affects the policyholder, the agent should have two pronounced qualifications: first, character—an honest desire to serve well both his company and his patron; second, knowledge—knowledge of his company and its policies and knowledge of the applicant's life insurance needs, so that he may give him good service and good advice. The advice of an ignoramus isn't worth much, that of a crook is dangerous. If the agent is on the square and knows his business, the new policyholder will get good service and be started fairly on his insurance way, and the company will have little trouble. The crook agent, the smart crook, is a regular submarine, running wild, torpedoing both the policyholder and the company. The applicant isn't expected to know the difference. It is the company's duty to know. And the applicant rightly holds the company responsible for the acts of its agents. The crook agent is empha sized because he does so much damage. Fortunately, there are few of him and he will soon be extinct. It doesn't take a close observer to note the marked improvement during the past few years in the personnel of life insurance field men. There is every reason why the companies should eliminate the agent of doubtful character, and give new courage and added inspiration to the conscientious agent."

NATIONAL LIFE INSURANCE COMPANY
(MUTUAL)
MONTPELIER, VERMONT
67th Year
FRED A. HOWLAND, President

On paid-for insurance basis and with bonds valued at par only (market value $409,882 above par) the 67th report shows:

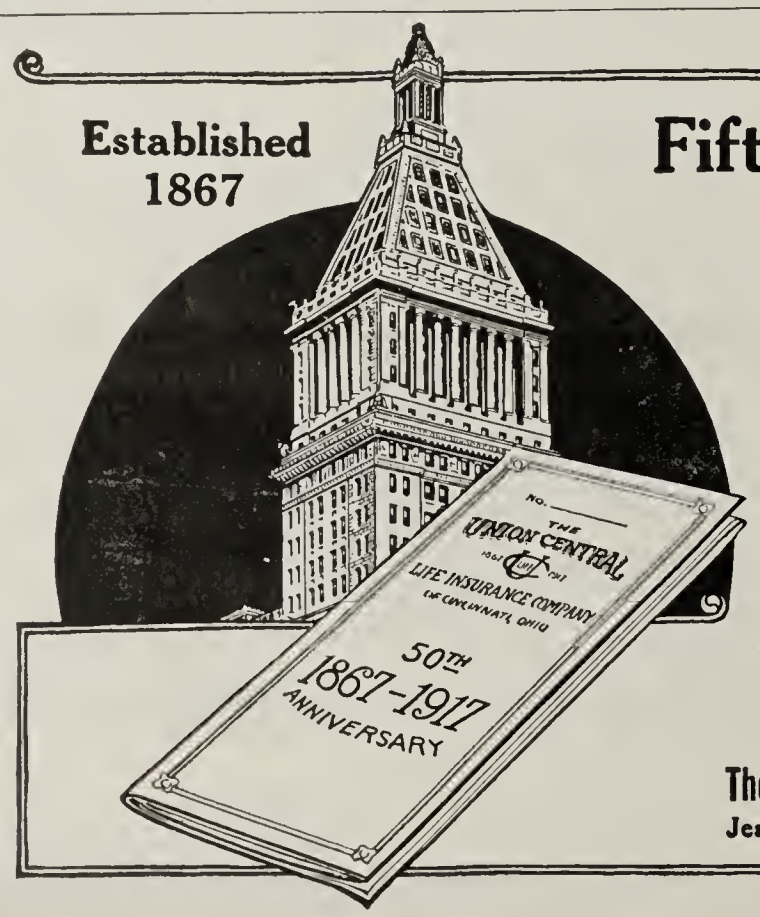
Assets	$66,426,040.82
Liabilities	62,268,494.36
Surplus	$ 4,157,546.46
INSURANCE IN FORCE	$212,037,400.00

A good company for the policyholder and the agent
EDWARD D. FIELD, Superintendent of Agencies.

ALWAYS A PLACE FOR DEPENDABLE AGENTS

Those who can not only write applications but deliver policies, and are energetic in their methods. Good positions are ready for such men.

Union Mutual Life Insurance Co.
PORTLAND, MAINE
ARTHUR L. BATES, President
Address: ALBERT E. AWDE
Superintendent of Agencies
7 W. Madison St., Chicago, Ill.



Fifty years of success

The Strength of the Company—the growth of a half century—towering back of every policy contract, assures the largest possible measure of *security*, *service*, and *saving* to the insured.

The wisdom of the founders in restricting the Company's investments to farm loans, has throughout the years afforded the largest degree of safety, together with the greatest earning power on its invested funds. It has in addition served the Nation, and the wide world in these troublous times, by its signal aid in the development of the Country's Agricultural Resources.

The manifold service of the past half century may safely be accepted as a criterion of larger service in store for its policy-holders and their beneficiaries.

For Information address Allan Waters, Second Vice-Pres.

The Union Central Life Insurance Company
Jesse R. Clark, President Cincinnati

Life Insurance in New York State

COMPANIES' ASSETS AMOUNT TO $5,144,624,477

8,036,874 Policies in Force Amounting to $3,757,103,221 of Business on December 31,1916

Superintendent of Insurance Jesse S. Phillips, of New York State, has issued part two of his annual report relating to the transactions of life insurance companies in New York State during 1916. In an abstract of the report the Superintendent says:

"Conditions the world over were far from normal during 1916 but apparently the abnormal conditions caused primarily by the European war did not adversely affect the business of life insurance, but judging from the results shown by the following summarization, possibly had in some measure an opposite effect. The business conditions of the country are usually to a degree reflected in the results of the operations of the life insurance companies, and 1916 will be known as a banner year in the history of the American companies and also as a successful one in the business circles of the country generally. The marked decrease in lapsed and surrendered policies, the lowering of expenses and the increasing allotment of dividend funds to policyholders, as well as the stability of the risks written and in force, all go to prove that the great business of life insurance, in spite of a state of social and economic unrest which was in evidence during the year, is, at this time, in a condition that should be most satisfactory not only to the companies themselves but to the policyholders as well.

Assets $5,144,624,477

"It appears that, at the close of business for the year, the life companies were possessed of $5,144,624,477 of admitted assets; an increase of $293,927,596 over 1915. The liabilities, excluding gross surplus and special funds of $291,675,271 were $4,852,949,206, an increase of $265,999,003 over the previous year.

Income $991,452,457—Disbursements $720,625,391

"The total income was $991,452,457, an increase of $65,720,094. The amount of premiums received was $736,319,365, or $51,687,313 more than in 1915. The companies disbursed in 1916 $720,625,391, being $6,982,219 more than in 1915; of that amount $530,350,011 was paid to policyholders, while the cost of management (including shareholders' dividends) was $190,275,380.

1,259,260 Ordinary Policies Issued

"There were 1,259,260 'ordinary' policies issued and paid for during 1916, with insurance of $2,397,178,608. Compared with 1915 there was an increase of 167,711 in the number of policies written, and the amount of insurance increased $443,102,282. There were 873 less policies terminated in 1916 than in 1915 and $60,389,136 less insurance.

8,891,679 Ordinary Policies in Force

"The total number of 'ordinary' policies in force on December 31, 1916, was 8,891,679, insuring $16,814,540,674; a net increase of 603,451 policies, and $1,181,801,616 in insurance. The amount of 'industrial' insurance in force was $4,409,842,484, being an increase of $334,507,741; making a total increase for both classes of business of $1,516,309,357.

Total Business in Force $3,757,103,221

"The business in force in the State of New York at the end of 1916, and transacted therein during that year by all life insurance companies of this and other States including both 'ordinary' and 'industrial' insurance, was as follows: Policies in force, 8,036,874, insuring $3,757,103,221; policies issued, 1,200,995, insuring $627,020,701, an increase in insurance in force of $325,065,267, and in insurance written and paid for in 1916 of $101,686,275.

Gain in Surplus $7,549,918

"The following comparative figures show the sources and amounts of increases and decreases, in the unassigned funds (surplus), of the companies for 1915 and 1916:

	1915.	1916.
Gain from loading	$16,446,111	$11,274,056
Gain from mortality	53,040,079	55,002,297
Gain from surrendered and lapsed policies	15,025,821	14,378,967
Gain from interest and rents, less amount required to maintain reserve	77,373,785	82,571,403
Loss from annuities	171,243	182,832
Loss from investments	20,843,243	556,570
Loss from dividends to policyholders including net increase or decrease in dividend funds apportioned and unapportioned	117 359,752	126,879,179
Loss from miscellaneous sources	38,321,574	28,058.224
Total gain	14,810,016	7,549 918

Surplus Department Receipts, $724,567.83

"The total receipts of the department for the fiscal year (nine months) ended June 30, 1916, were $1,034,921.74; the total expenditures were $310,353.91, an excess of receipts over expenditures, covered into the State Treasury of $724,567.83.

$44,985,181 Securities Deposited

"The par value of the securities held on deposit by the department on December 31, 1916, belonging to the various insurance companies of all classes required by law to make such deposits was $44,985,181."

BUSINESS CONVENTION HELD

The Columbian National Life of Boston held a business convention last week, attended by the members of its $100,000 Club and its general agents. The proceedings concluded with a patriotic dinner in the Hotel Somerset.

Bankers and Life Insurance Companies

ALLIED INTERESTS STRENGTHENED BY HARMONY

Savings Institutions Urge Their Patrons to Accumulate Money for Insurance Premiums

The relations existing between the American bankers and the American life insurance companies are much closer than the average citizen understands. Not only do these great interests work in harmony, but their interests are so closely allied that each is laboring for the best interests of the other. "The factors that banks are becoming in their influence for life insurance are more apparent every day, and the attitude toward life insurance on the part of banks is one of strict co-operation," says the Bulletin, published by the Bankers' Life of Nebraska. "The up-to-date banker who keeps in touch with the present condition of his patrons, puts life insurance among the matters of first importance in the strengthening of the patron's credit.

The Savings Bank Plan

"Recently savings banks have quite generally adopted a plan urging upon people the use of their banks in which to accumulate funds sufficient to pay life insurance premiums. They know the good life insurance is doing and they realize that because many people have nothing laid aside with which to buy insurance or pay its premiums that they go uninsured, so this class of banks are working for life insurance protection through working for savings that can be invested in that way. Commercial banks everywhere are now making a feature of the record of life insurance that their borrowers carry. To these banks it is a direct strengthening of credit, and the man who does not carry life insurance is urged by the banks to carry at least sufficient to cover liquid liabilities.

"Recently the Federal Reserve banks have incorporated in their statements required from makers of rediscounted notes, asking how much business insurance is carried. The American Bankers' Association is preparing a new borrower's statement for use by its members and they make the amount of life insurance carried a subject of inquiry. No class of business men realize more thoroughly than do bankers the value that it is to a man's credit to carry life insurance.

A Sure Thing

"A bank may be carrying a man on his normal credits; they may know that in case of his death that his estate will pay for the indebtedness to the bank, but they know above this, that if he carries life insurance that the life insurance in case of his death, is cash immediately available for the use of his estate in meeting immediate obligations, and that in a multitude of instances cash available through life insurance often saves the sacrificing of an estate. To not only feel that they themselves are better secured, but to feel that the estate or the widow and children left are better fortified to meet the world after a man's death, is a fact recognized universally by this class of business men. Thousands of business men go to their bankers for advice. When these bankers, in addition to the ordinary advice in regard to business matters, go beyond this and advise and urge the value of their credit and the all-around profitableness of life insurance, they are contributors in the largest sense not only to the betterment of the individual, but to the betterment of society and business in its entirety."

DOCTORS IN GREAT DEMAND

Army Service in France Threatens to Deplete Ranks of Skilled Insurance Examiners

For the first time in the history of life insurance, these companies are confronted with the possibility of a scarcity of desirable medical examiners. Already the drain on the medical profession for war service is keenly felt, and as there is a call out for at least twenty thousand more doctors for the European battlefields, the present condition is all the more aggravated. There is little likelihood that examiners for the old line companies will feel disposed to leave the country, but owing to the present dearth, even the slightest withdrawal from the depleted ranks will be felt.

The physicians connected with many of the industrial plants have gone into the army, and as a result the casualty companies find the hazards at the plants increased. Of course this factor is considered when accepting insurance at the plant. Insurance companies allow the reduction in rates for compensation when the assured keeps a qualified physician on the premises or adjacent thereto, and in the event the plants are unable to continue the services of a physician, rates will be restored to the level charged when the service is not maintained.

The general agency of A. M. Waldron, of Philadelphia, has secured the services of special agent N. C. Rorobaugh, who has covered Pennsylvania for the National of Hartford.

44 MILLIONS from 42 AGENCIES

THE 1916 RECORD OF OUR EARNEST, LOYAL AND HAPPY AGENCY FORCE

New England Mutual Life Insurance Company

BOSTON, MASS.

The Nation Needs Its Business

Not less patriotic than those who serve the Nation in organizations directly connected with the war, are those who keep the wheels of business steadily turning. Their work contributes to the country's moral poise, and, as well, keeps sound the financial foundation on which our great part in the war must rest. Life insurance is one of the great conservators of national resources, through its protection of the myriad homes of the people and the businesses which furnish their maintenance. Life insurance has therefore a great opportunity and a great duty in this time of crisis.

Occasionally we have a General Agency opening

JOSEPH C. BEHAN, Superintendent of Agencies

MASSACHUSETTS MUTUAL Life Insurance Company

Springfield, Massachusetts

Incorporated 1851

LIVE HINTS FOR BUSINESS GETTERS

Practical Suggestions to Help the Man With the Rate Book Increase His Income and General Efficiency

Hamilton Cooke on How to Get Prospects

"First, an agent should ask each applicant to give him the names of three people on the application. As he secures these names he should ask their business, their age, income, etc., if married, how many children, etc. If he is a farmer, find out whether he owns his land. If a salaried man, how much he makes, his physical condition, etc.

"This information should be transferred to cards during the evening after business hours. While reading the morning paper a good many names may be secured. Check them and in the evening from the telephone or other directory look them up and make cards for them.

"From club directories, church directories, tax records, you can secure names. From a friend who runs a wholesale house borrow a Dun or Bradstreet and during the evening make up a stated number of cards, showing rating, etc. By adding a few names every day you will shortly have an endless amount of material to work on.

"But don't start out to complete your library before you start out to sell. Put in as much time selling as you ever did and make up your library in the evening from the pointers you get during each day's work.

"We have a salesman whose daughter has made up a list for him of every school teacher in St. Louis, and every nurse, doctor and minister. We have other agents whose wives assist them in making up these lists, and a lot of agents who employ a stenographer, but those men write and pay for from $400,000 to a million and two millions a year.

"I hope some such system will enable you to write business every week for 100 weeks, and greatly increase your volume, thereby enlarging your profits."

* * *

What Is Business?

"To sell a man or a woman something that he or she does not want—that's business. Likewise it's diplomacy." That was the definition given in a prominent newspaper recently. But that is not the spirit of modern business. Modern business is the art of serving and satisfying. To succeed all kinds of business must aim to satisfy. In this way old customers are retained, and new ones secured. The bargain that is bad for the buyer is not good for the seller—unless he be a fly-by-night citizen. Shyster methods may make a business man rich, but they will not keep him rich.

There is a vast difference between reputation and character, although a great many business concerns do not recognize the distinction. Character is what you really are; reputation is what the public thinks you are. To succeed it is necessary to serve the public satisfactorily. That is the principle taught by every honorable insurance company to its agents.

* * *

The Woman Who Objected

"In 1913 I insured a very prominent civil engineer, and despite my best endeavors failed to sell him more than $7,000 because his wife did not wish him to spend too much money," said Louis Lichtenstein. "I pointed out the fact that $7,000 well invested would not pay the rent of the apartment they lived in, but was told that in a few years the amount of insurance would be increased. But, it was not increased, and yesterday the widow called on me to help her fill out the claim papers, and told me of an illness that had lasted only two weeks.

"She had been brought up in luxury and had been accustomed to the good things of life, and is left with a ten-year old girl and a four-year old boy, and the various interests of her late husband have dwindled into nothingness with one tangible asset—the $7,000 we shall pay her. She told me that she shall have to look for employment, and suggested that she now had a mission in life, and that was to spread her story abroad over the land and point to herself as a 'terrible example' of women who object to the cost of insurance. She will call on me next week to sign up for agency work."

* * *

One in Four Was Sick and Didn't Know It

Thomas A. Buckner, vice-president of the New York Life, says: "The pick of the nation applied for admission to the Officers' Training Camp at Plattsburgh, N. Y. They were young men in the pink of condition apparently—they were the nation's best, yet for one reason or another one in every four was rejected.

"Out of every four, one had something vitally wrong with him, and he didn't know about it.

"He was facing failure, disaster, death, in the serene confidence that he was perfectly well.

"These were the facts where the men concerned were young.

"What must the astounding ratio be among the older generations?

"These facts give you something to think about.

"The facts give men and women everywhere something to think about.

"They furnish a startling picture of the general situation that no doubt today exists among the people of the United States and Canada.

"No picture could more strongly show the importance of applying at once for life insurance—before it is too late.

"Try now—none should postpone."

* * *

How Men Become Automatons

A man of broad business experience was asked the other day this question: "What are a young man's chances for success in these times of push and exhaustive energy?" His answer was: "I too frequently hear that question asked, and I am often tempted to reply, 'Not much for you, my young man, because if you opened your eyes and looked, you would not have to ask the old, worn-out question.'"

There are chances everywhere adapted to every sort and condition of men. Sometimes, though rarely, they are thrown at a young man, but as a rule he must find them for himself, and he must be able to recognize them when he sees them. In hunting for opportunities a young man must use judgment and method. He should not attempt too much, but, selecting some congenial work, let him master that to the finest detail.

The world never offered so many chances for the ambitious young man as it does today. The trouble lies in his inability to see it when it confronts him, or perhaps if it is tossed at him, he will dodge it, for fear of being shocked.

Another failing among our young men is the lack of initiative. The men at the top of the ladder today are those who possessed some originality—either innate or studied. This has been used, and if their ideas have not forced them up a rung or two on the ladder of success, they have not become discouraged, but have offered another original idea along some certain line of business. Even though none of these suggestions have appealed to the employer, they have convinced him that the young brain is busy trying to evolve something valuable, and some time will produce.

But men become automatons or machines, by performing their duties in a perfunctory manner, consoling themselves that if they discharge the duties to which they are assigned, that is all that can be expected of them. They may be useful in a way, painstaking and industrious, but for all their good points they remain mere machines whose influence is not much in excess of a typewriter itself. They have a better chance to gain fame as business men than the heads of the firms by whom they are employed. But the latter did not wait for a chance; they made the chance.

It's a pretty bad state of affairs if a business man has to go outside of his business to find a man for a position "higher up." It's a stigma on his employes, but doubtless they deserve it. More than once firms have had to go outside to get a manager, and have paid him a salary that would have been princely to any one of their own men—and this simply because among the score or more of employes—good working fellows—not one had ever taken the pains to learn more than his own detail of routine duty. Why should such men ask: "What chance has a young man nowadays?"

THE MOST VALUABLE POLICY FOR YOU,
Mr. Agent, is to write your prospect in the Company writing the most valuable policy for the insured.
Secure **prompt action** in the
John Hancock MUTUAL LIFE INSURANCE COMPANY OF BOSTON MASSACHUSETTS
WILLIAM N. COMPTON, General Agent
METROPOLITAN DISTRICT, ST. PAUL BLDG., 220 BROADWAY, NEW YORK, N. Y.

ORGANIZED 1871
Life Insurance Company of Virginia
RICHMOND, VIRGINIA
OLDEST, LARGEST STRONGEST Southern Life Insurance Company
Issues the most liberal forms of Ordinary Policies from $1,000.00 to $50,000.00, and Industrial Policies from $12.50 to $1,000.00
CONDITION ON DECEMBER 31, 1916:

Assets	$14,464,552.23
Liabilities	12,436,717.56
Capital and Surplus	2,027,834.67
Insurance in Force	118,349,212.00
Payments to Policyholders since Organization	18,119,172.50
Is Paying its Policyholders over	$1,300,000.00 annually

GOOD TERRITORY FOR LIVE AGENTS

Founded 1865
The PROVIDENT Life and Trust Company
OF PHILADELPHIA, PA.
What do most men fear?
An insufficient income for their wives and children if they die, and for their own old age if they live.
WE WILL INSURE THE INCOME IN EITHER EVENT.
Write for Information

WANTED—MORE YOUNG BLOOD

After September 1, the minimum age of admission to membership in the Modern Woodmen of America will be reduced from age 18 to age 17.

WITH MUTUAL LIFE

Frank W. Magill, of Danville, Pa., has been appointed special representative of the Mutual Life to cover Montour, Columbia, Northumberland, Snyder and Union counties in Pennsylvania.

Extracts from Report of Examination of
SOUTHWESTERN LIFE INSURANCE CO.
By the State of Texas, June 28, 1915
"It is noteworthy that this Company was organized without any promotion expenses."
"I beg to report further that I find the Company in excellent financial condition."
"The volume of its business has steadily increased, its surplus is growing rapidly and its funds are being carefully conserved under expert supervision."
Home Office, DALLAS, TEXAS

We don't contract with poor men.
We give a new man our attention until he is started.
We make our men make good.
Why don't you work for us?
Peoria Life Insurance Company
PEORIA, ILLINOIS

Discusses Waste in Agency Management

SUGGESTIONS OF R. W. STEVENS, OF ILLINOIS LIFE

Says One Method is to Eliminate Needless Expense in Securing and Educating New Agents

One of the bright spots in the American Life Convention was the five-minute address of R. W. Stevens, vice-president of the Illinois Life, on the subject of "Elimination of Waste in Agency Management." Mr. Stevens said:

Those who have preceded me have covered so clearly and completely the chief problems that have to do with the elimination of waste in agency management that I shall discuss but very briefly certain factors frequently overlooked, the careful control of which may mean the saving of thousands of dollars each year to an agency management which is devoting a proper proportion of its energies to the securing and development of new agents.

Immediately upon the completion of the new agent's contract it is necessary that a State license be secured and that he be equipped with rate-book, application blanks, literature, stationery, etc., all of which means an outlay on the part of the company of not less than five dollars. Even though the agent produces no business the license fee is not refunded; and if, as is rarely the case, his insurance supplies are returned to the company, they are usually in such condition as makes their further use impossible or inadvisable.

Experience With New Agents

We all know that a distressingly large number of new agents appointed produce no business whatsoever, therefore, in figuring the acquisition cost of each new agent who does make good we must include his pro rata share of the losses which the company incurs by reason of the employment of non-productive agents.

If a hunter brings down a game-bird with his third shot, it is a certainty that the ammunition-cost of that bird is three times the price of the successful shot, and that two-thirds of the ammunition was absolutely wasted.

On account of each ineffective agent appointed the company suffers a direct financial loss, and indirectly each efficient agent is taxed, since the agency organization as a whole must carry the cost of its operation, which facts, if called to the attention of the men in the field, should encourage them to co-operate with the home office in reducing the wastage to which I refer.

In some instances the agency representative making the unprofitable appointment may properly be criticized; but in the majority of such cases the employing agent has acted with discretion, judgment and good faith and has been grossly misled and deceived as to the intentions of the newly appointed agent as regards devoting his time to the actual solicitation of life insurance. In other words, while not in good faith intending to enter our business, the gilded-brick variety of agent to which I refer is not man enough to frankly say so and thereby save the company from the loss which always follows the hopeless attempt to develop a man who has no stable desire to be developed, or to work.

Should Make Cash Deposit

Now the suggestion I have to lay before this Convention is that companies might profitably adopt a rule that each newly appointed agent shall make a cash deposit with the company of an amount at least equal to the cost of his license and soliciting-equipment.

In the carrying out of this plan I would include in an agent's outfit a choice of standard insurance books or publications and a serviceable leather portfolio.

The aggregate value of the soliciting-equipment should be not less than five dollars, and a specific written agreement should be given to the effect that the deposit on account thereof will be refunded upon the return of the supplies in good order within a reasonable period, or upon the completion of a certain specified amount of new paid-for insurance. The refund of the license fee, however, should be made contingent entirely upon the production of business.

The general enforcement of such a rule would in a large measure reduce the license and equipment waste which we are all suffering, and which, under present conditions, seems unavoidable; and, further, we would have reasonable assurance that the newly appointed agent sincerely and honestly intended to devote his time and energies to the extension of our business.

PENNSYLVANIA LEGISLATION

Reading Newspaper Comments on Law to Prevent Swindling of Life Insurance Policyholders

Speaking of the legislation enacted in Pennsylvania, looking to the protection of policyholders, the "Reading Telegram" in an editorial said recently:

> Berks County will be especially interested in the knowledge that the recent Legislature passed a law, which has received the signature of the Governor, that if it will not prevent will at least discourage and make more difficult the kind of insurance swindling from which many Berks people have suffered in recent years.
>
> It is true that the courts and the legal machinery of Berks County were efficient enough to catch, prosecute, convict and sentence some of these swindlers, who are now behind the bars; but this action, commendable and satisfactory as it was in satisfying our sense of justice, did not restore the money to the pockets of those from whom it had been taken. The courts demonstrated that there was law enough to punish, but what was needed was a preventive.
>
> If there is any field in which the people are entitled to protection and safety more than in another, it is in the matter of life insurance. When a citizen insures his life he does so from the highest and most sacred motives, to secure his dependents. In most instances he makes sacrifices to create a trust for his family and to provide for them under a system which, when honestly conducted, is one of the most beneficent in the realm of business and finance.
>
> He is certainly entitled to expect of the lawmaking power that it will watch over these institutions, which it has permitted to do business, and see to it that all who may approach the prospective insurer are willing and able to fulfill their obligations and carry out their trust. Yet this has been by no means the case in Pennsylvania in the past. On the contrary, the State has been overrun with fake and speculative insurance companies that have not only taken millions from the people without any adequate return, but have so discredited the business of legitimate life insurance as to deter many thousands from partaking of its great benefits.

"AN AMERICAN COMPANY"

True to American Ideals and Traditions

The Germania Life Insurance Company

Established 1860

Under the laws of the State of New York

The following are a few Germania features which have helped to make

Every Month This Year a Record Breaker

Free HEALTH SERVICE for policyholders both new and old.

Free Insurance Money INVESTMENT SERVICE for Beneficiaries.

WAIVER and ANNUITY CLAUSE which, in case of total and permanent disability, before age 60, provides for waiver of all future premiums, the payment of 1/10 the face of the policy annually to the insured as long as he lives and payment of the face of the policy to the beneficiary at death of the insured.

DOUBLE INDEMNITY CLAUSE which provides for payment of double the face of the policy in case of death as a result of an ACCIDENT OF ANY KIND.

"A Growing Company for Growing Men"

For Direct Agency Connection

ADDRESS

T. LOUIS HANSEN, Superintendent of Agencies

50 UNION SQUARE, NEW YORK CITY

MORTGAGED LIFE INSURANCE

Travelers Urges Agents to Solicit Their Policyholders to Pay Up Their Loans on Policies

The Travelers, in a message to its agents, urges them to advise their policyholders who have taken loans on their policies to pay them off and quotes the following experience to show why this is desirable:

In 1916, 1,142 loans were repaid against 781 in 1915, an increase in repayment of 361, or 46.22 per cent.

The amount repaid was $471,548 in 1916 as against $287,570 in 1915, an increase of $183,978 or 63.97 per cent.

This shows an encouraging increase during the year in the number of policyholders paying off loans on their policies and should be an incentive to agents to induce policyholders to free their policies from incumbrance.

The result secured from sending out a form letter by the company direct to its borrowers—suggesting the advisability of repayment—has been most gratifying both in the direct results in the form of checks and also in the letters of commendation for the spirit which prompted sending these out and in the promises to pay during the current policy year. Repayments in July, 1917, were practically double those for the same month in 1916.

Seldom in the history of the country have conditions been so favorable. Wages and earning power are large, and the need of borrowing money less than for many years. This is borne out by the fact that policy loans in 1916 were 1,541 less than in 1915, a decrease of 16.69 per cent.

A loan on a policy is a mortgage, and no policyholder should feel free while such a mortgage remains on a protection which he has taken out for his family. The fact that a policy is mortgaged is discouraging to the policyholder.

Included in the recent repayment of loans letter was a suggestion, that if the policyholder found it inconvenient to cover his loan at once he protect his beneficiary by taking out additional insurance to the amount he had borrowed. This could, of course, be temporary in nature as on the term plan or what would be better, a policy, even though small in amount, on a more permanent plan. Much new insurance has already been written as the result of that suggestion and these letters have opened the way for agents to re-canvass their policyholders who have borrowed. The benefit of this opportunity should not be lost sight of, and each agent should endeavor to cover the entire field of those of this class on his books, where age and physical conditions will permit the considering of new insurance.

GIRARD LIFE SUIT

Philadelphia Company Brings Action Against Former Employe for Money Advanced Against Commissions

Recovery of $1,315.42, with interest, is sought in a suit which has been filed in the office of Prothonotary Griesemer by the Girard Life Insurance Co., of Philadelphia, against Thomas H. Hardcastle.

Hardcastle, according to the statement which has been filed by the plaintiff, was an agent in the employ of the Company from March 21, 1908, to January 1, 1914. The statement sets forth that while he was in the plaintiff's employ a number of advances of money were made to him, with the understanding that commissions which he earned were to be credited in favor of the Company to square accounts. The amount in suit is alleged to represent the balance still due.

PROVISIONS OF GOVERNMENT LIFE INSURANCE SCHEME

(Continued from page 2)

ment or otherwise, as may be prescribed by regulations.

Penalty For Fraud

"Sec. 25. That whoever in any claim for family allowance, compensation, or insurance, or in any document required by this Act or by regulation made under this Act, makes any statement of a material fact knowing it to be false, shall be guilty of perjury and shall be punished by a fine of not more than $5,000, or by imprisonment for not more than two years, or both.

"Sec. 26. That if any person entitled to payment of family allowance or compensation under this Act, whose right to such payment under this Act ceases upon the happening of any contingency, thereafter fraudulently accepts any such payment, he shall be punished by a fine of not more than $2,000, or by imprisonment for not more than one year, or both."

ARTICLE II

Allotments and Family Allowances

"Sec. 200. That the provisions of this article shall apply to all enlisted men in the military or naval forces of the Unlted States.

"Sec. 201. That allotment of pay shall, subject to the conditions, limitations, and exceptions hereinafter specified, be compulsory as to wife, a former wife divorced, and a child, and voluntary as to any other person; but on the written consent of the wife supportēd by evidence satisfactory to the bureau of her abllity to support herself and the children in her custody, the allotment for her and for such children may be waived; and on the enlisted man's application or otherwise for good cause shown, exemption from the allotment may be granted upon such conditions as may be prescribed by regulations.

"The monthly compulsory allotment shall be an amount equal to the family allowance hereinafter specified except that it shall not be more than one-half the pay, or less than $15; but for a wife living separate and apart under court order or written agreement or for a former wife divorced, it shall not exceed the amount specified in the court order or agreement to be paid to her.

"If there be an allotment for a wife or child, a former wife divorced shall be entitled to a compulsory allotment only out of the difference, if any, between the allotment for the wife or chlld or both and one-half of the pay.

"Sec. 204. That a family allowance of not exceeding $50 per month shall be granted and paid by the United States upon written application to the bureau by such enlisted man or by or on behalf of any prospective beneficiary, in accordance with and subject to the conditions, limitations and exceptions hereinafter specified.

"The family allowance shall be paid from the time of enlistment to death in or one month after discharge from the service, but not for more than one month after the termination of the present war emergency. No family allowance shall be made for any period preceding the enactment of this amendment. The payment shall be subject to such regulations as may be prescribed relative to cases of desertion and imprisonment and of missing men.

"Subject to the conditions, limitations and exceptions hereinabove and hereinafter specified, the family allowance payable per month shall be as follows:

Class A. In the case of a man, to his wife (including a former wife divorced) and to his child or children:

(a) If there be a wife but no child, $15.

(b) If there be a wife and one child, $25.

(c) If there be a wife and two children, with $5 per month additional for each additional child, $32.50.

(d) If there be no wife, but one child, $5.

(e) If there be no wife, but two children, $12.50.

(f) If there be no wife, but three children, $20.

(g) If there be no wife, but four children, with $5 per month additional for each additional child, $30.

Class B. In the case of a man or woman to a grandchild, a parent, brother or sister:

(a) If there be one parent, $10.

(b) If there be two parents, $20.

(c) For each grandchild, brother, sister, and additional parent, $5.

In the case of a woman, to a child or children.

(d) If there be one child, $5.

(e) If there be two children, $12.50.

(f) If there be three children, $20.

(g) If there be four children, with $5 per month additional for each additional child, $30.

ARTICLE III

Compensation for Death or Disability

"Sec. 300. That for death or disability resulting from personal injury suffered or disease contracted in the course of the service, by any commissioned officer or enlisted man or by any member of the Army Nurse Corps (female) or of the Navy Nurse Corps (female) when employed in the active service under the War Department or Navy Department, the United States shall pay compensation as hereinafter provided.

"Sec. 302. That if death results from injury—

If the deceased leaves a widow or child, or if he leaves a widowed mother substantially dependent upon him for support, the monthly compensation shall be the following percentages of his pay:

(a) For a widow alone, twenty-five per centum, but not less than $30.

(b) For a widow and one child, thirty-five per centum, but not less than $40.

(c) For a widow and two children, forty per centum, but not less than $50 with five per centum additional, but not less than $5 each additional child up to two.

(d) If there be no widow, then for one child, twenty per centum, but not less than $15.

(e) For two children, thirty per centum, but not less than $25.

(f) For three children, forty per centum, but not less than $35, with five per centum additional, but not less than $10 for each additional child up to two.

(g) For a widowed mother, twenty per centum, but not less than $25. The amount payable under this subdivision shall not be greater than a sum which, when added to the total amount payable to the widow and children, does not exceed fifty per centum, of the pay or $60 whichever is the greater. This compensation shall be payable for the death of but one child, and no compensation for the death of a child shall be payable if such widowed mother is in receipt of compensation under the provisions of this article for the death of her husband.

The maximum monthly compensation for death shall be $200.

If the death occurs after discharge or resignation from service the United States shall pay burial expenses not to exceed $100 as may be fixed by regulations.

The payment of compensation to or for a child shall continue until such child reaches the age of eighteen years or marries, or if such child be incapable, because of mental or physical infirmity, of pursuing any substantially gainful occupation, then until marriage or death or until such incapacity ceases.

Sec. 302. That if disability results from the injury—

(1) If and while the disability is total so as to make it impracticable for the injured person to pursue any gainful occupation, the monthly compensations shall be the following percentages of his pay:

(a) If he has neither wife nor child living, forty per centum, but not less than $40.

(b) If he has a wife but no child living, fifty per centum, but not less than $55.

(c) If he has a wife and one child living, fifty-five per centum, but not less than $65.

(d) If he has a wife and two or more children living, sixty per centum, but not less than $75.

(e) If he has no wife but one child living, fifty per centum, but not less than $50, with five per centum additional but not less than $10 for each additional child up to two.

(f) If he has a widowed mother substantially dependent on him for support, then in addition to the above, ten per centum, but not less than $10.

To an injured person who is totally disabled and in addition so helpless as to be in constant need of a nurse or attendant, such additional sum shall be paid, but not exceeding $20 per month, as the director may deem reasonable.

The maximum monthly compensation for total disability shall be $200.

(3) In addition to the compensation above provided, the injured person shall be furnished by the United States such reasonable medical, surgical and hospital services and supplies, including artificial limbs, trusses and similar appliances as the director may determine to be useful and reasonably necessary.

"Sec. 305. That in cases of dismemberment, of injuries to sight or hearing, and of other injuries, commonly causing permanent disability, the injured person shall follow such course or courses of rehabilitation, re-education and vocational training as the United States may provide or procure to be provided. Should such course prevent the injured person from following substantially gainful occupation while taking same, a form of enlistment may be required which shall bring the injured person into the military or naval service. Such enlistment shall entitle the person to full pay as during the last month of his active service, and his family allowances and allotment as hereinabove provided, in lieu of all other compensation for the time being.

"In case of his willful failure properly to follow such course or so to enlist, payment of compensation shall be suspended until such willful failure ceases and no compensation shall be payable for the intervening period.

"Sec. 308. That no compensation shall be payable for death or disability which does not occur prior to or within one year after discharge or resignation from the service, except that where, after a medical examination made pursuant to regulations, at the time of discharge or resignation from the service, or within such reasonable time thereafter, not exceeding one year, as may be allowed by regulations, a certificate has been obtained from the director to the effect that the injured person at the time of his discharge or resignation was suffering from injury likely to result in death or disability,

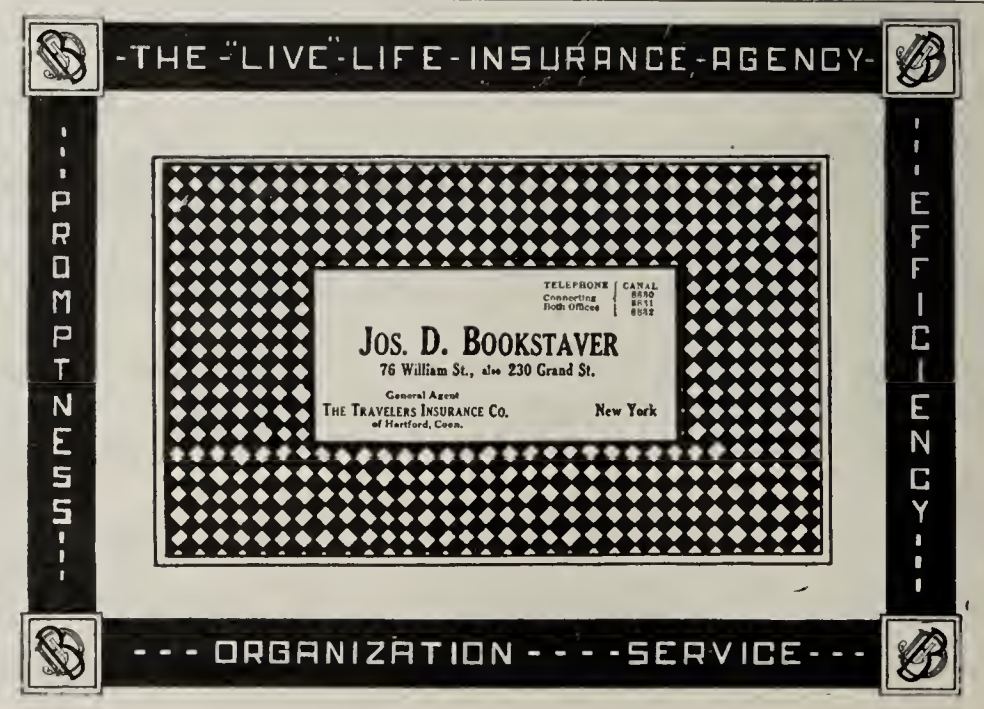
REAL SATISFACTION

Working with **William N. Compton** and the **John Hancock Mutual Life Insurance Company** in New York City forms the happiest combination imaginable for the life insurance salesman.

If you have any doubt in your mind have it dispelled by calling at

220 BROADWAY

Phone 6030 Cortlandt



GOVERNMENT LIFE PROVISIONS

whenever occurring, proximately resulting from such injury.

"Sec. 310. That no compensation shall be payable for death inflicted except by the enemy as a lawful punishment for a crime or military offense. A dismissal or dishonorable or bad conduct discharge from the service shall bar and terminate all right to any compensation under the provisions of this article.

"Sec. 312. That no compensation shall be payable for any period more than two years prior to the date of claim therefor, nor shall increased compensation be awarded to revert back more than one year prior to the date of claim therefor.

"Sec. 313. That compensation under this article shall not be assignable, and shall be exempt from attachment and execution and from all taxation.

"Sec. 314. That compensation under this article shall not be paid while the person is in receipt of service or retirement pay. Existing pension laws and laws providing for gratuities or payment in the event of death in the service shall not be applicable after the enactment of this amendment to persons now in or hereafter entering the military or naval service, except in so far as rights under any such law shall have heretofore accrued.

The Insurance Viewpoint

The principle of workmen's compensation from the time of its introduction in this country has received the hearty support of insurance men and they would naturally advocate the extension of compensation benefits for the protection of those who are risking their lives for their country. As patriotic men they would be glad to see these benefits fair and even generous.

Having determined, however, a schedule of benefits for death and disablement, they might, with others, question the expediency of supplementing such benefits by insurance, placing an additional burden upon the public.

$8 Rate Too Low for Hazard

It is proposed to grant insurance from $1,000 to $10,000 at the rate of $8 per $1,000. The insurance officials advocated a free insurance of $1,000 to every soldier and sailor, whether private, seaman or officer; that is, making a flat payment of $1,000 in addition to the compensation benefits in event of death. Inasmuch as the private insurance companies in this country are charging $100 extra for service at the front and the English companies, with a longer experience are charging as high as $200 per $1,000 for the same risk, the $8 rate, it would seem, is utterly inadequate to cover active service, though it might be a fair rate for a healthy group in times of peace.

What this proposed benefit will cost is largely, therefore, a matter of conjecture and Congress should carefully consider this proposition before it is enacted into law.

Possibility for Speculation

Moreover, this additional insurance, unless surrounded by carefully planned safeguards is likely to encourage speculation of a particularly obnoxious kind. To illustrate: There is nothing in the bill that would prevent a speculatively inclined person from offering to pay the nominal rate charged for the insurance with the understanding that in event of death he should receive one-half the proceeds.

GOOD WALL MOTTOES

Get These Up in Your Office—Read Them Every Day—Work and Live By Them

The International Harvester Company, in an educational campaign for agricultural extension is distributing considerable valuable literature for use in the school room, the home or the business office. The following worthwhile mottoes would make excellent and profitable wall decorations for a life insurance office.

THIS DAY
I WILL BEAT
MY OWN RECORD

I WILL LOVE
TO DO
MY WORK

DO A LITTLE GOOD
EACH DAY
AT SOME COST
TO YOURSELF

State Mutual Life Assurance Co.
OF WORCESTER, MASSACHUSETTS
Incorporated 1844

The Company that gives complete satisfaction to policyholders and agents because both are a part of it.
SEVENTY-THREE YEARS of faithfulness to every promise made.
Success for our ambitious representatives is a certainty.

Additions are made to our agency force when the right men are found

B. H. WRIGHT, President D. W. CARTER, Secretary
STEPHEN IRELAND, Inspector of Agencies

J. C. Humes, President — THE CRESCENT LIFE INSURANCE COMPANY OF INDIANAPOLIS, INDIANA — L. D. Clancy, Secretary
"ENDURING AS THE PYRAMIDS"
A Legal Reserve Company
Are You a Big Producer? Can You Prove It?
ONE GENERAL AGENT WANTED IN INDIANA
Home Office: Fletcher Trust Bldg., Indianapolis, Ind.

A GOOD OPENING
An old, well established, progressive life insurance company, with unexcelled dividend record has good opening at PHILADELPHIA, covering Eastern Pennsylvania. Address, stating qualifications:
PHILADELPHIA, care of The Eastern Underwriter
105 William St., New York City

THE UNITED STATES LIFE INSURANCE COMPANY
1850 IN THE CITY OF NEW YORK 1914
ISSUES GUARANTEED CONTRACTS
Good men, whether experienced in life insurance or not, may make direct contracts with this Company, for a limited territory if desired, and secure for themselves, in addition to first year's commission, a renewal interest insuring an income for the future. Address the Company at its Home Office, 277 Broadway, New York City.
JOHN P. MUNN, M. D., President
FINANCE COMMITTEE: CLARENCE H. KELSEY, Pres. Title Guarantee and Trust Co.; WILLIAM H. PORTER, Banker; EDWARD TOWNSEND, Pres. Importers and Traders Nat. Bank

Get On The Firing Line With Our Triple Option Policy
Liberal Agency Contracts
Every Policy Registered With The State of Missouri
The Company of Today With Methods of Tomorrow
Assets over $8,000,000.00 Insurance in force over $67,000,000.00
International Life of St. Louis, Mo.
Massey Wilson-Pres. J. L. Babler-Gen. Mngr. Agencies. St. Louis, Mo.

DON'T TAKE OUR WORD FOR IT

Investigate Atlantic Life's record, then in your own way, if you are looking for a larger opportunity, let us tell you what we have to offer

ATLANTIC LIFE INSURANCE COMPANY
RICHMOND, VA.

The Priceless Heritage of Work

By B. F. Hadley, Secretary of Equitable Life of Iowa.

When asked to address the convention on a subject of my own choosing, a member of the home office force suggested that "work" would make a splendid topic. Hence the selection as a title of "A Priceless Heritage—Work." In one of the splendidly efficient religious denominations the people love to sing, "Work for the Night is Coming." Those who have built up successful agencies, or agents who have experienced the joy of a large annual personal production, with consequent financial remuneration of a highly satisfactory nature, will question the idea that "Night" ends a man's work, or that union rules may be followed.

This reminds me of a story of an Irishman who hired out to work on a farm. After eating breakfast the farmer said: "Pat, what do you say if we eat our dinner while we are at it, and we can then go right through without stopping at noon?" Pat agreed that this would be a splendid idea. So dinner was cooked and eaten. Thereupon the farmer thought of another plan, and said: "Let's also eat supper, Pat, and we can continue until dark without stopping." After testing his belt, Pat consented and supper was prepared and devoured. "Now, Pat," said the farmer, "we have had breakfast, dinner and supper, let's go to work." "No," said Pat, "I belong to the union, and it's against the rules of the union to work after supper." The man who wishes to observe union practices, will find it mighty hard sledding in the life insurance business.

Work Indicative of Life

In a conversation with our superintendent of agents, Mr. Aldrich, he stated to me that early in his business career he realized that "hours" and "work" must necessarily play an important part in any success achieved. The attainment of a great success in agency building has not robbed him of that early conviction, and he still applies "hours" and "work" without stint in his daily business life.

Work is indicative of life. To be robbed of the faculty or privilege of working is, in most instances, symbolic of death, or what some would deem its equivalent. In 1913 and 1914, while riding in various parts of the country, I saw miles of vacant freight cars strung along abandoned or sparsely used railroad tracks. In other centers there were large groups of engines standing idle because there was no demand for the service they were capable or rendering. Rust had formed on certain parts of the engines, and, as I viewed the sight, I could not help but feel the pathos that such splendid material should have nothing to do. To see an engine at its best, is to view it speeding a passenger train across the country, or at the head of a long string of loaded freight cars, magnificently speeding them to their destination. So it is with human beings; they shine most when rendering the greatest service.

Away back in the early ages, man was driven from a life of ease to one of activity, a life in which he was ordered to earn his bread by the sweat of his brow; he was to till the soil. In this provision there was shown a wisdom or forethought far beyond the comprehension of human beings. If you would read the bright pages of the world's history, you must turn to eras of greatest human industry, where each individual feels a sense of duty to bear a share of national burden. The converse is likewise true. Great national calamities have occurred coincident with idleness and over-indulgence among the people of the nation.

Greatness Often Springs from Humble Origin

Look for your great men in American history, men who have written their names in never-dying letters upon historical pages and in nearly every instance they are men born of humble parents, compelled to work for the advantage secured, or the results achieved. No more sacred or blessed penalty was ever visited upon mankind than that which made work one of the necessary, and also one of the chief aims in life.

Dissentions affecting government have arisen because of alleged desires of some to shun their part of the work and place the increased burdens due to their deficiencies upon others. But there has been a leveling-up process during the past three years. Caste or classism has been wiped out, and to-day the question ringing in the ears of every individual able to serve is, "Are you doing your bit?" While laying no claim to prophetic powers, if I were to hazard a prediction it would be that never again, at least not in our generation, will there be a return to conditions prevalent before the opening of the present war. Work, service; more work, more service, is to be the badge of good citizenship from this time forth, to all those physically and mentally able.

Two fixed heritages have been handed to the human race, namely work and death. Life insurance soliciting demands the former in order that provision may be made against the contingencies incident to the latter. How shall we work?

Work	Love
	Intelligence
	Industry
With	Unselfishness
	Persistence

Put Your Heart in Your Labor

1. Love your Work! That is a prime requisite. If you don't you are in the wrong business. During a recent swing of agencies I have tried to "sell the life insurance business" to the agents asembled. What a noble business it is! It protects family, business, old age, credit; it encourages thrift and economy; improves sanitary and hygenic conditions; it discovers disease in its incipiency and gives timely warning to the afflicted; through the accumulation of funds it builds railroads, finances industrial and manufacturing enterprises, develops farms to a point of productiveness where they have become the nation's right arm; makes possible the successful issuance of municipal, county, State and Government bonds. Surely such a business is one which may be entered with love, and it should be a love springing up from within and not one born out of circumstances, or expediency.

The Component Forces of Work

There are two forces which may be used in this connection to illustrate the difference between working because you love your work, and working because you have to work. One is known as the centripetal force, and the other centrifugal force. The former works from the outside and bores its way to the center under force or pressure. This may easily be a painful operation, because of its grinding nature. At any rate, it is a force which constantly needs heavy pressure from an unnatural source in order that progress may be made. On the other hand the centrifugal force lies in the very center and of its own power works to the outer surface. The force of the life insurance salesman should be centrifugal. Instead of compelling himself to like the business in which he is engaged, or as an expediency to earning a livelihood, he should love it, because of a deep rooted conviction in his heart that it is the best business in the world; that in pursuing his daily vocation he is advancing the spirit of universal brotherhood, banishing unselfishness, and replacing this undesirable trait with that of love for others; that he is encouraging thrift and the creation of estates, putting a strong arm of protection around widows and orphans; assuring business corporations and business interests that the sudden collapse of their managerial brains through death will not mean bankruptcy and ruin.

Get a vision of the business you are engaged in, read about it, study it, know it, and your work will cease to be drudgery. It will be a vocation of love, and you will go about it with lightness of heart because your life is centered in your effort.

There are loyal hearts, there are spirits brave,
There are souls that are pure and true
Then give to your work the best that you have
And the best will come back to you.

Give love, and love to your heart will flow,
A strength in your utmost need,
Have faith and a score of hearts will show
Their faith in your word and deed.

For life is a mirror of King and slave—
'Tis just what you are and do—
Then give to your work the best that you have
And the best will come back to you.

Intelligence

2. Work with Intelligence. There are well defined laws governing sales-

THE
METROPOLITAN LIFE
Insurance Company
(Incorporated by the State of New York)



Metropolitan Life Insurance Company
Home Office Building

The Company
Of the People
By the People
For the People

The Daily Average of the Company's Business during 1916 was:

701 per day in Number of Claims Paid.

8,304 per day in Number of Policies Issued and Revived.

$1,969,823 per day in New Insurance Issued, Revived and Increased.

$376,827.40 per day in Payments to Policyholders and Addition to Reserve.

$220,509.26 per day in Increase of Assets.

JOHN R. HEGEMAN, President

Representing

The Mutual Life Insurance Company
of New York

You will make money.

The great strength, big dividends and incomparable benefits of the *"oldest company in America"* mean certain success for you.

For Terms to Producing Agents, Address

GEORGE T. DEXTER, 2d Vice-President
34 NASSAU STREET, NEW YORK, N.Y.

manship. In order to use them one must know, and that involves intelligence. A life insurance salesman differs considerably from other salesmen. He carries no samples. He must appeal to sentimentalities. Salesmen in other lines take many trunks along with them, engage large sample rooms, spread their goods out attractively and invite the trades people to come in and see them.

Some life insurance salesmen try to crowd every bit of knowledge they possess on the subject of life insurance into the ear and mind of their prospects, and they don't make progress. That is not what the prospect desires. Give him a picture of your love of wife, children, mother, father, or other dependents, and you may bank upon it that he loves his wife and children just as much as you; that he can be shown life's uncertainties and dire possibilities just the same as you. You can touch his heart strings, and bring a response much more readily than you can by crowding his mind full of statistics, arguments and comparisons.

Error of Haphazard Delivery of Policies

There is a saying that salesmanship consists in selling goods that don't come back to people that do come back. If a policy is sold right it will not go back to the company as a "Not Taken Policy"; on the contrary, the policyholder will come back for more insurance; and if you give him the proper attention and consideration, he will be instrumental in materially increasing your list of policyholders and friends. Work supplemented with intelligence is the most productive because it involves a knowledge of the art of salesmanship. The approach, the attention, the interest, the desire, the closing and settlement, and the examination become a matter of science to the intelligent worker. The delivery of the policy is not a haphazard piece of work; on the contrary, it is made a matter of personal interest. The policy is delivered in person, it is explained thoroughly and the names of friends and business associates likely to be interested in insurance are secured. Where work is intelligently performed there will be a record of calls made, of interviews gained, and compensation resulting therefrom. Have you a definite price set as a minimum for the work you perform? Do you perfect the best, easiest and quickest way of securing applications? Do you in this manner develop sales talks which make you more efficient in your work? These questions will be answered in the affirmative if you are working with a maximum intelligence.

In an editorial commenting on the life of the late Admiral Dewey, William Randolph Hearst said:

"He possessed all the qualities of a great commander. * * * He was splendidly courageous and capable, admirably resolute and resourceful, quick in decision, prompt in action, superior to circumstances, equal to emergency. Above all, he possessed the power of solving a situation by a master stroke."

One cannot think of the work of the late popular hero of the American Navy without being convinced that it was a work of great intelligence.

Industry

3. Work Industriously. Every individual is born with brain power, but it is bound, and hence it is necessary to release same in order to apply it. What is it that a person goes to school for? Is it to crowd into the mind more and more of what is termed knowledge, or is it to learn to apply the mental powers already possessed? One thing is certain, and that is a student must industriously apply his mind in order to develop brain power just as the athlete trains to develop physical powers. The lazy, shiftless individual lacks strength of mind and body. He moans over a condition which he has power to change. He must cultivate the habit of industry. Success depends upon it. The field for the writing of life insurance is well advertised. During the past year over $785,000,000 was paid by life insurance companies to beneficiaries and policyholders. Surely this vast amount of money, which is a yearly testimonial, speaks volumes as to the value of life insurance. The public wants life insurance—there is no greater economic factor—bankers want it as collateral; corporations desire it to protect brains; families need it as the only means of protection. In other words, the possibilities before the life insurance salesman are as potent as is the honey for the bee in a well-advanced clover field. But "the bee that gets the honey doesn't hang around the hive." He works industriously all day long, going from one flower to another, and only when loaded with honey heads for the hive to deposit his valuable cargo.

So it must be with the successful solicitor. He must wear out the soles of his shoes, and not the seat of his pants.

Money Value of Interviews

Every call, every interview, every minute, every hour, every day, every month, every year spent in active, intelligent life insurance solicitation has a definite monetary value. In order to make calls and secure interviews, one must be industrious, and it goes without saying that lack of industry means a lack of interviews, applications, and also a reduced remuneration.

Industry is a trait which cannot be supplied to an individual. It must necessarily be a part of his make-up—an inbred spirit, as it were. In this connection it should be borne in mind that spirit is master of man, and man is master of his day. Get up each morning with a bounding, earnest, eager, enthusiastic, industrious spirit, one which will know no defeat, and victory is bound to perch on your banner. By making use of every hour and opportunity of each day, anticipation is changed to participation. The industrious and wide-awake solicitor does not have to go very far to find an overlooked opportunity, but the qualification for such success cannot be supplied by company to general agent, nor by general agent to the agent. In the Persian Gulf there is an island on which there is no fresh water. Each day divers go down to the bottom of the ocean and secure spring water which bubbles up at various points. This requires effort, but it is such effort as produces life to the natives. Your success requires similar industry.

4. Work Unselfishly. Two years ago I was asked to deliver an address on the subject, "An Appeal to Higher Motives." It was shown that compensation could not always be measured by dollars and cents; that "additional service" must be an object. "The man who does no more than he is paid for, is paid for no more than he does." He usually remains an unimportant individual in the affairs of the institution with which he is identified, only to be dropped at the first opportunity.

Guard Your Reputation

Success in life insurance soliciting depends in a large measure upon one's reputation. Let it be understood that you drive a hard bargain, that it is necessary to watch closely the details of every transaction of which you are a part, and you will find it pretty rough sledding. Remember that there must be at least two parties to every business transaction, and each is entitled to a square deal.

In the June issue of the "American," John Hays Hammond had an article descriptive of the greatest man he ever knew. That man was Cecil Rhodes. What a great life he describes! It seems almost inconceivable to crowd so much into a life of the years lived by the great empire builder. But the work of Mr. Rhodes was advanced because of his determination not to close a transaction unless the other party was absolutely satisfied with the benefits he was to derive from the deal. In other words, he saw and recognized the rights of the other fellow as much as his own. His work, though ambitious, was unselfish, and as a result he won the confidence of men, which was highly necessary in his great undertaking.

Let me commend to you the benefits of our service department. Go to see old policyholders and ascertain whether you can be of service to them. Remember that in extending the mile of compulsory service to include an additional mile of voluntary service, an enemy was conquered, a friend won. The basic principle of life insurance is unselfishness. The man who takes life insurance for the protection of family or dependents, sacrifices for others. Selfishness cannot consistently have a part in the life insurance structure. How essential, therefore, that the work of the champions of life insurance should be a work of unselfishness.

Keeping at It

5. Work with Persistence. This is one of the most valuable traits in connection with life insurance salesmanship. It is a connecting link which changes defeat into victory. It is the mark of distinction between the quitter and the winner. Thousands of men have started well, full of pep and vim and with an ambition as big as a mountain, but they did not have the stamina to keep it up. They entered the marathon of life's battles, but they lacked the persistence, the determination to continue to the end.

An interesting story is told in connection with that wizard of electricity, Thomas A. Edison. He had listened to the improper pronunciation of the word "special" on the phonograph. The sound as it was reproduced was that of "pecial." There was no hiss to it, and Mr. Edison saw no reason why imperfection should be placed before the American public. It was contrary to his ideals, and he set about to remedy the situation by asking experts connected with his great manufacturing plant to perfect a record according to his notion of what it should be. After spending a great deal of time, and thousands of dollars in money, they reported to him that it was impossible to carry out his desire. Years ago Mr. Edison extracted the word "impossible" from his dictionary, never did have it in his vocabulary, and he set out to do that which was claimed as impossible. By working eighteen hours a day for seven consecutive months he was able to give to the world a substance so flexible that it would record an impression of one-thirty-second millionth part of an inch, and yet be rigid enough to reproduce sound. We have today the word "special" reproduced on the phonograph because Mr. Edison worked with persistence, with a determination that victory must perch on his banner.

Chapter From a Bridge Builder's Life

Let me give you another illustration. Thirty years ago Gustav Lindenthal was earning less than $1.50 a day as a common house plasterer. He had an ambition to rise to a higher position in life, and he also possessed a determination to achieve that ambition. He went to work with a persistence that knew no defeat and his great achievement in the erection of Hell Gate's Bridge, which was recently completed, is one of the great engineering feats of modern times. This bridge has the largest arch span in the world, and it makes it possible for the New York, New Haven and Hartford to connect on Long Island whereby trains may be run on the Penna. System from Quebec, Canada, to Key West, Fla., without a break. He is now planning a great bridge across the Hudson River connecting New York State and New Jersey, which will cost thirty-two millions of dollars. Ambition, vision, determination—what a combination for achievement!

Persistence puts pep into pepper. It is what makes a man keep everlastingly at it, so that he is able to storm the earth works of "no" with a smiling countenance and transform the "no" into "yes." In fact, the man of persistence does not know the meaning of the word "no." For every reason given why life insurance should not be taken, Mr. Persistence suggests two why it should. Persistence is that which takes a man all the way. You make up your mind to succeed. Do you grow faint-hearted or weary in the task undertaken? Obstacles appear and loom up as formidable, but like granite under the sculptor's chisel they fade away when battling with persistence. Persistence dominates the interview, and conquers opposing conditions. Though seemingly turned down, persistence returns to, or renews the attack, and hammers away until victory is achieved.

Boys, work with love, work with intelligence, work industriously, work unselfishly, work persistently, and you will succeed.

GROUP
INSURANCE
Life, Accident and Health

With the same Prompt and Expert Safety Engineering and Inspection Service and Organization which has made the Name of The Travelers Famous

AGENTS AND BROKERS

Refer Your Inquiries to The Group Insurance Division.

THE TRAVELERS
INSURANCE COMPANY
Hartford, Connecticut

THE EASTERN UNDERWRITER

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INSURING BRAINS

That life insurance is the best antidote to business locomotor ataxia is rapidly becoming a recognized fact. One need not be old in years to recall the time when the death of a financial head of a mercantile concern meant embarrassment, if not disaster, to the business. But the cycle of a few years has wrought a material change in our economic system, and the demise of any industrial head today scarcely creates a ripple upon the business surface, aside from his personal loss. The most delicate financial machinery is not retarded nor is the equilibrium of the most sensitive creditor disturbed.

One of the most consoling thoughts of big men to whom is due the prosperity of great business is that their sudden removal will not precipitate disaster or even threaten disintegration. This change in financial conditions is pointed out almost daily by the death of men who constitute the monetary sinews and brains of great corporations. This great factor which has come to stimulate financial stability and ward off embarrassment in the event of death, is life insurance.

Big Business bases its success upon brains, health and ability, these being the tap-root of commercial prosperity. In a large measure a corporation is merely the men at its head. The value of its stock depends upon the confidence which is placed in the brains and ability of those directing its operation. Many private fortunes depend for their value upon the ability of these men to live until they have consummated certain deals involving their interests. When this is accomplished they have made a certain sum; if these men die it will be impossible for others to step into their shoes and the work is left unfinished and all anticipations are blasted.

Upon this gambler's chance to live business formerly proceeded with faltering step, with panics in the stock market threatening if big men died leaving their tasks unfinished; private fortunes increased or diminished with the continued activity of their owners. Then came the modern form of life insurance to guarantee to corporations in the event of death of their principals, the money they would have made had those principals lived, and to individuals the fortunes they might hope to possess if they lived. Banks and corporations of every description place large sums of insurance upon the lives of their officers. Some of these men carry their own insurance instead of having it carried by their firms or companies, but the time has come when the stockholders of corporations demand that the men at the top must provide protection to their business either personally or through the concern itself.

By insuring the brains of the concern the producing qualities are capitalized. The Federal Reserve Banks and also most National Banks are now advocating the carrying of insurance by all corporations. When this is done the man whose brains and energy built up the business may die and the value of the corporation's stock not depreciate, because any loss will be fully cared for by the insurance.

SOMEONE PRESUMED

In the current issue of the Metropolitan "Intelligencer" appears the following editorial:

"Insurance Newspapers."

We have been informed that the representative of one insurance journal has been intimating that he and his particular paper are in especial favor at the home office, and even that it is to the interest of our field men to subscribe. If such intimations have reached any of our representatives, we want to make it plain that they are shockingly untrue. No one at the home office has any interest, financial or sentimental, in any paper or in any one connected with any paper. Every one of our men is entirely free to subscribe or not to subscribe. If any one wishes to read an insurance journal he is entirely untrammeled in his choice.

TORNADO-SWEPT AREAS

Tornadoes have been the bugbear of the farmer in the Middle West ever since the pioneer in his "prairie schooner" wended his way thither in the early part of the nineteenth century. Hail storms and hurricanes have been of periodical occurrence, riddling crops, devastating fruit orchards, sweeping whole buildings off their foundations and catapulting human beings to their death. No better idea of a tornado-swept territory can be afforded than a picture of the Verdun or Somme fronts in Northern France since they have been made the scenes of contest between the contending European armies.

Later years, however, since science has devised building construction that will withstand to some extent the ravages of these terrific gales, this class of losses has been somewhat minimized Buildings have been constructed to cover large areas of foundation and limited in height, with the lower story lined with brick or other heavy material, and yet these have to succumb to the severest hurricanes.

But science has not as yet conceived a protection to the farm crops in Illinois, Kansas, Iowa, and other Middle Western States, and the losses there are of colossal dimensions almost every season. From dispatches sent out during the past few weeks, it would appear that the present season has been exceptionally disastrous to crops and properties of all kinds. Small villages have been practically razed, their inhabitants made homeless, and hundreds of human lives sacrificed. Railroad trains have been swept from the tracks, and every portable object in the path of the storm leveled to the earth.

The whole picture is a sad one, placing before us as it does thousands of homeless persons, demolished dwellings and ruined crops, at a time when the economic question is one of paramount importance, and yet as Providence tempers the wind to the shorn lamb, the tornado insurance policy proffers itself as a mitigating intermediary to the tornado victim.

It has been through these insurance companies that the Western farmer has found his only means of once more getting "on his feet," following the inevitable and much-dreaded cyclone. In fact, this is the only thing that can give a silver lining to the tornado cloud that constantly menaces the Middle West farmer, and spurs him to further endeavor. Tornado insurance is no longer a boon subject to debate, but constitutes the only redress for the victim of these seasonable disasters.

COMMISSIONERS' MEETING

The National Convention of Insurance Commissioners will convene at St. Paul, Minn., on August 28, 29, 30 and 31. The program contains the following:

Program

Tuesday, 10 A. M., August 28.

President's Address—Hon. Jesse. S. Phillips.

Tuesday, P. M., August 28.

Committee Reports.

Life insurance in Groups, 1912-1917—H. Pearson Hammond, Actuary, Connecticut Insurance Department.

New Features in Life Insurance Contracts—M. J. Cleary, Commissioner, Wisconsin.

Discussion.

Co-operation of Departments in Auditing Statements and Preparing Annual Reports.—R. J. Merrill, Commissioner, New Hampshire.

Wednesday, 9:30 A. M., August 29.

Committee Reports.

Workmen's Compensation Insurance—What Experience Has Shown to Be Its Trend.—F. H. Hardison, Commissioner, Massachusetts.

Discussion.

Acquisition Cost of Compensation Insurance.—George M. Turner, Deputy Insurance Commissioner, Indiana.

Fraternal Orders and Mobile Bill.—H. O. Fishback, Commissioner, Washington.

Wednesday, P. M., August 29.

Committee Reports

Some Observations on the Cost of Operating Insurance Companies.—C. F. Nesbitt, Superintendent, District of Columbia.

Investment and Depositing of Reserve Funds of Insurance Companies.—Emory H. English, Commissioner, Iowa.

Thursday, 9:30 A. M., August 30.

Committee Reports.

Hail Insurance in North Dakota.—S. A. Olsness, Commissioner, North Dakota.

Inter-Insurance.—Carey J. Wilson, Superintendent, Kansas.

Thursday P. M., August 30.

Committee Reports.

Publicity in Insurance.—Jas. R. Young, Commissioner, North Carolina.

Fire Insurance Situation.—F. H. McMaster, Commissioner, South Carolina.

Friday, 9:30 A. M., August 31.

Committee Reports.

Departmental Practices.

Election of Officers.

Adjournment.

THE HUMAN SIDE OF INSURANCE



C. R. TRIPP and J. F. O'DONNELL

C. R. (Charlie) Tripp and **J. F. (The Senator) O'Donnell,** general agents of the Fidelity Mutual Life at Albany and Syracuse, N. Y., are pictured above doing the Boardwalk at Atlantic City when in attendance at the annual meeting of the Fidelity Leaders Club recently.

* * *

Walter I. King, a director and actuary of the Columbian National Life Insurance Company of Boston has successfully passed the examinations for fellowship in the Actuarial Society of America.

J. Denny O'Neil, Insurance Commissioner of the State of Pennsylvania, has been mentioned as a possible successor to Frank B. Black, State Highway Commissioner, resigned. Commissioner O'Neil is regarded as one of the keenest politicians in the Keystone State outside the famous Penrose camp. The Philadelphia Public Ledger says: "O'Neil is one of the best organizers the Governor has in his Cabinet, and, moreover, is in entire sympathy with virtually everything the Governor does. It is generally believed that if he were told by the Governor to do something he did not think right, he would sever his connections with the State government."

* * *

T. W. Vardell, of Texas, made an interesting statement that when lawyers are employed by life companies they are apt eventually to become life insurance men and to cease practicing law. It was through law that President Seay, of the American Life Convention; President Coffin, of the State Life; Judge Day, of the Equitable Life Assurance Society, and many others entered life insurance.

* * *

United States Senator William Alder Smith, of Grand Rapids, personally conducted James V. Barry, assistant secretary of the Metropolitan Life, through the new skyscraper bank building, of which he is president and in which the Metropolitan Life was the first tenant.

* * *

B. W. Blanchard, editor of the "Dotted Line," Des Moines, is arranging to publish a daily newspaper in the cantonment near that city. There will be 40,000 soldiers there.

* * *

President W. A. Watts, of the Merchants Life, of Grand Rapids, made a record as a host that is quite remarkable. There was not a dull moment.

FIRE INSURANCE DEPARTMENT

Ask Companies to Share Court Costs

GATELY-HAIRE CO. WANTS RE-ADJUSTMENT OF LOSS

Companies Have Already Paid Claim Deducting Proportion of Niagara and State of Pennsylvania

The Gately-Haire Co., Inc., of Albany, addressed a letter dated August 8 to the fire companies interested, requesting that they not only pay the difference in amount resulting from the reversal of the court decision in their favor but also asking that the companies pay their proportionate share of the costs of trying and appealing the case. The letter follows:

Gentlemen:

On January 27, our store at 108 State Street, Albany, N. Y., was almost entirely destroyed by fire, due to exposure to the fire of the Odd Fellows Temple.

At the time of the meeting of the adjusters a few days after the fire we presented insurance policies showing a total insurance of $35,000 being $34,500 on stock and $500 on furniture and fixtures. In addition to these we had in our possession two policies, one for $3,000 in the Niagara Fire Insurance Company, and $500 in the Insurance Company of the State of Pennsylvania. Eight days prior to the fire, after taking inventory, we found that we had more insurance than we needed and decided to cancel $3,500 insurance and elected to terminate our liability in the Niagara Insurance Company and the Insurance Company of the State of Pennsylvania. We addressed letters to this effect to the agents of said insurance companies, asking them to cancel these policies immediately, giving our reasons therefor.

"Induced" to Bring Suit

At the time of the adjustment, we were informed by the adjusters of the Royal, Boston and Security Underwriters, that notwithstanding that we had more insurance than was needed without the indemnity of the Niagara Insurance and State of Pennsylvania Companies, these companies must contribute for their proportion of the loss, in that the policies were still in our possession, had not been taken up by the companies, nor the return premiums tendered.

A prominent firm of insurance agents in this city, who carried the largest lines, concurred in the position of the special agents, and told us that we must prepare proofs to include the two companies in question.

Both of the insurance companies, Niagara and Insurance Company of Pennsylvania, denied any and all liability, setting forth the plea that our letters demanding cancellation properly relieved them of the liability.

Subsequently, we brought suit to cover the amounts which we claimed in our proofs from the two companies in question, and were awarded a verdict in the Supreme Court. The companies contesting appealed to the Appellate Division of the Supreme Court, and that body confirmed the verdict of the Supreme Court. Then they brought the case to the Court of Appeals. This body recently reversed the decision and in their opinion stated in effect that our demand for cancellation properly relieved the companies in question from contributing in the loss, dividing the order for cancellation and the tender of the return premiums into separate transactions. You have undoubtedly been apprised of this decision.

Now, we are going to put our case in as honorable a way as possible, squarely before you, and submit if in your opinion, it is fair and equitable that we should be deprived of such loss as you would have been compelled to pay were the companies in question left out of the apportionment.

Your company insured us under policy..... Under the proofs submitted, your proportion was ..... Leaving the Niagara and State of Pennsylvania out, we would have been entitled to receive from you a total of ....., making a difference of .....

We accepted your policy of indemnity in good faith and paid our premium therefor. The claims as made were not of our own making, and, innocently, we were compelled to bring suit. There is, therefore, as we look at it, an obligation on your part to make good the above difference, and we would be pleased to receive your check for same.

Precedent Established Worth Cost

There is one other point which may or may not interest you, and that is the question of expense to which we were put in prosecuting this case in all courts. Our court costs amounted to $577.30 and attorneys' fees $350, making $927.30 in all due to no fault of ours. We would like to be reimbursed for this expense, and if you will look at the case from every angle, and also appreciate the good effect that the reverse decisions must have on all insurance contracts in the future, we are sure that you will be perfectly willing to contribute your share to this expense, which amounts to..... This, however, we leave to your own conscience and will accept whatever decision you may see fit to make gracefully.

Anticipating the courtesy of a prompt response, we remain,

Very truly yours,
GATELY-HAIRE CO., INC.,
Per John L. Gately, President.

The Eastern Underwriter is advised that the companies will probably pay the difference in amount but will refuse to pay any part of the court costs.

MICHIGAN STANDARD POLICY

In Its Present Form Contains Just Enough Unimportant Changes to Make Companies Reprint

There is no accounting for the action of certain insurance commissioners, among the convention which is crying for uniformity at every turn of the road when the legislatures of their respective States are permitted to enact measures such as a standard fire policy which is just enough different from that adopted in other States to make it necessary for companies to go to the expense of reprinting policy forms.

Michigan has just issued and sent to companies a standard policy for use in that State which differs in nine places, not materially, but just enough to differ, with the New York standard policy which goes into effect January 1. On the bottom of first page the word "attest" is omitted from the Michigan policy. There is a difference in the wording in line 36-37. New York policy in line 59, after word "lightning" there is a comma. There is none in the Michigan policy. There is a difference in the wording in line 130-131. In the New York form in line 137, there is a colon after word "following." In the Michigan form there is a semi-colon after the word "following." There is a difference in the wording of lines 139 and 169. In the New York form in line 187 pertaining to the time allowed in paying losses, allots "sixty days." The Michigan form "thirty days," and there is a difference in the wording in line 196.

For the sake of uniformity it would seem that the commissioners would have worked together in a matter of this kind.

FIRE AND MARINE INSURANCE—ALL LINES

The Automobile Insurance Company of Hartford, Conn.

MORGAN G. BULKELEY, President

Statement January 1, 1917

Cash Capital - - - -	$1,000,000.00
Assets - - - -	2,748,832.19
Liabilities (Except Capital) - -	1,039,977.81
Surplus to Policyholders - -	1,708,854.38

AFFILIATED WITH

ÆTNA LIFE INSURANCE COMPANY

THE ÆTNA CASUALTY & SURETY CO.

RECEIVER FOR EQUITY

H. H. Hamilton, of Sioux City, Ia., has been appointed receiver for the Equity Mutual Fire of that city. Insurance Commissioner English of Iowa revoked the company's certificate of authority recently on account of the insolvency of the concern. The company is expected to make assessments on its policyholders to cover the losses.

THE JOHNSON CO., INC.

The Johnson Co., with offices on Smith Street, Perth Amboy, has filed articles of incorporation at the county clerk's office and is authorized to do a general insurance business, with Lloyd P. Johnson as agent in charge. The authorized capital stock is $125,000. The incorporators are Lloyd P. Johnson; Johanna M. Johnson, and Elwood R. Johnson. All reside in Perth Amboy.

NO METROPOLITAN LLOYDS

Meserole & Bowden, who have been organizing the Metropolitan Lloyds, announce that they have abandoned the idea. The demand for this class of protection—bombardment and war risks—has diminished to such an extent that it has been decided to return the deposits to the subscribers and dissolve the concern.

NORTH BRANCH FIRE INS. CO.
Sunbury, Pa.
Inc. 1911

Assets	$641,341.77
Reserve	230,513.29
Capital	300,000.00
Surplus	63,479.83

CITY INSURANCE COMPANY
Pittsburgh, Pa.
Inc. 1870

Assets	$357,318.58
Reserve	54,256.92
Capital	200,000.00
Surplus	96,379.07

OPERATING ON A CONSERVATIVE BASIS IN A LIMITED TERRITORY UNDER AN EXPERIENCED MANAGEMENT

Fire Companies As Casualty Agents

CO. OFFICIALS' OPINIONS VARY

Many Believe Plan Originated By Firemen's Fund and U. S. Casualty Will Not Spread

The arrangement by which the Firemen's Fund, of San Francisco, becomes general agent for eleven States for all lines of the United States Casualty Company has caused much comment. It is agreed by practically everyone consulted that, in the event of similar plans being adopted by other companies, vast changes in the conduct of both the fire and casualty business will result.

A Competitive Measure

It is argued in favor of this plan that it permits fire companies to protect themselves in respect to being able to offer equal service to agents to that of the companies owning or managing casualty companies, and thus hold those agents who might be attracted by the offer of a combination company.

In refutation of this, fire underwriters say the failure of the joint automobile policy demonstrates that the average agent would as willingly issue two policies in two separate companies and that it is as easy to sell. In this connection it is pointed out that the agency problems arising out of joint automobile policies would apply to all casualty lines as well.

Circumstances in the Middle West are more in accord with the conditions necessary for this plan to be a success than in the East. There, fire men say the fact that the Western departments of some of the fire companies are being managed as separate companies under the direction of Chicago agencies makes a contract with the casualty company for the writing of all lines much more easily effected. Many Chicago fire agents who manage the Western department of a company represent casualty companies also but no company to date other than the Firemen's Fund has officially and as a company entered into such a contract.

Must Be Reciprocal

As contracts (of this nature) must be a matter of reciprocity, it is felt by some fire men that the advantage is all on the side of the casualty company. The fire business is the more established and its agency plants the older. The majority of agents secure the largest part of their incomes from fire premiums. A casualty company entering a fire agency therefore would secure the business the fire agent was able to control but would a fire company entering a casualty agency secure the same volume of premiums, is asked?

The vice-president of a New York company told The Eastern Underwriter that he would not assume such a contract because he would not want the supremacy of his company in an agent's office endangered by a casualty company running-mate whose management differed and whose whole underwriting policy is bound to be at variance with that established by the fire company.

Another fire company official, whose company is at present writing automobile insurance under a joint policy contract with a casualty company, said that he did not believe the plan would be extended further. He said, in addition, that the joint policy was admittedly a failure and that he knew from several officials of other companies that the sentiment was generally that the plan was soon to be abandoned.

Another fire man, however, said to The Eastern Underwriter on Monday that his company has been approached within a month by a casualty company with a proposal to enter into an agreement for the writing of business all over the United States. He did not say what action had been taken on the proposal.

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FARMERS GET NO REDRESS

Storm-Swept Maryland Swamps Grangers Mutual Insurance Company—Statute of Limitations Intervenes

Some five years ago the farmers of Carroll, Frederick and Montgomery Counties, Md., suffered heavy losses from storms which swept those sections. They felt secure, however, as they were insured against such losses with the Grangers Mutual Storm and Fire Insurance Company of Carroll County, Md. But they were disappointed, as the insurance company, instead of paying the various claims, levied assessments against the farmers.

Subsequently the company failed and receivers were appointed. Then followed a series of suits in an effort to collect these assessments. The receivers failing in this, have kept the matter in the courts ever since, and on August 2 another attempt was made to settle the litigation.

It was held by the court that the statute of limitations applied in reference to the assessments in 1912, but as for the others, if the insured shared loss in 1912 before there was any assessment, the insured could set off the loss against the assessment. The justice, except in those cases where the statute of limitations applied, decided for the defendants.

CONTINENTAL ON SUCCESS

Fire Company Publishes Attractive Booklet on How Various Forms of Coverage Affect Business

The Continental Fire Insurance Co. this week published an attractively arranged booklet on the relation of the various forms of fire coverage to general business practice. The book takes up each form separately and shows it is commercially necessary and is issued to fill a need. It covers fire, use and occupancy, business interruption, rent insurance, tornado, sprinkler leakage, automobile, profits, leasehold and war.

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NATIONAL UNION FIRE INSURANCE CO. OF PITTSBURG, PA.



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Robert Riegel On Auto Rates

OFFERS SEVERAL REMEDIES FOR EVILS

Segregates Different Classes and Analyzes Flaws in Schedules as Now Being Applied

Robert Riegel, of the University of Pennsylvania, has compiled an analysis of auto rate making methods which is published in the "Journal of Political Economy" and is in part as follows:

Criticism of Collision Rates

The principal criticism of the collision rate system is that the list-price basis causes the higher-priced cars to pay excessive rates. It is argued that these cars usually have their hazard considerably reduced by the fact that they are ordinarily better driven and have less hard usage. This brings up again the problem of rating drivers, with all its practical impossibilities. Another defect is that no consideration is given to the variation in the accident rate with different localities.

Criticism of Fire and Theft Rates

The criticism of fire and theft rates, briefly stated, is on grounds of the lack of statistical support and consequent inability on the part of the public to ascertain whether the rates are just and equitable or exorbitant and discriminating. In 1911 an investigator of the New York Insurance Department stated: "As yet the Conference has gathered no statistics nor does there appear to be a clearly defined plan as to the nature of the statistics to be gathered or the methods to be employed in gathering them. Such rates as were originally adopted and the changes that were subsequently made in them appear to be based rather upon 'underwriting judgment' than upon actual figures obtained from the different companies writing this class of business." In 1917 a similar report stated that "none of these rates were based upon statistics gathered for the purpose although the experience of individual companies was used. And there are no records or statistics in the files of the conference which would indicate whether these rates were equitable or just."

It is not necessary to be inferred that the described deficiencies in rating have been brought about by design. In nearly every form of insurance a beginning had been made with a rough grouping such as is evident in automobile rating and in some cases with a much cruder system. The complaint which the public may justly urge with the greatest force is the lack of cooperation which has existed among the companies in the past. More or less unrestrained competition not only made combined experience difficult to obtain, but frequently caused the published rates to be merely nominal. The defects of the system are obvious, and until some constructive, rather than critical, ideas are advanced little improvement can be expected.

Proposed Modifications in Rates

It is evident from what has been said that two modifications in the methods which have been employed in making rates are desirable, the first involving the statistical problem of accumulating and handling experience data, and the second consisting of an improved theoretical basis for rate-making. Steps are now being taken to improve the statistical basis for rates, but the solution of the second problem is progressing slowly, if at all.

Plans for Experience Collection

A large volume of dependable data being a necessity, the statisticians of the National Workmen's Compensation Service Bureau have prepared a method for the collection and reporting of experience by its member companies under standard rules of procedure, a call to be made for this material in the early part of 1919. Variations in methods of compilation have hitherto created difficulties, even in dealing with what data were obtainable. Under the proposed system, which goes into effect for the policy year 1917, all experience data are to be based upon the year of issue of the policy, regardless of the time of receipt of the premium or the payment of loss. Because of the fact that some policies are not written until the latter part of 1917, it will be necessary to wait until December, 1918, before turning in all 1917 experience. Even then there will be outstanding losses to be considered, for liability suits sometimes require considerable time for adjustment or decision. The companies may adopt any method they see fit in compiling the information required, but reports to the Bureau must be in accordance with the prescribed plan.

Difficulty has been experienced because of the methods followed by some companies in treating insurance for a fraction of a year. The new plan provides a unit of a "car year" and requires that insurance for less than twelve months be reported as a corresponding fraction of a car year. Thus one car insured for six months would be reported as five-tenths of a car in liability and property damage insurance. In collision insurance risks of less than one year are to be reported as fractions of the list price; thus one month's insurance on a $1,200 car would be reported as $100 of insurance. It was deemed best in collision insurance not to attempt to collect two kinds of exposure—list price and number of cars—and the latter is consequently made optional with the companies, although advised by the Bureau.

Under this plan it will be necessary for the members to furnish the Bureau with the exposure, premiums and losses, together with such a description of the risk as will enable segregation of the data according to (1) form of coverage, whether liability, property damage or collision insurance; (2) type of car, whether private pleasure, private pleasure occasionally commercial, commercial, livery, public other than livery, manufacturers' and dealers' on named-chauffeur or specified-car basis, or manufacturers' and dealers' on pay-roll basis; (3) motive power, whether gasoline, steam or electric; and (4) classification of the car according to horse-power groups in liability and property damage insurance, and according to list-price groups in collision insurance.

Experience for the country as a whole is to be reported so as to permit of complete analysis as reported above. In addition it is necessary to require that data be reported by individual States and territorial divisions to permit adjustments of rates with reference to the relative hazard of the different rate groups. Inasmuch as the detailed analysis of experience proposed for the country as a whole would, in the case of a single State, reduce the exposure below the volume necessary for an average, it is planned to collect data by territorial groups in accordance with only the first three sub-divisions named (form of coverage, type of car and motive power), omitting classification of cars within the type.

It would then be possible to construct a system of rate-making similar to the differential plan employed in compensation insurance or the method followed in the fire insurance "Experience Grading and Rating" schedule. Under this plan it is assumed that any relations which may be developed from an analysis of national experience as regards, for instance, horse-power groups or list-price groups will hold true also for individual States, cities and territorial rate groups, it being impossible to derive such relations from the territorially classified data because such data will not provide a sufficient exposure under each group. Thus if national experience shows that liability rates on cars of from 31 to 40 horse-power should be 2 per cent. higher than rates on the 21 to 30 horse-power group, it may be assumed that this ratio is also equitable within any particular territory. Probably in each particular rate group the number of insured 31- to 40- and 21- to 40-horse-power cars would be found insufficient for a dependable average. Likewise it will be assumed that if, from the individual territorial groups' experience, it can be determined that private pleasure cars in Greater New York should be charged more than the same cars in Chicago, this will hold true of all cars, regardless of their horse-power. This is merely an application of the statistical principle that no average should be based upon insufficient data.

A code has been prepared to enable the companies, if they desire, to make use of punched cards in connection with the Hollerith or Powers sorting and tabulating machines.

The plan for collecting uniform liability, property damage, and collision insurance experience having been described, little space need be devoted to the National Automobile Underwriters' Conference plan for fire and theft insurance, which is very similar. Insurance written and losses are to be reported, with details as to location of the risk, by States or cities; type of coverage, whether fire, theft, transportation or a combination of these coverages, and whether written on a valued or non-valued form; year of model, whether next year's, this year's, last year's, etc.; make of car; list-price class; motive power; ownership, whether new or second-hand; use of car, whether private pleasure, livery, etc.; presence of safety appliances, etc. With this information available it would be possible to proceed to construct fire and theft rates in accordance with the principles described under the liability, property damage and collision plan.

Suggested Changes

It is a difficult matter to propose changes in existing rate-making methods which meet practical conditions, but the attempt may be made with the hope that the inevitable criticisms will themselves be productive of improvements. It will appear to anyone from a study of automobile rates that modifications are desirable which would produce (1) a reduction of discriminations, which are unavoidable under the present territorial divisions, (2) a consideration of certain admitted factors of hazard, which at present have no influence on rates, and (3) a system of equitably allocating expenses.

1. The defect of the present system of rating is that at the boundary line of the State or other territorial division the rates change much more abruptly than hazards. The same trouble, for example, would ensue in the parcel-post system if a flat rate existed outside of the local zone, or in the express-rate system if the blocks were too few in number. One method of reducing the inequity of such abrupt transitions in automobile insurance would be to increase greatly the number of rate zones without reducing, below a point sufficient for an average, the exposure upon which rates are based. It is believed that this might be done without such fatal result and without enormously increasing the necessary number of rate schedules by the following method:

Every large city in the United States of over 55,000 inhabitants should be considered as the center of a series of rate zones, the city itself (approximately) forming the highest of these zones. It would then be necessary to obtain a basis rate for liability and property damage insurance for each of these cities—a rate which would cover merely the losses incurred, or, in other words, provide the amount actually returned to policyholders. Such a rate is obtainable by comparing the ratio of losses to exposure on all private pleasure cars in the particular city with the ratio of losses to exposure over the entire United States. The particular city's rates would then be in proportion to the average rate of the United

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States as its loss ratio is to the average loss ratio of the United States. Thus, to use figures, if the Greater New York liability loss is on the average $40 per car insured twelve months, while the average loss in the United States is $30 per-car year, the rates in New York will be 133 per cent. of the average rates of the United States.

Must Have Several Schedules

It would seem from this that it would be necessary to construct a vast number of rate schedules in order to cover all the large cities in the United States. Two facts operate, however, to reduce the apparent magnitude of the task. First, the number of cities of over 55,000 inhabitants in the United States is only about 100, according to the 1910 census. Secondly, while it may be necessary for a time to carry nearly 100 schedules, this number may be considerably reduced if a reasonable coincidence of experience is discovered among these cities, which will permit of grouping. Grouping may also he necessary where insufficient exposure is found.

There still remain to be considered the cities of less than 55,000 inhabitants. These are so numerous and the possible exposure in each is so small that the construction of separate rate schedules for them is impossible. Consequently they will he grouped in a class, and a rate made for the class in the same manner that a rate was arrived at for the larger cities. This will not do absolute justice among such smaller cities and towns, inasmuch as a city of 50,000 will obtain a rate equally low with a town of 5,000, but it will be 100 per cent. superior to the present system, under which a city of 100,000 and one of 5,000 frequently find themselves on equal terms.

We have now to consider the territory outside of cities, including suburban and rural districts. It is proposed that each of the cities be considered as surrounded by a series of concentric circles, with the geographic center of the city as a common center, the circumferences of the circles being considered as the boundary lines of rate zones. Thus, using New York as an illustration, the greater part of the city would be circumscribed by a line, say, 25 miles distant at all points from the city's geographical center and forming a circle 50 miles in diameter. All cars within this zone would take the Greater New York rates, which will vary of course with the horse-power. Outside of it would appear another imaginary circle with a diameter of, say, 55 miles, and all cars between the circumference of this circle and the one first mentioned would take a rate which would be a percentage of the rate for the city zone and lower than the latter by, say, 5 per cent. It may be assumed with some degree of equity that, beyond a certain point, the farther a car is kept from the city, the less it will be used within the city limits. The loss experience of a number of larger cities might be used to determine upon a statistical basis what the percentages of the various zones should he, and their diameters. There would be many cases in which the location of the automobile would fall within two zones of different cities, and under such circumstances the higher rate of the two would be charged.

Favors Zone Rates

Such a system of adjusting rates to location would have the following points in its favor:

(a) The assumptions upon which it is based may be more readily defended upon theoretical grounds, admitting of some explanation to the insured of the causes of rate differences.

(b) It would lessen the effect of discriminations which inevitably result from the present territorial divisions, such as a distance of a half-mile causing a $5 difference in property damage rates or a $23 difference in liability rates.

(c) It would eliminate the anomaly of cities with 5,000 and 100,000 inhabitants having the same rates.

2. Some consideration should be given to certain factors of hazard which now have no influence on rates, such as (1) mileage covered and (2) competent driving. We reach the general conclusion regarding these factors, however, that a number of desired results in rate-making are unattainable or are not worth the trouble involved.

Must Discover Expense

3. Finally, some method of accurately ascertaining the expense involved in connection with all forms of automobile insurance is necessary. The public is entitled to know that each line of coverage is bearing its equitable portion of the total cost of doing business. Considerable criticism of the percentage of premiums devoted to expense exists and has even led to the establishment of so-called automobile mutuals. A more fundamental inquiry, however, is whether automobile insurance is being charged with more than its share of total expenses, and whether liability and property damage insurance are each bearing their appropriate portions of the expense burden. This question has already been discussed by an able writer on casualty insurance, who has proposed an efficient cost system for companies writing multiple lines. His plan is described for the benefit of those companies "transacting multiple lines of insurance which desire * * * enlightment and guidance to ascertain as close an approximation as possible to the true cost of conducting each of its lines." This expense problem appears to be second in importance only to the improvement in methods of ascertaining pure premiums in automobile insurance.

AUTO INSURANCE RESTRICTION

The Insurance Department of Illinois has ruled that fire insurance companies may not insure automobile manufacturers and dealers against the loss of an automobile sold on the installment plan before the payment of the purchase price has been completed. Many companies have been selling on the installment plan and protecting themselves against fire and theft by taking out a blanket policy of insurance. The Attorney General holds that the insurance involved is practically guaranty insurance and is not covered under the law regulating fire insurance companies.

CHANGES ITS NAME

On Wednesday of this week the name of the Massachusetts Employes' Insurance Association changed its name to the Liberty Mutual Insurance Company. The change in name does not affect in any way coverage under outstanding policies or any other contracts or obligations. The change is primarily one of title for convenience in handling business and policy indorsements are not necessary and will be furnished only upon special request from policyholders.

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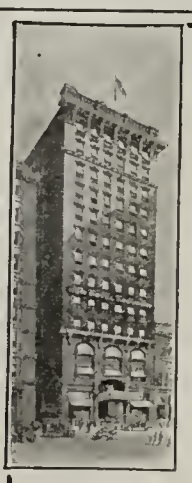
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Wisconsin Fire Risks Re-Insured

$3,455,235 IS AMOUNT INVOLVED

Constitutes Excess Over Amount the State Fund is Permitted to Carry On Property

Madison, Wis., Aug. 15.—The Wisconsin State Fire Insurance Fund has re-insured a portion of its risks to the amount of $3,455,235. This has been pursuant to a law passed by the last session of the Legislature. This law provides that the insurance commissioner, having management of the fund, may at his discretion, with the consent of the Governor, re-insure such risks as are assumed by the State Fund when the amount of liability on any one risk exceeds the sum of $100,000. The re-insurance effected does not cover all State property, but covers only on such risks as the Commissioner of Insurance decided re-insurance protection should be secured.

The largest amount of re-insurance effected on any one risk is that of the Northern Hospital at Winnebago, Wis. The total amount of insurance in force on this risk is $666,000, upon which risk the sum of $560,380 is re-insured. On the State Hospital at Mendota, the total amount of insurance carried is the sum of $469,620, and the amount of re-insurance $367,380. The School for the Blind, at Janesville, total insurance carried is $192,150, amount of re-insurance $74,000. The Binder Twine factory and warehouse at Waupun, including contents, amount of insurance carried is $634,359, amount of re-insurance effected $534,775; Platteville Normal School, amount of insurance in force $155,250, re-insurance effected $51,000; Stevens Point Normal School, insurance carried $223,855, re-insurance effected $111,000; Whitewater Normal School, insurance carried $173,000, re-insurance effected, $73,700; Historical Library, insurance carried $720,000, re-insurance effected $360,000; University of Wisconsin, insurance carried $2,098,682.20, re-insurance effected $1,106,500.

The re-insurance effected is upon the same basis as that placed in the State Fund; all of the State property, under the statutes, being covered for 90 per cent. of its value; the rates charged by the fund are 75 per cent. of the board rates. The rates of insurance as covered under the re-insurance contract allow the usual credits for the use of the 90 per cent. co-insurance clause as does the State Fund. The law allowing such re-insurance provides that in no instance shall a greater amount be paid for coverage than is provided for in the State Fund. Under the re-insurance contract entered into between the fund and the several companies, all the re-insurance is placed at the same cost as provided for by the fund. No re-insurance is effected upon the State capitol building or its contents. The law in question limited the amount which may be carried in the State Fund on such building to $500,000; it also limited the amount of insurance to be carried by the fund upon the Historical Library building to $200,000.

In the placing of such re-insurance, no standard policies are issued by the companies accepting the same. The re-insurance contracts are based upon the re-insurance schedules as issued by the Insurance Commissioner to the several departments or units covered. This is under a recent ruling made by the attorney general.

The total amount of premiums covering such re-insurance is the sum of $11,872.23. The companies accepting the re-insurance in question base the percentage of coverage upon the several items re-insured, taking the Northern Hospital at Winnebago as the base unit. Such re-insurance was effected through a local agent at Madison, J. N. Hobbins, and only one agency agreement was entered into as to such re-insurance, in order to facilitate the handling thereof in the event of changes. On several of the items covered the amounts to be insured vary from time to time.

The interesting question affecting insurance men in general is as to the amount of commissions that might be involved in the placing of such line of re-insurance. As is a well-known fact, agents' commissions upon this particular class of property are limited by the companies to 25 per cent. The State Fund limited its premiums to 75 per cent. of the board rates, and under the law permitting such re-insurance no more can be paid for re-insurance than is collected by the fund. It naturally follows that the agency commission of 25 per cent. is included in the re-insurance contract. Following is a list of the companies with whom re-insurance has been placed:

Citizens, Westchester, Boston, City of New York, New Hampshire, New Brunswick, Allemannia, Humboldt, Pittsburgh Underwriters, German-American of Pittsburgh, Keystone Underwriters, United States, London & Lancashire, Orient, Concordia, Farmers of York, Ohio Farmers, Rhode Island, Commercial Union, Atlas, St. Paul, F. M., Scottish Union & National, Phoenix of Hartford, Yorkshire, Pacific, Globe & Rutgers, Springfield F. & M. and Connecticut.

ATTACKS AMERICAN COMPANIES

(Continued from page 1)

Hartford; the Connecticut, of Hartford, and the Springfield Fire and Marine, of Springfield, Mass.

Sold Bonds to Companies

In 1910, the Mortgage Bond Co., of which George A. Hurd and Richard M. Hurd, brothers, are respectively president and vice-president, the last named also being president of the Lawyers Mortgage Co., disposed to the fire insurance companies through a prominent bond house in New York about $760,000 of bonds. The selling method used was for the representative of the bond house to interview the officials of the fire insurance companies, stating to them that unless they took a good sized block of these bonds they would not be permitted to participate in the insurance controlled either by the Mortgage Bond Co. or the Lawyers Mortgage Co. The price paid for the bonds was $90 and they are now quoted at around $75.

In spite of his patriotic effusions, Mr. Hurd has made no offer to buy back from all of these companies at the price they paid for them these bonds of the Mortgage Bond Co. In view of his fear of money reverting back to the German Government, would it not be but consistent patriotism for Mr. Hurd to buy back these bonds in order that none of the profits of his Company may be used in prosecuting the war against the United States?

Strong Personal Sentiments

The July 29 issue of the "Evening Telegram" contained a full page article, with the photograph of Mr. Hurd, directed against the German Government, the German people, German business and everything in any way having the stigma of Germanism. He was as sensational there as in the present instance.

This is his attitude in spite of President Wilson's declaration that we are not at war against the German people or against German business.

Mr. Hurd would apparently like the public to believe that he is intimately familiar with every detail of the workings of a fire insurance company, both financial and technical. Did he get this vast experience by selling them bonds of the Mortgage Bond Co. with the alternative of exclusion from sharing in the patronage of the Lawyers Mortgage Co.? Or did he divine it through the business insight which he has used in the management of his own corporation, with the result that its stock has dropped in the past two years from 176 to 125 and whose dividend this year was reduced from 12 to 8 per cent.?

Refuses Policies

Mr. Hurd has shown further evidence of keen business acumen. He refuses to accept the policies of American companies because that dear, downtrodden public might suffer because of the re-insurance of their business through treaties with insolvent German companies. The business he thus assumes the supreme protection of, is almost wholly composed of dwelling houses which the Lawyers Mortgage Co. has issued mortgages on. The average fire insurance company retains as many dwelling house risks as they can secure, without re-insurance.

HEAVY FIRE LOSS

First Half of the Year Shows Big Increase Over Two Past Years

Statistics covering the fire losses in the United States and Canada during the first six months of the current year show a material increase over the corresponding periods of 1915 and 1916. Should the same ratio of losses be maintained throughout the year the American ash heap will be much larger than for many previous years. The loss for the first half of the year is placed at $142,621,755, or at the rate of approximately $300,000,000 for the year. The loss for this country alone is placed at $134,669,800, or $24,000,000 in excess of the loss during the first half of 1916. The proclamation of President Wilson, and the special proclamations of some of the Governors have apparently had little effect upon the public so far as fire prevention is concerned.

"The Leading FIRE INSURANCE Company of America"

ÆTNA INSURANCE CO. HARTFORD, CONN.

WM. B. CLARK, President

Explosion and Sprinkler Leakage Insurance

THE HANOVER
FIRE INSURANCE COMPANY
Incorporated 1852

The real strength of an insurance company is in the conservatism of its management, and the management of THE HANOVER is an absolute assurance of the security of its policy.

R. EMORY WARFIELD, President
FRED. A. HUBBARD, Vice-President
E. S. JARVIS, Secretary
WILLIAM MORRISON, Asst. Sec'y

HOME OFFICE
Hanover Bldg., 34 Pine St.
NEW YORK

HOWIE & CAIN, General Agents
Metropolitan District
100 WILLIAM STREET, NEW YORK

WESTERN ASSURANCE CO.
OF TORONTO, CANADA
(Fire, Tornado, Ocean Marine and Inland Marine Insurance)
UNITED STATES BRANCH
January 1, 1917

Assets	$3,329,177.74
Surplus in United States	1,478,531.90
Total Losses Paid in United States From 1874 to 1916, Inclusive	41,657,814.31

W. R. BROCK, President
W. B. MEIKLE. Vice-Pres. & Gen. Man.

"STRONG AS THE STRONGEST"
The Northern Assurance Co.
(LTD., OF LONDON)
Organized 1836
Entered United States 1876

Losses Paid - - - $105,000,000
Losses Paid in U. S. - $38,000,000

Eastern and Southern Departments
55 JOHN STREET
NEW YORK CITY

H. KRAMER
ADJUSTER
FOR INSURANCE COMPANIES
105 William Street, New York City

WILLIAM C. SCHEIDE & CO., Inc.
HARTFORD, CONN.
Re-Insurance in All Branches

Agricultural Insurance Company, of Watertown, N.Y.

64th Annual Statement

Assets	$5,036,003.01
Liabilities	2,296,861.95
Capital	500,000.00
Conflagration Surplus	250,000.00
Surplus to Policyholders	2,739,141.06

F. F. BUELL, Troy, N. Y., Special Agent.....NEW YORK STATE
E. J. PARMELEE, Syracuse, N. Y., Special Agent..NEW YORK STATE
GEORGE SHAW, 116 Milk St., Boston, Special Agent..NEW ENGLAND
F. L. GILPIN, JR., 422 Walnut St., Phila., Special Agent.MIDDLE DEPT.

GENERAL AVERAGE

The Meaning of the Term and Its Application to Marine Insurance

By E. C. Elder, Special Agent, Hartford Fire Insurance Co.

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This article is written with the hope that it will be of some service to those agents whose limited experience in marine insurance has not given them the opportunity or the occasion to become acquainted with the principle of general average.

At the outset we wish to emphasize the fact that it is a mistake for an agent living in the interior of the country, at a distance from the sea coast, to consider that a knowledge of marine insurance would be of no practicable value to himself. The most important branch of the marine insurance business is the insuring of cargo transported in ocean-going vessels, and with the growth of this country as an exporting nation, it is natural to expect that the volume of marine insurance to be placed on cargo shipped to foreign countries will steadily increase.

Coverage of Merchandise

It may not be out of place here to sketch briefly the method of insuring merchandise that is shipped out of or into the country. Practically all merchandise that is exported is insured by the shipper, whether he be manufacturer or jobber, under an open marine policy, which is a contract policy that automatically covers all the good shipped by the assured at a certain agreed value, such as invoice cost, or invoice cost plus a certain percentage, usually covering continuously from the time the goods leave the factory or warehouse of the assured during transit by railroad to the seaport, and thence by the ocean-going vessels to port of destination. According to the usual custom an insurance certificate is issued under the policy, covering each shipment made. The certificate is negotiable, and, after being endorsed by the shipper, is sent forward with the invoices, bills-of-lading, bank draft, and other shipping documents. Any loss that may occur to the goods during the voyage, whether of a particular or general average nature, is usually settled with the foreign consignee by the insurance company's foreign settling agents located at or near the port of destination. Many times the shipper never knows that a loss on his goods has occurred. It is also the custom of many importers to insure goods shipped from abroad into this country, under open marine policies similar to those issued covering export shipments.

Once an agent has ascertained the needs of his client, and, with the help of the insurance company, has had the policy properly drawn, the most important part of his work is completed. The particulars of each shipment, as it is made, are reported to him and by him transmitted to the company. Premiums, according to the rates as per the schedule furnished by the company when the policy is issued, are usually collected once a month. The agent, however, is virtually free from any concern in respect to the collection of losses.

Detail Handled By Company

The subject of general average is an intricate one, if considered in detail, but fortunately it is not at all necessary for an agent or broker engaged in effecting marine insurance to bother himself with technicalities. A general understanding of the meaning of the term may, however, prove to be of some value. Such a knowledge may enable him at some time to be of service to one of his clients, for it is not infrequently the case that an exporter or importer of goods has himself little or no knowledge of the principle. It often happens that the first time an owner of goods shipped by water has the subject brought to his attention, is when a demand is made by the steamship line that he sign a general average bond and put up a cash deposit as security for the payment of a general average contribution on his goods when the amount due from him has been accurately determined by the average adjusters who have been employed by the steamship company to make up the general average statement.

The doctrine of law known as general average pertains only to maritime law and is solely concerned with a certain class of sacrifices and expenditures that may be incurred by the owners of a vessel for the purpose of saving the vessel and her cargo from imminent peril. The principle will be more clearly understood if we bear in mind the fact that general average exists wholly apart from insurance and is not dependent in any way upon the insurance contract. It involves obligations that originally exist between ship owner and cargo owner, arising out of the contract for the carriage of goods, as expressed by the charter party and bills-of-lading.

"General Average" Ancient Principle

It may assist us to grasp the meaning of the law if we refer briefly to its origin and growth. Some of the most ancient principles of law relating to maritime commerce that have come down to and now form a part of our law, are laws dealing with the adjustment of losses caused by the jettison or throwing overboard of part of the cargo for the purpose of saving the ship and cargo from some threatening peril. A provision that has been cited often by courts of law in cases involving questions in regard to the jettison of goods is the "Rhodian Law," which was published in the Digest of Justinian about A. D. 530. This law, which has been cited by English and American courts of law, even in our day, reads as follows:

> "By the Rhodian law it is provided that when a jettison of goods takes place for the purpose of lightening a ship, that which has been jettisoned on behalf of all is restored by the contribution of all."

The justice of such a law can readily be seen. Suppose that a vessel in attempting to enter a harbor runs aground in an exposed position on a bar at the harbor entrance, and that in order to save the vessel from being pounded to pieces in a heavy sea, and to lighten her so that she will float, a part of her cargo is thrown overboard. It is obviously only fair that the owners of the vessel and the owners of the cargo that is saved by reason of the voluntary sacrifice of part of the cargo, should both contribute to make good the loss to the owners of the part of the cargo that was jettisoned.

This law respecting allowances for jettisoned cargo has been extended to cover other losses and sacrifices of a similar nature, until, as Gow states in his valuable book on marine insurance, "It has later developed into a principle according to which all extraordinary sacrifices and expenditures made or incurred voluntarily in order to avert from the whole venture some threatening peril, are divided pro rata over the whole of the items composing the venture."

Other Forms of Sacrifice, or Expenditure

Some of the other forms of sacrifice or expenditures of money, aside from allowances for jettisoned cargo, which it is the custom to make good in general average, are the following:

Salvage expenses, or money paid to salvors engaged by the captain of a disabled vessel, for successful efforts in saving vessel and cargo.

Certain classes of expenses incurred by a vessel in putting into a port of refuge to repair and refit, before she can continue the voyage in safety.

Sacrifices of ship's materials, such as damage done in cutting away bulwarks in order to permit water to run off and allow the vessel to right herself after having been thrown on her beam ends; or the cutting away of masts and spars or letting go of sails to enable a disabled vessel to right herself.

Damage to machinery, if caused by an extraordinary use to save vessel and cargo.

Damage to cargo, caused by water thrown on to extinguish a fire on board the ship.

Freight that is lost as a result of a sacrifice of cargo.

Losses Due to Accidents

There are other forms of losses besides general average losses that are caused by marine disaster. Damage caused, for instance, by an accidental stranding of vessel due to stress of weather does not constitute a general average loss; neither does damage to a vesel or her cargo caused by fire on shipboard. The distinction between losses of this description and general average losses is that the first class comprises losses approximately caused by accident; while general average losses include only losses involving sacrifices of property and expenditures purposely made or incurred by the captain or other representative of the owners of the vessel, for the benefit of vessel and cargo, in order to save both from danger. Arnold, the leading British authority on marine insurance, clearly draws the distinction between the two classes of losses, those that belong to general average and those that do not, in the following words:

> "The leading characteristic of a general average loss is, that it is the intentional result of the act of man, not the inevitable result of the perils insured against; it arises from damage purposely submitted to or directly effected by the agency and will of man, not accidentally caused by the agency of the winds and waves."

Losses on account of damage to either vessel or cargo caused by an accident and not by a general average act must be borne by the owners of the property that is damaged. But all general average losses are made good by a contribution from all those who are interested in the venture, following the simple and equitable rule, which has been recognized by the seafaring people of all nations from the earliest time of which we have any record, that that which has been sacrificed in the time of danger for the safety of all, shall be made good by a contribution from all those who have thereby been benefited.

Origin of Average Adjusters

The complex character of marine losses has been responsible for the forming of a class of experts called average adjusters. When a vessel has been forced to make sacrifices or incur expenses that have resulted in a general average loss, it is the custom of the owners of the vessel to appoint competent adjusters to handle the case. The ship owner has a lien on the cargo for its proportion of general average expenses and the first work of the adjusters is to obtain proper security from the owners of the cargo, before it is released by the vessel, guaranteeing the payment of whatever charges may be assessed against it. Each owner of cargo is required to sign a general average bond, and, unless, his goods are insured, to make a cash deposit, which is set high enough to cover any contribution that may be found to be due on his goods. If the goods are insured, the adjusters will usually accept, in lieu of a deposit, the written guaranty of the insurance company to pay the contribution due when the statement is prepared and the exact amount ascertained. In addition to arranging security for the payment of the general average assessment, there is often much work involved in determining the proper amount of allowance to make on account of sacrifices that have been made and for damage that has been done to vessel and cargo as a result of the general average act. The valuations upon which the different interests contribute also have to be determined. Generally speaking, cargo contributes upon its market value at the port of destination in the condition landed, less freight, duties, and certain other charges; the freight, upon the amount salved by the general average act or sacrifice, less expenses incurred in earning it after the date on which the general average act or sacrifice occurred; and the vessel, upon her value in the condition in which she arrived at the port where the voyage is terminated. As an illustration, suppose that in a certain general average case the contributory value of the vessel is fixed at $600,000, the cargo at $380,000, and the freight at $20,000, making an aggregate valuation of all interests of $1,000,000. The owners of the vessel would pay 60 per cent. of the general average on account of their hull interest and 2 per cent. on account of their interest in freight; the owners of the cargo would pay the balance, 38 per cent.

Clause Not in Early Policies

It has been noted that general average is not originally an insurance liability. All standard forms of marine policies, however, whether covering hull or cargo, assume liability for any general average and salvage charges assessed against the property insured, based on the insured value. Whenever, therefore, cargo which is called upon to pay a general average contribution is insured, the general average deposit, if one has been made by the owner of the goods, is promptly refunded by the insurance company; but in practically all cases the steamship company will release goods without demanding a cash deposit from the owner upon receiving the insurance company's written guaranty to pay all such charges when the average statement is finally prepared.

From the preceding it will be seen that although no direct damage may be caused by a marine disaster to goods on board the ship, nevertheless the owner of the goods may be called upon to pay his proportion of expenses or sacrifices that are incurred by the owner of the vessel or its agents for the benefit of all concerned. Such charges often constitute a serious loss, many times exceeding the insurance premium that would be paid on the shipment. As a matter of fact, practically all shipments of imports and exports are insured. Banks transacting such a business could not afford to handle bills of exchange covering foreign shipments unless they were properly protected by marine insurance, and always require that marine insurance certificates accompany the shipping documents on which the advances are made.

Direct Losses Not Covered

General average losses, however, constitute only a part of the losses for which underwriters are liable under the terms of the customary marine policy. Other losses, such as those proximately caused by accident, as examples of which we have mentioned losses on account of damage directly caused by fire or by the wind, are also recoverable under the ordinary form of contract. Losses of this kind consist principally of total losses and particular average losses.

CASUALTY AND SURETY NEWS

Discuss Higher Rates For Burglary Risks

ROBBERIES IN SILK TRADE FORCE UNDERWRITERS TO ACT

Rates Advance Fifty Per Cent. on Certain Commodities—Police Blamed for Crime

Representatives of twenty-three companies doing a burglary insurance business, held a meeting in the offices of the Fidelity and Casualty Company, this city, last week and took steps to fortify themselves against the abnormal losses that have been sustained during the past few months in Greater New York. The large scale on which the burglary business has been carried on hereabouts has been commented on from time to time by The Eastern Underwriter, and its readers are familiar with the conditions.

As stated before, an increase of rates for this class of insurance would be necessary, and it was decided at last week's meeting what those increases should be. J. J. Kenney, chairman of the mercantile committee of the underwriters, offered the following revised list of rates:

The old rate was $33.60 for $1,000 insurance, $56 for $2,000, $78.40 for $3,000, $92.40 for $4,000 and $105 for $5,000, and an increase of $10 for each additional $1,000. The new schedule fixes a rate of $40 for $1,000 and $70 for $2,000, with an increase of $25 thereafter for each $1,000 up to $10,000 and $20 per $1,000 above that figure.

Under the former system insurable commodities were gathered in four groups. Group four of this list included jewelry and other articles, including silks, velours, velvets, etc. According to the new schedule, which was adopted by the association, the silks, velvets, velours and similar articles were taken out of group four and formed into a new group five.

The change, however, affects only those commodities named and is confined strictly to mercantile risks. Residences, flats and other insurances are not changed. It is to go into effect on September 1.

The board also voted to raise the insurance rates for flat houses in Chicago. No increase was announced for homes in New York, in spite of the rapid jump recently in the number of burglaries in flats and apartments.

Robberies among the wholesale and commission houses in the textile trade which is located between Worth Street and Twenty-Third Street, and especially in the silk goods section, have been of nightly occurrence during the past half year, and comparatively few of the criminals have been run down by the police, although the latter contend that the value of stolen property recovered during the first half of the year was greater than for any complete year during the past history of the Department.

Conference With Police

A conference at Police Headquarters on Monday was attended by a dozen or so representatives of insurance companies. Inspector Faurot represented the police department and several hours were spent in trying to devise means to check the crimes. Inspector Faurot said that the department had under consideration the establishment of a burglary prevention squad of police, which met the approval of the insurance people.

The Inspector contended that the insurance companies were largely at fault for the burglaries because they accepted improper risks, thereby placing a heavy burden on the police. In retort, the insurance men said that the police ought at least to be able to solve the robberies, if they were not able to prevent their commission. Inspector Faurot said he was working on a suggestion from T. J. Corrigan and R. P. Sherman, of the Frankfort General Insurance Company, to the effect that the insurance companies may be given special police power, and the privilege of viewing the "line-up" of convicted prisoners.

It was declared that eighty per cent. of the robberies had been committed by persons in the employ of the victims. The statement was made that one manufacturing firm had been robbed seventeen times during the past six months. Inspector Faurot thought it might be a good plan for employers to look into the character of the men when they employed them, and to maintain a license bureau for night watchmen and elevator men, issuing to qualified men a card. He also suggested the standardizing of risks and the instalment in every loft of an up-to-date burglary alarm. "But the insurance companies will not put such clauses in their policies," said the Inspector.

The insurance companies hope that the movement recently set on foot will have a tendency to lessen burglaries. The increase of rates from 20 to 50 per cent. on various classes of risks is expected to goad manufacturers and others who have been periodical victims to exercise more vigilance. As many of the crimes are believed to have been committed at night, or in the early morning, by employes with the aid of truckmen, a closer watch is to be maintained during all hours.

HARTFORD'S INCREASE

New York Plate Glass Department Increases Production 187 Per Cent. Over Seven Months of 1916

The New York office of the Hartford Accident to July 31 had increased its plate glass premiums 187 per cent. over the same period of last year. The premiums in 1916 amounted to $11,398.45. In 1917 the premiums received to July 31 totalled $32,823.44. This business is also attended by a substantial decreasc in loss ratio.

This increase takes the Hartford Accident from its position near the bottom on the list of plate glass premium producers in New York City and places it in the front rank. It is indicative of the broadening policy of the company which caused it to separate the plate glass department of the New York office from the burglary department last January and place it under the supervision of Jose N. Ferrer, former superintendent of the plate glass department of the Casualty Company of America.

Accident
Health Automobile
Plate Glass
Burglary Liability

Fidelity
Contract Judicial
Public Official
Depository Bonds

FIDELITY & DEPOSIT CO.
OF MARYLAND
BALTIMORE

Great Danger In Specimen Policies

EVIDENCED BY EXPERIENCE OF GENERAL ACCIDENT

Alleged Broker Covered Word "Specimen" With Paster Bearing Fraudulent Signature of Officer

That there is great need for the casualty companies to further mutilate their sample policies is seen in the experience of the General Accident which brought about the trial this week of one J. J. Manning on the charge of having fraudulently used the specimen policies of the company.

The first inkling the General Accident had that anything had gone amiss was about two weeks ago when the Rev. S. P. Reimika, a Catholic priest in South Brooklyn, came into the metropolitan office of the company and submitted a policy which he said had been sold him by a man giving the name of Edw. J. Dowling. Dowling, the priest said, gave him a receipted bill for $20 on his own stationary, which gave his address as 80 William St., and his telephone number as that of E. E. Clapp & Co. He had sold other policies to two other priests, friends of Father Reimika, collecting $45 and $75 respectively.

Each policy was countersigned and authorized in regular manner, all bearing the authorizing signature of a W. J. Anderson and the counter signature of a P. G. Ackermann, both of whom were represented to be officials of the General Accident. The latter signature was written on a paster which hid the words "Specimen Policy."

The priest gave a check in payment which was endorsed by a Mrs. Evelyn Manning who had a checking account at the Chatham & Phenix National Bank at Broadway and 144th St. At the bank her residence was learned together with the fact that she had opened her account with this check. At her residence it was learned that she was the wife of a J. J. Manning. Through Mrs. Manning, it was learned that her husband claimed to be an insurance broker and was authorized to do business all over the United States It was discovered, however, that he is not now licensed in any State.

Manning was arrested in Albany on Wednesday and brought to New York City where he was arraigned on a charge of petty larceny and grand larcency pending the convening of the General Sessions Court. When presented with the evidence he is said to have confessed to having defrauded the priest on his insurance swindle together with an additional $500 on a stock deal. He would admit nothing further but it is believed from what his wife told that he has been implicated in similar stunts with other companies in Cleveland. When arrested he admitted that he had a supply of the specimen policies of the General Accident but no literature of any other company was found on him.

Came Early in Morning

He secured these policy forms from the metropolitan office of the company by coming in at 8:30 in the morning when only a few employes were present and represented himself to come from the office of R. C. Rathbone & Son.

Manning filled out the policies in a way that showed he was not only familiar with accident and health coverage but an expert who could have earned an honest living with no difficulty, and the priest to whom he sold the policy said that he talked very familiarly of the subject and in a convincing manner.

An interesting feature of the case was developed by Mrs. Manning who said that Manning has been a sufferer from consumption.

Credit for apprehending Manning is due to Jos. L. Mautner, manager of the metropolitan office of the General, and the accident and health department of the office. The General, it might be said, has already taken steps to prevent this method of fraud from being repeated.

STOPS AUTO THEFTS

Insurance Companies, Auto Clubs and Glass Dealers Urged to Co-Operate in Establishing New Idea

Insurance companies, automobile clubs and glass dealers have been urged by C. C. Kilbury, secretary of the Toledo Automobile Club, to cooperate in putting into practice a new idea aimed at stopping the theft of automobiles. His idea is to place, by chemical process, the serial number of the car and the name of the owner's home town upon the windshield and that each owner should carry a card bearing his name, address and the serial number of his car.

Identification marks upon the metal or wooden parts of the car may be removed or altered, but not so with those upon glass, which must be broken or removed. Hence a car with a plain or broken glass would excite suspicion. The glass seller plays his part when he is asked to sell windshield glass to a man who cannot prove ownership of the car for which the purchase is made.

Mr. Kilbury admits that there are numerous arguments against this plan and that to put it into operation would be a monumental task, but he states that present defects can be ironed out, and asks that the plan be given discussion in the various auto clubs of the country.

General Accident
FIRE AND LIFE
ASSURANCE CORPORATION, Ltd.
FREDERICK RICHARDSON, United States Manager
GENERAL BUILDING · 4TH & WALNUT STS.
PHILADELPHIA
SERVICE THAT EXCELS

The Hotel Hazard Is Ever Present

ILLUMINATING ARTICLE IN TRAVELERS STANDARD

Fire, Elevators, Falling, Collisions in Hallways, Are Cited as Important Contributors to Accidents

In the last issue of the Travelers Standard, published by the Engineering and Inspection Division of the Travelers Insurance Company, the question of hazards as found in hotels is discussed in the following language:

When asked to enumerate the hazards to which patrons of hotels are subjected, the average person, in all likelihood, will first mention fire, and if he is facetiously inclined he may also refer to the disastrous consequences that tradition associates with rural visitors and gas jets. The fire hazard rightly takes first place. The "blowing-out-the-gas" hazard, however, is largely fictitious. It exists mainly in the minds of newspaper men, and is supposed to be a joke, though the nap was worn off of it many years ago.

In the fire hazard the hotel management, the employes, and the guests have an ever-present menace of varying degree,—the seriousness of the hazard depending largely upon the physical condition of the hotel. We cannot at this time discuss the hotel fire hazard in detail, but it seems advisable to indicate the extremes. In the United States there are hundreds of small hotels in which the only fireproof things are the door knobs, the heating and cooking apparatus, and the steel pen at the registration desk. This, of course, does not include the bar-room stock, which is fireproof in a limited sense only. The fire-fighting apparatus often consists of a volunteer bucket brigade, or a fire engine manned by volunteer firemen. In contrast to this some of our modern hotels embody all that the ingenuity of man has devised for making buildings proof against fire. This includes fireproof materials for walls, floors, ceilings, and partitions, wire glass for windows, special fire walls, sprinkler systems, fire hose on each floor, and as great a portion as possible of the room furniture and furnishings of fireproof material.

The physical condition of a hotel is a matter lying within the jurisdiction of the owners and the city authorities, and the guest must accept conditions as he finds them, for he has no authority to make improvements, even if he has the inclination. He can, however, so conduct himself that no act of his will expose either himself or the other guests to the hazards of a fire. A large number of hotel fires have been started by guests who have thrown lighted matches in the general direction of a waste basket or cuspidor. The match may be wholly extinguished in its flight, and if so no harm will result; but if it is still burning when it strikes, it is largely a matter of chance whether or not the blaze or spark will ignite inflammable material in or about the waste basket. Fires have been started by lighted cigars and cigarettes left on stands and bureaus, and by cigars and cigarettes in the hands of guests who are addicted to the dangerous habit of smoking in bed. Electrical heating appliances, when left with the current turned on, have also been responsible for more than one disastrous conflagration. All fires from such causes may be prevented by the exercise of ordinary precaution and care. Self-preservation—the first law of nature—ought to be a sufficient reason for everyone to do his part in keeping down the number of hotel fires.

Accidents often happen from the use, or rather misuse, of elevators in hotels. Elevator service is simply a matter of vertical transportation, and it is only when operators and patrons keep this in mind and pay strict attention to the business in hand that reasonable assurance against accidents may be gained. Hotel guests, and especially women, should remember that the mirror in the elevator is not a proper substitute for the dressing mirror. (An elevator is no place for a mirror, anyway.) If the guest will keep this in mind she will also be more likely to recognize the particular floor at which she desires to alight, and therefore will be less likely to be injured in a belated attempt to leave the car.

Too much cannot be said in condemnation of the general practice among elevator operators of starting the cars before the doors are entirely closed. Many persons appear to be unable to resist the impulse to enter or leave an elevator when the door is only partly open, even though the car platform has not yet reached the landing or is already moving away from it. As a result of this impulse numerous serious and oft-times fatal accidents occur every year. Accidents of this kind may be prevented by the use of interlocks, making it impossible to open a shaftway door unless the car is at the corresponding landing, or to start the car before the shaftway door is closed.

Nowhere in this world, it seems, are we entirely free from the hazard of falling, and hotels are no more safe in this respect than most other places. There are many places in every hotel where special care is necessary to avoid falls, and in this connection there comes to mind at once the great number of accidents due to tripping and slipping on the stairs. Smooth, polished floors are also responsible for injuries due to falls. This hazard is increased when patrons carelessly drop articles that slip easily on the floor. Wet paper makes treacherous footing, and we recall a case in which a woman, after buying some flowers at the florist's booth, stepped on a small piece of wet tissue paper and was seriously injured by the fall which resulted. Mention should also be made of the chances for severe injury from falls due to wet tiled bathroom floors, and to slippery bathtubs. The number of ribs broken by falls against the sides of bathtubs is legion.

Occasionally, also, at changes in the floor level there will be short ramps or single steps, and these, combined with inadequate hall lighting and general unfamiliarity with the surroundings, frequently cause accidents. The hallways of hotels are usually covered with thick carpeting, so that no sounds will be likely to disturb the guests, from the hall side, save the raucous voices of the chambermaids. In turning a corner in such a hall, a person usually has no way of knowing whether or not somebody else is approaching from the opposite direction, and unpleasant collisions sometimes occur in consequence of the uncertainty. To guard against accidents of this kind large mirrors are occasionally set in the corners, at an angle of 45 degrees with each branch of the hallway. When this is done, a person moving in either direction can see if there is anyone approaching around the corner. This device is not applicable, however, where two hallways cross, or where one of them continues past the point of intersection.

Hotel guests sometimes place articles on the window sills, from which vibration or careless handling later causes them to fall. Anyone directly beneath is likely to be injured, in such an event. We recall a recent case, for example, in which a man in an open-air court dining room recently received a painful shoulder bruise when a drinking glass was knocked from a window sill on the fourth floor above him. Accidents such as these are not peculiar to hotels, but they are perhaps more likely to happen there than anywhere else, and hotel guests should therefore exercise every care to prevent them.

Hard or sharp objects sometimes find their way into the food in hotel kitchens, and in consequence guests occasionally damage their teeth, or receive injuries of other kinds. Slivers from benches or boards on which food is prepared are among the commonest objects of this nature, and they may be quite sharp. Bits of glass are also occasionally encountered, and sharp fragments of bone are not infrequent. It is hardly necessary to say that the management should exercise the greatest care to prevent any such objects from getting into the food that is served.

The hazard from eating food that is tainted, or that has been infected by flies, or that is improperly cooked or otherwise unfit for consumption, may be a very real one, and the only way to avoid it with a fair approach to certainty is by patronizing only those hotels that have a good name in these respects, or which show evidences, in other ways, of being managed with due and proper regard to the sanitary welfare of their patrons.

Penna. Department After Twisters

BRANCH OFFICE ESTABLISHED IN PHILADELPHIA

Deputy Commissioner Wilson Looking After Interests of Companies and the Public

A. Nevin Detrich, examiner in chief of the Pennsylvania Insurance Department, on Monday of this week called attention to what he styled criminal practices, resorted to by many insurance agents and some companies in Pennsylvania. He asked the people of the State to aid the insurance department in gathering evidence against "insurance crooks." Mr. Detrich said:

"The Insurance Department, in the prosecution of its work of safeguarding the public, has in recent months been kept busy in running down agents who have been openly violating the laws, and it has even been compelled to go to the home office of a casualty insurance company and take a rule on it to show cause why its license to do business in Pennsylvania should not be revoked.

"The crime committed by these agents and the company managers is that of 'twisting business,' which is a direct violation of the act of June 12, 1913.

" 'Twisting business' means the transfer through misrepresentations or falsehoods of policies existing in one company to another company. The agents profit by large commissions, usually 100 per cent., upon business of this kind, which becomes new business each time it is twisted. The policyholders who place confidence in the agents jeopardize their chances of collecting claims if they should happen to become ill or injured when they permit policies to lapse in one company and be changed to another company.

"A branch of the Insurance Department, at 804 Commercial Trust Building, Philadelphia, and in charge of Robert C. Wilson, special deputy insurance commissioner, is devoted to the settlement of claims between the public and insurance concerns; and it is well for the public and insurance companies and associations to know that Deputy Wilson and his force, acting under the instructions and with the co-operation of the Insurance Commissioner, are always available to the public and ready at all times to use the power of the Commonwealth to see justice is done."

SURETY SUIT ENTERED

Question of Ownership of Swedish Vessel Involves a Claim for $343,000

Papers have been filed in the New York State Court in a suit brought by the Universal Transportation Company of 29 Broadway, against the National Surety Company, to recover $343,000. The litigation grows out of a bond issued last year by the National Surety Company guaranteeing that a certain Swedish steamship company known as the Rederlakitebolaget Amie, would abide by certain court orders in connection with the ownership of the steamship Ada.

Prior to 1916 the Ada was owned by the Swedish corporation. About a year ago the Universal Transportation Company, claiming to have bought her, libelled her and levied an attachment in the New York harbor. The bonds freeing the vessel were executed by the National Surety Company which guaranteed that the Swedish company would settle any final judgment. The Swedish corporation's suit is on appeal in the New York courts at the present time. In the meantime the ship has been seized by the English Government.

The National Surety Company declares that it will not be liable until the final decree is rendered against the Swedish corporation, and that the latter may win its pending appeal. The National Surety Company is amply protected, both because it has reinsured a large part of the risk, and also because it made the Swedish corporation deposit with it a substantial amount of securities and cash when the bond was originally executed.

TRAVELERS' NEW POLICY

Leader Income Disability Form Pays Both Accident and Health Indemnity for Life of Assured

The Travelers this week announced the issuance of a new accident and health policy to be known as the Leader Income Disability policy. This policy pays indemnity for total disability by either disease or accident so long as the assured lives and suffers such disability. It also pays for partial disability. In event of dismemberment or loss of sight, dislocations or fractures, the insured may elect to receive a lump sum in lieu of weekly indemnity. The policy also contains provisions for double indemnity, reimbursement for hospital expenses and for surgical operations.

The Leader Income Disability policy may be issued for any combination of accident and health indemnity desired subject to the rules of the company. The premium rate for $25 weekly indemnity is $60 annually.

GLOBE COVERS CANTONMENT

The 3,500 men employed in building the Government cantonments at Des Moines, Iowa, have been insured under the workmen's compensation law in the Globe Indemnity. Owing to the speed at which the work is being pushed and the large number of inexperienced workmen, there have been a great many minor injuries, especially to the hands of workmen. Under the law, medical and surgical treatment is provided, free, but no indemnities are paid unless the disability lasts over two weeks, while most of the injuries are trivial.

Court Decides Case Against Fraternal

INVOLVED EXPLOSION OF FIREWORKS

Morgan G. Bulkeley, as Administrator of Estate of His Gardener, Wins Suit Against Brotherhood

In the case of Bulkeley vs. Brotherhood Accident Company, in the Supreme Court of Errors of Connecticut, the court held that the act of setting off a single firework is not a change of occupation from that of gardener to that of user or handler of fireworks, within the provision of an accident policy.

Evidence that the bombs were ordinarily safe, that from one to two minutes usually elapsed between the lighting of the fuse and the explosion of the charge, which threw the bomb upwards, and that insured, his employer, and members of the family had set off a great many of them on other occasions, is enough to show that the act of setting off in the usual way a bomb, a firework, was not a voluntary exposure to unnecessary danger, within the provision of an accident policy.

Question of Voluntary Exposure

Relative to the question whether insured fatally injured by explosion of a bomb which he was setting off, voluntarily exposed himself to unnecessary danger, within the provision of his accident policy, his declarations while on the way to the hospital, in answer to the question as to what happened, that it went off sooner than he expected, and something about a quick-burning fuse, all that witness could remember, are relevant and admissible, and make it more probable that the accident occurred because of a quick-firing fuse than from attempting to set off the bomb in some unusual way.

The case was an appeal from the Superior Court, Hartford County, in an action brought by Morgan G. Bulkeley, administrator, against the Brotherhood Accident Company on a policy of health and accident assurance. From a judgment for plaintiff, defendant appeals.

The plaintiff's decedent, Oscar L. Johnson, a gardener in the plaintiff's employ, was injured by the explosion of a firework called a bomb, intended to be fired by placing it in a mortar and lighting a fuse. Some of these fireworks, left over from the previous Fourth of July, were found about the premises, and Johnson was seen to take a bomb and mortar from plaintiff's garage toward an open place nearby. Nobody witnessed the accident, but an explosion was heard, and Johnson was observed rolling on the grass trying to extinguish a fire burning in the clothing about his neck and chest. Two days afterwards Johnson died in consequence of burns and wounds received from the explosion of the bomb. While being taken to the hospital Johnson was asked, "What happened?" and said that it went off sooner than he expected, and something about a quick-burning fuse.

The policy exempts the defendant from liability for injuries caused by "voluntary exposure to unnecessary danger," and provides that in case of injury after the insured has "changed his occupation to one classified by the Company as one more hazardous than that herein stated" the Company's liability shall be only for the amount which the premium would have purchased at the rate fixed by the Company for such more hazardous occupation.

The complaint alleges that the insured duly fulfilled all the conditions of the insurance on his part, and that the death was not from any cause excmpted in the policy. The answer leaves the plaintiff to his proof as to the facts, denies that the assured fulfilled the conditions of the insurance, alleges that the injury was caused by voluntary exposure to unnecessary danger, and as an alternative defense, that the assured had changed his occupation, and was engaged in using or handling fireworks when injured, whereby the Company's liability was reduced to $200, in respect of which a tender is pleaded.

No Change of Occupation

It is too plain for discussion that the act of setting off a single firework is not a change of occupation from that of gardener to that of a user or handler of fireworks.

The other ground of defense, that the injury was caused by voluntary exposure to unnecessary danger, rests upon the determination of a motion to correct the finding by erasing therefrom the finding that the death was not from any cause excepted in the policy, and by substituting therefor a proposed finding that the plaintiff offered no evidence to show that decedent did not voluntarily expose himself to unnecessary danger. It is, however, unnecessary to follow the defendant's argument any further, because the finding to the Trial Court is supported by the evidence, and the defense of voluntary exposure to unnecessary danger is disposed of on the merits in the plaintiff's favor. There was evidence tending to show that the bombs were ordinarily safe, that from one to two minutes usually elapsed between the lighting of the fuse and the explosion of the charge which threw the bomb upward, and that the decedent, his employer, and members of the employer's family had set off great numbers of them at Independence Day celebrations. This was enough to show that the act of setting off one of these bombs in the usual way was not a voluntary exposure to unnecessary danger.

Was Accidental

Then the question remained whether Johnson attempted to set the bomb off in some unusual way, or in some other way voluntarily exposed himself to unnecessary danger in setting it off. On this point his declarations made while being taken to the hospital are relevant and admissible, and they make it more probable than otherwise that the accident occurred because of a defective quick-firing fuse. Defendant excepted to the admission of these declarations, and now makes the claim that they were too vague and indefinite to be admitted in evidence. This, however, was the fault of the witness to whom the declarations were made, who was obliged to give the substance of what was said because he could not remember the words. Taking these disconnected phrases as expressing the substance of Johnson's declarations, there is no difficulty whatever in supporting the finding of the Trial Court that the death was not from any cause excepted in the policy.

TOWN BONDS

Under the Virginia law, town bonds cannot be accepted by the State treasurer from insurance companies as security for the protection of policyholders. In response to a request from Commissioner Button the attorney general's department rendered an opinion to that effect last week. The point was raised when the National Insurance Company, a sick benefit concern of Norfolk, offered to deposit as security bonds of the town of Franklin, Va. There appears to be no special objection to bonds of that class except that the law makes no provision for their acceptance. United States, State, city or county bonds may be accepted. The attorney general, in another opinion, held that foreign fraternal beneficial societies are not required to pay a fee of $2.50 required of insurance companies for service in cases brought against them through the insurance commissioner as statutory agent. It seems that this penalty, with reference to fraternals, was omitted in the so-called Mobile bill passed a few years ago.

EMBEZZLEMENTS

According to the bonding department of the Fidelity and Casualty Company, the long fingered gentry reaped a rich harvest during the months of April and May. The total amount of money embezzled from the various big interests amounted to $1,595,238.

W. E. SMALL, President PETER EPES, Agency Mgr. E. P. AMERINE, Secretary

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Capital.....$1,000,000.00

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Insurance in force	(over)....	$42 400,000
Resources	(over)....	5,600,000
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BUT THIS IS NOT ALL. The Accident Disability Endorsement FURTHER guarantees that in case of total disability as a result of accidental injury, the Company will pay direct to YOU at the rate of $50 PER WEEK during such disability, but not to exceed 52 weeks, after which the weekly indemnity will be at the rate of $25 PER WEEK throughout the period of disability. Can insurance do MORE? And why should any man be satisfied with a policy that would do less? The cost is low.

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Surplus, - - - - -	5,460,745.59
Losses Paid by Chicago Fire, 1871	3,239,491.00
Losses Paid by Boston Fire, 1872	1,427,290.00
Losses Paid by Baltimore Fire, 1904	1,051,543.00

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THE EASTERN UNDERWRITER

[Succeeding the Journal of Insurance Economics, Established in 1899]

A WEEKLY NEWSPAPER COVERING ALL BRANCHES OF INSURANCE

Eighteenth Year; No. 34 | NEW YORK, FRIDAY, AUGUST 24, 1917 | $3.00 a Year; 15c. per Copy

CLOSE WATCH ON COAL MINE U. & O. LINES

Because of Difficulty in Replacing Machinery, No Telling How Heavy Losses Will Run

STORY ABOUT PENNA. LOSS

Fire Damage 10 Per Cent.; U. & O., 50 Per Cent.—I. W. W. Western Agitation

Because of the difficulty in replacing machinery, the ease with which machinery can be put out of commission in a fire or before a fire, and many other reasons, coal mine use and occupancy losses in Pennsylvania and other States are attracting considerable attention among underwriters. In the West the I. W. W. agitation and other labor troubles have created a serious situation.

Pennsylvania Loss Grows

Recently, there was a coal mine loss in Western Pennsylvania, which seemed slight, a statement that turned out to be correct regarding the fire loss, but the use and occupancy loss, (that insurance being $200,000), is now figured at 50 per cent., a proportion to the fire loss which is significant of the times. In discussing this loss a special wrote to his company on Tuesday as follows:

"In re. loss, ...Coal Co., I would say that when the conversation with the assured started this loss was hardly 10 per cent., and the mine is already in operation. Later on in the conversation 'the best adjuster on U. & O. losses in the mining territory' had given his opinion that 'if the cracked frame or bed plate of the hoisting motor could be repaired they would only be out of operation a short time, but if it could not be they would be unable to hoist for four or five months,' although they have run in electric lines to take care of their mining machines.

"I do not know how a court would decide a U. & O. loss where the assured were able to mine, but unable to hoist their output, but something tells me that we would get stuck.

Wants Figures on Entire Class

"Can you furnish any figures showing profits or losses under U. & O. covers on this class? The agent mentioned several risks which have had U. & O. losses as being 'only 5-10 per cent.' and as the rates are around $1.75 I wonder how many of these so-called

(Continued on page 14.)

"The Largest Fire Insurance Company in America."

THE HOME
INSURANCE COMPANY
NEW YORK

ELBRIDGE G. SNOW, President

FULL WAR COVER
INCLUDING
BOMBARDMENT and EXPLOSION
Liberal Contracts Reasonable Rates
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Policyholders protected by the entire United States assets, with further guarantee in every policy, of protection by entire fire assets of the company which are many times larger.

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Operating under Iowa Reserve Deposit Law, which safeguards all policyholders
Entered for business in 18 States
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ATTRACTIVE POLICIES TO SELL.
LARGE ANNUAL DIVIDENDS.
LOW NET COST.
For agency apply to
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EQUITABLE LIFE
of IOWA DES MOINES, IOWA

ACTUARIES' REPORT ON WAR COVER BILL

Filed With Congress Committee on Interstate and Foreign Commerce, W. C. Adamson, Chairman

WANT McADOO ACT WORKABLE

Hearing in Washington on Friday and More to Come—Text of Report

A report of a committee of actuaries, of which John K. Gore is chairman, other members being Henry Moir, Arthur Hunter, James D. Craig and Joseph H. Woodward (the latter called into committee conference because of his expert knowledge of compensation matters), has been filed with the Committee on Interstate and Foreign Commerce of the House of Representatives. The report, which has not heretofore been printed and which discusses the draft of the government insurance or indemnity bill, was filed with Secretary McAdoo, but did not reach the Congressional committee until a hearing by that committee was held in Washington on Friday. The Secretary, by the way, used in the bill all the benefits suggested except life insurance.

Adamson, Chairman

The chairman of the Committee on Interstate and Foreign Commerce of the House of Representatives, which has the McAdoo bill, is William C. Adamson of Georgia. At the meeting of the committee in Washington on Friday the insurance men present included George E. Ide, president of the Home, whose talk is printed elsewhere; Henry Moir, John L. Shuff, Union Central; and T. W. Blackburn, American Life Convention, who did not make an address. Captain Wolfe, Judge Mack and Secretary McAdoo were also in attendance. There will be another session in about a fortnight. The actuaries have told daily newspaper reporters that they are not opposed to the government's bill, but their interest is to make it more practical and workable.

Full Text of Report

The full text of the Actuarial Committee's report follows:

"The Committee has been requested to assume that on or about September 1, 1917, 1,000,000 men will compose the army and 175,000 men, including marines, the navy. It has also been as-

sumed that there will be 1,000,000 men of the army at the front by September 1 1918, and about 100,000 men of the navy in the war zone at that time.

Family Allowance Fund. Article II

"The amount payable during the first year, beginning about September 1, 1917, on account of 'Family Allowances,' as provided for in the bill, is estimated at $141,000,000.

"In arriving at this amount it has been assumed that the average allowance for men with dependents would be $300 per year per man, and that approximately 40 per cent. of the men would be found to have dependents under the bill. The provisions of the bill apply only when a member or members of a family are actually dependent in whole or in part, and this has been interpreted to mean that the dependency must be substantial.

"In reaching this conclusion the following factors among others have been taken into consideration:

1. Many young men whose parents are not dependent upon them may, nevertheless, contribute partly to their parents' support;

2. Young men drafted or about to be sent abroad may marry before leaving;

3. One or more relatives may become dependent and the status changed during the year.

"The above amount is necessarily the result of a broad estimate, given according to our best judgment, but subject to serious fluctuation on account of possible variations in the rules of the draft, the application of the rules for exemption, and the strictness of the Bureau in dealing with doubtful claims.

"If the war should continue for still another year or until September 1, 1919, and the number of men in the army and navy be gradually increased to 2,000,000, the estimated total family allowance payable in the year on the above basis would be $190,000,000, the average number of men in the service during that year being nearly 1,600,000.

Compensation for Death or Disability. Article III

A. Compensation for Death.

"It is estimated that the amount payable during the first year on account of deaths occurring in the course of service will be approximately $3,700,000. It is assumed that on the average there will be 250,000 men of the army in active service in Europe during the first year and 100,000 men of the navy in the war zone.

"A death rate of 4 per 1,000 has been applied to the 825,000 men of the army and navy held at home stations.

"To the 350,000 men referred to above as exposed to the war hazard a death rate of 75 per 1,000 was applied. In arriving at this rate the experience of several life insurance companies was considered and also such information as was available regarding the casualties in the various armies of Europe.

"The average amount payable per man was estimated to be $500 a year, only half of one year's payment on the average becoming due during the year ending September 1, 1918.

"The operation of the workmen's compensation acts indicates that a higher rate of dependency is experienced in the case of men who are killed than appears during active life. It was, therefore, assumed that 50 per cent. of those killed would have dependents.

"If the war should last still another year, or until September 1, 1919, and if during that year the total number of men were gradually increased to 2,000,000, it is estimated that the amount payable during the year on account of deaths would be approximately $22,000,000.

B. Compensation for Total Disability.

"The estimate as to the amount payable during the first year on account of total disability is $5,250,000, and for the second year $35,000,000.

"There are two classes of totally disabled men, those who have no dependents and are entitled to about $500 a year, and those who have dependents (parents seem to be excluded by the law) and entitled to about $800 per year.

"These estimates are based on the assumption that 50 of each 1,000 men exposed to the hazard of war will be totally disabled under the provisions of the bill, the assumption being predicated on such information as was obtainable from the British, Canadian and German war records, although these are fragmentary.

"As in the case of 'Family Allowances' it was assumed that 40 per cent. of the men would have dependents.

C. Compensation for Partial Disability.

"The estimate as to the amounts payable for the first year after September 1, 1917, for claims on account of partial disability is $3,200,000, and for the second year $21,000,000.

"The following assumptions have been made in determining the above amounts:

1. That the schedule allowances will be approximately the average allowances for the four States—California, Kentucky, New Jersey and Wisconsin, under their workmen's compensation laws.

2. That no commuted values of future payments will be allowed (if allowed they would add to the amount payable in the early years but would decrease the outlay thereafter).

3. That the number of men who will be partially disabled will be seventy-five per one thousand, the estimate as to this rate being derived from the same source as was used in connection with total disability.

4. That the average allowances for the various types of partial disability would be forty per cent. of those for total disability.

5. It was again assumed that forty per cent. of the men would have dependents under the bill.

"This estimate would, of course, be very wide of the mark if a scale of compensation differing materially from the one assumed should be adopted.

Insurance. Article IV

"Under Article IV of the bill provision is made for voluntary insurance of from $1,000 to $10,000, to be paid at death or total disability. As under the bill every man is automatically insured for $5,000 from April 13, 1917, or from the date of his enlistment, if afterwards, until one hundred and twenty days after the passage of the bill, it has been assumed that this amount represents the average amount which the framers of the bill caculate would be applied for by army and navy men.

"On the basis of the assumptions previously made as to the rates of death and of total disability and of the number of men in the service at home and abroad, the net amount payable by the Government for the year ending September 1, 1918, would be $46,000,000 if twenty-five per cent. of the men were covered for $5,000 each, and $92,000,000 if fifty per cent. were so covered, due allowance having been made for the receipt by the Government of the full annual premium from all the men who might take the insurance.

"It has been assumed that those who stay at home and those who are ordered abroad would apply for the insurance in equal proportions, although it is probable that a higher percentage of the latter would apply and would also take larger amounts than the former.

"In the second year the amounts payable are estimated to be $225,000,000 if twenty-five per cent. apply, or $450,000,000 if fifty per cent. apply.

"Under the bill the beneficiaries of those who died in the service or were totally disabled prior to its passage or within one hundred and twenty days thereafter would be entitled to $5,000, provided the men were in the service on or after April 13, 1917. No estimate of the amount payable on this account has been made.

General Observations

"When the war is over the family allowances will presumably cease, but the payments for death and disability benefits will increase for at least a year thereafter. If the war lasts beyond September 1, 1919, the amounts payable will increase enormously as compared with those of the second year.

"These estimates deal only with actual payments falling due in the first and second year. For several of the benefits the obligation will of course continue for a long period.

"Many who are partially disabled will be able to continue in actual service in Europe until the war is over and yet will have justifiable claims for disability benefits when they return to civil life.

"Any changes made in the preliminary draft of the bill may have a material effect upon these estimates.

"In conclusion, the Committee wishes to draw attention to the difficulties of obtaining reliable information as to various types of casualties in the present war. In many instances, therefore, only broad general assumptions based on judgment and experience could be made."

Lawrence H. Whiting, formerly with the Illinois Life in Chicago, and an old football star at the University of Chicago, received a commission as lieutenant at the Fort Sheridan Training Camp.

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HOUSTON, TEXAS.



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DOUBLE INDEMNITY CLAUSE which provides for payment of double the face of the policy in case of death as a result of an ACCIDENT OF ANY KIND.

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Ide's Comments on War Risk Insurance

COMMITTEE CHAIRMAN DISCUSSES FEATURES OF BILL

One Phase of Measure An Incentive to Adverse Selection and Unlimited Speculation

The Eastern Underwriter has obtained a copy of the war risk insurance comments made by Chairman George E. Ide, of the Insurance Committee appointed to confer with Secretary McAdoo on war risk insurance, and made by him at the hearing of the Committee on Interstate and Foreign Commerce of the House last Friday. Mr. Ide began by referring back to the July 2d conference with McAdoo in Washington, and the presentation later of the tentative bill opening up a new system of compensation for our soldiers and sailors, and then led up to the report of the insurance committee made on July 25th. Continuing he said:

Allotments and Family Allowances

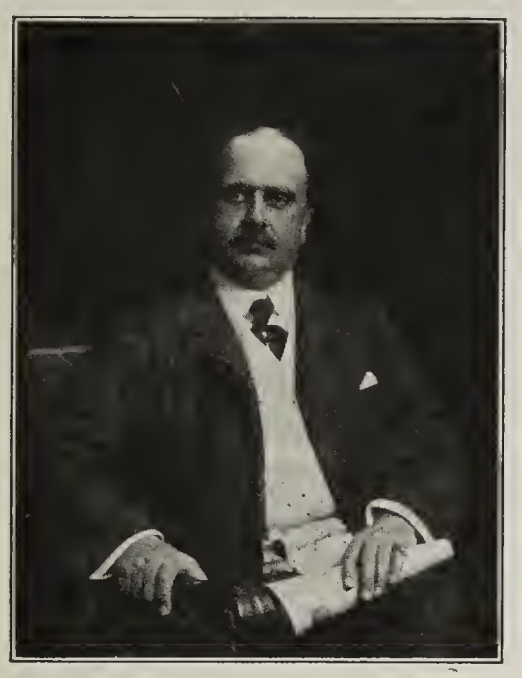
"We are here simply to restate and emphasize the general opinion expressed in the report which we made on July 25th. Let us first consider Article II; Allotments and Family Allowances.

"As stated in our original report, our Committee is in entire accord with the principle, and the plan in general has our hearty approval. The question as to the amount of the family allowance and of the allotment in each instance is one which must depend upon the decision of Congress as to how far it is willing to go in this connection; and the question of compulsory allotment of part of the wage in the case of enlisted men having no dependents, is a matter which should be given most serious consideration. There is great danger of injustice to the enlisted man in compulsory allotment where there are no dependents particularly as the waiver of this provision is apparently subject to regulations to be made in the future which may not be of a sufficiently definite character to meet the requirements of each case. In order to do full justice under such a provision, an investigation of the business and other obligations of the enlisted man would be necessary in each instance, involving an amount of detail work which cannot be over-estimated. It must also be borne in mind that the enlisted man, at the time he enlisted, had no knowledge or warning that any such provision would be added to his contract with the Government, and will probably in many instances resent this amendment which is thus forced upon him.

Article III: Compensation for Death or Disability

"This is a most comprehensive matter and the specific provisions thereunder should be reviewed most carefully. It is quite completely covered by our committee's provious report. Any estimate of the future expenditure involved under this article is extremely difficult, and it is probable that any estimate will be too small rather than too large.

"The present difficulties in forecasting the probable future experience in the administration of this Compensation Act are numerous. Among these difficulties we simply name the following: The absolute impossibility of forecasting what the future injuries to enlisted men may be, how serious they may be and what the death rate may be; the uncertainty of the calculation as to the mortality among the beneficiaries under this Compensation Act; the uncertainty of predicting the marriage rate of widows or widowed mothers, in which cases payment of the compensation is to continue until two years after re-marriage; the average age of



GEORGE E. IDE

the infant beneficiaries. These are only a few of the uncertain factors which enter into the problem.

"The provision as to the supplying of a nurse or an attendant for an injured person totally disabled or helpless is one which is manifestly open to the greatest abuse in its administration.

General Aim Sound

"These points are covered by our previous report, and I would earnestly recommend a careful study of that report as it applies thereto. The general aim of this article of the bill, which is to provide a scientific basis of compensation for death or disability in lieu of any system of pensions like the one at present prevailing, is manifestly sound and wise. In the consideration of such a measure, it should in our opinion be the aim of the Government to provide adequate and liberal compensation for citizens who have entered into this hazardous occupation for the country's good, but the bill must be entirely free from all ambiguity or extravagance and limited in its application to those who are actually and not sentimentally dependent upon the enlisted man.

"A careful consideration of these general principles might possibly lead to a revision of section 22, where the matter of presumptive marriage is considered, and of the further references of the same section to step-children, illegitimate children, step-fathers, step-mothers, half-brothers, half-sisters, step-brothers, step-sisters, etc., and further, it may be found upon careful analysis of this article together with the preliminary provisions of the bill that the rights of divorced persons have not been sufficiently clearly defined. The attitude of our committee to this plan of compensation was most friendly, as is shown by the fact that in our former report we suggested an increase in the proposed compensation benefits in many instances.

Article IV: Insurance

"Section 400 of the bill states that in order to give to every commissioned officer and enlisted man, etc., opportunity to secure upon equitable terms greater or broader protection for himself and his dependents than is provided in rticle III, the United States shall under certain conditions grant insurance against the death or total disability of any such person in any multiple of $500, in amounts of not less than $1,000 or more than $10,000, upon the payment of premiums as provided in the bill.

"In our opinion there is not sufficient reason for the adoption of any such plan. The requirements of any class of persons for benefits of any kind under abnormal conditions are best measured by the voluntary acts of that class under normal conditions.

Average Size of Policies

"On the basis of figures received from the Insurance Department of New York State, the total amount of ordinary insurance in force on December 31, 1916, in companies doing business in New York State was $16,314,000,000, representing 8,891,000 policies, the average size of the policy being about $1,800. The total amount of insurance, including ordinary and industrial, was $20,724,000,000, the number of policies being 41,177,000, the average amount of the policy being about $500. This gives a fair indication of the eagerness with which the general public provides itself with insurance in normal times when there is no special menace to human life. In considering the size of the average policy due consideration must be given to the fact that in this calculation no account has been taken of the great number who are not insured at all, and further, to the fact that at the younger ages the amount of insurance covered by the average policy is less than at the more mature ages. Therefore it would seem as if in attempting to make this provision to enable the enlisted man to procure greater and broader protection for himself and his dependents, the Government were entering into a plan of charitable disbursement which is not required by the facts in the case, for if we analyze as closely as we can the benefits of the compensation provisions granted under Article III, without consideration of the immense advantages accruing under Article II, we find that the compensation to the widow alone is equivalent in its benefits to at least $6,500 of life insurance. This is the minimum compensation, while the maximum compensation is equivalent to at least $35,000 of life insurance. The minimum amount of compensation which will be payable to a widow and two children is equivalent to about $8,500 of insurance. In case of disability from injury, the minimum allowance of $40 has a present value of $10,000, including the contingent value of benefits to probable dependents, while if the soldier has a wife and two or more children, the present net value of the proposed annuity is $12,000, with a maximum monthly compensation of $200, the net value of which is $33,000.

"In any consideration as to the advisability of adopting the extraordinary provisions of Article IV, proper attention should be given to the manifest liberality of Article III, and for purposes of comparison, these benefits must be reduced to terms of life insurance. In fact, the liberal provisions of the compensation part of this bill are vastly in excess of anything previously considered and should in our opinion make ample provision for the men of the Army, Navy, etc. We believe that this provision for insurance is unnecessary, but feeling that possibly such a provision might be advisable it was suggested by our committee in its previous report that the United States Government pay in addition to the other benefits under this bill, a death benefit of $1,000, provided death occur during service or within five years after the date of discharge; that this death benefit should not call for the payment of any premium by the enlisted man, and that it should be payable to any named beneficiary or to the estate if no beneficiary were named.

An Impractical Proposal

"As to the specific effect of insurance offered under Article IV, it does not seem as though the framers of the bill could have possibly considered the practical operation of such a measure. It is proposed to offer to every man in the military service insurance in amounts from $1,000 to $10,000, at a net annual premium which would probably average $8 per $1,000, the Government to bear all the expenses of administration and all the cost of extra mortality arising from war conditions. In other words, by the payment of $8 per $1,000, the soldier will be able to purchase insurance at a merely nominal rate. It was suggested that it was the intention of this provision to make it possible for each man to secure insurance in accordance with the financial requirements of his dependents, but human nature being as it is, can one for a moment imagine that the poorest enlisted man who has the least financial responsibilities will not be able through his family or friends to at least provide a payment of $80 per year (less than $7 per month), in order to secure in the event of his death a payment from the Government of $10,000, which in many instances will seem like an ample fortune.

"If, however, such a man is unable through his friends or family to secure this financial aid, will we not see springing up immediately after the adoption of such a measure an army of willing lenders, to assist in the payment of such a premium? Of course, an effort has been made to prevent the actual pledge of this insurance as security for the advance of premiums by the insertion of the clause that this insurance shall not be assignable, and shall not be subject to claims against the insured or beneficiary, and that it should only be payable to a specific member of the insured's family. However, it cannot be imagined for a mo-

State Mutual Life Assurance Co.
OF WORCESTER, MASSACHUSETTS
Incorporated 1844
The Company that gives complete satisfaction to policyholders and agents because both are a part of it.
SEVENTY-THREE YEARS of faithfulness to every promise made.
Success for our ambitious representatives is a certainty.
Additions are made to our agency force when the right men are found
B. H. WRIGHT, President D. W. CARTER, Secretary
STEPHEN IRELAND, Inspector of Agencies

We want a GOOD PERSONAL PRODUCER and organizer for DESIRABLE TERRITORY in several states west of the Mississippi River. EXCELLENT CONTRACT.
Northwestern National Life Insurance Company
MINNEAPOLIS, MINNESOTA,
is a LEADING LOW NET COST, annual dividend, MUTUAL, OLD LINE company. Record for 1916—increase in insurance in force, 20%; in paid-for business, 51%; in assets, 15%; in amount apportioned for 1917 dividends, 71%.

ment when the benefit is so great and the premium so small in proportion to the benefit, that arrangements cannot be readily made between the insured and his friends or his financial helpers to sufficiently protect the party who proposes to advance the premiums to the insured. In the opinion of all experienced insurance men whom I have been able to consult the practical working out of this article would be that every member of the military forces would arrange to take the maximum amount of insurance possible, and that the average policy would be large. This article is full of incentive to adverse selection and to unlimited speculation, and will result surely in unjust discrimination.

"The statement has been freely made by advocates of Article IV that there is no discrimination under this article as our committee alleges. It was stated in the letter to the President of July 31, 1917 (See Hearings before Committee on Interstate & Foreign Commerce of the H. R. August 11, 1917) that 'this rate ($7 to $8 per $1,000 of insurance), would make the cost of $10,000 insurance only $80 per year * * * and would enable practically every private to take the maximum amount;' and yet in this same letter the total cost of this insurance against death and disability (Article IV) is estimated to be only $23,000,000 and $112,500,000 during the first and second years respectively. These figures, we are informed, are based upon the assumption that only a small proportion of the enlisted men will take this insurance and then only for an average amount much below $10,000.

"If in any case we have, as is the intention, an army of one million men and these men take policies of an average amount of $5,000, the signing of this bill would immediately bring into existence under this one article a life insurance company having $5,000,000,000 of life insurance in force before any proper organization for the handling of such an enormous enterprise could be established or perfected. This amount is about equivalent to the insurance in force in the three largest companies in the world doing an exclusive ordinary life business. In our opinion any plan of insurance which involves a part payment by the insured and a part payment by the Government is wrong in principle and impossible of just administration. Here is the vital distinction to which we referred in the first part of this report.

Article I: Organization and Administration

"I desire to call your attention to a few provisions of this article. The director of the new Bureau of War Risk Insurance is to receive a salary of $6,000 per year. The Commissioner of the Military and Naval Insurance Department shall receive a salary of $5,000. The Director has power to adopt reasonable and proper rules to govern procedure, to regulate the matter of compensation if any to be paid to claim agents and attorneys; to regulate and provide for the nature and extent of the proofs and evidence and the method of taking and presenting the same; to regulate the method of making investigations and medical examinations, and the manner and form of adjudications and awards. Deputies, assistants, actuaries, clerks, etc., shall be provided from time to time by Congress. Section 15 gives the Director, the Commissioners and Deputy Commissioners extraordinary powers in the issuance of subpoenas and the compulsory attendance of witnesses, the production of books, papers, documents, etc., in any investigation of any matter connected with the jurisdiction of the Bureau. A brief comment can properly be made here in regard to this provision. It is open to the very greatest abuse and is in our opinion dangerous in the extreme. Sections 17-18-19-20-21 have to do with the funds which are to be established for the carrying out of the plans contained in this bill. Our committee has no means of knowing whether these funds are adequate or excessive. It is of the greatest importance that Congress should be fully informed as to the prospective cost of this general measure. These facts can probably be obtained from the actuaries, who at the request of the Secretary of the Treasury, made an investigation into the bill as first proposed.

"The definitions contained in Section 22, as to marriage, adopted children, step-children, illegitimate children, grand-children, parents, etc., should be very carefully reviewed in order to confine the benefits under this bill within proper bounds.

"This article, if superficially read, seems to provide a reasonable and workable system for carrying out the provisions of this law, but before its adoption Congress should be well aware of the enormous scope of the measure and the difficulty of its proper execution.

Leaving out at this time entirely the consideration of the administration of Article IV, let us confine ourselves to the administration of Article II, having to do with allotments and allowances, and of Article III, having to do with compensation benefits for death or disability. The beneficiaries under these two articles are very numerous, for it is the object of the bill to provide for all dependents. Taking as our basis an army of one million men, if we stop to consider the varied family relations and circumstances of each individual set of beneficiaries, a fair idea is gained of the complexity involved in the administration of this bill. When we read in the provision of Article I of the executive and clerical machinery which is to be established to carry out the provisions of this measure, we cannot but be struck with the apparent lack of appreciation of the extent and seriousness of the business involved. Any one who has had to do with the handling of insurance matters in any company of any size knows the difficulties involved under any plan where wide scope is given in the creation of numerous beneficiaries under each policy. It is necessary for the Government in the proper discharge of its duties under this bill, to keep track of the dependents of each and every member of the military forces. This department must know whether the widow marries, must be promptly advised of the death of any beneficiary, must keep track of the ages of each child and must always be sure that the information gained on these points is accurately given and is entirely trustworthy. If the question of who the dependents may be is definitely settled at the time the disability occurs, the matter is complex enough, but if in addition to that provision the Government should attempt to introduce as new beneficiaries children who may be born after the disability is incurred, and new wives who may marry partially disabled soldiers, etc., the complexity of the problem almost passes comprehension.

Under the terms of this bill, this enormous institution for compensation springs into existence immediately upon the passage of this bill and its signature by the president. There is no time given for a gradual building up of organization, each step being based upon practical experience, etc., but the organization must be at once complete. It will be necessary to have a staff of reliable investigators in every section of the United States; the reports from these investigators must be accurate and free from local prejudice. A tabulation of their reports must be exact, scientific and methodical. Above all, the payments of claims, in order to satisfy the beneficiaries, must be prompt and business-like. I do not mention these difficulties with any desire to create the impression that our committee believes the compensation plan impossible, but it is not fair that Congress should pass such a measure without a full appreciation of what it involves. The complexity of this detail is very much like the complexity in the problem which confronts the administration of industrial companies and their scientific methods, which are the result of years of study, will furnish some idea of what is before this bureau of insurance. In this connection, it must be carefully considered whether it is possible to secure the services of a man competent to administer the military and naval insurance department at a salary of $5,000 per annum, and a proper director of this vast bureau with the powers which are granted to him and his associate commissioners could hardly be obtained, in our opinion, at a salary of $6,000 per annum.

The above remarks are made without consideration of the administration of Article IV, if adopted. Suppose our Army amounts to one million men, and under Article IV these men elect to take an average of $5,000 insurance, which is not an extravagant estimate, this new bureau will shortly have $5,000,000,000 of insurance in force. I have said in a previous part of this argument that this amount is about equivalent to the total insurance in force in the three largest companies in the world doing a strictly Ordinary Life Insurance business. These members of the military forces who take this insurance must receive notices of premiums due, and in this connection it must be remembered that they will be scattered all over the world. Receipts for remittances must be forwarded to them; close track must be kept of whether or not the premium payments are made; proper plans must be devised to provide for the payment of these premiums promptly even if the men are in foreign parts and all the details of a regular life insurance company must be carried out.

Turning to Section 402: "This insurance shall be payable only in installments," and provisions for certain ages, for continuous installments during the life of the insured or beneficiaries, or both, for cash, loan, paid up, extended values, etc., may be provided. If the modern life insurance policy with all its provisions is virtually copied under the provisions of this article, we reach even a greater condition of complexity than is at first supposed. Is it necessary for me to further elaborate this statement? Is it not enough to simply call your attention to the fact that what this bill provides is in brief an enormous bureau of compensation and an enormous bureau of life insurance the administrative cost of which if properly conducted must be from the necessity of the case very large and, further, that in the consideration of this bill Congress must accurately determine in advance what those expenses are likely to be and be perfectly sure that the organization is soundly provided for under Article I of this bill. The matter will be very much simplified if Article IV is entirely stricken out as we suggest.

In Regard to the General Plan

Our committee believes that the United States should adopt some plan for providing compensation and indemnity for our soldiers and sailors.

We believe that the terms of these benefits should be definite and known in advance so that they become part of the enlisted man's contract.

We believe that these benefits should be liberal and in keeping with our National spirit and our National wealth.

We believe, however, that such a plan must

(Continued on page 9.)

HOME LIFE INSURANCE CO.
(Now Purely Mutual)
256 BROADWAY, NEW YORK
GEORGE E. IDE, President

The fifty-seventh annual report shows insurance in force of $133,493,000, an increase during the year of $7,832,827. The Company paid the policyholders in 1916 $3,536,233, of which $628,406 was in dividends or premium refund. Its insurance reserve fund was increased by $1,300,000 and the Assets are now $32-821,462.

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PAYS GOOD PAY TO GOOD MEN

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Presenting Insurance Topics to Millions

ALL FACTS SHOULD BE GIVEN TO MAGAZINE WRITERS

Atwood's Article Criticised By "Life Association News"—Some Comments on Magazine Celebrities

The current issue of the "Life Association News," official organ of the National Association of Life Underwriters, criticises some features in a recent story written by Albert W. Atwood for the "Saturday Evening Post." Mr. Atwood discussed life insurance in his article and was careless of his facts. This is unfortunate. Mr. Atwood is one of the most talented and able magazine writers in the country, writes "on assignment," and has the editorial entre everywhere. He was at one time financial editor of the New York "Press," following some years' experience on the New York "Sun," and ordinarily his writing is of such a type that no life insurance official would begrudge giving him all the time needed to give him information and viewpoints.

It is very important that men of Mr. Atwood's reputation and magazine popularity should present insurance in the correct light because they talk to millions, and these readers believe that they speak with authority.

James H. Collins, another magazine writer, who sometimes discusses insurance questions, has been more successful in his presentation of the situation.

Comment of "The News"

The "News" makes rather caustic comment upon Mr. Atwood's article, saying in part:

> We are inclined to think from the use he makes of figures that Mr. Atwood is an airy persiflager with the truth instead of an expert. He puts his life insurance premium too high for the age. There is no company in which the net cost would be for Jones $51 a year at the age of thirty-five, just as there is no Smith who can invest $35 a year at 6 per cent. and "see it through" for twenty years. In other words, Mr. Atwood is dealing with chess men and invariable mathematics, both incorrectly, while life insurance and investments deal with human affairs that are subject to violent fluctuations. Life insurance is intended to protect families and men against those fluctuations. Mr. Atwood needs soda water to cool his brain.

A Hope About Marcosson

There are a number of men in newspaper and magazine offices who regret that I. F. Marcosson, the most popular of all the business writers, has not devoted more attention to insurance affairs and insurance personalities. The Eastern Underwriter would like to have seen a series of "human interest" interviews obtained by Mr. Marcosson from President Peabody, of the Mutual; President Butler, of the Travelers; President Dryden, of the Prudential, and other leaders. Such interviews would be extremely difficult to obtain, but if anybody could do it Mr. Marcosson could, as he showed by interviewing Thomas F. Ryan and the late Marshall Field, of Chicago, that he "can make anybody" talk for publication. Mr. Marcosson's method of interviewing is always to present his subject and his subject's business to readers in the most sympathetic, entertaining and forceful fashion, and interviews with these leaders in magazines with circulations running into the millions would have been unusually beneficial to the business. For the time being, however, Mr. Marcosson, has dropped business questions, and is devoting all of his time to international affairs.

WANTS REAL EXAMINATION

Fraternal Aid Union Requests Ventilation of Recent Mergers—Elect New President

The Fraternal Aid Union of Lawrence, Kansas, has requested that a thorough examination of all its affairs be made by the insurance departments of Kansas, Colorado, Illinois, Maryland and Indiana. It is to be a convention examination. The work is to start within the next two weeks and will be under the direction of a number of competent independent actuaries and department examiners.

Recent mergers through which the Fraternal Aid Union acquired other fraternal societies will be given special attention in the investigation by the experts. The Fraternal Aid Union management desires that every detail of these transactions, especially the manner of its treatment of new members acquired, shall be given the most searching analysis by the departments. The matter of the association's rate adequacy and solvency will also be under critical review by the examining officials.

At the meeting of the Supreme Lodge of the Fraternal Aid Union at Denver, August 7th and 8th, the following officers were unanimously re-elected: Supreme President, V. A. Young; Supreme Secretary, L. D. Roberts; Supreme Treasurer, T. J. Sweeney. Frank L. Bishop, of Denver, is the new vice-president.

Many important changes in the governing laws of the order were considered and adopted. No advance in rates was made.

IN MARINE CORPS

M. L. Lichtenstein, at Twenty-three, Had Qualified for Equitable's Quarter Million Club

Three years ago Mervin L. Lichtenstein, then twenty years of age, was assistant office manager of a well-known export commission house in New York. In the summer of that year, his father, Agency Manager Louis Lichtenstein, of the Equitable Life Assurance Society, attended the Cape May convention and was impressed by the number of young men of high character who had qualified for the clubs. Upon his return he induced his son to take up life insurance with a view to making it his life work.

Mervin acquiesced, and his first step was a conscientious study of the principles of life insurance and practical field work. He then inaugurated a campaign of advertising, continuing it for a year. From July 1, 1916, to May 15, 1917, (ten and a half months), when he enlisted for service in the Marine Corps, he wrote fifty-seven cases, amounting to $282,000.

Massachusetts Mutual Life Field Convention

WARREN C. FLYNN, OF ST. LOUIS, ELECTED PRESIDENT

$437,000,000 in Force on August 1—Company Has Nearly $95,000,000 of Assets

Springfield, Mass., Aug. 20.—The Massachusetts Mutual field force held its twenty-sixth annual convention at the home office in Springfield, Friday and Saturday, August 17 and 18. Over 300 representatives were in attendance, and they came from thirty of the thirty-eight States in which the company does business. All of the members of the woman's department of the New York agency were there, as were women agents from Detroit, St. Louis, and other places. Despite the war, the gathering was the largest in the history of the association. The home office was beautifully decorated, with the stars and stripes in flag and shield. Patriotism was the dominant feature, even though life insurance was the business of the convention, and apparently the men and women of field and home office could not hear enough about love of country and devotion to democracy. At every session these subjects rose at times above all others.

President McClench Speaks

The presiding officer was John L. McFeely, the company's manager at Pittsburg, who is president of the Agents' Association. At 9 o'clock Friday morning he called the meeting to order, and with a few happy words called upon the president of the Massachusetts Mutual, William W. McClench, to welcome the field representatives. Mr. McClench has had long experience as a public speaker, and always his address of welcome is a rare treat. This year he was more than usually eloquent, inspired by the national situation.

Mr. McClench said in part:

"Since 1851, the year of its incorporation, the Massachusetts Mutual has paid in death and endowment claims over $73,000,000; it has paid and credited to policyholders in dividends almost $35,000,000, and has made total payments to policyholders of approximately $130,000,000. On August 1 of this year it had net assets of more than $94,750,000 and insurance in force of over $437,000,000.

"But these figures, impressive as they are, do not tell the whole story of the worth and value of the Massachusetts Mutual as a great beneficent institution. Corporations are but instrumentalities, and the service they render to the public is performed by the men and women connected with them and representing them. In a peculiar sense life insurance companies are judged to a very large degree by the individuals representing them in their various communities, so that with each and every representative of the Massachusetts Mutual there rests the good name of the Company.

"The home office has always been proud of the esprit de corps prevailing in the field of our Company. Men and women associated here by reason of this association are better life solicitors and better representatives of the Company.

"Owing to the entrance of the United States into the great world conflict, new and trying questions have been presented to the administration, and in the settlement of them the paramount object has been to safeguard the interests of the great body of the Company and at the same time to extend the privileges of the Company to those desiring to become new members as far as safety would permit."

He then referred to the many—both from the home office and the field—who have already been called to serve in the war and expressed the hope that when the great war is ended the opportunities for life solicitors in the country will be greater than ever before and that men and women everywhere will come to realize more truly than they ever have before the need of life insurance and the satisfaction of possessing it.

In conclusion he said that the Massachusetts Mutual was never in better position to perform its proper func-

(Continued on page 6.)

CHANGE OF BENEFICIARY

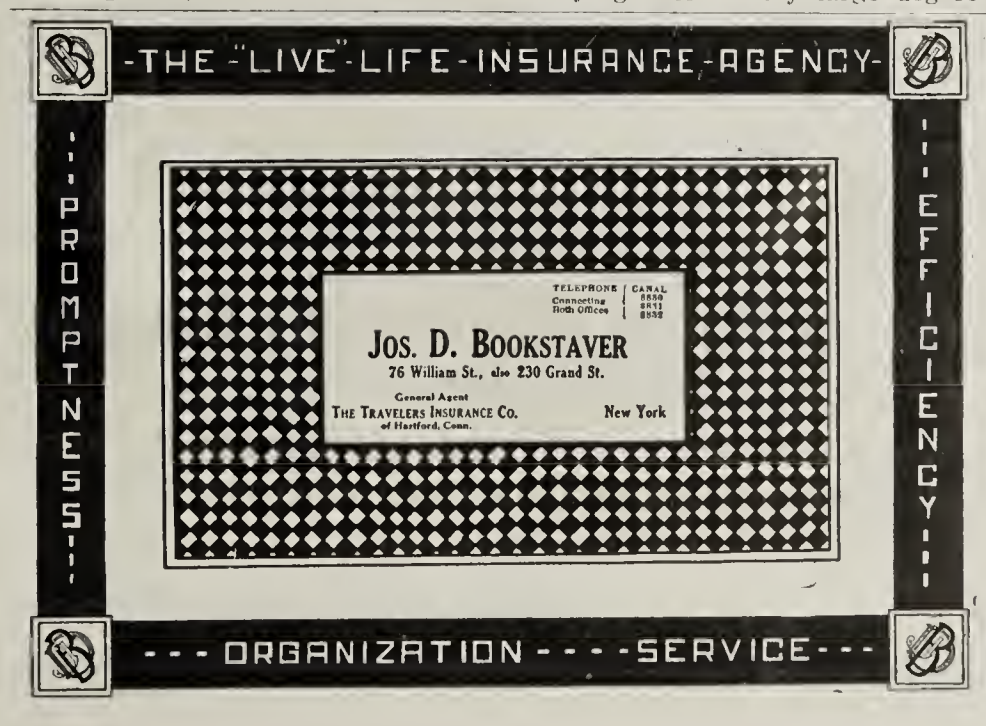
Mutual Life Aims to Avoid Complications in Case of Death or Bankruptcy

In a recent issue of its bulletin, the Mutual Life Insurance Company said in reference to a change made in the beneficiary clause of its policies:

"In various issues we have called attention to the fact that when the insured reserves the right to change the beneficiary named in the policy he is virtually making his policy payable to his estate. If the insured becomes a bankrupt, which may happen to any one, such policy would generally go to the receiver in bankruptcy. The Federal courts follow largely the decisions of State courts and State laws, so that this would not always be the case. There is no assurance, however, that State laws may not be changed and to be on the safe side, if the insured wishes to protect his family under all circumstances, he should not reserve the right to change the beneficiary.

"Perhaps in a majority of cases a single beneficiary is named, while the policy provides that in case of the death of the beneficiary the insurance reverts to the insured. If the insured should be bankrupt at the time, or should become a bankrupt before naming a new beneficiary, the policy would go to the receiver in bankruptcy. It would always be well, therefore, for the applicant not only to name a beneficiary without reserving the right to make a change, but also to name one or more contingent beneficiaries. For example, the policy may be payable to the wife of the insured, and in the event of her death to the children of the insured, or to any other specific beneficiary.

"These points should be explained to the applicant when the policy is applied for. It is proper to offer the insured the option of reserving the right to change the beneficiary, but it is the agent's duty to see that he understands what such reservation involves. Some companies have provided absolutely in the policy contract that the insured shall have the right to change the beneficiary. This would seem to be a grave mistake, for in most cases it would render the policy subject to the claims of creditors in case of bankruptcy."



tions than at present, that it was never stronger in assets, never represented by a more loyal, enthusiastic body of men and women throughout the country, and that it was in the forefront of all the companies of the country in all the liberal, modern features of its contracts.

"The Why of the War Clause"

All of the addresses and papers were of fine excellence. Espccially informative was the paper of the Company's assistant actuary, Alexander T. Maclean, whose title was "The Why of the War Clause." Mr. Maclean was exhaustive in his treatment of the subject, and told his story in simple language of the utmost clearness. A deep impression was made upon the convention by Miss Alberta Allen, of the St. Louis agency, her paper being entitled, "My Profession." Miss Allen devotes her entire energies to placing life insurance with women, and in her essay she extolled the worth of that branch of woman underwriting, and gave many illustrations, from concrete cases, of reasons why women should take insurance.

At the Saturday morning session A. W. Kruemling, of the Detroit agency, presented a paper whose heading was "The Master Motive," and to service he assigned that high position. In fact, in many of the papers, there was more of practical idealism than of technical material, due to the urge of the world crisis. Mr. Kruemling's paper was finely conceived and exquisitely worded.

Frank T. McNally, one of the general agents at Duluth, gave the last address of the convention. Mr. McNally is a well-known civic worker in his community, and a speaker whose reputation there is high. He had already made his mark before Massachusetts Mutual audiences, and consequently his address, on "Our Country and Our Business," had been looked forward to with great expectation. He enhanced his reputation, and delighted and satisfied every hearer. His address was frequently interrupted by cheers, and there was a whirlwind of them at its close, which was framed in the language of fervid patriotism. If one sentence could summarize Mr. McNally's address it would be: "Life insurance is one of the finest democratical institutions, and in the future will have a strong influence upon the democracy of the nation; the United States has in 1917 returned to the ideals of the fathers; after the war the United States must possess the substance of democracy as well as the forms of democracy."

Two Addresses at Banquet

The banquet at the Hotel Kimball Friday evening was a brilliant and joycus event, and the ballroom was crowded. Officers of the company and heads of departments were commingled with the folks from the field. President McClench was the toastmaster, and in all the toastmastering that he has done in the many years of his experience, he never did a better job than on this occasion. There were only two speeches. The first was entitled "Forward March," and was a thrilling patriotic utterance, by Laurence C. Witten, the company's manager at Cincinnati. The other speaker was Dr. Willard Scott, of Brookline, Mass., who is probably the most sought-for after-dinner speaker in New England. His subject was, "Playing the Game," and his hour was filled with practical philosophy, finely flavored with wit and humor.

Last year the company instituted the awarding of a silver medal for a quarter-century of service of the company. Four men have this year qualified. They are: William J. Oliphant, of the New York agency; William A. Rawlings, manager of the company's real estate loan agency in Washington, D. C.; John McCrillis, of Manchester, N. H., and George M. Howe of the home office. Vice-President William H. Sargeant announced the names, and in words of high appreciation made the awards.

Gold Watch and Chain for Behan

Occasionally a man who is roosting comfortably on some high seat of enjoyment is suddenly tumbled down. Joseph C. Behan, superintendent of agencies, was enjoying the banquet and the program and the sociality and his capacity for such enjoyment is vast. Midway in the entertainment he was suddenly addressed by President McFeely, of the Agents' Association, and presented with a beautiful gold watch and chain, as a token of the esteem and affection in which he is held everywhere in the Massachusetts Mutual field. He was so moved that for a few moments his lips would not give forth any word. And then in one of the finest-toned five minute speeches that Massachusetts Mutual agents have ever heard, he made his grateful acknowledgment. His co-workers in the field without any dissent, believe that there is no more capable or beloved agency superintendent in America than Mr. Behan.

At Saturday morning's session Springfield was chosen as the place for next year's convention.

W. C. Flynn President

The following association officers were elected to serve during the coming year:

President, Warren C. Flynn, St. Louis; vice-president, W. F. Wallace, Utica, N. Y.; second vice-president, Frank T. McNally, Duluth; secretary and treasurer, J. Putnam Stevens, Portland, Me. Mr. Stevens has held this office during the entire 26 years of the association's existence. The members of the executive committee are: Chairman, James M. Blake, Philadelphia; Alexander Cowen, New York; Charles L. Scott, Kansas City; Georgia Emery, Detroit; and Silas P. Bearden, Oklahoma City.

Mr. Flynn's life insurance experience has been in Detroit, Indianapolis and St. Louis. He has been with the Massachusetts Mutual for five years. On his way home he stopped in New York, along with Frank T. McNally, of Duluth.

This convention was the best that the association has ever held. There was no lack of courage in facing the immediate future in their daily work. There was supreme satisfaction in the knowledge that the United States has taken its place with the allied nations. And every man and woman was in accord with President Wilson's declaration that the war must be fought until Prussian militarism has been utterly destroyed and the world has been made safe for democracy.

EXTENDED INSURANCE CLAIMS

Phoenix Mutual Paid More Than $40,000 By Automatic Extension in 1916

During 1916 the Phoenix Mutual Life paid out more than $40,000 on contracts kept in force by automatic extended insurance. Had these same policies been on an automatic paid-up basis, the amount of money distributed to the various beneficiaries would have been $8,376 instead of five times that figure.

In discussing the subject the Company says:

"Hardly a day passes that the value of extended insurance as an automatic feature is not clearly demonstrated. A death claim recently settled in the Minnesota agency furnishes an especially good illustration of the merits of this liberal provision.

"In February, 1913, an ordinary life policy (No. 281789) for $5,000 was issued to a resident of North Dakota. The premium of $163.53 less the annual dividend was paid for two years only, when the contract was allowed to lapse. According to the terms of the policy it was automatically placed under the operation of the extended insurance clause, which after two annual premiums had been paid, provided for an extension of two years and ten months.

"In the latter part of December 1916 the insured, after a short illness died, and upon receipt of the necessary papers at the home office a draft for $3,026 was immediately sent to the beneficiary. If this particular contract had been placed upon a paid-up basis at its date of lapse, however, the draft would have amounted to $261 instead of $3,026."

A PENN MUTUAL PREMIUM, less a PENN MUTUAL DIVIDEND, purchasing a PENN MUTUAL POLICY, containing PENN MUTUAL VALUES, make an INSURANCE PROPOSITION which in the sum of ALL ITS BENEFITS, is unsurpassed for net low cost and care of interests of all members.

THE PENN MUTUAL
Life Insurance Company
OF PHILADELPHIA

On January 1, 1909, rates were reduced and values increased to full 3% reserve

Extracts from Report of Examination of
SOUTHWESTERN LIFE INSURANCE CO.
By the State of Texas, June 28, 1915

"It is noteworthy that this Company was organized without any promotion expenses."
"I beg to report further that I find the Company in excellent financial condition."
"The volume of its business has steadily increased, its surplus is growing rapidly and its funds are being carefully conserved under expert supervision."

Home Office, DALLAS, TEXAS

American Central Life
Insurance Company
INDIANAPOLIS, INDIANA
Established 1899
All agency contracts direct with the company
Address:
HERBERT M. WOOLLEN, President

Security Mutual Life Insurance Company
Binghamton, N. Y.
Offers to men able to produce business first class territory, with direct contract providing liberal compensation.
For particulars, address
C. H. JACKSON, Supt. of Agencies

ILLINOIS LIFE INSURANCE CO.
CHICAGO
JAMES W. STEVENS, PRESIDENT
GREATEST ILLINOIS COMPANY
WANTS GOOD MEN AND WILL PAY THEM WELL

Endorse Equitable Mutualization Plan

STOCKHOLDERS VOTE IS 615 FOR; 248 AGAINST

General T. C. duPont's Loss $2,000,000 —Minority Contest Looked for in Courts

Stockholders of the Equitable Life Assurance Society, by a majority vote on Tuesday, agreed to sell their stock to the policyholders. This will permit the company to be mutualized in fact as well as in practice. There are 1,000 shares of Equitable stock. The par value is $100 a share.

General T. Coleman duPont's 564 shares were voted in a block for mutualization. General duPont holds the 501 shares formerly held by James Hazen Hyde, and in addition owns 63 other shares. The total vote in favor of mutualization was 615 shares. Minority holders, owning 248 shares, voted against the plan. There were 137 shares not voted and not represented.

The action of the majority shareholders means that it will now devolve upon the policyholders to decide whether the stock shall be purchased by their company or not. To ascertain the desire of the policyholders, a mail vote will be taken. During the next four weeks approximately 500,000 holders of policies of $1,000 or more must be communicated with. This will cost about $60,000. There will be a meeting of policyholders September 17.

DuPont's Loss $2,000,000

The mutualization plan provides that for General duPont's block of 501 shares the policyholders will be called upon to pay $5,400 a share. For his sixty-three other shares they will pay $1,500 a share. The latter price also must be paid for the balance of 437 shares, provided the owners desire to sell them at that price.

General duPont has agreed to sell the majority stock contingent upon the purchase of the minority holdings. This would give General duPont $2,799,000. The cost of the minority holdings, 437 shares, would be $655,500, or a grand total of $3,455,000.

General duPont, in agreeing to take $2,799,000 for his entire holdings, is surrendering more than $2,000,000. This amount is virtually a gift to the policyholders. General duPont, in June, 1915, paid to J. Pierpont Morgan $4,394,540 for the 501 shares he held. Adding interest, the amount now is more than $4,800,000.

Minority Contest Likely

Attorneys representing minority stockholders have not yet determined what legal action they will take. There is no doubt they will make every effort to prevent the purchase of the majority stock at $5,400 a share if their clients are forced to take $1,500 a share.

Lawrence Greer, of Pierce & Greer, at the meeting offered an amendment to the resolution providing that the minority stockholders be paid $5,400 a share. This resolution was defeated. Mr. Greer represents James Hazen Hyde, Mrs. Sydney Ripley, daughter of Henry B. Hyde, and the Henry B. Hyde estate, each of which owns a small number of shares.

The Equitable Life has a surplus reserve, according to its December, 1916, report, of $91,634,698.78. Minority stockholders assert that if the company ever is liquidated their stock will entitle them to participate in the distribution of this surplus. It is for that reason that they will contest the sale of the stock at the price offered. Officers of the Equitable always have maintained that the entire surplus belongs to the policyholders. The question, however, never has been adjudicated.

DAY IN CHATTANOOGA

Special Train From New York for New Orleans Convention Leaves September 22

A special train, carrying Easterners to the New Orleans convention of the National Association of Life Underwriters, will leave this city by the Southern Railway at 1.08 Saturday afternoon, September 22. It leaves Washington at 7 o'clock the same night. There will be a day's stop-over in Chattanooga, train arriving at 6.10 Monday morning; leaving 6.20 Monday afternoon.

Special trains will also leave Chicago and San Francisco.

NORFOLK-TIDEWATER MEETING

Elect Delegates to National Convention —R. R. Richardson Donates Loving Cup to Association

The Norfolk-Tidewater Underwriters' Association with headquarters at Norfolk, Va., held its monthly meeting in the club rooms of the Chamber of Commerce recently. J. E. Capps, J. R. Coupland and R. R. Richardson were elected delegates to the convention of the National Association of Life Underwriters to be held in New Orleans the latter part of September.

Mr. J. W. Umpstead, supervisor for the Jefferson Standard, was a visitor, and, in response to a request for some remarks, spoke of the marked improvement in the life insurance profession in North Carolina, his home State, which he attributes to the well-organized local underwriters' associations.

R. R. Richardson presented to the Norfolk association a handsome loving cup to be competed for by the individual members. A committee was appointed to formulate the basis upon which this cup is to be worked for. The successful competitor's name will be engraved on the cup and it will be held by him for one year, after which it will be passed on to the succeeding successful competitor, whose name will likewise be engraved thereon.

Eagles Now Adopt Life Insurance

MOST IMPORTANT LEGISLATION IN HISTORY OF ORGANIZATION

In Convention 2,500 Delegates Representing 400,000 Members, Settle Long Discussed Subject

Life insurance was the most important subject discussed at the nineteenth annual session of the Grand Aerie, Fraternal Order of Eagles, held last week in Buffalo, N. Y. There were 2,500 delegates present, representing more than 400,000 members of the order.

For the past ten years the matter of life insurance has been under consideration by the Grand Aerie, chiefly for the purpose of creating a greater interest in the order and thus preventing lapses. Not all of the members, however, have been in favor of this class of insurance, but it has had a sufficient number of advocates to make it the paramount feature before the nineteenth annual convention just held. In fact, life insurance in connection with the order has been the bone of much contention in local Aeries throughout the country. While many have favored it, others have fought the idea because it savored so strongly of fraternal insurance, which has been receiving some hard blows during the past few years.

Only 100 Voted "No"

The time had come, it was believed, when the subject should be settled definitely, one way or the other, and the project was made an issue at the Buffalo convention. Delegates from some cities had gone there instructed to vote against the proposition of life insurance, while other delegations had been instructed to favor it, hence a bitter contest was looked for, but when the order assembled for the purpose of considering the insurance feature, a large number of those who had been told to oppose it, made it a point to remain away from the session. The result was that with less than a hundred votes against it, the recommendation of the Grand Aerie commission that the Grand Aerie organize and maintain a life insurance department for the insurance of the members of subordiate Aeries in good standing who wish to take adventage of it, was passed.

Theodore A. Bell, chairman of the committee on the good of the order, offered the resolution committing the organization to life insurance. Upon its adoption it was stated that the subject was the most important legislation that had been put through since the organization was created about twenty years ago. Aside from the understanding that the plan should be cooperative in character, the form and all other details in connection with the propaganda of life insurance was placed in the hands of a committee composed of the following five prominent members: Conrad Mann, Kansas City, Mo.; Wm. J. Brennan, Pittsburgh, Pa; Theodore Bell, Napa, Cal.; William Grayson, Savannah, Ga.; Frank F. Hering, South Bend, Ind. Mr. Hering is editor of the Eagles Magazine, and the others are attorneys high in political and legal standing in their respective communities.

These gentlemen are to prepare the life insurance plan. The insurance will not be compulsory, but members will be privileged to take out insurance for sums as low as $500 and as high as $5,000. At present the order has only a sick and death benefit fund. A basic principle upon which the above named committee will work out its plan of insurance, will be furnished by M. O. Burns, of Hamilton, O., an agent in the employ of The Prudential. The insurance committee will conduct the insurance department for the Grand Order of Eagles, which will have jurisdiction over all subordinate Aeries.

INSURANCE OF SIX NATIONS

Rapid Development of Life Insurance in Japan During the Past Eleven Years

The following is interesting as showing the amount of life insurance carried by the six principal countries of the world. The figures were prepared by Edward Kasahara, special agent of the San Francisco agency of the Equitable Life Assurance Society:

Country	Population	Life Insurance in Force	Per Capita
United States...	101,577,000	$31,155,603,975	$307
Great Britain ..	47,000,000	5,870,212,000	125
Germany	68,000,000	2,350,000,000	34
France	40,000,000	762,300,000	19
Japan	55,000,000	270,000,000	5
Russia	175,000,000	400,000,000	2.50

In 1903 there were thirty-seven life insurance companies operating in Japan, and the number of policies in force at that time was 668,735, with $90,825,557 of outstanding insurance. In 1914 Japan had thirty-nine companies, with 1,862,433 policies in force, and $542,541,000 of outstanding insurance. It will be noted that the United States leads the list of great nations combined by the astonishing margin of $22,000,000,000.

AFTER SUICIDE'S INSURANCE

Robert W. Davis, trustee of the estate of Philemon W. Johnson, formerly treasurer of Norfolk, who became missing on January 31, last, has offered a reward of $1,000 for the recovery of his body, and furnishing evidence by which $9,000 insurance on his life can be collected. The policies were divided as follows: Provident Life & Trust, $5,000; National Life of Vermont, $3,000, and Connecticut Mutual, $1,000. When he left home Johnson left a letter saying that he intended to kill himself on Canaan Mountain in a spot where his body could not be found. He apparently took a rifle with him. One cause for believing that he is dead is that the insurance policies were written several years ago and had a cash value which he could have collected, although he had never attempted to do so.

44 MILLIONS from 42 AGENCIES

THE 1916 RECORD OF OUR EARNEST, LOYAL AND HAPPY AGENCY FORCE

New England Mutual Life Insurance Company

BOSTON, MASS.

The Nation Needs Its Business

Not less patriotic than those who serve the Nation in organizations directly connected with the war, are those who keep the wheels of business steadily turning. Their work contributes to the country's moral poise, and, as well, keeps sound the financial foundation on which our great part in the war must rest. Life insurance is one of the great conservators of national resources, through its protection of the myriad homes of the people and the businesses which furnish their maintenance. Life insurance has therefore a great opportunity and a great duty in this time of crisis.

Occasionally we have a General Agency opening

JOSEPH C. BEHAN, Superintendent of Agencies

MASSACHUSETTS MUTUAL Life Insurance Company

Springfield, Massachusetts

Incorporated 1851

LIVE HINTS FOR BUSINESS GETTERS

Practical Suggestions to Help the Man With the Rate Book Increase His Income and General Efficiency

The Woman's Agency Speaks

"The Little Upstart" in Agency Items says: "If I were a life insurance agent I would talk to people in their own language; I would speak only in terms they can understand. I have been approached by many a life insurance solicitor, and most of them do not understand the first principles of salesmanship, which is to put yourself in your customer's place. They talk about mortality tables and expectancies, investments, endowment policies, and thingumbobs, which do nothing but confuse the ordinary ignoramus whose money they are after.

"How then could I explain to him the ins and outs of life insurance, its value as protection and investment, the superiority of my company over the others, and so on? I wouldn't explain. None of those things is the reason why he buys life insurance. Probably he doesn't realize himself what the reason is. So I would tell him. It is this. He buys, or ought to buy, life insurance because he wants to make his life, which is for all mortals an uncertain quantity, a little surer (insure or assure it).

"Human life is not only our most precarious possession, liable to be extinguished at any minute, but it is also far and away the most valuable asset of our business. No matter what your business is, nothing would injure it more than to take you out of it. Hence it is every man's duty to set aside some portion of the product of his living force to meet the emergency of that force being removed. My customer would understand. He would grasp the money value of his own life. And about that I would talk.

"Also the deepest instinct in man is the care for his own, for his wife and children. His life energy is now feeding and clothing them; he ought to insure against the hardship that would come to them if that energy were suddenly taken away. I would impress on him that it is life, not death, insurance; that the way to beat it is to live, not to die; that to insure his life is to prolong the advantages of his life to his dependents after it has ceased. The most interesting thing to any man is himself, his own life, his own family; I would talk about that end of the transaction, and not about my end, which he cares for little and understands less."

* * *

Keep A Fad Book

One of the most successful hardware concerns in the country keeps what it calls a "fad book." In this book are entered all the fads or hobbies of the concern's customers. When a customer calls at the wholesale house and asks for a certain executive, his particular fad card is taken out of the files before he is admitted, and placed before the executive. Then when the customer enters for his conference the executive is able to converse with him on the subjects he is most interested in, even though the two may not have met in years.

There is a vast difference between the hardware business and the insurance business, and yet a "fad book" could be made useful by the life insurance agent who always has a list of prospects that are possessed of whims and hobbies, which he could refer to before making another call to close an application. He would at least be familiar with the objections listened to on previous visits, and fortify himself to meet them.

Advice From Chicago

F. H. Davis, inspector of agencies for the Equitable Life Assurance Society in Chicago, says that inasmuch as it is conceded that most sales are made or lost in the first three minutes of an interview, no ground should be lost during that time. "In fact you ought to know and begin to assume that the prospect is sold and begin to get him to commit himself unconsciously preparatory to asking him to 'just write your name there,'" says Mr. Davis.

Learn to work quickly, to come to the point definitely, and in such a way that you will overwhelm the prospect at the final moment by helping him to decide in your favor.

Men hate to say "Yes." The desire to hold back is strong in all of us, we all hate to pay out money for something we perhaps think that we can get along just as well without.

Be diplomatic, an ounce of subtle assuming is worth more than a pound of heated argument.

* * *

Value of Time Per Hour

The 365 days of 24 hours each that there are in a year, mean 8,760 hours all told. Say there are eight working hours, six days a week, fifty weeks in a year (two weeks for play), give you 2,400 hours in the year. Deduct ten days, eighty hours for holidays, and you have left 2,320 hours for work. Life is made up of supposedly eight-hour shifts—one for work, one for sleep, one for recreation. Are you aware, from all the above, that you sleep 600 hours more than you work, and that you loaf or recuperate 600 hours more than you labor? Roll it around in your think box a minute—you'll see it.

This brings us mighty close to the working value of time, and we get a startling view of the cost of waste!

If you make $1,500 a year, each hour is worth 65 cents.

If you make $2,250 a year, each hour is worth 97 cents.

If you make $3,000 a year, each hour is worth $1.30.

If you make $6,000 a year, each hour is worth $2.60.

If you make $12,000 a year, each hour is worth $5.20.

If you make $25,000 a year, each hour is worth $10.78.

We warrant you now have a better idea of the worth of an hour than you ever had before. But the idea is of no value apart from action.—Missouri State Life Bulletin.

AETNA DISABILITY

In discussing its disability provision the Aetna Life says:

"To-day, after much experience in writing disability insurance, and realizing more fully what the insured requires when he has become totally disabled, the Company has begun to issue policies containing a more valuable disability clause, and one that will appeal to every man who will look into the liberal features which it contains. This disability clause provides that six months after the Company has received satisfactory proof that the insured is totally and permanently disabled, no more premiums will be required from him, and if the disability occurs before the insured is sixty, the Company will pay him $10 per month per thousand dollars of insurance as long as he lives. This waiver of premium and the payment of the monthly instalments will not affect any other obligation of the Company as provided in the contract, and the sum insured will be payable at the time stated in the policy, just as though the premiums had continued to be paid. Thus it will be seen that a man who has a policy of $10,000 and becomes totally disabled before age 60, will not be required to pay the Company any more premiums, and he will receive $100 every month while he lives and the $10,000 will still be payable at the maturity of the contract. This benefit may be added to most contracts not more than five years old for a small extra payment.

"For a small extra premium the double indemnity provision may also be added to the contract. This provides that if the insured, before age 70, meets death by accident, double the amount of insurance is payable, so that a man having a policy for $10,000 and meeting with accidental death under most circumstances, would leave $20,000 which would be payable at once upon proofs of death as required by the Company."

THE MOST VALUABLE POLICY FOR YOU,
Mr. Agent, is to write your prospect in the Company writing the most valuable policy for the insured.
Secure **prompt action** in the
John Hancock MUTUAL LIFE INSURANCE COMPANY OF BOSTON MASSACHUSETTS
WILLIAM N. COMPTON, General Agent
METROPOLITAN DISTRICT, ST. PAUL BLDG., 220 BROADWAY, NEW YORK, N. Y.

ORGANIZED 1871
Life Insurance Company of Virginia
RICHMOND, VIRGINIA
OLDEST, LARGEST STRONGEST Southern Life Insurance Company
Issues the most liberal forms of Ordinary Policies from $1,000.00 to $50,000.00, and Industrial Policies from $12.50 to $1,000.00
CONDITION ON DECEMBER 31, 1916:

Assets	$14,464,552.23
Liabilities	12,436,717.56
Capital and Surplus	2,027,834.67
Insurance in Force	118,349,212.00
Payments to Policyholders since Organization	18,119,172.50
Is Paying its Policyholders over	$1,300,000.00 annually

GOOD TERRITORY FOR LIVE AGENTS

Founded 1865
The PROVIDENT Life and Trust Company
OF PHILADELPHIA, PA.
What do most men fear?
An insufficient income for their wives and children if they die, and for their own old age if they live.
WE WILL INSURE THE INCOME IN EITHER EVENT.
Write for Information

A GOOD OPENING
An old, well established, progressive life insurance company, with unexcelled dividend record has good opening at PHILADELPHIA, covering Eastern Pennsylvania. Address, stating qualifications:
PHILADELPHIA, care of The Eastern Underwriter
105 William St., New York City

40% **Increase in Paid New Premiums—that tells the 1916 story of Fidelity progress.**
Direct leads and the Fidelity "Income for Life" plan are making money for Fidelity field men. Any man who can sell life insurance can sell MORE Fidelity insurance.
Write to-day—
Fidelity Mutual Life
INSURANCE COMPANY, PHILADELPHIA
INCORPORATED 1878 WALTER LE MAR TALBOT, President

Are You Permanently Established?
Write for Territory
Pennsylvania—Ohio—West Virginia
PHILADELPHIA LIFE INSURANCE CO.
PHILADELPHIA

Another Name for Life Insurance

Love insurance is a new name in the world for life insurance and it is so appropriate that it is being taken up and popularized by all sorts and conditions of men. The men who buy life insurance, from the day laborer to the railroad president, think of it in terms of love rather than life because they buy it for those they love. The man who sells it thinks of it as love insurance because it is the love of a man for his family that he must appeal to in order to make the sale. Novelists are writing about love insurance and clergymen are preaching about it.

That love insurance should go hand in hand with love is a belief that is being preached in the world to-day by pulpit and press. An example of how the press is sounding this doctrine is the following editorial from a recent edition of "Collier's Weekly":

> A wife should never stand in the way of that life insurance which is her only protection from privation and poverty. On the contrary she should demand it. She should insist that it be regarded not as extravagance or as an investment but as a necessity. It must come before luxuries such as super-millinered bonnets for the wife and cigars or beer for the husband. It should come before a savings bank account. In fact, it should arrive with the wedding presents. A husband who cannot afford to put a policy of insurance on his life in the hands of his bride is too poor to buy a marriage license or pay a wedding fee.

Nothing can replace the loving care that a wife loses when her husband dies, but modern life insurance has evolved the best possible substitute in the form of the monthly income policy. The evolution of this new policy is merely a phase of the transition which is causing the public mind to consider life insurance in terms of love rather than in terms of life. It has been produced to meet the demands of thousands of men who were demanding a form of life insurance that would better provide for their families in case of their death.

This form of life insurance, like love, is unfailing. The man who lives is always working and planning for the happiness of his loved ones. The man who dies and leaves a monthly income policy has provided, as far as is humanly possible, for the continuance of his loving care. This policy is as unfailing as his own devotion. There will never be a question about the payment every month of the income which is to take the place of the departed husband and father. Salary checks are not paid through the grave to the families of departed ones but monthly income checks are and they are surer than salary checks.

This beautiful institution of love insurance makes it possible for a man to protect his love for his family far into the years beyond his death. It is a living, bread and butter, and house-rent monument to the true love that he bore for his wife and children. There is enough each month for the happiness and welfare of the family and no chance of loss through unwise investments due to poor advice from so-called friends as in the case of a large lump sum payable at the death of the insured. And the greatest thing about this love insurance is that it shall continue for the widow as long as she shall live.

Life insurance, as looked upon in terms of love insurance, is an aid in the building of happy homes. The "Delineator" says:

> Whatever the obligations of life, a man must provide protection. If he is to become the head of a family, his obligations are many. Life insurance here comes to his assistance, and for a small payment guarantees the results desired. A life insurance policy gives courage to a man as he goes forth to build a home and rear a family. It gives help to the widow when she must assume the double duties of father and mother. It also is often the only support for the little children and with the mother's care helps in the preparation of useful lives.

Recently a clergyman in an Eastern city delivered a sermon on "Love Insurance." He said in part:

> I am not here to boost any life insurance company. I am here to preach the gospel, but there's gospel in life insurance. A man who fails to provide for his loved ones in case of death is not fulfilling the obligations which he assumed when he married his wife and when he became the father of his children. Not many years ago one of my dearest friends died and I was asked by his distracted widow to look through his affairs and see what was left to her. He had taken out a policy or two but they had been allowed to lapse. The money he had left barely paid his debts and to-day the widow is working on a small weekly salary and struggling to keep her thirteen-year old boy in school. That opened my eyes to the obligation which I owed my family. I had but a small policy. To-day I have a policy for $7,800. I was as poor as a church mouse. All I have is my salary, but I have a peace in the knowledge that when I am not able to take care of my wife and children they will not be left in want. Life insurance, you say? I say it is love insurance.

THE
METROPOLITAN LIFE
Insurance Company
(Incorporated by the State of New York)



Metropolitan Life Insurance Company
Home Office Building

The Company — Of the People, By the People, For the People

The Daily Average of the Company's Business during 1916 was:

701 per day in Number of Claims Paid.

8,304 per day in Number of Policies Issued and Revived.

$1,969,823 per day in New Insurance Issued, Revived and Increased.

$376,827.40 per day in Payments to Policyholders and Addition to Reserve.

$220,509.26 per day in Increase of Assets.

JOHN R. HEGEMAN, President

ARGUMENT AGAINST LAPSE

With war clauses now in the policies of every company in the country it behooves old policyholders to hang to their contracts for dear life and under no circumstances to lapse them. No one can estimate with certainty the duration of the war or the further action of the life insurance companies in respect to their clauses. Policies which do not contain the new clause are therefore more valuable to their possessors than ever before—a point which should be made by every agent in dealing with prospective lapsers.—From Mutual Life's "Points."

President Crawford, of the Life Underwriters' Association of Chicago, has arranged for special sleepers for the Chicago delegates to the annual meeting of the National Life Underwriters' Association to be held at New Orleans Sept. 26 to 28.

Representing

The Mutual Life Insurance Company
of New York

You will make money.

The great strength, big dividends and incomparable benefits of the *"oldest company in America"* mean certain success for you.

For Terms to Producing Agents, Address

GEORGE T. DEXTER, 2d Vice-President

34 NASSAU STREET, NEW YORK, N.Y.

MORTALITY DUE TO ACCIDENTS

Figures From Experience of Travelers Show Ratio of Accidental Deaths to Total for Fifteen Years

Commenting on the ratio of accidental deaths to the total, the Travelers has compiled the following table covering its experience in the life department for fifteen years:

Year of exposure	Violent deaths	Total exposure	Actual deaths	Ratio violent to total actual deaths
1902	55	50,564	525	10.5
1903	65	53,672	606	10.7
1904	66	59,530	630	10.5
1905	85	64,898	757	11.2
1906	74	69,352	737	10.0
1907	69	74,202	724	9.5
1908	67	79,353	775	8.6
1909	89	85,432	828	10.7
1910	71	91,799	894	7.9
1911	77	99,491	925	8.3
1912	113	110,580	969	11.7
1913	107	122,857	985	10.9
1914	104	133,686	1,076	9.7
1915	164	146,824	1,238	13.2
1916	158	170,073	1,329	11.9
Total (15 yrs.)	1,364	1,412,313	12,998	10.5

Ide's War Bill Views

(Continued from page 4.)

be scientifically devised, and that its scheme of administration must be wise, methodical and economical.

We believe that from this bill there must be eliminated all elements which are based upon anything but sound business principle, and in this measure no provisions should be contained which, although theoretically desirable, are practically of doubtful value.

We believe that Article IV is vicious in principle and that in view of the liberality of Articles II and III it is absolutely unnecessary and should be eliminated.

We believe that the amount of benefit to be distributed in each instance should be determined by the Government and not by the individual soldier.

And we believe that the costs and disbursements should be borne wholly by the Government.

Such a plan will add materially to the enthusiasm and loyalty of the enlisted man who will feel that the Nation is appreciative of his sacrifices and will take care of his dependents if disaster come to him. Furthermore, such a plan, scientifically constructed, should do away for all time with our present system of pensions.

THE EASTERN UNDERWRITER

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SERVICE FOR THE NATION

The splendid manner in which fire insurance special agents, inspectors, engineers and others have responded to service in the conservation movement furnishes a brilliant page of achievement in the history of the business. So much has been done by everybody that it is hardly fair to name individuals, and yet when the war is over and what the fire insurance fraternity has accomplished for the nation is eventually realized it will be seen that W. H. Sage, in the West, and S. Y. Tupper, in the South, did organization work in their sections of the country entitling them to high commendation. Among the States where the work is practically completed is New York, and already it has been demonstrated that these inspections and recommendations have been not only of the greatest value to the commonwealths, but are timely as well. In this State all the different factors in the situation worked actively for about three weeks. F. C. Buswell, one of the ablest members of the National Board, some time ago appointed Frank E. Burke as chairman of the special agents' and inspectors committee, and Lawrence Daw, chief engineer of the State association, was given charge of the supervision of the reports. Field men, representatives of rating organizations and inspection bureaus, fell promptly and whole-heartedly into line, and the work was performed with despatch and efficiency. In many other sections of the country similar good work was done. The National Board of Fire Underwriters has performed its duty nobly, and President Bissell has reason to contemplate the results to date with pride.

SOME COMMENTS BY MOIR

At the Congressional Committee McAdoo war bill hearing in Washington on Friday, Henry Moir, actuary of the Home Life, made some unusually interesting comments. He explained to the committee the nature of yearly renewable term insurance, also pointing out that while the premium under age thirty-one would be from $7 to $8 per $1,000, this is a yearly increasing rate, and if the insurance be thus continued to the older ages, a premium of $18 per $1,000 would be necessary at age fifty-five and a premium of $60 per $1,000 at age seventy. He pointed out also that under this form of insurance no cash, loan or extended insurance values could be given, nor could maturity during life be promised.

BURGLARY CO-INSURANCE

Co-insurance is the feature of the burglary and theft insurance business apparently least understood and concerning which there is most confusion of mind. When once mastered, however, it is quite simple. Its meaning and effect is that the individual, unless insured to the full value of his property bears himself a certain percentage of any loss, or losses, that may occur, and thus becomes a self-insurer to the extent of such percentage.

While there is no fixed rule governing the co-insurance percentage, it is ordinarily as in fire insurance, 60, 80, 90 or 100 per cent., or as may be determined in advance, and as in fire insurance, the ratio between the amount of insurance carried and the total value of the property exposed to loss has a decided bearing upon the rate of premium charged. The smaller the percentage of the insurance to the total value of the property the higher the insurance rate and conversely, the greater the percentage of the insurance to the total value of the property, the lower the insurance rate. The reasons for this are too obvious to require explanation.

In the succeeding paragraphs an 80 per cent. co-insurance ratio is dealt with exclusively as that is the percentage invariably adopted when writing burglary and theft insurance, subject to co-insurance.

An 80 per cent. co-insurance clause in a burglary or theft policy has no effect on the extent of the insurance company's liability for any loss, where the loss equals or exceeds 80 per cent. of the value of the property insured, irrespective of whether the amount of the insurance is fully 80 per cent. of the value of the said property or not.

An 80 per cent. co-insurance clause in a burglary or theft policy has no effect on the extent of the insurance company's liability for any loss, even where the amount of the loss is less than 80 per cent. of the value of the property insured, provided the amount of the insurance is not less than 80 per cent. of the value of the property insured.

Where residence burglary or residence theft insurance is written subject to the co-insurance clause, the companies, recognizing that the articles most attractive to burglars and thieves are jewelry, silverware, furs, oriental rugs and oil paintings, restrict the application of the clause to such articles exclusively; therefore, the co-insurance clause does not apply to or have any bearing upon any property except jewelry, silverware, furs, oriental rugs and oil paintings; nor, the clause being an 80 per cent. clause, does it have any effect on any loss of jewelry, silverware or the like, amounting to 80 per cent. or over, of the total valuation of such articles.

In burglary and theft insurance issued subject to 80 per cent. co-insurance, the effect of the clause is as follows:

If the total value of all jewelry, silverware, furs, oriental rugs, and oil paintings is, say $2500
and if the insurance carried amounts to at least 80 per cent. of such amount, or $20000., the assured, has, on his jewelry, silverware, furs, oriental rugs and oil paintings, full protection to the extent of $2000
If, however, the insurance carried amounts to less than 80 per cent. of the total value of all the jewelry, silverware, furs, oriental rugs and oil paintings, and loss on such articles amounts to less than 80 per cent. of their total value, the company will not be liable for any greater proportion of such loss than the amount of the insurance bears to 80 per cent. of the total value of the jewelry, silverware, etc. The remainder of the loss must be borne by the assured. For example if on a total valuation upon the jewelry, silverware, etc., of say..... $2500
insurance is carried in the amount of but $1500 or 60 per cent. of such total valuation, and the loss on such articles is say $ 900
the company's liability will amount to.. $ 675
only, or three-fourths of such loss.
The assured, himself, will have to bear one-fourth of the loss, or,..... $ 225

There is another special clause, the average clause, which is quite common in fire insurance and often embodied in burglary and theft policies. The average clause in no way resembles the co-insurance clause. It simply distributes the insurance granted by the policy between two or more locations, or buildings, or risks "in proportion as the value in each bears to that in all." It contrasts directly with blanket insurance covering two or more locations, buildings or risks each in the full amount of insurance granted but, subject to total liability equal to, but not exceeding the total sum insured under the policy.—F. & C. Bulletin.

THE HUMAN SIDE OF INSURANCE



C. H. REMINGTON

C. H. Remington, who is an important generator in the Aetnaizing dynamo system, bearing the titles of treasurer of the Automobile Company of Hartford, assistant treasurer of the Aetna Casualty & Surety, and assistant treasurer of the accident and liability department of the Aetna Life, virtually grew up with the Aetna. He joined its staff about 1905. Under his supervision is the accounting work of all departments of the three companies, except the life department of the Aetna Life. Immediately upon President Bulkeley's announcement that the Aetna would accept installment payments for Liberty Loan bonds, Mr. Remington was delegated to devise ways and means to execute the plan and organized a special force to handle the loan. The loan was a tremendous success, the company receiving thousands of applications for bonds.

* * *

Alfred G. Ogle, vice-president and general manager of the American Bonding & Casualty Co., of Sioux City, has been in Chicago looking over the field with a view to entering Chicago.

* * *

Joseph Zimmerman, of Highland, Ill., in $350,000 of production and fifteen years' service, has not had a single "not taken" case. He is with The Prudential. He explains his success by saying that he is sure of every move he makes; is thorough in everything that he does; and his insured know exactly what they are doing and appreciate their responsibilities when they sign the application. Once the policy is delivered it sticks.

Manton Maverick, who has been general attorney and vice-president of the Continental Casualty, has been made vice-president and counsel, and M. P. Cornelius, his assistant, has been appointed general attorney.

* * *

Arthur C. Edmonds, of the Phoenix Mutual Life, has been appointed supervisor of the Pittsburgh general agency. Mr. Edmonds, who is the son of a Rocky Mountain fire insurance manager, and who had some experience with the "Insurance Report," of Denver, has made good in a short time in life insurance.

* * *

George E. Kline, and **James J. Hoey,** respectively vice-president and executive special agent of the Continental Fire, spent several days of last week at Bluff Point, Lake Champlain.

* * *

Charles J. Vopika, treasurer of the Chicago Bonding & Insurance Co., and who is United States Minister to the Balkan States, returned recently for a short visit to the home office of the Company.

A $2,000,000 GROUP

The group division of the Aetna Life has issued a policy for more than $2,000,000 on the lives of more than 3,000 employes of the H. T. Heinz Company of Pittsburgh, it was announced here on August 22.

Premiums on the insurance will be paid entirely by the company, the lowest amount to be placed on an individual being $250 for employes of two months' standing and will graduate to $500 on employes of five or more years. Practically every worker and agent is included in the plan.

WANTS DAMAGES

Damages in the sum of $10,000 are sought by Winfield A. Wilson, a life insurance agent in the employ of the Phoenix Mutual Life Insurance Company, in a suit filed in the District Supreme Court against Collingwood Sanborn.

Wilson in his declaration sets forth that he has been greatly injured and his good name and credit damaged by an alleged false and libelous letter sent by the defendant to L. E. Albert, general agent of the Phoenix.

SONS OF HOME OFFICERS

Clarence A. Ludlum, Jr., son of C. A. Ludlum, vice-president of the Home, has been appointed a second lieutenant of infantry in the regular army, and Richard L. Tyner, son of Vice-President Tyner of the Home, has been made a captain of infantry in the Officers Reserve Corps. Both had attended the Plattsburg Camp.

CONFISCATE GERMAN CASH

The United States Government has brought suit in the Federal District Court of Richmond, Va., to confiscate the sum of $440,000 cash of the German Government, part of an appeal bond filed in the case of the British steamer Appam, which was brought into port by a German prize crew. The sum is now held by several surety companies.

BALTIMORE CITY INSURANCE

The city will carry $5,000,000 worth of insurance on its public buildings as the result of a ruling by City Solicitor Field that the premiums can be paid out of the interest on a municipal insurance fund of $250,000 created a few years ago by the Board of Estimates. Comptroller Thrift said that this interest amounts to between $8,000 and $9,000 annually.

Originally the city intended to carry its own insurance and discontinued several policies that had been carried for a number of years.

FIRE INSURANCE DEPARTMENT

Adjust an Army Contractor's Loss

GOVERNMENT'S PURCHASING POWER RECOGNIZED

Insurance Contract, Not Contractor's Agreement With Government, Prevails in Such Losses

In view of the large number of business concerns working on contracts for the Government it has been felt that in case of losses numerous questions would arise which might prove troublesome such as those of ownership, of salvage, of interest in the adjustment, etc.

Seigel Bros. & Goodman

One of the first of the losses involving some of these problems was that of Seigel Bros. & Goodman, New York, who had a contract manufacturing coats for the Army. The loss was not large, and some of the coats were only slightly damaged. The assured made a claim for a certain amount of cash value, based upon what it would cost it to go into the open market to replace the goods, and, in view of the fact that the assured's contract called for the delivery of garments made in exact accordance with the specifications, and the slightly damaged goods would not be acceptable to the War Department, a total loss was claimed.

The attitude of the companies was that they are not interested in the contract between the Government and the assured, but only in the contract of insurance; that such a loss should be adjusted under the same conditions that would prevail if the assured were not a Government contractor. In other words, that a 10 per cent. loss from an insurance standpoint is a 10 per cent. loss; a 50 per cent. loss is a 50 per cent. loss; and neither can be called a 100 per cent. loss under the standard fire insurance policy.

Replacement of material is a serious matter nowadays with prices constantly going up. Besides the Government has practically commandeered the supply of woolen goods, necessary for uniforms, along with other supplies, and it is impossible for a private clothing manufacturer to go into the open market and obtain prices anywhere similar to those which are charged the United States.

How Loss Was Adjusted

The companies, therefore, adjusted this loss on a basis of a deduction from the assured's claimed value to bring the cost of the goods down approximately to the last Government contract price; in other words, the price at which the Government had bought the material prior to the fire. The difference was nearly 25 per cent. The companies also took off a certain allowance for value of the salvage.

In other words two principles were maintained: 1, the value of the material was the price that the Government could replace it at; 2, salvage was taken into consideration.

SALARIES OF SOLDIERS

Some Offices Considering How Long They Shall Continue Making These Payments

One of the questions interesting insurance companies, agents and brokers is how long they shall continue paying salaries of employes who are in the Army or Navy service. Some offices began paying salaries of men who went to Plattsburg; others have paid half salaries. Now that the draft will take hundreds of men from William Street the situation is changed. One office on William Street has already lost more than twenty representatives, and has thirty-three subject to the draft.

The National City Bank, it is reported, which employs 1,000 men, has intimated that it will discontinue paying salaries of those in the service after September 1. One hundred and forty of its representatives are already in the service; four hundred and fifty-three are eligible to draft.

CAPTAIN PELL AND BRIDE HERE

Duncan C. Pell recently resigned his position as manager of the brokerage department of the National to go into the Army. He was successful in winning a captain's commission in the Officers' Reserve Corps. His William Street friends will be pleased to learn that his luck did not stop there as Miss Lorraine Mishler, of Chattanooga, Tenn., consented to become Mrs. Pell. Captain Pell and his bride were in New York this week. For some time he has been at Fort Oglethorpe.

COWS WORTH FORTY DOLLARS

According to the Farmers' Insurance Association of Fulton and Montgomery Counties, New York, cows are worth forty dollars. This was decided at a meeting of the directors of the association held recently to adjust fire losses, when they allowed the following claims:

Charles Shulka, Mohawk, cow struck by lightning August 2, $40; Edward Van Dusen, Mohawk, calf killed $12; Walter Smith, Root, cow killed July 18, $40; John Lynaugh, Johnstown, cow killed July 15, $40; Phillip Sponable, Ephratah, cow killed August 2, $40.

NIAGARA FIRE INSURANCE COMPANY

ESTABLISHED 1850

OTHO E. LANE, President

BERNARD M. CULVER
WILLIAM L. STEELE
Vice Presidents

CHAS. A. LUNG
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Use and Occupancy, Profits, Commissions — All Forms

123 William Street, NEW YORK

FIRE AND MARINE INSURANCE—ALL LINES

The Automobile Insurance Company of Hartford, Conn.

MORGAN G. BULKELEY, President

Statement January 1, 1917

Cash Capital	$1,000,000.00
Assets	2,748,832.19
Liabilities (Except Capital)	1,039,977.81
Surplus to Policyholders	1,708,854.38

AFFILIATED WITH

ÆTNA LIFE INSURANCE COMPANY

THE ÆTNA CASUALTY & SURETY CO.

CONTINENTAL'S QUICK MOVE

Shows Enterprise in Printing and Distributing Comparison of New and Old Standard Policies

The day after the Insurance Department had printed in its final form the new standard fire policy, the Continental printed and distributed immediately a comparison of the new and old forms. This work was done in the Continental's own printing plant and is evidence of the effectiveness of that adjunct of the Company's organization.

The comparison is prefaced with the following:

"A new standard fire policy will be substituted on January 1, 1918, for the one now in use in New York State. The new form of policy has been approved by the National Convention of Insurance Commissioners, and when the necessary legislation can be secured it will undoubtedly be substituted in all States where the present New York standard policy is now in effect.

"Leroy A. Lincoln, counsel of the New York State Insurance Department, has prepared a very comprehensive comparison of the new and old forms of policies. Believing that you would be interested in this valuable document, it is sent you herewith with the compliments of the undersigned."

TRENTON AGENCY CHANGE

Harry Harbourt together with his brother of Highstown, N. J., and Kendrick Hill, assistant postmaster at Trenton have purchased the insurance business of Alfred W. Parker of Trenton. The new firm will be known as Hill, Harbourt & Co. They will take over the offices now maintained by the Parker Agency in the Commonwealth Building, Trenton.

PRACTICAL SUBJECTS

Western Union to Hear Reports on Advertising, Supplies, Binders and Other Topics

The committee on order of business for the September meeting of the Western Union at Boston has completed its program. In addition to the reports of the standing committee, a number of special committees have been appointed to report on various features of the recommendations made by the joint committee on economy. These committees with their chairmen follow: 'Advertising and Supplies," J. C. Corbet, Northern of London; "Duplication of Policy Contracts," J. O. Dye, Rochester-German Underwriters; "Binders and Returned Policies," P. D. McGregor, Queen; "Duplication of Association Work," J. W. Cochran, Fire Association, and "Onerous Requirements of Insurance Departments," C. A. Ludlum, Home. George W. Law of the Royal is chairman of the committee on nominations and J. F. Edmonds of the Commercial Union, chairman of the committee on location of the next meeting.

AGENT IN ARMY

C. R. Anderson, an insurance agent in Washington, N. J., who represented thirteen fire companies, has sold his agency to Harry Christine. Mr. Anderson is a member of the Washington Board of Health, and has joined the army.

LEAKAGE SITUATION

Despite the resignation of a prominent company managers of sprinkler leakage departments declare that they are not worried, and say that the conference will meet the situation.

Requirements For New Standard Policy

LETTER SENT TO COMPANIES BY DEPARTMENT

Superintendent Phillips Describes Changes Necessary In Old Form To Comply With New

The following letter was sent to the companies on August 14 by Superintendent of Insurance Jesse S. Phillips, of New York State, specifying the changes to be made in the old standard policy to make it comply with that adopted by the Legislature:

I am enclosing herewith a copy of the Standard Fire Insurance Policy of the State of New York as filed by me for use in the State of New York on and after January 1, 1918, under the directions contained in section 121 of the Insurance Law as amended by chapter 440 of the Laws of 1917. I am also enclosing a copy of chapter 440 of the Laws of 1917.

I must call your attention most emphatically to the provisions of section 121, and particularly to the last sentence in the first paragraph of such section forbidding the issuance or use in this State, after January 1, 1918, of any fire insurance policy other than such as conforms in all particulars as to blanks, size of type, context, provisions, agreements and conditions with such printed blank form of contract or policy. It has been the experience of this department that insurance companies and their printers were not sufficiently careful in the preparation of fire policy forms. I am going to insist upon a literal compliance with the requirements of law, and the representatives of your company must, therefore, make sure that the policies which are prepared for use in this State on and after January 1, 1918, conform exactly as to blanks, size of type, context, provisions, agreements and conditions with the copy herewith enclosed.

Violations Penalized

In this connection, and in order to emphasize still more the necessity for exact compliance, I call your attention to section 1193 of the Penal Law, as amended by chapter 440 of the Laws of 1917, and appearing on page 9 of the copy of such law herewith enclosed. You will note therefrom that any corporation, officer or agent issuing or delivering a fire insurance policy on property in this State which does not conform in all particulars as to blanks, size of type, context, provisions, agreements and conditions with the policy form herewith enclosed is guilty of a misdemeanor punishable by a fine of not less than $25 nor more than $100 for the first offense, and of not less than $100 nor more than $250 for each subsequent offense.

By the provisions of the law herewith enclosed, you will note that the new form enclosed herewith must be used on and after January 1, 1918. You will also note that the existing section 121 of the Insurance Law requiring the use of the present form is repealed, to take effect January 1, 1918. Therefore, the form now in use must be used exclusively until that date. I have received inquiries with respect to the use of the large form of policy, sometimes known as the "blanket form," and, inasmuch as there is nothing in the law authorizing its use, I would advise you that, after January 1, 1918, such blanket form, even containing the provisions of the new form, may not be used.

I call your attention to the following paragraphs of the law:

Under paragraph first, the name of the company, its location, date of incorporation, description as "stock" or "mutual," and device or devices adopted by the company, may be printed in the space at the head of the policy entitled "Space for insertion of name of company or companies issuing the policy and other matter permitted to be stated at the head of the policy."

Paragraph second prescribes the method by which provision is to be made for signatures.

Paragraph third provides for the use of the space entitled "Space for description of property" and also provides for agreements or riders. The requirements of this paragraph should be very carefully observed.

Paragraph fourth requires the printing of "Provisions required by law to be stated in this policy."

Paragraph ninth permits the printing upon the filing back of the policy of the name of the company, its location, capital, device or devices adopted by it, and the name of the agents. This paragraph also permits the addition at the top of the filing back of the names of any other States in which this precise policy form may be standard.

Paragraph tenth permits the printing at any other point than upon the first and second pages or the filing back, of the names of officers and directors, and a form providing for assignment of interest or removal, and a form of receipt, subject to my approval. I may say, in general, that I will approve the use of the same forms in these respects, as were contained in the original policy adopted in 1886, and which are still in use by many companies.

I also call your attention to the last paragraph on page 7 of the law as herewith enclosed respecting the approval of riders, endorsements, clauses, permits, forms or other memoranda to be attached to and made a part of the contract. Subsequent rulings are to be expected as to such forms.

Literal Observance Required

Please permit me to reiterate that all company officials, employes and printers preparing policies for companies should observe most literally the provisions of this law, in order to avoid the inevitable embarrassments which will result from a failure to strictly comply with all its provisions.

Please acknowledge receipt of this letter at once, and, when your forms are printed, please send one copy thereof to this department, so that we may retain same in our files. Do not send copies or proofs in advance for approval. We have no facilities for approving same nor is it our function under the law. It is for you to see to it that your form is in exact compliance with requirements, not only to avoid unnecessary emharrassments but the serious penalties to which your attention has been called above.

Very truly yours,
JESSE S. PHILLIPS,
Superintendent of Insurance.

Mutual Letter

The letter sent the mutual companies was identical to the above with the addition of the following paragraph:

Paragraph Fifth. Inasmuch as your company is a mutual company, I call your particular attention to this paragraph, appearing on page 5 of the law as enclosed, permitting the printing upon or attachment to the third page of the policy of any special regulations of your company lawfully applicable to its organization, membership, policies or contracts of insurance subject to my approval, preceded by the words: "This policy is issued by a mutual company having special regulations lawfully applicable to its organization, membership, policies or contracts of insurance of which the following shall apply to and form a part of this policy." In order that there may be no misunderstanding or delay in your preparations for complying with the statute, I suggest that you submit at an early date such provisions as you desire to print upon the policy pursuant to this section, so that the same may be examined and have my approval.

COMMONWEALTH TRUST CO.

The Commonwealth Trust Co., Boston, has written to insurance companies asking them if they have re-insurance contracts with German companies.

B. M. CROSTHWAITE & CO.
Fire and Automobile Insurance Specialists
Lines Bound Anywhere in New York State
105 William Street, New York City, N. Y. Telephones 2404-5-6-1758-1090 John

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SCHAEFER & SHEVLIN
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DUBUQUE FIRE AND MARINE INSURANCE CO.
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Excellent Facilities for Handling Suburban Business Phone: John 2312

INCORPORATED 1720
Royal Exchange Assurance
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United States Branch
92 William Street, New York
RICHARD D. HARVEY
United States Manager

STRENGTH INTEGRITY SERVICE
Scottish Union & National Insurance Company
HENRY J. HOUGE, Assistant Secretaries
J. H. VREELAND, Assistant Secretaries
JAMES H. BREWSTER, Mgr. Hartford, Conn.
A Broad Underwriting Service to Agents
Writes Fire, Automobile, Rent, Sprinkler Leakage, Tornado, Use and Occupancy, Explosion, etc.
Works in Harmony with American Agency Principles and Practices

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Ohio Farmers Insurance Co.
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Ohio's Oldest and Strongest Company
Net Surplus Over $1,293,741.00
AN AGENTS COMPANY
E. K. SCHULTZ & CO.
PHILADELPHIA
GENERAL AGENT
Pennsylvania, New Jersey and New York

Amend Trading-With-Enemy Bill

SENATE COMMITTEE GETS FIFTH REDRAFT OF MEASURE

New Features Have General Approval of Officials of Government—Complete Text

For the fifth time the Trading-with-the-Enemy Bill has been redrafted and the measure in its new form has been presented to the new Commerce Committee of the United States Senate. The changes have the endorsement of the Governnment officials sponsoring the bill. The complete text of the fifth redraft revised sections relating to insurance follow:

"Sec. 3. That it shall be unlawful (a) for any person in the United States except with the license of the Secretary of Commerce, granted to such person or to the enemy or ally of enemy, as provided in this act, to trade or attempt to trade, either directly or indirectly with, to, or from, or for, or on account of, or on behalf of, or for the benefit of, any other person with knowledge or reasonable cause to believe that such other person is an enemy or ally of enemy, or is conducting or taking part in such trade, directly or indirectly, for, or on account of, or on behalf of, or for the benefit of, an enemy or ally of enemy. (b) For any person except with the license of the Secretary of Commerce or of such person as the President may direct to transport or attempt to transport into or from the United States any subject or citizen of an enemy or ally of enemy nation, with knowledge, or reasonable cause to believe, that the person transported or attempted to be transported is such subject or citizen.

Guarding Information From Leaving Country

"(c) For any person (other than a person in the service of the United States Government or of the government of any nation, except that of an enemy or ally of enemy nation and other than such persons or classes of persons as may be exempted hereunder by the Secretary of Commerce or by such person as the President may direct) to send, or take out of or bring into, or to attempt to send, or take out of, or bring into, the United States any letter or other writing or tangible form of communication, except in the regular course of the mail; and it shall be unlawful for any person to send, take or transmit, or attempt to send, take or transmit, out of the United States, any letter or other writing, book, map, plan or other paper, picture, or any telegram, cablegram or wireless message or other form of communication intended for or to be delivered, directly or indirectly, to an enemy or ally of enemy: Provided, however, that any person may send, take, or transmit out of the United States anything hereinbefore forbidden if he shall first submit the same to the Secretary of Commerce, or to such officer as the President may direct and shall obtain the license or consent of the Secretary of Commerce or of such other officer, under such rules and regulations, and with such exemptions as shall be prescribed by him with the approval of the President.

Licenses

"Sec. 4 (a) Every enemy or ally of enemy insurance or re-insurance company, and every other enemy or ally of enemy, doing business within the United States through an agency or branch office, or otherwise, may, within thirty days after the passage of this act, apply to the Secretary of Commerce for a license to continue to do business; and within thirty days after such application, the Secretary of Commerce shall enter an order either granting or refusing to grant such license. The license, if granted, may be temporary or otherwise and for such period of time and may contain such provisions and conditions regulating the business, agencies, managers and trustees and the control and disposition of the funds of the company or of such enemy or ally of enemy as the Secretary of Commerce shall deem necessary for the safety of the United States, and any license granted hereunder may be revoked or regranted or renewed in such manner and at such times as the Secretary of Commerce shall determine: Provided, however, that reasonable notice of his intent to refuse to grant a license or to revoke a license granted to any re-insurance company shall be given by him to all insurance companies incorporated within the United States and known to the Secretary of Commerce to be doing business with such re-insurance company.

Re-insurance

"For a period of thirty days after the passage of this act and further pending the entry of such order by the Secretary of Commerce after application made by any enemy or ally of enemy, insurance or re-insurance company, within such thirty days as above provided, the provisions of the President's proclamation of April 6, 1917, relative to agencies in the United States of certain insurance companies, as modified by the provisions of the President's proclamation of July 13, 1917, relative to marine and war risk insurance, shall remain in full force and effect so far as it applies to such German insurance companies, and the conditions of said proclamation of April 6, 1917, as modified by said proclamation of July 13, 1917, shall also during said period of thirty days after the passage of this act, and pending the order of the Secretary of Commerce as herein provided, apply to any enemy or ally of enemy insurance or re-insurance company, anything in this act to the contrary notwithstanding. The Secretary of Commerce, however, shall have no power to license any enemy or ally of enemy insurance or re-insurance company, or other person, to do any act or to carry on any business prohibited by the President's proclamation of July 13, 1917.

Funds and Credit

"For a period of thirty days after the passage of this act and further pending the entry of such order by the Secretary of Commerce after application made within such thirty days by any enemy or ally of enemy other than an insurance or re-insurance company as above provided, it shall be lawful for such enemy or ally of enemy to continue to do business in this country and for any person to trade with, to, from, for, on account of, on behalf of, or for the benefit of, such enemy or ally of enemy anything in this act to the contrary notwithstanding: Provided, however, that the provisions of sections 3 and 15 hereof shall apply to any act or attempted act of transmission or transfer of money or other property out of the United States and to the use or attempted use of such money or property as the basis for the establishment of any credit within or outside of the United States to or for the benefit of, or on behalf of, or on account of, an enemy or ally of enemy.

Existing Policies

"If no license is appled for within thirty days after the passage of this act, or if a license shall be refused to any enemy or ally of enemy, whether insurance or re-insurance company, or other person, making application, or if any license granted shall be revoked by the Secretary of Commerce, the provisions of sections 3 and 15 hereof shall forthwith apply to all trade or attempt to trade with, to, from, for, by, on account of, or on behalf of, or for the benefit of such company or other person: Provided, however, that after such refusal or revocation, anything in this act to the contrary notwithstanding, it shall be lawful for a policyholder, or an insurance company not an enemy or ally of enemy holding insurance or having effected re-insurance in or with such enemy or ally of enemy insurance or re-insurance company to receive payment of and for such enemy or ally of enemy insurance or re-insurance company to pay any premium, return premium, claim, money security, or other property due or which may become due on or in respect to such insurance or re-insurance in force at the date of such refusal or revocation of license and nothing in this act shall vitiate or nullify then existing policies or contracts of insurance or re-insurance or the conditions thereof; and any such policyholder or insurance company, not an enemy or ally of enemy, having any claim to or upon money or other property of the enemy or ally of enemy insurance or re-insurance company in the custody or control of the alien property custodian or of the Treasurer of the United States, may make application for the payment thereof and may institute suit as provided in section 9 hereof."

N U

NATIONAL UNION FIRE INSURANCE CO. OF PITTSBURG, PA.



An Insurance Company's safety depends upon the ability, experience and integrity of the men who manage its affairs. The proper conservation of its premiums for prompt and equitable payment of claims and for reserves to safeguard policyholders is a matter of prime importance to all agents who seek complete protection for their patrons. The safety of funds is always the first consideration of the NATIONAL UNION, which weighs every transaction with due regard to the inalienable rights of its policyholders, agents and stockholders. There are no exceptions to this rule—ABSOLUTELY NONE. The NATIONAL UNION has a Policyholders Surplus of **$1,756,262.** Its Reserve for the protection of policyholders is **$2,362,164.** And aside from ample resources, excellent experience and strict integrity dominate an organization whose service and facilities are adding prestige every day to the name.

NATIONAL UNION

STATEMENT BY AMERICAN

Tells Why It Cancelled Munich Contract—Company Has $3,350,053 Net Surplus

The American Insurance Company, of Newark, has issued to the public the following statement regarding its former contract with the Munich Re-Insurance Company:

"When the great European war broke out the American had a re-insurance treaty with the Munich Re-Insurance Company of Munich, Germany. As the war progressed, the Company's officers and directors solicitous for the security of the American and its policyholders, exercised the greatest caution in regard to this German treaty; and when the necessity for intervention by the United States became more and more probable and threatening, proper legal notice was given the Munich and on December 31st, 1916, the treaty of re-insurance was terminated.

"As soon as this country did declare war on Germany the American proceeded immediately to cancel all unexpired re-insurance then in force with the Munich, collecting the unearned premiums thereon, and severing absolutely all connection with enemy companies. The re-insurance canceled was transferred to American companies of the highest standing.

"We make this announcement because we feel that the American's policyholders are entitled to know whether their security is dependent, in any circumstances whatever, upon funds that are not available here, but held abroad, under control of an enemy country, and undoubtedly invested there in war loans that must be seriously impaired by the success of our arms in a contest we are all determined shall end only in our complete victory over Germany."

The semi-annual statement of the American shows total assets, July 1, 1917, of $11,945,429. The company's capital is $2,000,000; liabilities, $6,295,375; special reserve fund, $300,000; net surplus, $3,350,053.

R. A. BUCKMAN'S NEW POSITION

E. A. Bolmar has resigned as superintendent of the Western automobile department of the Royal, taking effect August 15, to go into the manufacturing business. He is succeeded by Royal A. Buckman, Illinois State agent for the Royal, who recently suffered a broken leg in a railway accident and prefers work in which so much traveling is not required.

How to Write Auto Insurance

JERSEY AGENTS GIVE WRINKLES

"Live Wires" Get Views to Assureds Through Daily Newspaper in Passaic

The "Passaic Herald," of Passaic, N J., recently printed the following "wrinkles" from live local agents and brokers in connection with insuring automobiles, which are not only interesting, but speak well for the enterprise of the agents in question:

How They Do It

"The best insurance brokers," writes Eddie Martin, of 49 Bloomfield Avenue, Passaic, "place automobile insurance from a definite knowledge of the conditions to be met. They eliminate all chance of argument or misunderstanding in the settlement of claims and cover precisely and certainly the reasonable hazards of their patrons.

"I say 'reasonable' advisedly because there is no more sense in carrying too much insurance than there is in carrying too little. It is the mission of the insurance specialist to adjust the policy to the needs of the customer just as the doctor adjusts the prescription to the condition of the patient.

"Furthermore, automobile insurance has this interesting peculiarity that as a general proposition the customer saves money through going to a specialist, and he also commands a far better and surer service through the specialist during the life of his policy. This is because insurance companies were very quick to realize the advantage which would result through catering for the business of those makes of cars that are produced in large quantity, and the result has been special policies for certain cars. They realized, too, that the surest way of reaching the owners of these cars was through the dealers, or some one associated with the dealer, but it was necessary in order to secure the interest of the dealer to give him in addition to a policy especially adapted to the car he represented a special service proposition that would offer an additional distinct advantage to his customer.

"In brief, it was necessary to authorize responsible dealers or their insurance representatives to make immediate adjustments of claims against the insurance company, and also if necessary to immediately repair the car and bill the work to the insurance company."

Liability Insurance

"Liability insurance is a necessity because it is impossible to eliminate the amount of worry, time and expense it might cost the owner," writes Miles C. Whitehead, of 90 Passaic Street, Garfield, "if he were compelled to defend alone an action for damages.

"In accident cases it does not matter whether or not the owner of the car was entirely innocent. The injured person is always entitled to a hearing in court. Such actions must always be defended, and the defense must be handled properly.

"Juries in the lower courts are frequently inclined to sympathize with the injured party and to credit his story.

"It is seldom necessary to cover yourself for more than a reasonable sum of money, because most insurance company claim departments are so efficient a reasonable adjustment of nearly all claims is assured."

Property Damage Insurance

"Property damage insurance," writes Joe Marchese, whose offices are in the National Bank Building, Passaic, "has somewhat the same importance as liability insurance, but it is somewhat cheaper. Only a very low coverage is necessary or advisable."

SALVAGED GRAIN

Western Adjustment & Inspection Company Gets Good Results at Omaha, Neb.

The Western Adjustment & Inspection Company has reported to the fire companies interested in the recent loss of the Maney Milling Company at Omaha that the salvage grain has been disposed of with net proceeds of $36,152, which is 29 5-10 per cent. of the value of the grain involved. These are the best results secured in recent years on the handling of salvaged grain, the companies regarding 10 per cent. salvage under similar conditions as satisfactory a few years ago. In connection with this the Western Adjustment Company has reviewed the salvage situation for the information of the companies. The salvage was sold wet, not a bushel of it being dried, and the percentage of the return value is the highest ever received in the case where the structure was entirely destroyed.

For several years a small coterie of grain salvage handlers have practically controlled the situation, working together to keep outsiders from engaging in the business and to secure exorbitant rates for handling grain. Stock feeders have been taught to preserve wet salvage grain by storing it in pits dug in the ground, experience having shown that wet grain thus stored will keep a long time and serve as satisfactory stock food so long as the open air is excluded. The figures were given of three grain losses where the structures were totally destroyed and the salvage was sold wet. In the loss of the Iowa Elevator Company, Peoria, Ill., the grain involved, corn and oats, with a valuation of $444,364, was handled with a net return of 24 per cent. The grain in the Nye, Schneider, Fowler Company, elevator, Fremont, Neb., burned on December 19, 1916, including 65 per cent. of wheat, was sold at a net return of 25 per cent. of the original value of $220,040. The loss of the Maney Milling Company at Omaha, which burned May 27, 1917, was settled at a net return of 29½ per cent. on a $122,487 valuation. The Brooks Elevator Company of Minneapolis offered $30,000 in cash for the salvage, and although this was the most attractive offer ever made for a pile of grain salvage, it was refused by the adjusters and their good judgment is confirmed by the result. The insurance of the Maney Milling Company was $55,000 under the general form, all in grain mutuals, and $125,000 specific on grain, all in stock companies.

FROM F. S. JAMES CO.'S OFFICE

The Chicago office of Fred S. James Co., has lost a number of its men to the new army. H. W. Lockett, its chief inspector, is now a captain in the Construction Quartermaster's Department at Camp Wheeler, Macon, Ga. Claude E. Hill, an inspector, has been commissioned as second lieutenant in the Engineers' Officers Reserve Corp. Barton F. Walker, of the outside brokerage department, who was at the Fort Sheridan Training Camp, has been asked to stay over as an instructor in the second camp.

COMPANIES'-AGENTS' DISPUTE

Representatives of Both Appear Before Wisconsin Department on Controversy Over Book of Rules

Madison, Wis., Aug. 21.—Because of the complicated questions that arose at the hearing before Insurance Commissioner M. J. Cleary on complaint of the local fire insurance agents against the rules promulgated by the Wisconsin Inspection Bureau further hearings on the matter will be necessary. Meantime Commissioner Cleary has suspended the rules.

So many objections were raised by the agents that only a part of the rules were given consideration and the representatives of the companies have had no chance to reply. The leading arguments for the agents were presented by W. Ross Wilson, Milwaukee.

Before the hearing had adjourned the agents' committee had entered specific objection to the following rules and regulations in the book: alteration and repair permits; automobile and gasoline permits; term rules; cease operation permits; exposure rules; floaters; general cover contracts; fuel oil permits; gasoline lighting systems; kerosene and gunpowder permits; maximum and minimum policy charges; night work permits; blanket forms and objections to pro rata clauses; co-insurance on tornado policies; vacancy and unoccupancy permits and rules relating to refunds and additions.

Commissioner Cleary has suspended the operation of the book of rules pending the completion of the hearing. Manager J. V. Parker of the Western Actuarial Bureau, Chicago, and Clem E. Wheeler of the Wisconsin Inspection Bureau, represented the companies. The case is unique in that the dispute is between the fire insurance companies and their own representatives in Wisconsin. The Insurance Department, with certain restrictions, had permitted the Wisconsin Inspection Bureau to file rules and conditions to govern the practice of Wisconsin agents subject to revision of the rules upon complaint, or upon motion of the department. It was thought that there would be complaints from time to time by the various assured, but the application of the agents came as a surprise.

Coal Mine U. & O.

(Continued from page 1.)

minor losses it took to make up the premiums. Some agents in this section claim that the fire loss is always larger than the U. & O. loss. That's contrary to my experience. I am anxious to know what the facts are regarding the class as a whole.

"Mines can often be put out of business by wrecking one pump house and with new machinery getting slow delivery it is to be expected that losses on U. & O. lines will increase unless strong efforts are made by authorities to round up disturbers."

MRS. A. M. BURTIS DEAD

Mrs. Areunah M. Burtis, wife of a former officer of the Home insurance Company, died in Orange, N. J., on August 21. She was the daughter of the late Daniel A. Heald, who was president of the Home Insurance Company.

Iowa National Fire Insurance Co.
DES MOINES, IOWA Capital Stock $500,000
The latest addition to Reliable Fire Insurance organizations began Writing Business on January 1, 1917
JOHN L. BLEAKLY, President
F. L. MINER, Vice-President
C. S. VANCE, Underwriting Manager
FRANK P. FLYNN, Treasurer
C. M. SPENCER, Secretary

BRITISH AMERICA ASSURANCE CO.
Incorporated 1833
(FIRE AND INLAND MARINE)
Head Office, Toronto, Canada
United States Branch
January 1, 1917
Assets $1,936,279.77
Surplus in United States.... 823,964.59
Total losses paid in United States from 1874 to 1916, inclusive 24,669,753.43
W. R. BROCK, President
W. B. MEIKLE, Vice-Pres. & Gen. Mgr.

"STRONG AS THE STRONGEST"
The Northern Assurance Co.
(LTD., OF LONDON)
Organized 1836
Entered United States 1876
Losses Paid - - - $105,000,000
Losses Paid in U. S. - $38,000,000
Eastern and Southern Departments
55 JOHN STREET
NEW YORK CITY

207th Year
SUN
INSURANCE OFFICE OF LONDON
FOUNDED 1710
UNITED STATES BRANCH:
54 Pine Street - New York
WESTERN DEPARTMENT:
76 WEST MONROE ST., CHICAGO.
PACIFIC DEPARTMENT:
N. W. Cor. Sansome & Sacramento Sts.
San Francisco, Cal.

GERMANIA FIRE INSURANCE COMPANY
NEW YORK.
ORGANIZED 1859
STATEMENT, JANUARY 1, 1917
Cash Capital $1,000,000.00
Assets 8,553,704.22
Liabilities 4,222,485.60
Net Surplus 3,331,218.62
Surplus for Policy Holders 4,331,218.62
HEAD OFFICE
Cor. William and Cedar Streets


Just say:
"Insurance Man"—
the open sesame to every courtesy within our power.
Room with detached bath $1.50 and $2.00
Private bath $2.50 and $3.00
BREVOORT Hotel
Insurance Headquarters
MADISON ST.—East of LaSalle
CHICAGO
LAURENCE R. ADAMS, Sec'y & Mgr.

BROKERS ACTIVITIES

BOSTON WOOL

Still Some Uncovered Despite Increases of Lines by Many Insurance Companies

In Boston where there has been a scramble for buildings in which to store wool that is to be used in Government contracts there is still considerable value uncovered despite efforts of companies to respond to the situation by increasing lines. For patriotic reasons companies have written lines that would not be the case ordinarily. In one location there was an uncovered value of $1,000,000. Of this $600,000 was finally placed.

* * *

Manager of National's Brokerage Dept.

J. K. McFarland, the new manager of the National Fire's metropolitan brokerage department succeeding Duncan C. Pell, has had a wide experience as an insurance expert. A Vanderbilt University man he first went with the Insurance Survey Bureau and then with the Texas Fire Protection Association. Later he was insurance engineer for two prominent lumber companies in Louisiana. After this he purchased an interest in a local agency in Louisiana which he successfully conducted until he came here. He has already made a splendid impression on the Street.

* * *

Pacific Coast Borax Co. Cover

War coverage to the extent of $500,000 was placed this week on the Bayonne, (N. J.) plant of the Pacific Coast Borax Co.

* * *

Ninety-Year Old Broker

Jos. C. Jennings, veteran member of the San Francisco brokerage fraternity, has been voted an honorary membership in the Insurance Brokers' Exchange of San Francisco, with a remit of all future dues, in honor of his ninetieth birthday anniversary.

* * *

Brokers' Committee on Acquisition

H. R. Depew, of See & Depew; A. C. Hegeman, of A. Anderson & Co.; and L. A. Wallace, of Johnson & Higgins, form the committee of the Fire Brokers' Association of New York which will attend the annual session of the Insurance Commissioners' Convention to represent the interests of the brokers on the subject of acquisition cost on which the Commissioners expect to take action.

* * *

Coal Business on Lakes Unprofitable

The coal insurance business on the Great Lakes this season has been unprofitable owing to the large number of losses. The steamer Saxona was wrecked with a cargo of 14,000 tons valued at $42,000, the coal salvage being sold for $10,000. In addition there was a $9,000 loss on the coal on the Natironco, with a number of partial losses. There was also considerable ice damage to the hulls of coal boats early in the season, which is the more serious because the average cost of replacing a steel plate is now $900, which is more than double the cost two years ago.

* * *

Stanton With Crum & Forster

John C. Stanton has been made counterman in the city department of Crum & Forster. Mr. Stanton was for years in the local department of the Liverpool & London & Globe and until recently was with Lewis & Gendar, metropolitan agents of the Commonwealth.

* * *

Ohio Amends Broker Law

The Ohio Legislature has amended Section 644 of the General Code which reads: "No person shall procure, receive, or forward applications for insurance unless a resident of this State and duly licensed by the Superintendent of Insurance" to read as follows:

"The Superintendent of Insurance may upon the payment of ten dollars issue to any suitable person resident in any other State, a license to act as an isnurance broker to negotiate contracts of insurance or re-insurance or place risks or effect insurance or re-insurance, with any qualified domestic insurance company or its agent or with the authorized agent in this State of a foreign insurance company duly admitted to do business in this State and not otherwise. * * *"

* * *

One Way to Solve the "Help Question"

The shortage of employes among the companies is not without its diversions. The managers of one of the casualty companies are still talking about the manner in which one of their associates supplied his needs. It seems that this particular manager had experienced some difficulty in securing a stenographer. He heard, however, of one of the other departmental managers who had gotten in touch with a reputed "wizard" who was to come in that morning. The first mentioned decided that diplomacy was the better part of valor and told the hall man that if a young lady came in and asked for Mr. Jones, of the claim department, to send her to him. His plan worked out per schedule and the "wizard" is now writing his letters.

* * *

Frank B. Hall & Co. Building

Frank B. Hall & Co. have purchased the Delmonico Building at South William and Beaver streets and plan to occupy several floors thereof as soon as alterations have been completed and arrangements made to vacate their present offices at 26 Exchange Place.

* * *

J. N. S. Brewster $14,000,000 Line

J. N. S. Brewster & Co., Inc., this week placed $14,000,000 straight fire insurance on the property of the Lake Torpedo Boat Co

THIS DISASTER PAID

Freight Steamship Northland Doubles in Value While Lying on Sea's Bottom

It isn't often that insurance companies come out ahead on marine disasters. But here is an instance where a vessel doubled in value while lying on the sea bottom. It was about a year ago when the Northland, a steam freighter, sank in Kale Harbor, southeastern Alaska, and later was abandoned by her owners to the insurance companies. The insurance companies paid the loss in full. From that time the value of the ship began to enhance on account of the shortage of tonnage as a result of the submarine warfare.

The vessel went to the bottom as a result of the crew leaving the portholes open during a storm, the craft shipping enough water to cause her to sink. A few months ago the insurance companies employed a salvage company to raise the vessel, when it was discovered that the only damage sustained was the loss of the smokestack. The Northland has been freed of her barnacles, a new smokestack added, and is now as good as new. The insurance companies have realized one hundred per cent. on their outlay.

MAJOR WANVIG MARRIES

Harry F. Wanvig, branch secretary of the Yorkshire, has received his commission as Major of Artillery, Second Battery. On Thursday last he married Miss Kate Glendenning of New Haven, Conn.

Mrs. Mary Affelder is to continue the Baltimore agency of M. Affelder & Son, assisted by Miss Imhoff. Harry Affelder, who was head of this agency, died recently.

INTER-INSURANCE LOSSES

The inter-insurance concerns have suffered several very heavy losses of late The Individual Underwriters of New York, organized by the late John R Waters, suffered a total loss of $138,950 in the burning of the Brown-Camp Hardware Co., at Des Moines this week. This one loss was ten times its total losses for all of 1916, which were reported as $13,448. Within the month the Reciprocal Exchange of Kansas City suffered a 90 per cent. loss under its policy of $135,900 on the Sullivan Condensed Milk Company of Sullivan, Wis.

A COMMON SENSE REPORT

The annual report of the Utah Insurance Department is sixty-five pages long, using the "abstract" style of company reporting, and, yet, contains all the information that a policyholder in the State need know. It is a commonsense and economical way of making annual reports for a State of Utah's size.

"The Leading FIRE INSURANCE Company of America"

ÆTNA INSURANCE CO. HARTFORD, CONN.

WM. B. CLARK, President

Explosion and Sprinkler Leakage Insurance

THE HANOVER
FIRE INSURANCE COMPANY
Incorporated 1852

The real strength of an insurance company is in the conservatism of its management, and the management of THE HANOVER is an absolute assurance of the security of its policy.

R. EMORY WARFIELD, President
FRED. A. HUBBARD, Vice-President
E. S. JARVIS, Secretary
WILLIAM MORRISON, Asst. Sec'y

HOME OFFICE
Hanover Bldg., 34 Pine St.
NEW YORK

HOWIE & CAIN, General Agents
Metropolitan District
100 WILLIAM STREET, NEW YORK

National Fire Insurance Company
OF HARTFORD, CONN.

Statement January 1, 1917, to New York Insurance Department

LIABILITIES

Capital Stock, All Cash	$2,000,000.00
Funds Reserve to Meet All Liabilities, Re-Insurance Reserve, Legal Standard	9,912,715.84
Unsettled Losses and Other Claims	1,878,398.32
Net Surplus over Capital and Liabilities	3,743,747.60
Total assets January 1, 1917	$17,534,861.76

H. A. Smith, President — F. D. Layton, Ass't Sec'y — F. B. Seymour, Treas.
G. H. Tryon, Secretary — S. T. Maxwell, Ass't Sec'y — C. B. Roulet, Gen. Agt.

SURPLUS TO POLICY HOLDERS, - - $5,743,747.60

THE YORKSHIRE INSURANCE COMPANY, LTD., OF YORK, ENGLAND
ESTABLISHED 1824
The "Yorkshire" is the Oldest and Strongest of the English Fire Companies not heretofore represented in the United States
U. S. BRANCH
Frank & Du Bois, United States Managers — Ernest B. Boyd, Underwriting Manager
Harry F. Wanvig, Branch Secretary — Frank B. Martin, Supt. of Agencies
NO. 80 MAIDEN LANE, NEW YORK
New York Life Insurance and Trust Co., U. S. Trustee, No. 52 Wall St., New York
DEPARTMENTS—METROPOLITAN, Willard S. Brown & Co., Managers, New York, N. Y.; CAROLINA-VIRGINIA, Harry R. Bush, Manager, Greensboro, N. C.; SOUTHEASTERN, Dargan, Turner & Pattillo, Managers, Atlanta, Ga.; LOUISIANA and MISSISSIPPI, Jas. B. Ross, Manager, New Orleans, La.; PACIFIC COAST, Jas. C. Johnston, Manager, J. K. Hamilton and McClure Kelly, Assistant Managers, San Francisco, Cal.

FOUNDED 1792 — NORTH AMERICA

125th Anniversary
Insurance Company of
NORTH AMERICA
PHILADELPHIA

CAPITAL, $4,000,000 — ASSETS OVER $23,000,000

FIRE, MARINE, AUTOMOBILE, Rent, Leasehold, Tornado, Explosion, Use and Occupancy, Sprinkler Leakage, Travelers' Baggage, Parcel Post

The Oldest American Stock Insurance Company

Agricultural Insurance Company, of Watertown, N. Y.

64th Annual Statement

Assets	$5,036,003.01
Liabilities	2,296,861.95
Capital	500,000.00
Conflagration Surplus	250,000.00
Surplus to Policyholders	2,739,141.06

F. F. BUELL, Troy, N. Y., Special Agent.....NEW YORK STATE
E. J. PARMELEE, Syracuse, N. Y., Special Agent..NEW YORK STATE
GEORGE SHAW, 116 Milk St., Boston, Special Agent..NEW ENGLAND
F. L. GILPIN, JR., 422 Walnut St., Phila., Special Agent.MIDDLE DEPT.

What of the Insurance Press?

By C. I. Hitchcock, Editor of the "Insurance Field"

Paper Read at Convention of Health & Accident Underwriters, Cedar Point, Ohio, this week

There is no business in the world as little understood among men and yet as absolutely necessary to humanity, to commerce and to the world's progress, as insurance. In its essential service it is as old as civilization; in its modern application it is as new as the aeroplane.

While venturing to remark that this business is generally misunderstood and therefore maligned by the great mass of the people who are its patrons, I regretfully add that undoubtedly it has no equal in history where such great and inspiring fundamentals are so little known and understood by the great mass of people themselves engaged in it. And I think many of you know quite well that this unenlightenment at times extends into the very executive office itself.

The Correct Impressions

The great insurance consumer gets his impression of insurance from the representative of insurance he meets when he buys his insurance. And this representative, this missionary in a great cause, not infrequently is grossly misinformed or is ignorant of its very fundamentals! Is it any wonder that you of insurance are called upon to face problem after problem and crisis after crisis? All quite largely the outgrowth of misunderstandings and misconceptions on the part of your own representatives who in their loyalty or their zeal are decrying one class at the expense of all, for in the public eye all insurance is as one.

If ever any business needed an exponent, a daily, hourly bulletin of intelligence; if any business ever needed an alert Business Press, it is insurance. It needs a Business Press to instruct and to admonish with a touch of fearlessness that keeps those concerned upholding the ethics, and correct practices; a Business Press to warn; a Business Press to encourage those who carry its message from the home office out among the people waiting to hear it.

A Moving, Circulating, Talking Champion

It has been stated to me not once, but many times, that the Business Press of insurance is valueless to the extent that it does not directly reach the people—about as impossible an indictment as to complain that the movies cannot reach the blind man. But I claim it performs a greater, much greater, mission. If we—I am now speaking for the whole class of publications I have the honor of representing here, and not alone for myself—if we are the medium through which a few in every hundred of your misinformed representatives see light and get the true grace of knowledge, we have performed a service far greater than could have been done by any direct appeal to the consumer. We have created a moving, circulating, talking champion who will expound and defend you and your institutional service as long as he can move and circulate and who would long continue to raise his voice with conviction were all else paralyzed. Oh those enthusiasts! I know them.

We of the Business Press of insurance are often declared to be subsidized. Well, that is true! But we are subsidized only to the extent of our convictions. So are you—every one of you. And without the courage of those convictions in the urgent need, usefulness and fairness of his business, no worker is worth his salt. There are honest editors in exactly the same measure that there are honest insurance men—and I shall expect you to say Amen to that! If both businesses have a majority of men who are not honest you may sing miserere nobis instead.

Duty Business Owes the Press

It is quite possible that your Business Press is not as efficient as it might be. If that is true, as no doubt many of you are inclined to admit without further argument, then the fault quite largely is yours. If it is not efficient why not make it so? You do not expect the public to buy your protection unless you can render the service. When you render the service you expect and demand a sufficient premium, containing a profit in it for you. Why not measure your Business Press the same way? The reward of merit always produces the highest efficiency.

There are certain community duties that fall upon all of us as good citizens and good business men and yet too many, maybe, try to escape their burdens and responsibilities. Take as an illustration your own association—the Health & Accident Underwriters' Conference. Some of your members contribute rather grudgingly a small fee for its maintenance. Yet what a remarkable work it has performed and is performing! Through its endeavors the debit twister has very largely been removed; you do not have to do the same work over again and again. What has been accomplished, in this work alone, is worth to every member in actual dollars and cents a thousand times the cost. Just so the proper education of one who through ignorance is sowing the seeds of future expense to you, is worth many times what it may cost. There are some services that cannot be measured in mere money.

I would not for a moment have you believe I intend even to intimate that insurance men are not intelligent. Far from it. They are away above the average in intelligence. What I do say, though, is that they are so enmeshed in the problems and details of their own immediate business, so deeply concerned in the ever pressing results of their own operations, that they often lose the perspective, the composite, the bird's-eye view of their business as a whole, and so overlook its tendencies and its necessities.

Your class of insurance—sickness and accident—seems to come the nearest to approximating the recognized socialistic ideal. Hence it is the loudest to be attacked in its private administration and urged by the propagandist as a governmental function. In the face of a well-paid lobby in the forum of the people, a lobby with every appearance of altruism and consequently of the greater force, not a few companies have failed to raise a hand to ward off the storm. I could cite numerous illustrations—but you all know of them. It's a case of indifference or of let "George" do it! "Why should I move? The 'big fellows' will do all that is necessary!" If that is a secret thought—though you may not have admitted it even to yourself—then you are not fulfilling your part in the insurance community, because yours may be the very assistance that presses back the cloud; your smaller cry may be heard through the thunders of the mighty, and having been heard, may be heeded; for, remember, the smaller your society the closer your touch with the missionary agent and so with the people whose voice ultimately will decide.

Necessity of Intelligent Dissemination of Business Insurance

I said that your branch of insurance, on its surface, most nearly approximates the ideal of the Socialist. But that is from a lack of knowledge on the part of the Socialist. He doesn't know the fundamental principles of insurance. You've never explained them to him or if you have tried, he hasn't understood. And when he has been educated in its process, yet must there be institutional work akin to schools and religion going on forever to reach the new generations. Your salvation lies in intelligent dissemination of insurance information.

But—What of the insurance Business Press that is ever fighting your battles, placing argument, example and precept before your representatives who touch the people—the people who elect the law makers who make the laws? Is it not also your community duty in the measure of your ability to encourage and foster this press without which insurance would have no champion to speak through the printed word which carries with a thousand tongues and unites and solidifies public policies? Or shall "George" do it?

In individual practice of course it is perfectly human to feel grouchy at the paper that seems determined in encouragement of policies or practices that do not suit your particular views at the moment; but is it not wiser to cast up accounts and balance gratitude for advocacies of other policies and other practices that have helped you in the past, against those you do not like just now? The paper that does not with tolerance speak out firmly, and even provocatively it may be, on all open subjects is of no more value and no more interest than a cancelled policy. By their mistakes shall ye know all men—so, by the main results of their judgment and activities shall the net asset value of an insurance Business Paper be determined. If it has power it has enemies and detractors; if it has no power it deserves neither consideration nor success.

HOLDEN DIRECTORY OUT

George H. Holden & Co., Inc., this week announced the issuance of the 1917 edition of the Insurance Directory of New York and New Jersey. The book contains the names of the brokers, agents and companies doing business in the two States and is arranged in convenient form.

GLENS FALLS AGENCY CHANGE

The Kenyon & Scott Agency, Inc., transacting fire, compensation and liability business has been purchased by the Carson Insurance Agency.

Firemen's Insurance Co., Newark, N. J.

January 1, 1917

Cash Capital $1,250,000.00
Net Surplus $2,449,322.25
SURPLUS TO POLICYHOLDERS...$3,699,322.25

DANIEL H. DUNHAM, President
JOHN KAY, Vice-President and Treasurer — A. H. HASSINGER, Secretary
NEAL BASSETT, Vice-President — J. K. MELDRUM, Assistant Secretary

Authorized Capital $500,000

Detroit National Fire Insurance Co.

DETROIT, MICHIGAN

A Company to be built gradually and along the indicated lines of permanence

AGENCY CONNECTIONS SOLICITED

Caledonian Insurance Co. of Scotland

FOUNDED 1805

"THE OLDEST SCOTTISH INSURANCE OFFICE"

UNITED STATES HEAD OFFICE
Caledonian Building, 50-52 Pine Street, New York

CHAS. H. POST, U. S. Mgr. — R. C. CHRISTOPHER, Asst. U. S. Mgr.

NEW YORK CITY OFFICE
Golden Hill Building, 59 John Street, New York

FIRE ASSOCIATION Of Philadelphia

401-405 WALNUT ST.

Organized 1817 — Incorporated 1820 — Charter Perpetual

Cash Capital $750,000 — Assets $10,046,848.04

E. C. IRVIN, President — T. H. CONDERMAN, Vice-President
J. B. MORTON, 2nd Vice-Pres. — M. G. GARRIGUES, Sec. and Treas.
R. N. KELLY, Asst. Sec. and Treas.



1817

Rossia Insurance Company

HARTFORD, CONN.

REINSURANCE

CASUALTY AND SURETY NEWS

Mutual Surety and Burglary Insurance

SOME INTERESTING FACTS CONCERNING BANK FIDELITY BUSINESS

American Bankers' Association Shown That Insurance Companies Received Less Than They Paid Banks

In view of the fact that certain publications issued in the interest of banking concerns persist in attempts to make the public believe that the banks of the United States intend to establish a stock casualty company among themselves as a relief from the "exorbitant" premiums charged by the regular burglary and fidelity companies, The Eastern Underwriter feels in duty bound to place before its readers statements that cannot be refuted: In a previous issue of The Eastern Underwriter it was pointed out that the only person who seemed to be anxious to bring into existence a bankers' insurance company is the president of a small bank in a small Wisconsin village of eight hundred inhabitants. But the movement is still being pushed, and is expected to come to an issue at the annual convention of the American Bankers' Association to be held in Atlantic City on September 26.

The statement was made by a bankers' publication recently that 4,000 banks in the country paid to the burglary and fidelity insurance companies in 1916 the sum of $151,262.53 in burglary premiums, while their losses amounted to but $15,593.31, and $226,621.97 for fidelity bonds, while their losses were but $34,332.16. How much truth there is in this statement may be gathered from the following circular letter which has been addressed to the members of the American Bankers' Association:

Facts That Talk

New York, August 18, 1917.

To the members of the American Bankers' Association:

By reason of the wide dissemination of information by the Committee of the American Bankers' Association, in connection with the vote being taken upon the question of the organization of a mutual surety and burglary insurance company (or on the old line basis) the National Surety Company calls attention of all American Bankers' Association members to the following facts that were not given:

The yellow leaflet which was enclosed shows that no bank burglary losses were reported to the insurance committee in 1916 as having been sustained in Arkansas.

This Company actually paid such losses in Arkansas in 1915 and 1916, which were 199 per cent. of 1915 net premiums, and 137 per cent. of net premiums in 1916.

In 1916, the ratio of our loss on bank burglary insurance in Minnesota was 122 per cent. The yellow folder shows the ratio at about 50 per cent!

In 1915, the ratio of our loss in Indiana was 66 per cent. of net income. The yellow folder gives the ratio as less than 5 per cent!

In 1915, the ratio of our loss in Montana was 101 per cent. on net premiums. The yellow folder gives the ratio as no loss whatever!

In 1916 our loss ratio in North Dakota was 98 per cent. of our net premiums. The yellow folder shows about 15 per cent.

In 1916, our loss ratio in Ohio was 96 per cent. of net premiums. The yellow folder shows about 3 per cent.

The following are a few States showing interesting loss ratios not mentioned by the committee:

1916, Kansas	129%
1915, New Jersey	118%
1915, Oklahoma	416%
1916, Oklahoma	113%

Further, the committee probably did not understand that some of the banks (probably 80 per cent.) paid a premium on a three-year basis!

The committee refers only to the reports it has received in 17 States. What about the other 31 States?

The committee has received replies from only a very small percentage of banks, in less than half of the States, and therefore they are very misleading!

The bankers of this country are opposed to giving out such confidential information. For sixteen years several different committees have failed to secure accurate data because banks, very properly, do not want their losses talked about. Many bankers have told us in the past that they would not notify outsiders about their losses.

The above proves that the committee is grievously misled on the burglary insurance subject and its suggestion of a 7 per cent. loss ratio is plainly unwarranted!

Fidelity Bonds

In the yellow folder the committee reports the total premiums paid by the banks reporting to it in 1916 as $226,621.97, and losses thereon only $34,332.16. That this is grossly misleading is proven by the fact that the National Surety Company alone had bank fidelity losses, paid and incurred in 1916, of $189,031.36 (and we estimate that we wrote about 15 per cent. of all the bank fidelity business in 1916) and we know that two other surety companies had 146 bank fidelity losses in 1916, amounting to over $232,000. This shows that three companies alone lost over $421,000 in 1916, on bank fidelity business. These figures also prove the unreliability of the figures of the committee. Here are a few other bank fidelity losses sustained and not mentioned by the committee:

Position	Amount of bond carried	Amount of loss	Excess of loss over bond carried
Manager	$50,000	$400,000	$350,000
Cashier	5,000	22,000	17,000
Teller	5,000	150,000	145,000
Teller	10,000	137,000	
Bookkeeper	15,000	together	112,000
Asst. Cash.	none	100,000	
Cashier	none	together	100,000
President	25,000	625,000	600,000
President	50,000	100,000	50,000
Secretary	10,000	1,140,000	1,130,000
Cashier	25,000	50,000	25,000
Trust Officer	50,000	100,000	50,000
Bookkeeper	5,000	145,600	140,600
Cashier	10,000	50,000	40,000
Manager	10,000	35,000	25,000
Cashier	20,000	85,000	65,000
Sec'y-Treas.	20,000	300,000	280,000
Asst. Treas.	10,000	10,500	500
Asst. Cash.	10,000	18,659	8,659
Clerk	10,000	60,000	50,000
Teller	25,000	96,000	71,000
Clerk	16,000	80,000	70,000

(Continued on page 19.)

Accident
Health Automobile
Plate Glass
Burglary Liability

Fidelity
Contract Judicial
Public Official
Depository Bonds

FIDELITY & DEPOSIT CO.
OF MARYLAND
BALTIMORE

Says Insurance Men Should Enter Politics

PRESIDENT FORREST'S ADVICE TO HEALTH AND ACCIDENT CONVENTION

Also Makes Strong Plea for Conference Code of Ethics—Topics Discussed

In his address before the Health and Accident Underwriters' Conference this week in Cedar Point, O., President A. E. Forrest came out with a strong statement that, "It is high time insurance enters the political field in the interest of the prudent who carry insurance." Mr. Forrest took the attitude that there are abuses which must be corrected "or, at least, further encroachment stopped."

His advice, therefore, was that insurance men get into politics. He thought the best way to do this was through the Insurance Federation, and he made a plea for the support of that organization through substantial cooperation, liberal contribution of funds and active personal service.

Scores Switching

Other points he made in his annual address can be summarized in brief as follows:

The application of the moral obligation in the Conference Code of Ethics should have no limitation.

Much of the high cost of handling commercial accident and health insurance to-day can be properly laid at the door of the evil practice of switching.

Suggestion of a committee from this conference, armed with its Code of Ethics and a record of things accomplished, inviting affiliation of all companies writing accident and health insurance, would not be out of order.

Life Insurance Extended Coverage

Entry of the life insurance companies into a more comprehensive accident coverage in connection with life insurance should arouse interest on our part. The combination is logical and can be made to play an important role in the solution of reduced premium cost, through elimination of claim questions in borderland between natural and accidental death cases. Adoption of the life companies' system of agents' compensation or renewal work would also constitute an important saving factor.

Balance Between Company and Agents

CHICAGO BONDING DESCRIBES CONDITIONS

O. F. Roberts, Secretary and General Manager, Urges Forbearance As Essential to Success

O. F. Roberts, secretary and general manager of the Chicago Bonding & Insurance Co., has addressed the following to the representatives of the company on the proper relations that should exist between the agent and his home office:

"Blest be the tie that binds! Sounds like a ceremony, and why not, for the tie that binds agency to home office must be confidence and understanding, the basis of all lasting contracts, or they all too soon end in the court of agency relations after someone has thumbed the perfectly well-meaning contract looking for loopholes until each party to said contract has forgotten why they chose the other to hook up with.

"In the first place, when an agent is looking about for a company, he picks one that he believes will give him the best service; a company that he can take with him to the city hall, or to the judge of any court, or to the 'wise men' in his community and show with pride its policies and guarantees, feeling confident that the minutest detail is going to be lived up to. With such confidence, the agent can talk any man into believing his life is in danger and another day must not pass without an accident and health policy, and cause the bravest to look under the bed for burglars.

"On the other hand, a company in developing a specified territory looks about for a representative; several prospects are presented to the powers that be, and believe me, friend agent, even before volume of business character and moral standing in the community is taken into consideration and weighed.

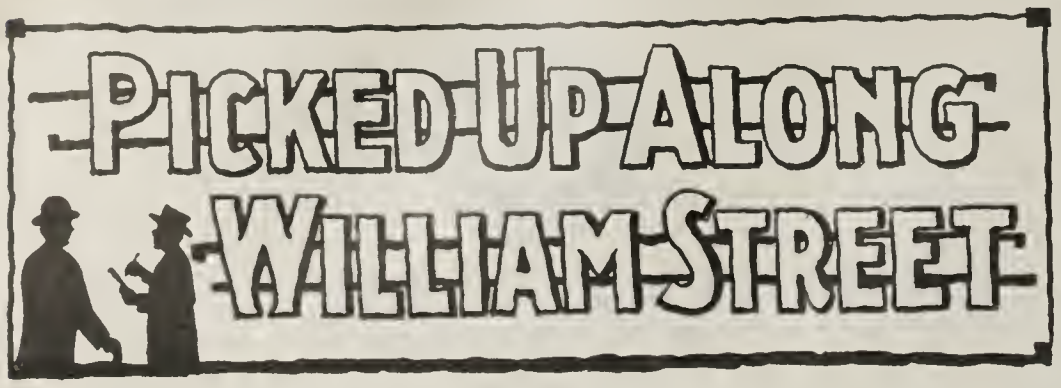
"With confidence established, we start off fine—and, as sure as I live, the first risk the nice new agent sends in is a star route contract, a bail bond without collateral, compensation policy on a powder mill, a burglary policy on a pawnshop, or some other forbidden fruit, and—is turned down. He's sore! He's disappointed, for he's spent his portion of that premium in his dreams and he just can't see why he is treated like that, and right here is where the home office man steps in and mends the hole made in our confidence foundation, or claws the hole bigger."

MINNEUR MAKES CHANGE

Harry Minneur, rating expert of the Globe Indemnity for about seven years, has resigned and has been made safety engineer of the Sperry Gyroscope Co., of Brooklyn.

Elmer, Willis & Grant, of St. Paul, have been appointed Northwestern managers of the Chicago Bonding for all lines except industrial disability.

General Accident
FIRE AND LIFE
ASSURANCE CORPORATION, Ltd.
SERVICE THAT EXCELS
FREDERICK RICHARDSON, United States Manager
GENERAL BUILDING · 4TH & WALNUT STS.
PHILADELPHIA



Now Captain Feigenspan

Edwin C. Feigenspan, vice-president of the Commercial Casualty, is commander of the Divisional Headquarters Troop to serve the Eighth Army Division of the National Guard units of New Jersey, Delaware, Maryland and District of Columbia. In addition to being captain of this troop he is a member of Governor Edge's personal staff and is also Adjutant of the First Squadron, New Jersey Cavalry. The Eighth Division is to camp at Anniston, Ala.

* * *

Ekern's Latest

Herman L. Ekern, formerly insurance commissioner of Wisconsin, and now manager of the National Association of Mutual Insurance Companies, is organizing a mutual to write burglary and fidelity risks for bankers.

* * *

Middleton at Fort Sheridan

George S. Middleton, manager of the plate glass and burglary department in the office of Marsh & McLennan, at Chicago, has been assigned to the 2nd Officers' Reserve Camp at Ft. Sheridan. Mr. Middleton is a graduate of the University of Michigan. He has been in the casualty business for several years, having started under the supervision of his uncle George Tramel, manager of the Aetna companies, at Chicago.

* * *

New Compensation Rating Committee

The making of compensation rates is to be placed in the hands of the "National Reference Committee on Compensation Insurance." This action was approved at a meeting of the Governing Committee of the Compensation Rating Board held yesterday.

The formation of a new committee is in the nature of a reorganization of the Standing Committee on Workmen's Compensation Insurance Rates and is described in the following notice of the meeting which was sent to the com- Rating Board held yesterday.

Notice of Meeting

"You are advised that at a meeting of the Standing Committee in Workmen's Compensation Insurance Rates held at this office on August 9, 1917, steps have been taken to reorganize the committee on a more definite basis, under the title 'National Reference Committee on Workmen's Compensation Insurance.'

"The committee adopted articles of organization, copy of which is enclosed for your attention. The proposed articles will be submitted for ratification to the constituent rating boards and bureaus and will become effective if approved by not less than three of the boards or bureaus.

"The proposed articles will be duly submitted to the Governing Committee of this board at its meeting to be held on Thursday, August 23, at 11 A. M.

"We shall be pleased to receive your comments in time for this meeting, indicating whether the proposed action meets with your approval.

"Very truly yours,
"Leon S. Senior, Manager."

Articles of Organization

The purposes of the committee are to secure and maintain uniformity in the classification of industries for compensation premium computation, a proper consistent relationship between the rates for individual classifications in the several States, having due regard for exceptional State conditions, and uniform rules governing the application of manual classifications.

The membership of the committee is to be composed of three stock companies, two mutual companies and one State fund. These are to be chosen by a majority of the managers of rating boards subscribing to the agreement and are to be elected annually.

* * *

A. J. Hodson as Claimant

Maiden Lane, between William and Nassau streets, last Thursday was the scene of the oft-repeated accident wherein an automobile, no respecter of persons, strikes a man and knocks him to the pavement. In this instance, Alfred J. Hodson, superintendent of the business extension department of the Metropolitan office of the Fidelity & Casualty, was the "stricken." A truck of the Phoenix Delivery Co. was the "striker." Mr. Hodson was walking along the sidewalk in the middle of the block when the truck, which was drawn up close to the curb, suddenly turned into the middle of the street, the rear striking Mr. Hodson on the shoulder, knocking him to the ground and tearing the sleeve out of his coat. He was forced to remain at home two days nursing a badly bruised shoulder. Mr. Hodson, however, may recover his smile and a new suit, providing of course the casualty company carrying the policy on the truck is still willing. For the benefit of the claim adjuster The Eastern Underwriter learns that Mr. Hodson has his clothes made by an upper Fifth Avenue tailor, who can replace the coat for about $65.

Disapprove Merit System of Rating

ACTION OF NEW WISCONSIN COMPENSATION BOARD

Principal Elements About Which Companies and State Board Differ Briefly Summarized

The merit system of rating workmen's compensation risks was disapproved at a meeting, August 15, of the new State compensation insurance board of Wisconsin, created by the recent Wisconsin legislature. This was the first meeting of the new body, which consists of Insurance Commissioner Cleary, F. M. Wilcox, member of the Wisconsin Industrial Commission, and W. H. Burhop, statistician of that commission. With it met the rating and governing committees of the workmen's compensation insurance bureau of the State.

Besides approving the system of merit rating, the new board approved:

(1). A differential which measures the cost under the present Wisconsin law as compared with the cost under the old Massachusetts law which is used throughout the country as the basis upon which all rates are founded.

(2.) A maximum and minimum expense loading. The minimum was fixed at 18 per cent., and the maximum at 37½ per cent. This approval also permits loading of not to exceed 1½ per cent. for profit.

All existing policies will be endorsed on September 1 providing for an increase of 12½ per cent. in the rate to take care of increased benefits provided in the amendments to the Workmen's Compensation Act which becomes effective on that date.

The board declined to approve a multiplier of 379 asked for by the companies, and substituted a multiplier of 317. The change in multiplier will mean a marked reduction in cost to the employer below that provided in the companies' proposal.

The board is still working on the adequate pure premium. Definite action on this subject will be taken at a meeting tentatively set for August 22.

The principal elements about which the companies and the board differed were:

An increase in the old rate because of alleged underestimate of medical benefits.

The question of adding a charge to take care of liberalized construction of the act by the industrial commission.

A charge to take care of increased accidents on account of present abnormal industrial activity.

GROUP
INSURANCE
Life, Accident and Health

With the same Prompt and Expert Safety Engineering and Inspection Service and Organization which has made the Name of The Travelers Famous

AGENTS AND BROKERS

Refer Your Inquiries to The Group Insurance Division.

THE TRAVELERS
INSURANCE COMPANY
Hartford, Connecticut

NEW HARRISON LAW CHART

All Automobile Rates for Pleasure and Commercial Cars in Table Form

Harrison Law, former secretary of the Fire Brokers' Association of the City of New York and now assistant secretary of the Gauvin Agency of New York City, has produced another of his time saving charts. The new chart embraces all the automobile rates for pleasure and commercial cars condensed to table form, with index to table. This is one of the greatest time savers that has been produced. Instead of the fifty or sixty leaflets which are usually used, this one card takes their place.

The charts are published in two forms. A large card 10 x 14 for office use and small leaflet folded to 3 x 6 for the vest pocket. The handiest reference rate card that has been issued.

The Eastern Underwriter has secured the sole selling privilege of these cards and will be pleased to quote prices in lots. Single copies sell for 25 cents per copy.

Mr. Law has also compiled an index of the towns in the New York City and New York suburban districts, which will be ready for distribution, gratis, the latter part of the week, and can be secured by application at the Gauvin Agency, 80 Maiden Lane, New York City.

WHY NAME WAS CHANGED

"Massachusetts Employes Insurance Association" Difficult to Remember, Says Secretary Mowbray

A. H. Mowbray, secretary of the Massachusetts Insurance Employes' Association, Boston, which on August 15 changed its name to the Liberty Mutual Insurance Company, made the following statement to The Eastern Underwriter this week relative to the reasons for changing the name:

"One of the reasons for the change of name is that the present name—Massachusetts Employes' Insurance Association—is rather difficult to remember. Then too, the association's experience in Pennsylvania, where it is now operating in addition to Massachusetts, have showed that the present name does not clearly indicate what the company is and what are its purposes. Employers frequently think of it as some sort of 'mutual benefit association,' rather than a mutual insurance company, operated by employers themselves in order to furnish all kinds of liability insurance—and in particular workmen's compensation insurance—at cost.

"In extending its business to New York, Rhode Island, and other States, which the Company contemplates entering, it is, therefore, desirable that in selecting a name one be chosen which could be easily remembered and understood. Perhaps one of the best claims is that under the law of many States when mutual insurance companies are started they are required to incorporate 'Mutual Insurance Company' in their name."

J. A. THOMASSEN RESIGNS

Joseph A. Thomassen, manager of the burglary department of the metropolitan office of the Globe Indemnity, leaves to-day to become an assistant manager in the executive department of the New York Docks Co.

Mr. Thomassen was for four years assistant manager of the burglary, fidelity and plate glass departments of the Employers' Liability following which he was with the New England Casualty for a short time in the field. In 1913 he was made insurance manager of the Sperry Gyroscope Co., of Brooklyn. After about a year in this capacity he was made manager of the metropolitan burglary department of the Globe in August, 1916.

CASUALTY POINTS

Demand For Burglary Cover

That the increasing burglary losses in New York City and the attention which has been drawn thereto by the daily newspapers will have the effect of increasing the demand for burglary protection is the view held by Joseph A. Thomassen, manager of the metropolitan burglary department of the Globe Indemnity, who goes with the New York Docks Co. September 1.

"Burglary insurance," says Mr. Thomassen, "has borne out the predictions of the underwriters and has proven that a burglary policy is not a luxury but an important factor in the conduct of modern business. The volume of burglary premiums of the various companies has been greatly increased during the past few years and, while it continues to advance, this branch of the casualty business has not begun to reach the proportions its importance warrants.

"Many company men as well as brokers have deceived themselves that burglary insurance is a luxury rather than a necessity and this attitude has been mainly responsible for the slow growth in premium volume.

"Fire insurance is deemed a necessity because a fire loss at an inopportune time may wreck the work of a life time and occasionally is the cause of involuntary bankruptcy. A serious burglary loss will have the same effect, as the records filed with referees in bankruptcy show. The reports of fire losses for the country have often occasioned comment but attention has seldom been directed to the burglary losses in spite of the fact that they are five times as many.

"The field of burglary insurance is one that has not been over-developed and as a result of the recent newspaper publicity there is an excellent opportunity for brokers to bolster up their summer incomes by supplying the demand for this coverage."

Bank Mutual

(Continued from page 17.)

Teller	10,000	35,000	25,000
Teller	5,000	180,000	175,000
Cashier	20,000	115,000	95,000
Cashier	10,000	75,000	65,000
Paying Teller..	25,000	114.850	89,850
Teller	5,000	45,000	40,000
Paying Teller..	20,000	1,105,000	
Auditor	10,000	together	1,075,000
Bookkeeper ...	5,000	10,000	5,000
Cashier	25,000	468,000	443,000
Paying Teller..	20,000	80,000	60,000
President	30,000	1,019,000	
Cashier	30,000	together	959,000
Cashier	10,000	30,000	20,000
Vice-Pres't	10,000	137,000	127,000
Cashier	none	40,000	40,000
President	25,000	1,405,000	1,380,000
Asst. Cash. ...	20,000	29,000	9,000
	$655,000	$8,592,609	$7,937,609

One Bank's Business

Thus far in 1917, the National Surety Company alone has paid and incurred bank fidelity losses in 24 cases, amounting to $69,065.19. This alone is nearly twice the sum "reported" by the committee in the yellow leaflet as having been sustained by all of the banks, in all of the States, in the year 1916!!

In 1916 one bank alone lost over $300,000, or nearly ten times the amount mentioned by the committee as having been sustained by all the banks reporting to it in 1916.

The surety companies have now invested approximately $44,500,000. By reason of this great financial strength, and the losses being distributed among all, their resources are not seriously affected, but a mutual company, with a capital of even $1,000,000 and a surplus of $1,000,000 would find itself seriously embarrassed if, after one year's operations, these same loss ratios were experienced.

In the yellow leaflet issued by the committee, reference was made to this Company as follows: "In 1909 a 50 per cent. stock dividend was paid; in 1910 an extra 4 per cent. dividend was paid in cash, and a 33 1-3 per cent. stock dividend was given to stockholders."

Sufficient reply to this reference is the statement that in those years our bank fidelity and burglary insurance business was probably not over 4 per cent. as, in 1916, it was only 7 per cent. of our total business!

The committee fails to mention that all surety companies pay a commission (or salary) to the agent who procures the business, and, also, that the companies have other administrative expenses, similar to banks, that even a new company would be required to incur. In passing we may say that some of these unavoidable expenses are very heavy.

Are you not impressed with the inaccuracy of it all? When one considers that in the past fifteen years exactly forty-five surety companies which were managed by inexperienced men became insolvent, re-insured or voluntarily retired, is it not obvious that a very careful and very thorough investigation is justified? Do you think it has been carefully investigated?

The facts are the surety companies do not earn upon the bank business they transact, any more than the banks earn on the business they get from the surety companies.

A Pertinent Question

The surety companies certainly do not earn on the capital invested any more than (if as much as) the bankers earn on their capital invested.

Query: Would you rather invest your money in one of the most hazardous lines of business (and proven so to be) to be managed by men who are without experience, or would you rather keep your money invested in your own business that you know all about?

Would you wish to guarantee the inexperienced banker against loss? The careful, prudent banker would be held liable for the losses sustained by the careless banker.

We are of the opinion that the fair-minded banker wants surety companies to make money, and when he feels that the surety company is getting more than its share, he will ask the companies to readjust their rates.

In the past fifteen years the rates have been reduced as much as 50 per cent., and such reduction was made voluntarily by the companies.

A strong mutual relation has always existed between the banking interests and the surety interests. Their operations are closely reciprocal and mutually advantageous. To break this relation would be most unfortunate after having co-operated for so many years.

We are informed that this referendum was considered by the Massachusetts Bankers' Association at its annual meeting and a resolution adopted requesting its members to vote "No" when the referendum should be taken, and that the executive council of the Maryland Association and the Iowa Association have taken similar action.

We hope you will vote "No."

NATIONAL SURETY COMPANY,
By Wm. B. Joyce, President.

ILLINOIS AUTO RULING

The Illinois Insurance Department has ruled that fire insurance companies may not insure automobile manufacturers and dealers against the loss of an automobile sold on the installment plan before the payment of the purchase price has been completed. A number of automobile companies or financing concerns have been selling cars on the installment plan and protecting themselves against the loss or theft of the car by taking out a blanket policy of insurance. The Illinois Department submitted the question to the Attorney General, with samples of the forms used, and received an opinion holding that the insurance involved was practically guaranty insurance and was not covered under the law regulating fire insurance companies.

Larger Amounts—Fewer Policies

Clarence A. Giffin, manager of the accident and health department of the New York office of the Aetna, discloses a new angle on the effect of the war. Mr. Giffin says that it is his experience that, while the number of new policies has decreased, the average amount has greatly increased and that his office this year has made a substantial gain in new business over the corresponding period of last year.

W. E. SMALL, President PETER EPES, Agency Mgr. E. P. AMERINE, Secretary

GEORGIA CASUALTY COMPANY

HOME OFFICE: MACON, GEORGIA

"DIXIE AUTO POLICY"

THE LAST WORD IN MOTOR INSURANCE

Surplus and Reserves to Policyholders.....$1,526,022.81

The METROPOLITAN CASUALTY

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Plate Glass, Burglary, Accident and Health Insurance

EUGENE H. WINSLOW, President

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Liability, Accident, Burglary, Boiler and Credit Insurance

Established 1869.

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BUSINESS=BUILDERS

DEVELOPING

Fidelity and Surety Bonds, Liability Workmen's Compensation, Automobile, Accident, Health, Burglary and Plate Glass INSURANCE

APPRECIATE THE CO-OPERATION OF THE

Massachusetts Bonding and Insurance Company

BOSTON T. J. FALVEY, President

Paid-In Capital $1,500,000 Write For Territory

The Fidelity and Casualty Company of New York

92 LIBERTY STREET, NEW YORK, N. Y.

Metropolitan Office—92 William St.

SEMI-ANNUAL STATEMENTS JUNE 30, 1917

Assets	$14,005,236.30
Liabilities	10,395,192.68
Capital	1,000,000.00
Surplus over all liabilities	2,610,043.62
Losses paid to June 30, 1917	58,554,792.60

This Company issues contracts as follows: Fidelity Bonds; Surety Bonds; Accident, Health, and Disability Insurance; Burglary, Larceny, and Theft Insurance; Plate Glass Insurance, Liability Insurance—Employers, Public, Teams (Personal Injury and Property Damage). Automobile (Personal Injury, Property Damage and Collision), Physicians, Druggists, Owners and Landlords, Elevator, Workmen's Compensation-Steam Boiler Insurance; Fly-Wheel Insurance.

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DARL D. MAPES, Superintendent of Accident Agencies
77 FRANKLIN ST., BOSTON, MASS.

The service of a high grade Accident Department will also be offered so that you will not have to broker your Accident business to avoid violating your Life insurance contract.

Pan-American Life Insurance Company
NEW ORLEANS, U. S. A.

CRAWFORD H. ELLIS, President

Capital.....$1,000,000.00

OUR 1916 STATEMENT SHOWS

Insurance in force	(over)....	$42,400,000
Resources	(over)....	5,600,000
New Insurance paid for		10,000,000

The High Scores in the Life Insurance Profession are won by Trained Men. We will train you in the Profession and locate you in Productive Territory either North or South. Your Opportunity is Here.

Further information on request. Address:

E. G. SIMMONS, Vice-President and General Manager
Whitney Central Bank Building
NEW ORLEANS, U. S. A.

Capacity For Local Agents

You can use our capacity as your own to take care of additional business beyond the capacity of admitted Companies.

Our capacity is as high as $150,000 on a single risk with immediate binders and 10% commission to brokers. Guaranteed Underwriters. Use our special Surplus Line Department. Special liberal policies for Baggage Insurance.

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Insurance Exchange, Chicago

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THESE OFFICES GIVE YOU THE BEST THERE IS IN INSURANCE SERVICE

WORTH KNOWING

Suppose that you are insured in the United Life and Accident Insurance Company of New Hampshire for $5,000 under the Company's Triple Indemnity Plan, what does your Policy guarantee to do?

ANSWER:

FIRST, it guarantees that in case of death from any cause, $5,000, the face of the Policy, will be paid.

SECOND, that in case of death from any ACCIDENT, $10,000, or DOUBLE the face of the Policy, will be paid.

THIRD, that in case of death from certain SPECIFIED accident, $15,000, or THREE TIMES the face of the Policy, will be paid.

BUT THIS IS NOT ALL. The Accident Disability Endorsement **FURTHER** guarantees that in case of total disability as a result of accidental injury, the Company will pay direct to YOU at the rate of $50 PER WEEK during such disability, but not to exceed 52 weeks, after which the weekly indemnity will be at the rate of $25 PER WEEK throughout the period of disability. **Can insurance do MORE? And why** should any man be satisfied with a policy that would do less? The cost is low.

Agents wanted in Maine, New Hampshire, Vermont. Connecticut, Pennsylvania, North Carolina, South Carolina, Tennessee, Georgia, Delaware, Maryland, Mississippi, Kansas, Missouri. An opportunity for Life Insurance Salesmen of ability. Address:

United Life and Accident Insurance Co.
Home Office, United Life Building - Concord, New Hampshire

In addition to the ordinary forms of life insurance

THE EQUITABLE

makes a specialty of the following:

Insurance to protect business firms and corporations, under a corporate form of policy.

Group Insurance, by which employers protect families of employes.

A flexible contract, known as the Convertible Policy, which can be converted by the Insured into an Ordinary Life, Limited Payment Life, or Endowment Policy.

A Bond issued without medical examination giving the investor an income for his declining years.

A new policy is offered under which the insurance is DOUBLED if death results from ACCIDENT. This policy also embodies the following advantages if the person whose life is insured becomes totally and permanently disabled:

1. Thereafter the Equitable will carry the insurance —The Insured will have nothing further to pay.
2. The Equitable will pay the Insured an annual income for life equal to one-tenth of the face of the policy.
3. Upon the death of the Insured the full amount of the insurance will be paid to the Beneficiary (or double the amount if death is due to accident) without deduction on account of the income paid to the Insured while living.

(See the policy for conditions and details.)

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WILLIAM E. TAYLOR,
Superintendent of Agencies

THE EQUITABLE
LIFE ASSURANCE SOCIETY OF THE U. S.
120 BROADWAY, NEW YORK

San Francisco Losses Amounting to $4,522,905.00 paid PROMPTLY IN CASH WITHOUT DISCOUNT, from funds largely supplied by head office in Liverpool

U. S. Cash Assets, Dec. 31, 1916	$15,827,439.35
Surplus, - - - - -	5,460,745.59
Losses Paid by Chicago Fire, 1871	3,239,491.00
Losses Paid by Boston Fire, 1872	1,427,290.00
Losses Paid by Baltimore Fire, 1904	1,051,543.00

Liverpool AND London AND Globe Insurance Co. LIMITED

Over $152,000,000.00

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THE EASTERN UNDERWRITER

[Succeeding the Journal of Insurance Economics, Established in 1899]

A WEEKLY NEWSPAPER COVERING ALL BRANCHES OF INSURANCE

Eighteenth Year; No. 35 | NEW YORK, FRIDAY, AUGUST 31, 1917 | $3.00 a Year; 15c. per Copy

HARD AT WORK ON PHILLIPS' DATA

Superintendent of New York State Asks Companies for Data Covering a Decade

DIFFICULT TO COMPILE AT PRESENT

Offices Short of Men Because So Many Have Entered Service of Government

The circular letter of Superintendent Phillips addressed to fire insurance companies, asking for a great mass of details and statistics relating to premiums and losses, will cause a lot of men in insurance offices to lose their vacations. It comes at a time when the companies are beset by a number of other problems including depleted staffs because of the war. Mr. Phillips' letter is the preliminary step in his investigation of insurance rates for New York State. He wants experience for a period of ten years. Some of this is easily available, but there will be tremendous detail work. He wants expenses separately listed for each State subdivided under such headings as, "State Taxes," "Government Taxes," Commissions," etc.

There is a general feeling that the information desired for New York City itself will be very laborious to compile, with much of it difficult to get with anything akin to promptness. The main classifications of the data required are losses, premiums, commissions, taxes, expenses. Not only is the data asked for all States and New York City, but Canada statistics are wanted as well. Automobile insurance is excluded.

The general impression on William Street is that the Commissioner is going back a long way when he wants a decade covered. One manager said this week: "It is an awful long running start for the size of the jump." Some of the work in gathering information will devolve upon the insurance exchanges. The New York Fire Insurance Exchange is short of assistance, twenty-three of its representatives being already in the Government service.

"The Largest Fire Insurance Company in America."

THE HOME INSURANCE COMPANY NEW YORK

ELBRIDGE G. SNOW, President

Underwriting Capacity Second to None

FIRE AND ALLIED BRANCHES OF INSURANCE

Fire, Lightning, Automobile, Commissions, Explosion, Hail, Marine (Inland and Ocean), Parcel Post, Profits, Registered Mail, Rents, Sprinkler Leakage, Tourists' Baggage, Use and Occupancy, Windstorm.

STRENGTH REPUTATION SERVICE

North British and Mercantile Insurance Co.

Established 1809

Entered United States 1866

Policyholders protected by the entire United States assets, with further guarantee in every policy, of protection by entire fire assets of the company which are many times larger.

SPRINGFIELD
Fire & Marine Insurance Co.

Cash Capital $2,500,000 00

THE SPRINGFIELD for two-thirds of a century has transacted business solely under its own corporate name, without annexes, underwriting agencies or subsidiary companies. An agent of the SPRINGFIELD is not a half, a quarter or any other fraction of an agent, but is vested with the rights and dignity of an undivided representative of an undivided and independent company. The SPRINGFIELD stands today pre-eminent among American fire insurance companies.

SPRINGFIELD MASSACHUSETTS

COMMISSIONERS TO INVESTIGATE GROUP

Committee of Six Will Be Named to Confer With Actuaries From Six Companies

HARDISON INTRODUCED RESOLUTION

Commissioner Cleary Discusses Double Indemnity—Plea for Separate Classification and Uniformity

(Special to The Eastern Underwriter.)

St. Paul, Aug. 30.—At the convention of the commissioners yesterday Commissioner Hardison, of Massachusetts, offered a resolution providing for a committee of six commissioners to confer with six company actuaries to investigate group life insurance practices. The Actuarial Society of America will be asked to participate. The motion was carried.

St. Paul, Aug. 29.—The National Convention of Insurance Commissioners, in session here this week, is the largest in its history in attendance. One of the most interesting papers read was that of Commissioner Cleary, of Wisconsin, who recommended that the convention adopt a rule which will require the companies to report their experience on the disability and double indemnity clauses separately to the departments. He wanted the convention to recommend clauses and standards for the disability benefits and double indemnity to the end that uniformity may be obtained. He also criticised the manner in which some groups are formed in group insurance citing the case of certain bank groups that came to his attention.

Commissioner Cleary's views were concurred in about the groups by Commissioners McMaster, Hardison and Chorn, McMaster holding that nothing should be done that would restrict group insurance and that its perpetuity depended upon its being placed in logical groups. Chorn said the controlling consideration should be whether the entire membership of an organization is grouped. Hardison pointed out that a so-called homogeneous group might easily be a dangerous one.

Double Indemnity

In discussing double indemnity Commissioner Cleary said in part:

"There is serious question in my mind as to the justification for incor-

porating in a life contract the so-called 'double indemnity' feature. I recognize the fact that accident insurance is to some extent life insurance, and that life insurance is to some extent accident insurance. I am also sensible of the fact that the double indemnity, in case of death resulting from accident, can be justified upon the grounds that it appeals to the insurance buyer. This protection, however, can be bought from the regular accident writing companies under accident policies. It is urged by the companies selling a contract with this provision that the ordinary insurance buyer is anxious to get his life insurance and his accident insurance in a single contract. This argument has some weight. It should not be permitted to prevail, however, if there are disadvantages which more than outweigh its advantages.

"One feature of the double indemnity clause, as used by all companies, which in my judgment cannot be justified in a life insurance contract is the condition that voids that feature of the policy upon the assured reaching a given age. The contract of one company provides that this feature will be void upon the assured reaching the age 55; others void it upon the assured reaching 60, 65, 70, etc. No provision under which indemnity is promised can be justified in a life contract unless that feature runs with the contract. The agent selling this kind of insurance would be less than human if he magnified the fact that a $5,000 policy would pay $10,000 provided the assured came to his death as the result of an accident before he reached the age of 55, and that it would pay him only its face if he died the next day after reaching that age. It is a fact known to all of us that the great majority of those who carry insurance know practically nothing about the terms of their contracts. There is bound to be disappointment when the assured awakes to the fact that he was protected against accidental death yesterday in the sum of $10,000 and to-day he has but $5,000 of protection. So far as I have been able to learn, there is no real relation between the charge made by the life companies and the benefits promised under the double indemnity clause. I have seen the literature of non-admitted casualty insurance companies circulated in Wisconsin, in which they invite companies to incorporate the double indemnity feature and reinsure that part of the liability with them. The proposed charge for the reinsurance is decidedly attractive. There is a temptation held out to the average management to enter this field of insurance and take a chance by re-insuring this liability. Many of the company managers have argued to me that they could incorporate this double indemnity feature with perfect safety, because the premiums now charged are in excess of the actual requirements of the company; that there is a margin of safety which will justify them in adding only a nominal charge to the ordinary premium for this clause. In the same connection, they argue that this is a convenience and benefit to the insuring public that should not be denied to it by the rulings of insurance departments.

Margin of Safety

"There can be no controversy about the fact that the present premium charge of most of the life companies has in it a margin of safety. Without impugning the good motives of the companies in their proposal to give a larger and more satisfactory amount of protection to the policyholders for a small additional premium, I feel that it is pertinent to suggest that there would not be such a margin of safety in present rates if the companies were not so stringent in the physical requirements imposed by their medical departments. There can be no question but what a very large number of well-meaning, well-intending and deserving people are denied insurance protection to-day because of the stringent requirements of the medical departments of most of the companies. The fact is that the standard is raised above that contemplated in the experience tables in use. I believe that the insurance companies will be rendering to society a greater service if they relax the rigid requirements now imposed and as a result give insurance to a larger number of deserving people, rather than be tempted to further add to the already stringent medical requirements in order to give a greater measure of protection to those who are accepted.

"In my opinion there is a further danger in giving double indemnity for accidental death. It is a well-known fact that the tendency to violent or accidental death runs in families. We now have many prohibited classes because of family characteristics or family weaknesses. Isn't it entirely possible that the companies will, as this business develops, create another important prohibited class, by barring those applicants who come from families showing this tendency to violent and accidental death? This element is taken into account to-day in the writing of this business.

Premium Charge

"I said before that there was little relation between the premium charge for this element of the contract and the benfits promised. This, in my judgment, is a decidedly important feature, and especially so from the standpoint of the small company forced to use the double indemnity clause because of the competition of its stronger and more powerful rival. I have sought to gather some facts upon which to base this statement. I have the figures from seven life insurance companies—some of them small, some of them the largest in this country,—showing the total death benefits paid during the past five years and the total amount of those benefits accruing on account of accidental deaths.

"Company 'A' paid 5 per cent.; 'B' paid 11 per cent.; 'C' paid 17 per cent.; 'D' paid 19 per cent. (not figuring drowning); 'E' paid 22 per cent.; and 'F' paid 26 per cent. of its death benefits on account of deaths resulting from accident.

"I submit that if this percentage of the death benefits were double, it would involve many of the small companies financially if the premium charge was not reasonably adequate to meet that drain. I do not believe that any company is charging an extra premium that is commensurate with the loss cost of this feature of its contracts. No approved standard is available for valuing this feature."

Great Southern Life Insurance Company

HOUSTON, TEXAS.



For Agency Contracts address

O. S. CARLTON

PRESIDENT

GOES TO TAXATION COMMITTEE

St. Paul, Aug. 29.—A communication was read to the commissioners from the Association of Life Insurance Presidents, requesting that the commissioners take up the subject of framing a fair and standard tax bill with committees of that organization and the American Life Convention. This was referred to committee on taxation.

FRATERNAL MERGER

St. Paul, Aug. 29.—The executive committee of the commissioners has recommended that where there is a consolidation, merger re-insurance of fraternal orders, thirty days' notice of the terms of the proposed contract be filed with the Departments of all States where the contracting parties are involved.

TRY IT OUT

If you need a stimulant, just try that of breaking records. There is nothing quite so exhilarating. Try breaking your own record in closing applications, and at the end of each day—having fought them all down the line from bank president to grocery clerk—see if you don't have a better appetite, and sleep a sounder sleep than during the days of lethargy.—"Monthly Review," George Washington Life.

Lawrence Priddy, New York Life, wrote $200,000 in July.

To the Man Who is Willing—and Will



We are prepared to offer unusual opportunities for money-making NOW and creating a competence for the FUTURE.

FOR CONTRACTS AND TERRITORY, ADDRESS

H. M. HARGROVE, President :: Beaumont, Texas

CALL INSURANCE EXPERTS

Draft Board Scandal Results in Turning Exemptions Over to Metropolitan Medical Examiners

Under orders from Provost Marshal General Crowder, re-examinations of men rejected by Local Exemption Board No. 102 are being held in the offices of the medical division of the Metropolitan Life Insurance Company, 1 Madison Avenue. The members of the Local Exemption Board No. 102, which sits at East Houston and Essex Streets, have been charged with exempting more than 650 men on the grounds of physical disability alone, according to a statement made by Deputy Attorney General Roscoe Conkling, who has seized the records of the board.

In an effort to obtain the necessary quota of 234 men the board has examined 1,430 persons, of which number 142 have been accepted. It is reported that more than eight hundred men have put in claims for exemptions. The re-examinations are in charge of Dr. Victor E. Pederson, assisted by Dr. Knight and other members of the Metropolitan medical staff.

S. D. Jones, general agent in New York City for the Connecticut Mutual Life, has had some unusual experiences since entering the insurance business. One day early in his insurance career as an agent of the Mutual Life he arrived at Trenton, N. C., and left the same evening via the wagon route, after securing twenty-three individual applications for life insurance, totalling $51,000. Before leaving, the applicants were examined, and Jones had the money for the insurance. On another day he wagoned into Roper, N. C., and proceeded to rope in another batch of twenty-three applications in one day. Owing to the inability of the examining physician to complete the job he did not suceed in having all the cases examined in one day, but the work was completed the next day, and the insurance on the lives of each of the applicants paid for, the amount being $53,000.

When Mr. Jones entered the life insurance business he did so under an arrangement whereby he received 15 per cent. commission as a part-time agent. He was a clerk in a store earning $700 a year during the day; at night he wrote insurance. He suceeded in writing enough business to pay him more commissions on the 15 per cent. basis than the salary he was earning in the country store. Later, he was induced to work on a salary basis, accepting a proposition of $1,800 a year and expenses. His salary was soon raised to $2,600 a year and expenses. He finally became a full time agent on a regular commission contract. In 1904 while living in Baltimore and notwithstanding the conflagration of that year, with the business depression that resulted, he wrote over a million dollars of business.

Making a contract with the Connecticut Mutual in 1907 he was sent to St. Louis, where he was the only agent in the office. In four years he built up an agency producing more than $1,500,000 a year, which record the agency has maintained ever since. From St. Louis Mr. Jones was moved around somewhat, finally landing in New York in 1913, and now he has the sole general agency of the Connecticut Mutual Life in the metropolis, headquarters in the Woolworth Building.

"PAID FOR" OVER A MILLION

Among the agents for the Penn Mutual who "paid for" over a million from January to June 30, 1917, were the following: Home office, Philadelphia; C. J. McCary, Chicago; Plympton & Bunting, Boston; Ezra De Forest, New York; M. R. Miller, Rochester, N. Y.

Weak Points in War Bill Analyzed

OPERATES AGAINST CLASS WHICH NEEDS INSURANCE MOST

Types of Discrimination Pointed Out—Socialism in Judge Mack's Explanation

The War Risk Insurance bill is so important to the nation as well as to the insurance fraternity that The Eastern Underwriter will refer to it from time to time until the matter is disposed of one way or another.

The first three sections of the bill provide for the care of the families of the officers and men: Firstly, during the period of the war while the men are at the front; Secondly, in case of the death of the soldier during service; and Thirdly, after the war in case of disability, either total or partial, arising out of the war.

Benefits Uniform to All

In these three sections all men are treated alike, the rich and the poor, and no indemnity is increased or diminished, offered or withheld, on account of rank, station, or ability to pay on the part of the men. The benefits are given by the nation on principles which are fair and just in their fundamentals. Indemnity may be **withheld if the soldier and his family request it,** but no indemnity is withheld or lessened because the soldier cannot make a large enough allotment.

Basic Principles

Insurance men all favor the principle of granting life insurance to the soldiers; they approve of the insurance principle for compensation benefits in preference to pensions to be granted after the war. In providing these benefits the laws should follow the basic principles of workmen's compensation and of group insurance. **The cost must be borne by the occupation!**

This principle is carefully followed in the first three sections of the bill now under consideration.

Departure

Section IV, however, brings in an entirely different element. Here optional insurance is offered to the men at peace rates for amounts varying from $1,000 to $10,000, the condition being that the men must elect to take this additional insurance, and must pay part of the cost.

If the insurance offered were equal in value to the premiums required, this proposition could not be charged with being inequitable, but when the government offers insurance which will undoubtedly cost anywhere from five to ten times the amount of the premiums paid, it is deliberately giving to those who are best able to pay for it a privilege which it denies to those who are unable or unwilling to pay for it.

This is the exact reverse of the first part of the bill.

Thrifty Soldiers

It is contended that on account of the smallness of the premium every soldier will be able to pay for the maximum amount of insurance, if he desires it. But let us analyze this contention. A private's pay is $30 per month. If he has a wife and children he is compelled under the bill to allot $15 per month to his family. He is left therefore with $15 per month out of which to meet his own pocket expenses and to pay for insurance, and it is said by the advocates of the bill that out of $15 per month every private can easily afford to pay $7 or $8 per month for life insurance. The question is not whether a man by extremity of thrift could manage to do this, but rather the question is—"Will all such men make this sacrifice?" If not, there is discrimination.

Further Discrimination

Life insurance agents know too well that the family man who needs insurance is not by any means the man who deliberately takes it of his own free will. He has to be forced into it by agents' talk. The men who take life insurance of their own initiative are of the unusual thrifty type; only a small proportion of men in general. For this reason it is probable that only a percentage of the soldiers are likely to take the additional insurance benefit, even although it is offered too cheaply by the government. For this additional reason there is rank discrimination in Section IV of the bill—a discrimination from which the other sections of the bill are free.

Optional Feature

There will be two classes who can readily get this insurance if they wish it, and they will be the two classes who least need such help from the government: First, those who have means of their own, or who through an officer's salary (getting more than they were accustomed to earn at home) are able to spend money for this insurance without depriving their family of other comforts. Second, the unmarried men and those without dependents who do not have to allot any part of their monthly pay and thus will have sufficient to pay for this additional insurance.

These two classes do not need insurance so much as the third class, who will be without this optional insurance, paid for by themselves. They are the very people who need it most—namely, the enlisted men who have enough to do with their monthly pay, and who are of the least thrifty temperament—often with dependent families.

Insurability

Judge Mack says that "the object of the bill is to restore the insurance ability of these men." This plea can have no weight with a man who gives careful thought to the situation. The soldier must exercise the option to take the insurance within 120 days of enlistment. If he fails to exercise this option he cannot take the insurance afterwards. Those who do not immediately realize the need of this insurance will let the period of option go by, then later, when they feel the need, they cannot have it. This offer does nothing to restore a man's insurability.

Lapsation

Again, the bill is loose and vague in its terms. It does not indicate what the situation is in event of lapse for non-payment of premiums. If a man is "missing" or if for any other cause premiums are unpaid, presumably the insurance will lapse and become void. When it thus becomes void, there is no apparent possibility of reinstatement. If the soldier must elect to take the insurance within 120 days, and cannot take any insurance afterwards, it would seem to be a natural consequence that having lapsed the policy he cannot restore it.

If a restoration privilege were granted, then a soldier by paying only one month's premium on $10,000 of insurance after enlistment would presumably have the right to restore at any time afterwards. The privilege to restore is a dangerous one; yet if it is not given the loss of insurability is continually present.

Beneficiaries

This optional insurance proposed to be given under the bill "shall be payable only to a spouse, child, grandchild, parent, brother, or sister." Judge Mack in explaining this said:

> If there is not anybody dependent on the man there is no better beneficiary than the United States, even though that man had paid his premiums for that insurance; it should not go to a bare stranger but it should go back to the United States. I do not care whether he had paid it for fifty years or a hundred years * * * the benefit in the insurance will not be a matter of inheritance or descent. He cannot will it to whoever he might want to leave it to outside of these beneficiaries who are named in the bill.

The impractical foolishness of this attitude—socialistic in its worst form—will be apparent to anyone who remembers that the insurance is convertible and may be converted into paid-up life insurance say by ten premium payments, and thereafter continued for thirty or forty years until all the nearest relatives of the soldier may have died. We have yet to learn that the United States Government can confiscate the property of any citizen.

We understand that life insurance is property—anyhow the courts have stated that it cannot be regulated as interstate commerce.

Contractual Relations

If a soldier pays for something and pays the full price as he would certainly do after conversion, surely he has a property right in what he has purchased—even if it be from the U. S. Government. He holds towards the United States the relationship of a purchaser for value. Presumably, therefore, he has a property right in his policy of insurance, and it is questionable whether the holder of such an insurance policy could not deal with it by will or otherwise as a citizen could deal with any other property. If he cannot, then the so-called life insurance now being offered under the bill is a delusion and a snare to those who take it.

Cheap Insurance

All expert insurance men know that yearly renewable term insurance is of the "cheap and nasty" kind. The bill is drawn in such a way that a casual reader scarcely realizes that, in order to continue the insurance after the war, premiums at about the same rates as are charged by regular life companies for policies such as the people want would have to be paid. The premium rate that is emphasized by the advocates of the bill is $8 per $1,000, but this is only a temporary rate, with no benefits except the bare sum insured in event of death. The permanent premium rate would be somewhere from $20 to $30 per $1,000—that is, from $200 to $300 for a policy of $10,000, according to the age and the nature of the permanent insurance selected.

Cost to the Nation

Secretary McAdoo, with the advice and concurrence of Capt. S. Herbert Wolfe, has estimated that only 25 per cent. of the men will take insurance for $2,500 each, and that the cost will therefore be approximately $23,000,000 during the first year, and $112,000,000 the second year. But if 100 per cent. of the men take the maximum of $10,000, the estimated cost would immediately become $368,000,000 for the first year and $1,800,000,000 the second year. One of two things must happen: the

(Continued on page 4.)

Reduce Option

The Administration war risk bill has been favorably reported. The principal change made by the committee is the reduction of the maximum amount of optional insurance, a man may take from $10,000 to $5,000. Another amendment adopted provides that the allowance of a widow shall automatically cease upon remarriage.



INDUSTRIAL CONCERNS throughout the land are proving the patriotism of business by insuring entire staffs of employees. The Prudential will lend a hand—make it easy for firms to insure their workers.

Family insurance has placed America First in Life Insurance, and Group Insurance will help to keep it there.

The Prudential has a fine Group plan. Group Insurance is endorsed by every concern that has tried it. Send for brief, forceful, descriptive circular.

THE PRUDENTIAL INSURANCE CO. OF AMERICA

Incorporated Under the Laws of the State of New Jersey

FORREST F. DRYDEN, President

Home Office: NEWARK, N. J.

Press Misrepresented Insurance Companies

BUT CHANGE IS NOTED NOW IN EDITORIAL ATTITUDE

Secretary McAdoo Made No Move to Set Companies Straight With Public

Life insurance men were greatly relieved this week when some of the most level-headed newspapers in the country began to take a common-sense view of the government war insurance measure, particularly with reference to a more correct statement of the position of life insurance toward the measure. For some time a sweeping attack upon life insurance companies has found a conspicuous place in daily paper editorial and news columns, based upon a mistaken idea that the companies are against the measure as a whole.

The climax was capped in a letter from Oyster Bay, written to Judge Julian W. Mack, principal framer of the McAdoo bill, in which the Colonel made the statement: "The old-line insurance companies and fraternal orders should welcome this new move in social progress. In the interest of their policyholders they cannot and ought not to stand the cost of the war risk except to the extent that they are now obligated. The government can and ought to do it; and when the insurance is granted it must be kept in force for these men at rock bottom rates after as well as during the war."

Why Public Press Turned Guns on the Life Companies

That Secretary McAdoo is in large part responsible for the idea that life insurance interests have been opposed to the government indemnifying soldiers and are waging a campaign against the bill is generally believed. The facts are that the insurance companies were called into conference by the Secretary of the Treasury; later were asked to advise with him confidentially; decided to work whole-heartedly to assist the government; made reports to him through insurance and actuarial committees; were kept entirely in the dark by the Secretary as to the progress of the bill while in process of draft; and no attempt was made by the Secretary to set them right with the public when newspapers early took the position that the life insurance companies were fighting the whole proposition. Hence, the public got the idea, as was illustrated in the Roosevelt letter, that the companies for selfish reasons were trying to keep soldiers and sailors from obtaining government protection for themselves and dependents. Finally, the situation became so aggravated that one of the life presidents sent a letter of protest to the Secretary, who waited some days before replying, and then wrote that he exceedingly regretted that there had been a "misunderstanding" of the position of the life companies, but he did not set that position straight with the daily papers. For him it was good practical politics to appear in the guise of sole protector of soldiers and sailors. He let it go at that.

As has already been printed the great majority of the life companies are not opposed to the government's insurance, but they feel as experts they should disclose the weak spots in the measure, which they have done. There is not even unanimity of opinion in the life insurance business regarding what the weak spots are, but a few of them are analyzed elsewhere in this paper.

Attitude of Agents

Naturally, there is considerable speculation among agents as to how the bill will affect them, and undoubtedly they will lose many prospects. It will be hard on men writing small policies, who will see the government writing $10,000 for $80. However, there should not be too much pessimism here because the experience of the companies is that a large percentage of insurance is written on old policyholders; and, after the war, the carriers of $10,000 government insurance (if the bill goes through in its present form) will, if successful in their careers, be in the market for a much larger amount of insurance.

Dawson's Comments

Among interesting comments on this bill are these from Miles M. Dawson, printed in "The Economic World."

The mis-education of the American people as a whole concerning life insurance, which will result, should also be considered—throughout the length and breadth of the land about $8 per $1,000 held out as "normal" cost! Thus a people which has just emerged from a generation of assessment life insurance folly of that very sort, into appreciation of sound insurance for (as well as of) life, is to be plunged into the same morass again!

If, instead of providing adequate compensation, voluntary insurance must be added, obviously the provision of the bill should be modified, about as follows:

(1) The amount permitted, to be limited to $2,500 for those receiving the lowest pay, and to $10,000 for those receiving the highest pay.

(2) The premium should be whole life, participating—say, the same as the low rate of the Metropolitan or Prudential, or even the net level premium rates—the policy to be continued after the war, at the will of the policyholder. The larger premium will both educate rightly and also help keep down speculation.

(3) Life insurance companies should be permitted to cover their risk under policies requiring war permit, by paying American Table rates into the War Insurance Fund (subject to the same limits as to amounts), which would thus cover the extra hazard at the government's cost. This would reduce the injury to life insurance.

Even with such amendments the life insurance part of the Administration's bill cannot compare, in actual value both to families and to the nation, with amendments to the compensation provisions which would make them really adequate; it would still be a poor substitute, though stripped of its most dangerous and harmful features.

Ide Writes to Daily Press

George E. Ide, chairman of the Insurance Committee appointed by Secretary McAdoo, has written to the daily papers a timely letter, citing the attitude of this committee, and saying in part:

We believe as much as any one in the great merit of this general proposition. We think a system of compensation for the soldiers and sailors should be devised upon scientific lines, but, having been called in as experts to criticise the bill, we cannot indorse it where it is vague, unscientific and discriminatory. It is necessary obviously that the bill should be quickly passed, but there is no reason why a splendid measure should be spoiled by the addition of an article of very doubtful value, which has been presented to the public in a way to create false impressions.

WAR BILL'S DEFECTS

(Continued from page 3.)

cost must either be very much greater than is estimated by Secretary McAdoo, or the benefit will be taken advantage of by only a trifling minority of the soldiers. Either one of these two conditions is objectionable. Yet one of them is inevitable under the bill as drawn.

Real Life Insurance

Give the men life insurance by all means, but let it be real life insurance during the period of the war; let it be given at the expense of the Government (that is, of the employer) and let the well recognized principle of workmen's compensation apply. Each man should have a specified amount and that amount should be the same for all!

REJECTS NAVY LEAGUE OFFER

In a statement to the press President Thompson, of the Navy League, said that Secretary of the Navy Daniels had turned down a proposition of the Navy League to issue millions of dollars of insurance for men in the Navy.

WITH CONNECTICUT GENERAL

Walter E. Webb of San Francisco, former Northern California general agent for the Connecticut Mutual Life, has been appointed agency supervisor for the life department of the National Life of the U. S. A., with headquarters at Chicago.

HOME LIFE INSURANCE CO.
(Now Purely Mutual)
256 BROADWAY, NEW YORK
GEORGE E. IDE, President

The fifty-seventh annual report shows insurance in force of $133,493,000, an increase during the year of $7,832,827. The Company paid the policyholders in 1916 $3,536,233, of which $628,406 was in dividends or premium refund. Its insurance reserve fund was increased by $1,300,000 and the Assets are now $32-821,462.

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GEORGE W. MURRAY,
Supt. of Agts.
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Build Your Own Business
under our direct general agency contract
Our Policies provide for:
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THE MANHATTAN LIFE INSURANCE COMPANY
66 BROADWAY NEW YORK
Organized 1850

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PAYS GOOD PAY TO GOOD MEN

Ambitious, Productive and Trustworthy Life Agents may be benefitted by corresponding with the
Berkshire Life Insurance Company
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New policies with modern provisions Attractive literature
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THE CRESCENT LIFE INSURANCE COMPANY
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"ENDURING AS THE PYRAMIDS"
A Legal Reserve Company
Are You a Big Producer? Can You Prove It?
ONE GENERAL AGENT WANTED IN INDIANA
Home Office: Fletcher Trust Bldg., Indianapolis, Ind.

350,000 Employes now Insured Under Group

INSURANCE IN FORCE $250,000,000, SAYS CONNECTICUT ACTUARY

Rates Adequate, Conditions Fair—Advises Against Legislation That Will Stop Development

H. Pierson Hammond, actuary of the Connecticut Insurance Department, in a paper read before insurance commissioners in St. Paul this week, said that 350,000 employes are now insured under the group plan, with $250,000,000 of insurance in force; gave rates at selected ages, told what the legislatures are doing about group, explained its growing popularity, analyzed problems which are arising in the business, and concluded with the following personal viewpoint:

Personal Views

"I believe group insurance is established; that it is being written along proper safe lines and that it is meeting a legitimate demand. My advice supported by a careful analysis of the entire subject is this:

"Do not limit or hamper the developments of group insurance by legislation or by rulings if you can reasonably avoid doing so. Let it develop along natural lines."

Mr. Hammond also believes that opposition to group insurance among fraternals is fading, and "I cannot believe that organized labor has anything to fear from group insurance as it is being written to-day. * * * I do not want you to get the impression that group insurance is a panacea for all ills that labor is heir to. It is not. At its best it can only exert a beneficial influence. It will not prevent strikes."

Record Since 1912

Less than ten companies have written most of the group insurance of this country, the business having started in 1912. The record as compiled by Mr. Hammond from figures given to him by the companies follows:

In force—	No. of employes.	Amount of insurance.
Dec. 31, 1912.....	11,450	$13,083,000
Dec. 31, 1913.....	30,125	28,235,000
Dec. 31, 1914.....	52,625	50,605,000
Dec. 31, 1915.....105,000		83,920,000
Dec. 31, 1916.....202,000		155,300,000
June 30, 1917.....325,000		250,000,000

Present Rates Adequate

In discussing rates Mr. Hammond said in part:

"In the proposed rulings of one insurance commissioner, and I understand there are others of the same mind, a rate for group insurance lower than the net premium according to the prevailing standard is not to be permitted. This attitude I think is unfortunate. Any deficiencies in the premiums charged can be and should be taken care of in the reserve maintained. I firmly believe that the rates now in use are adequate In any case, I am opposed to any legislation or rulings concerning them until it can be shown that they are inadequate. The present indications are that such a proof is not forthcoming. As long as the insurants are protected by adequate reserves, I believe that the companies should be allowed to continue to use their present rates."

Reserve Problems

In discussing reserves Mr. Hammond said these had arisen:

First. Inasmuch as group insurance is written on the yearly renewable term plan the question arises: What is a yearly renewable term contract? This has been defined as a plan of insurance "under which each year's premium is in theory just sufficient to meet the average cost for the current year, so that the premiums increase with the increasing age of the policyholder." This is what is done in the case of group insurance, but if the premiums charged are below the net, what extra reserve is needed? In theory 50 per cent. of the yearly probability of dying according to the American Experience Table multiplied by the present value of $1, due in a year, would be the correct mean reserve for each dollar of insurance. The contracts, however, guarantee that the insurance can be continued for a period of years at certain rates set forth in the policy some of which are below the accepted standard. Under these conditions it seems to me that the common idea of a yearly renewable term contract must be changed so that the guarantee of future rates below the standard may be comprehended in our conception. With such a contract, by whatever name known, the present value of an annuity for the deficiency of the premiums should be added to the usual reserve.

Second. What is a group insurance policy? Is it a single blanket policy covering a number of lives or should it be considered as a number of policies each one of which covers an individual member of a group? It seems to me that our conception of group insurance looks to a single blanket policy and not to many policies, although each employe receives an individual certificate.

Third. If the Company is charged with a deficiency reserve as outlined, why should not credit be allowed for such premiums as are above the adopted standard as an offset to the deficiency reserve? In investigating this problem, we have taken the position in valuing the group policies written by the Connecticut life insurance companies at rates below the American net that inasmuch as group insurance is still in the experimental stage, it is much safer to adhere to our rule. Theoretically, credit for excess premiums could be allowed but from the practical standpoint, I think it unwise at this time and during the period of development and experimentation to consider such a credit in the reserve calculations. I believe that the extra reserve as now required is larger than safety demands, but it is much better to be on the safe side. The companies have met the situation and are setting aside the extra reserve. This reserve at the end of 1916 was somewhat more than $300,000 and present indications are that the corresponding reserve at the end of 1917 will exceed $1,000,000.

Fourth. If a group policy is but one policy why should we not, in calculating the extra reserve determine first the net American premium for the entire group in the same way as a company determines the gross premium for the group, by combining the various rates for all ages? This is but an extension of the previous problem. It seems to me that after a year or two more of group insurance, assuming that its development continues along present lines, it may be advisable even under our existing law to consider the blanket policy as a single contract, and for purposes of calculating the reserve ascertain the aggregate net premium corresponding to the aggregate gross annual premium charged in the case of each group. A comparison of these two premiums would immediately show whether the total gross premium was below or above the total net premium. If below then the difference could be treated as the deficiency and the extra reserve calculated in accordance with some average age method.

Fifth. In calculacting reserves on group insurance policies, should the usual midyear reserve be calculated or should the reserve be interpolated by taking into consideration the actual dates of the group policies in force on December 31st of the year of valuation? This question has been raised because the number of group policies in force are comparatively small and the effective dates may not be evenly distributed throughout the year. I am inclined to treat this problem according to circumstances. If a fire insurance company began writing one year business on December 1st, I think the unearned premium on December 31st should be 23/24ths of the premium charged and not the usual 50 per cent. Similarly if a life insurance company begins writing group insurance on December 1st, the reserve on December 31st should be 23/24ths of vq. rather than 50 per cent. vq.

THE AVERAGE EARNINGS OF THE AGENTS OF THE

Standard Life Insurance Company

∴ ∴ OF PITTSBURGH ∴ ∴

are higher this year than ever before. Our attractive Accident and Health Policies have helped them to make more money.

Write for a LIFE, ACCIDENT AND HEALTH Contract to

FRANK A. WESLEY

Vice-President and Director of Agencies

NEW ILLINOIS LIFE BENEFIT

Double Indemnity and Income Disability—$10,000 Maximum Payment Over Face of Policy

The Illinois Life Insurance Company is now prepared to offer on the ordinary life guaranteed annual additions and survivorship investment plans, twenty-payment life guaranteed annual additions and survivorship investment plans, continuous premiums endowment at sixty-five and continuous premiums endowment at eighty-five policies, which, in addition to the splendid guarantees and options previously granted shall provide:

First, that a monthly income shall be paid to the insured during his lifetime if before attaining the age of sixty he shall become wholly and permanently disabled, which monthly income shall be at the rate of 1-120 of the face amount of the policy ($8.33 per thousand of insurance), and shall begin six months after due proof of such permanent and total disability has been received and approved by the Company. Without prejudice to any other cause of disability the entire and irrecoverable loss of the sight of both eyes or the severance of both hands above the wrists, or of both feet above the ankles, or of one entire hand and one entire foot will be considered as total and permanent disability within the meaning of this provision.

During the period of total disability premiums on the policy shall be waived and upon the death of the insured the full amount of the policy shall be paid to the beneficiary without any deduction whatsoever because of income disability payments that may have been made. The income disability benefit will apply up to the maximum amount of insurance issued on any one life by this Company: namely, $50,000; but the income to be paid in the event of total and permanent disability will not be increased by reason of paid-up additions to any policy.

Second, that double the face amount of the policy shall be paid to the beneficiary upon due proof that the death of the insured occurring before the age of sixty, or the allowance of any disability benefit, was caused directly by accident while traveling as a passenger on a street car, railway train, steamship licensed for regular transportation of passengers, or other public conveyance operated by a common carrier; and that such death occurred w. sixty days after such accident.

Policies carrying the double indemnity benefit will not be issued for more than ten thousand regular insurance. In other words ten thousand will be the maximum payment over and above the face of the regular policy if the insured is killed when traveling on a common carrier. Ten thousand of regular insurance would pay twenty thousand. If more than ten thousand of regular insurance is issued the double indemnity benefit shall apply to ten thousand only, of the total amount insured. In the case of policies issued on annual additions plan the double indemnity shall not apply to additions.

REAL SATISFACTION

Working with **William N. Compton** and the **John Hancock Mutual Life Insurance Company** in New York City forms the happiest combination imaginable for the life insurance salesman.

If you have any doubt in your mind have it dispelled by calling at

220 BROADWAY

Phone 6030 Cortlandt

DEMAND FOR BIG POLICIES

Financial men foresee that 1917 will be the greatest year in the history of life insurance for the writing of large policies—policies of $25,000 and over. The New England Mutual says that this will be due to economic conditions created by the war that will render all securities uncertain except life insurance and government bonds. They are the only "securities" that are absolutely stable. Therefore, it is predicted that after the present issue of Liberty bonds has been digested, the life business will experience a tremendous boom in the writing of large contracts. Naturally, also, those who leave their fortunes to their heirs will prefer to do so in the form of life insurance to avoid excessive inheritance taxes. In Great Britain such taxes have increased thirty per cent. since the outbreak of the war.

E. B. Cantine, Inc., with principal office in Albany, has been chartered by the Secretary of State, capitalized at $100,000, and authorized to carry on an insurance business in all its branches. Incorporators are Edward B. Cantine, George E. Cantine, Willian F. Kavanaugh, Alexander M. Hoit and Elizabeth M. Parker.

"Sound Business Principles in the Conduct of a General Agency"

By H. E. Aldrich, Supt. of Agencies, Equitable Life of Iowa.

While it may be argued that life insurance is an eleemosynary institution and that those engaged in the business, or the profession, or the calling, as some are pleased to call it, have no thought of the profits or gains as a first consideration, but rather, the great good that can be done to humanity: yet I think we will all agree, on a more serious and sober consideration, that at least most of you have engaged in the life insurance business primarily for gain or profit, just the same as though you had entered any profession, such as law, medicine or dentistry.

It has been said occasionally by discouraged agents that the general agency business does not hold out to men the same promise of reward, as do other pursuits. But such is not the case, as can be easily shown on careful analysis. In any business, whether it be life insurance or mercantile, success only comes from close application to the business, and the application of sound business principles, to the most minute detail.

Great Future for Agents

In this business we find the same relative degrees of success as in other lines. There is the general agent who is eminently successful and whose profits or margins run into the thousands, and tens of thousands of dollars a year; while, on the other hand, there is the general agent whose margins are so small as to afford him the most meager support. The fault is not with the business. It is with the man conducting the business and rests primarily with his ability, industry and ambition. This is true in any business, as you know, and needs no further explanation.

Our business can be likened to one that is carried on through the process of manufacturing, jobbing and retailing. In fact, that is just what it is. The company is the manufacturer; the general agent, the jobber (who also does some retailing); the agent, the retailer. The company, to be continuously prosperous—being the manufacturer—must supply life insurance suited to the needs of the buying public, and along with the insurance, it must have quality of assets. This the Equitable has, to a marked degree. The company must also furnish the general agent service, prompt delivery, a reasonable credit, in order that he (the jobber) may sell, deliver and collect on reasonably favorable terms. In this particular, the company is more liberal in its terms to the general agent (the jobber) than most other companies, as the general agent has double the time for settlement on nets, that the general agents of most other companies have.

Same Principles As Other Businesses

That the sales organization of the company may not become disorganized—that it may be successful in a financial way, and that the sales force of the company may continue from year to year without disorganization—the company (the manufacturer) must insist on the maintenance of certain prices by the general agent (the jobber) to the agent (the retailer) and also by the agent to the policyholder (the consumer). The general agent cannot be financially successful without general agent's margins. However, too often he lays aside all sound rules of business and undertakes to make contracts which will leave him insufficient margins of profit.

If the beginning general agent could look ten years into the future, as well as the old general agent can look back ten years into the past, he would adopt certain business rules that would add very materially to his success. It is easy enough to look back and see our mistakes, but it is hard to consider the future and take the advice of those who, through experience, are, we think, prepared to advise wisely.

Now, why is it that general agencies do not grow more rapidly? Here are a few of the reasons.

First: At the beginning, and all along the years, the general agent does not, as a rule, write enough personal business.

Second: He does not properly equip his general agency office.

Too Much Detail

Third: He does not employ competent office help, or if he does employ it, he does not properly train it and he himself does, daily, a lot of detail work that should be thrown entirely upon the cashier of the office. He does not cut out non-essentials and apply himself to the larger things that demand his careful attention.

Fourth: He makes unbusinesslike contracts with his agents. He frequently consumes much time with a majority of his agents (so-called), who have little if any ability, or if they have ability, have acceped rate books and supplies without any definite intention of making a success of the business. Such men consume more of the general agent's time than the ambitious, energetic, hustling fellows, who enter the business to make great big successes of it. He does not save to himself the proper margins; he does not handle the case in a businesslike way, requiring detailed written reports of efforts made, time employed, people seen, etc. He does not dominate and control the agent receiving the advance, but lets the agent keep taking his money and accepts his reports (if any), though incomplete and unsatisfactory, with little if any protest, and takes no vigorous action to learn why satisfactory work is not being done. He does no joint work with the agent, thus while assisting him to succeed, making sure that through commissions earned his advances will not be lost. He does not maintain a discipline within his agency organization, compelling proper accountability for time. He does not discharge the unsuccessful, but permits them to continue to mingle with the more promising agents, and by their words and acts, to sow seeds of discord and discouragement.

Should Conserve Resources

Fifth: He does not conserve his financial resources as he should and keep his profits for re-investment in his business. How many large business houses do you think would ever have become large and successful and important, as you now know them to be, if, as fast as the owners made profits, they had withdrawn the profits from the business and had used them in materially increased living expenses, or had invested them in outside ventures? Make an investigation for yourselves. Go to some of your successful merchants; study their problems, and you will find that the successful business men are those who have been able to keep expenses down, both in their businesses and in their homes, and have turned back into their enterprises, the profits.

Take it in the City of Des Moines

(Continued on page 9.)

PURELY MUTUAL **THE** CHARTERED 1857

Northwestern Mutual Life Insurance Co.

MILWAUKEE, WISCONSIN

GEO. C. MARKHAM, President

Insurance in Force, $1,505,464,984

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POLICIES MOST FLEXIBLE AND EASY TO SELL

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The Company that gives complete satisfaction to policyholders and agents because both are a part of it.

SEVENTY-THREE YEARS of faithfulness to every promise made.

Success for our ambitious representatives is a certainty.

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B. H. WRIGHT, President D. W. CARTER, Secretary

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1850 IN THE CITY OF NEW YORK 1914

ISSUES GUARANTEED CONTRACTS

Good men, whether experienced in life insurance or not, may make direct contracts with this Company, for a limited territory if desired, and secure for themselves, in addition to first year's commission, a renewal interest insuring an income for the future. Address the Company at its Home Office, 277 Broadway, New York City.

JOHN P. MUNN, M. D., President

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Liberal Agency Contracts
Every Policy Registered With The State of Missouri
The Company of Today With Methods of Tomorrow
Assets over $8,000,000.00 Insurance in force over $67,000,000.00

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WORTH KNOWING

Suppose that you are insured in the United Life and Accident Insurance Company of New Hampshire for $5,000 under the Company's Triple Indemnity Plan, what does your Policy guarantee to do?

ANSWER:

FIRST, it guarantees that in case of death from any cause, $5,000, the face of the Policy, will be paid.

SECOND, that in case of death from any ACCIDENT, $10,000, or DOUBLE the face of the Policy, will be paid.

THIRD, that in case of death from certain SPECIFIED accident, $15,000, or THREE TIMES the face of the Policy, will be paid.

BUT THIS IS NOT ALL. The Accident Disability Endorsement FURTHER guarantees that in case of total disability as a result of accidental injury, the Company will pay direct to YOU at the rate of $50 PER WEEK during such disability, but not to exceed 52 weeks, after which the weekly indemnity will be at the rate of $25 PER WEEK throughout the period of disability. Can insurance do MORE? And why should any man be satisfied with a policy that would do less? The cost is low.

Agents wanted in Maine, New Hampshire, Vermont, Connecticut, Pennsylvania, North Carolina, South Carolina, Tennessee, Georgia, Delaware, Maryland, Mississippi, Kansas, Missouri. An opportunity for Life Insurance Salesmen of ability. Address:

United Life and Accident Insurance Co.

Home Office, United Life Building - Concord, New Hampshire

Maryland Casualty Behind New Company

WILL BE KNOWN AS MARYLAND ASSURANCE CORPORATION

John T. Stone Will Be President—Working Capital and Surplus to Be $800,000

A new life insurance company for Baltimore was launched this week at a special meeting of the board of directors of the Maryland Casualty Company. The new concern will be an offshoot of the Maryland Casualty Company, and will be known as the Maryland Assurance Corporation. John T. Stone, president of the casualty company, will be the president of the new concern, and most of the executive officers will be drawn from the executive staff of the casualty company. The formation of the new company is designed to offset the prohibition against casualty companies doing life business in many States. The Maryland Casualty Company has long considered entering the life field, but these prohibitions have prevented the company from carrying out its intentions.

How Stock Will Be Held

The working capital and surplus of the corporation will be $800,000, to be obtained from $500,000 of capital stock, divided into 50,000 shares of the par value of $10 a share, which will be sold at $16 per share, thus giving a surplus of $300,000. Sixty per cent. of the stock, or $480,000 worth, will be taken by the casualty company, thus giving the casualty company control; while the 40 per cent. remaining will be distributed only to stockholders, agents, officials and employes of the casualty company.

One of the chief aims of the new corporation will be the issuance of life policies in conjunction with accident and health policies. As the men behind the two companies view the matter, the quality of accident and health risks is improved by the combination. In a statement issued by the Maryland Casualty Company in connection with the Maryland Assurance. Corporation, it is pointed out that the new corporation will start business with substantial advantages. There will be no organization expenses other than the items of taxes and fees to the State for the incorporation; the president and other officials of the casualty company will prepare the details of incorporation without cost to the new company, and the restricting of the sale of the stock to the Maryland Casualty Company and its officers, stockholders and employes, will eliminate the expenses of commissions and compensations for the sale of the stock and promotion costs.

Michael J. Foley, representing The Prudential in Cohoes, N. Y., is the Democratic candidate for mayor of that city.

PAID CLAIM; NO POLICY

Merchant Killed By Automobile Had Signed Application and Paid a Premium

The Phoenix Mutual has paid a claim in a case where no policy had been issued. On May 31 E. H. Bradshaw of its Mississippi agency wrote the proprietor of a store for a $2,000 policy on the annual life plan. The medical examination was delayed a few days but was completed June 5 and the examining physician classified the applicant as a preferred risk.

The application reached the home office on Saturday June 9, was approved from a physical standpoint, but on account of a discrepancy between the age given in part one and that stated in part two a letter was written to the agency asking for an affidavit of the correct age.

On Sunday June 10, the applicant was enjoying a ride in his new automobile. In going over a railroad crossing the engine stalled and before it could be started an express train bore down upon the car; wrecked it and so severely injured the driver that he died early the following morning without regaining consciousness.

The premium had been paid in advance. No policy had been issued. The application papers were in the abeyance file with the approval of the risk physically stamped thereon. The company was probably not legally bound in the case, but it was morally bound and notified the agency to forward the claim papers. The application had requested that the policy be made payable to the estate of the insured and just as soon as letters of administration had been taken out, the company forwarded its check to the administrator of the estate.

FRATERNALS RECEIVE WARNING

Fraternal insurance societies doing business in the State of New York have been notified by Superintendent Jesse L. Phillips that their licenses in this State will be revoked if they attempt to write whole family insurance in any other State. The New York laws do not premit the writing of whole family insurance, and the Insurance Superintendent notifies the fraternals that for this reason those that are licensed in New York cannot write such business elsewhere.

DAY & CORNISH MOVE

Day & Cornish, general agents in Newark of the Mutual Benefit Life, have moved from the home office building of the Company to the new Kinney Building on the corner of Broad and Market streets, where the agency occupies a considerable portion of the eighth floor.

The Mutual Benefit's limit of insurance for ages under 21 will hereafter be $5,000.

Louis A. Cerf, Jr., son of the New York general agent of the Mutual Benefit, is serving with an ambulance corps in France.

WHY HE CARRIES INSURANCE

Mississippi Man Gives Five Reasons Which Induced Him to Carry $175,000 Protection

C. H. Johnson, State agent of the Reliance Life, recently received a letter from a Mississippi policyholder, named R. H. Green, explaining why he carries $175,000.

Dear Sir: In reply to your inquiry as to why I am carrying $175,000 of insurance on my life, I would say:

First, I have received my insurance from time to time as my responsibilities have grown and my business prospered.

Second, life insurance appealed to me as a safe investment. From the time I paid the first premium it was good for more than it cost and was a guarantee of protection in the investment that I could not find in any other way.

Third, life insurance premiums are a deposit, a reserve, a surplus account that could be drawn on in the coming years, if I should desire to do so.

Fourth, I can be sure of an estate at my death of at least $175,000.

Fifth, I believe it is the duty of every man, who is imbued with a desire to promote the interests of his family, and that of his community, to carry life insurance.

PHILADELPHIA LIFE

R. J. Snead Gets State Agency for West Virginia and Kentucky—Supervisor Marshall's Success

The Philadelphia Life Insurance Company, through Supervisor of Agencies R. S. Marshall, has just appointed R. J. Snead, who has been general agent for the Philadelphia Life at Huntington, State agent for West Virginia and Kentucky. Headquarters will be continued at Huntington.

At the same time H. C. Frazier, who has been their general agent at Clarksburg, becomes agency supervisor for West Virginia. James A. Edgar, former assistant supervisor of the company in Virginia, will be agency supervisor for Kentucky.

Recently, Mr. Marshall was presented with a loving cup in appreciation of his services. Since becoming associated with the company, his record has been remarkable, and with the new territory over which he has supervision, this progress will no doubt be maintained. It is not often that a man can transfer his allegiance from fire insurance business to life insurance work and attain Mr. Marshall's success. For a number of years he was prominently identified with one of the leading fire insurance agencies in Washington, D. C., where his counsel in matters of fire insurance was much appreciated by the agency fraternity. Mr. Marshall is an active member of the National Association of Life Underwriters and the District of Columbia Life Underwriters' Association.

JOHN HANCOCK CHANGES

New War Clause Voids Policy Except for Reserve if Insured Enters Service

The John Hancock has changed its war time policy conditions regarding insurance limits and rules which have been in effect since June 1, 1917.

First, there has been a new war clause constructed which voids the policy except for the reserve if the insured engages in war service. This will be known as War Clause B. It will be attached as a rider. The clause now in effect will be continued as War Clause A.

Second, certain conditions have been changed, particularly in regard to term insurance, which has been much liberalized over the June 1 standard.

Third, the limits established June 1, have been somewhat increased especially in connection with War Clause B.

LIEUT-COMMANDER SAVAGE

The Work of Former General Agent of New England Mutual, Praised By Philadelphia "Press"

The splendid work being done by the men of the Naval Coast Defense at Cape May, N. J., receives appreciation in a special illustrated article in the Philadelphia "Press" of recent date. The naval students in training there—the summer capital of America forty years ago—have no idle minutes in their day. Five hundred men are being prepared for the duties of seamanship; and a finer, ruddier, healthier body of youths are not to be found in the service. The writer of the article praises the camp in the highest terms, and has the following words of admiration for its commanding officer, the New England Mutual Life's general agent at Baltimore—whose place during his absence on this detail is being ably taken by Mrs. Savage:

"No camp in the military establishment so hurriedly improvised reflects so much credit upon the skill and ingenuity of America.

"Back of the material equipment is a director of great experience, broad qualities, human sympathy and likeable personality, Lieutenant-Commander Frederick A. Savage. This director of the naval establishment need bow to none in his experience and knowledge. He is a driving force that keeps the wheels of his organization revolving at top speed, while at the same time he has the happy faculty of making the work seem like play to his officers and men.

"That he possesses unusual ability is proved by the fact that the entire camp has been built by the members of the Naval Coast Defense working under his direction."

MAY MEET IN NEW YORK

There is considerable discussion among members of the National Association of Life Underwriters to have the 1918 convention in New York City.

44 MILLIONS from 42 AGENCIES

THE 1916 RECORD OF OUR EARNEST, LOYAL AND HAPPY AGENCY FORCE

New England Mutual Life Insurance Company

BOSTON, MASS.

The Nation Needs Its Business

Not less patriotic than those who serve the Nation in organizations directly connected with the war, are those who keep the wheels of business steadily turning. Their work contributes to the country's moral poise, and, as well, keeps sound the financial foundation on which our great part in the war must rest. Life insurance is one of the great conservators of national resources, through its protection of the myriad homes of the people and the businesses which furnish their maintenance. Life insurance has therefore a great opportunity and a great duty in this time of crisis.

Occasionally we have a General Agency opening

JOSEPH C. BEHAN, Superintendent of Agencies

MASSACHUSETTS MUTUAL Life Insurance Company

Springfield, Massachusetts

Incorporated 1851

LIVE HINTS FOR BUSINESS GETTERS

Practical Suggestions to Help the Man With the Rate Book Increase His Income and General Efficiency

Go After the Farmer

The farmer, who now for the first time can look forward with a certainty to $2 a bushel for his wheat and equally high prices for every other farm product, together with the prospect of a pressing demand for these from all quarters of the world, is looking ahead. He sees wealth falling into his lap if he lives a few years. One of the first things he will do is to acquire more land in order that he may increase his productive capacity. This land will be bought on the mortgage plan, the same as the land he already has acquired. If he is as shrewd as the rank and file of farmers, he will reason like this: "If I place a mortgage on the property, and live a couple of years, I can cancel the obligation, but if I should die at any time before the mortgage is lifted, my wife and children will be deprived of my life's hard earnings."

Is there anybody on earth that can clarify the economic atmosphere for that farmer better than the life insurance man? Can anyone remove the film from his eyes and permit him to peer through the vista of years so effectually as the man selling life insurance? He is the only person who can show that farmer how by the use of a life policy he can cover the loss which his death would cause, and save his family from distress. The policy, in case of his death, would take care of the mortgage, and all embarrassment would be obviated.

* * *

Ink Splashes on the Dotted Line

A pleasing address and an air of self reliance are often worth more to an insurance salesman than a dozen letters of introduction, testimonials and what-not. When he has gained the interview, he has only to display industry, good sense, confidence in himself and the policies he handles, and the name on the dotted line is then merely a matter of time.

A great many seekers of the dotted line ink splashers go on their quest in a half-hearted, dejected and indifferent way. They are convinced before they gain an interview that they are not going to land their man, and, of course, they don't, for they do not carry the conviction that they amount to anything. They are foredoomed to failure by the atmosphere of doubt that surrounds them.

If you are going to sell your man, you have to convince him he is getting a real prize in the policy being sold; that it is truly an asset to himself and his estate; that what you have to offer is backed by something besides yourself. In other words, he must see that you are a success before he can be convinced that you can help him to success.

When you ask a man about insurance, and he instantly reads this language in your face and manner: "Please sign up for this policy; do not kick me out; I am an unlucky dog; I am disheartened and have lost confidence in myself and besides I need the money," he will only have contempt for you; he will say to himself that you are not a man, to start with, and he will get rid of you as soon as he can. If you consider yourself as a worm in the dust, you must expect people to tramp on you; if you make a door-mat of yourself, people are sure to wipe their feet on you.

What you think of yourself will have a great deal to do with another's estimate of you.

If you show in your manner and appearance that you have not much of an opinion of yourself, that you want to apologize for intruding on a busy man s valuable time, or even for being alive, men will not waste a minute with you.

It is not necessary that you should be brazen, forward or egotistical. But you must show that you are a man, and that you know you are; that you have confidence in yourself; that you are self-reliant.

If you carry evidence of your power, the badge of superiority, you will not wander the streets looking for prospects, you will have them and sell them. Let nothing convince that you cannot be this kind of a man. Nothing in the world is more certain than that you can. The latent power is within you. See that you bring it out—Reliance Bulletin.

* * *

J. B. Duryea's Seven Pointers For Agents

J. B. Duryea has briefly summed up for the Penn Mutual's "News Letter" seven points which will help agents to sell policies. Here they are:

I said last month that learning to inspire confidence is the sum total of all the factors in salesmanship, if we except the driving force, which is Will. How can we learn to do this? I believe that we can acquire the ability to create confidence if we:

1. Begin at the bottom and learn every detail of the business.

2. Cultivate the faculty of a natural approach made eloquent by your firm belief that your goods are worth 100 cents on the dollar.

3. Have a sales talk that is logical in bringing out the arguments in a sequence that leads to a climax; one that is instructive in making the prospect understand the article you are selling and the good it will bring him. If he understands the need of the article as you understand it, he will buy. During the sales talk do not let the prospect ask you any unnecessary questions. You are there to explain the goods and when you have finished all his unasked questions will have been answered with much better effect than otherwise. If the prospect must worm the proposition out of you by a series of questions, you have no business interviewing prospects. Your place is in your room studying the proposition and how to present it.

4. Be in earnest at all times, because earnestness is the most impressive quality that you can use.

5. Never make a false statement and never withhold any information essential to the proposition itself. If you neglect to explain some important point, whether good or bad, and the prospect finds this out afterwards, it may make him suspicious that you are withholding other matters that he should know. When this occurs he has lost confidence in you and the probability is that you will not make the sale.

6. Show clearly that you intend to protect his interest in the same way as if it were your own. Try to be his attorney in these matters and show that you are looking after his interests.

7. Be absolutely fair to your competitor and uphold rather than tear down his goods. Everyone dislikes a man who runs down the "other fellow" when no one is there to defend him. If you cannot say anything good about your competitor do not say anything at all. Go on the theory that you are upholding the Institution of Life Insurance, and that the vital question is that the prospect be adequately protected, and not whether he takes your policy or that of some other company.

THE MOST VALUABLE POLICY FOR YOU,
Mr. Agent, is to write your prospect in the Company writing the most valuable policy for the insured.
Secure **prompt action** in the
John Hancock MUTUAL LIFE INSURANCE COMPANY OF BOSTON MASSACHUSETTS
WILLIAM N. COMPTON, General Agent
METROPOLITAN DISTRICT, ST. PAUL BLDG., 220 BROADWAY, NEW YORK, N. Y.

ORGANIZED 1871
Life Insurance Company of Virginia
RICHMOND, VIRGINIA
OLDEST, LARGEST STRONGEST
Southern Life Insurance Company
Issues the most liberal forms of Ordinary Policies from $1,000.00 to $50,000.00, and Industrial Policies from $12.50 to $1,000.00
CONDITION ON DECEMBER 31, 1916:

Assets	$14,464,552.23
Liabilities	12,436,717.56
Capital and Surplus	2,027,834.67
Insurance in Force	118,349,212.00
Payments to Policyholders since Organization	18,119,172.50
Is Paying its Policyholders over	$1,300,600.00 annually

GOOD TERRITORY FOR LIVE AGENTS

Good Canvassing Document

There is a distinct advantage in a life insurance man carrying a policy in his own company. First, for the usual protection it will give his family; and, secondly, for the additional moral weight which the known fact that he is practicing what he preaches gives to his preachment. No doubt an agent can use his policy in his own company to great advantage in his regular canvass. He can fortify his own arguments by this document The agent speaks of his belief in life insurance, but he should back up that belief by showing the policies that he carries.

Be a Prudential policyholder, therefore, and use the fact liberally in your canvass. But suppose you are uninsurable! The uninsurable man can speak as feelingly about the merits of the protection that he is debarred from enjoying as can the insured man about the protection which he does enjoy. Both have the true note of sincerity. But the uninsured yet insurable man who seeks to insure others has not the true note of sincerity. He sings flat. His voice is from the head, not from the heart, and he fails to move his audience. Therefore, Mr. Fieldman, get your policy, carry it about with you.—Prudential Record.

* * *

Henry H. Kohn, general agent of the Phoenix Mutual Life in Albany, and Mrs. Kohn, announce the engagement of their daughter, Helen, to George L. Hunt. This engagement is a Phoenix Mutual romance. Mr. Kohn is manager at Albany and Mr. Hunt supervisor at Atlanta.

Founded 1865
The PROVIDENT Life and Trust Company
OF PHILADELPHIA, PA.
What do most men fear?
An insufficient income for their wives and children if they die, and for their own old age if they live.
WE WILL INSURE THE INCOME IN EITHER EVENT.
Write for Information

ALWAYS A PLACE FOR DEPENDABLE AGENTS
Those who can not only write applications but deliver policies, and are energetic in their methods. Good positions are ready for such men.
Union Mutual Life Insurance Co.
PORTLAND, MAINE
ARTHUR L. BATES, President
Address: ALBERT E. AWDE
Superintendent of Agencies
7 W. Madison St., Chicago, Ill.

NATIONAL LIFE INSURANCE COMPANY
(MUTUAL)
MONTPELIER, VERMONT
67th Year
FRED A. HOWLAND, President
On paid-for insurance basis and with bonds valued at par only (market value $409,882 above par) the 67th report shows:

Assets	$66,426,040.82
Liabilities	62,268,494.36
Surplus	$ 4,157,546.46
INSURANCE IN FORCE	$212,037,400.00

A good company for the policyholder and the agent
EDWARD D. FIELD, Superintendent of Agencies.

Sound Business Principles

(Continued from page 6.)

to-day; the owners of the institution in which we are housed find it more profitable to rent their homes than to own them. Have you ever made inquiry of a general agent of another company who was real successful, as to how he handles his agency? I have—and right here in Des Moines, I can cite you one successful general agent who is at present enjoying his annual vacation on his own island in a northern lake, where he has built a very comfortable summer home. This agency writes about two millions of business a year—and quite a number of you will have two million dollar agencies in a few years. Every agent in his agency is working on a contract with less commissions than you are paying your agents, and with just as exacting conditions in the contract. For years this general agent has made it a practice to supply his agents with necessary funds to keep them actively at work. The last report I had was that this general agent was carrying some $12,000 or $13,000 of notes assigned to him by his agents. He charges interest for all money advanced his agents, but he always has money to advance the agent on notes taken for first year premiums. * * *

Now compare this system with that of the general agent who increases his living expenses, perhaps, from the start; buys an expensive home; maintains an expensive automobile; invests in outside ventures and obligates himself to make payments for practically every dollar he can save for the next five or seven years. This is not an overdrawn case. It is a very common thing for general agents to fall into such an error, and as a result they are cramped for ready means for the development of the very business that affords them money to do the things they are trying to do. They are blighting, perhaps without knowing, the tree that is to bear the fruit.

Should Recognize Margins

It is said of the Iowa farmer, of whom so much has been said and written, that he raises more corn, to feed more hogs, to make more money, to buy more land, on which to raise more corn, to feed more hogs, to make more money, to buy more land, etc. If you will but recognize that you are in a business so big as to require all of the margins you may have, above your living expenses, for a considerable number of years and if you will, in dealing with agents, substitute your **brains** (service) for the margins they may demand, or think they should have, and which surely belong to you if you give real service, you will find that in a few years your income will be larger than you had dared to dream of. It is the lack of good management, the conservation of time and money in the early years of a general agency, that holds it back until the loss of prestige makes it well nigh impossible for it to take front rank.

We have known of general agents who produced in their agencies considerable volumes of business, but who in after years had very little to show, in a financial way, for their efforts. They were, as a rule, the men who had produced but little personal business and had given to their agents indifferent service.

Personal Business Desirable

There is a general agent in this city who writes a very large personal business each year, along with his agents. He is, and always has been, the leader of his agency. He is in the closest touch with the situation in the field; he knows when times are good and when they are not good. He knows just what to do under all circumstances. He is a leader in the insurance fraternity of this community. His office organization is so well perfected that he can remain away from it for an indefinite period and everything will move along satisfactorily. He has been in this city but twenty years—but several years ago he had already become rated as wealthy. He has the respect and confidence of the business men of Des Moines. He has their patronage and he holds their patronage as well as any general agent could probably hold it. **He is not ashamed of his business and it never occurs to him that, to go out with a rate book and a half dozen applications and solicit the leading business men of this city, is below the dignity of a real general agent.** Years ago he arrived at a place where he did not need to use all of the income for agency purposes, and he has investments in many of our leading institutions; he also has investments outside of the city of Des Moines. His company paid, in 1915, over $90,000 to his agency. Of course, not all of this belonged to this general agent, but it is currently reported that he had for himself, not less than $25,000. But this is, of course, not all of his income, as his dividends on stocks of banks and other institutions no doubt add many more thousands each year.

How One Man Succeeded

When he came to Des Moines twenty years ago, he was without means and he had a very severe struggle the first year to earn sufficient commissions to pay his expenses. Those who know him best, however, know that he has been diligent in business. His motto has been, and is, "This one thing I do." If you had business with him, you would find him at his office early in the morning; you would not find him there at most any time during the day, because he would be out on the job. But, were you to call at 5:30 or 6:00 o'clock in the evening, you would find him again at his office. Further than that, he has not considered his work a gentleman's job. If there is anything that could be done better in the evening than during the day, he was just the man to give the evening to that work. He has applied business principles to his general agency. He has been diligent in business.

"Early to Rise" Axiom

One trouble with some general agents is that they reach their offices at from nine to ten o'clock in the morning and leave them, very often, at four o'clock in the afternoon; and at noon time, sandwich in an hour and a half or two hours for luncheon. They are aping the successful business man who has paid the price of success in long hours and close application and may have an organization that will permit of such methods.

If you are going to make large successes; if you are going to gain competencies, it occurs to us here at the home office, that it will not be done with less than eight-hour days—perhaps ten-hour days and, in some cases, even longer. Indeed, it has been our observation that the highly successful general agents, of whatever companies under observation, are those who for many years, concentrated intensely on their daily work and allowed nothing to interfere in their efforts to build successfully.

To recapitulate:

Write a good personal business each month.

Maintain a suitable office, properly equipped, including a library, for the use of your agents.

Have all office details in charge of a competent, trained cashier. Devote your time and energy to the big problems of successful agency building.

Eliminate Small Man

Avoid contracts with men of little promise of success. If you have the vision of the bigness of your business you will be content only with **big men**, or men capable of becoming big.

Standardize your contracts with your agents. Place all on the same basis and let them earn, as in any other business, according to their ability and effort. Retain all margins between your contract with the company and that with the agent, and give much service in lieu thereof.

Treat "Advances" As Salary

If advances are made agents, treat the cases as though the agent were on a salary and subject to your direction fully. If you find he doesn't know how to write insurance, show him how. Go with him or send a successful agent to solicit with him. Take care that his commissions equal advances made.

Get rid of your ne'er-do-wells—your drones. Have the courage to fire them. Their influence is bad on your live agents—on the whole agency, and on the business of life insurance in particular.

Turn Profit to Development

Conserve your commissions, margins and profits for the further development of your agency. You can use money to advantage in advancing a part of agents' commissions on security of first year notes and renewals, if any. You can occasionally buy, to splendid advantage, the renewal commission interest of some agent who has left your agency. A moderate sized agency can easily use to advantage from five thousand to fifteen thousand dollars in this way. In larger agencies larger amounts could be used to splendid advantage.

Get the vision of larger things. Pay the price of success by giving to your business the best there is in you, and of which you are capable. Take your place among leading business and professional men of your respective communities. Have a substantial checking account at a leading bank. Establish a credit at the bank and **keep it unimpaired.** Don't ask the company to be your banker.

Frank I. Laizure, Jr., has been appointed by the Travelers to be manager of its compensation and liability departments at Atlanta, Ga., succeeding H. F. Rascher, who after eleven years' service in the Southern city has recently been promoted to St. Louis.

THE
METROPOLITAN LIFE
Insurance Company
(Incorporated by the State of New York)



Metropolitan Life Insurance Company
Home Office Building

The Company

Of the People
By the People
For the People

The Daily Average of the Company's Business during 1916 was:

701 per day in Number of Claims Paid.

8,304 per day in Number of Policies Issued and Revived.

$1,969,823 per day in New Insurance Issued, Revived and Increased.

$376,827.40 per day in Payments to Policyholders and Addition to Reserve.

$220,509.26 per day in Increase of Assets.

JOHN R. HEGEMAN, President

Representing

The Mutual Life Insurance Company
of New York

You will make money.

The great strength, big dividends and incomparable benefits of the *"oldest company in America"* mean certain success for you.

For Terms to Producing Agents, Address

GEORGE T. DEXTER, 2d Vice-President

34 NASSAU STREET. NEW YORK, N.Y.

THE EASTERN UNDERWRITER

This newspaper is owned and is published every Friday by The Eastern Underwriter Company, a New York corporation, office and place of business 105 William Street, New York City. Clarence Axman, President; W. L. Hadley, Secretary. The address of the officers is the office of this newspaper. Telephone 2497 John.

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DEPENDS WHOSE OX IS GORED

The painful wail of sugar men, coal mine owners and wheat operators because of governmental price regulation evokes nothing but an indifferent smile from fire insurance persons. Underwriters quit being excited by that sort of thing long ago. For years they have had to explain all about the prices they charge for their commodity; time after time attempts have been made to dictate prices to them. Even now if companies do business in Texas they must accept certain rates not of their own making. In the past, however, this meddling with their business did not create the slightest ripple of interest in other commercial waters. So underwriters cannot be blamed if they are not much agitated by the current price fixing activities of the Washington Administration.

A McMASTER DISCOVERY

Commissioner McMaster, of South Carolina, told insurance commissioners this week that when half a dozen underwriters take snuff the rest of them sneeze. We had no idea that the number of snuff takers is so limited. Underwriters who have tried to rush a resolution through the National Board, or through other company organizations, often have been pained to find that there was very little sneezing, and on such important subjects as classification, collecting for binders, limitation of agencies, insurance floaters and new types of schedule rating, underwriting leaders frequently find that they can sneeze their heads off while dozens of contiguous membranes remain untickled.

BANKS AS INSURERS

One of the subjects that will have the attention of the American Bankers' Association at its September meeting in Atlantic City, is that of forming a mutual surety and burglary insurance company among its members to handle its own business. At the annual meetings of both State and National Bankers' Associations for several years past this proposition has been brought up for discussion, and as often it has been voted down as an impractical adjunct to the banking interests. That it will meet the same fate at the coming convention is the concensus of opinion of the foremost bankers of the country who have expressed themselves on the subject.

Many years ago when the express companies established a department for the transmission of money to all parts of the world, the banking interests entered a bitter protest on the ground that these corporations were encroaching upon the banking field which was foreign to their charter and province. A similar protest was offered a few years ago when the United States Government established a postal savings system—another method of "cutting" into the banking business of the country. That these protests were perfectly justified when considered from the bankers' standpoint, cannot be gainsaid, but that they did not succeed in checkmating these intruding competitors was principally due to the fact that in both instances the public interests were conserved. Neither the Government nor the express companies however, reap any material benefit from this class of business. The purpose was to afford accommodation to the public, as the banks were not accessible at all hours of the day and night. Unfortunately for the banks the latter cannot advance so good and unselfish a reason for the departure it has under consideration.

The Eastern Underwriter last week presented an array of facts to disprove the strongest arguments favoring the proposed bankers' surety organization. Every prop that was intended to support the propaganda was knocked down, and when the American Bankers' Association comes to consider all the ramifications of such a colossal undertaking, together with its labyrinth of detail, not to mention the monetary outlay for technical administrative ability for a world-wide business, we believe it will settle the insurance business for all time by voting it down.

PHILLIPS ON COMPULSORY INSURANCE

Upon many occasions Superintendent Phillips has clearly demonstrated that he considers his office a sacred trust that should be administered for the interest of the public and in that administration playing of politics should have no part.

To think right and to express those thoughts in public has seemed to him more imperative than to court popularity with demagogic sophistries. That side of his character was again disclosed at the Commissioners' Convention this week when he delivered a crushing blow to compulsory health insurance. There was no particular reason why he should go out of his way to oppose the views of so many social bodies except that he knew the country was being flooded with a propaganda that should be checked, and he has courage enough to want to do his share in checking it. As insurance commissioner he has unusual opportunities to study the system, and he has studied it. He wants social justice as much as any other citizen, but his research has not shown him that compulsory health insurance will eliminate all poverty, prolong human life, banish disease and otherwise hasten the coming of the millenium.

On the other hand, in the Superintendent's opinion the doctrine of so-called social insurance is fundamentally wrong. It is not the product of American thought, or the development of American ideals. It springs from autocracy. It is class legislation. Analyzing the purpose of the legislation, as outlined by Bismarck in the Reichstag (who advocated its enactment), Mr. Phillips declares that the thought which gave birth to compulsory social insurance in Germany was inspired by the desire to strengthen the power of the state more than to develop and protect the individual. There seems little thought that it was a clever idea to check the spread of socialism, in which it has failed, because socialism is stronger than ever. "While the adoption of the system has not checked socialism as predicted by Bismarck," Mr. Phillips pointed out, "it has succeeded in purchasing the support of the individual as a part of the scheme of autocracy wherein the State is all powerful and the individual exists only as a part of the machine."

To prove that social insurance in Germany has been at least a disappointment, the Superintendent, backed by authoritative investigations, declares that it has neither improved the sickness rate nor made any perceptible difference in the number of accidents. It has not contributed to longevity, while an analysis of the statistics do not disclose that the compulsory system has been a material factor in developing better social conditions in the countries where it has been in operation. The Superintendent is correct in thinking that the American wage-earner, the highest paid and best treated on earth, may well pause and consider the cost—the increased taxation which this paternalistic doctrine will annually entail.

INSURANCE SOCIETY MEETING

A meeting of the executive committee of the Insurance Society of New York was held last Thursday. A committee was appointed to draft a resolution in honor of the late Waldemar J. Nichols, general adjuster of the North British & Mercantile, who was a member of the executive committee of the Society. Ralph Barbour, general agent of the North British & Mercantile, was elected to occupy the place on the executive committee made vacant by the death of Mr. Nichols. It was also decided that the lecture meetings should be held monthly instead of bimonthly, as heretofore.

DON STEHLE, JR., COMES EAST

Don Stehle, Jr., formerly with the German Fire of Pittsburgh, has been appointed special agent of the Merchants' National Fire of Chicago, in Pennsylvania and New York. He began his insurance career as an office boy.

George W. Norris, a member of the board of directors of the Philadelphia Life, has been re-appointed by President Wilson, chairman of the Federal Farm Loan Commission.

Under the laws the chairman serves one year but all the members of the board sent a request to President Wilson that Mr. Norris be re-appointed for the ensuing year.

* * *

R. S. Pope, president of the Federal Life Club, and a member of McCann & Pope, State managers of Federal Life for Michigan, is now a lieutenant in the United States Army.

HUMAN INTEREST



BENNETT ELLISON

Bennett Ellison, who was in the real estate business until December, 1915, has quickly won a place as one of the progressive and successful local agents in New York City. The youngest local agent in the metropolis he quite appropriately represents the American Eagle, baby of the Continental group; Patriotic, baby of the Sun; County Fire, baby of the New Hampshire. His quartette of companies is completed by the City of New York, of which Major A. White is president. A New York City man Mr. Ellison went into the real estate and brokerage business, specializing in lower Manhattan and Fifth Avenue properties. He secured the local agency of the American Eagle, retired from real estate and formed a partnership with Major A. White in December, 1915. The White local agency had been organized ten years before. Recently Major A. White decided to devote all of his time to his two insurance companies and Bennett Ellison succeeded to the sole control of the agency.

* * *

Charles Dobbs, managing editor of the "Insurance Field," left on Saturday for the Officers' Reserve Training Camp at Fort Benjamin Harrison, Indianapolis. In a letter to a friend he said: "I have always kept in pretty fair training from golf and other outdoor work, and the chances favor my sticking out the period of the camp, if they don't discover that I am under weight in the top story." If that is all that is worrying Charlie Dobbs he has no reason to worry.

* * *

William C. Lyon, editor of the valuable news bulletin issued by Commissioner Young, of North Carolina, which is distributed among editors of North Carolina daily papers, has written a valedictory to these editors, saying that he has joined the Army, thanking them for their co-operation, and concluding with the statement that Commissioner Young will edit the "Bulletin" in the future. This particular "Bulletin" has done splendid service in keeping down the fire waste.

FIRE INSURANCE DEPARTMENT

New York National's Metropolitan Change

J. J. BOLAND CO., INC., GIVEN MANAGEMENT

Charge of Company's Affairs in Metropolitan and Suburban Exchange Territory Assumed

The New York National Insurance Co., formerly the National Lumber, of Buffalo, announced last week the appointment of the James J. Boland Co., Inc., as manager of the company for the metropolitan and suburban districts. The James J. Boland Co., Inc., has taken offices at 95 William Street and has already assumed charge of the affairs of the New York National.

Brokerage Service

James J. Boland, president of the James J. Boland Co., Inc., is also president of the New York National and this appointment is the fulfillment of plans which he has been endeavoring to carry out since he assumed control of the company last March, additional announcement of which will be found in another column. As managers of the New York National for the territory of the New York and suburban fire insurance exchanges, the James J. Boland Co., Inc., plans to extend to the New York brokers an additional service for which it is well equipped.

The company has heretofore been represented by Crum & Forster for reinsurance business only. James J. Boland & Co., Inc., represent the company for the writing of business direct with agents and brokers.

The James J. Boland Co., Inc., is also general agent for the Columbian National Fire of Detroit, Mich., for the States of New York, New Jersey, Pennsylvania, Maryland and Massachusetts, in which capacity the agency has made excellent progress.

SQUIRE COMPANY, INC., EXPANDS

Opens Branch Offices in Leading Cities —Appoints L. C. Habig as Managing Underwriter

The Squire Company, Inc., of 1 Liberty Street, New York, announced this week the appointment of L. C. Habig as managing underwriter of the agency. The Squire Co., Inc., was recently appointed agent of the Ohio Millers Mutual Fire Insurance Co., of Canton, Ohio, for metropolitan and general territory, and in this connection, the agency plans to considerably broaden its scope of activities.

The New York office will be considerably enlarged and the underwriting department will be entirely separate from the brokerage and in charge of Mr. Habig, who has been identified with the business as an underwriter for the past twenty years and resigned this week as assistant secretary of the Stuyvesant Fire.

The Squire Co., Inc., also announced the addition to their facilities in the opening of branch offices in Philadelphia, Akron, Ohio, Tulsa, Okla., and Jamestown, N. Y.

C. B. Squire, the senior member of Squire & Co., has been engaged in the fire insurance business for more than thirty years and has long been established as a capable underwriter.

The Ohio Millers, for which the Squire Co., Inc., will start to write business tomorrow in the metropolitan section and throughout the United States and Canada, has been operating since 1886. While organized as a mutual company, the charter of the Ohio Millers permits it to write non-assessable policies on the stock company basis and the Company has practically limited itself to this method of operation for several years past. Its total cash assets are $1,147,802 and its cash surplus $505,213.

In representing the Ohio Millers, the Squire Co., Inc., will issue policies only on the stock company basis.

DISCUSS UNIFORM RULES

Representatives of Rating Organizations in Pennsylvania Confer With Company Men in This City

A conference between companies' representatives, having Eastern jurisdiction, and representatives of the Pennsylvania rating organizations was held in this city on Tuesday, at which the new uniform rules and clauses were discussed fore and aft. The conference followed a discussion of the same subject by the Underwriters' Association of the Middle Department in Atlantic City. This is the meeting that was attended (uninvited) by a reporter for a Philadelphia daily paper whose report of the meeting led the innocent citizens of Philadelphia to believe that Atlantic City had narrowly escaped a riot in which fire insurance men were on the verge of tommyhawking, or at least were thinking of spilling each other's gore.

The Eastern Underwriter is informed that the meeting this week was of a much more pacific nature and that the only thing spilled was some icewater.

CHANGES ITS NAME

Buffalo German Insurance Company to be the Buffalo Insurance Company Hereafter

The Buffalo German Insurance Company has dropped the word "German" from its title. In a resolution the board of directors said in part:

"That because of present conditions, and the state of war in which our country is engaged, the name this Company now bears is deceptive, misleading of the truth, and harmful to its best interests and business in many ways. That, in particular, as reports from the Company agents and brokers in different parts of the United States show, the present name of the Company has mislead many persons into thinking that we are a foreign company. or a branch company of the country with which the United States is at war, whereas, in fact, this Company is an American company, owned and controlled by citizens of the United States."

NATIONAL BOARD AND I. W. W.

Investigations of the recent incendiary fires attributed to the I. W. W. on the Pacific Coast and Northwestern States have had the attention of the National Board's Pacific Coast Committee, and special reports have been made to Mr. Hoover and to Mr. Bielaski, Chief of the Bureau of Investigation of the Department of Justice.

Binders Limited to 30 Days

The Allegheny County (Pa.) Board has adopted rules forbidding binders to be kept in force over 30 days.

Commissioner O'Neil, of Pennsylvania, has issued an order dissolving the Industrial Mutual Fire of Reading, Pa.

FIRE AND MARINE INSURANCE—ALL LINES

The Automobile Insurance Company of Hartford, Conn.

MORGAN G. BULKELEY, President

Statement January 1, 1917

Cash Capital	$1,000,000.00
Assets	2,748,832.19
Liabilities (Except Capital)	1,039,977.81
Surplus to Policyholders	1,708,854.38

AFFILIATED WITH

AETNA LIFE INSURANCE COMPANY

THE AETNA CASUALTY & SURETY CO.

FROM LIFE TO FIRE

Rogers Bros., General Agents of Philadelphia Life, Associated in Fire Agency

Rogers Bros. at Petersburg, Va., general agents of the Philadelphia Life Insurance Company, have become associated with the well-established firm of R. O. Egerton & Co. in the fire insurance business. They have been appointed agents of the Glens Falls and the American of Newark.

R. O. Egerton & Co. at one time, about twenty years ago, were engaged in the fire insurance business, at which time John E. Moyler, State agent of the Provident Life & Trust Company was a member of the firm. When he left the agency he carried with him the fire insurance business.

VOORHEES WITH HOWIE & CAIN

Former Counterman of Liability of New York Office of Travelers is Auto Manager of Agency

H. G. Voorhees who has been counterman of the liability and compensation departments of the New York office of the Travelers for the past six years will become manager of the automobile and casualty department of Howie & Cain, Inc., on September 1. Howie & Cain, Inc., are metropolitan agents of the Hanover Fire and also represent the Maryland Casualty.

Mr. Voorhees, previous to his connection with the Travelers, was for seven years with the Maryland Casualty and made his start in the business with the Mutual Life.

NORTH BRANCH FIRE INS. CO.
Sunbury, Pa.
Inc. 1911

Assets	$641,341.77
Reserve	230,513.29
Capital	300,000.00
Surplus	63,479.83

CITY INSURANCE COMPANY
Pittsburgh, Pa.
Inc. 1870

Assets	$357,318.58
Reserve	54,256.92
Capital	200,000.00
Surplus	96,379.07

OPERATING ON A CONSERVATIVE BASIS IN A LIMITED TERRITORY UNDER AN EXPERIENCED MANAGEMENT

Frelinghuysen Defends His Patriotism

WRITES SHARP LETTER EXPLAINING POSITION TO CONSTITUENT

Says He Has Supported All Administration Measures—Discusses Trading-With-Enemy Act

United States Senator Frelinghuysen has written a letter to R. A. Hewitt, secretary of the Hackensack branch of the National Security League, explaining his position regarding German insurance companies and the amendments to the Trading-with-the-Enemy Act. In his letter to the Senator, Hewitt commented sharply on the former's attitude. Senator Frelinghuysen's letter follows:

"What do you know about my 'course in regard to German insurance companies,' about which you so glibly write? No question of this sort has yet arisen in the United States Senate, though it is likely to come up in a few days, in connection with the 'trading-with-the-enemy' bill. This measure, which I favor, and for which I shall vote, places absolute control of the German insurance companies in this country in the hands of the Secretary of Commerce, who shall have power to issue licenses thereto, or withhold the same, at his pleasure. In the latter event, these companies are put out of business during the war, and their assets are taken possession of by the Secretary of Commerce Under this arrangement, said German companies cannot repudiate their debts owing to Americans, or withhold from them, until after the war, losses sustained by citizens of this country.

"Under the circumstances, I fail utterly to see why you should have written me such a letter as that before me, except upon the ground of your utter ignorance of the subject about which you write.

"Since entering upon my duties as a Senator from New Jersey, March 4, 1917, I have unwaveringly supported the Administration in every move it has made to carry on the war against the tyrannical and semi-barbarous government of Germany. Beginning with the declaration of a state of war, the authorization of the $7,000,000,000 loan, the passage of the conscription act, down to the present time, I have voted for—sometimes speaking in support of—every measure equipping the government to carry out its military, naval and economic programs. Until the end I shall advocate the waging of an aggressive warfare against the common enemy of mankind, the present autocratic head of the German Empire.

"Under the circumstances, with such harrassing problems and perplexities pressing upon public men, it is not a little discouraging to receive letters like yours, written from an entirely false viewpoint, and based upon totally incorrect information, or, rather, upon no information at all."

SHOT TO PIECES

A page story in a Connecticut newspaper about the fire department in Willimantic, Conn., tells all there is to know in the headlines: "How $100,000 Fire Shot Willimantic's Fire Department To Pieces.—City With Population of Nearly 13,000 People Has Fire Fighting Force of Five Active Members Following Upheaval in Ranks.—Paid System Fails To Meet Favor After Volunteer Companies Are Disrupted.—Many Wonder What Willimantic Will Do If Real Fire Occurs."

MASS. F. & M. DIVIDEND

At a meeting recently of the board of directors of the Massachusetts Fire and Marine, a dividend of three per cent. was declared payable on August 1.

BASEBALL LEAGUE RECEPTION

Proceeds of Annual Affair to be Given to "Sun" Tobacco Fund for American Soldiers in France

At a meeting of the executive committee of the Fire and Casualty Insurance League held this week, the date and details for the third annual reception of the league were decided. The reception will be held at the Amsterdam Opera House, 44th Street and Eighth Ave., on October 11. The proceeds of the affair will be donated to the tobacco fund of the New York "Sun" which is sending tobacco to the American troops in France through the War Department.

The arrangements are in charge of a committee headed by W. F. Stanz, of Quinn, Warner & Quinn, chairman, who is president of the League; and by A. M. Broden, of the Continental, who is vice-chairman and secretary of the League. The other members of the committee are: Geo. W. Graham, of the Continental; T. P. O'Donohue, of the Home; A. D. Pollock, of the Hartford; E. Waterbury, of the Preferred Accident; R. Corde, of the Globe & Rutgers; A. Schumm, of the Caledonian; H. Miller, of the Commercial Union; and B. Roman, of the United States Fidelity & Guaranty.

The reception is to have a patriotic tone and the committee is seeking to make it a greater success than any of those previous. The membership of the organization consists of the members of the baseball teams of eight of the largest companies and includes about 200 men, the majority of whom will sooner or later be in their country's service. A large proportion has already joined the ranks in one capacity or another.

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Assistant Manager

Fire Prevention Work Attracts Attention

PUPILS OF WESTERLY, R. I., SCHOOLS WRITE ESSAYS AND WIN MEDALS

Suggestions as to How Repetition of Many Past Tragedies May Be Prevented

The smell of smoke; the scream of a child descending a wooden stairway; the cry of "Fire!" and in thirty minutes there was mourning in two hundred homes in Collinwood, a suburb of Cleveland. It had required but an hour to transform a magnificent school building into a funeral pyre from which the corpses of scores of little children were dug out and laid in the morgue to await identification by their frantic parents.

A blazing drop curtain in a Chicago theater started a panic among several hundred women and children, and within a comparatively short time several score of persons were crushed or burned to death.

A curling column of smoke ascending from the basement of a parochial school in a small Massachusetts town a few months ago, was the first intimation that the teachers and pupils had that there was a seathing furnace underneath them. In attempting to make their escape the exits became choked with human beings, and before the flames could be subdued a score of young lives were sacrificed.

To these sickening tragedies may be added many similar holocausts that have happened in manufacturing concerns throughout the country. The tragic ending of these human lives was the price paid for the present campaign of fire prevention that is going on in various forms. That there has been great advancement made during the past few years cannot be denied, but these efforts have been made only after great sacrifices of human life. With the aid of local fire departments the schools and other institutions, as well as manufacturing concerns, have established fire prevention methods which have gone a great way in safeguarding humanity from meeting the fate of those mentioned above.

One of these campaigns is being carried on in Westerly, R. I., by Irvine O. Chester, agent of the Franklin Fire Insurance Company, of Philadelphia. Mr. Chester, who is also a member of the Westerly Board of Trade, started a prize essay competition on fire prevention open to all pupils in the seventh and eighth grades of the Westerly schools, generously donating the prizes himself. This year there were 200 contestants, the winner receiving a solid gold medal; the second prize was a silver medal and the third a bronze medal.

The children in the Westerly schools are taking much interest in this fire prevention campaign. They are given weekly instruction on the subject and are asked to bring in clippings referring to fires and to analyze them, putting them in the preventable or non-preventable class. This year's winning essay is as follows:

Our Ideal—"No Fires in Westerly"

When an outsider speaks of Westerly he is sure to mention the fact that Westerly is a town of fires, which is consequently ruining the reputation of our fair town.

We have at last chosen a slogan to go against this menace—Our Ideal—"No Fires in Westerly"—and are trying very hard to live up to it. We should begin to obliterate this fire nuisance by attacking the common cause of a great many dangerous fires—carelessness.

European people, reading of our great fire losses, wonder if we are a nation of incendiaries or a nation of children playing with matches. We are neither, but we have many careless habits and these habits must be corrected.

If you saw a man throw a lighted match into a barrel of gunpowder you would think that the man was mad; but the practice some men have of smoking in garages, warehouses and factories is almost as dangerous. If people will live on and be careless, a good way to prevent them from damaging other people's houses from fires starting in their own homes from carelessness is: If their fire damages their neighbor's house they must foot their neighbor's bills as well as their own.

The second step nearer our ideal is being clean. Many bad fires have started in rubbish heaps. A clean city will, therefore, have few fires. If all the cellars and attics in Westerly were kept clean, you would quickly see the decrease in the number of fires. Always burn oily rags and waste after using, as some oils ignite spontaneously.

The third step is concerning lighting devices. Many contractors in building houses do defective wiring and cover it up with wood, thereby making many dollars. The wiring in a house should be carefully inspected by a competent electrician before turning on the current.

Kerosene lamps should be scrupulously clean. Never fill with oil when lit. Private acetylene gas plants should be inspected regularly and frequently and kept in rigid conformance with the laws.

The fourth step nearer the goal is treating on construction. A large part of Westerly is of wooden construction and, where wooden buildings are built in close proximity, conflagrations are unavoidable. Conflagrations are never stopped by water; they are stopped when there is a barrier that can resist fire. If all our houses were built of stone or non-inflammable building material in a short time Westerly would be free from the fire peril.

The fifth and last step to the goal is concerning some common causes of fires. If mothers would see that matches are kept from children, the fire rate would decrease materially.

Keep chimneys free from soot and other things that may catch on fire. Don't ever look for a gas leak with an open flame.

Keep clothing at a safe distance from stoves; sometimes a stove gets red hot and things hung near it may readily ignite.

There should be a law that buildings near a railway be covered with tin so as not to catch fire from sparks.

Never decorate electric bulbs with paper or cloth; the heat may ignite it.

Hydrants should be kept clean and tested frequently.

With these suggestions and the earnest efforts of the people, Westerly may reach its ideal—"No Fires in Westerly."

FALSE SWEARING

It is often said, says Frank Sowers, particularly in insurance litigation, that "the law abhors a forfeiture." It is also said that the penalty (forfeiture of the insurance) for false swearing bears no relation either to the benefit the insured secures or the injury which he imposes on the underwriter. So it is said that the penalty is not to fall unless the false swearing is knowingly and wilfully done; but the rule in the Federal Courts is, that if there be false swearing knowingly and wilfully done with respect to material facts, an intention to deceive the underwriter will be presumed therefrom.

THE NEW YORK NATIONAL
INSURANCE COMPANY

ANNOUNCES

the completion of its plans which have been formulating for the past five months to offer additional facilities to the New York Brokers

AND

the appointment of

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Metropolitan and Suburban Managers

KOECKERT COMING HERE

Succeeds George E. Kline as Vice-President of Continental Group—Change Effective on January 1

The announcement this week that George E. Kline, vice-president of the Continental group, would retire on January 1 came as a surprise to underwriters who knew his close relations with President Henry Evans, and social relations of the two. Mr. Kline was at Chicago for years before coming to New York. He was assistant Western manager and when J. J. McDonald retired as Western manager he succeeded him.

Fred W. Koeckert is one of the best known insurance men in the West. He is now second vice-president in charge of the Western department.

TWO PLATOON HARD HIT

Chicago Board of Underwriters See Grave Danger in System—Chief Forbids Vacations

Fire departments all over the country, including that of New York City, have for years been clamoring for a two platoon system. Many cities have fought the proposition on the ground of greater expense without commensurate efficiency. Chicago adopted the two platoon after fighting it off for a long time, and now the Board of Underwriters of that city has warned the city council that there is danger of a serious conflagration unless it abandons the double platoon now in force, or provides for several hundred additional firemen to bring the compliment up to the normal number. In the meantime Chief O'Connor has forbidden the usual summer vacations of the men in an effort to keep the fire-fighting force up to an efficient standard.

COMMISSIONS IN TEXAS

Several of the larger fire companies have recently resumed the payment of commissions to non-residents of Texas. There is some difference of opinion as to the correct procedure in this connection. The Attorney General of Texas ruled against the payment of commissions on Texas risks to non-residents but his ruling was not supported by the Insurance Commissioner. Just previous to defining the exact procedure, the Insurance Commissioner died.

GOES WITH ELLISON

Bennett Ellison, who recently succeeded to the business of White & Ellison, announces the appointment of Gustave R. Michelsen as assistant counterman in his office.

Mr. Michelsen has been connected with the William H. Kenzel Agency and Benedict & Benedict in the past.

CAPTAIN SALTER DEAD

Captain Henry Salter, dean of marine insurance underwriters and since 1883 connected with Chubb & Son, died in New London, Conn., recently. Captain Salter was born in Portsmouth, N. H., sixty-seven years ago, and at the age of 19 was a master mariner. For thirty-four years he was on the Board of Marine Surveyers for the Port of New York and was also the representative of Lloyds of London.

BALTIMORE PREMIUMS

The German Fire, of Baltimore, wrote $106,412 in premiums during first half of 1917 in that city. Home of New York wrote $65,504; National of Hartford, $61,920; L. & L. & G., $45,335; American Eagle, $36,161; Royal, $35,548.

John B. Guthrie, a well-known special agent in Baltimore, has been made assistant secretary of the New Jersey Fire.

NATIONAL CONVENTION OF INSURANCE COMMISSIONERS

Companies Rapped By Fitz Hugh McMaster

SOUTH CAROLINA COMMISSIONER SIZES UP FIRE INSURANCE

Says Half a Dozen Men Dominate and Rest Sneeze When They Take Snuff

Fitz Hugh McMaster, Insurance Commissioner of South Carolina from which State companies retired in a body and then returned, told the insurance commissioners in St. Paul this week what he thought of fire insurance and fire companies. Having an audience and unlimited time he enjoyed himself thoroughly. In his talk he commented rather sharply on the rates obtained by F. I. A. and mutual risks compared to stock fire rates, declared that commissions to agents are constantly rising, and that present compensation is based upon a plan whereby the more the agent makes the less the company makes, and intimated that present underwriting conditions favor the larger companies.

Telling how South Carolina felt when it lost the fire companies he said:

"When the procession filed out of South Carolina I said to one, who I knew went with the greatest reluctance, that he could relieve the situation greatly if his company would take reinsurance from the companies which had remained in the State. 'Not on my life,' were his words in effect. 'Do you know what they did to blank company which took re-insurance from the companies which remained in Arkansas? Why other fire insurance men would not speak to blank company men on the street, and should one of blank company's representatives join a group of other insurance men at the club, with one consent they would have immediate engagements elsewhere. A general agent in the Northwest and another in the Southeast at the same time would discover they had too many companies in their offices, and blank company got the pink slip. And the leaves that fell in Vallambrosa were as nothing to the way other companies would fall away from a very large risk when they discovered that blank company was upon it.'

Says Ostracism Hurts

"Now, man is a social animal, and fire insurance men are in part human, at least.

"But that is not all. I say it with a smile upon my lips and no venom in my heart, but if there was anything which the retiring companies could do to South Carolina which they did not do, they could not discover it. Not only would they not take re-insurance themselves, but strictly re-insurance companies were frozen stiff, though re-insurance companies do not need to be licensed in the State. They could not 'afford' to take re-insurance from South Carolina. One company manager but voiced what others tried to do, when he sent word to a mortgage company which was lending money in South Carolina, that 'this was a fight in behalf of capital, and the mortgage companies were expected to stand by the fire insurance companies.'

"Really, I may be permitted to say, South Carolina got along pretty well, except for the very largest and some of the more hazardous risks. There were not so very many of either class of these that could not be accommodated, but they reminded one of the score of frogs in a Michigan marsh,—they made so much noise you thought they were a hundred thousand.

Seeing Red

"To one who has had my experience, there is apt to come the belief that, so far as such a State as South Carolina is concerned, except for a few very independent and generally small companies, about half a dozen men dominate the stock fire insurance companies. Maybe the others do not sneeze when the half dozen take snuff, but when these see red it is time for the others to shut their eyes and follow."

$81,703,713 ON DEPOSIT

How Policyholders Are Protected By Iowa Department Told By Commissioner

In the vaults of the Iowa Insurance Department insurance companies have deposits amounting to $81,703,713. This statement was made to insurance commissioners at St. Paul this week by Commissioner English, of Iowa, who discussed adequate safeguards against companies being exploited and wrecked through incapable or dishonest handling of funds. He advocated stiffer requirements relating to deposit of reserve assets and capital stock investments. He said that under the Iowa law the Pittsburgh Life & Trust and Commercial National Fire wreckages would not have occurred.

The Iowa statutes are particularly effective in safeguarding interests of policyholders of life companies. They require that every such company shall maintain on deposit with the Commissioner interest-bearing securities of a character authorized by the statute in an amount at least equal to the reserve value of all policies in force at the close of each year.

New domestic companies are required to make deposit of securities in an amount equal to the capital stock issued which must be maintained until the accumulative reserve exceeds the amount of the capital.

$1,130,905 NET SURPLUS

On July 1, 1917, the German Alliance of New York had $1,130,905 net surplus and assets of $2,837,709.

CAUTIONS AGAINST SECRECY

Commissioner Young Says Insurance Managers Should Tell All About Rates and Losses

A strong plea for publicity in the transaction of the fire insurance business was made by Commissioner Young of South Carolina, at the Commissioners' meeting this week. He deplored "reticence and mystery" regarding rates, and in discussing the subject of classification had this to say:

"I have worked with both commissioners and companies to have started, worked out, and perfected a system of records of experience gathered from the combined work and results of all fire insurance companies. It has been surprising and even pathetic to see the actions and fears of the managers of many of the companies, lest in giving out their experience in writings, premiums, losses, etc., they would divulge some trade secret and let the other fellow learn the secret of their success. Many of them prefer to keep their own classification different from all others and get only their own, comparatively speaking, limited experience, rather than to turn their figures into the hopper and draw out the rich combined experience of all fire insurance companies doing business in this country. Again, they feared to give their experience by classes and States in writings, premiums and losses, for fear, forsooth, some uninformed customer would use them as a basis to call for a change in some rate; yet they profess to keep their experience and doings in special systems to enable them to conduct their business on scientific and safe lines.

"How often when rates are made or changed, and the reason therefor is asked, they are compelled to confess that they cannot give figures, but are basing their action on their underwriting judgment! Thus we find a class of our best and most efficient business men, certainly expert in their line, withholding publicity in regard to the working and method of their business, telling their customers that they could not understand such things and that their knowledge would work harm instead of good for them. Strange that they should expect this to satisfy the public, especially that part of it with whom they are doing business and who are affected financially by the rates made. Should they not expect a protest to be raised by the solid business men of the country with whom they deal, if not by the general public? Such a course is not followed in any of the other great classes of business in this country. Is this denial of publicity and information right or best? It may be, but the public and even many of the students of the business do not think so. You know, and the public, I believe, knows that the premium is a measure of the hazard, and must produce enough to pay the losses, expenses, and a reasonable profit; that the premium rate must be arrived at by taking into consideration each and every item that goes to make up this hazard, and applying them with the best underwriting knowledge and experience; but this does not mean that all the elements must be kept secret and nothing given out that constitutes even a part of this underwriting experience and knowledge."

READING SUIT

Farmers Mutual Deny Liability—Controversy Over Inventory of Hotel Stock and Fixtures

Nine farmers' mutual insurance companies in Pennsylvania have been sued, growing out of the loss of the Mansion House Hotel, Reading. A. Christ & Co., proprietors of the hotel, seek to recover $4,767 on furniture and fixtures.

The defendants claim that "the plaintiffs were not interested in the insured stocks, furniture, fixtures, equipment and supplies, as owners thereof, but held the same under a lease or contract of bailment from N. Snellenberg & Co., Philadelphia."

Also, they allege that the plaintiffs did not furnish a complete inventory or separate the damaged from the undamaged goods and that "although requested to submit to examination under oath by the adjuster of the company, E. M. Morgan, one of the plaintiffs, refused to present himself at all, and the other plaintiff, Anson Christ, refused to continue the examination and refused to answer pertinent questions put to him by the adjuster named by the company."

The defendants further state that "by reason of the gross understatement of the value of the property insured and the excessive overstatement of the amount of loss sustained the entire policy is void."

The plaintiffs, in their statement, have given the value of the furniture, fixings, etc., as $18,902.36 and the defendants claim that the actual value is $30,000. The defendants also declare that the loss did not exceed $1,500, although the plaintiffs allege it amounted to $4,797.71.

TWO MUTUALS DISSOLVE

Two insurance companies, the Industrial Mutual Fire of Reading and the Guaranty Mutual Fire of Allentown, have been dissolved by the Dauphin County court. Proceedings in receivership were brought against them some time ago. The Industrial company had about $800,000 of insurance in force, annual premiums $7,000.

S. C. FRANK, BUFFALO, DEAD

Stanislaus C. Frank, a Buffalo insurance agent, who died a few days ago, for thirty years served as an interpreter of the Superior Court.

CONTINENTAL
(FIRE)
INSURANCE COMPANY

DISTRIBUTION OF EACH DOLLAR OF PREMIUM INCOME FOR THE YEAR 1916.

Paid in Loss Claims	52.891 cents
Paid to Agents, Special Agents, Taxes and Underwriting Boards	29.132 cents
Total Returned to State from which Premiums Were Collected	82.023 cents
Home Office Expenses and Unearned Premium Reserve	13.387 cents
Total Losses and Expenses	95.410 cents
Underwriting Profit	4.590 cents

HENRY EVANS, PRESIDENT

HOME OFFICE
80 Maiden Lane
New York City

MANAGING BRANCH OFFICES
Chicago, Montreal
San Francisco

BROKERS ACTIVITIES

No Commission on Boat Building Risks

PACIFIC COAST SITUATION TAKEN UP BY LOCAL AGENTS

Copy of Builders' Risk Form—Rates Not Public Yet—La Boyneaux Chairman

Pacific Coast insurance agents have raised the question of overhead writing in reference to insurance on vessels being constructed on the Coast to be placed by the Federal Shipping Board's Building Insurance Committee, of which W. H. La Boyneaux, of Johnson & Higgins, is chairman, and has appealed to the State Insurance Commissioner and to the National Association of Insurance Agents. The latter body has asked its State association members for a report.

The Situation

The Eastern Underwriter is informed in underwriting circles that the situation is as follows:

The Federal Shipping Board's Building Insurance Committee has asked the companies for net rates on this insurance, meaning a rate without commission, and the committee is taking the position that it is immaterial who writes the insurance so long as commissions on the business are not paid. The committee thinks this should be done for the Government in the present crisis.

No rates are available for publication yet, but the builders' risk form is printed elsewhere in this article.

Exchange of Wires

Insurance Commissioner Harvey Wells of Oregon took the matter up with Chairman La Boyteaux and telegraphed him as follows:

> Oregon representatives in Congress advise us you are chairman of insurance committee for Emergency Fleet Corporation, and that you have arranged to secure a lower rate for contractors than can be obtained in Oregon. Will this rate be available to all authorized companies here, and will insurance be placed through their resident agents in this State? Before circularizing the companies for information, I desire advices from you.

In response to a telegram from the National Association asking for information as to Chairman La Boyteaux's reply, Insurance Commissioner Wells telegraphs as follows:

> La Boyteaux states if Oregon agents can place insurance with admitted companies under satisfactory form at same rates securable by the Emergency Fleet then insurance will be placed here. He is mailing copy of form to be used for insurance of builders' risk but while unable to quote rates, he assured me if Oregon agents cannot quote same rate the State will not be deprived of the taxes on premiums written in in admitted companies. I hold if admitted companies can quote rate in New York on property in Oregon their agents in Oregon can use the same rate.

The Form

A copy of the form follows:

.....for account of themselves and/or any owner or owners of the vessel as interest may appear at the time of the happening of the loss. Loss, if any, payable in funds current in the United States to ..... or order do make insurance and cause to be insured to the amount of .... Dollars for the period of time commencing ..... at noon, New York (which is warranted by the assured to be the date of laying of the keel) and ending ..... at noon, New York, or until delivery at ..... if delivered at an earlier date. In the event of such delivery not effected by ..... this policy may be extended at ..... monthly additional premium provided notice of the extension be given to this Company prior to ..... In no case shall this insurance extend beyond delivery of the vessel.

In the event of cancellation to return .... per cent. net for each uncommenced month cancelled, but such return shall not exceed in all .....

On Hull, Tackle, Apparel, Ordnance, Munitions, Artillery, Engines, Boilers, Machinery, Appurtenances, etc. (including plans, patterns moulds, etc.) Boats and other Furniture and Fixtures and all material belonging and destined for ..... building at..... as per clauses hereinbelow specified.

In the event of loss the underwriters shall not be liable for a greater proportion thereof than the amount of this insurance bears to the completed contract price.

This Company to be paid in consideration of this insurance ..... Dollars being at the rate of ..... per cent.

Touching the adventures and perils which we, the said assurers, are contented to bear and take upon us, they are of the Seas, Men-of-War, Fire, Enemies, Pirates, Rovers, Thieves, Jettisons, Letters of Mart and Countermart, Surprisals, Takings at Sea, Arrests, Restraints and Detainments of all Kings, Princes and People, of what nation, condition or quality soever, Barratry of the Master and Mariners, and all other perils, losses, and misfortunes that have or shall come to the hurt, detriment or damage of the said ship, &c., or any part thereof. And in case of any loss or misfortune it shall be lawful for the assured, their factors, servants and assigns, to sue, labor and travel for, in, and about the defence, safeguard and recovery of the said ship, &c., or any part thereof, without prejudice to this insurance; to the charges whereof the said insurance company will contribute according to the Rate and Quantity of the sum herein Assured. And it is expressly declared and agreed that no acts of the insurer or insured in recovering, savings or preserving the property insured shall be considered as a waiver or acceptance of abandonment. With leave to sail with or without pilots, to tow and be towed, and to assist vessels and/or craft in all situations and to any extent, and to go on trial trips. With liberty to discharge, exchange and take on board goods, specie, passengers, and stores, wherever the Vessels may call at or proceed to, and with liberty to carry goods, live cattle, &c., on deck or otherwise, but warranted free of any claim in respect of deck cargo. Including all risks of docking, undocking, changing docks, or moving in harbour and going on or off grid-iron slipways, graving docks and/or pontoon or dry docks as often as may be done during the currency of this Policy.

Clauses for Builders' Risks

This Insurance is also to cover all risks, including fire, while under construction and/or fitting out, including materials in Buildings, Workshops, yards and docks of the assured, or on quays, pontoons, craft, &c., and all risk while in transit to and from the works and/or the vessel wherever she may be lying, also all risks of loss or damage through collapse of supports or ways from any cause whatever, and all risks of launching and breakage of the ways.

This insurance is also to cover all risks of trial trips, loaded or otherwise as often as required, and all risks whilst proceeding to and returning from the trial course.

With leave to proceed to and from any wet or dry docks, harbours, ways, cradles, and pontoons during the currency of this policy.

With leave to fire guns and torpedoes but no claim to attach hereto for loss of or damage to same or to ship or machinery unless the accident results in the total loss of the vessel.

In case of failure of launch, underwriters to bear all subsequent expenses incurred in completing launch.

Average payable irrespective of percentage, and without deduction of one-third, whether the Average be particular or general.

General Average and Salvage charges as per foreign custom, payable as per foreign statement, and/or per York-Antwerp rules, if required; and in the event of Salvage, towage, or other assistance being rendered to the Vessel hereby insured by any Vessel belonging in part or in whole to the same owners, it is hereby agreed that the value of such services (without regard to the common ownership of the Vessels) shall be ascertained by Arbitration in the manner hereinafter provided for under "Collision Clause," and the amount so awarded, so far as applicable to the interest hereby insured, shall constitute a charge under this policy.

In the event of deviation to be held covered at an additional premium to be hereafter arranged.

To cover while building all damage to hull, machinery, apparel, or furniture, caused by settling of the stocks, or failure or breakage of shores, blocking or staging, or of hoisting or other gear either before or after launching and while fitting out.

It is agreed that any changes of interest in the steamer hereby insured shall not affect the validity of this policy.

And it is expressly declared and agreed that no acts of the Insurer or Insured, in recovering, saving, or preserving the property insured shall be considered as a waiver or acceptance of abandonment.

This Insurance also specially to cover loss of or damage to the hull or machinery, through negligence of Master, Mariners, Engineers or pilots, or through explosions, bursting of boilers, breakage of shafts, or through any latent defect in the Machinery, or Hull, or from explosions or other causes, arising either on shore or otherwise, causing loss of or injury to the property hereby insured, provided such loss or damage has not resulted from want of due diligence by the Owners of the Ship or any of them, or by the Manager, and to cover all risks incidental to steam navigation, or in graving docks.

Collision Clause

And it is further agreed that if the Ship hereby insured shall come into collision with any other Ship or Vessel, and the assured shall in consequence thereof become liable to pay, and shall pay by way of damages to any other person or persons any sum or sums not exceeding in respect of any one such collision the value of the Ship hereby Insured, we the assurers, will pay the assured such proportion of such sum or sums so paid as our subscriptions thereto bear to the completed contract price of the Ship hereby Insured. And in cases where the liability of the Ship has been contested, with the consent, in writing of a majority of the underwriters on the hull and/or machinery (in amount), we will also pay a like proportion of the costs thereby incurred or paid; but when both Vessels, are to blame, then, unless the liability of the owners of one or both of such Vessels becomes limited by law, claims under the Collision Clause shall be settled on the principle of Cross Liabilities, as if the owners of each Vessel had been compelled to pay to the owners of the other of such Vessels such one-half or other proportion of the latter's damages as may have been properly allowed in ascertaining the balance or sum payable by or to the assured in consequence of such collision.

And it is further agreed that the principles involved in this clause shall apply to the case where both Vessels are the property, in part or in whole, of the same owners, all questions of responsibility and amount of liability as between the two Ships being left to the decision of a single Arbitrator, if the parties can agree upon a single Arbitrator, or failing such agreement, to the decision of Arbitrators, one to be appointed by the managing owners of both Vessels, and one to be appointed by the majority in amount of Underwriters interested in each Vessel; the two Arbitrators chosen to choose a third Arbitrator before entering upon the reference,. The terms of the Arbitration Act of 1889 to apply to such reference, and the decision of such single, or of any two of such three Arbitrators, appointed as above, to be final and binding.

This clause shall also extend to any sum which the Assured may become liable to pay, or shall pay for removal of obstructions under statutory powers, or for injury to harbours, wharves, piers, stages, and similar structures.

Protection and Indemnity Clause

It is further agreed that if the Assured shall by reason of his interest in the insured ship become liable to pay and shall pay any sum or sums in respect of any responsibility, claim, demand, damages, and/or expenses arising from or occasioned by any of the

(Continued on page 16.)

"The Leading FIRE INSURANCE Company of America"



WM. B. CLARK, President

Explosion and Sprinkler Leakage Insurance

THE HANOVER
FIRE INSURANCE COMPANY
Incorporated 1852

The real strength of an insurance company is in the conservatism of its management, and the management of THE HANOVER is an absolute assurance of the security of its policy.

R. EMORY WARFIELD, President
FRED. A. HUBBARD, Vice-President
E. S. JARVIS, Secretary
WILLIAM MORRISON, Asst. Sec'y

HOME OFFICE
Hanover Bldg., 34 Pine St.
NEW YORK

HOWIE & CAIN, General Agents
Metropolitan District
100 WILLIAM STREET, NEW YORK

"STRONG AS THE STRONGEST"
The Northern Assurance Co.
(LTD., OF LONDON)
Organized 1836
Entered United States 1876
Losses Paid - - - $105,000,000
Losses Paid in U. S. - $38,000,000
Eastern and Southern Departments
55 JOHN STREET
NEW YORK CITY

WESTERN ASSURANCE CO.
OF TORONTO, CANADA
(Fire, Tornado, Ocean Marine and Inland Marine Insurance)
UNITED STATES BRANCH
January 1, 1917

Assets	$3,329,177.74
Surplus in United States	1,478,531.90
Total Losses Paid in United States From 1874 to 1916, Inclusive	41,657,814.31

W. R. BROCK, President
W. B. MEIKLE. Vice-Pres. & Gen. Man.

JAMES H. EPWORTH
NEW JERSEY FIRE INSURANCE SPECIALIST
NEWARK AND SUBURBAN NEW JERSEY TERRITORY
40 CLINTON STREET, NEWARK, Phone Market 6536 | SERVICE FIRST | 80 MAIDEN LANE, NEW YORK, Phone John 4560

WALTER F. ERRICKSON
38-40 Clinton St., Newark, N. J. 95 William St., New York
Representing
THE GERMANIA FIRE INS. CO.
For Automobiles
Special facilities for out-of-town business.

WILLIAM C. SCHEIDE & CO., Inc.
HARTFORD, CONN.
Re-Insurance in All Branches

following matters of things during the currency of this policy, that is to say:—

Loss of or damage to any other ship or boat or goods, merchandise, freight, or other things or interests, whatsoever on board such other ship or boat caused proximately or otherwise by the ship insured in so far as the same is not covered by the running down clause set out above.

Loss of or damage to any goods, merchandise, freight or other things or interests, whatsoever other than as aforesaid whether on board the said Steamship or not, which may arise from any other cause whatever.

Loss of or damage to any harbour, dock (graving or otherwise), slipway, way, gridiron, pontoon, pier, quay, jetty, stage, buoy, telegraph cable, or other fixed or movable thing whatsoever, or to any goods or property in or on the same, howsoever caused.

Any attempted or actual raising, removal or destruction of the wreck of the insured ship or the cargo thereof, or any neglect or failure to raise, remove, or destroy the same.

Any sum or sums for which the Assured may become liable or incur from causes not hereinbefore specified, but which are or have heretofore been absolutely or conditionally recoverable from or undertaken by the Liverpool and London Steamship Protection Association, Limited, and/or North of England Protecting and Indemnity Association, but excluding loss of life and personal injury.

These assurers will pay the Assured such proportion of such sum or sums so paid, or, which may be required to indemnify the Assured for such loss, as their respective subscriptions bear to the completed contract price of the ship hereby insured, and where the liability of the Assured has been contested with the consent in writing of a majority (in amount) of the Underwriters on the ship hereby insured, these assurers will also pay a like proportion of the costs which the Assured shall thereby incur or be compelled to pay.

Notwithstanding the foregoing, this Policy is:—

(A) Warranted free from any claim arising directly or indirectly under Workmens' Compensation or Employers Liability Acts and any other Statutory or Common Law liability in respect of accidents to any person or persons whomsoever.

(B) Warranted free of capture, seizure, arrest, restraint, or detainment, and the consequences thereof or of any attempt thereat (piracy excepted), and also from all consequences of hostilities or warlike operations whether before or after declaration of war.

(C) Warranted free of loss or damage caused by strikers, locked-out workmen or persons taking part in labour disturbances or riots or civil commotions.

(D) Warranted free of loss or damage caused by earthquake.

(E) Warranted free of any consequential damages or claims for loss through delay however caused.

(F) Warranted free from claim for loss or damage to engines, boilers and all other materials while in transport, except in the port at which the vessel is being built.

This policy shall not be vitiated by any unintentional error in description of interest or voyage, provided the same shall be communicated to Assurers as soon as known to the assured, and an additional premium paid if required.

The words "Owner" and "Assured" as used in this policy shall be interpreted to mean either "Builder" or "Owners" or both.

The terms and conditions of this form are to be regarded as substituted for those of the policy to which it is attached, the latter being hereby waived.

* * *

Fleischmann & Sulzbacher Move

Fleischmann & Sulzbacher this week moved their offices from 95 to 105 William street.

* * *

Cornell With Ten Broeck

Charles L. Cornell, who has been with the Re-insurance Bureau for some time and was previously in the agency department of Hall & Henshaw, will start on Monday with T. H. Ten Broeck & Co., as solicitor.

Francis Littleton Lenehan, the only son of J. H. Lenehan, United States manager of the Nord-Deutsche Insurance Company, is a member of the famous Seventh Regiment of the New York National Guard, now a part of the United States Army, and will leave with his regiment for the Spartanburg, S. C., encampment in the near future.

A booklet of 16 pages has been issued by the S. H. Pomeroy Company, Inc., New York City, being a reprint of a paper on the subject of "Fire Retardant Windows," read by S. H. Pomeroy at the June meeting of the New York chapter of the National Fire Prevention Association. The particular interest which attaches to this article lies in the fact that it is the first complete and comprehensive analysis of fire window efficiency ever presented in concrete form.

DENIES EXEMPTION PLEA

Insurance Clerk Thought He Should Be Excused Because War Contracts Were Insured

Before one of the exemption boards of New York City a young man asked to be excused from service because he was employed by a fire insurance company, which work he said was of such importance that he thought he should be exempt. It developed that the company which employed him was insuring war contracts.

The board ruled that work for a fire insurance company does not entitle men to exemption.

N. C. McLean, the leading local agent at East St. Louis, has been visiting Chicago to give the company managers a better understanding of the insurance situation there, following the recent race riot. Mr. McLean is secretary of the committee of 100, which is co-operating with the city government in improving conditions. This committee has raised $105,000 to pay the policemen and firemen, under an arrangement by which both departments are taken out of politics. The fire protection is being materially improved, and the unruly element, which was responsible for the troubles, is under strict surveillance. He says that the companies will be protected by the riot clause in their policies, there being only two policies involved without this clause, and that no serious trouble need be feared from litigation, property owners having filed their claims against the city. Several of the policies involved have already been surrendered to the companies in exchange for the unearned premium.

HAS YORKSHIRE FOR AUTOS

E. F. Flindell Organizes New Department of Agency—Howard S. Coeyman Made Manager

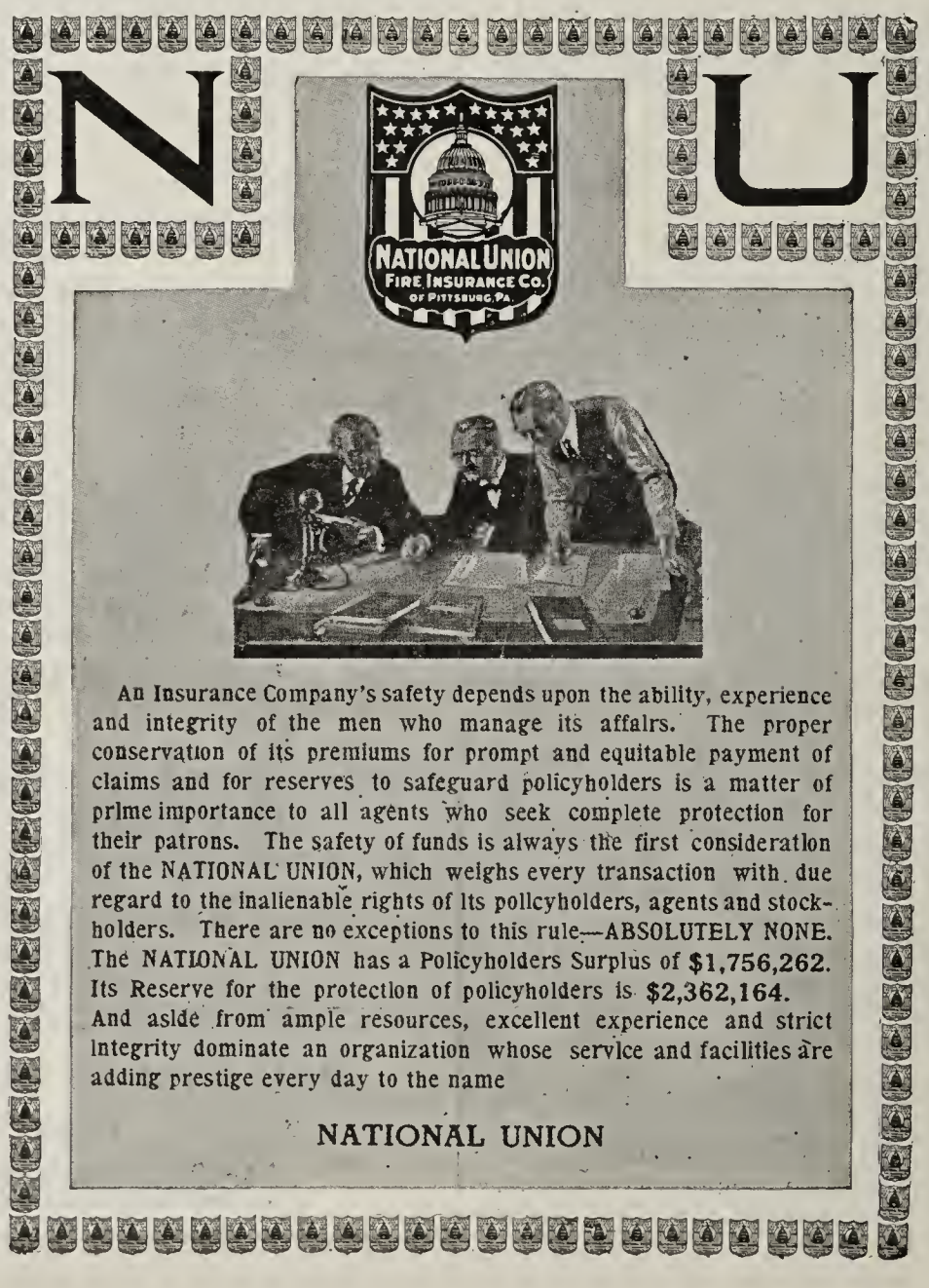
The Yorkshire Insurance Co., Ltd., this week announced the appointment of E. F. Flindell as agent of the automobile department of the company as well as for its other lines throughout the United States and Canada in which capacity Mr. Flindell has represented the Yorkshire for something over a year. In conjunction with this Mr. Flindell announces the appointment of Howard S. Coeyman as manager of the newly organized automobile department of his agency.

Mr. Coeyman resigned this week as special agent in New York for the First National Fire and will assume his duties with Mr. Flindell on or before September 15. Mr. Coeyman has been with the First National for the past three years, during part of which time his headquarters were in Boston. Prior to 1914 he had been with the Reinsurance Bureau for several years and received his first insurance training in the United States head office of the London & Lancashire Fire in Hartford. Previously he had been with the Travelers Insurance Co., which he joined in 1907.

JOHN E. SMITH RESIGNS

John E. Smith, secretary and managing underwriter of the First National Fire, of Washington, D. C., has resigned. He has not as yet announced any plans for the future.

John McKee, chief accountant of the First National, was in New York this week. That the company is seeking re-insurance, announcement of which is expected within the next few days, is given to The Eastern Underwriter on reliable authority as a fact.



An Insurance Company's safety depends upon the ability, experience and integrity of the men who manage its affairs. The proper conservation of its premiums for prompt and equitable payment of claims and for reserves to safeguard policyholders is a matter of prime importance to all agents who seek complete protection for their patrons. The safety of funds is always the first consideration of the NATIONAL UNION, which weighs every transaction with due regard to the inalienable rights of its policyholders, agents and stockholders. There are no exceptions to this rule—ABSOLUTELY NONE. The NATIONAL UNION has a Policyholders Surplus of **$1,756,262.** Its Reserve for the protection of policyholders is **$2,362,164.** And aside from ample resources, excellent experience and strict integrity dominate an organization whose service and facilities are adding prestige every day to the name

NATIONAL UNION

TO MEET IN HARTFORD

Eastern Union May Elect a Secretary at Session in Latter Part of September

The Eastern Union's next meeting will be held in Hartford on the third Thurday in September. It may be that a secretary to succeed Mr. Richards, now assistant manager of the National Board of Fire Underwriters, will be named, but so far as The Eastern Underwriter can learn the members of the committee are not agreed. Since Mr. Richards left, the office has been in charge of Miss G. P. Lank, who has been with the Eastern Union for six years, and who has attended all the meetings.

GRAIN STORAGE

National Board's New Volume on Subject Carries Hoover Message on Cover

The success of "Safeguarding Industry—A War Time Necessity," published by the National Board of Fire Underwriters in its conservation work, has been so marked that 66,000 copies have been placed in the hands of the larger manufacturers. The next little volume to go to the manufacturers will be "Safeguarding Grain in Storage Against Fire." Herbert Hoover has authorized the use of the following paragraph over his signature for the cover of the pamphlet:

"It is imperative that grain in storage shall not be destroyed. I wish to urge upon all shippers and handlers of grain the necessity for ceaseless vigilance against fire."

Two of the National Board's men are still detailed at Washington as advisory engineers on fire protection and water supply in the office of Colonel Littell, Quartermaster Corps, in charge of cantonment construction.

The National Board has detailed one of its engineers to each of the sixteen National Army cantonments to co-operate with the constructing quartermaster in fire prevention matters. In practically all instances the service rendered by these men is highly appreciated and utilized to the fullest extent. Their work has covered a wide range, including the organization of fire departments, with an experienced and well-qualified chief in charge of each; procuring temporary fire protection equipment for use during the early period of construction; planning for the prompt detection of and quick response to fires; testing engines and other permanent equipment and suitably locating it on arrival at the camps; arranging for the prompt removal of waste lumber and other combustible refuse, and safeguarding as far as possible the various hazards incidental to construction of this nature.

The gathering of information on manufacturing plants which are making or could make munitions of war or any articles in which the government might be interested is progressing. The organizations affiliated with the National Board are still collecting data which is being prepared in card form, and to date there has been furnished to the industrial inventory section of the Council of National Defense approximately 9,000 such cards.

CAMDEN CHANGE

The National Surety Company has located in Camden a branch office for the State of New Jersey, south of Trenton, and has appointed as manager Cecil B. Myer, who has a practical office and field experience in bonding lines of nine years. During the past five years he was special agent for the American Surety Company in Philadelphia and contiguous territory.

CASUALTY AND SURETY NEWS

Much Opposition to Low Commission

CONVENTION OF COMMISSIONERS IN ST. PAUL

Producers Argue Against Cut—Commissioner Turner, of Indiana, Agrees With Them

(Special to The Eastern Underwriter.)

St. Paul, Aug. 30.—The session of the National Convention of Insurance Commissioners yesterday was largely devoted to compensation matters and acquisition cost.

Earlier in the week there had been a hearing on acquisition cost at which producers gave their views.

By far the most enthusiastically received paper at the Wednesday session was that of George E. Turner, deputy of Indiana, on "Acquisition Cost of Compensation Insurance," who proved a valuable supporter of the producers' cause.

Against State Regulation

Mr. Turner reached the conclusion that "no public interest can be promoted by State control or regulation of acquisition cost of compensation insurance. The assumption of such control is not a proper function of the State, either through legislative enactment or departmental ruling. For the States or any of them to assume regulatory control of the acquisition cost either by enactment or ruling can at this time mean in practice only a revision downward. For if commissions are now none too high there can be no demand for the State to intervene. If they are too low, competitive processes will bring the necessary rise without any intervention by the State. To promote the public interest control must either reduce the cost of compensation insurance to the employer, furnish a more certain and secure protection to the employer, increase the quantity and quality of service by the insurer to the insured at the same cost, or provide the employes safer and more satisfactory returns under the system. By decree of the courts and public opinion the State must not guess at results to be obtained by riding into the field of private contract upon the back of public interest.

"The States' intervention must be direct, certain and honest. Who of you will dare say that if Jones pays a rate of 117½ and the agent's commission is reduced 7½ per cent. Jones' rate will necessarily be 110? But when the State exchanges its extractor for a probe and uses its arbitrary corrective power to exploration of probabilities, the courts of this land will promptly set up the sign, 'This is no laboratory.'

"Three factors are involved in the procedure: the agent on the one end of the teeter board, the company on the other and the insured in the middle," continued Mr. Turner. "Is it honest to shove the agent under the water and force the company up for air while the assured has only shifted the weight from his right foot to his left? I make bold to assert that the present system of administering compensation can never be successfully carried out without the personal services of a man on the ground who understands the details of administration and who has the confidence of both insured and insurer and who will honestly serve as an intermediary between the employer and the employe, the carrier and the compensation administration board. That function is now performed by the agent and whether that person be compensated by making him also the producer of business and paying him a commission thereon, or whether he be paid a salary or what not, the service cannot be dispensed with."

Prolonged applause followed Mr. Turner's address.

Referred to Committee

Commissioner Hardison moved the reference of the subject to the workmen's compensation committee, which was carried. There was no discussion.

Frank T. Houghton, deputy commissioner of Washington, followed with his paper on "Fraternal Orders and the Mobile Act."

Wednesday afternoon the delegates and guests of the convention were entertained by the St. Paul underwriters with an automobile ride to the White Bear Yacht Club, where dinner was served and golf and dancing enjoyed. With the addition of late arrivals this convention has thirty-nine States represented, the largest number on record, the list following: Alabama, Arizona, Arkansas, Colorado, Connecticut, District of Columbia, Florida, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Nebraska, New Hampshire, New Jersey, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Vermont, Virginia, Washington, West Virginia, Wisconsin and Wyoming.

At previous meetings discussion from the floor has been negligible. This year the program was arranged to encourage liberal discussion of each address, but evidently the members have not become accustomed to the new order, as so far discussion has been practically nil. The program has had to do almost entirely with life and casualty subjects, but fire insurance will receive some attention at Thursday's session, when hail insurance in North Dakota, inter-insurance and the general fire situation will come up. The Minneapolis Underwriters will entertain Thursday afternoon and Friday will be devoted to routine matters and election of officers. Commissioner English of Iowa is regarded as logical successor to the presidency.

New Amsterdam Casualty Company

A Progressive

SURETY AND CASUALTY

Company

Rowe Argues Against Acquisition Cost Cut

AGENTS ARE EXPERTS AND EARN THEIR WAGE

Says Reduction May Cost Much in Safety and Permanency of the Carrier

J. Scofield Rowe, vice-president of the Aetna Life, has written a letter to Frank H. Hardison, Commissioner of Massachusetts, and chairman of the acquisition cost committee of the commissioners, saying that the Aetna does not know of a single sufficient or valid reason for advocating or conceding any reduction in the present acquisition cost of 17½ per cent. on compensation business. The Aetna does not believe this cost can be reduced except at the expense of the safety and permanency of the carrier. Some points made by Mr. Rowe follow:

"We maintain that the stock company 'agency system' is worth all it costs to the insuring public and is absolutely indispensable to the solvency of the business through its value in selection, distribution and supervision, and in serving as the main lines of transmission through which alone the superior administrative service demanded by an intelligent and discriminating public can be furnished.

No Substitute for Agency System

"No substitute for the 'agency system' has been successful in securing a sufficiently wide distribution of risks to insure continued solvency and to secure to the companies the essential benefits of the law of average.

"The underwriting and supervisory service of an agency organization (which is largely absent in all forms of mutual insurance) consists of the proper classification and correct rating of the risk; of bringing an assured to the point of understanding of the whole question of insurance; his relation to it; the relation of the employe and the relation of the carrier to it. This educational service can be performed only by personal contact through qualified agents who by education, by training and by experience are qualified to correctly interpret contracts and to explain the intricacies of insurance.

"Comparatively few employers have a comprehensive knowledge or understanding of their obligations under compensation and liability laws, and very few employers will seek information or advice concerning their direct or contingent liability arising out of accidental injuries to employes. * * *

Skilled Men Give Social Value

"Skilled agents in competition with each other for business will exert a powerful influence for accident prevention, and their continued activity will be of the greatest social value.

"To deny the companies the right to pay a fair remuneration for salesmanship services and the coincident administrative service demanded of every agent in connection with workmen's compensation business would in our opinion very seriously impair the efficiency and high standard of the stock companies' agency organizations.

"With the business of insuring workmen's compensation being conducted upon a thoroughly efficient and high moral plane private stock company service strongly attracts the intelligent, well-informed, capable, honest and public-spirited agents, who are well worthy of their hire and whose service has a value not to be measured by the yard stick of competitive price.

"If the trouble is taken to investigate and compare the selling cost of workmen's compensation insurance with the selling cost of other lines of insurance, or the selling cost of articles in daily use in this country it will be found exceedingly low, sufficiently low, in fact, to eliminate all necessity or excuse for the campaign that is now being waged against that particular element of cost in the administration of the insuring business."

HARDISON ON COMPENSATION

Massachusetts Commissioner Thinks Many Years Will Elapse Before Business Becomes Stable

In his talk before the insurance commissioners this week, Commissioner Hardison, of Massachusetts, said stock companies in Massachusetts had tried to reduce rates; mutuals elevate them because in higher rates are larger dividends. In 1912 the percentage of total earned premiums in workmen's compensation business in Massachusetts was: stock companies, 70.24; mutual companies, 29.26. In 1916, stock, 61.28; mutual, 38.72.

Mr. Hardison sees a constantly increasing burden of expense in writing compensation insurance for some time yet. "There is nothing yet settled except the tolerance of the public in respect to the purpose of the system," he said. 'It will be many years before the business will settle into a fairly stable condition."

General Accident

FIRE AND LIFE

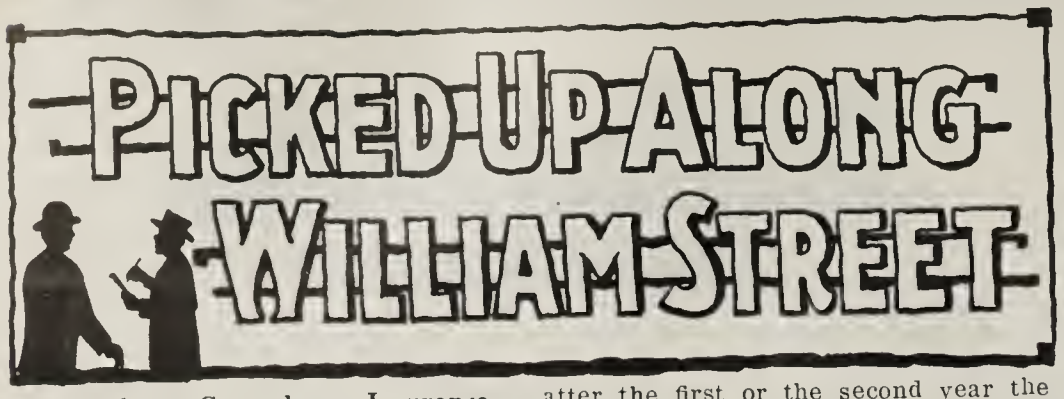
ASSURANCE CORPORATION, Ltd.

SERVICE THAT EXCELS

FREDERICK RICHARDSON, United States Manager.

GENERAL BUILDING · 4TH & WALNUT STS.

PHILADELPHIA



Gerard on Compulsory Insurance

James W. Gerard, former Ambassador to Germany, who is writing his four years' experience in that country, for the Philadelphia "Public Ledger," last week discussed the question of compulsory insurance, and his version of how it "benefits" the German working men is not at all similar to the social workers' view, so much has been printed and discussed. He found the German working man anything but happy, and not at all enthusiastic about the German insurance acts.

* * *

Commissioner Young on Publicity

"Don't have secrets from the public," is the advice to health and accident companies given this week by Commissioner Young, of North Carolina, in a paper read before the National Convention of Insurance Commissioners. In discussing losses of industrial accident and health companies he said:

"Who will doubt the great advantage to this class of industrial companies and their business of the publicity forced upon them a few years ago by a committee of this convention in investigating their adjustments? It resulted in the return of practically $75,000 to policyholders on closed claims; but in the opinion of many this does not equal the value of the improved conditions brought about. It is publicity that has driven out of the market in most States companies with no character or idea of fairness as well as the so-called limited policies, under which it is said a claim might be paid if the assured was in an iron safe at the time of the accident, or, as one of our recent members has said, 'if the accident had occurred on the 30th day of February.' There is no doubt that many undesirable and unfair conditions heretofore found in the average health and accident policy have been eliminated—largely as the result of publicity."

* * *

Luckett's "Times" Interview

The New York "Times" on Saturday carried a story under the heading "Drafted Men Lose Accident Insurance." One of the casualty men interviewed, D. G. Luckett, secretary of the United States Casualty Company, correctly voiced the sentiments of the Street when he said:

"Of course, under the law we can retire any policy at will. However, there was a highly proper moral reason for our action; we owed a greater duty to the great majority of those who have policies in our Company than to the minority of drafted men. There is in all health and accident insurance different rates based upon different occupations. If an insured man changes his occupation, his policy is retired, to be replaced by another at a new rate for his new calling. We have no class for soldiers, therefore the health and accident policies of drafted men are retired automatically when they become soldiers. Because of lack of experience upon which to base rates we decided, in view of our duty to the majority of our policyholders, not to make a rate for this business.

"It should be borne in mind by the public that there is a vast difference sentimentally between life insurance and health and accident insurance. In the former a man insures for life, and after the first or the second year the policy is not contestable, no matter what the occupation or condition of the insured. Each year gives him an added interest in his policy. In accident and health insurance, the policy is a year to year contract, and the Company may refuse at any time to continue the policy. That is a basic condition of the business."

* * *

New Actuaries

S. Bruce Black has been appointed actuary of the American Mutual Liability Co. He was formerly statistician. James D. Maddrill has been appointed actuary of the United States Bureau of Efficiency. Mrs. Dorothy M. Dolph, deputy insurance commissioner, has been appointed actuary of the Colorado Insurance Department. The Eastern Underwriter is indebted to the Casualty Actuarial and Statistical Society of America for news of these appointments.

* * *

Cantonment Compensation

The Federal Government is trying to secure lower rates on the compensation insurance required by the contractors for the various army cantonments throughout the country. The companies quoted the regular rates, but the Government now protests that these are too high in comparison with the rates secured on fire and surety insurance. It asks that on the completion of the work the companies make an accounting of their experience, in order that the rates can be adjusted so as to prevent any abnormal profits. Some of the companies are not finding these cantonment risks desirable and have cancelled those in South Carolina and Georgia.

* * *

Successful Agent Who Uses Circular Letters

Paul Everingham, of Chicago, who has become connected with the Aetna office there as a special agent, has some distinctive ideas regarding the selling of disability insurance. Mr. Everingham has built up a large business through the use of circular letters. In fact he has, through this method, become one of the large producers of this class of business in the United States.

He entered the accident and health field in 1914 and during the first year produced more than $10,000 in premiums. At present his premiums amount to $20,000 a year and, in addition, he writes about $350,000 of life insurance, besides other lines, including fire.

Mr. Everingham keeps a large list of persons in Chicago who receive incomes of more than $6,000 a year. He does not solicit any small business and gets from six to eight replies from each thousand letters mailed. While this looks like a small proportion of answers, he closes at least half of those who reply to his letters and says he obtains about $1,000 in premiums for each thousand letters sent out.

By calling on men of substantial means, Mr. Everingham saves much time. These are men of action and make up their minds quickly. Mr. Everingham speaks of disability insurance as "an annual income for life" and his premiums average $152 each.

Has Clear Vision

A. E. Forrest, vice-president of the North American Accident, who was re-elected president of the Health and Accident Conference at its annual meeting in Cedar Point, Ohio, is one of the strongest figures in the business, and has an unusually broad viewpoint about economic and insurance conditions and public men.

ACQUISITION COST HEARING

St. Paul, Aug. 29.—As a prelude to the convention the compensation acquisition cost committee gave a hearing on that subject, which lasted all day Monday. The results were highly discouraging to the producers and the companies, for while a fine array of argument was ably presented big men of long experience, both in the office and field, Chairman Hardison and Superintendent Phillips were apparently not greatly impressed by the work of the producer in this particular line. They held tentaciously to the idea that because compensation is compulsory the producer has little or no service to perform and the employer should pay but very little for the agent's part in helping him to comply with the law.

Commissioner Hardison introduced the revolutionary theory that the employer should not be compelled to pay for the various services now claimed to be rendered by the agent unless the employer specifically desires them. In other words, the service element should be divorced from the insurance and the premium reduced correspondingly.

The principal arguments on behalf of the insurance men were presented by Louis F. Butler, president of the Travelers, Hartford; Charles H. Holland, Royal Indemnity; John A. Morrison, Chicago; Fred L. Gray, Minneapolis; George D. Webb, Chicago; Wade Fetzer, Chicago; L. A. Wallace, New York; C. E. Warner, Buffalo; Clarence S. Pellet, Chicago; Thomas F. Daly, Denver; F. G. Farquhar, Boston; R Henry Depew, New York, and President Tiernan, of the New York State Association.

FAR EAST IN FAR WEST

One of the Fidelity & Deposits' Japanese policyholders on the coast wrote as follows in regard to a plate glass loss. Although the letter is rather amusing, an American would no doubt find trouble being as clear if conditions were reversed and it happened in Yokohama.

"Fidelity & Deposit Co. of Maryland.
"San Francisco, Cal.

"Gentlemen—We notice you with fully information of our broken plate glass, which caused on suddenly accident by the stranger's horse, who was afraid for something and unexpectedly back to the sidewalk with wagon.

"Wishing you will investigate and to replace new glass as soon as possible or write to W. P. Fuller Co., in this city, he will fix it up soon as they have noticed from you and charge to your company.

"Hoping to hear favorable answer, we are

"Very respectfully,
"Kambra Shoe Company,
"S. Ikenouye, Prop."

RUNNING FOR FREEHOLDER

Insurance Agent Frederick Fries, of Haddon Heights, N. J., will be opposed by a resident of Oaklyn for the office of Freeholder.

Agent John A. Fish., Jr., of the Manhattan branch of the New York Life, is now a lieutenant in the United States Army.

Brewster Branch Managers Appointed

W. M. PIETZ, C. L. LAUER AND A. C. McKNIGHT NAMED

Get Continental Casualty for All Lines in East—Vice-President Keasby Drafted

The Continental Casualty, of Chicago, this week announced the appointment of the J. N. S. Brewster & Co., Inc., as Eastern managers of the accident and health department of the company, effective immediately, and of the compensation and liability department effective September 1.

In this connection, J. N. S. Brewster & Co., Inc., announce the appointment of William M. Pietz, who for a long term of years was the home office accident and health manager of the General Accident as manager of the accident and health department of the agency.

The agency also announces the appointment of C. L. Lauer, formerly counterman of the Brooklyn office of the Travelers, as manager of the compensation and liability department.

A. C. McKnight, formerly with A. R. Corroon and for years connected with the Southern department of Wilcox, Peck & Hughes, both in New Orleans and Jacksonville, has been made manager of the marine and hull department of the agency.

R. Q. Keasby, vice-president of J. N. S. Brewster & Co., Inc., has been drafted for military service and leaves Monday for training camp.

The Brewster Agency now represents a number of companies for wide territory and every kind of coverage and is one of the livest in the Metropolitan section.

SHOULD PROCEED AGAINST EMPLOYER

Harrisburg, Aug. 29.—Compensation Commissioner James W. Leech, in an opinion handed down last week affirms the findings of Referee W. B. Scott, of Philadelphia, in the case of Blair vs. Globe Electric Plating Company, Philadelphia, in which the insurance carrier appealed from the award on the ground that the employer did not give it notice of the claim filed. Leech makes this ruling: "If the insurance carrier has any just grounds for complaint or relief it should proceed against the assured, the employer. It now appears that the claimant has entered into the military service of his country and it would be manifestly unjust under all the circumstances of this case to delay the matter any further."

BONDS IN PROVIDENCE

The recent increase in bonding rates in Providence, R. I., has resulted in the companies losing much of their premium income from this source. The laws of Rhode Island permit an individual bondsman in most every instance and the requirements are not exceptionally strict.

AETNA'S CLAIM SERVICE

The Aetna on Monday paid the claim of a man killed by a street car in New York City before the body had arrived at his home. J. J. Boyle was the assured and the amount of the claim was $2,000, the principal sum. The accident occurred in the morning and the claim was paid in the afternoon.

P. J. V. McKian, the Chicago newspaper man who has been appointed agency supervisor of the monthly payment department of the Chicago Bonding, is sure to make good if knowledge of his subject, personal popularity, ability to meet men and a long string of boosting friends in the business account for anything.

CASUALTY POINTS

Incidents That Should Not Happen

A Travelers agent recently called on a large manufacturer and wrote an accident policy, premium $50. Two days later another agent, associated in the same office, called on this manufacturer and obtained his application for a $50,000 life policy. Unfortunate for the first agent that he neglected to mention life insurance, wasn't it, to say nothing about liability insurance, workmen's compensation, steam boiler, burglary, group insurance and other profitable lines written by the Travelers? The moral is obvious.

* * *

One Way To Do It— And Another

There is no fixed formula for soliciting insurance. There is but one thing to do—Get it. Get it by honest representation—by the exercise of all the energy you possess. There are as many ways to secure insurance as there are men engaged in the business, and there are ways in force by which it can never be secured. The "Federal Record," published by the Federal Casualty Company, in its recent issue, points out how life insurance solicitors can never expect to succeed, and then pictures in words how success may be achieved.

"One way to solicit health, and accident insurance," says the "Record," "is to get up in the morning, eat a comfortable breakfast, potter around the house (making yourself a general nuisance to the family) until about nine or ten o'clock, then stroll down to your office, open the mail, but defer answering it; take a hunk out of the trusty plug, fill up the old pipe or light a hemp cheroot, then sink into the long suffering office chair, cock your feet up on your dirty, untidy desk and be prepared to prove against all comers (until hunger and fatigue drive you home in the middle of the day for a well-earned rest and siesta) that the draft law is unconstitutional, that Kerensky is destined to be a second Napoleon, that Germany is through, that Lloyd George isn't as smart as Wilson, that the Allies ought to have won the war long ago—and would have done so if they had only followed the plan you had in mind some two years back and outlined at the time to the senegambian who does the janitor work in the building where you have your leisure retreat, otherwise known as place of business—anything, in fact, to occupy your mind to the exclusion of your own business. Far more congenial you find it to pit your twenty-two-caliber mind against forty-five-caliber problems than to take the trouble of telling the fellow, wasting his time in arguing with you about subjects concerning which you both have only fragmentary and inaccurate knowledge, that you are really in the insurance business for a living, not a pastime, and that he needs 'an income protection policy without further delay, which can be obtained only by signing the "app" and making the initial payment then and there.' We suggest this office chair soliciting to those who absolutely refuse to leave the office except for something to eat, to get some sleep or find some one to talk to. The last is the curse of the ignorant, blatant, inefficient nonentity the world over, who loves to talk above all things, whether or not he has anything to say, and he is usually as barren of real ideas as an egg is of hair.

"Now, that is the wrong way to solicit health and accident insurance, and every one knows it, yet it is followed by far too many. The right way is simple, if hard work can be so described. The formula which has never failed when tried by an average intelligent and healthy man is this: Get up in the morning at a reasonable hour; take time to make yourself neat and presentable, but waste no minute; eat your breakfast and get out of the house without hanging around to see if the wife can pull along without you; step lively and get to your office; open and answer your mail; get out in the field and stay there, canvassing intelligently and systematically until you have made an eight-hour day of it, then home and comfort, with money in your pocket and the consciousness of work well done. Of course, there are details which can be handled to advantage, as, for instance, keeping a list of prospects, watching the papers for weddings, accidents, etc., but these schemes are merely incidental to success, the essential requirement being steady hours, systematic planning and hard work.

"If any reader can give us a better formula for success than we have given, we would like to have it. If he can't, suppose he gives our prescription a trial."

* * *

Overcome By Pessimism

Not having heard from one of its hitherto active producers in Indiana, the Federal Casualty Company wrote to ascertain the cause, and the mournful reply received actuated the company's publication, the "Federal Record," to suggest that it would have been better had he written his note on black bordered paper. The agent pictured conditions in such distressing language, dwelling on the high cost of living, the unrest caused by the draft, the uncertainty of what this country is coming to, and intimating that within a few months all able-bodied men would be in military or naval service, it was impossible to interest anyone in insurance, and it was only a question of time when health and accident companies must go out of business. The wage-earners were dropping their lodge insurance, which was the "alpha" and the "omega" so far as he was concerned, since he has always attempted to explain his failure to write any appreciable business of late on the ground that he couldn't compete with the Eagles, the Moose, etc.

"Now, this is pure drivel," says the "Record," "as every agent who reads will know, but nevertheless, it is undoubtedly so firmly imbedded in this unfortunate's imagination as to appear to him an indisputable actuality against which it is hopeless to contend. Handicapped? Of course he is, but we doubt if he should be blamed. He has allowed himself to get into a state of mind that will certainly prove his undoing unless he throws every ounce of his will power into the balance to counteract the destructive psychological complaint from which he is suffering. As an antidote we would suggest to our friend and any others who are similarly affected, that they quit associating with loafers and ne'er-do-wells. It is always hard times to them, and at us hope that it ever will be. Successful people, those who work energetically and intelligently, whether it be in the golden halls of finance or the lowly camps of toil, do not talk that way, because they do not think that way. They know that at the very worst it is unlikely more than one adult male out of twenty will be placed under arms; that industrial laborers were never so well paid as now; that the demand for labor exceeds the supply; that there are hundreds of thousands of uninsured but insurable men in this country, actively and profitably employed, with money in their pockets, and they will continue to be with us in vast numbers, draft or no draft, war or no war. Remember this, then take a grip on yourself and go get business. Don't let any calamity howler stop you. Cheer up and make it a point to go right along with your own 'business as usual'—or better, if you haven't been doing as well as you might."

W. E. SMALL, President PETER EPES, Agency Mgr. E. P. AMERINE, Secretary

GEORGIA CASUALTY COMPANY

HOME OFFICE: MACON, GEORGIA

"DIXIE AUTO POLICY"

THE LAST WORD IN MOTOR INSURANCE

Surplus and Reserves to Policyholders.....$1,526,022.81

The METROPOLITAN CASUALTY

INSURANCE CO. OF NEW YORK

HOME OFFICE, 47 CEDAR STREET

CHARTERED 1874

Plate Glass, Burglary, Accident and Health Insurance

EUGENE H. WINSLOW, President

Russell R. Cornell, Vice-Pres. S. Wm. Burton, Sec. Alonzo G. Brooks, Ass't Sec.

RELIABLE AND ENERGETIC AGENTS WANTED

THE SIGN OF GOOD CASUALTY INSURANCE

HEAD OFFICE CHICAGO

F. W. LAWSON
General Manager

Liability, Accident, Burglary, Boiler and Credit Insurance

Established 1869.

F. J. WALTERS
Resident Manager
55 JOHN STREET
New York

Elmer A. Lord & Co.
145 Milk St., Boston
Resident Managers
New England

London Guarantee & Accident Co., Ltd.

OF LONDON, ENGLAND

SURETY QUALIFYING POWERS

National Surety Still in Lead With $809,198, a Gain of $144,963—Other Companies' Gains

The report of the U. S. Treasury Department, based on the statements of the companies as of March 31 and revised to August 15, shows many of the companies to have gained in the amount accepted by the Government on any one bond. The following table shows the amounts, which are based on 10 per cent. of the capital, and the amount accepted by the Government from the same companies on September 1, 1916.

	1917.	1916.
Natl. Surety	$809,198	$664,235
Amer. Surety	642,595	655,917
Fid. & Dep.	508,880	492,442
U. S. F. & G.	457,300	335,964
Aetna Cas. & Sur.	452,946	418,880
Del. Sur. Co.	339,802	.....
Md. Cas.	283,336	298,415
Fid. & Cas.	280,516	398,299
Mass. B. & I.	189,017	196,520
Royal Ind.	156,418	160,766
Globe Ind.	128,826	124,737
New Amst.	125,098	140,817
Hartford Acc.	116,960	132,075
Lon. & Lan. Ind.	100,600	96,042
Preferred Acc.	100,000	.....
U. S. Guarantee	91,578	85,032
Internatl. Fid.	77,556	75,565
Southern Surety	75,930	75,929
Chicago B. & I.	73,058	26,038
Amer. Ind.	68,255	75,922
Republic Cas.	66,650	.....
Penna. Sur.	53,008	58,641
Amer. Bond.	50,000	37,718

MACAINSH WITH TRAVELERS

A. G. MacAinsh, formerly manager of the accident and health department of the New York office of the Fidelity & Deposit, has been made a special agent of the Travelers attached to the home office.

AETNA COMPANIES IN CANADA

Will Write All Fire and Casualty Lines Through Central Branch Office Under Canadian Manager

The Aetna Casualty & Surety and the Automobile Insurance Company of Hartford have applied for licenses in Canada to write all fire and casualty lines of business. The companies, which were organized by and are affiliated with the Aetna Life, will open a central branch office to be located either in Montreal or Toronto. This office will be in charge of a Canadian manager who will be selected as soon as the preliminaries relative to the companies' admission to the Dominion have been completed.

The Aetna Life has been writing life insurance in Canada for more than fifty years. It is represented in Montreal by T. H. Christman & Sons, who have been managers of the company since its entrance into the Dominion, and by Johnson & Orr in Toronto. These gentlemen will assist in the development of the casualty business of the Aetna companies in their respective territories.

Congress has appropriated $45,150,000 for the War Risk Insurance Bureau in 1918.

BIG WRITERS

READ

THE EASTERN UNDERWRITER

Each Week for New Ideas

DO YOU?

Subscription $3 a Year

The Columbian National Life
OF BOSTON

ARTHUR E. CHILDS, President

A CHANGE may be necessary to realize your ambition

Think a minute—then write

WM. H. MASTIN — FRANK D. LOMBAR

SUPERINTENDENTS OF AGENCIES

(West of the Mississippi). SYMES BUILDING DENVER, COLO.

(East of the Mississippi). 77 FRANKLIN STREET BOSTON, MASS.

DARL D. MAPES, Superintendent of Accident Agencies
77 FRANKLIN ST., BOSTON, MASS.

The service of a high grade Accident Department will also be offered so that you will not have to broker your Accident business to avoid violating your Life insurance contract.

Pan-American Life Insurance Company
NEW ORLEANS, U. S. A.

CRAWFORD H. ELLIS, President

Capital.....$1,000,000.00

OUR 1916 STATEMENT SHOWS

Insurance in force	(over)....	$42,400,000
Resources	(over)....	5,600,000
New Insurance paid for		10,000,000

The High Scores in the Life Insurance Profession are won by Trained Men. We will train you in the Profession and locate you in Productive Territory either North or South. Your Opportunity is Here.

Further information on request. Address:

E. G. SIMMONS, Vice-President and General Manager
Whitney Central Bank Building
NEW ORLEANS, U. S. A.

CO-OPERATION No. 6

EFFECTIVE PLANS of co-operation with real producers are responsible in a measure for these results:

Our licensed representatives paid for a larger volume of new premiums in half of 1917 than almost three times as many agents produced in the entire year of 1910.

Phoenix Mutual Life Insurance Company
of Hartford, Conn.

JOHN M. HOLCOMBE, President

In addition to the ordinary forms of life insurance

THE EQUITABLE
makes a specialty of the following:

Insurance to protect business firms and corporations, under a corporate form of policy.

Group Insurance, by which employers protect families of employes.

A flexible contract, known as the Convertible Policy, which can be converted by the Insured into an Ordinary Life, Limited Payment Life, or Endowment Policy.

A Bond issued without medical examination giving the investor an income for his declining years.

A new policy is offered under which the insurance is DOUBLED if death results from ACCIDENT. This policy also embodies the following advantages if the person whose life is insured becomes totally and permanently disabled:

1. Thereafter the Equitable will carry the insurance —The Insured will have nothing further to pay.
2. The Equitable will pay the Insured an annual income for life equal to one-tenth of the face of the policy.
3. Upon the death of the Insured the full amount of the insurance will be paid to the Beneficiary (or double the amount if death is due to accident) without deduction on account of the income paid to the Insured while living.

(See the policy for conditions and details.)

For Agency Openings Address

WILLIAM E. TAYLOR,
Superintendent of Agencies

THE EQUITABLE
LIFE ASSURANCE SOCIETY OF THE U. S.

120 BROADWAY, NEW YORK

San Francisco Losses Amounting to $4,522,905.00 paid PROMPTLY IN CASH WITHOUT DISCOUNT, from funds largely supplied by head office in Liverpool

U. S. Cash Assets, Dec. 31, 1916	$15,827,439.35
Surplus, - - - - -	5,460,745.59
Losses Paid by Chicago Fire, 1871	3,239,491.00
Losses Paid by Boston Fire, 1872	1,427,290.00
Losses Paid by Baltimore Fire, 1904	1,051,543.00

Liverpool AND London AND Globe Insurance Co. LIMITED

Over $152,000,000.00

Losses Paid in the United States

HENRY W. EATON, Manager
G. W. HOYT, Deputy Manager
HUGH R. LOUDON, Assoc. Deputy Mgr.
J. B. KREMER, Asst. Deputy Manager
T. A. WEED, Agency Superintendent

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THE EASTERN UNDERWRITER

[Succeeding the Journal of Insurance Economics, Established in 1899]

A WEEKLY NEWSPAPER COVERING ALL BRANCHES OF INSURANCE

Eighteenth Year; No. 36 | NEW YORK, FRIDAY, SEPTEMBER 7, 1917 | $3.00 a Year; 15c. per Copy

FIRE ZONE DATA FILED WITH A STATE

New Jersey Maps Will Show Which Blocks Are Protected and Which Are Not

WILL BE KEPT UP TO DATE

Innovation Under Rate Discrimination Act—Fifteen Small Towns Already Mapped

Atlee Brown, of the New Jersey Schedule Rating Office, has begun to file with the New Jersey Commissioner of Banking and Insurance, maps of the smaller cities in New Jersey showing protected and unprotected fire zones. This is an innovation with rating offices, as no records of protected (or unprotected) fire zones have ever before been filed under a State law.

The innovation in New Jersey was conceived by the Schedule Rating Office and did not originate with the State. The importance of these maps in a State having a rate discrimination law, such as that of New Jersey, can readily be seen. The value to companies is equally apparent. With a glance at the little map, sent out by the rating office for each town, the examiner can see at once that certain blocks have protection and others have not; he finds how close or how far the nearest water hydrant is, gets facts about fire stations, fire apparatus, water mains, etc.

Start With Fifteen Towns

The first series of maps cover fifteen towns, including Edgewater, Basking Ridge, Clayton, Kearny, Milltown, Margate City and Irvington.

On the back of the map appear facts about the population, water supply, fire department, police department, building laws, if any, and ordinances, if any, giving regulations for explosives and inflammables. The information in the printed section on the back of the maps is somewhat similar to the information circulated by the National Board of Fire Underwriters after its engineers have inspected a city. However, the New Jersey data does not conflict with the National Board's in any way as the towns covered are smaller than those which the National Board's engineers visit, although the New Jersey data will eventually cover larger towns as well. The work is under the

(Continued on page 12.)

"The Largest Fire Insurance Company in America."

THE HOME INSURANCE COMPANY NEW YORK

ELBRIDGE G. SNOW, President

Sixty-four-Year Record for Fair Dealing and Prompt Adjustment and Payment of Losses

FIRE AND ALLIED BRANCHES OF INSURANCE

Fire, Lightning, Automobile, Commissions, Explosion, Hail, Marine (Inland and Ocean), Parcel Post, Profits, Registered Mail, Rents, Sprinkler Leakage, Tourists' Baggage, Use and Occupancy, Windstorm.

STRENGTH REPUTATION SERVICE

North British and Mercantile Insurance Co.

Established 1809

Entered United States 1866

Policyholders protected by the entire United States assets, with further guarantee in every policy, of protection by entire fire assets of the company which are many times larger.

50th ANNIVERSARY YEAR

Operating under Iowa Reserve Deposit Law, which safeguards all policyholders

Entered for business in 18 States

GOOD TERRITORY OPEN.
ATTRACTIVE POLICIES TO SELL.
LARGE ANNUAL DIVIDENDS.
LOW NET COST.

For agency apply to

H. E. ALDRICH, Supt. of Agents

EQUITABLE LIFE of IOWA DES MOINES, IOWA

HORNER SUGGESTS PLATFORM FOR NATIONAL ASS'N

Agency Ethics Code, Qualification Law, Advisory Cabinet and Inter-Associations' Conference

FEWER ADDRESSES ADVOCATED

Constructive Suggestions Outlined in Speech Before Minneapolis and St. Paul Associations Saturday

On the eve of the annual meeting of the National Association of Life Underwriters Warren M. Horner, of Minneapolis, who recently in a talk at Des Moines criticized the manner in which the National Association is run at conventions and between conventions, has outlined his ideas of how the National Association should be conducted. He says he wants to be a constructive, not a destructive critic, and he presents a platform, giving his views in order that they may lead to "more enlightened action and continuous creation of progressive measures to carry our business to a higher level."

Mr. Horner's platform and his comments thereon were outlined by him to a joint meeting of the Minneapolis and St. Paul associations on September 1 at Minneapolis. Here are the activities upon which Mr. Horner believes the life underwriters of the United States should center their efforts:

Number One.—An agency qualification law.

Number Two.—General Code of Ethics to be nation-wide and, if possible, uniform.

Suggests a Cabinet of Experts

Number Three.—The National Association of Life Underwriters should do away with its present executive council and if the conduct of the affairs of the National Association is not left with the body itself, and the executive committee, the president should have a cabinet made up of men selected not for political reasons, nor even alone for geographical reasons, but because of their fitness to head certain prominent committees.

Number Four.—The constitution and by-laws should be changed to permit resolutions direct from the floor.

Number Five.—The by-laws should be changed with regard to program, cut-

ting out so many set addresses and subjects for a liberal part of the three days to be devoted to an open forum and for the discussion of issues.

Number Six.—The place of meeting should be decided by the executive committee and at its mid-year meeting.

Number Seven.—The executive committee meetings should be held, in addition to the present plan, on the evening of the second day of the convention.

Number Eight.—The mid-year meeting of the executive committee should be at a central point in the country.

National Headquarters at Central Location

Number Nine.—The national headquarters should be removed to a central point or at least care exercised that its location in any point should not mean its domination by individuals in that section.

Number Ten.—The institutionality of the National Association's activities and works and in its personal representatives should be maintained to an absolute finality.

Number Eleven.—The broadening of the Association's activities should be taken up and a substantial fund yearly expended in this manner, in furthering education and conservation measures.

Number Twelve.—The executive committee should elect officers or they should be elected directly from the floor.

Number Thirteen.—The membership of the National Association should be made representative in numbers but a standard should be maintained in regard to the ethical and educational fitness of members.

Conference of All Associations

Number Fourteen.—The National Association should do its part to bring about an annual conference meeting, say, between five delegates appointed by the Presidents' Association, the Insurance Commissioners' Association, the American Life Convention, the Actuarial Society, the Officers' Association, the Life Insurance Counselors, and the Medical Directors' Association, with five similarly appointed delegates from our own body.

Wants Part-Timers Converted Into All-Timers

In discussing agency qualifications and codes of ethics Mr. Horner spoke emphatically about the part-time question. He thought the Minneapolis code of ethics made it possible for any right-minded man in due time "to eliminate his illegitimate part-time practice." However, the conference clause adopted by the Des Moines (Northwest) Congress was broader and could not offend anyone "unless too stupid to comprehend its phraseology or fundamentally insincere in wanting to correct this palpable and diabolical evil." The Des Moines Congress went on record as opposing the practice of licensing as part-time agents individuals who do not sincerely intend to become within a reasonable period full-time regular agents.

In summing up his opinion of part-timeism Mr. Horner said in part:

"The practice of part-timeism is moral cowardice. It is business inefficiency. It is wasteful of the people's money. It is hurtful to the professional standards of our business. It is disintegrating instead of fabricating. Its practice is a confession of weakness and so regarded by the public. It will not stand open debate or analysis from either an ethical or a practical standpoint."

Reforms in National Association

In discussing reforms in the National Association of Life Underwriters Mr. Horner said in part:

"Much good would accrue to have the president each year have a cabinet made up of individuals who are especially informed in the various education and conservation ideas, such as, a department of education, a department of insurance conservation (loans and lapses); department of health conservation; department of legislation; department of taxation; department of lectures and addresses, and department of institutional advertising.

"Much time has been lost at annual meetings by the button-holing of delegates with respect to the next place of meeting or in the machine-work of electing a slate for the ensuing year.

"The executive committee can take care of the next place of meeting at their mid-yearly session, giving the locality a year and a half to prepare for the convention and the members of the convention and the members of the executive committee who have been given a more active control of the association's affairs by the recommendations for change here made, will be far better equipped to select the officers to carry forward the association for another year than members of a nominating committee who from lack of knowledge are more susceptible to control from a certain few.

"Many agents of sound judgment have suggested that the executive committee should hold its mid-year meeting at some central point like Chicago.

"Surely, the meeting should be held at a central point, such point, of course, to be one drawing from a populous area as a common center."

Institutional Advertising Has Proven Its Worth

Mr. Horner warmly advocates the carrying out of the educational and conservation programs. He says the method of institutional advertising has been endorsed by the best advertising minds and is now being put into practice in almost every field of endeavor.

"The best evidence of the rationality of the whole idea is the fact that with so much complacency and opposition, and with lack of money and comprehensive conduct the results have been remarkable in increased publicity and education of insurance all over the country, due to the resolution at Memphis and the splendid co-operation of the rank and file."

Deliberative Body

In reference to his suggestion for a conference meeting of association leaders in all divisions of life insurance, including company presidents, agents, medical directors, actuaries, lawyers Mr. Horner says in part:

"This deliberative body, made up of the master minds of every branch of insurance and the representatives of the State, would make every important propaganda a composite idea, in very fact, the melting pot and crystallization of the very best thought," he said. "As a result the life insurance business would become a legitimate force, unbreakable and irrefutable. This is amalgamation, co-operation and co-ordination with a vengeance. A congress of nations, so to speak, whose force will be irresistible, and whose principles and practices cannot be controverted or overthrown by any governmental propaganda."

Great Southern Life Insurance Company

HOUSTON, TEXAS.



For Agency Contracts address

O. S. CARLTON

PRESIDENT

EXPRESSMEN'S INSURANCE

Mutual Benefit Association to Launch Out Into Broader Lines of Policy Writing

The Expressmen's Mutual Benefit Association held a meeting in Rochester, N. Y., on August 15, nearly two hundred members being in attendance. The meeting was called for the purpose of discussing the proposition of issuing life insurance policies to such members as desired them. It is understood that a majority of the members favor the issuing of policies, although no definite action was taken. The insurance policy is said to be practically the same as those issued by the old line insurance companies, only at a lower rate.

This organization, although seldom heard of outside of its members, was formed in 1869, as a strictly benefit association. In 1903 it reorganized under the insurance laws, and is now amenable to the State Insurance Department. It has at present 3,811 members, composed of men in the employ of the various express companies. According to its latest report there is $4,187,000 insurance in force. Its financial statement shows an excess of admitted assets on a basis of three per cent. over full legal assets and all other liabilities, amounting to $93,736.88.

The Expressmen's Mutual Benefit Association is managed by a president, vice-president and an executive committee composed of sixteen members. The president is E. A. Steadman, vice-president and general manager of the Wells, Fargo & Co. Express Company. The Express Companies act as custodian of all the funds.

It already has a number of policies in force, of the straight life and twenty-payment life classes. Its jurisdiction extends all over the United States, and according to an official of the State Insurance Department, the organization is on a financially sound basis.

"GOVERNMENT INSURANCE"

According to a statement published by the "Public Ledger" of Philadelphia, senders of packages by the government insured parcel post service are not being reimbursed when there is failure in making delivery. Claimants are advised by the post office department at Washington as follows:

"Whereas, The appropriation authorized by Congress for the fiscal year ended June 30, for the payment of such losses has been exhausted, the department will be unable to meet any claim until such time as Congress sees fit to appropriate a sum to cover the deficiency."

"AN AMERICAN COMPANY"

True to American Ideals and Traditions

The Germania Life Insurance Company

Established 1860

Under the laws of the State of New York

The following are a few Germania features which have helped to make

Every Month This Year a Record Breaker

Free HEALTH SERVICE for policyholders both new and old.

Free Insurance Money INVESTMENT SERVICE for Beneficiaries.

WAIVER and ANNUITY CLAUSE which, in case of total and permanent disability, before age 60, provides for waiver of all future premiums, the payment of 1/10 the face of the policy annually to the insured as long as he lives and payment of the face of the policy to the beneficiary at death of the insured.

DOUBLE INDEMNITY CLAUSE which provides for payment of double the face of the policy in case of death as a result of an ACCIDENT OF ANY KIND.

"A Growing Company for Growing Men"

For Direct Agency Connection

ADDRESS

T. LOUIS HANSEN, Superintendent of Agencies

50 UNION SQUARE, NEW YORK CITY

New War Risk Bill Comments By Moir

CONDITIONS OF MEASURE WHICH STILL ARE VAGUE

No Provision for Carrying Proper Reserves—Will Armstrong Benefits Be Abrogated?

To the Editor of The New York Times:

I observe an error in a news item that appeared in your issue of yesterday and the same is repeated in your editorial this morning, where it is stated, in regard to the War Insurance bill, that the "optional insurance of from $1,000 to $5,000" is available "during the war only." A careful reading of the bill as now reported shows no amendment discontinuing the insurance after the war. On the contrary, the bill as now submitted to the House involves the creation of an insurance bureau continuing for all time. This element of the bill is apparently not a war measure.

The attitude of insurance companies toward this bill has also been misrepresented. When the matter was first under discussion the companies expressed themselves as strongly favoring family allowances and adequate compensation on sound insurance principles for soldiers and their families who might suffer for their country. A meeting of insurance representatives held in Washington also favored, almost unanimously, the granting of direct life insurance benefits, and recommended that these benefits be granted by the Government, not by the companies. This attitude has not been changed.

But trained life insurance men of long experience would like to see Article IV. of the bill put in such practical form as to do the most good with a minimum of expense. Their recommendations have been:

1. To grant a uniform benefit to all in the service; and thus

2. Avoid the discrimination in the proposed bill which arises from the optional nature of the life insurance benefit, and

3. To have the life insurance feature effective during the period of the war, ceasing five years after the war is over.

Being one of the actuaries called in consultation in Washington before the bill was introduced, I have been in close touch with the progress of the bill and also with the life insurance sentiment. Section IV. on life insurance is loosely drawn, and the terms on which benefits after the war may be granted will rest with the director, who may issue regulations subject to the approval of the Secretary of the Treasury. A century of experience has shown that elaborate codes of State laws are necessary in the interest of the public—yet the adoption or abrogation of these laws is apparently left to the discretion of some official to be hereafter appointed. Life insurance experts only desire to offer constructive criticism on such points.

HENRY MOIR,

Actuary Home Life Insurance Company.
New York, August 31, 1917.

The foregoing letter in the "New York Times," written by Henry Moir, and correcting errors in press statements, is timely. One of the most unfortunate conditions surrounding this entire war risk question is that those who seem disposed to take an intelligent interest in the subject appear to get their information from sources of doubtful accuracy, and too often fail to read the bill itself.

The Eastern Underwriter has asked Mr. Moir to outline for this paper some of the loose and indefinite features of Section IV. dealing with life insurance. He has supplied The Eastern Underwriter with the following statement:

Benefits That Do Not Apply During the War

In the first place one of the worst features of the bill to a lay reader is the implication that cash, loan and maturity values are promised apparently from the beginning; and nothing appears in the bill to show clearly that these benefits do not apply during the war, when the insurance must be yearly renewable term insurance. These benefits can only be given after the war hazard expires, when conversion has taken place, and when premiums are payable at about the same rates as the premiums charged by any well-managed life insurance company.

Machinery to Collect Premiums

In reference to payment of premiums, the bill stipulates that they "may be deducted from the pay or deposit of the insured, or be otherwise made at his election." This calls for a properly constructed accounting machinery for the collection of premiums (to be paid in any form selected by the insured). Accordingly, the claims of the advocates of the bill that this elaborate machinery is unnecessary seem exaggerated. After the war the premiums will be payable by men in civil life. This necessitates the full elaborate machinery of a renewal department in a life insurance company with its provision for notices, lapses, receipts, etc.

Conversion

Another of the vague conditions in the bill is as to whether or not the insurance must be converted after the war. Presumably this is not an obligation since the bill states that the insurance is "convertible." Anyhow speakers who are sponsors for the bill seem to imply that most of the insurance will or even must be converted after the war—though the bill does not so provide.

An Investing Agency

After conversion the government bureau will be fully and completely in the life insurance business and in every phase of it. There is no provision in the bill for carrying proper reserves; yet reserves are essential if cash, loan and other values are to be paid. The insurance bureau will then become a large investing agency, for the accumulating reserve values must be invested to yield at least 3½ per cent. interest, since the premiums are based upon that interest rate. If the investments are kept in government funds, and if the government's credit after the war becomes as good as it was a few years ago, then it will be impossible for the director of the bureau to invest the accumulating reserves in government funds at 3½ per cent. interest.

Under the original draft of the bill it was evidently contemplated that the Secretary of the Treasury should invest the accumulating funds in any class of investment he might select; but apparently this provision of the original draft has been dropped. Now the question of investments is vague and obscure.

This does not alter the fact that if reserves are accumulating some employment for the money must be found at an interest rate of 3½ per cent. or better; and doubtless the sponsors of the bill prefer to leave questions like this in an indefinite shape, probably in the hope and belief that when necessity arises adequate action will be taken.

Attorney's Fees

The last paragraph of the bill evidently contemplates possible disagreement as to claims under insurance contracts and provides that an action may be brought against the United States. The paragraph also provides that the attorney's fees must not exceed "ten per centum of the amount recovered"; and proceeds further to lay down the law and "It shall be unlawful for the attorney or for any other person acting as claim agent or otherwise to ask for, contract for, or receive any other compensation because of such action." From this it would appear as if the attorney acting in an unsuccessful suit could not recover any compensation whatever for his services. It may be right that the government should protect itself against unnecessary lawsuits, but if the maximum fee received by any lawyer is 10 per cent. of the amount recovered, and if the lawyer may have all of his trouble for nothing, it would seem to an insurance man as if the government is protecting itself unduly against legal action and in an unfair way.

How Far Will State Laws Prevail?

The State laws on life insurance have in most instances been revised and amended since the Armstrong investigation. They nearly always provide for the following:

1. Minimum reserves;
2. Minimum cash and loan values;
3. Minimum paid-up and extended insurance values;
4. Incontestability after two years;
5. Right of reinstatement;
6. No cancellation of policy without notice;
7. Automatic values if unclaimed;
8. Prompt payment of claims;
9. Publication of full details, including particulars of claims resisted, etc.

It would appear as if any or all of these benefits could be abrogated by the Director of the Insurance Bureau, since he is given full power "to determine the exact terms and conditions of such contract of insurance." Doubtless it will be said that the director will be guided by the laws of the various States, but many of us have had experience with insurance officials who enter this technical business with only a knowledge of general business life, and their views on the equities of a life insurance contract often differ radically from those of trained experts.

WILSON ON BILL

President Wilson has sent to Representative W. C. Adamson of Georgia, Chairman of the House Committee on Interstate and Foreign Commerce, a letter in which he urges a restoration of the $10,000 limit on policies. His letter read:

My dear Judge: May I not express to you and through you to the Committee on Interstate and Foreign Commerce of the House my sincere gratification at the favorable report the committee has just made on the bill granting family allowances, indemnities, and life insurance for the officers and enlisted men of the army and navy; and the hope that the proposed measure may receive the prompt approval of the Congress?

There are so many arguments for the bill that I do not know which to put forward as the most imperative. No doubt you have assembled them in your own mind in their most effective order. But what principally appeals to me about the bill is that it takes into consideration the whole obligation of the soldier not only, but the whole obligation of the Government—the obligations of justice and humanity both to the soldier and to his family. It is one of the most admirable pieces of legislation that has been proposed in connection with the war, and I cannot too earnestly urge its adoption.

I observe with regret that the limit of life insurance available to the officers and men in the service has been reduced from $10,000 to $5,000. I earnestly hope that the $10,000 limit may be restored.

WOODROW WILSON.

ONE IN FIFTEEN KILLED

An Estimate of European Fighting Force Chronicled By James H. Collins

James H. Collins, of the staff of the "Saturday Evening Post," is now doing literary work for the United States Government. He published a page story in the "Public Ledger" of Sunday on the war risk bill. In discussing European mortality he said:

> Losses in war through death, wounds and disease are not only more moderate than one would think, judging by accounts of charges and battles, but show a steady decrease for the Allies as the war organization is improved and the game learned. Recent figures published for the French army illustrate this vividly. While the French were fighting in the open, opposing German artillery and high explosives with their unprotected lines, the proportion of killed, missing and prisoners was nearly 5½ per cent. of the mobilized strength. But last year it was reduced to 2¼ per cent., and at some periods as low as 1½ per cent. Estimates by our marine corps for the European armies indicate that only one man in fifteen is killed, and that of the wounded 95 per cent. recover, and 90 per cent. are fit to fight again. Any increase in death from wounds in this war is more than made up by the greater recovery from wounds under modern surgical treatment, and in the elimination of losses from disease, which have been almost abolished.

Chamber of Commerce's War Risk Report

WANTS MORE LIBERAL COMPENSATION FOR DISABLED

Automatic Insurance of $5,000 Unless More Insurance or None Be Specified

The Chamber of Commerce of the United States has made public a report of its National Chamber Committee on the war risk measure. One feature of the report which will interest insurance men is this statement: "The committee has been assured that the bill does not contemplate the extension of government activities into the general field of insurance business, but that it simply provides an opportunity for soldiers and sailors of the United States to insure their lives during a period of emergency, and that after the passing of such period this provision will apply only to those who continue to be exposed to the hazards of naval and military life."

Favors More Liberal Compensation

The report expresses the opinion that the allowances proposed in the bill are fair and calculated to meet average circumstances. It declares, however, that the rates of compensation in cases of death or disability might be a little more liberal, notably in respect to men who continue to suffer from a severe malady contracted during war service. Although the bill takes cognizance of dependents other than widow, child or widowed mother, the clause covering compensation for death or disability does not do so, and it is believed is now too limited in its provisions. The report suggests that this inconsistency should be remedied by provision in the compensation clause for parents, grandparents, brothers and sisters if shown to be wholly dependent on the soldier or sailor prior to the latter's enlistment.

$5,000 Worth of Insurance

The report also suggests an amendment providing that it will be assumed that automatically every enlisted man takes out $5,000 worth of life insurance at the rate provided under the bill, the premium for which shall be deducted from his monthly pay unless and except, during the period available for his consideration of the matter, he makes a specific request in writing that he wishes to increase the amount of his policy or desires to be absolved from the insurance obligation.

San Jacinto Life Celebrates Best Year

BANQUET AT BEAUMONT, TEXAS, ATTENDED BY ITS STAFF

Three Agents From the Western Plains of Texas Capture Mid-Summer Contest Prizes

The San Jacinto Life Insurance Company has just closed the most successful year in its history, and a fitting culmination of twelve months' strenuous effort took the form of a two days' convention and celebration held in Beaumont, Texas, last week. The death of his stepfather caused the absence of President Hargrove. In the absence of President Hargrove, Vice-President Ed. Paggi acted as toastmaster. He paid tribute to the thirty-five live wire agents present that will serve as an inspiration to them in their future endeavors to eclipse past records.

Prize Winners

Mr. Paggi announced that three men on the western plains of Texas had defeated all other Company agents in the midsummer contest which began July 15 and closed August 15. W. P. Deurbin, of Vernon, won the first prize, a handsome nineteen-jeweled gold watch, for producing the largest volume of business, having written forty-two policies, totalling $98,250, which netted the Company $3,091.12 in premiums. J. M. Thomas, of Vernon, was awarded the second prize, $25 in gold, for receiving the largest number of applications. He wrote fifty-five policies, aggregating $90,500, the premiums amounting to $3,019.79. The third prize was won by Joseph Stringer, of Vernon, who wrote 31½ applications, totalling $70,750, and amounting to $2,058 in premiums. Mr. Paggi said that the volume of business written during the thirty-days' contest was $510,130, with premiums amounting to $16,452.

Speakers of the evening included Oliver J. Todd, who succeeded E. E. Townes as attorney for the Company, and a number of citizens. The Company's history was reviewed, and a deserving tribute paid to President Hargrove, to whose superior administrative abilities is largely due the Company's success. Orchestral selections interspersed the program, which was marked by patriotism from start to finish. The following were among those present:

Ed Paggi, vice-president of the Company; James S. Edwards, secretary-treasurer; Dr. D. S. Wier, medical director; L. Gordon, M. Boyd, W. T. Skinner, Nocona; C. A. Riggs, Jas. L. Keith, John L. Keith, R. E. Smith, Oliver J. Todd, E. P. Bennett, W. P. Deurbin, Vernon; Rev. E. P. Kennedy, Prof. H. F. Triplett, Travis Lambert, Port Arthur; R. H. Nichols, Vernon; J. M. Thomas, Vernon; Joe Stringer, Vernon; Colonel W. D. Bettis, Orange; A. Scigo, Weimer; Louis Monsuer, L. T. Murray, Vernon; Sam Fertitta, Dr. A. H. Braden, A. A. Oxford, Dr. J. W. Garth, George A. Wells, J. T. Shelby, Dr. B. A. Mann, Dr. J. H. Reagan, George E. Stailey, Jacksonville; E. T. Tisinger, Nederland; H. A. Perlstein and A. J. Mixson, Vernon.

The Program

The program of the convention follows:

Wednesday

Morning.

9:30—Informal meeting of agents at Company's offices, 4th floor, Perlstein Building.

12.00—Leave Company's offices in a body to attend luncheon with Beaumont Rotary Club.

Afternoon.

3:00—Meeting at Company's offices for discussion of topics of general interest.

5:00—Leave for automobile trip to Port Arthur and points of interest en route.

Evening.

7:00—Sea-food supper at Port Arthur Pleasure Pier.

Thursday

Morning.

9:30—Meeting of all agents at Company's offices. Election of new members to San Jacinto $100,000 Club. Transaction of club business.

12:00—Boat trip on Neches River. Inspection of ship building plants. Lunch served on boat. Those who have not made this trip cannot afford to miss it; those who have made it will welcome an opportunity of going again.

Afternoon.

After returning from the river trip, The remainder of the afternoon will be devoted to rest.

Evening.

7:00—All agents and guests will assemble at the Company's offices promptly at 7:00 preparatory to making auto trip to Country Club. Banquet at 7:45.

G. W. TAYLOR PRESIDENT

Missouri Man Heads New York Life's $200,000 Club With $1,850,470 Paid-for

George W. Taylor, of the Missouri Clearing House, has been elected president of the New York Life's $200,000 club, having paid in one year $1,850,470. This is the highest record ever made by a man winning the presidency of this club. In 1902 Harold Peirce, of Philadelphia paid for $1,603,375.

The five vice-presidents at large are: Isidore Spiegel, whose 5th year club record is $1,026,000; Michael Rubin, 3rd year club record, paid insurance $728,000; Dr. Chas. H. Webster, 1st year, paid insurance, $712,497; F. C. Moser, 5th year, paid insurance, $654,359; Paul T. Bell, 2nd year paid insurance, $646,563.

Harry B. Rosen was barred from the presidency of the club, as he cannot hold it a second time. His record this year was 50 per cent. more than last year. Thomas A. Buckner says he is the greatest writer in any life insurance company.

Mrs. Florence Shaal, Equitable Life, in Boston, has presented an ambulance for use in one of the French units.

TO OPPOSE REBATING

Organization of the Arkansas General Agents' Association Means Strenuous Anti-Rebate Laws

The Arkansas General Agents' Association was formed at a meeting of the general agents of old line insurance companies, at Little Rock on August 27. It will be entirely separate from the organizations belonging to the National Life Underwriters' Association, and will aim to give constant attention to executive matters in connection with company and general agency executive control in Arkansas.

The new organization elected Thomas T. Myers president and Darwin Ahrens secretary. At a previous and informal meeting of the General Agents' Association, Sid B. Redding, Thomas T. Myers, C. G. Price, A. E. Lee and H. H. Conley were appointed members of the committee to present to Arkansas agency managers and general agents for their signature, an agreement looking to the abolishment of the rebate practice among insurance men in the State of Arkansas.

It is intended to supplement the work of the General Agency Association against rebating by having the plan approved by associations of life insurance underwriters and by securing of the passage of an anti-rebate law in the next session of the Arkansas Legislature. In case of failure to secure assistance from the home offices, they will appeal to the Insurance Commissioners of the various States.

WITH MORRIS PLAN

Claude E. Scattergood, of the Fidelity & Casualty Company, and A. J. Smith, who has had life insurance experience in the South, have gone with the Morris Plan Insurance Society. Mr. Smith will be superintendent of agencies.

HOME LIFE INSURANCE CO.
(Now Purely Mutual)
256 BROADWAY, NEW YORK
GEORGE E. IDE, President

The fifty-seventh annual report shows insurance in force of $133,493,000, an increase during the year of $7,832,827. The Company paid the policyholders in 1916 $3,536,233, of which $628,406 was in dividends or premium refund. Its insurance reserve fund was increased by $1,300,000 and the Assets are now $32-821,462.

For Agency apply to
GEORGE W. MURRAY,
Supt. of Agts.
256 Broadway, New York, N. Y.

Build Your Own Business
under our direct general agency contract
Our Policies provide for:
Double Indemnity, Disability Benefits, Reducing Premiums
See the new low Rates
JOHN F. ROCHE, Vice-Pres't
THE MANHATTAN LIFE INSURANCE COMPANY
66 BROADWAY NEW YORK
Organized 1850

BANKERS BLC LIFE DES MOINES COMPANY
PAYS GOOD PAY TO GOOD MEN

Ambitious, Productive and Trustworthy Life Agents may be benefitted by corresponding with the
Berkshire Life Insurance Company
of Pittsfield, Mass.
Inc. 1851
New policies with modern provisions Attractive literature
W. D. Wyman, President W. S. Weld, Supt. of Agencies

We don't contract with poor men.
We give a new man our attention until he is started.
We make our men make good.
Why don't you work for us?
Peoria Life Insurance Company
PEORIA, ILLINOIS

Maryland Assurance To Begin January 2

TO TAKE MARYLAND CASUALTY'S ACCIDENT AND HEALTH DEPARTMENT

President John T. Stone a Famous Figure in Casualty Insurance—Discusses New Company

The announcement last week that the Maryland Assurance Corporation would be formed under the auspices of the Maryland Casualty Company with John T. Stone as president created considerable interest among life insurance men, as it will bring a new and powerful personality into the life insurance business. John T. Stone has been one of the strong figures in casualty insurance for years; he is not only a successful chief executive, as the success of the Maryland clearly shows, but he is an independent person who will fight at the drop of the hat for his rights and has often done so.

It is proposed that the Maryland Casualty Company will turn over to the new corporation its accident and health department. This department had an annual premium income in 1916 of $1,112,407, which has shown an increase of a substantial nature this year to date. The Maryland Casualty will re-insure with the new corporation this entire volume of business.

Advantages of Transfer

The advantages to the new corporation of transferring to it the Maryland Casualty Company's accident and health business, Mr. Stone says, are:

1. Life insurance and accident and health insurance are closely related. They cover, in combination, the entire range of the need of a man and his family for financial protection against every physical danger to his own person—disease, accidental injury and death. It is a great advantage for a company to be able to offer any and every kind and degree of such protection, so that the preference of every prospect may be fully satisfied.

2. This re-insurance will give the new corporation, from the start, a premium income of considerably over a million dollars per annum, and steadily growing.

3. It will also place the new corporation immediately in organic relations with the continent-wide agency corps of the Maryland Casualty Company. While these agents are not distinctly life insurance men, many of them place considerable life insurance business. Through these agents and their knowledge of their respective localities, from the insurance man's viewpoint, the organization of the new corporation's distinctive life insurance agency corps will become much easier and speedier.

It is a wise arrangement for the Maryand Casualty Company, Mr. Stone continues, because:

1. The life agency organization of the new corporation will be a producer also of casualty and surety business.

2. The transfer of the home office force of the accident and health department to the new corporation will release 2,035 square feet of very desirable space.

3. The re-insurance of the Maryland Casualty Company's accident and health business will release from its premium reserve account over $200,000 and add the same to its surplus account.

4. As the Maryland Casualty Company will own directly 60 per cent.



JOHN T. STONE

of the stock of the new corporation and as those who are interested in the Maryland Casualty Company will own the remaining 40 per cent., whatever benefit results from the proposed arrangement will continue to inure to the advantage of the same owners substantially as at present.

From the point of view of the joint interests of the two companies, there are these advantages:

1. The quality of accident and health risks is improved when covered in conjunction with a life insurance business, as a result of the medical examination required in writing life insurance.

2. A company is not permitted, under the laws of many States, to write life insurance, casualty insurance and surety bonds. Hence, a new company is the only channel through which the Maryland Casualty Company's accumulated facilities may be made available for the writing of life insurance.

Department Heads

The president of the new company will be Mr. Stone. The agency director of the accident and health department will be Richard H. Thompson, now fourth vice-president of the Maryland Casualty. The underwriting and claims manager of the accident and health department will be George W. Powell and F. Le Roy Templeman, now with the Maryland Casualty.

The Company hopes to begin writing business on January 2, 1918.

Little to Manage Fusion Campaign

RESIGNS AS MANAGER PUBLICATION DIVISION OF METROPOLITAN

Famous in Newspaper and Political Circles—J. V. Barry in Charge of Metropolitan's Department

Luther B. Little, head of the publication division of the Metropolitan Life, which among other details has charge of the issuance of a daily paper for the Metropolitan force and of a monthly paper, has resigned to become campaign manager for the Fusion Ticket, the head of which is Mayor Mitchel, of New York City, candidate for re-election. The Fusionists might have searched every magazine and newspaper office in the city without finding as competent a man as is Mr. Little, who has spent a life time in connection with journalism.

An Unusually Competent Journalist

Often Luther B. Little has been referred to as an ideal newspaper man. Not only essentially capable in his profession, he has obtained and retained the confidence of every person with whom he has come into contact. In the daily newspaper offices of the Metropolis his word is as good as his bond. There has not been a city editor in town who would have thought of printing a story about Metropolitan Life's activities without calling up Mr. Little for corroboration. Conversely, when he went into a city editor's office with some story of the Metropolitan Life it was printed invariably according to the facts as were presented by Mr. Little. His acquaintance with insurance subjects is so generally recognized that many editors have kept in touch with him in order to set themselves straight whenever an insurance topic came up. Thus, he was a good influence in every way for insurance.

Considerable Political Experience

Mr. Little is by no means a tyro in politics. He knows personally every man who has had any influence or important connection with politics since the early nineties. He was one of the incorporators and the former president of the "Amen Corner," a group of the leading public men and newspaper men of New York City, who give dinners which compare favorably with those of the "Gridiron Club" in Washington. For some time he was with the Republican State Committee in charge of its Literary Bureau.

Mr. Little began as a newspaper reporter in Chicago on the "Evening News." From there he went to Minneapolis as a reporter on the "Tribune." The St. Paul "Globe" had him as a city editor. While with that paper the Minneapolis "Tribune" took him away from the "Globe" and made him its city editor. He always had a liking for public affairs and when he went to Washington as correspondent for the St. Paul "Pioneer Press," he built up a tremendous acquaintance among the nation's leading men. As all newspaper men have their eye on New York as a goal, Mr. Little was no exception and he joined the staff of the New York "Times" in 1891. That paper sent him to Albany where for four years he watched and reported proceedings of the Legislature. At that time not to know Luther B. Little was not to know much about New York State happenings. Mr. Little went with the Metropolitan Life after his service with the Republican State Committee. With the Metropolitan he enhanced his reputation.

Barry Takes Charge

James Victor Barry, assistant secretary of the Metropolitan Life, will take charge of the publication department of the Metropolitan for the time being. Mr. Barry is probably the best-known man in the insurance business and one of the most gracious. A remarkably clever after-dinner speaker he is in no sense of the word a snob, and he will accept an invitation to travel a thousand miles and talk before an underwriters' association in a small town as readily as he will one where his auditors are of the high executive class. The only question is whether the time at his disposal is enough so that he can comply. He sizes up men instantaneously and correctly and wins out by his sincerity as well as his real and acute powers of observation. Mr. Barry began life as a newsboy, in Michigan. About the same time William Alden Smith, now United States Senator, W. B. Joyce, of the National Surety Co., and F. W. Stevens, (later with J. P. Morgan & Co.) also sold papers in the Wolverine State. They often exchange notes of their early experience. Their success is an inspiration to every boy in Michigan to this day. Later Mr. Barry became a local agent. Then he was made insurance commissioner in Michigan, in which office he made a deep and lasting impression.

ONE CLUB HE DIDN'T MAKE

Dr. C. E. Albright Only Wrote Sixty-Three Lives, So Marathon Doesn't Get Him

Dr. Charles E. Albright, who wrote and paid for $2,294,500 in the Northwestern Mutual Life in its year ending June 1, belongs to the Union League Club, New York, and other social organizations but there is one club that he was not able to make and that's the Marathon, of the Northwestern Mutual. In order to join that select group it is necessary to write one hundred or more applications. He succeeded in insuring only sixty-three lives. However, he managed to find this rather worth while as his average per life was $36,420. So it will be seen that he wasn't loafing on the job.

Herman Duval, of New York, at one time a bookkeeper for Arbuckle Brothers, wrote 155 lives. His writings for the Northwestern year were $986,500. He hopes to do a million next year.

Harry L. French, of Wausau, Wis., who was once with the General Electric Company, headed the Marathon Club with 198 lives.

Are You Permanently Established?

Write for Territory

Pennsylvania—Ohio—West Virginia

PHILADELPHIA LIFE INSURANCE CO.

PHILADELPHIA

A PENN MUTUAL PREMIUM, less a PENN MUTUAL DIVIDEND, purchasing a PENN MUTUAL POLICY, containing PENN MUTUAL VALUES, make an INSURANCE PROPOSITION which in the sum of ALL ITS BENEFITS, is unsurpassed for net low cost and care of interests of all members.

THE PENN MUTUAL

Life Insurance Company

OF PHILADELPHIA

On January 1, 1909, rates were reduced and values increased to full 3% reserve

Fine Program for New Orleans Meet

MANY PRIZE DISCUSSIONS AT COMING CONVENTION

Williams, Woods, Russell, Priddy, Shuff and Mrs. Fithian, Chairman of Debates

J. Newton Russell, president of the National Association of Life Underwriters, has labored hard on the program for the New Orleans' convention, and everything indicates that the gathering will be a great success. It is believed that there will be at least five hundred in attendance. Already a large



J. N. RUSSELL

number of reservations have been made on the New York and Chicago special trains.

Mr. Russell has done considerable traveling for the association during the year, and finds interest in the organization is keener than ever.

An interesting snapshot of Mr. Russell, recently printed in the publication of the Pacific Mutual at the home office general agency, is reproduced in this column.

The Program

The program for the convention of the National Association of Life Underwriters was made public this week. The address of welcome will be given by Eugene J. McGivney, general counsel of the Pan-American Life, and former Insurance Commissioner of Louisiana.

Among the reports to be read on the first day are those of the committees on 6,000,000 New Policyholders' Campaign; on Law and Legislation; on Scientific Salesmanship; on Extension of Life Insurance For Credit; and on Publications.

Wednesday afternoon, September 26, will be known as "Field Men's Day," with Wilson Williams, New Orleans, in the chair. The first address will be on "The Life Agent," delivered by Charles W. Pickell, Detroit and New Orleans. There will follow a general discussion on "The Best Method of Presenting Monthly Income Insurance," five-minute talks. A prize of $5 will be given for the best talk. Prize essays will then be read covering this subject: "The Service of a Life Insurance Agent to a Nation in Time of War." Alfred C. Newell is chairman of the Prize Essay Committee. On Wednesday night there will be an automobile ride to the Southern Yacht Club where a buffet dinner will be served.

Lawrence Priddy will be chairman of the Thursday morning session; topic, "Association Building." W. S. Kies, vice-president National City Bank, New York, will discuss "The Life Agent and His Country." A general discussion of "How To Sustain Local Association Interest and Prevent Lapses," will result in a $5 prize for the best talk. Association ethics will be presented by C. W. Scovel, Pittsburgh, and others.

W. M. Horner, Minneapolis, will present his views, leading a general discussion on Thursday afternoon. Another prize discussion will be on "The Best Method of Securing New Members." A third discussion will be on Managers' Luncheon Clubs, "Their Aims and Objects."

In the afternoon John L. Shuff, Cincinnati, will be chairman. President Coffin, State Life, will discuss "The Field As Seen by the Office." Other discussions will be on weekly applications and insurance for women. Mrs. Cora B. Fithian, Los Angeles, will lead the women's talks. A $10 prize for the best closing argument will wind up Thursday afternoon.

General Wood to Talk

A big banquet at the Grunewald, addressed by Leonard Wood, will be held Thursday night.

"Agency Building" is stated for Friday with E. A. Woods in the chair. Insurance Commissioner Bailey, Louisiana, Forbes Lindsay, Los Angeles, and Dr. Walter Dill Scott, Carnegie Bureau of Salesmanship, will each deliver addresses. Winslow Russell, Phoenix Mutual, will lead a discussion on "Advantages of Methodical Work." E. A. Woods will lead a discussion on "What Practical Helps Are Most Valuable To Agents?" This will include "Furnishing Prospects," "Furnishing Expert Assistance," "Furnishing Instruction and Information Courses," "Elimination of Brokers and Rake-off Men." On Friday afternoon Forbes Lindsay will explain the University of California Life Insurance Exhibit used in public schools.

F. A. BERTHOLD MAKES CHANGE

Prominent Producer in P. F. Huff General Agency and Formerly With Mutual Benefit Opens Own Office

Frank A. Berthold, who has been identified with Perez F. Huff, general agent of the Travelers, for the past three years and who has made a fine record of production, has opened an office at 55 Liberty Street. Mr. Berthold was for several years a leading producer of the Mutual Benefit. In his new venture he plans to do a general brokerage business on advanced lines and to this end aims to surround himself with experts in all lines of insurance.

THIRD GERMANIA BULLETIN

The Germania Life's third bulletin in its National Economic Mobilization of Life Insurance Policyholders' bulletin service deals with "How To Live Longer." It tells about the Life Extension Institute Service For Policyholders.

The German Brewers and Coopers Sick Benefit Society of Brooklyn has decided to discontinue business.

C. C. Eisemann has resigned as superintendent of agents for the Lutheran International Insurance Company from September 15.

We want a GOOD PERSONAL PRODUCER and organizer for DESIRABLE TERRITORY in several states west of the Mississippi River. EXCELLENT CONTRACT.

Northwestern National Life Insurance Company
MINNEAPOLIS, MINNESOTA,

is a LEADING LOW NET COST, annual dividend, MUTUAL, OLD LINE company. Record for 1916—increase in insurance in force, 20%; in paid-for business, 51%; in assets, 15%; in amount apportioned for 1917 dividends, 71%.

40% **Increase in Paid New Premiums—that tells the 1916 story of Fidelity progress.**

Direct leads and the Fidelity "Income for Life" plan are making money for Fidelity field men. Any man who can sell life insurance can sell MORE Fidelity insurance.

Write to-day—

Fidelity Mutual Life
INSURANCE COMPANY, PHILADELPHIA

INCORPORATED 1878 WALTER LE MAR TALBOT, President

Extracts from Report of Examination of
SOUTHWESTERN LIFE INSURANCE CO.
By the State of Texas, June 28, 1915

"It is noteworthy that this Company was organized without any promotion expenses."
"I beg to report further that I find the Company in excellent financial condition."
"The volume of its business has steadily increased, its surplus is growing rapidly and its funds are being carefully conserved under expert supervision."

Home Office, DALLAS, TEXAS

The Connecticut Mutual Life Insurance Company,
PRESIDENT JOHN M. TAYLOR, HARTFORD, CT.

Insurance in force, 107,262 Policies for	$253,439,405.12
WHAT NO OTHER COMPANY HAS DONE	
To repay to its Policyholders in Death Claims, Endowments, Dividends, Surrender Values, Annuities and other credits more than they have paid to it in premiums. It stands alone in that result.	
Total premiums received, Dec. 1, 1846, to Dec. 31, 1916	$310,337,255.71
Total returned to Policyholders, as above noted, in same period	319,548,729.00
Excess of amount returned	9,211,473.29

DIVIDENDS BOUGHT ADDITIONS

A Northwestern Mutual Life Policy Where Dividend Finally Equalled Amount of Premium

On February 3, 1873, the Northwestern Mutual issued an ordinary life contract for $2,000 to Theodore Speiden of Nashville, Tenn. The applicant was then 27 years old and agreed to pay an annual premium of $41.50. Mr. Speiden used all his dividends to buy additions. February 3, 1917, the annual dividend allotted was $41.50, the exact amount of the gross premium. The insured died July 2, 1917, aged 72. The Company promptly paid the claim, consisting of $2,000 face amount of policy, $2,027 additions, and $41.55 post-mortem dividend, a total of $4,068.55.

This policyholder paid total premiums of $1,867.50 over a period of forty-five years and the company paid at his death $2,201.05 more than it had received. In addition the insured had a constantly increasing amount of protection and his insurance had doubled during his life by the mere payment of the stipulated gross premiums.

JOINS BOOKSTAVER STAFF

Oscar E. Stern has joined the staff of the Jos. D. Bookstaver general agency of the Travelers. For thirteen years Mr. Stern was connected with Fred S. James & Co. in their New York and Chicago offices and was last identified with John A. Eckert & Co.



Group Resolution of the Commissioners

ACTUARIAL SOCIETY INVITED TO NAME SIX ACTUARIES

How Discussion at Convention Shaped Up—Views of McMaster, Chorn and Others

The group life insurance investigation resolution adopted by the insurance commissioners at St. Paul last week reads as follows:

Resolved, that a committee representing the convention and composed of six, to be selected by the president of this convention, be requested to make an investigation and to report to this convention such standards or bases for conducting the business of group life insurance as are, in their judgment, necessary for its prudent operation, and that the convention invite the Actuarial Society of America to select six actuaries, representing the life insurance companies, to co-operate with this committee in the investigation and report, to the end that a result may be reached which will inspire confidence and general acceptance.

Not Entirely An Actuarial Question

In connection with group insurance Commissioner Hardison's original resolution recommending an investigation, designated actuaries of State departments to confer with members of the Actuarial Society, but there was opposition to this on the ground that it is not entirely an actuarial question. There are many other features understandable to the layman and requiring his judgment and opinion. For these reasons the resolution as finally adopted provides for a committee composed of commissioners instead of department actuaries, who will invite company actuaries to participate in the work of investigation. It was fully recognized that the convention should go slow in recommending changes affecting this class until more experience has been had with it. Such questions as what shall constitute a group; conditions of policies and limits within which the business shall be conducted are among those uppermost.

Considerable fear was expressed that the introduction of disability, double indemnity and group insurance are features productive of controversy under the life policy, which it has taken a long time to clear of misleading and obscure conditions. The wide variance in charges for disability and double indemnity were referred to and the plea entered that they be made uniform and safe. The right of a company to grant more liberal conditions in one State than in another was doubted because of anti-discriminatory laws. Re-insurance of the double indemnity feature in weak casualty companies was also touched upon. It was also claimed that the use of accident and health features in connection with life insurance may lead to selection above that contemplated in the mortality tables. From seven to twenty-two per cent. of life claims are reported caused by accident. If this be true a company might easily in course of time become embarrassed by an accumulation of business carrying the double indemnity feature. It is believed that if the companies issue health and accident features their experience should be kept distinctly separate.

Vocational Groups

The difference between industrial and vocational groups in group life insurance was considered. The latter were regarded as in violation of the group principle. One plan, involving a State bankers' association composing 850 banks, was cited. It was proposed to allow a few men from each bank to make up a group. Another scheme to make a group out of bank depositors was told of. It is these doubtful propositions which it is felt should be kept from defeating the high and useful purpose of group insurance as originally conceived. Commissioner McMaster urged that nothing be done to restrain group insurance but every means should be provided to promote its safety. Its perpetuity depends upon whether it be placed in logical groups. There should be no selection within a group. Superintendent Chorn held that the controlling consideration should be whether the entire membership of an organization or group be taken in.

Not Much Fraternal Discussion

Fraternal matters were touched on but lightly. Commissioner English of Iowa referred to this branch as presenting some of the greatest problems confronting the National Convention and Deputy Houghton, of Washington, brought to the attention of the convention the difficulties confronting this class of business. It is well known that a considerable number of societies cannot survive under present methods of management and the commissioners realize the necessity for action to minimize the number of failures among this class.

The commissioners are thoroughly alive to the obnoxious methods of re-insuring and merging fraternal orders, as shown in a recommendation of the executive committee favoring thirty days' notice to departments in connection with these transactions.

The spectacular looting of the Pittsburgh Life & Trust made a deep impression upon many State officials. This bids fair to bring about a movement to so tie up funds with the State that such operations will be rendered more difficult, if not impossible.

Joint Taxation Meeting

Chairman Nesbit of the committee on taxation asked for authority to hold a joint session with the American Life Convention and the Association of Life Insurance Presidents before the December meeting. This was granted.

Fraternals Still Against Group Insurance

ATTACKED IT SHARPLY AT THEIR RECENT CONGRESS

Also Condemn Social Insurance—Sharp Criticism of Groups Made By Attorney Sullivan

The results of the recent National Fraternal Congress are summed up in the "Fraternal Monitor" in this wise:

1. Approval of the government military and naval compensation and insurance bill now before Congress of the United States, with the suggestion that $5,000 free insurance be given in addition to the provisions already included.

2. Social insurance was condemned, and to attain the good which the advocates of compulsory health insurance claim is the aim of their propaganda, the N. F. C. of A. will establish a National Health Conservation Committee to organize the whole fraternal system in a health conservation movement.

3. The stand in opposition to group insurance was reaffirmed, and the executive committee was instructed to appoint a special committee to obtain State laws to prevent the writing of such insurance.

4. Whole family protection, which is the writing of juvenile insurance by fraternal societies, was speeded along for a greater success than the movement has attained in the past year. The attitude of Jesse S. Phillips, Superintendent of Insurance of New York, who is attempting to prevent the writing of this business in other States as well as New York State, was condemned, and his interpretation of the law challenged.

5. National Fraternal Day—October 27th—was again endorsed, and efforts to make it a national holiday by vote of Congress will be renewed. A general movement to have all societies observe the day was started.

Call Royal Arcanum Proceedings "Farcical"

6. By special resolution the farcical receivership proceedings against the Royal Arcanum were condemned. Although the Royal Arcanum withstood the attack, the whole fraternal system suffered on account of the undesirable publicity. The National Fraternal Congress of America will co-operate to prevent a recurrence of such a travesty.

7. Advertising was discussed by experts and, although a resolution to raise a fund for advertising by a per capita solicitation of the members of societies in the congress was voted down, an advance was made in an understanding of the necessities of a national advertising campaign and its possible achievements.

One of the insurance department representatives at the St. Paul Convention of the Insurance Commissioners made the statement that the fraternals are dropping their antagonism to group. Such was not the sentiment of the Fraternal Congress. A long attack on group insurance was read by John J. Sullivan, chairman of the Committee on State and National Legislation of the Modern Woodmen of America.

THE HEINZ GROUP

Each Certificate States Insurance is Given in Appreciation of Faithful Service

In discussing the H. J. Heinz. Company Group, Pittsburgh, the Aetna Life says that all premiums will be paid entirely by the Heinz Company, makers of the "57 Varieties." Employes in all its United States branches, as well as in the home plant, will benefit by the gift. Announcement of the insurance and distribution of the individual certificates took place on Wednesday, August 22, in the Heinz Auditorium, before a large assemblage of the Company's employes. The presentation was made by H. J. Heinz, the president; several other officers spoke on the subject. The insurance, written by K. J. McAlpine, special representative of the Aetna Life Group Department, is based on completed terms of service, beginning with $250 for three months and continuing to $1,000 for five years of service.

INCOME TAX RULING

Commissioner of Internal Revenue Gives Government's Position on Policies For Employes

The Commissioner of Internal Revenue this week issued a ruling under the corporation income tax law, holding that premiums paid by corporations to insurance companies on policies insuring the lives of their officers or employes are not hereafter deductible from gross income, but, to the extent that such premium payments have not been previously deducted from gross income in any return of annual net income, they may be deducted from the proceeds of the policy when such proceeds are received, the net proceeds being returned as income. The text of the ruling follows:

"Treasury decision 2090, in so far as it authorizes corporations to deduct from gross income the annual premiums paid on policies insuring the lives of officers or employes in favor of such corporations, is hereby modified to the extent that instead of the corporations carrying such insurance being permitted to deduct from gross income of the year in which paid the amount of the annual premium payments, they will hereafter be permitted to deduct from the gross proceeds, when received, of any policies of which the corporations are the beneficiaries the entire amount of the premiums paid during the term of the policies, less any premium payments which, under the former ruling, have been deducted from gross income in any return of annual net income and the net proceeds of the policies thus ascertained will be returned as taxable income of the year in which received."

44 MILLIONS from 42 AGENCIES

THE 1916 RECORD OF OUR EARNEST, LOYAL AND HAPPY AGENCY FORCE

New England Mutual Life Insurance Company

BOSTON, MASS.

The Nation Needs Its Business

Not less patriotic than those who serve the Nation in organizations directly connected with the war, are those who keep the wheels of business steadily turning. Their work contributes to the country's moral poise, and, as well, keeps sound the financial foundation on which our great part in the war must rest. Life insurance is one of the great conservators of national resources, through its protection of the myriad homes of the people and the businesses which furnish their maintenance. Life insurance has therefore a great opportunity and a great duty in this time of crisis.

Occasionally we have a General Agency opening

JOSEPH C. BEHAN, Superintendent of Agencies

MASSACHUSETTS MUTUAL Life Insurance Company

Springfield, Massachusetts

Incorporated 1851

LIVE HINTS FOR BUSINESS GETTERS

Practical Suggestions to Help the Man With the Rate Book Increase His Income and General Efficiency

A Word to Prospective Agents

Insurance is an institution for the elimination of risk by the substitution of certainty for uncertainty. Life insurance is that branch of insurance which by a distribution of the losses among the many protects the individual by eliminating the financial consequences of death. Man passes through three periods of life—the helpless period of childhood, the productive period of manhood, the helpless period of old age. Life during the productive period of manhood has a monetary value, an earning power, which can only be protected by life insurance.

The average man during his productive period has dependent upon him sons and daughters in the helpless period of childhood, who, with their mother, busy in the home making and child raising, are entitled to protection against financial disaster resulting from the death of the bread winner.

Again, in due time, father and mother pass with the years from the productive period of manhood and womanhood to the helpless period of old age, while the children pass from the helpless period of childhood to the productive period of manhood. Life insurance then must in its scope be broad enough to cover with its protection both periods of helplessness—childhood and old age.

Life insurance is an aggressive business, it must be procured by solicitation. Every one of the twenty-five million policyholders, carrying over twenty billions of old line life insurance, believes in insurance, but strange to say, nearly all of them had to be solicited for the very insurance, which in the majority of cases, stands between their dependent ones and actual want.

All honor then to the "Knight of the Rate Book"—to the man in the field, to the man who has practically made life insurance what it is to-day. Every man connected with life insurance who does not sell life insurance, is what may be termed a "necessary evil" to the business. This may be applied to every one at the home offices from the president down to the office boy and to every one in agencies who as managers, clerks or salaried employes, never try to write insurance. If a canvass could be made of all the life insurance companies to ascertain the comparative income of officials at the home offices and of agents in the field the result would show that in all companies some agents could be found who were making more money selling insurance than any of the officers were receiving in salaries for administering the affairs of the company. The great attraction which life insurance offers to young men is from the field standpoint, the salesmanship end. If any are contemplating entering the life insurance business, they do so with the idea of selling it as soliciting agents. There is probably no business, not requiring a capital investment, which offers greater returns for good, hard work put forth than that of life insurance.

More men fail in life insurance through sheer waste of time or inability to properly utilize their time than from all other causes combined. The average young man enters the business with honest intent and purpose, but with a scant idea of what is expected of him. There are altogether too few managers and general agents who know how to train men to be successful agents, but regardless of how good a manager may be, he cannot put anything into an agent which is not already fundamentally in him. Success in life comes from within, not from without. The manager at best can only hope to draw out, to develop, to enthuse, by suggestions and by example, the latent force and the untrained good which is within a man. The more a man is trained along this line before he enters the life insurance business, the better qualified he will be for success after he has entered it. Your college course is a mind trainer, a character builder, a target range where you are taught to make bull's eyes. Some college men are educated beyond their intellect—such men look upon a college course as an end, not as a means to an end.

No other business has developed in the last quarter century as has life insurance and that growth has been a growth and development of the type of agent selling its policies. The old style agent of twenty-five years ago is seldom seen in the business to-day. Some eighty-seven universities and colleges in our land are to-day training some of the men who will be the agents of tomorrow. The college work in life insurance is but in its experimental stages now, but each year finds improvement in methods employed in class room work and in men turned out.

If a young man wishes to enter life insurance and make a success as an agent let him begin now by making a success. A few prime requisites are essential, viz.: knowledge (a) of himself, knowledge (b) of life insurance, knowledge (c) of his own company, and knowledge (d) of human nature. The knowledge which he imbibes in college will be nil on "c" because he will not make a selection of company to-day—it will be fundamental but partial on "b" because "experience is the best teacher" and he gets experience in the school of hard knocks. It should be maximum on "a" and "d"—he must learn to know himself and to know human nature. If he is to be a success in life he had to begin these processes before he ever saw college—for college is but a mere developer of some of the things which he began to learn in the home, in the graded school and among his playmates as children. In college he must learn to analyze and classify those things which pertain to self and to human nature. His success in life insurance—yes, in life itself, will depend directly in his ability to know himself and to know human nature.

If he knows he is lazy—either he should get over it or stay out of life insurance. If he knows he is gullible—easily influenced, quickly discouraged, he should either take some mental athletics along this line or stay out of life insurance. If he is domineering—let him learn early in life that to succeed he must be able to dominate, but never to domineer.

As a successful life insurance agent—he must dominate the situation every time he writes an application, but if the furrows in his brain run wrong and he is domineering, he will never get applications, because he will soon be known as an "insurance bore," a species which we are trying hard to eliminate from the insurance business.

The life insurance college-trained men will be given the preference and will, so to speak, have the inside track over all comers in the beginnings, but in the long run as agents it will be the survival of the fittest with an open field to all comers.

In college courses the young man must learn at least three things as a prerequisite to success: (1) something about life insurance, (2) more about human nature, (3) and most about oneself. He must find out if possible of what he consists—has he faith, perseverance, fondness for hard work—and salesmanship qualifications? If so, let him go into the life insurance business from the selling end. If he has not those qualifications, let him acquire them—and finally if he has not or cannot, then he should stay out of the business.

THE MOST VALUABLE POLICY FOR YOU,
Mr. Agent, is to write your prospect in the Company writing the most valuable policy for the insured.
Secure **prompt action** in the
John Hancock MUTUAL LIFE INSURANCE COMPANY OF BOSTON MASSACHUSETTS
WILLIAM N. COMPTON, General Agent
METROPOLITAN DISTRICT, ST. PAUL BLDG., 220 BROADWAY, NEW YORK, N. Y.

ORGANIZED 1871
Life Insurance Company of Virginia
RICHMOND, VIRGINIA
OLDEST LARGEST STRONGEST
Southern Life Insurance Company
Issues the most liberal forms of Ordinary Policies from $1,000.00 to $50,000.00, and Industrial Policies from $12.50 to $1,000.00
CONDITION ON DECEMBER 31, 1916:

Assets	$14,464,552.23
Liabilities	12,436,717.56
Capital and Surplus	2,027,834.67
Insurance in Force	118,349,212.00
Payments to Policyholders since Organization	18,119,172.50
Is Paying its Policyholders over	$1,300,000.00 annually

GOOD TERRITORY FOR LIVE AGENTS

FOUNDED 1865
Unexcelled In Favorable Mortality and Economy of Management
The Provident Life and Trust Company
OF PHILADELPHIA
Rates of Premium Extremely Low and still further reduced by Annual Dividends

Security Mutual Life Insurance Company
Binghamton, N. Y.
Offers to men able to produce business first class territory, with direct contract providing liberal compensation.
For particulars, address
C. H. JACKSON, Supt. of Agencies

A GOOD OPENING
An old, well established, progressive life insurance company, with unexcelled dividend record has good opening at PHILADELPHIA, covering Eastern Pennsylvania. Address, stating qualifications:
PHILADELPHIA, care of The Eastern Underwriter
105 William St., New York City

MADE FARM LOAN MANAGER

Frank L. Bashore has been appointed manager of the farm loan division of the Metropolitan Life. Mr. Bashore resigned as vice-president of the Maxwell Investment Company, Kansas City, and disposed of his interest in that company, to become associated with the Metropolitan. Mr. Bashore has already assumed his new duties with the Metropolitan. His headquarters are at the home office. He has been in the farm loan business for more than twenty years.

ACTUARIAL SOCIETY EXAMS.

The recently announced results of the examinations of the Actuarial Society of America held May 31 and June 1 in the principal insurance cities of the United States and Canada show the names of thirteen Hartford men who were successful out of a total of seventy-six successful candidates, a proportion of over one-sixth. Eight of the thirteen were from the Travelers, two from the Aetna, two from the Connecticut General and one from the Connecticut Mutual.

P. H. WOODWARD DEAD

P. Henry Woodward, vice-president of the Connecticut General Life Insurance Company of Hartford, died Tuesday in his eighty-fifth year. He had been vice-president of the Connecticut General since 1899.

PAID-UP DIVIDENDS

Their Advantages Described By Mutual Life—Avoid Policy Loans—Offsets Higher Prices

The Mutual Life has outlined to agents the following as some of the advantages of paid-up dividend additions:

1. Offset to Higher Cost of Living.

Every intelligent observer has noticed the ever increasing cost of living during the past score of years. Although this increase has been mostly within a few years, more especially since the disturbance of the great world war, the fact remains that there is a world-wide tendency toward a gradually advancing increase in incomes and in prices. As a result the purchasing power of a fixed amount of money is constantly decreasing from generation to generation. Only world-wide economic reforms on a vast scale can check this decrease.

A farseeing man will endeavor to provide for his dependents an ever-increasing amount of protection to offset this ever-increasing cost of living. The easiest and most dependable method of providing for this necessity is by allowing the dividends of a life insurance policy to remain in the form of paid-up additions. In this way the amount of his protection will gradually increase from year to year.

If this method is not followed there is ever present the danger of the insured's dying before he has increased his insurance with an additional policy. When he awakes to the need of additional protection he may be inclined to postpone the purchasing of an additional policy and, even if he does not delay, the state of his health may make it impossible for him to get any more insurance.

2. Better Than Our Dividends at Compound Interest.

When these paid-up additions are liquidated, in whole or in part, to pay premiums, or when they are surrendered together with the policy, they yield a larger return in cash value than would be realized if the schedule cash dividends had been left with the policy at 3 per cent. compound interest, except at the very young or very advanced ages. On life policies the return is greater between age 27 and 63 inclusive, and on endowment policies the return is greater on a still larger number of ages. Moreover, there is the advantage of the additional and constantly increasing protection (while the additions are in force), which will more than compensate for any smaller return in the cash value.

3. To Avoid Policy Loans.

There is another advantage in accumulating these paid-up additions. The cash value of these additions will always be available toward paying an accruing premium when the necessary cash cannot be obtained in any other way. This is better than subtracting the premium, or the required net outlay, from the cash value of the policy, as this latter method of paying a premium makes a serious reduction in the amount of the protection provided for the beneficiaries, unless this loan is repaid, which is seldom done. The policy loan requires the payment of 6 per cent. compound interest, which is another disadvantage. Thus, by allowing the dividends to remain in the form of paid-up additions, the policyholder accumulates an extra reserve which will minimize the danger of requiring a policy loan with its consequent disadvantages.

WHITE MOUNTAIN CLUB

Successful Agents of United Health & Accident Insurance Co. Have a Gala Week

Concord, N. H., September 2.—The White Mountain Club, organized some time ago and consisting of top notch agents representing the United Life and Accident Insurance Company, has concluded its first annual meeting and the members have now returned home. The visiting agents spent a week here; heard instructive talks at the home office; exchanged views for their common benefit; were entertained at clubs and resort hotels, and saw most of the beauty spots of the White Mountains. They left full of enthusiasm, determined to make the next club year (August to August) a highwater mark.

Composing the club are the ten men who qualified from various States. They paid for practically $1,250,000 during the first club year. Their names:

L. C. Cole, Columbia, S. C., president; J. C. Nettles, Walterboro, S. C., vice-president; George L. Jordan, Kinston, N. C., secretary; L. B. Shearin, Portland, Me.; A. P. Starr, Wilkes-Barre, Pa.; John Baldwin, St. Louis; O. F. Snyder, Kansas City; Wilson M. Hardy, Nashville; S. D. Gregory, Blue Mountain, Miss.; Frank I. Bartlett, Concord, N. H.

Among those who qualified for a free trip to the home office, conditioned on writing a specified amount of business, were:

Walter Batey, Murfreesboro; A. R. Beneke, Nashville; J. D. Keels, Columbia; W. H. McGlothlin, Portland, Tenn.

President S. W. Jameson told briefly of his experience in the organization of the Company and its rapid growth since its beginning. L. C. Cole, president of the club, responded to the welcome.

One of the most inspiring talks of the morning was given by Judge James W. Remick on "Policy No. 1." He is the first policyholder in this Company. While Policy No. 1 was the subject assigned to the Judge, he treated, in his own happy style, other phases of life insurance. Various departmental subjects were taken up in order by the heads of the different departments, and a free rein given to the men for discussion.

After an important meeting of the board of directors, the men had the opportunity of meeting various members of the board. The occasion also gave the various members of the board an opportunity of learning something of the experiences of the men in the field.

In the afternoon a photograph was taken of the Hundred Thousand Dollar Club, and also the home office force including the officers and some directors of the Company.

At a banquet given at the Snow Shoe Club Clarence E. Carr, chairman of the board of directors, acted as toastmaster. Everyone present felt it a decided honor to have as a guest the Governor of New Hampshire, Henry W. Keyes, who made a brief but instructive talk. Other addresses were made by Vice-President and General Counsel of the Company Allen Hollis; President S. W. Jameson, Treasurer John B. Jameson, Medical Director Dr. R. J. Graves, Actuary Richard Brodin, and by Cashier J. F. Kirk. The $100,000 Club members who talked were L. C. Cole, president of the club; Wilson M. Hardy, John Baldwin, L. B. Shearin, and Robert E. Laite.

During the week there was an automobile tour of the White Mountains, the trip being made by way of Plymouth and the Franconia Notch, through the Crawford Notch to Portsmouth and back to Concord, covering 325 miles of the State's finest roads and through its scenic beauty and grandeur. The party was entertained at the Profile House, later at the Mount Pleasant House (which is in view of Mt. Washington) and there was given a lobster dinner.

THE
METROPOLITAN LIFE
Insurance Company
(Incorporated by the State of New York)



Metropolitan Life Insurance Company
Home Office Building

The Company
Of the People
By the People
For the People

The Daily Average of the Company's Business during 1916 was:

701 per day in Number of Claims Paid.

8,304 per day in Number of Policies Issued and Revived.

$1,969,823 per day in New Insurance Issued, Revived and Increased.

$376,827.40 per day in Payments to Policyholders and Addition to Reserve.

$220,509.26 per day in Increase of Assets.

JOHN R. HEGEMAN, President

Representing

The Mutual Life Insurance Company
of New York

You will make money.

The great strength, big dividends and incomparable benefits of the *"oldest company in America"* mean certain success for you.

For Terms to Producing Agents, Address

GEORGE T. DEXTER, 2d Vice-President

34 NASSAU STREET. NEW YORK, N.Y.

SUICIDES DECREASE

Metropolitan Records Show That Fewer Workmen Kill Themselves—Most Deaths By Shooting

The Metropolitan Life has completed a study of suicide as a cause of death among the industrial policyholders of the Company. According to this study there has been a marked decrease in the death rate from suicide during the last few years. Among four million insured white males the number of suicides in 1916 was 620, or 15.3 per 100,000. In 1915, the rate was 19.6 per 100,000. The most frequent form of suicide among these white males was by firearms (31 per cent.). Among nearly five million white female policyholders, there were 308 suicides in 1916, or 6.3 deaths per 100,000 insured. In 1915, the rate was 7.5 per 100,000. Poisoning was the most usual method of suicide among the white females—more than one-third having been so accomplished.

The death rate from suicide among negro males is a little over one-half as high as among white males.

The figures show that suicide is more than twice as frequent as a cause of death among males than among females. This is true at all periods of life except at the ages 15 to 19.

Among both white male and female policyholders of the Company, under 25 years of age, the suicide death rates are lower than those recorded among males and females in the general population of the Registration Area of the United States.

THE EASTERN UNDERWRITER

This newspaper is owned and is published every Friday by The Eastern Underwriter Company, a New York corporation, office and place of business 105 William Street, New York City. Clarence Axman, President; W. L. Hadley, Secretary. The address of the officers is the office of this newspaper. Telephone 2497 John.

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MR. HORNER'S PROPOSED REFORMS

Warren M. Horner, the Minneapolis general agent, has followed up his Des Moines speech, criticizing the manner in which the affairs of the National Association of Life Underwriters are conducted, by outlining twelve reforms which he thinks, if carried out, will be better for the National Association of Life Underwriters and for the life insurance business. He regards his profession as one requiring brains, preparedness and industry in its conduct and in the official bodies which represent it.

Many of Mr. Horner's suggestions will instantly appeal to life insurance men as acceptable, while all of them are worthy of consideration, even if they are not adopted. Undoubtedly, there should be a code of ethics and strong agency qualification laws, although there are many who will not go as far as Mr. Horner does in regard to part-timeism. His suggestion of conference meetings with allied associations, such as those composed of life insurance presidents and other officials, actuaries, medical directors, counsel and similar bodies is a good one, if practical. Why should not there be some deliberative co-ordination between the master minds of every branch of the business? There is much food for thought in his plan of having experts in the association to advise with the president.

In putting his criticisms into concrete, constructive form Mr. Horner has done the wise thing, following his general statements made at Des Moines, and they will result in a most interesting discussion at the New Orleans convention.

INSURANCE NEEDS ENHANCED BY HIGH COST OF LIVING

On account of the decrease in the purchasing power of the dollar during the past dozen years the agency forces of a number of the leading insurance companies in all lines are calling the attention of the insuring public to the necessity in the increase in the amount of insurance carried.

It is pointed out that if the insurance buyer wants to maintain the standard set in former years he must now add to his insurance a percentage equal to the percentage of decrease in the purchasing power of the dollar. The decrease since 1904 according to Bradstreet's has amounted to 48 per cent. In other words roundly $1.50 is now required as the money price of goods that in 1904 could be purchased for $1. This applies to all articles of general consumption and while the figures do not include such items as building materials, it is a well-known fact that practically every commodity has advanced in proportion to the advance in articles of general consumption. The fire insurance man therefore joins the life insurance man and the health and accident insurance man and all the rest in calling the attention of the public to the need for more insurance.

The man who buys insurance must either increase his insurance or in effect become a self-insurer to the extent of the difference between what it would cost to replace his property, and what he valued it at. The item of depreciation in the property itself must be considered, and the value of stocks keeps abreast of the times, but thousands of property owners have failed to take into account the increased value of their property as it stands.

In the field of life insurance the necessity for an increase in insurance is even more pronounced than it is in fire insurance. The man who felt that $10,000 insurance was necessary for the proper protection of his dependents in 1904 must now have $15,000 insurance in order to provide the identical protection he had in 1904 with $10,000. The same is true of the man who buys indemnity against disability from accident and sickness. He must have just 50 per cent. more insurance to provide himself with the protection he had in 1904.

ATLANTIC CITY CHANGE

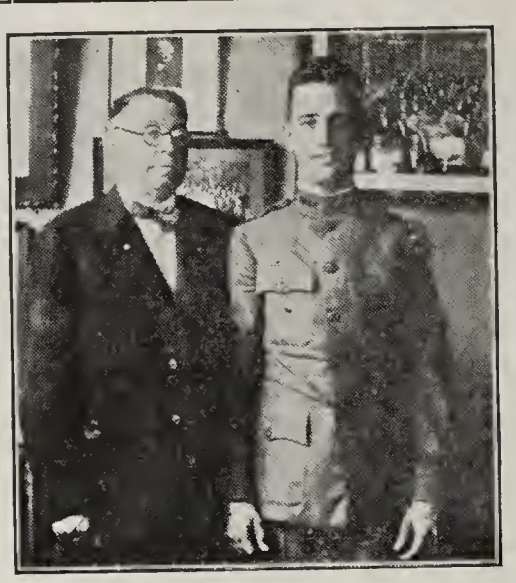
Stephany & Co. Buy Business of L. Joseph Koch, Jr., Who Has Joined Army

L. Joseph Koch, Jr., has sold his general insurance business in Atlantic City to Stephany & Company, who is the oldest agency in the county having been established forty-four years ago. L. Joseph Koch, Jr., is now a captain in the army. In making the announcement of the purchase Stephany & Company publish the names of the following companies which hereafter will be represented by Stephany & Co.: Phoenix Assurance Company, England; Rochester German Underwriters, N. Y.; Eastern Underwriters, Camden; Patriotic Assurance Company, Dublin; Franklin Fire Insurance Company, Philadelphia; Duquesne Underwriters, Pittsburgh; Germania Life Insurance Company, New York; Massachusetts Bonding & Insurance Company; Maryland Casualty Company, Baltimore; National Surety Company, N. Y.; Germania Fire Insurance Company, N. Y.; Insurance Company of North America, Philadelphia.

Captain Koch has been at the Officers' Training Camp at Fort Myer, Virginia. He is now at the Petersburg encampment. The Stephany business was founded by the late August Stephany in 1873. Robert E. Stephany, who is a member of the firm, was one time Recorder of Atlantic City and Albert C. Stephany has been active in the agency for sixteen years.

Mrs. F. L. Banta, chief clerk of the Arizona Department, was the only woman delegate to the National Convention of Insurance Commissioners at St. Paul.

THE HUMAN SIDE OF INSURANCE



W. M. WOOD A. E. PATTERSON

William M. Wood, the veteran manager of the United States Life in Pittsburgh, expects to attend the New Orleans convention of the National Association of Life Underwriters. It will make his twentieth annual convention without missing one—a record. In 1898 he was elected secretary of the Pittsburgh Life Underwriters' Association, which office he held for ten years. When he resigned he was elected on the Executive Committee and had been chairman of that committee continuously since. He was the Pittsburgh member of the National Association for three terms, 1902 to 1911, and was a member of the Executive Council for two terms during that time. He attended the Minneapolis convention as a delegate in 1898 and has been going ever since.

In 1880 Mr. Wood, who was born in 1858 in Westchester County, N. Y., entered the life insurance business as an agent for The Prudential at Brooklyn, under Superintendent S. K. Fessenden. He was an agent thirteen months, an assistant superintendent eleven months and a superintendent three and one-half years at Williamsport, Pa., and Erie, Pa. He became agent for the New England Mutual in Erie, Pa., November, 1887, covering Northwestern Pennsylvania, continuing until February 8, 1898, when he went to Pittsburgh as general agent for the United States Life in which position he still continues.

With Mr. Wood is Major Alexander Evans Patterson, one of the eight representatives of the E. A. Woods agency in Pittsburgh who have entered the military service. Of these six have received commissions. Major Patterson, who is a nephew of the late "Fighting Bob" Evans, has been with the Woods agency some years, rising to be assistant manager. Major Patterson has been secretary of the Pittsburgh Life Underwriters' Association, and has long been regarded as one of the most promising young life insurance men in that city.

* * *

Mrs. Aristine P. Munn Recht, daughter of Dr. John P. Munn, president of the United States Life Insurance Company, has been appointed first dean of women in New York University. Among the Sunday newspapers carrying her picture this week was the Philadelphia "Public Ledger."

* * *

J. M. Rathbone, vice-president and general manager of the National Surety Company, spent his vacation in Arizona, where his son is with the troops. He returned to his duties Tuesday.

* * *

W. N. Van Alstine, the Little Falls local fire insurance agent, saw the parade of 25,000 New York national guardsmen from the grandstand of the Union League Club, and had the privilege of meeting Governor Whitman, Mayor Mitchel, Theodore Roosevelt, General Leonard Wood, General Bell and other celebrities.

* * *

Samuel Y. Tupper, Southern manager of the Queen, who has been taking a short rest at Hot Springs, Va., has returned to Atlanta. Mr. Tupper has four sons in the service of the Government, three in the army and one in the navy.

* * *

F. W. LaFrentz, president of the American Surety Company, returned Wednesday from a month's vacation.

* * *

Emory H. English, the new president of the National Convention of Insurance Commissioners, is a native of Polk County, Iowa, where he was born January 15, 1871. For several years he followed newspaper work and was State Printer for six years. He later became proprietor of the "Daily Times," of Mason City, and served three terms in the Legislature. In 1914 he was appointed State auditor and the following year became the first insurance commissioner of Iowa.

* * *

George E. Kline, whose resignation as vice-president of the Evans companies was published last week by The Eastern Underwriter, has not announced his future plans. His resignation takes effect December 31st. Mr. Kline's experience in the business world has been entirely with fire insurance. Moreover, it was with the Continental in its Western, then its farm department, that he began. At the start he was an office boy, and general all around utility man. He swept up, ran errands, and made himself generally useful. In those days the Western offices did not have porters. One of his friends said this week that he started without salary in November, 1879, and drew his first envelope in the following January. Gradually his talents began to be appreciated and he steadily worked up. Colonel Ten Broeck, then in charge, put him on the endorsement desk; later he was made a farm examiner under Manager Taylor. When Bentley & Taylor were managers of the Western department Mr. Kline was sent out on the road as an assistant special agent, his territory being Iowa, Illinois, Kentucky, Tennessee and Missouri. There he made a record of diligence and intelligence that would be hard to equal. Old-time Western insurance men say that as a special agent he set a pace that is still remembered. Anyway, he was promoted and brought into the office as an examiner for the same field.

When the late J. J. McDonald was made general manager in the West Mr. Kline was appointed assistant to the general manager. Upon the retirement of Mr. McDonald Mr. Kline was made second vice-president and manager of the Western department. In April, 1910, he became vice-president of the Continental and the Fidelity-Phenix, with headquarters in New York. Few fire insurance men have worked harder than has Mr. Kline or have been better posted on underwriting questions; and few have been able to accomplish so much work. His labor was at his desk and he has never been known as a "committee man," for which reason personal acquaintance with other fire insurance men has not been large, as such acquaintances ordinarily go with men of his rank. In fact, he has rarely been seen at meetings, either of committees or of associations. Despite this his friends are warm friends because they have found by experience that his heart is warm and his word is precious.

FIRE INSURANCE DEPARTMENT

Topics for Discussion at Agents' Convention

RE-INSURANCE AND MULTIPLE LINES TO BE THRESHED OUT

Uncultivated Lines and Advertising Among Other Subjects—Richardson To Address Casualty Men

The National Association of Insurance Agents announces this week that two of the leading topics for discussion at its annual convention in St. Louis, October 11, 12 and 13, will be re-insurance treaties and net lines. The association says: "These subjects are probably more prominently in the minds of companies and agents than any others at the moment."

The entire re-insurance situation has been changing because of the war and these changes have been radical in the past few months. In 1912 the net premiums of purely re-insurance companies were $35,000,000; in 1916 they were more than $55,000,000. Since January 1 of this year two companies have entered the field, one from Copenhagen, the other from Christiania. There are rumors that there are several other companies about to enter.

Best's Investigation

Recently Alfred M. Best, of New York, sent a letter to American stock companies asking them if they have any re-insurance in force in companies organized under the laws of Germany, Austria or Bulgaria. Only twenty-seven American companies advised Mr. Best that they have any treaties with companies having their home offices in one of the Central Powers. Forty-six companies did not respond to the inquiry.

Multiple Agencies

It is announced that the subject of multiple agencies will again be discussed. There have been a number of developments of importance since the last meeting, not the least interesting of which is the Philadelphia situation. The Southeastern Conference Committee will make an important report. This committee has been meeting with companies relative to rates and commissions on unprofitable classes.

Community advertising will be handled by an expert, as will the subject of uncultivated lines. Among the up-to-date subjects in which local agents are interested and about which there will be discussion are premium collection systems, organizing local clubs, anti-discrimination laws, mutual and inter-insurers competition, increased cost of doing the agency business, uniform daily reports and uniform blanks, qualifications for brokers and agents, service or engineering department for agents, etc.

Casualty Agents To Meet Same Week

In accordance with the invitation extended by the Agents' Association, the National Association of Casualty and Surety Agents has decided to hold its annual meeting at St. Louis at the same time. There will be a business session on Wednesday, October 10, and on the afternoon of October 11 a joint session with the "Casualty and Surety" section of the agents' organization.

At this meeting addresses will be made by Manager Frederick Richardson, of the General Accident, and Field Secretary Percy Garnett, of the Workmen's Compensation Service Bureau. An important report will be made by the "Casualty and Surety Committee" on the subject of expirations. The special topics assigned for discussion will probably be acquisition cost, with a report on the action of the insurance commissioners' convention; also the subject of co-operation of all agents in facing common dangers, and relations with the State federations.

The National Council of Insurance Federations has also accepted the invitation of the agents' association to meet in St. Louis during its sessions, and hold a general meeting on the evening of October 11.

SHIPBUILDING RISKS

Commissioner Wells, of Oregon, Annuls Present Rates and Says Field Is Open

In the matter of shipyard insurance on the Pacific Coast, where there has been a controversy between Commissioner Wells of Oregon and Chairman La Boyteaux, of the Shipping Board's War Risk Committee, Commissioner Wells has annulled the present rates for builders' risks and the companies are now privileged to issue fire policies on ships under construction at the lowest rate possible. Oregon agents had been offering to write at 13.4 per cent. per year.

SYRACUSE COMPANY

The name of the fire insurance company being formed in Syracuse is the Underwriters of Syracuse, Inc., although it will probably be called the Syracuse Fire. Ray B. Smith is president; and R. C. Burdick is manager.

J. L. Crosthwaite, of B. M. Crosthwaite & Co., is at Plattsburg.

FIRE AND MARINE INSURANCE—ALL LINES

The Automobile Insurance Company of Hartford, Conn.

MORGAN G. BULKELEY, President

Statement January 1, 1917

Cash Capital - - - - -	$1,000,000.00
Assets - - - - -	2,748,832.19
Liabilities (Except Capital) - -	1,039,977.81
Surplus to Policyholders - -	1,708,854.38

AFFILIATED WITH

AETNA LIFE INSURANCE COMPANY

THE AETNA CASUALTY & SURETY CO.

BOLAND CO. ANNOUNCEMENT

John E. King Placed In Charge of Underwriting of New York Office—New Location of Agency

The James J. Boland Co., Inc., on Monday will move to 68 William Street, New York City, where the office will occupy extensive quarters on the eighth floor.

The agency also announced this week the appointment of John E. King to have charge of the underwriting of the New York office.

Mr. King has had a broad experience in the underwriting field and is a director of the Richmond Insurance Co., of which he was general agent for many years. He is also actively engaged in the organization of the Greater New York Fire Insurance Co., plans for the opening of which are now nearing completion.

MAKES NEW YORK APPLICATION

The Western Live Stock Insurance Company of Peoria, Ill., has applied for admittance to New York State. This Company, which has more than $335,000 capital and surplus, has been growing rapidly. Clifford Ireland is president; H. W. Danforth, vice-president; E. C. Leisy, second vice-president; Dr. G. W. Hubbard, secretary and general manager; Berne M. Mead, treasurer; Bert Buckley, adjuster; Dr. J. T. Nattress, consulting veterinarian; C. V. Miles, general counsel.

NIAGARA FIRE INSURANCE COMPANY

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OTHO E. LANE, President

BERNARD M. CULVER
WILLIAM L. STEELE
Vice Presidents

CHAS. A. LUNG
WILBUR C. SMITH
Secretaries

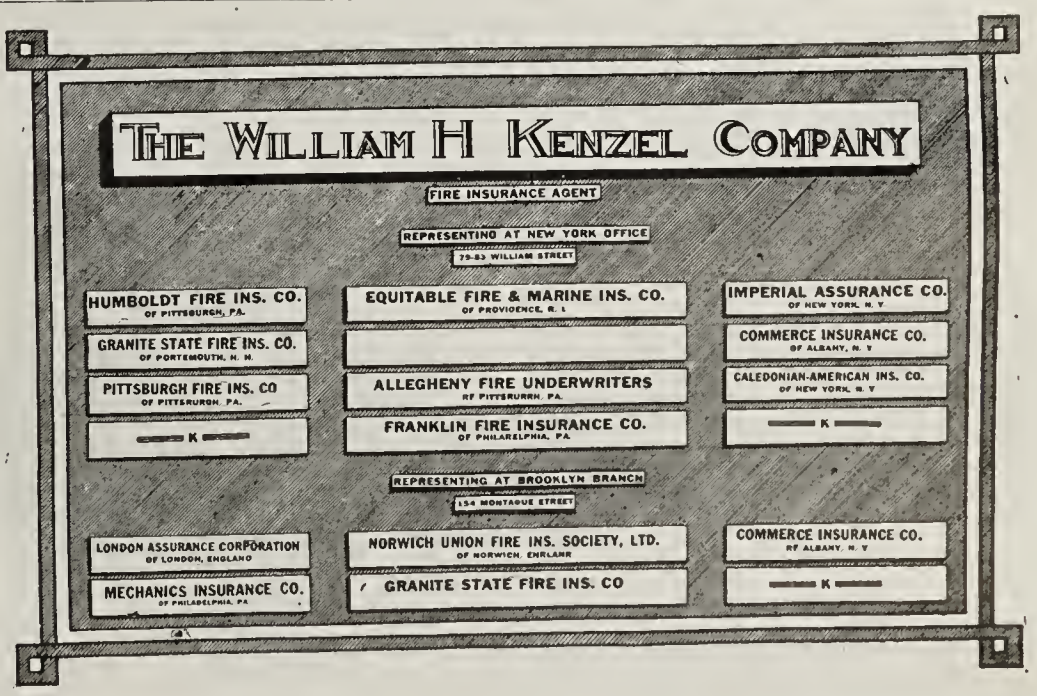
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AUTOMOBILE
RENTS
SPRINKLER LEAKAGE
EXPLOSION
FULL WAR COVER
LEASEHOLD

Use and Occupancy, Profits, Commissions — All Forms

123 William Street, NEW YORK



New Insurance Head For Pennsylvania

CHARLES A. AMBLER APPOINTED TO SUCCEED J. DENNY O'NEIL

Governor Brumbaugh Essays to Overthrow Penrose Influence by Making O'Neil Highway Commissioner

An upheaval in Pennsylvania politics this week resulted in some important changes in State departments. J. Denny O'Neil, who has been State Insurance Commissioner, was transferred to the office of State Highway Commissioner, and Charles A. Ambler, of Montgomery County, was placed at the head of the State Insurance Department. The office of Highway Commissioner pays $8,000 a year, while that of Insurance Commissioner pays $7,500.

Former Speaker of House

Charles A. Ambler, the new Insurance Commissioner, was formerly Speaker of the Pennsylvania Assembly, and has been identified with the Brumbaugh-Vare faction for some time. He recently ran for the office of Auditor-General, but was defeated. As one of the Republican State leaders he has a large following, and is credited with having dealt fairly with his political opponents while Speaker of the State Legislature. He is about forty-five years old.

Ambler's Career

Ambler was born in Jenkintown, Montgomery County, January 5, 1874, but has lived most of his life in Abington, where he was educated. After being in the mercantile business he became president of a road building and general contracting company. He served one term as postmaster of Abington and was a member of the House of Representatives from the First Montgomery District in the sessions of 1903, 1905, 1906, 1907, 1909, 1913 and 1915, being chosen Speaker in the latter session. He has been talked of for Highway Commissioner and Commissioner of Labor and Industry in the political gossip of the last year.

Philadelphia politics, the domination of the local Republican organization by the Brumbaugh-Vare faction against the Penrose-McNichol combination, would appear to be the controlling issue in the action taken by the Governor in the changes just made. For a long time Mr. O'Neil has been a thorn in the side of the Penrose faction in Alleghany County, having done considerable campaigning in opposition to the liquor traffic and for the local option cause.

Mr. O'Neil was a good Pennsylvania Insurance Commissioner in the administration of his office, but was not effective with the Legislature. At the conclusion of the last session he gave out interviews expressing his disappointment that more laws had not been passed for the protection of the public.

Fire Zones

(Continued from page 1.)

direction of the engineering department of the New Jersey Schedule Office, and will mean a great deal of detail as the information is not only accurate but it is extremely important that it be kept up to date. As soon as an unprotected district becomes protected a change in the map will show this. As an instance of how these Protected Fire Zone Reports cover water supply the following is reprinted from the report on Clayton, Gloucester County:

Water Supply—The Clayton and Glassboro Water Company supplies water to both Clayton and Glassboro. Contract expired; new one not negotiated on account question of hydrant rental and service rendered. Local superintendent (living in Glassboro) engaged in several private enterprises, devotes very little time to system. Records incomplete. Supply from eight driven wells yielding limited amount of water, especially during dry seasons. Pumping station in Clayton. Equipment includes: One Deane duplex pump; rated at 500 gallons per minute, installed in 1909, used 18 hours per day, in poor condition; one Deane simplex pump, capacity 300 gallons per minute, installed 1895, used only when duplex pump undergoing repairs; discharge piping of both pumps seriously corroded and plungers and rods badly scored; two small vacuum pumps; two 42½ H. P. boilers, inspected and insured. Pumps draft from well header having two vacuum chambers (badly corroded), to which vacuum pumps are connected. At 6.00 A. M. daily duplex pump discharges to Clayton distribution system and Clayton elevated tank, until tank is full, when tank valve is closed; then pump discharges to Glassboro elevated tank and Clayton and Glassboro distribution systems. Check valve between Clayton and Glassboro distribution system against Glassboro tank. When Glassboro tank is full pump is shut down and valve at Clayton standpipe opened. The distribution system in one service with 8-inch line from pumping station through center of town to Glassboro. From this 8-inch line, on both east and west sides of Central Avenue there are long and short loops and single lines, to deal ends, of 4- and 6-inch pipe. **Elevated Tanks**—Clayton tank located at pumping station; steel on 100-foot steel tower; capacity, 108,200 gallons; elevation base 140. Glassboro tank located at Broad and Union Streets, Glassboro; steel on 100-foot steel tower; capacity, 132,500 gallons; elevation of base, 147.75. **Pipe**—American Pipe and Construction Company's Cement Pipe. Total length, 33,520 feet. 33 per cent. 4-inch; 36 per cent. 6-inch; 31 per cent. 8-inch. **Gate Valves**—48 gate valves on Clayton system. All open to light. Never inspected. Fire department not notified when valves are closed. **Hydrants**—50 hydrants in service, 2 of which are private. All are Ludlow, with two 2½-inch outlets and Jones snap couplings, 4-inch barrels and 4-inch branches generally not gated. Said to be inspected semi-annually; at time of inspection found to be in poor condition. **Pressures**—In March, 1917, readings taken at 12 hydrants show pressure ranges from 55 to 62 pounds, with an average of 59 pounds. **Fire Flow Tests**—Probable supply available for fire protection purposes was measured by means of Pitot tubes at the following locations, with results as given; location of test, discharge in gallons per minute, pressure with the hydrants closed and pressure with hydrants open are given consecutively. Center and Central, 976 gallons, 60 pounds, 19 pounds; New and High, 612 gallons, 69 pounds, 16 pounds.

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PENNSYLVANIA NEW JERSEY
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SCHAEFER & SHEVLIN
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Excellent Facilities for Handling Suburban Business Phone: John 2312

Rossia Insurance Company
HARTFORD, CONN.
REINSURANCE

Agricultural Insurance Company, of Watertown, N. Y.
64th Annual Statement
Assets $5,036,003.01
Liabilities 2,296,861.95
Capital 500,000.00
Conflagration Surplus 250,000.00
Surplus to Policyholders 2,739,141.06
F. F. BUELL, Troy, N. Y., Special Agent.....NEW YORK STATE
E. J. PARMELEE, Syracuse, N. Y., Special Agent..NEW YORK STATE
GEORGE SHAW, 116 Milk St., Boston, Special Agent..NEW ENGLAND
F. L. GILPIN, JR., 422 Walnut St., Phila., Special Agent.MIDDLE DEPT.

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NORTH AMERICA
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CAPITAL, $4,000,000 ASSETS OVER $23,000,000
FIRE, MARINE, AUTOMOBILE, Rent, Leasehold, Tornado, Explosion, Use and Occupancy, Sprinkler Leakage, Travelers' Baggage, Parcel Post
The Oldest American Stock Insurance Company

F. H. HAWLEY, Pres. ORGANIZED 1848 W. E. HAINES, Secy.
The Farmers Insurance Co. LEROY, OHIO.
Ohio's Oldest and Strongest Company
Net Surplus Over $1,293,741.00
AN AGENTS COMPANY
E. K. SCHULTZ & CO.
PHILADELPHIA
GENERAL AGENT
Pennsylvania, New Jersey and New York

BROKERS ACTIVITIES

Reciprocals Not Under Resident Agency Laws

OPINION OF INSURANCE COMMISSIONER WILSON OF KANSAS

Also Discusses Legislation and Tendency To Incorporate Management of These Exchanges

A long paper of inter-insurers was read before the insurance commissioners' convention last week by Superintendent Wilson, of Kansas. One interesting position he took was that the resident agent laws are inapplicable to the plan and scheme of reciprocal or inter-insurance. Along this line he said in part:

"Under the plan of reciprocal insurance the exchange of contract between subscribers is effected by the attorney in fact and the subscriber, who is also the policyholder, always deals directly with the home office. Such persons as may represent subscribers in the different States, do not, in any sense of the word, exercise the functions of insurance agents. These representatives rather solicit subscribership, or membership in the organization. Their activities are confined to procuring the signature of subscribers to a power of attorney which will authorize the exchange of these contracts by the attorney in fact and to the inspection of risks which is their most important function or duty.

Write No Policies; Receive No Premiums

"They take no applications, write no policies, receive no premiums nor adjust any losses. They cannot be considered in any sense of the word as insurance agents."

Legislation

In discussing inter-insurance legislation, Mr. Wilson said in part:

"Like every other system of insurance, inter-insurance has had its parasites and its leeches. The success of the well-managed exchanges has led to unhappy experiments. The wisdom of adopting sound regularity statutes is generally conceded, but whatever the system, no legislative enactment will compensate for the lack of efficient and honest management. As you well know a uniform bill was offered by the adjournment session of the commissioners' convention which met in New York City, December, 1912. So far as I can learn that bill was the first one presented for general adoption by the commissioners. And while it may be said to have been presented as a tentative measure it is decidedly a step in the right direction.

"While I consider it of great importance to pass reciprocal laws in the different States, which are sufficiently restrictive in their terms and provisions to keep out the irresponsible concern, it is equally important that these laws should not be unnecessarily burdensome or prohibitive of exchanges which are transacting a legitimate business."

* * *

Must Pay for Binders

The West Virginia Insurance Department has issued this statement about binders:

Many of the States are now holding with this State that the practice of issuing binders and cancelling same, without charge therefor, is a violation of the anti-discrimination laws of the various States, as it is tantamount to giving the insured insurance for no consideration.

NEW KIND OF COMPANY

City Underwriters, Ltd., to Act as Managers, Underwriters and Secretaries to British Companies

The City Underwriters Limited is the name of a new Company which has just been formed, with a nominal capital of £50,000, for the purpose of acting as managers, underwriters and secretaries to British insurance companies for marine, life and accident business, and important premises have been taken at 42, Cornhill, London, where business was commenced on September 1. The control of the concern is in the hands of the following directors: Mr. R. M. Welsford, chairman; Mr. E. Dexter, vice-chairman and Messrs. W. J. Fox, A. Rendtorff and R. Lawson Tait. Mr. Tait is acting as marine underwriter and Mr. A. O. Davies, until recently a chief official of the London office of the Century Insurance Company, as secretary.

The City Underwriters marks a new departure in insurance, for it will be seen that the Company is to act for insurance companies much in the same way that underwriters at Lloyd's act for syndicates which they represent, and following upon the announcement that the Century Insurance Company and the Employers' Liability Assurance Corporation had decided to commence marine business, it is interesting to note that the City Underwriters will act as their special representatives in the transaction of such business. All the directors named above have a wide business experience, and some are experts in the marine section, and the arrangement, on the face of it, is a particularly happy one.

* * *

Collins With Corroon & Co.

Frank Collins, for fifteen years with the late James W. Durbrow, joined the forces of R. A. Corroon & Co. this week.

* * *

In Government Service

A great many representatives of New York brokerage offices are in the Government service. Names of men in the service will be published by The Eastern Underwriter from time to time. A few follow:

Wilcox, Peck & Hughes

C. H. E. Frank, First Lieut., 14th Reg. Inf.; Leonard Hodgetts, Sergeant, 7th Reg. Inf.; W. T. Ryan, Corporal, 71st Reg. Inf. and Officers' Training Camp; Harold G. Frederickson, Sergeant, 23rd Reg. Inf.; William Kuhnold, Sergeant, 13th Coast Artillery; Charles Parlett, British Army; William R. Prime, Jr., Officers' Training Camp; H. H. Nute, Officers' Training Camp; J. Raymond Smith, Second Lieutenant, United States Reserve; Freeman A. Smith, Second Lieutenant; Jack Covert, 13th Coast Artillery; James Hamilton, 14th Reg. Inf. J. B. B. Parker is a cadet in the aviation service, and is now at Wilbur Wright Field, Dayton. W. G. Cochran is also in the aviation service. A. F. Stetson, Jr., is a coxswain with submarine chasers, base section 6. Sidney J. Townsend, of this office, was killed in action while serving with the British Army.

Frank B. Hall & Co.

Capt. W. E. Gard, O. R. C., Artillery; Charles J. Stukhart, National Army (drafted).

John C. Paige & Co.

Captain Hamilton Fish, Jr., 15 Regiment, N. Y.; Private John Nolan, 69 Regiment; Private Dave Sheckley, 14 Regiment.

INCORPORATED 1720

Royal Exchange Assurance

LONDON, ENGLAND

United States Branch
92 William Street, New York

RICHARD D. HARVEY
United States Manager

Authorized Capital $500,000

Detroit National Fire Insurance Co.

DETROIT, MICHIGAN

A Company to be built gradually and along the indicated lines of permanence

AGENCY CONNECTIONS SOLICITED

Caledonian Insurance Co. of Scotland

FOUNDED 1805

"THE OLDEST SCOTTISH INSURANCE OFFICE"

UNITED STATES HEAD OFFICE
Caledonian Building, 50-52 Pine Street, New York

CHAS. H. POST, U. S. Mgr. R. C. CHRISTOPHER, Asst. U. S. Mgr.

NEW YORK CITY OFFICE
Golden Hill Building, 59 John Street, New York

NORD-DEUTSCHE

INSURANCE COMPANY

UNITED STATES BRANCH

123 William Street
New York

J. H. Lenehan, Manager

Firemen's Insurance Co., Newark, N. J.

January 1, 1917

Cash Capital $1,250,000.00
Net Surplus $2,449,322.25
SURPLUS TO POLICYHOLDERS...$3,699,322.25

DANIEL H. DUNHAM, President
JOHN KAY, Vice-President and Treasurer
NEAL BASSETT, Vice-President
A. H. HASSINGER, Secretary
J. K. MELDRUM, Assistant Secretary

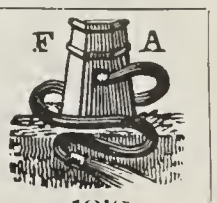
FIRE ASSOCIATION Of Philadelphia

401-405 WALNUT ST.

Organized 1817 Incorporated 1820 Charter Perpetual

Cash Capital $750,000 Assets $10,046,848.04

E. C. IRVIN, President
J. B. MORTON, 2nd Vice-Pres.
T. H. CONDERMAN, Vice-President
M. G. GARRIGUES, Sec. and Treas.
R. N. KELLY, Asst. Sec. and Treas.



1817

Iowa National Fire Insurance Co.

DES MOINES, IOWA Capital Stock $500,000

The latest addition to Reliable Fire Insurance organizations began Writing Business on January 1, 1917

JOHN L. BLEAKLY, President

F. L. MINER
Vice-President

C. S. VANCE
Underwriting Manager



FRANK P. FLYNN
Treasurer

C. M. SPENCER
Secretary

Aftermath of St. Paul Meeting

COMMISSIONER LUNING'S EXPENSE AND RECEIPTS RESOLUTION

Sub-Committee of Three Appointed to Take Up the Binder Question

At the Friday session of the commissioners' convention at St. Paul the following resolution, which if adopted may have far reaching results, was offered by Commissioner Luning of Florida:

Whereas, it is considered essential that the insurance departments of the various States shall receive as full detailed information as possible regarding the insurance companies operating in their States, particularly regarding the receipts and expenditures of such companies, so that the department may have an intelligent knowledge of the operations of such companies as may affect their States; and

Whereas, the information now furnished upon the blank forms prescribed by this convention and used by practically all the States does not call for this information, particularly by States; it is, therefore,

Resolved by this convention that, in addition to the information now required by such statement, each fire insurance company be required to furnish a supplemental statement, not later than the first day of May, in each and every year, to the departments of the States in which it is doing business, showing the total amount of commissions paid to agents during the preceding year, ending December 31st of such year; also a statement of the total amount paid as salaries to officers and employes and all other expenses of said company not called for by the annual statement blank or elsewhere in this resolution. That such State's proportion of expenses of salaries and other expenses of a general nature shall be given. That the State's proportion of expenses of salaries and of a general nature shall be arrived at by proportioning the percentage of such expense for such State in the relative proportion to the percentage of business done in such State as compared to the total business done by such company. For example: say a company is doing business in ten States, in one of the States it does only one-twentieth of its entire business, this State then should be charged with only one-twentieth of the total expense of salaries, general expenses and all other expenses not specifically paid out in such State; be it further

Resolved, That the committee on blanks of this convention is hereby instructed to prepare a blank to cover the information called for by this resolution and transmit a copy of same to the secretary of this convention, who is requested to transmit a copy of such blank form to each State insurance department, together with a copy of this resolution, as soon after receiving same as possible, in order that this additional information may be received during the year 1918.

Many favored this resolution but thought it should be carefully considered.

An effort was made to force a vote on this but it was finally referred to the committee on laws and legislation by a vote of 19 to 9.

Binder Resolution

The following resolution regarding binders and canceled policies was adopted:

That a sub-committee of three of the executive committee be designated for the purpose of taking up with the National Board of Fire Insurance Underwriters the matter of loss due to the issuing of binders by agents and the loss on account of the failure to collect premiums on cancelled policies.

Commissioners Young of North Carolina and Darst of West Virginia offered resolutions endorsing the national Administration in the present national crisis and pledging support.

Blanks

The report of the committee on blanks was embodied in the report of the executive committee which had to do with the rearrangement of the disbursement page in the convention form. The form submitted is for the stock fire blank and it is the intention to incorporate it in the mutual blank with such changes as are necessary to adapt it to the mutual blank in reporting 1918 business.

Mutuals and Valued Policy

In reply to a question by Commissioner Henry of Mississippi Commissioner McMaster said the valued policy law applies to domestic mutuals as well as other companies; that the domestic mutuals have but one or two agents in a county and the companies pay a salary or commission; if the latter, it is paid but once. The last legislature of South Carolina passed a law applying only to domestic mutuals, providing that they may pay agents only on salary basis or on contingent commission plan based upon losses. One company charges $1 membership fee. The agent gets half of that but if there is a loss the first policy year he must refund the entire commission.

Not Much Fire Insurance Discussion

Fire insurance did not come in for much consideration at this convention until Thursday. Commissioner English, in his response to the addresses of welcome, referred to the rate situation as a subject of vital importance and Superintendent Nesbit of the District of Columbia undertook to show that the companies are approaching dangerous ground in the matter of expenses. He drew comparison between the civil expenses of the government in one year, $102,000,000, and fifty representative fire companies which, he declared, spent more than that in their administration. Fifty leading life companies, he said, spent over $150,000,000. Mr. Nesbit's figures, while interesting, failed to elicit any discussion from the floor and the delegates seemed to fall more in line with Commissioner Darst of West Virginia who was quick to plead that everybody's expenses are increasing and "we should let the insurance man live and educate his children just as State insurance officials hope to do."

Superintendent Phillips, of New York, entered a plea for clarification of the standard fire policy through co-operation of the several States.

The startling manner in which the Commercial National Fire's life was snuffed out has stimulated an interest in methods for closer control of funds of companies.

OWNS TWO DEGREES

McMaster, Who Begins and Ends His Addresses With Poetry, an A. B. and LL. B.

A New York insurance man who read Fitz Hugh McMaster's address (which the commissioner delivered at the St. Paul convention last week) has asked The Eastern Underwriter if Mr. McMaster is a college man. This address beginning with a poem and ending with a poem, made insurance men remember that Mr. McMaster has frequently quoted Latin in his talks to the commissioners, and committed other evidences of a liking for classics.

The answer to the question is "Yes." Commissioner McMaster is a graduate of the University of South Carolina and has two degrees, A. B. and LL. B. He has been a lawyer, a legislator, a reporter and the general agent of a life insurance company.

Reasons for Rate Advance in New Jersey

EXPENSES OF ALL KINDS ARE CLIMBING HIGH

Costs More For Losses, For Inspections, For Hire and For Office Supplies

A 5 per cent. advance in all fire insurance rates in New Jersey effective on September 1, is of extreme importance because this is the first State in the East where such a general advance has been made this year, and it has a great deal of significance. While everything else has been going up, rates have been stationary or going down. The official reason for the advance is as follows:

First.—Increased cost of material and labor to replace or rebuild; increase in losses through environment due to intense sympathy, which has and will naturally continue to have effect on the loss ratio of the State; increase in losses beyond the normal on account of rush to fill orders, and at times the necessary employment of inexperienced help; and anticipated depletion in part of the present active and efficient service of public fire and police departments.

Second.—Increase in cost of general maintenance, including all supplies and labor.

General Maintenance

The expression "general maintenance" is believed to cover the general all-round cost not only of conducting the fire insurance business, but the higher expenses incidental to the business. These expenses include every item entering the expense account. Paper on which policies are written costs more; railroad fare is higher; the companies have lost many men and it has been expensive training others to take their places; salaries have been increased; inspectors visiting various small towns to look at risks, formerly could get a lunch for fifty cents, now it costs seventy-five.

Prices of all kinds of office supplies are higher. Stationery bills are almost double. Moreover, the companies have seen many fire departments shot to pieces by the draft, as firemen are not exempt. Incompetents have often taken the places of fire fighters who are capable. Companies are paying much more for smaller losses than they formerly did. A $100 loss of September 1, 1913, may easily be a $200 loss of September 1, 1917. These are only a few of the items which make increased rates imperative.

HAIL INSURANCE

Taxation of Tillable Land Discussed—Overhead Expenses of Stock Companies 33%

Commissioner A. S. Olsness, of North Dakota, read a paper to the commissioners last week on the subject of hail insurance in that State in which he showed the overhead expenses of stock companies in the last eight years to be 33 per cent. as compared with 10 per cent. in the State hail insurance department. He also presented figures to show that the amount that can be raised from cultivated land in the State from a tax of four cents an acre is $648,213. At 12 cents an acre it is $1,947,554. On tillable land a four cent tax yields $1,600,000 and 10 cents $4,000,000. He held that the taxation system for protection against hail would work out as smoothly as the same method does in raising revenue for other purposes. He also claimed that the North Dakota State Department expenses were from 9 to 11 per cent. and offered other evidence unfavorable to stock insurance.

LAW MAY BE TOO DRASTIC

Henry Evans, of Continental, Discusses Principle of Agency Measures

Henry Evans, president of the Continental, this week wrote a letter to a man in Alaska in reference to a resident agent law for Alaska, in which he gave his views on this subject. He said 'hat he believes that the best interest of the local agent is served by the enactment of a proper resident agent law, but it must not be forgotten that such legislation may be carried to an extreme point, which may be detrimental to the agent's interest rather than a benefit to him. One point he makes in the letter is:

"If a resident agent law is so drastic as to prevent a broker from getting any commission from the business which he thus controls, then the business is lost to the admitted companies and the entire commission is lost to the local agent. On the other hand, if the law permits a company or local agent to divide the commission and pay part of it to the broker and the balance to the local agent, the brokers will very largely conform to the law, reaching an adjustment of the amount of the commission which each party shall receive."

INTER-INSURANCE DEBATE

Following the reading of Commissioner Wilson's paper on inter-insurance at the Commissioners' Convention last week, Superintendent Chorn, of Missouri, declared that as inter-insurance has undoubtedly come to stay it is high time that all concerned should reach a better understanding of this class. Operation in Missouri has been commendable, he said, and the good exchanges should be adequately protected by law and the others gotten rid of as speedily as possible, adding, "If the mutuals and reciprocals produce a better rate than the stock companies I am going to support the good mutuals and reciprocals."

STRENGTH INTEGRITY SERVICE

Scottish Union & National Insurance Company

HENRY J. HOUGE, Assistant Secretaries
J. H. VREELAND, Assistant Secretaries
JAMES H. BREWSTER, Mgr. Hartford, Conn.

A Broad Underwriting Service to Agents
Writes Fire, Automobile, Rent, Sprinkler Leakage, Tornado, Use and Occupancy, Explosion, etc.
Works in Harmony with American Agency Principles and Practices

National Fire Insurance Company
OF HARTFORD, CONN.
Statement January 1, 1917, to New York Insurance Department
LIABILITIES

Capital Stock, All Cash	$2,000,000.00
Funds Reserve to Meet All Liabilities, Re-Insurance Reserve, Legal Standard	9,912,715.84
Unsettled Losses and Other Claims	1,878,398.32
Net Surplus over Capital and Liabilities	3,743,747.60
Total assets January 1, 1917	$17,534,861.76

H. A. Smith, President — F. D. Layton, Ass't Sec'y — F. B. Seymour, Treas.
G. H. Tryon, Secretary — S. T. Maxwell, Ass't Sec'y — C. B. Roulet, Gen. Agt.
SURPLUS TO POLICY HOLDERS, - - $5,743,747.60

Arguments Used in Acquisition Cost Hearing of Insurance Commissioners

By W. E. Schram.

A Report of Conference in St. Paul Last Week

Commissioner Hardison of Massachusetts and Superintendent Phillips of New York did all the talking from behind the table at the hearing on compensation acquisition cost held August 27 as a prelude to the annual convention of insurance commissioners which opened in St. Paul the following day. The hearing, which lasted all day, closed in an atmosphere of tension, precipitated by what seemed an attitude of antagonism to the agent and broker, displayed by the two officials mentioned. As a final appeal Charles H. Holland of the Royal Indemnity besought the commissioners as human beings to spare the companies and their representatives the additional burdens which a change in commission schedules would occasion at this time when by reason of the war the machinery of administration is so severely taxed.

Although able arguments were presented to prove that the present rate of commission should not be reduced, Chairman Hardison and Superintendent Phillips held tenaciously to their stand that because compensation insurance has been made compulsory in most States the State should see to it that the employer is obliged to pay but very little for the work of the agent in assisting him to comply with the law. The various services of the agent and broker are evidently held in low esteem, if indeed they are believed to exist at all.

Hardison's Idea of Service Purchasing

Commissioner Hardison advanced the revolutionary idea that the employer should be allowed to purchase the service which the agent now renders, as a separate item, at the employer's option. In other words, he should not be compelled to pay as a part of the premium for a service which he may not desire.

The resolution adopted by the commissioners at a previous meeting, authorizing a committee to investigate compensation commissions had to do only with large lines but this fact was lost sight of until late Monday afternoon when attention to it was called by Commissioner English of Iowa. Meanwhile much of the discussion had to do with the writing of small, as well as large risks.

President Butler Speaks

President Louis F. Butler, of the Travelers, was the first to speak on behalf of the insurance men. His paper was exhaustive and highly interesting, throwing light on the actual cost of the various items in the service of supplying compensation insurance. The commissioners evidently regard the agents' work as a waste and it remained for the insurance men to show what service the agent renders to the employer and the community in return for his commission.

Mr. Butler pointed out that a reduction in commissions amounts to a decrease in wages, which is particularly undesirable at this time when the agent is least able to bear such an additional burden; besides, acquisition cost has already been reduced. Cost of operating branch offices of various sizes in different parts of the country were shown, as well as the numerous duties of agents in connection with their work. These duties the advocates of lower commissions appear almost entirely ignorant of. Mr. Butler declared that the remuneration of the general agent must now be almost entirely from the business he produces personally, adding "the agents' work is not done when the policy is written and the carrier which furnishes this agents' service best is the one which gets the business, regardless of price or anything else. There is no complaint from the insuring public about agents' commissions, although the rate is well known. Until compensation insurance came in, marine insurance was regarded as the most difficult to handle. Even though the agents' business has been greatly increased through compensation, for which he receives a lower commission than on liability, it costs him much more to handle the compensation risks."

Little Time Spent on Twisting

In reply to Commissioner Hardison, Mr. Butler declared very little of the agents' time is spent in twisting business and most business stays with the original company. "You don't find the big risks in the hands of dubs; they may start there but they get away," said he. Misrepresentation by mutual companies was held not to have hurt the stock carriers. As soon as the mutuals render the same service as the stock companies the mutuals will get a larger share of the business.

Manager Holland's Views

Charles H. Holland, of the Royal Indemnity, said that any disturbance of commissions and particularly a revision downward would be particularly embarrassing at this time of general stress. Mr. Holland has given twenty years to the study of workmen's compensation in the service of a number of companies. He declared that the service rendered by the agent in the United States is vastly superior to that obtainable in any other country. These many agents' duties he enumerated in detail. As to graded commissions, he declared they work an injustice to the agent and greatly increase the work of bookkeeping.

Mr. Holland presented the following showing the disposition of one dollar of earned premium:

Benefits to claimants	$ .480
Medical	.175
Claim service and adjustment	.063
Inspection and accident prevention	.032
Commission	.149
Taxes, licenses and fees	.019
All other	.084
Total	$1.002

Employers Satisfied, Says Gray

John A. Morrison, of Chicago, introduced Fred L. Gray, of Minneapolis, who suggested that the committee get together with the several agents present and find out what they really have to do for their remuneration. Mr. Gray has had much experience in opposing the State insurance idea. He declared that employers generally are satisfied with the present system of remunerating agents and that this is proven by the proportion of business placed with stock companies. He said agents' qualifications are of more importance than reduced commissions; that a reduction would increase the dead wood in the business and make side-liners of now competent agents. Admitting that a certain amount of the agents' time is spent soliciting business already on the books of some company, he argued that this competition is what

"The Leading FIRE INSURANCE Company of America"

ÆTNA INSURANCE CO. HARTFORD, CONN.

WM. B. CLARK, President

Explosion and Sprinkler Leakage Insurance

GERMANIA
FIRE INSURANCE COMPANY
NEW YORK.

ORGANIZED 1859

STATEMENT, JANUARY 1, 1917

Cash Capital	$1,000,000.00
Assets	8,553,704.22
Liabilities	4,222,485.60
Net Surplus	3,331,218.62
Surplus for Policy Holders	4,331,218.62

HEAD OFFICE
Cor. William and Cedar Streets

THE HANOVER
FIRE INSURANCE COMPANY
Incorporated 1852

The real strength of an insurance company is in the conservatism of its management, and the management of THE HANOVER is an absolute assurance of the security of its policy.

R. EMORY WARFIELD, President
FRED. A. HUBBARD, Vice-President
E. S. JARVIS, Secretary
WILLIAM MORRISON, Asst. Sec'y

HOME OFFICE
Hanover Bldg., 34 Pine St.
NEW YORK

HOWIE & CAIN, General Agents
Metropolitan District
100 WILLIAM STREET, NEW YORK

207th Year
SUN
INSURANCE OFFICE OF LONDON
FOUNDED 1710
UNITED STATES BRANCH:
54 Pine Street - New York
WESTERN DEPARTMENT:
76 WEST MONROE ST., CHICAGO.
PACIFIC DEPARTMENT:
N. W. Cor. Sansome & Sacramento Sts.
San Francisco, Cal.

BRITISH AMERICA
ASSURANCE CO.
Incorporated 1833
(FIRE AND INLAND MARINE)
Head Office, Toronto, Canada
United States Branch
January 1, 1917

Assets	$1,936,279.77
Surplus in United States	823,964.59
Total losses paid in United States from 1874 to 1916, inclusive	24,669,753.43

W. R. BROCK, President
W. B. MEIKLE, Vice-Pres. & Gen. Mgr.



Just say:
"Insurance Man"—
the open sesame to every courtesy within our power.

Room with detached bath $1.50 and $2.00

Private bath $2.50 and $3.00

BREVOORT Hotel
Insurance Headquarters
MADISON ST.—East of LaSalle
CHICAGO
LAURENCE R. ADAMS, Sec'y & Mgr.

[FIRE]
German American
Insurance Company
New York
STATEMENT JANUARY 1, 1916
CAPITAL
$2,000,000
RESERVE FOR ALL OTHER LIABILITIES
10,146,941
NET SURPLUS
10,217,685
ASSETS
22,364,626

THE YORKSHIRE INSURANCE COMPANY, LTD., OF YORK, ENGLAND
ESTABLISHED 1824
The "Yorkshire" is the Oldest and Strongest of the English Fire Companies not heretofore represented in the United States
U. S. BRANCH
Frank & Du Bois, United States Managers — Ernest B. Boyd, Underwriting Manager
Harry F. Wanvig, Branch Secretary — Frank B. Martin, Supt. of Agencies
NO. 80 MAIDEN LANE, NEW YORK
New York Life Insurance and Trust Co., U. S. Trustee, No. 52 Wall St., New York
DEPARTMENTS—METROPOLITAN, Willard S. Brown & Co., Managers, New York, N. Y.; CAROLINA-VIRGINIA, Harry R. Bush, Manager, Greensboro, N. C.; SOUTHEASTERN, Dargan & Turner, Managers, Atlanta, Ga.; LOUISIANA and MISSISSIPPI, Jas. B. Ross, Manager, New Orleans, La.; PACIFIC COAST, Jas. C. Johnston, Manager, J. K. Hamilton and McClure Kelly, Assistant Managers, San Francisco, Cal.

ACQUISITION COST HEARING AT COMMISSIONERS' MEETING

improves the service to both employer and employe.

George D. Webb, of Chicago, expressed himself as unable to conceive how the commission question can again be compromised. As to twisting and competitive soliciting, he asserted that the exchange of business among the large agencies in Chicago is of very small amount. While the layman believes that 17½ per cent. is what the general agent gets for his work, many would be satisfied if they could be guaranteed five per cent. net. More money can be made on a quarter million dollar surety business than on a three-quarter million compensation business. In the surety business the purchaser pays for a service; he does not wish a loss and it is the same in the compensation field.

Wade Fetzer, of Chicago, spoke convincingly of why the compulsory feature of compensation insurance does not render any less necessary the many services performed by the agent, and for which the employer is glad to pay, to be relieved of duties in a line in which he has no time nor inclination to specialize.

Agent Should Have Incentive

L. A. Wallace, of New York, spoke for the Fire Brokers' Association, arguing that the proposed cut in commissions to ten per cent. would leave no incentive to the competent agent to handle the line; that compensation costs the agent more to care for than any other line, being about two-thirds of his commission. He also enumerated the advantages accruing to the employer from doing business with the competent broker who will give the service the employer needs. Better results, he said, can be obtained by standardizing the claim, inspection and medical services, than by cutting down commissions.

E. C. Warner's Argument

E. C. Warner, of Buffalo, speaking for the New York State Agents' Association, declared that so-called acquisition cost is really distribution cost, which must obtain in all lines of business. He opposed changes in the present rate of commissions for the following reasons:

On behalf of the agents of the State of New York, we are presenting this paper for your consideration, and we ask that you approach this question of reduction of acquisition cost from the standpoint of practical business enterprises rather than from that of a hoped for theoretical betterment of existing conditions.

All commercial enterprises, including insurance, are divided into three general departments, viz: Finance, operation and distribution, each of these being equally essential to the success of the institution.

How Cost Should Be Considered

We contend that the question of cost should be considered only as to the entire cost of operation and distribution, and that these items should not be divided by the State or its representatives; that the acquisition portion of same should be subject to such an agreement or arrangement as the companies and their selling forces may agree to after the loss ratio shall have been established.

As we are here for a general discussion of this question, we, as agents, are presenting our views on that portion of the total cost relating to the production or distribution, as our experience in this department best qualifies us so to do.

When discussing this question, one dominant fact must always be kept sight of, and that is: That the success of an insurance corporation depends upon the volume of its premiums and the diversity of its risks. Volume firstly, because any class of business can be written profitably providing the volume is great enough so that a law of average can be applied to same and the selling price be made in accordance therewith. And secondly diversity, because the greater the diversity the less chance there is of a serious loss, crippling the financial stability of the company on account of an unfortunate experience in any one department.

In order to intelligently approach this question, we must understand the present-day method of insurance distribution. The principal forms of insurance, viz: Life, fire, marine and casualty, use practically the same method of distribution—it is all done on a commission basis under what is known as the American Agency System, the reason for this system being so universally used is obvious; it places no undue burden on the business, and keeps the cost of production in a fixed ratio to the amount of business written.

Commissions Should Be Attractive

The percentage of commissions paid vary with the nature of the particular kind of insurance sold, it being of necessity the purpose of the operating department to make the percentage of commission adequately attractive to its selling forces so that the securing of each class of business done by the company may be mutually profitable. Just as soon as the commissions on any class of business go below a legitimately profitable percentage just so soon the efforts and energies of the selling forces turn to more profitable departments, any statement to the contrary notwithstanding.

It makes no difference how much you may rule, how much you may legislate, the fact remains that companies must pay a profitable commission for each class of business written, or they cannot obtain a sufficient volume to safely and profitably write the class. The best proof of this statement is the fact that often in the past when companies desired to reduce certain unprofitable lines of insurance, against the wishes of their selling forces, they have reduced commissions on same. This invariably has produced the desired result.

The bulk of the producers of compensation insurance receive 10 per cent. commission for their services.

In cases where the producer casts his lot with one particular company and confines his efforts to the production of business for this company, he is made a special agent and receives 12½ per cent. commission.

It is impossible to supervise this business entirely from the home office of a company, and for the purpose of local supervision and distribution, branch offices or general agencies are located in each large center. In the State of New York each company is allowed eight branch offices or general agencies outside of New York City. These offices are allowed 17½ per cent. and in turn allow 12½ per cent. and 10 per cent. respectively to special agents and brokers.

5,000 Brokers in New York Alone

In New York City there are probably five thousand or more brokers who place more or less compensation insurance.

In Buffalo there are probably 1,000 or more brokers who write more or less of this insurance.

As there are at the present time only about sixteen companies who write compensation insurance, it means that all but about sixteen concerns must broker their business with these sixteen sources of supply on a commission basis of 12½ or 10 per cent.

The general agents or resident managers comprising these sources of supply control very little direct business, as their time and that of their staffs is taken up supervising the business brought to them by others. Many of the firms who do a large compensation business on a 10 per cent. basis employ numerous solicitors, who in turn must receive some portion of the 10 per cent.

New Method of Distribution Would Be Necessary

It, therefore, must be apparent that before a reduction of commissions can be considered it will be necessary to provide a new method of distribution. It would be mathematically impossible to divide a commission less than 17½ per cent. into enough profitable units so that the present volume of premiums written by the companies be not materially reduced.

At the present time the insurance purchaser may buy compensation coverage in several different markets, viz: Mutual insurance with the promise of a return of a goodly portion of the premium in the way of dividends, or State fund insurance at a price at least 10 per cent. less than stock company insurance, or he may buy stock company insurance at the present prevailing rates.

This certainly does not constitute a monopoly, and considering the overwhelming percentage of the total business that is written by the stock companies, must of itself be convincing proof that the assured is willing to pay the difference in price for the services and quality of insurance provided by the stock companies.

The companies have only been able to overcome their competitors' advantage of lower prices on account of the caliber of their selling force.

The insurance salesman is equally as worthy of his hire as is the successful salesman in other branches of mercantile business. It is only reasonable to assume that if for any reason the earning possibilities of compensation insurance salesmen is reduced, the present high caliber of salesmen in this department will be reduced in a like proportion.

No successful commercial institution would attempt to reduce selling cost at a time when it is enjoying a most successful distribution. If able financiers who have spent a life-time in this business do not see the necessity for such a move, why should the State be so insistent in this direction?

Semi-Private Corporations

The United States Supreme Court has ruled that insurance is not commerce and does not come within the jurisdiction of the Interstate Commerce Commission. It has also been held that insurance companies are not public service corporations and, therefore, are not subject to the supervision of the Public Service Commissions.

This, therefore, leaves the companies occupying the position of a semi-private corporation, subject to a specially made State department, whose principal function is to supervise the solvency of insurance companies, by a careful examination of their assets, also to see that a sufficient portion of each premium received be set aside for the full protection of the policyholders, and that the contract sold by the company shall be fair and equitable in its provisions.

All of these conditions have been carried out by the companies, and in addition to these legal requirements, companies have allowed a goodly portion of their earnings to accumulate in the way of surplus so that the security of the policyholder may be protected far beyond the safety point legally required.

The companies having more than complied with their legal requirements, the stockholders of same should have the right to use that portion of the premiums in excess of the required total legal reserves in such a manner as they see fit for maintenance and furtherance of their business, or for distribution as profits as the result of the venture.

What Will Happen if Commissions Are Reduced

Presuming, for the sake of argument, that commissions are reduced, what is going to be the result? Who is going to be benefited? We have tried to come to some definite conclusion. We have discussed this with insurance experts, but have failed to obtain a satisfactory answer.

Certainly the companies will not be benefited, as a reduction great enough to ultimately benefit the policyholder would destroy the present method of distribution and unless the companies hire paid solicitors in place of commissioned agents, which certainly would not reduce acquisition cost, the business will eventually drift to the State fund. If this is the ultimate object of this proposed change, a more efficient means could not be adopted, unless it be to legislate the companies out of the State.

To say that the policyholders will be benefited by a reduction in commissions is a fallacy, based on inexperience. It is in direct conflict with all rules of commercial life. It is the competition of the stock companies that will preserve the safety of the policyholder.

The policyholder depends upon his insurance agent to look after his interests in the same degree as his attorney or his expert accountant, or any one whom he might hire in an advisory capacity. After the agent has received an order for a policy, does he pocket his commission and let the matter rest for a year until time for a renewal order? No—decidedly not—he does not dare do this. Competition between companies is too keen. He begins by careful inspection to devise ways and means to reduce the insurance cost of his client. If he had no

(Continued on page 19.)

THE OHIO MILLERS
MUTUAL FIRE INSURANCE COMPANY
Net Cash Assets.....$1,147,802
Net Cash Surplus..... 505,213

Squire Company, Inc.
1 LIBERTY ST. REPRESENTATIVES NEW YORK

STOCK POLICIES ONLY
BUSINESS SOLICITED FROM
AGENTS AND BROKERS

CASUALTY AND SURETY NEWS

Chance to Swell Premium Volume

$20,400 PLATE GLASS RISK FINDS INDIFFERENT MARKET

United Cigar Stores Co. Willing to Pay Much Higher Rate But Still Cannot Secure Coverage

This week there was created an opportunity for any casualty company so desiring to increase its premium income for 1917 by $20,400. The United Cigar Stores Co. offered this privilege to that company which was willing to assume its plate glass risk on the terms prescribed by it. The Eastern Underwriter, however, has not been advised to date of any company having done so.

The United Cigar Stores Co. is willing to pay an annual rate of $17 per store covering its 1,200 stores throughout the United States.

Insists Upon Its Own Policy Form

The company till 1912 had a contract with the Pittsburgh Plate Glass Co. to make its replacements. In 1912, it decided to insure and several companies carried the risk for various periods until 1915. The company then decided to promulgate a policy form of its own and succeeded in getting one of the casualty companies to assume the risk under these conditions. The rate then offered was $14.25 per store for three years covering 800 stores. It is now willing to pay $17 per store annually but still insists on its own policy form.

Among the provisions of this contract is a requirement that only new glass be furnished in replacement of any losses that might occur. In fact, it contains a specific provision that no salvage glass whatever be used. This is a hardship on the insurance company because a large proportion of the plate glass replacements all over the country are made with salvage glass. Another feature is the requirement that all replacements must be made within twenty-four hours after notification has been made or the assured will have the right to replace the glass at the insurance company's expense.

The policy covers glass of all kinds, both interior and exterior. It is because of the large amount of interior glass in the form of show cases and wall mirrors that the risk has proven so disastrous to those companies which have carried it. It was found that whenever a show case would become slightly scratched it would unaccountably become broken.

No Cancellation Clause

Plate glass underwriters who have had the risk offered to them say that the United Cigar Stores Co. has carefully computed the approximate loss for the coming year and seeks to secure insurance for the pure premium and pay nothing either for the element of increased hazard or for the expenses of the insurance company in carrying the risk. It also presents a policy form which has not the customary cancellation clause.

GENERAL AWARDS FORD

The General Accident this week awarded a Ford automobile to R. E. Miller, agent of the Company at Houston, Texas, as the winner of the two months' contest for accident and health premium production. Mr. Miller qualified with the largest increase in premium income during the period with the lowest lapse ratio and lowest loss ratio.

Defrauder of Priest Receives Sentence

SEVERAL CHARGES YET PENDING COURT ACTION

J. J. Manning Mulcted Pittsburgh Man Also—Other Companies Prepare To Press Prosecution Further

J. J. Manning who, as reported exclusively in The Eastern Underwriter of August 17, pleaded guilty to having used the casualty companies to defraud assureds, was sentenced on Tuesday by Judge May in Brooklyn to not less than six months and not more than three years in the penitentiary. The sentence was made on a charge of grand larceny.

Several Companies Interested

The Eastern Underwriter is also advised that actions have been prepared against Manning in Connecticut and in Pennsylvania. This paper is also advised that the district attorney's office in Brooklyn was informed by telegraph from Pittsburgh on Wednesday that Manning had defrauded a priest in that city by similar methods to those he used in Brooklyn. This man is said to have been mulcted of more than $1,000.

Several inquiries from life and casualty companies as to the activities of Manning have been received by The Eastern Underwriter. These companies say that they had had similar experiences with a man using this name and answering his description.

The work of bringing this case to prosecution was largely done by W. Bernhard, manager of the accident and health department of the General Accident's Metropolitan office, who turned detective for the occasion. It was through his efforts that the checks were traced and through them Manning's address was secured. Mr. Bernhard's work on the case included spending several entire nights shadowing Manning in addition to his regular work at the office.

SCATTERGOOD RESIGNS

Former Fidelity & Casualty Man Now With Morris Plan Insurance Society

Claude E. Scattergood assistant secretary and actuary of the Fidelity & Casualty, has resigned to go with the Morris Plan Insurance Society, which is soon to embark in the industrial life insurance business. Under the Morris Plan money is loaned to workers at nominal rates. The insurance feature will become effective some time this fall. Before going with the Fidelity & Casualty Mr. Scattergood was for eight years with The Prudential, of Newark, in the actuarial department. He is a member of many actuarial committees.

Accident
Health Automobile
Plate Glass
Burglary Liability

Fidelity
Contract Judicial
Public Official
Depository Bonds

FIDELITY & DEPOSIT CO.
OF MARYLAND
BALTIMORE

Bankers Spurn Alien Concern's Proposition

CANADIAN INSURANCE CO. BIDS FOR U. S. SURETY BUSINESS

American Bankers' Association Warned Against Negotiating With Foreign Company and Avoid Complications

Members of the American Bankers' Association throughout the United States are in receipt of a circular letter from J. F. Hayden & Company of Montreal, Canada, offering to handle all the standard form of fidelity bonds of the association, as approved by the insurance companies on May 9, 1917, at a premium of $2 per $1,000. The evident intention of the Canadian concern is to wrest from the American insurance companies whatever business it can by offering a rate fifty cents per $1,000 less.

Unlawful Undertaking

That J. F. Hayden & Company, an alien corporation, can do business in this country is too absurd to encourage consideration. Moreover, the members of the American Bankers' Association are men of sufficient business acumen to at once see the absurdity of the proposition. J. F. Hayden & Company pay no taxes in the United States, they represent no tangible organization that can be learned of, and any attempt on their part to do business in this country would meet with immediate interference on the part of the Federal Government. It is said, however, that a few small banks have opened negotiations with the Montreal concern, evidently ignorant of the fact that such transaction would be unlawful, and doubtless lead to complications. A number of prominent banking houses have informed a representative of The Eastern Underwriter that no attention whatever, will be given the Canadian offer. The Insurance Commissioner of the State of Washington, under date of August 22, has forwarded a letter to some of the leading insurance companies in this city. Following is a copy of his letter:

Warning Sent Out

Gentlemen: We have recently had submitted to us circulars addressed to members of the American Bankers' Association of this State and signed by J. F. Hayden & Company of Montreal, Canada, offering to furnish bank bonds at a little lower figure than is being charged by the fidelity and surety companies authorized to transact business in the State of Washington.

This department feels that it should take notice of this circular and call your attention to the fact that J. F. Hayden & Company is an alien corporation and is representing an alien company, and there is no means of getting service upon the company, or prosecuting a suit against it, without going to the main office at London, England. It is very problematical as to the standing of this particular Lloyds, as I am advised that it is not the same Lloyds which is engaged in marine business.

Not Amenable To Law

This is a day and age when the great cry is to patronize home industries, and I believe if there is any class of business men in the State who should observe this rule, it is the bankers, and they should patronize only such companies as have made themselves amenable to the laws of our own State and who are helping to support our State institutions by paying the taxes and other fees provided for by the laws of this State.

The different insurance companies operating in this State paid into the general fund during the year 1916 $401,300.39, and the total expenses of operating the insurance department were $30,873.17, leaving a net amount paid into the general fund of the State by the insurance companies of $370,427.22.

We believe in consideration of this large amount of money which is being paid in by the companies and helping to reduce the amount of general taxes which it would otherwise be necessary to raise by direct taxation and in consideration of the fact that all of these companies may be sued in the county where the cause of action arises, that it is the duty of every banker to take out his insurance with one of the authorized bonding companies which are transacting business in the State of Washington.

BIG WAR ZONE POLICY ISSUED

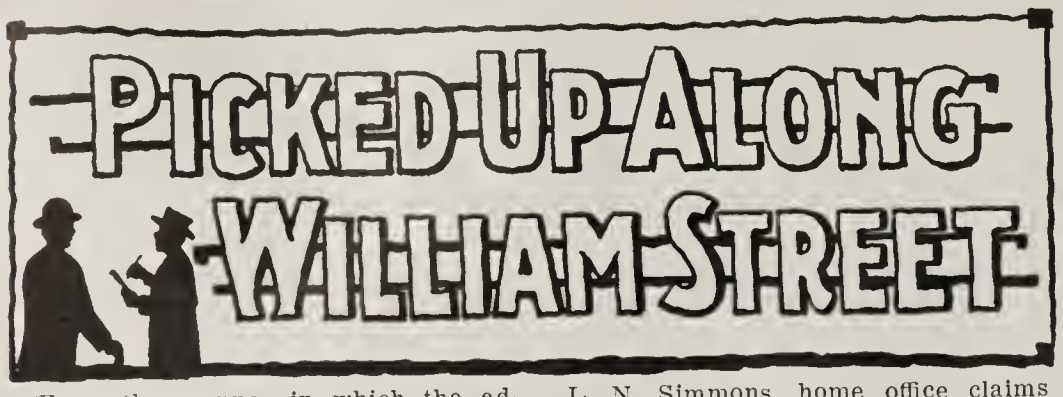
Four Casualty Companies Cover $250,000 On Two Months' Trip Of Art Dealer To France

Four casualty companies this week wrote policies covering Benjamin Duveen, of Duveen Brothers, art importers at 720 Fifth Ave., New York, to the extent of $250,000 against accidental injuries while making a trip from the United States to Paris and return by the way of Spain. Mr. Duveen will sail on a Spanish vessel and estimates that he will be gone about two months. The policies cover against accident only. These same companies wrote policies covering Mr. Duveen's secretary, who will accompany him, to the extent of $25,000. The business was written through William F. Friedeborn, of Bagot & Co., New York brokers.

FIRST FALL MEETING

The first fall meeting of the Insurance Society of New York will be held on October 26 in the rooms of the New York Board. The subject for the meeting will be the standard fire policy and some prominent legal authority will be chosen to speak.

General Accident
FIRE AND LIFE
ASSURANCE CORPORATION, Ltd.
FREDERICK RICHARDSON, United States Manager.
GENERAL BUILDING · 4TH & WALNUT STS.
PHILADELPHIA
SERVICE THAT EXCELS



From the manner in which the address of George E. Turner, deputy commissioner of Indiana, was received at the commissioners' meeting in St. Paul last week insurance men have reason to feel confident that compensation acquisition cost will be dealt with in a broad-minded way. The hearing on Monday, granted by the workmen's compensation committee, covered elsewhere in this issue, brought out a wealth of instructive material on this subject from men who are in position to know but the attitude of Chairman Hardison and President Phillips was, to say the least, not assuring. Other members of the committee took practically no part in the discussion. Deputy Turner's paper in defense of maintaining the present scale of commissions and opposing interference by the State, seemed to embody the ideas of a majority of the commissioners, so warmly did they applaud the speaker.

The committee on compensation acquisition cost did not bring in a report.

Speaking of compensation Commissioner Hardison said that so far nothing was settled except the tolerance of the public in respect to the purposes of the system. It will be many years before the business will settle into a safe and stable condition, said he.

The only reference to surety matters was when Commissioner English, of Iowa, said that establishing reserves on this class should engage the earnest attention of the National Convention.

While Superintendent Phillips of New York evidently believes that the solicitor of compensation business in States having compulsory laws is overpaid, he makes up for it in some measure through his strong denunciation of social and welfare forms of insurance. In his reference to the latter subject he tread heavily on the German bureaucratic system and in finishing struck a patriotic chord which won a round of applause.

* * *

Maryland Writes Gimbel Risk

The Maryland Casualty recently wrote the plate glass, liability and compensation risk of Gimbel Brothers in New York.

* * *

At the Aqueduct

George H. Holden, editor of the "Surveyor," is one of the camp cooks of the First Provisional Regiment which is guarding the aqueduct. On a recent visit to New York he told of his most recent accomplishment—making palatable soup from potato salad and a few other left overs.

James R. Garrett, Eastern manager of the National Casualty, is a Corporal of the Regiment and several other fire and casualty men are among its members.

* * *

Join Colors

The following men connected with the General Accident have recently joined the Colors:

Robert B. Chappotin, of the New York office, with the 7th Field Artillery, N. G. N. Y.

Paul L. Morgan of the New York office, with 7th Regiment, N. G. N. Y.

Wm. R. Curren, of the New York office, with 7th Regiment, N. G. N. Y.

Augustus M. Leonard, Industrial Representative, Winchester, Mass., writes July 31st, that he has been drawn for the National Army.

L. N. Simmons, home office claims dept., Officers' Training Camp, Ft. Oglethorpe, Ga.

W. C. Tunden, formerly connected with the home office claims dept., has been commissioned a Second Lieutenant in the Officers' Reserve Corps.

George C. Bragdon, supervising inspector, home office, has been promoted to a First Lieutenancy. Before being made a unit of the Federal Army Mr. Bragdon's regiment was the 10th N. Y. N. G.

* * *

Heart Disease Rule

The following is the Pacific Mutual's rule about heart disease:

Persons suffering from heart disease of any kind are not insurable against either accidents or sickness, except that if the applicant has received life insurance within two years with the knowledge of conditions in the hands of the life insurance company, he is eligible for accident insurance and the policy may be issued in the usual manner. A letter of explanation must accompany such applications to the home office, giving a full statement of facts including the name of the life insurance company issuing the policy, and the date, kind, and amount of the life insurance policy issued, all for verification. Disability or sickness insurance policies must not be issued to such risks until approval of home office has been secured. Submit to the company all the facts as in the case of application for accident insurance and accompany same with a complete unsigned trial application.

INDEMNITY CO. OF AMERICA

A company to write complete automobile coverage, including fire, theft, liability, property and collision, has been organized in St. Louis under the corporate title of the Indemnity Company of America. It has a capital of $200,000.

* * *

The National Surety Co. will not issue bail bonds for drafted men arrested for dodging the draft, or delay presenting themselves on time.

BANK MANAGEMENT

By G. Dewers, in "The Fidelity Journal"

The dictionary defines a bank as an establishment for the custody, loan, exchange and issue of money.

The duties of a custodian involve the responsibilities of a bailee and throw upon the bank the obligation of exercising great care in handling the funds intrusted to it. As bailee, the bank must under certain conditions return any and all moneys deposited with it, but the only way that a bank can meet the demands of its depositors is to keep itself a going concern, or, in other words, it must be solvent at all times. Solvency means the ability to pay and presuppose that the bank is being managed efficiently. In short, the welfare of the bank depends entirely upon the kind of men behind it. Unless the management and directorate of a bank is made up of thoroughly efficient business men, it will remain a small institution and can never have a highly successful career.

It seems proper therefore to speak of the character of the management of banks, and especially when this factor is considered in connection with the writing of a depository bond. A bank statement may have every appearance of conservative banking, its liabilities may seem in their proper relative proportions, and the assets may appear conservatively invested, and yet the risk may be very undesirable from an underwriting standpoint. Some banks confine themselves strictly to high-grade investments and cover their loans by only the best collateral. Other banks take speculative chances not only in their investments, but likewise on the security they take to cover loans. There are also banks which try to meet competition by giving accommodation to their customers that is not warranted either by law or usage. Deposits are bought by agreement to make loans to customers on doubtful security or by giving accommodations inconsistent with the customer's standing, or even by agreeing to pay a higher rate of interest than is ordinarily allowed. Then, too, some banks are run for the benefit of the management, who make loans to themselves or to concerns with which they are affiliated or connected, and the security taken in such cases is often of very questionable value. That such conditions exist cannot be denied. Banks thus managed are skating upon very thin ice and will probably some day come to grief, but mismanagement is not always reflected in a bank statement and the statement is the main source of information for the surety.

Many banks that fail show an adequate surplus, and some give out magnificent statements; and it is only when the bank commissioners have taken hold that true conditions become known. Then it is seen that the assets have been tremendously inflated and that the surplus is nothing more than a paper surplus. A bank's character is generally known in the community in which it operates. Agents know local banking and business conditions, and by inquiry through certain sources, can learn of the practices of their bank in handling their loans or discounts, or in seeking new deposits, and they can acquaint themselves with the standing and reputation of a bank's personnel. As this information cannot be gotten from the bank statement, and as this knowledge cannot be gained through experience, but can only be acquired through inquiry of a confidential nature, the surety must rely upon its agents to keep it posted in this respect.

It can be seen that the surety is compelled to leave this phase of the underwriting of depository bonds largely in the hands of their representatives, and the home office wants the intelligent assistance of each individual agent. We wish the agents to help us keep the loss ratio down by knowing everything about every bank that makes application to them.

A REAL INSURANCE SCHOOL

Hartford Insurance Institute to Be Supported By Companies—New Head Appointed

Hartford is to have a new school. The Insurance Institute, which has long been supported by voluntary efforts, is to be put on a business-like basis and to receive stated support from the insurance companies. Its new year will begin on October first.

E. H. Adams has been appointed secretary, to have full charge of the business management; and Ralph H. Blanchard will be educational director. Women, as well as men, will be invited to attend.

For the past two or three years, Mr. Adams has been actively associated with the Institute in the capacity of assistant secretary, and is therefore well qualified to assume the duties imposed upon him. He was in the employ of the National Fire Insurance Company and rose to the position of map clerk, but left three years ago to enter field work with the Wakefield-Morley Company.

Ralph H. Blanchard is a graduate of Dartmouth College and for a number of years an instructor at the Wharton School of Commerce and Finance, University of Pennsylvania. Mr. Blanchard will have the direction of the educational activities and, in co-operation with the educational committees of the various branches, formulate courses of instruction which will give the opportunity for any one engaged in the insurance business to get a logical and comprehensive understanding of the leading lines of insurance. In addition to courses of instruction in insurance, Mr. Blanchard will be called upon to use his educational experience in formulating courses of instruction in office practices, etc.

Compensation Rate Making

In a recent address Harwood E. Ryan, of the New York Insurance Department, said he thought it would be desirable, if steps could be taken to place the entire problem of compensation rate-making in the hands of a permanent and representative body. There appears to be no good reason why fundamental principles should not be considered upon their merits, completely divorced from competitive considerations. A permanent organization, properly constituted, would be able to work out the solution of many difficult questions which are common to all classes of companies.

GROUP
INSURANCE
Life, Accident and Health

With the same Prompt and Expert Safety Engineering and Inspection Service and Organization which has made the Name of The Travelers Famous

AGENTS AND BROKERS

Refer Your Inquiries to The Group Insurance Division.

THE TRAVELERS
INSURANCE COMPANY
Hartford, Connecticut

Acquisition Cost Hearing

(Continued from page 16.)

competition, this would not be necessary.

If you destroy the present method of distribution, the insured will be dependent upon a State monopoly that has no interest in the policyholder other than to receive his premiums. He will have lost his personal representative, upon whose insurance knowledge and training he has always depended to fight his battles against improper classification and unjust discrimination. The ultimate result will be that his insurance cost will be increased instead of diminished.

Who is to Blame for High Cost of Compensation?

Who is to blame for the high cost of compensation insurance, particularly in New York State? Not the insurance companies, and surely not the insurance agents. Representatives of both of these warned the Legislature that if they passed what is now the Workmen's Compensation Act, the cost would on account of its provision be very high. The immediate cause of excessive cost lies in the law itself—its provisions for excessive medical attention, its lack of limit of cost for fatal or totally disabling accidents, its long periods of disability for loss of members, and last, but not least, the ambiguity of its intended coverage.

Warner Sums Up

We, therefore, ask that you make no changes in present commissions for the following reasons:

1—That to change the present method of distribution without providing some other fair and workable plan would be an injustice to all concerned.

2—That the stock companies have no monopoly in this field, and that inasmuch as the assured can procure his insurance from other sources at advertised lower prices, there can be no necessity for State intervention.

3—The assured has demonstrated his willingness to pay the increased cost of insurance, including cost of acquisition, on account of the value he receives in the way of services performed for him by his insurance agent.

4—That acquisition cost will be regulated by competition, and that any change should be as the result of the traffic.

5—A reduction of commissions will materially reduce the companies' premium volume, and this will of necessity increase the companies' overhead in like proportion. This will more than nullify any hoped-for saving.

6—It would be an interference with the inherent right of private contract between companies and agents to attempt to fix the consideration for services.

Mr. Warner blamed the high cost in New York upon the terms of the law, excessive benefits and to ambiguity.

Mr. Holland pointed out that if the companies are not allowed to pay the producer a commission for the service he performs, the remuneration will take the form of a salary, and the business will enter upon a period of disturbance worse than war as described by General Sherman.

Hardison Discusses Graded Commission

Commissioner Hardison then took up the subject of graded commissions, declaring that they are used in England apparently with success. Mr. Holland, who has had practical experience abroad, answered that they are justified there because in England the producer performs absolutely no service other than bringing the business to the company. In this country the acquisition cost is divided between the branch office and the producer. There is no such division in England, yet the cost is higher there than here.

Comments of Pellet, Daly, Depew and Farquhar

Clarence S. Pellet, of Chicago, chairman of the executive committee of the National Association of Local Agents, made an eloquent plea for the producer, especially in the smaller towns, where he must perform many duties for the insured.

Thomas F. Daly, of Denver, urged standardization of compensation laws and elimination of red tape between industrial commissions and insurance departments. These evils, he said eat up far more of the premium than the amount proposed to be lopped off the producer's commission.

F. G. Farquhar, of Boston, produced figures to show that on $200,106 of premiums five agencies actually lost a half of one per cent. Too much stress, he said, is laid upon large lines; most risks are small. What sort of separate arrangement, he asked, could the insured make with an insurance man for service, where the average premium in a city like Boston is $50 and most of them $25 and $10?

R. Henry Depew, of New York, showed that on 479 policies with $27,453 premiums the average premium was $50 and after deducting the few large lines the gross commission on the remainder averaged about $2.50.

Offers List of Policyholders

Mr. Warner offered to furnish a list of policyholders in New York State to whom the commissioners might present the question as to whether they value the service now being rendered to them by agents and brokers and whether the employer is willing to pay the higher premium to get that service.

The history of compensation commissions was reviewed by Wade Fetzer. This was originally 25 per cent. and Illinois agents voluntarily besought the companies to reduce it to aid in reducing the premium. Commissions and rates were cut 7½ per cent., but some companies continued to pay excessive commissions which resulted in the New York ruling. The present basis was adopted in Chicago in 1913 since which rates have been reduced but agents are the one class which has not benefited although producers in practically every other line have, in view of the increased cost of living and doing business.

Tiernan on Large Risks

President Tiernan, of the New York State Association of Insurance Agents, said that the question of large risks would adjust itself as these are becoming self-insurers as fast as the employers gather insurance experience through doing business with insurance carriers. The hearing had a gloomy ending after the insurance men had ably presented their case from many angles, only to receive a lukewarm response from the leaders on the committee.

WISCONSIN ACT EFFECTIVE

Madison, Wis., Sept. 1.—The new Workmen's Compensation Act became effective to-day, and applies to all industrial accidents which occur in Wisconsin after this date. This new law materially increases the benefits to injured workmen; the increase having been estimated by the legislative committee which reported this measure at approximately 10 per cent.

The most important items in this increase are the modifications in the schedule of fixed benefits, which materially lengthen the periods of disability for all specific injuries involving amputations.

U. S. TO CARRY WHEAT RISK

There has been some speculation in the West as to whether the Government will carry its own wheat risk, in cases where wheat is bought by it. It is now officially announced that wheat on the farm, in country elevators and in transit will be insured as usual, but when it reaches the terminal elevators the Government buys it at the fixed price, on warehouse receipts, and the stock company insurance thereon ceases. The Government is buying only wheat, and the other grains are not affected.

W. E. SMALL, President PETER EPES, Agency Mgr. E. P. AMERINE, Secretary

GEORGIA CASUALTY COMPANY

HOME OFFICE: MACON, GEORGIA

"DIXIE AUTO POLICY"

THE LAST WORD IN MOTOR INSURANCE

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Established 1869.

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Paid-In Capital $1,500,000 Write For Territory

The Fidelity and Casualty Company of New York

92 LIBERTY STREET, NEW YORK, N. Y.

Metropolitan Office—92 William St.

SEMI-ANNUAL STATEMENTS JUNE 30, 1917

Assets	$14,005,236.30
Liabilities	10,395,192.68
Capital	1,000,000.00
Surplus over all liabilities	2,610,043.62
Losses paid to June 30, 1917	58,554,792.60

This Company issues contracts as follows: Fidelity Bonds; Surety Bonds; Accident, Health, and Disability Insurance; Burglary, Larceny, and Theft Insurance; Plate Glass Insurance, Liability Insurance—Employers, Public, Teams (Personal Injury and Property Damage). Automobile (Personal Injury, Property Damage and Collision), Physicians, Druggists, Owners and Landlords, Elevator, Workmen's Compensation-Steam Boiler Insurance; Fly-Wheel Insurance.

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United States Branch

SAMUEL APPLETON, United States Mgr.

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The Columbian National Life
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A CHANGE may be necessary to realize your ambition

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The service of a high grade Accident Department will also be offered so that you will not have to broker your Accident business to avoid violating your Life insurance contract.

American Central Life
Insurance Company

INDIANAPOLIS, INDIANA

Established 1899

All agency contracts direct with the company

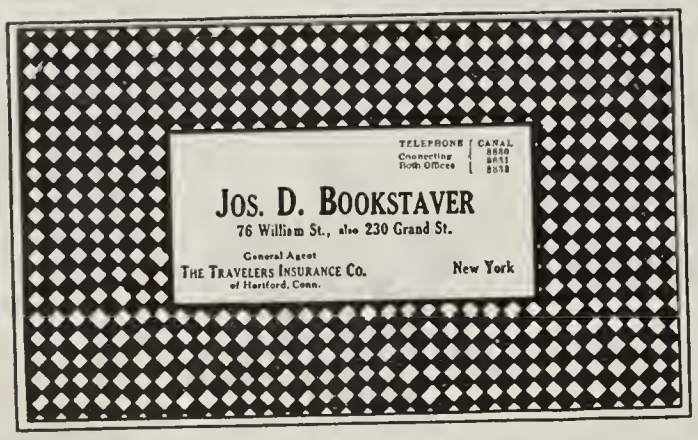
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-THE-"LIVE"-LIFE-INSURANCE-AGENCY-

-PROMPTNESS-

-EFFICIENCY-



---ORGANIZATION----SERVICE---

WORTH KNOWING

Suppose that you are insured in the United Life and Accident Insurance Company of New Hampshire for $5,000 under the Company's Triple Indemnity Plan, what does your Policy guarantee to do?

ANSWER:

FIRST, it guarantees that in case of death from any cause, $5,000, the face of the Policy, will be paid.

SECOND, that in case of death from any ACCIDENT, $10,000, or DOUBLE the face of the Policy, will be paid.

THIRD, that in case of death from certain SPECIFIED accident, $15,000, or THREE TIMES the face of the Policy, will be paid.

BUT THIS IS NOT ALL. The Accident Disability Endorsement FURTHER guarantees that in case of total disability as a result of accidental injury, the Company will pay direct to YOU at the rate of $50 PER WEEK during such disability, but not to exceed 52 weeks, after which the weekly indemnity will be at the rate of $25 PER WEEK throughout the period of disability. Can insurance do MORE? And why should any man be satisfied with a policy that would do less? The cost is low.

Agents wanted in Maine, New Hampshire, Vermont. Connecticut, Pennsylvania, North Carolina, South Carolina, Tennessee, Georgia, Delaware, Maryland, Mississippi, Kansas, Missouri. An opportunity for Life Insurance Salesmen of ability. Address:

United Life and Accident Insurance Co.
Home Office, United Life Building - Concord, New Hampshire

In addition to the ordinary forms of life insurance

THE EQUITABLE

makes a specialty of the following:

Insurance to protect business firms and corporations, under a corporate form of policy.

Group Insurance, by which employers protect families of employes.

A flexible contract, known as the Convertible Policy, which can be converted by the Insured into an Ordinary Life, Limited Payment Life, or Endowment Policy.

A Bond issued without medical examination giving the investor an income for his declining years.

A new policy is offered under which the insurance is DOUBLED if death results from ACCIDENT. This policy also embodies the following advantages if the person whose life is insured becomes totally and permanently disabled:

1. Thereafter the Equitable will carry the insurance —The Insured will have nothing further to pay.
2. The Equitable will pay the Insured an annual income for life equal to one-tenth of the face of the policy.
3. Upon the death of the Insured the full amount of the insurance will be paid to the Beneficiary (or double the amount if death is due to accident) without deduction on account of the income paid to the Insured while living.

(See the policy for conditions and details.)

For Agency Openings Address

WILLIAM E. TAYLOR,
Superintendent of Agencies

THE EQUITABLE
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120 BROADWAY, NEW YORK

San Francisco Losses Amounting to $4,522,905.00 paid PROMPTLY IN CASH WITHOUT DISCOUNT, from funds largely supplied by head office in Liverpool

U. S. Cash Assets, Dec. 31, 1916	$15,827,439.35
Surplus, - - - - -	5,460,745.59
Losses Paid by Chicago Fire, 1871	3,239,491.00
Losses Paid by Boston Fire, 1872	1,427,290.00
Losses Paid by Baltimore Fire, 1904	1,051,543.00

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Over $152,000,000.00

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THE EASTERN UNDERWRITER

[Succeeding the Journal of Insurance Economics, Established in 1899]

A WEEKLY NEWSPAPER COVERING ALL BRANCHES OF INSURANCE

Eighteenth Year; No. 37 | NEW YORK, FRIDAY, SEPTEMBER 14, 1917 | $3.00 per Year; 15c. per Copy

FIRE COMPANY END OF REVENUE BILL

Provision Adopted By Senate Permits Adequate Additions to Surplus With Penalty for Misuse

SIX MONTHS FOR ADJUSTMENT

Analysis of Measure Shows it Not to Be as Strenuous as Officials at First Believed

The Revenue Bill which was adopted by the Senate on Monday and which has gone to a conference committee to be reported on in ten days, is generally acceptable to fire company officials.

Some company men, however, believe that the bill constitutes a serious menace to fire insurance companies in accumulating adequate reserves for conflagrations, etc. They say the taxation of 10 per cent. of earnings not distributed to stockholders within six months with a penalty of an additional 5 per cent. has a tendency to cause companies to disregard the making of necessary reserves because of the uncertainty of being forced to pay the 15 per cent. tax on a portion of their earnings and has a tendency to depreciate the security of fire insurance protection in the event of a conflagration.

Provisions of Bill

The provisions of the bill affecting the companies read as follows:

"(2). Section ten of such act of September eighth, nineteen hundred and sixteen, is hereby amended by adding a new subdivision as follows:

" '(b). In addition to the income tax imposed by subdivision (a) of this section there shall be levied, assessed, collected, and paid annually an additional tax of ten per centum upon the amount, remaining undistributed six months after the end of each calendar year, of the total net income of every corporation, joint stock company or association, or insurance company received during the year, as determined for the purposes of the tax imposed by such subdivision (a), but not including the amount allowed as a credit under subdivision (d) of section twelve.

" 'The tax imposed by this subdivision shall not apply to that portion of such undistributed net income which is actually invested and employed in the business or is retained for employ-

(Continued on page 12.)

"The Largest Fire Insurance Company in America."

THE HOME INSURANCE COMPANY NEW YORK

ELBRIDGE G. SNOW, President

Service to Policyholders and to Agents Unexcelled.

FIRE AND ALLIED BRANCHES OF INSURANCE

Fire, Lightning, Automobile, Commissions, Explosion, Hail, Marine (Inland and Ocean), Parcel Post, Profits, Registered Mail, Rents, Sprinkler Leakage, Tourists' Baggage, Use and Occupancy, Windstorm.

STRENGTH REPUTATION SERVICE

North British and Mercantile Insurance Co.

Established 1809

Entered United States 1866

Policyholders protected by the entire United States assets, with further guarantee in every policy, of protection by entire fire assets of the company which are many times larger.

SPRINGFIELD
Fire & Marine Insurance Co.

Cash Capital $2,500,000 00

THE SPRINGFIELD for two-thirds of a century has transacted business solely under its own corporate name, without annexes, underwriting agencies or subsidiary companies. An agent of the SPRINGFIELD is not a half, a quarter or any other fraction of an agent, but is vested with the rights and dignity of an undivided representative of an undivided and independent company. The SPRINGFIELD stands today pre-eminent among American fire insurance companies.

SPRINGFIELD MASSACHUSETTS

THINK DEFERRED DIVIDENDS AND RESERVES EXEMPT

War Revenue Bill Passes Senate—Being Closely Studied By Life Insurance Men

INTERPRETING INCOME TAX

Senator Jones Tells Senator Calder He Believes Bill Clearly Exempts Certain Funds

The War Revenue Bill has passed the United States Senate and is now in conference committee.

Among other features of the income tax amendments of the bill the following paragraphs are of particular interest to a large number of life insurance men:

(b) In addition to the income tax imposed by subdivision (a) of this section there shall be levied, assessed, collected, and paid annually an additional tax of ten per centum upon the amount, remaining undistributed six months after the end of each calendar or fiscal year, of the total net income of every corporation, joint-stock company or association, or insurance company, received during the year, as determined for the purposes of the tax imposed by such subdivision (a), but including the amount allowed as a credit under subdivision (d) of section twelve.

Undistributed Net Income

The tax imposed by this subdivision shall not apply to that portion of such undistributed net income which is actually invested and employed in the business or is retained for employment in the reasonable requirements of the business. Provided, That if the Secretary of the Treasury ascertains and finds that any portion of such amount so retained at any time for employment in the business is not so employed or is not reasonably required in the business a tax of fifteen per centum shall be levied, assessed, collected and paid thereon, and the finding and ruling of the Secretary of the Treasury in

any and all such cases shall be conclusive and final.

In the opinion of insurance men the black face lines mean that deferred dividends and contingency reserve accumulations are exempt. James H. McIntosh, general counsel for the New York Life, who was in Washington last week, received that impression after talking with Senators Simmons, Smoot and others, and he was desirous of having an amendment introduced which would make the section read as follows after the word "business" above:

Suggested Amendment

"Or is held by life insurance companies as a contingency reserve or as accumulations under deferred dividend policies," so that the clause when amended would read:

The tax imposed by this subdivision shall not apply to that portion of such undistributed net income which is actually invested and employed in the business or is retained for employment in the reasonable requirements of the business or is held by life insurance companies as a contingency reserve or as accumulations under deferred dividend policies.

Some of the Senators do not think it necessary to introduce this amendment, saying that the wording of the clause as it stood in the bill was plain enough that it was not meant to include under the 10 per cent. tax the portions of undistributed net income which the life men wanted excepted, particularly as it is understood the insurance adviser of the Treasury Department had expressed his opinion that these undistributed funds were not intended to bear the 10 per cent. tax. However, when Senator La Follette was speaking he yielded the floor to Senator Jones who got it for the purpose of discussing this amendment. While Senator Jones had the floor Senator Calder asked him if he considered the contingency reserve and funds held for deferred dividend policies were subject to the 10 per cent. tax and Senator Jones replied that he believed they were exempted under the provision of the bill.

Credits

Under the heading of "Credits" is the following paragraph in the bill:

(d) For the purpose of the tax imposed by subdivision (a) of section ten, the income embraced in a return of a corporation, joint-stock company or association, or insurance company shall be credited with the amount received as dividends upon the stock or from the net earnings of any other corporation, joint-stock company or association, or insurance company, which is taxable upon its net income as provided in this title, less that proportion of such amount which the amount received by the distributing corporation, joint-stock company or association, or insurance company from similar sources bears to the entire net income of such distributing corporation, joint-stock company or association, or insurance company.

Industrial Increases

The following exemption appears in the "War Profits Tax" section:

(c) Incomes derived from the business of life, health and accident insurance combined in one policy issued on the weekly premium payment plan.

Simmons on Insurance Taxation

In the report of Chairman Simmons (Committee on Finance) submitted to accompany the war revenue measure, one paragraph of great interest reads as follows:

The House bill contains a provision taxing insurance of various kinds. The principle of imposing excise taxes upon insurance is questionable. In the case of life insurance the insured makes a sacrifice during his life for the benefit of his family after his death. In the case of many other kinds of insurance he makes an expenditure for the safeguarding of his property. Transactions of this kind should not be subjected to tax except in the last resort.

The following statement has been sent to life insurance companies regarding changes made in the war revenue bill as finally adopted:

Amendments

Page 13, Line 22, add:
"and do not exceed three hundred per centum thereof; and

Sixty per centum of the amount by which such war profits exceed three hundred per centum of such deduction."

Page 14, Lines 11 and 13, after the word "profession" insert "or occupation."

Page 15, Line 14, at end of the line, after the word "period" add "but such deduction shall not be an amount less than six or more than ten per centum of the actual invested capital for the taxable year."

Page 15, Line 20, at end of line add; "but such deduction shall not be an amount less than six or more than ten per centum of that proportion of the actual invested capital for the taxable year which the net income of the trade or business from sources within the United States bears to the entire net income."

Page 15, Line 21, insert at beginning of the line "(c)," and omit the word "average."

Page 15, Line 25, omit words "employed in the trade or business."

Page 16, Line 1, after the word "capital" insert "computed upon the same basis" and omit "or proportion thereof so employed."

Page 16, Line 6, insert after word "which" the words "such capital" and omit "the average capital or proportion thereof employed."

Page 16, Line 7, change "the" before "average" to "such."

Page 16, Line 8, omit "or proportion thereof employed" and add at end of line "(but such deduction shall not be an amount less than six or more than ten per centum of the actual invested capital for the taxable year, (or, in the case of a foreign corporation or partnership or of a non-resident alien individual, of that proportion of the actual invested capital for the taxable year which the net income of the trade or business from sources within the United States bears to the entire net income.)"

(d) If the Secretary of the Treasury is unable satisfactorily to determine the average amount of the annual net income of the trade or business during the prewar period or the actual invested capital for the taxable year, the war profits shall be determined as provided.

Page 16, omit all of lines 9 to 13.

Page 16, Line 14, add before the word "That," "(a)."

Page 17, Line 6, add at the end "In no case shall the difference between the net income for the taxable year and the war profits determined as provided in this section be an amount less than six or more than ten per centum of the actual invested capital for the taxable year (or, in the case of a foreign corporation or partnership, or of a non-resident alien individual, of that proportion of the actual invested capital for the taxable year which the net income of the trade or business from sources within the United States bears to the entire net income); but this limitation shall not apply in the case of a tax required by subdivision (d) of section 203 to be computed under this section on account of the inability of the Secretary of the Treasury satisfactorily to determine the actual invested capital for the taxable year."

Page 17, Line 23, insert at beginning of line "(b)."

(Continued on page 9.)

Great Southern Life Insurance Company

HOUSTON, TEXAS.



For Agency Contracts address

O. S. CARLTON

PRESIDENT

Want Section 210 Tax Bill, Amended

APPEAL OF NATIONAL ASSOCIATION OF LIFE UNDERWRITERS

Think Term and Certain Types of Straight Life Policies Should Be Exempt

Section 210.* * * "* * *Premiums paid on life insurance policies covering the lives of officers, employes, or those financially interested in the company or co-partnership for the benefit of said company or co-partnership shall not be deducted in computing the net income or profits in determining the amount of taxes to be paid under this act or under the act entitled, 'An act to increase the revenue, and for other purposes,' approved September eighth, nineteen hundred and sixteen."

The National Association of Life Underwriters believes the section should be amended by the addition of the following lines: "except that premiums paid for such life insurance not in excess of the annual premium payable for life required for a policy on the whole life plan may be deducted."

The National Association of Life Underwriters, through Vice-President Lawrence Priddy, has issued a stirring appeal to life insurance men everywhere in the United States, asking them to co-operate in the passage of an amendment to Section 210 of the War Income Tax Bill now pending in Congress. The purpose of the amendment is to exempt from taxation the cheaper forms of life insurance, such as term and straight life.

The Conference Committee

The bill is now with the Conference Committee, which consists of, Senate: P. N. Simmons, Newbern, N. C., chairman; Stone, Jefferson City, Mo.; John Sharp Williams, Benton, Miss.; Henry C Lodge, Nahant, Mass.; Boise Penrose, Philadelphia; House: Claude Kitchin, chairman, Scotland Neck, N. C.; H. T. Rainey, Carrollton, Ill.; J. H. Moore, Philadelphia; J. W. Fordney, Saginaw, Mich.; Lincoln Dixon, North Vernon, Ind.

The Appeal

The appeal of the National Association of Life Underwriters follows:

To the entire Life Insurance Fraternity of the Nation; Executives, Home Office employes, and agents:

Some time back the Treasury Department at Washington ruled that premiums paid for life insurance policies on the lives of officers or employes of firms, co-partnerships or corporations could be deducted in arriving at the taxable income for the year. Because of this ruling, life insurance agents throughout the country have been making a specialty of insurance taken for such purposes, and in many cases single premium endowment policies have been purchased. Such insurance was bought primarily for the purpose of evading the Federal Tax Law. The attention of the authorities at Washington has been called to this intentional evasion on the part of the insuring public, and as a result of this the Treasury Department on September 5th published a new ruling, declaring that such premiums under said conditions should be taxed; and immediately after that ruling Senator Atlee Pomerene (of Ohio) introduced a bill de-

To the Man Who is Willing—and Will



We are prepared to offer unusual opportunities for money-making NOW and creating a competence for the FUTURE.

FOR CONTRACTS AND TERRITORY, ADDRESS

H. M. HARGROVE, President :: Beaumont, Texas

A Great Special Service Number On How To Sell Life Insurance

The Eastern Underwriter Will Issue on September 21st an Edition of Unusual Interest and Value to Every Man in the Field—Articles by Experts Which Will Stimulate Production

On September 21st The Eastern Underwriter will issue a Special Service Edition devoted to the selling of life insurance in which some of the most successful men and women in the insurance business will discuss the various phases of production regarding which they are most familiar. Because of the authority which these writers can speak and the importance and variety of the subjects discussed, the edition should be and will be of real value to every man in the field. The idea behind The Eastern Underwriter's Life Insurance Selling number is to help agents sell more life insurance. There will not only be articles giving information and suggestions regarding production of certain types of policies, but many human interest stories will be included to furnish inspiration for every man who carries a rate book.

"What the Agent Should Know in Selling Endowment Insurance," is the title of an article written by M. Albert Linton, vice-president of the Provident Life & Trust. Frank T. McNally, general agent of the Massachusetts Mutual Life in Duluth, Minn., tells how to sell income policies. George W. Johnson, of Johnson & Collins, general agents of the Travelers in New York, and a distinguished writer of many prize-winning essays, will give arguments used to close corporate insurance. Pointers about business insurance will also be furnished by Associate General Agent Andrews, of the Phoenix Mutual Life in New York.

A former Yale football player, Mr. Andrews has made a marked success of insurance in a short time and has specialized on business policies.

George H. Gaston, second vice-president of the Metropolitan Life, one of the greatest authorities living on the subject of industrial insurance, has written a characteristic and important article on that subject.

William Alexander, the scholarly secretary of the Equitable Life Assurance Society, author of a number of valuable books, a past master in educating insurance salesmen, contributes an interesting article to this number, and there will also be printed several of his little sermons to agents. Fourth Vice-President Kavanagh, of the Metropolitan Life, contributes an article about the sale of group insurance, in which department of the Metropolitan he is the head. "The Farmer as a Life Insurance Prospect," is the topic which is handled by William Winton, assistant superintendent of agencies of the Mutual Benefit Life. Forbes Lindsay, of the Pacific Mutual Life, takes up the run of questions that are asked by agents of a life insurance company and explains how they are answered. William M. Duff, manager of the Edward A. Woods, Inc., general agency in Pittsburgh, relates with charts the best methods used for securing efficiency in a general agency.

Literature

Frank W. Pennell, of the literary department of the Mutual Life, has contributed an article in his best vein on "The Best Way for an Agent to Read Monthly, Weekly Magazines and Daily Papers in Order That They May Find Business Pointers in Them." George B. Speer, assistant secretary of the Prudential, explains what the agent can get out of his own company's publications. Stewart Anderson, editor of the Massachusetts Mutual Life's "Radiator," one of the great company publications, gives his views as to how such a publication should be run.

Articles By Women

The great importance of women as a factor in life insurance salesmanship is recognized, The Eastern Underwriter being fortunate enough to have secured contributions from three of the new women life insurance stars. Miss Winifred Wiseman, the clever English girl who had unusually interesting experiences with the army and who has opened a women's department for the North American Life in Toronto, tells why women should insure. Mrs. Frederick A. Savage, the Baltimore society woman who became acting general agent for the New England Mutual Life in that city some months ago, describes her first cases. Miss E. Constance Woodward, editor of the "Little Upstart," and who has made her mark both as a life insurance woman in New York and as a literary writer, tells what insurance has taught her.

For the time being R. W. Stevens, vice-president of the Illinois Life, and Rupert F. Fry, president of the Old Line Life, act as editors, and tell human interest stories. Each is the editor of a company publication. Other interesting stories are contributed by men in the literary departments of a number of life insurance companies. Luther B. Little, Dr. Jacob A. Jackson, Grenville Howard, Harvey Thomas, Emil Schwab and others tell instances of cases where agents of ingenuity and persistence have closed interesting cases.

What Agent Should Know About Law, Medicine and Actuarial Departments

"What the Agent Should Know About Law" is the subject of an important article by Wendell M. Strong, associate actuary of the Mutual Life. Mr. Strong compiles the legal notes for the Actuarial Society of America. "What the Agent Should Know About the Medical Department" is told by Dr. John L. Davis of the Amicable Life of Texas. H. W. Alstrom, actuary of the Northwestern National Life, tells of the relations between the agents and the actuarial departments.

For good measure there may be several other articles not listed above.

NEW CONTRACT

Monthly Life Income Policy of New York Life; Double Indemnity; Disability Benefits

At the convention of the $200,000 Club of the New York Life, held in New London, Conn., last week, announcement was made of the introduction of a new monthly life income policy, and the Company's agents are promised the policy in a week or ten days.

This policy will be issued containing both double indemnity and disability benefits.

BUTTON WARNS PUBLIC

Says It Should Not Buy Stock in New Washington City Life Insurance Company

Commissioner Button, of Virginia, has warned the public against salesmen selling stock in the Washington City Life Insurance Company, being promoted by the Federal Finance Corporation, Washington. Par value of stock is $10 a share, which is sold at $20 a share, 40 per cent. of which goes to the Federal Finance Corporation.

Commissioner Button says: "With a view of curbing just such schemes the last Virginia Legislature passed a very stringent law regulating the promotion of new insurance companies. The promoters have not yet made any effort to comply with the provisions of the law and their activities in this State are in plain violation of the law. If solicited to purchase stock in this company you should at once report the matter to the local authorities and to me."

McFEE IN HOSPITAL

John R. McFee, well-known Chicago life insurance man, is in the hospital, his left foot having been amputated above the ankle. The accident occurred on the elevated railroad in Chicago, and amputation was necessary to save his leg. Mr. McFee's essay "The Woman in Black," has been widely quoted.

COAST CONTEST

The Vail & Eldredge general agency for the Provident Life & Trust in California has instituted a four-months' testimonial campaign in honor of Matthew Walker, manager for the insurance department of the Company, and Thomas R. Hill, superintendent of agencies. The contest began September 1st, and the agency has set its mark for the four months' new business at $1,000,000.



INDUSTRIAL CONCERNS throughout the land are proving the patriotism of business by insuring entire staffs of employees. The Prudential will lend a hand—make it easy for firms to insure their workers.

Family insurance has placed America First in Life Insurance, and Group Insurance will help to keep it there.

The Prudential has a fine Group plan. Group Insurance is endorsed by every concern that has tried it. Send for brief, forceful, descriptive circular.

THE PRUDENTIAL INSURANCE CO. OF AMERICA

Incorporated Under the Laws of the State of New Jersey

FORREST F. DRYDEN, President — Home Office: NEWARK, N. J.

Debate on the War Risk Measure

SPEAKER CLARK MAKES A TALK IN FAVOR OF IT

Can See No Objection to It—Representative Gillett Criticizes Insurance Features

FIRST SCHEDULE PASSES

WASHINGTON, Sept. 12.—The House to-day approved the first important schedule of the Soldiers' and Sailors' Insurance Bill. This relates to the allotments of pay to be retained by the Government and turned over to the fighting man's dependents.

The New York "Times" printed the following story about the debate on the War Risk Insurance Bill:

Washington Sept. 10.—Declaring that the Soldiers' and Sailors' Insurance bill was the best war measure yet brought before Congress, Speaker Clark to-day aroused the House to the only enthusiasm shown since consideration of the bill started last week. The Speaker's words were applauded on the floor and in the galleries. He undertook to meet all objections that have been brought against the bill.

"So far as I can see," said he, "there are four main objections to this bill brought by those who oppose it. First, it increases the soldier's compensation; second, that the Government is likely to find itself in a hole; third, that in some way it interferes with the present pension system, and, fourth, that the bill was not prepared by the committee, but by some one outside. Now, take these things in reverse order. What difference does it make who prepared the bill?

"I repeat what I said last Thursday about the Bond Bill. If these young men are willing to risk their lives on the battlefield, those of us who stay at home ought to be willing to take care of them in the best way that can be devised.

Believes in Insurance

"I believe in insurance. I carry every kind of life insurance that human ingenuity ever devised—time insurance, endowment insurance, straight insurance, assessment insurance, accident insurance. I have $10,000 accident insurance.

"I believe that we should keep the wives and children of the men who will die over there from going to the poorhouse. Now suppose this bill does increase their pay, it is not going to hurt anybody.

"I believe that in less than ten years every one is going to be insured under the law. In some countries that is done now. It keeps the widows and orphans from suffering and keeps the crippled in the various dangerous occupations of life from coming to want, and I believe if there has ever been a bill introduced in this House that all right-thinking Americans without respect to political or religious affiliations will indorse, it is this insurance bill."

Representative Key of Ohio, Chairman of the Pensions Committee and the principal opponent of the bill, asked Speaker Clark what he thought of abolishing the Bureau of Pensions and transferring the whole compensation scheme to the Treasury, as proposed in the pending bill.

"It is not material," answered the Speaker.

Representative Gillett's Views

Representative Gillett of Massachusetts, acting Republican leader of the House, indorsed all of the bill except the insurance feature. He said the compulsory allotment of pay to dependent families was a fine thing and that the rates of compensation for death and injury were worked out scientifically and equitably. The cheap insurance plan, he said, would cost $1,800,000,000 the second year, and would not reach all those who would benefit by it.

Debate to-day on the bill prevented any action or the offering of amendments.

Makes Plea Against Ill-Advised Taxation

A. E. CHILDS TALKS AT COMPANY'S PATRIOTIC DINNER

Praises Spirit With Which Young Men Have Responded to the Draft

Arthur E. Childs, president of the Columbian National Life, delivered an address on "General Business and Financial Conditions" recently at the patriotic dinner given by the Company to the members of the $100,000 Club and its general agents.

Mr. Childs concluded his unusually interesting address with the following comments:

Taxation

"The problem of taxation is still being worked out, and while no one can possibly object to proper taxation to the maximum, yet business interests have feared more the method of taxation and the inequality resulting from the passing of ill-advised or not fully considered bills, than from the actual amount of money to be obtained under such bills of taxation. The original idea was that industry should be made to give up its products at reduced prices to the Government, but this faulty point of view has been corrected and Congress now shows that it believes in fair prices being paid to all from whom the Government may purchase, and that taxation should take a percentage of their profits, rather than reducing the selling prices to abnormally low rates. In connection with this question, I am informed that one of the great mistakes the British Government made at the beginning of the war was in demanding that manufacturing and mercantile establishments should hand over their products at greatly reduced prices, with the immediate and startling effect that all business ambition was choked off and an enormous shrinkage of business took place. Upon the appearance of this result the system was at once changed so that all the people in active manufacturing or other forms of business could make fair profits, and the Government then took its toll of taxation from the excess earned by them above a fair return upon their active capital.

"I will not weary you with discussing taxation matters, because I believe that in the end we will be given a fair and equitable method by Congress.

The Draft

"Perhaps the most significant event of the summer is the quiet and orderly and willing registration of nearly 10,000,000 men between the ages of twenty-one and thirty destined for service to the country as they may be selected and assigned to their duties by the Government. It has certainly been an astonishing demonstration of the efficiency of democracy that a country which for hundreds of years has been opposed in no unmeasured terms to conscription of all kinds assumes without difficulty a selective conscription act, and it must bring home to each and every one of us that justice and equity are alive in the hearts of our people. The practical results of millions of men living together under a well-organized democracy on terms of mutual helpfulness and friendship have certainly developed and emphasized the essential virtues of faith, forbearance and compromise of differences.

Internal Disturbers

"In spite of this wonderful demonstration of unity on the part of our people it is to be deeply regretted that a spirit of disorganization has shown itself from time to time, and in various parts of our country it undoubtedly has been at work. Each and every one of us must be on our guard against it, and use our best efforts to crush it, knowing full well that any element of discord will impair our strength and our efficiency. There are those claiming that freedom of discussion is fundamental in a democracy, yet they neglect to recognize the fact that majority rule, and a loyal acceptance of policies formed by the majority are equally fundamental in the operation of a democracy. Under the guise of freedom of discussion they set forth their sophistries and their insidious doctrines to frustrate, if possible, the will of the majority or to weaken our national efficiency and effectiveness. Be on your guard against those who with treason in their hearts counsel defiance to the conscription law or advocate means of evading it, or who would instill into our people the insidious representation that war has been brought on by secret influences or for unworthy motives. An effective national or social organization must stamp with ruthless heel every idle and malicious effort to breed such discord and disloyalty."

Oliver Metzerott, of Metzerott & Livingston, Washington, D. C., is at Fort Myer.

FOR RENT

Splendid office in large suite, facing street, well furnished, telephone extension; stenographic service if desired; rent $30.

Suite 703, 68 William St.

Build Your Own Business

under our direct general agency contract

Our Policies provide for:

Double Indemnity, Disability Benefits, Reducing Premiums

See the new low Rates

JOHN F. ROCHE, Vice-Pres't

THE MANHATTAN LIFE INSURANCE COMPANY

66 BROADWAY NEW YORK

Organized 1850

HOME LIFE INSURANCE CO.

(Now Purely Mutual)

256 BROADWAY, NEW YORK

GEORGE E. IDE, President

The fifty-seventh annual report shows insurance in force of $133,493,000, an increase during the year of $7,832,827. The Company paid the policyholders in 1916 $3,536,233, of which $628,406 was in dividends or premium refund. Its insurance reserve fund was increased by $1,300,000 and the Assets are now $32-821,462.

For Agency apply to

GEORGE W. MURRAY, Supt. of Agts.

256 Broadway, New York, N. Y.

BANKERS BLIFE DES MOINES LIFE COMPANY

PAYS GOOD PAY TO GOOD MEN

State Mutual Life Assurance Co.

OF WORCESTER, MASSACHUSETTS

Incorporated 1844

The Company that gives complete satisfaction to policyholders and agents because both are a part of it.

SEVENTY-THREE YEARS of faithfulness to every promise made.

Success for our ambitious representatives is a certainty.

Additions are made to our agency force when the right men are found

B. H. WRIGHT, President D. W. CARTER, Secretary

STEPHEN IRELAND, Inspector of Agencies

Suggests Plan for Fraternal Publicity

JOHN L. HUNTER'S SUGGESTION TO RECENT CONGRESS

Outlines Fraternal Information Bureau of National Scope, Using Papers and Movies

A nation-wide propaganda in the interests of fraternal insurance was advocated at the recent National Fraternal Congress by John L. Hunter, of Denver. The plan is now under consideration. The Hunter idea in part follows:

The first effort should be spent on detailed organization of the plan and to inform your membership of what is coming.

An appropriation of about ten cents per capita on all your societies should be made for the first year's work.

The plan should be undertaken with the view of following it for at least five years—if any of you have in mind "trying" it for six months or a year, stay out of it and save yourselves money and a lot of severe criticism. Forming public opinion takes time—though without question you will have a right to expect some results toward the end of your first year.

Elect all your presidents a board of promotion, which shall be accountable to this Congress. Each society would probably have a voice in the board of promotion in proportion to its membership.

Information Bureau

Incorporate a central organization and call it the Fraternal Information Bureau, which shall be a clearing house for all manner of co-operative activity and which shall originate and care for the publicity to be put forth.

Place one man in charge of this bureau to direct all its affairs, who shall be accountable to the Board of Promotion.

The manager of the Fraternal Information Bureau should divide this work under about five heads, as follows:

1. Members' Information Department.
2. Press department.
3. Advertising Department.
4. Publication Department.
5. Film Stories Department.

The machinery for doing a great deal of this work has already been built and never used for this purpose.

If any of you want information on any subject from a score or a hundred communities you get it without difficulty, and the cost is little beyond the necessary postage stamps and stationery.

Revision of your whole system of society publications could be profitably made, combining some, eliminating others, and in a general way organizing all of them so they would serve more efficiently their real purpose—to convey information to members. If they were all frankly society, lodge or district fraternal bulletins, little or big as the conditions might call for, their purpose would be better served.

Co-operative revision of your whole system of official publications will not alone save money, but will carry you farther in the direction you wish to go.

Some one in each lodge of each society can be found, who, for the sake of pride in his organization, will collect and send in the desirable items of information.

The items to be desired by this department would be the information, plans, prophecies, statistics, reports, incidents and unusual occurrences now carried by your official publications plus such additional matter of the same or more interesting nature as could be secured.

Members' Information Department

The Members' Information Department would take all this matter, properly sort and classify, and put it through the proper channels for publication so that the items of local interest would reach the proper people and the items of general interest would receive general circulation.

In addition to the work done by most societies in following up the lapses, the Members' Information Department could do very efficient work by following them up with matter designed to make the lapsing members see the wisdom of going on. Naturally this work is most effective when started before a member has missed so many months that he is actually a "lapse."

The question of an agreement among all the societies regarding some method of giving publicity to lapsing and lapsed members should be considered as a deterrent to many and as a means of informing the loyal members so that interest would be stimulated to bring to bear all possible influence in the direction of keeping such memberships alive.

This whole work of the Members' Information Department would in the first place reduce the percentage of lapses very materially because of the vital information it would spread. When people realize they have a good thing, they'll not willingly drop it.

Press Department

The Press Department might be considered a part of the Members' Information Department, but its work would be exclusively along the line of securing the publication in the daily and weekly press of the country of such items of news concerning the Fraternal System and its members as would be real news and tend toward a broader appreciation and better understanding of the System. Its organization would be like any great news gathering agency with a correspondent in every lodge in the country, possibly district officers in the larger cities, and the central office would be the Press Department of the Fraternal Information Bureau.

Advertising Department

The Advertising Department would prepare and care for the paid space advertising used throughout the country in periodicals chosen to reach those who should be reached. It will prepare booklets and folders on the Fraternal System in general and each society in particular, setting forth the facts of each in a human, appealing way, making plain that the Fraternal System is the ultimate of all systems of protection.

These booklets and folders will be sent in response to the inquiries for information. At the same time the inquirer's name would be supplied to such fraternal societies as have chapters in his community enabling his friends to place their societies before him personally.

This department should also plan a well-directed follow-up to all inquirers until they have joined.

Film Stories

The Publication Department and the Film Stories Department would be adjuncts to the whole scheme of propagating the Fraternal System of protection.

The Publication Department might follow either or both of the courses of putting forth a great national weekly which should have for its purpose, but not ostensibly so, the spread of the gospel of fraternalism or an organization for the syndicating to newspapers and magazines feature stuff and fiction. In both these, the fact would have to be taken into consideration that the world is made up of sentiment, politics, philosophy, art, science, religion, play and business; and everything that will be used must be judged and edited from the standpoint of the Fraternal System.

The Film Stories Department would do in the moving picture world that which is suggested in the literature of the day.

We see plenty of evidence of the success of both these ideas in the propaganda that is being carried on today in this and other countries with regard to certain phases of war conditions.

Our newspapers and magazines are filled with matter tending to arouse us to the need of "Preparedness," "Soil Cultivation," "Liberty Loans," "Economy," the Army, the Navy, the Secret Service, and so on.

The movie screens are being made to reflect every degree of patriotism by every degree of actor. Of course, it's the popular, profitable thing to do, nevertheless, it is being systematically encouraged.

LICHENSTEIN AGENCY

The Louis Lichenstein agency of the Equitable Life reached its allotment for the year on September 5.

THE AVERAGE EARNINGS OF THE AGENTS
OF THE
Standard Life Insurance Company
∴ ∴ OF PITTSBURGH ∴ ∴
are higher this year than ever before. Our attractive Accident and Health Policies have helped them to make more money.
Write for a LIFE, ACCIDENT AND HEALTH Contract to
FRANK A. WESLEY
Vice-President and Director of Agencies

Country Banker as An Insurance Agent

VIEWS OF MAN WHO BANKS AND SELLS POLICIES

Says He is Serving Community and Also Helping His Own Institution

C. W. Soesbe, in an address before the Northwestern Mutual Life Agency Convention, recently held in Milwaukee, discussed the country banker as an insurance agent. He concluded his paper by saying that the country banker is warranted in being an active life insurance solicitor. He lives in a town of less than 2,000 inhabitants, and he summarizes his views:

"I live in a country town of 1,500 inhabitants; our bank has a capital of $50,000 and deposits of about $400,000. We now have in force nearly one million and a half of life insurance in our vicinity. Please look down into the future a few years, from the standpoint of the stockholders of the bank. This million and a half of life insurance will become payable at some time. Where will the banking business connected with the settlements go? I was instrumental in putting the insurance in force; I have been somewhat instrumental in keeping it in force; I expect to make the settlements—will it not be the most natural thing in the world for the proceeds of the policies to be left in my care? Can anyone conceive of any scheme that would be more successful and far-reaching in bringing to the bank a large amount of the most desirable deposits?

Follows Trend of the Times

"The writing of life insurance by a country banker follows the trend of the times to cover a general field of activities, in the country districts. The writing of life insurance opens up a large opportunity to increase his income in a manner that is in keeping with the nature of his other business. In the writing of life insurance, the country banker renders a great and useful service to his community, and in so doing, starts a stream of business toward his bank that may exceed his fondest hopes and continue for many years.

"Therefore, the country banker is warranted in being an active life insurance solicitor."

EXPECTS TO WRITE $1,000,000

R. J. Snead, newly appointed State agent of the Philadelphia Life for West Virginia and Kentucky, has well-equipped offices in the First National Bank Building of Huntington and has employed experienced clerks for the handling of the business, which will be produced through that department. The Company has set a quota for Mr. Snead for the first year at $1,000,000.

REAL SATISFACTION
Working with **William N. Compton** and the **John Hancock Mutual Life Insurance Company** in New York City forms the happiest combination imaginable for the life insurance salesman.
If you have any doubt in your mind have it dispelled by calling at
220 BROADWAY
Phone 6030 Cortlandt

Discussion of Long Term Endowment

ADVANTAGES AS SEEN FROM THE FIELD

Remarks Made at Recent Convention of Equitable Life, Iowa, By R. C. Gauch

A discussion of various policy forms was one feature of the recent convention of the Equitable Life of Iowa. Long term endowment was the topic assigned to R. C. Gauch, who said:

Long Term Endowment

"A pure endowment is a contract which promises to pay to the holder thereof, a stated sum of money if he be living at the end of a specified period, nothing being paid in case of prior death. Term insurance, on the contrary, consists of a promise to pay a stated sum in case of death during the given period, nothing being paid in case of survival. The two promises are, therefore, exactly opposite in their nature. They may, however, be combined in the same contract, in which case the policy goes under the name of 'Endowment Insurance.'

"The mathematical premium for endowment insurance represents the sum of premiums for the term insurance and for the pure endowment. The premium paid at a given age will be higher for short, than for long term endowments, because the company must collect a sufficient amount of money so that together with compound interest it will have the face value of the policy at the end of the term. They may cover any stipulated period, such as ten, fifteen, twenty, thirty and forty years.

Tendencies Here and in Great Britain

"In Great Britain the tendency has been towards the selection of the longer terms while in America the twenty-year period seems to have proven the most popular, although various companies are now strongly urging the long-term period with a view to having the policy, by making it mature at such ages as sixty or sixty-five, afford a convenient combination of life insurance protection, with a provision for old age. A whole life or ordinary life policy is an endowment policy, maturing at age ninety-six, according to American Experience Table, but by the payment of a slightly higher premium the policy should be made to mature at a more logical age, such as sixty or sixty-five. Premiums are usually paid on the level plan throughout the life of the contract. Often, however long term endowments for periods like thirty or thirty-five years, are paid for on the limited payment plan; the premiums, for example, being paid during the first ten or fifteen years, although the face of the policy is not payable until, say, twenty years after premium payments have ceased.

"The long term endowment has larger cash values than the life policies. Bankers and other creditors always regard the cash value of a man's policies as an additional asset, justifying larger extension of credit.

The Real Functions

"The real function of endowment insurance is not to yield a large investment return but rather to furnish a means of inculcating:

"First. The incentive to save, or the saving instinct. And in this particularly extravagant era and with this particularly extravagant American nation, or people, an endowment policy generally turns out to be a means of forcing thrift, since it compels them to do that which, if left entirely to their own option, would remain undone, and no sum worth while would be saved. Unlike insurance, saving institutions have the shortcoming that they permit the depositor to withdraw all or nearly all of the funds after giving notice of a certain number of weeks, with the result that a resolution to save over a long period may be broken when the depositor for one reason or another sees fit to withdraw the amount deposited.

"Second advantage. Endowment insurance provides for old age, if the term is so selected as to make the policy mature at an age like sixty, sixty-five or seventy. At this age a man's earning capacity usually ceases and when he naturally expects to retire from actual work. Statistics show that less than one man in ten succeeds in laying up a competence by the time this age is reached. Most men are, therefore, confronted with two contingencies: (a) an untimely death may leave their families unprotected, and (b) in case of survival until old age, they may lack the means of proper support. But both of these contingencies may conveniently be provided against by a long term endowment, for if death should occur at any time during the term, the insurance proceeds revert to the family; but should the insured survive to old age, when the need of insurance for family protection has largely, or altogether, passed away, he will, himself, receive the proceeds of the fund which his prudence and foresight enabled him to accumulate, to be used for his own support and comfort.

"In this connection it should be remembered that a whole life policy, based on the American Table of Mortality, is an endowment at age ninety-six, and this age according to that table is considered the extreme limit of life. At age twenty-five a whole life policy is, therefore, an endowment policy for a term of seventy-one years.

"Third advantage. It is a means of hedging against the possibility of the saving period being cut short by death, were it not for the uncertainty of life and the inability of most people to carry out their resolution to adhere to a definite plan of saving, the accumulation of an estate could readily be accomplished by the deposit of certain sums at regular intervals. Endowment insurance seeks to protect the individual from both of these dangers. Thus, let us assume that it is the purpose of a person aged twenty-five to accumulate $20,000 during the next forty years. He might accomplish this in several ways, but it is clear that the result can definitely be accomplished by the purchase of a $20,000, forty year endowment maturing at age sixty-five, and it hedges the insured's savings fund against premature death.

Fund for a Specific Purpose

"Fourth advantage. It is a means of accumulating a fund for specific purposes. To illustrate: the credit and successful operation of many business firms desiring to negotiate a bond issue may be dependent chiefly upon the life of one man whose unexpected death may so jeopardize the success of the business as to preclude the redemption of the bonds upon maturity. But this contingency may be averted if the head of the business insures his life for an amount equal to the bond issue under an endowment policy, which will become payable at the same time that the bonds mature. The same principle might also be applied to the liquidation of a mortgage on a home. In addition to such business uses, endowment policies may often serve some special family purpose, especially as regards the making of proper and certain provision for starting children in life.

"Consequently, the large sum that may be secured through long term endowment insurance may, therefore, be regarded as the utilization of a by-product—odds and ends—that may not otherwise have been saved for a noble purpose."

GENERAL AGENTS MEET

Connecticut Mutual Men Welcomed By President John M. Taylor at Fishers' Island

A rousing meeting of general agents of the Connecticut Mutual Life was held at Fishers' Island, Connecticut, this week. About 200 general agents and honor roll men were in attendance. The first day's program follows:

Address of welcome—John M. Taylor, president.

"The Fishers' Island Assembly"—Griffin M. Lovelace, superintendent of agents.

"The Policy Contract"—Henry S. Robinson, vice-president.

"The Needs of Life Insurance," or "What Life Insurance Will Do"—S. L. Morton, St. Louis general agent.

"Life Insurance as Credit"—Geo. H. Parker, Brooklyn general agent.

"How to Use Our Materials to Prepare a Proposition or Sales Talk"—C. C. Hills, Rochester, N. Y., general agent.

"Life Insurance to Encourage Thrift"—S. Edwin Price, Baltimore special agent.

"Two-Minute-or-Less" papers.

TWO TRAGIC DEATHS

Jacob G. Brown, Detroit, Drowned—John N. Cran, Seattle, Killed in Elevator

Two well-known representatives of the Fidelity Mutual Life, Jacob G. Brown, of Detroit, leader of the Fidelity Leaders' Club, and John N. Cran, of Seattle, recently appointed manager, have figured in tragic deaths recently.

Mr. Brown, a splendid writer, young, and an inspiring force, was in a canoe on the Au Sable River. The boat upset and he was drowned.

Mr. Cran, who was in a sanitarium, was being wheeled by a nurse onto an elevator to be taken up to a room for a minor operation. The lever of the car was accidently released, the car shot up, and the insurance man's head was crushed.

Jacob G. Brown was born in Michigan, September 20, 1885. After a brief experience in the coal business in Detroit he took up life insurance work and was appointed an agent of the Fidelity in May, 1910. At that time he was just twenty-five years of age. His industry and aptitude soon made themselves felt and it was not long before he had built up a paying business. On July 5, 1916, he was elevated to the position of manager for Eastern Michigan. As though to demonstrate his fitness he signalized his first year in that office by making it the best year in his business career, electing himself president of the Fidelity Leaders' Club.

GROUP COMMITTEE

President English Names Men to Investigate Group Insurance for the Commissioners

President English of the National Convention of Insurance Commissioners, has announced the following appointments of Committee on Valuation of Securities and Special Committee on Group Insurance:

Valuation of Securities

Jesse S. Phillips, Albany; F. H. Hardison, Boston; Wm. M. Shehan, Baltimore; J. Denny O'Neil, Harrisburg; Jas. R. Young, Raleigh; Harvey Wells, Olympia; F. W. Potter, Springfield; Frank H. Ellsworth, Lansing; George M. La Monte, Trenton.

Special Committee on Group Insurance

Jesse S. Phillips, Albany; Frank H. Hardison, Boston; M. J. Cleary, Madison; Burton Mansfield, Hartford; Walter K. Chorn, Jefferson City; John F. Sanborn, St. Paul.



Fifty years of success

The Strength of the Company—the growth of a half century—towering back of every policy contract, assures the largest possible measure of *security*, *service*, and *saving* to the insured.

The wisdom of the founders in restricting the Company's investments to farm loans, has throughout the years afforded the largest degree of safety, together with the greatest earning power on its invested funds. It has in addition served the Nation, and the wide world in these troublous times, by its signal aid in the development of the Country's Agricultural Resources.

The manifold service of the past half century may safely be accepted as a criterion of larger service in store for its policy-holders and their beneficiaries.

For Information address Allan Waters, Second Vice-Pres.

The Union Central Life Insurance Company

Jesse R. Clark, President Cincinnati

Mutual Life on Its War Mortality

WILL NOT BE MUCH OF A SUFFERER, IT SAYS

Thinks It Has Larger Proportion of Lives Beyond Military Ages Than Others

In commenting upon the fact that competing agents have sometimes sought to make a point against the Mutual Life by predicting a heavy war mortality in connection with its foreign business, the Company says this week in its publication "Points":

"Three years of war have proved this danger to be negligible. Upon this point the agent might quote from the Seventy-fourth Annual Report of the Company as follows:

> This could not well be otherwise owing to the insignificant amount of our foreign business in proportion to the total in force, and to the fact that, having withdrawn many years ago from most of the warring countries in which we ever did any business, our policyholders there are, for the most part, well beyond the military age. While it is nevertheless true that because of the war we have had death claims to meet which would not otherwise have been incurred at this time, there have also been compensations growing out of existing conditions, which in large measure offset these losses. For example, our war claims constitute but a small proportion of our total death claims in the belligerent countries, and all policy claims as well as all dividends and other disbursements in those countries are payable in the local currency, while this currency, having greatly depreciated because of the war, can be bought on the New York market at a considerable discount. As a result, the Company's profits on account of foreign exchange alone amounted in 1916 to several hundred thousand dollars, a sum not varying greatly from the death claims of the year due to the war.

"To the foregoing we might add that some of those who died in the war would have died in any event, even had it been a time of peace. Our country now, however, is fully enlisted in the World War, in which all American companies will be involved, but, just what the effect upon the various companies may be, can, for the present, be only a matter of surmise. Nevertheless, whatever the result may be, it is certain that the oldest company in America will suffer less relatively than most others, if not less than any other.

The First Call

"American soldiers are to be selected by draft, the first call involving men from ages 21 to 31 inclusive. Obviously the life insurance company which has the largest proportion of policyholders of military age will have relatively the greatest number of lives exposed to the war hazard. Keep in mind here that in practically all companies, policies which were issued prior to the first of April or May of this year will be free from military restrictions before our soldiers leave the United States, or shortly thereafter, for the period of restriction (in most cases one year from date of policy) will have expired.

"Obviously the younger companies will be hardest hit in respect of age, while the Mutual Life has undoubtedly a larger proportion of lives beyond the military age than many others.

"If the war should continue several years longer, older men will be called to the colors. Observe in this connection that 63 per cent. of our policyholders are more than 45 years of age. Is this true of the other companies?

Premiums

"Even if all companies had relatively the same proportion of policyholders of military age, keep in mind the further consideration that the Mutual Life receives a larger premium for each $1,000 of insurance risk exposed than many other companies. This does not mean higher cost, for our dividends also are larger, but it does mean greater resources with which to meet any unusual strain that may come because of the war. A war mortality sufficient to endanger the solvency of a company with very low premium rates, would mean at the worst nothing more serious than a possible diminution of dividends in the Mutual Life."

ANDERSON'S ARGUMENTS

Second Edition Printed By Los Angeles Man—Some of Topics Covered

A. M. Anderson, of Los Angeles, Cal., has issued the second edition of his Classified Selling Arguments. They give the best reasons to be used in selling insurance.

The titles of chapters follow:

"Want to Talk It Over With My Wife."
"I am Single and Don't Need Insurance."
"I Have Plenty of Insurance."
"I Will Not Leave Money for Others."
"I Can't Afford Life Insurance."
"I Want to Pay my Debts First."
"I am Not Ready; Will Take Insurance Later."
"I Will Think it Over."
"My Wife Objects."
"I Don't Need Insurance."
"It's Against My Religion."
"I can Use My Money to Better Advantage."
"I have Property and Don't Need Insurance."
"I Can Save My Own Money."
"I Want Fraternal Insurance."

E. Stuart Pike, of Springfield, Mass., has qualified for the Equitable's Three-Quarter Million Club.

State Manager a Personal Producer

McCANN, OF BAY CITY, AVERAGES TWO APPS. A DAY

Collects Premiums When the Policy is Delivered—Record With Federal Life

H. C. McCann of Bay City, Mich., is a member of the firm of McCann & Pope, State managers of the Federal Life Insurance Company of Chicago, in Michigan. Mr. Pope is now a lieutenant in the United States Army, and has been away from the office for more than four months, yet despite the management of the State and the additional responsibility on his shoulders caused by the absence of his partner, Mr. McCann's success in personal production during the month of August was unusual. He wrote $62,818 of insurance. In order to do this he sold policies on the lives of 56 different persons; fifty of these were for $1,000, one for $2,500, three for $2,000 each, and two installment policies were for $2,159 each.

With each application (there were two exceptions) Mr. McCann collected an annual premium. In the cases of the exceptions he collected a quarterly premium and a semi-annual premium. All this was done in twenty-seven working days, so that it will be seen that he averaged more than two applications per working day for the entire month.

This is the record in the Federal Life for the greatest amount of insurance written on the largest number of people in any one month by any representative in the Company, and in the accomplishment of this achievement Mr. McCann shows that he is a producer to be deckoned with in the future. Mr. McCann finds no difficulty to collect premiums, which means that naturally he sells the policy correctly.

The Federal Life Club meeting in New Orleans will be attended by about thirty-five persons. The meeting is the last week in September.

DRAFT BOARD VINDICATED

Inquiry By Insurance Medical Experts Shows Changed Regulations Caused the Trouble

The medical department of the Metropolitan Life Insurance Company, to whom was assigned the task of re-examining several hundred drafted men who had been rejected as physically unfit for military duty, by Local Board 102, with headquarters in Public School 13 on East Houston Street, has completed its work. The re-examination of 473 drafted men, which was conducted by Dr. Victor C. Pedersen and others of the insurance medical department, resulted in complete vindication of the members of the board who had been suspected of irregularities.

Dr. Pedersen attributed the difference in the findings to the fact that the government had relaxed its physical standards since the original examination of the men was held. "We believe the doctors' work—that is, the physicians of the local board—represents the best possible faith," says Dr. Pedersen, "between the registrants and the government."

Deputy Attorney General Roscoe Conkling says that the government is satisfied with Dr. Pedersen's report, and the case is now closed. The members of Local Board 102 were never threatened with removal, he says, and now they are thoroughly exonerated.

Japanese Writers Win Club Honors

ORIENTAL VICE-PRESIDENTS OF THE $100,000 CLUB

Before Joining New York Life Were Hotel Proprietors, Bank Managers, Tailors, Etc.

Four of the nine official positions in the New York Life's $100,000 Club have been won by Japanese. U. Matsuda, of San Francisco, leading vice-president at large, was a merchant tailor until 1913 when he came with the New York Life. He had a splendid reputation in the Japanese community of Watsonville, Cal., where he lives, and where he is president of the Japanese association. The first time he made the $100,000 Club was in 1915. Last year he wrote 144½ applications for $143,625.

G. T. Matsunaga, of Los Angeles, another vice-president at large, was a hotel proprietor. He joined the New York Life in 1915. His writings for the year were $136,125.

First of Race to Make $200,000 Club

Vice-President H. Y. Hanafusa, of Seattle, who wrote 126 applications for the year, was the first Japanese to win membership in the $200,000 Club. He is a natural leader and his insurance sticks.

Y. Suzuki, vice-president at large, Los Angeles, who wrote 128 applications during the year for $133,125 was a bank manager until the time of the San Francisco earthquake, when he came with the New York Life.

The president of the $100,000 Club is H. E. Graves, of Syracuse, who wrote $174,750.

L. C. YORK RECOVERING

Leslie C. York, inspector of agencies of the Equitable, is recovering from an operation. He will not be able to attend the Mackinac Business Conference.

A. M. Shields, of San Francisco, has qualified for the Equitable's Quarter Million Club.

44 MILLIONS from 42 AGENCIES

THE 1916 RECORD OF OUR EARNEST, LOYAL AND HAPPY AGENCY FORCE

New England Mutual Life Insurance Company
BOSTON, MASS.

The Nation Needs Its Business

Not less patriotic than those who serve the Nation in organizations directly connected with the war, are those who keep the wheels of business steadily turning. Their work contributes to the country's moral poise, and, as well, keeps sound the financial foundation on which our great part in the war must rest. Life insurance is one of the great conservators of national resources, through its protection of the myriad homes of the people and the businesses which furnish their maintenance. Life insurance has therefore a great opportunity and a great duty in this time of crisis.

Occasionally we have a General Agency opening

JOSEPH C. BEHAN, Superintendent of Agencies

MASSACHUSETTS MUTUAL Life Insurance Company
Springfield, Massachusetts
Incorporated 1851

LIVE HINTS FOR BUSINESS GETTERS

Practical Suggestions to Help the Man With the Rate Book Increase His Income and General Efficiency

Note the Difference

The Optimist sees the doughnut.

The Pessimist sees the hole.

The Pessimist asks: "Is there any milk in the pitcher?"

The Optimist asks: "Will you please pass the cream?"

A Pessimist is a man who winds an eight-day clock every night.

An Optimist is a man who gives his clock away so not to lose any time winding it.

A Pessimist is a person so disagreeable he won't eat anything that agrees with him.

An Optimist is a person who can eat cottage pudding so agreeably that you thing he is the joyful owner of a brown stone residence on Riverside Drive and a limousine.

Which are you?

* * *

The Power of Thought Waves

The dire curse of this world is idleness. Some are working too hard, while a vast multitude idly look on. Don't be a looker, be a doer. Don't be a has-been, be an iser. Don't be a knocker, be a booster. Idleness is sin. "The wages of sin is death." That is why people who stop working die off so soon. "If a man does not work neither shall he eat." He can't eat long. He loses his appetite, spoils his digestion, gets heart failure. When you retire from business, from work, from active, aggressive occupation you want to buy your lot in the graveyard at once. "If I were rich," do you say? Nonsense, if you were rich you would be unbearably meaner than you are now, a hundred times more stupidly useless. What you need is punch. You have lost your grip, grit and punch. And no matter if you are ninety years old you can get them back. How? Listen.

Build with thought waves. Begin with your world; what is it? The ditch or mayor's chair; the brickyard or bank; bench or pulpit; selling or buying; pick or pen? Take a look at your world; what is it? Now plan it, then breathe life into your plan. You cannot help others until you help yourself. You are supreme and this is your ultimate hour. You are under the law of liberty—go and do. Put forth your supreme hand beyond duty and you can do the impossible.

* * *

Making Dreams Come True

Peter Ibbetson, given immortality by Du Maurier, dreamed of dreams which came true. Taking this as a text International "Life Man" says that dreams come true only when we work with determination to make them come true.

"Just working along" without putting power into our efforts makes no worthy dream come true.

Power, power—power of brain and heart—must be crowded on, if worthy dreams would be made to come true.

The above is what certain field men do not show that they realize. Their comparatively scanty results plainly show they have not put determination —power of brain and heart—into the work. Yet they have dreams of more money they want to bring true. May every one of such men take what is here said right home to them.

Determination—power of brain and heart crowded into the work will bring your dreams true.

How One May Grow Old Successfully

Statistics covering more than half a century inform us that only three men in every one hundred are self-supporting at the age of 65, also that 97 out of every hundred are absolutely dependent upon others for the common necessities of life when they reach this milestone. From this we deduce that only three per cent. of the fifty million men in the United States know how to grow old successfully.

From 16 to 25 years of age has been termed the "wild oats" period. It is during these years that the egotistical son thinks he knows more than his father. During the second period of this anthropologic evolution, from 25 to 35 years, he begins to realize that he knows very little. From 35 to 40 is known as the crystallization period, and if the individual has not worked out the formula for success at 40 there is very little hope for him. During the next half decade, from 40 to 45, more than 74 per cent. of all men meet with reverses which result in the loss of their entire accumulations. The age 45 is said to be the danger line in every man's life. At the age of 50 only one in every five thousand men is able to recover his financial footing and independence. At 60 more than 95 per cent. of all men are dependent upon their daily earnings, their children, other relatives or charity for support.

Finally, when this struggling army of humanity reaches 65 the barometer of success indicates that only three in every hundred have made ample provision for an independent future. It is during the first three periods of a man's life that he must outline a definite financial plan for the future, if he expects to be a member of the three per cent. army. The young man who wisely provides himself with an endowment maturing at age 65, or at any age at which he seeks retirement, need not fear the future. The good old legal reserve ship will weather all of life's storms and the policy serves as a passport to the harbor of independence.

* * *

Get After the Exempts

The United States Government has spent a whole month now in weeding out the young men of the country who are unfitted for army or navy service because of physical disabilities or because they have dependents. The situation has opened up a splendid field for the life insurance solicitor. Most of these young men have not been rejected because of serious physical trouble. They are still good risks, and just the ones who need life insurance. By their own confession they have dependents who are looking to them for maintenance. If they cannot be spared to go to war, they cannot be spared in case of death —that is, death would deprive their relatives of the support they are now giving, the same as their entering the military or naval service would do. They cannot now deny that they have need of life insurance to protect their dependents in case of death. The first purpose of life insurance is to fill this need, and these hundreds of thousands of men have sworn that they cannot be spared for army service. This would seem like an casis in the field of life insurance.

THE MOST VALUABLE POLICY FOR YOU,
Mr. Agent, is to write your prospect in the Company writing the most valuable policy for the insured.
Secure **prompt action** in the
John Hancock MUTUAL LIFE INSURANCE COMPANY OF BOSTON MASSACHUSETTS
WILLIAM N. COMPTON, General Agent
METROPOLITAN DISTRICT, ST. PAUL BLDG., 220 BROADWAY, NEW YORK, N. Y.

ORGANIZED 1871
Life Insurance Company of Virginia
RICHMOND, VIRGINIA
OLDEST, LARGEST STRONGEST Southern Life Insurance Company
Issues the most liberal forms of Ordinary Policies from $1,000.00 to $50,000.00, and Industrial Policies from $12.50 to $1,000.00
CONDITION ON DECEMBER 31, 1916:

Assets	$14,464,552.23
Liabilities	12,436,717.56
Capital and Surplus	2,027,834.67
Insurance in Force	118,349,212.00
Payments to Policyholders since Organization	18,119,172.50
Is Paying its Policyholders over	**$1,300,000.00 annually**

GOOD TERRITORY FOR LIVE AGENTS

FOUNDED 1865
Unexcelled In Favorable Mortality and Economy of Management
The Provident Life and Trust Company
OF PHILADELPHIA
Rates of Premium Extremely Low and still further reduced by Annual Dividends

Ambitious, Productive and Trustworthy Life Agents may be benefitted by corresponding with the
Berkshire Life Insurance Company
of Pittsfield, Mass.
Inc. 1851
New policies with modern provisions Attractive literature
W.D. Wyman, President W.S. Weld, Supt. of Agencies

We want a GOOD PERSONAL PRODUCER and organizer for DESIRABLE TERRITORY in several states west of the Mississippi River. EXCELLENT CONTRACT.
Northwestern National Life Insurance Company
MINNEAPOLIS, MINNESOTA,
is a LEADING LOW NET COST, annual dividend, MUTUAL, OLD LINE company. Record for 1916—increase in insurance in force, 20%; in paid-for business, 51%; in assets, 15%; in amount apportioned for 1917 dividends, 71%.

Get On The Firing Line With Our Triple Option Policy

Liberal Agency Contracts
Every Policy Registered With The State of Missouri
The Company of Today With Methods of Tomorrow
Assets over $8,000,000.00. Insurance in force over $67,000,000.00
International Life of St. Louis, Mo.
Massey Wilson-Pres. J.L. Babler-Gen Mngr. Agencies. St. Louis, Mo.

International's $100,000 Club Convention

TWENTY-THREE STATES REPRESENTED AT MEETING

Company Has Had Unusually Prosperous Year—Chorn Discusses Insurance in War Time

With twenty-three States represented in its membership and with banquet speakers lauding the Company for having eclipsed a world's record in its growth, the scores of delegates to the convention of the One Hundred Thousand Dollar Club of the International Life Insurance Company have mingled business with pleasure in a visit of four days to the home office of the Company in St. Louis. The membership of the club is composed of those who led that Company's sales force of one thousand representatives during the last year, J. V. Keenan, of Kansas City, having qualified for the presidency by producing more business than any other agent. Mr. Keenan presided at the various business sessions of the club. After attendance at baseball games, the races at Hazelton and the various luncheons, the visiting guests of the International Life returned to their homes September 6th.

The Banquet

The supreme feature of the convention was a banquet with an attendance of one hundred and fifty officers and agents of the International Life at the Buckingham Hotel on the night of September 4th, the banquet room wearing a gala attire, while the business discussions finally gave way to dancing and social features introduced by a liberal representation of ladies, mainly the wives of visiting delegates.

In his introductory address at the banquet Tuesday night, President Keenan called particular attention to the increase of insurance production for his Company for the year 1917 over the production of the year 1916, attributing the present flourishing business of the entire agency force to a more serious conception of the family and home life as impressed by the prevailing war time conditions. He touched also on the general prosperity of the country and for his line of business, referred to the compensating advantages of the high cost of living, a condition, he explained, which has impelled the prosperous man in the last year or two to double the amount of life insurance carried by him as a protection necessary to his family to meet changing conditions.

Following Mr. Keenan the Hon. John Schmoll, acting mayor designated to represent the city in the absence from town of Mayor Kiel, addressed a welcome to the delegates as guests not only of the International Life but of the city of St. Louis, which he declared to be the beneficiary of the efforts of an agency organization extending throughout the United States and which contributes by the very nature of its business to a constant golden stream of money that is flowing into the banks of St. Louis and finding its way into the general circulation in the building up of Mississippi Valley commercial and farming industries.

Address By Superintendent

"Life Insurance In War Time" was the topic assigned to the Hon. Walter K. Chorn, superintendent of insurance, whose introduction to the gathering by the toastmaster, the Hon. Colin M. Selph, postmaster of St. Louis, had been anticipated by the applause of the insurance men already well acquainted with the superintendent.

After paying eloquent tribute to the field men and betraying a lively interest and sympathy with their vocation, Mr. Chorn described the gradual adjustment of life insurance to war time conditions, affording a clear conception of the necessity for war clauses in policies and hinted at the legitimate insurance advantages newly created by the war.

There were appropriate remarks by Massey Wilson, president of the International and J. L. Babler, vice-president and general manager of agencies. It remained for the Hon. Wm. Marion Reedy, editor of "The Mirror" of St. Louis to deliver a frequently applauded address on "The Company's Progress." Mr. Reedy said:

"The International Life is a pyramid of strength, built slowly as all pyramids rise, by an army of men, but built more rapidly than any other similar institution in the history of the world. For I am told that in multiplying its assets by ten within a decade and building up its outstanding insurance to more than $69,000,000 this great Missouri company has set a record that has never been previously achieved.

"The architects of this big institution are here to-night. I see before me its head, Massey Wilson, his co-worker and head of its army of builders, J. L. Babler, its agency director, W. S. Doyle, and those other engineers who conceived the organization and without once weakening have held steady hands on the lever since the very inception of this great public institution."

Want Section Amended

(Continued from page 2.)

claring that under no condition should premiums paid for life insurance be exempt from taxation. His bill reads as follows:

Some of us who are in touch with the situation have reason to believe that we can secure an amendment to this bill while it is before the Conference Committee, and the purpose of the amendment is to exempt from taxation the cheaper forms of life insurance which are taken for perfectly proper reasons for the protection of credit. Care and consideration has been given to the drafting of this amendment.

It is very important that **all life executives and all agents** at once communicate with the members of the Conference Committee, and with Congressmen in both Houses, to secure the adoption of the amendment.

The officers of the National Association of Life Underwriters hereby **appeal to you to communicate immediately** with the members of the Conference Committee, and your Senator and Representative, asking their co-operation in securing this amendment to the Pomerene Bill.

LAWRENCE PRIDDY, Vice-President.

THE
METROPOLITAN LIFE
Insurance Company
(Incorporated by the State of New York)



Metropolitan Life Insurance Company
Home Office Building

The Company
Of the People
By the People
For the People

The Daily Average of the Company's Business during 1916 was:

701 per day in Number of Claims Paid.

8,304 per day in Number of Policies Issued and Revived.

$1,969,823 per day in New Insurance Issued, Revived and Increased.

$376,827.40 per day in Payments to Policyholders and Addition to Reserve.

$220,509.26 per day in Increase of Assets.

JOHN R. HEGEMAN, President

Deferred Dividends

(Continued from page 2.)

Page 18, Lines 3 and 4, omit "on the average capital actually employed in such trade or business" and insert "of the actual invested capital for the taxable year."

Page 18, Line 6 and 7, omit "the average capital actually employed in such trade or business within the United States" and add "that proportion of the actual invested capital for the taxable year which the net income of the trade or business from sources within the United States bears to the entire net income."

Page 18, Line 21, add after the second "in" the words "subdivision (a) of."

Page 19, Line 10, after the word "in" add "subdivision (a) of."

Page 21, between lines 21 and 22, add "Sec. 207. As used in section two hundred and three and in section two hundred and four, the term 'capital' does not include money or other property borrowed, nor stock, bonds, or other assets, the income from which is not subject to the tax imposed by this title, and in case of a corporation or partnership means, subject to the above limitation, (1) actual cash paid in, (2) the actual cash value of property paid in other than cash, for stocks or shares in such corporation or partnership, at the time of such payment, and (3) paid in or earned surplus and undivided profits used or employed in the business; Provided, That the good will, including trademarks and trade brands, or the franchise of a corporation or partnership is not to be included unless the corporation or partnership made payment therefor specifically as such in cash or tangible property, the value of such good will, trademarks, trade brands, or franchise not to exceed the actual cash or actual value of the tangible property paid therefor at the time of such payment. As used in such sections the term 'capital for the taxable year' means the capital as of the first day of the second half of such year, except that if a corporation or partnership is not then in existence or an individual is not then engaged in the trade or business, it means the capital as of the day of commencing business."

Page 23, to be inserted at the end of Line 5, is the following: "Premiums paid on life insurance policies covering the lives of officers, employes, or those financially interested in the company or co-partnership for the benefit of said company or co-partnership shall not be deducted in computing the net income or profits in determining the amount of taxes to be paid under this Act.

To Collectors of Internal Revenue:

Treasury Decision 2090 in so far as it authorizes corporations to deduct from gross income the annual premiums paid on policies insuring the lives of officers or employes in favor of such corporations, is hereby modified to the extent that instead of the corporations, carrying such insurance, being permitted to deduct from gross income of the year, in which paid, the amount of the annual premium payments, they will hereafter be permitted to deduct from the gross proceeds, when received, of any policies of which the corporations are the beneficiaries, the entire amount of the premiums paid during the term of the policies, less any premium payments which, under the former ruling, have been deducted from gross income in any return of annual net income, and the net proceeds of the policies, thus ascertained, will be returned as taxable income of the year in which received.

W. H. OSBORN,

Representing

The Mutual Life Insurance Company
of New York

You will make money.

The great strength, big dividends and incomparable benefits of the *"oldest company in America"* mean certain success for you.

For Terms to Producing Agents, Address

GEORGE T. DEXTER, 2d Vice-President
34 NASSAU STREET, NEW YORK, N.Y.

THE EASTERN UNDERWRITER

This newspaper is owned and is published every Friday by The Eastern Underwriter Company, a New York corporation, office and place of business 105 William Street, New York City. Clarence Axman, President; W. L. Hadley, Secretary. The address of the officers is the office of this newspaper. Telephone 2497 John.

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RATE TREATMENTS

Small cities contiguous to New York, inhabitated in large part by commuters to the metropolis, frequently cannot understand why they should have different rate treatment than is applied to New York City. They point with pride to their department, to their loss record, to their low buildings, to their police force, to their water supply, but, pardonable as is local pride, the excellencies listed fall short of New York City standards. In other words, all experience shows that they do. The situation was aptly handled by R. P. Harbour, speaking as a representative of the Suburban Fire Insurance Exchange, at a meeting of the Yonkers Chamber of Commerce last week. That city is considering a rate investigation and the Exchange was asked to send a man to give the companies' viewpoint of rating conditions. When the speaker concluded he was cross-examined, and the questions and answers that followed are printed in full elsewhere by The Eastern Underwriter because they answer queries that constantly arise not only in Yonkers but in many other towns.

AMEND SECTION 210

Life insurance men are standing behind the Government as solidly as any other class and they are willing to bear their just share of taxation burdens. There is one section of the War Revenue Measure, this week passing the Senate and now in the conference, however, which deserves the closest scrutiny, and which, for the benefit of the general public and in the interest of thrift and protection, should be amended. The section which should be changed is No. 210 of the War Income Tax, written into the bill a short time before the Senate passed it, and which says that premiums paid on life insurance policies, covering the lives of officers, employes, or those financially interested in the company or co-partnership for the benefit of said company or co-partnership shall not be deducted in computing the net income of profits in determining the amount of taxes to be paid under the act.

It is easy to see why this amendment appeared in the bill; the framers evidently believing that certain kinds of policies would be featured by the companies in order to escape taxation.

But this viewpoint was unfair to the companies and if the amendment stays as it now is printed in the bill it will be a hardship on a large section of insurers and contemplated insurers. If the bill is amended to except premiums paid for such life insurance not in excess of the annual premium payable for life required for a policy on the whole life plan thousands of policies that should be written and should not be taxed will not be written and the great fabric of credit will be damaged. It is a pretty late day to be compelled to argue about the importance and necessity for certain types of term and straight life policies. A great many members of Congress appreciate the situation, and if the voice of the country is heard there is a chance for an amendment to go through. It is, therefore, decidedly advisable that wires go to Washington along the line suggested elsewhere by the National Association of Life Underwriters.

WHAT DOES THIS MEAN?

The more fire insurance men study Paragraph 8, Section 121, Chapter 440, New York Laws (the new standard fire policy), the more they are puzzled. Does this paragraph mean that a single fire insurance company cannot issue an underwriters' agency policy? The paragraph reads:

Eighth.—Two or more fire insurance corporations, authorized to transact business in this State, may issue a combination standard form of policy, using a distinctive title therefor, which title shall appear at the head of such policy followed by the titles of the several corporations obligated thereupon, and which policy shall be executed by the officers of each of such corporations; provided, that before such corporations shall issue such combination policy, they shall have received the express permission of the Superintendent of Insurance to issue the same, and the title of such proposed policy and the terms of the additional provisions thereof, hereby authorized, shall have been approved by him, which terms, in addition to the provisions of the standard policy and not inconsistent therewith, shall provide substantially under a separate title therein, to be known as "Provisions specially applicable to this combination policy," as follows: (a) That each corporation executing such policy shall be liable for the full amount of any loss or damage, according to the terms of the policy, or a specific percentage thereof; (b) that service of process or of any notice or proof of loss required by the said policy, upon any of the corporations executing the same shall be deemed to be service upon all; and provided, further, that the unearned premium liability on each policy so issued shall be maintained by each of such corporations on the basis of the liability of each to the insured thereunder.

TRADING WITH ENEMY ACT

The Trading with the Enemy Act has passed the Senate. It extends control of all foreign fire insurance companies to the Government.

TO MEET IN CHICAGO

The mid-year meeting of the executive committee of the Home Life Agency Association will be held at Hotel La Salle, Chicago, September 22.

THE HUMAN SIDE OF INSURANCE



J. B. GUTHRIE

J. B. Guthrie, the newly appointed assistant secretary of the New Jersey Fire, received his first underwriting experience in Baltimore immediately after the conflagration. Mr. Guthrie started with the old Security Fire, of Baltimore, as office boy and worked his way through the underwriting department to the position of map clerk. In 1906 he came to New York with the general agency of J. Ramsay Barry & Co. This agency was later taken over by Newman & McBain, with which office Mr. Guthrie went as examiner. After a short experience with Newman & McBain he joined the staff of Fred S. James & Co. in a similar capacity. In 1911 he was appointed special agent of Fred. S. James & Co. for New York and New Jersey suburban territory, later being transferred to the New York and New England field. In 1913 he was again transferred, this time going to Baltimore where his territory included Pennsylvania, Maryland, District of Columbia, Virginia and West Virginia. Mr. Guthrie will assume his duties as assistant secretary of the New Jersey on Monday.

* * *

Fred W. Koeckert, who is to come to New York as vice-president of the Continental, is a man of extreme ability, who is not only an able underwriter but has the faculty of drawing men close to him, the finest kind of spirit being maintained among his associates.

Mr. Koeckert was born in Indianapolis on August 16, 1879. He was graduated from the Indianapolis High School in June, 1897, and entered the employment of the German Fire of Indianapolis as office boy July 1, 1897. Later, he became a solicitor for its local department and in 1899 was made manager of that department. Two years later he was appointed its special agent for Indiana. In June, 1906, he went with the old Phenix of Brooklyn in the Indiana field as assistant to State Agent J. Irving Riddle. On the death of Mr. Riddle, Mr. Koeckert was made State agent. In December, 1910, he became assistant to Manager Charles R. Street, of the Western department of the Fidelity-Phenix. In 1915 he was appointed assistant secretary of the Company and early in 1916 was promoted to the office of secretary. When Charles R. Tuttle resigned as Western manager of the Continental, a year ago, Mr. Koeckert took his place.

Supplemental contracts representing $2,374,770 were issued by the Security Mutual Life in its Total Abstinence Class the first six months of 1917.

J. Le Verne Wood, of the New York Insurance Department, and Miss Mary W. Wollaston, of this city, were married last week. Mr. Wood is a member of the Veteran Corps of Artillery, and the evening of the ceremony he was ordered back to guard duty. He returned to New York on Monday of this week. **Gordon Case,** of the Department, is at Plattsburg; **Erkford De Kay** is a Lieutenant-Commander in the Naval Militia; **Major Stoddard,** First Deputy, is in France; and **Marcy Feder,** of the rate bureau, is in the commissary department of the Army.

* * *

Roy A. Hunt, of Chicago, who for two years has been sales director in Chicago for the Illinois Life, has become agency secretary of the American Central Life, with headquarters in Indianapolis. Mr. Hunt has had an extensive experience in life insurance. In Georgia he assisted W. H. Sale, then superintendent of agents for the Pacific Mutual. He was also with the Metropolitan and the Penn Mutual in Georgia and North Carolina. He was connected with the Home Life of New York in Louisville where he later became a vice-president of "The Insurance Field." For twelve years he followed insurance journalism, leaving it two years ago to take up active life insurance work again with the Illinois Life. It is because of the rapid growth of the western department of the American Central Life that it has been found inexpedient to continue to combine the duties of director of agencies at the home office with those of superintendent of the western department with headquarters in Kansas City in charge of M. F. Belisle. Mr. Belisle will go to Kansas City to devote his entire time to development work at that point. He will arrange for the enlargement of the western department while Mr. Hunt will carry out plans of development for the Company's general agency activities which were put into operation last spring. Mr. Belisle remains fourth vice-president of the Company.

* * *

W. H. Harrison, of Louisville, general agent of the Connecticut Mutual Life, told general agents of the company at their annual meeting this week how he sold a $50,000 single premium policy to a man in a dark room. The prospect was a prominent manufacturer and lived in a beautiful home. One of his idiosyncrasies was to keep his home in darkness at night in order to save his eyes from strain after the day's work. Mr. Harrison called on him and talked insurance with him for an hour in a dark room. A light was turned on only when it was necessary to make out a check.

* * *

F. J. Parry, vice-president and superintendent of agencies for the American Surety Company, returned to his duties Wednesday, after a month's absence.

NEW JERSEY AGENTS

To Meet at Asbury Park on September 20—Assemblymen to Talk

The semi-annual meeting of the New Jersey Association of Fire Underwriters will be held in Asbury Park on September 20, at the Metropolitan Hotel.

Elmer H. Geran, minority leader of the Assembly, and also assistant prosecutor of Monmouth County, and Leo H. Healey, of New York, will be the leading orators.

Numerous interesting matters will be brought up.

FIRE INSURANCE DEPARTMENT

B. J. Alley Gets Three Companies

FORMS ASSOCIATED MUTUAL AGENCY, INC.

Facilities for Writing Business in General Territory—Opens Office at 68 William Street

B. J. Alley this week announced the formation of the Associated Mutual Agency, Inc., and the appointment of that agency as representatives of the Pennsylvania Millers; the Pawtucket, R. I., Mutual; and the Berkshire Mutual, of Pittsfield, Mass. The appointment is effective immediately.

Stock Form of Policies

In representing these three companies for the writing of business in general territory, the Associated Mutual Agency, Inc., will issue only stock form of policies.

These companies were formerly represented in the office of R. A. Corroon & Co., Inc., of New York City with whom Mr. Alley was associated until September 1 as underwriting manager. The agency has taken quarters on the seventh floor of 68 William Street.

The Associated Mutual Agency, Inc., also announced this week the appointment of Henry Rosehaft as general assistant. Mr. Rosehaft has for several years been placer for Handley & Co., of Jersey City.

Mr. Alley's Experience

Mr. Alley's experience as an underwriter extends over a period of twenty-five years. He started with the Syndicate Insurance Co., of Minneapolis, which later became the Minneapolis Fire and was eventually absorbed by the Caledonian. Following the above connection, Mr. Alley was for several years with the Minneapolis local agency of Jacob Stone, later connecting himself with the agency of Josiah Thompson, Jr., also of Minneapolis. Mr. Alley then went with the Millers National in the field, later taking charge of the Northwestern office of that company and several others at Minneapolis. Following his connection with the Millers National, he went in the field for the Grain Dealers Mutual, of Indianapolis, later organizing in that city the Manufacturers' Bureau which supplied inspection reports and other technical information to a group of companies. Mr. Alley was then made secretary of the Fitchburg Mutual and, after three years in this capacity, on January 1, last, he became underwriting manager in New York for the three companies the Associated Mutual Agency, Inc., now represents which were then in the office of R. A. Corroon & Co., Inc.

NEW RECIPROCAL

A. C. Olds, former manager for the Pacific Coast department of the Caledonian and Aachen & Munich, has launched an inter-insurance exchange at San Francisco to be known as Olds & Stoller Inter-Exchange. He has associated himself with F. R. Stoller, who operates the Pacific Automobile Indemnity Exchange at Los Angeles.

FOOD PREPARATION

The Continental, Fidelity, Phenix, and American Eagle have issued booklets, entitled "Food Preparation," giving valuable data about food shortage and containing food values recipes.

Philadelphia Agents Still in Dark

HAVEN'T HEARD OFFICIALLY ABOUT BY-LAWS RULING

Local Dailies Say Commissioner Has Been Advised He Has No Power

A despatch to Philadelphia newspapers from Harrisburg says that Deputy Attorney General Kunholds has no authority to approve or disapprove the constitution and by-laws submitted to him by the Philadelphia association as a rating bureau. This is the document which was adopted after an extended controversy over agency limitation, and after being adopted was submitted to the Insurance Department for its O. K. The Philadelphia daily newspapers have stated that the Deputy Attorney General's ruling places the matter beyond the power of the Insurance Commissioner.

No Official Advices

Up to the time that The Eastern Underwriter went to press the Philadelphia association had no official notification of the decision or of any action on the part of the Insurance Commissioner.

In discussing the case with The Eastern Underwriter a prominent Philadelphia agent said this week:

"Until we know exactly what the decision is it is hard to say what the effect will be, except that it is certain that if we go to three or more agencies the multiplying of agents will break up old-established agencies and the man without any brokerage business will have to get out and hustle for direct business.

"If we go on the unlimited agency plan we shall gradually get on the unlimited commission plan, and I do not know what the effect will be at this time."

LIQUOR QUESTION

To Be Discussed at Next Week's Meeting of Underwriters' Association of New York State

The Underwriters' Association of New York State, which was to have held a meeting this week in Syracuse, postponed it on account of a State fair and other reasons making accommodations difficult to secure, and the meeting will be held on Tuesday of next week.

One question that will come up for discussion will be the liquor situation. Because of the Washington legislation there has arisen a bad moral hazard in the saloon business up-State. Many of these places are closing.

TO MEET SEPTEMBER 20

The Automobile Underwriters' Detective Bureau will hold a meeting on Sept. 20 at which time a number of interesting matters will be discussed. This bureau has grown until it has fifty members.

John H. Stoddart, of the New York Underwriters' Agency, returned on Wednesday from his vacation spent on Long Island.

FIRE AND MARINE INSURANCE—ALL LINES

The Automobile Insurance Company of Hartford, Conn.

MORGAN G. BULKELEY, President

Statement January 1, 1917

Cash Capital - - - -	$1,000,000.00
Assets - - - -	2,748,832.19
Liabilities (Except Capital) - -	1,039,977.81
Surplus to Policyholders - -	1,708,854.38

AFFILIATED WITH

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145 MONTAGUE STREET, BROOKLYN—NEW YORK

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WITH U. S. BROKERS AGENCY

The U. S. Brokers Agency, Inc., this week announced the appointment of William C. Ribeth as solicitor. Mr. Ribeth started in his new connection on Monday. For the past six years he has been identified with the agency of his father, John Ribeth, in the Bronx.

HALL APPOINTMENT

Edward E. Hall & Co. have been appointed underwriting managers for the United States and Canada of the National Trades Fire Insurance Company of Chicago.

The Humboldt Fire applied for admission to Utah.

NORTH BRANCH FIRE INS. CO.
Sunbury, Pa.
Inc. 1911

Assets	$641,341.77
Reserve	230,513.29
Capital	300,000.00
Surplus	63,479.83

CITY INSURANCE COMPANY
Pittsburgh, Pa.
Inc. 1870

Assets	$357,318.58
Reserve	54,256.92
Capital	200,000.00
Surplus	96,379.07

OPERATING ON A CONSERVATIVE BASIS IN A LIMITED TERRITORY UNDER AN EXPERIENCED MANAGEMENT

Fire Company End of Revenue Bill

(Continued from page 1.)

ment in the reasonable requirements of the business: Provided, That if the Secretary of the Treasury ascertains and finds that any portion of such amount so retained at any time for employment is not so employed or is not reasonably required in the business a tax of fifteen per centum shall be levied, assessed, collected, and paid thereon, and the finding and ruling of the Secretary of the Treasury in any and all such cases shall be conclusive and final.' "

Six Months to Provide for Distribution

This provision allows the companies six months in which to provide for the distribution of their earnings for the previous year. During that time, it is pointed out, the companies will have ample opportunity to submit to the Treasury Department the amount which they propose to set aside as "necessary to be employed in the business" and learn from the Treasury Department if that amount is acceptable and exempted from the 10 per cent. tax. In this manner, the 15 per cent. penalty holds but small burden to the fire companies.

Also, it is not thought that the Treasury Department will act on each company's earnings separately but that it will establish a more or less official proportion which may be adopted by all companies with security.

It would appear therefore that this provision generally will not affect the fire companies as drastically as some officials thought on first reading of the bill.

Comment By Chairman Simmons

The bill as adopted by the Senate on Monday is a great relief as compared with the revenue bill as drafted by the House of Representatives. Commenting on this, Senator Simmons, of the Finance Committee, said in his report to the Senate:

"Your committee devoted more than ten weeks to earnest and painstaking consideration of the bill. They spent nearly a week in giving hearings. These hearings were attended by representatives of nearly every interest affected by any provision of the bill."

The hearings mentioned were attended by representatives of the National Board. These men feel that the bill as adopted by the Senate while taxing the companies very heavily is favorably regarded because it places no special tax on the business.

Company Attitude

There was presented for the consideration of the committee a proposal that the bill be amended to permit the setting aside of 20 per cent. of the net earnings of the companies, a similar arrangement as allowed banks in the original draft of the bill, as a reserve which should be exempt from taxation. The object of this proposed amendment was to name a specific amount which should be exempt and eliminate all uncertainty as to what moneys were taxable under the bill and what were not. Many company officials still express a preference for a specific percentage as against the confusion of determining what funds are "necessary to be employed in the business."

Other representatives of the companies took the position before the committee that, as the reserves of insurance companies are necessary to insure the payment of conflagration losses they should not be discouraged by taxation of any kind. The committee pointed out to these men that banks, which are also debtor corporations to the public, are likewise subject to tax on the same basis and that insurance companies should not receive more favorable consideration than other similar corporations. The present draft is in the nature of a compromise between these factions to permit the setting aside of an adequate reserve without limiting it to 20 per cent. and at the same time penalizing the misuse of this opportunity, same to be determined by the Secretary of the Treasury.

The Washington Viewpoint

Most of those men who attended the hearings at Washington and were able to get the point of view of the committee feel that everything will be done in applying the law to conserve and encourage the making of adequate reserves and that the provision mentioned was altered with this in view at the same time aiming to prevent discrimination over other corporations.

The last clause of the provision quoted is patently unconstitutional and, in the opinion of fire insurance attorneys, is subject to injunction proceedings.

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Lines Bound Anywhere in New York State
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SATISFACTION SERVICE — ALL LINES

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DUBUQUE FIRE AND MARINE INSURANCE CO.
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FIRE AND FULL COVERAGE AUTOMOBILE INSURANCE
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CAPITAL FIRE OF N. H. GEORGIA HOME OF GA.
PERCY B. DUTTON, Manager, ROCHESTER

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Potomac Ins. Co., Washington, D. C. — Seneca Fire Ins. Co., Buffalo, N. Y.
National Lumber Ins. Co., Buffalo, N. Y. — United States Underwriters' Policy, N. Y.
F. M. GUND, Mgr. Western Dept. Freeport, Illinois
W. W. ALVERSON, Mgr. Pacific Coast Dept. San Francisco, California

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Exceptional Facilities for Writing Business Throughout the United States

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New York Suburban and New Jersey
Exceptional Reinsurance Facilities Local Agents' Interests Protected

WILLIAM C. SCHEIDE & CO., Inc.
HARTFORD, CONN.
Re-Insurance in All Branches

Rates of Cities Near New York

QUERIES OF YONKERS BUSINESS MEN ANSWERED

Why Commuting Towns Pay Higher Rates Than Metropolis, Explained By Suburban Spokesman

The fall meeting of the Yonkers Chamber of Commerce was devoted to a discussion of fire insurance rates. The Suburban Fire Insurance Exchange, asked by the city of Yonkers to have a representative present who could answer questions about rates, designated R. P. Barbour, former chairman of the rate committee. Mr. Barbour read a paper setting forth the principles upon which fire insurance and rate making are based, and also describing the difference between judgment and schedule rates and explaining in detail the way the latter are made. When he concluded members of the Chamber, including a candidate for Mayor, asked him the subjoined questions, which are given with his answers. They are important, not only because of their application to Yonkers but to other cities as well which are asking the same rating questions that Yonkers does. The meeting was held on September 6.

Q. Is Yonkers rated by judgment or by schedule?

A. The special hazards, i. e., manufacturing properties, etc., are rated by schedule, but mercantile properties bear judgment rates for the reason that the Suburban Exchange has not yet been able to apply the schedule throughout its territory, because it lacks trained men and finds it impossible to obtain them, particularly at this time.

Q. Do Yonkers rates compare favorably with those in cities of the same size?

A. Without having comparative figures, I should say yes, very favorably as a whole.

Q. Do cities with schedule ratings pay less than cities with judgment ratings?

A. On the average, No, but the rates are better balanced and the best class of properties receives proper credits in rates while those that are not so well built or cared for are charged for their defects. The beauty of schedule rating is that a man knows why his rate is what it is and also knows that his neighbor is charged for the same thing he is charged for.

Q. Why should Yonkers pay higher rates than New York City?

A. Because conditions are different. New York has a metropolitan fire department, an adequate water supply, a well trained salvage corps, an efficient police patrol system, passers-by at all hours of the day and night, and many means of giving quick alarm in case of fire. It also has enforced building laws and an excellent inspection system; in other words, the conditions are those obtaining in cities of over 500,000 inhabitants which naturally calls for different rate treatment. I am speaking of the metropolitan section of New York as a whole. There are spots in that section where conditions are not those outlined. Just where metropolitan rates shall end is a matter of arbitrary designation. The line must be drawn somewhere and wherever drawn it is arbitrary. That is so in other things. We legislate for first, second and third class cities and the number of inhabitants constituting each class is an arbitrary line. The five zones of standard time are all arbitrary; taxation limits are arbitrary; Assembly and Congressional Districts are arbitrary. It is a matter of zones and Yonkers lies outside the metropolitan zone.

Q. What zone is Yonkers in?

A. The Suburban. In a rough way it may be said that the New York Fire Insurance Exchange covers the metropolitan zone; the Suburban Fire Insurance Exchange covers the commuting zone, wherein the towns are largely tributary to New York and influenced in many ways by that fact. Beyond this there is another association covering localities further away that are largely autonomous.

Q. Why should Yonkers have the same rates as smaller places like Mt. Vernon?

A. Because as a practical matter rates cannot be made within too narrow limits. They must be made on a broad average basis. To attempt too much refinement and distinction would mean so great an expense as to defeat the object sought and to make all rates higher. As a simple illustration, take two frame dwellings side by side bearing the same minimum rate; one is occupied by a careless tenant who pays little attention to cleanliness or upkeep, the other by the owner who is the kind of man who goes down and looks at the furnace before he goes to bed. You would not hesitate in picking the better fire risk, but to attempt difference in rate for such conditions would in the end cost each man more because of the expense of individual inspection and rating.

Now, since Yonkers is in the same class as Mt. Vernon fire-insurance-wise, the anti-discrimination law of this State requires that it should have the same rates. The opportunity for lower rates on mercantile properties, for instance, lies in reducing your key rate.

Q. In the schedule in use in New York City and the Suburban, are the corresponding charges and credits the same or do they differ as well as the base rates?

A. The schedules differ in several ways; one is a metropolitan schedule, the other is a Suburban schedule. New York City is so congested and presents so many more complicated conditions that a more detailed schedule is deemed necessary. The Suburban schedule is simpler as being more adapted to conditions in the smaller cities and towns, and it is easier and less expensive to apply. The two schedules must be applied side by side to see wherein they differ in the final results.

Q. Does Yonkers have to pay for losses in other cities?

A. Yes; it shares in the losses of the whole world, just as the whole world shares in Yonkers losses. In other words, fire insurance is a world-wide business. The premiums go into a common fund and that is drawn on for the losses wherever they occur. It is rarely necessary to call for money from other countries to pay our losses, but that is done wherever we have a conflagration such as San Francisco.

Q. If Yonkers carries out the recommendations you have outlined will its rates be reduced?

A. The key rate of Yonkers is made by a schedule based on similar principles to the mercantile schedule that I have explained. Therefore, any improvements for which credit is given in the schedule operate to reduce the final key rate. The improvements I have outlined call for a considerable reduction if carried out.

FIREMEN'S TAX CONTROVERSY

Money From Insurance Companies Caused a Row in Cohoes, N. Y.—Matter Adjusted

The trouble which arose in Cohoes, N. Y., several weeks ago over the distribution of money from tax on foreign and mutual fire insurance companies was adjusted at the meeting of the common council. The controversy resulted from the proposition to include Chemical Hose Company No. 2, composed of paid firemen, in the companies which were to get the money. The volunteer companies objected and the ordinance providing for the distribution was held up in the council.

Commissioner of Public Safety Mitchell finally sent a communication to the aldermen, stating that he had disbanded the paid men's organization at the request of the president of the company. The men will retain their jobs in the paid department. An ordinance was later adopted by the council apportioning the insurance money, amounting to $1,527.69, equally among Steamer Companies Nos. 1 and 3; Hose Companies Nos. 2, 3 and 4, and Hook and Ladder Company No. 1.

FIDELITY - PHENIX
Fire Insurance Company
of NEW YORK

DISTRIBUTION OF EACH DOLLAR OF PREMIUM INCOME FOR THE YEAR 1916.

Paid in Loss Claims	50.190 cents
Paid to Agents, Special Agents, Taxes and Underwriting Boards	30.326 cents
Total Returned to State from which Premiums Were Collected	80.516 cents
Home Office Expenses and Unearned Premium Reserve	15.842 cents
Total Losses and Expenses	96.358 cents
Underwriting Profit	3.642 cents

HENRY EVANS, President

HOME OFFICE	PACIFIC COAST DEPT.	WESTERN OFFICE
80 Maiden Lane New York	Insurance Exchange Bldg. San Francisco	332 So. La Salle St. Chicago

BRUNS OFFERS PRIZES

Cash Prizes for Suggestions on How to Prevent Fires in Syracuse, New York

The office of Frederick V. Bruns, Inc., Syracuse, is just announcing a unique plan to draw attention to the preventable fires.

The Bruns office announces a contest which is open to everyone and is going to give prizes of $25 in gold, $10 in gold and $5 in gold to the three people who send in the best made up as follows:

Clip from the Syracuse newspapers, dated from September 9th to October 9th., (National Fire Prevention Day) the report of every Syracuse fire, indicating opposite each clipping, if the fire could have been avoided, how the contestant thinks it could have been prevented.

The thought of this insurance agency is that in this way a great number of people will be interested in the various fires in Syracuse, and in making their deductions from news comment and from personal investigation they will find out how they themselves may benefit by carefulness in their property.

The chief engineers of the State Board of Fire Prevention have consented to act as judges for this contest.

BALTIMORE RATES

Seven Years More Net Premiums Required By Companies to Even Conflagration Loss

Forgetful of the money poured into Baltimore by insurance companies to pay for the conflagration there is a demand in that city for rate reductions which moves the "Baltimore Underwriter" to make these comments:

"Those who are clamoring for substantial reductions in fire insurance rates in Baltimore, appear to have overlooked the fact that it will be several years yet before the companies have received in net premiums from property owners of this city a sum equal to the net losses they had to pay out on account of the conflagration of 1904. The great fire of that year destroyed 72 blocks, causing a property loss of more than $50,000,000 and an insurance loss of $36,798,142. The premium returns in Baltimore are now about $3,000,000 per annum. If we allow 30 per cent. for agents' commissions and incidental expenses, not including fire losses, it will be seen that the companies received about $2,100,000 in premiums from Baltimore during the past calendar year. Inasmuch as premium receipts for the last 13 years, since the fire, will show a natural and gradual decline according to the remoteness of the year, it appears that an estimate of $23,000,000 in net premiums received during that period is conservative. Thus it will be seen that approximately seven years more of net premium income will be required from this city for the companies to break even on losses paid on account of the big fire.

"If we deduct fire losses from the income, there is no possible chance for the companies to get even on underwriting and investment profits under a hundred years at the lowest estimate. With these considerations the demand for reduced rates in Baltimore is backed by no sort of plausible argument, and it is no less than absurd to expect general reductions. Rates are now lower in this city than in most others of size, but where legitimate reductions can be made the Association can be confidently depended upon to authorize them. The companies really wish rates to be lower, for, paradoxical as it may seem, lower rates mean higher profits."

Eckert Reiterates Affidavit Views

SAYS THAT LAW SHOULD APPLY WITHOUT DISCRIMINATION

Feels That Unless There is Change Small Companies Will Be Wiped Out

In a recent issue of The Eastern Underwriter John A. Eckert, well-known Now York broker, and former president of the Fire Brokers' Association of New York, gave his views of jumbo lines and re-insurance treaties. At the time he made this suggestion:

"If I understand the insurance law correctly, in my mind the solution is quite easy, as follows:

"1. No company should be allowed to re-insure with a re-insuring company unless under limitations the same as apply to what is known as the affidavit law, which forbids me as a broker to place insurance in a non-represented company until I have filed an affidavit that I cannot secure the insurance in represented companies.

"2. Lines placed with represented re-insurance companies should be limited to 10 per cent. of their capital and surplus, and I think I am correct in saying that the law invokes this limit on direct writing companies.

"If these limitations could be applied I think the solution would be arrived at."

Gives Views to Agents

Editor Putnam, of the National Association of Insurance Agents' "American Agency Bulletin," asked Mr. Eckert if he would not amplify this interview, which Mr. Eckert has done, saying:

"As brokers we are not especially interested in this question. Sometimes it is very much to our advantage to be able to secure large lines. On the other hand I see the danger to all insurance men, and to all small companies, in the deflection of business to large companies writing these jumbo lines, and as their assets and surpluses increase this tendency will increase. Companies with large surpluses can accept re-insurance with non-represented companies, even though they are not permitted to take credit for it in their statements to the Insurance Department, while companies with small surpluses are unable to do so.

"My experience leads me to believe that if this practice continues, eventually many of the small companies are liable to be forced out and the large companies will control the business, which I think will eventually result to the disadvantage of the insuring public.

Should Enter the Various States

"I cannot see why insurance companies are permitted to accept re-insurance from non-represented companies without making the usual affidavit, while the insuring public are not permitted to do so. I believe that all of these re-insuring companies ought to enter the various States of this country if they want to do business here, and be subject to the laws thereof. The conditions existing with Germany today is an argument in favor of this contention. If all of the German re-insurance companies had entered this country and made the usual deposits, and were doing business in accordance with the law, many of the large companies who have been accepting re-insurance from these German companies would not now be carrying a large volume of re-insurance of a questionable character. This situation directly affects the insuring public because even these giant companies, with their large assets, might not be able to meet all their losses in case of a serious conflagration. Insurance laws are not made for the convenience of the insurance companies,—they are made to protect the public."

* * *

Brokers Dine Sergeant

A group of New York brokers last Thursday tendered a dinner to Sergeant Albert Rowley, of the Canadian Army, at the Hotel Lafayette. Some of those attending were Fred Quinn, of Pate & Robb; W. D. Maltbie, of Owens & Phillips; S. Lampman, of Jos. M. Byrne & Co., and Edward Gallagher, of Benedict & Benedict.

* * *

A Yonkers Complaint

In Yonkers agents complain that as soon as a man buys a Ford car in the local agency he is immediately solicited to sign an application for automobile insurance, the salesman acting as a broker.

* * *

Explosion Business

Brokers report a decided lull in explosion business. As one broker expressed it: "The timid seem to have obtained cover, and it will take 'eventualities' to stimulate new lines."

* * *

Bell Leaves Stuyvesant

W. G. Bell, who has been examiner for the Stuyvesant Fire for several years, resigned last week and started on Monday with Marsh & McLennan as placer.

* * *

Finnegan With B. F. Sadler

B. Finnegan, formerly placer for I. Tannenbaum & Sons and late with Pate & Robb, has been made placer for B. F. Sadler & Co.

* * **

New Bayonne Office

The Harbor Brokerage Company, of Bayonne, N. J., has been incorporated with $125,000 capital. Of this $1,000 has been paid in. The incorporators are Chester W. Fairlie, Evelyn T. Adam and Arthur T. Vanderbilt.

* * *

In the Service

Additional names of men in brokerage offices who are in the army or navy:

R. C. Rathbone & Son:
Ensign Warren Ackerman,
Lester Whitney—13th Regiment,
T. Stevens—7th Regiment,
H .M. Starrett—13th Regiment,
P. Odom—Squadron A.,
H. H. Livingston—Plattsburgh, N. Y.

Johnson & Higgins:
Twenty-five of staff have joined.

John A. Eckert:
Howard S. Tierney—Officer in the Aviation Corps,
W. E. Lundgren—Officer in the Naval Reserve,
C. W. Overton—Officer in the U. S. Reserve,
John H. Nutting—Officer in the Military Police.

Johnson With E. K. Beddall & Co.

Charles Johnson has been made placer for E. K. Beddall & Co. He has for some time acted in a similar capacity for L. T. Hollister and was previously with John A. Eckert & Co.

* * *

New General Cover Form

There was introduced on William Street this week a new form of general coverage which apparently includes without violation features of the old form which were held to be in violation.

Examination of Two Inter-Insurers

REPORTS FILED BY NEW YORK INSURANCE DEPARTMENT

Individual Underwriters of New York and New York Reciprocal Underwriters

The New York Insurance Department has completed examinations of the Individual Underwriters of New York and of the New York Reciprocal Underwriters, two associations of inter-insurers.

Extracts from the reports follow:

New York Reciprocal Underwriters

"As a result of such examination, the association was found to have a free surplus of $323,508.23 on date of June 30, 1917. The securities owned by the association consist of New York City bonds of a par value of $300,000.00 and a market value of $289,120.00 on date of this examination. These securities were personally examined and counted and found to agree with the association records. The cash amounting to $542,689.55 was verified, both from the association pass books and certificates obtained from the several depositories.

"No liability for unpaid losses existed on June 30, 1917. The unearned premium fund of $174,632.99 represents a reserve computed on the 50 per cent. basis. The reserve records were checked and the amount charged for such liability in this report is believed to be correct.

"An advisory committee consisting of seven subscribers has control of all moneys and securities of the association. The attorneys receive 10 per cent. of the gross premium income out of which they pay all office expenses.

"Each subscriber is required to deposit an amount with the advisory committee, which must be maintained, equal to the maximum amount for which he is willing to insure any risk, viz: $500, $1,000, $1,500, or $2,000.

"The total amount of underwriters' deposits above referred to is the sum of $339,000, at the date of this examination."

New York Reciprocal Underwriters

"As a result of such examination the association was found to have a free surplus of $1,737,319.45 on date of June 30, 1917.

"The association investment account consists of various Government, State, city and railroad bonds of a par value of $893,000 and a market value of $879,950 on date of this examination. Attached to this report is a schedule of the securities held by the association, setting forth the book, par and market value of the same. These securities were personally examined and counted and found to agree with the investment account kept by the association. The cash on deposit in trust companies and banks of $1,147,585.69 was verified both from the association pass books and certificates obtained from the several depositories. An advisory committee, consisting of seven members, has control of all securities and cash on deposit, with the exception of a small balance in the Chase National Bank which is to the credit of the attorneys and managers. The attorneys' compensation is 10 per cent. of the gross premium income, which amounted to approximately $36,000 for the six months ending June 30, 1917. All office expenses of the association are paid by the attorneys from such compensation.

"The outstanding loss account on June 30, 1917, amounted to only $538.60 which sum was paid in the following month.

"The unearned premium fund amounting to $312,511.46 represents a reserve computed on the 50 per cent. basis. The reserve records were checked and with the exception of a few minor errors, the amount charged by the association was found to be approximately correct. Before any interest or dividends are paid to a subscriber, his account must show a credit of $4,000, which sum must be maintained during his membrship, and at the end of each year any amount or credit in excess of said $4,000 he receives as a dividend. For the year ending December 31, 1916, interest and dividends amounted to $407,346.46. The association also paid $54,732.98 to retiring subscribers in final liquidation of their respective accounts.

"Only risks with sprinkler equipment are accepted by this association."

NEW COMMISSIONER TALKS

Ambler, of Pennsylvania, Says That His Job Will Be to Insure Solvency

One of the first things that Charles A. Ambler did after being appointed Insurance Commissioner of Pennsylvania was to give an interview to daily newspapers. After praising his predecessor, J. Denny O'Neil, he made these comments:

"I intend to continue the good work of insurance reform started by Mr O'Neil. I have not yet fully acquainted myself with all of the duties of the office, but I will follow just one principle while I am at the head of the insurance department. I will try to make every insurance policy issued in this State as safe for the holder as it is possible to make it.

"Pennsylvania has good insurance laws on its statute books. Some of them were enacted last spring under the direction of Mr. O'Neil. By rigidly enforcing every one of them, I believe that a repetition of the Union Casualty Company scandal in Pittsburgh last winter would be impossible."

The new insurance commissioner announced, incidentally, that he does not contemplate making any changes in the working force of the department.

"I do not at present intend to make any changes," he said. "I am going to Harrisburg this week to study the duties and personnel of the department and will be on the job from then on."

Open in Long Island City

For forty years Corwith Brothers, of 851 Manhattan Avenue, Brooklyn, have represented the Continental Insurance Company in the Greenpoint section. They have now been appointed agents for this company in Long Island City and have opened an office in the Corn Exchange Bank building at the Bridge Plaza.

* * *

Gilpin Changes Location

F. L. Gilpin, special agent at Philadelphia of the Agricultural Fire, of Watertown, N. Y., has changed his headquarters in that city from 422 to 434 Walnut Street.

Iowa National Fire Insurance Co.
DES MOINES, IOWA **Capital Stock $500,000**
The latest addition to Reliable Fire Insurance organizations began Writing Business on January 1, 1917
JOHN L. BLEAKLY, President
F. L. MINER, Vice-President
C. S. VANCE, Underwriting Manager
FRANK P. FLYNN, Treasurer
C. M. SPENCER, Secretary

Grain Safeguards Sent to Public

THOUSANDS OF BOOKLETS CARRY HOOVER STATEMENT

Questions and Answers on Elevator—Self-Inspection Blank Suggested By National Board

The National Board of Fire Underwriters has mailed thousands of its new "Safeguarding Grain in Storage Against Fire" circulars. Each circular contains on the cover a signed statement by Herbert Hoover urging upon all shippers and handlers of grain the necessity for ceaseles vigilance against fire. The following form of self-inspection blank is suggested to managers of elevators:

Cleanliness and Order

1. Does the elevator receive a thorough sweeping every day?.....
2. Is the accumulation of dirt removed from all beams, braces, steam pipes, benches and corners every day?.....
3. Is the floor sweeping and fan system in perfect working order? .....If not, state particulars.....
4. Are the waste cans properly used and emptied daily?.....
5. If there has been repair work, has all of the refuse been removed?.....
6. Are the outside premises within fifty feet from all buildings kept entirely clear from litter and rubbish?.....
7. Has the litter from the cooperage of grain cars been prevented from accumulating within one hundred feet of our buildings? .....
8. Are the railroad employes maintaining the required cleanliness of the right-of-way adjacent to our property?.....

Condition of Machinery

9. Has there been any heating of bearings?.....If so, state location, cause and correction.. .....
10. Have there been any blow-outs of electric fuses, or other electrical troubles?..... If so, state particulars.....
11. Have you made sure by personal examination that the elevator head and boot pulleys are running true and that all belts and pulleys are free from excessive friction?.....
12. Have there been any chokeups? .....If so, give cause.....
13. Have any fires developed in the dryer steam coil room?..... If so, give cause.....

Obedience to Rules

14. Are the employes carefully following your instructions as to proper lubrication?.....
15. Are the rules as to smoking and the disposal of matches being followed? .....
16. Has there been any case of wrapping or hanging electric lamp cords upon nails, upon pipes or in other dangerous places..... If so, give particulars.....
17. Have oat clippings been burned? .....If so, state reason and place of burning.....
18. Are you certain that the switch engine has not violated rules by entering the track shed, or by pulling fires within one hundred feet of our buildings?..... If there have been violations, give particulars.....
19. Has the watchman performed his duties and made full watch reports?.....
20. Has any person been admitted to the premises without authority from the manager?..... If so, give particulars.....

Fire Protection

21. Is every water barrel kept at least three-fourths filled?.....
22. Are there two fire pails at each barrel?.....
23. Has every chemical extinguisher been recharged within six months?.....
24. Is there a sufficient quantity of good fire hose to reach every part of each floor, coupled to stand pipes and having nozzles attached?.....
25. What is the date of the last testing of the fire hose?.....
26. Are the hose spanner, fireman's ax and all the other fire-fighting apparatus in the proper order and place?.....
27. Are the fire doors in the proper working condition?.....
28. Are the alarms to the sprinkler equipment in proper working order?.....
29. Is the controlling valve to the sprinklers open?.....
30. Have any sprinkler heads corroded, or have any been painted or whitewashed?.....If so, state particulars.....
31. Are there any obstructions of water from the sprinkler within twenty-four inches from the ceilings?.....If so, state particulars.....
32. Are there any partitions except where midway between sprinkler heads?.....If so, state particulars.....
33. Have any tables or decks been installed in excess of 4 feet in width?.....If so, state particulars.....
34. Is it advisable to have an insurance mechanical, electrical or sprinkler expert advise you upon any particulars?.....

General Remarks

Made for the week ending..... 1917.....

I certify that the foregoing answers are correct to the best of my knowledge and belief.

.....
Foreman.

TRUSCOTT'S SONS IN SERVICE

Three sons of J. Lynn Truscott, vice-president of the Camden Fire, are in the service. Barry Truscott has been commissioned a second lieutenant in the British Royal Flying Corps. Two years ago Lieut. Truscott enlisted with the Canadian troops. Dale Truscott is at the Fort Myer training camp, and Alden, the youngest, is a corporal at Fort Ethan Allen.

APPOINT C. H. PHILBROOK

The Massachusetts Fire and Marine has appointed C. H. Philbrook chief examiner at the home office of the Company. Mr. Philbrook has been the special agent in Southern New England and New York for the Hamburg-Bremen. He is now succeeded in the Hamburg-Bremen office by James J. Garland.

"The Leading FIRE INSURANCE Company of America"

ÆTNA INSURANCE CO. HARTFORD, CONN.

Explosion and Sprinkler Leakage Insurance

WM. B. CLARK, President

WALTER F. ERRICKSON
38-40 Clinton St., Newark, N. J. 95 William St., New York
Representing
THE GERMANIA FIRE INS. CO.
For Automobiles
Special facilities for out-of-town business.

[of Liverpool, England]
ROYAL INSURANCE COMPANY LIMITED
THE LEADING FIRE COMPANY OF THE WORLD

THE HANOVER
FIRE INSURANCE COMPANY
Incorporated 1852
The real strength of an insurance company is in the conservatism of its management, and the management of THE HANOVER is an absolute assurance of the security of its policy.
R. EMORY WARFIELD, President
FRED. A. HUBBARD, Vice-President
E. S. JARVIS, Secretary
WILLIAM MORRISON, Asst. Sec'y
HOME OFFICE
Hanover Bldg., 34 Pine St.
NEW YORK
HOWIE & CAIN, General Agents
Metropolitan District
100 WILLIAM STREET, NEW YORK

"STRONG AS THE STRONGEST"
The Northern Assurance Co.
(LTD., OF LONDON)
Organized 1836
Entered United States 1876
Losses Paid - - - $105,000,000
Losses Paid in U. S. - $38,000,000
Eastern and Southern Departments
55 JOHN STREET
NEW YORK CITY

WESTERN ASSURANCE CO.
OF TORONTO, CANADA
(Fire, Tornado, Ocean Marine and Inland Marine Insurance)
UNITED STATES BRANCH
January 1, 1917
Assets $3,329,177.74
Surplus in United States..... 1,478,531.90
Total Losses Paid in United States From 1874 to 1916, Inclusive 41,657,814.31
W. R. BROCK, President
W. B. MEIKLE. Vice-Pres. & Gen. Man.

JAMES H. EPWORTH
NEW JERSEY FIRE INSURANCE SPECIALIST
NEWARK AND SUBURBAN NEW JERSEY TERRITORY
40 CLINTON STREET NEWARK Phone Market 6536 | SERVICE FIRST | 80 MAIDEN LANE NEW YORK Phone John 4560

GENERAL FIRE ASSURANCE CO.
OF PARIS

URBAINE FIRE INSURANCE CO.
OF PARIS

BRITISH DOMINIONS GENERAL INS. CO., Ltd.
OF LONDON

FRED. S. JAMES & CO.
United States Managers
123 WILLIAM STREET, NEW YORK
FRED. S. JAMES
GEO. W. BLOSSOM
W. A. BLODGETT
C. B. G. GAILLARD
Assistant Manager

Says Agency Exchange Idea a Good One

SPECIAL AGENT OF HARTFORD TELLS OF SOUTHERN PLAN

Thinks "Monroe Doctrine" Bodies Could Be Organized in Many Sections of Country

The system of local agency exchanges, which are doing such good work for the business in Louisiana and Missouri, should be adopted in many sections of the country by local agents in the opinion of P. L. Davis, special agent of the Hartford at Vicksburg, Miss. He tells what these exchanges are and how the idea—called "The Monroe Doctrine in Fire Insurance"—originated. His story, as given to "The Hartfort Agent," in its current issue, follows and is reproduced by permission of the Hartford Fire Insurance Co.:

Down in Louisiana and Mississippi the insurance companies suffered exceptionally heavy losses in certain cities and towns. To improve this condition, the Fieldmen's Association worked out its recommendations, in the form of the following set of rules:

Rules

Close co-operation between agents is required, for the purpose of reducing the fire waste and fire hazards, by:

1. A thorough inspection of all risks, whether renewals or new business.

2. Insurance on household furniture to be limited to not over fifty per cent. of cost.

2a. In case of old or otherwise greatly depreciated furniture, a less proportion of insurance to be allowed.

2b. In case of request for additional insurance, personal inspection and investigation to be made, and same not to be given if total permitted asked for exceeds above restrictions.

2c. Particular items, such as pianos, and other items, to be fully investigated, and where specific policies cover same, such specific insurance to be included in calculating total permit under above restrictions.

2d. Total insurance to be limited to actual amount carried.

3. Insurance on buildings to be limited to not over seventy-five per cent. of cost, less proper depreciation, and permit for total insurance to be limited to actual amount carried.

4. That insurance be declined on all buildings (and their contents) having defective or non-standard flues, chimneys, heating or lighting apparatus, or shingle roofs that are old and in bad shape.

5. It is recommended that when risks are canceled or declined for cause other than class prohibitions of individual companies, it is not advisable to rewrite until the objections are removed.

5a. It is recommended that when reduction in amount of insurance permitted is demanded by a company or agent, it is not advisable to accept risk for a greater amount.

6. Agents must fully report business to companies by specific replies to questions on daily reports.

7. In all cases where the moral hazard is not known to be good, beyond any reasonable doubt, the business must be declined.

8. We hereby pledge ourselves to assist in having proper ordinances adopted and enforced to control the fire hazards and waste; also we pledge ourselves to use all influence at our command to have all shingle roofs replaced by incombustible roofs as rapidly as possible.

The Exchanges

After the rules and recommendations had been adopted a committee was appointed to visit agencies where improvement was desired so that the agents might have assistance in completing the local organization. Where the local agency organizations of the States named have adopted the rules, beneficial results are showing. To be effective in a town, all the local agents doing business therein must join the exchange.

The application of the foregoing rules to the fire insurance business has been called "The Monroe Doctrine." Agents organized under this doctrine have their own bulletin system. All agents are notified of demands or requirements made by any member, whether the call is for improvements, reduced insurance, cancellations, or some other important correction, and if one agent raises a question, no other agent writes the insurance until the objection has been removed.

The members of local exchanges in Louisiana and Mississippi, as a general thing, have week-end luncheons at a stated time and place, and gathering around the lunch table they tell their troubles, find the reasons for these troubles, and decide upon a remedy. By working together the local agents get better acquainted and work in harmony for their common interests and the interests they represent. It is truly wonderful to see the good results that are being derived from such organizations.

Special Agents Join

In every place where such exchanges have been organized by the special agents of these two States, there were one or more agents who hesitated to become members of the exchange or anything else that threw him or them into contact with certain agents, on account of distrust or something else, but such agents were finally persuaded that they must join, and when they did this and after a short working of the exchange, soon became the most loyal and ardent supporters of the organization.

The agents at one place where the exchange was organized, soon became inactive, and when the original committee of special agents revisited the town to find out what was wrong, it was discovered that one agent had not co-operated with the others in accordance with his obligation, and soon all fell out of line. Then a reorganization was made and that exchange adopted a further working rule for their use, reading as follows:

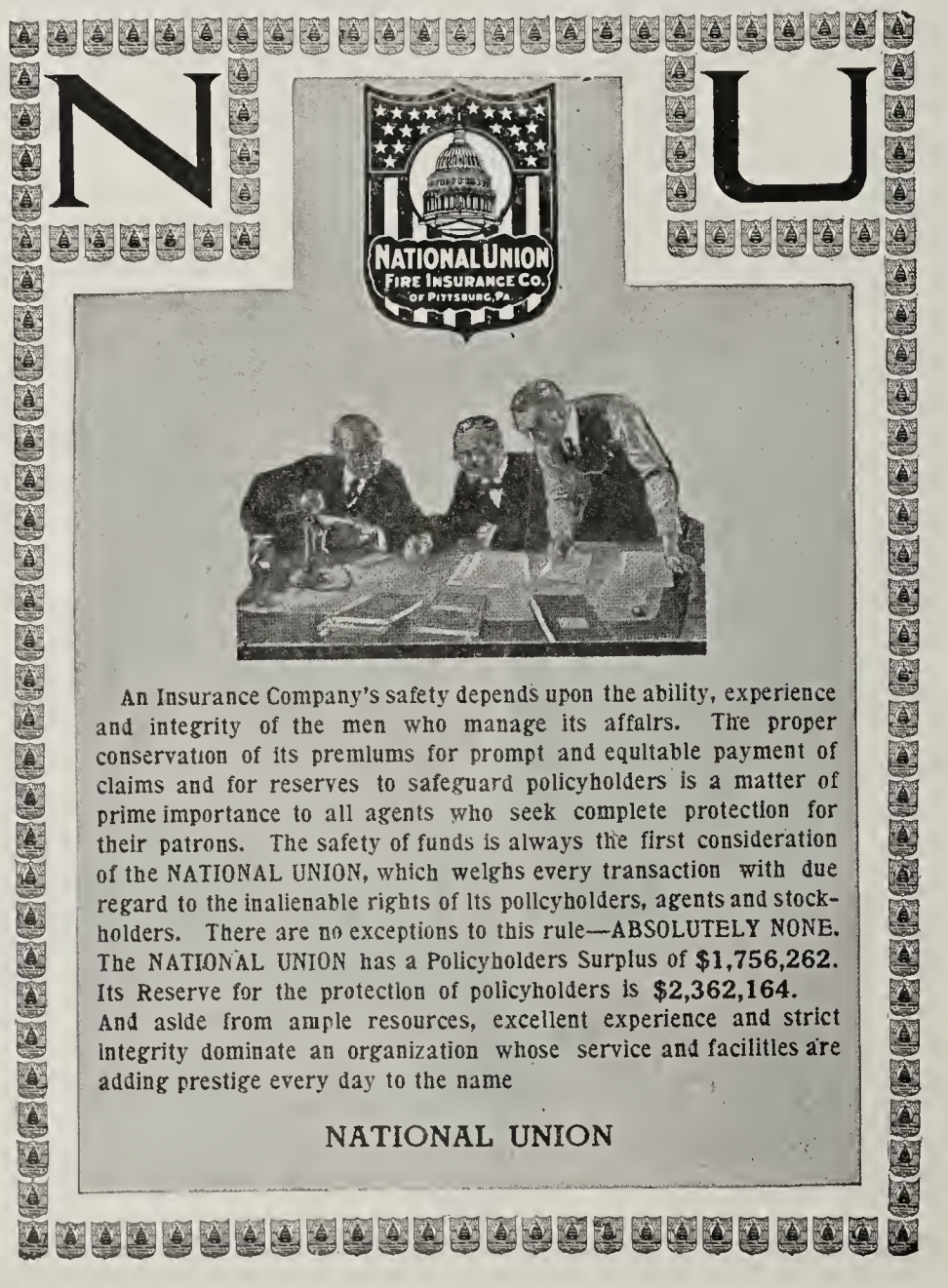
"In case it is decided by a majority of the members of this exchange that any member or members are not living up to the standards of his obligations or the rules of this exchange, by a majority vote such member or members shall be expelled and the companies represented by such agent or agents be notified of such expulsion."

This settled all of the troubles, and now that particular exchange is working in complete harmony and doing good work.

The writer believes that such exchanges could be organized in many sections of the country to good effect. That is, the principle is workable, but different sections may be facing different problems and the details would be subject to such modifications as are necessary to make the plan fit the conditions (legal or otherwise) of the State in which it is to be put into effect.

MAINE FIRE PREVENTION

The State Insurance Department of Maine has called upon property-owners through the commonwealth to do all within their power to protect the warehouses where foodstuffs are stored from fire. A committee of the National Board of Fire Underwriters is co-operating with organizations and citizens in preventing the possible destruction of the products of the soil. This is in line with the President's proclamation urging conservation of foods and property from fire.



An Insurance Company's safety depends upon the ability, experience and integrity of the men who manage its affairs. The proper conservation of its premiums for prompt and equitable payment of claims and for reserves to safeguard policyholders is a matter of prime importance to all agents who seek complete protection for their patrons. The safety of funds is always the first consideration of the NATIONAL UNION, which weighs every transaction with due regard to the inalienable rights of its policyholders, agents and stockholders. There are no exceptions to this rule—ABSOLUTELY NONE. The NATIONAL UNION has a Policyholders Surplus of **$1,756,262.** Its Reserve for the protection of policyholders is **$2,362,164.** And aside from ample resources, excellent experience and strict integrity dominate an organization whose service and facilities are adding prestige every day to the name

NATIONAL UNION

NEW ENGLAND FIGURES

In Ten Years Companies Have Received $176,361,373 in Premiums—Paid $108,492,435 Losses

Students of New England underwriting conditions will find much to interest them in the eighteenth edition of "Fire Insurance in New England For Ten Years," just issued by the Standard of Boston. This shows the net risks written, net premiums received, net losses incurred according to the laws of the various States and ratios of net losses incurred to net premiums received of all stock fire insurance companies transacting business in New England.

During these ten years, ending December 31, 1916, American companies received in New England $176,361,373 in premiums while their losses incurred amounted to $108,492,435. Foreign companies received $75,196,806 and incurred $47,640,617 in losses; and mutual companies, $22,983,408 in premiums; $10,614,718 losses. The total New England business of the decade was $274,541,587; incurred losses, $166,747,770. Losses incurred to premiums received for American companies were 61.5 per cent.; for foreign companies, 63.3 per cent.; for mutuals, 46.2 per cent.

The lowest ratios of losses incurred to premiums received on total New England business for American companies was in 1916, 48.1 per cent.; the highest was in 1914, 96.8 per cent. For foreign companies the lowest ratio was in 1916, 51.4 per cent.; the highest in 1914, 97.1 per cent. Two bad mutual years were 1914, 72.8 per cent., and 1908, 96.3 per cent.

Boston premiums and losses for thirty-six years, 1881 to 1916, are given. Total premiums in this period were $123,080,209; total losses, $63,869,935; ratio, 51.8.

Of fifty leading agency companies in risks written in 1916 in New England the Home, leads; Hartford, second; Aetna, third; L. & L. & G., fourth; German-American, fifth; National, sixth; Royal, seventh; Continental, eighth; Insurance Company of North America, ninth; Phoenix of Hartford, tenth. In premiums the Home, Hartford, Aetna, Royal, German-American, L. & L. & G., Insurance Company of North America, National, Continental and Phoenix lead in order named.

In the Salem conflagration some losses incurred by the mutuals follow: Arkwright, $631,081; Boston Manufacturers, $788,514; Firemens, $366,866; Holyoke, $294,071; Rhode Island, $220,558; State, R. I., $293,642; Worcester Manufacturers, $276,057.

HAARDE WITH NORTH BRANCH

Fred Haarde, who has been assistant examiner of the Atlas Assurance for the past fourteen years, started on Tuesday with the North Branch Fire Insurance Co., of Sunbury, Pa. He has been made special agent for that company for the State of New Jersey and the northern half of Pennsylvania.

R. B. McFALLS' SON KILLED

Robert B. McFalls, of John G. Simmonds & Co., Inc., met with an unfortunate accident last week, while making an inspection, which resulted in the death of his son. Mr. McFalls was driving his car around a corner when it swerved on the wet pavement and threw the boy through a window. He died a few hour later in the hospital.

W. S. HALL PROMOTED

The board of directors of the Peoples Life Insurance Co., of Chicago, Ill., has promoted William S. Hall, who has been auditor of the company, to the position of assistant secretary. Mr. Hall was formerly deputy superintendent of insurance of the District of Columbia and was connected with the Insurance Department for thirteen years.

CASUALTY AND SURETY NEWS

Aetna First to Advance Women

MISS GRACE D. CROWDER MADE COMPENSATION UNDERWRITER

Company Recognizes Eight Years' Service of Expert By Giving Her Increased Responsibilities

The Aetna this week appointed Miss Grace D. Crowder compensation and liability underwriter of the New York office of the company under the supervision of Arthur G. Murray, manager of the liability department. The appointment became effective on Monday.

Miss Crowder has been identified with the New York office of the Aetna for eight years. Until the present time, she has had charge of the endorsements of the compensation department. Her work has qualified her as a compensation expert which knowledge the Aetna has capitalized by giving her underwriting authority.

The appointment of Miss Crowder to this position by the Aetna is the first step of this kind made by any company to the best knowledge of The Eastern Underwriter. The call to colors has lost to many of the offices much of their best underwriting talent and the drafting of women to fill these positions has been generally predicted. It is expected therefore that the action of the Aetna will be followed shortly by similar announcements by other companies.

OLD BUSINESS ON NEW FORMS

Massachusetts Bonding Broadens Its Policy Conditions for Old and New Policyholders

No class of business has as yet distanced that of insurance in keeping abreast with modern demands and human needs. In the march of improvement on about everything that contributes to present-day livelihood, the issuing of life insurance policies to fit the universal needs of men is one of the most conspicuous departures in the economic field. Policies that were formerly written on comparatively restricted lines are now constructed on a much broader and liberal basis. As an example, it may be cited that the monthly premium policies formerly written by the Massachusetts Bonding and Insurance Company were not as liberal in benefits as the "perfect" and "ideal" forms of to-day.

Under the old form of policy, rheumatism could not be set up as a basis for claim, because rheumatism was specifically excepted as a liability. But under any of the modern monthly premium policies written by this Company, as well as by many others, rheumatism would be considered a proper claim for liberal benefits. The Massachusetts Bonding and Insurance Company, with a view to giving its old policyholders the same insurance protection as is now granted its new policyholders under present-day liberal policies, has authorized its agents to exchange monthly premium policies of old policyholders to either "perfect" or "ideal" forms, by rewriting their applications on application form 739, all such changes to be dated as of the first day of the succeeding calendar month, subject to certain rules.

No policy fees are to be charged for such changes, but the monthly premium and indemnities for the new policies written must be in accordance with the present rate sheets applying to said new policies.

Accident Frequency Increased By War

SAFETY COUNCIL HOLDS ANNUAL CONGRESS IN NEW YORK

Conservation of Man Power Necessary Because of Enhanced Value of Men to Country

The increased value of the man-unit to his country is the keynote of the sixth annual safety congress of the National Safety Council now being held at the Hotel Astor, New York. It is distinctly a war congress and will close September 14. Three new sections have been added this year, embracing automobile industries, car builders and marine and navigation, the last mentioned section being developed by Dr. Frederick L. Hoffman, statistician of the Prudential Insurance Company, Newark.

This year the attendance will be between 2,500 and 3,000, which number might have been greatly increased but for the unusual conditions existing at numerous plants. In the discussion it was shown that among employers represented in the Council over a million dollars a year is being spent in accident prevention and improvement of health conditions in the shops. It was also shown that practically all the reforms the radical press is talking so loudly about are being prosecuted with vigor by the men in the Council.

140 Speakers

This year there are 140 speakers and the mammoth National Exposition of Safety and Sanitation is being held at the Grand Central Palace. This is open daily from 1 P. M. to 10:30 P. M. All the ground floor space has been sold to manufacturers of appliances and devices pertaining to accident and fire prevention and sanitation.

The enormous amount of material embraced in the program is handled by means of sectional meetings. Tuesday, besides the routine business, the subjects covered were education of foremen, handling materials and labor turnover and safety. Wednesday there was a general session at which was discussed the economic and social value of accident prevention; progress and possibilities of accident prevention, protecting women in industry.

Moving Pictures

How accidents occur is shown with moving pictures. These are a valuable and realistic feature of the sessions, the pictures being taken in railroad yards, factories, shops and stores. To-day (Thursday) David Van Schaack, director, bureau of inspection and accident prevention of the Aetna Life, will speak on "Duties of the Safety Engineer."

William Howarth, president of the Everett Paper Company, Everett, Washington, told how in 1912 his employes lost 532 days and so far in 1917

(Continued on page 18.)

New Amsterdam Casualty Company

A Progressive

SURETY AND CASUALTY

Company

Issue Collision Data Experience Call

Change in Forms and Rates May Be Reviewed Before First of Year

WANT 3 YEARS' EXPERIENCE

National Automobile Underwriters' Conference Also Asks for Experience of Casualty Companies

The National Automobile Underwriters' Conference has issued a call to the fire companies in the conference for collision experience and to the casualty companies for collision and other automobile experience. The present collision rates and forms of coverage are to be reviewed before the first of the year in order that any desirable revisions may be made prior to the next automobile season. Some time ago the service bureau sent out a call to its members for their experience during the years 1914, 1915 and 1916 for the several classes of automobile insurance transacted.

Experience Wanted

Collision premiums written and losses incurred for these three years are wanted by October 1, showing separately the experience with the private pleasure and commercial type cars, with territorial division by States, cities of 200,000 population or over, and such divisions of motive power or list price groups as classification records will permit. The conference wants reported the number of full year cars that have been exposed to loss and the aggregate amount of original list prices if it can get them. No sub-division between full coverage policies and policies with the $25 deductible coverage is required. There is a growing sentiment against the $25 deductive coverage.

Instructions to Casualty Companies

A call for automobile experience has also gone forth to casualty companies, which should be reported not later than October 1, 1917. The following instructions accompany the call:

1. Experience Period.—Experience for all automobile lines to be filed on or before October 1, 1917, for years of issue 1914, 1915 and 1916; each year's experience stated separately and brought down to December 31, 1916, with the understanding that companies wishing to bring the experience down to a later date may do so.

2. Policy Years 1916.—The 1916 policies will not be fully earned and to avoid the great amount of labor necessary to compute the earned car and list price exposure, the exposure for the 1916 year of issue will be reported on a net written basis. To determine the earned exposure the bureau will apply a factor of 12.24th (i. e., 50 per cent.) to the exposure of companies reporting the experience as of December 31, 1916; other factors to be applied in case of companies reporting the experience as of a later date, the values of the factors depending on number of months elapsed from January 1, 1916, to the date to which the experience is carried.

The above, however, is not intended to prevent the companies desiring to report the exposure on an earned basis from doing so. If this is done, the bureau should be notified.

3. Collision Exposure. Companies able to do so, are to report as the exposure for collision both the number of full year cars and the earned amount of list price. If not able to report both, the option of reporting either cars or list price to rest with the company.

4. Full and deductible coverage. As regards collision insurance, no subdivision is to be made as between full coverage policies and policies with $25 deductible coverage; both kinds of policies to be included in one experience.

5. For States, and cities of 200,000 population and over, the experience for all automobile lines is to be reported only on two types of cars—private pleasure and commercial, each type subdivided into gasoline, electric and motorcycles. No experience by classification or horse power groups required.

6. Country as a Whole. For country as a whole the experience both for liability and property damage is also to be reported for only the two types, private pleasure and commercial, each type subdivided by motive power (Gasoline, electric and motorcycle). Private pleasure gasoline cars are to be further subdivided into five groups of horse power in accordance with the horse power group code, and each of the motive power subdivisions of commercial cars into classifications in accordance with commercial classifications in motorcycles of pleasure type should each be reported as one group.

For collision, the experience shall be present manual. Electric cars and reported on private pleasure and commercial types, and both subdivided into gasoline and electric cars and fur-

(Continued on page 18.)

General Accident

FIRE AND LIFE

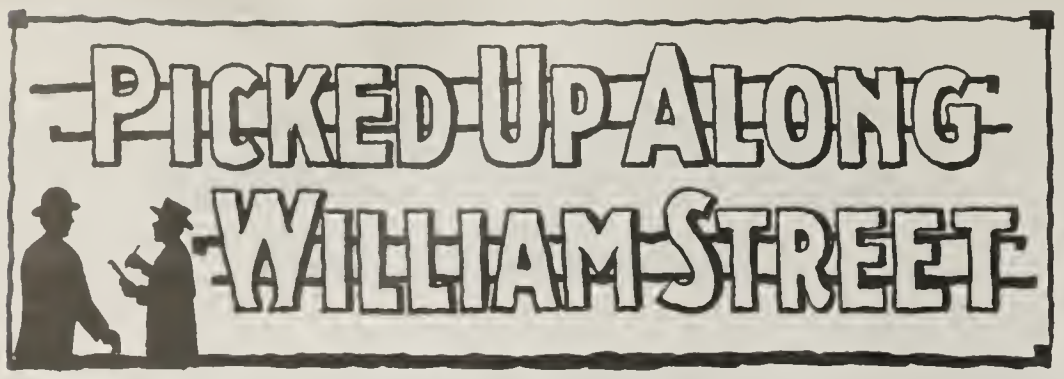
ASSURANCE CORPORATION, Ltd.

SERVICE THAT EXCELS

FREDERICK RICHARDSON, United States Manager.

GENERAL BUILDING · 4TH & WALNUT STS.

PHILADELPHIA



Nesbit's Negro Society Investigation

Charles E. Nesbit, Insurance Superintendent of District of Columbia, was recently telling his experiences in investigating the payment of sickness and accident claims in Washington, where the premiums paid for this protection run about half a million a year. He found the stock companies paying claims promptly, but there were some of the benefit societies that needed attention. Here is what he said about his inquiries into the activities of some of the negro societies:

I have had a great many interesting and light-hearted momcnts while I was investigating these claims. The average negro is great on insurance. The stories in the "Saturday Evening Post" have nothing on the actual experiences I have had with negro insurance in this city. I had, the other day, a long paper presented to me by one of these sick-benefit societies—the order of the Knights of ————. They have three degrees—the paper is on file in my office—first, the order of the knight, for which they pay $2; the second, the order of the keepers of the dungeon, for which they pay $2 and receive a splendid regalia; and the third degree costs them $3 to get into, and is known as the degree of the executed spy. I discussed the paper when the attorney brought it down, and I said to him, "it looks to me as if the officers get nearly all of this. Whom does the money go to that buys these regalias?" Because, if you give the average negro a regalia and a password, he will pay the last cent he has got. He said, "That goes to the officers." "Who does this $2 go to for joining these two orders?" "Well, that goes to the officers. I reckon we aren't going to work for nothing. Do you find any insurance men what work for nothing?" "I realize that you have to be paid something for your work, but it looks to me as if you are getting a good deal out of it for the benefits that these people get back." "Well," he says, "I don't know; we can't seem to figure it out; unless we get a large number of members, how there'll be any surplus after we pay expenses and salaries." "How much are you going to pay in the way of benefits?" "Death benefits, $50." "You take your hat and go on your way. You do not come under the supervision of the insurance department." The law gives us no supervision over any concern that does not reach the minimum of $100.

* * *

German Longevity

Miles M. Dawson, consulting actuary, has written a letter to Superintendent Phillips of New York State in reference to the address of the superintendent at the Commissioners' St. Paul convention in which Mr. Dawson says in part:

Dear Mr. Phillips:

My attention has been called to a portion of your address relating to sickness insurance and particularly the portion of it which purports to be a statement of something said by me relative to the increase of longevity in Germany.

What I have said is that there was a marked increase, of some 11 or 12 years, on the average life of men and women in Germany in the course of thirty years, during which period social insurance was introduced there; and I have given Dr. George Zacher, President of the Imperial Statistical Office of Germany and the greatest expert on social insurance in the world, as my authority. This statement I first gave before the Federal Commission on Employers' Liability and Workmen's Compensation in a brief filed with the commission on June 14, 1911, and you will find it on page 254 of the second volume of hearings of the commission. I gave it in Dr. Zacher's exact language:

> According to recent data (of Statistik fur das deutsche Reich, vol. 200) the average duration of life rose from 38.1 years in 1870 to 48.85 in 1900 for men and from 42.5 to 54.9 for women; the general death rate sensibly diminished and the mortality due to tuberculosis has been reduced to about half what it was formerly, so much that one can hope to see this scourge which decimates the people soon completely vanquished, a hope which could scarcely be realized without the powerful organization of workingmen's insurance! For this by curative and preventive measures brings every year prosperity into millions of working families and thus not only conserves numerous forces for the nation but even augments, by the hygienic education which it gives them, the vital forces of great masses of the population. That explains why the operations of recruiting despite the growing industrialization of Germany indicate a constant improvement of the number of men called to perform their service and of their physical development.

* * *

Lieutenant Dowd Joins Regiment in National Army

Lieutenant C. B. Dowd, well-known former special agent, and manager of the plate glass department of the American Casualty Company, Reading, has recently joined his regiment now in training at Wrightstown, N. J.

Lieutenant Dowd attended the officers' training camp at Plattsburg in 1916, where he won his commission. When the training camps were organized in 1917, he was ordered to Madison Barracks, N. Y., where he acted as an assistant instructor. The men whom he trained were ordered to the N. J. cantonment, where they will act as instructors to the men of the first National Army.

The former associates of the Lieutenant gave him a royal send-off, when he left for his new position, after a ten-day respite from the strenuous duties of the training camp.

W. R. Cooke, of the Chicago office of the American Surety Co., has been called to the service of the Government as a telegraph operator.

A Livestock Story From Kansas City

WHERE A TRANSIT POLICY WOULD GIVE PROTECTION

Missouri Stockman Played Detective in Order to Stop Death and Crippling Losses

(Reprinted from the Hartford Agent By Permission of the Hartford Fire Insurance Co., Copyright, 1917.)

A certain Missouri stockman, who had never accompanied his shipments to market, was subject to chronic hard luck, so common to shippers of live stock. No matter how carefully he loaded his cars, and no matter to which commission firm he consigned, his returns too frequently showed losses caused by the death or crippling of one or more animals.

Naturally suspicious, as stockmen sometimes are, he determined to play detective, and to learn the cause of the casualties.

Accordingly, he accompanied his next shipment as caretaker, and at every stop the train made, he grasped the opportunity to leave the way-car and inspect his car of hogs. On his last inspection before nightfall he made certain that each of his porkers was in excellent condition, but afterward he could not be positive, because it was too dark for him to see into the car.

Long before his shipment was set at the unloading chute, the shipper perched himself on the roof of the car containing his swine, determined to defend his property from the first line of trenches. Daylight was just breaking as his car was stopped at the stock yards unloading chute, with the customary hard bump.

A man in very muddy overalls came down the alley, stopping opposite each car to make some notation on a sheet of paper.

"Car No. 54321, chute 8," he was heard to mutter.

"No, you don't shoot any of 'em," shouted our friend, as he leaped down from the car; "I came with 'em this time, young feller, and you gotta shoot me first."

Satisfied that he had the foreman cowed for the time being, he climbed back to the roof of the car, and fell asleep.

A few minutes afterward he was awakened by the unloading crew, who had already driven out the live hogs, and were in the act of dragging out eight dead ones—the fattest of the bunch. The shipper examined each carcass very carefully, and remarked to himself:

"Can't find a single bullet hole." Then, as an afterthought, "That's funny, and I didn't hear any shots, either."

Accident Frequency

(Continued from page 17.)

only 103. It was also pointed out that the scarcity of labor has created a new condition which needs careful watching. So many inexperienced and old men are being employed that an increase in the accident frequency would not be unexpected.

Another speaker suggested man-hour as the basis for gathering and standardizing accident statistics. The man-day has been advocated but it should be remembered that some men work twelve hours while others work but seven or eight. As a standard of what should be included as an accident, the best was thought to be all lost time accidents, counting time from the beginning of the next hour after the one in which the man was injured. Having the number of man-hours and the number of accidents one can figure the number of accidents per thousand man-hours worked and have a comparable result.

What Charge for a Fatal Accident?

Another feature to be considered is the amount of time charged for the fatal accident. Some suggest that the full life expectancy of the injured man be charged. Another, and perhaps more reasonable basis, is to charge the length of time for which compensation is allowed, on account of the fatal accident. This would work out in comparing all mills that are working under the same law but would not be practicable for those working under the various laws now in force.

J. A. Cousins, of Chicago, pointed out that eighty per cent. of the men drafted have been found physically defective, largely due to industrial accidents.

Thursday, sectional meetings will be held by the electric railway, foundry, mining, paper and pulp, public utilities, steam railroad, woodworking, health service and the iron and steel groups. Friday the automobile, governmental, marine and navigation, textile, car builders and a few other continued sectional meetings will be held.

Collision Data

(Continued from page 17.)

ther subdivided into five groups of list price (see code).

7. Territorial Divisions Within State. No experience is required on differential territory. Within States the experience shall be reported for the following subdivisions:

(a) Each city of 200,000 population and over.

(b) Remainder of State (this division to include "differential territory").

8. Data Required. The experience shall include the following data:

(a) Exposure.

(b) Losses paid, including allocated claim expenses.

(c) Losses outstanding, including allocated claim expenses.

(d) Total losses incurred, including allocated claim expenses.

Note: In order that the experience of each company may be properly loaded for unallocated expenses, each company is requested to report to the bureau the percentage loading it considers should be applied for this purpose to the total incurred losses (including allocated expenses) reported.

Blanks upon which this experience is to be reported are now available for distribution. Copies of these blanks are attached for your information. We assume that the average company will require blanks for reporting all the experience as shown below:

	If made out in duplicate	
	Number required for each State.	Number required for country as a whole.
Liability experience..	12	250
Property damage experience	12	250
Collision experience..	8	40

C. A. CRAIG, President W. R. WILLS, Vice-Pres. C. R. CLEMENTS, Sec. & Treas.

The National Life and Accident Insurance Company

NASHVILLE, TENNESSEE

Industrial, Life, Health and Accident Insurance in ONE policy

FOUND—On William St.!

Bright ideas used by successful Casualty men

Each week in

THE EASTERN UNDERWRITER

Subscription $3 a Year

CASUALTY AND SURETY POINTERS

Salvage Wins Out

A branch manager of the American Surety Co. tells of a $6,500 appeal bond for a firm that dealt in land and cattle. Continuing he said:

"The firm showed, at that time, a large amount of assets with a net credit of over $100,000, which sum was verified by Dun & Co., who also spoke of the said firm in high terms. At that time compulsory court bonds were not taboo, and the bonds was looked upon as a safe and sane proposition. Still, however, having some experience in this line of bonds, we kept our ear to the ground as to the parties in question and later judged it wise to file a transcript of the judgment in two of the counties in which the principals have large holdings of lands, mortgaged though they were. This was done quietly and we simply 'sat tight' and waited the march of events. More recently the holder of the first mortgage of the lands in one of the counties above referred to purchased said lands and thus unwittingly merged his mortgage in the title to the lands, making the judgment a first lien on the lands in question. Recently the holder of the judgment insisted on payment by our principals on the appeal bond, refused to accept promises of offers of payment and applied to us as surety on the bond for same. We accordingly wrote the home office for a voucher to cover said judgment. Before this voucher was received immediate payment became necessary because of certain legal matters, and execution under the judgment was consequently issued by our attorneys. We got in touch with the present owner of the land, and, after a full explanation of the position which we held and a showing of how non-payment of the judgment would bring extra cost and expense upon said party, he came to time and paid the judgment and costs, and our attorneys' fees in full, thus relieving us of all liability and giving us the pleasure of returning the voucher from the home office, which arrived a day after the race had been won by salvage.

"It pays, therefore, to keep your ear to the ground or be on the lookout if at sea on any case; for nothing hurts a manager more than to find claims paid cutting into net result at the close of his year of work."

* * *

Advice to Bonding Agents

The American Bonding Co. gives the following advice regarding bond forms:

Watch your bond forms.

Be sure that they are free from ambiguity.

Let them express only the liability which the surety is expected to assume and for which it is paid.

Do not voluntarily assume in behalf of the Company liability to third parties where the obligee himself is not liable.

Where bonds are not statutory in form, use the Company's standard forms, complete if possible.

If this is not possible, insert provisions for notice of default and time limit for suit.

Provide that in case of suit against the surety the principal shall be made a party defendant.

In the case of special fidelity bonds, this condition may be qualified with the statement "provided he can with reasonable diligence be found."

This qualification should be made because claims on fidelity bonds are frequently due to the absconding of the principal, and it would be unfair to ask the obligee to accept a bond without this qualification.

Advice About Burglary Claims

The General Accident says that in reporting claims agents can be of considerable service if when receiving the first report of a loss they will obtain as much information as is possible as to the cause, the probable amounts, the full description of the article missing, the names of any persons who may be implicated, and any other detail which may lead to recovery. The assured should be notified to give this information to the police at once not alone to comply with the policy condition, but to put in motion, at the earliest possible moment the machinery to trace the thieves and to recover the property stolen.

If a claim of the so-called "mysterious disappearance" nature arises, give the Company a detailed account of the assured's reason for believing the loss was caused by burglars or thieves leaving no trace of their presence. Many times when the Company questions these claims and are then advised, after the harm has been done, that certain conditions, of which the Company should have been informed earlier, have been found to be of aid in determining its liability.

"Give us these facts at first and avoid the ill feeling which may be caused by a denial of liability when it is not in order," the Company says in the General's "Review."

"In completing the proof and determining the amount to be claimed agents should have the assured understand that depreciation is not an unreasonable requirement. Use, and often more so, lack of use, will decrease the value of nearly all household property. Certain jewels have increased in value, which we consider when adjusting claims. The proper application of the right of the corporation to depreciation will do the assured no injustice.

"We expect claims—our policy provides for them. When a claim is just and there has been reasonable compliance by the assured with the policy conditions, immediate notice to the corporation or its agent and the police, the filing of the proof of loss form in proper time, and the submitting of reasonable proof of value, the corporation meets its obligations willingly.

"The prompt payment of claims is our biggest advertising medium, and when advantageously used by agents, brings best returns. A satisfied client will give the names of friends whom you can interest in this protection; in many instances he himself will sell the policy for you by his recommendation. If his loss has been reported in the newspapers a letter from him telling of his satisfaction will make a complete argument for this insurance. Use your claim settlements to build up the business."

The Travelers Insurance Company announces that Alvin C. Bonnet, who has been a special agent at Detroit, reported at Columbus on August 29 and became manager of the compensation and liability departments and for the indemnity company in that district on September 1, succeeding Irvin Fox who will remain with him for a week or ten days.

TOWNER AWAY

R. H. Towner, of the Towner Rating Bureau, 62 William Street, is spending a month away from business. He is expected at his desk on September 15.

W. E. SMALL, President PETER EPES, Agency Mgr. E. P. AMERINE, Secretary

GEORGIA CASUALTY COMPANY

HOME OFFICE: MACON, GEORGIA

"DIXIE AUTO POLICY"

THE LAST WORD IN MOTOR INSURANCE

Surplus and Reserves to Policyholders.....$1,526,022.81

The METROPOLITAN CASUALTY

INSURANCE CO. OF NEW YORK

HOME OFFICE, 47 CEDAR STREET

CHARTERED 1874

Plate Glass, Burglary, Accident and Health Insurance

EUGENE H. WINSLOW, President

Russell R. Cornell, Vice-Pres. S. Wm. Burton, Sec. Alonzo G. Brooks, Ass't Sec.

RELIABLE AND ENERGETIC AGENTS WANTED

THE SIGN OF GOOD CASUALTY INSURANCE

HEAD OFFICE
CHICAGO

F. W. LAWSON
General Manager

Liability, Accident, Burglary, Boiler and Credit Insurance

Established 1869.

F. J. WALTERS
Resident Manager
55 JOHN STREET
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Resident Managers
New England

London Guarantee & Accident Co., Ltd.

OF LONDON, ENGLAND

Service of Quality to Policy Holders

Contracts of Superiority to Representatives

NATIONAL CASUALTY DETROIT

THE NATIONAL of DETROIT

Eastern Dept. 100 William St. New York

Western Dept. Pacific Bldg. San Francisco

Northwestern Dept. Palace Bldg. Minneapolis

BROKERS!!!

NEW policies with ORIGINAL features inaugurate our appointment as New York Headquarters of the Commercial Accident and Health Department of

CONTINENTAL CASUALTY COMPANY

H. G. B. Alexander, *President*

J. N. S. BREWSTER & CO., Inc.

55 Liberty Street, New York City

Phone, Cortlandt 8730

Denying Liability

A conversation heard in the office of our vice-president and general counsel, between Mr. William R. Martin, executive special representative, and Mr. Albert Sabath:

Mr. Martin: "Mr. Sabath, will you please O. K. this expense account?"

Mr. Sabath: "What is this item of $7 here marked 'entertainment'?"

Mr. Martin: "Why—I got to playing cards with our agent and I was unlucky so that I paid for the evening's entertainment."

Mr. Sabath (running a blue pencil through the $7 item): "I am sorry, Mr. Martin, but this is one case where the Company will have to deny liability on the grounds that it is not covered in the policy of the Company."—The Fieldman.

ONE HURT EVERY 90 SECONDS

According to the annual report of the New York State Industrial Commission, there were injured daily in this State an average of one thousand working men for each working day during last year. Of the injured, all received medical and surgical attention, sixty thousand collected compensation, and the total cost was $12,000,000, or an average of $1,000,000 a month.

Of the sixty thousand compensated cases, 1,200 were fatal. Of the others, disability ranged from two weeks to life. Medical attention itself called for a monthly expenditure of about $300,000, or approximately one-third of the entire total disbursement. The average weekly compensation of those who collected compensation was $9. The total number of men injured was 325,000 of a total employed that exceeded 2,000,000.

The Columbian National Life
OF BOSTON

ARTHUR E. CHILDS, President

A CHANGE may be necessary to realize your ambition

Think a minute—then write

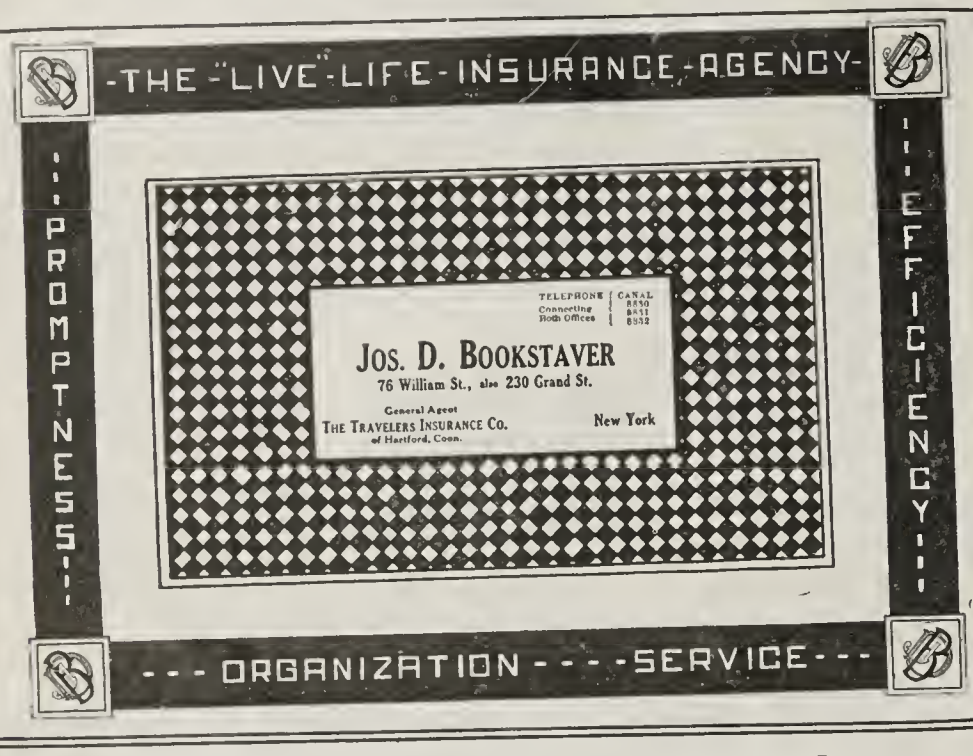
WM. H. MASTIN (West of the Mississippi). SYMES BUILDING DENVER, COLO.

FRANK D. LOMBAR (East of the Mississippi). 77 FRANKLIN STREET BOSTON, MASS.

SUPERINTENDENTS OF AGENCIES

DARL D. MAPES, Superintendent of Accident Agencies
77 FRANKLIN ST., BOSTON, MASS.

The service of a high grade Accident Department will also be offered so that you will not have to broker your Accident business to avoid violating your Life insurance contract.



WORTH KNOWING

Suppose that you are insured in the United Life and Accident Insurance Company of New Hampshire for $5,000 under the Company's Triple Indemnity Plan, what does your Policy guarantee to do?

ANSWER:

FIRST, it guarantees that in case of death from any cause, $5,000, the face of the Policy, will be paid.

SECOND, that in case of death from any ACCIDENT, $10,000, or DOUBLE the face of the Policy, will be paid.

THIRD, that in case of death from certain SPECIFIED accident, $15,000, or THREE TIMES the face of the Policy, will be paid.

BUT THIS IS NOT ALL. The Accident Disability Endorsement FURTHER guarantees that in case of total disability as a result of accidental injury, the Company will pay direct to YOU at the rate of $50 PER WEEK during such disability, but not to exceed 52 weeks, after which the weekly indemnity will be at the rate of $25 PER WEEK throughout the period of disability. Can insurance do MORE? And why should any man be satisfied with a policy that would do less? The cost is low.

Agents wanted in Maine, New Hampshire, Vermont. Connecticut, Pennsylvania, North Carolina, South Carolina, Tennessee, Georgia, Delaware, Maryland, Mississippi, Kansas, Missouri. An opportunity for Life Insurance Salesmen of ability. Address:

United Life and Accident Insurance Co.
Home Office, United Life Building - Concord, New Hampshire

Capacity For Local Agents

You can use our capacity as your own to take care of additional business beyond the capacity of admitted Companies.

Our capacity is as high as $150,000 on a single risk with immediate binders and 10% commission to brokers. Guaranteed Underwriters. Use our special Surplus Line Department. Special liberal policies for Baggage Insurance.

MARSH & McLENNAN
Insurance Exchange, Chicago

19 Cedar St. NEW YORK
1015 California St. DENVER
314 Superior St. DULUTH
300 Nicollet Ave. MINNEAPOLIS
Ford Bldg. DETROIT
17 St. John St. MONTREAL
23 Leadenhall St. LONDON

THESE OFFICES GIVE YOU THE BEST THERE IS IN INSURANCE SERVICE

American Central Life
Insurance Company

INDIANAPOLIS, INDIANA

Established 1899

All agency contracts direct with the company

Address:

HERBERT M. WOOLLEN, President

In addition to the ordinary forms of life insurance

THE EQUITABLE

makes a specialty of the following:

Insurance to protect business firms and corporations, under a corporate form of policy.

Group Insurance, by which employers protect families of employes.

A flexible contract, known as the Convertible Policy, which can be converted by the Insured into an Ordinary Life, Limited Payment Life, or Endowment Policy.

A Bond issued without medical examination giving the investor an income for his declining years.

A new policy is offered under which the insurance is DOUBLED if death results from ACCIDENT. This policy also embodies the following advantages if the person whose life is insured becomes totally and permanently disabled:

1. Thereafter the Equitable will carry the insurance —The Insured will have nothing further to pay.
2. The Equitable will pay the Insured an annual income for life equal to one-tenth of the face of the policy.
3. Upon the death of the Insured the full amount of the insurance will be paid to the Beneficiary (or double the amount if death is due to accident) without deduction on account of the income paid to the Insured while living.

(See the policy for conditions and details.)

For Agency Openings Address

WILLIAM E. TAYLOR,
Superintendent of Agencies

THE EQUITABLE
LIFE ASSURANCE SOCIETY OF THE U. S.

120 BROADWAY, NEW YORK

PURELY MUTUAL THE CHARTERED 1857

Northwestern Mutual Life Insurance Co.
MILWAUKEE, WISCONSIN

GEO. C. MARKHAM, President

Insurance in Force, $1,505,464,984

SATISFIED POLICYHOLDERS each year apply for over 35% of the new insurance issued.

POLICIES MOST FLEXIBLE AND EASY TO SELL

Complete Agency Protection:
Enforced Anti-Rebate and No-Brokerage Rules

Investigate before selecting your Company

Write GEO. E. COPELAND, Supt. of Agencies, Milwaukee, Wis.

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EA
Commerce

THE EASTERN UNDERWRITER

TWO PARTS

[Succeeding the Journal of Insurance Economics, Established in 1899]

A WEEKLY NEWSPAPER COVERING ALL BRANCHES OF INSURANCE

PART ONE

Eighteenth Year; No. 38 NEW YORK, FRIDAY, SEPTEMBER 21, 1917 $3.00 per Year; 25c. per Copy

OPPOSE JUMBO LINE LEGISLATION

90 Per Cent. of Home's Agents Take That Position in Writing Company

HAD BEEN ASKED FOR OPINION

President Snow Diagnoses Replies—Will Continue to Extend Its Large Line Facilities

Most of the agents of America want large line facilities and are against legislation which will cripple the accommodation capacities of the companies, particularly the legislation limiting reinsurance.

Recently the Home asked its agents for its views on the subject of the jumbo lines, and more than 90 per cent. of them registered opposition to such prohibition.

President Snow's Letter

President Snow's letter to agents, telling the result of the poll, follows:

To Our Agents: On June 26, 1917, you were advised of the agitation of the subject of "jumbo lines," so-called, which had developed to a considerable extent by that date, and you were asked to tell the Company how you felt about prohibiting by law the reinsuring by a company of a greater amount than it retains at its own risk, as also about the accommodation extended to you in the past by "The Home of New York" in authorizing and permitting large line commitments.

Neither of the proposed prohibitory statutes referred to became law, we are happy to say, but there is still more or less discussion of the subject.

The large number of replies received from the agents and the decisive character of them showed that they have given the subject of "jumbo lines," so-called, thoughtful consideration, and also prompts us to advise them of the result of the recent "referendum," as it were, in our mutual interest.

Two facts are established once more:

1. The whole question is one of economic importance to every large insurer as well as to every agent, and the almost inevitable outgrowth of industrial and commercial conditions.

2. A very large majority of the agents of the Home are opposed to prohibiting by law the re-insuring by a company of a greater amount than it retains at its own risk; and furthermore appreciate and desire a continuance of the accommodation extended to them in the past by the Home in authorizing and permitting large line

(Continued on page 12.)

"The Largest Fire Insurance Company in America."

THE HOME INSURANCE COMPANY NEW YORK

ELBRIDGE G. SNOW, President

Service to Policyholders and to Agents Unexcelled.

FIRE AND ALLIED BRANCHES OF INSURANCE

Fire, Lightning, Automobile, Commissions, Explosion, Hail, Marine (Inland and Ocean), Parcel Post, Profits, Registered Mail, Rents, Sprinkler Leakage, Tourists' Baggage, Use and Occupancy, Windstorm.

STRENGTH REPUTATION SERVICE

North British and Mercantile Insurance Co.

Established 1809

Entered United States 1866

Policyholders protected by the entire United States assets, with further guarantee in every policy, of protection by entire fire assets of the company which are many times larger.

50th ANNIVERSARY YEAR

Operating under Iowa Reserve Deposit Law, which safeguards all policyholders

Entered for business in 18 States

GOOD TERRITORY OPEN.
ATTRACTIVE POLICIES TO SELL.
LARGE ANNUAL DIVIDENDS.
LOW NET COST.

For agency apply to

H. E. ALDRICH, Supt. of Agents

EQUITABLE LIFE of IOWA DES MOINES, IOWA

WASHINGTON WAR RISK HEARING

George E. Ide and Others Appear Before Sub-Committee of Finance Committee

ANALYZE INSURANCE FEATURES

Acting Secretary E. F. Sweet Decides Not to Introduce Amendment to Bill

Daily papers have carried stories this week that Acting Secretary Sweet, of the Department of Commerce, intended to introduce an amendment to the War Risk Bill, changing the insurance feature. On Wednesday he said to The Eastern Underwriter:

"I am not making any amendments to the pending bill. I was considering a possible amendment, but have decided not to suggest it."

The War Risk Insurance Bill has been turned over to a sub-committee of the Senate Finance Committee consisting of Senators Williams, Smith (Georgia) and Smoot. This sub-committee gave a hearing attended by insurance men on Tuesday.

One of the principal talks was made by Chairman George E. Ide, of the committee representing the insurance interests.

Mr. Ide said, in part:

"Anything which is in the bill now or is proposed which does not measure up to the standard of a just, national obligation should be eliminated. This being so, it follows naturally or logically that all provisions must apply equally to all of the same class in the service and that discriminations of every sort, as between members of the same class, must be eliminated.

Article IV

"Let us pass at once to a consideration of Article IV, which may properly be termed optional insurance. The original draft of the bill provided that the man in the service might provide himself during the war with insurance or death indemnity in sums up to $10,000 by the payment of annual net peace rates (averaging $8 per thousand), the determining of the amount of insurance to be taken, if any, to be left to the man and his decision to be made within a given time after the passage of the bill or after enlistment.

"Remembering the underlying principle of the bill, viz.: that the nation shall be taxed as a whole to pay its just debt to all the fighting men, let us see how this Article will work out during the period of the war.

Guesswork

"The option of taking the insurance

provided under Article IV must be exercised within 129 days from enlistment or 120 days after passage of this Act. If the soldier does not elect to take any of this insurance within the period, his right to do so expires. During the period named, the men in our fighting forces will be either in France, en route to France, in the training camps of the country ro on the seas in our Navy. They will he more or less inaccessible and will have little time to attend to their personal affairs. It is planned, we are told, to carry on an intensive campaign of education so that every man will be convinced that he needs the insurance and will be told how cheap it is. Some will take it and some will not. The Secretary of the Treasury, after stating in his letter to the President that all will be enabled to take the maximum on account of its cheapness, bases his estimate of probable cost under Article IV on the supposition that one-quarter of the men will take the insurance for one-quarter of the maximum of $10,000 which was allowed at that time under the bill. The estimates as to how this project will work out are as numerous as the men who make the estimates. It is all more or less guesswork.

"The plan is quite definite as long as the war lasts. It is to provide renewable term insurance at net peace rates (the average premium will be about $8 per thousand). Presumably in most cases the Government will be instructed to deduct the premiums from the men's pay, otherwise lapses would occur, but nothing definite is said on this score. If the man once elects to take the insurance, must he stand by his choice for the rest of the war? He cannot increase his insurance, but can he terminate it? This is unprovided for. The special point to be borne in mind is that the rate charged by the Government to the fighting man is a peace rate. The cost of the mortality arising from war conditions is borne by the Government—that is, the people of this country. The average peace rate is $8 per thousand. One of our largest companies with an extensive war experience on Canadian risks, said that about $50 per thousand should be added to the peace rate to cover the war risk. We are expecting now to raise a fighting force of 2,000,000 men. If 500,000 men take an average of $5,000 insurance each, the insurance in force is $2,500,000,000. A war premium of $50 per thousand is $125,000,000 annually. Possibly it is on account of the size of these figures that the House Committee suggested the reduction of the maximum in the bill from $10,000 to $5,000. The Secretary's first estimate on a $10,000 maximum was $23,000,000 loss during the first year. Here is quite a discrepancy. In only give these figures to show you the magnitude of the discrepancy. But in any event, some will take this insurance and others will not, and under this Article, we see at once a special class created made up of those who are thrifty enough to appreciate the bargain offered and who at the same time can afford to pay for the insurance. The country is taxed to provide for the amount necessary to cover the war losses under this insurance and the recipients of the benefits under this plan are not the dependents of all of the men in our Army and Navy, but a special class which is created by the option given to the men under Article IV.

Class Without Special Protection

"The class which does not take this insurance, be it large or small, will he without this special life indemnity protection, and as soon as deaths begin to occur in this class dissatisfaction will surely arise and the basis is laid for the introduction of new legislation to correct the discrimination. The fact that the discrimination arose from lack of foresight on the part of the dead hero will not be a popular argument against further relief to his dependents.

Great Southern Life Insurance Company

HOUSTON, TEXAS.



For Agency Contracts address

O. S. CARLTON

PRESIDENT

"When the war is over this insurance takes on a new phase. The insurance is then 'convertible'—'without medical examination into such form or forms of insurance and with such provisions for premium payments as may be prescribed by regulations.' The bill simply says the insurance is 'convertible.' It is not mandatory. If converted at the end of the war, the annual premium immediately advances from $8 per thousand to $15 or $30 per thousand and the great mass of the insureds will be civilians. As these no longer are in receipt of a government wage they will act exactly as other civilians always have acted. The healthy lives who find the premiums too large to be conveniently met with will withdraw and our 'special class' above referred to becomes smaller yet with all the selection against the government.

Total Will Foot Millions

"These level premium policies contemplated in this vague and indeterminate way under Article IV will call for loan values, cash values, extended insurance values, etc., and must have legal reserves upon which these values rest. The total will run into millions of dollars. How is this to be invested? In government bonds? If so, and if the return be less than 31½ per cent., the Government Insurance Bureau is insolvent. If not, who is to determine in what form of security these funds are to be invested? The bill is silent on this point. Remember these policies may run for fifty or sixty years.

"The supporters of the bill have evaded all inquiries as to what the real cost under Article IV is to be. They differ in their estimates of what the war mortality is to he. They differ in their estimates as to how many men will take this insurance (and that is certainly natural), and they are absolutely silent as to its administrative cost. Do they realize what it will mean to put into existence and to maintain this Bureau to administer Article IV now and after the war? They have not as yet given any figures as far as I know. The Bureau in administering the balance of this bill will be a very busy place, but this Life Insurance Bureau under Article IV is stupendous in its magnitude and overwhelming in its detail. What will it cost? Congress should know. Mr. Kingsley, of the 'New York Life,' in his letter to Mr. Gompers says, 'By the clause which compels the insured to pay a premium the bill immediately erects all the huge machinery of a life insurance company, and then proceeds to point out that the outstanding insurance may be $10,000,000,000, or about twice the outstanding insurance of the Mutual Life, the Equitable Life and the New York Life combined.

New Insurance

"Another question—What is proposed in the way of new insurance under this bill after the war? Is this a war measure or is it not? The bill is discreetly silent on this point. It should be clearly defined, especially as to Article IV, where the fighting man bears part of the cost. Is this huge Insurance Bureau to continue issuing new insurance after the war? Its advocates say the plan is simply for this war, but this is not stated in the bill.

"Again what is to become of those men who received no injuries during the war, who had no insurance or have lapsed what they had because of their inability to pay the increased premiums after conversion, or who have surrendered their insurance for any cause? This will be a large class and a large proportion of the fighting men. When old age and infirmities come to them, can you not see recurring, for the benefit of this class, legislation exactly similar to that which we have had in the past in regard to pensions? Will this bill prevent future pension legislation? It is my firm belief that if, as is proposed, you provide allowances for the dependents of the fighting men, if you grant to the dependents of men who have been injured compensation for partial disability, total disability and death, you have acted generously and wisely. If in addition to the death indemnity under Article III you give to all a stated sum, be it $1,000 or $2,000 or more without any payment of premium, this amount to be payable in the event of death within a stated period, not more than ten years after the close of the war, you will have adopted a plan more generous in its scope, more American in its spirit than has ever been dreamed of by any other nation. You will have filled our fighting men with courage and with enthusiasm and you will have treated all alike.

Should Rid the Bill of Vagueness

"Make it clear that this is a measure to meet the exigencies of this war. As far as possible rid the bill of all vague and uncertain language and leave as little as you can to future determination and decision by the Bureau. Eliminate Article IV as being too vague in its language and utterly unsound in principle. It leads to manifest discriminations and consequent injustices. It opens the door wide for future pension legislation. It involves needless administrative expense. It offers great rewards to speculation. It is class legislation in favor of those who are able to pay the premiums, especially after the war. It cannot be opposed simply as State insurance because it does not pretend to sell insurance at cost but at less than cost.

"Eliminate this entirely and in its place give to every fighting man without cost life insurance for such an amount as you think the nation can afford, for $1,000 or $2,000 or $3,000, payable to the dependents, in instalments if you prefer in the event of death from any cause at any time prior to five or ten years after the war is over."

"AN AMERICAN COMPANY"

True to American Ideals and Traditions

The Germania Life Insurance Company

Established 1860

Under the laws of the State of New York

The following are a few Germania features which have helped to make

Every Month This Year a Record Breaker

Free HEALTH SERVICE for policyholders both new and old.

Free Insurance Money INVESTMENT SERVICE for Beneficiaries.

WAIVER and ANNUITY CLAUSE which, in case of total and permanent disability, before age 60, provides for waiver of all future premiums, the payment of 1/10 the face of the policy annually to the insured as long as he lives and payment of the face of the policy to the beneficiary at death of the insured.

DOUBLE INDEMNITY CLAUSE which provides for payment of double the face of the policy in case of death as a result of an ACCIDENT OF ANY KIND.

"A Growing Company for Growing Men"

For Direct Agency Connection

ADDRESS

T. LOUIS HANSEN, Superintendent of Agencies

50 UNION SQUARE, NEW YORK CITY

Hardcastle Presents Counter-Claim

READING MAN CLAIMS GIRARD LIFE OWES HIM MONEY

Says Advances Were to Be Credited to Commissions Which He Earned

Denying the alleged indebtedness and presenting a counterclaim for money due him by the Company, Thomas H. Hardcastle, of Reading, Pa., through attorney Robert Grey Bushong, filed an affidavit of defense to the suit brought by the Girard Life Insurance Co., of Philadelphia, in its action to recover $1,315.42 with interest.

In his affidavit, Mr. Hardcastle admits he entered the employ of the plaintiff on March 21, 1908, but avers he was continuously employed until on or about Oct. 9, 1914, instead of until Jan. 1, 1914, as stated by plaintiff.

Explains Advances

The plaintiff's statement sets forth that while he was in the Company's employ a number of advances of money were made to him, with the understanding that commissions which he earned on policies of insurance were to be credited in favor of the Company to square accounts.

Mr. Hardcastle claims that he was not only an agent to solicit insurance for the plaintiff, but also to solicit subscriptions to the capital stock of the Company. The defendant admits that the plaintiff orally agreed to advance sums of money to him but avers that the plaintiff at the same time agreed to credit not only commissions to be earned by him on policies of insurance procured by him, but also commissions earned by him on the sale of the capital stock of the Company. He further alleges that the advances made under the contract, it was understood, were never to be the basis of an indebtedness against him but that they were to be collected out of commissions in the plaintiff's hands earned by the defendant.

Says He Never Received Commissions on Stock Sale

Mr. Hardcastle claims the Company has not given him the commission on 1,500 shares of capital stock to which he is entitled to a commission of $1 a share. Through his personal efforts and solicitation he claims the stocks were sold. He takes exceptions to various items in the plaintiff's statement of claims.

He alleges that the plaintiff owes him $510.23, less the amount of a promissory note for $100 with interest from May 29, 1913.

87.7 TO EXPECTED

Actual Mortality of Niagara Life for First Six Months of This Year

Excerpts from the New York Department's examination of the Niagara Life, completed July 31, 1917, follow:

"An examination of the death claims paid during the past three years and seven months shows that claims are promptly paid.

"The Company issues health and accident insurance in connection with their regular life policies, in one contract. An examination of the claim register and the payments made for the past three years indicates that the Company has been very liberal in their settlements.

"The Company has experienced a favorable mortality this year, as the following table shows:

1913—Ratio of Actual to Expected Loss	116.5
1914— " " " " " "	98.6
1915— " " " " " "	92.0
1916— " " " " " "	91.0
To July 31, 1917 " " " " " "	87.7

The figures ascertained in the statement as of July 31, 1917, compared with those of the last triennial report, exhibit an increase in admitted assets of $202,063.40; an increase in policyholders' reserve of $189,573.00, exclusive of the additional protection for policyholders of $165,861.05 capital and surplus.

H. E. Graves Heads New York Life Club

OFFICERS FOR YEAR ANNOUNCED

Attendance of $100,000 Men at Atlantic City Convention Largest in History

Explanation of the New York Life's new monthly income policy was made to members of the $100,000 Club at the annual convention at Atlantic City, the $200,000 Club members having already been advised of them at their convention in New London. The disability benefits will be made particularly liberal. If the insured is covered for $100 a month and is permanently and completely disabled he will receive a monthly income of $100 as long as he lives and remains disabled, and at his death his beneficiary will receive the same monthly income during her life. The double indemnity feature will be included in the new policy. This feature applies to accidents on common carriers.

The annual convention of the $100,000 Club at Atlantic City was the most largely attended of any in the company's history. There were 515 delegates, who, with the visitors made 640 all told. This was only the Eastern division, there being 150 more members west of Denver who did not attend this convention.

Second Vice-President Walker Buckner presided and the first day was given to addresses by home office officials. The second day was devoted to practical talks by field men, Hamilton Cook, inspector of agencies at St. Louis, making a particularly instructive and inspiring talk in which he covered a wide range of selling arguments and problems.

H. E. Graves, the new club president, is of Syracuse, N. Y., his production being 131 applications for $174,750 insurance. The vice-presidents at large are, U. Matsuda of San Francisco with 144½ applications for $143,625; G. T. Matsunaga of Los Angeles, 135¾ applications for $136,125; Y. Suzuki, Los Angeles, 128 applications for $133,125; O. F. Immell, Wisconsin branch, 127 applications for $183,000, which is a larger volume than that of any other official of the club.

The vice-presidents are H. Y. Hanafusa, Seattle, with 126 applications for $128,500 and Benjamin Wyche of Charlotte, 124 applications for $170,000.

W. M. Lacy of Little Rock is a second vice-president, with a record of 124 applications for $154,162 and Sol Greenbaum of the Knickerbocker branch, New York, with 123 applications for $164,750.

New Annuity Policy of Fidelity Mutual

ANNUITIES AT 50, 55, 60, 65, 70 AND 75

Paid-up Values After Third Year—Dividends Begin After Second Premium Payment

Forms and premium rates are being prepared for a special deferred annuity policy with return of premiums, to be ready October 1. The new policy provides for annuities to begin at ages 50, 55, 60, 65, 70 and 75.

The policy will be issued with and without disability benefit provisions. When issued without the disability benefits no examination will be necessary, but when disability benefits are included, the usual examination will be required.

The Death Benefits

The policy will provide death benefits equal to the premiums paid, if death occur before the age at which the annuity is to begin; if death occur after one or more payments of the annuity, the death benefit will be the total of the premiums paid, less the annuities paid up to the date of death.

After premiums for three full years have been paid, and until the policy has been in force ten full years, the surrender value will be 110 per cent. of the premiums paid after the first year. The surrender value after the policy has been in force ten full years will be 100 per cent. of the premiums paid.

Paid-up values after the third year are also provided. The paid-up value will be in the same proportion to the original annuity as the premiums paid bear to the total premiums required under the policy. To illustrate: In a case where the premiums are payable for twenty years, and the annuitant has paid ten premiums, he can get a paid-up policy for one-half the amount of the original annuity purchased.

Dividends

The policy participates in dividends upon payment of the second annual premium and at the end of each year thereafter. Dividends can be used currently in the reduction of premiums, or left to accumulate at not less than three per cent. interest. Any dividends left to accumulate, if outstanding at the date when the annuity begins, can then be applied to increase proportionately the benefits under the policy thereafter. Premiums will be payable continuously from the issuance of the policy up to the date when the annuity begins.

In case of total and permanent disability before age 60, premiums will be waived and a disability annuity of the same amount as the deferred annuity will be payable. This feature is similar to that contained in our regular life income policies in this respect. In policies maturing at 65, 70 or 75, no benefits are provided in the event of total and permanent disability occurring after age 60.

HOME LIFE INSURANCE CO.

(Now Purely Mutual)

256 BROADWAY, NEW YORK

GEORGE E. IDE, President

The fifty-seventh annual report shows insurance in force of $133,493,000, an increase during the year of $7,832,827. The Company paid the policyholders in 1916 $3,536,233, of which $628,406 was in dividends or premium refund. Its insurance reserve fund was increased by $1,300,000 and the Assets are now $32-821,462.

For Agency apply to

GEORGE W. MURRAY,
Supt. of Agts.
256 Broadway, New York, N. Y.



The Nation Needs Its Business

Not less patriotic than those who serve the Nation in organizations directly connected with the war, are those who keep the wheels of business steadily turning. Their work contributes to the country's moral poise, and, as well, keeps sound the financial foundation on which our great part in the war must rest. Life insurance is one of the great conservators of national resources, through its protection of the myriad homes of the people and the businesses which furnish their maintenance. Life insurance has therefore a great opportunity and a great duty in this time of crisis.

Occasionally we have a General Agency opening

JOSEPH C. BEHAN, Superintendent of Agencies

MASSACHUSETTS MUTUAL
Life Insurance Company
Springfield, Massachusetts
Incorporated 1851

ALWAYS A PLACE FOR DEPENDABLE AGENTS

Those who can not only write applications but deliver policies, and are energetic in their methods. Good positions are ready for such men.

Union Mutual Life Insurance Co.
PORTLAND, MAINE
ARTHUR L. BATES, President
Address: ALBERT E. AWDE
Superintendent of Agencies
7 W. Madison St., Chicago, Ill.

Huebner's Courses At Columbia University

COLLEGE YEAR BEGINS ON SEPTEMBER 28

Title of Topics to Be Covered by Lecturer—Legal Side Also to Be Covered

Columbia University has made public the outline of the lecture course to be delivered by Professor S. S. Heubner. Classes will meet at 203 Broadway.

WINTER SESSION

1917

September 28—Life Insurance as a Means of Protection. Essential purpose of life insurance; protection versus saving and investment; reasons why the two benefits are combined in the modern contract; factors distinguishing sound from unsound life insurance; the "income" concept; life insurance as a creator and capitalizer of value; various family and personal uses of life insurance protection; social aspects; life insurance in relation to conservation of life.

October 5—Savings and Investment Aspects of Life Insurance. Nature of savings fund in life policies explained; compulsory saving and thrift; systematic accumulation of small sums; methods of hedging the savings fund against premature death; borrowing without collateral security made possible; stability of life insurance compared with other financial institutions; investment return compared with other investments.

October 12—Business Uses of Life Insurance. Indemnification against the loss of valuable lives; partnership insurance, its nature, forms and uses; group insurance and its uses; hedging of loans, bond issues, mortgages and other liabilities; enhancement of the credit of business enterprises; hedging estates against inheritance tax levies; contingent interests made marketable.

October 19—Term, Whole Life, Limited Payment and Endowment Policies. Classification of contracts under each type; nature and functions of each type; advantages and disadvantages of each type of contract under different circumstances; methods of overcoming disadvantageous features of the aforementioned contracts.

October 26—Income Policies. The "income" concept contrasted with the "lump sum payment" concept; reasons for the rapid growth of the income idea; various principles followed in applying the income plan; various types of instalment and income policies analyzed and compared; advantages and disadvantages of each type of income contract under different circumstances.

November 2—Annuities. Nature of immediate and deferred annuities; various kinds of annuities analyzed; arguments in favor of annuities; various classes of persons to whom particularly applicable; advantages or disadvantages of each type of annuity under different circumstances; consideration of arguments customarily advanced against; efficacy of deferred annuities as a means of saving contrasted with other methods.

November 9—Group Insurance. Analysis of the contract; nature of the group; elements necessary to a successful plan; various plans used; method of arriving at the premium; business benefits; benefits derived as compared with other plans of insurance; problems connected therewith discussed.

November 16—Total Disability Benefits in Life Insurance Contracts. Arguments for and against; analysis of the various types of benefits granted under different clauses; analysis of existing clauses as regards risks covered, age and time limits, and other restrictions.

November 23—Factors Underlying a Correct Plan of Life Insurance. Theory and laws of probability; application of the law of average; kinds of mortality tables in use and methods of deriving; reasons why care must be exercised; analysis of the assumptions made in arriving at rates.

December 7—The Net Single Premium. Applied to term; whole life and endowment policies.

December 14—The Net Single Premium (Continued). Applied to immediate and deferred annuities.

1918

January 4—The Net Level Premium. Applied to the various types of contracts discussed under the net single premium.

January 11—The Reserve. Its necessity to sound life insurance and its fundamental relation to the vital portions of the life insurance contract explained; its relation to statute law regulating life insurance; its importance as a standard of solvency; re-insurance; operation as regards different types of contracts illustrated; comparison on different interest bases.

January 18—Unsound (Non-Reserve) Plans of Life Insurance. Various existing assessment plans explained as to nature, expectations and consequences; present legal and economic status of fraternal and assessment insurance; present plans of readjustment; recent regulatory legislation concerning; recent court decisions concerning liability for assessments.

January 25—Loading. Classification and equitable distribution of expenses; various methods of loading analyzed; law of New York relating to expenses and loading.

Spring Session

February 8—Surrender Values and Policy Loans. Extent and significance of lapses and surrenders; analysis of policy provisions and non-forfeiture laws; arguments for and against surrender charges; extent and significance of policy loans; practices of companies concerning; advantages resulting from the loan privilege; arguments for and against liberality in respect to such loans.

February 15—Surplus and Dividends. Sources from which surplus is derived analyzed in detail; relative importance of the sources; present methods of ascertaining and apportioning the surplus; methods of distributing surplus; methods of using dividends compared; the term "dividend" a "misnomer"; the law of New York relating to surplus and dividends.

March 1—Insurance of Impaired Lives. Reasons why important; results of recent medico-actuarial investigations; types of sub-standard lives; necessity of treating these various types equitably; various plans of sub-standard insurance explained.

March 8—Stock Versus Mutual Life Insurance. Essential differences; arguments for and against each of the two plans; the two plans considered from the standpoint of company control and returns to policyholders; recent tendency towards mutualization and the reasons therefor.

March 15—Life Insurance Investments. Principles governing companies in making their investments; types of investments and the nature and merits of each from the standpoint of life insurance; laws governing; rates of interest actually earned; method of arriving at the rate of earning.

March 22—Annual Statements and Gain and Loss Exhibits. Analysis of such statements; the use of ratios for purposes of comparison; ratios favoring old companies; ratios favoring young companies.

March 29—Legal Interpretation of the Contract. Rules underlying court decisions; the application in its relation to the contract; interpretation of various classes of statements in the application; warranties and representations; legal effect of agents' opinions relative to meaning of policy provisions; incontestable clause in relation to fraud, insurable interest, etc.; other policy restrictions and their interpretation. (This and the following lectures will treat those essential legal phases of life insurance in which the salesman should show an interest. The law of New York will be emphasized although important rulings to the contrary will be noted.)

April 12—Insurable Interest and the Law Relating Thereto. How life insurance differs from other forms of insurance in this respect; various rules governing the extent of creditors' interest; rules governing where interest is supported by ties of affection, blood and marriage; interest growing out of other business relations; assignee's interest; time and continuity of insurable interest.

April 19—Life Insurance in its Relation to Bankruptcy. Circumstances justifying the protection of life insurance policies against creditors; State exemption statutes analyzed; provisions of the National Bankruptcy Law relating to life insurance; legal interpretation of these provisions; rights of creditors where policy matures after filing of the petition in bankruptcy.

April 26—Law Pertaining to the Beneficiary. Vested interest of the beneficiary; different ways of designating the beneficiary; various forms of beneficiary clauses adopted by companies; arguments for and against the use of clauses reserving the right to change the beneficiary; economic and legal effect of such clauses; deposit of policies as collateral security; legality of oral transfers of policies by gift; transmissibility of the beneficiary's interest; effect of cessation of beneficiary's interest prior to maturity of contract.

May 3—Assignment of Policies. Different assignment clauses in use; legal interpretation of the same; relation to insurable interest; assignment by assignees; deposit of policies as collateral.

May 10—Law Pertaining to the Payment of Premiums. In relation to the ante-dating of policies; excuses for non-payment; statutory notice of premiums due; when does the policy take effect; effect of part payment of premium; forms of premium notes and their legal interpretation.

May 17—Legal and Professional Aspects of Agency. Power of agents to waive policy conditions; legal interpretation of policy conditions prohibiting such waiver; legal effect of the agent's interpretation of policy provisions; extent to which acts and knowledge of agents are the acts and knowledge of the company; State statutes regulating the making of estimates and misrepresentations.

Build Your Own Business
under our direct general agency contract
Our Policies provide for:
Double Indemnity, Disability Benefits, Reducing Premiums
See the new low Rates
JOHN F. ROCHE, Vice-Pres't
THE MANHATTAN LIFE INSURANCE COMPANY
66 BROADWAY NEW YORK
Organized 1850

ILLINOIS LIFE INSURANCE CO
CHICAGO
JAMES W. STEVENS PRESIDENT
GREATEST ILLINOIS COMPANY
WANTS GOOD MEN AND WILL PAY THEM WELL

THE UNITED STATES LIFE INSURANCE COMPANY
1850 IN THE CITY OF NEW YORK 1914
ISSUES GUARANTEED CONTRACTS
Good men, whether experienced in fe insurance or not, may make direct contracts with this Company. for a limited territory if desired, and secure for themselves, in addition to first year's commission, a renewal interest insuring an income for the future. Address the Company at its Home Office, 277 Broadway. New York City.
JOHN P. MUNN, M. D., President
FINANCE COMMITTEE {CLARENCE H. KELSEY, Pres. Title Guarantee and Trust Co. / WILLIAM H. PORTER, Banker / EDWARD TOWNSEND, Pres. Importers d Traders Nat. Bank

44 MILLIONS from 42 AGENCIES
THE 1916 RECORD OF OUR EARNEST, LOYAL AND HAPPY AGENCY FORCE
New England Mutual Life Insurance Company
BOSTON, MASS.

Income Versus Estate

By W. N. GOLDEN
Equitable Life of Iowa

In the accompanying chart you will note this "Income vs. Estate." Age of insured 35, the wife 31, and the children the youngest of which is two years of age, who happens to be a girl. This is a contract I sold on, as I want to give you a concrete example. In event of the death of the insured the first year, the age of the wife would be 32; the future expectancy of the wife would be 34 years. You will notice that is carried out to the children in the same way the total income paid to the wife and children, and then total income and accrued principal. In considering this, not only consider it as against a trust company, because a trust company is not a guarantor; they simply handle the funds to the best of their business ability and they will charge you a supervision fee of approximately 5 per cent. for handling that estate. Therefore, carry that in mind. Instead of leaving that $50,000 for his wife to invest in event of his death, he very wisely leaves it with the company, on which we will pay 4½ per cent. interest, or $2,250 a year as long as his wife lives if our present scale of earnings continues. As shown here, however, by her expectancy, the wife would be 32 years of age. Should she live her expectancy, we would have paid her $2,250 for 34 years, or a total of $76,500. Now, if the mother lives 34 years, the little girl, now 2, would be 36 years, with an expectation of 31 years of life. Now, we will pay that little girl as long as she lives—and as shown by her expectancy, we would have paid that little girl $69,750. We have now paid to his estate, wife and child, a total of $146,250. We will then pay to his estate his grandchildren or whom he may specify in the addendum.

Fifty thousand dollars principal intact, making a sum total of $196,250 that we would have paid his estate in event of his death the first year, on which he would have paid a premium of $1,319. This is a wonderful proposition when you take into consideration that it is free from cost of supervision, exempt from inheritance tax, which is now 10 per cent., free from income tax which has jumped from 1 to 4 per cent., and the exemption dropped from $4,000 to $2,000. It is also free from State, county and municipal tax, which is indeed another factor. In Pittsburgh, our city taxation amounts to 17½ mills. This will, or addendum, becoming a part of the contract, absolutely removes it from any possibility of litigation, thus eliminating the lawyer, which is another factor. Also, note that there can be no depreciation in the principal sum.

Meeting Objections

Again, I like it for its wonderful flexibility, in that this will or addendum can be handled just the same as a will. I think I can best illustrate that by going hastily over the selling of different contracts of this proposition, meeting the different objections.

The first was the president of a large paint company in Pittsburgh. I went in to make my presentation, and he said: "Nothing doing, no more rich widows in mind." Before going to him I found out all I could about him. He and his wife were not getting along just as well as they might but he thought the world of his little daughter and little boy. I knew about what his income was and I approximated what insurance he was carrying, so I was pretty well prepared to meet him. I said: "Absolutely right, Mr. Blank. The proposition I want to present to you deals with your own flesh and blood, and I know you are vitally interested in anything that looks after the welfare of that little girl and that boy of yours." I won't go through the selling features of that, but his addendum read something like this: That we pay this income to his wife as long as she remains his widow. In event of her marriage, it was then to be turned over to the children. Then, after the mother's death, it was to go to the children, just as is shown here, until the boy reached the age of 35. He said: "If he will ever have sense enough to handle money he'll have it then—give it to him," namely $25,000. He realized that with the daughter it was different. A girl's life is different from that of a boy. The whole environment is different. Her province is in the home. Then again, a girl is up against the marriage lottery. She may marry a corking good fellow who is a poor financier, and he may lose what he may have had and what his wife has inherited. Or, she might marry a hail-fellow-well-met who will quickly dissipate it. The result is the same. That daughter of his might be left in absolute destitute circumstances, possibly in ill health, with a family of children—and you know how a mother will fight for the child. He did not want to think of that little girl of his ever being behind someone's counter, in someone's office, or taking in washing. Therefore, this is to be carried for the daughter until she reached age 50. If she was still unmarried, then buy her an annuity, giving her every dollar she could get out of it as long as she lived. In event of her being married and having children, it was to be carried on, this proposition, to the children and then turned over to the Fidelity Title & Trust Co. until the grandchildren reached a certain age, which he designated.

Another Case

Another case, absolutely different, was in Uniontown. I had found out all about this fellow—self-made man, had accumulated a lot of this world's goods; a very smooth proposition. In going into his office I noted things around—I noted his wife's and children's picture on his desk. I noticed over his desk the sign "Safety First." He listened in a measure to my opening talk and said, "I can see that for some people that is really a very good proposition, but I have everything all fixed up. I could die to-morrow and feel absolutely secure that my family would be well taken care of." I said: "If that is so, you are indeed to be congratulated, because that is so of very few men. Some of our greatest financiers have been unable to conserve their estate." I said, "By the way, could you tell me to-day with any degree of certainty what your estate will be worth ten or twenty years from now?" He said: "No, I couldn't, and no other man could." And I said, "If that is true, is it not an absolute uncertainty as to what that estate of yours will be worth when your hand is removed from the helm, what that estate will settle for or how long there will be an estate?" After some little talk he decided that was true. We took up different stocks and bonds. Then I said: "I notice over your desk

(Continued on page 7.)

A PENN MUTUAL PREMIUM, less a PENN MUTUAL DIVIDEND, purchasing a PENN MUTUAL POLICY, containing PENN MUTUAL VALUES, make an INSURANCE PROPOSITION which in the sum of ALL ITS BENEFITS, is unsurpassed for net low cost and care of interests of all members.

THE PENN MUTUAL
Life Insurance Company
OF PHILADELPHIA

On January 1, 1909, rates were reduced and values increased to full 3% reserve

40% Increase in Paid New Premiums—that tells the 1916 story of Fidelity progress.

Direct leads and the Fidelity "Income for Life" plan are making money for Fidelity field men. Any man who can sell life insurance can sell MORE Fidelity insurance.

Write to-day—

Fidelity Mutual Life
INSURANCE COMPANY, PHILADELPHIA

INCORPORATED 1878 WALTER LE MAR TALBOT, President

THE WESTERN AND SOUTHERN LIFE INS. CO.
W. J. WILLIAMS, President CINCINNATI, OHIO
The Largest Industrial Company West of The Alleghenies
Also Issues All Standard Forms of Ordinary $500 to $10,000
Organized 1888

COMPARATIVE RECORD—SEVEN YEAR PERIODS

	Assets	Insurance in Force		Income	Policies Issued
Dec. 31, 1888	$ 104,307	$ 889,073	1889-1895	$ 1,085,087	265,931
1895	155,640	5,294,381	1896-1902	3,930,883	638,659
1902	876,007	22,374,980			
1909	4,867,379	44,780,907	1903-1909	11,312,912	839,426
1916	11,943,640	104,989,362	1910-1916	22,670,340	1,426,752

AGENTS WANTED IN THE PRINCIPAL CITIES OF OHIO, KENTUCKY, MICHIGAN, INDIANA, WEST VIRGINIA and WESTERN PENNSYLVANIA

Are You Permanently Established?

Write for Territory

Pennsylvania—Ohio—West Virginia

PHILADELPHIA LIFE INSURANCE CO.
PHILADELPHIA

We don't contract with poor men.
We give a new man our attention until he is started.
We make our men make good.
Why don't you work for us?

Peoria Life Insurance Company
PEORIA, ILLINOIS

Extracts from Report of Examination of
SOUTHWESTERN LIFE INSURANCE CO.
By the State of Texas, June 28, 1915

"It is noteworthy that this Company was organized without any promotion expenses."
"I beg to report further that I find the Company in excellent financial condition."
"The volume of its business has steadily increased, its surplus is growing rapidly and its funds are being carefully conserved under expert supervision."

Home Office, DALLAS, TEXAS

LIVE HINTS FOR BUSINESS GETTERS

Practical Suggestions to Help the Man With the Rate Book Increase His Income and General Efficiency

Keep Undelivered Policies At a Minimum

It cannot be gainsaid that comparatively few agents are responsible for the policies that are returned to the home office stamped "undelivered," says "Points," published by the Mutual Life. Some of these cases, to be sure, are unavoidable, but far too many are chargeable to thoughtlessness on the part of the agent, and would not occur if it were generally understood how they militated against his own interests.

"Undelivered" policies come about largely in two ways. The agent, believing that he has a good chance to place more insurance than the application calls for, asks that an additional policy be issued. Unfortunately, some agents persistently abuse this privilege by calling for additional policies where there isn't even a remote possibility of success in placing the extras. Again, and despite the Company's rule to the contrary, some agents advise the prospect who cannot at the moment make up his mind which policy to select, to apply for several policies on one application, for an aggregate of insurance far in excess of what both the agent and the prospect know will eventually be accepted. After looking these policies over, the applicant selects one and the others are returned to the Company.

These unnecessary policies represent just so many clogs in the machinery of service that the Company strives to maintain for the benefit of its field men. Since the home office has no means of recognizing them, these extras receive the same degree of attention as do bona fide policies, and are acted upon in the order received. Thus they operate to delay the issuance of legitimate policies, especially those which come up for action late in the day or at the close of the week-end.

All over the country, merchants and business men are co-operating in a campaign to cut down the expense incident to the return of goods purchased —this expense having gone beyond all reasonable limits. At this critical time, when economy in time and expense and improvement in service are to be commended, it is desirable that our agents co-operate to keep the ratio of "undelivered" to delivered policies of the Mutual Life at the very lowest possible percentage.

House Passes War Risk Insurance Bill

NOT ONE VOTE CAST AGAINST ADMINISTRATION MEASURE

Amendments Increase Compensation for All Dependents 15 Per Cent. —$10,000 Maximum

The Administration's Soldiers' and Sailors' Insurance bill, amended so as to equalize the allowances of the dependents of enlisted men and officers, passed the House.

The vote was 319 to 0, Representative Platt, of New York, and Hersey, of Maine, changing negative votes to aye before the result was announced.

Same Basis for Men and Officers

As the bill went to the Senate privates and officers and their dependents stand on exactly the same basis. Benefits and allowances now provided for are slightly higher than those originally proposed as the minimum for privates by the committee and considerably lower than the maximum amounts which officers and their dependents would have received.

$10,000 Amendment

President Wilson scored a personal victory in the adoption 141 to 77 of an amendment raising from $5,000 to $10,000 the maximum amount of optional insurance policies that the Government would issue to all the men in the service. The original draft of the bill carried $10,000, but it was stricken out in committee.

Upon enlistment under the provisions of the bill, a soldier or sailor is entitled to take out from $1,000 to $10,000 worth of optional insurance at approximately $8 per $1,000. His dependents are entitled to allotments from the government of from $5 to $50 per month and an equal amount up to $15 per month from his pay.

Death or total disability resulting, the dependents of the person in the military or naval service, including women members of the nurse corps, would be entitled to compensation ranging from $20 to $70 per month, and the insurance.

In case of total disability the injured persons would be paid from $40 to $100 per month.

Elimination of the committee compensation provisions came unexpectedly. No serious opposition to them was promised until Representative Black, of Texas, suddenly began assailing the salary basis proposal as a most undemocratic thing to impose upon an army fighting for democracy. He quickly won supporters, and his proposal to equalize the benefits of all classes was adopted almost unanimously. Representative Alexander, of Missouri, opposed the Black amendment on the ground that a family should benefit from the death or disability of their support in accordance with his earning capacity.

Amendments

The bill also was amended to increase compensations for all dependents about 15 per cent. The new rates per month adopted were : Widow, $35; one child, $45; two children, $52.50, and an additional $5 for each child up to four.

One motherless child, $20; two, $35; three, $45, and $10 additional for each child up to five.

A widowed mother would receive $30 a month and no family allowance would exceed $75 a month. Under the original draft of the bill the compensation for officers' dependents might have gone as high as $200 a month.

The change in the measure was marked by great enthusiasm on the part of every member on the floor except a few committeemen.

An amendment to provide that widows marrying soldiers or sailors within ten years of the date of the injury should be entitled to the regular compensation also was adopted.

Remarriage of a Widow

A widow's compensation would cease upon her remarriage and a dependent child's would cease at 18 years of age.

Monthly benefits to a soldier or sailor in case of total disability would be as follows:

If he has neither wife nor child living, $40; wife, $55; wife and one child, $65; two or more children, $75; no wife but one child, $50 and $10 additional for each child up to two; dependent widowed mother $10 additional.

Injured men requiring nurse care would receive an additional $20 monthly.

A man losing both feet, hands or eyes, would be entitled automatically to $100 per month.

THE MOST VALUABLE POLICY FOR YOU,
Mr. Agent, is to write your prospect in the Company writing the most valuable policy for the insured.
Secure **prompt action** in the
John Hancock MUTUAL LIFE INSURANCE COMPANY OF BOSTON MASSACHUSETTS
WILLIAM N. COMPTON, General Agent
METROPOLITAN DISTRICT, ST. PAUL BLDG., 220 BROADWAY, NEW YORK, N. Y.

ORGANIZED 1871
Life Insurance Company of Virginia
RICHMOND, VIRGINIA
OLDEST, LARGEST STRONGEST Southern Life Insurance Company
Issues the most liberal forms of Ordinary Policies from $1,000.00 to $50,000.00, and Industrial Policies from $12.50 to $1,000.00
CONDITION ON DECEMBER 31, 1916:

Assets	$14,464,552.23
Liabilities	12,436,717.56
Capital and Surplus	2,027,834.67
Insurance in Force	118,349,212.00
Payments to Policyholders since Organization	18,119,172.50
Is Paying its Policyholders over	$1,300,600.00 annually

GOOD TERRITORY FOR LIVE AGENTS

FOUNDED 1865
Unexcelled In Favorable Mortality and Economy of Management
The Provident Life and Trust Company
OF PHILADELPHIA
Rates of Premium Extremely Low and still further reduced by Annual Dividends

Ambitious, Productive and Trustworthy Life Agents may be benefitted by corresponding with the
Berkshire Life Insurance Company
of Pittsfield, Mass.
Inc. 1851
New policies with modern provisions Attractive literature
W. D. Wyman, President W. S. Weld, Supt. of Agencies

Security Mutual Life Insurance Company
Binghamton, N. Y.
Offers to men able to produce business first class territory, with direct contract providing liberal compensation.
For particulars, address
C. H. JACKSON, Supt. of Agencies

J. C. Hmmes President
THE CRESCENT LIFE INSURANCE COMPANY OF INDIANAPOLIS, INDIANA
"ENDURING AS THE PYRAMIDS"
L. D. Clancy Secretary
A Legal Reserve Company
Are You a Big Producer? Can You Prove It?
ONE GENERAL AGENT WANTED IN INDIANA
Home Office: Fletcher Trust Bldg., Indianapolis, Ind.

Income Vs. Estate

(Continued from page 5.)

here you have an advocate of 'Safety First' and he told me what a fine thing that was told me of the different machines he had put in, how he had cut down accidents, etc. "Now, wouldn't it be a corking good proposition," I said, "for you to apply that to your own personal life. You have just said you cannot say absolutely at this time that your estate will be conserved. You will undoubtedly leave a nice estate. Now, my proposition is that you take a small portion annually from what you are going to leave, and tie it up in this 'Safety First' device, so that regardless of what may happen to the rest of your estate, this portion can never be separated from that which you have set down in the addendum which is a part of the contract. Now, it is barely possible that they may make a howling success with what you have left them; they may make such a success, in fact, that they will forget that you laid the foundation for their wonderful success, and may think of poor old dad just once a year at the anniversary of his death. Now, you don't want that. I see from the pictures there that there is a little sentiment in your make-up, that you want to build a little monument for yourself in the hearts of the wife and kiddies. Now, do you know of any way on earth wherein you could be more beautifully perpetuated than in the proposition we are presenting to you—where once every month, just as long as any of your family live, they are going to get a message from dad? That message may carry with it the very necessities of life to that loved one. And it is within your power, Mr. Blank, right this minute, to say with absolute assurance that 'My family will never be in want,' and it is the only way on God's earth in which you can do it." He said, "Golden, you are right" and that's all there was to it.

Flexibility

Another experience showing the flexibility of the proposition. I had sold the husband considerable insurance. I went around to him again, and said, "Al, I've come for another $25,000, I need the business." He said, "Get out of here; the last insurance you sold me, I almost lost my home." I said, "Will you let me go out to the house and sell this $25,000 to your wife," and he said, "Go ahead, you'll get what has been coming to you for a long time, and you'll get it good." So the appointment was made and I started out there one night. All the way out I tried to put myself in the position of the wife and from every conceivable angle. These are the conditions: Husband was wealthy; had a nice business. He married a lot of money and they are very good livers; living right up to their income and having a good time. I saw I had to overcome that. The last $25,000 I had sold Al, I had put on this trust fund option. I knew she had the money; it all went into one pocket. So we started out in a nice easy way; talked things over, and I said, "Al, you have a corking good business—one of the best dividend paying propositions in town. What is going to happen to that organization when you and George and two or three of the others die? What's going to be the policy of the company?" He said he did not know, I said: "George don't know either. Now, George is going to draw every soo-markee in this company when you die. He is smooth enough to know that with a change of management this whole thing may be wrecked." We talked along this line for a while. His wife had a lot of stocks, bonds, securities, etc. I said, "Al, if you were going to make an absolutely safe investment for your mother or one of your sisters that had to carry for 40 or 50 years—it must be absolutely safe—just what would you buy?" He didn't just know. I said, "Al, isn't it true that you can't see with any degree of certainty what any bond or security, outside of a government bond, is going to be a few years from now on a forced sale, a bad market, or panic conditions." He said, "I believe I'd take Pennsylvania Railroad." I said, "That is good now, but so was New York & New Haven, but when Morgan and his crowd got in, it went absolutely to pieces." Then we talked about mother and the children; what those little children meant, and I don't think I ever made as good a selling talk in my life, because we carried that in a conversation way up to the painting of a word picture of mother's death and I said, "How much easier it would make that sad parting if you know that you have had your little part in making absolutely secure the lives of those children." I carried it on a little further until mother was crying and Al was sniffing, and honest to goodness, if I had gone on two minutes more I would have been crying myself. Now, Al contributes the proceeds of $25,000 a year to the children, and the girls—they assume they are going to be married—Al gives each of the girls proceeds of $5,000 on this proposition. But when Tom reaches age 30, they are going to give Tom this $5,000. And this other $25,000 comes from mother. Once every month, just as long as they live, they are going to get a message from mother and they are going to get a message from dad. This is just another way of meeting a proposition of that kind.

THE
METROPOLITAN LIFE
Insurance Company
(Incorporated by the State of New York)



Metropolitan Life Insurance Company
Home Office Building

The Company
Of the People
By the People
For the People

The Daily Average of the Company's Business during 1916 was:

701 per day in Number of Claims Paid.

8,304 per day in Number of Policies Issued and Revived.

$1,969,823 per day in New Insurance Issued, Revived and Increased.

$376,827.40 per day in Payments to Policyholders and Addition to Reserve.

$220,509.26 per day in Increase of Assets.

JOHN R. HEGEMAN, President

INCOME VS. ESTATE

AGE OF INSURED, 35 — WIFE, 31 — CHILDREN, 2

PRINCIPAL GUARANTEED, $50,000.00

Annual Deposit $1,319.00

Interest Guaranteed 3%
*Dividend-present Basis 1½%
Total Income 4½%

POLICY ORDINARY LIFE

If Death Occurs	Accrued Principal Payable to Grandchildren or Estate	Yearly Income Int. 3% *Div. 1½% 4½%	PAYABLE TO WIFE: Age Then	Expectancy of life	Total Income	THEN TO CHILDREN: Age of Youngest at Death of Wife	Expectancy of Life	Total Income	Total Income to Wife and Children	Total Income and Accrued Principal	Total Deposit	Income per $100 Deposit
1st Year	$50,000.00	$2,250.00	32	34	$76,500.00	37	31	$69,750.00	$146,250.00	$196,250.00	$ 1,319.00	$14,879
5th Year	51,477.00	2,316.47	36	31	71,810.57	38	30	69,494.10	141,304.67	192,781.67	6,595.00	2,923
10th Year	53,553.00	2,409.89	41	27	65,067.03	39	29	69,886.81	134,953.84	188,506.84	13,190.00	1,432
15th Year	56,424.00	2,539.08	46	24	60,937.92	41	27	68,555.16	129,493.08	185,917.08	19,785.00	940

Security 20 Million dollars

Minimum Earning Ability
- Interest - - - - - $1,500.00
- Dividend, now - - - - 750.00
- Total 2,250.00
- Convertibility, Optional

*Estimated on present basis of distribution.

No Experience needed
No Supervision required
No Expense
No Taxation
No depreciation

MONTHLY INCOME
Minimum Guaranteed - $125.00
Dividend - 62.50
Total 187.50

Representing

The Mutual Life Insurance Company
of New York

You will make money.

The great strength, big dividends and incomparable benefits of the *"oldest company in America"* mean certain success for you.

For Terms to Producing Agents, Address

GEORGE T. DEXTER, 2d Vice-President

34 NASSAU STREET, NEW YORK, N.Y.

CHORN ON INSURANCE

No dream of democracy or socialism can go beyond this without reaching beyond the human contact and touch, said Superintendent Chorn, of Missouri, in a talk to International Life men. Insurance is not only an enterprise vindicative of burdens, but it promotes health, morality, and is one of the most efficient builders of character that we have invented in our modern day civilization. Insurance representatives represent what the Government is continually striving for; it represents the effort of man to provide for the future without making the struggle for that provision a nightmare in the present. It eases the pressure of life on the worker and enables him to feel and know while he proceeds along his toilsome way the certainty that those he cares for will be protected when he is gone.

We cannot get out of government, out of society, anything higher than insurance affords.

The Northwestern National, which started out to write $15,000,000 this year, will probably write $18,000,000.

THE EASTERN UNDERWRITER

This newspaper is owned and is published every Friday by The Eastern Underwriter Company, a New York corporation, office and place of business 105 William Street, New York City. Clarence Axman, President; W. L. Hadley, Secretary. The address of the officers is the office of this newspaper. Telephone 2497 John.

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SELLING LIFE INSURANCE

While it is true that life insurance cannot be sold merely by reading books or special articles telling how it should be done there is not the slightest question that such literature is a decided help to the man in the field; that it prepares him for the fray, furnishes him with new ideas, injects freshness into the jaded spirit; gives him an advantage over the hit-or-miss type of agent who depends solely upon his own resources and does not take time to learn what others are doing. No insurance writer can read the story of the achievements of H. B. Rosen, for instance, without experiencing a thrill at the possibilities of his own business, or by being spurred to more energetic efforts. A personal production in one year which has every indication of totaling $12,000,000! It is almost inconceivable. One man working from a single office with no assistance but two secretaries and a stenographer, is able to write a volume of business more than the combined agency force of many companies can do. His statement that he never talks about himself, but always about the protection of the policy and the strength and honor of the company is worth remembering in view of the results he achieves.

While Fred Hege, of Raleigh, N. C., does not write such large policies as do many others, his manner of working, as is told by Luther B. Little, former manager of the publication department of the Metropolitan Life, shows that there are few life insurance men who are so close to their patrons and their field as he is. He literally lives with his policyholders. And, it is no wonder they swear by him, and not only stick to their policies, but give him additional insurance.

For the most part there is very little in this issue of what is generally termed "advice." As a rule the experts tell facts about the policies, or give their personal experiences, or tell of the arguments of others which resulted in the sales of policies.

Among the best straight selling arguments in the number is that of Robert J. Mix, of The Prudential who has written a classic piece of logic for the sale of a monthly income policy. While it was impossible, in a number of forty-four pages, to have experts discuss all the different kinds of policies, as much ground was covered as possible by taking corporation, industrial, endowment, income, group and several other kinds of insurance. There are valuable facts, too, about the relations of the agency force to the medical, legal and actuarial departments.

The broader activities in the world of insurance occupied by women is shown by the establishment recently of a number of new departments. The women who wrote the articles for The Eastern Underwriter are unusually well-qualified to speak, as they have all made a success of their profession.

Not the least important of the groups of articles are those from the literary departments of the life insurance companies. If the agents read these articles carefully they will receive many new angles on how to read not only the popular magazines and daily papers, but their company publications, as well. In fact, every page of this number should be carefully read, as there are dozens of good selling suggestions in it. For giving the insurance fraternity the opportunity of benefitting by these suggestions through The Eastern Underwriter by writing the articles, this paper is under deep obligations to the authors, and wishes to take this opportunity of expressing its thanks.

The advertising copy in the "Life Insurance Salesmanship Edition" of The Eastern Underwriter is unique and important. There has never been anything published in insurance exactly like it. General agents and personal producers give to the fraternity the platforms on which they stand; the creeds in which they believe. Lofty in sentiment, expressing confidence in the ideals of their business, these advertisements reflect the current best standards of life insurance.

JUMBO LINES

The jumbo line plebiscite of the Home Insurance Company tears away a great deal of hyprocisy which has hedged this issue, shows that the great majority of agents are satisfied with the present coverage facilities, and sheds a clear light on a topic which is slated for discussion by agents at St. Louis. The vote of the Home's agents against legislation for restriction of re-insurance facilities was overwhelming. It can be regarded as representative as the Home's agency corps is one of the largest.

President Snow is to be congratulated for his enterprise in this matter. It is a symposium significant as it is important.

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The cut of Joseph A. Richards, of the Joseph A. Richards Company, printed in the "Life Insurance Salesmanship" section, is copyrighted by Underwood & Underwood.

Wilbur B. Sprague has been appointed general agent of the New England Mutual Life for Worcester County, Mass.

FEWER MEETINGS NOW

The degree to which the National Workmen's Compensation Service Bureau in New York has perfected its work is well illustrated by the lesser frequency of bureau meetings.

THE HUMAN SIDE OF INSURANCE



DAVID VAN SCHAACK

David Van Schaack, elected president of the National Safety Council last week, is director of the Bureau of Inspection and Accident Prevention of the Aetna Life Insurance Company and the Aetna Casualty and Surety Company of Hartford, as well as director of the department of publicity of the above named companies and of the Automobile Insurance Company of Hartford, Conn. He has been interested in safety work for the past ten years and was one of the original organizing committee of the council, as well as its first chairman of the finance committee. He has served as a member of the executive committee ever since the council first came into existence. He is the author of several pamphlets on safety, among them, "Safeguards for the Prevention of Industrial Accidents," "Woodworking Safeguards" and "Cotton Mill Safeguards," and he has spoken in many of the large cities on accident prevention work. He is a graduate of Trinity College and before becoming associated with the insurance business, for some years did special work for the New York "Evening Sun" and the Hartford newspapers.

The National Safety Council is one of the best known organizations of its kind and its membership embraces the largest industries in the United States. The congress is now holding its annual convention in the Hotel Astor.

The speakers of each day's meeting are well known men associated with the various large corporations who try in every way to safeguard their employes. E. H. Gary, president of the American Iron and Steel Institute of New York, is one of the honorable members of the association.

One of the special features of the congress will be the National Exposition of Safety and Sanitation at the Grand Central Palace, Forty-sixth street and Lexington Avenue, New York, during the same week. A co-operative arrangement was made with the American Museum of Safety to have one National Comprehensive Safety Exhibit in 1917. All of the ground floor space has been sold to manufacturers of devices and appliances pertaining to accident prevention, fire prevention and sanitation, and to industrial concerns and railroads who will exhibit the latest improvements in safety devices for the benefit of the members of the council and others.

* * *

Stewart Anderson, who has been with the Massachusetts Mutual Life for twenty-three years and who has been editor of "The Radiator," for the four and a half years that it has been published by that company, has resigned to take the position of educational director in Springfield and vicinity of the Sheldon School of Business Building and Salesmanship. It would be difficult to find a more entertaining and instructive magazine than "The Radiator" among any of the publications issued by life insurance companies.

It may be that the successful agents and general agents of the Massachuetts Mutual Life are more facile and happy with the pen than the general run; it may be that the officers of the company and the editor of "The Radiator" have the faculty of inspiring producers to tell of their achievements in such a way that others are benefitted, but whatever the reason here is a company magazine that pulsates with life and is most quotable. Mr. Anderson leaves life insurance to the regret of a great many friends he has won, not only in insurance, but in newspaper offices. He is a cultured man of wide experience, a clever and convincing public speaker, and a writer of force and ease, with a happy gift of humor.

Mr. Anderson entered the employ of the Massachusetts Mutual as a stenographer to President Edgerly in 1894. After the death of Mr. Edgerly he held a similar position with President John A. Hall. He studied law and was admitted to the Hampden county bar. After he became an attorney he entered the legal department of the company and then, because of his ability as a writer, he was given the position of publicity director. In addition, he was also placed in charge of the supply department. He has retained these two positions for the past 12 years. He has been president of the Springfield Publicity Club and of the Rotary Club.

* * *

Henry F. Sewall, of Sewall & Alden, casualty managers of the Prefferred Accident and general agents of the National Fire, of Hartford, left on Tuesday for San Francisco. Mr. Sewall is on the Administrative Board in Washington and is going to the Pacific Coast to establish branch offices of the board to expedite the issuing of export licenses to Pacific Coast shippers.

* * *

BENJAMIN RUSH TO SPEAK

Benjamin Rush, president of the Insurance Company of North America, Philadelphia, will speak at the opening session of the annual convention of the National Association of Insurance Agents in St. Louis, October 11. His subject is the American agency system. In this connection it is an interesting coincidence that the North America appointed the first local agent in the United States in October 110 years ago.

Mrs. George Harry and Mrs. Mary Treadwell of the Treadwell & Harry Agency, Memphis, were visiting the home office of the Fidelity & Casualty in New York last week, for which company they are resident agents. These ladies, who, by the way, are sisters, have built a wonderfully successful agency in Memphis.

FIRE INSURANCE DEPARTMENT

Phillips Opposes Revenue Bill

Prominent Company Officials Also in Opposition—Amendment Proposed Excluding Insurance Companies

ALL COMPANIES ARE AFFECTED

To Be Reported Out This Week By Conference Committee of Congress —Mr. Hoey's Letter

Considerable opposition has been aroused among insurance company officials to the provision of the War Revenue Bill now being considered by a conference committee of the Senate and and the House of Representatives compelling the distribution of surplus earnings under penalty of a prohibitive tax.

Superintendent of Insurance Jesse S. Phillips, of New York State, has voiced his opposition to this provision in a letter addressed to Senator Simmonds, chairman of the finance committee of the Senate, in which he urged the adoption of an amendment excluding insurance companies.

The Amendment Proposed

The phrase of the provision objected to reads, "There shall be levied * * * an additional tax of ten per centum upon the amount remaining undistributed * * * of the total income of every corporation, joint stock company or association, or insurance company." It is proposed to amend this last phrase, which is line 1, page 112 of the bill, to read "except insurance companies."

It is expected that final action will be taken on the bill before the end of this week.

Mr. Hoey's Letter

The views of the men opposing the bill in its present form were expressed in a letter sent to the Finance Committee by James J. Hoey, executive special agent of the Continental, who said in part:

"If the bill is enacted, as now worded, the fire insurance companies will be compelled to distribute annually their surplus earnings to their stockholders under penalty of a prohibitive tax, instead of retaining them to meet the extraordinary conflagration losses that frequently occur. The laws of the various States prescribe a surplus without which no fire insurance company is permitted to do business. It is well understood, however, that such surplus is regarded as the minimum of safety, and the companies are encouraged to accumulate additional surplus to meet extraordinary losses. If this practice had not been followed during the last decade, the tremendous conflagration losses would never have been paid.

"The insuring public is entitled to an absolute guarantee that their insurance will be paid in the event of loss. If the companies are compelled to pay out their surplus earnings in profitable years, instead of accumulating them to meet the losses of unprofitable years, the payment of extraordinary conflagration losses will be uncertain. I respectfully suggest that an amendment be made to the bill exempting insurance companies from this tax. This can be done by striking out the word 'or' on line 1, page 112, of the bill and inserting in place thereof the word 'except.' "

N. Y. STATE MEETING

Underwriters Association Adopts New Schedule For Rating Ice Houses—Conservation Work

At the meeting in Syracuse this week of the Underwriters' Association of New York State, the association considered the practice of making average rates to be decided on values in the form of affidavits which should be required every two years the rates to be based on said affidavits.

The resignation of the Minneapolis Fire & Marine from membership in the association was announced. No reasons were announced for this action.

It was reported at the meeting that the Vassar College line had been placed at a cut rate.

A new schedule for the rating of ice houses was adopted by the association.

Announcement was made that the conservation work of the association in inspecting industrial plants was about 75 per cent. complete.

STOPS WRITING

The First National Fire has stopped writing and has notified agents to pay return premiums. It is understood that the Company has enough money to pay all its obligations.

W. T. Francisco With F. S. James & Co.

W. T. Francisco, who has been with F. R. Wood-W. H. Dolson & Co. for several years and for eight years was office manager for W. O. Haubold & Co., started this week with Fred S. James & Co.

FIRE AND MARINE INSURANCE—ALL LINES

The Automobile Insurance Company of Hartford, Conn.

MORGAN G. BULKELEY, President

Statement January 1, 1917

Cash Capital - - - -	$1,000,000.00
Assets - - - -	2,748,832.19
Liabilities (Except Capital) - -	1,039,977.81
Surplus to Policyholders - -	1,708,854.38

AFFILIATED WITH

AETNA LIFE INSURANCE COMPANY

THE AETNA CASUALTY & SURETY CO.

LICENSE WITHDRAWN

New York Exchange Acts in Terry, Reeve & Sweeney Case—W. H. Bell Arrested

The license of Terry, Reeve & Sweeney was withdrawn by the New York Fire Insurance Exchange after a hearing before a committee last Friday. The firm had been accused of collusion with an employe of the Exchange to secure a rate improperly. The employe of the Exchange has been discharged and the evidence of the committee was turned over to the Insurance Department on Tuesday for action in regard to cancelling the State license of the brokerage firm.

W. H. Bell, a broker of 16 Exchange Place, was arrested on Tuesday charged with having presented a policy to the American Chicle Co., the face of which read $92,000 but which the insurance company is alleged to have issued for $42,000, for having collected the premium for the larger amount and for pocketing the difference, it is alleged.

Will Forego Tournament

The fall tournament of the New York Fire and Marine Golf Association has been given up because of the large number of its officers and members who have joined the colors. The tournament was to have been held the latter part of this month.

NIAGARA FIRE INSURANCE COMPANY

ESTABLISHED 1850

OTHO E. LANE, President

BERNARD M. CULVER
WILLIAM L. STEELE
Vice Presidents

CHAS. A. LUNG
WILBUR C. SMITH
Secretaries

"Agents Everywhere"



FIRE
TORNADO
AUTOMOBILE
RENTS
SPRINKLER LEAKAGE
EXPLOSION
FULL WAR COVER
LEASEHOLD

Use and Occupancy, Profits, Commissions — All Forms

123 William Street, NEW YORK

NORTH BRANCH FIRE INS. CO.
Sunbury, Pa.
Inc. 1911

Assets	$641,341.77
Reserve	230,513.29
Capital	300,000.00
Surplus	63,479.83

CITY INSURANCE COMPANY
Pittsburgh, Pa.
Inc. 1870

Assets	$357,318.58
Reserve	54,256.92
Capital	200,000.00
Surplus	96,379.07

OPERATING ON A CONSERVATIVE BASIS IN A LIMITED TERRITORY UNDER AN EXPERIENCED MANAGEMENT

BROKERS ACTIVITIES

"Good Fellowship" Is Part of Office

MARSH & McLENNAN HAVE A UNIQUE SYSTEM

Making Out-of-Town Men Feel at Home is One of Routine Duties

The New York office of Marsh & McLennan has an original method of making out-of-town men and newcomers to the office feel at home. The accompanying snapshot is of a group of such men taking in the sights of Coney Island's Mardi Gras.

The personnel of Marsh & McLennan's metropolitan office is mostly composed of new-comers to New York City. It is one of the self-imposed duties of the men who have become acclimated here to extend the bond of good fellowship to the younger and newer men and



Top row:—Laurence Kennedy, George Sullivan; Second row:—John Lynch, Jos. W. Hunter; Third row:—David Hartfield, Paul J. Kennedy.

to make their work as congenial as possible.

One of the leaders in this respect is David Hartfield. Mr. Hartfield himself is an out-of-town man. He was an independent agent in Henderson, Ky., when Marsh & McLennan took him into their Chicago office as a solicitor, later transferring him to New York. Mr. Hartfield has the advantage of a wife, a home and an automobile which he uses generously to the advantage of his associates, as he used his automobile in the present instance.

Two of the other figures in this group come from Minneapolis. They are Laurence and Paul Kennedy, brothers. Laurence Kennedy has been with Marsh & McLennan for a long term of years and was formerly chief clerk for F. A. Mannen in the Minneapolis office of the firm. He came to New York with Mr. Mannen. Paul Kennedy graduated in June from the law school of the Catholic University at Washington, D. C and is a new-comer to Marsh & McLennan as well as to New York.

Jos. D. Hunter, also snapped above, is a Hartford man and came to New York and Marsh & McLennan via the New York Fire Insurance Exchange. He is chief engineer of the New York office, having charge of the telephone inspections of the American Telephone and Telegraph Co., and the New York Telephone Co., both of which accounts Marsh & McLennan control.

John Lynch is the only member of the party who is a true New Yorker. He has been with the New York office for seven years and was first famous with the German-American.

George F. Sullivan has also always been with the New York office of Marsh & McLennan but came to them from Hartford after finishing school there.

Last week's trip to Coney Island, which included the sights with a shore dinner at Henderson's, is but one of several similar affairs. In May a larger group of the boys made up a theater party and took in the Century. On July 14, the members of the staff of the New York office gave a dinner at the McAlpin to the five of their number who had enlisted. Each week there is some activity planned and in connection with all there is an unwritten rule that no "bosses" are allowed so that everybody will feel perfectly at home.

* * *

J. & H. Office Manager

Charles Miller has been made office manager for Johnson & Higgins.

* * *

P. J. Hard is Corroon Placer

R. A. Corroon & Co., Inc., have made P. J. Hard, who has been with the office for several years, placer succeeding Emil Habrich who was drafted.

* * *

Fire Brokers Start Meetings

The Fire Brokers' Association of New York will hold its first fall meeting on October 17.

* * *

Fleischmann & Sulzbacher Dinner

Fleischmann & Sulzbacher last Saturday gave a dinner at the Hotel Athens to twenty-four of the employes and friends of the office in celebration of the eleventh anniversary of its organization. It was announced at the dinner that Frederick W. Hopfe, who has been with Fleischmann & Sulzbacher for the past six years, had been made a member of the firm. It was also announced that Herbert Samuels, placer, will leave Saturday for training camp.

* * *

A. L. Simmons Drafted

A. L. Simmons, of Indianapolis, formerly Indiana State agent for the London & Lancashire Indemnity, is visiting the home office in New York. He was recently drafted.

B. M. CROSTHWAITE & CO.
Fire and Automobile Insurance Specialists
Lines Bound Anywhere in New York State
105 William Street, New York City, N. Y. Telephones 2404-5-6-1758-1090 John

PHILADELPHIA
ADEQUATE FACILITIES — ALL LINES
CLARENCE A. KROUSE & CO.
LOCAL AND GENERAL AGENTS
325 WALNUT STREET PHILADELPHIA, PA.
PENNSYLVANIA NEW JERSEY
SATISFACTION SERVICE — ALL LINES

LOGUE BROS. & CO., Inc.
Fire—Casualty—Automobile Insurance
Nation-Wide Facilities for Handling SURPLUS LINES
307 FOURTH AVENUE PITTSBURGH, PA.

SCHAEFER & SHEVLIN
103-5 William Street GENERAL AGENTS New York, N. Y.
DUBUQUE FIRE AND MARINE INSURANCE CO.
Excellent Facilities for Handling Suburban Business Phone: John 2312

Caledonian Insurance Co. of Scotland
FOUNDED 1805
"THE OLDEST SCOTTISH INSURANCE OFFICE"
UNITED STATES HEAD OFFICE
Caledonian Building, 50-52 Pine Street, New York
CHAS. H. POST, U. S. Mgr. R. C. CHRISTOPHER, Asst. U. S. Mgr.
NEW YORK CITY OFFICE
Golden Hill Building, 59 John Street, New York

Authorized Capital $500,000
Detroit National Fire Insurance Co.
DETROIT, MICHIGAN
A Company to be built gradually and along the indicated lines of permanence
AGENCY CONNECTIONS SOLICITED

STRENGTH INTEGRITY SERVICE
Scottish Union & National Insurance Company
HENRY J. HOUGE J. H. VREELAND Assistant Secretaries
JAMES H. BREWSTER, Mgr. Hartford, Conn.
A Broad Underwriting Service to Agents
Writes Fire, Automobile, Rent, Sprinkler Leakage, Tornado, Use and Occupancy, Explosion, etc.
Works in Harmony with American Agency Principles and Practices

F. H. HAWLEY, Pres. ORGANIZED 1848 W. E. HAINES, Secy.


Ohio's Oldest and Strongest Company
Net Surplus Over $1,293,741.00
AN AGENTS COMPANY
E. K. SCHULTZ & CO.
PHILADELPHIA
GENERAL AGENT
Pennsylvania, New Jersey and New York

Personalities Among Chicago Brokers

PRESIDENT CARPENTER, OF ASSOCIATION, MEMBER OF BAR

Charles L. Bliss Handles Montgomery Ward Line—George Eddy's Sons in Service

While many Chicago brokers have left that branch to become special partners or agency men, there still remains a goodly number in the brokerage field there who are among the city's most active insurance men.

D. F. Carpenter, president of the Insurance Brokers' Association, has proved a valuable man to that organization through his work as chairman of the legislative committee during the meeting of the general assembly in 1913. During that session he spent much of his time in Springfield and put forth his best efforts to secure the enactment of the anti-rebate and brokers' license bills. That both failed to become laws is no reflection on the ability with which he handled the situation. Mr. Carpenter came from St. Paul. He was educated in the schools of Boston and was graduated from Boston University Law School and is a member of the Massachusetts bar. He came to Chicago about five years ago as a special representative of the Casualty Company of America in Illinois and several other States.

Kornblith in Agency Business

Just at present the brokers' association is not very active, but there are a number who maintain their interest in it, and H. G. Kornblith is one, although he has entered the agency busrness with Eliel & Loeb Company, of which he is vice-president. When the association was more active Mr. Kornblith was one of its most enthusiastic members and many are the spirited entertainments he took part in preparing.

The Bartholomay Brothers

William Bartholomay and his brother Herman, who together with Ira C. Darling constitute the firm of Bartholomay-Darling & Co., have built up a large and stable business within a short time. They have proceeded along a broad plan of operation which has proven successful beyond expectations. Both the Bartholomays are large writers of life insurance and have won distinction in the broad ranks of The Prudential. William, particularly, is considerable of a club man and has many interests. Mr. Darling is known as a large producer of compensation and liability business. He retains a lively interest in athletics and is a member of the Union League Club.

George A. Seaverans, Jr., is another broker who has been active in improving conditions for those engaged in this class of business through his efforts in the association. He is one of the younger men who is regarded as being very capable in his line. He has a large grain business. Mr. Seaverans goes in for one of the most strenuous games known—polo—and maintains a keen interest in social affairs.

Fine Training of I. E. Stieglitz

I. E. Stieglitz, of the Fred S. James office, succeeded to his father's business. It is said of Mr. Stieglitz that he prepared himself better for the insurance business than almost any other man in the Street. He not only worked in the Underwriters' Laboratories, but also took the Armour Institute course before actively taking up the brokerage business.

Veterans

Charles L. Bliss is often referred to as the oldest broker now in business in Chicago. He is and long has been a large producer and handles the Montgomery Ward lines.

Among the old standbys is George M. Eddy, of the George Hermann & Co. office. He is really the father of the brokers' association and is one of the youngest looking men in the business, notwithstanding that he is the father of three officers in the army. His oldest boy is captain in the Regular Army and the other two are second lieutenants.

Weed an Ensign in the Navy

Another broker, who has temporarily given up business to aid his country is George L. Weed. He is an ensign in the navy and is doing valuable work training young men for many important duties in connection with the protection of our commerce. Men with Mr. Weed's qualifications and experience are hard to find and, furthermore, he gives his time cheerfully to a cause with which he is in hearty accord. For years Mr. Weed has been known in Chicago as an expert yachtsman and many are the exciting races in which he has sailed.

Put in Jail for Reading

Like many other Russians, S. B. Komaika has an interesting history. When quite young he was discovered by the government authorities reading a book. This being under the ban he was promptly put in jail but obtained his release upon a promise to leave the country. By this action Mr. Komaika believes that the government did him a signal service, for not only has he been enabled to obtain a liberal education but he has made a success of his brokerage business and has the respect and admiration of a large circle of friends.

Some Other Well-Known Figures

Among other brokers who still maintain an active interest in the work of the association are R. J. Richards, H. I. Tevnan, George J. Diener, who, by the way, has been successful in centering his activities upon casualty and employers' liability lines; F. D. Wallace and Arthur L. Lazarus, both of whom control large businesses; Arthur L. Meyer, Alfon E. Bahr, who has done particularly well in the automobile field; Jay W. Butler, E. E. Barnard & Co., Thomas J. Byrne & Brother, of the Naghten office (Tom Byrne having been a president of the association); Archibald D. Corrigan, who writes casualty largely and is interested in the National Mutual Casualty Insurance Company, of which D. F. Carpenter is secretary and treasurer; G. George Douaire, Major Elliott Duran, a Grand Army man, who still delights in athletic sports; Thomas J. Farrell, who was the second president of the association; Hawxhurst & Company, Mr. Hawxhurst being son of the head of Marshall Field's extensive insurance department; and Harold E. Leopold, who has developed a large automobile business.

Yes, and Max Dumbufsky should not be forgotten, for he is one of the most interesting characters among the brokers and has been in the business a long time. Many a pleasant and instructive moment may be spent conversing with Max.

FIFTY YEARS OLD

"The Western Insurance Review," of St. Louis, was founded in 1867. It celebrates its fiftieth anniversary with the publication of a special edition, in which are a number of interesting articles. Tarleton Brown is editor.

W. E. BEER DEAD

William Edward Beer, for many years with "The Standard," died in Ishpeming, Mich., last week. He was sixty-two years old. For a number of years Mr. Beer conducted the editorial department.

Agricultural Insurance Company, of Watertown, N. Y.

64th Annual Statement

Assets	$5,036,003.01
Liabilities	2,296,861.95
Capital	500,000.00
Conflagration Surplus	250,000.00
Surplus to Policyholders	2,739,141.06

F. F. BUELL, Troy, N. Y., Special Agent.....NEW YORK STATE
E. J. PARMELEE, Syracuse, N. Y., Special Agent..NEW YORK STATE
GEORGE SHAW, 116 Milk St., Boston, Special Agent..NEW ENGLAND
F. L. GILPIN, JR., 434 Walnut St., Phila., Special Agent.MIDDLE DEPT.

Firemen's Insurance Co., Newark, N. J.

January 1, 1917

Cash Capital $1,250,000.00
Net Surplus $2,449,322.25
SURPLUS TO POLICYHOLDERS...$3,699,322.25

DANIEL H. DUNHAM, President
JOHN KAY, Vice-President and Treasurer — A. H. HASSINGER, Secretary
NEAL BASSETT, Vice-President — J. K. MELDRUM, Assistant Secretary

THE YORKSHIRE INSURANCE COMPANY, LTD., OF YORK, ENGLAND

ESTABLISHED 1824

The "Yorkshire" is the Oldest and Strongest of the English Fire Companies not heretofore represented in the United States

U. S. BRANCH

Frank & Du Bois, United States Managers — Ernest B. Boyd, Underwriting Manager
Harry F. Wanvig, Branch Secretary — Frank B. Martin, Supt. of Agencies

NO. 80 MAIDEN LANE, NEW YORK

New York Life Insurance and Trust Co., U. S. Trustee, No. 52 Wall St., New York

DEPARTMENTS—METROPOLITAN, Willard S. Brown & Co., Managers, New York, N. Y.; CAROLINA-VIRGINIA, Harry R. Bush, Manager, Greensboro, N. C.; SOUTHEASTERN, Dargan & Turner, Managers, Atlanta, Ga.; LOUISIANA and MISSISSIPPI, Jas. B. Ross, Manager, New Orleans, La.; PACIFIC COAST, Jas. C. Johnston, Manager, J. K. Hamilton and McClure Kelly, Assistant Managers, San Francisco, Cal.

BRITISH AMERICA ASSURANCE CO.

Incorporated 1833

(FIRE AND INLAND MARINE)

Head Office, Toronto, Canada
United States Branch

January 1, 1917

Assets	$1,936,279.77
Surplus in United States	823,964.59
Total losses paid in United States from 1874 to 1916, inclusive	24,669,753.43

W. R. BROCK, President
W. B. MEIKLE, Vice-Pres. & Gen. Mgr.

207th Year

SUN INSURANCE OFFICE OF LONDON

FOUNDED 1710

UNITED STATES BRANCH:
54 Pine Street - New York

WESTERN DEPARTMENT:
76 WEST MONROE ST., CHICAGO.

PACIFIC DEPARTMENT:
N. W. Cor. Sansome & Sacramento Sts.
San Francisco, Cal.

NORD-DEUTSCHE INSURANCE COMPANY

123 William Street
New York

UNITED STATES BRANCH

J. H. Lenehan, Manager

FIRE ASSOCIATION Of Philadelphia

401-405 WALNUT ST.

Organized 1817 — Incorporated 1820 — Charter Perpetual

Cash Capital $750,000 — Assets $10,046,848.04

E. C. IRVIN, President — T. H. CONDERMAN, Vice-President
J. B. MORTON, 2nd Vice-Pres. — M. G. GARRIGUES, Sec. and Treas.
R. N. KELLY, Asst. Sec. and Treas.

F A 1817

FOUNDED 1792

125th Anniversary

Insurance Company of NORTH AMERICA

PHILADELPHIA

CAPITAL, $4,000,000 — ASSETS OVER $23,000,000

FIRE, MARINE, AUTOMOBILE, Rent, Leasehold, Tornado, Explosion, Use and Occupancy, Sprinkler Leakage, Travelers' Baggage, Parcel Post

The Oldest American Stock Insurance Company

E. R. Hardy Discusses Use and Occupancy

FIRST POLICIES GAVE UNLIMITED COVERAGE

Paper Read Before Fire Underwriters' Uniformity Association Shows Derivation of Present Clauses

How the present use and occupancy clause was evolved is one of the phases covered by E. R. Hardy, of the New York Fire Insurance Exchange in his address to the Fire Underwriters' Uniformity Association which was published recently in the year-book of that association. The address was in part as follows:

"Consequential" English Term

"Our English cousins use the phrase 'Consequential loss,' and apparently it is much the same as the phrase 'Use and Occupancy' in the United States. I do not know just when this phrase 'consequential loss' was first introduced in England, but at least since 1904 it has been a recognized term for this form of insurance.

"There developed in England as far back as 1860 a form of insurance to meet the loss of profits, which was known as 'excess fire policy insurance.' These policies paid a percentage of the fire loss which the sum insured bore to the total fire insurance on the contents. For instance, if the total insurance was £100,000 and there was a policy for £5,000, it being 1-20th of the whole insurance, it would pay 1-20th in addition to the loss for material damage. This form of insurance never grew to very large proportions, as it was a limited tool and not subject to proper variations to meet the different conditions.

Use and Occupancy a Desirable Form

"In closing, may I sum up this paper:

"First—The policy of fire insurance from the beginning has only covered the loss of material things.

"Second—It has, from the beginning, or very close thereto, been an accepted principle that forms of loss flowing from destruction of material things, such as rent, leasehold and profits, could be insured, but must be insured in a separate policy or under a specific form.

"Third—In process of time there developed a form of insurance called 'consequential' or 'use and occupancy,' whose object seemed to be primarily to recompense the insured for forms of loss largely of the nature of standing charges which were not covered under the fire policy itself, as, rent, leasehold, and/or profits in essence.

"Fourth—The tendency has been, in the United States at least, to make this form of insurance from the beginning a stated sum per day, and this has made it a valued policy, and a valued policy is immoral in its very essence.

"Fifth—That use and occupancy insurance is desirable for the insured and the insurer, and, we may state for the community as well.

"Sixth—And finally, it should be cultivated strictly as a policy of indemnity. If that is done, practically all of the difficulties in connection with its issuance can be solved, although it may take a degree of talent of higher ability than that required for the handling of the normal policy of fire insurance."

Brooklyn 6, New York 3

Last Saturday employes of the New York and Brooklyn offices of the Commercial Casualty went to Witzel's Grove, College Point, where they enjoyed a ball game and dinner. Brooklyn won 6 to 3. These offices held an outing last spring which was so successful that it has become a semi-annual affair.

Jumbo Lines

(Continued from page 1.)

commitments, when, if and where our agents need them.

More than ninety (90) per cent. of the agents went on record as being opposed to such prohibition by law. The striking uniformity of their reasons for this position proves that each has a personal interest in the matter beyond representing any particular company as agent.

Some of the chief reasons for opposing such prohibitory legislation may be summarized as follows:

(a) Large insurers prefer and frequently demand as few policies as possible.

(b) Insurers requiring large amounts of insurance will not consent to being exposed to the danger involved by a delay in securing the required insurance in small amounts from various sources.

(c) A small number of policies minimizes the chances of errors in making insurance concurrent, simplifies bookkeeping details and the adjustment of losses for all concerned, reduces the time of the insured lost through numerous inspections of his premises, and avoids a resulting multiplicity of inspections and probable diversity of recommendations for changes and improvements in risk or equipment.

(d) Present practice tends materially to keep agency expenses within reasonable limits.

(e) Present practice is as much a benefit to agents having a few large risks to cover, as to agents having many, and enables them, when necessary, to protect large orders on short notice.

(f) Present practice is a safeguard against those forms of competition which tend to destroy the relations of agents to their clients and to the companies they represent.

It seems very clear, from the tenor of the overwhelming majority of replies we have received from our agencies, large and small, in all parts of the country, to our circular letter of June 26, 1917, that agency opinion is not properly reflected by the presentations made by some of the representatives of the National Association of Insurance Agents on the subject of reinsurance of excess lines by companies, and we are constrained to repeat the suggestion conveyed in the latter part of our letter of June 26, 1917, viz., that if the agents believe that mandatory legal prohibition of re-insurance would be harmful, they should make that belief known.

The practice of the Home of New York will be to continue to extend to our agents the benefits of our large line facilities when their interests and the demands upon them compel them thus to call upon us; at the same time urging, as heretofore, that they do not call upon us for excess line accommodation unless they need it, and also reminding them that "the Home's" net line capacity is very considerable.

E. G. SNOW, President.

TURNBULL FIRM REORGANIZED

The Utica insurance office of J. B & J. M. Turnbull has been reorganized, two nephews, Byron E. and James B. Turnbull, Jr., having entered the firm. James B. Turnbull, the senior partner, died last March. The surviving partner, John M. Turnbull, has been in the insurance business in Utica for 47 years, and is the oldest living agent of the Agricultural Co. of Watertown, and one of the oldest agents in the State.

Harry Austin, special agent of the Franklin Fire in Eastern New England, has been commissioned a first lieutenant in the United States Engineers' Reserve Corps.

B. W. Graham, of Wickham & Kemp's office, returned this week from an extended honeymoon.

"The Leading FIRE INSURANCE Company of America"

ÆTNA INSURANCE CO. HARTFORD, CONN.

Explosion and Sprinkler Leakage Insurance

WM. B. CLARK, President

Rossia Insurance Company
HARTFORD, CONN.
REINSURANCE

GERMANIA
FIRE INSURANCE COMPANY
NEW YORK.

ORGANIZED 1859

STATEMENT, JANUARY 1, 1917

Cash Capital	$1,000,000.00
Assets	8,553,704.22
Liabilities	4,222,485.60
Net Surplus	3,331,218.62
Surplus for Policy Holders	4,331,218.62

HEAD OFFICE
Cor. William and Cedar Streets

THE HANOVER
FIRE INSURANCE COMPANY
Incorporated 1852

The real strength of an insurance company is in the conservatism of its management, and the management of THE HANOVER is an absolute assurance of the security of its policy.

R. EMORY WARFIELD, President
FRED. A. HUBBARD, Vice-President
E. S. JARVIS, Secretary
WILLIAM MORRISON, Asst. Sec'y

HOME OFFICE
Hanover Bldg., 34 Pine St.
NEW YORK

HOWIE & CAIN, General Agents
Metropolitan District
100 WILLIAM STREET, NEW YORK

SIX MONTHS' PREMIUMS

Fourteen Fire Companies Write More Than $50,000 in Brooklyn—Home, of New York, Leads

The fire companies which wrote more than $50,000 in premiums in Brooklyn during the first six months in 1917, according to the recently issued report of the Brooklyn Salvage Corps, is as follows:

Home	$154,596
Royal	116,984
L. & L. & G., Eng.	115,397
Continental	105,982
Fidelity-Phenix	102,779
National, Hartford	98,120
Aetna	79,084
Hartford	74,869
Niagara	72,687
North British & Mercantile	72,423
German-American, N. Y.	68,515
Westchester	65,602
Globe & Rutgers	58,118
United States	53,308

ROSENSTRAUCH APPOINTED

William S. Rosenstrauch has been appointed agent in Newark of the Cleveland National Fire of Detroit.

The Gamewell Fire Alarm Telegraph Co.

Fire Alarm and Police Telegraphs for Municipal and Private Plants

OVER 1500 PLANTS IN ACTUAL SERVICE

GENERAL OFFICES AND WORKS
NEWTON UPPER FALLS, MASS.

AGENCIES

5708 Grand Central Terminal, New York
448 John Hancock Building, Boston, Mass.
1216 Lytton Building, Chicago, Ill.
335 Wabash Building, Pittsburgh, Pa.
915 Postal Building, San Francisco, Cal.
304 Central Building, Seattle, Wash.
Utica Fire Alarm Telegraph Co., Utica, N. Y.
Northern Electric Company, Limited, Montreal, Canada.
General Fire Appliances Co., Ltd., Johannesburg, South Africa
Colonial Trading Co., Ancon; Canal Zone, Panama
F. P. Danforth, 1060 Calle Rioja, Rosario de Santa Fe, Argentine Republic

H. KRAMER
ADJUSTER
FOR INSURANCE COMPANIES
105 William Street, New York City

National Fire Insurance Company
OF HARTFORD, CONN.
Statement January 1, 1917, to New York Insurance Department

LIABILITIES

Capital Stock, All Cash	$2,000,000.00
Funds Reserve to Meet All Liabilities, Re-Insurance Reserve, Legal Standard	9,912,715.84
Unsettled Losses and Other Claims	1,878,398.32
Net Surplus over Capital and Liabilities	3,743,747.60
Total assets January 1, 1917	$17,534,861.76

H. A. Smith, President — F. D. Layton, Ass't Sec'y — F. B. Seymour, Treas.
G. H. Tryon, Secretary — S. T. Maxwell, Ass't Sec'y — C. B. Roulet, Gen. Agt.

SURPLUS TO POLICY HOLDERS, - - $5,743,747.60

CASUALTY AND SURETY POINTERS

Stricter Bond Laws for Bank Officials

COMPTROLLER OF CURRENCY TO MAKE PLEA TO CONGRESS

Renews Recommendations of Year Ago That Men Higher Up Give Adequate Surety

Congress will again be urged to pass an amendment to the national banking laws requiring all officers of such banks who are in any way responsible for the handling of money to furnish bonds. Comptroller of the Currency Williams, who has twice recommended such an amendment will approach Congress again on this subject, his renewed interest in it being occasioned by the disclosures in connection with President Martindale of the Chemical National Bank, New York.

In Mr. Williams annual report a year ago he recommended that "all officers of a national bank's having the custody of its funds, money or securities, and all officers, tellers or other employes of the bank engaged in the handling of its money shall furnish surety bonds, preferably the bonds of an established surety company."

What Records Reveal

Commenting further on the subject a few days ago, Mr. Williams remarked:

"The records of the Department of Justice for the last two years give strong emphasis to the importance of these recommendations. They show that in the years ended Oct. 31, 1915 and 1916, five bank presidents, twenty-three cashiers and fifty-one assistant cashiers, tellers, bookkeepers and other officers and employes of national banks were convicted of violation of the National Bank act and were sentenced to varying terms of imprisonment, mostly from five to thirteen years.

"This is, of course, but a very small percentage of the total number of men who are employed in all capacities in the 7,665 national banks of this country, for I am glad to say that the bankers of this country generally enjoy a well-deserved reputation for honesty and fidelity.

"There is no profession in which there have not been, and still may be, some who have betrayed their trusts and have proved themselves unworthy. Because of the lessons of the past, and because the bankers of the country have charge and custody of the property and fortunes of many millions of people, it is right that every possible safeguard and protection should be furnished to these depositors."

Would Open Large Field

Should the Comptroller be successful in inducing Congress to amend the national banking laws as outlined, an enormous additional fidelity business of high grade would be open to the surety companies. At present few financial institutions carry individual bonds on their executives. The impression prevails that a bond such as would be carried in most cases—say $25,000—would not be of much real protection in case a high official went wrong and the idea of carrying very large bonds seems not to have been considered at all. Besides—and this is the principal reason—there is much reticence on the part of high officials to ask their associates to execute applications for bonds, thereby submitting them to the searching investigations made by bonding companies, especially in connection with large risks.

Blanket Bonds Issued

So it has developed that bank clerks and minor officials have been bonded while men higher up, who are none the less in position to do an institution serious damage, are not covered. To be sure, many banks carry blanket bonds covering both clerks and officials. These are generally issued by Lloyds organizations either here or abroad. If issued abroad their value is greatly lessened because the inspection system so necessary in efficient bonding is lacking. A year or so ago the Chemical National Bank had one of these blanket bonds and it is believed that it was still in force at the time of the Martindale episode. Efficient inspections such as first class bonding companies make should have detected irregularities such as those in the Martindale case. Even if the high officials of banks were not bonded in large sums such as would appear in keeping with their responsibilities, a small cover would nevertheless carry with it the benefits of the periodical checking up incidental to the bonding company's inspection service.

CHICAGO BONDING CHANGES

Homer H. Smith and E. R. Hunt Resign and Washington Branch is Reorganized

Homer H. Smith, of St. Paul, Northwestern manager for the Chicago Bonding & Insurance, has resigned to enter the packing business. The St. Paul office will now be conducted under the style of Elmer, Willis & Grant. Rosser J. Willis, Richard P. Grant, George H. Moeller, W. T. Moeller, Theodore Kaysen, Leroy Eschner and C E. Dalrymple will be associated therewith.

Reorganization of the Washington branch office has been effected through the appointment of I. W. Sturgeon as joint manager with M. R. Weigle, present manager, under the style of Weigle & Sturgeon, resident district managers. Mr. Sturgeon is an experienced casualty man and Mr. Weigle has specialized in fidelity and surety. They will, in addition to developing the business in Washington, devote considerable time to assisting and developing the surety and casualty business for general agencies east of Pittsburgh and attend to such home office matters as may come up in that territory.

E. R. Hunt, superintendent, liability claim department at Chicago, has resigned. Thomas Stevenson, his assistant for the last two years will fill the position of acting superintendent of claims, assisted by J. Hampton Hoge, who leaves his post in New York to go to the home office.

WHO WROTE THAT POEM?

Chester M. Cloud, manager of the casualty department of the Fidelity & Deposit in New York is, together with everybody else in that office, wondering who wrote those clever verses "Columbia Emulates Cobb" which appeared in the last issue of "The Fidelity Journal." Somebody in the New York office wrote it, but who?—that's the question.

Accident
Health Automobile
Plate Glass
Burglary Liability

Fidelity
Contract Judicial
Public Official
Depository Bonds

FIDELITY & DEPOSIT CO.
OF MARYLAND
BALTIMORE

Alarm is Sounded on Automobile Lines

BUREAU MEMBERS' EXPERIENCE WANTED BY OCTOBER EIGHTH

Liability, Property Damage and Collision Business Said to Show Excessive Losses

An increase in automobile liability, property damage and collision rates in large cities is foreshadowed in a circular letter issued to companies by the automobile committee of the National Workmen's Compensation Service Bureau. Members are asked to immediately furnish their experience on these lins for the purpose of prompt action on rates and the circular points out that from information in the hands of the committee the loss ratio is tending rapidly upward to a point where it threatens to become a serious menace to the companies. It has been decided that the call for experience must be complied with by the members by October 8 if such experience is to be recognized.

Should Be No Surprise

Referring to the action of the committee, some papers have made it appear that knowledge of the unprofitableness of this class comes as a surprise to the companies. Just how this can be is hard to understand, for it is well known that even as much as five years ago company managers realized that property damage and collision lines were anything but profitable. They have been getting less so each year as congestion increases and the motoring public has become educated to the habit of making frequent claims for small sums. Few companies wish either collision or property damage business, but they have to take a considerable portion of it in order to get the liability lines which are still believed to be profitable and are eagerly sought. It will be particularly interesting to see what the experience on liability business really is and whether it too has joined the unprofitable classes. As for collision and property damage, their position is already known.

BUSINESS TAKEN FROM LLOYD'S

The Pennsylvania Workmen's Insurance Board has placed the State fund's re-insurance covering its catastrophe hazard in a Pennsylvania company. Heretofore it has been written in Lloyd's, London.

AETNA MEETING

Essick & Barr Conference at Reading During Fair Week—Interesting Papers Read

Essick & Barr, of Reading, Pa., general agents of the Aetna Life and its subsidiary companies in Southeastern Pennsylvania, turned "Fair Week" into a conference of their agency force at Reading. The big day was Tuesday, September 18. William L. Mooney, of Hartford, Conn., agency supervisor of the companies, was chief speaker and his subject was "Why it Pays to Be an Aetnaizer," which he handled in his usual inimitable manner. General Agent Joseph W. Essick, of Reading spoke on "The Value of Accident and Health Renewals" and his associate, Jere H. Barr, spoke on "Problems Confronting Agents."

The other speakers and their subjects were: Ray S. Brown, of Allentown, on "Our Duty to Compensation Customers as to Teams, Elevators and the Public"; R. R. Helms, of Reading, on "Training Insurance Buyers to Do Business on a Cash Basis"; Paul Diefenderfer, of Pottstown, on "Giving Service on Compensation as a Means to Other Business"; Perry G. Jones, of Reading, on "Fidelity and Surety Bonds"; E. J. Deininger, of Reading, on "Keeping Wide-awake for All Aetna Lines," and William S. Essick, of Harrisburg, on "My Impressions of the Reading Conference."

DAYS OF GRACE SOON EXPIRE

New Jersey Employers Face Heavy Penalty for Failure to Carry Compensation

With October 4 will end the days of grace allowed under the compulsory workmen's compensation act of New Jersey. A severe penalty is imposed on those who do not comply with the law. Although an extension of ninety days was provided in the act itself before the penalty for violation became operative, hundreds of employers have not obtained insurance. Notices must be posted in plants giving the notice to employes that insurance has been provided and giving the name of the company insuring the risk. A thorough plan of inspection is being planned by the State.

HALE SUCCEEDS SCATTERGOOD

New Assistant Secretary of Fidelity & Casualty is Specialist in Surety Lines

Hale Anderson has been chosen assistant secretary of the Fidelity & Casualty, succeeding Claude E. Scattergood, who resigned to go with the Morris Plan Insurance Society. Mr. Hale has been with the Company since June, 1905, as assistant superintendent of the bonding department. In fact, he has been in charge of all the Company's surety business, under Edward C. Lunt, since he engaged with the Company. He is a member of the New York bar and will continue to specialize in surety lines.

General Accident
FIRE AND LIFE
ASSURANCE CORPORATION, Ltd.
SERVICE THAT EXCELS
FREDERICK RICHARDSON, United States Manager.
GENERAL BUILDING · 4TH & WALNUT STS.
PHILADELPHIA

Compensation Status Under Maritime Law

WALTER G. COWLES DISCUSSES STOCK VS. STATE COVER

Territorial Limitation of State Fund Makes Policy Inadequate Under Operation of Federal Law

That shippers and ship owners are practically compelled under present maritime and Federal laws to secure stock company protection from suits of injured employes is the conclusion drawn by Walter G. Cowles, vice-president of the Travelers Insurance Co., in a pamphlet sent out this week. Mr. Cowles bases his discussion on the two recent cases decided by the United States Supreme Court which determine the status of compensation insurance under the Federal law. These cases were Jensen vs. Southern Pacific Co. and Walker vs. Clyde Steamship Co. Mr. Cowles said in part:

Tendency of Law

"It seems fairly reasonable to assume that in future cases, as they may arise, not only under a compulsory law like that of New York but under elective laws of other States, questions such as we have attempted to present are likely to be presented to the court, and there is some reason to believe that the court may follow the theory that the obvious purpose of Congress and the maritime law generally to restrict the liability of shipowners and encourage maritime operations is conserved rather than destroyed by accepting the compensation law of the State in the jurisdiction of which the injury is sustained as an obligation of the employer in the nature of a contract which obligation is suitably and properly limited by the terms of the law itself and involves no hardship upon the ship or its owner.

"The maritime law is customarily extended by the application of statutory provisions of the State within the jurisdiction of which an injury occurs. For example, the maritime law, like the common law, makes no provisions for the recovery of damages for death due to wrongful act. Many, if not all, of our States have statutes on this subject similar in a general way to the English statute first establishing this right and known as Lord Campbell's Act. We understand it has been the practice of admiralty courts to allow common law damages for death when that death is due to wrongful act and the State in which the tort was committed had a statute creating a right of recovery for death. In many other cases noted in the authorities statutory rights and obligations have been enforced and imposed in admiralty. It seems obvious to us that the addition of the statutory provisions for recovery for death to the obligations to be enforced in admiralty is a much more substantial increase in the obligations of a ship owner than would be the acceptance of the compensation statutes with their measured and limited obligations.

Compensation for Crews

"We have limited our comments to the operations of stevedores. There are, however, many other operations within common knowledge under which the same questions would arise. We might mention at random operations conducted in or upon navigable waters in the nature of pile driving, dock building, bridge building, logging operations, breakwater and jetty building and many others which would readily suggest themselves. The same rules would logically apply to all these and perhaps many more because jurisdiction in admiralty is not limited to things which float but includes all navigable waters upon which they float. It would be certainly far from desirable, and for that reason, if no other scarcely probable, that the courts in their final determination of this question will deny the privileges of compensation to workmen injured in these occupations.

"The comments we have offered are also applicable to the crews of the vessels themselves in so far as the injuries are sustained within the jurisdiction of a State in which there is a compensation law.

"If this should ever become the rule and the rights of a claimant under compensation statutes should be declared enforceable in admiralty as matters of contract between employers and the employes, then all the difficulties would disappear and the diverse and confusing rules respecting admiralty jurisdiction in tort would no longer apply to cases of this character.

"The foregoing discussion has been largely devoted to proceedings in rem.

"A proceeding in rem cannot be sustained unless the maritime law itself provides a lien for the claim which is the subject matter of the proceeding. A stevedore in the employ of a master stevedore who is under contract with a ship to load or unload cargo might be injured under circumstances which would establish no lien upon the ship and give him no right to proceed against the ship. His claim might be purely a claim against his immediate employers and his proceedings necessarily in personam. It has been held that common law courts have concurrent jurisdiction with admiralty in proceedings against the person, but this does not take away admiralty jurisdiction. On the other hand, as expressly declared by Congress in the judiciary act of 1789, claimants are permitted to pursue their common law remedies if the common law is competent to give a remedy. The common law is competent to give a remedy in suits against the person but is not competent to give a remedy in suits against the ship. It has been held that in claims against the person the jurisdiction in admiralty is not exclusive. Whether the action be one of contract or of tort, the State courts have jurisdiction. Admiralty courts have jurisdiction also if the contract or the operation is of a maritime nature. It must be borne in mind, however, that compensation remedies are in no sense common law remedies. It, therefore, follows that while State courts may enforce common law remedies in maritime matters upon proceedings in personam, they cannot in the present state of the law enforce compensation remedies. State courts can enforce some statutory remedies apparently even in maritime matters if the proceeding is against the person. We have already seen that many local statutes are enforced in admiralty. Just what distinction there is between the statutes now enforced and the workmen's compensation law is not apparent, but up to the present time a distinction appears to be maintained. Here we have another condition involving both doubt and difficulty. The involved questions include both conflict in jurisdiction and limited concurrent jurisdiction.

Law is Unsettled

"With due respect to the courts which have passed upon these questions, we think we may with propriety say that the law is not wholly settled as yet. The confused situation is perhaps no more than natural. We have on the one hand the maritime law which is one of the oldest bodies of law operative in our day and wholly incapable of being modernized by legislative procedure. We have on the other hand the product of very modern legislative procedure in the form of compensation laws. It is rather natural that the old and the new should not be immediately harmonized. It is reasonable to assume that courts will make an effort to adapt the old theories to the new laws and this is a thing which the courts alone can do. The stevedore today does not actually know of his rights with any certainty. When he accepts employment, there goes with his contract of employment either as an implied part of it or as a related statutory right the modern plan of compensation. A stevedore and those dependent upon him are in a very uncertain situation. In the course of his work he may be injured under circumstances which are clearly outside the jurisdiction of admiralty. He may be injured under circumstances in which the exclusive jurisdiction of admiralty is in doubt. He may be injured under circumstances which establish jurisdiction in admiralty. The workman has no control of these circumstances. He moves frequently and rapidly from one relation to another. There is at least a possibility that in the process of adapting the old law to the new the courts may find a way to give to stevedores the same absolute, certain and fixed rights which workmen in other hazardous employments enjoy. Unquestionably the courts will make an effort in this direction for courts are merciful as well as just. In the case of seamen whose operations are almost exclusively maritime and within admiralty jurisdiction the situation is practically the same. The case of the seaman who claims compensation as a part of his contract of employment has not yet been heard by the courts and particularly the case of such a seaman whose contract of employment is governed by the law of the State in which there is a purely elective compensation act which is made by operation of law a part of that contract. A seaman may be injured elsewhere than aboard ship and while the nature of his employment is unquestionably maritime, the nature of all the operations which he may undertake as a result of that employment are not so obviously maritime. The whole thing sums up to one fundamental proposition involving situations in infinite variety and all surrounded by doubts and uncertainty.

Uncertainty a Subject for Insurance

"Uncertainty is one of the compelling reasons for insurance. The conditions we have attempted to describe are ideal for the purpose of insurance. It is of no consequence whether the employer of a stevedore is a master stevedore or a ship. Accidents will happen. Where or when we cannot know in advance, nor can we, with any certainty in the present condition of the law, decide whether or not a given injury under given conditions comes within admiralty jurisdiction or not. Nor can we foresee the tendency of the courts in their further dealings with these questions along the lines which we have attempted to suggest.

"Damages" Inseparable From Compensation

"It is very clear to us that employers who are engaged in operations, part or all of which may be held to be maritime in nature, should adequately provide against the uncertainties of the existing conditions which are likely to continue during the development of the law on this point. Provision should be made by means of insurance, and that insurance should be written to cover the obligation of the employer either for compensation or for damages. The theory of the liability for damages as a less costly insurance proposition should be promptly dismissed. The evidence, now rapidly accumulating in compensation States presented by the occasional cases in which claims for damages are pursued and enforced, shows that the insurance cost of this obligation is as great and possibly greater than that of the obligation for compensation. It is an absolute fallacy to believe that insurance companies can in some manner separate the liability obligation for damages from the compensation obligation, assigning a group of men or an operation to one or the other by some rule or proceeding and then assess one of those groups or operations at a lower insurance premium because the obligation is one for liability for damages only and dependent upon the tort of the employer. Experience does not justify such a theory and it never can. With the advent and continuance of compensation courts are leaning toward the theory that damages on the score of liability should in a measure at least follow the compensation idea. The obligations are at least equally serious and the maritime employer who is able to obtain insurance upon the alternative obligation, which ever feature may now exist or may hereafter be found to exist as the law on the points develops, is most fortunate. This applies with equal force even to the crews of vessels notwithstanding the fair assumption that nearly all the operations of such crews are maritime in nature."

AMERICAN SURETY COMPANY
OF
NEW YORK
100 BROADWAY
Fidelity and Surety Bonds



The Employers' Liability Assurance Corporation, Ltd.
The original and leading Liability Insurance Company in the World
LIABILITY, STEAM BOILER, ACCIDENT, HEALTH, FIDELITY AND BURGLARY INSURANCE
United States Branch
SAMUEL APPLETON, United States Mgr.
Employers' Liability Building
33 BROAD STREET, BOSTON, MASS.
AGENTS WANTED

CASUALTY AND SURETY NEWS

Joint Control Explained

In an appeal to agents to secure joint control on all fiduciary estates, George C. Sinclair, superintendent, fidelity department, Chicago Bonding & Insurance, explained some of the features of joint control which puzzle surety agents, saying:

"The opinion is held by many, including fiduciaries, agents, lawyers and sometimes courts, that joint control means the turning over by the fiduciary to his surety of the assets of the estate, or the holding of the assets of the estate in the absolute joint title by the fiduciary and the surety.

"Such, however, is not the case. Joint control has a far different meaning. Either one of the meanings above mentioned would take from the fiduciary, or at least divide with the surety the possession of the assets coming into his hands as fiduciary, and would tend to make the surety an absolute insurer of the assets, whereas the real liability to be assumed by the surety is that the fiduciary faithfully perform the duties of the trust and faithfully account for the estate.

"Joint control is the result of an agreement between the surety and the fiduciary whereby the fiduciary obligates himself to place the securities and cash of the estate in some safe place from which they cannot be removed without the knowledge of the surety. The surety company neither has, nor desires any voice in the management of the estate. Joint control means, first, the cash of the estate shall be deposited in some financial institution to be selected by the fiduciary, the account to be opened in the name of the fiduciary in his fiduciary capacity, and written instructions are to be filed with the bank to the effect that no funds are to be withdrawn without the consent of the surety company; second, the securities, such as stocks, bonds, promissory notes and other valuable papers belonging to the estate, shall be deposited in lock box in the safety vault of some trust company, said box to be rented in the name of the fiduciary as such fiduciary, with the understanding and agreement in writing that access to such box by the fiduciary can only be had when accompanied by a representative of the surety."

* * *

Improving Brokerage Conditions

Agency development in Chicago is purely a brokerage field. Speaking of brokers, the Chicago Bonding & Insurance points out that early in the insurance business men and women took to brokering either as a side line or when all other methods of earning a livelihood had failed. General agents and branch office managers encouraged these part time brokers and business failures in a thousand ways and so eager were the large offices for business that they would take any business given them, and from anybody, whether or not they knew from whence it came; rebating to men in charge of placing large lines, making those men brokers. The agent or general agent, rather than rely on personality and service, paid out commissions to secure business. This practice, as might be expected, created such intolerable conditions that it is being rapidly discontinued; laws being passed constantly throughout the country to stop it.

B. L. Heath, superintendent of the Company's Cook County department, then offers this suggestion:

"Each large center of insurance should by all means have an organization of general agents and branch office managers representing all of the companies in that locality. This organization should, among other things, work in perfect harmony on reporting of brokers and their methods of doing business, both as regards risks presented to offices and the payment of premiums. A uniform line of credit should be established and every large office should abide by that credit rule.

"Reports should be made up regularly on disqualified brokers and undesirable peddled risks. In this manner every large center could work in perfect harmony. The brokers would soon learn correct practices, business would be better written, premiums would be promptly collected and the assured would be more fairly treated, but last and by far the greatest, the insurance profession will advance further in the estimation of all concerned."

* * *

Fall Campaign Now On

With the casting aside of straw hats should come the realization that the so-called dull season is over and the fall and winter campaign should be planned with the usual vigor. The lethargy of the last two months is now out of place and to get a good and early start for fall business plays a large part in attaining that success which all desire. Therefore, do not wait to be pushed into the game but get in of your own accord and be well along toward a successful finish by the time the laggards wake up and realize that they have lost much valuable time. Forget the lines that are best sold in summer and seek out those that will bring the best returns during the months to come.

BANKERS' DECISION AWAITED

Result of Referendum on Proposed Fidelity and Burglary Plan Expected at Annual Meeting

Beginning Monday, September 24, the American Bankers' Association will open its annual convention at the Marlborough-Blenheim, Atlantic City. The report of the protective department and that of the insurance committee will be read to-day (Thursday). A number of surety men will attend the meeting as the association has been taking a referendum of its members on the question of establishing an insurance fund to carry fidelity and burglary risks. It is expected that a decision will be reached at this meeting. From such inquiry as the surety companies have made of banks through the companies' agents, it would appear that the large institutions in the more important cities are against the plan, whereas the country banks favor it.

MORE HAVE JOINED COLORS

The New Amsterdam Casualty's home office in New York has lost four men for military duty. They are Albert C. Jeker and B. J. Connolly, who are in camp; Raymond Gehr, who is in the aviation service and Kenneth Depew with the navy.

Rexford Crewe, compensation schedule rater in the Maryland Casualty office at 100 William Street, New York, is now at the Infantry School of Arms, Fort Sill, Oklahoma.

A. B. Treat, of the American Credit Indemnity in New York, has recovered from an attack of pneumonia and is back at his office.

Mark T. McKee, secretary of the National Council of Insurance Federations, was in New York last week conferring with the casualty managers' executive committee of the council in connection with plans for the annual meeting in St. Louis next month.

W. E. SMALL, President PETER EPES, Agency Mgr. E. P. AMERINE, Secretary

GEORGIA CASUALTY COMPANY

HOME OFFICE: MACON, GEORGIA

"DIXIE AUTO POLICY"

THE LAST WORD IN MOTOR INSURANCE

Surplus and Reserves to Policyholders.....$1,526,022.81

The METROPOLITAN CASUALTY

INSURANCE CO. OF NEW YORK

HOME OFFICE, 47 CEDAR STREET

CHARTERED 1874

Plate Glass, Burglary, Accident and Health Insurance

EUGENE H. WINSLOW, President

Russell R. Cornell, Vice-Pres. S. Wm. Burton, Sec. Alonzo G. Brooks, Ass't Sec.

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THE SIGN OF GOOD CASUALTY INSURANCE

HEAD OFFICE CHICAGO

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Liability, Accident, Burglary, Boiler and Credit Insurance

Established 1869.

F. J. WALTERS Resident Manager 55 JOHN STREET New York

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BUSINESS=BUILDERS

DEVELOPING

Fidelity and Surety Bonds, Liability Workmen's Compensation, Automobile, Accident, Health, Burglary and Plate Glass INSURANCE

APPRECIATE THE CO-OPERATION OF THE

Massachusetts Bonding and Insurance Company

BOSTON T. J. FALVEY, President

Paid-In Capital $1,500,000 Write For Territory

The Fidelity and Casualty Company of New York

92 LIBERTY STREET, NEW YORK, N. Y.

Metropolitan Office—92 William St.

SEMI-ANNUAL STATEMENTS JUNE 30, 1917

Assets	$14,005,236.30
Liabilities	10,395,192.68
Capital	1,000,000.00
Surplus over all liabilities	2,610,043.62
Losses paid to June 30, 1917	58,554,792.60

This Company issues contracts as follows: Fidelity Bonds; Surety Bonds; Accident, Health, and Disability Insurance; Burglary, Larceny, and Theft Insurance; Plate Glass Insurance, Liability Insurance—Employers, Public, Teams (Personal Injury and Property Damage). Automobile (Personal Injury, Property Damage and Collision), Physicians, Druggists, Owners and Landlords, Elevator, Workmen's Compensation-Steam Boiler Insurance; Fly-Wheel Insurance.

The Frankfort General Insurance Co.

UNITED STATES DEPARTMENT

123-133 William St., New York, N. Y.

TRUSTEES:

Union Trust Company, 80 Broadway, New York City

CASUALTY INSURANCE

AGENTS WANTED FOR UNOCCUPIED TERRITORY

The Columbian National Life
OF BOSTON

ARTHUR E. CHILDS, President

A CHANGE may be necessary to realize your ambition

Think a minute—then write

WM. H. MASTIN
(West of the Mississippi).
SYMES BUILDING
DENVER, COLO.

FRANK D. LOMBAR
(East of the Mississippi).
77 FRANKLIN STREET
BOSTON, MASS.

SUPERINTENDENTS OF AGENCIES

DARL D. MAPES, Superintendent of Accident Agencies
77 FRANKLIN ST., BOSTON, MASS.

The service of a high grade Accident Department will also be offered so that you will not have to broker your Accident business to avoid violating your Life insurance contract.

THE OHIO MILLERS
MUTUAL FIRE INSURANCE COMPANY

Net Cash Assets.....$1,147,802
Net Cash Surplus..... 505,213

Squire Company, Inc.
1 LIBERTY ST. REPRESENTATIVES NEW YORK

STOCK POLICIES ONLY

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AGENTS AND BROKERS

GROUP
INSURANCE
Life, Accident and Health

With the same Prompt and Expert Safety Engineering and Inspection Service and Organization which has made the Name of The Travelers Famous

AGENTS AND BROKERS

Refer Your Inquiries to The Group Insurance Division.

THE TRAVELERS
INSURANCE COMPANY
Hartford, Connecticut

In addition to the ordinary forms of life insurance
THE EQUITABLE
makes a specialty of the following:

Insurance to protect business firms and corporations, under a corporate form of policy.

Group Insurance, by which employers protect families of employes.

A flexible contract, known as the Convertible Policy, which can be converted by the Insured into an Ordinary Life, Limited Payment Life, or Endowment Policy.

Ā Bond issued without medical examination giving the investor an income for his declining years.

A new policy is offered under which the insurance is DOUBLED if death results from ACCIDENT. This policy also embodies the following advantages if the person whose life is insured becomes totally and permanently disabled:

1. Thereafter the Equitable will carry the insurance —The Insured will have nothing further to pay.
2. The Equitable will pay the Insured an annual income for life equal to one-tenth of the face of the policy.
3. Upon the death of the Insured the full amount of the insurance will be paid to the Beneficiary (or double the amount if death is due to accident) without deduction on account of the income paid to the Insured while living.

(See the policy for conditions and details.)

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WILLIAM E. TAYLOR,
Superintendent of Agencies

THE EQUITABLE
LIFE ASSURANCE SOCIETY OF THE U. S.
120 BROADWAY, NEW YORK

Iowa National Fire Insurance Co.
DES MOINES, IOWA Capital Stock $500,000

The latest addition to Reliable Fire Insurance organizations began Writing Business on January 1, 1917

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F. L. MINER
Vice-President

C. S. VANCE
Underwriting Manager

FRANK P. FLYNN
Treasurer

C. M. SPENCER
Secretary

San Francisco Losses Amounting to $4,522,905.00 paid PROMPTLY IN CASH WITHOUT DISCOUNT, from funds largely supplied by head office in Liverpool

U. S. Cash Assets, Dec. 31, 1916	$15,827,439.35
Surplus, - - - - -	5,460,745.59
Losses Paid by Chicago Fire, 1871	3,239,491.00
Losses Paid by Boston Fire, 1872	1,427,290.00
Losses Paid by Baltimore Fire, 1904	1,051,543.00

Liverpool AND London AND Globe Insurance Co. LIMITED

Over $152,000,000.00
Losses Paid in the United States

HENRY W. EATON, Manager
G. W. HOYT, Deputy Manager
HUGH R. LOUDON, Assoc. Deputy Mgr.
J. B. KREMER, Asst. Deputy Manager
T. A. WEED, Agency Superintendent

NEW YORK OFFICE
80 William Street

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Commerce

THE EASTERN UNDERWRITER

IN TWO PARTS

[Succeeding the Journal of Insurance Economics, Established in 1899]

A WEEKLY NEWSPAPER COVERING ALL BRANCHES OF INSURANCE

Copyright by The Eastern Underwriter Co., 1917

PART TWO

Eighteenth Year; No. 38 NEW YORK, FRIDAY, SEPTEMBER 21, 1917 25c. per Copy

Life Insurance Salesmanship

HOW the POLICY SHOULD be SOLD

Told by Masters of Production

THE MELLOR & ALLEN AGENCY

of

The Provident Life and Trust Company of Philadelphia, Penna.

Our Code

We believe that life insurance is a profession, the practice of which requires the study of a life time.

We believe the part time agent, handling life insurance as a side line, is a very real detriment to the profession.

We believe that a full time man or woman, operating in a metropolitan district, should write a minimum business of $200,000 to represent the profession properly.

We will neither license nor pay renewals to any man or woman who is not a full time agent duly accredited as such.

We will not pay full renewals to any full time agent writing a business less than $200,000 nor any renewals to general insurance brokers.

Our Contract

Our contract is drawn for the services of full time life insurance men and women only.

Our contract countenances neither the payment of rebates nor the practice of twisting policies nor any other irregularity of the profession.

Our contract provides for full protection to the agent and his cases against other agents and brokers, regardless of their standing.

Our contract never permits the sharing of renewals by our agents and provides for legitimate payment of renewals to full time men upon a graduated scale only.

Our contract offers full renewals to those salesmen, only, who produce paid-for business in excess of $200,000 per year.

Life Insurance Commissions to Life Insurance Men Only

New York City

$12,000,000 Personal Production Year For H. B. Rosen

Most Successful Agent Discusses His Work—No Life Insurance Man Should Fail Today Because America Is Having Its Greatest Period of Prosperity

H. B. Rosen, the life insurance agent who a few years ago was an humble salesman in Hartford, Conn.; who applied for an agency of the New York Life, in which document he wrote that he thought he could sell $5,000 of insurance every month, and who turned out to be the leading producer of life insurance in the world, will write this year a volume of life insurance that staggers the imagination.

In a talk with The Eastern Underwriter this week Mr. Rosen said that the way the cases were sizing up his volume would be at least $12,000,000.

Some of His Large Policies

While reluctant to give the names of cases Mr. Rosen finally said that he did not object to giving the following names, with the size of the policies written, the list being only a few of his policyholders for the year 1917:

Sir Mortimer Davis, the Canadian tobacco multi-millionaire, $1,500,000. This is a ten-year endowment.

Adolph Zukor, president of the Famous Players, and a famous man in the moving picture industry, $1,000,000. This is an ordinary life.

J. J. Robertson, the Chicago banker, $1,000,000.

Mark Workman, president of the Canadian Iron & Steel, which corresponds in the Dominion to the United States Steel Corporation, $500,000. This is an ordinary life.

J. A. Jacobs, president of the Jacobs Asbestos Co., Canada, $500,000. This is a twenty-payment life, Mr. Jacobs being a young man.

Mack Sennett, the moving picture director whose comedy films are a feature of thousands of movie houses, $250,000.

Jesse Lasky, one of the most artistic of the film directors, in whose studio were made the Geraldine Farrar pictures of "Joan the Woman" and "Carmen," $500,000. This is a twenty-pay, Mr. Lasky also being a young man.

Another large case is that of William R Taylor, of Taylor, Smith & Hard, 49 Wall Street.

What Can Be Done in a Few Days

A large number of men in mercantile life, whose names would not be familiar to the general public, were also written during the year. He has also written his usual line-up of policies of smaller amounts.

In order to illustrate the manner in which Mr. Rosen works his experience of the past fortnight is printed:

He recently attended the $200,000 Club convention of the New York Life in New London, Conn. Following that he went to Montreal. Returning to New York he went into conference with a group of men who wanted to buy about $500,000 worth of corporation insurance. In three days he wrote $900,000 of business—four cases. In some of his cases in the past as many as thirty doctors have examined a man, the detailed attention being enough to floor the average agent who is satisfied with what is ordinarily called "big life insurance business."

Why He Gave This Interview

Getting an interview with H. B. Rosen is not the softest newspaper assignment. For years he has objected to the publication of his picture, and while he will receive newspaper men courteously his rule has been not to talk for publication. He says he does not need publicity; does not want it; and says he prefers to be known in the business by the work that he does. It was a typical Harry Rosen reason that induced him to give an interview to the Editor of The Eastern Underwriter. And here it is:

Some months ago The Eastern Underwriter learned that Dr. Charles E. Albright, of the Northwestern Mutual Life, was having a $4,000,000 year, and that he has paid for considerably over $2,000,000 in the Northwestern Mutual alone. It also was informed that Harold Peirce, of Philadelphia, with the J. P. Morgan policy of $2,500,000 and the Henry P. Davison policy of $1,000,000 to his credit, would have a year that would probably top $4,000,000.

A story was written in this paper saying that H. B. Rosen had better look to his laurels; that after leading all producers for some years there was a chance that this year he would be outclassed.

Would Not Permit Anyone to Pass Him

"I was about to take a rest for six months and possibly spend the time in the Orient when I picked up a copy of The Eastern Underwriter and read that story on the first page," said Mr. Rosen. "Immediately all thoughts of a vacation passed from my mind. I was not content to have any man write more life insurance than I can write. I determined to keep my laurels and go out and work harder than ever to show that there was no man living who could pass me in the race of selling life insurance. So I buckled down and wrote a tremendous business; and I want to thank The Eastern Underwriter for publishing that article and giving me the spur to go out and eclipse all records. I can fight best when I have a hard proposition to face; a difficult case gives me inspiration to master it; and competition stimulates me. You have done me a favor and if there is anything I can say that might help other life insurance men you may print it in The Eastern Underwriter."

Large European Business

Until the European War Mr. Rosen made it a practice to spend some months in Europe. He did not go there for a vacation as has generally been supposed, but because he had built up a great clientele of European policyholders, ranging from members of the nobility down. The European business alone runs into millions of marks and francs.

Possibly his greatest achievement in Europe was when he wrote the diamond merchants of Antwerp. It happened in this wise: For some reason the New York Life man went to Antwerp to spend a day. While there he wrote a diamond merchant. It was so simple and the need for insurance so evident that he kept right at it while the iron and inspiration were hot and wrote policies by the dozens. He used the same arguments that he has used among business people in New York: the importance of insurance as a basis of credit and the uncertainties of life which should be guarded against.

"What language did you talk in insuring these men?" he was asked.

"English," he responded. "There was not a man who could not speak the language of this country almost as well as a New Yorker."

Magazine Interview Sold a $500,000 Policy

In connection with European visits life insurance men will recall the interview that Darwin P. Kingsley, president of the New York Life, gave about one of Mr. Rosen's trips. The producer was physically run down from his steam engine methods and he was urged to go to Europe "and rest up." For a while he paced the deck, breathing in the ocean-swept breezes, then he became friendly with various officers of the ship. For a time he tried to resist life insurance talk, but he didn't succeed. By the time the ship had landed he had written the captain, the purser, the ship's physician and others, the total applications running up into the hundreds of thousands of dollars.

This interview in the "American Magazine," by the way, illustrates the broad value of publicity and how it comes home to roost, often in the most unexpected places. A few weeks ago while sitting in a Canadian club Mr. Rosen was introduced to a man who had read the article in the "American Magazine," who had been greatly interested in the personality of the man described by Mr. Kingsley, and upon being informed that it was Mr. Rosen (the producer's name had not been mentioned by the New York Life president) he began to talk insurance, and ended by signing an application for $500,000.

How He Began

In telling about the beginning of his insurance career Mr. Rosen said:

"When I started I didn't know a thing about life insurance, but I felt I had something to sell that must be sold. So I sold it. **One of the first things I learned was that the public was underinsured; and that it had to be educated about insurance.** And that is as true today as it was then. If you could accompany me for a few days while I am talking to people you would be amazed at the lack of understanding of the principles and benefits of insurance on the part of the public—among big men as well as small; and of the opportunities. Agents must first have faith in their own business before they can communicate that faith to others; and every time they correctly sell a policy they make a friend for life insurance.

"They must not only have faith, but it is necessary to understand insurance. This country is rolling in wealth; we never had such prosperity; and if a man can't sell insurance now, and a lot of it, he will save himself a peck of trouble by going into some other business.

Doesn't Watch the Clock

"I started writing people for small amounts. I arose very early and returned very late. The clock didn't interest me. I found that to succeed I had to adjust my time to the other fellow's. If he were busy in a store every night until 7 o'clock I saw him after he had dinner; if he were engaged constantly all week I did not object to seeing him on Sunday. Neither was I careful about chosing the place; it was immaterial to me whether I saw him on a train, at his house, or while he was away on a vacation. My time was his: I had something he needed; and usually he capitulated early. In later years, he has too, or I do not bother with him. **Nowadays, if I cannot close by the second interview I transfer my activities elsewhere.** There are too many people needing insurance to waste time. I do not mean that I do not see people more than twice; as there are some men I know for years before I ever mention insurance. But, once I get started in my argument, its taking the application during the first or second interview, or not at all.

"I try to map out my time as nothing can be accomplished without system, but I do not make a fetish of it, and usually know one day in advance just what I am going to do on the day following and act accordingly. Two secretaries help me out considerably by handling messages, receiving callers, making appointments and other details.

"When I told the members of the $200,000 Club at New London the other day that there are more negligent criminalities in this profession of ours than in any other business in the world I meant that more time is embezzled. This I think is the chief cause for failure of life insurance men.

Afraid of No Man

"From the start I have never been afraid of a man; nor awed by his position. I meet men on terms of equality. I never think of a man with whom I am having business relations as 'the president,' 'the manager,' the 'millionaire,' or the 'clerk,' but regard him while on my mission as a prospect for insurance whose condition, financial I must know, along with what his value is to his business; whose needs I must meet. The real agent will give the customer just what he should have. To do this there should be an equipment of forehanded knowledge. The agent who can't get posted on these facts will fail. I generally know all about a man before I insure him; and it is probably for that reason that I do not have rejections. In all the millions I have written this year I haven't had a single rejection. If I learn that there is a chance of rejection I save my time and the company's by diverting my energies elsewhere.

Prepared Before He Came Here

"After I had been in Hartford some time I believed I had nearly exhausted that field and my eyes were on New York. Before coming here to live I made frequent trips to renew old acquaintances; make new ones; study the situation. When I though I was pretty well prepared I came here. I tried to establish at least one new acquaintance a day. While discussing acquaintances,

(Continued on page 42)

Business Reasons For Business Insurance

By GEORGE W. JOHNSTON
Travelers Insurance Company

The function of life insurance is not limited to direct protection of wife and children. These require indirect protection also. Just as a roof is not adequate shelter without side-walls, so a man's insurance is inadequate which gives his family money without regard to those business interests which if conserved will double the family income and prevent encroachment upon principal. The shrinkage of estates is appalling. When an estate grows, it is a matter for amazed comment. Life insurance is rarely net to beneficiaries. Business obligations, debts of honor, eat into a fund too small already; and the business which its builder fondly hoped would continue productive after his death goes to pieces for lack of capital. It is not merely a loss but an encumbrance; it ought rightly to be a lasting asset. This destruction of a life labor is pitiable. For a man's work is, in its essence, the man himself. Into it he throws body and brain and soul, his enthusiasms, his ideals and aspirations. Next to family it is his controlling sentiment; and viewed only sentimentally, it is desirable that what he has wrought with such pains should remain and grow with the generations.



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American Firms Short-Lived

American firms are short-lived. New York has probably not ten a hundred years old. The wealth of France results from the almost invariable descent of industries to children and grandchildren; the expertness of a craft or commercial occupation thus becomes cumulative. The roots grow so widely that the tree cannot be blown over, and it thrives. In our newer country, of shifting populations, there is a tendency for sons to desert the occupations of the fathers. Momentum is lost. Each old edifice leaves no foundation for a greater one. It is lamentable, for no granite headstone is so good a monument as an honorable business handed down to posterity. Compared to it, family insurance even when it fairly replaces, as it seldom does, the insured's earning power, is diminutive and temporary. Protect business, and the family can run it.

The broad question is of more than personal importance. It concerns community and State. Nothing more deeply affects the future prosperity of our country than conserving undiminished and unslackened its existing enterprises, built up by men peculiarly daring and energetic—but mortal!

These considerations are beginning to be appreciated. Evidence of the disintegration of other men's industries, the longing to extend one's own efforts into the distant future, have created a demand for business insurance. This has been met by something simple, practical and inexpensive.

The Individual

Debt is the great destroyer of business. It may be justified when incurred. The living man can utilize his borrowings and extend them indefinitely and safely. But at death banks and creditors want payment. Insurance covers this. It covers and enlarges credits during life, and later it discharges obligations promptly and without litigation. And thereby he who without credit would be a little man may become a big one; and the risk he assumes is no gamble, for some time and at the critical time it is paid. So, whenever insurance for family has been secured, there should also be taken that amount, small or large, which is requisite for saving intact his family's complement—his business.

The Firm

When to the individual there is added a partner, two new problems arise: the partner and the firm. Each partner reacts upon the other and upon their combination. There are now three entities needing insurance, three reasons making it essential. The business now faces a new hazard; for it is more likely that one of the two men will die than that either one dissociated will die. Each therefore owes it to the other to insure himself for that other. Each has a right to require it of the other. Each owes it to the third party, the firm, to protect that which he helps to create and for which he assumes responsibility. We speak not of preferences but baldly of duties not to be shunned or neglected. No firm needs firm insurance more than office furniture; needs it as it needs fire insurance or a lawyer.

The Average Partnership

Take the average partnership. One member is the manufacturer, the other the distributor; or one is the executive, the other the salesman; or one furnishes capital and the other trade. Neither is ocmplete without his fellow. Banks trust the first, custom follows the second one. It forms a union stronger than either man alone. The years go by, duties crystallize, each man concentrates upon his own task. The structure rests not on one man but two, and you cannot withdraw either without collapse. The public relies upon this dual strength; it is the firm, with its twin talents and wisdom and enterprise, which is known, respected and trusted. And credit is a ticklish thing; it must know that the firm, in any event, will continue able to do what now it does. Therefore firm credit is better with firm insurance.

When a Partner Dies

Now let one partner die. Did you ever hear of its helping a successful firm? Is not the survivor generally left a cripple? Three injuries have fallen, first upon family, second upon partner, third upon firm. This firm, representing as a going concern the life-work of two men, may crumble at the death of either. Loans may be called, creditors get uneasy. It is suddenly realized that profits so steady as to seem perennial have been dependent not upon this man or that but upon two united.

What usually happens to the family of the dead partner? The firm must take in some new man. To retain a real partnership the family must supply either service or capital. If the widow's insurance receipts are thus invested they may under changed conditions be lost. So the family usually retires, sells its interest at a sacrifice, reinvests in some new venture and fails, or buys investments wielding a diminished rate of income.

The surviving partner loses. He awakens to find that he has suffered financially as much as the widow. While she gets insurance funds, he gets none. He must bear alone burdens he formerly shared. He must satisfy credits, continue business, secure new capital and a new partner, readjust and rebuild.

Insurance Steadies All

Insurance steadies all this wonderfully. It may be carried in a variety of ways. Each partner may take a policy on his own life, or they may choose the less expensive joint policy covering both lives. The question of beneficiary is important. If two separate policies are carried, they may be payable to the survivor; but that is seldom wise, as it fails to give proper indirect assistance to the dead man's family. The proceeds should be payable to the firm, and not by assignment but directly as beneficiary. There is then no complication with an estate. At death, title accrues instantly, **ipso facto,** to the firm, free of inheritance tax, without the slightest technicality. Collection is simple, without cost and immediate. Premiums have been paid exactly as other firm expenses, like interest or rent. The firm, receiving the money, meets obligations or has fresh capital. The survivor is protected; the widow retains her interest in a solvent concern which keeps on going for her benefit. It is hard to say which of the two needs it the more. With the daily witness of how many firms fail for the lack of insurance, and how many are saved by having it, one wonders how any sane, cautious man can willingly take the risks and do the work required in a firm unless his partner insures his life for that firm.

The Corporation

The problem of a corporation is essentially the same as a firm's, but intensified. Incorporation is a device for perpetuating firms. It may be true that a corporation never dies, but its elements dic and need replacement. Unless it carries insurance it does not avail itself of a great modern aid to its very goal of long continuance. Its life lies in safety, in unbroken, uninterrupted safety. Perhaps less than in firms, but still vastly, that safety depends upon individuals. The structure rests on more columns, but no column can be allowed to fall.

Among a corporation's assets appear many items, but one is never stated: the personalities of its members. Certain personalities stand out conspicuous, others are little valued till lost. We speak of the constituents of our diet as proteids, hydrocarbonates, fats and so on; these chemistry analyzes and specifies. But combined with them are vague elements, the vitamines, which chemistry is forced to admit the existence of, though it cannot define them: it only knows that they are there, and that if they are absent we starve. So even minor elements in a corporation may possess a vital worth. As an individual's claim to credit may be not financial resources, but honesty and ability, so corporate productivity is a question more of men than of money. To lose men is to lose money-making assets. They should be insured. We cannot without reservation speak of this as replacing them, but the like objection applies to all insurance. Any substitution is better than none. The expedient is a good one; it can do no harm; it may preserve the very life of the corporation itself.

Covering Value of the Personality

What precaution is taken to cover the value of these personalities? Generally none; of late years a growing insurance: in future this will become a standard rule of corporate conduct.

Both firms and corporations have still another danger to provide against: times of panic, dead years, years when money is unavailable, when all but the sturdiest go to the wall. For these there ought to be laid aside a sinking fund, a reserve, a security for the bottom of the strong box, not to be used save in extreme necessity. Interest yield is secondary; quick convertibility is primary. If the necessity never arises, then the sinking fund, slowly saved, almost forgotten, emerges some fine day to extinguish bonded debt or provide for extensions which experience, also slowly gathered, will then make more valuable that if attempted prematurely. Just as important as business indemnity is business reserve; insurance furnishes both.

Business Policies

Suppose a corporation wishes to insure some of its officers. It may take a separate policy upon each. Or it may cover two, three or more under one joint contract. The latter represents the efforts of actuaries to make concessions. For when two people are jointly insured the cost is naturally not double that upon one life. It is only the ordinary cost for one life plus a term rate upon the other; and that term rate is low because of the inherent probability that one of several will die within a term shorter than that predicated for a single life.

Let us be more concrete. Given two lives to insure, one age 40, the other 35; at the death of either $100,000 to be payable.

A single ordinary life policy, age 40, costs	$2,491
The same, age 35, costs	2,091
Two policies cost	$4,582
But a joint policy on the two costs only	$3,491

About equal to the charge for the older plus half the charge for the younger.

Like Bank Deposits

This ordinary life is not, however, the best policy for the corporation. It costs less for a while, but more in the long run, than an endowment. Nor is it so long, either, before an endowment proves the less expensive. We must not be short-sighted or overlook the equities which soon accrue. Let us now examine these.

The corporation's cash book will show that stated premiums are paid each year; but in two or three years the journal exhibits a new asset—the cash values of the contract. They are like bank deposits, quick assets, cashable at any time. They are also available as loans, in some companies at 5, in others at 6 per cent., repayable whenever desired and not till then. This is a high degree of protection against the unexpected. But, considering now

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What the Agent Should Know In Selling Endowment

By M. ALBERT LINTON
Vice-President Provident Life & Trust Co.

Endowment insurance appeals with peculiar force to the imaginative agent who is in danger of growing stale at having always to sell a life or twenty-payment life policy. The numerous forms of the endowment policy afford a broad latitude of choice from which to make an intelligent selection that will exactly meet the particular needs of the prospective policyholder. It becomes possible for the agent to feel that he has more fully earned the right to his commission in that he has actually assisted his client to select the best form of policy from a wide range of choice. To the agent of this type, the endowment principle provides a different atmosphere in which to work and gives him an added interest and enthusiasm in the service he is rendering.



Old Age Endowment vs. 20-Year Endowment

In spite of frequent attempts at explanation, there are many insurance men who fail to grasp the true relationship between the life policy and the endowment principle. They have mentally connected the word "endowment" with the endowment period of twenty years so that "endowment" has to them meant twenty-year endowment.

Now there is no denying the fact that for the average young man under thirty-five, the twenty-year endowment is a misfit. In the first place, it provides too small an amount of protection for a given amount of premium, and in the second place, it matures at too early an age. It presents the policy moneys to the insured when he is at the height of his income-earning capacity, before the period of probable dependency has arrived. The contemplation of the twenty-year endowment policy has frightened many an agent completely away from the endowment idea so that he has gone clear over to the ordinary life policy without ever realizing that he could have stopped at an intermediate point and there have found the policy that exactly meets the needs of the average man.

A Concrete Example

A typical illustration of this reaction against the twenty-year endowment appears in a recent issue of one of the insurance papers.* A policyholder, now nearing sixty years of age, expresses in no uncertain language his preference for the life policy as against the endowment, meaning thereby the twenty-year endowment. He says that at age twenty-five, when he took his $6,000 of insurance on the ordinary life plan, he could for the same money have obtained but $2,500 of endowment insurance payable in twenty years, that is, when he had attained age forty-five. The argument which he correctly employs is that $6,000 of ordinary life insurance was then worth a great deal more to his wife and two children than $2 500 of twenty-year endowment. To this idea we give our heartiest assent, but we claim that it does not follow that the ordinary life policy was the best solution of the problem.

*Insurance Observer, August 16, 1917, page 262.

Take for example the following premium rates at age twenty-five:

Twenty-year endowment, i. e. endowment at 45, $45.92; thirty-year endowment, i. e. endowment at 55, $29.53; forty-year endowment, i. e. endowment at 65, $22.59; fifty-year endowment, i. e. endowment at 75, $19.73; ordinary life policy, i. e. seventy-one-year endowment or endowment at 96, $18.88.

We readily admit that $45.92 per thousand is too large a premium for the average man of twenty-five years of age; but $19.73 or $22.59 per thousand is not too much to pay for a policy which protects not only his family in the event of his premature death, but also himself and any dependents he may then have should he attain old age.

Let us apply the test suggested in the concrete example above outlined. As in that example, the premium for $6,000 ordinary life insurance will purchase about $2,500 on the twenty-year endowment plan. However, it will purchase $5,015 endowment at sixty-five, or $5,741 endowment at seventy-five.

When the endowment at sixty-five matures for $5,015, the ledger or cash value of the $6,000 ordinary life policy is $3,294, i. e., $1,721 less, although the two policies have required the same amount of gross premiums. Likewise, when the endowment at seventy-five matures for $5,741, the ledger or cash value of the $6,000 ordinary life policy will be $4,266, i. e. $1,475 less, although the two policies have required the same amount of gross premiums. These results speak for themselves and one cannot help wondering whether premiums on the $6,000 ordinary life policy would continue to be paid with unabated enthusiasm should the insured realize the great improvement that would have been accomplished had his policy been on the forty- or fifty-year endowment plan.

Company Experience

I am well acquainted with a company that each year pays more in matured endowments than it does in death claims. The more that company observes the working out of the long endowment policy, the more it feels impelled to preach the gospel of Endowment Insurance. And the more it observes the working out of the ordinary life policy, the less it can recommend it to the insuring public. The company is about to pay an ordinary life policy in full to a man who will shortly be ninety-six years of age—nearly a full generation beyond the time that should ordinarily be chosen for the maturity of the endowment. When we sell an ordinary life policy, let us not forget that the hardship it entails will not be experienced until it is too late to be remedied.

Accelerative Endowment

Efforts have been made to improve the ordinary life policy by arranging that the annual dividends may convert the policy into an endowment. Unquestionably this is a step in the right direction; but it lacks certainty and directness. The estimated maturing date may or may not be attained. From the very beginning the endowment policy aims at a definite goal. It does not hope to mature upon a certain date—it positively guarantees that it will mature upon that date. And of course the fact should be clearly grasped that the actual cost of the endowment will be no greater than the actual cost of the life policy (dividends being left with the company to "accelerate the endowment") if the latter actually matures when the regular endowment does.

Problems of Old Age

In presenting the claims of the long endowment policy it should be continually kept in mind that about sixty-eight of every one hundred men insured at age thirty may be expected to attain age sixty-five. As has been well said, the tragedy of poverty in old age rivals in many cases the tragedy of poverty in widows and orphans. While exact statistics are difficult to obtain, it would appear that about 90 per cent. of the men who attain age sixty-five have no accumulation of principal from which they can derive an income and are therefore dependent for support either upon the salary which they can earn or upon charity. An endowment policy, maturing at age sixty-five, will transform the situation completely and will provide the needed support for the rest of life. Furthermore it must not be forgotten that many a man has dependents when he attains age sixty-five. Frequently his wife, and perhaps an invalid child, look to him for support, and the deprivation or perhaps misery that follows the decline of his earning capacity is visited upon them all. Provision against dependency in old age by no means always results in benefiting merely the one who has made such provision. The need for protecting dependents in old age by the possession of an adequate estate is only too often keenly and painfully experienced.

Actuarial Relationship—Long Endowment vs. Ordinary Life

Even at the risk of repetition, it may not be out of place to show briefly the relation between the long endowment and the life policy. This has already been intimated in the short table of premium rates given above. It can also be impressed upon the memory by considering the principles that underlie the actuarial calculation in the two cases.

Take for example the premium upon a $10,000 forty-year endowment at age twenty-five. The amount of money that must be deposited each year as a savings fund deposit to accumulate at 3 per cent. compound interest to $10,000 in forty years, is $129. Should death occur under this arrangement, only the accumulation of deposits and interest would be available for the dependents of the depositor. If, however, we add a safety device whereby the full $10,000 may be paid to the estate of the insured no matter when death within the forty years may occur, we find that the premium on the basis of the American Table with 3 per cent. interest is $68. This $68 is simply the uniform annual premium for properly arranged decreasing term insurance. Adding the $129 and $68 we obtain $197—the American 3 per cent. net premium at age twenty-five for a $10,000 forty-year endowment.

Suppose now that we desire to calculate the net premium for a $10,000 ordinary life policy upon the American 3 per cent. basis at age twenty-five. As the ordinary life policy is in effect an endowment at ninety-six, we find that the annual savings fund deposit to accumulate at 3 per cent. compound interest to $10,000 in seventy-one years, is $41; and that the uniform premium for the decreasing term insurance which provides the safety device is $120. Adding therefore these two amounts we obtain $161, the desired net premium. The only difference in principle between the two policies is the difference in the choice of the age at which the estate shall be complete. We leave it to any intelligent man to judge which choice more nearly harmonizes with the needs of the average policyholder.

The Endowment Series

At the beginning of this article it was stated that the numerous forms of the endowment policy afforded a broad latitude of choice that appealed with peculiar force to the imaginative agent. Suppose for example, a man comparatively well-to-do has taken a policy for $10,000 which matures at age sixty. Should the agent desire to increase the line of insurance upon this man, it would not be necessary to approach him with the same form of policy that he now holds. For example, a new interest could probably be aroused by suggesting that the insured take more insurance, maturing this time at age sixty-five, thereby distributing the payment of the insurance moneys over a longer period. In some cases, where a man can afford it, it might be advisable to sell more insurance maturing at a comparatively young age, at the time when perhaps the children will be in need of college education. To some men it might appeal to arrange their insurance so that a certain amount will mature each year, say, from ages fifty-five to seventy. The number of possible combinations is unlimited and the wide-awake agent will be able in many instances to make an appeal that will arouse anew the interest of the policyholder. The val of having a new idea to present is recognized by every successful agent. It may not be out of place to say that the first $10,000 of insurance that I personally took out was arranged so that $1,000 would mature at forty-five, $2,000 at fifty, $3,000 at fifty-five, $4,000 at sixty. The second $10,000 was arranged to mature at age sixty-five.

Business Insurance

Finally a word as to the place of the endowment policy in the realm of so-called "Business Insurance." Corporations insuring the lives of their officers, or co-partnerships insuring the lives of the partners, can usually afford the cost of adequate insurance protection. Adequate insurance protection involves more than mere protection against death during a limited period of years. It involves also the creation of a sinking fund to compensate the corporation for the loss incident to the retirement of its officer, or to allow a partner to withdraw, taking with him perhaps a considerable part of his interest, without detriment to the conduct of the business. The endowment policy with its two-fold function of protection against premature death and of the creation of an estate available during the lifetime of the insured, is admirably fitted for the purpose of business insurance.

Frequently the shorter endowment is well suited to this purpose. The premiums are relatively large, but so are the ledger values which each year should be included in the inventory of the business. An important consideration is that in a few years the annual increase in the ledger value will exceed the yearly net cost of the insurance. In other words, the actual cost of the protection is borne in the early years, and thereafter the increase in

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For BIGGER and BETTER LIFE INSURANCE SALESMANSHIP

TO the end that life insurance salesmen will attain the highest fame as citizens and secure the largest results from their activities through knowledge and real practical co-operation in the performance of the serious duty incumbent upon them, I cheerfully align my endorsement with the individual and association programs directed toward this goal.

To my fellow life insurance salesmen, all,
I extend hearty greetings.

HAROLD PEIRCE
PHILADELPHIA, PA.

Selling Industrial Insurance

By GEORGE H. GASTON
Second Vice-President Metropolitan Life

The editor has complimented me by his request that I write something for publication about the selling of industrial life insurance; and although I have not been restricted as to space, I realize how impracticable it would be for me to treat this subject adequately within the limitations to which my article may with propriety run, particularly as I must deal with it abstractly the concrete.



By way of preface, I have a steadily growing aversion to speaking or writing of industrial insurance as a thing apart—as being separate and distinct and to be differentiated from life insurance in general, when as a matter of fact it has become, and is, in character, dignity and extent the exemplification and embodiment of the life insurance idea. One might as well regard the industrial class of the community as a body separate and apart from the people in general—as that their lif einsurance is so peculiar to them that it is not to be considered with insurance for other classes of the community.

Term "Industrial Agent" a Misnomer

Industrial insurance is at the most merely a variation of the life insurance principle in its adaptation to the people at large—to the household or family. There is, for example, no such thing in life insurance as an industrial agent. There are agents who write applications for industrial life insurance, but who, with the exception perhaps in a few of the very small companies, also write ordinary life insurance. The simple fact is that the (sometimes called) weekly premium business has attained to such proportions that the word "ordinary" must needs be employed to distinguish it from industrial life insurance.

Thus it is difficult for me to draw a distinction, in principle, between the selling of industrial and of ordinary life insurance. Indeed much the same personality, and many of the same qualities—aptitude, industry, perseverance, judgment of human nature and the like—are as requisite to one as to the other. I say this out of a business lifetime of experience and observation. My own company, which is the only one I pretend to know a great deal about, has no separate classes of agents. They are all life insurance agents and are expected and required to, and do in fact, sell life insurance, industrial and ordinary (the latter including intermediate), in the ratio of about two-thirds industrial to one-third ordinary. I repeat that in effect much the same methods are required in one as in the other, in getting the names of "prospects," obtaining interviews and in canvassing and closing cases.

Sees Little in Gift-of-Salesmanship Theory

While some men have greater natural aptitude for the business than others, the theory that some individuals are born with a gift for life insurance salesmanship is one I do not subscribe to. If not an art, it is, at least in a large sense, a profession, and to properly develop men in, or for it, involves practically all the problems of selection, instruction, retention and conservation; of supervision and management. It begins with the executive, who must have high standards and live up to them; must be human, unselfish and energetic; must themselves be loyal, a term in common which is too often used lightly and without sincerity; their example as well as their precept must be a constant inspiration to those upon whom the burden of procuring the business rests. For these and kindred things are clearly reflected in the personnel and in the morale, not only of the individual but generally of the field force at large. They are largely instrumental in establishing the repute in which a company is held, not only by its own men but by the public, and the public is usually right. If a company stands high, men of character and probity are attracted to it; if low, it is likely to be in favor, if at all, mainly with the undesirables.

The methods involved, and the limitations imposed in the selection and appointment of field men bear a direct relationship to the likelihood or otherwise of their ultimate success in the selling of life insurance, industrial or ordinary. Let's go to the root of the thing: Agents, canvassers, field men in general are wanted—wanted all the time more and more by companies, general agents, superintendents, et. al., partly to enlarge the staff, but very frequently to fill gaps left by those who have fallen by the way. Now is it the first consideration that men shall be sought after whose character, intelligence and past career indicate at least that they will be apt students of their new profession and that they are worthy to be considered seriously as probably successful, permanent additions to the staff, whose accomplishments will be commensurate with the investment of time, effort and money which must be made in them, or without which their failure is fore-ordained? Or, is the easier alternative to be followed of taking the first man who presents himself, or can be found, who is willing to "try" the job; or, perhaps of giving the appointment to one who by virtue of his social or business connections can surely be counted on to at least, with, perhaps, some superficial experienced help, bring in some business? the idea being that when he has exhausted his opportunities with his friends and associates the process can be repeated ad infinitum.

Conservatism

Conservation is the watchword of the hour in every department of activity—conservation of time, effort, material, business and of men. The conservation of life insurance men, the diminuation of the all-too-frequent and all-too-extensive turn-over of the agency staff is a problem which concerns the executive, the agency manager or director, the superintendent—everyone who has relationship with and responsibility for the field force and its solidarity. It cannot be solved by measures which are employed only after the organization exists; it must have its genesis when the organization is being effected —explicitly as each new component part is being added to it. The "easier alternative," referred to above, in whatever form it may be resorted to, is fraught with disaster. Too often men are permitted to drift into the business. They are not "selected" at all, but happen to be available in a pinch and are "put on." Their introduction to, and instruction in, their duties and obligations are desultory and perfunctory. Too often there is utterly neglected careful inquiry into the applicant's character and antecedents, the study of his individual traits and characteristics and an earnest effort to impart to him an intelligent understanding of and respect for his new calling, and that above everything else the interests of the millions of people dependent upon it must be faithfully served. It is to this initial laxness, and these omissions, that so-called "failures" are frequently due. But does it not come back to this: Under whose auspices was the man brought into the service? Who sanctioned the appointment? By whom and to what extent was the man "shown how" to proceed in his work? Who was his rightful sponsor or guardian, and how did he discharge his duties and obligations to his ward?

Some Comments on Those Who Fail

It may be asked what relation has all this to the "selling of insurance"? Much in the psychological effect it has on the mind of a man who is contemplating "trying" or who definitely decides "to try" the life insurance work. It is the frequent changes among men who "try" but do not succeed, which not only spread evil reports abroad as to the doubtful stability of an agent's tenure of office and in some instances deter men who would make valuable acquisitions to the ranks from engaging in the business at all, but also create misgivings as to their ultimate success in the minds of those who, by persuasion or the dictates of necessity, are induced to "try" it. Moreover, in his season of trying the individual gains his first and nearly always his lasting impressions (1) of the organization of which he becomes a part by the success or partial or complete failure of the other units of which it is composed, and (2) of the business in general very largely from the manner in which it is directed and conducted by his immediate superiors. His judgment becomes fixed as to whether the enterprise is in reality a great social service, conducted on an extensive scale for the welfare of the community at large, or is merely a commercial enterprise to be engaged in "while the going is good" for their own profit and advantage, by men of glib tongue and nimble wit. Let us not, therefore, put all the blame for their so-called failure (or for the discouraging influence it exercises over other active or prospective agents) upon those who fall by the way. They are our appointees. We bring them into the service and in the last analysis we are mainly responsible for their training, instruction and actions. Whether because of or notwithstanding what they do or leave undone, private opinion and public approval or condemnation is of the business as a business, and of the management of its field men, not as individuals but as an organization. The court of last resort is always the tribunal of public opinion. The final accountability is ours. It cannot be evaded. We cannot escape it if we would.

Start Right With Right Company

My contention is that whether a particular individual who is without previous experience in the art, can become a successful salesman of life insurance, and what methods he shall adopt, are questions which he simply cannot answer for himself; or if this is putting it too strong, that at least the responsibility of answering them is divided between him and his prospective mentor; and my experience is that the mentor will discharge his part of the responsibility according to the cue he has taken from the ideals, the standards, the practices of the executive of the company concerned. Moreover, so will it be with the new agent, after he gets to work, as to the business he writes, and how he writes it, whether freely, openly and honestly or otherwise; in his dealings with his fellow agents and with those of competing companies; as to whether he adds to or subtracts from the good repute of the company he represents; and so will his ultimate, and perhaps early failure or his permanent success come to pass.

The life insurance man is, therefore, fortunate who, at the beginning of his career, selects (or is selected by) a company that he believes in and in which the degree of interest in and patient consideration shown for him by his immediate supervisors, particularly during the period of his early apprenticeship, justify his belief. Under these conditions he starts right.

The Fundamentals

There are, of course, certain fundamentals which, if possessed by a beginner in the life insurance field, will prove to be of immense advantage to him. If he has a good personality, sound moral character, a cheerful temperament, a good degree of intelligence, some talent for salesmanship, resolute determination, and sturdy unflagging industry, novice though he is, it is likely that he will begin his career in the business with confidence and enthusiasm. There will still be those things to be acquired which can only be gained in the school of daily personal experience—judgment of human nature, tact in adapting oneself to varying conditions of people, circumstance and occasion, self-control under provocation, the art of sound logic and convincing argument—qualities which will develop, slowly at first, perhaps, but surely nevertheless, in the student who, recognizing the difficulties of his task, coolly and firmly sets out to master them.

As to the agent who represents a company doing both industrial and ordinary life insurance, the industrial is, in the very nature of things, a veritable kindergarten, comprising, as does the industrial, all the elements of the larger business, instruction in which is both preparatory and progressive. Moreover, practical experience in the industrial imbues the novice with a feeling of confidence which in most cases could not otherwise be nearly so readily acquired, in that at the beginning he need deal only with small things. His training comes along normally at the start. Insurance is, of course, the chief topic of his conversation in the families that he visits, and as he goes along and his interest in it grows, it becomes the sole topic of his intercourse with the people and he unconsciously becomes "at home" in his new calling and at ease with himself, and his imaginary terrors of the business are entirely dispelled. It is not then a difficult step from industrial to intermediate, and from intermediate to ordinary, or later, in ordinary, from the smaller to the larger

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MY PLATFORM

Absolute Belief in the Gospel of Life Insurance for the Protection for All Mankind

H. B. ROSEN

NEW YORK CITY

Income Insurance: What It Is and Who Should Buy It

By FRANK T. McNALLY
General Agent, Massachusetts Mutual, Duluth

Income or installment insurance is primarily simply a means of conserving life insurance funds. It is the philosophy of Roosevelt, Pinchot and Garfield applied to life insurance. Statisticians claim that the funds derived from life insurance last but five or six years; that is, the beneficiary derives a benefit for but that length of time. If by means of installment insurance, we can lengthen the number of years to twenty or even to ten, we have proven ourselves practical advocates of the policy of conservation.



Income insurance, and not any particular company, puts the "sure" in insurance. It costs no more than life insurance payable in a lump sum, but it benefits the agent by widening the scope of his field; benefits the company by giving it the most inexpensive advertising possible, since under the income plan, the beneficiary cannot forget the company. Its name on a draft will be a most welcome sight for years to come; most important of all, its value to the insured is very apparent; it makes certain that his original purpose will not be thwarted, his sacrifices will not have been made in vain. He knows for a certainty that under the income or installment plan, his insurance will "make good."

Why the Company is Benefited

Let us consider these advantages in a little more detail. Income insurance benefits the company, because it calls for a small sum to be paid out at a definite time, while insurance payable in cash calls for a large amount payable at unforeseen times. In times of great financial distress, a large amount of income insurance would be beneficial because as contrasted with insurance payable in cash, no gilt-edged securities would have to be sacrificed to meet death losses.

Secondly. A considerable expense of every company is the item of cost of new business. Large sums are spent to secure new business, to establish a relationship between policyholder and the company. This relationship automatically ceases when the policy becomes a claim. The one who is most benefited by the transaction, the beneficiary, practically loses all interest in the company This loss of interest becomes an economic loss to the company. Some of the agencies secure as much as 60 per cent. of their new business from old policyholders. Are not the companies neglecting another source of new business, beneficiaries, the tangible proof that our business does what we claim for it? Let us suppose that as time goes on and income insurance becomes more and more popular, and that in a general agency there are five hundred policies being paid out in monthly incomes for life. FOR LIFE! Could any advertising be as potent as such a condition. and free advertising at that? The story of those income checks would pass from beneficiary to friend, to the friend's friends, to baker, grocer, butcher, and landlord, ad infinitum. If home offices fully appreciated the value of income insurance, trained instructors would go from office to office in the field, teaching the agent the value of income insurance. The potency of income checks as a business getter would be long-lived. General agents might come and go, but the monthly income would go on forever, an economic saving to the agent, company, beneficiary and assured, all the parties interested in the transaction.

Value to the Insured

According to Webster, "to insure" means to make sure. Income insurance alone makes sure. When we write an insurance policy payable in cash, we have protected our commission interest, but there is no certainty that we have protected the beneficiary. What sells a life insurance policy—the reputation of the company? Sometimes, but usually it is the preachments of the man with the rate book. It is he who advertises the merit of life insurance and monthly income or installment insurance will never be widely sold, until the agency forces are made cognizant of its inestimable value to them individually and to the life insurance business as a whole.

A life insurance premium is usually a sacrifice for some one else, and the time that business men use, dissecting the differences in disability clauses and net cost between companies whose policy contracts and net cost are so much alike that it would take a microscope to find the difference, might far better be used in study of the respective merits of the installment options, in order that the real purpose of the assured may not be thwarted, that the sacrifices he makes will not have been made in vain. The ultimate use of an army is to defeat the enemy; the ultimate supreme purpose of life insurance is to protect the beneficiary. All else is incidental. Dissipated life insurance funds are the worst enemy of life insurance. The prospect thinks of cases in which insurance has not made good and he says to himself, "What's the use?"

An Inconsistent Attitude

The most inconsistent, ridiculous attitude of the underwriter is this: the prospect objects to life insurance on the ground that he can make more money by investing the premiums himself. The agent eventually convinces him that although the basis of interest on reserves is three per cent., yet the loss of the difference between three per cent. and six per cent. (which he might earn in an investment) is made up by the value of the safety of the fund and the protection itself. And then when it comes to the matter of paying the claim, the prospect or policyholder objects to income insurance because it only pays four and three-quarters per cent. (the rate allowed by the Massachusetts Mutual) while the beneficiary may be able to net six or seven per cent. with an investment. Very often, yes, in most cases, the agent agrees with him. Nothing is said about safety or solvency or certainty, and although the insured has bought the contract as a trust fund for his beneficiaries, yet nothing whatever is said in regard to converting it into a real trust fund, whereas, the desirability of securing a trust fund was that which created the desire upon the part of the assured for the contract. "Verily, consistency thou art a jewel."

Every life insurance salesman knows or should know the value of income insurance. A man need know nothing of our business to see clearly the economic value of conserving life insurance funds, but too many life underwriters are prone to look upon life income policies and the installment options as matters of secondary importance. After they have sold the life insurance, they mention the fact that it might be well to make the policy payable in installments. They offer the suggestion merely in an advisory manner. They entirely overlook the latent potentiality of income insurance as a means of writing new insurance, securing increased lines from old policyholders and of reaching the class of men hitherto unapproachable. Expounding upon the merits of income life insurance would be superfluous, like extolling the virtues of rainfall. The advantages of income insurance are so perfectly apparent, that a mere novitiate in our business can see them readily, but we are interested in income insurance because it helps our business in the eyes of the public, and because it helps to sell more insurance. It enables the agent to approach with something interesting that large and prosperous men and women look upon life insurance merely as a "good thing for the young married or professional man, but as uninteresting to the man who has created an estate, who carries sufficient insurance to meet his obligations."

A Sure Appeal

Long lines of insurance cannot be written upon men of slender incomes, and the class of men to whom I have referred must be reached by the agent, else he does not make a success, or, at best a mediocre one. Income insurance is or at least can be made interesting to this class of men.

There is nothing which so appeals to a conservative business or professional man as a guaranteed monthly income for a dependent wife, children, sister, aunt or niece. He knows the uncertainties of the business world, the bitterness of poverty, and the every day instances witnessed in our probate courts of men of means endeavoring by every known device to tie up their estates in trust, to escape the danger of their dissipation by beneficiaries, is evidence sufficient that these men are thinking in terms of income, not capital, and trust funds, not market values of securities.

Let us suppose that a man has a fairly good sized estate, which he must eventually devise to certain dependents. If he decides to create a trust fund for his dependents, he must first possess the principal of the fund, and when he has turned over the securities to a trust company, he sacrifices the benefits which the future possession of the securities might bring him. Let us suppose he uses the income from the same securities to buy a life income policy. It is true he loses the income, but he retains the principal to be added to his estate at death, or retained for his future contingencies while living. Insurable men of large resources have not been tardy in taking advantage of the trust features of a life insurance contract. I repeat, "taking advantage" of this feature. The writer has known men who considered that they were overburdened with a paltry five or ten thousand dollar line, who upon being convinced of the advantages of trust fund insurance, have purchased as much as five hundred thousand dollars of life insurance payable in installments or as life incomes.

Only Chance to Create a Trust Fund

So much for that class of men who are so fortunate as to possess such a goodly supply of this world's goods that they can have the opportunity to choose either a trust company or a life insurance company as their trustee for trust funds. Now let us consider that much larger class of men who do not possess sufficient securities to provide a decent sized trust fund, men who have the income but not the estate. If life insurance payable in installments for a fixed period of years should and does appeal to the man whose purpose in buying life insurance is to will away a portion of his estate, how much more forcibly should a trust fund created by life insurance appeal to the man whose only chance to create a trust fund is by means of life insurance, who usually leaves nothing but life insurance to his dependents? Did you ever consider how few men there are who can leave their families as much as fifteen thousand dollars of gilt-edged securities? Yet how many men there are who could spare a few hundred dollars each year from their incomes to provide a fixed annuity of fifty dollars or one hundred dollars per month for life to a dependent.

I refer to that large class of professional men, doctors, lawyers, dentists, engineers, professors and salaried men, men whose income is derived from the work of their minds, month by month, and not from investments, men whose incomes cease with death, whose business or profession is not worth a dollar to anyone else unless they are there to direct its activities. A banker's wife can continue to draw dividends from bank stock after the banker has died, but of what value to a beneficiary is the lucrative practice of a doctor or lawyer when the doctor or lawyer is no more? So many men still have the old-fashioned idea that life insurance is designed to cover debts, something to carry to cover a mortgage. A man's insurable worth is based upon his earning capacity or resources, not upon his obligations. Life insurance is the one and only thing which replaces to a limited extent the loss of that earning capacity.

Income life insurance is interesting to sell, because it is sold in large amounts to men of the ability to pay large premiums and such men are always interesting because they are "big." It educates the agent out of the two thousand dollar rut. There are many successful life underwriters who seldom if ever write income insurance, yet, they are neglecting the most fertile field in our business. The old stock argument against a college education is, that so many men have succeeded without one. Yet, who doubts but that a college education would have made our self-made self-educated man still more able. And so likewise, life insurance can be written without the income feature, but unlike a college education, the advantages to us in the solicitation of income insurance are free not as an afterthought, but as a means of cost and by using income insurance, of creating the interest of men who are worth while, we can materially increase our production and in the best manner possible protect the interests of those whom it is our business to permanently protect.

APPRECIATION

IF there is one thing more than another accountable for the measure of success I have attained in life insurance selling, it is my ability to use unstintingly the experiences of others, who have and are blazing the trail in our vocation, and my willingness to pass along such helpful experiences as I have had.

For the educational co-operation of my company, my associate field workers, my fellow life insurance salesmen and their companies, and the great organization representing the selling end of our business in its best light, I express due thankfulness.

My Agency Motto:
"SERVICE that SATISFIES"

R. M. SIMONS, General Agent,
Home Life Insurance Company
115 Broadway
New York

System and Efficiency in a General Agency

By WILLIAM M. DUFF

Agency Superintendent, Edward A. Woods Agency, Inc., Pittsburgh

Most of the things which a company expects from the appointment of a general agent, it doesn't get. The company invests considerable money in an overriding commission, often in direct salary and allowances, in the hope that if a general agent dies, quits, or is moved up, there is an organization which can be handed over to some able man and the production go right along. Ordinarily a general agent is appointed because he was a good personal producer, or he inherits the business from a father, uncle, or some other relative. For a time he puts pep into the organization, makes elaborate plans, and finally gets tired trying to make the "common agent make money for him," and degenerates into a personal producer—often a very big one—but it's a degeneration just the same because he is a personal producer with a general agent's contract, and isn't in the true sense a general agent.



To conduct successfully an agency, the head of it must have competent assistants. He must be willing to spend some money, and he must invest considerable time. But without organization and without assistants he can't succeed.

An Outline to Fit Any Agency

The following outline, with some modification, would seem to fit most any agency, either big or little. A big agency is a development and the broader the foundation, the more hope of growth.

The general agent should, of course, be the directing head of the organization.

Assistant A, in collaboration with the general agent, should

1. (a) Lay out a general plan for the entire year; the meetings that should be held—weekly, monthly, semi-annually, or annually.

(b) He should outline the prize offers which might be necessary. Prize offers are tonics to be applied when needed. Inspection of the agency's previous business will show some weak spots in time of production. Prize offers can be used to stimulate production during those periods.

(c) Records to be gone after. Often the mere trying to beat the record of a previous month, or the same month in a previous year will bring in a large amount of business.

2. He should be in daily charge of, and should furnish the general agent daily:

(a) A business sheet, Exhibit 1.

(b) Pulse or comparative record showing the number of applications, the amount of business done the corresponding day of the previous year, the total business for the month up to date, etc. The general agent should know at all times how he stands with the same month last year, and with the year to date, as compared with the same time last year.

Agent's History Card

3. He should be in charge of the agent's history card.

(a) A permanent card giving agent's full name; place and date of birth; social condition; his statistical record for the entire period of his contract. Exhibit 2.

(b) A current card to be the record of the agent for the current year, showing the number of days in which the agent gets applications, the number of applications, the amount of business, the amount of declined and N. T. O. business. Exhibit 3.

(c) Depending upon the size of the agency, the number of agents under contract, he should furnish to the general agent from one to ten cards every day. The general agent can look them over, and he will thus keep in close touch with just exactly what each man is doing. He knows those who are going well, and he knows those who should be encouraged by word of mouth or by a letter.

4th. Publications:

(a) Every agency should furnish to each one of its agents a daily sheet showing the standing of the agency up to the same day, the same time for the month, and the same time for the year, as compared with the previous year. It should show the names of agents who have written business that particular day, and the quality of the business. This might be called a daily bulletin and can be made to do many things. If possible, each day a selling point could be included, announcements made, etc. This should be stenciled or mimeographed with many of the headings printed right on the sheet.

(b) The monthly bulletin should go to every man under contract. It should be a message of force from the general agent. It should contain some big idea and in addition, the honor roll comprising the first ten or the first twenty-five leaders in various groups, such as paid premiums—number of lives.

(c) Circulars. In every agency more or less printing must be done. The responsibility for type, matter, etc., should be centered in some one person.

Meetings

5th. Meetings. Every agency, big or little, should have meetings.

(a) Monday morning is a good time, and 8:45 a good hour. If nothing else, compulsory attendance of those within a fair radius will insure that those agents at least will be on the job early Monday morning, otherwise it may be the middle of the week before some get really started.

A program for a meeting of this kind could be roughly as follows:

8:45—Meeting convenes. Let the agents talk about anything of general interest—of interesting death claims or maturity settlements—of interesting canvassing experiences.

9 to 9:30—Prepared talk on some announced subject such as "methods of closing"; "methods of approach"; a specific policy discussed by some agent or agents.

9:30—Closing talk by general agent. Often it is possible to get in a prominent policyholder, or well-known citizen of the town, who will give us his experiences "from the other side of the counter."

(b) Monthly. A little broader in scope than the Monday morning one; perhaps having it at a hotel or restaurant and having in attendance practically all agents.

(c) Either semi-annually or annually. A convention at which would be present one or more visitors from the home office, or the company's principal agencies. It should be a real, get-together, first-class meeting.

Work of Assistant B

Assistant B should be in charge of:

1st. Interviews.

(a) Interviews with the public.

(b) Interviews with policyholders.

(c) Interviews with city agents.

thus saving the general agent's time as much as possible.

2nd. He to be in direct charge of recruiting the agency force. This is a big job but it can be reduced to a system. He can have a steady stream of letters automatically going to policyholders, medical examiners, and old agents asking them to co-operate with the office in building up the agency force. Proper conducting of this correspondence will secure more names of prospective agents than can be utilized. It is in the sifting of these, and the eliminating of those not qualified to engage in the business that requires the most thoughtful study, and in this, the Bureau of Salesmanship Research of the Carnegie Institute can be of great assistance.

3rd. He to be in charge of, and should keep up to date, scrap books or reference volumes, if you please; a volume on

THE EDWARD A. WOODS AGENCY, INC.

DAILY PULSE

RECEIVED FROM ALL AGENTS ON ..... 191..... SHEET NO.....

	AGENT	APPLICANT	BR.	Examiner's Rating	KIND POLICY		AMOUNT		FIRST DEPOSIT ORIG. POLICY		REMARKS
1											
2											
3											
4											
5											

PAID RECORD

NAME ..... DATE CONT ..... INTRODUCED BY ..... ALLOTMENT ..... SUPV. ..... YEAR .....

DATE	LIVES	AMOUNT	DEPOSITS	EARNINGS	RENEWALS	DATE	LIVES	AMOUNT	DEPOSITS	EARNINGS	RENEWALS	DATE	LIVES	AMOUNT	DEPOSITS	EARNINGS	RENEWALS
CENTURY CLUB						CENTURY CLUB						CENTURY CLUB					

WRITTEN RECORD

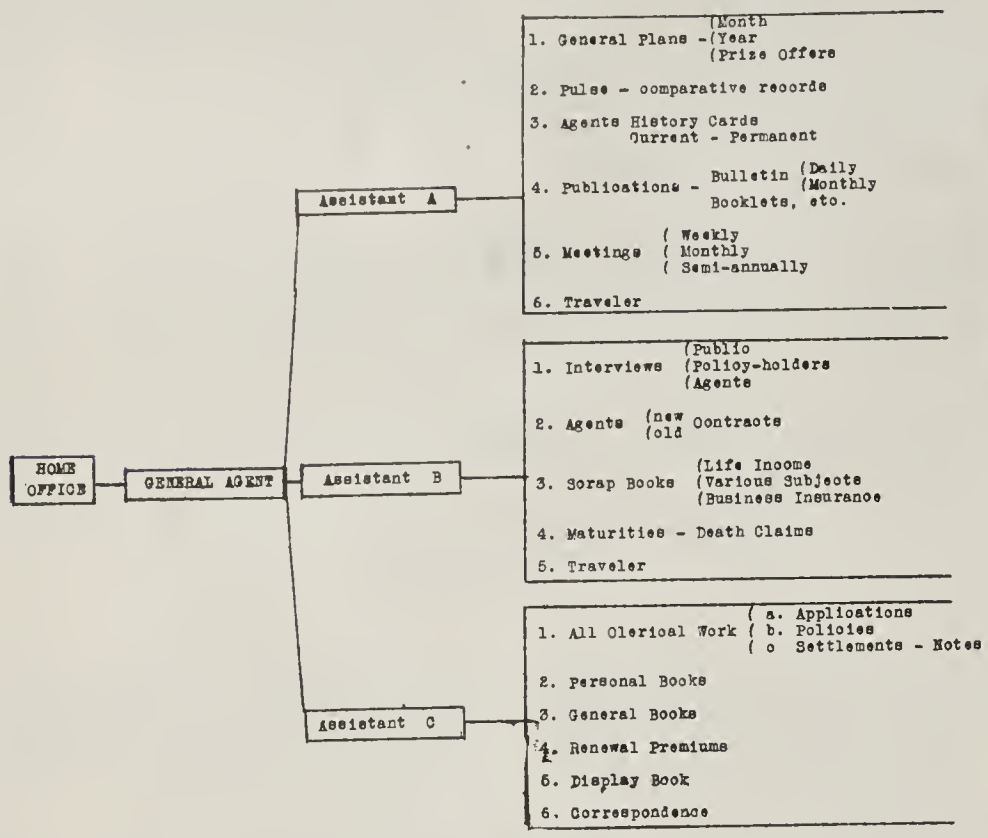
NAME ..... YEAR .....

WRITTEN			N T O.			DECLINED		WRITTEN			N. T. O.			DECLINED		WRITTEN			N T O.			DECLINED	
DATE	APP.	AMT	APP	ORIG AMT	ADDL. AMT	APP	AMT.	DATE	APP	AMT.	APP.	ORIG. AMT	ADDL. AMT	APP	AMT	DATE	APP	AMT	APP	ORIG AMT	ADDL. AMT	APP	AMT

(a) Life income.
(b) Business insurance.
(c) Various subjects.

He to clip insurance publications, daily papers, etc., with pertinent articles to keep these scrap books up to date.

4th. This man can also look after maturing policies, death claims, etc., taking care to see that these are referred to the proper agent; either the agent who wrote the case or the one who is best qualified to handle the case; to see that the proofs of death are accurately filled out; promptly forwarded to the home office and expeditiously paid, and leads to business followed up.



Work of Assistant C

Assistant C to be in charge of:

1st. All clerical work and forces.

(a) To handle all applications, seeing that they are absolutely complete before forwarding to the home office.

(b) The recording of policies and delivery to agents.

(c) Settlements, including the handling of notes and paper. Here it might be well to state that no paper should be accepted by a general agent without some investigation of its value. In many general agencies the loss on notes is quite a large item. It can easily be reduced to a small fraction of one per cent. if care is used in selection. There are some very good books on credit functions. The study of these will be valuable to the man in charge of this department.

2nd. To be in charge of the general agent's personal books, assuming that the general agent is too busy to even draw his own checks.

3rd. To be in charge of the general books of the agency.

4th. To be in charge of the renewal premiums of the general agent.

In many cases the value of his renewals is more than 50 per cent. of the value of the general agent's contract, and no policy should go off the books without a stupendous effort to hold it.

5th. To be in charge of display book. This is a book of general statistics on business, and no agency is complete without it. It gives details in permanent form. It may not often be required, but is mighty useful when wanted, as to the number of policies paid for in any year—the kind of policies—the agents' debit and credit balance—and a thousand and one items of interest of which a general agent will, from time to time, want to make a study.

6th. To be in charge of all general correspondence.

Program Not Too Ambitious for Average Manager

The outline above is elastic; it can be added to or taken from. Provision can be made for handling (a) daily reports; (b) financial statements, from agents at regular periods, so that a man may know whether he is really making progress or not. Exhibit—(c) any other details to suit the need of a particular territory.

Some may say that such an organization as outlined above is beyond the pocket book of the average general agent, but this is not so. By means of a liberal contract these assistants A, B and C can and should write considerable business. The more business they write, the better advisors and assistants they are; the more thoroughly they understand the problems of the agent, and sympathize with him.

It can be understood that business written by them as a direct result of their office connections shall pay no renewals, and a small brokerage only. Thus a considerable portion of their salaries can and will be met from margins on their own business.

These assistants can, at certain times of the year, travel over the general agent's territory, meeting the agents, and occasionally doing some joint work with them. If these are not sufficient, or if business develops to a point where more travelers are needed, a supervisor or supervisors can be added.

While no mention is made specifically of any but the general agent and his three assistants, it goes without saying that there will be a number of clerks, stenographers, etc. Here again, much of the cost of clerical work can be lessened if these clerks all in their turn are encouraged to write business. In some agencies the amount written by officers and employes runs into a very large figure.

The Best Training School

Further, there is no better training school for a permanent agent than a general agent's office, and the best of good agents can be secured by simply graduating clerks from the office into the field.

The big idea is this: The general agent should be a "general" in very truth. He should do nothing in the way of detail that any of his assistants could or should do, but he should keep in touch, and in intimate touch with every agent in his force; with every detail of his business, and this is possible only through system and organization.

Finding One's Cog in the Business Machine

By DIEDERICH H. WARD, Agent.

You asked for a few words. Here they are: There may be a moral—if so, it is hidden away somewhere in what follows.



Along the highway of life, which I have been twenty-eight years in traveling to date, there stand sign posts at two places, denoting where I detoured, and thereby materially shortened the journey. Two years at college had been spent in trying to make an engineer out of something else. My father * * and here let me pay a tribute to him who taught me all I know about life insurance * * suggested my trying a hand at the game during the summer vacation. With a rate book, applications and hopes, I started a canvass (cold and on ice) along lower Broadway. About all I'll say for the three months that followed was that I didn't make $50, but gained experience worth $500 and a liking for the work. The immediate effect however, was that I gave up whatever hallucinations I ever had regarding engineering and finished the remaining two years at college with courses on insurance, psychology and like subjects.

Practice is far different from theory, but let me say that what soaked in through flirting with Miss Arabella Psychology, has stood me in good stead when the well known psychological moment arrived in various interviews later.

For the three years that followed, I must admit the road was rocky and mostly uphill, so much so, that I wasted almost a year trying to prove that the moving picture business could be made profitable. I proved it—for others. Then and there, I really learned the first lesson, for in that proof I realized that life insurance was the greatest business on earth, if one honestly worked.

From then on fortune began to smile occasionally, and that smile reached its Zenith the day I got married. Like Jack Spratt and his wife, my life partner and myself lick the insurance platter clean. She is as much interested as myself in this business, and her judgment and intuition have often saved me many a commission.

D. H. WARD

Diederich H. Ward, author of this article, is the son of J. Carlton Ward, for years one of the best known life insurance men in the production field of the metropolis.

My business has been wholly among strangers and I know no other system than straight canvassing. That was the method taught me by my father, and the system taught him by one who made it famous.

Getting my business in that way, I found that two things were primarily necessary. 1. Having a real system or work, namely seeing a certain number of new people each day as far as possible, and, 2. Making an allotment for yourself sufficiently high to keep you always at that system.

Twice last year I had to raise the allotment, and this year, I elevated it to the half million mark. How near I'll come is open to question, but inasmuch as I have passed the $275,000 paid for post so far; I have hopes.

HOW ZIMMERMAN DOES IT

Sixteen Years of Ordinary Production Without a Single "Not Taken" His Record

In the little town of Highland, Ill., is an agent of The Prudential, Joseph Zimmerman, who in sixteen years of writing life insurance has not had a single "Not Taken" policy. During that time his ordinary business has amounted to nearly $400,000. All during this period he wrote a good volume of industrial business as well.

In explaining why his policies stick he recently wrote the following letter to The Prudential:

"I make it a rule to explain the policy carefully before writing the application, and when the business is issued, I show the insured that what I previously told him is written plainly in the policy.

"I desire to have my clients feel entire confidence in my word, and I make it a point never to break a business engagement if it is humanly possible for me to keep it.

"In regard to the industrial department, I give just as much care to a five-cent premium case as I would if the premium were a dollar or more, and this is one reason why I have a low lapse-rate.

"I try to create the impression with my policyholders that their business was written and issued by the Company because I recommended them as good risks, and that when accepted in good faith by The Prudential, it would be more or less of a reflection on myself if the policies were canceled.

"In conclusion, I would say that I have absolute trust in my policyholders and feel that this faith is reciprocated."

MRS. McCOLL A MEMBER

Joins Mrs. Jennie Watkins in New York Life's $200,000 Club

Mrs. Jennie Watkins has led her sex for many years as its only representative in the New York Life's $200,000 Club. She now has a companion in Mrs. Alexander McColl, widow of the late Alexander McColl, who represented this company for many years in Colorado. At his death it became necessary to wind up his affairs. Instead of closing them out as most wives would have done, she determined to be an insurance writer herself and continue her husband's business.

In addition to caring for a home and a family of young children she developed at once into a $100,000 Club member, was its president over all competitors last year, and this year graduates into the larger club. Mrs. McColl's is quite the most remarkable record in the club, considering all the circumstances.

Charles H. Lilly is the heaviest insured man in the State of Washington. He carries $500,000.

The Selling of Group Insurance

By JAMES E. KAVANAGH
Fourth Vice-President Metropolitan Life

A group life insurance policy is one that provides insurance for a large number of individuals—usually employes of one person, firm or corporation. Accompanying this policy there will be a list of the names, ages and amounts of insurance carried on each individual. The total of these individual cases will make up the grand total of the policy. The selling of group life insurance is accomplished in just the same manner as is the selling of any other kind of life insurance. That is to say it will be sold by canvassing for it. Canvassing is a general term covering both the showing of an article and the offering of the necessary explanations that go with it in order to bring about a thorough understanding on the part of the person canvassed.



The Preliminary Knowledge

The agent undertaking to sell a group policy ought first of all to familiarize himself with the terms of the contract as to plan of insurance, premiums and their modes of payment, additions to or subtractions from the group, concessions and settlement of the contract.

With this knowledge of the policy and its workings in his mind the salesman should equip himself with a knowledge of the reasons to be advanced for the purchase of such a contract.

Let us assume that in all cases the prospect is an employer of labor. There are two phases of group life insurance which need to be shown to the prospect—one the sentimental and the other the commercial. With most employers the commercial phase of the proposition appeals more readily but there are few, if any, that fail to appreciate the sentimental side of the contract as well.

The Sentimental Side

By the sentimental side we refer to that satisfaction that must be afforded the management of any concern when it realizes the fact that it has been instrumental in providing its employes with protection for loved ones. The consciousness that one has provided protection for the wife, children, mother and others is a consciousness which few employers, if any, will fail to appreciate.

The average employer of labor in America is quite able to buy and pay for all the life insurance that is necessary to protect his dependents and meet the obligations resting upon him should an untimely death arrive. This is not so with the average employe. Few workmen have the sense of satisfaction that comes to the well-insured man, that should death come the dependents will be reasonably and well cared for.

The Commercial Side

The commercial side must also be shown. The prospective purchaser must be made to realize that money invested on premiums of group life insurance is money that is wisely invested—is money that will return dividends to his corporation. It is here that the agent needs to be able to point out the economic loss involved through labor turn-over. By labor turn-over we mean the hiring of new workmen to replace the constantly changing body of workmen in the average plant, amounting as it does in some cities to over 250 per cent. among the more important lines of industry.

This labor turn-over has but lately come up for serious consideration on the part of the employers in America—in fact many of them have not yet come to realize its seriousness. All are ready to admit the fact that a firm loses money through the process of constantly changing help. All employers are ready to admit that a well trained force of permanent employes is a desirable asset of any business.

The agent ought to point out to the employer that there is an approximate minimum loss of $45 to the average institution every time that one workman is replaced by another. Any thing which tends to cut down this labor turn-over is well worth experimenting with.

It is up to the salesman to point out just what group life insurance is supposed to do in order to stabilize labor. He should picture to the employer—an employe receiving a certificate of life insurance without even the formality of a medical examination—of his taking this certificate home to the wife or family; and of the feeling of gratitude and affection that comes over the home, where the seed of loyalty has now been planted.

What Employer Should Know

The employer must be taught that the best way to breed loyalty is to display loyalty. Let him as an employer first be loyal to his employes and they in turn will, to a very large extent, display loyalty to him and his institution. Point out to the employer that the charge often made, that the employes do not take an interest in the business, is probably true because of the fact that the reverse is true: namely, that the employer does not take an interest in the employes.

If the employer has not come to realize the advantages of welfare work then the agent has a golden opportunity to set forth its many advantages. He can start in by showing that group life insurance is the very highest type of welfare work yet evolved because it goes beyond the individual employe—it goes to his home and there produces in the family, allies who will have a kindly feeling toward the institution and toward the employer.

Frequently the first documentary evidence that any man has been able to give his wife as to his real worth has been an insurance policy. There can be no question but that life insurance does increase the self-respect of the holder.

Duty of the Agent

The agent will point out to the prospect just how these certificates of group life insurance can be varied in form. The amounts may be made to suit the desire of the buyer, either according to the salary of the employes or, according to the length of service of the employes or, both through salary and length of service. Make it clear to the employer that these certificates can provide for yearly increasing amounts—thus guaranteeing larger protection for the employe's family with length of years and persistent service. Usually group contracts are written only up to $3,000 on any one life.

Make it clear to the prospect that in thus insuring his employes by means of a group life contract he is placing within their hands an opportunity to do something for themselves in a very similar manner. Once a group policy is in force on a body of employes it is a comparatively easy matter to have those same employes undertake to do something for themselves in the way of providing either pension or sick benefits. They can now be readily taught the advantages of co-operation. Already employes insured under the annual renewable term plan have been organized into associations and are undertaking to provide systematically through the insurance company, old age pensions or endowments at age 65.

How Agent Should Handle Cost Question

Possibly it will be a difficult matter to keep the prospect from insisting on knowing what the cost will be up to this time but the clever agent will refrain from mentioning premium or cost until he has first shown his goods. He can then dispose of the premium or cost feature by stating that it will be in the vicinity of from 1 to 2 per cent. of the amount of insurance involved. If the insurance is to be the equivalent of the pay roll it would, in many cases, approximate but one per cent. of the pay roll. It is usually safe to estimate an average age of 35 for any sizeable group in arriving at the average cost per thousand. This is not always correct because it is sometimes found that a fair sprinkling of older risks—men past 60—has the effect of materially increasing the average premium. When the exact figures for the group are made up the agent is sometimes disappointed to find that instead of the premium corresponding to age 35, it would sometimes correspond to an age as high as, possibly, 45. This, however, is rare but it is something that the agent needs to keep in his mind in order not to create the wrong impression as to premium. It is always better to have the actual premium work out less than the estimate.

It is not necessary for the employer to get the names and ages in advance. It is necessary to have the employer thoroughly convinced that he ought to buy group life insurance. Once he is convinced of that, details can be easily attended to. Once he is convinced, the next thing for the agent to do is to collect an approximate first month's premium, if possible, and give a binding receipt covering the lives of all active employes who have been continuously on the pay roll for a certain specified time, with the statement that everyone can be covered from that date or from some particular date to be decided upon.

Then it is time enough to proceed to get the names and dates of birth.

INTERVIEWING

W. D. Morton, of Omaha, Believes in Injection of Sentiment in Making Calls

A man usually buys an article because he wants it, says W. D. Morton, of the Mutual Benefit's Omaha agency. The way to sell insurance that will stick is to create the desire for it. The best way I have found to create this desire to such an extent that a prospect may be closed is to diplomatically show him his duty to his home and bring out the latent desires of making adequate provision for them. The agent who injects into his interviews a goodly amount of sentiment and shows in his own life that he is living up to the fullest degree the very thing that he is advising will be getting, instead of the average of many salesmen, one application out of from five to eight interviews, one application out of from two to five interviews.

It has been demonstrated time and time again that out of a certain number of calls comes an interview and out of a certain number of interviews comes an application. If, therefore, through a study of ourselves and our prospects, we can get a larger number of interviews out of a certain number of calls, and a larger number of applications out of a certain number of interviews, it behooves us to employ those methods.

Pope was certainly right when he said that the proper study of mankind is man. From my experience I find that practically the same motives that make one man act in the buying of life insurance will compel a man in like circumstances to act, and the average man who is buying insurance either has a family or hopes to have at some time. It is an inherent characteristic. The knowledge I have that, come what may, my wife and two little girls are provided with the necessities of life throughout their entire life makes me want to share that peace of mind and satisfaction with my fellowman and as a result puts me in the right frame of mind.

UNEXPLAINED POLICIES

They Result in Dissatisfied Policyholders—Unfortunate Effect of Laxity of Selling Methods

The wise salesman will seek first of all to secure a satisfied customer, for it is by this method only that he can hope to build up a sound and profitable business, says Blake Franklin, claim agent of the Pacific Mutual Life, in that Company's publication for its agents. This applies to the insurance salesman with the same force that it does to the seller of any other thing of value. In order to obtain the result desired, it is of the utmost importance that the purchaser understand clearly what he is buying so that there may be no disappointments later. Applying this to the sale of insurance, it is highly desirable that the prospective policyholder be fully informed in respect to the terms and conditions of the policy contract. If this course is not followed the insured's first knowledge on the subject is generally obtained in connection with the settlement of his first claim and sometimes with unfortunate results. It may be urged that the policyholder should carefully read the contract of insurance at time of purchase, and thus fully post himself on its provisions, but it is common knowledge that the insured seldom reads his policy.

Concrete examples might be given of the misunderstandings and dissatisfaction which frequently follow the failure of the agent to adequately explain the policy provisions at the time of sale, but they are deemed unnecessary. Actual cases will doubtless be recalled by every insurance man who reads this article. While the unfortunate effects of this laxity in selling methods are felt by all concerned in the business, the brunt of the resulting trouble must be borne by the claim department. As seen from the viewpoint of this department the conditions referred to emphatically constitute a situation calling for remedy and all soliciting agents are earnestly urged to co-operate in relieving these conditions.

LIFE NOT DEATH

This is the slogan of our Agency. We emphasize living, not dying. We purpose to have our clients "cash-in" for full face value at the Bank, not at the Cemetery—premature death of course excepted.

It is a startling fact that out of 10,000 lives, age 35, less than 30% are dead at age 60, and the gospel of this Agency is to protect the 7,000 living with their dependents, as well as the dependents of the 3,000 dead. In other words, we want to protect the entire 10,000 living or dead. Furthermore, the American Bankers Association statistics show that out of 10,000 men, age 25, only the small number of 10% are self-supporting at 65. Other reliable statistics show that only one man out of 10,000 in the United States is earning his living at age 70. A contract that adequately meets the tragedy of both living and dead is absolutely invincible! Such a contract we originated. It takes the sting out of death talk, and fires the agent with new enthusiasm in quest for business.

Our Goal Is the Bank Vault
Not the Grave-Yard Vault

The rapidly increasing business of this Agency is due to our popularizing the Life-Income-For-You contract rather than specializing the income that begins at the death of the insured.

The July production of this office exceeded that of last year by over 300%, and the paid August business exceeded that of last year by over 400%.

This office is further known, for its willingness and ability to close prospective business for its representatives, for the stated weekly meetings to discuss practical methods, and for the splendid esprit de corps of its Agency Force.

Frederick A. Wallis, Manager

New York Department
111 Broadway

The Successful Agency Magazine

By STEWART ANDERSON
Editor of The Radiator, Published by Massachusetts Mutual

The agency magazine is an instrument of salesmanship, and a discussion of it may therefore be properly included in a symposium bearing that title.

My experience as editor of an agency magazine having been confined to a single type, I can speak assertively of that alone. There are several kinds of agency magazines. There is the "slap-'em on the back" species, whose spirit finds this expression: "Bill Dink, of Howling Hollow, last month broke all records. But just watch Spud Yankem, of Squash Rind, light on his back this month." This is a persisting type, and, therefore, is doubtless successful in the achievement of its object. But the nobility of our business is seldom exhibited in it. There is the kind in which back-slapping and informative material are combined. It too is a persisting species, and is therefore presumably successful. But it seldom strikes a thrilling chord.



The Dignified and the Throbbing

There is the sort that is stuffed with stifling dignity—in which is no "mixing," but chiefly an oppressive learnedness and a chilling high-brow consciousness. A magazine so substanced and atmosphered is admirable, but can never feed the fire in a salesman's heart.

There is the small class that throb—that have enthusiasm—that are human. They, from what I hear underwriters say, are pre-eminently successful. They speak more from the heart than from the head. And they make it plain that life insurance is more than a business, that the human heart responds with its best to what is noblest, that serving our fellows is more satisfying than serving ourselves. In these publications you will never find the stressing of financial profit, but you will find continuously emphasized the duty to serve. Modern business has discovered the power that pulses in that divine word—Service! Some sneer at it, and some say that it is overtalked. But the common people—which means all whose really human emotions are active—hear it gladly. We life underwriters are common people and mingle with common people and sell to common people. And we are not ashamed of common enthusiasm over a thing that is so uncommonly fine as working for the welfare of others—of being neighborly; a certain Nazarene a long time ago said something on this subject, and the business men of America are beginning to believe, despite their ability with dollars, that what He said was truth. The life underwriter who is a servant of service is more than a conqueror, and the agency magazine that exalts the service view of his work uses at least one element of successful publishing.

Three Elements Needed for Magazine Success

As I see it, there are three chief elements in the success of such a magazine as I am describing:

1. Right attitude of the home office toward the life underwriter's view of the business, and toward the agent himself.
2. Contributions by agents.
3. A competent editor.

The life underwriter is an idealist. By which I mean that he regards his profession as an instrument of unselfish social service. This view is preached at all of his association meetings and is constantly iterated in insurance journals. It is a flaming view, lighting his life. An agency magazine cannot have the utmost power with such a man unless he knows that the men at the home office are possessed by his view of service. No matter how fervidly its pages may glow, if the agent knows or thinks he knows that the officials of the company look upon the business only from the dollars and cents angle, the magazine's fires will to him be false fires. The men at the top must be "right."

And they must be right also in their attitude toward the agent himself. They must by constant action leave no doubt in his mind that they regard him as a fellow-servant, co-equal because there could be no home office without a field. The magazine may glibly and unctuously talk about fraternal relations between home office and field, but if that man visits the home office and is halted by a line of starchy snoblets before he is admitted to the presence of the man for whom in his far-away home he had generated a strong admiration, he will return to his home disillusioned and will be a contemptuous skeptic of future fraternal declarations in the agency magazine. The life underwriter nowadays rates high as a man, and the executive who snubs him or who is either thoughtlessly or consciously "superior" toward an agent visitor is a fool. There is selling-power in comradeship between home office and field. If the agent knows that at the hub are men like himself, warm with simple sympathies, quick in simple understanding democratic and bendable and humanly friendly, he will put more push into his work by far than if he believes that the home office is merely the insensitive pivot of a corporate machine. Happy the editor and the field of a company whose top is right!

Why Agents Should Contribute

The agents should be steady contributors. For several reasons. Their letters and stories and articles supply the human interest element. They are on the battle line, and blood beats in their sentences. What they say interests all of their fellows, and often inspires them. And, as well, the writers themselves are made better salesmen by seeing in print the descriptions and explanations of their successes. Sequential composition, publicly appearing, reacts upon the mind, increasing the imagination and the power to conceive plans of action and the will to execute them. To the new representative these stories of achievement and of method are invaluable. They show him the way, and they strengthen his courage, and also they increase his devotion to his profession. And these agent contributions have another result. They make the workers known to one another, and so enlarge the fraternal boundaries of the organization, supplementing the opportunity for acquaintance and friendship that the annual convention and regional conventions afford.

The man whose contract is not with the home office should be urged to contribute. In most companies the agency magazine is the only means of direct connection with the home office, because, of course, routine business must necessarily be done through the general agent. But by means of the agency magazine he touches directly the heart of the company, and receives a direct response from it. This sets up a vivifying circulation throughout the entire organization.

Be insistent that the new contributor shall send his photograph. Why? Well, you read something somewhere that pleases you, and you say, "I wonder what that man looks like," and you wish you could see his face. This wish is stronger if you are a member of an organization of which also the writer is a member. The picture gives you a feeling of acquaintanceship that the type alone cannot yield.

What Agents Should Write About

Agent contributions should be diverse. Stories of unusual cases in which unusual strategy or arguments were used; analysis of policy contracts; ways of finding prospects; birth, engagement, marriage, death and other personal items; poems, original or clipped, dealing with life insurance or there may be "uplift" material; humorous anecdotes; training of agents; territorial development; reports of regional agency meetings and of the annual meetings of agencies, with the papers in full if possible, and pictures of the speakers or else group pictures. If an agency issues a weekly or monthly bulletin, quote liberally as often as space will allow. In short, make co-editors of the agents, and you will not lack the prized "human interest" element, in which is the power of a successful magazine.

But it is not so easy as it seems to make co-editors. Patience and tact are needed. They are not trained, paid writers, whose duty it is to furnish "copy" at a specified time. They are volunteers, hesitant and reluctant many of them. They want to help, but, "nothing unusual or interesting ever happens in my work," or, "I'm not much of a hand at writing," or something similar, and they must be nursed along and reassured until by and by they venture. Others will promise to send a needed article before a named date, and will delay. Still others will say that in a few days they will mail something or other, and they hope it can be printed in the next issue, and it doesn't come until it has delayed your issuance a day or two. In issuing an agency magazine there must be kept in mind both the wishes of your readers (who are not worrying about the date of issue) and the material that the editor is obliged to work with. Set a date for issuance, and aim to hit it, but don't be a slave to it. This is the practice in several home offices. Satisfying the majority of your agents is the chief consideration. Do that, and you will have "a successful agency magazine."

The Office Employes

There is another class of agent contributors—the office employes. They are loyal to their company and proud of it. They have ideas for the betterment of service. They have life insurance experiences. They are a vital part of the organization. Cashiers, bookkeepers, stenographers, clerks, office boys. Welcome them to the magazine—make them feel that they belong—thus show them that they, too, are co-workers and not menials. "There's millions in it"—in appealing to manhood and womanhood and in fostering self-respect.

Some of the agency contributions will be too long. But be chary of scissoring. An agency magazine is not a literary exemplar—it is a binder of hearts and an inspirer of souls. If you freely cut you will soon be without contributors, for they will say, "I guess he didn't care for what I sent, he chopped out so much of it. I told him I wasn't a writer."

As to the editor. The perfect editor doesn't exist and will never appear. He should, first of all, be an accurate reader of hearts and an understander of motives. He should believe in men and women and in organizational democracy. He should believe, also, with all his strength, in the best that has been said of life insurance. He should have enthusiasm that nothing can chill. He should have a respectable flow of readable English, a nose for news, some knowledge of print shops and their equipment, a taste for humor, capacity for sympathetic understanding of sorrow and joy and of ambition and high enterprise. Experience as a writer of advertising matter is useful to him, and if he knows the insides of a newspaper office he will be still better off. He will be fortunate if, when he assumes his editorial job, he has breathed for years the atmosphere of his company, and knows its history and traditions, and knows well its managers and general agents. If he is acquainted with other businesses, if he has traveled, if he has mixed, if he has had triumphs and defeats—all of these things will give quality to his pen and sureness and mellowness to his judgment.

When An Editor Does His Best

Two conditions are essential to an editor if he is to do his best:

1. If he is successful, his success should assure respect for his views regarding the conduct and contents of the magazine. For he speaks from experience and with a specialist's voice.

2. An editor should be a frequent agency visitor, lest he write himself out. He is dealing with salesmanship, and to keep fit he needs contact with salesmen—that he may see them at work, and view their work from their point of attack; hear from their own lips of their successes and failures; range his vision by their sights; listen to their idiom; breathe their air; be quickened by their fire and energized by their activity; walk in their ruts and stride along their highways; note the difference in communities and the relation of seasonal occupations to business customs. Then he can powerfully pour into his magazine the needed material.

A word about size and general contents. A page 8½ x 11 is roomy enough for illustrations. In the "Radiator" we use, uniformly, cuts 1 x 1¼ for faces of contributors. Group pictures of agency meetings are usually half pages, and we have a full page insert of our annual convention—coated white paper. Once a year or so we publish illustrated stories of children whose parents for their benefit are insured in the Massachusetts Mutual; these cuts are quarter-page. In our annual convention issue we print, on

(Continued on page 16.)

What Literature Should a Life Insurance Agent Read?

By GEORGE B. SPEER

Assistant Secretary The Prudential

At no time in the history of old line life insurance is more "literature" available for the salesman in this, the greatest business in the world, than to-day. Whatever he seeks in the way of news, historical, statistical, educational or inspirational matter, he can find without difficulty. If an agent is interested in what is going on in the realm of life insurance, he will read at least one of the several good insurance periodicals now in vogue. If he desires to extend his knowledge by reading the history and economics of his profession, he will find at his disposal in any sizable public or university library a number of entertaining and instructive works on the subject. When inclined toward statistics, he has recourse to the various guides, manuals, compendiums and similar booklets, all of which are issued in handy form and are admirably adapted to his purpose. If it is his aim to master the science of his business, text books are readily obtainable.



The Daily Paper

The daily newspaper is another medium through which the wide awake and resourceful agent gathers much to encourage him in his pursuit of new business; beside keeping him posted on the trend of events at home and abroad, the various news items often suggest many good arguments for life insurance, if not direct leads for policies. For instance, here is a widow who has lost her fortune through unwise investment; what better argument does the solicitor need for the doubting prospect to whom he is talking monthly income protection? Another item tells of a young man who has inherited a large sum of money; what better lead could be offered for the day? These are only two of a possible dozen suggestive items. The alert salesman will spot them all if he reads with an eye to business.

Just what a life insurance agent should read, however, is a question of temperament. Some are inveterate readers of every kind of life insurance literature that they can secure, and they are naturally close students on all phases of the business. Solicitors of this class frequently become what is commonly known among field workers as actuarial agents. The danger of becoming so generally well posted occasionally destroys the salesmanship qualities of an agent, as he is apt to muddle his prospect over too much technical talk. A well-grounded knowledge of the business is nevertheless essential, as these are days of specialties and the man who hopes to acquire a broad gauge rating in life insurance must be well informed in its principles, practice and technique; otherwise he is not always able to meet and overcome the obstacles that present themselves in his daily canvass. Knowledge is power in this or in any other line of endeavor, and the advantage is always with the agent who can promptly answer the perplexing questions the prospect often and unexpectedly propounds. Ability to instantly satisfy his curiosity inspires confidence in the prospect's mind, and the chances of the agent closing the application on the first interview are thus much enhanced.

The Weekly Bulletins

On the other hand, the writer is acquainted with a number of successful life insurance agents who scarcely know the difference between a premium and a dividend, but who make a good living in the business. Their success is due to the fact that they believe in the great benefits of life insurance and are born salesmen. They proceed on the sound theory that every man needs life insurance protection, and their main and convincing argument, briefly stated is: "Mr. Brown, what would your family do to-morrow if you should pass away to-night?" Perhaps the bulk of the business is sold or started on that argument, as its homely appeal makes the average man "sit up and take notice," and culminates sooner or later in his signing on the dotted line.

Almost every old line company now issues its weekly bulletin or record for the education and inspiration of its agency forces, and it behooves every field worker to carefully and regularly read such periodicals. These papers are prepared by experienced writers, with the sole aim of aiding and encouraging the man behind the application. Some companies go so far as to have permanent editorial staffs, whose time and talents are exclusively devoted to the enlightenment of the small and big producer. The company's policies are explained, selling points are presented, lists of leaders are shown and inspirational articles are an established part of these interesting publications. Constant reading of these company periodicals is bound to make a more loyal, a more intelligent and a better equipped agent.

Educational Leaflets

The pamphlet matter and educational leaflets issued by the various companies should not be overlooked. Many of them are veritable text books, and the agent who does not read and inwardly digest their contents is neglecting valuable sources of vital and helpful information.

If an agent is not disposed to increase his efficiency by more intensive reading on the subject of life insurance in general, he should at least thoroughly familiarize himself with the policies and practices of his own company. There is no better way to accomplish this result than through careful study of the periodicals, pamphlets and instructions published by the company he represents.

The Successful Agency Paper

(Continued from page 15.)

the front page, cuts of the new officers of the agents' associations, of size to suit the space. We believe in illustrating freely. The 8½ x 11 page is spacious enough for sizable articles, which can be clipped out in one piece by the reader, instead of his needing to cut out two or three or four pages. Our paper is buff coated and our ink is black, except for the red outline of a radiating heart on the front page.

We observe the season and the times. In the January issue President McClench sends a signed New Year's greeting—full page, large type. Fourth of July, Thanksgiving and Christmas also receive a full page recognition. During the year Vice-President Sargeant and Superintendent of Agencies Behan now and again send a half page message of appreciation and congratulation. In this way the officials show their interest in the magazine and so speak as to reach every member of our field force. In January, also, we have congratulatory messages, touching the ended year's work, from the two vice-presidents, the secretary and the superintendent of agencies. In September we hold what we call a "Radiator Convention," and these same officials give the invitations. These are each a half page, bordered and signed. Only a small part of our agency force can attend the annual convention in August, and so for the absentees we hold this "Radiator Convention," in the September issue. The invitations are so many brief speeches of welcome, and when they have been uttered we tell the story of the real convention and give the papers and addresses. This year patriotism has a high place in each number.

In almost every issue appears an informative article written by one or another member of the home office staff—usually a medical or an actuarial or a policy-analyzing article. This gives a mixture of agent and home office material.

Testimonials

Several times in a year we publish a page or two of testimonials, touching all branches of our service—such as payment of death claims; dividend payments; prompt making of loans; simplicity of routine requirements, etc. These are useful with prospects who don't know the difference between the methods of an association or society and a first-class legal reserve company.

Frequent calls come from our agencies for advertisements for newspapers, programs, directories, and the like. Usually we print a page of such material in each issue.

Always we have one column of jokes on the back page, called "Lifted Laughs." The underwriter, while stalking, often uses a joke, to keep up his end when stories are being told. Another purpose of this joke column is to reach the agent's wife, drawing her attention, and luring her by degrees to read the "Radiator," that she may the better understand her husband's work, and that this clearer understanding may be an inspiring influence in his life. Plenty of testimony proves the worth of this method. The jokes are selected with care—they are not a collection of "column fillers" clipped from the newspapers.

Here and there in our pages we give an unusual touch, to make the "Radiator" "different." For example, as a "column filler" we use a verse of poetry or a prose quotation, bearing on character or work or ambition or aspiration, and at the top of the editorial column something of the kind is always placed.

The Women

Among regular features we have a woman's page, to which the contributors are women. Each month we have something from one or two general agents as part of a series or as a permanent feature. An editor, if he is capable of gratitude, thanks God for able steadies.

Does an agency magazine pay? It does if it is successful. For then it sells more than enough insurance to pay its cost. How does it sell? Occasionally through the agent's showing an article to a prospect, but chiefly through the added power it puts into or draws out of the agent. It gives him a realization of comradeship, it inspires him with high ideals, it enriches him from many minds, it speaks to his heart, it reminds him of duty, it gives him examples to emulate, it screws his ambition to the point of highest achievement. And this results in increased production. Modern business knows the worth of the agency magazine, or house organ, and regards it as a productive investment. Life insurance has made no mistake in calling this monthly messenger into its service. And as an amen to this discursive dissertation I take the liberty of saying to company executives: If you haven't an agency magazine, start one, but start it right; and if your editor makes good, let him alone!—then he will have as joyful job as I have had in editing the "Radiator" of the Massachusetts Mutual. Thank you, gentlemen, for your most kind attention!

TRIUMPHS OVER CONDITIONS

The following is a statement of existing conditions from month to month as regards the war and the production of "paid-for" business in the Chicago agency of the Mutual Life:

	Insurance Paid-For
January (chances of war remote)	$1,159,024
February (break with Germany)	1,279,146
March (war expected)	2,018,196
April (war declared)	2,018,830
May (conscription law passed)	1,506,834
June (Liberty bond campaign)	1,320,693
July (first drawing under draft law)	1,249,869
August (Government insurance of soldiery proposed)	2,020,686
Total for eight months	$12,573,278

AGENTS AND WAR TAXES

The National Association of Insurance Agents announced in March that the matter of war taxes at Washington was being handled by the National Association. Since then the association has kept in close touch with the situation, by personal visits and through members in Congress, resulting in the elimination of the stamp tax and adoption of amendments relieving agents of all classes from taxation under the excess profits provision.

The provision of the new excess profits law, passed by the Senate, under which insurance agents will be exempted is as follows:

"A profession or occupation, the profits of which depend mainly on the personal qualifications of the individuals by whom such profession or occupation is carried on and in which there is not required the investment of more than a nominal capital."

The Blue Pencil — A Good Right Arm

By FRANK W. PENNELL

Assistant Manager of Literary Department, Mutual Life

"Curiosity," states a certain writer, "is a funny thing. Some people get married because of it. Others want to die to see what happens. Curiosity killed the cat, and brought eternal notoriety to Peeping Tom. Stick up a sign 'Wet Paint' and 'most everybody will risk an inquisitive finger.' " By the same token some readers, perchance puzzled by the above somewhat enigmatical heading, may be baited into perusing the discourse. At this point let it be known that what follows is intended primarily for the small town agent—the "up-State" fellow—John Jones, of Jonesville, who perforce must either teach himself to swim or else sink in the slough of the problems and discouragements toward the solution of which the helping hand of the State or general agent is seldom extended. "Our greatest problem," said a manager recently to the writer, "is first to educate the agent we appoint in territory remote from our offices, and then to so stimulate, inspire and assist him that he will stay on the job and eventually win out."



Such a situation does not exist in respect of the city agent. He works directly under an experienced manager and directly out of a busy office. Inspirational meetings are of weekly, sometimes of daily, occurrence. To him are relayed the leads that come in over the counter, or are worked out by the trained abilities of his chief. He exchanges ideas with his contemporaries and associates, is in occasional touch with visiting home office officials, belongs to underwriters' clubs, has at his fingers' tips the facilities of a well-equipped office.

Up-State Jones, having none of these advantages or opportunities, has no alternative other than to work out his own salvation. To whom or to what can he turn for assistance, for instruction, and for inspiration?

Enter the "blue pencil"—he must learn what and how to read.

* * *

The "Home Town" Papers

In the matter of what to read with a view to unearthing live prospects—also of securing information useful in the interview—first and foremost should be placed the local papers of the territory in which the agent is working.

If you will pardon the personal allusion, permit me an illustration which seems to fit the case. Summers out of school, in years gone by, I traveled some twenty counties in a western State for a retail monument company. In each town I was supposed to follow the company's practice of procuring through the local undertakers, necessary information as to possible purchasers of "tomb-stones."

Early I decided that this information was not satisfactory—some of the undertaking concerns had monument irons of their own in the fire, others were not disposed to give complete information, while none, however willing, possessed all the data I required.

It was then I enlisted the aid of the local newspapers. In the offices of those published in the town where my company's headquarters were located, I found on the exchange desks all the papers published in the territory I was covering. These I carefully combed from cover to cover, even to the country correspondence. All information given therein as to deaths and the estates of the decedents, I transferred to a card index file. Thereafter when I went out into my territory I was in possession of all the information I required. Many times, too, by information thus received early through these mediums I was enabled by special trips to make sales that otherwise might have been lost to competitors.

How adaptable this plan to the work of the life insurance solicitor! The pages of his local papers, and of their exchanges, screen for him each week a motion picture of the life of his territory. If he uses his blue pencil intelligently he can record countless tips that lead to business. He notes on the printed page the accounts of engagements or of coming marriages, of births, of the establishment of new partnerships, or firms, or business corporations, of property transfers, of farms bought or sold, of mortgages placed, of the arrival of new families, of new appointments, of promotions, of estates settled, of graduations, of inheritances, and of a wealth of other happenings useful to him in his work. In short, he knows the gossip, and, knowing the gossip, as a corollary he knows the every day life of his respective community—the community in which he earns his livelihood.

Of local newspapers, that remarkable Kansas editor, William Allen White, once said:

"But the beauty and the joy of our papers and their little worlds is that we who live in the country know our own heroes. Who knows Murphy in New York? Only a few. Yet in Emporia we all know Tom O'Connor—and love him. Who knows Morgan in New York. One man in ten thousand. Yet in Emporia who does not know George Newman, our banker and merchant prince? Boston people pick up their morning papers and read with shuddering horror of the crimes of their daily villian, yet read without that fine thrill that we have when we hear that Al Ludorph is in jail again in Emporia. For we all know Al; we's ridden in his hack a score of times.

The agent need have no hesitancy in making himself at home in the local newspaper offices. Having been a country editor myself, I know with what joy the editorial clan welcomes visitors into the "sanctum sanctorum," there to ply them with questions, in order that news items may be gleaned for forthcoming issues. The live insurance agent can easily reciprocate with the editor. He gets about a lot, hears a lot, observes a lot. The editor can post him; he can post the editor.

It is important, too, that the agent get his name and the name of his company into the news columns of the papers as often as possible. The best way to do this is to tell the editor of interesting claims, of personal achievements in business writing, of tendencies and developments in life insurance—all supplemented by occasional advertising. The editor has to live! If plain Mr. Jones, insurance agent, will but follow this plan, soon in "every crossroads, village and town" he will by "Jones the Insurance Man."

* * *

Learning the Prospect's Business

The point of contact in the selling of to-day is through the head, not through the stomach as in the old days when the red-headed drummer of tradition signed up orders with one hand while the other he assisted the customer to polish the mahogany of neighboring thirst emporiums. The greater the all-around knowledge of the modern salesman, and the keener his power of expressing that knowledge, the greater his success.

In this connection, let me express the opinion that life insurance men, usually zealous in acquiring knowledge along their own line, have too often overlooked the need of learning something concerning the lines of business engaged in by their prospects.

Here again is an apportunity for the blue pencil. Practically every industry is covered by its own trade press. These journals not only print trade news, but, more important still, they also present helpful business suggestions, designed not only to save the time and the pocketbooks of their readers, but also to stimulate and broaden out their business.

Of course I do not mean to imply that the life insurance man should carefully read all these journals; rather do I wish to point out that he should browse through enough of them and often enough to acquire something of the "lingo" of the different lines of trade in which the majority of his prospects are engaged, and to learn of different ideas and plans that might prove useful to them. Once in possession of their respective points of view, it becomes easy for him to adjust his proposition to meet their problems and, often solely because of the knowledge of their business which he has displayed and of the valuable advice and suggestions which he has given, the way to the application is paved.

In acquiring such knowledge, the agent need put himself to no expense. In every town can be found some live business man who subscribes to a trade paper devoted to his particular line, the files of which he can glance over. If it be suggested that the life agent would thus come in possession only of information that the trade already has, it may be answered that the vast number of people engaged in business, in the professions, or in the trades, do not receive trade papers at all, while of those who do, many do not read them intelligently. Apparently, they, like Kipling's Big Dhrunk, expect to draft their exhilaration "out of the air with their skins."

* * *

Reading for Inspiration

Most of us are familiar with and enjoy the Briggs' cartoons on "When a Feller Needs a Friend." If ever the life insurance agent needs a friend, it's when things are breaking badly, when everything looks blue, when—in the case of up-State Jones—the friendly hand of a business associate or chief, much as it is needed on the shoulder "in a friendly sort of way," is lacking.

Inspiration, encouragement, hope—can these be had from a blue pencil?—that is, through the medium of selected reading? Most assuredly "yes," for, if the truth be known, most of the inspirational injections given by managers and general agents to their immediate staffs at the weekly meetings, have been taken out of their own magazines, and books, and papers, by careful reading.

Consider the fiction magazines, for instance. Nearly all of them are now devoting considerable attention to "romance of business" stories—the American Magazine being especially noteworthy in this respect—and to stories of success. Magazines of general appeal, such as The Saturday Evening Post, continually publish stories full of sound business suggestions and inspirations, all cleverly sugar-coated. Even the editorial pages of most of the prominent newspapers have "gotten the habit" of publishing each day such syndicated "cheer up" and "cheer on" articles as those by Dr. Frank Crane, B. C. Forbes, Dorothy Dix and others too numerous to mention.

Meantime, the world of "Books on Business" grows on apace. It has been estimated that 50,000 of such books will be published within the next generation. A goodly number of this type are almost wholly inspirational in nature, and devoted to the general subject of salesmanship. Schools and public libraries are cooperating in their dissemination, so that they are rapidly finding their way even into the smaller towns.

Out of the mass of literature available to him in this day and age, the isolated agent can, by intelligence in the selection thereof, constantly replenish his stock of business optimism; can find on the printed page the same spur—and a very necessary spur it is—to ambition and energy that the city agent finds in the spoken word.

* * *

Life Insurance Literature

What would we think of the farmer who, possessing fertile acres, never turned a furrow? I confess that I see no distinction between such a would-be agriculturist and the up-State agent who never so much as removes the wrapper from the insurance paper to which he subscribes. And yet many the small town office, much to my regret, where I have noted this very thing!

Increasingly so in recent years, the progressive insurance trade papers have played an important part in the education of life insurance agents, both in city and country. Even though the country agent never so much as sets eye on his manager, even though he never receives from him more than a rate-book and supplies of canvassing literature, he can acquire a broad insurance education and keep posted on up-to-date selling methods, by subscribing to and carefully studying one or more of a number of the leading insurance periodicals. Through these mediums, too, he will learn of important books on life insurance which it will be to his decided advantage to purchase for purposes of reference and study. Add to these vehicles of instruction and inspiration, the literature issued by his own company, and he has at hand practically everything essential to the mastery of his chosen work.

There can be no excuse in this present day for the man who is uninformed concerning his own profession, whether he resides in Gotham or hails from Cross Village. It must be remembered, however, that trade papers and books and home office literature do not convey mental equipment automatically—such can only be actually acquired through careful, thoughtful and systematic study.

* * *

How to Read

Having discussed what to read, we come now to the question of how to

(Continued on page 23.)

Experience Shows The Way

MY thirty years' experience as a life insurance manager has taught me that it is the agent who sticks to the straight and narrow path of ethics who succeeds.

A business policy of honesty and strict adherence to high principles spells profit for both man and manager, every time and all the time.

ONE case improperly handled is one too many, and you can take that from a man who has seen the ups and downs, the ins and outs and who knows.

IT has been a pleasure in the past, and I shall continue in the future to give time, effort and money to raise our business to a higher level generally that we may all profit thereby and at the same time give more efficient service that the increasing public be better served.

Chas. Jerome Edwards

120 Broadway, New York 204 Montague St., Brooklyn, N.Y.

My Experience in Selling Life Insurance

By Mrs. F. A. SAVAGE

New England Mutual, Baltimore

Mrs. Savage was made acting general agent of the New England Mutual Life in Baltimore when her husband, a successful general agent of the Company, entered the Naval Service, and was placed in charge of the Cape May Station. She had never done a day's work in a business office; was entirely green in selling experience, her only life insurance knowledge having been that which she assimilated from her husband's conversations in the past. Nevertheless, she went at her task with inspiration and a determination to win. She succeeded, and this is her own account of the experiences she underwent.



To begin at the very beginning—I had no experience.

When the order came for mobilization of United States forces my husband was called into service on the night of April 5th, and on the 9th he left in command of the Naval Militia from Baltimore. At that time he was representing as general agent one of the oldest life insurance companies and had a well organized and prosperous business—but the war took him into service and also two other agents from the office.

Naturally, I had a pride in the organization he had built up and a feeling of loyalty to the company he represented and I wanted to relieve his mind as far as possible of home affairs, so I said I would take charge. He laughed at the idea, but there being nothing better, trustingly confided his bank account to my keeping and left.

The company accepted my offer to help, in the spirit in which it was made, appointing me acting general agent during my husband's absence at the front.

Began On Friday the Thirteenth

Though I had said I could do it, actually I was staggered with the things I had to learn, for business was a mystery to me, as it is for most women. I first did clerical work at the office—read frantically everything I found relating to insurance—devoured all the insurance magazines that came to the office, books on "Personality," "The Psychology of a Sale,' "Efficiency," "How to Write Insurance"; in fact, everything that was suggested. A sample policy of our company was given me and carefully explained by our cashier, then being fairly primed with book knowledge, I started out a week later to write my first case.

It was Friday the 13th, my lucky day, and I felt I could not fail!

The First Interview

I telephoned and made an appointment with a man I knew—a very busy man—who was to be married the next day. He had not the slightest idea what I wanted; thought it possibly advice about an investment, and when I asked if he could spare me fifteen or twenty minutes was most willing to see me. I could feel myself getting hot and cold when I was ushered in, but after the first cordial greetings I took a breath and plunged in. "I have come to talk insurance to you; I know you are to be married to-morrow and you ought to have more insurance. I should like to talk to you about it." He was as gracious as he could be, but told me that he was very busy getting ready to go away and had no time to consider the matter then but might take up the question on his return. But I had not screwed myself up to that point to be stopped that way, so I explained, "You said I might have fifteen or twenty minutes and I shall watch the clock and not be a second longer, but during that time I should like to talk insurance." He was much amused, leaned back in his chair and told me to go ahead, which I did. Apparently, however, I was not convincing enough for he would not decide, but promised to see me on his return.

"Well," I said as I bade him goodbye, "I surely do hope you will return safely so that you will be a good insurable risk, but I do hate to have you go away without it. Please think it over and don't wait until you come back." There was nothing more to be said and I left.

Prospect Returns the Visit

Next day I was in my office when the 'phone rang and a voice said, "Will you be there for the next ten or fifteen minutes, I am coming up to see you." Of course I said I would and waited wondering, as it was my friend of the previous day. He had thought it over, came up to discuss it again and took the insurance. I shall never forget my excitement. I had been studying an application blank for a week, but it was a difficult matter to use any common sense that day. However, having gotten that far I did finish, got hold of the doctor, had the man examined and the policy paid for before he went off that afternoon to be married!

Case No. 2

My next case was a man who came to collect a bill for papers. It was the day I was moving out of our home, having rented it on account of the war and had notified the various people to bring their bills. He was a young man, interested in the fact that I had started to work, and before I finished talking he had promised to come into the office and be examined. Then there was a perfectly blank time in which I talked as hard as ever and nothing happened; then one day I tried to insure a man before a friend, who was himself a good salesman, though not an insurance man. When my interview was over he proffered this advice, "Don't quote books—don't invite comparisons, that provoke argument—just talk insurance." I had read so much and studied our books so hard, I had reeled off statements enough to confuse anyone. No wonder as I learned more that I found it harder to write business!

My new-found knowledge was so thrilling I felt I must start at once. Wrote one man Saturday; another Monday morning—stopped to see an old policyholder, wrote him; stopped in the office of a friend to talk it over when a young man came in to see him. Just as he was leaving I suggested I should like to talk insurance to him. Either Fates were with me or a good fairy, for I wrote him. Then another man happened in and I wrote his application.

Striking While Inspiration is Supreme

By this time I felt so excited I knew I could go on, so I went in to see a cousin of mine on my way home and wrote him. Seven applications in two days!

The sequel of the tale, however, was not so happy. I learned for the first time that writing a man was only a small part. The path to glory,—in other words, a paid for policy—is quite another story. First to have our doctor pass our prospect, and the "Yes" on the question, "Do you without reservation recommend the applicant for insurance?" is almost as joyfully received by an agent as the fond lover receives the reply from the maiden of his choice. After our doctor, then the Company, and we spell that with a capital "C," for if a man passes there he can enter anywhere. But to resume my tale, some men did not pass; some could not get as much as I wrote them for, being of drafting age, but at any rate I felt I had found the key and could go on.

Intuition Plus Tact

Another rather interesting case—at least to me. A friend of mine secured an opportunity for me with a big man, a real prospect. I went to my interview with great expectations, but let me tell you, I never quite lose the scared feeling before I get there and frequently walk past the door once or twice before I go in. Once in, my courage returns for I realize "'Tis only a man!" I arrived at my appointment early—I always do—waited a bit and was ushered in. My prospect had just that morning returned from a trip, was busy; naturally did not wish to spare time for talking, especially insurance. He had granted the interview as a favor to his friend; all this I saw in a moment. Also I realized his position and knew that there was nothing pertaining to insurance he would discuss. I had gone in with at least $100,000 in my mind, but I saw almost from the beginning my high hopes were to be dashed and I came out with nothing tangible. But I have his promise that when he does take insurance I am to write the business.

There are men who say that is a safe way to put you off—but a woman knows by intuition the men she can depend on and I feel quite sure when the time comes, as I am sure it will, my big prospect will let me know.

People Do Remember

Another case: I went to see a policyholder on his age change and talked the very best insurance of which I was capable, but could not shake his determination not to increase. However, we parted with his promise if he ever did take out more I should have it.

Two days later I saw him in a restaurant. "I have been thinking over what you said the other day," he remarked, "and have decided to give you a policy." Out came my application to be signed at once, with appointment later for the doctor. It gave me the happy feeling that people do remember—and men are very reliable.

You can never tell what tricks luck will play you. Another question of seeing a policyholder. Went to his office and was ushered in, same name on door, but found, instead of the man I expected to see, a total stranger. I explained; saw he was interested, and I began to talk insurance with him. It seems he had just been considering taking out more and I struck the psychological time; yet some say people are not born lucky!

Makes Friends of All Interviewers

I become so interested in all my cases; I sympathize when they cannot take insurance just then and can always see their side. In fact, I feel I make new friends after most of my interviews and it is a very broadening experience.

To sum up: I have written twenty-eight applications, nineteen of which were on strangers and, with two exceptions, the others mere acquaintances, so you can see I have not depended on friendship in my work. My one ambition is to make good and to be able, when the war is over, to hand back the agency in a flourishing condition.

WROTE NURSES

First Experience of Miss Alberta Allen, of Massachusetts Mutual, St. Louis

Miss Alberta Allen, of the Woman's Department of the Massachusetts Mutual Life, writing about her work, describes her experience writing nurses in part as follows:

The first month I was in the field, I called on the superintendent of nurses at one of our largest hospitals, who carries a policy with the Massachusetts Mutual, and asked her if she thought well enough of her investment to recommend it to some of the head nurses there, and if she would give me their names. She said she would do so with pleasure, and at once gave me the list. When leaving, I thanked her. She said, "You need not thank me, Miss Allen, I have done this not for you, but for them." I told her that was indeed a very fine tribute to life insurance. I sold $7,000 there in one week. It was a long trip from my home, and I had to go at night when the nurses were off duty. The first one I sold to was to come to our office the next day for her examination. I asked if she could bring one of the other nurses with her. She promised to try, and appeared next morning with one, so there were two examinations instead of one.

A few days later I went again and sold to another nurse, and I asked her to bring a friend. When she appeared with said friend my heart beat a trifle faster, and when I was introduced I asked if she were interested. She answered most decidedly that she was not. None of my arguments made any impression. I asked if I could come out to see her some evening and explain in detail the advantages of an endowment policy. She said, "No, I have a nest-egg and do not need insurance." We talked on other matters while her friend was having the examination. Of course I didn't let the conversation get very far away from money, which I told her I was selling. She told of being downtown a few days before, of breaking a $10 bill, and on the car going home found she had only $2 left and nothing to show for the other $8. I said: "That is just it. When you have no definite place for your money, it gets away from you. Now that $8 would have been a monthly payment on a $2,000 twenty-year endowment—$8 a month will buy almost $2,800; and $2,800 added to that little nest-egg will take care of you twenty years hence." She was examined, but for a $12 a month policy instead of an $8 one. She took $2,000 fifteen-year endowment, and when I delivered her policy she told me how pleased she was. Her family were delighted, and she was under obligations to me for my persistence.



Mrs. ELLENORA DeGRAPH LOCHNER
New York City

THE DOOR IS OPEN

The portals of a great and noble profession have been thrown ajar that women may enter.

Life Insurance Salesmanship as a vocation for women brings them into their own. It presents a picture of the hand that rocks the cradle engaged in the role of providing protection for the world's great institution —THE HOME—made possible and sacred by them.

We are pleased to be numbered among the torch-bearers of life insurance salesmanship women and we extend greetings to our sister saleswomen and our fellow salesmen.



Mrs. BERENIECE A. GRAVES
New York City

Why Women Should Carry Insurance

By WINIFRED WISEMAN

Miss Winifred Wiseman, manager of the new women's department of the North American Life of Canada, has had a great deal of experience in the world since she began earning her living in 1903. The daughter of a captain in the British Navy, she has operated tea rooms, sold land, rented houses, and been a political secretary. She helped



put a recruiting office on its feet and organized Red Cross work in Great Britain. In Canada she supervised women munitions labor. In addition to her present work of successfully managing the women's department of a life insuranee company she recently began delivering lectures on life insurance to women. That Miss Wiseman is a real student of human nature is illustrated by the fact that a publication which recently ran her photograph called her "Dorothy," when, of course, it should be Winifred. And she never wrote a letter of complaint to the editor.

The question which the writer has been asked to answer suggests at the outset the query as to why women should not insure. In our vastly complex civilization, emphasized more especially by the demands of a consuming world war, every constructive as well as every destructive agency is utilized. In this to the extent of their capacity for service women, as well as men, are called upon to do their share. No longer are women considered as mere adjuncts of civilization, parasitical ornaments adorning the homes of their lords and masters. Having intellects of equal capacity and physical strength in a measure it is certain that in this age of efficiency and in the time to come when greater efficiency will be demanded, the world can ill afford to leave untouched that hitherto great fallow field of her resources, the woman. That she still will occupy her position as the center of the home and the mother of the family should, not and will not prevent her from assuming other responsibilities. The question "Why women should insure" is in reality the same as the larger question "Why should anyone insure?" There are indeed few if any answers applicable to the one and not to the other, and if men should insure then why not women?

Business and Philanthropy Combined

Life insurance as a system combines business and philanthropy, and is designed primarily to distribute losses. In its developed state it performs other functions as well.

It is an annual provision against the deterioration of the insured.

It capitalizes earning power and yields an income to dependents.

It creates a sinking fund for any desired period in life, and is the great social medium for balancing the expanding, static, and waning powers of the individual.

How vast its ramifications, how indispensable to modern life may be appreciated by a glance at the stupendous figures era-marking the progress and present standing of the business. Ask the shrewd business or professional man what he thinks of insurance, how essential it is to him; ask the banker how useful to a debtor as a basis for security; ask the commercial house how it provides against the loss of its valued members. Then reflect that in some respects, at least, particularly in the domain of business, men are worth following. Long beneficiaries of life insurance, there are many special reasons why women should become active participants in its benefits, by themselves insuring, etc., etc.

Responsibilities Outside the Home

The women of to-day are assuming responsibilities outside of the home which would verily astonish their grandmothers. The business women are coming into their own and as the scope is enlarged the women are found waiting to take up the duties. Insurance has played an enormous part in the business world and has saved many homes and businesses from ruin, yet, we hear that women are slow to realize its value in building up a good savings account and creating a sure estate. Women engaged in business are dependent on their brains for support, their ability to work constitutes their capital, and this capital is being daily consumed.

We are told the American and Canadian women are not usually credited with the thrift of their French and Scotch sisters, and unless there is an incentive to lay aside something for the future they are apt to live up to the hilt of their incomes without a thought of the years when their services may be less desirable.

Will Help Them See the World

Women have a greater desire to travel and see beyond the limits of their own country; in what better way can this be accomplished than through the endowment policy. The small sum saved each year will not be missed and the renewed health and strength added to life by that delightful journey through foreign lands will rejuvenate and lay up a store of knowledge and interest in the declining years. Then again if women would realize the greater asset they would be to their city and country by carrying insurance —if they create an estate they are worth $1,000, $5,000 or more; not only just the amount of the weekly or monthly salary.

The Two Extremes

The woman of twenty to twenty-five thinks too little of the responsibility to herself and her country; she agrees insurance is excellent but hesitates to tie herself down to paying even a small premium. The woman of forty and more bemoans the fact she did not listen to the life insurance agent and thinks of this lack of insurance as a sad memory of what might have been. Would that we could bring these two women together or that the agent's enthusiasm could always carry the younger one with her.

Young women of today, do not be fearful of taking out that $500 or $1,000 endowment policy to start with. You will find it so easy to carry and when the swift rolling years go by and that policy matures what a friend you will consider the oft-times much abused agent. **Do not start out in life taking all its pleasures and shirking the responsibilities.** You are going to earn a larger salary each year and be able to carry more insurance, otherwise we all know that most of us will fritter away that yearly premium and have little or nothing to show for the result from years of labor.

Madame Schumann-Heink, opera singer, concert star, mother of many children, and a great believer in life insurance, said: "I believe every self-supporting woman should carrying insurance. For a woman with children or others dependent upon her for support life insurance in my opinion is indispensable."

The great watchword of today is preparedness. We are told the war would never have stretched out over several years if the Allies had been better prepared.

How many sad fights against poverty do we witness because the woman is not prepared for her unproductive years?

She is unwelcome in her relatives' homes and her closing years are soured and embittered.

Many elderly women have called at employment offices, and answered advertisements only to be told "You are too old; we need a younger woman."

A Sensible Business Girl's Views

Not long ago a sensible young business girl was discussing insurance.

"I do not want to work hard after I am 50 years of age, Miss ———," she said in addressing an agent. "Work out some plan for me so that I can be sure of $500 a year for the rest of my life at age 50."

The agent did considerable figuring and discovered that if she took out an endowment policy for $4,500 she would be enabled to buy a Canadian Government annuity to provide the money needed.

If that girl marries what a splendid nest egg she is saving for her future home, and she will always be able to retain a certain amount of her independence which is cherished by all business women.

I fear this paper is incomplete. The writer would rather face many business women than write one paper, but forgive the literary faults and think over the insurance problem and the early need of practicing saving both for ourselves and for our country's good.

Why Women Should Lead in Selling Insurance

By ELLENORA DeGRAPH LOCHNER

First, it is her inherited right. She leads from the cradle.

In these days when women demand equal suffrage and equal pay—what better field can be found for her energies than to devote her time and thought to a business in which she can truly feel that she is benefiting the greatest number of her fellow-beings, and which she is eminently fitted to fill? Someone has said, "There is no pain so great as the pain of a new idea." All progress bears evidence to the truth of this statement. To have an open mind toward any new and demonstrated truth is to open the avenue for growth.

Dawn of New Era

Comparatively speaking, few women have entered the field to sell insurance, but the dawn of a new era is upon us and a big opportunity is open for women to compete with men, in every sense of the word, in the salesmanship of insurance.

Salesmanship is a complex proposition. A large number of factors enter into it. When a woman says that her success is due to any one thing, such as being at the office a certain time every morning, or sending out birthday cards or being able to do the work in a certain way, usually she is mistaken. That one factor has something to do with it, no doubt, but her success was not due to that alone but to the parts that rounded out and made up the whole.

Selling insurance is not child's play. It requires continuous hard work, tact and perseverance and "that something" which is a combination of ability, ambition, stick-to-it-iveness, and an inner force of personality that "does things." Many women have these qualities and if properly developed will make them leaders in selling insurance.

The woman who sells insurance must supervise herself. She must be the driver, and the body the machine. She must be the boss and insist on systematic work every day. Many fail in this business because they become laggards, they do not get out the work. It is necessary to make some new calls "prospecting" every day, and an evening a week can be spent to good advantage, as often people cannot be seen otherwise. A constant stream of new "prospects" is necessary, calls should be made a few times but not indefinitely, if it is impossible to close after a few calls, they may as well be eliminated.

To reach the top round of the ladder of success, we must do a little bit more than we are told to do. This means willingness, initiative, adaptability, preparedness. Women are forging to the front in our large financial institutions successfully, why should they not become leaders in selling insurance?

Women are specially fitted for this work as they are accurate judges of character, their intuitions are sure and they are gracious and tactful, earnest and enthusiastic. They can count on the respectful consideration and attention not only of men, but of wives and mothers.

There are few callings open to a woman so free from anxiety and embarrassment. Her self-respect is never threatened and the work is beneficent in character, for her aim must ever be to serve and benefit her fellow men and women.

(Continued on page 39.)

What Life Insurance Has Taught Me

By E. CONSTANCE WOODWARD

Equitable Life Assurance Society

E. Constance Woodward is a clever young woman who has done much in life insurance in a short time. She is already one of the best known agents of the Equitable Life Assurance Society, not only because of knowledge in the ranks of the difficult cases which she has closed, but "The Little Upstart," for which she writes so brightly, has attracted so much attention and been quoted so often that she is known as "The Little Upstart" among Equitable people.



Miss Woodward was asked to contribute to this number just after she had lost a $50,000 case. Still a little annoyed by the disappointment she wrote to the Editor of this paper: "I seem to be able to write everything but insurance; so I suppose I might as well write this article."

Which she did; and here it is. It should be said in passing that Miss Woodward was somewhat severe in her estimate of herself, as the records of the Society show that she can write life insurance and has produced lots of it.

There is a poignant little story of the great war called "The Three Things." It tells how a boy through contact with the fundamentals of life on the battlefields of Europe comes to a tardy realization of the three great human follies—class prejudice, religious prejudice, race prejudice.

It reminded me somehow of the great business of life insurance and of the many lessons that agents must learn from it and "carry on," as the Canadians say; for unless we are hopeless parrots and heed not our own words, the very business of our lives must do much toward character building, and bring us a finer sense of values. We must realize that we are shaping other people's destinies, insuring order to the world, giving our best efforts to the great cause of freedom, and working always for social and economic progress by appealing to the best in those whom we serve.

Puts Service Above Surplus

The very idea of modern life insurance is food for a fertile imagination, and as romantic as a Victorian novel.

It stimulates the mind and heart of those who serve and those who are served.

It is so replete with variety that it can never become a bore.

It is first and foremost a study of humanity, and certainly nothing has ever been created which is quite as interesting as the most commonplace human being.

It is a business that appeals to the best instincts, for it puts Service above Surplus, and the agent who carries only a rate book and a few applications, who is only out to make a living, is doomed to failure. A desire to give more than you get—a real desire for the betterment of mankind—a sympathetic understanding of the human species—here are the essentials for success. Selfishness cannot encourage unselfishness; extravagance cannot teach thrift. It is easy enough to see why life insurance does more for the agent than he can ever do for life insurance.

Three Watchwords of French Revolution

We might adopt three watchwords of the French Revolution to sum up these high ideals—Liberty—Equality—Fraternity. Liberty is now understood to be an economic state just as much as freedom from tyranny; a dependent can never be free, and every time we make the future safe for independence for one man, woman, or child, we are striking a blow for freedom. Equality means equal opportunity, and how can equal opportunity be better secured than by insuring a sound education and a fair start to the coming generation, and how can this be so effectively accomplished as by means of life insurance? Fraternity—surely the bringing together of many people for mutual protection—the assumption of the risk of one life by the many is the brotherhood of man made a fact. And the idea of fraternity does not stop there. In no business is there so little jealousy between competitors. There is a wonderful willingness to help each other among the best of the life insurance brethren. All you have to do to be convinced of this fact is to go to a convention of the National Association of Life Underwriters—"Boost, don't knock" is the order there. All of the best brains there assemble to give their experience, their knowledge, their genius to the common cause—to spread the great doctrine of life insurance without company prejudice, with only a zeal for mutual helpfulness.

Changed Attitude of Public

Certainly the attitude of the public toward the life insurance agent is undergoing vast changes. We hear our praises sung every day in the newspapers—even the government is boosting the life insurance idea. It is no longer necessary to make one's self a nuisance or apologize for being in a business that is publicly recognized to be of vast benefit to the individual and the State. Doors are open: we can get engagements for the asking if we have the proper mental attitude, pride in our business and conviction of our usefulness to the client. If you are secretly ashamed of your business—if you only want to make a sale—if you think you are "soaking" your client—you will meet just the kind of treatment you deserve. Policyholders must become friends and apostles, and they will only become so if intelligently and efficiently served. There is a saying at bridge that "one peek is worth two finesses." At the royal game of life insurance one policyholder who has been sold satisfaction is worth ten who have bought your personality instead of your goods. It means that your renewals will be secure, and more than that, it means increased sales—the establishment of a permanent clientele. This is not theory, but fact. From one enthusiastic policyholder I was supplied with prospects for a solid year, and did not have to go out of one building to secure my business. It saved shoes and made friends for me, and has established an inexhaustible reservoir to draw on for the future. It convinced me that cultivation of centers is a singularly profitable occupation for an agent, and far surer than any haphazard soliciting. It eliminates the time waste of having scattered prospects; it enables you to secure the maximum results with a minimum effort, and that is the essence of efficiency.

Scouts the Spare Rib Idea

But selling women is vastly different from selling men, for men know that life insurance is sound and good. They buy when they realize that the future is inevitable, that their chivalry for the weak must be put on a cash basis to be of any value. They buy with their hearts for their minds are already convinced. It is a business proposition emotionalized. The modern woman is no spare rib—but a fine intelligent human quite the equal of man, though vastly different. She knows nothing about life insurance but she wants to know. Our work here is almost entirely educational. When once she is convinced, she sells herself. and having sold herself, she is only too eager to encourage others to buy what her intelligence recommends. And women are not nearly so optimistic as men. They have no hopes of great wealth made by a sudden lucky turn. They recognize that they only have today in which to provide for tomorrow, and they have too recently escaped from dependence not to know full well its terrors.

It all sounds easy, but of course it is not. The life insurance agent has no easy job because it is his business to make people think and people do not like to think. More and more is being required of him—but his success depends on no one but himself—in being able to apply his abilities with endless industry to his chosen profession. He has no hours: he is his own master: his future is in his own hands. It means that he must be equipped with a self-starter, and require so much of himself each day. Dreams of big policies, idle theorizing, will help him not. It is useless to talk about what you are going to do. The only thing that helps is to do it, and do it now—tomorrow may never come and procrastination is the thief of time. No agent can fail who knows his business and ties himself down to having a certain number of interviews each day. Beware of dreams of money easily made, for success like genius shall ever be a capacity for taking infinite pains. Big policies are certainly to be written, but let them not be champagne to our ambitions. They are our velvet—while the two or three small policies that come in week and week out supply the bread and butter not only for us but for the beneficiaries, and therefore perform the maximum service to both.

A Word About Wives

As the public becomes more and more educated to the life insurance idea, more aware of its solution to many problems our work necessarily becomes easier. In this enlightened day, most of the railroads and private corporations have pension systems to provide for the employes who have served them faithfully. Should a wife expect less from her husband? She gives the most loyal of all service. It is not possible to suppose that any man will accept the best years of her life and make no sound provision for her future. She keeps his house, bears and rears his children, is his inspiration, his companion, his helpmate. Shall this woman be deprived of support at the one time when she needs it? When young she might well take her place in business; if she devotes her best years to the career of being a wife, certainly it is only justice that she should be given every safeguard against the possibility of having to try to convert herself into a wage earner—without experience, when she is too old to acquire the training that the business world demands of those whom it supports. It is un-American to think that any man should blind himself to his common duty in this direction. It is perhaps only a question of making him think to make him act. He must have as much interest in the future of his family as he has in the future of his employe. Shall he give her less care? It is not charity, even unselfishness for him to do so.

We look for the day when life insurance will be bought as a matter of common decency by every person having dependents—without emotion—just because it is the only efficient way of dealing with responsibility—merely a matter of good business. Perhaps, before that enlightened day, the State will have to step in and force men to carry adequate insurance in order that it will not have to assume his burdens because he has lived carelessly, for every life insurance policy stands not only as a benefit to the beneficiary, but operates for the good of the whole community, by relieving it of an expense that it would otherwise have to bear.

FOLKS IN RUTS

Th' world is full o' ruts, my boy, some shaller an' some deep,
An' ev'ry rut is full o' folks, as high as they can heap.
Each one that's grovelin' in th' ditch is growlin' at his fate,
An' wishin' he had got his chance before it was too late.
They lay it on someone else or say 'twas just their luck—
They never once consider that 'twas caused by lack of pluck.
But here's the word of one that's lived clean through, from soup to nuts:
Th' Lord don't send no derricks 'round to hist folks out o' ruts,
But only them that helps themselves and tries for better things
Will ever see th' helpin' hand t' which each climber clings;
This here's th' hard, plain solemn facks, without no ifs or buts,
Th' Lord don't send no derricks 'round to hist folks out o' ruts.

—S. W. Gillian,
in "Scientific Co-Operation.

CORPORATION INSURANCE

If a corporation has a long line of fire insurance covering its different properties, why should it not protect itself against the loss of an expert whose knowledge may be more valuable than physical property, and whose loss is very much more certain to occur than one from fire, asks the Philadelphia Life. Loss to a business concern of an important member by sudden or unprepared-for death cannot but result in a severe shock to the organization; its final credit; its business-making ability and its efficient operation; and a company meets with a distinct monetary loss, at least for a period.

Men, Women and Life Insurance Agents

By WILLIAM ALEXANDER
Secretary Equitable Life Assurance Society

The human race may very properly be divided into three classes,

1. Men.
2. Women.
3. Life Insurance Agents.

It is obvious that an agent who is of the masculine gender cannot be put in the second of these categories. Why then should he be excluded from the first, and placed in a class by himself?

I am competent, I think, to answer this question. I have been studying the life insurance agent for a quarter of a century, and I have made some surprising discoveries, and find that he belongs to a distinct species.

He is necessarily strong and courageous—the nature of his work demands this—and he is therefore like the superior numbers of the class consisting exclusively of mere men. But he has other qualities which give him some of the powers and resources which the superficial observer expects to find exclusively among the characteristics of the members of the second of the classes referred to above.

Of these qualities the following are conspicuous: He is sensitive, emotional, enthusiastic, tactful, easily encouraged, readily discouraged, quick of intuition, and during periods of great excitement almost hysterical. And he is ever ready to sympathize with those about him in all their joys and sorrows.

The Real Combination of Success

This combination of sweetness and strength is the secret of his success. If he were a man of the ordinary type he would inevitably be a failure as a life insurance agent.

The officials of our insurance companies tell us that it is impossible to know in advance whether a particular candidate will succeed or fail as an insurance agent. But this is not strictly accurate. Find a man of integrity and intelligence who is industrious, and who combines the qualities cited above, and I will guarantee that failure in his case will be impossible.

Such a man is a superior being, who cannot be classed with ordinary men, who, although he possesses some of the qualities that explain the power wielded by women of the highest type, has none of the soft and gentle traits peculiar to the ordinary members of what we are pleased to call the "weaker sex."

Is there any wonder, then, that the analysis of the agent's character should be a study of absorbing interest?

Pleasure in Assisting Agents

As an executive officer of a life insurance company my chief responsibilities are in connection with the administration of that company's affairs, but of all my pursuits that which has given me the greatest enjoyment has been the help I have been able to give to life insurance agents in the prosecution of their work.

In all the books I have written on insurance I have had the agent constantly in mind; and my last book, "What Life Insurance Is and What It Does," will prove, I hope, more useful to field men than any of the other books that have been published. And at the present time I am engaged on a book on insurance salesmanship intended exclusively for agents.

Nothing pleases me so much as to learn from men in the field that my instruction has been profitable, or that my advice has helped an agent to place a policy.

And I may add that it is a pleasure to offer advice to these field men, for they are quick to catch a good point and adapt it to their needs. And they are prompt to express their appreciation of such assistance.

I respect and admire the upright and efficient agent. I know how ex-



WILLIAM ALEXANDER

Mr. Alexander belongs to the school of life insurance men who have literary ability of a high order. He has written numerous books on life insurance, and is a past master in training salesmen. He wrote the famous educational courses of the Equitable Life Assurance Society, and is editor of "Agency Items," a publication for the agents of the Society filled with philosophy, epigrams and clever sermons. Some of the sermons are reproduced on this page.

acting his labors are. I fully appreciate the value of the services he renders his fellow men. I feel for him in his disappointments and rejoice with him in his successes. Thus I think, a genuine bond of friendship and sympathy has been established. And to such success as I have had in co-operating with the man in the field I attribute largely to this spirit of comradeship and mutual appreciation.

Little Sermons
By William Alexander

One Thing About Which the People Are Hard to Fool

It is exceedingly hard for a man of bad character to establish a good reputation. He may be a good actor, but in this matter people are hard to fool.

Any lack of sincerity on the part of the insurance salesman will be detected by ninety-nine out of every one hundred prospects.

If honesty is the best policy in general, it is doubly important in the life insurance business, because no prospect will insure until the agent has won his confidence.

Now, the only sure way to win a prospect's confidence is to let him see that you want to serve him. That can only be shown with complete success if you really wish to subordinate your own interests to his, and are absolutely sincere in wishing to give him the best and most disinterested advice you can.

If you are thinking about your commission; if you recommend a policy only because it will give you the largest return; if you are thinking first of your own interests, and regard his interests as of secondary importance, he will inevitably detect your insincerity. He will gather it from some chance remark; or detect it in the tone of your voice; or see it in your eye. Even if you are at the other end of a telephone he will be able to tell by the ring of your voice whether you are trying to fool him or whether you are trying to do him a genuine service. In short, it is very hard to fool any of the public any of the time, if your offer of service is insincere or even half hearted.

Selling Points

I should like to be able to invent some engine that would be effective in destroying submarines.

Failing in that, I have made an invention by which Equitable agents can make the most of good selling points, entering wedges, etc.

Good selling points come to your attention every day; two or three may be gathered from almost every issue of "Agency Items," but how many of them are remembered, and of those which are not forgotten, how many are you prepared to use at the right moment?

My invention is a concise card system.

Every good, new point that comes to your attention you must enter on a card. Then place the card in the appropriate section of your card cabinet. Put points on income insurance for example in one place; points for rich men in another; points for women in another, and so on.

Then, before starting out for an interview with a particular prospect, run over the points appropriate to that particular case.

To aid you in establishing such a card system, a good entering wedge suggestion, or a selling point, or a concise argument will be inserted in "Agency Items" every week, in addition to the points you can gather from the articles and paragraphs throughout the paper, and in other journals, or that you can pick up in conversation.

Such a collection of points thus classified will become extremely valuable.

I shall be glad to learn from those who adopt this scheme the extent to which it proves of practical aid to them.

Do Your Duty

In your own community you are the Equitable. See that you do your full duty to your company and to the public.

In what way? By being a good American? Assuredly.

But how? By fulfilling your individual responsibilities.

What are your responsibilities? Let us see:

Our nation is made up of a multitude of individual citizens. By strengthening these units, you will aid in buttressing the nation.

At this critical period it behooves every citizen to be prudent, thrifty, efficient, so as to become more useful to the nation. And your duty is to show how this can be accomplished most effectively.

By what means? By means of life insurance.

In this connection, where does your chief responsibility lie?

In persuading the people round about you to act—and to act quickly.

Of course you can make your patriotism manifest in other ways, and should not fail to co-operate with your neighbors in upholding the honor of your country in every appropriate way. But remember that you have the great good fortune of being in a position to do more to make useful citizens of the people round about you, than those representing ordinary business enterprises can do.

This is a time when you, and your policyholders, and your prospects, necessarily have an absorbing interest in public affairs. But do not spend your time, or let them spend their time, in idle talk or speculation.

Do your full duty, as the Equitable's representative, for the great cause of life insurance, and you will also be doing high service for the State.

The Blue Pencil

(Continued from page 19.)

read. This, I believe, can be fully covered in a few words, with the blue pencil again the central theme.

The student, listening to the lecture of the professor, reduces the salient points to a few notes for ready reference. The lawyer takes a long set of facts, or of law, and boils them into a terse brief. The editor, starting out with a mass of detail and non-essentials, evolves his article.

This principle of condensation, the agent should follow. Of the great quantity of material which he reads, he must be able to distinguish the wheat from the chaff—the good of the apple from the rot. Whenever he finds something that appeals to him as especially good—which hits him between the eyes, so to speak—he should mark it and file it away under a suitable heading in a scrap-book, or in a card index.

After he has followed this course for a time, when he then wants inspiration he has only to turn to his blue penciled articles; if he wants to meet a certain objection which has been raised by a prospect he can find in his files the answers that the best brains in the business have made to that objection; if he wishes a conclusive line or argument to meet a certain counter line of argument, he can go to the same source and find the necessary links in the chain. Thus does he preserve much of great value that otherwise surely would be hopelessly lost in the mazes of memory.

CHARACTER

No one who is lacking in character is unaware of the fact. If one is in the habit of lying, he knows he is a liar; if he steals, he knows he is a thief; and if he fails to pay his bills, he knows he is a dead beat. The individual who fails to meet obligations is standing in his or its own light, and in the end is bound to lose, says the Bankers' Life "Bulletin."

USES NEWSPAPER ADVERTISING

Jacob A. King, of the Broadway general agency of Elmer Dwiggins, believes in advertising. He uses local readers in the paper which circulates most numerously in Asbury Park, N. J., his home town.

REAL HUMAN INTEREST STORIES TOLD BY COMPANY EDITORS

RALEIGH, N. C., AND FRED HEGE WOULD MISS EACH OTHER

By Luther B. Little, Metropolitan Life.

When I was manager of the publication division of the Metropolitan Life I wrote last year to a number of agents of the Company who had made exceptionally good records in Industrial, wrote them a letter, and asked them how they did it. One man named Fred C. Hege, of the Raleigh District, N. C., sent me a letter which pleased me immensely, and I will give you some portions of it.

After explaining that he had spent his early life in a cotton mill, and had been taught that any honest work was no disgrace, and to be polite to everybody, he says:

"My father was noted for always bidding good morning to everyone he met. I have always liked to know folks, and this is a help to me now. The fact that I am an ex-mill man and can talk about any part of the work and know how to do a great many things in the mill—weave, spin, color rollers, run a slasher, fix looms, carry filling, oil and sweep—enables me to be one of the folks. I make myself at home whereever I go. The mill managers and superintendents are all my friends. Some were raised with me in my home town, and they recommend me and my company.

"I had a slight talent for mimicry—can imitate a cat fight, crow like a rooster, bark like a dog, coo like a pigeon. These things and the fact that I love the children make me a welcome visitor in many a home. Often on my first call on new folks I do these imitations and they say, 'Come again; we enjoyed your visit.' I never worry and insist on them buying insurance on my first call. My experience is easy buy, easy lapse. My wife is an experienced nurse and the doctors and the neighbors call for her often, day and night. This work she does without any compensation. I call her the Metropolitan nurse. My wife helps me in checking and completing accounts. I take a great deal of interest in flowers, and love the babies.

"One rainy day one of my old policyholders called to me out of the kitchen window and asked if I ever came down town at night. She said if I did, call and see her father as he wanted to insure the whole family, and I might sell a policy, even on the dog. I told her I would call all right that night. After supper it was raining hard and the party lived three-quarters of a mile away. I figured that I could sell the old gentleman a policy with a 30c. premium that night. I called on the family and when I was through I had sold policies for weekly premiums of 85c. These policies have not lapsed, but are good paying business ever since. I always knock at every door before going in, giving the people inside time to answer. A minister told me last week that a certain lawyer's wife, to whom I had sold a policy on the first baby, had told him 'that man Hege is worth all the salary he gets just to cheer the people up as he goes into their homes.' I appreciate these kindly words. Boiled down the whole thing is this:

"Be on the job every week.

"Make friends of all policyholders and everybody else.

"Tell the truth all the time.

"Pay especial attention to children and old people.

"Always be cheerful and good-natured when you are at work.

"Do not waste time around pool rooms. Pool sharks do not buy insurance.

"Be a total abstainer. Women do not trust a whiskey drinker."

AN ARGUMENT FOR SOLICITING AN ATTORNEY

By Grenville Howard, New York Life.

When you ask me for an original selling talk made by a man in the field I cannot do much better than to give you the argument used successfully by J. W. Day, agency director of the Oregon branch of the New York Life in placing a rated-up policy with an attorney. The argument is an excellent one and it might have results if applied with any attorney:

"Mr. Attorney, your business and my business are very similar. How did you win your last case in court? By citing precedents of the Supreme Court did you not? And have you not lost cases where your opponent was able to cite a stronger precedent, or one more applicable to the point at issue, than you were able to cite in support of your position?"

"Certainly."

"Well, my business is founded on precedent. Here is my 'table of precedents' (turning to the mortality table) and it shows that you stand to lose this case, because the precedents prove that you are going to die, and if you do not possess this policy when you die, the case is lost to your beneficiary. I am attorney for your beneficiary, and I don't want to see her lose this case." Mr. Day then pulled out that excellent graphic mortality table—Bridge of Life (printed in the "Bulletin" years ago, and which he has carried in his wallet, covered with a piece of transparent draftsman's cloth ever since, and which was recently reproduced for the field again), and gave him an illustration through his eye as well as his ear.

"Mr. Attorney, pick out your position on this bridge. You are entering on the last pier. Aren't you? See how they are falling through. The precedent is against you. Don't let this case be lost. Give me your check. I am pleading this case for your beneficiary." And he gave Mr. Day the check.

PROUDFOOT OF ROXBURY WROTE ALL THE FAMILY

By Emil Schwab, John Hancock.

A notable and stimulating experience has fallen to the lot of Agent Proudfoot of the Roxbury District. He is an enthusiastic exponent of our canvassing system. On November 11 he interviewed a family named Welles, living on Kent street in his district. Mr. Welles stated that he was not prepared to take insurance out at that time, but expected to insure his children in the very near future, and would notify our agent when he was ready.

On December 5, Mr. Welles called at the Roxbury headquarters, reported the talk he had had with Mr. Proudfoot and made an appointment with him to call December 8. When our agent called, Mr. Welles informed him that he wished to insure the children only, but Mr. Proudfoot induced him to insure all the members of his family for a premium aggregating 50 cents. He brought the applications to the Roxbury office, together with a collection of $26, one year's premium, which was voluntarily tendered. You can draw your own moral, gentle reader.

WRITING THE "HARDEST MAN IN TOWN"

By Rupert F. Fry, Old Line Life.

All men who have written insurance can tell about some successful experience, and, naturally, they could also tell many stories about the men they did not write. I shall relate a personal experience that resulted in twenty thousand of insurance.

An examining physician in California complied with my request for a list of names of people whom he considered good risks financially, morally and physically. He mentioned one Walsh in particular. This gentleman, he said, was a successful furniture dealer; his word was as good as his bond; a very fine risk all the way through, so far as he knew, and he enjoyed an income that would justify him in taking a substantial policy. The doctor also informed me that no one had ever been able to write this man for insurance. "I believe you will find him about the hardest man in town to talk to on that subject," he said.

Both Busy

I concluded to interview "the hardest man in town" first, and proceeded to Walsh's place of business, fifteen blocks from the hotel. I enjoyed the walk and was very fortunate to find him exceedingly busy that morning. A lady customer occupied his attention and two salesmen were waiting for an interview. I took in the situation at a glance, approached within easy speaking distance, and said, "Pardon me. I notice you are very busy. I am extremely busy myself this morning. When can I talk to you fifteen minutes this afternoon before I leave town?" "At three o'clock," he replied, and continued with his customer. With that information I hastily made my exit.

On time, promptly at three, he escorted me to his private office and invited me to take a seat. Evidently he had been standing for some time, as he seemed glad of the opportunity to sit down. Naturally, no time was lost in broaching my subject. My first attempt brought forth the following from Walsh: "Well, had I known it was insurance, I could have told you this morning that I do not care to consider anything along that line," and he arose, indicating that the interview was at an end.

Finding the Argument on the Spot

"Mr. Walsh, did that lady purchase anything from you this morning? I believe she did—you had an order book in your hand. Did you cheat or do that lady an injustice? I will answer that question for you also. You did not. People who know you say that your word is as good as your bond; that you are strictly honest and that people who do business with you get value received, every time. I do not think I am bright enough to talk a man like you into something you do not need. I wish only to appeal to your good business judgment, and let me say this, frankly, that when this interview is concluded, should you decide to come with us, you will receive the same treatment from my people that you extend to your customers and patrons. You promised me an interview of fifteen minutes. Do you know that the distance from the hotel to your place of business is fifteen blocks? I walked that this morning—both ways—thirty blocks. This afternoon, another fifteen blocks, and when I return to the center of the town, I will have walked sixty blocks in all for the privilege of talking to you fifteen minutes. If I think



EMIL SCHWAB

enough of you to walk sixty blocks in order that I may enjoy that privilege, do you think enough of me to grant the fifteen-minute interview?"

Walsh sat down. "You are a queer fellow. Go ahead." Then he leaned back in his chair, lighted a cigar and looked at the ceiling. I talked a few minutes and made absolutely no impression. Very evidently what I said was going into one ear and out of the other. Then I arose and approached closer to him. "Mr. Walsh when I asked you for fifteen minutes I of course sought your undivided attention. You are simply giving me this time now as a matter of courtesy. May I go a little further and ask you to look at what I am about to show you?"

The Psychological Moment

My purpose was to make an impression on this man through more than one of his senses. Some men absorb and grasp a thing quickly when they hear it; others when they see it.

Walsh smiled, tilted his chair forward and looked at a contract of life insurance for the first time in his life. Five minutes or a litle more had elapsed. "Now," I said, "the five minutes already consumed are of no value to you or the people I represent. We will now spend fifteen minutes on the merits of this contract." Extended insurance, paid-up values, etc., were entirely new to this successful business man. He had never permitted an insurance man to show or tell him anything on that subject. He began asking questions and finally said, "That looks like a pretty good proposition." A psychological moment had arrived and he told me where he was born when I made the inquiry. Result, application for ten thousand, twenty payment life. He had now arranged to save some money through a safe channel, and, at the same time, protect his estate against the loss of his money-making ability.

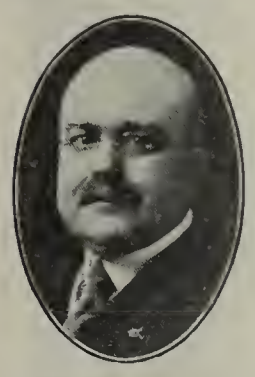
When I delivered the policy the extra ten I had ordered was easily delivered. Mr. Walsh merely inquired how much the premium would be on both.

HUMAN INTEREST STORIES TOLD BY EDITORS

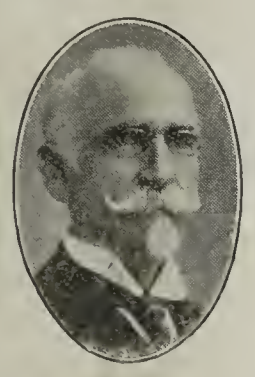
BERNARD'S INTENSE CULTIVATION OF TERRITORY

By J. A. Jackson, Mutual Life.

I cannot offer a more effective story, illustrating some unusual achievement of an insurance agent, than by citing the experience of H. Bernard, district manager of the Mutual Life at Schenevus, N. Y., where Mr. Bernard has been for more than twenty-eight years.



RUPERT F. FRY



J. A. JACKSON

His territory includes Otsego, Schoharie and Delaware Counties, the total population of which is about 120,000. From appearances this would not be the most promising field for writing business, but Mr. Bernard believes in cultivating a single territory well, thus learning to know the people and building up a clientele of satisfied policyholders. How well he has succeeded figures for a quarter of a century will show. The following tabulation illustrates Mr. Bernard's work for the period named, ending 1913. He has continued the good work in the succeeding years.

Total business for the year 1889, $94,000, 71 applications; for the year 1890, $107,000, 80 applications; for 1891, $211,000, 165 applications; for 1892, $214,000, 186 applications; for 1893, $203,500, 180 applications; for 1894, $259,000, 200 applications; for 1895, $479,000, 310 applications; for 1896 (won Albany Agency Cup), $429,000, 284 applications; for 1897, $247,000, 186 applications; for 1898, $257,750, 258 applications; for 1899, $572,250, 455 applications; for 1900, $574,500 427 applications; for 1901, $486,000, 394 applications; for 1902, $395,000, 335 applications; for 1903, $500,000, 353 applications; for 1904 (won Champion Cup three years), $706,400, 502 applications; for 1905, $481,000, 381 applications; for 1906, $197,000, 149 applications; for 1907, $149,000, 111 applications; for 1908, $240,500, 156 applications; for 1909, $296,000, 194 applications; for 1910, $270,700, 158 applications; for 1911, $360,296, 242 applications; for 1912, $384,600, 261 applications; for 1913, $509,279, 337 applications.

Total for 25 years, $8,687,775, 6,375 applications; average amount of business, $347,511; average number of applications, 255.

Mr. Bernard has done faithful and earnest work every year and the figures show how the business will vary in different years, according to conditions affecting the whole country, and at times the individual. Note that the policies are for small amounts on the average. This was due chiefly to the fact that the community in which Mr. Bernard has labored is not a wealthy district, and a half million of paid-for business in 1913, the policies averaging less than $2,000 each, indicates steady, hard, continuous work.

When Mr. Bernard writes a man for life insurance, that man is his friend and client thereafter. He can go back and write him again. Here is a remarkable tabulation showing his achievements in this direction. Think of writing in the period a single policyholder 14 different times, and 344 policyholders the second time. In all 1,363 persons were written more than once, an average of over 54 a year.

One policyholder written 14 different times; one 10; two 9; four 8; eight 7; nine 6; twenty-five 5; thirty 4; eighty-two 3; three hundred and forty-four 2.

In the course of his career Mr. Bernard won the Albany Agency Cup, and, in three different years, won the Champion Cup offered by the Mutual Life Insurance Company, thereby making it his own—now one of his most prized possessions.

LINKING THE CHRISTMAS SPIRIT TO INSURANCE

By Dr. Willis Hatfield Hazard, New England Mutual.

The short winter day had drawn to a full close before I was able to shut my desk and start for home. I had been on the jump the whole of its working hours, and was completely tired out—ready for the quietest sort of an evening, and an early bed. About three o'clock the leaden clouds had begun the discharge of what proved to be a very heavy snow, and by the time I left the office the flakes were swirling in a mad dance on fast mounting drifts, traffic was impeded, and thousands of people were in for a delayed and wearisome passage home.

As I drew near the great station to take my train, it was a curious and fascinating sight to watch the converging lines of people, pouring into its many portals, to be swallowed up in a moment in the vast train shed beyond. Many were carrying Christmas parcels, for the festival was only six days away; and the huge station foyer, with its brightly lighted booths and hastening crowds wore a holiday air that contrasted sharply with the raging winter storm without.

Finally the train reached my suburban station, and I started off through the driving snow, rejoicing doubly that "I had nothing to do till to-morrow."

But just at the corner of our street, I overhauled a man who proved to be Bob Blackstone, a neighbor, who had returned the preceding week from a vacation trip to Panama. I hailed him, and, more to make conversation than anything else, said: "Well, Bob, you didn't see real Christmas weather like this at the Isthmus, did you? Got your presents all ready?" "Why, no," he answered, "I have been so terribly busy at the office since I got back that I have had little time to think of presents. I have a few for the children; but the main one, for their mother—I simply have not been able to give it a thought."

Quick as a flash—notwithstanding the hour, the storm, the open street, and my own previous dismissal for the day of all thoughts of business—came the salesman's intuition that here was a glorious opportunity blindly handed me by the man himself. I answered instantly: "Indeed? Then, Bob, let me do the thinking for you on this matter. Let me suggest the finest Christmas present for your wife that she ever received!" "Well," he threw out, "what is it?" "A life insurance policy paying her the fixed sum of $250 every Christmas after your death, as long as she lives—we are selling lots of these policies more this year than ever before. The contract is simple, clear-cut, inexpensive, and as you can see at once, most sensible."

"Humph," he said, "I admit that is a 'thought' that certainly had not occurred to me! You know I am heavily insured for a man of thirty-two, and I hadn't the slightest idea of taking any more for years. But I admit there is some merit in this plan. However"———

At this point I broke in to crush the negative thought before it was uttered, and cried, moving off through the snow toward my house——— "Never mind any more to-night. Leave the matter till to-morrow and I will be in to see you for a few moments." "Don't come till afternoon," he called.

Nor did I; but when I got to him I found him more receptive than had seemed reasonable to hope. I wrote his application for a Twenty Payment Life paying to his wife, at maturity, an annuity of just the sum I had mentioned—$250, due on every December 25th as long as she survived him.

In conclusion, there are two noteworthy points about this experience: the complete surprise the transaction was to both of us, demonstrating how important to the agent is constant preparedness. He may be called on to act, as was I, in the most incongruous and unexpected places, and at apparently the most inopportune times. And second, not only is Blackstone a real estate and insurance broker, perfectly familiar with insurance matters, but, strangest of all, the man he went with to Panama was his own brother-in-law, with whom he was desperately intimate, and who was the general agent of the life insurance company that was the most dangerous competitor I had in the whole city!

HOW W. P. TODD CLOSED HIS LAST CASE

By R. W. Stevens, Illinois Life.

Recently the Illinois Life "Bulletin" ran a series of stories under the caption, "How I Closed My Last Case." The series was interesting and helpful. One of the best of the lot was from the pen of W. P. Todd, associate general agent of our La Salle Street ageney, and his story follows:

Last Tuesday when I called on Mr. B———, he very courteously but firmly informed me that it would be a waste of time for me to talk to him about more life insurance; that he was carrying $40,000 of which $20,000 was payable to his wife and $10,000 each to his two children; that he had worked it out carefully and never expected to carry any more.

I complimented him on the amount of insurance, the way in which he had it arranged, and agreed that life-insurancewise he seemed to be well and sufficiently prepared. "By the way," I remarked, "do you own a cemetery lot?" He seemed rather surprised at my inquiry and stated that he did not. Then, I said "the cost of putting you away including the purchase of a burial lot would be at least $1,000. Is it your idea that your wife should bear that expense, out of her insurance, or do you expect that the children will share it proportionately with her?"

At first he was inclined to get a little miffed, but I hung on and he admitted that while the subject was not pleasing to him he had not thought about the immediate cash that would be required to bury him as he would like to be buried. I then suggested that he take $1,000 of ordinary life made payable to his estate, directing in his will that that money was to be used only for his funeral and the expenses incident thereto. He laughingly remarked that he believed he was entitled to a $2,000 funeral and told me to write him up for that amount.

After he signed the application he paid me the compliment of saying that for more than five years he had been fully convinced that he would never apply for more life insurance, and that of all the agents who had called on him none had succeeded in changing his opinion, but I had convinced him that there was a further service that life insurance could render him, and a very necessary and needful service too and that he wanted to thank me for bringing it to his attention.

It wasn't very much insurance—$2,000, age 46, but the placing of the policy gave me lots of satisfaction and the commission paid me well for the time spent on the case—only one interview.

I never used that canvass before, but I am going to use it in the future in the case of every man who tells me that on life insurance he is all set and there is nothing doing.

CONVINCING A BANKER

Argument Used With Richard T. Henderson By An Agent of Equitable Life

Every agent will state his case in his own way, but the following is a way in which the argument convinced Richard T. Henderson, a well-known banker:

"For a number of years before the breaking out of the European war you were in a position to lay by from year to year a certain amount of capital. If you have not accumulated in that way a handsome estate it has not been because you could not afford it. It has been because you have from year to year spent the greater part of your income just as your friends and neighbors have done—not because of any necessity, but because you followed the line of least resistance, and did not attempt to depart from the general custom of the people round about you.

"Now, however, the difficulties of the present situation have forced you to study many new problems. And your anxieties about the present have prompted you to look into the future, so as to determine the measures to be taken to safeguard the interests of those dependent upon you.

"Undoubtedly if your present needs were no greater than they were some years ago you would begin at once to lay by a substantial amount of capital every year. But your expenses have increased and your income has not."—"Agency Items."

$1,000,000 POLICY

Morehouse-Newland & Co. Write Burglary, Robbery and Theft Contract on Buffalo Bank

On Saturday, Sept. 15th, the Massachusetts Bonding & Insurance Co. through their Buffalo general agents, Morehouse, Newland & Co., Inc., wrote what is perhaps one of the largest burglary policies written in Buffalo in many years, when they covered the burglary, robbery and theft hazard on The Bank of Buffalo in the amount of one million dollars, incidental to the transfer of monies and securities from the old building corner Main and Seneca Sts. to their new building corner of Main & No. Division Sts.

Necessities of life seem to have shown the greatest increase in cost during recent years, but there is one very important necessity the cost of which has not increased and that is life insurance.—Agency Items.

It is important to teach the new agent as well as the old one to vary his arguments to meet the varying conditions in the business world; that is, to adapt himself and his program to the times.—W. A. Alexander.

LEADS and WORK

Make

"The Road That Goes Somewhere"

Some Place to Go —

Some One to See

Who Not to See

The above vital questions are successfully answered in my agency, with the purpose of IDEAL SALESMANSHIP CONDITIONS as the goal.

CHARLES R. TRIPP, Mgr.,

Fidelity Mutual Life Insurance Company

Eastern New York Vermont Western Massachusetts

Albany, N. Y.

The Amount of Law Necessary For An Agent to Know

By WENDELL M. STRONG
Associate Actuary Mutual Life

A life insurance agent ought to know such laws as will help him in his business as an agent. This reduces itself almost entirely to two things: first, such a knowledge as will enable him to help his clients in determining the beneficiary under the policy and possibly in selecting the mode of settlement; second, knowledge of the law governing his relations to his clients, his relation to the company, and his relation to the State. Of the two, the knowledge that will help the insured in determining how to provide for the beneficiary is a positive assistance. The second is simply necessary to avoid entanglements or doing something which is illegal, and, as to the latter, an agent who follows the rules of his company is not likely to be in danger of violating legal restrictions.



Inheritance and Succession Taxes

The things that it is necessary to know to aid the insured with regard to the beneficiary are few and simple; some of them are:

Inheritance and succession taxes in the present state of the law do not apply to the proceeds of life insurance policies payable to a named beneficiary. They do, however, apply to insurance payable to an insured's estate just as to any other part of the estate. When a policy is issued, a named beneficiary acquires an interest therein which cannot be controlled or taken away by the insured unless the insured has the right to change the beneficiary under the provisions of the policy.

Bankruptcy Law

Under the bankruptcy law, if a policy reserves the right to the insured to change the beneficiary, it is questionable whether, unless exempt under State statutes, a policy payable to a beneficiary may not, nevertheless, be taken by the trustee in bankruptcy unless its surrender value is secured to such trustee by the bankruptcy. The law on this point is not settled, but the chance of such a result with the change of beneficiary clause must be counted on unless and until the Supreme Court of the United States holds otherwise. It is safer, therefore, not to reserve the right to change the beneficiary, if the insured desires the insurance for the protection of his family. On the other hand, if the insured has not reserved the right to change the beneficiary, then he has not control of the policy without the beneficiary's consent; hence the desirability of reserving the right to change the beneficiary; it is a matter of balancing the benefits against the disadvantages of having or not having this right.

Exemptions

Many States have laws exempting the proceeds of life insurance policies from the claims of beneficiaries' creditors, and some have specific statutes protecting such an income as that under one of the modes of settlement. An agent can render a great service to his clients by being sufficiently familiar with the laws of his own State in regard to these points as to advise him of the legal position of the beneficiary in these matters.

There are two ways of making a policy in favor of a given person during the lifetime of the insured. One is by naming that person as beneficiary under the policy; the second is by an assignment. The agent should, to some extent, understand the difference between the two. An assignee is in the position of either the owner by gift or by purchase or the holder of the policy as collateral for security for indebtedness, this last being ordinarily a question of proof that the assignment is not an absolute one.

Insurable Interest

Something should be known about insurance interest. In general a person can take out a policy on his own life and pay premiums and make the policy payable to any person he desires, whether such person has any interest in his life or not, if the company's rules permit. On the other hand, if the beneficiary induces the issuance of the policy and pays the premiums, including the first premium, the beneficiary must have an insurable interest based on family relationship or on financial interest in the insured's life, such as creditor; if there is not such insurable interest in such a case, the contract would be illegal as a "gambling contract." There are, moreover, some few States which do not allow anyone who is not possessed of insurable interest in the life of an insured to become either beneficiary or assignee under a policy, and between this last, which is represented by Texas, and the first, which is represented by New York, there are many gradations and the agent should know pretty accurately the law of his own State so that he may never advise a client to make some person payee who may afterwards be deprived of the benefit of the policy by the operation of the State laws.

Reading the Contract

In general, the law presumes that the party to a contract has read that contract and knows its terms. If he does not read the contract, he cannot afterwards claim benefit by ignorance or misunderstanding of its terms. The agent should know this and should, in consequence, have the insured read his policy when received so that if anything is not as he wishes it the contract may be made right at once instead of the matter being left until it is perhaps impossible to change it without injustice to the company.

Some of the points of law that affect the agent's relations with the company and the State are the following (they also may, to a certain extent, involve his relations with his client):

Discrimination

Most States have statutes against discrimination. In some cases discrimination may invalidate a policy; in others it simply involves a statutory penalty. In some State such statutes are construed very strictly as, for instance, some States hold that taking a note for premium without interest is discrimination.

Notes for Premiums

Notes for premiums, either negotiable or non-negotiable, are taken by many agents and, consequently, the agent should, to some extent, be familiar with the law of both negotiable and non-negotiable instruments. Some States have positive statutes against the negotiating before the policy is issued of notes taken for a premium. Furthermore, as a practical point, irrespective of local statutes, it is important that a note should never be negotiated until the policy is issued since many complications can arise from the opposite course where an application is declined.

Licenses

Nearly every State has statutory provisions directly concerning the agent in such things as agents' licenses, etc., which the company usually takes care of; the agent should, however, be sufficiently familiar to make sure that he does not unwittingly transgress.

Fiduciary Capacity

There are also statutes in many States making the agent a fiduciary in relation to funds belonging to the company, against twisting, and on other subjects. The insurance statutes of many States are published in compact pamphlet form by the Insurance Departments and it involves but a little time to pick out any provisions which would directly affect an agent, and it is advisable to do this; which would be a matter not of days or weeks, but possibly an hour or two.

Business Principles

An elementary knowledge of the general principles of law as applied to business in general would occasionally come into use for an agent, but not very often, probably not as often as for one engaged in an independent capacity in almost any other kind of business.

Finer Points Not Needed

Thus the amount of law which it is necessary for an agent to know to successfully and properly conduct his business, is very small indeed, much less than in most other kinds of business. While a further knowledge of insurance law is interesting in many particulars and can form a fascinating study, such law, if so studied, should be rather for its interest than its practical use. A real knowledge of the finer points of insurance law cannot be obtained by an agent unless he devotes an amount of time to it which would directly interfere with his work, and even then he might not succeed since such a knowledge cannot be obtained by studying insurance law alone without a general legal knowledge as a foundation.

A Splendid Year-End Selling Talk For Agents

By L. SETON LINDSAY, New York Life

Nobody likes to lose money. There is nothing quite so unpleasant as to put your hand in your pocket and find on counting your money, that you have lost a ten-dollar bill. The feeling of loss is acute; you have had nothing for that ten dollars.

This same feeling is present, to a less extent, when you spend money, if there is any feeling in your mind that you are not getting value received.

Opposed to the idea of spending money, is the idea of saving money. Everyone down in the bottom of his heart wants to save money. I know of nothing so pleasant, when you cast up accounts at the end of the year, as to find that you have saved something out of your income.

The First Thing to Impress Upon Mind of Prospect

I think one of the first things in approaching a man with the object of selling him a policy is to impress upon his mind that you are not going to ask him to spend any money, that you only want to show him how to save money. It is surprising how easily you can interest people in a conversation with regard to saving money, or investing money, and as one must save money before he can invest it, saving interests everyone.

Take a piece of paper and put down the 20-year endowment premium at age 30; it is $50.82; deduct from this the premium for a 20-year term policy, $14.11; this leaves a net amount of $36.71 ; 20 times this amounts to $734.20; for which the depositor is guaranteed $1,000 at the end of twenty years, plus dividends; certainly a good investment.

How better can anyone save money than in a good old-fashioned endowment policy? If a man says the premium is too high, I always reply: "How can you apply the idea of cost to a savings bank account? If you think you cannot save this amount of money, save less, save two-thirds or one-half, but don't apply the word 'cost' to the amount of annual deposit which will result in your starting a savings bank account with our Company."

The Saving Money Idea

When you convert a man and his wife to the idea of saving money through endowment policies, it is surprising what a large amount of money they can save in this way. The result is that the man in the end carries just as much, and often more, life insurance than he would have carried had he confined himself to spending so much money a year for ordinary life insurance. The man and his wife do not mind saving money. As they find their cash equity in the policy growing and realize that the due date is getting nearer and nearer, there is a positive self-satisfaction about making the annual deposit.

What better time of the year than the closing days to bring forward this idea of saving money. Ask your friends to check up their returns for the year, as they would the returns of a business. How much have they put aside as undivided profits or surplus? Have they spent on transient pleasures every dollar of surplus throughout the year, or are they saving the money by putting it in something less secure than the New-York Life?

Written by Mr. Lindsay when in Chicago for New York Life.

JOHN S. TUNMORE
Upholds Provident Traditions

WHEN the Provident Life & Trust Company asked me to come to New York for the purpose of establishing an Agency, I adopted the same policy in Agency construction that has characterized the Provident since its organization.

That policy is best known throughout the insurance world by the official acts of the Company as well as those of Samuel R. Shipley, its founder and first President, Asa S. Wing, the present chief executive, and Joseph Ashbrook, former Vice-President and Insurance Advisor.

Our highest aim is to uphold these Provident traditions by faithfully serving the Company on the one hand, and giving our best efforts to our policyholders on the other. We have tried to do this -- whether we have succeeded is for others to say.

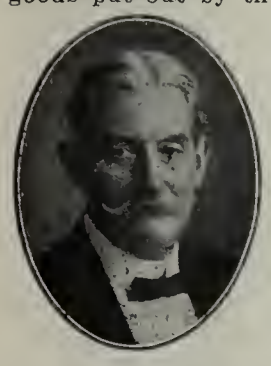
We believe in co-operation, particularly in respect to the producing agents. The man who brings in the business, the solicitor, we think, whether he be of our own Company or connected with another, should be treated in the same manner that we would like him to treat us. The practice of these principles has resulted in a good Agency production. Our men have never been dissatisfied. They are loyal, successful and happy.

JOHN S. TUNMORE, General Agent
BROOKLYN, N. Y.

The Agent and the Medical Department

By Dr. JOHN L. DAVIS
Medical Director, Amicable Life

The Medical Department of an insurance company is the credit department of the business. The agents, like commercial salesmen, are selling a line of goods put out by their houses, big and little, old and new, some recognized as of reliable conservative character, others more or less sensational trying to lure trade by fulsome advertising and chromos of various types; but the goods they sell are by the public assumed to be practically the same and the prices quoted by the different companies do not vary materially.



Just as the commercial salesman soon realizes that it does him no good to get an order for a big line of goods from a buyer who can't pay for them, so the experienced insurance solicitor knows he only loses time to sell a man who is insolvent, physically or financially; he knows such a client will not be O. K.'d by the company's credit department at the home office.

Signing Up the Client

Hence the insurance salesman instinctively sizes up the client's solvency, both as to health and premium paying ability before he tries to sell him a policy; and as far as he does this he is co-operating with the credit department of his company.

In fact he is indirectly doing more than this in making a preliminary selection of the business to be solicited; he is establishing for himself a favorable standing with his home office which soon is made to realize that the agent is careful as to the quality of risks he submits; and as a result the agent's own reputation for caution and loyalty becomes incidentally an essential and valuable factor in the home office decision on his cases by the medical board. The agent may work a thousand miles from the home office but the impression made through the first few applications submitted will have an important bearing on the way his business is received and handled by the company.

It does not take the home office long to judge the character of the agent from the business he sends in; for he is apt to write men in the class with which he habitually associates; and it is absolutely true in life insurance as in other fields that the agent is known by his fruits. If his clients are leading business and professional men, teachers, well-to-do farmers, mechanics or other faithful workers in legitimate industries, it naturally shows the solicitor is mingling with the best men of his community. If, on the other hand the applicants submitted are unsteady in habits, uncertain of work, without education and ambition, drinking, leading haphazard, aimless lives—if this is the kind of business the agent writes the home office can easily picture such solicitor standing in the limelight having for a background a pool room or a bar or a cigar stand, and waiting for some ne'er-do-well to come along and ask for a policy.

Physical Derelicts

These physical derelicts—men with poor credit rating—are usually easy to recognize; those whose appearance is unfavorable or occupation hardous or shady, or surroundings unhealthful; men who have suffered with serious disease likely to leave its impairment on the body; those whose family record and heredity is unfavorable; men of bad habits and unsavory reputation; those conspicuously over or under-weight; all these cases are to be avoided for they are not entitled to standard policies; they are physical bankrupts.

Indeed, these conspicuously undesirable cases are so readily recognized that companies instruct their agents to avoid them in their soliciting; for they can not be written safely at ordinary rates; they are prohibited or under-average rates.

In soliciting life insurance there are two factors which form the foundation stones of good business. First, the client must have financial resources to pay premiums persistently; and secondly, physical resources to enable him to pass the examination and to live out his expectancy.

The experienced agent wastes no time on a man who cannot pay premiums; his client must have the earmarks of financial standing, namely, industry, temperance, thrift and good citizenship.

And in the same way the old experienced solicitor will size up a man in a general way as to his physical resources, or health, before submitting him for an examination. In submitting these "dead ones" to the home office the agent not only wastes his own time and that of the applicant and the home office, but brings more or less reproach on his agency every time he takes an application among these men who are noticeably below par from a physical standpoint.

Borderline Cases

Borderline cases are naturally the troublesome cases for all of us. The ordinary statistical data covering mortality constitute the basis of the ruling in all companies alike; but without question there is a material difference between the medical directors in experience, sagacity and judgment; and there is the constant factor of the personal equation. Moreover, the companies themselves differ to some extent in their business policies; on the one hand, the company will let the bars down to admit a big majority of applicants, its policy is "liberal" and thus its growth is rapid, leading to the form of success desired by its management. On the other hand, some companies pursue a policy of conservatism and caution and get the reputation of being unnecessarily stringent in selecting business, thereby securing a low mortality with profitable savings from this source together with a more stable and permanent growth which inures to the benefit of company and agent alike.

Hence there is always an inherent difference between companies in their policy of growth and development. This leads to the complaint, so familiar to all medical directors, that "other companies are eagerly taking the business you turn down." And it probably started the old story of the disappointed agent who declares, "your rejected risks act as pallbearers for those you accepted."

Opportunity for Getting Full Information

Through its connection with agents, examiners, inspectors, references and commercial agencies, its relation with other companies and their officials and other channels, the home office is in position to get very full information on applicants; far more so than is possible ordinarily to the agent or local examiner.

With all these data the home office is able to compare the individual case with a thousand others exactly like it; and from reliable statistics covering innumerable groups of similar cases we can reach a broad judgment in final decision.

If the agent would keep in mind that every one of us whether in the field or in the home office are working for the same thing, namely, good, first class persistent business for the company, he would understand that applications are gone over and carefully sifted after receiving all possible information, and not one is refused except after a most careful study and consultation of the officers.

The Local Opinion

The local examiner sees the one individual, and bases his judgment on this single case, of course supported by his clinical experience; the medical director forgets the individual as soon as he is put in his own homogeneous group and he weighs the value of the group as to its expectancy—never the single individual.

One reason why the agent's opinion may not coincide with that of the home office is from this very fact, namely: that he sees just the one individual while we see a thousand of the same kind.

To you a risk may look perfectly good in every way, but the question is not so much "How does he look today," but "Will he live out his expectancy" of, say twenty-five or thirty or forty years; for if he dies short of that time the company loses money on the risk. Has he the physical stamina and fibre and habits and family tendencies to carry him to old age? If not, we lose.

Medical Director's Responsibility

In connection with other officials of experience and technical knowledge the responsibility for final decision is up to the medical director, who must always forget the individual and base his decision on the value or vitality of the group.

It is true he must first take the individual and noting the fifty or sixty or seventy-five main points in his record, he must then assign him to his proper class.

When that is done we can say "that individual is in a class which during the next forty years will show a mortality of fifty per cent. of the table or sixty," or whatever percentage statistics have shown to prevail in that particular group.

In other words, what in the field is handled as a single individual in the medical department is considered as one atom in a large group of atoms exactly alike; and while on the one hand the mortality of any one individual, no matter how perfect a risk—is the most uncertain thing in the world, when you come to the average mortality of a large class of exactly the same characteristics, the percentage can be most accurately calculated; with a single individual in one hundred thousand life is extremely uncertain, for no one may say what a day may bring forth. But with a hundred thousand men in a group, all of them substantially alike we can figure to the fraction of a per cent. how many will die in any one year; while nothing is less certain than an individual life, nothing is more certain than the life of a large group based on insurance experience.

Unit vs. Class

You see a man who has had a single attack of inflammatory rheumatism; as far as science can discover and medical skill demonstrate he is in perfect health today; his record in every other particular apart from the rheumatism is perfect; he certainly looks like a first class risk—nothing ever ailed him except this single attack of rheumatism, and that apparently left no trace that medical skill can discover. To you therefore this indeed looks like a first class, ideal risk for insurance.

But, put this man in his class; he becomes a single atom in a group of a hundred thousand. What do the inflexible figures of insurance experience show for his class? The Medico-Actuarial table shows that his group dies 20 per cent. faster than the standard risk.

Today to every appearance he is a first-class, perfect risk for insurance and it is true he may live in health for many, many years, but on the average 120 of such men die while 100 standard risks die. So a case that to the ordinary observer and even to the skilled examiner looks like an ideal risk is really far below the standard, and a large number of such risks would wreck a strong company.

Here is a perfect-looking risk. A man who was never sick in his life except with a single attack of ordinary pleurisy five years ago; he fully recovered and has always had good health; the family record is perfect; surely he is a first-class risk? But what is the experience of forty-three leading insurance companies? A vast multitude of cases exactly like this where there has been a single attack of pleurisy between two and five years prior to the application shows a mortality of 146 per cent. where 100 is standard.

A Few Cases

You look at the manager or proprietor of a first-class hotel; he is a fine, healthy man of good habits, fine family, first-class surroundings; he never tends bar and drinks with great moderation. It is hard to believe that such a man is anything but a first-class risk for insurance. But insurance experience does not confirm this opinion; as a matter of fact the mortality of this class of men is 35 per cent. above normal, and such a business is ruinous to a company.

Here is an active, pushing, energetic young business man, a leader in commercial life and most admirable citizen; but he drinks a little—perhaps a couple of drinks of whiskey a day; and once in a while at his club or at a banquet of business associates he gets rather more wine than he needs—he is exhilarated a little. Nevertheless he is a fine citizen in every way and would surely make a good prominent policyholder for the company in your opinion. But is such a moderate drinker safe for the company? Unhappily, facts are against him. It is shown through the medico-actuarial investigation that the mortality among these so-called moderate drinkers is at least 26 per cent. higher than the standard. Such business cannot be accepted.

The Perfect Pen Pictures

We must look especially to the agent and to the local examiner for as perfect a pen picture of the applicant as

(Continued on page 42.)

The Agent and the Actuarial Department

By Henry W. Allstrom
Actuary Northwestern National Life

The agent is aptly termed the ambassador of the company. Through him the policyholder knows his company. The actuary, on the contrary, is, to a large extent, "behind the lines."

Upon first thought the relationship between the actuarial department and the field force may seem very remote. We may fall back on the statement that the actuary is the mathematical officer of the company—a handy man to have around to care for some mathematical stunts that cannot be avoided. Mr. Agency Force may understand that the actuary has a department tucked away somewhere about the home office, but it is out of the way where it will not be disturbed or disturbing, and Mr Agency Force may forget it. As a matter of fact, the connection between the two is obscure In most instances, the reason being that much of the work of the actuarial department bearing on the work of the field force passes from one to the other through other departments. It is well that this is so, for much of the work of the actuarial department is done in "bulk," so to speak; for illustration, the preparation of rates and guarantees which are published in a rate book, and the apportionment of profits, the latter of course being distributed to each policyholder after the entire apportionment is made. As the work passes from the actuarial department to the agent it passes into shape for individual use. It is made more personal and that which reaches the agent is in shape for him to apply to a prospect.

More Than a Mathematician

The term "mathematical officer" does not exactly describe an actuary. True, he must know the mathematics of his profession but a mathematician is not necessarily an actuary. Since mathematics entered so largely into life insurance work, it was of course inevitable that the mathematical phase of the matter should have a bearing in life insurance practice generally and the practice of companies individually, and through practice and malpractice it has entered into the laws regulating life insurance. Thus it follows that a knowledge of the mathematics of the business enters into consideration in many features of the business, and the actuary has perforce to develop from a mathematician to a man informed at least in part on the practices in all branches of the business.

It thus happens that in addition to the strictly mathematical work, there falls to the actuary the preparation of policy forms, and generally, at least, the partial preparation or O. K.-ing of forms of various character, such as the applications and many of the circulars used by the agents.

It would probably be impossible for the average actuary to satisfactorily prepare in their entirety many of the circulars and other forms which he checks, for the reason that he quite probably does not have the salesman's temperament or experience, and work of such character is not usually prepared by the actuarial department but is checked over by the actuary for the purpose of bringing such matters in exact account with the company's practice in the most minor details.

Tools for the Field Men

It also falls to the actuary to consider new suggestions that come up from time to time and make recommendations relative to the same to executive officers or committees, and if the suggestions are adopted to plan in conjunction with other officers for the carrying out of the new matters or changes adopted.

A perusal of the foregoing gives some idea how the matters of interest to the agent reach the actuary and of the extent to which the actuarial department prepares "tools" for the field force's use. It should also indicate at least by implication the importance of a knowledge by the actuary of the agent's viewpoints. The extent of the success derived from the co-operation of the two departments lies in a great measure in the ability of the agent and the actuary each to appreciate the other's viewpoint.

The agent is always dealing with the individual. To be successful he must study each prospect, discover his idiosyncrasies and learn his insurance needs. He prepares the presentation of his business for that particular man and he finds that he accomplishes results most quickly by humoring the prospect, by falling in with the prospect's notions and closing with the argument and the policy which fits the peculiarities of the particular situation. When the prospect is stubborn in some particular it is most disappointing to the agent to find that his company will not change its system and methods to meet the desires of the mulish individual with whom he is trying so hard to do business. It is particularly hard for the agent to reconcile himself to the company's decision when from his viewpoint the change is seemingly insignificant. It is a regrettable fact that it is rarely possible for the agent and actuary to discuss together matters of this kind, one being in the field and the other in the office, and our glorious country being of considerable extent. The average agent is a man of broad view and when he sees the proposition from the company standpoint he will be the first to agree with the company's judgment; also, the personal presentation of the agent's viewpoint with all its ramifications is of great benefit to the actuary.

Actuary Studies Groups or Masses

While the agent is always dealing with the individual, the actuary is studying results among groups or masses. The security of life insurance depends upon covering enough lives to make a good average. The agent likes to turn to the mortality table—particularly to the "expectancy of life" column—and tell Mr. Prospect that he is likely to live thirty-three and seventeen one hundredths years, or some other figure, depending upon the age of the prospect. The actuary, on the contrary, is keenly aware that the expectation of life applies only to a large group, and that the lifetime of a particular individual is beyond even an actuary's determination. The actuary is also made to realize that the economical administration of the company requires an office system which will handle work in a routine manner. It is possible to make exceptions in a particular case which will clog the mill to such an extent that many matters in the aggregate of far more importance than that occasioning the exception will be delayed. Consequently, exceptions cannot always be made in individual cases. It is, however, the combination of these two widely divergent viewpoints, with mutual appreciation of the objections and advantages of each, which tends to progress.

Owing to the company organization, a new agent might work successfully for some time without knowing that an actuarial department exists. However, he will ultimately discover that an actuarial department has prepared the rate book which he uses and the policy forms, and has been interested to a greater or lesser extent in many other forms and circulars in his equipment. He will also find that the actuarial department is prepared to give him special information and quote rates for particular forms of insurance not covered by the rate book. In this respect, the average agent soon finds that the demands for special forms of insurance not covered by his rate book are usually visionary and consequently it is but rarely that he calls on the actuarial department for this form of assistance.

Getting in Touch With Each Other

If an agent's interests were limited to the writing of new business his interest in the work of the actuarial department would be rather confined to the material with which he is supplied for the purpose of writing business and such information regarding other matters of company practices as might be of assistance to him in interviewing a prospect. A new member of the agency force may believe that his only connection with the policyholder will be limited to the writing of the application and the placing of the policy, but an experienced agent who makes the greatest permanent success finds that his contact with the insured continues, that from time to time he may render the policyholder a service, sometimes explaining obscure policy provisions, sometimes taking up with the company matters for the insured, sometimes giving advice and ultimately in many instances arranging for the maturity of the policy or assisting the beneficiary in the settlement of a death claim.

Much of this work brings the actuarial department and the agent in touch. It is difficult for the actuarial department to satisfactorily handle by correspondence many of the requests that come in from old policyholders and it is here that the agency force can be of great service to the insureds. The original policy may no longer exactly meet the insured's needs and he may be considering surrendering for the cash value, whereas a change in the form of insurance would give what is needed and keep a satisfied policyholder. Again there are cases of dissatisfied policyholders who ask for surrender values because they do not clearly understand the contract. A few words from the agent usually helps much more than volumes of home office correspondence. The policy loan privilege which at the present time is so frequently abused, affords another opportunity for the agent to work in harmony with the home office and render invaluable service in keeping down this growing evil.

A Close Connection

Thus, in some ways the work of the two departments runs together closely. In other ways it seems widely separated, even though bearing on the same object. In every instance the relationship is close for both are parts of the same organization. To both the progress of the company is of intense importance. The success of the agent means the success of the company, and the actuary's future outlook is not promising if his company is not growing. A dormant company is not to the credit of anyone connected with it. Success means not merely writing business, but writing business that stays and keeping it satisfied as long as it stays. It requires concerted, persistent effort from all and a strong confidence in the stability and integrity of the company and belief in the excellence of the results to be attained. There is work for all and a strong bond which will knit in close relationship the actuarial department and the field representatives, no matter how distantly situated they may be.

W. N. GOLDEN STORY

How He Convinced Man Who Said He Was Poor Paying For Insurance

W. N. Golden, of the Equitable Life, of Iowa, told some of his selling experiences in addressing the company's recent convention in Des Moines. He concluded his address as follows:

Here is another one. There is a man to whom I have sold quite a little insurance. I went to him again and he said he was absolutely poor carrying insurance. I asked him how much he carried and he told me approximately, asked him what companies and he couldn't tell me—what lines of policies—and he didn't know much about that. I said, "Now, most important of all, what option of settlement have you exercised?" He said, "What in thunder are you talking about." I said, "I will make it clear to you. You have $200,000 or $300,000 of insurance, and if I were to ask you to-day to give your wife a check for $100,000 and tell her to go out and invest it, would you do it?" "Do you think I am a fool?" he said. "You had a lot better do that." I said, "because if she makes a bad guess with that, she won't go hungry. But when you are dead then what is your answer?" He replied, "I have never thought of it." I said, "Just let me have all of your policies, old man; I'll look them over. I know just about what you want done; I'll work that proposition out for you." And I did. I brought back to him a typewritten slip of just how all those settlements should be made. He looked the proposition over and this is the one that appealed to him. He has a little girl engaged to be married. He said, "That don't give as much income as I thought it would, that isn't enough." I said, "I didn't think you would find it so." The result was that he needed just $30,000 more of 30-year endowment. He left it to me what kind of a policy, and that is what he got.

Now, it is the absolute flexibility, meeting any and all conditions, in addition to its security, that to me makes this such a wonderful proposition. I could talk here all afternoon and give you different viewpoints and different angles, and I almost feel in a position to defy any one to point out a condition or combination of conditions in which this contract is not applicable.

KIES CAN'T ATTEND

President Kies, of the National City Bank, New York, who was scheduled to make an address before the National Association of Life Underwriters in New Orleans, has been obliged to decline.

DISCRIMINATING

It is not mere re-presentation of facts that constitutes good salesmanship. A good salesman is the one who is able to choose what he will remember—hence memory must be discriminating—it must fasten on that which is important and keep that for use, says F. H. Day.

The Life Insurance That Isn't Sold

Why It Isn't Sold and How It Might Be

By JOSEPH A. RICHARDS, President Joseph A. Richards Co., Advertising Agents

Most men whose lives are insured have an altogether inadequate idea of what they've got. They know they have a "policy" locked up in the safe. They know their policy is issued by this, that or the other company. They may know that their policy is a "straight life," endowment or twenty payment life. But that is about all they know about it. Oh, yes, one thing more they know, viz., that once a year, twice a year or four times a year they pay a premium more or less grudgingly to keep that imprisoned policy alive.



Of course, this last is a piece of misinformation as regards the word "pay," but we won't stop to discuss that fact now.

As for the "beneficiary"—she knows nothing whatever except that John has his life insured and that the contemplation of the fact is not altogether pleasant.

Ignoring the Investment Feature

Now this monumental ignorance of the interesting facts about a prime commodity results.

1st. In the fact that John "carries" (sic) much less life insurance than he would if he knew.

2nd. That John "carries" (sic again) much less life insurance than he would if John's wife knew.

3rd. That Tom and Dick and Harry carry—no we won't carry that word any longer—that Tom and Dick and Harry invest in no life insurance whatever.

And to sum it all up this monumental ignorance about life insurance shows its effect in the fact that life insurance as an investment is sold in about one-tenth the volume in which it ought to be so sold.

What's the matter?

What is Usually Sold

Why just this,—that salesmen, agents, solicitors, go about selling

1st, That dreary idea of a man's duty to his family.

2nd, The company they represent.

3rd, A document called a policy that pays more dividends or that is more liberal in some other respect than the other fellow's policy.

And all too few go about in a convincing way selling life insurances as protection and investment combined.

I said a few lines back that certain men "go about selling," but that was a euphemism.

Don't See Enough People

The fact is that they don't "go about."

Indeed there is no class of salesmen who go about so little as the life insurance salesmen.

"Listen to that common scold!" say you.

Well I don't care what you call me so long as you "listen" for the facts are notable.

I have had acccss to records of so-called successful insurance salesmen that prove conclusively that they, as a class, work a lcss number of hours than almost any class of salesmen.

But if I were a life insurance salesman I don't know that I would work any harder than I had to to close enough business to satisfy my idea of what I needed as an income in order to get by. Because life insurance selling, as done to-day, is a hard job and a none too dignified one.

Why don't you salesmen rebel at the way you have to do it?

Greater Confidence in Idea of Life Insurance Needed

Why don't you tell the companies that you will improve your methods and work harder when they agree to make your path from man to man easier by advertising insurance pure and simple—and let you sell the company and the policy?

Don't tell them what you won't do but what you will do if they will only advertise and sell by advertising to the public the wonderful life insurance idea.

And don't you be fooled by any answer of theirs which outlines any plan of advertising their company. Tell them that if they will have the courage to let the company take a very subordinate place in the advertising, while they advertise the tremendous advantages of protection and investment, that you will take care of the result of their modesty and see that they get full value for the money spent.

Tell them that the thing you need to put a spring in your heel is a greater confidence on the part of the public in the idea of life insurance as something besides a duty that a man owes to his family.

The Great Field of American Womanhood

Not that this should be ignored but that it should be so happily combined with the fact that a man who lives pays nothing for his insurance, but has an investment, and a man who dies generally pays almost less than nothing in comparison with what his family receives.

Tell them to think of what they could do and what you could do if the American woman of to-day understood life insurance in its simplicity.

And tell them that it is up to them to educate by advertising the American woman.

Also tell them what you could do if they would inform by advertising the wide-awake business men about life insurance as a business asset.

Tell them that there is no telling what the results would be if they could simply succeed by advertising in informing present policyholders what values they already possess in the little life insurance they now have.

Tell them that a life insurance advertising campaign addressed to old policyholders only would make your way infinitely easier and your commission a good bit bigger.

Bearing Part of Selling Cost

But they might turn round on you after this plea of yours and say, "Well, will you pay part of the cost of this campaign of selling life insurance to the people?"

And you will answer, "Of course we will."

Why shouldn't you?

Just show you a way to greatly increase the volume of your business and you will pay a small part of your commission to secure that increase and to work in a totally new atmosphere with reference to the life insurance idea.

Of course, you will. So that's settled.

But some of the companies will tell you that they have all the business they want now.

A Co-operative Movement

Tell them then that this is the very time to inaugurate such a campaign of advertising as will give them a better selection of risks and will help you do the most profitable sort of business for yourself and the company.

But some of them will be just narrow enough to say, "We cannot spend our money for the general good. If we did this advertising in the way you suggest, it would benefit every other company and we would only get a comparatively small proportion of the results."

Tell them that that objection answers itself.

But if they won't admit the real answer, tell them for humanity's sake to lead a movement to have this advertising done co-operatively by a small committee appointed by all the companies who do a general business throughout the country, each contributing his quota to the cost in proportion either to amount of assets or amount of business in force or amount of new business done last year.

Tell them that you know that a plan is now in existence for doing just this thing and if they want to know about it, tell them to ask the editor of The Eastern Underwriter about it.

But tell them that as self respecting salesmen, you need general advertising to help you—general advertising of the vast values of life insurance—the goods themselves rather than the companies that sell them.

Corporation Insurance

(Continued from page 4.)

only the cash values, the corporation's ledger, showing both cost and values, discloses as its balance a net cost far under the gross apparent cost. To this might be added interest on premiums, but fairly it needs only to be remembered, it is no more chargeable than interest on taxes or wages. It is offset by insurance, the contingent asset. Moreover, as interest cost grows, there is a compensating acceleration in the rate of growing values.

Joint Endowment

If the corporation be able to purchase what, all things considered, is best, incomparably the best is a joint endowment. The additional cost is less than imagined: $100,000 joint endowment, payable at death of either insured or in 20 years, costs yearly:

Ages 40 and 35	$5,024
Ordinary joint life costs	3,491
Greater cost for endowment	$1,533

Another comparison:

The joint endowment costs	$5,024
A single endowment, age 40	4,365
Added cost for insured age 35, only	$669

The cash values of this joint endowment, not in full detail, are:

2nd year	$ 4,800
5th year	15,200
10th year	36,000
15th year	64,400
20th year	100,000

Accelerating Growth of Values

What we would emphasize and make entirely plain is that these values have an accelerating growth; also that each year's increase of value should properly be credited in that year. Thus the real net annual cost rapidly diminishes until it is transferred into an annually increasing profit. This interesting fact is so little comprehended that we give here a detailed statement. The second column shows, not the full existing cash value, but only the greater value of each year over the year previous:

Balance Sheet of Yearly Cost.

Year	Cash Cr. to Premiums	Equities Cr. to Inc. Cash Value	Net Outlay for Fiscal Year	Net Pr. for Fiscal Year
1.....	$5,024	....	$5,024	
2.....	5,024	4,800	224	
3.....	5,024	3,000	2,024	
4.....	5,024	3,500	1,524	
5.....	5,024	3,900	1,124	
6.....	5,024	3,700	1,324	
7.....	5,024	3,900	1,124	
8.....	5,024	4,100	924	
9.....	5,024	4,400	624	
10.....	5,024	4,700	324	
11.....	5,024	5,000	24	
12.....	5,024	5,300		276
13.....	5,024	5,600		576
14.....	5,024	6,100		1,076
15.....	5,024	6,400		1,376
16.....	5,024	6,200		1,176
17.....	5,024	6,700		1,676
18.....	5,024	7,000		1,976
19.....	5,024	7,600		2,576
20.....	5,024	8,100		3,076
	$100,480	$100,000	$14,264	$13.784
Net cost.	$480			$480

Against this $480 charge insurance for 20 years.

Protection Features

There are other features, all protective. If it is desirable to stop paying, a paid-up policy gives proportional insurance and endowment. Thus after 5 years there would be five-twentieths or $25,000 paid-up insurance good at death or at the end of the 20-year period.

With the equity of extended insurance buyers are not familiar. No feature of business insurance is a better safeguard. Under it, payments by the corporation may cease at will, but the full $100,000 protection endures for a term of years. And if payments have been sufficiently numerous there will still be a cash value at the end of the 20 years. Thus:

	Extended insurance.	Cash at end of 20-yr. period.
5 years paid.....	8 years	.....
10 years paid.....	10 years	$25,000
15 years paid.....	5 years	70,200

Nor is this all. If either insured becomes from any cause wholly disabled physically, his half of the contract is regarded as paid for. It is almost as if he were dead, and the corporation begins to receive installment benefits.

Insurance companies do not amuse themselves with toys; but they are keen to meet real needs. Prudent and intelligent financiers say business insurance is needed. This, then, is the companies' response. It merits consideration.

What of Tomorrow

SELLING more than 7,000 ordinary life policies in less than six months has demonstrated to me the necessity of high moral and correct ethical standards in the salesman's working kit.

The eminence won by this profession of ours is the direct result of work done by men and women willing to sacrifice yesterday in order that today may perfectly reflect the greatness of life insurance.

When we gaze tomorrow upon the work we complete today, the picture should stir us with pride, and it will do so, if we do our duty, because then we shall have truly served our clients in the greatest welfare work known to mankind.

HARRY ROSENBERG
76 William Street
New York, N. Y.

Industrial Insurance: A Dynamic Social Force

By FORREST F. DRYDEN, President of The Prudential

It is significant that the period of the greatest development of life insurance in general is also the period characterized by the remarkable rise and spread of industrial insurance, and the relation between these two facts is an intimate one.

A salient feature in the development



FORREST F. DRYDEN

of industrial insurance has been the dynamic social force which it has exerted in the education of the community at large to a more adequate appreciation of the value of life insurance. The fact that industrial insurance is family insurance—the small amount of policy—the weekly premium collected at the home of the insured—and the prompt payment of claims—all these made possible the obtaining of a large number of policyholders in a comparatively short time.

The lesson of thrift thus taught and the improvement in the social conditions of the wage-earning classes furnished a conspicuous object lesson to the people in all parts of the country and quickly became a potent factor in emphasizing the importance of life insurance to everyone. This fact has been recognized by those in charge of companies confining their operations entirely to ordinary business, and the popularizing of life insurance is conceded to have been largely due to the work of men engaged in the industrial field.

Maximum Service to Public at Minimum Cost

Efficiency of management was regarded from the very beginning as an imperative necessity and the industrial companies have always laid stress upon the importance of this element in their development. The employment of many thousands of men, the ramification of the business into all parts of the country, its necessary application to widely varying conditions, the intricate character of the problems to be solved in dealing with an ever-shifting industrial population, and the complex details necessary in caring at the home office for business composed of such a multiplicity and variety of items, all combined, render it obligatory upon those guiding the destinies of industrial companies to apply the principles of efficient administration to even the least important phases of the business. Thus it has come to pass that, with due regard to the inherent characteristics of industrial insurance, the maximum service possible to the community at large is performed with the minimum of cost to the insured.

This service to the nation, represented by the work of the industrial companies, has become so much a part of the very social fabric itself that it is taken for granted by the casual observer and thus its full significance is overlooked. Industrial insurance, however, has become absolutely necessary to the well being of people of small means and is, unconsciously to many, their best, if not their only, means of co operation in dealing with some of life's problems. In this connection the following words of the founder of The Prudential and Pioneer of Industrial Insurance in America, John F. Dryden, are specially appropriate:

"When we consider the enormous extent of insurance, how it affects every commercial and private interest, how it enters into every home from one end of the land to the other, how it sustains individual efforts, enhances individual credit, and provides security against possible contingencies not to be guarded against by any other means yet devised, I question if the ingenuity of man could invent or design another method so completely within the spirit of our nationality and an interest of such supreme importance to the people of this land."

Treasury Department Ruling No. 2090

By L. H. ANDREWS
Phoenix Mutual, New York

Since war was declared upon Germany by the United States, a number of general agents and managers have apparently instructed their agents regarding one of the sections of the Treas-



ury Decisions—T. D. 2090—in a manner which, if the actions of the agents can be taken as a criterion, does not reflect to the credit of their instructors. Every salesman should be conversant with all features of the commodity that he puts before the public, yet there are some features which should be held in reserve and not used as the dominant feature of his selling talk and Treasury Decision 2090 is, or was, one of them.

Managers evidently believe too strongly in the intelligence of their agents; yet here is a ruling that has been in existence some years which, to the great majority of insurance salesmen, was entirely unknown (in the past two months I have had big writers of personal insurance in my office who never heard of T. D. 2090) and was turned over to the agents as being a fundamental point upon which to secure an application for corporation or partnership insurance.

What was the result?

Forfeited Respect

Agents who never understood the basic reasons for insurance of this kind disseminated information to their prospective clients that premiums covering insurance on the lives of partners or members of a corporation were exempt from taxation.

That the agents were of the best, I will not deny, but they failed to appreciate that the co-operation of every loyal citizen was absolutely necessary for the successful termination of this war and to accomplish this, taxation of various kinds must be levied.

It is surprising, then, that this method of introduction was resented as being crude, unpatriotic, and that life insurance solicitors forfeited the respect of the business world in their attempts to assist in the evasion of the collection of a Federal tax.

Decision Modified

In conjunction with the above, so much was said concerning single premium and short term endowments that attorneys were communicating with the Internal Revenue Department for opinions and, therefore, I am not surprised that Treasury Decision 2090 reading:

"Premiums paid on life insurance taken out by a partnership upon the lives of individual members of such partnership constitute allowable deductions in ascertaining the net earnings of the partnership. However, when such policies mature, or upon the death of the insured partner, the amount received as life insurance should be included in the gross income of the partnership,"

is hereby modified to the extent that, "instead of the corporations carrying such insurance being permitted to deduct from gross income of the year in which paid, the amount of the annual premium payments, they will hereafter be permitted to deduct from the gross proceeds, when received, of any policies of which the corporations are the beneficiaries the entire amount of the premiums paid during the term of the policies, less any premium payments which, under the former ruling, have been deducted from gross income in any return of annual net income, and the net proceeds of the policies thus ascertained will be returned as taxable income of the year in which received."

R. W. Huntington's Opinion

It is the opinion of a number of prominent insurance men, especially Robert W. Huntington, Jr., president of the Connecticut General, that the proper way to handle this taxation would be to include premiums in "expense," and the increase in the surrender value of the policy from year to year in the "receipts" and, in so doing, when the policy becomes a claim through death, include in "receipts," the difference between the surrender value for the year and the face of the policy.

Take the case of a corporation insured two years ago for $100,000, the policy becoming a claim this year. If the corporation is making any large profits whatsoever a large portion of the $100,000 is going to be taken in taxation when it is really indemnity for the loss of the services of an officer,—just as fire insurance would be indemnity for loss of a building.

Thinks Ruling Would Be Successfully Fought

In view of the above, M. C. Terrill, of the Phoenix Mutual Life, one of the most thoroughly informed men in insurance to-day, voices the opinion that if such a corporation wanted to put up a fight, it could, undoubtedly, secure a decision against such a ruling.

The change in Treasury Decision 2090 may seem to alter materially the present advisability of corporation or partnership insurance. This is not the case for taxation does not change the basic reasons for this protection against loss of credit, services of technical experts, possible withdrawal of capital and the executive ability of corporation heads and partners.

FREE INSURANCE

A Question Asked in Parliament About Gratuitous Coverage for Merchant Service Officers

The following question was asked recently in the British Parliament, the answer being subjoined:

To the President of the Board of Trade: Whether he will state what is the amount covered by free insurance of effects of masters and officers of the merchant service; whether the amount will be paid in all cases where effects are lost through collision due to steaming without lights or other indirect effects of the state of war; whether, in cases where ships visit ports other than the normal port of discharge, and masters and officers are unable to visit their homes owing to their duties, special railway facilities will be granted to their wives to visit them; whether he will state to whom officers and men entitled to wear the silver war badge under the regulations now issued are to apply; and whether he can state when and in what form the roll of honor for the mercantile marine is to be published?

Answer: The maximum amounts covered by the free insurance of the effects of masters and officers of the merchant service is £100 and £50 respectively. Collisions which are directly due to steaming without lights are treated as war losses for the purposes of the effects scheme. The proposal to extend the special railway facilities granted to masters, officers and seamen of merchant ships will receive consideration. The arrangements made for the issue of the silver war badge by the Board of Trade will apply to masters, officers and seamen employed on board any British merchant ship except where the crew are engaged and paid direct by the Admiralty or Ministry of Shipping.

One Good Turn Deserves Another

The principles for the raising of the standards of life insurance selling in respect to the education of agents in selling methods and ethical practices were early put into effect in my general agency and they continue in effect because I believe the best is none too good for my profession, my agents, and myself.

I hereby place myself on record as not only willing but anxious to do everything in my power to further the universal establishment of these principles.

My Motto always has been, is and will be "Do unto your agents as you would have your Home Office do unto you."

This Motto applies to your relations with the assured as well as with Yourself, the General Agent and the Company.

JOS. D. BOOKSTAVER

The Travelers Insurance Co.

230 Grand Street **New York**

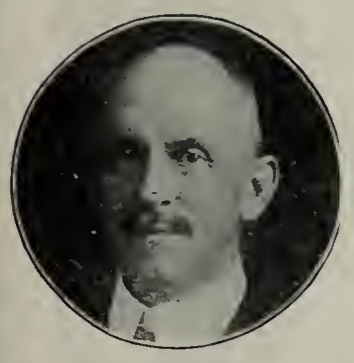
Human Nature Vs. A Sure Thing

By ROBERT J. MIX

New York Manager The Prudential

Human judgment is and always must be fallible!

Do you agree with me thus far? If you do we're making progress! I'll make another statement: human judgment being fallible, it follows that no human being can invest a sum of money in securities of any sort and be **absolutely sure** that that investment will **remain** good! How about that? Do you still agree with me? Very well, let's go on.



We're agreed that there's no man living who doesn't make mistakes in judgment—we're agreed that there's no man living who doesn't make mistakes in making investments. Now the question follows—"Is there any means under Heaven whereby the fallibility of human judgment may be corrected?" That's a pretty important question, isn't it? What's the answer? The answer is "Yes—there is a means, discovered within the past few years, whereby the fallibility of human judgment in the matter of investing funds for the benefit of a man's family—for the protection of his wife and children—can be absolutely corrected!"

One of World's Greatest Discoveries

Surely this is one of the greatest discoveries of all times!

The dearest thing in the world to you is your family. Nothing on earth is so important as their safe and sure protection. It gives you the shivers now and then when you think what may happen to them when you, the breadwinner—the protector—are taken away. You shiver because you recognize the fallibility of your judgment: because of the mistakes you have made and the mistakes which you expect to make.

Now comes along a man and shows you how you can get rid of your shivers. Shows you how your poor miserable human judgment can be so supplemented and corrected that the object which we must all seek to attain will **beyond all question** be accomplished!

The man who can do that ought to be pretty welcome in your house and mine, oughtn't he, my friends?

Right here you say to me "Tell me, Mister, what are you driving at? What is this sovereign remedy that is guaranteed to correct a man's errors in judgment—give him sweet sleep o' nights and bring peace and comfort to his wife and children when he has passed over to the majority?"

Surest Man-Made Thing

Why, my friends, IT'S JUST MONTHLY INCOME PROTECTION! Business failures, depreciation in value of stocks and bonds, defaulting of interest on mortgages—all these have no terrors for the man who has made his investment in MONTHLY INCOME PROTECTION! It's the **safest** thing in the world—it's the **surest** man-made thing in the world! It can't be lost—it can't be sold—it's there to stay! There's no other security on earth to compare with it—**not one**!

The MONTHLY INCOME check comes regularly, comes surely, comes just when and where it s wanted. It spells education—it spells comfort—it may even spell luxury. So I reach my conclusion that if all these things are true—and it can easily be demonstrated that they **are** true—it follows as the night the day that it's the paramount duty of every man who can pass a medical examination and who has a family dependent upon him, to make this **wisest**, this **safest**, this **best** of all investments!

MONTHLY INCOME PROTECTION absolutely corrects the fallibility of human judgment!

MONTHLY INCOME PROTECTION is the greatest thing in the world! ! !

SETTLEMENTS

Rule of Philadelphia Agency of Fidelity Mutual Life—Must Make Full Reports

Representatives of the Philadelphia agency of the Fidelity Mutual Life are furnished applications requiring them to report a settlement, or explain what effort the agent has made to secure settlement and why he failed. Three questions on the blank follow:

1. Did you make an earnest effort to obtain settlement?
2. What form of settlement did you propose?
3. What reason do you assign for failure to obtain settlement?

The Realm of Today

There is a fair land that exists,
A wonderland, not far away,
In the deep, fertile valley of Now,
And known as the realm of Today.
Here action's the key of success,
And dreamers never have place.
It's the up-to-date man of today
Who works and wins in the race.

—Tompkins in Philadelphia Life "Plico."

Alexander Dumas, of New York, telegraphed the $200,000 Club of the New York Life, at its meeting in New London, Conn., that he couldn't make the meeting as he was held up by an application. The application turned out to be a $200,000 case.

INDUSTRIAL ARMY OF WOMEN

One of the most interesting articles that the Travelers "Standard" has printed in some time is in its September issue. It is headed, "Women in Our Industrial Army."

Some men never finish because they are always beginning.—Albert J. Beveridge.

The Farmer and Monthly Income Insurance

By WILLIAM WINTON

Mutual Benefit Life

It seems probable that the essential dignity of agricultural employment will reach a higher plane this year, because of the national and international exigency, than ever before. President Wilson's proclamation, addressed to his fellow countrymen, certainly leaves no doubt as to the proper esteem in which the farmer and all those who work with him are to be held. These men in the very important contributions which they will make to the cause of freedom will probably be released from all other military duty. It is possible, indeed, that the movement "back to the soil" may receive a very wholesome impetus. In any event agents will do well to devote considerable attention to the farmer, and all farm employes. For reasons already stated, they have little, if any, reason to be afraid of the war clause in their policies, and the very law of supply and demand will insure at least fair profits to their work.



A First Hand Lesson in Illinois

In presenting the claims of income insurance it has been quite common to leave the farmer out of our consideration. We have given our assent all too easily to the proposition that if a farmer owned his property free and clear, and carried a reasonable amount of life insurance, payable in a lump sum to his wife as beneficiary, he had done about all that should be required of or suggested to him.

The agency departments of most companies have fallen into the same error of opinion. We were recently taught, however, a first-hand lesson through the seasoned experience of a tax official in Illinois. This gentleman called our attention to the fact that he had often seen fine farming properties, embracing land worth as high as $300 per acre, left to widows who were unable to manage them. Frequently the sons had been attracted to the city and the widow, depending upon hired help, sustaining an occasional crop failure, and suffering the constant inroads of heavy taxation, soon found herself with a very much reduced income. She would then determine to sell the property and re-invest the proceeds. It is at this point that the unscrupulous money shark appears with his so-called investments, the high interest rates of which are merely suggestive of an insurance charge for the return of the principal—a principal that all too seldom returns. The new investment is made and in the course of a few months or years the widow is dependent upon her daily earnings for support.

This official reminded us of the increasing necessity and importance of monthly income insurance as a provision for the families of farmers. He would have the right of withdrawal and commutation withheld from the beneficiary, and the proceeds of the policy payable monthly. He would have the farmer in this way make sure that Mary could live on the old homestead even though the children went to the city and the crops failed when taxes were high!

Sign Post for the Farmer

The war risk bill will provide payments to the families of soldiers dependent upon them. Shall we fail to suggest to the farmer that he make sure of the pension for his widow? Shall we continue in the old way of letting the farmer apply for a small amount of insurance, payable in a lump sum, and overlook entirely our duty of presenting the monthly income service to him? Shall we fail to recognize that every class and condition of men—men on salaries, professional men, wage earners, farmers—need this monthly income service? Shall we not rather make our vision of this service complete and do our best in these troubled times to make the service of our companies effectual for the welfare of many families?

When The Eastern Underwriter asked Mr. Winton for a paper on the selling of life insurance to farmers he gave it permission to reproduce the article on this page, which had previously been published in the "Pelican," issued by the Mutual Benefit Life Insurance Company.

WOULD TALK IT OVER WITH HIS WIFE

Prospect: "Well, Mr. Brown, this proposition interests me very much, and I think I will take it. But my wife and I generally decide together business matters of this kind. Before I reach a final conclusion I want to talk it over with her."

Agent: "That is a very wise course to follow in a good many business matters, Mr. Prospect. The world would be better off if more men followed your rule. But there is one phase of this subject I want you to consider before you decide to discuss it with your wife. In the first place a certain obligation rests upon every man to protect his family. All right-thinking men recognize this. Now, I think it is plain to you that whatever your wife's thought in this matter might be, it wouldn't remove that obligation. The burden of responsibility would still be yours, and if you should die and leave her unprovided for, the judgment of the community would be upon you and not upon her. I know of a case exactly like your own where a wife advised against the insurance and paid the price in years of regret. She admitted after it was too late, that her real reason was, she feared the payment of the premiums would deprive her husband of some pleasures she felt he was entitled to. It's a real serious matter when you come to think of it, a responsibility that is peculiarly personal.

"And then again, suppose you should talk this over with your wife, reach a favorable conclusion, and then upon examination find that the company could not accept you. It wouldn't add much to her peace of mind, would it? Such an outcome might not disturb you, but it would be a matter of everlasting regret that you had taken up the subject with your wife at all.

"Mr. Prospect, the time to discuss this matter with your wife is when you can place the policy in her hands, tell her it is a protection you felt she was entitled to, and make plain to her just what it would mean to her if the unexpected should happen."

Prospect: "I think you are entirely right, Mr. Brown. This is one business matter that I ought to decide for myself."—Fidelity Mutual's Paper.

1885 1917

QUALITY OF AGENTS BRINGS QUANTITY OF BUSINESS

Full Time Agents of quality working under intelligent direction with proper office facilities produce more business for themselves, better business for the company, better service to the policyholder and a larger volume to the agency, than many untrained agents, carelessly selected and left to their own resources.

We have labored diligently with our agents for thirty-two years to build the reputation we now enjoy.

JAS. F. & WM. F. ATKINSON

GENERAL AGENTS

Brooklyn and Long Island, N. Y.

Northwestern Mutual Life Insurance Company

Questions Agents Ask — How They Are Answered

By FORBES LINDSAY
Pacific Mutual Life

Mr. Lindsay is superintendent of the Pacific Mutual's Correspondence School, which has been a great success. Every month in the "Pacific Mutual News" he answers several of the large number of questions that come to the school from the agency force. The following interrogations with their answers are among the most interesting which have been printed in the past two years.



Permanent Insurance

Q. A corporation has five officers aged respectively 52, 48, 47, 33 and 29. It desires permanent insurance on their lives, at the lowest possible outlay, in the following amounts: President (52), $30,000; vice-president (48), $20,000; each of the others, $10,000. What would you offer?

A. For permanent insurance on each life in the amounts named I could offer only the endowment at 85 policies, costing as follows:

52.....	$30,000	$1,275.00
48.....	20,000	709.00
47.....	10,000	339.50
33.....	10,000	206.00
29.....	10,000	184.00
Annual premium ...		$2,713.50

Joint life policy combinations would reduce the annual outlay but would not, under certain conditions, give permanent protection on each officer in the amount named.

If they are to be considered I would offer:

52 and 48.....	$20,000	$1,180
52 and 47.....	10,000	580
33 and 29.....	10,000	304
Annual premium		$2,064

The death of any officer in this case would protect the company so far as he was concerned, but would leave them unprotected on one or more of the other officers.

As the question reads I believe the former is the only correct answer, though the intent of the question may be different than the literal interpretation.

Legal Reserve

Q. Please explain just what you mean by the statement that "the legal reserve consists of the difference between the present worth of the company's policy obligations and the present worth of the premiums which its policyholders have contracted to pay."

A. By way of illustration, let us take a whole life policy. The company's technical liability is to pay $1,000 at the death of the insured, which it is assumed will occur at the expiration of his expectancy of life. The corresponding liability of the policyholder is to pay a certain premium over the same period. The reserve required on such a policy at the end of any year is the difference between the present worth of the premiums in question and the present worth of $1,000 payable at the time in question, the calculation being made at the rate of interest upon which the company operates.

An Average Production

Q. Is $100,000 a year the average production of life insurance agents in general, and if so, should the amount not be larger, and why is it not?

A. It is probable that among full time agents the average production is not greater than $100,000 a year, but it should be considerably in excess of that sum. It is safe to say that the majority of life insurance salesmen are capable of attaining a degree of efficiency which would result in doubling their production. Any agent of ordinary intelligence who will devote seven hours a day regularly to his business cannot fail to pay for at least the average named. By continuance of industry, coupled with steady effort at improvement, he should be able to increase his production to $250,000.

Total Disability Discounts

Q. I am told that the company will not discount the payments under a total disability case. I would like to know why.

A. As a matter of policy, having the welfare of the individual and his family in consideration, it would generally be inadvisable. A stronger reason is that the original beneficiary under the policy retains a contingent interest represented by the commuted value of any installments that might be unpaid at the time of the insured's death. There is the further consideration that the disability may prove not to be permanent and the insured again regain his ability to earn a livelihood.

Stopping Delivery After Issue

Q. After a policy has been issued, but not paid for, has the company a right to stop its delivery?

A. Most assuredly. The company has a moral and legal right to rescind its acceptance of a risk at any time previous to the delivery of the policy to the insured in good health and the payment by him of the first premium called for by the contract. This step is seldom taken, but occasionally it is justified by the receipt of adverse information which was not in the possession of the company when the application was under consideration. The incontestability of Pacific Mutual policies after one year, except for nonpayment of premium and violation of the restrictions relating to naval and military service, renders it very important to exercise the closest investigation of applicants, and agents should aid the company in this task to the utmost of their ability.

Discounting Premiums

Q. Will a company discount premiums? Is it wise for the policyholder to run the risk of loss by death before the premiums are used up?

A. Any company will discount premiums at its operating rate of interest. The policyholder incurs no risk, for all unearned premiums will be repaid in the event of death.

Deferred Premiums

Q. What is meant by "deferred premiums" in a company's financial statement?

A. All insurance contracts and calculations are based on the payment of annual premiums in advance. When a quarterly or semi-annual premium is accepted it is with the understanding that the policyholder is liable for the balance of the annual premium. All such balances outstanding when a company's financial statement is drawn up are reported under the head of "deferred premiums." Except in the comparatively few cases of policies which have no cash values, they are absolutely realizable assets, for the company will collect them before granting surrenders or paying death claims.

Why Age Limits

Q. I know why the company will not take a man over 59 for more than $10,000—they are bad risks—but why will it not take a young man under 20 for more than $10,000? Of course there is a good reason, but what is it?

A. Adolescence is the most uncertain period of life as far as physical developments are concerned. A youth passing from infancy to manhood may be likened to an egg in the process of hatching. In both cases the outcome is a matter of speculation and the subject is much more susceptible to adverse influences than in later life. In other words, until a boy's constitution and bodily frame have developed it is difficult to tell what kind of man he may become. Then again, the moral hazard has a great deal to do with the matter. A youth is more likely to be a family liability than an asset. In case he is not actually self-supporting, someone else must pay for the insurance and a satisfactory explanation will be required with an application for any amount. The occupational hazard is also uncertain in youths who have no decided plans for their future career.

You are in error on the second point. At the older ages, men are the best kind of risks in many respects, provided they can pass the medical examination and inspection. Generally their habits are fixed and their mode of life conducive to health. They are apt to have become conservative in business and other affairs. Of course, the mortality hazard is greatest among this class, but that is as fully covered by the premium as it is in the cases of younger men.

The difficulty about insuring old men lies in the fact that comparatively few of them apply for insurance, and those who do are generally below the average in quality. In order to experience a normal rate the company must have a sufficient number of risks at all ages to insure the operation of the law of average. No doubt, any company would be glad to underwrite 10,000 well selected lives at age 65 every year, if it could get them. A few companies make a specialty of aged risks.

Policy Loans

Q. Why does the company attach to new policies a provision securing to the company the right to require sixty days' notice before the payment of the policy loan?

A. We are following the example of a number of leading companies. Some States compel the inclusion of such a clause in the contract and it is highly probable that it will become a general requirement, as it is with savings banks. The principal Eastern companies have also increased their interest rate on policy loans, although it was formerly higher than the average rate earned on their invested assets.

These changes are in the direction of wise and conservative management which has sometimes been abated in the heat of competition. The handling of insurance funds is a trust and the companies are in duty bound to do the best that they can for the majority of their policyholders. The borrowers do not represent the majority and there can be no sound reason for favoring them at the expense of the remainder. This is what all the companies are virtually doing under the regulations which generally apply to policy loans. Applications for loans are heaviest when the money market is stringent and securities can only be converted at loss. Repayments are largest when money is easy and profitable investments difficult to find. In other words, when the prevailing rate of interest is unusually high policyholders borrow from the companies at the comparatively low rate that is guaranteed by contract. When the general rate is low and the companies might be glad to have the money remain out, it begins to return to them.

What is a Dividend?

Q. One of the life insurance journals contains a great deal of discussion as to whether dividends are profits. What is it all about?

A. Not having read the "discussions" to which you refer we cannot answer you directly but we will give you our idea of the matter in question, which is probably the ultimate object of your enquiry.

"Dividend" is one of several words which illustrate the faultiness of life insurance terminology. A dividend to a policyholder is of an entirely different nature from one paid to a stockholder of a commercial corporation. The latter is distinctly a profit. The former is a rebate of a not used and not needed portion of his premium. It is made possible by certain results in the operation of the company, but those results are not the outcome of its employment.

Perhaps we can make this clearer by an illustration. The stockholders of a corporation give the president $100,000 a year with which to conduct the business for a year. At the end of the time he reports as follows: I could only use $80,000 and on that I made a profit of $12,000 which is available as a dividend. I return to you the surplus $20,000 with the accrued interest." The $12,000 would be a true commercial dividend. The $20,000 would be much of the same nature as a life insurance dividend. Good management enabled the president to run the business with $80,000 and so made it possible to refund $20,000, but the profits were not derived from the use or possession of the surplus amount.

This is the essence of the question, although, as a matter of fact, a company does derive some profit, in the form of excess interest from surplus which is left in its hands for investment.

Business Insurance

Q. Should business insurance always be placed in the form of joint policies?

A. This is a decided mistake. Joint policies, like term insurance, should be resorted to only when the desired amount of insurance cannot be paid for on a more costly form. The joint contract is less advantageous than single policies, to the insured, to the company and to the agent. The salesman who does not clearly realize this cannot be conversant with the features of the respective contracts and will do well to make a study of them.

The First Policy

Q. Is the first policy hardest to place?

A. A beginner writes that for two months he has taken pains to find and work on men who had no insurance. He had expected to discover in such cases the best possible material, but is very much discouraged by the results.

Our correspondent's experience is precisely what we would have anticipated. The most promising prospects are men who give proof of their faith in life insurance and appreciation of its value by carrying considerable amounts of it. On the other hand, the man who has none, usually requires to be converted to this attitude. The agent who places a first policy generally has twice as difficult a task as the agent who places a second or third. Someone must perform the necessary missionary work on the uninsured, but only the zealot can afford to specialize in it.

The Concentration Problem

Q. It is surprising to think that a normal man, as I suppose I am, should have such difficulty in concentrating on a single subject for such a short time. Feel almost as if I must be deficient.

A. No, you are not. It is a very common failing. The chief—almost the sole reason for the small percentage of efficiency in general is to be found in the rarity of the power of concentration. It is the root of all mental power and achievement. Stick to the practice and you will find your grasp on life increasing daily.

Q. In my work prior to writing life insurance (structural engineering) I followed this system of controlling my mind. In the morning my mind would be under perfect control, but in the afternoons I could not do much with it. My work was very strenuous and my mind would get so tired I could not think.

A. You can avoid such a condition of mental fatigue as you describe by taking brief intervals of complete rest. In training the mind to concentration you should also train it to relaxation. The hardest work may be lightened by standardizing tasks so that they are habitually done in the "best way"—that is, the most expeditious, with the least waste of energy and the smallest degree of friction.

When the mind becomes "so tired that you can't think," depend upon it there is something wrong in the way you run the machine.

A Joint Policy

Q. If a married couple take out a joint insurance policy and then divorce, have they an insurable interest in each other, and will the policy remain valid if premiums are kept up by either party? If so, upon what ground is this based? It is an established law that one party cannot carry insurance on another unless there is an insurable interest, and I don't see where there could be insurable interest when a divorce is granted.

A. Divorce rarely extinguishes entirely the moral obligations of the man in the case, and the courts commonly impose upon him the legal obligation to pay alimony. It is easy to conceive of the woman having an insurable interest in the life of her former husband. Whether he would have an insurable interest in her is another question which would depend upon the circumstances. In the instance you cite, let us suppose there is a child, with whose support the mother is charged. All the requirements of insurable interest would be fulfilled by making the father beneficiary, as trustee for the child.

There are hundreds of possible conditions which would affect the reply to your inquiry.

The policy itself may provide for the extinguishment of beneficial interest, or statutory provision may have the same effect.

The Loan Feature

Q. I want information on the loan feature of our policies and will give you the following supposed case on which to give me an answer: Whole life annual dividend issued at age 35, dated October 1, 1911. On October 1, 1914, insured desires full loan value. Will insured receive loan value of $27 and be allowed to pay the premium for the year commencing October 1, 1914, in quarterly payments, or is this loan subject to the premium being paid for the current year?

My understanding has always been that the loan at the end of a given year was the loan value at the end of that year—subject to the payment in full of the next year's annual premium.

A. The company's ordinary method of quoting policy loans on any anniversary date is to charge the premium, if unpaid, on the policy, to the next anniversary date, and allow as a loan the value endorsed in the policy for the full number of years for which premiums have been paid, including the payment made in the transaction. In the case cited by you, a whole life annual dividend policy is issued at age 35 on October 1, 1911. On October 1, 1914, the insured desires the full loan value. The company would, in that event, require that the full annual premium to October 1, 1915, be paid, and would allow a loan value endorsed for four premium payments having been made. The amount of this loan would be $41.

In specific cases, where the insured does not wish the entire loan value, the company would of course allow up to the amount of the back year value and accept quarter-annual premiums to continue the policy. In the case above cited the company would, if so requested, loan $27 and allow the insured to pay a quarter-annual premium.

Endowment Insurance

(Continued from page 5.)

the assets exceeds its current cost, at the same time affording the same protection for which the insurance was originally taken.

Consider for example a twenty-year endowment at age thirty-five. According to the rates and dividends now in use by one company, the ledger value increases $44 per thousand during the seventh policy year, whereas the net cost charged against the expense account at the beginning of that year is only $42.16. Under normal conditions the annual increase in the ledger value will continue to grow greater, whereas the net annual cost will continue to grow less. Many firms consider this form of insurance an exceedingly profitable anchor to throw out to windward.

Try It Out

In conclusion, we would advise the agent who desires to open up new avenues of service, to turn for a time away from the endowment at ninety-six and to study carefully the merits and adaptability of the great variety of endowment insurance, either whole term or limited payment, maturing at any chosen age, say from forty to eighty-five. He will find that he has entered a realm of countless possibilities.

"A man who never has a moment to spare," says Herbert Kaufman, "is usually accomplishing nothing. Big operators are essentially organizers. They do not permit themselves to be crowded. Clear thinking is utterly impossible under constant pressure. Therefore they delegate all possible authority—deal solely in principles and with principals—especially differentiate between incidents and issues—prevent detail from jamming their hours, and so have abundant time to view matters calmly and act upon them promptly. They thoroughly understand the conditions in their fields, and at need can render intelligent decisions on the nail. Anybody who doesn't know his own mind doesn't know his own business. Efficiency keeps facts and figures at hand."

State Supervision As Seen By A General Agent

By JOHN S. TUNMORE, Provident Life & Trust

The subject of my remarks will be life insurance in its larger application to the public good, welfare work and particularly in regard to how it may be used toward the solution of the problems and removal of the difficulties surrounding present day labor troubles.

H. Pierson Hammond, actuary of the Connecticut Insurance Department, in a recent paper read before insurance commissioners in St. Paul, said that 350,000 employes are now insured under the group plan with $250,000,000 of insurance in force. Among other things he said to the commissioners: "Do not limit or hamper the development of group insurance by legislation or by rulings if you can reasonably avoid doing so. Let it develop along natural lines."

Helping to Solve the Economic Problems

Group insurance, so-called, is only the beginning of the attempt on the part of the large life insurance companies to contribute their bit toward solving the economic problems with which we are confronted. The insurance companies have entered this field with a commendable degree of unselfishness and with the idea in mind of giving the greatest service to the public.

I, therefore, am very pleased to see such a prominent representative of the Connecticut Insurance Department as Mr. H. Pierson Hammond, advise his colleagues to refrain from limiting or hampering the developments of this larger field by legislative interference or departmental rulings.

Nor is this subject without interest to companies which have not as yet thought it expedient to enter the field of group insurance. The fact that the Government of the United States has taken up the matter of life insurance for the soldiers and sailors and worked it out so satisfactorily along different lines entirely from the group method will forcibly bring to the attention of the companies the necessity of utilizing every available opportunity to give the public the best possible service consistent with safety.

Insurance Department Rulings Differ

The writer has been recently consulted by the representatives of some large industrial organizations for the purpose of helping to suggest methods whereby insurance may be utilized in the construction and formulating of plans for the purpose of lessening labor difficulties. These conferences have brought to light the fact that there is a great and seemingly unnecessary difference between the viewpoint of State insurance departments and the insurance companies which are trying to serve the public. This is extremely unfortunate because life insurance as we all understand it today is beneficent in its operation and largely approved in its form, so that there should be greater uniformity of viewpoint on the part of insurance departments and company actuaries and executives.

Those who are at all familiar with the insurance business know perfectly well that most of the first-class companies have actuaries of the very highest standing, men of an unusually high degree of efficiency and learning, and when of this character in company with other executives who understand the practical conduct of the insurance business agree to consider certain propositions presented to them after a most careful analysis, it seems extremely unfortunate that any insurance superintendent should find it necessary to embarrass the companies with rulings, frequently on technical grounds, which prevent the consummation of a business proposition which is designed to be of great benefit to the public in general.

Praises New York State Supervision

Of course, it may be said that this matter of State supervision is an evil which is inherently present and under our constitutional system cannot at the present time be dispensed with. For fear that I should be misunderstood, I want to express my appreciation for the high character of State supervision that we have been favored with in New York State, and add my personal tribute to the achievements of the very highest character made possible by the present State Superintendent of Insurance, and doubtless there are many other equally efficient men. The important question is—how can we life insurance men contribute toward a better understanding of the subject of life insurance by the public so that the policyholders will not have to suffer from the evil effects of forty-seven varieties of insurance commissioners changed annually and bi-annually? If we must have State supervision, let our legislatures see to it that the insurance superintendent once appointed may constitutionally hold office as long as he proves to be competent and that some regard may be had for the eligibility of such an important official.

The insurance business is so technical in its character that it requires men of the very best ability to supervise it. The insurance companies have set the lead in their selection of actuaries and officials, and if the same high standard were adopted in the selection of insurance commissioners in regulating their permanency of office, it seems to me that a great deal of good could be accomplished and a great saving to policyholders in general.

The insurance business is pre-eminently a sacred trust. It is so regarded by the best companies, and because of this in connection with the fact that the business is extremely technical, the government supervisory officials should be surrounded with dignity and permanency, at least not less than that with which our higher courts are safeguarded.

WHO THEY WERE

H. B. Rosen, who writes more insurance than anybody in the country, was a salesman for a jewelry store.

Lawrence Priddy was a Y. M. C. A. secretary.

C. E. Albright, of the Northwestern, was a hospital surgeon.

Charles J. Edwards, Equitable, was a telegraph operator.

Julian Myrick, of the Mutual, was an insurance clerk.

William J. Graham was an actuary.

Herman Brandt, Northwestern, was in the ladies' costume business.

Links in the Chain of Success

By W. H. BEERS, Jr.
Mutual Benefit, Rochester

I want to give you a bird's-eye view of a seeming impossibility, a definite system of selling. I say impossible because in salesmanship we deal with the human mind, and it seems impossible to get any system big enough or broad enough to cover all the ramifications f the mind. I think you will get more from this, however, if you consider what I have to say as a complete system with the understanding that in order to make the system successful you must use practically all of it—that is, the principles used are all in harmony with each other, and if a person attempts to use part of them without using the remainder the result might be disastrous. There are ten points in all as outlined on this chart. If a salesman conforms to all of these principles he should be pre-eminently successful. If he doesn't conform to most of them or at least a majority of them his chances of success are small.

Point 1—To begin at the top, you should "have a definite plan of work," and your plan of work should include a carefully-thought-out program for the year, for each week and for each day.

Prospects By Elimination

Point 2—Next is the "elimination method of securing prospects"—that is, you should use a method by which you can eliminate, as far as possible, all unfavorable prospects before you get to them. I might stop here just long enough to explain about a plan which we have used for evening work which may be of interest. That is, to take one name as a leading prospect, a policyholder, a person mentioned in the paper or someone whom you have reason to believe would be interested, and to secure from the Blue Book, which contains the names of residents classified as to streets, the names of about fifteen of his neighbors. We write the name of our prospect on the front of a card and the names of his neighbors on the back. When we have interviewed our first man we ask him definitely about each of his neighbors, trying to learn two things: is the man insurable, and can he pass an examination? Out of the fifteen names the chances are there will be two or three especially promising prospects, and we call upon them in the order of their seeming importance.

Point 3—"Fifty per cent. of effort among proprietors." Fifty per cent. of your effort should be among proprietors—that is, you should spend about 50 per cent. of your time working among proprietors and managers. This because of the fact that the proprietor is the man who is making the money, and most larger policies are written among men of this class.

Point 4—"Average 45 minutes interview" means that you should spend about 45 minutes in explaining your proposition and in closing your prospect in the average interview. * * * Why should it take a definite time? Simply because it takes the human mind a certain length of time to receive and transmit impulses, and it takes the human mind a certain length of time to receive and digest ideas and to give out intellectual impulses. It isn't a question of the salesman's ability to explain the proposition, but it is a question of the buyer's ability to digest the proposition.

Don't Call on a Man More Than Twice

Point 5—The next point, "Close 63 per cent. first interview," means that you should close 63 per cent. of your business the first interview and should never call on a man more than twice. In 1912, in analyzing my personal work I discovered that 5 per cent. of my business was closed the first interview and 28 per cent. the second interview, making a total of 86 per cent. the first and second interview. If I could get 86 per cent. of my business the first and second interview, why bother with three, four and five interviews. This



record was made at the time when I was spending at least half of my time in soliciting people on whom I had called more than twice, so you can see that I was wasting a great deal of my time. The fact, however, that I could get most of my business the first and second interview did not prove that anyone else could. However, in 1914, seven Rochester men, for a period of one year, closed 62 per cent. of their business the first interview and 24 per cent. the second, making a total of 86 per cent. the first and second interview. Now, if we take the four men out of this group who were most successful we find that they closed 63 per cent. the first interview and 24 per cent. the second, making a total of 87 per cent. the first and second interview.

Point 6—"Close 83 per cent. without appointment." That is, 83 per cent. of your business should be written without making an appointment with your prospect. The reason for this is simply that if your man knows that you are coming to talk with him he makes up his mind adversely before you get to him. Our statistics prove that we were able to close 36 per cent. of our business the first interview where we have appointments as against 63 per cent. where we do not.

Average 2.4 Interviews Per Day

Point 7—You should "average 2.4 interviews" per day. In Buffalo, Detroit and Rochester, over a long period of time, we discovered that the successful salesmen all average 2.4 interviews per day.

Point 8—You should "work two evenings each week." We discovered by analyzing our work carefully that every evening spent in soliciting was worth about $10 to us. If your income is satisfactory this point does not apply, but for the average insurance man it is some satisfaction to know that he can make $10 any evening that he wants to go out.

Point 9—You should "secure one application from 6.6 interviews." That is, for every 6.6 interviews you should make one sale. This is merely a point of efficiency. Some men we find can secure one application for every 2.2 interviews and keep it up indefinitely, while others have a point of efficiency as low as one for every 35 interviews.

Point 10—The last and most important: "Use a habit sales talk." I should say you should use a tested and successful habit sales talk—one that has been tested by a large number of men over a long period of time and has proved to be successful. It takes a tremendous lot of time and effort to build up such a talk, but I want, if I may, to turn to this other chart to give you a picture of such a talk, and some suggestions for its construction.

Frame of Mind

This first circle represents the frame of mind of the prospect. He is either in the negative, that is, an unfavorable state of mind, or the positive, a favorable state of mind. Our task as salesmen is to swing our prospect around from the negative into the positive. For convenience we divide the sale into three parts: The explanation where we create desire, the proof where we establish confidence, and the closing where we develop enthusiasm. You will note that under "explanation" we have five points, under "proof" three, and under "closing" seven. This indicates the proper distribution of emphasis. We should take quite a bit of time for explanation, a short time for proof, and have a lot of good closing points. The reason why most men are poor closers is because they do not have enough closing points, and you can't close business without closing points. The tendency of the average salesman is to work most of his closing points into his explanation and into his proof, with the result that when he comes to the end he has no reserve upon which to fall. He has run out of gasoline at the bottom of the hill.

Of course we have plenty of arguments in reserve so if a man doesn't close on the first swing we can go back and develop these arguments and then go back to our closing points again.

The Eastern Underwriter is indebted to "Salesmanship," the official organ of the World's Salesmanship Congress, for the reproduction of Mr. Beers' paper.

Women as Salesmen

(Continued from page 21)

The income which an industrious woman of character can build up in the prosecution of the life insurance business is only limited by her capacity.

The returns of the successful insurance solicitor are certain, immediate, liberal and cumulative; in strong contrast to the starvation wages paid in many lines of effort open to women—and in many of these lines of effort there is little prospect of advancement.

Then too it is a business which requires no capital or investment to enter, which can be said of few avenues of business endeavor.

Broad Outlook

In those avenues of the business world into which progressive women have ventured none, it seems to me, have opened for her so broad an outlook or inspired her with so much confidence in the future, as that of life insurance.

Then too of particular value is the fact that in the field of life insurance there is no distinction. A woman may compete on the same footing as a man for prizes, remuneration or leadership. She often succeeds where he has failed and it is one of the very few fields where woman is given equal compensation for her work as is given to men. This is a great incentive to the progressive woman.

Then what is more appropriate for women than life insurance—a business built upon love for women—for wife, for mother, sister or children; something that increases thrift; an absolutely safe way to save money; a business that she can follow with independence, dignity and self-respect?

Those women who have been the pioneers in the field of life insurance have blazed a trail which many women will hereafter follow and thereby create for themselves a career of personal success and usefulness to humanity which they could achieve in no other way.

With all of these incentives before her the life insurance saleswoman should excel in her work; as the mere thought of the good she is doing to mankind is a stimulant to activity not to be overlooked.

By giving the same thought and energy to salesmanship that she would find it necessary to give to any business, she is pretty sure of success.

"The Hen is Shrewd"

A few women are running a lively race in selling with the men. I heard the president of an insurance company say recently of one of his saleswomen: "I don't know how she does it. It is wonderful to me to see how she sends in applications, big and little, and her work is good in every way."

I tell you the HEN is shrewd. She is claimed to be one of the first and most successful advertisers. After she lays an egg she cackles to let all creation know that she is in business.

Does all creation know that you are in business?

Why don't you "cackle" about your "lay"?

You're surely as wise as a hen. Only a hen can make a living "setting." You and I must "step lively."

There is another point of contact between the sale of life insurance and the woman. If there is any one thing in which women aim to excel—it is in the making of this old earth of ours a woman's as well as a man's world and she is ever looking and working for this ideal. Instead of being a mere saleswoman she is a philanthropist. She is making possible better homes, less poverty and sorrow, and protecting and sustaining old age as well as educating the youth. Surely there is no finer work than that.

ARGUMENT FOR INCOME

The minimum on which a family of five can live in New York is $980, compared with $840 in 1915, according to a report of the Bureau of Personal Service of the Board of Estimate made to Mayor Mitchel recently. The bureau finds that the cost is 16 2-3 per cent. more for the actual necessities of life this year than two years ago. The report is accompanied by a recommendation that the city increase by from $50 to $75 the pay of its unskilled laborers, who in some cases get no more than the $840 which the bureau calculated as necessary for them in 1915.

The Mutual Benefit's "Pelican" uses this is an argument for income insurance.

SATISFACTION

Spells

SUCCESS—

When it is the result of a sale in life insurance. Pleased policyholders promote persistent progress for producers. Our work should be done in a manner which will enable our client to *"Send us away with a Smile."*

A Good Motto is:

"SATISFACTION OR NO SALE"

L. F. CAREY AGENCY

Philadelphia, Penna.



In the Other Fellow's Office

By MERLE G. SUMMERS
Staples, Ide & Summers, Boston

There are a great many life insurance solicitors who do not use their heads when they enter an office to solicit life insurance. With your permission, allow me to mention a few:

1. They read a newspaper all the way to the prospect's office.

2. They examine carefully all the window displays on the shady side of the street.

3. They settle anywhere from two to six of the big war problems with their friends on the corner just before entering the prospect's office.

4. They don't bring in the applications.

Now, success in our field is not for the man who desires an easy place, but it is here for the man who does not shrink from constant study—one who is not satisfied until in the language of the day "he gives of himself" in bitter toil "until it hurts," and then gives more.

Dealing With Humanity and Materialism

If we are to successfully sell insurance we must know before we go into an office what we are going to do.

When we enter a man's office we have two elements to deal with—the human and the material. Of these, the human is by far the more important. Regardless of theory, we have yet to have placed in the market a line of life insurance that will sell itself. It is the personal equation that has built the great life institutions of to-day. How many of us are thoroughly alive to this fact, as we approach our prospect? It is suicide to rely on the statement that you've got a Massachusetts Mutual policy which costs you x dollars, pays an annual dividend, and has a cash value the second year. If these policies were issued by old St. Peter himself, with a coupon attached guaranteeing free passage on the judgment day, you'd be a wonder if you could get on the home office list twice a year, relying on this plan.

Ours is the task of taking this old, dry, familiar material element, this same element that every life insurance man that has solicited your prospect has offered up to him, this thing with which he is so familiar, that he already knows every bone in its body,—taking this and so illuminating it with the human element that it takes on a new and atractive form.

That we may develop the maximum of the human element in the interview we must give special attention to three things. First, our personality. Second, establishment of confidence. Third, securing a free expression of ideas by the prospect.

Defining Personality

Take first this matter of personality. We know it is important. What is it? Hard to define, and yet if there is a something about your attitude—about your being—that carries conviction—that moves across to the man behind the desk and makes him feel that you're honest, that you understand your proposition, and that your object in coming to his office is to render him a business service,—then that's personality.

Your dress is a part of your personallty. Your prospect's first impression is important, and that is largely gained from your clothes, for what else has he to judge you by until you begin to talk?

Tact is another plank in the structure—personality. Your ability to sense the human feelings—to detect the things that jar or displease—that smoothness of quality which avoids friction.

Enthusiasm is another important element of personality. We know how we ourselves admire an enthusiastic person. Not the "Hello Bill" type, but that strong undercurrent of genuine feeling whose own power pushes here and there, bubbling through the surface, such as is only possible from one who loves his work.

Get away from the idea that men will buy insurance as such. Remember that you have about you something that is unique and valuable, and when you begin to use this, at that point you put this human element personality into your salestalk.

In the second place we must create confidence. No matter how many attractive things we may show him about our contract, they mean nothing unless he has confidence.

Salesmanship Not Cunning

Salesmanship does not mean cunning. We would be known, not as a slick salesman, but as a scientific salesman. We must avoid the slightest suspicion of "smooth" business methods.

Then the third point in the development of the human element is to get him to talk. It is absolutely impossible to judge of a man's thoughts and feelings unless we get him to talking. Speech opens the way to his innermost feelings—offers an opportunity for a real exchange of ideas.

So often after an interview we are unable to put our finger on anything of importance that our prospect has said. About all we are sure of is that we haven't got his application. We failed to find through our conversation a single thing in common. We are just as far away from an understanding of each other as when we entered bis office. Our interview has been a waste of time, and worse than that, because we haven't succeeded in getting him to talk sufficiently to be acquainted with facts enough to enable us to decide whether or not it will be profitable to follow him further.

Summarizes

To summarize:

An interview involves two elements: the human and the material, of which the human is the more vital, and in the development of which we plan to make the maximum use of our personality. To develop a confidential relationship and to promote the interchange of ideas and information, by leading the prospect to talk.

Now, along with the development of the human element, we are likewise bringing in the material element, and since this is the more tangible we shall use it in building a definite plan for our interview.

It is by no means sufficient to know what we want to attain—we must know how. All too often in our interviews we come to the place where we hesitate as to what is the best thing to do next. Nothing contributes more to the high interview mortality than these intervals of hesitation. A definite, carefully prepared, elastic selling talk affords the only reliable remedy.

I well realize that when you sell on a definite selling talk that the opportunity is there for you to fall into error. There is danger on both sides. A danger that you will present your proposition mechanically, destroy your originality, dwarf your sense of discrimination and your powers of observation, and cause you to altogether lose sight of the human element, and just as soon as your prospect gets the faintest suspicion that you are putting across a mechanical salestalk, you are lost. Nothing so disgusts a man. Every prospect we approach must be made to feel that his case is peculiar and demands individual diagnosis.

Look at the other side. You are unfamiliar with a selling talk. What do you rely on? Your general or specific knowledge of the prospect and your ability to engage him in an insurance conversation into which you will be able to introduce from time to time those specific parts of your insurance knowledge in such a way as to create desire.

Strange as it may seem this is possible, but it is a precarious procedure.

What Preparation Means

What we seek is efficiency. We want efficient hours. We want efficient days, efficient weeks, and we look forward to the time when we may do an efficient year's work. Why not focus our attention on the interview as our first unit for the application of efficiency tests? An efficient day doesn't mean wandering back and forth from one end of your city or township to the other, nor does an efficient interview permit of our wandering back and forth between points having no relation. There must be an effective presentation and that means preparation.

1. It means first that we must know what we want to establish.

2. It means second that we must have the material at hand necessary to prove those parts.

3. It means thirdly that these materials must be arranged in a sequence supplying the maximum effect.

4. And it means in the fourth place that they must be presented in good form.

It is certainly improbable that we can go into the office of the man who doesn't want insurance and have an efficient interview without careful preparation of every step of the ground.

After all, the dangers of a specific selling talk are minimized by this fact. Any man intelligent enough to make enough sales to "get by," relying on his ability to pull down the right point at the right time, is likewise intelligent enough to avoid dangers of a salestalk. That is, if you are selling above $50,000 per year to-day without a specific salestalk, you are intelligent enough to get all the benefits from the use of one and none of its harmful effects.

Selling

Selling talk may as a matter of convenience be divided into three parts: (1) The introduction; (2) the explanation; (3) the closing.

Take first our introduction. We all know this is important, yet how many of us have spent a dozen whole hours building an introduction? I can't tell you that you can meet every man in a specific way, but our object is always the same—break down the prospect's guard. If we can do this and hold his attention for the first three minutes, we're off to an excellent start. What are to be my first words? I must go straight at my proposition. But what is my proposition? It involves both the human and the material elements. I must give my business personality a chance to work on this prospect.

Suppose I start something like this: "Mr. James, my name is Summers. I have been looking up some of you men who have had a good year in 1916, for I find that under these unusual conditions a great many of them are adding to their personal insurance lines. I couldn't find that we are carrying you on our books for anything, and I thought it was certainly time to find out whose fault it is."

A great variety of introductions may be used, but they should be carefully worded, with the object in view of making it difficult for him to reply with his old series of reasons why he shouldn't buy, or at this time, anyhow.

We have the advantage. We are prepared. We know just what is going to happen—he doesn't—we ought to be able to make it pretty hard for him to beat us at our own game.

Now, if I can just carry him one step farther I am practically sure of a real interview.

Turning a Call Into an Interview

We have always been told that the closing is the most difficult part of an interview—perhaps it is, after you are assured of your interview, but it is possible that the cart may be before the horse here just a bit. To put it this way—it seems to me that the most difficult thing is turning a call into an interview—that delicate bridge that leads over the chasm lying between an introduction and the actual opening up of our proposition. Very few men indeed that we approach follow our introduction by saying: "Why, yes, I know I ought to have more insurance. I would be delighted to take an hour right now and look into your proposition." No, this is generally the occasion for his giving you a little line of reasons why he shouldn't buy more insurance, not now, anyhow. We measure the success of our introduction more from the tone of the reply we draw than by the actual reply in words, although in a great many cases a carefully worded introduction will enable us to avoid the old excuses.

But suppose he gives us the usual line. We won't discuss them with him, but get around them by dismissing them with a "yes, but"—and then explaining to him why he feels as he does, in some such manner as this, "Yes, Mr. James, you're just like a great many of the business men, men who are very careful about matters pertaining directly to their business, but have never stopped to carefully investigate a modern life insurance contract. You have bought a little now and then, here and there, never in any systematic way. You've said 'Yes, life insurance is a good thing,' and let it go at that. Now, when you stop and look at your own case, you find that there are really three great contingencies you ought to protect. You ought to protect your family. You ought to protect your business. And you ought to protect your old age." And then we are launched into our second division of our selling talk—that of developing our proposition and making it apply specifically to him.

Don't be afraid to develop your proposition. He is giving you his time and he has a right to expect to learn something from you.

Salesmen in all lines are more or less affected with the mania to get through their explanation and try for the order. This impatience is due either to ignorance or a lack of interest in their work.

In law the burden of proof rests upon

From "The Radiator," published by the Massachusetts Mutual Life.

the plaintiff in a sale it is the same—the whole burden of proof rests on us. We must build our case thoroughly. A desire born of an incomplete explanation is likely to be such a sickly offspring that it will die before the first premium is actually paid.

Moulding the Desire

Now we gradually work over into the third step, the moulding of the desire into immediate action—called by many the closing, and discussed as an altogether separate factor. The ideal salestalk has step by step explained the full proposition, yet the sequence has been such that some of the strongest points are saved until the last, allowing us to gradually bring the pressure to the maximum at the end.

For example: "Now, Mr. James, if you bought our contract today there would be one of three ways in which it would be terminated. You will either live, or you will die, or you will quit." Then follow with an explanation of how our policy works out, showing an actual profit whether he lives or dies, and practically all of his deposits returned if he quits. "But, Mr. James, you will never have to quit under a Massachusetts Mutual policy if you become totally and permanently disabled."—then explain the disability clause.

Then give him a chance to close by leading him into a discussion of his beneficiary and the arrangement of his right to change the beneficiary—his preference as to payments, his examination, etc. In an interview properly handled no one but you ever thinks of closing until after the examination is all arranged for.

Thus we have woven together the human and the material elements involved in the sale properly made. We have not only made a sale, but we've put a policy in the Company's records to stay, and we've a client on our own books that means future business for us.

Importance of First Interview

Remember I haven't said that you should write 75 per cent. of your cases on the first interview, or even 50 per cent. I don't, but I am certain that every first interview has a great deal to do with every sale you make.

In the language of the diamond—don't try to kill the ball. You can't get a home run every time you come to bat. A single will do. It's a disgrace to strike out. The high pressure insurance man hits to the fence or fans. The man with the selling system rarely ever fails to "get on," because he plans in each interview to mould the human and material elements into a foundation upon which business will either today or eventually be secured. "I don't have to have your application today, Mr. Prospect. I am going to be in my business here just as long as you are in yours and I'll eventually get you."

A definite selling plan permits us to travel on the highway—we no longer grope the uncertain trail. It takes care of today and plans for the future—it substitutes faith for doubt and fight for fear. It will make you master "in the other fellow's office."

Medical Department.

(Continued from page 29.)

is possible; you are on the ground and know him; we are far away and much of our knowledge, really the most important, is what we get directly from you. We depend on you for accurate and full information covering the individual personally, and his family, his surroundings and everything which bears on his insurability.

It is true we get some knowledge from other sources, but what we must depend on is that coming from our faithful agents, and our skilled and loyal examiners in the field.

Our task at the home office is not an easy one; we must forget everything but the best interests of the company; we must hew to the line realizing always that ours is a grave responsibility whether our decision results in putting a risk on the books, where a mistake in judgment means an unwarranted loss to the company; or by a wrong decision refusing to accept the risk and thus depriving a man of protection for those dearer to him than life itself.

This final decision is never an easy or trivial matter, and if done conscientiously this work merits your earnest sympathy, and co-operation; all personal considerations must be forgotten and as far as our finite ability goes the final decision is made solely for the best interests of the company. And the agent must not forget that whatever in a general way is best for the company will be best for him.

Nor is the home office unmindful of the task lying before you men in the field; tireless unremitting work day in and day out; undaunted by discouragement and disappointment; yours is the hardest job in the world—separating a man from his money.

But looking beyond the commercial side of your work, we all frankly acknowledge there is vouchsafed to mankind no greater, no nobler undertaking than that of the life insurance solicitor; it is your function to teach self-sacrifice, to inculcate and compel love of home and family, thrift, economy, industry, sobriety and good citizenship.

What Agents' Work Means

Your efficient efforts support tottering age in peace and comfort, you save widows and little children from poverty and deprivation. The faithful, earnest insurance agent, in the judgment of all right-thinking people, can not measure his compensation solely by commissions; but his best reward comes from the gratitude of widows and orphans and from the esteem and appreciation of the community he has loyally and nobly served.

With your enthusiastic energy in the field under an earnest purposeful management which realizes that the true function of life insurance is protection, a management feels it is handling sacred trust funds belonging to widows and orphans and which has for its watchword, "Safety First," with all this equipment stimulating you, no limit can be set to your opportunities and achievements.

The progress and success of a company are in direct ratio to the spirit of frank mutuality and co-operation prevailing between the field and the home office.

Success always means hard work for you and to us; but it always brings its rewards. I like the answer of Garibaldi when asked what he would promise his soldiers. His reply was, "I promise long, hard marches, weary disheartening work and suffering; sickness and wounds and death on the battlefield; but I also promise you VICTORY."

With the world at war in an appalling destruction of men and material, how proudly we contemplate the picture of the agent and his company in offsetting this horrible destruction with the beneficent power of life insurance, the most efficient of human institutions for conserving life, property and happiness.

THE SIX ESSENTIALS

Marion Rich, of the Missouri State Life, says no agent can succeed without this sextette of maxims:

1.—He should know his Company.

2.—He should know his Company's contracts.

3.—He should know his prospects.

4.—He should be a good judge of human nature.

5.—He must have power of will—backbone to do what he undertakes to do.

6.—He must be honest.

Rosen Has $12,000,000 Year

(Continued from page 3)

however, I want to stop a moment and say that if an agent really is under the inspiration of his profession he will not find acquaintances entirely essential, valuable though friends may be. To illustrate: When I wrote that insurance on the diamond merchants of Antwerp they were all strangers to me. My business and what it stood for, set forth as eloquently as I could do it, was all the introduction I needed.

"And, another thing, I do not believe an agent should make a specialty of any type of policy. If he does he will sell it many times to men who really should have something else.

Never Let a Case Say "No" Emphatically

"I never give a man an opportunity to say 'No' emphatically, because if a man, particularly one of strength and force does so it is mighty difficult to induce him to change his mind. The agent should manage the conversation in such a way that the prospect cannot place him in the position of turning him down arbitrarily. It takes a lot of tact to find out about a man's physical condition; but you have to have it in order to save your time and the company's.

"As soon as I commenced to make money my earning power increased from day to day. I always tried to do just a little better every year, and succeeded.

"I never visit a prospect to take him by surprise; never drop in as it were. My appointment with him is made in a business-like manner. A subterfuge appointment is apt to be a futile appointment.

"I never beg a man to take a policy. I never ask him to insure by saying I need the money; or that he is doing me a favor by insuring. When he buys the policy he is giving his family and his business protection. The favor is to him and his.

"I firmly believe that no agent can be a success without loyalty to his company. I would rather be an agent of the New York Life than president of any bank or railroad. I have never had an enlarged sense of my own importance; never had what they call 'the swelled head,' because I recognized early in the game how vital life insurance is and the master minds of the companies back of the insurance idea, who are constructing and have constructed the life insurance edifice. **So in soliciting I never talk about myself, but always about insurance and what it means.** I talk about the New York Life, or my other underwriters, and the men in power in that company and other companies and what they stand for, so that it will be recognized that they could be nothing but faithful to their trust."

Argument Used With Sir Mortimer Davis

Mr. Rosen was asked what argument he used in insuring Sir Mortimer Davis, a man worth many millions. He answered:

"I simply convinced him that the greater the man the greater his interests; that no matter how much money he has at his disposal the only absolutely safe and liquid thing is the protection of his interests by taking out at least a sufficient amount of life insurance to make his estate absolutely independent of the vicissitudes of business conditions."

For years Sir Mortimer did not believe in life insurance; did not want to carry any. Mr. Rosen caught him at a psychological moment and convinced him to the contrary. And do not poke fun at the phrase, "psychological moment" to H. B. Rosen. He believes in it.

The Public Man Argument

Mr. Rosen was asked what argument he made to a distinguished public man, who has fame but only a small income.

"No matter what be a man's salary or his standing in the community, every man in proportion can be convinced and shown by any agent of ability who knows his business that life insurance is absolutely essential; a fundamental necessity for the protection either of a family or of a business interest," he answered.

Another argument Mr. Rosen effectively uses with business men is that no one would think of going without fire insurance, and life insurance is just as necessary.

Travels With Two Automobiles

Mr. Rosen during business hours keeps two automobiles in use: i. e., he rides in one car and another follows him.

The automobiles are used in this fashion: Mr. Rosen may be riding to the medical department with a case. After the examination is through he places the man examined in his car and sends him to the latter's home or place of business. The other car, which has been driving directly behind, takes him where he wants to go. Incidentally, he has written more than $1,000,000 in various policies while riding in an automobile. In this fashion the case is closed and the application signed en route.

But in one instance he has fallen down; he has not yet insured his own chauffeur. When the latter was asked by The Eastern Underwriter why there had been this oversight he answered: "He never has asked me to insure; or, probably he doesn't think that I could take out a large enough policy to interest him." This is not the correct angle, however, as the star producer takes as much interest for the time being in a $1,000, $5,000 or $10,000 policy as for one of a larger amount. He believes everybody should have protection—and for the amount best suited to his needs.

Mr. Rosen is in middle age; was born in Europe, and when asked why he never has had his picture printed, said: "Well, possibly I do not look the part. You know that I am not a Richard Harding Davis or a Charles Dana Gibson in personal appearance." True, but probably Adonis would not have been a very successful insurance agent.

Gaston on Industrial

(Continued from page 7)

cases, even occasionally to the company's self-imposed limit on a single life, and meanwhile to the occasional writing of an annuity or even of a "group" of substantial proportions.

The Best Way to Succeed

In some such environment as this, and under some such conditions as I have attempted to describe, a man, preferably twenty-five years of age or over, and married, who is clean, upright and ambitious, who can face occasionally disappointment with complaisance and occasionally defeat with fortitude, who is not over-fastidious in mingling with "the bone and sinew" of the country, who is not a time server but has pride and satisfaction in achievement—if such an one joins, not a company doing industrial insurance exclusively, in which he would be apt to be dwarfed in the making, but one doing industrial and ordinary life insurance he will need at the start no compendium of instruction, no set formula, no hard and fast course of procedure, for the sale of insurance; he will acquire the knack, so to speak, from the precept and example set before him by his mentor; by the practical help and instruction given him; by his own study and experience in it, and to do this he will not need to have a university education, or a profession, or to be master of a trade, or to have any other qualifications than those which I have mentioned or hinted at. I know of no other way.

OUR CREED

We believe in the life insurance business, our company and its administration.

We believe in a standard contract for all agents, large or small.

We believe in holding agents by the ties of satisfaction and confidence.

We believe in boosting instead of knocking competing companies and competing agents.

We believe that rebating and twisting are vicious habits that will demoralize an agent or agency.

We believe that no commission should be paid to any person not devoting his entire time to the insurance business.

We believe in constructive, not destructive, underwriting and in the observance of a code of ethics tending to uplift the business.

The practical application of the above has, we believe, been responsible for the increase of from $2,000,000 per year to $1,000,000 per month as a result of three years' effort in this agency.

C. B. KNIGHT, General Manager

Metropolitan Agency

UNION CENTRAL LIFE INSURANCE COMPANY

Woolworth Building, New York City

TRUTH

To achieve well and quickly what we aim to do in *LIFE INSURANCE SALESMANSHIP* necessitates

Telling the Truth
to the
Purchaser of the Contract

There is no come-back other than greater success where the policy of telling the facts is pursued

GEORGE W. MEACHAM
111 BROADWAY
NEW YORK

THE EASTERN UNDERWRITER

[Succeeding the Journal of Insurance Economics, Established in 1899]

A WEEKLY NEWSPAPER COVERING ALL BRANCHES OF INSURANCE

Copyright by The Eastern Underwriter Co., 1917

Eighteenth Year; No. 39 NEW YORK, FRIDAY, SEPTEMBER 28, 1917 $3.00 per Year; 25c. per Copy

CANTONMENT STORES ARE BEING WRITTEN BY FIRE COMPANIES

Business Being Written Through Local Agents Nearest Site of Encampments—Rates Vary

HOME COVERS LARGE PORTION

Officers of Regiments Are Named in Policies as Assureds—Regular Mercantile Form Used

Policies covering the contents of the regimental stores, several of which are to be established at each army cantonment, are now being written by the companies. Each regiment has its own store and the officers of the regiment are named in the policy as the assureds.

The proposal to cover these stores was first made by a prominent Western agent to the Home Insurance Co. to issue a blanket policy covering all stores. The Home submitted a counter proposal to write the business through the local agent nearest the cantonment and much of it is being handled in this way though several of the regiments have preferred to place their insurance at cut rates.

Values About $5,000 Per Store

Each store handles those articles not provided by the Government, which include tobacco, stationery, candy, toilet articles, etc. The value in most instances is about $5,000. As there are about four stores in each cantonment and sixteen cantonments, this would make the total amount at risk about $320,000.

The rates vary but little though some of the State rate-making bodies have filed a much higher rate. It was this phase which caused some of the regiment authorities to seek cut rate insurance.

Business Arouses Interest

The writing of this business has aroused considerable interest in fire insurance circles because of the several problems to be overcome. It was at first believed that the entire group of stores had been placed under a schedule through a New York broker. This was dispelled by the writing of separate policies for each store by local agents.

The Government has nothing to do with the operation of these stores other than approving of their existence and providing space for same.

"The Largest Fire Insurance Company in America."

THE HOME INSURANCE COMPANY NEW YORK

ELBRIDGE G. SNOW, President

Equal Protection for ALL Policyholders.

FIRE AND ALLIED BRANCHES OF INSURANCE

Fire, Lightning, Automobile, Commissions, Explosion, Hail, Marine (Inland and Ocean), Parcel Post, Profits, Registered Mail, Rents, Sprinkler Leakage, Tourists' Baggage, Use and Occupancy, Windstorm.

STRENGTH REPUTATION SERVICE

North British and Mercantile Insurance Co.

Established 1809

Entered United States 1866

Policyholders protected by the entire United States assets, with further guarantee in every policy, of protection by entire fire assets of the company which are many times larger.

SPRINGFIELD Fire & Marine Insurance Co.

Cash Capital $2,500,000 00

THE SPRINGFIELD for two-thirds of a century has transacted business solely under its own corporate name, without annexes, underwriting agencies or subsidiary companies. An agent of the SPRINGFIELD is not a half, a quarter or any other fraction of an agent, but is vested with the rights and dignity of an undivided representative of an undivided and independent company. The SPRINGFIELD stands today pre-eminent among American fire insurance companies.

SPRINGFIELD MASSACHUSETTS

GERMANIA LEADERS' CLUB IS FORMED AT NEW ORLEANS

First Annual Convention of Field Men of New York Company Results in Constructive Session

H. W. GENNERICH IS PRESIDENT

C. B. Rudd, D. G. Beck, C. F. Kuhns, G. G. Moore and Other Agents Make Inspiring Talks

By Clarence Axman, Editor.

(*Special to The Eastern Underwriter*)

New Orleans, La.—September 25.—The Germania Life Leaders' Club was formed here today at the first annual convention of the Germania Life field men. Prominent managers and producers of that Company held a convention full of inspiring talks, winding up with a banquet tonight at the St. Charles Hotel.

H. W. Gennerich, of New York, was elected president of the Club. Mr. Gennerich has written $800,000 so far this year, his average policy being $3,200. In 1915 he wrote $771,000 for the Germania and in 1916 more than $800,000. He was with the Equitable Life from 1903 to and through 1906, with which Company he paid for $110,000 his first year. He also made a good record with the Columbian National.

Discuss Organization Problems

The Germania convention was divided into three divisions. The first discussion was on organization problems, covering the selecting and training of agents, new agency material and how to start a new agent. Also there were talks on how an old agent can be made more productive, organizing city territory and organizing country territory.

The second discussion was a series of talks on sales problems. These included writing big business, writing city business, writing country business, selling insurance to women, securing settlement with application and "shots that have missed the mark."

The third discussion was confined to prospects, including how to secure them, how to prepare for interview, how to approach, how to conduct interview and how to close.

C. B. Rudd's Display

Many interesting points were made. One novelty was the store window educational display of C. B. Rudd, of

Evansville, Ind. He rented window space in a store for $30 monthly. In one window he had a blinking electric light. At intervals of one minute this would go out. When it flashed, the light revealed a sign reading "Every time this light goes out, a Human light goes out." Other signs recalled the the ever present possibility of death. The window was trimmed in black. Representatives of the Rudd agency stood outside giving appropriate literature to passersby. Mr. Rudd said that this window display, at an expense of $125 for the month, sold $50,000 of life insurance, including one $25,000 and one $15,000 policy.

Manager David G. Beck, of Buffalo, said that every interview should result in a sale or disclose the reason why a sale was not made. "The agent," he said, "should find out why he failed, if he fails, and correct his faults. There is excuse for one mistake, but not for a repetition. Every failure should result in a stronger selling talk the next time."

"Read Insurance Papers"

Mr. Beck suggested that agents spend one hour every morning reading insurance newspapers and other literature. "It will give them fresh ideas" is his experience.

Charles F. Kuhns, of Baltimore, said the greatest selling argument for a life insurance agent is a check from the company for a death claim. "These checks should be shown to people, because they furnish concrete proof of what life insurance does in the way of protection," he said.

George Godfrey Moore, of Topeka, Kans., said agents should keep their eye on the age of sons of prominent men in their community because many a settlement at maturity will pay for a boy's education.

W. C. Addy, of Minneapolis, gave an illustrated outline of conducting an interview. He had every point down on a chart and was followed with keenest interest.

The talks were on a high average and the new club was given a mighty fine start.

RECEIVER FOR PILGRIM FATHERS

Petition Filed By Massachusetts Attorney-General at Request of Insurance Department

Henry M. Hutchings, of Dedham, Mass., has been appointed receiver for the Supreme Council, Pilgrim Fathers, Lawrence, Mass., by Judge Crosby of the Supreme Court at Boston. A petition for receivership was filed recently by the attorney-general, acting in behalf of the Insurance Commissioner, who set forth that the company's statement of condition as of July 31, 1917, showed assets of only $5,019 with which to meet outstanding death claims amounting to $254,693.

The business of the order has been steadily declining for years. In 1912 its outstanding insurance was $20,278,500 and at the close of 1916 $2,502,718. During the last five years the death rate per thousand members has increased from 23.7 to 48.8.

WOMEN IN THE FRATERNALS

Since women have become wage-earners, they represent a certain economic value to the home, said Bina M. West in a recent talk. Should they be taken by death, there is a monetary loss to the home, which can in a measure be replaced by insurance protection. This fills the need and somewhat mitigates the loss to dependents. In the United States alone, there are 820,792 members of solely women's fraternal societies who appreciate this fact.

Antonio Bollag, who has represented the New York Life for forty years, who is seventy-five years old and who does business in Cuba, is in this country.

Great Southern Life Insurance Company

HOUSTON, TEXAS.



For Agency Contracts address

O. S. CARLTON

PRESIDENT

MEETING DATE CORRECTED

The Life Underwriters' Association of New York is notifying its members that through a misunderstanding it was announced that the first meeting of the season would be held October 3. This is a mistake. The first meeting will be held October 23.

ANNUAL DIVIDEND POLICIES

The Bankers' Life, of Nebraska, which on September 1 had $12,000,000 in assets, has written annual dividend policies for 30 years; non-participating policies for nearly 30 years, and deferred dividend contracts for nearly the life of the company.

NEW CONTRACT

The Connecticut Mutual has announced a new contract—a deferred annuity, giving large cash values at ages of maturity, 55, 60, 65 or 70. The rates are low.

MR. GASTON'S PAPER

In the "Life Insurance Salesmanship" number of The Eastern Underwriter last week several typographical errors were unfortunately made in the first paragraph of the valuable article by George H. Gaston, second vice president of the Metropolitan Life. The first paragraph corrected should have read as follows:

The editor has complimented me by his request that I write something for publication about the selling of industrial life insurance; and although I have not been restricted as to space, I realize how impracticable it would be for me to treat this subject adequately within the limitations to which my article may with propriety run, particularly as I must deal with it abstractly rather than in the concrete.

CO-OPERATION No. 7

WE furnished 28,206 leads last year from actual prospects who made inquiry concerning our policies.

Each lead has been proven by experience to be worth $2.96 in first year commissions.

This prospect bureau is one of our effective plans of co-operation with real producers.

Phoenix Mutual Life Insurance Company

of Hartford, Conn.

JOHN M. HOLCOMBE, President

IS STANDARDIZING CONTRACTS

Volunteer State Life Makes Announcement at Meeting of Leaders' Club in Chattanooga

Chattanooga, Tenn., September 24.—The Volunteer State Life is standardizing its contracts. This Company, which owns one of the most attractive buildings in the city, and is making steady progress, is now doing business in ten States. At a meeting of the Volunteer Leaders' Club here today W. R. Ellis, of Southern Texas, was elected president; and J. M. Smith, Western Tennessee, and J. W. Bishop, home office, vice-presidents.

Winslow Russell, of the Phoenix Mutual Life, addressed the club at a banquet tonight, his subject being "Life Insurance as a Vocation."

Other speakers were Col. Walter P. Corbett, Jacksonville, and Col. T. C. Thompson, Chattanooga. W. J. Arnette, second vice president of the Company, was toastmaster.

At the agency meeting "The Farmer and How to Interest Him" was the subject of a paper read by J. M. Minton. Other speakers were W. H. Camp, W. R. Ellis, J. M. Smith, Frank E. Brodnax, B. S. Williams, C. T. McClenaghan, C. M. Bishop, T. R. Boyd, H. Lee Harvey, C. S. Alston and C. G. Hall.

BROOKLYN BEATS NEW YORK

The contest between the Aetna Life's Brooklyn branch office and the New York office of F. F. Eagles, which was in progress from July 16 to 31, was won by Brooklyn. The sixteen producers who worked for the success of the Brooklyn office wrote 126 applications with premiums of $1,977.30. The largest producers were Chauncey G. Cozine, Carl Langenau, Arnold Munnich and M. F. McDonald, in the order named.

At the Frank F. Eagles agency, the volume of business written amounted to $944.50, representing 41 applications.

GROUP GOES TO TRAVELERS

The Austin Organ Company of Hartford has taken a group contract with the Travelers, providing $600 for every employe who has been with it for six months. For every additional three months $100 will be added to the face of the policy until the maximum of $1,000 is reached. The group numbers one hundred.

Edward T. Pape, one of the most prominent superintendents of The Prudential, was honor guest at a banquet in Utica a few days ago, commemorative of his thirtieth anniversary with the company.

Mr. Pape went with The Prudential in Baltimore, August 5, 1887, as an agent, and worked himself up to his present excellent position as superintendent of the Utica district. In May, 1907, Mr. Pape came to Utica to take charge of the district and since that time things have been on the boom in this locality for The Prudential. He has made an industrial insurance increase of $572,000 in annual premiums, while the ordinary insurance increase has been $6,500,000. When Mr. Pape first came to this district there were 24 agents, and now there are 83. The increase in industrial insurance has been 250 per cent. of the enance in the 10 years under his guidtire increase put on in the district in the previous 20 years.

A. G. Berry, of Havre, Mont., shows what can be done in a small town by an enterprising life insurance agent. Havre has 3,000 population. He wrote during the New York Life's Club year $410,750. His recipe is "Continually Think Success."

Unraveling Tangle In Moratorium Bill

GOVERNMENT PLANS TO PROTECT LIFE COMPANIES AGAINST LAPSE LOSSES

May Deposit Bonds to Guarantee Insurers After Reserve on Policies is Exhausted

In suggesting amendments to the Federal moratorium measure, the Association of Life Insurance Presidents, September 21, appointed the following committee to appear before the sub-committee of the Senate judiciary committee: Robert Lynn Cox, Metropolitan Life; Robert Henderson, Equitable Life, and Alfred Hurrell, Prudential.

Care was taken to emphasize that the Association's attitude toward the bill was not one of opposition, but that duty to policyholders generally made it important to point out to the officials at Washington the effect of provisions in the life insurance section of the measure.

The bill is Senate No. 2859, an administration measure, titled the Soldiers' and Sailors' Civil Rights Act. Its general design is to stay court actions and suspend the payment of debts and of certain other contract obligations in the cases of soldiers and sailors while in service.

Premiums Payable After War

Paragraph 1 of Section 13 of the bill refers to legal reserve life insurance and provides that no forfeiture or lapse shall be declared or enforced on any policy of insurance on the life of any person in military service up to $5,000, irrespective of the amount written on such life, if issued prior to September, 1917, on which policy premiums have been paid for one year or more, for non-payment of any premium falling due during the period of such service. It is further provided that any such premium shall be charged to the policy and may be paid by the insured without a physical re-examination within six months after the termination of such service if the full amount of any unpaid premium is then tendered together with interest thereon at the rate charged on policy loans. In the event that the period of military service is terminated by death any amount unpaid and remaining charged against the policy shall be deducted from the face of the policy as paid to beneficiary named therein.

Policyholders' Rights Violated

Before the sub-committee of the Senate judiciary committee, September 22, Mr. Cox spoke for the association of Life Insurance Presidents. Mr. McIntosh, general counsel of the New York Life, and Secretary Blackburn of the American Life Convention co-operated in the presentation of the case in behalf of policyholders.

It was pointed out that the effect of the life insurance section of the bill would be to compel companies to continue the insurance of a soldier or sailor even if there were no reserve against the policy. The policy might be so recent that there was no reserve at all or only enough to pay the premium for a year while it might be necessary to carry on the insurance for a number of years, depending upon the length of the war. Again, there would be a large group of cases where the reserve had already been exhausted through policy loans. The only way in which the requirements of the bill could be met in these various cases would be to take the money from funds belonging to other policyholders whose contract rights would thus be violated. It was stated that the life insurance section was a variation from the principle of the remainder of the bill which merely provided for deferring the payment of debts owed by the soldiers whereas in the case of soldiers' insurance it practically was provided that the companies must make outright payments from trust funds of others to continue the insurance.

Might Protect Companies

Following an all-day session of the sub-committee during which the members seemed impressed with the injustice of the life insurance section of the bill, a suggestion was made that it be redrafted with a provision that the government guarantee the companies against losses in connection with continuing lapsed insurance. Senator Reed of the committee said he could not see how this legislation could be passed as drawn, but believes it is entirely feasible to frame a law that will provide for the payment of these premiums and to take care of this situation. Major Wigmore of the War Department favored guaranteeing the companies against such losses.

Government to Deposit Bonds

The matter of redrafting was thereupon referred to the representatives of the war department who drew the original measure and to the life insurance men present. After sessions on Saturday and Sunday, it was decided by the war department representatives to recommend to the Senate sub-committee a measure providing that the government shall deposit government bonds with the companies to guarantee them against losses where insurance is continued after the exhausion of the reserve thereon. In such cases, a lien against the policy is to be given to the government so as to protect it from loss.

Doubt Powers of Congress

September 25 Major Wigmore of the war department presented the substitute to the sub-committee, with the suggestion that it take the place of Section 13 or be treated as a separate bill. At the conclusion of the session of the sub-committee, it was stated that a report would probably be made to the Senate judiciary committee to incorporate the substitute in the Civil Rights bill or to insert it as an amendment to the pending Soldiers' and Sailors' War Insurance measure and eliminate from the Civil Rights bill all reference to insurance.

Coincidentally the insurance section of the Civil Rights bill is being considered by the full judiciary committee of the House. The Association reports from Washington indicate that uncertainty seemed to be developing in the minds of the members of that committee as to the powers of Congress to enact the measure as originally drafted. They are proceeding along the line of confining the bill strictly to postponing legal remedies; that is, holding in abeyance the enforcement of rights detrimental to the interests of persons engaged in military service.

Assistant Actuary Wanted

Large, progressive Life Insurance Company, centrally located in the West, has an opening for a qualified man as an Assistant Actuary.

Address "WESTERN"
c/o The Eastern Underwriter
105 William Street, New York

Federal Life Has New Policy Form

WILL PAY TRIPLE INDEMNITY FOR ACCIDENTAL DEATH

T. L. Barnes and C. C. McCue First Prize Winners at Annual Agency Convention

(*Special to The Eastern Underwriter*)
By Clarence Axman, Editor.

New Orleans, La., September 27.—At the annual agency convention of the Federal Life of Chicago, held in New Orleans September 25, a new policy contract was announced known as the Triple X. It pays for death by natural causes $5,000; death by accident $10,000; death resulting from injuries received while on a common carrier, in a burning hotel or from cyclone or lightning $15,000.

The convention was one of the best the Company has held and one of the felicitous features was the presentation of a watch to Charles S. Rannels, secretary and agency manager. Russell H. Pope, president of the Federal Life Club, was present in army uniform. He has been detailed at Camp Custer, Battle Creek, Mich.

In the life department, T. L. Barnes won the $300 grand prize for production; T. J. Wood $200 prize; H. C. McCann $100. Gus B. Barlow won the renewal prize of $100 and C. C. McCue, first accident and health prize.

Among the numerous interesting papers read were, "Finding Accident and Health Prospects"; "What a Man Must do to Write $200,000 a Year"; "How I Built up a Monthly Premium Debit," and "Joint Agency Management." A banquet was held Tuesday night.

Martin L. Wood Heads Club

Martin L. Wood, of Oklahoma, was elected president of the Federal Life Club for the ensuing year, he having stood highest in production of business. Bert Hunt, of Cleveland, was chosen vice-president.

EQUITABLE MAY MUTUALIZE

Court Holds That Nothing in Insurance Law Forbade Company Carrying Out Plan.

Judge Hough of the United States District Court has denied the application of the Royal Trust Company and the executors and trustees of the estate of Sir William C. Van Horne for a temporary injunction restraining the Equitable Life from carrying through its proposed plan of mutualization, pending trial of the suit for a permanent injunction. The court found that the constitutionality of the proposed plan being assumed, it must be decided that nothing in the insurance law forbade the mutualization.



Prudential Group Policies Sell

Because of absolute protection, low premiums, annual dividends, grace period, disability provisions, termination refunds, incontestability clause, special certificates for employees, privilege of naming beneficiary, good commissions, and the Company's great experience in dealing with millions of workers in forty years.

Send for Particulars of Policy

THE PRUDENTIAL INSURANCE CO. OF AMERICA
Incorporated Under the Laws of the State of New Jersey
FORREST F. DRYDEN, President Home Office: NEWARK, N. J.

NEW GROUP IDEA

$500 on Employes Over 50 Years Old; $800 for Young Men After Year

The Jackson Motor Shaft Co., of Jackson, Michigan, is using an interesting formula in a new Traveler group contract closed on August 24. The number of risks is 159, and employes over fifty years of age at the time of their employment are to be covered for $500 flat without increase for extra service. Younger employes, however, will be given $800 insurance at the end of the first year's service and $100 additional annually to a maximum of $1,500.

Two new large group risks have been written by the Travelers in Providence. One is the General Fire Extinguisher Company, and the other the Wauskuck Company, makers of woolens.

The extinguisher company is covering 1,400 men, giving them $500 each after six months' service, $600 after the first year, and $100 additional each year thereafter. The contract went into effect on September 1.

The Travelers also announces that the J. P. Smith Shoe Company, Chicago, on August 16 covered five hundred employes, allowing them $300 after the first year of service and $100 for each extra year up to a maximum of $1,000; and this arrangement is retroactive.

Gerald Cooper, a Providence bleacher, has provided for seventy-eight employes on a formula of $500 after three months, $600 after nine months, $700 after fifteen months, and $100 every six months up to a maximum of $1,000.

ACTUAL LOSSES IN BATTLE

Frederick B. Richards writing in the New York "Times" throws light on the actual losses in battle when he says:

The one regiment in all the Union Army which sustained the greatest loss in battle during the American Civil War was the Fifth New Hampshire Infantry. It lost 295 men killed or mortally wounded in action during the four years of service from 1861 to 1865.

There were thirty-four regiments of the Union Army whose casualties in killed, wounded, or missing amounted to 58 per cent. or over of the men engaged in one battle; in each case, however, there was not a full regiment engaged. For example, the First Minnesota at Gettysburg, which was the highest percentage, had 47 killed and 168 wounded, or a total loss of 215 out of 262 men engaged. This is a loss of 82 per cent. The Ninth Illinois at Shiloh had 61 killed, 300 wounded and 5 missing, a total of 63.3 per cent.

The Light Brigade which has been immortalized by Tennyson took 673 officers and men into that charge at Balaklava in which 113 were killed and 134 wounded, a total of 247, or 36.7 per cent.

The heaviest loss in the German Army of the Franco-Prussian War was the Sixteenth Infantry (Third Westphalian), at Mars La Tour, which had 509 killed, 619 wounded, 365 missing, a total of 1,484, or 49.4 per cent.. out of a regiment of 3,000 men.

DELIVER THE GOODS

There's no longer any place for the man who is able but does not "Deliver the Goods." All doors to preferment are closed to him. Not only is "Deliver the Goods" the supreme test of efficiency, but it is the only badge of deserved honor, says International Life.

So charged is the very atmosphere with the thought that even inanimate things speak to us.

Hear the blows of the blacksmith—listen to the splash of the river steamer's wheel—catch the sharp notes of the cotton spindles—feel the vibrations of the molten steel blasts—they are all saying, each in its own peculiar but concordant voice, "Deliver the Goods!"

Life Men Express Opinions

R. J. MIX

I have looked over a good many "Special" and "De Luxe" editions gotten out by insurance periodicals, but I will say to you frankly and honestly that I have never seen one which in my judgment compared with this compilation of articles in the "Life Insurance Salesmanship" edition of The Eastern Underwriter written by prominent life insurance men, and I again congratulate you most heartily upon your ability and enterprise.

EDWARD A. WOODS

I think the "Salesmanship" edition of The Eastern Underwriter is the most practical and most useful edition of any insurance journal I have ever seen. Any man who cannot get something valuable out of this edition (enough to pay several years' subscription to The Eastern Underwriter) has himself to blame, not the paper.

JEROME PHILP

I have just looked over the "Life Insurance Salesmanship" edition of The Eastern Underwriter. It is great, and I am sure the whole fraternity will appreciate the effort, to say nothing of the initiative and courage required to bring out an issue of this size and quality at this time.

GEORGE B. SPEER

Permit me to congratulate you on the current issue of The Eastern Underwriter, which appears in two parts. I write you not because of my article which appears therein, but of the high grade matter and the excellence with which you have assembled the various contributions. This particular number of your paper emphasizes the energy and enterprise you always put behind your work, and I congratulate you most heartily on its conception and execution.

CONVERTING TERM

During the past three years the Chicago agency of the Phoenix Mutual Life, has followed a consistent plan of endeavoring to convert term policies to higher plans and has been very successful. In that period over $180,000 has been converted, including approximately $50,000 during the last year.

This is real conservation—the keeping on the books of the agency a considerable volume of business which would otherwise go off in a short time, and naturally the amount of premiums on this business has been more than doubled.

MARTINDALE SOLD ANNUITY

It is reported that among the activities of Joseph B. Martindale, former president of the Chemical National Bank, was the handling of a $25,000 annuity for which Edward Hunt, a nephew of the late Wilson G. Hunt, a dry goods merchant, paid two insurance companies $240,000. For this, Martindale is said to have been paid a commission of $4,500, the first large sum of money he ever received.

THIRTY PER CENT. INSURED

Census of Wisconsin Guardsmen Shows 5,000 of 16,000 Are Protected—Ignorance of War Clauses

Of 16,000 members of the National Guard upwards of 5,000 carry insurance. This fact has been revealed by the first insurance census taken of guardsmen. It was conducted under direction of Insurance Commissioner M. J. Cleary. Mr. Cleary says that some members of companies have more than one policy. This is particularly true of officers. In all 5,000 policies are outstanding.

The census was conducted by the Insurance Department for the purpose of ascertaining who the beneficiaries of each soldier were; how much insurance they had and who would pay the premiums in the absence of the men.

"We have found that many men carry policies and do not know that the company in which they carry their insurance requires a war clause and an additional premium while engaged in military service," said Mr. Cleary. "This census reveals these facts. We have today sent to the different companies of the State a list of the men who are with the army and who have insurance in their institutions. This is done so that these companies can immediately notify the person who is to pay the premium in their absence; that the extra premium may be paid so that no loss will occur to the beneficiaries in case of death. We also want to be able to work out plans so that insurance carried by men will not lapse in their absence."

WITH TRAVELERS 39 YEARS

John L. Way, vice-president and director of the Travelers Insurance Company, and vice-president and director of the Travelers Indemnity Company, ended his thirty-ninth year with the company last week. A large basket of yellow and white chrysanthemums was given to him by home office associates.

Mr. Way went with the company as clerk in 1878. He was appointed special agent in Iowa and Nebraska, and later became State agent for Connecticut and Rhode Island. As a result of his valuable service in this capacity, he was appointed in a year or so, State agent for Missouri, Arkansas, Iowa, Nebraska and Texas, with headquarters in St. Louis.

MILLION HIS SECOND YEAR

Joseph Abrahams, of the Equitable Life Assurance Society, wrote $1,032,352 during his second year in life insurance, ending July 31, 1917. On the last working day of 1916 he established a record by securing 12 applications between 5 P. M. and 12 P. M.

Build Your Own Business
under our direct general agency contract
Our Policies provide for:
Double Indemnity, Disability Benefits, Reducing Premiums
See the new low Rates
JOHN F. ROCHE, Vice-Pres't
THE MANHATTAN LIFE INSURANCE COMPANY
66 BROADWAY NEW YORK
Organized 1850

BANKERS BLC LIFE DES MOINES COMPANY
PAYS GOOD PAY TO GOOD MEN

A GOOD OPENING
An old, well established, progressive life insurance company, with unexcelled dividend record has good opening at PHILADELPHIA, covering Eastern Pennsylvania. Address, stating qualifications:
PHILADELPHIA, care of The Eastern Underwriter
105 William St., New York City

44 MILLIONS from 42 AGENCIES
THE 1916 RECORD OF OUR EARNEST, LOYAL AND HAPPY AGENCY FORCE
New England Mutual Life Insurance Company
BOSTON, MASS.

Policy not Payable to a Bankrupt

DECISION IN A FEDERAL COURT CASE, NEW YORK

Purpose of a Section Covering Point of Trusteeship Reviewed By Judge Mayer

The legal departments of the life insurance companies have been interested in a bankruptcy decision in the District Court, S. D., New York, covering a petition to review an order of the referee to compel the surrender by the bankrupt of a life insurance policy, or in the alternative to pay the alleged cash surrender value to the trustee. Judge Mayer gave the opinion. The bankrupt was John T. Gannon, who held an industrial policy in The Prudential. The decision follows:

The company, by the terms of the policy, "promises to pay * * * unto the executors, administrators or assigns" of the insured the sum of $500, but the policy "is issued and accepted subject to the following restrictions, conditions and agreement. * * *

Second. The company may pay the sum of money insured hereby, to any relative by blood, or connection by marriage of the insured, or to any other person appearing to said company to be equitably entitled to the same by reason of having incurred expense in any way on behalf of the insured for his or her burial, or for any other purpose, and the production by the company of a receipt signed by any or either of them shall be conclusive evidence that such sum has been paid to the person or persons entitled thereto, and that all claims under this policy have been fully satisfied.

From the foregoing it will be seen that this policy belongs to that class of insurance known as industrial life insurance and is devised for the protection of persons of small means. Paragraph 2 discloses a wise and beneficent safeguard whereby the insured may be assured a decent burial and, because of the words "or any other purpose" whereby the company retains large discretion to reimburse relative or others for proper expenses, such presumably (to illustrate) as might be incurred for doctor's or hospital bills. It is consonant with public policy that the true intent of so safeguarded a contract of life insurance should be carried out.

At Discretion of the Company

The policy is thus not payable absolutely to the executors or administrators of the insured, but, in the event that expenses have been incurred on behalf of the insured, the policy is payable to the executors and administrators only at the discretion of the company.

The case, therefore, does not fall under the provisions of section 70 of the Bankruptcy Act, because, owing to its peculiar terms, the policy is not payable to the bankrupt, "his estate or personal representatives," in the sense of the statute, any more than were the policies in Re Hammel, 221 Fed. 56, 137 C. C. A. 80, or in Re. Arkin, 231 Fed. 947, 146 C. C. A. 143, or Milkman vs. Arthe et al., 223 Fed. 507, 139 C. C. A. 55.

The purpose of section 70, so far as applicable to life insurance policies, is thus stated in Holden vs. Stratton, 198, U. S.

As section 70a deals only with property which, not being exempt, passes to the trustee, the mission of the proviso was, in the interest of the perpetuation of policies of life insurance, to provide a rule by which, where such policies passed to the trustee because they were not exempt, if they had a surrender value their future operation could be preserved by vesting the bankrupt with the privilege of paying such surrender value, whereby the policy would be withdrawn out of the category of an asset of the estate. That is to say, the purpose of the proviso was to confer a benefit upon the insured bankrupt by limiting the character of the interest in a non-exempt life insurance policy which should pass to the trustee, and not to cause such a policy when exempt to become an asset of the estate.

Having in mind the attitude of the courts as shown in the Supreme Court and Circuit Court of Appeals cases cited supra (and others referred to in these opinions), it must be concluded that title to this policy did not vest in the trustee.

In view of the foregoing, it is unnecessary to determine whether the evidence shows that the company by its practice or a clear concession to that effect will pay the surrender value of the policy so as to bring the case within Hiscock vs. Mertens, supra, in that regard. The testimony is by no means satisfactory but, under the circumstances, this phase need not be gone into.

The order of the referee is reversed.

A SPLENDID PROGRAM

Topics That Were Discussed at Connecticut Mutual Life's Recent Convention

The field force which attended the recent convention of the Connecticut Mutual men at Fishers' Island, Conn., returned with the statement that they were greatly pleased with the wide range of the papers covered. In discussing the arrangement of this program Griffin N. Lovelace, superintendent of agencies, said:

"The first step was to collate a lot of apparently diversified material and then classify it as best we could. For days and weeks the material at hand appeared a veritable chaos, and the task seemed hopeless. Finally, however, we succeeded in arranging five general heads, which seem simple enough. These are, first: The History and Principles of Life Insurance. Second: The History, Contracts and Practices of the Connecticut Mutual; Third: Materials for Soliciting, covering both the Needs for What we Have to Sell, and the Things we Have to Sell. Fourth: Salesmanship, or How to Present What we Have to Sell. Fifth: Miscellany, covering many items which can hardly be classified under a general head."

The program follows:

"The Needs of Life Insurance," or "What Life Insurance Will Do," S. L. Morton, general agent, St. Louis; "Life Insurance as Credit," Geo. H. Parker, general agent, Brooklyn; "How to Use Our Materials to Prepare a Proposition or Sales Talk," C. C. Hills, general agent, Rochester, N. Y.; "Life Insurance to Encourage Thrift," S. Edwin Price, special agent, Baltimore.

"The Policy Contract"; "Principles of Life Insurance," "Business Insurance," "Team Work," "Securing Prospects," "Principals of Life Insurance," "The Policy Contract—Settlements," "Death Claim Settlements," "Life Insurance for Charitable Endowments," "The Investment of Large Funds in Life Insurance," Securing Settlements with the Application," "Life Insurance as a Birthday or Christmas Present," "Life Insurance as a Protection Against Shrinkage in Assets," "Advantages of Mutual Life Insurance Over Non-Participating Insurance," "The Investment of Trust Funds in Life Insurance," "The Company," "Advance Information on Prospects," "Life Insurance for Educational Purposes," "Chalk Talks," "Service Values vs. Incidental Details," "The Need for Disability," Life Insurance as a Safe Investment."

"Principles of Life Insurance," "Farm Loans," "Soil and Soil Types," "The Extension of the Field of Risks," "The Medical Department: What it is, and What it Does," How to Deliver a Policy," "How to Meet the Objections of the Buyer."

"Annuity Forms," "Effect of Creating an Immediate Estate by Life Insurance," "Old-Age Insurance," "Life Insurance to Cover Outstanding Indebtedness," "Self-Analysis," "The Daily Report," "Interest Income Insurance," "Income Insurance for Small Buyers."

THE AVERAGE EARNINGS OF THE AGENTS
OF THE
Standard Life Insurance Company
∴ ∴ OF PITTSBURGH ∴ ∴
are higher this year than ever before. Our attractive Accident and Health Policies have helped them to make more money.
Write for a LIFE, ACCIDENT AND HEALTH Contract to
FRANK A. WESLEY
Vice-President and Director of Agencies

40% **Increase in Paid New Premiums—that tells the 1916 story of Fidelity progress.**
Direct leads and the Fidelity "Income for Life" plan are making money for Fidelity field men. Any man who can sell life insurance can sell MORE Fidelity insurance.
Write to-day—
Fidelity Mutual Life
INSURANCE COMPANY, PHILADELPHIA
INCORPORATED 1878 WALTER LE MAR TALBOT, President

HOME LIFE
INSURANCE CO.
(Now Purely Mutual)
256 BROADWAY, NEW YORK
GEORGE E. IDE, President
The fifty-seventh annual report shows insurance in force of $133,493,000, an increase during the year of $7,832,827. The Company paid the policyholders in 1916 $3,536,233, of which $628,406 was in dividends or premium refund. Its insurance reserve fund was increased by $1,300,000 and the Assets are now $32-821,462.
For Agency apply to
GEORGE W. MURRAY,
Supt. of Agts.
256 Broadway, New York, N. Y.

NATIONAL LIFE INSURANCE COMPANY
(MUTUAL)
MONTPELIER, VERMONT
67th Year
FRED A. HOWLAND, President
On paid-for insurance basis and with bonds valued at par only (market value $409,882 above par) the 67th report shows:

Assets	$66,426,040.82
Liabilities	62,268,494.36
Surplus	$ 4,157,546.46
INSURANCE IN FORCE	$212,037,400.00

A good company for the policyholder and the agent
EDWARD D. FIELD, Superintendent of Agencies.

The Nation Needs Its Business
Not less patriotic than those who serve the Nation in organizations directly connected with the war, are those who keep the wheels of business steadily turning. Their work contributes to the country's moral poise, and, as well, keeps sound the financial foundation on which our great part in the war must rest. Life insurance is one of the great conservators of national resources, through its protection of the myriad homes of the people and the businesses which furnish their maintenance. Life insurance has therefore a great opportunity and a great duty in this time of crisis.
Occasionally we have a General Agency opening
JOSEPH C. BEHAN, Superintendent of Agencies
MASSACHUSETTS MUTUAL
Life Insurance Company
Springfield, Massachusetts
Incorporated 1851

LIVE HINTS FOR BUSINESS GETTERS

Practical Suggestions to Help the Man With the Rate Book Increase His Income and General Efficiency

No Harm To Be Sentimental

Some folks get the impression that it is buncombe when we talk of the great mission of life insurance. They imagine there is a measure of self-aggrandizement when we speak of the high nature of our calling. They say life insurance is merely a money-making business by which men earn a livelihood, the same as if they sold shoes or pianos or things to eat and drink. But they misread the facts. How could it be otherwise? They never get down close to life in its every day intimate phases and struggles. They are not in touch with the homes and businesses where life insurance beneficences occur. How could they be expected to know or appreciate the high calling of life insurance and the things it does?

What a satisfaction it must be to an agent who can play a helpful part in domestic happiness. With what satisfaction must an agent look upon such a family when he realizes that through his efforts the head of it was persuaded, perhaps against his will, to do the one and only thing that could have lessened the disaster for his household when the blow fell.

And there are fates that are even worse than death. In the abstract death is not so dreadful, for it comes in the natural course like peaceful slumber, to which we lie down at night, bringing rest and eternal quiet, and a surcease from care and suffering. Death is often a relief that is sought and prayed for. Many people actually welcome death. But no one seeks, prays for, or welcomes the living death that makes necessary the waiving of a premium or the paying of a policy in instalments because of hopeless disability. No one prays for that.

And so I say the stories in a recent issue of the suffering of a college boy from infantile paralysis, of a tailor who was incapacitated by tubereulosis, of a janitor helpless from cancer of the stomach, all doomed to live on, burdens to themselves and families save for the relief they will receive through life insurance, these things shed a new light on the high nature of a calling that veritably brings cheer to a weary world.

Of all the businesses we know, there's nothing that approaches life insurance for gripping the heart strings.—T. A. Buckner, New York Life.

* * *

Moore's Letter To Find New Prospects

George Godfrey Moore, of the Germania Life, who is an ingenious and effective letter writer, has originated a new one, which he encloses with a card having a picture and description of a steel box for valuable papers which he gives to those who furnished the names requested in the letter, which is subjoined, The Eastern Underwriter having seen it in "Service," published by the Germania Life:

My Dear Policyholder:

On the north wall of my office there stands a little black and white motto which says: "When a person loses his ability to co-operate with others he has joiend the Down and Out Club." And now for the application.

You hold a life fellowship in the Germania and the Germania depends on your co-operation for its success. You are not so much a patron as a partner with us. Every passing word of comment, good or ill, affects our progress—yours and mine. The Germania is your banker to the extent of the premium you pay; the Germania stands for service to you always—live, friendly, boosting, constructive service.

What would you think of a stockholder in a bank who did not patronize it? Here you are, part of one of the big financial successes of the earth. Your premium is the fee that admits you as a partner into this great institution. What are you doing for it? I am sure you want to do your part to make your company a big success. This you can do by telling each of your many friends of some of the good points about a Germania policy, and why he should have one.

There are ten active agents for our company in Topeka, sixty in this State. They are live wires, their personal business is big; their influence is powerful. They can be of great help to you. Just ask me and I will tell you how we can co-operate.

Now if you will give me on the enclosed card, the names of five of your friends whom you would like to see in our Company, I will send you one of the "strong boxes."

GEORGE GODFREY MOORE.

* * *

A New Selling Talk Editor

Lawrence L. Brill is editor of "The Neworlder," the new publication issued on the 7th of each month by the New World Life Insurance Company, "guaranteed circulation enough so that no one will feel slighted." It is much larger than the ordinary life insurance publication; contains many little essays to stimulate production; a few epigrams, and illustrations to brighten up the tops of its pages. Here are two of the best epigrams:

If a man could die twice, what a lot of life insurance he would carry the second time.

In our game the loafer hasn't got as much chance as a celluloid mouse being chased through Hell by an asbestos cat.

* * *

Keeping At It All Day Long

The Missouri State Life tells a story of a producer of that company who purposely left his watch at home one morning and swore he wouldn't look at a clock or ask anybody the time all day, nor sit down except to talk to a prospect or for fifteen minutes at lunch time, but would just keep on the hard go all day trying to sell insurance. He said he wrote more life insurance that day than he had in any day for a year. He added that ever since then, when he doesn't seem to be writing as much as he should, he takes that same dose for a day and it gingers him right up back into his usual hard pushing form.

Try that same prescription for a day and note the result.

UTILIZATION OF INSURANCE

Another way in which insurance can be utilized is as follows:

B knows that if he outlives A the estate will belong to him, but as long as A lives he gets nothing. He may need money, however, to support himself and his family, and if his life could be guaranteed he could borrow from a bank or trust company. Now, although his life cannot be guaranteed, his life can be insured, and a bank or trust company is often ready to lend money in such a case if the risk of death is covered by a policy at least equivalent to the amount of the loan.

BELIEVES IN RAW MATERIAL

The Public Savings Insurance Co. has printed the following observation on how agents can best be secured:

"Then how can good agents be secured? There is but one right way, sure way, sensible way, and that is to select the proper raw material and develop it into the good agent for staff and company."

THE MOST VALUABLE POLICY FOR YOU,
Mr. Agent, is to write your prospect in the Company writing the most valuable policy for the insured.
Secure **prompt action** in the

John Hancock MUTUAL LIFE INSURANCE COMPANY OF BOSTON MASSACHUSETTS

WILLIAM N. COMPTON, General Agent
METROPOLITAN DISTRICT, ST. PAUL BLDG., 220 BROADWAY, NEW YORK, N. Y.

ORGANIZED 1871
Life Insurance Company of Virginia
RICHMOND, VIRGINIA
OLDEST, LARGEST STRONGEST Southern Life Insurance Company
Issues the most liberal forms of Ordinary Policies from $1,000.00 to $50,000.00, and Industrial Policies from $12.50 to $1,000.00
CONDITION ON DECEMBER 31, 1916:

Assets	$14,464,552.23
Liabilities	12,436,717.56
Capital and Surplus	2,027,834.67
Insurance in Force	118,349,212.00
Payments to Policyholders since Organization	18,119,172.50
Is Paying its Policyholders over	$1,300,000.00 annually

GOOD TERRITORY FOR LIVE AGENTS

FOUNDED 1865
Unexcelled In Favorable Mortality and Economy of Management
The Provident Life and Trust Company
OF PHILADELPHIA
Rates of Premium Extremely Low and still further reduced by Annual Dividends

Ambitious, Productive and Trustworthy Life Agents may be benefitted by corresponding with the
Berkshire Life Insurance Company
of Pittsfield, Mass.
Inc. 1851
New policies with modern provisions Attractive literature
W. D. Wyman, President W. S. Weld, Supt. of Agencies

State Mutual Life Assurance Co.
OF WORCESTER, MASSACHUSETTS
Incorporated 1844
The Company that gives complete satisfaction to policyholders and agents because both are a part of it.
SEVENTY-THREE YEARS of faithfulness to every promise made.
Success for our ambitious representatives is a certainty.
Additions are made to our agency force when the right men are found
B. H. WRIGHT, President D. W. CARTER, Secretary
STEPHEN IRELAND, Inspector of Agencies

We want a GOOD PERSONAL PRODUCER and organizer for DESIRABLE TERRITORY in several states west of the Mississippi River. EXCELLENT CONTRACT.
Northwestern National Life Insurance Company
MINNEAPOLIS, MINNESOTA,
is a LEADING LOW NET COST, annual dividend, MUTUAL, OLD LINE company. Record for 1916—increase in insurance in force, 20%; in paid-for business, 51%; in assets, 15%; in amount apportioned for 1917 dividends, 71%.

Some Personalities In Chicago Field

CHRIS ANDERSON LEADING PRODUCER IN WINDY CITY

Writes More Than $2,000,000 Each Year —McLeran's Bean Farm— Day's Record

Chris Anderson is the leading producer of Chicago. He writes for the Penn Mutual and Mutual Life mainly. Last year he paid for $2,791,000. He hasn't been below $2,000,000 in six years. Chris has a little office in the Penn Mutual suite; just a corner of a sanctum. Although he keeps three telephones reasonably busy one would never suspect that his sanctum was the thinking focus of so much activity. Since Darby A. Day has been in charge of the Mutual Life's general agency Mr. Anderson has produced for that office $6,851,000. He has been for years largest personal producer of both the Mutual and the Penn. His slogan is "service."

A recent visit made by a representative of The Eastern Underwriter to a number of Chicago general agencies found these insurance men exceedingly optimistic. The Chicagoans are buying insurance as never before and a fine volume is being written.

Assisting Needy Families

In Charles F. Bullen, Illinois manager, the Canadian Life has a highly successful representative. He has made it an important factor in the life insurance field in Chicago where he makes his headquarters. Mr. Bullen is intimately acquainted with many of those in high official circles in England and has kept in close touch with the many perplexing problems which have grown out of the present war. He has been successful in raising thousands of dollars for a fund to assist families whose income has been curtailed by reason of one or more of its members being taken for military duty.

McLeran's Bean Farm

One of George R. McLeran's hobbies is seeing that business is written "right." That he has ridden a winner is seen by his lapse ratio. He is general manager of the Chicago department of the Home, which office he took in January, 1911, when that company had about $150,000 of business in his field. Now, it has over $1,000,000. In his sixth year with the company he finds that he has a lapse ratio of less than one per cent. Mr. McLeran is stern visaged, but jolly. He is a close student and a careful thinker. He hasn't much use for term insurance, and can argue most effectively with an agent in showing him that the quicker term is converted into a more attractive contract the better it is for all. Raised on a farm he knows that game fully as well as life insurance. He possesses some broad acres in Colorado and last summer spent several months there raising beans. Beans, three hundred and twenty acres of them; and, by the same token, beans run as high as 500 pounds to the acre. So it is easy to figure out Mr. McLeran's accomplishments as a farmer.

Girardin Started as Fire Agent

Jules Girardin used to be a prosperous fire agent in Texas. When still a very young man he was making a handsome income out of that business. But the call of life insurance was too strong. Eventually he came to Chicago where he is running the Phoenix Mutual agency. This year the first six months yielded almost as much as all of 1916. He is a forceful organizer who has used his talents to good effect. When president of the Chicago Life Underwriters' Association the active membership was somewhere about 500 and the meetings were looked forward to with pleasure. Members stopped him on the street to say: "When are we going to have another meeting? I haven't received a notice for some time. Well, I think we ought to have a meeting. I wish to bring a couple of friends to show them what a live bunch we are." Although it is a long time since he has been president he has never lost interest in the organization nor hesitated to give liberally of his time and energy to further its ends. He is easily one of the most popular insurance men.

Strong With Manufacturers

Nobody in the life business in Chicago has more successfully demonstrated the possibilities of that field than Herman Kramer, of the Penn Mutual agency. Although the junior of many life men in his field, Mr. Kramer has a particularly large following among the successful manufacturers in that city. He is widely known in the central manufacturing district where he spends much of his time. One should attend one of Mr. Kramer's enjoyable banquets given at the Manufacturers' Club to realize the number of his friendships and the reasons for his success. He delights in having his friends about him and as host he is par excellence.

Bishop Has Traveled Much

One of the older agencies in Chicago is that of L. Brackett Bishop, manager for the Massachusetts Mutual. This is now a large agency in which women play an important part as producers. The Bishop agency is like one big family in which sociability and good fellowship are encouraged through frequent gatherings of the field and office forces. At these assemblages Mr. Bishop is at his best—a royal entertainer and delightful host in which prerogative he often has the valuable assistance of Mrs. Bishop, who takes the same keen interest in their success as does her husband. Mr. Bishop is a lover of literature, travel, art, nature, and has many beautiful curios picked up abroad. He is an enthusiastic traveler. Long before government insurance of army and navy men was seriously considered Mr. Bishop had evolved a plan to do away with the old pension system through the agency of life insurance.

Day's Agency Has Totalled $82,144,000

The second month Darby A. Day had charge of the Mutual Life Agency in Chicago the office wrote $1,000,000 of applications. This was the germ of the "Million a Month Agency" idea which, now an accomplished fact, has made that agency known throughout the life insurance world. For a short time there were some "breaks" in the monthly records of written business, the sum not reaching a million. But Mr. Day organized his forces so rapidly and pushed for business so energetically that soon he put the agency on the million a month paid-for basis where it has remained without interruption for fifty-nine months. Last month, August, the total was $2,020,000, the agency having passed out of the million a month class some time ago. In the seventy-eight months Mr. Day has been in charge the paid for business has totaled $82,144,000. So far this year the total is $12,573,000.

It was a far cry from Arizona to Chicago when in 1911 Mr. Day took charge in the big city. Out in the sage brush he thought nothing of traveling from one to three hundred miles to visit a prospect. However, the percentage of closed cases was larger there. Mr. Day represented the Mutual there also and had been a valuable man in the home office. Through all the trying times to which life insurance has been subjected Mr. Day has never lost his grip on the situation. He possesses in marked degree the faculty of infusing into the minds of his 150 or more field men the determination to win out no matter what the demands on energy and skill may be.

Producing More Than $7,000,000 a Year

Now that the Union Central Agency in Chicago is producing at the rate of over $7,000,000 a year, E. A. Ferguson, its manager is entitled to rank as one of the leading underwriters there. Few managers are so generally well liked in the "street" and few have been so genuinely interested in promoting the welfare of the business in Chicago. One of Mr. Ferguson's principal aims has been to maintain a high average of production in his agency. In this he has been signally successful for his men, of which he has not more than twenty-average over $225,000 a year. If a man can stay with the Ferguson agency for two years its dollars to cents he will become a permanent fixture. Mr. Ferguson is a firm believer in full time men. The rules of his agency are strict in this regard. The Union Central agency is now in its twentieth year and when Mr. Ferguson took it there was practically no business in Illinois. When with the Mutual Life he was one of its largest personal writers. His father was also a Mutual Life man, having charge of six States. Mr. Ferguson is a Harvard graduate.

President of Association

William F. Crawford, president of the Chicago Life Underwriters' Association, furnishes another example of what pluck and energy will do when properly applied to the life insurance business in that fast growing metropolis. This agency of the Equitable of Iowa is now in the $2,000,000 class after Mr. Crawford has been at its head for six years. He also had to start from "scratch," coming to Chicago a total stranger.

McCary's Agency

Between six and seven million a year is now being written by the C. J. McCary agency of the Penn Mutual which has attracted to its corps some very large personal writers, such as Chris Anderson and Herman Kramer.

Twenty-five Years With New York Life

While on the subject of big producers in Chicago, there is James A. Campbell who guides the destinies of the Central Branch of the New York Life. How fast this agency is going is proven by the figures for eight months of 1917 which show 4,406 applications for $10,162,724 paid business. Over a million a month, that is, and Jim Campbell built it all up from practically nothing. Not long ago he celebrated the twenty-fifth anniversary of his connection with the New York Life.

THE
METROPOLITAN LIFE
Insurance Company
(Incorporated by the State of New York)



Metropolitan Life Insurance Company
Home Office Building

The Company
Of the People
By the People
For the People

The Daily Average of the Company's Business during 1916 was:

701 per day in Number of Claims Paid.

8,304 per day in Number of Policies Issued and Revived.

$1,969,823 per day in New Insurance Issued, Revived and Increased.

$376,827.40 per day in Payments to Policyholders and Addition to Reserve.

$220,509.26 per day in Increase of Assets.

JOHN R. HEGEMAN, President

Representing

The Mutual Life Insurance Company
of New York

You will make money.

The great strength, big dividends and incomparable benefits of the *"oldest company in America"* mean certain success for you.

For Terms to Producing Agents, Address

GEORGE T. DEXTER, 2d Vice-President
34 NASSAU STREET, NEW YORK, N.Y.

THE EASTERN UNDERWRITER

This newspaper is owned and is published every Friday by The Eastern Underwriter Company, a New York corporation, office and place of business 105 William Street, New York City. Clarence Axman, President; W. L. Hadley, Secretary. The address of the officers is the office of this newspaper. Telephone 2497 John.

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COX BEFORE SENATE JUDICIARY COMMITTEE

In his appearance before the subcommittee of the Senate judiciary committee on September 22, Robert Lynn Cox, third vice-president of the Metropolitan Life, said, in part:

"Mr. Chairman, I am appearing here on behalf of the Association of Life Insurance Presidents, which is an organization of a number of companies throughout the United States, from Maine to California. We had a conference in New York yesterday, as a result of which I have come down here to talk with you about this matter.

"I was impressed by the fact that the Secretary of War this morning, in referring to the matter, used the expression that it was intended to protect the men who owed money. He had in his mind protecting the soldiers who owe money; and then in this letter to which Major Wigmore referred as being written by a soldier, I noticed the expression that the soldier wanted to 'save his equities.' He had equities; he had obligations; he wanted a situation created whereby both could be taken care of.

"Now, we are for that. We are here to support this bill, and I say that notwithstanding the fact that life insurance companies have enormous obligations owing to them, necessarily because of the large reserves they are compelled by law to carry. The amount of those obligations, that is, their assets, aggregate about $6,000,000,000. There are at least $2,000,000,000 owing to these companies as a part of their reserve on mortgages which are involved in the earlier sections of this bill; and to the extent that those obligations are owed to them by soldiers, I do not believe one of them is here to raise his hand in opposition to this bill. Let them be postponed. Let us wait. All that, we are for. We do not need to discuss it. It is the sentiment that is prevalent everywhere, and there is no more of it anywhere than among life insurance men. But we want you to consider the great injustice that is being done, or that will be done, if you take one man's money to pay another man's insurance.

"What I want to impress upon you is the unfairness of singling out, as you have here, the business of life insurance from all the other businesses of this country and asking it to do something in this connection that you are not asking of any other business. That is, you are asking these policyholders, as policyholders, to do something that they are not compelled to do as mortgagees or in any other capacity in which they may be acting in this war."

Senator Brandegee here made the point that "If the government should tax all the people to pay any of these premiums that the soldier could not pay, there would be some equity in that."

To this Mr. Cox replied:

"That would be absolute equity as I see it; and I want to say to you, Senator, that the government is doing that somewhat, in effect, by another bill that is now in your body that is going to provide life insurance for these soldiers, 90 per cent. of which, in my judgment, is going to be paid for by the government itself. They have got a pitiful little $8 per $1,000 injected into the bill that the soldier must pay; but that does not begin to cover the risk. The cost of the real risk, the war risk, is being prorated all over the country, and it is also provided in that bill that casualty and disability shall be taken care of, and that families shall be compensated, etc.; and it is being done by all the people.

"Now I want to call attention to another thing, if I may, and that is to the reserve which we accumulate in connection with level-premium life insurance; that principle involving as all of you know, of course, the payment of a larger sum than the mortality cost in the earlier years of life in order that you may escape paying an excessive mortality cost in the later years of life, that forcing an accumulation of money which constitutes this reserve. That fund is in hand, on most of these policies, to some amount. There is a reserve accumulated from year to year; but under the contracts of insurance, these reserves are really available to the policyholder now for continuing insurance. Almost all of the contracts provide in various ways for two or three alternatives, either that the insurance may be continued at its face value for a certain length of time that will be paid by the reserve, or that the insured may take a certain amount of cash, or that he may receive a paid-up policy for life for a lesser amount.

"So to the extent that the reserve is there and available to pay for this insurance, we offer no objection. There is no hardship done there. That would be done under the contract. We are only referring, if you please, to the provision which compels carrying it along beyond the time when there is any of the man's money available to pay any cost of this insurance.

"Perhaps I ought, in fairness to you, to call your attention to the fact that these policy contracts provide that men may come in and practically borrow from the company at a low rate of interest the entire reserve, or almost the entire reserve. That is called the loan value of the policy. As this bill stands, there would be no reason in the world why a soldier could not immediately come to the company and say: 'Under our contract I wish to borrow my full reserve now,' and then go back and rely on the operation of the statute to continue the policy in force indefinitely, or until the end of the war and six months thereafter, leaving no funds at all, although he had funds in hand in the beginning."

THE HUMAN SIDE OF INSURANCE



John G. Hoyt, president of the Missouri State Life, and Mrs. Hoyt were snapped during their recent visit with representatives of that Company to Yellowstone Park, and the picture is reproduced herewith. The Missouri State Life has had the most successful year in its career. It is a strong company with many points about its management and its contracts which appeal to agents, and has about as loyal a field force as can be found in the country. Much of the success of the Company is due to the splendid executive abiilty of the president and his faculty for inspiring the field force to go out and do its level best. This Company began doing business in 1892 and in 1902 was reorganized as a legal reserve company. In 1909 it collected $200,000 capital and $50,000 surplus without any selling expense. Mr. Hoyt, who as president of the Cincinnati Life Insurance Company, and his associates purchased control of the Company in 1911, at which time Mr. Hoyt was elected vice-president. In 1910 Mr. Hoyt and his associates purchased control of the Hartford Life, of which company Mr. Hoyt was made president. Later the Hartford Life's legal reserve business was re-insured. The Missouri State Life's investments are splendid and return a high rate of interest. Its cost of getting new business is conservative, its management expenses low, so it will be seen that this is a Company that is well-managed and destined to continue to forge ahead.

R. H. Folsom of Fester & Folsom says he is going to sell twice as much of the second Liberty Loan as he did of the first one, when he placed $400,000 worth. He already has for distribution some good literature on the subject. For the Red Cross he has collected $268,000. Out in Englewood where he lives the citizens subscribed $254,000 for the first loan, the government having allotted to that town only $25,000. When the government's figure was known the Englewood people thought a mistake had been made and one after another they kept raising it to what they thought it ought to be until finally it reached $250,000. Mr. Folsom, through his many foreign connections, is in closer touch with war situations than most Americans and he realizes the needs of various branches of government service much more keenly than the average man in civil life. Just now he is working on a plan to help the Motor Transport Volunteers of London, who do a peculiar but highly necessary work for the troops on leave, for which service financial aid is a crying need. The volunteers have transported over 225,000 soldiers on leave across London at night when all other means of communication have ceased.

* * *

Louis O. Faulhauber, prominent Newark agent and broker, and also president of the Northern New Jersey Casualty Underwriters' Association, has been elected president of the Kiwanis Club, of Newark. The word "Kiwanis" is Indian and means "honest trading." The members of the Kiwanis Club are representatives of different professions and businesses who are pledged to maintain the highest standard of business ethics.

* * *

F. M. Robertson, local agent in Charleston, S. C., with his family, is spending his first vacation in several years in New York City.

Joseph A. Sinn, vice-president of the National Surety, died September 25 in the Midwood Sanitarium, Brooklyn, after an operation. He was 64 years old and was one of the most widely known surety men in the business, being regarded as an expert in his line. Mr. Sinn was a native of Pennsylvania, and, before entering the surety business, practiced law in Philadelphia. He entered the employ of the City Trust & Safe Deposit Company of Philadelphia thirty years ago. In 1907 he became vice-president of the Title Guarantee & Surety of Scranton, Pa. He took charge of the re-insurance department of the National Surety in 1914, later becoming a vice-president. He leaves a widow, a daughter and two sons. The funeral took place in Germantown, Pa.

* * *

W. W. Wisler, Pennsylvania, has been engaged as special agent in Pennsylvania for the Travelers. Mr. Wisler was recently connected with the American Red Cross, Atlantic Division, as field secretary. He is a Harvard man, who during and after his college years, spent considerable time in studying shop management and welfare work among industrial men.

* * *

William S. Vetterlein, special agent at Philadelphia for the Maryland Casualty, has been awarded the War Cross and the military medal for distinguished conduct under fire. Three months ago he started for France and entered service as an ambulance driver. He is now suffering from serious injuries, having been hit in seven places by shell fragments.

* * *

George Kuhns, president of the Bankers' Life of Des Moines, landed a swordfish on his recent trip to the Pacific Coast. Almost immediately upon Mr. Kuhns' return from the West he responded to a call from the county fair at Pine County, Minnesota, where he was the orator of the day and where he acquitted himself fully as well as in his affair with the swordfish.

FIRE INSURANCE DEPARTMENT

Announces Program for St. Louis

NATIONAL ASSOCIATION OF INSURANCE AGENTS' MEETINGS

Long Schedule of Special Topics Slated For Discussion—Casualty Program, Too

The National Association of Insurance Agents has announced the program for its annual convention in St. Louis. The program follows:

First Convention Day

Thursday Morning, Oct. 11, 9.30 o'clock.

Address of Welcome.—J. Lionberger Davis, president St. Louis Chamber of Commerce.

Response.—Dale D. Butler, Middletown, Conn.

President's Address.—Edward C. Roth, Buffalo, N. Y.

Report of Executive Committee.—Clarence S. Pellet, Chicago, Ill., chairman.

Report of Legislative Committee.—George D. Markham, St. Louis, chairman.

Report of Committee on Organization.—E. M. Allen, Helena, Ark., vice-chairman.

One Hundred and Tenth Anniversary of the American Agency System.—Address by Benjamin Rush, president Insurance Company of North America, the first company to authorize and appoint a local agent in the United States, October 6, 1807.

Adjournment.

Missouri State Association meeting: Immediately following adjournment of the morning session, there will be a luncheon meeting of the Missouri Association of Insurance Agents at the Missouri Athletic Association, to which all Missouri agents are invited.

Casualty and Surety Section

Thursday Afternoon, Oct. 11, 2 P. M.

Meeting in joint session with the National Association of Casualty and Surety Agents.

Introductory Remarks.—John A. Morrison, president National Association of Casualty and Surety Agents.

Address.—"Insurance and its Relation to Society and Government," Frederick Richardson, manager General Accident Insurance Corporation.

Address.—"Making Compensation Rates: Promulgation of Manuals and Plans for Rate Modifications," by P. F. Garnett, field secretary National Workmen's Compensation Service Bureau.

Report of Casualty Committee.—J. K. Livingston, Detroit, Mich., chairman.

Special Topics.—Resident Agent Laws. Development of Casualty Section: How Made Beneficial to Agents. Acquisition Cost in Workmen's Compensation: Report on Insurance Commissioners' Convention. Co-operation Between all Agents on Common Dangers: Relations with State Federations.

Committee Meetings.—Immediately following the afternoon session, committee meetings will be held as follows, unless otherwise announced: Executive committee, room A, 11th floor, American Annex; resolutions committee, room B, 11th floor; nominations committee, Convention Hall; State officers' committee, Convention Hall.

Thursday Evening.

General meeting National Council of Insurance Federations.

Second Day

Friday Morning, Oct. 12, 9.30.

"Southgate Memorial."—Committee

(Continued on page 10.)

Agree to Protect Members' Business

JERSEY AGENTS HOLD MEETING IN ASBURY PARK

Casualty Solicitors, Standard Forms and Resident Agent Law Among Subjects Under Discussion

By a resolution adopted at the semi-annual meeting of the New Jersey Association of Underwriters at Asbury Park, September 20, that body went on record as favoring plans by which the business of members called to the colors shall be cared for and protected by their associates while absent from business. The resolution follows:

"That it is the sense of this meeting that if any member of the association be called to the service of his country, his fellow members deem it their duty to protect the business of such absent member to the best of their ability."

Eligibility of Casualty Men

The secretary presented for approval by the members a ruling to govern the admission of casualty men. It reads:

"Only those agents are eligible for membership under this section who are compensated on a commission basis, or on a salary in lieu of commission, provided, however, that no sub-agents report to such salaried agent. So-called and recognized branch officers or managers of a company are ineligible, whether they are duly commissioned agents or not."

After hearing the text of the new clause some members doubted their eligibility on the ground that they are acting as salaried managers. They were assured that the ruling was made only to govern the admission of new casualty members, and that old members are in no way affected by it. All casualty member applications will be referred to the executive committee for approval.

Welcomed by S. H. Calvert

S. H. Calvert of Asbury Park, president of the newly organized Real Estate and Insurance Association of Monmouth County made the address of welcome and gave assurance of hearty co-operation by the local organization.

Manager Cecil F. Shallcross of the Royal wired from Victoria, British Columbia, congratulating President Cox upon the work of his administration and extending best wishes for its continued success.

President Cox made a short address in which he said that the officers are particularly desirous that all the members should know just how the association is being conducted. This they cannot do unless they come to the meetings. There is much important work to be done in every community and everybody should give more of his time and interest to the association. The desire is to run the organization along democratic, not autocratic lines and those who habitually stay away from meetings are almost certain to develop incorrect ideas of the broad manner in which the association is being conducted. "Come forward and offer your services," said President Cox, "there is plenty to do everywhere." So much work is done between meetings that agents who do not keep in touch with the organization cannot possibly realize how much is being accomplished for the benefit of all.

Value of Affiliation

Minutes of the annual meeting February 15 and meetings of the ways and means committee and the executive committee in Newark, March 27, and September 5, were read and approved.

Chairman Limouze of the ways and means committee reported on various activities of the year, pointing out that the present acquisition cost schedule allows an exceedingly small margin for operation and profit. The value of alliance with the national body cannot be too strongly emphasized. The support of a nation-wide organization is of incalculable benefit in much of the most difficult work the local body has to perform.

It is expected that after January 1 all companies will be using the standard account current that has been approved in conference of companies and the national association. By co-operation with the national association it should be possible to secure favorable action on the proposed excess profits tax. Mr. Limouze expressed the belief that by the work that has been done insurance men will be exempt from this tax. This service alone is worth to the individual member many times the cost of membership.

Advanced Dues Being Paid

The by-laws have been reprinted and copies are now available. A new circular setting forth the accomplishments of the association has also been prepared as well as neat signs for office use setting forth that the agent has membership in the association, which is affiliated with the national body. It is understood that the Hudson County organization is going to reconsider its decision to remain an independent body.

The most important change in policy in recent years was the decision to change the annual dues from $3 to $5. This has not resulted in a heavy loss in members as was predicted. So far 208 have paid dues on the advanced basis and 49 are still unpaid, of which 24 are in Hudson County where the situation has been peculiar.

St. Louis Delegates Announced

Judge Summers of Millburn, who acted as delegate to the mid-winter meeting of the National Association reported on that meeting. Harry S. Powell, of Millville, moved the adoption of the report and the payment of Judge Summers' expenses by the association. This offer the judge declined witb thanks.

Casualty Committee Chosen

The Chair announced that the delegates to the St. Louis convention next month will be the president and the secretary; the alternates Judge Summers and one other to be selected.

The following sub-committee of the ways and means committee was selected to have charge of all casualty matters: Louis O. Faulhaber of Newark, general agent, Employers Liability,

FIRE AND MARINE INSURANCE—ALL LINES

The Automobile Insurance Company of Hartford, Conn.

MORGAN G. BULKELEY, President

Statement January 1, 1917

Cash Capital	$1,000,000.00
Assets	2,748,832.19
Liabilities (Except Capital)	1,039,977.81
Surplus to Policyholders	1,708,854.38

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Detroit F. & M. Ins. Co. of Mich. — Employers' Lia. Assce. Corp. of London

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chairman; Fred Reynolds, Paterson; W. F. Smith, Trenton, and Douglas Schenck, Jersey City.

Chairman E. V. Magee of the executive committee reported favorably on the names of Silas W. Hayes, Asbury Park, and Parker Brothers, Flemington, for membership. Since this meeting a number of new applications have been received.

To Improve Present Law

The question arose as to whether this is an opportune time to work for improvement of the resident agent law. It was generally believed that this should be undertaken as soon as practicable.

Mr. Faulhaber rose to correct what he believed to be misapprehension on the part of some as to the status of casualty men in the association. He said that the casualty men are being attracted to the organization in the belief that through it they will be benefited and protected just as the fire men have been. Therefore he urged closer co-operation by the two branches.

The new standard policy was reported on favorably by the ways and means committee and discussion arose as to whether the new form states specifically how notice of cancellation shall be made. Messrs. Plume and Ransom were chosen a committee to examine the new form and report to the ways and means committee.

Following a recess for luncheon patriotic addresses were made by Honorable Elmer H. Geran, minority leader of the assembly and assistant prosecutor of Monmouth County, and by Leo H. Healy, an attorney, of New York.

JOINS FRELINGHUYSEN AGENCY

J. H. Donovan, Former Examiner for the Orient, Becomes Underwriter in the Agency Department

J. H. Donovan, who has been examiner for New England of the Orient Insurance Co. for the past three years and has been with that Company for the last twelve years, joined the staff of the J. S. Frelinghuysen agency this week. Mr. Donovan will be an underwriter in the agency department.

Program Announced

(Continued from page 9.)

report by A. W. Neale, Cleveland, chairman. Remarks by Charles F. Hildreth, Walker Taylor and others.

"Local Agents and Fire Prevention."—Special report committee on fire prevention, F. V. Bruns, Syracuse, N. Y., chairman.

"Agents' Co-operation in Company Economy."—Special report South Eastern conference committee, Fred W. Cole, Atlanta, chairman.

Discussion.—"Re-insurance Treaties and Net Lines."

Discussion.—"Multiple Agencies."

Afternoon Session, Oct. 12, 2 P. M.

"Under Cultivated Lines."—Short talk to be followed by "quiz," by Charles E. Varley, Chicago, superintendent improved risks department, Springfield F. & M.

Special Topics.—Qualifications for brokers and agents; uniform system for collection of premiums; organizing insurance clubs; mutual and inter-insurers' competition; uniform daily reports and other blanks; anti-discrimination laws; defense laws for the protection of local agents; increased cost of doing agency business; service or engineering department for agents.

Introduction of resolutions; adjournment.

Third Day

Saturday Morning, Oct. 13, 9.30 o'clock.

Address.—"Co-operating in Sales and Advertising as Applied to Fire Insurance," William H. Rankin, Chicago, president Rankin Advertising Agency.

General discussion.

Discussion.—"Fire Insurance and War Conservation—Obligation of Agents."

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Fire—Casualty—Automobile Insurance
Nation-Wide Facilities for Handling SURPLUS LINES
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W. R. HEDGE ELECTED PRESIDENT

New England Underwriters' Conference Reports Automobile Conditions Satisfactory in That Field

Automobile underwriting in New England is reported to be in satisfactory condition by the executive committee of the New England Underwriters' Conference, which met in annual session in Boston last week.

W. R. Hedge was elected president, succeeding H. R. Clough. The other new officers are:

G. H. Tryon, vice-president; C. S. Timberlake, secretary-treasurer; and as members of the executive committee: E. C. Brush, J. V. Fothergill, C. Gunn, W. R. Hedge, E. H. Hildreth, Z. L. Hoover, C. M. Martindale, W. J. O'Donnell, R. E. Stronnach, C. S. Timberlake, G. H. Tryon, E. T. Wells.

The six representatives from the New England conference elected to serve as delegates to the national conference for the ensuing year are as follows: H. R. Clough, C. D. Dunlop, J. V. Fothergill, W. R. Hedge, G. H. Tryon, W. F. Whittlesey.

M. A. DONOVAN PROMOTED

Made Manager of Metropolitan Automobile Department of Stuyvesant and State of Pa.

M. A. Donovan was made manager this week of the local automobile department of the Stuyvesant and the Insurance Company of the State of Pennsylvania in the agency of J. S Frelinghuysen, effective October 1. Mr. Donovan joined the automobile department of the Frelinghuysen agency about a year ago and succeeds Archibald Whelpley, who resigned last week to form an agency of his own. Mr. Donovan was previously identified with the automobile department of the Aetna Accident & Liability for several years.

A. WHELPLEY & CO. FORMED

Appointed General Agents of Automobile Department of Connecticut Fire for Metropolitan District

Archibald Whelpley, who resigned this week as manager of the automobile department of the J. S. Frelinghuysen agency, has formed the agency of A. Whelpley & Co. The agency has been appointed general agents for the metropolitan district of the automobile department of the Connecticut Fire and expects to start business about October 1, when Mr. Whelpley's resignation from the Frelinghuysen agency takes effect.

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"The Leading Fire Insurance Company in America"


WM. B. CLARK, President
AETNA INSURANCE COMPANY
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of Aetna Insurance Co.
Application For Agencies Invited

Grain Elevator Exchange Formed

GEO. J. KUEBLER AT HEAD OF NEW PROMOTION

Will Co-Operate With Both Stock and Mutual Companies—Compiles Experience Data on Rates

The Grain Elevator Exchange has been formed at Chicago, headed by Geo. J. Kuebler, a well-known insurance attorney of that city. Mr. Kuebler, commenting on the new promotion to The Eastern Underwriter, said that the movement to form a high class exchange was originally promoted by an inquiry started by the Illinois Department early this year. This inquiry, according to Mr. Kuebler, developed the fact that at those periods of the year when grain movements were most active and under certain market conditions, some grain men found difficulty in securing coverage, though the main reason was that there was a reluctance to cover on some of the old wooden houses.

Taking this situation as being justification for a responsible exchange, Mr. Kuebler proposes to co-operate with both stock and mutual companies and with the terminal grain elevator men of the country.

The work of the Exchange will include the recommendation of engineering improvements with a view to reducing the hazard and securing a lower rate. The Exchange has already circularized a large number of the grain men as to their risk and their replies, summarized by the Exchange, give a comprehensive view of conditions prevailing in this field.

The report of the Exchange, which is dated September 20, shows that 86 per cent. of the repliants carry insurance in stock companies at an average premium of $1.77. There are 57 per cent. of the repliants who carry mutual insurance at an average rate of $1.77 and 20 per cent. who carry Lloyds insurance at an average rate of $1.83.

The report shows further that 48 per cent. of the repliants have made no fire prevention improvements in the past two years and that of those who did make improvements 70 per cent. secured premium reductions as a result.

From the figures secured, the Exchange estimates that grain elevator men in the past five years have paid premiums of about $3,759,798 with losses of about $1,345,284.

The Exchange proposes to write fire, lightning, tornado, explosion, inland navigation and war coverage.

E. S. ALLEY JOINS AGENCY

Comes From Pacific Coast to Join Brother in Associated Mutual Agency Inc.—Has Had Wide Experience

Edward S. Alley, who has been a local agent on the Pacific Coast at Spokane and Tacoma for the past fifteen years, has become identified with his brother, B. J. Alley, in the Associated Mutual Agency, Inc. He is expected to come on to New York by October 1.

DISSOLVES POTTSVILLE FIRM

James G. Lowrey and Paul Sheafer, of Pottsville, Pa., have dissolved their partnership. Mr. Lowrey has retired, and Mr. Sheafer has taken his interest. The firm name of Sheafer & Lowrey will be retained.

ATLANTIC CITY RATES CUT

Six and Two-thirds Per Cent. Reduction Following Installation of Many Improvements

On account of completion of many of the improvements to the public fire protection of Atlantic City suggested by the National Board since 1913, a reduction of 6 2-3 per cent. is made from all premiums as determined by filed conditions before September 1, and after application of the five per cent. increase in rates made throughout New Jersey.

As circular No. 27 provides for a general increase for all property located in the State, the Schedule Rating Office suggests for the convenience of application, and economy of expense in figuring for a five per cent. increase followed by a 6 2-3 per cent. decrease, that two per cent. be taken from the premiums as produced by the present filings of specific rates and class rates, and this shall be considered as a proper compliance with the filings of increase circular No 27 and filings of decrease circular No. 28.

This two per cent. decrease is upon the premium as determined by the filed conditions without consideration of the five per cent. increase. It applies to all specific ratings and filings promulgated before and after the Schedule Rating Office went into effect in 1913. It applies to all class rates. It does not apply to charges made for any privilege, permit or device as filed in the Hand Book of Rules and Class Estimates. Such charges are to be made after percentage decrease is allowed. It does not apply to the minimum premium of $2. All filings and all specific and class rates issued after date of this filing will be subject to this two per cent. decrease and will be so printed on rating data.

McMASTER ON PREVENTION

South Carolina Insurance Commissioner Sends Letter of Caution to Citizens of State

Insurance Commissioner F. H. McMaster, of South Carolina, has sent the following letter to citizens of the State:

"September 22, 1917.

"Dear Sir:

"Help to reduce the shingle roof fires by advising the people at this season of the year, that they should put a piece of old sheet zinc or an old discarded dry cell battery in their fire places and stoves. The fumes from this will rid the chimneys of soot and save money and houses.

"Help prevent fires by urging people to rid their cellars, garrets and premises of trash. Have no greasy rags about the house to start spontaneous combustion fires. Do not put ashes of any kind in wooden boxes. Replace weathered shingles with tin or some non-combustible roof and see that their electrical wiring has not the insulation worn off and is in good order.

"Help save the property of the people. This may not reduce insurance rates but it will save loss to many citizens."

MECHANICAL APPLIANCES

Underwriters Laboratories Issues Pamphlet Giving Comprehensive List of Inspected Apparatus

The Underwriters Laboratories, Inc., this week issued a pamphlet containing a list of mechanical and electrical appliances inspected. The pamphlet shows the labels used and includes accident hazards as well as fire.

With the report on each appliance, there is given a list of the manufacturers thereof together with the trade name of the article. This pamphlet may be secured from the Underwriters Laboratories, Inc., Chicago, on request.

The Underwriters Laboratories, Inc., also issued this week a booklet showing the organization, purpose and methods of the institution, containing photographs of the building in Chicago and of types of work being done.

GREEN ISLAND ORDINANCES

Underwriters' Association of New York State Makes Recommendations to Troy Community for Reductions

The Underwriters' Association of New York State has recommended several ordinances to the village of Green Island, which is adjacent to Troy, N. Y., the passage of which would help to reduce the fire rate of the community. Chief among these is one providing for the inspection four times a year of every building in the village by the fire chief. The ordinance would embody rules for property owners, violation of which would make them liable to a fine of $25. A second ordinance forbids leaving overnight within thirty feet of any building, empty boxes, barrels, rubbish, trash, waste paper, excelsior, etc.; does away with wooden ash barrels by forbidding the placing of ashes in any wooden container; forbids the existence of oily waste or rags, except when contained in a metal receptacle, and provides a fine of $5 for violations.

A third ordinance forbids bonfires for the destruction of rubbish or for any other purpose within the village limits; the fourth prohibits celebrations that include fireworks displays; the fifth makes it a crime to keep explosives in any form; the sixth and last ordinance forbids the existence of volatile liquids, like gasoline, in open vessels or in any receptacles except tanks of approved pattern and material.

TELLS OF FRANCE

Lieutenant Cleon E. Krouse, son of Clarence A. Krouse of Philadelphia, gave an illustrated lecture last week on the work done by the American Hospital in Paris and by the American Ambulance Corps.

TO ADDRESS SOCIETY

Arthur Richmond Marsh, editor of the "Economic World," will be the speaker at the opening meeting of the Insurance Society of New York on October 23.

ANOTHER SHORE HOTEL FIRE

The New Point Comfort Hotel at Keansburg, N. J., burned on Monday. The loss is estimated at $32,000. The property was insured for only $14,000. Another hotel in the Thousand Islands has burned with a loss of $75,000.

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C. B. G. GAILLARD
Assistant Manager

Clarke Talks to Industrial Men

ADDRESS OF ASSISTANT SECRETARY OF HOME

Five Companies in 40 Years Just Top 1 Per Cent. Profit in Pennsylvania

George A. Clarke, assistant secretary of the Home of New York, delivered an address on insurance before the Industrial Commission of Bethlehem, Pa., last week. Mr. Clarke told of the importance of appreciating the nature of the fire insurance contract; explained that there is a considerable difference between insurance companies and the types of service that they render, particularly when they pay their losses; advised his auditors of the importance of carrying windstorm insurance; discussed under-valuation; described fire prevention progress and the conservation work of the National Board; covered several other points in his interesting paper. Mr. Clarke in part said:

"Too often property owners do not realize the importance of insurance, and even when they have their property insured, rarely read over their policies, and in some cases even do not have them in their possession, leaving them in the hands of their friends, the local agents, all of which is quite proper if the selection is made with care. An insurance policy is one of the most important of all contracts, and should be drawn as carefully and understood as thoroughly as any other instrument where dollars and cents are involved. How many of you would accept a deed to a piece of property without reading it and knowing for a fact that it properly transferred the title to the property referred to?

Should Carry Adequate Insurance

"It is especially necessary at this time when labor and material cost so much more than ordinarily, that you look into the amount of insurance you are carrying. This is doubly true where you have received a reduction in your rate on account of a co-insurance clause attached to your policy of insurance requiring you to insure the property covered for 80, 90 or 100 per cent. of its value, as the case may be. The object of co-insurance is to enable the insurance company to make a just rate. A co-insurance clause is nothing more than an agreement. When it is complied with it is inoperative in case of a loss. In the first place, the only benefit or advantage to a fire insurance company by reason of superior construction of a building or superior fire department protection is found in the probability of losses being partial only, instead of total, with a consequent salvage. In order, however, that a property salvage may result in an insurance salvage the proportion of insurance to value must be adequate

Difference Between Service

"There is a wide difference between insurance companies and the service they are prepared to render their policyholders through their local representatives. It is one thing to deliver a contract of fire insurance under authority of the insurance department of a State; it is quite another to promptly and fully pay losses on adjustment whether one building burns or a hundred buildings burn as the result of a general conflagration, such as have visited American cities all too frequently during the last fifty years. You may be surprised to learn that during the past thirty odd years over 500 regular fire insurance companies have gone out of business, and that the insurance year book for 1917, recently published, contains the names of fifteen Pennsylvania fire insurance companies, stock and mutual, in the hands of receivers, and Pennsylvania is no worse than some other States in this respect.

War Risk

"During the latter half of the nineteenth century the practice of insurance extended with unprecedented rapidity, and even in the last three years a new form of insurance—that of explosion and war risk cover—has developed in this country. You all know more or less about fire insurance, and some of you may carry insurance against tornado or windstorm, which is quite necessary to cover you against loss from such hazard, and I believe it to be strictly in order for me to emphasize at this point, the salient fact that there is absolutely no protection whatever against damage by windstorm, except a windstorm insurance policy. Fire prevention is now an accepted form of industrial science, but between you and the sudden, unheralded, unrestrained, destructive fury of the elemental force of tornado and windstorm, only an adequate protective policy stands as a guarantor of future restoration and reconstruction. And remember this, gentlemen, no section of these entire United States seems to be wholly free from this menace. Nineteen hundred and fifteen witnessed the largest loss from this cause of any year in the history of windstorm in this country.

"Inland cities like Bethlehem have not yet awakened to the necessity of insuring against explosion, bombardment, riot or other war hazards, but on the sea coast, especially around New York City, a great deal of this kind of insurance was placed in April and May of this year, the reason for it being quite obvious to all who keep abreast of the times.

Hard to Measure Value of Insurance

"The value of insurance as a fundamental institution cannot be measured by figures. Can you imagine how hard it would be to finance almost any business if those who extend credit and loan money did not know that the property owned by the individual or corporation seeking credit or a loan was properly covered against loss by fire and lightning? How many of our prosperous citizens would be able to own their own homes if they had not been able to furnish a fire insurance policy payable to the owner or mortgagee as their interest may appear, when securing a building loan? How much credit would our merchants have if the manufacturers, large stores and jobbers knew they did not carry adequate, reliable insurance? The answer is seen in the now generally accepted dictum of the National Association of Credit Men: 'Use extreme caution about buying insurance which is offered at cut prices,' a dictum based upon hard-earned and expensive experience.

Pennsylvania Underwriting Profit

"The insurance business is conducted on average. Premiums are collected from a large number of people to pay losses to a few, and the records will show that practically all the premiums collected are paid in losses and expenses, which consist of commissions to the agents, taxes and home office expenses. The records of Pennsylvania will show that since the Insurance Department was established forty years ago, the underwriting profits of all the companies transacting fire insurance in your commonwealth has been a trifle over 1 per cent. How many of your banks would be in existence today if their profits had been no greater? And, as has been so well suggested by H. E. Hess, manager of the New York Suburban Fire Insurance Exchange, 'The bank's profits are obtained from the use of other people's money entrusted to it for safe keeping, and at no risk that cannot be avoided by the exercise of ordinary business caution; while the profits of the fire insurance company are made out of hazarding its own money upon the statistical probability that its patrons will not burn up as much value as the company has bound itself to pay for.'

Public Makes Its Own Rates

"The public does not realize that it makes its own rates, individually and collectively, but it is nevertheless true. Most rates in these times are made by schedules, with possibly the exception of unexposed dwellings, churches, schools and such properties as are generally considered preferred classes, and written under class rates. These schedules begin with a basis rate for a property that comes up to the standard, with charges for faulty construction, exposures, poor housekeeping conditions and insufficient town water supply and fire defense, and the man with the best constructed and best safeguarded property gets the lowest rate. A first class property from an insurance standpoint, exposed by a poor one, is penalized according to the chances of the latter burning. You have heard a great deal of late, of conservation of our resources, and it may be of interest to you to know that for several years the insurance companies have been trying to impress upon the property owners in the United States the necessity of reducing the fire waste of our country, which is larger than the per capita loss by fire of any other country. This has been recognized by several of the States, and October 9 of this year has been set aside as a day for general clean-up work. It is too bad that this cannot be extended and instead of setting aside one day a year for this purpose, the public should be so impressed that each individual would make every day a 'clean-up day.' You will recall that October 9 is the anniversary of the fire in Chicago in 1871 which destroyed property worth $168,000,000.

Conservation

"In some States conservation work has been carried on for some time, the field men of the insurance companies visiting a town on a certain day and inspecting every risk other than dwellings, and calling to the attention of the owner or tenant any hazardous conditions. In some places I have known of wagon loads of rubbish having been removed from basements and back yards where such work was carried on. Large conflagrations do not start as such. The beginning of a fire is usually small, and if the conditions are not right for a fire when one starts, it will never spread. I realize that the fire record of Bethlehem has been better than in a great many other places, which record is recognized in your rates, but if this great work of conservation could be extended all over the United States, the rates of all would be very much lower, and the resources of the country increased.

"It is difficult to believe that the insurance companies have worked harder to reduce the fire waste in this country than any other body, knowing full well that as risks are improved, rates are reduced, but it is done cheerfully and at a great deal of expense. The best managed companies have what is called an Improved Risks Department, besides their regular field men, the service of all being at the disposal of its local agents, to assist the property owners in making such changes as will result in safeguarding their property and securing a reduction in their rate. * * *

"Permit me to impress upon you the importance of seeing that your properties are properly safeguarded, so that they will not be damaged from the causes referred to, and that your insurance is ample and is the best that can be purchased, in companies that have withstood the vicissitudes of years, paying all claim and treating the policyholders honorably, financially solvent and under the best of management. You will recall the admonition of Benjamin Franklin—'You may delay, but time will not.' "

THE
AMERICAN EAGLE
ON THE
United States Shield and Coins Typifies the Protection Afforded by the Government to Our Fair Land
GET A POLICY IN THE
American Eagle Fire Insurance Company
And Protect Your Business or Your Home and Loved Ones Against the Ravages of
Fire, Windstorm and Lightning
HENRY EVANS, President
HOME OFFICE
80 Maiden Lane
New York
PACIFIC COAST DEPT.
Insurance Exchange Bldg.
San Francisco

MALLALIEU TO TALK

The forty-eighth annual meeting of the Fire Underwriters' Association of the Northwest will be held on October 3 and 4 in a Chicago hotel. The principal address will be delivered by W. E. Mallalieu, general manager of the National Board of Fire Underwriters, who will discuss: "The National Board and Its Work in Conservation."

J. M. McDONNELL DEAD

James M. McDonnell, a well-known Troy insurance agent died last week. He was born in Ireland and went into the Insurance and real estate business about a quarter of a century ago.

CASUALTY AND SURETY NEWS

Warning Against Lloyd's Agents

SURETY ASSOCIATION SEEKING CO-OPERATION OF ALL STATE INSURANCE OFFICIALS

Attention Called Particularly to Montreal Firm Which Has Been Offering Fidelity Bonds

Secretary Gilkey, of the Surety Association of America, is now ready to take up with State insurance officials the subject of insurance in foreign Lloyd's organizations. He refers particularly to the offers of J. F. Hayden & Co., Montreal, to furnish fidelity bonds at a figure lower than charged by American companies. Mr. Gilkey quotes from a circular letter signed by H. O. Fishback, Insurance Commissioner of Washington, and addressed to members of the American Bankers' Association, in which he says relative to this firm:

"This department feels that it should call your attention to the fact that J. F. Hayden & Co. is an alien corporation and is representing an alien company and there is no means of getting service on the company, or prosecuting a suit against it, without going to the main office in London. It is very problematical as to the standing of this particular Lloyd's, as I am advised that it is not the same Lloyd's which is engaged in the marine business."

Commissioner Fishback then makes a plea for American companies and shows what they have contributed in taxes to the support of the State.

Joseph Button, Commissioner of Virginia, has also addressed a letter to bankers in relation to the offers of the Lloyd's agents, using practically the same arguments as Commissioner Fishback.

NATIONAL SURETY PROMOTIONS

William A. Thompson, Robert C. Carson and Robert M. Nugent Advanced

William A. Thompson and Robert C. Carson have been elected vice-presidents of the National Surety of New York. Mr. Thompson has been head of the court bond department and has been with the Company for eleven years. Mr. Carson has been in charge of a division of the out-of-town contract department.

Robert M. Nugent was appointed assistant secretary.

WILL HELP BUY TOBACCO

Fire and casualty men will have an opportunity to help the tobacco fund for American soldiers when the Fire & Casualty Insurance League of New York City holds its third annual reception October 11 at the Amsterdam Opera House, Forty-fourth street and Eighth avenue. The proceeds of the affair will go to the New York "Sun's" tobacco fund. Tickets are fifty cents each and may be had from W. F. Stanz, room 1610, 27 William street, who is chairman of the committee on arrangements. Those who wish to contribute larger sums may do so by advertising in the League's bulletin which will be published within a few days. Spaces are being sold at from $5 to $20.

SMALL BANKS SCORE POINT

Plan for Mutual Insurance Forced Through Executive Council at Annual Convention

Country banks, which comprise seventy per cent. of membership of the American Bankers Association, in annual convention at Atlantic City, gained a victory in forcing through the executive council the proposed plan for the creation of mutual insurance system by the association which will provide burglary and fidelity depository insurance to small banks. The plan will be submitted to the convention today (Thursday) for adoption.

TRAVELERS INCREASES

The Travelers announced last week that the increases in life, accident and health business paid for to September 1 exceeded by a wide margin the record for any previous eight months in the Company's history.

Individual Rate Plans Futile

Referring to compensation problems "The General Review" takes the position that two alternatives present themselves and explains its position in this wise:

"Either the insurance companies must very materially improve the appalling conditions which obtain in American industry, and which are the cause of an over-burdensome cost in compensation underwriting, or they must adopt a policy of intensive publicity to stem the tide of legislation that is constantly increasing the cost to the companies on existing contract. Of the two perhaps the former plan is the most plausible. Certainly it is the safest and, undoubtedly, offers an opportunity for permanently establishing the business upon a basis satisfactory to all concerned.

"To concern ourselves at this time with individual rating plans and other schemes that violate the action of the law of averages is utterly futile. The law of averages must continue to be the fundamental principle that guides the administration of compensation insurance. Opposing it with rating plans that invariably reduce premium income in the supposition that we are correcting existing evils is a fallacy. It is mistaking cause for effect.

"The first necessity is to remove the cause which produces a high average. That cause being for the most part accident frequency, admits of but one remedy—accident prevention.

"No insignificant amount of accident prevention work is being prosecuted now. But the several individual efforts should be combined. At present the shots are too scattered. We have not succeeded in dispelling that resistance which is the result of ignorance, obstinacy and indifference."

New Amsterdam Casualty Company

A Progressive

SURETY AND CASUALTY

Company

Builders Hope To Stop Losses

SURETY COMPANIES WOULD BENEFIT BY EFFORTS

Contractors' Estimates to Be Compared and Moral Credit Standing Established

Stagnation of the building industry has been detrimental to the liability and surety lines but the halt in construction has afforded time for contractors to consider the causes of their large and frequent losses. The secretary of the Consolidated Building Trades Credit Association says that in anticipation of greater building activity in New York, trade organizations representing contractors and material men are laying plans to check losses. This is good news for the insurance men whose lines are affected by conditions in the building business.

Watching Estimates and Credit

Two protective measures proposed embody attempts to create better prices through the comparison of estimate figures before they are submitted to builders and general contractors and the collection of accounts by establishing a moral credit standing that must clear itself of old obligations before additional credit is granted. The comparison of estimate prices before submitting contract figures to builders and general contractors is intended to prevent losses occasioned by errors in calculations and also to educate some contractors as to what is a fair margin of profit.

The clean moral credit plan referred to means that when a certain builder or contractor fails to pay his obligations due a particular craft the trade organization so advises its members, who will extend no further credit accommodation to him until the obligation is paid.

Lenders Are Cautious

A definite campaign to end building stagnation was mapped out last week in New York when a committee representing allied building interests was appointed to make a close study of present building conditions and to suggest remedies for relief.

Walter Stabler, controller of the Metropolitan Life, said that his company had stopped making building loans because it is afraid to lend under present conditions.

TRAVELERS INCREASES RATE

Company Cites Unfavorable Experience as Reason for Action Respecting Physicians and Surgeons

Because of the special occupational exposure of physicians and surgeons to infectious diseases which has reflected itself in an unfavorable health experience, the Travelers of Hartford this week announced the increasing of its rates for all forms of general health insurance on this class. The advance in rates is effective October 1 and does not apply to renewals or existing policies.

NEW POLICY FOR FIVE DOLLARS

For five dollars a year to select and preferred classes the Chicago Bonding & Insurance is issuing an intermediate accident policy paying $1,000 principal sum and $50 a month partial and $100 a month total disability. The policy provides for 50 per cent. accumulations and double indemnities, surgeon's fees and registration.

GENERAL OPENS NEW BRANCH

M. Green, manager of the weekly department of the General Accident in New York, has opened a new branch at 81 East 125th street, Manhattan, under John Morano, superintendent. E. Hennen has been appointed inspector in the Brooklyn branch office. He is an experienced accident man.

CLAIM ADJUSTERS DRAFTED

The London & Lancashire Indemnity has lost two claim adjusters through the draft. L. T. O'Brien of Detroit is now at Fort Sheridan as is also E. J. Jordan of Chicago. Mr. Jordan has been succeeded by J. E. Saff.

SURETY MEETING NEXT MONTH

The annual meeting of the Surety Association of America will be held in New York October 10.

General Accident

FIRE AND LIFE

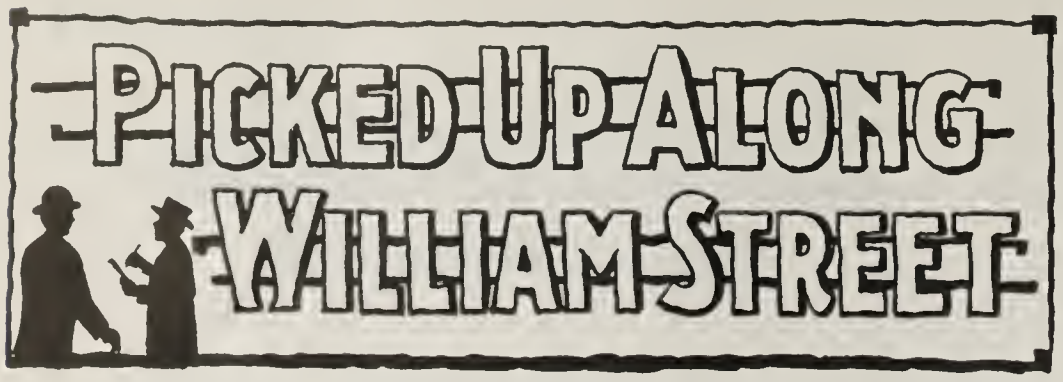
ASSURANCE CORPORATION, Ltd.

SERVICE THAT EXCELS

FREDERICK RICHARDSON, United States Manager

GENERAL BUILDING · 4TH & WALNUT STS.

PHILADELPHIA



Bankers' Bluff Called

Certain members of the American Bankers' Association desire to form a bonding company within the organization. The bankers are in annual session in Atlantic City this week, when this question is likely to be decided. President William B. Joyce, of the National Surety has addressed a letter to all members of the association calling attention to numerous misstatements made in the "Yellow Leaflet" issued by the committee on this proposed bonding company plan. The misstatements referred to are indicative of gross carelessness or deliberate intention to distort the facts, coupled with woeful ignorance of insurance in general. Losses in the various States have been grievously misrepresented, the errors amounting to thousands of dollars in individual States. A sample of the committee's methods is shown where it sets forth that the burglary and fidelity business yielded an underwriting profit of $16,067,918 in the last seven years. The inference also is that this profit is derived from bank business alone. President Joyce adds:

"However, as far as this company is concerned, it has no right to object even in the mildest possible manner, when investors desire to organize competing companies, but we do ask the bankers not to let a handful of men whom we believe are interested in securing good official positions, to do so, at the expense of the business, honestly secured by many wide awake and reliable companies, with thousands of agents who make their living by the business, and with millions of dollars invested to make the bonds and policies safe and sure!! In our case nearly twenty-eight years of unremitting effort, with ten thousand representatives and eight millions in capital and surplus. We have information from hundreds of banks—the large majority of them having a capital of $50,000 or less—and ninety out of every hundred are opposed. They are especially opposed to betraying the purposes of the A. B. A. creating official positions and creating a political machine in the association. It is said, 'If these men want to organize a company, let them organize one, but it shall not be a tail to the A. B. A.' Again we ask, why did the committee report on seventeen States only. Why overlook the other thirty-one? It ought to have had reports from all States in the Union if it was to be of the slightest value whatever. Let it be borne in mind that this company is acting for itself alone and is interested only in bringing out the facts."

* * *

Jersey Prospects Brighter

Now that the casualty agents of New Jersey are eligible to membership in the New Jersey Association of Underwriters, the possibilities for constructive work in that State are greater than ever before. The only difficulty is that common to numerous insurance organizations, the rank and file fail to fully realize the advantages of concerted action to protect and improve the business. Seventy-seven members attended the semi-annual meeting of the association in Asbury Park September 20. There are over 3,000 eligibles in the State so there is room for a vast amount of intelligent work in increasing the membership to a point that will do credit to the organization. The casualty men of the State now control over $8,000,000 in premiums. While the casualty business differs in many ways from the fire, there is much common ground upon which the two branches may meet with profit to both. By becoming a member of the local body the powerful backing of the National Association is also secured. Only those who have followed the accomplishments of the local organization can realize what this means to members. Take taxing measures as an example. Hundreds of agents throughout the State have been saved considerable money through the success of the association in combating higher tax legislation, at no expense to members other than the annual dues of five dollars.

* * *

Sets Himself Up in Business Through Compensation Payments

Of interest in illustrating the odd manner in which compensation awards may be utilized, and the equally unique way in which a man without capital may set himself up in business without borrowing money at exorbitant rates, is the case of Mike Schoolnick of No. 40 Wooster Street, Hartford. Schoolnick, who was severely injured in the back December 16, 1914, while in the employ of Butler J. Seedman as a tobacco buyer, was awarded compensation at the rate of $10 a week for the maximum period of 520 weeks. After having received about $1,400 in weekly awards Schoolnick has made application for the award of the balance due him for the injury, about $3,800, in a lump sum so that he can set himself up in the wholesale tobacco business. He says he wishes to buy part of the Connecticut Valley tobacco crop which was damaged by the recent hail storms and re-sell it to Hartford, New Haven and New York manufacturers.

The Aetna Life, insurers of Seedman, advanced several hundred dollars to Schoolnick on a previous occasion in order that he might buy a horse and wagon and become a dealer in fruit, vegetables and rags, as he was unable to do hard work. He says that because of his previous experience in buying tobacco throughout the Connecticut Valley for several tobacco firms he considers the present an advantageous time to set himself up in the wholesale tobacco business. Because of the necessity of instantly available capital, Schoolnick wishes to receive the balance of his 520-week award at once so that he can buy the cheaper grades of tobacco which were damaged by the recent hail storms.

Several surgeons who examined Schoolnick have said that he would never be able to do hard work again, for which reason the Aetna Insurance Company on an order by Commissioner George B. Chandler previously advanced him money to start in the general produce business.

* * *

American Surety Doing Its "Bit"

The American Surety is well represented in the military service. Here is presented a list of those employes who have enlisted or were called to the colors:

FROM HOME OFFICE

Accounting Department: Edward M. Broadbelt, Naval Reserve at Ft. Lafayette, Base 6, Brooklyn; F. W. Bull, 7th Regiment; P. M. Lawrence, Enlisted Signal Reserve Corps.

Mailing Division: Harry E. Lynk, 14th Infantry.

Purchasing Division: Kenneth Gallien, 9th Coast Artillery.

Agency Department: Harry Bergman, 22nd Eng. Corps.

Soliciting Division: Emil Dross, 22nd Eng. Corps.

Claim Department: Chas. Buhl, 5th Regiment, N. J. N. G.; F. J. Byrnes, Naval Reserves.

Legal Department: Walter C. Aberg, Quartermaster, Naval Reserves.

Metropolitan Department: Charles Carman, 23rd Infantry; John R. Keill, Officers' Training Camp at Plattsburg.

Department of Review: James A. Feeney, 2nd Field Artillery, N. G., N. Y.

Underwriting Department: Leonard Cocheu, Officers' Training Camp, Plattsburg.

FROM BRANCH OFFICES

Boston: Hector MacDonald, Naval Reserve; William Whitley, Ambulance Corps in France.

Chicago: Chas. E. Brown, Officers' Training Camp at Ft. Sheridan, Ill.; C. O. Swanson, Quartermaster's Dept. of Army; W. R. Cooke, called to service of Government as telegraph operator.

Columbus: Karl S. Day, Second Lieutenant, U. S. Marines.

Detroit: Foster Hale.

Louisville: W. B. Harrison, Officers' Training Camp at Ft. Benjamin Harrison.

Milwaukee: Luke H. Spooner, Officers' Training Camp.

Minneapolis: E. Vernon Olsson, Minnesota Field Artillery; J. Lucius Schlener, Yeoman, Naval Coast Defence Reserve; Alfred M. Wold, Coast Artillery at Jefferson Barracks.

Oklahoma City: Kenneth C. Quay, 1st Oklahoma Infantry.

St. Louis: George Hummert, Sergeant of Battery A, Missouri Division, now in training at Fort Sill, Oklahoma.

Washington: Stancil Moore, National Guard of D. C.

Federal Bond Bureau: Fred M. Cook, Second-class Yeoman in Navy; John L. Tunstall, Officers' Reserve Corps.

* * *

Royal Indemnity Fighters

From the Royal Indemnity of New York the following employes have joined the United States military forces:

J. G. Mays, 2nd Lieutenant, National Army; Charles Topping, 22nd Engineers, N. Y.; H. A. Tucker, Naval Reserve; A. Cloos, U. S. Infantry, Regular Army; R. M. McChesnie, Canadian Signal Corps; D. W. Grant, U. S. Quartermaster's Dept.; D. A. Shepherd, Piper-Canadian Expeditionary Force; J. L. Thomson, Lieut. Canadian Army (deceased); James Perst, Canadian Army; A. G. T. McLean, Canadian Army; W. Moore, 23rd National Guard; D. A. Stubbs, Training Camp Officers; J. E. Sutton, Training Camp Officers; Joseph Connolly, Lieut., U. S. Army; D. Murphy, U. S. Infantry, Regular Army; A. O. Earle, Training Camp Officers; Charles Malon, U. S. Navy; A. Dante, Training Camp Officers; F. R. Shoemaker, U. S. Navy; L. S. Garnar, Ambulance Corps; F. J. Nicholson, 4th National Guard; M. Convey, 13th Artillery; E. W. Briggs, Captain, Quartermaster's Dept.; Joseph H. McCann, U. S. Army; J. B. Rouillott, U. S. Navy; W. J. Fitzpatrick, W. E. Connor, T. M. Brogan, Charles McDermott, C. E. Barry, G. A. Jackson, C. R. Davis, L. Kolman, W. Wastie, National Army; F. T. Mikell, Captain, National Army.

* * *

Enlarging New York Offices

Resident Manager Eugene F. Hord of the Maryland Casualty at 100 William Street, New York, has taken the space adjoining his offices on the third floor, formerly occupied by E. B. McConnell & Co., general agents. That firm has removed to the twelfth floor in the same building. Mr. Hord's office has within a short time increased its premium income from $460,000 to $1,500,000.

* * *

Shyster Lawyer Active

While congestion in large cities has been blamed for most of the automobile liability, property damage and collision losses, the increased activities of the shyster lawyer are really responsible for much of the excessive loss on these lines. These parasites were driven out of the employers' liability business with the advent of compensation and it is but natural that they should turn up in the automobile business.

* * *

Massachusetts Accident Changes

George H. Bean is now general agent for the Massachusetts Accident at Northampton, Mass. John McMahon, formerly field superintendent in the Middle States is now resident manager at Detroit where P. D. Crebbin remains as general agent.

* * *

Compensation Experience Shown

Table IX of the fifty-eighth annual report, Part 3, of the New York department for 1917 has been issued and deals with workmen's compensation classified experience under Schedule Z on policies effected during 1914, brought down to April 30, 1916.

* * *

Harry L. Hoert at Yaphank

Harry L. Hoert of the sprinkler leakage department of the Maryland Casualty at 100 William Street, New York, has been drafted and is in camp at Yaphank.

* * *

Fidelity & Deposit Volunteers

Well over 100 officers, home office employes and field men of the Fidelity & Deposit have volunteered for service in the army or navy. Many more of the company's staff were drafted.

* * *

Virginia Report Ready

The Virginia department has issued its report covering all insurance lines for 1916.

ARMITAGE & GOTT, NEW FIRM

William C. Armitage, vice-president and assistant manager of the National Surety and O. Wilson Gott, his assistant, have resigned to become general agents of the Aetna Casualty & Surety for all surety lines in Greater New York. They will operate the agency under the firm name of Armitage & Gott. Mr. Armitage has an extensive surety underwriting experience which includes five years with the American Surety, four years with the Aetna Indemnity and nine years with the National Surety. He is particularly well qualified on contract surety underwriting and has handled a large number of the war contract bonds written by the National. Mr. Gott has been for many years in the surety business in New York with the American Bonding, New England Casualty and National Surety.

GOVERNMENT GETS BUREAU MEN

O. J. Smith, manager of the Illinois branch of the National Workmen's Compensation Service Bureau has left that position to take charge of the safety work in the Philadelphia Navy Yard. He was released by the Bureau at request of the Federal Government. P. F. Garnett, the Bureau's field secretary, is filling his place in Chicago. R. P. Heath, manager of the New Jersey branch at Newark, has given up his place to do safety work in the Washington Navy Yard and the New Jersey office is now being run independently. Howard Tillson, formerly in charge of the Illinois branch and later with Conkling, Price & Webb, Chicago, is also doing safety work for the government.

CASUALTY AND SURETY POINTERS

Accident Prevention's Future

"As to the future it would seem reasonable because it is proven that it pays, that the national development of safety work should in a few years bring forth a condition of affairs heretofore hardly dreamed of." These are the remarks of Marcus A. Dow, general safety agent, New York Central Lines, speaking before the National Safety Council in New York last week. Mr. Dow went on to say that within a few years a workman who is employed will not only be expected to know how to operate a particular machine, but that his continuance in the employment will depend upon his observance of reasonable safety practices. Again Mr. Dow said:

"I believe that when a workman is employed he will some day be examined, not only as to his physical fitness for the work which he is to engage in, but as to his personal habits and as to his attitude toward accident prevention. I believe that within a few years' time systematic instruction of the workman as to how to do his work with the least possible risk of injury to himself and others will be an obligation firmly fixed on the shoulder of the employer, and that the competence of a foreman will be measured in part by his ability to enforce safe practices on the part of his men. I believe that the time is not far distant when the great majority of American workmen will refuse to permit a man to work in their midst who is habitually careless.

I anticipate that the time will come when the drawings and specifications for every new building, whether it be for an industry, a church or a home, will be carefully scrutinized by safety engineers to make sure that every known precaution has been observed in planning the building and equipment. I expect the day to come when the safety engineer, or safety agent, will be a permanent and fixed member of the official staff of every industrial plant and of every operating division of every railroad in the land. I believe that within these few years every village, every town and every city will have an organized department whose duty it shall be to protect citizens from injury by accident, just as the fire department protects from fire, and the police department protects from crime, and that the agents of this public safety department, under a regular process of law, will have access to private property for the purpose of safety inspection just as the police and fire departments now have the right to inspect for hazards under their jurisdiction.

I believe, too, that the subject of accident prevention will become a part of the curriculum of colleges and technical schools, and that the degree of Safety Engineer will be as coveted as that of a physician or a Doctor of Laws. I am convinced that eventually the children in the public schools will be taught safe habits from the very beginning of their lives, and that they will grow up to avoid unsafe practices from force of habit, because of their early training.

And when this complete process of evolution has been completed, and this land has been made in fact a land of safety and freedom from preventable accidents, then the American employer, whose farsightedness, keen vision and determined effort made possible this condition so desired and so long hoped for, may with the utmost satisfaction, look upon his handiwork.

The most important steps in accident prevention work, said Mr. Dow, have been: first, to interest the employer to an extent that would make him have implicit faith in the work and become a safety advocate at heart; second, to so interest the employes that they would give their whole-hearted cooperation toward the elimination of unsafe conditions and practices and cultivate safety as a habit. It has proven that success in accident prevention, just like success in anything else, will come to those who compel it. There has, perhaps, been no greater benefit derived from accident prevention work than through the getting together of employer and employe in intimate conferences in regard to a matter of common interest and concern.

Another factor in development was the casualty insurance companies which early recognized the many advantages of accident prevention. An emphatic proof of the value of safety work is the fact that casualty companies have offered substantial reductions in the cost of insurance based on the extent and effectiveness of safety standards."

* * *

May Lessen Automobile Casualties

Casualty and life companies know well how the automobile has wrought havoc with loss ratios and the managers have some ideas of their own as to why there is so much carelessness and so many accidents. Now the National Safety Council is to attempt to prevent accidents in the streets, as it has in industrial plants. The work is to be nation-wide and will be in charge of Charles M. Talbert of St. Louis, who will head a public safety section of the Council. Mr. Talbert says his keynote will be practical—first, to give hearing to those ideas that have passed through practical test in some city, and to distribute those ideas, not by talk and lectures, but directly to public officials in charge of traffic in the cities. He proposes, by connecting up these officials, a new kind of national clearing house. There are two kinds of safety, generally speaking—public and industrial safety. Up to this time the industrial has had behind it the greater incentive. It paid for itself. It needed no philanthropy to advance the cause of industrial safety. A man killed at a street corner, however, was nobody's immediate affair in dollars and cents.

Mr. Talbert advocates a traffic and an accident census in every city, an elaborate system of map making, compilation of accident statistics, testing of safety devices for automobiles and the issuance of safety bulletins. What appears lacking in the program is some method to bring about co-operation between the courts and the police departments in preventing recklessness by drivers. The courts are too lenient with this class of offenders just as they are with the automobile thieves and it makes little difference what anybody else does as long as owners of cars believe they can violate public policy and get away with it. Educate the judges to do their duty and the battle will be three-fourths won.

* * *

COAST ANNOUNCEMENT

United States Fidelity & Guaranty Branching Out There—Announcement By President Bland

President Bland, of the U. S. F. & G., has made the following announcement:

Owing to the growth of the business of the United States Fidelity & Guaranty Company and the wonderful geographical position from a commercial and industrial standpoint of the City of San Francisco, the executive of the Company, in order to provide the best service to its customers and clients in the City of San Francisco and territory contiguous thereto, has concluded to extend and enlarge its Pacific Coast department.

To this end the appointment of Mr. Ernest A. Robbins as one of the managers of the San Francisco office is announced—the management in charge will hereafter be known as Borland, Johns & Robbins. Mr. Robbins has been in the service of the Company for many years. He is a trained underwriter, qualified to render prompt and efficient service to all clients.

We think we have added strength to our San Francisco office and we bespeak for it the continuous patronage of the citizens of the city and the State.

Mr. James H. Borland continues as senior manager, with the same duties and powers, while Mr. H. V. D. Johns will continue as one of the managers and perform the duties assigned to him as heretofore.

HAROLD E. WESCOTT DEAD

Harold E. Wescott, for many years with the American Surety died in Hollywood, California, September 15. He began his connection with the American Surety at Manila, from where he went to Hartford as manager, later serving in a similar capacity in Washington. In 1911 he was made manager for the middle district at Chicago, where he remained until he became seriously ill.

Federation Meeting in Utica

The executive committee of the Insurance Federation of New York State was to have held a special meeting in Utica yesterday. G. T. Amsden, of Rochester, president of the Federation, was in town last week.

INCREASING COMPENSATION HAZARDS

New compensation hazards are continually arising in the chemical business owing to the active entry of Americans to that field now that the supply of many compounds formerly furnished by Germany has been cut off. A large amount of experimental work is going on not only in the munitions but other branches and it is only natural that a certain amount of human material shall be sacrificed in the process of building up this ever increasingly important industry. An instance of this is shown in the manufacture of certain acids. Laborers, mostly Southern negroes, are induced to enter this industry through advertisements offering them a dollar an hour. When a man starts to work he may be able to remain on the job three or four hours a day. In a short time three or two hours is the most he can stand and after two or three weeks the worker is "all in" and is sent to a hospital, from which he emerges in most cases as a physical wreck. Some of these plants are in New Jersey, where after October 4 all employers will be required to carry compensation risks. As casualty companies generally refuse chemical plants it becomes a matter of conjecture what these New Jersey manufacturers will do for protection.

W. E. SMALL, President PETER EPES, Agency Mgr. E. P. AMERINE, Secretary
GEORGIA CASUALTY COMPANY
HOME OFFICE: MACON, GEORGIA
"DIXIE AUTO POLICY"
THE LAST WORD IN MOTOR INSURANCE
Surplus and Reserves to Policyholders.....$1,526,022.81

The METROPOLITAN CASUALTY
INSURANCE CO. OF NEW YORK
HOME OFFICE, 47 CEDAR STREET
CHARTERED 1874
Plate Glass, Burglary, Accident and Health Insurance
EUGENE H. WINSLOW, President
Russell R. Cornell, Vice-Pres. S. Wm. Burton, Sec. Alonzo G. Brooks, Ass't Sec.
RELIABLE AND ENERGETIC AGENTS WANTED

THE SIGN OF GOOD CASUALTY INSURANCE
HEAD OFFICE
CHICAGO
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General Manager
Liability, Accident, Burglary, Boiler and Credit Insurance
Established 1869.
F. J. WALTERS
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London Guarantee & Accident Co., Ltd.
OF LONDON, ENGLAND

C. A. CRAIG, President W. R. WILLS, Vice-Pres. C. R. CLEMENTS, Sec. & Treas.
The National Life and Accident Insurance Company
NASHVILLE, TENNESSEE
Industrial, Life, Health and Accident Insurance
in ONE policy

Pan-American Life Insurance Company

NEW ORLEANS, U. S. A.

CRAWFORD H. ELLIS, President

Capital.....$1,000,000.00

OUR 1916 STATEMENT SHOWS

Insurance in force	(over)....	$42,400,000
Resources	(over)....	5,600,000
New Insurance paid for		10,000,000

The High Scores in the Life Insurance Profession are won by Trained Men. We will train you in the Profession and locate you in Productive Territory either North or South. Your Opportunity is Here.

Further information on request. Address:

E. G. SIMMONS, Vice-President and General Manager

Whitney Central Bank Building

NEW ORLEANS, U. S. A.

REAL SATISFACTION

Working with **William N. Compton** and the **John Hancock Mutual Life Insurance Company** in New York City forms the happiest combination imaginable for the life insurance salesman.

If you have any doubt in your mind have it dispelled by calling at

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Phone 6030 Cortlandt

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Insurance Company

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Established 1899

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General Agent

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PURELY MUTUAL **THE** CHARTERED 1857

Northwestern Mutual Life Insurance Co.

MILWAUKEE, WISCONSIN

GEO. C. MARKHAM, President

Insurance in Force, $1,505,464,984

SATISFIED POLICYHOLDERS each year apply for over 35% of the new insurance issued.

POLICIES MOST FLEXIBLE AND EASY TO SELL

Complete Agency Protection:

Enforced Anti-Rebate and No-Brokerage Rules

Investigate before selecting your Company

Write GEO. E. COPELAND, Supt. of Agencies, Milwaukee, Wis.

N U

NATIONAL UNION FIRE INSURANCE CO. OF PITTSBURG, PA.



An Insurance Company's safety depends upon the ability, experience and integrity of the men who manage its affairs. The proper conservation of its premiums for prompt and equitable payment of claims and for reserves to safeguard policyholders is a matter of prime importance to all agents who seek complete protection for their patrons. The safety of funds is always the first consideration of the NATIONAL UNION, which weighs every transaction with due regard to the inalienable rights of its policyholders, agents and stockholders. There are no exceptions to this rule—ABSOLUTELY NONE. The NATIONAL UNION has a Policyholders Surplus of **$1,756,262.** Its Reserve for the protection of policyholders is **$2,362,164.** And aside from ample resources, excellent experience and strict integrity dominate an organization whose service and facilities are adding prestige every day to the name

NATIONAL UNION

To the Man Who is Willing—and Will

SAN JACINTO LIFE INSURANCE CO. - BEAUMONT-TEXAS -



We are prepared to offer unusual opportunities for money-making NOW and creating a competence for the FUTURE.

FOR CONTRACTS AND TERRITORY, ADDRESS

H. M. HARGROVE, President :: Beaumont, Texas

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Commerce

NATIONAL ASSOCIATION OF LIFE UNDERWRITERS

THE EASTERN UNDERWRITER

EXTRA EDITION

[Succeeding the Journal of Insurance Economics, Established in 1899]

A WEEKLY NEWSPAPER COVERING ALL BRANCHES OF INSURANCE

EXTRA EDITION

Eighteenth Year; No. 40 NEW YORK CITY, SATURDAY, SEPTEMBER 29, 1917 $3.00 a Year; 25c. per Copy

LAWRENCE PRIDDY ELECTED PRESIDENT OF ASSOCIATION

Dillon, Thorpe and Wilson are Vice-Presidents

NEW YORK CHOSEN FOR MEETING

Annual Convention of the Canadian Association also to be Held Here

OFFICERS ELECTED

President
LAWRENCE PRIDDY
New York

Vice-Presidents
M. J. DILLON
St. Paul, Minn.
ORVILLE THORPE
Dallas, Texas
J. T. WILSON
President Canadian Association

Treasurer
J. W. BISHOP
Chattanooga

Secretary
GEORGE L. DYER
St. Louis

By Clarence Axman

(Special to The Eastern Underwriter)

New Orleans, Friday—

The slogan "Go West" made famous by Horace Greely was reversed in the action of the twenty-eighth annual convention of the National Association of Life Underwriters when it elected as its president for 1917-18 the inimitable, fighting Lawrence Priddy, of New York City.

Not only did the presidency come East but the convention for 1918 came East to New York City, and as an extra cargo of provisions for life underwriters, the 1918 annual convention of the Canadian Life Underwriters' Association has been scheduled for New York City, just preceding the meeting of the American National Convention.

Mr. Priddy has long been known as a human steam roller when presiding at meetings in connection with life underwriting and it is good betting that when he hands over the toga at the annual meeting of 1918 that the Association's record of achievement will have been shattered.

Founded in 1845

for a distinct social purpose—the distribution of losses among thousands which to the individual would be overwhelming, The Mutual Benefit Life Insurance Company of Newark, N. J., has gone from strength to strength through 72 years until it is recognized today as

The Leading Annual Dividend Company of America

At the beginning of American belligerency in the World War for the safety of Democracy, this Company found itself by reason of its Contingency Reserve Funds in a distinctly secure position. The assets of the Mutual Benefit are diversified and of the highest character. In fact, the Company is financed in such a way as to enable it to meet all of its obligations immediately. It has an adequate cash balance, collateral loans subject to call and bonds and mortgages of the highest grade. Moreover, it has subscribed liberally to the

U. S. Government 1917 Liberty Loan

It is probable that the Mutual Benefit does more than any other Company to educate its field men in the practical technic of the business and to aid and encourage its agents along constructive lines. The major effect of war everywhere has been greatly to increase the popular appreciation of life insurance as a proper economic measure for the protection of home and business. Our agents, through service methods, are doing wonderful business and building up invaluable clientele relationships with policyholders.

"More Business Than Usual" Is Our 1917 Slogan

Send for Leaflet "Security"

The Mutual Benefit Life Insurance Co.

1845 Home Office, Newark, N. J. 1917

FREDERICK FRELINGHUYSEN, President

SECRETARY LANE CITES WAR ISSUES IN STIRRING APPEAL

Government Recognizes Work Done By Life Men

GIVES SOME NEW WAR FIGURES

Says 10,000,000 Have Been Disabled —Why All Should Buy New Bonds

By Clarence Axman

(Special to The Eastern Underwriter)

New Orleans, Thursday—

Secretary Franklin K. Lane, of the Department of the Interior, came all the way to New Orleans from Washington in order to address the life underwriters on the subject of the new bond issue. A special train carried him away from the city a few minutes after the conclusion of his speech.

One of the reasons why the Administration furnished its Secretary of the Interior to address the National Association Convention was because of the recognition in Washington of the great work that has been done by life insurance men in connection with the Liberty Loan drive.

Life Men Will Do Their Part

Already the underwriters are interested in the new bonds which are to be sold to the people and that they will do their share in marketing the issue was the information imparted to Secretary Lane before he left the city.

Secretary Lane's speech was a masterpiece presenting the war issues in a strong, virile, stirring recital.

His reference to President Wilson as the master mind of democracy resulted in an ovation. He referred to the President as a figure seated alone day and night working out the problems of humanity and recognized by the entire civilized world as humanity's leader.

He briefly sketched the crimes of the enemy and contrasted the ambitions and aims of the empire builders with those of democracy builders.

An Official Glimpse of War Casualties

Life insurance men were particularly interested in some figures quoted by the Secretary. He said that there were five million hospital cots in Europe today, every one of which has been filled and emptied three times.

He declared that there are 10,000,000 soldiers who are blind, armless, legless or torn and shattered in some other way. He cited the Manchester "Guar-

Continued on page 25)

Big Conflict Costumed and Staged But Gladiators Disappoint Audience

No Bloodshed at First Meeting of Warring Factions—Belligerents After Pacific Salutation Retire to Their Respective Trenches—Second Round in Executive Committee Meeting Results in Powell Victory on Agency Qualification Bill.

By Clarence Axman

(*Special to The Eastern Underwriter*)

New Orleans, Wednesday—

Those who bought grand-stand seats in the Grunewald lobby, expecting to see part of the Northern France offensive transferred here when Warren M. Horner, Edward A. Woods, Col. Henry J. Powell, and Charles Jerome Edwards met, were so disappointed that they are crying for their money back.

The plain clothes detectives who had been summoned by the local committee of arrangements to stop possible bloodshed and who had been hidden in the ramose drink emporium, have all returned to headquarters.

Out in Des Moines, Iowa, some months back, Warren M. Horner fired a 48 centimeter gun, attacking what he called a clique running the National Association of Life Underwriters. He particularly had in mind Edward A. Woods, Col. Henry J. Powell and Charles Jerome Edwards. There followed an exchange of telegrams, some rather piquant interviews from the parties attacked, then a lull, and finally another speech by Mr. Horner in which he outlined a model platform for the National Association.

Well, they are all here, Messrs. Woods and Edwards arrived in the lobby of the Grunewald, wearing the Palm Beachiest of swagger suits. Neither was armed. Colonel Powell, of Louisville, wearing a dark suit made by a Fourth Avenue tailor-shop, also left his firearms at home. Mr. Horner carried a heavy walking stick with him, but he assured his friends that it was his regular companion, and not purchased for self-defense.

Sigourney Mellor There

Sigourney Mellor, of New York, quite a scrapper, was in the background, probably ready to lend a helping hand, if needed. A friend or two from the Northwest, walked about unostentatiously. The keenest kind of excitement prevailed in the lobby.

Edwards and Horner Meet

Suddenly Edwards said to Horner: "Why, hello Warren." Then Horner said to Edwards: "Hello, Charley." The meeting with Woods and Powell wasn't and more exciting and the spectators, baffled and angry, retired, feeling as if they had been inveigled into some sort of a frame-up. It was a sad end of a perfect day. No, it wasn't the end. Later, at a meeting of the executive committee Colonel Henry J. Powell's agency qualification bill, printed some time ago in The Eastern Underwriter, went through with a gallop, while that of the Northwest Congress, put forward to oppose it, got just two votes, one of them cast by Mr. Horner and one by President Caldwell, of the Northwest Congress.

At this point of the proceedings of the executive committee there were a number of speeches, including a discussion of the new, but famous, code of ethics of the Twin City Associations.

Some of the speaking was rather plain, and in this first clash Colonel Powell won over Horner as before stated.

Indications Point to Educational and Inspirational Meeting

Noticeable Increase in Number of Women Producers Present—Mayor Behrman Welcomes Delegates—Former Commissioner McGivney Starts Patriotic Demonstration—Annual Meeting of Canadian Association to Be Held in New York in 1918.

By Clarence Axman

(*Special to The Eastern Underwriter*)

New Orleans, Wednesday—

The attendance is surprisingly large at the convention of the National Association of Life Underwriters which opened here today. Every indication points to a splendid and inspirational forum. The convention sessions are being held on the twelfth floor of the hotel.

Many Women Attend

There is concrete evidence that women are becoming a factor to be reckoned with in selling life insurance, as among the delegates there are a larger number of women than have attended the National Association's meetings in the past. The New England Women's Congress of Life Underwriters is represented by its president, Leonova M. Cowick, and many other prominent women producers are present.

Russell Leonard, official stenographer of the National Association, who for a time traveled about helping to organize new local associations, was on hand as usual, although he is no longer traveling for the association.

When the convention was called to order, former presidents Woods, Edwards, Scovel, Bishop and Powell were called to the platform, as were also Vice-President Priddy, and J. D. Wilson, the new president of the Canadian Association.

The convention was welcomed to New Orleans by Mayor Behrman, who gave the delegates many interesting stories about the city. He told how New Orleans had fought plagues and epidemics, how its citizens had exterminated the rats which carried disease germs, and in discussing the civic spirit predominating the city said that the Liberty Loan and Red Cross allotments had been over-subscribed. He praised the city's water system and declared it a splendid place in which to make investments.

Eugene McGivney Responds

Former Insurance Commissioner Eugene J. McGivney, now general counsel of the Pan American Life, of New Orleans, responded. A remarkably fine orator, he made an unusually interesting talk. He spoke of the French history of New Orleans, and its growth. His tribute to the patriotism of New Orleans was loudly cheered and when he mentioned the name of Woodrow Wilson, there was an ovation for the President. His voice broke as he recalled the heroic deeds of Americans in the past, which he said would be repeated in the present war on autocracy.

President Russell's Activities

President John Newton Russell, in his annual address, stated that during the year he had visited thirty-three local associations and that he had traveled more than 26,000 miles. He congratulated the Minneapolis Association on its code of ethics. It is a great step in the right direction by the adoption of golden rule methods. He recommended an amendment providing for the appointment of State vice-presidents or district governors for the purpose of co-operation. Speaking of Col. Powell's agency qualification bill he said that he hoped it would result in the elimination of the part time broker.

Vice-President Stanley Edwards stated that in Colorado the governor of the State had asked life underwriters' associations there to suggest a name for insurance commissioner. This was done and the governor made good by appointing the man whose name had been submitted.

Canada Represented

President J. D. Wilson, of the Canadian Life Underwriters' Association said that his association had recently held its annual convention in Winnipeg, that the association is growing and has 1,300 members.

Treasurer J. W. Bishop reported receipts during the year of $22,166. He said there was a balance on hand of $5,462.

William Wood, of Pittsburgh, who is attending his twentieth successive annual convention of the National Association, speaking for the executive committee, read a resolution asking for the appointment of a code of ethics committee to canvass the situation and prepare a satisfactory code of ethics for adoption at the 1918 convention. One paragraph of the resolution follows:

Code of Ethics

The committee on ethics for the year is hereby instructed to plan and conduct a systematic general discussion of the subject-matter of a code of ethics, to take it up in sub-division at convenient intervals, arranging each time to present through the "Life Association News" such varying views as will form a suitable opening of the discussion for the local associations, and finally, in the light of all that is brought out at this convention, and the local meetings, to formulate and report to the executive committee the best and most complete code of ethics that seems practicable for consideration and adoption by the 1918 convention.

All executive committee reports were adopted by the convention.

Chairman C. J. Edwards, of the publication committee, said the advertising rates of the "Life Association News" had been increased, that there had been a loss of income and of advertising and that there had been considerable increase in expenses. He stated that the subscription price had also been increased.

Profit Made on Books

The association has made a profit of $340 on the books of Messrs. Huebner and Alexander with an asset value of $2,790.

It was announced that the next annual meeting of the Canadian Association of Life Underwriters will be held in New York City in conjunction with the 1918 convention of the National Association of Life Underwriters.

Woods Brands Mortality Stories "Fakes" Declares it is Mere German Propaganda

Lawrence Priddy Starts Something by Remarks Concerning Moratorium—E. A. Woods and C. J. Edwards Quick to Enter Denial About Loss Ratio—Canadian War Losses Low—Mothers Need Educating—Life Insurance Agents "Slackers."

By Clarence Axman

(*Special to The Eastern Underwriter*)

New Orleans, Wednesday—

The Convention listened to opinions about conditions growing out of the world war this afternoon. It started with a reference by Lawrence Priddy, of New York, to the moratorium. He stated that if the moratorium were declared by Congress it would be a serious matter to life insurance companies. With soldier and sailors not paying premiums on their policies until after the war because of the moratorium, and with lapses rapidly increasing, he pointed that there was a plain duty ahead of the life insurance men. The life insurance man must do what he can to keep his policies in force.

Referring to his statement about lapsation, Mr. Priddy declared that the lapse ratio in Great Britain had been abnormally high and he quoted from "The Annalist," a New York financial publication, figures to prove it.

Woods and Edwards Enter Denials

Mr. Priddy's statement about lapsation and some pessimistic opinions about mortality which had been heard at the meeting or in the hotel lobbies, brought Edward A. Woods, of Pittsburgh, and Charles Jerome Edwards, of New York, to their feet with denials.

Stories—German Propaganda

Mr. Woods declared emphatically that the somber stories floating about

the cantonments and aviation camps in connection with heavy European battlefield mortality were not only fake, but were German propaganda. He said that as soon as a young man enlists in the aviation corps his ears are filled with stories of the high mortality in that service; and he is given the impression that he will be lucky ever to see this country again, if he goes into foreign service. The same thing applies to infantry, artillery, cavalry and medical corps. Even nurses have been told that they will probably leave their bones on a European battlefield. Mr. Woods said there was not the slightest foundation of truth in these statements.

Truth—Canadian Contingent Experience

"Now, what is the truth?" he said. "Take the Canadian Contingent, which went over to the battlefield at first. This little army, which fought at Ypres and Mons, is popularly supposed to have been almost wiped out. The magazines have been full of stories concerning this army, particularly of the Princess Pat Regiment. Now, how many of you know that of this contingent, which consisted of 33,000 men, every one of whom was at the front, and in the thickest of the fighting, only 2,166 were killed? In the Civil War with two million eight hundred and sixty-six thousand soldiers engaged, only one hundred and one thousand were killed.

Mothers Need Educating

"We must see this thing in its right light and stop harboring these pessimistic ideas that to order an American boy to the front is ordering his shroud. The mothers need educating; they must know that the percentages are all in favor of their boys returning home safe and sound, and you agents must bear this fact in mind, the men who are now fighting our battles are the men who will run this country in the future. They will return to take charge, and it is up to us not to be slackers either in fulfilling our duties with the Red Cross and Liberty bonds and other reliefs, but to write more life insurance because when these boys get back they will be writing the life insurance and taking the leaders' places.

Life Men Great Slackers

"And what great slackers some of us life insurance men are. Just think how hard a soldier has to work, even in the cantonment; and contrast that with the number of hours the average life insurance man puts in."

Facts About Mortality Coming

Mr. Woods said that one of the popular magazines is shortly to publish a story telling real facts about mortality on the European battlefield and he advised every agent and advises every mother to read this story when it is published and spread the news broadcast.

Lapsation Not Heavy in England

Charles Jerome Edwards said that he had information from Washington that the battlefield mortality is in reality not more than seven per cent. He denied the rumors that lapsation in England is heavy because of the war.

Agents Should Forego Vacations

J. A. Jackson, Aetna Life, Cleveland, said that the Aetna Life's lapsation experience in Canada had been light. He said that his only son was in the war, and he was doing all he could to protect the families of soldiers, particularly those with wives or mothers dependent upon them; and in some cases, even paid the premium on their policies. He made an earnest plea that life insurance men measure up to their duties and said that this was a year in which he feels that managers and agents should not take a vacation.

Nineteen-Eighteen Convention will Partake of New York City's Hospitality

Lawrence Priddy Wins Day Over Widely Advertised Invitation to Convene in Peoria, Illinois—Executive Council Decides for Metropolis Because of Greater Facilities for Housing Large Number of Delegates Who Will Attend.

By Clarence Axman

(*Special to The Eastern Underwriter*)

New Orleans, Wednesday—

The next convention of the National Association of Life Underwriters will be held in New York City. When the delegates arrived to attend the twenty-eighth annual meeting of the association they found plastered everywhere signs requesting them to hold the 1918 convention in Peoria, Ill. Probably if Emmet C. May, president of the Peoria Life, had been here he might have convinced the executive council that his town was just the proper place to spend three days in communion, but he was not, and Lawrence Priddy, of New York City, was. Lawrence made a mighty good speech to the executive council, explained all about New York City's splendid geographical location, discussed its Knickerbocker history, told about the fine public school system, pointed out the sights that can be seen in New York, if one be a lover of art, assured the council that the town is well policed and has a good fire department, excellent newspapers and restaurants where one may hear singing at modest prices, and said that those religiously inclined would find commodious places of worship.

By his eloquence Mr. Priddy inspired a curiosity and desire to visit the place and some time next fall there will be a lot more life insurance men seen on Broadway.

Agency Managers Attending Convention

New Orleans, Wednesday—

Among the interested auditors at the Convention of the National Association, were these superintendents of agencies from the East: Winslow Russell, Phoenix Mutual Life, Hartford; Glover S. Hastings, New England Mutual Life, Boston; T. Louis Hansen, Germania Life, New York; and George Wellwood Murray, Home Life, New York.

Outline Essentials of Proposed Code of Ethics for Association

Charles W. Scovel Classifies Ideals, Principles and Laws as Ethical Basis—Emphasizes Professional Attitude of Agent—Interest of Assured Supreme—Ethics of General Agent's and Agent's Relations—W. H. Horner, Who Suggested Code of Ethics, Not Heard.

By Clarence Axman

(*Special to The Eastern Underwriter*)

New Orleans, Thursday—

The Committee on Ethics, the head of which is Charles W. Scovel, of Pittsburgh, has already begun work. As was announced at Wednesday's session the committee is to sound everybody on ethics, and after classifying the various suggestions, will draw up a "Model Code" for adoption at the 1918 Convention.

Horner Was Not Heard

Warren M. Horner, who suggested the Code of Ethics among other planks in his model platform for the National Association, left town on Wednesday night, having been called away to attend a funeral, so he made no talk on the floor of the Convention about ethics or on any other matters. In fact, few delegates know that Mr. Horner has been present.

Elements of the Code of Ethics

In order to start the associations on the right track in regard to the preparation of an ethical code, Chairman Scovel illustrated on a blackboard how he thought the work should be approached. He divided the subject into three parts—Ideals, Principles and Laws.

Ideals are difficult to define, but as a general proposition they should consist of unity of interest among all. Above the company should be life insurance. A true professional attitude should be maintained and practiced.

Relations to Assured

Under the head of "Principles" comes soliciting. This should embrace service and advice. The agent should always remember that the interest of the prospect is supreme. Relations with the insured should be confidential. The act of taking out insurance should not be public property.

The agent should make the insured want his policy, and want it now. He should be neither confused nor chilled. There should be no misrepresentation nor misunderstanding. Misrepresentation does not mean telling a lie. There are many subtle methods of deceiving the insured all of which should be avoided. Rebating and twisting should be eliminated.

Competition and Ethics

In regard to competition this should be avoided where possible and when met only fair methods should be used. Agents should bear in mind that if they can't sell the insurance the prospect should be left in such a state of mind that some other agent may be more successful in writing him. "Leave him a better booster," said Mr. Scovel. In competition agents should learn when to stop.

Agency Relations

The speaker then took up the subject of agency relations. He began with the general agent. First principle in this section of the code should be to select the fit, qualified. Second, men should be taught and trained and their success should be general agents' success. Third, they should be properly weeded out. Fourth, the rake-off man should be thrown out, an action which should take place immediately. Fifth, the part-time men with the exception of apprentices should be cut down as fast as a general agent can replace them.

Principles governing solicitors should be: First, loyalty to agency, company and life insurance. Second, no competition within the agency. Third, no dispute carried to the prospect.

Commissions to Rivals

In principles governing between rival agencies, no agent should be taken away from a competitor except for a promotion. No commissions should be paid to representatives of other agencies without notice about it.

Business Should Purge Itself

In discussing laws, Mr. Scovel did not think much could be done in purifying agency standards through laws. He thought that the business should purge itself. However, once a law is on the books it should be enforced. Mere passage of new laws without enforcing them was a waste of effort.

It was the consensus of opinion that Chairman Scovel had outlined a good code of ethics.

Press Treats Convention Well

New Orleans, Wednesday—

Not the least interesting feature in connection with the meeting is the publicity appearing in the newspapers. The local newspapers are handling the convention in a manner which is giving great satisfaction to the Association officers and delegates. It is on the front page of every edition, sometimes in the right hand column, and generally accompanied by cuts. Furthermore, every paper has been carrying long editorials, preaching the greatness of life insurance, all written in a sympathetic and effective manner.

A four column advertisement in several papers welcomes the National Association to New Orleans, and in this advertisement are pictures of eight or ten general agents, who had the advertisement inserted.

Newell Presents Cup, Medal and Vase

New Orleans, Wednesday—

Alfred C. Newell, general agent, Columbian National Life, Atlanta, and chairman of the Prize Essay Committee, presented the Ben Calef cup and medal and the Ben Williams vase to C. H. Crimm, and C. M. Kremer, respectively, winners of first and second prize in the prize essay contest on "The Service of a Life Insurance Agent to a Nation in Time of War."

A Greeting

To

The New Orleans Convention

The men who are doing their utmost to bring the economic processes of the country to the very highest level are the patriots who have the broadest vision.

The Life Underwriters at the New Orleans Convention are showing, by their presence, that they have the courage of their convictions. They are helping the Life Insurance world to realize the possibilities of business at this moment. **And we honor them for it!**

The past year has taught us a new conception of the enormous usefulness of our vocation. This new outlook has impressed us with the **importance to the Nation** of the priceless protection that we are giving our citizens. This year Life Insurance, **in the broadest national sense,** has come into its own!

It is a supreme gratification to the New England Mutual, and to every company that has stood for the largest interpretation of the function of Life Insurance, that this is true. The New England Mutual has had an active part in this vastly increased public service—which is a source of honest and just pride. Our loyal and earnest Agency Force has enjoyed in generous measure the happy reward of this service.

For ourselves, we look forward to a still greater development; and we hope that the same rich satisfaction will come to every member of the National Association of Life Underwriters.

Let us all do our full duty in making the world safe for the helpless and unprotected.

New England Mutual Life Insurance Company

BOSTON, MASSACHUSETTS

Lack of Useful Meetings Is Great Barrier in Progress of Life Underwriters' Association

Pres. Russell Continues Membership Campaign

Endorses Minneapolis Association Code of Ethics—Wants Board of Advisors

FAVORS SECTIONAL MEETINGS

War Clause is Question for Companies' Executives to Decide

John Newton Russell, of Los Angeles, president of the National Association, in his report to the Convention, said:

The association year just closing marks the twenty-eighth milestone in the activities of the National Association of Life Underwriters—activities and achievements, while not so very unlike those of other years, are, nevertheless, worthy of special mention at this time.

In most respects, we have but continued the work, more or less successfully, previously inaugurated and handed on from one administration to another, and which to a certain extent must continue indefinitely.

Our association is firmly established as one of the great and influential organizations of this country. In reviewing its history, particularly of the more recent years, it requires no especial effort to detect and depict the successful results of the labor of our many faithful officers and committees in both national and local associations. It is true also that some of the lingering shortcomings of our institution are still quite in evidence, though gradually declining.

Publication Committee's Work

In considering a few of the more recent accomplishments, I am reminded of the work of the publication committee, which, with the advice and approval of the executive council, has had in a large degree the responsibility of arranging for and directing the publication of Dr. S. S. Huebner's book on "Life Insurance," and the work entitled "Life Insurance—What It Is and Does," by Mr. William Alexander.

I would call your attention to and ask you to carefully consider the Life Insurance Exhibit in connection with the University of California extension work, which will be presented to the convention by Mr. Forbes Lindsay. This innovation represents the extension of our propaganda to a field which we have not yet effectively covered—the common schools and the home. When other States adopt this medium of visual instruction, as they doubtless will, it cannot fail to prove a powerful factor as an educator in the promotion of our business.

Our association, partially through the efforts of my predecessor, Edward A. Woods, is largely responsible for the organization of the Carnegie Bureau of Salesmanship, under the direction of Professor Walter Dill Scott. Those of you who were fortunate enough to hear Dr. Hammerschlag's address at the St. Louis convention last year realize that this great institution is doing much in teaching us, upon a scientific basis, how to select and train men to be competent agents. At great expense the institute continues experiments which in due time cannot fail to prove beneficial to our entire membership.

Sectional Conventions

Sectional conventions are a recent development in our field of activities. But a few years ago a life insurance congress was unknown. Through the work and support of a few of our leading members, gatherings of this character are being held in different parts of the country, much to the satisfaction of many who for good reasons are unable to attend the national conventions. I heartily concur in these sectional meetings and suggest that my successor, with the approval of the executive council, appoint four or five committees, in the more densely populated sections of the country, for the purpose of organizing a congress in their respective districts. The more our members meet and discuss our business and association affairs, the stronger and more rapidly will we grow and prosper as a national institution.

Taxation is one of the very serious subjects of the day that is being discussed most earnestly both in and out of the legislative halls of our States and nation. Our committee on taxation, together with many of our leading officials and members, have proven their work and counsel to be effective to a certain extent in preventing increased taxation. As the representative of millions of policyholders and a hundred and twenty-five thousand life underwriters, our arguments and entreaties are considered and often conceded. It is within the province of every one of our members and friends to aid in this direction by educating the public to a knowledge of the fact that the policyholders ultimately bear the burden.

In affiliating with the World's Salesmanship Congress, we are doing our part toward the building and uplifting of the great business profession—salesmanship.

I have reason to believe that, at least in a certain degree, through the suggestions of particular members of our association, the "Life Agency Officers' Association" has been organized, its first annual meeting having been held a few months ago. As its name implies, the body is composed of company officials engaged in supervising work. This new institution, I am confident, is destined to do much for the betterment of the fieldman through its influence with the home office officials. It is a most promising organization, with which we should ever be ready to confer and cooperate upon subjects of mutual interest. I predict for it a successful and useful career.

Association Building

The administrations of recent years—some of them at least—have, I believe, while making every effort for the success of their respective national conventions, paid too little attention to the building and betterment of our local associations—the real foundation and life of our national institution. I have therefore, during the past year put forth my best endeavor to encourage and stimulate local association growth and expansion. In arranging our program, we have provided a whole session for the discussion of "Association Building," and I am confident it will prove interesting and helpful.

In my association visits I have made a special plea for new members, resulting in more than four hundred applications being taken at the meetings attended.

With uniform membership cards, a suggested uniform program for meetings and an outline of a code of association ethics, all of which are to be presented and discussed at this convention, our younger and smaller associations will have some guides and ideals as a foundation for work and improvement.

I have endeavored, as best I could, to encourage every effort put forth toward the increasing of our membership. At the beginning of the year I cherished the ambition to reach the ten thousand mark before the close of my term of office, and now that the goal is still somewhat distant, I can only hope that through persistent effort its accomplishment may be effected during the coming year. Mere numbers, however, will avail us but little. We must have members imbued with loyalty to our association and interest in its purposes.

The visiting of associations by the national president but a few years ago was looked upon as a pleasant pastime, but conditions have changed. The work of the president's office aside from association visiting, has grown and grown until now, although a pleasure, it has become a problem to find sufficient time to execute the numerous duties that of necessity require the supervision of his office.

During the year I have visited forty-four associations and the mid-year meeting of the executive committee in Washington. I hope my successor will find that by reason of the assistance of the new hoped for traveling executive he will find it unnecessary to give so much of his time to that part of the work.

In my official capacity I have traveled something over 26,600 miles. During the spring one of my trips lasted forty days, during which time I visited thirty-three associations located in twenty-two States. Deducting Sundays, I had but two days left in which no association was visited, and they were consumed, day and night, in traveling. The general receptions tendered me and the personal attentions of the association officers were, indeed, most generous and hospitable, and I am glad of this opportunity to express my hearty thanks and thorough appreciation therefor. Knowing I could visit but a reasonable number of the associations, I confined my efforts mostly to the territory west of the Mississippi, leaving the eastern field for my successor during the coming year.

The President's Duties

It was my pleasure during January to visit Mr. J. Burtt Morgan, president of the Canadian National Association, and his local association in Victoria, Vancouver Island. I found that notwithstanding the war in which that country has taken such a conspicuous and self-sacrificing part, the life underwriters are standing faithfully by their associations, holding regular meetings, both locally and nationally. There the same problems and difficulties are to be met and worked out as with us. Human nature is much the same everywhere. Honest work, persistent effort and time only will eradicate some of the evils of our business there, as in our own land.

It has been suggested that next year, or at least in the near future, we hold our annual conventions one immediately following the other, in the same city. This I favor and invite its discussion at the mid-year meeting of the executive committee.

Since the date of the St. Louis convention, the following named associations have been organized and are now in good standing: Rockford, Ill., Joplin, Mo., Sheridan, Wyo., Springfield, Ill., Fort Worth, Tex., Wausau, Wis., Texarkana, Ark., Racine, Wis., Decatur, Ill., Altoona, Pa., Galesburg, Ill.

The Membership Campaign

Last year, the membership committee inaugurated a great prize cup membership campaign. Through its persistent effort seven beautiful cups were secured and offered to the association, for increased membership, under certain conditions. The result was a very satisfactory expansion of our rolls. This year the work has been continued by the committee, directed by W. A. R. Bruehl, chairman. While the net results of the work of this committee have not shown the gains we had hoped for, I am positive had it not been for the persistent, strenuous efforts of Chairman Bruehl, to whom the unstinted praise and earnest thanks of our entire association are due, the final reports would undoubtedly have shown a heavy net loss. The principal reason for the association not making greater growth is, as no one can doubt, the general unsettled business conditions resultant from our lamentable world war. During such times, many of the life underwriters of our land are not easily persuaded to affiliate with an institution that is looked upon as of a more or less social nature. I do not agree with this attitude.

The life underwriter should live up to the slogan "Business as Usual," and to do this he should join and take part with any institution that will stimulate and assist him. With the restoration of peace, which we all so dearly love, with the work of the new traveling executive and the efforts of our various committees guided by the experience of recent years, it can not be very long until our ten thousand membership mark shall be reached, and with the great momentum then attained, our growth will be by leaps and bounds until even twenty-five thousand will be enrolled upon our membership list.

For the past three years I have advocated engaging a field or traveling executive secretary. After carefully considering the matter, the executive committee decided at its last mid-year meeting to make the appointment as soon as a suitable man for the position could be found. I believe the incumbent of this new position can more than pay his salary through increased membership, the sale of association publications and the securing of advertisements for "Association News." It is essential that every association should be visited at least once annually by an official of the national association and that the younger and weaker associations should be assisted in increasing their membership and instructed as to how effective meetings should be organized and conducted.

"The Crying Need"

In fact, this is the crying need of a large majority of our associations. I believe that the greatest cause for our shamefully heavy membership lapsation is the lack of meetings that are encouraging to the beginner—interesting, amusing and instructive. Inferior, uninteresting meetings do not draw the members together; in consequence, there is a lack of co-operation and naturally memberships are discontinued. Upon visiting a certain association in a capital city I was advised that it usually met about every two years—while the State legislature was in session—being supported principally by a few of the leading general agents and managers. Is there any wonder that this association did not grow and prosper? My desire to limit this report pre-

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When the acid test is applied for

STRENGTH

LIBERALITY

SERVICE and

LOW COST

The John Hancock Mutual Life Insurance Company of Boston, Massachusetts

is placed high on the list

Capable Agents will find a liberal

underwriting policy and contracts to

meet all conditions and circumstances

The Company's growth is phenomenal

MERIT did it

Analysis of Scientific Salesmanship

Report Read By
Chairman EDWARD A. WOODS

It is the successful and progressive who are most ambitious to improve further and therefore to know weaknesses and study their remedy. It is the failures and inefficient who are ignorant of defects, satisfied with conditions, who resent new ideas and improvements and dislike to recognize anything indicating their necessity. Such often do not recognize the difference between useless fault-finding and constructive criticism. Therefore, the statement that there is waste and inefficiency in life insurance salesmanship is merely recognition of a fact neither new nor peculiar to our particular business. It is most creditable that the leadership in the great advance being made toward better salesmanship methods has been taken so generally by the live and active agency and field officials. We have pointed to the fact that although salesmanship is as old as commerce and that while school and college training is being given in almost every art and trade, in the all-important one of salesmanship until recently there has been no school or college course to teach this most important vocation.

Life Insurance Turn-Over Excessive

The expensive turn-over of insurance salesmen is excessive, as with salesmen and other employes everywhere. The thirty concerns represented by the Carnegie Bureau employ altogether about 55,000 salesmen, to maintain which force about 30,000 new men are hired every year. This waste may be illustrated by the results in one large manufacturing concern that has estimated that the cost of employing each one of the 28,000 new employes last year to maintain a force of 17,000 factory men of all grades, was $56 each. That it costs money to select and train salesmen, while a recently recognized fact, is just as true of insurance salesmen; indeed, a rightly selected and thoroughly trained life insurance salesman is more expensive, because he is a higher grade of salesman.

How Much Do Life Insurance Men Work

Experiments tried with numbers of groups of successful insurance men who have been asked to write down the percentage of their time that they really worked compared to the time that they could have worked without injury to their recreation and health, have shown that the estimate of insurance men themselves is about 33 per cent. That they have been so successful under more or less desultory methods of work suggests what would be the result of more thorough work and how great the demand for life insurance is, since in the past it has been sold by such unsystematic efforts. Methods must be devised for solving both the waste in employing men who subsequently prove to be unfitted for success as insurance men, and for inducing those who are fitted to work more effectively. It may be that as in industrial insurance some different method of compensation must be devised to induce the new man entering the business to adopt more thorough ways of working, that he may work at least as hard and systematically as successful men elsewhere must work. We must get rid of the idea that a life insurance man need not be regular and systematic in his hours and days, and we must realize that the excuse of "not feeling like it" no more applies to this vocation than to any other. Such an idea would paralyze any army, clerical force, or other organization.

The Selection of Insurance Salesmen

Obviously we should begin by deciding how we shall better select prospective insurance salesmen. The Carnegie Bureau, during the last year, has properly been giving this matter first attention. What are the traits that characterize successful men, and what characterize unsuccessful men? How many of us can remember looking for qualities that later experience showed to be of comparative unimportance? How many can remember when a good appearance, good social position, a large acquaintance, a fluent tongue, perhaps a good education, and even plenty of "nerve" characterized a successful applicant for our money—money many of us would be glad to have back? How often have we been virtually insulted by the frank, though ignorant answer from some layman, asked about an applicant for our business, "He has plenty of cheek and he can talk your head off. I think he would make a good insurance man"? Is it not of fundamental importance to ascertain what really are the qualities that differentiate the successful from the unsuccessful insurance men? Should we not go about this as we do the characteristics of good risks and poor ones, that we may look for the qualities that are really characteristic of successful men and attach little importance to qualities that we may have thought necessary, but which have been found in actual experience to be just as common among the failures as among successes?

The Carnegie Bureau, with the assistance of the seven life insurance organizations that are members of it, has gone about this as actuaries and medical directors investigate mortality, by trying to ascertain the qualities of the successful and the unsuccessful groups. One result of this study so far is appended to this report and will prove of great interest and value to the practical student of the subject.

The Training of Life Insurance Men

A study of an inquiry sent out to 73 companies and 153 agencies, shown appended to this report, is both gratifying and humiliating. It is humiliating because of the number of replies from successful companies and agencies which frankly state that no systematic effort is made to train men. In an age when months and sometimes years of training are required to fit one for almost every other vocation in life, the few hours or few days of training that are given to the life insurance salesman explains why it is that the public has not regarded insurance men as highly as they should be regarded. For example, one agency frankly states that they give the new agent half an hour's training!

But it is gratifying that so many companies and agencies are not only realizing the value of training but are working out various plans for providing it. We are drawing larger and larger numbers of our new men and women from colleges and from classes in economics where some preliminary insurance instruction is given.

Agency Executives' Association

The newly organized Agency Executives' Association, an outgrowth of the National Association through the World's Salesmanship Club Movement, is another evidence that attention is being given to this all-important phase of selection and training of men really fit to represent instead of misrepresent American life insurance.

Trained Men Will Drive Out the Casual Agent

Careful selection and training will also have a tremendous although indirect result, in eliminating the casual agent, broker, and rake-off man. If it is realized that only those agents are of real value who are carefully selected and thoroughly trained; that such an agent means a large investment in time and effort, there will be no place for the unselected and untrained. We will believe that we cannot afford to deal with the unselected, untrained and inexperienced, who, no matter however honorable their intentions, are as unfit to serve the public as the untrained attorney or physician.

A Great Future for the Selected and Trained Man

The fact that throughout the entire field of life insurance, companies and agencies are beginning to make a determined effort in this direction, is hopeful and gratifying. Ten years ago this subject would have been impossible. The effort then was merely to get men. The rejection of agency applicants, unless of evident questionable character or absolute inefficiency, was practically unknown and the proposition to spend time and money in training them would have received scant attention. When the entire profession is searching for better methods of selecting and training men; of making this great business one that only the efficient can enter and in which only the fit can remain, we can, as many companies and agencies are doing now, make far better selection because a larger percentage of those whom we accept will succeed and because the business can only be taken up by the fit.

Analysis of the Successful Insurance Salesman

In the March, 1917, issue of "Life Association News" there appeared an article by the present chairman, entitled, "Determining the Essential Qualities of the Life Insurance Salesman." In this article there was presented the report of a preliminary trial of a new method for discovering the outstanding qualities of successful agents.

This method was developed by the Carnegie Bureau of Salesmanship Research in Pittsburgh with the assistance of some of the life insurance organizations. The purpose of it is to discover, if possible, what the traits or characteristics are which the successful insurance men have and which the unsuccessful insurance men lack. Those traits may be quite common ones, such as we see examples of every day. But the question is, are those traits which we see in action every day really the cause of most of the successes and failures or are they simply single striking instances We can not generalize from a few observations and it is only when we have a considerable number of reports, recorded and compiled according to scientific methods, that we can make any exact statements. The value that such statements would have is obvious. Especially in the matter of taking on new agents would it be highly desirable to know, not to guess, what the important qualities are to look for. Of course a man must have honesty and a good character generally —but must he be college-trained? Must he be handsome in appearance? Must he be systematic in his business? Must he be a steady, persistent worker? These and many similar questions are answered differently by different agency managers. Just as we wish to know by actual experience what groups of insured live long or die soon, instead of following the conflicting opinions of different medical men and actuaries, so we should like to substitute for the conflicting opinions of agency managers the actual experience of a large enough number to furnish a safe guide for the selection of agency material, remembering always that—again as in mortality data—the results will show what qualities characterize groups of successful men and groups of failures and that notable exceptions do not alter the rule.

Weak Spots

In regard to an agency force it would be of great value to know the particular weak spots of the men and how serious they are with a view toward making definite attempts to correct them. It often happens that a man apparently has many of the qualities vital for success but still he does not produce. If his weaknesses could be isolated and coached a little, how valuable it would be both to himself and for his employer!

The method proposed and described in the article mentioned above consists in the independent rankings made by one or more of the executives in an agency upon at least twenty full-time men. The rankings are made on the basic traits which are clearly defined and which are as follows:

APPEARANCE AND MANNER: Physique, bearing, facial expression; clothing; neatness; voice; cheerfulness, self-confidence; and courtesy.

SCHOOLING OR EDUCATION: Highest class reached in school.

SYSTEM: Methodical; forming and following an effective program.

HEALTH: Energy, and freedom from illness.

INDUSTRY: Energetic and persevering in work.

CONVINCINGNESS: Presenting a proposition to a buyer in a convincing way.

KNOWLEDGE: General information as distinguished from education.

CHARACTER: Loyalty, honesty, truthfulness, the spirit of service, and freedom from drinking, gambling, and other immoral acts.

THRIFT: Wise personal financing.

INITIATIVE: Originality, the sense for prospects, being a "self-starter."

Finally a ranking is made in the same manner on the basis of each man's actual value to the agency. This is entirely independent of any of the other rankings and it is based on the amount of a man's production as well as on his influence for good or bad throughout the agency. The purpose of it is to provide a standard by which the rankings in the traits may be judged.

If the men standing highest in "value" are correspondingly high in Trait X, for example, then the less valuable men must stand low in that trait and we assume that Trait X is characteristic of good men. This assumption of course can not be made conclusively on the basis of only one or two rankings, but is strengthened by combined results of a number of independent rankings from different agencies. In the development of any single agency great emphasis may have been placed on thrift; in another, schooling may have been given great importance, or appearance, and so on, but in the combination of many reports these indi-

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Life Companies are Serving the Nation

They have heavily subscribed to the Liberty Loan and will be heavy subscribers to subsequent loans that are certain to be offered. Their Actuaries will serve the Government. Their Medical Examiners will join Hospital Corps. Members of their Field forces and Home Office staffs will follow the colors, regardless of the disorganization that will result. The Companies, in various ways, will "give until it hurts." And all the while the underwriters who remain will be doing their bit to protect still more the homes of the nation in this direful time, and to exert by their poise and faithfulness a steadying influence upon the country's business, and the Home Offices will be pouring out hundreds of millions a year to policyholders and beneficiaries, in fulfillment of contract obligations. As in Canada, Britain, and France, so the life insurance institutions of the United States will be prodigal in varied service and valiant in their financial aid.

This Company's function in war as in peace is to serve the homes and businesses of the nation by supplying as good life insurance as can be devised, at a cost whose fairness is everywhere respected. We have policies that are as good as the best, advertising material that is helpful, and an organization whose Field and Home Office branches are fraternal and unusually congenial.

Occasionally we have a General Agency opening.

Joseph C. Behan, Superintendent of Agencies

Massachusetts Mutual Life Insurance Company

Springfield, Massachusetts

INCORPORATED 1851

Waste In Agency Management

By FORBES LINDSAY

Superintendent of Pacific Mutual School for Salesmanship

There is a general awakening to the need for systematic training of salesmen, but as yet no apparent recognition of what I believe to be a greater need—the systematic education of general agents. At the root of waste in agency management and responsible for by far the greater part of it is inefficiency on the part of general agents. Scores of men are filling managerial positions who are wholly incompetent. The waste entailed by these experiments is much more costly than would be the maintenance of a system of test and training for aspirants. Scores of others, who have the undeveloped qualities essential to success in the position, are slowly qualifying at the expense of their companies, of their territory, of their agents, of their patrons, of everybody and everything but themselves. All concerned would be benefited by the subjection of such men to definite training.

I am prepared to have every general agent repel this statement with the assertion that he is qualified for his position by experience and ability. In many cases this is true, if the test is to be the present day standard of efficiency. But the present day standard is altogether too low. If we are to be satisfied with it for general agents, we must resign ourselves to the acceptance of it for salesmen. Improvement in the general efficiency of the latter is necessarily largely dependent upon increased efficiency in the men who are charged with their management.

The Root of the Trouble

Much consideration has been given of late to the wasteful turn-over of human material involved in our business. For the most part the causes of this trace back to the general agents and through them to the home offices. The appointment of incapable managers and the apportionment of larger territories than can be properly worked by them is at the root of the matter. When we have an efficient general agent controlling a field which he is able to thoroughly supervise, we find an agency approximating its potential production. There are few such agencies in the best organized companies. With the majority the force of general agents is in a condition comparable to that of the force of salesmen, and characterized by frequent change and inadequate production.

Selection of Salesmen

Since the publication about a year ago of Mr. E. A. Woods' striking figures relating to the employment and discontinuance of salesmen, a great deal of attention has been directed to the matter of their selection. The prevalent idea seems to be that this is the most important factor in measures for improvement. The correctness of this conclusion is questionable.

Let us assume the moderate standard of average character, intelligence and industry. It must be admitted that practically any man possessing these qualifications can pay for $75,000 of insurance a year under favorable conditions. But it appears from apparently reliable figures that only one agent in ten accounts for that amount of business. Why? Surely there is no difficulty in selecting a majority of men in conformity with such a standard and, in fact, it is probable that 75 per cent. of agents engaged measure up to it. If that is so, the chief cause of failures must be looked for elsewhere than in faulty selection, and I believe that it is to be found in the absence of favorable conditions of work.

Whilst I deem the after-treatment of agents to be of more vital consequence than their selection, I fully appreciate the importance of the latter. As a result of much thought and practical experience I have standardized a method of interviewing and gauging applicants for agents' contracts, who have never been in the business of selling life insurance. A summary of the principal features of this method may be of service to you.

I never close with an applicant on the first interview and frequently not until the third.

Written recommendations are doubtful guides, as a rule. By securing references at the outset, opportunity is gained to communicate with them in person or by telephone before the applicant's second call.

Mental Attitude

My first endeavor is directed toward discovery of the man's mental attitude toward the business. Why does he wish to enter it? Is he determined to make it a life's vocation? On what does he base his expectation of success?

I next demand a frank statement as to whether he would suffer monetary embarrassment in the event of not earning anything during the first three months. The employment of this test is calculated to save trouble for both parties.

After these preliminaries a candid and conservative statement of the advantages and difficulties of the business is made. A reasonable estimate is given of what may be accomplished under a renewal contract in five years.

I next take up the company and its system of instruction, endeavoring to create in the prospect a desire to represent it.

Discussion of commissions and other details are reserved for another interview. The man who displays urgent interest in them may usually be set down as a would-be exploiter of the business for temporary convenience.

Finally, giving the applicant a little literature to read, I ask him to reflect seriously upon the matter and to come back, provided he shall have made up his mind to adopt life insurance as his permanent work. If he fails to return I congratulate myself upon being rid of an undesirable.

The most stable and profitable agency is one composed mainly of salesmen who have been inducted to the business and trained by the general agent. He will find it advisable to offer a substantial inducement to his agents to seek new men. Recruits secured in this way are generally desirable, for obvious reasons.

Lack of Direction in Agency Operation

Extensive waste in agency management is due to undirected and unorganized effort. This condition commonly pervades an entire force in city and county, from general agent to rawest beginner. Very rarely is 75 per cent. of the ability latent in an agency turned to practical account. Hardly ever is there any definite system for utilizing it. Every man works "on his own hook" and in his own way. The general agent regards each as a separate instrument for the production of business. He observes little distinction between units. He takes no pains to study the individual, to learn his characteristics, his weaknesses and his strong points. He has no conception of harmonious co-operation in his force. The result is an unorganized mob, working blindly, selfishly and often conflictingly.

The great advantage of specialism is unappreciated or ignored. In every considerable agency are one or two extraordinarily good closers and two or three others who have exceptional facility in the approach and creating interest. Here is an agent admirably adapted to negotiating with business men, and here another whose qualities are calculated to produce success among artisans. The work of each of these salesmen should be so regulated that, as nearly as possible, all his efforts will be expended in the exercise of his special talents or facilities.

Adequate Training More Important Than Improved Selection

Every life insurance agent has an aptitude for specialization in some manner, if only in the presentation of a particular policy which he thoroughly understands and enthusiastically appreciates. He may discover his specialty, but very often he will not. Many men, who are utterly lacking in initiative, may be made good producers under intelligent guidance.

The general agent who sets about a serious study of his men as individuals will soon discover a great waste of energy in his force due to misdirected effort on the part of agents who are working along lines of greatest resistance, soliciting in fields which do not afford full scope for their best qualities. He will find others trying to make bricks without straw, whilst having a store of the necessary ingredient at command—men who are unconscious of their most effective qualification for success

It is the duty of the manager to find out the appropriate specialists of his individual agents and guide them in the way of utmost effectiveness. The latter object will involve the co-relation of the various talents represented in his force. The manager should be the brains, the director and the counselor of his agents.

It appears to me that the remedy for the heavy and constant waste represented by the failure in our business is to be found less in improved selection than in adequate training and efficient direction—and the chief desideratum is the training of managers. Among the thousands of agents who yearly fall by the wayside are many whose failures are chiefly attributable to the shortcoming of their general agents.

Loose Operation of Country Territory

With comparatively few exceptions, general agents work country territory as the American pioneers farmed land; that is, superficially and carelessly. The fault lies primarily with the companies in giving managers agencies so large that they could not be properly organized in a lifetime. The recipients of these regal grants are equally generous in their subdivision and disposition of territory. Quite frequently several counties are assigned to a man of little ability and no technical experience. The amount of business to be expected from this agency is determined by the manager's measure of the agent. This is wrong in principle and wasteful in practice. The territory is the proper basis of computation and the only one consistent with intensive cultivation.

The general agent should carefully investigate the possibilities of the field, population, general conditions, wealth, industries, facilities for travel and amount of business done locally by other companies. Consideration of this data will enable him to arrive at a fair estimate of the amount of business which the territory should yield. Having set figures for it, immediately, proximately and ultimately, he should employ every means within his power to effect their realization by securing a man qualified to achieve the quotas assigned to the territory and by extending all feasible assistance to him.

The zone or district system will give the best results to the general agency and the best service to patrons.

Country territory should be subdivided with the idea of conservation and maximum production, each unit being placed under the charge of a district manager. The efficiency of the latter is the keystone of the country organization. It is essential to the successful operation of the system that district managers should have a course of training at the head office of the agency. This will involve time and trouble on the general agent, but the investment cannot fail to prove a profitable one. In the small towns of the zone the company will have representatives coached by the local manager and distinctly superior to the typical ignorant and inefficient country agent. The business will be written and taken care of properly, with the result of increased persistency. The presence of the district manager will obviate the necessity of frequent visits by the general agent to the zone.

The Broader Aspect of the Matter

Whilst enlarging on the obligations of the general agent we must not overlook the responsibility of the company. In the final analysis all general defects of field operation root in the home office and all general remedial measures must emanate from it. When a clear conception of the situation and its needs become prevalent among executives charged with the direction of agency affairs we shall witness a readjustment of relations, bringing the fieldman into much closer contact with the home office. The company will share with the manager the task of educating and directing the salesmen. The latter will derive theoretical instruction directly from the home office, but will receive practical training from the general agent. Throughout his service he will continue to enjoy the direct guidance and assistance of the company. To promising salesmen will be made available a course in scientific salesmanship and scientific management with a view to their qualification for the position of general agent. This implies the graduation of a company's managers from the ranks of its salesmen, which should be the most economical and satisfactory source of supply. A system that fails to produce men qualified for the higher positions is fundamentally defective.

Such a reformation in field operation is entirely practicable and may be gradually realized without any disorganizing action. Its desirability cannot be questioned and its mere inception will be a great step in the direction of freedom from the haphazard and rule-of-thumb practices which attached to our business in the earlier days and continue to impair its operation.

The most important effect to be looked for with assurance from the institution of such a system as I have outlined is the general increase of efficiency and production among life insurance salesmen, coincident with decrease in the numbers by elimination of deadwood. This latter element in our agency organizations is the source of a large amount of unsuspected waste. Unproductive agents are not merely neutral quantities. They act on an agency force as barnacles do on the bottom of a ship. They retard general progress, exert a bad influence upon their fellow agents, besides entailing unprofitable trouble and expense upon the general agent.

Analysis of Salesmen

There is no more deceptive term than "average life insurance agent." Arriving at this average from a basis of production, we include in our calculation a large proportion of men who are not life insurance agents in any practical sense of the word. Separate the

(Continued on page 21.)

What of Tomorrow

SELLING more than 7,000 ordinary life policies in less than six months has demonstrated to me the necessity of high moral and correct ethical standards in the salesman's working kit.

The eminence won by this profession of ours is the direct result of work done by men and women willing to sacrifice yesterday in order that today may perfectly reflect the greatness of life insurance.

When we gaze tomorrow upon the work we complete today, the picture should stir us with pride, and it will do so, if we do our duty, because then we shall have truly served our clients in the greatest welfare work known to mankind.

HARRY ROSENBERG
76 William Street
New York, N. Y.

The Life Agent—An Optimist

By CHARLES WARREN PICKELL, Detroit

I like the word "agent." To me it means more than "salesman"—or "solicitor"— or "underwriter." There is a touch of warmth in it—a bit of sentiment. It gets under my skin. My agent is my attorney de facto, empowered to be me. He acts for me and as I would, with full authority to do whatever is necessary to conserve my interests. I am responsible for his actions the same as if they were my own.

In our business, the field man—"the agent"—is its exponent. He is the business. When presenting his policy to a possible insurer, he becomes the company. The average purchaser never went to the home office—knows none of the officials—knows nothing about the business except what the agent tells him. To him the agent is the whole thing.

The Agent's Coat of Arms

In his unique relation to the public, the life agent might be called the emblem of our great occupation—a coat of arms consisting of a protecting shield, surmounted by an American eagle rampant with wings outstretched over a gold embossed home circle. Or we might call him a semaphore across the highway of life to stop the insane rush of thousands running wild on a single "get-rich-quick" track leading to death and destruction. Or you might find a life-sized figure of him enshrined in the hearts of widows and orphans as a memorial to be venerated and loved while a single home endures or a single beneficiary feels the impulse of his faithful service to his fellow men.

Is there any interest, anybody, anywhere who has not heard the good story he tells—or seen the beautiful picture he paints—or felt the impact of the punch he puts into his daily bout? He is ubiquitous. His personality and work run through the tapestry of human experience like a thread of gold—standing out in relief and adding tone to the conception.

As related to life insurance, he may be likened to the expansive steam which transforms the otherwise inert, worthless machinery of an "Old Line" company into a pulsating engine of tremendous power, whose vibrations are felt from sea to sea. Or to the wiry tap-root of protection, reaching far down into the depths of commercial and social activities to gather the life sustaining juices and drive them up through the trunk and branches, so that a cooling shade may protect and a rich fruitage refresh the destitute and distressed. In his hands he holds the destiny of our splendid business. Through him the companies take the blood pressure of the public heart. Through him the community receives and assimilates the most perfect protection ever devised.

The Optimist

My word, gentlemen, optimism is a most praiseworthy attitude and possessed by every mother's son of you, else my eyes deceive me.

Behold the optimist! When some one in the busy whirl of life hands him a very sour lemon, he mixes it with sugar and water—presto, a lemonade. When making a public address and some mean pessimist in the audience, not en rapport with his views, dispatches a few Chinese eggs in his direction, a little milk, soda, pepper and salt—presto, an omelette.

Optimism sees a glimmer of light in the darkest night, hiding somewhere in the shadows. Optimism turns its big reflecter away off into the infinite blue heavens searching for unknown stars, instead of seeking for spots on the glorious sun through a smoked glass. Optimism is keen to see wickedness, brutality, infirmity, courage, sorrow, failure, discontent, injustice, et al., yet it complacently smiles on, abiding in hope and promise. If impelled to repine, optimism is strong enough to see sixteen silver linings to one overhanging cloud.

Some old wizard has gone on record by saying, "Whether life is worth the living or not depends on the liver." No part of the human anatomy is more useful than this big gland.

Believe me, when a fellow's liver goes on a rampage and floods his canal with too much black bile, he gets up in the morning with no strength, a mean, dull headache, and a seal-brown taste in his mouth that murders appetite on sight of food. The whites of his eyes turn ecru and the whole world has a saffron tinge. He looks and feels as if he were employed in a sulphur mine.

How can a man be an optimist when his liver is out of commission or working overtime? He can't! Besides, this organ is supersensitive. It resents abuse—it growls at excessive use of alcohol or tobacco—it is offended so much at hatred, grief, bitterness, jealosy, envy, lust, and a hundred other foolish emotions that like the cuttle fish it tries to hide its existence in its own fluids.

But, when you give this big gland a chance by treating it on-the-square, so it can function normally, it will help make your eyes sparkle, it will remove the yellow from your complexion, it will brush the cobwebs from your brain, it will give elasticity to your step, it will transform groans to laughter, it will help put snap into everything you do. It's mighty hard to be a pessimist when this organ is in concert pitch and nature is playing a symphony in B natural.

Correct Vision

Not many blind men are optimists and yet to see clearly and constantly the bright side of life, one has to be blind to many unpleasant things the wicked old earth has on exhibition. This is no paradox. Correct vision is neither near-sighted nor far-sighted, has no astigmatism or lack of accommodation and is free from iritis and cataracts, but the optimist possesses all these afflictions and many more eye troubles.

Laziness

Optimism and laziness are bitter enemies. Even the devil can't bear a low-down, "houn-dawg," good-for-nothing, lazy lout, and he won't have him around idle, so he gives him one of the meanest jobs in hades—making mischief. From the time Adam tried to get wise by eating apples, man has had to labor and sweat. All honest labor is cardinal and essential. The man who refuses to work on the unreasonable ground that the world owes him a living, has a perpetual grouch and is a menace to society. I might add, so also is the fellow who by force prevents another from working. Bad cess to him!

Occupation gives no time for worry—gloom—discontent or doldrums, and so death-producing poisons are kept from the physical body and the heart keeps young, clean and merry.

For the real joy of the job, the man with the hoe by the side of the road has a mile start of lazy, old "Gotrox" and his bodyguard riding by in his limousine. Climb in with him—hear him groaning with rheumatism—swearing at his digestion—cursing the chauffeur—grumbling at things that can be helped and damning things that can't. What's the matter? Why the poor rich man has nothing to do but eat, cut coupons, play bridge, wear clothes, sit around and then do the same things over again. Some call it inertia, laziness, sluggishness but I would call it what Sherman called "war." Well may he envy the whistling, perspiring, hard-muscled chap just over the fence in the corn who eats his dinner of salt pork, plain boiled potatoes and milk gravy with a regular appetite he seldom, if ever knew. But these are extremes. Yes one is an extreme pessimist made so largely by idleness—the other an extreme optimist made so largely by labor. If you want to digest everything—if you want to make others happy, do something and keep doing it, don't give up or give in until you are 94.

"There's a world full of pleasure that a dollar can't measure,
As free as the raindrops that fall.
There's a blue sky above us and friends that will love us,
It's the great scheme of life for us all.
Let our creed be, my brother, to help one another,
Let's make our lives more realistic,
We'll lift our glass high and drink 'till it's dry,
Let's make the whole world optimistic."

Components of Success

Time will not permit us to dig down deep into the many reasons why the life insurance agent can't help but see the good in everything and scatter sunshine as he works, but here's one:

To become a successful salesman of protection, he must be in prime condition, physically, mentally and morally, and there must be co-ordination of his three-fold natures. There must be harmony of impulse and co-operation in action. The better timber in the man, the better the man—from top to bottom—inside and out. When strong and healthy in body he carries a powerful and magnetic atmosphere which attracts like a lode stone and sends out its sparks of influence like radium. If he is well-equipped and thoroughly well-trained mentally, he can toy with a thousand pugnacious objectors and confront keen business shrewdness with greater acumen. Then should he be morally on the square and his character above reproach, there is no fear or evil rumors—scowls are met with smiles and hate with unruffled gentleness.

The day is fast approaching, gentlemen, when one, who wishes to engage in the greatest business in our land, will be compelled to come before a competent board of experienced persons appointed by the governor of each State, and submit to a thorough examination. His physical condition—early training—education—knowledge of life insurance and the principles of salesmanship—habits—moral character—all to be subjected to the acid test. And why not? Should an arrant fool become advisor to the ignorant? Should an unhealthy, loathsome creature invade the sanctum of purity? Should a moral leper play benefactor to the widow and orphan? Ought there not to be consonance between the protection proposed and its proponent? To be properly invested before the public our business must feel the resultant impulse of the truest types of manhood and womanhood with the greatest possibilities.

Success

In many States a barber cannot shave unless licensed by the State board of examiners. Pharmacists, lawyers, doctors, school teachers, and many others must qualify for their jobs and be subjected to a rigid examination. But for our life agent a licensé is not enough. There are approximately 100,000 life insurance agents in the United States representing 248 different companies. The tremendous voltage exerted by this bundle of live wires, calls for something more than a mere license permitting them to solicit.

To change the figure, these men and women are actors in life's great drama. They play the role of guide, adviser, confessor, judge, executor, friend—and so cannot be too well versed or trained for their parts. Perhaps life underwriting may some day be a real profession instead of a quasi or fanciful one as some over-enthusiast likes to dub it now-a-days. Before that day comes, there must continue to completion the sifting process of the past twenty-five years. Many ignorant, immoral, unfit whole-timers and part-timers have "folded their tents like the Arabs and as silently stolen away" because an aroused public conscience demanded better timber. The companies have awakened to a deeper, keener sense of responsibility, and are demanding that their exponents should be and know and do just what and all that they profess. And that's all there is to a profession.

When the day comes that our field men receive their master's degrees and become real professors of protection, then inspection, examination, the "acid test" or the "third degree" will affect them no more than an afternoon tea. Then there will be some high-class representation whose tonic effects will be felt in every nook and cranny of the globe.

Here's a tin-type of the "professor": Digestion perfect—liver working just right—systolic 125—nerves under control—head clear with all mental faculties keen—eyes sparkling and trained—muscles vigorous and tense—courage born of faith—hope, love, sobriety, courtesy, cheer abounding—heart big enough and in the right place—a love for the game and consumed with the desire to work. "Sure nuff" optimist, that boy!

But the agent's optimism grows apace because he meets the best people on earth. By the B. P. O. E., I mean, first. those who think—there are hundreds of ivory heads; second, those who pay their debts—there are thousands whose sense of an obligation is strangulated; third, those who love estate—reputation—honor—wife—children—there are millions who love themselves so hard, no one else has even a "look in."

Association

A peculiarity of the agent's work permits him to select the men with whom he wishes to associate. Some few really great ones in the clan can even name the time and place they are to meet. With such wonderful power vouchsafed to him, he engages in a mental selection of those he must enroll as friends, and so involuntarily admires the man who thinks, who pays, who loves, and becomes inoculated with the same virus himself.

By association with the man who reasons, he acquires skill in the use of syllogisms. By visiting the art galleries of many vivid imaginations full of tone and color, thrown wide open to his admiring gaze, he soon gets where with brush and pigment, he can paint joy, beauty and grace. In like manner the constructive and analytical faculties of the intellect gather strength and value. The whole mental mechanism is stimulated to accuracy, alertness, and efficiency through association with the best, just as a watch synchronizes with the regulator when hung near it. So also the functions of his will are energized and quickened. Perserverance gathers momentum, forming stability of purpose and habits of work. Improvement finds a broader field through skill. The simple truth is, the boy is "up against" the strongest, hardest wills to be found. He learns to parry and thrust, to withhold and advance, to measure swords and exchange blows, and every day becomes more capable and more content.

In his daily diggings he uncovers men's hearts opening up rich veins of those finer feelings that make life brighter and drive dull care away. Think what pleasure he gets when he

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Life Agent—An Optimist

(Continued from page 11.)

finds a cheerful subject who himself is an optimist—think how jolly to meet real wit with badinage—think how easily he could be inspired to see the silver lining by a full-blooded successful man who carries an illumination of hope, and courtesy, that crown that graces the brow of every salesman, how some Chesterfield "hands it to him." Every day he catches more and more of the essential courage that masters in the business and professional world display.

And so he goes increasing his capacity for service, by increasing the radius of his selected associates. He rubs up against these picked folks and gets polished so he shines. His whole attitude must be buoyant whatever of sorrow, disappointments, troubles, losses, defeats beset his path, since yielding to these devils drag him down to failure and shame. When he has a poor month he hustles harder—when he loses out in competition he sets his jaws and tackles the first man he meets —when a rejection confronts him, he grins and admits the applicant was a poor risk—when saddled with a worthless note he charges it to profit and loss and congratulates the deadbeat on having a year's insurance for nothing—when sickness comes into his home there is the assuring smile and comforting touch that says, "There, there, don't worry, father is here. You will come out all right in a day or two."

The Real Salesman

But the supreme reason why a successful solicitor cannot be a pessimist is revealed in his objective. What is he in the business for and why is he pushing forward from day to day? Is he striving by hook or crook solely to win some bonus (the days of which I believe are numbered) or has he lost his soul to the money he gets from commissions he loves to figure in advance? No, indeed, not by a jugful! With the real salesman all this is secondary. He is the distributor of protection in a great variety of patterns, and he is the mortal enemy of shiftlessness and improvidence. His business is a mosaic, each little service fits into the design essentially and with exactness, not complete alone by itself but spoiling the model, if omitted. With what satisfaction he guides the uncertain applicant to adopt the wisest and best plan for protecting his estate from his untimely death, becoming his attorney to arrange all details. With what sublime patience he bears with that procrastinator—the curse of his work—who will not listen to reason or be moved by example. He must not be impatient or say mean things—his purpose is ot insure that man's life. How much joy he finds in an evening with a friend and his family discussing a campaign against the "Grim Reaper" and surrounding the helpless "kids" by an impregnable fortification against poverty and suffering.

His objective is to extract the poisonous sting and blighting curse from a helpless old age and soothe it with a satisfying competence and tender care. Isn't that enough to make an agent rejoice?

His objective is to save a private estate from irreparable loss, by furnishing a quick asset available when his guiding hand is pulseless in death. Isn't that enough to make an agent happy?

His objective is to preserve the home, which is the unit of our social existence, pure and influential, sacred and inviolate by helping the widowed mother to keep the little ones under her wise and loving care. Isn't that enough to make an agent shout for joy?

His objective is to safeguard business interests, which by the death of some valued man, might overthrow the economic structure of a whole community, by supplementing such loss in part with its money equivalent. Isn't that enough to make an agent feel bully?

But his greatest and most comprehensive objective is the public welfare —social, intellectual, financial, moral. Indirectly, but none the less surely, he is the instrument to eliminate crime and crush vice—to close poorhouses and tear down jails—to build schools and churches—to train men and women for business and professional lives—to endow institutions for scientific research and foster life extension plans and social betterment enterprises—and so we might go on. Isn't this enough to make an agent see the bottom of Pandora's box?

Optimist, the Beau Ideal Agent

Believe me, ladies and gentlemen, wrapped up in every faithful whole-timer are possibilities subtle, far-reaching, refining around which you could not run a tape line. And he knows it. His very soul is gripped—his spirit buoyant—his manner winsome—his heart gracious. "He bears a charmed life."—"his course runs smooth"—his star is in the ascendant"—"victory is chained to his car"—he basks in the sunshine"—all because his work has the true objective—he is in fact the world's greatest optimist. Listen: with him no case however bad is altogether hopeless—with him no condition however unnatural is beyond remedy—with him failure to get the signature on the dotted line is like a bad hole in golf to the temperamental, he forgets it—with him yesterday's disappointments are like stepping stones across a stream, he watched his footsteps, got safely over and from thence his course is forward—with him mischief, prejudice, outrage, pain, loss, sorrow are only fuel to feed the furnace in which God proves him to bring him forth more bright—with him competition loses its roughness and other companies offer much that is praiseworthy and deserving of defense—with him love of his company, his associates, his work, his friends grows brighter, stronger, sweeter as the days glide by, until it becomes the all-absorbing, all-pervading influence of his life, touching thousands with its intensive charity.

Have I drawn too vivid an ideal? Perhaps! But I know many agents who could sit for my painting, and I believe you do to. Before a decade shall have passed the type I have sketched will become a mighty host whose lives will "leaven the whole lump" of our civilization.

INSURANCE FEDERATION

One of the interesting paragraphs in Secretary Larson's report follows:

It will be recalled that at a mid-year meeting of the executive committee, held a year and a half ago, the executive council reported substantially to the effect that it could not advise the members of local associations to affiliate with the Insurance Federation. Considerable prominence was given to the attitude of the executive council in the "Life Association News."

In fact, the letter which Edward A. Woods, who was then president, sent to Mark McKee, secretary of the federation, has been quoted several times. Notwithstanding this, it has come to the attention of this office that a number of prominent life underwriters, in some instances officers of local associations, have lent their support and the use of their names to the Insurance Federation. Your corresponding secretary thinks that it might not be amiss for the executive committee to reaffirm its stand with regard to the Insurance Federation.

GROUP MEETINGS

Three group-meetings of local associations have been held during the association year. The Southeastern Congress was held in Washington on February 23; the annual New England Congress of Local Associations was held June 23, at Hartford, while the annual Northwestern Congress was held May 17 and 18 at Des Moines.

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Life Agents Lose Vision of Sanctity of Contract Provisions

CHARLES F. COFFIN MAKES INTERESTING ADDRESS

Producers Over-Sensitive and Over-Estimate Value of First Year Commissions

(1) Whether the view is right or wrong, it appears to the office that the field pretty generally develops a tendency to over-sensitiveness.

(2) Without the exercise of great care, when under some unexpected strain, the field often loses its vision of the sanctity of some of the provisions of its written contracts.

(3) The field is occasionally tempted, perhaps with good reason, to greatly emphasize its place in the economy of the whole business.

The minor matters pointed out are: The temptation to write border line risks; to over-estimate the value of high first year commissions; and to ask for and attempt to develop too extensive a territory.

The above is a recapitulation of views of "The Field as Seen by the Office," as presented in the address of Charles F. Coffin, vice-president of the State Life of Indianapolis, at the annual meeting of the National Association. In an interesting discussion of the topic assigned to him Mr. Coffin said in part:

Truly Cosmopolitan Assemblage

Gentlemen of the twenty-eighth annual meeting of the National Association of Life Underwriters, I regard it as one of the greatest honors of my life that I have been invited to speak today to this vast congregation of the most virile men in America.

You constitute a truly cosmopolitan company. You are here from Plymouth Rock and from the Golden Gate; you have come from the prairies of Kansas, Nebraska and Iowa, and from the States which embrace within their borders the mountain fastnesses of the Adirondacks, the Alleghenies and the Rockies. You represent practically every nationality present in the composite citizenship of the Republic.

My theme, as announced, is "The Field as Seen by the Office," and what a delicate and dangerous theme it is. If when debating the propriety of attempting an address on such a topic, this particular representative of the office could have seen these representatives of the field as he sees them now, he would have found it impossible to summon courage enough to undertake the task.

If I shall by inadvertence cause any offense, or if in the expression of such thoughts as lie in my mind relative to the important theme for the hour, I should seem too critical or unappreciative, I will fail in my duty and my intention, both to you and to myself. But, even in that event, I trust that without impropriety I may take refuge behind the maxim that "faithful are the wounds of a friend."

Office and Field Need Light

Let me preface my statement of the view in which the office has of the field by saying that it is no part of my purpose to suggest by direct statement or by implication that the office has nothing to learn or that the office is capable of discharging its duties and responsibilities with any greater intelligence or fidelity than is the field. I shall attempt today simply to report the view which the office has of the field, knowing full well that the office has as much need for instruction and improvement as the field.

To avoid the charge of presumptuousness, and to make sure as nearly as possible that such views of the field as shall be presented here today, might be representative and not simply individual, I took not only the liberty but the precaution to address a letter to the executive department of every life insurance company doing business in the United States, soliciting co-operative suggestions.

The number, the promptness, the courtesy and the intelligence of the replies received show a wide spread interest of the office in the field and a splendid spirit of helpfulness existing everywhere. There were words of kindly criticism and admonition, and there were words of generous appreciation, falling little, if any, below eulogy; there were suggestions relating to items of detail and to broad and fundamental principles.

Life insurance, as a business, is different in many respects in its elements and characteristics from any other occupation followed by man.

Failure, or at least indifferent success, in some other vocation is comparatively unimportant in estimating a man's fitness or unfitness for high achievement in life insurance; and success in some other line is but a doubtful guarantee of success in the field work of life insurance.

Field Develops Eccentricities

Our occupation is unique among the professions or vocations which challenge the abilities of men. It is peculiarly sui generis. It may be that this unusual character of the business is responsible for the tendency to the development in the field of certain typical traits, sometimes amounting even to eccentricities, for certain it is, that in the absence of definite counter-training, the life insurance field man is in constant peril of becoming little less than a slave of certain mental tendencies.

One of these, among others, is an almost abnormal sensitiveness. It would, indeed, be a pleasure to me to know that not a man in this presence has ever been thus affected. But, regardless of whether any of my present hearers have fallen victim to this insidious influence or not, the office, resulting from a large range of observation and experience, sees this to be generally true.

It is doubtful if there is any class of men engaged in any other phase of business who generally come to wear their feelings on their sleeves as do the field men of life insurance companies. It may well be doubted whether after a contract of employment is executed and territory is assigned, any other class of employes expect and demand so many favors and such constant personal attention from the office as life insurance agents.

Wrong View of Rejections

Is it too much to say that in the absence of this expected attention, they not unfrequently suffer loss of self-poise, that they become somewhat less self-sufficient than men of equal ability engaged in other lines of work? Is it not by coming under the influence of this tendency that even high class agents not unfrequently regard a rejection by the medical department as a blow aimed at them personally? May it not be said that on account of these inevitable tendencies that agents sometimes come to feel that the home office regulations have for one of their aims the hindering of the work in the field?

This tendency to over-sensitiveness will often blind an agent to the hard business fact that no company can afford deliberately to reject good business—that the expense of field work is too great to permit any rule or regulation to be made for the purpose of obstructing the production of business.

Another one of these rather peculiar traits of the field man developed doubtless by the nature and genius of the business, is the tendency to regard rather lightly at times, the provisions of his written contract.

Perhaps it is altogether too true that both office and field when things are going well, when times are prosperous, when business comes in abundance and settlements are easily made, pay all too little attention to the performance of certain stipulations and agreements contained in the written contract.

Fullest Development Impaired

When occasion does seem to require that contracts be performed according to their letter as well as their spirit, there is not infrequently considerable resistance on the part of the field. It would be quite interesting, no doubt, to know what other class of persons so easily and so confidently suggest from time to time that in "this particular case" a certain clause in their contracts should be waived, and yet the other side to this tendency is the very general feeling on the part of the field that the office should at all times perform its contracts to the very letter.

A third rather typical trait of the field, not wholly inexcusable, perhaps, but which has always stood in the way of the truest and fullest development of the field and which has often made impossible the highest form of co-operation between the field and the office, is the disposition of the field to believe, and often times to frankly state, that it is the creator and builder of the entire life insurance business.

Field Men Take Much Credit

This mental attitude, often unconscious, no doubt, would be quite humorous if it were not somewhat serious. I have in my business library a set of the printed proceedings of the meetings of the National Association of Life Underwriters from the beginning down to and including the year 1916. It is a valuable set of books; it should be in the library of every home office, and its volumes should have frequent perusal.

Reading the various addresses delivered from time to time before this great association by eminent agents and on the various functions and achievements of the field, I have been indeed not a little impressed with the easy, graceful and entirely natural way in which the field men take to themselves the entire credit for the origin and growth of our great enterprise.

Before passing from this portion of my address, I will take the liberty of calling attention to a few other matters which, as the office sees them, merit consideration at the hands of the members of the field.

1. Border Line Risks.—By border line risks, I mean, of course, those just a step under the standard fixed by a given company. If the age limit prescribed by a company is sixteen, what a tremendous temptation there seems to be to take applications of young men slightly under the standard age. How innocent it seems at times and how desirable because easy, to take the application of a man who is just a little over standard weight or who falls just within the class of underweights. And then, again, it seems a quite innocent experiment to send in the application of a man whom some company has, as it appears, unfairly or improperly rejected or who has been rejected on account of the prejudice or unfriendly attitude of the inspector.

Paying Too Much For Business

2. High Commission Contracts.—When the time comes, and it is rapidly approaching, that every life insurance agent will turn his back upon any company offering excessive first year commissions, one of the much talked of and greatly delayed reforms in the business will be accomplished. It has not yet been accomplished.

A company that pays more for business than it can afford to pay—and there are such companies—is laying up trouble for the future; trouble not only for itself but for the agent as well. It is a pleasure to record that among the representatives of the field who have uttered significant warnings on this subject, none have spoken more plainly or more forcibly than the able president of the National Association. And it is to the lasting credit of the National Association of Life Underwriters, that from its first utterance on this subject in 1892 down to this very year, it has steadfastly opposed high first year compensation and all their attendant evils.

Small Territory Profitable

3. A Disposition to Secure and to Attempt the Development of Too Large a Territory.—Upon this topic much has been spoken and written by both the office and the field. I will indulge today in no extended remarks myself. The strategic and exalted position held by the president of the National Association of Life Underwriters renders especially pertinent and forcible the words uttered by him when speaking before the American Life Convention at Del Monte in 1915.

I shall never forget the impression his utterance made on me at that time. Raising himself to his full height, and speaking slowly and impressively, he said:

> When I first began, I had the idea that the larger the territory, the larger would be the results, so I had seven States to begin with. I now have seven counties. I write more business in one month than I did when I had seven States in a whole year. Companies and field men should study intensive cultivation. When a man works one county give him two, then three and so on, until finally he has the State. A large territory is the best

(Continued on page 16)

Wilson Williams Sounds Keynote— Urges Participation in Discussion

Each Agent Should Do His Utmost to Make a Session Both Inspirational and Aspirational His Platform—Says Agents Are Not There to Discuss War Clauses and Government Insurance, But to Promote Own Welfare and to Advance Business.

By Clarence Axman

(*Special to The Eastern Underwriter*)
New Orleans, Wednesday—

Action bulged out of the opening address of Wilson Williams, of New Orleans, chairman of the convention committee of the Louisana Association, at the afternoon session of Wednesday and sounded the keynote of the convention. He lost no time in soliciting the sympathetic attention of the members present to every speaker and urged upon them a responsive and enthusiastic participation in the discussions which were to follow.

"The importance of any meeting dedicated to life insurance field men, particularly this session with its scheduled subjects for consideration, is recognized by all." Continuing, Mr. Williams called on the delegates to "do their bit here and this afternoon to make of this a noteworthy meeting for both inspiration and aspiration in practical life underwriting.

Discards Company Problems

"We have not met to consider company executive problems, policy contract changes incident to war clause restrictions, and extra rates, nor the present Government insurance agitation, except it be presented by an appropriate motion or resolution under the head of new business. The object of our association and this convention is to establish friendly relations among agents, discourage unfair competition and in every possible manner promote the service of life underwriting.

"Within the time allotted by our program for consideration of specified subjects your discussions will not be restrained. The Chair desires by courteous and common sense rule, rather than by a strict enforcement of parliamentary law, to facilitate and not obstruct the business proceedings of this session and relies upon your friendly attitude and co operation to this end."

Taxation May Move Companies

(*Special to The Eastern Underwriter*)
New Orleans, Thursday—

There is gossip at the convention that some of the large insurance companies operating in Cuba may leave because of heavy taxation.

Members Can Use Association Emblem

(*Special to The Eastern Underwriter*)
New Orleans, Thursday—

The question as to whether members of the National Association of Life Underwriters desiring to do so, could use the association insignia, "The greatest thing in the world" in advertising matter has been decided in the affirmative by the Executive Council.

There has been a much mooted idea that the emblem should be used only in connection with what is styled "institutional advertising," but, in the opinion of many members of the National Association, this rule precluded the association gaining much publicity of the sort that it really needs and seeks, and at the same time forestalled the members in gaining the good that would accrue from its use, and for which it was rightfully intended.

New York Agency on War Path

Recently a prominent New York general agency was refused permission to incorporate the emblem in an advertisement which appeared in the Life Insurance Salesmanship Edition of The Eastern Underwriter, and the members of the agency were quite incensed in connection with the matter. It was generally understood that they would take the question up at the annual meeting in New Orleans this week. It is quite probable this had something to do with the decision of the Executive Council.

C. H. Crimm Unique Advertiser

(*Special to The Eastern Underwriter*)
New Orleans, Thursday—

C. H. Crimm, winner of the first prize essay, represents The Prudential at Chattanooga, Tenn., and is president of the Chattanooga Life Underwriters' Association. He has written many pages on insurance matters. He is a firm believer in advertising and makes publicity produce profits. He carries a card on which is printed the insignia of the National Association in a large space and his own name in a very small space. His telepnone number and street address are on cards he carries, but not the name of his company. On the back of his card are real live arguments for life insurance.

Moratorium Generally Discussed

(*Special to The Eastern Underwriter*)
New Orleans, Thursday—

Naturally the moratorium is a subject of general discussion here, but no one has any accurate information about it. It is the general understanding that the Government will guarantee the payment of premiums on all existing policies, and that these will be charged against the policy as a lien.

C. A. Timewell, manager for the Standard Accident in New York, has purchased one of the Ziegler properties at Marlborough, L. I., on the north shore.

The Connecticut Mutual Life Insurance Company

HARTFORD, CONN.

JOHN M. TAYLOR, President

—was the first American company to adopt the 3% reserve basis.

—originated the non-forfeitable accumulative dividend method.

—holds the largest accumulative annual dividend fund, $1,952,222.30, non-forfeitable and subject to withdrawal at any time.

—never issued any of the speculative tontine or deferred dividend policies now prohibited by law in many states.

—has returned to its policyholders as dividends, a larger proportion of the premiums received from them than has any other American Life Insurance Company.

—was the first company to guarantee substantial cash values, stated in plain figures per $1000 in its policies.

—has paid to, and accumulated for policyholders since organization a larger percentage (127.67%) of the amount received from them than has any other American Life Insurance Company.

—has furnished insurance to its members at lower cost on the whole than has any other American Life Insurance Company.

Indifference Causes Fifty Per Cent. of Ass'n Membership Lapses

CHAIRMAN BRUEHL MAKES REPORT FOR COMMITTEE

New Members Enrolled During Year From 114 Out of 127 Associations, 2,762

The membership and district organization committee of the National Association, of which W. A. R. Bruehl was chairman, made a detailed report of its activities during the year, of which the following is a summary:

It has been customary in the membership campaign to fix a quota for each local association, and the association which secured the highest per cent. of its quota was awarded the cup of its district.

Your committee proceeded to organize its work along these same lines, though it was of the opinion that the cup should be awarded on the basis of net increase in membership. This question was discussed by the council and after careful consideration and with the hearty approval of your committee, it was unanimously decided to depart from the usual custom and award the cups on the percentage of net increase of membership in each local association.

Under this new proviso it therefore becomes the first duty of a local association to conserve the number on its roster, while the membership committee must devise ways and means to assist local membership committees in securing new members.

What we are more interested in, at this time, is to learn to what extent we, as members of local associations and as local and National membership committees, have fulfilled our obligation, in order that others may profit through our experience.

It is customary in conventions of all kinds to applaud the "platitude stuff," the "stereotyped stuff," "the stuff that the fellow who says it don't believe in, and the fellow who cheers don't believe in." It reminds one of a judge before whom a lawyer was arguing a case. The judge stopped him with the words: "What is the use of your standing there and making the point you are trying to make when you know it is not the law, and you know that I know it is not the law, and you know that I know that you know it is not the law?"

New Members

Never in the history of the National Association have we enrolled so many new members in any one year and I want to take this opportunity of expressing my appreciation to the members both of the membership and district organization committee and the many officers and individual members of local associations for their hearty co-operation which enables us to report that 114 associations of 127 show that they have secured 2,762 new members.

Lapses

Just what our enrollment as a National Association would be at this time if it had not been for the faithful work of these men can easily be determined —for never in the history of our association have the lapses been so frightful.

When I think of the work of your committee and this awful waste, I am reminded of Red Cloud, who was an able Indian chief. On one occasion a number of men came from Washington to make a treaty with him. One of them was a great braggart and made a long speech in which he used big words and promised great things that he and the Government would do for the Indians if he would agree to the terms of the treaty. Red Cloud listened in silence and when the speech was over rose and uttered his sentiments in one sentence: "Heap wind, much dust, no rain."

Listen! One hundred and fourteen associations of 127 report 2,007 terminations!

Cup Campaign

Just one word in this connection regarding the cup campaign. Do you know that I have had my confidence shaken in the cup campaign? What is its value? Five associations which were successful in securing "cups" last year show a net loss of 507 members, equal to 25.2 per cent. of our entire terminations.

A prominent association man writes as follows:

> Last year was the first year that increased membership was stimulated by means of district campaigns. The idea was novel, and being new it stirred up the local associations to unusual activities. Perhaps there were occasions where the membership of certain associations was boosted temporarily, and the association stock "watered" to a certain extent.

Early in the year I realized from reports received from local associations that there would be a heavy lapse ratio and I determined for the good of the National Association to search for the causes.

A question blank was sent to each association, and of 114 associations reporting 2,007 lapsed memberships, 80 associations reported the causes of 1,755 terminations as follows:

Indifference	51.8%
Company opposition	19.0%
Other vocations	12.3%
Removals	9.2%
Military service	3.7%
Deaths	2.5%
Personal differences	1.5%
	100.0%

Let us analyze these reasons of the various excuses for terminations.

Indifference

Indifference accounts for 51.8 per cent. of our losses.

If a man's interest was aroused to the extent of becoming an association member, why was not his interest sustained?

You as salesmen know that this is the necessary step in a sale. How did you sell him? What did you sell him, that you failed to secure his renewal?

The following indictments contained in letters received from officials of local associations, throw some light on this question:

> The president had shown no interest for several months—and therefore this year has been a blank as far as constructive association work is concerned.
>
> Our membership committee has been very derelict in its duty; in fact all of the new members were gotten without the chairman's co-operation whatever, and if we had had a "live wire" we would have doubled our membership. I think it would be time well spent on your part if you would recommend to every association the necessity of putting the best man in the association as chairman of the membership committee. In our case, this man was made chairman because some thought that they wished to have him on the executive committee and as only chairmen of the different committees are on the executive committee, it was through this cause that the good of the association suffered in order that he might sit with the executive committee.
>
> Don't know causes.
>
> The main reason, however, so far as I can learn from personal interviews and correspondence, why our old members haven't renewed their memberships, is a feeling of indifference and dissatisfaction—a feeling that the association has not accomplished what it should and that the members (some of them at least) are violating the principles for which the association stands.

High pressure methods and rebates were former causes of prolific lapses in life insurance. We might classify the following comments from officers of local associations under these heads:

> The cause of the falling off in membership in this association is that (he) had a convention of his agents here, and under the excitement of the convention and the enthusiasm created by association speakers, most of them joined the association, allowing their membership to lapse at the end of the year.
>
> Certain methods were used to get fellows in and when the excitement was over—they dropped out.
>
> At least 150 of our members were country agents whose memberships in 1916 were paid by the general agents and managers in order to boost our membership for a certain purpose. These men had no intention of keeping this up themselves.
>
> The membership is paid by the manager and of course they never appreciate this as much as if they had paid it themselves.

Company Opposition

> Company opposition is responsible for 19 per cent. of our loss, which could have been conserved by the National Association. There is no reason why any company should oppose our splendid organization. A conference, or letter, might clear up this situation. We should have a standing committee on 'Company Relations.'

Other Vocations

> Loss 12.3 per cent. Considering the present conditions and the opportunities offered in other lines, this is encouraging in view of the fact that in 1915 "reports from 83 companies indicated that contracts terminated for reasons other than death, reached a total of 35,301 and these contracts were 50 per cent. of those in force." But 12.3 per cent. of agents connected with associations terminated their contracts with life insurance companies —the best argument why managers and companies should bring their representatives under the influence of our associations.

Removals

> Loss 9.2 per cent. A large number of those who changed residence and apparently remained in the life insurance business might have been saved to our ranks if systems of transfer cards and introductory letters were adopted.

Military Service

> Loss 3.7 per cent. It will be observed that the war conditions are not responsible for the large number of lapses, but it is certainly to be regretted that associations did not adopt a general rule to waive dues of all members who enter military service until the close of the war. Not only should this have been done but a local association should consider it a patriotic duty to 'adopt' such members.

Personal Differences

> Loss 1.5 per cent. 'The true bond of fellowship is not a common opinion, but a common purpose and a common spirit.' An official writes me as follows:
>
> A few years ago several prominent members of the association, not being able to dominate it, broke away and formed a new one and after laboring along for a couple of years and making a failure of it, they now contend they do not believe in association work and have done all they could to undermine anything we did.

Preventable Losses Summarized

From the above then, we find that local associations might be held responsible for 57 per cent. of the losses (indifference, personal differences and military service).

Another 19 per cent.—company opposition—might have been conserved with a proper understanding with the various home offices responsible for the disaffection. The total of preventable causes of lapses becomes 76 per cent.; add to this the greater part of members represented by removals (9.2 per cent.) who might not only have been saved, but who might have assisted in carrying our message to cities not having associations, and the percentage of preventable lapses is appalling.

"To know the disease is half the cure." The following are some of the remedies suggested by officers and active members of local associations.

Education

"The agents in this territory have not been educated to the benefits derived from an association nor have they ever attended a National Convention, or else I know we would have one of the most flourishing associations in this section."

Publicity

"After they are out they do not feel the loss because the association is unknown to the public, the names of the members are never published, and in so far as the public is concerned, it is immaterial whether a life insurance man is or is not a member of the local association."

Forward Movement

"Getting no benefit from the association to their knowledge, they discontinue membership. Something must be done to make the members feel the loss of their membership; in other words, something must be done to make them feel that they cannot afford not to belong to the association."

Work, Not Play

"The meetings possibly have not been interesting. It is important here not to confuse interest with amusement, for you know I have never thought much of an organization, either secular or religious, which uses the cake and ice cream method to increase attendance. When the ice cream melts the attendance goes the same way. It needs follows that some pleasure seekers will be lost but the result of a closer knit organization, having the interest of the life insurance business at heart, would more than offset the loss of those few who come for 'loaves and fishes'."

"The bulwark of association work, means of offense and defense, lies in that small group of serious-minded associations which have, by dint of application to the ideals of our business, placed life insurance in the front rank of professions; on the other hand it is discouraging to see other associations, which by continued pleasure seeking as an association, simply give the public the idea that life insurance men as a whole are but a bunch of good fellows and nothing more."

"Let us, then, so arrange our local programs so as to get down to the essentials of our life's work and let those who care only for socials take up their tents and pitch them in the camps of pleasure. A close scrutiny of the membership losses reveals the fact that brass band and dutch lunch increases are as a bag-pipe when the piper stops blowing—and there is nothing that in appearance so well typifies discouragement and failure as a bag-pipe out of action."

Co-operation

"I do not know that the National Association has ever sent a man of any ability into our territory for organization work of any kind."

"If association work is going to develop, we must have greater co-operation on the part of the National Association."

"The greatest criticism of the National body lies in the fact that there is no National interest in the affairs of the locals. In what way is the National body vitally assisting the local? Is any effort made at headquarters to give assistance in formulating programs, in increasing local revenues by properly directed efforts at increase in membership? Is the National body stretching out its hands in an intimate and personal way, advising just the best way of handling the routine affairs of the association?"

Paid Secretary-Treasurer

"The prime requisite to permanent association building is a paid secretary-treasurer to relieve the president of the routine of his office and who would be responsible for all membership lapses and increases, the collection of dues, the proper reporting of the local's activities to the National Association, and who would be able to give reliable data upon a moment's notice, thereby furnishing promptly to the officers of

(Continued on page 16)

Predicts Fewer Life Insurance Bills

CHAIRMAN POWELL REVIEWS LEGISLATION

Committee Expects No New Introductions in Special Session of New York Legislature

Henry J. Powell, chairman of the law and legislation committee of the National Association, in his report said:

"In point of number of law-making bodies in session this has been one of the most active legislative years to be recorded. Despite this, however, there has been a slight falling off in the number of bills introduced affecting the interests of life insurance policyholders and their trustees, while there has been a decided decrease in the number of measures enacted into law in this classification.

"Forty-eight law-making bodies have been in session since the first of the year but the fact that several legislatures also held special sessions in addition to their regular sessions brings the total number of legislative sessions for the year well beyond fifty. There are only three States in which thus far there has been no legislative session this year, namely, Alabama, Mississippi and Virginia.

Reduction in Number of Bills

"The number of bills introduced thus far this year requiring examination by the representatives of life insurance is 2,372 as compared with 2,420 up to the same time two years ago. This reduction of 48 bills while relatively small is most encouraging in view of the rapidly enlarging volume noted with each succeeding biennial session year in the past. The laws enacted so far this year affecting the business of life insurance number 81. The figures as to the number of laws enacted up to this time two years ago are not available, but those for the entire year amounted to 110. Inasmuch as neither New York nor Texas is expected to enact any life insurance legislation at their special sessions there remains only Congress with two or three bills of special interest to life insurance that will become law this year. Therefore, it can be seen that this year's 81 statutes mark a considerable reduction from the number two years ago.

Measures Efficiency Agents

"While the association is deeply interested in all of the different kinds of life insurance legislation presented—there being in excess of 75 classifications this year—and while we co-operated in opposing and correcting those measures which were adverse or faulty and in supporting those which were in the interest of life insurance policyholders, perhaps, in the short time available for the presentation of this report, it will be well to confine details to those constructive measures designed to maintain and raise the standards of the business of writing insurance. Falling into this classification there were about 100 measures dealing with the regulation and licensing of agents and brokers, including various standardized agency qualification bills advocated by different groups and also amendments to anti-rebate and anti-discrimination laws. Most of these measures were, of course, presented as separate propositions, but in a few instances they were included in complete insurance codes. It is a pleasure to report that out of this mass of proposed legislation a substantial number of workable statutes were enacted into law this year.

"There were twelve laws passed in ten States which in some manner affect agents and brokers. The States are: California, Connecticut, Idaho, Maine, Minnesota, Nebraska, New Hampshire, New Mexico, North Dakota, Wisconsin.

"The acts passed in the States of Connecticut, Maine, Minnesota and New Hampshire are merely amendatory of present statutes, effecting change of phraseology, change of penalty for violations, definition of term 'broker' and authorizing licenses limiting the agent's authority to the extent agreed upon with the company.

"The laws passed in New Mexico and North Dakota relate to the sale or hypothecation of premium notes, prohibiting such disposal of them in the case of New Mexico until delivery of the policy; and in the case of North Dakota prior to the applicant's medical examination, where one is required, and receipt of the same by the company, or until a binding receipt for the premium duly signed has been delivered to the applicant.

"In California, Idaho, Nebraska and Wisconsin the measures passed are properly termed agents' qualification laws. Speaking generally, it may be said that the laws enacted in these States incorporate in substance, but necessarily in somewhat different phraseology and form, the main features contained in agents' qualification laws now in force in a number of States and those embodied in the bill prepared by the National Association of Life Underwriters.

"A special feature in the Nebraska law requires the applicant to state whether or not he owes any insurance company any money for premiums collected by him and not turned over to it or owes any company for moneys advanced and not paid back. If the applicant is so indebted to any insurance company, the Insurance Board must withhold the license applied for.

"A provision in the Idaho law requires a company upon the termination of employment of any agent to file with the Insurance Commissioner a statement of the facts relative to the termination of such employment and the cause thereof.

"Some States have very good laws on agency qualifications; many have crude laws or none at all. Therefore, where the conditions are not satisfactory, for the sake of uniformity, we urge the enactment of the uniform bill on agency qualifications, as prepared by the National Association of Life Underwriters, and approved by the officers of the Association of Life Insurance Presidents and the officers of the American Life Convention, and trust that such associations and the members individually will use their influence in having it enacted into law."

Lapses Due to Indifference

(Continued from page 15)

the National body and the chairmen of the National committees, the information necessary for properly carrying out their respective activities."

Field Secretary

"The best thing the National Association can do will be to employ a traveling field secretary, or perhaps two of them, for the United States, who would visit each local association at least twice a year. They have talked of doing this, and wondered where to get pay for such men as would be necessary. Just raise the annual dues of each member of the local associations $1 and use it for that purpose, and you have the necessary funds."

Paid Manager of the National Association

"Elect upon merit, a man of executive ability as manager of the National Association of Life Underwriters at an annual salary commensurate with the duties of that office. An increase of $1 dues per member together with bonuses received from the 'Association News' should enable the National body to secure such a man. It is unfair to ask others, whose daily bread depends upon intensive application, to devote time to this service. Continue the office of president and also the various committees; but these committees would have one general manager to whom to look for co-operation and support, and for the carrying out, from year to year, of properly chosen programs for the greater development of the association."

Time Limit of Service-National Officers and Committeemen

"I do not wish to minimize the good and efficient work which some National officers and some committeemen are doing, but the very method of one year term in office naturally causes a fluctuation in the degree of efficiency in which the various services, which the National Association can render the local body, are dispensed.

"If you want to build a business enterprise to the highest degree of efficiency, you would not enter upon a program that called for a changing of executives and department heads each year."

Gentlemen! What's the matter with the National Association? There can be nothing wrong with the organization—it represents the best thought of master minds of a generation. It is, however, composed of individuals, and we, gentlemen, as individuals, are at fault.

Gentlemen, the changed conditions of the times have brought us face to face with new problems and new obligations to which we must address ourselves with a new vision and increased energy. Our task must be conservation and the quickening of our local associations, and there is manifestly a more urgent need than ever before, for maintaining a powerful agency for the advancement of the interests of our profession. Let us have a new vision in these times of readjustment, commensurate with "The Greatest Thing in the World."

Life Agents Lose Vision of Sanctity of Contract Provisions

(Continued from page 13)

time killer and the best way to spend money I know of, and the best way to get small results.

Thus far, gentlemen, I have had great need, not only of your sympathetic atance. If from some of the things I have said any of you feel inclined to dissent, I trust that your protest will be somewhat less severe when I say in all candor that the men here assembled, the men who habitually attend this wonderful educational annual meeting, are, of course, the picked men of the profession; and it follows, as the night the day, that few, if any, of my suggestions can have any wide personal application to these, the very vedettes of the business.

Individualized Point of View

But, more important yet, if aught that I have said has seemed to indicate on my part too narrow and restricted a view, let us all remember how really difficult it is for men to estimate one another correctly. To the office it seems quite true that much of the time it is somewhat misunderstood by the field. Doubtless, to the field it seems equally true that it is often misunderstood and misjudged by the office, and this, my friends, brings us face to face with a truth not new, but important and profound, and that is, that every occupation in life, every official position, and every post of responsibility, develops its own point of view, and many of the differences of opinion, many of the annoying frictions and misunderstandings among men, have their origin in this individualized point of view. Once developed, this point of view narrows one's horizon and limits one's vision.

He, indeed, is a rare man who in his thinking is broad enough, tolerant enough, to see clearly not only his own point of view, but that of his antagonist, or, indeed, of his associate. What a sea of trouble, what indiscribable wars in forum as well as on the field of battle have had their origin in the failure, in the inability of men and nations to understand one another's points of view.

Home Offices Appreciative

Had I the power and skill to absorb and reproduce for your inspiration and encouragement the candid words of appreciation contained in the huge pile of letters lying before me as I write—letters received from executives throughout the land—I am sure that any doubt you may have or you may ever have had that the office appreciates, esteems, sympathizes with and needs the field, would be dissolved forever.

The office sees in the field a body of men as intrepid, as resourceful, as persevering, as surcharged with high ideals, as any body of men engaged in any vocation known to men. The office sees in the field an organization of men somewhat differently related to their business constituency than are the lawyer, the merchant or other captains of industry. These latter, indeed, in goodly measure give quid pro quo, they deal in service or commodity for which the world has unfailing need; but the true life insurance agent dispenses not only a valuable commodity and supplies a practical need of his patron and thereby earns his living and puts something by for a rainy day, but with every article of merchandise he sells he delivers also courage for today and hope for tomorrow.

Preaching a Human Gospel

The office sees in the field a body of men who day by day are going in and out among the people, "as busy as bees when the buckwheat blooms," and preaching a human gospel which replaces doubt with certainty and sorrow with joy. What work, indeed, other than that of the life insurance agent shuts the doors of so many poor-houses and asylums and opens the doors of so many schools and colleges? What other merchant with every package of goods he delivers does so much to keep laughter in the voice and smiles on the face of developing childhood, and puts so much strength in the arm, so much hope in the heart and so much blue in the sky of sorrowing widowhood?

Further, the office sees in the field a body of men loyal, faithful and indispensable. I would place especial emphasis on that word—indispensable—for life insurance will never be successfully sold without the service of a well-equipped field, it will never become an "over the counter" commodity.

Statics of This Business

Life insurance is not simply a cold business matter. Not only in theory but in fact is it founded on altruistic principles and impulses. It has a ministry not only of money but of morals, and of social improvement; and it is the agent—and the agent alone—who must be relied on to sell the personal protection provided by every policy and in addition to conduct a genuine people's university for instruction in the myriad uses of insurance aside from its local and family advantages.

The office in a life insurance organization composed, let us say, of the chief executive, the accounting, the actuarial and the legal departments, may well be styled the statics of the business; and the field with its tense activities, its resistless energies, its unconquerable will, its lofty idealism, constitutes the department of dynamics. Motion, action, accomplishment, service—these are the watchwords of the field.

Policies Form 87 Per Cent. of Estates

REPORT OF COMMITTEE OF INSURANCE AS CREDIT

Chairman Neil D. Sills Also Discusses New Credit Forms of American Bankers' Association

Neil D. Sills, of Richmond, chairman of the committee on use and extension of life insurance for credits, said in his report to the convention that life insurance now constitutes 87 per cent. of what Americans leave at death. Practical experiences have in the last few years caused the business world to attach more and more value to life insurance as a basis for credit. This great plan is as yet only in its infancy; but it is growing rapidly. Wonderful strides have been made in the last year.

How Banks Have Received Suggestions

Early in October, M. W. Mack, a member of this committee, addressed a letter to every association in Ohio, Kentucky and Indiana, enclosing them a copy of the Sills' committee's published report, and asked each association to set aside a special meeting to consider the value of life insurance as credit, and to invite to that meeting the prominent bankers and business men.

Thomas A. Buckner, vice-president of the New York Life, devoted most of his Company's "Bulletin" of November 18 to quoting from and endorsing the committee's report on "The Value of Life Insurance as Credit."

J. Howard Ardrey, vice-president of the National Bank of Commerce, New York City, says:

"Men no longer think of life insurance in terms of protection alone, but now regard it as a constructive force in commercial and financial life. It has become the basis of credit at the bank, and is the foundation of many partnership agreements. It is the means by which the profits of a firm in the days of prosperity may be harbored up for their days of adversity. No man engaged in active business life can afford to be without life insurance, and the time is fast coming when creditors are going to require that the debtor insure his life just as he would his merchandise."

Within the last few years there has been written in America over $600,000,000 of business life insurance.

Last November the Harriman National Bank ran display ads in the metropolitan newspapers under the head of "Life Insurance a Credit Factor." The advertisement concluded with the following paragraph:

"The Harriman National Bank does not hesitate to recommend and in many instances to demand the protection of business insurance for its own interests as well as those of the borrower."

Lawrence C. Woods, the other member of this committee, mailed in a sealed envelope a copy of the Harriman National Bank advertisement to some thousands of banks. And he has during the year done other very valuable work in getting prominent bankers to appreciate the real value that should be attached to life insurance as credit.

February 5, 1917, the Comptroller of the Currency in his report to the Congress of the United States, said: "The Comptroller recommends that the National banks consider furnishing their clerks and other employes receiving small salaries, life insurance policies equal to their salaries for one year, so that in event of death the families of the employes may at least be temporarily provided for."

New Credit Forms of American Bankers Association

The committee on credit forms of the American Bankers' Association has for some time been working on new form blanks. The forms are now ready for approval by the annual convention now in session in Atlantic City. The August, 1917, "Journal of the American Bankers' Association" printed a copy of the proposed forms; and

No. 1—For Farmers—contains the question:

"Amount of life insurance carried and who is the beneficiary?"

No. 2 form, for firms or individual, manufacturer or merchant, asks:

"Amount of life insurance carried and the beneficiary?"

Form No. 3, for corporation, manufacturer or merchants, asks:

"Amount of life insurance carried for the benefit of the company?"

In the last few months the Union Savings Bank of Pittsburgh has opened a new department known as the "Union Savings Insurance Club," to aid life insurance policyholders in systematically providing for their annual premium payments. This great savings bank states:

"There used to be a feeling in certain quarters that life insurance companies and savings banks were direct competitors.

"That feeling has given place during recent years to a realization that the activities of both institutions can be welded together in a bond of mutual helpfulness, to the very great benefit of policyholders and bank depositors."

In April a member of the committee addressed the Richmond chapter of the American Institute of Banking, on "The Value of Life Insurance as Credit." And in June the same member made an address on the same subject at the annual convention of the Virginia Bankers' Association at Old Point Comfort.

"To Ignore a Fact Does Not Eliminate It"

"The work of our committee is mainly educational, and we are beginning to see a general awakening all over the country among financial institutions and business men regarding the great value of life insurance as credit," concluded Mr. Sills.

The credit forms of most of the Federal Reserve banks ask the amount of life insurance carried. The National Credit Men's Association recognize the importance of this information, and now the American Bankers' Association is about to include it in their credit form blanks. All of these help greatly in the service life insurance can render to mankind.

"Our whole life and work is one of service. And the man that serves best, grows biggest.

"President Wilson says: 'We are just as big as the things we do, and just as small as the things we leave undone.'

"Service is one of the greatest things in our lives and fortunate is the man who is in the life insurance business, which gives unlimited opportunity for service to mankind.

"Men! We are building for the future. We have unquestionably reached the hour for bigger and broader things, and every true man is hearing that great altruistic call—service."

J. H. Reynolds, a New York insurance agent, writing for The Prudential and other companies, is said to have placed more policies on West Point graduates than any man in the country.

A meeting of the Association of Life Insurance Presidents will be held in Now York on October 5.



Yes, this is the Home Life Insurance Company.

I am Mr. H—. Do you remember me?

You are not the gentleman who represented the Company as an agent twenty years ago?

No,— I am his son and have always had the highest opinion of the Company and its management. The firm of which I am a member, has decided to apply for a partnership policy of $150,000 in three policies of $50,000 each. Can you send an agent to arrange the matter? By the way, I noticed the announcement last year of the mutualization of the Company. That's fine as it removes the possibility of any exploitation to the detriment of the policyholders' interests.

TAXATION COMMITTEE

Chairman Priddy's Report—High Praise for Papers of Charles F. Coffin and Judge Barnes

At a meeting of the council, held in St. Louis September 18, 1916, it was decided that the committee on Taxation of which Lawrence Priddy is chairman should confine its activities to educational matters.

The committee has forwarded to the presidents of all local associations copies of two important papers, each prepared by one of our members, dealing with the general subject of "taxation," and many associations have made these papers the subject of discussion at one of their regular meetings, but there has been little extension work done by the committee during this year, because we have felt that in view of the war situation it was not a proper time to inaugurate or push campaigns of education.

"The most significant and far-reaching thing done during the year effecting the taxation of life insurance," said Mr. Priddy, "was the resolution passed by the Association of Life Insurance Presidents December 15, 1916, at the conclusion of the reading before that body of a most remarkable paper by Charles F. Coffin, then president of the American Life Convention, entitled: 'Ten Years' Tax Harvest from Policyholders' Funds.' The resolution provided for the appointment of a committee of fifteen; five of whom shall be commissioners of insurance, five from the Presidents' Association and five from the American Life Convention, and this committee is expected to make a thorough study of the whole question of 'taxation' as it applies to life insurance, and to recommend a plan of action to the entire fraternity to relieve policyholders of this iniquitous burden. This committee has been appointed and is now engaged in the work assigned to it. Mr. Coffin is to appear before this convention on Thursday afternoon and no member should miss this address.

"One of the most comprehensive papers dealing with this subject which has been prepared during the current year was read before the convention of the Life Insurance Counsel, Atlantic City, May 24, 1917, by John Barnes, counsel of the Northwestern Mutual Life Insurance Company.

"I am perfectly willing to abide by the decision of the members of the council, but I still believe that it would be wise for us to have a larger committee on law and legislation and no committee on taxation."

NEW ASSOCIATIONS

Four Formed Since Last Convention—Notes Death of Messrs. Raymond, Weeks, Douglas and Ford

In his report Secretary A. C. Larson said that since the last convention there have been organized the following associations: Rockford, Ill.; Wausau, Wis.; Racine, Wis.; State Association of Wisconsin. This makes six new associations that have been formed in the past two years.

At the present time he is corresponding with the following cities: Cape Girardeau, Mo.; Clarksburg, W. Va.; Wilkes-Barre, Pa.; Springfield, O.; Warren, O.; Ottawa, Ill.; Danville, Ill.; Binghamton, N. Y.; Flint, Mich.; Saginaw, Mich.; Pittsburgh, Kans.; Rochester, Minn.; Muncie, Ind.; Parkersburg-Marietta, W. Va.

In discussing the "Life Association News" he said that ten years ago it published one advertisement with a few agency cards. Today it has advertisements from forty-six legal re

(Continued on page 20)

Vice-President Tells of Activities

WHAT WAS DONE BY ASSOCIATION IN LIBERTY LOAN

Action Taken Regarding War Risk and Revenue Bill Measures Recited By Priddy

"Early in May I had a conference with several of the leading bankers in New York City, and as a result of this conference I tendered the services of the life insurance agents of the nation to Secretary McAdoo to assist in the sale of the Liberty Loan bonds. He very promptly accepted our services by telegraph and designated June 5th as 'Life Underwriters' Day.' As best I could I undertook to interest the life insurance agents of the nation in the sale of these bonds. A report of that undertaking was prepared by me and forwarded to the presidents of all local associations to be released by them for publication in their local newspapers on Sunday July 29th, and I am glad to report that the association received a most favorable comment throughout the nation because of our activity in this matter. This report was later printed in the insurance papers. The officers of the association were highly pleased with the results of that brief campaign. More will be said about that campaign and future campaigns for the sale of Liberty bonds during this convention.

The War Risk Bill

"On or about August 24th my attention was called by the officers of several prominent life companies to certain phases of the bill, now pending in Congress, commonly known as the Soldiers' and Sailors' Insurance Bill. After conferring with the officers of the Life Presidents' Association and others your vice-president addressed a letter to the council on August 25th, calling their attention to the measure and asking what action, if any, our association should take with reference to that bill, and, having secured the consent of the council, I addressed a letter to the presidents of all local associations on September 5th, asking them to call a meeting of their executive committees and secure authority from their associations to telegraph certain designated persons in Washington asking that the bill be amended in certain parts, which amendments had been outlined in a paper prepared by George E. Ide, chairman of a special committee on insurance, which had previously been invited to Washington to confer with the government officers.

"With reference to the drafting of this particular measure Mr. Ide, in his official capacity as chairman of that committee, presented to the authorities at Washington a brief dated July 15th, 1917, setting forth the objections of that committee to certain parts of that bill. Mr. Ide made it plain that the life insurance interests of the nation were most heartily in accord with the purposes of the measure and its general provisions, but he made it plain that some amendments should be made in the bill before its final passage.

"Attention should be called to the fact that this committee was composed of twelve of the most capable and eminent insurance men in the nation, and there served on that committee two distinguished members of this association; John L. Shuff, of Cincinnati, and former President Charles Jerome Edwards.

Tax Amendment

"In response to my appeal many telegrams and letters have been sent to the members of the Senate Finance Committee at Washington, and as a result of the special hearings which have been held and our appeal for certain amendments, I confidently believe that these amendments will be made before the final passage of the bill.

"In my communication of September 5th I also called the attention of the presidents of local associations to a bill which has been introduced by Senator Pomerene of Ohio, which bill provides that money paid for life insurance on the lives of officers and employes of co-partnerships or corporations shall not be exempt from taxation. Under previous rulings of the Treasury Department such moneys have been exempt. Realizing the importance of this matter I asked that all associations at once make their wishes known by telegraph at Washington. Representatives of this association have had personal conferences with members of the Conference Committee, before whom this measure is now pending, and we recommended this addition to the Pomerene bill:

> Except that premiums paid for such life insurance not in excess of the annual premium payable for life required for a policy on the whole life plan may be deducted.

"The effect of this amendment recommended by your vice-president will be that all moneys paid for life insurance, taken for perfectly proper business reasons on term or ordinary life policies, with premiums payable annually, may be deducted. Further, if for any reason purchasers prefer to buy more expensive forms of insurance, the tax on the ordinary life premium for the same age is exempt, but they will be required to pay a tax on the excess premium. The members of this asso- have made their wishes known to the members of Congress with reference to this bill and I believe that our recommendations will be incorporated in the bill by the Conference Committee.

"Properly speaking, action with reference to these two bills now pending in Washington should have been taken by the law and legislation committee, but on account of the absence from the field of action because of pressing personal matters, it was not practicable for Chairman Powell to go to Washington, and as the appeals from the field were so urgent and the matter of such vital importance to the institution of life insurance your vice-president, in one case without authority from the council, proceeded 'to get busy.' "

Drop Incorporation Plan For Present

TIME NOT PROPITIOUS FOR PASSAGE OF BILL

Report of Chairman Clark—What Has Been Done in Congress to Date

The bill introduced into the House of Representatives by Congressman Kettner, of California, to incorporate the National Association of Life Underwriters, was discussed by Ernest J. Clark, chairman of the committee having the matter in hand. Incorporation plans will be dropped for the time being. In explaining why, Mr. Clark said:

"Owing to the natural reluctance on the part of Congress toward granting special charters of incorporation, it was necessary to overcome not only this prejudice, but also give to the members of the United States Senate and House of Representatives specific information regarding the National Association of Life Underwriters, its public service and purposes, and the desirability for incorporation by special act of Congress with national headquarters in Washington, D. C. This required no small amount of work on the part of your committee. They were very materially assisted, however, through the co-operation extended by the officers of the National Association, the members of the national executive committee and officers and members of local associations in communicating personally and by telegrams and letters with their respective representatives in Congress regarding the bill and urging their support of same.

Handicapped By Short Session

"Unfortunately, we were handicapped by a short session of Congress, with one of the most extraordinary congestions of legislation with which any Congress had ever before been confronted, consequently it was evident by February 15 that, notwithstanding the very favorable attitude toward the measure as then displayed by a majority of the members of the House Committee on Judiciary, it would be impossible to secure favorable action before the close of the session on March 4, as the entire time would be consumed with most important Government measures, which must be given precedence over all other legislation. The consensus of opinion, therefore, on the part of not only the members of your committee, but those members of both the Senate and House of Representatives who were friendly to and interested in the passage of our bill, was that same should be re-introduced at the next regular session. Since that decision was rendered, however, war has been declared, and it does not seem advisable to take any further aggressive action with respect to securing incorporation by Act of Congress until the conditions for obtaining general legislation become more propitious. This will not probably be the case until the important legislative matters incidental to the financing and prosecution of the war, defense of the country, conservation measures, etc., have been disposed of, at which time we have reason to believe that our bill will receive consideration and action.

Special Committee

"We would, therefore, recommend that this matter be continued under the control and supervision of a special committee until such time as in their judgment it should be opportune to have the bill re-introduced for passage."

THE EASTERN UNDERWRITER

This newspaper is owned and is published every Friday by The Eastern Underwriter Company, a New York corporation, office and place of business 105 William Street, New York City. Clarence Axman, President; W. L. Hadley, Secretary. The address of the officers is the office of this newspaper. Telephone 2497 John.

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INCORPORATED 1851

Berkshire Life Insurance Company

Pittsfield, Massachusetts

W. D. WYMAN, President

So far as consistent it is our purpose to recruit our General Agents from the Field Force, when vacancies occur

Attractive Literature

W. S. WELD, Superintendent of Agencies

Analysis of Scientific Salesmanship

(Continued from page 7.)

vidual tendencies disappear and the more common and fundamental qualities stand out.

Character

When the traits are finally arranged in order of importance, it must be remembered what the significance is. Suppose for example that Trait Z ranks highest. That means that among all the agents concerned the greatest difference between the good ones and the poor ones lies in their possession of Trait Z. The trait "character" is apt to rank low—not because it is not desirable—but because all the agents, good and poor alike, are more or less on a par in regard to character. Hence, character is not found exclusively among the best agents. The best agents have it, so also do the poor agents; it is not distinctive of value.

Careful and complete reports have been received through the kind co-operation of twelve executives of industrial agencies and twenty-five executives of ordinary agencies. Thirteen of the latter group were from agencies of less than twenty full-time men so that, for the present purposes, they have been omitted from study. It is hoped shortly to have a method worked out so that a group as small as ten can be treated to get reliable results. For the present, however, it seemed best to make twenty the minimum. The industrial and ordinary reports were considered separately in order to avoid any confusion and also to discover what, if any, difference there might be between the two classes.

The statistical method of correlation was used to determine the results which are shown separately for the industrial and ordinary groups in Tables 1 and 2, respectively. For each executive the figures across the page and under each trait show the order of importance of the different traits according to that executive's own ranking of his agents. Number 1 is highest, i. e., it is most important in distinguishing a good agent from a poor one.

Table 1

Industrial Agencies

Showing importance of traits according to the rankings of twelve executives

Appearance	Schooling	System	Health	Industry	Convincingness	Knowledge	Character	Thrift	Initiative
Executive A									
6	9.5	9.5	5	1	2	8	3	7	4
Executive B									
7.5	10	7.5	6	4	2	3	9	5	1
Executive C									
7	10	6	8	2	4.5	4.5	3	9	1
Executive D									
8	10	4	7	5	6	3	9	1	2
Executive E									
6	4	6	6	1	8	2	9	10	3
Executive F									
8	9	6	10	3	1	4	7	5	2
Executive G									
8	10	5	9	2	4	6.5	6.5	3	1
Executive H									
4	10	5	8	1	7	9	3	6	2
Executive I									
8	10	3	9	2	4.5	6	7	4.5	1
Executive J									
7.5	10	9	7.5	5	1	3	4	6	2
Executive K									
8	10	2	9	7	1	5	6	4	3
Executive L									
4	9	8	10	3	5	6	2	7	1
Average Rank									
6.8	8.4	5.9	7.8	3	3.8	5	5.7	5.6	2

1. Initiative; 2. Industry; 3. Convincingness; 4. Knowledge; 5. Thrift; 6. Character; 7. System; 8. Appearance; 9. Health; 10. Schooling.

Table 2

Ordinary Agencies

Showing importance of traits according to the rankings of twelve executives

Appearance	Schooling	System	Health	Industry	Convincingness	Knowledge	Character	Thrift	Initiative
Executive A									
9	9	6	7	2.5	1	2.5	4	9	5
Executive B									
7	8	5	3	2	1	6	9	10	4
Executive C									
7	3.5	9	10	1	5	6	3.5	8	2
Executive D									
2	10	5	7.5	3	6	7.5	4	9	1
Executive E									
5	9	6	10	2	3	7	8	4	1
Executive F									
2.5	10	6	9	4	2.5	5	7	8	1
Executive G									
4	9	7.5	10	1	7.5	2	5	6	3
Executive H									
2	10	3	6	4	7	8	9	5	1
Executive I									
6	10	8	9	3	1	2	4	5	7
Executive J									
9	10	2	8	5	1	3	7	6	4
Executive K									
1.5	10	5	9	7	1.5	3	8	6	4
Executive L									
5.5	10	4	9	2	1	8	3	5.5	7
Average Rank									
5	9	5.5	8.1	3	3.1	5	6	6.8	3.3

Final Ranking

1. Industry; 2. Convincingness; 3. Initiative; 4. Appearance; 4.5 Knowledge; 6. System; 7. Character; 8. Thrift; 9. Health; 10. Schooling.

There is a remarkable similarity to the industrial group with the exception that appearance and manner is advanced from position 8 to 4.5. A change of one position is not at all significant and a change of two only slightly. The first three traits are the same in each group as are also the last two, and these facts are quite significant. They are significant because they indicate a fairly definite grouping of the traits industry, initiative, and convincingness at the head of the list. From the present data we may say that these are the three most important, irrespective of their precise order. This will be confirmed by later reports. The middle group is system, character, and thrift. The exact order here is not important, for all we need to know is that these three traits occupy the midde position. The last two traits, health and schooling, are definitely last and probably in the order given, although that again is not important; the chief thing being that they are last.

Individual Rankings

Individual rankings show considerable variation, appearance being in position from 1 to 9; schooling from 3 to 10; health from 3 to 10; initiative from 1 to 7; convincingness from 1 to 7 and industry from 1 to 7. The wide divergencies among different executives is probably due to a number of factors in various combinations. In some cases there will not be complete understanding of the exact meaning of the traits; personal bias will at times have an effect, as well as actual differences in different agencies. It is for this reason that conclusions cannot be drawn from single rankings and it makes it desirable that still more reports be submitted in order that the present findings may be either corroborated or altered.

The way that the traits fall into groups is further emphasized by a consideration of the average for each trait as given in the tables. They are as follows for the two classes:

	Industrial Average	Ordinary Average
Initiative	2	3.3
Industry	3	3.
Convincingness	3.8	3.1
Knowledge	5	5
Thrift	5.6	6.8
Character	5.7	6
System	5.9	5.5
Health	7.8	8.1
Schooling	8.4	9
Appearance	6.8	5

Regrouping the ordinary agencies shows the following result:

	Average
Industry	3
Convincingness	3.1
Initiative	3.3
Appearance	5
Knowledge	5
System	5.5
Character	6
Thrift	6.8
Health	8.1
Schooling	9

It will be noticed that out of the total number of 24 observers, both ordinary and industrial, three give initiative third place, five give it second place, and nine give it first place. Schooling is last in 15 cases and next to last in 6 cases. Health is as low or lower than eighth place 15 times. Industry is in third place or higher 16 times. Eight of the twelve ordinary observers give convincingness third place or higher, but there are only five of the industrial observers who place it so high.

This work is not completed by any means and it is necessary to have further records on these same traits. Then when the relative standing has been accurately determined, it will be possible to make a similar study of other traits and then, finally, the way may be paved for determining absolutely what the vital qualities are for success as an insurance salesman.

Training of Agents

The following inquirendo was sent to 73 of the most important life insurance companies and to 153 successful agencies of various companies:

1. What system do you use in training new agents?
   Indicate by (X).
   1. Home office school ( )
   2. Traveling instructor ( )
   3. Correspondence course from home office ( )
   4. Agency school ( )
   5. Left to judgment of individual agency ( )
   6. Any other method?

How long has your present system been in operation? .....
.....

2. What is the length of the preliminary training? .....
.....

3. Do you require new agents to read insurance books or periodicals? Yes ( ). No ( ). Do you recommend it? Yes ( ). No ( ).

4. Do you require attendance at insurance courses at any school, college, or Y. M. C. A.? Yes ( ). No ( ).

5. Is a new agent required to do his first work jointly with another agent ( ), with an instructor ( ), or neither ( )?

Returns were received from 45 companies and from 92 agencies, besides about 10 replies in which the data was not suitable for tabulation. In a number of instances supplementary letters of considerable interest were written in discussion of points raised by the questions. In the last question concerning introductory joint-work, there was a decided difference of opinion, each opinion being expressed with conviction. On the one hand it was asserted that it is foolish to require a new agent to undertake soliciting work without having an experienced man to guide and assist him in getting started. On the other hand it was maintained that to require a new agent to work with someone else forces on him a method of work not his own and actually prevents him from discovering and developing his own abilities. As this question did not ask for opinions, only a few such as the above were given and no tabulation of them was made.

Instructions

A certain degree of unreliability must be recognized, due possibly to a misunderstanding of the questions. This becomes apparent when the divergencies are noticed between the statements of the different agencies of a single company, and between the statements of a company and its agencies. Quite a number of agencies (30), replied that the method of instruction was left to the judgment of the individual agency. That obviously refers to the practice of the company, although it may be taken to mean that the agency has no definite system in operation. With these cautions in mind the summary follows, separate figures being given for the companies and for the agencies:

	Companies	Agencies
Joint work required with instructor	13	20
With agent	7	10
With either	6	13
With neither	9	24
Recommended	7	18

SIDELIGHTS

By Clarence Axman

New Orleans, Sept. 27.—H. H. Steinler, supervisor of agencies, Connecticut Mutual, who is attending the New Orleans Convention, comes here full of the inspiration of the bi-ennial conclave of the field men of his Company which was held on Fishers Island, Conn. Mr. Steinler said the Connecticut Mutual convention was one of the greatest he ever attended. Mr. Steinler has been transferred to the Eastern territory, and henceforth his headquarters will be in New York City. A graduate of the University of Georgia he went into life insurance, and for fourteen years was with the Equitable Life Assurance Society at Atlanta, Columbus and other cities.

* * *

Walter L. Tougas, of the Union Central of Boston, has been a familiar figure at conventions by reason of the delightful old French songs which he has sung at banquets. Last year he wrote $648,000. One of his achievements was to take a list of ten business men in Boston—old policyholders—and increase the amount of insurance they were carrying to the Union Central's limit—$100,000. One of these clients, Robert L. Studley, carries twelve Union Central policies; two others with eight policies each are Samuel G. Adams and N. B. K. Brooks; while Mr. Tougas shows he practices what he preaches, as he himself carries twelve Union Central policies.

* * *

Mrs. Ellenora DeGraph Lochner, one of the successful Fidelity Mutual agents in New York, recently arose at 5 o'clock in the morning, canned peaches until 8.30 o'clock; reported for work in the F. A. Wallis general agency at 9 o'clock, and during the day wrote $20,000 of life insurance. Returning home she resumed her work with the preserves, and at midnight stopped, calling it a full day's work.

* * *

New Yorkers here were asking each other if Vincent Astor had succeeded in getting the million dollars' insurance that he wanted. Ordinarily, he would be a splendid risk, but now he is in the service.

* * *

The Chattanooga association gave a splendid luncheon and automobile ride to the special party from the East, headed by Vice-President Priddy, and which also stopped over in Asheville.

Why Association Stopped Bulletins

EDUCATION AND CONSERVATION SHEETS TOO EXPENSIVE

Concentrating on Books—Huebner Volume Now $2.25—Alexander's Book—New Plans

What the National Association of Life Underwriters is doing in an educational way was narrated by Hugh M. Willet, chairman of the education and conservation committee, in his report to the convention. The education and conservation bulletin service has been stopped. In telling the reason for this action Chairman Willet said:

"The education and conservation bulletins have been one of the greatest accomplishments of the bureau. The stories found in these bulletins have served a double purpose: they have provided matter for newspaper articles, and have contained suggestions which have furnished solicitors with easy lines of approach to their prospects. A number of companies have been supplying their agents with copies of the bulletins, several associations have subscribed to the service, and some general agents and managers have furnished the bulletins to their solicitors.

"In view, however, of the increased cost of publishing the bulletins, and the fact that the 'Life Association News' has been so admirably supplying that particular class of material, it was decided some months ago to discontinue their publication, and this has been done. The bureau has on hand a supply of back numbers of the bulletins, which may be secured on favorable terms by local associations which contemplate publicity campaigns.

"In order to further stimulate an interest in the advertising propaganda, a series of five books of institutional advertising copy was mailed some months ago to each local association. While the copy originally cost the National Association considerable money, it was decided to supply the local associations with this material without charge."

The Huebner Book

Because of the tremendous advance in the price of print-paper, and everything else which enters into the make-up of a book, Messrs. D. Appleton & Co. advised the association about the close of last year that it would be necessary to increase the price of Dr. Huebner's text book to $2.25. The association purchased 500 copies of the book at the original price, and this has put it in position to furnish the book at $2 to those who order while the supply lasts.

The services of William Alexander were secured to write a primer on life insurance for the use of beginners or in connection with our textbook. A special committee, consisting of Edward A. Woods, Chas. Jerome Edwards and Ernest J. Clark, was entrusted with the matter of having the volume prepared. It has recently been issued, under the title, "What Life Insurance Is and What It Does," and is finding ready sale at $1.50. The books do not conflict in any way, but each one supplements the other.

More than 2,000 of the first edition of 5,000 of the Alexander primers have already been sold.

New Books

In addition to the textbook and the primer, the bureau has been successful in advertising and selling the following books: "Effective Business Letters," by Edward H. Gardner, of the University of Wisconsin; "Getting the Most Out of Business," by E. St. Elmo Lewis; "Influencing Men in Business," by Walter Dill Scott.

"The outstanding feature of the education and conservation movement has been the introduction and carrying on of courses of life insurance instruction in our schools and colleges," said Mr. Willett. "At the time of my annual report last September, there were about 75 such institutions conducting insurance courses, and the list has been somewhat increased since that time. Probably the most thorough courses are those conducted in the University of Pennsylvania, Columbia University, the Johns Hopkins University, and the Universities of Pittsburgh, Cincinnati and Denver. Among some of the recent additions, I might mention the High School in Canton, Ohio, the Boston Y. M. C. A., the Teachers' College at Albany, N. Y., and the University of Georgia.

"When a campaign of institutional advertising was first proposed, great emphasis was placed upon the necessity of making it absolutely non-partisan. When Mr. Horner was chairman of the committee, he frequently called attention to tne necessity of not mentioning names of companies in conjunction with the advertisements. In view of recent difficulties in relation to advertising campaigns in certain cities, it would seem proper to reiterate that it is the judgment of the education and conservation bureau that co-operative advertising by local associations should be strictly and absolutely non-partisan.

"I believe that the bureau is established on right lines, and that Mr. Ensign, with the co-operation of the education and conservation committee, is accomplishing the work for which it was organized. Both Mr. Ensign and the committee will welcome suggestions directed to the further development and improvement of the service."

New Associations

(Continued from page 17)

serve life companies and two accident companies. Last year it paid a dividend of $2,000.

Secretary Larson said that since the last meeting of the association there had been the following deaths of men formerly prominent in the association's activities: Charles H. Raymond, Robert L. Douglas, Eli Deming Weeks, Col. Colin Ford. Mr. Raymond was a former president of the association; Mr. Douglas was first to conceive the idea of a life underwriters' association; Mr. Weeks had been treasurer of the association for years; Colonel Ford was one of the founders of the Cincinnati association.

In discussing insurance men in the Nation's service Mr. Larson said:

"The ranks of local associations have, within the past few months, been depleted to a considerable extent by reason of the fact that many of the younger members have enlisted for training camps. A. E. Patterson, who for several years has been recording secretary of the Pittsburgh association, recently received a commission as major in the artillery of the National Army. James B. Moody, Jr., formerly secretary of the Connecticut association, is now a lieutenant in the National Army. T. Foster Witt, formerly secretary of the Richmond association, has recently received his commission as captain in the Officers' Reserve Corps. These are but a few of the instances which have come to the notice of the corresponding secretary."

Ætna Service

Includes all Life Lines

Agents of the ÆTNA LIFE can offer their prospects the widest range of policies

The Ætna Life Issues

Participating and Non-Participating

Life and Endowment Policies

Also Non-Participating

Monthly Incomes

Partnership Policies

Term Policies

Group Insurance Policies

Annuities

Deferred Endowments

and Increasing Insurance Policies under the Life, 20-Payment Life and 20-Year Endowment forms

Experienced and successful men, also successful men without life insurance experience, may find satisfactory opportunity with the AETNA LIFE

Address

FRANK BUSHNELL, Agency Secretary

HARTFORD, CONN.

C. H. Crimm Wins First Essay Prize

AGENT INDISPENSABLE FACTOR IN NATION'S DEVELOPMENT

Establishes and Proves Patriotism by Aiding in Perpetuating Country's Worthy Institutions

The life insurance agent is distinctly a constructor and conservator of the economic interest of a nation. As an inculcator of thrift he is a creator of means for its building. Such a factor is indispensable to a nation's social, political, industrial and scientific development. He, therefore, is essential for the growth which produces the highest civilization.

The service which admits of the broadest possible help to a nation in time of peace or war is that required of any vocation. The theme might suggest a change in manner of service in a specific time. The time, if unusual, should only intensify the life insurance agent's activities and deepen his sense of ethical duty. This is plainly his position in the crisis brought on by war. Patriotic duty is best exemplified in the individual by conscientious service in whatever niche he is best fitted and can do the greatest possible good.

War cannot be successfully carried on without adequate equipment, and it cannot be maintained without the source being brought to realize the necessity of conserving that produced. Unusual is the drain on a nation's resources when armies have to be assembled, navies built and both maintained.

Then, too, it is as profoundly important that the future of a people coming out of such disastrous times be taken to account while war is waging as it is to consider the successful outcome of the conflict. A nation in time of war passes through a period of general depression which needs be offset as quickly as possible when peace is obtained. The constructive service of the life insurance agent is a means to this end. It must, however, be followed by properly given advice on conservation. Humanity must be taught frugality—the virtue is not inherent. So the more energetically the life insurance agent pursues his vocation the greater will be the wealth saved for re-establishment when peace is restored; likewise greater will be the wealth accumulated for use during the continuance of war.

The reserve basis of most life insurance companies will legally permit the investment of the entire reserve in Liberty bonds; so the savings invested in life insurance will not be diverted from service to a nation in time of war, but held in a channel more available for its use.

Safeguarding Economical Assets

In insuring human lives, the life insurance agent is safeguarding the country's greatest economical asset against the uncertain contingencies of the future; and in so doing is protecting and keeping in healthful growth the welfare and opportunities of the home—the unit of the nation. His service does not end when a life is insured, but a greater obligation he must assume when the life insured physically ceases to exist. Then he becomes the counsellor of the dependents and the moral requirement imposed as such is far-reaching. In time of war this service will be in greater need—for not only the widows and orphans of average times of peace will require help and advice, but those of the ones serving their country's call who have passed to the Great Beyond will augment this dependent army. To serve a worthy counsellor to these in time of war will be of highest value to a nation's social, political and industrial structure and such is the life insurance agent's function in the fullest sense of the meaning of his vocation.

Promotes Patriotism

Patriotism not only consists in promoting one's country's welfare, by fire and sword, if need be, but by aiding in perpetuating its worthy institutions. Since among the paramount duties of the life insurance agent is to teach its citizenry the way to the means for the desired end, by more assiduously prosecuting his vocation in time of war, he serves his country with as much patriotic loyalty as he would serve it should he vigorously combat on the firing line. Duty, wherever it leads, is the watchword of service, so,

"If I can live
To make some pale face brighter and give
A second luster to some tear-dimmed eye,
Or e'en impart
One throb of comfort to an aching heart
Or cheer some wayward soul in passing by:
If I can lend
A strong hand to the fallen, or defend
The right against a single envious stain,
My life though bare
Perhaps of much that seemeth dear and fair
To us on earth, will not have been in vain."

Agency Management Waste

(Continued from page 9.)

pronounced failures and the pronounced successes. You have remaining a group which subdivides into hopeless and promising material. It is upon the latter class that a general agent or a company may direct attention with the greatest hope of profit.

One of our oldest, best organized and most popular companies states that the average production of its full-time agents is $33,200 a year. It is clear that, in the absence of analytical explanation, this statement would admit of several fallacious inferences.

Disregarding 108 men, who paid for less than $10,000 each, and most of whom have doubtless abandoned the business, the Pacific Mutual had 261 full-time agents serving throughout the year 1916, with the following results:

Group.	Production.	No.	Aggregate.
1	$25,000 and less	87	$1,464,415
2	25,000 to $50,000	52	1,810,890
3	50,000 to 100,000	54	3,833,501
4	100,000 and over	68	10,940,982
		261	$18,049,788

Here we have practically $18,000,000 of business paid for by 261 agents, with an average production of $69,000. This amount is probably exceptionally high, but undoubtedly represents the average of full-time salesmen more nearly than would figures including the business of utter failures.

Groups 3 and 4, representing fewer than half the total number, account for more than 80 per cent. of the total business, with an average production of $121,100. The average in Group 3 is upwards of $70,000 and more than the general average, which is heavily handicapped by the comparatively small production of the other two groups. Group 1 consists of the hopeless material, Group 3 of the promising, and Group 2 is a mixture of these elements.

Reduction of Field Forces

Where can a company's efforts be best applied under such conditions? Obviously the most profitable direction for them is in the endeavor to make Group 4 more productive and to carry into it as many as possible of Group 3. The time and money expended upon the less productive agents, or at the least the 192 (including the 108 flat failures) who paid for less than $2,000,000 in the aggregate, could be diverted to this purpose with advantage. The men in Group 2 might be allowed twelve months to graduate into the next class. Whether or not such drastic disposition of incompetents is adopted, standards of minimum and average production should be established as guide-posts and objects of endeavor.

I am convinced that there is no company but would gain by a reduction of its field force. Fewer men of higher calibre would produce more business of better quality and at less cost.

C. M. Kremer Wins Second Essay Prize

HIS VIEW OF AN AGENT'S SERVICE TO NATION

Savings of the People One of Chief Cogwheels in Nation's Defense

The life insurance agent is a great and indispensable factor in his relation to the economic system which in time of war is so vital to the best interest of a nation, said Charles M. Kremer, of Madison, Wis., who won second prize in the association's contest, the topic being, "The Service of a Life Insurance Agent to a Nation in Time of War."

As we study the vast and far-reaching scope of his efforts in their relation to the general welfare and the upbuilding of the social system, we recognize and appreciate the important part which he plays in cementing the rock-bottom principles of progress and the building of a better and more stable citizenship.

If we are to ascertain the true service which he renders to a nation in time of war, it is necessary that we understand the exact status of his labor with the individual and the correlation of the individual with society as a whole, which in turn determines the strength of a nation.

The efforts which the life insurance agent puts forth are so gigantic in their scope, so tremendous in their influence, and so overpowering in their combativeness of those forces which seek to undermine society, that it is almost impossible to conceive the results accomplished save when we note the billions of dollars which today safeguard the American home and business interests.

Systematic Thrift

Life insurance is an institution of systematic thrift. The agent, as he labors in his field, persuades men to protect those dependent upon them. In so doing, he encourages and guards the thrift of the nation. He shows men how to save and provide. He teaches the importance of sacrificing luxury and occasional pleasure for the possibility of need in an uncertain future. Like the apostle of old, he goes forth and preaches the gospel of preparedness against those things over which mankind has no control. In his appeal to men, he pictures them helpless and dependent in old age. He throws upon the canvas of their imaginations the scene of their dependents helpless in penury and want. He urges them with the passion of conviction to provide against such a contingency while it is possible for them to do so. He enters the hovels of the poor and the palaces of the rich and unites them in a common cause for the economic welfare of all concerned. Thus does he urge men to save, to provide and to prepare so that when the evil days come, the pillars of society will be strengthened and the nation prepared for the bitter trials of conflict.

Prodigality

When the tocsin of war sounds and the people are brought face to face with the grim requirements of military rule, then comes the realization of our weakness. The people have been too wasteful, prodigal, reckless of making the most of the abundance which has been theirs; indifferent to the dark possibility of the future and totally unprepared for the severe strain which will be theirs.

The great demand of the present day has been a program of preparedness so that in time of war our national defense shall be adequate to defeat the enemy. This program embraces the all-important idea of a preparedness in the industrial life of our nation. It embodies the principle which the life insurance agent has been preaching for decades. It teaches people the value of economy, and that is all-important if we are to present a strong front to the enemy.

The savings of the people is one of the chief cogwheels in the nation's defense. It is a well-known fact that the expense of war is borne by those institutions whose business it is to conserve wealth in its full meaning. The capital of a nation is its conserved wealth; without it a nation is helpless in time of war. The savings of the people furnished through institutions which have made it possible for them to save, and persuaded them to save, will be the capital available.

The conservation of resources, the intense practice of economy and the preparation which has been made, are the requisites of success, and in the great struggle in which we are now engaged are as important as the troops upon the firing line or the ships which ride the sea.

Change of Health Habits

The nation calls for strong, clean and intelligent young men and it is a well-known fact that thousands of them are rejected because of physical disability. The life insurance agent has taught the people not alone the need and the value of thrift and provision, but has taught them that the great institution which he represents can through educational effort change their health habits even as it has changed their saving habits. The teaching of life insurance is responsible for a better standard of citizenship financially, physically and morally.

The thousands of life insurance agents penetrate into every county and township of our nation. The lessons of thrift, economy and savings are clasping the nation closer and closer and raising it from the slough of indifference to the solid ground of sane and sanitary conditions. When this work has been accomplished and the nation calls in time of war, a better class of men step forward, and if it should be their fate not to return, they leave their dependents protected, thereby lessening the strain on society.

The public waves no flags and erects no monuments for the life insurance agent. No parades with martial music herald his return from the field, yet in the fearful drama being played across the water today, his services are as important as those who fight amid the cannon's roar; yea, infinitely more so, because the work of his heart and hands builds instead of destroys, conserves instead of wastes and brings the sunshine of happiness and contentment instead of sorrow and bitter tears. With willing step, he marches in the van of progress with no other purpose than to serve his God, his country and his fellow man.

A New Departure
IN
Life Insurance Advertising

THE advertisement reproduced on the right and and two others of a similar nature were run in three consecutive Sunday editions of a certain metropolitan newspaper and brought 1106 Inquiries for Booklets and 241 Inquiries for Agencies. The actual results were more than satisfactory; many applications have been written and many new agency contracts have been made with high class men without previous experience in the life insurance business.

The ADS occupied such space as to command the attention of the readers of the paper, the copy herewith presented being a reduced facsimile of the first one. They differ from the usual advertising in that, instead of being merely educational in their nature and intended for publicity purposes only, they contain a direct appeal with an undisguised effort to sell something.

They were successful because we had as our text, the NATIONAL 5 POINT POLICY. It is unique, appeals to the public because of its genuine worth and has "caught on" as nothing ever before presented. The advertisements and design are all copyrighted and application filed for registry in the U. S. Patent Office as a Trade-Mark.

The design and name of the NATIONAL 5 POINT POLICY cannot be forgotten by anyone who ever reads one of these ADS. They are fixed in memory. Try it yourself and see if you can forget them. National Agents with the help of National advertising will nationalize the NATIONAL 5 POINT POLICY.

We have opportunities for agents everywhere to help introduce the NATIONAL 5 POINT POLICY, and especially are we in need of 4 experienced men to act as District Agents.

Apply to ROBERT D. LAY, Secretary

NATIONAL LIFE INS. CO. OF U. S. OF A.

29 So. La Salle St., Chicago



Announcing -

A New Form Of Insurance -*Complete* Protection!

The National

5 POINT POLICY

"Complete Protection-Insurance - at Lowest Cost"

AND now we announce a new form of insurance—the National Five Point Policy—a policy that guarantees you COMPLETE protection at a very low rate. For only one dollar more per thousand at the age of thirty-five than some other companies charge, the new National Five-Point Policy protects you on *five* points instead of only one or two. You are protected against loss from Sickness, Accidents, Total Disability, Old Age and Death. We are only enabled to make this exceptional offer by COMBINING several policies in one—thus giving you the benefit of *decreased* operating costs. Send the coupon below for FREE booklet describing the new National Five-Point Policy

The Five Points Explained

Under the regular life insurance policies you are usually protected on only one or two points—Death and Old Age. Under the new National Five-Point Policy you are given the same benefits covered in other policies—with several benefits added. The five points on which you are protected under the new National Five-Point Policy are:



An Annual Income for Life if Permanently Disabled by Accident.

1. Sickness
2. Accidents
3. Total Disability
4. Old Age
5. Death

Point One insures you in case of sickness. If you are temporarily confined by any sickness or disease, you are paid a weekly income. *Point Two* insures you in case of any accident. If you are either *partially* or *totally* disabled by any accidental injury, you are paid a weekly income. *Point Three* insures you in case of total disability. If you are totally and permanently disabled from *any* cause, you are NOT required to pay further premiums and you are given an annual income for life.

Point Four insures you against poverty in old age. The face value of the policy is payable to the insured IN CASH at the age of eighty-five; or, you can draw an annual or monthly cash income beginning at the age of sixty-five. The policy is paid-up for life at the end of twenty years. *Point Five* insures you in case of death. In case of death from ordinary causes, the face value of the policy is payable *IN CASH*. In case of death from accident, *DOUBLE* the face value of the policy is payable *IN CASH*.

National Life Insurance Company of the U. S. A.

"Chicago's Oldest and Strongest Company"

ALBERT M. JOHNSON, President *ROBERT D. LAY, Sec'y.*

Executive Offices: National Life Building
Dept. A, 29 South La Salle Street Chicago, Illinois

WANTED: We have positions for men of character, for several kinds of business men who have been successful in other lines. Men without insurance experience, who can earn earning $1,800.00 to $5,000.00 per year, to assist in introducing the NATIONAL FIVE-POINT POLICY over a district. Apply by letter or in person, to MR. ROBERT D. LAY, Secretary, 1301 Home National Life Building, 29 South La Salle Street, Chicago, Illinois. All applications strictly confidential.

Complete Protection

We believe the National Five-Point Policy offers the maximum of protection at minimum cost. It is only by offering insurance on these five points in a combination policy, that we are enabled to make such a low rate. The rate is based on the insured's age and occupation. If you are 35 years of age, you may secure a National Five-Point Policy for as low as $39.73 per thousand—*approximately One Dollar more than the cost of a twenty payment life policy in some companies*—and you are protected on FIVE POINTS! By combining *all* points in one policy, costs are reduced. You get the benefit.



Weekly Income in Case of Sickness.

An Old Reliable Company

The National Life Insurance Company of the United States of America has been established since 1868. Of the several hundred insurance companies in America, it is 32nd in age. *It has nearly one hundred millions of insurance in force.* It owns its own building. It operates only in the United States. It issues all forms of life insurance, but the new National Five-Point Policy is especially featured. All of the mighty resources of this old, substantial company amounting to more than Fourteen Millions of well invested funds, are back of the National Five-Point Policy.



Home Offices—Our Own National Life Building, 29 S. La Salle Street, Chicago.

Special Offer: Booklet Mailed Free

In order to acquaint the public with the benefits of the new National Five-Point Policy, we have prepared a special booklet explaining, in simple terms, how complete protection is given at such low cost thru the National Five-Point Policy. Whether you are considering life insurance NOW or not, whether you live in Chicago or out-of-town—you will appreciate learning about the National Five-Point Policy. We shall be glad to send a copy of this booklet to you by mail—prepaid. Please use the coupon. No obligation whatever.

Send this Coupon for Free Booklet

FREE BOOKLET COUPON

National Life Ins. Co. of the U. S. A.
Dept. A, 29 South La Salle St.
Chicago, Ill.

Without any obligation whatever, please send me a copy of your booklet describing the new National Five-Point Policy.

Name _____

Address _____

City _____ State _____

Occupation _____

Copyright, 1917, National Life Ins. Co. of the U. S. A.

How Some Sales Managers Train

PENN MUTUAL STARTS WITH AMBITIOUS YOUNG MEN

"Majority of Men Must Be Sold Their Life Work," Says C. W. Wilson—E. A. Woods' Report

Edward A. Woods read the convention a number of letters he had received from executives about training of agents. Some of them follow:

K. A. Luther, Syracuse, N. Y.

"When I start new agents to work, I have them dig around for a while, giving them a certain line of people to see. Then I go with them and during the first few months ask two or three of my best agents to assist at different times in helping them in a day's canvass. My men do this without pay or compensation of any sort from me with the exception that I always pay their expense. I believe this breeds in them a desire to help others. They get the spirit of doing something for someone else, and it makes their business better and their lives worth more to themselves."

Wm. H. Kingsley, Philadelphia

"We take young men who have been brought to the belief that the soliciting of life insurance is a most honorable occupation and productive of greater results than the ordinary vocation to which entrance is available and our selected young men are given a course of study under the superintendent of agents, which is intended to be informative of various forms of policies and the general subject, purposes and achievements of life insurance. With this groundwork performed, the adaptability of the young man in what might be termed his 'approach work' is carefully studied and effort is made to lead him in the direction of interesting prospects. We then send these young men in company with well-seasoned agents to bring them in contact with cases that are being written and acquire familiarity with the methods employed by those who have been eminently successful.

"We try to teach them not to be afraid to join a prospect in thinking in big figures; when to recognize the natural end of an interview; how to present the subject without intrusion or persistence to the point of annoyance; and when we have satisfied ourselves that a young man is reasonably well equipped in these particulars, we supply him, if possible, with 'leads,' requiring him to report the result of interviews, and if necessary joining another agent with him in his initial efforts. The friendly spirit of co-operation between all of the members of this particular agency is such that this service is willingly and freely rendered without division of commission or obligation of any nature, and the whole system has worked splendidly to the advantage of those who practice it and of the company. During about eight months of the year we have a class in insurance, attendance in which is open to anybody. The first Monday of each month our agents come together for a meeting and much experience that has been gathered in the interval since the preceding meeting is disseminated with good results."

W. H. Wood, Memphis, Tenn.

"In all instances we educate our men long before we ever make contracts with them. My theory has always been that before a man could become a successful life insurance salesman, he must be converted to the value of life insurance and understand what life insurance is and does.

"For a great many years we have had a mailing list of prospective agents. This list is made up of 'top-notchers' among the different professions and businesses. We keep in touch with these prospects like a good agent keeps in touch with his prospects, every week mailing them something on life insurance. One of our best producers was on our mailing list for five years. He was a success from the beginning. This system has enabled us, in a small way, to develop a business in fifty counties from $1,500,000 paid in for 1907 to $3,000,000 paid for to date this year.

"After a man has made a contract, we turn over to that man our supplies, with full instructions and several letters, explaining the different forms of contracts, and also information as to how to get at a man—how to present a policy contract. With these supplies we enclose a list of catch questions. After the man has answered these questions satisfactorily, if he is living in the city, we then take him in hand and keep him under our close observation for a year. If he lives in the country, instructors, or agents, are sent to assist in his education. We not only do that with our country agents, but they are invited here once a month in pairs, and a day is put in with them talking life insurance. We use the catch questions to see just how much interest the man is taking in studying life insurance. If, after the man has had our questions for three or four days, and is not able to answer them satisfactorily, there is but one conclusion and that is that the man is not sufficiently interested in the work to dig out the information which he ought to have. We have been working along these lines for more than twenty years."

W. S. Weld, Pittsfield, Mass.

"We have secured the most satisfactory results by the training of young men in the home office, giving them experience in the actuary, accounting, policy, loan and other departments so that they may know of home office requirements when they get into the field.

"Those who have made the most marked success have been those who have had training in schools of business administration."

L. H. Andrews, New York, N. Y.

"The men that we feel are exceptionally high-grade are generally sent to the home office by us to be trained and then, of course, when they return, I keep a very close eye on them, going over their interviews with them every day. The men that we do not feel are especially high-grade are instructed here through the correspondence course and they also come under very close supervision when they go out into the field.

"All new men make out a daily report showing the hours worked, number of interviews and calls, and number of first calls. They also make out a slip giving the name of every man they have seen and report to me early the next morning and I go over with them the interviews that they have actually had out of the list that they called on."

Creede W. Wilson, Richmond, Va.

"Long ago I learned that in a majority of cases the men worth while in the profession had to be sold their life-work just as I used to sell a policy. I further learned that very few good life insurance men were secured from other companies, simply because a man who was successful and well placed, as a rule, simply could not afford to put behind him his renewal account and his clientele built up through years of hard, clean work. Therefore, I made a careful study as to where I could most reasonably find a field whence I might draw men into the life insurance business. And it must be remembered that these fields must needs be limited because they should furnish a good groundwork upon which to base the foundation of a life insurance career.

"After long and careful analysis by methods of my own, I found two fields of endeavor from which I am, at the present time, making all my recruits. These men I am reaching through carefully prepared advertisements inserted in that paper having the best circulation in that section where I desire to secure a man. These advertisements do not state that our business is that of life insurance because there are a lot of good men who are convinced that they 'could never sell life insurance.' I do regret that it is necessary to veil our advertisements in this way, but unfortunately it is so.

"I find these advertisements are making good. We get in touch with big caliber men and I make it a point to write no letters, but to see them and 'sell them a career.' The percentage of sales is small but you can readily see that one sale a month does the work if I can get a hundred thousand dollar producer."

Orville Thorp, Dallas, Texas

"We adopted the method of getting a number of special field instructors who were good, live insurance salesmen to spend from one to three weeks, and sometimes longer with new agents, training them to sell life insurance; but before that work is done we do some preparatory work from this office.

"This preparatory work takes from one to three months to complete. The New York School of Insurance is putting out a course of instruction in twelve big lessons on the Science and Art of Selling Life Insurance. We have found this course very helpful. When I make a new contract, the first thing I do, even if the agent is an old insurance man, is to place this course of instruction in his hands and insist upon his mastering the same. The school then submits an examination of fifty questions, which is handled through our office. The answers to these questions come in from the agent to my office and we have an opportunity of checking the examination. Frequently we detect errors in the examination report, which we know will not get by the school because they are not correct. In such cases we send the reports back to the agents with such suggestions as we can offer, giving them an opportunity to rewrite their examination report. The report is then sent to the school, and, if satisfactory, the school issues a diploma and forwards same to the agent through our office. In delivering this diploma to the agent, we have an opportunity of encouraging and boosting the agent by correspondence.

"This course of study, when completed, gives the agent some good foundation work, and we then begin the active work of selling life insurance. We get one of our instructors to call on this man and spend from a week to three weeks and sometimes longer, depending on the individual, during which time the instructor and agent work together.

"The subject of life insurance is an old one and after being in the business for a while there is sometimes a tendency on the part of the agent to get stale on the subject. It is the policy of this office in our correspondence work to keep the subject of life insurance before the salesman every day as a brand-new, live, wide-awake proposition. I watch the newspapers for editorials—our big periodicals for strong editorials, for discussions on economics and social questions, and to the best of my ability I keep before our agents life insurance as a live, constructive force, which is and will do as much or probably more than any other one agency in our present civilization for the proper solving of the great economic and social problems of our modern social life."

Convention Endorses "Association News"

ADOPTS TWO IMPORTANT RESOLUTIONS

That of C. J. Edwards Urging Co-operation With Warfield Association is One of Those Passed

By Clarence Axman

(*Special to The Eastern Underwriter*)

New Orleans, Wednesday—

The executive committee passed the following resolutions:

"Whereas, the character of service which the 'Life Association News' is rendering life insurance as an institution is in a degree based upon the non-partisan conduct of its editorial and news columns, and its entire freedom from controversy with other insurance publications, resolved that, the policy of the management and editing of the 'News' in such respects be approved and that the same be adopted as the future policy of the publication whereby the association may at all times be free from the embarrassments and lack of co-operative feeling between underwriting interests."

Protect Small Investors

The following resolution offered by Chas. Jerome Edwards was adopted:

"Whereas, the fundamental interest of every patron of life insurance, as of every depositor, and person of thrift, is predicated upon the safety and security of the ultimate investment of such funds and, whereas, the trusteeship of such funds necessarily leads to their aggregate investment in the securities of railroads and other industrial values in addition to municipal and State bonds, mortgages, etc., and whereas, it is of the utmost importance that the vast interests of such multitude of small investors and provident savers shall be safeguarded beyond question, and at all times, whereas, the recent formation of an association for the purpose of protecting the interests of such owners of railroad securities under the leadership of S. Davies Warfield, of Baltimore, affords to every depositor in banks and holder of a life insurance policy a voice and influence in matters affecting their savings and welfare, be it resolved, that we recommend to all constitutent associations of this convention that they secure the co-operation of their members of every life insurance policyholder in aiding the efforts of such association in safeguarding the welfare of their payments."

Report of President John Newton Russell

(Continued from page 5.)

vents my giving suggestions for overcoming this state of affairs, but I hope the discussions during the session given over to "Association Building" will bring out many effective plans.

The prosperity of a local association depends largely upon the earnestness and efficiency of its secretary. I believe that one of the surest ways of maintaining the stability of an association and guaranteeing more rapid growth is for it to employ a regular paid secretary-manager. If necessary, annual dues should be increased to meet the additional expense. With such a paid official the character and attractiveness of the meetings should improve to such an extent that the regular attendance would materially increase, resulting in decreased lapsation —a most desirable condition with most of the associations. The system is proving successful with all of the associations which have adopted it.

It is quite natural that agency managers or general agents should take a deep interest in association work and that generally they are looked to for the association's permanent success and especially in defraying the major part of the expenses. I recommend, therefore, the organization of a managers' luncheon club, in every association of fifty or more members. By meeting semi-monthly at luncheon the managers and general agents soon learn to respect each other, to co-operate in their efforts in numerous ways for the betterment of life underwriting in their respective association territories.

I am more than pleased in congratulating the Minneapolis association upon its adoption of a code of ethics. The subject of ethics is to be discussed by this convention, and I dare say will result in the adoption of a standard code as a guide or basis for each association to be governed by in adopting one of its own. This is a great step in the right direction—toward golden rule methods in field work.

The Need of Advisors

Based upon my experience during the past year is a conviction of the desirability of advisors or aids to the president in different sections of the country. It should be their duty to supervise their respective districts, co-operating with all of the active agencies of the national association in forwarding the general good of the institution, but particularly in the organization of new associations, and extending to them all possible assistance, and increasing the membership of the older ones. I therefore, recommend an amendment to our laws providing for State vice-presidents or a suitable number of district governors to be appointed by the president.

I have been especially interested in the proposed "Qualification Law" as endorsed and forwarded by the legislative committee. Chairman Henry Powell has done valiant work, giving much of his time in his efforts in behalf of the task assigned to him. This proposed legislation has been adopted almost wholly in Wisconsin, partially in California and in a less modified form in a few other States. The good work thus inaugurated must be prosecuted until accepted by all the States. With a universal law as proposed by this bill, the life insurance broker will become extinct. May the day soon come when only full-time, carefully selected and officially approved men and women will be permitted to engage in our business. Then may we expect and demand of the public recognition of our profession, placing it upon a level with law and medicine and kindred professions, where we know it should be.

Without proper legislation, it is doubtful if such a desirable condition will ever be reached, just as without exacting laws rebating and twisting would never have been curbed as it is today.

I am advised that the committee appointed to consider our emblem or motto, "The Greatest Thing in the World," is to report favorably upon retaining it. being unable to find a more suitable one. It is justly claimed that love is the greatest thing in the world, and in this I thoroughly agree, but what, pray, is back of life insurance but love—love of family, love of business. love of self —a desire for protection in old age?

This reminds me of the desirability of every agent having an imprint of this emblem upon his card and of every agency having it upon its letter heads. In fact, it should be used upon our agency publications and advertisements, that the public may become familiar with it and its meaning.

The Association Emblem

The association button should be worn in a conspicuous place by every association member. Comment is unnecessary. I hope every member present who has not purchased a button will do so—from the secretary—before he returns home. Wear it and you will be surprised at the interrogations it will cause, frequently leading up to a discussion and possibly a sale.

I have purposely refrained in this report from indulging in any comment upon the war, nor has your program committee provided for any special session or hour for its discussion as has been suggested. I dare say we are a unit in our loyalty and our wishes and ideals for our beloved country. In our respective cities, offices and homes, we should do our share for liberty, but we are at this convention to attend to our convention "business as usual."

In the sale of Liberty bonds life underwriters of the country did their bit in a most creditable manner proving their ability as real salesmen. Under the strong leadership of Vice-President Lawrence Priddy, the bond sales amounted to $30,000,000, and, including the $68,000,000 purchased by the life insurance companies, the total amounted to $98,000,000.

It has also been suggested that at this convention we should discuss the much talked of "war clause" as contained in the life insurance policies of the day. This, however, I believe is a matter to be decided by the companies. Discussion of the subject might rightly be indulged in by the American Life Convention and the Presidents' Association; this is also true of the proposed so-called government insurance.

We are here with the hope that through increased acquaintance, affiliation and co-operation with one another, we may become more enthusiastic, more ethical. more loyal and more efficient in our support of the great cause of true life insurance.

I would, indeed, be ungratful did I not express most earnestly my profound appreciation for the uniform courtesy and loyal co-operation rendered me by the officials and committee chairmen whenever there seemed to be an opportunity for service.

In delivering the guiding reins to my successor at the close of this convention, I will bid farewell to a year that shall be cherished in my memory as the busiest year of my life, as one of happy experiences and of appreciated friendships formed through affiliation with many earnest co-workers in our efforts for the advancement of the "greatest thing in the world."

Harmony seems to have been the unconscious keynote of the executive committee. In fact, the entire association year stands out boldly for its lack of discord in any of the branches of our association work.

An American Company True to American Ideals and Traditions

THE GERMANIA LIFE INSURANCE COMPANY

ESTABLISHED 1860

UNDER THE LAWS OF THE STATE OF NEW YORK

NEW PAID FOR BUSINESS

1915 ..... $15,000,000.00
1916 ..... 21,000,000.00
1917 at rate of..... 26,000,000.00

All new business records made during the Company's 57 years of existence broken in 1917 as a result of

UP TO THE MINUTE POLICY CONTRACTS
FAR-REACHING PROGRAM OF SERVICE TO POLICYHOLDERS
RECOGNIZED FINANCIAL STRENGTH
A LOYAL AND EFFICIENT AGENCY ORGANIZATION
HEARTY CO-OPERATION BETWEEN THE HOME OFFICE AND FIELD

A Growing Company for Growing Men

Liberal agency contracts to aggressive men of unquestioned integrity.

Address,

T. LOUIS HANSEN, Superintendent of Agencies, 50 Union Square, New York City

"One Application Weekly" Program Proves Too Slow for This Convention

McCann, of Bay City, Mich., Wrote 56 Applications During August, But Wouldn't Talk About It—Finds It Easy to See Prospects, and Has the Town Plastered With Policies—"See, Sell and Serve," Larsen's Slogan—Other Good Pointers.

By Clarence Axman
(*Special to The Eastern Underwriter*)
New Orleans, Thursday—

One subject for discussion this afternoon was "Securing One Application Weekly Instead of Monthly," but this did not satisfy the Convention.

It was too small potatoes. Charles J. Edwards said that there was a man present who had written fifty-six applications during the month of August and he wanted him to tell how he did it. The man was Henry C. McCann, of Bay City, Mich.

McCann's Record Told

The Convention called upon Mr. McCann, but he refused to speak, saying that talking, except to prospects, was not in his line. However, Senator Hamilton, president of the Federal Life, of Chicago, which McCann represents, said that he would say something about McCann's work, and he began by calling attention to the fact that McCann had already qualified for the Federal Life's $100,000 Club, although the year started as recently as August 1.

Gets Actuary to Help

The Bay City man, said Senator Hamilton, can see a prospect for life insurance about as easily as anyone he has ever met, and once having seen him he writes him. Once the actuary of the Federal Life had gone over to Bay City at McCann's request in order to explain a policy and while there took a ride about the city.

In a radius of a mile McCann had a large number of policies. It seemed almost as if there were policyholders in every third or fourth house. Many were members of the same family as McCann has had great success working with old policyholders and getting leads from them.

In the sixteen years he has been with the Federal Life, he has written more insurance and seen more men every year. He believes that every man who needs insurance should get it, and does his share in having that result accomplished so far as his city is concerned.

A. C. Larsen, Wisconsin, said that the slogan of his agency was, "See, Sell and Serve. You can't write without seeing people. You can't see people without writing."

Big Results Out of Small Territory

M. M. Deming, Iowa, said he represented a district where policies are small and although there has never been a policy for more than $10,000 coming through his agency it piles up a total of $1,250,000 a year. Any agent who can't sell more than one policy a week can't succeed with him. When a man starts he tells him that it is necessary to sell at least four or five policies a week, and his men work hard and do it.

Sees Three Every Morning

Boling Sibley, Memphis, told of the success of a man who sees three men every morning and two every afternoon. He has no difficulty in making $7,000 or $8,000 a year.

Fred M. Wheaton, of Baltimore, declared that what makes a man successful is the will to write insurance. Once he willed that he would write $1,000,000, he did it. On another occasion he decided to write $30,000 a month. In this also he was successful.

Advice For Green Men

Manager Darby, of Baltimore, said that when he gave advice to green men with latent abilities he told them to remember three things: Find the people, be brief and get the doctor. One man after being told this, and without any knowledge of insurance, wrote forty-four applications in thirty-two days and until he joined the army recently was on his way to a most successful insurance career.

Women Hold the Platform; Tell Their Experiences in Soliciting Business

Life Insurance Attracts Best Type of Women, Says Miss Cowick, of Boston—Here They Get a Square Deal—How They Work and What They Make—Mrs. Fithian Presides, With Good Talks by Anna Ketensky, Clara D. Knight and Others.

By Clarence Axman
(*Special to The Eastern Underwriter*)
New Orleans, Thursday—

The Conventioned turned the session today over to Mrs. Cora Fithian, Pacific Mutual Life, Los Angeles, and there were half-a-dozen good talks from women agents. Anybody who says that women have no sense of humor must be mistaken, because all the talks were bright.

What One Women's Department Has Done

Mrs. Fithian called upon Leonova M. Cowick, president of the New England Women's Congress of Life Underwriters, to start the ball rolling. Miss Cowick, who is manager of the women's department of the Mutual Life at Boston, has been 18 years in the business. There she made friends with the outside public, never dreaming that she was to become an insurance woman. When the opportunity came to go in the field the friends came home to roost and they have been helping her ever since.

There are thirty women in her department. They are of all ages, but Miss Cowick prefers them over thirty. When over thirty they have had the more extended experience in the world which helps them to meet conditions as they find them and to be more resourceful. The department has been so successful that she said she wished that more women's departments were established. In her department $400,000 of business has been written so far this year.

"But that is not much to you men, I suppose," she ruminated. "On the train coming down I noticed that none of the life insurance men on board had written less than a million."

The Agent With Social Position

Miss Cowick said she believed in what she was selling with all her spirit and conviction; and having that belief she could communicate it to others. She said that life insurance attracted the best types of women, but she had had some rather interesting experiences in finding women who sell life insurance. One day a girl of fine family was talking with her about joining the agency. Finally, she said: "But what about my social position?"

Miss Cowick asked her if she thought more of her social position or of the money there was in it and the chance to serve humanity. "If the latter, then forget your social position," she advised.

This woman afterwards became a successful agent.

"Keep on the Go"

Another interesting story told by Miss Cowick was of insuring a famous actress' "husband." This woman, a movie star, making $40,000 a year or more, took out the policy for her husband and pays the premiums; so Miss Cowick's advice to agents is to keep on the go. The more people you see the more you insure. .

Former School Teacher's Viewpoint

Clara D. Knight, of Fargo, N. D., was a school teacher, she said. She looked ahead and saw that if she continued teaching school for the rest of her life she would not be far ahead in this world's goods. So she resigned in order to sell insurance. Now she often makes more in a month than she formerly made in a year.

She said that life insurance is one business where a woman gets a square deal. She has just the same contract a man has, and if she conducts herself properly and is successful, she is treated like a queen. A woman who is a self-starter, with the grit and determination necessary for use as a shock absorber, will find that her possibilities are equal to if not greater than a man's.

Men Versus Women as Prospects

She says she can write a woman easier than a man can and there are some men whom she finds easier to write than men do.

In discussing her experiences with women thinking of joining the agency she says she frequently meets women who say: "I would certainly give up if a man turned me down." This led Mrs. Knight to say:

"Of course, that sort of a person would give up."

Continuing, she declared that life insurance is no profession for a jelly-fish, but for a woman who wants to succeed and who has the ability there is no business half so worth entering. The sky's the limit.

What One Woman Has Done

Miss Anna Ketensky, Aetna Life, California, said:

"I would like to speak of one woman in the life insurance field. I have been in the business some time and I have found it sufficiently remunerative not only to pay my own living expenses, buy a Liberty bond, invest in California oil stock and to have a savings account, which I have promised my manager will report one-tenth of my earnings.

"I have also paid my own expenses to the National Conventions each year, where I have received inspiration and help, making the trips worth while.

Works Through Introductions

"I most sincerely believe with the speaker that our mission should be to elevate both business and moral standards. Ninety-five per cent of my work is done through introduction, either verbal or letter, and I receive the most respectful attention. Consequently, I am always certain of an interview.

"The beautiful feature of the work is that your time is your own, and takes you out in the open air, and I feel that if I had no other reason for thankfulness, I would have for the splendid health I have gained. I was a semi-invalid when I entered the field, but since then I can truthfully say: 'Look at me now!'"

And Miss Ketensky is good to look upon.

Secretary Lane Presents War Issues in Stirring Appeal

(Continued from page 1)

dian" figures that 9,000,000 have been killed.

America knew exactly what it was facing and if the present army of more than 1,000,000 men is wiped out, this country will keep on raising other millions, until victory is won.

Why New Bonds Will Sell

Secretary Lane said that Lloyd George had gone as far as was to be expected of a Premier when he said that America had never lost a war, but added that we can go a little farther and add that America has never gone into a war unless it believed it had right on its side and had always triumphed.

In outlining reasons why the people should and would buy the new bond issue he said that the war is costing $100,000,000 a day. A great army has been raised in which the multimillionaire and his chauffeur, the lawyer and his bootblack, are fighting side by side. The best blood in the nation is being offered for sacrifice. It is therefore the duty of those who remain behind to make the sacrifices they can which will result in all the nation doing its best.

A Time to Test Our Loyalty

The Secretary said that in buying these bonds the people of the nation were not giving a gift or largesse to the Government but were taking a mortgage on the Government.

Secretary Lane explained the patience with which America had entered the war and declared that the trouble with Germany was that she is not using Twentieth Century rules in playing the Twentieth Century game.

Income Insurance Has Prominent Place in Wednesday's Discussion

C. W. Scovel Wins Prize Offered by President for Best Three Minute Talk, But He Donates it to Red Cross—Orville Thorpe Outlines Contingent Estate Plan, and Agents Are Greatly Interested—C. J. Mac Murdo Shows "If" in Insurance.

By Clarence Axman

(*Special to The Eastern Underwriter*)

New Orleans, Wednesday—

The afternoon session of Wednesday was known as "Field Men's Day." Wilson Williams, of New Orleans, was in the chair. Chief interest centered in the general discussion of the "Best Method of Presenting Monthly Income Insurance." There was a cash prize offered by the president of $5 for the best talk. All talks were to be limited to three minutes.

Scovel Passes Time Limit But Wins

Charles W. Scovel, of Pittsburgh, won the $5 prize for the best talk of three minutes on monthly income and then refused to take the gold piece, saying that he had not only exceeded the time limit, but that he did not believe the old war horses of the Association should participate in this discussion. It was finally decided to give the money to the New Orleans Red Cross.

How Income Piles Up

Mr. Scovel's talk was an illustrated example of how monthly income piles up. He took the case of a man whose policy is payable to a parent. The policyholder dies, say, at age thirty. He showed what the monthly income of $50, for instance, would amount to when the parent was sixty, when sixty-five, when seventy, when eighty, and when ninety; and to illustrate that ninety was not an exaggeration, he said that one of his own parents had lived longer than that.

Absurd—To Sell Other Forms

Mr. Scovel declared that the agent in selling the policy should always talk monthly income; should show how long the monthly payments will keep up; he should always visualize. In fact, he declared that it is absurd to sell insurance which settles for a lump sum. He said that the greatest minds in the country have studied the question and have come to the conclusion that monthly income plan is the only proper way to make settlement under a life insurance policy.

Lights Flashed on Talkers

The three minute talkers were shown red and white electric lights so that they would not exceed their time. If they talked too long the red light would be flashed on them. "War Horse" Scovel got the red light, but he did not stop until he was finished.

The first entry in the discussion was Orville Thorpe, Kansas City Life, Dallas, Texas. He took the case of a man who has just married. He said to a young woman, "With all my worldly goods I thee endow." He is worth $100,000. He is thirty-two years old; makes $3,000 a year above his expenses. This man represents an accumulated estate of $100,000; a contingent estate of $125,000.

Contingent Estate Interests Agents

The life insurance agent is not interested in the accumulated estate, but he is vitally interested in the contingent estate and that is what must be protected, and the best protection afforded for it is monthly income insurance. "It would be nothing less than business suicide for a man so situated to take $100,000 insurance and then see that this amount should be paid over to her when he dies," he said. "He should buy monthly income insurance."

The Vital "If" in Insurance

C. J. Mac Murdo, New England Mutual, New Orleans, made the following point among others in his talk:

The ever present "If" in life makes life insurance essential to every man, particularly to one with a family.

He will support his family "If" he lives.

He will pay off the mortgage "If" good health continues.

He will provide for the children's education "If" his business ventures succeed.

He will be independent in old age "If" his plans are uninterrupted by accident or injury.

Life Annuity Popular Contract

These and many more contingencies emphasize the present need of certain provision against the disappointments and misfortunes which veil the future. Evidence is not wanting that the best-laid plans are liable to miscarry, and this fact is daily popularizing a form of protection known as life annuity.

Makes Income Certain

The great danger in leaving an estate is that somebody else must handle the money for the benefit of those left behind. It often happens through unwise investment of the principal, and although a man might die, leaving for his wife or daughter a good business or gilt-edge securities, the income may be cut off or reduced at a time when they can least afford it. With life annuity the income provided is exempt by law from the claims of creditors. The income provided is also exempt from the claims of the inheritance or of the income tax.

Provides Independent Estate

The object of these annuities is to make a life provision for the beneficiary independent of any other estate that may be left.

Future Comfort Cannot Be Defeated

It should be remembered that the true conception of insurance is not to increase an estate, but to create a separate estate free from the contingencies and risks surrounding all other business ventures. It is a sure anchor to a property interest, and even if there is other insurance payable in one sum by unfortunate investment, either on the part of the policyholder or his family and the family is ever deprived of the other funds designed for their support, this document can still be depended upon and the desire to provide for future comfort of dependents cannot be defeated under its terms.

Gov. Pleasant Speaks at Banquet

New Orleans, Thursday—

(*Special to The Eastern Underwriter*)

The banquet to-night of the National Association was addressed by Governor Pleasant, who made a patriotic address. The other speakers were former presidents of the Association.

Charles J. Edwards said he wanted to take advantage of the occasion to make a few emphatic remarks about the personnel and standards of the National Association. He said that he favors a code of ethics and always has, and that there was nothing novel about the idea.

There was no reason, he said, why there should be any particular legislation to keep the agent in the straight and narrow path, because in his opinion that was the roadway that the agent is walking and has been for some time.

He said that he did not believe a single member of the association was in it for personal gain, but rather because he knew and appreciated the service the Association was doing for the good of life insurance, and he felt sure the leaders were entirely unselfish.

He called attention to the heavy personal expense of being an officer of the Association, particularly being president.

While every one knew to whom Mr. Edwards was referring he did not mention any name. Mr. Edwards then rapidly sketched the different activities of the Association from the beginning and declared that it was responsible for the elimination of undesirable competition and for protection of agents in various ways.

He closed with an eulogy of the American Life Convention companies, saying they had brought the message of insurance to many places where it would not otherwise have been heard. Seated near him were President Seay, of the American Life Convention, and Former President Coffin.

Henry J. Powell made a talk, the keynote of which was that the agency forces of the country should do their part in keeping life insurance going.

This was also the keynote of an address made by Edward A. Woods.

J. Newton Russell was toastmaster.

THE TRAVELERS
INSURANCE COMPANY INDEMNITY COMPANY
HARTFORD, CONNECTICUT

WRITE THE GREATEST VOLUME OF

GUARANTEED LOW COST LIFE INSURANCE

AND

CASUALTY INSURANCE

THE OPPORTUNITY TO SUPPLY THESE INSURANCE NEEDS GUARANTEES AGENTS THE BROADEST FIELD AND THE LARGEST INCOME.

Miss Ketensky Wins Prize for Closing Talk; Handling Hardest Type

How "Prejudiced" Prospect Finally Succumbed After Rebuffing Many Agents—Novel Approach Opened the Way—Fitting Insurance to the Merchants' Needs—The Man Who Didn't Want Any More—Grasping Little Opportunities—Ben Thorp, W. L. Tougas, Mark Braun and Others Heard.

By Clarence Axman

(*Special to The Eastern Underwriter*)

New Orleans, Thursday—

Once again a woman has walked away with the prize for the best closing talk made at a convention of the National Association of Life Underwriters. This time it is Miss Anna Ketensky, Aetna Life, who comes from the coast each year to attend the Convention. Miss Ketensky won the prize by telling how she insured an old grouch in California, named Shields, who at one time owned a livery stable and later opened a garage.

The Man Who Couldn't Be Insured

At his door was a sign reading that life insurance agents were not welcome, and the word had been passed in the insurance district that it was no use seeing him as all he did with a new insurance agent was to poke fun at him. Nevertheless, Miss Ketensky decided to take a chance and after bearding the lion in his den, she struck boldly out and asked him if he was insured, if he was married and how many children he had. There was a boy and a girl.

She began to ask other questions but the prospect stopped her, saying that he objected to having his personal affairs further pried into.

"All right," said Miss Ketensky, "if you will not become interested in insurance, maybe you will go out for an automobile ride with me. Understand, it is not a joy ride, but there's something in this town I want to show you"

How She Made an Opening

It was the first time that such an invitation, by a woman, had been given to Shields, and more curious than anything else, he accepted.

On the following day they started out. After touring the residence sections they entered the suburbs and finally stopped in front of a red brick building. "Let us get out," said the agent. It was the orphan asylum. By this time Shields was game and stuck it through. The matron was introduced to him and some of the children were passed in review.

This was a cue to Miss Ketensky to make the following speech: "Every month a woman comes to my office in going the rounds of the city and collects one dollar for this asylum. Who knows what children those dollars are supporting, or what children they may support. You may not always have money. You may even lose everything you have. Maybe it will be your children that those dollars will be helping to support some day. Don't you think you should place those children out of reach of the orphan asylum?"

Shields bought the policy.

Merchant Saw His Need

Ben Thorp, of Dallas, Texas, told a story of insuring a cold-hearted individual who had no use for a life insurance man. This fellow was a merchant who had decided to open a branch store in which he was buying about $25,000 worth of merchandise.

The store was to be managed by a young man with considerable experience, much ability, but no money. This merchant had served notice on the town that life insurance men need not apply to him for an interview, but drummers with samples were permitted to visit him on certain occasions, show their wares, and were then turned over to another man with instructions about purchasing.

Thorp fell in line with the traveling salesmen and thus made his entrance into the merchant's office. Asked what he had to sell, he said, the greatest thing in the world. When the merchant pouted that he wanted no insurance, Thorp told him that he might not need it for himself but he needed it for the young man who was to manage the branch.

He showed what the life of the branch manager meant to the merchant, and ended by covering him for $25,000, the same amount as the value of the merchandise.

Little Things Turned to Good Account

Walter I. Tougas, Union Central, Boston, told how he increased the size of insurance on lives of old policyholders by promising to print their pictures in a "Who's Who" booklet.

Mark Braun, Federal Life, Chicago, sold one man by illustrating that the uncertainties of life correspond to the uncertainties of business, or vice versa. On a clipping showing that an ordinarily careful man had been run over and killed by an automobile, he sold a number of policies. On a clipping showing the failure of a firm whose credit was regarded as splendid, he sold other policies.

Selling the Big Man More

Elmer S. Albritton, of St. Paul, insured a man worth $250,000 who already carried $150,000 of insurance and who didn't want any more, by showing him how he could double his money. This man, who was forty-one years old, was making ten per cent. on his investments. He spent $17,000 a year and put aside the rest.

"All right," said Albrittton, "give me one and a half per cent. of what you save and you can die worth twice as much money as you now have. A $50,000 policy was sold upon this argument.

A Los Angeles agent named Collins sold a man a small policy because, while they were talking, the prospect's little boy poked his head in at the door and said "Papa, when are you coming home?" That furnished Collins with inspiration for a talk about the child and what would happen if papa died, and soon both agent and prospect were in tears and the policy was sold.

Seay Discusses War Risk Measure

(*Special to The Eastern Underwriter*)

New Orleans, Thursday—

Harry L. Seay, President of the American Life Convention, addressed the National Association of Life Underwriters to-day, taking as his topic the war risk measure.

He began by saying that the insurance companies are not opposed to the bill, but their desire is to endeavor to whip the bill into shape in order that the greatest good may be done the greatest number. The committee of insurance men merely suggested where the measure could be improved.

Instead of charging eight dollars a thousand the insurance committee suggested that the insurance be issued free of any charge. Mr. Seay told of the objectionable parts of Article Four, adding that it is better for the Government to give a fixed sum free of charge because if this be not done and the bill in its present shape goes through it opens the door to speculation and discrimination.

He gave various examples showing how speculators could profit by the manipulation of the insurance. He said that in its present form the bill favored soldiers of private wealth and discriminated against soldiers with no income except wages drawn from the Government. This is unfair as one soldier is just as good a patriot as the other. The rich man is no better fighter than the poor man.

Unless the changes suggested by the insurance men are made the bill will defeat the very purpose for which it is drawn.

He also called attention to the size of the bureau that would be necessary to operate the war risk scheme under the present plan. It would probably be larger than any two bureaus in Washington combined.

Stimulating Association Interest

(*Special to The Eastern Underwriter*)

New Orleans, Thursday—

One section of the convention to-day was devoted to plans for stimulating interest in local associations. Considerable interest was taken in the talk of S. C. Rosenberg, Peoria, Ill., who came to the convention with thirteen other men from that city.

Mr. Rosenberg said there was no reason why every company in a city cannot be represented in local associations. An effective plan, worked in Peoria, was to turn the meeting every month over to a different general agent as chairman, thus a large number of companies are interested in association work during a year.

If The Prudential manager is in charge of the meeting his men turn out, the same with the Metropolitan, Travelers and other companies. Thus, at least once a year representatives of every agency are in attendance. Social feature is played up strongly and every man appears with his name on his coat in an aluminum holder. Every man is requested to shake hands with his neighbor. Once a year, in mid-summer, there is a boat ride and meeting on the Illinois River. Distinguished life insurance men from other cities are invited to address meetings so that more than local viewpoint can be obtained.

As soon as it had been decided to hold the next meeting in New York, Peoria men got together and decided to assess every member five dollars a month so that by next fall there will be the money raised to pay expenses to New York.

The big thing in the Peoria Association is the way in which every member is encouraged to be part of the organization. It is not a one-man association in any respect.

W. F. Atkinson, of New York, said the idea back of the New York Association was to help agents to sell insurance. He told about a new course at Columbia University and said that members of the association can attend this at a discount.

H. J. Baum, of Birmingham, said that for years that association had difficulty in getting a quorum which consists of four men. It was decided that their interest must be stimulated. This was done by having the insurance department make an example of a notorious local twister. He lost his license and was fined one hundred dollars. Then immediately twelve new members joined.

A. G. Farrell, of Salt Lake, told how a life insurance man there had originated a plan of having old shoes collected in the State in the name of the Underwriters' Association.

Newspapers took up the idea and pushed it along and 16,000 pairs of shoes fit to wear were sent to Europe. It was great publicity for the association, attracting so much attention that many life insurance men joined so they could share in the prestige given to the association and life insurance throughout Utah.

Mr. Farrell's suggestion was given a cash prize by a committee of the National Association as being most novel of all those heard.

Underwriters Splendidly Entertained

New Orleans, Wednesday.

New Orleans life insurance men set a high pace in entertainment and their hospitality will long cling to the memory of the Convention delegates. It is hard to say what was most enjoyed; the automobile ride through interesting nooks and corners of New Orleans, each automobile being personally piloted by a New Orleans life insurance man as guide who explained all sight-seeing information. This trip included a visit to Lake Pontchartrain, and the buffet dinner and dance at the Country Club, one of the most beautiful in the United States.

Pacific Mutual Life Exhibit Shown

New Orleans, Thursday—

The exhibit that the Pacific M... got up for the University of Cali... Bureau of Vital Instruction and ... is being used in schools and ... and is being generally show... plained by Secretary Moore ... cific Mutual Life.

THE METROPOLITAN LIFE INSURANCE COMPANY

(Incorporated by the State of New York)

THE COMPANY

Of the People *By the People* *For the People*



Metropolitan Life Insurance Company
Home Office Building

The Daily Average of the Company's Business during 1916 was:

701 per day in Number of Claims Paid.
8,304 per day in Number of Policies Issued and Revived.
$1,969,823 per day in New Insurance Issued, Revived and Increased.
$376,827.40 per day in Payments to Policyholders and Addition to Reserve.
$220,509.26 per day in Increase of Assets.

JOHN R. HEGEMAN, President

THE EASTERN UNDERWRITER

[Succeeding the Journal of Insurance Economics, Established in 1899]

A WEEKLY NEWSPAPER COVERING ALL BRANCHES OF INSURANCE

Eighteenth Year; No. 40 NEW YORK, FRIDAY, OCTOBER 5, 1917 $3.00 a Year; 25c. per Copy

FORM CONNECTICUT CONSERVATION ASSN.

Special Agents and Inspectors Meet at State Capitol and Elect S. C. Avery, President

ADDRESS BY RICHARD M. BISSELL

National Board President Says There are 500 Insured Fires Daily—Governor Talks

After being addressed by President Bissell, of the National Board of Fire Underwriters, and Governor Holcomb, special agents and inspectors of all fire insurance companies doing business in Connecticut, who had convened in the State Capitol, organized the Conservation Association of Connecticut a few days ago. S. C. Avery, of Hartford, was made permanent chairman and president of the association. An executive committee consisting of W. B. Cruttenden, Meriden; F. W. Brodie, Hartford; H. C. Buck, Hartford; F. F. Small, Hartford, and C. H. Senter, Hartford, was appointed.

In his address Mr. Bissell, who is also chairman of the Connecticut State Council of Defense, outlined the need of the work. He told what the National Board of Fire Underwriters is doing in conservation work.

A week or two before war was declared, Mr. Bissell said, there was fear that the water works in various parts of the country would be blown up by alien enemies. At that time the National Board offered its services to the Government to protect these water works. Mr. Bissell and others went to Washington, and by the time they reached the capital, war had been declared, and the Council of National Defense was busily preparing for the civilian activities of the war. The offer of the National Board of Fire Underwriters was turned over to this council by Secretary of War Baker, and immediately several other things which could be done were given to the fire insurance men.

The first need was information concerning factories that could make munitions. The fire insurance companies all had reports on file, and were able to provide the Government the information it wanted without delay. The

(Continued on page 16)

"The Largest Fire Insurance Company in America."

THE HOME INSURANCE COMPANY NEW YORK

ELBRIDGE G. SNOW, President

FULL WAR COVER

INCLUDING

BOMBARDMENT and EXPLOSION

Liberal Contracts Reasonable Rates

STRENGTH REPUTATION SERVICE

North British and Mercantile Insurance Co.

Established 1809

Entered United States 1866

Policyholders protected by the entire United States assets, with further guarantee in every policy, of protection by entire fire assets of the company which are many times larger.

50th ANNIVERSARY YEAR

Operating under Iowa Reserve Deposit Law, which safeguards all policyholders

Entered for business in 18 States

GOOD TERRITORY OPEN.
ATTRACTIVE POLICIES TO SELL.
LARGE ANNUAL DIVIDENDS.
LOW NET COST.

For agency apply to

H. E. ALDRICH, Supt. of Agents

EQUITABLE LIFE of IOWA DES MOINES, IOWA

TWISTED BANKER WALTER T. ROSEN

Hugh V. Rooney After Hearing is Refused Agent's Certificate By Superintendent Phillips

COMPLAINTS MADE TO PRIDDY

Action of Department Upon Evidence Filed By Life Underwriters of New York

Some months ago complaint was made to the Life Underwriters' Association of New York about the activities of Hugh V. Rooney, a well-educated and experienced life insurance agent who was selling life insurance from an office in lower Broadway. The complainants, including at least one prominent general agent, took their grievances to Lawrence Priddy, then president of the New York association, who in turn referred the documents in the case to the New York Insurance Department.

Among the charges were that Rooney was twisting business in the wholesale district, and there was also a specific charge that he had induced Walter T. Rosen, of Ladenburg, Thalmann & Co., distinguished bankers in the financial district of New York, to drop policies aggregating at least $150,000, and to substitute these for other policies. It is believed that the total amount that Rooney wrote on the banker's life was $350,000, but only $150,000 was twisted.

Those at Hearing

A hearing was held in the New York Insurance Department, attended by Captain Stoddard, second deputy in charge; Nelson Hadley, examiner; J. L. Wood, in charge of complaint bureau; Eugene F. Smith, secretary of Walter T. Rosen; Paul S. Ranck, representing a large life insurance company; Lawrence Priddy, now president of the National Association of Life Underwriters; H. V. Rooney and his counsel, S. M. Fischer, of 35 Nassau Street. Later there was another hearing.

First Hearing

At the first hearing Rooney was examined chiefly to substantiate statements that he had made in letters written to the banker changing the policies. Some of the statements he wrote follow:

"If you outlive the twenty years the

cheaper policy is automatically paid-up for exactly the same proportionate amount as the dearer policy. * * *

"It is well to bear in mind the fact that the only condition upon which any policy becomes paid up is that the assured leaves with the company a principal sum in cash upon which the company can use the interest, and the sum must be such as will net the company in interest an amount equal to the premiums he would otherwise pay. * * * You are going to leave your cash and forfeit all that interest. * * *

"The total face value of these policies is $290,000 and the cost at present is $9,711, which I will replace at a gross cost of $8,700, reduced annually by dividends, besides paying you in cash the sum of $93,330.

"Now I would particularly call your attention to the fact that an ordinary life policy in practically any company in the United States to-day will mature in from twenty to twenty-two years provided the dividends are left with the company, and that in the event of death these dividends will be paid in addition to the face of the policy, together with the compound interest thereon at the rate of 4½ to 4¾ per cent. Furthermore, any ordinary life policy will be paid up within thirty years from date of issue even if the dividends are withdrawn.

"By cancellation of these policies you can repay the expense of the one recently taken in the rule since their cently taken in the blank rule since their altered division to issue same, and receive from the company $12,900 in cash as against $5,150 by change of date."

Statement By Department

As a result of the hearing on the Rosen twisting charges the New York Insurance Department has refused Rooney an agent's certificate to transact business in this State. In its statement the Department said:

"Mr. Rooney induced Walter T. Rosen to drop policies, which would have become paid up in a few years and replace this insurance with policies written on the straight life payment plan.

"It was found that Mr. Rooney had written this business before he complied with the insurance law in obtaining certificates of authority from the Insurance Department authorizing him to represent as agent the various companies in which he placed this business. The hearing accorded him before the Superintendent also developed the fact that in his various applications for certificates of authority which he had filed with the Insurance Department for several years back Mr. Rooney failed to state that his agent's certificate of authority had been cancelled by the Pennsylvania Insurance Department in 1911."

Rooney, who lives at the Hotel Arlington, is a graduate of Edinburgh University.

Proclamation By Mayor Mitchel

Mayor Mitchel of New York has issued the following proclamation in connection with the observance of Fire Prevention Day, October 9:

"Let each citizen take his full share in the observance of Fire Prevention Day. Let him on that day see to it that he himself and each person on his premises exercises the utmost care with the things that cause fire—rubbish, matches, heating and lighting fixtures and all inflammable substances. And let him establish the habit of carefulness for all days thereafter."

J. M. Lewis Dead

James M. Lewis, of the brokerage firm of Lewis & Boardman, died on Saturday after a long period of illness. Mr. Lewis had been a broker for more than forty years and was prominent in the activities of the G. A. R.

Great Southern Life Insurance Company

HOUSTON, TEXAS.



For Agency Contracts address

O. S. CARLTON

PRESIDENT

INSURANCE FOR FARMERS

P. A. Wintemute, who has had a lot of experience selling farmers life insurance, told about his field work at the convention of the Canadian Life Underwriters.

"The average farmer today, particularly the grain grower, has more at stake in each year's crop than the average business man; is a greater gambler and hence in event of his premature death, if his estate is going to be in the shape he had hoped to leave it, he should have life insurance," he said.

Records of probates prove that reductions to farmers' estates are larger than to the estates of other lines of business, more particularly those of a non-speculative nature, mostly caused from the want of ready money at the time of the owner's decease.

I find, especially if in the open, it is hard to get them to concentrate. In that case I use a pad and pencil, bringing figures into play, the premium required written very small and the amount of the policy written in large figures, generally using some saying, such as, "Mr. Jones, for this small addition to your liability you can have a large addition to your assets." Sometimes I show him what the price of one or more hogs—if he is a hog man—will do in the way of paying the premium, or one colt—if a horse man—or one steer, if a cattle man. If a grain farmer, what one load of grain each fall will purchase. I find it pays, if possible, to meet the farmer in his own environment. That is, if his hobby is hogs, see his hogs, know something of hogs for the day.

"AN AMERICAN COMPANY"

True to American Ideals and Traditions

The Germania Life Insurance Company

Established 1860

Under the laws of the State of New York

The following are a few Germania features which have helped to make

Every Month This Year a Record Breaker

Free HEALTH SERVICE for policyholders both new and old.

Free Insurance Money INVESTMENT SERVICE for Beneficiaries.

WAIVER and ANNUITY CLAUSE which, in case of total and permanent disability, before age 60, provides for waiver of all future premiums, the payment of 1/10 the face of the policy annually to the insured as long as he lives and payment of the face of the policy to the beneficiary at death of the insured.

DOUBLE INDEMNITY CLAUSE which provides for payment of double the face of the policy in case of death as a result of an ACCIDENT OF ANY KIND.

"A Growing Company for Growing Men"

For Direct Agency Connection

ADDRESS

T. LOUIS HANSEN, Superintendent of Agencies

50 UNION SQUARE, NEW YORK CITY

Women and Life Insurance

The establishment of women in rapidly growing measure in the business and professional world is one of the greatest social changes of modern times, and this movement long underway has received an enormous impetus from the war.

In England three million women have taken the place of men in industry and many others have entered business and the professions.

In France the wife has always played a direct and important part in the business of her husband, and women are active in the professions of law and medicine.

The movement of women into business in the country has been pronounced for some years. No one can as yet measure the vast changes which will result from the present world war, but with between seven and eight million men dead or permanently disabled in Germany, Austria, France, England and Italy, it is certain that the change in the economic status of women will not be the least important. There will be no business or profession that is closed to her, and once experience and training are acquired she will be a formidable competitor.

With some few exceptions women's ambitions are more for others than herself, and most of all for her children. Her capacity for self sacrifice is greater, and she is more of an idealist than man. The married woman in business is inspired by the same obligations, and possibly in a greater degree than men. She is becoming a co-operator and contributor to the education of her children and the building up of the economic welfare of her family, and she will enforce this view upon her husband. Unmarried, and recognizing the necessity of a maintenance against physical inability and old age she will become an insurer in a marked degree. In many things she will do better than men for she will not let her dreams sail beyond the horizon, and she will exact from herself the means to make them realities.

How can she co-operate with her husband in providing an education for her children, and married or unmarried, establish a maintenance in case of accident, sickness or old age? How can her ambition to save enough to make others happy be realized? How can she care for her dependent mother? How make certain the opportunity for travel abroad, or a comfortable home in the city or country, with a flower and vegetable garden, all the things that normal men and women look forward to with anticipation as the goal of their industry and saving?

The insurance agent who is alive to the situation and the coming changes would do well to bear these facts in mind, and lay his plans to march in step with the advance of women into the business activities, for a new field of great opportunities is opening before him.

Let us call your attention particularly to certain forms of policies which will appeal most strongly to women, namely the twenty and twenty-five year endowment policies, which guarantee an estate for the self-supporting woman during her later years of life, which provide a fund for the education of children or for the support of her mother, or for the purchase of a home or a farm; also pension insurance 65 and the insurance annuity 65 policies, policies which are so readily adaptable for the protection of life insurance and the establishment at a time when life insurance may no longer be necessary, of an assured income at an age when her earning power is no longer what it has been, and the time has come for travel and recreation if these are ever to be enjoyed.—Travelers Record.

AFTERMATH OF NATIONAL CONVENTION AT NEW ORLEANS

Lease Entire Hotel For Next Convention

"COMMODORE" TO BE HEADQUARTERS OF 1918 MEETING

New Orleans Gathering Full of Inspiration and High Ideals—Convention Aftermath

The National Association of Life Underwriters has rented 1,000 rooms in the new Hotel Commodore, (not yet open to the public) for the use of delegates, officers, committeemen and guests of the next convention. This hotel will be opened in the Forty-second street district; and is named after Commodore Vanderbilt. The dates for the convention may be decided by a postal card ballot. There is considerable sentiment in favor of having it during the last week of August.

So convinced were members of the New York delegation to the New Orleans convention that the delegates would vote to have the 1918 convention in the metropolis that Lawrence Priddy, now president of the Association, went to the Commodore management and secured an option on every room of the hotel (1,000), for the next annual meeting. It is the first time in the history of the organization where this has been done.

* * *

Will Be Largest Convention

From the growing interest in the Association it is believed that the New York meeting will be the largest ever held. There are more than 1,500 members of local associations in New York State, while the New York City association is the largest in membership anywhere. In addition the Canadian association is to meet at the same time, and large delegations are expected from Toronto, Montreal, Halifax and other cities.

Certainly, Lawrence Priddy, W. F. Atkinson, Charles Jerome Edwards and other live wires in the Association are determined that the next convention shall stand out as a highwater mark for years. Every effort will be made to have the convention make an impress upon the general public as well as the life insurance world, which will reflect in a tremendous interest in life insurance.

The only competitor of New York City for the next convention was Peoria. Fourteen men from that city were in attendance at New Orleans, and the talk made by J. C. Rosenberg in the executive committee in favor of having the convention in the West was a corker. The Horner faction voted with him. Charles Jerome Edwards said that New York life insurance men would promise nothing in the way of entertainment, but that New York had forty-five theatres, ten-cent busses on Fifth Avenue, and enough to keep sightseers busy for a month if that was their desire. Paul Alexander, Germania, Albany, said New York was the logical place for the meeting because there were more members of life underwriters' associations there than in any other State.

* * *

Great Meeting For Young Men

The New Orleans convention benefited every man who went there. It taught him new ideas in selling; made him have a finer conception of his business and its service to mankind. Probably, the good that conventions do cannot be better explained than by P. J. Scanlan, of the Federal Life of Chicago, a young Philadelphia insurance man who was attending his first convention and who said:

"I only started in the life insurance business a short time ago," he said, "and I found that one of my greatest handicaps was that I did not meet enough other insurance men to compare notes and check up my experience with theirs. My tuition from my own company is as good as any agent can get from any company, but I needed contact; and that's what I got in New Orleans. There I met some of the greatest life insurance producers in the world and I was surprised and gratified that they were willing to talk to me on any point that I brought up; and gave me instruction and advice that will be of the greatest dollars-and-cents value. The talk of Dr. Walter Dill Scott was alone worth the trip. I had not known before that the older insurance men took so much interest in the younger ones, and I am mighty glad that I came. I want to say a word, too, about the talk on ethics given by Mr. Scovel, of Pittsburgh. It was one of the most valuable that I have heard. I return to Philadelphia a better life insurance man; full of inspiration, in fact; and if I do not sell a lot of insurance the fault will be my own."

Incidentally, Mr. Scanlan picked up two applications on the train.

* * *

Lacks Initiative

General Agent Rosenberg, of Peoria, asked the convention for some advice. He said he had a man who wrote $100,000 last year; and $75,000 this year. He seemed to lack "pep"; had prospects all around him, but did not call upon them unless names were suggested by the general agent. If told to do a thing he did it, but was always in need of advice.

"What shall I do with this man?" he asked.

"Fire him," said half a dozen voices.

"But he wants to remain in the life insurance business. He turns in some business. Do you think I should let him go?"

"This is the type of man who lacks initiative," said E. A. Woods. "Initiative is the biggest factor in an agent's success. In my opinion this man is hopeless; he is a waste of time; needs more instruction than he is worth, and he should be in some other business."

Most of those present agreed with Mr. Woods.

* * *

Part-Time Men

There was a lot of discussion at the convention regarding part-time men. Orville Thorp, of the Kansas City Life, Dallas, who has a $9,000,000,000 agency, says that he is as much against the one-case or rake-off man as any general agent can be, but he does not favor eliminating men who write a legitimate amount of insurance although they may devote some time to other pursuits. He did not think it practical in the smaller districts to insist that men give all of their time to life insurance. It would drive a lot of business from his agency if any such stand were taken.

There seemed to be a general agreement that Charles W. Scovel had hit the nail on the head when he said that part-time men should be replaced by full-time men as fast as it could be done.

In the executive committee an application for agency license blank was submitted by Mr. Coldwell, of North Dakota. It was intended for use of insurance departments, and among other questions asked were the number of hours a man had devoted to life insurance soliciting for a term of years. This application, favored by the Northwest Congress, was not endorsed by the National Association's executive committee.

* * *

Putting a Price on the Hour and the Interview

Winslow Russell took the chair following Dr. Scott's talk. He gave figures regarding the work of sixty-six Phoenix Mutual Life men for a period of four years. These men made 422,907 calls; had 372,987 interviews; wrote $24,608,000 of business, with premiums of $827,428, and worked 372,876 hours. The average value of each interview was one dollar and fifty-five cents; average value of each call was seventy-nine cents; average earning hour was ninety-two cents; average number of hours worked per day was a little less than five; average number of calls was between five and six; average number of interviews was three a day.

Carl Secoy, Phoenix Mutual Life, said that the difference between a call and an interview was that if you saw a man it was an interview, if you did not it was a call.

E. A. Woods said that in one of his tests it took ten calls to produce an application and seven interviews to produce one. He quoted Earl Manning's experience: the first year he made fifty-five calls to get one application; the second year he averaged thirty-five calls; the third year twenty-four; the fourth year fifteen, and the fifth year nine.

* * *

Contests

General agents told of their experience with contests. Louis F. Paret, Provident Life and Trust, said he had been successful in contests. One of his best was a "baseball contest" in which symbolic baseball terms were used to designate progress of the struggle. The silk stocking contest of W. E. Bilheimer was mentioned by Mr. Russell. A silk stocking was given to each agent; if he wrote an application he got the mate. Clarence Miller, Penn Mutual Life, at Boston, told of his success with contests.

* * *

Fixing a Mark

Glover S. Hastings, superintendent of agencies, New England Mutual Life, addressed the convention on "Fixing a Mark," in the scientific salesmanship section. He said maximum success can be reached only by those men who carve for themselves a fixed purpose in life. Power of purpose is the greatest power possessed by any life insurance man. It is "Pike's Peak or bust." In answer to a question, he told about the New England Mutual's policyholders' month, based upon the idea of Old Home week in New England. June of each year is dedicated to the Company's policyholders. The idea was adopted first in 1913. The Company's paid production for June of that year was $3,901,000. Its paid production for June, 1917, was $8,177,000.

* * *

Agents Begin Liberty Bond Drive

The big drive of life insurance agents selling the new Government bond issue began on Monday. Officers of the convention believe agents will be as successful as in the first Liberty Loan campaign. Agents in some cities wore a band around their arms when selling bonds showing the public that they are insurance men.

Motives Behind Our Civilization

DR. SCOTT TELLS HOW THEY SHOULD BE INTERPRETED

Modern Salesman Cannot Be Driven, But Must Be Enticed, Says Psychologist

Scientific salesmanship was the discussion featured at one session of the National Association of Life Underwriters with E. A. Woods in the chair.

Dr. Walter Dill Scott was the principal speaker and while he was talking, notebooks came out and pencils were busy, because he is the greatest authority to-day on training salesmen. His tests made for life insurance companies in the Carnegie Bureau of Salesmanship Research, of which he is director, are now being used in picking men for promotion in the American Army. In fact, Dr. Scott has been spending most of his time lately in Government service and is visiting all camps and cantonments where his tests are being used so that right men for the army shall be picked for command on a scientific basis.

Dollar Chasing

Professor Scott has met many groups of Americans during his studies of their mentality, methods, temperaments and work. He has heard the European criticism that Americans are mere dollar-chasers. This, he says, is an injustice. The American trait that dominates is not money-grubbing, but doing the thing in hand as perfectly as possible. The American athlete wants to win and does; the American automobile driver wants to go faster than anyone else and does; and the American business man wants to be more industrially efficient and is.

In discussing sales methods, Professor Scott said that efficiency in accounting and standardization in product were good in their way, but any system of efficiency which discounts the human factor will fall by the wayside. His talk was devoted to a discussion of motives behind present American civilization, particularly as it applies to the industrial world. He said that the trouble with most selling organizations was that they were trying to sell as they had been doing always instead of recognizing change in motives of people with each decade. It could be best illustrated with children. Some years ago the father was master of the house, ruled with hand of iron, and made his children go to church where they were taught a doctrine that there was eternal punishment if they did not walk the straight and narrow path. When the child went to school a man teacher with a rod met them at the door. They were given the choice of learning their lessons or getting a taste of the rod. They preferred to be letter-perfect in their lessons. This is all changed. Nowadays, the child is master of the house and parents are principally occupied in pleasing their fancies. In the school the child is met with a smile by a woman teacher who tries to interest them and to compel study by making studies fascinating; nothing is done to hurt the child's feelings.

Old Slavery Methods

The same is true all through American life. Years ago workmen were driven. There was slavery. The man in charge was boss. Now you can't drive workmen. If you try to do so they go across the street and get another job. The term "boss" is out of date, and in some factories they are

even called "functional foreman" and later may be called "supervisors." Once a man had to be driven; now he has to be enticed.

The most successful sales managers have understood the change and they know that the only way to develop salesmen is to make them keenly interested in their work. The average man wants to do something that gives a social service; that has social approval. The life insurance manager must impress upon agents that they are performing this social service and that it has social approval. You can't drive him to succeed; you must show him why his work is of great importance to the community. One of the greatest of sales managers once told Dr. Scott that he gives a man responsibility the first day he comes, if he accepts responsibility he keeps him. If he rejects it the man and he part company.

Dr. Scott also said that a dominant factor in American life is teamwork. It is illustrated by the popularity of football. Americans love organization; they must have co-operation. Everybody in life insurance should co-operate to overcome inertia towards buying insurance. They should not work at cross purposes. Once motive was compulsion; now it must be love of service.

The Desire to Serve

Five hundred thousand Americans a month are going into training camps. They do not want to go, says Dr. Scott, and the great job is to make them change their minds so that they will go over the top of the trenches under the impetus of their own desire to charge. Life insurance is the hardest thing in the world to sell and many men come to life insurance companies against their will because they have to do so in order to make a living. The thing to do it to make them want to sell life insurance.

E. A. Woods told of a gardner who after seventeen years' service had quit because there had been no appreciation of his work. The same applied to agents. If they did splendid work it should be recognized.

CONNECTICUT ASSOCIATION

Annual Meeting to Be Held in Hartford on Tuesday of Next Week—The Program Announced

The annual meeting of the Connecticut Life Underwriters' Association will be held in the Board of Governor's Room at the City Club, Hartford, Conn., Tuesday, October 9.

Following the business meeting luncheon will be served in the Club's new assembly hall, which has just been dedicated.

After luncheon the Association will be addressed by John G. Jones, sales and advertising manager of the Alexander Hamilton Institute of New York City, on the topic, "Selling of Life Insurance a Mission."

Winslow Russell, agency manager, and Carl A. Secoy, assistant manager of the Phoenix Mutual Life, will present interesting reports of the annual convention of the National Association which has just convened in New Orleans.

ECHO OF A GROUP POLICY

Assistant Agency Manager J. L. Greenwell of Seattle states that the beneficiary under the first death claim in the Union Pacific group was so gratified over her experience with the Equitable in connection with the settlement of the insurance, that she is arranging to invest the proceeds in an equitable annuity, application for which has already been forwarded.

Government Insurance Measure Commended by National Association

Convention Headquarters, Grunewald, New Orleans.

Resolutions commending the Government for its National Insurance Bill and expressing the hope that its intention to provide in advance for a definite and clearly understood indemnity for soldiers, sailors and nurses against disability or death caused by this war, will be carried out with as little error as possible, were presented by Ex-President E. A. Woods, of Pittsburgh, passed upon favorably by the executive committee Thursday evening and yesterday adopted by the National Association of Life Underwriters. The text of the resolution follows:

Resolved by the National Association of Life Underwriters in convention assembled:

That we heartily commend the purpose of our Government to indemnify our soldiers, sailors and nurses against disability or death caused by this war, and especially to provide for their dependents on an adequate and modern basis.

We consider the pending bill, as a whole, to be the most liberal and wise measure ever proposed by any Government, and confidently hope that in its final form it will fully accomplish, with as little error as possible, its intention to provide in advance a definite and clearly understood indemnity, in lieu of the tardy, unsystematic and much abused pension provisions of the past.

For the first time in history has a Government taken up in advance this insurance against future risks by the largest life insurance transaction ever proposed.

We hope that as finally passed it will be still further liberalized, so as to provide entirely, at Government expense, for the families of soldiers, sailors and nurses, upon an equitable basis, adjusted to the dependency of each officer and man.

We hail this step toward the day of universal life insurance, voluntarily assumed by the millions of Americans, whose total already is more than all the rest of the world combined, and now to be augmented by this national provision for those who are engaged in its service, at great personal hazard and cost, to wage battle for the liberty and democracy of the world.

INCOME POLICIES

Why Northwestern Mutual Life Does Not Issue a Special Installment Contract

The Northwestern Mutual Life, in its Company paper, has informed agents why it does not issue a special installment contract. The Company says:

"The question is sometimes asked, 'Why doesn't the Northwestern issue a special installment contract?' By this the inquirer means a policy that states on the first page that the policy is, for instance, for $24,000, commuted value $18,400, payable to the beneficiary in monthly installments of $100 each for twenty years.

"This is very readily answered by the statement that our ordinary policy form, suitably endorsed, is far more satisfactory from the standpoint of both the insured and the Company. The Northwestern's installment provisions are very clearly and concisely set forth on the third page of the policy contract. Our agreement has served as the model for many other companies and we have yet to see any that are as clear, brief and understandable.

"Endorsements and installment provisions are selected by the policyholder to meet conditions as they exist at the time the policy is issued. Such conditions may, and frequently do change. As an example, suppose the policyholder wishes to provide a life income of $100 a month for his wife, who is his sole dependent at the time the policy is issued. The policy is endorsed as payable under Option B, monthly payments, twenty years stipulated and the Deferred Survivorship supplement is attached. Ten years later his wife has died, but he has a young son. He decides to provide for the education of his boy by providing for payment under Option B, fifteen years stipulated, but payable in a lump sum if the boy has attained the age of 25 when the policy becomes a claim. This is done by making the proper request and the Company will merely cancel the old endorsement and make a new one. The policy remains exactly the same. Later the policyholder may wish to make another change and provide a life income for a daughter. This would probably be done by choosing Option C, full provisions for which are embodied in the original contract and only require a new request and endorsement.

"Companies that issue so-called special income or installment contracts would probably have to take up the original policy and issue a new one each time such a change was made. We have no reason to doubt they would do it, but frequently the contract does not make provision for it, and in any event the policyholder would be confused and annoyed by the red tape necessary to comply with his changed plans.

"Our boast as to the flexibility and adaptability of our contract applies in full to the installment contract, no matter whether the income settlement be chosen to-day or twenty-five years hence."

Guardsmen's Policies

Of the 16,000 members of the Wisconsin National Guard upwards of 5,000 carry insurance.

Build Your Own Business
under our direct general agency contract
Our Policies provide for:
Double Indemnity,
Disability Benefits,
Reducing Premiums
See the new low Rates
JOHN F. ROCHE, Vice-Pres't
THE MANHATTAN LIFE INSURANCE COMPANY
66 BROADWAY NEW YORK
Organized 1850

BANKERS BLC LIFE DES MOINES COMPANY
PAYS GOOD PAY TO GOOD MEN

Are You Permanently Established?
Write for Territory
Pennsylvania—Ohio—West Virginia
PHILADELPHIA LIFE INSURANCE CO.
PHILADELPHIA

Extracts from Report of Examination of
SOUTHWESTERN LIFE INSURANCE CO.
By the State of Texas, June 28, 1915
"It is noteworthy that this Company was organized without any promotion expenses."
"I beg to report further that I find the Company in excellent financial condition."
"The volume of its business has steadily increased, its surplus is growing rapidly and its funds are being carefully conserved under expert supervision."
Home Office, DALLAS, TEXAS

New York Life's Monthly Life Income

NEW CONTRACT WELCOMED BY AGENCY FORCE

Being Written in All States But One—Company's Announcement About Latest Contract

The new monthly life income policy of the New York Life is now being written by the agents. It will be issued in all States except Wisconsin for the present, and will not be issued in Canada. In discussing the contract the Company says:

Monthly life income policies are issued on the ordinary life, limited payment life and endowment forms. The first monthly installment is payable immediately upon due proof of the death of the insured. The premium rate is based on the age of the insured and of the beneficiary, taken at the nearest age of each. The beneficiary, however, is not required to pass a medical examination.

Reduction in Premium

Monthly life income policies guarantee a life income to the beneficiary. The Company furthermore guarantees, in event of the death of the beneficiary occurring before 20 years' installments have been paid, to pay the balance of such installments to the executors or administrators of the deceased beneficiary or to a succeeding beneficiary. In case of the death of the beneficiary occurring prior to the death of the insured, the insured may name another beneficiary and may also change the beneficiary at any time in the manner provided for in the policy. In event of the death of the original beneficiary in the lifetime of the insured or of the change of the original beneficiary the premium will be reduced and only 20 years' installments will be paid to the beneficiary of record should the policy become a claim by death.

Endowment Provisions

Life income policies on the endowment plan guarantee a monthly life income to the original beneficiary in case of the death of the insured within the endowment period. The Company also guarantees to pay the insured, upon maturity of the policy as an endowment, the same monthly income during his lifetime, which income will also be continued to the original beneficiary during life, should such beneficiary survive the insured. If the death of the insured and the original beneficiary should occur after the completion of the endowment period and before 20 years' installments (240 monthly installments) have been paid, the Company will pay the balance of such installments to the executors or administrators of the last survivor.

The income payments for 20 years are based upon an assumed interest earning of 3 per cent., but if in any year the Company shall declare for that year on funds held by it under contracts of this kind interest at a rate greater than 3 per cent., such excess interest shall be paid in addition to and together with the first monthly income payment falling due after the crediting of such excess interest.

Total and Permanent Disability Benefits

Disability benefits become effective whenever the Company receives due proof, before default in the payment of premium, that the insured, before the anniversary of the policy on which the insured's age at nearest birthday is 60 and subsequent to the delivery of the policy, has become wholly disabled by bodily injury or disease so that he is and will be presumably, thereby permanently and continuously prevented from engaging in any occupation whatsoever for remuneration or profit, and that such disability has then existed for not less than sixty days. The permanent loss of the sight of both eyes, or the severance of both hands or of both feet, or of one entire hand and one entire foot, are considered a total and permanent disability within the meaning of the policy, without prejudice to other causes of disability. Any premium due after age 60 will be reduced by the amount of premium charged for the disability benefits.

Waiver of Premium

Commencing with the anniversary of the policy next succeeding the receipt of proof of disability, the Company will on each anniversary waive payment of the premium for the ensuing insurance year, and, in any settlement of the policy, the Company will not deduct the premiums so waived. The loan and surrender values shall be calculated from year to year the same as if the waived premiums had been paid as they became due.

Life Income to Insured

Six months after the anniversary of the policy next succeeding the receipt of proof of disability, the Company will begin to pay to the insured the same monthly income as is payable to the beneficiary, and will continue to pay monthly installments during the lifetime and continued disability of the insured. Such income payments to the insured shall not reduce the monthly income payable to the beneficiary upon the death of the insured. If there be any indebtedness on the policy, the accrued interest thereon may be deducted from each monthly income payment to the insured.

Recovery From Disability

The Company reserves the right at any time and from time to time, but not oftener than once a year, to require proof of the continuance of disability. Upon failure to furnish such proof, or if it appears that the insured is no longer wholly disabled, no further premiums shall be waived nor income payments made.

Double Indemnity Benefit

In consideration of a slight increase in premium, policies on the monthly life income plan providing for disability benefits will be issued to include the double indemnity benefit. Under the latter the Company agrees to pay the beneficiary double the monthly income provided for in the policy upon receipt of due proof that the insured's death was caused directly by accident while traveling as a passenger on a street car, railway train, steamship licensed for regular transportation of passengers, or other public conveyance operated by a common carrier, and that such death occurred within 60 days after such accident.

Rates at Age 22, Ordinary Life, $10 Monthly

Age of insured, 22. Age of beneficiary, 22. Premium: With disability and double indemnity, $44.85; without disability and double indemnity, $43.39.

20 Payment Life, $10 Monthly

Age of insured, 22; age of beneficiary, 22. Premium: With disability and double indemnity, $66.91; without, $65.02.

20 Year Endowment

Age of insured, 22; age of beneficiary, 22. Premium: With disability and double indemnity, $126.63; without, $125.64.

LARGE PRODUCERS

Many companies have half million, two hundred thousand, etc., clubs, based on volume of personal production. The Northwestern has never had anything of this sort, but has for a number of years past printed an agents' card, showing the production and relative standing of all agents who personally reported $150,000 and over during the agents' year from June to June.

By dividing these into groups the following is the result for the agents' year, June 1, 1916, to June 1, 1917:

Group—	No. of agents.	Total lives.	Total volume.	Aver. policy per life.	Av. lives per agent
$600,000 and over	7	590	$6,739,730	11,423	84
500,000 to $599,999	5	347½	2,704,500	7,782	69
400,000 to 499,999	12	1170½	5,337,320	4,560	97.5
300,000 to 399,999	42	2544	14,333,606	5,634	60.5
200,000 to 299,999	115	6152½	27,635,756	4,490	53.5
150,000 to 199,999	116	5003	19,706,187	3,939	43
150,000 and over	297	15807½	76,497,099	4,839	53

Connecticut General's Changes in Rates

LOWER NON-PAR. PREMIUMS AT YOUNG AGES

Reduced Mutual Premiums at All Ages on Ordinary Life Plans Announced

On October 1 the new non-participating rates of the Connecticut General became effective. The new rates in general show a reduction at the young ages and an increase at the old ages. No change has been made in the following non-participating rates: Five-year term, annuities, disability pension, disability income, double indemnity, extra premiums for continuous income.

New mutual premiums on the ordinary life plan show a reduction in gross premiums at all ages. Some of these annual premiums follow: Age 20 ($1,000), $16.18; age 30, $20.63; age 40, $28.20; age 50, $41.99; age 60, $68.20. The estimated dividends for policies issued at the new rates indicate a lower net cost than heretofore under age 55. Thus, age 20, premium, $16.18; first cash dividend, $1.90; second, $1.98. Age 30, first cash dividend, $2.37; second, $2.88. Age 40, first dividend, $2.97; second, $3.16. Age 50, first dividend, $3.47; second, $3.72.

Some of the new non-participating premiums, $1,000, follow:

Ordinary Life

Ages.	Premium.
20	$14.02
30	17.71
40	24.44
50	37.79
60	64.79

20 Payments

20	21.13
30	26.87
40	33.93
50	45.86

20 P. End. Add

20	28.21
30	33.34
40	41.71
50	55.61

PACIFIC MUTUAL RATES

It is reported that Pacific Mutual premiums will be lowered on a number of policies after the first of the year.

R. H. Folsom, of Fester & Folsom, New York, has been elected to membership in the St. George Society. He is eligible because of his ancestors having come from Wales in 1638.

The Germania Life will pay for from $25,000,000 to $26,000,000 this year.

ILLINOIS LIFE INSURANCE CO.
CHICAGO
JAMES W. STEVENS, PRESIDENT
GREATEST ILLINOIS COMPANY
WANTS GOOD MEN AND WILL PAY THEM WELL

HOME LIFE INSURANCE CO.
(Now Purely Mutual)
256 BROADWAY, NEW YORK
GEORGE E. IDE, President

The fifty-seventh annual report shows insurance in force of $133,493,000, an increase during the year of $7,832,827. The Company paid the policyholders in 1916 $3,536,233, of which $628,406 was in dividends or premium refund. Its insurance reserve fund was increased by $1,300,000 and the Assets are now $32-821,462.

For Agency apply to
GEORGE W. MURRAY,
Supt. of Agts.
256 Broadway, New York, N. Y.

ALWAYS A PLACE FOR DEPENDABLE AGENTS
Those who can not only write applications but deliver policies, and are energetic in their methods. Good positions are ready for such men.
Union Mutual Life Insurance Co.
PORTLAND, MAINE
ARTHUR L. BATES, President
Address: ALBERT E. AWDE
Superintendent of Agencies
7 W. Madison St., Chicago, Ill.

LIVE HINTS FOR BUSINESS GETTERS

Practical Suggestions to Help the Man With the Rate Book Increase His Income and General Efficiency

Kemp on Intensive Cultivation

J. H. Kemp, representing the Northwestern Mutual Life in Nebraska, recently told general agents of that Company some facts about intensive cultivation. He said in part:

"As applied to life insurance, intensive cultivation is designed to produce a larger, or the largest possible amount of life insurance in a given field. To produce 2,000 where now 1,000 is produced. * * *

"Intensive cultivation in a city means the taking of this 'gospel of service' we all preach to every insurable man in the city—to every home, office and place of business. In the country it means the taking of this gospel to every county, township, section, farm and village home. * * *

"It is my contention that there should be one or more local agents in every village and town in every State in the Union wherein the Northwestern Mutual Life is licensed to do business. Your question now is, 'How do you get these agents?' My answer is that in my district of nine counties I have thirty licensed agents. * * * I need thirty more agents in my district and am adding to my force each month.

"I have tried to play the big game and I feel that I have at least partially won. I have gained the entire confidence of some of the most conservative men in our part of the country, and I prize that confidence and friendship more than the business they have helped me get. When I go into a local man's field and write business, even though he is on a fishing trip, 100 miles away, I write his name to the application, giving him half credit for the business and half the commission. If any of you men do less, you will never get a strong, permanent organization in your fields. All men are human, you and I like to see our names on the Company's monthly cards and we like to see them as near the head of the list as possible, both in amount of business and number of lives, but let us have our representations be strictly what we merit. Let us not take credit for business rightly belonging to our subordinates. Our subagents, too, like to see their names on the cards, and an agent who takes credit rightly belonging to his subordinates, is not entitled to their confidence and co-operation.

"I have learned that the county in which I live, namely Wayne county, ranks first of all the counties in Nebraska in product per capita of insurable population and among the first of all the counties in the United States. This being the case, I am in position to present some figures on the results we can reasonably expect from intensive cultivation. During the calendar year 1916, Wayne county, with an insurable population of 2,945, produced $223,000 of business or a per capita product of $75.70. My entire district with an insurable population of 29,161 produced only $609,000 or a per capita product of only $20.80. If, therefore, I can accomplish as intensive cultivation of my entire district as that accomplished in Wayne county, the result will be two and a quarter millions of business per year.

"The same intensive cultivation applied to the entire State of Nebraska will result in $24,000,000 of business per annum and in the United States, where the Northwestern Mutual is writing business now, the results would be $1,500,000,000 per annum. And now I want to confess that Wayne county, Nebraska, is not intensively cultivated. But we are going to cultivate it as intensively as we can and at the same time we are not going to neglect any other part of the district for which I am responsible. Are you going to do less? Do you catch the significance of our wonderful opportunity? Do you feel the full significance of our responsibility? All our new opportunities carry with them new responsibilities. Are we going to meet them as men should meet their duties? If we have not in the past fully availed ourselves of our opportunities, let us remember that each day brings us new ones and we can yet 'make good.'"

* * *

Retain Your Mastery of Detail

As soon as a man leaves office work and goes out into the field he begins to lose his hold on that mastery of detail it was absolutely necessary for him to possess to be a success in his former occupation. The selling end of any business is much freer in some respects than the office end, and far more exacting in others. After a man has been out of an office a while it becomes irksome for him to perform the seemingly trivial and purely mechanical work of properly preparing applications for transmission to the home office. Nothing causes more trouble at the home office than carelessly prepared application blanks. The man in the field should, when forwarding an application for insurance, regard himself in the same light as the merchant who is sending a special order to the factory for a particular customer. In forwarding an application the agent is acting for the company, the applicant and himself. The company corresponds to the factory. If the application is not understood valuable time must be consumed in correspondence to find out just what the conditions are before the policy will be issued, just as in the factory a special order transmitted without full instructions will result either in delay or an unsatisfactory job. Give the company all the information in the first letter and save trouble for all concerned.

* * *

The Argument In a Nut-Shell

The following statement from the head of a manufacturing corporation with a nation-wide business, puts the whole argument for a large use of life insurance to protect personal and business interests, in a form so concise and forceful that we know our readers will be very glad to see it:

Although I have carried a moderate amount of life insurance for years, not until recently was I impressed with the advantages of amply protecting one's estate with a sufficient cash reserve to meet all emergencies—inheritance taxes in particular, and such bequests as might be made.

Furthermore, the company of which I am president considers life insurance on its executives an important part of financing. The company recognizes that it has a valuable investment in each officer, and that this investment warrants protection.

Therefore, I have materially increased the insurance on my life for the benefit both of my personal estate and of the company.—New England "Pilot."

AUSTRALIAN PROTECTIVE

The Australian Provincial Assurance Association in four years time has obtained business amounting to £1,620,000. the year 1916 producing more than £600,000. Director S. P. Wood has informed The Eastern Underwriter that 75 per cent. of the 1915 premium income was renewed last year.

THE MOST VALUABLE POLICY FOR YOU,
Mr. Agent, is to write your prospect in the Company writing the most valuable policy for the insured.
Secure **prompt action** in the
John Hancock MUTUAL LIFE INSURANCE COMPANY OF BOSTON MASSACHUSETTS
WILLIAM N. COMPTON, General Agent
METROPOLITAN DISTRICT, ST. PAUL BLDG., 220 BROADWAY, NEW YORK, N. Y.

ORGANIZED 1871
Life Insurance Company of Virginia
RICHMOND, VIRGINIA
OLDEST, LARGEST STRONGEST Southern Life Insurance Company
Issues the most liberal forms of Ordinary Policies from $1,000.00 to $50,000.00, and Industrial Policies from $12.50 to $1,000.00
CONDITION ON DECEMBER 31, 1916:

Assets	$14,464,552.23
Liabilities	12,436,717.56
Capital and Surplus	2,027,834.67
Insurance in Force	118,349,212.00
Payments to Policyholders since Organization	18,119,172.50
Is Paying its Policyholders over	**$1,300,000.00 annually**

GOOD TERRITORY FOR LIVE AGENTS

FOUNDED 1865
Unexcelled In Favorable Mortality and Economy of Management
The Provident Life and Trust Company
OF PHILADELPHIA
Rates of Premium Extremely Low and still further reduced by Annual Dividends

THE BERKSHIRE LIFE INSURANCE CO.
OF PITTSFIELD, MASS.
Incorporated 1851
W. D. WYMAN, President
A purely mutual Company, issuing all desirable forms of life insurance.
ATTRACTIVE LITERATURE
Ambitious, Productive and Trustworthy Life Agents may be benefitted by corresponding with
W. S. WELD, Superintendent of Agencies

We don't contract with poor men.
We give a new man our attention until he is started.
We make our men make good.
Why don't you work for us?
Peoria Life Insurance Company
PEORIA, ILLINOIS

A PENN MUTUAL PREMIUM, less a PENN MUTUAL DIVIDEND, purchasing a PENN MUTUAL POLICY, containing PENN MUTUAL VALUES, make an INSURANCE PROPOSITION which in the sum of ALL ITS BENEFITS, is unsurpassed for net low cost and care of interests of all members.
THE PENN MUTUAL
Life Insurance Company
OF PHILADELPHIA
On January 1, 1909, rates were reduced and values increased to full 3% reserve

R. S. Crowl on Automatic Canvass

A TALK BEFORE AGENTS OF NORTHWESTERN MUTUAL

Don't Start Any Arguments—"Man Not a Logical Animal"—Play on Emotion

At the recent meeting of the Northwestern Mutual Life's General Agents Association Ralph S. Crowl, of Madison, Wis., gave a description and demonstration of his "Automatic Canvass." He said in part:

"Five years ago I became convinced that just as Munsterberg says, it is only a matter of time until science revolutionizes the business of selling, the same as science has revolutionized every other field it ever entered. But I wanted to do more than read about this science and watch it as it percolated into the business world. I wanted to try it out. If it was the real stuff, and I had an awful hunch that it was, I wanted to be on the band wagon, up at the head of the parade. So I picked out what I thought was the best selling proposition there is in American business to-day—Life insurance—and I decided to try and build up scientific, absolutely correct sales for this commodity.

Mind's Command of the Body

"Before the human mind commands the body to do anything, to perform any act, it first projects that action in imagination. That is, the mind must see the necessary steps before it can perform any action other than an instinctive or involuntary act. The mind and body might be compared to a great caterpillar tractor, with tracks running over those revolving wheels. A caterpillar tractor is always running on its own track, which it is always laying in front of itself. It lays its track as it goes. Just so with the mind. You see we could not perform any act unless we knew exactly what act was to be done. We may not know the result of the act, but we have to know the steps for performing the act. Now, if the mind knows exactly how, it is much easier for it to act. Any man, or salesman, who is trying to prevail upon a man to do anything should carefully and fully explain how his proposed action is performed. He should try to project the thought in the man's imagination. He should lay the track for the man's mind. * * * I make his mind go over the course it must take to secure a policy. * * * I make his mind go right through the application. That is psychologically correct. * * * I mave him see himself at the doctor's. * * * I put that great folded piece of paper in your hands and said, there is a life insurance policy and you took it home and gave it to your wife and said, 'Tillie, there is a life insurance policy.' * * * Then I pitch right in and tell him what he has.

Arguments and Logic

"Don't start any arguments. Man, it is proven, is not a logical animal. Arguments won't sell life insurance, so if you want him to take that policy, don't argue. * * * If he brings up a point, say, 'That point is taken quite correctly, but I feel'—and tell him your side of it. He will forget all about his side.

"Here is a most important thing to do as you tell him about the contract: Go after his feelings; go after his emotions. * * * Make him see himself getting his money back. * * * You know when a man says he wants five, and we come back with two fives, the second policy is easy to deliver, because you have a definite physical policy there for him to take. Now reverse this and have a definite physical policy to start with. I always want a sample policy made out. I have them made out and put in one of our blue folders. I have it made out with cash reserves, everything, underline his name in red ink, and I put it in one of our paper folders, just as if it were a policy, but I don't call it a sample policy. I wish those words 'sample policy' didn't have to be there. I call it 'the policy'; 'your policy,' and I put it right in his hands. I make it just as definite a physical commodity as I can. That is psychologically correct. * * * I also use a check to make this feeling of a definite, concrete commodity, even more strong. When I talk about protection I reach in my pocket, or reach in my desk, and I pull out a check book, and I write out a big check in red ink, '$5,000. Pay to John Henry Jones,' signed XYZ, and I put it right in his hands, and I say, 'There, that check belongs to your wife if you trip and fall under the front tracks of a street car.' * * *

"Now, when you get to the close, use 'how,' just as you did in the opening. When you get him to the close use only 'how.' Simply keep after him with suggestions like this, once you see you have got him coming: 'This is a wise thing to do; now the thing for you to do, it seems to me, is to fill out this application for a medical examination, and go see our doctor and give me a check.' If he does not come, let him say something, and get right after his mind again. No more arguments about life insurance."

WILL NOT RETURN PREMIUMS

The New York State Industrial Commission has refused the application of the Iron Steamboat Company for return of the premium paid by it to the State Insurance Fund.

Bert. N. Mills, editor of the Bankers' Life of Iowa "Bulletin" and "G-R-I-T," is a candidate for a commission in the field artillery of the United States Army and is now a member of Battery Two, Reserve Officers' Training Camp, at Fort Snelling, Minn.

Must Report War Service to Companies

ADVICE OF CONNECTICUT STATE COUNCIL OF DEFENSE

Question Raised By Connecticut Employer Whose Employes are Covered By Groups

(From Hartford "Courant")

Connecticut men in the military service of their country, who have life insurance policies, are advised by the Connecticut State Council of Defense to see to it that the fact that they have gone abroad is reported within sixty days after their departure to the companies by which their insurance is issued. This action is necessary, the council has learned, to prevent any possibility of the insurance lapsing, whether it be an individual policy, or insurance under the group plan.

The question was raised by a large Connecticut concern which insures its employes under the group insurance plan. The company wrote to the council of defense: "It is very necessary that, through some means, we should obtain information within sixty days of the departure of men from the United States of the single fact that the individual has departed—where, or under what circumstances, or when, it is unnecessary—but we are unable to pay the additional premiums on our insurance policies until we receive information that the man has left the United States." The company also said that "there are thousands of employers in the United States who are in the same position and millions of insurance for troops is dependent upon the receipt of that information."

Only Feasible Way

The matter has been investigated for the council by one of its members familiar with the life insurance business, who has reported that the only feasible way which appears for securing information within sixty days of the departure of men from the United States, in order that additional premiums upon their lives may be paid, is for the men, themselves, to report as soon as permitted after arriving abroad.

"The war department," his report explained, "certainly will not give notice of their sailing and probably will not permit the men to give notice upon the eve of departure. Presumably, they will be allowed to write home after arrival."

Report of Council

The report of the council says: "Life insurance in force prior to a certain date covers war service, without permit or additional premium. American life insurance companies, during the month of April, gave notice as to new insurances that the insured must, within sixty days after leaving the United States for military service in territory foreign to the United States, notify the company and pay such extra premiums as the company may determine. It would seem that prudence would dictate that any man in the service and expecting to leave the United States would better pay the additional premium at once, but, in the case of soldiers for whom the additional premium is paid by their employers, it would seem that the only feasible way, in view of the secrecy surrounding troop movements, would be for the employer to so instruct the individuals concerned that they will notify the employer of their transfer to foreign territory as soon as possible after reaching such foreign territory, in which case the premiums might readily be paid within the time limit."

WAR CLAUSE QUESTION

When Extra Premium is Unpaid and Insured Returns and Survives Prescribed Period

The Mutual Life, in the last issue of "Points," makes a brief analysis of its present war clause.

There seems to be some confusion in the field as to the future status of the policyholder who, having served the country abroad without however having paid the required extra war premium, returns and survives the prescribed period as set forth in the war clause.

"Under such circumstances," agents inquire, "would the policy ever again be in full force without payment by the insured of the extra premiums which he failed to pay while engaging in service?"

The Mutual Life says: "The answer to this is, of course, that the policy is in full force again the moment the insured passes the period of restrictions as set forth by the clause; that is to say, if the policyholder chooses not to pay the extra war premiums his insurance coverage is equal only to the reserve during the prescribed period, but at the expiration of that period it becomes the face of the policy and he is then exactly as well off as the man who did pay the extras."

In the same issue of "Points" a number of other questions raised by the war clause are answered.

SELL YOUR WIFE A POLICY

John H. Patterson, President of the National Cash Register Company, strongly urges his salesmen to try out their sales talks with their wives. He says the salesman will find himself forced to use terms which are simple and much more convincing than his ordinary arguments. In addition the wife will become a trained observer in her daily transactions with merchants and thereby enabled to help her husband with suggestions and plans, says Northwestern "Field Notes."

Isn't the idea a very good one for the life insurance agent? Surely if your sale talk doesn't convince your wife there are flaws in it.

44 MILLIONS from 42 AGENCIES

THE 1916 RECORD OF OUR EARNEST, LOYAL AND HAPPY AGENCY FORCE

New England Mutual Life Insurance Company

BOSTON, MASS.

Capable Agents, Desirable Company

The two most important factors in life underwriting are capability in the Agent and quality in the Company. If the Company provides an unexcelled, attractive policy for a low net cost, and has a reputation for prompt and efficient service, the result is contentment, loyalty, and success for the man in the Field, if he is capable. This Company's record is evidence of the character of its representatives and of the quality of the institution.

Occasionally we have a General Agency opening

JOSEPH C. BEHAN, Superintendent of Agencies

MASSACHUSETTS MUTUAL Life Insurance Company

Springfield, Massachusetts

Incorporated 1851

Senate Passes War Taxation Bill

AMENDMENT OF AGENTS NOT INCLUDED IN MEASURE

Pomerene Amendment Stands Practically as Written—Tax on Agents Earning Over $6,000

The War Tax bill has passed the United States Senate without the amendment to Section 210 (Pomerene section) which the National Association of Life Underwriters wanted amended. The amendment offered by the underwriters provided for deduction of premiums paid for life insurance not in excess of the annual premium payable for life required for a policy on the whole life plan. The failure of this amendment to go through caused a lot of disappointment.

Insurance agents earning over $6,000 a year will be taxed 8 per cent. on net incomes over $6,000, although it was thought some weeks ago that they would be exempt. The New York "Times" said on Wednesday:

> Every professional person in the United States will be subject to the excess profits tax if his income is more than $6,000 a year. Two paragraphs inserted by the conferees and agreed to by Senate and House cover the subject. The act will levy an 8 per cent. tax on the incomes of professional men in excess of $6,000. A doctor, for instance, with an income of $10,000, will be subject to the regular income tax on $10,000, and also to an 8 per cent. tax on $4,000.
>
> One of the paragraphs covering this new feature is found in Section 200: "The terms 'trade' and 'business' include professions and occupations." The other paragraph, in Section 209, reads:
>
> "That in the case of a trade or business having no invested capital or not more than a nominal capital there shall be levied, assessed, collected, and paid, in addition to the taxes under existing law and under this act, in lieu of the tax imposed by Section 201, a tax equivalent to 8 per cent. of the net income of such trade or business, in excess of the following deductions: In the case of a domestic corporation, $3,000; and in the case of a domestic partnership, or a citizen or a resident of the United States, $6,000; in the case of all other trades or business, no deduction."

A. T. Graham, of Chicago, president of the Insurance Institute of America, has again taken up with his usual vigor the educational work among insurance men, in which he has long been prominent and successful. Mr. Graham's work centered for many years in Chicago where he built up a wonderful educational organization among the fire insurance offices through the auspices of the Fire Insurance Club. The need for trained insurance men is always apparent but the exigencies of the war have placed an additional burden upon those who seek to supply this want. Insurance offices were never so hampered by lack of available experienced men and the work done by Mr. Graham in preparing junior clerks for more responsible positions is appreciated now more than ever before. This educational work is a form of preparedness which is standing the insurance business in good stead in this critical time.

MEET ABOUT LOAN

A meeting of New York City managers and general agents to discuss plans for the new Liberty Loan was held in this city yesterday.

Smoot's War Risk Amendments

COMPANIES WOULD GET POLICIES AFTER THE WAR

Vote on Bill Scheduled for Thursday Afternoon—$10,000 Maximum Not Reduced

An agreement to vote on the soldiers' and sailors' war risk insurance bill and amendments not later than 5 P. M., Thursday, was adopted on Wednesday by the Senate.

Practically all of Wednesday was devoted to explanation of the bill by Senator Williams, who is in charge of the measure, and debate over the advisability of continuing the insurance plan after the war. Senator Weeks opposed this feature of the bill, and Senator Smoot introduced an amendment providing for turning over to private companies all insurance policies held by enlisted men, the Government paying the difference in cost.

Another amendemnt by the Utah Senator would establish the same family allowances as were operative during the Spanish-American War.

The Senate declined to accept an amendment introduced by Senator New, of Indiana, appropriating $25,000,000 with which to pay the rent of families and other dependents of officers now on active duty.

All committee amendments to the House bill were accepted, except one reducing the maximum amount of insurance to a man from $10,000 to $7,500, on which there will be a vote Thursday.

The Germania Life has subscribed for $500,000 of Second Liberty Loan bonds. It was the first of the American life insurance companies to subscribe to the first Liberty Loan in the amount of $500,000.

LIBERTY LOAN

New York Life Subscribes For $10,000,000—Mutual Life for $10,000,000

Soon after the campaign in the interest of the Second Liberty Loan opened the New York Life subscribed for $10,000,000. The Prudential has subscribed for $7,500,000. Home Life for $500,000. Mutual, $10,000,000.

GROUP INSURANCE
Life, Accident and Health

With the same Prompt and Expert Safety Engineering and Inspection Service and Organization which has made the Name of The Travelers Famous

AGENTS AND BROKERS

Refer Your Inquiries to The Group Insurance Division.

THE TRAVELERS INSURANCE COMPANY
Hartford, Connecticut

THE CRESCENT LIFE INSURANCE COMPANY
INDIANAPOLIS, IND.
"ENDURING AS THE PYRAMIDS"

J. C. Humes, President — L. D. Clancy, Secretary

A Legal Reserve Company

Are You a Big Producer? Can You Prove It?
ONE GENERAL AGENT WANTED IN INDIANA

Home Office: Fletcher Trust Bldg., Indianapolis, Ind.

Security Mutual Life Insurance Company
Binghamton, N. Y.

Offers to men able to produce business first class territory, with direct contract providing liberal compensation.

For particulars, address

C. H. JACKSON, Supt. of Agencies

Established 1867



Fifty years of success

The Strength of the Company—the growth of a half century—towering back of every policy contract, assures the largest possible measure of *security*, *service*, and *saving* to the insured.

The wisdom of the founders in restricting the Company's investments to farm loans, has throughout the years afforded the largest degree of safety, together with the greatest earning power on its invested funds. It has in addition served the Nation, and the wide world in these troublous times, by its signal aid in the development of the Country's Agricultural Resources.

The manifold service of the past half century may safely be accepted as a criterion of larger service in store for its policy-holders and their beneficiaries.

For Information address Allan Waters, Second Vice-Pres.

The Union Central Life Insurance Company
Jesse R. Clark, President — Cincinnati

Promotions by The John Hancock

POND AND MORSE ASSISTANT MANAGERS INSURANCE DEPT.

Messrs. Keefe, Abbott, West and Gilchrist Also Advanced By the Company

Walter R. Pond has been appointed an assistant manager of the Insurance Department of the John Hancock Mutual Life. He entered the service of the Company as an agent in the Roxbury district in 1904, and was made application inspector for that district in 1907. He was appointed home office inspector in 1909.

Arthur M. Morse, formerly manager of the renewal division of the home office, has been appointed an assistant manager of the Insurance Department. He started with the Company in 1905, becoming attached to the president's office. In 1913 he was appointed manager of the renewal division.

Frank J. Keefe, formerly secretary of the secretary's special staff, has been appointed chief clerk of the Insurance Department. He has been with the Company since 1903.

G. G. Abbott has been made manager of the renewal division of the secretary's department. He is assisted in his new duties by P. N. Eckman.

Edgar C. West, Jr., has been appointed home office inspector of the John Hancock Mutual Life. He has been with the Company twenty-three years, beginning as agent in Philadelphia.

James Gilchrist has also been made a home office inspector. He began with the Company in Brooklyn as an agent, and in 1906 was made transfer inspector. In 1910 he was made superintendent of the Greater New York Agency. He is succeeded in New York by Levi James.

How to Get Business in the Country

A. P. Minchew at a recent club meeting said, "I have been asked a number of times how I write life insurance, and it is one of the hardest questions that I have ever attempted to answer." He answers the question in the last issue of the "International Life Man."

"Inasmuch as my work is primarily confined to country towns and small communities, I will try to outline a few things to do; also a few don'ts.

"In going into a strange town to begin work, do not try to start too quickly, for such starts are usually bad ones. Meet the bankers, and if possible contract with one of them to represent your company, then you get a line on the people that need and can carry life insurance, and at the same time you have arranged to get your paper handled when your business is issued and delivered.

"Be careful in talking to your banker. Do not boast of what you can or will do—time will tell. If it is impossible to interest the banker, there is always some person of influence and finances (notice the combination) who is anxious to increase his income. The banker will tell you of such a man, one everybody likes. Arrange with him for a couple of weeks' work and have him give you a list of good men before you start out, so you will know exactly who you are going to see. This will prevent going over the same territory twice.

"Discuss with your prospective coworker the financial condition of each prospect, his liabilities, his assets, his home surroundings, the children that are dependent, etc. Don't try to learn the man's disposition or his nature until you meet him. Judge that for yourself and be governed accordingly. Do not quote a rate at the beginning of your canvass. Lay before your prospect the specimen policy. Do not lose sight of the fact that your prospect is not posted on life insurance, and you are liable to explain it to him too fast. Go slow, emphasizing every feature. Watch him closely. You can soon tell if you are making an impression. It might be that you will have to change tactics. This is very important. Many times I have ceased my canvass and put my papers in my wallet to allay some suspicion and to throw the prospect off guard and began talking of his family, his children, their future welfare, etc., and gradually gained his confidence and closed him.

"Do not over-write your prospect. It is just as important not to undersell him. Represent your company and its policies as they are written and they will sell. Many agents fail to sell insurance by misrepresenting. Any old line insurance properly presented will sell. I have known agents who wasted nearly all of their time trying to devise some unfair method to sell life insurance. Those men never last long with any one company.

"Be friendly with your competitors (not chummy). Avoid arguments with them, for it will gain you nothing. Display your ability when you meet them in competition.

"While working in a town away from your home, never loaf on the streets. Do not be seen idle; everyone is watching a stranger. When you start some place, go like you only had a minute's time. Put pep and ginger into your walk. If after a strenuous campaign you feel worn and tired, go home and rest. You will come back feeling fresh and like work. Do not rest in the town where you are working. Do not canvass a prospect if you are sick or feel badly, but do not become confused and think you are sick when it is only an excuse not to work. If we wait for conditions to be exactly right before we begin to work, we would never work. I have some friends in the insurance business who never feel well. It is always too hot, or too cold, too wet or too dry, and in fact they are always looking for an excuse not to work. Reason with yourself. See if you are trying to renig. You are the judge and can render a fair verdict. If you find you are not playing fair with yourself, then get busy, write three applications that very day and when you do, don't stop—keep going."

The Peoria Life accords a free medical examination to policyholders annually.

THE
METROPOLITAN LIFE
Insurance Company
(Incorporated by the State of New York)



Metropolitan Life Insurance Company
Home Office Building

The Company

Of the People
By the People
For the People

The Daily Average of the Company's Business during 1916 was:

701 per day in Number of Claims Paid.

8,304 per day in Number of Policies Issued and Revived.

$1,969,823 per day in New Insurance Issued, Revived and Increased.

$376,827.40 per day in Payments to Policyholders and Addition to Reserve.

$220,509.26 per day in Increase of Assets.

JOHN R. HEGEMAN, President

GROUP ARGUMENTS

Put in Tabloid Form By Travelers Insurance Company—Small Groups Coming

Among the advantages of soliciting group life insurance is the fact that once taken it is persistent. It cannot well be twisted, and it grows with the growth of the business.

Taken out at present generally by larger firms it is only a question of time when it will become more generally applied by small manufacturing concerns, business houses and wholesale and retail stores, says the Travelers' "Record."

In large establishments where the writing of the business presents some complex problems it is possible for agents to work up an interest and prepare the way for a special agent. In many cases however all the work can be accomplished by the agent with little assistance.

Representing

The Mutual Life Insurance Company
of New York

You will make money.

The great strength, big dividends and incomparable benefits of the *"oldest company in America"* mean certain success for you.

For Terms to Producing Agents, Address

GEORGE T. DEXTER, 2d Vice-President

34 NASSAU STREET, NEW YORK, N.Y.

DECLINATIONS

Amount to About $1,000,000 a Day—Significance of This to Average Man

The following information is believed to be correct: 135,000 applicants for life insurance were declined in the United States during 1916. The average amount of insurance declined each day is not far from $1,000,000, says the New England Mutual Life's "Pilot." This is an appalling object lesson to our citizens. Its message should be brought home to the man who delays, because practically every rejection was unexpected, and was indeed unnecessary—had the applicant acted before his impairment occurred. Every man gave an impression of sufficient good health to justify presenting himself for examination. And it is a fact that men who apply for life insurance almost invariably believe themselves to be well. Last year an unusually large number underwent a sad awakening. When a man really needs life insurance he cannot get it at any price—because of impaired health. The wise man anticipates future needs.

AGENCY CLUBS

The agency clubs serve two distinct purposes. They keep the agent of proven ability straight in the path of success, by giving him a speeding up once a year, by giving him rare opportunities for further education in his profession. To the agent who has not yet qualified, they furnish abundant inspiration by giving him something to work for—a goal to reach—a stimulus for intensified endeavor. Even if an agent does not succeed in qualifying, the additional effort of trying means increased business and increased earnings.—The Little Upstart.

"It is pretty hard for a man with a large family to live on a small income," said a sad-looking man to John W. Watts, of the Peoria Life, Kansas City, whereupon Mr. Watts made this comment: "It is much harder for his family to live without his income if he dies."

THE EASTERN UNDERWRITER

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Entered as second-class matter January 4, 1907, at the Post Office at New York, N. Y.; under the act of Congress of March 3, 1879.

CANADIAN WAR CLAIMS

With a view to ascertaining the extent to which the life insurance companies in Canada have been affected by the war, the Canadian Superintendent of Insurance sent a circular to each company asking for the figures showing the war claims incurred during each of the three years 1914, 1915 and 1916. The claims were further classified in each year according as they were incurred under policies held by

(A) Enlisted soldiers killed in action, or dying from wounds;

(B) Enlisted soldiers dying from other causes; and

(C) Other persons engaged in war service or civilians dying as a result of military operations.

In order that the inquiry might be as comprehensive as possible the circular was directed to the life insurance companies and the large number of fraternal societies operating under Provincial licenses as well as to all such companies and societies licensed by the insurance department.

Returns have now been received from all companies and societies with the exception of a few small Provincial fraternal societies the figures for which will not appreciably affect the totals. The tabulation of the figures received gives the following results:

Canadian War Claims Incurred.

	Dominion licenses.	Provincial licenses.
Year 1914.		
A	$15,793	$1,000
B	1,622	1,000
C	....	....
	$17,415	$2,000
Year 1915.		
A	$1,607,342	$114,746
B	190,684	18,500
C	141,709	7,585
	$1,939,735	$140,831
Year 1916.		
A	$4,318,839	$426,711
B	226,987	50,411
C	15,112	1,500
	$4,560,939	$621,453
Totals	$6,518,088	$621,453

In addition to the foregoing, Canadian companies incurred claims under policies held by British and foreign policyholders as follows:

In 1914	$55,827
In 1915	175,260
In 1916	293,848
	$524,935

The comparative importance of these claims will be seen when it is stated that the total death claims incurred during the year by the companies amounted to $22,462,118 so that the war claims have been approximately 20.3 per cent. of the total claims incurred.

Notwithstanding the difficulties arising out of the war the total amount of policies in Canada taken during the year 1916 was $231,101,625, which is greater than the amount taken in 1915 by $9,982,067. The Canadian companies show an increase in 1916 of $17,167,971, whilst in 1915 they had a decrease of $4,472,014; the British companies have a decrease of $476,680, whilst in 1915 they had a decrease of $3,567,277; and the American companies have a decrease of $6,709,224, whilst in 1915 they had an increase of $12,152,333, the total increase in 1916 being $9,982,067, as above stated.

The respective amounts effected are:

Canadian companies	$138,201,281
British and Colonial companies	5,250,633
United States companies	87,649,711

ORGANIZATION POSTPONED

Bankers in Annual Convention Delay Action on Fidelity and Surety Company

Postponement for another year of the proposal to organize a fidelity and surety company within the American Bankers' Association was the result of the deliberations of that body at its annual meeting in Atlantic City last week. The subject had been submitted to a referendum. The executive council, by vote of 20 to 32, recommended that the referendum committee be made a convention committee and that the outgoing and incoming presidents be made members thereof. It also recommended that this committee be directed to bring in a plan for the formation of a company to write fidelity and surety business of banks "at as near cost as possible."

When the subject was brought up Thursday it was by unanimous consent carried over to Friday. When the resolution was read a number of members asked if it did not commit the association to the principle of organizing a company. The Chair ruled that it did not make such commitment. The resolution provides that the plan for organization must be submitted to the executive council and if approved must then come before the convention at its annual meeting a year hence.

45 YEARS WITH PHOENIX

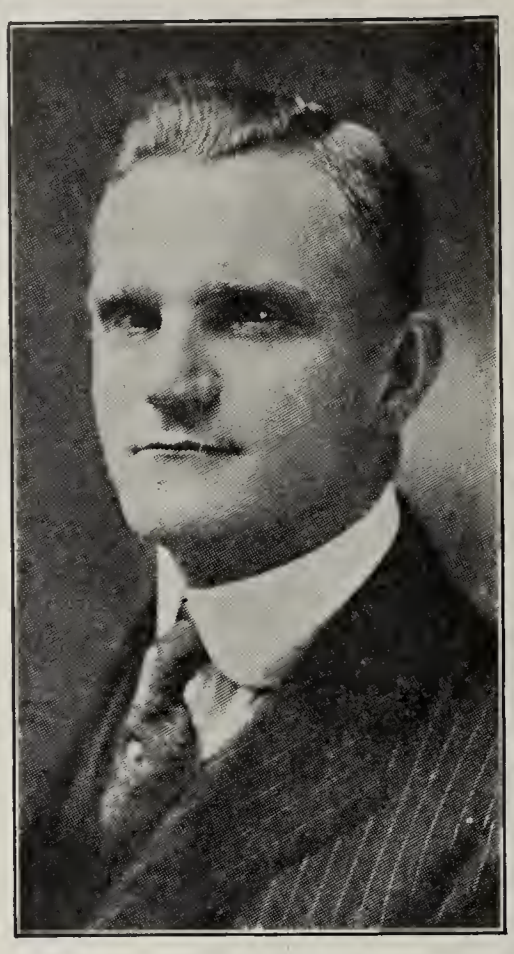
John B. Knox's Interesting Career—Company Had Five Clerks When He Started

John B. Knox, secretary of the Phoenix of Hartford, is starting on his forty-sixth year with that Company. When he began the Company had four officers and five clerks. Henry Kellogg was president.

Mr. Knox was a boy of fifteen when he started. He became a special agent when twenty-five and in 1891 was appointed assistant secretary. In 1907 he was advanced to secretary.

With the exception of President Clark, of the Aetna, Mr. Knox is oldest in point of service in Hartford. His sons are also well-known fire insurance men.

THE HUMAN SIDE OF INSURANCE



ALVIN P. LLOYD

Alvin P. Lloyd, it is announced by Fred S. James & Co., has been selected to succeed J. B. Guthrie, who has resigned to become assistant secretary of the New Jersey Fire, this arrangement being effective October 15. Mr. Lloyd will handle the field interests of Fred S James & Co., United States managers of the General Fire Insurance Co., Urbaine Fire Insurance Co. and the Eagle & British Dominions Insurance Co., Ltd. The territory involved is Pennsylvania, Maryland, District of Columbia, Virginia and West Virginia, and the James office feels that it is particularly fortunate in its selection, as Mr. Lloyd has traveled approximately the same territory for the Law, Union & Rock with conspicuously successful results.

Mr. Lloyd has successively passed through the various grades in the business from file boy to special agent, having started in 1901 with the Firemen's Insurance Company of Baltimore. In 1905 he went with J. Ramsay Barry & Co. as examiner and chief clerk, and in 1907 was promoted to the special agency in the middle department for that office. Mr. Lloyd resigned from the work in question to become the underwriter in the general agency of Edw. E. Hall & Co. This position he resigned in 1910 to become special agent of the Law, Union & Rock for which Company he has traveled up to the present time.

Mr. Lloyd is popular in the field, and his many friends will be glad to hear of his new work.

Fred S. James & Co. have also engaged Frank Langlois, of the Home, to be examiner in the Middle West, and J. J. Dougherty and John Waldman, of the North River, to be assistant examiners in the middle department and New England territory, respectively.

INCREASES CAPITAL

Directors of the Westchester Fire have resolved to increase the Company's capital from $500,000 to $1,000,000, the new stock to be sold at $200 a share, par $100. The stockholders will take action on the resolution October 25.

M. J. Dillon, a new vice-president of the National Association of Life Underwriters, is one of the strong figures in the Northwestern production field. He lives in St. Paul and has been an active worker in the association's affairs for years. His company is the Northwestern Mutual Life.

* * *

J. T. Wilson, president of the Canadian Association of Life Underwriters, was an interested observer at the New Orleans Convention of the National Association of Life Underwriters. He lives in Halifax and is manager of the Canada Life for Nova Scotia. He has a million dollar agency, and will probably write more than that amount this year despite the number of his men who have gone into the war. For some time Mr. Wilson has been vice-president of the Canadian Association of Life Underwriters and he was elected president at Winnepeg. He is a keen observer of events, a prominent man in his city, and a splendid representative of life insurance interests.

* * *

John M. Gaines, formerly in the actuary department of the New York Life, has been designated by Governor Whitman as man best fitted to outline a plan for taking a nation-wide census of military resources under the direction of the Division of Co-Operation with States of the Council for National Defense.

ADOPTS BOILER CODE

Installation Rules of Engineers Standard in New Jersey After November 1

Installation boiler rules of the American Society of Mechanical Engineers will be standard in New Jersey after November 1. These rules will apply only on new equipment but regulations for boilers and engines already in use will likely be adopted at a meeting to be held in a week or so. At a meeting held in Newark last week it was decided that a tentative code should be prepared and submitted to those present for a written expression of their views. Among those who took part in the discussion were T. T. Parker, chief inspector for the Fidelity & Casualty; James G. Shaw, supervising inspector Travelers of Hartford; A. E. Bonnett, assistant chief engineer Hartford Steam Boiler; John Y. Gillespie, assistant chief inspector Royal Indemnity; Leo A. Turnbull, supervising inspector Globe Indemnity Company, and John L. M. Martin, assistant manager Travelers' Indemnity.

The movement for standardization of construction of boilers is growing steadily. Improved codes are now in force in New York on existing installations from July 1, 1917, and after January 1, 1918, on new equipment. Massachusetts, Ohio, Wisconsin, California, Indiana and Pennsylvania also have enacted codes, while the cities of Detroit and Chicago have their own regulations.

MISS C. D. PLAGE HONORED

On behalf of the Great Eastern Casualty, Miss C. D. Plage, head of the stenographic department, was presented with a wrist watch in appreciation of her long and faithful service. She has the distinction of having been with the Company ever since it commenced business. The presentation was made at the twenty-fifth anniversary meeting in New York this week.

FIRE INSURANCE DEPARTMENT

Co-operatives Claim Non-Liability

REFUSE TO PAY LOSS ON A DWELLING NEAR AMSTERDAM

Loss Proof Mailed Saturday; Received Monday—Say It Came Too Late

A one-family cottage in Fort Johnson. N. Y., owned by W. H. Kelly, of Amsterdam, N. Y., was insured for a period of three years on February 1, 1917, for $1,500, through the agency of E. E. Devendorf Co. in the following companies:

Pioneer Co-Operative, of Greenville, $500; Co-Operative Fire of Catskill, $500; Merchants & Farmers of Middleburg, $500.

House Burned March 27

The house was completely destroyed by fire on March 27, 1917. On May 26 Mr. Kelly sent proofs of loss to the local representatives of the co-operatives and sent them by registered mail to each of the three companies. The companies did not pay the loss, claiming that the house was unoccupied and also that proof of loss was not received by them within the time required by law (sixty days). The registered letters were mailed on May 26, a Saturday.

The house was occupied by a widow living alone. About the first of the year without notifying Mr. Kelly she rented a room in Amsterdam, and from then until three or four days prior to the fire she did not sleep in the house, going there only at intervals during the day. Several days prior to the fire she gave up her room in Amsterdam and returned to Fort Johnson. The policies state that if the premises are unoccupied for ten days the policy is void.

The Point at Issue

Insurance men up-State are interested in this case and have raised the following questions:

If the proof of loss was registered in the post on the fifty-ninth day of the sixty days allowed for registering, have courts upheld the claimant as having filed a legal proof of loss?

Does a proof of loss, mailed to a company on Saturday, May 26, the fifty-ninth day after the loss, become a legal proof of loss if the company does not receive it until Monday, the sixty-first day?

VALUATION COMMITTEE MEETS

The committee on valuation of securities, of the National Convention of Insurance Commissioners will meet today, Thursday, in New York at Hotel Astor.

GETS EASTERN PENNSYLVANIA

John A. Lance With Pittsburgh Underwriters—F. H. Westmeyer Resigns to Become a Broker

An addition to the field force of the Pittsburgh underwriters has been made in John A. Lance, located at Reading, Pa., who will cover the Eastern Pennsylvania field, formerly covered by Howard Stephenson and G. Ralph Manderbach. Messrs. Stephenson and Manderbach will continue as formerly, the first named for New York. Mr. Manderbach's territory will include Western Pennsylvania and Maryland.

F. H. Westmeyer, who has represented the Pittsburgh Underwriters for Ohio and Indiana, has resigned to take up independent adjusting for companies at Toledo, Ohio, where he will be associated with J. E. Curtis. He will be succeeded by Walter E. Volbrecht, who has heretofore been in charge of the loss department of the Company.

NORTH AMERICA MEETING

Field Men and Departmental Managers Hold Three Days' Sessions in Philadelphia

Representatives of the Insurance Company of North America, including its State and special agents and departmental managers, met for a three-day convention at the Bellevue-Stratford, in Philadelphia, on October 3, 4, and 5. An elaborate series of talks was arranged, covering practically every department of fire insurance activity.

A splendid program of entertainment for the company's guests was arranged during their stay.

In connection with the meeting it is interesting to know that this is the 125th anniversary of the company. It wrote its first marine policy in 1792 and its first fire policy in 1794 and was the first company in America to appoint an agent outside of its home territory, establishing, at the same time, the agency system of writing fire insurance in America.

H. S. BROSE WITH CAMDEN

Former Special Agent of British America in New Jersey is Made Manager of Company's Loss Department

The Camden Fire has appointed H. S. Brose as manager of its home office loss department. Mr. Brose for the past six years has been special agent of the British America in New Jersey.

FIRE AND MARINE INSURANCE—ALL LINES

The Automobile Insurance Company of Hartford, Conn.

MORGAN G. BULKELEY, President

Statement January 1, 1917

Cash Capital	$1,000,000.00
Assets	2,748,832.19
Liabilities (Except Capital)	1,039,977.81
Surplus to Policyholders	1,708,854.38

AFFILIATED WITH

AETNA LIFE INSURANCE COMPANY

THE AETNA CASUALTY & SURETY CO.

C. H. VAUGHAN MAKES CHANGE

Takes Charge of Sprinkler Leakage, Water Damage, Fly Wheel Department of Automobile Company

Charles H. Vaughan has been placed in charge of the sprinkler leakage, water damage and fly wheel department of the New York office of the Automobile Insurance Company of Hartford. Mr. Vaughan has been manager of the sprinkler leakage department of the Germania Fire since the Germania entered that field, and had previously been with the New York Fire Insurance Exchange as an inspector and rater for four years. He started with the Automobile Insurance Company on Wednesday.

Harold M. Angell, of Chatham, N. Y., has gone with Rathbone & Son.

JAMES REILLY APPOINTED

Succeeds Chas. H. Vaughan as Manager of Sprinkler Leakage Department of Germania Fire Insurance Co.

The Germania Fire Insurance Company this week announced the appointment of James Reilly as manager of the sprinkler leakage department of the Company succeeding Charles H. Vaughan, who resigned to go with the Automobile Insurance Company of Hartford. Mr. Reilly was until recently with the New York Fire Insurance Exchange where he had been for ten years.

Benjamin Rush, president of the Insurance Company of North America, has accepted the invitation of the Insurance Society of New York to make an address on marine insurance at an early date.

NIAGARA FIRE INSURANCE COMPANY

ESTABLISHED 1850

OTHO E. LANE, President

BERNARD M. CULVER
WILLIAM L. STEELE
Vice Presidents

CHAS. A. LUNG
WILBUR C. SMITH
Secretaries

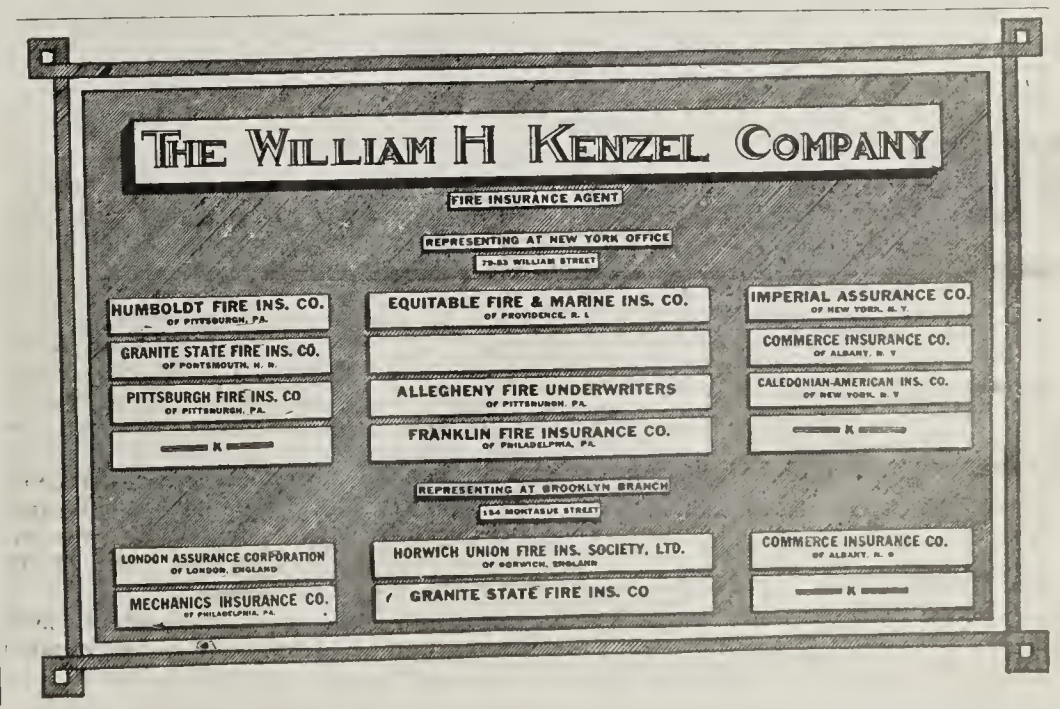
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AUTOMOBILE
RENTS
SPRINKLER LEAKAGE
EXPLOSION
FULL WAR COVER
LEASEHOLD

Use and Occupancy, Profits, Commissions — All Forms

123 William Street, NEW YORK



Interest in Home's Jumbo Line Letters

AGENTS NOT ONLY EXPRESS POSITION, BUT GIVE REASONS

Three Typical Letters of the Thousands Received—Agents Insist Upon Accommodation

Nothing that has occurred in some time has caused so much interest as the plebiscite of the Home of New York in regard to jumbo lines, and the opinion of the vast majority of agents of that Company that they are opposed to passage of legislation restricting reinsurance which would result in cutting down the size of lines. Three of the most interesting letters received by the Home have been secured by The Eastern Underwriter and are published herewith:

Reply From Agent in Large City

In reply to your circular communication of the 26th inst., relative to the above subject, contents of which have been carefully noted, we wish to say that we are entirely satisfied with the present condition in this regard.

The writer has been to numerous meetings of the National Association of Insurance Agents, and also State meetings, where this matter was discussed, and he does not consider that the arguments used against the present reinsurance system are of sufficient importance to warrant any change at the present time. We do not see how the small companies would be very materially benefitted by so large a reduction in the carrying capacity of the larger companies, and we do feel that in many cases the assured would be seriously embarrassed by the inability to secure sufficient insurance to cover his properties.

In our own case, it would necessitate the taking on of other companies in our office, in order to properly care for our business, which would entail additional labor in bookkeeping; also necessitate the conforming of our ideas to more than the two companies which we have; increase the time necessary for additional inspections in company with special agents, and perhaps make it necessary for us to employ additional help in the office in consequence of the increase above stated. We also feel that a greater distribution of the business would tend to increase the number of agencies, and we find that such agents as are selected by the small companies have proven very unsatisfactory and are detrimental to the business, as in the majority of cases they resort to practices which are not considered regular and ethical by the more substantial companies and agents, and in many cases mislead the assured and prejudice him against insurance business in general, on account of their mis-statements through ignorance.

Many of the larger insurers greatly prefer a few large policies, as it simplifies their bookkeeping and greatly facilitates the adjustment of a loss when it occurs.

We, therefore, wish to say in conclusion that we feel that the evil of the practice is greatly exaggerated and that the good resulting from such practice very greatly outweighs the bad features. We are, therefore, of the opinion that present conditions should not be disturbed, particularly at this time, when financial conditions are as uncertain as they are.

Very truly yours,

.....

Reply From Agent in Manufacturing City of Medium Size

Answering your letter requesting the opinion of your agents regarding "jumbo" lines, we suppose from the standpoint of the Company net lines are preferable, but we believe that from the standpoint of the agent and the assured that large lines are desirable and that the present custom is the result of public demand.

Large insurers prefer to place their business with a few companies on account of the ease in filing and recording policies and because they have less companies to deal with in settlement of a loss, fewer proofs to sign, and less work in case of endorsements.

For similar reasons the agent prefers to place his business in a small number of companies as it decreases his expense and his labor. We have found it true here that some manufacturers, finding we could not handle their entire line but brokered it in part through other agencies, would take the excess business and turn it over direct to the agents through whom we brokered, they very likely being as good friends of the assured as we are. We formerly could dispose of some part of the larger lines by re-insurance with our smaller companies, or through the smaller companies of other agents, but this practice seems to have practically stopped because the smaller companies would not accept agency re-insurance. It seems to us that this disposes of the argument that the smaller companies are injured by the present practice. If they will NOT take re-insurance lines but must have direct lines, it is their choice.

Yours very truly,

.....

Reply From Agent Illustrating the Value of "Quick Cover" Facilities For Large Lines

We have your favor of June 26 in reference to what you term "jumbo" lines. The writer has now been engaged in the local fire insurance business about twelve years and can only give information from the viewpoint of an agent located in a town of 17,500 population. We represent in our agency twenty-two of the leading fire insurance companies represented in this country, and no doubt we could pick out any two or three in this lot that would write all the business we would have to offer here. With these facilities we have, however, found it very convenient and proper to have companies that accepted large lines; that is, what we consider above the average. For instance, we have been requested many times, after the closing hours of business, to bind $25,000 to $50,000 on cotton. Without a company that accepted large lines we could not have handled this so readily.

We make it a practice, of course, to divide the business among our compa-

(Continued on page 14)

B. M. CROSTHWAITE & CO.
Fire and Automobile Insurance Specialists
Lines Bound Anywhere in New York State
105 William Street, New York City, N. Y. Telephones 2404-5-6-1758-1090 John

PHILADELPHIA
ADEQUATE FACILITIES — ALL LINES
CLARENCE A. KROUSE & CO.
LOCAL AND GENERAL AGENTS
325 WALNUT STREET PHILADELPHIA, PA.
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SATISFACTION SERVICE — ALL LINES

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Fire—Casualty—Automobile Insurance
Nation-Wide Facilities for Handling SURPLUS LINES
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103-5 William Street GENERAL AGENTS New York, N. Y.
DUBUQUE FIRE AND MARINE INSURANCE CO.
Excellent Facilities for Handling Suburban Business Phone: John 2312

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HARTFORD, CONN.
Re-Insurance in All Branches

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HARTFORD, CONN.
REINSURANCE

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Representing
THE GERMANIA FIRE INS. CO.
For Automobiles
Special facilities for out-of-town business.

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FIRST NATIONAL FIRE INSURANCE CO.
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JERSEY CITY, N. J. 1 Montgomery St. Tel. 216 Montgomery
BROOKLYN, N. Y. 153 Remsen St. Tel. 2504 Main
NEWARK, N. J. 9-15 Clinton St. Tel. 614 Mulberry

JAMES H. EPWORTH
NEW JERSEY FIRE INSURANCE SPECIALIST
NEWARK AND SUBURBAN NEW JERSEY TERRITORY
40 CLINTON STREET NEWARK Phone Market 6536
SERVICE FIRST
80 MAIDEN LANE NEW YORK Phone John 4560

Mallalieu Addresses Northwest Congress

TELLS HOW ENEMIES HERE BURNED FOOD SUPPLY

Entire Product of Thirty-eight Acres Burned in a Single Loss

The principal speaker at the Fire Underwriters' Association of the North-West which met in Chicago October 3-4 was W. E. Mallalieu, general manager of the National Board of Fire Underwriters. Mr. Mallalieu described the work of the National Board in connection with conservation.

In discussing grain fires he said there had been an extraordinary outbreak of fires among grain elevators at many points. Some of these fires have been of great size. One single blaze is said to have destroyed the entire product of 38,000 acres. Another is computed to have burned up the grain that would have made fifty million loaves of bread, and there have been others. German submarines could hardly be more effective. Mr. Mallalieu added: "In fact, there is no doubt that many of these fires have been directly caused by our foes." Continuing he said, in part:

Looking Behind the Scenes

"Some of the recent exposures of the German system in this country have taken us behind the scenes and shown us how these fires have been caused. We have seen an astonishing organization, directed from central points, busily attacking the nation's resources, particularly its food supply, by means of the torch and the bomb. Incendiaries have swarmed throughout the country; they have been especially active in the grain districts of the Northwest. For example, here in one small clipping from the Duluth 'Herald,' of September 5th, are dispatches from the towns of Michigan, Jessie and Bowman, N. D., telling of incendiary fires that had just occurred; two of the three were in grain elevators. Here is another, from Klamath Falls, Oregon, describing the destruction of a flour mill and of a large quantity of flour and grain. In this case, the fire was laid to the I. W. W., that amiable organization which planned extensive fires in the grain fields of the Northwest.

"Other fires are the product of our own familiar American carelessness, which is ever ready to take a chance. For example, an elevator at Rochester, N. Y., suffered a $700,000 fire upon July 23, and $450,000 of this amount was in grain and other food supplies. It is said that up to four years ago, this elevator was sprinklered, but that the owners had some dispute with the insurance companies as to the credit to which they believed themselves entitled, and foolishly removed the sprinkler system, thus inviting the blaze which later came. There seems to be little doubt that the sprinklers, had they been left in place, would have saved the plant; therefore, whatever may have been the cause of the fire, the negligence of the owners was principally to blame for the result. The tragedy of the case is that while hundreds of thousands of dollars' worth of irreplaceable food was going up in flames, men, women and children were starving in Europe. There is no escape from moral responsibility in such a case. When there is actual shortage of food, no amount of insurance can cover the loss. One cannot eat money. The whole world is in a race with starvation, and anyone who permits stored foodstuffs uselessly to burn is guilty of negligence little short of criminal.

"Such instances as these, and there are many others, but emphasize the fact that the thousands of remaining elevators must not be allowed to burn. And it is at this point that we think with a sigh of relief of your activities. We realize that you are continually visiting these treasure houses of the world's means of life, with keen eyes for every hazard, and practical suggestions for insuring safety.

"Some of these suggestions concern the human factor. For example, in inspecting an elevator of very large capacity, it was discovered that there was only one watchman, a very ancient and decrepit employe, who had been in the service of the same company for nearly forty years. His physical and mental equipment was just sufficient for him to make the stations and punch the clock, but the remainder of the time he was seated upon a stool in his little office where he could be more comfortable than in traveling the elevator premises.

"One night in a test of safety, two inspectors entered this plant without the knowledge of the watchman, remained there five or six hours and made a complete sketch of the whole plant. This was shown to the elevator company as evidence of the way in which they were being protected. They were given the option of providing competent and efficient watchmen or of having the plant taken over by the authorities of the State with the understanding that the Adjutant General would place a number of soldiers in charge as watchmen. It was not necessary to proceed to such an extreme, because the elevator company, realizing the danger, at once engaged a sufficient number of active and intelligent watchmen.

"To give but one other illustration of the value of your inspections, a prominent official, of one of the largest meat-packing plants in America, is authority for the statement that when the inspectors visited the plant in question they found conditions of an alarming nature. In his opinion, and in theirs, if these conditions had not been corrected at once they would probably have resulted in such a conflagration as might have cost the packing district a hundred million dollars. In addition to the destruction of a vast quantity of food, such a fire would have seriously crippled the packing capacity and food producing power of the country.

"In these and countless other instances we know that you are arousing managers to a sense of their great human responsibility, and are showing them how to make their plants sound links in the chain which stretches from the grain fields to the battle fields. Safety is increased wherever you have gone."

Mr. Mallalieu then told in detail what the National Board has done to prevent fires and to safeguard the nation.

R. A. LITTLE'S SUGGESTION

Thinks Churches, Schools and Factories Should Appoint Clean-up Inspection Committees

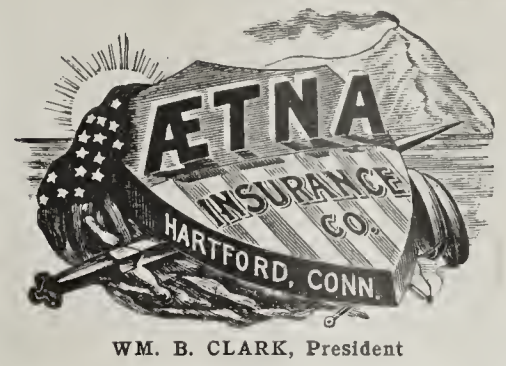
President Little, of the Glens Falls, has sent to agents a strong appeal to make Fire Prevention Day effective. "Let us help make arson as odious as treason and every preventable fire somebody's crime," is a quotation used. One suggestion of Mr. Little follows:

"We believe it would be helpful if churches, schools, societies and manufacturing establishments would each appoint a committee to make a thorough inspection of their buildings with power to remedy such features of fire danger as may be discovered; and if all householders would make it an internal and external 'clean-up' day.

"All fires are not from mere accident, but rather the result of negligence and indifference.

"Don't let the day be negligible in your jurisdiction in its great purpose."

"The Leading Fire Insurance Company in America"



WM. B. CLARK, President

AETNA INSURANCE COMPANY

Aetna Fire Underwriters Agency

of Aetna Insurance Co.

Application For Agencies Invited

WESTERN ASSURANCE CO.
OF TORONTO, CANADA
(Fire, Tornado, Ocean Marine and Inland Marine Insurance)
UNITED STATES BRANCH
January 1, 1917

Assets	$3,329,177.74
Surplus in United States	1,478,531.90
Total Losses Paid in United States From 1874 to 1916, Inclusive	41,657,814.31

W. R. BROCK, President
W. B. MEIKLE. Vice-Pres. & Gen. Man.

"STRONG AS THE STRONGEST"
The Northern Assurance Co.
(LTD., OF LONDON)
Organized 1836
Entered United States 1876
Losses Paid - - - $105,000,000
Losses Paid in U. S. - $38,000,000
Eastern and Southern Departments
55 JOHN STREET
NEW YORK CITY

GERMANIA FIRE INSURANCE COMPANY
NEW YORK.
ORGANIZED 1859
STATEMENT, JANUARY 1, 1917

Cash Capital	$1,000,000.00
Assets	8,553,704.22
Liabilities	4,222,485.60
Net Surplus	3,331,218.62
Surplus for Policy Holders	4,331,218.62

HEAD OFFICE
Cor. William and Cedar Streets

THE HANOVER FIRE INSURANCE COMPANY
Incorporated 1852
The real strength of an insurance company is in the conservatism of its management, and the management of THE HANOVER is an absolute assurance of the security of its policy.
R. EMORY WARFIELD, President
FRED. A. HUBBARD, Vice-President
E. S. JARVIS, Secretary
WILLIAM MORRISON, Asst. Sec'y
HOME OFFICE
Hanover Bldg., 34 Pine St.
NEW YORK
HOWIE & CAIN, General Agents
Metropolitan District
100 WILLIAM STREET, NEW YORK

NORD-DEUTSCHE
INSURANCE COMPANY
UNITED STATES BRANCH
123 William Street
New York
J. H. Lenehan, Manager

THE YORKSHIRE INSURANCE COMPANY, LTD., OF YORK, ENGLAND
ESTABLISHED 1824
The "Yorkshire" is the Oldest and Strongest of the English Fire Companies not heretofore represented in the United States
U. S. BRANCH
Frank & Du Bois, United States Managers — Ernest B. Boyd, Underwriting Manager
Harry F. Wanvig, Branch Secretary — Frank B. Martin, Supt. of Agencies
NO. 80 MAIDEN LANE, NEW YORK
New York Life Insurance and Trust Co., U. S. Trustee, No. 52 Wall St., New York
DEPARTMENTS—METROPOLITAN, Willard S. Brown & Co., Managers, New York, N. Y.; CAROLINA-VIRGINIA, Harry R. Bush, Manager, Greensboro, N. C.; SOUTHEASTERN, Dargan & Turner, Managers, Atlanta, Ga.; LOUISIANA and MISSISSIPPI, Jas. B. Ross, Manager, New Orleans, La.; PACIFIC COAST, Jas. C. Johnston, Manager, J. K. Hamilton and McClure Kelly, Assistant Managers, San Francisco, Cal.

Caledonian Insurance Co. of Scotland
FOUNDED 1805
"THE OLDEST SCOTTISH INSURANCE OFFICE"
UNITED STATES HEAD OFFICE
Caledonian Building, 50-52 Pine Street, New York
CHAS. H. POST, U. S. Mgr. — R. C. CHRISTOPHER, Asst. U. S. Mgr.
NEW YORK CITY OFFICE
Golden Hill Building, 59 John Street, New York

Commissioner Chorn Passes on Rates

COMPANIES HAVE BEEN REPORTING EXPERIENCE BY CLASSES

Says Average Rate in His State is Lower Than Surrounding States

For ten months Walter Chorn, Missouri Superintendent of Insurance, has studied and analyzed the rate filings made by the insurance companies and has finally made his decisions. He refused to permit a sweeping advance in rates in Southeast Missouri, where losses are heavy, insisting "on the same treatment in all parts of the State." He permits a number of increases on term business, and on buildings in uninspected districts. His comments are of more than ordinary interest, as he says in part:

"Under the laws of this State the insurance companies must report their experience by classes, showing the amount of premiums collected on each class and the losses sustained on each class, under oath, upon a form prepared and sent out by the Department annually. The form prepared comprises thirty-six classifications and subdivisions, with a great deal of other information. The experience for the past seven years unquestionably justifies such increases as are allowed.

Average Rates

"The average rate per hundred dollars of insurance in this State is less than that of any State surrounding Missouri, while fire prevention work in this State is more backward than in any of the States except Arkansas. Owing to strict laws in other States we have become a haven for fire bugs. The average rate per hundred dollars of insurance from 1910 to 1916 in Illinois was $1.14; in Iowa, $1.15; in Arkansas, $1.59; in Kansas, $1.16; while in Missouri it is 93 cents. The percentage of losses to premiums collected for the same period: In Illinois, 52 per cent.; Iowa, 62 per cent.; Kansas, 61 per cent.; Missouri, 67 per cent. The laws of this State impose on the Superintendent of Insurance the duty of passing upon the question of increase or decrease of rates, and expressly provides that the company shall be entitled to a reasonable return upon the money invested, taking into consideration the 'Conflagration Hazard'—the proposed increase or decrease being subject to review in the proper courts of the State.

"For ten months I have studied and analyzed the filing made by the companies in the light of their experience, and the above represents the conclusions at which I finally arrived.

"A public official who is not honest with himself cannot be expected to be honest with the public, and to administer laws fairly and impartially. The heavy responsibility on me could have been shirked, but not with a clear conscience. I have tried to discharge this duty in the spirit as well as the letter of the law. I have no political ambitions whatsoever, hence no clap-trap for public consumption."

Missouri Term Rates

On November 22, 1916, the insurance companies through the Missouri Inspection Bureau of St. Louis, Missouri, made a filing with the Insurance Department requesting the acceptance of the "Standardized Term Rule," which treats all classes of risks eligible to be written for a longer term than one year alike (and which is now in use in all but a very limited number of States), i. e., the "preferred" risks were to use the same term multiple as the "ordinary" risks, thereby changing their annual multiple for term insurance from:

One and one-half to one and three-quarters times the annual estimate for two years, from

Two to two and one-half times the annual estimate for three years, from

Two and one-half to three and one-quarter times the annual estimate for four years, and from

Three to four times the annual estimate for five years.

In addition to and in conjunction with this "Standardized Term Rule," complete schedules showing the change in rates, together with proposed reductions and increases were filed.

The Insurance Commissioner rules as follows:

"The new schedule submitted for rating dwellings and all private habitational buildings and their outhouses is adopted, but differentials made for Southeast Missouri and St. Louis County are rejected. These were specific filings covering those sections of the State. The filing as accepted gives a reduction in the annual rates of practically all dwellings, but produces a justly deserved increase on business written for a longer term than one year."

Jumbo Line Letters

(Continued from page 12.)

nies, as we think it is only fair to them and generally do this when we have ample time to make the division of any large line.

We frankly state that we oppose, of course, the concentration of insurance business in the hands of a few large companies; however, it is a day of large business and unless a company is large enough to offer the agent the proper assistance it will get little business and will not be of much service to the agent.

We heartily endorse the position you have occupied in the past and believe you will serve your great agency force best by continuing same.

Yours truly,

.....

UNLICENSED SALOONS

The Underwriters' Association of New York State has issued a list of saloons and hotels for which licenses were not renewed October 1 in accordance with the new law on that subject. The law affects towns of under 50,000 inhabitants and provides that there shall be but one license for each 500 population. Jamestown and Oneonta are said to be the only towns not having more licenses than allowed under the new statute.

Rates and Losses Averaged by States

DISTRICT OF COLUMBIA PAYS LOWEST AVERAGE

Georgia Has Highest Loss Percentage Incurred to Premiums—Where New Jersey Stands

The average rate of New Jersey is the ninth lowest among States and territories and in percentage of losses incurred to premiums New Jersey stands forty-ninth. Average rates and incurred loss percentages tabulated recently by an underwriter who got his figures from the current edition of "Fire Insurance by States," published by the Weekly Underwriter Company, follow:

United States and Possessions
Average Rates

Dist. of Col., .65; New York, .70.
Delaware, .78; Maryland, .84.
Connecticut, .87; Rhode Island, .87.
Ohio, .89; Porto Rico, .89.
New Jersey, .91; Missouri, .92.
Indiana, .95; Massachusetts, .95.
Michigan, .97; Pennsylvania, .99.
Wisconsin, 1.02; Iowa, 1.03.
Utah, 1.06; Illinois, 1.07.
North Carolina, 1.07; Minnesota, 1.13;
New Hampshire, 1.15; Hawaii, 1.17.
Kentucky, 1.19; Nebraska, 1.20.
Louisiana, 1.23; Kansas, 1.25.
Vermont, 1.26; New Mexico, 1.27.
South Dakota, 1.27; Colorado, 1.31.
South Carolina, 1.32; Tennessee, 1.32.
Georgia, 1.33; California, 1.36.
Oklahoma, 1.37; West Virginia, 1.39.
Maine, 1.40; Oregon, 1.43.
Texas, 1.45; Washington, 1.50.
Alabama, 1.56; Arkansas, 1.62.
Wyoming, 1.65; Mississippi, 1.70.
Florida, 1.75; Virginia, 1.76.
Nevada, 1.79; Idaho, 1.82.
North Dakota, 1.88; Arizona, 2.08.
Montana, 2.19; Alaska, 2.40.

United States and Possessions
Percentage Loss Incurred to Premiums

Hawaii, 7.2; Vermont, 31.4;
Virginia, 33.4; Colorado, 33.9.
Arizona, 34.6; California, 34.6.
Alaska, 34.7; Wyoming, 35.3.
Dist. of Col., 37.8; Utah, 38.4.
Maine, 41.7; West Virginia, 42.8.
Idaho, 43.5; Ohio, 44.4.
New Hampshire, 45.3; Conn., 45.6.
Maryland, 45.7; Washington, 46.1.
New Mexico, 47.8; Pennsylvania, 48.0.
Louisiana, 48.0; North Carolina, 48.8.
Oregon, 48.3; Massachusetts, 48.8.
New York, 49.2; Montana, 50.7.
Wisconsin, 50.7; Kentucky, 51.4.
Illinois, 51.6; Florida, 52.3.
Indiana, 52.3; Nevada, 53.3.
South Dakota, 54.1; Oklahoma, 54.4.
Kansas, 55.0; Nebraska, 56.6.
Michigan, 56.7; Iowa, 59.2.
Missouri, 59.6; Minnesota, 59.9.
Arkansas, 62.9; Mississippi, 66.2.
Alabama, 74.3; Tennessee, 76.2.
New Jersey, 77.3; North Dakota, 82.0.
Porto Rico, 82.0; South Carolina, 82.6.
Delaware, 82.9; Rhode Island, 86.8.
Texas, 89.6; Georgia, 93.6.

REPAIR AGREEMENT

Decision of Court of Appeals Where an Automobile Was Destroyed By Fire

An important decision has recently been rendered by the Court of Appeals, New York, upon the question of the effect of negotiations and an agreement to repair following a fire, says W. O. Badger, Jr., in "Best's Insurance News." The destroyed property consisted of an automobile upon which the insured made a claim of $2,500; the company agreed to pay $2,000 or to put the car in as good shape as it was before the fire. The insured accepted the proposition that the company repair the car if this was done within a reasonable time. Upon completion of the work, however, the insured was dissatisfied and commenced an action upon the policy to recover the $2,500 for the total loss of the car.

The court held that although there was originally no obligation on the part of the insured to permit the company to repair the car, when the parties agreed that this method of performing the company's obligation was to be employed, the rights under the policy were merged in the subsequent agreement to repair and there could be no recovery upon the policy. After acceptance of the company's offer to put the car in as good shape as it was before the fire, this agreement measured the extent of the obligation and any action could be brought only for failure to perform this substitute contract in a proper manner, or for delay in performance.

LECTURES FOR WOMEN

Insurance Society of New York Makes Plans For a Series of Five Addresses By Prominent Men

The Insurance Society of New York has completed plans to give under its auspices a series of five lectures on fire insurance for women. All women connected with fire insurance offices are invited to attend these lectures, the purpose of which is to explain the various technicalities of the work with which they come in contact. They will be held at the library of the Insurance Society from 5.10 to 5.45 on October 29 and the succeeding five Mondays. From the subjects covered and developed by this first series, plans for additional lectures will be formed.

J. T. MacKOWIN DEAD

James T. MacKowin, adjuster, died at his home in New York on Tuesday after a short illness. Mr. MacKowin had long been an adjuster of high repute and was for some time counterman for the American Insurance Co.

17,000 REPRESENTATIVES

In its plebescite on the large line question the Home of New York received replies from more than 5,000 insurance agents. This company, by the way, has more than 17,000 agents, sub-agents and solicitors licensed at the present time.

STRENGTH INTEGRITY SERVICE

Scottish Union & National
Insurance Company

HENRY J. HOUGE J. H. VREELAND
Assistant Secretaries

JAMES H. BREWSTER, Mgr.
Hartford, Conn.

A Broad Underwriting Service to Agents
Writes Fire, Automobile, Rent, Sprinkler Leakage, Tornado, Use and Occupancy, Explosion, etc.
Works in Harmony with American Agency Principles and Practices

Iowa National Fire Insurance Co.
DES MOINES, IOWA Capital Stock $500,000
The latest addition to Reliable Fire Insurance organizations began Writing Business on January 1, 1917
JOHN L. BLEAKLY, President

F. L. MINER
Vice-President

C. S. VANCE
Underwriting Manager

FRANK P. FLYNN
Treasurer

C. M. SPENCER
Secretary

Growth of Special Hazards in Jersey

SENATOR FRELINGHUYSEN DISCUSSES PROSPERITY

Factories Running Day and Night—Infant Industries Now Full Grown —du Pont Plants

Senator Frelinghuysen, in the recent debate in the United States Senate, relative to the Revenue measure, made some interesting observations in reference to the tremendous expansion of industry in New Jersey since the war started. His summary follows:

The years 1911, 1912, and 1913 and, to some extent, the year 1914 in New Jersey were years of depression; the manufacturers of the State were making very little money. I have in mind a shoe factory in the city of Newark, the manager of which told me during the campaign last fall that during the years mentioned he practically made no money; that he had few men employed, and that in 1913 when the 10 per cent. tariff was taken off shoes, foreign manufacturers came to this country and bought the intricate shoemaking machine the product of the United Shoe Manufacturing Co., took back American leather and American lasts and flooded the American market with foreign-made shoes, thereby creating a competition which closed that factory. But when the war started, and the European competition was removed, orders immediately began to flow into that establishment to supply the demand to the home trade, and to-day that plant is running night and day, not making munitions, not making ammunition, but taking care of the home trade in this country, which, by reason of the removal of foreign competition, by reason of the barrier created by the war, has again been opened to American manufacturers. It is proposed to tax that factory 72 per cent. to-day, it having had no prewar profits. That percentage of taxation is unjust; for their success most certainly is not based upon any "swollen war profits."

Glass Factories

We have in New Jersey many large glass factories. The same condition existed in connection with that industry as in connection with the shoe trade to which I have referred. Prior to the war those factories were practically closed down; but when the war came and competition of German and Belgium glassware plants was removed, when the demand in the American market was created for American goods, those establishments began to supply the American market.

I have in mind one factory in New Jersey that makes laboratory supplies, test tubes, and various articles of glassware used in hospitals and laboratories. When the demand was created in this country that plant started to work night and day and it is working on that basis now. They have taken the profits derived from the business and have enlarged their plants; they have increased the number of their employes, and it is now one of the most prosperous industries in South Jersey. Last fall a man employed in that factory handed me a little glass stopper saying, "Previous to the war I was making from $10 to $12 a week piecework, cutting this glass stopper; but by reason of the war, and the protection created, whereby Germany can not now compete with our American labor, I am earning $30 a week making that glass stopper." Then he asked, "Are you willing to protect me in my labor and the wages that I am making because of this changed condition?"

Mr. President, that factory had no prewar profits, and yet it is proposed by the amendment of the Senator from Wisconsin to take 72 per cent. of the profits of that manufacturing concern. There are hundreds of such manufactories throughout the State in the same condition, and I tell you that they can not stand that percentage of taxation. I do not believe that they have the cash on hand to pay as high a percentage as that.

Coal Tar Products

There is another infant industry which has been created in that State by reason of the fact that the German market for various acids and coal-tar products, of which the German producer had practically had a monopoly prior to this war, has been closed. Through the efforts of American genius the factories of this country are now extracting from coal tar or the coke of the steel mills various coal-tar products, of which there are hundreds. We are making picric acid in this country, a product which we never made before; we are making various ingredients for high explosives; and we are learning to make dyestuffs which Germany practically controlled previous to the war. There are some 40 dye concerns in this country, one of which is the Du Pont Co., of which we have heard so much during the past few days in the debate. The Du Pont Co. to-day are experimenting in their various laboratories making dyestuffs in order that their plants, which before the war practically employed a minimum number of hands and now employ a maximum number, may continue in operation after the war and in order that the enlargements and extensions which have been made by reason of the demands of the war may be used and utilized for the dyestuff industry. A part of the profits of this concern are being utilized to make those experiments. In my State the Du Pont Co. has four plants, employing approximately, prior to July, 1914, 3,000 hands. When the war broke out a great demand for powder was created, and the allies came here and relied upon American genius and American enterprises to supply their demands. So these plants were expanded until in my State the four plants to which I have referred to-day employ 25,000 men; villages and cities have sprung up around these plants; they are running at full capacity.

LIBERTY LOAN

The fire insurance companies were among the first to subscribe for the Second Liberty Loan. The Home has subscribed for $2,000,000; German-American for $1,000,000; German-Alliance for $500,000; Rhode Island for $200,000; National of Paris for $100,000.

BROKERS ACTIVITIES

$400,000 IN MUTUALS

Lines Carried on Red River Lumber Company, Westwood, Cal., Which Had Loss

Mutuals carried $400,000 on the Red River Lumber Company, Westwood, Cal. One block of $315,000 specific insurance was handled by E. F. Perry & Co. The risk was covered under a $1,280,000 general form. The loss, under insurance, which was written free of co-insurance conditions, will total $1,100,000.

Following is a complete list of the "specific" insurance involved on the loss:

Specific—Mutual Companies

Buckeye National	$ 5,000
Epperson Underwriters	25,000
German National	2,500
Home Fire, Arkansas	7,500
Home Underwriters, Arkansas	20,000
Iowa Mutual	2,000
Lloyds, London	36,250
Lumbermen's Fire, Ind.	10,000
Lumbermen's Und. Alliance	25,000
*Lumber Mfrs. Int.-Insrs.	72,750
Lumber Undrs., New York	12,500
Manuf'turing Lumbermen's Und.	50,000
Manufacturing Woodworkers	35,000
Metropolitan Fire	4,000
Millers' Mutual Fire Association	2,500
National Benefit Fire	5,000
National Fire & Marine	2,000
National Fire Underwriters	2,500
National Lumber Manufacturers	25,000
New York Fire & Marine	5,000
North Branch Fire	4,000
Ohio Millers' Und.	20,000
Prudential Fire	2,500
Security Mutual	3,000
Southern Lumber Underwriters	10,000
Total	$400,000

*Wilcox, Peck & Hughes, attorneys-in-fact.

* * *

Join the Service

Bagot and Company: Irving Brown is with the Seventh Regiment at Spartanburg, and J. A. Walsh is with the 69th Regiment at Mineola.

* * *

Davis, Dorland & Co.

Francis Woodburn, Ed. Oettell, Geo. Donovan, A. E. Fuss, J. Roulett, H. Bott, W. J. Collins, J. Thompson.

* * *

London Brokers' Association

The Corporation of Insurance Brokers and Agents, London, has made a special rate of membership for members resident outside of Europe.

A 62 Per Cent. Rate

The high-water mark in marine insurance rates is reported to be a recent quotation of 62 per cent.

* * *

Would Defeat Recovery of Policy

The "Adjuster" of San Francisco, digests the following decision of interest to brokers:

Where the letter sent with a policy by the agents of defendant insurer to insurance brokers showed that they were not willing for the policy to take effect until they had been furnished with additional information, a reply by the brokers, written with the knowledge and consent of insured's son, who negotiated for the policy, was essentially a supplement to the written application, and any intentional fraud perpetrated therein in order to remove the objections indicated would defeat recovery on the policy.

* * *

Boiler Use and Occupancy

With the reported more conservative policy of the fire insurance companies towards use and occupancy insurance, it is probable that the steam boiler companies will watch offerings even more closely than in the past few months, says the "American Agency Bulletin." They have been cramped for facilities in writing very large lines and have not gone wild on the subject. If peace should come, companies writing this class would be in danger of getting some heavy losses, due to the loss being figured on the basis of the profits over a certain period. Some insured concerns have made tremendous profits for some time past, and these big profits will take a drop with the close of the war, but the use and occupancy losses will be based upon them under certain forms of policies.

* * *

Marsh & McLennan's "Bit"

Six members of the Marsh & McLennan office in New York are now in the army. Their names follow: Roswell Farrington and Judson Anderson, 7th Regiment, N. Y. N. G.; David Kelly, 71st Regiment, N. Y. N. G.; George Gingerich, First Field Artillery, N. G.; Howard Simpson, First Field Artillery, N. G.; J. Watson Webb, Officers' Reserve Corps, Plattsburg. Cyrus Chamberlain, a resident partner in the Minneapolis office, enlisted in the French Aviation Corps and has been in France for several months.

* * *

Hack With L. T. Hollister

George Hack, formerly with Henry M. Strong and previously for several years with John D. Wyeth & Co., is now with L. T. Hollister in charge of the outside department of that office.

Agricultural Insurance Company, of Watertown, N. Y.

64th Annual Statement

Assets	$5,036,003.01
Liabilities	2,296,861.95
Capital	500,000.00
Conflagration Surplus	250,000.00
Surplus to Policyholders	2,739,141.06

F. F. BUELL, Troy, N. Y., Special Agent.....NEW YORK STATE
E. J. PARMELEE, Syracuse, N. Y., Special Agent..NEW YORK STATE
GEORGE SHAW, 116 Milk St., Boston, Special Agent..NEW ENGLAND
F. L. GILPIN, JR., 434 Walnut St., Phila., Special Agent.MIDDLE DEPT.

Authorized Capital $500,000

Detroit National Fire Insurance Co.

DETROIT, MICHIGAN

A Company to be built gradually and along the indicated lines of permanence

AGENCY CONNECTIONS SOLICITED

Firemen's Insurance Co., Newark, N. J.

January 1, 1917

Cash Capital $1,250,000.00
Net Surplus $2,449,322.25
SURPLUS TO POLICYHOLDERS...$3,699,322.25

DANIEL H. DUNHAM, President
JOHN KAY, Vice-President and Treasurer — A. H. HASSINGER, Secretary
NEAL BASSETT, Vice-President — J. K. MELDRUM, Assistant Secretary

EARLY INSURANCE DAYS

Extracts From an Address By E. R. Hardy, New York Fire Insurance Exchange

E. R. Hardy, in a recent address, telling of the early days of fire insurance, said:

"In the year 1667, which year followed the great fire of London, the business of fire insurance on a commercial basis appears to have been established among English-speaking people. Barbon was the man who inaugurated the business. Inasmuch as the policy in the beginning, and for many years thereafter, did not contain any feature of co-insurance or average, one is surprised to find that not until the 19th century did any question arise in the courts as to the policy including forms of loss which flow from the destruction of material things, such as building or contents, which were insured.

"I have brought down a few policies to lend a touch of interest to the paper, and they are here for your examination. The oldest one is dated 1758, July 12th, and is of the Sun Fire Office. The policy itself was exceedingly simple, but referred to conditions which were thus embodied in the policy, and formed a part of the contract. In this policy the only limitation was that the loss or damage payable should not exceed the sum mentioned in the policy, which in this case was £200.

"The proposals of the Hartford Insurance Company, published in 1810, referred in the second paragraph to the 'indemnity against such accidents,' that is, fire; and in the third paragraph, 'the sufferer will be fully indemnified to the amount insured.'

"The Hartford policy 'hanging on the line' bears date of 1823, and agrees 'to pay and satisfy all loss or damage which the assured or assigns shall or may sustain.'

"The Protector Fire Insurance Company, an English company not now in business had the usual form for the period in which this policy was written, that is, 1828, which promised 'to pay or make good—all such loss or damage as shall happen by fire,' with the limitation to the amount of the policy and the conditions printed on the other side. This policy contains one indication that a loss which might flow as a result of a destruction of the material thing insured had been at least the subject of controversy, if it had not, as it apparently had not, gone to the courts for adjudication.

"The next policy in historical order in the group is that of the Firemen's Insurance Company of New York. This company was in business as early as 1810, and the phrase which it used in connection with this part of the subject-matter referred to the payment which would be made under the policy as the 'true and actual cash value.' The policy which I have brought with me is of this company, but bears the date 1832. It apparently is exactly the same in language as the policy of 1810, and uses the same phrase 'true and actual cash value.'

"The Guardian Insurance Company policy of 1844 states that it will make good 'all such loss or damage as shall happen by fire to the property above mentioned.'

"The phrase used by the Firemen's policy of 1810, 'true and actual cash value,' or some variation thereof, is the common form of expression in most of the policies issued in the United States even before the adoption of the standard policies.

"In a policy issued by the Grocers' Fire Insurance Company, May 22, 1863, the language is 'according to the actual cash value of the property at the time of the loss.'

"In the District of Columbia, the Firemen's Insurance Company of Washington and Georgetown, chartered in 1848 by Congress, used this phraseology: 'Any loss or damage which shall or may happen by, or by means of, fire to the said building.'

"Another variation of this phrase, but still evidently intending to have the same meaning, was that seen in a policy issued by the Conway Fire Insurance Company of Conway, Massachusetts, 1860. The language is 'the said loss or damage to be estimated according to the true and actual value of the property at the time the loss shall happen.'

DEAD HEAD FIRE PROTECTION

Towns Unprotected From Fire Pay Enough Insurance to Buy Modern Fire Apparatus

Hereafter municipalities within a radius of seventy-five miles of Davenport, Iowa, requiring assistance from the local fire department, in combatting fire, will have to guarantee a nominal fee of $25 an hour for the use of an apparatus, if the fire committee of the city council accepts the recommendation of the Mayor.

This is as it should be. Instances are numerous where localities without fire protection have been compelled to call upon neighbors to save their homes and business from destruction by flames. Considered from a legal viewpoint, no city is under obligation to furnish fire-fighting service for its neighbors, but there is a moral obligation, or at least a socialogical solidarity, among communities as well as among individuals, impelling them to assist one another in times of distress. It is a bond of human brotherhood that should, and always will, exist in a civilized land, but like many other ties between man and man, it is often abused to a degrading extent.

It is no credit to a community to depend entirely upon a neighborhood city or town for its protection from fire, any more than it is to depend upon them for the necessities of life. Many cities have ordinances and others are creating them, which prohibit the taking of apparatus outside the city limits. In some instance this departure has resulted in towns that have never been self-protected from fire, to purchase fire-extinguishing facilities. In every such case the fire insurance companies have been quick to lower the rates. One disastrous fire will cost any community many times over the expense of a first-class modern combination motor fire apparatus. Instead of doing this its citizens have denounced the fire insurance companies for what they were pleased to call "exorbitant" rates.

C. R. Tuttle, former vice-president of the Continental, and now Western manager of the Insurance Company of North America, was in New York for several days last week.

Connecticut Conservation Association

(Continued from page 1)

card index listing 12,000 plants which could do Government work was prepared and turned over to the Federal Council.

Complete Water Works Plans

In the matter of the water works, the National Board of Fire Underwriters delivered to the commanding generals of the several divisions of the United States Army throughout the country complete plans of water works in all cities of 20,000 populations or over. Duplicates were filed with the secret service so that, in case of rumors of plots against specific water systems, the authorities knew exactly where to put extra guards without delay.

Then an inspection was taken up to safeguard property important to the Government and raw material, and this was followed by inspections of the great grain elevators to safeguard the food supply. The National Board now is making a census of the country grain elevators and storehouses throughout the nation.

Under the direction of the National Board committees were organized throughout the United States, and plans taken up for a comprehensive inspection of all valuable properties. "The fire insurance companies," Mr. Bissell said, "turned their entire field forces over to the nation for the protection of its resources against fire." This work has been retarded slightly in New England, he explained, but is well in progress in other States, and the action taken at this week's meeting at the State Capitol insured immediate attention for the work in Connecticut.

Not an Insurance Measure

Mr. Bissell explained to the inspectors and special agents that they should not connect this inspection in any way with insurance. "This is a war service, and is on a higher plane than business," he told them, and he said that the experience of other parts of the country is an assurance that many a property owner will be found who will yield to the war argument, and take every care of his property because of having heard it, who would not be interested in the ordinary insurance argument.

"The citizens of Connecticut," he said, "are not different from those of any other States. You will be able to bring about an improvement with the argument that the nation at war needs an improvement made which you would not bring about with any argument as a representative of an individual company."

Mr. Bissell said that this work was not only intended to preserve the resources of the country for the taxation purposes of the Government, but also to save them for any other use for which the Government wants them, "so the nation may win the war, as it must win it."

Loss Figures

Mr. Bissell said that during eight months of this year, 123,000 individual fires had been reported to the actuarial bureau of the National Board of Fire Underwriters; 500 insured fires a day. "If this number can be cut down," Mr. Bissell said, "it will result in a saving of just so much of the country's wealth to be used if necessary in the war against Germany." The inspectors were told that they were not to include in their inspection the risks insured by the Factory Insurance Association, and the manufacturers' mutual companies.

Mr. Bissell suggested that the new organization would have to have a central office and a secretary to whom reports of inspections would be sent.

NIAGARA CHANGE

Texas Business After January 1 Will Be Administered From New York Head Office

The Niagara Fire announces that its general agency for the State of Texas, operated for many years past by the firm of Trozevant & Cochran, of Dallas, has been terminated, by mutual consent, as of January 12, 1918. After that date the Texas business of the Niagara will be administered from the New York head office, the State being added to the Southern department, under general supervision of Secretary Charles A. Lung.

The Niagara deems itself most fortunate in being able to make the further announcement that its Texas business will, on the date mentioned, pass to the field supervision of James S. Hereford, who will take up his residence at Dallas some time during December. Mr. Hereford for several years has occupied an executive position in the North British & Mercantile, and, prior to that time, traveled in Texas; he is held in high esteem, not only by many friends and acquaintances in Texas, but also by a wide local circle.

WAR RISK INSURANCE

British Government's New Plan Not Altogether Satisfactory

Dissatisfaction is being expressed with the war risk scheme of the British Government. Liners requisitioned are now insurable at nine per cent. for ninety-one days. The West of England Mutual War Risk Association has passed the following resolution:

"That this meeting, while feeling it to be its duty to accept the Government proposals in regard to war risk insurance, wishes to protest most strongly against the present method of arriving at ascertained value, and suggests that no value be asked or given before a meeting takes place between a licensed valuer appointed by the Admiralty and a licensed valuer appointed by the shipowner, with a view to discussing the merits and demerits of the particular ship, and that the cost of probable replacement should be considered in arriving at such value."



F. H. HAWLEY, Pres. ORGANIZED 1848 W. E. HAINES, Secy.

Ohio Farmers Insurance Co.

LE ROY, OHIO.

Ohio's Oldest and Strongest Company

Net Surplus Over $1,293,741.00

AN AGENTS COMPANY

E. K. SCHULTZ & CO.

PHILADELPHIA

GENERAL AGENT

Pennsylvania, New Jersey and New York

CASUALTY AND SURETY NEWS

Many Policies are Placed on Women

MUCH GROUP HEALTH AND ACCIDENT BEING WRITTEN

Employers Experiencing Need For Cover Which Will Supplement Provisions of Compensation

While as individual risks women are still regarded as inferior to men when considering them for accident and health insurance, there are, nevertheless, a large number of women being written under group policies. One of the most recent group accident and health contracts written was placed with the Model Brassiere Company of Brooklyn by H. A. Luther, United States manager of the factory, group and special contract department of the North American Accident. Three hundred employes are covered, of which ninety per cent. are women. Another group placed through Mr. Luther's office is on employes of the Ansonia Clock Company, of which 65 per cent. are women.

More Women Employed

Among the many industrial changes wrought by the war is the advent of women into many lines of work heretofore dominated by men. It is almost certain that when the war is over these women will not wish to give up their places to make room for men returning from the military ranks, and also, it remains to be seen whether employers may not prefer to retain the women. Division of labor and plans of work have been so altered that women can be used to advantage where formerly men were considered essential. Therefore the part women shall play in accident and health underwriting is likely to undergo radical change. Already careful consideration is being given to special accident preventive measures which will tend to reduce and remove the accident hazard which have been peculiar to women working where machinery is extensively used. This shows that they are becoming an important factor in this business of accident and health insurance and that as operatives they are regarded as a fixture.

Cost of Labor Turnover

There are many motives behind the desire on the part of employers to cover their employes with disability insurance during the hours they are not protected under the ordinary workmen's compensation policy. One of the most important of these reasons is a desire to reduce as much as possible the heavy cost of what is known as the labor turnover. That is the loss caused by the ever-shifting of employes from place to place. One firm, for example, found that it costs just $26.10 to replace a machinist. Other employes must be replaced at a loss also, according to the class of work performed. The dominating idea, therefore, is to stabilize labor through welfare work, insurance and other devices.

Group Deals Long Winded

In order to successfully write group health and accident insurance in large amounts it is necessary to make the operation as easy as possible for the employes and the employer. Long experience has resulted in reducing detail to the minimum. Placing group policies is a specialty involving the study of each case, as all employers are different in their desires and no two policies are alike. The length of time required to arrange a group deal

(Continued on page 18.)

Great Eastern's Twenty-fifth Year

REPRESENTATIVES GATHER FOR CELEBRATION AT HOME OFFICE

Growth of Company Has Been Steady and Underwriting Experience Favorable

Louis J. Reckendorfer, president of the Great Eastern Casualty, welcomed representatives and home office employes to the twenty-fifth anniversary celebration of the Company's organization, which opened in New York October 3. Secretary Thomas H. Darling spoke for the home office and F. V. Searle, assistant to the president, honored the memory of former President Louis H. Fibel. C. Clark Howard, agency director, represented the agency department; James G. Madigan, superintendent, the claim department, and Joseph Carson of Cleveland, Ohio, made an address on the Great Eastern as it was in 1892, while C. V. A. Decker, of Kingston, N. Y., pictured the organization as it is in 1917.

Field Well Represented

While the meeting occupied three days, only one was given over to business, Thursday and Friday being devoted to entertainment. There was also a theatre party Wednesday evening. At the business session A. L. Patterson, of Pittsburgh, spoke for the commercial accident and health department; J. W. Rose, of Buffalo, the industrial department; Arthur E. Kemp, of Boston, automobile liability; Simon Wolf, Philadelphia, burglary, and Legrand L. Atwood, St. Louis, plate glass.

Entertainment in Plenty

Thursday morning a water trip around New York was taken, followed with luncheon at the Bankers' Club and dinner at Healy's. Friday there will be more sight seeing, lunch at City Island and theatre in the evening.

Has Grown Steadily

In the last ten years the Great Eastern Casualty has increased its capital from $200,000 to $350,000; assets from $419,325 to $1,291,487; surplus over capital and all other liabilities, from $91,318 to $296,079; premiums from $384,345 to $1,061,610. The Company writes a variety of casualty lines and has maintained a favorable underwriting experience. The figures given above are for the close of 1916.

J. F. IZZIE RESIGNS

Joseph F. Izzie, who has been handling the plate glass department of the Casualty Company of America during the proceedings incident to the Company's retirement from business, has resigned. Mr. Izzie has been with the Casualty Company of America for the past four years and was previously with the Lloyds Plate Glass Insurance Company for several years.

Accident
Health Automobile
Plate Glass
Burglary Liability
Fidelity
Contract Judicial
Public Official
Depository Bonds
FIDELITY & DEPOSIT CO.
OF MARYLAND
BALTIMORE

To Meet in Albany on October 26

ANNUAL CONVENTION OF NEW YORK INSURANCE FEDERATION

Executive Committee Held Session in Utica Last Week—Fight Against State Insurance

"Self preservation should prove the incentive for a greater interest in the Insurance Federation of the State of New York and secure the loyal cooperation of every insurance man in the State as a member," said Executive Secretary Stanley L. Otis at the meeting of the executive committee in Utica last week.

John A. Eckert, chairman of the committee, called attention to the rapidly growing sentiment in favor of socialism and congratulated the committee on the greatly increased efficiency of the Federation in opposing any effort by the State to engage in the insurance business.

Mr. Otis said in his report that through the efforts of the finance committee of New York City 154 sustaining members were secured last spring and 28 have joined since June 15. He has been visiting twenty-five cities and finds that the amount of the budget apportioned to each district has been all or very largely raised in nine districts. County committees have been appointed in fourteen counties, the membership greatly increased and much publicity given and interest aroused in the Federation movement. The county committee work will be continued until every important county is organized.

Greater Activity Needed

The need for creating greater interest in Federation work is apparent and it was suggested that the chairman of the several county committees constitute an advisory committee with an appropriate number of representatives of the finance committee of New York City; this committee to meet at stated periods and be of real assistance in developing the policy of the Federation and extending its influence.

As to publicity, Mr. Otis said one of the main things to be accomplished is the education of the public as respects the principles of insurance and the technical training required to successfully conduct the business and safeguard the interests of the policyholder. Members of the Federation should also be kept advised of its activities and prospective members interested. This, he said, can be accomplished largely by notices in the newspapers.

Responsibility of Members

The report also sets forth that the object of the Federation is legitimately to do all in its power to prevent the State taking over the business of insurance and any endeavor which tends to lessen the demand for the State transacting this business and which elevates the standard of insurance is properly a part of its functions. Company officials, members of the Federation, should lend their influence in order that equitable rates and proper rules may at all times prevail and that policyholders may always be treated in every respect with fairness and justice. The agents, brokers and all others having to do with the writing and placing of insurance should see that proper practices prevail and the service rendered by all should be of the highest type, thus preventing any desire for or need of the State entering the insurance business. The responsibility for such a condition rests largely with the members of the Federation.

Effects of World War

The result of the war has been the tendency to introduce Socialism in varied forms into our Government and tremendous impetus has been given the principle of State insurance. All forms of insurance are now in more danger of Federal Government insurance than of State operation. With the low rates for war risk marine insurance already in effect and those proposed for war risk life insurance as a precedent, there is imminent danger of Federal Government insurance.

In conclusion, Mr. Otis declared that New York State is expected to lead in the Federation movement just as it has done in so many other advanced ideas. In the main the support given the movement is gratifying.

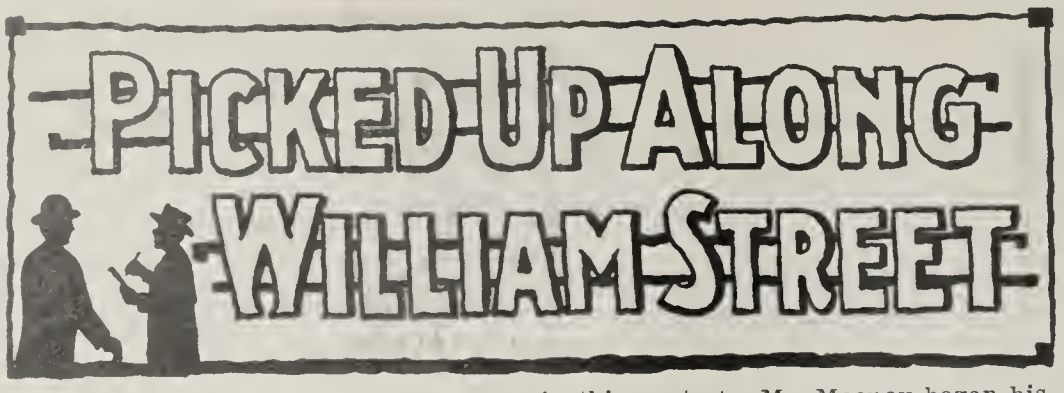
Annual Meeting This Month

Treasurer N. E. Turgeon reported that this year will be the best in the Federation's history. The annual meeting will be held in Albany October 26. The appointment of county committees were confirmed as follows: Allegheny—Thomas O'Connor, Wellsville; Broome—R. G. Wadsworth, Nelson; Chemung—F. W. Swan, Elmira; Cortland—Charles F. Brown, Cortland; Delaware—W. T. Black, Delhi; Jefferson, A. T. Matthews, Watertown; Oneida, James S. Kernan, Utica; Onondaga—G. H. Johnson, Syracuse; Orange—D. A. Osborn, Newburg; Oswego—W. W. Spencer, Oswego; Steuben—W. M. Dunning, Hornell; Tioga—F. G. Horton, Owego.

J. P. WAITE SPECIAL AGENT

J. P. Waite, supervisor of the counter division of the Travelers, at 76 William Street, New York, has been made a special agent in the Metropolitan office and will give his attention principally to brokerage business, specializing in compensation, liability, plate glass and burglary lines. Mr. Waite has been with the Company nineteen years, a considerable portion of which he has spent in developing the general liability division. He then took up the underwriting of those and other casualty lines, later entering the automobile field.

General Accident
FIRE AND LIFE
ASSURANCE CORPORATION, Ltd.
SERVICE THAT EXCELS
FREDERICK RICHARDSON, United States Manager
GENERAL BUILDING · 4TH & WALNUT STS.
PHILADELPHIA



Twenty Per Cent. in Service

Out of approximately 155 men between ages 20 and 60 years, who, when war was declared were employed in the National Surety Company's home office, 31 have entered active war service. This is 20 per cent. of the Company's entire grown male home office staff. If this ratio held for the entire nation, the United States army and navy would already consist of more than 5,000,000 men. Twenty-seven of the Company's 31 soldiers and sailors are volunteers; four were drafted.

* * *

Quinn & Quinn Expanding

Quinn & Quinn, of 27 William street, have enlarged their quarters. W. F. Stanz, who entered the office as a solicitor, is now manager, and Leo Burns, formerly with C. I. Young & Co., adjusters, is now in the Quinn & Quinn office.

* * *

Special Offers By General

E. O. Howell, assistant United States manager of the General Accident, and F. W. Ford, agency manager of the industrial department, were in New York last Saturday to assist Manager B. Green of the local department launch a vigorous drive for fall business. Special inducements were made by the Company, and Mr. Green also offered personal prizes for the best records. The Company's industrial business is again ahead of the previous year's record, it having made successive gains for a number of years. F. Norie-Miller, United States manager, will visit this country within the next ten days. Charles S. Doman, of Brooklyn, was awarded a watch fob for good production.

* * *

Conroy With A. F. Morrill

J. Allen Conroy, for the past five years with the Employers' Liability, resigned on October 1 and has joined the brokerage office of A. F. Morrill.

* * *

$8,000 Lead Poisoning Verdict

By the affirmance of a verdict of $8,000 for the defendant by the Supreme Court of Illinois in the case of Mary V. Sheetz vs. The International Harvester Company, a precedent has been established as to amount of damage recoverable in Illinois. The verdict of $8,000 is the largest ever recorded in a case of lead poisoning.

* * *

Travelers Handicap Contest

The Travelers of Hartford has announced a handicap contest for managers and special agents, running from October 1 to December 22, inclusive. This is supplementing the bonus offer to agents and brokers for accident and health premiums, July 2 to December 22. The field is divided into five classes and substantial prizes will be awarded.

* * *

Honoring William L. Mooney

During October the representatives of the Aetna Life, accident and liability department, will work in honor of William L. Mooney who has just completed ten years of service with the Company. Five hundred and forty dollars has been set aside by the general and district agents and branch managers for use as cash prizes to winning agents in this contest. Mr. Mooney began his career with the Aetna as a whole time accident and health man and is at present agency supervisor of the entire casualty business of the affiliated Aetna companies. He is essentially a field man and his untiring efforts in the field have been largely responsible for building up the present loyal organization the Company enjoys. Mr. Mooney has been more than usually skilful in planning and bringing to a successful close large business campaigns. This contest is to be entirely an agency proposition.

* * *

Top Not Yet Filled

Men who aspire to prominence in the surety field can take considerable encouragement from the high esteem in which capability is held in that business. The advertisement of a prominent surety company, offering to pay $5,000, $7,500 and $10,000 a year for men to fill high positions on its staff is proof that this business demands a high degree of skill and that there is a dearth of men to fill the places. The demands of the surety business are many and the size of the transactions is ever increasing. The new aqueduct contract for a tunnel into the Schoharie water shed in New York State furnishes an illustration of the big jobs, the details of which have to be handled by surety men. The contract is for $12,138,738; the tunnel is eighteen miles long and will take eight to ten years to complete; the bond is for $850,000. The ordinary rate on this bond would be $42,500 a year, which in eight years would amount to $340,000. The companies offered, however, to accept $170,000 in cash to cover the premium. This merely illustrates the proportions to which the surety business has grown, the money there is in it for those who really know the game, and the opportunities for capable men to earn good incomes in this field.

* * *

Joseph A. Flynn on Ranch

Joseph A. Flynn, vice-president of the Fidelity & Deposit, in charge of the New York department, has gone to Colorado for a month or so for a well-earned vacation. There his son has a ranch.

* * *

Next Big Job, What?

Just what the next really big construction job in New York city will be is a question. Not until the present subway projects are disposed of will there be any opportunity to assume new obligations. However, it seems pretty well established that ere long it will be necessary to rebuild practically all the sewage system of lower Manhattan to care for the greatly increased strain put upon it by the multiplication of skyscrapers, with their thousands of occupants. This enormous job will call for some big bonds. Those who have given the subject consideration believe that when the plans are completed they will call for tunneling so deep that none of the present system will be disturbed. Then, too, there will come the problem of street widening. No doubt this will be done in a number of places where it is yet possible, and will present some new problems for the surety man who is to furnish the necessary bonds.

Policies on Women

(Continued from page 17)

is generally long, often many months elapsing before it is finally closed. Not only have all the various parties interested to be reconciled but the obstacles which invariably arise must be overcome and finally the policy must be made to fit the peculiar features of the business and the special desires of the employer.

Supplementing Compensation

In the case of the Model Brassiere Company, the compensation insurance carried by the employer protects the workers for accidental injuries suffered while at work in the factory. This leaves them unprotected from the following causes of disability which are beyond their control: (1) Accidental injuries occurring outside the factory; (2) all disability from disease. Therefore, the North American Accident policy is designed to fill this gap. Its requirements are only that the employe be of good moral character and that he shall furnish a physician's report of all disability and prompt notice of injury or sickness at the factory office. The benefits covered by this policy are as follows: For accidents occurring outside the factory, $6 a week for 26 weeks after the first seven days, with the same benefits for sickness.

The Ansonia Clock Company policy is still broader, providing as follows: Accidents occurring inside factory—occupational accidents—half wages for second week of disability only, as compensation insurance covers after the second week of disability. Accidents outside factory—non-occupational—half wages for twelve months after first week. Sickness is covered for six months. after first week of disability. Death is covered for non-occupational accidents for $100 first year; $200 second year, and $300 third year.

Variety of Forms Used

Still another group policy provides $7 a week for the period of disability, not exceeding 52 weeks for accident and 26 weeks for illness after the first seven days, with $100 for death by any cause. Therefore, group insurance may cover health insurance only, or health and accident combined, or health, accident and death combined. It may cover the first week of disability or may exclude any number of days of disability that may be agreed upon. Compensation insurance covers, in most States, after the first two weeks of disability and often employers wish to have the second week covered under the group policy, as it is believed that two weeks is too long a period for the employe to be without protection.

Cost of Protection Low

Group insurance as now written is inexpensive. The premium ranges from $2.54 a year up for each employe as additional coverage is desired. On a policy covering health and accident disability from the first day of disability and accidental death insurance for $500 by both occupational and non-occupational accidents, the annual premium is approximately $9. The task of the group insurance expert is to provide anything that may be desired and at the right price.

LONDON G. & A.

Home Office Statement Shows Continued Prosperity in All Parts of the World

The "Policy Holder," of England, prints these observations about the home office statement of the London Guarantee & Accident:

"The outbreak of war, instead of bringing fresh troubles, as has been the case with so many other insurance offices, would seem to have had the opposite effect on the business of the London Guarantee, and the all-round success achieved by the Company in 1915 was followed by excellent results in 1916. An outstanding feature of the accounts before us is an increase of no less than £327,291 in the combined net premium income, this, we gather, being to some extent attributable to increased premiums for workmen's compensation consequent on the higher standard of wages and the enhanced prosperity and activity of business in the United States. In the accident section the net premium income has advanced from £114,451 to £124,534; in the employers' liability (United Kingdom) branch the premium receipts were slightly less than in 1915, viz, £47,332 as against £48,872; in the general section (including fire, etc.) the premiums received amounted to £1,409,790, as against £1,091,042 in the preceding year. A satisfactory profit was obtained in each branch of the business, and the trading account for the year, comprising all three sections, is as follows:

"Premiums		£1,581,656
Claims (53.7%)..	£848,787	
Exp., etc. (36.5%)	577,372	
		1,426,159
Gross surplus		155,497
Deduct for unexpired lia.		136,530
Net trading profit.....		18,967
Interest and dividends...		31,953
Trans. to profit and loss		£50,920"

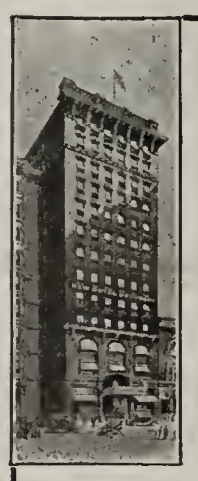
F. & D. MEETING

Directors of Company to Date Have Declared $6,904,888 in Cash Dividends

At the recent quarterly meeting of stockholders of the Fidelity & Deposit Co. the usual quarterly dividend of 4 per cent., $120,000, was declared, payable on September 30. This makes $6,904,888 paid to stockholders in cash dividends. President Warfield submitted a statement of operations for the eight months. In that period the Company earned above all losses, expenses and legal reserves, $508,693.36, in face of increased business on its present lines of $530,959.89, necessitating an increase in premium reserve alone of $349,753.85.

The Company carries its foreign deposits at the present exchange rate and has set aside reserves for contingencies in the foreign countries and for the further liquidation of the American Bonding Company and a sinking fund for its home office building.

The dividends for the nine months as of September 30 amount to $360,000. Above all losses and expenses and legal reserves and the special provisions mentioned above, the Company earned these dividends at the end of August, with a margin to spare.



Just say:
"Insurance Man"—
the open sesame to every courtesy within our power.

Room with detached bath $1.50 and $2.00
Private bath $2.50 and $3.00

BREVOORT Hotel
Insurance Headquarters
MADISON ST.—East of LaSalle
CHICAGO
LAURENCE R. ADAMS, Sec'y & Mgr.

CASUALTY AND SURETY POINTERS

Sees Danger in Legal Reserve

Not long ago the Fidelity & Deposit announced that it had remaining but a small amount of unearned compensation and employers' liability premiums on its books and soon these two classes of business would be but memories. Then it added:

"The knowledge that in a matter of days the company cannot suffer any further workmen's compensation or employers' liability losses is a genuine comfort. We are in the best position of any company in the country to judge the ultimate cost of workmen's compensation business. Our experience shows that the legal ratio for loss reserve for compensation is woefully inadequate. From a survey of the figures, we predict grief to the company that is depending on existing legal reserves to liquidate its compensation losses. As for ourselves, we have had our operation and are out from under the anaesthetic. We not only have made a speedy and complete recovery, but as an evidence of increased health and vigor, we are making greater strides in the fidelity, surety and preferred casualty lines today than ever before. Like the man who died in Chicago and left positive instructions that music, gaiety and laughter prevail at his funeral rather than mourning and tears, we feel like ordering a festal day and letting joy reign unconfined as the last dollar of compensation and employers' liability filters through to our earned premium account, taking with it all possibility of further losses on that non-lamented business."

* * *

Failure Wins Only By a Foul

Success is the natural status of man—he was given dominion. In the divine plan there can be no failure. The contest between success and failure is a mental one. It consists in withstanding the inclination to doubt that success is our birthright. It is not a contest of forces over which we have no control, but is a condition of mind that is within our power to regulate.

When it becomes firmly established in our consciousness that success is our birthright—that it belongs to us as surely as light belongs to a sunbeam, then we can know that our part in this contest between success and failure is simply to close the door of our mind against every suggestion that we can be deprived of what rightfully belongs to us.

Having assured ourselves of our right to success, we shall be mentally alert to take the steps which will bring out in our lives the proofs of success and we shall meet every adverse situation with the assurance of the victor.

If at present we seem to be in the hands of Failure, we can know that he must have won through a "foul." We should promptly protest against the wrong decision which has placed us in his hands—put up a good fight for our rights and find our proper place with success.—Massachussetts Accident Bulletin.

* * *

Replace the Inferior Policies

There are in every community persons who have old monthly accident policies which do not pay for the first week of disability. Most of these insured would be willing to pay the additional premium for a better policy if the subject were brought to their attention. Naturally it is the agent who sold the old policy who should take this up with the insured before a possible claim is made and a misunderstanding arises over the first week of disability. Besides there is extra money in it for the agent. If the agent who sold the original policy is not wide awake enough to see the advantage of this conversion of old and inferior policies, some other agent will be on the job and not only get the business away from the first agent but place him in the light of selling an inferior article and not protecting the interests of his policyholders.

* * *

Incentive To Write Groups

With the universal application of workmen's compensation has come a demand for inexpensive disability insurance which does not cover the hazards of occupation. In other words, the insured is saved the expense of carrying double insurance while following his occupation in order to have insurance covering him at other times. To provide for this desire policies have been designed which are sold on the group plan. That is, ten or more employes of one concern, or ten or more persons following the same occupation, although not necessarily employed by the same firm, may be included in such a group. By the use of riders the policies may be made to cover all of a person's time, instead of only that portion ordinarily not covered under the workmen's compensation contract.

* * *

Mental Viewpoint Must Be Right

The keener the interest you create the more easily your prospect will reach a decision. The nearer you place the accident or disability contract to that which is personal and valuable to him, the better are your chances of securing his signature upon the application. Although a man's life is generally his most valuable possession, do not dwell upon that fact too much when presenting your proposition. Emphasize the loss of time possibility; the possibility that deprives the average man of the things he is accustomed to and often the necessities of life. It will appeal more to him. Remember that an accident or disability policy provides a five-fold protection. It insures against loss of life, sight, members, total and partial loss of time. It is plain, therefore, that a greater number of persons can be interested in a proposition insuring an income in the event of disability, than in one providing an indemnity only for loss of life, sight or members. Think this over. Try the plan on your next prospect and you will be convinced that it gets results.

Your mental viewpoint is everything in selling personal accident and health policies. It must be right. Make it so, and concentrate on your proposition. Get enthusiastic. Show that you believe in your policy yourself before expecting anyone else to believe in it.

In other words, give your prospect an appetizer. Create in him a real desire for the contract which you have decided bests fits his needs.—J. D. Russell, Boston, in "The Fidelity Journal."

NEW INDIANA STATE AGENT

A. L. Simmons, of Indianapolis, Indiana State agent for the London & Lancashire Indemnity, has been drafted and is succeeded by D. K. Ehnes who has been in the insurance business for some time and located recently in Indianapolis.

Major Ralph F. Proctor, chief engineer for the Maryland Casualty, is now constructing quartermaster in the United States Army.

HAWAIIAN RESULTS GIVEN

Miscellaneous casualty business done by companies operating in Hawaii last year may be summarized as follows:

	Premiums.	Losses
Accident and health	$45,701	$5,330
Automobile liability	40,301	4,928
Burglary	677	....
Employers' liability	7,460	2,565
Fidelity and surety	44,073	3,779
Plate glass	2,684	317
Package	205	...
Property damage	3,807	979
W'kmen's compensation	101,486	18,753

W. E. SMALL, President PETER EPES, Agency Mgr. E. P. AMERINE, Secretary

GEORGIA CASUALTY COMPANY

HOME OFFICE: MACON, GEORGIA

"DIXIE AUTO POLICY"

THE LAST WORD IN MOTOR INSURANCE

Surplus and Reserves to Policyholders.....$1,526,022.81

The METROPOLITAN CASUALTY

INSURANCE CO. OF NEW YORK

HOME OFFICE, 47 CEDAR STREET

CHARTERED 1874

Plate Glass, Burglary, Accident and Health Insurance

EUGENE H. WINSLOW, President

Russell R. Cornell, Vice-Pres. S. Wm. Burton, Sec. Alonzo G. Brooks, Ass't Sec.

RELIABLE AND ENERGETIC AGENTS WANTED

THE SIGN OF GOOD CASUALTY INSURANCE

HEAD OFFICE CHICAGO

F. W. LAWSON General Manager

Liability, Accident, Burglary, Boiler and Credit Insurance

Established 1869.

F. J. WALTERS Resident Manager 55 JOHN STREET New York

Elmer A. Lord & Co. 145 Milk St., Boston Resident Managers New England

London Guarantee & Accident Co., Ltd.

OF LONDON, ENGLAND

BUSINESS=BUILDERS

DEVELOPING

Fidelity and Surety Bonds, Liability Workmen's Compensation, Automobile, Accident, Health, Burglary and Plate Glass INSURANCE

APPRECIATE THE CO-OPERATION OF THE

Massachusetts Bonding and Insurance Company

BOSTON T. J. FALVEY, President

Paid-In Capital $1,500,000 Write For Territory

The Fidelity and Casualty Company of New York

92 LIBERTY STREET, NEW YORK, N. Y.

Metropolitan Office—92 William St.

SEMI-ANNUAL STATEMENTS JUNE 30, 1917

Assets	$14,005,236.30
Liabilities	10,395,192.68
Capital	1,000,000.00
Surplus over all liabilities	2,610,043.62
Losses paid to June 30, 1917	58,554,792.60

This Company issues contracts as follows: Fidelity Bonds; Surety Bonds; Accident, Health, and Disability Insurance; Burglary, Larceny, and Theft Insurance; Plate Glass Insurance, Liability Insurance—Employers, Public, Teams (Personal Injury and Property Damage). Automobile (Personal Injury, Property Damage and Collision), Physicians, Druggists, Owners and Landlords, Elevator, Workmen's Compensation-Steam Boiler Insurance; Fly-Wheel Insurance.

The Employers' Liability Assurance Corporation, Ltd.

The original and leading Liability Insurance Company in the World

LIABILITY, STEAM BOILER, ACCIDENT, HEALTH, FIDELITY AND BURGLARY INSURANCE

United States Branch

SAMUEL APPLETON, United States Mgr.

Employers' Liability Building

33 BROAD STREET, BOSTON, MASS.

AGENTS WANTED

The Columbian National Life
OF BOSTON

ARTHUR E. CHILDS, President

A CHANGE may be necessary to realize your ambition

Think a minute—then write

WM. H. MASTIN — FRANK D. LOMBAR

SUPERINTENDENTS OF AGENCIES

(West of the Mississippi). SYMES BUILDING DENVER, COLO.

(East of the Mississippi). 77 FRANKLIN STREET BOSTON, MASS.

DARL D. MAPES, Superintendent of Accident Agencies
77 FRANKLIN ST., BOSTON, MASS.

The service of a high grade Accident Department will also be offered so that you will not have to broker your Accident business to avoid violating your Life insurance contract.

WORTH KNOWING

Suppose that you are insured in the United Life and Accident Insurance Company of New Hampshire for $5,000 under the Company's Triple Indemnity Plan, what does your Policy guarantee to do?

ANSWER:

FIRST, it guarantees that in case of death from any cause, $5,000, the face of the Policy, will be paid.

SECOND, that in case of death from any ACCIDENT, $10,000, or DOUBLE the face of the Policy, will be paid.

THIRD, that in case of death from certain SPECIFIED accident, $15,000, or THREE TIMES the face of the Policy, will be paid.

BUT THIS IS NOT ALL. The Accident Disability Endorsement FURTHER guarantees that in case of total disability as a result of accidental injury, the Company will pay direct to YOU at the rate of $50 PER WEEK during such disability, but not to exceed 52 weeks, after which the weekly indemnity will be at the rate of $25 PER WEEK throughout the period of disability. Can insurance do MORE? And why should any man be satisfied with a policy that would do less? The cost is low.

Agents wanted in Maine, New Hampshire, Vermont. Connecticut, Pennsylvania, North Carolina, South Carolina, Tennessee, Georgia, Delaware, Maryland, Mississippi, Kansas, Missouri. An opportunity for Life Insurance Salesmen of ability. Address:

United Life and Accident Insurance Co.
Home Office, United Life Building - Concord, New Hampshire

In addition to the ordinary forms of life insurance

THE EQUITABLE

makes a specialty of the following:

Insurance to protect business firms and corporations, under a corporate form of policy.

Group Insurance, by which employers protect families of employes.

A flexible contract, known as the Convertible Policy, which can be converted by the Insured into an Ordinary Life, Limited Payment Life, or Endowment Policy.

A Bond issued without medical examination giving the investor an income for his declining years.

A new policy is offered under which the insurance is DOUBLED if death results from ACCIDENT. This policy also embodies the following advantages if the person whose life is insured becomes totally and permanently disabled:

1. Thereafter the Equitable will carry the insurance —The Insured will have nothing further to pay.
2. The Equitable will pay the Insured an annual income for life equal to one-tenth of the face of the policy.
3. Upon the death of the Insured the full amount of the insurance will be paid to the Beneficiary (or double the amount if death is due to accident) without deduction on account of the income paid to the Insured while living.

(See the policy for conditions and details.)

For Agency Openings Address

WILLIAM E. TAYLOR,
Superintendent of Agencies

THE EQUITABLE
LIFE ASSURANCE SOCIETY OF THE U. S.

120 BROADWAY, NEW YORK

THE OHIO MILLERS
MUTUAL FIRE INSURANCE COMPANY

Net Cash Assets.....$1,147,802
Net Cash Surplus..... 505,213

Squire Company, Inc.
1 LIBERTY ST. REPRESENTATIVES NEW YORK

STOCK POLICIES ONLY

BUSINESS SOLICITED FROM AGENTS AND BROKERS

National Fire Insurance Company
OF HARTFORD, CONN.

Statement January 1, 1917, to New York Insurance Department

LIABILITIES

Capital Stock, All Cash	$2,000,000.00
Funds Reserve to Meet All Liabilities, Re-Insurance Reserve, Legal Standard	9,912,715.84
Unsettled Losses and Other Claims	1,878,398.32
Net Surplus over Capital and Liabilities	3,743,747.60
Total assets January 1, 1917	$17,534,861.76

H. A. Smith, President — F. D. Layton, Ass't Sec'y — F. B. Seymour, Treas.
G. H. Tryon, Secretary — S. T. Maxwell, Ass't Sec'y — C. B. Roulet, Gen. Agt.

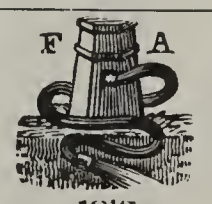
SURPLUS TO POLICY HOLDERS, - - $5,743,747.60

FIRE ASSOCIATION Of Philadelphia
401-405 WALNUT ST.

Organized 1817 — Incorporated 1820 — Charter Perpetual

Cash Capital $750,000 — Assets $10,046,848.04

E. C. IRVIN, President — T. H. CONDERMAN, Vice-President
J. B. MORTON, 2nd Vice-Pres. — M. G. GARRIGUES, Sec. and Treas.
R. N. KELLY, Asst. Sec. and Treas.



San Francisco Losses Amounting to $4,522,905.00 paid PROMPTLY IN CASH WITHOUT DISCOUNT, from funds largely supplied by head office in Liverpool

U. S. Cash Assets, Dec. 31, 1916	$15,827,439.35
Surplus, - - - - -	5,460,745.59
Losses Paid by Chicago Fire, 1871	3,239,491.00
Losses Paid by Boston Fire, 1872	1,427,290.00
Losses Paid by Baltimore Fire, 1904	1,051,543.00

Liverpool AND London AND Globe Insurance Co. LIMITED

Over $152,000,000.00
Losses Paid in the United States

HENRY W. EATON, Manager
G. W. HOYT, Deputy Manager
HUGH R. LOUDON, Assoc. Deputy Mgr.
J. B. KREMER, Asst. Deputy Manager
T. A. WEED, Agency Superintendent

NEW YORK OFFICE
80 William Street

THE EASTERN UNDERWRITER

[Succeeding the Journal of Insurance Economics, Established in 1899]

A WEEKLY NEWSPAPER COVERING ALL BRANCHES OF INSURANCE

Eighteenth Year; No. 42 | NEW YORK, FRIDAY, OCTOBER 12, 1917 | $3.00 a Year; 25c. per Copy

WOMEN IN THE HOME OFFICES

Hundreds of Them Taking Places of Men Called Into Service of Government

EXTENDING SCOPE OF WORK

Lectures For Them Being Arranged By Insurance Society of New York

The war has taken so many young men out of the insurance district, as it has from every other district, that many of the insurance offices have started employing women in posts formerly filled by men or boys. One home office which never employed women in any capacity except at the switchboard, began with girl stenographers and extended the employments until it had recorders, and over 30 women in clerical positions.

It is believed that Fred S. James & Company is the first office to have employed a woman map clerk. One office on the Street employs seventy women. In fact, the number of women in the insurance offices and the diversified nature of their employment has caused the Insurance Society of New York to plan a course in fire insurance for women. Just what shall be taught in this course is causing some speculation. Shall the lectures be on indemnity, financial, business or clerical topics?

Have the women made good in their new jobs? Opinions differ. One letter has been received by The Eastern Underwriter from a company official saying that they are inefficient except in mechanical capacities. He says they take too long to settle down at work in the morning, and figures that a man gives at least half an hour's more service every day for one reason or another. Probably he is ungallant. Anyway, he refused to back up his letter by permitting The Eastern Underwriter to print his name. The situation in some of the home offices follows:

Phoenix, of Hartford: We have at present about one hundred and thirty women employed in this building. They are used in the accounting, statistical, underwriting, loss, re-insurance, filing and stenographic departments; in fact, we use them in all operations including underwriting with the exception of the

(Continued on page 14)

"The Largest Fire Insurance Company in America."

THE HOME INSURANCE COMPANY NEW YORK

ELBRIDGE G. SNOW, President

Underwriting Capacity Second to None.

FIRE AND ALLIED BRANCHES OF INSURANCE

Fire, Lightning, Automobile, Commissions, Explosion, Hail, Marine (Inland and Ocean), Parcel Post, Profits, Registered Mail, Rents, Sprinkler Leakage, Tourists' Baggage, Use and Occupancy, Windstorm.

STRENGTH REPUTATION SERVICE

North British and Mercantile Insurance Co.

Established 1809

Entered United States 1866

Policyholders protected by the entire United States assets, with further guarantee in every policy, of protection by entire fire assets of the company which are many times larger.

SPRINGFIELD
Fire & Marine Insurance Co.

Cash Capital $2,500,000 00

THE SPRINGFIELD for two-thirds of a century has transacted business solely under its own corporate name, without annexes, underwriting agencies or subsidiary companies. An agent of the SPRINGFIELD is not a half, a quarter or any other fraction of an agent, but is vested with the rights and dignity of an undivided representative of an undivided and independent company. The SPRINGFIELD stands today pre-eminent among American fire insurance companies.

SPRINGFIELD MASSACHUSETTS

ROONEY'S ATTORNEY DEMANDS RETRACTION

Claims Client Did Not Violate Section 60, New York Insurance Law

DECLINED TO MAKE STATEMENT

Said He Did Not Care to Fight Case in the Newspapers—Superintendent's Opinion

Hugh V. Rooney, whose license as an agent in this State was refused by Superintendent Phillips last week, denies that he twisted policies of Walter T. Rosen, the Wall Street banker. Newspapers, which had printed the story of the New York Insurance Department that Mr. Rooney had twisted Walter T. Rosen's policies, were notified by Rooney's counsel that he would bring libel suit. The Eastern Underwriter received the following letter from Mr. Fischer, Rooney's counsel:

Gentlemen:

I have before me your issue of October 5, 1917, on the front page of which you have a column devoted to action of the New York Insurance Department relative to agent's certificate applied for by my client, Mr. Hugh V. Rooney.

I call your attention to the fact that both the headings and the body of the article in question convey the impression that the reason for the Department's refusal to grant my client a license, was because he was guilty of "twisting," which as you know is both dishonorable and contrary to the penal laws of this State.

I further beg to call your attention to the fact that the findings of the Department provide as follows:

"The charge that Mr. Rooney has been guilty of a violation of the provisions of Section 60 of the Insurance Law is not sustained by the evidence, and is therefore not found."

I therefore beg to advise that the article in question is contrary to fact and is distinctly libellous, and I hereby demand on behalf of my client that you forthwith publish a retraction, and that this retraction be given as much prominence as the original publication.

Very truly yours,
SAMUEL A. FISCHER.

Declined to Make Statement

When The Eastern Underwriter was





174-187
192-200

informed by the Insurance Department of New York State on Tuesday of last week that Rooney's license had been refused, Samuel A. Fischer, counsel for Rooney, when asked by The Eastern Underwriter, declined to make any statement to this paper, saying that he did not care to fight the case in the newspapers. The Eastern Underwriter tried to get in touch with Rooney at his hotel, "The Arlington," but he did not get into communication with this paper until after it had gone to press on Thursday and at five o'clock on Thursday afternoon of last week refused to make any statement at that time.

Superintendent Phillips' Opinion

The complete opinion of Superintendent Phillips in the case of Hugh V. Rooney, whose application for a renewal of certificate of authority to act as agent to sell life insurance in this State (under Section 91) was refused by the department, follows:

This is a proceeding arising out of the application of Hugh V. Rooney for a renewal of his certificate of authority to act as agent for the Mutual Life Insurance Company of New York, the Berkshire Life Insurance Company, and the Connecticut General Life Insurance Company, pursuant to the requirements of Section 91 of the Insurance Law. Such section provides:—

> The superintendent of insurance shall have the right to refuse to issue or renew any such certificate in his discretion.

The investigation which has been carried on in connection with Mr. Rooney's application has to do with three different subjects:—

First. A charge that Mr. Rooney has been guilty of a violation of the provisions of Section 60 of the Insurance Law, which provides in part as follows:—

> Nor shall any such corporation or agent thereof or any other person, co-partnership or corporation make any misleading representation or incomplete comparison of policies to any person insured in any such corporation for the purpose of inducing or tending to induce such person to lapse, forfeit, or surrender his said insurance. The superintendent of insurance may in his discretion revoke the certificate of authority issued to any corporation or agent on his being satisfied that such corporation or agent has violated any of the provisions of this section. Any violation of this section shall constitute a misdemeanor, and it shall be the duty of the superintendent of insurance to revoke the certificate of authority of the corporation or agent on a conviction for so offending.

Second. A charge that Mr. Rooney has violated the provisions of Section 91 of the Insurance Law in acting "in the solicitation or procurement of applications for insurance," and in receiving "for services in obtaining new insurance" a commission or other compensation from life insurance corporations doing business in this State, or agents thereof, without first procuring a certificate of authority so to act from the superintendent of insurance.

Third. A charge that Mr. Rooney made false answers in his various applications to the superintendent of insurance for a certificate of authority.

As to the first charge, considerable testimony has been taken before representatives of this department at a hearing held in the office of the department at 165 Broadway, New York City, on May 8th, 1917. This testimony has to do with the methods pursued by Mr. Rooney in procuring one, Walter T. Rosen, to drop certain policies of life insurance which he already held and take out certain other policies of life insurance through Mr. Rooney. The testimony so taken tends to show that Mr. Rooney was guilty in this connection of making certain misleading representations, certain positive misrepresentations, and certain incomplete comparisons in violation of the provisions of section 60 of the Insurance Law. The testimony upon this subject is highly technical. It does appear, however, from Mr. Rooney's own admissions that certain misstatements were made to Mr. Rosen, and that certain unwarranted assumptions were relied upon by Mr. Rooney in persuading Mr. Rosen to abandon certain life insurance policies which he already held and to take out other policies through Mr. Rooney. I am not prepared to rely upon this charge as a ground for refusing to relicense Mr. Rooney, although it is my impression that the charge is well founded.

As to the second charge, namely, that Mr. Rooney solicited and procured applications for insurance and received for his services in obtaining such insurance a commission or other compensation from life insurance corporations doing business in this State without procuring a certificate of authority so to act from the superintendent of insurance, an investigation of this charge was made at the above-mentioned hearing on May 8, and was also under consideration at an adjourned hearing held at the same place on May 23, 1917. It appears unquestionably from the testimony of Mr. Rooney that he procured applications for insurance from Mr. Rosen addressed to the Aetna Life Insurance Company, The Prudential Insurance Company of America, the Massachusetts Mutual Life Insurance Company and the John Hancock Mutual Life Insurance Company, without at the time of procuring such applications having procured a certificate of authority from the superintendent of insurance, as required by section 91 of the insurance law. The following is an excerpt from the testimony:

> Mr. Rooney: I didn't solicit at all.
>
> I left it to Mr. Rosen.
>
> Mr. Wood: Well, as a matter of fact, he took out six policies in the Aetna Life of $25,000 each, two in The Prudential of $25,000 each, two in the Massachusetts Mutual Life of $25,000 each, and two in the John Hancock Mutual Life of $25,000 each; and you conducted the negotiations and they were put through Mr. Knight's office and you received commissions on these policies?
>
> Mr. Rooney: Yes. I will submit these checks in evidence. (Then follow descriptions of four checks drawn by Mr. Rooney, one to the order of Paul Ranck in the sum of $25 and three to the order of C. B. Knight in the sums, respectively, of $2,072.70, $651.80 and $977.70.)

Mr. Rooney testified that he had been in the insurance business about fifteen years, had previously secured licenses in this State, and that he assumed that it was necessary to have a license before doing business. He testified that he had never previously done any business with the Massachusetts Mutual Life Insurance Company, The Prudential Insurance Company of America or the John Hancock Mutual Life Insurance Company, but that he had signed applications for licenses to represent these companies. The question was asked him

> Q. But you didn't receive the licenses? A. No, sir.

The following is taken from the testimony at the hearing on May 8:

> Mr. Wood: Did you know at the time that it was necessary to have an agent's license before you could write business?
>
> Mr. Rooney: Yes, but I had every reason to believe I would have the license.
>
> Mr. Stoddard: You know that you did not have one?
>
> Mr. Rooney: Yes.
>
> Mr. Stoddard: And you knew that you did not have one at that time?
>
> Mr. Rooney: Yes.

Upon the testimony of Mr. Rooney himself, it appears that he was familiar with the requirements of law relating to certificates of authority to life agents, and that, notwithstanding such requirements, he procured applications for, and received commissions upon, at least $150,000 worth of life insurance.

The second charge above referred to, the evidence upon which has been somewhat elaborated, is clearly sustained, and in the exercise of the discretion conferred upon me by the above quoted provisions from section 91 of the insurance law, I must refuse to renew the certificate of authority for Mr. Rooney.

As to the third charge, that Mr. Rooney made false answers in his various applications to the superintendent of insurance for a certificate of authority, the files of this department disclose six different applications for agents' certificates of authority signed by Mr. Rooney. The first two, undated, but upon which certificates were issued January 6, 1915, and March 17, 1915, respectively; one dated May 19, 1916; one dated July 19, 1916; one dated July 27, 1916; and one dated December 2, 1916. In each of these applications there appears the following questions:

> Has your license ever been refused, suspended or revoked by the insurance department of this city or any other State? If so give particulars.

Upon each of the above-mentioned applications, the answer is "No." It may be well to state that certificates of authority were issued by this department in each instance.

In the testimony taken at the hearing on May 8, 1917, the following appears:

> Mr. Wood: Was your license ever cancelled by the Pennsylvania Insurance Department?
>
> Mr. Rooney: Yes.

Then follows a statement by Mr. Rooney to the effect that he appealed to the Governor in the matter and that the Governor ordered a hearing but took no action.

At the hearing on May 23, 1917, this matter was taken up. Mr. Rooney admits his signature upon each of the applications. As to the application of January 6, 1915, he says that only the signature is in his handwriting, and that he signed the application in blank, leaving it to be filled in by someone else. As to the application upon which certificate was issued March 17, 1915, he admits that it was made out entirely in his own handwriting, including the above quoted answer "no." He testifies that his license was revoked by the Pennsylvania Insurance Department in the year 1911. As to the application of May 19, 1916, he testifies that only the signature is in his handwriting. As to the application of July 19, 1916, he testifies that he believes that the answers are entirely in his handwriting, although he is not certain as to the word "No" above referred to. As to the application of July 27, 1916, he testifies that the signature and all the answers are in his handwriting. The answers in the application of December 2, 1916, are typewritten. Mr. Rooney testifies that the typewriting was done at his request, and that he instructed his stenographer to insert the word "No" in reply to the question above quoted.

Thus it appears that on six different occasions certificates of authority were issued to Mr. Rooney upon an application containing a false statement on a material point. Whether or not Mr. Rooney actually wrote or dictated the answer "No" in each case, he concedes in his own testimony that he did so in several cases. It is, of course, admitted that such answer was false.

If such false answer had occurred only in a single isolated instance, and the delinquency had been satisfactorily explained, I might not consider that, in and of itself, as sufficient ground for refusal to renew a license. Indeed, if a false answer in this particular, even upon six different applications, were the sole charge against Mr. Rooney, it might be that he could possibly explain away the delinquency sufficiently to justify me in the exercise of my discretion in renewing his license. However, coupled with the admitted violation of section 91 of the insurance law in procuring and receiving commissions upon business without being licensed, I think the false answers upon his applications are but additional proof of the deliberate intention of Mr. Rooney to ignore the requirements of law as to agents' certificates of authority.

To summarize, I shall refuse to renew the certificates of authority to Mr. Rooney upon the ground that he procured applications for insurance without the certificate of authority required by section 91 of the insurance law; that he received for his services in obtaining new insurance, commissions or other compensation from life insurance corporations doing business in this State without a certificate of authority as required by section 91 of the insurance law; and that he falsely answered, on several different occasions, a material inquiry contained in his application for a certificate of authority under section 91 of the insurance law and procured such certificate from this department upon such applications.

In order that there may be no possible misunderstanding as to the basis of my ruling, I shall make the following findings:

Findings.

First. The charge that Mr. Rooney has been guilty of a violation of the provisions of section 60 of the insurance

(Continued on page 9)

Great Southern Life Insurance Company

HOUSTON, TEXAS.



For Agency Contracts address

O. S. CARLTON

PRESIDENT

Who Will Head War Risk Bureau

ADMINISTRATION HAS PLENTY OF ADVISERS

Three Difficult Positions Which Will Require High-Grade Talent—Points Made in Debate

While insurance men were disappointed that the War Risk Bureau measure went through containing most of the "insurance" features to which objection had been raised, at the same time they approve of the measure in general, as has heretofore been stated. The principal interest now is regarding who will be the director of the Bureau and who will be the two commissioners to assist him. Capt. S. Herbert Wolfe, who has been one of the principal advisers of the Administration regarding the insurance situation, is on the Continent gathering facts about mortality in the war; but Judge Julian W. Mack, of Chicago, who largely drew the War Risk measure as passed, is very much in evidence in Washington. The Administration has been keeping in touch with a number of insurance men, and there is no doubt that the men will be chosen after the best counsel that can be secured. The debate in the Senate about the qualifications of these men disclosed that the Senators expect a high grade of executive and managerial as well as actuarial ability for the incumbents.

Discussion in the Senate during the War Risk debate was interesting. Some of the points made follow:

In Doubt as to Cost

Senator Smoot: If there are a million men carrying insurance of $5,000 each there an insurance obligation on the part of the Government of $5,000,000,000. Do Senators know that $5,000,000,000 of insurance liability is greater than is carried by the three greatest insurance companies in the world? I would much prefer, if the allowances and compensation are not sufficient, to give each soldier a paid-up policy of a couple of thousand dollars. Then we would know approximately what it is going to cost. I shall now discuss some amendments that I intend to offer to the bill. I will offer this amendment:

"Section 315. That all soldiers, sailors and marines who are, or who may hereafter become, so totally and permanently helpless from wounds or injuries received or disease contracted in the service and line of duty as to require the regular personal aid and attendance of another person, shall be entitled to receive a pension at the rate of $100 per month from the date of the passage of this act or of the certificate of the examining surgeon or board of surgeons showing such degree of disability made subsequent to the passage of this act."

This amendment was later defeated.

If the insurance provisions of the pending bill are retained in it, with payments to be made weekly or monthly, how many employes we are going to have it is impossible to say. It will be one of the largest bureaus in Washington, and will have more employes than many of the departments today.

Not a New Bureau

Mr. Williams: There seems to be an impression that this bill creates a new bureau. It doesn't. It amends an act which has already created the Bureau of War Risk Insurance. We have made two divisions of the Bureau of War Risk

(Continued on page 8)

Announcement

Owing to the large demand for extra copies of the

LIFE INSURANCE SALESMANSHIP

edition of The Eastern Underwriter, *issued September 21, 1917, an*

EXTRA EDITION

of that number will be published just as soon as plates of the pages are completed.

Life Insurance Companies and General Agents desiring to secure copies for distribution among their Agents can do so by wiring or writing The Eastern Underwriter, *105 William St., New York, the number required.*

Price Twenty-five cents per copy.

The Eastern Underwriter.

GROUP COMMITTEE

President Hunter Names Actuaries of Prudential, Equitable, Metropolitan, Travelers, Aetna, Germania

At the last meeting of the Insurance Commissioners (held in St. Paul) a committee was appointed to investigate group insurance, and the commissioners asked the Actuarial Society of America to appoint a committee to co-operate with the commissioners.

Arthur Hunter, president of the Actuarial Society of America, has appointed the following committee:

Chairman, John K. Gore, Prudential; J D. Craig, Metropolitan; William J. Graham, Equitable; E. E. Cammack, Aetna; E. B. Morris, Travelers; Robertson Hunter, Germania. All of these companies write group insuraunce.

The meeting between the Commissioners and the Actuaries will be held in this city.

Big Liberty Loan Campaign Begun

MEETING OF AGENTS HELD AT BANKERS' CLUB

Companies Working in Co-operation With Federal Reserve Banks—Agents' Activities

Elaborate plans were prepared this week by life insurance men all over the United States for the great drive to be made in the sale of the second issue of Liberty bonds. Each city is working along individual lines, the campaigns being mapped out largely by the different associations of life underwriters. Presidents of life insurance companies have been in communication with Reserve Loan banks offering the assistance of their men. By October 27, millions of dollars in bonds will be sold by life insurance agents.

In New York City the Life Underwriters' Association of New York is working with the metropolitan canvass committee, of which A. B. Leach is chairman. This committee is to make a house to house canvass of entire New York through representatives calling on every registered voter. The Metropolitan Life, The Prudential and the John Hancock are operating as a unit with a committee of three each; one representing the Bronx, one Manhattan, and one Brooklyn. These industrial agents will make a house to house canvass of as much territory as it is possible for them to cover. There are about 4,000 industrial agents in the three boroughs.

In New York City

President Atkinson, of the Life Underwriters' Association of New York, said that every life insurance office will be a bureau from which bonds will be sold to policyholders and others through the month. Every agent has been requested to devote two days of his time between now and the 27th, when the loan closes, to office canvassing. The committee has selected the district bounded by Warren street and the Battery to Broadway and the North River for the thorough canvass. This includes all the great office buildings of downtown New York.

A meeting was held on Thursday afternoon at the Bankers' Club of every life insurance agent of New York that could get there. Those who addressed the meeting were A. B. Leach, Darwin P. Kingsley, chairman of the Life Insurance Liberty Loan Committee, and W. S. Kies, vice-president American International Company. An extensive campaign is also being made in Brook-



Prudential Group Policies Sell

Because of absolute protection, low premiums, annual dividends, grace period, disability provisions, termination refunds, incontestability clause, special certificates for employees, privilege of naming beneficiary, good commissions, and the Company's great experience in dealing with millions of workers in forty years.

Send for Particulars of Policy

THE PRUDENTIAL INSURANCE CO. OF AMERICA

Incorporated Under the Laws of the State of New Jersey

FORREST F. DRYDEN, President — Home Office: NEWARK, N. J.

lyn under the auspices of the Life Underwriters' Association of New York.

President Priddy, of the National Association of Life Underwriters, sent a letter this week to the Governors of all the Federal Reserve banks, telling them to appeal at once to executives of life insurance companies in their territory asking for their co-operation. He also sent to all life insurance companies a folder entitled, "Where Can I Buy Liberty Bonds?" These will be sent out with every letter mailed by a life insurance company.

Letter to Company Presidents

President Priddy, of the National Association of Life Underwriters, has mailed the following letter to presidents of life insurance companies:

To the Presidents of the Life Insurance Companies of America:

My dear Sirs: On May 18 and June 12 last I addressed a letter to you and asked for the co-operation of the agents of your company in a Nation-wide campaign to assist in the sale of the Liberty Loan bonds then being offered by the Secretary of the Treasury. In the two days the agents of the country gave to this most worthy enterprise they were wonderfully successful, and their success in selling these bonds has convinced the Secretary of the Treasury and the various committees in the several Federal Reserve districts, that there are no men in the nation so well qualified by training and experience to sell these bonds as are the life agents. This being true, the Secretary of the Treasury has personally appealed to me to enlist the co-operation of the life insurance agents in the sale of the bonds which are now being offered.

The National Association will not undertake to direct the campaign but we will undertake to compile the experiences of the various companies for the benefit of all concerned, and publish the same at the end of the campaign. A number of companies have already requested their agents to at once join actively in this work. We recommend that you have your agents everywhere immediately offer their services to that committee, or organization, in their respective localities which is already organized for the sale of these bonds. Also request your agents to report to you direct the amount and number of bonds sold by them during the campaign, and after all of these reports are received by you, I respectfully request that you in turn report to me the bonds sold by your agents, those subscribed for by the employes of the company and the bonds purchased by the company for its own account.

I am aware of the fact that you realize, even better than I do, that this is the patriotic duty of every citizen, so the immediate purpose of the letter is to urge prompt action on your part.

Appreciating your courtesy and co-operation, and wishing you great success in the undertaking, I am

PRESIDENT.

Loan Campaign Committee

*W. F. Atkinson, chairman, 44 Court St., Brooklyn; Sigourney Mellor, secretary, 149 Broadway, N. Y. City; J. S. Myrick, 38 Nassau St., N. Y. City; Edw. W. Allen, 217 Broadway, N. Y. City; O. S. Rogers, 217 Broadway, N. Y. City; L A. Cerf, 135 Broadway, N. Y. City; Sheppard Homans, 120 Broadway, N. Y. City; C. J. Edwards, 204 Montague St., Brooklyn; Conrad V. Dykeman, Long Island City; T. R. Fell, 71 Broad, N. Y. City; C. B. Knight, 233 Broadway, N. Y. City; R. W. Goslin, 350 Fulton St., Brooklyn; William M. Harris, 149 Broadway, N. Y. City; Lawrence Priddy, 149 Broadway, N. Y. City; James Rubens, 120 Broadway, N. Y. City; James E. Briggs, Room 1917, Park Row Building, N. Y. City; D. G. C. Sinclair, 11 E. 24th St., N. Y. City; S. S. Voshell, 3 Third Ave., Brooklyn.

Headquarters have been opened at office of Mellor and Allen, 149 Broadway, where distribution of posters and literature is made.

The Metropolitan Life has subscribed for $10,000,000 of the Second Liberty Loan.

The Equitable has subscribed for $10,000,000.

The Travelers Insurance Company will take $1,500,000 worth of the new 4 per cent. Liberty bonds. This is an increase of half a million over what the company did when the first loan was floated, in May. The Travelers on that occasion subscribed $1,000,000 and the Travelers Indemnity Company $100,000. Employes will again be given the privilege of subscribing through the company and paying for their bonds in twenty installments of 5 per cent. each. This offer proved popular on the first loan, and subscriptions were received from three thousand of the company's employes to an amount aggregating $260,000. It is believed that an even greater sum will be raised this time.

President Louis F. Butler addressed a letter to all the managers calling their attention to the loan and explaining how subscriptions should be handled. He particularly called attention to the fact that, if the Government should issue another loan at a higher rate of interest before the war ends, these 4 per cent. bonds might be exchanged for bonds bearing the higher rate of interest.

The company will hold the bonds until the subscriptions are completed, at which time the bonds will be forwarded to the owners. No charge will be made for interest on the money advanced. Interest earned from the date of the bonds, November 15, will be paid to the owner eventually.

The Aetna Life, Aetna Casualty & Surety and Automobile Insurance Company of Hartford have made a total subscription to the Loan of $3,000,000. In connection with the Loan these companies have promulgated a plan by which employes are permitted to buy bonds paying 2 per cent. down, 3 per cent. the first of the succeeding month and 5 per cent. or more each month thereafter until the bond is paid for. The companies will charge interest of 4 per cent. on partial payments.

John Hancock Mutual Life, Boston, $2,000,000.

Penn Mutual Life, Philadelphia, $2,000,000.

The Mutual Life of New York was one of the first companies to purchase the bonds. Its bit was $10,000,000.

Agents are Addressed

At the meeting of life agents held yesterday at the Bankers' Club there was a large and representative attendance as a result of which the assistance of several prominent producers was enlisted for the Liberty Loan campaign. President Darwin P. Kingsley, of the New York Life, and chairman of the Liberty Loan Insurance Committee, made an inspiring address. A. B. Leach, chairman of the Metropolitan Canvass Committee, also addressed the agents and with W. S. Kies, vice-president of the American International Co., outlined to the agents the work they can do in selling the bonds.

*President of Life Underwriters' Association.

TO MEET IN ATLANTIC CITY

The next convention of the Germania Life Leaders' Club will be held in Atlantic City.

At the New Orleans convention of the Germania Life the field men, through Manager L. L. Doyle, of Tulsa, Okla., presented Vice President Heye and Superintendent of Agencies Hansen with antique cameo brooches for Mrs. Heye and Mrs. Hansen.

Writing Bail Bonds

The Maryland Casualty is now writing bail bonds in New York and vicinity.

After War Problems to be Discussed

ASSOCIATION OF LIFE INSURANCE PRESIDENTS' MEETING

Celebrities From Outside of Business to Speak—Commissioners' Meeting Same Week

Opportunities and responsibilities of life insurance in the solution of after-war problems of the nation will be the theme of the Eleventh Annual Convention of the Association of Life Insurance Presidents to be held at the Hotel Astor, New York, on Thursday and Friday, December sixth and seventh.

These and other details in connection with the convention program were decided upon at the regular bi-monthly meeting of the Association held on Friday, the fifth instant.

Breadth of Discussion

It is contemplated that the discussion shall disclose what life insurance in its various departments, including investment and medical activities as well as protection service, is accomplishing toward strengthening the nation for the conduct of the war, and have as well a constructive forward look as to how its forces can best be directed to help the country to meet the inevitable reconstruction problems upon the advent of peace.

In accordance with custom, the speakers will not be confined to life insurance men, but will also include representatives of other national business institutions having relationship with life insurance and with the problems involved. Federal and State officials are among those being invited to make contributions to the program.

Commissioners' Meeting

The winter meeting of the National Convention of Insurance Commissioners will open at the Hotel Astor earlier in the same week, the dates being Tuesday, Wednesday and Thursday, December fourth, fifth and sixth.

CLOSED BY J. E. GLASS

Interesting Group Cases in Philadelphia—A Salary Guaranty After Three Months

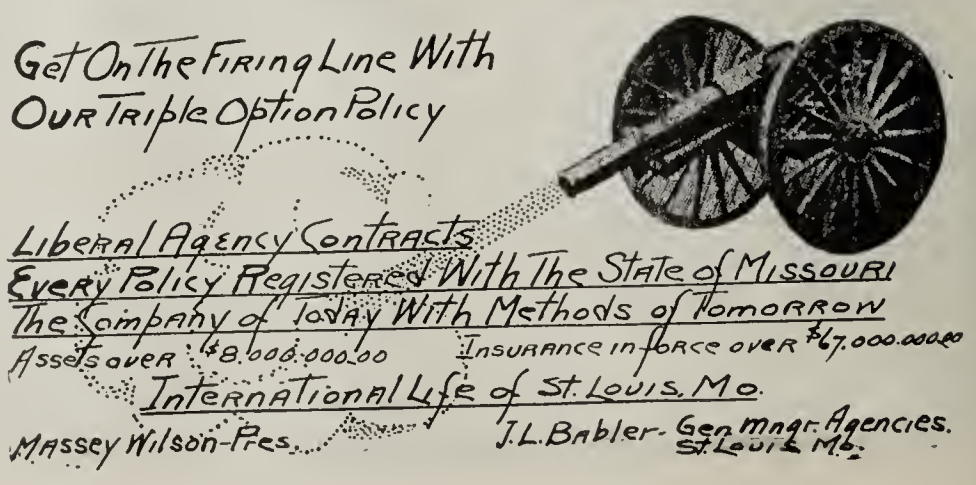
James E. Glass, general agent of the Travelers in Philadelphia, has closed a contract with the Travelers of Hartford, insuring all the employes of the Defiance Manufacturing Company at Summerdale Station, Frankford, whereby each employe after he has been employed three months is guaranteed 50 per cent. of his annual salary in case of death, while in the employ of the company, or in case of total disability, either from accident or sickness. After one year of employment, 60 per cent., increasing each year of additional employment, 10 per cent. of the annual salary until the full total of the annual salary is guaranteed up to an amount not exceeding $3.000 per man.

He has also closed a similar contract with the Carlson-Wenstrom Company of Erie Avenue and Richmond Street, Philadelphia, whereby each employe after three months of employment is guaranteed $500 in case of death or total disability from either accident or sickness and increasing each year of employment $100 until a maximum of $1,500 is reached.

Both of these contracts are retroactive as to the present employes' period of service. Both of these companies are doing precision tool work and are leaders in their class of work in this city.

Build Your Own Business
under our direct general agency contract
Our Policies provide for:
Double Indemnity, Disability Benefits, Reducing Premiums
See the new low Rates
JOHN F. ROCHE, Vice-Pres't
THE MANHATTAN LIFE INSURANCE COMPANY
66 BROADWAY NEW YORK
Organized 1850





LIVE HINTS FOR BUSINESS GETTERS

Practical Suggestions to Help the Man With the Rate Book Increase His Income and General Efficiency

Comments on Annuity Insurance

The old saying runs annuitants never die, says the Mutual Life in "Points." They do, however, but it is unquestionably true that people who carry annuities live, as a class, longer than persons whose lives are insured.

Before applying for an annuity the applicant makes certain that he is in good health, and he has confidence that he will live many years. On the other hand, the man who is not so confident of living many years, or who is not so certain of continued good health, is commonly a ready recipient for life insurance. The man who is most confident of long life may die soon, however, while many a man who has been rejected for life insurance has lived to bury the doctor who examined him and the agent who wrote his application. But these are exceptions. As a class annuitants live longer than insured lives, and that is true.

In 1903 a gentleman pretty well along in years, having attained the age of 82, applied to the Mutual Life for an annuity, or life income. This was Louis. W. Howes, of Boston. By paying $3,123 in a single sum, he obtained of the company a contract to pay him an income of $600 a year. This was to be a life income, so that had Mr. Howes died after receiving a single yearly installment of $600, the contract would have ended. The company would have received $3,123 and the annuitant $600. Annuities do sometimes result in this way, but not often. Mr. Howes received his last annuity payment of $600 on the first of January, 1917. He attained the age of 96 years on the first of last month, and he died a few days later, having rounded out the full "Limit of Life" as fixed by the American Experience Table of Mortality.

Thus Mr. Howes lived to receive in all 14 payments of $600 each, footing up a total of $8,400, in consideration of his original payment of $3,123.

Mrs. D. A. V. Howes, widow of Hon. L. W. Howes, deceased, is also an annuitant of the Mutual Life. In 1907, at the age of 68, she paid $2,274.37 for a life income of $250, payable in half-yearly installments of $125 each. A few months later she again paid $2,000 for a life income of $224, payable in half-yearly installments of $112 each. She paid a higher rate for her annuities than her husband because she was younger at the time the contracts were made. Mrs. Howes is still living and as it is also true that women as a class live longer than men, the company hopes to have her with it for many years hence.

Illustrations such as these have high value as canvassing arguments when the agent is soliciting annuity insurance, and should be preserved for future use and reference.

* * *

Why Women Should Be Interested

Why should not the wife and mother take an active interest in the family life insurance? asks the "Mutual Life Quarterly"; and that paper gives this answer to the query: Why should she not inform herself as to the amount carried, the merits of the plan or plans upon which it is written, the yearly cost and other particulars? Why should not this be her relation to the matter when it is in reality for women and children that life insurance exists?

The family must have shelter and food and clothing. These are everyday necessities which the head of the family cheerfully undertakes to provide in so far as he is able, but all these things will be needed after the breadwinner is gone. When all immediate needs have been satisfied there still remains the future to provide for. To this end the husband and father undertakes to save and accumulate a part of his income, but there is ever the imminent danger that death or other disabling calamity may intervene before the home is paid for, or before the savings account is sufficient for the future maintenance of Mary and the children. Hence the existence of life insurance, the modern policy affording protection, not only against death, but against total disability from accident or disease as well.

The life insurance company sends out its representatives to urge upon men timely provision against this contingency of death or disablement. Often, however, the wife and mother regards with disfavor the idea of life insurance. She shrinks from the thought of "profiting" by her husband's death, as she mentally but mistakenly expresses it.

This view of the matter, however, is now rarely expressed in words, although wives are in some cases still strangely reluctant to have their husbands insure. Instead of this reluctance the obvious duty of the wife and mother is to see that her children are protected against the calamity of the provider's death. As a great preacher said, "Life insurance is not blood money, but bread money."

Why should not the wife take an active interest in this matter? Why should she not urge that, first of all, life insurance be secured while it may be had and when it costs the least? Why should she hesitate to make the suggestion to her husband? She is usually ready enough to suggest a better house, or handsomer furnishings for the present home, or a family motor car for pleasure and recreation—things which, to the widow with no income for the future and no means of providing food and clothing for her little brood, will seem useless luxuries, empty vanities. Through the failure of the wife thus to interest herself, the importance of providing first for these essential needs is often not realized until it is too late.

* * *

Good Start Great Advantage

Everybody has seen the man and the woman who is always in a rush at the last minute. They simply couldn't get down to business until the last day was fairly upon them. If they were going away for a holiday, they forgot many things they should have done for their own convenience. If they were arranging some work about their home, the final rush resulted in mistakes being made, various workers getting wrong instructions, or not being given time to do their part properly, etc., etc. The heavy work should be done at the other end of the line. It is easier, more healthful, and more remunerative because it makes possible the attainment of greater results. Many of the best insurance writing records are made because work was started soon enough and the contestant for the prize surprised himself when only half way to the goal. What he had thus far accomplished stimulated him to continue to the end at an even, steady gait, finishing far ahead of any record of which he had thought himself capable. The fall campaign is just opening. Those who will make the most money and win the most honors when 1917 passes are not the ones who do the manana act for four or six weeks, jollying themselves that they will put on a lot of steam later. The increased activity will be just as hard to develop then as now, maybe harder. So start now and "kill" your allotment for the next quarter.

* * *

Your Opinion and Your Prospect's

When you hold an opinion you view it as a proper one and you wish it respected. If you have a reason for not doing a certain thing that reason appears a good one to you or you wouldn't entertain it. Bear this in mind when a prospect gives you an opinion adverse to the carrying of life insurance; when he gives you his reason for not carrying it, says the International Life Man.

However trifling or foolish his opposing reason may seem to you, treat it respectfully if you would win his respect. In a way considerate of his feelings, proceed to deferentially show him why or how his attitude is a mistaken one. Don't explode anything like "Now you're all wrong in holding such an opinion," or "Why, that reason of yours hasn't a bit of real ground to rest on." Any such a remark savors of insult to him, arouses animosity toward you.

Having respectfully and with show of real interest listened to his explanation of his attitude of opposition to life insurance, or his reason for not taking it at that time, proceed to assume command of the situation and to diplomatically show him why and how he is all wrong.

THE AVERAGE EARNINGS OF THE AGENTS
OF THE
Standard Life Insurance Company
∴ ∴ OF PITTSBURGH ∴ ∴
are higher this year than ever before. Our attractive Accident and Health Policies have helped them to make more money.
Write for a LIFE, ACCIDENT AND HEALTH Contract to
FRANK A. WESLEY
Vice-President and Director of Agencies

HOME LIFE INSURANCE CO.
(Now Purely Mutual)
256 BROADWAY, NEW YORK
GEORGE E. IDE, President

The fifty-seventh annual report shows insurance in force of $133,493,000, an increase during the year of $7,832,827. The Company paid the policyholders in 1916 $3,536,233, of which $628,406 was in dividends or premium refund. Its insurance reserve fund was increased by $1,300,000 and the Assets are now $32-821,462.

For Agency apply to
GEORGE W. MURRAY,
Supt. of Agts.
256 Broadway, New York, N. Y.

40% Increase in Paid New Premiums—that tells the 1916 story of Fidelity progress.
Direct leads and the Fidelity "Income for Life" plan are making money for Fidelity field men. Any man who can sell life insurance can sell MORE Fidelity insurance.
Write to-day—
Fidelity Mutual Life
INSURANCE COMPANY, PHILADELPHIA
INCORPORATED 1878 WALTER LE MAR TALBOT, President

NATIONAL LIFE INSURANCE COMPANY
(MUTUAL)
MONTPELIER, VERMONT
67th Year
FRED A. HOWLAND, President
On paid-for insurance basis and with bonds valued at par only (market value $409,882 above par) the 67th report shows:

Assets	$66,426,040.82
Liabilities	62,268,494.36
Surplus	$ 4,157,546.46
INSURANCE IN FORCE	$212,037,400.00

A good company for the policyholder and the agent
EDWARD D. FIELD, Superintendent of Agencies.

Term Policy Sustained by Court

DECISION FOR UNION CENTRAL

Suit Brought to Recover on Death of Assured Five Days After Policy Expired

Under a term policy of life insurance dated August 17, 1910, and issued on an application made August 8, and providing that, in consideration of the payment of the premium on August 8 in each year, the applicant was thereby insured for five years ending on August 8, 1915, there was no liability for a death occurring August 12, 1915, as the duration of the policy was fixed in clear and unambiguous language, and should be construed according to the sense and meaning of the terms used.

The above is determined in an action brought in the District Court of the United States for the Southern District of Florida by Grace G. Talbot against the Union Central Life Insurance Company of Cincinnati, Ohio. Judgment was in favor of the defendant.

Opinion of Judge

The facts of the case as appearing in the opinion written by Circuit Judge Pardee were:

"On the 8th day of August, 1910, Charles Augustus Cheatham made application to the Union Central Life Insurance Company for $10,000 insurance on the five-year convertible term plan. In said application he answered the necessary questions, and thereafter, on the 21st day of August, 1910, submitted to a medical examination, which apparently was satisfactory to the company, and on August 23d paid the first premium, for which receipt was issued.

"Thereupon a policy, dated the 17th day of August, 1910, was issued by the insurance company, wherein it is set forth:

"In consideration of the payment of sixty-nine 50/100 dollars, and of the payment of a like amount annually thereafter on the eighth day of August in every year during the continuance of this policy, does hereby insure the life of Charles Augustus Cheatham, of Jacksonville, in the county of Duval, in the State of Florida, for a term of five years ending on the eighth day of August, 1915, in the amount of five thousand dollars, payable, less the unpaid balance of the current year's premium, if any, and any other indebtedness on the policy, at its home office in Cincinnati, Ohio, to the administrators, executors, or assigns of the insured, on receipt of due proof of death of said insured during the continuance of this policy.

"6. Contract.

"This policy, together with the application therefor, a copy of which is endorsed hereon, shall constitute the entire contract between the parties."

It is hereby agreed:

"That the insured shall have the right at any time to change the beneficiary, said change to take effect when indorsed on the policy by the insured and this company.

"In accordance with the contract on October following, with the consent of the company, the insured named Grace G. Talbot, plaintiff in error herein, the beneficiary. On August 12, 1915, the said Charles Augustus Cheatham died. The beneficiary made application for the payment of the policy and was refused, and thereupon brought this suit, which was disposed of in the lower court on demurrer and on the point that the insurance policy expired by its plain terms on August 8, 1915.

"The policy of insurance is attached to the petition and made part thereof, and we think the demurrer was properly sustained. The duration of the policy was fixed in clear and unambiguous language, and should be construed according to the sense and meaning of the terms used."

IN APPRECIATION

George H. Gaston: The encomiums that are being bestowed upon your Sales Number are no surprise to me. I took the paper home with me and comfortably settled myself down on a couch with it early in the evening and so absorbed did I become in it that it was midnight before I finished with it. When a publication can hold the attention of an old veteran like me as closely as that it is easy to imagine what a hold it must take upon men who have not been in the business as long as I have.

Many of the "Special Issues," under whatever title they may appear, are commonplace; at least, those that I have read in the past have been so. Yours, however, is a corker, and you are entitled to all praise for it.

ACTUARIES TO MEET IN BALTIMORE

The fall meeting of the Actuarial Society of America will be held at the Hotel Emerson, Baltimore, October 25-26. There will be a council, or executive, meeting at 9:30 Thursday morning before the opening of the regular session, which will begin at 11 o'clock. A banquet will be the feature on Thursday evening. After the Friday morning session luncheon will be had at the Baltimore Country Club. Automobile tours about the city have been arranged and it is expected that a visit to the Naval Academy at Annapolis will close the entertainment features.

PARTNERS CARRY $452,500

Philip L. Poe and Seabury Davies, of the Baltimore banking house of Poe & Davies, carry $202,500 and $250,000 respectively in the Mutual Life. Both are under forty; started with little capital, but with the determination to make good. They organized Poe & Davies fifteen years ago and are members of the New York and Baltimore stock exchanges, Chicago Board of Trade and other bodies. This business was written by John F. Davies, of the Baltimore agency of the Mutual Life.

NEW POLICIES

The Security Life, of Chicago, is now issuing a policy entitled, twenty payment life with guaranteed cash payment, and one, twenty payment life with guaranteed reduction of premiums. These two policies take the place of the previous policy form bearing the first named title. On account of the confusion of privileges Nos. 1 and 2 in the same policy, the Company decided to issue two separate policies instead.

BUFFALO ASSOCIATION MEETS

The Buffalo Life Underwriters Association gave a farewell luncheon last week to William G. Justice. Mr. Justice is leaving Buffalo to make his home at Lake Helen, Fla. He has been a member of the Buffalo Association for 31 years. A loving cup was presented to him at the luncheon. President C. G. Monser, C. F. Adams, H. E. Church and F. A. G. Merrill spoke.

THE MOST VALUABLE POLICY FOR YOU,
Mr. Agent, is to write your prospect in the Company writing the most valuable policy for the insured.
Secure **prompt action** in the
John Hancock MUTUAL LIFE INSURANCE COMPANY OF BOSTON MASSACHUSETTS
WILLIAM N. COMPTON, General Agent
METROPOLITAN DISTRICT, ST. PAUL BLDG., 220 BROADWAY, NEW YORK, N. Y.

ORGANIZED 1871
Life Insurance Company of Virginia
RICHMOND, VIRGINIA
OLDEST, LARGEST STRONGEST
Southern Life Insurance Company
Issues the most liberal forms of Ordinary Policies from $1,000.00 to $50,000.00, and Industrial Policies from $12.50 to $1,000.00
CONDITION ON DECEMBER 31, 1916:

Assets	$14,464,552.23
Liabilities	12,436,717.56
Capital and Surplus	2,027,834.67
Insurance in Force	118,349,212.00
Payments to Policyholders since Organization	18,119,172.50
Is Paying its Policyholders over	$1,300,000.00 annually

GOOD TERRITORY FOR LIVE AGENTS

FOUNDED 1865
Unexcelled In Favorable Mortality and Economy of Management
The Provident Life and Trust Company
OF PHILADELPHIA
Rates of Premium Extremely Low and still further reduced by Annual Dividends

THE BERKSHIRE LIFE INSURANCE CO.
OF PITTSFIELD, MASS.
Incorporated 1851
W. D. WYMAN, President
A purely mutual Company, issuing all desirable forms of life insurance.
ATTRACTIVE LITERATURE
Ambitious, Productive and Trustworthy Life Agents may be benefitted by corresponding with
W. S. WELD, Superintendent of Agencies

State Mutual Life Assurance Co.
OF WORCESTER, MASSACHUSETTS
Incorporated 1844
The Company that gives complete satisfaction to policyholders and agents because both are a part of it.
SEVENTY-THREE YEARS of faithfulness to every promise made.
Success for our ambitious representatives is a certainty.
Additions are made to our agency force when the right men are found
B. H. WRIGHT, President D. W. CARTER, Secretary
STEPHEN IRELAND, Inspector of Agencies

We want a GOOD PERSONAL PRODUCER and organizer for DESIRABLE TERRITORY in several states west of the Mississippi River. EXCELLENT CONTRACT.
Northwestern National Life Insurance Company
MINNEAPOLIS, MINNESOTA,
is a LEADING LOW NET COST, annual dividend, MUTUAL, OLD LINE company. Record for 1916—increase in insurance in force, 20%; in paid-for business, 51%; in assets, 15%; in amount apportioned for 1917 dividends, 71%.

How to Solicit Business Insurance

SUGGESTIONS ON MANNER OF APPROACH AND ARGUMENT

Advice Given to Agents of Metropolitan Life—Be Posted Before Canvass

An interesting and valuable text book, entitled "Metropolitan Policies and Plans," has been distributed by the Ordinary Department of that Company. This book is a revised and enlarged edition of the Walton book published in 1912, the rewriting and revision being done by T. B. Graham, of the home office Ordinary Department. One of the most interesting of the new chapters deals with suggestions to solicitors of corporation, partnership and credit insurance, which follows:

Having clearly in mind the purposes of corporation insurance, and the purposes of partnership insurance, the Agent should learn at the outset whether the concern canvassed is a corporation or whether it is a firm. The Agent should not assume that it is a corporation because "company" is part of its title. Many firm names include the word "company." Use the term Corporation Insurance to the officers of a corporation. Use the term Partnership Insurance to the members of a firm.

Preparation for Second Interview

The Agent should remember that business insurance is bought on all plans from 10-Year Renewable Term to 10-Year Endowment, although Whole Life is more often selected; so he must first find out in each case the plan that fits best. If he is not able, as in some cases, to get applications for business insurance on the first interview, but finds any interest is shown, then he should secure names of risks, titles, dates of birth, possible choice of plan and all details obtainable as a basis for preparing with care a statement of cost and benefits to present on the next call. The preparation and presentation of your facts at your second interview, and the timeliness of your call, will be deciding factors in securing the application.

The Agent should not take it for granted when a member of a firm speaks of a "partnership policy" that he has necessarily in mind a Joint policy. Oftentimes he has not, and he really means individual policies. In such a case proceed with the view of placing a separate policy on each life, unless it is clear that a Joint policy only is wanted and both lives appear eligible for the same Joint plan.

Separate policies have advantages that Joint policies do not. The death of one person insured under a separate policy does not disturb existing insurance on surviving lives. A separate policy on the life of a person who leaves the service can be adjusted on its own value without affecting the insurance under separate policies on the others. In partnership insurance with a separate policy on each partner, if the firm dissolve, the ownership of each policy may be changed by reassignment to the insured, and each former partner can thereafter carry the policy on his life for the benefit of his family or estate. In a "Joint" policy the insurance ceases with the death of one.

Corporation and Partnership Insurance

For either corporation or partnership insurance take a separate application on each life.

If it is corporation insurance, the full title of the corporation should appear as beneficiary in the application without the right of revocation; the risk should sign as applicant and another officer sign the corporation's name as benficiary. That is the arrangement for either separate policies or a Joint policy. Or, better still, have "estate" named as beneficiary and policy assigned to firm or corporation.

If it is partnership insurance for the benefit of the firm, arrange the same as above for either separate policies or a Joint policy. Then, of course, the heirs of deceased would also participate in proceeds to the extent of inherited interest in the firm.

If the partnership insurance on any life is for the benefit of the other partner or other partners (not for the firm), each applicant for a separate policy should name his estates as beneficiary and immediately after issue assign his policy to the other partner or partners—this method avoids the clause in the policy that the case of prior death of a personal beneficiary vests the insurance in the insured.

A Form of Proposal

The following suggests one form of proposal to submit to the risks under canvass.

Proposal for life insurance for the benefit of the————Manufacturing Company on the lives of President Smith, age 50, Secretary Jones, age 40, and Treasurer Brown, age 30.

Three separate policies of $50,000 each, one on each life, on the Whole Life plan, total insurance $150,000, premium $4,067.50 payable annually until one of the three dies; same being the sum of three premiums, $1,880.50 for age 50, $1,263 for age 40 and $924 for age 30.

At death of any of the three, $50,000 cash is payable, and if desired the cash value of the other two policies if then discontinued—the privilege of continuing the remaining $100,000 insurance by further payments of the reduced amount of premium being entirely at the option of the————Manufacturing Company.

All these policies have guaranteed values in Loan or cash or Paid-up insurance, or Continued Term insurance of their full amounts at the end of each year after the third.

The total cash value of all three policies at the end of 20 years being $55,570 and the premium for 20 years being $81,350, the difference, $25,780, is the gross cost of carrying $150,000 insurance 20 years, not counting surplus that may be earned and apportioned as dividends. If the cash value is not taken and premium payments stop, the paid-up insurance option, $87,210, is 107 per cent. of the 20 years' premiums.

The following are illustrations of these values:

For Age 50.

End of Yr.	Loan or Cash	Paid-up Ins.	Continued Term Ins. of $50,000 for
3..	$3,460	$6,390	4 years and 3 months
10..	12,040	19,210	8 years and 9 months
20..	24,260	32,470	9 years and 1 month

For Age 40.

3..	$2,260	$5,190	4 years and 6 months
10..	8,340	16,410	11 years and 9 months
20..	18,380	29,310	13 years and 4 months

For Age 30.

3..	$1,460	$4,110	3 years and 7 months
10..	5,500	13,430	12 years and 7 months
20..	12,930	25,430	17 years and 5 months

Summary of the above values combined on all three policies:

End of Yr.	Loan or Cash	Paid-up Ins.	
3...	$7,180	$15,690	Or $50,000 continued on each life for the time stated above for each, without further payment of premium.
10...	25,880	49,050	
20...	55,570	87,210	

An insurance account on the books of the————Manufacturing Company could be debited with the premiums paid on the policies and credited with their combined cash surrender values at the end of the third year and credited yearly thereafter with the yearly increase in the cash value shown in the policies;; the total credits being an asset of the————Manufacturing Company and the difference between the total debits and credits being the cost of insurance.

Opportunity for Burglary Men

Conditions in the residence burglary business might be much improved if every agent writing this line took steps to educate housewives in the proper hiring of servants, as has J. A. Kenny, manager of the National Surety's burglary department in New York. He declares that housewives who engage new servants should actually call upon their references, personally. Letters of recommendation should not be trusted. Dishonest servants and some other classes of employes have been known to write letters of recommendation for themselves, even going to the extent of using fictitious letter heads (which can be printed at small cost) and giving addresses at which they have temporarily rented a furnished room. Many apartment house superintendents are also causing thefts by laxity regarding references. Owners of apartment houses, because of the ease with which thefts can be committed in this class of dwelling, should investigate the character of elevator men, hall boys, and other employes with especial care. The credulity of some wealthy charitable people is sometimes pathetically misdirected, making possible the employment of some very undesirable persons who have cost the insurance companies much money.

PRAISE FOR EDITION ON SALESMANSHIP

By every mail The Eastern Underwriter has received letters of congratulation upon the "Life Insurance Salesmanship" edition, published on September 21. A few of those which came in this week follow:

Wilmer L. Moore, president of Southern States Life: The Life Insurance Selling number of The Eastern Underwriter is by far the best and most instructive I have ever seen issued by an insurance journal.

Dr. W. H. Hazard, New England Mutual Life: I congratulate you all most heartily on the magnificent number of September 21st. The collection of articles is unique in many ways, and almost equally noteworthy are the ads of the general agents. These ads are a contribution to life insurance publicity. I have never seen anything like them; but I have often wondered why general agents with large agencies did not feel the necessity of some such form of making their offices known to life underwriters. The whole number is exceedingly fine and reflects credit on The Eastern Underwriter.

W. J. Arnette, Second Vice-President Volunteer State Life, Chattanooga: Your Life Insurance Salesmanship number has been carefully perused by me, and it is so good that we want copies for distribution among a number of our representatives.

Glover S. Hastings, New England Mutual Life: I consider that your Life Insurance Salesmanship number is a masterpiece.

Sigourney Mellor, Mellor & Allen, New York: I want to express my enthusiasm for the Life Insurance Salesmanship number of The Eastern Underwriter. This edition deserves great praise and I can assure you that both Mr. Allen and I have read with great interest the entire copy. We have found so many things of value, both with the ideas expressed and material contained; that we have secured additional copies, so that our agency force may avail themselves of a wonderful opportunity. Both Mr. Allen and I wish to congratulate you.

W. R. Fletcher, General Agent Pacific Mutual, Jacksonville, Fla.: While at the New Orleans convention of the National Association of Life Underwriters I was given a copy of your "Life Insurance Salesmanship" number. I have read it carefully and am so much impressed that I wonder if you can furnish me with some extra copies.

44 MILLIONS from 42 AGENCIES

THE 1916 RECORD OF OUR EARNEST, LOYAL AND HAPPY AGENCY FORCE

New England Mutual Life Insurance Company

BOSTON, MASS.

Capable Agents, Desirable Company

The two most important factors in life underwriting are capability in the Agent and quality in the Company. If the Company provides an unexcelled, attractive policy for a low net cost, and has a reputation for prompt and efficient service, the result is contentment, loyalty, and success for the man in the Field, if he is capable. This Company's record is evidence of the character of its representatives and of the quality of the institution.

Occasionally we have a General Agency opening

JOSEPH C. BEHAN, Superintendent of Agencies

MASSACHUSETTS MUTUAL Life Insurance Company

Springfield, Massachusetts

Incorporated 1851

Who Will Head War Risk Bureau

(Continued from page 3)

Insurance—one to take care of the work they are now doing; the other division to take care of the new work. We could have had the Bureau of Pensions take up the work, but thought this business was more nearly cognate to insurance business than to the pension business. The only part of this measure cognate to the pension business is the compensation part. Perhaps, after the war is over the compensation feature of this bill may be turned over to the Pension Bureau.

Smoot Sums Up Objections

Mr. Smoot: I have another amendment:

"Section 403. To provide further insurance for persons mentioned in Section 400, who at the expiration of the period of two years after the war, by reason of physical defects resulting from their war service, are not able to secure insurance from private life insurance companies at normal rates, the Bureau may continue such indemnity for life upon payment of normal premiums by the insured, and to that end may conclude contracts with existing life insurance companies to assume such contracts of indemnity on the following basis: The premium rates shall not exceed the net premium rates based upon the American Experience Table of Mortality and 3½ per cent. per annum, but the United States shall reimburse such companies for any excess mortality experience under such policies."

Senator Smoot: Among the serious objections to the bill are the following:

First: It is an experiment pure and simple. The Government is proposing to engage in the most highly specialized and technical form of business known to the American people.

Second: It is offering a gratuity to the few, to which all in the same service should be entitled, if any are entitled to it.

Third: It is miscalled "insurance" and should be "indemnity" or "additional indemnity," for it is conceded that the Government proposes to pay this excess mortality cost and the overhead expense as an additional indemnity to the soldiers or sailors or their beneficiaries because the compensation or pension privileges provided in Section 3 are not adequate. No such generous provision has ever been offered the soldiers of any nation as is contained in Articles II and III of this bill.

It is the opinion of many thoughtful men that when the Government provides for the widow of a soldier or sailor who has no children the equivalent of about $7,200 of life insurance the Government has been just and generous. It is, therefore, a question whether the Government is justified in taxing the people of the country for an additional indemnity the cost of which no one can foretell.

Fourth: The article provides for discrimination, which is exceedingly unfortunate and unfair. The private soldiers, whose large or small family at home requires every dollar of the separation allowance and all that the soldier can possibly spare from the remaining portion of his wages will be left dependent upon the same pension as any other family in the event of his death. There are hundreds of thousands of boys who have gone to war who are carrying life insurance policies, many of them without the war-insurance clause. They have to meet those payments as well as to meet the payments provided by Article IV of this bill. This private soldier will not be able to supplement that pension with this life insurance. The officer, with a good salary or well-to-do relatives, or perhaps a wife with an independent income, and the private soldier with no dependents will take the limit of the $10,000. Hence the Government will be paying $10,000 for the support of the dependents of the well-to-do and not the dependents of the poor.

Fifth: It is discriminatory because it compels the soldier, whether in trenches or elsewhere, to make application for his insurance within 120 days after enlistment. Otherwise, he is deprived of the privilege.

Sixth: The Government is forced into the insurance business, and cannot withdraw if it finds the experiment an enormously expensive failure.

Seventh: There is no necessity whatever for the creation of a department to handle monthly payments on $5,000,000,000 of insurance. By giving every soldier or sailor a policy or contract to pay at the time he is totally disabled, or to beneficiaries at the time of his death, if within two years after the termination of the war, the Government will incur no large expense for managing a life insurance bureau.

Broadway and the Trenches

Mr. Sterling: There is an interesting discussion regarding losses in battle in "The North American Review." According to figures presented by the French High Commissioner in his letter to Secretary Baker the high-water mark of casualties in the French Army was reached early in the war at the Battles of Charleroi and the Marne. The casualties in that period were 5.41 per cent. of the mobilized strength, or 541 men in every 10,000 with the colors. Military experts agree that at no time in this war have the killed in action and died of wounds exceeded 20 per cent. of the total casualties. The writer goes on to say that fighting in France as now conducted is safer than crossing Broadway: and yet the concrete fact is that if the percentage of American fatalities, in an army of 500,000, in 1918, should not exceed that of the French last year, more Americans will perish from intentional and accidental use of firearms in the United States than in Europe.

Mr. Smoot: I am told in the article that soldiers in the trenches are safer than on Broadway; safer in war than in the general vocations of life. Now, I do not believe any such rot, nor do any of the insurance companies believe it.

$15,000 for High Service Officers

Mr. Smoot: I have noticed that when reports are made to the Pensions Committee of the Senate as to the value of their possessions or what property they own, the wife of nearly every general and of nearly every admiral has received in insurance about $15,000 or $16,000. Most of the officers of the army and navy carry insurance. As far as the generals and admirals are concerned it seems to be about $15,000.

How Many Men Shall America Furnish

Mr. Simmons: I should like to ask whether the Senator has any statistics showing what percentage of the adult male population of the United States carries insurance.

Mr. McCumber: No, but there would be a large percentage if the Government would carry more than half of the premiums. It has been shown here that this bill will cost the Government not less than $500,000 for every 1,000,000 men enlisted. My own candid judgment is that it will reach far beyond that sum. Any man who believes we will win this war with such a victory that will enable us to dictate terms of peace that will prevent such a damnable outrage from being perpetrated again on the civilized world, with less than 4,000,000 men in the trenches will have a rude awakening to a full meaning of

(Continued on page 9)

The Connecticut Mutual Life Insurance Company,
PRESIDENT JOHN M. TAYLOR, HARTFORD, CT.
Insurance in force, 107,262 Policies for..... $253,439,405.12
WHAT NO OTHER COMPANY HAS DONE
To repay to its Policyholders in Death Claims, Endowments, Dividends, Surrender Values, Annuities and other credits more than they have paid to it in premiums. It stands alone in that result.
Total premiums received, Dec. 1, 1846, to Dec. 31, 1916 ..... $310,337,255.71
Total returned to Policyholders, as above noted, in same period..... 319,548,729.00
Excess of amount returned..... 9,211,473.29

Are You Permanently Established?
Write for Territory
Pennsylvania—Ohio—West Virginia
PHILADELPHIA LIFE INSURANCE CO.
PHILADELPHIA

Extracts from Report of Examination of
SOUTHWESTERN LIFE INSURANCE CO.
By the State of Texas, June 28, 1915
"It is noteworthy that this Company was organized without any promotion expenses."
"I beg to report further that I find the Company in excellent financial condition."
"The volume of its business has steadily increased, its surplus is growing rapidly and its funds are being carefully conserved under expert supervision."
Home Office, DALLAS, TEXAS

A GOOD OPENING
An old, well established, progressive life insurance company, with unexcelled dividend record has good opening at PHILADELPHIA; covering Eastern Pennsylvania. Address, stating qualifications:
PHILADELPHIA, care of The Eastern Underwriter
105 William St., New York City

To the Man Who is Willing—and Will
SAN JACINTO LIFE INSURANCE CO. - BEAUMONT-TEXAS - THE SURRENDER AT SAN JACINTO
We are prepared to offer unusual opportunities for money-making NOW and creating a competence for the FUTURE.
FOR CONTRACTS AND TERRITORY, ADDRESS
H. M. HARGROVE, President :: Beaumont, Texas

PURELY MUTUAL **THE** CHARTERED 1857
Northwestern Mutual Life Insurance Co.
MILWAUKEE, WISCONSIN
GEO. C. MARKHAM, President
Insurance in Force, $1,505,464,984
SATISFIED POLICYHOLDERS each year apply for over 35% of the new insurance issued.
POLICIES MOST FLEXIBLE AND EASY TO SELL
Complete Agency Protection:
Enforced Anti-Rebate and No-Brokerage Rules
Investigate before selecting your Company
Write GEO. E. COPELAND, Supt. of Agencies, Milwaukee, Wis.

INSURANCE MEN INSURED

List of Some Claims Settled By Mutual Life Since August 25, 1917 Listed Below

In the claims paid by the Mutual Life for the fourteen weeks ending August 25, 1917, are the names of a number of insurance men who were insured in the Mutual. Names of insured, amount of original insurance, together with the amount returned over cost of the insurance follow:

Chester A. Chambers, Little Rock, Ark., $5,000 insurance; return over cost, $4,815.63.

John G. Bruneau, Quebec; $1,000; $747.50.

Isidore H. Rehfeld, Pensacola, Fla.; $1,000; $166.

William H. Snider, Davenport, Ia.; $901; $445.

Edward M. Carey, Red Oak, Ia.; $5,000; $2,289.

William M. Van Dyke, Sioux City, Ia.; $1,000; $167.

Harry Affelder, Baltimore; $2,500; $1,786.

Michael W. Hewes, Baltimore; $4,000; $1,396.

William E. Binford, Brixton, Md.; $2,500; $2,048.

Edward W. Drohan, Brockton, Mass., $1,000; $970.

Edward M. McConnell, Grand Rapids; $2,000; $1,283.

Joseph Tuteur, Minneapolis; $8,931; $5,244.

Hopkins B. Cocke, Crystal Springs, Miss.; $20,000; $14,630.

Albert Strauss, Newark; $1,000; $480.

John E. Allen, Hightstown, N. J., $2,000; $911.

Joseph B. Lamson, New Gretna, N. J.; $1,000; $779.

John A. Fischer, Brooklyn; $3,000; $473.

Charles F. Leggett, Brooklyn; $2,000; $639.

William H. D. Barr, Buffalo; $6,047; $3,740.

J. Everett Vincent, Freehold, N. Y.; $149; $58.

Harvey Bloch, Cleveland; $3,950; $994.

Joseph W. Hessler, Youngstown, O.; $2,000; $1,171.

John H. Kirkpatrick, Steelton, Pa.; $1,000; $590.

James M. Boland, Wilkes-Barre, Pa.; $1,000; $924.97.

Joseph P. Kent, Walla Walla; $3,000; $2,008.

INTERNATIONAL MOTOR GROUP

The International Motor Car Co., of Bethlehem, Pa., has taken a group policy on its 1,000 employes. The amounts range from $500 to $1,500.

Rooney's Attorney Demands Retraction

(Continued from page 2)

law is not sustained by the evidence, and is, therefore, not found.

Second. The charge that Mr. Rooney has violated the provisions of section 91 of the insurance law in acting "in the solicitation or procurement of applications for insurance," and in receiving "for services in obtaining new insurance" a commission or other compensation from life insurance corporations doing business in this State, or agents thereof, without first procuring a certificate of authority so to act from the superintendent of insurance, is sustained by the evidence and is so found.

Third. The charge that Mr. Rooney made false answers in his various applications to the superintendent of insurance for a certificate of authority is sustained by the evidence and is so found.

On the findings last above set forth,

Conclusions

I conclude that Mr. Hugh V. Rooney has been guilty of such serious violations of the provisions of section 91 of the insurance law as to require me, in the exercise of the discretion conferred upon me by such section, to refuse to renew the certificate of authority for Mr. Rooney, applications for which are pending in connection with his agency for the Mutual Life Insurance Company of New York, the Berkshire Life Insurance Company and the Connecticut General Life Insurance Company.

JESSE S. PHILLIPS,
Superintendent of Insurance.

Albany, N. Y.
September 29, 1917.

Who Will Head War Risk Bureau

(Continued from page 8)

the realization of war. If it takes 4,000,000 men that would be an annual average of $2,000,000,000 under the provisions of the bill from now on for a half century to come.

Salary of Director of Bureau

There was quite a discussion over the salary of the Director of the Bureau. Some favored $6,000; some less. Mr. Simmons said about $6,000.

"I can find 5,000 men in North Carolina who would be willing to take the position of Senator of the United States for one-half the salary that the Government pays us."

Mr. Brady: I believe if we put a man at the head of this Bureau who does not understand life insurance, who does not understand business methods, who does not understand the making of computations he may lose more in a day than his salary for a year. The president of a life insurance company has by his side the chairman of the board to assist him and back of that twelve to fifteen directors. The president gets from $25,000 to $100,000 a year. If this Bureau is properly administered it will require the same splendid talent that is required in the case of a life insurance company. Before the war is ended he will deal with 2,000,000 claimants, making every rule and regulation, and deciding all questions. Do you not believe that is worth $6,000?

A telegram from Secretary Baker was read, reading as follows:

"I urge most earnestly that salaries of the director and two commissioners under insurance bill be placed at $6,000 and $5,000 respectively. It is a great mistake to put the salaries of the commissioners, particularly, at $4,000, as it will make it impossible to command the kind of ability we shall need for such important positions."

THE
METROPOLITAN LIFE
Insurance Company
(Incorporated by the State of New York)



Metropolitan Life Insurance Company
Home Office Building

The Company
Of the People
By the People
For the People

The Daily Average of the Company's Business during 1916 was:

701 per day in Number of Claims Paid.

8,304 per day in Number of Policies Issued and Revived.

$1,969,823 per day in New Insurance Issued, Revived and Increased.

$376,827.40 per day in Payments to Policyholders and Addition to Reserve.

$220,509.26 per day in Increase of Assets.

JOHN R. HEGEMAN, President

TWO AMENDMENTS

No Later Than Five Years After War Term Insurance Shall Be Converted

Two of the Senate amendments to the War Risk bill follow:

Section 402. That the directors, subject to the general direction of the Secretary of the Treasury, shall promptly determine upon and publish the full and exact terms and conditions of such contract of insurance. The insurance shall not be assignable, and shall not be subject to the claims of creditors of the insured or of the beneficiary. It shall be payable only to a spouse, child, grandchild, parent, dependent brother or dependent sister, and also during total and permanent disability to the injured person, or to any or all of them. The insurance shall be payable in 240 equal monthly installments. Provisions for maturity at certain ages, for continuous installments during the life of the insured or beneficiaries, or both, for cash, loan, paid-up and extended value, dividends from gains and savings, and such other provisions for the protection and advantage of and for the alternative benefits to the insured and the beneficiaries as may be found to be reasonable and practicable may be provided for in the contract of insurance, or from time to time by regulations. All calculations shall be based upon the American Experience Table of Mortality and interest at 3½ per cent. per annum; except that no deduction shall be made for continuous installments during the life of the insured in case his total and permanent disability continues more than 240 months. Subject to regulations, the insured shall at all times have the right to change the beneficiary or beneficiaries of such insurance without the consent of such beneficiary or beneficiaries, but only within the classes herein provided. If no beneficiary within the permitted class be designated by the insured, either in his lifetime or by his last will and testament, or if the designated beneficiary does not survive the insured, the insurance shall be payable to such person or persons within the permitted class of beneficiaries as would under the laws of the State of the residence of the insured be entitled to his personal property in case of intestacy. If no such person survive the insured, then there shall be paid to the estate of the insured an amount equal to the reserve value, if any, of the insurance at the time of his death, calculated on the basis of the American Experience Table of Mortality and 3½ per cent. interest in full of all obligations under the contract of insurance.

Section 404. That during the period of war the insurance shall be term insurance for successive terms of one year each. No later than five years after the war the term insurance shall be converted, without medical examination, into such form or forms of insurance as may be prescribed by regulations and as the insured may request. Regulations shall provide for the right to convert into ordinary life, twenty-payment life, endowment maturing at age sixty-two, and into other usual forms of insurance, and shall prescribe the time and method of payment of the premiums thereon, but payments of premiums in advance shall not be required for periods of more than one month each and may be deducted from the pay or deposit of the insured or be otherwise made at his election.

Representing

The Mutual Life Insurance Company
of New York

You will make money.

The great strength, big dividends and incomparable benefits of the *"oldest company in America"* mean certain success for you.

For Terms to Producing Agents, Address

GEORGE T. DEXTER, 2d Vice-President
34 NASSAU STREET, NEW YORK, N.Y.

THE EASTERN UNDERWRITER

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ST. LOUIS CONVENTIONS

This is an important week for local fire and casualty insurance agents because the organizations which represent them are meeting in an annual convention at St. Louis. The Eastern Underwriter will print a complete report of these conventions on Monday of next week. The report will particularly emphasize the current thought of the great agency force in the United States. If for no other reason than to present to the insurance fraternity a birdseye view of the insurance problems of the day, these conventions would be important. Whether the resolutions they pass be important or hackneyed, the agents are gathered from all parts of the country—they are in St. Louis by the hundreds—and this is their chance to tell the world what they think and how they feel. This they may be relied upon to do; and the student of the business, the man who tries to forecast events, will do well to read these proceedings and analyze them.

DUTY GOVERNMENT OWES BUSINESS IN WAR

After defining the duty business owes the government in the present war, a committee of the Chamber of Commerce of the United States co-operating with the Council of National Defense gives the reverse of the situation by discussing what government owes business. The expression is brought forth in the latest series of war bulletins which this committee, of which Waddill Catchings, of New York, is chairman, has been issuing.

"The duty business owes the government in war has been clearly stated," the committee bulletin declares. "Business must 'dedicate to the nation every facility it has developed and every financial resource it commands on such terms and under such circumstances as our government shall determine to be just.' Business owes the duty to submit unhesitatingly to such regulation and control by the government as may be necessary to concentrate the industrial resources and energy of the country toward winning the war.

"The duty which government owes business is equally clear. The government owes business the duty of wise and constructive leadership. The control over business carries with it the responsibility that the control be exercised in a manner to produce the results desired and to impose no unnecessary hardship."

The bulletin continues that when the government says what business shall be done, what prices shall be charged and how production shall be distributed there is created a new system of production and distribution and there is brought to an end the old system understood by business men, that is, the system of production and distribution by price. The opinion is expressed that the new system must be developed quickly to replace the system no longer in effect and this new system must be made clear to business men so that they may know each day how to meet the problems of business.

What business may do to help win the war is being determined by the government, it is said. Concentration of industrial energy and resource will come about to the full extent only if the government affords the necessary leadership is the further assertion.

"In meeting this great responsibility the government can command the full help and assistance of business," the bulletin goes on. "Side by side the problem may be worked out in mutual co-operation. With the full power to compel any business man to put aside all selfish desire, the government may forget the controversies of the past and have the benefit of all helpful knowledge and experience of business.

"The struggle of the nation brings about a common purpose and in creating the conditions under which business is to be done during the war, the government can use without reservation the services of men who know business, its infinite ramifications, its delicate sensitiveness.

"Business says to the government 'your buying vast quantities of war supplies, your control of prices and distribution creates a new world for business. Not a moment is to be lost in clearing up the situation by giving us full knowledge of the new system of production and distribution upon which our very business life depends.'

"Business suggests to the government as a means to clear up the situation that the purchasing of war supplies be under one control; that the fixing of the prices and distribution be made quickly and without hesitation and according to declared methods and principles. Furthermore, business suggests that each industry form a committee to speak to the government for the industry so that when the government desires to act those affected will be heard, and after action mistakes may be promptly corrected. In this manner full co-operation between the government and business can be quickly brought about.

"These are merely suggestions. The duty of leadership is upon the government."

S. R. Golibart, Jr., formerly with the Chattannoga agency of the Phoenix Mutual Life, has been appointed deputy commissioner of insurance by Commissioner Arlington. Mr. Arlington was swayed by no political influence and he made no mistake in his selection.

Wm. H. Goehring, Provident Life and Trust, Pittsburgh, Pa., after his vacation used in operating his big farm, but who at the same time has been writing a case or two weekly, has brought his consecutive producing record up to 115 weeks.

THE HUMAN SIDE OF INSURANCE



ORVILLE THORP

Orville Thorp, Texas State Manager of the Kansas City Life Insurance Company, has been making a remarkable record in life insurance, capped by a production of more than $9,300,000 the first nine months of this year. Asked by The Eastern Underwriter to tell something about his work he said this week:

I established the Texas Agency of the Kansas City Life Insurance Company in 1905, with headquarters at Dallas, Texas. I have succeeded in associating with me some of the best life insurance workers in the Southwest. We haven't any drones in the organization, nor any one enjoying an easy berth. Our contracts are all on a commission basis. No salaries nor advances are paid to any one. Upon completing a contract with an agent, our first step is to help the agent master a course on the 'Science and Art of Writing Life Insurance.' Having mastered this work, the agent is then ready to begin an active campaign for new business.

"We make a special effort to have one of our active workers do joint work with a beginner for three or four weeks. We keep in constant touch with our agents, keeping ever before them the great business of life insurance and the possibilities in the business for a worker who gets the correct vision of its usefulness. As a result of the combined efforts of the workers in this organization we have built an insurance account with this office in the State of Texas which amounts at this time to about $27,500,000.

"New business submitted to the Company during the first nine months of this year amounts to $9,367,500."

Mr. Thorp was born in Indiana, and reared in Missouri (near Kansas City) on a farm. At the age of twenty-five he completed work in the State schools of Missouri and for three years thereafter taught in public schools. He was twenty-eight years old when he took up insurance work. He helped organize the Kansas City Life. He devoted about a year and a half to soliciting insurance and training agents in Missouri. In May, 1905, he came to Missouri and introduced the Kansas City Life into that State.

* * *

Irving R. Douglas, accountant in the New York branch of the Commercial Union Assurance, died of heart disease last Sunday at his home in Montclair, New Jersey. He was sixty-four years old.

George Gannon, who has been elected president of the Surety Underwriters Association of Chicago, is not only a surety underwriter of well-rounded experience, but a man of fine qualities who has won the high regard of his associates in the Western field, as well as the implicit confidence of the home office officials of his company, the Fidelity & Casualty. Mr. Gannon entered its employ in November, 1906, coming from Scranton, Pa., where he was in the newspaper business. After entering the surety business he studied law and was admitted to the bar in Philadelphia. In November, 1908, he was appointed bonding department special agent in that city, continuing in that position until January, 1913. His ability as a surety underwriter attracted the attention of W. A. Alexander & Co., general agents for the company in Chicago, and for the last four years he has been successfully managing that firm's bonding department.

* * *

James L. Thompson, a broker, whose farm in West Hartford was not used during the summer, placed it at the disposal of Travelers men and gave them the use of his barn for storing the hoes and rakes. About fifty plots in all ranging in size from 40 x 80 ft. to 240 x 480 ft. were taken up. The Travelers men had formed the Travelers Club Farm and planted vegetables. The office closed at 4 o'clock all through the summer, and this gave the men ample time to get out and stir up their bean rows before twilight. The crops flourished in spite of the fact that Hartford had a cold spring season, in the course of which all the rain in the world fell. The corn, onions, turnips and squash have been particularly successful. It is remarked that $4,000 will be realized from the farm, and from 200 to 250 bushels of potatoes dug.

* * *

Luther H. Johnson, district manager of the Great Northern Life Insurance Company at Green Bay, Wis., until last summer, when he resigned to enlist in the engineering forces of the army in the East, has recently been commissioned first lieutenant in the aviation corps. He expects to leave shortly for duty in France, presumably with the Pershing forces in preparing an American aviation camp. He is an engineer of several years' experience.

* * *

Lawrence Priddy, the new president of the National Association of Life Underwriters, after leaving the New Orleans convention, went to Blacksburg, Va., where he addressed the corps of cadets there. His talk was mainly devoted to student life and work of the Virginia Polytechnic Institute in the present emergency, of which he is a graduate.

* * *

W. H. Gartside, of the special risk department of the National of Hartford, in Chicago, who has been made a superintendent of the new special risk department of the Fireman's Fund in that city, is one of the able young underwriters of Chicago. His first training was with the Continental.

* * *

A. J. Ferres, vice-president and superintendent of agencies of the Fidelity & Casualty, New York, and **S. H. Pool,** resident manager of the company in Philadelphia, are enjoying a hunting and camping trip in the woods of Northern Canada.

* * *

Rex Guile, son of J. J. Guile, United States manager of the Sun, is a sergeant in the hospital corps at Camp Meade, Maryland. He was formerly special agent in New England.

FIRE INSURANCE DEPARTMENT

Says Agents Must Collect the Tax

VIEWS OF PRESIDENT OF A FIRE INSURANCE COMPANY

Law Imposing Burden Upon Man Who Sells Insurance Seems Clear to Writer

The president of one of the fire insurance companies has drawn up for The Eastern Underwriter a brief memorandum regarding the premium tax, which is levied under the new War Revenue Bill. He is of the opinion that the present tax is not a stamp tax, but is clearly a tax imposing the burden upon every insurance agent at the time he issues a policy to collect on behalf of the Government a certain fee and report it in a certain way. The memorandum, as given The Eastern Underwriter, follows:

Section 504

Section 504 provides that from and after November 1st, 1917, there shall be levied, assessed, collected and paid the following taxes, on the issuance of insurance policies, and sub-division B of that Section, dealing with marine, inland and fire insurance provides that

"A tax equivalent to one cent on each dollar or fractional part thereof of the premium charged under each policy of insurance or other instrument, by whatever name the same is called, whereby the insurance is made or renewed upon property of any description (including rents or profits), whether against peril by sea or inland waters or by fire or lightning or other peril, provided that policies of re-insurance shall be exempt from the tax imposed by this sub-division."

This clearly imposes a tax of one cent on each dollar upon each policy, not one cent of the net premiums, but the tax explicitly attaches to the premium charged under each policy.

Section 505

Now, Section 505 provides that every person, corporation, partnership or association issuing policies of insurance, upon the issuance of which a tax is imposed by Section 504, shall, within the first fifteen days of each month make a return under oath, in duplicate, and pay such tax to the Collector of Internal Revenue of the District in which the principal office or place of business of such person, partnership or association is located. Such return shall contain such information and be made in such manner as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall by regulation prescribe.

It would seem that there is no question but that this tax must be collected by the agent from the assured and held and paid by the agent to the Commissioner of Internal Revenue in the proper district.

It is also very clear that under Subdivision 28 of Section 1211 that the term "person, corporation, partnership or association" is intended to apply to agents and brokers, because in that section, which deals with the payment of premiums, it is provided that all persons, corporations, partnerships, associations **and** insurance companies making payment to any other person, corporation, partnership, association or insurance company, of interest, rents, salaries, wages, premiums, annuities, compensation, remunerations, emoluments and other fixed profits, gains or incomes of $800 or more, in any taxable year, are required to render a return to the Commissioner of Internal Revenue so that every agent or broker, whether that agency or brokerage business is carried on by a person, partnership, corporation or association must render yearly a statement showing all other persons or insurance companies to whom they pay more than $800 in premiums.

Guaranty Trust Company's Booklet

(Note) The Guaranty Trust Company has issued a booklet explaining this law and on page 55 they clearly show that the person issuing a policy must pay the tax to the Collector of Internal Revenue. The term "issuing" is described as the act of passing out or putting into circulation, or delivering, so that it would seem that there could be no possible misunderstanding, and that, under the present act, the tax must be paid by the policy purchaser.

Furthermore, Section 504 is included under Title 5, War Tax on facilities furnished by Public Utilities and Insurance, and everything under that section is required to be paid by the person to whom the services or facilities are furnished.

GOVERNMENT TO COVER VESSELS

Reorganization of Shipping Board Contemplates Insuring All New Construction

A reorganization of the insurance policy of the United States Shipping Board Emergency Fleet Corporation contemplates having the government take over all the insurance risks upon mechant vessels being built by the government. How far this will be extended is not yet known. Admiral Capps, manager of the Emergency Fleet Corporation, is quoted as saying that the government is in sounder position to carry its own insurance risks than most of the insurance companies which have been writing this business, and that the government plan will be very economical.

Insurance of vessels under construction may in most cases be paid for by the contractors with the corporation, but it is an expense of construction which enters into the price that the government will pay for the vessel. Where the construction is on a cost plus per cent. basis the insurance will increase the profit of the contractor as well as the price to be paid. In the meantime the corporation is taking extraordinary precautions against loss.

The suggestion is also being advanced that the government undertake the marine risk upon its vessels as it has the war risk.

CAPITAL NOW $1,250,000

Milwaukee Mechanics' Stock Increased $250,000—Strength Added to Old-Established Company

Agents of the Milwaukee Mechanics have received the following letter from President Jones: "Conditions due to the war have, in the judgment of our Board of Directors, made it advisable to terminate a re-insurance contract of many years' standing, and that the Company should assume an increased liability by reason thereof, in preference to entering into new treaty obligations with any re-insurance company.

"The stockholders of the Company, in order to maintain its well known record of financial responsibility, have, furthermore, decided to increase its capital stock from $1,000,000 to $1,250,000. The $250,000 additional stock is now fully subscribed and is being paid in by the stockholders at $15 for each share of the par value of $10, which will add $375,000 to the assets of the Company—$250,000 to capital stock and $125,000 to net surplus.

"We believe that the added strength contributed by the stockholders to this already strong institution will be fully appreciated by our agents and the insuring public, and will result in increased business not only for the Company but also for its agents."

CHANGE OF CORPORATE NAME

Effective Monday, October 8, the J. C. Kalbfleisch Co., Inc., succeeded the Amsden-Kalbfleisch Co., Rochester, N. Y., in the transaction of all branches of the insurance business, including fire, liability, workmen's compensation, automobile, boiler, etc., also fidelity, court and contract bonds.

FIRE AND MARINE INSURANCE—ALL LINES

The Automobile Insurance Company of Hartford, Conn.

MORGAN G. BULKELEY, President

Statement January 1, 1917

Cash Capital	$1,000,000.00
Assets	2,748,832.19
Liabilities (Except Capital)	1,039,977.81
Surplus to Policyholders	1,708,854.38

AFFILIATED WITH

AETNA LIFE INSURANCE COMPANY

THE AETNA CASUALTY & SURETY CO.

LEWIS & GENDAR, Inc.

New York City Agents

Commonwealth Insurance Co. of New York

Telephones: John 63-64-65 ONE LIBERTY STREET, NEW YORK CITY

Brooklyn and Suburban Agency

Northern Asse. Co., Ltd. of Eng. — Firemen's Inc. Co. of New Jersey
Commonwealth Ins. Co. of N. Y. — Globe & Rutgers Inc. of N. Y.
Detroit F. & M. Ins. Co. of Mich. — Employers' Lia. Assce. Corp. of London

145 MONTAGUE STREET, BROOKLYN—NEW YORK

Telephones: Main 6370-6371-6372

NORTH BRANCH FIRE INS. CO.
Sunbury, Pa.
Inc. 1911

Assets	$641,341.77
Reserve	230,513.29
Capital	300,000.00
Surplus	63,479.83

CITY INSURANCE COMPANY
Pittsburgh, Pa.
Inc. 1870

Assets	$357,318.58
Reserve	54,256.92
Capital	200.000.00
Surplus	96.379.07

OPERATING ON A CONSERVATIVE BASIS IN A LIMITED TERRITORY UNDER AN EXPERIENCED MANAGEMENT

When 60th Day Falls on Sunday

OPINION REGARDING LOSS FILED WITH CO-OPERATIVES

General Belief That Court Would Hold Proof Reaching Insurer Monday is Legal

In the opinion of William Street adjusters and heads of loss departments the Pioneer Co-Operative, of Greenville, N. Y.; the Co-Operative Fire of Catskill, and the Merchants & Farmers of Middleburg, will not be able to get away with their declination to pay a loss at Fort Johnson, N. Y. (mentioned in The Eastern Underwriter last week), because the notice of loss reached them sixty-one days after the fire, the sixtieth day being Sunday on which day there was no delivery of mail.

One of the leading loss authorities in the United States, in commenting upon this case, said to The Eastern Underwriter:

"I will assume that the question is directed entirely to the service of the proof of loss, which by the terms of the New York standard policy shall be rendered within sixty days.

What Courts Hold

"A good many of the courts hold (in fact, the weight of authority is that way) that the assured must prove service of proofs within sixty days after the fire upon the company or someone authorized to receive the same on their behalf. New York has so held in the following cases:

Peabody v. Satterlee, 166 N. Y., 174; Perry vs. Caledonian Ins. Co., 103 App. Div., 113; Huse & Loomis Ice Co. vs. Wielar (App. Div.), 86 N. Y. Supp., 24.

"The mere posting of a letter containing the proofs is not, in my judgment, equivalent to 'rendering' the proofs to the companies; but it has been held in a Minnesota case (Dade vs. Aetna Ins. Co., 56 N. W., 48) that the proper mailing of the proofs addressed to the company, creates a presumption of delivery. It has also been held in a case in Missouri (Caldwell vs. Dwelling House Insurance Co., 61 Mo. App., 4) that the receipt of the proofs within sixty days at the post office where the company was located, was service within sixty days.

"It has been held, however, that when the last day falls on Sunday the time goes forward one day and service on Monday (the 61st day) is sufficient. It was so held in Iowa in the case of McKibben vs. Des Moines Ins. Co., 86 N. W., 38. I do not believe the precise question has been passed on in New York State, but my judgment is that the Court would adopt the Iowa view and rule that where the sixtieth day falls on Sunday, the service of a proof on the next day (Monday) would be a compliance."

SETTLE READING SUIT

Loss of A. Christ & Co., Operating Mansion House—Is Smoke and Water Damage

The suits against insurance companies on the Mansion House loss, Reading, Pa., have been compromised. Counsel John B. Stevens, for the companies, said to The Eastern Underwriter:

"The cases of A. Christ & Co., operating the Mansion House and the insurance companies grew out of what the companies believed to be a gross under-estimation of the sound value and over-estimation of the loss. The damage was entirely smoke and water damage. Adjustment was prevented by what the adjusters believed to be a failure to observe the terms of the policy in not giving in the proof of loss the value of each article and the loss thereon, in including certain property not the property of the assured and in failing to go on with examination under oath.

"The Court determined that under the circumstances these were all questions for the jury and we decided it was better to settle. This was done so there was no verdict rendered."

WRITING AUTOMOBILE

Sun Insurance Office and Patriotic Ready for Business in Eastern Department

Both the Sun and the Patriotic are now writing automobile insurance in their Eastern and Southern departments. Some time ago an automobile department was opened in Chicago for the Western department. The Eastern department embraces New England, New York, Pennsylvania, Maryland, Delaware and District of Columbia. The Southern territory in which these companies will write this line has not yet been determined and the Eastern department head has not been decided upon.

COMPANIES CHANGE NAMES

Formal application has been made to the authorities by the German American Insurance Company and the German Alliance Insurance Company, both New York State corporations, for consent to change their names.

It is proposed to change the name of the German American Insurance Company to Great American Insurance Company and the name of the German Alliance Insurance Company to American Alliance Insurance Company.

B. M. CROSTHWAITE & CO.
Fire and Automobile Insurance Specialists
Lines Bound Anywhere in New York State
105 William Street, New York City, N. Y. Telephones 2404-5-6-1758-1090 John

PHILADELPHIA
ADEQUATE FACILITIES
ALL LINES
CLARENCE A. KROUSE & CO.
LOCAL AND GENERAL AGENTS
325 WALNUT STREET PHILADELPHIA, PA.
PENNSYLVANIA NEW JERSEY
SATISFACTION SERVICE
ALL LINES

LOGUE BROS. & CO., Inc.
Fire—Casualty—Automobile Insurance
Nation-Wide Facilities for Handling SURPLUS LINES
307 FOURTH AVENUE PITTSBURGH, PA.

SCHAEFER & SHEVLIN
103-5 William Street GENERAL AGENTS New York, N. Y.
DUBUQUE FIRE AND MARINE INSURANCE CO.
Excellent Facilities for Handling Suburban Business Phone: John 2312

207th Year
SUN
INSURANCE OFFICE OF LONDON
FOUNDED 1710
UNITED STATES BRANCH:
54 Pine Street - New York
WESTERN DEPARTMENT:
76 WEST MONROE ST., CHICAGO.
PACIFIC DEPARTMENT:
N. W. Cor. Sansome & Sacramento Sts.
San Francisco, Cal.

BRITISH AMERICA ASSURANCE CO.
Incorporated 1833
(FIRE AND INLAND MARINE)
Head Office, Toronto, Canada
United States Branch
January 1, 1917
Assets $1,936,279.77
Surplus in United States.... 823,964.59
Total losses paid in United States from 1874 to 1916, inclusive 24,669,753.43
W. R. BROCK, President
W. B. MEIKLE, Vice-Pres. & Gen. Mgr.

Authorized Capital $500,000
Detroit National Fire Insurance Co.
DETROIT, MICHIGAN
A Company to be built gradually and along the indicated lines of permanence
AGENCY CONNECTIONS SOLICITED

GENERAL FIRE ASSURANCE CO.
OF PARIS
URBAINE FIRE INSURANCE CO.
OF PARIS
BRITISH DOMINIONS GENERAL INS. CO., Ltd.
OF LONDON
FRED. S. JAMES & CO.
United States Managers
123 WILLIAM STREET, NEW YORK
FRED. S. JAMES
GEO. W. BLOSSOM
W. A. BLODGETT
C. B. G. GAILLARD
Assistant Manager

Much Work Before Automobile Men

F. C. BUSWELL HEADS EASTERN CONFERENCE

Accomplishments of Fraudulent Loss Committee Meeting With Approval

Much important work is planned to come before the annual meeting of the National Automobile Underwriters' Conference to be held in Chicago next month. The careful attention given to automobile insurance subjects and the closer co-operation between companies and among local conferences has revealed a number of minor defects in the present system of handling the various covers. If these matters can be remedied or brought to a finer state of perfection a vast amount of good will be accomplished at the November meeting.

In the property damage field improvements in the policy form will be recommended, which, if adopted, will necessitate some modification of rates. Some underwriters, particularly among casualty companies, desire a single form which will include cover of the use and occupancy feature. Among the fire companies there are many who do not look with favor upon this plan as they have not found use and occupancy an easy nor profitable line among automobile owners. It is easy to impose upon the companies and many owners do it.

Deductible Feature Disliked

New forms and changed rates are also likely in the collision field. A new policy leaving out the $25 deductible clause is favored, substituting full coverage at a low rate which cover can be issued to the class of insurer who does not wish to make the small claims which have been the cause of so much loss in this line.

Dealers and Manufacturers

The dealer's form is also to receive attention and rates will no doubt be changed. At present there is much difficulty experienced in determining where the liability is on these policies and the number of machines which may be in a given place at any time. Likewise, on the manufacturer's form, it is hard to arrive at the proper rate as the transportation risk and storage risk have to be considered and the desired information cannot be obtained without putting the manufacturer to an amount of trouble which he is unwilling to undergo. Special rating methods in connection with writing commercial fleets will also come up for discussion.

F. C. Buswell President

Ten new members were elected at the annual meeting of the Eastern Automobile Underwriters' Conference, held in New York October 4. This brings the total membership to eighty-seven.

The following officers were elected for the year: President, F. C. Buswell, Home; vice-president, William Hare, Norwich Union; secretary-treasurer, W. A. Hamilton, Federal.

Executive committee: J. P. Bonsall, Maryland Motor Car; E. C. Cary, Liverpool & London & Globe; B. M. Culver, Niagara; G. F. Kern, Royal; T. A. Kruse, Royal Exchange; W. H. Stevens, Agricultural; J. P. Vreeland, Scottish Union; E. G. West, Glens Falls; S. G. Wright, Columbia.

Fraudulent Claims Reduced

The delegates chosen to attend the National Conference meeting in Chicago next month are W. M. Ballard, Commercial Union; F. C. Buswell, Home; D. F. Cox, Royal Exchange; F. W. Day, Royal; W. A. Hamilton, Federal; C. K. Yungman, North America.

The executive committee report was a resume of the accomplishments since the present working agreement between local conferences and the National Conference was established. A recommendation was made for the extension of the work of the fraudulent loss committee to other cities and its continuance in New York. Out of $85,000 paid for fraudulent losses the committee has recovered $50,000. A vote of thanks, confidence and congratulation was given Manager L. E. Hodgkins and his assistants.

SELECT SPEAKERS FOR WOMEN

R. P. Barbour, C. R. Pitcher, A. E. Clough and James Gaukroger to Address Insurance Society

The Insurance Society of New York has selected the speakers for the series of lectures for women which will be given under its auspices. R. P. Barbour, general agent of the North British & Mercantile, will make the first address on October 29. C. R. Pitcher, local manager of the Royal; Allan E. Clough, chairman of the Loss Committee of the New York Fire Insurance Exchange, and James Gaukroger, chief accountant of the Commercial Union, in the order named will lecture on the Monday evenings following October 29.

This series of lectures has aroused considerable enthusiasm among company officials. They are in charge of a committee composed of Mrs. Grace Cahill, of the Royal; Miss Selma C. Burmeister, of the Northern, Miss Jessie C. Laing of the London Assurance; Edith N. Andrews, of the Loss Committee; and Maude E. Inch, librarian of the Insurance Society.

INSTITUTE MEETS

James H. Moore Tells Reminiscences of Chicago Fire—P. D. McGregor Also a Speaker

The ninth annual conference of the Insurance Institute of America was held in Chicago on October 9, 10 and 11. Fire Insurance Club of Watertown, N. Y.; the Insurance Society of Glens Falls, N. Y.; and the Clerks' Association of the Springfield Fire and Marine are three of the members of this Institute.

Among the committee reports read were the following: Committee on publications, Walter C. Chandler, Memphis; on Education, D. N. Handy, general chairman; on fire branch, D. N. Handy; casualty branch, James E. Rhodes; life branch, John M. Laird; fire hazards, Benjamin Richards.

Donald M. Wood, president of the Illinois Insurance Federation, discuss "The Value of the Institute Study Courses to Insurance Men." James H. Moore, of Moore, Case, Lyman & Hubbard, gave reminiscences of the Chicago fire; and P. D. McGregor, Western manager of the Queen, discussed "The Institute from the Standpoint of the Companies."

Kenzel Has Aachen & Munich

The agency of William H. Kenzel & Co. announced last week its appointment as metropolitan managers of the United States branch of the Aachen & Munich Fire Insurance Co. This appointment is effective immediately.

STOTT BUYS AGENCY

John C. Stott has purchased the agency of Nash & Ames, Norwich, N. Y. Mr. Stott came to Norwich in 1915 and rapidly built up an insurance agency. He now has thirty companies.

GETS NEWARK FIRE

The Newark Fire, formerly the Henry T. Poor & Co. office, Baltimore, is now represented there by John H. Gildea, Jr.

John S. Juno & Son, Schnectady, have purchased the insurance business of John J. Imery.

"The Leading Fire Insurance Company in America"



WM. B. CLARK, President

AETNA INSURANCE COMPANY

Aetna Fire Underwriters Agency

of Aetna Insurance Co.

Application For Agencies Invited

INCORPORATED 1720

Royal Exchange Assurance

LONDON, ENGLAND

United States Branch
92 William Street, New York

RICHARD D. HARVEY
United States Manager

[FIRE]
German American
Insurance Company
New York

STATEMENT JANUARY 1 1916

CAPITAL
$2,000,000
RESERVE FOR ALL OTHER LIABILITIES
10,146,941
NET SURPLUS
10,217,685
ASSETS
22,364,626

THE HANOVER
FIRE INSURANCE COMPANY

Incorporated 1852

The real strength of an insurance company is in the conservatism of its management, and the management of THE HANOVER is an absolute assurance of the security of its policy.

R. EMORY WARFIELD, President
FRED. A. HUBBARD, Vice-President
E. S. JARVIS, Secretary
WILLIAM MORRISON, Asst. Sec'y

HOME OFFICE
Hanover Bldg., 34 Pine St.
NEW YORK

HOWIE & CAIN, General Agents
Metropolitan District
100 WILLIAM STREET, NEW YORK

BE PATRIOTIC!

Show Your Americanism
By Patronizing American Institutions

Tell your clients that there are no fire insurance companies the world over that are stronger financially, are better managed or have a cleaner reputation for Fair Dealing with Honest Claimants

Fire Insurance and Allied Lines

AMERICAN EAGLE FIRE INSURANCE CO.
CONTINENTAL INSURANCE CO.
FIDELITY-PHENIX FIRE INSURANCE CO.

HENRY EVANS, President

HOME OFFICE
80 Maiden Lane
New York

MANAGING BRANCH OFFICES
Chicago, Montreal, San Francisco

Building Owners Plan Company

PROPOSE SELLING STOCK AT ONE THOUSAND DOLLARS A SHARE

Trade Body Claims Loss Ratio is Only Ten Per Cent. on Ten Millions Premiums

At the last annual meeting of the National Association of Building Owners and Managers, held in Cleveland, C. E. Terrill, chairman of the insurance committee, reported that after an investigation in various cities he found there to be $10,000,000 of insurance premiums on office buildings, the average rate being twenty cents a hundred. Of this he says only two cents was returned by the companies in the form of losses and the remainder, 90 per cent., rested with the carriers.

The committee then recommended the organization of a company for members of the association, with $200,000 capital and $800,000 surplus, the stock to be sold at $1,000 a share and no commissions paid for selling. Reserves will be kept as required by law and dividends shall be limited to eight per cent.

The recommendation also contained the following: "Although the company will have reciprocal features policyholders will not have any contingent liability nor be subject to assessments."

PHILADELPHIA PREMIUMS

What Pennsylvania Companies Wrote in First Six Months of This Year

The Pennsylvania companies report the following fire premiums for the first six months of 1917 in Philadelphia:

Philadelphia Stock Companies

	First 6 Months 1917	First 6 Months 1916
Alliance	$ 20,808	$ 17,968
County	19,807	24,375
Fire Association	116,752	114,555
Franklin	68,168	47,415
Girard	53,611	48,940
Independence	1,560	1,439
North America	168,527	102,516
State of Pa.	44,942	41,626
Lumbermen's	29,711	25,870
Mechanics'	50,346	38,947
Pennsylvania	97,978	94,685
Phila. Und.	31,266	21,052
Reliance	13,415	12,276
United Firemen's	35,866	32,718
	$752,757	$624,382

Philadelphia Mutuals

Atlantic	$ 133	$ 153
Eureka	181	....
Frankford	6,402	6,609
Graphic Arts	717	815
Hide and Leather	694	830
Independent	28	....
Keystone	25,196	18,947
Manton	22,367	18,064
Mutual Assur.	6,698	5,488
Mutual German.	20,020	10,007
Mutual Fire	1,243	727
Nat. Mut. Assur.	8,799	7,208
National Petroleum	333	421
Paint Trade	941	1,167
Pa. Lumbermen's	4,047	3,376
Phila. Contrib.	13,195	14,657
Phila. Mfrs.	40,963	34,433
Southern State	201	220
Standard	14,977	12,759
Transportation	4	3
	$166,137	$144,884

Pennsylvania State Companies

Allemannia	$ 10,332	$ 8,328
Ben Frank. Und.	6,616	3,657
Birmingham	2,829	5,378
City of Pittsburgh	1,278	912
Del. County. Mut.	21	8
Duquesne Und.	8,736	5,428
Farmers, York	7,479	3,004
German-American	9,139	8,534
German	3,258	5,781
Grocers' Cash Dep.	....	41
Hardware Mutual	417	414
Humboldt	9,391	6,426
Keystone Und.	8,042	7,696
Lebanon Mutual	790	971
Nat.-Ben Frank.	11,291	7,536
National Hdw.	472	425
National Union	19,521	10,775
North Branch	3,629	2,568
Pittsburgh	7,713	7,930
Pittsburgh Und.	18,072	10,308
Retailers' Mutual	....	1,184
Safety Mutual	500	320
Teutonia	10,698	6,710
Textile Mutual	....	21
Union	1,992	2,037
Western	12,503	11,149
	$154,719	$117,536

Figures from the United States "Review."

SHIP RISKS GO ABROAD

Companies in This Country Underbid for Some Important U. S. Government Work

Many shipbuilding risks on Government work are going abroad. In some cases the difference in rate is as much as a half per cent.

Insurance department officials of Oregon and Maine are still using their influence to keep this business at home through the enforcement of the resident agent laws. Insurance companies were willing to take all this business direct from the Government at a greatly reduced rate and eliminate commissions. It was arranged so that agents of the companies were to handle the business without profit, while the facilities of some of the leading insurance organizations were to be placed at the disposal of the Government without cost. Through the objections made by the two State officials named this plan had to be abandoned.

LOSS ABOUT 70 PER CENT.

The heaviest fire loss sustained in Baltimore in some time was that of the Piedmont-Mt. Airy Guano Company on September 27. Four alarms were turned in. Insurance was $315,500, and the loss was about 70 per cent.

TAKES ON PITTSBURGH FIRE

T. Y. Brown & Co., New York, have taken the agency for the Pittsburgh Fire.

James L. Taylor, of Dobbs Ferry, N. Y., died last week.

FOUNDED 1792

125th Anniversary

Insurance Company of

NORTH AMERICA

PHILADELPHIA

CAPITAL, $4,000,000 ASSETS OVER $23,000,000

FIRE, MARINE, AUTOMOBILE, Rent, Leasehold, Tornado, Explosion, Use and Occupancy, Sprinkler Leakage, Travelers' Baggage, Parcel Post

The Oldest American Stock Insurance Company

LETTER WRITING

Many a Line Has Been Lost By Careless or Mechanical Handling of Correspondence

Many a good agency has been spoiled by mechanical and faulty letter writing, said Arthur M. Brown, in a talk before the Fire Underwriters' Association of the Pacific. The multitudinous duties of the present day of the office head or manager prevent him from writing, as he did twenty years ago, practically all of the letters which emanate from his office, and much of this must be intrusted to department heads or to examiners. While, as before advised, the adaptability of local agents has very much increased during the past few years, yet it must be borne in mind that the average agent has not a technical knowledge of the business and, more important, that he is a human being, very susceptible to being won or lost through correspondence. No better type of efficiency can be developed than by the study of requirements of local agents and by correspondence in line with the knowledge thus obtained, and no greater praise can be given to an office than to have a local agent state that the correspondence with that office is always courteous and understandable.

Women in the Home Offices

(Continued from page 1.)

printing office where men only are employed.

Queen: We have twenty-one ladies in our employ in the capacity of clerks and stenographers.

Atlantic Fire, Raleigh, N. C.: We have one woman stenographer and reinsurance clerk.

Firemen's of Newark: We have employed in our Newark office a staff of 25 women serving us in the following capacity: 5 stenographers, 13 accountants, 5 tabulators, 1 policywriter, and 1 switchboard operator. The above number does not include employes of our Western department.

Home Insurance Co.: We employ approximately ninety women at the present time, whereas, prior to the outbreak of the war, we had not more than fifteen. The work which they do is the ordinary clerical work and they have been extremely satisfactory.

Liverpool & London & Globe: At the present time we employ in our various departments forty-nine women holding positions as stenographers, typists, filers and clerical workers.

City Insurance Co., Pittsburgh: We have in our employ five women, all of whom we find very capable and efficient. Two are stenographers, two are in the bookkeeping department and one has charge of our local Pittsburgh department.

Detroit Fire & Marine: We have about half a dozen women employes in our office doing the work of stenographers and typists.

St. Paul Fire & Marine: We are now employing thirty-two women in various capacities. The majority are stenographers, some are doing ordinary clerical and book work and some are in the statistical department.

Aetna Insurance Co.: We employ approximately sixty women principally as stenographers and in doing clerical work.

Globe & Rutgers has had no difficulty so far in getting male clerical help. At the present time it has in its employ only seven women, three of them being regular stenographers, one a switchboard operator and the other three operate long carriage machines.

New Brunswick Fire: At the present time this company employs twenty-four women as stenographers, typists, filing clerks and statistical clerks.

New Jersey Fire: Has eighteen women employed as stenographers, typewriters, filing clerks and statistical clerks.

Insurance Company of the State of Pennsylvania: From thirty-five to forty per cent. of our employes are women.

Westchester Fire: We have nineteen women on our roster, but up to the present time we have not employed girls in the underwriting department of the office.

New York Underwriters' Agency: We have fifty women in this office employed as file clerks, stenographers, on statistical and account work and some on other work.

Aachen & Munich: About twenty-five per cent. of our employes are women. The character of work which they do consists of stenography, typewriting and filing.

Northern, of London: We have at the present time in our employ twenty-six women who are working in the capacity of stenographers, policy-writers, typists and performing general clerical and filing work. This refers to our New York office.

Law, Union & Rock: We have eight women in our employ at this office. The nature of their work is filing, typing and general clerical work.

Western, of Pittsburgh: We have forty-three clerks and one stenographer.

National Union: This Company employs 81 women at the home office, all in stenographic and clerical capacities.

Minneapolis Fire & Marine: We have eleven women on our payroll, in various employments, as follows: 7 stenographers, 1 in the mail department, 2 in the accounting department and 1 in the farm department. This has not been changed since the war started.

Michigan Fire & Marine: On account of war requirements about fifty per cent. of our home office employes are now women, who are filling quite satisfactorily various positions formerly occupied by men such as entry clerks, file and loss clerks.

The People's National Insurance Company has reinsured its Minnesota business with the German-American, New York.

CRUM & FORSTER

GENERAL AGENTS

95 WILLIAM STREET NEW YORK CITY

United States Fire Ins. Co., N. Y.
Richmond Ins. Co., N. Y.
Potomac Ins. Co., Washington, D. C.
National Lumber Ins. Co., Buffalo, N. Y.
The North River Ins. Co., N. Y.
Union Fire Ins. Co. Buffalo, N. Y.
Seneca Fire Ins. Co., Buffalo, N. Y.
United States Underwriters' Policy, N. Y.

F. M. GUND, Mgr. Western Dept. Freeport, Illinois

W. W. ALVERSON, Mgr. Pacific Coast Dept. San Francisco, California

BROKERS ACTIVITIES

Revenue Bill Alarms Brokers

MUCH SPECULATION AS TO REAL MEANING OF WAR MEASURE

May Have to Report All Premium Payments Over $800 a Year—Much Extra Work

Opinion is very much divided as to whether insurance brokers will be required to make returns to the commissioner of internal revenue under the War Revenue Act. Some experienced brokers believe that they will not be required to report while several attorneys hold to the contrary. Meanwhile brokers generally are at sea as to the intent of the law and are awaiting with no little apprehension for rulings from the commissioner of internal revenue as to just what will be required of them. The prospect that insurance brokers come under the act is strengthened by an announcement from Washington of those who are required to make returns, which announcement designates the following persons:

"All dealers in life, marine, inland, fire and casualty insurance."

How Measure Reads

The brokers affected are those who pay $800 or more a year to any one insurance company. The portion of the law which has raised this question is Section 28 of Section 1211, which reads:

That all persons, corporations, partnerships, associations and insurance companies, in whatever capacity acting, including lessees or mortgagors of real or personal property, trustees acting in any trust capacity, executors, administrators, receivers, conservators, and employers, making payment to another person, corporation, partnership, association, or insurance company, of interest, rent, salaries, wages, premiums, annuities, compensation, remuneration, emoluments, or other fixed or determinable gains, profits and income * * * of $800 or more in any taxable year, or, in the case of such payments made by the United States, the officers or employes of the United States having information as to such payments and required to make returns in regard thereto by the regulations hereinafter provided for, are hereby authorized and required to render a true and accurate return to the Commissioner of Internal Revenue, under such rules and regulations and in such form and manner as may be prescribed by him, with the approval of the Secretary of the Treasury, setting forth the amount of such gains, profits, and income, and the name and address of the recipient of such payment: Provided, That such returns shall be required, regardless of amounts, in the case of payments of interest upon bonds and mortgages or deeds of trust or other similar obligations of corporations, joint-stock companies, associations and insurance companies, and in the case of collections of items (not payable in the United States) of interest upon the bonds of foreign countries and interest from the bonds and dividends from the stock of foreign corporations by persons, corporations, partnerships, or associations, undertaking as a matter of business or for profit the collection of foreign payments of such interest or dividends by means of coupons, checks, or bills of exchange.

When necessary to make effective the provisions of this section the name and address of the recipient of income shall be furnished upon demand of the person, corporation, partnership, association or insurance company paying the income.

* * *

Ship Plant Strikes Worry "Use & Occupancy" Underwriters

The serious strike situation precipitated in the large shipbuilding plants at San Francisco and in the Northwest is disturbing insurance men, in view of the large amounts of "use & occupancy" insurance carried. On one plant, which is being discussed as an example by local underwriters, approximately $900,000 is written under the "use & occupancy" form, says the "Underwriters' Report."

* * *

Philadelphia Broker Drowns

H. B. King, a Philadelphia insurance broker, was drowned while swimming in Atlantic City a few days ago.

Ocean Rates Reduced

A reduction of nearly 25 per cent. in premiums for insurance of American vessels and cargoes traversing the war zone has been announced by the Government's war risk insurance bureau. The danger from submarines having decreased, insurance on Norwegian cargoes in the North Sea has been reduced from 8 to 7 per cent.

* * *

J. J. O'Neill Becomes Broker

J. J. O'Neill, until last week manager of the plate glass department of the London & Lancashire Indemnity, has resigned to enter the general brokerage business and has opened an office at 100 William Street.

* * *

Hodson With Cornwall & Stevens

George Hodson, who has been with Newman & McBain for some time and was also for several years connected with Crum & Forster, has joined the staff of Cornwall & Stevens.

* * *

J. S. Bannon Makes Change

James S. Bannon, for the past two years with Fred C. Smith & Co., and previously with the Caledonian, is now with Bertchmann & Maloy as placer.

* * *

Joins Robertson & Co.

Raymond Boughner, brother of A. K. Boughner, Newark agent, started this week with Robertson Brothers & Co., brokers at 1 Liberty Street.

BROKERS!

KEEP POSTED BY READING

THE EASTERN UNDERWRITER

Subscription $3 a Year

Statement of the Ownership, Management, Circulation, Etc., Required by the Act of Congress of August 24, 1912, of THE EASTERN UNDERWRITER, published weekly, at New York, N. Y., for October 1, 1917.

State of New York, County of New York, ss.

Before me, a Notary Public, in and for the State and county aforesaid, personally appeared Clarence Axman, who, having been duly sworn according to law, deposes and says that he is the Editor of the THE EASTERN UNDERWRITER, and that the following is, to the best of his knowledge and belief, a true statement of the ownership, management (and if a daily paper, the circulation), etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, embodied in section 443, Postal Laws and Regulations, printed on the reverse of this form, to-wit:

1. That the names and addresses of the publisher, editor, managing editor, and business managers are:

Publisher, THE EASTERN UNDERWRITER CO., 105 William St., N. Y.

Editor, Clarence Axman, 265 Central Park West.

Managing Editor, Clarence Axman, 265 Central Park West, N. Y.

Business Manager, William L. Hadley, Plainfield, N. J.

2. That the owners are: (Give names and addresses of individual owners, or, if a corporation, give its name and the names and addresses of stockholders owning or holding 1 per cent. or more of the total amount of stock.)

THE EASTERN UNDERWRITER CO., 105 William St., N. Y.

Clarence Axman, 265 Central Park West, N. Y.

B. F. Hadley, Des Moines, Iowa.

3. That the known bondholders, mortgagees, and other security holders owning or holding 1 per cent. or more of total amount of bonds, mortgages, or other securities are: (If there are none, so state.)

None.

4. That the two paragraphs next above, giving the names of the owners, stockholders, and security holders, if any, contain not only the list of stockholders and security holders as they appear upon the books of the company but also, in cases where the stockholder or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting, is given; also that the said two paragraphs contain statements embracing affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona-fide owner; and this affiant has no reason to believe that any other person, association, or corporation has any interest direct or indirect in the said stock, bonds, or other securities than as so stated by him.

CLARENCE AXMAN,

Sworn to and subscribed before me this first day of October, 1917.

Harry H. Cornwall.

(My commission expires March 30, 1919.)

1853 Sixty-Fourth Year 1917

FARMERS' Fire Insurance Company

YORK, PENNSYLVANIA

Assets (Dec. 31, 1916) $1,116,968.00

Net Surplus (Dec. 31, 1916)..... 514,025.00

W. H. MILLER, President

A. S. McCONKEY, Sec. and Treas.

GERMANIA FIRE INSURANCE COMPANY

NEW YORK.

ORGANIZED 1859

STATEMENT, JANUARY 1, 1917

Cash Capital $1,000,000.00

Assets 8,553,704.22

Liabilities 4,222,485.60

Net Surplus 3,331,218.62

Surplus for Policy Holders 4,331,218.62

HEAD OFFICE

Cor. William and Cedar Streets

NEW YORK STATE DEPARTMENT

HUMBOLDT FIRE OF PA. TEUTONIA FIRE OF PA.

CAPITAL FIRE OF N. H. GEORGIA HOME OF GA.

PERCY B. DUTTON, Manager, ROCHESTER

N U

NATIONAL UNION FIRE INSURANCE CO. OF PITTSBURG, PA.



An Insurance Company's safety depends upon the ability, experience and integrity of the men who manage its affairs. The proper conservation of its premiums for prompt and equitable payment of claims and for reserves to safeguard policyholders is a matter of prime importance to all agents who seek complete protection for their patrons. The safety of funds is always the first consideration of the NATIONAL UNION, which weighs every transaction with due regard to the inalienable rights of its policyholders, agents and stockholders. There are no exceptions to this rule—ABSOLUTELY NONE. The NATIONAL UNION has a Policyholders Surplus of $1,756,262. Its Reserve for the protection of policyholders is $2,362,164. And aside from ample resources, excellent experience and strict integrity dominate an organization whose service and facilities are adding prestige every day to the name

NATIONAL UNION

Glens Falls Sends Home Office To Field Force

A personally-conducted tour through the beautiful building of the Glens Falls Insurance Company, Glens Falls, N. Y., has been pictorially presented to agents and other friends of that Company. The book recording these visual impressions is one of the most attractive bits of fire insurance company literature that The Eastern Underwriter has yet seen.

The first picture shows the main entrance of the building of the Glens Falls with this caption: "We greet you at the front door. Come right in." Page 2 shows a section of the beautiful entrance hall. "But we won't stop to admire it because we have an appointment inside," is a statement underneath the cut. On page 3 is the telephone boy at the switchboard. "Your name goes in and so do you."

Once inside the inner sanctum a picture is shown of President Little. "The president is busy, but you are welcome," is the caption here. "He never poses for anybody, but makes everybody feel at home immediately. Therefore, no formal introductions are necessary." This picture is reproduced upon this page, as is the picture of Vice-President West. and former president J. L. Cunningham.



PRESIDENT RUSSELL A. LITTLE AT HIS DESK

Here's what the booklet says about Vice-President West: "It was in 1874 when he was not quite twelve years old, that First Vice-President Egbert W. West began to work for the Glens Falls. Mr. West has worked at every desk in the office up to the one he now holds. He left the office to become special agent; was advanced to general agent; came back assistant secretary; in 1912 was elected secretary, succeeding R. A. Little, and is now vice president. Mr. West had personal charge of settling conflagration losses at Jacksonville. Baltimore and Paterson. He is an earnest student of the business and is familiar with problems of the field and in the home office."



VICE-PRESIDENT EGBERT W WEST IN HIS OFFICE

There is this little sketch of Colonel Cunningham: "Let us go round and have a talk with 'The Colonel,' as our ex-president, J. L. Cunningham, is affectionately called. Colonel Cunningham's mind is a store house of the past history of the Glens Falls. When he was elected to the presidency in 1892, he had already served twenty-three years as secretary, and for three years previous as general agent, and his whole heart is bound up in tbe interest of the Company. After twenty-two years, as the head, the Colonel felt that he had done his 'bit' and that it was time to give place to a younger man. Yet, such a hold had he gained on the officers and directors that they insisted that he retain his old office and devote his time to whatever he wishes, so every day you will find the Colonel busy at his desk. Among some of his self-imposed duties is the editing of 'Now and Then, which the Colonel started back in 1887, when he was secretary. Colonel Cunningham reminisces interestingly of the time when the Glens Falls was writing a great many farm risks—of the time, for example, when in its bulletins to agents we find a warning about the use of 'hard coal for fuel which has increased the fire hazard and is responsible for increased loss'; or of the repeated prohibitions about the use of kerosene in farm out-buildings. It was considered 'a dangerous and destructive illuminator.'

"In the scrapbooks which the Colonel keeps are reflected the past history and some of the principles that have guided the officials in the conduct of this business. As the Colonel says, the moral hazard is as strong today as ever, for human nature changes little with the years, and so when we find way back in 1868 bulletins issued to agents, urging them 'not to insure quarrelsome men or men who are on bad terms with their neighbors,' we see how seriously moral hazard was considered. Our ex-president was admitted to the bar before entering upon his three years' Civil War service, wherein he served as lieutenant, captain, and major of the Adirondack Regiment, and was brevetted lieutenant-colonel, New York Volunteers and colonel U. S Volunteers." Among other interesting illustrations in this interesting little book are those showing Secretary H. N. Dickinson, former Treasurer C. J. DeLong, and Western Manager J. L. Whitlock at their desks: also pictures of Treasurer Robert C. Carter, General Agent George B. Greenslet; Frank L. Cowles, in charge of the marine department; John A. Mavon, manager of the clerical force and of the special agency force.

This book is a part of a special advertising campaign designed and executed by the Joseph Richards Company, advertising agents of New York City, to whom The Eastern Underwriter has referred several times in connection with tbeir conspicuous work done for the Pboenix Mutual Life. The plan is intended to keep the thousands of agents of the Glens Falls happily interested in the Company and its desire for the best fire insurance and to cement the pleasant relations between the Company and the agency force.



COLONEL J. L. CUNNINGHAM EDITING "NOW AND THEN"

At the same time, it is bound to induce a spirit of loyalty in tbe minds of those assureds who are privileged to view this book.

AMERICAN'S SUBSCRIPTION

The board of directors of the American Insurance Co., of Newark, at its meeting on Monday autborized tbe purchase of $300,000 of the Second Liberty Loan.

SPRINKLER EQUIPMENT COSTLY

In the last eighteen months prices on sprinkler systems have advanced from $4 to $6 a head to from $8 to $12 a head owing to advances in cost of materials ranging from 80 to 400 per cent.

SHINGLE ROOF RATE UP

The Philadelphia non-fire-proof schedule has been changed, increasing the charge for shingle roofs from ten to twenty-five cents.

FRANKLIN WRITING MARINE

The Franklin Fire of Philadelphia is writing ocean marine through Talbot, Bird & Co., of New York.

GANNON HEADS SURETY MEN

George Gannon, of the Fidelity and Casualty, has been elected president of the Surety Underwriters' Association of Chicago. The other new officers are: Vice presidents, Fred. M. Blount, Massachusetts Bonding; Thomas W. Thompson, Hartford Accident; Charles E. Bennett, Marsh & McLennan and Homer McKee, Globe Indemnity; secretary, J. Reynolds, American Surety; treasurer, William H. Hansemann, of the John McGinnis Company.

CASUALTY AND SURETY NEWS

Many New Bonds to Be Written

WAR TAX MEASURE EXPECTED TO CREATE MUCH BUSINESS

Surety Must Be Furnished By All Who Do Not Pay in Thirty Days

Some surety men see a "whale" of business to be had as a result of the new war measures affecting liquors and cigars. Persons having liquor in their possession may pay the tax in thirty days or file a bond for double the amount of the tax guaranteeing that they will pay it in seven months. For a man having in his possession fifty gallons of whiskey this proposition would work out as follows:

Each barrel contains about fifty gallons, twenty-five hundred gallons all told. The tax is $2.10 a gallon, $5,250. This would call for a bond in the sum of $10,500, which at $5 at thousand, the rate fixed, amounts to $52.50. If the possessor of the whiskey were to borrow the money at six per cent. for six months to pay his tax within the thirty days it would cost him $157.50 as against $52.50 for the bond.

Thousands of Bonds

The provisions of the bill will be put into effect as soon as the treasury department can make the necessary regulations. In no case is the bond to be for less than $1,000. There will be thousands of these bonds to execute for clubs, hotels, cafes, restaurants, saloons, grocery stores, drug stores, brewers, distillers, etc. The rate is $5 a thousand with a minimum premium of $25 for all applicants licensed to sell liquor to be drunk on the premises and ten dollars minumum for all others. It is thought likely that the companies will write this business practically on an insurance basis.

While the tax is $2.10 a gallon on whiskey, on quantities over fifty gallons, there is also a tax averaging fifteen cents a gallon on wines containing under twenty-four per cent. alcohol and three cents a bottle on champagne and other sparkling wines. A similar system of taxation and bonding applies to the tobacco and cigar business.

Some Looking Askance

While a number of companies have primed their agents to be ready for this business there are careful underwriters who believe that when these same companies begin to receive applications by thousands—as they will—they will not be so anxious to execute the bonds which are in effect a financial guaranty to pay a sum—often a large one—at a given time. All these claims will fall due within a limited period so that a severe strain might be put upon the companies during a stringent money market. Indeed, some believe that the banks will be taxed to meet the demands for money to pay these taxes and that surety companies which have taken large lines close to or equalling the liquor dealers' net worth will be unable to get reinsurance. Some surety men see the possibility of being forced into the liquor business by having goods turned over to them to sell and pay the taxes of delinquents out of the proceeds. These are just a few of the questions that are being asked among surety men who have not yet decided just how they will handle this new phase of the business.

Small Business Thought Good

A favorable feature of the bond business is that the government is a preferred creditor and, it is argued, the surety company would be subrogated to the government in the payment of claims. The smaller business of clubs, provision stores, restaurants and the better class of retail liquor dealers is looked upon with favor. The larger bonds, those required for liquor in bond, are better protected than those on goods in private storage.

Goods in Warehouses

In cases where the bond covers liquors in government warehouses, the risk is now essentially the same as it has been heretofore. Most companies have decided not to write freely these instruments covering liquors in bond and it will be necessary to submit cases of this kind to the home office.

As for the new bonds required in cases where the liquor has been withdrawn from bond, the instrument is an unsecured financial guaranty, and would naturally be written only in connection with collateral security. It is likely that the companies will modify somewhat the requirements ordinarily incident to risks of this character, but applications will be referred to the home office.

Travelers Office Expanding

Greatly increased business has made necessary a number of changes in the Travelers office, at 76 William Street, New York. The building next door, number 72, where Newman & MacBain used to be, has been connected with the Travelers office, which now occupies the entire structure at number 72, comprising four floors. To these new quarters the liability, automobile boiler, plate glass, burglary and flywheel counters have been moved and the life and accident departments will expand in the space left vacant by the liability branch. On the first, second and fourth floors accommodations will be made for special agents of various departments, with the necessary clerks and files. In the nine months of this year all departments, excluding life and accident, show a combined increase in new business over the same period of last year amounting to eighty per cent.

Developing Higher Efficiency

Every Monday for forty minutes the National Workmen's Compensation Service Bureau holds a school session. All the stenographers and typists and as many of the department heads as can be got together assemble for a review of English composition. Also, Friday afternoons all those in the actuarial and statistical branch are assembled for discussion of the principles underlying the work of that department. H. C. Carver, instructor of insurance in the University of Michigan, has been spending several weeks in the New York office of the National Workmen's Compensation Service Bureau, becoming familiar with its methods.

HOLDING BUREAU MEETING

The National Workmen's Compensation Bureau will hold a bureau meeting today, Thursday, at its New York offices.

New Amsterdam Casualty Company

A Progressive

SURETY AND CASUALTY

Company

CLARK C. HOWARD REMEMBERED

Great Eastern Casualty Men Loud in Praise of Anniversary Program

Clark C. Howard, agency-director of the Great Eastern Casualty, was presented with a set of platinum and pearl shirt buttons and studs at the twenty-fifth anniversary meeting of the company in New York last week. This was in recognition of the excellent work done by him in arranging a program which every representative present declared was the best that could have been devised.

Among the papers presented which were particularly well received was one on claims by James G. Madigan, superintendent of the claim department and another on plate glass lines by Le Grand L. Atwood, of St. Louis. Winfred J. Smith, agent at Rochester, acted as master of ceremonies. C. V. A. Decker, of Kingston, N. Y., was unable to attend. The entire party were unanimous in their praise and appreciation of the manner in which they were entertained.

Ten Million Autos Maybe

Automobiles in the United States now number over 4,000,000 and those most optimistic about the business declare that before many years there will be 10,000,000 machines in use. Capable automobile insurance men are already hard to obtain and should the prophecy of this automobile enthusiast prove correct there will be plenty of jobs open in the insurance offices for capable men. The ratio of cars to population is highest in the following states: Iowa, 9; Nebraska 10, California 12, Kansas 13, South Dakota 13, Minnesota 14, North Dakota 14, Montana 14, Arizona 16 and Michigan 16. Evidently the farmers have money.

H. G. B. Alexander, president of the Continental Casualty, and one of the most prominent figures in the casualty world, was a visitor in New York last week.

TRAVELERS MEN ADVANCED

Liability Managers at Minneapolis and Syracuse Transferred to New York Office

William Clarke Billings, compensation and liability manager for the Travelers at Minneapolis, and Charles E. Ferree, who acts in like capacity in Syracuse, have been transferred to the New York office as assistant managers in the liability department. This increase in the New York office force has been made necessary by the greatly increased business there in the liability department, of which H. L. Herrington is manager and H. B. Johnson, advisory manager. David Meiklejohn and Floyd N. Dull continue as assistant managers.

CASUALTY MEN TO DINE

Police Commissioner Woods of New York will address the Casualty and Surety Club of that city at its first informal dinner this fall, to be held at the Drug and Chemical Club, October 16. Commissioner Woods' subject is "The Relation of the Police Department to Insurance." The committee plans to have a gentleman particularly well informed on military subjects speak on war problems. These informal monthly dinners of the club take the place of the luncheons which have been held. There will be no annual banquet this year.

CASUALTY ACTUARIES' MEETING

The annual meeting of the Casualty Actuarial & Statistical Society will be held in New York at the Hotel Astor, October 31, November 1 and 2. Preceding this meeting the statistical committee of the National Workmen's Compensation Service Bureau, which includes the statisticians of all the member companies, will convene.

SURETY ASSOCIATION MEETING

The Surety Association of America held its annual meeting October 10 at the Waldorf-Astoria Hotel. After approving several reports submitted by committees the association re-elected R R. Gilkey as secretary-treasurer.

WEBB WITH REPUBLIC CASUALTY

Ben F. Webb, Jr., formerly Chicago resident manager of the Fidelity and Deposit, has been appointed resident manager there for the Republic Casualty of Pittsburgh.

C. V. Norrid, manager of the Nashville branch of the Tennessee Inspection Bureau, was operated on recently for appendicitis and is improving rapidly. He is to be back at his office in a few days.

General Accident

FIRE AND LIFE

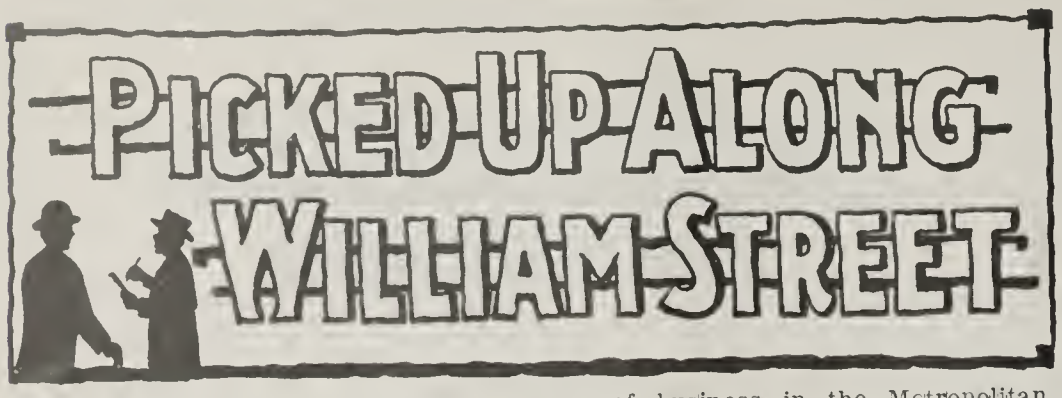
ASSURANCE CORPORATION, Ltd.

SERVICE THAT EXCELS

FREDERICK RICHARDSON, United States Manager.

GENERAL BUILDING · 4TH & WALNUT STS.

PHILADELPHIA



Stars are Coming Out

The Home Insurance Company is displaying from its New York office a service flag with sixty-five stars. The North British & Mercantile has a flag with twenty-three stars.

* * *

Writes 2,000 Policies

The Wisconsin Automobile Insurance Company, of Monroe, Wis., has written 2,000 policies in eleven months.

* * *

Appoint H. C. Reid

Howard C. Reid, of New York, has been appointed general agent for the Manufacturers Liability Insurance Co. for Maryland in Baltimore, succeeding John G. Carew, resigned. Offices continue in the Equitable building.

* * *

Believe Partiality Shown

Underwriters are not at all pleased with some recent decisions of the New York State Industrial Commission. It would appear that in these conclusions the State Fund fares vastly better than the stock companies.

* * *

Less Use and Occupancy

Requests for use and occupancy insurance are coming in less numbers from munitions manufacturers. The Allied governments are said to have gotten ahead of their requirements in this respect and this country is not sending many shells abroad now. Those that are going are of large calibres.

* * *

Opens Buffalo Branch

The Continental Casualty, of Chicago, has extended its operations in Buffalo by opening a branch office in Ellicott Square in charge of J. A. Brooks, who has been acting as special representative in Eastern territory. The facilities of the Buffalo branch will be much improved to care for a large monthly premium business the company has in that field.

* * *

Aetna Men in Service

Home office employes of the Aetna Life engaged in casualty lines, and members of the Aetna Casualty and Surety home office force now in the army and navy number 115. Of these 89 are in the army, 23 in the navy and 3 in the quartermaster's division. Of branch office employes there are 76 in various branches of the service. Field employes, including those subject to call, number 47, a grand total of 238.

* * *

Play Golf October 23

The fall tournament of the Underwriters' Golf Association will be held October 23 at the Englewood Country Club.

* * *

Aetna Branch Expanding

William N. Heard, of Newark, N. J., in charge of the Aetna Company's casualty lines there, has practically doubled his business this year and will materially enlarge his offices within a short time.

* * *

Moving to Brooklyn

The Columbus Circle office of the Continental Casualty in New York City is being moved to the Kings County Trust Company building, Brooklyn. This office handles a considerable volume of business in the Metropolitan district formerly held by the Casualty Company of America and reinsured by the Continental. The office will continue in charge of T. W. Leonard.

* * *

Get News at Gauvin's

Just to keep a few insurance men down town this week the Gauvin Agency installed a ticker service and blackboard to give returns on the World's Series games.

* * *

Will Discuss Commissions

Within a short time the committee on commission rulings of the National Workmen's Compensation Bureau will hold a meeting to consider various questions.

* * *

Bureau Assists Government

Strikingly significant is the work accomplished for the Government by the National Workmen's Compensation Service Bureau in reducing the number of accidents in Navy Yards and arsenals. Months ago the National Council for Defense became convinced that greater efforts in the direction of safety were necessary in the various Navy Yards and arsenals if the program outlined for those institutions was to be successfully carried out. A safety organization was therefore perfected in the Brooklyn Navy Yard as a test and the Bureau was called upon to assist. It furnished several of its experienced men and several clerks. As a result of the combined efforts of all interested in this safety work the number of accidents was lessened by forty seven per cent. notwithstanding that inexperienced labor was used in considerable extent and the work was done under pressure. With this showing the Government authorized the permanent employment of a safety engineer for each of the important Navy Yards and arsenals so that similar safety organizations might be perfected for them. Since that time the Bureau has released for the service of the Government a number of its most valuable men from branch offices. The entire machinery of the Bureau has been tendered to the National Council of Defense subject to call.

* * *

Steuerwald Succeeds Story

V. C. Steuerwald, adjuster in the Fidelity-Phenix office in Brooklyn, has been appointed successor to the late Mr. Story as manager of the Brooklyn Eastern District office. The change becomes effective at once.

* * *

Examination Completed

The New York Insurance Department is examining the General Accident. An examination of the National Surety has been completed and a report may be looked for in about ten days.

* * *

J. L. Mee Promoted

John L. Mee has been appointed assistant superintendent of agencies of the National Surety at the home office in New York. Mr. Mee entered the insurance business as special agent of the Hartford Steam Boiler. He later became executive special agent of the Royal Indemnity and entered the agency department of the National Surety in 1916 and is one of the company's assistant secretaries.

Rate Conference in Austin

Actuary Meikeljohn, of the National Workmen's Compensation Service Bureau, is this week attending a conference in Austin, Texas, to discuss lumber risk rates.

* * *

LOGGING RATES ADVANCED

The Industrial Insurance Commission of Washington has reduced the compensation basic rate for general construction work and mines, other than coal, and has advanced the basic rate for logging operations.

* * *

Open Stock Mercantile Risky

Because mercantile open stock burglary insurance is regarded as purely an accommodation line, certain restrictions are placed around it which agents would do well to keep in mind. As pointed out by the General Accident losses in this line run in certain stocks for a time, then shifting to others. Most risks of this kind are under-insured. A reasonable amount of preferred business should accompany the mercantile open stock business but the latter should not exceed in premiums ten per cent. of the preferred premiums. The physical hazard should be good and furs, silks, high-grade jewelry and feathers should not be accepted unless protected by a first class central office burglar alarm. The prohibited risks are saloons, liquor stores, pawnbrokers, cheap jewelers (those handling plated and inferior goods), notion stores, stocks containing guns, revolvers or cutlery, cigar manufacturers, risks in low class, foreign, run down or questionable districts, those of poor financial standing and credit, risks on which two or more losses have occurred, those having had a questionable fire and those presumed to be "fences," etc.

Segregation of Payroll Dangerous

In a discussion of the division of payroll from the actuarial point of view a representative of the National Workmen's Compensation Service Bureau points out the danger from extensive segregation. This, he says, often leads to a misclassification of experience and, in this way, it indirectly influences the establishment of basic pure premiums. Effort should be made to keep the experience for manual classifications as pure as possible. Foreign experience which is injected into experience which is truly representative of the manual classification, because of difficulty in properly classifying risks, is a danger which must be avoided at its source for, after the experience has been wrongly classified, it is often impossible to detect the misclassification and the result is a wrong rate.

If the experience for a certain classification in one State represents an average of all the operations contemplated by the classification and, if this experience is combined with experience for the same classification for another, where, because of payroll segregation, the experience is indicative of only the more hazardous operations of a classification, the result is in error and the final rate must be inaccurate.

Large Volume Essential

It is essential that a large volume of payroll exposure shall be available for the individul classification in order that the pure premium established as a basis for the rate may be based upon a broad and dependable experience. Payroll segregations tend to distribute the experience over too many classifications. This is particularly true where segregations are permitted promiscuously and without proper regard for the rules of underwriting.

There is a common misconception concerning the rates for certain classifications. Thus we frequently find that attempts are made to segregate the less hazardous operations incidental to certain businesses and to apply a rate lower than the governing rate to the payroll for these operations. Request is often made, for example, for a segregation of the payroll of markers and distributors in laundries upon the ground that this class of work is practically non-hazardous and should, therefore, be relieved from charge at the rate for "Laundries—not otherwise classified." No one ever has argued that certain of the more hazardous operations should be segregated and a rate in advance of the average rate charged against the payroll for such operations.

What is the fallacy of this method of reasoning? It is simply this: The rate for "Laundries—n-o-c," is an average. Its basis is a pure premium taken from actual experience. Presumably, this experience has been accumulated in accordance with the rules of the manual. It covers all of the operations incidental to laundries. No part of the payroll has been eliminated. The payroll of markers and distributors has been included; so have the losses for this kind of work.

Destroying Experience

The rate, then, contemplates a certain distribution of hazard. It provides for the high hazard of manglers; it also provides for the low hazard of the markers and distributors and, inasmuch as the relative proportions of payroll for the different classes of work in laundries do not vary materially from plant to plant, it is fair, logical and consistent to charge the flat rate upon the entire payroll of each risk.

If, therefore, we were to consider a proposal to divide the payroll in any individual risk and to permit the rating of the payroll for markers and distributors at a low rate, we, in turn, should be forced to increase the rate for the remaining payroll in order that the average rate for the risk might correspond with the experience indication. If this segregation were permitted, however, it would destroy the experience for "Laundries—n. o. c." and we should be forced to set up a new conception of the scope of the classification.

Where Responsibility Lies

To be safe, the manager should determine from the underwriting department the exact character of the operations contemplated by each classification. He should then be careful to see that nothing is done in the case of any risk which will result in the misclassification of hazards and experience. After it has passed the rating office and the underwriting department of the company, the statistician or the actuary will not be able, in the majority of cases, to detect the error. Care also should be taken to classify risks which are not exactly described by the manual classifications in such a way that the experience for these risks will not interfere with the proper determination of basic pure premiums.

There is much danger in underwriting practice, if it is improperly done. The responsibility for the avoidance of the danger rests with the rating and stamping office in a large measure.

CASUALTY AND SURETY POINTERS

Courtesy and Kindliness

The talisman of success in the insurance business—if not in any business—is courtesy and kindliness, says Guy LeRoy Stevick of San Francisco, Pacific manager and attorney for the Fidelity & Deposit. Continuing in this vein he points out that in our relations with each other as employes, courtesy and kindliness are just as necessary as they are in getting business. Ninety-nine per cent. of the trouble and unpleasantness between an agency in the field and the home office is due to the fact that people will thoughtlessly write things to others many miles away which they would not think of saying to them personally. If we could always imagine that the man to whom we are writing is sitting opposite and could see his face before us as we write, we would not say one-half of the sharp things we write. That is one good reason for having pictures of business associates on our office walls.

In every department of our business, courtesy and kindliness are absolutely necessary to business. The solicitor and broker will starve if he does not use them; the counter man at the agency or branch office is misplaced without them; the manager in the field cannot do without them; the minor employe at the home office needs them more than anybody else; the manager of a department generally has them or does not remain manager; the executive officer has risen to his position largely by reason of them, and the president is the embodiment of them. If we could plot the line of success in our business it would run parallel with the line of courtesy from the lowest employe to the highest.

* * *

New Prize Plan in "Business Getting" Contests

Augustus H. Knoll. of the Aetna, in Buffalo, issues the following announcement to licensed agents regarding the business-getting campaign contests:

On Wednesday morning there will be placed upon the counter a showcase. ("Covered by Burglary Insurance.")

In the showcase will be displayed three articles, one of which may be selected by the winner of the contest described below.

Particulars—Monday and Tuesday Contest—Burglary Insurance.

Including residence burglary, theft and larceny; bank, store and safe burglary; paymaster and messenger robbery, office and store hold-up.

Prize will be awarded to the agent securing the largest number of new risks.

Where several kinds of burglary protection are secured for one risk (requiring several applications) each application that bears an annual premium of $10 or more will be counted as a "risk." Thus, if a store burglary policy with an annual premium of $10 is sold in conjunction with a safe burglary policy or a store hold-up policy with annual premium of $10 or more, each application would count as a "risk," otherwise the two applications would count as only one risk.

As burglary insurance is usually written for a three year term, where a risk having an annual premium of $10 or more is written for a three year term with the term premium payable in advance, the application will count in the contest as two risks.

Please note particularly that amount of premiums is not a factor but that number of risks counts so that every agent has an equal chance with every other agent; also that the business thus secured by each agent counts for him in connection with the cash allowances in the Company's business-getting campaign, in the contest with Syracuse for the additional ten per cent. added to the cash allowances, and for the trip to Hartford.

Pointer.—You cannot fail to have noted from the newspapers that the residence burglaries in Buffalo during the past six months have been vastly more numerous than usual and that the value of the property stolen has been many times greater than in any other similar period in the history of the city; reminding a prospect of these facts should interest him in this protection.

HELPING AGENTS ON FIDELITY

The Fidelity & Deposit has authorized its agents to discontinue sending inquiries to the personal references named in applications for fidelity bonds. The company has decided for the present, at least, to send all inquiries to former employes direct from the home office, except in cases of branch offices, which will send out inquiries as heretofore. The company is doing this to increase its fidelity business from applicants for individual bonds in small amounts, bonds carrying premiums of from $2 to $10 each. The agents are thereby relieved of considerable work and expense. The company is also impressing upon its representatives the necessity for securing adequate minimum earned premiums on all business submitted.

TO DISSOLVE UNION CASUALTY

Court Orders Receiver to Deliver Assets to Pennsylvania Department

Following a decision of the United States Circuit Court of Appeals the Federal District Court at Philadelphia has ordered the receiver for the Union Casualty to deliver all the property and assets of the company to the Pennsylvania department. The department will then carry out an order of the Dauphin County Common Pleas Court for the dissolution of the company. For a time there has been conflict between the federal and State courts over the control of the company's affairs.

PENNSYLVANIA FUND REPORT

The annual report of the Pennsylvania Fund which has just been issued shows the net income in 1916 to have been $803,532. The report shows 111 claims to have been made during the year and that compensation is now being paid to 12 dependent parents, 32 widows, and 92 orphan children. A dividend of 10 per cent. was paid to a group of coal mine risks and fifteen per cent. to all other risks, the total return being $93,162.

CHARLES GILMOUR RESIGNS

Charles Gilmour, manager of the plate glass department of the Fidelity & Deposit in New York, has resigned as of November 1. He has been with the Fidelity & Deposit for some time and is an experienced plate glass man. He has not announced his new connection.

Thomas Henry Messenger, of Glen Ridge, N. J., died October 7. He was the oldest director of the Home Life, chairman of the executive committee, and was seventy-seven years old. Mr. Messenger had been ill for several months.

Frank E. Delaney, resident manager at Milwaukee for the Fidelity & Casualty, was a visitor at the home office last week.

W. E. SMALL, President PETER EPES, Agency Mgr. E. P. AMERINE, Secretary

GEORGIA CASUALTY COMPANY

HOME OFFICE: MACON, GEORGIA

"DIXIE AUTO POLICY"

THE LAST WORD IN MOTOR INSURANCE

Surplus and Reserves to Policyholders.....$1,526,022.81

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CHARTERED 1874

Plate Glass, Burglary, Accident and Health Insurance

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Service of Quality to Policy Holders

Contracts of Superiority to Representatives

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THE NATIONAL of DETROIT

Eastern Dept. 100 William St. New York

Western Dept. Pacific Bldg. San Francisco

Northwestern Dept. Palace Bldg. Minneapolis

NEW TRAVELERS CONTRACT

Company Announces Health Policy Not Covering First Week of Disability for $22.50

The Travelers of Hartford announces a low priced health policy, not covering the first week of disability. It pays $25 a week while confined to the house, limit 52 weeks; $12.50 a week for non-confining disability, limit 8 weeks. Hospital operations are covered by schedule and the policy pays in lieu of surgical operation fee, amount expended weekly for hospital charges not exceeding $6.25 per week up to ten weeks. This form is issued only to select and preferred rate risks carrying an equal or greater amount of accident weekly indemnity in this company. Cost: Ages 18 to 50, $22.50; ages 51 to 55, $32.50.

PRAISE FOR STANDARD ACCIDENT

Examination By Four States Reveals Healthy Condition and Good Practices

A joint examination of the Standard Accident of Detroit by the departments of Michigan, South Dakota, Ohio and Wisconsin shows reserves to be fully adequate. The special reserve for unpaid liability and compensation losses, December 31, 1916, was $1,638,198, which is $536,002 above legal requirements and the company is commended for thus heavily fortifying itself. The examiners speak in favorable terms of the manner in which claims are handled and concludes:

"We find the company in good financial condition, economically managed and its protection of policyholders is such that it is fully entitled to the confidence of the insuring public."

American Central Life

Insurance Company

INDIANAPOLIS, INDIANA

Established 1899

All agency contracts direct with the company

Address:

HERBERT M. WOOLLEN, President

Associated Mutual Agency Incorporated

B. J. ALLEY, Manager

68 William St., New York

Exceptional Facilities for Writing Business Throughout the United States

Capacity For Local Agents

You can use our capacity as your own to take care of additional business beyond the capacity of admitted Companies.

Our capacity is as high as $150,000 on a single risk with immediate binders and 10% commission to brokers. Guaranteed Underwriters. Use our special Surplus Line Department. Special liberal policies for Baggage Insurance.

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THE EQUITABLE

makes a specialty of the following:

Insurance to protect business firms and corporations, under a corporate form of policy.

Group Insurance, by which employers protect families of employes.

A flexible contract, known as the Convertible Policy, which can be converted by the Insured into an Ordinary Life, Limited Payment Life, or Endowment Policy.

A Bond issued without medical examination giving the investor an income for his declining years.

A new policy is offered under which the insurance is DOUBLED if death results from ACCIDENT. This policy also embodies the following advantages if the person whose life is insured becomes totally and permanently disabled:

1. Thereafter the Equitable will carry the insurance —The Insured will have nothing further to pay.
2. The Equitable will pay the Insured an annual income for life equal to one-tenth of the face of the policy.
3. Upon the death of the Insured the full amount of the insurance will be paid to the Beneficiary (or double the amount if death is due to accident) without deduction on account of the income paid to the Insured while living.

(See the policy for conditions and details.)

For Agency Openings Address

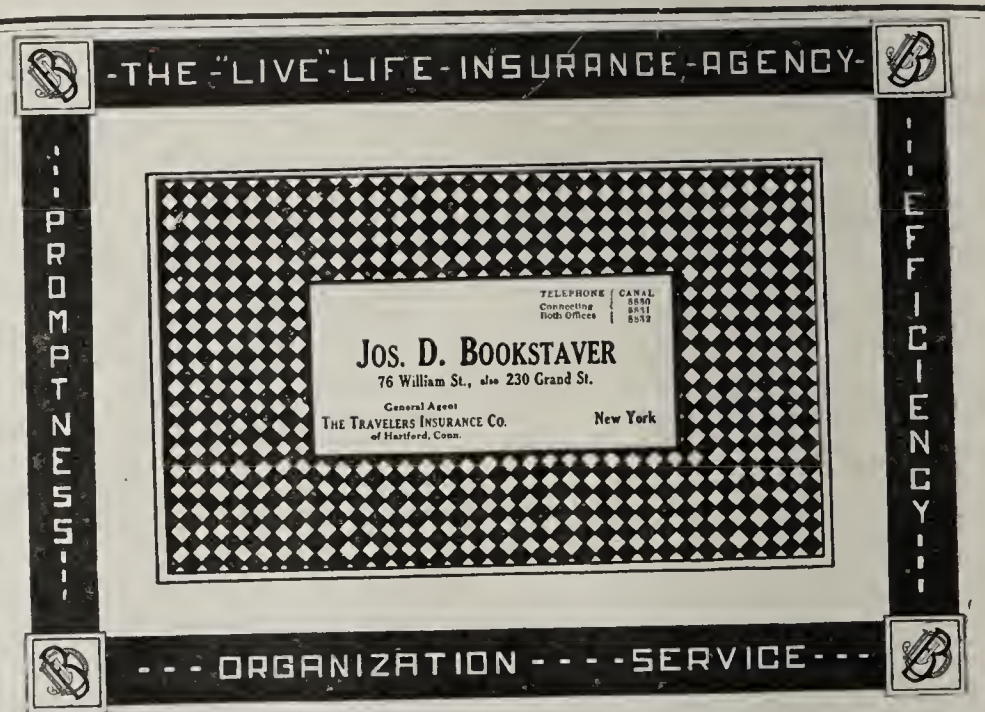
WILLIAM E. TAYLOR,

Superintendent of Agencies

THE EQUITABLE

LIFE ASSURANCE SOCIETY OF THE U. S.

120 BROADWAY, NEW YORK



San Francisco Losses Amounting to $4,522,905.00 paid PROMPTLY IN CASH WITHOUT DISCOUNT, from funds largely supplied by head office in Liverpool

U. S. Cash Assets, Dec. 31, 1916	$15,827,439.35
Surplus, - - - - -	5,460,745.59
Losses Paid by Chicago Fire, 1871	3,239,491.00
Losses Paid by Boston Fire, 1872	1,427,290.00
Losses Paid by Baltimore Fire, 1904	1,051,543.00

Liverpool AND London AND Globe Insurance Co. LIMITED

Over $152,000,000.00

Losses Paid in the United States

HENRY W. EATON, Manager
G. W. HOYT, Deputy Manager
HUGH R. LOUDON, Assoc. Deputy Mgr.
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T. A. WEED, Agency Superintendent

NEW YORK OFFICE
80 William Street

NATIONAL ASSOCIATION OF INSURANCE AGENTS
NATIONAL ASSOCIATION OF CASUALTY AND SURETY AGENTS

THE EASTERN UNDERWRITER

EXTRA EDITION

[Succeeding the Journal of Insurance Economics, Established in 1899]
A WEEKLY NEWSPAPER COVERING ALL BRANCHES OF INSURANCE

EXTRA EDITION

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ESTABLISHED 1891



From an old print

THE GREAT FIRE AT BOSTON

NOVEMBER 9th and 10th, 1872

The Fire began on Saturday evening, and raged for 15 hours; destroying over Sixty Acres of Buildings, among which were whole blocks of the finest Granite Stores on the continent, and property estimated at nearly $100,000,000.

Fire
Automobile
Profit
Use and Occupancy
Marine
Tourist
Sprinkler Leakage
Windstorm
Explosion

Statement January 1, 1917

Assets	$12,149,847.97
Liabilities	5,973,698.40
Surplus	5,176,149.57
Capital	1,000,000.00
Capital and Surplus	6,176,149.57

Head Office—84 William Street . . . . New York City
Southern Dept.—S. Y. TUPPER, Manager . . . Atlanta, Ga.
Western Dept.—P. D. McGREGOR, Manager . . . Chicago, Ill.
Pacific Coast Dept.—ROLLA V. WATT, Manager . San Francisco, Cal.
Marine Dept.—JOHN E. HOFFMAN, Manager 84 William St., N. Y. C.

Says Executives Writing Jumbos "Gamble with Company's Assets and Imperil Commercial Credit"

Practice is Assailed by President Roth

Country Needs More Fire Insurance Companies and Conservative Underwriting

LEGISLATURES TO CHECK "SPEED MANIACS"

Demand Created by "Plunging Managers and Brokers at Expense of Agents"

If there was any doubt in the minds of company managers as to whether the question of jumbo lines would be in the forefront of questions discussed at the annual meeting of the National Association of Insurance Agents it was dispelled by E. C. Roth, president of the Association, at its convention in St. Louis last week. Of jumbo lines Mr. Roth expressed his opinion as follows:

No topic is of more vital concern to the future of the business than the subject of jumbo line writing in connection with foreign reinsurance.

The "jumbo line," so-called, may be aptly described as a practice pursued by some of the big companies of biting off more than they can chew, leaving little or nothing for their smaller competitors and passing on what they are unable to masticate, in the form of reinsurance, to companies many of which are not qualified to do business in this country.

Centralizes Business

The results of this practice progresses toward the centralization of the fire insurance business of this country in a few companies, by the freezing out of conservative, and small American companies and the undermining of the American agency system, all of which is contrary to the best interests of the property owner, the companies, and the agents. What the country needs, especially at the present time, is more fire insurance companies and more conservative underwriting rather than fewer companies and more plunging.

One result of this terrible war has been the turning of the spotlight upon the practice of managers who have gambled with the assets of their companies, and the commercial credit of the country, by assuming risks in congested centers far beyond their underwriting capacity. Companies in this country paid reinsurance companies, largely German, $216,000,000 in premiums in the last five years. A large part of this enormous sum could and should have been received by American companies.

Affects All Branches

The "jumbo line" is more than a trade question. It affects banefully everybody engaged in the fire insurance business and imperils the commercial credit of our country. It is a question not to be settled by the limits of greed nor by the desires of companies or agents. Insurance commissioners are studying the subject with grave concern and legislatures are becoming more and more disposed to check the "speed-maniacs" by statute.

Several of the shrewdest managers who have used the "jumbo line" in competition for years have publicly expressed a preference for net lines, and we have every reason to believe that if a confidential poll of managers were taken, at least four-fifths of them would be found opposed to the writing of "jumbo lines."

Says Demand Is Fictitious

The so-called demand of property owners for large policies has been artificially created by plunging managers and brokers at the expense of local agents and the smaller and more conservative companies. Property owners never thought of preferring to have all their insurance in one company, rather than ten, until it was suggested by some company or broker desiring to corral the business. Some agents under pressure from their companies for more premiums have yielded to the temptation of using "jumbo line" facilities offered by their companies, and others have also been tempted to accept the agency of companies which they did not need. "Part time" and "side-line" agents, who have no professional interest in the business, probably see no objections to the "jumbo line," but agents who understand insurance and make it their sole business, recognizing their duty to both company and assured, are generally opposed to "jumbo lines."

Not Decided By Managers

However, the question will not be decided by what greedy managers or agents may want, but upon the ground of what will best protect the property owner and conserve the interests of the entire body of those engaged in the fire insurance business. All recognized authorities hold that these interests are best served by maintaining a large number of American companies, and by the preservation of the American agency system, both of which are imperilled by the "jumbo line."

Other matters discussed by President Roth follow:

Business Growing Rapidly

Insurance developments and progress during the past year are now a part of the most important and remarkable commercial experience in the business history of America. In no previous year has the insurance business called for a greater degree of underwriting ability, from both companies and agents, to meet the rapidly changing conditions, the uncertainty as to values and the introduction of the many new and dangerous hazards developed by the demand of the war. To support our government in every legitimate way helpful to all interests, new coverages have

(Continued on page 6)

(FOUNDED 1806)

LAW UNION AND ROCK
INSURANCE COMPANY, LTD., OF LONDON

United States Branch, 49 John St., New York
HALL and HENSHAW, U. S. Managers

NO UNDERWRITERS' AGENCY
NO ANNEXES

NO OVERHEAD WRITING
AN AGENTS' COMPANY

Multiple Agencies and Jumbo Lines Must Go, Say Agents in Convention

Leaders to Take Issue With "Jumbo" Ballot Taken by Large Company—Want Invitation for Conference on "Dual Agencies" to Come from Principals—Legislation in View—Situation May be Handled by Local Boards—Standing Room Only at Meeting.

By Clarence Axman

(*Special to The Eastern Underwriter*)

St. Louis, Thursday—

Soon after the National Association of Insurance Agents convened at the American Hotel Annex this morning, it was seen that the two vital questions before the Convention were multiple agencies and jumbo lines.

It was also evident that the National Association leaders are going to take issue with the recent ballot of a large company on the jumbo line subject, and will take the position that most of the fire insurance companies are lined up against the practice of writing enormous lines of fire insurance in any one company, on one risk, and the balance, over and above their net line, to be parcelled out to reinsurance companies.

President Roth Starts Things

The first expression in the Convention that agents as a whole are against jumbo lines came from President Roth. who in his annual address declared that in his opinion the agents favoring the practice are the part time men, and he made the statement that in writing these large lines, companies were biting off more than they can chew.

Multiple Agencies to the Front

Another interesting sidelight of President Roth's report was that the suggestion of the insurance commissioners that the agents and the companies get together on the multiple agency question, had received no response from the companies. "We prefer that the invitation for a conference come from our principals," he said, "but in order that the agents' attitude may be emphasized, I commend that the incoming president of the National Association of Insurance Agents be instructed to appoint a committee to confer with a committee of all the company organizations on this subject of agency representation." He added, "If this invitation to companies for a conference receives no response it will then be necessary to go before the State legislatures."

Suggests Local Boards Handle Question

In the meantime, Mr. Roth recommended that local boards handle the situation, remembering always that the agent of an underwriter's agency was the agent of a parent company.

Underwriters' Agency Fight to Continue

The Executive and Legislative Committees also discussed the same subject. In other words, it was the consensus of opinion of the Convention that the fight on the underwriters' agencies shall continue, and that the insurance commissioners, in criticizing the practice at the Hotel Astor Convention, had given agents great encouragement.

Association Prepares Pamphlet

The National Association of Insurance Agents has prepared a pamphlet entitled "Agents' Campaign for Sole Agencies," in which the progress the agents have made in this fight is outlined for twenty years. This pamphlet, which is to be generally distributed to agents throughout the United States, through the medium of local and State associations, concludes with the following summary.

Known By True Colors

It is evident that the Underwriters' Agency has become recognized as a dual agency, pure and simple, by companies, agents, and insurance commissioners. Besides establishing the principle, the Association has pointed out the remedy, capitalization, which has already been adopted by one of the leading underwriters' agencies.

Effective Legislation Secured

Effective legislation has been secured in a number of States, and while these laws are at present undoubtedly being violated in some instances, their passage has effected material modification in the methods pursued by underwriters' agencies. Few insurance departments now recognize underwriters' agencies as independent entities or separate organizations.

Prevents Definite Company Action

While the efforts of the Association have tended to a healthy limitation in agency appointments, the annex problem has prevented companies from agreeing upon any definite pronouncement.

Every local board should now pass a rule to limit agency appointments as strictly as possible, with proviso that a lapsed agency shall not be replaced until the company is on a single agency basis. This action, taken generally by local boards, will prevent legislative requirement of sole agencies, but if the solution cannot be reached in this manner, legislation must come.

To Prevent Demoralization

For as the foregoing history shows, local agents are resolved to prevent the demoralization of their class by multiple agencies.

Davis Welcomes Convention

The fire agents' convention opened with an address of welcome by J. Lionberger Davis, president of the St. Louis Chamber of Commerce. He is also a bank president, and it was his bank that started printing the advertisements in the daily newspapers advising the depositors and the general public to invest in insurance policies.

Mr. Davis spoke about the Liberty Loan, saying that it was a policy which will help insure the democracy of the world.

Dale D. Butler Not Present

The response was to have been given by Dale D. Butler, the "fire insurance wit" of Middleton, Conn., but he could not come and so F. H. Wagner, of Minneapolis, Minn., made an address. He said he was of German extraction, spoke German and knew hundreds of German-Americans, but not one who is disloyal.

Markham's Name Cheered

He told how glad the Convention was to be in St. Louis. Talking about St. Louis men he referred to George D. Markham as that "prince of good fellows" and when he did so someone in the front row shouted "Amen!"

Frederick Warner Ill

Frederick Warner, of Salem, Mass., chairman of the Organization Committee, who was to have read the report of the Organization Committee, has been seriously ill and could not attend the Convention.

Allen Appears in Splints

E M. Allen, of Little Rock, Ark., vice-chairman of the Organization Committee, read his report. Mr. Allen appeared before the Convention with his arm in a sling. He had been cranking a Ford.

Benjamin Rush's Masterly Address

A scholarly address on the one hundred and tenth anniversary of the American agency system was read by Benjamin Rush, the young and progressive president of the Insurance Company of North America.

That company appointed the first agent in the United States in 1807. The agent was Alexander Henry, of Lexington, Ky. Other agency appointments in the West rapidly followed.

Professor Rasweiler Introduced

One of the felicitous features of the morning session was the introduction of Professor H. H. Rasweiler, of Naperville, Ill., following President Rush's paper. Professor Rasweiler is one of the oldest living Insurance Company of North America agents, and for more than twenty years was State agent for the company in Illinois. At one time he was a college president and for years was a teacher.

Charles F. Hildreth, of Freeport, Ill., who introduced Professor Rasweiler, said that he had taught him the rudiments of the fire insurance business.

Forty-four Years an Agent

Professor Rasweiler, who received his agency appointment forty-four years ago, made an inspiring talk of literary quality, illustrating how the fire insurance agent has grown in morale, in science and in power. He concluded by advising all agents to be optimists.

When Professor Rasweiler concluded, C. H. Woodworth, of Buffalo, who has represented the Insurance Company of North America even longer than Professor Rasweiler, talked.

Recognize Large City Conferences

A. J. Meyer, of Indianapolis, interrupted the regular business of the Convention to say that he wanted the floor to plead for more co-ordination in an attempt to force fire insurance company organizations to pay more attention to the large cities' conference committees. He said he had been trying for three years to get some action from the Western Union on this subject without success. He thought the agent should show companies they mean business and that the large city conferences should amount to something.

C. H. Woodworth said that years ago agents had tried to do something in reference to large city understandings and conferences, but the trouble was the cities would not co-operate with the agents and the movement was a failure.

Missouri Agents Entertain

Following the morning session there was a number of State and local association meetings including a luncheon to the Convention delegates tendered by the Missouri Agents' Association.

Standing Room Only

The Convention is being held in a hotel much too limited in accommodations for the occasion. For once at an insurance agents' convention there is the spectacle of a convention hall too small to hold the auditors, with the result that there is standing room only.

Nominations Resolution Introduced By A. J. Meyer is Stoutly Opposed

Edward M. Allen Elected President—Fred J. Cox Elected Chairman of Executive Committee—Suggest Re-Organization of Secretary-Treasurer's Office—C. H. Woodworth "Objects to Attending Meetings for Political Fireworks Display"—Meyer Grievance, Too Much Expense.

By Clarence Axman

(*Special to The Eastern Underwriter*)

St. Louis, Thursday—

A. J. Meyer, an Indianapolis insurance and real estate agent, tried to toss a bomb into the Fire Agents' Convention today by introducing a resolution reading as follows:

"Resolved, that the Committee on Nominations be requested to bring their report to this Convention as the first order of business at the session on Friday afternoon, and that the nominations be made from the floor."

Wants No Cut and Dried Convention

Mr. Meyer said in conversation with reporters that he did not have it in mind to get after the scalp of any officers who might be nominated at the meeting of the Nominating Committee, but he was against what he called, "a cut and dried convention." He seemed to have the same idea about the National Association of Insurance Agents that Warren M. Horner of Minneapolis has of the National Association of Life Underwriters, which is, that it is run by a clique.

Not Much Sympathy

While one man spoke in sympathy with the Meyer resolution the sentiment of the Convention was that the Association continue nominating its officers just as it has been doing for years.

Woodworth Would Eliminate Fireworks

C. H. Woodworth, of Buffalo, said that if Meyer's scheme went through the Convention would spend most of its time wrangling over the election of officers and he for one did not propose coming to a National Association Convention for the purpose of seeing a display of political fireworks. He regretted any attempt to inject politics into the meetings.

No Closed Door

Fred. J. Cox, of Perth Amboy, N. J., declared that if anyone wanted to be heard regarding nominations the Committee on Nominations was perfectly

willing and ready to hear them. And the Convention agreed with him.

After Mr. Cox made the above statement, the troubles of the nominating committee began, because a lot of people had something to say.

The result finally was that there were three meetings of the nominating committee and a ticket was harmoniously agreed upon and when presented on the Convention floor headed by Edward M. Allen, Helena, Ark., for president, it slid through without comment.

Mr. Cox, who hails from Perth Amboy, N. J., was congratulated all around for his good work in bringing about harmony, and he was rewarded by being made chairman of the executive committee. As this is only the second convention that Mr. Cox has attended, it will be seen that he has made quite an impression upon this Association to win such an important chairmanship.

The principal grievance of A. J. Meyer, of Indianapolis, and some other Western men is that the secretary's office of the National Association of Insurance Agents is conducted at considerable expense. Mr. Meyer caused criticism in the Convention by talking to daily newspaper reporters and telling them that the Convention was run by a clique.

This statement the Convention refused to believe. Mr. Meyer told The Eastern Underwriter that he was not after the scalp of Henry H. Putnam, but only wanted the office of the secretary and treasurer reorganized. This will be done and it is understood will be given an assistant.

Propose Cincinnati Man

Some Western men came to the Convention determined to have John Ankenbauer, of Cincinnati, replace Mr. Putnam as secretary. Mr. Ankenbauer is in the fruit and produce business, is secretary of the Cincinnati Underwriters' Association and is a great authority on inter-insurers.

He told The Eastern Underwriter that he was not anxious to become secretary of the National Association of Insurance Agents and that he had not come to St. Louis to make any campaign in that direction.

Edward M. Allen, who was elected president of the National Association, is a bright young Arkansas insurance man who was formerly in the railroad and then in the real estate business. He drifted into insurance from real estate, and he has made a record in Association work by helping to organize associations and in pushing the club movement. Other officers elected follow:

Vice-Presidents

New England States: L. C. Merrill, Concord, N. H.; Middle States: Robert S. Paviour, Rochester, N. Y.; Southeastern States: Walker Taylor, Wilmington, N. C.; Southwestern States: Arthur W. Mills, Pine Bluff, Ark.; Middle Western States: W. A. Eldridge, Detroit, Mich.; Mississippi Valley States: R. L. Stewart, Kansas City, Mo.; Pacific Coast States: Mac O. Robbins, Santa Ana, Cal.; Rocky Mountain States: Fred W. Standart, Denver, Colo.

Secretary-Treasurer

Henry H. Putnam, Boston, Mass.

Legislative Committee

George D. Markham, St. Louis, chairman.

Organization Committee

F. E. Warner, Salem, Mass, chairman.

Casualty and Surety Committee

Arthur Howell, Atlanta, Ga., chairman.

In announcing the election of Fred J. Cox as chairman of the executive committee, Clarence S. Pellet, of Chicago, referred to him as a man whose looks the delegates liked, who has sound common sense and who has put New Jersey on the map. Other members of the executive committee follow:

C. S. Pellet, Chicago; Louis L. Rauh, Cincinnati; J. B. Leedom, Milwaukee; Oscar A. Smith, Memphis; John C. Coart, Seattle; Frederic V. Bruns, Syracuse; and J. L. Case, Norwich, Conn.

In announcing the nominations the committee said:

"This committee recommends that the incoming administration give urgent consideration to the reorganization of the secretary-treasurer's office in the interests of greatly increased efficiency."

"Jumbo Line" Resolution Precipitates Heated Discussion For and Against

C. H. Woodworth, Buffalo, Introduces Recent Agency Poll of Home Insurance Co. Into Argument and Questions Sincerity Thereof—C. C. Jones, Kansas City, Defends Position of Home—Geo. D. Markham "Dissects" Points Made by Mr. Jones—Others Take Up Cudgels.

By Clarence Axman

(*Special to The Eastern Underwriter*)

St. Louis, Friday—

The Convention of the National Association of Insurance Agents, which had been moving placidly with set addresses and committee reports, suddenly developed into a pulsating engine of debate this morning when the lid was taken off the subject of "Jumbo Lines."

C. H. Woodworth, the veteran Buffalo agent, started the fireworks by attacking the "jumbo line" proposition, saying that while it might be advantageous for local agents for a time, eventually it would destroy the American agency system. He said that when he died he wanted to leave his fire insurance business to successors, but if the "jumbo line" practice was not curbed or eradicated he was afraid that agents would not have much business to leave.

The discussion hadn't gone very far when it settled upon the recent poll of agents of the Home Insurance Co., of New York, which that company stated has resulted in a ninety per cent. verdict against legislation to restrict reinsurance. Letters that the Home had received from agents and three of them which were published by The Eastern Underwriter were dissected. Mr. Woodworth was satirical about the Home's ballot as published.

Resolution Submitted

C. C. Jones, a Kansas City representative of the Home, answered Woodworth defending the "jumbo line" practice on grounds of economy and progress. George D. Markham, of St. Louis, in turn answered him. It was evidently the liveliest sort of a topic because at least a dozen men wanted to talk. Finally a resolution submitted by C. H. Woodworth was referred to the resolutions committee, and debate was ended with the announcement that "multiple agencies," which shares in importance with "jumbo lines" the interest of the Convention, would be taken up this afternoon.

C. H. Woodworth's "jumbo line" resolution follows:

"Whereas, the check caused by the war upon this insurance practice is viewed with satisfaction and it is hoped that, in the interests of the public and that of the small and conservative companies and all insurance agents, measures will be taken to eliminate or largely reduce this dangerous practice.

"Be it resolved, that this Association pledges its co-operation with companies, insurance commissioners, and legislatures in efforts to remove this menace to the American agency system."

Early Action of Association

In beginning his discussion, Mr. Woodworth told about the early action of the Association on "jumbo lines" taken at the Milwaukee Convention. At that time three companies only were indulging in the practice. A resolution was passed opposing this method of underwriting. Since then evil has grown every year until now it is simply stupendous. In five years, two hundred and sixteen million dollars have been sent out of this country largely to German companies, in the form of reinsurance, while small, conservative companies losing this business have found it difficult to get along.

Mr. Woodworth then discussed the tremendous liability of companies having these reinsurance contracts. He declared that when underwriters thought about the amount at stake in some of the larger cities it probably made them shudder. It is only best of luck that has prevented fire insurance catastrophes, which would have resulted if New York, Chicago, or other metropolitan cities had been visited by a conflagration. He then asked the blunt question of what would happen in case of a conflagration. He asked if the agent thought that Germany's practices in other matters would lead to the belief that her reinsurance companies would have paid out gold to settle these large losses.

Eckert Plan Discussed

Mr. Woodworth discussed the affidavit plan of John A. Eckert, former president of the New York Fire Brokers' Association. He said he did not want to urge that Mr. Eckert's plan be adopted, but up to date it was the best solution of the reinsurance problem that he had seen. As will be recalled, Mr. Eckert's suggestion was that an affidavit be taken that companies admitted to do business in New York had been offered insurance and that it be not placed with outside companies or unauthorized companies until New York admitted companies had all they could write.

Mr. Woodworth then took up the Home's plebiscite. He declared that in 1911 the Home Insurance Co. had made a similar declaration of sounding agency views on underwriters' agencies and then, after learning that this practice was not favored by local agents, had two years later announced an underwriters' agency of its own. Whether the company changed its mind or the agents changed their minds is not for us to say, said Mr. Woodworth, but it is to be hoped that the officers of the Home may reverse their position regarding "jumbo lines" two years from now.

Mr. Woodworth then took up the three letters which had been given out by the Home from agents, as illustrating the agency attitude. He poked fun at the arguments used in these letters, declaring they had not proven the case.

Letters Cleverly Written

Mr. Woodworth declared that the Home's original letter to agents was very shrewdly and cleverly written by President Elbridge G. Snow. This letter asked agents the direct question of whether they were in favor of legislation. Mr. Woodworth continued: "Why, there is not a man in this room who is in favor of legislation. We all know what going to the legislature means, but no man is in favor of war either. However, sometimes it is necessary to have legislation just as at the present time we have war. We have not seen all of the Home's letters. We do not know how many were received. Now, what do these letters prove? They simply prove that when a company has decided to do a thing it can find evidence in favor of its decision out of evidence against it."

Continuing, Mr. Woodworth defined the position of agents relative to "jumbo lines" legislation. It is not a question of greed, he argued, of any one agent, or any one company or any number of agents or companies. It is a question of right or wrong. It is a question of what is best for the insuring public, of what is best for the conservative company, of what is best for the American Agency System. If the practice is not checked, the prophecy of Henry Evans, president of the Continental, that the business will be diverted to a small group of companies will come true, and if that happens, the Lord only knows what will be the fate of the local agency business.

C. C. Jones, Kansas City, an agent of the Home, arose and said he had not come to the meeting as an advocate of the Home Insurance Company but he saw two sides to this question and wanted to present his view. He had listened to the reading of sample letters received by the Home, but one that he had written was not among them, and with the permission of the Convention, he wanted to present his letter to the Home, which was as follows:

Mr. Jones' Letter

"You advise us that in one State a statute prohibiting reinsurance by a company of a greater amount than it retains at its own net risk has passed the legislatures and awaits the Governor's signature. In another State a

similar bill has been introduced and a committee of insurance commissioners is considering the proposition to recommend similar legislation generally. We believe that some of the companies are more or less indifferent as regards the outcome of this agitation, and would prefer to carry net lines only, being of the opinion that it would be to their advantage for the following reasons:

"First, it would reduce the clerical work and responsibility in reinsuring the excess above net lines. Second, it would eliminate expense involved in handling the accounts with reinsuring companies. Third, it would reduce expenses of disposing of the adjusted losses which carry reinsurance.

"However, notwithstanding the possible objections above mentioned, we find that with changed conditions in the business world and the different manner than formerly in which business is conducted, insurers desire to have their insurance in as few companies and as few policies as possible. We are advised that having policies issued in as large denominations as possible is due, first, because it eliminates bookkeeping expenses, second, reduces the probable chance of having policies expire and not renewed, third, minimizes possibilities of trouble and inconvenience in case of loss due to non-concurrent insurance. Fourth, reduces the chance of difference of opinion as to amount of damage and loss by having fewer adjusters to deal with. Fifth, develops a closer feeling between insured and companies, and sixth, by placing insurance in large policies the ultimate cost of insured is reduced.

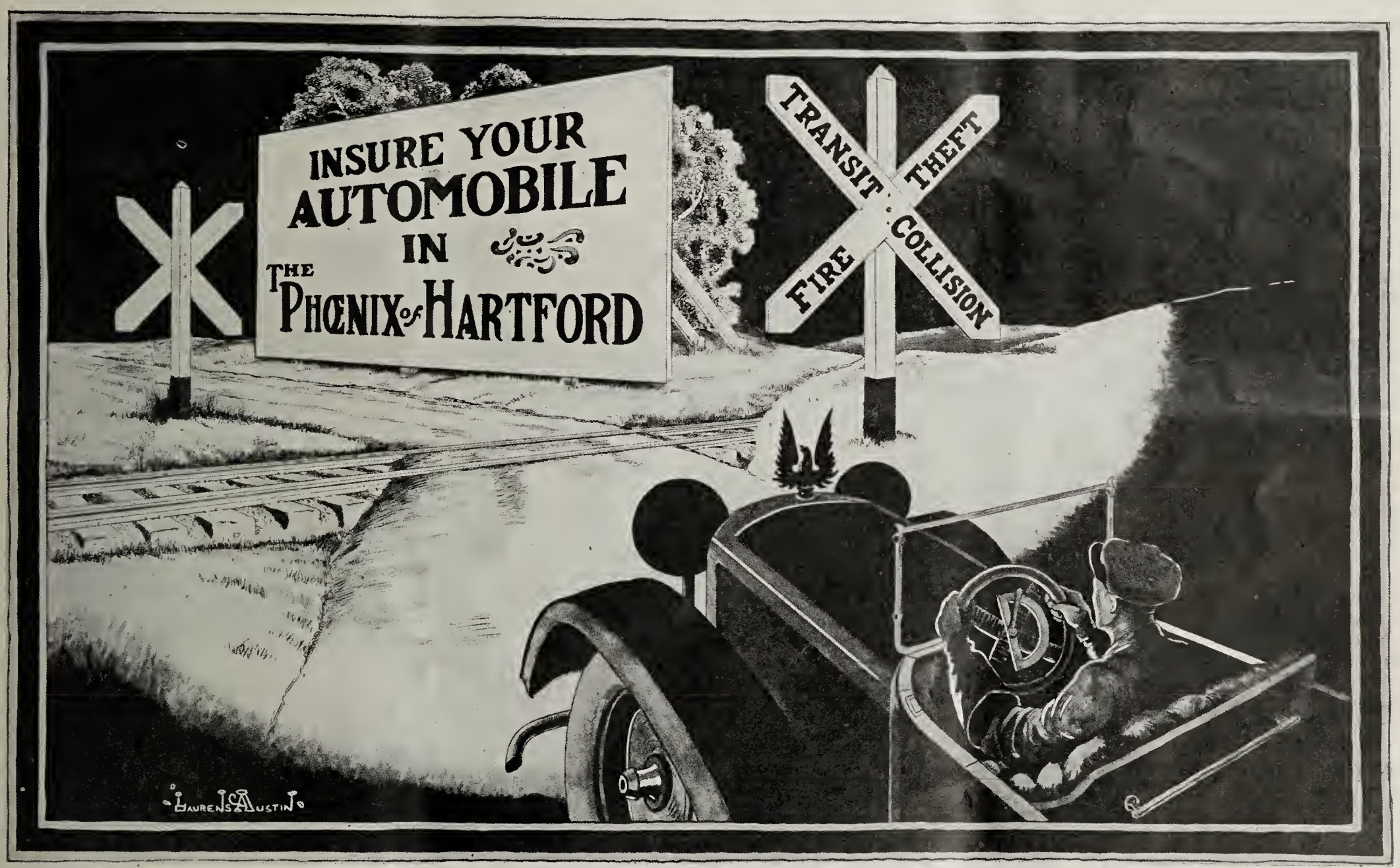
"These reasons we gather from our patrons, but in addition there are the large values in our city which, even with the present system of writing insurance, tax our facilities and brokerage capacity to secure the amounts desired. To cope with the changed conditions which have been forced on local agents it has been necessary for us to readjust our business to comply with the demands of the times. Our patrons expect us to maintain engineering departments to give them authoritative, expert advice and counsel as to how they may better construct their buildings, thereby reducing the fire waste. If large lines were abolished it would do away with the large agencies who render this service. There would be no incentive on the part of the smaller agency to develop a real service to the public as its income should be materially increased by simply writing the surplus insurance which necessarily must be brokered in event the companies are hampered in carrying jumbo lines.

"These changes have been made at no little effort and considerable expense, so it would greatly inconvenience us, as well as our patrons, if any change is made.

"We can but feel that if legislators or commissioners of insurance will make a thorough investigation relative to this matter they would not lend their support to a movement which will restrict in any way the present necessary reinsurance system.

"We would, therefore, respectfully suggest that in the interest of the insuring public and the local agents that the companies accept large lines and that you lend such support as you can continue to do so."

After reading the letter Mr. Jones amplified several paragraphs of it to make his meaning more clear by quoting examples, and also defended the Home's change of opinion about underwriters' agencies, saying that this is the age of progress and what may be advisable one year may not be another. Woodrow Wilson had once said that this nation is too proud to fight, while now we are fighting as hard as we can. The Home may have been compelled by the force of circumstances or competition to have introduced an underwriters' agency.



Demand Not Artificial

Mr. Jones then answered a statement made yesterday that the demand for jumbo lines is artificial, having been inspired, created and made effective through the broker. He denied that this demand was artificially created. It is to meet a need of the times that there are these large policies. He said he had as cordial an opinion of his fellow-agent as anyone, and that in Kansas City, agents co-operate with each other, but when he solicits a line he is thinking of service for the assured and not of the agent next door.

George D. Markham asked if he might dissect Mr. Jones' letter to President Snow. Mr. Jones said he had no objection. Mr. Markham said that the immediate benefit to agents is to have jumbo lines, but the agent who has the good of his business at heart will watch out for the future.

Taking up Mr. Jones' letter he said that the first point made, which was saving of bookkeeping expenses, would make very little difference in an agent's annual income.

Conditions in St. Louis

The point about reducing possibilities of policies expiring and not being renewed he said would be ignored by any first-class agent. He would answer in the same way the third point about minimizing trouble and inconvenience in case of loss due to non-concurrent insurance; the fourth point about difference of opinion among adjusters in case of loss he said did not interest him because in St. Louis there is only one adjuster—the Western Adjustment Bureau. Fifth, in reference to closer relations between insured and companies he did not think that necessarily followed. Mr. Markham's experience is that the only close relation is between the assured and the man he gives business to. Average assured does not know or care what companies insure him, he leaves that to his agent or broker. Sixth, point about large policies reducing cost to insured, he doubted this under the present system of rate making where there is no discrimination between risks of same hazard.

Mr. Markham concluded by saying that Mr. Jones thinks as he does because he is a young agent and one who came into business after the days when agents exchanged with each other. He was a nice fellow, but he didn't

(Continued on page 7.)

Jumbo Lines "Imperil Credit"

(Continued from page 2)

been designed to meet these unusual demands. Some of these new forms of indemnity will probably become a permanent part of the business of the future.

This progressive expansion of insurance to serve the new needs of the country and for fostering and guaranteeing the future of our industries, is an important contribution to the development of nations. These great responsibilities were thrust upon us, and companies and agents accepted the challenge and have shown that they are on the first line of defense, there to remain as long as their services are needed. It is a satisfaction to know that insurance interests have not fallen short of their duty in this great crisis and to my mind is worthy of mention here.

Patriotic Efforts

Service is the world's greatest commodity, and the business of insurance has risen to the occasion in a magnificent way. No finer spirit of patriotic devotion and service has been revealed anywhere than the active and efficient protective, preventive and conservation work of the fire insurance men, individually and through their national, State and local organizations; that of the National Board under the able leadership of its president being an important demonstration of consecration to public service and duty which deserves the gratitude of the business men of the entire country. Only the great press of this undertaking prevented President Bissell from appearing here to tell us something of the importance of insurance conservation work in co-operation with the government.

We are glad to have had the opportunity of pledging the services of our Association to the National Board in this work. The willingness of our members to share in this work for our government is a satisfaction and a cause for pride in our organization.

Work of the Association

The story of the work of our Association since the last annual meeting has been recorded in the Bulletin or will appear in the reports of our committees to this meeting. There are, however, some matters that I will refer to or discuss at this time.

A comparative examination of our work will show that the year has been one of considerable advancement. With the direct and indirect demands of the war upon our membership, some lagging or even going back might have been expected. One of the strongest proofs of the devotion of our members to the principles of our organization and of their appreciation of its work and of their faith in its future, is found in the fact that the expected loss in membership—because of the large increase in dues, made last year—did not occur. Without as much extension work as usual our membership paid up since the last annual meeting shows a substantial increase. We have good reason to congratulate ourselves on this result.

Orgauization a Great Asset

Reports from St[illegible] associations are gratifying and show the increased interests of agents throughout the country in organization work. Without the spirit of individual consecration to a common cause any co-operative movement is a hollow mockery. Therefore, the work of the National Association depends upon co-operation, particularly co-operation between the older men and the younger men, between the men who know and the men who wish to know, and last, but by no means least, between companies and agents. The best way to ensure the loyal support of all these interests in insurance co-operation, whatever form it may take, is to show them that it pays to co-operate, that it is in the best interests of the future of the business, and that the safety of our calling depends upon it.

What a world of satisfaction comes to us as we consider the years of our existence as an organization and the good we have accomplished throughout nearly a quarter of a century of activity. We co-workers thus drawn together would, without the support of the National Association, have remained mere individuals with no helpful knowledge of our own possibilities through unity of action.

Association Is Constructive

Our Association all these years has stood as the protector and promoter of the interests of the "American agency system." The Association has been more than a potential force, its work has been detailed and constructive. We have ever been vigilant in perfecting the efficiency of our members and alert to oppose abuses and to promote good business methods.

South Carolina Situation

We have been at all times alive to the hardships imposed upon our members and the companies by the unjust laws and rulings of the officials of South Carolina and have rendered assistance when practicable. We are pleased to understand that conditions in that State are improving.

Relations With the Companies

The relations between the companies and their organizations and this Association, were never so cordial and helpful as at present. Men whose interests are opposed to the American agency system and whose wishes are father to their thoughts, are still occasionally prophesying the end of local agency representation, but this apparently has no weight with managers who are evidently more firmly wedded to the system than ever before.

State Insurance Commissioners

The development of practical underwriting talent among insurance commissioners and their intensive study of the great problems affecting the insurance business cannot be too warmly commended. Their uniform courtesy to our State and National Associations and their evident understanding and appreciation of the needs and difficulties of local agents and their services in our behalf are sincerely appreciated. For the good laws enacted by State legislatures the past year and for a reduction in the number of bad ones passed, we have reason to thank the commissioners.

Interest of Non-Members

It is surprising and interesting to note the number of agents outside our Association, from all sections of the country, who appeal to us for help, which we are glad to give. This action of non-members is evidence of the justness of our claim that we speak and act for the whole agency force of the country. No one would presume to cavil at our claim if all agents would become members. "A word to the wise is sufficient."

Association Meetings

That of the Mid-Year Conference and the several State meetings have been better than ever before both in attendance and "pep." The action taken speaks for itself.

Relations With Casualty Association

A wedding between this Association and ours has long seemed attractive and desirable but a fear of incompatibility and the difficulty of satisfactory prenuptial settlements have so far prevented the consummation of the union. The Casualty Association meeting has been made concurrent with ours with the hope that we may be drawn closer together on the questions and problems that are common to both classes of business.

Government War Loans

Our membership from the nature of its activities was able to render good service to our country in the placing of the "Liberty Loan" and we may be counted upon to do even better work in the loan just launched. All that we have and are belongs to our country and the more service we render the sooner the awful war will be ended.

Binders and Not-Taken Policies

The loss in the aggregate to both companies and agents of unpaid for insurance under binders and policies returned sometime after issue without collection of premium for the time the insurance has been in force, is very great and largely unnecessary. Some States by legislation or by ruling of commissioners rightly hold that such practices, when voluntary on the part of either company or agent are a violation of anti-rebate laws. All practicable measures to suppress this abuse should have our hearty support.

Fire Prevention and Publicity

This report would be incomplete without comment on these important subjects. For the first time we will receive a report from our own committee on fire prevention, a subject that has always been prominent in the minds of our members, than whom none are more competent or have done better work toward prevention of fire losses, a service that makes for the prosperity of the country.

Nearly every industry has turned to publicity as an essential in educating public opinion and has appropriated large sums of money for advertising its business and has achieved far-reaching results by that method. It is evident that the insurance business is in need of a campaign of publicity as many old prejudices against the companies are still deeply ingrained in the popular mind.

The clamor for reduction in premiums without consideration of loss-ratios shows clearly enough that the principle of averages upon which the business is founded is an unknown quantity to the majority of policyholders who do not think of the many years of heavy losses patiently borne by the companies nor the large percentage of fire insurance companies which fail. These facts are important as an indication that prejudices are still strong in the public mind, a condition which is responsible for many of the evils that beset the business today. A campaign of educational publicity conducted along broad lines would enlighten public opinion, correct erroneous impressions and check oppressive legislation. Some of the companies are conducting such campaigns and it would be well if companies generally would join in the movement.

Underwriters—Multiple Agencies

The campaign of our Association against this evil made its greatest progress during the last year. The unanimous and unqualified condemnation of "Multiple Agencies and Underwriters' Annexes" by the insurance commissioners at their meeting December, 1916, settled the merits of this question and completely justified the attitude and action of the National Association. The resolution of the commissioners reads as follows:

"The matter of multiple agencies and underwriters' annexes, so-called, is not properly one for action of this convention, but we believe the plan is wrong in theory and bad in practice, unfair to agents and subversive to the best interest of the public service. We therefore urge that both companies and agents make mutual concession and adjustment of the situation."

The commissioners' action is discussed in detail in the report of the legislative committee, from which you will see that in deference to the commissioners it was decided at our Mid-Year Conference held in Washington in February, 1917, to suspend effort toward legislation, and the president was authorized to appoint a committee to confer with the companies as recommended by the commissioners. So far as I am advised, no company organization has yet responded to the commissioners' request, and while the abnormal conditions brought about by the world-wide war may account for this apparent lack of courtesy to the commissioners, there are not sufficient reasons, in my opinion, for further delay in the matter.

Conference Probable

We would prefer that the invitation for a conference should come from our principals, but in order that the agents' attitude may be emphasized I recommend that the incoming president be instructed to appoint a committee to confer with a committee from any or all company organizations on the subject of agency representation, and such other matters as may be considered advisable. Should this invitation to companies for a conference on this question receive no response it will be necessary to go before State legislatures for relief as directed by the last annual meeting.

In the meantime local boards wherever possible should follow the recommendations of the Mid-Year Conference, by passing rules placing agency representation on a sole agency basis; or if that is not possible, reduce the number of agents for each company to the lowest number possible under present conditions in each locality. It being considered that the agency of an "Underwriters" is the agency of the parent company.

It has been suggested that if company organizations decide to heed the request of the insurance commissioners, to confer with our Association upon the question of agency representation, that considering present conditions we should offer to make the question a local rather than a national one to be settled in each locality by its local board of club. Should this basis be considered, it would be necessarily with the provision that the members of the company organizations would all be bound by such an agreement if adopted by the joint conference committee.

Spirit of Association Effort

It is said that knowledge creates an atmosphere in which prejudice cannot live. The result of the efforts of our Association to make our members better agents through instruction and training under the protecting and developing influences of the organization, are clearly manifest and the principles established at the beginning still stand as a guide board for what was intended—education, friendship, co-operation and the elevation of the business of fire insurance. The "American agency system" is in existence today because no other agency has been found to equal its service or to do the work cheaper or better than it is being done by that system. It is only necessary to compare present conditions with those existing at the time this Association was formed to give us the assurance that these years of effort have been fruitful and that much has been done to elevate, educate and lead our membership, brought together from all parts of the country, to greater successes.

"Coming events cast their shadows before." If there is any truth in this maxim, we can look forward with confidence for the fulfillment of our prophecy—"that some day we are going to get this organization to a point where there isn't a company in the land that will appoint an agent unless he is a member in good standing, that being a necessary qualification,"—will be fulfilled; because the companies cannot fail to recognize that in this great work we are performing a service that makes for material well-being, and this service is not confined to our membership alone, but is for the entire insurance interests of the country, and the puhlic as well.

Work of Officers

Let me say a word of commendation for the very efficient services of our officers and committees during the past year, and for the assistance of those members who so generously responded to the calls for special services in extension and other work. They have all lahored faithfully for the best interests of the Association and to them and to our membership generally, that great hody of workers who have made its success possihle and who have so generously supported my administration, I wish to express my sincere gratitude and thanks. Slowly but surely, as time goes on it becomes clearer that our organization will become more beneficent through its continued educational effort, which must eventually result in the arousal of the entire insurance interests and the public to a full comprehension of the worth of the National Association of Insurance Agents and of its usefulness and importance as a national asset. The reason is plain.

It is a noteworthy example of the good that may he done by the members of an organization founded upon sound principles and imbued with worthy motives and actuated by a desire to be of real public benefit. Further extension of our usefulness involves: Continued educational effort, thoroughness of training, untiring zeal, aggressive conservatism, courage in new undertakings, independence in thought, generous co-operation, and most of all self-effacing service. We can make our Association as great as we will, and the more service we give the greater will be the reward.

"Jumbo Line" Resolution Discussion

(Continued from page 5)

know the history of the local agency business.

This got a rise out of Mr. Jones, who retorted that it was true he was a young agent, but Mr. Markham was an old agent, and in a rut. If not in a rut Mr. Markham and other St. Louis agents would bring about the same conditions as prevail in Kansas City where there are single agencies.

"It is true I represent the Home, Hartford, Royal and other companies that write large lines, but nobody else in my city represents these companies," he said. "We haven't a condition where eight or ten or a dozen agents represent the same company as prevails in some cities which I could mention."

Should Take Sane View

R. S. Paviour, of Rochester, here joined the debate. He, too, had read one of the letters of the Home in which an agent said he represented two companies and did not wish to represent any more, and who argued that by placing business in smaller companies he would not be helping smaller agents. The Rochester man did not think much of this logic. However, he wanted a sane view taken of the "jumbo line" question. There are economic reasons for "jumbo lines," although he certainly did not believe that the sky should be the limit. However, it is useless to deny that some companies can carry much larger lines than others, and if so favored by their resources they should enjoy that privilege. Conditions varied in cities and in many instances a number of small policies instead of a large one or two is distinctly undesirable.

Louis F. Rauh of Cincinnati, thought that the solution of the problem was in the hands of the agents themselves. While some companies may want to hog the persimmons, they cannot do so if agents do not assist them. He believed that there should be co-operation between agents and that they should give each other excess business. If you help the other agent he will help you. Unfortunately, sometimes he had found with exchanged business that in case of loss the other agent is not so interested as the agent who controls the business. This should not be. He concluded by saying that in the large line proposition agents should not blame the companies but themselves. They should not look so intently into the present as into the future.

The debate was concluded by Mr. Woodworth, who said the trend of opinion was swinging away from the "jumbo line." He said that President Bissell, of Hartford, one of the greatest of underwriters, had come out in favor of net lines and he believed many other insurance officials thought likewise.

He told the views of insurance commissioners. He did not present a radical resolution, he said, but advised the Association that it was making a mistake if it failed to recognize what the real sentiment of insurance men and public officials is on this important topic.

Cultivation of Under-Cultivated Lines Has Big Inning at St. Louis Meeting

Phillip B. Shilito, Massachusetts Bonding and Insurance Company, Answers Agents' Questions—Writing of, and Coverage Provided Through, Burglary, Personal Accident and Health, Tourist Floater, Fidelity and Surety Bonds Interestingly Illumined by Speaker.

By Clarence Axman

(*Special to The Eastern Underwriter*)

St. Louis, Friday—

The Convention was opened to business getting suggestions for a time this afternoon. The subject was Cultivation of Under-cultivated Lines. Questions were answered by Phillip B. Shilito, Massachusetts Bonding and Insurance Company.

He said: "That as respects burglary, personal accident and health, tourist floater insurance, fidelity and surety bonds that in 90 per cent. of your agencies you are not securing 20 per cent. of the business you could secure by proper cultivation.

"Figured out per capita of population we find in the burglary branch it averages 20 cents; accident and health 49 cents, and fidelity and surety bonds 25 cents. This is entirely too low.

"Here are subdivisions of the burglary branch that can be cultivated:

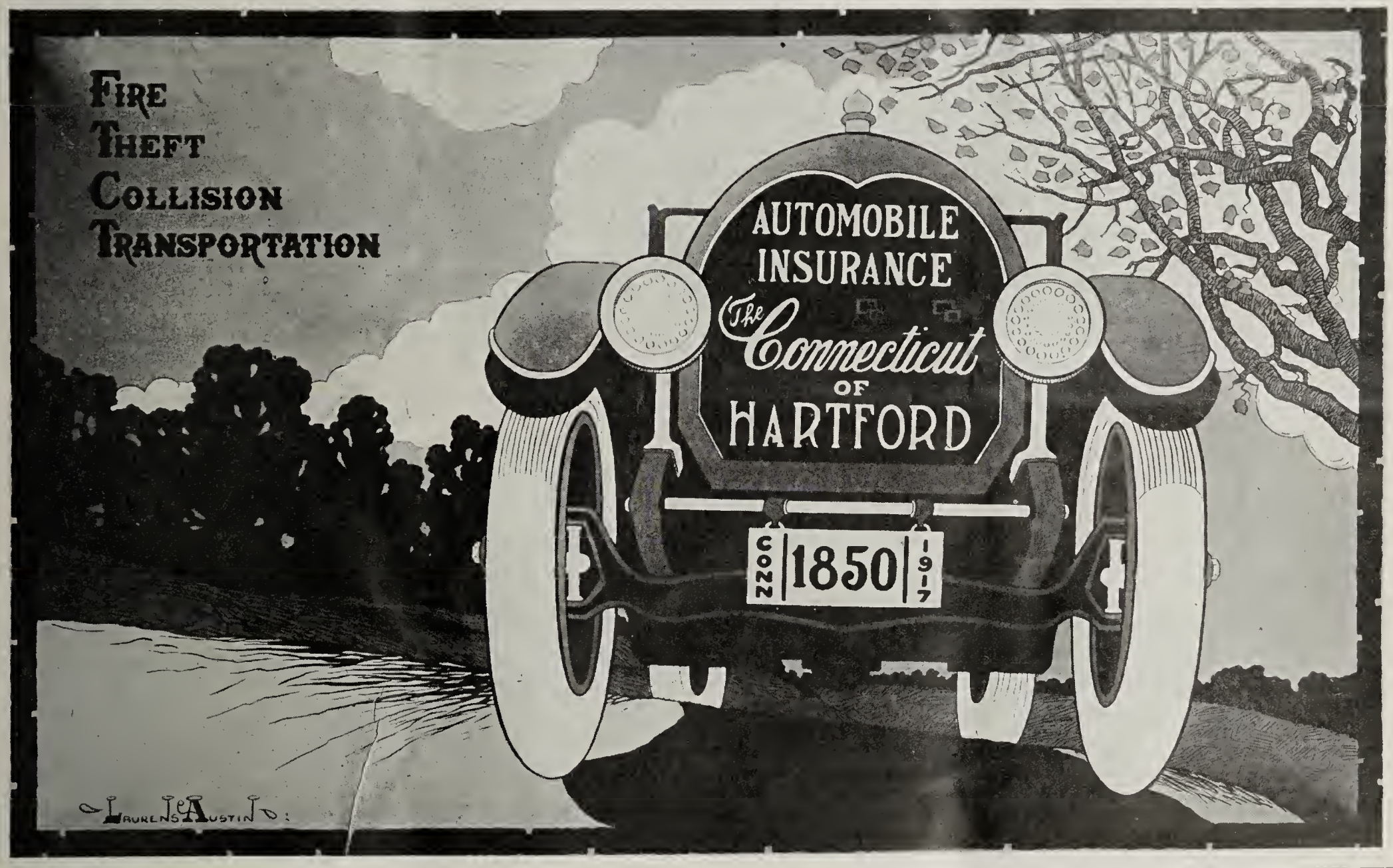
"Residence burglary and burglary, theft and larceny, personal holdup, mercantile open stock, messenger and paymaster robbery, mercantile safe, office and store holdup, bank safe burglary and holdup.

"When you sell a man fire insurance, you urge strongly for not less than 80 per cent. of the value of his property.

Same Basis as Fire Insurance

"Do you suggest that he carry burglary and theft insurance in the same proportion on your behalf? Answer, no, for experience shows that a huge percentage of the policies written are for $1,000 or less. As a result of this insuring, we have an example of undercultivation. A reduction in the rate is allowed where the co-insurance form is issued. Next, personal holdup insurance, written in conjunction with residence policies. Excepting a few points in this country, the premium of $2.50 per thousand applies, the cheapest insurance, considering the hazard, and yet the volume of premiums is infinitely small compared with the amount of residence theft insurance written.

"Mercantile open stock insurance covers general stock while the premises are not open for business. This field is almost virgin to work in. During unsettled periods, messengers and paymasters in any city or town where large industries are located, requiring transportation of funds to and from the bank for payrolls and other purposes, are subject to robbery, and when you



consider that the amounts recovered after robbery or holdups are almost nil you have an argument at once to back up your charging a premium of $1 or $15 a year.

"Mercantile safe insurance is one of the least expensive of any of the branches referred to, and there is not a fireproof safe made but that can be blown by an experienced safe blower in almost the twinkling of an eye, and it takes but a short time to open a single-door burglar proof safe or chest, and no safe company will issue to a purchaser its own policy guaranteeing the payment of the loss of money, etc., as the result of safe breaking.

Low Cost of Holdup Cover

"Office and store holdup insurance seems to be popular to a certain extent only, in the larger centers of population, and yet most of the daring holdups occur in the more sparsely settled districts. Six dollars will purchase, in most localities, $1,000 of protection for one year. If one-fifth of the total population of this country were to be insured against disability resulting from accidents and illness and under the better form of policy issued for a principal sum of $3,750 and a weekly indemnity of $12.50 and the average classification was found to be ordinary, the total net premiums would amount to $775,000,000 as compared with a total premium income of all companies in this country for the year of 1916 of slightly over $48,000,000. You are only insuring one person out of each sixteen available and you are overlooking one of the most productive fields as respects your own income.

"In 1916 the per cent. of losses under health policies to net premiums written was 49 per cent. as compared with 44 per cent. under accident policies, and yet the premium income from health insurance was only one-sixth of the total. What better argument do you need?

Attractions of Surety

"You gentlemen could be most important factors in the development of the fidelity and surety branch by instituting and carrying on a propaganda elimination of personal suretyship. Personal suretyship today is the worst outlaw of the business world.

"At the time of the failure of the La Salle Street Trust and Savings Bank of Chicago, and its allied banks the surety companies on the depository bonds stepped forward on short notice and paid over to the City of Chicago and certain private corporations over $1,000,000. Do you think for one minute that personal sureties would have performed like service?

"And now as to tourist floater insurance. How many of you agents have protection as to your personal effects contained here in the hotel and on your person? You have a fair conception of the vast number of people travelling in this country, and here you have a policy that will cover the personal effects of the person wherever he may be then located. This year a golf club near Chicago burned down, and the members lost all their effects in the locker rooms. A limited number smilingly said: 'Well, I have floater insurance, so why should I worry?'

"A large number immediately called their respective agents on the phone and almost begged these agents to accept an order for immediate coverage against future losses. How much happier the last named would have been if we had thoroughly worked this branch of insurance before the fire occurred.

Group Accident and Health

"Group accident and health insurance under an employer of many employes can arrange for coverage against disability to his employes during each twenty-four hours at a cost that will surprise many of you, and the employer himself when the plan is carefully explained. There are different plans under which these group policies are written, but one of the best is to rate each employe under the classification he belongs in, and in the event the employe is paying a part of the premium he cannot complain that he is assuming part of the premium of his fellow-employe engaged in a more hazardous class of work, such as might be the case where an average rate is made for all classifications."

Cleaning Up City of New Orleans

(Special to The Eastern Underwriter)

St. Louis, Friday—

How the New Orleans Fire Insurance Exchange cleaned up insurance conditions of that city so that now no person not entitled to commissions on fire insurance can get them was told the Convention today by W. S. Hartson, New Orleans. Mr. Hartson said that before the exchange was organized every notary public in town got a commission through some connection with the fire insurance business. Excess commissions were paid to agents and others; companies were in a mad race for business; and multiple agencies were common.

Five Agents Got Together

Five men including Mr. Hartson decided then that this condition should stop, and they went about organizing an exchange determined to put it into effect if there were only five members.

The motto was "Down with the parasites who infest the insurance business in New Orleans."

One club that they wielded was to refuse to pay commissions to people not entitled to them. About fifty per cent. of the agents fell in with the idea and at a dinner nearly everybody in town attended, many of them anxious to kill the Exchange movement. It went through, however, and at the present time Mr. Hartson says there is not an insurance parasite in the place.

At the start every special agent and every company with two exceptions cooperated. One of the two companies took a member of Exchange and opened an agency but it only did $6,000 in premium with a 75 per cent. loss ratio, and soon was no more. This was a great object lesson.

Experience With Legislation

Mr. Hartson says that every time a new man is elected to the Louisiana Legislature he is not happy until he introduces an insurance bill, generally with the idea that insurance is a trust. Soon after the Exchange was formed there were six bills introduced against insurance. Every one was killed, but a resident agency bill favorable to decent agents was passed.

Mr. Hartson's talk made a deep impression and the club or exchange movement now popular in several parts of the South, was given an impetus, and will probably spread through the West and East.

Success With Tax Bill

(Special to The Eastern Underwriter)

St. Louis, Friday—

Clarence Pellet told the Convention of the splendid work that was done at Washington by George D. Markham, St. Louis, Ralph W. Lee, Washington, and Mr. Pellet's partner, Mr. Drake, of Chicago, regarding the excess profits bill. As originally drawn this bill proposed to tax insurance agents on their earnings over a stated percentage of capital employed. Lawyers and others were exempt. The proposition was discriminatory. The three representatives of the National Association went to membere of the Senate and House committees and showed the unfairness of the tax. They simply set the facts before the legislators, telling them if they thought the discrimination fair to keep it in, but if they thought it unjust to remove it. The tax was stricken out. It was splendid work illustrating what the National Association can do for agents.

Of course, in the final draft all this work was upset, and agents as well as lawyers and other professional men were taxed, but the insurance men took the position that they did not want to shirk anything and as long as others were taxed they did not object to carrying their share of the burden, in fact, were glad to do so. It was because of the excellence of the preliminary work, however, that the facts were drawn to the attention of agents at this Convention as hitherto nothing has been printed of this Washington visit.

Eliminate Waste in Work

(Special to The Eastern Underwriter)

St. Louis, Friday—

Fred W. Cole, of Atlanta, made a speech to agents advising them to return to their homes determined to eliminate every bit of waste they could in paying losses and in collecting for insurance that is written and then returned not taken. He said there was no business in the world other than insurance which gave something for nothing. It was time that these practices stopped. Assured will have more respect for insurance and insurance men if they pay for what they get. We must stop the leaks, he said.

Southern Surety Convention

(Special to The Eastern Underwriter)

St. Louis, Friday—

At a dinner of the representatives of the Southern Surety Company held here last night, President Burras, of the National Association of Casualty and Surety Agents, was the guest of honor. Among those present were B. E. Smith, vice-president of the Southern Surety Agents' Association, and Judge Mosely,

Describes Prevention Work

(Special to The Eastern Underwriter)

St. Louis, Friday—

Following the reading of a most interesting report on fire prevention by Frederick V. Bruns, Syracuse, F. H. Wagner, Minneapolis, told of what the Civic and Commerce Association of Minneapolis has done in that work. This is a time, he said, when it is not only necessary for agents to do everything they can in boosting conservation but when they can inspect a risk and find there is something the matter and the assured pays no attention to clean up order it is up to the agent to tell the proper authorities and compel assured to pay proper attention to his premises. This is what Mr. Wagner has done and although he is a veteran and long passed the age when an experienced agent does his own inspecting he goes out every little while to look risks over. He explained how Minneapolis school children are interested in fire prevention questions and how prizes are offered them for their work in this connection.

Free Speech at the Meeting

(Special to The Eastern Underwriter)

St. Louis, Friday—

No agent can say that he did not have a chance to express his views to Convention. Not a person was choked up. Discussion was free as the air and anybody who had a grievance was welcomed to state it. It was a well-managed Convention in every way. New Orleans is one of the cities after the next Convention.

Southeastern Committee Report

The Southeastern Conference Committee composed of Fred W. Cole, chairman, Atlanta; R. F. Manly, Birmingham; H. H. Thornton, Pensacola; and James A. Cathcart, Columbia, S. C., reported in part as follows:

"We urge our companies to bear in mind the fact that recent rate increases have not been collected on unexpired risks, and that the term of insurance has been materially shortened, this curtailing the present receipt of premiums against which losses are not charged. Further that the recent increases have resulted in an appreciable reduction of amount of insurance carried on the better class of unprotected dwellings. Our experience is that it is more difficult to collect an increase in dwelling rates than on any other class of property.

"We express our entire faith in the companies in handling the present difficult situation. If, after consideration of this subject in all of its aspects, an increase in rates is made to cover unprotected classes, we can do no less than to co-operate and to urge agents generally to sustain such action.

"Other subjects were discussed in conference upon which we express our conclusion as follows:

War Taxes

"If a stamp tax is enacted, and the amount of same cannot be borne by our companies in addition to present heavy State and the three separate federal taxes, we recommend that an addition to rate be made sufficient to cover this charge. Experience has conclusively shown that this tax cannot be collected from assured as an added and separate sum in addition to premium."

SIDELIGHTS

By Clarence Axman

(*Special to The Eastern Underwriter*)

St. Louis, Friday—

Judge A. J. Petit, of Chicago, who made an eloquent patriotic address, was so wrapped up in his subject that he emphasized his points by banging the table. Every time he brought his fist down the impact made the ice-water jump out of the pitcher and drench his arm. When he concluded his entire coat was wringing wet.

* * *

Benjamin Rush, of Philadelphia, is the smartest dressed of the fire insurance presidents, has all the earmarks of culture, and in addition is one of the most enterprising of the newer generation of company heads. He has brought new ideas into the fire insurance business and has proven that insurance publicity can be just as effective and attractive as any other kind.

* * *

Deputy Insurance Commissioner Turner, of Indiana, the new hero of the casualty agents, was for years an insurance lawyer.

* * *

There are theater parties, automobile rides and a dance for the ladies in the party.

* * *

Special agents are as scarce around this convention as beards on faces seen along Broadway.

* * *

John L. Tiernon, Jr., of Buffalo, president of the New York Association of Insurance Agents, will return to Buffalo to take an active part in the Liberty Loan drive. He is treasurer of the Liberty Loan campaign committee there.

* * *

John A. Murphy, the insurance Demosthenes of Buffalo, is the only man who came here with a gun. It's in a big leather case and will be used for shooting quail in Kansas.

* * *

Clarence S. Pellet, of Chicago, has not changed one bit in appearance in twenty years. That is expert testimony of a reporter who formerly interviewed him in Chicago, and has not seen him until this week.

* * *

John A. Morrison, of Chicago, read the scores of the world's series games to the Convention. It was a tough job for a Chicago man to undertake.

* * *

Frederick Richardson, of Philadelphia, and Charles H. Holland, of New York, two of the home office managers here, were underwriters in Australia.

* * *

New York City gave a cold shoulder to this series of Conventions. Not an insurance man from the big village is here.

* * *

The hardest working man in this Convention is the most inconspicuous. This is "Bill" Crawford, the Chicago newspaper man. He can do more and say less than any man in the United States with the exception of Woodrow Wilson.

Charles H. Hood, of Minneapolis, and Thos. F. Daly, of Denver, formerly conspicuous figures at the casualty agents' conventions, are not here.

* * *

The St. Louis daily papers are treating the Convention about as the San Francisco dailies did the Insurance Congress. Insurance has been lucky to get a number two head on an inside page. Every speaker at an insurance convention tells of the need of publicity and education, but few of them know the first rudiments about getting it. Let a reporter for a daily newspaper interrupt the conversation of a group of insurance men standing in the Toy Lobby of a convention hotel talking about Benny Kauff's home run, and he is lucky if he can get anybody's ear.

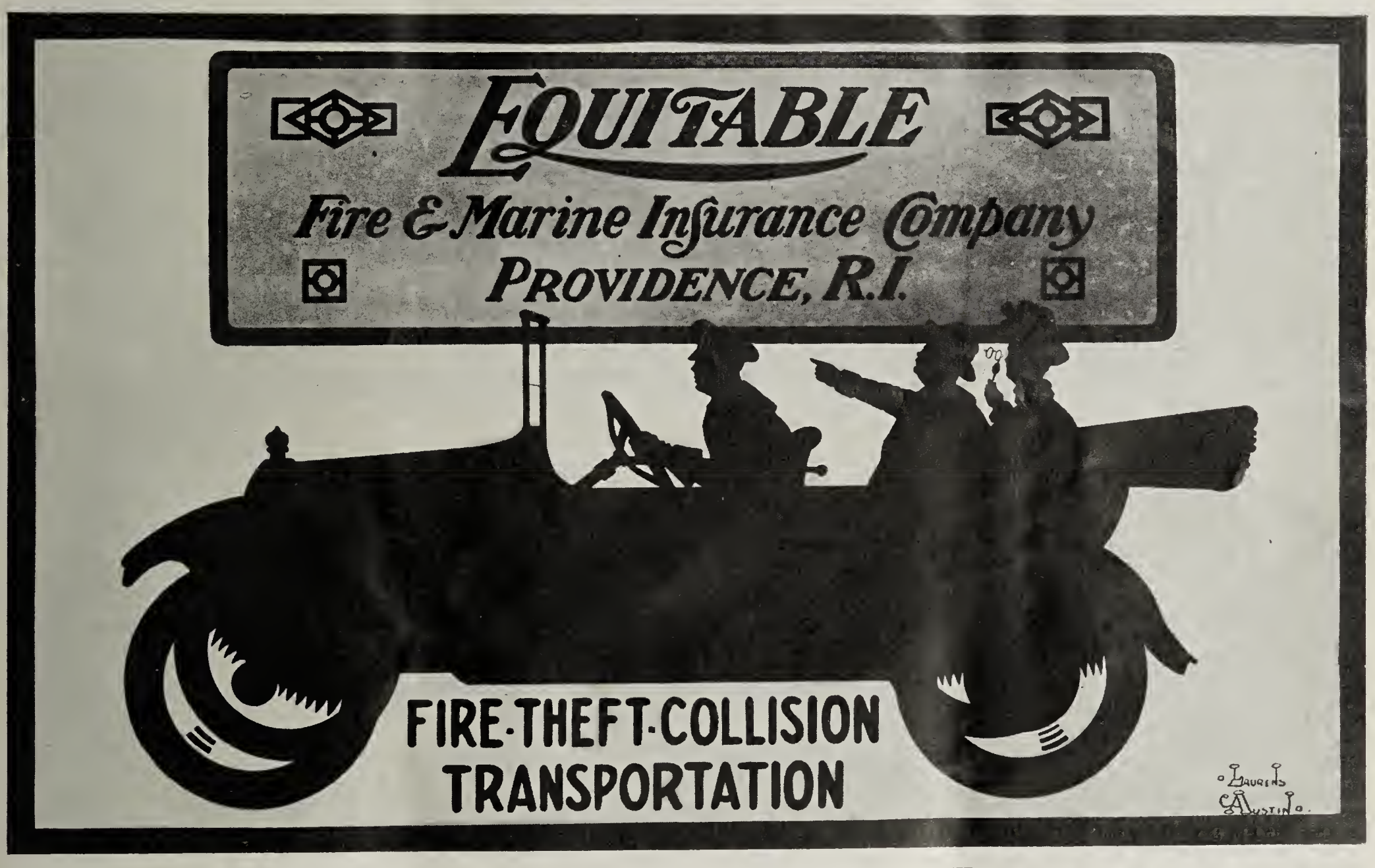
ance commissioners have condemned the multiple agency abuse and recommended that the fire insurance interests by mutual concessions and agreements seek to end it we are encouraged to expect rapid progress in this reform, but we can hasten the day by action taken by all local boards: and, Be It Resolved, that these local boards be requested to act promptly as outlined by the Mid-Year Conference in Washington of February, 1917, so that the belief and desire of local agents be shown without question."

Canadian Tells War Experiences

(*Special to The Eastern Underwriter*)

St. Louis, Friday—

The Convention proceedings were interrupted this afternoon by the appearance of Joseph P. Taylor, of the British Canadian Recruiting Mission, who gave delegates a rousing talk on their duty to the nation. Taylor, a big bluff American who has been talking to stevedores and to crowds on street corners, aroused delegates to a storm of cheering when he told them if they heard any one attacking America or President Wilson to take him to the nearest police station. If you don't do that, he said, take him to the nearest hospital. One of the delegates asked him what he thought ought to be done to LaFollette. "I'll let my friend Teddy handle him," he said. At the mention of Roosevelt's name half of the Convention got up and cheered.



No Multiple Agency Discussion

(*Special to The Eastern Underwriter*)

St. Louis, Friday—

The expected discussion upon the subject of "Multiple Agencies" did not take place. Evidently, everybody thought the subject well enough handled in the pamphlet that the Association issued telling the history of the Association's fight against "Multiple Agencies."

George D. Markham, of St. Louis, who was the only speaker on the subject, said it was important that the Convention give some expression of opinion as agents everywhere look to the National Association to express their sentiments. He therefore offered the following resolution:

"Resolved, that now that the insur-

Many Constructive Measures Suggested

EXECUTIVE COMMITTEE REPORT

Conventions to Be Clearing House For Opinions as to Association Purposes and Management

The report of the executive committee includes several valuable constructive recommendations. It follows:

"The past year has been one of substantial service for agents of the country on the part of our association, and your attention is invited to several important features of that service.

Uniform Blanks

"Since 1907 the association has had a standing committee on uniform blanks. The suggestion that the National Association undertake to secure uniformity in blanks for agency economy and convenience came from Paul B. Gaylord of Denver.

"The typewriter form of policy, manifolded with the daily report and agent's record, as is now the general practice, is due to the practical wisdom and ingenuity of one of the local agents on this committee. And now comes the uniform account current blank bearing the significant endorsement: 'Adopted by the National Board of Underwriters; approved by the National Association of Insurance Agents.'

"The successful issue of the work of this committee covering a period of ten years is largely due to Ex-President Charles F. Hildreth of Freeport, Ill., Lyman M. Drake of Chicago, James P. Thompson of Minneapolis and Paul B. Gaylord of Denver, who composed the original committee.

Increase of State Dues

"Twenty-eight States, as follows: Alabama, Arkansas, California, Connecticut, Florida, Georgia, Illinois, Iowa, Kentucky, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Nebraska, New Hampshire, New Jersey, North Carolina, Ohio, Oklahoma, Rhode Island, South Carolina, Tennessee, Texas, Vermont, Virginia, West Virginia, Wisconsin, have raised dues to $5. Of this amount the National Association receives $3 for membership fee and subscription to the Agency Bulletin.

"Seven States have not yet adopted the standard fee—Indiana, Maine, New York, North Dakota, Oklahoma, Pennsylvania, Washington.

"One reason for increasing the dues was the increased cost of publishing the Bulletin. The main reason, however, may be found in the nature and variety of service now performed by the organization.

Multiple Agencies

"By reference to the report of the Committee on Legislation and also to Page 13 of the booklet entitled 'Agents' Campaign for Sole Agencies' you will note that the influential endorsement of the insurance commissioners has been secured for our campaign against the vicious multiple agency system. This campaign must be pressed with vigor as well as with moderation.

Commissions on Compensation

In September of this year your Executive Committee, co-operating with the officers of casualty companies, their general agents and other agents' and brokers' associations, appeared before the insurance commissioners at St. Paul and argued against any further reduction in commissions on this important section of our income. The commissioners generously gave a whole day to the hearing. The case against further reduction was ably presented and the commissioners evidently were favorably impressed for no action was taken and we are reasonahly hopeful that no action will be taken to reduce the very modest compensation we now receive from this class of premiums.

Insurance Commissioners

This would seem to be a proper time to record our appreciation of the high character, intelligence and open-mindedness of the insurance commissioners. We may well congratulate ourselves that we have such high grade men holding these responsible offices throughout our country; and we will do well to cultivate closer relations with them in each of our various States.

War Profits Tax

The most important piece of Association work during the year was done at Washington, D. C., in connection with the proposed excess profits tax. As originally drafted this law would have imposed an excessive and highly discriminatory tax on all incorporated agencies and partnerships doing an agency business. At the request of your Executive Committee Geo. D. Markham of St. Louis and Lyman M. Drake of Chicago visited Washington and together with Ralph W. Lee of that city performed a splendid service for the agents of the country. Time will not permit that all they did and how well they did it should be recorded here, but your Executive Committee gratefully acknowledges the faithful and highly successful efforts of this committee in behalf of our organization and the agency forces of the country.

Committee on Return Commissions

For some time the Association has had a committee of this kind. It has rendered valuable service and saved the agents of at least one defunct company (the American Union) thousands of dollars. The committee has of necessity incurred legal and other expenses for which it has not been entirely reimbursed. We recommend that a standing committee of this description be created and that a special fund be raised for its uses. We further recommend that the fund be collected largely but not altogether from the agents having claims against the defunct companies. We desire, however, that our Association as such should bear a part of the expense of this committee and control same.

Engagement of Attorneys

To avoid misunderstandings and to bring about uniformity in method of engaging attorneys we suggest that the following rule be adopted.

This Association shall not be responsible for attorneys' fees unless said attorneys have been retained by the chairman of the Legislative Committee or the chairman of the Executive Committee, with the sanction and approval of the president of the Association. Furthermore, it shall be the duty of the chairman of the committee engaging counsel to file at once with the secretary of the Association a memorandum of the arrangement made with the attorneys in each and every case, such memorandums to bear the approval of the president and a copy of same to be filed with the chairman of the Finance Committee.

Relation to State Federations

It seems to be the view generally accepted now by all concerned that the best way to organize a stable State federation is to build it out of units such as are provided by our State agents' associations. We approve the plan and urge upon State associations the necessity of first enlarging their own memberships then amalgamating with other such units in the various State federations. This plan conserves the usefulness of the State associations, strengthens the federations and avoids competition and division between the two organizations when unrelated.

Conventions as to the Clearing House

"The correspondence of your Executive Committee shows that much thought is being given by members to the purposes of our organization and the character of its administration. The suggestions made to your Executive Committee are usually of such a nature that they could not be carried into effect by the committee if we approved them; and of course, we do not always approve them. Suggestions of the character indicated should be presented to the annual conventions.

Possibilities of Associated Effort

"Everyone knows that we are not scratching the surface of the possibilities of co-operative effort and in this connection the Executive Committee has a suggestion to offer, the outgrowth of correspondence and meetings with members during the past months. We believe that the Association ought to enlarge its sphere of usefulness. It is not sufficient that we act as a policeman and night watchman, useful as those functions have been and will continue to be. We think that the time has come when the association may wisely and seriously consider the establishment of a service bureau of real practical value. There might be covered by such a service department these features and others: (a) Competition, both mutual and inter-insurance (perhaps even competition with non-resident brokers) giving special attention to the individual case presented by a member in difficulty. (b) Advice as to special and unusual forms of policies. (c) Information as to seasonable lines to solicit including the preparation of advertising material, electrotypes and cuts for same. (d) Suggestions as to office methods, economies and labor saving systems.

"It is the judgment of your Executive Committee that if a bureau of this kind were properly conducted membership in our organization would be so practically helpful that no live insurance agent could be kept outside."

SVEA
Fire and Life Insurance Company, Limited
of Gothenburg, Sweden

Organized 1866

United States Branch
100 WILLIAM STREET, NEW YORK

J. M. WENNSTROM, U. S. Manager

Members Are Increasing

The membership of the National Association of Local Insurance Agents now embraces ten per cent. of the total number of agents licensed in the various States, according to the report of the committee on organization which was made to the convention on Thursday.

E. M. Allen, vice-chairman of the committee, made the report in lieu of F. E. Warner, of Massachusetts, chairman, because the sickness of the latter during the past winter made it impossible for him to continue the work of the committee.

A portion of the report is given as follows:

Increasing Membership

"Our national membership has increased from about one thousand agencies ten years ago to five thousand paid in advance agencies today. This undoubtedly includes the cream of the agency force of the country. These loyal agents should have the financial and moral support of their brother agents who are equally benefited by the work that is being done. A vigorous campaign should be started in each State to increase the proportion of Association members to the total number of licensed agents in the State. If each State association could show a membership list of twenty per cent. of the licensed agents we would double the present membership of the National Association. If started simultaneously in all States this object could be attained in two years' time. A simple way to commence is to urge the organization of local insurance clubs in every community where there are three or more agents. Without a paid organizer this can be accomplished only with the co-operation of the present members of the State associations. With the scattered membership of this organization it is out of the question to expect the national secretary or the organization committee to recruit the membership of the State associations. An insurance club committee should be appointed in each State, and the committee members should take up a few towns at a time, corresponding with the agents and hammering on the club idea until results are obtained."

Gets $77 for Soldiers' Tobacco

(*Special to The Eastern Underwriter*)

St. Louis, Thursday—

While one of the speakers was reading a paper in this afternoon's session of the National Association, there was the sound of a bugle in the hall. A moment later two non-commissioned officers of the Marine Corps and several women entered the hall.

It was announced that a contribution would be taken up for the purpose of purchasing tobacco for the soldiers in the trenches. The hat was passed around and the collection amounted to $77.

110th Anniversary of American Agency System

Address by BENJAMIN RUSH, President Insurance Company of North America

The National Association of Insurance Agents is a body of such importance, being composed as it is of men, who are moulders of public opinion in their respective communities, representative men, men thoroughly familiar with all branches of insurance, and with the needs, not only of the insurance fraternity, but also of the insuring public of the United States, that I cannot but be acutely conscious of the great honor which has been conferred upon the Insurance Company of North America, through me its president, and of my own personal unfitness to say anything to you gentlemen with which you are not already familiar.

As you all know, I have the honor to be the president of the oldest American stock insurance company now existing, and the first company to recognize the value of the local agency system by the appointment of a local agent to write fire insurance in Lexington, Ky., one hundred and ten years ago, or in the year 1807.

It is not my purpose at the present time to attempt to review the history of the organization, growth and development of the great local agency system of fire insurance throughout the United States. This subject in itself would comprise a history too great and too wonderful to be compressed into the few brief remarks which I intend to make at the present time. I shall therefore leave the story of that stupendous achievement to abler hands than mine, and with your permission I will invite your attention to the story of the original founding of the local agency system, with a brief review of the conditions then prevailing which opened the door of opportunity to the local agent after which I shall endeavor to touch upon some of the problems which still remain to be solved, and upon some of the more important duties, and responsibilities, which now rest upon our shoulders.

Founding of the Stock Company

It was eight years after the War of Independence had been fought and won that a number of leading citizens and merchants in Philadelphia, many of them men who had been identified with the American Revolution, met together in the old Independence Hall, where the Declaration of Independence had been signed, to found the Insurance Company of North America.

Prior to this time practically all insurance, whether marine or fire, had been effected with individual underwriters, whose capacity was necessarily limited, and whose security in many cases, was not above question. Indeed William Penn, himself, had a very disagreeable experience with one of them. In a letter to a friend he states that "J. Askew insured £100 upon thy letter," but the insurer failed and the premium was lost, adding as a postscript: "Insurers fail much."

Our first fire policy was issued in December, 1794, but the business of fire insurance was not very brisk for a very long time, it being, I am sorry to say, the exception for people to insure their property against destruction by fire. Indeed very many people considered it a highly irreligious practice as tending to defeat the will of the Almighty.

During our first fiscal year only 73 fire policies were issued, and this in spite of the fact that the Company had advertised its new departure by distributing five thousand proposals of insurance amongst the inhabitants of Philadelphia. Even in these early days we appreciated the value of advertising.

In 1796 we extended our operations to cover the United States as it then existed, and at the close of that year our company had risks on its books in western Pennsylvania, New Jersey, New York, Massachusetts, and most of the thirteen original colonies.

Fire insurance at that time was a curiously primitive sort of business when viewed in the light of the present day. Every month the Philadelphia newspapers contained a list of the insurance policies which would expire in the following month. This was the only notice which the policyholders had to renew, if they wanted to be protected.

There was not a single State west of the Alleghenies, Ohio being the first to be admitted in 1802. The United States possessed no territory beyond the Mississippi River, not a single railroad or steamboat was in existence, and not one of the great inventions of modern times had been perfected, or even thought of.

The cotton gin, photography, the sewing machine, vulcanized rubber, the telegraph or telephone, illuminating gas, electricity, the steam engine were not even dreamed of. The only illuminant was candles. Indeed the age has been graphically described as the age of candle-light. Our Company had been in existence forty years before friction matches came into use, and we were twenty-three years old at the time of the overthrow of Napoleon at Waterloo, at which time the population of the United States was a little under four million.

Birth of the Agency Idea

But if it was the era of small things materially, it was the era of great things spiritually—an age of high ideals, of lofty enthusiasm, of plain living, and of high thinking, of great expectations and wise planning for the future, and the establishment and growth of the local agency system is one of the proofs that our forefathers were men of vision, and planned wisely.

The first record which we have, looking towards the adoption of the local agency system, was in 1798 when our directors voted that it was inexpedient to have an agency at Charleston, S. C., to take risks against fire. The proposal was accordingly declined, although later it evidently bore fruit because we have records of agencies being placed in towns nearby to Philadelphia for the purpose of writing marine insurance.

As their experience with marine agents for ten years had evidently been favorable, in 1807 the directors considered a memorial from Alexander Henry on the advisability of extending insurance against fire to Lexington, Ky., and a committee appointed to consider the whole subject, reported favorably on December 7, and further authorized the president, "to appoint suitable and trusted persons at such places as he shall think advisable" to act as surveyors and agents of the Company. This Lexington appointment is the first record of commissioned fire insurance agents.

In 1807 we extended our agency system by appointing agencies in Ohio, Kentucky and Tennessee, and wherever the new towns, in what was then the Far West, sprang up there the Insurance Company of North America appointed agents to do their part in assisting the development of the country. Incidentally, I would like to say that from that day to this in every important town where it set up its agency then, it has continued to have one at that place up to the present day.

Why System Grew

This brings us to the point where it is pertinent to consider the reason why the local agency system, which like all great institutions, had such a modest beginning, has grown to such prodigious dimensions in a space of time so little exceeding a century. There must be some good economic reason why this is so. It must have had a sound constitution and sturdy virtue to justify itself, or else it would never have stood that test of time, and triumphantly weathered the numerous storms which have attempted to shake its hold upon the affections of the insuring public.

What then was this reason? What were the conditions which afforded such a favorable environment for the growth of the agency system. In brief it afforded an absolutely necessary link between the insurer and the insured, and furthermore it was economically the soundest method of affording insurance to the public yet devised.

It may be accepted as a truism that if there were no insurance companies there would be no insurance agents, but the opposite of that proposition by no means holds true. If there were no insurance agents, there would not only be all the insurance companies which there are today but many hundreds more, because it would be necessary for every hamlet or township to have its own insurance company, whether stock or mutual, to protect its citizens against the risks of fire, which they themselves were unable to bear, and in the large cities if there were no agency system, the insurance companies would have to be multiplied by many fold, if the citizens of each individual city were obliged to provide for their own protection against fire in their own local companies.

Each of these many insurance companies would, I think I am justified in saying, be provided with its own staff of officers, who would have to be paid, and the capital subscribed by the stockholders being necessarily greater than that of all the insurance companies in existence today, would add an additional burden in dividends to be shouldered by the long-suffering policyholder.

If it is difficult today, with the comparatively few insurance companies now in existence, to obtain uniformity of action and economy of operation, what confusion and added expense would result if the state of affairs were as I have pictured it, instead of being as it is.

Need of Financial Strength

The greater conflagrations, Chicago, Boston, Baltimore, and the greatest of all, San Francisco, have been profound lessons in the economy of fire insurance. They have emphasized the necessity of two prime requisites for safety, one the accumulation of large net surpluses to absorb the shock of successive losses; the other the restriction of lines, streets and blocks, so that the distribution of liability amongst companies will protect the policyholder against the possible destruction of the security of his policy.

It is the local agency system which has enabled the insurance companies to multiply their activities, and to extend them to every city and hamlet in the land; that has made it possible for the present small amount of insurance capital to shoulder with safety the many billions of liability which is now assumed by the insurance companies operating in the United States; which has greatly facilitated the distribution of liability among insurance companies; which has reduced the cost of insurance to the policyholders; which has placed a wise advisor at his shoulder, and has given him greater security for his money than he could possibly have had had he been obliged to depend solely upon a local company for all his protection.

Agents Public Benefactors

You, gentlemen, therefore, who have the proud title of "local agents" may congratulate yourselves on having been public benefactors to the insuring public, not only as wise advisors and counsellors, but also as being the cause of the individual assured getting greater security at much less cost than he could in any other way.

It is true that the Company, with which I am connected, was the pioneer in the local agency field, but the benefits which I have outlined above were so clear and manifest that they have been adopted by practically all the leading insurance companies, both American and foreign, and while, as you can readily understand, I am proud of the fact that my Company was the first to appoint a local agent, justice compels me to point out to you that the idea has been so splendidly successful because of the many great American and foreign insurance companies managed by men of great ability, foresight and honorable ambition, who have helped to make the local agency system a national institution, and that all of these companies of the past, as well as of the present, deserve equal honor with the Insurance Company of North America when we celebrate today the establishment of the local agency system. Passing now from the past to the present, let us consider for a moment the conditions which confront us.

Great Need of Co-operation

To my mind one of the crying needs of the day is the need for increased co-operation between all parties to the contract of insurance. Springing from the establishment of the local agency system, and developing co-incidently alongside of it, has been the steady increase of co-operation between insurance companies. As a number of insurance companies diminished in proportion to the number of inhabitants of the country, through the operation of the local agency system, and as they increased in size and financial strength, and in wisdom and knowledge of insurance conditions, it has become possible for them to effect improvements and economies and reform in practice, which have been of untold value to the insuring public, and which never could have been achieved but by collective effort.

I am aware that I am here treading on dangerous ground, as for many years it seems to have been the theory of the public, and through them of their representatives in the Legislatures, that the utmost measure of free, unlimited and destructive competition was absolutely necessary if the policyholder was not to be robbed by predatory insurance companies at every turn. Today, when the Government of the United States is operating the railroads of the United States, as a whole, and forbidding them to compete with each other, and doing it, I might remark, in flat contravention of its own laws; when it is combining the activities of its shipowners under the wing of the shipping board; when it is standardizing the plans for the ships which it proposes to build in order that they may be constructed economically; when it has established board after board at Washington for the express purpose of obtaining the benefits and economies due to co-operation, perhaps I may be permited to outline some of the benefits which co-operation has achieved in the insurance field, and get away with it without being considered an undesirable citizen.

The logical result of unrestricted competition in the insurance field

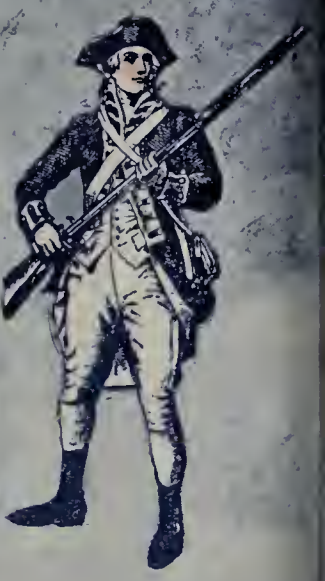
(Continued on page 14)

American Ag

Full War Cover

Automobile

FIDELITY-PHENIX FIRE INSURANCE COMPANY OF NEW YORK



RESOURCES
JAN. 1. 1917
CAPITAL $2.500.000.00
NET SURPLUS 7.120.733.00
POLICYHOLDERS " " " 9.620.733.00
TOTAL ASSETS 19.324.466.00

THE FIDELITY-PHENIX
FIRE INSURANCE CO.
OF NEW YORK

RESOURCES
JAN. 1. 1917
CAPITAL $10.000.00
NET SURPLUS 12.303.334
POLICYHOLDERS " " 22.303.334
TOTAL ASSETS 34.114.372

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Explosion
Bombardment
AMERICAN EAGLE
FIRE INSURANCE
COMPANY
THE AMERICAN EAGLE
FIRE INSURANCE CO.
OF NEW YORK
RESOURCES
JAN. 1. 1917
CAPITAL $1.000.000.00
NET SURPLUS 1.145.233.00
POLICY HOLDERS - - 2.145.233.00
TOTAL ASSETS 2.902 448.00
THE
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NSURANCE CO.
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Benjamin Rush Reviews Agency System Development

(Continued from page 11)

would be exactly the same as that experienced in the packing house business or in the oil business, or in any other field of human endeavor, namely, a few great corporations or trusts occupying the whole field and squeezing out every body else.

I sincerely trust that we will never have such complete competition as will result in anything of this kind, in the field of insurance. I believe we should have enough co-operation to obtain the benefits due to co-operation, and enough competition to make that co-operation behave itself.

One of the greatest benefits conferred upon the inhabitants of the United States by what I may call the entente cordiale, now existing between practically all the American companies has been the united effort on their part to reduce the scandalously great fire waste of this country.

Service of National Board

At this point Mr. Rush referred to the great service rendered by the National Board of Fire Underwriters through its various committees in lessening the conflagration hazard, and improving the protection in hazardous localities, in promoting enlightened building codes, looking towards a substitution of buildings which will not burn in place of those which do, in the establishment of underwriters' laboratories, whose object is to bring to the user the best obtainable information of the merits of appliances, devices, machines and materials in respect to life and fire and accident prevention; in establishing standards of safety for heating, lighting and engineering plants; by testing the motors of fire engines; by investigation of the cause and origin of fire and generally in taking every lawful means in their power to lessen the heavy tax which now rests on the shoulders of the American people by reason of their enormous and unnecessary annual fire waste.

Now, gentlemen, what is your duty? What services are demanded of us at the present time? Before submitting the question let me put just a few more statistics before you, which I think speak for themselves in clarion tones. They are briefly as follows:

In ten years, covering from 1907 to 1916, the losses paid by insurance companies in the United States amounted to the sum of $1,616,000,000. Last year they amounted to $214,000,000, which figures out $2.10 per head for every man, woman and child in the United States. No nation, however rich, can afford to face a drain such as this.

The fact that the losses were made up by insurance simply means that everybody in the United States last year contributed $2.10 per head to make up a destruction in value which need not have occurred.

In England, in France and among continental nations, generally, they are wiser than we are on the question of fire wastage. They do not look on a fire as a matter affecting only the policyholder and the insurance company as a bet which one party to the contract has won, and the other lost, by no manner of means. They see a loss by fire in its true colors, namely, an unnecessary destruction of value which ought to have been preserved for the public benefit, and they have, therefore, by wise laws and by public education reduced their loss by fire to a minimum.

What Saving in Fire Cost Means

The average loss, per capita, in nine large cities in England in 1916 was 92c; in Scotland it was 48c; in Italy it was 30c; in the Hague, Holland, it was 13c. Shall we go home and confess that we are less wise, less able than they? Judge of the good which could have been accomplished by the value which we have wastefully burned up in the last ten years; of the children who could have been educated; of the colleges which could have been founded; of the widow and orphan, who could have been cared for had this sum of money been devoted to the uses to which it might have been applied instead of merely standing as a high beacon to our national vices of waste and carelessness, but if the destruction in property value is appalling, what is to be said of the loss of life, which is sustained every year in the United States as a result of fires, the large majority of them unnecessary.

In the year 1916 there were lynched in the United States some fifty-five people—a dark record we will all agree. In the same year in the United States, one thousand one hundred and twenty-one persons lost their lives as a result of fire—a burnt offering on the altar of carelessness, should we not, therefore, will we not, therefore, go back to our native places with the firm resolve to do what lies in our power by the education of the public, and by all lawful means to ameliorate the distressing record of fire wastage with which we are confronted. It is our own particular duty, as Fire Insurance Agents, to do this because fire insurance is our own particular business, and especially is this true at the present time when the United States is engaged in the greatest war that she has ever faced since she became a nation; a war in which she must employ every ounce of her strength if she is to attain the object which she has set out to realize. A war which might conceivably be lost or won by the values wasted in unnecessary and preventable fires.

Spirit of 1776

In 1776 this country drew its sword to establish the proposition that all men were created free and equal; in 1812, it fought for the freedom of the sea; in 1846 it fought Mexico to free the citizens of its Southwestern territory from an alien and cruel domination; in 1861 it fought to strike the shackles from the limbs of the slave, and in defense of the proposition that no man created to the image of his Maker should be held in bondage by another; in 1899 it fought to free Cuba from the intolerable misgovernment to which it was being subjected; today we have again drawn the sword in defense of liberty throughout the world.

I need not tell you of the aims of the Imperial German Government, and its Allies, or of the nature of the warfare which that Government has employed, and is employing to enforce them—you are entirely familiar with them.

Prior to the outbreak of our Civil War, Abraham Lincoln said he did not believe the United States could continue to exist half slave and half free. If he were alive today, I think he would say that human society cannot continue to exist with one portion of it believing that man was created solely as the subject of autocratic power born to carry out the will of that power, and the other portion believing, passionately believing, that all men are created the free masters of their own destinies, and that government depends upon the just consent of the governed.

Human Liberty Attacked

Since the day of Imperial Rome, there has been no such dire attack made upon the liberty of the human race than that which we are now called upon to face. Unless we do face it and destroy it, it will destroy us, and liberty will vanish from the face of the world for ages to come. It rests with us, gentlemen, it is our high privilege, each to the extent of our full individual capacity to dedicate our entire abilities to the service of the United States in its present crisis, that through the efforts of our country in the service of humanity, right shall again prevail against might, and the mild rule of liberty be forever established throughout the world.

Once to every man and nation
Comes the moment to decide
In the strife of truth with falsehood,
For the good or evil side,
Then it is the brave man chooses,
While the coward stands aside,
Doubting in his abject spirit,
'Till his Lord is crucified.

President Eulogizes Southgate

President Roth, in his annual address, expressed the regret of the Association at the loss of several members through death and illness. He said:

"It is with sincere sorrow that I speak of the passing away of the Hon. James H. Southgate of Durham, and Edward B. Case of Chicago. In early days Mr. Case was active and a great help in our work, serving as chairman of the executive committee with dignity and success. It will be fitting to appoint a committee at this meeting to present resolutions regarding our loss by his death.

"James H. Southgate, a leader in business, in politics and in philanthropy, served us as president for two years. His heart was ever open to his fellows and the Association he loved. He lived to broaden and build as none other could. His kindly, unselfish personality will always dwell in the memories of those whose good fortune it was to have been associated with him. A committee named at the mid-year meeting to give expression and tribute to his character and deeds, will present their report at this meeting.

"The Association has suffered a great loss because of the severe illness of Frederick E. Warner of Massachusetts, chairman of the Organization Committee. His devotion to the interests of our work was whole-hearted and unstinted. We rejoice to hear that he is better and I would recommend that a resolution of sympathy, appreciation and hope for his early recovery to normal health and strength, be voted by this meeting.

"We have been fortunate to be able to command the services of Vice-Chairman E. M. Allen of Arkansas, whose efficiency and interest in the work has been most helpful."

THE EASTERN UNDERWRITER

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FIRE, TORNADO, EXPLOSION AND SPRINKLER LEAKAGE INSURANCE

NEW YORK UNDERWRITERS AGENCY
A. & J. H. STODDART

A General Agency Office more than Half a Century Old

SPECIAL RISK DEPARTMENT affording free engineering advice on all subjects pertaining to fire protection—valuable service in these days of sprinklered risk competition.

BROKERAGE DEPARTMENT keeping in touch with the brokered business and soliciting lines to be written by local agents.

If you want to know what this service means to agents, write us and we will tell you.

100 William Street, NEW YORK CITY, N. Y.

175 West Jackson Blvd., CHICAGO, ILL.

RESOLUTIONS ADOPTED

(*Special to The Eastern Underwriter*)
St. Louis, Saturday—

The National Association of Insurance Agents, in convention assembled here, adopted the following resolutions.

"LIBERTY LOAN"—In the great crisis with which our Government is confronted in the war forced upon it by a ruthless foreign power, the insurance agents of the country—especially those who are unable to give their service in other ways, can best demonstrate their loyalty and support of the Government at this time by liberal subscriptions to the Second Liberty Loan, and we urge all agents individually, and all local associations of agents to do their utmost to make this loan a complete success.

"WAR CONSERVATION."—The services of this Association and its members throughout the country are tendered to the National Government and the National Board of Fire Underwriters in the conservation of the resources of the country from loss by fire.

This Association urges that all members give their best efforts to the removal of hazardous conditions which may come to their notice, and in cases where such conditions are not remedied, to see that the matter is brought to the attention of proper local or State authorities.

"INCREASE IN MEMBERSHIP"—Notwithstanding less extension work than usual, the demands of the war upon agents, and the increase in dues, it is a great satisfaction to note the increase in paid-up memberships.

"RELATIONS WITH COMPANIES"—All conferences with the companies during the year have been pleasant and satisfactory. Our relations with them have never before been so cordial and helpful. The managers are evidently unshaken in their belief in, and support of, the American Agency System.

"RELATIONS WITH COMMISSIONERS"—The uniform courtesy and full attention of the State Insurance Commissioners to our requests, and their valuable services in our behalf, are deeply appreciated. Never before have insurance interests been so well conserved by State officials.

"CASUALTY EXPIRATIONS"—We recommend that the incoming Casualty Committee be instructed to take up the recommendations in regard to a declaration of principles upon the ownership of expirations and make a report upon same at the Mid-Year Conference.

"CONFERENCE WITH CASUALTY ASSOCIATION"—The incoming president is instructed to appoint a committee to act in conferences of the National Association of Casualty and Surety Agents.

"AGENTS' QUALIFICATION LAWS"—We urge the more general adoption of Agents' Qualification Laws, and recommend the State Associations to take steps for their passage where not yet enacted.

"RE-INSURANCE OF RECIPROCALS, MUTUALS AND STATE FUNDS"—We deprecate the practice on the part of some companies in extending re-insurance facilities to Reciprocal Underwriters, Mutual Companies and State Funds and earnestly request that the same be discontinued.

"COMMITTEE ON DEFUNCT COMPANIES"—We recommend that the matter of return commissions in defunct companies be referred to the incoming executive committee with power to take action towards raising such special funds as may be necessary, the receipt and disbursement of same to be within the control of the Executive Committee.

"JUMBO LINES AND RE-INSURANCE"—The check caused by the war upon this inimical practice is viewed with satisfaction and it is hoped that in the interest of the public and that of the conservative companies and insurance agents, measures will be taken to eliminate or largely reduce this dangerous practice.

This Association pledges co-operation with companies or insurance commissioners in efforts to remove this menace to the American Agency System.

"ANNEXES; MULTIPLE AGENCIES"—Now that the Insurance Commissioners have condemned the multiple agency abuse, and recommended that fire insurance interests arrange "By Mutual Concessions and Agreement" to end it, we direct the incoming president to appoint a committee of five for conference with the companies on this subject or others which may come up. We can hasten the day of sole agencies by action in the Local Boards, and therefore call upon all such boards to act promptly as requested by the Mid-Year Conference.

"RESIDENT AGENT LAWS"—The Kentucky resident agent law having recently been tested and its validity successfully upheld, through the prompt action of the Kentucky State Association, aided and supported by the Louisville Board of Fire Underwriters, and as this favorable decision makes for the stability of these laws in all States, much to the advantage of local agents everywhere, the National Association expresses its keen sense of obligation to the Kentucky State Association, and the Louisville Board for the far reaching and influential decision secured.

"UNCOMPLETED BINDERS, NOT TAKEN POLICIES, BACK DATED CANCELLATIONS AND LOOSE ADJUSTMENT OF SMALL LOSSES"—The companies having appealed to us to correct existing abuses, our sense of fairness and right moves us to pledge the efforts of this Association to corrects the evils in so far as our influence may prevail. We recommend that Local Boards present this matter to their memberships and that the Agency Bulletin bring it prominently to the attention of agents of the United States. Justice to our companies, patriotic response to the need of nation-wide economy impels our hearty co-operation.

"WORK OF CREDIT MEN ASSOCIATIONS"—The Association recognizes and appreciates the invaluable services rendered to the public and insurance interests along educational and fire prevention lines by the Credit Men's Association of the country.

"The Leading FIRE INSURANCE Co. of America"



WM. B. CLARK, President

Losses Paid in 98 Years Over

$157,000,000.00

At the Same Cost

property-owners are, in increasing numbers, requiring the policies of This Company for its good record in past conflagrations and for its present great strength

AGENTS AT ALL IMPORTANT POINTS

In Memoriam

When Convention opened today, the first fifteen minutes were devoted to a memorial for James H. Southgate, the North Carolina agent who was formerly president of the Association, and who was loved by all members. His death was taken as a personal blow by dozens of agents. His portrait was unveiled, and hung in Convention hall underneath the Stars and Stripes, and over a tablet of the National Association attesting gratitude for his devotion to Association Interests.

A. W. Neal, Cleveland, read a memorial resolution in which Mr. Southgate's combination of strength and gentleness, modesty and power, wisdom and spirtuality were praised.

Chicago Advertising Campaign is Explained

(*Special to The Eastern Underwriter*)
St. Louis, Saturday—

The great advertising campaign of Chicago fire insurance agents in Chicago daily newspapers was described by H. A. Groth, of the Rankin Advertising Agency, of Chicago, which prepares the copy. He said the story that fire insurance men should tell to property owners through daily newspapers is: First, to really wake up the property owners to the importance of the idea that they should insure. Second, because it is the most economical sales force, where quick action is necessary. Third, because the fire insurance business as a whole for some time has been in need of help from that great sales booster of the age, advertising.

Chicago is now in the fifth week of this advertising campaign. The speaker said that this daily newspaper advertising of insurance will increase premiums, increase the value of every man who sells fire insurance, build up a good will for it with the newspapers, make property owners appreciate more than ever what this service of the insurance companies really amounts to, and will make everyone take a greater interest in fire prevention.

Withdraws Non-Board Resolution

(*Special to The Eastern Underwriter*)
St. Louis, Saturday—

The convention withdrew a resolution passed some months ago about the Northwestern National Insurance Co. and non-board agencies. A committee had called upon President James about the resolution; he didn't like the tone of it, and would not talk to committee.

Disfavor Greets Carey's Suggestions

(*Special to The Eastern Underwriter*)
St. Louis, Saturday—

The Executive Committee has turned down the suggestion of W. J. Carey, of Cincinnati, that the salary of the Secretary of the National Association be not in excess of five thousand dollars a year. It regards with disfavor also Carey's proposition to move the headquarters of the Association from Boston to some city in the Middle West.

Report of Committee on Legislation

NEW LAWS ARE CONSTRUCTIVE

Action Urged in Conformity With Resolution of Commissioners on Multiple Agencies

The report of the committee on legislation of the National Association of Local Agents states that during the past winter 43 legislatures were in session and that a review of the laws passed shows that the States are now trying to build up the insurance business instead of attacking it as in former years.

Legislation to establish rating laws was introduced in the National Congress and twenty-two States. In sixteen of these States, such legislation was unsuccessful. State rating laws were adopted by Iowa, Kansas, Arkansas and Michigan.

The report of the committee showed that laws protecting local agents were next in frequency to rating laws. Resident agents' bills were introduced in seven States. Commenting thereon the committee said: "The principle of this legislation is well established and no backward step is feared."

Agents' License Bills

Agents' license bills were introduced in twelve States and the committee recommended that the Association make extra efforts to bring about the passage of good agents' license laws in every State.

Six State legislatures introduced anti-rebate laws. The comment of the committee thereon was: "Apparently this evil is going to be handled in the anti-discrimination laws as they are passed in the different States. Certain it is that public sentiment has come to favor this principle, and State associations are urged to favor specific anti-rebate bills where there is no immediate prospect of passing an adequate rating law."

Considerable emphasis was placed by the committee on legislation dealing with local boards and single agencies, two States having introduced such measures. The committee reported:

Progress For Single Agencies

"Last year at the Boston convention your committee recommended that State associations should endeavor to pass the Oregon Single Agency law. That convention instructed your committee to ask a hearing from the insurance commissioners on this subject. December 11, 1916, in New York, after listening to the argument which is appended to the Single Agency Booklet, the commissioners passed a resolution as follows:

> The matter of multiple agencies and underwriters' annexes, so-called, is not properly one for action of this convention; but we believe the plan is wrong in theory and bad in practice, unfair to agents and subversive to the best interest of public service. We therefore urge that both companies and agents make mutual concession and adjustment of the situation.

Commissioners' Attitude

"Encouraged by the commissioners' approval of our opposition to multiple agencies, but desiring to follow their kindly advice, your committee suspended efforts to push the Oregon Single Agency law until it could report to the Mid-Winter Conference. The action of the Mid-Winter Conference is fully given in the booklet which is here for distribution. Fearing that relief through conference with the companies, and a "mutual concession and adjustment," would not soon be reached it appealed to local boards to restrict the number of agencies in their communities to the lowest number possible at the present, and to provide that any agencies exceeding one should lapse and not be reappointed if ended by death, resignation, consolidation of agencies, etc.

Legislation Not to Be Invoked

"Your committee is in full sympathy with this effort to handle the multiple agency evil without going to the legislatures for help. If the agency force of the United States really wishes to abolish the multiple agency abuse, and restore the business to the good old rule that an agent of the company shall be really its agent (not a mere solicitor), held to faithful service for the company, rewarded by its sole representation and protected against the competition of another agent of the same company in the same field,—then the local boards will accept the advice of the Mid-Winter Conference and will pass rules as suggested.

"Your committee cannot urge too strongly the local boards to take this course."

Springs Old One on Convention

(Special to The Eastern Underwriter)

St. Louis, Thursday—

One of the speakers at the Casualty and Surety Convention relieved the proceedings by telling the following story:

A delegate to a convention arrived at his hotel in a sad state of inebriation. When his wife remonstrated with him and said: "When you feel that you are going to become intoxicated why do you not stop ordering highballs and order sarsaparilla instead?"

His reply was that when he had arrived in that happy condition he was no longer able to say sarsaparilla.

Fears Socialism is Making Headway

PRES. GRAY PLEADS CO-ORDINATION WITH FEDERATION

War Makes German Kultur Repellant, But Spurs on Social Dreamers—Bigger Council

St. Louis, October 9.—Fred L. Gray, president of the Insurance Federation, told that convention that the great war worked two ways. It made German social ideas repellant to Americans, but it was making State socialism itself popular. Saying that the Federation had tremendous work cut out for it, he pleaded for co-ordination of all insurance interests; favored the appointment of an advisory board of distinguished insurance men representing life, fire and casualty; asked for greater financial support for the Federation, and also requested assistance for Secretary Mark T. McKee, who has been visiting every State in the Union and attending to Federation correspondence and other work at the same time. Mr. Gray said in part:

"Made in Germany"

"The thing of all things which we, as an organization of insurance men, particularly hate—State insurance, with its 'made in Germany' label—has become increasingly hateful to us as the war has progressed, for we now see in it more clearly than ever an institution which should never have been transplanted from its native land, where a deified State thinks, speaks and acts for a subject people. Although the German system of compensation insurance (the first alien scheme of social insurance to seek lodgment in this country) masquerades in the form of trade mutuals, it is to all intents and purposes a State undertaking. Like many another Prussian institution, nominally in private hands, the real control lies with the Imperial Government, and as we get a closer insight into its workings and into the workings of German bureaucracy in general; as we come to better understand the deadening effect on individual initiative of Germany's machine-like efficiency, we realize how totally foreign is this and much other fruit of her political philosophy to the free air of democracy.

"The agitation against corporate insurance of workmen's compensation would very likely have made no headway in this country, in the first place, had it not been for the boasted success of Germany's State-controlled insurance of that hazard. So constantly, in fact, were the supposed merits of the German system dinned into our ears that, looking back on it all, one is almost tempted to wonder whether the whole propaganda was not part and parcel of the Pan-Germanists' crafty design to impose their so-called Kultur on other lands. But be that as it may, you will remember how the opponents of this un-American idea repeatedly urged that the vast difference between the social, economic and political conditions of the two countries should be taken into account before attempting to duplicate or in any way imitate the German plan here, yet how often their plea fell on seemingly deaf ears.

State Socialism

"But while the war developments have tended to strengthen our position in the foregoing direction, we must not overlook the fact that in another and no less important direction their tendency has been to add seeming strength to the claims of our opponents. It can be no exaggeration to say that, in the eyes of superficial thinkers at least, the cause of State socialism has been advanced fifty years by what has happened during the past three years. The titanic events of this period have seriously upset the normal operation of the law of supply and demand, and one government after another has undertaken to remedy the trouble by artificial processes which in ordinary times would most certainly be counted socialistic. Naturally insurance has been unable altogether to escape this economic disturbance.

"We must all concede that if State socialism is a truly desirable thing, it will eventually come to pass, and that if it does not come to pass, and that a commercial enterprise, must walk the plank along with other businesses. As a matter of fact, insurance possesses certain inherent characteristics which make it a peculiarly inviting subject for exploitation at the hands of socialistic dreamers.

"But believing as we do that State socialism is not a desirable thing, that its sure tendency would be to destroy the initiative and incentive which have made this country great, it is clearly a duty we owe to society as well as ourselves to stand by our guns at this juncture more courageously than ever. And in view of the bewildering conditions brought about by the war we must needs use guns of bigger caliber and longer range than those heretofore employed. Now, of all times, when socialistic doctrine is suddenly receiving an undreamed of impetus in consequence of this tremendous upheaval, the insurance world, in particular, should marshal its forces and dig in.

"What should the National Council of Insurance Federations do to make its leadership in this fight truly efficient? May I be permitted to suggest three subjects in this connection which seem to me to press for immediate consideration at your hands? They are, first, amplification and better co-ordination of the Council's internal machinery to the end that all of its functions may at all times be properly discharged; second, establishing Council finances on a thoroughly business-like basis; third, more effective effort to secure co-operation from the fire and life interests."

It Won't Be Very Long Before An Agency For A Good Casualty Company Will Be Worth A Premium

In the last ten years eighty-nine casualty companies have come and gone. They promised too much.

To-day there are only from twelve to fifteen good ones. The Preferred is one of that list. Even our competitors admit **that.**

Have you a direct agency for a good company?

We write accident and health on "preferred" risks only; also automobile and burglary insurance.

We are open for a connection in your city if not already actively represented there. Through the production of a reasonable amount of good business you can secure and retain an agency. Ten years from now, when you have built up a substantial renewal account and need it, we will be here to pay it to you.

If Interested, Write Us

THE PREFERRED ACCIDENT INSURANCE COMPANY

KIMBALL C. ATWOOD, President

80 Maiden Lane **NEW YORK CITY**

CASUALTY AND SURETY SECTION OF THE CONVENTION

Casualty Association Strikes Patriotic Keynote in Convention

Presence of Several Prominent Members in Army is Remarked—Charles H. Burras is Elected President and George A. Gilbert Vice-President—Provisions of Government War Revenue Bill Are Discussed by George D. Webb.

By Clarence Axman

(*Special to The Eastern Underwriter*)

St. Louis, Wednesday—

Patriotism was the keynote of the fourth annual convention of the National Association of Casualty and Surety Agents, which is being held in this city this week. Every reference made, and there were many of them, to the German Kaiser and to the part this country is playing in the great war for democracy was loudly applauded, and Judge Adelor J. Petit, of Chicago, the orator of the afternoon session, was given an ovation at the conclusion of his talk, "The Duty of a Citizen During the Time of War."

"It seems to me," he said, "that the trouble with the people of this country is their selfishness. I might illustrate this by saying that the foremost question in your minds is the problem of keeping the insurance companies from reducing the acquisition cost of work and compensation insurance.

"I mention that simply as an example, not specially of selfishness, but of that great principle that is the cause of conditions that require the citizens to do a duty at this time, namely, self-interest.

"There are certain conditions in this country that are wrong and dangerous, but until they touch closely we know nothing of them. It took the Iroquois fire to make us realize the danger in public buildings. When the Maine was sunk we could almost hear the cries of the drowning sailors, and as a result men sprang to arms and war with Spain soon was on.

"What a difference when the Lusitania was sunk. We passed the incident without a thought, such as would have aroused every man to arms if the ship had been sunk within sight of our land."

In the strongest terms he denounced the men who at this time would impoverish the people by their unfair ways, the producer and the dealer, in the necessities of life. He showed the effect the extravagance of the rich had on the poor. The shop girl insists on wearing silk hosiery and the janitor drives to his work in an automobile.

"False standards are being built up by means of self-interest, and at this time such a state will mean the ruination of the country," he added. "No nation is stronger than the stamina, the justice and the morals of its citizenship.

"While your sons and mine are being drafted into the army, while the fields are spoiling for want of labor to cultivate them, we permit loafers to join the I. W. W. divided into two classes, the 'I Won't Work' and the 'I Work the Workers.'

"Are you going to coddle the man who stands in the public square and encourages this kind of citizenship? Your answer should be no; not if I never write another policy."

Sessions Well Attended

Notwithstanding the war and the great number of prominent casualty and surety men who have entered the military or naval service of the United States, who in times past have been prominent in attendance at conventions of the Association, the gathering is well attended. One group of nine casualty men are at the meeting from Pittsburgh, while there are half a dozen here from New York State, and as usual, several of the most prominent casualty men from Chicago are attending the sessions.

Charles H. Burras, President

Charles H. Burras, president of Joyce and Company, of Chicago, was elected president of the National Association. A graduate of Lake Forest University, Mr. Burras went to Chicago to study law, and for five years he was attorney for the National Surety Company of New York in that company's Western headquarters in Chicago.

Other Officers Elected

George A. Gilbert, of the Employers Liability Company at Chicago, a former president of the National Association, was elected first vice-president.

John Kavanaugh, of the Standard Accident Insurance Company at Rochester, New York, was elected second vice-president. George W. Carter, of Detroit, was elected third vice-president. Donald N. Wood, of Chicago, was elected secretary-treasurer.

New Executive Committee

The new executive committee of the Association consists of George D. Webb, and Wade Fetzer of Chicago, Thomas F. Daly of Denver, W. E. Harrington of Atlanta, W. G. Wilson of Cleveland, Wallace Reid of Pittsburgh, Phillip S. Powers of Richmond, C. J. Kehoe of St. Louis, and N. C. Spencer of Buffalo.

Brown Welcomes Delegates

The convention was welcomed by Paul W. Brown of St. Louis, and the response was by H. H. Thornton of Pensacola, Florida.

Twisting Complaint Referred to Executive Committee

During the session complaint was made by the Tampa, Florida, underwriters against one of the casualty companies because of the appointment of an agent, charged by the Association with twisting business of his predecessor. The matter was referred to the executive committee, after a letter from the president of the company complained about had been read. In this letter the situation was explained, the company declaring that the business had been solicited in a perfectly proper manner.

Revenue Bill Discussed

George D. Webb of Chicago discussed the Revenue bill at Washington, saying the situation was serious from the agents' viewpoint.

Resolutions Adopted

The following resolutions were adopted by the National Association of Casualty and Surety Agents:

Whereas, there is existent a most henious, devasting and bestial attack upon the people and the institutions of government by organized autocratic power, and

Whereas, our beloved nation suffering through the murder of its citizens and the destruction of its property on the high seas, instigation of strikes and riots, seditions and the performance of other criminal acts within its boundaries by agents and sympathizers with such autocracy, is now participating in the struggle, and

Whereas, among the hundreds of thousands of our citizens who have been or will be called to arms there are and will be a vast number of insurance men

Resolved, that to all such the National Association of Casualty and Surety Agents hereby expresses its high appreciation of their patriotism and loyalty to the high American ideals of humanity and democracy which their action implies.

Whereas, during the past year the protective factor of federation has entered most largely into the affairs of the insurance agency system; and

Whereas, the organization of State federations conducted in the direct, honest, effective manner, adhered to by the National Council of Insurance Federations, and has resulted in incalculable good to the insurance business;

Therefore, be it resolved that the National Association of Casualty and Surety Agents should and does hereby express its commendation of insurance federation work, and especially in that of Frederick L. Gray, president, and his associate officers and committeemen of the National Council. * * *

Whereas, during the past year that spirit of unrest affecting commercial affairs throughout our country which has prevailed has made the conduct of the affairs of our Association more difficult than usual, notwithstanding which fact our membership remains effective and numerically strong;

Resolved, that the National Association of Casualty and Surety Agents acknowledges again and hereby expresses its keen appreciation of the efforts and the results attained during that period by our retiring president John A. Morrison and his officers and executive committeemen.

Frederick Richardson Headliner at Meeting of Agents' Associations

His Address One of Greatest Ever Delivered at an Insurance Convention—No Discussion of "Special Topics"—John A. Morrison Tells Delegates Why He is Developing Insurance Lines Other Than Casualty—Trend of Compensation Holds No Good for Agent.

By Clarence Axman

(*Special to The Eastern Underwriter*)

St. Louis, Thursday—

The session of the Convention this afternoon was a joint meeting of the National Association of Insurance Agents and the National Association of Casualty and Surety Agents.

No Special Topic Talks

John A. Morrison, of Chicago, was in the chair. Three topics for discussion were on the program: Resident Agent Laws, Development of Casualty Section—How Made Beneficial to Agents and Co-operation Between All Agents on Common Dangers, including Relations With State Federations, but for some reason there was no discussion. No one had anything to say about any of these three subjects and no one was called on by the Chair to discuss them.

Frederick Richardson "Stars"

The set addresses for the afternoon, however, were unusually good and the star of the proceedings was Frederick Richardson, United States manager of the General Accident Fire and Life Assurance Corporation, Ltd., whose splendid paper diagnosing social and economic conditions will be found elsewhere in this paper.

Gets Great Ovation

Mr. Richardson was introduced as an international figure, a man whose insurance experience has been gathered from all corners of the globe. The learning, the philosophy, the deductions about insurance, which he drew in his paper caused an ovation at the finish.

Nietzsche Comments Score

It was one of the greatest papers ever delivered at an insurance convention. His comments upon Nietzsche, the German philosopher, responsible for much of the blood and iron policy of the present German rulers, drew hearty applause. He introduced his talk with a poetic effusion of a newspaper man based upon the difficulty with which Americans spell Nietzsche's name. This poem follows:

"What difference how you spell it,
Pronounce it, or how you tell it?
He's the devil's incarnation
And the Kaiser's inspiration.
While the name upon his tomb
Will spell Teutonic doom."

Developing Other Lines

John A. Morrison told the Convention why he had decided, in addition to writing casualty insurance, to write corporation, group and co-partnership insurance for the Aetna Life Insurance Company in Chicago.

Sees Spread of Socialism

He has seen the trend of the times

CASUALTY AND SURETY SECTION OF THE CONVENTION

and the advances being made in socialism in this country and the way in which State after State is adopting social insurance and going in for State funds.

All the time he has been making a living, but has failed to see how he was working for the future. His chief asset as a casualty insurance man has been his ability to sell, but when that ability is no longer in evidence he would have little to show for his pains.

To Perpetuate His Business

He said he rarely saw a widow of an insurance man who was rich. He wanted to perpetuate his business so that when he was gone there would be something left to show for it.

He thought the insurance man should devote a large part of his time to collateral lines of casualty insurance which make for a permanent and stable business.

Compensation is Hazardous Line

He did not want to be too pessimistic about the casualty insurance business, but the larger part of it, he said, was derived from the workmen's compensation end, and there was no telling how that would develop in the future or in what form it would be written. It is full of hazard, not only for the agent, but for the carrier as well.

Missouri Supt. of Insurance Scores Discussing Acquisition Cost

Walter Chorn Champions Cause of Agents on Commission Scale—Writing Policy Only Beginning of Agent's Service to the Assured—Contrasts Handling Assured's Interest in Stock Company and State Fund—Eighty-five Per Cent. of Business Written by Companies.

By Clarence Axman

(Special to The Eastern Underwriter)

St. Louis, Thursday—

Walter Chorn, Superintendent of Insurance of Missouri, made a hit with the casualty and surety agents by telling them that he was unqualifiedly opposed to reducing the rate of commission for workmen's compensation business; in other words, that he favored retaining the scale of 17½ per cent. commission that now prevailed, in which he differs from Superintendent Jesse S. Phillips of New York State, Commissioner Hardison of Massachusetts and several other insurance commissioners.

Commission Reduction Not Justified

Superintendent Chorn attended the Commissioners' Convention, and a session of that convention in St. Paul, when the entire subject of acquisition cost was thrashed out, and he said that there was not a single argument advanced during that session which would convince him that the agents' commission should be reduced.

Hearing Complete

Superintendent Chorn told how complete a hearing it was. Every side was heard, company, agent, broker, and insurance commissioner. Every argument there is in favor of reducing the acquisition cost was presented, but none of them struck Mr. Chorn as effective. He wanted to take this occasion to present his views on the subject. In part Mr. Chorn said:

Writing Policy Only Starts Work

"At the St. Paul meeting of the Insurance Commissioners, an entire day was devoted to this hearing. It was pointed out that the agent was not entitled to a remuneration greater than ten per cent. on workmen's compensation business for the reason that where this insurance is compulsory the agent gets it without any further effort, but it developed later in the discussion and most of the insurance commissioners grasped the fact that after the writing of this business the service to be rendered the assured and the workmen as well has only started.

Agent Alive to Changing Conditions

"Now you all know that the least part of the service is writing the business. There is the inspection of the risk for one thing. There is the correct application of the rate; there is the watching of the rulings and the decisions, and the familiarity with numerous diversified and constantly changing conditions.

Acts as Insurance Advisor

"In brief, the agent is the representative of the assured. You might say that the assured could watch all of these things himself without the agent. The assured is an intelligent business man, and he might render himself this service. Yes, he might. He is intelligent enough to do so, but he has not the time and would rather depend upon the agent, his insurance advisor.

Accident Doubles Need of Agent

"Then one day the accident occurred. Here is where the assured in truth needs the agent very much indeed. He wants the agent to protect his rights. He wants him to see that nothing is overlooked; that his interests are safeguarded. And the same is true of the employe. He, too, goes to the agent as he is not familiar with the intricacies of the case and he needs and gets correct guidance as to the law.

Comparisons

"Now, contrast this service with that given by a State fund in States which have both funds and stock companies. It was told in St. Paul, that the service of the funds in these instances is negligible. There must be a reason why practically 85 per cent. of this business is written in stock companies. The reason is that the agents of the stock companies give these services while the representative of the State funds do not.

Tail Should Not Wag Dog

"I do not believe the tail should wag the dog. If you are going to limit or to circumscribe the amount of commissions paid agents, why not go the full limit and say we are going to circumscribe the whole business and limit the amount that you are going to pay for any services that are rendered. In other words, this is but the beginning of State Insurance."

Scaled Commissions Extravagant

Superintendent Chorn said that companies are satisfied with the present commission arrangement. If the commissioners scaled down the commissions to ten per cent., the result will be that companies will be ten per cent. and in addition will pay a flat salary in order to make the efforts of the agents to write this business intelligently and profitably worth while.

Just Compensation—Good Agents

"The companies will not pay any more for agency service than the agents are entitled to receive, and agents have not the right to ask more. On the other hand, companies want to pay a just compensation because that is the only way they can get the right class of agents. It has been demonstrated to my mind that the commissions obtained from workmen's compensation insurance are probably the lowest net commissions that a general agent obtains."

J. W. Henry Elected Federation Head

COMPANY MEMBERSHIP PROVIDED IN NEW CONSTITUTION

Provision Made for Advisory Board—Louis F. Butler Chairman of Companies' Committee

By Clarence Axman

(Special to The Eastern Underwriter)

St. Louis, Thursday—

At a meeting of the National Council of the Insurance Federation held today James W. Henry, of Eyler and Henry, of Pittsburgh, was elected president. Eyler and Henry are general agents of the Aetna Life and the Aetna Casualty and Surety for Pittsburgh and surrounding territory.

Henry Popular Casualty Man

Mr. Henry has made a remarkable record as head of the Insurance Federation in Pennsylvania, which body he was largely instrumental in organizing and is one of the most successful and popular men in the casualty world.

Thomas F. Daly, president of the Capitol Life, of Denver, who has been active in the Federation movement from the start, was elected vice-president.

W. G. Curtis, president of the National Casualty of Detroit, who, aside from his duties as an executive, is recognized as one of the leading lights in the fight being waged in connection with Social Insurance, was elected treasurer.

Mark T. McKee was re-elected secretary.

Wilson, Chairman Executive Committee

The executive committee elected consists of W. G. Wilson, of Cleveland, chairman; George D. Webb, of Chicago; Major Newton E. Turgeon, of Buffalo; T. J. H. Harney, of Boston; Emmet Thompson, of St. Louis; Thomas Braniff, of Oklahoma City; T. Davis, of San Francisco; and Fred L. Gray, of Minneapolis.

Adopts New Constitution

The Federation adopted a new constitution, the principal feature of which is a provision for insurance company membership in the National Council.

Provides for Advisory Board

An advisory board is to be elected to consist of representatives of companies in all branches of insurance. This board with the Executive Committee will direct the National Association. This is the plan by which the fire, life and casualty men are to co-operate more generally.

Butler Heads Company Committee

The changes in the constitution followed the recommendation of a company's committee, of which Louis F. Butler, president of the Travelers, is chairman. This report was made to the Federation constitution committee.

Travelers' Banquet Guests

St. Louis, Friday—

President Louis F. Butler, of the Travelers, and General Counsel William BroSmith, were the guests of honor at a banquet of the Travelers Insurance Company representatives last night. President Butler, among other things, discussed the Insurance Federation movement, which he is now supporting. He talked of the State Funds and made a forecast of the future. Mr. BroSmith discussed the tax situation in Washington.

MARYLAND CASUALTY DINNER

New Maryland Assurance Corporation Introduced to Agents—Addresses By Home Office Men

St. Louis, October 10.—A banquet was held at the Jefferson Hotel tonight by representatives of the Maryland Casualty Company who are attending the convention. There they were introduced in a personal way to the new life insurance company, of which John T. Stone (president of the Maryland Casualty Co.) will be president. This is the Maryland Assurance Corporation.

Attending the convention from the home office are Vice-Presidents Burns and Thompson, and Superintendent of Agents Unverzagt, and addresses were made by each with special reference to the accident and health business and the great strides that the agents have made with it during the last two years; and the further development of that business was dwelt upon at length.

A mark of $1,500,000 in accident and health premiums was set for agents for 1917.

St. Louis, Thursday—

At a meeting of the Maryland Casualty Company's Agency Association held here today, H. H. Thornton, of Pensacola, Fla., was elected president. Fred Bay, of Cleveland, O., was elected vice-president, and Clarence Rogers, of New Orleans, La., was elected secretary.

CASUALTY AND SURETY SECTION OF THE CONVENTION

Insurance Federation with Company Support Here to Stay

Deputy Commissioner Turner of Indiana Says it is the Duty of Every Insurance Commissioner to Indorse Federation—Paul W. Brown Makes Strong Argument Against State Insurance—Charles H. Holland Summarizes Federation Platform "To Educate the Public Insurancewise."

By Clarence Axman

(*Special to The Eastern Underwriter*)

St. Louis, Thursday—

The Insurance Federation is here to stay. Its importance is being emphasized each day. From now on it is to have the support of all the companies. Organization is to be pushed among insurance men everywhere and it is destined to be the leading organization in insurance, to be the spokesman of the insurance world.

This was the keynote of a meeting of the Federation to-night, addressed by rousing speeches delivered by Deputy Insurance Superintendent Turner, of Indiana; Paul W. Brown, a local editor and publisher, and Charles H. Holland, manager of the Royal Indemnity Co.

Turner Strong For Federation

Mr. Turner is the insurance official who made such a surprisingly effective talk at the St. Paul meeting of Insurance Commissioners against reducing the cost of acquisition in compensation insurance.

In introducing him Chairman Gray said that his name was unknown to insurance men generally before the St. Paul meeting of commissioners, but now it is a household word among casualty men.

Mr. Turner said that the Federation had been a hobby of his from the time it was organized. The idea struck him favorably from the beginning.

Should Have Commissioners' Endorsement

He had been asked to attend a meeting of the Federation some time ago but hesitated, wondering whether it were proper for a State Supervising Official to address such a body, but it did not take him long to make up his mind and now he believes that it is the duty of every Insurance Commissioner not only to acquaint himself with the Federation's scope and object, but to endorse it.

Greatest Factor For Good

The Federation, he said, will be the greatest factor for good in the insurance business, with limitless possibilities and potentialities. He said that the insurance business to be preserved must justify itself at the bar of our social and economic life. This he thought had been done.

The Federation should be supported not only for personal reasons but for patriotic ones as well. American business without American dollars behind it is like an army exposed and without trenches.

It is the duty of every insurance man to build a line of defense around the business of insurance for its protection.

During the present world conflict the business structure of insurance must not be disturbed. This is the day in which Socialism and other isms are making great headway.

Important in Adjusting Economics

The Socialists found insurance fertile ground before the war which is an indication of what the Socialists will try to do after the war. When the war is over there will be no factor more telling or more important in adjusting economics to their true level than insurance kept in the even tenor of its way.

Save Business By Safe Insurance

How can the attack on insurance be met successfully? The way to counter the attack is through the Federation in Mr. Turner's opinion. He concluded as follows:

"While the world is being made safe for democracy, democracy should be made safe for business, and business can never be made safe without safe insurance."

Brown on State Insurance

A really fine argument from the layman's standpoint against State Insurance was made by Paul W. Brown, editor of an insurance paper, and for years an editorial writer.

Mr. Brown told what to expect of the State if it went into business. Judging by the record of the State as an executive it would be suicidal to turn a business like casualty insurance over to the commonwealth.

Government Lacks Managerial Abilities

Mr. Brown said that the only corporations in America which do not and cannot keep a balance sheet are the United States Government and the different States, but they knew how to make other corporations keep a balance sheet, and the correct function of the State governments was to supervise. In that they cannot be excelled. In managing and operating, however, everyone can excel them.

He quickly went over the budgets of various States and counties to bring out his point that most of the counties are bankrupt. They know not how to manage their own affairs; they know not how to conform their working forces sufficiently to have work performed without waste; they have no managerial or operative abilities of any kind.

Much has been said of German social insurance. There the State is most efficiently managed. Here it is least efficiently managed.

What Would Be Lost

Mr. Brown explained what would be lost if the work of the casualty companies was turned over to the State. First, there is the element of personal competition and all that means. In striving to write business the casualty agent is a benefactor of the community in that he constantly seeks to reduce the risk, and thus lower the number of accidents.

The companies may want this done for a selfish motive, but he thought there was something more to it than that. There was a certain professional spirit which made the insurance man unhappy unless he knew that every element of hazard was reduced to the minimum.

It is his duty to minimize the risk. He displays a feverish intensity to improve his risks not only for the benefit of his company but for the benefit of humanity. This precious guardianship of public interest will be lost by State Insurance. What the State does is in a stereotyped fashion. The human element is missing.

Legislators are Uninformed

Mr. Brown cautioned insurance men not to despise legislators. His experience with them taught him that when the average legislator thought wrong about a business or economic problem the fault was lack of education.

Too often business men send lawyers to explain their cases and to advocate their cause. A great mistake, said Mr. Brown. A lawyer is called into a case when the client is in difficulties so that when a lawyer appears in legislative halls, to lawmakers he represents a desperate cause, whereas if the business men themselves appeared, they would be much more effective advocates. This particularly applies to insurance, which is very much of a going concern.

Liquid Assets Temptation

In explaining why insurance was constantly being meddled with by the State Mr. Brown said that the principal reason was that assets of insurance companies are liquid. If a State took over an industrial business there would immediately be a tremendous depreciation in the plant, but insurance is different. Its plant consists merely of some office furniture, typewriters and fixtures, but in the vaults are assets of the most valuable securities.

Insurance Men Too Modest

Mr. Brown concluded with a statement that the principles underlying insurance should be taught generally. Music, hygiene and art are taught in schools, but not insurance, which affects the future lives of all.

He thought that insurance men were too modest. They should make themselves more in evidence in clubs, associations and societies in which they belong; should tell about the great conservation work they are doing, of benefices of insurance.

"Let us have private initiative in the field of American casualty insurance," he said. "Let us keep the Government out of it."

Educate Public Insurancewise

Charles H. Holland complimented the Federation upon its new constitution, which he said would rally to the support of the Federation all the companies. He summarized the platform of the Federation in five words:

"To educate the public insurancewise."

This, he said, was the work for the Federation to do.

He said the American people are the most heavily insured in the world, but they are ignorant about the subject. They do not know how rates are made up; do not know how the money they pay is spent. This should be told them by insurance men; there should be no secrecy in the business, no masonry, nothing kept from the public.

Ignorance Breeds Distrust

One reason for the distrust of insurance men was this ignorance of insurance principles, practices and motives. Until the public is educated by insurance men there is only one method of meeting the attacks now being made upon insurance and that is through votes.

In talking of political influence Mr. Holland said that that of the small town man was much greater than the man in the city, who frequently does not know in which ward he lives and has never met the political leaders. Agents should join the Federation, work through it, and their votes will count.

Active Civic Life Recommended

Mr. Holland recommended that insurance men furnish speakers for the chambers of commerce, boards of trade and other civic organizations to which they belong, and that these speakers should discuss insurance matters. If the local talent be not available agents can call upon the home offices which will gladly furnish speakers.

Favor Officers—Buy Bonds

A telegram was read from Captain Max B. McKee, formerly with the Federation and now at Camp Custer, Michigan, saying that the officers there were buying Liberty bonds and if the insurance men wanted to favor the officers they could do it by buying bonds, too.

New President in Chair

The new president, James M. Henry, took the chair, and called upon several committeemen.

James H. Carney, Boston, said that every county in Massachusetts is being organized for the Federation.

Missourian's Legislative Experience

Emmet Thompson, of Missouri, told of experiences of Missouri insurance men with the legislature in that State. He cited a compensation bill which got only two votes.

The insurance men went to Jefferson City to have it re-introduced. There they were surprised to find two insurance men in the legislature who had voted against the measure because they did not know its import. One of them immediately agreed to present the bill and the other insurance man also spoke in favor of it. The bill passed with only two votes against it. This shows that the best way to influence legislation is to go to the State capitol and explain it, or make a manly fight if there is opposition.

Insurance in Relation to Society and Government

By Frederick Richardson, U. S. Manager, General Accident

Some of you may wonder why I have chosen a subject which may seem remote from the every-day considerations of our business, and one that might lead us unwillingly into the arid fields of political controversy. However, I make no excuse for doing so, especially at a time when the leading Governments of the world, under the stress and strain of the greatest conflict in history, are taking into their hands the production or the control of all the essential staples and commodities required to sustain them in their prodigious efforts. In Great Britain—which as you know is as individualistic a country as the United States—the Government has assumed control of the railroads, merchant shipping, mines, shipbuilding and engineering establishments and flour-mills; it has taken over the entire stocks of such raw materials as copper, leather and wool; it imports all the sugar and wheat and fixes the current prices, and is probably the largest importer of tea, coffee, rice, meat and tobacco. And what has been done there is being repeated here. We are witnessing the power of the State in action, and much of the machinery that is now being set in motion will continue to function as a permanent part of the machinery of the social organization of the future.

No Retarding of Insurance Idea

In what way will this affect the business of insurance; and how far are the principles for which we stand imperilled by the vast collective movement arising out of this tragic event? Like an avalanche that has been loosened and set free by the sun in its upward march to the summer equinox, this world calamity—let loose by some awful spirit of the age—is sweeping before it the living and the dead, and will not be arrested until those things that were ordained to perish shall have perished. In contemplation of it we find it hard to reason calmly; much less to anticipate intelligently the probable course of social tendencies after the war. One thing, however, is certain. There can be no retarding of the growth of the insurance idea, for that idea is implicit in civilization and will grow with its growth. What is less certain, and therefore more important for us to investigate and discuss, is whether the function of exercising the insurance principle is in danger of becoming a monopoly of the State, and if so whether it is possible to arouse the body politic to a sense of that danger.

The casualty agents who are present will be able to assure you that nothing, except the war, interests them so much at the moment as the activity of certain propagandists who are seeking to create a public opinion favorable to the acceptance of schemes of alleged social insurance as the basis of their professional panaceas for social evils and social injustices. And, in order that there may be no doubt as to the political character of their intentions, some of these propagandists have made it quite plain that they mean to get their hands on all forms of insurance—fire, casualty, life, marine, etc.—if we are weak enough, as they believe we are, to let them.

It was unfortunate but inevitable that our business should have to bear the brunt of this attack, which serves to conceal an attempt to establish a system of bureaucratic socialism by the Fabian method of permeation. Many years of tradition and practice have developed a type of organization peculiarly fitted to carry out the important function of distributing, in a state of society, the burdens of its members. The essential feature being a fund upon which each member has a contractual right of claim in a certain event, it follows that with the development of this principle, larger and still larger aggregations of capital are being formed as reservoirs of social wealth. The increasing economic importance of these funds, and the effect of compound interest—particularly on life insurance accumulations—has been to create a new and tremendous portent in the modern State. Consider this for a moment. In the past the only way by which a rich and powerful family, or a religious and philanthropic order, could maintain its complete continuity from generation to generation was by the settlement of land in a direct line of inheritance. Even then there has always been, and always must be, a gradual alienation of such property through civil and religious strife or force of arms.

Wide Field of Operation

Ordinary fortunes usually take wings when the creators of them die, and only the most tenderly husbanded may hope to outlive a century. But these vast and constantly growing accumulations, socially owned and socially employed, which are held in trust by the insurance companies, are subject to no such processes of dissipation and disintegration. The Federal Reserve system, while forming a reservoir for the gold of the country, prohibits the earning of interest on funds deposited by reserve banks and, therefore, as to a considerable part of our banking resources it may be said that they are not susceptible to a like development. It is thus no idle fancy to assume that in an era not far distant the worst evils of capitalism will have been removed, because the central nucleus of capital will have passed from the hands of individual manipulators to insurance companies; mainly to mutualized and socially administered life institutions. It is along these lines that a safe and continuing growth of co-operation may be cultivated, and no other. The wider the distribution of property the wider the field will be for the operations of insurance, for in a State where the few are very rich and the many very indigent, the privileged class will not feel the need of protection while the rest will be too poor to obtain it, indeed having nothing to insure except their misery which is already doubly insured. I shall have reason to return to this consideration later on in dealing with our attitude towards the working class movement, but what I want to do is to sketch very hurriedly, and I fear imperfectly, the social trend of the insurance idea, so that we may understand why our business is attracting so much attention just now and will attract more as time goes on. It will be sufficient if I have made it clear that the insurance function will be a great force in the State of the future, and the exercise of it will for this reason be a point of conflict between opposing political schools.

There are two main lines of argument advanced by the advocates of State management and compulsion; and bear in mind these are not offered in criticism of the work of insurance men, who by their labors have assisted, and will assist, in bequeathing to posterity a public inheritance offsetting in part the enormous burdens of debt that are being created and passed on by contemporary governments. To point the argument that way would be to defeat its own purpose. They, therefore, confine their attack to stockholders' profits and agents' remuneration. In their opinion these are payments to be avoided as being uneconomic and indefensible from the public standpoint.

Personally I am not much concerned with the defense of the stockholder. He speaks for himself, and it is sufficient to know that in the history of insurance ventures he, generally, could have done better without us than we without him. There are few businesses in which the employment of capital is more defensible for the reason that it gives added security to the enterprise with little or no charge upon the funds, being properly speaking a fruitful loan to the policyholders and maintaining itself in a way that capital seldom does in other undertakings. Besides it carries with it a form of organization which is almost perfect in its adaptation of responsibility to the ends in view, constraining ability and economy to the accomplishment of them. What is more important to consider is the bearing of the argument on the agency question in regard to what they are pleased to call the economic waste entailed in the acquisition of business by an army of agents, and if at the same time we can consider the other line of argument on the subject of compulsory insurance for the working classes, we may be able to find some unity of principle that will enable us to explode under their own feet the mine which these busy sappers are preparing for our destruction. This urges a scheme of compulsory accident and health insurance for wage earners as a measure of social justice and a means of conserving the health and well-being of the community.

I am sure it will be some satisfaction to you to know that in the minds of these bureaucratic thinkers there is no manner of doubt as to the sort of creatures you insurance agents are! Frankly, you are parasites. If you have sometimes felt a little uneasy as to what all this vague criticism meant, you need no longer be perplexed on that score. All that you do is to go about convincing the public of the beauties and benefits of insurance, whereas if you only left it to them they would compel everybody to insure, and, with one little flourish of the pen, billions of dollars would be saved, and, like Othello, your occupation would be gone. Of course, you are much too busy or you would start a counter revolution such as they now have in Russia almost every other day. When you come to think it over it might follow these lines: "Model bill to abolish the needle as an instrument of labor with power to make bathing compulsory in selected areas and classes." Why not? Sewing machines are very desirable things—as also are bath-tubs. There is much unnecessary labor involved in stitching by hand, and cleanliness is next to Godliness. Why not let the State make these needful commodities and compel everybody to purchase them? This would reduce economic waste and increase the health and happiness of the people. Apply this principle all round and the futilities and failures of society will be overcome. It is so simple that I wonder why somebody hasn't thought of it before!

The Bureaucrat

And yet how the old human errors and weaknesses crop out again to beset the burning enthusiast; weaknesses in human ideas that persist as a survival of tribal mentality! Witness the scoffing attitude of small boys to breaches of custom and convention in their own sphere. Witness the attempt of Germany to impose its culture and domination on the world. Westermarck says, "In early society customs are not only moral rules, but the only moral rules ever thought of. The savage strictly complies with the Hegelian command that no man must have a private conscience." In the middle ages everyone was compelled to go to church. The supreme good being the salvation of the soul, what argument against compulsion could possibly appeal in an unimaginative zealot? No need for priests to expound and persuade when a man could be made to have his soul saved in spite of himself! To be sure it is within the province of law to establish a basis of rights in the relations of men one to the other, or to the dumb beasts, and to maintain this by force if necessary. Therefore, no valid objection can be raised to the idea of compulsory insurance when it is needed to protect the rights of third parties. This is the case with workmen's compensation insurance and, in my opinion, with liability insurance, although in this connection you still need agents to act between principal and client. However, you can only compel a man to insure against his personal losses, or to save his soul by robbing him of his right of private judgment and his private conscience. And when you have done that he is no longer a free man; he is a slave. It may be urged that no one in the bureaucratic movement has advocated anything more than State monoply for fire and other personal lines of insurance. If so I should be pleased to have an admission that it is intended to stop short of compulsion when dealing with people not of the working class. We would then have the superior and discriminating nature of your bureaucrat fully revealed.

I love my neighbor best when he is far, far beyond the heights, for there he is my star. This is not a personal confession but a quotation from Nietzsche, the philosopher of the superman. It serves to explain a curious psychological fact, which is that while it is not good for man to be alone, it is not easy for two individuals to tolerate one another for any length of time unless they are bound together by some common interest. The late Dr. Josiah Royce, a Harvard professor and a man of marked personality and intellectual attainments, has expanded this thesis in a work entitled "War and Insurance." He seeks a remedy for war in what he calls the community of insurance. He proposes the creation of an international insurance fund to insure the contributing nations against earthquakes, pestilence and famine, storms, crop failures and other disasters. It is not good for nations to be alone, yet, like individuals, they will quarrel unless they have some community of interest. That is the idea, and so he proceeds to build up his plan on the theory that certain social relations are potentially dangerous. These are the dual relations of man and wife, king and people, masters and men, nation and nation and the relation of one man to another or of one society to another. Love and comradeship are great attractive forces, but they soon fail to hold human beings together unless there is some other agent that binds them. Hence the stability of the family with its triad of

father, mother and child; of the government with its president, congress and people, or king, parliament and subjects, and so on. In dual relations there is always the danger of disputes and disruptions, whereas the most stable and peaceful relations in society are composed of what he calls triadic social molecules. The treble relation of principal, agent and client is, therefore, the one whereby all traffic and commerce between men is most readily and peacefully accomplished. "In our modern world," he says, "we daily come to be more and more dependent upon finding and using agents. New forms of agency, new classes of agents accompany every advance of civilization."

Agent is the Interpreter

There you have the philosophical explanation of the agent's function to which all I can add is this: The insurance agent, like the priest, is the interpreter. He points out the advantages to be derived from a community of interests. He arouses the drowsy conscience and the torpid will. He fits the means to the individual need. He brings the skill of the underwriter, the actuary, the statistician and the financier to bear on the problems of his client. He sells scraps of paper which he backs with his own reputation, knowing that when they are put to the test he will be there to make good—a plain, blunt man, visible in the flesh, and not some pale adumbration swathed in State papers and red tape! Why do sensible business men persist in transacting their insurance matters with these agents when they could prevent economic waste by eliminating them altogether? I have tried to give you the answer.

I now turn to the question of compulsion as applied to insurance of the working classes, and believe you will find that the same principle is involved. It is wonderful how persons of a certain type of mind are attracted to schemes for the reform of the human race, particularly when they afford large opportunities for directing other people's affairs and for interfering in the most private and personal details of their lives. The laboring classes particularly suffer a good deal from this kind of impertinence. And these persons are not of that gentle and delicate charity which alone is entitled to bring relief to the needy, being the same thing to all men and no respecter of persons. If I were a legislator I would prefer to make laws for the working classes based upon rights rather than upon benefits. Those laws which say, "Thou shalt not," while being equal for all men, have some strange inequalities. Anatole France, with fine irony, says regarding them, "The law, in its majestic equality, forbids the rich as well as the poor to sleep under bridges, to beg in the streets, or to steal bread." But if the law on its negative side presents these inequalities, can we say that the balance is being adjusted on its positive side by administering sops, in the shape of State-aided insurance, as a substitute for progressive social adjustments in accordance with the increasing production of wealth and the growing benefits of civilization? I think not. The Roman way of providing bread and circuses was better, and certainly more popular.

A kind of fantastic Darwinism, reflected through the distorting mirror of the mind of Nietzsche, and reinforced by the hero-worshipping mania of Thomas Carlyle, has set up, in place of the old divine right of kings, a divine right of the superior person. Yet the most striking phenomenon of this most terrible war is the dwarfing of the supposedly great, and the growth in stature and essential sublimity of those courageous and noble masses of the common people, who are dying without a murmur for the simple rights of men, or, to use Walt Whitman's words, for "that something a man is (last precious consolation of the drudging poor) standing apart from all else, divine in his own right."

Attitude of Organized Labor

Why then is organized labor opposed to compulsory State insurance of its members? Because it knows that the poorest people, as well as the "best," value their own identity and personal respect more than anything else, and because they feel that at bottom the scheme is founded on the eugenic principles of the stock-breeder. "Give us our share in the increased benefits of civilization"; they say, "pay us fair wages; let us have decent conditions to work under and decent homes to live in, and most of us can be relied on to dispose of our own lives and means in a manner best calculated to serve the State, while satisfying our needs, which, with all due respect, we think we understand better than anybody else." We expect the authorities to see that we get good sanitation, pure water and pure and cheap food, and when we have need to call in a doctor we want to be able to select one whom we believe to be as good at his job as we are at ours. The more you improve the science of health the better we will like it. But don't bury us in pamphlets on the benefits of fly-swatting as a hygienic exercise, or of the economic value of a mixed diet of peanuts and sawdust for wage-earners! We have got a notion that a new order of superior persons wants to experiment with us. We have been troubled a good deal by superior persons in the past, and are disposed to think that most of the evils which the new order proposes to remedy—as a means, in the first place, of getting jobs for themselves—were brought about by the old; at any rate those evils which are not due to the mere cussedness of things. The class of hand-workers believes in insurance, and believed in it centuries before these social experimenters were born. Every journeyman knows that the old craft guilds had the germ idea. And we are getting back to that system, or a similar one, in our modern, muddling way. So many people, to whom a manual worker is an inferior creature, are unable to discern any differences between individuals in the lower ranks of society. However, we do, and we are not going to be lumped in with the flotsam and jetsam. Let society salve its own wrecks. We are ready to lend a hand, but not by footing the bill alone and at the expense of all that makes life desirable. For what will be the effect of class differentiation by mandatory law? We shall become a slave species, more definitely and irrevocably branded than were the Jews in Egypt. Our children will be unable to rise to high positions in the State, except by divine intervention such as befell the young Moses in his cradle among the bulrushes. No more Lincolns, Edisons, Garfields, Stephensons, Grants or Lloyd Georges. The child of the common stock will be beaucratically organized from the minute he is born; nay, what he is going to be will be determined beforehand on eugenic principles. The class of superior persons, baffled by nature's failure to live up to the Nietschean dictum that "Man is a something that will be surpassed," will breed downwards instead of upwards, when, in their scientific impiousness, they endeavor to divert the springs of human life to purely economic uses. They may succeed for a time in creating a broader differentiation between their own order and the vulgar herd, but they will have sown the seed of their own destruction. The difficulty about eugenics as applied to human beings lies in the fact that nobody knows what to breed for. But that will not hinder them. They will breed for sinew and docility—two excellent qualities in a slave, as high fat production in the domestic cow and egg frequency in a hen. If we are not quite satisfied with the consideration in the social contract as it is applied to the proletariat at present, we are at least prepared to fight for our country in consideration of what we have won for ourselves already. On the other hand, slaves never fight unless they are drugged into the belief that they are not slaves.

Judged By the Ultimate Law

And in this truth resides, in whatever time and clime, the doom of the Slave State, as it is written in the book of man's destiny. Responsible human beings, free men and free women, are the only material out of which to build the larger and more splendid commonwealths of the future. From the cradle to the grave there is one thing that shields us when we are unable to protect ourselves, and through us, when we are able, protects others, and that is the supreme law of responsibility on which all other laws depend. It is supported by countless strands of emotion and character. It is the ultimate law by which we are all judged, whether prince or peasant, priest or politician. For its integrity the progressive forces of the whole earth are now in arms and men are dying by the hundreds of thousands.

What then would be said of Congress if it sent a wireless message to the First Admiral of the Fleet ordering to break off an action just when he had made his final dispositions to bring about the defeat of the enemy, because they had heard that another Admiral had turned traitor? And yet because, occasionally, rogues and scallywags get into the insurance business, it is suggested that we are not responsible parties, and the present honored and esteemed president of the National Convention of Insurance Commissioners is suggesting that it is not safe to entrust insurance companies with the stewardship of securities held for the benefit of policyholders, and is recommending every State to adopt the Iowa plan. I am not anxious to deny the benefits of supervision in a country where conditions may be different from those to which insurance men are accustomed elsewhere, but I am bound to say that the American system, especially as regards statutory reserves, places American companies at a disadvantage. That the insurance executives of the United States have been able to accomplish so much, strait-jacketed as they are, is a tribute to their ability to overcome obstacles rather than an acknowledgment of the benefits of State supervision. If British insurance does better with less how much better will American insurance do with more? But that is a conundrum we ought not to be asked to solve. Devotees of the foaming tankard are not the only people who

> "Look into a pint pot
> And see the world as the world is not."

It is a common error to condemn the entire body because of some defect in one of its members. What a piece of work is man! But because he is a two-legged animal there are certain physical weaknesses due to his mode of progression which are well known to anatomists. However, who should say that we ought to go on all fours on that account?

Then what do we lack? We lack unity in our organizations and in the presentation of our aims to the people at large. We lack a definite method of educational publicity by means of the Press,—a sounding board of which our opponents are taking full advantage. We lack a proper understanding of the need for education amongst our younger men in the higher branches of insurance technique. We lack a proper professional status for the highly expert function that we exercise in the Commonwealth. To point these things out is to point out the remedy.

Insurance Men and Politics

It is a natural reflection, and has therefore no doubt occurred to you already, that if the other States of the Union would only go one better than the State of New Jersey, and do always what that State only does now and then, namely, elect insurance men as senators and legislative representatives, it would provide a happy and speedy release from all our afflictions. But no! However much some of us may be disposed to think that political evils can only be overcome by political representation, or worse still by the pulling of political wires, we would do well to remember that the function we carry out as insurance men makes us singularly unfitted to breathe the atmosphere of politics as politics are now played. Governments in all times, and in no time like the present, have made it their principal business to spend as much money as they could lay their hands on. Our path lies along the lines of conserving well-being and increasing the benefits of association, in a state of society, according to the laws of social equilibrium and social growth. Governments have always started out to do the same thing but have always ended by doing the opposite. They have frequently engaged in lotteries with the object of replenishing their exchequers, but not one of them has, up to the present, carried on successfully any enterprise calling for a consistent and continuous stewardship of funds in strict accordance with the rules and regulations of the association which brought them into being, for the reason that every Government, sooner or later, will sacrifice the interests of a large number of individuals for what rightly or wrongly it conceives to be the general good, no matter how much it may upset the social equilibrium in doing so. In a session when no less than 4,000 private pension bills have been introduced in Congress, it requires something more than faith to believe that the Soldiers' Insurance Bill will be administered on insurance principles should the war take a heavy toll of American manhood. Remarkable as it may seem in these days when every legislator, who is not actively engaged in misrepresenting, his contituents, is supposed to be studying the Encyclopaedia Britannica through a microscope, there is an alarming want of understanding of these same principles. Otherwise how is it that legislators are continually proposing to place burdens and strains on insurance funds they were never calculated to stand. A little instruction in the law of averages might do us all a lot of good. I remember that when I was in Australia an English Actuary was engaged to report on the condition of a Pension Fund for Presbyterian Ministers. It was quite insolvent, and when he recommended an increase in the contributions and a reduction of the benefits, one devout old pastor said "This is a great hardship. I think we should leave things as they are and trust in the Lord." And that would be the thought of any time-serving politician, only he would say "Trust in the good old party."

Insurance men are not built that way. They are a different type of animal. Balzac, in the introduction to the "Comedie Humaine" says, "Society resembles nature. She makes of man, according to the spheres in which his action is developed and employed, as many different men as there are varieties in zoology. The differences between a soldier, a workman, a man of leisure, a scholar, a merchant, a politician or a sailor are, although more difficult to comprehend, just as considerable as those which distinguish the wolf, the lion, the donkey or the horse." What animal an insurance man really resembles I leave it to you to discover although you Insurance Agents have already been told what certain people think you are. But let us hope it is that valiant but inoffensive beast, to which a French hunter and traveller referred in an immortal description, "This is a dangerous and treacherous animal, for when its young are attacked it defends them with great ferocity!"

Making Compensation Rates, Promulgation of Manuals and Plans for Rate Modifications

By P. F. GARNETT, Field Secretary
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In the determination of present-day compensation rates there are certain fundamental requirements that must be considered if the rates are to represent a proper and safe value of the service rendered to the public.

The rates must be adequate to insure the solvency of the carrier and the payment to the assured's employes of the benefits provided by law. They must also be measured and proportioned according to the relative hazard of the various industries in order that each industry may contribute its proper proportion of the insurance cost to the general fund. Past experience is the best guide to probable future costs and in the case of large, well-established industries experience is now available and can be used to produce a fairly acceptable average rate basis. There are many industries, however, that are either so small or the individual plants so few in number that the available experience cannot be depended upon for rate making purposes. Then, too, there are certain specialized industries peculiar to certain territories that were not until recently brought under and made subject to compensation laws and for which there is no experience data available at this time. In such cases, the available statistical data, if any, is compared with the experience of an analogous industry or hazard and its relative position and probable cost determined. We offer no apologies for this practice. Underwriting judgment must and will be used until a sufficient volume of experience becomes available.

Construction of Rates

There are many other conditions all of which have a direct bearing in the determination of compensation rates, such as amendments to existing laws which in many instances make valueless the experience previously gathered; the speeding up of industry to meet abnormal business conditions which necessitates the employment of large numbers of unskilled workmen for work with which they are not familiar and which is in turn responsible for an increase in the number of accidents reported and compensated; the installation of new mechanical devices and the ever-changing economical and social conditions.

Having established the principle that rates should be based upon experience when available and upon comparison and underwriting judgment in the absence of such experience, we may now give our attention to the factors used in the construction of actual rates.

All insurance rates are prepared in two parts, the first being the "loss cost" or "pure premium" and the second the necessary loading for expenses and profit.

Compensation rates are for $100 of payroll and all statistical data are prepared on that basis. The individual experience of each of the company members of the National Bureau is reported to that institution upon blanks especially designed for that purpose. The experience is reported by classifications of industries, each State and each policy year separately. It is further divided to show the cost of temporary total, temporary partial, permanent total, permanent partial and fatal accidents together with the cost of medical and/or first aid.

The loading for expenses and profit is found by adding the cost of acquisition, administration, accident prevention work, claim adjustment, taxes, fees and profit. These loadings vary somewhat in the various States as the conditions require.

Factors in Rate Making

The following factors have therefore been erected and are used in the establishment of compensation rates: Law of differential, underestimates of outstanding losses, increasing claim cost due to (a) age of law and (b) abnormal industrial activity, occupational diseases, variations due to (a) schedule rating and (b) experience rating, loadings for management expense, loading for profit and loading for catastrophe hazard.

The law differential is an important differential factor. Its function is to measure the relative cost of workmen's compensation laws in the various States and it is also the medium by which the actual experience under various laws can be reduced to a common level. For this purpose the original Massachusetts law was chosen as the basis or "key." The law differential for any State is determined by comparing the cost of compensation benefits established by the law under observation with the cost of benefits under the basic law. To successfully carry this into effect it became necessary to construct a table showing the distribution of accidents resulting in death, permanent total, permanent partial and temporary total injuries and injuries resulting in dismemberment. By means of this chart known as the standard accident table the distribution of 100,000 accidents according to severity was computed and became the "yardstick" for measuring the cost of compensation for industrial accidents.

Underestimates

The factor for underestimates of outstanding losses is comparatively new in compensation rate making. There is a distinct tendency to underestimate the probable final cost of industrial accidents in cases where claims remain open for final adjustment beyond the term of the policy year. Experience shows that to compensate for this a factor of 2 per cent. of the gross premium is necessary.

Experience has shown that even though the provisions of a compensation law remain unchanged, compensation payments per $100 of annual payroll have increased from year to year. This increase is assigned to two causes, the education of workmen in the possibility of securing compensation and the increasingly liberal tendencies of State administrative bodies. Because of this an adequate premium to cover losses during the year 1916 would be inadequate to cover the losses under the same law during 1917. It is necessary to make some provision for this fact in making use of past experience.

Preventing Loss

In certain States, namely, California and Massachusetts, the compensation laws apply to industrial diseases as well as to industrial accidents, therefore the rates for insuring compensation risks located in those States have been loaded in a sum equal to 2 per cent. of the pure premiums to care for this additional feature.

While insurance is primarily a method of distributing loss, it is possible to use the machinery of insurance in such a way as, in a large measure, to prevent the loss itself. Those methods of conducting and regulating the insurance business are best which lead to the greatest development of prevention. In the case of fire insurance no influence has been so potent in preventing loss and encouraging good construction, equipment and operation as schedule rating. Schedule rating is a method of making an insurance rate that will fit the hazard of the individual risk. This requires first, a standard of construction, equipment and operation for every risk and a basis rate applicable thereto, and second, a schedule of charges and credits for conditions less favorable or more favorable than the standard. When this schedule is applied to the individual risk we obtain not only the final rate but the individual items that go to make the final rate. We thus produce rates as nearly equitable as human ingenuity can devise but, even more important, we bring into motion a most powerful mechanism for preventing loss.

Loading

The manual rates upon which the schedule is based are supposed to be average rates. A schedule however by putting an economic value upon accident prevention has the effect of decreasing the number and severity of accidents and hence when the corresponding experience becomes available it does not reflect the rates upon which the manual and the schedule were based. It is necessary then in order to prevent duplication of credits, by a reduction once through the operation of the schedule and once through the operation of improved experience, to make an adjustment of experience that has arisen under these conditions. A similar treatment is necessary in the case of experience rating and for the same general reason.

The loading for management expense is constructed upon the cost of acquisition, administration, inspection of risks, adjustment of claims, taxes and special items. This loading is determined by the requirements fixed by law and a further computation based upon all available statistical data showing the cost to the companies of securing and carrying on the business of compensation insurance in the various States. This loading varies from 36 to 42½ per cent.

A loading equal to 1½ per cent. of the gross premium which is equivalent to 5 per cent. of that portion of the capital stock casualty companies invested in the compensation business is used in the construction of all State multipliers and is known as the factor for underwriting profit.

Catastrophe Hazard

To care for the catastrophe hazard common more or less to all known industries and employments a loading of 1 per cent. per $100 of payroll is added to the gross rate for all classifications in States other than New York where because of the crowded, congested conditions, the multiplicity of industries from which have come many of the worst catastrophes known to history this loading has been increased to 2 cents per $100 of payroll.

In the year 1914 the National Bureau undertook a general revision of compensation rates, using for that purpose the combined experience of Bureau companies under the New Jersey, Massachusetts and Illinois laws, producing in all a gross payroll exposure of $1,500,000,000. This experience served as a guide for those charged with the responsibility of revising the rates and when combined with the practical knowledge gained by the company underwriters during more than two years' operation under compensation laws a fairly accurate pure premium basis was found.

The year 1914 also witnessed the introduction of the basic manual and the withdrawal of all the then obsolete "State Manuals" which had previously been used in some fourteen or fifteen States. The basic manual obviates the necessity of a separate manual for each State. It contains some fourteen hundred classifications alphabetically arranged. A series of symbols is used to express the premium charge per $100 of payroll and a "key" or "value" sheet, known in insurance circles as the differential rate sheet, showing the value of the symbols, is issued for each compensation State. The value of these symbols varies to reflect the difference in cost between States. The basic manual is issued in loose-leaf form to permit of corrections being made thereto from time to time. The introduction of the basic manual signalled many important changes in underwriting practices a few of which are worthy of mention.

Standard Limits

In previous years a carrier was responsible for a sum not in excess of $5,000 in payment for injuries to any one person and $10,000 for any number of persons injured in the same accident. These limits were known as the standard limits and are still used in the writing of employers' liability insurance but their application to compensation policies became impractical as the laws regulating the payment of that form of insurance generally fixed the carriers' responsibility for indemnities, therefore compensation policies now provide insurance without limit as to amount. Another development was the declaration that the companies would insure only the entire risk, it having been brought to light that many employers were insuring only the more hazardous departments of their work or business, a practice that threatened to destroy the value of all rate making machinery and statistical data. A further development was evidenced in the establishment of a series of minimum premium charges to escape loss on business producing premiums less than the actual cost of booking and rendering service on small risks.

Permanent Rate Making Body

A further revision of rates became necessary in the following year (1915) and at the suggestion of the Insurance Commissioner of Massachusetts and in recognition of the desirability of joint action on the part of all interested bodies, the managers of the National Bureau, the Compensation Inspection Rating Board of New York, and the Massachusetts Rating and Inspection Bureau called a conference to be participated in by representatives of insurance departments and industrial commissions which had shown an interest in the problem of rate determination and regulation. The first meeting was held at the Hotel Manhattan, New York City, on September 28, 1915, at which the three bureaus were represented by company members, stock and mutual, and to which the insurance departments of California, Massachusetts, Maryland, New York and Pennsylvania and the Industrial Commission of Wisconsin sent representatives. There were appointed four committees; one on rules, one on classifications, one on basic pure premiums and one on loadings and differentials. These committees of the conference held meetings at intervals during the following three months; the more arduous work of the conference being performed by the committee on basic pure premiums which was in session for over two months.

This conference demonstrated the need for a permanent rate making body which should be representative of the various interests involved, and in making its report to the conference, the basic pure premium committee closed with the following paragraph:

"Your committee feels that its work of workmen's compensation insurance has been of such benefit to the business

that a standing committee on manual rules, classifications and rates should be established in order that the benefit may be enduring, to which committee might be referred all questions relating to departure in present manual classifications, rules and rates for the respective boards and bureaus having jurisdiction in such matters. The primary purpose of such committee would be to clear all proposed amendments through one source and thus ensure standardization of practice. The membership of this committee, if the conference considers the suggestion favorably, should be limited to seven to hold office until their successors are appointed by reason of another general conference, and the selection of its members should be left to a committee comprising representatives of the New York, Massachusetts and Pennsylvania Insurance Departments."

This recommendation was adopted and the following "standing committee" was appointed:

American Mutual Liability Insurance Company, Fidelity and Casualty Company of New York, Maryland Casualty Company, Massachusetts Employes Insurance Association, New York Insurance Department, New York State Insurance Fund, and Travelers Insurance Company.

At an organization meeting held on April 13, 1916 H. E. Ryan, associate actuary of the New York Insurance Department, was elected chairman of the committee and Leon S. Senior, secretary of the Compensation Inspection Rating Board of New York, was elected secretary. The committee held frequent meetings from April to December and was successful in maintaining a high degree of uniformity in the manual for the various States.

Revision of Manual

Under date of December 6, 1916, Superintendent Phillips of the New York Insurance Department, following the filing of comparative statements of loss experience under policies issued in 1914 and 1915 by the various companies transacting workmen's compensation business in New York, addressed a letter to each of the companies directing attention to the inadequacy of the then prevailing rates. At the annual meeting of the National Bureau held December 13 the situation was thoroughly reviewed and an immediate revision of rates authorized. Accordingly the standing committee, increased on January 18, 1917, by the addition of the Millers Mutual Casualty Company, the Employers' Mutual Insurance Company, the Utica Mutual Insurance Corporation, the Employers' Liability Assurance Corporation, and the Globe Indemnity Company, was entrusted with the task of rate revision. The committee now became known as the "augmented standing committee" and organized with the New York Insurance Department as chairman and the National Bureau as secretary. An actuarial sub-committee of seven composed of the Massachusetts Insurance Department, chairman, the New York State Fund, three Bureau and two mutual companies was appointed to review and pass upon the actuarial principles involved. These committees then proceeded to the revision of the manual, rules, rates and classifications.

The conference introduced no radically new principle into the making of compensation rates. It rather amplified the existing method and placed it on a sounder actuarial basis. Statistical data covering a payroll exposure of $4,500,000,000 was used in the compilation of present rates.

Accomplishments

The accomplishments of this most recent conference may be summarized as follows:

Basic pure premiums were established in a more scientific spirit on wider and more mature experience.

Minimum premiums were established differentiating between industries.

It was recognized that more scientific methods should be adopted looking to the calculation of rates which would be more accurately adjusted to particular groups of industries rather than approximately adjusted to the entire range of industry.

It was recognized that procedure on a theoretical basis should be subjected to tests of actual experience.

In the foregoing I have attempted to outline in a very brief way the statistical and rate making work of the National Bureau and while I have used workmen's compensation insurance as the subject matter, the same general procedure is followed in the compilation of rates for all forms of liability and automobile insurance excepting only that the work is done wholly by the National Bureau in the absence of any general conference.

Schedule Rating

I will not, at this time, undertake a review of the theoretical and technical merits of schedule rating but a few words regarding the accomplishments of schedule rating might not be amiss.

The principle of merit or schedule rating is borrowed from fire insurance. It is founded upon standard or average construction, equipment and operating conditions. Therefore, if an assured's plant is above or below the fixed standard for plants of a like hazard an increase or reduction is made in the basic or average rate to reflect the condition of the individual plant when measured by the schedule.

To the agent schedule rating means a competitive advantage as a result of service rendered; to the employer it means a substantial saving in the premium and creates an incentive for safeguarding and to the employe and the public at large it means a saving in life and limb. The system encourages prevention; it is the reason for the close attention now given to this phase of our industrial activities as is witnessed by the numerous "Safety" campaigns now being waged.

The Bureau standards upon which the schedule is built up are in very general use throughout the country. The United States Government itself has lately adopted them for use in connection with the safety movement in navy yards and arsenals. In this connection I might further add that two, possibly three, employes with engineering experience; men who have been with the National Bureau since the inception of our inspection department have resigned to accept responsible positions with the department of government entrusted with this work. The labor departments of many States have patterned their safeguarding requirements after those found in the Industrial Compensation Rating Schedule; several "State funds" use the schedule for the purpose of rate modification and as a means to introducing standard working conditions in their own States. State insurance departments have not only approved but in many instances use the machinery of government to promote and encourage the more general use of Bureau standards.

To properly measure the accuracy of schedule rating and as a means of adjusting rates to the true condition of an individual risk, a plan of experience rating has been evolved and is now used in States where compensation laws have been in effect for at least two years. Experience rating is also used to adjust rates for risks not subject to schedule rating, such as contractors, wholesale and retail stores, etc. The plan is particularly applicable to risks that through good management or good fortune have had fewer or less costly accidents than other risks of a similar hazard since it gives credit for conditions that are not and can not be measured in any other way.

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OF HARTFORD, CONN.

THE EASTERN UNDERWRITER

[Succeeding the Journal of Insurance Economics, Established in 1899]

A WEEKLY NEWSPAPER COVERING ALL BRANCHES OF INSURANCE

Eighteenth Year; No. 44 NEW YORK CITY, FRIDAY, OCTOBER 19, 1917 $3.00 a Year; 25c. per Copy

UNKNOWN LIABILITY IN INTER-INSURANCE

John F. Ankenbauer Cites Case of Lumber Mineral Company, Mississippi, to Prove Point

INTERESTING POINTS IN A SUIT

Cincinnati Man Went to Agents' Convention Armed With Anti-Reciprocal Ammunition

John F. Ankenbauer, of Cincinnati, secretary of the underwriters' association of that city, came to the convention of the National Association of Insurance Agents in St. Louis last week, with a revised copy of his booklet "Inter-Insurance Information," but did not get a chance to talk as "Inter-Insurance," scheduled for one of the topics of discussion, did not come up for lack of time in a crowded meeting. In a talk with The Eastern Underwriter Mr. Ankenbauer said that there have been a number of interesting developments of late in the inter-insurance situation.

Lumber Mineral Company

Mr. Ankenbauer had much to say about the case of the Lumber Mineral Company, of Arbo, Miss., who in March, 1916, entered upon a contract of inter-insurance with the Lumbermen's Underwriting Alliance, of Kansas City, U. S. Epperson & Co., attorneys. They also had contracts with the Manufacturing Woodworkers' Underwriters of Chicago (Lee Blakemore, attorney) and with the Lumber Manufacturers' Inter-Insurance Association and the Forest Products Inter-Insurance Exchange, of New York (Wilcox, Peck & Hughes, attorneys).

The allegations made in the original bill filed by the Lumber Mineral Co. in their suit against the Newman Lumber Co. would seem to prove, said Mr. Ankenbauer, that "these exchanges were institutions through which an indefinite number of persons, unknown to each other, severally assume unknown portions of the total liability on the risk," and, further, that it was sometimes impossible for the subscriber having a loss to ascertain from whom he was to get his money nor what proportion was due from each.

Owing to the fact that the Lumber Mineral Co. were not furnished with a list of the subscribers or the proportions of its contract assumed by each, it became necessary, since their contract provided that they could sue but

(Continued on page 16.)

"The Largest Fire Insurance Company in America."

THE HOME INSURANCE COMPANY NEW YORK

ELBRIDGE G. SNOW, President

Sixty-four-Year Record for Fair Dealing and Prompt Adjustment and Payment of Losses

FIRE AND ALLIED BRANCHES OF INSURANCE

Fire, Lightning, Automobile, Commissions, Explosion, Hail, Marine (Inland and Ocean), Parcel Post, Profits, Registered Mail, Rents, Sprinkler Leakage, Tourists' Baggage, Use and Occupancy, Windstorm.

STRENGTH REPUTATION SERVICE

North British and Mercantile Insurance Co.

Established 1809

Entered United States 1866

Policyholders protected by the entire United States assets, with further guarantee in every policy, of protection by entire fire assets of the company which are many times larger.

50th ANNIVERSARY YEAR

Operating under Iowa Reserve Deposit Law, which safeguards all policyholders

Entered for business in 18 States

GOOD TERRITORY OPEN.
ATTRACTIVE POLICIES TO SELL.
LARGE ANNUAL DIVIDENDS.
LOW NET COST.

For agency apply to

H. E. ALDRICH, Supt. of Agents

EQUITABLE LIFE of IOWA DES MOINES, IOWA

RATES AND TERMS OF WAR INSURANCE

Director De Lanoy, of Bureau, Announces Terms and Conditions and Text of Policy

CONVERTED MONTHLY INSTALLMENTS UP TO $10,000

Bureau to Furnish Forms on Which Insurance May Be Converted—How Installments Foot

Terms and conditions of soldiers' and sailors' insurance, issued by the United States Government, were announced this week by William C. De Lanoy, Director of the Bureau of War-Risk Insurance in the Treasury Department.

Insurance will be issued for any of the following aggregate amounts upon any one life:

Amount.	Converted into monthly installments of
$1,000	$5.75
1,500	8.63
2,000	11.50
2,500	14.38
3,000	17.25
3,500	20.13
4,000	23.00
4,500	25.88
5,000	28.75
5,500	31.63
6,000	34.50
6,500	37.38
7,000	40.25
7,500	43.13
8,000	46.00
8,500	48.88
9,000	51.75
9,500	54.63
10,000	57.50

Which installments will be payable during the total and permanent disability of the insured, or if death occur without such disability, for two hundred and forty months, or if death occur following such disability, for a sufficient number of months to make 240 in all, including months of disability already paid for, in both cases except as otherwise provided.

Rates

The insurance is issued at monthly rates for the age (nearest birthday) of the insured when the insurance goes into effect, increasing annually upon the anniversary of the policy to the rate for an age one year higher, as per the following table of rates:

(Note.—Mr. De Lanoy then quotes

rates ages fifteen to sixty-five, from $1,000 to $10,000. These rates in part follow:

Age 15, $1,000, .63; $1,500, .95; $2,000, 1.26; $2,500, 1.58; $3,000, 1.89; $3,500, 2.21; $4,000, 2.52; $4,500, 2.84; $5,000, 3.15; $6,000, 3.78; $7,000, 4.41; $8,000, 5.04; $9,000, 5.67; $10,000, 6.30.

Age 21: $1,000, .65; $2,000, 1.30; $3,000, 1.95; $4,000, 2.60; $5,000, 3.25; $6,000, 3.90; $7,000, 4.55; $8,000, 5.20; $9,000, 5.85; $10,000, 6.50.

Age 31: $1,000, .70; $2,000, 1.40; $3,000, 2.10; $5,000, 3.50; $7,000, 4.90; $10,000, 7.00.

Age 41: $1,000, .83; $5,000, 4.10; $10,000, 8.20.

Age 51: $1,000, 1.20; $5,000, 6.00; $10,000, 12.00.

Age 60: $1,000, 2.21; $5,000, 11.05; $10,000, 22.10.

Age 65: $1,000, 3.35; $5,000, 16.75; $10,000, 33.50.)

Rates at lower ages will be given on request.

The insurance may be continued at these increasing term rates during the war and for not longer than five years after the termination of the war, and may be continued thereafter without medical examination if the policy be converted into a form selected before the expiration of such five years by the insured from the forms of insurance which will be provided by the bureau, provided that premiums are paid therefor at net rates computed by the bureau according to the American Experience Table of Mortality and interest at 3½ per cent. per annum. That the insurance has been granted will be evidenced by a policy or policies issued by the bureau.

Two Bureau Divisions

For the administration of the new law there has been established in the Bureau of War-Risk Insurance a division of Marine and Seamen's Insurance and a division of Military and Naval Insurance. The new law applies to the latter. Four kinds of benefits are provided:

1. Aid to families.
2. Compensation for death or disability.
3. Re-education.
4. Insurance.

Aid to families is available only to enlisted men and to members of training camps. An enlisted man is required to make an allotment out of his pay for the support of his wife and children, if any, and may make such an allotment for the benefit of certain dependent relatives of himself or his wife.

The compulsory allotment to a wife or children shall not be less than $15, and it shall not exceed one-half of his pay. A voluntary allotment, subject to regulations, may be as large as the insured desires within the limits of his pay. In addition the Government will pay a monthly allowance, ranging from $5 for one motherless child, or $15 for a wife without children, up to a maximum of $50. If the man makes an allotment to certain other dependent relatives the Government will also pay them an allowance which may equal the allotment, but shall not be more than the difference between $50 and the allowance paid to the wife and children.

No Payment For Diseases Caused By Wilful Misconduct

Compensation for death or disability resulting from injuries or disease contracted in the line of duty applies to commissioned officers and army and navy nurses as well as to the enlisted men. Where the injury or disease is caused by the wilful misconduct of the man, compensation will not be paid.

The increased compensation in case of death runs from a minimum of $20 monthly to a motherless child, or $25 monthly to a childless widow, to a maximum of $75 monthly to a widow and several children. The widowed mother may participate in the compensation.

In case of total disability, the monthly compensation runs from a minimum of $30 if the injured man has neither wife nor child living, to a maximum of $75 if he has a wife and three or more children living, with $10 a month extra if he has a widowed mother dependent upon him. The maximum is enlarged still further for when the disabled man constantly requires a nurse or attendant, twenty dollars monthly may be added. If the disability is due to the loss of both feet, both hands, or total blindness of both eyes, or if he is helpless and permanently bedridden, $100 monthly is granted.

In cases of partial disability, the amount of compensation is determined according to a schedule to be based upon the extent of the impairment of earning capacity. Reasonable Governmental medical, surgical and hospital services and supplies, such as artificial limbs and trusses are also given. No compensation is payable for death or disabilities which do not occur prior to discharge or resignation, unless the insured within one year of the time of resignation is certified to have received injuries likely to result in death or disability.

The law contemplates future legislation for re-education and vocational training for the disabled. It gives them full pay and their families the same allowance as for the last month of actual service during the term of re-education.

Multiples of $500

The insurance may be applied for by all officers, nurses and enlisted men, and is granted without medical examination in multiples of $500. The insurance shall not be less than $1,000 and not more than $10,000.

The Government assumes the entire war risk and the entire cost of administration. The rates charged are net peace rates.

During the war, yearly term insurance is issued convertible within five years after the war into more permanent forms. The term insurance costs a man of 25 only $6 a month for the entire $10,000 insurance. The insurance is to be paid out in 240 monthly installments; to the insured during the continuance of the total and permanent disability and if he dies before he has received 240 installments, then the balance to certain members of his family after his death.

Great Southern Life Insurance Company

HOUSTON, TEXAS.



For Agency Contracts address

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PRESIDENT

"AN AMERICAN COMPANY"

True to American Ideals and Traditions

The Germania Life Insurance Company

Established 1860

Under the laws of the State of New York

The following are a few Germania features which have helped to make

Every Month This Year a Record Breaker

Free HEALTH SERVICE for policyholders both new and old.

Free Insurance Money INVESTMENT SERVICE for Beneficiaries.

WAIVER and ANNUITY CLAUSE which, in case of total and permanent disability, before age 60, provides for waiver of all future premiums, the payment of 1/10 the face of the policy annually to the insured as long as he lives and payment of the face of the policy to the beneficiary at death of the insured.

DOUBLE INDEMNITY CLAUSE which provides for payment of double the face of the policy in case of death as a result of an ACCIDENT OF ANY KIND.

"A Growing Company for Growing Men"

For Direct Agency Connection

ADDRESS

T. LOUIS HANSEN, Superintendent of Agencies

50 UNION SQUARE, NEW YORK CITY

WHY OPERA SINGER INSURES

Schumann-Heink Can Best Safeguard Future of Her Children By Insurance

Schumann-Heink, the great opera and concert star, carries considerable insurance. Why she does so she recently told the Equitable Life Assurance Society:

"Life insurance was first brought to my attention about twenty years ago. At that time my children were young, and I realized that their future could best be safeguarded by adequate insurance on my life. I, therefore, took as large a policy as I could afford. From time to time since then I have added to my insurance holdings until I now carry a total of $187,000, of which $167,500 is in the Equitable.

"I am a strong believer in life insurance for professional women whose income would cease at their death. Some of the policies I carry combine the element of investment with that of protection, so that after a period of fifteen or twenty years the policies provide a fund for the years when one's earning power will have decreased.

"I believe every self-supporting woman should carry insurance. For a woman with children or others dependent upon her for support, life insurance is, in my opinion, indispensable."

IMPROVIDENT HUSBANDS

3,167,234 Widows in United States, and Many Are Dependent Upon Charity

According to the last census there were 3,167,234 widows in the United States in 1910.

15-19	10,261
20-24	55,354
25-34	224,327
35-44	411,896
45-64	1,324,838
65 and over	1,140,558

There are nearly two and a half million widows above forty-five years of age, and it is safe to say that nearly half of them are dependent upon relatives and charity, says the "Bankers' Life (Iowa) Bulletin." It is safe to say that a good proportion of the ten thousand real young widows had no insurance to fall back upon. Their chances of remarriage are good, but if they have a child to care for, want has likely stared them in the face. The remaining number, the widows of middle age, probably are better provided with life insurance and property, but on the other hand they are more likely to be mothers of a number of children not yet able to care for themselves.

Unfortunately we do not know how many of these widows lived upon the farm when widowed. But the fact remains, too many husbands are improvident concerning the likely widowhood of their wives. Each thinks, of course, he will live to provide for his wife, but no man knows when the summons will come to stop work.

Some will argue that they are too poor to take out life insurance. That is just the man who must do so at any sacrifice. He is the one who leaves the widow destitute. No man has a right to marry a girl and not provide for her during his life. No less is the obligation binding after death.

Text of New Military and Naval Insurance Policy

No. 1————.
Amount, $5,000. Age, 25.
Monthly installments, $28.75.

THE UNITED STATES OF AMERICA
TREASURY DEPARTMENT

Bureau of War-Risk Insurance

Under the authority granted by Congress in an act amending "An act entitled 'An act to authorize the establishment of a Bureau of War-Risk Insurance in the Treasury Department,' approved September 2, 1914, and for other purposes," approved October 6, 1917, and subject in all respects to the provisions of such act, of any amendments thereto, and of all regulations thereunder, now in force or hereafter adopted, all of which, together with this policy, the application therefor, and the terms and conditions published under authority of the act, shall constitute the contract:

Hereby insures from and after the .....day of ....., 19.., John Doe, of Illinois, private, Company A, Third Infantry (name, State of residence, and designation of the insured) conditioned upon the payment of premiums as herein provided, for the principal amount of $5,000, converted into monthly installments of $28.75 (the equivalent, when paid for 240 months, of the sum insured, on the basis of interest at the rate of 3½ per cent. per annum) payable

To the insured, if he/she, while this insurance is in force, shall become totally and permanently disabled, commencing with such disability as established by the award of the director of the bureau and continuing during such disability; and

To the beneficiary or beneficiaries hereinafter designated, commencing upon the death of the insured, while the insurance is in force, and (except as otherwise provided) continuing for 240 months if no installments have been paid for total and permanent disability or, if any such installments have been paid, then for a number of months sufficient to make 240 in all:

To Sarah Doe, wife of the insured;

If no beneficiary within the permitted class be designated by the insured, either in the insured's lifetime or by his last will and testament, or if any above designated beneficiary is or becomes disqualified or does not survive the insured, the insurance (or if any above designated beneficiary shall survive the insured, but shall not receive all the installments, then the remaining installments) shall be payable to such person or persons within the permitted class of beneficiaries as would under the laws of the insured's place of residence be entitled to his personal property in case of intestacy.

If the insured became totally and permanently disabled before this policy was applied for, it shall nevertheless be effective as life insurance, but not as insurance against such disability.

This policy is not assignable, and payments thereunder to the insured or a beneficiary are not subject to claims of creditors of the insured or beneficiary.

The insured may at any time, subject to the regulations of the bureau, change the beneficiary or beneficiaries to any person or persons within the classes permitted by the act, without the consent of the beneficiary or beneficiaries.

Upon the written request of the insured, accompanied by this policy for indorsement, or after his/her death, upon request of a beneficiary at the time of making a claim, the insurance payable to any beneficiary may be converted into installments of reduced amounts payable for 240 months certain and for as much longer as such beneficiary shall survive, such installments to be computed in accordance with the American Experience Table of Mortality and 3½ per cent. interest.

Premiums shall be paid monthly on or before the last day of each calendar month and will, unless the insured otherwise elects in writing, be deducted from any pay due him/her from the United States or deposit by him/her with the United States, and, if so to be deducted, a premium when due will be treated as paid, whether or not such deduction is in fact made, if upon the due date the United States owe him/her on account of pay or deposit an amount sufficient to provide the premium, provided that the premium may be paid within 31 days after the expiration of the month, during which period of grace the insurance shall remain in full force. If any premium be not paid, either in cash or by deduction as herein provided, when due or within the days of grace, this insurance shall immediately terminate, but may be reinstated within six months upon compliance with the terms and conditions specified in the regulations of the bureau.

If the age of the insured has been misstated, the amount of insurance shall be adjusted at the amount not in excess of $10,000 which the premium actually paid would purchase at the insured's attained age.

During the present war and for not more than five years thereafter, or until the earlier conversion of this policy as hereinafter provided, the monthly premium shall be in accordance with the following table of rates, increasing at each anniversary of the policy to the rate for his/her attained age:

Table of premiums for $5,000.
(Ages 15 to 65)

Attained age.	Monthly rate.	Attained age.	Monthly rate.
15	$3.15	41	$4.10
16	3.15	42	4.20
17	3.15	43	4.35
18	3.20	44	4.45
19	3.20	45	4.60
20	3.20	46	4.75
21	3.25	47	4.90
22	3.25	48	5.15
23	3.25	49	5.40
24	3.30	50	5.70
25	3.30	51	6.00
26	3.35	52	6.35
27	3.35	53	6.75
28	3.40	54	7.20
29	3.45	55	7.65
30	3.45	56	8.20
31	3.50	57	8.80
32	3.55	58	9.50
33	3.60	59	10.25
34	3.65	60	11.05
35	3.70	61	12.00
36	3.75	62	13.00
37	3.80	63	14.10
38	3.85	64	15.35
39	3.95	65	16.75
40	4.05		

Not later than five years after the war this policy, if written request be made to the bureau therefor, accompanied by this policy, will be converted without medical examination into any form of insurance selected from among those that may be prescribed by regulations of the bureau. Such converted insurance will be at net premiums, computed in accordance with the American Experience Table of Mortality and 3½ per cent. interest per annum and will provide for cash, loan, paid-up, and extended insurance values.

Wherefore the United States of America has caused this policy to be signed by the Secretary of the Treasury and by William C. De Lanoy, the Director of the Bureau of War-Risk Insurance, and countersigned by the registrar or an assistant registrar of the bureau.

W. G. McADOO,
Secretary of the Treasury.
WILLIAM C. DE LANOY,
Director of the Bureau of War-Risk Insurance.

Countersigned at Washington, D. C., this ..... day of ..... 19..

Registrar.

4. Persons entitled to apply for this insurance are:

(1) A commissioned officer (including a warrant officer) in active service in the military or naval forces of the United States.

(2) Any person, male or female, enlisted, enrolled, or drafted into active service in the military or naval forces of the United States, including noncommissioned and petty officers and members of training camps authorized by law.

The term "military or naval forces" means the Army, the Navy, the Marine Corps, the Coast Guard, the Naval Reserves, the National Naval Volunteers, and any other branch of the United States service while serving pursuant to law with the Army or the Navy.

(3) Any member of the Army Nurse Corps (female) or of the Navy Nurse Corps (female) while employed in active service under the War Department or Navy Department, respectively.

5. Insurance may be applied for in favor of one or more of the following persons with sum of $500 or a multiple thereof for each beneficiary, the aggregate not exceeding the limit of $10,000 and not less than $1,000 upon any one life:

Husband or wife.

Child, including legitimate child; child legally adopted before April 15, 1917, or more than six months before enlistment or entrance into or employment in active service, whichever date is the later; stepchild, if a member of the insured's household; illegitimate child, but, if the insured is his father, only if acknowledged by instrument in writing signed by him, or if he has been judicially ordered or decreed to contribute to such child's support, and if such child, if born after December 31, 1917, shall have been born in the United States or in its insular possessions.

Grandchild, meaning a child, as above defined, of a child as above defined.

Parent, including father, mother, grandfather, grandmother, stepfather, and stepmother, either of the insured or of his/her spouse.

Brother or sister, including of the half blood as well as of the whole blood, stepbrothers and stepsisters and brothers and sisters through adoption.

Unless other designation is made by the insured, such person or persons, within the permitted class of beneficiaries, as would under the laws of the place of residence of the insured be entitled to his personal property in case of intestacy shall be deemed designated as the beneficiary or beneficiaries to whom shall be paid any installments remaining unpaid upon the death, or disqualification under the pro-

(Continued on page 4.)

You Believe in Insurance
Help Insure Your Country

You know how dangerous it is to be without adequate life, fire, and other familiar forms of insurance.

But of what avail is it to insure the *individual,* if the nation is not insured?

How will insurance on your home benefit you, if your liberty is taken from you—if you, your home, your family, and everything you possess or hold dear are swept away in a deluge of destruction and desolation?

Make no mistake. The danger is real. Our country must be insured and not a moment must be lost.

That is the purpose of the Liberty Loan—to take out the greatest insurance policy in the history of the world.

Without this money the war cannot be won, and the fate of Belgium may be ours.

Help your country insure itself by buying Liberty Bonds. Buy all you can and buy them quickly—October 27th is the last day.

You are not asked to give your money—only to lend it. Buying Liberty Bonds is the same as putting money in the bank. The Government guarantees that you will get it back, and pays you 4% interest for its use.

Any bank or trust company will take your subscription. Liberty Bonds are sold also by many department stores and other organizations. You can pay for them by easy partial payments.

LIBERTY LOAN COMMITTEE
Second Federal Reserve District
120 Broadway New York

Broker Neill Active at Risk Conference

THREE DAYS' MEETING TO EXPLAIN BILL

Representatives of Army, Navy and Cantonments Hear Provisions of War Risk

A conference of officers and representatives of the Army and Navy on the provisions of the Act providing life insurance, compensation and indemnities for injuries and family allowances for soldiers and sailors was held in Washington on Tuesday, Wednesday and Thursday afternoon. The conferences were open to newspaper men at the morning sessions. The object of the conferences was to acquaint the services and heads of cantonments and Government officials with the new war risk measure.

Neill's Topic

The program showed a conspicuous absence of speakers who are underwriters or actuaries, while it was top-heavy with socialogists, economists and college professors. In fact, with the exception of William C. De Lanoy, director of the Bureau of War Risk Insurance, the only "insurance man" on the program was Fred C. Neill, an insurance broker of Philadelphia. In view of this fact and Mr. Neill's topic, "Suggestions for Explaining the Plan and Advantages of Insurance Provided By the Government," there is a belief in Washington circles that he may be made commissioner of Military and Naval Insurance. The position pays $4,000 a year. There has been considerable speculation among insurance men as to who will get this position. It has been refused by one of the leading figures in life insurance.

Among the sidelights at the conference was a statement that the Government has turned down a proposition for a certain number of industrial insurance agents to sell insurance to soldiers at the cantonments, the Government taking the position that civilians be not permitted to have access to members of cantonments in regard to Government insurance.

Dawson Had a Hand in It

The report was also heard at the conference that Miles M. Dawson had considerable to do with the revision of the final draft of the soldiers' and sailors' insurance measure. Actuaries deny this.

Other actuaries who were in Washington last week, consulting with the Government, included Lee Wolfe, Joseph H. Woodward, Leon S. Senior and Harwood E. Ryan. The latter is with the New York Insurance Department. Captain S. H. Wolfe is still in Europe, gathering mortality and war disability data.

Rowe's Talk

But to return to the conference this week, L. S. Rowe, Assistant Secretary of the Treasury, was presiding officer at the Tuesday morning session.

In opening the conference he said:

"I desire first to express to you the keen regret of Secretary McAdoo that he cannot be with you this morning. This conference to-day represents the culmination of one of his fondest hopes. His message to you will be read presently, and will express to you far better than I could hope to do his deep and abiding interest in the great measure which the Congress of the United States has enacted.

"I can truly say that I have never felt more proud of my American citizenship than I do this morning. In fact, it must be a source of inspiration to every American to see his country, in the midst of a great war, remain not only mindful of its obligations to its citizens, but to extend these obligations beyond the peace standards.

"Let there be no mistakes with reference to the spirit which dominated the Government in the enactment of this great military and naval compensation and insurance measure. There was no thought of granting a gratuity, or anything in the nature of a bonus to the officers and enlisted men in the military and naval establishment. The purpose was to meet and fulfill those standards of justice, of real democratic justice, which the President has placed so clearly before the people of this country. It is true that in this law the Government has extended to you rights which no Government has before extended in quite the same measure, but it has done so with the full appreciation of the fact that it was thereby fulfilling an obligation towards you."

Secretary of War Baker talked on "What Soldiers' and Sailors' Insurance Means to the Army." Secretary of the Navy Daniels spoke on "What Soldiers' and Sailors' Insurance Means to the Navy." Samuel Gompers, president of the American Federation of Labor and chairman of the Labor Committee of the Council of National Defense, spoke on "The Great Advantages of Soldiers' and Sailors' Insurance, Compensation, Indemnities and Family Allowances." William C. De Lanoy, director of the War Risk Insurance Bureau, spoke on "The History and Work of the Bureau of War Risk Insurance."

The Program

The balance of the program follows:

Second Session.

Tuesday Afternoon, October 16,
2.30 o'clock.

Presiding officer: Hon. Franklin D. Roosevelt, Assistant Secretary of the Navy; Introductory Remarks by the Presiding Officer; Address by Judge Julian W. Mack on "The Scope and Meaning of the Soldiers' and Sailors' Insurance Act"; Five-Minute Talks from Delegates; General Discussion, Questions and Answers, to be Participated in by Members of the Conferencc.

Third Session.

Wednesday Morning, October 17,
10 o'clock.

Presiding officer: Col. Herbert M. Lord, Quartermasters Corps, representing the War Department; Introductory Remarks by the Presiding Officer; Brief Addresses: Asst. Surg. Gen. R. C. Holcomb, U. S. Navy; Major E. M. Morgan, of the office of the Judge Advocate General, War Department; Major Henry Leonard, Marine Corps, Navy Department; Mr. Herbert Kaufman, of New York.

Fourth Session.

Wednesday Afternoon, October 17,
2.30 o'clock.

Presiding officer: Hon. William C. De Lanoy, Director of the Bureau of War-Risk Insurance; Introductory Remarks by the Presiding Officer; Brief Address by Mr. Fred C. Neill, Insurance Broker, of Philadelphia, on Suggestions for Explaining the Plan and Advantages of Insuance Provided by the Government; Symposium and Round Table Conference on Ways and Means of Explaining Government Insurance to the Officers and Enlisted Men and Enabling Them to Take Full Advantage of the Privileges Which the Government has Provided.

The conference will break up into sections for questions and answers and discussion of typical cases, the sections being under the direction of Prof. Charles E. Brooks, University of California; Prof. Joseph P. Chamberlain, of the Legislative Drafting Research Fund of Columbia University, and others.

Text of War Policy

(Continued from page 3.)

visions of the act, of any named beneficiary.

In case the applicant does not desire the premium to be deducted from his/her pay (or his/her deposit) he/she should so elect in writing at the time of making application; but if no election is made it shall have the effect to provide for such deduction from his/her pay, or if such pay be insufficient, any balance from his/her deposit.

7. Applications for insurance are to be made upon the blanks provided by the bureau, but any writing sufficiently identifying the applicant and specifying the amount of insurance shall be deemed sufficient. Upon request of the bureau, however, the applicant shall fill out and sign the proper blank as of the original date.

8. If a signed writing requesting insurance for less than $4,500 is mailed or delivered before the 12th day of February, 1918, to the Bureau of War-Risk Insurance, Washington, D. C., or to any branch thereof or to any officer of the United States authorized to receive the same, such insurance, in the absence of other specification in such writing, shall be and be deemed applied for and the contract made on such 12th day of February, 1918, the provisions of section 401 as to automatic insurance meanwhile continuing in full force; if so mailed or delivered on or after such day or if for $4,500 or more, though mailed or delivered before such day, the insurance shall, in the absence of other specification in such writing, be and be deemed applied for and the contract made on the day of mailing or delivery.

9. These terms and conditions are subject in all respects to the provisions of such act and of any amendments thereto and of all regulations thereunder now in force or hereafter adopted.

WILLIAM C. DE LANOY,
Director of the Bureau of
War-Risk Insurance.

Washington, D. C., October 15, 1917.

G. C. TUDOR AGENCY MEETING

The agents attached to the George C. Tudor general agency of the Mutual Benefit Life at Winston-Salem, N. C., held a meeting in that city last week in commemoration of the first anniversary of the agency. At a banquet, C. T. Thurman, of the Raleigh agency of the Company, addressed the agents on salesmanship. It was announced at the banquet that the Tudor agency, during the twelve months just passed, had written $1,166,451 of life insurance.

Build Your Own Business
under our direct general agency contract
Our Policies provide for:
Double Indemnity, Disability Benefits, Reducing Premiums
See the new low Rates
JOHN F. ROCHE, Vice-Pres't
THE MANHATTAN LIFE INSURANCE COMPANY
66 BROADWAY NEW YORK
Organized 1850

BANKERS BLC LIFE COMPANY DES MOINES
PAYS GOOD PAY TO GOOD MEN

GROUP INSURANCE
Life, Accident and Health

With the same Prompt and Expert Safety Engineering and Inspection Service and Organization which has made the Name of The Travelers Famous

AGENTS AND BROKERS

Refer Your Inquiries to The Group Insurance Division.

THE TRAVELERS INSURANCE COMPANY
Hartford, Connecticut

Pays for $39,316,000 to September 1

KANSAS CITY LIFE'S ROLLING UP SPLENDID VOLUME

Every One Urged to Speed Up Production—Commissioners' War Clause Used

Insurance executives who have a finger on the insurance pulse of the country have had their eye for some months on the Kansas City Life, awaiting the announcement of its paid-for business, it being generally understood that the Company has been having a phenomenally successful year. It has cultivated its territory in the most intense manner, has not let a single opportunity slip, with the result that its issued and paid-for business during the first nine months of the year has been $39,316,000. An interesting feature has been that the business has come in with remarkable regularity, each month's totals showing approximately the same as the average for the nine months.

The War Clause

The Company adopted the war clause suggested by the New York Conference and Insurance Commissioners' committee, the clause going on some of the Kansas City Life's policies the first of June and becoming effective generally and on all forms June 20.

Paid Policy on Life of First American Killed in American Service

One of the signal and outstanding happenings is the payment of its war claim on the life of Lieutenant Fitzsimons, the medical man who will doubtless be designated by future historians of the war as the first American to fall in the service of the United States after we engaged in hostilities. Lieutenant Fitzsimons had a policy with the Company, which was the first company to pay the claim, waiving technicalities in the proof and accepting confirmation of his death in the form of a letter from Secretary of War, Newton D. Baker, coupled with other information and reports of a similar nature.

President Reynolds said this week: "We look upon the situation at present as being a time when efforts should be made to keep business going even though we do a large business at a small profit or probably no profit at all after paying overhead expense, taxes, etc. We have persistently endeavored to impress upon our sales force the duty of every man to work and be a producer and to talk this idea to every man and woman with whom he may come in contact. In this way and upon this theory, we believe we are rendering a service to help win the war and at the same time win legitimately in a business way."

WOMEN AS SALESMEN

Commenting on the work done by women who have taken the place of salesmen called to the front, "Printers' Ink" says:

"Points in favor of women are that they save time, and see more dealers because courtesy insures their reception. Good business women are not backward, and talk more sincerely than men. They are hard, steady workers, and discover selling points likely to be overlooked by men. Many of the most successful women in traveling positions were recruited from among widows obliged to support themselves and their children."

Life Policy Best Storage Battery

MANY EXTRAVAGANT YOUNG MEN PLAY FINANCIAL FOOL PART

Decatur Clergyman Addresses Life Underwriters on Advantages of Insurance

"No ship can put to sea without a life preserver for each passenger. No couple should be allowed to embark on the sea of matrimony without a good life preserver in the form of a life insurance policy and as the passengers increase obtain other life preservers." These are the views of Reverend Frank Fox of the Congregational Church, Decatur, Ill., expressed in a sermon, "The Creditor is Come," delivered at a service attended by members of the Local Life Underwriters' Association.

In the course of his discourse Dr. Fox said:

"Will," I asked, "why don't you insure your life?"

"Because I'm not ready to die and I can't afford it," came the prompt reply.

"How much do you earn?"

"Eighteen dollars a week and that's as much as I'll ever get."

"What do you do for recreation?"

"Helen and I go to the movies twice a week, and occasionally we treat ourselves to ice cream after the show."

"How much does this program cost a week?"

"Carfare and shows 80 cents a week; that's not much is it?"

"Blood Money" Not Wanted

"No, it is not; that's quite a modest outlay as compared with what some young couples spend for amusement. But do you know that you could buy a $2,000 life insurance policy, with a waiver of premium in case of total disability this side of 60, and receive annually $200 as long as you're disabled and if you die your wife will receive the face value of your policy for less than you're spending going to the movies each week?"

"But," protested Helen, "I don't want 'blood money.' I'd rather have a good time with Will now than to have plenty of money after he's gone."

"Eighty-seven per cent. of all the estates settled in the United States have nothing except life insurance."

Creditor Worse Than Funeral

"Bankers and successful businessmen carry large sums in life insurance."

"Funerals are not so heart rending as the breaking up of the home when the widow faces the fact that there is nothing to support her and the helpless children. The coming of the creditor sounds the knell of despair in many a darkened home."

Selecting One's Class

"I have found four kinds of folks in the world:

"The poor who have neither money nor aspiration; the poor in money who are rich in integrity and aspiration; the poor rich folks who have money, but a cipher with the rim shot off would express their characters; and the rich who have money and high ideals, who are ambitious to be and to do their part in the world. Every young man should determine in which of these classes he intends to train, then qualify himself for membership in the company he expects to keep."

Many Financial Fools

"There are four things about money which every man and woman should learn.

"First, learn its value. Money is a storage battery of life. If your gasoline gives out you can make the home run on your storage battery.

"Second, learn how to earn money and give value received for every dollar.

"Third, how to save money is a lesson that many never learn. The young man who sends American Beauties to his girl when she knows that he can't afford dandelions on his eleven dollars a week salary is a financial fool. I have investigated and watched the working of many systems for saving money. The best that I've ever discovered for the average man is life insurance."

SUCCESS POINTERS

Read Insurance Papers, Believe in Your Work, Understand Your Company, Work Hard

A writer with Penn Mutual's "News Letter" gives these pointers to agents:

1. You are going to know the business better by hard study just as the lawyer and the doctor must study consiantly to keep abreast of their work. You are going to get books on insurance and study them. You are going to make excerpts from them. You are going to subscribe to two or three insurance journals and read them carefully.

2. You are going to increase your belief in your work and the good it is doing by better understanding your work and its beneficial results.

3. You are going to increase your enthusiasm by a clearer understanding of your company and the good work it is doing; by lively, snappy, energetic illustrations; by earnestness.

4. How better to use your time is the very foundation on which your success must rest. A few men are by nature hard workers. They have an abiding conviction that compels them to keep working when they themselves would rather play. This conviction is so strong that they force everything out of their mind except the work at hand. But most men have to be driven to work and they drop the harness at the first sound of the whistle. If you are one of the latter, you must learn to be your own task master, because the average salesman fails because he will not work.

You must employ more hours in seeing prospects and fewer in playing pool, loafing, visiting and doing non-essentials. You should devise a plan of work and have each day's work planned out the evening before. You should know early in the morning exactly whom you are going to see during the day and then compel yourself to see these people. The successful salesman has a plan of work; the unsuccessful salesman has not. You must, therefore, have a plan and work the plan.

NEW PRUDENTIAL GROUPS

The following are some groups written by The Prudential:

Borden Manufacturing Company, North Carolina Cotton Mills,—121 employes; Perfection Spring Division of the Standard Parts Company of Ohio—100 employes; the Townsend Company, Manufacturers of Nails and Rivets. Western Pennsylvania—253 employes.

PEORIA LIFE BUILDING

On October 1 the Peoria Life purchased the best corner in the City of Peoria for the purpose of erecting a home office building.

On this entire property the Peoria Life will build its home. The building will be at least 12 stories high; it will be a steel structure faced with white stone and absolutely fireproof in every respect.

ILLINOIS LIFE INSURANCE CO
CHICAGO
JAMES W. STEVENS, PRESIDENT
GREATEST ILLINOIS COMPANY
WANTS GOOD MEN AND WILL PAY THEM WELL

HOME LIFE
INSURANCE CO.
(Now Purely Mutual)
256 BROADWAY, NEW YORK
GEORGE E. IDE, President

The fifty-seventh annual report shows insurance in force of $133,493,000, an increase during the year of $7,832,827. The Company paid the policyholders in 1916 $3,536,233, of which $628,406 was in dividends or premium refund. Its insurance reserve fund was increased by $1,300,000 and the Assets are now $32-821,462.

For Agency apply to
GEORGE W. MURRAY,
Supt. of Agts.
256 Broadway, New York, N. Y.

ALWAYS A PLACE FOR DEPENDABLE AGENTS
Those who can not only write applications but deliver policies, and are energetic in their methods. Good positions are ready for such men.
Union Mutual Life Insurance Co.
PORTLAND, MAINE
ARTHUR L. BATES, President
Address: ALBERT E. AWDE
Superintendent of Agencies
7 W. Madison St., Chicago, Ill.

Strong Reviews Gephart's Book

BRINGS OUT TRUE NATURE OF LIFE INSURANCE

Only a Few Errors of a Technical Nature Found By Actuary

Wendell M. Strong finds much to commend in a review of "The Principles of Insurance," by W. F. Gephart, published by the Macmillan Company. Price $1.50. The review appears in "The American Economic Review," published by the American Economic Association, Princeton, N. J. Mr. Strong is associate actuary of the Mutual Life. His review follows:

It has not been generally appreciated that the life insurance business is one of the most important kinds of business in the country, being comparable in its magnitude to the banking or the railroad business. It is also probably the least understood of any of the more important kinds of business. Consequently, a book which gives an adequate survey of this business, giving both the practical standpoint and explaining the scientific foundations upon which it rests, is of much value. The present book does this and in a satisfactory way. It is written by one who knows insurance rather from the scholar's standpoint than that of the practical insurance man, and yet, in general, the practical side of the business is well treated.

Insurance is Not Generally Understood

There are two principal reasons why, notwithstanding the importance of life insurance, there is less general knowledge about it than about other kinds of business of at all comparable magnitude. One of these is the practical one of the way in which the average man comes in contact with the business, in that he obtains from the company a promise to pay a definite sum at his death (or, if an endowment at some earlier date) and pays to the company a periodic premium for this. Such a relation is very different from, for instance, his relation with his bank, where he is constantly drawing checks, making deposits, having to keep watch of his balance, perhaps seeking accommodation in loans or discounts, or other favors. The other principal reason is that there are scientific principles underlying insurance which are understood by comparatively few of the general public; and without some conception of these principles it is not possible to really understand the business. A third reason might perhaps be added, namely, that the business is unlike any other kind of business in that instead of selling a commodity, the insurance company sells a promise to pay at some future time, the time itself depending upon the contingency of death, so that the obligations of the company are not present, but rather the future obligations of having the proper funds in hand when the promises to pay mature.

It is important that a more general knowledge of the fundamentals of life insurance should be disseminated, since the lack of real information frequently means misinformation; even if for no other reason this would be important in the question of legislation, for there are no kinds of business, except banking and transportation which are so regulated and supervised by the State as insurance. This regulation can either serve the public or do great harm to the public according as it is wise or unwise; and much of the unwise regulation that has thus far been enacted has resulted from lack of knowledge.

Book Simple, Readable and Broad

Mr. Gephart has well met the problem. His book is simple and readable and yet broad, and adequate to give not only an understanding of the fundamental principles, but a great deal of the practical business side. Its wide scope is shown by an enumeration of some of the subjects it takes up: the history of life insurance, mortality tables, the scientific foundations of the business, the kinds of life insurance contracts, the selection of risks and some of the special classes as regards mortality, what the reserve is and how it is entirely different from a bank reserve, surplus and dividends and the problems connected therewith, investments of life companies, insurance for wage-earners, the relation of the State to insurance.

The book avoids a difficulty which sometimes occurs when those outside of the business attempt to write about it: namely, the difficulty of supporting theories which, for practical reasons, are unworkable. In life insurance one of the most common of these is the theory of saving to the company the expense caused by agents' commissions, which has been tried many times and without success. The nearest approach to success has been achieved by the Equitable Insurance Company of London, one of the oldest companies in existence and one which has had an exceedingly honorable history. Yet it issues less insurance in a year than one of the large American companies issues in a week, and in its premium rates and returns to policyholders is about on a par with other British companies which do employ agents.

Brings Out True Nature of Insurance

A very valuable feature of the book is that it brings out forcefully the true nature of life insurance; that it is not an investment or a proposition into which the insured goes for profit, but that it is a co-operative scheme in which a large part of the work of the company is to distribute among many the cost which is in any case entailed on the public by the mortality.

The arrangement is a little unfortunate. The book begins with a history of life insurance, then takes the theory of life insurance, the mortality tables, selection of lives, etc. Inasmuch as the average person knows very little about what the business of life insurance is and what it does for the policyholder, the reader should first be told what the business he is reading about has for sale, rather than what are its scientific foundations and what has been the history of its prod-

(Continued on page 7.)

THE MOST VALUABLE POLICY FOR YOU,
Mr. Agent, is to write your prospect in the Company writing the most valuable policy for the insured.
Secure **prompt action** in the
John Hancock MUTUAL LIFE INSURANCE COMPANY OF BOSTON MASSACHUSETTS
WILLIAM N. COMPTON, General Agent
METROPOLITAN DISTRICT, ST. PAUL BLDG., 220 BROADWAY, NEW YORK, N. Y.

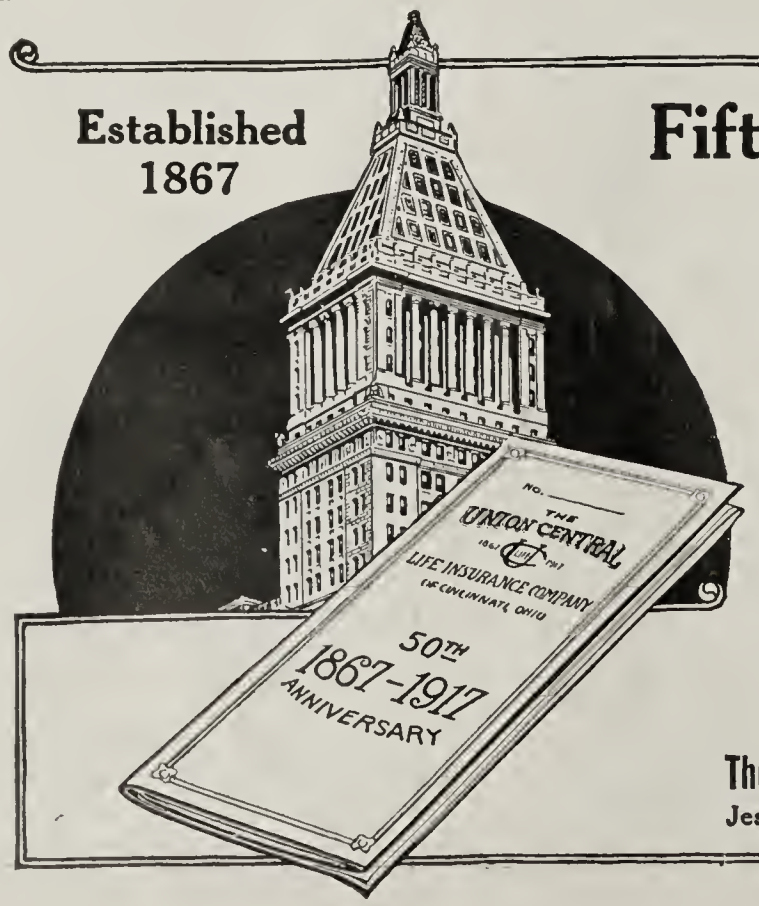
ORGANIZED 1871
Life Insurance Company of Virginia
RICHMOND, VIRGINIA
OLDEST, LARGEST STRONGEST
Southern Life Insurance Company
Issues the most liberal forms of Ordinary Policies from $1,000.00 to $50,000.00, and Industrial Policies from $12.50 to $1,000.00
CONDITION ON DECEMBER 31, 1916:

Assets	$14,464,552.23
Liabilities	12,436,717.56
Capital and Surplus	2,027,834.67
Insurance in Force	118,349,212.00
Payments to Policyholders since Organization	18,119,172.50
Is Paying its Policyholders over	$1,300,000.00 annually

GOOD TERRITORY FOR LIVE AGENTS

FOUNDED 1865
Unexcelled In Favorable Mortality and Economy of Management
The Provident Life and Trust Company
OF PHILADELPHIA
Rates of Premium Extremely Low and still further reduced by Annual Dividends

THE BERKSHIRE LIFE INSURANCE CO.
OF PITTSFIELD, MASS.
Incorporated 1851
W. D. WYMAN, President
A purely mutual Company, issuing all desirable forms of life insurance.
ATTRACTIVE LITERATURE
Ambitious, Productive and Trustworthy Life Agents may be benefitted by corresponding with
W. S. WELD, Superintendent of Agencies



Fifty years of success

The Strength of the Company,—the growth of a half century—towering back of every policy contract, assures the largest possible measure of *security*, *service*, and *saving* to the insured.

The wisdom of the founders in restricting the Company's investments to farm loans, has throughout the years afforded the largest degree of safety, together with the greatest earning power on its invested funds. It has in addition served the Nation, and the wide world in these troublous times, by its signal aid in the development of the Country's Agricultural Resources.

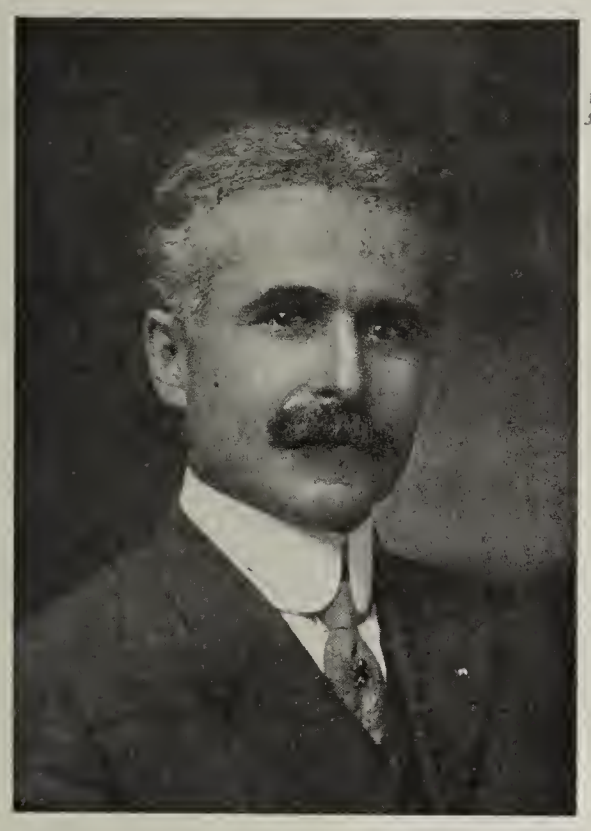
The manifold service of the past half century may safely be accepted as a criterion of larger service in store for its policy-holders and their beneficiaries.

For Information address Allan Waters, Second Vice-Pres.

The Union Central Life Insurance Company
Jesse R. Clark, President Cincinnati

Jacking Policies Up To The Union Central's Limit

Walter L. Tougas, of the Union Central, Boston, some time ago decided to increase a number of old policyholders' insurance to the Union Central's limit, $100,000. This he did by telling them that he intended to issue a little booklet, entitled "Ten Successful Boston Business Men, Carrying $100,000 Limit With the Union Central Life Insurance Company." His argument was that the example of such representative men, showing this implicit faith in life insurance, would induce others to take advantage of insurance protection. In a nutshell the result of his work follows: Robert L. Studley, senior member of the firm of Studley & Emery, wool commission firm: Mr. Studley carries twelve Union Central policies, issued in 1913, 1915 and 1916. The firm carries $500,000 insurance. Allan C. Emery, of Studley & Emery: Mr. Emery has four Union Central policies.



Samuel G. Adams, of Brown & Adams, wool commission merchants: Mr. Adams has eight Union Central policies.

N. B. Kneass Brooks, treasurer of Maine Spinning Co., and selling agent for this and other mills manufacturing worsted and woolen yarns: Mr. Brooks has eight Union Central policies.

Nathan C. Harrison, president of Harrison Brothers, manufacturers of chilled shot and diamond grit: Mr. Harrison carries five Union Central policies. George E. Homer, proprietor of one of the largest diamond and jewelry establishments: Mr. Homer has six Union Central policies. William R. Martineau, of Martineau and Burke, leather merchants. Mr. Martineau has five Union Central policies. Frederick M. Burditt, financial manager of the Cattaraugus Tanning Co. He has three Union Central policies. Benjamin S. Eastman, of A. L. Eastman Co., Inc., Undertakers. Mr. Eastman has four Union Central policies.

The tenth man is Mr. Tougas himself. He carries twelve Union Central policies.

Mr. Tougas took his "Who's Who" to the New Orleans convention.

LIFE RE-INSURANCE CORP.

The Life Re insurance Corporation of New York has been licensed to do a reinsurance business. The Company began business with $100,000 capital and $50,000 surplus fully paid in. W. H. Sale is president and Harry B. Bradbury is secretary. Mr. Sale's connection with William C. Scheide & Co., and Mr. Bradbury's position in the insurance community as a lawyer, have made them both well known.

RE-ELECT POSEY

At a meeting of sixty-two managers of the Mutual Life, held in this city, C. R. Posey, Baltimore, was re-elected president of the managers' association.

ARREST SEARING

Frederick R. Searing, a former Philadelphia contractor, supposed to have been drowned at Atlantic City two years ago, has been arrested. The Equitable Life had refused to pay $18,000 insurance to Mrs. Searing No. 1 because of failure to prove death. The arrest was made at New Orleans. After his disappearance he married his stenographer.

WITH UNION CENTRAL LIFE

Dabney & Martin, of the Union Central at Nashville, have signed with S. P. Caldwell, of Trenton, Tennessee, to handle the Union Central in Gibson County.

Illustrated Tax Argument

Here is an illustration of Federal inheritance tax with war tax revenues additions:

Exemption $50,000.

Rate of tax.

		Net total taxable estate.	Tax.	Total tax.
2 % on next	$50,000	$50,000	$1,000	$1,000
4 % on next	100,000	150,000	4,000	5,000
5½% on next	100,000	250,000	5,500	10,500
8 % on next	200,000	450,000	16,000	26,500
10 % on next	550,000	1,000,000	55,000	81,500
12 % on next	1,000,000	2,000,000	120,000	201,500
14 % on next	1,000,000	3,000,000	140,000	341,500
16 % on next	1,000,000	4,000,000	160,000	501,500
18 % on next	1,000,000	5,000,000	180,000	681,500
20 % on next	3,000,000	8,000,000	600,000	1,281,500
22 % on next	2,000,000	10,000,000	440,000	1,721,500
25% on amount exceeding		10,000,000		

Now Mr. DeW. had recently served as executor of an estate of a friend and had had some experience with various State inheritance taxes. Having at hand a copy of the "World Almanac," he refreshed his mind by a brief survey of these taxes as they affected his case.

New York Inheritance Tax

Parents, husband or wife, child, adopted child, $5,000, exempt. Up to $25,000 1 per cent.; on the next $75,000 2 per cent.; on the next $100,000 3 per cent.; upon all additional sums 4 per cent.

It had been his painful experience that practically all States levied an inheritance tax on the stocks of corporations chartered by them before the stock could be transferred. Every investment, therefore, with the exception of his life insurance, which was payable to his wife and three children as beneficiaries, was subject to both the Federal, New York State, and in the case of certain securities to a third inheritance tax.

Mr. DeW. now had all the essential data of his survey and the problem shaped up clearly.

The increased cost of living and taxes left only a small margin for the continuance of saving and investment. He had no debts but there was no present possibility of an increase either in salary or investment income, and as he had been increasingly careful in expenses there remained little chance of further economy.

As far as the present was concerned there existed merely a condition which required care and vigilance.

The survey he had undertaken for one purpose had, however, brought to light a condition in respect to his family which called for a solution. His life insurance of $20,000 meant an investment yield of $1,000 annually, but the elimination of his salary of $6,000 would decrease the income of his wife and children, $5 000 a year. There were also also certain other items which increased that deficit. The various inheritance taxes and the cost of settlement of his estate must be paid out of his invested funds, with a corresponding reduction in the income. While the increased cost of living had reduced the purchasing power of his estate by over one-third.

As an intelligent man he knew the solution which the small surplus he could definitely count upon made possible. By life insurance he could provide an immediate and considerable increase in his estate, which although not making up to the full extent the deficit which would be caused by the stopping of his salary and the decrease in investment funds by the payment of inheritance taxes, etc., would yet make good a considerable part of it. There was a considerable satisfaction also to be deprived from the fact that of all the necessities of life, its cost had not been increased except such as his own increase in age warranted, and which, if made payable to his wife and children as beneficiaries would not itself be reduced by the payment of inheritance taxes.—Travelers Record.

Reviews Gephart Book

(Continued from page 6.)

ucts. Afterwards these latter subjects will be of greater interest and will have more meaning.

There are some errors in the book that should not have been made. On page 146 it is stated that the renewal commissions are now commonly limited to the first seven years of the policy; whereas they usually either run for a longer term than this or are commuted into three years. On page 249 it is said that "many States have considered it necessary to lay down the limit of expense for new business"; whereas there are two only, New York and Wisconsin. Such errors are mostly in detail and do not greatly affect the value of the work. There is, however, one serious omission. While most of the well known mortality tables are fully treated, a table which is more important than almost any other, and which was constructed from the most extensive investigation ever made for any general mortality table founded on insured lives, the British Offices' table is entirely passed over. Furthermore, on page 63 it is stated that the Combined Experience table is the one now generally in use in England, whereas it is the British Offices tables which are in general use.

44 MILLIONS from 42 AGENCIES

THE 1916 RECORD OF OUR EARNEST, LOYAL AND HAPPY AGENCY FORCE

New England Mutual Life Insurance Company

BOSTON, MASS.

Capable Agents, Desirable Company

The two most important factors in life underwriting are capability in the Agent and quality in the Company. If the Company provides an unexcelled, attractive policy for a low net cost, and has a reputation for prompt and efficient service, the result is contentment, loyalty, and success for the man in the Field, if he is capable. This Company's record is evidence of the character of its representatives and of the quality of the institution.

Occasionally we have a General Agency opening

JOSEPH C. BEHAN, Superintendent of Agencies

MASSACHUSETTS MUTUAL Life Insurance Company

Springfield, Massachusetts

Incorporated 1851

LIVE HINTS FOR BUSINESS GETTERS

Practical Suggestions to Help the Man With the Rate Book Increase His Income and General Efficiency

Argument For the Exempted

Every day for some time past the daily papers have printed the names and addresses of all men examined for the draft. They have likewise specified which were accepted and certified to the National Army and which were exempted. Of the latter, it is safe to assume that ninety per cent. will be relieved from the liability to service on the grounds of dependency. They will have given a sworn statement that their families will suffer financial hardship if the Government takes away the bread-winner, and the Government, great as is its need for men, considers first the helpless dependents and grants him immunity.

The Penn Mutual "News Letter" sees an argument for agents here. It says:

"It need hardly be said that these exempted men form a very prolific source of prospects for life insurance. They would be less than men and worse than slackers if they obtained exemption on the ground that their income could not be forfeited for a few months or a year and then neglected to provide for the continuance of that income when they are called to 'that bourne from which no traveler returns.' To all intents and purposes, their sworn affidavit to the Government is a direct declaration that their families do need life insurance, and by no conceivable argument can they get away from the fact of their bounden duty to get such insurance, and get it at once. There are few, if any, instances where an agent has firmer ground on which to stand in making his approach."

* * *

Talk on Income Settlements

The following talk on income settlements is given by J. Stewart Hale, assistant actuary of the Northwestern Mutual Life:

It happens with increasing frequency that, in place of having the proceeds of a policy paid in one sum, the insured elects to have them paid in installments. The advantages of an income payment—a sure allowance which the beneficiary cannot lose in speculative investment, and which can be paid yearly, quarterly, or monthly, at the option of the insured—have been discussed so often in our various meetings and have been the subject of so many lengthy articles in insurance periodicals that we can omit them here. What does concern us is this: since the practice is becoming more general are we sufficiently familiar with the income provisions of our own contracts and can we, therefore, present an income proposition to a prospect clearly and convincingly?

The three ways in which the proceeds may be paid instead of in one sum are, briefly stated: (1) left with the company and have the interest (at least 3½ per cent.) paid the beneficiary during her lifetime and the principal sum paid at her death; (2) paid in equal annual installments for ten, fifteen or twenty years; and (3) paid in annual installments for twenty years certain and as many years longer as the beneficiary lives. These are the provisions of our present policies. In the new policies, which are now being printed and about which Mr. Wilson writes on another page of the "Agent," there are still three settlement options along the same general lines but they are somewhat enlarged. No. 1 leaves the proceeds on deposit at interest, but the beneficiary can withdraw them as she may need the money—$100 or more at a time. It is a good deal like a savings account. No. 2 provides for the payment of the proceeds for any number of years from two to thirty instead of just ten, fifteen or twenty years. No. 3 remains the same except that the yearly payments are a trifle larger. The installments are based on an interest earning of 3½ per cent. and will be increased by any excess interest earnings. We will give you more about this feature in a later issue. When you get the sample policies, read over these provisions carefully and if there are any points that are not clear, drop us a question.

The insured can not only select how the proceeds shall be paid, but he has the right according to law to dictate that they be paid the way he chooses and in no other way. The beneficiary cannot borrow against or assign the installments, and has no rights but to receive the payments in exactly the way the insured wants them paid. Go through your list of prospects, even those you have tried to sell and couldn't. You may be able to throw a different light on the subject for some of them that will catch their interest and make a highly probable purchaser out of a vaguely possible prospect.

* * *

START FIDELITY INSTITUTE

Series of Popular Lectures and Course in Business English and Correspondence

The Fidelity Mutual Life has established an institute along lines of education and mental recreation. A course of nine lectures open to the entire office force, on the second Wednesday of each month, will be given by Dr. Francis Harvey Green, head of the Department of Literature of the West Chester Normal School; Dr. S. C. Schmucker, head of the department of science, same school; Warwick James Price, lecturer on current events; and Professor John D. Mahoney. The second part of the institute will consist of business English and correspondence. The institute opened on Wednesday. The program follows:

October 17, "Who We Are and Whence We Came," Professor John Dennis Mahoney; November 14, "How to Know an Author," Dr. Francis Harvey Green; December 12, "The Joy of Living," Dr. S. C. Schmucker; January 16, "Current Events," Warwick James Price; February 13, "Evolution versus Revolution," Professor John Dennis Mahoney; March 13, "Human Wreckage," Dr. S. C. Schmucker; April 10, "Civilization's Greatest Peril—Intellect Without Morals," Professor John Dennis Mahoney; May 8, "Current Events," Warwick James Price; June 12, "Wanderings in Westminster Abbey," Dr. Francis Harvey Green.

A MULE IS A HYBRID
Has no offspring,
And needs no insurance.
A MAN ISN'T
Every man with a family and love for it is interested.
WILL G. FARRELL,
General Agent
PENN MUTUAL LIFE

THE CRESCENT LIFE INSURANCE COMPANY
OF INDIANAPOLIS, INDIANA
"ENDURING AS THE PYRAMIDS"
J. C. Humes, President
L. D. Clancy, Secretary
A Legal Reserve Company
Are You a Big Producer? Can You Prove It?
ONE GENERAL AGENT WANTED IN INDIANA
Home Office: Fletcher Trust Bldg., Indianapolis, Ind.

We don't contract with poor men.
We give a new man our attention until he is started.
We make our men make good.
Why don't you work for us?
Peoria Life Insurance Company
PEORIA, ILLINOIS

A PENN MUTUAL PREMIUM, less a PENN MUTUAL DIVIDEND, purchasing a PENN MUTUAL POLICY, containing PENN MUTUAL VALUES, make an INSURANCE PROPOSITION which in the sum of ALL ITS BENEFITS, is unsurpassed for net low cost and care of interests of all members.
THE PENN MUTUAL
Life Insurance Company
OF PHILADELPHIA
On January 1, 1909, rates were reduced and values increased to full 3% reserve

Are You Permanently Established?
Write for Territory
Pennsylvania—Ohio—West Virginia
PHILADELPHIA LIFE INSURANCE CO.
PHILADELPHIA

Security Mutual Life Insurance Company
Binghamton, N. Y.
Offers to men able to produce business first class territory, with direct contract providing liberal compensation.
For particulars, address
C. H. JACKSON, Supt. of Agencies

Extracts from Report of Examination of
SOUTHWESTERN LIFE INSURANCE CO.
By the State of Texas, June 28, 1915
"It is noteworthy that this Company was organized without any promotion expenses."
"I beg to report further that I find the Company in excellent financial condition."
"The volume of its business has steadily increased, its surplus is growing rapidly and its funds are being carefully conserved under expert supervision."
Home Office, DALLAS, TEXAS

D. P. Kingsley and Gov. Warfield Talk

HEARD BY SOUTHERN COMMERCIAL CONGRESS

Government's War Risk Measure Discussed—Judge J. W. Mack a Speaker

The Insurance Conference of the Southern Commercial Congress was held in New York on Wednesday. Darwin P. Kingsley, president of the New York Life, made the introductory address, which was short. He drew attention to the unique endorsement insurance has received at the hands of the Government in this time of stress and danger, remarking that the Government life insurance bill is unprecedented in the history of the world. It represents a high order of work, coupled with knowledge of life insurance and the hazards of life. Continuing, Mr. Kingsley said that there is no subject which the Congress might with greater propriety consider. War tests out human institutions. The Government says of some lines of business, that they are dangerous and that they shall be crushed; of others that they must be curbed, others controlled and of very few others, that they are good and should be adopted and nurtured. No line of business has so nearly met with the approval of the Government as insurance. While the principles of insurance have not changed the hazards have been intensified, so that insurance has culminated in the great work the Government is doing for the men who will protect us in this war.

Judge Mack Heard

Judge Julian W. Mack, chairman of the sub-committee which helped draft the soldiers' and sailors' compensation act, spoke on "Family Allowance, Indemnity and Insurance for Officers and Enlisted Men of the Army and Navy." He said the Government must give a fair measure of justice to the men in the trenches and hearten them and their families. The bill as drawn is an expression of what the Government believes a fair measure of justice is.

As for life insurance companies, they must guard the interests of their policyholders and cannot undertake to insure against the special hazards of the war. The Government has destroyed men's insurability and the only remedy is for the Government to insure them. Ten thousand of insurance is considered within the reach of all privates. It is on the yearly renewable term plan but the Government, not wishing to have the means to carry this form of insurance after the war, will insist that the form be changed to one more suitable after the exigencies of the war have passed.

Mr. Kingsley presided at the meeting and introduced Dr. John Franklin Crowell, of New York, who spoke on social insurance; Arthur E. Griffith, of Athens, Ga., secretary of the Southern Mutual Insurance Company; W. E. Small, of Macon, Ga., president of the Georgia Casualty Company; Edwin Warfield, of Baltimore, president of the Fidelity & Deposit, and Walter E. McElreath, of Atlanta, attorney for the Industrial Life and Health Insurance Company. All these gentlemen spoke on subjects of insurance or pertaining thereto.

MISSOURI STATE PLANS TRIP

A delightfully planned seven days' Lake trip is the reward that awaits agents of the Missouri State Life who write and pay for $100,000 of insurance during the present club year which began July 25 and which will close July 24, 1918. While this trip is available to bona fide club members only, they may, at their own expense, arrange to take guests along.

TWO SELLING POINTS

Advantages of Limited Payment Policy With Disability Told Equitable Men

H. S. Gierhart, of Wheeling, W. Va., in talking to agents of the Equitable Life Assurance Society, recently pointed out how advantageous the limited payment policy is with disability.

Premium payments are confined to the producing period of life, the policy becomng fully paid-up within a specified time, if life continues. But if the insured becomes disabled during the premium paying period, he is in the predicament of being "dead" so far as earning power is concerned, but very much alive so far as premium payments are concerned.

Therefore, the disability clause has been devised to relieve his embarrassment, (a) waiving all future premiums, and (b) providing an income for life equal to 10 per cent. of the face of the policy, twice the ordinary earning power of money.

ALBANY LIFE MEN ACTIVE

Forty-four members and guests attended the October meeting of the Capital District Life Underwriters' Association at Albany, N. Y., R. C. Lathers, of the Travelers, Fonda, and Walter H. Barrett, of the Germania, Saratoga Springs, were elected to membership. James R. Watt, a candidate for mayor of Albany, made an address on life insurance and the publicity committee reported that two meetings have been arranged for at the State College of Teachers, October 26 and November 23. Charles C. DeRouville will address the first meeting and George L. Buck the second. Paul Alexander reported on the New Orleans meeting and Vernon B. Bruce talked on the Liberty loan; Ex-Governor Glynn spoke on the humanitarian and financial aspects of the war. It was announced that the members had subscribed at this meeting $1,750 to the Liberty Loan and that the Germania Life had given an order for $10,000 of the bonds to be purchased in Albany.

PORTCH WITH MARYLAND ASSURANCE

Alfred G. Portch has been elected secretary-treasurer and actuary of the new Maryland Assurance Corporation. He is chief actuary of the Franklin Life and president of the American Institute of Actuaries.

THE
METROPOLITAN LIFE
Insurance Company
(Incorporated by the State of New York)



Metropolitan Life Insurance Company
Home Office Building

The Company
Of the People
By the People
For the People

The Daily Average of the Company's Business during 1916 was:

701 per day in Number of Claims Paid.

8,304 per day in Number of Policies Issued and Revived.

$1,969,823 per day in New Insurance Issued, Revived and Increased.

$376,827.40 per day in Payments to Policyholders and Addition to Reserve.

$220,509.26 per day in Increase of Assets.

JOHN R. HEGEMAN, President

METROPOLITAN EXTENDS TIME

Plans Changed for Transferring Policyholders of Pittsburgh Life & Trust Company

The Metropolitan Life has extended to January 1 the time by which the Pittsburgh Life & Trust policyholders may sign reserve lien notes and agreements and have their insurance transferred. It is possible that after January 1 the Metropolitan Life will accept this business, but if it does, it will only be after presentation of evidence of insurability. Policies in the Pittsburgh Life & Trust that became claims prior to May 7 are claims against the receiver. Claims incurred after May 7 and prior to September 22 are claims against the Metropolitan Life, whether the reserve lien agreement was executed or not, and will be paid in full. Claims that occur after September 22 are claims against the Metropolitan only where agreements have been signed. In the absence of agreement they are claims against the receiver.

Receiver Donaldson is endeavoring to get as much of the insurance transferred to the Metropolitan Life as possible. If all the insurance transfers ultimate liquidation will be comparatively simple, and at the same time old Pittsburgh Life & Trust policyholders will have insurance protection in full.

The reserve lien charged by the Metropolitan Life is on a basis of 33 1-3 per cent. Originally it was estimated that 27½ per cent. would be sufficient to take care of whatever deficit there was in reserves. The difference between the two figures represents the amount necessary for reinsurance of the lien and guaranteeing that all policies that mature in five years by death will be paid in full by the Metropolitan.

RATES ON SAILORS REDUCED

Reduction of approximately 25 per cent. recently in war risk insurance rates on vessels traversing the war zone has been followed by a reduction of one-third in premiums on the insurances of officers and crews on such vessels. The new rate, which is effective immediately, is 50 cents per $100; the old rate was 75 cents. The reduction applies to crews of all American vessels sailing between American ports and all European ports and all African ports on the Mediterranean. Announcement also is made of a ruling now making mandatory seamen's insurance on all vessels trading to the Azores, the Canary Islands, and the ports of Morocco.

WILL NOT RE-INSURE

By a majority of three votes the Postal Employes Mutual Aid Association has decided against re-insuring in the Travelers of Hartford. The Travelers offered to take over the 900 members of the association, issuing policies in their behalf similar to those held at present. The premiums were increased from 50 to 75 per cent., but there were to be additional sickness, accident and disability benefits. Those who favored the plan said that as it was practically impossible to increase the membership under present conditions it would in a short time, according to figures given by actuaries, become moribund, and they urged acceptance of the offer because the life insurance company agreed not to submit the members to physical examination.

Those who opposed the plan were in favor of making all possible efforts to gain new members.

Representing

The Mutual Life Insurance Company
of New York

You will make money.

The great strength, big dividends and incomparable benefits of the *"oldest company in America"* mean certain success for you.

For Terms to Producing Agents, Address

GEORGE T. DEXTER, 2d Vice-President
34 NASSAU STREET, NEW YORK, N.Y.

THE EASTERN UNDERWRITER

This newspaper is owned and is published every Friday by The Eastern Underwriter Company, a New York corporation, office and place of business 105 William Street, New York City. Clarence Axman, President; W. L. Hadley, Secretary; R. W. Swayne, Assistant Secretary. The address of the officers is the office of this newspaper. Telephone 2497 John.

Subscription Price $3.00 a year. Single copies, 25 cents.

Entered as second-class matter January 4, 1907, at the Post Office at New York, N. Y.; under the act of Congress of March 3, 1879.

BRITISH AMALGAMATIONS

British insurance newspapers are calling attention to the large number of amalgamations that have taken place in 1916 and 1917. Sixteen insurance companies have merged or liquidated in that time.

The Car and General, which apart from capital had a reserve of £151,650, sold its controlling interest to the Royal Exchange.

The Driving Accident and Third Party, originally called the Workmen and General, was transferred to the Car and General.

A third amalgamation in 1916 caused quite a stir in the insurance community of Great Britain. This was the transfer of the Eagle to the British Dominions. The Eagle dated back to 1807, and had 335,735 shares of £5 each. Eagle funds on December 31, 1916, were £1,820,146.

The liquidation of the Eclipse did not amount to much, as the Company was formed in 1909, and its authorized capital was only $50,000.

The Fine Art and General was transferred to the North British & Mercantile.

Later the Indemnity Marine was transferred to the Northern Assurance. The City Life got the Law Integrity and the Legal shares were purchased by the Royal.

The fact that the London & Midland went into liquidation caused some stir as this Company, formed in 1908 in Birmingham, wrote fire and accident along non-tariff lines. In 1910 it had absorbed the business of the City of London re-insurance and sections of the business of the Legal and Commercial. In 1912 it absorbed the London Mutual Fire of Canada. At the time it liquidated, £32,971 was included in outstanding calls.

One of the most important of the re-insurances was that of the Marine, established in 1836, by the London & Lancashire.

The Commercial Union paid £6 2s. each for the 50,000 shares of the National of Great Britain.

Other re-insurances were the North and South by the City Life Assurance Company; the Provident Accident and Guarantee by the Northern; the Reliance Marine by the Guardian; the Sceptre by the Eagle and British Dominions and the Star by the Eagle and British Dominions. Prior to the latter amalgamation the Star wrote about £600,000 in new life insurance.

THE GREAT INSURANCE ARMY

On October 1, an army of 100,000 of the men and women of this country went voluntarily to the front. They did not go to the firing line in France. They remained on the firing line at home. This army consists of the representatives of the insurance companies of the United States.

They have volunteered to aid in furnishing ammunition—the ammunition represented by our second issue of Liberty bonds.

These bonds furnish the driving force that makes our soldiers and sailors efficient in the field.

If this propelling force should be withheld, the powder back of America's shot and shell would be like so much inert sand.

Every Liberty bond sold by a member of this insurance army will be a shot fired into the enemy's trenches.

Without these bonds, our men on the firing line in France would be impotent in offense, and would be defenseless against the assaults of the enemy.

This insurance army is largely composed of patriotic Americans who have been chafing and fuming because they are not permitted to fight for their country. Now they are rejoicing in the thought that the work they are doing to furnish the sinews of war to our troops—while less dangerous—is as essential as the work our soldiers and sailors are doing at the front.

These insurance men and women are selling these bonds to their clients—the millions of policyholders in our insurance companies.

CASUALTY AND SURETY MEN DINE

Police Commissioner Arthur Woods of New York addressed the Casualty & Surety Club last Tuesday night at a dinner held in the rooms of the Drug & Chemical Club. The speaker urged closer co-operation between the insurance companies and the Police Department in keeping down the number of burglaries and suggested that the burglary and automobile writers follow the practice of the fire companies and refuse to insure those who do not take proper precaution against loss. Prevention of loss of life should come first, of course, he said, and property loss second. Department inspectors have already been in consultation with the burglary association. The manner in which fire escapes are now made, reaching over the roof, aids burglars materially in entering numerous properties. Father de Ville, a Belgian priest, spoke entertainingly on war conditions. The meeting was presided over by A. Duncan Reid and was one of the best the club has held.

OCTOBER 23 DINNER

The Life Underwriters' Association of New York will hold a meeting at the Arkwright Club on October 23, 6 P. M. President Priddy, of the National Association, will hold a reception. Members of the association who attended the New Orleans convention will give their impressions of the convention.

THE HUMAN SIDE OF INSURANCE



FRED W. KOECKERT

Fred W. Koeckert is expected in New York about November 1 to take up his work as vice-president of the Continental, Fidelity-Phenix and American Eagle, to which position he was recently appointed, succeeding George E. Kline. It is only a short time since Mr. Koeckert was elected second vice-president of the Continental in charge of the Western department in Chicago. In his new place he will have charge of the underwriting after January 1, 1918.

There are few men in the fire insurance business who have risen so rapidly as Fred W. Koeckert. He was at one time connected with the German Fire of Indianapolis when that Company was in operation and then engaged with the old Phenix in the Indiana field. He then was selected by Vice-President Charles R. Street as executive special agent of the Western department and later was made assistant manager with the title of secretary. When Charles R. Tuttle resigned as Western manager of the Continental Mr. Koeckert was chosen in his stead. A wide circle of stanch friends and admirers wish Mr. Koeckert every good fortune in his new connection.

* * *

James S. Wood, of Chicago, has been selected to manage the Missouri State Life's School Department of Practical Salesmanship, succeeding former instructor William King, who is in its automobile business. Mr. Wood has had a valuable and extensive life insurance experience, including a number of years of agency work in the field. He is a virile writer on sales topics and is an excellent agency instructor. Mr. Wood will continue to carry out the Company's policy in this branch of service and opened the Salesmanship School at the home office the first week in October.

STANDARD MEN AT FRONT

Allan Tow, formerly special agent at Cincinnati for the Standard Accident of Detroit, who went over to France with a company of engineers for military service, has arrived there safely and was well when last heard from. Other Standard men who are with the colors are Volney and Perry Howard, of Los Angeles, Dave Jordan, of Portland, Ore., J. Stewart Levy, of Oreland, Cal., and J. J. Harrington, an adjuster.

David Miller and James C. Goodspeed, of Penn Yann, N. Y., members of Goodspeed & Miller, fire insurance agents, were subjects of a two-page article in the current issue of the Hartford "Agent," because "they are fine representatives of the Hartford standard-bearers, prominent in local and club affairs." James C. Goodspeed, the senior partner, first represented the Hartford in Knoxville, Pa. In 1895 he retired from local business to become an independent adjuster. In 1899 he purchased the Ayres Agency at Penn Yann and carried on the business alone until January 1, 1902, when he formed a partnership with David Miller. Mr. Miller was born on a farm and educated at Penn Yann Academy. For eight years he was town clerk and he has been supervisor of the county since 1911, being chairman of the board. In addition to being a good insurance agent he is an expert on damaged crops and has done considerable hail insurance adjusting.

* * *

When one can say truly of any insurance man that he is a good underwriter, an exceptional salesman, a wise claim adjuster and a safe man in every way, one is saying a good deal. But all these things are said meaningly of Charles H. Burras, the incoming president of the National Association of Casualty & Surety Agents. **Charlie Burras,** as he is known in Chicago, is credited with a wider acquaintance there than any man in the business. Versatile, a man of varied accomplishments and enjoying the good will, admiration and esteem of his associates, it is logical that Mr. Burras should have been chosen chief executive by the casualty and surety agents at St. Louis.

From an attorney whose native State is Ohio, Mr. Burras has developed into a surety underwriter of recognized, exceptional ability. For five years he was attorney for the National Surety in the Middle West before succeeding E. A. St. John as president of Joyce & Co., the National Surety's general agents in Chicago, January 1, 1916. He also succeeded Mr. St. John as secretary and treasurer of the National Association of Casualty & Surety Agents to fill an unexpired term and later, at White Sulphur Springs, was chosen to fill that office permanently.

Ever since Mr. Burras first attended a convention of the association in Detroit, met all the casualty and surety men there, and made one of his clever addresses, he has been popular with them all and has become increasingly prominent in the organization. He was never a salesman until about two years ago, but in the words of one of his business associates and a long time friend, he is now "a crackerjack in his line." While acting as attorney for the National Surety everything entrusted to him was accomplished in highly satisfactory manner, the results attained often being much better than were expected. As a story teller, speech maker and toastmaster, Charles H. Burras has few equals in the Middle West. But forty-one years old, he heads the National Association of Casualty & Surety Agents in full vigor of the prime of life, with the earnest support of the best men in the organization.

* * *

Mrs. Forrest F. Dryden, wife of the president of The Prudential, directed a campaign which has just closed in which the Newark Chapter of the Red Cross increased its membership to more than 60,000.

* * *

Benedict R. Hatmaker, one of the best known newspaper men in Schenectady, has gone with the Northwestern Mutual Life.

FIRE INSURANCE DEPARTMENT

Companies Comment on Geo. D. Markham

DISCUSS GLASS LINES WRITTEN AT LOW RATES

St. Louis Agent Informs The Eastern Underwriter Business Was Written Through Agents

The activities of George D. Markham, of St. Louis, in the annual convention of the National Association of Insurance Agents at St. Louis last week, and one of the best-known agents in America, were noted with considerable interest by the insurance companies. Mr. Markham is chairman of the legislative committee of the association and one of the leaders of that body. The companies accuse Mr. Markham of insincerity in his fight for agency reforms, with particular reference to overhead-writing, one of the cardinal planks in the local agents' platform.

Indiana Glass Plants

One of the fire companies makes the following allegation in reference to Mr. Markham: This company says that he sent to Indianapolis a representative about a year or so ago, who was instructed to attempt to place the Woodbury Glass Company at Winchester, Ind., and the Thompson Bottle Company at Gas City, Ind., at less than the advisory estimate. The Illinois Glass Company, in the meantime, secured title to the property on a long time lease. Several agents, this underwriter says, turned down the Markham representative, but the State Savings & Trust Company did not.

Large policies were written in a number of companies, some of them recognized cut-raters. On July 17 the Woodbury Glass Company's plant at Winchester, Ind., burned, with a loss of 70 per cent., $185,000 insurance. This underwriter says that so far as is known the Gas City plant's policies are in force at the cut rates at which they were written.

The underwriter then asked the direct question if this were not a case of a large city agent acting as a broker outside of his own city; and a broker who has used the leverage of a rate cut to secure a line.

Mr. Markham's Statement

The Eastern Underwriter wired Mr. Markham asking him if he had placed the business of these Indiana plants at cut rates, offering its columns if he had any statement to make.

The Eastern Underwriter received the following wire from Mr. Markham:

St. Louis, Oct. 16, 1917.

Editor The Eastern Underwriter:

Both of these lines, except $2,500 on Woodbury, placed with Indiana agents in companies licensed in that State, under approval of State agents; therefore, these lines must be in accord with good practice in Indiana. Please write reasons for your inquiry.

GEORGE D. MARKHAM.

CHANGE AT BATAVIA

John C. Holmes & Co., Inc., Changes Name to Frank A. Lown & Co., Inc.

Batavia, N. Y., October 17.—John C. Holmes & Co., Inc., one of the oldest agencies in Genesee County, has been changed to Frank A. Lown & Co., Inc. The directors will be the same in the new company as they were in the former company.

This agency was established by M. O. Dennis in 1870. Mr. Dennis was later special agent for the Insurance Company of North America, for which he served twenty-six years.

The president of Frank A. Lown & Co., Inc., is G. E. Lown; vice-president, N. K. Cone; secretary-treasurer and manager, F. A. Lown, while M. L. Dennis and M. C. Rumsey are also members of the corporation.

COUNTY CLEAN-UP

County clean-up work is being taken up in New York by special agents under the auspices of the bureau of fire prevention of the State Council of Defense. The inspectors will work in pairs and R. C. Alton, of the National, is chairman of the Suburban Fire Insurance Exchange auxiliary committee. Nassau and Putnam counties are in charge of W. P. Phillips, of the German-American, and R. M. Underwood, of the Scottish Union & National; Rockland and Suffolk, R. C. Alton, of the National, and J. V. N. Simonson, of the Home; Westchester, L. C. Peck, of the Providence-Washington, and F. G. Smith, of the Westchester. An effort will be made to complete the work by November 1. This county work is all in addition to the numerous individual inspections made of munition plants, store-houses and places where provisions are kept in large quantities.

FIRE AND MARINE INSURANCE—ALL LINES

The Automobile Insurance Company of Hartford, Conn.

MORGAN G. BULKELEY, President

Statement January 1, 1917

Cash Capital	$1,000,000.00
Assets	2,748,832.19
Liabilities (Except Capital)	1,039,977.81
Surplus to Policyholders	1,708,854.38

AFFILIATED WITH

AETNA LIFE INSURANCE COMPANY

THE AETNA CASUALTY & SURETY CO.

NORTH AMERICA'S MEETING

Following Convention in Philadelphia Field Men of Company Spend Three Days in New York

Following the convention of the State and special agents of the Insurance Company of North America, held in Philadelphia last week in celebration of the 125th anniversary of the organization of the company, forty-eight of the field men attached to the Chicago office of the company spent three days in New York City. Arrangements had been made for their entertainment here by Charles F. Enderly, manager of the brokerage and service department of the company. Arriving Saturday morning, they enjoyed a sightseeing trip around the Island of Manhattan. As some of the men had never before been to New York City and the majority had never taken this trip, they were all impressed with the battleships and the war preparations going on in the harbor. Saturday evening the men went to the Hippodrome, where Nat Wills introduced a humorous burlesque on their presence for their especial benefit. Sunday the men segregated into small groups and viewed the city as their whims directed, leaving for their respective posts in the West on Monday.

The Stowell Insurance Agency, New Haven, Conn., has been incorporated with $2,000 capital. The incorporators are William O. Stowell, Jr., and Lottie Stowell, of New Haven, and Helen M. King, of Meriden.

NIAGARA FIRE INSURANCE COMPANY

ESTABLISHED 1850

OTHO E. LANE, President

BERNARD M. CULVER
WILLIAM L. STEELE
Vice Presidents

CHAS. A. LUNG
WILBUR C. SMITH
Secretaries

"Agents Everywhere"



FIRE
TORNADO
AUTOMOBILE
RENTS
SPRINKLER LEAKAGE
EXPLOSION
FULL WAR COVER
LEASEHOLD

Use and Occupancy, Profits, Commissions — All Forms

123 William Street, NEW YORK

NORTH BRANCH FIRE INS. CO.
Sunbury, Pa.
Inc. 1911

Assets	$641,341.77
Reserve	230,513.29
Capital	300,000.00
Surplus	63,479.83

CITY INSURANCE COMPANY
Pittsburgh, Pa.
Inc. 1870

Assets	$357,318.58
Reserve	54,256.92
Capital	200,000.00
Surplus	96,379.07

OPERATING ON A CONSERVATIVE BASIS IN A LIMITED TERRITORY UNDER AN EXPERIENCED MANAGEMENT

Dobbs Ferry Mourns Death of Taylor

VETERAN INSURANCE MAN HAD BEEN UNUSUALLY PROMINENT

For Years Editor of Town's Leading Newspaper—His Political Activities

The death this month of James L. Taylor, veteran insurance agent of Dobbs Ferry, N. Y., removed an agent who was a credit to the insurance business and to the community in which he lived.

In every sense of the word he was a self-made man. He began work as a boy in Dobbs Ferry; moved to New York to go with a firm of lithographers and then went into the wholesale tea business. His first insurance experience was with the Continental. Later he formed a partnership with Thomas F Costello under the name of Taylor & Costello, and conducted an agency in New York City.

Bought a Daily Paper

In 1894 he purchased from Harry Bradley the Dobbs Ferry "Register" and made it one of the strongest Republican organs in the State. It was his vote that placed William L. Ward in the ascendancy as a political leader. He also conducted a real estate and insurance business and became active in politics. He was a clerk of the village of Dobbs Ferry under the Stiner administration, ran for the office of town clerk against the late Town Clerk K. Herschel Purdy, when the town was overwhelmingly Democratic. On December 1, 1898, Mr. Taylor was appointed postmaster of Dobbs Ferry by the late President McKinley, and was reappointed by the same President in 1902. At the end of a second term President Roosevelt reappointed Mr. Taylor, and again, at the end of a third term, in 1910, when political dissension had spread throughout the village and Mr. Taylor's political activity had made him many enemies who sought his official scalp, President Roosevelt showed his approval by reappointing him. He held the office during the tenure of office of President Taft and was relieved of the position by President Wilson, who appointed a Democrat to the post.

Had Confidence of Presidents

During a service of sixteen years, and under four Presidents of the United States, Mr. Taylor at all times had the entire confidence of the Government and the people. His word was as good as his bond and he was the most loyal of friends.

In 1914, feeling that he should be relieved of some of his business activities, he sold the "Register" to a company of which Hugh F. Graham, who had been in his employ for twenty years, was the head. He still continued his real estate and insurance business and took a great interest in public affairs.

In 1915 Secretary Francis M. Hugo appointed Mr. Taylor in his automobile bureau, which position he relinquished later in the same year.

RAILROAD LOSSES INCREASE

Railroad fire losses are increasing according to the last report made to the Railway Fire Prevention Association. In 1916 forty-nine railroads representing 120,805 miles reported 5,077 fires, loss $4,677,374, an increase of 16 2-3 per cent. in fires and 74 4-10 per cent. in losses over the previous year. The average loss per fire increased from $55 to $92, sixty-six per cent.; loss per mile of road increased from $23.62 to $38.71, sixty-four per cent.

Agents Will Report to New York City

PENNSYLVANIA'S ANNOUNCEMENT ABOUT TWO STATES

Philadelphia and Philadelphia Suburban and Thompson-Derr General Agency Continue as Before

The announcement is made that the agents of the Pennsylvania Fire throughout New York State will report to New York beginning with November 1, instead of to Philadelphia. At the same time the agents of the entire State of New Jersey will report to New York. In Pennsylvania the agents will report to New York, with the exception of Philadelphia and suburban territory, and the territory of the general agency of Thompson-Derr, Wilkes-Barre, which will be continued as formerly. The Thompson-Derr general agency has Eastern Pennsylvania up to the Philadelphia suburban line.

These agencies of the Pennsylvania will report to the middle department of the company, under the supervision of Vice-President C. R. Perkins, of the Pennsylvania, who also has the supervision of the middle department territory of the North British & Mercantile, Commonwealth and Mercantile of New York.

In some other insurance newspapers the statement was erroneously made that E. T. Cairns had supervision of the middle department. Mr. Cairns is to be in charge of the New England territory of the four companies.

ANOTHER HOTEL BURNS

The Kearsarge House, one of the best-known hotels in the White Mountains, has burned, causing a loss estimated at $50,000. The five-story wooden structure was closed for the season three weeks ago. It was owned by the Raymond & Whitcomb Company.

B. M. CROSTHWAITE & CO.
Fire and Automobile Insurance Specialists
Lines Bound Anywhere in New York State
105 William Street, New York City, N. Y. Telephones 2404-5-6-1758-1090 John

PHILADELPHIA
ADEQUATE FACILITIES — ALL LINES
CLARENCE A. KROUSE & CO.
LOCAL AND GENERAL AGENTS
325 WALNUT STREET PHILADELPHIA, PA.
PENNSYLVANIA NEW JERSEY
SATISFACTION SERVICE — ALL LINES

LOGUE BROS. & CO., Inc.
Fire—Casualty—Automobile Insurance
Nation-Wide Facilities for Handling SURPLUS LINES
307 FOURTH AVENUE PITTSBURGH, PA.

SCHAEFER & SHEVLIN
103-5 William Street GENERAL AGENTS New York, N. Y.
DUBUQUE FIRE AND MARINE INSURANCE CO.
Excellent Facilities for Handling Suburban Business Phone: John 2312

JAMES H. EPWORTH
NEW JERSEY FIRE INSURANCE SPECIALIST
NEWARK AND SUBURBAN NEW JERSEY TERRITORY
40 CLINTON STREET NEWARK Phone Market 6536 | SERVICE FIRST | 80 MAIDEN LANE NEW YORK Phone John 4560

Rossia Insurance Company
HARTFORD, CONN.
REINSURANCE

ARTHUR C. SWINTON
1 Liberty Street GENERAL AGENT New York City
FIRST NATIONAL FIRE INSURANCE CO.
Washington, D. C.
New York Suburban and New Jersey
Exceptional Reinsurance Facilities Local Agents' Interests Protected

WALTER F. ERRICKSON
38-40 Clinton St., Newark, N. J. 95 William St., New York
Representing
THE GERMANIA FIRE INS. CO.
For Automobiles
Special facilities for out-of-town business.

WILLIAM C. SCHEIDE & CO., Inc.
HARTFORD, CONN.
Re-Insurance in All Branches



F. H. HAWLEY, Pres. ORGANIZED 1848 W. E. HAINES, Secy.
Ohio's Oldest and Strongest Company
Net Surplus Over $1,293,741.00
AN AGENTS COMPANY
E. K. SCHULTZ & CO.
PHILADELPHIA
GENERAL AGENT
Pennsylvania, New Jersey and New York

More Data About Women in Offices

PERCENTAGE INCREASING EVERY MONTH, COMPANIES SAY

Situation as Seen By Woman Employe —Says Her Sex is Efficient

Additional information about the employment of women in the home offices of the fire insurance companies and the positions they are filling is given on this page. The article last week, in which the situation in about twenty-five offices was printed, caused a lot of interest among others and among the women employes themselves. It will be remembered that one company official (who refused to permit use of his name) expressed the opinion that women in insurance offices, except in mechanical positions, are inefficient. This brought a letter to this paper from a woman who has been a successful employe of an insurance home office for years. She addresses it to the critical official and it reads as follows:

To the Anti-Woman Employer

"The editor of The Eastern Underwriter calls you ungallant. A business woman does not look for gallantry in a business man, but she does look for equal right to show such as you, my dear official, that she is not mechanical; that her brain is equal if not superior to the average office man. Compare the abilities of a man 25 years of age, who has had five or six years' office experience, to a woman of the same age and experience and you will soon discover that the woman is far more capable than the man. Why? The woman surpasses the man in office detail work—in routine, is more patient with the minor details attached to a desk position, and is far more conscientious than a man. Of course, I am speaking of a business woman, not the girl who of recent years has filled the insurance offices.

"As for waste of time, the business girl may waste time, but the business woman seldom does. The boy and the man do waste at least an hour a day smoking outside of the office during office hours.

"No doubt, dear official, you have still to meet the real business woman, or, perhaps, you are the type of man who underestimates woman's capabilities, and never did give her a fair chance in your office.

"Try a real business woman in any capacity and give her a salary commensurate to her work and see the result!"

STATISTICIAN.

Additional facts about women in insurance home offices follow:

Hanover Fire: We have approximately sixteen women employed at this time, all in the stenographic or accounting department, and filing and carding daily reports.

Springfield Fire & Marine: At present time we have thirty-six women employed in our home office as follows: twelve in accounting and statistical work, seven stenographers, six in the reinsurance department, five typists, three in the underwriting department doing cancellation, carding work, etc., two comptometer operators and one switchboard operator.

Doubled Number Employed Year Ago

Northwestern National: Acknowledging your favor of the 6th instant, would say that out of the home office force numbering one hundred and ten individuals, which includes all salaried employes of the Northwestern National Insurance Company and its Northwestern Underwriters' Agency, resident in this city, approximately forty are women. This is about double the number that were in our employ here up to say a year ago. They are employed in various capacities, such as for filing, statistical, accounting, stenographic, typing and policywriting work and the increase in our feminine help has occurred practically entirely outside of our stenographic department, which has always been very largely made up of workers of that sex.

New Hampshire Fire: For several years past we have had in our employ a number of women engaged in both stenographic and clerical work. As a result of the departure of a number of our younger male employes for military duty, we have in a number of instances filled those vacancies by the engagement of young women.

Hartford Fire: Of one hundred sixty-five employes we have sixty-five women, twenty-five of whom are employed on statistical and accounting work, and forty as stenographers and typists, including one telephone operator.

Farmers of York: We have one woman employed.

Niagara Fire: There are forty-one women in the employ of the Niagara Fire Insurance Co., in the home office, and they are engaged as stenographers, typists, telephone operators, clerks in classification and reserve departments, clerks registering daily reports and comptometer operators.

N. B. & M. Proportion of Women Employes Increasing

North British & Mercantile: The extent to which women are employed in this office is represented by the fractions one-third and two-thirds. One-third of the number of our employes are women and the proportion is steadily increasing.

Royal Insurance Co.: The women employed in the New York office of this company represent about 27 per cent. of our staff and the work performed by them is stenographic, typewriting, statistical, filing, etc.

Farmers, of Iowa: Up to the breaking out of the war this company never employed any women in its office, having a preference for male help on account of the greater permanency thereof. With the breaking out of the war, nearly all of our unmarried enlisted and to supply the vacancies caused by the enlistments we employed women. We have one stenographer, one accountant, two policywriters and one girl assisting in our supply department.

Nord-Deutsche: This company employs nine women, principally as stenographers and typewriters.

First Lecture

That the first lecture for women of the Fire Insurance Society of New York will be a success is already indicated by the fact that more than seventy women have signified their intention to attend the series. These lectures will be held in the rooms of the Society at No. 84 William Street. There is seating capacity for eighty auditors.

The first lecture will be delivered by Robert P. Barbour, general agent of the North British & Mercantile, and an authority on rates, rules and practices. His topic will be "The Principles of Fire Insurance."

It is probable that other insurance societies or institutes will follow the lead of the New York Society. The women have demonstrated in various ways that they want these lectures.

ADOPT UNIFORM RULES

The Underwriters' Association of the Middle Department at its meeting held this week adopted the uniform rules and clauses to take effect on April 1, 1918, as submitted by the Company committee.

The Greatest Insurance Policy in the World

The United States desires to insure itself against the enforced adoption of these principles of Government:

That might makes right

That blood and iron are the proper food for the human race.

That the Germans are divinely appointed to rule over all the peoples of the earth.

That a selfish, insolent, brutal autocracy is the ideal form of Government.

That any nation which stands in the way of German expansion and aggrandizement is to be subjugated by fire and sword, and, if need be, annihilated.

Do these principles please *you?*

Do you wish to see them imposed upon the United States?

No? Then help your Government *insure itself* against the worst fate which could possibly befall it.

Buy Liberty Bonds and share in this insurance—it is to protect *you*, your property, your women and children.

Bear in mind that you are not asked to give—only to lend your money. Liberty Bonds are the safest investment in the world. You get your money back and 4% interest for its use.

You can buy Liberty Bonds on easy partial payments, at any bank or trust company, and at many department stores. Act quickly, as the time is short.

LIBERTY LOAN COMMITTEE

Second Federal Reserve District

120 Broadway **New York**

W. E. Mallalieu Turns Book Critic

GEPHART'S BOOK REVIEWED BY NATIONAL BOARD MANAGER

Finds Clarity and Sense of Proportion in Volume on Fire Insurance

W. E. Mallalieu, general manager of the Mutual Board of Fire Underwriters, has written a review of "The Principles of Insurance," published by the Macmillan Company and written by W. F. Gephart. Mr. Mallalieu praises the work. The review, which is published by the "American Economic Review," follows:

Fire underwriters have often complained that a business with which only a few others are comparable of size, universality and importance should have received from the public so little intelligent study. Their thirty million policies represent an average of about one and a half for each family in this country, and aggregate a total of more than $60,000,000,000 of fire insurance in force; and yet there are probably ten men who can intelligently discuss banking or railroading to every one who is really conversant with the problems of underwriting. For this reason the volume under consideration is of unusual importance.

Standpoint of Economist

Professor Gephart's work takes the form of a student's text-book. It is written from the viewpoint of an economist rather than of a technician, and properly so, since it is intended for the general student. It bears evidence of painstaking accumulation of data, and deliberate, intelligent appraisal of values. It would be too much to claim that the author has entirely mastered a subject of which the depths have by no means been sounded by those who spend their lives in the work or that all of his statements would pass without challenge from underwriters, but it is certain that he has written a clear, interesting and admirably balanced study of the principles of fire insurance.

It is in its clarity and sense of proportion that this volume is particularly noteworthy. A subject so extensive and containing such elements of complication has naturally led to specialization among underwriters, and those among them who have published books have generally dealt with some one of the phases—such as the actuarial, administrative, financial, legal, or engineering problems. Most of them lack the perspective of an outsider; and when this outsider is equipped with a trained mind and a sincere purpose, both evident in this book, his labors are of value.

The volume in question opens with a brief survey of the history of fire insurance, necessarily much fore-shortened, but sufficient for an introduction. From this point, the author proceeds to a statement of economic principles, such as those involved in the relation of fire insurance to production, to credit, to distribution and to its general background of American fire losses. He negatives the occasional charge that fire insurance is a monopoly, and says: "As the business is at present conducted, its very character induces excessive competition and this natural tendency is aided by mistaken legislation which has for its purpose the placing of a premium on competition by the companies."

Rate Making

After chapters upon business organization and methods, Professor Gephart enters into a consideration of the highly technical questions of hazard and rate making, which are viewed by

many students as constituting the most complicated problem known to business finance. This ground is much controverted, as the author fully recognizes, but his definitions and statements of principles are substantially correct, and he notes the earnest efforts of the underwriters to work out rates which shall correspond as closely as possible to the exact degrees of hazard involved in all risks. In this connection he makes particular references to the establishment of the Actuarial Bureau of the National Board of Fire Underwriters for the purpose of compiling and analyzing national fire loss statistics. He is obviously a disbeliever in the value of State rate making as compared with public supervision.

Other chapters deal with the policy contract, limitation of liability, and the finances of fire insurance, and the author presents a brief summary of the fire prevention efforts being made through the National Board and other instrumentalities.

The last chapter is devoted to the well-fought field of the relation of the State to insurance. In this chapter it is interesting to note that Professor Gephart reaches independent conclusions similar, on the whole, to those long held by the leading underwriters. He says that "the popular notions and sophisms of insurance are to be found in the case of scarcely any other business"; and he notes as "popular fallacies" the ideas that "the public can benefit in price by encouraging and compelling independent action on the part of all companies in selling their commodity," "that insurance is a business suited for profit taking" "that insurance is a peculiarly profitable business for those engaged in it," and that insurance companies can be expected to pay "from some mysterious source sums far in excess of the premiums paid them and their earnings."

Poor Copy-Reading

His general conclusions are expressed in his closing words: "Whatever reforms are needed can be best accomplished by the fire insurance companies themselves. A greater degree of co-operation with the ends in view of restricting undesirable competition and of devising standards for the business is the great need of the fire insurance business."

In point of copy-reading, the volume leaves something to be desired. For example, The National Board of Fire Underwriters is occasionally referred to as "The National Board of Underwriters" and once as "The National Board of Fire Indemnities."

A. F. Dean, Western manager of the Springfield Fire and Marine, is back in his office after a serious spell of illness lasting about a month. His weight was reduced about fifteen pounds. He has resumed his duties with his old time zest. Friends of Mr. Dean feel happy that his Analytic System of rate-making has been adopted in the New England States. This has been a great triumph for Mr. Dean. He has personally taken the position that he will not write articles explaining his system or campaign for it in any way, feeling, as he recently told a friend, "If it has merits it will have to succeed on them without any boosting on my part."

WILL WRITE OCEAN MARINE

The Spanish-American Insurance Company, of Havana, has been licensed in New York, to write ocean marine lines. It shows assets of $351,635 and surplus $151,635.

---

83 AND STILL IN RING

James E. Cowan, a St. Louis insurance man, is at his office every day despite the fact that he is eighty-three years old. Recently, the St. Louis "Times" printed a two column human interest story about him.

Brophy Reports on Three Large Fires

BROOKLYN ELEVATOR BLAZE STILL UNDER INVESTIGATION

College Point Explosion "Accidental," But Was Second Fire in a Week

A second fire last Tuesday night in the Dow Stores, Brooklyn, destroyed 100,000 bushels of grain. These Brooklyn fires are being carefully investigated. A reporter for The Eastern Underwriter had a talk with Fire Marshal Brophy on Tuesday of this week. At that time he had already made a preliminary report to Fire Commissioner Adamson regarding the three big fires in Brooklyn and College Point. He told The Eastern Underwriter that the Brooklyn elevator fire was caused by a dust explosion in lofter No. 1, of tower 2. Needless to say the fire companies are watching every development in this situation, and will co-operate to see that all the facts are brought out.

It appears that four men were working on the fourth floor when one of them smelled what he thought to be burning rubber. This was about fifteen minutes before the explosion. It was a millwright who first detected the smell of smoke. The millwright and some of the other men went to the fifth floor where there was machinery and motors. There they saw a bluish haze which resembled smoke and the smell of burning rubber was more pronounced. Apparently it came from lofter No. 1 which was operated by a rubber belt more than 300 feet long. Everything on the fifth floor was apparently in order but although the millwright says he found nothing wrong in lofter No. 1 he took the precaution to shut down the machinery. Sixty seconds later the explosion took place. Another workman, on the ground floor, says that he saw flames shoot from lofter No. 1. In another minute a second muffled report of an explosion followed the first.

How Was Dust Ignited

From the investigation thus far made everything indicates that the fire resulted from a dust explosion but how the dust was ignited is still a question. An investigation will be made entering into every phase of the situation.

Williams' Stores Fire

In the case of the Charles Williams Stores fire, while the fire marshal's office has not ascertained the cause of the fire, it is believed that it also is of accidental origin. The building was guarded by watchmen inside and outside and the boxes were rung regularly. The president of the Company assured the fire marshal's office that the fire was accidental and that his firm had no business with the Allied Governments.

Explosion at College Point

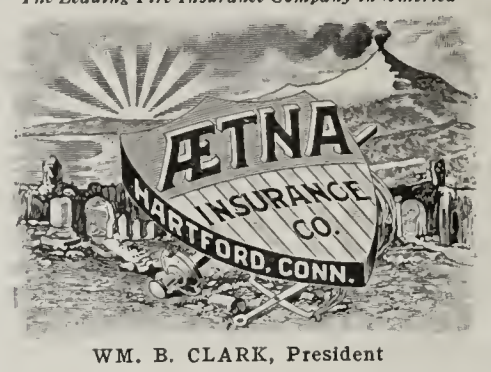
The College Point explosion occurred in certain chemical apparatus and there is nothing to indicate that it is other than accidental. During the investigation it developed that a similar fire occurred the week previous and that it was extinguished by the employes of the company. The apparatus in which the fires occurred was used in connection with the purification of acid. The explosion took place within the container.

Representing National Trades

E. E. Hall & Co. have appointed Howie & Cain agents in New York City for the National Trades Fire of Chicago.

Hugh R. Louden, of the Liverpool & London & Globe, is in London.

"The Leading Fire Insurance Company in America"



WM. B. CLARK, President

AETNA INSURANCE COMPANY

Aetna Fire Underwriters Agency

of Aetna Insurance Co.

Application For Agencies Invited

GERMANIA
FIRE INSURANCE COMPANY
NEW YORK.

ORGANIZED 1859

STATEMENT, JANUARY 1, 1917

Cash Capital	$1,000,000.00
Assets	8,553,704.22
Liabilities	4,222,485.60
Net Surplus	3,331,218.62
Surplus for Policy Holders	4,331,218.62

HEAD OFFICE
Cor. William and Cedar Streets

1853 Sixty-Fourth Year 1917

FARMERS'
Fire Insurance Company
YORK, PENNSYLVANIA

Assets (Dec. 31, 1916)	$1,116,968.00
Net Surplus (Dec. 31, 1916)	514,025.00

W. H. MILLER, President
A. S. McCONKEY, Sec. and Treas.

Agricultural Insurance Company, of Watertown, N. Y.

64th Annual Statement

Assets	$5,036,003.01
Liabilities	2,296,861.95
Capital	500,000.00
Conflagration Surplus	250,000.00
Surplus to Policyholders	2,739,141.06

F. F. BUELL, Troy, N. Y., Special Agent.....NEW YORK STATE
E. J. PARMELEE, Syracuse, N. Y., Special Agent..NEW YORK STATE
GEORGE SHAW, 116 Milk St., Boston, Special Agent..NEW ENGLAND
F. L. GILPIN, JR., 434 Walnut St., Phila., Special Agent.MIDDLE DEPT.

National Fire Insurance Company
OF HARTFORD, CONN.
Statement January 1, 1917, to New York Insurance Department

LIABILITIES

Capital Stock, All Cash	$2,000,000.00
Funds Reserve to Meet All Liabilities, Re-Insurance Reserve, Legal Standard	9,912,715.84
Unsettled Losses and Other Claims	1,878,398.32
Net Surplus over Capital and Liabilities	3,743,747.60
Total assets January 1, 1917	$17,534,861.76

H. A. Smith, President — F. D. Layton, Ass't Sec'y — F. B. Seymour, Treas.
G. H. Tryon, Secretary — S. T. Maxwell, Ass't Sec'y — C. B. Roulet, Gen. Agt.

SURPLUS TO POLICY HOLDERS, - - $5,743,747.60

Firemen's Insurance Co., Newark, N. J.

January 1, 1917

Cash Capital	$1,250,000.00
Net Surplus	$2,449,322.25
SURPLUS TO POLICYHOLDERS	$3,699,322.25

DANIEL H. DUNHAM, President
JOHN KAY, Vice-President and Treasurer — A. H. HASSINGER, Secretary
NEAL BASSETT, Vice-President — J. K. MELDRUM, Assistant Secretary

FIRE ASSOCIATION Of Philadelphia
401-405 WALNUT ST.
Organized 1817 — Incorporated 1820 — Charter Perpetual
Cash Capital $750,000 — Assets $10,046,848.04
E. C. IRVIN, President — T. H. CONDERMAN, Vice-President
J. B. MORTON, 2nd Vice-Pres. — M. G. GARRIGUES, Sec. and Treas.
R. N. KELLY, Asst. Sec. and Treas.



1817

BROKERS ACTIVITIES

Start a World-Wide Insurance Federation

CORPORATION OF INSURANCE BROKERS AND AGENTS

London Organization Cuts Non-Resident Rates—Its Plans and Who May Join

The fact that the Corporation of Insurance Brokers and Agents, of London, is now energetically seeking a world-wide membership has created renewed interest in that corporation on the part of leading New York, Boston, Philadelphia and Chicago brokers. The London corporation has just announced a special membership rate for non-residents, the term non-resident meaning outside of Europe. These non-membership rates follow:

Brokers' Section.—Fellows: subscription, £1 11s. 6d.; entrance fee, £1, 11s. 6d. Associates: subscription, £1 1s.; entrance fee, £1, 1s.

Agents' Section.—Members: subscription, 10s. 6d.; agency members: subscription, 5s. 3d.; firms, 10s. 6d.

Parliamentary Association

A. P. Cawley, who is secretary of the Corporation of Insurance Brokers and Agents (address 59A Wall, London, E. C.), informs The Eastern Underwriter that the corporation has been affiliated with the Fire Brokers' Association of New York since 1911, which association was represented at the International Congress of Insurance Brokers and Agents held under the auspices of the corporation in 1912. **An auxiliary society of the Corporation of Insurance Brokers and Agents is the Insurance Parliamentary Association, Limited.**

Secretary Cawley said to The Eastern Underwriter: "The principal objects of the Insurance Parliamentary Association, Limited, are to secure reforms in the agency system, representation in Parliament, organization of insurance agents, and the establishment of Government licensing and registration.

"We have been pleased to hear from the National Council of Insurance Federations and to receive their papers, and from these we learn that the objects of our Parliamentary Association are on somewhat similar lines."

Qualifications for Membership

The Corporation of Insurance Brokers and Agents has two sections, one for brokers, and the other for agents. Membership is in two divisions, fellow and associate.

In the brokers' section a fellow is a practicing insurance broker; for a period of at least five years previous to date of application he must have practiced as a broker, or have given during such period or periods the greater portion of his time to the insurance business; he must have attained the age of twenty-five.

The associate must be at least twenty-one and have been a practicing broker for at least three years.

In the agents' section the requirements for membership follow:

(a) That he is a practicing insurance agent.

(b) That the agency business transacted by him is not confined to nor does it mainly consist of his own insurances or the insurances of the firm or persons by whom he is employed.

(c) That he has attained the age of 21 years.

(d) When such application is made after such date as may be fixed by the council as the date after which members will no longer be admitted without examination, that he has passed the prescribed examinations of the corporation, unless specially exempted therefrom by dispensation of the executive committee.

What Is a Broker? What Is an Agent?

The corporation's definition of an insurance agent and insurance broker follows:

Insurance Broker

One who devotes all his time to and whose sole business consists in placing and arranging insurance on commission, and also one who, although carrying on some other business devotes so much the greater portion of his time to placing and arranging insurance on commission as aforesaid, that he may, in the opinion of the executive committee (whose decision shall be final and conclusive), properly be styled an insurance broker.

Insurance Agent

One who adds an insurance agency as an adjunct to his other ordinary profession or occupation, and who is the accredited agent of at least one insurance company and whose agency business is not confined to, nor does it mainly consist of, his own insurances or the insurances of the firm or persons by whom he is employed.

The Application

Application for membership in the Corporation of Insurance Brokers and Agents follows:

To the Executive Committee:

I hereby make my application for admission as fellow (associate or member) of the Corporation of Insurance Brokers and Agents. I undertake to observe the provisions of the memorandum and articles of association and by-laws, rules and regulations of the corporation for the time being in force.

Name (in full) .....

Place of business .....

Date of commencing practice

(a) As insurance broker.....

(b) As insurance agent.....

What is your principal business or profession? .....

If now engaged in any other occupation give detailed particulars.....

If now or previously a salaried official of an insurance company state name of office, position, and for how long.

(a) Office .....

(b) Position held.....

(c) From .....

Name the principal insurance offices or associations with whom you do business (if specially retained by any company state name) .....

If a partner or director, state name of firm or company, and give names of partners or directors.

(firm or company)

(partners or directors)

* * *

War and Explosion Revived

The Brooklyn grain elevator fire and the fire in the Kansas City Stock Yards resulted in an immediate revival on a large scale of the demand for war and explosion insurance which had come to a standstill. Several brokers who handled a large volume of this business last spring reported this week to The Eastern Underwriter that many of their clients who had declined to take this coverage at their instigation were now importuning them for coverage.

* * *

Fire Brokers Elect Members

The first fall meeting of the New York Fire Brokers' Association was held October 17 at the association's rooms, 55 John Street. The following new members were elected: Brown & Roese, Quinn, Warner & Quinn, Harmon V. Swart, J. P. Waite.

The Fire Brokers' Association of New York has adopted a resolution upholding the action of the New York Fire Insurance Exchange in revoking the license of Terry, Reeve & Sweeney. A complete report of the sub-committee which attended the Insurance Commissioners' meeting at St. Paul was read at the association meeting this week.

Iowa National Fire Insurance Co.
DES MOINES, IOWA Capital Stock $500,000
The latest addition to Reliable Fire Insurance organizations began Writing Business on January 1, 1917
JOHN L. BLEAKLY, President
F. L. MINER, Vice-President
C. S. VANCE, Underwriting Manager
FRANK P. FLYNN, Treasurer
C. M. SPENCER, Secretary

STRENGTH INTEGRITY SERVICE
Scottish Union & National Insurance Company
HENRY J. HOUGE, J. H. VREELAND, Assistant Secretaries
JAMES H. BREWSTER, Mgr. Hartford, Conn.
A Broad Underwriting Service to Agents
Writes Fire, Automobile, Rent, Sprinkler Leakage, Tornado, Use and Occupancy, Explosion, etc.
Works in Harmony with American Agency Principles and Practices

LINES SOLICITED AND BOUND THROUGHOUT UNITED STATES AND CUBA
E. F. FLINDELL INSURANCE
1 LIBERTY STREET Telephone John 2612 NEW YORK
LOCAL OFFICES
JERSEY CITY, N. J. 1 Montgomery St. Tel. 216 Montgomery
BROOKLYN, N. Y. 153 Remsen St. Tel. 2504 Main
NEWARK, N. J. 9-15 Clinton St. Tel. 614 Mulberry

WESTERN ASSURANCE CO. OF TORONTO, CANADA
(Fire, Tornado, Ocean Marine and Inland Marine Insurance)
UNITED STATES BRANCH
January 1, 1917
Assets $3,329,177.74
Surplus in United States..... 1,478,531.90
Total Losses Paid in United States From 1874 to 1916, Inclusive 41,657,814.31
W. R. BROCK, President
W. B. MEIKLE. Vice-Pres. & Gen. Man.

"STRONG AS THE STRONGEST"
The Northern Assurance Co.
(LTD., OF LONDON)
Organized 1836
Entered United States 1876
Losses Paid - - - $105,000,000
Losses Paid in U. S. - $38,000,000
Eastern and Southern Departments
55 JOHN STREET
NEW YORK CITY

THE YORKSHIRE INSURANCE COMPANY, LTD., OF YORK, ENGLAND
ESTABLISHED 1824
The "Yorkshire" is the Oldest and Strongest of the English Fire Companies not heretofore represented in the United States
U. S. BRANCH
Frank & Du Bois, United States Managers Ernest B. Boyd, Underwriting Manager
Harry F. Wanvig, Branch Secretary Frank B. Martin, Supt. of Agencies
NO. 80 MAIDEN LANE, NEW YORK
New York Life Insurance and Trust Co., U. S. Trustee, No. 52 Wall St., New York
DEPARTMENTS—METROPOLITAN, Willard S. Brown & Co., Managers, New York, N. Y.; CAROLINA-VIRGINIA, Harry R. Bush, Manager, Greensboro, N. C.; SOUTHEASTERN, Dargan & Turner, Managers, Atlanta, Ga.; LOUISIANA and MISSISSIPPI, Jas. B. Ross, Manager, New Orleans, La.; PACIFIC COAST, Jas. C. Johnston, Manager, J. K. Hamilton and McClure Kelly, Assistant Managers, San Francisco, Cal.

Authorized Capital $500,000
Detroit National Fire Insurance Co.
DETROIT, MICHIGAN
A Company to be built gradually and along the indicated lines of permanence
AGENCY CONNECTIONS SOLICITED

New Points About Inter-Insurers

(Continued from page 1.)

one subscriber, to enter suit against the J. J. Newman Lumber Co., of Hattiesburg, Miss., for its proportion of the loss, but inasmuch as there was no way for the Lumber Mineral Co. to determine the proportion of the loss which the Newman Co. had assumed under the contract, they asked that the Newman Co. be compelled to disclose the amount of its annual deposit with such inter-insurance exchange and to pay its proportion of the amount of said policy of insurance, and further, to disclose the names and addresses of the other subscribers to said policy and the amounts of the several liability of each on said policy.

In the demurrer filed by the Newman Co. they alleged that the Lumber Mineral Co. "have not" made or stated such a case as entitles it in a court of equity to any discovery from them, or the relief for which it prays.

One of the allegations in the demurrer filed reads:

"Because it appears in said bill of complaint, and the exhibits therewith filed and made a part thereof, that the policy or contract sued upon is a contract generally known as an 'inter-insurance contract,' and it is expressly provided by chapter 103 of the laws of the State of Mississippi (acts 1910), that 'the making of such contracts of insurance,' and any and all proceedings to enforce the same, 'shall not be construed as the doing of business of insurance in this State,' and the parties thereto are not regulated, restricted or governed by the laws of the State of Mississippi relating to insurance contracts, etc."

The court, although the demurrer attacked the bill on twelve grounds, confined himself to those most seriously urged on him, the following being from his decision: In their brief, counsel for defendant maintained, first, that the bill is fatally defective from the standpoint of equity. They say this is a purely common law action and that complainant has no standing in a court of equity. It is insisted that a bill for recovery cannot lie against the defendant, since it is apparent from the exhibit to the bill that the sole defendant cannot discover to the complainant any needed information not as available as it is to this defendant, and that the discovery feature being thus eliminated, the cause is reduced to an action at law against the defendant named. The point is made by the able counsel for defendant that the action must be at law, since there can not be any discovery had from a single subscriber sued as to the liability of any other subscriber on the contract, the source of information being the common attorney-in-fact. Counsel admit that discovery of the several liability of the underwriters is necessary to a determination of the amount of which each should contribute to the loss, but they point out that this discovery must be had from the attorney-in-fact; and that if it is not furnished on demand then a bill in equity will lie to compel the attorney-in-fact to make the discovery. This bill, counsel admit, would have to be filed in the proper form at the residence of such attorney-in-fact, to wit: in the State of Missouri. This suit would, as counsel suggests, be an aid of the suit at law here against the subscriber sued in this State. Or counsel suggests that a suit at law might be maintained against the subscriber, and depositions of the attorney-in fact taken de bene esse and the desired information obtained through that procedure.

The court, however, could not see it their way and after carefully reviewing the case, held that the Lumber Mineral Co. had proceeded properly by filing suit against one of the subscribers in equity and asking that this subscriber make discovery of the facts necessary to the ascertainment of the pro rata share of liability of every subscriber on complainant's contract.

In a letter, Thomas T. Fauntleroy, an attorney for the Lumber Mineral Co., advised that, "A most amazing situation has developed down there. Epperson, who runs the inter-insurance agencies at Kansas City, has refused to furnish the Lumber Mineral Co., or its attorneys, with a list of the subscribers. * * * Outside of its contractional duty, as the agent of the Lumber Mineral Co., to protect its interests and furnish it with all necessary information, as its agent, he now takes the position that he will not furnish a list of the subscribers so that the Lumber Mineral Co.—the assured—can know who to sue, or who the parties are or where they live, who are liable to pay the insurance."

The statement made by Attorney Fauntleroy that the attorney-in-fact refused to give them a list of the subscribers or access to the books recalls the fact that one point made by the counsel for the Newman Co., namely, that the Lumber Mineral Co. could not call on the defendant for a discovery of the several liability of each of its co-subscribers, because since their common attorney-in-fact was the only source of information, the information was as available to plaintiff as to defendant. The decision of the court upon that point, and which defines the exact relationship of the attorney-in-fact at the time of a loss, is interesting.

New Men Dominate Agents' Association

SIGNIFICANCE OF COX AS EXECUTIVE COMMITTEE HEAD

Surrounded By Young, Aggressive Men—Old-Timers' Control of Association Passes

The convention of the National Association of Insurance Agents, held in St. Louis last week, was unusually significant as it resulted in a sweeping change in the "management" of the association. The election of officers and committeemen indicates that the old warhorses who have been active in the association for years are giving way in influence to newer members and younger men. The most important change made was the election of Frederick J. Cox, of Perth Amboy, N. J., and one of the three men who dominate the New Jersey agents' association, as chairman of the executive committee. Mr. Cox will be a chairman who is on the job. He is young, energetic, a man who does things. It is his committee which will investigate the office of the secretary-treasurer and make recommendations thereupon. He has already arranged for a meeting at which the subject is to be gone over exhaustively and conscientiously. Among the aggressive Eastern men on the executive committee are Frederick V. Bruns, of Syracuse, and J. L. Case, of Norwich, Conn. The new president, Edward M. Allen, is also a young man.

Western men have been anxious to reduce the salary of the secretary-treasurer and to have headquarters moved to the Central West.

The most interesting discussion at the St. Louis convention was upon jumbo lines. The old-timers took a pretty dark view of the agency situation, blaming much of the reduced premiums on the practice of writing these large lines. The resolution passed on the subject was carefully worded, the aim being to present the viewpoint of the insurance agents at the convention for the benefit of insurance agents who did not attend, for insurance companies and for insurance commissioners. It pledged the co-operation of the association with companies or insurance commissioners "in efforts to remove this menace to the American Agency System." The agents believe that if they keep on hitting the jumbo line writers they will eventually create a sentiment which will curtail the practice.

Regarding multiple agencies the National Association feels keenly what it regards as neglect of companies in not trying to seek a conference with agents after the insurance commissioners had disapproved the practice and had suggested that agents and companies get together and straighten it out themselves. The agents at St. Louis instructed President Allen to appoint a committee of five to confer with the companies on the subject.

CITY INSURANCE CLUB MEETING

A meeting of the City Insurance Club was held on Tuesday evening at Rolfe's Chop House. Twenty new members were admitted and plans were made for a beefsteak dinner to be held some time in the latter part of November or the early part of December. It was decided that only members would be invited to attend this dinner.

SOUTHEASTERN UNDERWRITERS' MEETING

The semi annual meeting of the Southeastern Underwriters' Association will be held at the Bellevue Stratford Hotel, Philadelphia, November 21 and 22

NEW LOAN SUBSCRIPTIONS

The following new subscriptions to the second Liberty Loan have been received from insurance companies. American Eagle Fire, $200,000; Merchants Fire, $100,000; Commercial Union Assurance, London, $500,000; Germania Life, $100,000, making a total of $500,000 for that company; Great Eastern Casualty, $50,000.

H. KRAMER
ADJUSTER
FOR INSURANCE COMPANIES
105 William Street, New York City

The Gamewell Fire Alarm Telegraph Co.
Fire Alarm and Police Telegraphs for Municipal and Private Plants
OVER 1500 PLANTS IN ACTUAL SERVICE
GENERAL OFFICES AND WORKS
NEWTON UPPER FALLS, MASS.
AGENCIES
5708 Grand Central Terminal, New York
448 John Hancock Building, Boston, Mass.
1216 Lytton Building, Chicago, Ill.
335 Wabash Building, Pittsburgh, Pa.
915 Postal Building, San Francisco, Cal.
304 Central Building, Seattle, Wash.
Utica Fire Alarm Telegraph Co., Utica, N. Y.
Northern Electric Company, Limited, Montreal, Canada.
General Fire Appliances Co., Ltd., Johannesburg, South Africa
Colonial Trading Co., Ancon; Canal Zone, Panama
F. P. Danforth, 1060 Calle Rioja, Rosario de Santa Fe, Argentine Republic

[of Liverpool, England]
ROYAL INSURANCE COMPANY LIMITED
THE LEADING FIRE COMPANY OF THE WORLD

THE HANOVER
FIRE INSURANCE COMPANY
Incorporated 1852
The real strength of an insurance company is in the conservatism of its management, and the management of THE HANOVER is an absolute assurance of the security of its policy.
R. EMORY WARFIELD, President
FRED. A. HUBBARD, Vice-President
E. S. JARVIS, Secretary
WILLIAM MORRISON, Asst. Sec'y
HOME OFFICE
Hanover Bldg., 34 Pine St.
NEW YORK
HOWIE & CAIN, General Agents
Metropolitan District
100 WILLIAM STREET, NEW YORK

Caledonian Insurance Co. of Scotland
FOUNDED 1805
"THE OLDEST SCOTTISH INSURANCE OFFICE"
UNITED STATES HEAD OFFICE
Caledonian Building, 50-52 Pine Street, New York
CHAS. H. POST, U. S. Mgr. R. C. CHRISTOPHER, Asst. U. S. Mgr.
NEW YORK CITY OFFICE
Golden Hill Building, 59 John Street, New York

NORD-DEUTSCHE
INSURANCE COMPANY
UNITED STATES BRANCH
123 William Street
New York
J. H. Lenehan, Manager

CASUALTY AND SURETY NEWS

Two Women Have Had 25 Years' Experience

MISS PLAGE WITH GREAT EASTERN; MISS DOANE WITH AETNA

Both Given Wrist Watches at Quarter of Century Anniversaries—Their Experiences

When the Great Eastern Casualty began business at 214 Broadway twenty-five years ago Miss Caroline D. Plage was the only woman employe in the office and the machine she used during the first days of her engagement was a hired one. She has just completed twenty-five years of continuous service with the Great Eastern and at the Company's quarter century celebration held a few days ago was given a wrist watch by the Company in recognition of long and efficient service.



CAROLINE D. PLAGE

Miss Plage assumed responsibility early in her career, being the only employe entrusted with the vault combination when the office was in the National Park Bank Building on Broadway. From there the office was removed to 290 Broadway and later to 55 John Street where it now is. Sincere and maintained interest in one's work is an attribute of many who have been successful and Miss Plage is no exception. She is now head of the stenographic department and personally handles all details of the legal, financial and executive correspondence of the office. In her long experience Miss Plage has become well known to the members of the agency force, with whom she is exceedingly popular and in whose work and interests she takes a genuine interest, thereby forming a well forged link between the field and home office forces. During twenty-five years Miss Plage has been away from the office only two weeks as the result of illness.

Miss Irene V. Doane, of the accident and health department of the Aetna companies, at 100 William Street, New York, celebrated twenty-five years of continuous service with the Aetna, October 13. Her office associates gave her a wrist watch. There are few women in the insurance business who enjoy the distinction of having served one organization so long and still fewer who complete such a service still possessing a keen interest in all its ramifications, in fact, loving the business and delighting in watching it grow.

Miss Doane began with the Aetna at 165 Broadway when the accident and health branch was opened. She was then the only clerk in that department, which possessed office equipment of two desks and a typewriter. From Broadway Miss Doane followed the fortunes of the Aetna to 62 William Street, where her duties of policy writer, stenographer, cashier, bookkeeper and general manager of details continued to enlarge.



IRENE V. DOANE

She is also experienced in counter work and is a firm believer in the merits of health and accident insurance. Having an unusually good memory Miss Doane can recall many of the early policyholders of the Company and their policy numbers. She has developed her memory with much benefit to herself (beginning this development through the study of elocution) and has been able to help others in improving their facility to remember more easily.

OUT OF BURGLARY ASSOCIATION

R. Howard Bland, vice-president of the United States Fidelity & Guaranty, has resigned from the governing committee of the Burglary Insurance Underwriters' Association, and H. P. Ringgold, assistant secretary of the Company, has resigned as a member of the mercantile and inspection committees.

Accident
Health Automobile
Plate Glass
Burglary Liability

Fidelity
Contract Judicial
Public Official
Depository Bonds

FIDELITY & DEPOSIT CO.
OF MARYLAND
BALTIMORE

Tax Bond Question Still a Puzzler

UNDERWRITERS' VIEWS VARY AS TO VALUE OF THIS BUSINESS

Some Companies Said to Be Cutting Rates While Others Hold Aloof and Refuse Lines

There is still wide divergence of opinion as to the advisability of writing freely the new tax bonds required under the Revenue Act. A Western company is reported to be cutting the rate of $5 a thousand to get this business, while a New York company is said to be "wide open" for these bonds. However, a good deal of business is being declined by companies which at first indicated that they would accept the business freely.

There are three forms of bond—that for deferred payment of additional tax—this is for liquor not in bond; rectifier's bond and brewer's bond. This last form takes the place of the old bond, automatically cancelling it. Following is the additional tax form:

Treasury Department, United States Internal Revenue, form 723 (to be executed in duplicate with an approved surety company in a penal sum of not less than double the tax due and in no case less than $1,000).

Bond (for additional taxes imposed by act of Congress approved October 3, 1917, on certain articles held by dealers and jobbers).

Know all men by these presents, that we ——— of ———, as principal, and ——— of ——— as surety, are held and firmly bound unto the United States of America in the sum of ——— thousand dollars, lawful money of the United States, for the payment whereof to the United States we bind ourselves, our heirs, executors, administrators and assigns, jointly and severally, firmly by these presents.

Witness our hands and seal this ——— day of ———, 191—.

Whereas the above bounden principal is indebted to the United States in the sum of ——— dollars, being the ascertained amount of internal revenue taxes, due and payable under an act of Congress approved October 3, 1917, on certain articles owned or held by the said principal on the date said act went into effect, and more particularly described in a return made by the said principal to the Collector of Internal Revenue of the ——— district of ———, on or about the ——— day of ———, 1917.

Now, therefore, the condition of the foregoing obligation is such that if the said principal shall well and truly pay or cause to be paid to the said Collector of Internal Revenue the tax on said articles within seven months from the date of said act and shall likewise pay or cause to be paid to the said Collector any additional tax hereafter found to be due on said articles or any like articles so held by the said principal, then this obligation to be void; otherwise to remain in full force and virtue.

Signed, sealed and delivered in the presence of ——— (seals).

Examined and approved this ——— day of ———, 19—.

———, Collector.

CALL NEW YORK MEN TOGETHER

The annual meeting of the Insurance Federation of New York State will be held at Hotel Ten Eyck, Albany, Friday, October 26, at 2 P. M. Secretary Buell P. Mills says in his notice of the meeting that State insurance is in the air. It threatens the income of every individual engaged in the insurance business and can be averted only by the concerted and continuous activity of all those who are vitally interested. A lively program has been arranged. Prominent insurance men of fire, casualty and other lines will address the meeting. The committee on arrangements and program consists of John A. Eckert, A. C. Hegeman, Edward Griffith and the executive secretary. In connection with the annual meeting a conference of the various county committees will be held October 26 and the executive committee of the Federation will meet Thursday evening, October 25.

MASS. BONDING CHANGES

Fred B. Potwin has been appointed manager of the Pacific Coast department of the Massachusetts Bonding, established at San Francisco to cover California, Oregon, Washington, Idaho, Nevada and Arizona. Mr. Potwin has been resident manager for the Company at Seattle since 1908. Prior to that he was of the home office staff of the American Bonding.

The Company has eliminated the branch offices at Seattle and Los Angeles. At Seattle the Company will be represented by Robinson, Thieme & Morris, Inc., William H. Ritter & Co., and Burwell & Morford, Inc. At Los Angeles Wren & Van Alen, Inc., will act as city agents. Robertson & Hall, who have been general agents for the Company at San Francisco for several years, will also continue as city agents, handling brokerage business. The new San Francisco offices of the Company are in the Insurance Exchange Building.

JOHN C. CLARKE PROMOTED

John C. Clarke has been made chief counterman in the liability and compensation division of the Aetna in the New York branch office. Mr. Clarke has been with the Aetna since 1912 as an underwriter. Previous to that he was with the Empire State Surety under G. G. Wetzel and the Ocean under Henry Collins.

General Accident
FIRE AND LIFE
ASSURANCE CORPORATION, Ltd.
FREDERICK RICHARDSON, United States Manager
GENERAL BUILDING · 4TH & WALNUT STS.
PHILADELPHIA
SERVICE THAT EXCELS

WILLIAM STREET

New Safety Goggle Made

A new safety goggle has been marketed which it is claimed has every virtue common to glass, but none of its drawbacks or dangers. It also possesses the safety features of the celluloid goggle, but unlike it, is fire proof. This goggle is made of two layers of optical glass with a layer of celluloid between them, welded, not cemented together.

* * *

Brokers Renig on Liquor Bonds

The necessity for liquor dealers of all kinds to furnish bonds to the Government guaranteeing the payment of their taxes within seven months has caused much activity among the brokers. One prominent broker offered to the companies on Monday the $1,000,000 bond of a large brewery which ordinarily the companies would have been glad to have. He succeeded in placing $300,000 of the risk. Another surety bond specialist of 55 John Street said that his firm had given up the effort to place this business after one experience. One of their assureds operated a chain of 23 retail liquor stores, the Government taxes on which totalled $400,000, to be paid within seven months. No company would write any part of this bond.

* * *

Vessel and Stevedore Risks

The legal status of vessel and stevedore risks has now again been changed by an Act of Congress approved October 6, 1917.

Under the provisions of the Act the Judicial Code has been amended so that in all civil causes of admiralty and maritime jurisdiction, claimants will have not only the right of a common-law remedy, where the common-law is competent to give it, but in addition thereto the rights and remedies under the workmen's compensation law of any State.

BETTER CLAIM FACILITIES

Greenland & Durston, Inc., of Syracuse, general agents for the Globe Indemnity, who have recently taken over considerable territory in central New York for all lines written by the company, have established a branch claim division to facilitate their business. This is one of the old fire agencies of New York State, which has recently taken on casualty lines, with much success.

WORST THAT CAN HAPPEN

The Standard Accident finds that of 62,013 risks written last year 14,260, or about 23 per cent., are subject to the conscriptive law. Of course, not all of these who are subject will go, not all of them will be called, but these figures show the worst that can happen and that is not so bad after all.

NEXT MEETING IN NOVEMBER

The Alliance Against Accident Fraud will hold its next quarterly meeting and dinner about November 15.

AMERICAN SURETY COMPANY
OF
NEW YORK
100 BROADWAY
Fidelity and Surety Bonds

Help The Public To Understand

The general public does not yet know much about insurance. It learns by experience because it goes in blindly, accepting the word of somebody else, not taking the trouble to become informed upon even the most simple and important features of the protection being bought. In connection with this, those who sell insurance can take one of two courses. Either they can follow this narrow course—allowing the public to continue in its languid policy of learning by experience and finding out its mistakes only when it is too late to correct them—or take the broader view of fully informing the buyer of what he is purchasing and find out if he is willing to pay more and get something better than that which was first offered him. Every person who is in any way disappointed in the ultimate results under a policy of insurance becomes a detriment to the business. He is a sorehead and will talk against the business, swelling that large army which, encouraged by politicians, agitators and demigogues, is ever ready to decry the beneficent work of insurance. Therefore, in every transaction, from start to finish, do only what will ultimately lead to complete satisfaction in event of a claim. Have your insurance conscience working all the time. The insurance men of the country ARE a lot of fine fellows and every mother's son of them should see to it that on a basis of cold facts public opinion is moulded to accept the advice of an insurance man as sound, honest and reliable in every way.

Sellers of monthly premium accident and health insurance have now gotten away from the dollar a month proposition and are selling a better policy for a higher premium. There are still a few who think that a dollar a month is all that the average working man wishes to pay for insurance even though the policy is not so good as the newer and higher priced forms. While it may be easier to sell the dollar policy which does not pay for the first week of disability, the situation is changed when it comes to paying claims. A large percentage of those who have dollar policies do not know that the first week is not paid for and they only find it out when they have their first illness. Then is the time they look upon a higher premium as of small consequence, if only they could be paid for the full time they are laid up. It makes a claimant feel a whole lot better if after being ill for ten days he is handed a check for the full time instead of only three days, accompanied with a long explanation that the policy is not just what he thought it to be.

CRYER WITH GLOBE INDEMNITY

John W. Cryer, manager of the casualty and surety department of Emery & Norton, New Orleans, has resigned to become manager of the surety department of the R. L. Wood agency, Buffalo, general agents of the Globe Indemnity. Mr. Cryer was for five years in the home office of the United States Fidelity & Guaranty, later traveling as special agent for that Company and has been in the Emery & Norton agency for three years.

During the first eight months of this year the accident and health department of the Massachusetts Bonding & Insurance collected $87,000 more in premiums than during the same period in 1916.

Commission Acts on Medical Claims

WILL PASS ON DOCTORS' BILLS AND ORDER PAYMENT

Change One of Procedure Only and Generally Concurred in By Companies

Hereafter all claims for medical services to an employe under the New York workmen's compensation act must be made direct to the State Industrial Commission, which will pass upon the claims, make awards covering medical services in amounts that may be deemed reasonable and issue an order directing payment, which, if not obeyed, will be filed in the county clerk's office and become a judgment of the Supreme Court.

The commission has issued a statement announcing this change in procedure which it explains was necessitated by a decision of the Appellate Division of the Supreme Court. Heretofore the commission has been limited to determining the reasonableness of a doctor's bill and considerable friction has arisen between the doctors and the insurance companies because, if a bill were not paid, a suit might be brought to cover the amount. The Appellate Court decision is held by the commission to establish in effect that no action can be maintained in the courts for medical services, but that the matter must be determined by the commission, which establishes both the reasonableness of the amount and the location of the liability. Claim men see in the new order only a change in procedure and are generally agreeable to it. The New York law provides in Section 13 as follows:

"All fees and other charges for such treatment and services shall be subject to regulation by the commission as provided in section 24 of this chapter, and shall be limited to such charges as prevail in the same community for similar treatment of injured persons of a like standard of living."

Lien on Compensation

The award will be made against the employer or the insurance carrier only when the employe has requested the employer to furnish medical services or has accepted the physician offered by the employer. If he provides his own medical attention he will be obliged to bear the expense and the doctor may have a lien on the compensation to be paid. Section 24, as amended by Chapter 705, Laws of 1917, bears on this subject in the following language:

"Costs and fees. If the commission, or the court before which any proceedings for compensation or concerning an award of compensation have been brought, under this chapter, determines that such proceedings have not been so brought upon reasonable ground, it shall assess the whole cost of the proceedings upon the party who has so brought them. Claims for legal services in connection with any claim arising under this chapter, and claims for services or treatment rendered or supplies furnished pursuant to Section 13 of this chapter, shall not be enforceable unless approved by the commission. If so approved, such claim or claims shall become a lien upon the compensation awarded, but shall be paid therefrom only in the manner fixed by the commission. In case an award is affirmed upon an appeal to the Appellate Division, the same shall be payable with interest thereon from the date when said award was made by the commission."

The commission believes that the same reasoning by which the court arrived at its decision would hold with regard to legal services.

Travelers' Men Being Shifted

WILLIAM J. BUCKLEY GIVEN LIABILITY MANAGEMENT AT MINN.

Clayton C. Cross at Duluth, Earle H. Danforth at Bridgeport and C. L. Meacham at Syracuse

William J. Buckley, formerly assistant manager at Duluth, Minn., has been appointed manager of compensation and liability department, Minneapolis brance office, effective October 8, succeeding William Clark Billings, who has been transferred to New York City. Mr. Buckley has been in the service of the Company a good many years as a pay-roll auditor, then as special agent in the Minneapolis district, and latterly as assistant manager at Duluth. His experience, especially in Minnesota, should stand him in good stead in his new position.

Clayton C. Cross, special agent at Minneapolis, has been appointed manager at Duluth, succeeding Mr. Buckley. Several years ago Mr. Cross was the local agent of The Travelers at Bemidji, Minn., and was later appointed special agent, working out of the Minneapolis branch office.

Earle H. Danforth, now manager at Dayton, Ohio, has been appointed assistant manager at Bridgeport, Conn. Mr. Danforth has been in the employ of The Travelers for many years, acting as cashier at Worcester, Syracuse and Indianapolis, special agent at Indianapolis, supervising special agent at Dayton, and for the past year manager at Dayton.

Clarence L. Meacham, now assistant manager at Bridgeport, Conn., has been transferred to Syracuse as manager of that office to succeed Charles E. Ferree who has been transferred to the Metropolitan branch office, New York. Mr. Meacham has been special agent in Connecticut for a number of years and for the past three or four years has occupied the position of assistant manager at New Haven and Bridgeport.

GILMOUR WITH NEW AMSTERDAM

Former Manager of Plate Glass Department of Fidelity & Deposit Announces New Connection

Charles Gilmour has been made superintendent of the plate glass department of the New York office of the New Amsterdam Casualty. Mr. Gilmour has been manager of the plate glass department of the New York office of the Fidelity & Deposit for the past five years, previous to which he was a special agent for the F. & D. for two years, coming to that Company from the Philadelphia Casualty where he had been a special agent for three years. Mr. Gilmour assumed charge of the New York plate glass department of the New Amsterdam Casualty this week.

BUFFALO VS. SYRACUSE

There is a three team match on between the Buffalo and Syracuse agencies of the Aetna Life for accident and health business, October 15 to 31 inclusive.

The Employers' Liability Assurance Corporation, Ltd.
The original and leading Liability Insurance Company in the World
LIABILITY, STEAM BOILER, ACCIDENT, HEALTH, FIDELITY AND BURGLARY INSURANCE
United States Branch
SAMUEL APPLETON, United States Mgr.
Employers' Liability Building
33 BROAD STREET, BOSTON, MASS.
AGENTS WANTED

CASUALTY AND SURETY POINTERS

Are You Coming Back?

Yes—you—the man who put his best at stake—and failed. At this moment: Discouragement has you on the down grade and you can't find the brakes.

She is drilling it into your mind that your next efforts will prove as fruitless.

She is hammering at you to hang up your hat and quit for good and all.

She is jamming you down in a corner and saying that there is your place.

She is hedging you in with the "impossibilities"—"nobody can do it"—and "you are a fool to start over again."

She has your eye glued on the past and your head bent over your failure.

She is making you say "What's the use" and "I am one of the Down and Outs."

She has painted your sky a bluish tint and you are ready to look to the sign boards she has set up.

And—because the call of her kind rings so loud to your ears—opportunity raps away in vain.

But listen.

We are banking on your coming back.

Failure means to stop dead still and to stay dead still.

If you are on your way back you haven't failed—you have only struck a rough place in the road of trade.

And—if you are coming back make the start right now.

Because waiting by the side of failure classifies you with the failed.

Hesitating too long in her company brands you as one of her kind, and you know—

How branded goods are shelved up.

Therefore—

Call courage back, invite persistency in, line up with grit once more.

And have faith.

It may be a little rough to travel along the road—but—

It's the only way to get to the end.—James A. Worsham in Federal Record.

* * *

Plan to Lessen Misunderstanding

One of the leaders among agents of the Massachusetts Bonding & Insurance is J. F. Moran of Springfield, Mass. In two years he has increased his monthly premium collections from $500 a month to nearly $2,000. He ascribes the success of his agency to co-operation among the agents. They aim to work in the spirit of one for all and all for each and they are all ready to give each other any help they can towards getting business. Speaking of his agency's methods, Mr. Moran says:

There is a lot of team work done at factories during the noon hour. During the past year we have gone to the big plants in this territory and I have given a brief talk on the workmen's compensation law and explained that indemnity in this State does not commence until the eleventh day, etc., and at the same time the men are distributing circulars, writing applications and getting appointments to call at the homes of these men. This organization is keen for service to policyholders, and I am proud of the fact. Hanging on the wall of our office is a sign which reads: "Our Motto: Honesty, Consideration and Service to you," and we aim to follow this by explaining our contracts explicitly at the time they are sold or delivered.

A mutual agreement exists among all of us, that when a policyholder presents his first premium at the office any of us who happen to be there, will ask if he understands the provisions of his policy thoroughly, if not, we explain same to him, thus avoiding dissatisfaction in the event of a claim being presented.

Why Cause Unnecessary Delay?

If the taking of an application for insurance were something new there might be some excuse for the indifference of agents to the importance of this document. While the policy is the contract of insurance, the application is the BASIS of that contract. It is not merely a memorandum of the applicant's name and address. By far the greater portion of trouble, dissatisfaction, loss of time, complaint and wrangling in connection with settlements can be traced back to the manner in which the application was prepared. Many years of expensive experience have taught the companies how their manuals should be worded. The "manual wording" is something more than the mere association of a name to an occupation. It is just as important to get the manual wording correct as it is to name the correct premium and the amount of the policy. Classification is everything in the accident and health business. A life company might just as well issue policies at one rate to persons of all ages as for an accident and health company to write its policies without classification of the most careful kind. Therefore, it is of the greatest importance that the exact manual wording should be used in every case. The company knows by experience just what that wording means and the rate has been worked out on that basis. The advice of company managers is to study the manual so that in talking of any occupation one uses the manual wording. Important qualifying words are used in connection with describing many occupations and often these are omitted by agents when executing the application. This omission necessitates the return of the application and all the inconvenience incident thereto. It doesn't take long to issue policies when the applications are properly written, but when they are not, a monkey wrench is thrown into the whole machinery and the agent injures himself with the insured and the company, as both gather the impression that he does not know his business.

MARYLAND ASSURANCE FORMED

Company With Strong Finances Headed By John T. Stone, President of Maryland Company

Formal organization of the Maryland Assurance Corporation was completed October 13 in Baltimore. This company forms a running mate for the Maryland Casualty and will carry on a life, accident and health insurance business. It begins with its entire capital of $500,000 subscribed and $300,000 of surplus paid in. The stockholders number 441, of whom 186 are agents of the Maryland Casualty in 36 States, Cuba and Mexico. Many officials and employes of the Maryland Casualty are also stockholders.

Officers were elected as follows: President, John T. Stone, who is also president of the Maryland Casualty; vice-president, F. Highlands Burns, also first vice-president of the Maryland Casualty; vice-president for the health and accident department, Richard H. Thompson, who is fourth vice-president of the casualty company; secretary, treasurer and actuary, Albert G. Portch, president of the American Institute of Actuaries and actuary for the Franklin Life of Springfield, Ill. Walter L. Clark will be general counsel of both companies.

The executive committee is composed of John T. Stone, James L. Sellman, E. L. Robinson, William J. Donnelly, Leon E. Greenbaum.

W. E. SMALL, President PETER EPES, Agency Mgr. E. P. AMERINE, Secretary

GEORGIA CASUALTY COMPANY

HOME OFFICE: MACON, GEORGIA

"DIXIE AUTO POLICY"

THE LAST WORD IN MOTOR INSURANCE

Surplus and Reserves to Policyholders.....$1,526,022.81

The METROPOLITAN CASUALTY

INSURANCE CO. OF NEW YORK

HOME OFFICE, 47 CEDAR STREET

CHARTERED 1874

Plate Glass, Burglary, Accident and Health Insurance

EUGENE H. WINSLOW, President

Russell R. Cornell, Vice-Pres. S. Wm. Burton, Sec. Alonzo G. Brooks, Ass't Sec.

RELIABLE AND ENERGETIC AGENTS WANTED

THE SIGN OF GOOD CASUALTY INSURANCE

HEAD OFFICE CHICAGO

F. W. LAWSON General Manager

Liability, Accident, Burglary, Boiler and Credit Insurance

Established 1869.

F. J. WALTERS Resident Manager 55 JOHN STREET New York

Elmer A. Lord & Co. 145 Milk St., Boston Resident Managers New England

London Guarantee & Accident Co., Ltd.

OF LONDON, ENGLAND

The Fidelity and Casualty Company of New York

92 LIBERTY STREET, NEW YORK, N. Y.

Metropolitan Office—92 William St.

SEMI-ANNUAL STATEMENTS JUNE 30, 1917

Assets	$14,005,236.30
Liabilities	10,395,192.68
Capital	1,000,000.00
Surplus over all liabilities	2,610,043.62
Losses paid to June 30, 1917	58,554,792.60

This Company issues contracts as follows: Fidelity Bonds; Surety Bonds; Accident, Health, and Disability Insurance; Burglary, Larceny, and Theft Insurance; Plate Glass Insurance, Liability Insurance—Employers, Public, Teams (Personal Injury and Property Damage). Automobile (Personal Injury, Property Damage and Collision), Physicians, Druggists, Owners and Landlords, Elevator, Workmen's Compensation-Steam Boiler Insurance; Fly-Wheel Insurance.

The Frankfort General Insurance Co.

UNITED STATES DEPARTMENT

123-133 William St., New York, N. Y.

TRUSTEES:

Union Trust Company, 80 Broadway, New York City

CASUALTY INSURANCE

AGENTS WANTED FOR UNOCCUPIED TERRITORY

BUSINESS=BUILDERS

DEVELOPING

Fidelity and Surety Bonds, Liability Workmen's Compensation, Automobile, Accident, Health, Burglary and Plate Glass INSURANCE

APPRECIATE THE CO-OPERATION OF THE

Massachusetts Bonding and Insurance Company

BOSTON T. J. FALVEY, President

Paid-In Capital $1,500,000 Write For Territory

WORTH KNOWING

Suppose that you are insured in the United Life and Accident Insurance Company of New Hampshire for $5,000 under the Company's Triple Indemnity Plan, what does your Policy guarantee to do?

ANSWER:

FIRST, it guarantees that in case of death from any cause, $5,000, the face of the Policy, will be paid.

SECOND, that in case of death from any ACCIDENT, $10,000, or DOUBLE the face of the Policy, will be paid.

THIRD, that in case of death from certain SPECIFIED accident, $15,000, or THREE TIMES the face of the Policy, will be paid.

BUT THIS IS NOT ALL. The Accident Disability Endorsement FURTHER guarantees that in case of total disability as a result of accidental injury, the Company will pay direct to YOU at the rate of $50 PER WEEK during such disability, but not to exceed 52 weeks, after which the weekly indemnity will be at the rate of $25 PER WEEK throughout the period of disability. Can insurance do MORE? And why should any man be satisfied with a policy that would do less? The cost is low.

Agents wanted in Maine, New Hampshire, Vermont, Connecticut, Pennsylvania, North Carolina, South Carolina, Tennessee, Georgia, Delaware, Maryland, Mississippi, Kansas, Missouri. An opportunity for Life Insurance Salesmen of ability. Address:

United Life and Accident Insurance Co.

Home Office, United Life Building - Concord, New Hampshire

Associated Mutual Agency Incorporated

B. J. ALLEY, Manager

68 William St., New York

Exceptional Facilities for Writing Business Throughout the United States

The Columbian National Life
OF BOSTON

ARTHUR E. CHILDS, President

A CHANGE may be necessary to realize your ambition

Think a minute—then write

WM. H. MASTIN — (West of the Mississippi). SYMES BUILDING DENVER, COLO.

FRANK D. LOMBAR — (East of the Mississippi). 77 FRANKLIN STREET BOSTON, MASS.

SUPERINTENDENTS OF AGENCIES

DARL D. MAPES, Superintendent of Accident Agencies
77 FRANKLIN ST., BOSTON, MASS.

The service of a high grade Accident Department will also be offered so that you will not have to broker your Accident business to avoid violating your Life insurance contract.

In addition to the ordinary forms of life insurance

THE EQUITABLE

makes a specialty of the following:

Insurance to protect business firms and corporations, under a corporate form of policy.

Group Insurance, by which employers protect families of employes.

A flexible contract, known as the Convertible Policy, which can be converted by the Insured into an Ordinary Life, Limited Payment Life, or Endowment Policy.

A Bond issued without medical examination giving the investor an income for his declining years.

A new policy is offered under which the insurance is DOUBLED if death results from ACCIDENT. This policy also embodies the following advantages if the person whose life is insured becomes totally and permanently disabled:

1. Thereafter the Equitable will carry the insurance —The Insured will have nothing further to pay.
2. The Equitable will pay the Insured an annual income for life equal to one-tenth of the face of the policy.
3. Upon the death of the Insured the full amount of the insurance will be paid to the Beneficiary (or double the amount if death is due to accident) without deduction on account of the income paid to the Insured while living.

(See the policy for conditions and details.)

For Agency Openings Address

WILLIAM E. TAYLOR,
Superintendent of Agencies

THE EQUITABLE
LIFE ASSURANCE SOCIETY OF THE U. S.
120 BROADWAY, NEW YORK

THE OHIO MILLERS
MUTUAL FIRE INSURANCE COMPANY

Net Cash Assets.....$1,147,802
Net Cash Surplus..... 505,213

Squire Company, Inc.
1 LIBERTY ST. REPRESENTATIVES NEW YORK

STOCK POLICIES ONLY

BUSINESS SOLICITED FROM AGENTS AND BROKERS

San Francisco Losses Amounting to $4,522,905.00 paid PROMPTLY IN CASH WITHOUT DISCOUNT, from funds largely supplied by head office in Liverpool

U. S. Cash Assets, Dec. 31, 1916	$15,827,439.35
Surplus, - - - - -	5,460,745.59
Losses Paid by Chicago Fire, 1871	3,239,491.00
Losses Paid by Boston Fire, 1872	1,427,290.00
Losses Paid by Baltimore Fire, 1904	1,051,543.00

Liverpool AND London AND Globe Insurance Co. LIMITED

Over $152,000,000.00

Losses Paid in the United States

HENRY W. EATON, Manager
G. W. HOYT, Deputy Manager
HUGH R. LOUDON, Assoc. Deputy Mgr.
J. B. KREMER, Asst. Deputy Manager
T. A. WEED, Agency Superintendent

NEW YORK OFFICE
80 William Street

THE EASTERN UNDERWRITER

[Succeeding the Journal of Insurance Economics, Established in 1899]

A WEEKLY NEWSPAPER COVERING ALL BRANCHES OF INSURANCE

Eighteenth Year; No. 45 | NEW YORK CITY, FRIDAY, OCTOBER 26, 1917 | $3.00 per Year; 25c. per Copy

NO TAX RULING UP TO THURSDAY

Companies Defer Answering Agents' Queries Pending Official Ruling on Subject

QUESTION IS, WHO PAYS TAX?

Agents Point Out Great Detail Work Necessary if Each Policy Must Be Listed Separately

The Treasury Department up to Thursday had made no ruling on the method of payment of the tax on fire insurance premiums. Fire company officials who have conferred with the Treasury Department, both by letter and by personal interview, represent the attitude of the Department as being that it is not greatly interested in how the tax is paid so long as it is collected, and therefore it has made no ruling.

Internal revenue officials in several cities, when interviewed by The Eastern Underwriter, frankly admitted that unless they were in receipt of further instructions, they did not know how to proceed in collecting the tax under the wording of the bill. This condition, insurance company officials believe, might easily result in the duplication of tax payment by the company and by the agent issuing the policy.

Men who have been in close touch with the officials handling the tax situation express the opinion that the companies will be permitted to pay the tax on the gross premiums less premiums on policies not effective. Several reasons are advanced in support of this belief. First, it is held that the tax can best be collected in bulk from the companies than in small amounts from the agents. Second, that by a strict interpretation of the bill, it can justly be held that the fire insurance company issues the policy whether the agent writes and endorses it or not.

Agents Question Companies

The fire companies are in receipt of hundreds of letters from agents all over the country asking their attitude on the tax. Almost unanimously, the companies have postponed answering these letters until something definite is learned as to the probable action of the Government.

It is not thought that any one company will take the initiative either in

(Continued on page 12)

"The Largest Fire Insurance Company in America."

THE HOME INSURANCE COMPANY NEW YORK

ELBRIDGE G. SNOW, President

Service to Policyholders and to Agents Unexcelled.

FIRE AND ALLIED BRANCHES OF INSURANCE

Fire, Lightning, Automobile, Commissions, Explosion, Hail, Marine (Inland and Ocean), Parcel Post, Profits, Registered Mail, Rents, Sprinkler Leakage, Tourists' Baggage, Use and Occupancy, Windstorm.

STRENGTH REPUTATION SERVICE

North British and Mercantile Insurance Co.

Established 1809

Entered United States 1866

Policyholders protected by the entire United States assets, with further guarantee in every policy, of protection by entire fire assets of the company which are many times larger.

SPRINGFIELD Fire & Marine Insurance Co.

Cash Capital $2,500,000.00

THE SPRINGFIELD for two-thirds of a century has transacted business solely under its own corporate name, without annexes, underwriting agencies or subsidiary companies. An agent of the SPRINGFIELD is not a half, a quarter or any other fraction of an agent, but is vested with the rights and dignity of an undivided representative of an undivided and independent company. The SPRINGFIELD stands today pre-eminent among American fire insurance companies.

SPRINGFIELD MASSACHUSETTS

BUY LIBERTY BONDS

THE GAUVIN AGENCY

CHAS. F. NESBIT MADE BUREAU COMMISSIONER

War Risk to Be Administered by Former District of Columbia Superintendent

NEW APPOINTEE WAS AN AGENT

Started Uniform War Risk Investigation—Fred C. Neill's Talk to Cantonment Men

Charles F. Nesbit, superintendent of insurance of the District of Columbia, was this week appointed commissioner of insurance in the Government's War Risk Insurance Bureau, the director of which is William C. De Lanoy. Mr. Nesbit will have charge of the administration of the soldiers' and sailors' insurance, one of the biggest sized jobs in insurance, so large, in fact, that insurance men are quite dazzled when they think of its scope and the great mass of detailed work. It was stated in Congressional debates that this bureau will be the largest in the Government. Already a number of the younger insurance men, including some from New York brokerage offices, have gone to Washington and secured employment in this bureau.

Some of Mr. Nesbit's Views

Mr. Nesbit has been superintendent of insurance for several years. In fire insurance he attracted considerable attention by criticising the present reserve system and also by criticising the manner in which fire insurance rates are made and applied. Some time ago he made sharp criticism of the manner in which the accident and health business is conducted by many companies, particularly with reference to the way some of the companies handle claims. He also made a statement about accident and health rates to the effect that the public was paying too much for this type of insurance.

Uniform Clauses.

Shortly before the Des Moines meeting of the convention of the Insurance Commissioners, in Des Moines, Mr. Nesbit sent that convention a wire in which he declared that companies charging $100 a thousand extra for army or navy service abroad were discriminating against soldiers and sailors who did not leave this continent, and asking that the war risk situation be

investigated by the commissioners. As a result of his telegram a conference was held in New York at which a committee of commissioners and of insurance men was appointed to bring about war clause uniformity.

The Commissioner's Career

The appointment came as a surprise to Mr. Nesbit. He was attending the annual convention of the mutual insurance companies of the United States in Kansas City, Mo., when he was summoned back to Washington by Assistant Secretary of the Treasury Rowe who notified him of his appointment.

Mr. Nesbit has been superintendent of insurance of the District for about four years. Prior to this he was president of the Masonic Mutual Life Insurance Company. For seventeen years he had been actively engaged in the general insurance business in Washington, both in the fire and life branches. He represented a number of large companies here.

When he was a boy Mr. Nesbit's parents moved to Missouri from Summit county, Ohio, where he was born in 1867. He was educated in Westminster College, at Fulton, Mo. He came to Washington as a young man when his father was made chief clerk of the Department of Agriculture during President Cleveland's administration.

Fred C. Neill's Talk

In his talk before the conferences of the War and Navy and Treasury Departments and the national services in Washington last week, Broker Fred C. Neill, of Philadelphia, said in part:

"Gentlemen, you have heard much of great interest respecting the Government's new insurance act. It is now in order to advise you, if possible, as to the best method of getting the facts to your men.

"Besides the printed matter which has been put in your hands, there is a talk which will be read by the company commanders in the army and the appropriate officers in the navy to their assembled men. In addition to this, literature, posters, etc., setting forth the benefits of the act will be distributed to the cantonments, boats, etc., through the Y. M. C. A., Red Cross and kindred associations.

"Supplementing all this, you men have been gathered here in order that complete knowledge of the act and its benefits can be imparted to you and through you to all the men in the field. Your position is, therefore, comparable to a bureau of information. You are the only men in your respective territories who are, at this time, fully informed about the act.

Duty to Enlisted Men

"To the enlisted men as bureaus of information your duties are two-fold. First, it is necessary for you to have the act at your finger tips; second, in this emergency, that you use your knowledge about the act in such a way that it will result in the men applying for the insurance.

"To make myself entirely clear, let us suppose that you have been asked, 'If I take the insurance, will my wife have any difficulty in getting the money quickly?' Your answer will of course be 'No, because the Government is paying your wife her allowance now, and if something happened to you, the allowance would automatically cease and the insurance start.' Then you can follow this up by saying, 'Now that this is clear to you, you no doubt want the insurance at once.' Right here close the matter by handing an application blank to the man. A signed application clinches it. A supply of these application blanks should be with you whenever possible.

"You have all seen at the end of a circular sales letter such words as 'Mail the coupon today,' or 'Do it now'; those words are inserted at the end of a letter to stimulate action and make it easy for a man to order. The body of the letter has contained an explanation of what is offered together with reasons for buying, but the end of the letter is used to produce immediate action. It makes it easy to buy. Do that for the men that ask you questions.

"The tender of an application blank with the suggestion to take the insurance should be at the end of every answer you make, for the reason that it is one of your duties to secure the broadest distribution.

"It is common knowledge in selling that when a man begins to ask questions he is at least half sold. Bear this fact in mind when making answers. You will find that it requires very little push on your part to turn the inquiry into an order.

Selling Life Insurance Not Easy

"It is a pretty general belief that the selling of life insurance is an easy job. Perhaps it is. No life insurance salesman, however, ever had the opportunity which is given you to offer insurance from which all possible objections have been removed. There is no chance of a man saying that the rate is too high, or that the commission to agents is too much, or that the salary of the president of the company is too great, or other things along that line. As, then, there are no objections which can be raised, the doubting ones will take the insurance if they first have it made clear to them just what is offered by the Government, and, second, if the necessary little push is given in each particular case.

"Every contract I ever made, or, for that matter, all I have ever heard of have been for a dual pecuniary profit; profit to the seller, naturally, and profit to the purchaser in the use of the commodity or its re-sale. Now comes the Government insurance, not only with no profit to the vendor or his agents, but a distinct pecuniary loss. You will notice I have been careful to use the terms 'pecuniary' profit or 'pecuniary' loss. The man who takes this insurance invests for a notable pecuniary profit, but it should not be thought for a moment that the Government loses. No. It has the satisfaction of a sense of duty well done, of opportunity of service duly grasped —that sort of profit is beyond any measure. Therefore, to help in the distribution of this commodity which has been so wisely developed, at once becomes a task of no little dignity. It is a service to humanity—as dignified a task as that of marketing the Liberty bond itself.

"When you men return to your respective posts your time will be largely occupied with other duties, but you will have some time, no matter how little, to give to this insurance. Use every second of that spare time.

"You have often heard it declared that success always comes with 'stick-to-it-ive-ness.' It is beyond question true, but we haven't much time in this campaign to be sticking to it. We must accomplish it and put it behind us quickly so as to take up new problems that confront us. Therefore, in this assemblage coin a new phrase to the end of accomplishment: 'Go-to-it-iveness.' Let that be our slogan for this insurance campaign.

Like Plan of Providence

"I have thought of the Government's insurance plan as being similar to the plan of Providence in providing that where ground is ploughed and the seed sown there shall be an increase at the harvest time. For every cent a man invests the Government adds dollars.

"Now there is one other thought that was brought to my mind this morning. I was listening very attentively to what Major Morgan had to say in drawing a comparison between the insurance companies and the Government insurance. I felt that from his remarks you men might be tempted to do a certain thing which to my mind is radically wrong, and that is, to knock the other fellow. Don't do it. No successful distribution was ever obtained by knocking, I do not want to enter into an argument in defense of the insurance companies. I do not think they need any defense. You will probably be asked on numerous occasions whether or not it will be advisable for the men who have insurance now in the regular insurance companies to drop that and take out this Government insurance. Tell them not to do it. Let this Government insurance supplement what they already have. In advising you to tell your men not to drop that insurance I have no axe to grind. In by far the majority of cases, the stuff that the men have if dropped will mean a loss to them. Now, Mr. Young who is going to talk later will go into that point and give you some figures comparing rates between what the Government offers and the insurance bought previous to the declaration of war, which contains no war clause. These policies contain no restrictions as to military service and no additional premium is charged for any extra hazard. The policies that have gone out since the declaration of war contain a war clause that requires a man on entering the service to pay an additional premium, or otherwise the policy is void."

The "Antilles" Victims

William C. De Lanoy, director of the War Insurance Bureau of the Treasury Department, in explaining the status of those lost on the "Antilles." points out that owing to the legislative forethought which inserted the automatic insurance provision in the law, $25 a month insurance will be paid to a widow, for example, for 240 months in addition to the compensation of $25 a month, or a total of $50 a month. Were it not for the automatic insurance provision she would get only $25 a month. The money to pay both com-

(Continued on page 9)

Great Southern Life Insurance Company

HOUSTON, TEXAS.



For Agency Contracts address

O. S. CARLTON

PRESIDENT

CO-OPERATION No. 8

OUR fifty leading representatives have reported in the first half of 1917 an average of 63% more in new premiums than they did in the same period of last year.

These men will testify that our plans of agency co-operation are responsible in part for this splendid increase.

Phoenix Mutual Life Insurance Company

of Hartford, Conn.

JOHN M. HOLCOMBE, President

J. E. Kavanagh With Treasury Department

Metropolitan's Fourth Vice-President to Aid Vanderlip in War Savings Certificates Bureau

TWO BILLIONS FOR THE PUBLIC

Certificates in Denominations Low as $5—$1,000 Highest to Be Issued

James E. Kavanagh, fourth vice-president of the Metropolitan Life, is to be the organizing head of the division of field operation of the War Savings Certificates plan, by which these certificates in the amount of two billions of dollars are to be placed in the hands of the people of the United States, under the direction of the Treasury Department.

The appointment of Mr. Kavanagh was made by Frank A. Vanderlip, president of the National City Bank, who has been drafted by the Government and attached to the Treasury Department, part of his activities to be the successful organization of this plan.

J. E. Kavanagh's Career

Mr. Kanavagh, who is in charge of the group department of the Metropolitan Life, will continue to keep somewhat in touch with that department, but he was already entered upon his Government duties and his headquarters are in Washington from now on. Mr. Kavanagh began his career as a Canadian school teacher, and desiring to get out more in the open air became an industrial agent. It was not long before he became an assistant superintendent. His record later as superintendent at St. John made him a marked man in the Metropolitan. Eleven years as a superintendent of agencies confirmed the good impression of him and his elevation to the fourth vice-presidency (in January, 1917) confirmed this.

Vice-President Fiske's Announcement

In making an announcement about the new honors for Mr. Kavanagh, Vice-President Haley Fiske, of the Metropolitan, makes the following statement to the field force:

"A great honor has come to the Metropolitan Life Insurance Company and to Fourth Vice-President Kavanagh by an appointment made on the 13th inst. Mr. Vanderlip, the president of the National City Bank, has been drafted by the Government and attached to the Treasury Department. One of his activities is to be the placing of War Savings Certificates among the people of the country in the amount of two billions of dollars. One of the conditions of placing these certificates is that no one person shall hold more than $1,000 of them. They are to be issued in denominations as low as five dollars, and substantially the plan is to issue them at $4.12, the price to increase thereafter by one cent a month, to be redeemed at maturity—the first of January, 1923—at five dollars. A stamp system is to be adopted in the method of placing them. In order to promote saving and investment among people who have not often even four dollars to invest, stamps are to be sold in amounts as low as twenty-five cents, to be converted into five-dollar certificates when the cost thereof is saved. The work of placing these certificates is to be divided into three divisions, and at the head of the division of field operations—that is, the actual placing of the certificates—Mr. Vanderlip has appointed Mr. James E. Kavanagh, fourth vice-president of the Metropolitan Life, as the organizing head. This selection was made after going over a considerable list. Mr. Kavanagh enters upon his duties immediately and will have a residence in Washington. The organization



J. E. KAVANAGH

of the country for work like this is a stupendous undertaking, but Metropolitan men know that Mr. Kavanagh is the man for the job. Mr. Kavanagh will endeavor to keep in touch with the Group insurance business of the Company, although it will of course be impossible for him to spend much time at that work until he is relieved by the Government. The Company loans Mr. Kavanagh to the Government, knowing that it is making a great sacrifice, but feeling that it is thereby doing one more bit for the saving to the world of democracy."

At a conference in Washington, called by Mr. Vanderlip and at which the War Savings Certificates were explained to many different interests, insurance interests were represented by President Dryden, of Prudential; President Priddy, National Association, and Mr. Kavanagh.

Rhodes Reviews War Revenue Act

DISCUSSION BEFORE ACTUARIAL SOCIETY OF AMERICA

Meeting in Baltimore This Week—Deferred Dividend Accumulations "Invested" in the Business

At the meeting of the Actuarial Society of America, held in Baltimore this week, E. E. Rhodes, of the Mutual Benefit, discussed the War Revenue Act of October 3 as it affects life insurance companies. Mr. Rhodes said in part:

"This tax does not apply to that portion of the undistributed net income which is actually invested and employed in the business or is retained for employment in the reasonable requirements of the business, or is invested in obligations of the United States issued after September 1, 1917. That it is invested in the business is easily a matter of proof, and it cannot be invested without also being employed. That it is needed for the reasonable requirements of the business is shown by the fact that the maintenance of a contingency reserve is expressly authorized by the laws of several States, and that in the absence of all such laws all insurance commissioners have recognized the propriety of its maintenance.

Shrinkage of Assets

"Under present conditions no contingency reserve which any life insurance company may be able to maintain will be in excess of the reasonable requirements of the business. In the first place, the companies have outstanding many millions of insurance issued under policies free of all restrictions regarding military or naval service, upon which very heavy losses will be experienced in all probability. In the second place, the laws of several States require the insurance commissioners, in determining the solvency of companies, to value securities according to their current market values. There has been an extraordinary shrinkage in the market values and there is no likelihood of a rise in the near future. Life insurance companies must protect themselves as far as possible against these conditions. If the Secretary of the Treasury finds that any portion of the amount retained is not employed in the business or is not reasonably required in the business, a tax of 15 per cent. is to be assessed thereon. In times like these the assets of life insurance companies are especially subject to depletion and shrinkage from causes entirely beyond the control of the companies, and it is unthinkable that the Secretary of the Treasury would seek to impose the penalty named in the act against those companies which, entirely from motives of self-preservation, protected themselves as far as possible against the dangers to which they are now subject. I cannot see wherein it can be said that the accumulations of any deferred dividend policies are not invested and employed in the business.

Section 32

"Section 32 provides that life insurance premiums paid for what is commonly known as business insurance shall not be deducted in computing net income of an individual, corporation, joint stock company or association, or in computing the profits of a partnership for the purposes of subdivision (e) of section 9. In fairness, the full proceeds of such policies, when paid, should not be returned as income. It is presumed that the section is not intended to embrace group insurance, which comes under welfare work."

The question of the profits tax called in the statute "War Excess Profits Tax," although it has practically nothing to do with war profits, is an important one to life companies having a small amount of capital stock, and mutual companies having no stock, since the question arises how will "invested capital" will be interpreted, since in neither case can the "invested capital" be determined by the rules applicable to ordinary kinds of business.

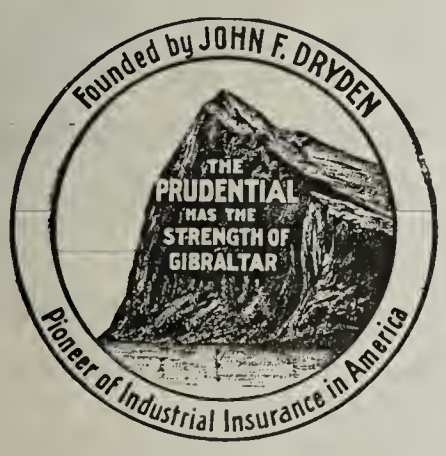
Section 207

Regarding this, Mr. Rhodes said in part:

"Section 207 provides that the term 'invested capital' means the average invested capital for the year, averaged monthly, and does not include stocks, bonds (other than obligations of the United States) or other assets the income from which is not subject to income tax, nor money or other property borrowed, and in case of an insurance company means, subject to the above limitation, (1) actual cash paid in; (2) the actual cash value of tangible property paid in other than cash; for stock or shares in such corporation at the time of such payment (but in case such tangible property was paid in prior to January 1, 1914, the actual cash value as of that date, but in no case to exceed the par value of the original stock or shares issued therefor); and (3) paid-in or earned surplus and undivided profits used or employed in the business, exclusive of undivided profits earned during the taxable year. In the case of a foreign company 'invested capital' means that proportion of the entire invested capital which the net income from sources within the United States bears to the entire net income. This definition does not fit the business of life insurance."

ARMY AND NAVY NURSES

Women who are connected with the Army Nurse Corps or the Navy Nurse Corps will be treated by the Mutual Benefit in all respects the same as men who are engaged in military or naval service.



Prudential Group Policies Sell

Because of absolute protection, low premiums, annual dividends, grace period, disability provisions, termination refunds, incontestability clause, special certificates for employees, privilege of naming beneficiary, good commissions, and the Company's great experience in dealing with millions of workers in forty years.

Send for Particulars of Policy

THE PRUDENTIAL INSURANCE CO. OF AMERICA

Incorporated Under the Laws of the State of New Jersey

FORREST F. DRYDEN, President — Home Office: NEWARK, N. J.

Business Pointers by A Western Man

THIS IS YEAR WHEN AGENTS CAN SHOW THEIR METTLE

Watch Owners of Smaller Factories—They are Future Industrial Leaders

By A. C. Utter, of Detroit. (Courtesy of New England Pilot.)

These are times when fearless and industrious men are needed and valued as they have never been in our history.

A remarkable fall campaign confronts us. The opportunity is unusually good because the past nine months have produced a very large volume of new business, surpassing all previous records. The momentum created should mean much to those who have had a part in creating past gains; especially to the man who adjusts himself to new conditions, recognizes the new channels and arguments for life insurance, and works accordingly.

The increased public sentiment in favor of life insurance, as evidenced by the greater patronage, will prove of growing advantage to the salesman.

One reason that the life insurance business is unusually good this year is that, in these uncertain times, men avoid the risk of speculation and new ventures, and turn to channels of unquestioned safety. A leading Detroit business man has recently purchased $500,000 on the 20-payment life plan.

Adequacy of the Insurance Profession.

Each succeeding year records additional evidence of the increasing recognition and value of life insurance as a profession. Some of our associates have about doubled their earnings this year. Each of these men will doubtless acknowledge that this increase was due largely to harder work, better directed work, and more concentration upon this one thing.

Very few men can write several kinds of insurance and really succeed in any branch. This is an age of specialists. To confirm this, just consider the work of the successful men of your acquaintance. Don't mortgage your future for small present gains.

A Valuable Recommendation

In order to stimulate your new business, we recommend that you promptly prepare a list of names of officials in the smaller factories in the suburbs and on the side streets, and call upon them.

Ten years hence, some of them will be amongst the most successful of the city. If you cultivate them now, the acquantaince will enable you to command their business in the future.

Salaried officials in the large concerns who rarely share in the profits are hard to interview, and frequently cannot afford, additional insurance. On the other hand, officials in small factories are usually the owners, and are easily interviewed.

When you walk or drive out along the main streets, turn off into side streets, and make a note of the names of many smaller concerns. When you return to your office, look up the names of the officials. You will then have a most desirable list of men who are actually sharing in the large profits now being made in business, and who can be easily approached.

Don't give this just a passing thought, and keep in the old rut! Don't satisfy your conscience by saying that some time you will try this out—when you feel more like it. Go out and commence this work at once, if you want better results.

Don't Fight Shy of the Larger Duties

How unfortunate it is that young men shrink from facing the larger opportunities and duties in the life insurance business—through avoiding those men who are able to buy the larger policies! This can only be accounted for by lack of courage. Fear usually vanishes after a few successful attempts to perform some difficult task. The young man who regularly attempts to insure prosperous men, will soon learn how to handle that class of business; and instead of shrinking from and avoiding such men, he will eagerly and courageously seek this more profitable field.

It is well to remember that the choicest and most satisfactory new business is that which the agent quietly creates amongst men who are not "in the market." The most successful agent rarely meets competition, because he is sufficiently well-posted and discerning to approach men with really interesting ideas and suggestions, forcefully presented—ideas that apply the benefits of life insurance.

The agent who is too indifferent to keep himself well posted, and who will not absorb the latest ideas, and who does little more than ask a man if he wants life insurance—usually gets a disappointing reception from prospects. And sometimes he condemns the business!

The agent must have strong convictions and express them forcibly, otherwise his success will be in small measure.

REVISES WAR RULES

Union Central's New Provision Became Effective on October 10—Extra Premium of $37.50

The Union Central Life of Cincinnati on October 10 began to issue the following military service clause in all policies instead of the clause previously used:

Clause 86. Military and Naval Service. If within five years from the date of this policy the insured shall engage in any military or naval service in time of war, the liability of the company in event of the death of the insured while so engaged or within six months thereafter, as a result directly or indirectly of such service, will be limited to the return of the premiums paid hereon, exclusive of any extra premium paid for military or naval service, less any indebtedness to the company hereon; unless before engaging in such service or within thirty-one days thereafter, or at the time of paying the first premium due hereon if the insured shall be then so engaged, the insured shall pay to the company at its home office such extra premium as may be required by the company and in like manner shall pay annually thereafter on each anniversary of this policy, or within thirty-one days thereafter, while the insured shall continue to be so engaged, such extra premium as may be required by the company.

Within one year after the termination of the war the company will return such portion of the extra premium as in its judgment will not be required to cover the extra hazard.

If within said five-year period the insured shall engage in any military or naval service in time of war, all provisions for benefits in event of disability, if any, shall thereupon become null and void, and the pro rata part of the special premium for such benefits for the unexpired portion, if any, of the period covered thereby, together with the accrued reserve therefor at the end of the preceding policy year, if any, shall be paid on demand to the insured.

The extra premium charged for service is $37.50. Those persons whose policies contain the old rider may charge to the one now in use upon application to the company.

YANKEE METHODS FOR NIPPON

T. Onishi Here Getting Production and Other Points for New Japanese Company

If T. Onishi, of the Takasago Life Insurance Company of Tokio, Japan, puts into use all the information that he has gathered about American life insurance methods during his trip to this country, nothing on earth will stop the Takasago Life (of which he is general manager) from going right straight to the top in Nippon.

Mr. Onishi has visited a number of offices since coming here. He has made careful notes about everything, from the salary of the special policeman as you enter the elevator to the qualifications of the second assistant cashier in the general agent's office, and he will return to Japan with all this and a great deal of other information, not the least of which are points about production, and how to stimulate it. The Takasago Life is about three months old.

MAY RESIST TAX

Philadelphia newspapers have carried a story during the past week to the effect that the Penn Mutual Life will resist certain features of the war revenue measure. One newspaper quotes Vice-President Passmore as follows:

"In times such as these we all want to pay our proper share of taxes, but we do not want to encourage an interpretation of the law which would place an unjust burden on companies of this kind. We have no capital stock and no profits. The company is operated solely for the benefit of its members.

"We admit our liability to the 2 per cent. income tax under the law of 1916, to the 4 per cent. income tax under this year's war revenue law, to 80 cents per $1 000 on our $102,000,000 annual business and to the host of stamp taxes on various sorts of papers, such as assignment and transfers. Beyond that we do not believe we should be taxed."

Mrs. J. Cathles, secretary of the North British Railway Company, and mother of L. M. Cathles, secretary and actuary of the Southwestern Life Insurance Company of Dallas, Texas, died at Edinburgh, Scotland, on September 18. L. M. Cathles, who was at the time traveling in California, only received the cablegram several days later when he reached San Francisco. Mrs. Cathles, who was prominent socially and a splendid organizer, early in the war became actively interested in hospitals, the Red Cross and other work.

Build Your Own Business

under our direct general agency contract

Our Policies provide for:

Double Indemnity, Disability Benefits, Reducing Premiums

See the new low Rates

JOHN F. ROCHE, Vice-Pres't

THE MANHATTAN LIFE INSURANCE COMPANY

66 BROADWAY NEW YORK

Organized 1850

PAYS GOOD PAY TO GOOD MEN

BANKERS BLC LIFE DES MOINES COMPANY

THE WESTERN AND SOUTHERN LIFE INS. CO.

W. J. WILLIAMS, President CINCINNATI, OHIO

The Largest Industrial Company West of The Alleghenies

Also Issues All Standard Forms of Ordinary $500 to $10,000

Organized 1888

COMPARATIVE RECORD—SEVEN YEAR PERIODS

	Assets	Insurance in Force		Income	Policies Issued
Dec. 31, 1888	$ 104,307	$ 889,073	1889-1895	$ 1,085,087	265,931
1895	155,640	5,294,381	1896-1902	3,930,883	638,659
1902	876,007	22,374,980	1903-1909	11,312,912	839,426
1909	4,867,379	44,780,907	1910-1916	22,670,340	1,426,752
1916	11,943,640	104,989,362			

AGENTS WANTED IN THE PRINCIPAL CITIES OF OHIO, KENTUCKY, MICHIGAN, INDIANA, WEST VIRGINIA and WESTERN PENNSYLVANIA

State Mutual Life Assurance Co.

OF WORCESTER, MASSACHUSETTS

Incorporated 1844

The Company that gives complete satisfaction to policyholders and agents because both are a part of it.

SEVENTY-THREE YEARS of faithfulness to every promise made.

Success for our ambitious representatives is a certainty.

Additions are made to our agency force when the right men are found

B. H. WRIGHT, President D. W. CARTER, Secretary

STEPHEN IRELAND, Inspector of Agencies

What to Know Before an Interview

A CASE ILLUSTRATED FOR AGENTS BY T. R. FELL

Big Thing to Remember Is Protection for Wife and Children of Prospect

Here is a report of the discussion of a question recently asked at one of the daily conferences of the New York Agency, the asker being a member of the Women's Department. This is the question:

> Now, Mr. Fell, suppose I go in to see one of my friends who is an important business man and he gives me, say, fifteen minutes' time; after that he will want to attend to his own business. Then, what am I to do?

What Mr. Fell had to say is given by "The Radiator," published by the Massachusetts Mutual Life:

Mr. Fell: Q. "Is he married?" A. "Yes." Q. "How many children has he?" A. "Three." Q. "Then, is he saving any money?" A. "Yes, through 'Friendly Act' I learned before calling upon him that he is making more money than ever before, that he is a successful business man."

Mr. Fell: "Why is he at his office?"

Beginner: "To attend to his business."

Mr. Fell: "But why is he at his office, what does he use the profits of his business for?" A. "To live on." Q. "Well, does anybody live on these profits besides the business man?" A. "Yes, the wife and three children."

Mr. Fell: "Have the children been educated?" A. "No, the oldest is only eight." Q. "If he should go away, how much saving would there be in running the home in which he lives now? I mean there are now in the home five people, the wife, the three children and the business man. If he should go away for six months and he told the wife to keep up the home in the same way and enjoy the same comforts and luxuries, what saving would there be, or to put it another way: He is spending a certain sum upon himself now; what proportion would he have to leave for the wife and three children while he is away?"

Beginner: "Oh, there would not be much saving. He would have to leave nearly what he is spending now."

Mr. Fell: "Then, we will say he would have to leave four-fifths as much. For instance, if he is spending $20,000 a year upon the home, he would have to leave four-fifths of that, or $16,000 a year?"

Beginner: "Yes."

Mr. Fell: "Then, he is also saving money; in fact, he has been saving money for several years, we will say. Now, if he should die, who would get the savings which he has made up to the present time?"

Beginner: "The wife and children."

Mr. Fell: "Then, if they have a contingent interest in the savings he has made, they have a contingent interest in the expected future savings. Now, that is all that that important business man is at his office for—for the living for himself and for his wife and three children, and the savings which he is making. When he has an interview or a conference at his office, he has that living and those savings in mind. That is the reason for the interviews, the conferences, the time and thought given to the business. We have shown that at least four-fifths of that is for the wife and three children. You are in his presence in the interests of his wife and children. If he understands why you are there, he is just as much interested in seeing you as he is in having the other interviews and conferences. It is just as important to protect what he has as to try to get something which he does not yet possess. You are in his presence to protect the interests of the wife and children, not only in what has been saved up to the present time, but to protect the expected savings of the future. You are there to take the little uncertainty out of that business—that business which belongs to the wife and children as well as to the business man. Do not falter, do not stammer, 'go over the top' and let him see that you believe in your mission. Take your place among those who have serious interviews with that important business man. Who is he that you fear him, that you should be afraid of interviewing him during business hours? Of all the people in the world, he is the one whose aim is most like yours. You are there to perform service for his wife and children. That is what he is trying to do every day. When he understands your object, when you convince him that you understand your business and can do your part efficiently, you will have your interview, and your hour will be the most efficient hour of his business day.

"You must suit your plans to his plan, until he is convinced that your plan is better than his. Therefore, if in his plan the appointments for these interviews that he has been having have been made in advance, state your object briefly, courageously and hopefully, and get your appointment for the first free hour in his business day. Then, when you are having your interview do not feel that any one else should take precedence over you. If you have that feeling in your own heart, he is going to get your feeling, whether you state it or not. Remember that four-fifths of the fruit of his interviews represent labor for the wife and children, and your desire is to have an interview in their interests exclusively."

TO A SON-IN-LAW

Copy of a Letter Sent to Young Man by a College Professor

Recently, an agent of the Northwestern Mutual Life ran across a copy of a letter writen by a prominent professor of a large Eastern university to his son-in-law on the Pacific Coast. It contains many good points, reflecting the clear analytical mind of the writer, besides being an example of what a father can and should urge upon the man who undertakes to provide for his daughter.

Two paragraphs of the letter, printed by the Northwestern's "Field Notes," follow:

"When I was a boy, my father was much opposed to the new-fangled life-insurance. But the matter is no longer debatable. I have carried life insurance for about 33 years. I have read. I know its great values, both direct and what is more, indirect. I only wish I had carried twenty thousand as I first planned instead of ten. It means an enforced saving, the compulsion to which is of the greatest help to a young man.

"—And it would take a lot more insurance than we are likely to carry to replace for your family your earning power. Suppose now you left Faith a widow, possibly with a little child, within the next two or three years. Perhaps your father might take care of her. But he has his own dependents, and there are a half a dozen contingencies such as become down-right and pitiful actualities scores of times every day in the 365—that might make it embarrassing or difficult or quite impossible for him to do this. And as for me—altho I am husky, I'm fast nearing the 'three score and ten.'—To cut it short, I feel that you ought to take out some plain unadulterated protection life insurance, an ordinary life-policy, and that without undue delay."

THE AVERAGE EARNINGS OF THE AGENTS
OF THE
Standard Life Insurance Company
∴ ∴ OF PITTSBURGH ∴ ∴
are higher this year than ever before. Our attractive Accident and Health Policies have helped them to make more money.
Write for a LIFE, ACCIDENT AND HEALTH Contract to
FRANK A. WESLEY
Vice-President and Director of Agencies

LARGE POLICIES

Averages Given by Northwestern Mutual Life—Older Men Need More Insurance

In spite of the restrictions that have been placed on the total amount that will be issued at the younger ages, the average policy of the Northwestern Mutual Life issued shows an increase over the average for the corresponding periods of 1916.

Average policy issued 3d quarter 1916	$2,695
Average policy issued 3d quarter 1917	2,895
Increase 1917	200
Average policy issued Sept. 1916	2,575
Average policy issued Sept. 1917	3,125
Increase 1917	550

This means that the older applicants are buying much larger policies so that the increase not only offsets the restrictions at the younger ages, but shows a substantial increase for the total.

"The agent's cue for the last quarter of 1917 should be to pay particular attention to the older men who are realizing the need for increased personal and business protection," says the company, "many of these men are in the class of those whose incomes have reflected the present era of business prosperity, and the question of cost is secondary when the necessity of more insurance has been demonstrated."

HOME LIFE INSURANCE CO.
(Now Purely Mutual)
256 BROADWAY, NEW YORK
GEORGE E. IDE, President

The fifty-seventh annual report shows insurance in force of $133,493,000, an increase during the year of $7,832,827. The Company paid the policyholders in 1916 $3,536,233, of which $628,406 was in dividends or premium refund. Its insurance reserve fund was increased by $1,300,000 and the Assets are now $32-821,462.

For Agency apply to
GEORGE W. MURRAY,
Supt. of Agts.
256 Broadway, New York, N. Y.

40% Increase in Paid New Premiums—that tells the 1916 story of Fidelity progress.
Direct leads and the Fidelity "Income for Life" plan are making money for Fidelity field men. Any man who can sell life insurance can sell **MORE** Fidelity insurance.
Write to-day—
Fidelity Mutual Life
INSURANCE COMPANY, PHILADELPHIA
INCORPORATED 1878 WALTER LE MAR TALBOT, President

Extracts from Report of Examination of
SOUTHWESTERN LIFE INSURANCE CO.
By the State of Texas, June 28, 1915
"It is noteworthy that this Company was organized without any promotion expenses."
"I beg to report further that I find the Company in excellent financial condition."
"The volume of its business has steadily increased, its surplus is growing rapidly and its funds are being carefully conserved under expert supervision."
Home Office, DALLAS, TEXAS

A GOOD OPENING
An old, well established, progressive life insurance company, with unexcelled dividend record has good opening at PHILADELPHIA, covering Eastern Pennsylvania. Address, stating qualifications:
PHILADELPHIA, care of The Eastern Underwriter
105 William St., New York City

Model Records of Mutual Benefit Men

WHAT OHIO PRODUCERS OF COMPANY HAVE DONE

S W. Sturm, on Production of $1,218,500, Had $15,000 Declined—Forty-nine Lines.

Here are model records of a number of agents of Mutual Benefit Life in Ohio:

Analyzed Record of Mr. S. W. Sturm (Cincinnati Agency) for the Years 1916 and 1917, to September 1.

Full Year 1916

Personal—	Lives	Insurance
Business written	64	$1,188,000
Declined	3	151,000
Cancellations; insurance having been paid for on same life	2	50,000
Net cancellations	3	18,000
Paid for	58	969,000
Joint (proportionate credit)—		
Business written	3	$31,500
Declined	½	500
Paid for	1½	31,000

Eight Months of 1917, to September 1

Personal—		
Business written	49	$1,218,500
Declined	2	15,000
Reduction in insurance	2	15,000
Cancellations; insurance having been paid for on same life	1	20,000
Net cancellations	1	2,500
Unreported	2	105,000
Paid for	46	1,061,000
Joint (proportionate credit)—		
Business written	½	$4,500
Cancellations; insurance having been paid for on same life	½	3,500
Paid for	½	1,000

Analyzed Record of Mr. F. H. Simpson (Cincinnati Agency) for the Years 1916 and 1917, to August 1

Full Year 1916

Personal—	Lives	Insurance
Business written	18	$272,200
Declined	2	7,000
Paid for	17	265,200

Seven Months of 1917, to August 1

Business written and paid for	19	$221,500

Analyzed Record of Mr. J. P. King, of Columbus, O. (Cincinnati Agency), for the Years 1916 and 1917 to August 1

Full Year 1916

Personal—	Lives	Insurance
Business written	93	$367,713
Declined	4	13,200
Cancellations; insurance having been paid for on same life	2	6,000
Reduction in insurance	1	500
Paid for	89	348,013
Joint—		
Business written	14½	$30,250
Declined	1½	4,250
Cancellations; insurance having been paid for on same life	½	1,500
Paid for	13	24,500

Seven Months of 1917, to August 1

Personal—		
Business written	64	$279,100
Declined	1	2,000
Cancellations; insurance having been paid for on same life	1	5,000
Net cancellations	1	5,000
Paid for	58	257,100
Unreported	5	10,000
Joint (proportionate credit)—		
Business written and paid for	4½	$12,500

Analyzed Record of Mr. G. M. Shera, of Oxford, O. (Cincinnati Agency), for the Years 1916 and 1917, to August 1

Full Year 1916

Personal—	Lives	Insurance
Business written	72	$140,000
Declined	1	1,500
Cancellations	1	1,000
Paid for	70	137,500

Seven Months of 1917, to August 1

Personal—		
Business written	43	$109,500
Paid for	40	101,500
Unreported	4	8,000

Analyzed Record of Mr. W. H. King, of Lima, O. (Cincinnati Agency), for the Years 1916 and 1917, to August 1

Full Year 1916

Personal—	Lives	Insurance
Business written	98	$368,100
Declined	9	23,500
Cancellations; insurance having been paid for on same life	2	3,100
Net cancellations	4	9,000
Reduction in insurance	1	3,000
Paid for	85	329,500
Joint (proportionate credit)—		
Business written and paid for	½	$500

Seven Months of 1917, to August 1

Personal—		
Business written	70	$302,700
Declined	3	13,000
Cancellations; insurance having been paid for on same life	2	10,000
Net cancellations	2	9,000
Paid for	59	234,700
Term premium only paid	1	2,500
Unreported	5	33,500

Analyzed Record of Mr. H. Kerr, of Dayton, O. (Cincinnati Agency), for the Years 1916 and 1917 to August 1

Full Year 1916

Personal—	Lives	Insurance
Business written	141	$672,500
Declined	11	56,500
Cancellations; insurance having been paid for on same life	8	21,000
Net cancellations	5	17,000
Reduction in insurance	1	2,000
Paid for	126	576,000

Seven Months of 1917, to August 1

Personal—		
Business written	87	$675,500
Declined	6	34,000
Cancellations; insurance having been paid for on same life	4	8,000
Net cancellations	2	7,000
Paid for	75	611,000
Term premium only paid	1	10,000
Unreported	3	5,500

ELECT JAMES L. BOST

James Lee Bost has been elected president of the District of Columbia Underwriters' Association. James M. Cherry is chairman of the executive committee. Another meeting will be held on November 8.

THE MOST VALUABLE POLICY FOR YOU,
Mr. Agent, is to write your prospect in the Company writing the most valuable policy for the insured.
Secure **prompt action** in the

John Hancock MUTUAL LIFE INSURANCE COMPANY OF BOSTON MASSACHUSETTS

WILLIAM N. COMPTON, General Agent
METROPOLITAN DISTRICT, ST. PAUL BLDG., 220 BROADWAY, NEW YORK, N. Y.

ORGANIZED 1871
Life Insurance Company of Virginia
RICHMOND, VIRGINIA
OLDEST, LARGEST STRONGEST Southern Life Insurance Company
Issues the most liberal forms of Ordinary Policies from $1,000.00 to $50,000.00, and Industrial Policies from $12.50 to $1,000.00
CONDITION ON DECEMBER 31, 1916:

Assets	$14,464,552.23
Liabilities	12,436,717.56
Capital and Surplus	2,027,834.67
Insurance in Force	118,349,212.00
Payments to Policyholders since Organization	18,119,172.50
Is Paying its Policyholders over	$1,300,000.00 annually

GOOD TERRITORY FOR LIVE AGENTS

FOUNDED 1865
Unexcelled In Favorable Mortality and Economy of Management
The Provident Life and Trust Company
OF PHILADELPHIA
Rates of Premium Extremely Low and still further reduced by Annual Dividends

THE BERKSHIRE LIFE INSURANCE CO.
OF PITTSFIELD, MASS.
Incorporated 1851
W. D. WYMAN, President
A purely mutual Company, issuing all desirable forms of life insurance.
ATTRACTIVE LITERATURE
Ambitious, Productive and Trustworthy Life Agents may be benefitted by corresponding with
W. S. WELD, Superintendent of Agencies

NATIONAL LIFE INSURANCE COMPANY
(MUTUAL)
MONTPELIER, VERMONT
67th Year
FRED A. HOWLAND, President
On paid-for insurance basis and with bonds valued at par only (market value $409,882 above par) the 67th report shows:

Assets	$66,426,040.82
Liabilities	62,268,494.36
Surplus	$ 4,157,546.46
INSURANCE IN FORCE	$212,037,400.00

A good company for the policyholder and the agent
EDWARD D. FIELD, Superintendent of Agencies.

THE UNITED STATES LIFE INSURANCE COMPANY
1850 IN THE CITY OF NEW YORK 1914
ISSUES GUARANTEED CONTRACTS
Good men, whether experienced in fe insurance or not, may make direct contracts with this Company, for a limited territory if desired, and secure for themselves, in addition to first year's commission, a renewal interest insuring an income for the future. Address the Company at its Home Office, 277 Broadway, New York City.
JOHN P. MUNN, M. D., President
FINANCE COMMITTEE {CLARENCE H. KELSEY, Pres. Title Guarantee and Trust Co; WILLIAM H. PORTER, Banker; EDWARD TOWNSEND, Pres. Importers and Traders Nat. Bank

R. J. Merrill Secretary of United L. & A.

MADE FINE RECORD AS NEW HAMPSHIRE COMMISSIONER

United Life and Accident Showing Consistent Growth—Company Is Well Managed

Robert J. Merrill has tendered his resignation as Insurance Commissioner of the State of New Hampshire to accept a position as secretary of the United Life and Accident Insurance Company of Concord, N. H.

Mr. Merrill has held the office of insurance commissioner for six years; during that time the department has, under his administration, greatly increased its activities. The insurance laws have been brought up to date and the insurance companies of all kinds have been brought under scientific control.

An Active Figure in Insurance Conventions

Mr. Merrill has been active in the National Convention of Insurance Commissioners, having served as chairman of the Committee on Assets of Insurance Companies and as a member of the Committee on Laws and Legislation for several years. He has conducted several important investigations as a member of these committees. In addition he has been a member of the Executive Committee of the convention since 1915 and was elected first vice-president at the meeting in St. Paul last September.

The United Life and Accident Insurance Company was incorporated by the Legislature of 1913, and was licensed by the Insurance Department on July 14, 1914. Its growth has been steady and healthy from the first. On December 31, 1914, it had assets of $616,633 with insurance in force of $327,000. On December 31, 1915, its assets were $740,490, insurance in force $1,340,000, and on December 31, 1916, its assets had increased to $1,216,249, with insurance in force of $5,667,000. At the present time it has insurance in force of over $7,500,000.

Its policy forms are attractive, combining life and accident insurance in a neat manner, guaranteed by a deposit of the company's full reserve with the State of New Hampshire. It is now licensed to do business in 15 States and the District of Columbia.

The Company's Officers

The company was organized by and has been under the direct management of S. W. Jameson, its president, who has had 22 years' experience in the life insurance business. As the business has increased he has associated with him men of standing and ability in the insurance world. R. H. Burns, second vice-president and superintendent of agencies, has had many years of experience in agency work and is thoroughly familiar with all branches of the business.

The organization of the company was thoroughly examined by Mr. Merrill before it was licensed to transact business and its affairs have received his close attention each year since that time. In view of his reputation for conservatism and knowledge of insurance affairs, it is certainly a compliment to the company to have him accept this position and his connection will be a distinct addition to the company, and a further guarantee of its continued success.

WHAT TRUBEY TALKS

Twenty Payment Life to Young Men—Straight Life Insurance After Forty

R. A. Trubey, who has met with success for the Germania Life at Fargo, N. D., having recently written twenty-nine applications in a month told "Service," published by that company, how he works:

"In approaching a prospect for life insurance I always credit him with understanding the underlying principles of life insurance. In other words I do not spend any time in explaining what is generally known by the average citizen. I launch vigorously into the outstanding features of the policy I am presenting and essay to show clearly why such a policy is the best protection and investment for the person I am canvassing. To all young men, from ages fifteen to forty, I invariably talk twenty payment life. To men and women above forty years I discuss straight life as the feasible plan for their protection.

"The greatest mistake made by the average insurance solicitor is the fact that he tries to explain too much. He wants to elucidate upon all the paragraphs of the policy, thereby giving the average prospect too much food for digestion. Consequently after such an interview the prospect almost always wants more time to deliberate upon the matter of taking out insurance."

FIRST YEAR DIVIDENDS.

New Scale for Limited Payment Life Policies of Fidelity Mutual Life Announced

The change in Fidelity Mutual Life Limited payment life premium rates, effective September 1, 1916, brings about a new dividend scale for policies with the new premium rates. First year dividends in part follow:

	— 20 L. P. —		— 15 L. P. —		— 10 L. P. —	
	Pr.	Div.	Pr.	Div.	Pr.	Div.
Age 21	26.87	2.26	32.10	2.34	42.86	2.93
Age 30	31.69	2.79	38.52	3.01	51.22	3.63
Age 40	39.79	3.52	49.96	3.81	61.99	4.56
Age 50	53.47	4.90	61.56	5.23	79.57	6.17
Age 60	79.30	7.48	86.97	7.79	106.99	8.85

Inaugural of National Association

PITTSBURGH MEETING THIS WEEK WELL ATTENDED

President Priddy Gives Interpretation of Taxation Situation—Recommends Uniform Programs

The inaugural of the new officers of the National Association of Life Underwriters was held in Pittsburgh this week. There was a large attendance despite the fact that there are so many important questions confronting life insurance men throughout the country, to say nothing of the Liberty Loan drive. Rather it was largely because of the momentous questions facing agents and general agents—with particular reference to Washington taxes and legislation—that so many left their businesses to come.

President Priddy began his talk by telling of preliminary plans for the 1918 convention which will be held in New York City. He strongly recommended that local associations meet and elect officers during June, which would give new officers a chance to attend the national conventions. He also advocated uniform programs for local associations at their regular meetings.

Wants Associations Named After Cities

He discussed the advisability of having State advisors for the various associations. Another recommendation was to change names of associations to the cities where headquarters are located. At the present time there are such associations as Puget Sound Life Underwriters' Association and Central West Virginia Life Underwriters' Association. Next President Priddy told of the war savings certificates, which are described on page 3 of this paper.

Mr. Priddy also made an appeal for cash or check to accompany application for membership. Many men after "joining" the association have not paid their membership dues.

Mr. Priddy also described the situation with reference to income tax, excess profits tax, etc. He said the companies would pay the 80 cents a thousand stamp tax. This tax, by the way, applies regardless of the type of the policy.

GETS GENERAL AGENCY HERE

R. C. Ellis, of Kansas, Appointed by Niagara Life—C. R. Telford With Lapsed Policy Department

The Niagara Life has made the following additions to its field force:

R. C. Ellis, general agent New York City; formerly district manager Germania Life Insurance Co., Lawrence, Kansas.

C. R. Telford, Buffalo, N. Y., traveling supervisor lapsed policy department; formerly manager Aetna Life Insurance Co., Elmira, N. Y.

Samuel Curtis, Buffalo, N. Y.; formerly with Prudential Insurance Co., Buffalo, N. Y.

Chester F. Thayer, Newburgh, N. Y.; formerly with John Hancock Life Insurance Co.

John M. McCarthy, Niagara Falls, N. Y.; formerly general insurance broker.

Frank F. Hess, Massena, N. Y.; former druggist.

Anthony J. Gingras, Gouverneur, N. Y.; former merchant.

Joseph Gragetta, Utica, N. Y.; formerly with Metropolitan Life.

C. T. Grove, Buffalo, N. Y.; formerly with Connecticut General Life.

H. A. Little, Buffalo, N. Y., traveling supervisor.

DEPENDS ON LIFE MEN

President Wilson Says They Should be Largest Sellers of Liberty Bonds —New York Meeting

Some interesting information gathered at the October meeting of the Life Underwriters' Association follows:

President Wilson recently informed President Priddy that he expected life insurance agents to be the largest individual salesmen of Liberty bonds.

L. A. Cerf, general agent of the Mutual Benefit, who has attended his first meeting of the Life Underwriters' Association of New York, made a rousing appeal for Liberty bonds. His agency sold about $500,000 of these bonds. The life insurance agents of New York, with the exception of the industrial agents of the Metropolitan, Prudential and John Hancock have sold nearly $1,500,000 of bonds. Sales of industrial agents will be announced later.

The National Association of Life Underwriters may urge having the Pomerene amendment of the War Revenue Bill amended along the lines previously suggested.

If the moratorium bill is killed there is a chance it will be resurrected. This bill, if passed, would have prevented policies of soldiers and sailors lapsing because of non-payment of premiums.

Charles Jerome Edwards, Louis F. Paret, W. F. Atkinson, Sigourney Mellor and Mrs. Ellanora Lochner told what their impressions were of the New Orleans Convention.

The Life Underwriters' Association of New York turned down a proposition to march as a body in the political parade, taking the position that the association could not mix in politics.

SOUTHLAND AGENTS TO MEET

The annual meeting of the agents of the Southland Life Insurance Company will be held at Dallas October 26th and 27th. This annual get-together meeting of the Southland standard bearers is a feature that strongly appeals to the field men of the company, and many more than usual have already signified their intention of attending this meeting.

L. Linzmeyer, vice-president and actuary of the Southland Life, of Dallas, is attending the meeting of the Actuarial Society of America this week.

44 MILLIONS from 42 AGENCIES

THE 1916 RECORD OF OUR EARNEST, LOYAL AND HAPPY AGENCY FORCE

New England Mutual Life Insurance Company

BOSTON, MASS.

Capable Agents, Desirable Company

The two most important factors in life underwriting are capability in the Agent and quality in the Company. If the Company provides an unexcelled, attractive policy for a low net cost, and has a reputation for prompt and efficient service, the result is contentment, loyalty, and success for the man in the Field, if he is capable. This Company's record is evidence of the character of its representatives and of the quality of the institution.

Occasionally we have a General Agency opening

JOSEPH C. BEHAN, Superintendent of Agencies

MASSACHUSETTS MUTUAL Life Insurance Company

Springfield, Massachusetts

Incorporated 1851

LIVE HINTS FOR BUSINESS GETTERS

Practical Suggestions to Help the Man With the Rate Book Increase His Income and General Efficiency

G. W. Power's Last Five Cases

G. W. Power is an agent of the Fidelity Mutual Life in Traverse City, Mich. Recently he described for field men of the company his experiences in closing his last five cases. The Eastern Underwriter is indebted to the "Fidelity Field Man" for permission to reproduce these experiences:

Case No. 1. This case was a long holdover. The prospect was an old policyholder, well satisfied and our personal relations had always been cordial. He had succeeded well with an Overland agency and last spring finished a large building with display rooms and a garage, at the same time taking on more territory. Of course, all this called for more insurance coverage. Prospect admitted the logic of all arguments, but felt he should wait and see what his new venture had in it. Fall approached, and then he should wait fearing an early frost and then the winter might be a repetition of our last one. It would be better to wait until spring. Case was closed by assuming to change places with him. He admitted he could never sell cars and countenance such excuses. Simply had to make his arguments ridiculous in his own sight and figuratively take him by the neck and make him sign. Immediately after he was pleased with what he had done and is inquiring of us when his policy may be expected.

Case No. 2. A policyholder responded to our request to submit three names on Form No. 1118 which was enclosed with his premium receipt. This business resulted. The policyholder made the introduction, explained that I was the insurance man he had referred to a few days previous and suggested that the Endowment be arranged for immediately. The applicant is a minor, but our friend looked up the father with me and it was all over.

I had not met the policyholder before. He said he liked the Fidelity because of the character of the agent who wrote him, and then, later, he liked the letters we wrote him and the genuine interest the Company seemed to take in its clients. We will deliver the policy and collect the premium. I am to see more of his friends later. I have sent him a box of cigars. Yet he did all of this out of the kindness of his heart toward us.

Case No. 3. The most difficult man for me to handle is the sort that believes in the idea, has a little insurance, but who hates to let go the premium and who soothes his conscience and thinks he is satisfying me by the promise that sometime, a little later, he will do the right thing. These men are more fertile with no-account excuses than any others I meet. Such was this.

The three other men in the drug store were insured through me and they were evidently anxious to see this case closed. The prospect, it seemed, had boasted some since my last visit that he could not be written. I had chosen a time of day when trade would be dull and, carefully avoiding any reference to business, got the cigars passed and everyone settled. After a little talk the conversation turned to the increasing cost of everything and naturally to the necessity of being prepared for the unexpected. I was sitting at the manager's desk and the application came right out. The boys gave me the answers and when signing time came they furnished most of the arguments and about all of the pressure. The applicant was a good sport, he took his binding receipt and settled on the spot. The disability feature furnished the argument, but it surely pays to have loyal policyholders about.

Case No. 4. This was a simple case. A young farmer with a dependent mother discussed his plans with a friend of mine. The farmer had no insurance and listened to my friend. When I visited the town next, the friend drove me out to the farm and attended to the introduction. It was only a matter of fitting the prospect with the policy. He chose 15-Pay.

Case No. 5. This man insisted he was sufficiently insured. He is successful in his business, has no debts, his family is small. The fact that his wife is well trained in business practises and that money placed in their business brought better investment returns, tended to satisfy him that more money paid out in premiums would be unwarranted. The usual arguments would have been wasted, so I prepared to take my leave, but turned and inquired if he had secured the future of his baby. It hadn't occurred to him that the wife and mother might not succeed him for long, or that her judgment might not always prove infallible, so with but comparatively little ceremony he placed his order for a nice line in favor of the little daughter.

* * *

Single Premium Annuitants

An authority on the subject of single premium annuitants gives this information of interest to prospective annuitants:

"The condition created by the very existence of an annuity tends to the longevity of the annuitant. The annuity eliminates all worry as to the safety of the investment. At best, a man or woman who is solely dependent upon the income from invested funds cannot be free from anxiety as to the safety of the income or of the principal. There is always a possibility of loss from trade depressions, labor crises, war or rumors of war. When an investment is made in an annuity in a well established company, the income is rendered as secure as it is humanly possible so to do. A great financial institution guarantees the payment of that income and there is the additional safeguard that the State Governments create departments whose duty it is to supervise the companies and to conserve the interests of all who hold their contracts. The entire absence of anxiety is one of the factors attendant to the extraordinary longevity of annuitants."—Phoenix Mutual Field.

* * *

The Thousand Dollar Man

A direct appeal to agents to get after the $1,000 prospect is made by the Security Mutual Life in the October "Security Agent." The Thousand Dollar man is everywhere these days—that man who can take at least a thousand dollars of life insurance. It isn't a great deal to be sure, but it's better than nothing at all, it's just that much cash for food and rent till a family can adjust themselves, fit themselves for some work and find a job.

Our Perfection Endowment policy at age thirty-five costs $33.05 less than $3.00 a month. Surely in these days of high wages there's hardly a man who couldn't save three dollars a month for life insurance so that "Mollie and the kids" will have something between them and the cold world.

And it's your business to find these thousand dollar men and when you've found them write them for the thousand dollars and as much more as you possibly can.

Labor is so scarce, farmers have been offering four dollars a day for help during harvest and we all know there's much more work to be done in the country than there are men to do it. With better incomes we must all plan to lay up more money else there'll be a sorry time when the lean years come.

It is at this time that the life insurance agent should be writing more business that he has ever dreamed of before, for everything is ripe for good work. If you can't write life insurance now you never can. Providence has smiled on our fields and the harvest is plentiful. We are all practising thrift so that waste which has been in the past the shame of our nation has been greatly lessened. Can't you see how all this releases more money for savings, for life insurance, for the care of the future?

The man of small means has become the man with a very comfortable income and the man who formerly managed to make both ends meet with a bit to spare has come to be a man of wealth because of conditions which the war has brought about. These changes in the family income have brought better living conditions, but too often there is little thought given to the matter of increasing savings. That's where you come in. Here's just your opportunity to make this a harvest time.

It's a well known fact that the small policy is the one most likely to stay on the books. Give us plenty of applications from one thousand to five and we won't worry about the lapse rate. There's comparatively little danger of that for they usually represent the earnest, thrifty, hard working class who look to this life insurance as their protection against future poverty and who perhaps have very little besides, so are prepared to save to keep the insurance.

The small shop keeper, the worker in all industrial lines, the clerks, men in almost all walks of life can carry at least one thousand dollar policies and it is your work to look them up and get the business.

Miss E. Constance Woodward, of the New York Woman's Department of the Equitable Life Assurance Society, recently sold two Income Bonds to one of her clients, one bond to mature at age 55 and the other at age 60. Thus the bond maturing first will provide an income which will incidentally pay the premium thereafter on the other bond.

We want a GOOD PERSONAL PRODUCER and organizer for DESIRABLE TERRITORY in several states west of the Mississippi River. EXCELLENT CONTRACT.

Northwestern National Life Insurance Company

MINNEAPOLIS, MINNESOTA,

is a LEADING LOW NET COST, annual dividend, MUTUAL, OLD LINE company. Record for 1916—increase in insurance in force, 20%; in paid-for business, 51%; in assets, 15%; in amount apportioned for 1917 dividends, 71%.

Applications are invited for appointment

as

Chief Agency Director

and as

Chief Medical Officer

of

Maryland Assurance Corporation

Men, including assistants and juniors holding similar positions with other companies, will be considered. State age, education, training, experience and present and past employments.

Address

JOHN T. STONE, President

Baltimore

Name A. J. Maloney, E. A. Woods, R. M. Coyle

NEW LAWS FOR PENNSYLVANIA

Commission of Three Insurance Men Appointed by Governor of State to Make Recommendations

Governor Brumbaugh, of Pennsylvania, has appointed a commission of three insurance men to investigate and codify the insurance laws of the State, in order to have such statutes on the books that life insurance scandals, such as those which recently occurred in the State, may not be repeated.

The commission consists of E. A. Woods, Pittsburgh, former president of the National Association of Life Underwriters; Andrew J. Maloney, president of the Philadelphia Life, and Robert M. Coyle, a leading Philadelphia fire insurance agent.

In an interview Mr. Woods said the department was handicapped by the fact that there are not enough experts employed. It needs more men to help cut the efficient deputy who has been the real commissioner for some years.

A COUNTRY AGENT

New One Shows What Can Be Done by Intelligence and Observation

During the first week of October, the home office of the New England Mutual Life had the pleasure of a visit from General Agent Nute, of New Hampshire, and three of his agents. These men were brought to the home office by Mr. Nute because each qualified for the trip by writing a certain quota between May 1 and July 1. The men who filled their quotas were Fred D. Cole, West Rumsey; Clinton W. Eastman, Littleton, and Allen M. Freeman, Concord.

As illustrating what a new country agent in a very small town can do, Mr. Nute told this story of a bank cashier, whom he persuaded to act as his local representative. The cashier, who had been insured three times by Mr. Nute, received his license, and within twenty-four hours had sent in an application for $10,000 from a local business man. This man happened to apply to the bank for a loan the very morning the agent's license came. The moment the request for the loan was made, the cashier explained the need of insurance to protect it, and the borrower saw the point at once. This story carries a powerful moral, and there are hundreds of similarly situated cashiers!

DEVEREAUX WITH TRIPP

Frank W. Devereaux, of Albany, N. Y., has been engaged as a special representative of the Fidelity Mutual Life. He will be associated with C. R. Tripp, of Albany, manager of the East Central New York, Vermont and Western Massachusetts Agency. Mr. Devereaux has been connected with S. F. Bowser & Co. for the last ten years. He was earlier associated with the Standard Oil Company in Massachusetts.

HOME'S MANAGERS AND LOAN

The Home Life of New York, in recognition of the fact that its income for premiums is received from every section of the country, has apportioned some of its subscriptions through its managers in the larger cities where it has collecting agencies.

This action has been very well received and has done much to encourage and stimulate activity in the placing of the Liberty Loan bonds.

NEW REINSURANCE COMPANY

Permanent Officers to Be Elected in a Few Days—Capital May Be Increased

Only temporary organization has been effected of the Life Reinsurance Corporation of New York. Within a few days accommodations will be secured and permanent officers elected. W. H. Sale, temporary president, who may take that position permanently, has been connected with the life and accident insurance business for many years, recently in Hartford where he has devoted all his attention to reinsurance. Harry B. Bradbury, a lawyer specializing in insurance law at 141 Broadway, New York, is temporary secretary, but it is likely that somebody else will take that office when permanent organization is completed. He will, however, act as attorney for the corporation. He has practiced insurance law in New York for over twenty years and has written a book on compensation insurance which has had considerable circulation. It is likely that the capital, now $100,000, will be increased after the company gets under way. The organizers plan to enter about twelve States within a short time. They say that the company is being organized in response to an increasing demand for domestic reinsurance facilities.

In attempting to make two policies grow where only one grew before, don't fail to plant some where none have ever grown.—"Agency Items."

Nesbit Made Commissioner

(Continued from page 2)

pensation and insurance is expected to come in large measure from the sale of bonds of the Second Liberty Loan.

In view of the importance of the new law to those in military and naval service and their families and dependents, the following official summary covering various cases was prepared by Director De Lanoy immediately following notification of the loss of the "Antilles":

Compensation for Death or Disability

Compensation is payable for death or disability resulting from personal injury suffered in line of duty. It is paid by the United States without contribution from the person protected.

Compensation in Case of Death to Family

The only persons entitled to receive compensation in case of death are the widow, children and dependent widowed mother of the deceased.

The monthly sums payable in each case are stated and are not based upon the pay of the deceased.

(a) For a widow alone, $25.
(b) For a widow and one child, $35.
(c) For a widow and two children, $47.50, with $5 for each additional child up to two.
(d) If there be no widow, then for one child, $20.
(e) For two children, $30.
(f) For three children, $40 with $5 for each additional child up to two.
(g) For a widowed mother $20. The amount payable under this subdivision shall not be greater than a sum which, when added to the total amount payable to the widow and children, does not exceed $75.

Compensation to a widow or widowed mother shall continue until death or re-marriage.

Compensation to a child shall cease at the age of 18, or at marriage, unless the child is incompetent.

Funeral Allowance

The United States shall pay burial expenses not to exceed $100.

Compensation in Case of Total Disability (Sec. 302).

During the continuance of total disability, monthly compensation shall be paid to the injured person.

The amounts payable monthly are stated in this section: They are not based upon the pay of the injured person.

(a) If he has neither wife nor child living, $30.
(b) If he has a wife but no child living, $45.
(c) If he has a wife and one child living, $55.
(d) If he has a wife and two children living, $65.
(e) If he has a wife and three or more children living, $75.
(f) If he has no wife but one child living, $40, with $10 for each additional child up to two.
(g) If he has a widowed mother dependent upon him for support, then, in addition to the above amounts, $10.

To an injured person who is totally disabled and in addition so helpless as to be in constant need of a nurse or attendant, such additional sum shall be paid, but not exceeding $20 per month, as the director may deem reasonable.

For certain specified conditions, or if the injured person is permanently bedridden, $100 monthly compensation is provided. (But no allowance for a nurse shall be made.)

Compensation in Case of Partial Disability

The amount of compensation in case of partial disability is a percentage of the compensation provided in case of total disability.

The percentage is equal to the reduction in earning capacity resulting from similar injuries in civil life.

Attention is called to the very important provision of Section 303, that the United States shall furnish medical, surgical and hospital services, and supplies, in addition to pecuniary compensation.

The men and their dependents are also protected by the automatic insurance granted in Section 401 as follows:

Automatic Insurance

Any person in active service on or after the 6th of April, 1917, is insured automatically until February 12, 1918, unless he has applied for insurance to take effect at an earlier date.

The protection thus given is against death and against total permanent disability occurring, while in active service, from April 6, 1917, to February 12, 1918, inclusive.

If the insured person die, without having become so disabled, during the period stated, monthly installments of $25 each will be paid his wife, child, or widowed mother. These installments are payable to the wife during her widowhood or to the child or widowed mother while they survive him, but not more than 240 installments shall be so paid.

If the insured person becomes totally and permanently disabled during the period stated he will receive an income payable in monthly installments of $25 each during disability. If he die, like installments are payable to the wife during her widowhood or to the child or widowed mother while they survive him, but not more than 240 installments less the number of installments that may have been paid to the insured while disabled shall be so paid.

Every man in active service has the opportunity of buying $10,000 insurance at extremely low rates. He or his family would get $57.50 from that amount of insurance.

THE
METROPOLITAN LIFE
Insurance Company
(Incorporated by the State of New York)



Metropolitan Life Insurance Company
Home Office Building

The Company
Of the People
By the People
For the People

The Daily Average of the Company's Business during 1916 was:

701 per day in Number of Claims Paid.

8,304 per day in Number of Policies Issued and Revived.

$1,969,823 per day in New Insurance Issued, Revived and Increased.

$376,827.40 per day in Payments to Policyholders and Addition to Reserve.

$220,509.26 per day in Increase of Assets.

JOHN R. HEGEMAN, President

Representing

The Mutual Life Insurance Company
of New York

You will make money.

The great strength, big dividends and incomparable benefits of the *"oldest company in America"* mean certain success for you.

For Terms to Producing Agents, Address

GEORGE T. DEXTER, 2d Vice-President
34 NASSAU STREET, NEW YORK, N.Y.

THE EASTERN UNDERWRITER

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MR. NESBIT'S TASK

Some idea of the gigantic task confronting Charles F. Nesbit, who has been appointed commissioner of the soldiers' and sailors' war risk division of the War Risk Bureau, can be gained by the fact that applications for more than $20,000,000 have already been received by the Bureau; that the applications are pouring in by the hundreds, with only a limited staff to date to cope with the situation. As a matter of fact Mr. Nesbit has one of the biggest jobs in the insurance world. The prophecy of a United States Senator that the Bureau would be the largest of all those in the Government machinery, will probably be borne out. That the Government will be carrying about $5,000,000,000 of risks does not seem an exaggeration. Every indication is that $10,000 policies will be very popular. In fact, any man in the service who can take out $10,000, and who does not do so would use poor judgment. That the great undertaking was rushed through without a perfect preliminary organization was unfortunate, but President Wilson and Secretary of the Treasury McAdoo had insisted that the legislation be passed as speedily as possible in order to show the men in the service that the Government was protecting their interest. Thus it happens that a great new Government bureau is born, dealing with life insurance, indemnities, allowances, etc., without experts to man it. Actuaries and others ideally equipped for the position are not yet available to help the Government.

The director of the War Risk Bureau, Mr. De Lanoy, has had a training largely in marine insurance, and is entirely qualified for that end. Although in complete charge of the Bureau, he is not familiar with life insurance, nor with a number of other classifications coming under the general head of insurance and indemnities. However, he is intelligent with plenty of vision. Mr. Nesbit has had about fourteen years' experience in the insurance business, and has been insurance commissioner of the District of Columbia for four years.

While insurance men favored making the Soldiers' and Sailors' Bureau a separate bureau, friends of the administration say that it was possible to pass the bill in its present form only because there is already a working organization provided by the Bureau of War Risk Insurance. This Bureau of War Risk Insurance, however, has not more than thirty men in it, whereas the new soldiers' and sailors' proposition requires so much detail work that it is estimated there will be need for about one thousand employes. The soldiers' and sailors' insurance and indemnity division of the Bureau is already so extensive that this division has been moved to the old emergency hospital.

One of the most important branches of the Bureau is that dealing with allowances and allotments. Allowances and allotments have nothing to do with insurance. They furnish a big complicated problem in themselves, in which the three great departments of the Government—the War, Navy and Treasury—must co-operate in order to have smooth running machinery. The allowance and allotment question may eventually be handled by a committee representing the Army, Navy and Treasury Departments. It is reported that Captain Jacobs, chief disbursing officer of the Treasury Department, will probably represent the Secretary of the Treasury in this division. He is familiar with all the details of the disbursing problem. Just how complicated this problem is can be gauged by the fact that it takes an expert to know just what the pay of an Army or Navy officer is. The status of these officers is constantly changing.

By this brief outline it will be seen Director De Lanoy and Commissioner Nesbit have their work cut out. This work is piling up ahead of them without the satisfactory complement of employes to meet it. Picking the proper heads inside the office will alone be a task. However, in the prosecution of the war the Administration has often found it advisable to act first and later to arrange for carrying out the legislation. The main thing was to pass the bill for the creation of the Bureau. American brains and ingenuity will undoubtedly find a way to execute the detailed work of the Bureau, overcoming all handicaps.

Incidentally, Congress has appropriated $100,000 for carrying on the preliminary work of this Bureau, which already obligates the Government to pay for millions if the contingency arises. Just how long the $100,000 will last can be quickly figured out.

JOINS MURRAY AGENCY

Charles J. Schoen at present connected with the Eastern Department of the Phoenix Assurance Company will shortly join the local agency of Philip A. Murray, Inc., at Mount Vernon, N. Y.

THEODORE COCHEU, JR., DEAD

Theodore Cocheu, Jr., Comptroller of the American Surety Company of New York, died from pneumonia on Friday, October 19th, after an illness of only two days. Mr. Cocheu was also vice-president of the American Audit Company of New York.

THE HUMAN SIDE OF INSURANCE



JAMES J. HOEY

James J. Hoey, the recently elected second vice-president of the Continental Insurance Company, has had an active and interesting career. He was born in New York City, but he lived for ten years in the West—long enough to absorb some of the hustling qualities which are characteristic of that section.

At twenty-one years of age, Mr. Hoey returned to New York and started in business as an insurance broker. In 1906 he was elected member of the Assembly to represent the 13th Assembly District in which he was born. He was re-elected for five consecutive terms. While in the Legislature, Mr. Hoey served on the Committee of Insurance and was for one year chairman of that important committee. He introduced the resolution, which brought about the appointment of the Merritt Committee, which made a thorough investigation into the fire insurance business. The laws recommended by the committee were introduced by Mr. Hoey and subsequently put upon the statute books.

Many of the prominent insurance company officials of the country had occasion to go to Albany during the time Mr. Hoey was in the Legislature and all bear testimony to his intimate knowledge of the insurance business and his zeal and energy in behalf of sound insurance legislation.

Early in 1912 William Temple Emmet, superintendent of insurance, appointed Mr. Hoey Deputy State Superintendent in charge of the New York City office. Mr. Emmet was subsequently succeeded as State superintendent of insurance by Judge Frank Hasbrouck and Mr. Hoey was re-appointed New York deputy. In the State Insurance Department he won additional laurels. It has been said of him that no official that was ever in the department worked harder. The problems that came before him were multitudinous, and varied, but whether it was the mutualization of a five hundred million dollar life insurance company or the complaint of an humble policyholder, they all received his earnest and intelligent consideration.

In the enactment in this State of the Workmen's Compensation Law, Mr. Hoey played a leading part. It will be remembered that great pressure was brought on the Legislature and Governor Glynn to create a State Fund which would write all workmen's compensation insurance, eliminating the insurance companies from any participation therein. This proposition Mr. Hoey steadfastly opposed, and it was largely due to his efforts that a compromise was reached whereby four methods of writing compensation insurance were provided—State Fund, stock companies, mutual companies and self-insurance.

In 1915 he resigned to accept the position of executive special agent of the Continental, Fidelity-Phenix and American Eagle Fire Insurance Companies. Mr. Hoey's retirement from public office was the occasion of a notable banquet tendered to him at the Waldorf Astoria by the leading insurance men of the country.

Mr. Hoey's work in the Evans companies, as executive special agent, was largely in the local field, and an increase of one hundred per cent. in business for the Continental in Greater New York in two years is an indication of his ability as a producer of business. His election as second vice-president is a fitting recognition of his splendid work.

* * *

M. J. Dillon, of St. Paul, who was honored with the vice-presidency of the National Association of Life Underwriters this year, is a life insurance man of long and varied experience. He served as general agent of The Prudential at the home office in Newark; was for seven years general agent at Sioux City for the National Life of Vermont, and since May, 1909, has been Minnesota State manager for the Pacific Mutual. He was secretary of the Minnesota Life Underwriters' Association in 1915, president in 1916 and is now chairman of the executive committee. The St. Paul Association gave a dinner in his honor following the annual convention of the National Association at New Orleans.

* * *

Fred B. Strudell, who has been connected with the Missouri State Life for the past nine years, resigned his position as assistant actuary to take up work with the Southwestern division of the Red Cross Society. Mr. Strudell has been appointed secretary to Geo. W. Simmons, who has been selected by the Government to handle the Southwestern division.

* * *

Charles M. Henderson and Abram J. Mann, of the general agency of Henderson & Mann, New England Mutual Life, Rochester, N. Y., are making a splendid record. Mr. Henderson began his services with the company as general agent at Rochester in 1905. Seven years later Mr. Mann was admitted into partnership. Both these general agents are Rochester men, thoroughly familiar with the commercial and social life of the city. Mr. Henderson, owing to his valuable training in the banking business, directs the office affairs of the agency. He is a gentleman of unusual strength of character, strong, clear-headed and absolutely dependable, and enjoys the confidence and respect of the people with whom he deals.

Mr. Mann is a natural life insurance salesman. Of excellent approach, convincing manner and proper self-reliance; he is a welcome member of the organizations and clubs that mean so much in modern business life. He is singularly fertile in ideas about the business, much of which comes from men of large means. This class of policyholders is well represented in the Rochester Agency.

* * *

Clay Babcock, manager of the Rochester office of Mutual Life, has resigned from the 8th division draft board, New York State.

FIRE INSURANCE DEPARTMENT

Government Form Puzzles Companies

LOSS PAID TO QUARTERMASTER AS INTEREST APPEARS

"U. S. Government Form No. 1" Is Similar to General Merchandise Cover in Other Respects

A form offered to the fire companies this week for the insuring of materials being manufactured, etc., for the Government has met with a mixed reception. One group of companies, in declining to issue policies using this form, gave as a reason for their action unfavorable conditions which, they say, are bound to develop in event of a loss. They stated they would be forced to favor the assured whether the conditions of the loss warranted it or not.

The form is as follows:

The United States of America and ....., contractor. $..... on merchandise of any and every description, manufactured, unmanufactured and in process of manufacture, their own or held by them in trust or on commission, or on joint account with others, or for which they may be legally liable, including labor performed thereon, while contained in and/or on the building, additions and extensions thereto, and on and under sidewalks, situated ..... (premises of..... on..... floor).

This policy does not cover patterns, models, moulds, matrices, drawings, designs, dies, solutions, photographic negatives or lithographic plates or stones or engravings thereon, unless a separate amount is insured on such articles, or any of them, by a specific item or items covering no other kinds of property than those here named, and then under such specific item or items only; but this provision does not apply to such articles when kept for sale as merchandise only.

This policy does not cover and will not contribute to any loss on property in which the United States of America has no interest.

It is understood and agreed that this insurance first applies for the benefit of the United States of America, and balance, if any, for the benefit of..... as interest may appear; loss if any to be adjusted and payable accordingly, and any loss payable to the United States of America shall be paid to the Depot Quartermaster, United States Army, New York.

Other insurance permitted.

Privilege granted for existing communications; for present and other occupancies not more hazardous, and to do such work and to use such materials as are usual in such occupancies; to work at any and all hours, Sundays and holidays; to remain unoccupied and to cease operations as occasion may require; to use gas and/or steam for light, heat and/or power; also kerosene oil stoves for cooking and heating purposes.

Mechanics' Privilege

Permission for mechanics to be employed for ordinary alterations and repairs in the within described premises, without limit of time, but this shall not be held to include the constructing or reconstructing of the building or buildings, or additions, or the enlargement of the premises.

Clause Forbidding Use of Electricity

This entire policy shall be void if electricity is used for light, heat or power in the above described premises unless written permission is given by this company hereon.

Privileged to use electricity in the above mentioned premises for light, and/or heat and/or power, it being hereby made a condition of this policy that where the equipment is owned or controlled in whole or in part by the assured, a certificate shall be obtained from the New York Board of Fire Underwriters, and that no alterations shall be made in that portion of the equipment owned or controlled by the assured after certificate is issued without notice thereof being given to the said board.

Average Clause with Exemptions

This Company shall not be liable for a greater proportion of any loss or damage to the property described herein than the sum hereby insured bears to eighty per centum (80%) of the actual cash value of said property at the time such loss shall happen.

In case of claim for loss on the property described herein, not exceeding five per cent. (5%) of the maximum amount named in the policies written thereon and in force at the time such loss shall happen, no special inventory or appraisement of the undamaged property shall be required.

If the insurance under this policy be divided into two or more items, these clauses shall apply to each item separately.

New York Standard Lightning Clause

This policy shall cover any direct loss or damage caused by lightning (meaning thereby the commonly accepted use of the term lightning, and in no case to include loss or damage by cyclone, tornado, or wind-storm) not exceeding the sum insured, nor the interest of the insured in the property, and subject in all other respects to the terms and conditions of this policy. Provided, however, if there shall be any other insurance on said property this company shall be liable only prorata with such other insurance for any direct loss by lightning, whether such other insurance be against direct loss by lightning or not. (Transit Clause to be attached in case of fireproof building.)

U. S. GOVERNMENT INSURANCE FORM NO. 1.

FIRE AND MARINE INSURANCE—ALL LINES

The Automobile Insurance Company of Hartford, Conn.

MORGAN G. BULKELEY, President

Statement January 1, 1917

Cash Capital - - - -	$1,000,000.00
Assets - - - -	2,748,832.19
Liabilities (Except Capital) - -	1,039,977.81
Surplus to Policyholders - -	1,708,854.38

AFFILIATED WITH

AETNA LIFE INSURANCE COMPANY

THE AETNA CASUALTY & SURETY CO.

LEWIS & GENDAR, Inc.

New York City Agents

Commonwealth Insurance Co. of New York

Telephones: John 63-64-65 ONE LIBERTY STREET, NEW YORK CITY

Brooklyn and Suburban Agency

Northern Asse. Co., Ltd. of Eng. — Firemen's Inc. Co. of New Jersey
Commonwealth Ins. Co. of N. Y. — Globe & Rutgers Inc. of N. Y.
Detroit F. & M. Ins. Co. of Mich. — Employers' Lia. Assce. Corp. of London

145 MONTAGUE STREET, BROOKLYN—NEW YORK

Telephones: Main 6370-6371-6372

Report on Imperial

An examination of the Imperial Assurance Company of New York, as of June 30, 1917, shows admitted assets $949,347, and surplus over all liabilities $228,019. For six months ended June 30 the net premium was $283,051, total income $299,001, net losses paid $139,413, total disbursements $256,162.

Niagara Fire Insurance Company

123 William Street, New York

WILL ACCEPT

Second Liberty Loan Bonds

IN

Payment of Premiums

NORTH BRANCH FIRE INS. CO.
Sunbury, Pa.
Inc. 1911

Assets	$641,341.77
Reserve	230,513.29
Capital	300,000.00
Surplus	63,479.83

CITY INSURANCE COMPANY
Pittsburgh, Pa.
Inc. 1870

Assets	$357,318.58
Reserve	54,256.92
Capital	200,000.00
Surplus	96,379.07

OPERATING ON A CONSERVATIVE BASIS IN A LIMITED TERRITORY UNDER AN EXPERIENCED MANAGEMENT

BROKERS ACTIVITIES

ECKERT AND GEERY AGREE

Court Proceedings Dropped—Geery Now a Partner of Walter B. Coutant

The case of John A Eckert & Co. against John Talman Geery and Walter B. Coutant has been settled. Mr. Geery made a contract with the Eckert office in September, 1914, to solicit business. About two years later the relations between the Eckert office and Mr. Geery became estranged. Mr. Eckert went to court to have Mr. Geery restrained from soliciting business from Eckert customers after becoming convinced that Mr. Geery had gone with Walter B Coutant whose place of business is 125 William Street.

In the course of the court proceedings it developed that Mr. Eckert hired private detectives to shadow Mr. Geery to see if he were having business relations with Mr. Coutant while connected with the Eckert office.

Voluminous affidavits were submitted on both sides, Mr. Geery alleging that he had good and sufficient reasons for being dissatisfied with conditions in the Eckert office, while Mr. Eckert countered with a series of affidavits alleging that he had good and sufficient reasons for dissatisfaction with Mr. Geery.

Application of John A. Eckert & Co. for an injunction was denied. Geery then pressed the case which was finally settled at an amount somewhat less than Geery had previously offered to Eckert—the contract between Eckert and Geery was annulled, the court proceedings dropped and each party given free lance permission to solicit from anybody.

Mr. Coutant and Mr. Geery are now partners in their own brokerage concern.

* * *

Buys "The Surveyor"

Announcement was made this week that the "Insurance Field," of Louisville, has purchased "The Surveyor" and the directory of New York and New Jersey published by the company. "The Surveyor" will be merged with "The Field," which may continue the brokerage section. The directory will be continued.

A. G. Hall, who owned the paper, has been a well-known figure on William Street for a great many years. "The Surveyor" was a reputable insurance newspaper, and at one time made a specialty of brokerage news. George H Holden, who edited "The Surveyor" for about two years, retired from that paper a month ago.

* * *

Not Enough Marine Insurance

In an article in "The Americas" J. McMillan Hamilton, of Cornwall & Stevens, writes:

"At the present time on a ship and cargo valued at $4,000,000 the American companies can care for not more than twenty per cent. of the insurance risk. Our chief dependence is on England, and for the world's commerce to continue any materially increased burden put on English companies by additional taxation will have to be made up by increased rates which the shippers will have to pay.

"It should be borne in mind that while all the available insurance facilities of the world are required to provide coverage for the largest boats, a large part of the world's commerce is still carried on in ships of smaller tonnage, over which there is competition.

"Insurances upon exports must to a large degree provide for loss settlements in foreign countries. This has created a strong demand for insurance in American companies, and has made New York much more of a primary insurance market than it has ever been before."

B. M. CROSTHWAITE & CO.
Fire and Automobile Insurance Specialists
Lines Bound Anywhere in New York State
105 William Street, New York City, N. Y. Telephones 2404-5-6-1758-1090 John

PHILADELPHIA
ADEQUATE FACILITIES — ALL LINES
CLARENCE A. KROUSE & CO.
LOCAL AND GENERAL AGENTS
325 WALNUT STREET PHILADELPHIA, PA.
PENNSYLVANIA NEW JERSEY
SATISFACTION SERVICE — ALL LINES

LOGUE BROS. & CO., Inc.
Fire—Casualty—Automobile Insurance
Nation-Wide Facilities for Handling SURPLUS LINES
307 FOURTH AVENUE PITTSBURGH, PA.

Brokers' Liberty Loan Drive

The two hundred brokerage offices are all working with from five to twenty-five men each in the Liberty Loan drive. The brokers' committee is composed of R. H. Depew, J. A. Eckert, A. C. Hegeman, E. Kipp, F. S. Little, R. C. Rathbone II and L. A. Wallace. The marine men are also working under a committee headed by Hendon Chubb.

Early in the campaign, which really started this week, the Globe Indemnity took a big lead in the casualty section, with thirty-four day workers and over 100 night men. A. Duncan Reid heads the casualty, surety and miscellaneous section. All the casualty offices are helping and they have 500 day men and 1,000 night men on the job. In many instances women are giving valuable aid.

* * *

President of Liberty

John C. Lynch, a broker, has been elected president of the new Liberty Assurance Corporation, which is trying to raise $500,000 for organization purposes.

* * *

Not Licensed in Pennsylvania Yet

The action of the American Druggists' Fire Insurance Company to compel the Pennsylvania Commissioner to grant the company a license has been dismissed.

* * *

Patriotic Ad.

Three names were signed to a full page Liberty bond advertisement in the New York "Commercial" of Wednesday. One of them was that of C. A. Orr, manager of marine department of the National Union Fire.

SCHAEFER & SHEVLIN
103-5 William Street GENERAL AGENTS New York, N. Y.
DUBUQUE FIRE AND MARINE INSURANCE CO.
Excellent Facilities for Handling Suburban Business Phone: John 2312

Await News of Tax

(Continued from page 1)

placing the burden of paying the tax upon the agents or in offering to deduct same from gross premiums. The detrimental effect on the agents is cited as standing in the way of the former and the uncertainty as to whether the latter would be acceptable to the Government makes its adoption improbable.

A preponderance of the letters from agents shows that there is a prevalent fear that they will again be forced to waste time and money in the handling of a stamp tax, in spite of the fact that there is no such provision in the bill.

* * *

One Executor's Angle.

One company official said that, in his opinion, it was absolutely impossible for the companies to make any statement which could be relied upon, because the law specifically says, in Section 505, that the return shall contain such information and be made in such manner as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury may, by regulation, prescribe, and this company official, therefore, said that the companies could, in no way, make any decision but could only await such regulations as would be issued from the Treasury Department, in accordance with this provision.

MACONACHY WITH FIREMEN'S

Will Manage Automobile Department—Western Department of Newark Moved to Chicago.

J. G. Maconachy, for years past agency superintendent of the Newark Fire, has tendered his resignation to that company, effective December 1, when he will assume the management of the automobile department of the Firemen's of Newark.

The Western department of the Newark Fire is being moved to Chicago where the Western department of the Royal is managed.

Langdon C. Quin, State agent of the New Jersey Fire in Georgia, Alabama, South Carolina and Florida, has been commissioned Squadron Adjutant, First Lieutenant, Aviation Corps. Mr. Langdon's appointment to the army takes from the New Jersey Fire every field man it had in the South previous to the war. Mr. Langdon's two assistants, George W. Flynn and R. M. Settle, preceded him. Mr. Flynn is now at the officers' training corps at Fort Oglethorpe, attached to the 6th Infantry. Mr. Settle is sergeant of Battery B, 306th Field Artillery, located at Fort McPherson. The proportion of men which the New Jersey Fire furnished to the Government is exceptionally large. The service flag of the company which was displayed on the home office building this week shows seven stars,

FRED. S. JAMES GEO. W. BLOSSOM WM. A. BLODGETT
FRED S. JAMES & CO.
123 WILLIAM STREET
United States Managers
GENERAL FIRE ASSURANCE CO. of Paris, France
URBAINE FIRE INSURANCE CO. of Paris, France
EAGLE & BRITISH DOMINIONS INS. CO. Ltd. of London, England
NEW YORK
C. B. G. GAILLARD Assistant Manager
UNDERWRITING SERVICE THROUGHOUT THE UNITED STATES

The Resignation of David Rumsey

ENTERS BROADER FIELD OF INSURANCE LEGAL PRACTICE

Brief Sketch of His Work in Past Few Years—A Master of Diplomacy

If the retirement of David Rumsey, second vice-president of the Continental group and general counsel, in order to engage in the general practice of law meant that Mr. Rumsey were retiring from all connection with the insurance business there would be the greatest regret felt among insurance men all over the country, but it is understood that Mr. Rumsey's interest in the broad affairs and principles of insurance is to continue. What he has done is to relinquish his official connection with a group of insurance companies in order that he may branch out into a wider field. He will continue to act as attorney for the Continental group.

The Impression Mr. Rumsey Has Made.

It would be a shame if insurance were to lose Mr. Rumsey, and it is a great satisfaction to know that this will not happen. Few men can compare with him in grasp of insurance economics; in the relation of insurance to the State; in forecasting the future; in understanding the correct relation and juxtaposition of companies and agents. His knowledge of insurance law and of the standard fire policy, coupled with his willingness to take off his coat and work for the best interests of insurance, made him an invaluable factor in the business. Insurance commissioners have relied upon his judgment just as have insurance companies, appreciating his fairness, insight and knowledge. His work has been generally that of a mediator and a counsel, leaving to others matters of underwriting.

The son of a noted jurist, Mr. Rumsey came into insurance prominence when he was called into consultation relating to the affairs of the old Phenix of Brooklyn. It will be recalled the directors of the Phenix asked Henry Evans to become chairman of the Board. Shortly before that time the affairs of the company had been in something of a tangle. Later, the company was consolidated with the Fidelity and became a member of the Evans group. Mr. Rumsey's efforts in this connection were so much appreciated by President Evans that the latter made him general counsel for the Fidelity-Phenix. A short time later he also became general counsel for the Continental.

For years Mr. Rumsey was an important cog in the National Board of Fire Underwriters. What first stamped him as a genius in difficult insurance-legislative situations was his work in Missouri, where the companies left the State. The feeling of Missouri officials, newspaper editors, merchants and manufacturers toward fire insurance company officials was anything but friendly.

If it had been possible to hang the president of an insurance company to a lamp post many strong arms in the State would have pulled the rope. The general idea was that a crowd of bandits in the East was trying to throttle the business credit of the State by the deprivation of fire insurance indemnity. The tip was even given from the attorney-general's office that if any fire insurance executives set foot in the State they would be arrested. It was while this Missouri pot was boiling that a member of the National Democratic Committee came to New York and saw various officials in an endeavor to straighten out the tangle. Among others visited was President Evans. Mr. Evans sent Mr. Rumsey to Missouri. The latter arrived with the temperature at 112 in the shade. He believed that he would not be arrested, but was prepared to withstand the torrid Jefferson City heat in a prison cell, as the attorney-general had threatened, if need be. Mr. Rumsey did not go to jail; instead, he negotiated a settlement which proved satisfactory to the Governor of the State, other officials and insurance companies. A masterpiece of diplomacy, this made a great reputation for the negotiator.

South Carolina and Kentucky

Mr. Rumsey was also prominent in the Kentucky and South Carolina controversies. He was a member of the committee which successfully negotiated the Kentucky settlement. This committee met in Louisville in conjunction with officials of the State and anybody who had anything to say on the subject of insurance was permitted to speak his mind.

When the controversy with Commissioner McMaster of South Carolina was raging. Mr. Rumsey was chairman of the committee on laws of the National Board of Fire Underwriters. As will be recalled. after the companies pulled out of South Carolina there was practically a battle in the forum of public opinion. Both sides exerted every pressure to influence the public and win it to its side. The insurance companies won. the objectionable law being repealed.

When the Continental group pulled out of the National Board many company officers who had been associated with Mr. Rumsey on committees and conferences felt greatly distressed. He did not entirely disassociate himself from National Board affairs, however. as he has been on at least one committee. which is still in conference with insurance commissioners.

Rate Hearings

No comment upon Mr. Rumsey would be complete without some reference to his participation in the rate discussions before the insurance commissioners. mostly at the Hotel Astor. His passages —not of arms. but of opinions—between Judge Moore, of Ohio; Herman Ekern, of Wisconsin, and other supervising dignitaries will pass down into fire insurance history. Rarely did he agree with them, but at the finish of one of the sessions they passed a resolution thanking him for the arguments that he presented. Mr. Rumsey, with C. F. Shallcross, represented the National Board in conferring with insurance commissioners when the new standard fire policy was being drafted.

President Evans, of the Continental, in an interview in announcing the retirement of Mr. Rumsey as second vice-president, paid a high tribute to his abilities.

PREMIUMS IN LIBERTY BONDS

Niagara Fire's Announcement—Can Apply to Outstanding Balances of $1,500,000

The Niagara has issued the following circular to agents and brokers:

This Company is prepared to accept at face value Second Liberty Loan bonds (United States of America 10-25 Year 4 per cent. Convertible Gold Bonds) in payment of agency balances or premiums due it.

The purpose of this offer is obvious to you. It holds good to, and inclusive of, November 15th, 1917. The bonds must be delivered to us by hand or by registered mail at sender's risk.

O. E. LANE,
President.

The outstanding balances to which this will apply aggregate $1,500,000.

WALTER COWLES TO SPEAK

Annual Meeting of Insurance Federation of New York State Being Held in Albany

Walter Cowles, vice-president of the Travelers, will be the principal speaker at the annual meeting of the Insurance Federation of New York which will be held in Albany today. A splendid program has been arranged, and insurance men from all parts of the State will attend the meeting.

BALLARD JOINS SOCIETY.

Sumner Ballard, of the "Journal of Commerce" and president of the International Insurance Company, has joined the Insurance Society of New York.

Among other new members are J. Victor Lane, Northern of London; Paul E. Rasor, manager, and Eugene J. Sullivan, an insurance agent of Woburn, Mass., and Hugh R. Loudon, L. & L. & G.

CONTINENTAL
(FIRE) INSURANCE COMPANY
OF NEW YORK

HENRY EVANS, President

Fire Rent Automobile Tornado
Sprinkler Leakage Use & Occupancy
Profits War Risk Explosion
Marine and Inland Transportation

CASH CAPITAL.....TEN MILLION DOLLARS

Total Assets	$34,114,372
Total Liabilities	21,811,038
Net Surplus	12,303,334
POLICYHOLDERS SURPLUS	$22,303,334

FROM STATEMENT AS OF JANUARY 1, 1917

Losses Paid Since Organization Over One Hundred Million

Continental Commands Confidence

HOME OFFICE	PACIFIC COAST DEPT.	WESTERN OFFICE
80 Maiden Lane New York	Insurance Exchange Bldg. San Francisco	332 So. La Salle St. Chicago

Local Agents and Marine Policies

POSITION OF STATES GIVEN REGARDING COUNTERSIGNING

No Provision in This State Requiring Countersignature by Agents—Same in Pennsylvania

The rapid growth of both ocean marine and inland marine insurance business in the United States and the entrance upon the transaction of those lines by many fire insurance companies have brought up some questions of practice and the interpretation of laws covering such classes of business.

One of the points which has been raised is as to the signing or countersigning of marine or inland transportation policies by resident agents, particularly in States requiring fire insurance policies to be so signed or countersigned.

The Spectator has made inquiry of a number of the State insurance departments as to the requirements upon this point and has received numerous answers, which are given in substance or quoted below:

Alabama.—The law specifically provides that fire, fire-marine and marine insurance companies shall not make contracts in that State "save through agents of such companies regularly commissioned to write policies or certificates of fire, fire-marine, or marine insurance" therein, but excepts "actual property of railroad companies doing directly a transportation business over its own line beyond the limits of this State."

Arkansas.—The law specifies that any fire insurance company authorized to do business in Arkansas is prohibited from authorinzing or allowing any person, agent, firm or corporation, who is a non-resident of Arkansas, to issue or cause to be issued its own policy or policies of insurance or re-insurance on property located in Arkansas.

Canada.—The Dominion law does not require marine and inland transportation policies to be written or countersigned by agents resident in the Dominion.

Connecticut.—All companies, except life insurance companies and fraternal benefit societies, must have their policies issued in Connecticut countersigned by a lawfully constituted and licensed resident agent in that State.

Delaware.—Marine and inland policies are required to be countersigned by resident agents.

District of Columbia.—No resident agency requirement as to countersigning policies.

Florida.—Policies of marine and inland transportation insurance on property located in Florida must be countersigned by an agent who is a resident of that State.

Illinois.—The Superintendent of Insurance states that "by the provisions of the fire insurance laws of this State fire companies may do marine and inland transportation business. The law requires all policies of fire insurance companies to be countersigned by a resident agent. It therefore follows that all policies issued by marine or inland navigation and transportation companies must likewise be countersigned by a resident agent."

Kansas.—All policies issued by stock fire insurance companies covering Kansas property must be countersigned by a resident agent who is licensed to represent such company in Kansas.

Louisiana.—All policies of marine and inland transportation insurance on property located in Louisiana must be countersigned by a resident agent of that State.

Maine.—Marine and inland insurance companies are required to transact all business through duly licensed agents,

(Continued on page 14)

Look Into Auto Service Scheme

DEPARTMENT CURIOUS ABOUT "AMERICAN AUTOMOBILISTS"

Contract "Not Indemnity or Insurance," But Looks Like a Policy— Legal Aid

The New York Insurance Department is taking an interest in the American Automobilists' Service Association which issues a contract for the protection of motorists which looks like a policy, but which the document says is not insurance indemnity.

Inquiry into this organization's history by The Eastern Underwriter discloses that it was originally known as the Automobile Owners' Service Association which was incorporated in Delaware and maintained an office in New York at 77 Broad Street. The New York Insurance Department received information that the association was operating in Long Island without authority from the State. Since that time the Department has received complaints from time to time that the association's contracts were being misrepresented by its agents and also that agents were operating without being licensed to sell insurance as required by law.

Jamaica Court Complaint

The owner of a Ford car, living in Jamaica, L. I., complained in a magistrate's court that Irvin R. Schelhen had sold him one of the association's contracts for $19.75, representing that it was a full coverage automobile policy, except that it did not cover fire. Examination of the contract shows that it does not claim to be a policy of insurance, but simply a contract for service, notwithstanding that every endeavor has been made, from a typographical standpoint, to have the contract appear exactly like an insurance policy. Schelhen did not appear when the case was called and his bail bond was forfeited. A warrant for his arrest was issued.

A hearing on this case was held before Special Sessions in the City of New York and attorneys for the association succeeded in having the case put over several times. After this trouble arose the managers changed the name of the association to the American Automobilists' Service Association. This organization is not incorporated. It is operating from the same offices as did the former association. Meyer Greenberg, of 99 Nassau Street, was attorney for both. He is also attorney for Shelhen, whose home address is given as Flushing, L. I.

How Contract Reads

The first page of the contract reads in part:

Whereas, the members of this Association have joined together to secure the advantages of co-operative service, relating to their automobiles in the particulars hereinafter set forth and have by their Articles of Association duly authorized and empowered their officers, whose names are hereto subscribed, to enter into individual contracts in the name and on behalf of the Association with the individual members thereof and,

Whereas ....., of the City of .....State of....., the owner of ..... automobile, Factory No. ....., is desirous of securing service from the Association for one year from this date,

Now, therefore, in consideration of the sum of $19.75, in full paid for such service, for one year from the date hereof, the receipt whereof by the said Association is hereby acknowledged, the said Association does hereby covenant, agree to and with the said .... that the Association will furnish and render unto him the following services:

1. Theft Protection Prevention. The Association has retained competent detective agencies to recover said Automobile or its equipment when lost or stolen.

2. Towing. The Association will tow for said owner, without charge, the above-described machine when totally disabled within ten miles of one of the official stations of the Association to said station.

3. Adjustments. The Association will represent said owner in the adjustment of any claim or controversy whatsoever relative to the use, maintenance and operation of said automobile.

4. Service Department. The Association through its purchasing department will furnish said owner with tires, accessories and supplies at wholesale prices.

5. Bureau of Exchange. This department is maintained solely for members who desire to list their machines for sale or exchange.

6. Highway Improvements. The influence and co-operation of the Association will be used in all movements pertaining to the improvement of highways and the betterment of automobile conditions.

Attached to the document is a sheet of legal paper wherein counsel for the Association agrees for $5 to render the buyer of the contract legal service including defense against personal injury, defense against property damage, prosecution for property damage and general defense.

Countersigning Marine

(Continued from page 13)

resident in the State. It is not required by the statute that counter-signature shall appear upon policies, but all business must be placed through a resident agent. Counter-signature is interpreted as constituting good evidence that a company has complied with the provisions of the statute.

Massachusetts.—The statute stipulates that "foreign companies admitted to do business in this Commonwealth shall make contracts of insurance upon lives, property or interests therein only by lawfully constituted and licensed resident agents." The Department directs attention to the statutory requirement that the contract must be made by a resident agent, but it does not take this to mean that the policy must be written or countersigned by him. This is construed as applying to marine insurance as well as to other classes.

Michigan.—While there is nothing in the insurance law of Michigan requiring that policies of marine and inland transportation insurance on property located in that State shall be countersigned by resident agent, nevertheless it is a ruling of the Insurance Department that whenever such a policy requires the counter-signature of an agent same must be countersigned by a resident agent. All insurance must be placed through a resident agent and the latter must receive all of the commission upon a marine policy issued on property located in that State.

New Jersey.—The resident agent provision of the insurance law applies only to agents of fire insurance companies.

New York.—There is no provision in the insurance law requiring that policies of marine and inland transportation insurance on property in New York State shall be written or countersigned by agents who are residents of that State.

North Carolina.—Policies of marine and inland transportation insurance on property located in North Carolina must be written or countersigned by resident agents.

Ohio.—Every policy or contract of insurance upon Ohio property must be written through a legally authorized agent in that State, who is required to countersign such policies and enter payment of premium upon his record.

Oklahoma.—Law requires all policies of insurance issued on property in Oklahoma to be countersigned by a resident agent, except marine and inland insurance, which are exempted from this requirement.

Pennsylvania.—The act of 1899, which is the only law in Pennsylvania requiring the transaction of business through resident agents, only applies to companies writing fire insurance. The Department has always held that this law is only applicable to policies of fire insurance and that policies of marine and inland transportation on property located in Pennsylvania are not required to be written or countersigned by agents who are actually residents of the State.

Rhode Island.—Contracts of insurance shall be made only through lawfully constituted licensed resident agents.

South Carolina.—The law of April 12, 1915, making it unlawful for any insurance company doing business through agents in South Carolina to write or place any policy of fire, marine and other classes of insurance, except through or by a duly authorized agent residing in that State, applies specifically to marine insurance.

Tennessee.—No policy of any fire, fire-marine or marine insurance company or association may be issued upon Tennessee property, except after said risk has been approved by a local agent who is a resident of that State, regularly commissioned and licensed to transact business therein, and such resident agent shall receive the full commission thereon when the premium is paid.

AD CAUSES STIR

Clark, Lee, Tibbits Co., White Plains, Tell Taxpayers They Had Rates Reduced

An advertisement of Clark, Lee, Tibbits Co., Inc., well-known insurance agents in White Plains, has caused quite a stir among local agents there. This advertisement, headed: "Important Notice to the Taxpayers of the City of White Plains," reads as follows:

"Through our persistent efforts we have had the fire insurance rates on the public schools reduced:

	Old rate.	New rate.
Fisher Avenue School..	.615	.405
High School	.542	.532
Court Street School....	.43	.34
East View School	.565	.395
Hillside School	.36	.31
Harmon Street School..	.295	.285
Post Road School	.25	.19

"This saves the City of White Plains $268.62 on fire insurance premiums. We also have saved the city $645 on liability insurance premiums. This makes a total saving of $913.62 in three years. Consult us about reducing your insurance rate. There are five insurance experts in this reliable old organization.

"Clark, Lee, Tibbits Co., Inc., established 40 years. T. Frederick Lee, president; Fred N. Clark, treasurer."

Clark, Lee, Tibbits Co., Inc., represent the following companies:

Continental, Fidelity-Phenix, Aetna, Liverpool & London & Globe, Atlas, British-America, Commercial Union, Fireman's Fund, Michigan Fire and Marine, National Union, Northern, Pennsylvania, Royal, Royal Indemnity, National Surety, Travelers, Hartford, London & Lancashire, London Assurance, Security, Hanover, Springfield F. & M., Standard Fire, New York Underwriters, Equitable F. & M., Lloyds Plate Glass, Hartford Accident & Indemnity, Northwestern National, Colonial, Aachen & Munich, Pittsburgh Underwriters, Great Eastern, Mechanics & Traders, New York Plate Glass, United States Fire, Fidelity & Deposit, Fidelity & Casualty.

MULTIPLE AGENCY COMMITTEE

Will Be Appointed at National Association of Insurance Agents' Convention Here

The committee of five representatives of the National Association of Insurance Agents to confer with companies on multiple agencies will be named at the joint meeting here on October 30 of the executive and finance committees of the national association. President E. M. Allen will be in attendance at this conference.

SUCCESS OF LECTURES ASSURED

Interest in the lectures for the benefit of women in the insurance business is so great that a second series is being planned to commence after the holidays. The rooms of the Insurance Society of New York will accommodate 74 persons and for the first lecture, October 29, apportionment has been made as follows: Royal 5, Hamlin & Co. 2, Frank & DuBois 2, Continental 1, Westchester 5, Fred S. James 3, London Assurance 5, Northern Assurance 5, W. L. Perrin 2, Committee on Losses 3, North British & Mercantile 10, Home 10, Ring & Ring 1, Commercial Union 5, Queen 5, Dutcher & Edmister 2, Wallace Reid 3 W. L. Fuerst 2, Cornwall & Stevens 2, Royal Exchange 1.

President Allen, Chairman Cox and Secretary Putnam will attend a series of State meetings to be held in New England, at Springfield, Mass., October 25; Norwich, Conn., October 26, and Concord, N. H., October 31. They will also meet with other officers and members of the executive committee in New York October 30 to plan out extension work for the ensuing year in co-operation with State associations.

L. & L. SCHEDULE

There was considerable discussion of the L. & L. rating schedule at the recent meeting of the Eastern Union.

NEW MARINE COMPANY

The Franco-British Marine Insurance Co., Ltd., has just been registered in London with an authorized capital of £50,000. The first directors are: John Slater (proprietor of Adam Bromley and Son, steamship owners and colliery proprietors, of London, Newcastle, Cardiff, Hull, Glasgow, etc.), J. Russel Ferguson and Erik Brockdorff.

ALLEGHENY COUNTY ADVANCES

Advances in rates have been ordered by the Board of Fire Underwriters of Allegheny County on the following classes. Unprotected, 15 per cent.; unprotected-hotels, 20 per cent.; unprotected-dwellings, 20 per cent.; protected-within public fire protection, 20 per cent.; protected-all other retail stocks, 10 per cent.; protected-frame dwellings, 10 per cent.; sprinklered risks are exempted.

SUN IN WESTERN CONFERENCE

The Sun of London has joined the Western Sprinkler Leakage Conference.

BROKERS!

KEEP POSTED
BY READING

THE EASTERN UNDERWRITER

Subscription $3 a Year

Eastern Union's New Rules For Use and Occupancy

This rule shall apply only to risks rated in excess of 10 cents per annum on building.

Definition

"Use and Occupancy" insurance is insurance against loss of

(a) In manufacturing risks, net profits on goods, the production of which is prevented, and such fixed charges and expenses as must necessarily continue during a partial or total suspension of production.

(b) In non-manufacturing risks, net profits on sales of goods or on other operations, which are prevented, and such fixed charges and expenses as must necessarily be continued during a partial or total suspension of business.

Conditions of the Policy Contract

(1) Policies not to be valued policies, but shall be so worded that liability for total suspension shall be limited to "actual loss sustained at a rate not exceeding $..... per day" (this being the stated per diem amount for each business day).

The liability for partial suspension shall not exceed the same proportion of the per diem liability which would have been incurred by a total suspension, as the proportion by which the daily business, at the time of the fire, is decreased.

(2) The word "day," however modified, wherever used in this contract shall be held to cover a period of twenty-four (24) hours.

(3) Policies shall be based on thirty business days to the month for risks where the business is carried on without suspension on Sundays and holidays, otherwise they shall be based on twenty-five business days to the month.

(4) Form of contract may apply to the three following conditions:

(a) Straight Use and Occupancy, i. e., where earnings are constant and continuous throughout the policy year.

(b) Fluctuating Earnings, i. e., where earnings fluctuate during different periods of the policy year.

(c) Seasonal Risks, i. e., where earnings are constant, but continue only during a portion of the policy year.

(d) In each of the above cases the stated per diem amounts, multiplied by the respective number of business days during which each amount applies shall not in the aggregate for an entire policy year exceed the total amount of the policy, and the per diem amounts shall be so fixed that the liability under the policy for total suspension of business for an entire policy year shall be the same whether such suspension be caused by several fires occurring at different periods of the year or by a single fire.

(e) Policies covering fluctuating earnings may name more than one per diem indemnity by periods during which the respective indemnities apply, but may not be written for less than one year.

(f) Policies covering seasonal earnings shall relieve the company from all liability during that part of the year for which the per diem indemnity is stated to be "nothing" or for which no per diem indemnity is stated; the exact dates between which liability shall apply and the dates between which liability shall not apply shall both be stated.

(g) Policies may contain a clause basing the daily average business at the time of the fire upon the daily average business for the period of not less than thirty days of full operation next preceding the fire, or if policies cover seasonal or fluctuating earnings, upon the daily average business for the period in the preceding calendar year corresponding to the period of suspension due to the fire.

(5) Policies written to cover either fluctuating earnings or seasonal earnings shall pay the full use and occupancy annual rate and short rates of the annual rates shall not be used for placing such insurance for periods of less than one year.

(6) Policies shall contain the following clause: "It is a condition of this insurance that this company shall be liable for no greater proportion of any loss than the amount of this policy bears to the amount of loss which would be incurred by a total suspension of operations during an entire year beginning with the date of the fire."

(7) Policies shall limit the liability to cover such time (not limited by expiration of the policy) as would, with the exercise of due diligence and dispatch, be necessary to rebuild, repair or replace the property described in the policy.

(8) Policies shall contain the following clause: "The liability hereunder shall not exceed the amount of insurance by this policy, nor a greater proportion of any loss than the insurance hereunder shall bear to all insurance, whether valid or not, covering in any manner the loss insured against by this policy."

(9) Policies shall contain the following clause: "It is a condition of this insurance that the insured shall not be entitled to compensation on account of delay which may be occasioned by any ordinance or law regulating construction or repair of buildings or by the suspension, lapse or cancellation of any license, or for any other consequential damage."

(10) Policies covering replacement of stock in manufacturing risks shall contain the following clause: "It is a condition of this insurance that no liability is assumed on account of damage to the finished product or for the time required to reproduce any finished product which may be damaged."

(11) Policies shall contain the following clause: "It is a condition of this insurance that as soon as practicable after any loss, the assured shall resume complete or partial operation of the property herein described and shall make use of other property, if obtainable, if by so doing the amount of loss hereunder will be reduced, and in the event of the insured continuing business (in whole or in part) at some other location or using other property during the time occupied in repairing or reconstructing the building named herein, the net profits so earned shall be deducted from the amount that under the terms of this policy would otherwise be recoverable by the insured."

(12) Policies shall contain a clause requiring that surplus machinery, or duplicate parts thereof, equipment or supplies, and (if covering replacement of stock) surplus or reserve stock which may be owned, controlled or used by the insured shall, in the event of loss, be used in placing the property in condition for operation.

(13) Policies shall contain the following clause: "In case the assured and this company are unable to agree as to any question affecting the amount of loss under this policy, the same shall be determined by appraisers in the manner provided by the policy to which this form is attached, the provisions of which policy shall govern in all matters pertaining to this insurance, except as herein otherwise provided."

(14) The description and location of the property that would occasion the loss of use and occupancy of the buildings occupied must be clearly indicated.

(15) Policies which are written at the rate applying to replacement of building, machinery and equipment only, shall contain a clause excluding liability for the replacement of stock and such materials and supplies as enter into and become a part of the finished product.

(16) Policies covering mining property shall contain a clause excluding liability for loss due to fires occurring below the surface of the ground.

(17) The following lightning and electrical exemption clause shall be used:

Lightning Clause

Except as provided in the Electrical Exemption Clause below, this policy shall cover use and occupancy loss caused by lightning (meaning thereby the commonly accepted use of the term lightning, and in no case to include loss or damage by cyclone, tornado or windstorm) not exceeding the sum insured, nor the interest of the assured in the property. Provided, however, if there shall be any other use and occupancy insurance on said property, this Company shall be liable only pro rata with such other insurance for any use and occupancy loss by lightning, whether such insurance be against loss by lightning or not.

Electrical Exemption Clause

It is a special condition of this policy that this Company shall not be liable for any use and occupancy loss resulting from damage to dynamos, exciters, lamps, switches, motors and other electrical appliances or devices caused by electrical currents whether

"The Leading Fire Insurance Company in America"



WM. B. CLARK, President

AETNA INSURANCE COMPANY

Aetna Fire Underwriters Agency

of Aetna Insurance Co.

Application For Agencies Invited

GERMANIA
FIRE INSURANCE COMPANY
NEW YORK.

ORGANIZED 1859

STATEMENT, JANUARY 1, 1917

Cash Capital	$1,000,000.00
Assets	8,553,704.22
Liabilities	4,222,485.60
Net Surplus	3,331,218.62
Surplus for Policy Holders	4,331,218.62

HEAD OFFICE
Cor. William and Cedar Streets

THE HANOVER
FIRE INSURANCE COMPANY
Incorporated 1852

The real strength of an insurance company is in the conservatism of its management, and the management of THE HANOVER is an absolute assurance of the security of its policy.

R. EMORY WARFIELD, President
FRED. A. HUBBARD, Vice-President
E. S. JARVIS, Secretary
WILLIAM MORRISON, Asst. Sec'y

HOME OFFICE
Hanover Bldg., 34 Pine St.
NEW YORK

HOWIE & CAIN, General Agents
Metropolitan District
100 WILLIAM STREET, NEW YORK

207th Year
SUN
INSURANCE OFFICE OF LONDON
FOUNDED 1710
UNITED STATES BRANCH:
54 Pine Street - New York
WESTERN DEPARTMENT:
76 WEST MONROE ST., CHICAGO.
PACIFIC DEPARTMENT:
N. W. Cor. Sansome & Sacramento Sts.
San Francisco, Cal.

BRITISH AMERICA
ASSURANCE CO.
Incorporated 1833
(FIRE AND INLAND MARINE)
Head Office, Toronto, Canada
United States Branch
January 1, 1917

Assets	$1,936,279.77
Surplus in United States	823,964.59
Total losses paid in United States from 1874 to 1916, inclusive	24,669,753.43

W. R. BROCK, President
W. B. MEIKLE, Vice-Pres. & Gen. Mgr.

Authorized Capital $500,000
Detroit National Fire Insurance Co.
DETROIT, MICHIGAN
A Company to be built gradually and along the indicated lines of permanence
AGENCY CONNECTIONS SOLICITED

NEW YORK STATE DEPARTMENT
HUMBOLDT FIRE OF PA. TEUTONIA FIRE OF PA.
CAPITAL FIRE OF N. H. GEORGIA HOME OF GA.
PERCY B. DUTTON, Manager, ROCHESTER

INCORPORATED 1720
Royal Exchange Assurance
LONDON, ENGLAND
United States Branch
92 William Street, New York
RICHARD D. HARVEY
United States Manager

artificial or natural, including lightning.

(18) Other clauses, such as those regarding alterations and repairs, hours of operation and permission for devices and hazards, may be used as permitted by the local rules applying to ordinary fire policies.

(19) The same term rule shall apply to use and occupancy insurance as applies to property damage insurance.

Rates

(20) Rates for use and occupancy, except when otherwise and specifically promulgated.

Non-Manufacturing Risks

Class Rates	Covering Bldg. and Machinery and Fixtures Only	Covering Bldg. and Machinery and Fixtures and Stock or Stock Only.
(a) If 50% or more of floor area, including basements and sub-basements, is of fireproof construction or sprinklered, 90% of.....	80% Coins. Building rate	Average of 80% Coins. Building and Contents rates
(b) If less than 50% of floor area, including basements and sub-basements, or if none of building is of fireproof construction or sprinklered, 85% of	80% Coins. Building rate	Average of 80% Coins. Building and Contents rates

(c) NOTE: When there is co-insurance rate, take 80% of the flat rate in all cases.
(d) When the only co-insurance rate published is based on a higher percentage than 80% co-insurance use such published rate as though it were an 80% rate, taking the reduction, if any, from the co-insurance rate as published.

Manufacturing Risks

(e) Covering building and machinery and fixtures only.

80% Coins. Building Rate.

(f) Covering stock only, machinery only, or both.

80% Coins. Contents Rate.

(g) Covering building, machinery and stock.

Average of 80% Coins. Building and Contents Rate.

(h) When there is no co-insurance rate, take the flat rate in all cases.

General Provisions Applying to Both Classes

(i) Average fire rates covering on or in different fire divisions shall not be used.

(j) All average rates for use and occupancy shall be specifically promulgated.

(k) When two or more buildings or their contents are covered, the rate of the highest rated building, or its contents, shall apply, unless average rate has been promulgated.

(l) Whenever use and occupancy policies contain a clause assuming liability for interruption of production or operation by reason of the damage or destruction of any power plant furnishing power, and located outside of the insured premises an extra rate of 50% of the use and occupancy rate applying to the power plant in the building containing the same shall be charged.

Form of Policy

The following form complies with all the requirements of this rule and is recommended for writing use and occupancy insurance. Examples are given showing how it may be adapted to the cover of "Straight Use and Occupancy," "Fluctuating Earnings" and "Seasonable Risks" mentioned in section (4) of the rule.

Straight Use and Occupancy

For "Straight Use and Occupancy" the form applies as follows, assuming the policy to be dated May 15 and issued for $3,650:

Business Interruption Indemnity

(Use and Occupancy Insurance.)

$3,650.00..On the use and occupancy of .....
situated .....
Town of .....
State of .....and
occupied for.....

The word "business" wherever used in this contract shall be considered and held to have the following meaning according to the class of property insured:

(a) In a Manufacturing property: "The production of goods."

(b) In a Mercantile property: "The sale of goods."

(c) In Other Classes of property: "The carrying on of the business operations usual to the class."

The word "day," however modified, wherever used in this contract shall be held to cover a period of twenty-four (24) hours.

of the said building , or machinery or equipment or stock contained therein be destroyed or damaged by fire occurring during the life of this policy so as to necessitate a total or partial suspension of business, this company shall be liable under this policy for the actual loss sustained of net profits on the business which is thereby prevented, and for such fixed charges and expenses as must necessarily continue during a total or partial suspension of business, for not exceeding such length of time as shall be required with the exercise of due diligence and dispatch to rebuild, repair or replace such part of said building , and machinery and equipment and stock as may be destroyed or damaged (commencing with the date of the fire and not limited by the date of expiration of this policy), under the following terms and conditions, to-wit:

During the time of a total suspension of business, liability under this policy shall not exceed the following amounts for each business day of such suspension:

For each business day from May 15 to the following May 14 (inclusive), $10.00.

For each business day from to the following (inclusive), $.....

Note 1:—The stated per diem amounts, multiplied by the respective number of business days during which each amount applies shall not in the aggregate for an entire policy year exceed the total amount of the policy, and the per diem amounts shall be so fixed that the liability under the policy for total suspension of business for an entire policy year shall be the same whether such suspension be caused by several fires occurring at different periods of the year or by a single fire. This computation to be based on thirty business days to the month for risks where the business is carried on without suspension on Sundays and holidays, otherwise to be based on twenty-five business days to the month.

During the time of a partial suspension of business, the per diem liability under this policy shall not exceed the same proportion of the per diem liability which would have been incurred by a total suspension of business, as the proportion by which the daily business, at the time of the fire, is decreased.

It is a condition of this insurance that this company shall be liable for no greater proportion of any loss than the amount of this policy bears to the amount of loss which would be incurred by a total suspension of business during an entire year beginning with the date of the fire.

Liability hereunder shall not exceed the amount of insurance by this policy nor a greater proportion of any loss than the insurance hereunder shall bear to all insurance, whether valid or not, covering in any manner the loss insured by this policy.

It is a condition of this insurance that the assured shall not be entitled to compensation on account of delay which may be occasioned by any ordinance or law regulating construction or repair of buildings, or by the suspension, lapse or cancellation of any license, or for any other consequential damage.

It is a condition of this insurance that if covering on replacement of stock in a manufacturing property no liability is assumed on account of damage to the finished product or for the time required to reproduce any finished product which may be damaged.

It is a condition of this insurance that as soon as practicable after any loss, the assured shall resume complete or partial operation of the property herein described and shall make use of other property, if obtainable, if by so doing the amount of loss hereunder will be reduced, and in the event of the assured continuing business (in whole or in part) at some other location or using other property during the time occupied in repairing or reconstructing the building named herein, the net profits so earned shall be deducted from the amount that under the terms of this policy would otherwise be recoverable by the assured.

Surplus machinery or duplicate parts thereof, equipment or supplies, and (if this policy covers on stock) surplus or reserve stock, which may be owned, controlled or used by the assured shall, in the event of loss, be used in placing the property in condition for the resumption of business.

In case the assured and this company are unable to agree as to any question affecting the amount of loss under this policy, the same shall be determined by appraisers in the manner provided by the policy to which this form is attached, the provisions of which policy shall govern in all matters pertaining to this insurance, except as herein otherwise provided.

Other concurrent insurance permitted.

Note 2:—Usual clauses regarding alterations and repairs, hours of operation and permission for devices and hazards may be added as permitted by local rules.

Note 3:—If the provisions of Section (4) (g) are used with this recommended form, a clause reading:

"It is a condition of this insurance that the daily business at the time of the fire shall be based upon the average daily business for the..... days of full operation next preceding the fire" should be inserted after the clause reading:

"During the time of a partial suspension of business, the per diem liability under this policy shall not exceed the same proportion of the per diem liability which would have been incurred by a total suspension of business, as the proportion by which the daily business, at the time of the fire, is decreased."

Fluctuating Earnings

For "Fluctuating Earnings" the form applies as shown in the following example:

Assuming the policy to be dated May 15, issued for $3,650.

Same as previous form, except

During the time of a total suspension of business, liability under this policy shall not exceed the following amounts for each business day of such suspension:—

For each business day from May 15 to the following June 30 (inclusive), $6.00.

For each business day from July 1 to the following August 31 (inclusive), $12.00.

For each business day from September 1 to the following September 30 (inclusive), $16.00.

For each business day from October 1 to the following December 15 (inclusive), $13.00.

For each business day from December 16 to the following March 31 (inclusive), $8.00.

For each business day from April 1 to the following May 14 (inclusive), $7.00.

Seasonal Risks

For "Seasonal Risks" the form applies as shown in the following example:

Assuming the policy to be dated May 15, issued for $3,650.

Same as first form, except

During the time of a total suspension of business, liability under this policy shall not exceed the following amounts for each business day of such suspension:—

For each business day from May 15 to the following May 31 (inclusive), nothing.

For each business day from June 1 to the following October 31 (inclusive), $23.85.

For each business day from November 1 to the following May 14 (inclusive), nothing.

N U

NATIONAL UNION FIRE INSURANCE CO. OF PITTSBURG, PA.



An Insurance Company's safety depends upon the ability, experience and integrity of the men who manage its affairs. The proper conservation of its premiums for prompt and equitable payment of claims and for reserves to safeguard policyholders is a matter of prime importance to all agents who seek complete protection for their patrons. The safety of funds is always the first consideration of the NATIONAL UNION, which weighs every transaction with due regard to the inalienable rights of its policyholders, agents and stockholders. There are no exceptions to this rule—ABSOLUTELY NONE. The NATIONAL UNION has a Policyholders Surplus of $1,756,262. Its Reserve for the protection of policyholders is $2,362,164. And aside from ample resources, excellent experience and strict integrity dominate an organization whose service and facilities are adding prestige every day to the name

NATIONAL UNION

WOMEN IN OFFICES

London & Lancashire, Sixty-seven—Rhode Island Employs Hundred—Fireman's Fund, Forty-five

Additional facts about women in the home offices of the fire insurance companies follow:

Rhode Island: We employ one hundred women. They do stenography, typewriting and clerical work.

Camden Fire: We employ fifty-seven women as stenographers, file clerks, register clerks, auditing and ledger clerks.

London & Lancashire: We have sixty-seven women in this office; fourteen acting as stenographers, six as typists and the balance are clerks scattered throughout practically every department. H. E. Burdette, agency superintendent of the company, says: "We have found them as efficient as could be expected, considering the length of service."

Dubuque Fire & Marine: About 30 per cent. of our employes are females, the majority of which are engaged in stenographic and statistical work.

Fireman's Fund: Out of one hundred and thirty employes we have at the present time, forty-five women on our salary list, who are employed primarily as stenographers and typists, but also in our bookkeeping, accounting and statistical departments.

CASUALTY AND SURETY NEWS

In Conference Over Jersey Insurance

ARBITRARY RULING ON MINIMUM COMPENSATION PREMIUMS

Commissioner and Actuaries Endeavoring to Reduce Number of. Prohibitive Risks

Questions involving minimum compensation premiums and prohibited risks in New Jersey are in the hands of the Actuarial Committee of the National Reference Committee of the National Workmen's Compensation Service Bureau. W. W. Greene, of Newark, manager of the Compensation Rating & Inspection Bureau of New Jersey, is chairman. This committee corresponds to the old standing committee which represents all classes of carriers. It is expected that within a few weeks the committee will have finished its work and be in position to report.

The rather disagreeable situation which has arisen in New Jersey results from the compulsory feature of the compensation law, and the arbitrary cut of 30 per cent. in minimum premiums made by the insurance commissioner about sixty days after the law was scheduled to become effective.

The Commissioner's Attitude

Many employers who wished to carry their own insurance were not allowed to do so because they were not considered financially responsible. Others were on the companies' prohibitive lists and could not obtain insurance. The action of the commissioner in reducing the minimum premium had the effect of largely increasing the prohibitive lists, because the companies were not compelled to accept this business at a rate they had already decided would yield only a loss. This created a situation which made violators of a large number of employers and the law does not make any provision for taking care of them. The commissioner took up these questions with the companies and they considered that it was of sufficient importance to become a bureau matter. The actuarial committee, which represents various bureaus, the mutuals and the stock companies, is now working it out. If it is decided that the minimum premium charge can be materially reduced, such action will largely reduce the prohibited lists. Prohibited lists differ and these will be studied to ascertain those risks which no company will take. There also may be found some risks in individual classifications on which the record is so poor that the companies might decide not to write them.

BROOKLYN BROKERS NOMINATE

At the meeting of the Brooklyn Brokers' Association held at the Imperial Hotel last week, A. H. Butler was nominated for re-election as president. The other officers nominated were Arthur J. Hess, vice-president; Louis Arnold, treasurer, and Fred D. Robbins, secretary. The executive committee as nominated is composed of J. J. Hastings, John Egan, Richard B. Clapperton, Horace E. Wood and John Woodenbury.

The subject of liquor bonds came up for considerable discussion at the meeting. Plans for the next meeting were made and include an address by either Fire Marshal Brophy or Fire Commissioner Adamson. The next meeting will be the annual meeting of the Association when the election of officers will take place.

Casualty Actuaries Ready for Meeting

TWO TRAVELERS MEN TO BECOME FELLOWS OF SOCIETY

Papers by I. M. Rubinow, G. F. Michelbacher, Edwin W. Kopf and Arne Fisher

V. Hayden Brockway and Robert J. McManus, of the Travelers of Hartford, will be recommended for election as Fellows at the fourth annual meeting of the Casualty Actuarial & Statistical Society of America, to be held in New York at Hotel Astor, October 31 and November 1. Besides the election of officers, two members of council will be chosen. Sessions will begin at 10:30 o'clock, with a meeting of council at 9:30, October 31. Following the business meeting of the first day papers will be presented and papers of the April 6, 1917 meeting will be discussed. Dinner will be served October 31 at 7:30. The following papers will be presented:

"The Theory and Practice of Law Differentials," I. M. Rubinow, consulting actuary, New York.

"Manufacturers' and Contractors' Public Liability Insurance," G. F. Michelbacher, actuary, National Workmen's Compensation Service Bureau, New York.

"Some Essentials of Sickness Statistics," Edwin W. Kopf, assistant statistician, Metropolitan Life, New York.

"Construction of Mortality Tables by Means of Compound Frequency Curves," Arne Fisher, The Prudential Insurance Company, Newark.

There are two other papers to be presented. The reports of the secretary, the editor, the chairman of the examination committee and the chairman of the educational committee will also be received at the business meeting on the first day.

Bureau Actuaries to Meet

The annual meeting of the Central Statistical Committee of the National Workmen's Compensation Service Bureau will be held October 30, 31 and November 1 in New York. The first day will be devoted to subjects particularly concerning the Bureau and the remaining two days will be spent attending the annual meeting of the Casualty Actuarial & Statistical Society which will meet in New York at the same time.

Edward T. Shipman, special agent of the Travelers attached to the New York office, has received his commission as a Captain in the 47th N. G. N. Y.

* * *

Charles E. Ward, superintendent of agencies of the Preferred Accident, returned this week from a vacation in Connecticut.

New Amsterdam Casualty Company

A Progressive

SURETY AND CASUALTY

Company

Insurance for Night Workers

THOUSANDS TOIL WHILE INSURANCE AGENTS SLUMBER PEACEFULLY

Additional Opportunities Presented for Monthly Premium Business During Industrial Activity

Does the average monthly premium accident and health insurance solicitor ever consider the number of men who are working at night in thousands of industrial plants throughout the country? Do these solicitors realize that now, instead of one working day in each twenty-four hours we have two or three? These night men need insurance just as much as those who work in the day and they are able to pay for it, but they must be solicited. Companies which have a co-operative factory department have their work so systematized that their solicitors follow each shift and actually secure a larger proportion of business from these night men than from the day workers.

Just at present there is not quite so much night work being carried on as there was a year ago but it is generally conceded that in the metal trades at least, night work will be heavier in a few weeks, provided more men can be obtained. At least employers are working through labor bureaus to that end.

Tried It Years Ago.

There is nothing new in this idea of soliciting the night workers, but most insurance men don't think of it. They do not realize its possibilities. Years ago (it's not necessary to say how many) Mr. Green, manager of the monthly and weekly department of the General Accident, in New York, was a solicitor and he was quick to see the possibilities of soliciting in a certain roundhouse at night, where there were congregated a number of men whom he could not see in the day time. He found this such a good field for business that he extended his operations to other plants, with good results. As a rule there are not as many men working in a plant at night as in the day. Arrangements should be made with the superintendent or foreman for the solicitor to talk to the men, just as is done in the case of day shifts. The men knock off for a time during the night, the same as men do for lunch when on day duty. All kinds of equipment, machinery, ship building and munition plants furnish particularly good opportunities to get business at night. It is a distinct advantage to have so many men gathered together in one place where they can be reached with a minimum of effort. This consideration will not last indefinitely and in the course of time these men will become scattered among smaller groups of workers all over the country. Now is a good time to start them as advocates of disability insurance, while they are congregated in the large industrial centers and are drawing good wages, turning the night into day, while this period of unprecedented industrial activity is at its height.

HARD ON ASSOCIATIONS

In the October "Fieldman," the official organ of the Chicago Bonding & Insurance, Secretary and General Manager O. F. Roberts says: "The textual camouflage clothing the various associations now operating in connection with the many branches of the casualty business has not deceived us as to its true purpose and intent, for we have found that the so-called 'co operation' as to proper business practice does not exist. We have, therefore, adopted the policy of the 'Lone Wolf,' which clearly explains why we are not members of any association or combination of companies, but prefer to dictate our own policies and to grow in size and strength through our own efforts and your co-operation."

STILL WORSHIPPING VOLUME

Among casualty men there is still a strong belief that some companies have not yet learned by the experience of others who went on the rocks because they sought volume at the expense of stability. Another year is drawing to a close, when it will doubtless be demonstrated whether these grounds for pessimism are well founded.

A. L. DIETRICK ADVANCED

A. L. Dietrick, assistant casualty manager of the Fidelity & Deposit in New York will succeed C. M. Cloud, resigned. Mr. Dietrick has been with the company for seven years, first as agent and later as head of the burglary and accident departments in New York.

Plumbers' Bonds Rated

A rate of $3 a thousand has been made on plumbers' bonds in New York. This applies to all boroughs regardless of the number of bonds.

General Accident

FIRE AND LIFE

ASSURANCE CORPORATION, Ltd.

SERVICE THAT EXCELS

FREDERICK RICHARDSON, United States Manager

GENERAL BUILDING · 4TH & WALNUT STS.

PHILADELPHIA

PICKED UP ALONG WILLIAM STREET

Writing Bonds Cautiously

Writing of bonds to guarantee payment of additional taxes on liquor has simmered down practically to a banking basis. Those dealers who can obtain bank credit can also get bonds. Conservatism is becoming more general. There are all sorts of guesses as to what number of liquor dealers will be compelled to liquidate part of their stocks to obtain money to pay their tax. Some surety men place this number as high as fifty per cent. Should the proportion reach any such figure a break in the market is forecast.

Some dealers took all the liquor they could out of bond thinking that the Government would not levy an additional tax on what was thus withdrawn. Others pursued an opposite course. The small dealer will be confronted with a tax of from $1,500 to $5 000. Much reinsurance is being offered on large lines and this is not proving any too easy to get.

* * *

May Confer with Woods

Police Commissioner Woods of New York is undoubtedly sincere in all that he says regarding burglary insurance, and the desirability of close co-operation between his department and the insurance companies to lessen this sort of crime. Specialists in burglary insurance know that much of what the commissioner advocates is not practical and so an effort will be made to fully acquaint him with the difficulties under which the companies labor. It is possible that out of the conference which it is hoped can be arranged some means shall be found to carry out some of the ideas the commissioner and the companies would like to see operative to lessen the number of burglaries and mysterious disappearance cases.

* * *

Takes Additional Million

Wm. B. Joyce, president of the National Surety Company, has personally subscribed for $1,000,000 of the new 4 per cent. Liberty Loan bonds. Last May he bought $300,000 of the 3½ per cent. bonds.

The National Surety Company is making a record in Government obligations also. Last May it bought and paid for $1,000,000 of the 3½ per cent. Liberty Loan bonds, and it has subscribed for $1,000,000 of the new 4 per cent. bonds.

The National Surety Company also recently declared a Red Cross dividend of $40,000.

* * *

Downs Executive Secretary

John W. Downs, superintendent of claims for the Zurich General Accident & Liability in New England, has been chosen executive secretary of the Insurance Federation of Massachusetts, succeeding W. T. Lewis, who was drafted.

* * *

Keeping Track of News

Many company managers concede that there ARE many items in the insurance papers which they should be glad to have their department heads read. The trouble is that many officers have no systematic method of caring for this. A few offices have prepared a form on which it is stated that the article attached was taken from a certain paper of given date and is of interest to such and such departments or individuals in the office. A list of all departments follows and check marks designate those to which the article should be referred before it is finally filed. Instructions for filing are also given.

* * *

Obstacles Overcome

Insurance men were told at the meeting last week to boost the Liberty Loan of three obstacles they would surely encounter when soliciting subscriptions. First, of these was the failure to deliver the first bonds. There were 8,500,000 certificates to be prepared and it proved a physical and mechanical impossibility to do the work in the time allotted. This it should be possible to explain satisfactorily. The next obstacle is that people will say they have no more money after subscribing to the first loan and that they expect to be taxed heavily. They should be shown that unless the loan is liberally subscribed there will be still heavier taxes to make up the deficiency. Furthermore, taxes protect existing bond issues. During the Civil War, Government bonds increased in price when it was shown that large sums were also to be raised through taxation. The same has always proved true of English consols. In the Spanish-American War, when the Government arranged to raise $600,000,000 through taxation, the price of our bonds advanced materially. Then again, people will object to "buying" anything on general principles. Therefore, they should not be asked to "buy" a bond, but to "lend" their money to the Government at interest. The success of the bond issue shows that all obstacles were overcome.

* * *

More Companies Take Service

Five more plate glass writing companies situated in the West and Middle West have subscribed to the rating service of William F. Moore, New York. The total plate glass premiums of the country amount to $5,000,000 and Mr. Moore is now making schedules for companies representing ninety-eight per cent. of these premiums.

* * *

A Comment on Rate Supervision.

Walter M. Adriance, writing in the "American Economic Review," makes these comments on the rate supervisory power of the Insurance Commission of New Jersey, under the new compensation law of that State:

"It is obvious that this law gives large powers of control over compensation insurance to the insurance commissioner. In Pennsylvania the manager of the rating bureau is the appointee of the insurance carriers. Under the New Jersey law he is a special deputy of the insurance department. It remains to be seen whether the larger powers of control in New Jersey over the process of rate making will be consistent with a smoothly working bureau. Compensation insurance carriers have pretty fully accepted the principle of co-operative rate making, and also the principle of approval of rates by the insurance commission. This spirit of co-operation was abundantly manifested in the national conference on compensation insurance rates held in New York in January, February and March last and if in New Jersey the somewhat unusual powers of control over rate making possessed by the commissioner are exercised with restraint, the chances are that the co-operation which has proved to be so necessary in the making of compensation insurance rates will be forthcoming on the part of the carriers.

"The commissioner has made an excellent beginning in the selection of W. W. Greene as special deputy and chairman. Mr. Greene has had valuable experience with the New York Workmen's Compensation Commission and with the Colorado Industrial Commission, and is an actuary and statistician of recognized standing."

by proper supervision through dissemination of information calculated to guard his health; by providing proper recreation after working hours; by having the city provide proper sewage facilities, good water and correct housing measures; by showing the workman how to take proper physical care of himself and his family; by putting a premium on health, not on sickness. Why spend millions of dollars on experimental legislation, instead of using this money to prevent sickness?

Second, social insurance is urged because of the medical care provided by the various bills proposed.

If the medical care which would be provided by the proposed health insurance laws is to be like that, provided by the workmen's compensation laws, the enactment of such legislation will be absolutely farcical. Under the New York statute an employe is given sixty days' medical attention, but he must go to a physician selected by the State or his employer. If he chooses any other physician neither the State nor his employer can be held liable for the costs of the treatment. He may or may not get proper and successful treatment from the physician selected by the State or by the employer. But he can't afford his own physician, and he yields.

Again, if the same workman should be unfortunate enough to be injured in New Jersey, regardless of the character of the injury, the New Jersey compensation law provides him with a maximum of 14 days' medical attention, limited to a fee of $50.

In the next State, Pennsylvania, the legislature provided for 14 days' medical attention to an injured workman with a maximum fee of $25 (except for major operations). How much medical care and necessary medicines and dressings can a man get in these times if, let us say, he has a compound fracture of an ankle, for $25 or even $50 with a limited period of treatment for 14 days? He becomes a city or charity patient, and this is certainly not the desire of the American workman. This is an example of the medical care provided by legislation. This is true in compensation, which is supposed to have passed the experimental stage in this country. Conditions would be much worse under health insurance laws, which are at present pure experiments at best. What good can such legislation bring? None but to make the State one vast clinic for the doctors to give the workmen dispensary treatment. And for this very reason the medical profession so violently opposed the medical features of the proposed health insurance laws.

Third, alleged inefficiency of the present system to provide adequately for contingencies arising out of injury and sickness.

Any inefficiency of the present system is not due to inability of the workman to provide protection during sickness by insurance with some corporation or institution where he can get more and safer protection than any State subsidized scheme could give him. It is entirely due to the utter lack of sanitary measures. It could not be corrected by the passage of health insurance laws.

Fourth, adoption of measures calculated to protect the workmen's health.

This is intended to be one of the side issues in the social and health insurance laws. As a matter of fact the intention of social workers should be concentrated on the adoption of laws.

Social Insurance on the Rack

Labor Leaders Show Opposition—Physician Exposes Fallacies of System

At a labor federation meeting in California, Michael Casey, of the Teamsters' Union, gave social insurance a severe setback when he asked this question: "If a wage earner loses his job, how long will his social insurance carry while he is out of work?" Dr. I. M. Rubinow and Mrs. Frances Noel, members of the Social Insurance Commission were present. The convention demanded a direct answer and Dr. Rubinow admitted that when a man ceases to be a wage earner, he is no longer covered by insurance. Immediately following this the convention turned down a resolution previously considered favoring compulsory social insurance. Previous to this action a majority of speakers on social insurance had favored its adoption.

Views of a Physician.

Social insurance is not a help to workmen, says S. M. Lindenbaum, M. D. The American Association for Labor Legislation is the main sponsor for social health insurance in this country and it claims that several considerations warrant its introduction; first, the high rate of sickness and death among the working classes.

The high rate of sickness and death among workmen can be decreased, not by putting a premium on sickness, but



CASUALTY AND SURETY POINTERS

What Real Service Should Be

Service does not consist of a suave agent persuading a prospect to place his name on the dotted line. That is but the beginning. Service does not consist of the agent being on the spot every time the policy is due to renew. That is but continuance. Real service consists of selling a man the form of contract that will most nearly fit his needs, then of seeing to it that the policy is kept in force without lapse. Don't let that vital question resolve against a policyholder. Service further consists of placing in the hands of a claimant all necesary forms, then of helping him fill them out so that the claims department can proceed rapidly with the adjusting. Where a case is all in the clear, do not try to cast a doubt upon it. If the day of settlement has arrived, take the view that the company is under solemn pledge, and that your duty is to see that all the facts are submitted, and to get whatever is coming to the risk, into his hand as quickly as possible, the company co-operating with unquestioned honesty. That is the only kind of service to sell and give.—National Agents Record.

* * *

Actual Facts the Best Accident Argument

There are two points that agents new in the accident and health business should have clearly in mind and be able to talk freely and fluently upon. First the agent should be familiar with the facts and figures in respect to accidents and arguments in favor of carrying accident insurance—these facts, figures and arguments can be secured by reading the company's publications, but the average man, although he may consider that insurance is a good thing, will not buy it unless the second point in favor of it is brought out strongly and convincingly by the solicitor, namely, the tremendous value and protection which is offered by the company as compared with the premium charged for it, says the Travelers Record.

The weekly indemnity alone is enough to convince the average prospect that he is getting the "big end," that is, if he is disabled one week out of fifty-two he gets his premium back; then show him that if he should be disabled for life and live for twenty years after his accident he gets back one thousand and forty times the premium paid; that is $26,000 for an investment of $25. After convincing him that the weekly indemnity alone is worth the premium paid for the insurance, then go and show him the amounts payable for accidental death and that for an investment of $25 for death by an ordinary accident his beneficiary would receive an amount equal to two hundred times the premium paid or if he should lose sight of both eyes or both hands or both feet, he will receive the same equivalent.

The other features of the policy may then be brought to fill the basket full and the only question the prospect is likely to ask then is whether the company is financially able to make good on such an extravagant proposition. The answer is, it has been doing it for fifty years and is financially strong. If an agent can convince a prospect that accidents do happen in numbers exceeding the increase of population; that one in eight policyholders is injured yearly; that deaths from accidents among white males of insurable ages, 20 to 70, are ten per cent. of deaths from all causes; that for every death, there are a minimum of 9 serious cases of disability resulting in loss of limbs or sight or disability for over two months and also from 97 to 125 cases of disability for less than two months; that general accidents, particularly accidents to automobiles and pedestrians are increasing to an alarming extent, and then can show him that he is getting the big end of the proposition and that the premium paid is infinitesimal to the protection afforded, the business is as good as sold.

* * *

How to Make the Best of It

No policy of accident insurance covers, by its carefully drawn terms defining accident, any of the hazards of war. "ACCIDENT—A sudden, unforeseen happening." That standard definition forms the basis for all policy language carrying coverage of insurance against accidental death or injury. War is not an accident. It is caused by differences between nations, resulting finally in a declaration to fight and conquer by force of arms. Any result from fighting is contingently expected. When nations withdraw men from pursuits of peace, and train them in the use of all kinds of agencies of destruction, those men are not being trained to produce accidents. When industrial plants are commandeered to manufacture munitions, and railroads and steamships are commandeered to transport men and munitions to the theatre of war, and when the men are marshalled and equipped with their burden limit of destructive material, and then ordered to march against a bitter foe similarly equipped, whatever happens is not accidental. Policies of accident insurance, therefore, do not contemplate covering, and do not cover the hazards of war. The diversion, however, of these men from peace to war must necessarily cost many policyholders and prospects, but their loss only emphasizes the need for greater protection in the homes they leave, because in addition to the wage loss, there is the protection loss. That situation presents the opportunity for the field man. The housewife policy; the special policy for women; an increase in the amount of insurance among your policyholders. Set about covering your field. Develop it as you do your fence corner patch of garden. Intensive cultivation will produce astonishing results, and the need for protection is greater than ever before.—National Agents Record.

TRAVELERS' SERVICE FLAG

Hartford, October 24.—A flag that would have astonished Betsy Ross was unfurled by the Travelers Insurance Company yesterday. It contained three hundred and seventy-five stars, and was thirty-two feet by twenty. The stars represent the Travelers men who have gone to war. About one hundred and fifty have gone from the home office, and the balance from branch offices throughout the United States and Canada. One son of First Vice-President John L. Way and two sons of Vice-President Walter G. Cowles are in the national service. One star stands for Major James L. Howard, secretary of the Travelers. The flag is believed to be the first to contain anywhere nearly so great a number of stars.

E. H. Morrill, Jr., Transferred

E. H. Morrill, Jr., who has been in charge of the brokerage business of the Aetna companies in Chicago, will take up similar work in New York November 1 under Resident Secretary John S. Turn of the Aetna, with whom he was formerly associated.

W. E. SMALL, President PETER EPES, Agency Mgr. E. P. AMERINE, Secretary

GEORGIA CASUALTY COMPANY

HOME OFFICE: MACON, GEORGIA

"DIXIE AUTO POLICY"

THE LAST WORD IN MOTOR INSURANCE

Surplus and Reserves to Policyholders.....$1,526,022.81

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Plate Glass, Burglary, Accident and Health Insurance

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RELIABLE AND ENERGETIC AGENTS WANTED

THE SIGN OF GOOD CASUALTY INSURANCE

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General Manager

Liability, Accident, Burglary, Boiler and Credit Insurance

Established 1869.

F. J. WALTERS
Resident Manager
55 JOHN STREET
New York

Elmer A. Lord & Co.
145 Milk St., Boston
Resident Managers New England

London Guarantee & Accident Co., Ltd.

OF LONDON, ENGLAND

Baldwin's State Monopoly Suggestions

Manager F. Spencer Baldwin, of the New York State Insurance Fund, while denying that he ever recommended that the law be so amended as to prohibit casualty companies from writing compensation insurance, nevertheless now openly advocates this very thing. Recently the New York "Times" published an item in which the impression was given that the State Insurance Fund manager had in an official report recommended the exclusion of private casualty companies from the compensation field. When asked regarding his position by a representative of The Eastern Underwriter, he explained that the matter reprinted in the "Times" is from a report on the State Fund prepared by the New York Bureau of Municipal Research. He says it was the investigators of the Bureau of Municipal Research who offered this recommendation on the ground that (quoting Mr. Baldwin) "the Fund had demonstrated the effectiveness and economy of State insurance and would be able to give employers more satisfactory insurance at even smaller expense, IF THE HAMPERING COMPETITION AND ADVERSE INFLUENCE OF THE PRIVATE COMPANIES WERE REMOVED." Then Mr. Baldwin says plainly what he would like to do with the private companies, sweetening his medicine by offering it as a war measure. He says:

"In this connection, let me suggest that in view of the present urgent need in production and distribution, in order that prices may be kept on the lowest attainable level, this recommendation deserves serious consideration as a measure of war economy. Compensation insurance is in reality a tax, levied in the first instance upon the employers and finally shifted upon consumers. When private stock companies are permitted to administer this insurance the burden of the consumer is needlessly increased by an over-tax to provide agents' commissions and stockholders' profits. The obvious way of relieving the consumer of the burden of this over-tax is to establish exclusive State compensation insurance."

The Fund has much work to do to persuade employers that its methods are superior to those of the private companies, for after two years of operation the Fund was doing only twelve per cent. of the entire business in the State and after another year, for which figures have not been compiled, it would appear that the Fund has not materially increased its proportion, if, indeed, it has shown any increase.

With Johnson & Higgins

T. C. Thayer, insurance manager of A. S. Rosenbaum & Co., San Francisco, has resigned to go with the liability department of Johnson & Higgins.

Pan-American Life Insurance Company

NEW ORLEANS, U. S. A.

CRAWFORD H. ELLIS, President

Capital.....$1,000,000.00

OUR 1916 STATEMENT SHOWS

Insurance in force	(over)....	$42,400,000
Resources	(over)....	5,600,000
New Insurance paid for		10,000,000

The High Scores in the Life Insurance Profession are won by Trained Men. We will train you in the Profession and locate you in Productive Territory either North or South. Your Opportunity is Here.

Further information on request. Address:

E. G. SIMMONS, Vice-President and General Manager

Whitney Central Bank Building

NEW ORLEANS, U. S. A.

American Central Life

Insurance Company

INDIANAPOLIS, INDIANA

Established 1899

All agency contracts direct with the company

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HERBERT M. WOOLLEN, President

PURELY MUTUAL — CHARTERED 1857

THE Northwestern Mutual Life Insurance Co.

MILWAUKEE, WISCONSIN

GEO. C. MARKHAM, President

Insurance in Force, $1,505,464,984

SATISFIED POLICYHOLDERS each year apply for over 35% of the new insurance issued.

POLICIES MOST FLEXIBLE AND EASY TO SELL

Complete Agency Protection:

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REAL SATISFACTION

Working with **William N. Compton** and the **John Hancock Mutual Life Insurance Company** in New York City forms the happiest combination imaginable for the life insurance salesman.

If you have any doubt in your mind have it dispelled by calling at

220 BROADWAY

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San Francisco Losses Amounting to $4,522,905.00 paid PROMPTLY IN CASH WITHOUT DISCOUNT, from funds largely supplied by head office in Liverpool

U. S. Cash Assets, Dec. 31, 1916	$15,827,439.35
Surplus, - - - -	5,460,745.59
Losses Paid by Chicago Fire, 1871	3,239,491.00
Losses Paid by Boston Fire, 1872	1,427,290.00
Losses Paid by Baltimore Fire, 1904	1,051,543.00

Liverpool and London and Globe Insurance Co. LIMITED

Over $152,000,000.00

Losses Paid in the United States

HENRY W. EATON, Manager
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J. B. KREMER, Asst. Deputy Manager
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NEW YORK OFFICE
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THE EASTERN UNDERWRITER

[Succeeding the Journal of Insurance Economics, Established in 1899]

A WEEKLY NEWSPAPER COVERING ALL BRANCHES OF INSURANCE

Eighteenth Year; No. 46 NEW YORK CITY, FRIDAY, NOVEMBER 2, 1917 $3.00 per Year; 25c. per Copy

TO END DIFFERENCES BY CONFERENCES

Officers of National Association of Insurance Agents Predict Company-Agency Harmony

COMMITTEE OF FIVE APPOINTED

Expect Companies in Turn to Appoint Committee—Traveling Organizers to Be Named

President E. W. Allen, of the National Association of Insurance Agents, and Chairman F. J. Cox, of the executive committee, who were in New York on Tuesday of this week to attend a meeting of the officers and committeemen, told The Eastern Underwriter that the National Association was entering upon a new era of co-operation with the fire insurance companies, by which every effort will be made by the agents to clear up past misunderstandings through the medium of progressive and sympathetic conferences.

"We believe the relation between the agents of the United States and the companies should be one of trust and confidence," said Mr. Allen. "Each is necessary to the other, and both are necessary to the public; therefore, they should work in harmony. We believe that there are no differences between them that cannot be reconciled."

J. L. Case Heads Committee

One of the most important actions announced by President Allen after the meeting here of the officers and committeemen, which was held on Tuesday at the Transportation Club in the Hotel Manhattan, was the announcement of the appointment of a committee of five, which President Allen was delegated to name at the recent convention at St. Louis. The chairman of this committee will be James L. Case, of Norwich, Conn., who is a member of the executive committee of the National Association, and who has been honored by the Connecticut Association as its president. He represents both large and small companies, including the Hartford, American Eagle, Home Underwriters, Generale, Milwaukee Mechanics, National-Ben Franklin, Rhode Island, Westchester and United States. He represents also the General Accident, National Surety, Ocean, Preferred and Lloyds Plate Glass. Other members of the committee are Clarence L. Pellet, for years a leading Chicago local agent and one of the active figures of the Na-

(Continued on page 12)

"The Largest Fire Insurance Company in America."

THE HOME INSURANCE COMPANY NEW YORK

ELBRIDGE G. SNOW, President

Equal Protection for ALL Policyholders.

FIRE AND ALLIED BRANCHES OF INSURANCE.

Fire, Lightning, Automobile, Commissions, Explosion, Hail, Marine (Inland and Ocean), Parcel Post, Profits, Registered Mail, Rents, Sprinkler Leakage, Tourists' Baggage, Use and Occupancy, Windstorm.

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North British and Mercantile Insurance Co.

Established 1809

Entered United States 1866

Policyholders protected by the entire United States assets, with further guarantee in every policy, of protection by entire fire assets of the company which are many times larger.

50th ANNIVERSARY YEAR

Operating under Iowa Reserve Deposit Law, which safeguards all policyholders

Entered for business in 18 States

GOOD TERRITORY OPEN.
ATTRACTIVE POLICIES TO SELL.
LARGE ANNUAL DIVIDENDS.
LOW NET COST.

For agency apply to

H. E. ALDRICH, Supt. of Agents

EQUITABLE LIFE of IOWA DES MOINES, IOWA

NEW YORK TO BE A CONVENTION MECCA

Plan Having American Life Convention and Many Club Meetings Here in September

THOUSANDS OF LIFE MEN COMING

National Association Already at Work to Make Its Meetings Brilliant and Valuable

There are already a great many indications that the largest number of life insurance men ever assembled in any city in the United States in one week for convention purposes will be seen in New York the first week of September next year. At that time the National Association of Life Underwriters and the Canada Association of Life Underwriters will hold their joint meeting. At the same time, or a day or so before, there will be a large number of other conventions held in this city or at points near New York.

After American Life Convention

The announcement was made this week that the American Life Convention has been invited to hold its next convention in New York the first week of September. While it has not been decided to do so and will not be until the meeting of the executive committee in Richmond next March, there are a number of men in the association who favor coming here at that time. The suggestion has been taken up with members of the American Life Convention to hold their club conventions here during the week.

A letter from President Harry L. Seay written to President Priddy of the National Association, contains the following paragraph:

"I appreciate fully the wonderful potency of your organization, and realize that if the effort of the underwriters and of the American Life Convention should be united, their influence would be unlimited. I trust, therefore, that the spirit of co-operation so manifest at New Orleans, may grow with each succeeding year until the force exerted by the two organizations shall be irresistible in its work for the cause of life insurance and those engaged in it."

To Hold Club Meetings Here

It is reported that one of the clubs that will meet nearer New York the first week in September will be the

(Continued on page 2)

John B. Lunger Discusses the War

POINTS OUT DUTY OF NATION

A Plea for Patriotism—Warns Against Cherishing Illusions of Early Peace

In a recent talk on "Why the United States is at War With Germany," Vice-President John B. Lunger, of the Equitable Life, said that entirely too much has been written about our being engaged merely in a war for humanity and for democracy, until the real issue is confused by altruistic homilies. He said there should be no illusions as to why we are engaged in this struggle. "We are fighting to save this country from German rule," he said, "fighting for our homes, our possessions, our families, our rights as a nation, our liberty and all that we hold dear."

Duties of Life Men

Mr. Lunger then took up the duties of life insurance men during the war. These duties he said were multiform and diversified. Continuing he said:

"Now, what are our duties during the war? They are multiform and diversified. If called upon to serve, whether in the ranks or in the service of the Government at home, we must cheerfully respond to the call and at any sacrifice. If our loved ones are called by a sense of duty or by conscription, we must cheer them on and with courage and resignation bid them 'Godspeed,' though it may break our hearts to do so. We must pay our quota of taxes cheerfully and promptly. We must subscribe to Government bonds to double the limit we may consider generous. We must take part in all movements which have for their object making the lives of our soldiers at home and abroad more comfortable; and to protect and help them if wounded or disabled. We must help their families and those dependent upon them during their absence. We must seek for evidence of sedition and treason within our borders and do our share in bringing to trial all who would injure the country or block the plans of the Administration. We must enlist for Home Defense and prepare ourselves physically, and in the use of firearms, to take an active part in case of attack, riot or insurrection. We must loyally and manfully support the Administration, giving it at all times a helping hand and sympathetic encouragement. And while not sacrificing our privilege as American citizens of expressing our opinions, we should be careful, if we indulge in criticism, to do so with moderation and temperately, realizing that those in responsible places are carrying burdens of which we have little or no knowledge; that they have much to do and have done so much in a short time, that an occasional mistake will occur.

"In brief, our duty is to be loyal, patriotic, sacrificing, generous and helpful Americans, bearing constantly in mind that the United States has not only entered the war under great provocation but by entering it has guaranteed to see it through to a successful issue.

The Peace Outlook

"In carrying your share of the burdens do not be misled or lighten your load by illusions of an early peace. God grant that peace may come quickly, but only under conditions which will justify the expectations of a lasting peace. The assumption that it will come in three months, or six months only tends to lessen activity and relax energy. A fighting machine which took 45 years to erect, and equipped with every death dealing device that ingenuity can contrive; and which is supported by a united nation and stood the strain for three years will not be broken and relegated to the scrap heap in three or six months. Neither should you let the thought that Germany is beaten, or that she is breaking within, diminish your efforts or lessen your sacrifices. A people who have been trained in military discipline for two generations and have been taught that their Kaiser is a demigod, 'The All Highest,' will be slow to foster revolution and insurrection.

"France, England and our other Allies have proved their ability to hold the foe and to slowly and gradually drive it back; but although the tide has turned against Germany, the flow is slow and in my opinion it will not quicken until we have a million men and several thousand aeroplanes on the French front, with all the heavy, light and rapid fire guns and other equipment essential to the making of an efficient army under modern conditions. Then, with a preponderance of men and material which we shall be able to contribute, we may expect thunderous and mighty blows to be struck—and then, and not until then, may we hope to see the tide to victory flow rapidly.

"'The only way to obtain peace is to fight for it' until an overwhelming victory is secured and Germany is forced to accept terms which will drive the Hohenzollerns from the throne and forever put an end to their ambitions of world conquest and subjugation."

Great Southern Life Insurance Company

HOUSTON, TEXAS.



For Agency Contracts address

O. S. CARLTON

PRESIDENT

ITS FIRST SOLDIER CLAIM

The Missouri State Life has paid its first claim under a policy issued on the life of a United States soldier. The former policyholder was Sergeant Armand Baldenweck, of the 128th Regt., Artillery. He was killed during a rehearsal for a Liberty bond parade at Camp Doniphan, Okla., by falling from the lead horse of a battery and being trampled by the horses and crushed by the passage of the caisson and gun limber over his body.

"AN AMERICAN COMPANY"

True to American Ideals and Traditions

The Germania Life Insurance Company

Established 1860

Under the laws of the State of New York

The following are a few Germania features which have helped to make

Every Month This Year a Record Breaker

Free HEALTH SERVICE for policyholders both new and old.

Free Insurance Money INVESTMENT SERVICE for Beneficiaries.

WAIVER and ANNUITY CLAUSE which, in case of total and permanent disability, before age 60, provides for waiver of all future premiums, the payment of 1/10 the face of the policy annually to the insured as long as he lives and payment of the face of the policy to the beneficiary at death of the insured.

DOUBLE INDEMNITY CLAUSE which provides for payment of double the face of the policy in case of death as a result of an ACCIDENT OF ANY KIND.

"A Growing Company for Growing Men"

For Direct Agency Connection

ADDRESS

T. LOUIS HANSEN, Superintendent of Agencies

50 UNION SQUARE, NEW YORK CITY

NECESSITY OF PRESENTING REAL REASONS

Don't forget that you must present several concrete reasons why when you approach men. Merely to suggest life insurance in a casual way, won't bring the expected response. Leading insurance journals will give you plenty of reasons why.

Never ask a man if he wants life insurance. Begin with the positive statement that you have two or three interesting ideas regarding life insurance that you would like to present, and would appreciate the courtesy of a brief hearing. Then be prepared to unfold some specific ideas that are worth while and that apply.

When soliciting, you must be able to distinguish between mere excuses and serious objections. Ask the prospect what his real objections are. Then you will know how to proceed.

A large percentage of salesmen seem to believe that they must talk at great length, and rapidly, in order to make a sale. Many do this unconsciously. Even after such an agent has been cautioned, he will frequently persist in this tiresome and unprofitable practice. An extended display of knowledge does not always make a good impression. The really successful agent presents just a few pertinent facts slowly, clearly and firmly explained, with a little sentiment mixed in here and there, fitting the particular case.

The Sole Condition of Success

If your whole heart, body and soul are in this business and this company and you are honest through and through, we want you and will co-operate towards your success in every possible way. Otherwise, you are standing still or falling behind, and it would be better for you to try something else.

Compare the quality and quantity of your work with that of highly successful men, and you will recognize why we must all fight against inertia.

Is it not true, here as elsewhere, that the remedy for poverty, discontent, worry, envy and most other troubles is just plain, hard, downright HONEST WORK?

569 STARS IN FLAG

A number of life insurance men turned out for the Liberty Loan parade last week. The largest life insurance delegation was that of the Metropolitan Life Insurance Company, headed by Vice-President Fiske and other officers of the company. Nearly all of the clerical force of No. 1 Madison Avenue marched. The Metropolitan service flag was cheered all the way along the route, its 569 stars making it the largest service flag in the insurance world. Among others who marched in the parade were representatives of the Equitable, Mutual and other companies.

Week of Conventions

(Continued from page 1.)

$200,000 Club. In fact, every effort is being made to attract life insurance agents and club meetings to this city at that time so that the attendance of the National Association of Life Underwriters' convention will be so large that it will tax the capacity of the hall.

With so many men talking on life insurance, with so many valuable thoughts expressed, insurance is bound to be very much in the minds of the New York public during the week because the leaders of the association can be depended upon to get the proper publicity in New York daily papers that the importance of the occasion and the nature of the subjects discussed warrant. Already work is being done on the program in an effort to make it brilliant, important and well worth coming any distance to hear.

World's Salesmanship Congress Friction

WITHDRAWAL OF NEW YORK CLUB

Winslow Russell Resigns Presidency—Detroit Dictation Imperils Organization of Sellers

Friction in the World's Salesmanship Congress has almost disrupted that organization which started out to be a vital force of the greatest assistance to the army of salesmen. The Congress was born in Detroit; publishes its own magazine and is made up of local salesmanship clubs. The idea proved attractive to insurance men from the start and among those most interested were Winslow Russell, of the Phoenix Mutual Life; and E. A. Woods, of Pittsburgh. The last Congress held in Detroit with a special division devoted to insurance, was attended by some of the most representative men in the business. Papers read at this Congress by W. E. Taylor, H. E. Aldrich, W. E. Billheimer, Winslow Russell and others were widely quoted.

Idea Popular

After the first Congress a meeting was held at the Waldorf-Astoria at which a local club was organized. Of the 1,500 people who attended about one-fourth were insurance men. The Travelers and Aetna had large delegations present. Life memberships at $500, sustaining memberships at $250 and individual memberships at $10 sold as fast as men on the floor could bid for them. It was announced that the local club would probably have its own home in the Forty-second Street club district. The greatest of the salesmanship stars were on hand to speak, including Norville A. Hawkins, Hugh Chalmers, President Allen of the Pyrene Company, and E. A. Woods.

Breakers

Of late there have been many undercurrents showing that all was not well in the World's Salesmanship Congress. The trouble is said to be resentment over constant dictation and attempted dictation from Detroit. Recently, Winslow Russell resigned as president; Norville A. Hawkins pulled out; and the local club withdrew from the Congress on Friday night of last week.

There is considerable regret that the ambitious plans of the founders did not materialize more successfully, as the idea was splendid, and there is need of such an organization.

TO LEND MONEY CAUTIOUSLY

Walter Stabler, comptroller of the Metropolitan Life, which is a large lender of money for building operations, believes it will be a long time before there will be an indiscriminate building boom in New York like that of recent years. Commenting on this Mr. Stabler says that the lending companies have learned their lesson. Then he adds:

"Never in my memory has real estate been so well rented as at present. This includes all kinds of building operations. All lenders of money are beginning to realize that building in future is going to be done on a very much more conservative basis. We never want to have a condition of over production of rentable space like that which existed in New York at times during the last five to ten years. In addition to this the zoning law is already making for a condition of stability in realty values and basic building conditions."

UNEMPLOYED SURPLUS

New York "Sun" Correspondent Hears Exception Will Be Made With Life

Insurance men were interested this week in a story about the surplus end of the war revenue law telegraphed the New York "Sun" by its Washington correspondent, reading as follows:

"There will be one notable exception to the ruling in which the judgment of the Treasury Department officials will be the determining factor in considering how much of the surplus not actually employed in the business may be permitted to be accounted additional capital and which will not be subjected to the additional 10 per cent. tax as unemployed surplus. This exception will be insurance companies. Under the law it was pointed out today they are required to keep a fund for the payment of insurance, and the amount of this fund is fixed by law almost everywhere. Where this reserve is not in excess of the amount permitted by law or does not appear to be unreasonable to the Treasury Department it will be included as part of the capital and not subject to the penalty tax for unemployed surplus."

EQUITABLE GROUPS

International Motor Company's $1,500,000—Zinc Company Takes a Million Dollar Policy

The group insurance business of the Equitable for the first nine months shows an increase of 100 per cent. over the entire year of 1916 which was in itself a record year.

The Equitable now has in force more than $120,000,000 of group protecting the families of over 135,000 employes.

Recent additional important groups closed are:

International Motor Company, $1,500,000.

Sharp and Dohme, druggists, Baltimore, $500,000; J. A. Neugebauer of the Baltimore Agency.

Dexter Yarn Company and Lebanon Mills of Pawtucket, R. I., $500,000; Charles E. Bayliss, New York.

Ferry Cap & Set Screw Company, Cleveland, Ohio, $200,000, of Mrs. Russelle H. Horr and Herman Moss.

City Railways Company, Dayton, O., $200,000. H. D. Pease and J. M. Mulford.

Matthiessen & Hegeler Zinc Company of La Salle, Ill., $1,000,000; George A. Wilson, Jr., of La Salle, Ill.

Indications point to continued progress so that 1917 promises to be a year memorable in the history of the writing of group insurance.

A PRUDENTIAL GROUP AD

In one of the marine papers the Prudential has run the following page advertisement:

"Whether you are the owner of ships, or an agent for owners, or a shipbuilder, or a ship repairer, we know of no action that will more effectively assist in welding your men to your organization than Prudential group life insurance.

"The employer pays for the protection, and the appreciation of both men and their families is expressed in more loyal service. A captain may win unaided by his men, but teamwork is the only sure and sane plan. Action, on the part of the employer that proves his interest in his men, bears immediate dividends. Protecting your force with group life insurance will prove beyond doubt that you have a very personal interest in your men. The cost is not high. About 1 per cent. of your payroll will do it. Write and let us tell you the whole story. It is most interesting. This is the new insurance for the new times."

To Form Congresses of Life Insurance

COUNTRY TO BE WELL COVERED

Decided at Meeting of Executive Council of Life Underwriters—Code of Ethics

The executive council of the National Association of Life Underwriters, which met in Pittsburgh last week, decided to hold the 1918 convention during the first week of September. As has been printed the Life Underwriters" Association of Canada will meet here at the same time as the guests of the National Association.

The council at Pittsburgh went on record in favor of sectional congresses. There are three of these organizations now, the Northwest, Southeastern and New England congresses. The plan is to organize them in all parts of the country; and a committee consisting of the vice-presidents of the National Association and the secretary was appointed to investigate and devise a plan for submission to the Association by which assistance will be given in the organization of these congresses. Arrangements will be made regarding dates so that they will not conflict and officers of the National Association can attend each one of them. The basic idea behind the sectional congress is salesmanship.

The council appointed a committee of three to work on model programs for local associations. It was also decided to change the names of all associations so that they would be known by the names of cities instead of sectional or symbolic names. For instance, the Capital City Association in this State will henceforth be known as the Albany Association; the Blue Grass Association as the Louisville Association, etc.

Code of Ethics

Much time was spent upon the code of ethics which is now in process of analysis and suggestion. Charles W. Scovel was continued as chairman of this committee, other members being H. T. Miller, head of the Minneapolis association, in which town a model code of ethics was recently adopted; and T. L. Fansler, head of the Philadelphia association. The Scovel Code of Ethics chart, drawn up by him at New Orleans, will be published, and circulated among members of the National Association of Life Underwriters with Mr. Scovel's comments, together with a request for recommendations. Eventually a code of ethics which will be the careful expression of all the local associations will be officially adopted by the National Association.

The Association has not yet found the man it wants for the new position of traveling secretary.

Pittsburgh Dinner

While in Pittsburgh the officers of the Association and committeemen were the guests of the Pittsburgh Association at the William Penn Hotel. Among those present were Orville Thorp, M. J. Dillon, George L. Dyer, J. W. Bishop, J. K. Voshell, J. Stanley Edwards, Neil D. Sills, C. J. Edwards, E. J. Clark, Sigourney Mellor, J. J. Jackson, E. W. Snyder and R. S. Marshall. George R. Wallace, of the Pittsburgh bar, discussed problems of the war.

At the Pittsburgh meeting chairmen of important committees of the National Association were announced. Chairmen follow: Taxation committee, J. L. Shuff; education, J. J. Jackson; publication, Lawrence Priddy; scientific salesmanship, E. A. Woods; legislation, Colonel Powell; credit, E. C. Woods.

PLEADS FOR RAILROADS

Judge Day Says They Are Confronted by Serious Menace—Need Government Aid

Judge William A. Day, president of the Equitable Life Assurance Society, has written an interesting article on expenses of railroads, presenting a striking argument in their defense and the peril which is confronting shareholders.

Judge Day finds the present railroad situation panicky. The railroad managers are making heroic efforts to meet the serious operating situation; but railroad profits have declined and it is difficult for the public carriers to secure money in the open markets through the sale of their stocks and bonds. Everywhere Judge Day finds railroad expenses increasing faster than gross earnings. Railroad properties and their earning capacity constitute the security behind nearly $2,500,000,000 of the savings of about 40 million people held by savings banks and life insurance companies.

Judge Day says the Government can help the railroads and he shows how in the following paragraph:

"If it is a wise policy as a war measure for our Government to set advanced prices 100 per cent. for staple commodities and to give financial aid to contractors whose services aid in prosecuting the war; if it is right for the Government to loan money to Russia, Belgium, Servia and other unfortunate nations to bring early victory in the war, surely it cannot be wrong for the Government to give prompt and effective relief in the form of rate advances to the organizations which are operating its own basic line of communication to the battle front."

CONSISTENT WOMEN WRITERS

Not More Than 100 Producing $100,000 a Year Persistently—Number Increasing, However

How many women in the United States are producing persistently $100,000 a year or more? One woman decided to find out. She wrote to all the companies, and learned that there are just about 100, thirty-eight of whom are with one company. Let her try five years from now and there will be a decidedly different story to tell.

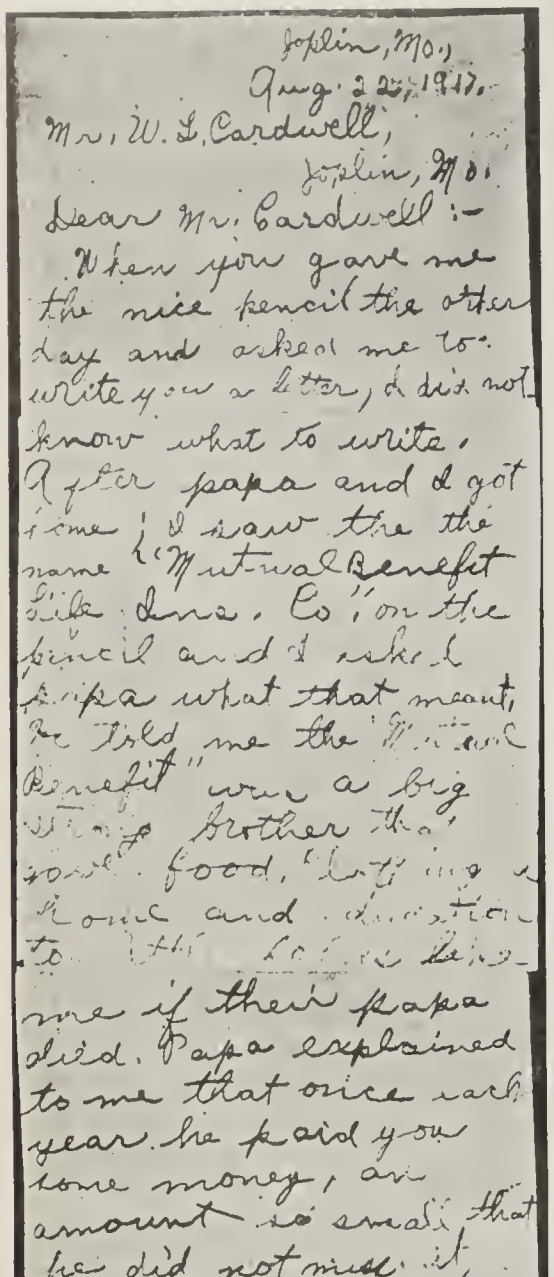
DUAL INCOME DIVIDENDS

A number of inquiries have been received by the Northern Mutual as to the dividends that may be paid with dual income settlements. No such settlements have reached their first anniversary and, consequently, no dividends have been apportioned as yet. "However," the company says, "the method will be the same as that now used in Option 'C' settlements, but it must be understood that the methods of compensation as well as the rate of interest are subject to change at any time."

Cyrus Thompson, Jr., of the Raleigh, N. C., Agency of the New England Mutual Life, not being eligible for military service because of his stature, 4 feet, 7½ inches, and weighing only 85 pounds—yet determined to do his share of military service—succeeded in securing the position of purchasing agent for the officers at Camp Sevier, Greenville, S. C. He claims the distinction of being the smallest man in the United States service.

After selling Liberty bonds all day Charles M. Erwin, of the Graham C. Wells Agency, Pittsburgh, wrote a $12,000 case in the evening.

A LITTLE GIRL'S TRIBUTE TO INSURANCE



Joplin, Mo.,
Aug. 25, 1917.

Mr. W. L. Cardwell,
Joplin, Mo.

Dear Mr. Cardwell:—

When you gave me the nice pencil the other day and asked me to write you a letter, I did not know what to write. After papa and I got home I saw the the name "Mutual Benefit Life Ins. Co." on the pencil and I asked papa what that meant. He told me the "Mutual Benefit" was a big thing for brother Ha[illegible] food, clothing a home and education to [illegible] ones if their papa died. Papa explained to me that once each year he paid you some money, an amount so small that he did not miss it and in return this big brother would if papa died, give my mama money to clothe and educate my little brothers and sister, rather he got it and you would give papa the money. I think this is a fine thing and I am glad my papa has Life insurance. Do other papas have life insurance? I think every papa ought to see you right away and get some life insurance for their children; then there would be no cold hungry half-clad little folks.

Your friend,
Vivita Shelby.

Introduces a Co-Insurance Feature

METROPOLITAN'S WAR RISK PLAN

Insured Under 31 Wanting More Than $5,000 Assumes Excess Hazard for Period

The Metropolitan Life has issued the following circular to its superintendents, applicable in cases where more than $5,000 insurance is wanted by an applicant liable to military or naval service:

To Superintendents and Detached Deputy Superintendents in the United States.

Gentlemen:

Since adopting as a war measure the rule to limit to $5,000 of insurance (counting insurance already outstanding) applicants under the age of 31 on Registration Day, June 5, 1917, and therefore liable to service, we have received a number of applications for amounts in excess of $5,000 from persons who, on account of being married, or for other reasons, believed themselves exempt. Because the Company could receive no official assurances that these applicants would not be called sooner or later, we have been compelled to refuse the issuance of a policy in excess of $5,000.

We take pleasure in announcing that, until further notice, an applicant of conscription age may be written for more than $5,000 (if otherwise entitled) provided he is willing himself to assume the war hazard for the first five years on the excess over $5,000. By this we mean, that the excess over $5,000 will be issued in a separate policy with Supplemental Agreement No. 583, as appearing below. On the amount in excess of $5,000 it provides that in the event of the insured engaging in military or naval service in time of war within five years from the date of the policy, the Company's liability in event of death of the insured while engaged in such service, or within six months thereafter, shall be limited to the return of the legal reserve accumulated under the policy. Under this "Limited Liability War Clause" (Supplemental Agreement No. 583) the policy cannot be kept in force for the full amount by the payment of an extra premium. In order that there may be no possible misunderstanding regarding the terms on which the Company issues the insurance in excess of $5,000, the amount of insurance should be entered on the application, as shown by the following illustration assuming that $10,000 is desired and that there is no insurance in force on the proposed:

$5,000 with Regular War Clause.

$5,000 with Limited Liability War Clause.

Such applications must be accompanied by an agreement signed by the applicant and beneficiary as follows:

To the Metropolitan Life Insurance Company
In connection with and as part of the application of ..... dated ..... at ..... for $ .....insurance, to be issued in two policies, one for $..... and the other for $.....to cover the life of said..... and as an inducement to said Metropolitan Life Insurance Company to issue the policies, we hereby agree for ourselves, executors, administrators or assigns, to accept one policy for $.....with the Company's Regular War Clause and the second policy for $.....with, and to be bound by, the following "Restrictions as to Military or Naval Service."

Form 583—If within five years from the date of this policy, the insured shall engage in Military or Naval Service in time of war, the liability of the Company in the event of death of the Insured while so engaged, or within six months thereafter, will be limited to the return of the reserve theretofore accumulated under the policy, less any indebtedness to the Company thereon.

Any Total and Permanent Disability Provision contained in this policy shall become inoperative in the event of such Service within five years, but shall be restored after discharge from such Service on evidence of physical condition satisfactory to the Company.

Dated at ..... this .....day of .....1917.

.....
Signature of Applicant.

.....
Witness.

.....
Signature of Proposed Beneficiary.

If the applicant is already insured in this Company for $5,000, or more, the application should read: "$..... with Limited Liability War Clause," and the following should be substituted for the first paragraph of the agreement to be signed by applicant and beneficiary as above:

In connection with and as part of the application of ..... dated at .....for ..... insurance to cover the life of said..... and as an inducement to said Metropolitan Life Insurance Company to issue the policy applied for, we hereby agree for ourselves, executors, administrators or assigns, to accept the policy with, and to be bound by, the following "Restrictions as to Military or Naval Service."

The policy to be issued with the regular war clause (Supplemental Agreement No. 581) cannot be written on the term or whole life plans, but the excess over $5,000, to be issued with limited liability war clause (Supplemental Agreement No. 583) is not restricted as to plan.

NEEDS OF SOME SALESMEN

Among the reasons why the average life insurance salesman does not do better are these:

He is thinking too much of simply making money, and not enough of how to make it, how to influence the prospect.

He has too much fear of offending the prospect by showing him the naked truth of what will happen to his family or his business if he dies in his present circumstances.

While knowing so very much more about life insurance than any prospect does, he allows himself to appear to know only about as much, and thus weakens himself in the eyes of the prospect.

He has none or too very few of the more striking facts and figures about the business at his tongue's end. He can't spring a powerfully effective illustration at the point he needs it.

He does too much "drifting around town," instead of always having a good prospect to go to every next minute.

He works short days instead of long days, and lets thoughts of pleasure or family matters occupy his mind much of his working hours, when he shouldn't let them into his mind once during his insurance working hours.—"Amicable Record."

IN EXCESS OF $5,000

The Mutual Benefit is not inclined to consider applicants for amounts in excess of $5,000 if exemption is claimed on occupational grounds, for the reason that even if exemption in such cases is granted, it is only temporary in character.

Build Your Own Business
under our direct general agency contract
Our Policies provide for:
Double Indemnity, Disability Benefits, Reducing Premiums
See the new low Rates
JOHN F. ROCHE, Vice-Pres't
THE MANHATTAN LIFE INSURANCE COMPANY
66 BROADWAY NEW YORK
Organized 1850

BANKERS BLC LIFE DES MOINES COMPANY
PAYS GOOD PAY TO GOOD MEN

ALWAYS A PLACE FOR DEPENDABLE AGENTS
Those who can not only write applications but deliver policies, and are energetic in their methods. Good positions are ready for such men.
Union Mutual Life Insurance Co.
PORTLAND, MAINE
ARTHUR L. BATES, President
Address: ALBERT E. AWDE
Superintendent of Agencies
7 W. Madison St., Chicago, Ill.

Security Mutual Life Insurance Company
Binghamton, N. Y.
Offers to men able to produce business first class territory, with direct contract providing liberal compensation.
For particulars, address
C. H. JACKSON, Supt. of Agencies

Death Claims Traced To War

BRITISH DECISION OF INTEREST

Many American Policies Have "Directly or Indirectly" War Clauses—British Case Reviewed

A recent decision of the King's Bench Division, Great Britain, regarding death "directly or indirectly" caused by war is regarded as so important by the Actuarial Society of America that the case is digested in its legal notes. This is largely because the words "directly or indirectly" are used in a number of war clauses in this country.

The British policy was subject to the condition that it did not insure against death "directly or indirectly caused by, arising from, or traceable to * * * war." The insured was in the territorial force and a section of the country being in a state of war it became necessary to protect the South Eastern Railway by means of guards along the line and this duty at Folkestone Junction was assigned to the insured and it was necessary for him to walk alongside the rails, which was a place where the general public had no right to be. The insured was killed while so performing his duties at night, by being run down by an engine or train. In normal times the place would have been illuminated to some extent by lights, but at the time of the accident the lights were obscured in compliance with regulations under the Defence of the Realm Act, 1914.

Death Traceable to War; No Recovery

An arbitrator held that death was traceable to war and that the plaintiff was not entitled to recover from the defendant. The court upheld this, for the reasons shown in the following extract from the opinion:

"But I am unable to hold that any principle excludes, upon these facts, a possible finding by the arbitrator that war was the indirect cause of this accident. If war had merely placed Captain Ewing in a position not specially exposed to any danger, and in that position a particular incident not connected with war caused his death, I think that most probably in that case the matter would not come within the condition. For instance, suppose that in connection with the war, the assured had gone to a military camp not in any way especially exposed to lightning, but where lighting had struck and killed him, I should be disposed to think that the war was so remote from the death that in that case it could not be said that the death was indirectly caused by the war. If, however, the war had placed the assured in a position specially exposed to danger, as for instance in a place where he was specially exposed to being struck by lightning—if such a place can be conceived—and he was there struck and killed by lightning, it appears to me to be a question of fact, not of construction, whether the death was indirectly caused by war.

"In the present case the arbitrator has found, as a fact, that the assured's death was indirectly traceable to war; and it is clear upon the facts that he was placed in a position of special danger—namely, he had to be about the railway line performing his military duties at night with the lights turned down, in consequence of war, and while doing his military duties in that position of special danger he was killed by reason of the special danger which prevails at that particular place and to which he was exposed by reason of his military duties. In those circumstances I am unable to hold that the arbitrator could not reasonably find, as a matter of fact, that the death was indirectly caused by war. In my judgment it was a matter for him to find, and not for me. I could only interfere with his finding if upon the facts he could not upon the true construction of the condition come to the conclusion at which he arrived. I must therefore find in favor of the defendants."

Makes A Plea For Economy

JOHN M. SARVER ON OUTLOOK

Ohio State Not to Issue Extra Policies Without Applicant's Written Request

A circular letter of John M. Sarver, president of the Ohio State, discussing growing expenses and demonstrating the necessity of economy is of interest to life insurance companies generally as expressing news which are generally prevalent:

To our Field Representatives:

No doubt you have been following rather closely the statements in regard to proposed war taxes by the Federal Government, appearing from time to time the past few months in insurance journals and the public press. As you well know, the insurance business has been bearing more than its just share of the tax burdens in different States in the form of premium taxes, license and filing fees, in addition to the regular taxes borne alike by all tax-payers. The Federal taxes are enumerated as follows:

Capital Stock Tax.
Income Tax (doubled within the past few months).
Super Tax (increased within the past few months).
Policy Tax (eight cents per hundred dollars on life business).
Premium Tax (one per cent. on H. & A. premium income).
Postage (fifty per cent. increase on first class matter).

Other expenses of operation have increased recently beyond precedent.

Some companies are proposing to meet these extraordinary conditions by increasing premium rates, but the management of this Company hesitates to take this step as it may interfere seriously with the production of new business.

We are anxious to keep in close touch and sympathy with our field representatives, so that they may understand the situation thoroughly and co-operate heartily in all efforts to effect economy and avoid waste in every form.

After November 1st when the new Federal tax law goes into effect, the Company will be compelled to refuse to issue any extra policy without written request from the applicant for an additional amount. Our representatives are urged to transact business with such care as to reduce the amount of "not taken" business to the lowest point, which can be easily accomplished by collecting as much cash as possible with the application. We are firmly of the opinion that the more business-like transactions are handled, the better it will be for all parties concerned.

Trusting that every representative will do his full share to produce more and better business for our mutual benefit, we are,

OHIO STATE LIFE INSURANCE CO.

WILL SPEAK IN MINNEAPOLIS

President Priddy, of the National Association of Insurance Agents, will go on a Western trip at the end of next month. His first stop will be Chicago where a membership campaign is under way. That meeting will probably be held on November 30. On December 3 Mr. Priddy will speak in Minneapolis at a joint meeting of Minneapolis and St. Paul associations.

HARTFORD SUBSCRIPTIONS

Insurance companies having home offices or United States branch headquarters in Hartford, subscribed $12,490,000, or a little more than one-half of the Hartford total. The amounts, by companies, follow:

Aetna Fire	$ 1,000,000
Aetna Life	4,000,000
Connecticut Fire	200,000
Connecticut General Life	250,000
Connecticut Mutual Life	1,500,000
Hartford Acc. & Indemnity	350,000
Hartford County Mutual	15,000
Hartford Fire	1,000,000
Hartford Life	50,000
Hartford Steam Boiler	200,000
London & Lancashire Ind.	100,000
National Fire	500,000
Orient	200,000
Phoenix Fire	250,000
Phoenix Mutual Life	500,000
Rossia	500,000
Fire Reassurance of Paris	100,000
Safeguard	50,000
Scottish Union & National	200,000
Standard Fire	25,000
Travelers	2,500,000
Total	$12,490,000

MAY HAVE $30,000 000 YEAR

At a recent meeting of the E. A. Woods agency in Pittsburgh, it was pledged by agents to write more than $8,172,000 before December 31, 1917. The agency to date has written more than $21,000,000.

HOME LIFE INSURANCE CO.
(Now Purely Mutual)
256 BROADWAY, NEW YORK
GEORGE E. IDE, President

The fifty-seventh annual report shows insurance in force of $133,493,000, an increase during the year of $7,832,827. The Company paid the policyholders in 1916 $3,536,233, of which $628,406 was in dividends or premium refund. Its insurance reserve fund was increased by $1,300,000 and the Assets are now $32-821,462.

For Agency apply to
GEORGE W. MURRAY,
Supt. of Agts.
256 Broadway, New York, N. Y.

A PENN MUTUAL PREMIUM, less a PENN MUTUAL DIVIDEND, purchasing a PENN MUTUAL POLICY, containing PENN MUTUAL VALUES, make an INSURANCE PROPOSITION which in the sum of ALL ITS BENEFITS, is unsurpassed for net low cost and care of interests of all members.

THE PENN MUTUAL
Life Insurance Company
OF PHILADELPHIA
On January 1, 1909, rates were reduced and values increased to full 3% reserve

Extracts from Report of Examination of
SOUTHWESTERN LIFE INSURANCE CO.
By the State of Texas, June 28, 1915
"It is noteworthy that this Company was organized without any promotion expenses."
"I beg to report further that I find the Company in excellent financial condition."
"The volume of its business has steadily increased, its surplus is growing rapidly and its funds are being carefully conserved under expert supervision."
Home Office, DALLAS, TEXAS

J. C. Humes, President
THE CRESCENT LIFE INSURANCE COMPANY
OF INDIANAPOLIS, INDIANA
"ENDURING AS THE PYRAMIDS"
L. D. Clancy, Secretary
A Legal Reserve Company
Are You a Big Producer? Can You Prove It?
ONE GENERAL AGENT WANTED IN INDIANA
Home Office: Fletcher Trust Bldg., Indianapolis, Ind.

We don't contract with poor men.
We give a new man our attention until he is started.
We make our men make good.
Why don't you work for us?
Peoria Life Insurance ompany
PEORIA, ILLINOIS

War Insurance and War Tax

TOPICS FOR LIFE PRESIDENTS

Eleventh Annual Convention to Be Held at Hotel Astor on December 6-7

The subjects which are uppermost in the minds of all insurance men—war insurance and war taxation—will be discussed at the eleventh annual meeting of the Association of Life Presidents which will be held on December 6-7 at the Hotel Astor. The patriotic response of the companies to the Liberty Loan has evoked nation-wide commendation. One life insurance publicist estimates that more than $200,000,000 of Liberty bonds have been purchased by the life insurance companies. The theme of the December meeting will be "The Opportunities and Responsibilities of Life Insurance in After-War Problems of the Nation."

The insurance commissioners have been invited to attend among others, and it is announced that the new president of the commissioners' convention, Emory H. English, of Iowa, will be a speaker.

An Outline of the Program

In discussing the tentative program the Association of Life Insurance Presidents says in part:

"The program, as it is being developed, contemplates a consideration of the ways in which the trust funds of policyholders have contributed to national development in the past through investments in railroad sesurities, farm mortgages, city real estate mortgages, public utilities, municipal and Government bonds, etc., and how those funds are at present supporting the nation in the conduct of the war; but principally a forward look into the manner of their use in meeting after-war conditions.

"War insurance and war taxation will be discussed in connection with other topics affecting the insurance side of our business, as differentiated from its investment activities. This section of the program will also include a forecast of after-war problems of the agency department.

"The horrors of our world war have been in part mitigated by a remarkable series of discoveries and developments in military, medical, surgical and sanitary science with which we are somewhat familiar. The application of these new methods to peace conditions and their influence on the preservation of national man-power will be considered with particular reference to the mortality problem of life insurance companies."

COST OF LAPSED POLICIES

The Mutual Benefit tells a story in "The Pelican" of a Georgia man on whose life the Mutual Benefit issued a policy for $1,000 in 1906 which was cancelled, another for $1,000 the same year which lapsed, another for $2,000 in 1909 which also lapsed, two for $1,000 each in 1916, one of which was cancelled, and one for $1,000 in March of this year, which was also cancelled. In order that the record may be complete it may be mentioned also that as far back as March, 1902, this man had a Mutual Benefit policy which lapsed by non-payment of premium in 1909, the insurance being automatically extended until 1913 when it expired. On July 15, 1917, he was struck by an automobile while attempting to catch a car and was accidentally killed. Of the seven Mutual Benefit policies which he had had, only one for $1,000 of insurance had been kept in force. This, of course, was duly paid. The cost to the company of cancelled and lapsed policies is quite material, but the loss to beneficiaries may be infinitely more.

MODERN WOODMEN

Rates not Sufficient to Mature Benefit Certificates on Whole Life Plan

In the examination of the Modern Woodmen of America made by the New York, Illinois, Missouri and Wisconsin insurance departments, the following comments are made on certificates:

The certificates issued by the society provide benefits on the whole life plan, but the rates collected are not sufficient to mature such a contract even if twelve full assessments had been collected for each year. Twelve full assessments have been collected for each of the last five years, but prior to 1912 one or more assessments for each year have been omitted.

The rates have been changed more than once since the society was organized, but the ones now being collected were adopted in 1904.

The actuarial department has computed the length of term that these rates will maintain certificates in force without loss to the society. The computations were made for all ages and were based on the M. W. A. Experience Table of Mortality (100%), 4% interest and twelve full assessments. The following table illustrates some of these results:

Age at entry	Length of term
18	52 years
20	48 years
25	39 years
30	38 years
35	33 years
40	28 years
45	21 years
50	17 years
55	10 years
60	4 years

It is evident from this table that the present rates are not only inadequate for whole life certificates, but also inequitable as between members of different ages. This also shows that the society is now carrying many certificates beyond the term that these rates will purchase and therefore below current cost.

The officers and the management of the society, since 1904, have consistently reported this condition of inadequate rates to the camps and membership through their triennial reports.

SAILS FOR FRANCE

W. G. Bowerman, the actuary and examiner of the West Virginia department, resigned his position on October 1st, to join the Reconstruction Corps in France and sailed on October 13th to take up this work. He is an earnest, conscientious young man, and well educated and equipped for his chosen profession. His decision to enlist shows his patriotism and desire to serve his country in these strenuous times.

CURRAN'S LATEST

Garner Curran, one time publisher of a Los Angeles insurance journal, known to fame as Mr. Hathaway's right-hand man during the World's Insurance Congress events, and just now engaged in soliciting accident insurance for the Pacific Mutual, is also industriously employed in an effort to create the office of fire marshal for the State of California urged, probably, by a belief that is shared by all who know him, that he is the best and most available man to fill it. The task should not be difficult. California needs the office; the office needs Mr. Curran, and Mr. Curran is in every way qualified to fill it. Presto! a little legislation, and it is done.—"The Adjuster."

The home office directors of the Commercial Union Assurance Company announce the payment on November 8 of an interim dividend of 14s. per share, less tax, on account of the year 1917, as compared with 12s. per share, less tax, at the corresponding date last year.

THE MOST VALUABLE POLICY FOR YOU,
Mr. Agent, is to write your prospect in the Company writing the most valuable policy for the insured.
Secure **prompt action** in the
John Hancock MUTUAL LIFE INSURANCE COMPANY OF BOSTON MASSACHUSETTS
WILLIAM N. COMPTON, General Agent
METROPOLITAN DISTRICT, ST. PAUL BLDG., 220 BROADWAY, NEW YORK, N. Y.

ORGANIZED 1871
Life Insurance Company of Virginia
RICHMOND, VIRGINIA
OLDEST, LARGEST STRONGEST
Southern Life Insurance Company
Issues the most liberal forms of Ordinary Policies from $1,000.00 to $50,000.00, and Industrial Policies from $12.50 to $1,000.00
CONDITION ON DECEMBER 31, 1916:

Assets	$14,464,552.23
Liabilities	12,436,717.56
Capital and Surplus	2,027,834.67
Insurance in Force	118,349,212.00
Payments to Policyholders since Organization	18,119,172.50
Is Paying its Policyholders over	$1,300,000.00 annually

GOOD TERRITORY FOR LIVE AGENTS

FOUNDED 1865
Unexcelled In Favorable Mortality and Economy of Management
The Provident Life and Trust Company
OF PHILADELPHIA
Rates of Premium Extremely Low and still further reduced by Annual Dividends

THE BERKSHIRE LIFE INSURANCE CO.
OF PITTSFIELD, MASS.
Incorporated 1851
W. D. WYMAN, President
A purely mutual Company, issuing all desirable forms of life insurance.
ATTRACTIVE LITERATURE
Ambitious, Productive and Trustworthy Life Agents may be benefitted by corresponding with
W. S. WELD, Superintendent of Agencies

Are You Permanently Established?
Write for Territory
Pennsylvania—Ohio—West Virginia
PHILADELPHIA LIFE INSURANCE CO.
PHILADELPHIA

40% **Increase in Paid New Premiums—that tells the 1916 story of Fidelity progress.**
Direct leads and the Fidelity "Income for Life" plan are making money for Fidelity field men. Any man who can sell life insurance can sell MORE Fidelity insurance.
Write to-day—
Fidelity Mutual Life
INSURANCE COMPANY, PHILADELPHIA
INCORPORATED 1878 WALTER LE MAR TALBOT, President

Human Cost of World Conflict

53,000,000 MEN NOW IN ARMS

Up to August 1, 1916, Deaths Amounted to 4,600,000—10,200,000 Soldiers Wounded

The greatest war in human history has entered well upon its fourth year. What is the cost in lives, in money, in war loans, in indebtedness? These questions are answered by the Mechanics & Metal National Bank of New York City in a booklet, "The Cost of the War." The daily expenditure at the start was $40,000,000. Now it's a little short of $160,000,000. The total national wealth of the Allies is $601,000,000,000; population, 1,296,000,000; wealth per capita, $462. The total national wealth of the Central Powers is $129,000,000,000; population, 148,000,000; wealth per capita, $872.

The human cost of the war is herewith epitomized:

The number of men engaged in hostilities shows how vast is the war, and from what a large supply the casualties have come. The numbers called to the colors of the various nations have been roughly as follows:

	Men Enlisted
United States	2,000,000
British Empire	7,500,000
France	6,000,000
Russia	14,000,000
Italy	2,500,000
Belgium, Serbia and Portugal	1,000,000
Entente Allies	33,000,000
Germany	10,500,000
Austria-Hungary	7,500,000
Bulgaria	500,000
Turkey	2,000,000
Teutonic Allies	20,000,000
Total, all	53,000,000

Of this 53,000,000, representing able-bodied and skillful workmen, possibly a fourth can be said to have been killed or injured since the outbreak of the war. The stage of the war and the performance have been so gigantic that deaths in the first three years of hostilities were in the neighborhood of 7,000,000, while injuries leaving men invalids were more than 5,000,000. This means, to use a familiar comparison, that a number of men equal to one-eighth the population of the United States suffered death or permanent injury in the first three years of the war. The killed equalled 7 per cent. of our population, the maimed equalled 5 per cent.

The total of killed, as a matter of fact, has in the elapsed period of the war equalled the full number of men called to the colors by the British Empire. It has exceeded the number of the whole French army, and has been four times as great as the number of men now enlisted under the American flag. The total of killed and permanently wounded has reached an amount greater than the enlisted number of any single nation, except Russia, and even the 14,000,000 total of that nation is being crowded by the records of casualties.

While total figures by themselves are large, the actual death rate indicated by the mortality records of the war is not more than 45 per 1,000 per annum. Thus the loss of life has been about one in twenty-two each year. Referring to single campaigns on the western front, the Committee on Public Information at Washington recently made the statement that "figures, taken when the casualties were greatest in proportion of deaths show losses due to deaths from wounds and killed in action to be approximately 11 in every 1,000 of mobilized strength." The statement added that the high-water mark of total casualties in the French army was reached in the war at the battles of Charleroi and the Marne. In that period they were 5.41 per cent. of the mobilized strength.

Statistics are often dry as dust, but when measuring the carnage of war they register one of the most tragic calamities of all history. The nearest approach to the human sacrifice of this war is contained in the record of the Napoleonic Wars, which extended over more than twenty years and took toll altogether of 2,100,000 lives.

Compilations made by the War Study Society of Copenhagen, from such information and statistics as could be secured, showed that in the first two years of the hostilities—August 1, 1914, to August 1, 1916—more than 4,600,000 deaths occurred in all the armies engaged, while 11,200,000 soldiers were wounded, a third of them being made permanent invalids.

We present below a table estimating for three years to August 1, 1917, the loss of life among soldiers to the different countries engaged in the war, based on the Society's figures. The first column contains the list of dead in the first two years of the war, as estimated by the Society. The second column contains an approximation of the deaths of the third year of the war, the figures being arrived at by assuming that the casualties of the third year were at the same rate as those of the first two years. This basis of calculation is neither accurate nor satisfactory, but without official figures it at least gives some conception of war's destruction of life:

	Two years Aug. 1, 1914 to Aug. 1, 1916	One year Aug. 1, 1916 to Aug. 1, 1917	Total three years
Dead:			
England	205,000	102,500	307,500
France	855,000	427,500	1,282,500
Russia	1,500,000	750,000	2,250,000
Italy	105,000	52,000	157,000
Belgium	50,000	25,000	75,000
Serbia	110,000	55,000	165,000
Rumania	.....	100,000	100,000
Entente Allies	2,825,000	1,512,000	4,337,000
Germany	885,000	442,500	1,327,500
Austria-Hungary	718,000	359,000	1,077,000
Turkey	150,000	75,000	225,000
Bulgaria	25,000	12,500	37,500
Teutonic Allies	1,778,000	889,000	2,667,000
Total, all	4,603,000	2,401,000	7,004,000

One reason for the wide margin between the losses of the Entente Allies and the Central Powers is the relative unpreparedness of the Entente at the beginning of the war, the disastrous retreat of France in 1914, and of Russia later from the Mazurian lakes and the Carpathians and in Rumania. France suffered tremendously in its early retreat to the Marne and later in its defense of Verdun.

Because it is fighting on interior lines without suffering disastrous retreats, and because of a highly efficient medical service, Germany has suffered relatively less than some of the other nations, notwithstanding that her offensives on various fronts have led her into heavy losses in dead. Nearly one-third of her casualties are estimated to have been suffered around Verdun.

Russia has been the heaviest loser in man power, its total of loss in deaths, injuries and prisoners being nearly double that of any other nation. Austria-Hungary also has been a heavy sufferer. In regard to the losses for Russia and Austria-Hungary, the great campaigns in the East are to be considered, these having been carried on by large forces in the open, over wide stretches of territory. Lack of communication and hospital facilities also have been a factor.

England's losses have been smaller than those of the other European powers, owing to the time required to bring her full strength to bear in the war theatre. Italy until recently was saved from extreme casualties through the confining of open operations on her mountain frontiers. Rumania, although entering the war late, suffered disastrously by reason of Germany's invasion. Belgium and Serbia, the two small States overrun by the German machine early in the war, lost heavily in proportion to population. Turkey has been a heavy loser, through waging war on a wide sweep of front from Gallipoli through Syria, Arabia, Mesopotamia and Armenia. Bulgaria has been, relatively, a small loser.

The number of men wounded in the war can only be roughly estimated. Many of the wounded are regarded as so slightly hurt that no reckoning of them is made in casualty lists; many are wounded a number of times, and their reckoning confuses the figures. More than 5,000,000 men have been made permanent invalids in the three elapsed years of war, however.

The following table shows the number of the permanently injured, figures in the first column, showing the returns of the War Study Society of Copenhagen for the first two years, being made the basis for the estimates of the third year on the basis of a like yearly average:

	Two years Aug. 1, 1914 to Aug. 1, 1916	One year Aug. 1, 1916 to Aug. 1, 1917	Total three years
Permanently wounded:			
England	154,000	77,000	231,000
France	634,000	317,000	951,000
Russia	1,146,000	573,000	1,719,000
Italy	73,000	37,000	110,000
Belgium	33,000	16,000	49,000
Serbia	42,000	21,000	63,000
Rumania	.....	60,000	60,000
Entente Allies	2,082,000	1,101,000	3,183,000
Germany	635,000	318,000	953,000
Austria-Hungary	533,000	266,000	799,000
Turkey	105,000	52,000	157,000
Bulgaria	18,000	9,000	27,000
Teutonic Allies	1,291,000	645,000	1,936,000
Total, all	3,373,000	1,746,000	5,119,000

Military experts agree that the killed in action and died of wounds have never at any time in the war exceeded 20 per cent. of the total casualties.

PAID-UP POLICIES

Reserves and Interest Earnings Thereon Discussed by Darby Day Agency, Chicago

There are still those in the agency who do not understand why it is that reserves on paid-up policies do not increase to the extent of 3 per cent. compound interest each year, says the Darby Day Agency of the Mutual Life, Chicago. Continuing it adds: In the case of a twenty payment life for $1,000 becoming paid up at age 55, the reserve is then $609.92. Since 3 per cent. interest on this sum for the twenty-first year amounts to $18.30, it seems to be difficult to understand why the reserve at the end of the twenty-first year should not be the sum of these amounts, namely, $628.22. But the fact is, of course, that the policy paid up, though it is, must contribute its share toward the death losses accruing in its class.

To illustrate the point we will assume there are 100,000 policies of $1,000 each, all becoming paid up at age 55. The total reserve on the $100,000,000 of paid-up insurance would be $60,992,000; 3 per cent. interest on this sum for one year amounts to $1,829,760, which makes the sum at the end of the year $62,821,760; but before starting off on the next year the death claims accruing for the year just ended must be paid. (In the calculation of premiums death claims are presumed to be paid at the end of the year.)

Turning to the mortality table it will be found that among 100,000 men living at age 55, 1,857 will die during the year, which means a death loss in this case of $1,857,000. Deducting this amount from the above total leaves a terminal reserve at the end of the policy year for all the survivors of $60,964,760. Now since there were 100,000 policyholders living at the beginning of the year and 1,857 died during the year there were living at the end of the year 98,143; and the terminal reserve divided by 98,143 gives $621.18 as the reserve for each policy at the end of the twenty-first year, in the case of policies taken out at age 35 on the twenty payment life plan.

The Doremus general agency of the Germania Life is having a $3,000,000 year.

44 MILLIONS from 42 AGENCIES

THE 1916 RECORD OF OUR EARNEST, LOYAL AND HAPPY AGENCY FORCE

New England Mutual Life Insurance Company

BOSTON, MASS.

Capable Agents, Desirable Company

The two most important factors in life underwriting are capability in the Agent and quality in the Company. If the Company provides an unexcelled, attractive policy for a low net cost, and has a reputation for prompt and efficient service, the result is contentment, loyalty, and success for the man in the Field, if he is capable. This Company's record is evidence of the character of its representatives and of the quality of the institution.

Occasionally we have a General Agency opening

JOSEPH C. BEHAN, Superintendent of Agencies

MASSACHUSETTS MUTUAL Life Insurance Company

Springfield, Massachusetts

Incorporated 1851

LIVE HINTS FOR BUSINESS GETTERS

Practical Suggestions to Help the Man With the Rate Book Increase His Income and General Efficiency

Describing Highest Type of Trained Salesman

Members of the World's Salesmanship Congress have described what is the highest type of the trained salesman. From many clever answers the following will furnish food for thought loving salesmen:

"One who in absolutely new territory with something new and not necessary, can sell it to someone who didn't want it, and look to this man as a future customer."—F. L. Kuhne, Mt. Clemens, Mich.

"The specialty salesman, dependent upon his own ability to locate prospective customers, who by his own versatility gains the confidence of his prospect and sells an article of which the buyer knows nothing, such as stocks, insurance, or undeveloped property."—G. M. Taylor, Detroit.

"The man with an abstract proposition who by his personality and wit convinces the buyer and sells him something he has never seen and which cannot be demonstrated by usual methods. Example, promoting."—W. F. Cole, Detroit.

Answers referring to the type of man are exampled thus:

"Men like President Wilson, Mr. Schwab. A quick thinker, good listener, good talker, conscientious, tactful, and a keen student of human nature."—F. R. Savage, Detroit.

"The man who knows himself, the other fellow, and his own line, and by combining the human element with sound business sense makes the customer virtually sell himself and leaves him satisfied."—E. H. Hamilton, Detroit.

"One who can take seeming defeat with a smile, and turn same into future business."—L. B. Langworthy, Detroit.

Answers to the question "Why Is Belief in Goods Essential to Efficient Salesmanship?"

"Salesmanship can exist without confidence, but not efficient salesmanship. Whether a man is selling needles or threshing machines, feed for cows or life insurance, chewing tobacco or bibles, or is preaching the gospel to sinners, if he believes in them heart and soul and feels that the other fellow will profit by the purchase he has gone a long way towards making the sale."—A. C. McFall, Detroit.

"Belief in his goods gives a man poise and ease in his manner of approach, for 'As a man thinketh in his heart so is he.'"—L. A. Nix, Detroit.

"You cannot impress on a buyer that which is not impressed on yourself. You cannot deliver an imaginative picture which you do not possess."—C. R. Curtis, Denver.

"Unless a salesman has sold himself he cannot sell others."—A. E. Will, Detroit.

"Efficient salesmanship must be honest salesmanship."—A. L. Fox, Detroit.

"Even with belief it is hard enough to be efficient."—G. C. Mitchell, Springfield.

"You might get by for a short time selling something you did not believe in, but no man could last long at it."—F. L. Kuhne, Mt. Clemens.

"If a man has to put his conscience behind him and cannot look his customer in the eye he cannot be efficient."—H. Steele, Houston.

"Few men can deliberately lie and at the same time inspire confidence."—C. F. Terry, Detroit.

"Doubt in the mind of the salesman is quickly detected by the customer, while confidence and enthusiasm are also contagious."—C. J. LaFleur, Detroit.

* * *

The Things Men Prize

What does the average man of intelligence and character prize most highly? Is the big thing in life money or power or property? Not to most men.

At bottom the thing that weighs heaviest in the scale is reputation—the respect, esteem, perhaps the admiration, of his fellow men. It is this strong desire, in a perverted form, which even leads some people to unwise extravagances, merely because others are indulging in them.

Now what do you think will be the general estimate of the man who dies without having made adequate provision for his wife; who said he would take care of her as long as she lived, and then didn't do what he could to make that promise good?

People do not think or talk much of these things while a man is still alive, but when he dies, it is brought vividly to their attention that he has or that he has not done his duty in this respect.

There are just three things a man leaves behind him when he dies, his family, his property (or the lack of it, his debts) and his memory.

No man can tell what day he will die. Would your memory be secure if you died tomorrow—or next month, or next year?

And how about your family—how would they fare?—"Agency Items."

TAX NOT APPLICABLE

Does Not Apply to Soldiers' and Sailors' Insurance of War Risk Bureau

Commissioner of Internal Revenue Roper to-day issued a ruling holding that the war tax does not apply to soldiers' and sailors' insurance written by the War Risk Insurance Bureau. The text of the ruling follows:

"Tax imposed by section 504 of Act of October 3, 1917, does not apply to soldiers' and sailors' insurance written by the War Risk Insurance Bureau.

"Section 305 of the Act of October 3, 1917, expressly provides that the tax imposed by section 504 of such act upon life and casualty insurance shall be returned and paid by 'every person, corporation, partnership, or association issuing policies of insurance upon the issuance of which a tax is imposed by section 504.'

"The act clearly contemplates that the tax shall be paid by the insurer and not by the insured.

"Not only is it impossible in the absence of express provision to the contrary to infer that the United States intended to tax itself, but section 505 obviously limits the application of the tax to persons, corporations, partnerships and associations, in none of which classes is the United States included."

PRIZE ESSAYS

George W. Johnston, of Johnston & Collins, New York general agents representing the Travelers, has been appointed chairman of the prize essay committee of the National Association of Life Underwriters. As a writer of prize essays Mr. Johnston proved so supreme that he was barred from further participation in National Association contests.

ACTUARIAL DINNER

Henry Moir, J. V. Barry and Others Dine With Casualty Men at Astor

An account of the meeting of the casualty actuaries this week will be found on page 17.

President James D. Craig made an address on the war tax insurance bill in which he noted the enormous amount of money this measure will cost the Government in the first and succeeding years. He mildly criticised the bill.

Dinner at Astor

Wednesday night the annual dinner was held at Hotel Astor. The principal speakers were Henry Moir, actuary of the Home Life; J. V. Barry, assistant secretary Metropolitan Life; Professor R. H. Blanchard, Columbia University, and R. J. McManus, one of the new Fellows.

THE PENNSYLVANIA COMMISSION

No Arrangements Yet for Meetings—Awaiting Official Advices From Governor

Asked regarding the first meeting of the new commission to revise Pennsylvania insurance laws, A. J. Maloney, president of the Philadelphia Life and a member of the commission, said on Wednesday:

"The commissions have not been received from the Governor as yet, and no meeting has been held up to date. I suppose when the commission does name a time and place for a public hearing, public notices will be made thereof. I have no information that I could give you at this time."

ILLINOIS LIFE INSURANCE CO.
CHICAGO
JAMES W. STEVENS, PRESIDENT
GREATEST ILLINOIS COMPANY
WANTS GOOD MEN AND WILL PAY THEM WELL

One thousand two hundred and eighty women in the United States were killed by automobiles during a recent period of twelve months.

In addition to the ordinary forms of life insurance

THE EQUITABLE

makes a specialty of the following:

Insurance to protect business firms and corporations, under a corporate form of policy.

Group Insurance, by which employers protect families of employes.

A flexible contract, known as the Convertible Policy, which can be converted by the Insured into an Ordinary Life, Limited Payment Life, or Endowment Policy.

A Bond issued without medical examination giving the investor an income for his declining years.

A new policy is offered under which the insurance is DOUBLED if death results from ACCIDENT. This policy also embodies the following advantages if the person whose life is insured becomes totally and permanently disabled:

1. Thereafter the Equitable will carry the insurance —The Insured will have nothing further to pay.
2. The Equitable will pay the Insured an annual income for life equal to one-tenth of the face of the policy.
3. Upon the death of the Insured the full amount of the insurance will be paid to the Beneficiary (or double the amount if death is due to accident) without deduction on account of the income paid to the Insured while living.

(See the policy for conditions and details.)

For Agency Openings Address

WILLIAM E. TAYLOR,
Superintendent of Agencies

THE EQUITABLE
LIFE ASSURANCE SOCIETY OF THE U. S.
120 BROADWAY, NEW YORK

No War Discussion As Actuaries Meet

PAPERS ON TECHNICAL SUBJECTS

Lax Examination of Benefit Funds—R. D. Murphy's Impaired Life Rating Proposition

The meeting of the Actuarial Society of America in Baltimore last week was an old-fashioned actuarial session without discussion of war problems. The only paper dealing with the Washington situation was the explanation of the War Revenue Act made by E. E. Rhodes, of the Mutual Benefit, and reviewed by this paper in its last edition. Other papers read were:

"Beneficial and Relief Associations: Sickness, Accident and Death Benefits to Employes and their Dependents," by Arthur Hunter, actuary New York Life and president of the Society.

"Observations on the Methods and Publications of the United States Census Bureau," by H. H. Wolfenden of Grimsby, Ontario.

"The Effect of Glycosuria and of Albuminuria on Mortality," by Arthur Hunter and Dr. Oscar H. Rogers, chief medical director New York Life.

"Mortality Graphs," by Henry Moir, actuary Home Life.

"Reinstatement of Policies," by Ray D. Murphy, assistant actuary, Equitable.

"Note re Disability Benefits," by Mervyn Davis, actuary Equitable Life of Iowa.

Relief Associations

In his paper Mr. Hunter gives an exhaustive account of the various forms of associations and funds connected with firms and corporations existing for relief of employes and their dependents, in event of sickness, disability and death. The author treats in detail such phases of the subject as management, benefits provided, medical attendance, dues or assessments, membership, initiation fees, compulsory or voluntary membership, practices when employes withdraw, expenses of administration and many others. Conflict with workmen's compensation acts received a just share of attention as the question of the benefits given by such associations or funds, where such acts exist, is of growing importance. The latter part of the paper is devoted to the actuarial problems pertaining to such associations or funds, and many suggestions of importance are put forth. The author pointed out that from statistics gathered by Dr. Boris Emmet and published in the August number of the "Monthly Review" of the United States Bureau of Labor, only 5 per cent. of the 159 associations (establishment funds) examined by the Bureau "have ever made any actuarial examination of their schemes, and only two are known to have permanent consulting actuaries"; with regard to 193 trade union funds, "no actuarial examination of any of the benefit funds of the national or local trade union funds is known to have been made."

A Few Mortality Graphs

In his paper illustrating some mortality graphs Mr. Moir said that in time of war the death rate is increased not only in the case of the men who are fighting, but also in the general population. The mortality, which may be extreme on the battle front, seems also to fall with a heavier hand than usual on the civilian population in such times of stress. We can readily see how this may be so in countries like Belgium and Poland—even in a lesser degree in Holland and Switzerland, where the comforts and necessities of life are hard to procure—but we find it hard to believe that the death rate would be increased in the United States or in Australia by the present European war. Be that as it may, this is a good time to take observations and record the trend of mortality during recent years up to 1916.

Figures published from Census Bureau statistics indicate a general improvement in mortality throughout the United States, marked in some sections as, for example, the South Atlantic States where the fall is from 23 per 1,000 to less than 16; the Mountain States, from 19 to 11; and the Pacific States from 17 to below 12. In all of these it is probable that civilization, as expressed in sanitation and health study, has been making notable progress; but the way the figures are brought together probably exaggerates the improvement, the ratios being crude death rates, taking no account of the average age of the population. On the other hand the changes between 1902 and 1914 in the West South Central District, in the New England States and in the East North Central Section have been relatively small. Possibly in these districts the actual improvement may be greater than the figures indicate, through emigration of healthy young people to districts yielding better opportunities for success.

Notwithstanding the doubtful value of the crude death rates it seems hardly believable that the trend is due to the form in which the information is compiled. The United States as a whole shows a reduction from 17.6 per 1,000 to 13.6 per 1,000 in 15 years. There is an increase in 1904, in 1907 and in 1910, but in each case the point to which the rate rises is lower than the previous high point.

Mortality of Married Women Greater Than Spinsters

The paper then proceeds to deal with various classes of people. The first class is women—the most important section being married women, and the diagrams indicate that the mortality rate is unfavorable as compared with men or with spinsters; moreover, the general weight of the evidence indicates that the higher death rate is not caused by dangers attending child birth.

Bearing in mind the numbers of applications submitted in the different classes, and remembering that spinsters and business women are not only urged to take insurance by agents, but do effect policies frequently, we may state generally that women risks average as good as men. It does not follow that insurance companies can afford to remove the restrictions that have been placed around the insurance of married women. These restrictions instead of being less than they have been in the past should probably be greater, especially at the younger ages.

Policemen

Other classes dealt with are occupational hazards. The figures relating to city policemen are interesting as the hazard is quite pronounced from the earliest to the oldest age with a clear tendency for the mortality to become increasingly heavy with advancing years. One is led to speculate as to whether the very heavy mortality in the later life of policemen may be caused by a tendency to develop loose habits. Yet the shape of the curve is not altogether similar to that of the next diagram showing

Free Use of Alcohol

The diagram picturing the mortality of the free users of alcohol class is also interesting. In the first year the death rate does not differ much from normal, yet the ultimate rate is much higher than the normal. The initial selection seems to be effective, but there is some influence causing degeneration. One might suppose from the trend of the curves that a good many men who admit a general use of alcohol take it more freely than they state. This is a natural deduction, for most men answer the question in an off-hand way; the general tendency is doubtless to minimize the quantity, since the normal man does not keep any record, mental or otherwise, of the number of drinks he takes per day.

Policy Re-instatements.

In his paper on re-instatement of policies, Ray D. Murphy discussed the problem of the standard of vitality to be adopted in re-instatement of lapsed policies, and is considered in the case of companies doing business on the mutual plan only. The author proceeds on the assumption that risks to be eligible for re-instatement should show a vitality equal to that expected to be shown by lives insured in the same year of issue, at the same age, and on the same plan of insurance. On this assumption, the author proposes the adoption of a system of "rating." The purpose of such a system is to determine how much impaired lives may be and still be acceptable without the resultant mortality being greater, on the average, than that of the members of the same group, who have continued their policies in force, as shown by a standard mortality table applicable to such group. The problem is treated both in reference to various plans of insurance and particular cases requiring special consideration. The case of policies running under extended term insurance is ably and exhaustively treated.

THE
METROPOLITAN LIFE
Insurance Company
(Incorporated by the State of New York)



Metropolitan Life Insurance Company
Home Office Building

The Company
Of the People
By the People
For the People

The Daily Average of the Company's Business during 1916 was:

701 per day in Number of Claims Paid.

8,304 per day in Number of Policies Issued and Revived.

$1,969,823 per day in New Insurance Issued, Revived and Increased.

$376,827.40 per day in Payments to Policyholders and Addition to Reserve.

$220,509.26 per day in Increase of Assets.

JOHN R. HEGEMAN, President

Representing

The Mutual Life Insurance Company
of New York

You will make money.

The great strength, big dividends and incomparable benefits of the *"oldest company in America"* mean certain success for you.

For Terms to Producing Agents, Address

GEORGE T. DEXTER, 2d Vice-President
34 NASSAU STREET, NEW YORK, N.Y.

ANOTHER REDUCTION

Lower Ordinary Life Participating Rates of Connecticut General Life Insurance Company

The Connecticut General, which recently reduced its non-participating rates, has now reduced its ordinary life participating rates:

Ordinary life, age 35, including disability, 1st year $23.89
Estimated net cost, 2nd year 21.17
Estimated net cost, 3rd year 21.01

In all policies, both participating and non-participating, including ten year term, the disability feature is provided without additional charge.

THE EASTERN UNDERWRITER

This newspaper is owned and is published every Friday by The Eastern Underwriter Company, a New York corporation, office and place of business 105 William Street, New York City. Clarence Axman, President; W. L. Hadley, Secretary; R. W. Swayne, Assistant Secretary. The address of the officers is the office of this newspaper. Telephone 2497 John.

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AN EDITORIAL INSURANCE COMMISSIONER

A tendency of the times is for the Insurance Departments of the various States to issue bulletins to the public. Sometimes these are largely devoted to fire prevention pointers, such as is the bulletin of the North Carolina department. Some of them are devoted to straight news of the department, such as the bulletin of the Minnesota commissioner. But the largest and most comprehensive of all these bulletins is that of Auditor J. S. Darst, of West Virginia. Starting with the publication of names of new agency appointees and appointments and items regarding companies admitted to or withdrawing from the State, he has branched out until at the present time he is running what is in reality an insurance newspaper, with clippings from exchanges, news of insurance events, and even editorials.

In the current issue he published stories about the attempt of building and loan associations to coerce the placing of insurance; about the effect of the war on accident insurance; about the new soldiers' and sailors' insurance; about the re-insurance of the First National by the Home, in which he praised the "quick and commendable work upon the part of the receivers"; about insurance companies changing their names; about the new insurance commissioner in Pennsylvania; about some recent decisions affecting insurance; and about the Trading With the Enemy Act. His editorial is a suggestion that there be a fire insurance clearing house organized, and as this is an interesting new suggestion it is reproduced in full herewith:

Something should be done to encourage and protect the honest fire insurance agent, the insurance companies and the general insured public.

Why not a fire insurance clearing house, to assist in eliminating undesirable risks and assist in lowering the fire loss and also the rates? It frequently occurs that a field man, on inspection of a risk, orders its cancellation, on account of physical defects, occupancy or ownership, and the honest agent, after receiving such request for cancellation, will refuse to re-write the risk in any other company in his agency, but it does not prevent the assured or owner of the property from going to some other agent who has not been put in possession of this information, and having it re-written.

The Insurance Department suggests that a bureau be established to collate all information of this nature, and that all field men and companies be requested to advise this bureau of the cancellation of risks and the reasons therefor, giving the name of the owner, occupant and location, and if this information be disseminated among the agents and also the companies and field men doing business in this State, it is believed that a plan of this kind, if carried out consistently, will assist materially to control the situation which now exists.

The Insurance Department requests opinions and suggestions along this line, and trusts that the insurance fraternity will take sufficient interest in this question to write the department fully their views.

The Insurance Department offers its services to fully carry out the plan outlined.

THE PREMIUM TAX

Suggestion That It Be Paid by Assured Does not Win Favor

The suggestion in some quarters that the fire companies charge the assured with the premium tax did not meet with favor. Payment will be made by companies on or before the 15th day of each month for all business reported to them during the previous month, the first report being made in December to cover November business. Policies of re-insurance are exempt.

The manner in which the tax should be paid is described in a circular of the National Board of Fire Underwriters that was issued to members on October 27.

BINDERS' MEETING

H. A. Smith and James Wyper at Insurance Commissioners' Conference at Astor

The subject of binders and "not taken" insurance was discussed at a meeting of a committee of insurance commissioners in the Hotel Astor on Wednesday. The National Board was represented by H. A. Smith, National, and James Wyper, Hartford. Commissioner Hardison, Massachusetts, was chairman of the meeting. Commissioners Phillips and Mansfield also attended. No decision was reached, and another meeting will be held.

"AGENTS HELP EACH OTHER," ALLEN'S PLEA

President E. M. Allen, Fred J. Cox and Fred V. Bruns of the National Association of Insurance Agents were in attendance at the annual meeting of the Connecticut Association of Fire Insurance Agents, which was held in Norwich on Friday last. They have been attending several meetings of New England associations.

At the Norwich meeting Frederick V. Bruns, of Syracuse, made a rattling good fire prevention talk. One point he brought out was that unless insurance companies did perform useful service to their clients eventually the State would supersede in every branch. At the banquet Mayor Brown, of Norwich, addressed the insurance men, being followed by Mr. Cox, who told of the need for co-operation. He particularly emphasized the absolute need of hearty co-operation between companies and agents and the desirability of lack of friction in managing purely business affairs.

In his address President Allen dwelt upon the necessity of dealing fairly with each other and producing such a spirit of helpfulness that the character of the business would be raised and membership in agents' organizations tremendously increased.

THE HUMAN SIDE OF INSURANCE



CHARLES F. NESBIT

Charles F. Nesbit, the new commissioner of the War Risk Bureau, has taken off his coat and is hard at work on his new position. To a friend this week he said: "The size of the job ahead is simply appalling, but it is a most essential part of this country's work; and I shall do my best." Among the many expressions heard by The Eastern Underwriter regarding Mr. Nesbit's appointment was one from Louis Brownlow, one of the District of Columbia Commissioners, who said: "The appointment was a great surprise to Mr. Nesbit as well as to the rest of us here in Washington. I believe Mr. Nesbit will make good in his new place." The commissioner has received messages of congratulation and good wishes from all parts of the country. His fourteen years of insurance experience will stand him in good stead, and there are few men who will tackle an undertaking with more industry and zeal than characterize the new commissioner.

* * *

Charles H. Burras, the new president of the National Association of Casualty and Surety Agents, and **President E. M. Allen,** of the National Association of Insurance Agents, who were attending a performance of "Hitchy-Koo" at the Fortyfourth Street Theatre this week, were somewhat nonplussed when the star, Raymond Hitchcock, welcomed their presence in a curtain speech in this wise: "I see my old friends, Ed Allen, of Arkansas, and Charles Burras, of Chicago, of the National Associations, are here."

* * *

A. J. Meyer, the Indianapolis agent who injected a lot of politics into the recent convention of the National Association of Insurance Agents, was in New York this week. He told a representative of The Eastern Underwriter that while he is continuing in the insurance business he is also broadening some of his outside activities, and among other things has decided to operate eight automobile garages in Indianapolis.

* * *

Clarence L. Meacham, who has been assistant manager of the Travelers at Bridgeport, Connecticut, will hereafter be manager (compensation and liability department) at Syracuse, N. Y., succeeding Charles E. Ferree who has been made assistant manager at the William Street office, New York City. Farrington Smith, special agent, will take charge of the Bridgeport district, with the title of acting assistant manager.

Benjamin Richards, of the Underwriters' Bureau, of Boston, during his recent visit to the conference of the Insurance Institute of America in Chicago, was interviewed by a reporter for the United Press Association, who quoted him as saying that fire insurance rates should be advanced 25 per cent. This report was sent to 700 newspapers. Mr. Richards immediately got in touch with the United Press, saying he had been misquoted, that he had never given such an interview. A denial of the interview was published by the New York "Sun" and some other papers.

* * *

E. H. Morrill, Jr., who will after November 1 be in charge of the brokerage business of the Aetna companies in New York, entered the casualty business about 1906 as an auditor of payrolls, and continued that work until 1908, at which time he was made a special agent. His duties in that capacity were appointing agents and helping them to sell insurance in Northeastern Ohio, with headquarters in Cleveland. His work as special agent was of such high character that he was made assistant manager at the Cleveland office, and in that capacity served so satisfactorily that in 1912 he was appointed manager of an office at Springfield, Mass. Later the company with which he was connected promoted him to the managership of its Chicago offce. Early in 1916 Mr. Morrill resigned as manager of this office and made a contract with the Chicago office of the Aetna Life, as superintendent of its brokerage and agency department and now comes his transfer to the New York office. With these several years of experience, the Aetna has a man who, on account of his experience and his fine personality, his honesty and integrity, will certainly give a fine account of himself in the handling of the company's brokerage and agency business. He will be assisted by a competent force of department heads at the branch office in New York.

MIDDLE DEPARTMENT NEXT

The Underwriters Association of the Middle Department has now taken up the question of advancing rates, following the lead of other associations which have recently increased rates. The Suburban Fire Insurance Exchange led the procession by increasing unprotected rates some time ago.

GROUP MEETING

A meeting to discuss group insurance was held at the Astor on Thursday. Superintendent Phillips was in the chair. Many actuaries were present, representing the companies writing group insurance.

WITH HESS AGENCY

Charles M. Emsheimer, who was formerly with Friend & Fleisch and who closed the Hotel McAlpin group life insurance, has recently left Friend & Fleisch and is now with the Hess Agency at 200 Fifth Avenue.

PLACED BY HOLLISTER

The line of the Aero Marine Plane & Motor Co., Keyport, N. J., making aeroplanes and hydroplanes, is being placed by the Hollister office, New York.

Eugene C. McColley has resigned as special agent of the Home of New York for western Pennsylvania, with headquarters at Pittsburgh. He goes with the Law, Union & Rock as Pennsylvania special agent, with headquarters in Philadelphia.

James F. Murphy, of Niagara Falls, New York, one of the best known agents of New York State, died suddenly last Friday.

FIRE INSURANCE DEPARTMENT

Lecture to Women Was Great Success

QUESTIONS ASKED THE SPEAKER

Insurance Society Library Too Small to Accommodate Large Number Who Sought Admission

The lecture for women held in the library of the Insurance Society of New York on Tuesday was an unqualified success. There were nearly a hundred present though only 71 tickets had been issued. A number came over from Newark to attend the lecture not knowing that tickets had been issued and it was necessary for several of them to stand in spite of the fact that extra chairs were commandeered from offices in the building.

R. P. Barbour, general agent of the North British & Mercantile, was the speaker. He dealt with the fundamentals of the business and spoke in terms the uneducated as well as the experienced could understand. He frequently paused to answer questions.

Some Questions Asked

Some of the questions were very pertinent and indicated the keen and intelligent interest that was being taken.

"Is it wise to insure your house in the company by which you are employed," one girl asked, "and if you do so and a fire occurs, are you morally obligated to collect the insurance?"

Another question was: Does the insured ever receive the full amount for which he was insured? For instance, if he was insured for $5,000, would he get that amount?

"Are brokers necessary to the business?" was another question that was asked.

Mr. Barbour's address was in part as follows:

The underlying principle of fire insurance is indemnity, or the making good to the insured, in kind or in cash, of a loss resulting from damage or destruction of property by fire. Those who do not think far enough fail to realize that when property burns up the world is that much poorer, for fire insurance does not actually replace what is burned; it merely in effect transfers the resulting losses from the few who sustain them to the many who do not Fire insurance, therefore, is a system of distributing the cost of fires whereby the burden of reimbursing those who suffer losses is borne by the entire body of those who insure.

The money paid for fire insurance indemnity, namely, the premium, is the contribution of the individual to the common fund from which losses are in turn disbursed. A fire insurance policy is a personal contract. It does not insure property but rather it insures the owner thereof against loss because of fire damaging or destroying such property, and that danger is termed the fire hazard. The fire insurance rate is the measure of the fire hazard; it represents the judgment of the underwriter as to the proportion of the general insurance fund which should be contributed by a given property. It is a calculation of the chances of fire which are present in that property because of its construction, occupancy and environment, having due regard for such protection as may be available against fire starting or spreading; and such rates include the necessary expenses and profits to the companies and associations that constitute the means through which distribution of the fire cost is effected.

BURNED HOUSE WHEN INSANE

But That Doesn't Void an Insurance Policy, Says Up-State Judge in Mutual Case

Judge Charles C. Van Kirk, of Canton, N. Y., has handed down an opinion in the case of Fred Belding and others as heirs-at-law of Frank Belding against Mutual Cheese Factory and Creamery Insurance Company of Canton. The action was brought to recover on a policy of insurance issued by the defendant on the house of the decedent, near Morley. The defense was that the insured, burned the building. The plaintiffs admitted this to be so, but contended that he was insane at the time and not responsible for his act. Judge Van Kirk decided that the company must pay the insurance, and that the insured acted without a normal moral sense of right and wrong, and that he committed no fraud on the defendant company. Under the decision the company will be called upon to pay about $870.

Belding had a delusion that his relatives were trying to get his home and left a note pinned up on a tree at a safe distance from the house announcing his intention of burning the house and himself therein and then committed the act.

WANTS AUTO POLICY CHANGED

Underwriter Sees a Chance for Uniformity in Protecting Extra Trimmings

So many evils and so much variety of practice have grown out of coverage of extras, not on a car at the time the insurance was written that William B. Holmes, of the North British and Mercantile, makes the following suggestion regarding change in phraseology in Insurance & Commercial Magazine:

"I would therefore suggest that that portion of the policy reading 'The assured named and described herein upon the **body, machinery and equipment** of the automobile described herein, while within the limits of the United States.' etc., etc., should be changed to read: 'The assured named and described herein upon the **body, machinery and equipment** of the automobile described herein, as furnished by the manufacturer, while within the United States,' etc., etc. I am of the firm conviction that this was the original intention of the framers of the first automobile policies of standard form, as at that time extra equipment was an almost unheard of thing. It was only when the automobile was a reality that inventors became busy.

"By the above change you will see that it will be necessary for an assured to have his policy endorsed to include any accessories which he might put on his car if he desires to have proper protection. The companies will also find that they will receive an increased income from which to pay these partial theft losses."

PRETTY RAW

The editor of the Bulletin of the Fire Insurance Club of Chicago needs a little editing himself. His paragraph in the current issue of the Chicago insurance man going to West Baden, Ind., and coming back "thoroughly clean" is reminiscent of the old James Gordon Bennett—Colonel Webb days.

LAW, UNION & ROCK AGENTS

A. K. Boughner & Co., of Newark, were appointed agents of the Law, Union & Rock last week.

FIRE AND MARINE INSURANCE—ALL LINES

The Automobile Insurance Company of Hartford, Conn.

MORGAN G. BULKELEY, President

Statement January 1, 1917

Cash Capital - - - -	$1,000,000.00
Assets - - - -	2,748,832.19
Liabilities (Except Capital) - -	1,039,977.81
Surplus to Policyholders - -	1,708,854.38

AFFILIATED WITH

ÆTNA LIFE INSURANCE COMPANY

THE ÆTNA CASUALTY & SURETY CO.

HOW AUTO CLUB IS WRITTEN

More Than $1,500,000 in High Priced Automobiles are Stored in One Building

The Automobile Club of America this week applied for $225,000 additional insurance on its building at 247 West 54th Street, New York City, and for $60,000 on its garage at 72nd Street. In this garage there are stored an average of 640 cars totalling about $1,500,000 in value.

All this business is written through R. C. Rathbone & Son, Inc., and is placed through the Assurance Company of America at a reduction in rate of about 50 per cent. below tariff. This is the sixth year the business has been handled in this way.

RAMSEY WITH MORRIS ROSE

William W. Ramsey has joined the staff of Morris Rose, up-town broker, Mr. Ramsey for the past nine years has been connected with the local office of the Royal Insurance Co., for several years as inspector. Morris Rose specializes in theatrical business.

OPENS CLEVELAND OFFICE

Charles E. Curtis has opened an office in the Guardian Building, Cleveland, for the adjustment of fire and automobile losses. Mr. Curtis also maintains an office in Toledo where Frank H. Westmeyer is located as assistant. An adjuster will also be obtained for the Cleveland office, leaving Mr. Curtis free to divide his time between the two places.

THE WILLIAM H. KENZEL COMPANY

FIRE INSURANCE AGENT

REPRESENTING AT NEW YORK OFFICE
79-83 WILLIAM STREET

HUMBOLDT FIRE of Pittsburgh, Pa.	**EQUITABLE FIRE & MARINE** of Providence, R. I.	**IMPERIAL ASSURANCE** of New York, N. Y.
GRANITE STATE FIRE of Portsmouth, N. H.	**ALLEGHENY FIRE UNDERWRITERS** of Pittsburgh, Pa.	**COMMERCE INS. CO.** of Albany, N. Y.
AACHEN & MUNICH FIRE Organized 1825	**FRANKLIN FIRE** of Philadelphia, Pa.	**CALEDONIAN-AMERICAN** of New York, N. Y.

REPRESENTING AT BROOKLYN BRANCH
154 MONTAGUE STREET

LONDON ASSURANCE of London, England	**NORWICH UNION** of Norwich, England	**COMMERCE INS. CO.** of Albany, N. Y.
GRANITE STATE FIRE of Portsmouth, N. H.		**MECHANICS INSURANCE CO.** of Philadelphia, Pa.

NEW JERSEY NOTES

Louis Lippman Heads Good Practice Club

NEWARK AGENTS ELECT OFFICERS

New President Prominent in Fire and Casualty Insurance—Scheme to Stop Overhead Writing

At a meeting of the Good Practice Club of Newark a few days ago Louis Lippman, of Lippman & Lowy, Newark, was elected president. He has been an insurance man in Newark for twenty years, beginning his career in the casualty business with the old Frankfort Marine. After seven years with that Company he represented the Philadelphia Casualty Company which was later taken over by the Fidelity & Deposit, which Mr. Lippman represented until about a year ago when he secured the representation of the Zurich for four counties, including Essex and Union; and of the New Amsterdam. His agency represents eleven fire insurance companies. Mr. Lippman was one of the organizers of the Casualty Underwriters of Northern New Jersey; was its treasurer for two years, and also its president.

Charles M. Henry, manager in Newark of the Hanover, was elected vice-president, and W. A. Eichorn, secretary and treasurer.

Trying to Get Overhead Writers

This club seems to be a solution of Newark's local agency controversies, as there is little friction there now. The club even pulls off a golf tournament now and then. The only two agencies of any importance not in the Good Practice Club are Guerin & Williams and Feist & Feist.

The Good Practice Club is considering a plan to wipe out overhead writing through the payment of the fire department and salvage corps tax on those premiums now escaping such taxation by reason of the fact that the business is not written and reported through local agents.

SUBMARINE BOAT CORPORATION

Builders' risk insurance on the plant of the Submarine Boat Corporation, Newark Bay, is being written. This plant, which will soon be employing thousands of men, is a good answer to the criticism that America is lagging behind in ship construction.

The Newark Bay plant is one of the new standardized shipping plants, and will use assembled standardized parts for twenty-eight ships of 5,000 tons each to be under construction simultaneously, and when in complete operation one ship a day will be completed.

DUSENBERG MOTOR

The Dusenberg Motor line at Elizabeth, N. J., has recently been inspected by a number of specials. Motors for aeroplanes and automobiles are being made in large quantities.

PATERSON SITUATION

Small improvement is noted in the Paterson situation where there is a lack of harmony in the commission situation.

ENTERS FOUR SOUTHERN STATES

The Newark Fire has entered or applied for admission to Kentucky, Tennessee, Texas and Mississippi.

SMALLER NEWARK LOSSES

Up to October 1 the Newark fire loss was about $480,000 for the year as compared with $700,000 for the same period last year.

VICE-PRESIDENT OF NEWARK

C. F. Shallcross Succeeds George F. Reeve Who Continues on Board of Directors

C. F. Shallcross has been elected vice-president of the Newark Fire. George F. Reeve has retired as vice-president, but will continue as a member of the board of directors.

CONGRATULATE COX

At a recent meeting of the Good Practice Club of Newark a letter was drafted congratulating Frederick J. Cox, of Perth Amboy, N. J., for his activities in the National Association of Insurance Agents, and for his work in "putting New Jersey on the map" of that association.

Agents' Conference

(Continued from page 1.)

tional Association; E. E. Cole, of Atlanta, recently prominent in the conferences between the companies and the agents regarding costs; former President Roth, a distinguished Buffalo local agent, and Frederick J. Cox, Perth Amboy.

The St. Louis resolution was for the appointment of a committee of five to confer with the companies about multiple agencies, but the scope of the committee has been broadened to cover all controversial subjects.

The idea of the National Association is that the companies will appoint similar conference committees and that these committees shall stand year in and year out with changes, of course, in the personnel from time to time, but that whatever differences arise will be adjusted by the conference.

Traveling Organizers

The next most important thing discussed at the meeting this week was the office of the secretary of the association. Announcement was made that arrangements had been made to reduce the overhead expenses, and an organizer will be employed to tour the country on organization work, to work in conjunction with Secretary Putnam's office. This man has not yet been picked out. A. J. Meyer, the Indianapolis local agent who came to St. Louis to make a fight to have officers of the association appointed on the floor instead of by slate, was on hand and was in good humor at the finish. On Wednesday he accompanied the officers of the association to Concord to be in attendance at the meeting of the New Hampshire association.

It was also announced that the mid-year meeting will be held either in Pittsburgh or in Philadelphia in the spring. Officers and committeemen left the city in splendid spirits, feeling that they had made decided progress towards strengthening the relations between companies and agents.

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Agricultural Insurance Company, of Watertown, N. Y.
64th Annual Statement
Assets $5,036,003.01
Liabilities 2,296,861.95
Capital 500,000.00
Conflagration Surplus 250,000.00
Surplus to Policyholders 2,739,141.06
F. F. BUELL, Troy, N. Y., Special Agent.....NEW YORK STATE
E. J. PARMELEE, Syracuse, N. Y., Special Agent..NEW YORK STATE
GEORGE SHAW, 116 Milk St., Boston, Special Agent..NEW ENGLAND
F. L. GILPIN, JR., 434 Walnut St., Phila., Special Agent.MIDDLE DEPT.

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Exceptional Reinsurance Facilities Local Agents' Interests Protected

THROW AWAY THAT CUMBERSOME RATE MANUAL

Can you find no better use for your time than to spend the best part of it turning 362 pages every time you want to quote an automobile rate?

Compare the Simplicity of These Rates!

The "*Definite Value*" Automobile Policy

A clearly defined policy protecting an automobile owner—indemnifying for loss by fire, theft, explosion and other hazards.

It is simple in language, and definite in terms—it positively fixes the value of a car, during the life of the policy, on a basis determined by the men who made and sold the car.

In the event of a total loss, it pays the amount of fixed value shown in the policy contract, thereby avoiding any controversy in settling and paying the loss.

In the event of a partial loss, it pays for the repair or replacement of all parts, to the full extent of the damage.

Compare the protection and the cost of this policy with other forms of automobile insurance.

PREMIUM RATES

All premiums are based on list price of car. Rates quoted are for each one hundred dollars of list price. The rate is not increased on renewal. Freight charges and war tax may be added to amount of insurance.

Pleasure and Commercial Cars

	Full Cover	Full Cover Excluding Theft
Models Listing $2,500 or Over	$1.00	.80 cents
Models Listing $1,000 to $2,500	$1.50	.80 cents
Models Listing Under $1,000	$2.00	.80 cents

Extra Equipment, Including Theft—
Twice the rate charged for car.

Extra Equipment Excluding Theft—
Same rate as charged for car.

Electric Cars—All Models
.75 cents for fire and theft.

Collision Insurance

Covers all loss or damage above twenty-five dollars in any one accident.
(For full cover add thirty-five dollars to all premiums.)

Pleasure Cars
In Cities under one hundred thousand population.
1½% of list price $15.00 minimum premium
In Cities under one hundred thousand population.
2% of list price $25.00 minimum premium

Commercial Cars
Regardless of size of city.
2¼% of list price $30.00 minimum premium

Property Damage

Indemnity to extent of one thousand dollars for damage done to property of others.

Pleasure Cars
In Cities under one hundred thousand population.

Ten Dollars Premium
In Cities over one hundred thousand population.

Fifteen Dollars Premium
Commercial Cars—Decline property damage.

TERM POLICIES

Two Years Insurance—One and three-quarter times annual rate.
Three Years Insurance—Two and one-half times annual rate.
Pro rata cancellation allowed on old insurance when new car purchased and insured.

Taxi Cabs, "Jitneys," Rented, Livery, Second-Hand Cars and Dealers' Cars WILL NOT BE INSURED UNDER THIS FORM OF POLICY

THIS POLICY IS WRITTEN ONLY BY

THE NEW BRUNSWICK FIRE INSURANCE CO.

Capital $500,000

NEW BRUNSWICK, NEW JERSEY

THE NEW JERSEY INSURANCE COMPANY

Capital $1,000,000

NEWARK, NEW JERSEY

BROKERS ACTIVITIES

Libby, McNeill and Libby Salmon Form

COVERS BOATS IN ALASKA WATERS

Get Lower Than Marine Rate—E. E. Potter's Paper on Salmon Interesting

Eliot G. Potter, of Edward E. Potter & Sons, a well-known Coast General Agency, read a paper recently upon salmon canneries, which is of interest to brokers, as he discussed the various forms. The world's supply of salmon comes from the Pacific Coast.

The following classes of insurance are sold in connection with the industry and will be taken up in the order mentioned: (1) Buildings and equipment. (2) Stock. (3) Profit and/or use and occupancy. (4) Labor contracts. (5) Commissions.

Two Classes Will Be Discussed Here

(1) Insurance on buildings and equipment presents no bad problems, the usual cannery forms for that purpose being applicable, the only coverage differing in any way being the Libby, McNeill & Libby form of this season. This rider extends the coverage to boats anywhere in Alaskan waters. These are covered at the building and equipment rate of 2 per cent., whereas the marine fire rate alone is 3½ per cent. It was stated these boats were not of much value and the question was not a serious one, but it is a fact that the larger cannery tenders and trawlers run up to $20,000 each and more. While the marine hazard is a very serious one in Alaskan waters inquiry did not prove that the loss from fire alone was serious. It is very possible that the 2 per cent. rate is a very satisfactory one for fire alone. The rate on canneries and equipment in Alaska is 2 per cent., but very much lower on the Sound.

(2) With the covering of the stock and supplies comes the first of the interesting problems surrounding this business. A survey of any ordinary salmon stock form shows three peculiar features. First, the profit on the packed stock is also covered, since, in case of loss, the adjustment is to be on the basis of the market price in Seattle on the day of the fire, less the costs of transportation. The reasons for this are that salmon is of the same character as wheat, in that it has its established market and market prices. It is strictly a seasonable product and cannot be replaced at cost during the current season, so that, if the goods are destroyed, the profit is absolutely lost. Second, but no co-insurance clause is used. The co-insurance clause would be dangerous for the insured if applied to his stock and supplies in the canneries (they being covered under one item) on account of the rapid fluctuations and the lack of adequate communications between the canneries in Alaska, at least, and the business offices in Seattle or elsewhere. But when the packer has this valuation clause on his stock alone when in warehouse, should he not carry a co-insurance clause? Third, transportation is deducted, but brokerage is not. Just why this is not taken off in the settlement of the loss has not developed.

The problem in connection with stock coverage at the canneries in Alaska is caused by the absence of adequate communication between these canneries and the headquarters in Seattle or other near points. The great majority of these canneries located anywhere from 500 to a couple of thousand miles from headquarters, have wireless facilities, but climatic conditions often interfere with the service for days at a time so that it is impossible for the head offices to obtain daily advices as to the exact amount of stock on hand.

Insure Up to the Limit

The packers insure up to the limit of value both for their own protection and due to the fact that they all operate more or less heavily on bank capital. The co-insurance clause is not used for obvious reasons. So the problem is how best to keep fully protected and yet not carry excess insurance.

Some attempt to do this by placing insurance as the reports are received; others by open coverings subject to declaration of binding dates and amounts when the reports are received; still others have had an employe appointed as agent at the cannery. The two usual methods are—first, by the use of so-called excess binders, and—second, by use of the new provisional forms.

The first method is by far preferable, from the standpoint of the companies, and should be fully as satisfactory to the insured. It consists of a number of binders being issued at the beginning of the season, which apply in the order of their issuance, as the stock and supplies on hand increase in value. Each binder names the amount for which it is issued, to become effective when the stock on hand, or any desired percentage of the stock on hand, shall reach a certain valuation. But referring to form "A" attached to this paper, a copy of one of these binders will be found (others may differ somewhat, but the essential features are practically the same). It will be noted in this binder that the insurance does not apply until the stock on hand reaches a certain amount as has been stated before. It is also incumbent upon the insured to notify the agent of the company within a certain specified time after the pack statement is received showing that the insurance, or a portion thereof, has become effective. If the insured fails to report as required, the binder becomes null and void and the insured liable to a pro rata earned premium on the amount which may be ascertained to have been in force. Just why pro rata the writer does not know. This is nothing more or less than excess insurance without compensation, unless the liability actually exists and is declared, at which time is ceases to be excess and becomes full contributory stock insurance at the full rate. The only objectionable feature to this method is that these binders may be outstanding the entire season and no liability thereunder ever accrue or be paid for. Where there is no re-insurance under the binder, and this is clearly understood by the insuring company, there is no trouble or misunderstanding, but where treaties have been used as re-insurance, or outside companies, it is sometimes embarrassing to have to cancel the binders or coverings without any earned premium thereunder, after they have been in apparent force for several months. In any event, this method is far preferable to the one of provisional insurance now to be discussed.

The provisional salmon stock form first came into active use during the season of 1916, being transplanted in its essential features from the east and middle west. Unfortunately a method found absolutely impossible in that territory was thus picked upon to solve the problem and obtain the business for the party introducing the form.

* * *

$43,000,000 Line Increased

Policies to the extent of $43,000,000 are being issued by the companies this week covering the International & Great Northern Railroad, an important cotton carrier of the South. These policies include an increase of thirty-three and one-third per cent. on all fixed property.

FOUNDED 1792

125th Anniversary

Insurance Company of

NORTH AMERICA

PHILADELPHIA

CAPITAL, $4,000,000 ASSETS OVER $23,000,000

FIRE, MARINE, AUTOMOBILE, Rent, Leasehold, Tornado, Explosion, Use and Occupancy, Sprinkler Leakage, Travelers' Baggage, Parcel Post

The Oldest American Stock Insurance Company

Iowa National Fire Insurance Co.

DES MOINES, IOWA Capital Stock $500,000

The latest addition to Reliable Fire Insurance organizations began Writing Business on January 1, 1917

JOHN L. BLEAKLY, President

F. L. MINER, Vice-President
C. S. VANCE, Underwriting Manager
FRANK P. FLYNN, Treasurer
C. M. SPENCER, Secretary

Caledonian Insurance Co. of Scotland

FOUNDED 1805

"THE OLDEST SCOTTISH INSURANCE OFFICE"

UNITED STATES HEAD OFFICE

Caledonian Building, 50-52 Pine Street, New York

CHAS. H. POST, U. S. Mgr. R. C. CHRISTOPHER, Asst. U. S. Mgr.

NEW YORK CITY OFFICE

Golden Hill Building, 59 John Street, New York

WESTERN ASSURANCE CO.

OF TORONTO, CANADA

(Fire, Tornado, Ocean Marine and Inland Marine Insurance)

UNITED STATES BRANCH

January 1, 1917

Assets	$3,329,177.74
Surplus in United States	1,478,531.90
Total Losses Paid in United States From 1874 to 1916, Inclusive	41,657,814.31

W. R. BROCK, President
W. B. MEIKLE, Vice-Pres. & Gen. Man.

"STRONG AS THE STRONGEST"

The Northern Assurance Co.

(LTD., OF LONDON)

Organized 1836
Entered United States 1876

Losses Paid - - - $105,000,000
Losses Paid in U. S. - $38,000,000

Eastern and Southern Departments

55 JOHN STREET
NEW YORK CITY

NORD-DEUTSCHE

INSURANCE COMPANY

123 William Street
New York

UNITED STATES BRANCH

J. H. Lenehan, Manager

WALTER F. ERRICKSON

38-40 Clinton St., Newark, N. J. 95 William St., New York

Representing

THE GERMANIA FIRE INS. CO.

For Automobiles

Special facilities for out-of-town business.

THE YORKSHIRE INSURANCE COMPANY, LTD., OF YORK, ENGLAND

ESTABLISHED 1824

The "Yorkshire" is the Oldest and Strongest of the English Fire Companies not heretofore represented in the United States

U. S. BRANCH

Frank & Du Bois, United States Managers Ernest B. Boyd, Underwriting Manager
Harry F. Wanvig, Branch Secretary Frank B. Martin, Supt. of Agencies

NO. 80 MAIDEN LANE, NEW YORK

New York Life Insurance and Trust Co., U. S. Trustee, No. 52 Wall St., New York

DEPARTMENTS—METROPOLITAN, Willard S. Brown & Co., Managers, New York, N. Y.; CAROLINA-VIRGINIA, Harry R. Bush, Manager, Greensboro, N. C.; SOUTHEASTERN, Dargan & Turner, Managers, Atlanta, Ga.; LOUISIANA and MISSISSIPPI, Jas. B. Ross, Manager, New Orleans, La.; PACIFIC COAST, Jas. C. Johnston, Manager, J. K. Hamilton and McClure Kelly, Assistant Managers, San Francisco, Cal.

Propose Heavy Cut In Automobile Cover

THEFT INSURANCE MAY BE LIMITED TO FIFTY PER CENT.

Plans to Consolidate Detective Bureaus and Regulate Instalment Business

November 23 the annual meeting of the National Automobile Underwriters' Conference will be held in New York at the headquarters at 80 Maiden Lane. It is likely that new collision rates will be adopted and if possible put into effect by the close of the year. Other important questions to come before the meeting involve rates and covers for various special forms, such as those for dealers, manufacturers, fleets, etc. Some revision in the regular schedule is also contemplated.

Would Cut Theft Cover

Restriction of automobile theft insurance to approximately fifty per cent. of the value of the machine was favored by the executive committee of the National Automobile Underwriters' Conference, which met last week in Chicago with the executive committee of the Western Conference. It is hoped that by such a course stronger interest may be taken by the assured in the prevention of thefts and the recovery of stolen machines. Within the next few weeks this proposal will be given careful consideration by the executive committee of the national body.

To Consolidate Bureaus

It is also proposed that the several local theft and detective bureaus shall be consolidated into a national association in order that closer co-operation between them might result to the benefit of the members of each. It is thought best that such national organization be maintained entirely separate and apart from the National Conference.

No More Special Rates

Consideration was given the insurance at special rates of manufacturers or dealers who sell cars on the instalment plan, including the so-called "wrongful conversion" and "embezzlement" cover. Until April of the present year numerous contracts of this character had been issued. At that time the practice was discontinued, although the continuation on the part of companies to issue certificates under outstanding policies in accordance with their provisions, which by their terms could not be cancelled, had led to general dissatisfaction on the part of companies and agents. These meetings made clear that with the termination of the present contracts now outstanding this practice, which was opposed both to sound underwriting and has a considerable flavor of discrimination attached thereto, will be permanently discontinued and hereafter the insurance of cars sold on the part-payment plan will take the same rates as automobiles which are fully paid for.

VISIT WESTERN COMPANIES

A Western fire company manager who was in New York this week stated to The Eastern Underwriter that there seemed to be an epidemic of Eastern men travelling through the West seeking to persuade companies to enter this territory. He said that about thirty had called upon him within the past month.

LUDWIG RESIGNS

Charles Ludwig, for several years manager of the accident and health department of the London & Lancashire Indemnity and formerly connected with tthe Brooklyn office of the Aetna, resigned this week. He has announced no new connection.

Queen on Increased Cost of Building

ISSUES BOOKLET SHOWING PERCENTAGES

Lays Stress on Importance of Proper Amount of Insurance Because of Changing Values

The Queen Insurance Co. this week issuel a booklet showing the importance of securing the proper amount of insurance because of the constantly changing prices of materials. This booklet was compiled by Frederick P. Hamilton, general agent of the company for the Eastern department and is being sent to agents and brokers.

The Queen quotes the figures of a prominent builder which show the increases in the various departments of building work to be as follows:

On Mason Work	30%
Stone Work	25
Plastering	25
Marble and Tiling	20
Iron Work	40
Carpenter Work	25
Metal Ceilings	30
Plumbing	40
Steamfitting	30
Roofing and Metal Work	30
Painting and Decorating	30
Electrical Work	20
Elevator Work	25

Commenting on these figures the Queen says:

"Enhanced building values due to increased cost of labor and materials merit the attention of agents, brokers and property owners in order to comply with the conditions of the co-insurance or average clause commonly attached to policies, because the maintenance of a smaller amount of insurance than required would in partial losses operate to the disadvantage of the assured."

ADDED TO CO-OPERATING LIST

The Eagle & British Dominions Insurance Company of London, under the United States management of Fred S. James & Co., has accepted the platform of the National Association of Insurance Agents and has been listed among the Co-operating Companies as of October 24.

JOINS U. S. BROKERS AGENCY

Percy C. Clark, for the past seven years with William A. Numann, up-town agent, will start with the U. S. Brokers Agency, Inc., on Monday as a solicitor.

RESIGNS FROM COMMITTEE

Alexander M. Silvey, of Coe & Silvey, resigned from the publication committee of the Fire Brokers Association this week because of the pressure of other duties.

F. S. Danforth, secretary of the Millers National Fire, of Chicago, was in New York this week.

"The Leading Fire Insurance Company in America"



WM. B. CLARK, President

AETNA INSURANCE COMPANY

Aetna Fire Underwriters Agency of Aetna Insurance Co.

Application For Agencies Invited



Just say: "Insurance Man"—

the open sesame to every courtesy within our power.

Room with detached bath $1.50 and $2.00

Private bath $2.50 and $3.00

BREVOORT Hotel

Insurance Headquarters

MADISON ST.—East of LaSalle

CHICAGO

LAURENCE R. ADAMS, Sec'y & Mgr.

THE HANOVER FIRE INSURANCE COMPANY

Incorporated 1852

The real strength of an insurance company is in the conservatism of its management, and the management of THE HANOVER is an absolute assurance of the security of its policy.

R. EMORY WARFIELD, President
FRED. A. HUBBARD, Vice-President
E. S. JARVIS, Secretary
WILLIAM MORRISON, Asst. Sec'y

HOME OFFICE

Hanover Bldg., 34 Pine St.

NEW YORK

HOWIE & CAIN, General Agents
Metropolitan District
100 WILLIAM STREET, NEW YORK

FIRE ASSOCIATION Of Philadelphia

401-405 WALNUT ST.

Organized 1817 Incorporated 1820 Charter Perpetual

Cash Capital $750,000 Assets $10,046,848.04

E. C. IRVIN, President T. H. CONDERMAN, Vice-President
J. B. MORTON, 2nd Vice-Pres. M. G. GARRIGUES, Sec. and Treas.
R. N. KELLY, Asst. Sec. and Treas.



Firemen's Insurance Co., Newark, N. J.

January 1, 1917

Cash Capital $1,250,000.00
Net Surplus $2,449,322.25
SURPLUS TO POLICYHOLDERS...$3,699,322.25

DANIEL H. DUNHAM, President
JOHN KAY, Vice-President and Treasurer — A. H. HASSINGER, Secretary
NEAL BASSETT, Vice-President — J. K. MELDRUM, Assistant Secretary

National Fire Insurance Company

OF HARTFORD, CONN.

Statement January 1, 1917, to New York Insurance Department

LIABILITIES

Capital Stock, All Cash	$2,000,000.00
Funds Reserve to Meet All Liabilities, Re-Insurance Reserve, Legal Standard	9,912,715.84
Unsettled Losses and Other Claims	1,878,398.32
Net Surplus over Capital and Liabilities	3,743,747.60
Total assets January 1, 1917	$17,534,861.76

H. A. Smith, President — F. D Layton, Ass't Sec'y — F. B. Seymour, Treas.
G. H. Tryon, Secretary — S. T. Maxwell, Ass't Sec'y — C. B. Roulet, Gen. Agt.

SURPLUS TO POLICY HOLDERS, - - $5,743,747.60



F. H. HAWLEY, Pres. ORGANIZED 1848 W. E. HAINES, Secy.

The Ohio Farmers Insurance Co.

LEROY, OHIO.

Ohio's Oldest and Strongest Company

Net Surplus Over $1,293,741.00

AN AGENTS COMPANY

E. K. SCHULTZ & CO.

PHILADELPHIA

GENERAL AGENT

Pennsylvania, New Jersey and New York

New York State Federation Elects E. M. Griffiths President

New Head is Well-Known Albany Insurance Man—Important Work Mapped Out—Walter G. Cowles Principal Speaker

The Insurance Federation in New York State received a decided boost at the annual meeting held in Albany, October 26. The constitution was amended in several particulars, to conform to that of the National Council. The board of directors and the executive committee was enlarged.

E. M. Griffiths New President

Edgar M. Griffiths, of Albany, is the new president. He is one of the ablest insurance men in Albany, president of the Rotary Club there and former president of the local board.

Walter G. Cowles, vice-president of the Travelers, delivered an address on State funds which made a deep impression, while Mark T. McKee and George A. Scott presented the true situation that confronts corporate insurance. It was decided to appoint a ways and means committee as part of the organization machinery.

Publicity Crying Need

Perfection in Federation work in New York State lies with the county chairman, declared President G. T. Amsden addressing the meeting. Between 45 and 50 members were present, a rather disappointing attendance considering the important work to be done in New York State. President Amsden went on to explain that, as at the last meeting, the big question for solution is the future of the organization. There is, however, much encouragement in the amount of money raised and the work accomplished. The membership is now 2,500 while there are about 30,000 insurance agents and brokers in the State. There is much need for intelligent publicity but so far sufficient time and thought has not been given this important phase of Federation work.

St. Louis Meeting Results

Educational work will be very important during the coming year. The county chairmen are responsible for finances, membership and legislative work also. The agents' meeting at St. Louis early in October was a very important one for the Federation. It brought agents and companies closer together in a realization of what Federation means to them.

Secretary Buell P. Mills of Rochester reported that now, after three years of work, it is evident that large membership cannot be obtained without much hard work. Workmen's compensation has brought insurance men into closer touch with State insurance and there is a stronger sentiment in favor of Federation. The report was approved and Executive Secretary Stanley L. Otis read his report reviewing the activities of the year, which was adopted as read.

Business Being Taken Away

Treasurer Newton E. Turgeon of Buffalo reported a balance last November of $167, total receipts of year $8,655, balance on hand $357, of which $175 is owing.

John A. Eckert, chairman of the executive committee, declared that the Federation has now outgrown its swaddling clothes and is in position to do some effective work, adding: "If we do not prepare to meet the situation that confronts us and we allow ourselves to be taken unawares, we will be defeated. We do not realize the necessity of getting busy now. It is so much easier to get ready now than later when our business may be taken from us."

The executive committee offered recommendations for changes in constitution. These were framed with the assistance of such eminent insurance men as Louis F. Butler of the Travelers, Charles H. Holland, Royal Indemnity, William BroSmith, Travelers; Fred. L. Grey, Minneapolis; William G. Wilson, Cleveland; J. W. Henry, Pittsburgh; George D. Webb, Chicago. All the recommendations were adopted.

Red Letter Day at St. Louis

Major Turgeon read his report as delegate to the St. Louis meeting, explaining that the National Council is the chain which holds the organization together and that it is not the intention of the national body to dictate to the State organization what it shall do. The national body is gaining a valuable experience which it is distributing among State bodies. It is composed of delegates from each State and includes some of the brainiest insurance men in the country.

Companies Now Members

Through the work of the St. Louis convention companies may now be members of the National Council, giving their aid and furnishing money. The companies are going to undertake to educate the public in what Federation means to the layman and it is proper that they should have a voice in how money is to be spent.

Life and Fire Men Dilatory

Until now the life and fire men have been sitting back, continued Mr. Turgeon, and the fire men have held back and sometimes have obstructed the work.

Edward Griffith of New York rose to explain that the companies are not going to finance the State body but the State organization will be benefited to the extent that it will not have to contribute to the National Council.

The recommendations of the executive committee for the appointment of a ways and means committee were adopted.

New Officers Chosen

Officers were elected as follows: President, Edgar M. Griffiths, Albany.

First vice-president, George A. Scott, Waverly, re-elected.

Second vice-president, W. C. Potter, New York.

Third vice-president, G. T. Amsden, Rochester.

Secretary, B. P. Mills: treasurer, Newton E. Turgeon, and executive secretary Stanley L. Otis were re-elected.

Executive committee: A. C. Hegeman, New York, chairman; J. A. Eckert, New York; Edward Griffith, New York; Richard L. Wood, Buffalo; William H. Hecox, Binghamton; Charles A. Porth, Albany; Frank P. Tucker, Albany.

Twelve New Directors

The following new directors were elected: Richard L. Wood, Buffalo; Ernest G. Townsend, LeRoy; Charles W. Cool, Glens Falls; Frank P. Tucker, Albany; W. B. Blackman, New Rochelle; L. A. Cerf, New York; C. Steward Cavanagh, Brooklyn; Julian Lucas, Jr., New York; A. J. Bromley, Utica; Charles A. Porth, Albany; J. R. Garrett, New York; Edward Griffith, New York.

Delegate to the National Council, A. C. Hegeman, New York.

Only Ten Per Cent. Members

President Griffiths, taking the chair, said that the Federation has money but not the men. "The friends of Federation are limited only by its membership. Less than ten per cent. of the agents and brokers in New York State are members. We cannot accomplish anything with such a membership. We must have the counties in such shape that with the co-operation of New York City we can accomplish the desired results."

Fine Talk By Cowles

Walter G. Cowles, vice-president of the Travelers, Hartford, was the principal speaker. He referred feelingly and convincingly to the dangers facing the insurance business, saying in the course of an extemporaneous talk:

"Most of us fail to realize the importance of this gathering. This is a time for real organization against an open enemy. Today we have enemies without and within but we do not realize our dangers, the dangers of war and the dangers to insurance. Government is bent upon the encroachment of personal rights.

Protection Versus Destruction

"It is conceded that it is well within the right of Federal and State government to regulate insurance. The people are being asked to accept on faith protection to cover unknown hazards and it is well that the government should see that it is being done in good faith. But there is a difference between regulation and control, between protection and destruction. Supervision has approached management. There are all sorts of arguments advanced why insurance companies should not exist. We are about to be literally robbed of our business. But we cannot meet our enemy because we cannot see him; because he deals with things he cannot himself explain. It seems strange that at this very time when we are attacked from without, one of the great principles our free government stands for is attacked bitterly from within.

State Fund Scored

"I wish to say a word about State funds, particularly the New York State Fund. That is a very sensitive organization. It has recently made certain announcements of its financial condition as of a year ago. Its statements are well cured, its claims are insidious and unfair. It calls its catastrophe hazard fund surplus—not reserve, for purposes of misleading the people of this enlightened State of New York in face of the law, which requires a catastrophe hazard reserve. Its statement shows that after handling a very large sum of money it has a surplus of $182,000, but what is that? The companies have a right to complain that the Fund is not secure. It is not now insolvent provided it can collect a large sum now due it from policyholders. It does not write over eight per cent. of the compensation business in New York, and yet it claims the advantage of the law of average. It is not an insurance company, it is only a name. It has no assets—only in name. It is un-American and undemocratic.

"It is now time to stop talking generalities and get down to brass tacks. Before long it will be impossible to misrepresent the State Fund, its position will be obvious to the merest tyro.

Tax Excuse Given

"They say insurance is a tax and no insurance company should collect a tax. I say corporate insurance is a necessity. If the State Fund is the immense success it claims, there is nothing to prevent it from becoming a monopoly. The State Fund must seek by law what it has not been able to get on its merits. Mark you, monopoly needs no accounting to protect its existence. Again, I say, how unjust it is that the young men of our offices who are going to the front to fight the country's battles should be deprived of their life work when they return, as we all hope they may.

"Our flag means protection, right, equality. I have nothing but contempt for interests engrossed in trying to sweep away an honorable business conducted by honorable men. Such people are false to their country and insolent to their God."

Fraternal Support Pledged

Chairman Eckert offered a vote of thanks to Mr. Cowles, who received hearty applause. J. H. Carney of Boston, was not present to deliver his address, and George A. Scott, president of the New York State Fraternal Congress, addressed the meeting, saying that insurence men are engaged in a mighty struggle in defense of their rights. He suggested that the chairmen of county committees should meet often so as to be right on the firing line. He pledged the hearty support of the 750,000 fraternal members in New York State.

Bring in Business Men

Mark T. McKee, secretary of the National Council, reminded the members that heretofore the Federation has been an agents' affair but by making a place in the organization for the companies two-thirds of the difficulties had been overcome. "Companies and agents are now working together. The real purpose of Federation is education of the general public—the policyholders. Bring in the business men. There are three black clouds before us.

1. Federal government insurance. The life men are the very ones who thought their business could not be attacked. They thought it was on a too scientific basis. Now it is doubtful if the government ever goes out of the life insurance business. I ask you, how long will it be before pressure will be brought upon Congress to extend life insurance features to those outside the army and navy?

2. Social State health insurance. The idea is extending the country over. We cannot afford to lose on any front.

3. The Farmers' Non-Partisan Political League. It has 350 organizations in 16 States. It has 30,000 members paying $16 each for two years' dues. Their idea is that the State should take over every form of insurance. We must build up a strong army of policyholders who can be educated to see that their business may be taken over next.

"The county unit is the solution of the whole problem. Education must be our program. The socialistic and communistic forces are educating the people to their way of thinking. Therefore work to bring into the Federation bankers, manufacturers, merchants, labor and the State Grange."

The directors met following adjournment.

STAR THE LATEST

Eagle & British Dominions Growing Rapidly—Agencies in Demand in This Country

Advices from London are to the effect that the Eagle & British Dominions directors have unanimously passed resolutions sanctioning the taking over (amalgamation) of the Star Assurance Society. The manner in which the Eagle & British Dominions is growing furnishes one of the most interesting subjects for discussion in British underwriting circles. The outfit now has assets of more than $61,000,000, with an income of more than $14,000,000—so it is now a member of the British upper ten.

In this country the Eagle & British Dominions (managed by Fred S. James & Co.), is showing a growth gratifying to the management. Agencies are in demand. The character of these agencies is illustrated by the appointments in half a dozen of the leading cities: Boston: O'Brion, Russell & Co.; Philadelphia: A. M. Waldron, Curtin & Brockie; Pittsburgh: Hurst, Anthony & Watkins; Baltimore: H. L. Spear & Co.; Chicago: Rollins, Burdick & Hunter; St. Louis: Charles L. Crane.

CASUALTY AND SURETY NEWS

Actuaries Re-Elect All Old Officers

SIX ASSOCIATES; TWO FELLOWS PASS

Wide Range of Subjects Treated in Imposing List of Papers Read This Week

All officers were re-elected by the Casualty, Actuarial and Statistical Society at its annual meeting, Wednesday, in New York. Two members of council whose terms expire, John M. Laird and S. Herbert Wolfe, were replaced by V. M. Kime, of the Travelers, and W. I. King, of the Columbian National Life.

The treasurer reported that $1,000 in funds of the society has been invested in the two Liberty Loans. A resolution was adopted authorizing the council to invest further surplus funds in Government bonds.

The committee on examinations reported the following six successful candidates for associate membership: B. N. Coates, assistant actuary California State Insurance Fund; L. H. Mueller, California State Industrial Board; E. T. Jackson, statistician Maryland Casualty; J. M. Bessey, actuary Millers Mutual Casualty, Chicago; V. Montgomery, actuary California State Insurance Fund; T. P. Kearny, accountant Colorado State Insurance Fund.

U. Hayden Brockway and R. J. McManus, of the Travelers, are the first to become Fellows through examination.

Public Liability Hazards Not Classified

G. F. Michelbacher, of the National Workmen's Compensation Service Bureau, read a paper on "Manufacturers' and Contractors' Public Liability Insurance." After describing the cover and group classification and premium bases the speaker said of public liability hazards that they are not similar to those of employers' liability and workmen's compensation, adding: "So far as I know, no one has ever attempted to set down and classify public liability hazards. This would, indeed, be a task and, moreover, it seems certain that no comprehensive classification could be devised which would stand the test of providing a place for the numerous hazards which present themselves for consideration. As in compensation and liability insurance in general, the hazards of individual classifications must often be considered by themselves. A knowledge of the hazards to be insured is of course absolutely indispensable."

Considerable space was devoted to discussion of the general trend of cost of public liability cover. Figures were given to show that the cost factor decreased from 100 in 1908 to 95.5 in 1912, drawing the deduction that there is no sympathetic relationship between the cost of public liability and that of employers' liability. The effect of workmen's compensation upon certain members of the legal profession indirectly has a bearing on this question as has also the safety first movement.

Rubinow's Diagnosis

In a lengthy paper by I. M. Rubinow, consulting actuary, New York, on "The Theory and Practice of Law Differentials," he summed his views briefly as follows:

1. The basis of compensation rates must be found in actual experience—the purpose is to determine what compensation actually does cost, not what it should cost in accordance with any theoretical formula.

2. The best basis of determining what compensation will cost in the future is found in past experience.

3. For certain important classifications, the experience within one State is so wide that a fairly accurate average cost may be ascertained for that State and classification alone, and as far as such classification is concerned, the differential method is unnecessary and should not be introduced for mere purposes of uniformity.

4. For most classifications, however, the combination of experience for the entire country is absolutely imperative, and in such cases a system of differentials is indispensable, both for the purpose of reducing the experience to a common basis and to derive rates for each State from the common basis.

5. A State law differential is absolutely necessary in order to construct at least approximately accurate rates when a compensation law is introduced in a new State.

6. The underlying principle of law differentials must be applied to in order to adjust rates to any modification of the benefit schedule.

7. Between the two methods suggested for computation of State law differentials, the experience method and the valuation of a Standard Accident Table method, the latter method should be preferred, because it is applicable to new acts and amendments, and because it has the advantage of comparative simplicity. * * *

Favors New York or Pennsylvania Acts As a Basic Law

10. The time is ripe for substituting group differentials for one level differential. This group differential should be based upon a classification of industries according to frequency of fatal accidents and permanent disabilities, thus requiring the construction of a series of accident distribution tables.

11. As a basic law, a more typical act than the obsolete Massachusetts should be selected—either New York or Pennsylvania.

12. All the results cannot be accomplished unless the whole subject of differentials is made a subject of continuous careful study. Such study, and the cost of it, are amply justified since law differentials are the most important factor in determining final rates, which must be made by actuaries instead of underwriters.

Compares Swiss and American Rates

Joseph H. Woodward, actuary of the State Industrial Commission, New York, spoke on "Premiums and Reserves of the Swiss Accident Insurance Institution." Mr. Woodward showed in tabular form comparisons for the more important classifications between Swiss tariff and the present pure premium rates in force in New York State. A few examples are given below:

	New York	Swiss
Cement manufacturing, no quarrying	3.36	4.15
Machine shops, with foundry	1.48	3.58

(Continued on page 19)

Accident
Health Automobile
Plate Glass
Burglary Liability

Fidelity
Contract Judicial
Public Official
Depository Bonds

FIDELITY & DEPOSIT CO.
OF MARYLAND
BALTIMORE

Small Interest in Automobile Lock

OWNER'S INDIFFERENCE INCENTIVE TO THEFT

Underwriters Suggest Raising Rates, Reducing Insurance and Segregating Policies

Whether to advance automobile theft premiums, or reduce the amount of insurance, segregate the theft and the fire portions of the contract or just wait for an enlightened public sentiment to correct theft evils, are questions before automobile underwriters.

That every little bit helps is about the way the insurance men look upon the suggestion of Police Commissioner Woods of New York, that legislation be obtained compelling owners to keep their machines locked while on the street unattended.

Those who have had experience with the theft situation in cities which heretofore have not been so fortunate as New York in point of losses, place only small importance on automobile locks. The many excellent locks now on the market are as a rule only deterrents to theft, in that they constitute an obstacle to the inexpert thief and cause him delay in getting off with the machine. Given time, it is everywhere believed that, as with the expert safe blower, anybody making a business of stealing cars can accomplish his purpose.

Effect of Raising Rates

One great difficulty with automobile insurance is that the companies are the only parties to the transaction who are concerned about the losses. The agents and brokers don't have to worry, as theft of machines are now looked upon as a matter of course. Worst of all, the owners don't worry, neither do the courts, and the police are indifferent because they feel that after making an arrest they are made fools of through the unpardonable leniency accorded offenders by the judges. Besides, there is downright corruption in many police departments, detective bureaus and municipal courts.

One not conversant with conditions might well believe that a substantial advance in rates would immediately create a public demand for improved police and court methods, but this is not the case. In the West, where theft rates are much higher than in New York the advances have not been attended with any appreciable public awakening. High rates tend to encourage owners who do not know the value of reliable insurance, to listen to the arguments of irresponsible carriers who offer their brand of protection for much less money.

Indifference of Owners

The offer of fifteen per cent. reduction in the theft rate for efficient lock equipment has also failed to produce the desired effect. This is true even in those localities, like Chicago, where the theft premium is the highest in the country and the reduction amounts to considerable. Where the theft rate is low the offered reduction does not amount to enough to pay for a good lock and the insured is not interested. The owners are reluctant to contribute any part of their time or money to lessen a hazard which they believe should be entirely taken care of by the insurance carrier and for which the owner somehow feels that he has to pay anyhow. In justice to the New York Police Department it should be said that insurance men generally feel that they have received more co-operation there than in most other parts of the country.

Segregating Fire and Theft

By his shortsighted disinterestedness the owner, besides paying higher rates, also receives less insurance than he otherwise would, as each year he has his car, the less he can recover on it. This reduction in cover is more than most owners realize unless it has been carefully explained to them, as is not always the case. Each year added to the age of a car brings a higher premium and less insurance.

Segregation of the theft and the fire portions of the contract has been advocated from time to time on the theory that it would acquaint the insured with the cost of each item and awaken him to a sense of his duty and self-interest in demanding the necessary reforms. This might be done by means of a rider such as is used for the collision feature. It is not likely that agents and brokers would be enthusiastic over this plan as it would make more work for them and might result in many persons refusing to carry the theft contract at the higher rates which it is believed must be charged to offset the increasing losses. Another objection to segregation is the attitude of state departments, which have quite generally adhered to the opinion that the automobile policy must be treated as a marine contract. This attitude is not so general now as it was, however.

Corrupt Politics Large Factor

Police departments are as a rule no better than the demand placed upon them by the public they are supposed to serve. Therefore, unless owners can be vitally interested in this theft subject the road to solution is bound to be a long and tedious one. Automobile clubs, both local and national, have and can do much to educate their members along right lines. Unfortunately the clubs have been prone to devote more attention to co-operative and inter-insurance devices than to actual efforts to reduce hazards. Some clubs are an exception to this, however, and have done valuable work in stimulating local

(Continued on page 19)

General Accident
FIRE AND LIFE
ASSURANCE CORPORATION, Ltd.
SERVICE THAT EXCELS
FREDERICK RICHARDSON, United States Manager.
GENERAL BUILDING · 4TH & WALNUT STS.
PHILADELPHIA

PICKED UP ALONG WILLIAM STREET

A Jack-Pot That Helps an Agency

Richard H. Thompson, of the Maryland Casualty, tells of a system worked in a local agency that brings results. Here it is:

"The two partners and three solicitors start the day at quarter past eight each morning with a brief council meeting. Anyone late in reaching this session, or absent from it, unless he is out of town or ill, is fined twenty-five cents; this applies to members of the firm as well as to employes. This money is put aside and the contents of the week's 'pot' goes to the man who secures the first accident and health application for insurance on Monday. If no applications are taken on Monday, the man first successful on Tuesday gets it.

"Generally the pot does not amount to much; sometimes it is only twenty-five or fifty cents. But again it may run up to two or three dollars. This is both an incentive to promptness in the morning, and a flying start on 'Blue Monday.' In fact, it has made it one of the best business days in the week, for the men strive for success on Monday, as much for the honor as for the small prize involved."

* * *

Unsatisfactory Bond Business

This is the season for license bonds in New York. Thousands of bonds will be required upon which the premium is only $2, running from that up to five dollars. One William Street office has instructed its counter men not to sell any of these bonds unless the premium is paid at time of delivery. Last year the company issued over a thousand of these small license bonds and over five hundred of them came back in course of six months, not taken. Every year the army of tradesmen and mechanics who must furnish bonds receive from each of a number of companies a bond, which has been issued solely on the chance that it may be filed and "stick." It is difficult to collect the premium on these bonds and it takes a long time and much correspondence to finally discover that the bond has or has not been accepted. Meanwhile the company must put up the required reserve, charge the agent with the premium, which swells the already too large amount of agents' balances. There is much regret that the surety business is not done as are other lines of insurance by placing some limit on the time within which the premium must be paid. Also the method of issuing many bonds to the same person, purely on chance is, to say the least, cumbersome and wasteful.

* * *

Many Bonds in Northwest

British Columbia is a paradise for surety agents. In towns like Vancouver and Prince Rupert the banks occupy the four corners of street intersections very much as saloons do here in Manhattan. The enormous agricultural country back of these and other towns in that region require what appears to the outsider an unusual number of banks and branches of banks to care for business that is not apparent to those who do not know the country. The depository bond business is good in the Northwest.

* * *

Decisions Affecting Compensation

In the New York Supreme Court, Appellate Division, Third Department, decisions have been rendered holding that a boy employed in violation of the labor law is entitled to compensation although the insurance contract limited its liability to cases arising where employes were legally employed. Another decision is that a claimant who was injured while repairing a touring car was not hurt while engaged in a hazardous employment. The car was generally used for recreation although sometimes engaged in connection with the owner's business.

* * *

Examining American Surety

The New York department has begun an examination of the American Surety which will require six months to complete.

* * *

Surety Lines Holding Up

Government contract business holds up well in the surety offices, offsetting in large degree the absence of activity in private construction lines. The demand for other bonds remains very much as usual.

* * *

Fire Department Objects

An objection to automobile locks which prevent the car being moved is found in an ordinance operative in New York which prohibits this because of the trouble it might cause in case of fire. A heavy machine thus anchored beside a fire hydrant would be a serious obstacle to effective fire fighting. The same is true in garages. In case of fire it would be difficult to get the machines out if any number of them had their gears locked.

* * *

Harold L. Peck, of the George W. Peck Company, Salt Lake City, is in New York this week on a visit to the home office of the Fidelity & Casualty, for which his firm is general agent in Utah.

* * *

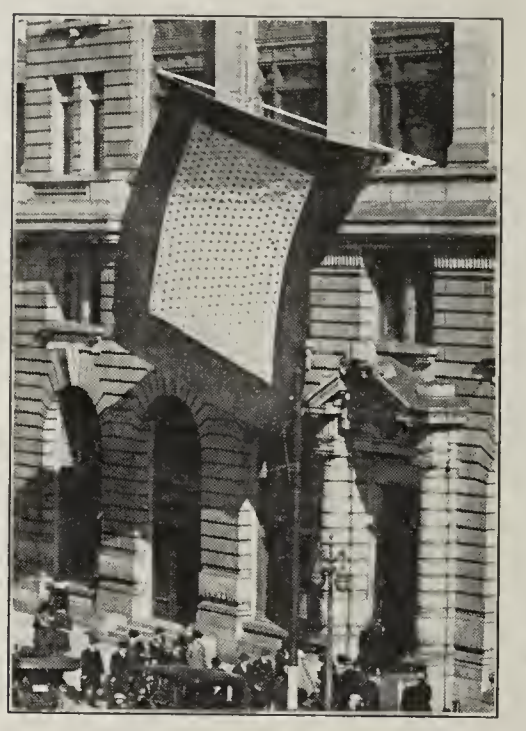
S. H. Pool, resident manager in Philadelphia for the Fidelity & Casualty, and Vice-President **A. J. Ferres**, of that company, have returned from a successful hunting trip in Northern Canada.

TRAVELERS' SERVICE FLAG

Contains More Than 376 Stars—Now Flying in Front of Building

The new service flag of the Travelers, showing 376 stars, is now flying from the home office building. It is 32 by 20 feet.

One star stands for Major James L.



Howard, secretary of the Travelers. Major Howard commands the first machine-gun battalion that was formed in this country. Vice-President John L. Way has a son in the service, and Vice-President Walter G. Cowles two sons.

QUACKENBUSH AGENCY EXPANDS

Chester M. Cloud Becomes Manager —Office to Write Full Automobile Cover

Chester M. Cloud, who has been in charge of the New York branch of the Fidelity & Deposit, today becomes manager of the agency of E. B. Quackenbush, general agent of the Commercial Union Assurance and the Ocean Accident & Guarantee at 92 William Street, New York. This agency will now write all casualty lines and automobile fire insurance. It has for years been doing a large accident, health and burglary business. Mr. Cloud will supervise the casualty lines. He has built up a large business for the Fidelity & Deposit and has a large following among brokers.

PENNSYLVANIA FUND REPORTS

Rather belated but still of interest is the annual report of the Pennsylvania State Workmen's Compensation Fund for the year ended December 31, 1916. This, the first year of operation, shows $785,006 premiums, medical expense $51,447, temporary total disability $66,315, reserves $475,253, surplus to policyholders $75,004. Expenses amounted to 17.6 per cent. of premiums, which if computed on the 100 per cent. basis would be 15.8 per cent. At the present time the Fund has 17,000 members and a premium income of $1,200,000. Last year the Fund paid 10 per cent. dividend on coal mine risks and 15 per cent. on other risks.

RE-INSURANCE COMPANIES JOIN

New York Surety Men Meet and Announce Nominations for Annual Election

For the first time in the history of the Surety Underwriters Association of New York, all companies which are also members of the National Association are also members of the local body. This developed at a meeting of the New York association last Tuesday. The following re-insurance companies also became members: Norwegian Globe, European Accident and Preferred Accident.

The nominating committee presented the following official slate to be voted on at the annual election to be held several weeks hence.

President—William M. Tomlins, Jr., American Surety, and Wilmont M. Smith, Aetna Casualty & Surety.

Secretary and Treasurer—M. A. Craig, of London & Lancashire Indemnity, and William H. Conky, Massachusetts Bonding & Insurance.

Executive Committee—Joseph A. Flinn, Fidelity & Deposit; Edmund A. Tallmann, Royal Indemnity; Paul Rutherford, Hartford Accident & Indemnity, and Alonzo Gore Oakley, United States Fidelity & Guaranty.

A committee was appointed to draft resolutions on the death of Joseph A. Sinn, formerly of the National Surety. The meeting was largely attended and Henry C. Wilcox, vice-president of the American Surety, R. R. Gilkey, secretary of the Surety Association of America, and A. G. Oakley, of the United States Fidelity & Guaranty, made addresses.

STATE HEALTH INSURANCE

State health insurance as a war measure was considered at a public hearing at the State House on Wednesday evening under the direction of the special commission on social insurance appointed by the last Legislature. The practical working of the British Health Insurance act during the war was discussed, as well as the question as to whether this State should enact legislation to insure wage earners against illness due to excessive pressure of work occasioned by war orders.

All Space Rented

Space in the new building at the corner of Maiden Lane and William street has all been rented. The building is an extension of number 91 William street and the combined structures will be known as the City of New York and New York Plate Glass Building. The third and fourth floors will be occupied by Huff, Dreyer & Co. The following firms now in the older structure will extend their offices to the new portion: C. T. Burkett; Peabody, Slosson & Smyth; Charles R. Neidlinger; E. K. Beddall & Co.; A. B. Treat & Co. Each floor of the new building contains 2,250 square feet.

R. H. Folsom, of Fester & Folsom, New York, started on the second Liberty Loan campaign to place $800,000 worth. He finished with $1,040,000.

The Fidelity and Casualty Company of New York

92 LIBERTY STREET, NEW YORK, N. Y.

Metropolitan Office—92 William St.

SEMI-ANNUAL STATEMENTS JUNE 30, 1917

Assets	$14,005,236.30
Liabilities	10,395,192.68
Capital	1,000,000.00
Surplus over all liabilities	2,610,043.62
Losses paid to June 30, 1917	58,554,792.60

This Company issues contracts as follows: Fidelity Bonds; Surety Bonds; Accident, Health, and Disability Insurance; Burglary, Larceny, and Theft Insurance; Plate Glass Insurance, Liability Insurance—Employers, Public, Teams (Personal Injury and Property Damage). Automobile (Personal Injury, Property Damage and Collision), Physicians, Druggists, Owners and Landlords, Elevator, Workmen's Compensation-Steam Boiler Insurance; Fly-Wheel Insurance.

BUSINESS=BUILDERS

—DEVELOPING—

Fidelity and Surety Bonds, Liability Workmen's Compensation, Automobile, Accident, Health, Burglary and Plate Glass INSURANCE

—APPRECIATE THE CO-OPERATION OF THE—

Massachusetts Bonding and Insurance Company

BOSTON T. J. FALVEY, President

Paid-In Capital $1,500,000 Write For Territory

CASUALTY AND SURETY POINTERS

What War Did to Canada Accident Insurance

If the agents of any section of North America should have been handicapped by the big scrap in the matter of personal insurance, Canada is that section, with more than three years of constantly increasing enlistments to take so many insurable men out of civil life. Whenever any accident agent in the United States looks doleful and mutters, "This war has put me flat on my back"—then we think of Canada. But the Maryland Casualty's "Budget" says that Canadian insurance men have simply put on more steam. In speaking of its own agents it says:

"Of course no great number of American agents are quitting cold like that, or there wouldn't be such a volume of accident and health premiums piling up under the exhortations of the Honorable Richard Heave Thompson. But some among us, quite too many, have tried to blame their lack of results on the war. It may interest such agents to know that our agents in war-worried Canada have increased their accident and health insurance writings anywhere from seventeen to ninety-two per cent. in the first three-quarters of this year, January to September, inclusive, as compared with the premium totals for the similar period of last year. The Toronto men have made the largest actual increase—Smith, Mackenzie, Hall & Hunter, with Tom Hunter supplying the motive power; during the nine months Toronto gathered over thirty-one thousand dollars in accident and health insurance premiums, an increase of eighty-two per cent. The highest percentage of increase, ninety-two plus, was made by C. E. Tait of Calgary, whose premium total for the three-quarters was ten thousand five hundred dollars. P. W. A. Burket of Montreal made the second largest actual increase, six thousand dollars, which brought his total for the nine months beyond twenty-one thousand dollars; the Maryland men at Winnipeg, R. Lawson & Company, put over eighteen thousand five hundred dollars in accident and health premiums, an increase of twenty-seven hundred dollars for the nine months; Masters & Wheeler of Moncton went ahead eighteen hundred dollars in the same period, an advance of forty-five per cent."

* * *

Peril of Target Risks

A writer in the paper of the Fidelity & Casualty Co. tells of a man who at one time had what was considered a large insurance business. If the size of his business had been measured by the commissions alone, it was large—so large that it paid about $15,000 a year net to its owner. One day this man was awakened with a sudden jolt. He had lost his entire business—lost it in one day. Seems impossible, doesn't it? It usually is. His case, however, was different. His business consisted of just one line. It was large as to income, but small in business units. He could attend to it in a few days, pocket the commission, and consume the balance of the year spending it. That business was nothing more than a "target risk." He had to work hard to sell the insurance in the beginning, and he had to work just as hard to keep it each year. Every insurance man in the vicinity made a fight for it and one day some other fellow got it, and I suppose he is fighting just as hard now to keep it as he did to get it. The first man who handled this risk failed to build around it a sufficient number of small lines to keep him in business when the crash came; consequently, he is not now writing insurance.

This is, of course, an extreme case, but it typifies the probable result of an insurance business built on "target risks" alone. Contrast with it one consisting of numerous small lines. For instance, take a surety agent whose fidelity business in the majority of cases consists of individual bonds in favor of small houses employing a bookkeeper, a cashier and one or two clerks; or an employer who has fifty or even one hundred employes covered under a schedule or individual bonds. His is a real business.

* * *

How to Collect A Debit

It is essential that the agent familiarize himself with the general condition of the debit and with the section in which it is located; also with the policyholders and then use strictly business methods, says Manager M. Green of the General Accident in New York. Never indulge in personalities. Be pleasant but firm with the policyholders, giving them to understand that in order to keep their policies in benefit they must live up to the contract. Impress upon them that the corporation is only too glad to live up to every promise in the policy, and that it is just as necessary for the policyholders to fulfill their part as it is for the corporation.

In the matter of back calls, be obliging to policyholders. Do not threaten to cancel a policy, but explain to the assured how much better it would be to pay in advance and be on the safe side, rather than to have the insurance in arrears and be out of benefit. Agents should keep policyholders posted regarding the corporation and its business, thus creating a friendly feeling in their minds towards the corporation.

It is the duty of agents to explain to the people the risk they take of having their policies out of benefit, when sick or injured, by neglecting to pay premiums promptly. Many people think they have four weeks' margin in which to pay their premiums, the same as in life insurance, which is not the case. Every honest agent will enlighten policyholders on this subject. By posting policyholders in this way agents will have less arrears on the debit.

* * *

Program That Is Unproductive

Here is a program that will fit a large number of men in the insurance business who are not making out of it what they should, says The Standard Cog. "Cleaning the automobile, 1 hour; talking politics and helping the President run his affairs, half hour; discussing last game of the World's Series, half hour; doing $10 a week office work, 1 hour; lunch, 2 hours; on liability insurance, 2 hours; on fire insurance, 3 hours; 15 minutes wasted in trying to get central; 15 minutes devoted to accident and health insurance—that's all. Maybe this program has been varied in its items a little bit, but it is reasonable to say that the division of work and play is just about as shown; in fact, in many cases undoubtedly the working hours are exaggerated."

Casualty Actuaries

(Continued from page 16.)

Clock manufacturing ...	.85	2.24
Bakeries	1.18	2.26

Arne Fisher, of the Prudential, Newark, read a paper on "Construction of Mortality Tables by Means of Compound Frequency Curves." Mr. Fisher said this has been done before, but not by his methods.

Must Have Our Own American Sickness Experience

"Some Essentials of Sickness Statistics" by Edwin W. Kopf, assistant statistician, Metropolitan Life, dealt with historical aspects of the subject, giving numerous references.

"We, in America, must insist upon an impartial, thorough search for the facts of sickness if we would build a durable insurance and public health structure," he said. "Simple dependence upon European experience and upon our primary reactions to the few social facts of sickness we have, cannot serve us for any considerable period.

"The medical profession is charged with the intensive study of sickness and of health; the social statisticians must continue their important function of studying sickness extensively."

MUST PAY DESERTED WIFE

The Pennsylvania State Compensation Board has ruled that a wife who has been deserted by her husband, who had not complied with order to support her, is a dependent under the compensation law. The woman was taken care of by members of her husband's family.

Automobile Lock

(Continued from page 16.)

police departments to well directed efforts which have produced results.

Reduction in Insurance

Some underwriters advocate a reduction in theft insurance to a point where it will become obligatory upon the owner to use every possible care to protect his car. Other insurance men advocate applying the co-insurance principle. The spasmodic operators who steal a single car are not a serious menace to the carriers. It is the gangs who invade a section and work it to a standstill that are feared. Chicago, St. Louis, Philadelphia, Boston and Providence have all had, and are still experiencing the effect of these operators. They go out thoroughly prepared to get what they are after. Given time they will get any machine. Cars that are locked in such a way as to make it impossible to move them have been towed away a short distance to where the thief could operate at leisure. Jacks have been placed under locked cars and under the pretence of removing a disabled machine, have been removed to a side street where the work of rendering the lock inoperative has been completed. When expert mechanics and chauffeurs are engaged in this craft there is small chance for the lock maker to circumvent them. They work on a system and sad to say the police are too often found to be susceptible to the temptation of easy money obtainable through collusion in one form or another. This taint manifests itself in the interest policemen often show in obtaining rewards for information which would lead to the apprehension of thieves.

There is now an effort being made to place on the market a locking device which consists of a chain passed through the spokes of a wheel and locked. Attached to the chain is a ball of metal which, when the car is started, knocks against the guards with each revolution of the wheel, making a noise which would attract immediate attention of a passer-by. The theory is all right but the effort necessary to attach the device is more than the owner is willing to exercise.

W. E. SMALL, President PETER EPES, Agency Mgr. E. P. AMERINE, Secretary
GEORGIA CASUALTY COMPANY
HOME OFFICE: MACON, GEORGIA
"DIXIE AUTO POLICY"
THE LAST WORD IN MOTOR INSURANCE
Surplus and Reserves to Policyholders.....$1,526,022.81

The METROPOLITAN CASUALTY
INSURANCE CO. OF NEW YORK
HOME OFFICE, 47 CEDAR STREET
CHARTERED 1874
Plate Glass, Burglary, Accident and Health Insurance
EUGENE H. WINSLOW, President
Russell R. Cornell, Vice-Pres. S. Wm. Burton, Sec. Alonzo G. Brooks, Ass't Sec.
RELIABLE AND ENERGETIC AGENTS WANTED

THE SIGN OF GOOD CASUALTY INSURANCE
HEAD OFFICE
CHICAGO
F. W. LAWSON
General Manager
Liability, Accident, Burglary, Boiler and Credit Insurance
Established 1869.
F. J. WALTERS
Resident Manager
55 JOHN STREET
New York
Elmer A. Lord & Co.
145 Milk St., Boston
Resident Managers New England
London Guarantee & Accident Co., Ltd.
OF LONDON, ENGLAND

The Employers' Liability Assurance Corporation, Ltd.
The original and leading Liability Insurance Company in the World
LIABILITY, STEAM BOILER, ACCIDENT, HEALTH, FIDELITY AND BURGLARY INSURANCE
United States Branch
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THE EASTERN UNDERWRITER

[Succeeding the Journal of Insurance Economics, Established in 1899]

A WEEKLY NEWSPAPER COVERING ALL BRANCHES OF INSURANCE

Eighteenth Year; No. 47 | NEW YORK CITY, FRIDAY, NOVEMBER 9, 1917 | $3.00 per Year; 25c. per Copy

COMPANY VIEW OF AGENTS' CONFERENCE

Favor Idea of Harmony, But Doubt Practicability of Solving Controversies in This Way

WHO SHALL NAME COMMITTEE?

Some Companies Doubt if Internal Differences Can be Settled by Ten Men

A number of important underwriters were seen by The Eastern Underwriter this week and asked their opinion regarding the new conference committee of five appointed by the National Association of Insurance Agents with the aim that a similar committee shall be appointed by companies for the purpose of threshing out differences between the companies and agents and co-operating generally to bring about harmony.

Co-operation All Right if Practical

The companies all spoke favorably of the desire of the agents for harmony and co-operation and individually expressed themselves of their desire to do all they could to bring about such a result, but there was some doubt as to just how the companies could proceed to appoint such a committee. It was pointed out that the National Board of Fire Underwriters has no jurisdiction over agency limitation, size of lines, underwriters' agencies, commissions or other points that have been at issue.

So far as other companies' organizations are concerned, such as the Eastern Union, Underwriters' Association of Middle Department, Western Union, etc., these associations are geographical, and are not all inclusive. It would be impossible, for instance, for the Eastern Union to appoint a committee to represent the companies on a controversy that came up in Oklahoma, for instance, while in the case of a controversy in Syracuse, N. Y., or Harrisburg, Pa., both of which are in its jurisdiction—the Eastern Union could only speak for its members. The argument was also made that even if the Eastern Union did appoint a committee to confer with agents it would not have the power to bind all the members, as there were certain members which would not be bound by action of any committee on company-agency controversies.

That there is a possibility of a sympathetic number of insurance men being designated to represent companies in conference with agents cannot be

(Continued on page 18)

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SPRINGFIELD MASSACHUSETTS

MORE COMPANIES TO WRITE GROUP, CONFERENCE TOLD

Commissioners Ask Questions of Actuaries, Hear Opinions and Adjourn Until December 3

LACK OF EXPERIENCE NOTED

Group on Threshold of Great Expansion —Fixed Standards Now Being Sought

The conference at the Astor last week between a committee of insurance commissioners, of which Jesse S. Phillips, of New York, was chairman, and a committee of actuaries, which Arthur Hunter had appointed, was more or less of a sparring match—sparring for information. The actuaries were not particularly communicative, while the commissioners were just as guarded in their questions. It was not because anyone wanted to withhold information, but the business of group is so young; the companies writing it are so limited in number; the experience is so lacking that it is difficult to put down hard and fast rules, or to speak by the board. This can be illustrated by the statement that the half dozen actuaries present represented companies writing probably 95 per cent of all the group being written.

Aim of Commissioners

Another reason for the air of reserve noted at the conference was the lack of a clear impression of the aim of the commissioners in these hearings. The commissioners, it will be remembered, decided to look into group insurance at the St. Paul convention, at which time a committee was appointed. The Actuarial Society of America was asked to appoint a committee in turn, which was done by President Hunter; and it was these committees which met at the Astor. This is not what can be called an "investigation" of group insurance. It is rather an attempt of the States to sound group insurance sentiment, study group insurance practices, forecast group insurance needs, and see that there is a proper regulation. The desire is to define a standardized group; to ascertain the basis for group selection (without medical selection); to fix principles which will not permit selection within the class (such as insuring a plant where some of the workmen are covered while others are not). It is the occasional exceptions in a class which

lead to confusion. In other words, the main question is "What is a Group?"

After almost a day's session the two committees went into joint executive session, and they will have another meeting in New York on December 3.

More Companies Going Into the Field

Among the interesting points brought out at the conference were that a number of companies are making an investigation of their own, with the intent of soon taking up the writing of group.

Hearing Was Public

The question whether the hearing should be public or private was put by Chairman Phillips and there being no objection from the company representatives present it was decided that the sessions be public.

Commissioner Cleary, of Wisconsin, took an active part in the discussion. It would appear that opposition to group life insurance has been more pronounced in his State then elsewhere. He cited the contentions of the fraternal orders that group insurance has the effect of preventing large numbers of industrial workers from carrying insurance in the various beneficial societies. In Wisconsin, also, the socialistic element in labor organizations is, Mr. Cleary said, opposed to group insurance on the ground that it tends to restrict their freedom. An exaggerated case of this was cited. An employe received a policy and took it home to hang on the wall. Later a wage dispute arose and a representative of the employer went to the house of this employe and told his wife that if her husband did not return to work the policy was no good, while if he stayed with the company it was worth $1,000. The argument was that the laborer was influenced through his wife to act contrary to his judgment.

No Opposition from Labor in New York

Superintendent Phillips expressed some surprise that labor should be against group life insurance. There is, he said, no opposition in New York. The only trouble in New York is that some companies wish to go too far. "I don't see why employes should object to this system; they are getting something for nothing or nearly so," he added.

Commissioner Cleary said the question is whether to confine group insurance to industrial groups or to extend it to vocational groups or even beyond. It is important to the companies that lines should be clearly marked in order that their business may be protected. Otherwise group insurance may disrupt their general business.

As to rates F. H. Johnston, of the Prudential, said that the American Experience Table is considered too high at one end and that the M. A. Table is used, which seems to be adequate. A rate revision may be necessary at the end of five years. His company writes only groups of employes under one employer. One hundred or more are taken without examination and groups of fifty to one hundred after a brief examination, reserving the right to eliminate certain risks. The company has no standard except grouping employes of one employer. The mortality is found to be very near that of individual business. Mr. Johnston favors defining the scope of group life insurance along comprehensive lines or permitting the companies to continue just what they are now doing. He would like to see the business protected against abuse as he believes that it will grow rapidly and that it will survive any restrictions placed upon it. He then described the company's renewal proposition by which employes are furnished with insurance on regular plans upon application within a specified period. He spoke of lodge business as being unsatisfactory. The company insured one fraternal lodge which shortly afterward left the main body of the order and the company naturally was blamed for the withdrawal.

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Must Be Organized Body

In reply to a question by Commissioner Cleary, W. J. Graham, manager of the group department of the Equitable, said that his company has been unable to apply group insurance successfully to any other than industrial classes. There must be an organized body. A group of lawyers, for example, would be unsatisfactory.

Superintendent Phillips asked if a plan proposed by the Pennsylvania Railroad to form a league of its own employes, the company paying the premium, was acceptable. Mr. Graham said it would depend on whether the good, strong lives were included with the weak; in other words, would it be a representative group. Mr. Phillips then asked if the plan would work if the railroad selected some particular branch of its service, say trainmen, conductors, firemen, etc. Mr. Graham's idea is that if all of any of those branches were taken it would be satisfactory. The only question would be to fix an extra charge for any special hazard there might be. There must be no selection against the company.

Tending to Liberalize

Commissioner Cleary asked if group insurance has been subjected to a sufficient test to demonstrate the mortality experience under it. Mr. Graham, answering for the Equitable and for himself, individually said that it has not. It is still in experimental stage. In 1916 the Equitable wrote as much group as it had in the previous four years and in 1917 it will probably write as much as in all previous years. The Equitable permits a disabled employe to continue in the group after he is off the pay-roll and as long as he is disabled. The tendency will be to improve and liberalize this insurance so that all claims will be paid. The companies must assume responsibility for many errors of commission and omission by employers, employes and foremen in not furnishing the insurance carrier with prompt information regarding the illness of employes and their termination of employment. Group insurance is destined to attain wide popularity if properly handled. It has had considerable success surrounded as it is by all the restrictions placed upon individual insurance. It is unscientific to throw the bars down and let group insurance grow up as it can; individual business has not grown that way. "I believe," said Mr. Graham, "in working down from restrictions to special privileges rather than the other way. The net premium valuation restrictions have been of the greatest value to American companies. The fraternals have worked without restrictions. We should not put the maximum of restrictions on the fraternals and at the same time remove all restrictions as to making premium rates at least equal to the State standard on old line life insurance."

Average Group Premium

E. E. Cammack, Aetna, informed the committee that the average group premium is $8 a thousand. He said that a definition providing that group insurance cover all employes in a plan would be difficult to operate under. Companies have not all the necessary experience as to rates, but the present rates appear adequate. Up to ages 35 or 40 the mortality is likely to be very low—probably not more than 40 per cent. of expected. At older ages it is rather high, but it would not appear necessary to formulate a special table for group life insurance.

Deputy Hammond, of the Connecticut department, said that the deficiency reserve maintained against outstanding group insurance in his State was now about $1,000,000, whereas a year ago it was $300,000.

Mr. Phillips asked for opinion regarding a group of individuals organized, regardless of their vocations, for the sole purpose of obtaining group insurance. The general expression was that such are not satisfactory.

Mr. Cleary wanted to know if the deficiency reserve referred to by Mr. Hammond would not work an injustice to participating policyholders, should the company have to use it to make up for losses in the group department.

E. B. Morris, of the Travelers, said the experience of his company had been similar to that of others. It has written some organizations, but the experience is not satisfactory. It confines its operations to group of employes. He pointed out that with the companies writing group insurance they come in contact with a larger proportion of industrial workers and they have a right to inspect plants as to safety and sanitation and to become interested in welfare work. This, of course, affects the groups advantageously. He, too, referred to the very favorable mortality at younger ages and the less favorable experience in later years. In the Travelers, on the termination of employment, the insurance may be continued on the life or endowment plan for the same amount, provided the employe pays the premium and makes application for the insurance within ten days after the employment ceases. This may be made optional, however, if the employer desires it, as is sometimes the case.

Commissioner Cleary suggested that a certificate should be issued to the employe stating the terms of conversion of the insurance after termination of employment. Mr. Morris said that this is not generally done. Mr. Cleary then expressed the opinion that the average employe does not have the knowledge which would enable him to exercise his rights and Mr. Morris admitted that those rights are not generally availed of. The companies re-

(Continued on page 12)

Announcement

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Group Insurance Developments Discussed by Experts

What Was Said Upon This Subject At a Recent Meeting of Actuarial Society of America

The Principles of Group Insurance

By WILLIAM J. GRAHAM, Equitable Life Assurance Society

Group insurance is a plan for insuring a number of lives under one general or blanket contract. Each life included in such group is insured in conformity with statutory requirements governing individual insurances. No statutory permission has been necessary to introduce the plan in the different States as the insurances are on approved policy forms and comply with existing laws.

Group insurance came into practice as a medium for insuring employes of one employer. One contract, or group policy, is issued to the employer, which makes reference to necessary supporting detail of each life covered, contains schedules of rates—and where other than term, schedules of loan and surrender values—for each age, and otherwise conforms to provisions for similar insurances on individual lives. Supplementary certificates of insurance commonly issued to each member of the group state the fact of the insurance, the name of the individual insured, the amount of the insurance, the name of the beneficiary, and the conditions under which the insurance continues in force.

Statutory Definitions

While statutory permission has not been necessary to introduce group insurance as a means of applying collectively approved forms of individual insurance, since its introduction the States of New York and Massachusetts have adopted amendments that introduce a sort of group insurance definition. These amendments remove restrictions and limitations on the acceptances of lives when taken in groups. The Massachusetts amendment exempts from the requirement of individual medical examinations imposed by that State:

"Insurance granted under a single policy issued to a given person, firm or corporation, covering simultaneously a group of not less than one hundred lives all in the employ of such person, firm or corporation."

The New York State amendment exempts from the new business limitation of Section 96:

"Group insurance granted on the same plan within each group under a contract with a given person, firm or corporation, covering groups of not less than one hundred lives all in the employ of such person, firm or corporation."

These amendments recognize group insurance as distinctive only as it is applied for the express purpose for which it was originated, namely, for the insurance of large groups of employes of one employer.

Group Insurance

The call for group insurance came from employers who desired to provide life insurance for their employes without excluding any on account of individual non-insurability. The answer to this call was to discard individual selection by medical examination and to set up in substitution a method of group selection which passes on the group as a group and judges it with reference to the insurability of the whole. The cardinal principles of group selection are, roughly:

(a) To obtain a body of risks selected for purposes requiring physical and moral fitness;

(b) To see that the group is acceptable as a whole, or in classes not inferior in point of insurability to the group as a whole;

(c) To grade the risk properly at the standard rate or at a commensurate extra premium rate for acceptable additional hazard.

The mere statement of these three general subdivisions governing selection narrows down the acceptances of groups without medical examination closely to (a) employes of one employer; (b) where all or substantially all lives must be included in the group except as certain whole departments or sexes or probationers are excluded; and (c) where the grade of employes and the occupational and incidental hazards measure up to required standards or else can be adjusted by commensurate extra premium ratings within the range of reasonable additions to the standard rates.

Careful inspection of each group is made to determine the facts as above outlined. Such inspections include investigations of employes and plants. Sex, nationality, wage, sobriety and requirements for employment are important personal factors. Trade dusts and trade diseases are important in character and in ratio to the number of the whole so exposed. The buildings and surroundings are studied with view to proper air, sanitation, hygiene, pure drinking water, etc., and with reference to accident and panic hazards.

Group insurance must carefully guard against adverse individual selection. Hence the necessity for insuring the group on a basis which does not leave with the individual the power to decide whether or not he or she shall enter the group. This militates against the acceptance of a group in which the insurance is paid for by the individual employe.

Any attempt to apply group insurance to less than the whole available class to whom it is offered involves the danger of adverse selection entering to the degree of making the whole uninsurable. An even more vital point of insurability would be involved if individuals were privileged to choose to continue in the group or not. Again the group plan contemplates the elimination of individual solicitation. Where individual action is necessary to bring the whole to a point of insurability, a soliciting cost is introduced that militates against the practical application of the group idea. For these reasons group insurance is in a large degree restricted to the insurance of employes of one employer where the employer pays the entire premium.

Modified Groups

The limit of one hundred lives as the minimum number constituting a group under statutory exemptions is an arbitrary standard following the arbitrary standard set up by the company introducing this plan. There is nothing in either statutory definition to prohibit writing group policies under any terms and conditions lawful as to individual insurances. But any such groups would lose the benefits of these special legislative waivers—that is, each life in such a group must needs be medically examined in Massachusetts and must be counted within the limitation of new business in New York. As a matter of fact, group policies are issued on less than one hundred lives by giving a modified form of medical examination. This modified examination increases in severity as the group shrinks from the full hundred until full medical examination and rigid judgment of the same is accorded all risks where the number decreases to the arbitrary minimum—usually twenty-five lives—required for any form of group or blanket insurances. Necessarily such modified groups may exclude one or more lives upon the medical showing.

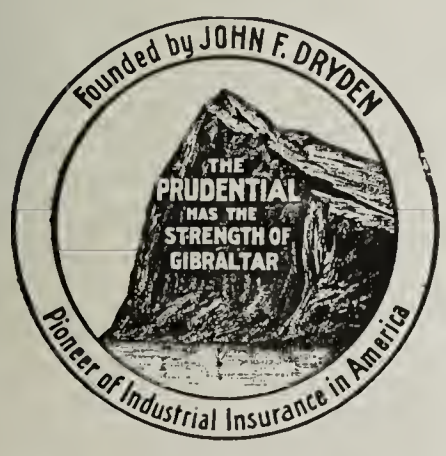
Another class to which the group idea may be applied, but with modifications, is that of the homogeneous closed group. Here the lives may be of a number and class to inherently supply acceptable averages of insurability, but of a type in which the regular forms of ordinary life or endowment would best apply. Illustrative of this type is the university class insuring to supply a memorial fund. Centralized premium payment may not be desired. Individual endowment policies may fit the need. Where the amount of insurance is uniform, or varies within small range, where the class acts with practical unanimity of choice, where perhaps medical examination was required on matriculation and the class is sufficiently large, the insurability of the risk as a group may be safely based on principles of group selection discarding individual medical examinations.

Extra Ratings

Acceptable risks for group insurance range from the standard class to substandard classes acceptable on properly increased rates within the limits of reasonable additions to the loadings. This grading in my opinion can best be effected by a constant addition to the standard gross premium. This addition would be the same for all ages and all lives in the group. Any attempt to grade the extra rating to subdivisions of the group tends away from the group idea of treating with the whole, and would, furthermore, introduce accounting difficulties.

Occupational Studies

A careful study of industries uncovers the fact that the death hazard is importantly affected by the living or home conditions of people engaged in the work. The more hazardous industries and the industries working



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Discussion of Group Insurance Principles

under unpleasant conditions or where occupational diseases or accidents are prevalent are not selected by the better type of employes who are able to obtain employment where such conditions do not exist. In other cases the industry may be affected by tradition or purely psychological causes. Therefore, in classifying such risks, not only the actual hazard of the employment must be considered, but also a careful inspection and study must be made of the people employed and the conditions and classes from which they come.

It is also worth nothing that the modern advance of industry has been so radical in many lines that many of our occupational ratings used for individual risks probably fall wide of the mark because they are based on past experience and not on present-day condition. It may be pointed out in illustration that the electrical industry is now on a basis of safety that did not exist in other days. The electrocution hazard always present in this industry has brought about an elaboration of safety appliances and insulation which may be said to be all but fool-proof in most departments. A more careful selection of employes and the adaptation of employes to particular duties according to their individual capabilities have resulted in making the employment as a whole produce averages of insurability that compensate for considerable extra trade hazard. Again, glass-making in the present age of automatic glass-making machines is changing the type as well as the hazard of the glass worker.

Policy Plan

Group insurance may be issued upon any plan, such as term, life or endowment insurance or annuity.

From the standpoint of the employer the renewable term plan has the advantage of covering these insurances at the lowest possible cost during the period in which the employer desires the coverage, namely, during continuance of employment. Term insurance has the further merit of not involving surrender values, or causing the employer to pay the extra sum required on the whole life level premium plan, when it is a foregone conclusion that in many cases the employment will be only temporary. While the individuals in any one group on the renewable term plan will of course be rated each year at a successively higher rate, it does not necessarily follow that the aggregate rate of the group will increase materially. Conditions of active employment in themselves require certain age distributions which practically assure an aggregate premium on the term basis which will vary within narrow limits from year to year.

It is evident on a mere statement that a census of employes of any large going concern would show a present average age not materially different from that taken perhaps a score of years before. The average age might be either less or more on the census taken now as compared with the census of many years ago, but in either event the variation would be within narrow limits. This suggests at once the inherent difference between group insurance as applied to employes of sizable going concerns where age averages are maintained more or less automatically, and any attempt to do group insurance where the same conditions do not obtain.

The Group Contract

Provision is made in the group or blanket policy issued to the employer for covering all permanent employes during the period of employment; for the addition of new employes; for automatic changes in the amount of the insurance; as well as for the discontinuance of the protection on the lives of employes whose services have been terminated. Terminating employes may usually apply for insurance without medical examination within a limited period, usually within 31 days after termination of service.

Permitting discontinuing employes to apply for insurance within 31 days of the termination of employment on any plan of insurance then issued by the company at the regular rates for the particular attained age and class of risk means but a guarantee of the insurance ability of the life after leaving the employment to the amount of the group insurance. In theory this may mean selection against the company. Thus far experience indicates that it is a concession little used unless diligently urged upon discontinuing individuals. Whatever extra mortality might follow from such a privilege is problematical and could probably be amply covered by withholding commissions and renewals on individual insurances issued without medical examination on retiring members of a group. If this should become an important element it might be advisable for companies to keep an accounting of such individual business in order to preserve absolute equities with all classes of individual policyholders. In practice the privilege does not now seem to be important, except that it prevents any undue hardship to individuals who may become uninsurable during the period in which group insurance is provided.

The acceptance of employes in the first instance and the addition of new employes is usually made covering only those who have worked out a probationary period, commonly one year. Medical examination may be required on a new employe or may not. Whether it should be required or not depends upon how nearly the conditions under which the new employe would qualify for the employment and for the insurance may be trusted to prevent adverse selection and preserve the average of insurability. The plan of the company originating this insurance is to require medical examination of all new employes, but to waive this requirement temporarily where it seems justified, reserving the privilege of requiring it later if experience dictates it to be advisable.

Amount of Insurance

The amount of insurance granted the individuals of the group must follow a general rule. A common unit of insurance for salaried people is one year's salary with a maximum limit of $3,000 to those receiving more than $3,000 per annum. This maximum should be fixed with reference to the average amount of the insurances and the size of the group.

Time and piece workers are often insured for a fixed sum—alike to all—or graded to increase with service.

In general any sum of insurance may be allowed, provided it follows a rule that excludes adverse individual selection and keeps the amount of insurance on any one life to its proper proportions. Increases in the amount of the insurance under any such rules and within the maximum fixed may be safely allowed without medical examination.

Premiums and Reserves

Premium and reserve computations are on the same standards and follow the same actuarial principles that govern individual insurances. The group premiums are the sum of the individual premiums and are payable through the one source—the employer. Monthly premiums are best adapted for meeting changes in the employment. By making a monthly premium a complete unit in itself and not an installment of an annual premium the reserves and the deferred premium account are both reduced accordingly. Group reserves are the total of the separate individual reserves and may be submitted officially in combined figures for each age in the same sort of schedule form in use for industrial insurance reserves.

Claims

In practice group claims are paid in full amount regardless of misstatement of age or of minor technicalities. Suicide claims are recognized at all times. This follows from the fact that there is substantially no moral hazard and the non-payment of the claim in full amount would defeat the purposes of the insurance. Claims are payable either in one sum or in monthly installments, over a period not usually exceeding one year, to the beneficiary named in the certificate.

Employers are prone to request that they be named as beneficiaries in order to administer the claim. Apart from the questions of insurable interest this might raise, it is not good practice for the employer to be put in the position of possibly profiting by the insurance.

Economies

Large economies are achieved under the group system. Agency work is reduced by being centralized. Individual members of the group are not solicited. Commissions and renewals are fixed at about one-third of the usual rate for same form of individual insurance. The elimination of all accounting, correspondence and premium collection with the individual greatly reduces the cost of caring for the business. All accounting is centralized in the one periodical statement to the employer. In this statement the changes occurring during the period are accounted for in debit and credit amendments to the previous statement with supporting detail. All items not changed during the period are carried forward in total only and without detailed restatement.

Misconceptions

An early misconception of group insurance confused the plan with re-insurance. This mistaken idea, fostered by a few over-zealous agents who misunderstood the plan, caused certain fraternal organizations to see in it a menace to fraternalism. Assessmentism joined with the fraternals in protesting against old-line life insurance, inventing group insurance for the undoing of these organizations. The complaint of these organizations was really directed against re-insurance, a system historic with records of whole bodies of policyholders taken over from one life insurance organization to another. While it is possible such re-insurances might be assumed on a renewable term plan, it is quite unlikely, because it is and has been the step-rate principle that has proven disastrous in assessmentism. True, assessment rates usually have been too low even for term insurance, but these rates might have been successfully increased according to the theory of assessmentism were there not inherent practical weaknesses in the step-rate plan when applied to individuals. When increased rates were proposed for the whole group, it was subject to adverse selection by the better lives dropping out. In a way the same thing has occurred where the step-rate plan grows to a prohibitive figure in its natural operation.

A casual survey here is of value in contrasting the use of group insurance on going groups with assessmentism step-rate insurance, to emphasize more emphatically the proper limitations of group insurance, when written on the term plan, by suggesting the things necessary to avoid. Somewhat like fraternal groups so far as group insurance is concerned are trade associations, burial societies, benevolent bodies, public organizations and various other more or less loosely joined groups. These bodies, whether formed for insurance purposes or not are but organizations of individuals whose connection with the group is for the most part voluntary and unrelated to good health, and thus are not eligible under sound underwriting principles of group insurance. Here, perhaps, individual policies may be issued in the regular way with some degree of leniency in passing upon necessary individual medical examinations. The large number of inquiries made for group insurance from such organizations either directly or through insurance brokers attest a prevalent popular misunderstanding of the group plan.

Non-Medical Selection

The announcement of the waiving of medical examination under certain conditions in group insurance raised a mistaken idea in many minds that group insurance risks were not selected risks. The thought behind this was a confusing of selection with medical examination. Medical examination for the purpose of selection is a means toward an end not an end in itself. Yet many of the earlier critics of group insurance condemned the whole plan as unsound on the theory that there could be no selection without medical examination. That a large body of the younger and smaller companies of the South and West should be so misled as to pass a resolution to this effect illustrates as well as any other thing the confusion existing in some quarters between selection of risks and physician's examination for life insurance purposes.

While on this point it may be recalled that life insurance had its early growth abroad without the requirement of medical examination. Within the last several years some companies

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Group Insurance Discussion

abroad and one old English company in particular have revived with marked success the practice of accepting individual lives without medical examinations under certain restrictions and in certain territories in which proper selection is obtained. These non-medically selected lives of the English company referred to have been none the less carefully selected under other standards, with the result that the mortality compares favorably with the company's medically examined business.

Since all insurance is essentially a method of distributing losses from hazards covered, the more these hazards are decentralized the safer the business. A hundred thousand dollars of insurance distributed among more than one hundred lives in a group well selected according to group standards, should compare favorably with the same volume of insurance exposed on one or two or a few individual lives selected by regular medical examination.

Moral Hazards

Solicitation among individuals results not in the inclusion of all the lives that a company may want, but only such lives as will apply. After receiving the application the company must be on the lookout for the designing applicant. Medical examination and the lay inspection serve the negative purposes of avoiding adverse selection against the company. The inspection report, especially, guards against moral hazards. In group insurance the moral question does not enter. The insured is not applying for insurance direct. There is no suspicion of design on his part to defraud the company. That the insured is of good moral habits is indicated by the employment. That he will continue in these habits is more fully guaranteed by insuring him during employment than could possibly be obtained through any inspection report.

Employment Standards

The employer is vitally interested in the physical selection of his employes and there is a growing disposition among progressive establishments to add some form of medical examination to the usual requirements. In certain establishments this medical examination far exceeds in comprehensiveness the physical examination for life insurance, including such important points as hearing, eyesight and careful examination of teeth.

Even where there is no medical examination of the applicant for employment there is always a shrewd and more or less unconscious physical size-up by the employer. Employment departments select healthy people in order to get the work done properly. The physically inferior have smaller chance of employment in modern industries than the physically strong. Furthermore, if employed, the test during the first few days of competition with the physically strong serves to adjust the employer's misjudgment where the risk has been overrated on appearance.

Of course, employment bureaus with the best intentions and equipment make mistakes in employing as physically competent, men with heart disease, kidney trouble, chronic appendicitis or other dangerous hidden ills, but at the same time it must also be admitted that life insurance on the basis of individual medical examination pays many such claims as first-year cases in pursuit of its regular business. There is no perfect form of selection in practice, and there need not be, beyond the requirement of supplying reliable averages of insurability upon which to base and maintain proper rates for the risk assumed.

Group Field

Group insurance is not presented as a substitute for individual insurance in any way. It is a supplement thereto. As far as it has evolved it is pay-check insurance to meet the immediate and urgent necessities which arise through death of the wage earner.

From a social standpoint group insurance is important as one means now applied in industry to eliminate distress resulting from the loss of the pay-envelope. Growing consciousness, on the part of employers, of the employe and his personal problems reveals the fact that a large part of the problem of industrial relationship lies in assisting the employe to protect himself against avenues of preventable distress. Workmen's compensation laws in our country are illustrative of this principle, although they indemnify against wear and tear on the individual, which is more trade justice than trade benevolence. Group insurance goes further by meeting the desire of the employer to insure the employe's pay-check gratuitously at its source under a system that grants the protection on a basis of inclusiveness, economy and liberality not otherwise possible in our system of life insurance.

Group Views of James D. Craig, Metropolitan

The exemption in 1916 of group insurance from the amount permitted a company to write under the terms of Section 96 of the New York Law has resulted in greatly increased activities along these lines.

We are fortunate that those directly interested in the development of this business should enlighten us as to its detail, as well as its general scope, underlying principles and economies. Not only do we have Mr. Graham's interesting article, but Mr. Ralph B. Trousdale, of the same company with which Mr. Graham is connected, has presented further facts in the March number of "The Annals of the American Society of Political and Social Science," which number is devoted to the study of "Modern Insurance Problems." In addition to these Mr. Morris presented a very comprehensive paper to the Casualty Actuarial and Statistical Society of America at its recent meeting in Boston.

All of these papers either refer to group insurance as a relatively new idea or give that impression. Mr. Graham himself states: "Group insurance is not presented as a substitute for individual insurance in any way. It is supplemental thereto." And again: "From a social standpoint group insurance is important as one means now applied in industries to eliminate distress resulting from the loss of the pay envelope."

I have been advised that the first policy of group insurance was issued between fifteen and twenty years ago and is still in force. Reference is made to this not only on account of its historical interest, but in an endeavor to ascertain some detail in respect to the kind of insurance. It would be interesting to know if any group policy has remained in force for such a period, particularly if issued on the yearly renewable plan. Mr. Graham prefers the renewable term plan of insurance in that it gives the employer the lowest possible cost, does not involve surrender values or force the employer to pay the higher premium required on other plans when it is a foregone conclusion that in many cases the employment will be only temporary. If the first policy issued, and now in force over 15 years, was not on this plan, what advantages did it have? Certainly some very decided ones or it would not have persisted, and is it not possible the advantages outlined for the term plan may not succeed in increasing this record of persistency? I am of the opinion that one-year term insurance on the group plan will eventually prove as unsatisfactory as it has proven for individuals. In just the same manner will it lead to nowhere. The individual who has paid increasing premiums for a number of years on the renewable term plan finds that his premiums paid have all been used to cover the risk and that no value remains. He is willing to allow some item for expenses, but feels as though the contract has been unsatisfactory. So with group insurance on the one-year term plan. If the employer, after a number of years, becomes cognizant, as he must, of the fact that the premiums paid by him are exceeding the benefits received, while no value remains for the excess, he is very apt to reason that the contract is unsatisfactory. To argue that such a contract has enabled him to retain his employes will not convince him that the insurance feature of itself is profitable.

It is an aid to the conservation of the employer's resources and through the contentment and satisfaction of employes that group insurance hopes to persist. If it is successful in this

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Discussion of Problems of Group Insurance

endeavor and results in longer terms of service of employes, must not the average age of the group continue to advance and will not the employer be confronted with an increasing premium at the same time that he is studying his profits and losses from group insurance? To carry on a uniform average over a number of years assumes that younger members will be continually added. This will be the case only with an increase in the employer's business, necessitating new employes or with the retirement of older members. All employers will not continue indefinitely to increase their volume of business and if the object of group insurance is successful in stopping the retirement of older members, will not the assumption of a constant average age ultimately fail? The assumption by assessment associations that younger members could always be obtained eventually caused their financial insolvency and may we not be disappointed in this form of group insurance if it succeeds in increasing the persistency of employes?

This is not a condemnation of the group plan, because just as level premium policies developed from old assessment insurance, so the term "Group policies" may readily become the great educator of employers on matters of insurance and lead to the adoption of more extended benefits. Even now some employers are studying the general insurance problem, not strictly in connection with term insurance, but in connection with service annuities or endowment insurance. The principal thing is to convince employers of their obligation to provide in some way for the workmen, as has been done in workmen's compensation, and for the employes' dependents, as is done in group insurance. after which it ought to be a logical step to provide for old age.

While Mr. Graham tells us that the gross premiums are the sum of the individual premiums for each age and amount of insurance, computed on actuarial priciples, it might be of interest to state the rule given by Mr. Trousdale for estimating the aggregate premium before the individual computations are competed. He says: "For preliminary purposes and before the foregoing information is available the rate is usually quoted as $1 per month for each $1,000 of insurance. On a percentage basis this would amount to a premium of 1.2 per cent. on the total amount of insurance."

According to Mr. Trousdale the aggregate premium computed according to this rule may be regarded as the maximum and in applying it, salaries in excess of the maximum amount insured must be excluded. Of course, this rule applies to the rates adopted by his company and naturally would not be applicable for all companies.

Under group selection the rules laid down have the same general basis as have the compensation insurance rules for schedule rating. Mr. Graham states: "Careful inspection of each group is made to determine the facts as above outlined. Such inspections include investigations of employes and plants."

When the plant is inspected for trade diseases, "proper air, sanitation, hygiene, drinking water, etc., and with reference to accident or panic hazards," the process is simply one of schedule rating. If sufficient data are available to determine the average death rates over the preceding few years, the determination of the rate corresponds somewhat to the experience rating in compensation insurance. When these modified forms of schedule rating and experience rating are applied to group life insurance and the determining factor is largely individual judgment and competition, each company being its own inspector, there is grave danger that the business will not prove profitable to the companies. At present there is a tendency to reduce the premiums on the one-year term plan to the irreducible minimum, and little emphasis is given the actual costs to be determined later when dividends are declared. This is partly because employers will object to paying out more in premiums than employes receive in benefits and when there are no reserves and consequently no interest accumulations, the only comparison available is necessarily between premiums and claims.

In order that group insurance may be closely studied, a few amplifications should be made in the annual statement. The amount of group insurance written and cancelled in any year should appear prominently in the policy exhibit and possibly the premiums received and claims paid should be segregated in the income and disbursements. Under the recent ruling of the Ohio Insurance Department a special liability equal to the present value of the deficiency in premiums must be reported in all cases where the premiums charged are less than the American net.

It is claimed that the mortality under group policies is relatively low and the general practice is to adopt a standard minimum table, and where more hazardous risks are involved to add extra premiums constant at all ages. In some cases the extras cease at the higher ages, so that the same premium is often collected at ages 70 and over on all groups, irrespective of the industrial hazard. The experience of the company with which I am connected does not seem to warrant this action. In 1896 a new branch was started in this company, where the insurance was in units of $500 and premiums payable annually, semi-annually or quarterly. In addition to those risks who could only afford $500 of insurance, employes in such industries, as the building trades, electrical industries, etc., have been limited to this branch. In 1906 a mortality table was constructed on the nine years' experience and in 1916 the actual claims were 75 per cent. of this table on policies issued from 1896 to 1911, inclusive.

The ratio of mortality so computed ought to be a fair criterion of the rates expected in a large number of cases naturally coming under group insurance, but these mortality rates neither represent a constant increase at all ages nor do they approach closely to the standard tables at the higher ages. Comparison of the rates under this table with those of the American Experience and also the Medico-Actuarial Experience is herewith submitted.

Group Views of E. B. Morris, Travelers

Mr. Graham should be accredited with having introduced to the society a most interesting subject for discussion. Mr. Graham's paper must, however, be viewed as an analysis of the subject rather than as a complete treatise. He has very cleverly brought the subject to the attention of the society in a very compact space and has consequently treated very briefly certain phases of the subject where it is possible that pages might be written. It has evidently been the author's intent to bring this subject to the attention of the society as a basis of further and more elaborate discussion.

Group insurance has developed along a line analogous in many ways from an underwriting point of view to that of compensation and casualty insurance for which reason a discussion of the subject should bring out many points of interest to this society.

As Mr. Graham has pointed out, the insuring of lives by groups ignores the individual as an individual by treating the group as a unit, yet the entire structure of life insurance in this country has been built up upon the basis of the independent selection of the individual. In group insurance the question of selection is solved in the relationship to the group. On this point much could be written for Mr. Graham in introducing the subject has been content to outline in a general way certain rules which have resulted from some years of experience. As he sets forth, the standing of a group of lives sufficiently homogeneous in character must be in the first place settled upon in order that proper rates or costs may be quoted. The mortality of a group is not merely a question of occupation, although occupation plays an important part therein. The relationship of the employer to the employe as manifested in welfare plans, in the looking out for the health of employes, the installation of accident prevention devices, provisions for the care of the sick, oversight of the home conditions of employes, etc, are all points that properly should influence the risk and hence the requirement of an examination, usually called an inspection, of the group. From the standpoint of a casualty company this inspection is very important, for which reason for your information I will dwell upon it.

There are two general classes of underwriting. The principle involved in the first is the obtaining of a sufficient volume of business without too much detailed consideration of the individual, in the hope that in the large volume of business written the poor features of certain risks will be counterbalanced by the good points of others. Necessarily the rate must be attractive in order to obtain the business. This, as I have stated, is the assumption made in the theory. Under this theory, for example, a shoe manufacturing plant is always a shoe manufacturing plant, a machinist shop is always a machinist shop, a textile plant is always a textile plant—that is, the business is underwritten in a general way from a description of the business and with but very little inspection of the individual plant. Working on this theory, an inspection by the agent of the insurance company is sufficient. A layman in a general way can tell the difference between a machine shop and a textile mill. On the other hand, he cannot be relied upon to point out any particularly dangerous processes of manufacture.

The other general method of underwriting calls for a thorough inspection of each concern to be considered for group insurance and is similar in a general way to the examination for individual policies. Such an inspection properly should not be made by an agent, but only by an inspector trained in the business and who is in a position to point out any particularly dangerous methods used or employed in the plant. Anybody at all versed in liability insurance will, I think, appreciate this point. For instance, let us assume an inspection of a textile plant. Under the first theory of underwriting the agent accompanied perhaps by an officer of the company runs quickly through the plant, notes the machines, etc., sees nothing especially disturbing and writes up his report. Thousands of hands may have been em-

Table showing qx at decennial ages according to the American Experience, the Medico-Actuarial and the Metropolitan Intermediate Tables:

Age.	American Experience.	Medico-Actuarial.	Metropolitan Intermediate.	Excess of Metropolitan Intermediate over Medico-Actuarial.
30	.00843	.00490	.00766	.00276
40	.00979	.00570	.01110	.00540
50	.01378	.01060	.01881	.00821
60	.02669	.02400	.03596	.01196
70	.06199	.06170	.07353	.01183

Comparing the Metropolitan Intermediate Table with the Medico-Actuarial, it will be noticed that the excess of the mortality rate increases practically continually from .00276 at age 30 to .01183 at age 70. The larger part of the business from which the Metropolitan Intermediate Table was deduced was 20-year endowment. On whole life business the Metropolitan's mortality was 102 per cent. of the probable in 1916, for ages 29 to 42 it was only 84 per cent. of the probable, while between ages 43 and 56 it was 105 per cent., so that if the table absolutely corresponded to the mortality of the year, the mortality curve would be steeper and the increase at the older ages as compared with the younger more pronounced. The indications from these figures are that if the mortality under one-year term group policies approximates that experienced under these whole life policies, the premiums prepared by adding uniform constants to the minimum rate until a certain age is attained and then stopping will not produce sufficient premiums, unless the addition at the ycunger ages is excessive or an adjustment in the minimum rate at the higher ages is made.

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Discussion of Group Insurance

ployed, all of whom seemed to be following about the same operations. To be sure, he only looked through the main buildings; he did note several small outlying buildings which seemed to him to be of no particular hazard to the risk; yet this is the point which I wish to emphasize: in the small independent buildings were manufactured the colors for the dyeing used in the mill. Anyone who knows anything about the manufacture of aniline dyes knows of the hazard involved, experimental work along this line being especially dangerous. The separation of the buildings into small units is for the one purpose of isolating as far as possible the danger, so that if there is a heavy explosion in one building it is hoped that the explosion may be confined to that one building, the situation being analogous to the manufacture of certain kinds of gunpowder.

I make this rather crude illustration in order to point out the difference in the two kinds of inspections which have been noted. It may be in the plant in question that the number of men actually engaged in the manufacture of dyes will be but a very small percentage of the total employes and that the risk as a whole might be safely written, but this is a point in my judgment which should be known before, rather than after, the risk is written.

There is something of merit in both these theories and probably a half-way course may be justified. I mention the matter as a warning particularly to smaller companies against their rushing headlong into the group insurance field and without possessing the means to properly make inspections.

It is evident that by the first method more business will result. That business, however, will not be of as highly a selected type as that resulting from the second method, yet we must not overlook the fact that the oldest group policies written in this country are now only four years old and that the last word on the subject has not been written.

All companies that have written this form of business have found a remarkably low mortality as a whole. The reasons why certain risks have shown a poor mortality are known. Non-paying experiments in the older companies are consequently avoided. It seems strange perhaps in the relatively small groups how the law of mortality seems to work out, provided the risk is properly selected in the first place. Theoretically, in a group of one hundred men at an average cost age of not over forty, it is to be expected that there will be nearly one death a year, or, putting the problem in a different way, perhaps four deaths in five years. As actuaries, however, we would not be surprised if there were two deaths instead of one in any one year, nor if there were three deaths, nor would it be impossible that there be five deaths, but if the catastrophe hazard is eliminated it is surprising to note how few cases there are among the smaller risks in which the claims in any one year would be twice the premiums. Of course, there are reasons for this for not only is the insurance company selecting in connection with the group, but the employer also is automatically selecting for the insurance company in that new employes engaged must generally be up to certain requirements. The official of a manufacturing plant empowered with the engaging of new employes does not always make recourse to medical examination, but apparently unhealthy lives are eliminated at the start. Those of this class that are employed fall down in the performance of their work and are dismissed in many cases before the group insurance coverage becomes effective for, of course, the employer is aiming at efficiency. It is for these reasons that the mortality experience on new cases has been so surprisingly low and that the companies issuing group insurance policies are frequently quoting rates today which would have looked suicidal almost in the early days of the business.

There is one statement which Mr. Graham has made which I wish to challenge in a friendly way and in order to bring out certain historical facts in reference to the conception of group insurance. I quote from his paper: "The plan of the company originating this insurance is to * * *." Mr. Graham here evidently refers to The Equitable Life Assurance Society, which company is rightly credited with writing the first group one year renewable term policy. The word "originating," I think, is open to criticism. As far as I have been able to ascertain, group insurance from a commercial point of view, that is, on the one-year renewable term plan without examination, started with inquiries from the firm of Montgomery Ward & Company of Chicago in the Fall of 1910. That company had been considering the insurance of its employes, had employed an actuary, and had come to the conclusion that it would be better if an insurance company should carry the risk. They consequently requested a coverage which is identical with the group policy today, that is, the use of the one-year renewable term policy, the avoidance of medical examination, an arrangement for the automatic discontinuance of insurance upon employes upon termination of employment and an arrangement for coverage of employes newly engaged. Their request, as I understand it, was transmitted to several insurance companies. I do know that on this account The Travelers Insurance Company in the Fall of 1910 prepared a group insurance contract which is practically the same in many of its general features as that offered in its present contracts. Montgomery Ward & Company did not finally purchase group insurance until July, 1912, in The Equitable Life Assurance Society. This contract is generally known as the first group insurance contract of note. I make this statement for the reason that as far as I have been able to ascertain no insurance company originated the plan—that the business as we know it today started with the inquiries of Montgomery Ward & Company, and that the earlier contracts offered were evolved from the consideration of that risk.

As I have stated, the mortality experience on lives insured in proper homogeneous groups has been remarkably low. As a whole, and I think I am reasonably safe in the assertion, the experience has been as low as that of the insurance companies in general on medically examined lives. It was soon found that the American Experience Table of Mortality was not a proper basis for the premiums. In fact, the only existing published table of mortality which at all represented the experience on group lives was the Medico-Actuarial basic table. I am referring to risks in which the occupational hazard is not severe. I do not mean by this assertion that the group experience follows throughout its length the mortality shown in the M.-A. Table. I mean this: that the mortality called for by the M.-A. Table as a whole very reasonably measured the mortality to be expected on group lives in which no special occupational hazard was present. The M.-A. Table is more favorable than the death rate experienced on group lives from perhaps ages fifty to sixty, but, on the other hand, the rate shown in the M.-A. Table is considerably in excess of the actual mortality upon ages up to perhaps forty or forty-five. Certain companies, therefore, used the M.-A. Table as the basis of mortality for the quotation of group rates. Of course, it is necessary to add to such net premiums the necessary provisions for expense and for profit for non-participating companies. Mr. Graham has called attention to the fact that the expense of writing group insurance is very much less than that chargeable against individual policies due to the fact that the accounting systems are very much simplified, the expense of collection of premiums is very much reduced and, of course, the individual solicitation of risks is avoided.

The result has been that the gross rates charged for group insurance where no special occupational hazard is present have been very much less, especially at the younger ages than the net rates called for by the American Table. I could cite cases, for instance, where the total gross premium for a favorable group, and where the average cost age was not high, was less than 90 per cent. of the net premiums called for by the American Table and where the gross premiums are properly loaded for profit and not only that produce a profit.

I call particular attention to this fact in order to bring out another. The laws of various States at least from the standpoint of reserves call for valuation on the American Table. To this no objection can be made. This partly for the reason that the laws of the various States were formulated long before the subject of group insurance was thought of. In most States no special legislation has been passed dealing directly with group insurance, consequently, such group insurance as has been written has been so written in conformity with existing laws or, in certain instances, in accordance with special rulings handed down by the various commissioners. The commissioners of certain States, however, have attempted to rule that as long as the American Table is the basis of reserves no rates should be quoted less than the net American premium. To this there is considerable objection. Other commissioners have viewed the matter in another way and have required that deficiency reserves be set aside. Of course, the valuation of a one-year renewable term policy in itself is not a very serious matter. A deficiency reserve, however, equivalent to an annuity multiplied by the annual deficit between the gross rate charged and the net American premium on each risk insured may be for small companies a hardship. For instance and as an example, at a young age let us assume a group rate on the one-year renewable term plan of $8.00 per thousand; the mean reserve on the one-year term is perhaps $3.50; the deficiency reserve may be $30; so that on such an individual risk an insurance company for the receipt of $8.00 gross would put up reserves of $33.50. Now the same company might insure a group involving lives with rather hazardous occupations and might charge rates on that account which were at all periods of the table in excess of the American Experience. The result would be according to this same ruling that no deficiency reserve would be required yet really more necessary than in the first case mentioned. Again, a participating company might charge initial rates at all ages in the table in excess of the American Table. According to such ruling the participating company would not be called upon to put up deficiency reserves but yet the non-participating company whose rates are loaded for profit would be compelled to put up a considerable additional reserve, although in the two cases in question the net cost to the employer might be identical or, theoretically, the participating company might furnish the insurance at a lower cost. The effect of such a ruling will be to practically eliminate all smaller companies from group insurance field.

My intention in bringing out this point is for the enlightenment of the members of this society in the hope that they may be able to express themselves intelligently on the subject should the occasion arise.

(Continued on page 8)

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Discussion of Problems of Group Insurance

Group Views of E. E. Cammack, Ætna Life

During the past year there has been a rapid development in group insurance and the society is indebted to Mr. Graham for bringing the subject to the attention of its members.

Group insurance is a natural development of compensation insurance. The latter provides for death benefits to the dependents of an industrial worker upon his death resulting from accident in his employment, and for benefits during his disability caused by an occupational accident. Group insurance goes further and provides benefits upon the death of an industrial worker from any cause and disability benefits in the event of sickness. While some accident and health business upon the group plan has been written by casualty companies, group insurance has for the most part, I believe, up to the present been confined to the payment of death benefits.

Group insurance relieves the employer of any moral responsibility of assisting the dependents of a deceased employe who has left no provision against the sudden stoppage of the pay envelope. Moreover, the satisfaction amongst the employes resulting from a group policy is believed to stabilize labor in an industrial plant, particularly through the influence of the wives of the workmen; and it is probable that the improved relations between the employer and employe, resulting in increased efficiency, and the savings effected through the reduction of the rate of engaging new and untried help to replace trained employes more than offset the cost in premiums.

I shall confine my remarks to a discussion of a few of the questions that have arisen in my own experience in connection with this business. Mr. Graham states that group insurance may be issued upon any plan, such as term, life, endowment or annuity. In the company with which I am associated, practically all the business has been written on the one-year renewable term plan. If the insurance is being wholly paid for by the employer, it is natural that, upon termination of employment after a short service, the employer should desire the whole of the surrender value, if any. In view of the large number of terminations that occur, a group contract on the ordinary life plan would involve an unnecessarily large outlay at the outset and needless complications in the return of surrender values. As pointed out by Mr. Graham, the premium on a one-year term policy on a large group remains more or less constant per $1,000 of insurance and is, therefore, in so far as the aggregate premium is concerned, a level-premium policy.

In my opinion group insurance need not be restricted to the insurance of employes where the employer pays the entire premium. Some employers prefer to have their employes contribute part of the premium, and there seems no objection to this plan, provided the employer pays a proportion of the cost large enough to make the insurance so cheap for the employes that practically all of them avail themselves of the insurance. The employes' contribution of the premium can be assessed by means of a flat charge per $1,000 of insurance, irrespective of the age, if the employer pays, let us say, not less than fifty per cent. of the total cost.

Frequently the request is received from the employer for an option in a group policy to allow each employe to take an additional amount of insurance equal to the amount provided by the employer which additional amount is to be paid for wholly by the employe or by the joint contribution of employer and employe. The granting of such options seems to be questionable underwriting as it invites selection against the company, and also a poor business policy as term insurance with an annually-increasing premium has been demonstrated to be unsatisfactory to the individuals insured. We know that it would be hard to explain to an industrial worker who has been paying increasing premiums for many years that in the event of his lapsing his policy no return of premiums could be made and that full value had been granted for premium-payments.

While, as I have stated, I do not agree with Mr. Graham that group insurance must be to a large extent restricted to cases in which the whole of the premium is paid by the employer, I consider the plan unsuitable where the cost of insurance is borne wholly by the persons insured. Numerous applications are received for the insurance of members of trade associations, social organizations, stock exchanges, fraternal orders, teaching staffs, etc., apparently under the impression that group insurance is simply wholesale insurance issued at wholesale cost, which will be below the cost for individual policies. Such applications are received for policies on the one-year term plan and on the level-premium plans. Companies writing such policies on the one-year term plan may reasonably anticipate adverse selection by withdrawal of healthy lives who find in later years their premiums rapidly increasing. Moreover, if term insurance is desirable, it is obvious that a large association can carry that insurance at a cost cheaper than that at which a life insurance company could underwrite it. Such insurance upon a level-premium plan is also inadvisable in my opinion for two reasons: (1) it is likely when written under a blanket contract to eventually lead to dissatisfaction because the individual does not have the advantage of holding his own contract and of having under his control its equities; and (2) such insurance opens the way to discrimination and trespass on the field for regular individual policies.

Mr. Graham does not discuss the mortality rate likely to be experienced amongst groups of industrial lives. The first premium rates which were used by non-participating companies several years ago appear to have been based upon the American Experience Table of Mortality, loaded sufficiently at the older ages to provide for expenses. At the younger ages only a small loading was added to the net premiums as it was anticipated that there would be considerable savings from a mortality more favorable that that of the American Experience, which savings would help to pay expenses. Experience is showing that the mortality amongst industrial workers actively employed is low, and a substantial reduction in rates at the younger ages has been effected. The experience of the company with which I am associated seems to indicate that the Medico-Actuarial Ultimate Table is more suitable as a basis of premium rates for standard industrial risks, and as a matter of fact it is being used by several companies. To the net rates by this table are added loadings suficient to meet reasonable expenses.

As rates so computed fall at the younger ages much under the net rates by the American Table, special reserves under our State laws have to be set aside equivalent to the present value of deficiencies of future premium-payments, based upon the American Experience Table of Mortality and three and one half per cent. interest. As some companies are writing one-year renewable term policies at a basic rate guaranteed against increase for twenty years, this liability is considerable; in fact, the mid-year reserve required on a policy issued on the one-year renewable term basis in the first year may amount to several times the first year's premium. From the standpoint of conservatism something is to be said for this method of valuation until such time as a mature experience of sufficient volume is accumulated on this class of business to serve as a reliable basis for valuation. At the same time this legal requirement is a burdensome one for small companies or for companies that do not have a large free surplus for temporary application in this connection. It is thought that the experience of the Aetna Life Insurance Company is too small and immature to offer for publication at the present time, but when a larger volume has been accumulated, it is hoped to submit it analyzed by occupation.

The Aetna Life Insurance Company has followed the method described by Mr. Graham in rating different classes of risks. The greater part of the business written is taken, as in the case of regular individual policies, at a standard rate. Groups substandard on account of occupation are charged an extra premium per $1,000 of insurance, irrespective of age. The extreme refinement in rating attempted in the compensation business has not been adopted in group insurance and should not be encouraged in my opinion.

Occupational accidental death hazard is, of course, a most important factor, but how far the "sex, nationality, wage, sobriety and requirements for employment" affect the risk seems to me to be questionable. Waiters and bartenders in a hotel may be poor risks for individual insurance owing to their tendency to acquire intemperate habits. In a group contract, however, a bartender who acquires such habits would probably pass out of the group before his death occurred.

Group insurance contracts usually provide termination of insurance on termination of employment unless the employment ceases from ill-health, when the insurance is kept in force at the will of the employer by the payment of premium. It is obvious that unless this provision is made, group insurance would be confined largely to deaths resulting from accident and sudden illnesses. It is not unlikely that many employers do not at first realize the value of this clause in their policies. When they fully understand the benefit, more care will probably be exercised by them in finding out the facts as to why an employe leaves their service and in keeping the insurance in force on those who have left from ill-health. This may lead to a heavier mortality rate after a policy has been in force for some little time. Furthermore, in times of depression when the turn-over of labor is reduced, it is not unlikely in my opinion, that the reduction in the withdrawal rate will be accompanied by an increase in mortality. For these reasons I believe that any early mortality experiences on group insurance should be used conservatively as a basis of premium rates for long-term contracts.

Banks and trust companies are taking out group insurance to a considerable extent for their employes and it might at first sight appear that these risks would be of the best possible class. It is questionable in my mind, however, as to whether they will prove better risks in the end than non-hazardous industrial plants. Workers in an industrial plant must be in good health to carry on their active employment. If in failing health, they frequently have to seek employment with less arduous duties and so pass out of the group. In a bank risk there will be comparatively few such cases.

As Mr. Graham has pointed out, one hundred lives is the minimum number constituting a group under statutory exemptions. It seems perfectly safe, however, to grant group insurance to groups much smaller in number, provided the insurance is so distributed as to preclude any suggestion of selection against the company. It is not necessary that each group should be of sufficient volume in itself to furnish an experience close to the expected. It is necessary only to guard against the acceptance of business where the motive of the employer in taking the insurance is to cover an undue proportion of poor lives. It does not seem reasonable to suppose that any employer with, say, fifty employes, who desires the same amount of insurance for each employe, is governed by any such motive. While on a number of small individual groups the losses may far exceed the premiums small groups taken as a whole may be underwritten safely.

Group policies are usually written with an option to the employer to renew the contract from year to year according to the scale of premiums upon which the first premium is calculated. The term of years for which a policy will be renewed without adjustment in the premium scale varies in different companies. So far as I know, the greatest number of renewals guaranteed at the original rate by any company is for nineteen years. For policies covering the lives of comparatively few employes, upon which the experience on the group itself cannot for many years be used as an indication of the mortality to be expected in the future, this provision would appear to be a proper one. In my opinion, however, an option should be allowed the company to adjust the rate at the end of a shorter term of years in the case of large groups, upon which a few years' experience gives a reliable guide as to the hazard of the risk. In other words, I think the term for which a policy will be renewed without rate adjustment should depend upon the size of the risk.

I fully agree with Mr. Graham that claims should be paid in full regardless of misstatement of age or of minor technicalities in spite of the fact that understatement of age has been noted to be very common in an examination of the death claims amongst the older employes. This, no doubt, is accounted for by the fact that men who have passed middle age frequently understate their age in looking for work, because they realize that their age may have a prejudicial effect on their chances of securing employment.

Views of Mr. Morris

(Continued from page 7)

The inconsistencies above noted could of course be remedied by the establishment of a proper basic table representing the actual mortality on insured or group lives, a subject in which the members of this society are already interested.

Of course, back of all this stands the argument from the employer's point of view. If our laws are such as to adversely affect the employer's interests, then our laws are improper or our interpretation thereof is improper. If we can prove that it is proper to write group insurance at rates under the American Table (and this can be proved) and that such business can be safely written (and this can be proved), then the employer should not be called upon to pay premiums in excess of what the insurance companies rightly deem a proper charge. I am assuming in this statement that group insurance is fulfilling a desirable function to the employer in the general stabilizing of labor in that it is making the employe more content to remain in continuous employment rather than to take recourse to frequent changes which means a lack of economy not only to the employer, but to the employe, paid for by you and by me in the purchase price of articles which we buy.

Possibly I have wandered somewhat from the text of Mr. Graham's paper. I have endeavored only to enlarge upon three points which his paper brings out. There are many others which could be likewise amplified.

Group Insurance Problems

Views of W. A. P. Wood, Canada Life

I am sure the society is indebted to Mr. Graham for the excellent paper he has given dealing with the question of group insurance, a subject with which many of us are not very familiar, at least in so far as the details are concerned. In his paper it is stated that statutory permission has not been necessary to introduce group insurance as a means of applying, collectively, approved forms of individual insurance. This applies to the United States, but in Canada there seems to be some doubt in regard to the matter and the Federal Insurance Department has given it as its opinion that group insurance is not legal in Canada. The Insurance Act of 1910 states:

"No such Life Insurance Company shall make or permit any distinction or discrimination in favor of individuals between the insured of the same class and equal expectation of life in the amount of premiums charged, or in the dividends payable on the policy."

From this it will be seen that if the members of the groups furnish satisfactory evidence of good health and the premiums charged are the same as the regular rates given in the manuals then there cannot be any objection to insurance of this nature. Group insurance, however, does not call for medical examinaton of the individuals in the case of large groups. And I believe the premiums in most cases are different from those regularly charged individuals who pass a medical examination. I understand that just before the outbreak of war an amendment to this act was being considered by the Insurance Department to the effect that nothing in the above mentioned section would be held to prohibit the issuing by any life insurance company of a policy or group of policies, the form of which has first been approved by the superintendent of insurance, insuring the lives of not less that 100 employes of a single employer at rates of premiums differing from the company's usual rate applicable to individual policies on the same plan, provided that each of such policies or group of policies is issued on the application of and the premiums paid by or through the said employer.

It has been pointed out that from the standpoint of the employer the renewable term plan for group insurance has the advantage of covering these insurances at the lowest possible cost during the continuance of employment. There are also several other reasons given by Mr. Graham why the term policy is the most suitable for this kind of insurance. He has pointed out why the natural premium system as applied to a group of men for the term of their employment has not the disadvantages of the same system as applied to individuals.

Mr. Graham has stated that permitting discontinuing employes to apply for insurance within 31 days of the termination of employment on any plan of insurance then issued by the company at the regular rates for the particular attained age and class of risk, means but a guarantee of the insurability of the life after leaving the employment to the amount of the group insurance. Also, he thought, whilst in theory this may mean selection against the company, yet as this concession was little used unless diligently urged upon discontinuing individuals that it does not mean any great loss to the companies. With the spread of group insurance I would be inclined to think that there would be more and more selection against the company. If an employe is leaving one company in which he has enjoyed the benefit of group insurance and is going to another company where he will have a corresponding benefit, it seems to me that he will not be very apt to take advantage of the privilege of insurance for himself without medical examination, whereas, if he is leaving a company as a result of ill health and not taking up any other employment he will be inclined to take up this insurance, provided he is financially able to do so.

Although in Canada we have not group insurance in the strict sense of the word, still at the present time we have an approach to it in the form of insurance on groups of soldiers enlisted for overseas service. Several American companies have insured this class of risk. There is no medical examination required—the assumption being that if the men passed the medical examination at the time of enlistment they would still be in a satisfactory state of health. The municipalities pay the premiums. I have very grave doubts, however, as to whether these premiums are sufficient to cover the mortality experienced up to date or to be experienced between now and the termination of the war.

As group insurance is not permitted in Canada, I am unable to discuss this paper from any practical knowledge ot it. As stated above, an amendment to the Insurance Act was contemplated in 1914, giving permission to the companies to transact this class of business and I know that a number of the Canadian insurance companies would welcome a change of this nature. Accordingly, we trust that after the conclusion of the war, legislation will be introduced which will permit group insurance, as I believe this form of insurance will play a very important part in the social welfare and in the industrial life of the community in the future.

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Liabilities	12,436,717.56
Capital and Surplus	2,027,834.67
Insurance in Force	118,349,212.00
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Problems of Group Insurance

Views of Benedict D. Flynn, Travelers

Mr. Graham has covered the subject of group life insurance in condensed form, but has dealt with it clearly and completely. One can add but little to his paper unless certain phases of the subject are taken up in detail. The article should give a clear idea of group life insurance and should serve to remove many of the misconceptions which have dwelt in the minds of some with regard to this new and rapidly growing form of life insurance protection.

In the discussion of this paper it appears to the writer that a good opportunity is given to put forth some ideas upon the future development of group life insurance both as to form of protection and manner of handling the business. Before making these comments the statement should be made that the writer is fully aware of the fact that present laws restrict the operation and development of group insurance in some particulars and, further, that the problem of the mutual life insurance company which writes this form of protection may require somewhat different treatment. The following remarks are made from the standpoint of a non-participating company and, further, with the assumption that the wisdom of allowing group insurance to develop in a normal way unhampered by laws which were primarily drawn to protect life insurance upon an individual contract basis will be seen by our legislators.

The possibilities of the future development of group insurance with regard to volume are in the opinion of the writer enormous. If the development of this line is to depend upon the philanthropic tendencies of employers the issue will probably always be limited. If, on the other hand, the employers of the country become aware through education, of the fact that the expenditure of approximately 1 per cent. of payroll per annum in group insurance premiums will produce a saving in cost to them—measured in greater efficiency of workers or in lower operating expense—considerably greater than this amount, the future of group life insurance is assured and the business will be written in enormous volume. If the saving in the cost of turn-over of labor, in increased efficiency, better working and living conditions—through periodical inspections and helpful suggestions—is finally understood by the employer to exceed the cost of this protection and service, the issue of group life insurance will not be measured by the millions of insurance, but by the millions of dollars of premium income.

At the present time there are in the opinion of the writer two hindrances or limitations to the proper development of group life insurance: first, the fixed long-term character of the contract or, to put it in another way, the inability of the insurance company to modify its basic rates in order to meet developments in the character of the risk, and, second, the enormous amount of detail work necessary by both the employer and the insurance company in handling the business. Group contracts are now written with rates fixed by age for a term of from five to twenty years and, in some instances, with a privilege of renewal for another twenty-year period contingent upon an increase in rates not to exceed 20 per cent. The majority of contracts are written with basic rates fixed for a term of either ten or twenty years. As a matter of fact, by some unfortunate development of the business, the term for which minimum rates have been guaranteed has been developed as a competitive feature of the contract. At the present time rates cannot be modified during the term for which they have been fixed to meet radical changes in the industrial operations undertaken by the employer or material changes in the number or character of employes or in the working or living conditions of employes. In other words, so far as the insurance company is concerned the contract is for a term of ten to twenty years with basic rates guaranteed for this period regardless of change in the nature of the risk—except as regards variation of amounts of insurance by ages.

The unusual expense incident to handling the business results from the necessity of keeping an accurate record of all employes protected under the group contract and of the correct amounts of insurance at ages attained. Adjustments, generally monthly, of entrants and withdrawals of employes with proper information is also necessary. Only one who has had an opportunity to follow through a fair size group insurance risk from the time the contract is placed until one year later can realize the enormous amount of detail work necessary.

It appears to the writer that the best light upon the difficulties and developments of group life insurance can be obtained by a study of the development and method of handling workmen's compensation insurance. Group insurance is in reality a form of social insurance just as is workmen's compensation insurance. The purpose of group life insurance differs from workmen's compensation simply in that it provides protection to the beneficiaries of the workmen in event of death from natural causes, while under workmen's compensation protection is afforded to the beneficiaries of the workmen in event of death from accidental causes during employment or to the workman himself in event of non-fatal injury. In both forms of protection the contract is made between the insurance company and the employer for the benefit of the employes, each form of insurance having its own basis for measurement of the risk for underwriting purposes. In group life insurance we have the industrial operations of the employer, working and living conditions of the employes, grade of employes and distribution by ages. In workmen's compensation insurance attention is given to the industrial operations of the employer, physical equipment, character of the employes and supervision, and working conditions. In group life insurance ordinarily the benefit is a function of the wages of the employe, but the total premium because of statutory requirements is based upon the number of individuals insured and the amount of insurance distributed by age. In workmen's compensation not only is the benefit a function of the wages earned, but the total premium is obtained directly from the payroll expended as the measure of the exposure. Why is not the correct development of group life insurance, therefore, along the lines of workmen's compensation practices and methods so far as possible? Why cannot the term for which rates are fixed be short and subject to the changes in the character of the risk just as is the case in workmen's compensation insurance? Further, why cannot a rate for the whole staff of employes per $100 payroll be charged in group life insurance just as it is in workmen's compensation?

In order to carry the analogy further let us take up first the underwriting practice of rate quotation and the handling of the risk under workmen's compensation and study its possibilities for group life insurance and then plan the elimination of detail work if the methods developed in years of employers' liability and workmen's compensation underwriting can be used to advantage. If an employer who has never carried a workmen's compensation policy applies to an insurance company for protection the risk is immediately bound and a manual rate for the industrial operations of the employer is quoted. As soon as possible a physical examination of the plant covering working conditions, operations conducted and make-up of employes, with character of supervision, is made. Upon the basis of this inspection a modification of the manual rate is established for the risk. This rate placed upon an advance estimate of the payroll to be expended by the employer during the ensuing year constitutes the advance premium to be paid by the employer. Upon the basis of the original inspection, and later inspections if necessary, recommendations are made by the insurance company to the employer as to the installation of safety appliances or improvement of working conditions or any other feature which may better the risk. At the end of the term of the contract—which is generally one year—an audit of the payroll expended by the employer during the year is made and the correct amount of additional or refund premium is calculated. If the risk is one which has been carried for several years, so that there is a sufficient experience to serve as a guide to the character of the risk, a rating based upon the experience showing, according to a set plan for the measurement of such risks by experience, is established. This is in addition to the physical inspection. The experience rating of the risk is understood to cover not only the results under the physical side of the risk, but also the moral hazard resulting from character of employes, grade of supervision, etc. On such a renewal risk the modification in the rate is affected by both the physical conditions and the past experience of the plant. Each year upon renewal this modification in the "going" rate is made.

(Continued on page 23.)

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LIVE HINTS FOR BUSINESS GETTERS

Practical Suggestions to Help the Man With the Rate Book Increase His Income and General Efficiency

Conversion to Guaranteed Income

Under the heading "Conversion to Guaranteed Income," Actuary J. Chas. Rietz, of the Midland Mutual, gives the following information to agents of that Company, writing in the home office paper, "The Builder":

Inasmuch as there seems to be some misunderstanding among the agency force in regard to the cost of converting policies to the guaranteed income plan the Company desires to take this opportunity of explaining such a conversion.

Let us take as an example a $1,000 endowment at 65, issued at age 30, which it is desired to convert to the guaranteed income plan at maturity. It has been assumed by some that the cost of conversion would be computed as follows:

Annual premium, guar. income	$28.83
Annual prem., endowment at 65	28.64
Difference in annual premiums	.19

Nineteen cents per annum for 35 years at 5 per cent. compound interest equals $18.02, which has been assumed to be the amount required to effect the change. The absurdity of this will be recognized by every one if they will stop to reflect that the reserve of the endowment policy is only $1,000 and that on the guaranteed income policy is $1,428.12, there being a $15 surrender charge in the value given in the policy. To make conversion on this basis would result in the Company increasing its assets by only $18.02 while the Company's liability would be increased $428.12. In other words it would be equivalent to exchanging $428.12 for $18.02, thus resulting in a loss of $410.10.

The fallacy lies in not taking equal amounts of insurance. The guaranteed income policy carries only $735.49 of insurance, the commuted value of twenty annual installments of $50 each. We would, therefore, take the difference between the premiums for $735.49 of endowment at 65 and the premiums for the same amount of guaranteed income insurance. The difference in said premiums with compound interest at 5 per cent. from their respective due dates, less a credit of $264.51 for the part of the endowment not converted, would be the amount due to effect the change.

Illustration

Annual premium, guaranteed income, age 30	$28.83
Annual premium for $735.49 endowment at 65, age 30	21.06
Difference in annual premiums	$7.77
$7.77 per annum at 5% compound interest for 35 years equals	$736.88
Less balance of endowment at 65	264.51
Amount due to effect change	$472.37

We believe that this explanation will make this matter clear to every one, but should there be some to whom it is not clear we shall be glad to communicate further with them concerning same because we think it is very important that there should be no misunderstanding in regard to such a conversion.

* * *

Use of Company's Literature

Some good advice is given to life insurance agents regarding the treatment of their publications by the Life Insurance Company of Virginia, which says:

"It is important for the agent to follow up the distribution of his Company literature by personal interviews.

"But, first, he should thoroughly familiarize himself with the piece of literature he is distributing—whether it be the special ordinary 'Virginia' or something else.

"A life insurance agent who flings his company paper or other publication at an individual, without a word of explanation, thereby gives the individual the impression that such agent estimates him as a kind of goat who enjoys whittling the cud on waste paper. The impression, therefore, upon the recipient of such attention is hardly favorable. Furthermore, it carries a conviction that it is a slip-shod proceeding, and this tends to prejudice the prospect against both company and agent.

"Life insurance is a highly important business, dealing as it does with the vital welfare of a man's family when the protector is gone. As such it demands from the representative who is advocating it the very best that is in him. The person he approaches thinks more of the calling, the man and the company when he presents it in a serious and dignified way.

"The printed line, as a rule, makes the agent's words stronger when it is read after the agent has introduced it to the attention of the reader. Every line in the special edition of the ordinary 'Virginia' is inserted therein with the desire that it be both led up to and followed by the agent."

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Assets	$66,426,040.82
Liabilities	62,268,494.36
Surplus	$ 4,157,546.46
INSURANCE IN FORCE	$212,037,400.00

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Increased War Service of Equitable Life Assurance Society—Circular to Field

President Day, of the Equitable Life Assurance Society, has mailed the following circular to the field:

The excellent service which you have rendered our country in various ways since the declaration of war is a credit to you and to the Society. There is, however, much to be done.

Millions of loyal Americans are giving active, physical and financial support to the Government in this vital hour.

But there are also millions of good Americans who are as yet unaroused and unconscious of the urgent and imperative need of such support.

The Equitable Life Assurance Society wishes to use every fraction of its influence and of your influence to vitalize into action the latent patriotism of this great body of citizens that their energies may be enlisted in some form of national service.

The great calamity which now threatens our country and civilization is growing more portentous every day.

Every hour of delay in raising, drilling, equipping and in transporting our army to the front, every pound of wool or copper or other metal wasted or needlessly used, every pound of food wasted or unnecessarily consumed, every dollar spent for non-essentials that could be used for war relief or saved and loaned to the Government—every such act contributes to prolong the agony of the present war and to increase the sacrifice of the lives of American and allied soldiers on the battle fronts of Europe.

Here is a wide field in which every one can find service.

Under present conditions merely passive interest in winning this war verges upon disloyalty. Ardent, enthusiastic and active war-support for the Government is absolutely essential from every loyal citizen and especially from the great patriotic army of the Equitable Society.

You are, therefore, urged both as soldiers of the Equitable and as patriotic citizens to carry the Nation's appeal for active and actual war-sacrifice and service in some form to every citizen with whom you come in contact.

Please keep with you a supply of the leaflets, which you will soon receive, entitled "Uncle Sam's Message to You," "Edith Cavell—Her Patriotism and Yours," and Hoover's Food Pamphlet, and make a special effort to give them wide distribution.

To assist you in influencing such patriotic action, and as a part of our war service, you are authorized to say to applicants that every dollar of our income from first year premiums received from insurance issued from November 1, 1917, to the end of the war will be invested in future United States war loans.

Therefore every new premium paid will be, in effect, a loan to the Government to help win the war. Thus there is added a patriotic motive to the many other urgent reasons for taking life insurance.

In Pamphlet Form

Business Reasons for Business Insurance

VALUABLE article from the Life Insurance Salesmanship Edition of The Eastern Underwriter has been published in canvassing document form and is proving very popular with life underwriters. -:- -:- -:- -:- -:- -:- -:- -:-

Price $3.00 per 100 copies

Sample copy 10 cents

THE EASTERN UNDERWRITER

105 WILLIAM STREET

NEW YORK

BANKRUPT'S POLICY RULING

Washington, Nov. 5.—New York State court opinions that a life insurance policy held by a person who becomes a bankrupt is not an asset when not payable to himself or his estate, were reversed to-day by the Supreme Court.

The proceeedings were begun by Samuel C. Cohen as trustee in bankruptcy to compel Elias W. Samuels, a bankrupt, to turn over to him five policies. Samuels refused, contending they had no surrender value and were not payable to himself, his estate or personal representatives.

Anti-Rebate Pact Effective This Week

ARKANSAS AGREEMENT SIGNED BY THIRTY OFFICES

Deals with Agency-Brokers' Commissions—Complete Text of the New Pledge

Thirty of the leading general agents and managers of Arkansas (all members of the new Arkansas managerial-general agency association formed in August last) have now signed the anti-rebating agreement which is so interesting that it is reproduced in full herewith, for the benefit of other general agents throughout the country.

S. B. Redding Chairman

Sid B. Redding, general agent of the Penn Mutual Life, is chairman of the committee which brought in the original draft of the anti-rebate agreement, which became effective November 1, 1917. Chairman Redding informed The Eastern Underwriter that the work of securing signatures will be continued until the Arkansas representatives of all leading old-line companies have been secured.

The signatories follow:

Campbell & Hart, Aetna Life; Chas. A. Weathers, superintendent of agencies American Central; L. B. Dow, agency supervisor Bankers Reserve; A. E. Lee, Equitable Life; Thos. T. Myers, Federal; R. C. Bright, Fidelity Mutual; John D. Ahrens, Germania; C. C. Beckley, Great Southern; Beaumont Bros., Home Life of New York; A. B. Banks & Co., Home Life & Accident; J. R. Britton, Inter-Southern; Yantis & McCarroll, International; G. W. Pardee, Kansas City; S. M. Powell, Missouri State; J. C. Butler, Metropolitan; H. L. Remmel, Mutual Life; A. C. Remmel, Mutual Life; Harry M. Ramey, National Life; H. H. Conley, New York Life; Emmert Bros., Northwestern Mutual; Durrett & Hardy, Pacific Mutual; Sid B. Redding, Penn Mutual; T. T. Cotnam, Prudential Life; W. Hicks Mallory, Reliance Life; E. A. Stanley, Reserve Loan; Wm. D. Loy, Security Mutual; D. S. Wherry, State Life; Price & Ledbetter, Union Central; Wm. A. Shibley, Volunteer State.

The Agreement

The agreement follows:

Whereas, rebating is prohibited by law in Arkansas, and having in view the elimination of same, in an endeavor to place the business of life insurance upon the high plane it is entitled to occupy and to make the business more profitable for those depending upon it for a livelihood, we, the undersigned general agents, agency managers and agency supervisors hereby agree and promise to use our best efforts to carry into effect the following rules:

First.—That we will not ourselves pay or allow, or offer to pay or allow, in any manner whatsoever, any rebate in premiums, either directly or indirectly, neither will we permit it to be done by any agent or broker in our employ; and upon satisfactory proof being furnished that any agent, broker or other person has secured an application or delivered a policy for insurance in violation of this agreement, his or her contract shall be immediately canceled.

Second.—It is further agreed, that no agent, broker or other person whose contract has been canceled for violation of the terms of the anti-rebate laws of Arkansas or the provision as set forth in the first paragraph of this agreement, shall be employed by any of the signers of this agreement for a period of one year from the date of such cancellation, except by the unanimous consent of the signers hereof. Nor shall any business be accepted during such period, either directly or indirectly, from such discharged agent or broker.

Third—It is further agreed that no agent or broker in good standing shall be allowed to accept business, either directly or indirectly, for a period of one year, which is secured as a result of the efforts, wholly or in part, of any person whose contract has been terminated for rebating, upon penalty of forfeiture of their own contract for a like period of one year, subject to all the conditions of the second paragraph of this agreement.

Fourth.—For the purpose of making these rules effective, all complaints shall be filed with both the president and secretary of the General Agents' and Agency Managers' Association of Arkansas in writing; the president and secretary shall immediately refer said complaints to a commission of five persons, who shall be elected by the signers hereof, and said commission shall be empowered with full authority to take testimony and report their findings and recommendations, and if satisfactery evidence of rebating is secured the contract of the agent, broker or solicitor found guilty shall be immediately canceled, provided said cancellation shall not be effective until a copy of said complaint, together with the findings of the commission, has been furnished to each of the signers of this agreement, which copy of complaint and findings shall be immediately furnished to the signers hereof, and the signers hereof who are members of the Little Rock Underwriters Association, pledge themselves to use their influence to terminate the membership of said guilty party in said association. If the party against whom complaint is filed shall be either a general agent, agency manager or agency supervisor, upon conviction he shall be expelled from the General Agents' and Agency Managers' Association of Arkansas, and the facts so developed shall be presented to the president of the company represented by such general agent or agency manager. Should complaint be filed against a member of the commission, or against one of his agents, brokers or solicitors, such member of the commission shall be relieved of serving in that particular case, and the remaining members of the commission shall be authorized to select some other person who is a signer of this agreement to act in the place and stead of the commissioner so relieved. If a complaint is filed which, upon investigation by the commission is found to be without foundation, or satisfactory evidence is produced to show that same was filed with malicious intent, the party filing such complaint shall be punished in such manner as may be decided upon by a two-thirds majority vote of the members of the General Agents' Association present at any meeting, provided no action shall be taken thereon until ten days' notice of such contemplated action has been served upon the signers hereof.

Fifth.—The commission mentioned in the fourth paragraph hereof shall be elected for a period of one year, and their successors shall be elected annually thereafter. If at any time any member of the commission shall fail or refuse to discharge any of the duties contemplated by this agreement, said commissioner may be removed by a majority vote of the members of the General Agents' Association present at any meeting thereof, providing at least ten days' notice of such contemplated action shall be given to the signers of this agreement.

GROUP POLICY IN READING

Reading, Pa., Nov. 5.—The A. Wilhelm Company, of this city, has taken out a group policy in the Travelers, the agent in the case being Thomas H. Hardcastle. The local papers gave considerable space to this transaction, which was called the greatest insurance transaction recorded in this city.

Commissioner Winship With The Equitable

TO BE SPECIAL REPRESENTATIVE

Made Splendid Record as Head of Michigan Department—His New Connection

John T. Winship who resigned as insurance commissioner of Michigan will go with the Equitable Life Assurance Society as special representative in Michigan. His headquarters will be in Battle Creek. This is the third insurance commissioner who has resigned in the past month, the other two being Charles F. Nesbit, now head of the soldiers' and sailors' insurance bureau at Washington; and R. J. Merrill, who has been made secretary of the United Life & Accident.

Mr. Winship was a successful insurance commissioner, who was active in the commissioners' convention, member of many important committes, and a man whose abilities were recognized not only by his conferes but by the companies as well. His annual reports were always read with interest, as he discussed important subjects intelligently and with a keen insight into the business. With the Attorney General's Department he helped prepare a revision and compilation of all the insurance laws of the State, which revision was enacted by the legislature this year. It threw out a number of obsolete laws and whipped those which remained into more effective shape. Before going into public life he was a successful business man. That he chose the Equitable Life Assurance Society when he decided to re-enter business life was a decided compliment to the Society.

Group Hearing

(Continued from page 2)

ceive very few requests for continued insurance.

Criticized as Temporary

Mr. Cleary pointed out that one of the serious criticisms of group insurance is that it is but temporary insurance and on the whole the companies are not desirous that employes should apply for individual insurance, because those whose employment is terminated are apt to be the poorest of the group in point of selection. Mr. Cleary suggested that this question be given serious consideration, adding that any condition which induces individuals to enter into an agreement which results in them dying without insurance is undesirable, even where the employer pays all the premium.

In this connection Robertson G. Hunter, of the Germania, said that his company began writing group insurance on the ordinary life plan but it was not successful.

Another question raised by Mr. Cleary was related to the rights of heirs in cases where the employer has paid the entire premium and the insurance is made payable to the employer to be disbursed to the family of the deceased. In other words, what is the insurance interest of an employer in an employe?

Afternoon Session

In the afternoon session J. D. Craig, of the Metropolitan, the first speaker, said the Metropolitan had begun to write group only this year. They will not take any groups of less than 100 employes, largely because it counts in the business limitation. He said the Company had re-insured a lodge at its earnest solicitation, but the experience was such that it was not keen for such business. In short, the Metropolitan was interested in bona-fide groups only. Commissioner Cleary asked Mr. Craig a number of questions regarding how the Metropolitan rated various groups. He wanted to know if there were any more justification in group than there is in ordinary life for a company to classify according to occupational hazard.

Mr. Cleary: Two men are of the same age; one works in a bank; the other in a paper mill. Would you give them different rates in ordinary writings?

Mr. Morris (Travelers): Many companies would rate up the paper mill worker.

Mr. Phillips: I understand it is the policy of the Travelers not to take extra-hazardous risks, but do you exclude any extra-hazardous risk if it's within the same group under the same employer?

Mr. Morris: No. When we write a group we take all employes whether a bookkeeper or a boiler man.

Robertson Hunter, of Germania, said that Company at the start had quoted rates upon both employers and mutual benefit associations, but had decided later not to write the associations. At first the minimum number of lives, without medical examination, was 150, but had decided to make it 100. The Company expects to pay a good dividend on group policies. He did not believe there was enough experience yet to justify fixing a minimum standard rate for all companies.

The Two Tables

In discussing the difference between the two mortality tables Mr. Morris said the American table was weak for ages from 50 to 60.

Mr. Cleary asked if the conditions of the labor market making it necessary to employ older men because young men were at war had affected the mortality. Mr. Morris said that this was true.

Mr. Graham, discussing the two tables, said that the American understated the mortality at the younger ages; however, he did not see where it is any more at fault for group than for regular writings.

Mr. Laird, of the Connecticut General, said his Company's minimum for group was 100 lives, and it was not writing associations.

LIFE PRESIDENTS' SPEAKERS

Hutcheson, Ide, Rosenfeld, English and Others to Talk—Also Farm Loan Board Head

To date the program of speakers for the eleventh annual convention of the Association of Life Insurance Presidents, to be held at the Hotel Astor, New York, on December 6 and 7, follows:

William A. Hutcheson, second vice-president and actuary of the Mutual Life: "Life Insurance and the War."

"Governmental War Insurance and War Taxation" will be the title of an address by President George E. Ide, of the Home Life, and chairman of the committee of insurance men appointed last July by Secretary of the Treasury McAdoo in connection with the Government's plan for insurance for soldiers and sailors.

Henry L. Rosenfeld, fourth vice-president of the Equitable Life Assurance Society: "Agency and Allied Problems After the War." Mr. Rosenfeld was in Europe at the outbreak of hostilities in 1914 and also spent considerable time there during the war.

"War and After-War Supervision of Insurance," Emory H. English, Insurance Commissioner of Iowa and the new president of the National Convention of Insurance Commissioners.

In that part of the Life Presidents' program dealing with the investment side of life insurance, in its relation to the nation's needs, several speakers are announced. S. Davies Warfield, of Baltimore, Maryland, president of the National Association of Owners of Railroad Securities, and chairman of the Board of the Seaboard Air Line Railway Company, will speak on "Safeguarding the Owners of the Securities of the Railroads of the Country."

"Requirements of American Agriculture After the War" is the title of an address to be presented by Mr. Herbert Quick, member of the Federal Farm Loan Board, Washington, D. C.

J. D. Craig on War Risk Law

TALKS TO CASUALTY ACTUARIES

Says Figures Are Staggering—Points Out Defects—Safeguards Not Considered

J. D. Craig, of the Metropolitan, and president of the Casualty Actuarial and Statistical Society, read the following paper on the war risk bureau bill last week:

The six months which have elapsed since our last meeting have been momentous ones. The complications and hazards in all of the branches of insurance with which we are so deeply concerned have increased, and all of us have been sobered by our enlarged responsibilities. The largest insurance proposition ever considered has been adopted by the United States Government in the form of its war insurance bill. The appropriation for the first year as apportioned by Congress under Sections 17, 18, 19 and 20 of the "Act to Authorize the Establishment of a Bureau of War Risk Insurance in the Treasury Department" is $176,250,000. For the second year it has been estimated that the cost will be over $380,000,000, contingent, of course, upon the war lasting through that year. To the above sums must be added the premiums to be paid by the men in the service themselves. On the basis of a million men the first year, each insured for the maximum sum of $10,000 at a premium approximating $80, the aggregate premium would be $80,000,000. A few years ago, before we were educated to talk in hundred millions, and even billions, such figures would have staggered us.

Assistance to the Government

The benefits provided were decided upon after a number of conferences with insurance experts, much of whose advice was followed. It must be a scurce of gratification to the members of this society to know that the estimate of costs for the first and second years, as already given, was largely prepared by a committee of five, of which your president and one of your vice-presidents were members, while both of your vice-presidents have recently been working for the Government on actuarial problems involved in other provisions of the act. In addition to these, several of our members have rendered great assistance to the Government. One has been appointed a captain in the Army, assigned to the Treasury Department and has had an important part in the whole proceedings.

Neither Compensation nor Life Insurance

In addition to family allowances, which are simply conditional increases in salary payable to various members of the soldier's family, the benefits provided under the act follow, in general, both compensation and life insurance, although, strictly speaking, they are neither. Under compensation insurance the object is to indemnify an employe, in so far as it is practicable, for losses incurred in the industry through death or through partial or total disability. Such indemnity must consequently be based upon the loss, and this is solely a function of the earning capacity. The Government insurance recognizes compensation principles in so far as it endeavors to indemnify against death and total or partial disability resulting in the performance of duty while in the employ of the Government, also in making the benefits contingent upon the number and relationship of dependents, but ignores the principle of making this indemnity a function of the earning power. It was originally proposed to make the benefits contingent somewhat upon the remuneration paid by the Government, but Congress eliminated this feature and provided uniform amounts, irrespective of the pay, so that the compensation allowed to the widow of a major is the same as that allowed the widow of a private. The financial loss incurred by men joining the Army or Navy is not measured by the pay allowed by the Government, and the actual loss from death or disability incurred by different men is not attempted to be gauged by the benefits granted.

Additional Compensation Benefit

Under the life insurance part of the act the benefit payable in installments in event of either death or total disability is in reality an additional compensation benefit granted by the Government, in accordance with the usual basic principles of workmen's compensation, conditioned upon the employe paying part of the cost. In fact, Section 400 of Article IV of the act commences:

> "That in order to give to every commissioned officer and enlisted man * * * greater protection * * * than is provided in Article III, the United States * * * shall grant insurance against the death or total permanent disability of any such person * * * upon the payment of the premiums as hereinafter provided."

"The premiums as hereinafter provided" do not in all probability represent the entire cost, and under Section 20 the Government appropriated $23,000,000. The risk covered being so largely an occupational hazard of the most hazardous degree, with by far the larger proportion of the probable cost borne by the Government, it ought to be considered as part of the indemnities granted.

Article IV

In the discussion prior to the passage of this act, numerous criticisms were made, particularly against Article IV dealing with insurance. Those parts of the act relating to allotments of pay, family allowances and compensation for death or disability were generally looked upon as valuable and constructive contributions to the great problem of the care of dependents, but there were serious and fundamental objections to certain features of the insurance part, and, unfortunately, when these were pointed out, attempts were made to divert the issue by endeavoring to make it appear that the insurance companies were antagonistic to the bill. We, as actuaries and statisticians, know this was not so. Can we not state here to the credit of those identified with company interests that they absolutely put behind them every thought of personal or company advantage, pointing out only those objections to the bill which should have been pointed out for the good of insurance, as well as for its continued development, and offering only those suggestions which were deemed to be for the general good.

In brief, it was pointed out that if the compensation benefits were not sufficient, they should be made so, while if they were ample, no further benefits were needed. In any event, no benefits should be offered under which discrimination was allowed in favor of those who were well able to protect themselves and which absolutely ignored those less able to pay.

Other criticisms related to the loss of the insurance, unless applied for within 120 days, and to the forfeiture of the insurance in certain cases to the Government.

Little Consideration of Safeguards

This act brings about a situation in Government insurance quite the opposite from that to which private companies are accustomed. Throughout the country supervisory legislation is being enacted every year for the protection of policyholders, guarding their interests in almost all conceivable ways, not even permitting any contract to be issued without the express approval of the Insurance Department.

In this act, however, the safeguards usually demanded of private companies have been given comparatively little consideration and the whole matter has virtually been placed in the hands of two officials.

Section 402 of the act states:

> "That the Director, subject to the general direction of the Secretary of the Treasury, shall promptly determine upon and publish the full and exact terms and conditions of such contract of insurance."

When it is considered that an army of 2,000,000 men insured for $10,000 each makes an aggregate insurance of $20,000,000,000 and that this is three-fourths as much as the total insurance now in force in the entire United States in all life insurance companies combined, the power vested in one or two individuals is apparent.

The contrast between the supervision of a State over private insurance companies and the practice when a State enters the insurance business itself is not entirely new to us. The State of Wisconsin ignores its own insurance laws generally in connection with its own State insurance funds.

Excessive Authority in One Place

In favor of this phase of the bill it was contended that the American soldiers as American citizens should be encouraged in private initiative, in self-help and self-reliance, and be stimulated to safeguard themselves against the inevitable things in the life of every man and not merely in the life of the soldier fighting for his country; also, that we should not deprive them of the power of making payment out of their pockets for their own protection in the future, and that there was not a single private in the war who could not afford, if he wished it, to take $10,000 of insurance at the rate offered, to contribute to the support of his family and still have enough left for spending money in France.

The general criticism against placing excessive authority in one place has also been lodged against that part of Section 302 relating to partial disability where the schedule of ratings of reduction of any earning capacity is both adopted and applied by the bureau in charge. Under compensation insurance

(Continued on page 22)

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THE EASTERN UNDERWRITER

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VICIOUS ATTACK UPON MR. PHILLIPS

To students of insurance from the vantage of non-partisan observation, Jesse S. Phillips has stamped himself as an unusually capable insurance department administrator, a fearless superintendent who has never stooped to play politics. It is, therefore, a shock to find him the object of a vicious attack in which he is described as an autocrat who "seems determined to protect New York old-line life insurance companies by threatening fraternal societies." Such an attack has been made by the Sovereign Camp of the Woodmen of the World which accuses the commissioner of trying to drive fraternal societies from New York. Furthermore, this fraternal has appealed to all other fraternal societies to go to legislative representatives in ar effort to amend the laws "so that every fraternal society will be removed from this one-man power."

In discussing an assault of this kind it is well to look for the motive, which in this case is not fear or belief that the superintendent is determined to crush fraternal insurance but resentment that he wants to enforce the insurance laws of this State without fear or favor; that he does not intend to permit any fraternal society, no matter what its political influence, to write any class of insurance where there is no statutory authority in this State for that class of insurance.

The real crux of the attack of the Woodmen of the World is that it wants to write infantile insurance, but cannot do so in other States and retain its New York license because New York statutes do not permit fraternals to write this insurance. The Superintendents in this State made no exception in the "multiple line" cases of the Pacific Mutual and the St. Paul Fire & Marine, two of the best known stock companies. The Pacific Mutual could not write both life and casualty in New York State, and accordingly stopped writing life here. The St. Paul Fire & Marine could not write a complete automobile cover here even though Minnesota permitted it so to do.

The controversy between the fraternals and the Superintendent really began when the Superintendent opposed the fraternals' whole family insurance measure at a convention of insurance commissioners. The Superintendent's position was that no fraternal should be permitted to assume this new and additional hazard unless in a financial condition to carry it—in other words, even if the infantile lives were in a separate group the business could not be written unless the fraternal as a whole was actuarially solvent in accordance with the State's mobile statute. He also made such a recommendation to the Legislature. At a hearing before the insurance committee in Albany Mr. Phillips had a great deal to say about adequate rate basis in writing fraternal insurance. The introduction of the Mitchell bill followed, and the whole family bill was amended by compromise to provide for writing of infantile insurance on adequate rates, but it was not enacted.

In the meantime, the Modern Woodmen of the World started attacking the Superintendent, and there was also an attack by the president of the National Fraternal Congress.

In an exchange of correspondence between the Superintendent and the Woodmen of the World, the Superintendent in one letter stated his position so clearly that it is printed in full herewith.

Mr. W. A. Fraser,
Sovereign Commander, Woodmen of the World,
Omaha, Nebraska.

Dear Sir:

This acknowledges receipt of your letter of the 1st in reply to a letter written by me to the Sovereign Clerk of your order regarding infantile insurance, and I note that it is your intention to write such insurance as soon as arrangements can be made for that purpose; that it is not the intention of the order to write infantile insurance in a State where there is no statutory authority for that class of insurance.

The legislature of this State refused to enact the so-called "Whole Family Protection Bill," so that a fraternal society is not permitted to write infantile insurance in the State of New York. I desire also to call your attention to the regulation and policy of this department which has been followed by all of my predecessors, to the effect that no insurance company—mutual, stock, fraternal, or otherwise—can be admitted to transact business in this State if such company exercises anywhere greater powers than conferred by statute upon similar domestic companies. A foreign insurance company having in its charter such excess powers is required to execute and file with this department an agreement that it will not exercise the excess powers at any point. A company failing to meet this requirement will not be authorized to transact business in this State. Unless the legislature authorizes fraternal societies to write infantile insurance in this State, no foreign fraternal society will be admitted to transact business in this State unless such society executes and files with the department an agreement that it will not write at any point this unauthorized class of insurance.

I stated in a letter written in my last to all fraternal orders that if any such society elected to write "whole family insurance" in any State where authorized, its license to transact business in this State would be revoked. Your society is the first, so far as I have knowledge, among those licensed here to make provisions under its constitution or laws for the doing of the business in the States where such business is permitted, but it appears that you have not written any certificates. The decision referred to was made shortly after your license to do business in this State for the current year was issued. In view of the situation with regard to your authority to do business in New York, under your present license having run into its seventh month, and as your certificate of authority expires on April 1, 1918, I wish you to have firmly in mind the policy of the department regarding the exercising of such excess powers. The certificate of authority of your society will not be renewed if, when the time for the consideration of the subject of such renewal arrives, you are writing infantile insurance, unless a similar power is conferred by statute upon domestic fraternal societies.

SUPERINTENDENT.

One point the Woodmen of the World seems to ignore, and that is this: Mr. Phillips is not making any ruling that is an innovation in departmental policy. He is merely carrying out the policy of all his predecessors in office that statutory authority must be had before any class is written. To say that he is playing favorites with stock companies, or that he is an autocrat is ridiculous to any one who knows the man unless autocracy means ruling the New York Insurance Department and carrying out its laws to the letter with an iron hand.

He has not permitted stock companies to exceed their statute authority and he will make no exception in the case of fraternals. Nor should he. Furthermore, he is going to insist that insurance, no matter what its nature, shall be written at adequate rates because he appreciates his solemn obligation to the people of New York State, which is that the Superintendent of Insurance must protect the insurance transactions of the people of the State and see that contracts entered upon are carried out.

Millard W. Mack Going to France

SOLDIERS' INSURANCE MISSION

At Conference in Washington Life Men Are Asked to Visit Cantonments

The following telegram was received by a number of prominent life insurance men asking them to attend a conference with the Treasury Department on Wednesday:

The Secretary of the Treasury deems it most important to send to certain cantonments and training camps in the United States, for a period of three to four weeks, men who will explain to the officers and enlisted men the provisions of the military and naval insurance act, and who will serve as counsellors to cantonment and training camp commanders. Please wire collect whether you would be available for such service which means so much to the men who have joined the army and navy, as well as to their families. Can you arrange to be in Washington for all day conference in the auditorium of the U. S. National Museum beginning at ten o'clock next Wednesday, November seventh, to meet the officers of the war risk insurance bureau, and discuss the provisions of the act and the plans of the bureau for its administration. The Treasury Department is not in a position to offer you an honorarium, but your traveling expenses together with subsistence not exceeding five dollars per day will be paid by the Department.

Life Men Respond

President Priddy, of the National Association of Life Underwriters, was among those who went to the national capital in response to the wire. Others were C. W. Scovel, Pittsburgh, and Millard W. Mack, Cincinnati, who is to go to France. Willard D. Straight, of J. P. Morgan & Co., has been appointed a major in the Army. He will take a group of men to France to present the soldiers' and sailors' insurance proposition there. Mr. Mack goes with Major Straight. It is reported he will get a commission in the Army. Mr. Mack is general agent of Northwestern Mutual Life at Cincinnati. In discussing the department's wire Mr. Priddy

"This to me is the most positive proof ever presented of the real value of the life insurance agent to the State and the nation. Here we are confronted with the spectacle of our great government establishing a department of life insurance for the purpose of furnishing life insurance to those actively engaged in the military service, at exactly what it costs to pay the death claims, and still the government sees fit to appeal to the life insurance agents of the nation, through their president, to go to training camps and present the need of insurance in such a manner as to induce these men to apply for the maximum amount of insurance permitted under the act. This clearly illustrates the human trait so well known to all experienced life insurance agents that, notwithstanding the desirability, the importance and the pressing need of life insurance, the insuring public will not and does not often buy life insurance, except under persuasive influence of the agent, and this appeal indicates that the government is having this very difficulty in inducing our soldiers and sailors to purchase the insurance."

THE HUMAN SIDE OF INSURANCE



JESSE S. PHILLIPS

Jesse S. Phillips, superintendent of insurance in New York State, is very much in the news this week in view of his prominence in the group insurance conference between commissioners and actuaries, and the fact that he is being bitterly attacked by the fraternals, who claim he is trying to drive them out of the State. No one acquainted with Mr. Phillips believes that he has any personal prejudice against the fraternals. He simply wants the laws of the State observed and the charge of the fraternals is answered elsewhere on this page editorially.

* * *

Adam J. Weckler, a well-known Chicago life insurance man, has been appointed by the Connecticut Mutual Life as its general agent for Michigan, with general offices at Detroit, the appointment being effective November 5.

MUTUALIZATION AFFIRMED

The United States Circuit Court of Appeals refused on Wednesday to interfere with the proposed mutualization plan of the Equitable Life Assurance Society. Upholding Judge Hough of the United States District Court, the higher tribunal rejected the plea of the executors and trustees of the estate of the late Sir William C. Van Horne for a temporary injunction staying the purchase by the company of the large interest owned by T. Coleman du Pont.

FIRE INSURANCE DEPARTMENT

Seeks Light on Annex Question

EATON LETTER TO AGENTS

L. & L. & G. Expects Agents to Tell What They Want and If Practices are Consistent

United States Manager Henry W. Eaton, of the Liverpool & London & Globe, has addressed a new letter to agents of the Company on the subject of underwriters' agencies, which will be read with interest by both agents and companies:

To our agents: I ventured to address you on this subject on two occasions, in each case following a consideration by this management of the unquestioned success which had attended the operations of other like companies in the adoption of underwriters' agencies as aiding an enlargement of business. In each of these cases our inquiry immediately followed the acts of highly important companies in such a change of method. Prior to the adoption of such change, both of such companies had been prominent in supporting the views of their representatives unfavorable to a departure in methods believed to be undesirable in the best interests of agents as interpreted by the agents themselves. These companies had in practice found that in withholding action they had failed to notice an appreciation taking effective shape in the stimulation of their respective premium incomes.

In our case our inquiry evoked responsive replies, and while in some cases we have experienced a noble recognition in the shape of enlarged premium returns and, as we believe, in a welcome betterment in classification, the experiment on the whole was disappointing.

In the proceedings at the recent meeting of the members of the National Association of Fire Insurance Agents one can find no discordant note on the presentation of the view that the establishment of underwriters' agencies is harmful to the best interests of fire insurance agents, and yet we find a ready acceptance on the part of many agents of the second agencies of companies not directly represented! We are offering no criticisms of companies or agents. We are merely looking for light on a difficult question. We don't wish to run counter to the wishes of our agents—who are our friends and who really belong to our family, and who deserve our protection, but we ought to expect them to tell us now what they want and what they think it is proper for us to do. If they desire a particular action on our part we ought to know whether in practice they are living up to the principle for which they contend.

With our kindly regards, I am,

HENRY W. EATON, Manager.

Prevented Broker From Landing Floater

STATEMENT BY GEO. D. MARKHAM

St. Louis Agent Says he Loyally Protected Stock Companies and Local Agents

The Eastern Underwriter has received the following letter from W. H. Markham & Co., St. Louis, in reference to an article printed in The Eastern Underwriter discussing the placing by W. H. Markham & Co. of the business of the Illinois Glass Co. in Indiana:

St. Louis, Nov. 3, 1917.

Editor The Eastern Underwriter: You allowed your paper to be used by some disgruntled company when you printed the attack upon our office. The more this episode is investigated the greater number of people will be convinced that we have loyally protected the stock companies and local agents and cannot be fairly criticized in any particular.

That we have been able to hold the Illinois Glass Company plants in standard companies through local agents and at the rates observed and demanded in each locality by the standard companies will be highly approved when it is known that this assured has been frequently offered floating schedules and has repeatedly refused such offers from New York brokers.

Perhaps the company who furnished you this information would have preferred to write this business through their main office for a New York broker, rather than have it handled direct with the local men. "Camouflage" signing of underlying policies does not cure such floaters nor satisfy local agents.

GEORGE D. MARKHAM.

PHILADELPHIA RATE ADVANCE

Fire rates are likely to be advanced in Philadelphia unless City Councils transfers $25,623 diverted from appropriations for fire hose and horses in 1917.

SYRACUSE CONCERN BANKRUPT

The Syracuse Fire Office has filed a schedule in the United States Court at Utica, following a petition in bankruptcy filed against the concern, which is now in receiver's hands.

FIRE AND MARINE INSURANCE—ALL LINES

The Automobile Insurance Company of Hartford, Conn.

MORGAN G. BULKELEY, President

Statement January 1, 1917

Cash Capital	$1,000,000.00
Assets	2,748,832.19
Liabilities (Except Capital)	1,039,977.81
Surplus to Policyholders	1,708,854.38

AFFILIATED WITH

AETNA LIFE INSURANCE COMPANY

THE AETNA CASUALTY & SURETY CO.

TRIBUTE TO J. F. MURPHY

"A Loss That Will Not Soon Be Forgotten," Says Secretary of Agency

In discussing the death of James F. Murphy, a prominent Niagara Falls agent, W. M. Flanigan, secretary of the agency, wrote companies this week:

"With profound regret we have to advise of the death of James F. Murphy, which occurred on October 26, 1917.

"He developed an acute attack of pneumonia, which lasted but two days and resulted in his untimely death.

"The writer has had the privilege of being associated with him for the past sixteen years and knew well his many sterling qualities and appreciates fully that we have met with a loss not soon to be forgotten.

"We feel that the companies represented by him have lost an efficient, painstaking and energetic mouthpiece and one who ever held in a clear and honorable balance the interests of both company and client.

"This agency will be continued along the same lines and principles as established by our lamented deceased."

J. G. BERRY PROMOTED

James G. Berry has been placed in charge of the Allegheny County business of the National Union. He has been with that Company for thirteen years, before that was identified with the Pittsburgh local business for some years, and is one of the most popular insurance men in that city.

Capacity For Local Agents

You can use our capacity as your own to take care of additional business beyond the capacity of admitted Companies.

Our capacity is as high as $150,000 on a single risk with immediate binders and 10% commission to brokers. Guaranteed Underwriters. Use our special Surplus Line Department. Special liberal policies for Baggage Insurance.

MARSH & McLENNAN

Insurance Exchange, Chicago

19 Cedar St. NEW YORK | 1015 California St. DENVER | 314 Superior St. DULUTH | 300 Nicollet Ave. MINNEAPOLIS

Ford Bldg. DETROIT | 17 St. John St. MONTREAL | 23 Leadenhall St LONDON

THESE OFFICES GIVE YOU THE BEST THERE IS IN INSURANCE SERVICE

NORTH BRANCH FIRE INS. CO.
Sunbury, Pa.
Inc. 1911

Assets	$641,341.77
Reserve	230,513.29
Capital	300,000.00
Surplus	63,479.83

CITY INSURANCE COMPANY
Pittsburgh, Pa.
Inc. 1870

Assets	$357,318.58
Reserve	54,256.92
Capital	200,000.00
Surplus	96,379.07

OPERATING ON A CONSERVATIVE BASIS IN A LIMITED TERRITORY UNDER AN EXPERIENCED MANAGEMENT

BROKERS ACTIVITIES

Osborn & Co. Open New York Office

BERNARD T. NOLAN IS MANAGER

E. T. Barry & Co., of New Orleans Also Open Offices Under Same Management Here

Osborn & Co., of Chicago, this week opened an office at 45 Wall Street. In conjunction with this move of Osborn & Co., E. T. Barry & Co., of New Orleans, announced the establishment of their New York City headquarters in the same office.

Bernard T. Nolan has been made New York manager for both companies. Mr. Nolan for the past two years has been with Hutchinson, Rivinus & Co., as marine placer, and was previously in the marine department of the Boston Insurance Co. for twelve years.

Mr. Nolan announced that J. Hyde Clain, formerly with Jos. D. Bookstaver, had joined the office as his assistant to have charge of the fire and liability business. John F. Rennick, for the past year and a half with Hutchinson, Rivinus & Co., and previously for nine years with the National Board of Marine Underwriters, is also now identified with Mr. Nolan.

E. T. Barry & Co. are marine general agents for fourteen companies covering territory from Virginia to Texas.

Osborn & Co. are prominent marine brokers and agents at Chicago with branch offices in several of the leading cities.

* * *

Coe Starts for Coast

George V. Coe, of Johnson & Higgins, is making a trip to the Coast.

* * *

Brooklyn Brokers Meet

The annual meeting of the Brooklyn Brokers' Association was held last night at the Hotel Imperial, Brooklyn. Albert H. Butler was re-elected president. Arthur Hess was elected vice-president: Fred D. Robbins, secretary, and Louis Arnold, treasurer. The following executive committee was elected: John J. Hastings, Richmond B. Clapperton, John Egan, John Woodenbury, and Horace E. Wood.

Appreciation was expressed for the work done by the members of the association on behalf of Frank J. Planding, who is a member and was a candidate for assemblyman from the second assembly district.

* * *

Marine Insurance Controversy Ended

The announcement of the Emergency Fleet Corporation that the Government will carry its own insurance upon merchant vessels under construction, put the quietus on the La Boyteau-Wells controversy, with the honors about equally divided between the representative of the Fleet Corporation and the Oregon Insurance Commissioner. In addition to the war risk, the Government will also carry the marine risks on all merchant vessels.

* * *

Lieut. Nicolet in Charge

Lieutenant Theodore A. Nicolet, Q.M.C., N.A., is the officer who has been placed in charge of insurance matters in the New York City office of the Quartermaster's Department of the National Army.

* * *

B. Perlmann Dead

Benjamin Perlmann, a broker of 55 Liberty Street, was found dead in his office last week. He is believed to have committed suicide.

B. M. CROSTHWAITE & CO.
Fire and Automobile Insurance Specialists
Lines Bound Anywhere in New York State
105 William Street, New York City, N. Y. Telephones 2404-5-6-1758-1090 John

PHILADELPHIA
ADEQUATE FACILITIES — ALL LINES
CLARENCE A. KROUSE & CO.
LOCAL AND GENERAL AGENTS
325 WALNUT STREET PHILADELPHIA, PA.
PENNSYLVANIA NEW JERSEY
SATISFACTION SERVICE — ALL LINES

LOGUE BROS. & CO., Inc.
Fire—Casualty—Automobile Insurance
Nation-Wide Facilities for Handling SURPLUS LINES
307 FOURTH AVENUE PITTSBURGH, PA.

ISSUED FOR ACCOMMODATION

Sprinkler Leakage Policies "Given" for Nominal Premium in Consideration of Full Fire Line

The Eastern Underwriter has been shown three policies dated this week aggregating $125,000 of sprinkler leakage insurance and issued by three prominent companies the premium on which was $1 in each instance.

The broker stated that this concession had been made in consideration of a full fire line on the risk. The risk had been specifically rated as to sprinkler leakage insurance but the old rate had been withdrawn. The rules provide that when a rate has been withdrawn, a company may issue policies at rates which meet with their discretion.

* * *

Opens Own Office

Charles Emsheimer, formerly connected with Friend & Fleisch, has opened an office at 200 Fifth Avenue,, from which he will conduct a general brokerage business. He will have no connection with any other brokerage office or agency.

* * *

Rothman Extends Field

Jos. J. Rothman, for some years past with the Perez F. Huff agency, has severed that connection and plans to extend his general brokerage business. To that end he has opened an office in the down-town section.

* * *

Middle Department Meeting

The Underwriters' Association of the Middle Department will meet on November 21. One question to be taken up is to get in line in the higher-rates movement sweeping the country.

N U

NATIONAL UNION FIRE INSURANCE CO. OF PITTSBURG, PA.



An Insurance Company's safety depends upon the ability, experience and integrity of the men who manage its affairs. The proper conservation of its premiums for prompt and equitable payment of claims and for reserves to safeguard policyholders is a matter of prime importance to all agents who seek complete protection for their patrons. The safety of funds is always the first consideration of the NATIONAL UNION, which weighs every transaction with due regard to the inalienable rights of its policyholders, agents and stockholders. There are no exceptions to this rule—ABSOLUTELY NONE. The NATIONAL UNION has a Policyholders Surplus of **$1,756,262.** Its Reserve for the protection of policyholders is **$2,362,164.** And aside from ample resources, excellent experience and strict integrity dominate an organization whose service and facilities are adding prestige every day to the name

NATIONAL UNION

FRED. S. JAMES GEO. W. BLOSSOM WM. A. BLODGETT

FRED S. JAMES & CO.

123 WILLIAM STREET

United States Managers
GENERAL FIRE ASSURANCE CO. of Paris, France
URBAINE FIRE INSURANCE CO. of Paris, France
EAGLE & BRITISH DOMINIONS INS. CO. Ltd. of London, England

NEW YORK

C. B. G. GAILLARD
Assistant Manager

UNDERWRITING SERVICE THROUGHOUT THE UNITED STATES

THROW AWAY THAT CUMBERSOME RATE MANUAL

Can you find no better use for your time than to spend the best part of it turning 362 pages every time you want to quote an automobile rate?

Compare the Simplicity of These Rates!

The *"Definite Value"* Automobile Policy

A clearly defined policy protecting an automobile owner—indemnifying for loss by fire, theft, explosion and other hazards.

It is simple in language, and definite in terms—it positively fixes the value of a car, during the life of the policy, on a basis determined by the men who made and sold the car.

In the event of a total loss, it pays the amount of fixed value shown in the policy contract, thereby avoiding any controversy in settling and paying the loss.

In the event of a partial loss, it pays for the repair or replacement of all parts, to the full extent of the damage.

Compare the protection and the cost of this policy with other forms of automobile insurance.

PREMIUM RATES

All premiums are based on list price of car. Rates quoted are for each one hundred dollars of list price. The rate is not increased on renewal. Freight charges and war tax may be added to amount of insurance.

Pleasure and Commercial Cars

	Full Cover	Full Cover Excluding Theft
Models Listing $2,500 or Over	$1.00	.80 cents
Models Listing $1,000 to $2,500	$1.50	.80 cents
Models Listing Under $1,000	$2.00	.80 cents

Extra Equipment, Including Theft— Twice the rate charged for car.

Extra Equipment Excluding Theft— Same rate as charged for car.

Electric Cars—All Models
.75 cents for fire and theft.

Collision Insurance

Covers all loss or damage above twenty-five dollars in any one accident.
(For full cover add thirty-five dollars to all premiums.)

Pleasure Cars
In Cities under one hundred thousand population.
1½% of list price — $15.00 minimum premium
In Cities over one hundred thousand population.
2% of list price — $25.00 minimum premium

Commercial Cars
Regardless of size of city.
2¼% of list price — $30.00 minimum premium

Property Damage

Indemnity to extent of one thousand dollars for damage done to property of others.

Pleasure Cars
In Cities under one hundred thousand population.
Ten Dollars Premium
In Cities over one hundred thousand population.
Fifteen Dollars Premium

Commercial Cars—Decline property damage.

TERM POLICIES

Two Years Insurance—One and three-quarter times annual rate.
Three Years Insurance—Two and one-half times annual rate.
Pro rata cancellation allowed on old insurance when new car purchased and insured.

Taxi Cabs, "Jitneys," Rented, Livery, Second-Hand Cars and Dealers' Cars WILL NOT BE INSURED UNDER THIS FORM OF POLICY

THIS POLICY IS WRITTEN ONLY BY

THE NEW BRUNSWICK FIRE INSURANCE CO.
Capital $500,000
NEW BRUNSWICK, NEW JERSEY

THE NEW JERSEY INSURANCE COMPANY
Capital $1,000,000
NEWARK, NEW JERSEY

Court Decision on "Prohibited Articles"

SUSTAINS NEW YORK CONTRACT

Ertischek vs. New Hampshire Fire Decided by New York Court in Favor of Company

The Appellate Division of the New York Supreme Court handed down a decision last week in the case of Harry Ertischek vs. the New Hampshire Fire which sustains the provision of the New York standard policy regarding the keeping of prohibited articles.

The opinion of the court not only holds that evidence is inadmissible of a trade custom to keep the prohibited articles, but also holds that permission to keep the prohibited articles cannot be implied by the general terms used in the written part of the policy. Other cases have held that the general terms in the written portion of the policy covered the prohibited articles and that the writen portion was in effect an endorsement.

Opinion of Court

The opinion of the court, which was written by Judge Francis M. Scott, all others concurring, is as follows:

The plaintiff sues upon a policy of fire insurance. At the trial in the Municipal Court his complaint was dismissed. On appeal the Appellate Term reversed the judgment of dismissal and ordered a new trial. Defendant appeals to this court. All question relating to the fact of the loss, the proof thereof and the amount of damage have been eliminated by agreement or concession leaving open the single question which we are to consider.

The policy was in the standard form prescribed by law, and contained as one of its conditions the provision that: "This entire policy * * * shall be void * * * if (any usage or custom of trade or manufacture to the contrary notwithstanding) there be kept, used or allowed in the above described premises * * *."

The defense was based on the assertion that the assured had violated this condition and thus avoided the policy, by keeping benzine on the premises, and this was shown to be a fact. A part of his business was selling laces which he dyed on the spot in any color the customer wished. For this purpose he kept both dye stuffs and benzine on the premises mixing the colors as desired. How much benzine he kept on hand at any time does not appear, except that he kept it in a gallon can. We think that there is no doubt that in this regard he violated the letter of his contract.

"Custom" not Allowed

He sought to avoid the effect of his violation by showing "a custom or usage in the trade in which the plaintiff was engaged to keep such dye stuffs even if one of the ingredients used in mixing the dye might be benzine, would not violate the policy of insurance."

The trial court excluded the evidence offered in this regard, and that exclusion, as the Appellate Term considered, constituted reversible error.

The subject of the insurance as specified in the policy and so far as pertinent to the question with which we are not now concerned was "stock or merchandise consisting principally of laces, trimmings and embroideries, including boxes, samples, labels and supplies." The respondent insists, and so the Appellate Term seems to have considered, that benzine used for dyeing purposes might reasonably be covered by the word "supplies," where it appeared that it was customary to keep and use it for such a purpose. This view we think is untenable. Under the rule ejusdem generis it seems to be quite clear that a highly inflammable article like benzine, specifically excluded by the policy cannot be included in the term "supplies" when used in conjunction with such comparatively safe and harmless articles as "boxes, samples and labels." The word "supplies" used in that connection clearly meant supplies of a similar character.

Prohibition a Warranty

Nor do we think that the plaintiff's violation of the express terms of the policy may be disregarded because he kept only a small amount of benzine on hand, not more than could be contained in a gallon can. The prohibitory condition which is quoted above is tantamount to a warranty by the assured that he will not violate the condition, and a breach of this warranty will avoid the policy even if only a small amount of the prohibited articles be kept upon the premises (in this case it may at times have been a gallon) and if the fire arose from some cause quite unconnected with the prohibited article (Westfall vs. Hudson River Fire Ins. Co., 12 N. Y., 289; Appleby vs. Astor Fire Ins. Co., 54 N. Y., 253).

Finally we think that the words "any usage or custom of trade or manufacture to the contrary notwithstanding" absolutely forbade the reception of evidence of a trade custom to excuse a plain violation of the terms of the policy. Most of the decisions cited to us which arise under policies not having that clause have been rendered inapplicable by its adoption. It is not a phrase forced upon the insured persons by the insurers, but is prescribed by the statute law of the State. Its very apparent purpose was to prevent the avoidance of specific terms of the policy by proof of usage or custom in derogation of those terms. We are aware that in some jurisdictions the effect of such a clause has been much limited. We prefer, however, to give it effect according to its plain terms, and to what appears to have been the intention of the legislature in prescribing it. (See Norfolk Fire Ins. Co. vs. Talley, 112 W. Va., 413; Fischer vs. London & Lancashire Fire Ins. Co., 82 Fed. Rep., 307.)

Special Agreement Necessary

It was necessary for the conduct of the plaintiff's business that he should keep and use benzine for dyeing purposes, and if the defendant, when it issued the policy, knew of this necessity and intended to permit it, the policy itself indicated that a special agreement might be made on the subject. In the absence of such an agreement and in the face of the plain words of the statute the proof of custom or usage offered by the plaintiff would have been ineffectual to excuse the breach of warranty.

The determination of the Appellate Term must be reversed and the judgment of the Municipal Court affirmed with costs to appellant in this court and the Appellate Term.

Agency Limitation Up in Philadelphia

VOTE ON CONSTITUTION NOV. 14

Are "Philadelphia Underwriters," "Pittsburgh Underwriters" and "New York Underwriters' Agency" Companies?

Once again the question of limitation of agency representation is to be taken up by the Philadelphia Fire Underwriters' Association, this time at the regular annual meeting to be held in Philadelphia on Wednesday, November 14. A notice about the meeting says: "Action will be taken on the report of the committee on revision of the constitution and by-laws."

It will be recalled that at the May meeting a ruling was made that the Philadelphia Underwriters, New York Underwriters' Agency and Pittsburgh Underwriters were full-fledged members: in other words, that they were individual companies. An error was made in recording the vote. It was first announced that the new constitution had been adopted; afterwards it was found that the majority of the vote was a decision just the opposite. Another complication was a ruling of the Attorney-General that the Insurance Department had no interest in the matter of regulating the number of agencies that a company can have in a city.

Who May Vote at Meeting

In its circular the Philadelphia Fire Underwriters' Association says that representation for members of the association will be in accordance with Article II of the By-Laws, which reads:

"Each company may be represented at the meetings of the association by one of its officers or managers, or in the absence of such officer or manager, by its local agent having written authorization of the company, such authorization to be effective at any meeting at which the company may not be represented by one of its officers or managers and to remain in force until revoked by the company. No company officer, manager or agent, or firm of agents, shall have more than one vote."

Company View of Agency Conference

(Continued from page 1)

gainsaid, but, as one underwriter put it, these conferences can be nothing but academic, as neither has power to completely bind the interests that would be represented.

Companies Can't Agree on Annexes

One underwriter who took the view that academic conferences were not impractical, said it should not be forgotten that there have been conferences in the past between agents and companies, including a historic conference of seven or eight years back over brokers, but as a rule little has been accomplished. This underwriter said:

"The companies in their own organizations have found it absolutely impossible to come to an agreement about multiple agencies, and have proven this once more at Phiiladelphia. As for jumbo lines the agents can solve this themselves by placing nothing but net lines. However, the agents are pounding us to the limit for larger lines, and if I could show you some of the telegrams we get telling us how they bind us on rush orders for insurance you would be surprised. In fact, these telegraph binder orders, particularly those reaching us on Saturday afternoons and even at night have caused us to issue instructions to stamp all telegrams received after closing hours in the re-insurance clock so that we shall take no chances. I very much question the sincerity of some of the agents in regard to their public attitude on big lines. In some cases they certainly do not practice what they preach. I believe that opposition to jumbo lines is placing a spoke in the wheel of economic progress, but that there is no spoke strong enough to stop that wheel from going around."

One of the underwriters who approves of the agency-company conference proposition said that the value of such co-operation had been demonstrated in New York State, where F. W. Day is chairman of a company committee which has relations with an agents' committee.

FIDELITY-PHENIX
FIRE INSURANCE COMPANY
OF NEW YORK

HENRY EVANS, President

Fire Rent Automobile Tornado
Sprinkler Leakage Use & Occupancy
Profits War Risk Explosion
Marine and Inland Transportation

Cash Capital .....Two Million Five Hundred Thousand

Total Assets $19,324,466
Total Liabilities 12,203,733
Net Surplus 7,120,733

Policyholders' Surplus $9,620,733

FROM STATEMENT AS OF JANUARY 1, 1917

Losses Paid Since Organization Over One Hundred Eleven Million

Be Patriotic—Patronize American Institutions

HOME OFFICE	PACIFIC COAST DEPT.	WESTERN OFFICE
80 Maiden Lane	Insurance Exchange Dept.	137 So. La Salle St.
New York	San Francisco	Chicago

FIREMEN LET IT BURN

Firemen of West Arlington, N. J., stood by last week while a building known as the Dodd place burned. For their action the firemen claim to be receiving the thanks of nearby residents. The building was purchased by the Erie Railroad some time ago. Fire Chief Greenfield says it was the fifth time the house was on fire in four months. One night recently flames swept the building, leaving only a small part standing.

One of the largest fire insurance companies which had a small amount of insurance in the recent Baltimore loss would have had a larger line if it had not cancelled $25,000 the day before the fire.

What Companies Do In Revenue Tax

SAMPLE LETTERS TO AGENTS

What Continental and Home Say—Not Taken Policies to be Reported "Spoiled"

Samples of letters being sent by companies to agents in reference to the premium tax follow:

To our Agents, and all Concerned:

Federal Revenue Act—Premium Tax.

Title V, of the War Revenue Act, provides as follows:

Sec. 504 (b). Marine, inland and fire insurance: A tax equivalent to one cent on each dollar or fractional part thereof of the premium charged under each policy of insurance or other instrument by whatever name the same is called, whereby insurance is made or renewed upon property of any description (including rents or profits), whether against peril by sea or inland waters, or by fire or lightning, or other peril: Provided, That policies of reinsurance shall be exempt from the tax imposed by this subdivision.

Sec. 505. That every person, corporation, partnership or association, issuing policies of insurance upon the issuance of which a tax is imposed by section five hundred and four, shall, within the first fifteen days of each month, make a return under oath, in duplicate, and pay such tax to the collector of internal revenue of the district in which the principal office or place of business of such person, corporation, partnership, or association is located. Such returns shall contain such information and be made in such manner as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may by regulation prescribe.

We are advised as follows:

The War Tax Division of the Internal Revenue Department holds that the return and payment should be made by companies on or before the 15th day of each month for all business reported to them during the previous month, the first report being made in December to cover November business.

The Department holds that the tax is due on each policy delivered by the company and accepted by the assured on the full amount of the premium shown therein, and credit cannot he taken for cancellations.

Must Report Promptly

In order that we may be in position to comply with the law it is very necessary that agents send in their monthly reports of accounts current with promptness at the close of each month. Also it is important that policies returned not taken should be reported as "spoiled" and not extended as to premium on first page of account only to be charged under head of return premiums on the other page, for, as above stated, return premiums and cancellations may not be credited in making our returns and payments of the tax. It will be likewise important to avoid, so far as possible, cancellations and rewritings for the purpose of rearranging amounts or distribution of insurances; in other words to avoid return premium transactions except for actual cancellation of insurance or required and proper reductions of rate.

The law is effective on November 1, 1917, so that immediate attention to the matters herein referred to is called for.

ELBRIDGE G. SNOW, President.

P. S.—You will perceive that this is not a stamp tax; the use of stamps is in no manner connected with the tax upon policies of insurance.

To our agents: In order to terminate the doubt upon the subject, we advise you that the one per cent. tax on premiums levied by the War Revenue Act and effective from and after November 1, 1917, will be paid by this Company and the necessary report to the Collector of Internal Revenue will be made by this Company. Neither the policyholder nor the agent need concern himself with the collection or payment of the tax, nor with the making of returns or reports, concerning the tax, to the Commissioner of Internal Revenue.

HENRY EVANS, President.

WILLIAM R. BROCK DEAD

William R. Brock, of Toronto, president of the Western and the British-America Assurance companies, died last week. He was 82 years old and had many extensive business interests.

HEARING NOVEMBER 15

Insurance Men to Appear in Behalf of and Aga nst German Companies in Washington

On November 15 a public hearing will be given by the Secretary of the Treasury at which German insurance companies will have an opportunity to show why they should be permitted to continue in business in this country. This hearing will be public and will be attended by representatives of German companies and those who do not want them licensed. The applications for the licenses had to be in Washington by November 5.

WAIVING POLICY CONDITIONS

Can't be Done by Company Representatives Unless Policy Permits Agreement Endorsement

New York, Oct. 30, 1917.

Editor The Eastern Underwriter: Has the Commissioner of Banking and Insurance in New Jersey ruled that certain clauses used by companies are in violation of the standard fire policy?

T. D.

[Editor's Note: Yes. The clauses complained of follow:

In case of errors or ommissions in name, title or description of the property, it shall not prejudice this insurance. If any violation of the terms and conditions of this policy occur to vitiate the terms of this insurance, it is specifically understood and agreed that after the condition which has occasioned the said violation has ceased, then this insurance shall immediately be considered as being in full force and effect as if said violation had never occurred, and further, it shall not be held to void this entire policy, but the part of the insurance only applying to the particular building in which the said violation occurred.

Should any violation of the terms and conditions of this policy occur, such as to void the insurance, then it is understood and agreed that such violation will be held to void only that portion of the insurance which applies to the building and/or contents whereon or wherein the violation occurred; and furthermore, should this insurance in whole or in part be voided by such violation, then it is agreed that the subsequent cessation or removal of such violation will automatically reinstate to full force that portion of the insurance so voided.

If any violation of the terms and conditions of this policy occurs to vitiate this insurance, it is specifically understood and agreed that after the consideration which has occasioned the said violation has ceased, then this insurance shall immediately be considered as being in full force and effect, and further it shall not be held to vitiate this entire policy, but that part of the insurance only applying to the particular building in which the said violation occurred.

In discussing these clauses, C. A. Gough, Assistant Deputy Commissioner of Department of Banking and Insurance, said:

"I am clearly of the opinion, and in this I am sustained by the Second Assistant Attorney General, Mr. Backes, that the use of these clauses is contrary to the provisions of the standard fire insurance policy section of the law, as also the provisions of the standard fire policy. The standard fire policy provides, at the end, as follows:

"This policy is made and accepted subject to the foregoing stipulations and conditions, together with such other provisions, agreements, or conditions as may be endorsed hereon or added hereto, and no officer, agent or other representative of this company shall have power to waive any provision or condition of this policy except such as by the terms of this policy may be the subject of agreement endorsed hereon or added hereto."

"Under this provision of the policy lines 7 to 10, inclusive, and from line 31 to the end of the policy, cannot be waived by any endorsement attached thereto. The provisions contained in lines 11 to 30, inclusive, are by their terms made the subject of an agreement by endorsement thereon, but any such endorsement should refer specifically to the particular provisions therein specified, and not by way of a general blanket endorsement."

"The Leading Fire Insurance Company in America"



WM. B. CLARK, President

AETNA INSURANCE COMPANY

Aetna Fire Underwriters Agency

of Aetna Insurance Co.

Application For Agencies Invited

GERMANIA
FIRE INSURANCE COMPANY
NEW YORK.

ORGANIZED 1859

STATEMENT, JANUARY 1, 1917

Cash Capital	$1,000,000.00
Assets	8,553,704.22
Liabilities	4,222,485.60
Net Surplus	3,331,218.62
Surplus for Policy Holders	4,331,218.62

HEAD OFFICE
Cor. William and Cedar Streets

THE HANOVER
FIRE INSURANCE COMPANY
Incorporated 1852

The real strength of an insurance company is in the conservatism of its management, and the management of THE HANOVER is an absolute assurance of the security of its policy.

R. EMORY WARFIELD, President
FRED. A. HUBBARD, Vice-President
E. S. JARVIS, Secretary
WILLIAM MORRISON, Asst. Sec'y

HOME OFFICE
Hanover Bldg., 34 Pine St.
NEW YORK

HOWIE & CAIN, General Agents
Metropolitan District
100 WILLIAM STREET, NEW YORK

207th Year
SUN
INSURANCE OFFICE OF LONDON
FOUNDED 1710
UNITED STATES BRANCH:
54 Pine Street - New York
WESTERN DEPARTMENT:
76 WEST MONROE ST., CHICAGO.
PACIFIC DEPARTMENT:
N. W. Cor. Sansome & Sacramento Sts.
San Francisco, Cal.

BRITISH AMERICA
ASSURANCE CO.
Incorporated 1833
(FIRE AND INLAND MARINE)
Head Office, Toronto, Canada
United States Branch
January 1, 1917

Assets	$1,936,279.77
Surplus in United States	823,964.59
Total losses paid in United States from 1874 to 1916, inclusive	24,669,753.43

W. R. BROCK, President
W. B. MEIKLE, Vice-Pres. & Gen. Mgr.

CRUM & FORSTER
GENERAL AGENTS
95 WILLIAM STREET NEW YORK CITY

United States Fire Ins. Co., N. Y.	The North River Ins. Co., N. Y.
Richmond Ins. Co., N. Y.	Union Fire Ins. Co. Buffalo, N. Y.
Potomac Ins. Co., Washington, D. C.	Seneca Fire Ins. Co., Buffalo, N. Y.
National Lumber Ins. Co., Buffalo, N. Y.	United States Underwriters' Policy, N. Y.

F. M. GUND, Mgr. Western Dept. Freeport, Illinois
W. W. ALVERSON, Mgr. Pacific Coast Dept. San Francisco, California

SCHAEFER & SHEVLIN
103-5 William Street GENERAL AGENTS New York, N. Y.
DUBUQUE FIRE AND MARINE INSURANCE CO.
Excellent Facilities for Handling Suburban Business Phone: John 2312

Authorized Capital $500,000
Detroit National Fire Insurance Co.
DETROIT, MICHIGAN
A Company to be built gradually and along the indicated lines of permanence
AGENCY CONNECTIONS SOLICITED

Ovation to Merrill at Concord Meeting

NEW HAMPSHIRE AGENTS MEET

Retiring Commissioner Won Great Popularity—Agents Interested in Southern Club Idea

At the annual meeting of the New Hampshire agents last week in Concord, Robert J. Merrill, the retiring Commissioner of Insurance, who leaves the service of the State to go with the United Life & Accident as its secretary, was given an ovation. The dinner was a brilliant affair, attended not only by agents but also by company representatives and special agents; in fact, it was reported that all records were broken in the number of special agents attending this dinner of agents. There is no doubt in the world that the tie between the specials and local agents in New Hampshire is very close and this fraternity has gone a great way to make the underwriting machinery in the State run smoothly. Mr. Merrill was not only applauded, but was cheered, and the agents left no doubt for a moment about his popularity, and their good wishes for him in connection with his new duties.

A greeting from the heart was also given Colonel W. B. Burpee, of the New Hampshire Fire. The agents have always regarded him as a friend, and his relations with them have for years been intimate.

National Association's Officers Talk

President Allen, of the National Association of Insurance Agents, and chairman of the executive committee, Frederick J. Cox, were two of the principal speakers at the banquet. They brought to the New Hampshire Association the message of the National Association. Mr. Allen talked for fifty minutes and was listened to with the keenest interest from beginning to end. What he said about the club idea in the South was particularly effective as this movement was news to most of the agents present. The part of his speech that attracted most attention was his description of how agents collect premiums in cities where there are clubs and exchanges. Mr. Cox told of the shadow of State insurance and the need of active associations of insurance agents.

Henry H. Putnam, of the National Association, Colonel Frank D. Layton, of the National, and others from outside of the State were present. L. C. Merrill was re-elected president of the New Hampshire Association, a job which he can hold for life, if he wants it, his brother agents say.

Resolutions

The New Hampshire Association adopted the following resolutions:

"Resolved, That it is the sense of this meeting that our members shall do no business whatever with companies of any country which is at war with the United States.

"Resolved, That we deprecate the practice on the part of some companies in extending re-insurance to reciprocal underwriters, mutual companies and State funds, and earnestly request that the companies discontinue the practice.

"Resolved, That the Insurance Commissioners having condemned the multiple agency abuse and recommended that insurance interests arrange 'by mutual association and agreement' to end it, we heartily approve of the action of the National Association at the recent meeting in St. Louis to 'appoint a committee of five for conference with the companies on this subject or others that may come up.'

"Resolved, That we view with satisfaction the check caused by the war upon the inimical practice of jumbo lines and re-insurance, and it is hoped that in the interest of the public and that of the conservative companies and insurance agents measures will be taken to eliminate or largely reduce this dangerous practice. This association pledges co-operation with the companies or Insurance Commissioners in efforts to remove this menace to the American agency system.

"Resolved, That the State of New Hampshire is to be congratulated upon the forceful, able and progressive administration of its Insurance Department during the official term of the Honorable Robert J. Merrill. That this association extends to the Commissioner its grateful appreciation of his unfailing courtesy and fairness and, while deeply regretting his loss to our State Department, wishes him continued success and prosperity in all his future undertakings."

A WAGER POLICY

Philadelphia, Oct. 30.

Editor The Eastern Underwriter: Will you kindly advise me what is a "wager policy"? I understand that there are such contracts in England.

BROKER.

[Editor's Note: A wager policy is one which bears evidence on the face of it either that the assured has strictly no insurable interest at stake, or else that the underwriter is willing to dispense with any proof of interest, such words as "Policy Proof of Interest," being used. All wager policies are, of course, void according to the law of Great Britain. This policy, however, is very popular there to-day in spite of this, owing to the increased value of all commodities, and is necessary to the merchant buying foreign produce, as it frequently happens that by the time the goods are on their way to this country they have advanced much beyond the contract price paid for them, therefore if the merchant is deprived of the goods he loses the profit he would have made if he had not been deprived of them. Although this form of policy is not legal and cannot be sued upon it is always regarded as a contract of honor by the underwriters, and the undermentioned clause is generally attached thereto:

> This slip is no part of the policy and is not to be attached thereto, but is to be considered as binding in honor on the underwriters; the assured, however, having permission to remove it from this policy should they so desire.
>
> Full interest admitted, the policy being deemed sufficient proof of interest.
>
> This insurance is without benefit of salvage.

ASK LIFE MEN TO ASSIST

The Secretary of the Treasury has asked the life insurance agents of America to assist in the sale of the $2,000,000,000 war saving certificates, which are to be issued at an early date.

A. E. Larter, who with W. S. Lemmon has been engaged in preparing the well-known L. & L. schedule for the past four years, which schedule is now completed, has resigned from the Eastern Union and there is considerable interest among insurance men regarding Mr. Larter's plans. He has had an unusual experience for a scientific insurance man, having been a company officer, an underwriter and field man. His fire insurance experience began with the Continental with which company he was general agent when he resigned to go with the American as its vice-president. The L. & L. schedule committee is to make a report to the Eastern Union at the next meeting.

J. Parsons Smith, Jr., manager of the Delaware Underwriters, with headquarters in Philadelphia, died of heart failure October 31.

INCORPORATED 1720

Royal Exchange Assurance

LONDON, ENGLAND

United States Branch
92 William Street, New York

RICHARD D. HARVEY
United States Manager

THEFT EXPERIENCE IS BAD

Committees of National Automobile Conference Devoting Much Time to Solution of Problem

Sub-committees of the National Automobile conference spent two days this week discussing the theft situation. It looks as if two proposals shall be offered insurers in the extra hazardous cities and either they can have full cover at a high rate or fifty per cent. cover at a low rate. Chicago, Detroit and Philadelphia show particularly bad in the 1917 experience. Some underwriter went so far as to favor not writing any theft insurance in certain territory. Others advocated eliminating the full cover altogether. It is claimed that in some localities the loss on theft is enough to offset any profit on the fire portion of the contract.

SCHOPP SUCCEEDS HOYT

John J. Schopp, who has been inspector for the Wallace Reid Agency for the past eleven years and was previously with the German-American for twenty-three years, has been made counterman of the Reid agency succeeding Charles A. Hoyt, who is now at Plattsburg.

ROYAL'S SERVICE FLAG

Last Saturday the Royal flung from its office at 84 William Street, New York, a war service flag representing 1,342 men in the ranks. This represents the company's offices in the United States and abroad.

U. S. BROKERS AGENCY MOVES

The U. S. Brokers Agency, Inc., will move on Monday to the second floor of the new building of the City of New York Fire Insurance Co. at the corner of Maiden Lane and William Street.

Richard M. Bissell, president of the three Hartfords, was chairman of the war rally meeting held in the State Armory, that city, on Friday night, the principal speaker at which was Colonel Theodore Roosevelt. Mr. Bissell also entertained the Colonel in his home at dinner. Colonel Roosevelt was at his best during his Hartford trip, addressed 15,000 people in the Armory and 5,000 people outside of the building, while his speech in the Armory was one of the greatest patriotic utterances that he has yet delivered. Among those occupying boxes were Governor Morgan G. Bulkeley, president of the Atena companies; Edward Milligan, president of the Phoenix, and practically all of the Connecticut compensation commissioners.

BROKERS!

KEEP POSTED
BY READING

THE EASTERN UNDERWRITER

Subscription $3 a Year

TAX PROBLEMS DISCUSSED

International Association of Casualty & Surety Underwriters Active in Getting Views

Difficulties under which casualty and surety companies labor in connection with the Federal Revenue Act were discussed Wednesday at a meeting of the executive committee of the International Association of Casualty & Surety Underwriters, in New York. Letters were received from various companies stating their problems. They will be considered at another meeting to be held in room 1620, 80 Maiden Lane, Monday, November 12. It was decided that it would be well for all casualty and surety companies to work as much as possible through this committee, of which F. Robertson Jones, 80 Maiden Lane, is secretary. Also, it was suggested that other committees representing other lines of insurance co-operate.

The chairman of the executive committee of this association, Charles H. Holland, has appointed the following committee of lawyers to consider the matter of the machinery of reporting and paying the taxes accruing under this act in so far as they relate to casualty and surety companies:

Frank J. O'Neill, chairman, general counsel, Royal Indemnity; Beverly W. Wrenn, general counsel, Aetna Life; F. W. Catlin, general counsel, Ocean Accident & Guarantee.

Companies are invited to transmit through the secretary their problems and let the committee have the benefit of any information regarding this matter, either by letter or by personal appearance before the committee.

Besides the committee those who attended the meeting are C. C. Nadal, Fidelity & Casualty; William Bro. Smith, Travelers; Charles S. Blake, Hartford Steam Boiler; J. H. Doyle, National Board; R. R. Gilkey, Surety Association of America.

ROSS AGENCY ACTION

Henry E. Hess, secretary of the Surburban Fire Insurance Exchange, has notified members that because non-exchange companies are represented in the office of F. H. Ross & Son, and because daily reports for Suburban business written in the Buffalo-German and Detroit National have not been and are not being submitted to the stamping department, the executive committee's approval of the representation of the Buffalo-German by F. H. Ross & Son, as general agents for Westchester, Putnam, Rockland and Richmond counties, and of the representation of the Detroit National by F. H. Ross & Son as general agents for entire Suburban territory, is withdrawn.

USE OF CO-INSURANCE CLAUSE

A brass manufacturer on Tenth Street, New York, sustained a loss a few weeks ago which did considerable damage to his plant. He had refused the advice of his broker to get proper coverage and, in ordering full insurance this week, stated to his broker that it would cost him more than $100,000 to reconstruct over and above his insurance.

CASUALTY AND SURETY NEWS

May Order Flat Premium Advance

INSURANCE MEN FACE PROBLEM

International Association of Casualty & Surety Underwriters Arrange for Conference

Executives of companies doing casualty and surety business have been invited to meet with members of the International Association of Casualty & Surety Underwriters, when that organization holds its annual meeting in New York in the later part of November. The officials will discuss the "need and propriety of a flat increase in premium rates to meet increased and growing costs of conducting business incident to war."

Must Make Provision

Action on this question is considered imperative because of the heavy burdens imposed by the new revenue law, increased salaries, cost of printing and all supplies, increased hotel bills, etc. Notwithstanding these conditions no attempt has been made by companies to follow the logical procedure of fractionally increasing the companies' charges. Insurance remains the only commodity which has not advanced in price.

Possible Effects of Change

There is considerable skepticism as to whether the companies will take the bit in their teeth and meet the situation fact to face by increasing their revenue by the only means in their power—an increase in rates. Accident and health insurance, for example, has been sold for years at a fixed price. Companies will be loath to disturb old policyholders by advancing rates at a time when the public is surfeited with demands for additional outlay. A serious loss of business might result.

While the companies know what their increased administration costs are, none of them know what the new tax measures mean in terms of dollars and cents. Suppose it were possible to get the companies together on a flat increase of twenty-five per cent., there would be serious objection by agents and brokers. Yet, if the business were held, the agent would really receive more, even though his commission were reduced. This has not yet been suggested, however. In the case of a policyholder now paying $60 a year for accident and health insurance, his premium would be increased to $75. If the broker has been receiving 30 per cent. on the old rate and it be cut to 25 per cent. on the new rate, he would receive $18.75 instead of $18.

Rates Generally Unaltered

Monthly premium accident and health rates have already been increased, not to cover war expenses entirely, but also to make possible the issuance of a better contract for which there was a genuine demand.

Burglary rates have been increased in isolated sections to cover unusual hazards and plate glass rates have advanced in accordance with higher cost of material for replacements. In the field of liability, including automobile, there is urgent need for rate revision. Steam boiler rates are about the same as before in spite of very materially increased cost of replacement. In the field of compensation it is felt that the strict supervision of this class would involve interminable red tape in effecting an advance in rates to meet this unusual situation.

Surety Rates Unchanged

Surety companies feel the effect of rising costs just as do other companies, yet rates have not advanced. To be sure, contract bond rates were advanced some time ago for entirely different reasons, but even so, the advance does not in reality amount to nearly as much as the changed schedule indicates, when the new conditions of underwriting, for which it was created are taken into consideration.

A serious condition faces all branches of insurance underwriting and there is no relief in sight. It remains to be seen how the company executives will stand together in an effort to solve one of the most difficult problems they have had to face.

Board Goes Back to Experience Rating

CHANGE IS TENTATIVE MEASURE

Modifications Affect Medical Cost of Risk and Charge for Medical Attention

With some modifications the Workmen's Compensation Rating Board has adopted the plan of experience rating in force up to June 30, 1917. It then expired by limitation and was succeeded by the plan recently disapproved by the New York Insurance Department.

This will result in a decrease of about three per cent. on the risks so rated, but probably not more than one per cent. on all risks. To offset this there is a loading of one per cent. for experience rating.

The modifications in the old plan, which is now re-established, consist chiefly in the requirement that in arriving at the medical cost of a risk, the actual expenditures for medical attention shall be used instead of the flat sum of $12 for each accident, as originally provided. Also, that in the cases of total, permanent disability cases, they shall be charged in the experience at the same figures as death cases. They have been charged at nearly twice that sum.

The re-establishment of the old plan is only a tentative measure, pending the formation of an experience rating plan which will more nearly represent true conditions, without distorting too much the general average, and will be drawn on lines which will meet with the approval of the insurance department.

AUTO CONCERN MOVES AGAIN

The American Automobilists Service Association, which was located at 99 Nassau Street, New York, has removed to an address uptown. This was originally known as the Automobile Owners' Service Association which had an office at 77 Broad Street. The New York department has been inquiring into the business of this organization, whose contract was reviewed in these columns recently.

New Amsterdam Casualty Company

A Progressive SURETY AND CASUALTY Company

New Digest Shows Compensation Growth

WILL BE READY IN DECEMBER

Captions Introduced on "Occupational and Other Diseases" and "Evidence and Proof"

In the new supplement to the "Digest of Workmen's Compensation Laws in the United States and Territories," which will soon be ready, all the compensation laws except those declared unconstitutional are covered. The Digest is being compiled by F. Robertson Jones, of New York, manager of the Workmen's Compensation Publicity Bureau. It has been materially enlarged and improved.

Two new captions have been introduced, "Occupational and Other Diseases," "Evidence and Proof" and the one, "Employments in Interstate Commerce" has been omitted, in view of a recent United States Supreme Court decision.

The "Digest" is divided into three parts: 1. A tabular digest of the provisions of the statutes in the same form as in the preceding edition, except that the citations of cases formerly included in this table have been removed and are now grouped separately in a second table. 2. A table of the cases construing or relating to provisions of the statutes digested in the first table with the leading British and Canadian cases in addition. 3. A list of the titles, addresses, members, etc., of the various State industrial boards and commissions.

Spread of Compensation

Since the publication of the preceding edition 5 States have enacted compensation laws, 21 States have enacted amendments, Pennsylvania has amended several supplementary acts and the Federal Civil Employes Compensation Act has been approved. There are compensation acts in force in 37 States and 3 territories. Besides there is the Federal law applying to Government employes of the Panama Canal, Panama Railroad and the Alaska Engineering Commission; also a rudimentary law relative to the Philippine Islands. Commissions are now preparing bills for Missouri and Virginia.

Compulsory compensation is operative in 11 States and 1 territory. In 26 States and 2 territories it is elective. In 32 States and 2 territories some form of insurance is required of the private employer subject to the compensation law, while in 4 States and 1 territory insurance is optional. Competitive State insurance is found in 9 States and 19 States and 2 territories have no State insurance.

AETNA'S SERVICE FLAG

A service flag 32 feet by 21 feet, and containing 545 stars, flies from the flag pole in front of the home office building of the Aetna Life Insurance Company and affiliated companies in Hartford. On the flag is this inscription: "Every star means an Aetna-izer in the country's service." Somewhere among the hundreds of stars is one for the president's son, Morgan G. Bulkeley, Jr., captain of former Troop B, which is now Company B, 101st Machine Gun Battalion, and one for Rawdon W. Myers, captain of former Troop L, now Company L, 101st Machine Gun Battalion.

The flag is attracting much attention in Hartford, and it is one of the patriotic events in the history of the city.

RECEIVER'S ACTS QUESTIONED

Charges that lawyers' fees, commissions and expenses consumed a large part of the assets of the defunct Electric Mutual Casualty of Philadelphia are made by the attorney-general's department to the account of receiver Theodore W. Stone. Referee Newton claims that Stone hired a lawyer to collect assessments on the company's policies, paid the lawyer $49,474, equal to half the amount collected and then shared the commission with the lawyer. A series of other alleged irregularities are cited in the report.

BANKERS' COMPANY FAVORED

It appears that out of 7,500 replies received by the American Bankers Association, 5,500 banks favor forming a bankers' company to write burglary insurance and fidelity bonds. Only 600 opposed the movement, the remainder being non-committal.

Edwin Warfield, president of the Fidelity & Deposit, and former Governor of Maryland, conceived the idea of the patrotic mass meeting held in Baltimore Tuesday. Governor Warfield's interviews in daily papers were also in large part responsible for the cancellation of the Baltimore engagement of the Boston Symphony Orchestra, based on the fact that this orchestra had not played the National Anthem at its recent Providence concert.

General Accident

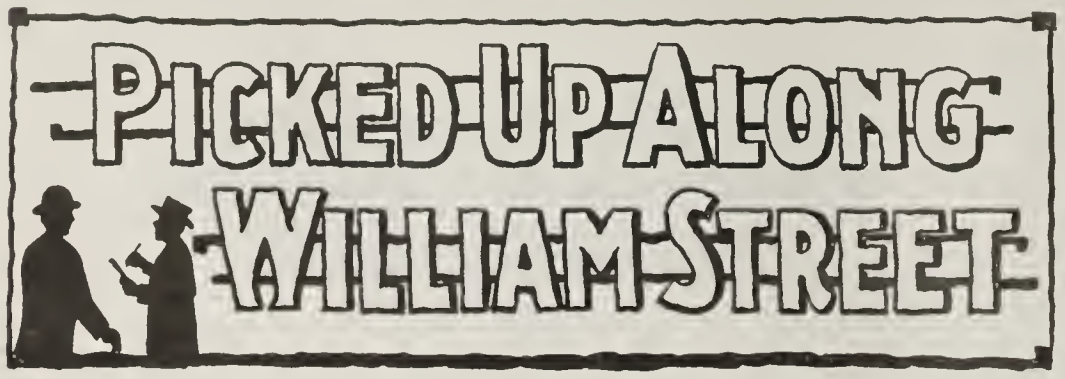
FIRE AND LIFE ASSURANCE CORPORATION, Ltd.

SERVICE THAT EXCELS

FREDERICK RICHARDSON, United States Manager

GENERAL BUILDING · 4TH & WALNUT STS.

PHILADELPHIA



Wallback Succeeds Martin

W. W. Wallback, formerly with the New York State Insurance Fund, has succeeded Stanley G. Martin in charge of the casualty business in the office of John A. Eckert & Co., New York. Mr. Martin has been appointed superintendent of the casualty department of the New York City branch of the United States Fidelity & Guaranty. He has been with the Ocean Accident & Guarantee, Royal Indemnity and the Hartford Accident & Indemnity. In his new position he will have general supervising charge of the casualty department. He will assume his new duties as soon as relieved of his present work.

* * *

Producing $1,000,000 a Year

The bonding department of the Fidelity & Casualty is now producing $1,000,000 a year in premiums.

* * *

In Charge of Federal Bureau

The new Federal service bureau of the Fidelity & Casualty in Washington is in general charge of Resident Manager Legg. Thomas B. Robinson, for years an attorney in Washington, will have immediate charge.

* * *

Interrogatory Form Preferred

Some agents prefer the declaratory form of commercial accident and health application on the grounds that it does not contain so many questions and is easier to fill. While it is admitted that the declaratory form is easier to complete, it is not admitted that the interrogatory form contains more questions. It does not contain more questions, the difference being that the questions are asked separately and call for a definite answer. It is believed this is better for the insured and the company, as it will prevent breaches of warranty, which under another form might be innocently made, but would nevertheless be material. Furthermore, it is considered best to try and get along with one application form, as a number of forms means confusion and consequent error.

* * *

Payments Increased By War

The British workmen's compensation (war addition) act of 1917, provides that during the present war and for six months thereafter, the amount of compensation payable under the act of 1906, in cases of total incapacity, shall be increased. In most cases the advance is 24 per cent.

* * *

Broker's Authority

In the case of the United States Fidelity & Guaranty Co. vs. Benjamin Kaufman it was held that where a broker acts generally for insured his engagements will be enforced against insured. Insured disclaimed knowledge of the obligations which his broker had undertaken in his behalf, but was nevertheless forced to pay the premium charges. The decision of Justice Lehman is printed in full in the current issue of "Best's Insurance News."

* * *

Buffalo Men Win Contest

Final results in the Buffalo vs. Syracuse accident and health selling contest among Aetna Life men resulted in Buffalo scoring premiums of $6,738 and Syracuse $2,877.

A Binder

A Newark firm, doing a big business in accident insurance, received this note from one of its clients a few days ago:

"I received a fatal accident to my hand. Have been looking for you to adjust damages. Please come soon. I don't want it to heal till you have seen it, and it is quite a job to keep it bound up. So please attend to it promptly before it gets well."—"Newark Call."

* * *

Now for Official Bonds

With election over the public official bond season will be in full swing. Are you getting your share?

* * *

Brownell & Sons' Big Month

L. J. Brownell & Sons, of Watertown, N. Y., have placed $10,500 in premiums with the Maryland during one month.

* * *

91 Per Cent. Enlistment

F. Norie-Miller, general manager of the General Accident, said in Philadelphia a few days ago that 91 per cent. of the General's male home office force has enlisted in the service; and that twenty-three had been killed in action.

* * *

Bureau Committee Active

E. Scheitlin, of the Globe Indemnity, has been elected chairman of the Bureau Committee on Statistics of the National Workmen's Compensation Service Bureau. C. S. Warren, of the Fidelity & Casualty, was chosen vice-chairman. The Bureau Committee has before it the consideration of the report of the sub-committee on the general liability statistical plan; uniformity of Schedule Z and Schedule W requirements; New York Schedule Z; the Bureau compensation statistical plan; reporting of experience for earlier years of compensation; reporting of experience for non-compensable cases.

* * *

Stamping Automobile Policies

Stamping of all automobile policies was considered at the annual meeting of the Casualty Insurance Exchange of New York, held November 1. At present only commercial car policies are stamped. Officers were elected as follows:

Chairman, F. J. Walters, London Guarantee & Accident, succeeding C. A. Timewell; vice-chairman, E. F. Hord, Maryland Casualty, succeeding F. J. Walters; secretary-treasurer, H. B. Johnson, of the Travelers (re-elected).

Executive committee: Dr. R. S. Keelor, United States Casualty; C. A. Timewell, Standard Accident; Edmund Dwight, Employers Liability; M. E. Jewett, Royal Indemnity.

Resolutions were adopted on the death of Charles H. Phelan, of the Aetna. William S. Collins is manager of the Exchange.

* * *

Mrs. Jessie McCurdy Burnett has resigned as librarian for the National Workmen's Compensation Service Bureau in New York. She is succeeded by Miss Estelle L. Liebmann, formerly in the Brooklyn Public Library and a graduate of Pratt Institute Library School.

Craig Discusses War Risk Insurance

(Continued from page 13)

the awards are usually made by independent bodies or State commissions, but in this Government bill the entire matter of preparing a schedule and of then applying it all rests in the same bodies with appeal only to the courts.

Under Section 302, where provision is made for total disability, various amounts of monthly compensation are given based upon the dependents, after which it expressly provides that certain particular disablements shall receive a flat compensation of $100 per month. There is apparently no good reason why certain particular disablements should receive this special consideration. If compensation is granted in event of total disability, it ought to be sufficient to provide for all forms, and it is very probable that the clause as it reads, allowing $100 a month, will largely nullify the specific benefits enumerated, because, after provision for "the loss of both feet, both hands or both eyes, or becoming totally blind," the words "or helpless" are included as one of the conditions under which $100 a month shall be granted, and any strict construction of the law will probably hold that in any case of total disability, the soldier was helpless.

Vastness of Undertaking

The vastness of this whole undertaking, both of compensation and insurance, combined with its general uncertainty, should make for conservatism and an endeavor to reduce the uncertainties to a minimum. It was suggested that the indemnities paid on the compensation basis be increased in value by $1,000, $2,000, or even $4,000 or $5,000 and be made to apply to everyone, in place of the optional insurance. This suggestion was not accepted. In preparing its actuarial report the committee stated:

> "The net amount payable by the Government for the year ending September 1, 1918, would be $46,000,000 if 25 per cent. of the men were covered for $5,000 each."

It was subsequently thought that 25 per cent. of the men would take not more than $2,500 of insurance and Congress therefore apportioned $23,000,000 instead of $46,000,000. Which is the nearer figure we do not know, but as far as we are able to discern from the present published returns, the majority of the men seem to be applying for the maximum of $10,000. In the "New York Times" of October 24, 1917, the statement was made that twenty-seven applications had been received from the members of a single company for $10,000 each.

In the "Bulletin of the War Study Society" of August 1, 1916, it is stated that France has had 885,000 men killed in the war and 2,115,000 wounded, of whom 634,000 are invalids, and it might be well to reflect upon the ultimate cost to this Government if the war lasts long enough to cause any such losses. The loss from the sinking of the Antilles on its return voyage, with relatively few persons on board, will probably run into hundreds of thousands of dollars.

Analyzes McAdoo's Address

One fact stands out prominently. The importance and the indispensability of insurance has been officially recognized by the United States Government. In the address of Secretary McAdoo delivered at the annual convention of the American Bankers Association at Atlantic City, N. J., September 28, 1917, is the following:

> "When war comes to a nation the first essential is money. We must keep our soldiers and sailors armed and equipped with the best that money can buy and American skill devise. We must constantly provide them with necessary clothing and food; we must pay their wages; we must, as a humane and just Nation, support their dependent families while they are risking and giving their very lives for us; we must supply them with a reasonable amount of life insurance."

Here the support of families and life insurance is considered in the same breath with equipment, clothing and food. Immediately after the paragraph just quoted follows an argument in favor of insurance. In this argument it is stated that when a nation reaches out and takes a man, in addition to conscripting part of his income and compelling him to leave his home, it also destroys the insurability of that man. Here we have an official expression of the high estate of insurance. It is not sufficient that a man be equipped and that he be clothed; he must also be insured. It is permissible to conscript his resources and to take him away from home and family, but his insurability must not be destroyed. Surely we can feel proud of our business and of its efficiency when, in these strenuous days of war, the governing officials feel constrained to consider it just as essential as the more spectacular necessities of arms and ammunition.

It is not possible at this early date to enter into a full discussion of the measure, but the above outline of some of the events of the last six months have been drawn to your attention in order that you may be more fully cognizant of the part your officers and fellows are taking and in the hope that if opportunity presents itself, you will at all times offer your services with at least a full realization of the immensity of the contract with which you are dealing and with the knowledge that, as members of the Casualty Actuarial and Statistical Society of America, you have had special training which should enable you to cope with large problems.

Ralph Proctor, chief engineer in the contract section of the Maryland Casualty, was the builder of Camp Meade, which lies between Washington and Baltimore. Eight thousand acres of field, swamp and forest were to be converted into a city to house 40,000 men, in record time. It was a stupendous undertaking but Proctor has put it through and it stands a monument to his ability. He is now Major Proctor with the title of constructing quartermaster.

* * *

Edwin J. Donnelly, who has been appointed assistant manager in the steam boiler department of the Travelers in New York, has been in that office for over two years as special agent and has done good work in building up the boiler and fly-wheel branches. He was formerly with the Travelers as a solicitor in the Indiana field and is a Travelers man heart and soul, having received all his insurance training in the service of that company.

* * *

Robert W. Clevinger is another Travelers man who has received all his insurance experience while with that company and who has been given broader opportunities in recognition of good work. Mr. Clevinger has been special agent in the liability and compensation departments in Newark, N. J., and now comes to the New York office in a similar capacity, where he will be assigned to the Brooklyn district.

DISTRICT AGENTS AT MEMPHIS

Treadwell & Harry, of Memphis, Tenn., have been appointed district agents for the Fidelity & Casualty at that point, succeeding A. C. Gaunt.

CASUALTY AND SURETY POINTERS

Effect of Policy Lapses

The two following cases of recent lapses of Preferred accident policies illustrate the unfortunate result of lapsing—one affecting a holder, the other a beneficiary.

An accident and health policy issued to a young man in a Western city was, after being carried for some time, allowed to lapse. For years this young man had been in excellent health but a few months after lapsing policy he, feeling badly, had a thorough examination made by a leading physician of his city who discovered he had tuberculosis rendering necessary the going to a Denver santarium for treatment.

The lapsing of the policy deprived him of indemnity while ill and under treatment and his subsequent physical condition, if recovery is had, will undoubtedly defeat any effort to again obtain a policy.

An Indiana business man who for a number of years carried an accident policy, under which in event of his accidental death, his wife was the beneficiary allowed his policy to lapse late last winter. While returning from a trip on the Ohio River in his motor boat in August he fell over-board and was drowned.

He wanted to and did make a pocketbook saving of $25, but in so doing caused an absolute loss to his wife of $5,000.

A policy is a wise measure of protection for its holder and beneficiary, but if lapsed the wife is compelled to assume a hazard and risk that fair mindedness, love and loyalty could never impose upon her.

* * *

Time to Speed up Collections

It is of little use to sell insurance if one cannot collect for it. Many agents who show laudable energy in putting business on the books are poor collectors. They are so eager to get still more business that they forget all about the collection, or, possibly they are just naturally unable to make their customers come across with the money. A doctor does not estimate the success of his year's work by how many patients he has treated, but rather by how much money he has collected. Ask a doctor how his business is coming on and he will answer that he collected so much money last year and expects to get so much this year. An insurance man should make it a point to find out as soon as possible if certain business is going to pay up. If not, the sooner it is cancelled and forgotten the better. For an agent to be advancing considerable money to his company to make up for delinquent policyholders is poor business. Agents are in business to sell insurance, not to give it away. Now when everybody is working, in spite of the H C of L, most people have money enough to pay their premiums and would do so if proper attention were given to the collection department. Besides, the year-end is coming on when every office will be expected to clean house in the collection department. Now is the time to start.

* * *

Do not Overlook the Hunters

Illinois, Michigan, Minnesota and New York are the States in which most hunting accidents occur. Every year a considerable number of fatal accidents are reported among hunters. There are many minor casualties which never get into the records, but they cause somebody considerable loss which could be guarded against by holding an accident policy. It is not too late to talk hunting hazards in selling accident insurance and it is easy to find out those who would be most interested in protecting themselves against this peril.

Identification Card Served Well

William Murray, of Detroit, for many years a policyholder of the Standard Accident, carried an identification card in his pocketbook. Someone, somehow, got that pocketbook, probably a pickpocket. Whoever it was extracted the cash and then dropped the pocketbook, card and all, into a mail box and Uncle Sam, finding it, found the identification card, and brought it to the home office. Because of that card Mr. Murray now has the pocketbook. That helped a little.

* * *

Co-operation in Plate Glass

For the first time in the history of plate glass insurance agents may look forward with confidence to the successful culmination of a co-operative movement in the sincere belief that there is an earnest desire on the part of the subscribers to carry it through. Its success will afford a large measure of relief to the agents in the field, because a demoralized rate condition is an insurmountable obstacle to successfu' solicitation. Given a uniform rate with all competitors on even terms, there will be an intensive productive effort by the agents of every company.

Flynn on Group

(Continued from page 10)

Judging from the above outline of the method of handling a workmen's compensation risk, could not an employer who applies for group life insurance be bound at a tentative rate per $100 payroll for an estimated average insurable age as soon as complete examination of the risk as respects physical condition, industrial operations to be covered, character of employes and working and living conditions, could be made? As soon as possible census of employes would be taken and the adjusted rate per $100 payroll established for the plant. It is assumed that the benefit will be a function of the wages as this plan best reflects the value of the employe to the concern. An estimate of the annual payroll to be expended during the year can then be made by the employer and the rate established for the risk applied. At the end of the year proper adjustment to obtain the earned premium can be made in a manner similar to that followed in workmen's compensation practice. After a few years —the number of years depending upon the size of the group—a study of experience according to a plan of experience rating can be utilized together with an inspection which may throw light upon any change in the physical aspects of the risk. Periodically—the period depending upon the size of the risk—a new census of employes should be taken in order to obtain this viewpoint upon the rateability of the risk. From these factors a renewal rate per $100 payroll for the risk would be obtained.

The result of handling the group business in this manner would, so far as the writer can see, be the establishment of a rate per $100 payroll upon the bases outlined above when the employer first takes out his insurance. This rate probably would stand without modification for, say, five years, according to the size of the risk, unless the underwriter upon examination of experience or upon information as to change in physical conditions, which might have a material bearing upon the rating of the risk, thinks a change is necessary. In other words, the idea of the guaranteed basic rate over a long term of years will be put in the background and the employer will know that the risk will be renewed from year to year but that, if developments of experience indicate marked change in the risk or if the nature of the industrial operations change materially, there may be a modification in the renewal rate. The principal change in the above proposed program from the present plan is that no attempt is made to vary the rate constantly according to the amount of insurance involved by ages of employes. It is probable that the average insurance ages of employes will not differ greatly from year to year in the average progressive employer's plant. Certainly the change in the hazard from year to year will not be greater than the change due to other underwriting factors such as improvement in working and living conditions, in character and number of staff of employes and nature of output.

An important factor in favor of the method of conducting the group life insurance business as outlined above is the fact that practically all employers of the country are now accustomed to the workmen's compensation practice of handling business of this nature. It would therefore seem reasonable to the employers to handle group life insurance in a similar manner. The only difference, in handling the two lines of business would be that in group insurance the ages of the employes would enter into the proposition as an important factor in the underwriting of the risk and a census of the staff by ages would be necessary at the end of certain periods of years. There would be no greater necessity that the names of individuals covered under the group life contract be listed and correctly checked up from time to time by both the employer and the insurance company than that the names of employes under workmen's compensation be so treated. In the case of a death under a workmen's compensation contract the beneficiaries are located by the claim adjuster of the company and payment of the claim is promptly and correctly made. In a similar manner the claims can be handled under group life insurance—as a matter of fact the group life claim adjustment should be much less troublesome than that of workmen's compensation in view of the comparative scarcity of claims and the definite character of the event upon which the claim payment is predicated.

In proposing the above manner of handling group life insurance, I realize that a radical step away from the precise basis upon which life insurance upon an individual contract basis is handled, is suggested. It will be felt, I am sure, that to do away with the exact record of individuals insured by ages will weaken the foundation of experience work. It may be, however, that some approximation to the method of preparing experience by exact ages of insured can be worked out as, for instance, by broad groups of ages. The great economical and practical advantages of handling the business in this manner, in my opinion, far outweighs the loss of exactness in experience compilation. I have no doubt that a practical method of experience examination can be worked out and still permit the above method of underwriting the business.

W. E. SMALL, President PETER EPES, Agency Mgr. E. P. AMERINE, Secretary
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Insurance Company

INDIANAPOLIS, INDIANA

Established 1899

All agency contracts direct with the company

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Exceptional Facilities for Writing Business Throughout the United States

WORTH KNOWING

Suppose that you are insured in the United Life and Accident Insurance Company of New Hampshire for $5,000 under the Company's Triple Indemnity Plan, what does your Policy guarantee to do?

ANSWER:

FIRST, it guarantees that in case of death from any cause, $5,000, the face of the Policy, will be paid.

SECOND, that in case of death from any ACCIDENT, $10,000, or DOUBLE the face of the Policy, will be paid.

THIRD, that in case of death from certain SPECIFIED accident, $15,000, or THREE TIMES the face of the Policy, will be paid.

BUT THIS IS NOT ALL. The Accident Disability Endorsement FURTHER guarantees that in case of total disability as a result of accidental injury, the Company will pay direct to YOU at the rate of $50 PER WEEK during such disability, but not to exceed 52 weeks, after which the weekly indemnity will be at the rate of $25 PER WEEK throughout the period of disability. Can insurance do MORE? And why should any man be satisfied with a policy that would do less? The cost is low.

Agents wanted in Maine, New Hampshire, Vermont, Connecticut, Pennsylvania, North Carolina, South Carolina, Tennessee, Georgia, Delaware, Maryland, Mississippi, Kansas, Missouri. An opportunity for Life Insurance Salesmen of ability. Address:

United Life and Accident Insurance Co.

Home Office, United Life Building - Concord, New Hampshire

In addition to the ordinary forms of life insurance

THE EQUITABLE

makes a specialty of the following:

Insurance to protect business firms and corporations, under a corporate form of policy.

Group Insurance, by which employers protect families of employes.

A flexible contract, known as the Convertible Policy, which can be converted by the Insured into an Ordinary Life, Limited Payment Life, or Endowment Policy.

A Bond issued without medical examination giving the investor an income for his declining years.

A new policy is offered under which the insurance is DOUBLED if death results from ACCIDENT. This policy also embodies the following advantages if the person whose life is insured becomes totally and permanently disabled:

1. Thereafter the Equitable will carry the insurance —The Insured will have nothing further to pay.
2. The Equitable will pay the Insured an annual income for life equal to one-tenth of the face of the policy.
3. Upon the death of the Insured the full amount of the insurance will be paid to the Beneficiary (or double the amount if death is due to accident) without deduction on account of the income paid to the Insured while living.

(See the policy for conditions and details.)

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Superintendent of Agencies

THE EQUITABLE

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120 BROADWAY, NEW YORK

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Northwestern Mutual Life Insurance Co.

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Insurance in Force, $1,505,464,984

SATISFIED POLICYHOLDERS each year apply for over 35% of the new insurance issued.

POLICIES MOST FLEXIBLE AND EASY TO SELL

Complete Agency Protection:

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Investigate before selecting your Company

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San Francisco Losses Amounting to $4,522,905.00 paid PROMPTLY IN CASH WITHOUT DISCOUNT, from funds largely supplied by head office in Liverpool

Liverpool and London and Globe Insurance Co. LIMITED

U. S. Cash Assets, Dec. 31, 1916	$15,827,439.35
Surplus, - - - - -	5,460,745.59
Losses Paid by Chicago Fire, 1871	3,239,491.00
Losses Paid by Boston Fire, 1872	1,427,290.00
Losses Paid by Baltimore Fire, 1904	1,051,543.00

Over $152,000,000.00

Losses Paid in the United States

HENRY W. EATON, Manager
G. W. HOYT, Deputy Manager
HUGH R. LOUDON, Assoc. Deputy Mgr.
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NEW YORK OFFICE
80 William Street

THE EASTERN UNDERWRITER

[Succeeding the Journal of Insurance Economics, Established in 1899]

A WEEKLY NEWSPAPER COVERING ALL BRANCHES OF INSURANCE

Eighteenth Year; No. 48 NEW YORK CITY, FRIDAY, NOVEMBER 16, 1917 $3.00 per Year; 25c. per Copy

WIRE PLANT FIRE STARTS CANCELATIONS

No Change, However, With Some Companies as Government Activities Might Be Crippled

COMPLAINTS ABOUT LOW RATES

Specials and Inspectors Barred by Some Plants Which Employ Enemy Aliens

The Washburn Wire Co. fire in Harlem precipitated action by a number of companies this week which issued instructions to agents in which munition plants and warehouses were placed on prohibited risks. Some companies made this prohibition extend only to the writing of these plants and warehouses on the Atlantic Seaboard. This action was by no means general, however, and should not be understood as a sweeping prohibition by the general run of fire insurance companies. Some of the largest companies on the Street informed The Eastern Underwriter that they would continue writing this business, saying that they believed it to be their patriotic duty to do so, as without insurance Government activities will be severely crippled.

The Washburn Risk

The companies which canceled cited various reasons for their action. They pointed to the wire plant fire as an illustration of the conditions under which this class of business has been written.

Under Insured

The total amount of insurance was $825,000, which is far under the value. The rate is reported to have been 21 cents. The rates on protected piers and warehouses have been even lower whereas the recent Brooklyn and Baltimore fires are thought to have practically wiped out the premimums which all companies will have received from this class of business during the entire year.

Reasons other than low rates are also given. It is admitted by company men that care in permitting persons' entrance to munitions plants and warehouses is very desirable in protecting the risk and has been urged in the conservation campaign of the special agents as of vital importance. But, they say, the superintendents of many plants

(Continued on page 14)

"The Largest Fire Insurance Company in America."

THE HOME INSURANCE COMPANY NEW YORK

ELBRIDGE G. SNOW, President

Underwriting Capacity Second to None.

FIRE AND ALLIED BRANCHES OF INSURANCE.

Fire, Lightning, Automobile, Commissions, Explosion, Hail, Marine (Inland and Ocean), Parcel Post, Profits, Registered Mail, Rents, Sprinkler Leakage, Tourists' Baggage, Use and Occupancy, Windstorm.

STRENGTH REPUTATION SERVICE

North British and Mercantile Insurance Co.

Established 1809

Entered United States 1866

Policyholders protected by the entire United States assets, with further guarantee in every policy, of protection by entire fire assets of the company which are many times larger.

Agents Contemplating Writing LIFE INSURANCE should join our RAPIDLY GROWING Agency Force.

Equipment we furnish you includes:
LOW NET COST
LARGE ANNUAL DIVIDENDS
ATTRACTIVE POLICIES TO SELL

GOLDEN ANNIVERSARY YEAR

1867—EQUITABLE LIFE OF IOWA—1917

J. C. CUMMINS, President
B. F. HADLEY, Secretary
H. S. NOLLEN, Vice-Pres.
H. E. ALDRICH, Supt. of Agents

NO LIFE MAN ON PROFITS COMMISSION

Bankers, Economists, Merchants, Railway Men and Editors Have Representatives

SURPRISE IN INSURANCE CIRCLES

A large Number of Life Insurance Men Have Been in Conference on Other Matters

There was considerable surprise in insurance circles when Secretary McAdoo announced on Tuesday the personnel of his new commission of business men and others to help the Treasury Department solve the intricacies of the excess profits tax. There is not a life insurance man on the committee; furthermore, there is not an insurance man of any kind on the committee. There is some consolation, however, in the opinion expressed in the United States Senate that life insurance does not come under the excess profits feature.

Have Been Active in Conferences

While insurance men are not represented on this latest commission they have been much in evidence in frequently being called to Washington in regard to other matters affecting them, particularly with reference to the soldiers and sailors insurance and indemnity measure. In many instances the advice of life insurance men has not been accepted.

On the excess profits commission is a member of the Ways and Means committee, an economist, a wholesale hardware dealer, an accountant, a banker, a farm editor, a daily paper editor, a cotton manufacturer, and the chairman of a railroad board.

Secretary Mc Adoo's Announcement

In announcing their appointments Secretary McAdoo said:

"The law presents problems of construction and interpellation that are of vital importance. The policy of the department will be to continue to keep in close touch with the taxpayers, so as to secure the most reliable and complete information before promulgating administrative regulations. The recognized standing and ability of these advisers are an assurance that the problems will be solved in the light of

(Continued on page 4)

WAR CLAUSE NOW IN POLICY

Missouri State Life Does Away With Riders Hitherto Attached—How Clause Reads

The Missouri State Life is reprinting its policies with the war clause incorporated therein. This will do away with the riders hitherto attached to the policies. The war clause follows:

This policy is free from all restrictions regarding military service not involving aeronautics in time of peace or war within the continental limits of the United States of America, except as to disability and double indemnity benefits if any. If the insured shall die within five years from the date hereof, while engaged in or as a result of military service outside of the continental limits of the United States of America, or military service involving aeronautics or naval service, whether in or out of the United States of America, in time of war, the amount payable hereunder shall be limited to the reserve on this policy at the time of death less any indebtedness hereon to the company, unless the insured shall give written notice thereof to the company at its home office within thirty-one days after entering on such service and pay, when required, such extra premium or premiums as the company may fix therefor. Within one year after the termination of war, the company will return such portion of the extra premiums as, in its judgment, will not be required to cover the extra hazard.

The removal of the aforesaid restrictions shall not take effect until the issuance by the company and delivery to the insured of a written approval thereof, and such approval shall only be granted under this and any insurance hereafter issued by this company for a total insurance of not more than five thousand dollars, which amount shall include any insurance heretofore issued but nothing herein contained shall in any way change the privileges and conditions of policies issued prior hereto.

TALKS FOR 25,000,000

National Association of Owners of Railroad Securities—Owns $4,000,000,000 Securities

The National Association of Owners of Railroad Securities now represents a membership owning some $4,000,000,000 of the securities of the carriers of the United States out of the $17,000,000,000 (approximately) in the hands of the public, or approaching one-quarter. This Association represents a membership of over 25,000,000 people, nearly one-quarter of our population, either as individuals or through the mutual institutions (life insurance companies and mutual savings banks) whose members own their investments; in the case of life insurance companies 25 per cent. of their investments being railroad securities. This number does not include the membership of financial and other institutions owned by stockholders, who have an indirect ownership in the railroad securities held by their companies. Fifty million people of the country—nearly one-half the population—are interested in whatever affects the securities of the carriers. The association has not only for its object the protection of the owners of railroad securities, but also the correction of any abuse or abuses that may arise in the railroad world or any exploitation of carriers.

Theodore M. Riehle, of the J. M. Riehle Agency, N. Y. City, and Henry L. Lang, of G. H. Lang & Son, general agents in Philadelphia (Equitable Life Assurance Society), were recently called to Washington in the interest of war risk iusurance.

Great Southern Life Insurance Company

HOUSTON, TEXAS.



For Agency Contracts address

O. S. CARLTON

PRESIDENT

BRITISH INCOME TAX

Every Person Entitled to an Abatement in Respect of Annual Premiums Paid

In Great Britain under the income tax acts every person is entitled to an abatement of income tax in respect of annual premiums paid for any life assurance policy on his own life or the life of his wife.

Limitations applying to policies issued after 22nd June, 1916:

(1) Total premiums upon which abatement is claimed must not exceed one-sixth of income.

(2) Maximum rate of abatement limited to 3s. in the £.

(3) Maximum rate of premium to be allowed for abatement purposes is restricted to 7 per cent. upon the capital sum payable at death.

(4) Pure endowments: Fixed term assurances, whether providing return of premiums or not, cannot now be granted the above relief.

(5) War extras may be excluded in determining the limits (1) and (3) mentioned above.

SOLD $100,000,000 BONDS

Results of Life Insurance Agents' Activities in Recent Liberty Loan Drive

The National Association of Life Underwriters has received reports to date which indicate that in the recent Liberty Loan drive agents sold about $100,000,000. St. Louis led with 10,000 applications for $11,000,000. Baltimore with 889 men sold $7,140,240.

German & Smith is a new insurance agency in Reading, Pa., consisting of John German and Ralph R. Smith.

A PEEP INTO OUR PRIVATE FILES

AN OFFICIAL OF THE U. S. GOVERNMENT AT WASHINGTON SAYS:

"I have your letter of October 1st with the bulletin which you are mailing to your policyholders and thank you for it. **This work is the kind that is going to make the Second Liberty Loan of 1917 an overwhelming success."**

A POLICYHOLDER SAYS:

"The **service which you perform for your policyholders** is without a doubt **unequaled by any of your competitors. This Health Service beats anything I have ever seen.** 'May your tribe increase'."

AN AGENT SAYS:

"If a man **doesn't make good** with The Germania Life Insurance Company **it is his own fault."**

WE SAY:

Since these are but samples of **many** letters received regularly by **"The Company of Modern Insurance Service," THE GERMANIA LIFE INSURANCE COMPANY, established 1860 under the laws of the State of New York,** it should be worth something to YOU to ask T. Louis Hansen, Superintendent of Agencies, 50 Union Square, New York City, to tell YOU more about the SERVICE which this Company is rendering ITS COUNTRY, ITS POLICYHOLDERS AND ITS FIELDMEN.

WHAT DO YOU SAY?

ADEQUATE LIFE PROTECTION

How It May Be Determined Told in Succinct Fashion by Mutual Life

Where the prospect is desirous that his family enjoy as large an income after his death as before, a simple method is open to the agent of approximating the cost of a policy large enough to provide such an income, says "Points," published by the Mutual Life.

For purposes of illustration, assume that the prospect's income per annum is $1,500; also that his share of the expenses amounts to $500, or one-third, leaving $1,000 as his family's share, or two-thirds. If the insured is 35 years of age and the wife 32, a premium of $23.90 a year will provide the family with a minimum income of $50 a year, while a premium of $358.50 will provide a minimum of $750 a year.

Deducting this premium of $358.50 from the gross income of $1,500 leaves a net income of $1,141.50 for the insured and his family. The family's present share, being two-thirds of this, will amount to $761, or about the same as their income of $750 assured by the life income policy upon the death of the insured.

While the family may find it hard to limit themselves at once to an income of $761 or $750 a year, it would go far better to do so and have it continue permanently than to spend $1,000 a year now and have nothing after the breadwinner is gone. If the husband's salary were, in fact, only $1,141.50, he and his family would manage to live on that amount. They could, therefore, set aside, for the family's future income of $750 the sum of $358.50 from the gross income of $1,500 and still live on the balance.

Similarly, adequate insurance, based on higher incomes, can be determined.

No Reason For Worry

There is no reason in the world why any life insurance agent should be disturbed over the Government insurance bill which provides life insurance for soldiers at the low rate of $8 per thousand, says the International Life in its "Life-Man." Everybody knows that the rate is fixed regardless of cost, and is made cheap simply to favor the men who must bear the brunt of our war. However heavy the losses may be the Government in the finality of the cases must pay the deficit premium in the shape of taxes. So we find that a comparison of Government rates, with the ordinary rates charged by the insurance companies has no bearing upon the sitnation at all.

Then, some agents think the Government bill for insuring soldiers will cut into their business very readily. That is an altogether mistaken notion, for if we stop to think for a moment we are bound to see that the number who will be drafted into the war will hardly exceed three millions, which is but three per cent. of our population, and that of those three millions perhaps not one in five would take insurance under any other plan. The civilian group of our population which will stay at home is almost unlimited, and owing to the wide agitation on the subject of insurance, the chances are that those who already carry policies will double their lines and others who never before thought of insurance will become live prospects.

Anyway more business is being written by wide awake solicitors than ever before in the history of the business and after all it is results that count. Just get busy and keep busy and take our word for it. You will never lack for material to work upon in this country nor will you find any lack of money among men willing to work while this war continues.

Proof of Death Under Life Policy

7 YEARS' PRESUMPTION OF DEATH

Appellate Division Suggests Modification of Rule—Case of Connor vs. New York Life

The question of proof of death and sufficiency of proof under life insurance policies is called to the attention of underwriters by William B. Ellison, who cites the decision of the Appellate Division, Supreme Court, Second Department, just handed down in the case of Connor vs. New York Life Insurance Company (166 N. Y. Supp., page 985), in which the Court discussed the necessary proof of death under a life insurance policy. The Court in a unanimous decision stated the law to be as follows:

Presumption of Death Created

"The death of the assured was not established by finding his effects in the bathhouse and office. Nelson vs. Masonic Mutual Life Association, 57 App. Div., 214; 68 N. Y. Supp., 290. If the seven years' absence was established as a fact, a presumption of death arose. The general rule regarding the presumption arising from seven years' absence is that the death took place at the end of this period. Lawson on Presumptive Evidence, Rule 43. The English rule, followed in this State in McCartee vs. Camel, 1 Barb., Ch. 456, is that the presumption is of death only, and not of the time of death, which must be shown by other evidence by the party carrying the burden of proof. Later the rule was otherwise stated in Eagle's Case, 3 Abb. Prac., 218, and that decision is in accord with the rule in other States. Executors of Clarke vs. Canfield, 15 N. J. Eq., 119; Bradley vs. Bradley, 4 Whart. (Pa.), 173; Matter of Board of Education, 173 N. Y., 321; 66 N. E., 11; Barson vs. Mulligan, 191 N. Y., 324; 84 N. E., 75; 16 L. R. A. (N. S.), 151. So the general rule may now be stated to be seven years' absence creates a presumption that death took place at the end of that period.

"But we think that reason and probability require that the rule be modified, so that, if seven years' absence follows a catastrophe, occurrence or hazard whereby the absent one was subject to peril of his life of such a character that the evidence of his death might be destroyed with death itself, as, for instance, death in a conflagration, or by drowning, the inference of fact may be drawn that the death occurred at the time of such peril. The presumption that the death occurred at the end of the seven years obtains only by the necessity of the case in the absence of evidence indicating death at another time. When there is such evidence the necessity for presuming that death occurred at the end of the period no longer exists.

"Assuming, then, that the evidence established seven years' absence, upon which subject as a question of fact we do not think it necessary to express an opinion, the presumption of death follows; and the evidence of finding the clothes of the insured in a bathhouse and a ring and a pin in the office would permit a finding that the death took place on August 11, 1904; and this is not opposed to the doctrine of the Nelson case, supra, where the plaintiff's case was not aided by the presumption arising from the seven years' absence. Without a more minute analysis of the evidence upon which the presumption rests, we may assume for the purposes of this decision that the jury were justified in finding that the assured came to his death on August 11, 1904."

CHILD INSURANCE

One Objection in Whole Family Protection Bill Pointed Out by "Fraternal Monitor"

Legislatures of seventeen States have enacted the Whole Family Protection Bill into statutory law. They are California, Illinois, Iowa, Kansas, Maine, Massachusetts, Michigan, Missouri, Nebraska, North Carolina, New Hampshire, Oregon, Ohio, Rhode Island, Texas, Utah and Wisconsin.

The "Fraternal Monitor" in discussing the child insurance legislation makes comment of more than ordinary interest, saying:

There is but one hazard which is not covered by the safeguards written into the law. When a juvenile member reaches the minimum age for initiation into the adult department of a society, any benefit certificate already issued may be surrendered for cancellation and "exchanged for any other form of certificate issued by the society, provided that such surrender will not reduce the number of lives insured in the branch below five hundred, and upon the issuance of such new certificate any reserve upon the original certificate herein provided for shall be transferred to the credit of the new certificate." Thus, a society with its adult members on inadequate rates and insufficient reserves, would transfer its juveniles from a branch where they had been paying adequate rates to a department on an unsound plan, thereby weakening the structure. Such transfers would begin at once, because the children insured at sixteen or seventeen years of age would soon reach the time for transfer. This is the only valid objection to the bill which has been presented by those who are eager to prevent fraternal societies going into the business. As it stands, this feature is an anomaly, and it is inconceivable that any society would engage in transferring adequate rate members to an inadequate rate class. To the credit of most of the societies confronted by this situation it may be stated that they have adopted adequate rate classes to which their juveniles will go upon reaching the proper age. Therefore, with a department on a sound and solvent plan to which these members may be transferred, the objection to the law is overcome.

A. E. Childs to Be President's Chairman

ADD NEW SPEAKERS TO PROGRAM

President Rea, Pennsylvania, Will Talk on Support of Railroads in Reconstruction Period

Additional announcements were made this week about the program for the eleventh annual convention of the Association of Life Insurance Presidents. The convention, which is on December 6-7, will be one of the most interesting ever held. Arthur E. Childs, president of the Columbian National Life of Boston, will be chairman of the convention.

President Samuel Rea, of the Pennsylvania Railroad, has accepted an invitation to speak. His subject is "Financial Support of American Railways in the World's Reconstruction Period." Mr. Rea is a member of the Equitable Life Assurance Society's board of directors.

Other speakers announced this week and their subjects are Dr. William H. Welch, professor of Pathology, Johns Hopkins University, "Application of Lessons of Military Sanitation to Peace Times"; Dr. John H. Quayle, Cleveland, "Reclamation of Classes of Men Rejected for Military Service." Dr. Welch spent some time in the war zone and is a member of the General Medical Board of the Council of National Defense. Dr. Quayle is described in this way by the Association of Life Insurance Presidents:

"Dr. Quayle is a noted diagnostician. He was the author of the bill introduced by Senator Pomerene of Ohio last summer to establish reclamation camps throughout the country to cure the defects of men rejected for military service under the draft. Dr. Quayle is known as a doctor's doctor—one to whom other physicians send their cases for expert advice. It was in this capacity that he last spring received many cases from fellow practitioners to pass on men who had been rejected for military or naval service. This led to his interest in the project for national reclamation camps. This year's convention of the association will be held in the Rose Room, which is on the ground floor of the Astor, on the 44th Street side."

WHY GROUP WAS SOLD

Spirit of Altruism Induced Reading Concern to Take Out Its Policy

In discussing the A. Wilhelm Company group policy taken out in the Travelers, Thomas H. Hardcastle, of that city, said this week to The Eastern Underwriter:

"The A. Wilhelm Company is a large and well-known manufacturer of paints and varnishes. The company was actuated to take this insurance for its employes by a desire which was altruistic in its broadest sense."

Will Not Use Life Men at Cantonments

LAWYERS SENT THERE INSTEAD

Big Problem About Dependants and Handling Allowances—Attitude of National Association

It was decided at the conference in Washington last week on presentation of insurance to men in the cantonments that this should not be done by insurance agents—at least not for the present. Instead, a number of lawyers, social workers and business men will visit the cantonments and explain the insurance act. If they are not successful the National Association of Life Underwriters has agreed to have speakers at several cantonments to address large groups of men.

At Camp Wadsworth

Although there are some exceptions—such as Camp Wadsworth, where more than $70,000,000 insurance has already been applied for, the Twenty-second Engineers alone applying for $5,960 a man—the cantonments have not responded to the insurance idea as quickly and generally as was expected. But that is not interesting the Government at present as the complications which have sprung up under the allowances. It has been found, for instance, that some soldiers are married when it was stated in application blanks that they are single; some are divorced; some have more dependants upon them than they have led others to believe. In fact, there are quite a number of problems up that must be settled. And that is one of the reasons why it was thought desirable to have lawyers instead of agents visit the cantonments.

Consulted with Actuary Rothschild

Reports from Washington are to the effect that Stanford Z. Rothschild, actuary of the Sun Life of Baltimore, has been one of the most active of the consulting actuaries with the War Risk Insurance Bureau, and it is said that he is the author of the rate table for the soldiers' and sailors' insurance.

LIMITED POLICIES

Don't Tell Insured It Was Difficult to Put Them Through

Dr. W. W. Beckett, of the Pacific Mutual Life, gives this advice to agents in regard to small policies:

When we strain a point and accept an applicant for $2,500 or $5,000, we do not want the agent when delivering the policy to tell the applicant that he had hard work to get it through and that he had better let him write him for $10,000 more, and take it while the taking is good. Some people we would take for $2,500 or $5,000 we would not like to take for more. Write the home office first in such cases and find out if we would entertain another application.

Capable Agents, Desirable Company

The two most important factors in life underwriting are capability in the Agent and quality in the Company. If the Company provides an unexcelled, attractive policy for a low net cost, and has a reputation for prompt and efficient service, the result is contentment, loyalty, and success for the man in the Field, if he is capable. This Company's record is evidence of the character of its representatives and of the quality of the institution.

Occasionally we have a General Agency opening

JOSEPH C. BEHAN, Superintendent of Agencies

MASSACHUSETTS MUTUAL
Life Insurance Company
Springfield, Massachusetts
Incorporated 1851

44 MILLIONS from 42 AGENCIES

THE 1916 RECORD OF OUR EARNEST, LOYAL AND HAPPY AGENCY FORCE

New England Mutual Life
Insurance Company
BOSTON, MASS.

Hartford "Courant" Story a Fake

$300,000,000 OF WAR INSURANCE

Local Paper Said that Amount Would Be Written by Hartford Companies

Hartford insurance men say they know nothing about the "scarehead" story recently published by the Hartford "Courant" that companies in that city may soon write $300,000,000 of war risk insurance.

What "Courant" Said

The Hartford "Courant" story carries this headline: "Hartford Companies May Get $300,000,000 War Risk Insurance." The story, under a Camp Devens, Ayer, Mass., headline, read as follows:

"Hartford insurance companies may underwrite the $300,000,000 war risk insurance to which the men of this camp are entitled, according to an order received today from the war department. This provides that any individual, incorporated or unincorporated organization may petition and make out papers for a soldier's war risk money if he does not do so himself, or if he does not care to have the $6.50 or $7.50 monthly premiums deducted from his pay. The insurance money itself, however, will go to the wounded soldier, or, in case of death, to the beneficiary named.

"Fraternal orders, towns and cities that do not want their wounded men to be a burden on the municipality on their return from war, and relatives, may take the steps that are now open to the soldiers themselves. The great difficulty in getting the men to make out applications is that they have not heard of, or do not understand the provisions of the act. The officers of each company today started a campaign of instruction and will explain to their men how to provide against wounds that will incapacitate them for self-supporting work. Only meager reports have been received as to the amount of insurance taken out so far, but the 302d infantry regiment from Boston has applied for $1,575,000, the largest sum yet reported."

Asked about the story representatives of Hartford companies said this week:

R. W. Huntington, Jr., president of Connecticut General: "I noticed the story in the 'Courant,' saying that Hartford companies might get $300,000,000 war risk insurance. The heading looked pretty interesting. If you read through the article I do not think that you found anything to justify the heading, and I know no more than the 'Courant' published."

John M. Holcombe, president Phoenix Mutual Life: "I am not able to trace to its source the story to which you refer. I think it is based on some misunderstanding, for I suppose the Government will take over the war risk insurance. As you probably know, however, a number of companies, including this one, are prepared to insure workers in the Red Cross Society. Possibly the newspaper reporters have got the two mixed."

George W. Ellis, editor publication department, the Travelers: "In regard to the story in the Hartford 'Courant' I do not know what this meant, nor does anyone in the office. It may mean that if the Hartford companies applied for war insurance on the lives of their employes who have entered the service at the rate of $10,000 apiece, it would figure up to $300,000,000. I cannot think of any other meaning it could have."

G. M. Lovelace, superintendent of agencies, Connecticut Mutual: "I have made inquiries of what seem to me to be the best possible sources of information, and can find no confirmation of the story in the Hartford 'Courant' to the effect that Hartford companies get $300,000,000 of war risk insurance."

VICTOR CO. BENEFITS

Talking-Machine Employes' Scale Runs From $250 to $2,000—60 Days' Service Up

Death benefits ranging from $250 to $2,000 will be paid to dependents of employes by the Victor Co-operative Beneficial Association, it was announced by the Victor Talking Machine Company, Camden, N. J.

The executive committee has decided to extend the scope of its original plan so that the benefits apply to any employe who has been with the company for sixty days or longer.

A scale of benefits has been arranged as follows:

In the case of employes of more than sixty days and less than one year's service	$ 250
In the case of employes of more than one year and less than two years' service	500
In the case of employes of more than two years and less than five years' service	750
In the case of employes of more than five years and less than ten years' service	1,250
In the case of employes of more than ten years and less than fifteen years' service	1,500
In the case of employes of more than fifteen years and less than twenty years' service	1,750
In the case of employes of more than twenty years' service	2,000

PRU SALARIES INCREASED

Ten Per Cent. Increase to Those not Making More Than $2,400 a Year

The Prudential Insurance Company of America has allowed a ten per cent. increase in all salaries not exceeding $2,400 a year. About 4,000 clerks in the Newark home office of the company and in the neighborhood of 12,000 agents scattered throughout the United States and Canada will be benefited.

"It has been found desirable from several angles to grant the salary increase," said President Forrest F. Dryden. "The war has taken from the homes of many of our employes incomes which had heretofore been of much help in maintaining those homes. What we are doing will, therefore, be of aid in meeting this unexpected deficiency. The high cost of living today, however, is the more important reason for the increase, and the Prudential is glad it can be of service to its loyal workers in this connection."

The salary increases will be based on the incomes of those at work at the home office of the company and upon the guaranteed salaries of those employed in the field as agents.

LARGEST LOAN SUBSCRIPTION

To the Mutual Life goes the honor of having subscribed for the largest life insurance company aggregate subscription to the Liberty Loans. For the first loan it subscribed for $10,000,000; for the second $15,000,000.

Lieutenant Commander F. A. Savage, U. S. Navy, and Mrs. Savage, acting general agent of the New England Mutual Life in Baltimore, visited the home office of the company on Monday of this week.

ELMER DWIGGINS MISSING

Bankers Life, Iowa, Had Nothing to Do With His Liberty Loan Scheme

Books and papers belonging to Elmer Dwiggins, general agent of the New York Offices of the Bankers' Life Company, 165 Broadway, were turned over yesterday by post office inspectors to John C. Knox, Chief Assistant United States Attorney, and an order immediately issued that the insurance man be questioned as soon as his whereabouts can be ascertained. Dwiggins recently advertised through the mail for instalment purchasers of Liberty Loan bonds, and, it is believed, contracted to sell from $200,000 to $500,000 worth of these securities on weekly payments. An investigation of his books was begun secretly a week ago at the solicitation of the Liberty Loan Committee and the Federal Reserve Bank, and yesterday when officers were requested to bring him before Mr. Knox at the Federal Building they were unable to find him either at his home, 204 West Seventieth Street, or at his office.

At the latter place a statement was made by Lee J. Wolfe, consulting actuary of the Bankers' Life Company, that whatever transactions Dwiggins may have had relative to the sale of the Liberty bonds were entirely independent of his connection with the Bankers' Life Company, of which he was general agency manager. Mr. Wolfe said that he had just been asked by the home office of the company in Des Moines, Iowa, to take charge of local affairs.

A bad habit can be acquired in twenty minutes. It takes longer to acquire good habits, but happy is the man who has done so. Chief among good habits is the habit of work. Cultivate it. Work will work wonders. We know it because we have tried it, or at least seen it tried. If you don't believe it, try it.—Penn Mutual News Letter.

No Life Man on Profits Commission

(Continued from page 1)

the best available constructive knowledge and experience.

"The department recognizes the desirability of relieving the public of any uncertainties as to the interpretation and administration of the law. Hasty action must be avoided and due consideration must be given to actual conditions and facts so that the department's rulings shall not disturb sound and desirable trade practices."

The Columbian National Life
OF BOSTON
ARTHUR E. CHILDS, President
A CHANGE may be necessary to realize your ambition
Think a minute—then write
WM. H. MASTIN — (West of the Mississippi). SYMES BUILDING DENVER, COLO.
FRANK D. LOMBAR — (East of the Mississippi). 77 FRANKLIN STREET BOSTON, MASS.
SUPERINTENDENTS OF AGENCIES
DARL D. MAPES, Superintendent of Accident Agencies
77 FRANKLIN ST., BOSTON, MASS.
The service of a high grade Accident Department will also be offered so that you will not have to broker your Accident business to avoid violating your Life insurance contract.

A GOOD OPENING
An old, well established, progressive life insurance company, with unexcelled dividend record has good opening at PHILADELPHIA, covering Eastern Pennsylvania. Address, stating qualifications:
PHILADELPHIA, care of The Eastern Underwriter
105 William St., New York City

Build Your Own Business
under our direct general agency contract
Our Policies provide for:
Double Indemnity, Disability Benefits, Reducing Premiums
See the new low Rates
JOHN F. ROCHE, Vice-Pres't
THE MANHATTAN LIFE INSURANCE COMPANY
66 BROADWAY NEW YORK
Organized 1850

ILLINOIS LIFE INSURANCE CO
CHICAGO
JAMES W. STEVENS, PRESIDENT
GREATEST ILLINOIS COMPANY
WANTS GOOD MEN AND WILL PAY THEM WELL

Tells How He Writes "Large Business"

GENNERICH IN $1,000,000 CLASS

Says Both Large and Small Policies Must Be Written to Pile Up Volume

H. W. Gennerich, leading writer of the Germania Life in New York City, recently told managers and agents of that company how he succeeds. He was given the topic "Big Business, as in 1915 he paid for $750,000, in 1916 $839,000 and this year over $1,000,000. It took 756 lives for him to pile up $2,500,000 of insurance. The average policy was about $3,000. Among policies he has written this year were one for $125,000 and one for $200,000. His philosophy in brief is that the man who writes large business must also do his level best to write small policies, too, and in the end he will be pleasantly surprised at the number of policies of both kinds that he places. His talk in part follows:

The Sample Policy Fakir

"You will probably be surprised when I tell you that I have never bought a dollar's worth of business from another agent. In other words, my business is, as the word implies, personal production.

"In dealing with this subject of writing a big business, there are many factors, disturbing factors, as it were, that enter into our work. The first one, and to my mind the most objectionable one, is the question of the sample policy fakir. I mean by this that the man you are gradually getting the best of in your interview and who does not want to 'fall for' the stuff you are handing out, says: That's all right, I like it; send me a 'sample policy.' The real object of that man is to terminate the interview, take the policy, give it to some of your competitors and then, when you call on him again, tell you he has changed his mind. If a man says to me, 'Gennerich, that is a fine proposition, send me a sample policy,' I say to him 'not on your life.' And in telling you the reason why I won't give you a sample policy, I must illustrate it by telling a story. Some day you are going to die, and when you dies they will put you in one of these long pine boxes. Your friends and relatives will walk around the casket and somebody will say to your wife: 'Did Mr. Jones carry much life insurance?' and your wife, with tears streaming down her face and heart broken, will say: 'No, but he had over a hundred thousand dollars' worth of sample policies.' I am not going to be the perpetrator of that kind of a crime, directly or indirectly.

"The first question of protection, of course, is an important one, and then there is the question of investment, and in order to have him interested it is necesary for us to show him that the policy is an investment policy. I will tell you, briefly, how I do. I go into a man's office and show him, say, an ordinary life policy, and ask him if he is willing to take a policy for $5,000 at $50 a year. All we do is to insure you and pay the claim if you die, and he will generally admit that $10 a year for $1,000 is cheap. Then I show him another policy, saying to him the premium is $30 per $1,000, and that the first thing I want him to do is to deduct $10, which he agreed is a fair price to pay per $1,000 for insurance, so that his real investment is $20 and not $30 per $1,000 because the $10 he is paying is for protection.

The Fear of the Future

"The most common argument which I find advanced by large and small men alike is this: 'I can pay the first premium all right, but suppose I get broke in the next two or three years, or suppose I am taken sick, what then?' And this is the argument I use: 'After you have paid up two premiums you can't lose this policy under any circumstances. If you are financially disabled the cash value of the policy helps you, and if you are physically disabled you get ten per cent. of the face value.' That generally removes that element of uncertainty which makes him timid about life insurance.

"The ordinary life insurance man of today makes one mistake. I make it, I was going to say almost daily, and that is this, I don't use the brains God has given me to their full capacity. The brain is given in order that we may be able to think for ourselves and not follow the lines which the other fellow pursues or do what he does. A man is supposed to use his 'nut' and do some things that the other fellow dcesn't do or doesn't think of.

Only Knows His Own Policy

"You can imagine that a man who sees as many people as I do, who pays for two hundred and fifty policies a year, is thrown in contact with the policies of many other companies and very many policies are presented to me for my scientific opinion, as it were. I don't think it's worth anything—but they are presented to me for that purpose. The only policy I know anything about is the policy I am selling for the Germania Life. Therefore, I say my scientific opinion is worth nothing. I will tell you how I handle that. I say: 'That company, like our company, will do just exactly what is stated in its policies' and that generally ends that part of the interview, because just as soon as I commence to show the fellow the flaws in the other company's policy I am becoming a booster for that company. I wrote a policy last year for a $6,900 premium. Got the man's check and he has paid the second premium. That was the most difficult case I ever wrote and I will tell you why. This man is worth about $2,000,000; has an income of $50,000 or more a year; has no family and is forty-six years old. I didn't know all these things when I started to talk to him, but they developed while I was talking. I started, of course, to talk on the question of protection. I shot one gun and it didn't seem to hit, so I tried another. I said to him: 'Jones, you're a wealthy man. You have an enormous income, but did you ever stop to think that men with enormous incomes sometimes die paupers?' He said: 'Yes, that might happen.' I said: 'It might happen in your case. You are getting old. You put your business in the hands of one or two of your subordinates and they may make mistakes.' He said: 'That's the only argument you have offered that fits my case, and assuming your line of reasoning is scund and fits my case, what shall I do?' I knew this man had been solicited by other agents and had the prices down pat, so I used my brains. He was forty six years old and I said to him: 'What you want to do is to buy a policy that will mature when you are 65 years old.' The result was that I sold him a 25-year endowment policy for $100,000 with a premium of $6,900 and I think he is one of the best policyholders that I have today."

THE CENTURY'S PROGRESS

Since February 1st of this year The Century Life of Indianapolis has written $2,332,000 of good business. This is a most satisfactory record for a company as recently established as the Century. Several agencies of the Company have done particularly well, among these is Cleveland, Ohio, which is managed by George Montagu Nettleship. Mr. Nettleship came to Cleveland in April and up to the end of October had written $456,344.

THE MOST VALUABLE POLICY FOR YOU,
Mr. Agent, is to write your prospect in the Company writing the most valuable policy for the insured.
Secure **prompt action** in the

John Hancock MUTUAL LIFE INSURANCE COMPANY OF BOSTON MASSACHUSETTS

WILLIAM N. COMPTON, General Agent
METROPOLITAN DISTRICT, ST. PAUL BLDG., 220 BROADWAY, NEW YORK, N. Y.

ORGANIZED 1871
Life Insurance Company of Virginia
RICHMOND, VIRGINIA
OLDEST, LARGEST STRONGEST Southern Life Insurance Company
Issues the most liberal forms of Ordinary Policies from $1,000.00 to $50,000.00, and Industrial Policies from $12.50 to $1,000.00
CONDITION ON DECEMBER 31, 1916:

Assets	$14,464,552.23
Liabilities	12,436,717.56
Capital and Surplus	2,027,834.67
Insurance in Force	118,349,212.00
Payments to Policyholders since Organization	18,119,172.50
Is Paying its Policyholders over	$1,300,000.00 annually

GOOD TERRITORY FOR LIVE AGENTS

FOUNDED 1865
Unexcelled In Favorable Mortality and Economy of Management
The Provident Life and Trust Company
OF PHILADELPHIA
Rates of Premium Extremely Low and still further reduced by Annual Dividends

THE BERKSHIRE LIFE INSURANCE CO.
OF PITTSFIELD, MASS.
Incorporated 1851
W. D. WYMAN, President
A purely mutual Company, issuing all desirable forms of life insurance.
ATTRACTIVE LITERATURE
Ambitious, Productive and Trustworthy Life Agents may be benefitted by corresponding with
W. S. WELD, Superintendent of Agencies

J. C. Humes, President — L. D. Clancy, Secretary
THE CRESCENT LIFE INSURANCE COMPANY OF INDIANAPOLIS, INDIANA
"ENDURING AS THE PYRAMIDS"
A Legal Reserve Company
Are You a Big Producer? Can You Prove It?
ONE GENERAL AGENT WANTED IN INDIANA
Home Office: Fletcher Trust Bldg., Indianapolis, Ind.

Get On The Firing Line With Our Triple Option Policy

Liberal Agency Contracts
Every Policy Registered With The State of Missouri
The Company of Today With Methods of Tomorrow
Assets over $8,000,000.00 Insurance in force over $67,000,000.00
International Life of St. Louis, Mo.
Massey Wilson-Pres. J. L. Babler-Gen Mngr. Agencies. St. Louis Mo.

Court's Decision in du Pont Stock Case

VICTORY FOR MUTUALIZATION

Free Surplus of Equitable Does Not Belong to Stockholders—Approve Stock Sale

The United States Court of Appeals, which has decided against the Sir William C. Van Horne executors and trustees in the mutualization proceedings of the Equitable Life Assurance Society, as was printed last week, completely answer the first three complaints in the bill in favor of the Equitable and of the fourth complaint based on the constitutionality of Sections 16 and 95 of the New York insurance laws, says:

"These conclusions leave Sections 16 and 95 of the Insurance Law as amended free from all attack in this case on the ground of unconstitutionality. The general principles of law are not the subject of dispute."

The Complainant's Case

The complainant's case is this:

First: That the stockholders are the owners of the Society's free surplus, i. e., the surplus over and above what shall be necessary to carry all outstanding obligations, losses and expenses, and they are injured by the waste of it as for example by the purchase of du Pont's stock control at an exorbitant price.

Second: That the proposed mutualization plan has been brought about by du Pont's control of the board of directors and the meeting of the stockholders held to consider it.

Third: That du Pont has used his stock control to oppress the minority stockholders by getting a higher price for 501 of his shares than they can get for theirs.

Fourth: That if Sections 16 and 95 of the Insurance Law as amended authorize the purchase of the du Pont stock on these terms and under the circumstances they are unconstitutional.

The Decision

Taking up these complaints the Court said:

"We are, however, satisfied that the proper construction of Article 3 of the Society's charter is that the sole right of the stockholders is to receive semiannual dividends not exceeding 3½ per cent. on their stock, and, of course, the ownership of the securities deposited now with the Superintendent of Insurance at Albany, in case the Society were wound up and its debt paid.

Earnings For Benefit of Policyholders

All the earnings over and above those dividends and losses and expenses are to be accumulated for the benefit of the policyholders, necessarily the participating policyholders. This construction is confirmed by the provision in Article 6 that the insurance business is to be conducted on the mutual plan and that every policyholder is to be credited with his equitable share of the net surplus. The complainants say that the business meant is that of participating policyholders and annuitants only and does not apply to non-participating policyholders and annuitants. But it is the earnings of the Society's whole business, from whatever source, that are to be accumulated and to be credited, not to the stockholders but to each policyholder in proportion to his equitable share of the net surplus. This equitable share is evidently so much of the surplus of the annual dividend policies as distinguished from tontine or deferred dividend policies (which receive their full share of the surplus of each class at the expiration of its fixed period) as may be prudently divided with a view of the protection of all policies and annuities and to protection against unforeseen losses, expenses or contingencies.

Furthermore, the continuous practice of the Society from its incorporation down to the present time confirms this construction of the charter. The plan submitted at the original meeting of the projectors, the annual reports of the Society, its prospectuses issued to the public, its answers to official inquiries, all declare that it does a wholly mutual business, no part of the earnings except dividends not exceeding 7 per cent. on their holdings going to the stockholders.

Therefore, we thing that there is nothing in this complainant's claim that they as stockholders are injured in connection with the appropriation out of the Society's surplus to purchase du Pont's stock because they have no interest in the surplus whatever. If anyone has a right to complain on this point it is the participating policyholders and annuitants.

Trust Relationship

We come now to the alleged violation by du Pont of his trust relationship to the minority stockholders in controlling which it must be constantly borne in mind that we are dealing with a corporation whose stockholders do not own its surplus. A different conclusion would be reached in the case of an ordinary stock company.

When the legislature authorized stock life insurance companies to acquire their own stock it must be taken to have authorized the usual negotiations between buyer and seller for the purchase not all at one price nor too much at one time, but at various times and prices as the stock could be acquired. A stockholder who controls this Society has the same right to negotiate as a minority stockholder has. If the proposed plan had fixed a lump sum for the purchase of du Pont's stock, without saying anything about the price to be paid for other stock, we do not see that there could have been any complaint. It is because the plan fixes a much lower price for the minority stock that the complainants complain. But it is common knowledge that stock sufficient to control a corporation is worth more than minority stock and though du Pont's stock can never receive more than the very moderate dividend of 7 per cent., still this power to control the management of a company whose assets amount to nearly $600,000,000 confers a standing and influence which greatly increases its value. It has been the fear that this influence may be improperly used that has caused the general and long-standing desire to put the control of the Society into the hands of the participating policyholders who really own it.

du Pont Sold for $2,000,000 Less than Purchase Price

The history of the continued stock control shows its value. It was first sold by James Hazen Hyde to Thomas F. Ryan for $2,500,000; Ryan sold it to the late J. P. Morgan for about $3,000,000; Morgan sold it to du Pon for over $4,000,000, and now du Pont offers it to the corporation for about $2,000,000 less than he paid. Complete mutualization can never be carried through without du Pont's stock and it would be unreasonable to suppose that it can be acquired on the same terms as minority stock. The inviolable equality of stock for which the complainants contend, does not require that all stock shall be sold at all times at the same price.

These conclusions leave Sections 16 and 95 of the Insurance Law as amended free from all attack in this case on the grounds of unconstitutionality.

Relations Toward Surplus

The general principles of law are not the subject of dispute. The cases cited by the complainants went off so far as the purchase by a corporation of its own stock is concerned on the construction of particular statutes and particular charters. Nor in deciding that the stockholders do not own the surplus need we consider just what the relations of the participating policyholders are to the company and to the surplus. What the complainants have to show in order to get relief is that they own the free surplus.

In Currier v. Lebanon Slate Co., 56 N. H. 262, the board of directors of an insolvent company purchased shares of a subscriber who had not paid in full for the purpose of relieving him of liability. This was held illegal and an unfair distribution of the company's assets.

In Bergen v. U. S. Steel Co., 63 N. J. Eq. 809, an offer of the company to purchase its preferred stock with its 5 per cent. bonds was held to be a fair distribution of assets because it was made to all the preferred stockholders without discrimination. This was the case of a stock corporation whose assets belonged to the stockholders.

In Rabothan v. Insurance Co., 64 N. J. Eq. 673, under a statutory authority to invest, persons who controlled a stock corporation appropriated $8,000,000 out of its surplus to get control of a second stock corporation for the purpose of perpetuating their control of the first corporation. In a suit by a stockholder this was held to be illegal.

In Greeff v. Equitable Life Assurance Society, 160 N. Y. 19, the holder of a tontine policy for $20,000 in this company brought an action to recover an amount in addition to the share of the surplus paid him on the ground that the whole surplus should have been awarded. The court held that as his policy provided the company should determine the amount to be distributed, the action could not be maintained in the absence of bad faith, wilful neglect or abuse of discretion.

Equitable v. Brown.

In Equitable Life Assurance Society v. Brown, 213 U. S., 25, the holder of a participating life policy of this Company brought a suit in equity, alleging that the defendant had wasted, misapplied and misappropriated the surplus, and praying for the appointment of a receiver and an administration and distribution of the fund by the court. It was held that such misappropriation and waste by the previous administration of the Company were no ground for equitable jurisdiction; that the bad faith mentioned in the Greeff case meant not waste nor misappropriation of the Company's assets by the Company's officers and others, but bad faith in the distribution between policyholders of the same class.

In neither of these cases nor in any similar case to which we have been referred did the question arise whether the accumulated profits under this or any similar charter belong to the stockholders or to the participating policyholders.

The complainants urge that we should maintain the status quo until final hearing at least by enjoining delivery of Schedule B providing for the payment of instalments of the purchase price of due Pont's stock out of the interest due by the Building Corporation on its mortgage and the delivery of the release, Schedule C, of the Equitable Society's right to 9 per cent. of the dividends paid by the Building Corporation on its common stock. It is said that this course will be of little disadvantage to the defendant, which by the eighth article of the agreement of sale is subject, in case of delay in delivering Schedules B and C, only to the payment of interest at 5 per cent. of any instalments payable to du Pont before actual delivery, whereas, on the other hand, if the plan is presently consummated, they will be under great difficulties if they prevail at final hearing. The complainants' contentions are too doubtful to justify us in doing this and the order is therefore affirmed.

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The fifty-seventh annual report shows insurance in force of $133,493,000, an increase during the year of $7,832,827. The Company paid the policyholders in 1916 $3,536,233, of which $628,406 was in dividends or premium refund. Its insurance reserve fund was increased by $1,300,000 and the Assets are now $32-821,462.

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LIVE HINTS FOR BUSINESS GETTERS

Practical Suggestions to Help the Man With the Rate Book Increase His Income and General Efficiency

Consecration, Concentration, Conservation

What a great many life men have been thinking, what a great many are thinking, and what many should be thinking, is epitomized effectively in the current issue of the "John Hancock Field," under the caption, "Consecration, Concentration, Conservation." It reads:

This is a day and an age of intense and strenuous effort. As a nation and as individuals, we are consecrated to a great task and concentrated on a great purpose—the preservation of liberety and the conservation of the American home.

Thousands and hundreds of thousands of our best young men, the very flower of American manhood, are performing full days of the most exacting duties in preparation for the more strenuous days of service in France, where they will fight our battles in order that we and our children and our children's children may follow the pursuits of peace and enjoy the freedom of a liberty-loving peeople.

At this time and under these circumstances, it is altogether fitting that we who remain at home should consecrate ourselves more intensely to service.

And what service here is more fitting, more useful, or more honorable than the preservation, the maintenance and the defense of the American home? Surely there is no better fortification and no stronger wall of defense against the visible and unseen dangers which threaten the American home than life insurance. Against the dangers of want and privation, humiliation and despair, the great institution of life insurance stands out as the most tangible, the most reasonable, and the most valuable protection that the people of this or any other land have access to, and through means which are within the reach of nearly all able bodied and decently living citizens.

Shall we then, who have chosen this for our business, and our trade, and our profession, be lacking in energy and enthusiasm, in industry and in patriotism, through failure to extend as broadly as possible the benefits of protection to the people of America? Shall we be "slackers" when the opportunity is before us and the call to universal service for humanity is being sounded so clearly and so forcefully throughout our land? Perish the thought!

Rather let us dedicate ourselves with renewed zeal and with more intense concentration to our cause, which is as honorable as it is just, and as practical as it is beneficent, and, with the full consciousness that in every home to which we bring life insurance, we are increasing to that extent the safety and happiness and the permanence of that home, with its consequent addition to the strength, the prosperity and the endurance of the nation.

* * *

Ideal Complete Coverage

The following presentation of an ideal complete coverage life insurance proposition (reported by the "Standard") is being used by Louis N. Denniston, agency instructor at the head office of the Travelers:

Dear Mr.

Agreeable to our conversation of yesterday, I am pleased to give you in brief form the points that I made in my outline of the ideal coverage of life insurance.

To a man who, like yourself, realizes the responsibility which he bears to his family, there are four points in his estate or in his plans for them which he would like to arrange to have cared for beyond any question of doubt.

1. That every debt which you owe, both of a personal and family nature, would be paid (this would include expenses of your last illness and burial.)

2. That the home which you now occupy, or one just as good, be assured to Mrs. Blank; that is, if you are owning your home under the usual mortgage approximating fifty per cent. of its value, this mortgage either be wiped out entirely or reduced materially; or if you are not owning your home, that a sum of money be left to purchase a modest home—for you know that one of the reasons why families are separated is owing to the fact that it is impossible to maintain a home or get together enough money month by month to pay the rent, if the home is not owned.

3. An emergency fund—by which I mean that a reasonable sum be deposited to the credit of Mrs. Blank, in a savings bank, to be used at her discretion; but that you could place upon her the moral obligation that it should be used solely for emergency, such as sudden illness, or repairs upon the home, and the like.

Monthly Income Feature

These three points take care of what might be termed the absolute necessities of your estate in so far as the immediate necessities are concerned, but not necessarily the most important item; which will be a sum of money in the form of a monthly income which you should leave which will be paid to Mrs. so long as she lives—twenty years guaranteed.

From the very frank statement which you made to me, I judge that a man in your circumstances should arrange his insurance coverage along the above lines and in the following amounts:

1st: Debts .....Approximately..$1,500
2nd: Home (Purchase or reduction of mortgage) 3,000
3rd: Emergency Fund 2,000
4th: Income .....100. per month
Continuous for the life of Mrs.

twenty years guaranteed; by which I mean that should Mrs. die before receiving instalments for twenty years, the remaining instalments will be paid to her heirs or as you may direct, or commuted in one cash payment.)

This would cost you, for the insurance to cover the first three items.....$162.92
For the continuous instalment, monthly income, your age 40 and Mrs. age 36..$476.30

Total $639.22

In connection with the above proposition, permit me to suggest for your consideration—if not at this time, at some later date—an income proposition which would supplement the above and arrange to make it possible for Mrs. to draw $200 a month for the first ten years following your death, and $150.00 for the second ten years; and, if she is surviving, $100 a month for the remainder of her life—always with the understanding that should she die before receiving the full instalments in any of the respective periods under twenty years, the remaining instalments will be paid as above provided.

By the way, you, of course, appreciate that such a part of your estate as you create in the form of life insurance is entirely free from taxation of any kind—even inheritance tax—and the plan of distribution of same could not be changed by Mrs. unless you gave her the option; of course, in the event of your doing so, there is a possibility of the intent of your plan being defeated.

I am sure you will appreciate, Mr. that the above proposition is very properly termed an ideal coverage, or it takes care of every phase of your estate, and on completion of such an arrangement you would have the great satisfaction of knowing that you had done all that is possible to provide for the good wife.

Thanking you for the interview, and assuring you that I feel confident that when I see you on the instant, you will see the wisdom of my suggestion to the point of directing me to complete the final arrangements. I am Yours, etc.,

* * *

Enforced Saving Appeals to Women

One of the agents of the Germania Life at a recent convention of that Company said:

"I find that the idea of enforced saving appeals to women. I have yet to find the first unmarried woman to talk who wasn't willing to admit she would save if she had an object to save for. I say to her, 'Well, it would be comparatively easy for you to save if you wanted to take a trip to Niagara or some other resort.' I say also, 'We hope you are going to get married, but you may not, and what is going to take care of you in your old age?' One woman will say, 'Suppose I get married, what will I do then?' I reply, 'Keep your life insurance policy. Of course, you are going to marry a rich man. Nevertheless, you may run into future snags. Your husband may be the best man in the world, but he may not be successful. You will want to give your children a good start in life, and if adversity should overtake you, you may be sure that this twenty-year endowment policy will enable you to send your children to college, to give them a good education? I am starting this year with about one hundred and fifty prospects and it's a dollar to a penny that next year when I come to the convention I will have a large percentage of those women holding Germania policies."

* * *

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THE EASTERN UNDERWRITER
105 WILLIAM STREET
NEW YORK

The Vital Relations of Insurance to Banking and Shipping in the World's Trade After the War---America Fore

By HENRY EVANS,
President of Continental, Fidelity-Phenix and American Eagle Fire Insurance Companies, New York

The matter herein presented is, in its whole aspect, the future of world's trade at the conclusion of this war, from the standpoint of insurance opportunities. At that time the United States will probably be the largest creditor nation, possessing the greatest resources in immediate sight for conversion aud realization, and for the first time in more than half a century will have in hand a merchant shipping sufficiently large to enable American business interests to carry in its own bottoms much of the vast commerce that will be immediately released for the rehabilitation of the exhausted nations.

The economic proposition at the base of the foreign trade of every nation is the union of banking, shipping and insurance strength. In the absence of any one of the three the other two factors will be exposed to weakness that will inevitably bring waste or loss, if not failure. Great Britain has commanded the foreign trade of the world because she has financed it herself, carried it herself and protected both its credit and its losses by insuring every dollar of her own trade, when possible, with her own insurance. Germany, before the war began, was enormously extending her foreign commerce by exactly the same means. Behind German banking, shipping and insurance stood the whole financial power of the Imperial Government. In Great Britain it is the other way around. There the great banking, shipping and insurance interests in every trading port of the world stand behind the Government at home. Japan, which is taking advantage of the war to enlarge her commerce, is following the German plan, with her insurance facilities not yet fully provided, but depending largely for them on her British Ally; although a great share of it comes to America, if it is American business.

The above are facts, not suggestions. It is not the purpose to present arguments herein so much as to set down facts which will yield their own suggestions for consideration, and suggestions which may develop into facts.

Open International Competition

Chief among the latter is the suggestion as to the attitude of the various nations toward world trade at the conclusion of the war, whether or not that be far distant. You will have noticed that, in his answer to the peace note of the Pope, President Wilson has in positive terms, as far as diplomatic restraint permits him to say it, laid down demands for a world democracy of trade in open international competition. Here is his proposition:

> Punitive damages, the dismemberment of empires, the establishment of selfish and exclusive economic leagues we deem inexpedient and in the end worse than futile; no proper basis for a peace of any kind, least of all for an enduring peace. That must be based upon justice and fairness and the common rights of mankind.

Comments upon this program by the associates of the United States in this war have been very guarded. In all matters of trade and foreign enterprise we know that England stands always firmly upon her centuries of experience, which she applies without sentiment but with energy, courage and tenacity. What she determines to do with respect to world trade after the war will go far toward fixing the status of the competition. Great Britain's experience and long established connections in world trade suggest that she will continue the leading competitor the moment peace opens the doors to trade resumption. Her political and trade statesmen alike have been studying the problem from the attitude of final peace under the financial burdens imposed by the war. Lord Cromer, the greatest British fis-



HENRY EVANS

cal administrator, discussing the necessity for revenue after the war (the necessity for which increases daily) said a year ago that Free Trade would have to yield its objection to a general tariff to the political necessity for the colonies to be brought into closer relation with the Imperial Government through a preferential treatment of their products as against those of outside nations.

Great Britain

The inevitable suggestion is that Great Britain will make an experiment in tariff for revenue only with preferences to her colonies, which will have some effect as a protective tariff against other nations. With that exception Great Britain expects to continue her trade policy of centuries, and none of her authoritative statesmen in commenting on President Wilson's peace note has traversed the general proposition of Lord Cromer.

To the extent of a general tariff with preferentials it is suggested that Great Britain will approach the conditions of foreign trade that will exist in the United States when the protective tariff that has been revised downward can come into free play. This tends to bring the two great democratic English-speaking nations into competition under terms somewhat comparable.

If they had only each other to deal with, then National American political policy could address itself solely to the task of enabling the enormous productive and commercial resources of the United States to qualify for the competition that would ensue. But the competition will not be so confined.

What Germans Are Planning

German economists are planning no less actively than those of Great Britain. There, it might be thought, the planning would hinge upon the character of the peace that will be reached. But, so far, all of Germany's productive and business activities have been conducted on the basis of paternalism, with the Government in the attitude of a trust to furnish the needed support, which is always forthcoming when adventurers into business fields can show competent management and good prospects. Considering how Germany has prospered and how enormously its foreign trade had grown in the past forty years, the suggestion is natural that whatever changes of political form come with peace, German statesmen aud the German people will continue their government-backed financial policy in their foreign trade. Japan seems to be imitating that policy, increasing her banking facilities abroad, enlarging her shipping, developing her insurance, establishing new manufactures and productive industries —preparing for every eventuality while the rest of the world is busy with war.

Here we have the four main competitors lined up for the future world's trade: Great Britain, the best equipped; the United States, with vast potential strength; Germany and Japan on very different lines. However the war may conclude, nothing can remove the popular necessities or long restrain the national demands of their four countries, not one of which is in decadence. It is reasonable to expect, therefore, that with her unrivaled experience and connections Great Britain will be in an attitude to influence largely the terms of trade competition, subject to modification by the power of the centralized and paternalistic Governments of Germany and Japan. The ultimate control would, then, it would seem, lie within the province of the United States to command, with her incalculable wealth and productive powers in full action. It is the great opportunity of history, not to be overlooked.

Signs of Our Foreign Trade Expansion

Already there are signs of preparation for extending foreign trade for the United States, about which you are probably better informed than I, since they refer particularly to the selling, banking and shipping ends. For instance, the announcement by the American International Company of a new subsidiary to engage in the exportation of steel and its products. It comprehends the establishment of offices at London and Buenos Aires at first, with others to follow in the principal ports and cities of the world.

Unless American insurance cmfwyp panies these other facilities it is inevitable that every ton of the steel exported and the exchange cargoes returning will pay toll to foreign insurance interests that will comb out profits in close competition. At equal rates the mere holding of insurance premiums in the United States will fertilize the export business and to the extent of their volume compound its strength, besides imparting a national spirit of independence to Americans scattered abroad that will cultivate respect for and fear of American influence, so much needed to support an international trade. It is strongly indicative of the truth of what I say as to the necessity of preparing to proceed with banking and insurance, that the New York University has established a series of lectures to be given by practical men to the students on the subject of Marine Insurance.

In the midst of the war we find England and Germany planning for great post-war shipping enterprises.

"The Americas," the publication of the National City Bank, explains and discusses the school of instruction that is preparing officers to command the emergency fleet now constructing for war-time operations, which will be the nucleus of American merchaut shipping after the war.

Similar preparations are being made both in Great Britain and Germany to provide the insurance protection that they know by experience is so necessary to the protection of banking and shipping. A leading paper in the insurance trade, has the following news in connection with a warning to American underwriters to organize for ocean marine business:

> The importance of the ocean marine business must not be underestimated. It conserves and protects all the rest and is the very ark of the covenant of all foreign trade of every country—without it trade withers. In the past half a dozen years there has been a steady absorption by British fire, life and casualty companies (and most big British companies write all these) of the marine companies in the Kingdom. Since the war began the Scottish Union & National has purchased the Maritime; the North British & Mercantile has purchased the Ocean Marine; the Northern has taken over the Indemnity Mutual Marine, The Phoenix of London owns the Union Marine, while the London & Lancashire (which already owns the Reliance Marine and Standard Marine) has this year acquired the Marine of London. With the Royal owning the British & Foreign Marine, the Yorkshire possessing the London & Provincial Marine, it will be seen that Great Britain's far-seeing business statesmen are getting ready for the great business contest.

It may be added that other mergers and purchases are now in process of negotiation in England.

A German Summary

The Munich "Neueste Nachrichter," a leading German newspaper, gives the following summary of what German capitalists are doing with similar ends in view:

> German insurance has been able to maintain itself during the three years of war without the aid of moratoria or similar protection, and is at present actively engaged in fortifying itself for the struggle after the war for the covering of all German requirements for insurance without recourse to the international market, or at any rate, to enemy countries.
>
> In transportation insurance the insurers have long ago deduced for the economic measures adopted in enemy countries the necessity of so strengthening their position as to be able to take the largest risks independently of the international market. Hence the new foundations, especially in the seaport towns (Hamburg, Bremen, Lubeck, Stettin); and the amalgamations, partly in the form of complete coalesence, and partly in the looser form of community of interests. In either case, the motive is extension of business and reduction of outlay, as well as the desire to secure the support of a larger concern.
>
> The same tendency to expansion also manifests itself in the insurance of goods. Furthermore, a large number of fire insurance companies, having increased their guarantee funds, are devoting themselves to transport insurance, while many transport insurance companies are adding fire insurance to their activities. By the most inconsiderable increase in the number of insurers in both these branches, the possibilities of German insurance business are enormously extended, and German insurance is thereby made independent of the international, and especially of the English market.
>
> The movement for the expansion of German insurance has led shipping and trading circles to think of uniting individual insurers into an organization similar to Lloyds in London. Whether this scheme will be realized remains to be seen. More welcome, because more in accord with actual requirements, is the new venture started on June 1, 1917, for providing shipping intelligence, which is another practical expression of Germany's desire to free herself from London.
>
> In fire insurance similar tendencies toward fusion and amalgamation, as well as the augmentation of guarantee funds, are observable.

Co-Operation Among American Interests

Conditions after the war having been suggested for your consideration, it is proper to turn to the potentialities of the United States for entering upon the world's trade and controlling a share of it in every way commensurate

with our productive and distributing capacity. Of production there is, for conditions likely to exist for the future, practically no limit. Our distributing capacity, which implies exchanges, will be exactly what the business genius of the country, aided by adequate laws, makes it. We must assume that political genius will co-operate with business genius and as far as possible pro vide laws that will give freedom to American enterprise in establishing American competition in every quarter of the world where our products can be exchanged profitably for those of other countries.

First of all, our distributing capacity will depend absolutely upon the union and co-operation of American banking capital, American shipping and American insurance. All these must start together, continue together and grow together until, like the Britons and Germans, American merchants and traders can, wherever they go for business, find near at hand the support of American money and institutions and the backing of American national pride under the flag. No American who has traveled, or who has had in his business to meet foreign competitors, can have failed to recognize the national spirit of Britons and Germans which everywhere brings them to the support of their own business enterprises and institutions as against all others. Under equal conditions everywhere they give their business to their own nationals. This is not true of Americans —not that they are less patriotic, but because they cannot be assured of American support and the presence of American representatives everywhere, and so Americans learn unconsciously to depend upon other facilities that they know are world-wide in existence. As the British speak our language and are most nearly allied with us in their traditions, it has followed that Great Britain has largely been the financer of Americans in foreign countries, has carried our commerce over seas, and furnished our insurance to a large extent even in this country itself—almost wholly in the foreign carrying trades. Other nations and ourselves get only the excess of this and usually the unprofitable part.

Innsurance and Banking Must Precede Fleet

You are yourselves entirely familiar with the banking resources of the United States and know how they may be extended in trade pathways. On the shipping question you can command the views of experts. I only suggest that, as the Shipping Board has wisely resolved to construct all-steel ships for the war emergencies, the end of the struggle will find the United States in possession of a merchant fleet that can be put to immediate use to build up our world's trade. If we are not prepared to precede it and follow it with banking and insurance facilities, not only will the fleet be dispersed at a great national loss, but all the potentialities of the national wealth and energy that can be employed in world's trade will be lost with the fleet.

We are now practically pledged to the investment of $21,000,000,000 in the war, of which one-half will probably be repayable as loans. The other half will be a financial waste unless the military and naval power that it builds up for us is to be accompanied by the extension of national trade. You know quite well if the United States is merely to wait patiently for the repayment of her loans to other nationals, that repayment will surely be made out of profits they make out of us in our own trade, or out of trade that will be theirs merely because we resign it to them without an effort to control it. As a business proposition we might better afford to lose the loans than to resign the enormous values in a world's trade. Without speculating at all upon the probabilities of the migration of populations after the war, we must face the problem of an enormous increase of population in the United States in the next generation and must lay the foundations for employment and support of more than two hundred millions of people, the working factors and productive capacity of which are increasing steadily through the entrance of women into all avenues of occupation. And we must take care to make that great industrial population the best rewarded in the world. This is going on elsewhere amongst all our competitors and the United States cannot without disaster attempt to remain stationary or even merely to hold her own. These suggestions are offered because as business men we must look to the future before the problems that will surely arise shall force themselves upon the unprepared attention of those responsible for governmental policies. If business does not pioneer the way for liberal laws such laws will not be enacted.

Opportunities of Insurance Capital in the World's Trade

My main purpose is to put before you the opportunities and ramifications of insurance capital in the world's trade. It fulfills the very vital purpose of protecting and stabilizing the banking, commercial and shipping factors.

It is well known that the English banks in South America and all over the world, appreciating the necessity of insurance as a complement of banking and shipping, established for themselves a ready market with which to provide this insurance to those with whom the banks did business. A limited underwriting facility for marine and fire insurance, (limited in conditions, but not in amount) was given to these branches of the London banks by the insurance offices in London, and when loans were made on property, let us say, in South America, they were made upon the condition that the banks should furnish the insurance. Say, for example, a man requested a loan on standing crops; this was made by the bank and the fire insurance policies protecting the loan issued by the bank, and the marine insurance when the grain was exported also issued by the bank. Thus it has occurred that many branch banks do a large and profitable business in insurance as well as in banking, and they have the advantage at the same time of knowing that their insurance is properly secured in responsible companies. We have never, up to the time of the war and the time of the extended foreign interests of our own banks, been in a position to induce American underwriters to enter these fields, because there have been no branch banks with whom they could affiliate except foreign branch banks. Now that the American banker is going into the foreign field he must take with him his American insurance companies, and the American company is not loath to enter this field if it can have with it its complement, the banking institution.

Prohibitive Rates

Insurance furnished by competitors can be used to comb the profits out of any trade. It has recently been done in the present war emergency. American companies having outstanding contracts with shippers to furnish ocean marine insurance found themselves deprived of re-insurance facilities by the President's proclamation forbidding such transactions with German companies. In the absence of suffcient American marine insurance the German companies were strong enough to furnish needed competition for American business against British companies. Immediately this German competition was prohibited, American companies seeking cover for large lines had to rely upon British companies for re-insurance. These at once quoted prohibitive rates, in one instance of which I was informed, as high as 10 per cent., where the contracts of American companies were based on a rate of 2½ per cent. This was followed by an advance of 10 per cent. on all English

(Continued on page 15)

THE
METROPOLITAN LIFE
Insurance Company
(Incorporated by the State of New York)



Metropolitan Life Insurance Company
Home Office Building

The Company
Of the People
By the People
For the People

The Daily Average of the Company's Business during 1916 was:

701 per day in Number of Claims Paid.

8,304 per day in Number of Policies Issued and Revived.

$1,969,823 per day in New Insurance Issued, Revived and Increased.

$376,827.40 per day in Payments to Policyholders and Addition to Reserve.

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PHILADELPHIA

We don't contract with poor men.
We give a new man our attention until he is started.
We make our men make good.
Why don't you work for us?

Peoria Life Insurance Company
PEORIA, ILLINOIS

A PENN MUTUAL PREMIUM, less a PENN MUTUAL DIVIDEND, purchasing a PENN MUTUAL POLICY, containing PENN MUTUAL VALUES, make an INSURANCE PROPOSITION which in the sum of ALL ITS BENEFITS, is unsurpassed for net low cost and care of interests of all members.

THE PENN MUTUAL
Life Insurance Company
OF PHILADELPHIA

On January 1, 1909, rates were reduced and values increased to full 3% reserve

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Offers to men able to produce business first class territory, with direct contract providing liberal compensation.

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This newspaper is owned and is published every Friday by The Eastern Underwriter Company, a New York corporation, office and place of business 105 William Street, New York City. Clarence Axman, President; W. L. Hadley, Secretary; R. W. Swayne, Assistant Secretary. The address of the officers is the office of this newspaper. Telephone 2497 John.

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AGENCY-COMPANY CONFERENCE

If there be any practical method by which company representatives can meet with representatives of the National Association of Insurance Agents to discuss questions of mutual interest the way should be found. Companies have not received the announcement that the agents have appointed such a conference committee with greater enthusiasm because they have felt that the two questions upon which there is the greatest difference, viz.: multiple agencies and jumbo lines, cannot be solved by conference; that the companies themselves have been unable to reach an agreement about limitation of agencies, while the size of the line, they believe, must have an economic adjustment not possible through mere company-agency agreement. However, leaders in the National Association of Insurance Agents believe that there are clouds on the horizon of insurance which can be met best by a closer cooperation of companies and agents, which have nothing to do with internal dissensions or what are known as purely trade questions, such as the growing menace of State insurance and the extension of government insurance.

Towards these problems insurance should present a solid front, and it is along this line that joint action is valuable, even if it embraces only analysis and diagnosis.

FRATERNAL RATES

Resentment of fraternal associations at stringent State regulation followed by criticism of insurance commissioners and letters appealing to the legislators to fight departmental rulings has called attention to the real weakness of these societies, which is their rates. Many commissioners, particularly the newer ones, believe that these rates are not adequate and it would surprise no one if the entire subject of society rates is brought to the attention of the commissioners' convention for action of some kind, covering operations in every State in the Union.

TWO PLATTOON IN ELIZABETH

The two plattoon system has been approved in Elizabeth, N. J., and will go into effect January 1.

SUNSTROKE CASE

Court of Appeals Affirms Judgment of Lower Court in F. & C. Case

The Court of Appeals has affirmed the judgment of the Appellate Division which affirmed the judgment of the Supreme Court denying a new trial in the case of Gallagher vs. Fidelity & Casualty, a litigation over sunstroke. The Court of Appeals gave no written decision. In commenting therein the "Insurance Law Journal" says:

This was a suit under an accident policy insuring against bodily injury from accidental means, provided that sunstroke, suffered through accidental means, should be deemed bodily injuries. The insured, after being exposed to the sun's rays in the necessary conduct of his business, suffered "sunstroke," which is defined as an inflammatory disease of the brain brought on by exposure to the too intense heat of the sun's rays, or to overheated air. The Appellate Division held that as the insured, while intending to be in the sun did not intend to produce a sunstroke, the sunstroke was an "accident" which is an event that takes place without one's foresight or expectation and hence was within the policy, being produced by "accidental means," which are agencies that produce effects that are not their natural and probable consequences; the requirement that sunstroke be produced by accidental means not requiring an accident to precede the sunstroke.

It is to be regretted that the Court of Appeals decided this point without a written opinion. It will now be harder than ever for underwriters to know how to write a policy. It was the Company's contention that the insurance clause really complied with the doctrine laid down in the Schumacher case, the leading case in New York on that subject. As the law now stands on the question of sunstroke, the New York courts agree with those of Texas and Kentucky, whereas the United States Courts, Indiana, Georgia, Pennsylvania and the English courts hold to the contrary. An excellent opportunity to clarify the situation, we believe, has been missed. The Court of Appeals could well have blazed the trail, that in future insurer and insured would know where they stand.

The situation in respect of this case reminds us of the famous Philippine decision on the question of whether the constitution followed the flag where all the judges of the Supreme Court were either for or against the contention, but each and every one for a different reason.

"DICK" PERRY DEAD

H. Brayton Perry, of Syracuse, a member of Bowen, Perry & Forbes Company, Syracuse agents, and popularly known as "Dick" Perry, died in that city a few days ago. His death was from uraemic poisoning, developing from Bright's disease.

BUILDING CODE FOR RAHWAY

A new building code is in preparation for Rahway, N. J.

Charles E. Ferrie and Clarence L. Meachem were given a dinner November 7 by officers and employes of the Syracuse branch of the liability department of the Travelers. Mr. Ferrie retired from that connection November 15 to become assistant manager in the New York office. He is succeeded by Mr. Meachem, who comes from Springfield, Massachusetts. The dinner was attended by many persons connected with the company in various New York state towns. Mr. Ferrie was presented a handsome chime clock as a token of the esteem in which he is held up-State where he has a host of friends.

THE HUMAN SIDE OF INSURANCE



ROGER W. WIGHT

Roger W. Wight, of the Queen's underwriting staff, has been made special agent of that company in the Western New York State field. This is the vacancy left by the death of Frank S. Tyler. Mr. Wight's return to the field will be welcomed by agents as he made many friends among the locals during the six years he was a special agent. At that time (beginning with 1910) he was in the Eastern New York field, and at one time was treasurer of the Albany Field Club. Mr. Wight's experience has been unusually varied and valuable for a young man. At Boston Tech he took a marine engineering course. After his graduation he was engaged both in marine and civil engineering work for a time, among other activities being inspection detail for the Government at the Bath Iron Works and other places. His shipyard experience interested him so much in the subject that at one time he shipped on a Mallory boat as an oiler. For a year he was an instructor in the Pratt Institute, Brooklyn. His first insurance experience was with the Continental as an outside man in the inspection department and in the Brooklyn office. After three years with that company he joined the Queen's forces, where he spent six years in the field, and a year and a half in the office.

* * *

Frank E. Jenkins, assistant secretary of the Underwriters' Association of New York State, and one of the ablest man affiliated with the rating organizations of this country, has resigned to go with the underwriting department of the Queen. At this particular time the demand for experts in the home offices is more general than it has been for years, and in Mr. Jenkins the Queen has secured a man whose record has been brilliant both in the field and in the association. Mr. Jenkins joined the Middle Department Inspection Bureau in 1898 after being graduated from the Staten Island Academy. It was not long before he attracted company attention, and his first special field work was with the Norwich Union. Later he entered the home office of the Rochester-German, later going into this work including both underwriting and field duties. It was in 1912 that he went with the Underwriters' Association of New York State where he has been the right hand man of Ralph Potter.

* * *

Mrs. Marla Louise Ricker, of South Berwick, Maine, is a unique figure in fire insurance. She runs a fire insurance agency, representing the Hartford, Home and other companies. For forty-one years she has been in touch with insurance matters, first her husband's advisor and then carrying on his agency. J. H. Campbell, of Portland, Maine, special agent of the Hartford, tells the "Hartford Agent" some interesting facts about Mrs. Ricker and quotes her philosophy:

"Mr. Ricker felt I should understand the insurance business and we worked together. For more than ten years before his death (which occurred in 1905), he was so badly crippled with rheumatism that he could only hold a pen for the purpose of signing his name. He had been in the insurance business from young manhood and to give it up would have been a severe blow to him. We lost our only son in 1887, so it seemed that I was called by necessity to help him keep his place among the world's busy workers.

"In writing policies for him I learned to like the business and as I became more familiar with the details it became rather a pleasure. I did not expect to continue the work after he passed from my sight, and so notified the two companies he represented, the Hartford of Hartford, Connecticut, and the Home of New York. When the change came, and representatives of both companies came to me urging me to act as their agent, I consented, and kept busily at work—happy to be so employed.

"The Hartford's business has doubled since my husband first became agent for it, and it must give its agents pleasure to see the position the Hartford holds among companies doing business throughout the country—a position gained by honorable, considerate treatment of all patrons. I take pleasure in watching the company grow and in being able to say that during my nearly thirteen years of service as local agent, the Hartford has met but one loss in my territory and that was a twenty-five dollar one.

"I think I am the oldest woman agent in Maine in point of service, perhaps in years, as it is more than three-quarters of a century since my eyes first opened on this busy world."

* * *

Robert Lecky, Jr., agent in Richmond, Va., has met a situation in regard to the piling up of mail for soldiers in an ingenious fashion. It is thus described by "Best's Insurance News":

"Mr. Lecky has performed a substantial service to the country by devising and arranging for the printing in great quantities of envelopes so designed that mail addressed to soldiers at the various cantonments or abroad will be certain to reach them. It is said that already nearly one million letters addressed to soldiers have piled up because of improper or incomplete addresses. Mr. Lecky hopes to arrange to have small packages of envelopes placed on sale at five cents per package in drug stores, five-and-ten-cent stores and similar places throughout the country. The importance of seeing to it that mail intended for these young men so suddenly taken away from their friends and relatives and set down in a totally unaccustomed and difficult environment reaches them promptly is so obvious that the value of Mr. Lecky's patriotic idea is at once apparent."

* * *

The William N. Compton general agency of the John Hancock Mutual Life in New York displays a service flag with three stars. From its ranks have gone Captain A. W. Taves, chief medical director of the New York office, connected with the Medical Reserve Corps, at Fort Benjamin Harrison; First Lieutenant S. A. Smith, Battalion Adjutant, 165th Regiment; and Lieutenant M. R. Monsarrat, U. S. Army, Honolulu, Hawaii.

FIRE INSURANCE DEPARTMENT

Action Deferred on Constitution

QUESTION GOES TO COMMITTEE

Underwriters' Association of Middle Department Holds Long Session—Meeting Well Attended

Special to The Eastern Underwriter. Philadelphia, Pa., Nov. 14, 1917.—After a session lasting until nearly six o'clock the Philadelphia Association found itself unable to agree upon the underwriters agency question, and as a result the new constitution and by-laws were not adopted. The whole question has been referred to a committee of nine which will report at an early date.

The meeting today was unusually well attended. Those who attended the meeting knew that the eyes of insurance men everywhere were upon them, wondering if they would decide that an annex is a company and therefore entitled to a vote as a company.

At the last meeting it was thought the issue really had been decided, but there was a misunderstanding and on vote was put over until today with the result as already mentioned.

The Chairman of the executive committee will appoint the committee of nine. J. G. Crowell, secretary, the Pennsylvania, was elected to unexpired term of executive committee.

New members elected are Charles T. Evans, Alex W. Wister, Jr., and J. B. Allen.

RUSH ADDRESS POSTPONED

Insurance Society of New York Will Present Government War Motion Pictures Instead

The address on marine insurance which was to have been delivered on November 27 by Benjamin Rush, president of the Insurance Company of North America, to the Insurance Society of New York has been postponed for a month at Mr. Rush's request.

Instead, the Insurance Society will present on that date the motion pictures taken by the Government showing camp construction activities, troop training and various war preparations.

Non-Partisan League Faces Bankruptcy

CREATED TO STIFLE COMPANIES

Officials Ask Exemption From $76,000 Liabilities, Claiming $400 of Assets

Members of the Insurance Federation who have followed the activities of the National Non-Partisan League, formerly known as the Farmers' Non-Partisan League, an organization designed among other things to talk over and operate the insurance companies, and which has spread its propaganda throughout the Western and Pacific Coast States, will doubtless be interested in the following:

"Bismarck, N. D., Oct. 26.—A. C. Townley, president of the National Non-Partisan League, and his brother, C. H. Townley, appeared before H. F. O'Hare, referee in bankruptcy, here today and asked exemption from liabilities amounting to $76,000, alleging that their assets are only slightly in excess of $400.

"A. C. Townley declared that he and his brother had entered into obligations when farming in North Dakota and a crop failure had put them in their present financial condition. He stated that his income from the Non-Partisan League amounted to $200 per month and that he received $100 per month from co-partnership in the non-partisan publications."

DENY RE-INSURANCE RUMOR

There was a persistent rumor on William Street this week that one of the largest marine agencies had effected a contract with a British company which is entered in the United States for casualty business only by which the company was to re-insure through its head office a fixed proportion of all marine, inland marine and automobile business written by the agency in the United States. This rumor was denied by both the agency and by the United States manager of the company.

MALLALIEU AND DOYLE TALK

W. E. Mallalieu and C. J. Doyle, of the National Board, made addresses this week at the Fire Marshals' Convention in New Orleans.

The "Journal of Commerce" announced yesterday that the Christiana General would enter the United States shortly with J. M. Wennstrom as United States manager.

FIRE AND MARINE INSURANCE—ALL LINES

The Automobile Insurance Company of Hartford, Conn.

MORGAN G. BULKELEY, President

Statement January 1, 1917

Cash Capital	$1,000,000.00
Assets	2,748,832.19
Liabilities (Except Capital)	1,039,977.81
Surplus to Policyholders	1,708,854.38

AFFILIATED WITH

AETNA LIFE INSURANCE COMPANY

THE AETNA CASUALTY & SURETY CO.

LEWIS & GENDAR, Inc.

New York City Agents

Commonwealth Insurance Co. of New York

Telephones: John 63-64-65 ONE LIBERTY STREET, NEW YORK CITY

Brooklyn and Suburban Agency

Northern Asse. Co., Ltd. of Eng. — Firemen's Inc. Co. of New Jersey
Commonwealth Ins. Co. of N. Y. — Globe & Rutgers Inc. of N. Y.
Detroit F. & M. Ins. Co. of Mich. — Employers' Lia. Assce. Corp. of London

145 MONTAGUE STREET, BROOKLYN—NEW YORK

Telephones: Main 6370-6371-6372

COLONIAL INSURANCE AGENCY

54 MAIDEN LANE. Phone John 1210 NEW YORK CITY

AUTOMOBILE AND ALL FIRE AND CASUALTY LINES

"SECOND TO NONE IN SERVICE"

Niagara Fire Insurance Company

ESTABLISHED 1850

OTHO E. LANE, President
BERNARD M. CULVER
WILLIAM L. STEELE, Vice-Presidents
CHAS. A. LUNG
WILBUR C. SMITH, Secretaries

"Agents Everywhere"



FIRE
TORNADO
AUTOMOBILE
RENTS
SPRINKLER LEAKAGE
EXPLOSION
FULL WAR COVER
LEASEHOLD

Use and Occupancy, Profits, Commissions — All Forms

123 William Street, NEW YORK

THE WILLIAM H. KENZEL COMPANY

FIRE INSURANCE AGENT

REPRESENTING AT NEW YORK OFFICE
79-83 WILLIAM STREET

HUMBOLDT FIRE of Pittsburgh, Pa.
EQUITABLE FIRE & MARINE of Providence, R. I.
IMPERIAL ASSURANCE of New York, N. Y.
GRANITE STATE FIRE of Portsmouth, N. H.
ALLEGHENY FIRE UNDERWRITERS of Pittsburgh, Pa.
COMMERCE INS. CO. of Albany, N. Y.
AACHEN & MUNICH FIRE Organized 1825
FRANKLIN FIRE of Philadelphia, Pa.
CALEDONIAN-AMERICAN of New York, N. Y.

K K K

REPRESENTING AT BROOKLYN BRANCH
154 MONTAGUE STREET

LONDON ASSURANCE of London, England
NORWICH UNION of Norwich, England
COMMERCE INS. CO. of Albany, N. Y.
GRANITE STATE FIRE of Portsmouth, N. H.
MECHANICS INSURANCE CO. of Philadelphia, Pa.

BROKERS ACTIVITIES

AIRCRAFT INSURANCE

Counteracts Injury to British Morale After Zeppelin Raids Have Been Made

Major Francis R. Stoddart, Jr., Second Deputy Superintendent of Insurance, New York State, who returned from Europe recently where he made a study of aircraft defense for the War Department, recently told friends that the insurance carried against war risks did a great deal to counteract the effects of the raiding on the morale of the British people. He talked to a number of war-raid victims, all of whom informed him with considerable pleasure that as their property losses had been covered by insurance they were not worried a bit by the raids.

Government insurance against war raids is written as low as two shillings for £250. The private companies are also making very low rates, no charge being made for double indemnity benefits. The aircraft advertisements of the private companies are not only artistic but unusually effective. A complete set of these ads was brought back by the deputy superintendent and will be incorporated, no doubt, in his report to the War Department.

* * *

Big Line for Curtin & Brockie

The office of Curtin & Brockie, Philadelphia, have captured the immense line of the American Stores Co., headquarters in Philadelphia.

* * *

Huff, Dreyer & Co. Move

The brokerage firm of Huff, Dryer & Co., moved this week from 84 William Street to 91 William Street.

* * *

Quinn Re-Elected

William F. Quinn, of Quinn & Quinn, New York brokers, was one of the few Republican aldermen to be re-elected in New York City.

* * *

C. C. N. Y. Policy

Liability and compensation policies covering alterations in the stadium of the City College of New York were issued by the companies this week. The policies protect three interests, the contractor, Adolph Lewisohn; the donor, and the City College of New York, the owner.

* * *

Brewster Loss Department

George W. Johnston, formerly adjuster for the local department of the General Accident, heads the new department of J. N. S. Brewster & Co., which will handle the adjustment of casualty losses in this territory for outside companies other than those represented in the Brewster office.

* * *

California Brokers' Licenses

Whether a license granted to an insurance broker by the State gives the holder the right to call upon fire insurance companies licensed in the State to accept his business irrespective of his affiliation with the Insurance Brokers' Exchange of San Francisco, has been up for discussion since the new brokers' license law went into effect July 27th.

* * *

Belongings of Interned Sailors

Hagedorn & Co. this week offered to the companies a line covering the personal belongings of the interned sailors from the seized German ships. Underwriters generally took the attitude that the writing of this business would be giving aid and comfort to the enemy. Hagedorn & Co., who place the North German Lloyd risk, displayed an opinion written by a prominent attorney to the effect that the acceptance of this business would not violate the Espionage Act.

* * *

Non-Boarders Get Schools

Stanley B. Kirk, of Mt. Vernon, N. Y., is credited with having placed all the schools there in non-board companies.

* * *

More Postage Asked For

An emergency vote is being taken among members of the Suburban Fire Insurance Exchange on the question of amending the Agreement to provide that charges for postage shall be limited to nine cents per policy instead of six as heretofore. The executive committee has recommended the increase but cannot dispose of the matter because any change in the Agreement must be by vote of the entire membership. An effort is being made to arrange this matter before the November accounts current are due to be rendered.

* * *

Capitalize Increased Values

One of the large brokerage firms recently adopted the expedient of advising all assureds whose policies were renewing that the greatly increased prices of materials made it desirable for them to secure additional insurance to protect their property in event of being forced to rebuild. This house reports that as a result 70 per cent. of its clients have increased their lines anywhere from 20 to 40 per cent. and many other brokers are now advising their assureds similarly.

* * *

American Eagle in Marine

The American Eagle Fire Insurance Co. has appointed O. G. Orr & Co. marine managers of the Company. O. G. Orr & Co. will now act as marine managers for the Continental, Fidelity-Phenix, American Eagle and Firemen's Fund. The American Eagle appointment is expected to take effect in the immediate future.

B. M. CROSTHWAITE & CO.
Fire and Automobile Insurance Specialists
Lines Bound Anywhere in New York State
105 William Street, New York City, N. Y. Telephones 2404-5-6-1758-1090 John

PHILADELPHIA
ADEQUATE FACILITIES — ALL LINES
CLARENCE A. KROUSE & CO.
LOCAL AND GENERAL AGENTS
325 WALNUT STREET PHILADELPHIA, PA.
PENNSYLVANIA NEW JERSEY
SATISFACTION SERVICE — ALL LINES

LOGUE BROS. & CO., Inc.
Fire—Casualty—Automobile Insurance
Nation-Wide Facilities for Handling SURPLUS LINES
307 FOURTH AVENUE PITTSBURGH, PA.

SCHAEFER & SHEVLIN
103-5 William Street GENERAL AGENTS New York, N. Y.
DUBUQUE FIRE AND MARINE INSURANCE CO.
Excellent Facilities for Handling Suburban Business Phone: John 2312

Rossia Insurance Company
HARTFORD, CONN.
REINSURANCE

THE YORKSHIRE INSURANCE COMPANY, LTD., OF YORK, ENGLAND
ESTABLISHED 1824
The "Yorkshire" is the Oldest and Strongest of the English Fire Companies not heretofore represented in the United States
U. S. BRANCH
Frank & Du Bois, United States Managers Ernest B. Boyd, Underwriting Manager
Harry F. Wanvig, Branch Secretary Frank B. Martin, Supt. of Agencies
NO. 80 MAIDEN LANE, NEW YORK
New York Life Insurance and Trust Co., U. S. Trustee, No. 52 Wall St., New York
DEPARTMENTS—METROPOLITAN, Willard S. Brown & Co., Managers, New York, N. Y.; CAROLINA-VIRGINIA, Harry R. Bush, Manager, Greensboro, N. C.; SOUTHEASTERN, Dargan & Turner, Managers, Atlanta, Ga.; LOUISIANA and MISSISSIPPI, Jas. B. Ross, Manager, New Orleans, La.; PACIFIC COAST, Jas. C. Johnston, Manager, McClure Kelly and McKee Sherrard, Assistant Managers, San Francisco, Cal.

WALTER F. ERRICKSON
38-40 Clinton St., Newark, N. J. 95 William St., New York
Representing
THE GERMANIA FIRE INS. CO.
For Automobiles
Special facilities for out-of-town business.

WILLIAM C. SCHEIDE & CO., Inc.
HARTFORD, CONN.
Re-Insurance in All Branches

ARTHUR C. SWINTON
1 Liberty Street GENERAL AGENT New York City
FIRST NATIONAL FIRE INSURANCE CO.
Washington, D. C.
New York Suburban and New Jersey
Exceptional Reinsurance Facilities Local Agents' Interests Protected



F. H. HAWLEY, Pres. ORGANIZED 1848 W. E. HAINES, Secy.
Ohio's Oldest and Strongest Company
Net Surplus Over $1,293,741.00
AN AGENTS COMPANY
E. K. SCHULTZ & CO.
PHILADELPHIA
GENERAL AGENT
Pennsylvania, New Jersey and New York

Glove Loss Now Being Tried Up-State

ECHO OF BACHNER-HALL FIRE

Cardoza & Nathan Examining Witnesses—Proofs of Loss Questioned as Exorbitant

Gloversville and Johnstown, N. Y., newspapers are carrying columns about the loss of the Bachner-Hall Company —glove fire—which is now being tried. The case at the start was handled by the General Adjustment Bureau's branch office; later, after several meetings, the loss was turned over to a companies' committee in New York, headed by the late A. R. Hosford of the Royal. The counsel for the companies is the law firm of Cardoza & Nathan, Mr. Cardoza, Jr., being at the trial.

Peculiar Features of Loss

The facts in the case are familiar to most of the offices on the Street, the principal defense being that all the property claimed in the proofs of loss was not in the building at the time of the fire. The testimony the past few days has been relative to cause of the fire, amount of stock on hand, amount claimed to have been on hand, etc.

There has already been a grand jury investigation in connection with this loss, a man named Goodheim having been later convicted by the Grand Jury.

NEWARK PREMIUMS

Leading Companies For First Six Months of 1917 From Salvage Corps Returns

Newark premium returns (salvage corps returns) for the first six months of 1917, show the following leaders:

Aetna	$14,124
American of Newark	37,889
Continental	23,827
Commercial Union	9,140
Germania	21,644
German-American	28,311
Globe & Rutgers	20,258
Glens Falls	14,600
Hartford	29,379
Home	37,701
L. & L. & G.	58,268
Northern	19,592
Phoenix	16,677
Newark	27,754
Niagara	27,537
Royal	23,958
Firemen's	28,984
National	34,598

GET CONTINENTAL MEDALS

Seven More Agents in this State Who Have Had That Company 25 years

The following New York State agents of the Continental have been awarded 25-year long-service gold medals:

Frank Gass, Unionport, N. Y.
Sidney B. Hickox, Unionport, N. Y.
W. J. H. Parker, Moravia, N. Y.
Rachel W. Williams, Clinton, N. Y.
Robert Earl, Herkimer, N. Y.
Walter L. Race, Waterville, N. Y.
Mason G. Perry, Canastota, N. Y.

F. H. OSBORN IN CHARGE

Following the resignation of Wade Robinson from O. G. Orr & Co., F. H. Osborn, who has been a partner in the agency since its formation, has taken charge of the underwriting. C. T. Throckmorton, who has been with Platt & Farnum for several years, will join the staff of the Orr agency on November 26 in an underwriting capacity.

Bernard Gavin, of Haely & Gavin, insurance agents at Olean, New York, is now in the national army.

L. & L. SCHEDULE

Eastern Union Committee Reports at Meeting This Week on Rating System

The Eastern Union held its annual meeting yesterday. One of the interesting reports read was that dealing with the Larter & Lemmon rating schedule, which has been completed after four years of work by A. E. Larter and W. S. Lemmon. Although there were many valuable features about this system it is understood that the committee did not find the improvements over existing schedules sufficient in its estimation to endorse it. This was forecasted by the adoption some weeks ago of the Dean Schedule in New England, after this Western rating system had been tried out there along with the L. & L. schedule.

The Dean tests in New England were made under the supervision of E. C. Smith, of the Western Actuarial Bureau of Chicago. Mr. Smith has been engaged to superintend the application of the Dean Schedule in New England.

NEW YORK RATE INVESTIGATION

Companies' Committee Making Progress in Obtaining Data for Superintendent of Insurance

The companies' committee of six which is co-operating with Superintendent Phillips in the furnishing of data to guide the superintendent in his investigation of fire insurance rates in this State is making progress. There has been some modification in the request for information sent to the companies by the superintendent in a circular on August 24. As will be recalled the data wanted by the superintendent covering ten years was regarded as impossible to furnish because of lack of clerical service and other reasons and a compromise was reached.

Service of the Actuarial Bureau of the National Board of Fire Underwriters has been invoked. New York City losses were reported to this Bureau and through the Bureau will be furnished to the Committee.

BROOKLYN PENALTY REMOVED

New York Fire Insurance Exchange At Meeting Acts On Charge for Insufficient Water Supply

The New York Fire Insurance Exchange at its meeting on Wednesday acted on the recommendation of the executive committee in removing the 10 and 15 per cent. charges which had been placed on Brooklyn and Long Island risks in 1914 because of insufficient water supply. The report of the committee stated that the water supply of Brooklyn had been brought up to standard.

The other business transacted at the meeting was routine. It included discussion of the war insurance situation with respect to rates but no action was taken thereon.

APPOINT F. C. HATFIELD

New Special Agent of Phoenix With Headquarters at No. 1 Liberty Street

Frank C. Hatfield entered upon his new duties last Monday as special agent for the Phoenix of Hartford, with headquarters at 1 Liberty Street, New York. He succeeds H. E. Griswold, now vice-president of the Merchants Fire. Mr. Hatfield is an Eastern man who has won for himself a reputation for doing excellent work in the Southwest. He was State agent for the Phoenix and the Connecticut in Arkansas and was for eleven years with Trezevant & Cochran in Dallas.

NEW YORK STATE DEPARTMENT
HUMBOLDT FIRE OF PA. TEUTONIA FIRE OF PA.
CAPITAL FIRE OF N. H. GEORGIA HOME OF GA.
PERCY B. DUTTON, Manager, ROCHESTER

National Fire Insurance Company
OF HARTFORD, CONN.
Statement January 1, 1917, to New York Insurance Department
LIABILITIES
Capital Stock, All Cash.....$2,000,000.00
Funds Reserve to Meet All Liabilities, Re-Insurance Reserve, Legal Standard..... 9,912,715.84
Unsettled Losses and Other Claims..... 1,878,398.32
Net Surplus over Capital and Liabilities..... 3,743,747.60
Total assets January 1, 1917.....$17,534,861.76
H. A. Smith, President — F. D Layton, Ass't Sec'y — F. B. Seymour, Treas.
G. H. Tryon, Secretary — S. 1. Maxwell, Ass't Sec'y — C. B. Roulet, Gen. Agt.
SURPLUS TO POLICY HOLDERS, - - $5,743,747.60

LINES SOLICITED AND BOUND THROUGHOUT UNITED STATES AND CUBA
E. F. FLINDELL
INSURANCE
1 LIBERTY STREET Telephone John 2612 NEW YORK
LOCAL OFFICES
JERSEY CITY, N. J. 1 Montgomery St. Tel. 216 Montgomery
BROOKLYN, N. Y. 153 Remsen St. Tel. 2504 Main
NEWARK, N. J. 9-15 Clinton St. Tel. 614 Mulberry

Agricultural Insurance Company, of Watertown, N. Y.
64th Annual Statement
Assets $5,036,003.01
Liabilities 2,296,861.95
Capital 500,000.00
Conflagration Surplus 250,000.00
Surplus to Policyholders 2,739,141.06
F. F. BUELL, Troy, N. Y., Special Agent.....NEW YORK STATE
E. J. PARMELEE, Syracuse, N. Y.; Special Agent..NEW YORK STATE
GEORGE SHAW, 116 Milk St., Boston, Special Agent..NEW ENGLAND
F. L. GILPIN, JR., 434 Walnut St., Phila., Special Agent.MIDDLE DEPT.

NORD-DEUTSCHE
INSURANCE COMPANY
UNITED STATES BRANCH
123 William Street
New York
J. H. Lenehan, Manager

THE TRAVELERS
INSURANCE COMPANY — INDEMNITY COMPANY
HARTFORD, CONNECTICUT
WRITE THE GREATEST VOLUME OF
GUARANTEED LOW COST LIFE INSURANCE
AND
CASUALTY INSURANCE
THE OPPORTUNITY TO SUPPLY THESE INSURANCE NEEDS GUARANTEES AGENTS THE BROADEST FIELD AND THE LARGEST INCOME.

Folsom President of State Association

SPECIAL AGENT OF SPRINGFIELD

No Successor to Jenkins Named Yet—Columbian National's Resignation Received

Charles R. Folsom, special agent of the Springfield Fire & Marine, was elected president of the Underwriters' Association of New York State at its annual meeting in Syracuse this week. He began his insurance experience in 1896 as special agent for the Penn Mutual Insurance Company in Wisconsin. In 1898 he went with the Northwestern National in the Northwestern Underwriters' Agency Department, traveling in the Middle West until 1904 when he was transferred to Eastern territory. In 1908 he went with the Phenix of Brooklyn as special agent in Central New York. In 1911 he took the field in up-State territory for the Springfield.

Alex J. Bates, New York Underwriters' Agency, was elected first vice-president; W. R. Somerville, London and Lancashire, second vice-president. George E. Congdon, Fire Association, was elected chairman of executive committee.

Want Good Man for Assistant Secretary

No successor to Fred E. Jenkins was announced. The association will proceed carefully in the selection of its new assistant secretary as Mr. Jenkins set a splendid standard for this important office.

The resignation of the Columbian National was received.

A number of speeches were made in eulogy of the late special agent of the Queen, Mr. Tyler, who had traveled the New York State field for years and was held in high regard. Appropriate memorial resolutions were passed.

THEFT RECOMMENDATIONS MADE

National Automobile Underwriters' Conference Preparing for Important Annual Meeting

The sub-committee of the executive committee of the National Automobile Underwriters' Conference has made tentative recommendations with respect to theft rates and form revision. Recommendations regarding manufacturers' and dealers' rates and forms and insurance of "fleets" will be taken up today (Friday) and recommendations formulated by special committees.

The theft problem is to sufficiently protect the companies by a curtailment in cover and increase in rate, and at the same time provide a contract which will be attractive to a sufficient number of owners. Theft experience has been under close consideration now for a week. The high priced cars are found to be rated about right, but cheaper cars, especially Fords, are much underrated. The annual meeting of the conference will be held November 23 in New York.

BLISH AND PATTEN HERE

Jones, Launt & Barrett, Inc., Appointments for New York Office Announced

Jones, Launt & Barrett, Inc., of Philadelphia, this week opened a New York office at 95 William Street. This agency represents a number of fire and casualty companies, including the Capital Fire, of California, for general territory.

The metropolitan office will be in charge of Ivan A. A. Blish, who is treasurer of the agency. Maurice B. Patten, who was in the underwriting department of the Reliance Fire for five years and was also with the C. A. Krouse agency for five years, will be in charge of the underwriting in this office. He has been with Jones, Launt & Barrett, Inc., since the agency was formed.

STILL AFTER ORGANIZER

New Position in National Association of Insurance Agents not Filled Yet

The National Association of Insurance Agents is considering a number of applications for the position of organizer, which, as heretofore printed in The Eastern Underwriter, is to be filled as soon as the suitable man is found. The association correctly believes that there are hundreds of local agents who would join if the association advantages were placed before them in an effective manner. There are many agents who are not familiar with the association and what it has accomplished, despite the fact that it is nearly a quarter of a century old. It has been a physical impossibility to reach them all, but with a traveling organizer information about the association can be carried everywhere. Naturally, the association is moving deliberately in order that the best man for the post can be chosen. A good salary and more if he makes good is promised.

ISSUES OGDENSBURG MAPS

The Underwriters' Map Association this week issued complete maps of Ogdensburg, N. Y. The township is covered by 90 cards which are contained in a new loose-leaf device for those offices not having adaptable cabinets.

Henry A. Morison, manager of the Underwriters' Map Association, also announced this week that the increased activities had necessitated taking the second as well as the seventh floor of 229 Fulton Street.

PAPER FOR SPECIALS

The Insurance Company of North America intends to issue a paper called "Town Crier," for special agents, featuring educational articles and underwriting discussions.

Later a paper for agents will be issued from time to time.

BLOOMFIELD LAUNT MARRIES

Bloomfield Launt, president of Jones, Launt and Barrett, Inc., 411-13 Walnut Street, Philadelphia, was married on November 9 at noon in New York City, to Miss Margaret Gilbert of Baltimore.

COM. LA MONTE RESIGNS

George M. LaMonte, Commissioner of Banking and Insurance for New Jersey, has resigned to take effect December 1, and Governor Edge has appointed Frank H. Smith of Plainfield, N. J., as his successor.

Fire Starts Cancelations

(Continued from page 1)

and warehouses have frequently refused special agents and other company representatives the privilege of inspecting the plants no matter how well identified they may have been. Agents say brokers are largely responsible for this condition in having issued instructions that no insurance man be permitted to go through the plant unless given a card by the broker and then having failed to provide cards.

Cold Shoulders To Inspectors

One company man told The Eastern Underwriter that in all instances where his special had been refused inspection rights he had immediately cancelled his binder, taken it for granted that they had reasons other than protection from alien enemies for not wanting the factory inspected by representatives of the fire insurance companies. This man stated that his company would be willing to subscribe to the inspection service of any bureau which could give the desired information promptly and up-to-date and suggested that it might be possible for the New York Board to extend its service more generally in this regard to shore line and local risks in the vicinity of New York.

"The Leading Fire Insurance Company in America"



WM. B. CLARK, President

AETNA INSURANCE COMPANY

Aetna Fire Underwriters Agency

of Aetna Insurance Co.

Application For Agencies Invited

[of Liverpool, England]

ROYAL INSURANCE COMPANY LIMITED

THE LEADING FIRE COMPANY OF THE WORLD

THE HANOVER FIRE INSURANCE COMPANY

Incorporated 1852

The real strength of an insurance company is in the conservatism of its management, and the management of THE HANOVER is an absolute assurance of the security of its policy.

R. EMORY WARFIELD, President
FRED. A. HUBBARD, Vice-President
E. S. JARVIS, Secretary
WILLIAM MORRISON, Asst. Sec'y

HOME OFFICE
Hanover Bldg., 34 Pine St.
NEW YORK

HOWIE & CAIN, General Agents
Metropolitan District
100 WILLIAM STREET, NEW YORK

WESTERN ASSURANCE CO.
OF TORONTO, CANADA

(Fire, Tornado, Ocean Marine and Inland Marine Insurance)

UNITED STATES BRANCH
January 1, 1917

Assets	$3,329,177.74
Surplus in United States	1,478,531.90
Total Losses Paid in United States From 1874 to 1916, Inclusive	41,657,814.31

W. R. BROCK, President
W. B. MEIKLE. Vice-Pres. & Gen. Man.

"STRONG AS THE STRONGEST"

The Northern Assurance Co.

(LTD., OF LONDON)

Organized 1836
Entered United States 1876

Losses Paid - - - $105,000,000
Losses Paid in U. S. - $38,000,000

Eastern and Southern Departments

55 JOHN STREET
NEW YORK CITY

Firemen's Insurance Co., Newark, N. J.

January 1, 1917

Cash Capital	$1,250,000.00
Net Surplus	$2,449,322.25
SURPLUS TO POLICYHOLDERS	$3,699,322.25

DANIEL H. DUNHAM, President
JOHN KAY, Vice-President and Treasurer — A. H. HASSINGER, Secretary
NEAL BASSETT, Vice-President — J. K. MELDRUM, Assistant Secretary

1853 Sixty-Fourth Year 1917

FARMERS' Fire Insurance Company

YORK, PENNSYLVANIA

Assets (Dec. 31, 1916)	$1,116,968.00
Net Surplus (Dec. 31, 1916)	514,025.00

W. H. MILLER, President
A. S. McCONKEY, Sec. and Treas.

The Gamewell Fire Alarm Telegraph Co.

Fire Alarm and Police Telegraphs for Municipal and Private Plants

OVER 1500 PLANTS IN ACTUAL SERVICE

GENERAL OFFICES AND WORKS
NEWTON UPPER FALLS, MASS.

AGENCIES

5708 Grand Central Terminal, New York
448 John Hancock Building, Boston, Mass.
1216 Lytton Building, Chicago, Ill.
335 Wabash Building, Pittsburgh, Pa.
915 Postal Building, San Francisco, Cal.
304 Central Building, Seattle, Wash.
Utica Fire Alarm Telegraph Co., Utica, N. Y.
Northern Electric Company, Limited, Montreal, Canada.
General Fire Appliances Co., Ltd., Johannesburg, South Africa
Colonial Trading Co., Ancon; Canal Zone, Panama
F. P. Danforth, 1060 Calle Rioja, Rosario de Santa Fe, Argentine Republic

Relation of Insurance to Banking and Shipping in World's Trade After War

(Continued from page 9)

hull insurance written in London. **When the American Association of Marine Underwriters proposed that the same advance be made on American hulls written in New York and London markets (to compensate in part for the greatly increased cost of repairs) the London Board of Control declined on the ground that it was "inexpedient." Yet at the same time American shipowners could, it was credibly stated, get lower rates on hulls by going direct to British offices in London than they could get from those same companies through their American branches.** The result was that considerable hull business was transferred to London at a loss to American offices and interests. This was done at a time when the shipping involved was rendering important service to Great Britain and her Allies, and so indicated the undeviating business purpose to prevent the growth of marine insurance in the United States.

Power of Insurance for National Protection

These instances of control against our interests could not have been carried through but for the fact that Great Britain possessed the banking and shipping facilities that rendered the use of her insurance not only desirable but profitable. Without the use of all three the use of one may be had only at rates just less than prohibitory, if not entirely so. I am not criticizing the British companies for controlling the business, but quote the fact in illustration of the power of insurance for national protection wherever it can be exercised—both in peace and war.

There are no available statistics of ocean marine insurance. The great bulk of it has been written by British stock companies and by individual underwriters at Lloyds, London. There the details of such operations are trade secrets, reports, if any, being made in confidence subject to test by a committee of the Board of Trade and by audit of Lloyds. Thus their volume is a business secret in the keeping of business committees, and combined trade balances only are made public. For similar reasons there is an absence of analytical reports of the insurance of most other nationals. In the United States comprehensive statistics are kept by most classes of the business transacted in this country. But even here the inland marine transactions are combined with the ocean marine, so there are no specific returns of the latter. In the United States for the past three calendar years the combined inland and ocean marine premiums were reported as follows:

1914	$32,114,926
1915	47,418,071
1916	70,663,999

NOTE—These figures apply only to business written and reported to New York. Marine underwriters estimate a volume of premiums equal to one-third of those reported as being written abroad on American business by British and other foreign companies and Lloyds admitted to do business here, but making no reports of the same here and thus avoiding taxation. The law cannot reach out and require compliance in Europe. With that estimate addition the approximate actual figures would be for 1914 about $43,000,000, for 1915 about $63,000,000, and for 1916 about $94,000,000.

Analysis of Premiums

These increases represent the increased values and rates of American business carried during the war. An analysis of the premiums reported and unreported distributes them as follows:

1914

		Reported	Unreported
23	American companies	$18,974,216	
19	British companies	8,808,245	$9,634,478
13	other foreign companies	4,332,465	1,070,497
55	Total	$32,114,926	$10,704,975

1915

		Increase %		
23	American Co.'s	48	$28,071,557	
19	British Co.'s	45	12,851,204	$14,225,421
13	other foreign Co.'s	50	6,495,310	1,580,602
55	Total		$47,418,071	$15,806,023

1916

		Increase %		
23	American Co.'s	47	$41,208,085	
19	British Co.'s	38	17,712,774	$21,199,200
13	other foreign Co.'s	82	11,743,140	2,355,466
55	Total		$70,663,999	$23,554,666

When the amount (one-third) of unreported business written by foreign companies is considered it will be seen that the premium increase of British companies was far greater than all the others.

American Companies Write Half the U. S. Marine Business

It will be noted by casual analysis of these figures that American companies write a little more than half the United States marine business and, when the unreported writings are considered, less than half. This has been due to the lack of American bottoms and lack of prestige of American insurance connections abroad. There is more than this to be considered, however. A considerable share of the ocean marine premiums written and reported by American companies comes from the re-insurance of excess lines written by British companies abroad on great tonnages carried in one vessel. It would be quite fair to assume, therefore, that only one-third of reported American business is written by American companies—a share wholly inadequate under any sound theory of financing American business.

In a tentative way, in the absence of specific statistics, and considering normal apparent tonnages as a basis, **I do not hesitate to estimate the ocean marine premiums of the world at between $250,000,000 and $300,000,000 a year.** With the establishment of a sufficient merchant shipping to carry our share of the world's trade and the expansion of banking facilities to support it, there is little reason to doubt that American insurance can divide two-thirds of the premiums with Great Britain. **In other words, an annual premium of something like $100,000,000 or more—an increase to that sum from pre-war normal receipts of some $18,000,000 to $25,000,000 by American companies—is to be expected as the American goal** in a reasonable time, say three or five years, provided the banking and shipping facilities are supplied to create and maintain the trade. The sooner these three factors are supplied the better it will be for them and for the future commercial strength of the country. The present activity in building ships; in organizing and training the national army; the demand on the United States for supplies that other countries need—all these are creating an atmosphere of national inspiration and pride which can and should be encouraged and made permanent for the realization of American industrial, commercial and political supremacy. Some one nation must always be dominantly the arbiter of international requirements, as Great Britain has been for more than a hundred years. It is suggested that now is the time for the United States to begin to forge to the front—a time when, through no fault of ours, the way has been opened wide to the active brain, the strong heart and the powerful resources of the young nation.

U. S. The Largest and Richest Fire Insurance Field

As far as ocean insurance is concerned there is already a large premium income secured to the proper organization when made.

But this is not all. This is only the proposition as it applies to the opportunities in marine insurance, in which large profits have always been made after allowing for the years of depression. By proper organization there is also a great opportunity in the expansion of fire insurance already created with profitable returns, having endowments of capital and asset securities already established which will serve at once to strengthen banking and shipping facilities.

The United States is the largest and richest fire insurance field in the world. Premiums collected here and in Canada (an open territory) probably exceed those of the rest of the world combined. So great and inviting is this field that all the large companies of other nations are domiciled here with independent branches for writing business direct and by re-insurance. These foreign companies numbering 80 in 1914 and 1915, and 83 in 1916, collected American premiums, fire and marine, as follows:

1914	$120,951,991
1915	127,345,691
1916	149,894,770

Absorbing American Companies

These are not all the premiums written here by these companies. For some years foreign companies, more particularly British, have been organizing and purchasing other companies already organized under American laws, which they operate as companies of the United Sates. This is done with money of the home offices, the use of which is permitted by British law, although the similar use of funds is practically forbidden to American companies by the laws of many States. Such combination and interlocking is fostered by the business of Great Britain. They cannot use the funds of their American branches for this purpose, but they borrow the money here or send it over and so have gradually been increasing and strengthening their hold upon American fire and general insurance. There are half a dozen such companies writing fire insurance, collecting some $12,000,000 of premiums, which are reported and tabulated as premiums of American companies, whereas their net collections are ultimately covered into the foreign treasuries of the companies owning them. The annual premiums taken by foreign companies in fire insurance in the United States in 1916 was, therefore, in round figures $161,000,000.

As against this volume by 83 foreign companies, 217 American companies collected premiums of $294,242,296, less the $12,000,000 concealed under the American entitlement of foreign-owned companies. That is, of $444,000,000 of total net fire premiums collected, foreign (principally British) companies wrote 36 per cent. of them. Many of these British companies have organized and are now also purchasing liability, casualty and workmen's compensation companies and by putting into the hands of their agents general lines of insurance facilities they will be able to accommodate and supply every demand for insurance. This, if not checked or met by counter-supply from American interests, will give British competition in world's trade an advantage wherever the necessities of insurance protection and banking credit arise.

U. S. Should Adopt More Liberal Laws

These activities and extensions of British companies are thus particularly pointed out and explained not in jealousy, but in admiration, as being flexible and powerful models both for the creation and protection of British trade. The United States cannot compete with Great Britain in foreign trade without means ultimately to be made at least equal in adaptability and strength.

For nearly a century British companies have been operating in the United States, most of them rendering good service to the public. They have made good profits out of it—more, usually, than the American companies make, because of their advantage in being able to operate under various forms with one overhead and directing charge (denied to American companies) added to the superior liberality of British insurance laws in general. The suggestion arises that if the British insurance laws are admirable enough in their liberality to be sound for the protection of American policyholders, then the United States should adopt equally liberal laws and thus enable American companies to compete without handicap.

"Protection" for Industries; "Free Trade" for Insurance

So also British and all foreign companies have greatly profited here by these singular facts: That the United States, while enforcing with respect to its import commerce the principle of a protective tariff, has abandoned its entire home insurance fields—so rich in values and opportunities—to the principle of free trade. At the same time under the numerous restrictive State laws for the regulation of interstate insurance (having the effect of a protective tariff on insurance between the States) American companies have been securely bound against engaging in free trade world's insurance.

Caledonian Insurance Co. of Scotland
FOUNDED 1805
"THE OLDEST SCOTTISH INSURANCE OFFICE"
UNITED STATES HEAD OFFICE
Caledonian Building, 50-52 Pine Street, New York
CHAS. H. POST, U. S. Mgr. R. C. CHRISTOPHER, Asst. U. S. Mgr.
NEW YORK CITY OFFICE
Golden Hill Building, 59 John Street, New York

Iowa National Fire Insurance Co.
DES MOINES, IOWA Capital Stock $500,000
The latest addition to Reliable Fire Insurance organizations began Writing Business on January 1, 1917
JOHN L. BLEAKLY, President
F. L. MINER, Vice-President
C. S. VANCE, Underwriting Manager
FRANK P. FLYNN, Treasurer
C. M. SPENCER, Secretary

This is doubly economic suicide, since it prohibits us from competing with foreign countries to protect our own insurance as well as to obtain an exchange share of theirs. Yet, unless American insurance capital can accompany American banking and shipping the extension of American commerce will be exposed constantly to serious limitation and failure.

NOTE.—In this connection attention is called to H. R. 2316, the Webb-Pomerene Bill, which has passed the House of the present Congress and is now privileged and pending in the Senate. It permits the association or joint agreement of corporations for export trade purposes without violation of the Sherman Act. It has received the approval of the Chamber of Commerce of the United States and is vitally necessary for the building up of export trade. It should be amended to include, or a separate bill should be enacted to give to American stock insurance companies exactly the same privileges after registry or license by the Federal Trade commission, to co-operate with producing and trading corporations in the export trade and to the same extent relieve them from violation of State laws concerning purely domestic insurance.

British Companies and the Conflagrations

Now we come to the very ultimate crux of the economic proposition. American companies under ordinary conditions are now able to carry the whole of American fire and general insurance, just as we actually do our own life insurance, in which the foreign influence is not perceptible. But in years of disastrous losses, such as 1871-2 in the Chicago and Boston conflagrations, and 1906 in the San Francisco fire (when American companies were less strong), these foreign companies contributed materially to relieve the economic pressure. In 1906 they paid their San Francisco losses largely out of funds sent over from their home offices without disturbing the funds of their American branches. It is calculated that funds to an amount between $40,000,000 and $60,000,000 were thus imported and to that extent the great losses were immediately distributed over the world instead of being laid upon the United States alone. The funds thus imported have since been recouped, but the burden was none the less eased off. It was far-seeing business ability to take such a step and the British companies acted with one accord, as they always do.

There is an undoubted economic demand for the world-wide distribution of these vast conflagration losses, coming as they do, unexpectedly and suddenly. As long as the danger remains the means for world-wide distribution of the effects should exist. The point is, why should the United States with its abundant capital—presenting in itself the richest fire insurance field in the world—have to resign the distribution of its infrequent disastrous losses to Great Britain at the cost of the annual exploitation of this field to the extent of nearly 40 per cent. of the income from it, which is steadily increasing annually? The statistics that have been quoted above apply only to stock companies, 305 in all, and only to net premiums. In the same year these stock companies, mutual companies and Lloyds wrote in the United States gross premiums of about $680,000,000, of which $507,523,636 was net. It is this vast field in which cash assets of $748,426,446 are employed by American stock and mutual companies, that is being headed towards control and has its world distribution directed by invested foreign assets here of only $217,432,715.

It must not be forgotten that the United States is in return accepting and discharging its full share of such distributing responsibilities. More, perhaps, because through the volume of business written here by foreign companies the fire insurance of the world is mainly financed.

The London "Times" in a recent review of fire insurance for 1916 shows that seventeen British companies took total premiums throughout the world that year of $135,600,000 in round figures.

The American premiums of these 17 British companies were probably $81,000,000, and were, therefore, nearer 60 per cent of their world premium.

The obvious economic duty of the United States, and the opportunity of American capital is to use aud direct this vast field of income for its own internal strengthening and to effect its own world-wide distribution, in which it has the greatest share, and from which good profits arise.

The establishment of ocean marine insurance in connection with banking and shipping is the open gateway to ultimate fire insurance control. With the exception of a few offices in Canada, Mexico and Cuba, no American insurance company that I know of is represented or entered in any foreign country of the world either for fire or marine business. It is not for lack of enterprise or talent. American life insurance companies at one time successfully contested the principal foreign countries for business. They wrote business in Great Britain, France, Germany, Italy, Spain and Russia alongside the native companies. Hostile laws eventually compelled their withdrawal. Similarly many years ago one or two American companies undertook to establish a branch in London for British fire insurance, as the Insurance Company of North America afterwards undertook to do for its marine department. In both instances the undertaking came to nothing for various reasons. Principal among them was the fact that the ramifications of property interests covered under fire insurance (unlike life insurance) are so involved that in the absence of banking and shipping alliances there was no way of creating business prestige, and when to this was added the unwillingness of Europeans to buy from any foreigner that which they can purchase from their own countrymen representiug their own institutions, such offices were closed and no American fire insurance company has since been known in Europe.

With the establishment of banking, shipping and ocean marine insurance having fire insurance powers these obstacles can be removed. In every port and center the commercial and other property connections radiate from the large shipping interests, so that the prestige of American ocean insurance through banking and shipping would tend steadily to the extension of fire insurance to property. In that way, in time, the distribution of American losses throughout the world would come to be achieved through American channels instead of through foreign channels.

I am not attempting to intimate that these ends can be easily or quickly accomplished. They can only advance toward full accomplishment with the creation and success of the banking and shipping factors. Of the rate at which these may advance you have your own sources of knowledge. The insurance factor, will, however, hasten and tend greatly to secure the success of the others. In the meantime, by proper organization there is already a profitable and constantly growing investment in hand in the insurance incomes already established, with assets founded upon the highest class of securities.

Mr. Evans' Conclusions

In conclusion, there are two practical points to be noted:

1. There is underwriting talent in the United States wholly capable of working out the aims suggested above.

2. The plan does not contemplate destructive competition with foreign companies in marine insurance rates. There would be no wisdom in such a course. Nor does it contemplate merely building up marine insurance for the profit in that activity. The purpose is to provide co-operation between American banking, shipping and insurance that will furnish facilities capable of supplying the needs of our national interests in the colossal struggle for the world's trade after the present war. With these facilities supplied a great and steady growth is certain—without them failure in the end is equally certain.

Philosophy About Insurance Rates

COMMISSIONER SANBORN'S VIEWS

Discusses Fallacy That Good Record Should Be Rewarded by Corresponding Rate Reduction

Pehhaps one of the oldest and most persistent fallacies (from the company standpoint) cherished by the public in regard to fire insurance is that rates should be lowered in a town whose losses have been light for a number of years. It may be that "fallacy" is too strong a word. There is possibly an element of justice in the idea. Popular superstitions have an uncanny and disconcerting way of often hitting the nail on the head in matters concerning which science has long maintained a tolerantly contemptuous attitude. Then, one fine day, science stumbles onto a logical analysis that completely vindicates the popular idea.

One of the hardest questions that a rater has put to him in rating a town is "The companies have made a lot of money here,—why shouldn't our rates be lowered to correspond?"

Two Sides

People asking such a question have no idea of how much reduction they should have, or how it is to be figured. They always seem to lose interest when they are asked if they would consider the other half of the proposition a fair deal—to increase rates when the town's losses show a marked advance over a period of three or four years. They are not willing to stand or fall on the record of their own town, though they would like the benefits if the responsibilities could be sidetracked.

This attitude is one of good sense, reflecting an instinctive recognition of a fundamental principle of insurance rating—wide distribution. No town, no city, no state can stand absolutely on its own record in the matter of rates. The wider the distribution the better the power to absorb shocks.

California could have hardly stood the San Francisco conflagration without the contributions of all the other States. What if all those hundreds of millions of dollars had to be made good out of the State's resources without the help of the insurance companies' surpluses maintained for this very purpose? As it was, the extensive unloading of securities by the companies to pay their losses was felt in the financial world for years. * * *

Small Towns and Large

The assertion is often made that the small towns are paying for the losses of the cities. In answer to this we submit the Department's statistics which show that there is no one group of property in the State which follows the State loss ratio so closely as the fire department towns, excluding Minneapolis, St. Paul and Duluth. * * *

It has long been felt that some sort of preferential treatment should be accorded such towns. Underwriters themselves have often discussed it. It is no simple subject. The machinery of applying it is complicated in the extreme, in view of the almost endless ramifications produced. There are as many angles as there are conflicting interests.

The Texas Rule

So far as we are able to learn there is nothing of the kind in effect except in Texas, where the rates are made by the State. They have the following rule:

CREDIT FOR GOOD FIRE RECORD OF CITIES AND TOWNS

When a statement showing the loss ratio for a city or town for the three calendar years preceding is filed with the State Fire Insurance Commission by the mayor of the city or town and such statement has been approved by the State Fire Insurance Commission, the following credit will be allowed:

"For each 5 per cent., or fraction thereof less than 55 per cent., loss ratio for three calendar years next preceding, 3 per cent.

"Maximum credit, 15 per cent.

"Note.—The above credit to apply only in cities and towns having a key rate of 80 or under, and to apply only to risks located within the corporate limits. Credit to apply to final rate."

The application of this rule should result in a special effort to limit local losses. The credit is not excessive, though the period of time on which it is predicated might well be extended to 5 years in order that the fluctuations be less violent.

What About Other Towns

There is an inevitable converse to this proposition. What about the towns whose loss ratio averages above 55 per cent. for a predetermined period? It is a poor rule that works in only one direction, like a non-refillable bottle. Suppose that for every 5 per cent., or fraction thereof, over a 66 per cent. loss ratio, the rates should be increased 3 per cent., maximum 15 per cent? A town whose ratio averaged between 80 and 85 per cent. would have to pay a penalty of 15 per cent. on its insurance cost until its losses took a turn toward normal. Why shouldn't it?

There is supposed to exist an unanalyzed factor in local conditions that cannot be covered in the rating process. It is ultra vires to the rating schedule. Once its existence is generally acknowledged, means will have to be devised to get it into the rate in some form or other.

A scheme of rewards and penalties according to loss ratio is somewhat analogous to list prices to be varied from time to time by discount sheets, only in these cases the list is so high that, while the discount may fluctuate there always remains a discount.

This brings us back to the "work-both-ways" feature. It can be said to work both ways, even if the scheme includes only credits for good record, provided that the average rate is sufficiently high to stand the loss of revenue attendant upon the granting of the credit. What is the difference between (a) a maximum credit of 20 per cent and no advance for heavy losses, and (b) a 10 per cent. credit and a 10 per cent. penalty; the first applying to average rates 10 per cent. higher than in the second instance? This is not to say that the two situations are identical; important differences might be found upon analyzing the problem further.

One thing surely is in favor of a system containing penalties as well as rewards; the fact that a good record is limited to an amount varying from nothing up to 55 per cent., while only the sky is the limit the other way.

If good records are specifically singled out and given credit, the spirit of fairness dictates that the bad records also be specifically penalized and not kept on a par with all towns whose records are 55 per cent. or over.

Either scheme would be opposed by some interests. Companies, agents and the assured would all oppose various phases of both plans, depending on which plan was proposed and the record of the town where the objector had property or did business. This short discussion of the subject is not a brief for the use of such a system of rate variations, nor is it opposed. It is simply an inquiry. Only the high spots are touched. The subject is full of crooks and turns and pitfalls.

CASUALTY AND SURETY NEWS

Importers Protest Against New Bonds

DO NOT LIKE BLANKET FORM

Surety Underwriters Declare Merchants Unduly Apprehensive of New Requirement

Much opposition has been made by the Merchants' Association's committee on customs service and revenue, to the new form of customs bond required to be used exclusively on imports. The committee gave a hearing on the subject in New York last week, when particular attention was directed to the paragraph or subdivision numbered (3) in the proposed form of "Consumption Entry Bond (single entry)" T. D. 37,246, set forth on page 13 of Treasury Decisions, dated July 5, 1917. This paragraph reads as follows:

"And if the said principal shall pay to the said collector when demanded all duties and charges found legally due and unpaid on the final liquidation of said entry then this obligation shall be void; otherwise it shall remain in full force and effect."

Hardships on Importers

The committee sets forth in its report that the new form will entail unnecessary hardship upon importers in that it is required to be in a penal sum in double the value of the goods imported conditioned upon the payment of all duties and charges found legally due and unpaid on the final liquidation of the entry which condition has heretofore not been required in many bonds, such, for instance, as those given for the production of consular invoices or for the return of goods, etc. In the entry of merchandise certain informalities are by statute permitted on the giving of a bond conditioned only on the correction of such informalities without obligation on the part of the maker or surety to be responsible for additional duties or in any other manner than for the correction of the informalities.

The association voiced its protest against the proposed increased obligation of the principal and surety as provided in the prescribed form of bond; and recommended to the Treasury department that if a consolidated form of bond be desired, such consolidated form should omit the condition or payment of additional duties now covered by paragraph 3 of the proposed form and should be used as to all bonds where such condition is not expressly authorized or required by the statute; and that in cases where such condition is required or permitted under the statutes, a separate form of bond should be used in such cases.

According to the Merchants' Association the practice at present is to require a bond from the importer for the fulfillment of the various requirements attending the importation. The effect of the new rule would be to require the importer to furnish a blanket bond, which might be forfeited in case of even a minor infraction of the importation requirements. The present rule permits the release of bonds given as each requirement covered thereby is fulfilled.

Views of Surety Men

Surety men say that the importers are unnecessarily apprehensive regarding the new form and point out that the single entry bond relates to articles which "have been imported." Further on it says: "Or in the event of failure to comply * * * shall pay to said collector an amount equal to double the value of said articles as stated in said entry." In section 3 of the bond it states: "In event of failure * * * shall pay to said collector an amount equal to double the estimated duty on said entry."

Surety underwriters also say that the new bond has the advantage of decreasing the number of forms as it may be used "to deliver merchandise, to produce documents, to pay duties and charges due on final liquidation, to perform conditions of release, such as to label, hold for inspection, set-up, etc. To be taken in all cases when delivery is requested prior to inspection, examination or liquidation."

What McAdoo Can and Cannot Do

At the Merchants' Association hearing it was pointed out that the Secretary of the Treasury cannot impose penalties; he can only make regulations, and that the blanket bond covers almost anything that could arise; that the Government had made the ruling to protect itself against such losses as were incurred under the old system, and that brokers would not be able to qualify because of the great cost and that the merchants would have to pay it.

Another member said that in smaller ports entries are liquidated very quickly, but that in New York the difficulties are much greater, because business is done on a close margin.

Penalty Reduced

Brokers would not be willing to assume the bond in order to induce them to sign. The authorities set a lump sum of $50,000 which they later reduced to $25,000, instead of twice the amount of the invoice. Return to the old method was urged on the ground that the amount of loss to the Government has hardly exceeded $2,000 in a number of years.

Discusssion followed as to whether surety companies should be allowed to give the bonds as the Government desires.

It was thought that brokers would require assurance from importers of protection if they signed the bonds and that brokers would be forced to get the same surety that surety companies demand.

Weakness of New System

The weakness of the new system was claimed to be that a bond is required on the entry of goods before they can be examined, so that the broker has to swear to things before he knows what they really are.

A committee of the Merchants' Association appeared in Washington this week to protest against the immediate use of the new bond and to induce the Treasury Department to accept either the old or the new form.

GEO. J. MUTZ RESIGNS

George J. Mutz, for some time a special agent of the local department of the Fidelity & Casualty, resigned last week to engage in another line of business.

H. D. Huffaker, president of the Interstate Life & Accident, Chattanooga, was in New York this week to attend the hearing on internal revenue tax problems.

Accident Health Automobile Plate Glass Burglary Liability

Fidelity Contract Judicial Public Official Depository Bonds

FIDELITY & DEPOSIT CO.
OF MARYLAND
BALTIMORE

Casualty Company Tax Questions

WHAT OFFICES WANT TO KNOW

Queries Range From Reserve Funds to Earned or Paid Commissions to Agents

Some of the questions in the minds of company executives regarding the tax are reflected in the following:

Under the heading war income tax, referring to the return to be made to the Commissioner of Internal Revenue as to amount of gain, profits and income paid to other persons, etc., will you please let me know whether the words "remuneration or other fixed or determinable gains, profits and income" would include such items as printing bills or amounts paid for office furniture, supplies, etc.

I shall be glad to have your opinion as to whether our voluntary contingent reserve fund, which consists of reserves which we deem positively necessary for our outstanding liabilities but which are in excess of the statutory reserves for such liabilities, would be considered, so far as concerns that part of it arising from the taxable year's operations, "undistributed net income which is employed in the business or retained for employment in the business."

January 1, 1917, the company's surplus amounted to $————; if, however, our voluntary contingent reserve fund were also deemed to be surplus (as it is by the insurance department) that figure would be increased by $————. The surplus originally contributed by stockholders amounted to $————. I presume that the figure as at January 1, 1917, rather than the full amount of the original investment, would be used for the purpose of calculation of excess profit tax, but I should like to have your views upon this.

Noting that the invested capital does not include bonds, other than those of the United States, the income from which is not subject to excess profit tax, I am wondering whether it would be possible for us to successfully hold that none of our invested capital is invested in such securities, but that those of such securities which we own are a part of our various statutory reserves. If this plea held good our invested capital would not be subject to reduction by reason of the fact that we hold large quantities of State and municipal bonds.

Method of Determining Net Income

As to the method of determining the net income of the company for excess profit tax purposes: during the years 1911, 1912 and 1913 (the pre-war period) our company was building its organization and setting aside large reserves, hence our net income reports to the Treasury Department for those three years show a large average annual net loss. Presuming that we make a profit during the taxable year 1917 (the amount of which it is of course impossible for me to anticipate at the present time), it would seem that a deduction of at least 7 per cent. would be permitted to us under paragraph 20 of the Revenue Law, and that the Secretary of the Treasury might, upon our application, decide to allow a greater deduction based upon the average deduction for such year of other corporations engaged in our business. Is this so? Are we allowed 7 per cent. in any event?

Under the heading stamp tax, and on reference to the Revenue Law, I conclude that the tax payable on surety premiums is to be paid by the use of adhesive stamps, although the tax payable on casualty premiums is to be paid in bulk at monthly intervals? Do you reach the same conclusion?

I also note that you do not consider that powers-of-attorney issued by this company would be subject to taxes; in forming that conclusion, have you considered the special powers-of-attorney issued by us in large numbers to our bonding agents, authorizing them to sign specific kinds of bonds.

The Premium Tax

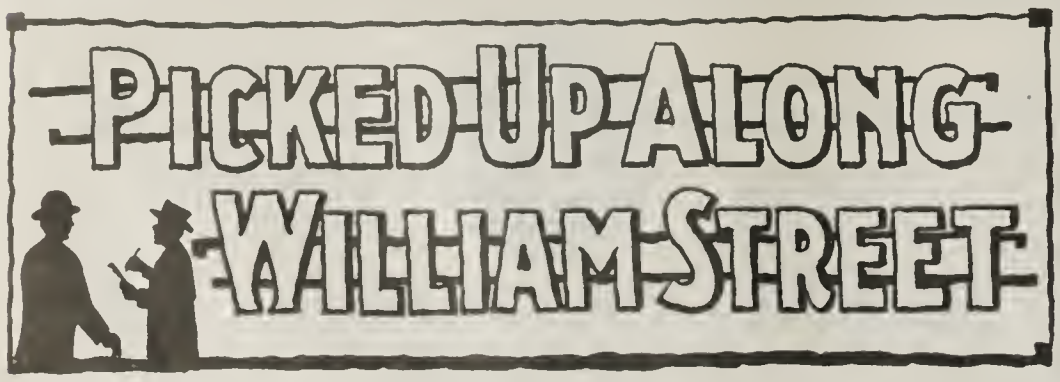
Reverting to the premium tax, you will be aware that a large number of policies are issued to be made effective as of a date prior to the date of issuance; thus during the early part of November (the tax becoming effective November 1), policies carrying large amounts of premium will doubtless be issued with effective dates in October. I find that when the somewhat similar premium tax law became effective in, I think, 1914, the tax was paid by us only upon policies becoming effective during the taxable period, irrespective of the date of issuance. Can we follow that system this time? Our action was somewhat confirmed by the ruling that was made in conjunction with adjustable premiums—it being held that at that time additional payroll premiums, although due and collectible during the taxable period, were only subject to taxation if the effective date of the policies was within the taxable period.

Will our investment income, that is, interest received upon our securities, be subject to tax as net profits? This question is pertinent in view of the much larger investment income which we now derive than was received by us during the "pre-war period."

Will it be necessary for us to report to the Treasury Department the exact amount of commissions earned or paid by the agents and brokers of the company?

How will the tax on "undistributed earnings" affect us?

General Accident
FIRE AND LIFE
ASSURANCE CORPORATION, Ltd.
SERVICE THAT EXCELS
FREDERICK RICHARDSON, United States Manager
GENERAL BUILDING · 4TH & WALNUT STS.
PHILADELPHIA



Committee on Pool Plan

The committee of three members of the National Workmen's Compensation Service Bureau chosen to formulate a plan by which hazardous risks may be written through a pool is composed of a representative of the Royal Indemnity, Maryland Casualty and United States Casualty. If formed, the pool will be confined to bureau members. There should be at least ten companies in the pool to make it a success.

* * *

Manual and Mutuals Discussed

Thursday, Nov. 15, the National Workmen's Compensation Service Bureau held a meeting of the manual committee. Other members interested in the work of the Bureau to secure the co-operation of mutuals also attended a meeting to consider that subject. The mutuals are holding a meeting of their various organizations in Chicago, when this subject will be brought up.

* * *

Bureau Extends Usefulness

The National Workmen's Compensation Service Bureau is now making recommendations and helping in the installation of safety devices for the Emergency Fleet Corporation. That organization is laying down shipyards in various parts of the country and carrying on a large enterprise at high pressure. The Bureau is already furnishing a number of its men to the National Council of Defense for accident prevention work in the various shipyards.

* * *

Paid $100, Got $40,000

July 24, 1917, the Aetna Life issued an accident policy to Charles Finnegan, of Connecticut, on which he paid one annual premium of $100. In September the insured was killed in an automobile accident and September 20 the company paid his estate $40,000, the proceeds of the policy. The contract is known as the "Merchants and Bankers Acme Accident Policy" which pays $40,000 principal sum for loss of life by accident. For travel, elevator or burning building accidents it pays double benefit.

* * *

Starts Conscience Fund

The Preferred Accident last week received its first "conscience money." The company received a letter postmarked Des Moines, Iowa, containing $15 and the following unsigned note:

"Overdrawn and hereby returned. Redeemed by the blood of Jesus."

The officials of the Preferred have not yet decided what to do with the money.

* * *

Companies Write $2,000,000 Executor's Bond

The U. S. Fidelity & Guaranty and the Fidelity and Deposit have written jointly the $2,000,000 bond of A. P. Peck of Los Angeles as co-executor of the estate of George W. Houk, the eastern millionaire who invented wire wheels for automobiles and died recently at Los Angeles. Each company assumed $1,000,000 of liability under the bond.

* * *

Pools Found Beneficial

Speaking of pools to write undesirable classes, the excise bond pool is an example of the stabilizing effect of this plan. Before the days of the pool nobody knew just where he stood on this business. One might make $100,000 on it one year and lose $200,000 the next. The pool enabled the companies to ride this tempestuous sea on a more even keel.

* * *

S. L. Porter With Atlas

S. L. Porter has been appointed special agent for the Atlas, succeeding Hume Morss, who joined the Reserve Officers' Training Camp at Fort Niagara, N. Y. Mr. Parker has been for twelve years in the service of the Agricultural and is thoroughly familiar with New York State business.

* * *

City Club Meeting

The November meeting of the City Insurance Club was held Tuesday at Davis's Restaurant. It was decided to hold a beef-steak dinner on Saturday, December 1.

* * *

Arrata With U. S. Brokers Agency

E. A. J. Arrata, formerly with Arthur C. Swinton, is now with the U. S. Brokers Agency, Inc.

* * *

Albert Cross Heads Mutual

Albert Cross, managing director and secretary of the Child Federation has resigned to become manager of the Liberty Mutual Insurance Company of Philadelphia, which writes compensation lines.

* * *

Must Get Under Cover

Deputy Industrial Commissioner, W. C. Richards has warned New York State employers in hazardous lines to protect themselves by compensation insurance or be subject to prosecution.

* * *

Where Was the State Fund?

When stevedore and lighterage compensation lines were going begging in New York at the rate of $12.60 the business was offered to the State Fund. In spite of its claim that it can do business at so much less expense than the companies, the State Fund refused to take this business and help the lighterage people out of their dilemma for less than $18.90, just fifty per cent. advance. Subsequently, the stock company rate was advanced to $18 and meanwhile much of the business had to be placed with such stock companies as could be persuaded to accept it.

* * *

Marc Hubbert Back With National Surety

Marc Hubbert, who resigned at the first of this year as manager for the National Surety at Portland, has reentered the company's service as manager for Nebraska, with headquarters at Omaha. Hubbert is one of the best-known surety underwriters in the Pacific Coast field, is a writer on surety topics and was with the U. S. Fidelity & Guaranty and later the former Title Guaranty & Surety before joining the National. Since leaving the latter he has been engaged in life insurance at San Francisco.

* * *

Opening Insurance Office

Walter S. Colt, president of the Queensboro Homes Corporation, has opened an insurance department at Roosevelt and Lavonia Streets, Corona, L. I. His Manhattan office is at 47 West 34th Street.

New Jersey Minimum Premium Approved

EIGHT DOLLARS BASIC CHARGE

New Plan Effective January 1 Subject to Approval of Insurance Commissioner

A new minimum premium plan has been approved by the governing committee of the Compensation Rating & Inspection Board of New Jersey. This must have the approval of the commissioner of insurance before it can become effective, but there is no reason to believe that he will not favor it. January 1 is the effective date fixed.

How Rate Is Made

The first minimum premiums in New Jersey were assigned by judgment, while the new ones are derived from a formula, as follows. The sum of $8 (the estimated cost of placing the policy on the books) plus the result of applying the manual rate to $1,000 of payroll. For example, button manufacturing, celluloid, page 69 of manual. The symbol for the rate is CF, the rate $1.21. To get the minimum premium compute $8 plus ten times $1.21, which is 8 x $12.10=$20.10, the minimum premium. In making these computations, fractions of a dollar are dropped, so that the minimum premium actually charged in this case would be $20.

When the Actuarial Committee of the National Reference Committee made its report a minimum premium based on $10 plus 10 times manual rate was recommended. The governing committee of the New Jersey bureau fixed upon $8.

FOR BETTER COLLECTIONS

Owing to unusually heavy expenses and taxes, coupled with an adverse condition in the security market, companies will devote special attention to collections between now and January 1. A general cleaning up of old accounts is highly probable.

New Druggist's Bond Rate Promulgated

LICENSE TO SELL INTOXICANTS

Feature of Revenue Act Which Will Create Large Volume of Business

Druggists throughout the country have been slow to realize that under the internal revenue act they are required to file a license bond permitting them to use or sell distilled spirits for other than beverage purposes. Annual rates for these bonds have been fixed as follows:

Up to $100,000, $5 per thousand; over $100,000, $500 for the first $100,000 and $1 per thousand for the excess. Annual renewals at above rates. The minimum for short term or annual minimum for any bond $5. The value is computed for each separate applicant not for the aggregate customers of a distributor.

This business is regarded as of much better quality than the bonds of liquor dealers guaranteeing payment of war surtax. The rate originally made was $10 a thousand, but after full investigation of the character of the business the rate was reduced to $5.

GOVERNMENT SERVICE BUREAU

J. T. Jones in Charge of Aetna's Station Office in Washington, D. C.

Among the service stations in Washington, D. C., covering Government contract business is the Government service bureau of the Aetna Casualty & Surety of Hartford, which was established five years ago with offices in the Woodward building. The bureau is in charge of J. T. Jones. Although primarily a service station for the benefit of its own people, the bureau is doing a vast amount of individual work for the Government, for the contractor and for its agents. The staff has not been enlarged since the war began, but the company is ready to do so if more workers are needed.

AWARD TO INCIDENTAL WORKER

Court of Appeals Decides Case of Bricklayer Against Lithographing Company

The New York Court of Appeals has held that a bricklayer injured by the fall of a scaffold, while pointing up a building used by his employer for lithographing and printing, which is a "hazardous" business, is entitled to compensation. In its opinion the court held that the plaintiff was engaged in an employment incidental and requisite to the business carried on by the company, his employer and under the law is entitled to compensation. In effect, the court regards repairs as part of the business operation.

LEAVES "INTELLINGENCER"

Samuel S. Sternfield has resigned from the "Insurance Intelligencer," for which he did work largely in connection with special issues to go with "The Billboard," a theatrical publication.

AMERICAN SURETY COMPANY
OF
NEW YORK
100 BROADWAY
Fidelity and Surety Bonds

C. A. CRAIG, President W. R. WILLS, Vice-Pres. C. R. CLEMENTS, Sec. & Treas.
The National Life and Accident Insurance Company
NASHVILLE, TENNESSEE
Industrial, Life, Health and Accident Insurance
in ONE policy

The Employers' Liability Assurance Corporation, Ltd.
The original and leading Liability Insurance Company in the World
LIABILITY, STEAM BOILER, ACCIDENT, HEALTH, FIDELITY AND BURGLARY INSURANCE
United States Branch
SAMUEL APPLETON, United States Mgr.
Employers' Liability Building
33 BROAD STREET, BOSTON, MASS.
AGENTS WANTED

CASUALTY AND SURETY POINTERS

Selling Group Plan Liability

Selling the group plan physicians' and surgeons' liability policy is described by C. H. Dunning of the Aetna at Duluth, as follows:

"Among the arguments to be used, I would advise an agent, first of all, to talk co-operation. If a doctor has an individual policy he fights alone. If he is covered under a group form he has a committee of five, from the society and representing the society, with him to discuss all details. He has the backing of the best men of the profession. He is assisted with expert testimony, while it is harder for the opposition to secure doctors in good standing to testify for the plaintiff. I would also dwell on the complete coverage the contract offers and the fact that the company acts only as a financial backer for the members. It is left entirely within their control who shall be covered as the company does not take the outsiders and fakes—it covers only those upon whom the society has put the stamp of approval by election to membership. Also point out that the society controls renewal, all policies and certificates expiring at the same time, and that, if satisfaction is not gven, a majority of the members can cancel the contract. Call attention to the fact that under this plan the personality of the insurance company is submerged, while the society and its members appear banded together in a unit of strength for the prevention and defeat of claims for alleged malpractice."

* * *

Fidelity View of Thrift

Now that the American public is being familiarized with the benefits of owning interest-bearing Government bonds, an era of thrift may be considered to have been well started In no other country is the proportion of savings bank depositors so small as here. In England it is 392 in a thousand, France 346, Switzerrand 554 and here 99. The effect of thrift upon the fidelity business is noted by the Fidelity & Casualty in the following:

"There are few things in an application for fidelity suretyship that an examiner is more pleased to find than evidence of thrift and saving habits. It is astonishing how often we find that men holding high and responsible positions have made but slight permanent financial progress. We bond such men, of course, if their credentials in other respects are satisfactory, but we should bond them more confidently, and should re-insure their bonds less freely, if they had trained themselves to save. On the other hand, a case that might not seem in all respects up to the mark would be settled in favor of the applicant if our investigation showed that he had contrived in some way to save money; but where the latter condition is present, the other aspects of the risk are almost always excellent."

* * *

How War Creates Business

E. E. Kolb, of the Maryland, speaking of how the war affects fidelity bonds, says that it will be impossible for employers, owing to the scarcity of labor, to select employes as carefully as heretofore, and it is important that agents watch closely the investigation of all new risks and see that the usual former employer's statements are sent out returnable to the home office, or to their agency. The same situation is a good argument to advance to employers as to why employes should be bonded, and it seems to me that a great deal of new business can be worked up if this matter is presented to employers in the proper way. This new condition will apply not only to persons occupying minor positions, but as the war progresses employers themselves will, no doubt, be called to the service of the Government in very important capacities and will be compelled to leave a great deal of their business affairs to subordinates.

* * *

How Not To Help Burglars

A good burglary-insurance advertisement might be made of the following list of "dont's" which appeared in "The Fieldman," of the Chicago Bonding & Insurance Company:

Don't put a notice on the hall bell or dumb-waiter to the effect that you are out.

Don't advertise the fact that you are going out by pulling down the window shades.

Don't ever leave the house, no matter in how great a hurry, without taking a final look to see that all windows and doors are fastened.

Don't leave the house at night without leaving a light burning in your apartment. A burglar rarely attempts to enter such an apartment.

Don't admit gas men, telephone men, etc., without having them first produce their credentials.

Don't attempt to grapple with a burglar if one should successfully invade your premises at night. Keep still. The chances are all in his favor, but try to get a good look at him.

Don't place your rings on the washstand when washing your hands. Put them in your pocket.

Don't hide money or jewelry under the carpet, in vases or in bureau drawers. These are the places generally searched first by the thief.

Don't lock cabinet drawers as a protection against burglary. A burglar has no respect for the value of furniture and will use his jimmy or chisel freely on the finest cabinet.

* * *

Enemies vs. Allies

Have you ever taken a pencil in hand and attempted to enumerate the Allies and the Enemies? asks the Ohio State Life. Here is a list which can be extended, arranged somewhat according to rank:

Allies	Enemies
General Activity	General Apathy
Colonel Optimism	Colonel Pessimism
Major Courage	Major Fear
Captain Hope	Captain Despair
Lieutenant Haste	Lieutenant Delay
Corporal Today	Corporal Tomorrow
Private Work	Private Idleness

* * *

USING TRANSMISSION SYSTEM

In remodeling the offices of the Travelers at 76 William Street everything possible is being done to facilitate the work of handling the large business transacted there. Among the improvements is an air transmission system from the top floor where the files are to any part of the office. The counter room on the first floor can obtain any file in from one to three minutes. In exceptional cases five minutes might be required. All detail work will be done on the third floor and the assistant managers and special agents will be on the second floor.

W. E. SMALL, President PETER EPES, Agency Mgr. E. P. AMERINE, Secretary

GEORGIA CASUALTY COMPANY

HOME OFFICE: MACON, GEORGIA

"DIXIE AUTO POLICY"

THE LAST WORD IN MOTOR INSURANCE

Surplus and Reserves to Policyholders.....$1,526,022.81

The METROPOLITAN CASUALTY

INSURANCE CO. OF NEW YORK

HOME OFFICE, 47 CEDAR STREET

CHARTERED 1874

Plate Glass, Burglary, Accident and Health Insurance

EUGENE H. WINSLOW, President

Russell R. Cornell, Vice-Pres. S. Wm. Burton, Sec. Alonzo G. Brooks, Ass't Sec.

RELIABLE AND ENERGETIC AGENTS WANTED

THE SIGN OF GOOD CASUALTY INSURANCE

HEAD OFFICE
CHICAGO

F. W. LAWSON
General Manager

Liability, Accident, Burglary, Boiler and Credit Insurance

Established 1869.

F. J. WALTERS
Resident Manager
55 JOHN STREET
New York

Elmer A. Lord & Co.
145 Milk St., Boston
Resident Managers New England

London Guarantee & Accident Co., Ltd.

OF LONDON, ENGLAND

The Fidelity and Casualty Company of New York

92 LIBERTY STREET, NEW YORK, N. Y.

Metropolitan Office—92 William St.

SEMI-ANNUAL STATEMENTS JUNE 30, 1917

Assets	$14,005,236.30
Liabilities	10,395,192.68
Capital	1,000,000.00
Surplus over all liabilities	2,610,043.62
Losses paid to June 30, 1917	58,554,792.60

This Company issues contracts as follows: Fidelity Bonds; Surety Bonds; Accident, Health, and Disability Insurance; Burglary, Larceny, and Theft Insurance; Plate Glass Insurance, Liability Insurance—Employers, Public, Teams (Personal Injury and Property Damage). Automobile (Personal Injury, Property Damage and Collision), Physicians, Druggists, Owners and Landlords, Elevator, Workmen's Compensation-Steam Boiler Insurance; Fly-Wheel Insurance.

BUSINESS=BUILDERS

DEVELOPING

Fidelity and Surety Bonds, Liability Workmen's Compensation, Automobile, Accident, Health, Burglary and Plate Glass INSURANCE

APPRECIATE THE CO-OPERATION OF THE

Massachusetts Bonding and Insurance Company

BOSTON T. J. FALVEY, President

Paid-In Capital $1,500,000 Write For Territory

The Frankfort General Insurance Co.

UNITED STATES DEPARTMENT

123-133 William St., New York, N. Y.

TRUSTEES:

Union Trust Company, 80 Broadway, New York City

CASUALTY INSURANCE

AGENTS WANTED FOR UNOCCUPIED TERRITORY

Announcement

Owing to the large demand for extra copies of the

LIFE INSURANCE SALESMANSHIP

edition of The Eastern Underwriter, *issued September 21, 1917, an*

EXTRA EDITION

of that number has been published

Life Insurance Companies and General Agents desiring to secure copies for distribution among their Agents can do so by wiring or writing The Eastern Underwriter, *105 William St., New York, the number required.*

Price Twenty-five cents per copy.

The Eastern Underwriter.

In addition to the ordinary forms of life insurance

THE EQUITABLE

makes a specialty of the following:

Insurance to protect business firms and corporations, under a corporate form of policy.

Group Insurance, by which employers protect families of employes.

A flexible contract, known as the Convertible Policy, which can be converted by the Insured into an Ordinary Life, Limited Payment Life, or Endowment Policy.

A Bond issued without medical examination giving the investor an income for his declining years.

A new policy is offered under which the insurance is DOUBLED if death results from ACCIDENT. This policy also embodies the following advantages if the person whose life is insured becomes totally and permanently disabled:

1. Thereafter the Equitable will carry the insurance —The Insured will have nothing further to pay.
2. The Equitable will pay the Insured an annual income for life equal to one-tenth of the face of the policy.
3. Upon the death of the Insured the full amount of the insurance will be paid to the Beneficiary (or double the amount if death is due to accident) without deduction on account of the income paid to the Insured while living.

(See the policy for conditions and details.)

For Agency Openings Address

WILLIAM E. TAYLOR,
Superintendent of Agencies

THE EQUITABLE

LIFE ASSURANCE SOCIETY OF THE U. S.

120 BROADWAY, NEW YORK

THE OHIO MILLERS

MUTUAL FIRE INSURANCE COMPANY

Net Cash Assets.....$1,147,802
Net Cash Surplus..... 505,213

Squire Company, Inc.

1 LIBERTY ST. REPRESENTATIVES NEW YORK

STOCK POLICIES ONLY

BUSINESS SOLICITED FROM AGENTS AND BROKERS

JAMES H. EPWORTH

NEW JERSEY FIRE INSURANCE SPECIALIST

NEWARK AND SUBURBAN NEW JERSEY TERRITORY

40 CLINTON STREET NEWARK Phone Market 6536 | SERVICE FIRST | 80 MAIDEN LANE NEW YORK Phone John 4560

STRENGTH INTEGRITY SERVICE

Scottish Union & National Insurance Company

HENRY J. HOUGE, J. H. VREELAND, Assistant Secretaries — JAMES H. BREWSTER, Mgr., Hartford, Conn.

A Broad Underwriting Service to Agents

Writes Fire, Automobile, Rent, Sprinkler Leakage, Tornado, Use and Occupancy, Explosion, etc.

Works in Harmony with American Agency Principles and Practices

San Francisco Losses Amounting to $4,522,905.00 paid PROMPTLY IN CASH WITHOUT DISCOUNT, from funds largely supplied by head office in Liverpool

U. S. Cash Assets, Dec. 31, 1916 $15,827,439.35
Surplus, - - - - 5,460,745.59
Losses Paid by Chicago Fire, 1871 3,239,491.00
Losses Paid by Boston Fire, 1872 1,427,290.00
Losses Paid by Baltimore Fire, 1904 1,051,543.00

Liverpool and London and Globe Insurance Co. LIMITED

Over $152,000,000.00

Losses Paid in the United States

HENRY W. EATON, Manager
G. W. HOYT, Deputy Manager
HUGH R. LOUDON, Assoc. Deputy Mgr.
J. B. KREMER, Asst. Deputy Manager
T. A. WEED, Agency Superintendent

NEW YORK OFFICE
80 William Street

THE EASTERN UNDERWRITER

[Succeeding the Journal of Insurance Economics, Established in 1899]

A WEEKLY NEWSPAPER COVERING ALL BRANCHES OF INSURANCE

Eighteenth Year; No. 49 | NEW YORK CITY, FRIDAY, NOVEMBER 23, 1917 | $3.00 per Year; 25c. per Copy

N. Y. EXCHANGE ACTS ON CANCELLATIONS

Also Appoints Committee of Seven to Submit Increased Rate Recommendations

LYMAN CANDEE MADE CHAIRMAN

Said Present Local Conditions if Continued Would Force Out Small Companies

The New York Fire Insurance Exchange has taken action to bring about increased fire rates in New York City and, also, at an executive committee meeting on Tuesday, adopted a resolution prohibiting the cancelling of policies and the re-writing of same for a longer term at other than short rates. The resolution follows:

"The executive committee orders that pending further action by the Exchange no cancellations for re-writing for a term running beyond expiration of existing contracts and no binders for same shall be made except subject to short rates."

Names Committee

President Marshall announced on Wednesday the appointment of the following committee of seven which is authorized to compile data and submit recommendations to the Exchange on the subject of increased rates:

Lyman Candee, vice-president of the Globe & Rutgers, chairman; Charles G. Smith, president of the German-American; F. C. Buswell, vice-president of the Home; Cecil F. Shallcross, manager of the Royal; George W. Hoyt, Deputy United States manager of the Liverpool & London & Globe; Wallace Reid, metropolitan agent, and J. G. Hilliard, metropolitan agent.

Personnel of Committee

The personnel of this committee has caused favorable comment. It is believed to be one of the most representative that has ever taken up a fire insurance matter and company men are predicting a comprehensive report or metropolitan rate conditions.

This committee was formed in accordance with a resolution adopted at the meeting of the Exchange on Wednesday of last week which was reported in The Eastern Underwriter. The resolution was introduced by Mr. Candee.

Mr. Candee's Views

Mr. Candee gave his opinion that increased rates are essential to the

(Continued on page 20)

"The Largest Fire Insurance Company in An

THE HOME INSURANCE COMPANY NEW YORK

ELBRIDGE G. SNOW, President

Sixty-four-Year Record for Fair Dealing and Prompt Adjustment and Payment of Losses

FIRE AND ALLIED BRANCHES OF INSURANCE.

Fire, Lightning, Automobile, Commissions, Explosion, Hail, Marine (Inland and Ocean), Parcel Post, Profits, Registered Mail, Rents, Sprinkler Leakage, Tourists' Baggage, Use and Occupancy, Windstorm.

STRENGTH REPUTATION SERVICE

North British and Mercantile Insurance Co.

Established 1809

Entered United States 1866

Policyholders protected by the entire United States assets, with further guarantee in every policy, of protection by entire fire assets of the company which are many times larger.

SPRINGFIELD
Fire & Marine Insurance Co.

Cash Capital $2,500,000.00

THE SPRINGFIELD for two-thirds of a century has transacted business solely under its own corporate name, without annexes, underwriting agencies or subsidiary companies. An agent of the SPRINGFIELD is not a half, a quarter or any other fraction of an agent, but is vested with the rights and dignity of an undivided representative of an undivided and independent company. The SPRINGFIELD stands today pre-eminent among American fire insurance companies.

SPRINGFIELD MASSACHUSETTS

THE GAUVIN AGENCY

COMPLETE PROGRAM OF LIFE PRESIDENTS

Frank A. Vanderlip, National City Bank President, To Tell of Small Savings Plan

FRANKEL ON AUTO HAZARD

Mayor of Des Moines To Discuss War Financing—Other Speakers and Their Topics

The Association of Life Insurance Presidents has now completed the program for its tenth annual convention (to be held at the Hotel Astor on December 6-7) and it easily ranks as one of the greatest in the history of the association.

An important announcement is that Frank A. Vanderlip, president of the National City Bank of New York and chairman of the United States Government's War Savings Committee, will speak on the opening day. Mr. Vanderlip will bring a message from the National Capital in connection with the plan for enlisting the small savings of the country in war service. This is the Government's $2,000,000,000 war certificate issue.

Dr. Frankel's Topic

Another speaker, not previously announced, will be Lee K. Frankel, Ph.D., third vice-president of the Metropolitan Life Insurance Company. His subject will be "The Increasing Automobile Hazard." He will deal with a problem that is just now being studied from many points of view in this country. Municipal and State governments, the automobile industry and automobile owners, as well as pedestrians, realize that the increase in accidents, fatal and otherwise, calls for better methods of handling the traffic situation. As might be expected, this increasing hazard is being reflected in the mortality experience of both life and accident insurance companies.

The topics all have a relation to life insurance and the nation's problems—now and after the war. Arthur E. Childs, president of the Columbian National Life Insurance Company, Boston, will be chairman.

The complete program follows:

Address on "War Savings," by Frank A. Vanderlip.

"Financial and Physical Needs of American Railroads in the World's reconstruction Period," Samuel Rea,

THE PILOT POLICY

president Pennsylvania Railroad Company, Philadelphia, Pa.; member board of directors Equitable Life Assurance Society.

"Safeguarding the Owners of the Securities of the Railroads of the Country," S. Davies Warfield, president National Association of Owners of Railroad Securities; chairman of the board, Seaboard Air Line Railway Company, Baltimore, Md.

"Requirements of American Agriculture After the War," Herbert Quick, member Federal Farm Loan Board, Washington, D. C.

"Financing of Municipal Development



A. E. CHILDS

Arrested by the War," John MacVicar, mayor of Des Moines, Ia.

"Application of Lessons of Military Sanitation to Peace Times," Dr. William H. Welch, professor of pathology, Johns Hopkins University, Baltimore, Md.

"Life Insurance and the War," William A. Hutcheson, second vice-president and actuary Mutual Life Insurance Company, New York.

"Governmental War Insurance and War Taxation," George E. Ide, president Home Life Insurance Company, New York; chairman Committee of Insurance Men appointed by Secretary of the Treasury McAdoo.

"Agency and Allied Problems After the War," Henry L. Rosenfeld, fourth vice-president Equitable Life Assurance Society, New York.

"The Increasing Automobile Hazard," Lee K. Frankel, Ph.D., third vice-president Metropolitan Life Insurance Company, New York.

"War and After-War Supervision of Insurance," Emory H. English, president National Convention of Insurance Commissioners, Des Moines, Ia.

"Reclamation of Men Rejected by the Draft and its Relation to Life Insurance," Dr. John H. Quayle, Cleveland, O.

NORTHERN'S PROGRESS

The Northern Assurance Company of Detroit is ten years old. Its assets at December 31, 1907, were $144,097.74; its reserve $17,146.15; paid for assurance $1,594,500. On October 31, 1917, its assets were $1,437,888.72; reserve was $1,242,283.15; paid for assurance was $15,195,469.81.

The Company has paid and held for benefit of policyholders since organization to October 31, 1917:

Total death claims paid...	$317,817.86
Surrender values paid in cash and matured endowments	85,937.32
Surrender values applied..	52,861.38
Total paid to policyholders	$456,616.56
Reserves and other funds held for protection of policyholders	1,437,888.72
Total paid and held for benefit of policyholders..	$1,894,505.28

Great Southern Life Insurance Company

HOUSTON, TEXAS.



For Agency Contracts address

O. S. CARLTON

PRESIDENT

BRITISH WAR BONDS

Life Offices Offering Facilities for Their Purchase—Non-Participating Endowment Insurance

London, November 1.—Several life offices are now offering facilities for the purchase of National War bonds, the latest being the Guardian Assurance Company, which submits a scheme, the central feature of which is an endowment assurance, without participation in profits, with sum assured payable on October 1, 1927, this being the date for repayment of the ten-year bonds (to which the operations of the scheme are confined) and the amount of the assurance will be the same as the nominal value of the bonds purchased, excluding any premium or bonus on redemption. The following example gives an idea of the working of the system. A person wishing to purchase a National War bond for £1,000, repayable October 1, 1927, under the scheme effects a policy for £1,000 payable on October 1, 1927, or at previous death (without profits). Taking his age as 45 at next birthday, the total outlay will be: The first year's premium payable forthwith of £96 19s. 2d.; followed by nine similar annual payments, making in all £969 11s. 8d., subject to income tax abatement.

F. H. HAZELTON DINNER

At the annual dinner of the Maine agents of the Equitable Life Assurance Society the special guests were John B. Lunger, vice-president of the Equitable; Mayor Chapman, and Deputy Insurance Commissioner Lang. Franklin H. Hazelton, who is manager of the Society in Maine, was toastmaster. He said that since its incorporation in 1859 the Equitable has never contested a claim in Maine.

CO-OPERATION No. 8

OUR fifty leading representatives have reported in the first half of 1917 an average of 63% more in new premiums than they did in the same period of last year.

These men will testify that our plans of agency co-operation are responsible in part for this splendid increase.

Phoenix Mutual Life Insurance Company

of Hartford, Conn.

JOHN M. HOLCOMBE, President

Settles Merger Case of Fraternal Unions

$1 MEMBER CONTRACT VOID

North American Union Permitted to Reorganize—Status of Fraternal Aid Union

The merger case of the North American Union and the Fraternal Aid Union has been settled by a decree of Judge Merritt W. Pinckney, sitting in the Circuit Court of Cook County, Illinois.

On November 20, 1916, a contract of consolidation was finally approved by the Supreme Lodge of the Fraternal Aid Union and the Supreme Lodge of the North American Union and by the Insurance Commissioner of the State of Kansas whereby the above named societies were consolidated.

The Fraternal Aid Union in this case practically made a re-insurance of the members of the North American Union. It received all of the assets, in round numbers a million dollars.

In the State of Illinois there is no law regarding mergers and in March, 1917, the Superintendent of Insurance there had the Attorney General bring suit asking for a receiver for the North American and nullifying and declaring void the merger of the two societies.

A receiver was appointed and afterwards discharged July 19 and all assets were again returned to the Fraternal Aid Union.

During this time disgruntled policyholders injected themselves into the suit (Kenniston, et al.) and the suit was still pushed demanding the nullifying and declaring void of the merger.

The decree of Judge Pinckney on November 7, 1917, settles this entire case. In this decree the North American Union is allowed to reorganize and will have as assets the $463,500 in securities at Springfield, Ill., and $100.000 in cash paid by the Fraternal Aid Union.

The Fraternal Aid Union is to retain all other assets received at the time of the merger, November 20, and also to retain as members the members of the societies of the Life and Annuity of Hiawatha, Kan., which merger contract was also declared null and void with the North American Union and also the members of the Knights and Ladies of Honor of Indianapolis, their contract being declared void. There were several other mergers made with the North American Union during the past years but these were not brought into question by the court.

This was the case where much notoriety was secured through the newspapers because in the original contract $4 per member was being paid to a broker by the Fraternal Aid Union for the procuring of this business. This brokerage contract becomes null and void under the decision of the court. One hundred thousand dollars was paid in all on this contract and a portion of this was refunded by some of the officers that received same.

REAL ACHIEVEMENT

E. A. Woods Agency, Inc., Way Ahead of Last Year Despite Time Given to Bonds

This year in addition to its regular business, the E. A. Woods Agency, Inc., sold, in the two Liberty bond campaigns, 5,452 Liberty bonds for $2,481,855. Many in its agency led or worked upon Red Cross teams and liberally aided the Red Cross work.

Besides all this, on November 1 the agency was $156,624.53 ahead in actual paid deposits of the whole of last year and even excluding single deposits it was $12,312.84 ahead of the whole of 1916.

In ten months it is nearly equal in written business to all last year, including its huge last December business.

Re-Insurance By German Companies

MERCURY'S TALK AT HEARING

Should Protect Old Risks Even if License is Withheld for New Transactions

Two German life re-insurance companies had spokesmen at the hearing in Washington last week in connection with the arguments for and against the Treasury Department's licensing German companies to do business in this country under the provisions of the Trading-With-the-Enemy Act. The applications to do business were filed on November 5, at which time Secretary McAdoo announced that a hearing would be held on November 15 in the Treasury Department. A full account of the fire insurance end of the hearing will be found printed elsewhere in this paper.

Mr. Torrey's Argument

The two companies re-insuring life insurance are the Mercury and the Prussian National.

The principal argument was made by M. W. Torrey, United States manager of the Mercury, who said:

"The United States branch is licensed for life re-insurance business. It does not do any direct writing. Its contracts are with American companies. They are automatic and obligatory. Under the provisions of these contracts we accept a certain amount of the surplus lines of these American companies. Life re-insurance is different from other forms of re-insurance; that is, the life companies cannot cancel, therefore, a re-insurance has to exist for an indefinite period. There is a clause that there can be cancellation of new re-insurance only by either party giving the other notice in writing from two to six months. Old re-insurance must be kept up and cannot be cancelled.

"There is a vast difference between life and fire re-insurance. A life risk is at its best immediately after it is examined and gradually runs down. After a risk has been in force a few years it is not so good as when first placed upon the books. What we need is a license to do business as we have been doing it. If we cannot get that then we want a license to take care of old risks.

Prefer Re-Insurance with Foreign Companies

"Many American life companies prefer to deal with a purely re-insurance company. There are various reasons why they prefer to do this rather than parcel the risk to their competitors, who will thus be in a position to obtain information which they may want kept secret at the time. Our re-insurance is desired by American companies. A strong argument to that effect is that out of sixteen active treaties in force at the beginning of hostilities, only two companies have cancelled their contracts on new business, but these companies kept up their contracts on the old business. A number of our treaty companies have written to the Treasury Department strongly urging that the Mercury be licensed.

"Now, as to the question of United States funds, we have not sent one penny abroad since being licensed here. Every cent paid to us by American companies has been held in this country for the benefit and protection of our American treaty companies. The trustees of our companies are American citizens. Our assets are held either by State insurance departments or by American trustees. We purchased Liberty bonds to the extent of $60,000. Of course, we have not so many employes as have the fire re-insurance offices, but those that we have are American citizens, born in this country. We have had no communication with the home office since the outbreak of hostilities between Germany and America. We have had very few communications, in fact, since August, 1914.

Sent Over $45,000

"About one of these communications I would like to inform you. Shortly before war was declared by the United States on Germany we sent a wireless for $45,000 in funds, not because we needed it, but the international situation was such that we thought it might be advisable to have this money. It was sent. Recently, I asked an executive of one of the large American life companies, which has done business in Germany for years, as to the attitude of the German Government towards American life companies in Germany. He informed me that the German Government has appointed trustees and the business of his company is going on as usual. Speaking of myself, I am an American and my family has been since the seventeenth century. I see no reason why we should not be licensed."

Views of Charles G. Hodge

Mr. Torrey was followed by Charles G. Hodge, secretary of the Fidelity Mutual Life. Mr. Hodge said: "The only interest I have in this proposition is due to the fact that we have for about fifteen years re-insured part of our business in these foreign companies, the Mercury and the Prussian National. In our own companies we have $2,000,000 of risks over and above what we can safely afford to carry re-insured in these foreign companies. If these companies are not licensed that will throw this surplus business back to us. What will happen? In such a contingency foreign insurance companies cannot get American companies to assume this liability through re-insurance. We have some risks in these companies fifteen years. No American life company will assume such liability for us. If the German companies are released from this liability it will be nice for them, but not for us, and other American companies. In fact, it would throw many hardships on American companies if they have to assume this liability which was heretofore assumed under re-insurance contracts. As for the future, it will mean the cutting down of net lines for some of the American life insurance companies. For instance, while our limit is now $100,000 it might be only $50,000 if there were no re-insurance companies. In other words, we can protect ourselves in the future, but what about the past?"

Mr. Hodge was followed by John Sidney Davenport, actuary of the Life Insurance Company of Virginia, whose views coincided with Mr. Hodge's.

Civilians Abroad To Have Insurance

PHOENIX MUTUAL'S PROPOSAL

$10,000 For Applicants in France and England—$5,000 for Red Cross, Y. M. C. A.

The demand for life insurance made by Americans who have gone to France and England to take positions in civil life or of those in the Red Cross, Y. M. C. A., Knights of Columbus and other service is growing with each month of the war. The Phoenix Mutual Life is one of the first companies to meet this situation and will insure Red Cross, Y. M. C. A., Knights of Columbus, and other workers who are doing relief service in connection with American forces abroad.

Two circulars issued by the Company follow:

$25.00 Extra Per Thousand for Relief Service Workers

To our Representatives: In accordance with the enclosure we are willing to consider applications (1) on the lives of those who intend to go to England and France in civil occupations and (2) on the lives of those who intend to enter various relief organizations for service in foreign countries.

The conditions under which we will accept applicants in the first group are fully explained and the extra premium is small.

It is not the intention of the Company to make one penny of gain by reason of insurance issued to those who enter Red Cross, Y. M. C. A., Knights of Columbus or other relief service. We are therefore writing these risks with our No. 1 war clause at a single extra premium of $25 per thousand. By this action we not only grant risks of this class insurance at an unusually low rate of premium, but in addition guarantee to return at the close of the war the unused portion of the extra premiums.

The foregoing terms represent a part of this Company's contribution to the cause of our country in these momentous times and are supplementary to the previous evidences which you have had during the past six months of this Company's desire to assume its share of the responsibility.

JOHN M. HOLCOMBE, President.

Civilians Traveling Abroad

Applications from those who intend to go to England and France in civil occupations will be considered for not more than $10,000 (including existing insurance) on the life or endowment plan. The No. 3 war clause will be used.

The normal premium will be increased by $10 per thousand and will be payable for the first two years of the policy. At the end of two years the Company will reduce the premium in the contract to the normal rate and in addition will refund the extra premium paid for each full policy year during which the insured has not left this country for travel abroad.

Red Cross, Y. M. C. A., Knights of Columbus and Other Relief Service

Applicants who intend to enter Red Cross, Y. M. C. A., K. of C. and other relief organizations for service in foreign countries will be considered for $5,000 of life or endowment insurance (including existing insurance). The policy will contain our No. 1 war clause and a permit will be added giving the insured the right to engage in such service on the payment of a single extra premium of $25 per thousand. The unused portion of the extra premium will be returned at the close of the war, in accordance with the terms of war clause No. 1.

SUFFRAGE LEADER AN AGENT

Miss Carrie Flarida with Equitable Life Assurance Society—An Organizer for Women's Party

Miss Carrie Flarida, who has been active in woman suffrage work in Western New York in the last year, has decided to enter the field of business in Rochester. She is now connected with the agency of the Equitable Life Assurance Society, with offices in the Granite Building.

As an organizer of the Woman Suffrage party, Miss Flarida has been active for the last four years, having participated in the campaigns of three States, Ohio, Pennsylvania and New York. With headquarters in Rochester, Miss Flarida has been doing church organization work for her party in Western New York in the campaign which was concluded on Election Day.

NOW J. PUTNAM STEVENS CO.

William G. Thompson, of Portland, Maine, an experienced life underwriter, has become associated, under the firm name of J. Putnam Stevens Company, with Mr. Stevens, general agent of the Massachusetts Mutual at Portland.



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Because of absolute protection, low premiums, annual dividends, grace period, disability provisions, termination refunds, incontestability clause, special certificates for employees, privilege of naming beneficiary, good commissions, and the Company's great experience in dealing with millions of workers in forty years.

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Tax Talk Closes a $2,500,000 Case

ARGUMENT WINS ROSENWALD

Second Application of This Size in Year—Extensive Preliminary Preparation Made

The $2,500,000 application signed by Julius Rosenwald, president of Sears, Roebuck & Company, Chicago, and head of the supplies commission of the National Council of Defense is a direct result of careful use by an agent of the tax argument. It was illustrated to Mr. Rosenwald that the tax now imposed on the larger estates might materially interfere with the settlement of an estate. The case proves conclusively that if the ambitious agent is desirous of rolling up a large volume of business, he must study the new tax laws almost as assiduously as he does his rate book. In fact, it is difficult to see how an agent can be successful nowadays, unless he has these tax figures in his head at his beck and call.

The fact that Mr. Rosenwald is worth $25,000,000 and has an income said to be at least $1,000,000 a year indicates that the tax arguments are as effective with a very rich man as with an ordinary successful one.

What Is Market on a Big Risk

There are a number of features about this risk which are interesting to underwriters. People talk glibly about $1,000,000 lines and seem to think the work is done when the application is signed and the medical examiners have O. K.'d the risk. The work is often just beginning when the consent of the prospect is obtained. It might not be a difficult matter for a man thirty years old, who is of splendid physique, who has no enemies and who has a six-figure income, to get more than a million. For instance, the Shevlin risk was placed without much difficulty. With an older man it is different. It has never been printed just how much has been covered on J. P. Morgan, who applied for $2,500,000. There have been rumors that some of the excess went to the Lloyds. One interesting question, therefore, is: What is the market on one of the great risks? Light on this question can be shown in the case of Mr. Rosenwald.

The Chicago man is fifty-five years old; he is modest, in good health and has good habits. For years he has been a leader in charities and now has his own foundation recently incorporated. He has had $150,000 insurance for some time. He resisted all attempts to increase this amount, saying that was all that he needed, until Edwin Austrian, of the Northwestern Mutual Life, Chicago, convinced him that it would be to the advantage of his estate for him to become heavily insured, because of the tax laws. He had persistently refused to be interested in additional new life insurance. Mr. Austrian convinced him that he should have $2,500,000.

Arranging Preliminary Details

The assent of Mr. Rosenwald having been obtained, the next step was to arrange for getting the insurance. Mr. Austrian and Rudolph Recht, a leading agent of the Northwestern, who is at 200 Fifth Avenue, New York City, having a working arrangement by which they assist each other on cases it was decided that Mr. Recht should arrange as far as possible the preliminary details. Practically every company was sounded on how much it would write on Mr. Rosenwald. The Canadian companies were also interviewed, and there was likewise correspondence with non-admitted companies. It was agreed by companies that the medical examination should be handled by three doctors. In the Morgan case it was understood that there were eighteen doctors. In the Vanderlip case there was also a large number of doctors. After a complete size-up of the situation, Mr. Recht found that the American market for a man fifty-five years old was about $1,400,000. It should be remembered that Mr. Rosenwald already carried the limit in the Northwestern Mutual Life.

A Tip from Mr. Recht

In a talk with The Eastern Underwriter Mr. Recht said this week: 'I believe that a proper understanding of the relationship between the tax on life insurance, the federal State inheritance tax, the income tax on investments and all other inroads on incomes of men and estates is essential for the writing of large lines on important people. A man of large affairs cannot ignore the tax question if presented correctly. It should be an open sesame to doors never before open to insurance agents. Companies are getting increasingly tight in the writing of big lines, and are using greater care in scrutinizing all large lines. Agents should know that the combination of business and income insurance will prove nowadays an irresistible policy for wealthy men."

Mr. Austrian has for some years been the leading agent of the Northwestern Mutual at Chicago. Mr. Recht is an unusually large writer. In the Rosenwald case he had complete charge of the placing and distribution of the risk. The policy, by the way, was a whole life.

Solicit the Farmer

The Travelers is today writing more life insurance on farmers than ever before. This is particularly noticeable in the Middle West. That the farming population is most prosperous is evidenced by the enormous sales of automobiles in the rural communities and by the increased purchase of farming land, says the "Travelers Record."

The value of the products of the farm this year will reach approximately fourteen billion dollars, the value of cereals and potatoes alone nearly six billion.

With wheat ranging from $2.00 to $2.40 a bushel, and with corn at $1.00 a bushel, the farmer has never been so prosperous. He can sell his crops at high prices without the cost of holding, and he is least touched by the high cost of living since he produces in a greater measure than others the food he consumes.

A committee of the American Bankers' Association has recently completed some new credit form blanks which contain the following questions:

No. 1—For Farmers—"Amount of life insurance carried and who is the beneficiary."

The advertisement of life insurance by various banks pointing out the value of the insurance not only as a means of protection, but of credit in financing the purchase of additional land, has done much to bring the value of insurance before the farmers.

The prosperous farmers are buying three things, more land, automobiles and life insurance.

We would suggest to our agents the advisability of cultivating this field. Not only is the farming population very numerous, but the farmer is a good risk, and he holds on to his insurance once taken as tenaciously as he holds on to his land.

PREMIUMS FOR BONDS

The finance committee of The Columbian National Life Insurance Company has voted that it will invest all premiums on new business from November 15 up to January 1, 1919 (and possibly longer), in Liberty Loan Bonds.

President Childs says, "This action on the part of the company will inspire the field to renewed efforts, for the taking of a policy of life insurance means that the policyholder is automatically helping also to insure his country. To life insurance you now add practical patriotism. Every premium placed is a Liberty Bond sold."

ENDORSED BY McCLENCH

President McClench, of the Massachusetts Mutual Life, has sent to the field this endorsement of the soldiers' and sailors' war risk measure:

"The home office cordially indorses the recent national legislation providing insurance for our soldiers and sailors, and commends its advocacy to the field. In our opinion, the law will have a distinct educational value for all the citizens of our common country. It provides at public expense minimum compensation to disabled soldiers and sailors and to widows and children of those who die in service or as a result thereof. One of the results of this law will be that the attention of the country will be called in a very practical way to life insurance, to its needs and its benefits, and discussion of the law and favorable comment concerning it among prospects ought to result in substantial gains in applications."

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War Risk Bureau Building Up Unusually Strong Organization

Richard D. Jones, Head of Claim Division; Professor J. W. Glover and A. W. Fraser on War Risk Advisory Board—E. S. Brashears, Chief of Bureau of Advice; no Actuary Named Yet—Judge Mack on Term

The new Soldiers' and Sailors' Insurance Division of the War Risk Bureau is rapidly becoming one of the largest bureaus at the capital under the direction of Charles F. Nesbit. The bureau is now in the new National Museum and is growing so fast that the question of space is already an impotant one. Commissioner Nesbit, who was in New York this week to address the members of the Casualty and Surety Club, is gathering about him an efficient staff, including insurance men of experience.

Manager of Claim Division

One of the most important is the manager of the department of claims, which post requires a high grade of administrative talent, because there will be a thousand and one points to decide in the claims.

As is known the bureau has three large divisions, insurance or underwriting, disbursements and claims. The head of the claims division is Richard D. Jones, formerly head of the claims department of the Royal Indemnity. Mr. Jones' insurance experience has been international. In 1898 when New Zealand passed its compensation act he first became acquainted with compensation problems. After that his experience was in all the Australian states, South Africa, England and New York. The superintendent of the medical division is Dr. R. D. Mackinnon, who was also with the claims division of the Royal Indemnity.

Professor Glover's Appointment

Professor James W. Glover, of the University of Michigan, and A. W. Fraser, of Omaha, have been appointed by Secretary McAdoo as members of the advisory board to the Division of Military and Naval Insurance of the Bureau of War Risk Insurance of the Treasury Department. The third member has not been appointed yet. Messrs. Glover and Fraser have accepted.

Professor Glover is professor of mathematics and insurance at the University of Michigan, and since 1903 has been in charge of technical courses at the University, preparing men for the professions of actuary, statistician and financial expert. He is past vice-president of the American Institute of Actuaries, and has helped to organize and develop several insurance companies. Mr. Fraser for the last three years has been president of the Woodmen of the World, and has been president of the Associated Fraternities of America, a combination of more than forty fraternal organizations.

Edward S. Brashears, Union Central, has been made chief of Division of Advice, and Frank J. Dunn, of same company, assistant chief.

Partial List of Insurance Men at Bureau

The following is a partial list of insurance men now working at the War Risk Bureau, telling in what department and from what companies they came:

Frank E. Martin, Continental Casualty, Allotment and Allowance; Walter Mack Clark, Aetna Accident and Liability, A and A.; Harry B. Epstein, Royal Indemnity, Compensation; Fred A. Ginsburg, Standard Accident, A. and A.; James M. Curtin, Aetna Life, Compensation; William J. Hayres, Royal Indemnity, Comp. and Claims; H. C. Houlihan, Royal Indemnity, same; Lee L. McKinney, Provident Relief Life, A. and A.; Perry F. Patrick, Aetna Life, A. and A.; Thomas N. Ransdell, Travelers, A. and A.; H. G. Scott, Jr., Reliance, A. and A.; Hugh T. Seebels (fire and marine man), A. and A.; J. Morgan Smith, National of Vermont, A. and A.; W. H. Spurgin, John Hancock, A. and A.; Fred J. Waight, Metropolitan, A. and A.; W. R. Wills, Life Insurance Company of Virginia, A. and A.; John Edwin Woodward, Travelers, Compensation; Harry W. Sessford, New England Mutual, Checking Applications; Edward S. Brashears, Union Central, Chief Division of Advice.

Judge Mack on Insurance Provisions

During the recent conference in Washington of military and navy and Government men, at which the provisions of the Military and Naval Insurance Act were explained, Judge Julian W. Mack made some interesting comments on insurance which have not heretofore been published, in which he discussed the term features and other parts of the act. Judge Mack in part said:

What Kind of Insurance to Sell

"Then came the question, what kind of insurance should the Government sell. Should it sell every kind that the private companies are selling or not? There are many reasons, dependent upon the particular circumstances of the individual, that would lead him to take, at some particular time of his life, some one or the other of the many forms of insurance that are offered, and there are very valid arguments that are urged by the insurance agents in support of the one or the other kind for insurance, as being the best kind for the particular individual at any particular period of his life.

"Now, let me illustrate: A young man, unmarried, feels that he wants to have something substantial at the end of 20 years. He says, 'I do not want to pay out all my money just for the insurance protection alone as I pay my fire insurance premiums. I want part of it to be a saving.' Well, the man that feels that way will take, we will say, a 20, 25 or 30-year endowment policy. If he takes out $10,000 of that kind of insurance, then, at the end of that time he will get the $10,000. He has created this fund for his subsequent use. The other young man is married. He says, 'I want to protect my family more than myself. I do not want that money, I want my family to have the $10,000 when I die. I want to get it for as little money as I can, but I want to get done paying for it in 20 years.' That man will take a 20-payment life policy. And another man says, 'I want to pay still less. I can do it by paying all my life, instead of for only 10, 15, or 20 years. I know that I will always have enough to keep this up, but I don't want to pay in so much as a 20-payment life will cost, and I will take an ordinary life.'

"Well, then, another man says, 'I need as much insurance as I can possibly get for the money that I can afford to spare during the next five years. I want the cheapest safe insurance that I can get. I am just about to go into business. I cannot see my way clear for the next five years. If I should die during that time, it is going to be very disastrous for my family. I need every penny that I can spare to put into my business during these next five years, and yet this is the time of all times when I need all the insurance that I can get. Now, after five years either I will be down and out or I will be prosperous, and then I can afford to take better insurance.' Well, now, that kind of a man if he is properly advised by the insurance agent will take what is called a five-year convertible term policy. He will take a policy that costs him very little during those five years, but that will give him the right or perhaps will compel him at the end of five years to convert it into something else that is more permanent in its character. During those five years he must get all he can for his money. It is a particularly hazardous time for him. Suppose, again, that he is going into an occupation that is particularly risky, and that he knows is not going to last more than that time. He says to himself, 'This is a very risky job that I am going into. I would be a fool if I did not take the very cheapest kind of safe insurance, because it will bring me just as much, if I die during this period of extra hazard, and then when the period of extra hazard is over and when I am in a normal situation, I will take the kind of insurance that is best suited to my then circumstances, something that will not compel me to pay money all my life.'

Explains "Term"

"The kind of insurance that man would take is what is called a five-year convertible term or a five-year renewable term. Let me explain the word 'term.' Straight term insurance is something like fire insurance—you are insured for a term, and when that term is over you are not insured. Now, if you were to take insurance for a term of years, and at the end of that term you were down and out and had no insurance, you would be taking a very foolish kind of a policy, unless it were a case where you had to protect somebody for five years, and you were absolutely certain you would not need the protection after that time. But, of course, that is a very rare case. Most men, if they want to take a term insurance, want to take something that will be very cheap for the term, but which after that time will enable them to go on with some other kind of insurance. That is called renewable or convertible term insurance—insurance companies issue it. While it is like straight-term or like fire insurance, it differs in one very important respect, that you can keep up the insurance, as long as you live; the company cannot say at the end of the year, 'We will not renew your policy.' But it is like fire insurance in this: When you go into a fire insurance company you pay your premium for a year; if your house burns in that year, you get your insurance money; if your house does not burn in that year, you are lucky, but at the end of the year you have nothing; your insurance is done for and you do not get anything back. Why? Because the premium that you paid is the cost plus whatever profit there may be—the cost of that risk during that one year. Now, term insurance is like that, too. At the end of the year you are lucky if you have not died. You have paid the cost of carrying you during that year.

"Suppose, for instance, that there were a thousand men aged 29 that banded together, and they said, 'Now, we want to protect ourselves against death during this next year; what will it cost us?' Well, if they turn to the sort of tables that are used by the American insurance companies, and that are called the American Experience Table of Mortality, they would find that, out of a thousand men aged 29 living at the beginning of the year, in the long run and on the average about eight of those men would die during the year. Well, now, if they were to chip in, each of them taking out $1,000 worth of insurance, the eight who died would have to get $8,000 from the 1,000 men. That would mean that each man would have to pay $8, and that would bring the $8,000. The fellows that die would get their $1,000 apiece, the eight of them, and those that live would have nothing at the end of the year. The next year they would begin over again. Now those men are 30 years of age, and, instead of eight dying, the percentage would be, we will say, eight and one-quarter, and for that reason they would have to pay $8.25 apiece to make up the amount; and so, of course, as they grow older the chances of dying are greater. The number that would die each year is greater; and, therefore, paying in the amount that each would have to contribute to make up the death losses that are expected, the expense or premium would grow heavier and heavier as they grew older.

"Most of you would be surprised at the proportion of men who live to a real old age; the United States Life Tables, 1910, show that 40 per cent. of men 20 years of age live to 70. Those are the figures that are given in the United States tables. Infant mortality is very high. A large percentage die the first five years; a fair percentage the first 10 years; a very small percentage the next 10 or 20 years; then the percentage goes up higher, and yet at the end of 70 years 31 per cent. of males born survive; this equals 40 per cent. of those who reach the age of 20. Then they begin to die off quickly. And so when you come to real old age, the cost of term insurance becomes tremendous and is a terrible burden. Now, it is very unwise for men to take out insurance that costs them a very few cents when they are young but an excessively burdensome amount when they are old, and are least able in all probability to pay it. And therefore it is very unwise for men to take out renewable term insurance as a permanent thing.

"It has no paid-up value; if premiums are not paid it is not kept up and the

THE AVERAGE EARNINGS OF THE AGENTS
OF THE
Standard Life Insurance Company
∴ ∴ OF PITTSBURGH ∴ ∴
are higher this year than ever before. Our attractive Accident and Health Policies have helped them to make more money.
Write for a LIFE, ACCIDENT AND HEALTH Contract to
FRANK A. WESLEY
Vice-President and Director of Agencies

War Risk Bureau's Organization

insurance is not extended. Now, that is the principal and the best reason why insurance companies and insurance agents do not advise men to take yearly renewable term insurance, continuous for the man's life. But there are companies that issue it. Others change it a little; instead of the premiums going up each year they increase each 5 years or each 10 years. Now then, let us consider the two propositions that I have tried to state: First, that it is a bad thing for a man to take out yearly renewable term insurance with the intention of keeping it up for his life, because when he gets old it is going to be difficult for the average man to keep it up; second, that if a man is going into an extra hazardous occupation for a short period he would be extremely foolish if he did not take the very cheapest kind of insurance he could get, provided only that after the hazardous period is over he has the right to change it into some one or other of the forms best suited to his circumstances.

"Now, the kind of insurance that the United States Government is issuing is based upon the validity of those two statements. The military and naval forces are going into an extra hazardous occupation. That is evidenced by the fact that the insurance companies are charging them the heavy extra premiums. They would be foolish during that period of extra hazard if they took anything but the very cheapest insurance that they could possibly get. The United States in issuing this insurance is not trying to make money out of the boys; it is not trying to do something for its own good. It is trying to do the best it can for them. Therefore it was felt that the United States should issue only that insurance which is most desirable for the men. And therefore it is provided in this bill that during the period of war the only kind of insurance that the United States Government will issue to you is this so-called yearly renewable term insurance, the cheapest possible insurance that you can get. But it would be equally wrong for the United States to tempt you into keeping up the kind of insurance which for the great mass of the men in the service—of course, there are exceptions, but we have got to go by the great mass—would become impossible to carry when they reached old age and would therefore be nothing but a snare to them. And therefore it is provided that while the United States will sell only this cheapest kind of insurance during the war, and while it will permit you to keep it up, if you want to, for five years after the war, so that you will have plenty of time to consider what is best for you as a permanent policy, when those five years are over, or earlier if you want to, you must change that insurance into one of the more permanent forms. It will cost you more of course, but whatever it costs you you will more than get your money's worth.

Cost of Convertible

"And what is this renewable term and this converted insurance going to cost you? Let me explain the method of determining premium rates. All insurance premiums are based upon this term insurance. If you take what is called an ordinary life policy, you do not pay a premium which increases each year, but if you were to live out your full expectation of life you would be doing the equivalent thing. Instead of the yearly increasing term rate, the company charges you the same amount every year. But how do they arrive at the amount that they ought to charge you? By a pure mathematical calculation. An average premium is arrived at due to the fact that those dying young will pay few premiums and those living long will pay many. Of course, the result of that is that when you pay exactly the same premium in youth and in old age, you are paying more than the insurance costs at the earlier period and less than the insurance costs at the later period. Now, if you want to cut your premium payments down so that you will pay them for only 20 years, a similar mathematical conversion is made. Instead of paying every year of your life so and so much, you concentrate the payments in the first 20 years of your life, paying more during each one of those 20 years than if you paid during each of, say, 40 years. It is all calculated out to a penny on the basis of the American Experience Table of Mortality and on the basis of money bringing a certain income. In some companies 3 per cent. is the basis, in most companies 3½ per cent., and in a few companies 4 per cent. The United States Government selected 3½ per cent. because that is the rate of most of the companies and because at the time the bill was drawn the Liberty Loan brought 3½ per cent.

"Now, what is the result? The exact figures that the insurance companies use as their basis in determining the premiums have been adopted. But the Government has not added the loading for expense and safety margin that they add. It has taken the true, the natural premium, based on exactly what the insurance companies base their premiums on, the American Experience Table of Mortality and a 3½ per cent. interest rate. The premiums are determined according to the age at nearest birthday.

"Now, there is nothing remarkable about the figures being so low; there is nothing remarkable about our statement that this insurance costs a man aged 29 about $8 per thousand per year. Life insurance companies could sell it for that but for the $2.50 or $3 added for expenses. But ordinarily you do not hear about this kind of insurance, and for the reasons that I have stated ordinarily it is well that you should not hear about it. In this particular crisis, however, it is a great thing for you that the United States Government decided to sell you only what is best and cheapest for you, and then to make you convert it within five years after the war into one of the more permanent forms if you want to keep it up.

Cancellations

"In an insurance contract you never bind yourself to anything. It is the company that binds itself. It is the United States Government in this case that is bound. You are under no obligations at all. You can take this insurance, or you can decline to take it; you can keep it up or you can drop it; moreover, you can drop it any month you please, because, while the premium is based on yearly renewable rates, really it is monthly renewable insurance. You are insured from month to month. Any month that you want to stop you need only say to the Government, 'I do not want to keep up my insurance any more,' and automatically you are released. The Government does not care. If you think you can carry the risk yourself, well and good. There is no compulsion about it. The Government has given you the opportunity that the war deprived you of. It is up to you to say whether you want to take advantage of it. It is not giving you the insurance, because it did not take insurance away from you. It is giving you the insurability, because the war did take your insurability away from you. But if you do not want to avail yourself of your now new insurability, that is your privilege."

ADVICE TO AGENTS

New York Life Says Soldiers-Sailors Should Buy $10,000 From Government

In a circular to agents of the New York Life Thomas A. Buckner, vice-president, advises agents to give this message to men in the army and navy:

1. To the soldiers and sailors:

Take the limit of life insurance allowed by the Government—$10,000, and do it now. Don't insure with any life insurance company unless you want and can afford to pay for more than $10,000 with the Government. This Company will not knowingly accept a risk on a soldier or sailor who has not taken the full limit of Government insurance.

2. Present your message with all your persuasive powers to those outside the army and navy to insure with the New York Life, and to do it now. The United States Government and the New York Life Insurance Company are partners in a propaganda for relieving men from the real fear that confronts them—"the real terror for men is that their families may suffer or become objects of charity." We are in business to prevent that.

Mr. Buckner's reasons for giving the message are, in part:

"The Government has recognized the necessity of life insurance as a means of destroying the real terror which must lie at the bottom of every uninsured man's heart when he realizes that his loved ones may suffer or become objects of charity should death rob them of his support. The New York Life Insurance Company, even with its nine hundred millions of assets, belonging to people already insured, could not undertake the gigantic risk of insuring our millions of soldiers and sailors, except on a basis that would be prohibitive. That is purely a war risk. We frankly stated so at the beginning. The Government has recognized the situation and met the issue, thus confirming all that this Company has stood for and advocated during its seventy years' existence. We cannot insure soldiers and sailors. We insure everybody else. The Government insures only soldiers and sailors. Judge Mack in the remarks first quoted recognizes that the life insurance agent is a necessity, with a message which must be delivered personally to bring the real human need convincingly home to the individual. That was the object of the Government conference. Insurance at net rates guaranteed by the Government of the United States will not by mere proclamation perform its function. A message must be delivered and that service requires a messenger. You gentlemen are the messengers bearing a real human message."

HOME LIFE INSURANCE CO.

(Now Purely Mutual)

256 BROADWAY, NEW YORK

GEORGE E. IDE, President

The fifty-seventh annual report shows insurance in force of $133,493,000, an increase during the year of $7,832,827. The Company paid the policyholders in 1916 $3,536,233, of which $628,406 was in dividends or premium refund. Its insurance reserve fund was increased by $1,300,000 and the Assets are now $32-821,462.

For Agency apply to

GEORGE W. MURRAY,
Supt. of Agts.
256 Broadway, New York, N. Y.



NATIONAL LIFE INSURANCE COMPANY

(MUTUAL)

MONTPELIER, VERMONT

67th Year

FRED A. HOWLAND, President

On paid-for insurance basis and with bonds valued at par only (market value $409,882 above par) the 67th report shows:

Assets	$66,426,040.82
Liabilities	62,268,494.36
Surplus	$ 4,157,546.46
INSURANCE IN FORCE	$212,037,400.00

A good company for the policyholder and the agent

EDWARD D. FIELD, Superintendent of Agencies.

Mellor Speaks To Connecticut Association

CRITICISED SMALL ATTENDANCE

Explained Code of Ethics and Tells How His Office Contracts With Agents

At Bridgeport, Conn., on Tuesday, the Connecticut Life Underwriters' Association held its monthly meeting. C. E. Stockder presided. Sigourney Mellor, of Mellor & Allen, general agents of The Provident Life & Trust Company in New York City, had been invited to attend, and was instructed by the committee to say something that would be of interest to every life insurance agent in Connecticut.

Mr. Mellor took a fall out of the members in attendance, and invited them to carry the message back to the balance of the association, for the lack of interest in the Connecticut Association and particularly their lack of interest in the National Association.

Discusses Endowment Insurance

Following the remarks in connection with association interests, Mr. Mellor discussed endowment insurance in its application to existing conditions insurancewise. He declared that life insurance was an investment and was so successful in getting this point over the top that at the conclusion of his remarks there was a rush of fellow life insurance men to congratulate him on this treatment of the subject, all of them heartily agreeing with him fully.

The code of ethics and the contract of the Mellor & Allen office in New York City formed another important part of Mr. Mellor's talk. During his remarks in this connection he was asked numerous question from the floor and went into the matter in detail, explaining fully the practice and working results obtained in their office.

He was asked just what would be done in the rural districts if he were general agent and his answer was this: "If we had been given a territory either in the far west or the middle of nowhere, we would establish our general agency on exactly the same lines." (For the information of those who are not familiar with the code and contract of the Mellor & Allen office, a copy of same can be had in the Life Insurance Salesmanship edition of the Eastern Underwriter, published September 21st, 1917.)

Preceding Mr. Mellor's talk the association held its meeting and discussed ways and means for creating and maintaining interest in the Life Underwriters' Association. Max Hartstall, the new secretary-treasurer of the association, was on his toes all the time and a new lease of life will result in the association if he can have the proper co-operation from its membership.

E. A. WOODS HONOR ROLL

Seventeen Men at the Various Camps Include One Major and Five Lieutenants

The E. A. Woods Agency, Inc., has an honor roll of seventeen men in the government service. This is the list:

Major A. E. Patterson, School of Fire, Fort Sill, Oklahoma.

1st Lieut. Dr. H. H. Fisher, 28th Division, 109th Ambulance Co., Camp Hancock, Augusta, Georgia.

2d Lieut. H. H. Fisher, 154 Depot Brigade, Camp Meade, Annapolis Junction, Maryland.

2d Lieut. R. M. Willard, Co. B, 315th Infantry, Camp Meade, Annapolis Junction, Maryland.

1st Lieut. Victor L. Bigler, Regiment 316, Co. 1, Fort Meade, Annapolis Junction, Maryland.

2d Lieut. F. S. Strosnider, Co. L, Regiment 315, Meade Branch, Baltimore, Maryland.

John M. Hierholzer, Q. M., U. S. N. R. F. Section Base, Sewall's Point, New Jersey.

C. F. Mentzer, Quartermaster's Department, Fort DuPont, Delaware.

Jesse E. Burns, Co. 11, R. O. T. C. Military Branch, Chattanooga, Tennessee.

Corp. R. B. Paisley, Co. K, 332d Infantry, Camp Sherman, Chillicothe, Ohio.

Lawrence N. Brown, Headquarters Co., 331st Infantry, Camp Sherman, Chillicothe, Ohio.

Corp. A. J. Pressing, Headquarters Co., 319th Infantry, Camp Lee, Petersburg, Virginia.

Frank B. Vough, Wissahickon Barracks, Co. 13, Cape May, New Jersey.

Russell L. Gould, Box 1146, Pittsburgh, Pennsylvania.

J. E. Homsher, Co. L, 316th Infantry, Camp Meade, Maryland.

L. A. Spencer, Military Police, Camp Lee, Virginia.

M. B. Cohill, Gunners' Mate, U. S. Naval Reserve Force, Newport.

NOW COMMISSIONER SUNESON

Mr. G. H. Suneson, paymaster of the Aetna Life Insurance Company of Hartford, has won a commission as Ensign in the United States Naval Reserve Force.

The Connecticut Mutual Life Insurance Company,
PRESIDENT JOHN M. TAYLOR, HARTFORD, CT.

Insurance in force, 107,262 Policies for..... $253,439,405.12

WHAT NO OTHER COMPANY HAS DONE

To repay to its Policyholders in Death Claims, Endowments, Dividends, Surrender Values, Annuities and other credits more than they have paid to it in premiums. It stands alone in that result.

Total premiums received, Dec. 1, 1846, to Dec. 31, 1916	$310,337,255.71
Total returned to Policyholders, as above noted, in same period	319,548,729.00
Excess of amount returned	9,211,473.29

Extracts from Report of Examination of
SOUTHWESTERN LIFE INSURANCE CO.
By the State of Texas, June 28, 1915

"It is noteworthy that this Company was organized without any promotion expenses."
"I beg to report further that I find the Company in excellent financial condition."
"The volume of its business has steadily increased, its surplus is growing rapidly and its funds are being carefully conserved under expert supervision."

Home Office, DALLAS, TEXAS

THE UNITED STATES LIFE INSURANCE COMPANY
1850 IN THE CITY OF NEW YORK 1914
ISSUES GUARANTEED CONTRACTS

Good men, whether experienced in life insurance or not, may make direct contracts with this Company, for a limited territory if desired, and secure for themselves, in addition to first year's commission, a renewal interest insuring an income for the future. Address the Company at its Home Office, 277 Broadway, New York City.

JOHN P. MUNN, M. D., President

FINANCE COMMITTEE { CLARENCE H. KELSEY, Pres. Title Guarantee and Trust Co
WILLIAM H. PORTER, Banker
EDWARD TOWNSEND, Pres. Importers and Traders Nat. Bank

For SEVENTY-THREE YEARS, SERVICE AND SATISFACTION have been synonymous with STATE MUTUAL of Worcester.

The Company's record of SEVENTY-THREE YEARS OF SERVICE spells SUCCESS for all.

Additions are made to our General Agency force when the right men are found.

State Mutual Life Assurance Co.
of WORCESTER, MASS.
Incorporated 1844

B. H. WRIGHT, President D. W. CARTER, Secretary
STEPHEN IRELAND, Inspector of Agencies

We want a GOOD PERSONAL PRODUCER and organizer for DESIRABLE TERRITORY in several states west of the Mississippi River. EXCELLENT CONTRACT.

Northwestern National Life Insurance Company
MINNEAPOLIS, MINNESOTA,

is a LEADING LOW NET COST, annual dividend, MUTUAL, OLD LINE company. Record for 1916—increase in insurance in force, 20%; in paid-for business, 51%; in assets, 15%; in amount apportioned for 1917 dividends, 71%.

THE TRAVELERS
INSURANCE COMPANY **INDEMNITY COMPANY**
HARTFORD, CONNECTICUT

WRITE THE GREATEST VOLUME OF

GUARANTEED LOW COST LIFE INSURANCE

AND

CASUALTY INSURANCE

THE OPPORTUNITY TO SUPPLY THESE INSURANCE NEEDS GUARANTEES AGENTS THE BROADEST FIELD AND THE LARGEST INCOME.

40% **Increase in Paid New Premiums—that tells the 1916 story of Fidelity progress.**

Direct leads and the Fidelity "Income for Life" plan are making money for Fidelity field men. Any man who can sell life insurance can sell MORE Fidelity insurance.

Write to-day—

Fidelity Mutual Life
INSURANCE COMPANY, PHILADELPHIA

INCORPORATED 1878 WALTER LE MAR TALBOT, President

THE WESTERN AND SOUTHERN LIFE INS. CO.
W. J. WILLIAMS, President CINCINNATI, OHIO
The Largest Industrial Company West of The Alleghenies
Also Issues All Standard Forms of Ordinary $500 to $10,000
Organized 1888

COMPARATIVE RECORD—SEVEN YEAR PERIODS

	Assets	Insurance in Force		Income	Policies Issued
Dec. 31, 1888	$ 104,307	$ 889,073	1889-1895	$ 1,085,087	265,931
1895	155,640	5,294,381	1896-1902	3,930,883	638,659
1902	876,007	22,374,980	1903-1909	11,312,912	839,426
1909	4,867,379	44,780,907	1910-1916	22,670,340	1,426,752
1916	11,943,640	104,989,362			

AGENTS WANTED IN THE PRINCIPAL CITIES OF OHIO, KENTUCKY, MICHIGAN, INDIANA, WEST VIRGINIA and WESTERN PENNSYLVANIA

LIVE HINTS FOR BUSINESS GETTERS

Practical Suggestions to Help the Man With the Rate Book Increase His Income and General Efficiency

Salesmen's Wives Hold Convention

The wives of salesmen of the National Cash Register Company recently held a convention in Dayton, Ohio. It was an unique idea. More than 500 women attended. Life insurance women will be interested in some placards that were hung in the convention hall, called "Success Hints." They were briefly-expressed axioms for women to remember. Anyone who reads them over will see that they are just as applicable to the other sex.

Physically: 1. Simple food, quality, quantity. 2. Regularity in eating and sleep. 3. Masticate; do not hurry. 4. We are a part of all we have eaten. 5. Exercise, five minutes, three times daily. 6. Air—most important. 7. Sunlight, artificial light. 8. Water inside and outside. 9. Loose clothing. 10. Early to sleep; get plenty.

Mentally: 1. Think sanely. 2. Learn from mental superiors. 3. Learn to listen attentively. 4. Read best newspapers and books. 5. Improve the memory. 6. Concentrate. 7. Don't worry unnecessarily. 8. Be systematic. 9. Weigh both sides. 10. Avoid inferior minds.

Morally: 1. Right is right; wrong is wrong. 2. Be truthful. 3. Ignore precedent if wrong. 4. Seek elevating recreation. 5. Don't deceive yourself. 6. Learn to say "no." 7. Live up to your principles. 8. Avoid temptation. 9. Form good habits. 10 Have a Constitution.

Financially: 1. Increase my earnings. 2. Decrease unnecessary expense. 3. Save money, U. S. Postal Bank. 4. Money makes money. 5. Invest—don't gamble. 6. Make family budget. 7. Hard work. 8. Study the business. 9. Pay cash for everything. 10. Increase credit balance.

Socially: 1. Avoid bad associates; 2. Select helpful friends. 3. Think alone. 4 Learn to be happy alone. 5. Family best company. 6. Work out, alone, my problems. 7. Avoid so-called society. 8. Entertain economically. 9. Stand well with neighbors. 10. Do some welfare work.

* * *

An Effective Argument

J. T. Taylor, of W. H. Taylor & Sons, Penn Mutual Life, Bangor, Me., said recently: "I am a great believer in ordinary life policies, and I have succeeded in many times eliminating the question as to which policy a man thinks the better for him, where the difficulty of decision was apparently going to delay closing the case, by illustrating the advantage of taking the O. L. at once instead of delaying until he made up his mind, in the following way:

"'Now, Mr. Jones, if you were a farmer, and it was time to plant, and you were going to buy a pair of horses which you expected to keep for many years, it might be a pretty difficult matter for you to walk along in a large sales stable where there were twenty-five to fifty pairs of horses of varying weights, colors, prices, etc., and decide just what team to buy.

"'But, if the dealer said to you, "Mr. Jones, here is a pair of horses priced lower than any other pair in the stable which you may take home with you, do your planting, try them out in good shape, study their ways, observe other teams for a month, or three months, or all summer, and at your own convenience, whenever you please, bring them back to me and exchange any pair now in the stable for them, pay the difference in price, as they are priced to-day." I don't think, Mr. Jones, you would let that planting go very long. You would hook that team to your wagon, go home and attend to your business, and wonder how that horse dealer could keep all those other more expensive teams in the stable awaiting your final decision.

"'Of course, the dealer couldn't do that, but the Penn Mutual can and will do just that, because if you later decide that you want to pay more money and have a limited payment life endowment policy, the Company simply has to figure out the back difference in premiums, issue the new policy in exchange for the ordinary life which you surrender and which they immediately cancel, and everybody is satisfied and it hasn't cost anybody anything, unless perchance while you were still entertaining a lingering doubt as to whether you wouldn't have done better to have taken an endowment policy and thinking you would see the agent and have another talk about the matter, you should suddenly die. Of course in that case it has cost the Company the full amount of the policy, ad you got in right on the right form of policy and at the right time, which was in time.'

"This argument can't be answered, and they get in on the O. L. right then, and if they come around and want to talk about changing, you know they are thinking of paying larger premiums, and naturally sell them some more ordinary life."

* * *

Ordinary Life As Limited Pay Policy

When a man says that he cannot afford life insurance or that life insurance is too expensive, ask him if he would buy life insurance at ten dollars a thousand.

Invariably he will say yes, and then you can show him that a thirty or three hundred dollar premium is made up of one-third life insurance cost, or savings, or deposits, and that two-thirds of the amount is an investment pure and simple.

Men often say that they want to make investments or that when they buy life insurance they want to buy limited payment policies. All right, life insurance is the best investment that a man can make. A small deposit creates an estate. The estate is just as tangible as stock or bonds, and the returns are more certain.

A 20-pay life is a bond that pays dividends. It really becomes an endowment at maturity for, from that time on, the holder gets dividends the same as he would from any other investment—and the capital is always secure.

An ordinary life policy need not be a payment-for-life proposition. You can increase the volume of your business immediately if you will show the man of 45 that the low rate on the ordinary life policy means payments only to the age of 65, and then free insurance for a period of ten years.

To this showing the prospect is likely to reply that he may outlive the free period.

The proper answer is that when he reaches 65 is the time to determine whether he wants to continue to pay premiums.

If he is strong and hearty at the age of 65, he will welcome the idea of continuing his payments—looking forward to the future. If he is in poor health at 65, he has accomplished a twenty-pay proposition at the ordinary life rates.

The greatest mistake is that we do not use our God-given brains. When we do we can make a life insurance proposition to fit the needs and the pocketbook of almost any person.—The Lafayette Life's "Dotted Line."

THE
METROPOLITAN LIFE
Insurance Company
(Incorporated by the State of New York)



Metropolitan Life Insurance Company
Home Office Building

The Company
Of the People
By the People
For the People

The Daily Average of the Company's Business during 1916 was:

701 per day in Number of Claims Paid.

8,304 per day in Number of Policies Issued and Revived.

$1,969,823 per day in New Insurance Issued, Revived and Increased.

$376,827.40 per day in Payments to Policyholders and Addition to Reserve.

$220,509.26 per day in Increase of Assets.

JOHN R. HEGEMAN, President

Representing

The Mutual Life Insurance Company
of New York

You will make money.

The great strength, big dividends and incomparable benefits of the *"oldest company in America"* mean certain success for you.

For Terms to Producing Agents, Address

GEORGE T. DEXTER, 2d Vice-President
34 NASSAU STREET. NEW YORK, N.Y.

A FOURTEEN-YEAR-OLD SOLDIER

Henry Rosenbaum, the son of C. H. Rosenbaum, Des Moines general agent for the Bankers Life Company, of Des Moines, is believed to be the youngest American fighting on the side of the Allies in the world war now in progress. The young man is only fourteen years old. He tried to enter the United States Army, but the recruiting officers would not accept him on account of his youth. Undaunted by this rejection, he applied at the recruiting offices of the Canadian Army and was promptly accepted. He slipped away without the knowledge of his parents and the next they knew of him he was located as a member of the Canadian overseas force encamped at Hamilton, Ontario.

CARSON WITH FIDELITY MUTUAL

S. M. Carson, for the last nineteen years connected with the Atlanta office of the Mutual Life Insurance Company of New York, the last fifteen of which were spent as superintendent of the Georgia Agency of that company, has resigned his connection with that company to become State manager for the Fidelity Mutual.

Mr. Carson leaves the Mutual Life with the sincere good wishes of the entire Georgia force. Manager R. F. Sheddon gave a dinner in his honor at the Capital City Club, and as a token of friendship and high esteem the Mutual Life agents presented him with a beautiful gold watch.

APPOINTS GEORGE F. BOWER

The Connecticut Mutual Life has appointed George F. Bower as district agent of the State of New Jersey with headquarters in Newark.

E. E. Rice's Group Insurance Scheme

VARIOUS KINDS OF COVERAGE

Made New England Manager of North American Accident—Connection With Travelers Too

Edward E. Rice, of Boston, whose insurance and pension system is used by a number of New England public utillties, has been appointed New England manager of the North American Accident, the appointment having been made by H. A. Luther, agency manager. He continues his Travelers' affiliation also. He calls his health, accident, life and pension proposition, "The Rice System of Employes' Service Awards and Co-operative Benefits —A Method of Conserving Business and Industrial Organization." Some of his clients have been or are the New York, New Haven & Hartford, Boston Elevated, Filene Department Store, New London Ship and Engine Company.

The Rice System is not known very generally outside of New England, and it is described by its author in this way:

Objects of the System

A. To furnish a method of accumulating funds to provide definite amounts of cash payable to employes after completion of certain terms of service.

B. To provide retirement or pension allowances to employes on reaching a definite age.

C. To furnish dependents of employes an income in case of death in the service.

D. To furnish to employes themselves an income during periods of disability (sickness and accident) not covered under the compensation act.

E. To provide individual medical service and health regulation, tending to cut down the percentage of time lost from employment.

F. To furnish a co-operative method whereby employes may save systematically with co-operation of the employer.

Description of Plan

Part 1. The company may deposit from year to year an amount in cash to yield a definite sum at the end of five years, ten years, or longer periods. This amount is invested on a definite interest basis under a contract with a large insurance company, which guarantees the return of this cash with accumulated interest. Funds so deposited are non-taxable inasmuch as the contract is a contract of indemnity protecting the interests of the corporation and its employes in the event of death in the meantime.

In event the employe should leave the service of the company within the period of five years, ten years, or longer, the interest of the employe in the fund is forfeited and the cash deposited is returned to the company with interest. In case deposits. are continued to maturity, the contract provides a life income for the employe on reaching the retirement age of 65. In event the employe dies at any period, a definite income is provided for his dependents payable in such instalments as the employer may determine.

Arrangements can be made so that the employer and employe may contribute to the fund in fixed percentages.

For illustration, the employe may contribute from 1 to 5 per cent. of his salary or earnings, and the employer may contribute a like amount. At the end of ten years the employe may earn title to the employer's share of the accumulation as well as his own. In event of leaving the service prior to ten years, the employe may cash up his own accumulations and the employer may do likewise; or the employe may continue his part of the contract by making payments direct to the insurance company. This plan secures effective co-operation on the part of the employe and furnishes a method of accumulation through systematic saving in small monthly payments.

Life Insurance End

A schedule showing exact deposits to provide definite values will be furnished on request.

Part II. The company may provide for life insurance for all employes from the date of entering the service, or for all employes completing a preliminary term of three months, six months or one year's service. This amount may be fixed at $500, $1,000, or equal to one year's earnings; or the amount may be increased with length of service.

For illustration, employes entering the service may be insured for $500. This amount may be increased by $100 for each additional year of service up to a maximum of $1,000 after five years' service, or $1,500 after ten years' service.

No medical examination is required provided the plan is general in application.

A group contract is issued to the employer, each employe receiving a separate certificate. Insurance may be paid at the option of the employer in instalments covering a period of months or years. Insurance terminates when the employe leaves the service, or may be converted to an individual policy at that time without medical examination.

The contract provides also for payment of the full proceeds in instalments in case the employe becomes totally and permanently disabled from accident or disease.

Part III. The company may insure all employes or all who have completed preliminary terms of service for an amount of weekly payment equal to one-half salary or earnings or equal to a definite payment per week. This payment is made in case of disabilities, from sickness or accident, not covered under the present compensation law. This lost time benefit is supplemented by the services of a physician whose duties consist in treating individual cases both at the establishment and at the home, thereby tending to cut down the percentage of time lost from employment and seeking to bring the employe back to work in better physical and financial condition.

The cost of this feature may be shared equally between employer and employe. Many of the largest mutual aid associations have been recently reinsured under this plan.

Approximate Cost

Part I. This depends upon the basis selected, the number of employes, and the average term of service. The employer may elect to lay aside in the fund an amount equal to 1, 3 or 5 per cent. of the salary or earnings of employes, this amount being payable only to employes who complete the term of service as a reward for persistence and is, therefore, earned. The actual expense is very small assuming an average turnover of labor. This expense consists chiefly in the cost of life insurance in the meantime, which is a part of the contract. In event the employer and employe contribute jointly, the cost depends upon the percentage of employes contributing and the amount of their contribution, the employer contributing a like amount.

As the same conditions would apply as to refund in the case of employes leaving the service, the final cost of the plan would be very small.

Part II. The cost of group life insurance should not average more than $4 per annum per employe for $500 life insurance. This cost depends on the amount and basis selected and the combined ages of the members of the group.

Part III. The cost to provide a benefit of $7 per week combined with medical service should average not more than $6 per year per employe. This is on the assumption that at least 1,000 employes are covered. In case medical service is now provided through the company's physician a corresponding reduction in the charge can be made. The weekly benefit may be provided without medical service.

Management of Funds

Deposits are made annually, semi-annually or monthly to the insurance company, with arrangements for a pro rata charge or refund in case of employes entering or leaving the service. The insurance company guarantees fulfillment of all contracts through a definite contract with the employer, supplemented by a contract with the employe in case he contributes under Part I.

This contract given the employe shows on its face the amount of cash accumulations and the increase in these accumulations from year to year. The employe is also furnished a certificate of his insurance under all plans whether or not he contributes.

The advantages of the management of funds by the insurance company are:

1. Absolute security and the guarantee of cash and pension features on an actuarial basis.

2. Funds invested under insurance ccntracts are non-taxable and not subject to burdens imposed on surplus profits.

3. In case of participation by the employe, the privilege of continuance of payments after leaving the service.

4. The elimination of effort and responsibility in the handling of funds and details of administration.

Summary

Each part of the above plan is independent of the others and may bo placed in operation separately. If the company wishes to place in operation a plan which is universal, this may be accomplished by paying the entire amount required for a certain benefit. Or, if the company desires to combine a co-operative contributory feature with the gift of a minimum benefit for all employes, this may also be done. For example, each employe in the service may receive from the company a minimum benefit under Part II of $500 life insurance. This benefit may be supplemented by the offer of the company to contribute under Part I or Part III to one-half the cost of these provisions. This latter plan has the merit of enlisting the appreciation of employes through their own contributions, besides serving as a strong inducement to thrift. The co-operation of employes is secured through the appointment of a committee of employes representing every department through whose service all details of the plan are fully explained and enrollments secured throughout the establishment.

HOME LIFE CONVENTION

Agents' Association to Meet Here at Hotel McAlpin on February 13-14

The annual convention of the Home Life Agency Association will be held February 13-14 at the Hotel McAlpin in New York City. This will be the tenth annual meeting.

The morning session on February 13 will be devoted to transacting business of the association. The afternoon session will consist of short, interesting talks by leaders on live topics, followed by general discussion. President Ide as usual will address the convention.

R. M. Simons, of New York, is president of Home Life Agency Association.

INSURING THE WHOLE FAMILY

All but one of the seven members of the family of George S. Gookins have recently applied for insurance in the Mutual Life through Agent Fred M. Erdmann of the Indianapolis Agency —Mr. Gookins for $10,000, Mrs. Gookins for $4,000 and their four children for $1,000 each. The seventh member has been in the army for the past six years and so to date has escaped being written. Four of the five members of the Londa Wright family have applied through Mr. Erdmann for $13,000 of insurance, and he confidently expects also to complete this group by writing the fifth member—Mrs. Wright—in the near future.

Capable Agents, Desirable Company

The two most important factors in life underwriting are capability in the Agent and quality in the Company. If the Company provides an unexcelled, attractive policy for a low net cost, and has a reputation for prompt and efficient service, the result is contentment, loyalty, and success for the man in the Field, if he is capable. This Company's record is evidence of the character of its representatives and of the quality of the institution.

Occasionally we have a General Agency opening

JOSEPH C. BEHAN, Superintendent of Agencies

MASSACHUSETTS MUTUAL
Life Insurance Company
Springfield, Massachusetts
Incorporated 1851

44 MILLIONS from 42 AGENCIES

THE 1916 RECORD OF OUR EARNEST, LOYAL AND HAPPY AGENCY FORCE

New England Mutual Life
Insurance Company
BOSTON, MASS.

Clara B. Knight Talks of Her Prospects

RAILROAD WOMEN BUY POLICIES

Also Nurses, Teachers, Stenographers and Clerks—Mental Attitude of Buyers Discussed

For more than five years Mrs. Clara D. Knight has been selling insurance and her success has been unusual. She writes for the Germania Life, her headquarters being in Fargo, N. D., and "Service," printed by that company, contains a paper which she recently read on the subject of her prospects and her experiences. She began by saying that any one who writes insurance successfully knows that there is no set way to do it. Going into the subject a little deeper she continued:

"As Opie, the great painter, when asked with what he mixed his colors to get such beautiful shades, replied, 'With brains,' so we gain by practice the knowledge of when to change base in the twinkling of an eye and put up the talk that fits the case. 'Mental acrobat' is a good name for an insurance agent. We must have the ability to size up the needs of the prospect in the shortest possible time, select the contract that the occasion requires and then apply the punch that will land the business. I believe that energy counts for more than ability. A life insurance agent must be a live one, for, if we are not full of enthusiasm, ginger and pep, we certainly cannot expect our prospects to be. Everybody likes to feel that they are dealing with a live wire. I want to be so well known in my work that when people think of insurance, they will think of me. In other words, we must become established in the business.

Railroad Service Women

"My prospects are nurses, teachers, stenographers and business women in other walks of life, whose incomes are sufficient to warrant their carrying a policy. Since the war started a most fertile field has developed. I refer to the women in the railroad service. There are three hundred and fifty-six women in the employ of the Northern Pacific between Mandan and St. Paul, a distance of four hundred and fifty-two miles. These women are drawing good salaries. From this you will see that the prospects are unlimited.

"Women, as a rule, are not familiar with insurance matters. Therefore, I take particular pains to use the greatest degree of honesty in my explanations, as they rely almost entirely upon my statements. I realize that is it up to me to make them feel an appreciation of the values of an insurance policy, for their chief concern is, 'What good is this going to do me and what can I do with it after I get it.'

"Just recently, after an interview, a prospect said to me, 'Why, I never thought of insurance in that light. I always thought of it as a cold-blooded proposition. You are doing mankind a great service as you are acting in the role of a good Samaritan.'

Difference Between Masculine and Feminine Mental Attitude

"The main difference in writing insurance for men and women is this:

"Men think of it, almost without exception, as protection. The majority of self-supporting women think of it as savings, and should be handled accordingly. Of course, the insurance feature appeals to them, but it is not the strongest argument by any means.

"In approach, I believe in being perfectly natural. I have tried ever since I have been in the business to develop a pleasing personality and complete poise, as that is absolute proof against embarrassment and gains an involuntary and irresistible respect which moral firmness always produces on the mind, thus eliminating the usual bug bears, doubt and fear, so that I am free from the turbulent feeling so often experienced by the new agent. I plead guilty of being very proud of my profession and quickly inform any one who speaks slightingly of it that it is because they do not understand it. I am always in dead earnest and never encourage levity regarding my work.

"When introducing myself to a prospect, I do not mention life insurance, as that raises a barrier that is sometimes hard to batter down. My entering wedge is the endowment. The word endowment sounds good as it throws them off their guard, and raises their curiosity, for they are not just sure of what I mean. After talking a few moments and encouraging them to talk, I soon learn whether or not an endowment will fit the case, for those women who have dependents will very soon mention the fact. I then recommend the limited payment or straight life policies. The ten payment life, in particular, appeals to them—the reason is self evident.

Placing Money Where it is Safe

"Continuing I say that all self-supporting, high minded, thinking women of today are taking endowments, or protection in some form, as they realize the need of saving in every possible way, and in this way they are not only protecting their loved ones, but are placing their money where it is safe, as it is always under governmental and state supervision. It is an investment policy, issued by an old line life insurance company for a period of ten, fifteen or twenty years, sometimes longer—the shorter the periods combining protection with savings, the longer periods combining protection with old age. At the end of the endowment period, the insured receives the face of the policy, but should they die during the endowment period, it is life insurance. It is an absolutely safe, systematic savings account, encouraging one to save during the productive years of life, so that when the declining years of life are upon them the deposits have been completed, the money returned and they are independent. To me, there is nothing more pitiful than to see a man or woman at the sunset of life, dependent upon someone who makes them feel that they are not welcome. When everything else has failed, if they have carried an endowment, it will make their declining years comfortable and happy.

"At this point I mention the deposits and how they are made, showing the advantage of making them annually if possible. I also mention the substantial dividends at this time and show how they materially reduce the premiums each year if applied, or, if left with the company, how they will accumulate to the applicant's credit.

Closing Out Option

"I next explain the three different closing out options in the following manner: If the time should ever come that through misfortune you could meet your premiums no longer, we have three options of closing, all beginning with the end of the second year. (Here I produce the policy and show them where these figures are to be found and that they will be the same as are found in the rate book, for a prospect seems to remember what they see much better than what they hear.)

"The first is the cash value, which means that you cash your policy in, sell it back to the company, for the amount opposite the year for which you have completed payment, besides you have received the dividends at the end of every year for which you have paid and have been protected for the face of your policy in the meantime.

"By using your policy as security the loan value at the end of the second year is available on demand—from our company at 5 per cent. or from your banker, the size of the loan depending upon the length of time you have carried it, thus giving you a convenient and most excellent means of relief in case of financial stringency. Should death occur before the loan is repaid, the beneficiary will receive all that you have not borrowed of the face of the policy, minus any indebtedness due the company at the time. At the end of the endowment period the full face of the policy is yours in cash, and it represents sums which, owing to their smallness, would otherwise have been wasted in daily expenditures for trifles.

"The second option is called, 'Paid Up Insurance.' A great many have the idea that if you stop payment, you have lost what you have invested. This option gives you the choice of accepting the reduced amount of insurance, or the amount that you have paid for during the time you have been depositing. You see by this that you get what you pay for, no matter when you stop, after the second year. Explaining this on the basis of $1,000, suppose that you had paid for ten years. You have paid for $541 worth of protection or $41 over half of your insurance is paid up, though your time is only half up. Should you stop your deposits here and choose this plan of closing, if death occurred to you before the end of the endowment period your beneficiary would receive the $541. If you outlived the endowment period you would receive the $541. If you live, you get it, if you die, your beneficiary gets it, we do not get it

"The third and last option is the term extension or cash if living plan. This expression, term extension, means extended insurance into the future, to the end of the endowment period, although you have found it necessary to discontinue premiums. Supposing you had paid for five years, and, although you could make your deposits no longer, you wanted the protection to go on to the beneficiary. We will then extend the protection for the remaining fifteen years for the face value of the policy and should death occur to you in that time, your beneficiary would receive the $1,000, but if you are still living at the end of the endowment period, you will receive the amount opposite the year that you ceased payment.

If You Live and if You Die

"By carrying a policy if you live you will have more, if you die you will leave more and if you stop payment you have lost nothing and the company has been carrying your responsibilities. 'Now, how much can you save a year in this way?' Prospect: 'O! If I could save $100.' 'What is your full name?' and I proceed to fill out the application. When I get to the remittance I say, 'How do you pay, by check or by cash?' Prospect. 'I'll give you a check. To whom shall I make it payable?' Agent: 'To the company. You will find the company's name on this receipt,' which I hand them, filled out.

"Sometimes I say, 'How do you want to make you deposit, annually, semi-annually or quarterly?' Upon receiving their answer I proceed to fill out the application and the signature usually follows without dissention.

"I think that it is a woman's duty to carry life insurance. After parents who have reared and educated a daughter should she die without having carried protection, it is up to them to bury her. This is not fair. Her sense of duty, responsibility and fair play should prompt her to take out a policy as soon as she can conveniently meet her premiums.

"No girl starts out in the business world with the idea of always making her own way. Her position is a stepping stone until her ideal comes along.' Often times he doesn't come at all—sometimes he does come, but someone else has him, and sometimes she gets him only to discover that it is still necessary for her to battle her own way on life's stony pathway. If she is wise,

(Continued on page 11)

PURELY MUTUAL THE CHARTERED 1857

Northwestern Mutual Life Insurance Co.

MILWAUKEE, WISCONSIN

GEO. C. MARKHAM, President

Insurance in Force, $1,505,464,984

SATISFIED POLICYHOLDERS each year apply for over 35% of the new insurance issued.

POLICIES MOST FLEXIBLE AND EASY TO SELL

Complete Agency Protection:
Enforced Anti-Rebate and No-Brokerage Rules

Investigate before selecting your Company

Write GEO. E. COPELAND,
Supt. of Agencies,
Milwaukee, Wis.

To the Man Who is Willing—and Will



We are prepared to offer unusual opportunities for money-making NOW and creating a competence for the FUTURE.

FOR CONTRACTS AND TERRITORY, ADDRESS

H. M. HARGROVE, President :: Beaumont, Texas

President Kuhns Here, Discusses Dwiggins

LATTER WORKED ON COMMISSION

Company not Responsible for Dwiggins' Liberty Loan Transactions— Arrested In South

President George Kuhns, of the Bankers' Life, Vice-President and Counsel I. M. Earle, and James H. Wyman, of the accounting department, are in New York in connection with the Elmer Dwiggins matter, and Mr. Kuhns is arranging, also, for a new representative here. Dwiggins was arrested in the South and returned to New York. He has been petitioned into bankruptcy and is being prosecuted by the Federal authorities because of his Liberty Loan club activity.

Statement by President Kuhns

The following statement to The Eastern Underwriter was made by President Kuhns:

"With reference to the Dwiggins transactions, it must be understood that Mr. Dwiggins was the general soliciting agent of the Bankers' Life Company in New York, with a force of sub-agents under him. Neither Mr. Dwiggins nor his sub-agents were salaried employes of the Company, but simply solicited insurance upon commission.

"Just before the drive for the first Liberty Loan, this Company sent a circular letter to its field agents, stating that the home office force was subscribing freely and the Company was subscribing $100,000 for bonds and suggesting that each of them take hold and 'do their bit.' The Company was not entitled to the agent's time, nor could it do more than simply to suggest in the interest of patriotism, that these solicitors, like others everywhere, should do each what he could for the success of the loan. The Company is otherwise in no way connected with the first loan proposition, and had no knowledge of the second, and in my judgment is not responsible for Mr. Dwiggins' transactions.

Bankers' Life Account With Dwiggins Small

"Myself and our counsel are simply here striving to get at all the facts and establishing a new agent in the offices at 165 Broadway where Mr. Dwiggins was located.

"I cannot say yet what amount of shortage there may be in the loan transactions, or just how the Bankers' Life account with Mr. Dwiggins stands, but we can say, as compared with the magnitude of our business, that the utmost amount would be trifling, but we are greatly shocked with the idea that any one who has been a successful agent of the Bankers' Life and other companies, should now apparently have gotten himself into such trouble."

CONGREGATIONAL MINISTERS

Annuity Fund Has Appropriation of $5,00,000—Three Hundred Ministers Enrolled

The annuity fund for Congregational ministers, which has an appropriation of $5,000,000, now has 300 ministers enrolled.

The plan provides that for those who enter upon it at the age of twenty-five years, the annual contribution from salary would be $22; five years later, $25; at thirty-five years, $30; forty years, $38; fifty years, $72, and fifty-five years, $114. Half payments may be made on the basis of half benefits and with a view to increasing to full rates later; payments for the second half being at the rate belonging to the age at which the increase is made.

Investment Method Outlined

Annual payments begin at the age of sixty-five years, unless the clergyman entering the fund on or after the age of forty years prefers to have them start at the age of seventy years. Payments by the clergymen stop at one or the other age, as the case may be, or at disability before then. In the event of the clergyman's death his widow receives three-fifths of the old age annuity as long as she lives and remains unmarried, provided her marriage occurred during or before her husband's active service in the ministry and before he began to draw his annuity. Minor children receive the mother's portion in case of the death of both parents or the re-marriage of the widow.

Should a minister's death occur before his sixty-fifth or seventieth year, and consequently previous to the making of annual payments by the fund, the same provision for his widow as stated above would be made according to his length of service, and not on the basis of the length of time he had been a member of the fund. In the event of his leaving neither widow nor children, his interest would revert to the fund, since its benefits are for clergymen and their wives and minor children only.

RUSSELL AT CAMP SHERIDAN

Distinguished Agency Manager One of Fifteen to Apply Scott Army Tests

Dr. Walter Dill Scott, director of the Bureau of Salesmanship Research of the Carnegie Institute, who is well-known to life insurance men, and who for some months has been in charge of the classification of the personnel of the army, has selected a group of fifteen men in business and professional life to go to the army camps and assist in the preparation of an efficiency rating scale. This scale provides a standard of qualifications necessary for the army. Dr. Scott called the process "a yard stick."

Among the fifteen selected is Winslow Russell, agency manager of the Phoenix Mutual Life. Mr. Russell has been granted two months' leave of absence by the directors of the company. The war department has assigned Mr. Russell to Camp Sheridan, Montgomery, Ala., and from there he is to go to Camp Jackson, Columbia, S. C.

NEW YORK ASSOCIATION

Henry Moir and Henry L. Rosenfeld to Speak—Report on Taxation Matters by Julian S. Myrick

The November meeting of the Life Underwriters' Association of New York will be held in the Arkwright Club on November 27th. The speakers will be Henry Moir, Actuary Home Life, "The Government War Risk Insurance for Soldiers and Sailors," and Henry L. Rosenfeld, fourth vice-president, Equitable, on "War Problems in Life Insurance Soliciting." Julian Myrick will discuss the new tax bills.

The National Surety has executed a bond guaranteeing preliminary work on a new contract for twenty torpedo boat destroyers.

Mrs. Knight's Advice

(Continued from page 10)

as soon as she starts to earn she will start an endowment, then, no matter what her hopes or prospects are for the future, she will always have a most dependable friend.

"I have done the majority of my soliciting among women for the reason that nine tenths of them have never been approached upon the subject. There is no competition and it much easier to write five small policies under these conditions than it is to write one larger one among men who are approached every day.

"After my prospects become policyholders, I keep in close personal touch with them. I call upon them when possible, send birthday greeting every year and give them any information or assistance in my power. Many of them are today my dearest friends. I want them to like me and I do all in my power to convince them that I am their friend.

Closing Talk

"In closing, I would say do not hesitate to write women. They are good risks. Statistics show that they live longer than men and they will stick. True, they do not carry very large policies. It is an exception to find a woman who can carry $5,000 conveniently, but she would probably need that small amount much more than a man who could carry a larger policy, and right here comes the true idea of service. Service does not undersell or oversell and applicant. When we know his income and his obligations, we can in all fairness suggest the amount we know he can carry.

"I believe that the sales man or saleswoman who, in all sincerity, approaches his work in the spirit of real service, who submerges himself in the proposition for the good of the other fellow, and is enthusiastic, is absolutely irresistible. It is not a question of putting anything over, it is a question of serving and when we are in that attitude people will listen to us. No one will close the door on the sincere man or the sincere woman as they have a great message and by their very attitude will carry it to Garcia."

THE MOST VALUABLE POLICY FOR YOU,
Mr. Agent, is to write your prospect in the Company writing the most valuable policy for the insured.
Secure **prompt action** in the
John Hancock MUTUAL LIFE INSURANCE COMPANY OF BOSTON MASSACHUSETTS
WILLIAM N. COMPTON, General Agent
METROPOLITAN DISTRICT, ST. PAUL BLDG., 220 BROADWAY, NEW YORK, N. Y.

ORGANIZED 1871
Life Insurance Company of Virginia
RICHMOND, VIRGINIA
OLDEST, LARGEST STRONGEST
Southern Life Insurance Company
Issues the most liberal forms of Ordinary Policies from $1,000.00 to $50,000.00, and Industrial Policies from $12.50 to $1,000.00
CONDITION ON DECEMBER 31, 1916:

Assets	$14,464,552.23
Liabilities	12,436,717.56
Capital and Surplus	2,027,834.67
Insurance in Force	118,349,212.00
Payments to Policyholders since Organization	18,119,172.50
Is Paying its Policyholders over	$1,300,000.00 annually

GOOD TERRITORY FOR LIVE AGENTS

"If You Were In His Place"—
Would you buy the policy you are offering your prospect?
Provident agents are successful because they are absolutely convinced that the policies they offer are exactly the policies which under similar conditions they would prefer for themselves.
Write for information.
The Provident Life and Trust Company
OF PHILADELPHIA.
Founded 1865

THE BERKSHIRE LIFE INSURANCE CO.
OF PITTSFIELD, MASS.
Incorporated 1851
W. D. WYMAN, President
A purely mutual Company, issuing all desirable forms of life insurance.
ATTRACTIVE LITERATURE
Ambitious, Productive and Trustworthy Life Agents may be benefitted by corresponding with
W. S. WELD, Superintendent of Agencies

A GOOD OPENING
An old, well established, progressive life insurance company, with unexcelled dividend record has good opening at PHILADELPHIA, covering Eastern Pennsylvania. Address, stating qualifications:
PHILADELPHIA, care of The Eastern Underwriter
105 William St., New York City

THE EASTERN UNDERWRITER

This newspaper is owned and is published every Friday by The Eastern Underwriter Company, a New York corporation, office and place of business 105 William Street, New York City. Clarence Axman, President; W. L. Hadley, Secretary; R. W. Swayne, Assistant Secretary. The address of the officers is the office of this newspaper. Telephone 2497 John.

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THE BUSY TREASURY DEPARTMENT

A large part of The Eastern Underwriter this week is devoted to affairs of the Treasury Department which are engrossing the attention of underwriters more every day. There are stories of important appointments in connection with the Bureau of War Risk and, also, Judge Mack's interpretation of the insurance feature of the War Risk Act, is in part reproduced. There is also published a complete report of the hearing regarding the licensing of or refusing to license German insurance companies.

One of the problems at Washington in connection with the War Risk Bureau is to find experts to aid the Director and the Commissioners. Naturally, a high grade of talent is demanded, but that is not easy. The Government does not pay large salaries, and in the quest for an actuary (to take one example) it has been difficult to secure the right man for what the Government desires to pay. The aim of the Government is not to obtain the services, for instance, of a $3,500 man for a job paying $3,500 because the position is worth a great deal more than that. Also, the detached man, temporarily out of employment, is not regarded with favor. The problem must be met by personal sacrifice and the position accepted in a spirit of desire to do public service. Some of the leading men in the nation are working in Washington for a dollar a year and there should be no exception in the case of insurance men. Nor are insurance men lacking in this public spirit. Hendon Chubb, James E. Kavanagh and numerous other insurance men are in the Government service at great personal sacrifice and to this long list was added this week Winslow Russell, agency manager of the Phoenix Mutual.

Governmental activities of insurance men are by no means confined to those holding office or in the army and naval services, as the remarkable work of the National Board of Fire Underwriters (described elsewhere in considerable detail) illustrates.

It is, therefore, to be assumed that if the search is kept up eventually the Government will have no trouble in filling every position. In addition to an actuary the Government is also looking for a fire insurance man who has unusual capabilities.

Just how enormous is the military and naval division of the War Risk Bureau is shown by the fact that the billion-dollar mark in life insurance will be passed before the end of this week. These figures represent scarcely seven weeks' operation of the act. On November 19 17,254 applications for life insurance were received. The whole machine is really just getting under way.

Insurance men are grateful to the Treasury Department for the fairness shown in hearings, which was again demonstrated at the hearing on the German company licensing last week. This was conducted without heat and in a strictly non-partisan tone. Time was equally distributed. The discussion was hung on two pegs: is there enough coverage now to take care of the assured, and does the enemy benefit by information available in German insurance offices? The Department will decide. The hearing developed that the German re-insurance companies have lost nearly all their American treaties, and they have practically become almost a negligible quantity through lack of clients. Richard M. Bissell, Henry W. Lowe and others said they were not needed. In the meantime every effort is being made by companies of America and our allies to cover the market. Some of the largest companies are assuming all outstanding liabilities; net lines are very much increased. What action the Department will take regarding the German direct-writing companies is not known at this time, but whatever the decision Mr. McAdoo reaches the fairness of it will not be questioned. He has had all the facts.

MUNICH'S CONTRACTS

Representatives of one of the patriotic societies who has made an investigation of the treaty situation, made a statement a few days ago that only two American fire companies now have contracts with the Munich. The Eastern Underwriter learns that one of the two companies is terminating this contract. It is also understood that last December the Munich had twenty-eight contracts with American companies.

TO OCCUPY DELMONICO BLDG.

On December 1, Wade Robinson will occupy the ground floor of the Delmonico Building, South William and Beaver Streets. This building was recently purchased by Frank B. Hall & Co. Mr. Robinson was recently appointed manager of the American Merchant Marine. C. P. Stewart, who is president of Frank B. Hall & Co., is also president of the American Merchant Marine.

APPLIES TO NEW YORK

The Rocky Mountain Fire, of Great Falls, Mont., has applied for admission to New York. It has $275,000 capital and over $185,000 surplus.

AGRICULTURAL AGENT DIES

Robert Bauer, of Bradford, Pa., who represented the Agricultural for forty years, is dead.

THE HUMAN SIDE OF INSURANCE



Richard Welsche, of the tax department of the home office of the Niagara Fire, 123 William Street, is the first American fire insurance man to sacrifice his life on the high seas in the service of his country, so far as is known. Mr. Welsche, with his two chums, Herman Spitsen, a rater with the New York Fire Insurance Exchange, and John Bunkhardt—all from Brooklyn—joined the service at the same time and had influence enough to be assigned to the same ship, which was the United States patrolboat, "Alcedo." This boat patrolled the submarine zone, and there was not a day on the waters when their lives were not in danger. On November 7 the "Alcedo" was torpedoed. The death of Welsche and Bunkhardt was cabled a few days after the ship was sunk, but until this week nothing was known of the fate of Spitsen. A cablegram has been received from Spitsen by his father, saying that he was picked up and safely landed. Spitsen who is six feet three inches tall, is an expert swimmer, to which prowess he undoubtedly owes his life. The three chums were members of the baseball club formed by members of the crew of the "Alcedo," and the picture printed above was taken in France just before the ship left on its fateful journey. Bunkhardt is second from left; Welsche, fourth from left; while Spitsen is seated on extreme right.

* * *

William Krouse, son of Clarence A. Krouse, well-known Philadelphia fire insurance agent, has returned from France after six months of service as an ambulance driver with the Norton-Harjes Red Cross force in France. He only returned because he is seventeen years old and was not prmitted in the American service when the unit was taken over. Until he is eighteen years old he will not be permitted to serve, but said that when that birthday was reached he would re-enter the service. He was under heavy fire during his entire period in France, particularly during the battles at Dead Man's Hill and Hill 301. Upon several occasions his ambulance was riddled with shell splinters. He said that America's entrance into the war had made a big difference in the fight, strengthening the morale of the Allies and will undoubtedly shorten the war. It has had a marked downward effect upon the spirits of the Germans also. He added that America's entrance is bound to make the Allies victorious.

FAVOR TEN PER CENT. ADVANCE

Compensation Bureau Approves Compensation and Liability Increases

A special committee of the National Workmen's Compensation Service Bureau has made a report favoring an increase of ten per cent. in all liability rates to meet the increased cost of operation. This advance would barely take care of increases in administration costs, irrespective of underwriting, and it would not cover increased tax burdens. Plans for putting the proposed increase into effect have not been worked out.

A flat increase of five per cent. in compensation rates was voted by the National Reference Committee of the Compensation Bureau November 21, effective January 1, subject to the approval of State insurance departments.

TAKES LARGER QUARTERS

The Merchants Fire, now at 1 Liberty Street, has leased the twelfth floor at 45 to 49 John Street, beginning May 1, 1918. This is the third time this company has changed its location to meet space requirements.

W. W. WADSWORTH'S WIFE DIES

Friends of W. W. Wadsworth, special agent in New York State for the Delaware Underwriters, were greatly grieved this week to learn that his wife died last week as a result of severe burns. Mrs. Wadsworth at the time of the accident was staying with her parents in Washington, D. C. Her dress caught fire from a chafing dish and she died a few hours later.

FRANK C. HASELTON HONORED

A luncheon was given in Chicago, November 26, in honor of Frank C. Haselton, retiring keeper of the golden goose egg, by members of the Illinois Pond of the Blue Goose. A. W. Jenkisson was appointed successor to Mr. Haselton, who will remove to Hartford December 1.

JOINS CORNWALL & STEVENS STAFF

William H. Van Derveer, who has been in the brokerage department of the National Union at Pittsburgh for some time, joined the staff of Cornwall & Stevens in New York this week.

FIRE INSURANCE DEPARTMENT

Credit Men Boost Sound Insurance

INSURANCE MEN CO-OPERATING

Association of 25,000 Members Will be Given Opportunity to Get Experts' Views

Next month the National Association of Credit Men will devote its monthly bulletin almost entirely to insurance subjects. An imposing array of insurance talent has been mustered to carry out this idea, which is to educate the business men and the public in general, by telling them the truth regarding sound insurance as a credit bulwark. The association has 25,000 members. Following is a tentative list of those who will contribute to this special insurance number of "The Bulletin":

"The Fire Insurance Committee of the National Association of Credit Men," E. C. Jamieson, chairman of committee, Portland, Ore.

"Co-operating With the Government in Conserving Resources," R. M. Bissell, president, National Board, Hartford.

"The Annual Fire Waste," F. H. Wentworth, secretary, National Fire Protection Association, Boston.

"Municipal Fire Protection," John Kenlon, chief of fire department, New York City.

"The Growth of Fire Insurance Companies," Frank Lock, United States manager, Atlas Assurance, New York.

"The Service of the Insurance Agent," Henry Evans, president, Continental Insurance, New York.

"The Insurance Policy As an Asset," H. P. Moore, assistant secretary, Home Insurance, New York.

"The Service of the Underwriters' Laboratories," W. H. Norvell, Underwriters' Laboratories, Chicago.

"Automatic Sprinkler Protection," H. L. Phillips, Factory Inspection Association, Hartford.

"Moral Effect of the San Francisco Disaster on the Pacific Coast," W. J. Dalton, Fireman's Fund, San Francisco.

"Fly Wheel and Steam Boiler Insurance," W. H. Boehm, Fidelity and Casualty, New York.

"Hail and Tornado Insurance," A. F. Dean, manager, Western department, Springfield Fire & Marine, Chicago.

"Automobile Insurance and Adjustments," J. H. Mulvehill, assistant secretary, Globe & Rutgers, New York.

"The Lloyds Companies," Douglas F. Cox, Appleton & Cox, New York.

"Live Stock Insurance," Norman R. Moray, vice president and general manager, Hartford Accident & Indemnity, Hartford.

"The Recently Adopted New York Standard Policy Form," C. F. Shallcross United States manager, Royal Insurance, New York.

"The Appraisal and the Adjustment," A. E. Clough, chairman, committee on losses, New York Board of Underwriters.

"The Insurance Brokers," George W. Glaentzer, Gordon, Roberts & Co., New York.

"Marine Insurance," Percy Chubb, Chubb & Son, New York.

"Use and Occupancy Insurance," E. R. Hardy, assistant manager, New York Fire Insurance Exchange.

"Personal Liability for Fires," David D. Sharp, Columbus, Ohio.

"The Evil of Too Stringent Legislation," Chas. G. Smith, vice-president, Great American Insurance, New York.

"The State Superintendent of Insurance," Jesse S. Phillips, Superintendent of Insurance, New York.

"The State Fire Marshal's Office," L. T. Hussey, State Fire Marshal's Association of North America, Topeka, Kan.

"Some Things That Insurance Does Not Insure," I. G. Hoagland, manager, National Automatic Sprinkler Association, New York.

"How to Read the Statement of Condition of Your Insurance Company," Alfred M. Best, A. M. Best & Co., New York.

"The Effect of the War on Insurance Companies," F. P. Hamilton, general agent, Queen Insurance, New York.

"The Mutual and Inter-Insurance Companies," H. Dwight Hall, Boston Manufacturers Mutual Fire, Boston.

"The Work of the Rating Bureau," W. O. Robb, manager, New York Fire Insurance Exchange.

"The Insurance Policy as a Contract," W. M. Bement, adjuster, Home.

"The Development of the New England Mutual Idea," James W. Brigham, Fall River Manufacturers Mutual Fire.

COLEMAN IS AUTO MANAGER

Promoted by Newark Fire on December 1—Has Been an Examiner With Company

W. V. Coleman has been made manager of the automobile department of the Newark Fire Insurance Co., as of December 1, succeeding James G. Maconachy who has resigned to become manager of the automobile department of the Firemen's of Newark on that date. Mr. Coleman has been with the Newark Fire for about a year as Western examiner. Previously he had been in the underwriting department of the Royal Exchange in New York City for several years. He started with the Milan Ross agency in Asbury Park.

FIRE AND MARINE INSURANCE—ALL LINES

The Automobile Insurance Company of Hartford, Conn.

MORGAN G. BULKELEY, President

Statement January 1, 1917

Cash Capital	$1,000,000.00
Assets	2,748,832.19
Liabilities (Except Capital)	1,039,977.81
Surplus to Policyholders	1,708,854.38

AFFILIATED WITH

ÆTNA LIFE INSURANCE COMPANY

THE ÆTNA CASUALTY & SURETY CO.

THE EVANS PAMPHLET

More Than 60,000 Have Been Distributed to Public Men, Bankers and Shippers

More than 60,000 copies of the Henry Evans paper on "The Vital Relations of Insurance to Banking and Shipping in the World's Trade After the War" have been distributed to boards of trade, chambers of commerce, public men, bankers, shippers, insurance men and others who might be interested. And from the way the paper is in demand the edition may reach 100,000.

In view of the amount of money invested in insurance it seems strange that economists, business men and bankers have had so little comprehension of the importance of insurance in the building up of international trade, and Mr. Evans' forceful and illuminating paper has been an eye-opener. From all parts of the country chiefly from trade organizations, have requests for copies come. Some trade organizations have ordered fifty, some one hundred.

Mr. Evans was asked by The Eastern Underwriter if he would make public any of the letters he had received on the subject. He replied that he did not care to do so at this time, but that the sentiments expressed in the letters were very gratifying.

TAKING DOWN DEPOSIT

The Sovereign Fire, which withdrew from New York State several years ago, is taking down the last of its deposit with the New York department.

THE WILLIAM H. KENZEL COMPANY

FIRE INSURANCE AGENT

REPRESENTING AT NEW YORK OFFICE
79-83 WILLIAM STREET

HUMBOLDT FIRE of Pittsburgh, Pa.
EQUITABLE FIRE & MARINE of Providence, R. I.
IMPERIAL ASSURANCE of New York, N. Y.
GRANITE STATE FIRE of Portsmouth, N. H.
ALLEGHENY FIRE UNDERWRITERS of Pittsburgh, Pa.
COMMERCE INS. CO. of Albany, N. Y.
AACHEN & MUNICH FIRE Organized 1825
FRANKLIN FIRE of Philadelphia, Pa.
CALEDONIAN-AMERICAN of New York, N. Y.

REPRESENTING AT BROOKLYN BRANCH
154 MONTAGUE STREET

LONDON ASSURANCE of London, England
NORWICH UNION of Norwich, England
COMMERCE INS. CO. of Albany, N. Y.
GRANITE STATE FIRE of Portsmouth, N. H.
MECHANICS INSURANCE CO. of Philadelphia, Pa.

NORTH BRANCH FIRE INS. CO.
Sunbury, Pa.
Inc. 1911

Assets	$641,341.77
Reserve	230,513.29
Capital	300,000.00
Surplus	63,479.83

CITY INSURANCE COMPANY
Pittsburgh, Pa.
Inc. 1870

Assets	$357,318.58
Reserve	54,256.92
Capital	200,000.00
Surplus	96,379.07

OPERATING ON A CONSERVATIVE BASIS IN A LIMITED TERRITORY UNDER AN EXPERIENCED MANAGEMENT

Premium Receipts Will Be Deceptive

INTEREST IN JANUARY 1 DATA

Tremendous Volume Increase Will Make Close Study of Returns Necessary—Rates Going Up

Not in years will so much interest be taken in company returns as this year, and the statement is made that unless the returns of December 31, 1917, are analyzed with great care by students of fire insurance, departmental heads and others, the returns will be very deceptive.

Particular care will have to be taken in studying the loss ratios. For one thing, there is a tremendous increase in the volume of premiums which are not earned. One of the leading companies of America has practically doubled its premium income. There are obvious reasons for the increase in premiums, including the great prosperity of the country; the enhancement of values; the taking over of outstanding liability after cancellation of re-insurance contracts, the necessity for manufacturers getting as complete insurance coverage as is possible, and the added income from side lines.

In the meantime, losses are increasing, not only because of the large number of fires of suspicious nature, but small losses roll up a disconcerting volume.

Ten Per Cent. Rate Increase

The necessity for the 10 per cent. increase in rates is recognized everywhere. In fact, some underwriters believe it is not enough. The increase is to be made as rapidly as possible in the Eastern Union territory. The Boston Board has fallen into line and this week the Middle Department acted.

BROKERS ACTIVITIES

BROKERS AT WASHINGTON

Benedict, Lowe and Chubb Among Prominent Figures Participating in German Company Hearing

At the hearing over the licensing of the German companies in Washington last Thursday the statement was made by Sceleye Benedict, of Benedict & Benedict, in reply to a question from Counsel Julius Henry Cohen, that the Benedict & Benedict office did between $2,000,000 and $2,500,000 in premiums a year.

Mr. Cohen then asked Henry W. Lowe, of Johnson & Higgins, how much that office did a year. Mr. Lowe said he was unable to give the figures. Hendon Chubb, of Chubb & Son, advisor of the war board, who was sitting next to Assistant Secretary Rowe, of the Treasury Department, listened with some interest when the question was asked Mr. Lowe, and then smiled broadly when Mr. Lowe ducked it.

Among other brokers present were F. S. Little, president of the Fire Brokers' Association of New York; R. C. Rathbone, II; and representatives of Wilcox, Peck & Hughes and other offices.

* * *

Stern With Sadler & Co.

Oscar H. Stern, until recently with Jos. D. Bookstaver, and for nine years with Fred. S. James & Co., has been made placer for B. F. Sadler & Co., succeeding C. H. Scholl who is now in training for the army.

* * *

Chicago Y. M. C. A. Campaign

Donald R. McLennan, of Marsh & McLennan, is in charge of the Chicago insurance subscriptions in the Y. M. C. A. fund campaign. Marsh & McLennan have subscribed $2,500 and Fred S. James & Co., $1,000.

NO CONTROL OVER COMMISSIONS

Position of Texas Insurance Department Stated by Commissioner to The Eastern Underwriter

In view of action taken by local agents in several Texas cities the following statement to The Eastern Underwriter by Charles O. Austin, Insurance Commissioner of Texas, is of interest to brokers:

"The laws of this State do not give the Insurance Commissioner any supervision over fire insurance commissions. Commissions paid by companies to their agents are controlled purely by the contract between the company and its agents and so far as I understand it such matters are not purely subject to supervision by this department.

"This department has no supervision whatever over outside representatives of insurance companies, if by outside representatives is meant non-residents of this State. It is violation of the criminal laws of this State for any person in Texas to act as agent of an insurance company without a license and if any person does so, his action being a violation of the criminal laws, would be subject to action in the criminal court, but this department not being a court does not attempt to enforce criminal statutes. It is true, however, that if any person in this State while holding a license from this department as agent of an insurance company should represent in any manner a company which is not licensed to do business in the State of Texas and proof of this fact is made to this office we would revoke the license of such person and refuse to permit him to act as agent of any insurance company in this State, but this is nothing new and we have no intention so far as I know of taking any new or special action with regard to fire insurance commissions."

* * *

Stoddart to Address Brooklyn Brokers

Major Francis R. Stoddart, Jr., deputy superintendent of insurance of New York State, who recently returned from Europe, where he saw much of war conditions, has accepted an invitation to address the Brooklyn Brokers' Association at its meeting on December 13.

* * *

Reilly With Osborn & Co.

J. J. Reilly, Jr., marine placer for Fred S. James & Co., and for a long term of years in like capacity with H. Klein & Co., will start on Monday with Osborn & Co. as marine placer of that office.

David E. Jones, of Minneapolis, Minnesota State agent of the Niagara, has retired after a long service.

B. M. CROSTHWAITE & CO.
Fire and Automobile Insurance Specialists
Lines Bound Anywhere in New York State
105 William Street, New York City, N. Y. Telephones 2404-5-6-1758-1090 John

ADEQUATE FACILITIES
ALL LINES
PHILADELPHIA
CLARENCE A. KROUSE & CO.
LOCAL AND GENERAL AGENTS
325 WALNUT STREET PHILADELPHIA, PA.
PENNSYLVANIA NEW JERSEY
SATISFACTION SERVICE
ALL LINES

LOGUE BROS. & CO., Inc.
Fire—Casualty—Automobile Insurance
Nation-Wide Facilities for Handling SURPLUS LINES
307 FOURTH AVENUE PITTSBURGH, PA.

SCHAEFER & SHEVLIN
103-5 William Street GENERAL AGENTS New York, N. Y.
DUBUQUE FIRE AND MARINE INSURANCE CO.
Excellent Facilities for Handling Suburban Business Phone: John 2312

INCORPORATED 1720
Royal Exchange Assurance
LONDON, ENGLAND
United States Branch
92 William Street, New York
RICHARD D. HARVEY
United States Manager

N U
NATIONAL UNION FIRE INSURANCE CO. OF PITTSBURG, PA.


As an asset to any agency, by every test that counts, the NATIONAL UNION is unquestionably a company whose representation good agents should seek. Extending always a full measure of co-operation, its facilities and service have given it a conspicuous place in 5000 offices throughout the United States. To experienced and properly qualified agents the NATIONAL UNION can prove its worth in numerous ways. Are you willing to be convinced of facts already proven to others who have gained satisfaction and profit in a pleasant business relationship? Shall we send a Special Agent to discuss the subject with you?

"OPPORTUNITY IS KNOCKING"

Treasury Department Hearing on German Company Licenses

Text of Discussion Before Assistant Secretary of the Treasury Rowe---Julius Henry Cohen, Counsel for Interests Opposing Licensing---Charles E. Rushmore Speaks for German Companies---Secretary McAdoo Outlines Points for Consideration---Views of Superintendent Phillips.

The interest shown in the question of issuing licenses to German insurance companies and re-insurance companies was demonstrated at the hearing in the Treasury Department on Thursday of last week when the room set for the hearing—directly facing the White House—was crowded. The hearing was in charge of Assistant Secretary of the Treasury Rowe, who has had much to do with war risk and soldiers' and sailors' insurance conferences of all kinds. Seated with him were Hendon Chubb of Chubb & Son, chairman advisory committee of the War Risk Insurance Bureau; William C. Scheide, the Hartford re-insurance man, who is a member of the Enemy Alien Property Division; Counsel Wall, of the Treasury Department, and others.

The delegation appearing to protest against the granting of licenses to the German and enemy-ally fire insurance companies was headed by Richard M. Hurd, chairman of the Board of Trustees of the American Defense Society. Among others in the delegation were: Richard M. Bissell, president of the Hartford Fire; Wallace Reid, a New York local agent; F. S. Little, president of the Fire Brokers' Association of New York; Archibald E. Stevenson, chairman of the Committee on Aliens; Mayor Mitchel's Committee on National Defense; Henry C. Quinby, counsel for the Motor Union Insurance Company and secretary of the Union League of New York; Julius Henry Cohen, the New York lawyer who has been an arbitrator in settling disputes between manufacturers and employes in the cloak and garment business, and who appeared for a number of insurance companies; Professor Douglas W. Johnson, of Columbia University; Henry W. Lowe, of Johnson & Higgins; Seeleye Benedict, of Benedict & Benedict; and others.

The managers of the five direct-writing German companies—Messrs. Lenehan, Kelsey brothers, Franklin and Letton—were present. H. P. Bradbury represented Balkan National and Prussian Life. Messrs. Phillips and Gordon represented the New York Department; Mr. Hammond the Connecticut Department.

Mr. Rowe gave each side an hour. The principal speaker of the protestants against granting the license was Mr. Cohen. The principal speaker in favor of having the licenses granted was Charles E. Rushmore, a New York lawyer. The hearing was conducted by Mr. Rowe without bias or partisan feeling. It lasted from 11.15 o'clock until 1.30 p. m.

Secretary of the Treasury McAdoo opened the hearing, by saying:

"We are here to listen to matters of very great importance. I am glad to see you in Washington and have you discuss these questions. Following the discussions you will be permitted to file briefs. There are two questions up for consideration:

"First: Is it dangerous to the interest of the United States to grant these licenses to companies of enemy and enemy ally countries?

"Second: Is there a public necessity, as well as public policy, to grant these licenses?

"Dr. Rowe will preside at the hearing. I can give you the assurance that all which is said will have the fullest possible consideration before the final decision is made."

Mr. McAdoo then retired, those at the hearing standing while he left the room.

Phillips Says Government Should Decide

Jesse S. Phillips, superintendent of insurance of New York State, who had come to the meeting accompanied by Chief Examiner of Fire Companies Gordon, said that he did not desire to express any opinion as to the advisability or inadvisability of the federal Government's licensing the companies of the Central Powers. He then told what was the policy of the insurance commissioners. After the Congressional resolution saying that a state of war existed a special committee of the commissioners representing their convention called upon the counsel of the Secretary of State and laid before him in detail the situation in regard to the German companies, together with some discussion regarding the companies in countries allied to Germany. The committee, said the Superintendent, was of the unanimous opinion at that time that these companies were operating in the United States through United States branches, "and I might say here, so far as the insurance departments are concerned, they have always regarded these companies as domestic companies. In other words, the measurement that has been provided has been determined by the amount of the assets which are employed in this country." Mr. Phillips then discussed the amount of assets necessary for foreign companies to have with the insurance department and trustees and said if these assets were impaired the slightest they could not transact business in this State. He said that at the time the commissioners visited Washington they were of the unanimous opinion that there was a necessity for the continuance of the business by these companies. He called attention to the fact that the German companies had approximately $3,500,000,000 in force in the United States on December 31, 1916. The committee took the position that where the companies had sufficient assets in the U. S. in accordance with New York statutes they should be licensed if such license did not interfere in any way with the successful conduct of the war.

Mr. Phillips thought the question as to whether the licensing of the companies would interfere with the successful conduct of the war; in other words, if it were dangerous, should be settled by the Federal Government. The Superintendent discussed the question of the ability of existing insurance carriers to take care of the indemnity. He said he had heard two views expressed by American company executives, one that the German insurance company protection is not needed; the other that it is needed. He thought that in the legislation governing trade relations with the enemy it had not been the idea to exclude all German companies, but that they might be licensed under proper restrictions. He called attention to the stringent regulations of New York State in the circular issued on the subject providing that no funds shall be sent abroad, there shall be daily reports, etc.

Returning again to the advisability of licensing the companies Mr. Phillips said the Government must decide whether such licensing is detrimental to the interests of the United States. If these companies are the means of furnishing information to the enemy, then, of course, they should not be permitted to transact business here.

"We must bear in mind constantly before us the thought by whom are these companies managed. The trustees are American citizens. I am not acquainted with all the managers, but I venture to say that 90 per cent. of them are American citizens. The same percentage of their employes are American as with the American companies. This proportion probably applies to their agency forces. All of these facts must be taken into consideration. The capital is furnished by German institutions, but this capital is employed by American citizens."

"Too Much Camouflage" Says Hurd's Counsel

Julius Henry Cohen, chief counsel for the interests opposing the licensing of the German companies, said that when the President had made his proclamation he knew it was difficult to wind up the relationship with re-insurance and direct-writing foreign companies. The easiest way was to leave it in abeyance, probably until the danger had become so great that action would be forced. There was a little bit of the spirit frequently observed in American life of procrastinating, or, to indulge in the vernacular, "pass the buck to somebody else." This was attitude of the Superintendent of New York State, Mr. Phillips, said Mr. Cohen. He is willing to have the Federal Government stop these companies from writing business if he thinks by the licensing of these companies prosecution of the war is hindered.

Calls Licensing a Peril to Nation

"Well before we are through we shall show that such licensing is a peril to the nation," said Mr. Cohen.

Continuing he said:

"When our astute friend, Mr. Rushmore talks to you about the responsibilities of the German offices he speaks of them as German companies with capital and resources in Germany. When he speaks about them as avenues of information he refers to them as American companies. Congress clearly indicated in the Trading-With-the-Enemy Act that in its opinion there was grave danger."

Mr. Cohen then discussed the Federal Reserve Banks' banking system and said that re-insurance is to insurance what the Federal Reserve Bank is to banking. It is the capital and credit back of the German offices (back in Germany) which enables them to get on. Who is going to get the profits of the American business eventually, he asked? Should they be permitted to keep going through American money? No man can serve two masters.

"Now we might as well talk bluntly," he declared. "The German companies are enemy companies. We are too complacent. We are too easy going. There is too much camouflage about this whole situation.

Inconvenience May Be Good Thing

"There is a lot of talk about inconvenience in getting insurance. There is a lot of talk about American companies not being able to furnish sufficient coverage. This is not the day or time to talk about convenience. We are all suffering from lack of conveniences. And it is a good thing, too, that we are. We were inconvenienced about dyes. They said we had to have them from Germany. Well, we haven't had any German-made dyes in some time now, but we manage to exist all right despite this. Maybe, foreign re-insurance will be like the dye business. We think we need it when we have it, but when it is not available, we find something to take its place. And right here I want to ask why are we dependent upon these German companies for re-insurance? Why do we need it at all? With all our resources and our ingenuity and our strength do we have to be dependent upon Germany for this? Has Germany a monopoly on technique, on science, on brains, on resources? We develop a bond-owning people through Liberty bonds. We can become an insurance investing public the same way.

Aid to the Enemy

"In the consideration of questions there arrives in the human mind a point sometimes of certainty and sometimes of doubt. In such cases there is a very safe rule to follow. If you are in doubt do not take a risk. In this case we should not take the risk of the enemy being strengthened by what we do if in doubt.

"The idea back of the Trading-With-the-Enemy Act is not only to prevent the foe from obtaining information which will aid it to plant bombs or set factories on fire, but it is that the enemy shall not be handed the aid and comfort of knowing that you are dealing with him. The people should not have the satisfaction of knowing that while on the one hand we are waging war, on the other we are contributing money to their profit. The American public must not deal with companies with German names and German capital. Unless you feel that there are grave reasons for making an exception you must follow the policy that is pursued by every sensible nation in the hour of its danger. Responsibility clearly falls upon your shoulders.

The Real Basis of Credit

"There is the argument of the element of security of American insurers. Upon that score those of you who have any recollection at all will recall the difference in attitude between American and some foreign companies in the San Francisco fire. After all, in the last analysis, it is not the 1 per cent. premium income kept in this country that guarantees the insurer against loss, but it is the capital back of it; it is the $45,000 sent over, for

instance, by the Mercury (life re-insurance company) a few days before hostilities started. When such a company wants money it sends over to Germany to get it. It is in Germany where most of the funds are. Now, what would happen if there were a conflagration? Every insurance man in this room knows that the money here would be wholly inadequate to meet the losses just as happened in San Francisco. It is the capital at home of these companies that gives the credit. Without that credit the American policyholder is not secure, proclamation or no proclamation. The men who write most of the insurance—such as Johnson & Higgins and Benedict & Benedict who have representatives here—know that foreign policies are being cancelled. Americans do not want these policies. These brokers know the situation, and that is what they say.

"Now what has happened in other countries when they went into war? Did Germany continue the business of British companies? No. They seized it. They put a commissioner in charge and liquidated these companies. What did Brazil do? She terminated all relationships with the enemy, including the insurance relationship.

Subterranean Methods of Communicating Information

"It is assumed that there is no difference between what may happen in the case of a company owned and controlled by German capital and the American company. The impression is created that because the managers of these companies are Americans that there is no more risk than in the case of American companies. That seems to me an argument that was disposed of entirely by the Trading-With-the-Enemy Act. We know of many institutions where the agents of enemy companies doing business here are American citizens, but know that because of the subterranean methods of reaching Norway, Sweden and other neutrals German banking and insurance credit can be used to get more credit; and we do not want that credit secured through the insurance business. It is erroneous to place so much stress on the American trusteeships.

Friendly Enemies

"Now a word about the phrase 'friendly enemies.' No matter how careful the American managers may be—no matter how astute—do you really suppose that there are no men employed by them who are friendly to the other side? Do you suppose that when spies are everywhere, when they are even in the government offices, that there are no spies in the insurance offices? Why it is not conceivable."

Mr. Cohen then presented to Assistant Secretary Rowe bordereaux showing character of cargo, date of sailing, destination, etc. "This is as complete information as the enemy could want," he said. Next Mr. Cohen presented to the Assistant Secretary some inspection bureau reports on various risks, showing their defects, telling about condition of sprinkler systems; explaining about lack of watchmen and when the place is unguarded. One report dealt with a munition factory. A description of the material being made was given (ammunition for the Russian artillery). It also told dates of shipment.

Taking up these reports Mr. Cohen said that by acquainting themselves with their contents friends of the enemy would know just how to put the sprinkler system out of commission; just when watchmen service was so weak or negligent that arsonists could visit the place in safety.

Mr. Cohen also discussed workmen's compensation bordereaux and said information in greater detail than in fire insurance was given.

Spy Methods

"Why use the old-fashioned spy methods?" asked Mr. Cohen with emphasis. "Why should Germany employ waiters to listen to stray conversations about tables, or to have positions in clubs, when here is all the information they needed nicely typewritten for them and furnished to the insurance offices where it is accessible?

"For God's sake, gentlemen, let us not be so complacent. Where is that Yankee shrewdness that we boast about. Why can't we open our eyes? Let us realize what is going on about us and then stop it."

Here Mr. Cohen called attention to the grain, pier and other fires of incendiary nature of which the newspapers have been full.

"By whom are the bombs planted? By whom are the fires set? Do you suppose for a minute that practical insurance men are going to let this go on without increasing the rate. Rates of insurance are bound to go up."

New England Action

Mr. Cohen then called attention to the strictly confidential reports of the New York Board of Fire Underwriters giving information which he said was of value to the enemy. Mr. Cohen expressed confidence that this information is kept confidential in the American offices but he added that he would not be so trustful as to think that in the German offices some of it did not go where it should not.

The action of the New England associations of local fire insurance agents in condemning placing of insurance in companies of enemy governments was also discussed by Mr. Cohen.

Two Contracts Left

Richard M. Hurd, president of the Lawyers' Mortgage Company and chairman of the board of trustees of the American Defense Society, only spoke for a few minutes.

One of the most interesting things he said was, that so far as he knew only two American companies now held treaties with German re-insurance companies.

Rushmore Asks For German Company Licenses

Charles E. Rushmore appeared for the four direct writing German companies and also for one German re-insurance company. He began with his argument by quoting from the President's proclamation in which Mr. Wilson spoke of the great magnitude of the insurance carried here by German companies "so that it is deemed important that the agencies of such companies in the United States be permitted to continue in business."

President's Proclamation

Mr. Rushmore said: "We are German companies in one sense and in one sense only, but we are no more German companies to-day than when the President issued his proclamation or when Congress passed the act giving us permission to apply for license."

Mr. Rushmore discussed the developments leading up to the passing of the Trading With the Enemy Act, Congressional resolutions, President Wilson's second proclamation, etc., in considerable detail. He said that Congress had viewed the situation from every angle, and yet had decided that the German fire companies could continue in business.

Mr. Rushmore, in discussing statements given out in Washington showing the intent of the Trading-With-the-Enemy Act, quoted Secretary Lansing and Attorney-General Warren as follows:

Secretary Lansing's statement: "The general purpose of the bill you have already stated, Mr. Chairman, that is, to stop commercial intercourse with the enemy. The basis of the bill is not, as it is in the case of the action that has been taken by the Allied Governments, the nationality of the persons affected, but the domicile of the persons. We consider that the only trade that will materially aid Germany is that which reaches the German soil, and to prevent this is the purpose for which this bill is drawn."

Assistant Attorney-General Warren: "It is evident, of course, that, as to insurance companies, arrangements should be made for the continuance of business of certain kinds."

Discussing the speech of the New York State Superintendent of Insurance, he said: "You have heard Mr. Phillips speak, a man disinterested so far as we are concerned, but very much interested as far as the public is concerned. None would make any

"The Leading Fire Insurance Company in America"



WM. B. CLARK, President

AETNA INSURANCE COMPANY

Aetna Fire Underwriters Agency

of Aetna Insurance Co.

Application For Agencies Invited

THE HANOVER
FIRE INSURANCE COMPANY
Incorporated 1852

The real strength of an insurance company is in the conservatism of its management, and the management of THE HANOVER is an absolute assurance of the security of its policy.

R. EMORY WARFIELD, President
FRED. A. HUBBARD, Vice-President
E. S. JARVIS, Secretary
WILLIAM MORRISON, Asst. Sec'y

HOME OFFICE
Hanover Bldg., 34 Pine St.
NEW YORK

HOWIE & CAIN, General Agents
Metropolitan District
100 WILLIAM STREET, NEW YORK

Authorized Capital $500,000
Detroit National Fire Insurance Co.
DETROIT, MICHIGAN
A Company to be built gradually and along the indicated lines of permanence
AGENCY CONNECTIONS SOLICITED

AMERICAN EAGLE
FIRE INSURANCE COMPANY
OF NEW YORK
HENRY EVANS, *President*

Fire Automobile Rent Tornado
Sprinkler Leakage Use & Occupancy
Profit Explosion

CASH CAPITAL .....ONE MILLION DOLLARS
Total Assets $2,902,448
Total Liabilities 1,757,214
Net Surplus 1,145,233
POLICYHOLDERS' SURPLUS.....$2,145,233
FROM STATEMENT AS OF JANUARY 1, 1917

AMERICAN EAGLE *an American Institution*

HOME OFFICE
80 Maiden Lane
New York

PACIFIC COAST DEPT.
Insurance Exchange Bldg.
San Francisco

Hearing on Licensing of German Companies

criticism of Mr. Phillips' patriotism, yet upon this subject he is neutral.

Practically Domestic Concerns

"They say we are German companies. So far as our operations in this country are concerned we are as domestic as any companies that have been organized. We are practically domestic concerns. We are obliged to conform to the financial requirements of the insurance departments of different States; we are subject to the insurance laws of the different States. There are no corporations in this country which have a more truly American management and more American employes than these companies. It is as important that they should be known to you as it is important that they should be known to the public.

Americanism of Management

"J. H. Lenehan was born in Dubuque, Ia., in 1852 and was educated in the public schools. He entered the insurance business in 1878. In 1898 he was made assistant manager of the North British & Mercantile in Chicago and in 1899 general agent of the Phenix of Brooklyn. His father was born in this country, as was his wife, who was the daughter of an army officer. His father served in the Iowa militia. His son is a member of the Seventh Regiment. His company is an American institution, managed by Americans and represented by Americans. The policies are largely in the hands of Americans.

"H. N. Kelsey was born in 1865 in Ohio. His father was born in Connecticut; his mother was born in Maine; his grandfather in Connecticut; his grandmother there also. William Kelsey landed at Plymouth in the seventeenth century. Mr. Kelsey is a member of the Sons of the American Revolution; his brother had a son in one of the military camps; he served in the Indiana militia; he was president of one of the school districts of Evanston, Ill. His wife is a member of the Daughters of the American Revolution."

A Little Repartee

Mr. Rushmore then started to tell of the American antecedents of J. A. Kelsey, H. W. Letton and Mr. Quackenbush, of the Aachen & Munich, when Mr. Rowe interrupted him, saying:

"We may assume the loyalty of the managers, and thus save some of your time."

Richard M. Hurd, of the American Defense Society, said sarcastically:

"We shall not attack the Sons of the American Revolution."

Mr. Rushmore retorted, saying: "We are not defending sons of the German Revolution."

Tapping Information

Continuing, Mr. Rushmore said: "There is hardly a German in the employ of these companies to the knowledge of any of these managers. The importance of knowing this fact is this: one of the suggestions made is that such employes are in a position to get information that might imperil this Government and serve to aid the enemy. The direct writing offices of the German companies are in no better position to obtain such information than are the domestic company offices. There are thousands of employes in the American companies. Who can vouch for the loyalty and patriotism of all these employes? The important thing is to have at the head of the foreign companies loyal American citizens, and if that is the case, then you have all that can be expected.

"Also, you must remember that the assured has it in his power to give his insurance where he will; and he is not compelled to give his insurance to a direct writing German company if he does not desire to do so.

"Now, a word about the information about munition plants, etc., that we have in our possession. We do not begin to have as much of this information as do the railroad companies, for instance. They carry the ammunition; they know of what it consists; they know its destination; they know all the details. Now for every employe of a direct writing German company there are a hundred or a thousand employes of a railroad. The danger there is certainly greater than any danger that can result from what the insurance companies may know about factories and movements of ammunition and supplies.

Funds

"The argument is made that funds going to us aid the enemy. That has all been provided against. Not one penny that comes into our offices is shipped abroad. We are forbidden to send anything out of the country.

"They say that the insurance we are carrying can readily and easily be transferred to American companies. That is a broad statement not borne out by the facts. It clearly is not substantiated by the history of the fire insurance business in this country, particularly since 1871; and nothing that Superintendent Philips has said bears out the statement. We do not believe that the citizens of this country should be deprived of necessary insurance protection. We do not believe all the insurance thrown on the market can be absorbed.

Strength

"Another suggestion made is that we are not strong enough to meet our liabilities. The insurance figures show that the German insurance companies occupy not only as strong but a stronger position in the insurance field than do the domestic companies. The assets of the German companies as compared with their liabilities are stronger than the American company percentages. One of the largest of the American companies has $147 to each dollar of liability. The Hamburg-Bremen has an equal amount; the Aachen & Munich has $207; Nord-Deutsch, $187."

Bissell Says German Companies Not Needed

Richard M. Bissell, president of the Hartford Fire, was introduced to Assistant Secretary of the Treasury Rowe as the leading fire insurance man in the country. Mr. Bissell was reluctant to speak, but regarded it his duty to do so. He thought that Counsel Cohen had covered the ground by the stress he placed upon the fact that this country was at war. He thought that at this time regard for personal friendships and other considerations must give way to stern duty. He discussed the question of the personnel of German fire office executives. He did not doubt the loyalty of the direct writing managers. Personally, he believed them to be trustworthy and loyal citizens in every respect. As for the re-insurance companies he said he was not so sure in all cases.

"The company, which has done the largest business in this country, is managed by a Prussian, who maintains in his private office a picture of the Emperor and von Hindenburg. His executives are reserve officers of the German army," he said. Mr. Bissell was referring to Carl Schreiner, but he did not mention his name.

Mr. Bissell then took up the question of the carrying power of the American companies. He cited the case of the British companies three years ago as similar to the attitude of the American companies now. Early in 1915 the British Government forbade British companies having transactions with the enemy. British offices had extensive treaties with German re-insurance companies covering all business. These treaties by law became illegal. British companies picked up that business and took care of it. Mr. Bissell said he could not speak for all companies, but he could name six companies, among the largest in the United States, whose liabilities on individual risks in cities may be taken as a good indication of what other companies can do. Four of these companies are the Aetna, Home of New York, Springfield and Hartford. All these companies had treaties with German companies when the war broke out. They each did business of $800,000 to $1,500,000 per year with German companies. Now they have not only cancelled the treaties but all the business, all outstanding risks having been assumed. In the case of the Phoenix of Hartford and German-American (whose name is to be changed), they have cancelled treaties which have been running for twenty-five to thirty years. He did not think there would be any difficulty in getting adequate coverage facilities without the aid of enemy companies. Of course, there will always be exceptions on some individual risks. For instance, enormous values of cotton in Galveston, Texas, and dock risks at Alexandria, Egypt; in Havre and Bordeaux, France, will always remain targets.

Mr. Chubb asked Mr. Bissell if the writing capacities of the American companies had been decreased. Mr. Bissell said that they had not as far as he knew.

Department of Justice Notified of Leaks

Archibald E. Stevenson, chairman of the committee on aliens of the Committee on National Defense, appointed by Mayor Mitchel, only spoke for a few minutes, but made the statement that evidence had been presented to the Department of Justice that information secured in German company offices in this country had been used by German enemies. Asked by Counsel Rushmore, of the German direct writing companies, if he was making an accusation against that group of companies he replied that he had not made any accusation against any particular group of companies but against German companies, and refused to be more specific.

Views of Brokers Benedict and Lowe

Seeleye Benedict, of Benedict and Benedict, said:

"We have control of all the insurance of R. H. Macy & Co., Lord & Taylor, Abraham & Strauss, John Wanamaker and other large department stores in New York City. Under the New York statutes if it is impossible to secure adequate insurance from admitted companies an affidavit to that effect must be filed, and if there were any shortage in the insurance market by reason of the cancellation of German treaties it might be in evidence with these risks and we might have to seek part of this insurance in non-admitted companies. The facts are, however, we have not resorted to any affidavit insurance upon these risks. In fact, so little is the necessity of affidavit insurance, so far as our office is concerned, that we have seriously considered not applying for an affidavit license at all. There is only one risk, to my knowledge, where there has been any need of affidavit insurance and that was a cold storage plant where there was not the required protection.

"For a considerable time we have refused to take any German companies under consideration and have so advised our customers. There will be no difficulty in my opinion for assured to obtain all the insurance protection he needs without resorting to German policies."

Benedict & Benedict's business is largely confined to the metropolitan district. Mr. Benedict was followed by Henry W. Lowe, of Johnson & Higgins, whose business embraces the entire country. Mr. Lowe said that he agreed with the views expressed by Mr. Benedict. He added that Johnson & Higgins' customers in a large number of cases had refused to take direct German writing company policies. On the other hand, there had been no difficulty in securing necessary coverage; in fact, not enough pressure had been brought on the insurance market to alter the insurance. There was no trouble in taking care of renewals, the insured getting just as much insurance as required.

REMAK'S STATEMENT

Munich Has Never Asked to Inspect His Company's Home Office Records

Gustave Remak, Jr., president of the Insurance Company of the State of Pennsylvania, said:

"We have had for twenty years a re-insurance contract with the Munich. We desire to co-operate with the Government in every way. It is to our interest that you will grant that company a license, even if necessarily limited.

"In regard to the data accessible to German re-insurance companies most re-insurance treaties do contain a provision that the re-insurance company may, upon demand, inspect certain files and inspection slips. As a matter of practice, however, the Munich has never made such a demand of us.

"My suggestion—if it is the pleasure of the Secretary of the Treasury to permit these companies to be licensed—is that the provision in the re-insurance contract giving the re-insurance company the privilege of making such an inspection at the offices of the American company be revoked.

"Now, as for the bordereaux, it is harmless. As for the ordinary insurance maps, etc., they are available everywhere.

"I do not believe that the available re-insurance in the American field for fire insurance is sufficient."

Mr. Remak then said that without this re-insurance it was a question of depriving agents of facilities to write two extra lines or the company would have to absorb these extra lines, meaning that the company would have to write a larger net line than it should.

SUBURBAN COMMITTEES NAMED

The Suburban Fire Insurance Exchange last week announced the appointment of a special committee on rules and rates together with standing committees on agency qualifications, brokerage, deviations and electrical. F. P. Hamilton, general agent of the Queen, is chairman of the special committee on rules and rates; George A. Clarke, assistant secretary of the Home, of the committee on agency qualifications; Thos. J. Lasher, general agent of the Hartford Fire, of the brokerage committee; Otto E. Schaefer, vice-president of the Westchester, of the deviations committee, and J. Lester Parsons, general agent of the North River, of the electrical committee.

Career of New Jersey's New Commissioner

BANKER AND MAN OF AFFAIRS

Says There will be no Change in Personnel—Was Once a Life Insurance Agent

On December 1 New Jersey will have a new insurance commissioner, as announced in last week's issue of The Eastern Underwriter, Frank H. Smith, of Plainfield, N. J., having been appointed by Governor Edge, succeeding George LaMonte, resigned.

Mr. Smith has been highly successful in banking and other lines of business, being president of the Rahway National Bank, of Rahway, N. J.; a director of the Plainfield Trust Company, of his home city; a director of the Home Real Estate Company of Plainfield; and the King Realty Company of Elizabeth. He is also vice-president and general sales-manager of the Lawrence Portland Cement Company, of Siegfried, Pa., which corporation maintains a New York office at 1 Broadway.

Distinguished Public Activities

The new commissioner has been active in politics in New Jersey. He was member of the Common Council of Plainfield and president of that body in 1900 when he resigned to become tax collector which office he held until 1904 when he was elected Registrar of Deeds for Union County. He was a member of the Union County Republican Committee for more than twenty years ten years of which he was chairman of that body.

Mr. Smith is director and member of the executive committee of the Eagle Fire Insurance Company of Newark; and a member of the Executive Committee of the Union County Bankers' Association.

In an interview with a representative of The Eastern Underwriter at his home in Plainfield, Mr. Smith said he was not entirely a stranger to the insurance business as he had once been a life insurance salesman when he essayed to become an agent fifteen years ago under the direction of George W. English, then general agent of the Berkshire Life Insurance Company in Newark. The new commissioner said facetiously that he had not been a great success as an insurance agent, but that he had enjoyed the work and the experience.

No Change in Personnel of Department

Mr. Smith stated that he anticipates no changes in the personnel of the department, and that he did not intend to be revolutionary in any of his acts. He will go into the office with an open mind with the idea in view of administering the affairs of the office without fear or favor to the end that the insurance business in the State of New Jersey will have proper supervision and justice and that the citizens of the State will be amply protected in the acts of the department. He expects to feel his way and if he finds anything wrong he will set about to fix it.

Mr. Smith is a member of the Plainfield Country Club and the Park Club of that city.

IN ITS OWN BUILDING

Atlantic City Fire Moves—Company at Atlantic, Central and Tennessee Avenues

The Atlantic City Fire Insurance Company is now occupying its new building in Atlantic City. It is located at Atlantic, Central and Tennessee Avenues.

William Riddle is president of the company.

In the last Liberty Loan drive it subscribed to $47,000.

FOUNDED 1792

125th Anniversary

Insurance Company of

NORTH AMERICA

PHILADELPHIA

CAPITAL, $4,000,000 ASSETS OVER $23,000,000

FIRE, MARINE, AUTOMOBILE, Rent, Leasehold, Tornado, Explosion, Use and Occupancy, Sprinkler Leakage, Travelers' Baggage, Parcel Post

The Oldest American Stock Insurance Company

Cunning Kernels From Colonel Cunningham

Be as courteous to the solicitor of a Red Cross or other subscription as to one who is looking for insurance. Get the habit of civility and affability and don't break it under any provocation. For a thing that means so much, goes so far and lasts so long, courtesy is an inexpensive business necessity. Make your office a place where men like to go, women are glad they came and errand boys hurry to get to.

The habitual bankruptcy class have reason for believing that nothing succeeds like failures.

There is a big difference between spending money right and spending it right and left.

From the way the lady agent sings the praises of Special Agent Brown, he must be her favorite him.

Writing her western cousin, she said, "Everything is so high here that it is difficult to keep our house going." Answering, the western cousin said, "The winds are so high here that it is almost impossible to keep our house from going."

We would call the attention of the western cousin to the indemnifying consolation of a Glens Falls tornado policy.

When a client takes his policy and is about leaving your office forgetting to pay for it, use this hotel man's gentle reminder. Observing that a guest was leaving without paying, he blandly remarked: "Goodby, my friend, if you should lose your pocketbook today, remember that you didn't take it out here."

Carefulness may not always prevent accident, but is not likely to cause one.

Many a man is carried out feet first because he rushed in headlong.

If I were an automobilist, I'd rather wait a minute at a railroad crossing than forever in a cemetery.

Many who don't believe in gambling bet their lives every day by some bit of fool carelessness.

Business has no self-starter; you have to crank it.

An agent seeking automobile business sent out a circular of inquiries, one being: "What sort of car are you using this year?" One answer was, "Trolley."

CONCURRENT INSURANCE SUIT

A case interesting to stock companies is being tried in the Greene County Supreme Court. Mrs. Cora Dacy has a policy in the new Baltimore Mutual Insurance Association. While she was moving from her house in West Coxsackie, New York, and it still contained furniture, it was burned to the ground, causing a total loss of $1,800. The policy was for $1,500. Proof of loss was presented. The association refused to pay saying that the assured carried a policy in a stock company, which is not permitted under the terms of the Baltimore Mutual's policy.

SPRINKLER SAVINGS

The automatic sprinkler is the great conserver, says a sprinkler report. In grain elevators (subject to dust explosion hazard) it saves 71.2 per cent. of sprinklered elevators in which fire develops. In flour and grist mills it saves 91.8 per cent.; in cereal mills, 89.5 per cent.; in mercantile risks, of which groceries constitute a large proportion, 97.5 per cent.; in coffee and spice mills, 100 per cent.; in packing and slaughter houses, 96.6 per cent.; in restaurants and rice mills, 100 per cent.; in sugar refineries, 100 per cent.

Bert Buckley has been elected secretary of the Western Live Stock Insurance Company of Peoria, Ill.

THE OHIO MILLERS

MUTUAL FIRE INSURANCE COMPANY

Net Cash Assets.....$1,147,802

Net Cash Surplus..... 505,213

Squire Company, Inc.

1 LIBERTY ST. REPRESENTATIVES NEW YORK

STOCK POLICIES ONLY

BUSINESS SOLICITED FROM AGENTS AND BROKERS

L. B. Mosher Succeeds Charles F. Nesbit

COMMISSIONER OF DISTRICT

Well-Known Insurance Man and Public Official at Washington—An Old Resident

Lee B. Mosher, private secretary to District Commissioner Gardiner, of Washington, D. C., has been appointed Superintendent of Insurance to succeed Charles F. Nesbit, who is now commissioner of military and naval insurance, War Risk Bureau, Treasury Department. The new superintendent is an insurance man of long standing, and has lived in the District all his



LEE B. MOSHER

life, his great grandfather having been the first mayor of Washington.

Insurance Experience

Mr. Mosher's insurance experience goes back fifteen years.

For eight years he was resident manager of Massachusetts Bonding and Insurance Company and for six years was special agent of the United States Fidelity and Guaranty Company.

Recently he was general agent for the National Surety Company of New York and adjuster of claims for Johnson & Adams, for the Ocean Accident and Guaranty Company of New York, the Continental Casualty Company of Chicago, the Glen Falls Insurance Company and the Mercantile Insurance Company.

Once Register of Wills

Prior to engaging in the insurance and bonding business he was deputy register of wills for the District of Columbia and during the Spanish-American War was vice-consul at Jamaica.

AUTOMOBILE SUIT

Defense of Stuyvesant was Mis-Statement Made in Application and False Swearing

The case of Frank Lawrence vs. Stuyvesant Insurance Company in Corning, N. Y., was decided by the Court of Appeals in favor of the plaintiff. The claim was small—an automobile loss—but was carried through several courts as the defense was mis-statement made at the time the application for the policy was made and also false swearing in the proofs of loss. The plaintiff succeeded at the trial in the Appellate Division and in the Court of Appeals.

HAS ROLL OF HONOR

The Insurance Society of New York this week framed and hung in its library a handsomely engraved roll of honor of the thirty-six members who are now in the service of the Government.

Part Played by Insurance Men in Safeguarding America from Fire

The National Board of Fire Underwriters has written the story of fires that did not occur—the vast campaign conducted by the National Board in cooperation with the Council of National Defense in safeguarding America against fires. This story has had wide





circulation in daily papers which have now acquainted their readers with the wonderful work being done by the fire insurance companies in forestalling plotters, foiling arsonists and helping to conserve the resources of the Government.

The National Board entered this arena of broader patriotic service when its executive committee passed a resolution placing the services of the National Board at the disposal of the Government, in which resolution it offered "to act as a medium through which may be centralized the knowledge, training and services of the engineering forces in the employ of the National Board and of all other fire insurance organizations." This resolution was signed by President Bissell and General Manager Mallalieu.

Having gone on record, the scene shifted to Washington, where there were conferences of the National Board officials with Secretary of War Baker, with Director Gifford, of the Council of National Defense, and with Chairman Scott, of the General Munitions Board. Needless to say, the services of the National Board were gladly accepted in Washington.

The first request was from the Council of National Defense for a list of American factories already making munitions for the Allies. The National Board immediately sent telegrams to the various insurance bureaus and before war was declared a complete list of such plants was transmitted to Washington. In addition to names of makers of ammunition, names of makers of supplies were wanted. The National Board prepared a standard form of report card, adaptable to all purposes. This was submitted to Washington for approval, and soon an invaluable record was made. A special filing system was worked out, and wonderful work was done as the task proved of great magnitude, as will be seen from the fact that at the present time there are particulars concerning more than 13,000 separate plants which have been furnished to the War Industries Board.

Safeguarding the Recruits

The next development was of an engineering nature. It concerned the plans for the army camps.

Before the issuance of the draft calling hundreds of thousands of young men to the colors, plans were prepared for sixteen great cantonments distributed throughout the country for the concentration and training of these recruits. It was deemed necessary to give these cantonments the form of a collection of large wooden barracks, but, with this thought, a serious difficulty presented itself. Hastily constructed wooden cities, of such extent and of such crowded conditions, would be peculiarly subject to conflagrations, and conflagrations at such points would seriously delay the nation's entry into the war.

Fire prevention plans at this juncture were therefore of the highest importance. The National Board of Fire Underwriters proposed to the War Department that specially trained engineers from the former's committee on fire prevention should assume the task of solving the problem. This proffer was at once accepted, and two engineers were sent to Washington in the latter part of May. They were given offices in the Quartermaster's Department and charged with the duty of working out the best possible systems of water supply, fire prevention, fire protection, etc., in order that these might be incorporated in the construction plans. They are still engaged in these duties.

Then began the marvelous process of making the machine that was to make the army. Into the sixteen great cantonments were to be poured hundreds of thousands of raw recruits from the offices, the factories and the farms, there to be transformed into Uncle Sam's fighting force. The necessity for speed was paramount. The construction division of the Quartermaster's Department worked at high pressure over the plans and these included every safeguard that engineering skill and experience could suggest in the matter of fire prevention and protection. As a result the sixteen new cities that began to spring up magically in various parts of the country were models of precautionary planning.

Plans, however, require supervision. The National Board, in order to provide such supervision, at once recalled field parties of engineers from their regular work of city inspection and assigned one man to each of the sixteen cantonments.

Mobilizing the Insurance Army

The third development was widely different in character. It involved mobilizing the fire insurance forces themselves.

Upon the 19th of April, letters were sent to all of the members of the National Board and to all insurance boards and bureaus affiliated with it, asking for their support in a great campaign of conservation, and particularly for the services of their field men. All of them agreed at once and the National Board files soon contained the names of 3,400 of the most highly trained specialists of their kind in the United States. These men are located in every district. Through years of experience they know every nook and cranny in the United States. They were immediately drafted for Government service by being drawn into this campaign.

In order to direct their activities, President Bissell thereupon appointed the President's advisory committee consisting, in addition to himself as chairman, of Messrs. Frederick C. Buswell, H. A. Smith, John O. Platt and Charles L. Case. He then appointed advisory committees in different parts of the United States. Each committee, in turn, organized, appointed its chairman, and entered upon its duties; to each was assigned the field men equipped for work under its direction.

The experience in one State will show the methods generally used. First, the committee would issue a call for a State convention to be held in the capitol in order that the Governor, the Fire Marshal, the Insurance Commissioner, members of the State Council of Defense, press representatives and any available prominent citizens might be able to attend. The convention call would be sent to the special agents, engineers, adjusters and other fire insurance men in the State. Next a "slate" would be prepared for an executive committee consisting of carefully selected engineers and special agents in that district. Upon this committee would evolve the responsibility of local management for the work of the advisory committee.

Safeguarding Industry, Grain Elevators and Shipping Yards

The first work done in the field was to safeguard industry. There were literally thousands of inspections, and it was cheerful and encouraging to see how the manufacturers co-operated with the National Board and with the Government in making their factories more safe. In this connection a word of praise should be said for the energy, the industry, the intelligence and the public spirit of the field men who co-operated so whole-heartedly in the task.

A campaign of publicity was then started, and the first booklet, "Safeguarding Industry a War Time Necessity," was printed, with a statement on

(Continued on page 20)

H. KRAMER
ADJUSTER
FOR INSURANCE COMPANIES
105 William Street, New York City

ARTHUR C. SWINTON
1 Liberty Street GENERAL AGENT New York City
FIRST NATIONAL FIRE INSURANCE CO.
Washington, D. C.
New York Suburban and New Jersey
Exceptional Reinsurance Facilities Local Agents' Interests Protected

San Francisco Losses
Amounting to $4,522,905.00
paid PROMPTLY IN CASH
WITHOUT DISCOUNT, from
funds largely supplied by head
office in Liverpool

U. S. Cash Assets, Dec. 31, 1916	$15,827,439.35
Surplus, - - - - -	5,460,745.59
Losses Paid by Chicago Fire, 1871	3,239,491.00
Losses Paid by Boston Fire, 1872	1,427,290.00
Losses Paid by Baltimore Fire, 1904	1,051,543.00

Liverpool AND London AND Globe Insurance Co. LIMITED

Over $152,000,000.00
Losses Paid in the United States

HENRY W. EATON, Manager
G. W. HOYT, Deputy Manager
HUGH R. LOUDON, Assoc. Deputy Mgr.
J. B. KREMER, Asst. Deputy Manager
T. A. WEED, Agency Superintendent

NEW YORK OFFICE
80 William Street

NEW YORK BOARD MEETING

Wallace Reid Reports on Losses—Data on Brooklyn Fires Presented by Committee

A meeting of the New York Board of Fire Underwriters was held on Wednesday. Wallace Reid, who is chairman of the committee on losses and adjustments, reported that the losses in the metropolitan district to November 20, 1917, had totalled approximately $8,200,000 as against $4,400,000 for the same period of last year.

William P. Young, general agent of the North British & Mercantile, who is chairman of the special committee appointed at the last meeting of the Board to investigate Brooklyn fires, read the report of the committee, which dealt at length with the deficiencies discovered by the committee in investigating the fires in the Dow stores and in the Charles Williams stores. The committee reported a condition of negligence the blame for which it placed on the city administration and not on the fire department.

The committee reported finding three of the five high pressure pumps at the Joralemon Street station as having been out of order since the Warren Street Pier fire last August. It was found that the fireboats had not been able to get up maximum steam because they were supplied with bituminous instead of anthracite coal and that the hose was in a bad state of decay with no provision for maintenance or inspeetion. The committee submitted recommendations for the correction of these conditions.

The chair was empowered to appoint a committee, which will probably consist of the same men, to confer with the Merchants Association, the Chamber of Commerce and the Fire Department looking to making these recommendations effective.

I. H. FRANCISCO DEAD

Rutland Agent With Father Had Represented L. & L. & G. Continuously for Fifty Years

I. Holmes Francisco, of Rutland, Vt., head of the M. J. Francisco & Son agency, died at his home in that city on Monday of asthma combined with heart complications. Mr. Francisco was born in Harrisburg, Pa., in 1866. His father moved to Rutland shortly after he was born and established an agency there. The first company represented by the agency was the Liverpool & London & Globe. When Mr. Francisco disposed of this agency a few months ago, it still represented the L. & L. & G. Mr. Francisco is survived by his wife, who was Miss Estelle Tytler, of New York City, to whom he was married in June, 1897.

EXAMINING NEW YORK NATIONAL

The New York Department is examining the New York National Fire of Buffalo.

Safeguarding America

(Continued from page 19)

its cover by President Wilson. There was also a booklet, "Safeguarding Grain," with a statement on its cover by Herbert Hoover, and there were many posters. Booklets and posters were sent to 66,000 manufacturers, and in all the literary matter has had a circulation of 125,000 copies. The work done by the National Board and its cooperative agencies in inspecting grain elevators and in safeguarding shipping yards furnishes two separate chapters of great interest to the nation. The Underwriters' Laboratories also did splendid service in fixing standards on Government work. The arson committee of the National Board also has been doing most effective service.

Altogether in safeguarding the safety of the nation the National Board's work must take rank in importance with that of the Army and Navy.

LAKEWOOD CONTROVERSY

Specials Interested in Protecting Their Business in Bradshaw Agency—Smock's New Venture

Several meeting have recently been held by special agents interested in the Bradshaw agency at Lakewood, N. J., as the result of the resignation from that agency of A. R. Smock, as president and manager, and his determination to start another agency in December. The late Captain Bradshaw, head of this agency, was a prominent figure in Lakewood for years. After his death Walter O'Leary took charge, and when he died, Smock, who had been with Captain Bradshaw for years, became president.

When Smock announced that he would start for himself Mrs. O'Leary declared she would attempt to restrain him. Several meetings of specials were held. At one most companies said they would stick to the Bradshaw agency. At a later meeting Smock presented statements from assureds, and four companies said they would go with him. A companies' committee is helping Mrs. O'Leary in the court proceedings.

STECHER'S NEW OFFICE

Gilbert E. Stecher, special agent of the Home Insurance Company, who is now in charge of the Northern New Jersey territory, has an office now located at No. 1 Newark St., Hoboken, N. J., in the C. Alfred Burhorn Agency.

LONG SUCCEEDS HODSON

Richard Long has been promoted to succeed George Hodson, who is now with Cornwall & Stevens, in charge of the out-of-town department of Newman & McBain.

Act on Cancellations

(Continued from page 1)

success of the majority of companies. He pointed out that fire insurance rates have already had an increase in New Jersey, up-State, Baltimore, Boston and other cities and stated that the whole country was awaiting the action of New York City.

Mr. Candee said at the meeting it was incumbent on the larger companies to conserve the interests of the smaller companies and in this connection he referred to the action of one of the Hartford companies which he said had recently been forced to reduce its capital because of the low rates. He added that the continuance of the present rates in this locality particularly would force many other companies to do likewise. It was announced in the "Journal of Commerce" on Wednesday of last week, the day of the meeting, that the Standard Fire, of Hartford, M. Lewin Hewes, president, had reduced its capital from $750,000 to $500,000.

NEW YORK STATE DEPARTMENT
HUMBOLDT FIRE OF PA. TEUTONIA FIRE OF PA.
CAPITAL FIRE OF N. H. GEORGIA HOME OF GA.
PERCY B. DUTTON, Manager, ROCHESTER

[FIRE]
German American
Insurance Company
New York
STATEMENT JANUARY 1, 1916
CAPITAL
$2,000,000
RESERVE FOR ALL OTHER LIABILITIES
10,146,941
NET SURPLUS
10,217,685
ASSETS
22,364,626

GERMANIA
FIRE INSURANCE COMPANY
NEW YORK.
ORGANIZED 1859
STATEMENT, JANUARY 1, 1917
Cash Capital $1,000,000.00
Assets 8,553,704.22
Liabilities 4,222,485.60
Net Surplus 3,331,218.62
Surplus for Policy Holders 4,331,218.62
HEAD OFFICE
Cor. William and Cedar Streets

207th Year
SUN
INSURANCE OFFICE OF LONDON
FOUNDED 1710
UNITED STATES BRANCH:
54 Pine Street - New York
WESTERN DEPARTMENT:
76 WEST MONROE ST., CHICAGO.
PACIFIC DEPARTMENT:
N. W. Cor. Sansome & Sacramento Sts.
San Francisco, Cal.

BRITISH AMERICA
ASSURANCE CO.
Incorporated 1833
(FIRE AND INLAND MARINE)
Head Office, Toronto, Canada
United States Branch
January 1, 1917
Assets $1,936,279.77
Surplus in United States.... 823,964.59
Total losses paid in United States from 1874 to 1916, inclusive 24,669,753.43
W. R. BROCK, President
W. B. MEIKLE, Vice-Pres. & Gen. Mgr.

Associated Mutual Agency Incorporated
B. J. ALLEY, Manager
68 William St., New York
Exceptional Facilities for Writing Business Throughout the United States

FRED. S. JAMES GEO. W. BLOSSOM WM. A. BLODGETT
FRED S. JAMES & CO.
123 WILLIAM STREET
United States Managers
GENERAL FIRE ASSURANCE CO. of Paris, France
URBAINE FIRE INSURANCE CO. of Paris, France
EAGLE & BRITISH DOMINIONS INS. CO. Ltd. of London, England
NEW YORK
C. B. G. GAILLARD
Assistant Manager
UNDERWRITING SERVICE THROUGHOUT THE UNITED STATES

CASUALTY AND SURETY NEWS

Quarter Century for Louis J. Reckendorfer

GREAT EASTERN HEAD HONORED

Producers Send in Large Volume of Business as Tribute to Chief

Louis J. Reckendorfer completed twenty-five years of continuous service with the Great Eastern Casualty November 22. For twelve years he was treasurer, having been elected to that office at the first meeting of the directors, November 22, 1892. In 1904 he was elected treasurer and vice-president, in which office he served for twelve years and in July, 1916, was chosen to head the company following the death of Louis H. Fibel.



LOUIS J. RECKENDORFER

Mr. Reckendorfer is a man of extensive business experience and has been president of the American Lead Pencil Company for a number of years, which position he still retains. That company does a business of over $5,000,000 a year. Mr. Reckendorfer has since his connection with the Great Eastern Casualty been largely interested in it financially and since Mr. Fibel's death has given liberally of his time and experience to the furtherance of the Company's ends.

Honored by Associates

Thursday morning a director's meeting was held and the results of a special business getting campaign in honor of Mr. Reckendorfer were announced as a complete surprise to him. The directors presented him a handsome silver punch bowl.

Mr. Reckendorfer was also the recipient of a gold pocket case, the gift of Secretary Thomas H. Darling, Assistant to the President F. V. Searle, Agency Director C. Clark Howard, Assistant Secretary H. F. Weissenborn and Superintendent of the Claim Department James G. Madigan.

Bureau Meeting December 4

The annual meeting of the National Workmen's Compensation Service Bureau will be held at the bureau offices in New York December 4. All officers are to be elected and all committees chosen for the ensuing year.

Compensation Pool Near Completion

FIFTEEN OR MORE COMPANIES

Re-Insurance Department to Handle Hazardous Lines—Classifications Covered

Organization of the Re-Insurance Department of the National Workmen's Compensation Service Bureau is being completed as rapidly as possible by mail. The pool, as it is called, is an assured fact and will have fifteen or more companies participating. The object of this department shall be to distribute equally among the subscribing companies all the losses arising out of workmen's compensation and (or) combination policies and (or) endorsements issued to cover certain classes of risks by any one of the subscribing companies.

Each State of the United States that has or shall enact a compensation law may be brought within the purview and operation of this department by a three-quarters vote of the members, all of whom shall be members of the bureau.

The management of the department shall be by a committee of five members consisting of the chairman and the secretary-treasurer of the bureau and three other members. Offices will be with those of the bureau.

The agreement shall be restricted to the following classifications or descriptions: Manufacturers of cartridges, fireworks, fuses, gunpowder, dynamite and explosives. The definition of explosives in this connection is a substance manufactured or used or sold as an explosive, other than one used in an internal combustion engine.

The committee shall have the right to require cancellation of any risk on thirty days' notice. Members may withdraw on sixty days' notice or may be expelled by a three-quarters vote.

Auto Men in Session

The second annual meeting of the National Automobile Underwriters' Conference is being held to-day, Friday, in the rooms of the New York Board. The theft situation is the leading topic for consideration and radical changes in the methods of handling this line are forecast. The conference is composed of six delegates from each of the five local conferences. Following are the new delegates who will take office to-day, those re-elected not being given:

Eastern: F. C. Buswell, W. M. Ballard.

New England: C. D. Dunlop, G. H. Tyron, W. F. Whittelsey.

Pacific Coast: A. T. Bailey, McClure Kelley.

Southern: J. P. Bonsal.

Western: John Carr, S. T. Collins.

Secretary George C. Howie of the London & Lancashire Indemnity, is expected back soon from England where he has been on a business trip.

New Amsterdam Casualty Company

A Progressive

SURETY AND CASUALTY

Company

Ocean Acc. & Guar. Divides Territory

C. H. NEELY NEW YORK MANAGER

William J. Gardner Becomes Head of New Office in San Francisco

William J. Gardner, of New York, United States manager of the Ocean Accident & Guarantee Corporation, has been appointed manager of the company's new office in San Francisco. Charles H. Neely, for many years general manager of the corporation's business in Canada, has been appointed manager of the New York office. The change is effective December 31.

T. M. E. Armstrong, home office manager and secretary, announced this week that the directors have concluded that the United States business is too large to be operated from one center and that for administrative purposes it will be divided into an Eastern and a Pacific Coast department.

Gardner Wanted to Return to Coast

This division of territory now carries out the plan made seven years ago, at which time Mr. Gardner was appointed assistant manager of the United States branch and who for the last four years has been manager.

Many of Mr. and Mrs. Gardner's friends have known for some time of their desire to return to the Pacific Coast, Mrs. Gardner being a native Californian, and particularly now that their son is compelled, owing to ill health, to reside in a mild climate.

Prior to his connection with the Ocean Accident & Guarantee Mr. Gardner was special agent for the Fidelity & Casualty in Chicago, manager there for the New Amsterdam Casualty, manager of the Western department of the Aetna Life, from which position he was transferred to New York as resident secretary of the Aetna Life office.

The Ocean's United States business last year was about $6,000,000 in premiums. This year, up to October 31, it was over seven millions and the November business is over $400,000.

General Accident

FIRE AND LIFE

ASSURANCE CORPORATION, Ltd.

SERVICE THAT EXCELS

FREDERICK RICHARDSON, United States Manager.

GENERAL BUILDING · 4TH & WALNUT STS.

PHILADELPHIA

Committee Answers 14 Tax Questions

REVENUE ACT INTERPRETED

Determining Net Income for Excess Profits Tax—Reporting Agents-Brokers' Earnings

The committee of lawyers of the International Association of Casualty and Surety Underwriters on Federal Revenue Act has presented the following preliminary report on queries that have been submitted to it:

QUERY NUMBER 1

Under the heading War Income Tax, referring to the return to be made to the Commissioner of Internal Revenue as to amount of gain, profits, and income paid to other persons, etc., will you please let me know whether the words "remuneration or other fixed or determinable gains, profits and income" would include such items as printing bills or amounts paid for office furniture, supplies, etc.

ANSWER

In the opinion of the committee, the answer to this question is "no." (See Title I, Part III, Section 28, as amended by Title IV, Section 402, of the law of March 3rd, 1917, and by Title XII, Section 1211, of the law of October 3rd, 1917.)

QUERY NUMBER 2

I shall be glad to have your opinion as to whether our Voluntary Contingent Reserve Fund, which consists of reserves which we deem positively necessary for our outstanding liabilities but which are in excess of the Statutory Reserves for such liabilities, would be considered, so far as concerns that part of it arising from the taxable year's operations, "undistributed net income which is employed in the business or retained for employment in the business."

ANSWER

In the opinion of the committee, the Treasury Department should rule that such part of the voluntary contingent reserves as is reasonably necessary should be considered as "undistributed net income which is actually invested and employed in the business or is retained for employment in the reasonable requirements of the business," etc. It should be pointed out, however, "that if the Secretary of the Treasury ascertains and finds that any portion of such amount so retained at any time for employment in the business is not so employed or is not reasonably required in the business, a tax of fifteen per centum shall be levied, assessed, collected and paid thereon," instead of ten per centum. (See Title I, Part II, Section 10 (b), of the law of September 8th, 1916, as amended by Title XII, Section 1206, of the law of October 3rd, 1917.)

QUERY NUMBER 3

On 1st of January, 1917, the company's surplus amounted to $603,548; if, however, our voluntary contingent reserve fund were also deemed to be surplus (as it is by the Insurance Department) that figure would be increased by $740,000. The surplus originally contributed by stockholders amounted to $1,109,895.58. I presume that the figure as at January 1, 1917, rather than the full amount of the original investment, would be used for the purpose of calculation of War Excess Prof-

(Continued on page 23)

WILLIAM STREET

Hotchkiss at German Hearing

William H. Hotchkiss, former superintendent of insurance of New York State, appeared at the hearing in Washington last week on the proposal to license German companies. Mr. Hotchkiss brought out one point that was not made, viz.: that little had been said of the casualty end of re-insurance, most of the discussion having ranged about fire insurance. Mr. Hotchkiss spoke for the United States Casualty Company, which has a treaty with the Munich; he also spoke on his own volition for the Frankfort. He said the principal thing to bear in mind was the question of management.

"I think a foreign casualty company should be permitted to do business as before if you are sure of the loyalty of its management," he said.

In discussing the general subject, Mr. Hotchkiss said that he did not think the American Government had in mind reprisals, and that being so he did not think an exception should be made in the case of insurance companies.

* * *

Burglary Man for Police Head

It is rumored in political circles that a burglary insurance man is being considered as the next police commissioner of New York City. No name has been mentioned as yet but burglary men are preparing to get behind and boost as soon as the name is made public.

* * *

New Jersey Legislation

The program for the coming legislative session in New Jersey contemplates the establishment of a workmen's compensation bureau in the Department of Labor, with power to decide disputes, rather than simply to endeavor to have the parties compromise on common ground of settlement. This, it is claimed, would reduce litigation in courts of Common Pleas. Consideration will also be given to an act providing that compensation in case of aliens with no known relative beneficiaries in this country should revert to the State.

* * *

Casualty Club Dinner

Honorable Charles F. Nesbit, commissioner of the Soldiers' and Sailors' Division of the Bureau of War Risk Insurance, and Major Francis R. Stoddart, deputy superintendent of the New York Insurance Department, attracted a large gathering to the monthly dinner of the Casualty & Surety Club of New York last Tuesday night. President A. Duncan Reid presided. Mr. Nesbit made a decided hit with his audience, to whom he explained the allotment of allowance, compensation and insurance features of the recent insurance legislation for men in military service. The assemblage was much impressed with the sincerity and deep interest of the speaker in carrying out to the fullest possible extent the intent of the framers of this legislation, even to the rehabilitation of those who shall be returned to their country maimed and broken men. Mr. Nesbit said that over $789,000,000 of life insurance has been applied for at his bureau and that he regards this legislation as one of the finest advertisements life insurance has ever had.

Major Stoddart's talk was full of exciting incidents and entertaining and instructive information on the war, which he gathered while at the front in France. He said it is an unmistakable fact that the soldier who knows that his family is protected by insurance fights with greater courage and dies happier.

Laughlin Sinclair, foreign fire manager of the North British & Mercantile, told his experiences in many parts of the world since the war began. He said the British insurance companies have furnished much of the money for England and that the war has not been a source of loss to them, but rather a gain because of increased values and activity, accompanied by larger sums. Life and casualty companies have suffered owing to death losses and policyholders dropping their insurance because unable to pay the extra premiums. Losses have been less than expected, he said.

The annual meeting of the club will be held December 12.

Advanced Burglary Rates Considered

LOSSES AND EXPENSES MOUNT

Meeting Early in December to Consider Mercantile Committee Recommendations

The mercantile committee of the Burglary Insurance Underwriters' Association met last week in New York to consider the rate situation. Losses on open stocks have become particularly heavy of late. Besides, higher values of all stocks and increased general cost of doing business emphasize the need for more revenue. A meeting will be held early in December to consider the recommendations of the mercantile committee.

As an illustration of the heavy open stock losses, loft burglaries in which more than $50,000 worth of silk were stolen in the last month have recently been disclosed. At least twenty places were robbed and the police have recovered only $6,000 worth of goods. Silk particularly is being taken because its value has almost doubled. The thieves no longer deal through pawnbrokers, but employ "fences."

The Brookstone Manufacturing Company on Seventh Avenue was robbed of $10,000 worth of silk; burglars entered the hair goods store of Carl Feder on Broadway, and the Favorite Waist and Dress Company factories, taking $2,400 worth of goods; the Quality Dress Company on Broadway lost $2,700 worth of silk; Engle and Krauss, on Fifth Avenue, $2,500 worth, and three waist manufacturers on Twenty-first Street were also robbed. These are but a few in a long list of robberies, which are known to the police, all involving substantial sums.

NEW JERSEY OPINION UPHELD

Compensation Law Applies to Those Whose Contracts Were Made in Other States

New Jersey opinions holding that the State workmen's compensation law enacted in 1911 applies to employes injured or killed, whose contracts of employment were made in another State, were in effect sustained by the Supreme Court November 19, in dismissing the appeal from a judgment obtained against the American Radiator Company of Chicago for the death in New Jersey of John F. Rogge, Jr.

New York Brokers Criticise Conference

TAKE ISSUE OVER THEFT COVER

Object to "Tinkering" and Hint at Shielding "Go-Betweens" and "Stool-Pigeons"

On the eve of the annual meeting of the National Automobile Underwriters' Conference, which is to be held today, Friday, the Fire Brokers' Association of New York has published a lengthy article in its "Bulletin" severely criticising features of conference practice relative to automobile theft insurance. Regreting the seeming necessity for again changing policy forms, the "Bulletin" says in part:

"The tinkers are at work again. The automobile policies are to be revised once more and * * * the automobilist may look forward to a series of solar-plexus blows insurancewise."

Theft Cover

Confining itself to the theft cover the "Bulletin" continues:

"Does the return of the stolen car end the company's concern about the theft? Is anyone shielding certain go-betweens or stool-pigeons in order to keep an avenue open for negotiating the return of cars stolen by organized gangs? This main reason for butchering the theft cover (excessive losses in certain cities) must fall to the ground, and does fall by weight of its sheer absurdity." Automobile insurance has too long been the football of the would-be, cure-all policy framers.

The suggestion to restrict theft coverage to 50 per cent. or to issue two kinds of theft coverage—one at low and the other at high rates—is full of danger. It will reproduce the demoralization of that abominable "deductible" collision feature and in magnified extent. Besides, there is no occasion for it. There is the suggested adoption of a city ordinance to compel the safeguarding of unattended cars by means of some locking device. That may help to reduce the number of thefts. So, also, will other means, notably one suggested by State Secretary Hugo, of New York. But the requested co-operation of the insurance companies with the police authorities would go furthest to stamp out this so-called epidemic of auto thefts. That co-operation should be forthcoming. The insurance companies, which find courage in some of the observations of Commissioner Woods, have unwittingly had him point the finger on a main source of the trouble. It is left for them to help stamp out the organized and highly-skilled gangs of automobile thieves. No reason for passing the burden wholly to the automobile owner. He has troubles enough.

Likes British Policies

The present policies are complicated enough. If a revision is to be had—and one is needed, heaven knows—that revision should reflect the liberal tendency of the times. Stop treating this automobile insurance in a provincial manner, and let us have what Secretary Hodgkins calls for: "A single form of policy and that so carefully drafted that it might well become a statutory form in all States."And, while in the act of revising, we suggest a careful study of some of the automobile policies issued in good old England. Some of the "restriction" enthusiasts can spend time to great advantage in a study of the clearly-worded policies issued to automobile owners in England. They fairly bristle with and shock us by their fairness. These "restriction" enthusiasts would learn a heap from such a study, even against their wishes. And it is possible, even if remotely so, that the outcome might be an automobile policy for American automobile owners, stating clearly what it does cover and not exhausting its verbiage in declaring what it does NOT cover.

EFFECTIVE DATE POSTPONED

New Custom House Bond Form Taken Under Advisement in Washington

Following the hearing which the Merchant's Association's committee on customs service and revenue law was given in Washington November 13, upon the new form of customs bond required to be used on imports, the Treasury Department took the matter under advisement and postponed the effective date of consumption entry bond number 7551 until January 1.

TRAVELERS' APPOINTMENTS

The Travelers has appointed William W. Berry, Jr., and William H. Esrey, Jr., assistant managers of its Philadelphia branch office.

Robert A. Hogsett, manager at Albany, N. Y., has been appointed manager, compensation and liability department, at Cleveland, Ohio, effective November 20. Until the appointment of a successor, L. E. Sawyer, agency assistant, will be temporarily in charge of the Albany branch office.

Julius E. Goddard, of Chicago, formerly traveling agent, department of tours for the Union Pacific and Northwestern Railroads, has been appointed a special agent for The Travelers Insurance Company, effective November 12, 1917, upon which date he reported at the home office for instruction in the Training School.

Charles L. Brown, Jr., formerly selling bonds for the Syracuse Trust Company of Syracuse, N. Y., has been appointed special agent, effective December 10, 1917, upon which date he will report for instruction in the Training School.

* * *

Hansen in Saginaw

A. Victor Hansen, manager of the accident and health department of the New York office of the Massachusetts Bonding, left on Wednesday to spend a few days at Saginaw, Mich.

* * *

John J. King, assistant manager of the Hooper Holmes Bureau, New York, was given a dinner last week in commemoration of his fiftieth birthday anniversary by over 100 of his friends in various parts of the country. The affair was given at the New York Athletic Club. Mr. King was given a pearl and diamond scarf pin, a bronze library clock, a wrist watch of special design and a humidor. The Mythical Knights of Momus, of which Mr. King is a member, arranged impressive coronation ceremonies. Elaborate entertainment and decorations were provided and service flags for each table. Mr. King has two sons in the United States service.

* * *

William A. Schank, manager, industrial department, Great Eastern Casualty, is happy over October results which were the best in the company's history. The month's business was made a testimonial to Secretary Thomas H. Darling, which accounts for the zeal with which the field force worked. W. H. Salway, of California, won first prize.



Answers Tax Questions

(Continued from page 21)

its' Tax, but I should like to have your views upon this.

ANSWER

In the opinion of the committee, there is no provision in the law referring to valuation of tangible property paid in in surplus; that the only provision in the law is that which refers to tangible property paid in in exchange for original stock or shares specifically issued therefor, in which event the value of that property as of January 1, 1914, is to be used. (See Title II, Section 207, of the law of October 3rd, 1917.)

QUERY NUMBER 4

Noting that the invested capital does not include bonds, other than those of the United States, the income from which is not subject to War Excess Profits' Tax, I am wondering whether it would be possible for us to hold successfully that none of our invested capital is invested in such securities, but that those of such securities which we own are a part of our various statutory reserves. If this plea held good our invested capital would not be subject to reduction by reason of the fact that we hold large quantities of State and muncipal bonds.

ANSWER

It is the opinion of the committee that the contention could be made that securities, the income from which is not subject to the war excess profits tax, could be applied to outstanding liabilities, leaving such securities the income from which is not deducted, to be applied to the capital and surplus in making up the amount of the invested capital. (See Title II, Section 207, law of October 3rd, 1917.)

QUERY NUMBER 5

As to the method of determining the net income of the company for War Excess Profits' Tax purposes: during the years 1911, 1912 and 1913 (the pre-war period) our company was building its organization and setting aside large reserves, hence our net income reports to the Treasury Department for those three years show a large average annual net loss. Presuming that we make a profit during the taxable year 1917 (the amount of which it is of course impossible for me to anticipate at the present time), it would seem that a deduction of at least 7 per cent. would be permitted to us under Title II, Sections 203, 204, 205 of the law of October 3rd, 1917, and that the Secretary of the Treasury might, upon our application, decide to allow a greater deduction based upon the average deduction for such year of other corporations engaged in our business. Is this so? Are we allowed 7 per cent. in any event?

ANSWER

In the opinion of the committee any company is allowed a minimum deduction of 7 per cent. and is entitled to make claim for a greater per centum than 7 per cent., up to and including 9 per cent., which claim may be allowed in the event that the Secretary of the Treasury determines that other corporations engaged in the like or similar business are entitled to a larger deduction. (See Title II, Sections 203, 204 and 205, of the law of October 3rd, 1917.)

QUERY NUMBER 6

Under the heading Stamp Tax, (Title VIII) of the Revenue Law of October 3rd, 1917, I conclude that the tax payable on surety premiums is to be paid by the use of adhesive stamps, although the tax payable on casualty premiums is to be paid in bulk at monthly intervals. Do you reach the same conclusion?

ANSWER

1. As to bonds: The tax on indemnity and surety bonds payable by affixing stamps to those documents. (See Title VIII, Schedule A—STAMP TAXES—Par. 2, law of October 3rd, 1917.)

2. As to the premium tax for casualty insurance: It should be noted that while the tax is payable in bulk at monthly intervals, the Treasury Department may require that the tax be computed upon the premiums for individual policies rather than upon the premium income for any month. (See Title V, Section 504, sub-division c, and also Section 505, of the law of October 3rd, 1917.)

QUERY NUMBER 7

Would special powers of attorney issued by us in large numbers to our bonding agents, authorizing them to sign specific kinds of bonds, require revenue stamps?

ANSWER

It is the opinion of the committee that powers of attorney granting authority to do some act (the authority to do which was not at the time vested in the agent) is subject to the tax of 25 cents, and no other powers of attorney are subject to the tax. (See Title VIII—WAR STAMP TAXES, SCHEDULE A—Stamp Taxes—Par. 12, law of October 3rd, 1917.)

QUERY NUMBER 8

Reverting to the premium tax: you will be aware that a large number of policies are issued to be made effective as of a date prior to the date of issuance; thus during the early part of November (the tax becoming effective November 1st), policies carrying large amounts of premium will doubtless be issued with effective dates in October. I find that when the somewhat similar premium tax law became effective in, I think, 1914, the tax was paid by us only upon policies becoming effective during the taxable period, irrespective of the date of issuance. Can we follow that system this time? Our action was somewhat confirmed by the ruling that was made in conjunction with adjustable premiums—it being held that at that time additional payroll premiums although due and collectible during the taxable period, were only subject to taxation if the effective date of the policies was within the taxable period.

ANSWER

In the opinion of the committee this premium tax is a tax "on the issuance of insurance policies," rather than a tax on the policy itself. Therefore, in the case of policies issued after November 1, 1917, irrespective of their effective dates, the obligation to pay the tax became fixed. (See Title V, Section 504, law of October 3rd, 1917.)

QUERY NUMBER 9

Will our investment income, that is, interest received upon our securities, be subject to tax as net profits? This question is pertinent in view of the much larger investment income which we now derive than was received by us during the "pre-war period."

ANSWER

In the opinion of the committee the income from the investments of a company is to be included in the net income upon which the war excess profits tax is computed, except the income from securities which, by their nature, are tax exempt, such as State and municipal bonds and except the income from securities which are exempt under Title II, Section 206, of the law of October 3rd, 1917. (See Title II Sections 206 and 207, of the law of October 3rd, 1917.)

QUERY NUMBER 10

Will it be necessary for us to report to the Treasury Department the exact amount of commissions earned or paid by the agents and brokers of the company?

ANSWER

In the opinion of the committee a ruling of the Treasury Department under the law of 1916 that such commissions need not be withheld at the source would justify the committee in believing that the companies will be safe in construing this law in the same way. (Treasury Department Decision No. 2090, which is in substance as follows: "Income of an individual which is not fixed or certain and not payable at stated periods, or is indefinite or irregular as to amount or time of accrual, shall not be withheld at the source, **but shall be listed in the annual return of the individual,** and the tax shall be paid thereon by him. Incomes derived from the following professions and vocations come under this head: * * * Agents compensated on the commission basis, lawyers, doctors, authors, inventors and other professional persons whose income is irregular and indefinite.")

QUERY NUMBER 11

How will the tax on "undistributed earnings" affect our companies?

ANSWER

In the opinion of the committee this form of tax penalizes a company in building up its surplus out of undistributed profits. The tax provides an additional 10 per cent. upon the amount of the net income of a company which remains undistributed six months after the end of the fiscal year unless it is then invested in the business or in obligations of the United States issued after September 1, 1917. It should be noted that if such funds are retained and not employed in the business, the rate of tax is 15 per cent. (See Title I, Part II, Section 10 (b), of the law of September 8th, 1916, as amended by Title XII, Section 1206, of the law of October 3rd, 1917.)

QUERY NUMBER 12

In ascertaining the net income for the purposes of the Corporation Income Tax, 2 per cent. and 4 per cent., and for the purposes of the War Excess Profits' Tax, should the companies take business written or cash received during the taxable year as the basis for the computation. The courts have several times decided that cash received should be the basis but the Treasury Department has frequently refused to follow the decisions. The last case that I know of is that of Maryland Casualty Company vs. U. S. which was decided last February. You will find the opinion of the Court of Claims at page 341 of the Income Tax Service for 1917 of the Corporation Trust Company.

ANSWER

In the opinion of the committee, the companies should take cash received rather than business written as the basis for the computation of net income both under the corporate income tax and the war excess profits tax provisions of the law. The committee's opinion is fortified by the decision of the Court of Claims of the United States in the case of Maryland Casualty Company vs. United States, decided February 12th, 1917, in construing the corporate income tax of October 3rd, 1913. (See Section II, Par. G (a), of the Income Tax Act of October 3rd, 1913.)

QUERY NUMBER 13

Can a company secure the right to deduct from net income, losses in the market value of securities by selling them at the present market prices and investing the proceeds in other securities?

ANSWER

In the opinion of the committee such a loss could be deducted from the net income. The ruling of the Treasury Department (No. 2005, on the Act of September 8th, 1916) in that regard is of interest. The ruling is as follows: "Loss to be deductible must be an absolute loss, not a speculative or fluctuating valuation of continuing investment, but must be an actual loss, actually sustained and acertained during the tax year for which the deduction is sought to be made; it must be determined and ascertained upon an actual, a completed, a closed transaction." (See Title I, Part II, Section 12 (a), second paragraph, law of September 8th, 1916.)

QUERY NUMBER 14

Has the Internal Revenue Department ruled that, in order to be relieved of the payment of taxes on return policies or policies not taken, it will be necessary for the policies in question to be returned to the home office for cancellation within thirty days after issuance?

ANSWER

The committee is unaware of any such ruling.

SEEKING SIMPLIFIED FORMS

Compensation writing companies protested at a meeting in Boston last week against the burdensome statistical requirements and lack of uniformity among the States in connection with the W and Z schedules. The statistical sub-committee on calls for experience, of the National Workmen's Compensation Service Bureau, recommended that repetition be avoided in classifying experience and that the companies should report each year of issue twice only and that thereafter the developments on such experience be reported once. In connection with Schedule W, Chairman George D. Moore said that there should be eliminated from the schedule the present form by which the incurred cost of accidents of particular periods are traced through several years, and in lieu thereof a schedule of premiums, losses incurred and loss ratios by policy year be substituted, to conform with the present form in use by the New York department. The various State departments will take the matter under advisement.

W. E. SMALL, President PETER EPES, Agency Mgr. E. P. AMERINE, Secretary

GEORGIA CASUALTY COMPANY

HOME OFFICE: MACON, GEORGIA

"DIXIE AUTO POLICY"

THE LAST WORD IN MOTOR INSURANCE

Surplus and Reserves to Policyholders.....$1,526,022.81

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CHARTERED 1874

Plate Glass, Burglary, Accident and Health Insurance

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Liability, Accident, Burglary, Boiler and Credit Insurance

Established 1869.

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OF LONDON, ENGLAND

The Columbian National Life
OF BOSTON

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A CHANGE may be necessary to realize your ambition

Think a minute—then write

WM. H. MASTIN (West of the Mississippi). SYMES BUILDING DENVER, COLO.

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SUPERINTENDENTS OF AGENCIES

DARL D. MAPES, Superintendent of Accident Agencies
77 FRANKLIN ST., BOSTON, MASS.

The service of a high grade Accident Department will also be offered so that you will not have to broker your Accident business to avoid violating your Life insurance contract.

WORTH KNOWING

Suppose that you are insured in the United Life and Accident Insurance Company of New Hampshire for $5,000 under the Company's Triple Indemnity Plan, what does your Policy guarantee to do?

ANSWER:

FIRST, it guarantees that in case of death from any cause, $5,000, the face of the Policy, will be paid.

SECOND, that in case of death from any ACCIDENT, $10,000, or DOUBLE the face of the Policy, will be paid.

THIRD, that in case of death from certain SPECIFIED accident, $15,000, or THREE TIMES the face of the Policy, will be paid.

BUT THIS IS NOT ALL. The Accident Disability Endorsement FURTHER guarantees that in case of total disability as a result of accidental injury, the Company will pay direct to YOU at the rate of $50 PER WEEK during such disability, but not to exceed 52 weeks, after which the weekly indemnity will be at the rate of $25 PER WEEK throughout the period of disability. Can insurance do MORE? And why should any man be satisfied with a policy that would do less? The cost is low.

Agents wanted in Maine, New Hampshire, Vermont. Connecticut, Pennsylvania, North Carolina, South Carolina, Tennessee, Georgia, Delaware, Maryland, Mississippi, Kansas, Missouri. An opportunity for Life Insurance Salesmen of ability. Address:

United Life and Accident Insurance Co.
Home Office, United Life Building - Concord, New Hampshire

Capacity For Local Agents

You can use our capacity as your own to take care of additional business beyond the capacity of admitted Companies.

Our capacity is as high as $150,000 on a single risk with immediate binders and 10% commission to brokers. Guaranteed Underwriters. Use our special Surplus Line Department. Special liberal policies for Baggage Insurance.

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Pan-American Life Insurance Company
NEW ORLEANS, U. S. A.

CRAWFORD H. ELLIS, President

Capital.....$1,000,000.00

OUR 1916 STATEMENT SHOWS

Insurance in force	(over)....	$42,400,000
Resources	(over)....	5,600,000
New Insurance paid for		10,000,000

The High Scores in the Life Insurance Profession are won by Trained Men. We will train you in the Profession and locate you in Productive Territory either North or South. Your Opportunity is Here.

Further information on request. Address:

E. G. SIMMONS, Vice-President and General Manager
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NEW ORLEANS, U. S. A.

In addition to the ordinary forms of life insurance

THE EQUITABLE

makes a specialty of the following:

Insurance to protect business firms and corporations, under a corporate form of policy.

Group Insurance, by which employers protect families of employes.

A flexible contract, known as the Convertible Policy, which can be converted by the Insured into an Ordinary Life, Limited Payment Life, or Endowment Policy.

A Bond issued without medical examination giving the investor an income for his declining years.

A new policy is offered under which the insurance is DOUBLED if death results from ACCIDENT. This policy also embodies the following advantages if the person whose life is insured becomes totally and permanently disabled:

1. Thereafter the Equitable will carry the insurance —The Insured will have nothing further to pay.
2. The Equitable will pay the Insured an annual income for life equal to one-tenth of the face of the policy.
3. Upon the death of the Insured the full amount of the insurance will be paid to the Beneficiary (or double the amount if death is due to accident) without deduction on account of the income paid to the Insured while living.

(See the policy for conditions and details.)

For Agency Openings Address

WILLIAM E. TAYLOR,
Superintendent of Agencies

THE EQUITABLE
LIFE ASSURANCE SOCIETY OF THE U. S.
120 BROADWAY, NEW YORK

Announcement

Owing to the large demand for extra copies of the

LIFE INSURANCE SALESMANSHIP

edition of The Eastern Underwriter, *issued September 21, 1917, an*

EXTRA EDITION

of that number has been published

Life Insurance Companies and General Agents desiring to secure copies for distribution among their Agents can do so by wiring or writing The Eastern Underwriter, *105 William St., New York, the number required.*

Price. Twenty-five cents per copy.

The Eastern Underwriter.

THE EASTERN UNDERWRITER

[Succeeding the Journal of Insurance Economics, Established in 1899]

A WEEKLY NEWSPAPER COVERING ALL BRANCHES OF INSURANCE

Eighteenth Year; No. 50 | NEW YORK CITY, FRIDAY, NOVEMBER 30, 1917 | $3.00 per Year; 25c. per Copy

GOLF CLUBS HAVE BEST OF IT IN RATE

Average Annual Loss of More Than $250,000 Causes Scrutiny of Lines

ANNUAL RATE SHOULD BE 3.07

Underwriters Say That Causes of Country Club Fires Are Hard to Trace

So much attention has been directed to munition plant and supply fires that underwriters are inclined to overlook some of the other classes which are burning more rapidly than they should. One such class is the golf or country club, three recent fires having caused some underwriters to scrutinize their lines and to criticise the rates enjoyed by the country club organizations. The word "enjoyed" is used advisedly, for all the world loves a bargain and that is what these clubs are getting insurance-wise.

Principal Fires

In 1915 The Eastern Underwriter published a list of the losses which were reported in the press during the years 1911 to 1914, inclusive, and the following somewhat incomplete list brings the record down to date, as follows:

1915.	
Lawrenceburg, Ind.	$60,000
Morristown, N. J.	100,000
Elizabeth Twp., Pa.	10,000
Columbia, S. C.	10,000
Harrisburgh, Pa.	12,000
	$182,000
1916.	
Cincinnati, Ohio	$10,000
Tulsa, Okla.	10,000
North Adams, Mass.	10,000
Deal, N. J.	25,000
Erie, Pa.	25,000
	$80,000
1917.	
Waco, Texas	$50,000
Edgehill, Pa.	10,000
Elkhart, Ind.	15,000
Chicago, Ill.	65,000
Titusville, Pa.	30,000
Bayside, L. I.	100,000
Lima, Ohio	25,000
Roslyn, L. I.	50,000
Acquackanock Twp., N. J.	30,000
	$375,000

Seven Years' Average

The record of losses reported in the

(Continued on page 16)

"The Largest Fire Insurance Company in America."

THE HOME INSURANCE COMPANY NEW YORK

ELBRIDGE G. SNOW, President

Service to Policyholders and to Agents Unexcelled.

FIRE AND ALLIED BRANCHES OF INSURANCE.

Fire, Lightning, Automobile, Commissions, Explosion, Hail, Marine (Inland and Ocean), Parcel Post, Profits, Registered Mail, Rents, Sprinkler Leakage, Tourists' Baggage, Use and Occupancy, Windstorm.

STRENGTH REPUTATION SERVICE

North British and Mercantile Insurance Co.

Established 1809

Entered United States 1866

Policyholders protected by the entire United States assets, with further guarantee in every policy, of protection by entire fire assets of the company which are many times larger.

Agents Contemplating Writing LIFE INSURANCE should join our RAPIDLY GROWING Agency Force.

Equipment we furnish you includes:
LOW NET COST
LARGE ANNUAL DIVIDENDS
ATTRACTIVE POLICIES TO SELL

GOLDEN ANNIVERSARY YEAR

1867—EQUITABLE LIFE OF IOWA—1917

J. C. CUMMINS, President
B. F. HADLEY, Secretary
H. S. NOLLEN, Vice-Pres.
H. E. ALDRICH, Supt. of Agents

THE GAUVIN AGENCY

THE PILOT POLICY

LATEST INFORMATION REGARDING LIMITS

Applications of Tremendous Size Being Scrutinized with Greater Care Than Formerly

WHAT IS INSURANCE MARKET?

Millionaires, First Class Risks, Between Ages 35 and 50, Have Best Chance

In view of the great fortunes being rolled up in America, the increasing number of men who have annual incomes of a size which some years ago would have been regarded as fortunes in themselves, and the tendency of millionaires to seek extended insurance coverage, the question has arisen as to just what is the market for a man of fifty or fifty-five seeking as complete coverage as he can secure.

The Rosenwald Application

The Julius Rosenwald application for $2,500,000 again brings this subject before the public.

In pursuit of information The Eastern Underwriter has seen a large number of companies and producers of large risks, and has ascertained that if the circumstances surrounding the risk are rated on a 100 per cent. basis, i. e., in health, in moral hazard, in financial ability, in pursuit of occupation where there is no danger of injury particularly from enemy aliens, at least $2,500,000 can be obtained from American companies. In case of a younger man (over 30, however) there would not be difficulty in obtaining this amount. In fact, $2,000,000 insurance has just been put through in companies admitted to New York State alone on the life of a member of one of the most famous families in America. H. P. Davison, of J. P. Morgan & Co., now has $2,500,000 of insurance.

Great Lines not so Popular with Companies as Formerly

The Eastern Underwriter learned in the course of its investigations that it is much more difficult to place a line of unusual size now than it was some years ago. In fact, limits are being reduced somewhat. As one underwriter expressed it: "There are more $200,000 cases declined than $10,000 cases."

Asked for an explanation, he said that in the case of a very wealthy man two points must always be considered: first, did he inherit his wealth; second, is he self-made? The man to whom a fortune is handed down in America

sometimes cultivates a form of living which does not conduce to longevity. The man who built up his fortune often works so hard and so long that "something inside may have given way," and the risk not be so good physically as if he were a poorer man.

Another reason for lack of enthusiasm in some offices for large lines is that the class is limited, and it is difficult to figure a correct rate. A death or two gives the class a black eye in an office.

Some companies have recently cut their maximum somewhat, but this is not a general movement as the Penn Mutual has made some increases.

Much has been said about the J. Pierpont Morgan $2,500,000 application. The latest advices received by The Eastern Underwriter are that $1,700,000 was placed in this country; some in Canada, and the balance abroad; all of it now being covered.

What Companies Authorized in One Risk

Recently, a million dollar risk went through in flying colors. Authorizations of a group of companies for this risk may throw some light on the situation. The list follows:

Phoenix Mutual, $50,000; Travelers, $150,000; Mutual Life, $250,000; Aetna, $150,000; Conn. Gen'l, $75,000; State Mutual, $20,000; New York Life, $100,000; Prov. L. & T., $75,000; New England, $30,000; Home, $50,000; Fidelity Mut., $70,000; Conn. Mutual, $40,000; Union Central, $100,000; Mutual Ben., $80,000; John Hancock, $50,000; Mass. Mut., $25,000; Northwestern, $50,000; Penn. Mut., $50,000; Equitable, $250,000; Metropolitan, $250,000; Berkshire, $25,000; Col. Nat'l, $50,000; National, Vt., $25,000; Prudential, $50,000.

This list totals $2,065,000.

How Limits Run

While the list is illuminating it is deceptive in some respects because some of the companies may already have been on the line and their real limits may be more than given in the list. For instance, it is understood that the reason the New England Mutual only wrote $30,000 on this case was due to the fact that the Company had some years before issued $20,000 upon his life. The limit of the New England Mutual up to and including age fifty is $50,000; fifty-one to sixty inclusive, $30,000, but the Company is willing to consider persons fifty-one to fifty-five inclusive, who are strictly first class risks, for $50,000.

The New York Life's limit in any one year is $100,000, the limit being reduced after age 45. The Company's total limit on a risk is $300,000 up to age 45, after that being reduced.

The Prudential will write as much as $100,000 up to age 50; $75,000 from 50 to 55; $50,000 from 55 to 60; $10,000 after 60.

Penn Mutual Limits Increased

One company which has increased its limits is the Penn Mutual Life. A letter has been sent to general agents of that Company reading as follows:

Gentlemen: As a result of further investigation, the management announces increases of limits of insurance on male lives, beginning at age 51, and upon female lives, beginning at age 56. The following schedule supersedes those heretofore in force, and will until further notice govern the Company's consideration of submitted applications:

Ages	Men	Term Ins.
16, 17	$5,000	None
18 to 20	10,000	$5,000
21, 22	25,000	15,000
23 to 25	50,000	25,000
26 to 50	100,000	50,000
51 to 55	*75,000	25,000
56 to 60	50,000	10,000
61 to 65	25,000	None
Ages	Women	Term Ins.
16, 17	$5,000	None
18 to 20	10,000	None
21, 22	15,000	$5,000
23 to 25	25,000	10,000
26 to 50	50,000	25,000
51 to 55	50,000	25,000
56 to 60	50,000	10,000
61 to 65	25,000	None

*Of the increased amount at ages 51 to 55 inclusive ($75,000), $50,000, or sufficient to increase the limit of the insured to that amount, will be entertained, but application for the other $25,000 must be deferred for at least a year.

Trust certificate 20 policies will be written for a face value of 30 per cent. more than the above limits. Trust certificate 10 policies will be written for a face value of 14 per cent. more than the above limits. Policies containing the continuous instalment feature will be limited in accordance with the table showing the extra risk as contained in the rate book.

This schedule is the basis of the Company's limits of acceptance in normal times and does not in any way modify the restrictions set forth in our communication of May 25 with respect to amounts taken at ages 40 and under on male lives during war time, and is subject to the regulations contained therein.

L. K. PASSMORE, Vice-President.

From age 35 to age 55 the limit of the Mutual Benefit is $100,000, and the Company does not re-insure any part of its risks, nor does it accept re-insurance. At age 34 the limit is $90,000; age 33, $80,000.

Mutual Benefit's Limit

The Mutual Benefit's position regarding large lines' limits was stated this month to be as follows:

"The Company's limit of insurance on a male life is a follows: Ages 14 to 31 (according to actual age attained on June 5, 1917), $5,000 with War Clause B and $95,000 with War Clause C; over 31 on June 5, 1917, $60,000 with War Clause B and $40,000 with War Clause C; 32, $70,000 with War Clause B and $30,000 with War Clause C; 33, $80,000 with War Clause B and $20,000 with War Clause C; 34, $90,000 with War Clause B and $10,000 with War Clause C; 35 to 45, $100,000 with War Clause B; 45 to 55, $100,000 without War Clause (except as noted in Section 121); 56, $90 000; 57, $80,000; 58, $70,000; 59, $60,000; 60 and over, $50,000. Except as noted, the limit is based on attained age. Any outstanding insurance will reduce the limit under War Clause B and correspoudingly increase it under War Clause C."

John Hancock's Limit

The John Hancock's rules permit the taking of $50,000 on forms other than term from ratable age 25 up to and including ratable age 55, but only upon risks without apparent blemish. The company's limits for term insurance are more restricted, though the company will issue a five-year non-renewable term up to age 50 upon a perfect risk.

The Connecticut Mutual's limit upon a male life at nearest age 55 is $40,000. The maximum limit upon any age is $60,000.

The Connecticut General will accept $50,000 of life insurance on any first class risk over 31 years of age and not classed as a war risk. If the Company can secure the necessary re-insurance it is willing to issue policies in excess of $50,000 up to a total of $100,000 on any individual risk. In the $75,000 acceptance mentioned in the foregoing list the Connecticut General re-insured a portion of the risk.

Berkshire Reduces Limits Under Age 40

The largest amount written by the Berkshire upon any one risk at age 55 is $40,000. The Company's normal limitation of amounts is as follows:

Ages 20 to 24 inclusive, $20,000; and 56 to 65 inclusive, $20,000; ages 25 to 55 inclusive, $40,000.

However, the Company has considerably reduced the limits under age 40 as follows, owing to the war hazard which has resulted in similar reductions by other companies, said Secretary Davenport to The Eastern Underwriter Under age 40 our limits now are as follows:

Ages 30 and under: single men, $2,500, married men, $5,000; ages 31 to 35: single men, $5,000, married men, $10,000; ages 36 to 40: single men, $10,000, married men, $20,000.

The Massachusetts Mutual has a maximum limit on a single life of $50,000, and that amount will be issued up to and including age 55.

The Bankers Life of Iowa has a limit of $25,000.

WHY NOT GIVE CREDIT?

Canadian Association's Paper Runs Articles From the Eastern Underwriter as Original Matter

An article by William Alexander, secretary of the Equitable Life Assurance Society, on "Men, Women and Life Insurance Agents," printed in the Life Insurance Salesmanship number of The Eastern Underwriter, is made a feature by the "Life Underwriters' News" of Canada in its current edition. The article would have been just as readable in the Canadian paper if it had given credit instead of appropriating it as its own, running it as original matter.

An article by Joseph A. Richards, written for the Eastern Underwriter, is also lifted and run as an original.

In the same issue the "Life Underwriters' News" reprints as an original contribution part of a paper read at New Orleans by Charles F. Coffin, vice-president of the State Life.

Great Southern Life Insurance Company

HOUSTON, TEXAS.



For Agency Contracts address

O. S. CARLTON

PRESIDENT

A PEEP INTO OUR PRIVATE FILES

AN OFFICIAL OF THE U. S. GOVERNMENT AT WASHINGTON SAYS:

"I have your letter of October 1st with the bulletin which you are mailing to your policyholders and thank you for it. **This work is the kind that is going to make the Second Liberty Loan of 1917 an overwhelming success."**

A POLICYHOLDER SAYS:

"The **service which you perform for your policyholders** is without a doubt **unequaled by any of your competitors. This Health Service beats anything I have ever seen.** 'May your tribe increase'."

AN AGENT SAYS:

"If a man **doesn't make good** with The Germania Life Insurance Company **it is his own fault."**

WE SAY:

Since these are but samples of **many** letters received regularly by **"The Company of Modern Insurance Service," THE GERMANIA LIFE INSURANCE COMPANY, established 1860 under the laws of the State of New York,** it should be worth something to YOU to ask T. Louis Hansen, Superintendent of Agencies, 50 Union Square, New York City, to tell YOU more about the SERVICE which this Company is rendering ITS COUNTRY, ITS POLICYHOLDERS AND ITS FIELDMEN.

WHAT DO YOU SAY?

"It's a Fight to the Finish," H. L. Rosenfeld

VIVID PRESENTATION OF WAR

Banquet of New York Association Largest Held in Months—Moir Analyzes War Act

Henry L. Rosenfeld, fourth vice-president of the Equitable Life Assurance Society, and former foreign manager of the Society; Henry Moir, the actuary of the Home Life and one of the actuaries who helped the Treasury Department on the draft of the war risk bill, and J. S. Myrick, a New York manager, gave the diners at the banquet of the Life Underwriters' Association of New York on Tuesday night an evening full of thrills, information and inspiration.

Armed with German charts, photographs of ruined buildings, postal cards and other mementos of his several visits abroad since 1913, Mr. Rosenfeld eloquently depicted the situation in Europe just before the war and for a year and a half after the war. Incidents were cited to put the responsibility for the war squarely on the shoulders of the Germans, and to illustrate their studied tactics of terrorism. His tribute to France, particularly to the poilus, brought ringing cheers, as did his statement that they and their Allies would never permit the Germans to win. The most important duty of Americans is to realize the magnitude of the war and the peril to this country if we do not co-operate with every resource we have. He said we must drop non-essentials and concentrate in the utilization of every resource we have.

Any thought that Germany can be defeated through internal exhaustion or revolution should be dismissed. Figures were quoted to show her present strength. He concluded by urging conservation and thrift; "we have underwritten the contract of the Allies and will never stop to count the cost in dollars, or in lives either, until after the war is won." When he concluded the audience arose and sang "America." Mr. Rosenfeld has two sons who are army officers.

Mr. Moir's Talk

Henry Moir analyzed the war risk measure. One good result of the Government insurance will be to educate millions to think of insurance in $10,000 instead of $1,000 units. His talk will be discussed further in a later issue of The Eastern Underwriter. The banquet room was packed.

WANT DAILY PAPER ADS

Underwriters' Association of New York to Present Plan to Executives Soon

The Life Underwriters' Association of New York will ask the Association of Life Insurance Presidents and the American Life Convention to unite in an educational campaign covering the great functions of life insurance: First, the value of life insurance as an economic force; second, its relation to the individual, including the personal advantages derived by the individual in the protection of his business interests, his home and his family. This is the Warren M. Horner institutional advertising idea, which, however, is put up to companies to carry through instead of agents. The National Association of Life Underwriters dropped the idea of these co-operative daily ads, because they were too expensive. It is believed the companies can better bear the burden. W. F. Atkinson, Lawrence Priddy, C. J. Edwards, J. S. Myrick and J. K. Voshell will present the idea to the Life Presidents next week.

How Agents Should Use Tax Arguments

MYRICK ANALYZES SITUATION

Points Out Advantages of Life Policies to Beneficiaries of Large Estates

Agents will find much of interest in the analysis of the taxation question made by J. S. Myrick, of Ives & Myrick, general agents of the Mutual Life, before the Life Underwriters' Association of New York on Tuesday night. He said in part:

"Insurance taken to cover depreciation by the inheritance tax is not an evasion or substitute for the tax, but a measure for facilitating the Government in its tax problems and acts as a general economic equilibrium.

"The advantages of a life insurance policy payable to a beneficiary of a large estate are vital and obvious. The obviousness of these benefits is the compelling argument. The policy should be payable of course to a specified relative, and the right should be absolute and irrevocable, although a vital ruling of a Massachusetts court recently held that a policy payable to any individual was free from an inheritance tax. The New York State inheritance tax is based not only upon the value of the estate as a whole, but upon the amount passing to an individual beneficiary. For instance: Under the Federal Law, whether or not a beneficiary is the wife or a son's wife or widow, the tax is the same, but under the New York State law an increase of 1 per cent. (if the estate is over $200,000) is made on that part of the estate payable to a son's wife or widow. A careful study in detail of the Federal and State laws should be made by every agent.

"The question has occasionally been brought up as to whether the Government can, in some future legislation, tax life insurance, even if payable directly to the wife or children. The best reason that it cannot is that a policy payable absolutely to the wife is her property. The insured in paying instalments is but creating a property which belongs to the beneficiary the moment the first instalment is paid, and on which future instalments will be waived at the insured's death or at a time when the beneficiary will make complete use of her possession. A life insurance policy is the beneficiary's property not only after the insured's death, but while he is living. It cannot, under any construction be said to pass through the estate. A man can't be taxed on something he does not own.

The Hackneyed Objection

"The usual objection that many wealthy men give for not carrying life insurance is that there is no financial reason why they should. They say that their money is invested in the same kind of securities the company may have, etc. This excuse is gone. But the matter does not stop with the self-evident fact that insurance covers the direct loss the tax takes from the estate. It reaches into the question of net income. Life insurance is now as necessary a part of the investment scheme of a man's estate as that of real estate, bonds, mortgages, etc. Life insurance payable to a beneficiary is practically the only certain way of keeping the interest from the estate-property normal. For instance: Suppose an estate of $1,000,000 is invested in 4½ per cent. mortgage bonds yielding $45,000 annually. The income tax will run about $5,000, the personal property tax about $20,000, yielding a net return of $20,000. Suppose the owner of this estate dies at the end of 10 years. The inheritance tax at the end of that time, assuming that the net estate is then $1,000,000, will be $82,000, the State tax $40,000, making $122,000. Subtracting this from the $200,000, which has been received in interest during the 10 years, leaves a net return for that period of $78,000 or an annual average return of $7,800 on the investment—but three-quarters of 1 per cent. A similar illustration of large parcels of real estate will in many cases work out in the same way. It is reasonable to assume that there are some investments that will show no net profit. A prominent life insurance agent in conversation recently with the private secretary of a New York business man was told that this secretary had calculated on the basis of the inheritance tax of last March, that a 4 per cent. to 4½ per cent. railroad bond, not tax exempt, selling at 86, maturing for its face in 20 years, if carried for that period, by reason of the inheritance and income taxes as of last March, would be unattractive as an investment in the event of the death of the owner of the bond, because the inheritance and income taxes would have absorbed all the income the bond would have yielded. Bear in mind here that taxes have been increased since last March. The investor may turn to Government or tax exempt municipal bonds, but the market value of these bonds after the war, if not before, will equalize in net return their apparent advantage.

When a Man Pays His Premium

"Again, when a man puts money into a life insurance premium he immediately creates a property for the beneficiary that is free from tax, so far as he is directly concerned. He does nothing more than transfer the tax obligation and property management to a corporation whose business it is to take care of that property, and more efficiently organized for doing so than he is. As an illustration, suppose a man to protect his estate carries a $1,000,000 policy with a premium of $50,000 a year. That $50,000 guarantees him protection of $1,000,000 in the same kind of property that he would quite probably invest the $50,000 in, each year, if he didn't put it into insurance. In other words, his $50,000 life insurance deposits are not taxable, but safeguarded by the same securities he would have purchased, but on which the insurance company pays the various property taxes. The reserve value of the policy in 10 years is considerable and unless drawn out and re-invested cannot be taxed. On the other hand if he had invested $50,000 a year in average high grade securities he would have accumulated in 10 years a half million, together with the privilege of paying taxes on it.

"The principal reason that insurance as an institution can offer this relief is because some men live beyond their expectancy, or, rather, because of the great number of lives insured, a saving in mortality can be made, and also for the reason that property, especially bonds, bought by an insurance company, does not have to be sacrificed as in the case of individual estates. It is a question of interest rather than of market value. For this reason it is difficult for an individual investor to compete against the stability that a large company has.

As Easy to Write Million as a Thousand Sometimes

"The conventional arguments for life insurance that have been advanced to wealthy men, viz., that of keeping their estates intact through loss by depreciation in market values, errors in administration, delays in probate, etc., and losses that do not come under the legal deductions, are today stronger than ever.

"A point that should not be lost sight of is that a discount of 5 per cent. is allowed for the payment of inheritance taxes before due, which in the Federal tax is one year after death and in the State tax six months. If the inheritance tax is $1,000,000 and a $1,000,000 policy is carried to cover it, with a premium of $50,000, death in the first year means that this discount will practically pay for the insurance.

"For the sake of more vivid illustration, we have been talking in millions—it is as easy to talk in millions as thousands. Sometimes it is as easy to write a million as it is a throusand. The foregoing arguments are in principle as logical for men of comparatively small property as for the millionaire. It is true that a man with a low inheritance tax rate usually carries insurance for an amount greater than the tax, but he must be made to realize this insurance should stand for its original purpose. A specific amount for the tax is needed. The amount of the tax is not only a certain loss, but an irrecoverable loss unless insurance replaces it. A study of our formula and living cost schedule will help in cases of this kind."

Hunter Praises War Act in "Munsey's"

COUNTRY PROUD OF MEASURE

Says Actuaries Figured $700,000,000 as Two Year Cost of War Risk Measure

Arthur Hunter, actuary of the New York Life, sums up the soldiers' and sailors' insurance measure in a broad-minded article in "Munsey's Magazine." It will do much to free the public from the erroneous idea that life insurance men are opposed to the measure.

Discussing the probable cost of the measure, Mr. Hunter said:

At the direction of the Secretary of the Treasury, a committee of five actuaries made estimates of the cost of the bill during the first two years of its operation. As a member of that committee, I may state that our estimate of an oulay of about seven hundred millions of dollars was necessarily based on conditions which may radically change.

My own point of view regarding the matter of cost to the Government may best be judged by the following extract from a letter to the Secretary of the Treasury, dated the 6th of August last:

> Plans should be prepared for indemnifying the soldiers and sailors who are disabled and the dependents of those who are killed. * * * If these plans are just to our soldiers and sailors and to their dependents, then the cost must be borne by the country, whatever it is. * * * No cost is unfair or excessive which does justice to the men themselves and to their dependents.

Country Should be Proud of the Act

Mr. Hunter's conclusion follows:

"In spite of defects in the present act, it is one of which this country may well be proud, representing as it does an earnest endeavor to treat fairly and squarely those who are willing to sacrifice their lives for their country, and who in many cases are incurring grave financial loss in its service. It also recognizes, in a humane way, our obligations to the dependents of our soldiers and sailors, and undertakes to conserve the economic value of men as no previous system has done.

"America has made, not as granting a charity, but as acknowledging a right, a generous provision for her soldiers and sailors, and has put herself in the forefront of the nations in giving, without stint and without protest from the taxpayers, a broad measure of indemnity. The act largely fulfils the design of its framers to relieve our men from anxiety with regard to their families and from fear for their own future if they should be disabled.

"Such legislation as this, which only a few years ago would not have been thought of, is one of the many signs that higher ideals of social justice are permeating mankind. The purposes and principles underlying it must assert themselves in many ways after the war. It is one of the phases of

(Continued on page 4)

Sample Application and Family Allowance Blanks of War Bureau

APPLICATION FOR INSURANCE

My full name is.....
Home address .....
Date of birth ..... Age.....
Date of last enlistment or entry into active service.....

I hereby apply for insurance in the sum of $..... payable as provided in the Act of Congress approved October 6, 1917, to myself during permanent total disability and from and after my death to the following persons in the following amounts:

Relationship to Me	Name of Beneficiary	Post Office Address	Amount of Insurance for Each Beneficiary (In multiples of $500 only)

In case any beneficiary die or become disqualified after becoming entitled to an installment but before receiving all installments, the remaining installments are to be paid to such person or persons within the permitted class of beneficiaries as may be designated in my last will and testament, or in the absence of such will, as would under the laws of my place of residence be entitled to my personal property in case of intestacy.

I authorize the necessary monthly deduction from my pay, or if insufficient, from any deposit with the United States, in payment of the premiums as they become due, unless they be otherwise paid.

If this application is for more than $4,000 insurance, I offer it and it is to be deemed made as of the date of signature.

If this application is for less than $4,500 insurance and in favor of wife, child, or widowed mother, I offer it and it is to be deemed made as of February 12, 1918.

If this application is for less than $4,500 and in favor of some person or persons other than wife, child, or widowed mother, I offer it and it is to be deemed made as of

Date of signature
February 12, 1918,

Strike out whichever is not wanted.

Note.—If in the last paragraph you strike out "date of signature" leaving "February 12, 1918," the law gives you $25 a month for life in case of permanent total disablement occurring prior to such date and the same monthly amount to your widow, child, or widowed mother for not to exceed 240 months less payments made to you while living, but nothing to anyone else in case of your death before such date, and the insurance for the designated beneficiary other than wife, child, or widowed mother is effective only if you die on or after February 12, 1918.

If you strike out "February 12, 1918," leaving "Date of signature," a smaller insurance both against death and disability takes effect at once, but is payable in case of death to the designated beneficiary.

To whom do you wish policy sent? (Name).....
(Address) .....

Signed at (on board).....
the.....day of....., 191
Witnessed by:..... Sign here.....
Rank .....
Commanding ....

INFORMATION FOR ALLOTMENT OF PAY AND APPLICATION FOR FAMILY ALLOWANCE

This Form Must Be Filled Out in Triplicate

My full name is.....
Home address .....
Place and date of birth ..... Age.....
Date of last enlistment or entry into active service....Pay in United States $....

I hereby certify that the following-named persons and no other come within the class of my wife, former wife divorced, or child as defined in the Act and entitled thereunder to compulsory allotment, and that the information stated opposite their respective names is correct. (If as to any of these there is no person so related to you, write "None" in the name column.)

Relationship to Me	Name	Post Office Address	Date of Birth	Married	Remarks

I hereby make voluntary allotments in addition to compulsory allotment, if any, as follows:

Relationship to Me	Name	Post Office Address	Amount of My Average Monthly Habitual Contribution Because of Dependency	Amount of Allotment

Upon the basis of the foregoing information, which I hereby certify to be correct, I hereby apply for allowances for the following-named persons whose relationship and dependency are fully described above:

Signed at (on board).....
The ..... day of ....., 191
Witnessed by: ..... Sign here.....
Rank ....
Commanding ....

Hunter on War Risk in Munsey's Magazine

(Continued from page 3)

the crusade against poverty which must enlist the free peoples of the world after the present campaign against autocracy is successfully finished. And as Canada and the United States of America are marching abreast in the one, so, let us hope, they will advance side by side in the other."

WILSON HEADS RATE COMMITTEE

Commissioner English, president of the National Convention of Insurance Commissioners, has appointed Commissioner Wilson, of Kansas, chairman of the Committee on Rates of Insurance Companies; Commissioner Thomas, of Kentucky, chairman of Unauthorized Insurance Committee; Commissioner Young, North Carolina, chairman of Actuarial Bureau Committee; Deputy Appleton, New York, chairman Committee on Blanks.

WROTE BROTHER OFFICER

Lieutenant J. B. Moody, Jr., Points Way to Soldier-Agents—New Field Opened

Lieutenant James B. Moody, Jr., of Hartford, an agent of the New England Mutual Life, has not let his right hand forget its cunning. Military life, in fact, has but opened a new field. In October Agent Moody was welcomed again among the producers, and we hope, says the New England Mutual's "Pilot," that his reappearance will be frequent.

"How about the other men in arms? Moody wrote a brother officer; why can't some of our soldier-agents do a similar kindness to their friends—many of whom desire more insurance than the Government's limit of $10,000," says the "Pilot."

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Business Reasons for Business Insurance

VALUABLE article from the Life Insurance Salesmanship Edition of The Eastern Underwriter has been published in canvassing document form and is proving very popular with life underwriters. -:- -:- -:- -:- -:- -:- -:- -:-

Price $3.00 per 100 copies
Sample copy 10 cents

THE EASTERN UNDERWRITER
105 WILLIAM STREET
EW YORK

Penn Mutual View of War Risk Bill

STATEMENT BY W. BOILEAU, JR.

Difference Between Government Insurance and Private Company Insurance Explained in Detail

Government war insurance is analyzed for agents of the Penn Mutual Life by Wallis Boileau, Jr., writing in that Company's "News Letter." Mr. Boileau asks in what respect does the Government's policy contract differ from the classes of term policies of the legal reserve companies. He sees only one really important difference, and that lies in the inclusion of a form of disability-annuity clause. Few companies grant disability protection under term policies; but if the insured under a Government policy becomes totally and permanently disabled he is entitled to receive an annual income, payable in monthly instalments so long as he lives and continues disabled of $69 per $1,000, further premiums being waived. If the disabled insured dies before receiving 240 monthly instalments, the remainder of such 240 instalments are payable to the named beneficiary, or to beneficiaries within the permitted class in accordance with the interstate laws if no beneficiary is named. This is the one principal difference between company contracts and the Government's policy. Continuing he says:

Other Settlement Features

"With respect to the other settlement features of the Government contract, it differs only as company practices differ. Some companies do not pay the proceeds of term policies on the monthly instalment basis, the nearest approach being quarterly payments, while others do. Moreover, the 'continuous instalment' feature in the Government policy, under which this privilege is secured by the reduction of the amount of each monthly instalment, is not unique, and corresponds to the method of settlement under Table B in Penn Mutual policies and a similiar option in contracts of other companies.

"With the exception, therefore, of the disability provision and a slightly reduced rate, the Government plan offers nothing to the soldiers and sailors that the companies, before the declaration of war by the United States, did not offer to the public in their term policies. 'But,' it is asked, 'if this is so, why do the companies now refuse to insure soldiers and sailors under the term plan; why do they restrict the policies to higher plans and limit them in amounts; why do they not embrace the disability provisions in such policies, and why do they demand an extra premium for active service when the Government does not?' The answer lies in two words: 'mortality' and 'taxation.' To anyone who is at all familiar with the fundamental principles of life insurance, it is a well known fact that premium rates are based upon 'mortality tables' which indicate almost beyond a shadow of doubt that, under normal conditions, out of a sufficient number of selected people at a given age there is an established maximum number who may die within the year, similarly a maximum number who may die within the following year, and so on until all are dead. This being the case, it stands to reason that premiums which are entirely adequate to meet the mortality of normal times would be found sadly insufficient in time of war to cover insurance on the lives of the men who must do the fighting, for the mortality of an army at war is greatly in excess of the mortality of peace times. It must be frankly admitted that such companies as are writing insurance on the lives of enlisted men, even with extra premium charges, are 'taking a chance,' hoping, perhaps, for a short war and a consequent low mortality. The same situation as to premiums exists with respect to the risk of disability, which is greatly increased by participation in actual warfare; and companies which granted disability protection to army or navy men in active service would soon find themselves somewhat embarrassed by a deficit in their disability account. If it were asked why the companies do not establish a regular 'war' premium, the answer would be that they cannot, for the reason that there is no means of ascertaining with any degree of accuracy what mortality will be incurred. An attempt to fix a standard extra premium of $37.50 per $1,000 for the first year of insurance met with fairly general acceptance, but no company will commit itself to any definite charge for the risk during subsequent years.

Taxation

"All of this brings us down to the main question which is troubling the public: namely, how can the Government do what the companies claim is impossible under sound life insurance practice? The answer is, 'Taxation.' The Government is not attempting or pretending to give insurance to its warriors at the rates quoted and still conform to 'sound life insurance practice.' The Government realizes that the rates are highly inadequate to cover the mortality likely to be incurred during the war, to say nothing of disability claims; but what the public has not realized is that the difference between the actual cost of the new war insurance and the sum received from the insured people will be collected through taxation from all the citizens of the United States. If the Government could not rely upon taxation to make good any deficit, its insurance business would soon be 'on the rocks.' As a clear indication that the Government fully comprehends the inadequacy of the present rates, and, further, the extreme desirability of protection in normal times under plans more stable than term insurance, we refer to the policy itself, which expressly provides that it will continue at such rates only 'during the present war, and for not more than five years thereafter, or until the earlier conversion of this policy.' Within five years after the cessation of the war, conversion without medical examination may be effected 'into any form of insurance selected from among those that may be prescribed by regulations of the bureau. Such converted insurance will be at net premiums, computed in accordance with the American Experience Table of Mortality and 3½ per cent. interest per annum, and will provide for cash, loan, paid-up and extended insurance values.' In other words, after the war, regular life insurance at 'net premiums.' Whether or not it is expected to conduct Government insurance without expense is not within our knowledge; but it is entirely safe to assume that a strict accounting will show an equal or greater cost for the protection provided by the Government in normal times than the cost for 'company' insurance.

"Let us reiterate: we must in no sense be construed as antagonistic to the action of our Government as expressed in the passage of the Insurance Act. Every life insurance company is intensely loyal to the Government and will do all in its power to aid in defeating the enemy at our gates. Our purpose in going into detail here is only to help set the public mind straight upon a matter which is of great importance to everyone."

The Appellate Division of the New York Supreme Court has held that a plumber regularly employed in the maintainance of ways department of an interstate railroad, is engaged in interstate commerce.

ONCE A LIFE AGENT

Charles F. Nesbit, Commissioner of the Military and Naval Division of the War Risk Bureau, was at one time an agent of the Massachusets Mutual.

The Northwestern National Life of Minneapolis recently entered Ohio and has appointed C. E. Wilhelm, of Zanesville, as its State agent.

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PAYS GOOD PAY TO GOOD MEN

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The fifty-seventh annual report shows insurance in force of $133,493,000, an increase during the year of $7,832,827. The Company paid the policyholders in 1916 $3,536,233, of which $628,406 was in dividends or premium refund. Its insurance reserve fund was increased by $1,300,000 and the Assets are now $32-821,462.

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J. C. Humes, President · L. D. Clancy, Secretary

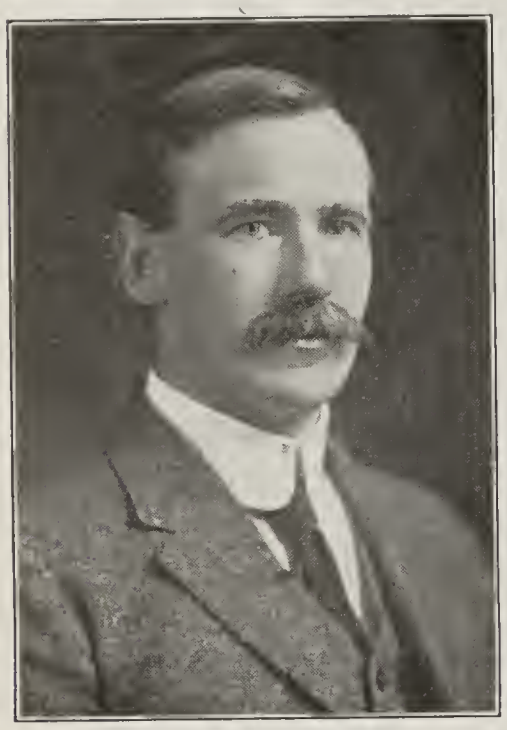
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Arthur Hunter to Advise Risk Bureau

NAMED BY SECRETARY McADOO

President of Actuarial Society of America—Five Men Helping Dr. Scott

Secretary McAdoo announces the appointment of Arthur Hunter, actuary of the New York Life and president of the Actuarial Society of America, to be a member of the advisory board of the Division of Military and Naval Insurance of the Bureau of War Risk Insurance. This completes the personnel of this board, the other two members being Professor James W. Glover



ARTHUR HUNTER

and A. W. Fraser. Professor Glover is head of the department of insurance and mathematics of the University of Michigan and since 1903 has been in charge of the technical courses of the university preparing men for the professions of actuary, statistics and statistician and financier. Mr. Fraser has been for three years president of the Woodmen of the World and is active in the fraternal associations.

Appointment No Surprise

Mr. Hunter has been called to Washington often of late and the appointment is no surprise. He is one of a group of five actuaries who prepared estimates for the Secretary of the Treasury on the probable cost to the Government of the insurance, compensation and indemnity provisions of the war risk measure. He has also written much about the measure presenting it to the public in its correct light. An interesting article that he wrote for "Munsey's Magazine" is reproduced in part elsewhere.

Mr. Hunter was chairman of the Medico-Actuarial investigation and for years has been a leader in actuarial circles.

Dr. Walter Dill Scott has had the services of six insurance men in applying the rating scale which he invented for the Army. The appointment of Winslow Russell, of the Phoenix Mutual, was announced last week. The other four are T. Louis Hansen, Germania; Edward A. Woods, Pittsburgh general agent of the Equitable; Lothair Smith, of the Edward A. Woods, Inc., agency, and Capt. Albert Borden, of the home office, Equitable.

TALKS TO RAILROAD MEN

Employes of Oregon Short Line Addressed by Fourth Vice-President of Equitable Life

Henry L. Rosenfeld, fourth vice-president of the Equitable Life Assurance Society, who returned last week from a trip to the Coast, was asked while in Salt Lake to address employes of the Oregon Short Line Railroad, who are insured under the Union Pacific group policy, and, also, the Utah Association of Life Underwriters.

Manager Ricker, of the Equitable, writes the Society that at the underwriters' meeting, Mr. Rosenfeld's speech was so patriotic and inspiring that several present attended the Oregon Short Line meeting later in the afternoon hoping to hear him repeat the same speech. However, at the Short Line meeting Mr. Rosenfeld's speech was entirely different.

At its conclusion a Citizens Committee, in charge of a dinner that evening at the Commercial Club to raise funds for the Soldiers' Welfare Movement, re-arranged their program and insisted on Mr. Rosenfeld being present as the principal speaker. Here again he delivered an entirely different but equally inspiring address. The following morning he received a special invitation to speak before the Rotary Club at their noon-day luncheon. The officers of the club stated that Mr. Rosenfeld gave the best talk they had listened to in the history of their organization.

LIFE RE-INSURANCE COMPANIES

While barring the German fire companies, Secretary McAdoo permits life re-insurance companies of Germany and allied countries to continue their existing contracts.

ACTS AGAINST ALIENS

The Brazilian Government will appoint liquidators for German insurance companies, a decree having been issued suspending their operations in Brazil.

First Bulletins of War Risk Bureau

RULING ABOUT BENEFICIARIES

Status of Members of Student Camps—Rules Promulgated About Witness to Applications

The first set of general instruction bulletins of the Bureau of War Risk Division of Military and Naval Insurance read as wollows:

"Members of Officers' Training Camps are under the act. They may, therefore, apply for insurance before they are discharged from the camps. Those who are granted insurance but do not get commissions, however, must pay premiums to the War Risk Bureau after leaving the camp as the insurance lapses if premiums are not paid. Men who have taken out insurance and who receive commissions must notify the Bureau of War Risk Insurance of their rank, and of the company and regiment to which assigned, in order that proper entries may be made on their policies and arrangements made for deductions of premiums from their pay.

"Members of Officers' Training Camps are subject to compulsory allotment and their families entitled to the family benefit if allotment is made. Members of the present Officers' Training Camps, except men regularly enlisted in the armed forces of the United States, however, are exempted from the compulsory allotment for November in view of the fact that the camps terminate on November 26, unless application for the Government allowance be made by the man himself, or by or on behalf of a prospective beneficiary, in which case the compulsory allotment must be made if the application is approved.

"Regularly enlisted men in the armed forces of the United States are subject to the compulsory allotment and must fill out the proper blank. Those enlisted men who receive commissions before the end of the month are exempted from the compulsory allotment for November and the blanks filled out by them may be cancelled.

"Members of Training Camps are entitled to compensation under the act.

Beneficiaries Named in Applications

"(1) Number of beneficiaries.—Any number of beneficiaries may be named in the application for insurance. All beneficiaries must, however, be included within the classes permitted by the act; namely, spouse, child, grandchild, parent, brother or sister.

"(2) Naming beneficiaries who cannot qualify under the law.—If a person is named as beneficiary in the application and such person does not come within the classes permitted by the act, namely, spouse, child, grandchild, parent, brother or sister, the application is not thereby invalidated, but is to be considered as if such person were not named.

"In every such case, however, the applicant shall be promptly notified that such person cannot qualify as a beneficiary, but that the insurance will be issued for total and permanent disability and will be payable at the death of the insured to the person or persons within the permitted class of beneficiaries, who would, under the laws of the State of the residence of the insured, be entitled to his personal property in case of intestacy; further, that he may at any time name a beneficiary within the classes permitted by the act.

"(3) Spouse does not include divorced person.—A divorced wife or husband is not a spouse within the meaning of that term in Section 402, and should not be named as a beneficiary in the application.

"(4) Beneficiaries living in enemy country.—An application for insurance designating as beneficiary a person living in enemy country is not thereby invalidated. In every such case the applicant shall be promptly notified as to the legal difficulties involved in the designated beneficiary ever receiving the benefits of the insurance.

Witnesses for Applications

"No application for insurance is to be considered deficient by reason of its not being witnessed.

"The signature of a witness is not necessary in the case of an application by a commissioned officer. In the case of applications by persons other than commissioned officers it is very desirable that the signature of a witness appear. Accordingly, wherever practicable an effort shall be made to secure from the applicant an application amendment for supplying the signature of the witness."

Adam J. Weckler, the new general agent of the Connecticut Mutual in Detroit, represented one company in Chicago continuously for the past fourteen years, during which time he has personally paid for about $3,500,000 of life insurance on over 900 lives. His business is strictly personal and during 1916 he reported $400,000 on 69 lives with premiums amounting to $14,000. During the first 10 months of 1917 Mr. Weckler's paid-for business amounts to $450,000, with premiums of about $15,000.

He is a consistent, enthusiastic worker and immensely enjoys the life insurance business. He has developed to a marked degree the habit of industry and has kept many interesting records of his work. Based upon actual interviews, he reports the following value of each interview:

1909 each interview averaged $1.32 first year commission.
1910 each interview averaged $1.59 first year commission.
1911 each interview averaged $2.10 first year commission.
1912 each interview averaged $2.27 first year commission.
1913 each interview averaged $2.38 first year commission.
1914 each interview averaged $3.18 first year commission.
1915 each interview averaged $2.22 first year commission.
1916 each interview averaged $5.41 first year commission.

Capable Agents, Desirable Company

The two most important factors in life underwriting are capability in the Agent and quality in the Company. If the Company provides an unexcelled, attractive policy for a low net cost, and has a reputation for prompt and efficient service, the result is contentment, loyalty, and success for the man in the Field, if he is capable. This Company's record is evidence of the character of its representatives and of the quality of the institution.

Occasionally we have a General Agency opening

JOSEPH C. BEHAN, Superintendent of Agencies

MASSACHUSETTS MUTUAL
Life Insurance Company
Springfield, Massachusetts
Incorporated 1851

44 MILLIONS from 42 AGENCIES

THE 1916 RECORD OF OUR EARNEST, LOYAL AND HAPPY AGENCY FORCE

New England Mutual Life
Insurance Company
BOSTON, MASS.

LIVE HINTS FOR BUSINESS GETTERS

Practical Suggestions to Help the Man With the Rate Book Increase His Income and General Efficiency

"When Will My Business Die?"

The mortality tables tell accurately the expectancy of human life. Experience has made it possible to fight various diseases and reduce their mortallty. How many business men, however, know anything about the business death rate.

An extensive investigation has been completed by the Bureau of Business Standards conducted by the magazine, "System," in an aim to find how fast businesses die and the diseases most common to them. The investigation covered thirty years (1887-1916) in a typical average city. The results follow:

Six out of every ten concerns that start in business are sure to "die" from one business disease or another within thirty years. Most die in less than eight years.

Out of a group of 61 concerns in business 30 years ago—(20 factories, 6 wholesale houses, and 35 retail stores):

Fifty-four had died and only 7 still llved at the end of 30 years, in 1916. One factory out of the 20, none of the 6 wholesale houses, and 6 out of 35 retailers lived through.

Twenty-seven concerns (12 factories, 1 wholesale house, and 14 retail stores) or nearly half of the 61, suffered death in the first five years or "generation." In the second five, 11 more, or 33 per cent., of those left, went under. In the next "generation," 7 more or 30.4 per cent. of the 23 left, passed away.

Out of the total of 4,369 concerns entering or leaving business during these thirty years:

Sixty-two per cent. of 1,327 manufacturing concerns in 213 lines have died. Lumber products ran 75 per cent.; cigars and tobacco, 75.4 per cent.; drugs, 68.1 per cent.; boots and shoes, 57.1 per cent.; iron works, 58.9 per cent., etc.

Fifty-one per cent. of 492 concerns in 28 lines have died of one disease or another. Books and stationery houses, 70 per cent.; cigars and tobacco, 79.1 per cent.; produce, 70.7 per cent.; fruits, 69.2 per cent.; hardware, 70 per cent.; meats, 71.4 per cent., etc.

Fifty-eight and six tenths per cent. of 2,550 retail stores in 10 lines have died. Dry goods, 67.6 per cent.; wall paper and paints, 66.6 per cent.; books and stationery, 67.1 per cent.; groceries, 65.3 per cent.; boots and shoes, 65 per cent.; drugs, 58.3 per cent.; hardware, 57.3 per cent.; clothing, 54.7 per cent.; furniture, 53.4 per cent.; jewelry, 52 per cent. In every line over 50 per cent died out, 1,615 of the 2,550 dead.

Every business should turn the search light on itself.

* * *

An Actor's Retort Applied to Insurance

It is said that a preacher once asked a great actor: "Can you tell me why it is that you players, who speak and act what all the world knows to be fiction, have crowded houses; while we ministers, who preach the great truths of the gospel, often speak to empty pews?" "The reason is very plain," replied the actor. "We tell a lie as if it were the truth; you tell the truth as if it were a lie." In discussing this colloquy the Missousi State Life says:

While we have our doubts about any such dialogue ever occurring, it serves to call attention to the fact that some fieldmen unintentionally may tell the truth about life insurance in a way that produces an effect exactly opposite to what the agent desired. This may occur by the agent not talking in a sincere, heart-believing manner to the prospect. Life insurance being a great warmly pulsating thing, it must be presented in a warm-hearted manner to accomplish the greater things for the agent—the greater things it is so capable of accomplishing for him.

Some one has said that sincerity will sell anything—and experience seems to have proven it. Sincerity of manner will sell life insurance. An indifferent maner will not.

* * *

Side Lights on Salesmanship

"In securing prospects for life insurance use the elimination method," says C. H. Vaiden in the monthly publication of the American National. Sift out the chaff from the wheat. Eliminate the undesirables. Do this when possible, before you waste your time and theirs in interviews. Much information can be gotten about folks without a personal interview. Your own inventive genius will suggest ways and means.

You should spend at least 50 per cent. of your time working among proprietors and managers. These are the prospects who have the money and they are going to buy insurance. Get your share of this business. Remember, too, that the employe is sure to look with favor on the purchases of his employer.

Your interview should average 45 minutes. On a scientific calculation, the agents who secure the greatest number of applications consume even more time than this in their interviews. Give your prospects time to think. Don't do all the talking yourself. Here is where I shine.

You should close at least 63 per cent. of your business on the first interview. Statistics show this to be the average. Of course, if you do not make the sale on the first interview, you should certainly get the date of birth; as the change in the insuring age is always an entering wedge for another interview.

Do not think that it is absolutely necessary to have an appointment with your prospect. We do not think it a breach of etiquette to accidentally drop in on our prospect when he is not expecting us. It is said that 83 per cent. of the business written is written without appointments having been made. An interview very often results more favorably to the agent, if the prospect is taken unaware.

You should work two evenings each week. It is very probable that the largest policy you ever wrote was written at night. Think it over.

You should have an efficiency of at least one application for every seven interviews. This is the average, and you are only an average agent if you don't beat this record.

You should have and use a tested and successful "habit" sales talk. Not a "parrot-like" song, but convincing arguments that can be clothed in words to suit the occasion.

Your plan of work should include a carefully thought out program for the year, for each week and for each day. Let your motto be, "Plan your work, then work your plan."

Last, but not least, sell your insurance on the merits of your contract, and not on the demerits of the contract of your competitor.

THE
METROPOLITAN LIFE
Insurance Company
(Incorporated by the State of New York)



Metropolitan Life Insurance Company
Home Office Building

The Company

Of the People
By the People
For the People

The Daily Average of the Company's Business during 1916 was:

701 per day in Number of **Claims Paid**.

8,304 per day in Number of **Policies** Issued and Revived.

$1,969,823 per day in New Insurance Issued, Revived and Increased.

$376,827.40 per day in Payments to Policyholders and Addition to Reserve.

$220,509.26 per day in Increase of Assets.

JOHN R. HEGEMAN, President

Representing

The Mutual Life Insurance Company
of New York

You will make money.

The great strength, big dividends and incomparable benefits of the *"oldest company in America"* mean certain success for you.

For Terms to Producing Agents, Address

GEORGE T. DEXTER, 2d Vice-President

34 NASSAU STREET, NEW YORK, N.Y.

ENERGY THE MAIN THING

More Important Requisite for Salesman Than Personality, Says C. R. Walker, Cleveland

C. R. Walker, of Cleveland, representing the Penn Mutual Life, contrasted the value of salesmanship requisltes in a recent talk to Penn Mutual men.

"The general agent can definitely show the agent the undisputed fact that successs must be bought in the open market by effort," he said. "Assuming that a man has ambition—and by the way, it is well nigh impossible to put ambition in a man and make it stay put—he is more liable to succeed if he has an abundance of energy. In salesmanship, strict requisites must predominate which are somewhat subservient to other qualities in different lines of business. A man may have a lovable personality, but without the abllity to concentrate, to work, to enjoy it, and to create a desire for his product, he will usually fail—in selling. If, however, he has the seed of success in him, he can improve his personality if he will.

"You, of course, grant that the failures in life insurance usually quit before two years. Is not then your line of procedure rather definite. To so aid your man, advise him, encourage him, plan with him, in short—to so live with that man that he knows you have confidence in him? But do not ruin him. Let him see that his work is to sell his client his way. Otherwise his success is doubtful, and he gains the reputation of being a leaner. Therefore, let the agent develop self-reliance.

"There comes a time when a thorough trial has been given a man. It develops that he has certain faults which he cannot or does not correct, that he lacks personality or some other requisite, and, consequently, is not securing business and is not making a living. Consequently, after about a year, not much more, urge the agent for his own good to seek other fields of endeavor. The biggest fool in the world, Dickens reminds us, is the man who fools himself."

ASSETS OF $12,300,000

The Bankers Life, of Nebraska, which has been writing annual dividend policies for thirty years, and non-participating policies for nearly thirty years, had $12,300,000 in assets on November 1 1917.

Government Answers Insurance Queries

NO TERM SURRENDER VALUE

Replies to Questions About Beneficiaries—Rights of Widows—Free Insurance Points

Under the caption "Uncle Sam's Insurance for Soldiers and Sailors," the Treasury Department has printed questions that may occur to soldiers and sailors and then gives its answers. Some of the questions and answers follow:

Q. If I carry this insurance for a number of years and give it up, will there be any cash surrender value?

A. Not while insurance is term insurance. But if it is converted after the war into other forms the War Risk Bureau may give you cash value for it.

Health Does Not Figure in Conversion

Q. Must I pass a physical examination or be in good health in order to convert my insurance after the war?

A. No; you may convert your insurance no matter whether you are in good health or not.

Q. Can I make my fiance my beneficiary?

A. No; but you don't need to name any beneficiary. It would then go to such of the persons named as would get your personal property if you died without a will. If you marry you can then name as your beneficiary your wife or children or both.

Q. Whom can I name as beneficiary?

A. A wife, husband, child, grandchild, brother or sister, stepbrother or stepsister, adopted brother or adopted sister of yourself, as well as parent, grandparent, or step-parent either of yourself or your wife.

Q. Does the Government give me a certain amount of insurance free?

A. Yes. In order to take care of those who may die or be disabled before they apply, the Government gives limited insurance until February 12, 1918. This insurance has a total value of about $4,300. It will be paid to you in the amount of $25 monthly if you are permanently and totally disabled before February 12, 1918. It will be paid to your wife, child or widowed mother, if you are killed before that time.

Widows

Q. If I have no wife, child or widowed mother, and am killed before February 12, 1918, would my father, or my mother, who is not a widow, get it?

A. No, no one but a wife, child or widowed mother.

Q. Suppose I apply for less than $4,500—say $2,000—of insurance, what happens?

A. If you apply for $2,000 insurance and make your wife, child or widowed mother your beneficiary, the Government will not put this insurance in force until February 12, because in the meantime you will have your free insurance. But, if you make anyone other than your wife, child or widowed mother your beneficiary—say your father—then you must say whether you want to keep the free insurance until February 12, or whether you want the new insurance to go into effect at once. You can't have both. If you keep the free insurance until February 12, and you get totally and permanently disabled, you would get the $25 monthly; but if you died, your father would get nothing.

If you take the new insurance at once and become totally disabled, you would get only $11.50 a month, the same amount that you get if the injury happens after February 12, but in this case if you die either before or after February 12 your father would also get $11.50 a month instead of nothing.

Q. If I apply for $2,000 of insurance in favor of my sister (or any other than my wife, child or widowed mother) and want it to go into force at once so that my sister will get it if I die, must I pay for it from now until February 12, 1918?

A. Yes.

Q. If I apply for $10,000 of insurance to begin at once, must I begin paying at once for the full $10,000, or may I pay for $5,700 until February 12, 1918, getting the other $4,300 free until then?

A. You must pay for the full amount at once. The free insurance ends the moment your new insurance begins.

Q. May I apply for $10,000 in addition to having the free insurance?

A. No. You can never carry more than $10,000 of Government insurance.

James W. Stevens, president of the Illinois Life, has been unable to accommodate the gentleman who wrote him the following letter this week, so the aggregate November production of that company is $5,000 less than it might be otherwise:

Dear Sir. Mr. James W. Stevens, I am a Temperance good natured, Kind hearted Polish American bachelor am of Business and Mecanical ability—have a clear recard—live 40. years. in Chicago—am 48, years of age but i look to be 35. years i am a lover of home and i love all Nations —am a poor Orphan. i have a 3 room furnished flat for my own money and i live alone—am tired of living alone may be you can help me find a Lady that is fram 20 to 50, years. of age that has several Thousands of doalars —mean a white woman i will Insure myself for 5000 doalars if you find me a Lady. that will treat me right so i can live a few years more and live happy i am Mailing to you Dear Sir, Mr. Stevens my Photo i am 5. feet 7. inches tall am a Blonde—136. Pounds have gray eyes, i would prefer a White woman. i will go in any part of United States I Remain Yours Very truly

---

From the eighteen States west of the Mississippi River in which the Northwestern National Life operates, it will have received applications for new insurance averaging more than one million for each State, before the close of the year.

Equitable's New Liberty Bond Contract

GIVES LOW COST PROTECTION

Plan for Easy Purchase of Future Bonds on Instalment Plan

In furtherance of its desire to supplement in a practical way the educational work now being carried on by Equitable agents in connection with its pledge to invest all first year premiums, at least, in future Liberty Loans, the Equitable Life Assurance Society has perfected a plan for the easy and convenient purchase of future bonds on the instalment basis, while at the same time needed protection is furnished to the purchaser at low cost. In order that the agency force may become thoroughly familiar with the plan and be ready to take subscriptions when the next loan is announced, President Day has sent to agents a specimen contract, adapted for purposes of illustration to the 4 per cent. Liberty Loan, dated November 15th, 1917. An analysis of this contract shows briefly:

1. That the purchaser is given five years in which to pay for his bonds, payment being made on a semi-annual basis.

2. That the bonds will be delivered after the completion of the instalment payments.

Subscription Protected by Five Year Term Policy

3. That the subscription is protected by means of a five year term policy for an amount equal to the bond subscription under which the bonds are at once delivered to the beneficiary in the event of the death of the purchaser before payment for the bonds is completed, plus any balance due under the policy.

4. That interest income from the bonds is taken into account in figuring the bond instalments, and premiums are made payable semi-annually because of the semi-annual interest feature of the bonds themselves. Because of the manner of computing the instalments on the bonds, the first payment on the bonds and the first premium on the policy must be paid when an application is taken. A special form of application blank and binding receipt has therefore been provided for this contract.

5. That as the contract is on the term plan, all the conditions and privileges of that plan will apply to it; i. e., limit of risk, conversion, waiver of premiums, age limits, sub-standard rules, commissions, etc.

ILLINOIS LIFE INSURANCE CO.
CHICAGO
JAMES W. STEVENS, PRESIDENT
GREATEST
ILLINOIS
COMPANY
WANTS GOOD MEN
AND
WILL PAY THEM WELL

QUINLAN WITH MUTUAL LIFE

John H. Quinlan, of Newburgh, New York, has resigned from the Northwestern Mutual Life Insurance Company to become the district manager of the Mutual Life in five counties of the Hudson Valley district. He has had extended experience, both in business and insurance. Some time ago he was a traveling salesman for a wholesale hardware firm, and then became a wholesale and retail hardware dealer. In 1896 he went into life insurance. He has been a vice-president of the National Association of Life Underwriters and has been president of the Hudson Valley Life Underwriters' Association.



Established 1867

Fifty years of success

The Strength of the Company—the growth of a half century—towering back of every policy contract, assures the largest possible measure of *security*, *service*, and *saving* to the insured.

The wisdom of the founders in restricting the Company's investments to farm loans, has throughout the years afforded the largest degree of safety, together with the greatest earning power on its invested funds. It has in addition served the Nation, and the wide world in these troublous times, by its signal aid in the development of the Country's Agricultural Resources.

The manifold service of the past half century may safely be accepted as a criterion of larger service in store for its policy-holders and their beneficiaries.

For Information address Allan Waters, Second Vice-Pres.

The Union Central Life Insurance Company

Jesse R. Clark, President **Cincinnati**

Saying Right Thing At the Right Time

A. S. WRIGHT'S DIPLOMACY WINS

Gradually Influences Increases Through Tact—Wives and Children Play Their Part

A. Stanford Wright, a Boston agent of the Massachusetts Mutual Life, in discussing two of his cases, illustrates what tact can do in salesmanship. He never drives a prospect, but remembers that circumstances change and opportunities may be delayed. When they occur he takes advantage of them.

Case A

"Several years ago I did a business favor for a man. I was able, through influence, to get him an order for his special line of goods (service). I got no reward, expected none, wouldn't have taken it anyway. The early part of this year I found this man was in Boston, looked him up, told him my new line (life insurance),—nothing doing. A few days later I went in and sold him $3,000. I knew he wanted $5,000 because he previously, in 1913 and 1915 bought $5,000 each from two other companies. 'Why,' said I to myself, 'should little old Massachusetts Mutual have to take $3,000.' So I made the policy $5,000. When it came down, of course, being a salesman, I delivered it. After this we became good friends (we ought to be to all of our clients). A few days ago he called me up. I went in and he said, 'I have got a new arrival, one month old. How much for her when she's 20 on a $2,000 policy?' I told him. He said, 'Too much, my rate at 40 is pretty high, isn't it? Hadn't I better insure my wife? She's only 23.' That seemed reasonable, of course, but what was the use of telling him our Company wouldn't want his wife as a risk. I thought quickly and said, 'Yes, that would be better, but, what if you kick the bucket in the next ten years? After you are gone, who's going to pay wife's premium?' He said, 'That's right, never thought of that.' (You see I eliminated discussion and competition). 'Well, you are the man—what shall I do?' I found out how much he wanted to put in, which he said was about a $100 a year, and sold him $2,500, 20 payment life, for the baby.

"Then we had a nice little chat, and he informed me that some day he would bring his insurance up to $25,000 for his wife. That is the amount he had in mind, but not this year. So like a good salesman, I didn't try to force him, as he also said he hadn't forgotten my service to him years ago, and so long as I seemed to understand the life insurance end, he'd see that I got it all.

Case B

"Nice chap—they're all nice if you think so. Cultivated him, didn't talk insurance to him, left him alone for months. One day my time came. He was moving near my hotel. The next morning, thinking to be at least courteous to him, and knowing his wife would have troubles of her own, I invited him and his family (wife and nice boy of five) to breakfast. It was especially timely, as it was Sunday. Of course they came. I either rendered courtesy, kindness or service—enough said—so that we gradually got more friendly. Three months after this I went into his office to talk insurance. He said, 'Sure, I have an accident policy coming due soon. Would you like that?' I nimbly side-stepped it. My business is to get life insurance and to hold good friends. I did not sell him anything; the time was not ripe, but the visit was a good one. I waited my time, got to know him better still, then last month, June, I went in again, with a nice special little illustration I use of my own (sample on request to dealers only). Showed it to him. It was for $10,000, ordinary life, at age 40. I said, 'This is what you want for the boy.' He laughed, kidded, cajoled, jollied, told stories, to all of which I was a very interested listener. Finally to close something, and to get out and on to the next, I got up and said, 'Old chap, what's the use of all this talk, I believe you can't get it anyway. Doctor to-morrow at 12.' 'Oh, all right,' he said. 'I know I can surprise you, because I happen to be in very good health.' Result, doctor said he was very fine. He was tickled when I called the following day and said, 'I don't want any insurance, but much obliged for the health certificate.' I wasn't in any jollying mood—he'd done all that the previous trip. 'All right,' I said, 'Who's it to be, Bob (the boy) or what?' 'Oh, very well, I'll take $5,000. I don't believe much in insurance, so make it to my wife.'

"'Yes, I understand that,' I said. 'Why did you take $3,000 ten years ago? Because you wanted to part with your money or what? Don't you love your wife and kid any more?' 'Sure I do.' 'Then I want $10,000 now for wife, and we'll get the other $3,000 made over for the boy.' But I didn't get it—I had to compromise on $7,000. In a few days I got the policy, and he paid me in cash, out of his pocket, semi-annual at that. Nice case, took it at the right time. Was it service or salesmanship? Oh, help, what's the use? Service, and we serve, is salesmanship."

Mr. Wright's experiences were printed in the "Radiator," issued by that Company for its agents.

RIGHTS OF CREDITORS

Mutual Life Views Recent Supreme Court Surrender Value Decision as of Great Importance

The Mutual Life regards the recent decision of the Supreme Court of the United States, regarding the rights of a creditor to claim surrender value, as one of great importance. It sums up the situation:

"For many years there has been a sharp division of opinion among the courts of the country as to whether or not the reservation of the right by the insured to change the beneficiary under a life insurance policy, gave the creditors of the insured in bankruptcy proceedings the right to claim the cash surrender value of such a policy.

"This question seems now permanently to have been settled by a recent decision of the Supreme Court of the United States, which gives to creditors this right, thus reversing a recent decision of the United States Circuit Court of Appeals at New York to the effect that a life policy held by a bankrupt was not an asset when not payable to himself or his estate, even though the right to change the beneficiary had been reserved.

"The decision is an important one and should be made clear to each new policyholder at the time his policy is taken out. The only way he can protect the policy in the event of bankruptcy later on, is to waive the right to change the beneficiary at the time of taking out the policy."

AVERAGE $1,500,000 MONTHLY

Applications for insurance in Northwestern National Life of Minneapolis received to November 1, average more than $1,500,000 monthly, an increase of more than 56 per cent. as compared with the same period last year.

FAVOR MATERNITY INSURANCE

Maternity insurance for women forced into industrial pursuits because of war conditions was urged for consideration of the incoming legislature of New Jersey in a resolution submitted at the closing session of the New Jersey Women's Suffrage Association.

THE MOST VALUABLE POLICY FOR YOU,
Mr. Agent, is to write your prospect in the Company writing the most valuable policy for the insured.
Secure **prompt action** in the

John Hancock MUTUAL LIFE INSURANCE COMPANY OF BOSTON MASSACHUSETTS

WILLIAM N. COMPTON, General Agent
METROPOLITAN DISTRICT, ST. PAUL BLDG., 220 BROADWAY, NEW YORK, N. Y.

ORGANIZED 1871
Life Insurance Company of Virginia
RICHMOND, VIRGINIA
OLDEST, LARGEST STRONGEST Southern Life Insurance Company
Issues the most liberal forms of Ordinary Policies from $1,000.00 to $50,000.00, and Industrial Policies from $12.50 to $1,000.00
CONDITION ON DECEMBER 31, 1916:

Assets	$14,464,552.23
Liabilities	12,436,717.56
Capital and Surplus	2,027,834.67
Insurance in Force	118,349,212.00
Payments to Policyholders since Organization	18,119,172.50
Is Paying its Policyholders over	$1,300,000.00 annually

GOOD TERRITORY FOR LIVE AGENTS

"If You Were In His Place"—
Would you buy the policy you are offering your prospect?
Provident agents are successful because they are absolutely convinced that the policies they offer are exactly the policies which under similar conditions they would prefer for themselves.
Write for information.
The Provident Life and Trust Company
OF PHILADELPHIA.
Founded 1865

THE BERKSHIRE LIFE INSURANCE CO.
OF PITTSFIELD, MASS.
Incorporated 1851
W. D. WYMAN, President
A purely mutual Company, issuing all desirable forms of life insurance.
ATTRACTIVE LITERATURE
Ambitious, Productive and Trustworthy Life Agents may be benefitted by corresponding with
W. S. WELD, Superintendent of Agencies

A PENN MUTUAL PREMIUM, less a PENN MUTUAL DIVIDEND, purchasing a PENN MUTUAL POLICY, containing PENN MUTUAL VALUES, make an INSURANCE PROPOSITION which in the sum of ALL ITS BENEFITS, is unsurpassed for net low cost and care of interests of all members.
THE PENN MUTUAL
Life Insurance Company
OF PHILADELPHIA
On January 1, 1909, rates were reduced and values increased to full 3% reserve

We don't contract with poor men.
We give a new man our attention until he is started.
We make our men make good.
Why don't you work for us?
Peoria Life Insurance Company
PEORIA, ILLINOIS

THE EASTERN UNDERWRITER

This newspaper is owned and is published every Friday by The Eastern Underwriter Company, a New York corporation, office and place of business 105 William Street, New York City. Clarence Axman, President; W. L. Hadley, Secretary; R. W. Swayne, Assistant Secretary. The address of the officers is the office of this newspaper. Telephone 2497 John.

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A GOOD APPOINTMENT

The appointment of Arthur Hunter as a member of the Advisory Board to the Division of Military and Naval Insurance, War Risk Bureau, is one of the best that Secretary McAdoo has made. If distinction means being honored by one's own professional associates Mr. Hunter is a distinguished man. There are no honors that actuaries can give which Mr. Hunter has not received. Moreover, he has the happy faculty of grasping situations from a variety of angles. It has often been noted that when the Actuarial Society has a meeting editors of daily newspapers, who have access to several papers read at the Society's conventions, chose Mr. Hunter's for reproduction as having a wide appeal. Such pleasant relations with men in his own profession and with the public fall to few men. The War Risk Bureau is to be congratulated upon having the benefit of his advice. Associated with him on the Advisory Board are Professor James W. Glover, of the University of Michigan, and A. W. Fraser, of Omaha. Professor Glover has been teaching actuarial science at the University of Michigan for some years. Mr. Fraser has been president of the Woodmen of the World and president of the Associated Fraternities of America.

A NAIVE COMMISSIONER

The Eastern Underwriter respectfully refers to Young E. Allison for an interpretation of the interpretation made by the Tennessee Insurance Commissioner of the Tennessee Resident Agency Act. The Commissioner says, without a smile, that the Department is opposed to rebating practices, and "will require that all divisions of commissions with the insured be reported in affidavits." Also, that these affidavits may be reviewed by any citizen of the State. Splendid! Undoubtedly, when these affidavits are filed there will be a line of Southern insurance men waiting to inspect them which will reach from Nashville to Memphis. But who is going to file them?

GETTING CLOSER TOGETHER

That there is a new spirit of co-operation between fire insurance companies and local agents was evidenced again this week when the New Jersey Association of Underwriters passed resolutions thanking the companies for their position regarding payment of the 1 per cent. tax and, also, agreeing to do what they can to reduce the number of non-wanted policies. It is the first time in some years that agents have publicly thanked companies, and augurs well for future relationship of the two strong arms of fire insurance.

NOT ENTERING BUREAU

Conference of Outside Companies Writing Liability and Compensation This Week

Representatives of several non-bureau liability and compensation writing companies met in New York this week with representatives of the National Workmen's Compensation Service Bureau. An effort was made to arrive at a basis upon which these companies might be willing to enter the bureau, but no definite results were accomplished. Difficulty arose over the relative amounts of business held by the various non-bureau companies in different localities. Those who attended the meeting were not prepared to say whether an attempt to renew the negotiations would be made at an early date. The companies represented are the Georgia Casualty, Commercial Casualty, General Accident and the Great Eastern.

CRITICISES MR. EVANS

A sharp criticism of Henry Evans because of his paper on the relation of insurance and banking to international trade after the war was printed in "Shipping," a trade paper. One paragraph follows:

"Let us not forget that ours is a very young country and that it is impossible to overcome in a day the tremendous start which British insurance, for instance, has over any potential competition. Therefore, it behooves American underwriters to devote their time to the study of possible progress instead of bemoaning the fact that they are not as well placed for doing business as their English competitors."

Major Bertram H. Tayler of a Canadian regiment, formerly with the Metropolitan Life Insurance Company, writing from France to Vice-President Haley Fiske of that company, tells of the heroism of a Scotchman in his regiment.

"Of course you know the Scotch, what grand fellows they are. I was in a dressing station two nights ago, just a few yards behind our first line. The place was full—just an old cellar under a ruined farmhouse. An Argyll and Sutherland Highlander wandered in holding his smashed left arm with his right. He sat on the floor for an hour awaiting his turn, saying not a word; when his turn came the doctors cut off his tunic, exposing the wound, gave him half a grain of morphine, took the arm off at the shoulder, and never a sound from the Highlander. They bound up the stump and the M. O. said, 'How do you feel, Sandy?' 'Grand,' he said. I asked the M. O. if the man realized what had happened, and he said, 'I think not.' He threw a blanket over him and called the next case, when the Scot opened his eyes and said: 'Doctor, would you be good enough to gie me the wee bit ring that was on the leetle finger. It was a kind o' keepsake from a lassie?'

"Sometimes one seems to spend a lifetime in twenty-four hours of this."

THE HUMAN SIDE OF INSURANCE



CECIL P. STEWART

Cecil P. Stewart, president of Frank B. Hall & Co. and of the American Merchant Marine Insurance Co., has the faculty of being able to consider an underwriting problem one minute, a brokerage question the next or to buy a building between-times with no apparent effort. He has had the training to fit him for all. Mr. Stewart was born at Lachine, Can., where his father at that time was underwriter for the Royal Canadian Insurance Co., but left shortly thereafter to establish himself in New York City as a member of Moody, Stewart & Parker. This firm later became Stewart & Parker, under which title it was operating when Mr. Stewart joined its staff in 1898. His father organized the firm of Henry Stewart & Son in 1904 which continued in business until 1910, when Mr. Stewart took charge of the marine insurance department of the Texas Co., which operates a large fleet of tankers. After several years in this capacity he identified himself with Frank B. Hall & Co., becoming its president last year. He organized the American Merchant Marine two years ago and the Company, like all others of his ventures, has prospered. He recently purchased the Delmonico Building which for more than a century has been a landmark on lower William Street.

In addition to his business activities, Mr. Stewart is a member of a large number of social, athletic and historical organizations. His name appears on the roster of the India House, Whitehall Sewanhaka-Corinthian Yacht, New York Athletic and Crescent Athletic clubs, the Maritime Association, Merchants' Association, Seventh Regiment Veteran Association and the Average Adjusters' Association.

* * *

Colonel Rufus N. Elwell, who has been appointed insurance commissioner of New Hampshire, succeeding Robert J. Merrill, is a prominent fire insurance agent at Exeter. He was born in 1862 in Michigan, and at the age of twenty-one he entered the lumber business at Newton, N. H., where he remained for several years, finally removing to Exeter. He has been collector of customs for the District of New Hampshire and speaker of the House of Representatives. He was at one time inspector for the New Hampshire Board of Underwriters and in 1905 was appointed secretary of the Capital of Concord, which position he held for many years.

Herbert S. Brussell, of the law firm of Brussell & Beebe, counsel for The Eastern Underwriter, who has been at Plattsburg for the past three months, has been given a commission as Major.

* * *

Charles H. Neely, of Toronto, who will soon take charge of the New York office of the Ocean Accident & Guarantee, is a native of St. Paul, where at one time he was in the casualty agency business. He is regarded among those who best know him as a clear thinker, a man of lovable nature, attractive personality and a successful casualty insurance manager. From St. Paul he went to New York and became secretary of the L. D. Garrett Company, which did a collection and reporting business for insurance companies. He again entered the casualty business as special agent in Philadelphia for the Ocean in Connecticut. Later he was of the firm of Neely & Meinel, Philadelphia, and was general agent there for the Ocean. His success won for him the company managership of Canada, where he has remained since.

* * *

Douglas F. Cox, the first president of the National Automobile Underwriters' Conference, was honored at the annual meeting of that body last week, when H. R. Clough, chairman of the committee on arrangements offered the following resolution:

"The representatives of automobile writing insurance companies (being met together on the occasion of the second annual meeting of the National Automobile Underwriters' Conference) desire to record their appreciation of the valuable services rendered the conference by its first president, Douglas F. Cox, and to make acknowledgement of his tactfulness and impartial fairness in handling the many difficult situations that have confronted the conference since its organization in April, 1916, as well as to express the deep sense of their obligation to him for his unsparing devotion of time and ability to co-operative work which have conduced so greatly to the success of the conference and to the advancement of the science of automobile insurance."

It was resolved that the foregoing sentiments be engrossed and presented to Mr. Cox as a permanent testimonial by the conference companies. The motion for adoption was seconded by T. E. Gallagher of Chicago. C. F. Shallcross of the Royal, after paying a glowing tribute to the work of Mr. Cox, asked his acceptance on behalf of the member companies of a set of old English silver candlesticks.

EXCHANGE CONSIDERS U. & O.

Alterations in use and occupancy coverage and rates was the subject under consideration at the conference between a committee from the Fire Brokers' Association and the rate committee of the New York Fire Insurance Exchange which was held on Wednesday. The conference was arranged at the special meeting of the rates committee which was held on Monday.

APPLIES TO INSURANCE

It is the general belief of a large number of competent advisers that Section 209 of the war revenue act will apply to the agents. The section provides for an 8 per cent. tax on incorporated or unincorporated agencies, without regard to amount of capital stock. The amount of business done by incorporated agencies is so large in proportion to capital that it is purely "nominal." A department ruling along these lines is expected.

FIRE INSURANCE DEPARTMENT

Ban All German Fire Companies

McADOO ACTS AFTER HEARING

Will Take Some Time to Liquidate —Some of the Field Men Affected

Secretary of the Treasury McAdoo issued a statement this week saying that he had reached the conclusion that the safety of the United States requires that enemy and ally of enemy marine, fire and casualty insurance companies shall not be allowed to do business as going concerns. Under the circumstances he said he was convinced that the best interests of the country will be served by the liquidation of the companies.

The direct writing companies affected, with their 1916 premium receipts, follow:

Aachen & Munich, $1,105,348; Nord-Deutsche, $655,671; Prussian National, $1,314,763; Hamburg-Bremen, $1,164,-062; Frankfort General, $1,081,428.

Many Will Be Thrown Out of Employment

Up to Wednesday morning no letters to agents or field men had been sent out by the managers as the only information received regarding the Secretary's decision was that contained in the daily newspapers. Several re-insurance offers had been made up to Wednesday night, but none of them had been consummated. A large number of men will be thrown out of employment eventually, but it will take some time to liquidate, one manager saying that he thought that three months, at least, would be necessary, and that a large clerical force would be necessary to complete the schedules and arrange other details. There will not be difficulty in most of the clerks finding other employment, as there is a lack of men in the fire offices.

The decision was not a surprise to most of the managers, who at the same time feel that an injustice was done. The re-insurance companies have been losing contracts right and left for months.

Some of the Field Men

Field men of the various companies have been awaiting instructions, which will reach them as soon as official news comes from Washington.

The field men of the Nord-Deutsche Insurance Company are New England and part of New York State, J. S. Murdy; New Jersey, Pennsylvania and suburban New York, C. G. App; Cincinnati, L. A. Scheer; Cook County, C. H. Judd; Carrolton, Mo., D. T. Thomas.

The field men of the Hamburg-Bremen are M. F. Bartlett, Waterville, Me.; H. F. Burns, Boston; John M. Dom, Pittsburgh; James J. Garland, New York City; Charles Brough, Minneapolis; Joseph W. Corbett, Oklahoma City; J. O'Brien Kirby, Grand Haven; E. J. Miller, Denver; C. B. Patterson, Columbus, O.; John L. Smith, Louisville; Dargan & Turner, Atlanta; John W. Gordon, Richmond; Hornberger, Schmitt & Co., San Antonio; C. C. Kinney, San Francisco.

Some of the Hamburg-Bremen home office men have been with the company as much as forty years. Veterans include A. F. Richards, George Washington and Cashier Neely.

Among the Aachen & Munich representatives are S. H. Quackenbush, assistant manager; A. N. Bagley, superintendent of accounts; L. A. Strong, superintendent of losses; F. B. Pullinger, cashier.

Underwriting department heads: S. C. Kline, A. M. King, Wm. Roessle, S. W. Smith.

Field men: H. W. Murray, general agent, Western Department; W. K. Wisner, Iowa, Nebraska, Missouri; J. O. Gable, Michigan and Ohio; P. J. Kieffer, Minnesota and Wisconsin; A. L. Brower, New York State; H. I. Willett, D. C., Delaware, Maryland, New Jersey, Pennsylvania (East); F. G. Krueger, (West) Pennsylvania, West Virginia; A. K. Slade, New England States.

BROKERAGE DEPARTMENT DATA

Premiums on Policies Sent to North America Agents for Increase Over $150,000

In an article in the Insurance Company of North America's "Towne Crier," the new company publication for field men, Charles F. Enderly, manager of the Company's brokerage and service department, New York, says: "We have received business and cultivated approximately 330 brokers during the past year, and the department submitted 3,370 binders up to July 1st, since which time up to October 1st, 873 more. Premiums on policies sent to our agents to be issued amounted to over $150,000."

INCREASE RATES ON CERTIFICATES

A marine brokerage office of 105 William Street was called to account this week for having raised the rate of a shipment covered under a marine certificate from 4 per cent. to 10 per cent. The action was taken by a Louisville, Ky., tobacco shipper who recovered $11,000 from this office and several others involved.

FIRE AND MARINE INSURANCE—ALL LINES

The Automobile Insurance Company of Hartford, Conn.

MORGAN G. BULKELEY, President

Statement January 1, 1917

Cash Capital	$1,000,000.00
Assets	2,748,832.19
Liabilities (Except Capital)	1,039,977.81
Surplus to Policyholders	1,708,854.38

AFFILIATED WITH

AETNA LIFE INSURANCE COMPANY

THE AETNA CASUALTY & SURETY CO.

LEWIS & GENDAR, Inc.

New York City Agents

Commonwealth Insurance Co. of New York

Telephones: John 63-64-65 ONE LIBERTY STREET, NEW YORK CITY

Brooklyn and Suburban Agency

Northern Asse. Co., Ltd. of Eng. — Firemen's Inc. Co. of New Jersey.
Commonwealth Ins. Co. of N. Y. — Globe & Rutgers Inc. of N. Y.
Detroit F. & M. Ins. Co. of Mich. — Employers' Lia. Assce. Corp. of London

145 MONTAGUE STREET, BROOKLYN—NEW YORK

Telephones: Main 6370-6371-6372

NOW WADE ROBINSON CO., INC.

The marine agency of Wade Robinson Co., Inc., was formed this week. Wade Robinson, who recently resigned from O. G. Orr & Co. to become marine manager of the American Merchant Marine, is president.

CAPITAL OVERSUBSCRIBED

The capital of the Home Fire and Marine has been oversubscribed and will be all paid in December 31. Soon after the first of the year licenses for various States will be obtained and agencies planted.

Niagara Fire Insurance Company

ESTABLISHED 1850

OTHO E. LANE, President
BERNARD M. CULVER
WILLIAM L. STEELE, Vice-Presidents
CHAS. A. LUNG
WILBUR C. SMITH, Secretaries

"Agents Everywhere"



FIRE
TORNADO
AUTOMOBILE
RENTS
SPRINKLER LEAKAGE
EXPLOSION
FULL WAR COVER
LEASEHOLD

Use and Occupancy, Profits, Commissions — All Forms

123 William Street, NEW YORK

THE WILLIAM H. KENZEL COMPANY

FIRE INSURANCE AGENT

REPRESENTING AT NEW YORK OFFICE
79-83 WILLIAM STREET

HUMBOLDT FIRE, of Pittsburgh, Pa.
EQUITABLE FIRE & MARINE, of Providence, R. I.
IMPERIAL ASSURANCE, of New York, N. Y.
GRANITE STATE FIRE, of Portsmouth, N. H.
ALLEGHENY FIRE UNDERWRITERS, of Pittsburgh, Pa.
COMMERCE INS. CO., of Albany, N. Y.
AACHEN & MUNICH FIRE, Organized 1825
FRANKLIN FIRE, of Philadelphia, Pa.
CALEDONIAN-AMERICAN, of New York, N. Y.

K K K

REPRESENTING AT BROOKLYN BRANCH
154 MONTAGUE STREET

LONDON ASSURANCE, of London, England
NORWICH UNION, of Norwich, England
COMMERCE INS. CO., of Albany, N. Y.
GRANITE STATE FIRE, of Portsmouth, N. H.
MECHANICS INSURANCE CO., of Philadelphia, Pa.

BROKERS ACTIVITIES

Quaint Interpretations of Tennessee Act

PROOFS OF REBATING WANTED

Requires "Division of Commissions with Insured Reported in Affidavit Form"

An interpretation by the Tennessee Insurance Commissioner of the Tennessee Resident Agency Act has been made to the insurance commissioner of that State, which will be of interest to brokers:

"The primary object of this act is to ascertain what individuals are acting as insurance agents without complying with the laws. To this end licensed agents are prohibited from paying any part of their commissions to anyone writing or soliciting insurance who does not hold a certificate of authority from this department to write the particular class of insurance which he proposes to broker.

"A resident agent or solicitor licensed to write one class of insurance may place business and divide commissions with another legally qualified resident agent authorized to write the same class, without the former agent holding authority to solicit insurance for companies represented by the latter agent. This applies to all classes of insurance, i. e., life, fire, casualty, surety, marine and live stock.

"However, an agent or solicitor can only write or broker the class of business which his company or companies are authorized to write in Tennessee. An agent of a multiple-line company may, of course, write all lines which said company is authorized to write in this State, but an agent or solicitor of a company writing, for instance, fire insurance cannot write or broker life, casualty, surety, marine or live stock and vice versa, without holding a certificate of authority from this department in behalf of an authorized company, writing the class of business which he proposes to broker.

Non-Resident Certificates

"A resident fire insurance agent may receive business from and divide commissions with a non-resident only on condition that the non-resident holds a 'Non-Resident Certificate of Authority,' issued to him by this department in behalf of the company in which the business is written, and non-resident certificate being limited in its authority to the placing of business with a resident agent of this State by a non-resident agent, and providing that said policies or insurance contracts on property located in this State must be countersigned, recorded and the risk approved in writing by a resident agent of this State. Under no circumstances must a resident agent sign a policy in blank.

Can't Prohibit Rebates

"William H. Swiggart, Jr., assistant attorney general, in his opinion to the department regarding this act, advises as follows:

"'You ask whether the provision that no insurance agent shall divide his commissions with any person not a duly certified agent prohibits the agent from granting a rebate out of his commissions to the insured or person paying the premium. I advise you that the language of the statute is not sufficient to prohibit rebates of that character. The legislature was not dealing with the subject of rebates in this statute, and it is clear from the context that it was not the intention of the legislature by this provision to prohibit the practice of granting rebates to the assured in fire insurance. Having specifically prohibited the granting of rebates in life insurance by a section of Shannon's code, if it had been the intention of the legislature to make the prohibition apply to other kinds of insurance, it would not have been left to implication, but an express enactment on the subject would have been made.'

"While this act does not prohibit rebating to the assured in classes of insurance other than life, this department is strongly opposed to such practices, and it will require that all divisions of commissions with the insured be reported in affidavit hereinafter referred to, which becomes a public record upon being filed in this department, and may be reviewed by any citizen of this State.

"A copy of this ruling is being mailed every one holding a certificate of authority to write insurance in this State, and in accordance with this act all agents and solicitors are hereby notified on and after date of this ruling to keep their records so that information required in affidavit blanks can be easily obtained. On or before March 1, 1918, an affidavit blank will be furnished you by this department, requesting information in detail required in this act, same to be returnable by April 1."

Deducting Five Per cent.

Several companies paying brokerage commissions on Tennessee business, in ordering from a resident agent the issuance of a policy covering Tennessee property (the business having been placed by a non-resident and non-licensed broker), propose to include in their instructions to their agents, "for which you may deduct 5 per cent. in your next account instead of the usual agency commission."

It has been held that this will permit resident agents to comply with the law and at the same time enable the companies to render the same service as heretofore.

* * *

Cromwell Opens Own Office

E. M. Cromwell, for several years clearing through Frank B. Hall & Co., has opened an office of his own at 5 Nassau Street and will operate as an independent broker in the future. Mr. Cromwell controls the Pierce Arrow Co. schedule.

* * *

Jos. Ruddy With Shipping Board

Jos. Ruddy, who has been in the office of L. T. Hollister since 1913 when he resigned from the General Accident after a long service, left last Saturday to become identified with the U. S. Shipping Board.

* * *

Writes $500,000 Policy on Broker

Leon Rosenblatt, an insurance broker of this city, has taken out a life insurance policy for $500,000. This policy was written by R. A. Van Alst, Jr., agency superintendent of the Ives & Myrick general agency of the Mutual Life.

B. M. CROSTHWAITE & CO.
Fire and Automobile Insurance Specialists
Lines Bound Anywhere in New York State
105 William Street, New York City, N. Y. Telephones 2404-5-6-1758-1090 John

PHILADELPHIA
ADEQUATE FACILITIES — ALL LINES
CLARENCE A. KROUSE & CO.
LOCAL AND GENERAL AGENTS
325 WALNUT STREET PHILADELPHIA, PA.
PENNSYLVANIA NEW JERSEY
SATISFACTION SERVICE — ALL LINES

LOGUE BROS. & CO., Inc.
Fire—Casualty—Automobile Insurance
Nation-Wide Facilities for Handling SURPLUS LINES
307 FOURTH AVENUE PITTSBURGH, PA.

SCHAEFER & SHEVLIN
103-5 William Street GENERAL AGENTS New York, N. Y.
DUBUQUE FIRE AND MARINE INSURANCE CO.
Excellent Facilities for Handling Suburban Business Phone: John 2312

COLONIAL INSURANCE AGENCY
54 MAIDEN LANE Phone John 1210 NEW YORK CITY
AUTOMOBILE AND ALL FIRE AND CASUALTY LINES
"SECOND TO NONE IN SERVICE"

THE YORKSHIRE INSURANCE COMPANY, LTD., OF YORK, ENGLAND
ESTABLISHED 1824
The "Yorkshire" is the Oldest and Strongest of the English Fire Companies not heretofore represented in the United States
U. S. BRANCH
Frank & Du Bois, United States Managers Ernest B. Boyd, Underwriting Manager
Harry F. Wanvig, Branch Secretary Frank B. Martin, Supt. of Agencies
NO. 80 MAIDEN LANE, NEW YORK
New York Life Insurance and Trust Co., U. S. Trustee, No. 52 Wall St., New York
DEPARTMENTS—METROPOLITAN, Willard S. Brown & Co., Managers, New York, N. Y.; CAROLINA-VIRGINIA, Harry R. Bush, Manager, Greensboro, N. C.; SOUTHEASTERN, Dargan & Turner, Managers, Atlanta, Ga.; LOUISIANA and MISSISSIPPI, Jas. B. Ross, Manager, New Orleans, La.; PACIFIC COAST, Jas. C. Johnston, Manager, McClure Kelly and McKee Sherrard, Assistant Managers, San Francisco, Cal.

LINES SOLICITED AND BOUND THROUGHOUT UNITED STATES AND CUBA
E. F. FLINDELL
INSURANCE
1 LIBERTY STREET Telephone John 2612 NEW YORK
LOCAL OFFICES
JERSEY CITY, N. J. 1 Montgomery St. Tel. 216 Montgomery
BROOKLYN, N. Y. 153 Remsen St. Tel. 2504 Main
NEWARK, N. J. 9-15 Clinton St. Tel. 614 Mulberry

JAMES H. EPWORTH
NEW JERSEY FIRE INSURANCE SPECIALIST
NEWARK AND SUBURBAN NEW JERSEY TERRITORY
40 CLINTON STREET NEWARK Phone Market 6536
SERVICE FIRST
80 MAIDEN LANE NEW YORK Phone John 4560

Rossia Insurance Company
HARTFORD, CONN.
REINSURANCE

WILLIAM C. SCHEIDE & CO., Inc.
HARTFORD, CONN.
Re-Insurance in All Branches

Exchange Criticises Chemical Company

BAVARIAN CHEMIST RAN PLANT

British-America Chemical Co., Whose Loss Was Unusually Large, Showed Poor Judgment

The automatic sprinkler department of the New York Fire Insurance Exchange issued a report on the loss of the British-America Chemical Co. last Friday. After describing the technical points of the loss, the report deals with the management as follows:

"It is difficult to describe the management in view of the fact that it allowed the night force to be in charge of a man who permitted desertion of an admittedly dangerous process. They were foreign—English and German. The chemist, under whose direction the plant was operated, is said to be a Bavarian. About a year ago the plant of this company, then in Pittsburgh, burned down in a fire said to be due to exposure. Inspection reports show no criticism on the housekeeping score. The management, however, does not seem to have thought much of outside fire protection ideas."

The plant is situated at College Point, L. I., and the fire occurred October 13. Until Wednesday, the settlement of the loss by all companies had not been reported.

Reasons for Heavy Loss

The reason for the large loss was given as poor protection, indifferent fighting of fire, poor construction, severe hazard.

The report continued:

"Investigation seems to point definitely to the inception as having been in Still No. 7 used for sublimation of salicylic acid. The cause is thought and said by the insured to have been due to an over-supply of air or to a supply of excessively heated, air or both, to the stills, brought about by the negligence of the employes who are said to have left the stills to their own devices and congregated in the office. Abnormal air condition acting upon the salicylic acid in the process of sublimation produced and ignited inflammable product (more or less in suspension) in the stills, vents and the receiving boxes connected therewith. The ignition took the form of mild explosion or probably a series of explosions which ruptured the described apparatus. The unburned chemical was capable of supplying support for latter combustion and it was this together with the light, wood structure that furnished the initial hot fire.

Was Typical Munitions Fire

"The lessons of the fire are obvious, and they have been taught many times. Preventative recommendations had been ignored, the employes failed to tend the stills, the watchman failed to send in the alarm, the sprinkler system failed to stop the fire, and the fire department failed to hold it."

MONTREAL PROJECT LINGERS

Mayor Martin's municipal fire insurance project for Montreal has been laid on the table. By most city officials it is considered impracticable. One alderman argued that as the annual fire losses in Montreal are now $1,000,000, they might be expected to double if the city were in the insurance business. Mayor Martin proposed to get the business by having obligatory powers bestowed upon the city. It was pointed out to him that in such event the city would likely be faced with damage suits by the companies, as to the value of their business. It was asked if the city should not simply seek power to enter the insurance business in competition with the companies, but the city attorney asked for more details before attempting to draft a clause along those lines.

MT. VERNON SCHOOLS

Insurance Written by Stanley B. Kirk, William S. Smith and Harry C. Dedell

Stanley B. Kirk, of 100 William Street, who also has an agency at Mount Vernon, N. Y., has written the following letter to this paper:

Editor, The Eastern Underwriter: Insurance offices on the Street have called my attention to a notice in your issue of November 16th to the effect that Stanley B. Kirk is writing all of the insurance of the Mount Vernon Board of Education in non-board companies.

Because of the inconvenience that this notice has caused me I ask that you give equally prominent space to the truth of the situation which is that Stanley B. Kirk is not writing all of this insurance for the Board of Education.

The subject of non-board insurance was originally introduced by Wm. S. Smith, of the New York State Co-Operative (Mutual) Fire Insurance companies with offices in Mount Vernon, N. Y., and in addition to myself and Mr. Smith writing this line, a fair part of it is being written in non-board companies by Harry C. Dedell, broker, 95 William St., New York City, who is not a member of the Suburban Fire Insurance Exchange.

For some unknown reason, the Street has solely associated and criticised me in this connection, although the other mentioned parties have solicited and written a share of this line in non-board companies.

STANLEY B. KIRK.

NOW LIEUTENANT STEELE

Milton H. Steele, office manager for Steele & Davis, local agents at Binghamton, N. Y., has been commissioned a Second Lieutenant in the Regular Army.

Lieut. Steele has returned home from the Officers' Training Camp at Fort Niagara, N. Y., for a short furlough before joining his regiment.

White Star on Red Field

In commemoration of Richard Welsche, who was the first American fire insurance man to lose his life in the service of the Government in the present war, the Niagara Fire, with which Mr. Welsche had been connected, has devised a new service flag. This flag will contain one white star on a field of red and will be hung with the other service flag of the company.

Quinn & Quinn Uptown Office

A. C. Englert, formerly counterman in the New York office of the Commercial Casualty, is now with Quinn & Quinn and has been placed in charge of the new uptown branch of that office at 127 West 65th St.

Bruce Kaltz has been appointed State Agent for the Fire Department of the Automobile Insurance Company of Hartford, for the State of Washington, with headquarters at Seattle, Washington.

INSURANCE NOT ADVENTURE

That May Be Reason for Sergeant Empey Omitting His Hartford Experience

Arthur Guy Empey, author of "Over the Top," that most thrilling of war books, and who is now the most successful lecturer on the war, is writing his adventures for a syndicate of papers. His first instalment going over the main points of his life, and including his being shanghaied on a boat which went around the Horn, is a hair-raiser, but he omits all reference to his experience in a Hartford insurance office. Probably Sergeant Empey does not regard work in an insurance office as coming under the head of "adventures."

BOSTON APPOINTMENT

Henry M. Fenton has been appointed local manager for the Liverpool & London & Globe at Boston, succeeding Eastman & Fenton, effective January 1.

"The Leading Fire Insurance Company in America"



WM. B. CLARK, President

AETNA INSURANCE COMPANY

Aetna Fire Underwriters Agency

of Aetna Insurance Co.

Application For Agencies Invited

THE HANOVER
FIRE INSURANCE COMPANY
Incorporated 1852

The real strength of an insurance company is in the conservatism of its management, and the management of THE HANOVER is an absolute assurance of the security of its policy.

R. EMORY WARFIELD, President
FRED. A. HUBBARD, Vice-President
E. S. JARVIS, Secretary
WILLIAM MORRISON, Asst. Sec'y

HOME OFFICE
Hanover Bldg., 34 Pine St.
NEW YORK

HOWIE & CAIN, General Agents
Metropolitan District
100 WILLIAM STREET, NEW YORK

Agricultural Insurance Company, of Watertown, N. Y.

64th Annual Statement

Assets	$5,036,003.01
Liabilities	2,296,861.95
Capital	500,000.00
Conflagration Surplus	250,000.00
Surplus to Policyholders	2,739,141.06

F. F. BUELL, Troy, N. Y., Special Agent.....NEW YORK STATE
E. J. PARMELEE, Syracuse, N. Y., Special Agent..NEW YORK STATE
GEORGE SHAW, 116 Milk St., Boston, Special Agent..NEW ENGLAND
F. L. GILPIN, JR., 434 Walnut St., Phila., Special Agent.MIDDLE DEPT.

WALTER F. ERRICKSON
38-40 Clinton St., Newark, N. J. 95 William St., New York
Representing
THE GERMANIA FIRE INS. CO.
For Automobiles
Special facilities for out-of-town business.

National Fire Insurance Company
OF HARTFORD, CONN.
Statement January 1, 1917, to New York Insurance Department

LIABILITIES

Capital Stock, All Cash	$2,000,000.00
Funds Reserve to Meet All Liabilities, Re-Insurance Reserve, Legal Standard	9,912,715.84
Unsettled Losses and Other Claims	1,878,398.32
Net Surplus over Capital and Liabilities	3,743,747.60
Total assets January 1, 1917	$17,534,861.76

H. A. Smith, President — F. D Layton, Ass't Sec'y — F. B. Seymour, Treas.
G. H. Tryon, Secretary — S. 1. Maxwell, Ass't Sec'y — C. B. Roulet, Gen. Agt.

SURPLUS TO POLICY HOLDERS, - - $5,743,747.60



F. H. HAWLEY, Pres. ORGANIZED 1848 W. E. HAINES, Secy.

The Farmers Insurance Co.
LEROY, OHIO.

Ohio's Oldest and Strongest Company
Net Surplus Over $1,293,741.00
AN AGENTS COMPANY
E. K. SCHULTZ & CO.
PHILADELPHIA
GENERAL AGENT
Pennsylvania, New Jersey and New York

Companies' New System For Measurement of the Use and Occupancy Hazard

The new system for the measurement of the use and occupancy hazard has been sent to rating organizations for adoption. Risks are divided into two classes: (1) non-manufacturing; (2) manufacturing.

NON-MANUFACTURING

CLASS RATES:	Covering Building and Machinery and Fixtures Only	Covering Building and Machinery and Fixtures and Stock or Stock Only
If 50% or more of floor area, including basements and sub-basements, is of fireproof construction or sprinklered, 90% of	80% Coins. Building rate	Average of 80% Coins. Building and Contents rates
If less than 50% of floor area, including basements and sub-basements, or if none of building is of fireproof construction or sprinklered, 85% of.....	80% Coins. Building rate	Average of 80% Coins. Building and Contents rates

Note: When there is no co-insurance rate, take 80 per cent. of the flat rate in all cases.

When the only co-insurance rate published is based on a higher percentage than 80 per cent. co-insurance use such published rate as though it were an 80 per cent. rate, taking the reduction, if any, from the co-insurance rate as published. Average fire rate covering on or in different fire divisions not to be used in connection with use and occupancy insurance. All average rates for use and occupancy insurance covering on or in different fire divisions to be computed as provided below and especially promulgated. Average rates for use and occupancy covering on or in different fire divisions to be obtained by multiplying the use and occupancy rate of each division by the total floor area of such division and dividing sum of these results by the total floor area of all divisions. In computing the average building rates under the above rule use the building use and occupancy rate and in computing average rate covering building and stock, use the use and occupancy rate for the same coverage.

MANUFACTURING RISKS

RATING SCHEDULE

Definition: The expression "Domestic Market" as used herein means the market to be found in the forty-eight States of the United States of America in which machinery or raw stock may be promptly obtained. ("Foreign Markets" which are connected with the Domestic Market by rail shall be classed the same as the Domestic Market.)

SCHEDULE

Note: This schedule is for determining the rate on a manufacturing risk consisting of one building, its adjoining and communicating additions and connections or on a group of buildings rated as a single fire risk.

BASIS RATE:	Covering Building and Equipment and Stock
If 50% or more of floor area, including basements and sub-basements, is of fireproof construction or sprinklered, 80% of.....	80% Coins.
If less than 50% of floor area, including basements and sub-basements, or if none of building is of fireproof construction or sprinklered, 75% of.....	Building rate 80% Coins. Building rate

Note: When there is no co-insurance rate, take 70 per cent. of the flat rate in all cases.

When the only co-insurance rate published is based on a higher percentage than 80 per cent. co-insurance use such published rate as though it were an 80 per cent. rate, taking the reduction, if any, from the co-insurance rate as published. All charges are percentages of Basis Rate and are accumulative, unless otherwise stated.

ADD FOR:

1. MACHINERY:

	Per Ct.
(a) Not obtainable in domestic market.....	50
(b) Obtainable in domestic market, but only as made on special (not cumulative with (a))	20
(c) Light machinery especially susceptible to damage in case of fire (cumulative with (a) or (b))	10

2. PROCESS:

(a) If the various stages of the manufacturing process are so interdependent that the process must be continuously carried on as a whole so that the crippling of a single machine or process in any section would cause an interruption of the entire process....	20
(b) In addition to the charge under (a) for process, including the picking of the stock, charge when the stock picked is in whole or in part cotton (cumulative with (a))...	20
(c) Where patterns or drawings (those in use) are exposed to fire damage and if destroyed would cause a complete interruption of the process as described in (a) (but not to be cumulative with (a)).....	20

Note 1.—Power plant machinery (engine, boilers, generator or motor) shall not be considered in applying this (2a) charge.

Note 2.—If this charge (2a) is applied to one or more "machinery process buildings" the Use and Occupancy rate on each of the other "machinery process buildings" must be increased by 20% of its basis rate before the individual rates obtained by this System are used for the purpose of fixing an average rate on the entire plant.

Note: If this charge (2b) is applied to any one of the "machinery process buildings" the U. and O. rate on each of the other "machinery process buildings" must be increased by 20% of its basis rate before the individual rates obtained by this system are used for the purpose of fixing an average U. and O. rate on the entire plant.

DEDUCT FOR:

3. POWER:

If machines in machinery divisions are operated by individual motor drive supplied with current from outside source, or if there is a readily available duplicate source of power of sufficient capacity to operate the plant and so located in reference to the usual source of power that both sources will not be normally subject to damage by the fire, or if no power except hand or foot power.....	10
Final for building and equipment replacement	

If replacement of raw stock is included in the coverage for rate—

ADD:

4. RAW STOCK:

(a) Not obtainable in domestic market.....	100
(b) Obtainable in domestic market only as made on special order.....	50
(c) Obtainable in domestic market without being made on special order.....	30

Note 1.—The above raw stock charges are not cumulative with each other.

Note 2.—In rating plants, not a single fire division use double the above charges in obtaining rate for storehouses used principally for storage of raw stock.

In obtaining rates for power houses or storehouses used solely for storage of finished stock, no stock charges are to be used.

Final rate for building equipment and raw stock replacement .....

Note: If rate for coverage or replacement of raw stock only is desired, determine basis rate as indicated by taking the proper percentage of the 80% co-insurance contents rate instead of building rate and apply raw stock percentage additions as given in Item 4, making the addition under (a) 70% and under Item (b) 20%, making no addition if stock is obtainable in domestic market without being made on special order as covered by Item (c).

STRENGTH INTEGRITY SERVICE

Scottish Union & National Insurance Company

HENRY J. HOUGE, Assistant Secretaries — J. H. VREELAND, Assistant Secretaries — JAMES H. BREWSTER, Mgr. Hartford, Conn.

A Broad Underwriting Service to Agents

Writes Fire, Automobile, Rent, Sprinkler Leakage, Tornado, Use and Occupancy, Explosion, etc.

Works in Harmony with American Agency Principles and Practices

PLANTS NOT A SINGLE FIRE RISK (Rule for Rating):

1. Rate each building on foregoing schedule.
Note: Attention is called to the note under "Process 2b."
2. Classify all buildings as follows:
(a) Power plant.
(b) Buildings with processes requiring machinery.
(c) Buildings with hand work process only.
(d) Storehouses.
3. In the event that there is more than one building or fire division in any one of the classes (a), (b), (c), (d), indicated above the rate for use and occupancy on the class to be obtained by multiplying the use and occupancy rate of each building or fire division by the total floor areas of such building or fire division and dividing the sum of these results by the total floor area of all buildings and fire divisions in the class.

To obtain the rate for use and occupancy for the entire plant multiply the rate for each class by the percentage indicated in the following table and the sum of the resulting percentages is the use and occupancy rate for the plant.

4 TABLE OF PERCENTAGES.

Showing contribution of classes to rate, with various combinations.

A Power plant	30	31	35		38			
B Buildings with processes requiring machinery	50	53	59	80	62	95		85
C Buildings with hand work process only.....	15	16		15			75	15
D Warehouses	05		06	05		05	25	
	100%	100%	100%	100%	100%	100%	100%	100%

Any class "C" building or section having a total floor area not exceeding 5 per cent. and any class "D" building or section having a total floor area not exceeding 20 per cent. of the total floor area of all class "A," "B," "C," and "D" buildings for which an average rate is being computed may be disregarded. When this results in the elimination of all the buildings of either class the above table is to be applied as if there were no building of that class.

Whenever use and occupancy policies contain a clause assuming liability for interruption of production or operation by reason of the damage or destruction of any plant furnishing power, and located outside of the insured premises, an extra rate of 50 per cent. of the use and occupancy rate applying to the power plant in the building containing the same shall be charged.

SUGGESTIONS TO INSPECTORS IN CONNECTION WITH APPLICATION OF USE AND OCCUPANY SCHEDULE

When inspecting property for the purpose of securing information to be used in computing an estimate for Use and Occupancy insurance the purpose of the policy which will be ultimately issued by the Insurance Company should be thoroughly appreciated. In accepting the Use and Occupancy policy, the assured seeks indemnity for loss occasioned by the interruption of business on account of fire. It is therefore necessary that this thought be kept prominently in mind, and that features of fire hazards be relatively disregarded. The fire rate reflects the burning characteristics of the property and this naturally is the basis on which the Use and Occupancy estimate is built. While the schedule and surveys will, no doubt, be readily understood, yet it may be helpful to touch on a few of the important features.

In securing information regarding machinery good judgment must be coupled with tactful inquiries if there is any doubt in the inspector's mind.

In paragraph 1 (machinery) and paragraph 4 (raw stock) as appearing herein the word "obtainable" should have almost the meaning of "manufactured or produced." In other words, machinery or raw stock not manufactured or produced in the domestic market should not be considered as "obtainable" in the domestic market unless it was readily, usually and generally obtainable in such market and in such quantities as would have an appreciable effect upon the time required to rehabilitate the plant after the fire and start operations again.

While, for example, the expression "light machinery" is probably quite clear, yet it should be borne in mind that there are also some kinds of machinery of considerable bulk which are peculiarly susceptible to fire, smoke or water damage, as in the case of flour mill machinery, where bolting cloths are used in light frame or glass enclosures.

In connection with the subject of "Process" it should be borne in mind that not only is the actual interdependence of the manufacturing machines themselves to be considered, but should an engine turning shafting in one or more divisions be damaged or destroyed, its destruction would similarly cause an interruption of the entire operation and charge should be made accordingly.

It is understood of course, that two estimates are to be prepared, the first being for building (or buildings) and machinery equipment replacement. The second for building (or buildings), machinery equipment replacement and raw stock replacement.

Bear in mind at all times when making Use and Occupany inspections, that it is not information relating to fire hazard that is to be secured, but rather the consideration of the element of time in which business or manufacturing operations may be prevented or suspended because of fire.

While the rate of a single fire risk for insurance against property damage by fire may be taken as the basis from which the Use and Occupancy rate is built up, the average property damage rate, based on the values of the various fire divisions, cannot be so used, as the Use and Occupancy rate does not depend upon the cost to replace, but the time to replace.

It is therefore impossible to make any use of the average property damage rate and the schedule is arranged to give, first, the Use and Occupancy rate on each building or fire division and then to compute the average Use and Occupancy rate from the individual rate, giving to each an influence based upon its importance as relates to the time required to replace, so that operations may again be wholly or partly resumed.

Iowa National Fire Insurance Co.

DES MOINES, IOWA — Capital Stock $500,000

The latest addition to Reliable Fire Insurance organizations began Writing Business on January 1, 1917

JOHN L. BLEAKLY, President

F. L. MINER, Vice-President — FRANK P. FLYNN, Treasurer

C. S. VANCE, Underwriting Manager — C. M. SPENCER, Secretary

Some Plain Facts About Mutuals and Reciprocals

By Oscar A. Smith, Memphis
Article No. 1

Very few mutual concerns succeed. Over 80 per cent. of these organizations in the past thirty years have failed or quit. They flourish while things are going well, but they are unable to stand adversity. They can pay a few losses, provided they are not too heavy and come at judicious intervals, but a "run of losses," such as comes sooner or later, is fatal. The members quit or refuse to pay assessments and the few that remain find the burden intolerable, and then comes the receiver. The mutual policyholder may have thought that he has had troubles enough, but when the receiver takes hold, he finds that they multiply a thousand fold. In some States he can be held to the full amount of his property to meet unpaid claims. If he is solvent he can be held to pay the proportions of the insolvent members in addition to his own. He may have quit, so far as he could, long before the crash came, and yet he can be held, as scores of decisions and judgments have shown, long afterwards for losses incurred during his membership.

As to the collection of premiums, the mutuals differ from the stock companies in not holding heavy reserves or assets in the form of capital and surplus. They depend on variations of assessments and premium notes. This is not desirable. That part of the reserve to pay losses which is represented by an insolvent member's liability is of little value to the beneficiary in a loss.

The favorite claim of the mutual, and one upon which they depend most for success, is that the liability of the policyholders is limited to the amount of their premiums or premium notes. This is a false pretense, for whatever may be expressed in the contract, the courts have held time and again that mutual companies organized under the assessment law cannot limit the liability of a member. By-laws to the contrary have repeatedly been declared invalid by the courts. We here give some decisions touching on the points made already, and showing the dangers from membership in mutuals.

"Liability of policyholders in mutual depends upon the law of the State creating same and such liability is contingent and the statute of limitations does not operate in favor of the policyholder until his liability is made absolute." See 70 S. E. Reporter, 373.

"Statutes under which a mutual is organized, its articles of incorporation or charter and by-laws all enter into the contract of insurance, and are binding, not only on the organization, but on each member thereof." See 119 N. W. Reporter, 1048.

"By-laws of mutuals, although not copied in the policy, are a part of the contract." See 78 Atlantic Reporter, 459.

"Each member is required to contribute his proportionate share of loss where one member has paid judgment." (This under a policy that stipulated that the members' liability should not exceed a certain sum.) See 118 New York Supplement, 635.

"Receiver of insolvent mutual insurance association may assess solvent members thereof to make up for the inability of insolvent members to respond to assessments." See 115 S. W. Reporter, 816.

"Assessment may include deficiency caused by unpaid assessments in former levies." See 84 App., 138.

"A mutual fire insurance company cannot allow policyholders to withdraw from the company and release them from liability for losses." See 59 N. W. Reporter, 661.

"A lien on the property insured for a member's portion of its losses and expenses prevents the assured from claiming homestead against such claim." See 25 S. E. Reporter, 211.

"A member of a mutual has no right to defend against excessive assessments." See Pittsburgh Legal Journal, 106.

TUCKER'S POOR INTRODUCTION

Asked to Address Yonkers Tax Payers He Has Tilt Over an Agent

Frank P. Tucker, State secretary of the Co-operative Fire Underwriters' Association of New York, will probably decline to accept future speaking engagements in Yonkers. He was asked to address a tax-payers' association, made his appearance, and this is what happened according to the Yonkers "Herald":

Frank P. Tucker, State Secretary of the Co-operative Fire Underwriters Association of New York State, of Albany, was scheduled to speak on "Co-operative Fire Insurance" at the regular meeting of the Central Taxpayers' Association in McCann's hall last night, but his speech finally descended into a personal verbal combat between him and Denis V. Murphy.

In speaking of the fact that the companies which he represented had an agent in Mount Vernon whose territory also embraced Yonkers, Mr. Tucker was asked by some one why they did not have an agent here. He replied that they had had one but that he had not proved satisfactory.

Denis V. Murphy said that Adrian M. Potter was the agent here, but that he had received no encouragement from the companies who sent back the policies he secured.

Mr. Tucker replied that they had been sent back because it was not worth while to accept them as Mr. Potter was "too slow."

"That's all he could get," Murphy answered. "You're trying to cut him out, that's what you're doing."

Mr. Tucker admitted that he had been the one who had advised the several companies against Mr. Potter because of the latter's disinterestedness. Before that, he said, Mr. Potter did not even reply to the letters the companies sent him. Murphy said that wasn't true.

RIGHT TO MUTUAL INSURANCE

Court Rules Agent Has No Authority to Make His Principal Liable For Others

An interesting question asked the "Journal of Commerce" a few days ago was this: "We understand that the courts have held a trustee or agent not to be authorized to insure the property in his care in a mutual company. Please give us, if possible, a New York decision to that effect."

This is the paper's reply: "A case reported in 26 New York, beginning at page 17, is authority for the position that an agent should not insure the goods of his principal in a mutual company. It is a decision rendered by the Court of Appeals of this State. The court says that 'the power of an agent to insure the property of his principal does not authorize an insurance in a mutual company which would make the principal an insurer of others.' The court held that the agent in the case in question clearly had authority and power to insure the goods, but that he had not authority, in effecting such insurance, to subject his principal 'to the hazards of that most unsafe of partnerships—a mutual insurance company.'

NEW YORK STATE DEPARTMENT
HUMBOLDT FIRE OF PA. TEUTONIA FIRE OF PA.
CAPITAL FIRE OF N. H. GEORGIA HOME OF GA.
PERCY B. DUTTON, Manager, ROCHESTER

Firemen's Insurance Co., Newark, N. J.
January 1, 1917
Cash Capital $1,250,000.00
Net Surplus $2,449,322.25
SURPLUS TO POLICYHOLDERS...$3,699,322.25
DANIEL H. DUNHAM, President
JOHN KAY, Vice-President and Treasurer
NEAL BASSETT, Vice-President
A. H. HASSINGER, Secretary
J. K. MELDRUM, Assistant Secretary

"STRONG AS THE STRONGEST"
The Northern Assurance Co.
(LTD., OF LONDON)
Organized 1836
Entered United States 1876
Losses Paid - - - $105,000,000
Losses Paid in U. S. - $38,000,000
Eastern and Southern Departments
55 JOHN STREET
NEW YORK CITY

WESTERN ASSURANCE CO.
OF TORONTO, CANADA
(Fire, Tornado, Ocean Marine and Inland Marine Insurance)
UNITED STATES BRANCH
January 1, 1917
Assets $3,329,177.74
Surplus in United States..... 1,478,531.90
Total Losses Paid in United States From 1874 to 1916, Inclusive 41,657,814.31
W. R. BROCK, President
W. B. MEIKLE. Vice-Pres. & Gen. Man.

Caledonian Insurance Co. of Scotland
FOUNDED 1805
"THE OLDEST SCOTTISH INSURANCE OFFICE"
UNITED STATES HEAD OFFICE
Caledonian Building, 50-52 Pine Street, New York
CHAS. H. POST, U. S. Mgr. R. C. CHRISTOPHER, Asst. U. S. Mgr.
NEW YORK CITY OFFICE
Golden Hill Building, 59 John Street, New York

Associated Mutual Agency Incorporated
B. J. ALLEY, Manager
68 William St., New York
Exceptional Facilities for Writing Business Throughout the United States

NORD-DEUTSCHE
INSURANCE COMPANY
UNITED STATES BRANCH
123 William Street
New York
J. H. Lenehan, Manager

NEW JERSEY NOTES

THANKS FROM JERSEY AGENTS

Assure National Board of Fire Underwriters They Appreciate Tax Position of Companies

The following letter has been sent to R. M. Bissell, president of the National Board of Fire Underwriters, by the New Jersey Association of Underwriters:

"At a joint meeting of the Ways and Means and executive committee, the following resolutions was passed:

"The agents of New Jersey appreciate the position of the companies in the payment of the 1 per cent. tax on premiums under the war tax of 1917, and they desire to express their readiness to co-operate with the companies in exercising extreme care in writing and delivering policies, and as far as possible reduce the number of 'not wanted' policies, and policies cancelled, on which no premium consideration is paid."

MORE THAN $30,000 PREMIUMS

Newark Agencies Which Reached That Goal in First Half of 1917

Newark agencies writing more than $30,000 in semi-annual periods (figures given are for first six months of 1917) follow:

Jos. M. Byrne & Co.: Home, $22,955; Queen, $10,376; National, $9,632; N. B. & M., $7,610; Springfield, $8,918; Palatine, $5,484; Norwich Union, $4.514; Fire Association, $5,161; Pennsylvania $6,563; Connecticut, $3,412; Globe & Rutgers, $2,889; Citizens, $1,326; Columbian National, $545.

O'Gorman & Young: Hartford Fire, $18,117.72; Phoenix Assurance, $16,677 66; New York Und., $10,733.19; London Assurance, $7,544.90; St. Paul F & M., $9,773.65; Norwich Union, $7,805.66; Delaware Und., $5,913.27; Rhode Island. $5,434.38; Mechanics & Traders, $7,283.07; Netherlands, $1,909.12; Urbaine, $1,550.97; Nationale, $1,387.18; Assurance Co. of America, $1,355 53.

Louis Schlesinger: Glens Falls, $14,600; Albany, $4,394; Security, $2,524; Insurance Co. of N. A., $8,271; Connecticut, $2,589; Firemen's, $2,198.

John Fischer: German-American, $28,311; London & Lancashire, $2,723; Western Assurance, $2,376.

T. W. Griffiths Co.: L. & L. & G., $24,071; Sun, $10,211; Sun Underwriters, $884; Patriotic, $5,470; Commonwealth, $2,689; Teutonia, $545; Globe & Rutgers, $1,591; Commonwealth, $2,689.

Guerin & Williams: Continental, $22,537; Northern, $10,049; Phoenix of Hartford, $4,795; Fire Association, $3,716; Royal Exchange, $2,002; Svea, $2,490; Springfield, $1,241; Scottish U. & N., $1,890; Fidelity-Phenix, $8,475; Century, $1,066; Northwestern National, $9,555; Law Union & Rock, $878; Commerce, $613; British America, $651; Agricultural, $3,143; Detroit National, $503; Duquesne Underwriters, $807; Mercantile, $345; Merchants, $1,894; Phenix of Paris, $466.

Lippman and Lowy: Royal, $10,271; Hamburg-Bremen, $2,875; Westchester, $4,049; Firemen's Underwriters, $3,073; Standard of New Jersey, $1,680; Concordia, $4,416; Fidelity-Phenix, $4,430; Caledonian American, $1,558; Prussian National, $496; Scotch Underwriters, $957.

The American local agency wrote $37,889; M. J. Price, of L. & L. & G., $33,426.

SULLIVAN BRINGS SUIT

Former President of Assured's National Mutual Fire Again Attacks His Accusers

Percy B. Sullivan, former president of the Assured's National Mutual Fire of Decatur, Ill., has filed suit for $300,000 damages against former Superintendent of Insurance Rufus M. Potts of Illinois, former Governor Edward F. Dunne, and others, charging them with destroying his business by a series of investigations and prosecutions extending over several years. The declaration charges Potts with intent to put the company out of business; that on the report of Lucius Pfouts, chief examiner of the department, Potts secured an injunction temporarily restraining the company from doing business; that at the suggestion of Potts, J. C. Lyons of Decatur, an agent of the National Fire of Hartford, was appointed receiver of the plaintiff company, and that the National Fire caused numerous policyholders to leave the company and insure in the National.

It is further charged that by using parts of the evidences found in the office of the plaintiff company, the defendants caused Sullivan to be indicted in the Federal Court and by "corrupt and wrongful influences and by procuring false evidences to be adduced upon trial of said cause did bring about the wrongful conviction of the president, who would have been confined to the penitentiary but for the pardon granted by the President of the United States."

The charge is made that the decision of the petition to have a receiver appointed for the company was purposely delayed for three years during which time the business of the company was wasted and wrecked, this business including 16,000 policies and annual premiums to $150,000.

The action for a receiver against the Assured's National Mutual Fire Insurance Company brought by the superintendent was based on the report of examiners of the insurance department.

Percy B. Sullivan has had a checkered insurance career. His record in relation to insurance matters has filled columns of the insurance press. He has also served a penitentiary sentence. President McKinley pardoned him. He has also been befriended by President Wilson on several occasions.

GERMANIA CHANGING NAME

The Germania Fire, of New York, has applied for authority to change its name to National Liberty Insurance Company of America. It will take two or more months to complete this change, if authorized. It will not affect existing contracts, policies issued prior thereto remaining in force until their expiration. The change was made because the present name was the cause of confusion in the minds of policyholders as to the company's German connections. All its officers are American born and it has no German re-insurance contracts. All its funds are invested in American securities.

TRENTON TUBERCULOSIS LOSS

The city of Trenton will receive approximately $37,620 through insurance and salvage on the Tuberculosis Hospital, which was destroyed by fire on November 6th. The sound value of the building was $36,834; loss by fire $28,944. On the building the companies agreed to pay $23,122; on the contents the companies agreed to pay $4,698. Negotiations were with Mayor Donnelly. To safeguard the interest of the city in making an inventory the Mayor engaged the services of Walter F. Smith and Joseph H. Wright, insurance men, and Charles Randall, the Piper Brothers and Harry E. Stahl to value the carpentry, masonry, plumbing and laundry work of the building.

THE WATCH IN PLANTS

By W. E. Mallalieu

The subject of watchmen opens a big field for consideration. The prevailing custom among manufacturers, warehousemen and others, is that of engaging as night watchman some superannuated employe who is no longer physically able to earn a workman's pay. Such a watchman may make his occasional rounds of clock stations in a purely mechanical way, but the amount of real protection which he furnishes especially in war time, is very small. Generally he can be avoided with ridiculous ease by any one who is in the place with hostile intent. Or, if not avoided, his overpowering is a matter of little difficulty.

Some of you know of a recent test in a very large grain elevator, where inspectors were sent into a plant at night time, without the knowledge of the aged watchman. These inspectors spent six hours within the plant, and made drawings of many of its important features, but their presence was never once detected. As a consequence, the owners were given the alternative of engaging a sufficient number of young and vigorous guards, or of having their plant taken over by the State authorities.

The big Baltimore fire of October 30 is a striking example of insufficient watchman service. Here was a pier, 900 feet long, containing such a valuable accumulation of freight as 50,000 bales of wood pulp, 150 carloads of flour, 30 cars of tobacco, 30 cars of bark extract, 40 cars of lubricating oil, 25 cars of spelter, 23 cars of roofing paper, 15 cars of miscellaneous freight in the portion of the pier that was destroyed. Pier O contained 29,000 bales of wood pulp, 7,000 cases of imported liquor in the bonded end, 300 crates of earthenware, 100 bales of oakum, 100 cars roofing paper, 50 cars of linseed oil cake, two cars of tobacco, 23 cars of miscellaneous freight. Think of leaving these stores in the sole charge of a single watchman in a time such as the present?

There are really few subjects in fire prevention so important as the abrogation of this time-honored custom of inefficient and insufficient watchmen. To make the safeguarding of our production of supplies depend upon those who can furnish only nominal safety, during the hours when darkness brings the greatest dangers, and to do this in a period of extensive hostile activities would be ludicrous if it were not so grave.

Watchmen are charged with extraordinary responsibility. They should be picked men, not derelicts. They should be intelligent, courageous and physically active. They should be sufficient in numbers to furnish real protection. They should be armed. They should receive special training for their important duties, and this training should include knowledge of fire alarms, fire prevention and fire protection. They should never be engaged except upon unmistakable evidence of character, and they should be paid the salaries that will command such qualifications.

Golf Club Fires

(Continued from page 1)

public prints for the four years 1911 to 1914, inclusive, aggregated. $1,127,000
and for the three years 1915, 1916 and 1917 to date..... 647,000

making a total for the seven years of $1,774,000
or an average annual loss for these years of 253,000

The average for the last three years is slightly under what it was for the four preceding years, but only by less than $30,000 per annum, and it may be fairly assumed that the average loss to be expected is above $250,000 annually.

$15,000,000 Valuation

In 1915, after careful research and consultation with the leading golf magazines, it was estimated that the value of golf or country club houses and their contents was in round figures $15,000,000. It seems probable that these values have not increased materially since then, for many projected club houses have not been built because of unsettled conditions and the high cost of building. If this be accepted as the insurable value, then the annual loss cost averages $1.69 per hundred, and the average annual rate should be $3.07 in order to keep the loss ratio at 55 per cent. While rating associations have very generally increased the rates on this class in recent years and have adopted schedules for measuring the hazards, the rates now current probably average about one-half that which is indicated as adequate by the figures shown.

Causes of Fire

The causes of fires in such clubs are mysteries; true, the common hazards are present, such as the various forms of heating, the fire places, the lighting, the kitchens and sometimes the professional's workshop, but these hazards should not be so severe as to cause the mortality of the few years past. There can hardly be any moral hazard in the sense that fires are set for purposes of gain, but it has occurred to many that there may be an incendiary hazard that has not been taken into account. Employes are often discharged, both house servants and those employed on the grounds, and fires may be set in revenge. Again, there undoubtedly exists what may be termed the servant hazard, meaning thereby the carelessness and sometimes the carousing that is present with lack of real supervision. It is this hazard that accounts for many of the fires in large country places which often occur during the owner's absence. Whatever the causes it is notable that they are seldom accurately known, but the experience has now been sufficiently long, and the loss ratio sufficiently constant to demonstrate that such risks burn with alarming frequency, and that the rates must be adjusted accordingly or the loss record of the class will continue it in the "accommodation" column.

Since the story printed above was written there has occurred the fire of the Richmond County Country Club, New York State; loss, $5,000.

A CAREFULLY SELECTED GROUP

O'Neil & Hale, of Malone, N. Y., have fifteen companies. It would be rather difficult for an agency in a city of Malone's size to pick a more satisfactory list. Evidently that office has a keen sense of selection. Here are the companies in alphabetical order: Aetna, Atlas, Continental, German-American, Glens Falls, Hartford, Home, L & L. & G., London Assurance, National of Hartford, Phoenix of Hartford, Niagara, Providence, Washington, Queen, Springfield.

CASUALTY AND SURETY NEWS

No General Advance in Theft Premiums

AUTOMOBILE CONFERENCE WORK

To Regulate Locking Device Discounts —Several New Forms for Special Risks

It has been decided to recommend the continuance of the present automobile theft rates, as they now exist for the country at large; to adopt increased rates for certain classes in cities of 200,000 or more population, where experience indicates such action to be necessary and to authorize as an alternative method for covering the hazard a reduced value cover at very much lower rates. This proposal must secure the approval of a majority of the member companies before becoming operative.

This was the most important action taken at the annual meeting of the National Automobile Underwriters' Conference held in New York last week. Among other matters considered were the adoption of new collision forms, new rates and rules for insuring commercial fleets, and tentative approval of new forms and rates for dealers' and manufacturers' risks.

Douglas F. Cox Re-Elected

All the local conferences were represented at the meeting. Douglas F. Cox was re-elected president; J. B. Levison, president of the Fireman's Fund, vice-president; W. A. Hamilton, treasurer. L. G. Hodgkins continues as secretary and manager.

The new executive committee is composed as follows:

Eastern Conference—C. K. Yungman, W. M. Ballard, F. W. Day.

New England Conference—H. R. Clough, W. R. Hedge, J. V. Fothergill.

Western Conference—F. J. Sauter, J. C. Harding, C. R. Osborn.

Southern Conference—Milton Dargan, G. C. Bulkeley, C. J. Neare.

Pacific Coast Conference—T. C. Anderson, J. B. Levison, C. S. Timberlake.

Standing committee on commissions —W. T. Whittelsey, chairman; John Carr, S. Y. Tupper, A. T. Bailey.

Reference committee—F. C. Buswell, chairman; W. A. Hamilton, G. H. Tryon, C. D. Dunlop, T. E. Gallagher, S. T. Collins, J. P. Bonsal, H. J. Hopkins, F. B. Kellam, Edwin Parrish.

Action on Locking Devices

Important action was taken to stop a practice in connection with discounts on locking devices, which has been working to the disadvantage of the companies. The conference will, through the proper committee, give attention to the establishment of proper standards to make such locking devices, when approved, an effective preventive of theft. As the matter stands at present many locking devices, while mechanically sound, do not offer any serious obstacle to theft. Locking device discounts are at present allowed only in Western and Pacific Coast territory. Under the new plan it is proposed to allow a discount everywhere, but only for an effective device.

Would Stop Waiver Abuses

The old collision cover contained certain onerous restrictions, for instance, as to road bed. Tire damage was covered only in event of resulting loss or damage to the car from collision, amounting to $200. These restrictions were not satisfactory to the public. Consequently, the proposed new form will provide full coverage, excluding only ordinary damage due to tire trouble. The other new collision cover will be similar, except that it will provide such a substantial deductible feature that companies cannot afford to waive its provisions. The $25 deductible clause, as used at present, has been found unsatisfactory to many companies because of the general belief that some companies were for competitive reasons offering to waive its provisions on certain risks.

New Manufacturers' Form

At present there are no definite conference forms for covering manufacturers' output, but a variety of forms designed to meet the particular needs of makers have been approved by the conference, as submitted by the companies and used. The conference has now prepared a single form uniform in its requirements for all such risks.

Several Dealers' Forms

Several forms of dealers policies have been approved and submitted to the local conferences for final suggestions. One form provides for the present pass book or certificate method of reporting entries daily under dealers' open policies.

Another form provides for the reporting of risks covered under such policy at the close of each month.

Still another form requires an initial premium of $500 to be paid in advance and the dealer to furnish at the close of each month the inventory value of the cars on hand at each location on that date, with a final rate adjustment at the close of the policy period.

Another form which has been advocated by a number of companies and which follows closely a blanket fire policy has been framed. It is advocated on the ground that it will relieve the companies of much detail now experienced under other forms.

It is proposed to put all new forms into effect not later than February 1, 1918.

ANOTHER COMPLAINT FILED

Alleged that Automobile Service Contract was Sold as Liability Insurance Policy

Complaint has been made to the New York Department of the operations of the Proprietors' Automobilists's Service Association. It is alleged that John Cottelli, of Kingston, N. Y., had taken a service contract with this association, for which he paid $19.50. The association gave its address as 23-25 Beaver Street, New York, which was formerly the address of the Automobile Owners' Protective Association and the American Automobilists' Service Association. The contract contains the same features as were offered by the two last mentioned organizations and includes the same form of paster, signed by Meyer Greenberg, in regard to legal service. It is also alleged that Cottelli purchased this contract as a policy of liability insurance and that it was so represented to him.

Accident Health Automobile Plate Glass Burglary Liability

Fidelity Contract Judicial Public Official Depository Bonds

FIDELITY & DEPOSIT CO. OF MARYLAND BALTIMORE

Business Disposed of in Record Time

International Association of Casualty & Surety Underwriters Hold Annual Meeting

MACHINERY WORKING SMOOTHLY

President Rowe Re-elected—By-Laws Amended—Automobile and Compensation Results

During a session lasting less than two hours the International Association of Casualty & Surety Underwriters held its annual meeting at the Hotel Astor, New York, last Friday. The constitution and by-laws were amended, officers elected, the address of the president and report of the secretary and other officers and committees heard.

The changes in constitution and by-laws provide for the elimination of the seven vice-presidents and the substitution of one vice-president in place thereof. The officers of secretary and treasurer were combined in one official to be known as the secretary-treasurer. The office of librarian was eliminated. The executive committee is to consist of a chairman, four other elective members, the president, vice-president and the secretary-treasurer, ex-officio. Officers were elected as follows:

President, J. Scofield Rowe, vice-president Aetna Casualty & Surety (re-elected).

Vice-President, H. G. B. Alexander, president Continental Casualty.

Secretary-Treasurer, F. Robertson Jones (re-elected).

Executive Committee: A. E. Childs, president Columbian National Life, Boston, chairman; Frederick Richardson, United States manager General Accident, Fire & Life; Norman R. Moray, vice-president Hartford Accident & Indemnity; William BroSmith, counsel Travelers; William B. Joyce, president National Surety.

The George E. McNeill Medal Committee remains unchanged, while the Committee of Four, on relations with the National Association of Casualty & Surety Agents is composed of Charles H. Holland, chairman; W. G. Curtis, Louis F. Butler and William M. Tomlins.

The shortness of the session was attributable to the decision of the executive committee to dispense this year with the usual annual convention owing to war conditions.

President Rowe's Address

President Rowe, in his annual address, referred to the absence of startling innovations in the health and accident field. As to standard forms, he said that the recommendations made to insurance commissioners along this line had not been enacted into law. These embraced modifications of the existing standard provisions law along lines which, if enacted into law, would have the effect to supplement, but in no way contradict, the statutes existing in many States.

Substantial progress is being made toward the completion of a scientific revision of the accident manual, both for commercial and monthly premium and industrial business. Mr. Rowe remarked that while, despite the war, the volume of business is satisfactory, in the matter of co-operation there is much to be desired.

Surety and Other Lines

Speaking of the surety business President Rowe referred to the efficient work of the Surety Association of America in improving this branch of the business. Secretary R. R. Gilkey was commended for his success in this work.

Demoralized conditions in the plate glass business, which obtained in 1916 and early in the present year, are being eliminated under the present system of classification and rating promulgated by William F. Moore. Statistics are being collated which it is believed will be of such value in determining proper rates and the experience of the last two years has shown the companies the necessity for closer co-operation. Hence the outlook for this class of business is much brighter than it has been for a long time.

As respects burglary insurance, it was noted that the Burglary Insurance Underwriters' Association, in charge of Samuel B. Brewster, is doing excellent work in the compilation of valuable statistics by classes and locality, and that a most commendable degree of co-operation is being secured in refinement of rates. The same is true of steam boiler and fly-wheel lines.

Importance of Automobile

President Rowe's remarks on the automobile insurance business follow:

With reference to the automobile business, one of the most important developments in the casualty and allied lines of insurance during the past year in co-operative work has been the progress made by the National Automobile Underwriters' Conference, which was organized in April, 1916.

Within this conference have been gathered practically all of the fire and marine companies writing automobile insurance; and as these insurance companies write not only automobile fire and theft insurance, but also property damage and collision insurance, it will readily be seen that the success attending the activities of the National Automobile Underwriters Conference has had a corresponding effect in stabilizing conditions among the casualty companies insofar as automobile insurance is concerned. Indeed, a working agreement has been effected between the National Automobile Underwriters' Conference and the National Workmen's Compensation Service Bureau whereby joint action is taken in the matter of co-operation for automobile property damage and collision insurance.

Furthermore, even the non-bureau casualty

(Continued on page 18)

General Accident

FIRE AND LIFE ASSURANCE CORPORATION, Ltd.

SERVICE THAT EXCELS

FREDERICK RICHARDSON, United States Manager

GENERAL BUILDING · 4TH & WALNUT STS. PHILADELPHIA

Fitzgerald Had a Bonding Monopoly

SURETY HEARINGS IN BOSTON

Report of Finance Committee of City —Charges Made Against Mayor Curley

That the Peter J. Fitzgerald agency for the National Surety Company secured a virtual monopoly of placing the bonds required of contractors having contracts with the city, is the second charge made against Mayor James M. Curley, of Boston, by the Finance Commission, of that city, as a result of its bonding hearings.

As the commission previously accused the Mayor of directing the bonding of city employes to the Fitzgerald agency, as reward to Francis L. Daly, Mr. Fitzgerald's son-in-law, and the Mayor's former associate, so the present accusation reads, that:

"Contractors having contracts with the city of Boston were compelled to give bonds through a particular surety company, and also were compelled to give their liability and workmen's compensation insurance to the same surety company. Furthermore, there was failure on the part of the city to enforce liability upon bonds of contractors where a liability existed."

Bonding Figures

The commission begins by presenting figures to show that the amount of city contract bonding done by the National Surety Company rose from $114,525, or 6.8 per cent. of the total, in 1913, to $785,191, or 38.8 per cent. in 1914; $1,149,077, or 76 per cent. in 1915, and $1,248,647, or 65.9 per cent. in 1916, after the Finance Commission investigation had begun.

This company's city business had in 1913 been handled through John C. Paige & Co. and O'Brion, Russell & Co., but in 1914 only $62,411 of the $785,191 was issued by John C. Paige & Co., and in 1915 the Fitzgerald agency issued all but $22,200, or 1.9 per cent. of company's $1,149,077 total. In that year all other companies issued only $364,101 of contractors' bonds for the city.

No Monopoly in Former Years

"In former years," the report continues, "no such monopoly as that of the Peter J. Fitzgerald agency had existed. During a former administration (1910-1914) no one broker furnished the bonds to the contractors."

TWENTY PER CENT. IN SERVICE

Out of approximately 160 men between ages twenty and sixty, who, when war was declared, were employed in the Naticnal Surety Company's home office, thirty-two have already entered active war service. This is 20 per cent. of the company's entire grown male home office staff.

Service of Quality to Policy Holders

Contracts of Superiority to Representatives

NATIONAL CASUALTY DETROIT

THE NATIONAL of DETROIT

Eastern Dept. 100 William St. New York

Western Dept. Pacific Bldg. San Francisco

Northwestern Dept. Palace Bldg. Minneapolis

Movement Started To Increase Rates

DISCUSSED BY CASUALTY MEN

Special Meeting Called in New York Passes Without Definite Action

Executives of casualty and surety companies met in New York at the Hotel Astor last Friday following the annual meeting of the International Association of Casualty & Surety Underwriters and adopted the following resolution:

"Resolved, that it is the sense of this meeting that an increase in the present rates of premiums charged for all classes of casualty and surety business is abundantly justified by the greatly increased expenditures of the companies for services rendered and the insurance furnished. That this meeting recommends to all organizations which deal with the rate making feature of the several classes of business above named, that at the earliest practicable date they take appropriate action to effectuate a reasonable increase of premiums in order to meet this present situation. And the secretry of this meeting is directed to transmit these resolutions to the proper officers of such organizations and bureaus."

This was a special meeting, called by Charles H. Holland, general manager of the Royal Indemnity, to consider the need for securing more premium on various casualty lines, in order to provide for the increased and rapidly increasing cost of operation resulting from conditions arising from the war. The meeting organized by electing J. Scofield Rowe, vice-president of the Aetna Casualty & Surety, chairman, and F. Robertson Jones, secretary-treasurer of the International Association of Casualty & Surety Underwriters, secretary.

The meeting lasted well into the afternoon and the discussion was participated in by a large number of those present. It was evident that those lines which are at present under the efficient management of bureaus have within their organization the machinery by which emergencies like the present one may be approached with a fair degree of assurance of success. Those lines which are not so fortified are subject to controversy resulting from the wide range of views and multiplicity of conditions which has always marked their operation.

DRUGGISTS' BOND FORM

For Use in Connection With Use or Sale of Distilled Spirits

Following is the form of bond prescribed by the United States Internal Revenue Department for use in connection with permits to use or sell distilled spirits for other than beverage purposes. The rate is $5 a thousand.

Know All Men by These Presents, That.....of....., as principal, and .....of.....as surety, are held and firmly bound unto the United States of America in the sum of.....dollars, lawful money of the United States, for the payment whereof to the United States we bind ourselves, our heirs, executors, administrators, successors or assigns, jointly and severally, firmly by these presents.

Witness our hands and seals this.. ....day of....., 191...

Whereas the above-bounded principal has made application for a permit to use* sell* use and sell* distilled spirits for other than beverage purposes at .....in the.....Collection District of.....

Now, Therefore, the condition of this obligation is such that if the said principal shall fully and faithfully comply with all the requirements of the Act of Congress, approved August 10, 1917, known as the Food Control Act, and all regulations issued pursuant thereto, and with all the requirements of the Internal Revenue laws of the United States and all regulations issued pursuant thereto, then this obligation to be void; otherwise to remain in full force and virtue.

*Strike out words not applicable.

Business Done in Record Time

(Continued from page 17)

companies have, during the past twelve months, seen the wisdsom of co-operating in those lines of automobile insurance which are written by the fire companies as well as the casualty companies; and in brief it may be said that, in the matter of automobile property damage and collision insurance, there is to-day country-wide co-operation on the part of practically all casualty as well as fire and marine insurance companies.

Importance of Conferernce

Appreciating, as you will, that automobile insurance is, generally speaking, incidental to the main lines of business carried on by the companies operating automobile insurance, it will be seen that the importance of maintaining the usefulness of the National Automobile Underwriters' Conference is not restricted to automobile insurance since, if any disruption occurred in the National Automobile Underwriters' Conference, same would doubtless extend to other lines of both casualty and fire companies.

Therefore, it is with pleasure I am able to state that, as we meet here to-day, there is going on in New York the annual meeting of the National Automobile Underwriters Conference, which is not only celebrating its second anniversary, but congratulating its eighty-five member companies upon having survived the experimental stage and having become a very lusty and likely-to-be permanent factor in co-operative work among the insurance companies.

Liability and Compensation

The remainder of the president's address was confined to the liability and compensation business, a line which he considers more than any other to be surrounded by complications, difficulties and dangers. After five and a half years, on a volume of $75,000,000 in premiums, the loss ratio is sixty per cent. This loss ratio is rising rapidly owing to a downward pressure on rates due to over-confidence in immature experience, plus a certain degree of unhealthy and inexperienced competition and to the rapid education of the public to the claim making possibilities under the compensation law. In this connection Mr. Rowe said:

"I apprehend that in many cases such rate increases as have been made are a full lap behind the INHERENT INFLUENCES and changing conditions which are responsible for the rapid and continuous rise in LOSS COST that history shows must be expected for many years before the loss cost becomes fairly stabilized. To the observant underwriter all visible signs clearly and unmistakably point to the certain, rapid and substantial increase in loss cost. Factors adding to compensation cost are the war, insistent demand of labor that the injured shall have the right to select his own doctor, increasing liberality of boards and commissions."

With reference to State insurance Mr. Rowe said: "I confidently believe that the mania for State insurance has in a measure subsided, and whether that is due to the distracting effects of the war or to the successful education of the public remains for history to record."

Mr. Rowe reiterated his contention that the term "acquisition cost" as applied to compensation insurance, and as generally limited to 17½ per cent. of the premium, is misleading, or at least has been misunderstood by many of those who favor its enforced reduction. He defended the stock company agency system as applied to compensation and closed his address with a reminder that all casualty companies have as yet failed to fortify themselves against the rising costs of operation, through advances in rates to meet this contingency. He noted the effective results attained through the National Council of Insurance Federations and expressed the belief that there is ample justification for the continuance of the International Association as a measure of preparedness in meeting many problems which the future is sure to present.

Report of Secretary

Secretary F. Robertson Jones reported the membership to be composed of 47 companies, 1 bureau, 5 individual and 2 honorary members. Since last meeting the Equitable Accident of Boston and the Inter-State Business Men's Accident Association of Des Moines have resigned; also W. H. Gould and W. Edward Magruder, individual members.

Efficient work of the various legislative bureaus has rendered it unnecessary for the executive committee to devote its time to these matters. William BroSmith and Secretary Jones gave much time to the Federal Revenue Bill. Referring to that measure Mr. Jones said:

The only grains of comfort that we got out of the final result are as follows:

The tax on insurance premiums is to be collected upon the basis of monthly sworn-to statements; and not by affixing stamps.

Accident and health insurance are taxed under the casualty paragraph (Par. C of Section 504) and not under the life paragraph (Par. A. of Section 504). In the original House bill there was grave danger of that interpretation.

It is made clear in Paragraph C of Section 504 that indemnity bonds are not to be taxed both under that section and likewise under Subdivision 2 of Schedule A of Title VIII; but only under the latter ("Stamp Taxes").

Policies of re-insurance were exempted from the premium tax (Par. C of Section 504).

The retroactive corporation income tax for 1916 proposed by the House was eliminated. The rates of the new law, however, will apply to incomes received in 1917.

The excess profits tax of March 3rd, 1917, was repealed and any amount paid thereunder is to be credited towards the payment of the new excess profits tax; and if the amount so paid exceeds the tax liahility under the new tax, the excess shall be refunded by the Government.

Opinion of Senate Committee

In this connection, I may say also that the Senate Committee on Finance put itself on record regarding the taxation of insurance companies in the following significant words:

The House bill contains a provision taxing insurance of various kinds. The principle of imposing excise taxes upon insurance is questionable. In the case of life insurance the insured makes a sacrifice during his life for the benefit of his family after his death. In the case of many other kinds of insurance he makes an expenditure for the safeguarding of his property. Transactions of this kind should not be subjected to the tax except in the last resort.

Report of Treasurer

Secretary Jones read the report of the treasurer, which in substance is as follows: Balance at last annual meeting, $2,313.61; receipts $4,798.88; disbursements $2,840.36; balance November 1, 1917, $1,958.52, with no bills outstanding.

The George E. McNeill Medal committee reported that no medal will be awarded this year.

Revenue Section 504.

Under the head of new business Mr. BroSmith called attention to the inequities of Section 504 of the war revenue bill which places a tax of one per cent on each dollar or fraction thereof of premium. An effort will be made to secure a more equitable interpretation of this section and the cordial support of all members toward this end was urged. The members listened with pleasure to a short address by J. V. Barry, assistant secretary of the Metropolitan Life. Following adjournment a buffet luncheon was served.

After luncheon the informal meeting called by Charles H. Holland of the Royal Indemnity was held to consider the advisibility of making a flat increase in rates to offset abnormal advances in operating costs, the results of which are told in another column of this issue.

Chauncey S. S. Miller, a well-known insurance newspaper man, was presented a silver service last Thursday by fifty-nine of his friends in the insurance business, in commemoration of his twenty-fifth wedding anniversary. The affair was arranged by Bayard P. Holmes, Nelson D. Sterling and Ten Broeck Terhune.

CASUALTY AND SURETY POINTERS

Time to Sell is Right Now

That 10,000,000 men are subject to the selective draft should not worry the writers of industrial disability insurance, for there are 35,000,000 men over age 31 who are not subject to draft and are not likely to be. It is natural that the war should be made an excuse for not insuring and that the lazy agent should also use the war as a loop hole. The war has been blamed for pretty much everything, including excessive rain, protracted drouth, various diseases, lack of business and high prices. The war has also furnished plenty of arguments why industrial workers should be more particular to have insurance now than at any other time. After the war is over and some of the delayed work in peaceful lines has been cleaned up, wages will be less and more men will be out of work. There will not be so many with money to buy insurance even though prices of necessities may decline somewhat at the same time. It's better to have work at high wages and high expenses than no work and everything selling at bargain rates. Those agents who are using the war as an excuse for not getting business are only fooling themselves. Later on, when they think it is going to be so much easier to write applications they will find that the people will have just as good, if not better, excuses for staying uninsured.

* * *

Give More And Get More

Everybody is paying more these days for everything and seemingly they do not mind it nearly as much as might be expected. In fact a large number of persons take delight in talking about the high prices they have paid. They appear ashamed to have it known that they did not pay a high price and get the best obtainable, no matter what the cost. They are also paying more for their monthly health and accident insurance, and doing it willingingly too, because they have by this time learned something about this protection and wish to be covered to the fullest possible extent. Therefore, the salesman need not be afraid to ask two or three dollars a month from persons who formerly knew of nothing but dollar-a-month contracts. Those old contracts were all that could be given for the money, but now there are better contracts at higher prices, and it has been demonstrated that the public wishes the best and is willing to pay for it.

* * *

Extensive Field Undeveloped

Workman's compensation insurance having been found highly unprofitable many companies have dropped that line, so that their agents are deprived of that source of income. Besides, commissions on compensation have been cut to a low figure. There is still the public liability line which offers a large field to the agent. It is not generally understood how extensive this line is. Public liability policies can be sold to a large number of persons in any community and are classified as follows:

Manufacturers. Issued to manufacturers of every description.

Contractors. Issued to general contractors, building contractors, telegraph and telephone companies, electric light and power and mining companies and to cover operations not confined to manufacturing premises.

Owners, landlords or tenants. Issued to owners, landlords or tenants of premises (not manufacturers). This form is used for hotel, tenement and mercantile risks and risks of similar character

Teams. Issued to those who operate draught animals, with or without vehicles.

Automobile. Issued to those who operate automobiles.

Elevators. Issued to those who maintain and operate elevators used for conveying passengers or freight, or both passengers and freight.

Theater. Issued to owners, lessees or tenants of theaters, public halls and other places of amusement.

Contractors' Protective. Issued to contractors to provide protection for the contingent liability arising out of claims for damages for injuries caused by a sub-contractor or his employes.

Owners' Protective. Issued to owners of buildings in the course of construction to provide for the contingent liability arising out of claims for damages for injuries caused either by the contractor, subcontractor or their employes.

Landlords' Protective. Issued to the owner or general lessee of a building, who has leased the entire premises to another and retains no control over them, to provide protection for the contingent liability arising out of the maintenance, use and operation of the building.

* * *

Doesn't Want Underwriting Job

"Personally I cannot envy any man who has to underwrite," says C. K. Bennett, of the Fidelity & Deposit at San Francisco. I have often heard agents complain that their companies do not give them enough latitude in underwriting. I cannot understand why an agent should want his company to let down the bars and let him use his own ideas, which are based on a limited experience, and, of course, the agent is prone to be influenced by the personal contact with the applicant, without any intention of being so influenced.

Therefore, I think we should not take away from our requirements, but should continually seek to add to them in every legitimate or reasonable way which will add to our information and place us in a better position to judge of the desirability of every risk on its individual merits. I wish you would write me at your convenience and give us any further ideas you may have of underwriting generally and of getting information in passing on contractors. No doubt you have some good ideas which we don't use or know about. Some other office may have them and we want to be equipped to cover this field of underwriting as fully as is possible.

We may at times overlook reporting bonds as fully as we should, but you may rest assured that we in no case execute any bond before going into its merits fully and thoroughly and then passing upon the matter to the best of our judgment and ability.

GET NEW AMSTERDAM

Murphy, Muller & Baumann have been appointed general agents for the New Amsterdam Casualty for Newark, N. J., and vicinity. Hugh N. Murphy, of the firm, will be in charge of the liability department.

The "Baltimore Underwriter" says the insurance department of Maryland recently has caused the Ebenezer Fraternal Society and the Family Rescue & Fraternal Society, both of Baltimore, to cease operations. These two concerns were negro organizations which had not qualified to do business either as fraternal societies or insurance companies.

RE-INSURANCE CO. OF AMERICA

The Re-Insurance Company of America has been incorporated in New Jersey with $100,000 capital. The directors are Cecil Piatt, Joseph H. and Robert Strange and H. C. Bowers.

A statistical report prepared by the Department of Labor at Washington, covering accidents and accident prevention in machine building, shows that in classifying the combined plants by departmental divisions boiler shops and yard labor have by far the greatest hazards.

W. E. SMALL, President PETER EPES, Agency Mgr. E. P. AMERINE, Secretary

GEORGIA CASUALTY COMPANY

HOME OFFICE: MACON, GEORGIA

"DIXIE AUTO POLICY"

THE LAST WORD IN MOTOR INSURANCE

Surplus and Reserves to Policyholders.....$1,526,022.81

The METROPOLITAN CASUALTY

INSURANCE CO. OF NEW YORK

HOME OFFICE, 47 CEDAR STREET

CHARTERED 1874

Plate Glass, Burglary, Accident and Health Insurance

EUGENE H. WINSLOW, President

Russell R. Cornell, Vice-Pres. S. Wm. Burton, Sec. Alonzo G. Brooks, Ass't Sec.

RELIABLE AND ENERGETIC AGENTS WANTED

THE SIGN OF GOOD CASUALTY INSURANCE

HEAD OFFICE CHICAGO

F. W. LAWSON General Manager

Liability, Accident, Burglary, Boiler and Credit Insurance

Established 1869.

F. J. WALTERS Resident Manager 55 JOHN STREET New York

Elmer A. Lord & Co. 145 Milk St., Boston Resident Managers New England

London Guarantee & Accident Co., Ltd.

OF LONDON, ENGLAND

BUSINESS=BUILDERS

DEVELOPING

Fidelity and Surety Bonds, Liability Workmen's Compensation, Automobile, Accident, Health, Burglary and Plate Glass INSURANCE

APPRECIATE THE CO-OPERATION OF THE

Massachusetts Bonding and Insurance Company

BOSTON T. J. FALVEY, President

Paid-In Capital $1,500,000 Write For Territory

The Fidelity and Casualty Company of New York

92 LIBERTY STREET, NEW YORK, N. Y.

Metropolitan Office—92 William St.

SEMI-ANNUAL STATEMENTS JUNE 30, 1917

Assets	$14,005,236.30
Liabilities	10,395,192.68
Capital	1,000,000.00
Surplus over all liabilities	2,610,043.62
Losses paid to June 30, 1917	58,554,792.60

This Company issues contracts as follows: Fidelity Bonds; Surety Bonds; Accident, Health, and Disability Insurance; Burglary, Larceny, and Theft Insurance; Plate Glass Insurance, Liability Insurance—Employers, Public, Teams (Personal Injury and Property Damage). Automobile (Personal Injury, Property Damage and Collision), Physicians, Druggists, Owners and Landlords, Elevator, Workmen's Compensation-Steam Boiler Insurance; Fly-Wheel Insurance.

The Employers' Liability Assurance Corporation, Ltd.

The original and leading Liability Insurance Company in the World

LIABILITY, STEAM BOILER, ACCIDENT, HEALTH, FIDELITY AND BURGLARY INSURANCE

United States Branch

SAMUEL APPLETON, United States Mgr.

Employers' Liability Building

33 BROAD STREET, BOSTON, MASS.

AGENTS WANTED

The Columbian National Life
OF BOSTON

ARTHUR E. CHILDS, President

A CHANGE may be necessary to realize your ambition

Think a minute—then write

WM. H. MASTIN — FRANK D. LOMBAR

SUPERINTENDENTS OF AGENCIES

(West of the Mississippi). SYMES BUILDING DENVER, COLO.

(East of the Mississippi). 77 FRANKLIN STREET BOSTON, MASS.

DARL D. MAPES, Superintendent of Accident Agencies
77 FRANKLIN ST., BOSTON, MASS.

The service of a high grade Accident Department will also be offered so that you will not have to broker your Accident business to avoid violating your Life insurance contract.

Announcement

Owing to the large demand for extra copies of the

LIFE INSURANCE SALESMANSHIP

edition of The Eastern Underwriter, *issued September 21, 1917, an*

EXTRA EDITION

of that number has been published

Life Insurance Companies and General Agents desiring to secure copies for distribution among their Agents can do so by wiring or writing The Eastern Underwriter, *105 William St., New York, the number required.*

Price Twenty-five cents per copy.

The Eastern Underwriter.

In addition to the ordinary forms of life insurance

THE EQUITABLE

makes a specialty of the following:

Insurance to protect business firms and corporations, under a corporate form of policy.

Group Insurance, by which employers protect families of employes.

A flexible contract, known as the Convertible Policy, which can be converted by the Insured into an Ordinary Life, Limited Payment Life, or Endowment Policy.

A Bond issued without medical examination giving the investor an income for his declining years.

A new policy is offered under which the insurance is DOUBLED if death results from ACCIDENT. This policy also embodies the following advantages if the person whose life is insured becomes totally and permanently disabled:

1. Thereafter the Equitable will carry the insurance —The Insured will have nothing further to pay.
2. The Equitable will pay the Insured an annual income for life equal to one-tenth of the face of the policy.
3. Upon the death of the Insured the full amount of the insurance will be paid to the Beneficiary (or double the amount if death is due to accident) without deduction on account of the income paid to the Insured while living.

(See the policy for conditions and details.)

For Agency Openings Address

WILLIAM E. TAYLOR,
Superintendent of Agencies

THE EQUITABLE

LIFE ASSURANCE SOCIETY OF THE U. S.

120 BROADWAY, NEW YORK

THE OHIO MILLERS
MUTUAL FIRE INSURANCE COMPANY

Net Cash Assets.....$1,147,802
Net Cash Surplus..... 505,213

Squire Company, Inc.
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STOCK POLICIES ONLY

BUSINESS SOLICITED FROM AGENTS AND BROKERS

San Francisco Losses Amounting to $4,522,905.00 paid PROMPTLY IN CASH WITHOUT DISCOUNT, from funds largely supplied by head office in Liverpool

U. S. Cash Assets, Dec. 31, 1916	$15,827,439.35
Surplus, - - - -	5,460,745.59
Losses Paid by Chicago Fire, 1871	3,239,491.00
Losses Paid by Boston Fire, 1872	1,427,290.00
Losses Paid by Baltimore Fire, 1904	1,051,543.00

Liverpool AND London AND Globe Insurance Co. LIMITED

Over $152,000,000.00

Losses Paid in the United States

HENRY W. EATON, Manager
G. W. HOYT, Deputy Manager
HUGH R. LOUDON, Assoc. Deputy Mgr.
J. B. KREMER, Asst. Deputy Manager
T. A. WEED, Agency Superintendent

NEW YORK OFFICE
80 William Street

THE EASTERN UNDERWRITER

[Succeeding the Journal of Insurance Economics, Established in 1899]

A WEEKLY NEWSPAPER COVERING ALL BRANCHES OF INSURANCE

Eighteenth Year; No. 51 NEW YORK CITY, FRIDAY, DECEMBER 7, 1917. $3.00 per Year; 25c. per Copy

MOVEMENT TO FORM TRANSIT CONFERENCE

Frank Appleton Sends Letter to All Companies Writing This Form of Insurance

PREMIUMS NOW INADEQUATE

Only One of Thirty-two Companies Declines to Co-Operate—Conditions Require Action

An effort is now being made to form a conference having jurisdiction over rates and coverage of all forms of transportation insurance. Letters have been addressed to the thirty-two companies writing this form of coverage by Frank Appleton, of Appleton & Cox, inviting them to co-operate for the betterment of conditions. Replies have been received from all, with only one company declining to co-operate.

It is understood that this company, whose home office is in Philadelphia and which was one of the originators of transit insurance, has expressed an unwillingness to take part in the movement under present conditions. This company is a member of all other bureaus and conferences and those back of the transit conference idea hope that it will change its attitude in respect to transit insurance.

Mr. Appleton's Letter

Because practically all transit companies have placed themselves on record as being in favor of a conference, it is expected that definite organization action wil be taken in the near future.

Mr. Appleton's letter, which describes conditions and the need of reform is as follows:

It has been suggested that a large number of the companies writing Transportation Floater Insurance would support an endeavor to place this form of policy on a more satisfactory basis from an underwriting standpoint.

At present perhaps the greater part of this business is being written at an entirely inadequate premium in comparison with what well-informed underwriters are charging for insurance where each shipment is reported. In other words—the rates for various voyages covered by a Transportation Floater when figured on the basis of the total liability insured during a year, would figure out in most cases, very much lower than the rates at which a well-informed underwriter would accept the insurance were he asked to write the business on a trip basis.

Not only does the practice seem to prevail of accepting business of this character at an inadequate premium in comparison with rates

(Continued on page 14)

"The Largest Fire Insurance Company in America."

THE HOME INSURANCE COMPANY NEW YORK

ELBRIDGE G. SNOW, President

Service to Policyholders and to Agents Unexcelled.

FIRE AND ALLIED BRANCHES OF INSURANCE.

Fire, Lightning, Automobile, Commissions, Explosion, Hail, Marine (Inland and Ocean), Parcel Post, Profits, Registered Mail, Rents, Sprinkler Leakage, Tourists' Baggage, Use and Occupancy, Windstorm.

STRENGTH REPUTATION SERVICE

North British and Mercantile Insurance Co.

Established 1809

Entered United States 1866

Policyholders protected by the entire United States assets, with further guarantee in every policy, of protection by entire fire assets of the company which are many times larger.

SPRINGFIELD Fire & Marine Insurance Co.

Cash Capital $2,500,000.00

THE SPRINGFIELD for two-thirds of a century has transacted business solely under its own corporate name, without annexes, underwriting agencies or subsidiary companies. An agent of the SPRINGFIELD is not a half, a quarter or any other fraction of an agent, but is vested with the rights and dignity of an undivided representative of an undivided and independent company. The SPRINGFIELD stands today pre-eminent among American fire insurance companies.

SPRINGFIELD MASSACHUSETTS

THE GAUVIN AGENCY

THE PILOT POLICY

COMMISSIONERS DEFINE GROUP INSURANCE

Agree on Not Less Than Fifty Lives With or Without Medical Examination

NO INDIVIDUAL SELECTION

Commissioners' and Actuaries' Committee Act on Resolution Passed at St. Paul

The so-called investigation of group life insurance, begun by the appointment of a committee at the St. Paul meeting of the National Convention of Insurance Commissioners, developed this week into a definition of group insurance. The definition is printed elsewhere. As will be seen, no group of less than fifty can be written with or without examination; it is provided that each member of the group shall receive a certificate; and if he drops out of the group he may have the privilege of continuing the insurance, if he can pay the premium, without medical examination.

General Agreement

At the St. Paul convention it was announced that a committee of the commissioners, Mr. Phillips, of New York, as chairman, would hold conferences with a committee appointed by the Actuarial Society of America. President Hunter, of that Society, appointed Messrs. Gore, Prudential; Morris, Travelers; Craig, Metropolitan; Cammack, Aetna; Graham, Equitable; Hunter, Germania.

The commissioners and the actuaries held three meetings, and it was seen from the start that there was not enough difference between them to prevent an understanding as to the principles which should underly the underwriting of group insurance. Just before the meeting this week, President Phillips asked the commissioner members and the actuarial members of the committee for "definitions" of group insurance. A definition was furnished by each, and at the meeting this week (on Monday afternoon) these definitions were discussed. Commissioner Mansfield had furnished his definition after a two hour conference with representatives of the Connecticut companies writing group insurance. The actuaries told the commissioners that the companies' definitions were so near alike that they could agree upon any

ene of them. The meeting finally used the definitions of Messrs. Hardison, Phillips and Mansfield as a basis for discussion.

Size of Groups

The first point to be decided was the size of the group. Some of the actuaries favored one hundred, but fifty was decided upon, Mr. Mansfield pointing out that some States already had fixed upon that minimum number by statute. Mr. Cammack did not believe in an arbitrary minimum. "What about a bank that has forty-nine employes and wants to have a group written?" he asked. The commissioners thought that there should be a minimum of some kind, or any group of men might get together and form an association just to take advantage of the group rate and opportunity of going in without medical examination.

Another point that caused some discussion was discrimination in class. The commissioners did not want a railroad company, for instance, to put switchmen in a group, and then have certain switchmen covered while others were left out. It was decided that in such a case the corporation could take switchmen who had been with the road a certain period, say a year or two years, or for any other definite period. After the period had been fixed there could be no discrimination.

Some other points emphasized by the commissioners were these: No one corporation can organize a group to make money thereby, or to use it to exploit itself. Employers shall not use the group idea as a club over workmen.

The insurability rights of the employe shall be protected after he leaves his employment.

Certificates shall be given so that the employe shall know all about his insurance.

The committee recommended that the convention adopt as a definition of group life insurance the following:

> Group life insurance is that form of life insurance covering not less than fifty employes with or without medical examination, written under a policy issued to the employer, the premium on which is to be paid by the employer or by the employer and employes jointly, and insuring only all of his employes, or all of any class or classes thereof determined by conditions pertaining to the employment, for amounts of insurance based upon some plan which will preclude individual selection, for the benefit of persons other than the employer, provided, however, that when the premium is to be paid by the employer and employe jointly and the benefits of the policy are offered to all eligible employes not less than seventy-five per cent. of such employes may be so insured.

"Your committee further respectfully recommends that there be adopted in each State, either by statutory enactment or by way of departmental regulation, certain standard provisions for policies of group life insurance substantially as follows:

Standard Provisions for Policies

"No policy of group insurance shall be issued or delivered in this State unless and until a copy of the form thereof has been filed with the insurance commissioner and approved by him; nor shall such policy be so issued or delivered unless it contains in substance the following provisions:

"(1) A provision that the employer is entitled to a grace of thirty-one days, within which the payment of any premium after the first year may be made, subject at the option of the company to any interest charge not in excess of six per cent. for the number of days of grace elapsing before the payment of the premium, during which period of grace the policy shall continue in full force.

"(2) A provision that the policy shall be incontestible after two years from its date of issue, except for non-payment of premiums and except for violation of the conditions of the policy relating to military or naval service in time of war.

"(3) A provision that the policy, the application of the employer and the individual applications, if any, of the employes insured, shall constitute the entire contract between the parties, and that all statements made by the employer or by the individual employes shall, in the absence of fraud, be deemed representations and not warranties, and that no such statement shall be used in defence to a claim under the policy, unless it is contained in a written application.

"(4) A provision for the equitable adjustment of the premium or the amount of insurance payable in the event of a misstatement of the age of an employe.

Individual Certificates

"(5) A provision that the company will issue to the employer for delivery to the employe whose life is insured under such policy, an individual certificate setting forth a statement as to the insurance protection to which he is entitled, to whom payable, together with provision to the effect that in case of the termination of the employment for any reason whatsoever the employe shall be entitled to have issued to him by the company, without further medical examination, and upon application made within thirty-one days after such termination, and upon the payment of the premium applicable to the class of risk to which he belongs and to the form and amount of the policy at his then attained age, a policy of life insurance in any one of the forms customarily issued by the company, except term insurance, in an amount equal to the amount of his protection under such group insurance policy at the time of such termination.

"(6) A provision that the group or class thereof originally insured shall be deemed to include from time to time all new employes of the employer eligible to insurance in such group or class.

"Policies of group insurance, when issued in this State by any company not organized under the laws of this State, may contain when issued, any provision required by the law of the State, or territory, or district of the United States under which the company is organized, and policies issued in other States or countries by companies organized in this State, may contain any provision required by the laws of the State, territory, district or country in which the same are issued anything in this section to the contrary notwithstanding. Any such policy may be issued or delivered in this State which in the opinion of the insurance commissioner contains provisions on any one or more of the several foregoing requirements more favorable to the employer or to the employe than hereinbefore required.

Not Subject to Debt

"Your committee further recommends that the proceeds of policies of group life insurance should not be subject to the indebtedness of employes for whose benefit the policies are procured and, therefore, recommends a statutory provision or departmental regulation, if possible, in substantially the following form:

"In addition to the above regulations, there should be separate provision of law or departmental regulation as follows:

"No policy of group insurance, nor the proceeds thereof, when paid to any employe or employes thereunder, shall be liable to attachment, garnishment, or other process, or to be seized, taken, appropriated, or applied by any legal or equitable process or operation of law, to pay any debt or liability of such employe, or his beneficiary, or any other person who may have a right thereunder, either before or after payment; nor shall the proceeds thereof, when not made payable to a named beneficiary, constitute a part of the estate of the employe for the payment of his debts.

"Your committee begs to direct the attention of the convention to the fact that in States where there are statutory provisions relating to the election of directors of mutual companies, appropriate provision should be made regulating the construction of the word 'policyholder' in that connection."

George Kuhns, president of the Bankers Life Company, Des Moines, was paid an unique honor when the people of Fresno County, California, recently presented him the first fruits of a new grape which, after years of experimenting, has been brought to a state of perfection. This grape is known as the Black Monukka and as now brought to its present state of perfection it is seedless. This is the second seedless grape to be developed in California and it excels the first type because it is larger and of a more beautiful color. This fruit has been developed by Elmer Snyder, Government expert in Fresno County, from a slip which was brought from the far away land of the Hindu. The new grape is now considered one of the viticultural assets of that section of California. Mr. Snyder brought huge clusters of this grape fully ripe to a meeting of the Fresno Commercial.

REPUDIATED BY FRATERNALISTS

The National Fraternal Congress has repudiated "A License to Steal," a publication by P. B. Armstrong, attacking the net valuation system in life insurance.

Great Southern Life Insurance Company

HOUSTON, TEXAS.



For Agency Contracts address

O. S. CARLTON

PRESIDENT

In addition to the ordinary forms of life insurance

THE EQUITABLE

makes a specialty of the following:

Insurance to protect business firms and corporations, under a corporate form of policy.

Group Insurance, by which employers protect families of employes.

A flexible contract, known as the Convertible Policy, which can be converted by the Insured into an Ordinary Life, Limited Payment Life, or Endowment Policy.

A Bond issued without medical examination giving the investor an income for his declining years.

A new policy is offered under which the insurance is DOUBLED if death results from ACCIDENT. This policy also embodies the following advantages if the person whose life is insured becomes totally and permanently disabled:

1. Thereafter the Equitable will carry the insurance —The Insured will have nothing further to pay.
2. The Equitable will pay the Insured an annual income for life equal to one-tenth of the face of the policy.
3. Upon the death of the Insured the full amount of the insurance will be paid to the Beneficiary (or double the amount if death is due to accident) without deduction on account of the income paid to the Insured while living.

(See the policy for conditions and details.)

For Agency Openings Address

WILLIAM E. TAYLOR,

Superintendent of Agencies

THE EQUITABLE

LIFE ASSURANCE SOCIETY OF THE U. S.

120 BROADWAY, NEW YORK

ANNUAL MEETING OF LIFE INSURANCE PRESIDENTS

National Problems Before and After War

CHAIRMAN CHILDS' OPENING TALK

We Have Avoided Paths that Lead to Autocracy, Substituting an Enlightened Co-operation

The Association of Life Presidents was addressed by Chairman Arthur E. Childs in part as follows:

The doctrine of the socialist is not only psychologically but biologically absurd. They would abolish the natural and usual relation between merit and its reward, between earning power and its proper returns. The Great Teacher said that "The workman is worthy of his hire," but nowhere did He say that the unworthy should be paid equally with the worthy. They would abolish, in the ultimate development of their ideas, the sacredness of the family unit, which is a part of individualism, around which revolves our entire social structure. They would abolish the two vital principles by which alone the vigor of a race can be maintained. The community they would establish would either pass into a miserable decay consequent on the large and untimely increase of those unfit for the business of life; or (and it is imperative that this should be fully appreciated in view of the present war) they would be overrun by the strong who had not followed the foolish socialistic policy of fostering the worst at the expense of the best.

An Enlightened Co-operation

It has been said in referring to the war that for the time being we have adopted an autocracy with which to fight depotism, but in the last analysis I believe it will be shown that we have avoided the path that leads to autocracy, and have called into being a new and better weapon, an enlightened co-operation, which will weld together the forces that make for good, which includes the hearty and voluntary co-ordination of the best brains of the country, and is mobilizing our resources all in a spirit of loyalty and helpfulness. It will never be fully known what the lack of co-operation has cost the Allies in men, in money, in prestige and in morale. Let us hope that from now on they will force the respect of the enemy by a concerted plan of campaign so that his energies wil be fully maintained on the defensive. Let us hope that the spirit of co-operation, which is now developing and growing everywhere in this country, will not be deadened or rendered useless by the efforts of those quasi-Americans, some of whose names are known to us and who should receive treatment suitable to their pachydermatous hides. Let us hope that those chosen to hold official and governmental positions, through whom the spirit of co-operation should be co-ordinated in its best and most highly developed forms, will fully appreciate their opportunities and serve their country in the development of what might be termed "Co-operative Americanism." We have seen and will undoubtedly see again the unfortunate exhibition of the man in power who, blinded by the yellow light of egoism, sees only his self-glorification as the proper function of his public office. To such a man Shakespeare referred in "Measure for Measure" when he said:

Man, proud man,
Drest in a little brief authority,
Most ignorant of what he's most assured,
Plays such fantastic tricks before high heaven
As makes the angels weep.

Government Operation of Railroads, Not Government Ownership

In fact the absence of the co-ordinating effect of intelligent co-operation between the Government and the people, from whom the Government receives its power, leads inevitably to the anomalous condition which we hope never to see in this country, namely, the Government making war on its own people, not with the noisy weapons of battle, but with the open exercise of executive and judicial power so directed as to maim, wound and disable the great instrumentalities of manufacturing, trade and commerce. On the other hand, refusal on the part of these instrumentalities to co-operate with the Government when the situation demands the setting aside of all selfish interests, may and probably will bring about a condition akin to centralized autocracy.

It is very significant that Government operation of railroads is now being considered if the pooling arrangements do not afford sufficient relief from the present congested condition. Government operation does not mean Government ownership but indicates a rapid development of the co-ordination of the forces that make for victory in the present war, and if the lesson be learned thoroughly it will show the way to the passage of proper laws after the war which will make for the good of the nation and the realization of a sane democracy.

Events succeed each other with astonishing rapidity, but let us pause a moment now and then to grasp their meanings, if we can. Take, for example, the pooling of the railroads east of Chicago and try to appreciate what the action of the War Board means in creating one centralized system to obtain a maximum of efficiency in traffic movement. If the results obtained are satisfactory what will become of the laws forbidding the elimination of competition; what will become of the many socialistic laws, State and Federal, governing the operation of our railroads? In the face of a national emergency, in the face of a common enemy, they have practically been swept aside overnight. Laws, court decisions, orders from Public Service Boards, and all the rest of the elaborate and vainly built superstructure is tottering because it has been built on the sands of a false sociology, of false conceptions of national unity and national prosperity, and on the false and foolish theory that all the trees on the hillside shall be made to grow and become equal whether or not they have a suitable environment and the inherent ability to do so.

The Power of Co-ordination

A great demonstration of the power of co-operation and co-ordination should be a blow to false ideas and an impetus to right thinking on national matters. Co-ordination of the great industrial forces of the country should be recognized by all the people, and its application permitted in a spirit of a broad national development. Do we now pin our faith to winning the war on the disintegration of our railroads, to disjointing commerce, and to throttling the banking community, and to those methods so fervently advocated by misguided lawmakers during the past decade? On the contrary, we turn to helpful co-operation, knowing that it will so co-ordinate the great national instrumentalities that such efficiency and such acceleration will be given to the national machinery that the war, through our assistance, will be brought to a speedy and victorious end.

The institution of life insurance as it exists in America is a monument of heroic proportions to that energy, resourcefulness, and co-operative ability which has given to the people of this country the best insurance in the world in generous volume. Competitive individualism has diversified the service and distributed the benefits to an extent not attained in any other country on earth.

Wise and just governmental supervision has always been welcomed by the best companies, has added stability and has helped to spread the ever-widening circle of public confidence in the institution of American life insurance.

Life Insurance Resources

Our business is so bound up with the very life of the people that no consideration of its problems in these war days can omit giving earnest thought to almost every phase of American business life. More than one-quarter of our assets, which total more than $6,000,000,000, are invested in the service of every section of the country through the railroad transportation system. We hold more than one-eighth of the railroad securities of the nation. Over one-third of our resources are engaged in agricultural development and in the up-building of the homes and business of our cities. Nearly one-sixth of our funds are loaned to State, counties and municipalities, or invested in public service facilities serving cities and towns. Lest it be misunderstood, let it be clearly stated that this vast aggregate of assets to which I have just referred has no vote whatever in any of the things mentioned, but places the accumulated savings of the insured at the service of the people, receiving in return therefor a modest and moderate average yield. From the viewpoint of both serving the policyholder and conserving his equities, we, therefore, are manifestly interested in many and varied phases of national life, and we cannot consider life insurance problems apart from the business problems of the day, and so our annual convention has been devoted to the broad consideration of national problems, rather than to the narrow technicalities of our own business.

To-day and to-morrow have been set aside to consider national problems, as well as our own, in relation to the war and after it shall have been ended. When we shall have emerged with victory, shoulder to shoulder with our Allies, what then shall be our future? All events will then be referred to as having taken place before or after the Great World War, and the present and the next generation will think in terms molded largely by the effects of the titanic struggle. Then, as never before, shall we not help to build up the waste places, aid the rehabilitation of human wrecks, and help to restore sane and normal living conditions? To this end, therefore, shall we listen with intensified interest to the splendid thinkers and speakers who are to follow.

TRAVELERS LOSES THREE

W. T. Sullivan, R. G. Switzer and H. L. Pulver, of Home Office, Die in Service

There were serving in the Army and Navy of the United States and Canada October 27, 390 representatives of The Travelers Insurance Company, home office and field, and in addition 15 sons and 2 daughters of Travelers' men. Three of the force have died for their country. They are Harold L. Pulver, U. S. Navy; Walter T. Sullivan, U. S. Army; Roy G. Switzer, Canadian Service, all from home office staff.

Travelers men holding rank higher than first lieutenants are Secretary James L. Hanard, major; Charles M. Clement, Chicago, major general; Harry A. Persell, major; Earl D. Church, major; Wilmer M. Flinn, captain; J. W. Amesse, captain; Carl W. Bloom, captain; W. S. Greene, captain; Robert T. Burns, captain; John H. Allan, captain; Carl Osterhaus, captain; A. L. Johnson, captain.



Prudential Group Policies Sell

Because of absolute protection, low premiums, annual dividends, grace period, disability provisions, termination refunds, incontestability clause, special certificates for employees, privilege of naming beneficiary, good commissions, and the Company's great experience in dealing with millions of workers in forty years.

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THE PRUDENTIAL INSURANCE CO. OF AMERICA

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Life Presidents' Meeting

$30,000,000 a Year to be Our War Loss

ESTIMATE BY WM. A. HUTCHESON

Bases Figures on Mortality Experience in Great Britain and Canada— Liberty Loan Data

If the American companies' war death claims should amount even to 10 per cent. per annum they will reach not less than $30,000,000 a year in the opinion of actuary William A. Hutcheson, of the Mutual Life, who addressed the Association of Life Presidents this week. Leading up to this conclusion he said in part:

"We had about $1,370,000,000 of insurance on the lives of the males in the United States in force on December 31, 1916, i. e., shortly prior to the date of our entry into the war; of this amount $172,000,000 (or about 12½ per cent. of the total sum insured) was on the lives of males of conscript age, 21 to 30. This is the maximum amount we could have at risk if all males of conscript ages were in the service. Practically all of this vast amount of insurance is free from all restrictions as to or payment of extra premium for military or naval service either at home or abroad.

"Coming now to policies under which an extra premium is required for such service, in the year 1916, the Mutual issued about $163,000,000 of new insurance, and over $44,000,000 (nearly 27 per cent. thereof) was on lives aged between 21 and 30. This latter percentage (27 per cent.) probably indicates more or less the percentage of insurance now issued by all companies at conscript ages, and it further indicates very roughly, in the case of newly formed companies, the percentage of the total insurance in force which is on the lives of men subject to military or naval service.

Amount of Insurance in Force

"At the end of the year 1916 there was $16,800,000,000 insurance in force in companies doing ordinary business and reporting to the New York Insurance Department. Some of the business so reported is on the lives of females and still other insurance so reported is on the lives of foreign residents. Taking these facts into account and assuming that only 10 per cent. thereof was on male lives in the United States between ages 21 and 30, we see that no less than $1,680,000,000 ordinary insurance was on male lives subject to military or naval service, and practically all of it was absolutely free from all restrictions as to such service.

"In addition to the ordinary insurance there was $4,400,000,000 industrial insurance in force at the same time, and the fraternal orders had outstanding insurance of somewhere about $90,000,000, both as reported by the New York Insurance Department. I am told that something like 50 per cent. of the industrial insurance is on male lives, and that about 25 per cent. of this insurance on male lives is on lives between the ages 21 and 30. By no means all of the American life companies report to the New York Insurance Department.

Amount of War Death Claims

"So far, except in the European business of certain companies, we have had a few war death claims to meet, but we must steel ourselves to meet them," he continued. "The British weekly casualty lists may give us some idea of what may be expected when we have an army as large as theirs. These lists show from 20,000 to 30,000 weekly casualties of which about 20 per cent. are 'killed or died of wounds,' and the remainder are 'wounded or missing.'

"**Canadian.** In the report of the Canadian Superintendent of Insurance for 1916, we find that the war death claims incurred the Canadian business of the Canadian, American and British life companies licensed to do business in Canada by the Department of Insurance in Ottawa, increased from $1,957,150 in 1915 to $4,561,000 in 1916, whereas the 'amount of the Canadian policies terminated by death' in the same companies was $13,481,530 in 1915 and $17,396,000 in 1916. If we term the total death claims less the war death claims, 'normal' death claims, we find that in the year 1915 the Canadian war death claims amounted to about 17 per cent. of the normal death claims or to put it another way, to about 14 per cent. of the total death claims, whereas in the year 1916 the war death claims increased to about 35 per cent. of the normal death claims, or to about 26 per cent. of the total death claims.

"**British.** Coming now to the experience of the British companies, in which companies there is a smaller proportion of new business than in the Canadian companies and therefore a smaller proportion of policyholders of military age, I have no complete information, but I have the reports of 25 British companies for the year 1915, and these reports show that the war death claims amounted to nearly $10,000,000 (taking $5 equal to £1) and that the normal death claims amount to about $80,000,000; i. e., the war death claims in 1915 amounted to about 12½ per cent. of the normal death claims in that year, or to about 11 per cent. of the total death claims.

"I am able to state that the total death claims paid in the British companies in 1914 and 1915 (not the same period, for the war commenced in August, 1914) amount in all to about $190,000,000. The war death claims therefore amount to about 20 per cent. of the total death claims over the two year period.

"The last information I have from Britain was contained in a letter written two months ago to me by the manager of one of the strongest British companies, and in this he stated that the war death claims in his company had grown to nearly 20 per cent. of their normal death claims, and he added that his company's experience reflected more or less faithfully the experience of the average company there.

"The increase in the proportion of war death claims to normal death claims in both Canadian and British companies is due to the increase in the armies and, therefore, in the number of the policyholders of both countries at the front, and not to any increase in the war hazard at the front.

"These facts all render comparisons difficult, but it may nevertheless be of interest to apply the above percentages to the normal American death claims. The New York Insurance report shows that about $300,000,000 was paid in death claims in 1916, about $250,000,000 thereof under ordinary policies and about $50,000,000 under industrial policies. The Canadian and British percentages of war claims to ordinary claims were, respectively, 35 per cent. and about 20 per cent. per annum in 1916. If the American companies' war death claims should amount to even 10 per cent. per annum they would amount to no less than $30,000,000 a year. If our war death claims should amount at any time to any appreciable part of the assumed 10 per cent. of our normal death claims, either the contingency reserves or the dividends of the American companies (or both) will be called upon to make very considerable contributions to the cost of the war, for it must be remembered that in hardly any cases can the companies charge any extra premiums as an offset to such war claims."

Insurance and the Liberty Loans

In discussing the Liberty Loans Mr. Hutcheson said 182 companies applied for $6,500,000 of first Liberty bonds, and $109,500,000 of second Liberty bonds. Agents subscribed for $38,000,000 of the first loan, and $100,000,000 for the second.

HUBBELL A FIRST LIEUTENANT

Frederick Windsor Hubbell, who was treasurer of the Equitable Life of Iowa when the call to arms came and who was then second lieutenant in Battery F of Iowa, has been advanced in rank to first lieutenant. His battery is now at Camp Cody, Deming, New Mexico. Mr. Hubbell is a grandson of the founder of the Equitable Life of Iowa.

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Our Policies provide for:
Double Indemnity, Disability Benefits, Reducing Premiums
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JOHN F. ROCHE, Vice-Pres't
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Organized 1850

American Central Life
Insurance Company
INDIANAPOLIS, INDIANA
Established 1899
All agency contracts direct with the company
Address:
HERBERT M. WOOLLEN, President

In Pamphlet Form
Business Reasons for Business Insurance
VALUABLE article from the Life Insurance Salesmanship Edition of The Eastern Underwriter has been published in canvassing document form and is proving very popular with life underwriters. -:- -:- -:- -:- -:- -:- -:- -:-
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THE EASTERN UNDERWRITER
105 WILLIAM STREET
EW YORK

Favors Unanimous Dividend Action

ALL CUT, OR NONE, SAYS IDE

National War Tax Must Be Accepted Cheerfully and Intelligibly— War Loan Investments

Addressing the Association of Life Insurance Presidents on the topic "Governmental War Insurance and War Taxation," President George E. Ide, of the Home Life, who was chairman of the committee of insurance men appointed by Secretary of the Treasury McAdoo, in relation to the war risk measure, declared that the idea of levying a national war insurance tax upon insurance companies for war purposes was sensible, practical and the tax is easy of collection, but the fundamental principle must be kept clearly in mind that this is a contribution from the individuals composing corporations and not a Governmental levy upon some intangible body, loosely described as a "corporation."

Education Regarding Taxation Problems

Had the companies a decade ago started in by unanimous consent to educate their policyholders as to the application of taxes, he said that State taxation by which each commonwealth has been trying to force these corporations to pay its local bills would by this time have been better understood and corrective measures would have been doubtless instituted. Continuing he said: "I regret to say that rivalries between the companies, selfish interests and lack of unity of action have prevented educational action in the past and are responsible largely for the dense ignorance which has prevailed, and still prevails, as to what a 'mutual' life insurance company really is, and who it is that ultimately pays every tax levied upon such a body. These attacks in the past have in many instances been unjust. The motive behind them has been bad and the source of many of them unrighteous. At the present time the situation is altogether new. The nation is now at war. Every individual must freely and willingly contribute his share to the general expense. Where it is impossible for the nation to segregate the property of the individual and that property can only be found in groups, those groups must be taxed; that is, mutual life insurance companies, being an important group of thrifty individuals, their property so found by the Government must be taxed in bulk."

The question which affects the insurance managers is, what disposition shall be made of this enormous expense which is now added to the budget of the life insurance companies. Mr. Ide said he did not share in the opinion frequently expressed that the ordinary policyholder cannot be educated to understand this matter, nor did he share in the feeling expressed in some quarters that the companies should restrain themselves to maintain the former schedule of dividends while they are subject to this tremendous increase in expense.

Discusses Dividends

"I do not feel, however, that everything should be done by concerted and unanimous action among the companies to show the policyholder that he himself individually is bearing a proportionate share of the nation's expense and that this expense means a deduction from the dividend which would in ordinary circumstances be otherwise returned to him. It may be possible to carry on this plan of education by general statements and it may not be feasible, on account of the amount of detail involved, to change our system so as to show to each policyholder what share of the total tax will be borne by him, but it seems to me imperative that our wisest and most experienced men should give to this subject most careful attention and that whatever plan is adopted it should be carried out with unanimity by the various companies.

"Our agents do not wish to see a reduction in the present dividend schedule, fearing as they naturally do that such a reduction would lead to a decrease in their productiveness, and it may be that most of the companies can safely go through the first year under this new Federal tax without material retrenchment in the dividend schedule, but if the war is to continue and if this tax is to remain as it is, or increase in the future, sooner or later we must all fall back upon the manifest truth that a national war tax is a necessary expense added to our ordinary expenses and that this expense must not only be accepted cheerfully by insurance managers, but that it must be thoroughly understood by all our members.

"I fear there is great danger in this important matter that we may make the same mistake which we have made in regard to State taxation. Preparedness must be made in advance."

Shouldn't Take Credit For Patriotism

Another interesting paragraph in Mr. Ide's paper was this:

"If the companies are willing to invest their funds largely in Government war loans at a rate of interest less than that which is offered on the bargain counters of our nation to-day, if the companies are to pay out in the aggregate these vast sums for taxes to meet the necessary war expenses, why should the managers assume for themselves any particular credit for such patriotic action when it is really the individual policyholder, acting with his fellows, who is paying the bills of the Government and making these sacrifices? The ordinary policyholder cannot be expected to appreciate these facts unless they are brought to his attention. Believing as I do in the manifest and unanimous patriotism of our people, especially those of the thrifty class who constitute our body of policyholders, I personally believe that such a course of education and enlightenment would not only be greatly appreciated by our members, but would meet with a hearty response and approval from them which would surprise us all. I may be allowed to quote from my own personal experience which has indicated to me that such frankness of treatment is what the people of this country now expect and that the experiment is worth trying. I sincerely trust that this association may give to some such movement its endorsement and approval, in the hope that by its example it may lead to its general adoption outside of its own membership."

The War Risk Bill

In discussing the war risk measure Mr. Ide said in part:

"The duty of the insurance fraternity is clear. We must do all in our power to support in a whole-hearted patriotic way every war measure. The student of European affairs surely recognizes the great political changes which have taken place since the beginning of the war. It takes a mere superficial knowledge of the situation to discover the so-called socialistic tendencies of the times, and at our own Capital even the occasional visitor cannot but be impressed with the same tendencies there.

"In this bill immense power is given to certain officials in Washington. It is the patriotic duty of all insurance experts to aid the Government in the future as they have in the past by all the advice and assistance which can be granted. Men of our profession can also be of great help to the Government in assisting it to obtain the services of men best fitted for the administration of this enormous bureau."

THE AVERAGE EARNINGS OF THE AGENTS
OF THE
Standard Life Insurance Company
∴ ∴ OF PITTSBURGH ∴ ∴
are higher this year than ever before. Our attractive Accident and Health Policies have helped them to make more money.
Write for a LIFE, ACCIDENT AND HEALTH Contract to
FRANK A. WESLEY
Vice-President and Director of Agencies

"Safety First, Dividends Second," — Hutcheson

SEES LOWER SURPLUS EARNINGS

Actuary of Mutual Life Discusses Dividend Scale of the Future— British Experience

In his talk before the Life Presidents, Actuary Hutcheson, of the Mutual Life, discussed the question of future dividends in one section of his paper.

"As I see it," he said, "expenses and death losses will increase during the war. At the same time, there has been a very substantial drop in the value of many securities and I can see little prospects of a return to the old values for years to come.

"Everything, in fact, seems to point to lower surplus earnings, which means either lower dividends or a lower contingency reserve, or both. I feel that the principle on which we should all act is 'safety first, and dividends second,' and I firmly believe that any company which thinks it better in these war times to reduce its dividend scale will receive nothing but commendation from the public and from all wise and thoughtful policyholders.

What British Companies Did

"Let us see what the British companies have done since the war started in 1914. As many of you know, the companies there do not, as a rule, make annual valuations and distribution of surplus. Some few do, but the rule there is to value and distribute surplus once in five years. Only some of the British companies, therefore, have had to meet the question of dividends since the war commenced three years ago, but in the case of those companies which have had to meet it, the following are the facts so far as I have been able to ascertain:

15 Companies 'passed' their dividends.
13 Companies cut down their scale of annual dividends.
9 Companies made no change in their dividend scales.
1 Company increased its dividend scale.

"The conditions in Great Britain and the United States are, of course, very different, and I am not trying to lay undue stress upon what has happened there, but nevertheless these facts should be of interest to us all for this question must be met by all if the war lasts for even another year, as most of us think it must."

RATES NOT TO GO UP

Life Presidents Tell New York "Tribune" Reporter They Know Nothing of Rumor

The New York "Tribune" printed this story on Monday morning:

Life insurance company officials who were interrogated yesterday concerning reports that an increase in premiums was to be discussed at the annual meeting of the Association of Life Insurance Presidents in this city this week disclaimed any knowledge of such an intention.

Arthur E. Childs, president of the Columbian National Life Insurance Company, and William W. McClench, president of the Massachusetts Mutual Life Insurance Company, thought that the report might refer to the American Life Convention, a Western organization, or have had its origin in opinions expressed by some actuaries at a recent meeting in Chicago.

"We have no knowledge of any proposed increase or any reason to expect that the question will be presented at the coming meeting of life insurance presidents," said W. A. Day, president of the Equitable Life Assurance Society.

An authorized statement from the president of the Mutual Life Insurance Company, given out by his secretary, was "that the company has no intention whatever of increasing premium rates." A similar statement was made by Haley Fiske, vice-president of the Metropolitan Life Insurance Company.

PURELY MUTUAL THE CHARTERED 1857
Northwestern Mutual Life Insurance Co.
MILWAUKEE, WISCONSIN
GEO. C. MARKHAM, President
Insurance in Force, $1,505,464,984
SATISFIED POLICYHOLDERS each year apply for over 35% of the new insurance issued.
POLICIES MOST FLEXIBLE AND EASY TO SELL
Complete Agency Protection:
Enforced Anti-Rebate and No-Brokerage Rules
Investigate before selecting your Company
Write GEO. E. COPELAND, Supt. of Agencies, Milwaukee, Wis.

Herbert Quick on Farm Loan Field

VIEWPOINT OF GOVERNMENT

Discusses Competition With Life Companies—Aim of All to Aid Farmer

The great loanable funds of the Nation are trust funds in a very broad sense, said Herbert Quick, of the Farm Loan Board, in addressing the Life Presidents. Whether owned individually or held in a fiduciary capacity, their management must always henceforth be regarded as charged with a public duty. Money loaned to farms is the lender's contribution to the management of the soil and the upbuilding or tearing down of rural life. The borrower and the lender are partners, and the lender cannot evade his responsibility.

He said in part:

Life Company Loans

"The fact may be noted here that the life insurance companies of the United States, commanding as they do the largest volume of loanable funds in existence, have loaned on real estate about one-third of their funds. I am advised that 40 per cent. of these real estate loans are on farm property. In amount, these farm mortgage loans of the life insurance companies total about seven hundred million dollars. The insurance companies thus have recently become the largest distinguishable factor in the farm loan business. A careful survey of the farm loan field made in 1916 discloses the fact that life insurance companies have been constantly extending their operations in this field, have been entering new territory, and have had an excellent effect in somewhat reducing interest rates and augmenting the supply of available funds for farmers. This to my mind is matter for congratulation. Where the farm loan business is done conservatively, it is perhaps the safest of all investment fields. In entering this field, the insurance companies have been true to the interests of their policyholders. I am of the opinion that more and more money of the life insurance companies ought to be loaned to the farmers in the interests of the companies themselves, of their policyholders and of the Nation."

The Farm Loan Board

In discussing the Federal Farm Loan Board Mr. Quick said in part:

"Our entry into the farm loan field cannot have failed, I am sure, to be a matter of interest to all of you. Some of you may not altogether have approved of it. We came in some respects as competitors, in a business sense. Over much of the territory in which you have been investing we lower the rate of interest, and we force upon a well-established business the necessity of considering changes in contracts and readjustments of methods. I have told you of my conviction that these things are necessary to the national welfare, and when you come to agree with me as to that I know our minds will have met over most of the ground which may have been disputed. When that agreement shall happily have been reached may we not drop the word 'competition' and substitute for it the nobler term 'emulation'? And may we not pass the stage of emulation and enter upon that of cooperation?

"As a matter of obvious fact, the Federal Farm Loan system cannot do and does not wish to do more than a part of the farm loan business of the country. This business is so huge that the physical capacity for doing the business in the twelve banks could not equal the demands of taking it over, if it were offered—and it will not be offered. Many farmers will prefer to borrow by the old methods. Many will want to borrow on shorter time than is permitted under our system, and for purposes not allowed under the Act. Many will need larger loans than we can make. Many will wish to borrow who are not engaged and do not expect soon to become engaged in the cultivation of the land mortgaged. Many will prefer not to join a cooperative organization of borrowers. Many will be left out of the system for other reasons. But it is now certain that our system will always be in the field in a larger and larger way, and that the life insurance business and the Federal Farm Loan system cannot remain strangers to each other.

"In the hardest task which confronts us we are glad to feel that we are working for you as well as for the farmer and for ourselves—the task of fighting down fictitious land values, and establishing the farm loan business upon the basis of an appraisal of the value of the land for agricultural purposes, in which the earning power of said land must by everyone in our Bureau be kept constantly in mind by the very terms of the law, as a 'principal factor.' Rising land values are frequently spoken of as if they were a cause of prosperity. As a matter of fact they are only symptoms of it and of the pressure of population; and their constant tendency is to strangle prosperity by laying upon productive industry such charges for the mere privilege of having access to land as to slow prosperity down and to bring it to an end under its burden of land values both economic and speculative. Speculative land values have been the cause of every disaster of any consequence which has been visited on the farm mortgage business."

BUILDING UP CITIES

Part Played By Life Insurance Described By Mayor John McVicar of Des Moines

After calling attention to the fact that life insurance companies have tremendously increased their investments in State, county and municipal bonds—from $163,000,000 in 1904 to $534,600,000 in 1914—John McVicar, Mayor of Des Moines, said at the Life Presidents' meeting:

"To this notable record of contribution to municipal development should be added upwards of a billion of dollars more invested by the trustees of life insurance funds in city mortgages. By this means have been furnished the moneys needed for the construction of innumerable quasi public and private buildings, including factories, office buildings, department stores, hotels, apartment houses, model tenements, and modest homes which both serve and adorn our cities. Under the strict rules of the laws and the watchful eyes of experienced company managers, the security of these real estate mortgages is unsurpassed by any available class of investments. Thus, in the past, have been combined sound business judgment with high civic patriotism. May we not, therefore, look forward to a very special consideration by the life insurance companies of our cities' needs, when it shall again become fitting to resume and necessary to finance these projects which tend to make life therein better worth the living?"

A LETTER FROM LIEUT. NEWTON

James Fay Newton, of the home office of the Phoenix Mutual Life, is a second lieutenant in the Field Artillery School of Instruction of the American Expeditionary forces. He is now in France. In a letter to the home office, telling of his experiences, he highly praises the characteristics of the English and French. The ship on which he sailed took three week to cross. He is rooming with two Williams men, whom he knew at college, and R. N. Williams, tennis champion.

LIFE INSURANCE COUNSEL

Bullitt, Deitch, Dunham, McIntosh, Hurrell and Others Among the Speakers

The annual meeting of the Association of Life Insurance Counsel this week was the most valuable in its history. William Marshall Bullitt, former Solicitor General of the United States, read a paper on "Present Status of the Constitutional Question in Relation to Removal of Actions to Federal Courts."

Guilford A. Deitch, of Indianapolis, read a paper on "The Doctrine of Election."

Frederick Dunham, counsel of the Association of Life Insurance Presidents, read a paper on "Moratorium Statutes." The paper was discussed by James H. McIntosh, counsel for New York Life, and Alfred Hurrell, of The Prudential.

The next subject taken up was that of war taxation. One question on which light was wanted was "What is Invested Capital." The meeting was at the rooms of the Bar Association.

The annual dinner of the Association was held at the Waldorf-Astoria on Wednesday night. The association now has seventy members.

AFTER THE WAR

Thousands of Cripples and Blind Must be Cared For, Says Dr. Frankel

Lee K. Frankel, third vice-president of the Metropolitan Life, concluded an address before the New York State Conference of Charities and Correction with this statement:

"I have no desire to sound a pessimistic note. We must realize, however, that an even more serious situation may confront us when the war is over. We shall then have returning to us hundreds, if not thousands, of cripples, the lame, the halt and the blind. Whatever may be done by Federal authority for the care of these unfortunates will not fully meet the situation. Additional help on the part of State and municipal authorities and private organizations will be required. We may anticipate an increase in the size of, or at least in the accommodation of our State and municipal institutions for the sick and the helpless. We shall have to develop new educational facilities to re-establish and make self-supporting those who by reason of physical disabilities can no longer ply their former vocations. We shall have a material increase in the number of men spent by the hardships of war, in the number of individuals unfit for work of any kind, in the number of lame and wounded who must have permanent and probably institutional care and in the number of insane. We cannot wait for the war to end to begin preparations for the conditions which we may undoubtedly expect to face. The time to prepare for the emergency is now."

HOME LIFE INSURANCE CO.

(Now Purely Mutual)

256 BROADWAY, NEW YORK

GEORGE E. IDE, President

The fifty-seventh annual report shows insurance in force of $133,493,000, an increase during the year of $7,832,827. The Company paid the policyholders in 1916 $3,536,233, of which $628,406 was in dividends or premium refund. Its insurance reserve fund was increased by $1,300,000 and the Assets are now $32-821,462.

For Agency apply to

GEORGE W. MURRAY,
Supt. of Agts.
256 Broadway, New York, N. Y.



NATIONAL LIFE INSURANCE COMPANY

(MUTUAL)

MONTPELIER, VERMONT

67th Year

FRED A. HOWLAND, President

On paid-for insurance basis and with bonds valued at par only (market value $409;882 above par) the 67th report shows:

Assets	$66,426,040.82
Liabilities	62,268,494.36
Surplus	$ 4,157,546.46
INSURANCE IN FORCE	$212,037,400.00

A good company for the policyholder and the agent

EDWARD D. FIELD, Superintendent of Agencies.

Blunt Talk by Priddy on Western Trip

CRITICISES ILLINOIS LICENSING

Association to Push Bill to Change Law Regulating Issuance of Certificates

By ARTHUR HEIBERG,
Telegraph Editor "Chicago Evening Post"

Chicago, Dec. 4—In a stirring and vigorous address before the Chicago Life Underwriters' Association to-night Lawrence Priddy, president of the National Association of Life Underwriters, criticised the system of appointing agents in Illinois at the present time and told his audience that the main problem in the writing of insurance to-day was the elimination from the field of the "undesirable agent." When he concluded, the association passed a resolution providing that a measure be introduced in the legislature at the earliest possible moment making a stiffer regulation of agency certificates.

Mr. Priddy also advocated publicity as a cure for some of the ills, recommending that the State of Illinois follow the policy of Connecticut in regard to the publication from time to time of a full list of agents of all companies that solicit insurance within the State.

Publicity Wanted

"The names of these men should be grouped under the companies which they represent," said Mr. Priddy, "and then alphabetically arranged according to name, so that all life insurance agents shall stand forth before the general public and business men of the State for what they are and not be represented as doctors, lawyers, merchants, or what not. If my business is too shameful to be connected with them I don't want any of the men who derive a part of their income therefrom to hide behind its skirts."

These sentences were only a few of the equally forceful ones he hurled at his listeners. He held them spellbound and they were with him from start to finish. First he would tell them of some damaging influence at work in the profession which they claimed and would then suggest a remedy. If the occasion required the use of a few discreet cuss words he would use them despite the presence of about ten women.

Praises Connecticut Laws

Using Connecticut as a good example he declared that "the insurance laws in force in that State have not caused any trouble in that State in twenty-five years and if they are successful in a State like Connecticut they surely should work out in Chicago and Illinois."

Referring to the obsoleteness of the Illinois system he rather scornfully declared that the "law now governing 'what constitutes an agent' was written in 1869"—six years before Priddy was born. He presented letters from the insurance commissioners in fourteen States setting forth their views with regard to the licensing of agents and almost to a man they were for the reforms which Mr. Priddy is advocating. Even the Commissioner of Illinois was in favor of the policy and he pointed out in his letter that the superintendent of insurance in Illinois "cannot revoke licenses or judge the right of the agent to be in that fraternity."

Priddy put just the right touch on that situation with the remark: "Huh, if a man is a murderer or a thief he cannot be barred from soliciting life insurance. That wouldn't go in New York, you bet."

All of it "took," however, and was thoroughly digested as shown by subsequent events. He delivered several tirades against Illinois practices and then concluded with, "What's the matter with you fellows?"

How Resolution Reads

The upshot of his remarks was the recommendation of a bill drafted by the National Association of Life Underwriters which has been written into several States' statutes providing that every agent or company in the life insurance business shall be licensed and also that the license to solicit business should be issued only at the behest of the company employing the agent seeking the commission and that he shall be shown suitable to act in that capacity and of good character; further, that the commissioner of insurance shall have the power to use his own discretion in issuing the license and may have the power to revoke it at any time he sees fit.

This recommendation was received with great applause and Mr. Priddy then suggested the publication of the agents' names. He told of an instance where such a list was published in a small town newspaper at one time and the following day "bankers, bootblacks, lawyers, merchants and others from all over town demanded to know why their names should be published as insurance agents." When informed by the local association that the list was furnished by the State insurance department they declared they were not solicitors and a short time later approximately 50 per cent. of those licenses had been cancelled at the requests of the agents themselves.

Here Mr. Priddy was interrupted by one man who could no longer restrain himself, to make the motion that the bill be sponsored by the Chicago Association.

Space will not permit a full account of Mr. Priddy's address. He sowed the seed in a most productive manner using New York and the East in general as examples of efficiency in the insurance business. He told the members of the Chicago association how they might achieve some measure of success in their organization that had been shown by the New York body. He reviewed the history of the National and New York associations and told of the work of the latter body. Amendments to the Armstrong law in New York were cited as the force of the State body's activities. He hit at resident agent license laws in a brief way when he said that they "should and would be abolished if the insurance men had the influence necessary to do so."

Discusses Federation

He went into the work of the insurance federation and said that while their motives were good and the cause worthy it would be better to retain the energy of the life insurance men for their own association, reviewing in this connection some of the legislative reforms brought about by the National Association. He also told of other evils in the insurance business which were abolished through the activities of the New York Association. His talk was replete with personal reminiscences of his work in connection with this activity. He told of the dissemination of fake figures by unscrupulous agents and the solicitations of spurious agents both evils being rapidly done away with by the New York Association. He said that "eighty-seven licenses in New York City were cancelled in two years, doing away with that many crooks." He gave many axioms of New York association methods and criticised lax members who do not attend meetings and then kick at the way the organization is run.

Mr. Priddy kept his audience roaring with laughter despite his various digs and a gale of good feeling swept the room. The climax came with a stirring and inspirational talk on patriotism while urging hard work on the next Liberty Loan and present war savings certificates campaigns. All in all the consensus of opinion was that he has done Chicago a world of good and by refraining from injecting the personal element did much to restore harmony in the ranks of the Chicago association where at different times in the past there has been great dissension.

VIEWS OF I. M. HAMILTON

Discusses Agency Situation in Illinois —Favors an "Admission Standard" in Licensing

Isaac Miller Hamilton, president of the Federal Life Insurance Co., Chicago, who is in the city to attend the meeting of the Association of Life Insurance Presidents, when asked for an expression concerning the question of licensing all Illinois agents, regardless of the company represented by the agent, said:

"The Federal Life management had been and probably will continue to be passive in the matter, and in my judgment the quality of an agency force depended on the character of the home office management or of the general agency having charge of the employment and direction of the agent." He called attention to the fact that a life insurance company domiciled in another State and operating in Illinois was not required to license its Illinois agents or pay taxes on its Illinois premiums unless the companies of Illinois, if operating in such other State, be compelled to license its agents and pay taxes on its premiums therein.

Mr. Hamilton stated with much regret that the notorious rebaters formerly so much in evidence in Chicago were the licensed representatives of companies domiciled in other States and not the representatives of Illinois companies. He voiced his great appreciation of the helpful and beneficial work in largely eradicating the rebater, the grafter and the twister which has been done by the Chicago Life Underwriters' Association and his earnest hope that no untoward influence, even though well intended, be injected in the local situation which might tend, even, to dishearten the high minded life insurance men, representatives of foreign or local companies, who now are doing so much and so well to improve the really fine conditions already existing in Chicago.

While favoring strongly the whole-time man whose abilities rapidly are forcing recognition of life insurance as a profession, Mr. Hamilton had only words of commendation for the part-time man who finds his own prospects, sells them without misrepresentation and at one hundred cents on the dollar and remits his nets promptly; the full-time man who misrepresents, twists, rebates or defrauds he condemns in unqualified terms and feels that the efforts of local life Underwriters' Associations would be far more effective and uplifting if devoted to eliminating dishonest and unethical full-time men rather than expended in attempts to suppress the honest, sincere and efficient part-time man.

Mr. Hamilton feels that life insurance men generally are "off on the wrong foot," so to speak, on the question of licensing agents. He feels that the National Association of Life Underwriters and all those interested in the cause of good life insurance, should join in an effort to secure a law providing for "Admission to Life Insurance," much as lawyers are admitted to the Bar and that when once admitted they be authorized to continue the practice of their profession unless and until disqualified much as lawyers now are disbarred. Such a law would do more for life insurance, in the opinion of Mr. Hamilton, and in a shorter time than almost any other one thing reasonably conceivable.

PITTSBURGH AGENCY LEADS

St. Clair & Golden, Pittsburgh general agents of the Equitable Life of Iowa, took the lead in production for the current year by good work in October, and now lead the W. F. Crawford general agency at Chicago by a slight margin.

The Pittsburgh production for ten months in 1917 was $1,455,777.

Capable Agents, Desirable Company

The two most important factors in life underwriting are capability in the Agent and quality in the Company. If the Company provides an unexcelled, attractive policy for a low net cost, and has a reputation for prompt and efficient service, the result is contentment, loyalty, and success for the man in the Field, if he is capable. This Company's record is evidence of the character of its representatives and of the quality of the institution.

Occasionally we have a General Agency opening

JOSEPH C. BEHAN, Superintendent of Agencies

MASSACHUSETTS MUTUAL
Life Insurance Company
Springfield, Massachusetts
Incorporated 1851

44 MILLIONS from 42 AGENCIES

THE 1916 RECORD OF OUR EARNEST, LOYAL AND HAPPY AGENCY FORCE

New England Mutual Life
Insurance Company
BOSTON, MASS.

"Too Particular About Big Risks," Myrick

FURTHER BIG LIFE DISCUSSION

Many Cases Turned Down For Minor Reasons and Imaginary Impairments, Says New Yorker

It is reported that three risks of a million or more each have been turned down by the companies in the past fortnight. In view of this fact the following comments made by Julian S. Myrick, of Ives & Myrick, managers of the Mutual Life, New York, in an address a few days ago, are of interest:

"As far as the insurance company is concerned the loss in the number of applications among the younger ages on account of the draft, and the resultant Government insurance will be offset to a certain extent by a greater number of larger policies. As this is true, it is necessary for the company to check up its methods of selection so that fewer errors of judgment will be made. The principal reason in the past that the mortality among the larger risks has not been less than that of the smaller class is because too many good cases have been thrown out for minor reasons and imaginary impairments. It takes a strong man to stand unprejudiced while considering cases of large amounts. The agent must also realize that he has a duty to perform in the selection of these risks, and, above, all, he must be careful to assure himself that the applicant is not applying for insurance from speculative motives. He must be sure that the amount of insurance is commensurate with the income of the applicant or the capital and business standing of the firm. The cost of selection of the larger risks is considerably less per thousand than among smaller applications. In fact, the total cost of putting a large policy on the books is comparatively low. Large policies do not increase the fixed charges or overhead expenses either in the home office or agency."

Union Central's Limit

Additional information received this week by The Eastern Underwriter about company's limits follows:

The Union Central's maximum limit on life and endowment plans at age 55 and under is $100,000 in amount at risk. At ages 56 and over the limit is as follows:

56	$95,000	61	$65,000
57	90,000	62	55,000
58	85,000	63	45,000
59	80,000	64	35,000
60	75,000	65	25,000

The maximum line of the Prudential Life & Trust on life and endowment is $75,000; on term is $50,000.

The Travelers' limit without re-insurance on a first class risk, aged 55, is $50,000.

The Fidelity Mutual will consider at age 55 $70,000 on a single life if the case is thoroughly normal.

This, however, contemplates re-insurance of one-half this amount.

The maximum limit of the National Life of Vermont is $25,000.

MILLION DOLLAR MONTH

Frederick A. Wallis Agency Passes That Figure in November—Brooks Logan Leads

The Frederick A. Wallis agency set a pace of a million dollars of business for November. The agency accomplished what it started out to do and then topped that figure with $57,500.

Brooks Logan headed the producers' list with more than $100,000; Roy Turk was second, with more than $60,000; George W. Meacham, third; Miss Julia Donnelly, a six months recruit, fourth, with more than $50,000, and J. E. Poteet, fifth.

More than 85 per cent. of this business was written on the life income contract plan, which policy has been made the feature in the Wallis office.

In all, thirty agents contributed to this, the first million dollar month of the agency, and the first million dollar month of any agency of the Fidelity Mutual Life.

This furnishes another proof of the personality and ability of Frederick A. Wallis as a director of producers. J. C. Hume, home office supervisor and assistant to Mr. Wallis, did his part in contributing to the above results.

FRATERNALS IN SESSION

Will Press for Adoption New York Conference Bill and Child Insurance Measure

This week executives of fifty orders, members of the National Fraternal Congress, met in New York to consider various questions concerning the welfare of fraternals and to confer with committees of the National Convention of Insurance Commissioners. The representatives met as a conference committee of the whole, and the executive committee also held sessions.

It was decided to press for adoption the New York Conference Bill, which is the general uniform bill, in all States in which it has not been adopted. It was also decided to work for the adoption of the uniform child insurance bill which has been approved by the commissioners. The fraternal orders will press for its adoption without amendment.

There was considerable discussion of the proposed merger bill. A draft was presented by Hill Montague of Richmond, Virginia and the bill of Commissioner Cleary, of Wisconsin, was also discussed. In this connection the idea prevailed that any amendment to existing fraternal laws should apply only to fraternal orders and should be a separate and distinct bill, leaving out all reference to old line companies. The merger proposition was referred to a sub-committee to meet with the committee of the commissioners.

Stuart G. Shepard, a lawyer of Chicago, has been given charge of the legal branch of the Soldiers & Sailors Insurance Bureau in Washington.

Germania to be the Guardian Life

DIRECTORS SO VOTE ON DEC. 5

Paid for Business for Eleven Months of 1917 Shows $4,000,000 Gain

The board of directors of the Germania Life Insurance Company of New York at a special meeting, held on Wednesday, December 5, voted unanimously to apply for an order authorizing the Company to change its name to the Guardian Life Insurance Company of America.

The Germania is well known as an old line conservative company, which, particularly during the last few years, has made great strides.

Its new paid-for business for 1916 was in excess of twenty-one million dollars and for the first eleven months of 1917 the Company had a gain in paid-for business of four million dollars over the same period in 1916.

All Officers American Citizens

The Company was incorporated in 1860 under the laws of the State of New York and is doing business in thirty-six States of the Union. All of the officers of the Germania are American citizens.

Immediately upon the outbreak of the war, the Germania devised a plan of national economic mobilization of life insurance policyholders, having for its purpose the promotion of the health and thrift of the nation by the voluntary co-operation of life insurance policyholders. Thousands of policyholders have been enlisted in this movement to conserve and increase their physical and economic power for the good of the nation.

However well known the Germania is among its policyholders and friends as an American company, its name has been found a handicap to it since the United States entered the war against Germany.

The Company's directors and officers have reached the conclusion that, in justice to the future progress of the Company, a change in the name should be made, and, with the approval of the Superintendent of Insurance of the State of New York, the name of the Company will be the Guardian Life Insurance Company of America, as soon as the necessary legal requirements can be complied with. The directors and officers have also decided to confine the writing of new business entirely to the United States.

The New Name

Of course, the change of name will not affect in any way existing policy contracts. The policies issued prior to the change will remain in full force and effect in accordance with their terms until their natural expiration.

The change of name will require about ten weeks for completion.

The Company's officers and directors believe that the new name will remove any doubt as to the Company's nationality and will more closely express the principles of the founders of the Company, who have made "Safety and Service" its motto since the year 1860.

DROP DISABILITY CLAUSE

Not Used in Industrial Policies of Metropolitan Pending a Tax Ruling

Companies writing industrial insurance have not been able to obtain from Washington to date a ruling as to whether a disability clause in a policy makes necessary a war tax payment different from that required in the tax on industrial policies—40 per cent. of the first week's premium.

It is understood that the Metropolitan has eliminated its disability clause on industrial policies pending the receipt of a ruling from the Internal Revenue office. The clause will be restored if the Metropolitan's contention that the clause can be used without taking the industrial policies out of the industrial life insurance classification is upheld.

CALLS ON FRATERNALS

Secretary McAdoo Asks Their Assistance in Connection with Loan Service

Secretary of the Treasury McAdoo this week called a meeting of representatives of fraternal and fraternal insurance societies of the country to be held in Washington December 18 for the purpose of discussing the manner in which such organizations can be of service in connection with the Liberty Loan and war savings campaigns. It is known that these associations desire to be of the greatest help at this time and it is believed that a discussion of the matter and a co-ordination of effort in each instance will produce very beneficial results.

This meeting is another step taken by the Secretary to further the war savings campaign which began Dec. 3, and to lay plans for the campaign of the third Liberty Loan, which the Secretary has announced will not be launched at least until after the first of February. It is believed that the meeting will be representative of virtually every fraternal and fraternal insurance society in the country.

SIZE OF ESTATES

Only Nine Per Cent. In New York Leave More Than $5,000 to Heirs

At a meeting of the Capital District Life Underwriters' Association (Albany and vicinity), Judge Newton B. Van Derzee, of the Surrogate's Court, Albany, summarized the recent investigation made by Professor Charles Spahr, of Columbia University, into the records of surrogates of thirty-five counties in this State.

Of 10,000 persons, 66 per cent. left no estates; 25 per cent. left estates valued at $1,292; 9 per cent. left estates of $5,000 and up.

Judge Van Derzee delivered the main speech of the evening. He paid a glowing tribute to the work of the insurance men, as creators of estates and inducers of thrift. Insurance was characterized as a profession, one that implied complete confidence on the part of the client. This was shown through the many policies that were never opened after receipt. Insurance was styled "trust money for unfortunate people."

THE TRAVELERS
INSURANCE COMPANY INDEMNITY COMPANY
HARTFORD, CONNECTICUT

WRITE THE GREATEST VOLUME OF

GUARANTEED LOW COST LIFE INSURANCE

AND

CASUALTY INSURANCE

THE OPPORTUNITY TO SUPPLY THESE INSURANCE NEEDS GUARANTEES AGENTS THE BROADEST FIELD AND THE LARGEST INCOME.

LIVE HINTS FOR BUSINESS GETTERS

Practical Suggestions to Help the Man With the Rate Book Increase His Income and General Efficiency

An Ohio Agent on Corporation Insurance

J. O. Newcomb, of the Midland Mutual Life, recently wrote a corporation for $40,000 on the 20-year endowment plan. In considering the subject of corporation insurance a firm or corporation, he says, must take into consideration these two factors:

(1) Back of almost every business there is a home and family, or a group of homes and families. To strengthen and stabilize the business is to assure the proper and continued maintenance of the homes and families dependent upon it. An insurance policy carried for the protection of the business may often prove more valuable to the family than a policy carried for its direct protection, because it may be the means of continuing the business in successful operation in a time of business crisis or after the death of the insured. Furthermore, insurance carried by a firm or corporation on one of its members, may, in case of changed business conditions or relations, be transferred or sold to the individual insured, on such terms as may be agreed upon. This privilege may be of extreme value to the insured, because it gives him an option on insurance issued at his present age, an option which may be exercised when failing health prevents him from getting new insurance or when by reason of advancing age the cost has become prohibitive.

(2) The great majority of business men have larger motives in the conduct of their business than personal profit. They give their lives to build up an honorable and successful business, and take a just pride in the achievement, not so much because it may have brought wealth or power to them personally, as because through a long period of years it has well served the community, and contributed to the welfare and happiness of thousands of people. Now the most valuable service which a business can render is by its payroll, and if that payroll can run on uninterrupted by the death of some member of the corporation the resources of the community are immeasurably conserved. There is always, too, the reasonable ambition that the labor of a life-time shall not perish, and that business associates, employes and the community itself, which has made success possible, shall not suffer unnecessarily by the accident of death.

* * *

The Duty of the Hour

Without making any radical departure from our usual daily rounds, we have passed through much during the past several months. We have lived through the futile period of neutrality and then witnessed the gradual awakening of our great country to its patriotic duty to itself and the whole world. We have seen the first mobilization of the nation's fighting forces and the early, self-sacrificing response of our volunteers to the first call for men. We have enacted and made operative our selective draft law, and wished God-speed to the thousands who have accepted and are so cheerfully accepting its rigorous mandates. We have substantially oversubscribed two enormous Government War Loans dedicated to the sacred cause of Liberty, and we now willingly pay our war taxes in order that posterity may not be obliged to assume an undue portion of the burden.

All this, and much more, wholly strange to our normal lives, has happened in rapid succession during a few short months, and yet most of us failed to realize the full meaning of it all.

Now, however, comes the real, the actual awakening. Now, our vision is clear and our course distinct.

Somewhere "over there" the first of our boys have made the supreme sacrifice, have given their lives for our great cause, and the bitter reality and horror of war has finally entered our American homes. Now then, the great issue is squarely before us, and there can be no faint hearts. Every able-bodied man must be a fighter or a worker. We all know and appreciate the wonderful work that the women have done and are still doing. Our country is no longer big enough for the drones. The fighting forces must be supported to the limit, and this vital responsibility rests squarely on the workers.

Business must not be permitted to falter nor become sluggish, for the efficiency, and, consequently, the very lives of the men at the front, depend upon prosperity at home.

Never, in the world's entire history, has there been so much at stake. Never has there been the necessity for the fighters to fight so strong or for the workers to work so hard as at the present time. It is imperative that every able-bodied man who remains at home apply himself to his work as he never has before. Every legitimate business must be made to contribute its full quota to national prosperity.

We have seen how in England the insurance business has proved one of the strongest bulwarks of the Government. Its great financial power in this country places it beside the banking business in its capacity to help.

It is, therefore, a vital, sacred and patriotic duty that we, as insurance men, have to perform; as the sum of the success of our individual efforts regulates and controls the support which our business and our Company and ourselves, as individuals, may render our Government and the men in the trenches.

Whatever the extent of our effort, it must not be forgotten that we still have by far the safer and more comfortable part in this situation, and the continuance of our safety will depend upon our fighting men.

By all means, let us not be lacking in doing our full share—John Hancock "Field."

* * *

Doesn't Believe in Trusting to Luck

Harold Pearce is manager of the Germania Life in Cleveland. He doesn't believe in handing a man a rate-book, giving him a few instructions and then trusting to luck. Instead his plan follows:

I bring my man to the office and endeavor to lead him to acquire the proper mental attitude toward the business in which he is about to engage. He must be taught to believe thoroughly in his business—to appreciate fully the tremendous value of life insurance. He must have positive and enthusiastic faith in his "goods" before he can successfully sell them to others.

I then proceed to teach him something about the scientific side of the business and instruct him about the forms of policy contracts. I lend him some good text book on life insurance and urge him to study it diligently and systematically during his leisure hours. Then he is started out to find some prospects and when he brings in a list I either go with him myself or have one of my experienced salesmen go with Mr. New Man to call on every prospect he has found. Some of the prospects will be written and here is what we are accomplishing: I am showing him my method of writing business. He sees how I approach a prospect, how I argue my case and how I close it. Some of these methods he is absolutely sure to use in his future work. Besides, I am making Mr. New Man some money at the start—he probably needs it, too. Thus, he is learning in the most practical way possible how to sell life insurance and at the same time is being put upon a self-sustaining financial basis.

I try to give each and every new man all the assistance he requires until he can "paddle his own canoe."

I believe, if a manager is to succeed in organizing city territory, it will be his policy to subordinate his own interests, temporarily at least, to his co-workers, the agents, to have them feel that their interests are preferred.

THE
METROPOLITAN LIFE
Insurance Company
(Incorporated by the State of New York)



Metropolitan Life Insurance Company
Home Office Building

The Company

Of the People
By the People
For the People

The Daily Average of the Company's Business during 1916 was:

701 per day in Number of Claims Paid.

8,304 per day in Number of Policies Issued and Revived.

$1,969,823 per day in New Insurance Issued, Revived and Increased.

$376,827.40 per day in Payments to Policyholders and Addition to Reserve.

$220,509.26 per day in Increase of Assets.

JOHN R. HEGEMAN, President

Representing

The Mutual Life Insurance Company
of New York

You will make money.

The great strength, big dividends and incomparable benefits of the *"oldest company in America"* mean certain success for you.

For Terms to Producing Agents, Address

GEORGE T. DEXTER, 2d Vice-President

34 NASSAU STREET, NEW YORK, N.Y.

LEAVES OF ABSENCE

Any agent of the New York Life (whether member of Nylic or not), called for military or naval service, and who holds a contract providing that the renewal commission is conditioned on the procurement of a certain volume of business within a period of twelve months from the anniversary of the contract, will be given a leave of absence during the period of his service, said contract to remain in full force; and the Company will allow on business produced by such agent between the date of the last anniversary of his contract and the date he leaves for military or naval service, the renewal commission he would have been entitled to had the business for the full twelve months been at the rate of business actually procured by him during said fraction of the year.

We take pleasure in announcing that the Company has decided to extend the above program to all agents already enlisted or hereafter called into war service of any kind authorized by the Government, such as Red Cross, Y. M. C A. war work, Knights of Columbus, Y. M, H. A., etc.

The second annual safety congress of New York State closed December 6 after being in session since Monday at Syracuse.

Henry Moir's View of War Risk Insurance

ACTUARY'S ANALYSIS OF ACT

Discusses Term, Conversion, Participation and Other Points—Effect on Existing Business

In his talk before the Life Underwriters' Association of New York, Henry Moir, actuary of the Home Life, discussed the magnitude and development of the War Risk Insurance Bureau, and pointed out that insurance companies favored the granting of the most liberal benefits possible to soldiers, including the issuance of insurance on their lives. Mr. Moir proceeded to show the probable effect of this governmental plan on the business of life insurance companies.

Year to Year Term

The soldiers' insurance is in the form of yearly renewable term policies. This class of business produces interesting results. Those who get the benefits die, and this means that after a few years those who would praise this kind of insurance are all dead. Those who are still alive pay yearly increasing rates; they have no return in cash value or in anything else; they kick like mules—hard and at the hinder end! This form of insurance ultimately becomes most unpopular, and we may feel sure that the Government experience will be like that of the many corporations which have specialized on such policies in the past.

Effect on Existing Business

Much of the existing business may be continued at the option of the insured without any extra premiums for war service, for most of the policies taken prior to the war are entirely free from restriction as to occupation. Therefore, companies cannot take any steps to meet the additional hazard of the war under such policies. The apparent cheapness of the Government insurance, and the propaganda by which it is being exploited, are such that in all probability many young men who go to war are likely to allow their regular policies to lapse and take the Government insurance instead. This is likely to be done in the first flush of enthusiasm over the Government plan. Those who so discontinue their policies are neglectful of their own best interests—but there are many such. Meantime the companies will not lose by such lapsation, but on the contrary may avoid heavy extra hazards which would not be adequately compensated. The companies will do all they can to prevent such lapsation and advise policyholders in their own best interests.

Conversion

Within five years after the war the policies must be converted into life or endowment policies. The men who have been paying increasing rates will then find out that their Government insurance in peace time is no cheaper than the insurance good companies can offer. Indeed, it was shown very clearly at the hearings on the bill that good companies now are offering better terms than the Government would offer to these returned soldiers. This fact which was observed by all insurance men immediately the bill was introduced seemed to come as a surprise to the advocates of the bill at one of the last hearings, from which the following quotations are taken:

Judge Mack: "Has any dividend ever been so big as to reduce the premium below the net premium without loading?

"* * could he ever get insurance cheaper than by keeping in the Government?"

"No company pays dividends on a yearly renewal term policy."

When soldiers return in good health life insurance agents will naturally know it, and will not be slow to advocate the benefits of regular insurance in preference to the variety offered by the Government.

Participation

After it was made clear that premium rates charged by good companies are lower than the proposed Government rates, the advocates of the bill inserted a provision permitting dividend distribution on the part of the Bureau:

Provisions for * * dividends from gains and savings * * * may be provided for in the contract of insurance or from time to time by regulations.

Since the Government bears all the cost of administration, the distribution of surplus earnings, if any, seems hardly called for, but on this point Senator Smith said:

It never occurred to me that there was a possible hope that there would be any dividends to distribute.

Judge Mack:" * * and it was not contemplated that there would be dividends earned."

Restricted Policies

The Government policies are payable only within certain degrees of relationship, namely, to a spouse, child, grandchild, parent, brother or sister. Some men don't have many relations within the permitted degrees. The agent would point out and enlarge upon the fact that if the insured should live to a good old age and outlive all his near relatives his insurance would become of very little value except to cash it in. They are practically left without insurance at old ages. It was frankly stated at the hearings: "If he has not a dependent, it goes to his very best friend, the Government."

Such Government policies are of no use for business purposes; they cannot be assigned; they cannot be used for collateral for a loan; they are only payable in instalments. You agents don't need to be told that the average business man does not want such a rigid policy contract.

Advertising

Young men who in general might be induced with much persuasion to take $2,000 of life insurance are being taught by the Government to think in sums of $5,000 or $10,000. They are being taught also that life insurance costs something, because their yearly renewable term premiums go for protection, and for nothing else. This plan of the Government is the biggest educational campaign that has ever been inaugurated in life insurance! While banking institutions, mercantile affairs, food producers, are all doing good within the country, this particular business of life insurance has been selected by the Government as one line of endeavor which deserves special mention in time of stress—peculiar care and attention—which is so beneficent that every young man in the army and navy is urged to take insurance in relatively large amounts. The effect will be far reaching, and we may look for a still more rapid expansion of our business during the war and after it is over.

POLICYHOLDERS' DIGEST

The "Policyholders' Digest" of American life insurance has been issued by the National Underwriter. This book covers a general review of the Company; financial and insurance statement; analysis of policy contracts under 87 headings or questions; "retroactive principles in practice" showing how companies treat their old policyholders; premium rates, surrender values, dividends and net cost; complete list of policies issued by each company with sample rates at age 25, 35 and 45, and about 100 pages of mortality experience and other valuable tables.

The annual meeting of the National Fraternal Congress will be held at the Bellevue-Stratford, Philadelphia, August 27, 1918.

MAKE HUNTER CHAIRMAN

Well Known Actuary to Head Soldiers' and Sailors' War Risk Advisory Board

Arthur Hunter, actuary of the New York Life, whose appointment last week to the advisory board of the Division of Military and Naval Insurance, was announced in this paper, has been made chairman of this board, the other two members of which consist of Professor James W. Glover and A. W. Fraser.

Under the war risk measure certain allotments have to be made by the soldiers and sailors, some of these allotments being compulsory and others voluntary. The Government makes certain allowances. Hundreds of thousands of checks are to be sent out to cover these allowances, and there are a great many problems that have arisen which the advisory board will help solve. The Government on two recent occasions has had the services of the Actuarial Society's committee, consisting of Messrs. Gore, Hunter, Moir, Welch and J. H. Woodward. It is highly probably that Chairman Hunter will avail himself of the assistance of the actuaries on this committee.

AGAIN WITH METROPOLITAN

Luther B. Little, who resigned from the Metropolitan Life to be manager of the Mitchel Fusion Campaign, has returned to his former position, manager of the department of publication. This includes the editorship of the little daily paper issued to the field force of the Company.

TO WIND UP VANCOUVER

A petition was recently filed in the B. C. Supreme Court in Vancouver asking for the winding up of the Vancouver Life Assurance Co. and requesting that F. F. Busteed, formerly of the C.P.R. staff, be made liquidator. The Vancouver Life Assurance Co. was incorporated in the year 1912, with an authorized capital of $1,000,000. It was required that $750,000 of this be paid up before a license to do business would be granted. Capital of $417,900 has been paid up, but efforts to raise $750,000 before the charter expired are said to have been futile. Recently the Dominion authorities refused to grant an extension of the charter.



Just say:

"Insurance Man"—

the open sesame to every courtesy within our power.

Room with detached bath $1.50 and $2.00

Private bath $2.50 and $3.00

BREVOORT Hotel

Insurance Headquarters

MADISON ST.—East of LaSalle

CHICAGO

LAURENCE R. ADAMS, Sec'y & Mgr.

A GOOD OPENING

An old, well established, progressive life insurance company, with unexcelled dividend record has good opening at PHILADELPHIA, covering Eastern Pennsylvania. Address, stating qualifications:

PHILADELPHIA, care of The Eastern Underwriter
105 William St., New York City

Extracts from Report of Examination of

SOUTHWESTERN LIFE INSURANCE CO.

By the State of Texas, June 28, 1915

"It is noteworthy that this Company was organized without any promotion expenses."

"I beg to report further that I find the Company in excellent financial condition."

"The volume of its business has steadily increased, its surplus is growing rapidly and its funds are being carefully conserved under expert supervision."

Home Office, DALLAS, TEXAS

For SEVENTY-THREE YEARS, SERVICE AND SATISFACTION have been synonymous with STATE MUTUAL of Worcester.

The Company's record of SEVENTY-THREE YEARS OF SERVICE spells SUCCESS for all.

Additions are made to our General Agency force when the right men are found.

State Mutual Life Assurance Co.

of WORCESTER, MASS.

Incorporated 1844

B. H. WRIGHT, President D. W. CARTER, Secretary

STEPHEN IRELAND, Inspector of Agencies

We want a GOOD PERSONAL PRODUCER and organizer for DESIRABLE TERRITORY in several states west of the Mississippi River. EXCELLENT CONTRACT.

Northwestern National Life Insurance Company

MINNEAPOLIS, MINNESOTA,

is a LEADING LOW NET COST, annual dividend, MUTUAL, OLD LINE company. Record for 1916— increase in insurance in force, 20%; in paid-for business, 51%; in assets, 15%; in amount apportioned for 1917 dividends, 71%.

Who Asked Soldiers to Drop Old Policies?

COMMISSIONERS TO INVESTIGATE

Advice in a Camp Paper—Resolutions to Set Matter Right

Considerable excitement was created in the insurance commissioners' convention at the Hotel Astor this week by the circulation in the convention of a copy of a paper published by one of the Virginia military camps, in which soldiers were advised to drop their old policies, cash in on the surrender value and to buy War Risk Bureau insurance.

Superintendent Phillips brought the matter up and said that a strong resolution should be passed on the subject and given out to the daily papers so that the public and members of the service would see that the advice given in the Virginia camp paper was unwise to follow.

Written in Washington

"I do not believe any official camp reporter or editor wrote that. The whole paper—which is a special issue devoted to war insurance—bears all the earmarks of having been prepared in Washington. Now, who did it? I asked Commissioner Nesbit, of the War Risk Bureau, if he could throw any light on the subject, and he said he or his bureau had nothing to do with the selling of war risk insurance. That is all done through the Treasury Department. We should get at the bottom of this," concluded Mr. Phillips.

The other commissioners agreed thoroughly with the New York superintendent.

FLEMING A FEDERAL DIRECTOR

Colonel Fred W. Fleming, vice-president of the Kansas City Life, has been appointed Federal director for the Southwest division in the national organization formed by the Treasury Department to market $2,000,000,000 in war securities in small denominations. The quota allotted this district is $350,000,000, which is $20 per capita. The appointment was made by Frank A. Vanderlip, chairman of the organization, who relinquished the presidency of the National City Bank of New York to devote his entire time to the work. Mr. Vanderlip received a salary of $100,000 a year, and notified the directors of the bank that he will not accept any money from the bank during his service in the campaign.

TULLY NEW YORK DIRECTOR

Frederic W. Allen, director of the $2,000,000,000 war savings drive in New York City, has announced the personnel of the committee which is to assist him in the work. The insurance men on the committee are Darwin P. Kingsley, president of the New York Life; Haley Fiske, vice-president of the Metropolitan Life, and William J. Tully, general solicitor of the Metropolitan Life. Mr. Tully is director of the drive in New York State.

STIFFER RECIPROCAL BILL

The commissioners recommended that their bill regulating reciprocals be amended so that there will be more cash assets in the hands of subscribers and attorneys in fact.

Edgar E. Frost, a prominent Oswego agent, is dead.

THE MOST VALUABLE POLICY FOR YOU,
Mr. Agent, is to write your prospect in the Company writing the most valuable policy for the insured.
Secure **prompt action** in the

John Hancock MUTUAL LIFE INSURANCE COMPANY OF BOSTON MASSACHUSETTS

WILLIAM N. COMPTON, General Agent
METROPOLITAN DISTRICT, ST. PAUL BLDG., 220 BROADWAY, NEW YORK, N. Y.

ORGANIZED 1871
Life Insurance Company of Virginia
RICHMOND, VIRGINIA
OLDEST, LARGEST STRONGEST
Southern Life Insurance Company
Issues the most liberal forms of Ordinary Policies from $1,000.00 to $50,000.00, and Industrial Policies from $12.50 to $1,000.00
CONDITION ON DECEMBER 31, 1916:

Assets	$14,464,552.23
Liabilities	12,436,717.56
Capital and Surplus	2,027,834.67
Insurance in Force	118,349,212.00
Payments to Policyholders since Organization	18,119,172.50
Is Paying its Policyholders over	$1,300,000.00 annually

GOOD TERRITORY FOR LIVE AGENTS

"If You Were In His Place"—
Would you buy the policy you are offering your prospect?
Provident agents are successful because they are absolutely convinced that the policies they offer are exactly the policies which under similar conditions they would prefer for themselves.
Write for information.
The Provident Life and Trust Company
OF PHILADELPHIA.
Founded 1865

THE BERKSHIRE LIFE INSURANCE CO.
OF PITTSFIELD, MASS.
Incorporated 1851
W. D. WYMAN, President
A purely mutual Company, issuing all desirable forms of life insurance.
ATTRACTIVE LITERATURE
Ambitious, Productive and Trustworthy Life Agents may be benefitted by corresponding with
W. S. WELD, Superintendent of Agencies

Security Mutual Life Insurance Company
Binghamton, N. Y.
Offers to men able to produce business first class territory, with direct contract providing liberal compensation.
For particulars, address
C. H. JACKSON, Supt. of Agencies

40% Increase in Paid New Premiums—that tells the 1916 story of Fidelity progress.
Direct leads and the Fidelity "Income for Life" plan are making money for Fidelity field men. Any man who can sell life insurance can sell MORE Fidelity insurance.
Write to-day—
Fidelity Mutual Life
INSURANCE COMPANY, PHILADELPHIA
INCORPORATED 1878 WALTER LE MAR TALBOT, President

Announcement

Owing to the large demand for extra copies of the

LIFE INSURANCE SALESMANSHIP

edition of The Eastern Underwriter, *issued September 21, 1917, an*

EXTRA EDITION

of that number has been published

Life Insurance Companies and General Agents desiring to secure copies for distribution among their Agents can do so by wiring or writing The Eastern Underwriter, *105 William St., New York, the number required.*

Price Twenty-five cents per copy.

The Eastern Underwriter.

THE EASTERN UNDERWRITER

This newspaper is owned and is published every Friday by The Eastern Underwriter Company, a New York corporation, office and place of business 105 William Street, New York City. Clarence Axman, President; W. L. Hadley, Secretary; R. W. Swayne, Assistant Secretary. The address of the officers is the office of this newspaper. Telephone 2497 John.

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THE AUTOMOBILE CONFERENCE

The various delegates to the annual meeting of the National Automobile Underwriters' Conference arrived at their homes in every section of the country thoroughly convinced that the conference is doing a splendid and progressively constructive work in what was once regarded as an incidental line, a branch of the insurance business in which instability and uncertainty of practices were prevalent. In other words, in the opinion of these representatives the conference has justified itself. Every step that the conference has taken has necessarily been constructive because without organization and with chaos reigning (the former condition) there can be no construction.

Naturally, the conference has come in for its share of criticism, but it seems to have triumphed over weaknesses, and the prophecy can be made that every form to be used in 1918 will show modification or amplification along progressive lines, and by every form is meant liability, property damage, collision, fire and theft.

One set of critics, having supporters, contended that rates have not been made along scientific lines, inasmuch as experience on which to base such rates was not available. But now all this is changed. The experience has been and is being collected; the required statistics are at hand, and this defect is corrected or is on its way to correction.

Another point to be remembered is that every company co-operating thoroughly appreciates that there can be no demoralization in the automobile business without other lines being correspondingly affected. This was recently illustrated by a cut rate company offering its automobile agency only to such agents as would guarantee a certain volume of fire premiums.

If it be true that the automobile business is a side line, it is a side line of considerable import. The automobile premiums run from $20,000,000 to $25,000,000 a year; certainly, an aggregate of business worthy of protection.

Even if the conference disbanded tomorrow it has made a record unique in the insurance business. As important as anything else has been the fact that through the medium of the conference marine and fire companies have gotten together for the first time in the history of the insurance business. This ushered in a new era of co-operation.

When the conference began there was little cohesion of any kind. Rates had been made on the hit or miss plan, with confusion not only over rates but forms, too. This naturally created trouble with agents and brokers, the cleverest and most resourceful scoring on the others. With the Conference came an understanding about rates, commissions and uniform forms. The country was divided into five sections; some of the wisest and most respected of the underwriters took an active interest in the movement, and a semblance of order immediately resulted. The business began to be conducted along lines that gave keen satisfaction in many quarters. The millenium is not at hand; there is still some sharp criticism; rate co-operation is not universal; some companies continue on the outside, but there is a general feeling in underwriting offices that the conference is making headway in the right direction, and it would be very unfortunate if it were not.

INSURANCE PATRIOTISM

The patriotism of the insurance companies as shown in their response to the Liberty Loans and in other ways has brought the following encomium from the West Virginia Insurance Department:

Every citizen can feel that these great insurance companies are back of the nation in this, the time of its great need. The magnificent showing of the insurance companies and agents is all the more creditable when we realize their splendid response to the first Liberty bond sale, as they all invested heavily on the first call.

BONDS HELD BY COMPANIES

To Be Valued on Amortization Basis Instead of on Basis of Market Value

The National Convention of Insurance Commissioners this week passed the following resolutions:

"Whereas, life insurance companies are holders of large amounts of bonds and such bonds were purchased for investment and not for sale or speculative purpose, and owing to abnormal conditions produced by the war the present market value of bonds is extremely low and does not represent the true value of such securities; therefore

"Be It Resolved, that it is the sense of the convention that bonds held by life insurance companies shall be valued on the so-called amortization basis instead of on the basis of market value, and that in determining what bonds may be so valued and the method of arriving at their amortized value the provisions of Section 18 of Ch. 33, Laws of 1909 of the State of New York, shall govern, except where such law conflicts with that of another State."

Walter J. Brean, of the New England Mutual Life in St. Albans, Vt., had a long training in public accountancy, which experience has proven of great value to him in life insurance.

THE HUMAN SIDE OF INSURANCE



WILLIAM B. CLARK

William B. Clark, president of the Aetna, on December 1, completed fifty years of service with that Company as an officer and twenty-five years as president. Mr. Clark started his insurance career with the Phoenix Insurance Company of Hartford and had risen to the post of secretary when on November 20, 1867, he was elected assistant secretary of the Aetna. It was on December 1, 1867, that he took up the duties of his new office. At that time Lucius J. Hendee was president of the Aetna and Jotham Goodnow was its secretary. Mr. Clark continued as assistant secretary until September 26, 1888, when after the death of Mr. Hendee, Mr. Goodnow was elected president and Mr. Clark vice-president. On January 17, 1889, Mr. Clark was made a director of the Company. Early in November, 1892, Mr. Goodnow died and on November 30, 1892, Mr. Clark was elected president. In this capacity he has served the Company continously ever since. On January 19, 1893, he was elected a member of the finance committee and, as its chairman, his services have been of inestimable value.

When Mr. Clark came to the Aetna, in 1867, the cash capital of the Company was $3,000,000. Today it is $5,000,000.

* * *

Russell S. Britton, of the map department of the German-American in New York and president of the United States Brokerage Company, New Brunswick, New Jersey, is to be married January 26 to Miss Therese Etz, daughter of Mr. and Mrs. Frederick Etz, of New York.

PLACES FOR GOOD MEN

Through the liquidation of the various foreign companies which have been doing business in this country, a large number of capable men will be compelled to make new connection. That they will have little difficulty in securing new places seems the general opinion. One foreign office manager said this week that he knows positively that all his trained men can make new connections. It is none the less a hard blow for those who have been long in the service of their companies and who might be entitled to pensions or other forms of security against the effects of declining years, to say nothing of cherished associations of long standing which must now be severed.

Robert Chapman, home office manager of the Caledonian, has, owing to impaired health, resigned. Mr. Chapman has been in the service of the Company for over 42 years, having joined in 1875 as a junior clerk. After passing through various departments, and acting for some years as inspector in the life department at the head office, he was promoted in 1892 to be secretary of the Company's branch in Dundee, and so marked was his success in that sphere of work that, when the Aberdeen secretaryship became vacant a few years subsequently, he was asked to undertake the charge of that branch in addition. This increased responsibility only served to accentuate Mr. Chapman's talents as an organizer, and it was not long before he was transferred to head office as agency manager, with general supervision of the whole of the Company's agency connections. A year later he became joint secretary, and in 1903 secretary at the London office, and in November, 1904, on the death of David Deuchar, he was appointed general manager. Mr. Chapman's career is a record of honorable and successful work for the Company, and the premature close to which it has been brought by the state of his health will evoke the sincerest sympathy and regret of his many friends, both in and outside the insurance profession. The Company, whose interests ever lay near to his heart, prospered much under his management, and several new departments of business introduced and profitably developed during his term of office.

Ralph Hill Stewart, F.F.A., at present secretary and actuary, has been made general manager of the Company, retaining the position of actuary he now holds, with the title of general manager and actuary, the appointment dating from December 1. Mr. Stewart entered the Company's service in 1888, was appointed assistant secretary in 1899, and on D. J. Surenne's retirement in 1900 he became joint secretary with Mr. Chapman. He took over the whole of the secretarial duties on Mr. Chapman assuming the charge of the London branch in 1903, and in the following year he received the appointment of actuary, in addition to that of secretary, a position he has occupied up to the present time.

Thomas MacMaster, assistant secretary, is appointed secretary, succeeding Mr. Stewart. Mr. MacMaster, after receiving a legal training and qualifying as a solicitor, entered the Company's service in 1895, and was appointed assistant secretary in 1905.

* * *

Herbert Quick, of the Federal Farm Loan Board, concluded his talk to the Association of Life Insurance Presidents this week, by saying:

"A million years gives us the soil, a generation may destroy it; and then the Lion and Lizard return to the courts where Jamshyd gloried and drank deep. Shall America join her once-fertile wastes to those of Assyria? The answer depends to some degree on us."

The quotation is from the Rubiayat,

"They say the Lion and the Lizard keep
"The Courts where Jamshyd gloried and drank deep,
"And Bohran, that Great Hunter, the wild ass,
"Stamps o'er his head and he lies fast asleep."

NEW RULES FOR NEW YORK

The Compensation Inspection Rating Board has issued revised rules and procedure to put into effect the five per cent. increase in rates in New York State.

FIRE INSURANCE DEPARTMENT

Hugh R. Loudon Returns from England

L. & L. & G. MEN NOW IN SERVICE

More than 600 from Great Britain Serve —Visited Boyhood Home in Scotland

Hugh R. Loudon, associate deputy manager of the Liverpool & London & Globe, returned this week from a visit to the home office in England and to his boyhood home in Scotland. He spent eight days in London and visited Edinburgh, Glasgow and two villages near Glasgow. He came to America when a boy of nine.

On his last trip Mr. Loudon embarked on November 20th and reached New York City on November 30th. He said the voyage was uneventful, seeing no submarines or other signs of enemy activity. Asked for the latest news about the progress in the fighting of submarines, Mr. Loudon said that he had learned nothing of a confidential nature. He said that the statement of Lloyd George of the sinking of five submarines in one day had given great satisfaction throughout Great Britain.

Eager for News of America

While abroad Mr. Loudon saw many troop movements and visited several camps. He said there was a general feeling of optimism. Asked about the insurance situation, Mr. Loudon said that he had not made a close enough study to give an interview, but he understood that conditions were good and that the companies were making money on the marine business. The underwriters to whom he talked were particularly anxious to know what was happening in America, not only along insurance lines, but as to America's participation in the war. Mr. Loudon said that the British offices of the L. & L. & G. has more than 600 men in the service, and that up to May, 1917, forty-six had been killed, five missing, while two had been made prisoners in Germany. Many Liverpool & London & Globe men have won military distinction. The military cross has been given to Captain W. H. L. Waddams and to Lt. C. P. Binns, and Lt. Col. J. P. Reynolds has been mentioned in dispatches. J. Bollon now with the British Navy had won the Distinguished Service Medal. Eighty-five Liverpool & London & Globe men have been wounded in service.

EXTENDING AUTO BUSINESS

The Sun is preparing to engage more actively in the automobile business in the East. The company entered the Western field last spring.

RESTRAINT INJUNCTION DENIED

American, of Newark, objected to use of word "Great" by German-American

The petition of the American, of Newark, for an injunction to restrain the German-American Insurance Co., of New York, from the use and adoption of the name "Great-American" has been denied by Justice Connelly in the Supreme Court of New Jersey. Counsel for the American submitted a brief to the court which advanced objections to the use of the above mentioned name. The principal point raised was that it is unequitable to permit one company to adopt the superlative adjective "Great" as part of its name whereas the American had been transacting business under its present name for seventy-two years.

NEW $100,000 AGENCY

R. S. Britton Made President of United States Brokerage Company, New Brunswick, N. J.

The United States Brokerage Co. has been incorporated in New Brunswick, N. J., with $100,000 capital stock. Russell S. Britton is president; Clarence W. Cronk, vice-president, and Charles S. Britton, secretary and treasurer. He will be the active manager of the business. Russell S. Britton started with the New Brunswick Fire and later became connected with the Norwich Union and the North Branch Fire of Sunbury, Pa. He is now with the German-American in the map department in New York and has had a varied experience in the insurance business extending over eleven years. Mr. Cronk was formerly connected with the old agency of C. W. Cronk & Co., of New Brunswick. Charles S. Britton was of the firm of Charles S. Britton & Son, which is being liquidated. The new Company will act as general agent for the Old Colony, Michigan Fire & Marine, Lloyds Plate Glass, Generale of Paris and the automobile department of the Globe & Rutgers. Russell S. Britton will remain with the German-American for the present.

BUYS SYRACUSE AGENCY

A. Geyer, who has been New York State special agent of the American of Newark for the past ten years, has purchased the agency business of the Syracuse Fire office.

FIRE AND MARINE INSURANCE—ALL LINES

The Automobile Insurance Company of Hartford, Conn.

MORGAN G. BULKELEY, President

Statement January 1, 1917

Cash Capital - - - -	$1,000,000.00
Assets - - - -	2,748,832.19
Liabilities (Except Capital) - -	1,039,977.81
Surplus to Policyholders - -	1,708,854.38

AFFILIATED WITH

AETNA LIFE INSURANCE COMPANY

THE AETNA CASUALTY & SURETY CO.

STOLEN AUTOMOBILE BURIED

Some boys, while in the woods near Enfield, Conn., came across two shoveis and a crowbar on a plot of ground that looked as if it had recently been overturned. The boys, thinking that a body had been buried there, notified the police department, which investigated and found buried a 1917 touring car bearing license number 93,266. The Westfield, Mass., police were notified and reported that the machine was stolen in that city several weeks before.

GALLAGHER'S OFFICE

There is plenty of war work going on in the office of T. E. Gallagher, Western department manager of the Aetna in Chicago. Besides having fifteen members of the office force at the front or in camp, the women of the office are given several hours a week in which to work on useful articles they are preparing for the soldiers. Not long ago over $100 was collected among the male employes with which to buy materials for use by the women in their war work.

ARTHUR C. SWINTON
1 Liberty Street GENERAL AGENT New York City
FIRST NATIONAL FIRE INSURANCE CO.
Washington, D. C.
New York Suburban and New Jersey
Exceptional Reinsurance Facilities Local Agents' Interests Protected

THE WILLIAM H. KENZEL COMPANY
FIRE INSURANCE AGENT
REPRESENTING AT NEW YORK OFFICE
79-83 WILLIAM STREET

HUMBOLDT FIRE of Pittsburgh, Pa.	**EQUITABLE FIRE & MARINE** of Providence, R. I.	**IMPERIAL ASSURANCE** of New York, N. Y.
GRANITE STATE FIRE of Portsmouth, N. H.	**ALLEGHENY FIRE UNDERWRITERS** of Pittsburgh, Pa.	**COMMERCE INS. CO.** of Albany, N. Y.
AACHEN & MUNICH FIRE Organized 1825	**FRANKLIN FIRE** of Philadelphia, Pa.	**CALEDONIAN-AMERICAN** of New York, N. Y.

REPRESENTING AT BROOKLYN BRANCH
154 MONTAGUE STREET

LONDON ASSURANCE of London, England	**NORWICH UNION** of Norwich, England	**COMMERCE INS. CO.** of Albany, N. Y.
GRANITE STATE FIRE of Portsmouth, N. H.		**MECHANICS INSURANCE CO.** of Philadelphia, Pa.

NORTH BRANCH FIRE INS. CO.
Sunbury, Pa.
Inc. 1911

Assets	$641,341.77
Reserve	230,513.29
Capital	300,000.00
Surplus	63,479.83

CITY INSURANCE COMPANY
Pittsburgh, Pa.
Inc. 1870

Assets	$357,318.58
Reserve	54,256.92
Capital	200,000.00
Surplus	96,379.07

OPERATING ON A CONSERVATIVE BASIS IN A LIMITED TERRITORY UNDER AN EXPERIENCED MANAGEMENT

Argues In Favor Of A Conference

VIEWS OF A LOCAL AGENT GIVEN

Bogie of State Insurance Should Draw All Interests Together For Self-Defense

A prominent local agent who has been active in the councils of the National Association of Insurance Agents since its organization has sent to The Eastern Underwriter a strong communication, presenting arguments favorable to a conference program platform upon which companies and agents may stand in adjusting differences. He says he is speaking his private views, and not as a spokesman for the agents' association. He says:

Editor The Eastern Underwriter: It is quite true that conferences between companies and agents have heretofore been rather academic and did not result in much positive and direct benefit to either party; but the unanimous action of the insurance commissioners at their meeting in December last, condemning multiple and underwriters' agencies and urging companies and agents to get together and eliminate these evils, makes a conference worth while and practically obligatory. That the National Association of Local Insurance Agents consider the Commissioners' request as having the weight of a command, is evidenced by their action in suspending agitation for legislative control of agency representation and by the appointment of a conference committee.

Some laws have already been enacted and a number of States are considering legislation on this question and also upon that of "Jumbo Lines." If companies and agents could agree upon these questions and if such agreements could not be enforced by themselves the commissioners and legislatures might be asked to make them mandatory. This would seem better than to drift along until after legislation more radical than the agents as a whole would be satisfied with is enacted. Early legislation affecting these matters is sure to come and if the companies wish it to be fair and sane, they should take an interest in the matter at once.

Another reason for conference is the trend toward State insurance which has been tremendously speeded up by the war. It is ostrich-like to ignore the danger that overhangs everybody engaged in the business. Why not come together at once and take measures to combat this fallacy before it is too late?

The experience of the last year in this State and in the territory of the Southeastern Tariff Association where amicable and effective conferences have been held, show that such conferences are practicable and of direct benefit to both parties. The Conference Committee of the National Association of Insurance Agents is composed of able and conservative men and the companies could safely comply with the request of the commissioners and accept the offer of the agents for conference. As the agents committee is a national one and the questions to be discussed affect the whole country more or less, the company committee might well be made up of a representative from each managerial association in the country.

The agents generally prefer not to appeal to the legislatures, but they must fight for the preservation of the American agency system with the cooperation of the companies, if possible, but without it if necessary.

LOCAL AGENT.

FRENCH PREMIUMS

The following table, which gives the increase or decrease in the amount of insurances written for each of the past seven years, brings out very clearly the effects of the war upon the volume of business done by the French fire insurance companies:

Increase (+) or Decrease (—) in the amount of insurance written over the preceding year.

Year.	Francs.
1910	+5,398,144,353
1911	+6,887,774,271
1912	+5,009,264,659
1913	+8,665,972,089
1914	—1,110,928,122
1915	—7,128,459,871
1916	+5,470,359,397

"Our American Boys in United States Service" is the legend on the new service flag of the Liverpool & London & Globe.

Transit Conference

(Continued from page 1)

charged per trip, but the majority of policies seem to be written based on very sketchy estimates by the assured of the aggregate value of the property insured during the currency of the policy. In many cases there is no readjustment clause in the policy and policies are renewed without inquiry as to whether the value of the total amount shipped has not increased or conditions of routing, etc., have not undergone changes.

Whereas, the situation was substantially as stated above prior to the Government requisitioning steamers of the regular coastwise lines, it is becoming more aggravated by the withdrawal of many of the best coastwise liners and the substitution of inferior vessels, both American and foreign, the latter being allowed legally to ply between United States ports by the recent Act of Congress. It has even been suggested that sailing vessels be largely used to replace steamers in this trade and many policies as now written would cover such shipments. In addition to the increased hazard in connection with coastwise shipments, conditions surrounding railroad shipments are equally unsatisfactory; the average trip being much longer in point of time and conditions at terminals and at ports being much more hazardous on account of congestion and incendiarism.

If enough companies are interested in an effort to improve conditions relating to Transportation Floater Insurance this office will undertake to arrange a meeting of the offices showing such an interest.

The courtesy of a reply stating whether you are interested or not will be appreciated.

B. M. CROSTHWAITE & CO.
Fire and Automobile Insurance Specialists
Lines Bound Anywhere in New York State
105 William Street, New York City, N. Y. Telephones 2404-5-6-1758-1090 John

EQUITABLE UNDERWRITERS of New York
— FIRE and WAR RISKS —
Lines Bound Throughout United States, Canada, Cuba and Mexico. Home Office: 68 William Street

SCHAEFER & SHEVLIN
103-5 William Street GENERAL AGENTS New York, N. Y.
FIRE and AUTOMOBILE INSURANCE
Excellent Facilities for Handling Suburban Business Phone: John 2312

Associated Mutual Agency Incorporated
B. J. ALLEY, Manager
68 William St., New York
Exceptional Facilities for Writing Business Throughout the United States

Capacity For Local Agents
You can use our capacity as your own to take care of additional business beyond the capacity of admitted Companies.
Our capacity is as high as $150,000 on a single risk with immediate binders and 10% commission to brokers. Guaranteed Underwriters. Use our special Surplus Line Department. Special liberal policies for Baggage Insurance.
MARSH & McLENNAN
Insurance Exchange, Chicago
19 Cedar St. NEW YORK · 1015 California St. DENVER · 314 Superior St. DULUTH · 300 Nicollet Ave. MINNEAPOLIS
Ford Bldg. DETROIT · 17 St. John St. MONTREAL · 23 Leadenhall St LONDON
THESE OFFICES GIVE YOU THE BEST THERE IS IN INSURANCE SERVICE

FRED. S. JAMES · GEO. W. BLOSSOM · WM. A. BLODGETT
FRED S. JAMES & CO.
123 WILLIAM STREET
United States Managers
GENERAL FIRE ASSURANCE CO. of Paris, France
URBAINE FIRE INSURANCE CO. of Paris, France
EAGLE & BRITISH DOMINIONS INS. CO. Ltd. of London, England
NEW YORK
C. B. G. GAILLARD Assistant Manager
UNDERWRITING SERVICE THROUGHOUT THE UNITED STATES

Queen Insurance Company Now a $2,000,000 Company

The Queen Insurance Company of America is now a $2,000,000 company. At a recent meeting in New York City it was arranged that the old capital of a million be doubled, just as a number of years ago the Company doubled its capital of $500,000.

The latest action of the directors is not entirely unexpected by agents and underwriters who have been watching the progress of the Company. While never spectacular in its operations, the Queen has been among the leaders in all the recent developments of the business. It pushed explosion insurance when there was a widespread demand for that indemnity in the earlier days of the war; in fact, the chairmanship of the explosion conference was in the Queen office. In automobiles it made and is making an energetic drive, and the Queen's colored advertisement of the automobile speeding around the turn "on its ear" is known from one end of the country to the other. It has ben writing ocean marine for some years now, while sprinkler leakage, tourist, floater and registered mail are some of its other activities.

Just what makes some companies popular and others unpopular with agents has always been something of a mystery, but if the Queen's popularity be analyzed it may be found in a certain personal relationship with the agents. There is no formality about the office, and agents drop in upon any of the officers without being announced. Then, too, the officers and other underwriters have been there for a long time. George W. Burchell, the vice-president, has been in the insurance district more than half a century, and he knows everybody and everybody knows him. N. S. Bartow, the secretary, and one of the livest underwriters on the Street, began with the office when a boy in knickerbockers. Fred P. Hamilton, general agent, has been there for years. Frank S. Tyler, the New York State special who died recently, was with the Queen for more than three decades. When an insurance man thinks of an Atlanta manager he is apt as not to think of Samuel Y. Tupper, who has been Southern manager of the Queen for ever so long; and when he thinks of a Chicago manager, P. D. McGregor, manager of the Queen, may come to mind. In fire insurance, just as in other lines, people like to have relations with men they have known for years and trusted.

The Queen of America was organized in 1891, taking over the business of the old Queen of Liverpool. The first statement of the new company, January 1, 1892, showed total assets of more than $3,000,000, with surplus of more than $1,000,000. In 1904, when the capital was doubled, the surplus was more than $2,000,000. At the present time the assets are more than $13,000,000, and the surplus to policyholders in excess of what they were on December 31, 1916 ($6,176,000), a pretty good index of progress in view of the prevalent shrinkage in securities.



(Standing) N. S. Bartow, secretary; F. P. Hamilton, general agent; G. W. Burchell, vice-president. (Seated) E. F. Beddall, president.

The first president of the Queen Insurance Company of New York was James A. Macdonald, who in 1900 was succeeded by E. F. Beddall, the present president, and in his time one of the leading underwriters of America.

George W. Burchell, vice-president of the Queen, was born in Brooklyn, and when fourteen years of age went with the Niagara, first as an office boy, then as a clerk. He went into the mercantile business for two years, and returned to the insurance business to go with the Phenix of Brooklyn where he remained from 1871 to 1881 as special agent in the Eastern and Middle States. In 1881 he went into the service of the Queen of Liverpool, traveling as a general agent in the Middle States until 1889 when he was made deputy manager of the United States branch. When the Queen Insurance Company of America was organized Mr. Burchell became secretary and in 1900 was elected vice-president. He has often been honored by his associates in the business, having been president of the National Board; vice-president of the New York Board, and president of the Underwriters' Salvage Co.

When Mr. Burchell entered upon his fiftieth year in the fire insurance business in 1914 a veteran editor paid him the following tribute:

"Commencing as a mere clerk with the Niagara fifty years ago, he has by dint of merit risen to the important position of vice-president of the great Queen Insurance Company of America. There is a career for the younger generation to consider and try to emulate. It's a career that spells honor through and through. No flowery paths in it. Just hard work day in and day out. Nothing worth while comes in any other way. Genial, efficient and of good repute, Mr. Burchell has succeeded because he deserved to. The editor of this paper values most highly the friendship of such a man. It is our earnest hope that he may continue on for many years to come, casting sunshine in his path and making the world better for his having lived in it. That's the kind of a man that Geo. W. Burchell is."

N. S. Bartow was sixteen years old when he began with the Queen. He went up through the various positions in the office, and is now secretary. Mr. Bartow has been particularly prominent in the automobile and explosion conferences and is one of the organizers of the automobile company bureau to prevent theft and to aid in the recovery of cars.

Fred P. Hamilton, who was with the Commercial Union, went with the Queen in 1904.

In talking with The Eastern Underwriter Mr. Burchell said that he could not speak too highly of the work of Messrs. Bartow and Hamilton in the development of the Company, particularly in recent years.

The underwriting department of the Queen was again strengthened a few weeks ago when F. E. Jenkins, assistant secretary of the Underwriters' Association of New York State, joined its forces.

In the office of the Queen is a service flag showing twenty-five stars.

CHARLES R. NEIDLINGER

INSURANCE AND BONDING
CUBA AND UNITED STATES

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91 William Street, New York City

PHONE JOHN 3404

CABLE ADDRESS: "CHASNEID" NEW YORK

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NATIONAL UNION FIRE INSURANCE CO. OF PITTSBURG, PA.



As an asset to any agency, by every test that counts, the NATIONAL UNION is unquestionably a company whose representation good agents should seek. Extending always a full measure of co-operation, its facilities and service have given it a conspicuous place in 5000 offices throughout the United States. To experienced and properly qualified agents the NATIONAL UNION can prove its worth in numerous ways. Are you willing to be convinced of facts already proven to others who have gained satisfaction and profit in a pleasant business relationship? Shall we send a Special Agent to discuss the subject with you?

"OPPORTUNITY IS KNOCKING"

BROKERS ACTIVITIES

BROKERS WAIVE PARTNERSHIPS

Practice of Combining in Same Office Might Bring Them Under Co-Partnership Tax

Several brokers who have been operating under various firm names for the benefit of the office and placing facilities thus obtained started this week to segregate their interests in order to have their status clearly defined as respects the taxing of partnerships.

Commenting on their action, several of these men gave their views to The Eastern Underwriter. They said that there are many brokers who have "teamed up" with other brokers in order to minimize expense but that their receipts had never been pooled, each man collecting the commissions on his accounts and paying his proportionate share of the office expense therefrom. This they say, does not constitute a partnership within the meaning of the law but, that no question might arise as to the use of a firm name, etc., they propose to make their business entirely separate.

* * *

Faulkner, Simmonds Co. Formed

Daniel Faulkner and Ralph Simmonds have formed the Faulkner, Simmonds Co. which will take over the business of Faulkner & Meyer. Mr. Simmonds, who was formerly with Frank B. Hall & Co. and for several years an adjuster, will continue the Ralph Simmonds Co.

The Faulkner, Simmonds Co. will start business on January 2 when the staff and scope of the firm will be extended. On that date, William G. Collins, formerly of Henry Honig & Son, will join the staff and will take charge of the casualty department.

* * *

Smythe, Sanford & Gerard Move

Smythe, Sanford & Gerard, one of the largest of the new brokerage firms, moved this week from lower Broadway where the office as been located since its organization two years ago to 68 William Street, where it now occupies the entire third floor.

* * *

Nixon Now With McCloud & Co.

Edward C. Nixon, for some time with L. T. Hollister, has joined the staff of McCloud & Co. He started in his new connection last week.

* * *

Cox Now a Lieutenant

Wallace Cox, of Cox & Cox, brokers, returned from Plattsburg last week bearing with him his commission as a second lieutenant.

* * *

No Insurance on Morse Plant

The Morse Shipbuilding Co., plant which burned this week was not covered by insurance. The plant was under the control of the Government.

Neidlinger Moves

Charles R. Neidlinger, a New York broker who has made a remarkable success in Cuba, not only with fire, but with casualty lines there, has opened new offices at 91 William Street. Mr. Neidlinger is a former Columbia University football player and New York Herald man. He went into insurance some years ago.

* * *

James C. Stevens Dead

James C. Stevens, a member of the fire insurance firm of Payne, Stevens & Newcombe, of 95 William Street, this city, and a director of the Montclair Savings Bank, Montclair, N. J., died on Wednesday at his home, 272 Claremont Avenue, Montclair. He was a member of the Montclair Club and the Sons of the American Revolution.

* * *

Smith Succeeds Schutzenbach

Louis Schutzenbach, office manager of the Consolidated Brokers, Inc., has been drafted and left yesterday for training camp. R. V. Smith, who has been with Faulkner & Myer, has succeeded him.

* * *

Ward Phillips Dead

Ward Phillips, 64 years old, a well-known Pine Street broker, died a few days ago. Before going into business on his own account he was connected with the old Republic Fire and later with the Royal. He controlled much of the bonding business of the City of New York.

* * *

John Scanlon Drafted

John Scanlon, well known placer for John A. Eckert & Co., has been drafted and will leave Sunday for training camp.

* * *

Morss Second Lieutenant

Hume Morss of Syracuse, special agent for the Atlas has received a commission as second lieutenant of infantry, United States Reserves. He is to report for duty December 15.

* * *

James H. Carmody has purchased the insurance firm of Fitzgerald & Carmody, Auburn, N. Y. Lawrence J. Fitzgerald has retired.

FORMER EXAMINER, now inspector with prominent Western Underwriting Inspection Bureau, desires a change. Improved risk department preferred; sprinkler equipment training; competent on heavy risks.

Address, "EXAMINER,"
Care The Eastern Underwriter,
105 William St., New York City
New York

"The Leading Fire Insurance Company in America"



AETNA INSURANCE COMPANY

Aetna Fire Underwriters Agency
of Aetna Insurance Co.

Application For Agencies Invited

SCHEIDE ON PALMER'S STAFF

A. Mitchell Palmer, custody of enemy property in the United States, has announced the personnel of his organization. William C. Scheide, Hartford insurance man, has been made chief of the division of insurance of the bureau of trusts.

Direct writing German companies were given twelve days by Secretary McAdoo to finish writing new insurance; re-insurance companies may take lines under present treaties for forty-five days.

THOMAS K. BYRNE COMMISSIONED

Thomas K. Byrne of Atlanta, special agent in southern territory for the Atlas, has been commissioned a first lieutenant of infantry, United States Reserves.

THE HANOVER
FIRE INSURANCE COMPANY
Incorporated 1852

The real strength of an insurance company is in the conservatism of its management, and the management of THE HANOVER is an absolute assurance of the security of its policy.

R. EMORY WARFIELD, President
FRED. A. HUBBARD, Vice-President
E. S. JARVIS, Secretary
WILLIAM MORRISON, Asst. Sec'y

HOME OFFICE
Hanover Bldg., 34 Pine St.
NEW YORK

HOWIE & CAIN, General Agents
Metropolitan District
100 WILLIAM STREET, NEW YORK

INCORPORATED 1720

Royal Exchange Assurance

LONDON, ENGLAND

United States Branch
92 William Street, New York

RICHARD D. HARVEY
United States Manager

Authorized Capital $500,000

Detroit National Fire Insurance Co.

DETROIT, MICHIGAN

A Company to be built gradually and along the indicated lines of permanence

AGENCY CONNECTIONS SOLICITED

San Francisco Losses
Amounting to $4,522,905.00
paid PROMPTLY IN CASH
WITHOUT DISCOUNT, from
funds largely supplied by head
office in Liverpool

U. S. Cash Assets, Dec. 31, 1916	$15,827,439.35
Surplus, - - - - -	5,460,745.59
Losses Paid by Chicago Fire, 1871	3,239,491.00
Losses Paid by Boston Fire, 1872	1,427,290.00
Losses Paid by Baltimore Fire, 1904	1,051,543.00

Liverpool AND London AND Globe Insurance Co. LIMITED

Over $152,000,000.00

Losses Paid in the United States

HENRY W. EATON, Manager
G. W. HOYT, Deputy Manager
HUGH R. LOUDON, Assoc. Deputy Mgr.
J. B. KREMER, Asst. Deputy Manager
T. A. WEED, Agency Superintendent

NEW YORK OFFICE
80 William Street

Agents' Argument on Excess Profits

BRIEF OF NATIONAL ASSOCIATION

Situation Serious for Agencies Because Fire Business Will not Produce Excess Profits

The following is the argument presented before the Excess Profits Advisory Board in favor of uniform excess war profits taxation of insurance agency and brokerage business by a committee representing the members of the Chicago Board of Underwriters and the National Association of Insurance Agents:

Insurance agencies are conducted by individuals, partnerships and corporations. They do not need much, if any, capital in their business.

Insurance firms, whether natural persons or corporations, derive their incomes from commissions. These incomes are not the result of invested capital, and in cases where even a small working capital is used, the profits are not increased thereby.

Tax Should Be Uniform

Because firms conducting an insurance agency or brokerage business do so on a commission basis and operate on the same general lines, they should be uniformly taxed. It would be unjust and apparently not in keeping with the intent of Congress to strain the law or make a severe application of it to a business of so large proportions and rendering so useful a public service.

To tax those engaged in the insurance agency business, otherwise than under the same section of the law just because some use no capital and others, in order to meet this obligation in a prompt and businesslike manner, make use of a little capital; or just because some are partnerships and others, for business reasons are corporations, would be an inequitable discrimination of almost unthinkable proportions.

To illustrate by two actually existing examples: One partnership composed of four persons has a net income of $40,000 a year and has allowed $5,000 of its profits to remain in the business for the purpose of more promptly meeting its obligations to the companies which the partnership represents, or as an offset against slow or uncollectible accounts, if taxed under Section 201, would pay $19,920 or 49.8 per cent. of its income in taxes. Another partnership composed of the same number of persons having the same net income, but employing absolutely no capital whatever and, therefore, clearly taxable under Section 209, would pay $2,720. Of course, the individuals composing this partnership must in addition pay their income tax.

Section 209

The application of Section 209 to all insurance agency or brokerage business on a commission basis and coming within its provisions as to amount of earnings, would make uniform taxation possible and would appear to be in harmony with fair and prudent business methods.

Section 209 applies to "a trade or business having no capital or not more than a nominal capital" and provides for an eight per cent. tax on net income in excess of certain deductions.

Clearly the insurance agency business comes within the scope and limitations of this section as certainly as that of a lawyer, doctor, firm of architects or manufacturers' agent, selling his principal's goods on commission, but neither needing nor using a substantial capital of his own.

The insurance agent or broker simply represents the insurance companies on a commission basis. The company, under another provision of the law, must pay its share of taxes as a corporation having a substantial invested capital. The insurance agent or broker simply sells the indemnity of his company and his own expert personal services.

The insurance agent's business requires and uses either no invested capital or only a nominal capital. The capital employed, if any, is not a factor of or a condition precedent to the amount of its earnings.

It is personal service business which requires no capital, but personal skill and energy as a determining factor. It is a technical business requiring special training and long experience.

Different Than a Mercantile Business

It is respectfully submitted that a business of this character ought not to be taxed on the same basis as a mercantile or manufacturing business employing a large capital as one of the necessary conditions of its success.

The insurance agency business carries no stock. Its credit is provided by the insurance companies which it represents.

There is no business or profession in which the personal service equation is a more essential factor. Whether employing any capital or not, its capital is only nominal or incidental. No insurance agency or brokerage business was ever sold on the basis of its money capitalization. Its shares of stock, if any, do not in any sense determine the value of the business.

The soundness of this contention is evidenced by the fact that its compensation has no true or adequate relation to the capital employed. There is a plain illustration of this contention in the facts contemplated in the language of section 201, where reference is made to the pre-war period earnings of seven to nine per cent. Take the example heretofore cited of a partnership earning $40,000 and using a working capital of $5,000. The partnership is allowed under section 201 a deduction of $6,000 and, say, eight per cent. of the capital stock. The necessary capital for earning $40,000 at the admittedly normal rate of eight per cent. would be $500,000. Does not this vast difference between $5,000 and $500,000 prove conclusively that a capital stock of $5,000 which produces a net income of $40,000 is only a nominal capital?

In fact the fire insurance agency business except in rare cases has not produced, is not now producing, and will not produce any excess profits as a result of the war. Rates are constantly being lowered, there is little or no new building and stocks or merchandise are generally depleted. If it were not for the single fact of increased values, the fire insurance agency business would normally show a loss in premiums and a consequent reduction of commission profits.

Insurance agency men generally, in common with their fellow citizens, consider it not only a duty but a privilege to pay their share of taxes due the Government under the law. They believe they should be uniformly taxed and hope, therefore, your honorable body will see fit to so construe the law as to make section 209 applicable to their business and will so recommend.



125th Anniversary

Insurance Company of

NORTH AMERICA

PHILADELPHIA

CAPITAL, $4,000,000 ASSETS OVER $23,000,000

FIRE, MARINE, AUTOMOBILE, Rent, Leasehold, Tornado, Explosion, Use and Occupancy, Sprinkler Leakage, Travelers' Baggage, Parcel Post

The Oldest American Stock Insurance Company

ECKERT-RALSTON MUSICALE

Benefit in Carnegie Hall for Insurance Society War Fund Arranged for December 22

The war fund of the Insurance Society of New York and the Choral Art Society of Brooklyn are to be the beneficiaries of a concert to be given at Carnegie Hall the evening of December 22. John A. Eckert, of John A. Eckert & Co., and Thomas A. Ralston, sub-United States manager of the Northern of London, who are both officers of the Insurance Society of New York and of the Choral Art Club, stand sponsers for the entertainment.

Alfred M. Best, insurance publisher, is president of the Choral Art Club and associated with him on the board of governors are Mr. Eckert, Mr. Ralston, J. G. Hilliard and John E. Hoffman.

The program of the entertainment, which was issued this week, is a particularly attractive one. Tickets may be procured now at the Insurance Society Library.

Robert Adamson, fire commissioner of New York, is seeking reports of the intrusion of undesirable occupancies into districts of the city which are restricted under the new zoning system.

Companies Still Fight Glove Loss

BACHNER-HALL LITIGATION

Queer Features About Claim—Mystery Regarding Silk Linings and Other Property

The Bachner-Hall Co. glove loss, Johnstown, N. Y., came up for trial in the Federal Court at Utica, N. Y., this week, and the plaintiff requested that it be put over until the fall term. This is the loss that occurred in April, 1915, and regarding which columns have been printed by papers in Johnston and Gloversville, N. Y.

A Supreme Court case (a claim of $785) was recently decided against one company, the jury being out from 10:30 in the morning until 7 o'clock at night, and returning a verdict for something less than the amount asked. But despite this verdict—a surprise to the companies, by the way—the litigation will be carried through.

Changed Testimony

There are many interesting features in the Bachner-Hall case that have induced the seventeen companies interested to fight the claim. The insurance was $72,600. The proofs of loss claimed $70,000 sound value. Inventory of the goods left there after the fire amounted to about $35,000. It was alleged that the balance was wiped out, the stock being leather, gloves and sundries. Bachner changed his testimony from time to time. Once he claimed that he had purchased certain silk linings and turned them over to the corporation before the fire. The companies' investigation caused them to assert that these silk linings had been actually sold in large part before the fire. In order to meet that he now says that he got other silk linings in addition from another party, but that they were of the same character as before.

Counsel for the companies, M. Cardoza, Jr. (of Cardoza & Nathan), has had much to say about the inventory and erasures thereon.

An Indictment

An interesting sidelight is that Isidore Goodheim, formerly foreman at the plant, was indicted for perjury in connection with testimony he gave. It was claimed that Goodheim went into business for himself and sold the president of the concern certain gloves. When the matter was being inquired into by the Grand Jury in New York, Goodheim was indicted, tried in the Court of General Sessions and convicted He is out on bail.

HEADQUARTERS IN MINNEAPOLIS

W. F. Sweazea will take up his residence in Minneapolis at State agent for Minnesota and the Dakotas for the Niagara Fire on December 1. Mr. Sweazea for the past eight years has represented the company as State agent in the Kansas field—headquarters at Kansas City, Missouri—where he has made a splendid record both for himself and his company.

Full War Cover, Explosion, Marine & Fire Insurance and Allied Lines

THE CONTINENTAL (FIRE) INSURANCE COMPANY

The AMERICAN Company

WITH THE LARGEST CAPITAL AND LARGEST POLICYHOLDERS' SURPLUS

HOME OFFICE
80 Maiden Lane, New York

SAN FRANCISCO OFFICE
Insurance Exchange Bldg.

CHICAGO OFFICE
332 So. LaSalle St.

HENRY EVANS, President

Some Plain Facts About Mutuals and Reciprocals

By Oscar A. Smith, Memphis

Article No. 2

In quite a number of States mutuals have sought to avoid this contingent liability by issuing "cash policies," which seek to exempt policyholders from additional premium, in the event of a disastrous experience. It has been decided in Pennsylvania, Nebraska, Illinois and elsewhere that this attempt is contrary to the principles of mutual insurance.

In the "graveyard" of mutual companies, one can find quite a number of Western failures among the mutuals. Up to 1908 Colorado had eleven go to the boneyard. Illinois, twenty-five; Iowa, forty; Kansas, ten; Minnesota, fourteen; Michigan, twenty-nine; Missouri, seventy-one; Nebraska, eleven; North and South Dakota, ten, and Wisconsin, ten. If these losses were brought down to date, what would the total be?

Enough Stock Insurance to Cover all Risks

Coming now to the second division of mutuals, it would be permissible to say that they arose at the time when the pure mutuals were having hard sledding and there was a demand in excess of the available supply of reliable stock insurance. It will be remembered that after the San Francisco fire, reliable stock insurance was somewhat restricted and the wild-catters flourished. Now that the wild-catters have been brought to jail and an abundant supply of reliable stock insurance available, we see no reason to-day why such a class of insurance should exist, as there is practically enough good stock insurance to cover the world's business.

An inter-insurance exchange is an organization with a manager in charge who is attorney-in-fact for the subscribers. He is usually the promoter of the enterprise and is paid from 20 to 40 per cent. of the funds received by him from the subscribers—usually companies or persons engaged in a single industry and so eager to get insurance cheaply that they do not always stop to analyze the possible consequence of the temporary saving. This is an admixture of the hybrid mutual system, differing from the Lloyds in that it insures only its members, not the public; and from the pure mutuals in that the liability of its members is claimed to be made several and not joint.

Each member carries his pro rata share of each other member's risk. When a person becomes a policyholder he confers upon the manager the power of attorney or attorney-in-fact, who makes the rates and contracts, selects the members, collects the premiums and pays the losses and expenses from them. Ordinarily there is a board of trustees, but in many cases the trustees pay little attention to the operation of the exchange.

When Premiums are Exhausted

The member is usually required to put up a deposit and pay a premium. When premiums are exhausted in losses and expenses, the depositors may be drawn on, but members must immediately restore them to their original amount. A separate account is kept for each member and any surplus that accrues must be credited pro rata to such account. From this dividends may be paid at the direction of the attorney-in-fact. When a member discontinues his insurance he may draw down all the surplus and deposit, if there be any, and he can persuade the attorney-in-fact to disburse it. This feature is used as a talking point against mutual competition, as in a pure mutual all surplus is a fund that belongs to the company as a whole instead of to individual members, and cannot be distributed among members except on liquidation of the company. Does it not follow, just as surely, that should there be no surplus fund to produce a dividend the members would be called upon to share in the deficit.

In the inter-insurance exchange the liability of each member is limited to his pro rata share of each risk covered. The plan of some exchanges recently to limit liability to a specified number of times the annual premium hardly fits in with the other limit.

The original organizers of exchanges have been so influential in most of the States as to secure a permission to operate entirely without the insurance laws. A few States have statutes providing for the regulation and licensing of exchanges, but thus far no laws have been passed which compare with the laws governing stock and pure mutual companies.

In view of this and the fact that each member individually insures each other member, it has been found necessary in case of litigation to bring suits against all members in the States in which they are located, notwithstanding the fact that the powers of attorney read that the attorney-in-fact was authorized to accept suit for members. Furthermore, a decision of a New York Court, with reference to suits against the members or subscribers of United States Lloyds, strengthens this contention. In addition to this will arise the trouble of discovering the members of the reciprocals, and it might become necessary to file suit first to compel the reciprocals to divulge its subscribers. This suit would necessarily take considerable time. When the subscribers' names were secured, it would then be necessary to bring individual suits, and thus it is that litigation becomes interminable. If it should show that some of the members are corporations without charter providing for the transaction of insurance business, these members would deny liability, claiming "ultra vires."

COMMISSIONER'S HOME BURNS

The residence of Charles A. Ambler, Pennsylvania commissioner of insurance, was burned a few days ago. The house was at Abington. It was a loss of several thousand dollars, and one reason for the delay in fighting the flames was that the fire department had been called to help save the buildings of the Hunting Valley County Club nearby.

THE PENNSYLVANIA COMMISSION

The Legislature of Pennsylvania has not yet appointed members of the commission which is to recommend a new insurance code. The insurance men who are members of the committee are Messrs. E. A. Woods, A. J. Maloney and R. M. Coyle.

Charles S. Fountain, of Montgomery & Fountain, New York, died November 28 of apoplexy.

NEW YORK STATE DEPARTMENT
HUMBOLDT FIRE OF PA. TEUTONIA FIRE OF PA.
CAPITAL FIRE OF N. H. GEORGIA HOME OF GA.
PERCY B. DUTTON, Manager, ROCHESTER

COLONIAL INSURANCE AGENCY
54 MAIDEN LANE Phone John 1210 NEW YORK CITY
AUTOMOBILE AND ALL FIRE AND CASUALTY LINES
"SECOND TO NONE IN SERVICE"

BRITISH AMERICA ASSURANCE CO.
Incorporated 1833
(FIRE AND INLAND MARINE)
Head Office, Toronto, Canada
United States Branch
January 1, 1917

Assets	$1,936,279.77
Surplus in United States	823,964.59
Total losses paid in United States from 1874 to 1916, inclusive	24,669,753.43

W. R. BROCK, President
W. B. MEIKLE, Vice-Pres. & Gen. Mgr.

GERMANIA FIRE INSURANCE COMPANY
NEW YORK.
ORGANIZED 1859
STATEMENT, JANUARY 1, 1917

Cash Capital	$1,000,000.00
Assets	8,553,704.22
Liabilities	4,222,485.60
Net Surplus	3,331,218.62
Surplus for Policy Holders	4,331,218.62

HEAD OFFICE
Cor. William and Cedar Streets

207th Year
SUN
INSURANCE OFFICE OF LONDON
FOUNDED 1710
UNITED STATES BRANCH:
54 Pine Street - New York
WESTERN DEPARTMENT:
76 WEST MONROE ST., CHICAGO.
PACIFIC DEPARTMENT:
N. W. Cor. Sansome & Sacramento Sts.
San Francisco, Cal.

THE OHIO MILLERS
MUTUAL FIRE INSURANCE COMPANY
Net Cash Assets.....$1,147,802
Net Cash Surplus..... 505,213

Squire Company, Inc.
1 LIBERTY ST. REPRESENTATIVES NEW YORK

STOCK POLICIES ONLY
BUSINESS SOLICITED FROM
AGENTS AND BROKERS

LOGUE BROS. & CO., Inc.
Fire—Casualty—Automobile Insurance
Nation-Wide Facilities for Handling SURPLUS LINES
307 FOURTH AVENUE PITTSBURGH, PA.

PHILADELPHIA
ADEQUATE FACILITIES
ALL LINES
CLARENCE A. KROUSE & CO.
LOCAL AND GENERAL AGENTS
325 WALNUT STREET PHILADELPHIA, PA.
PENNSYLVANIA NEW JERSEY
SATISFACTION SERVICE
ALL LINES

Commissioners Hear Re-Insurance Views

WANT TO AID AMERICAN MARKET

Too Many Conflicting Plans, Too Much Regulation, Too Stiff Deposits Hamper

At a hearing on re-insurance held on Wednesday, the commissioners made many inquiries to learn how American capital can be attracted to re-insurance company investment and how American companies can be aided in securing better and more retrocessions to take care of the market. William H. Hotchkiss, C. A. Ludlum, O. B. Ryon, Herman Ekern and Calvin A. Palmer were asked for their views.

Hotchkiss Points Out Obstacles

Mr. Hotchkiss thought that the greatest obstacles to American re-insurance companies being formed is the difficulty in getting retrocessions. He told about the European system, where re-insurance companies have feeders. Referring to the Munich he had heard various rumors about the number of its subsidiaries, guesses ranging all the way from twenty to more than sixty. In this country the conflicting State laws, the deposits, the departmental regulations and the taxation upon taxation barred hope for relief until there was a change in requirements. He cited Massachusetts and New York as two States which have different methods of treating re-insurance. He hoped to see the system changed, and the time come when American companies will have branches abroad.

Mr. Hardison, of Massachusetts, asked him if he thought there was enough insurance now without the organization of new re-insurance companies. Mr. Hardison did not think so.

One State's O. K. Should Be Enough

Mr. Ludlum explained about multiple taxation and he thought that if a re-insurance company were admitted into one State, and that State had the proper laws to guarantee that the company would carry out its obligations, he thought it should be permitted to accept retrocessions or re-insurance in any State.

Mr. Ryon said there should be in each State a law providing for the licensing of corporation or organization to do re-insurance. In this way its solvency could be insured, and there would be relief from the multiple taxation evil.

Mr. Ekern thought statutes should be amended by inserting the word "direct" thus making the taxation apply to direct writing only.

Palmer Says Capital Can Be Secured

Mr. Palmer, who is president of the Inter-State, did not agree with some other speakers that there is any trouble in raising capital for an American re-insurance company. The trouble is with the reciprocal laws of the various States. All that was needed was for the commissioners to recommend legislation that would place American companies on an equal basis with foreign companies. He described the working of the pool of ten companies to which his company gives recessions.

LOU PAYNE A GUEST

Lou Payne, for more than fifty years a political boss in New York State, was introduced to the commissioners' convention as the oldest living former insurance commissioner. He was presented by William H. Hotchkiss, who said that Mr. Payne had brought order into the New York Department when he was commissioner twenty years ago. Payne, a man of few words, made a ten-word response.

DROP CLEARING HOUSE IDEA

Suggestion of West Virginia Insurance Department Did Not Meet With Response

The West Virginia Insurance Department has dropped its fire insurance clearing house idea. This was for a bureau to assist in eliminating undesirable risks and to assist in lowering the fire loss and probably the rates as well.

In discussing the clearing house idea Auditor J. S. Darst said this week:

"We tried to give a few reasons why we thought something of this nature would be beneficial.

"The above results were not all the benefits we had in mind at that time. Something should be done to protect the honest and painstaking fire insurance agent. It frequently happens that it is found necessary to cancel a policy because of over-insurance or on account of the moral risk involved, which was not fully developed at the time the insurance was written, or on account of certain fire hazards or the removal of same, and the honest agent requests that certain conditions be complied with, either in reduction of the amount of insurance carried, or removal of certain bad conditions. The insured many times refuses to do anything, and when the policy is cancelled, he simply crosses the street and another agent writes the policy, and if for any reason he should cancel it, another agent is ready to grab it, and this goes on in many cases till a fire ends it all. It is poor encouragement for a fire insurance agent who wants to do the right thing by his company and the public, to cancel a policy, knowing his competitor will not only gladly give his customer what he wants, and duplicate the policy, but has made an enemy besides, who may be the means of losing much other business for this worthy insurance agent.

"The Insurance Department has received no letters from any one interested, and we have about concluded the suggestion did not meet with the approval of the insurance agents."

QUACKENBUSH WITH ROYAL

Assistant Manager of Aachen & Munich to Be General Agent—His Long Experience

As was expected, S. H. Quackenbush, assistant manager of the Aachen & Munich, was the first of the underwriters with the German companies to make an important new connection. He has been made general agent of the Royal at the New York office. His experience has been extensive, including eight years in the field.

DROP JUMBO LINE ACTION

The commissioners passed a resolution to the effect that it was not advisable at the present time to take any further action relative to jumbo lines, in view of the canceling of the licenses of the German companies, tightening up the insurance market.

James T. Gordon, senior secretary of the Globe & Rutgers, died November 30 at his home in Madison, New Jersey. He was 47 years old and had been with the compainy since 1897. His principal work was underwriting and among his associates he was regarded as a man of ripe judgment in this department of insurance. Owing to poor health he had not been active in business for the last five years. Mr. Gordon was born in Little Falls, New York, and prior to engaging with the Globe & Rutgers he was in the local agency business. He had traveled extensively in connection with his business and was familiar with conditions in all parts of the country.

Necessity of Rate Advances Shown

HIGHER LOSSES AND EXPENSES

Hard to Pick up a Paper Without Seeing Fire Story on Front Page

The nation-wide movement of rate advances is gaining momentum, but despite this underwriters are pessimistic about the general situation, not only because of the increasing expense on every hand but the large number of single fires unquestionably of incendiary origin is alarming. It is getting so that every edition of a newspaper has a fire story on the front page, generally with the accompanying declaration that "enemies within" have some connection with the origin of the loss. The October loss record was about $27,000,000, while November showed little improvement. How to curb the incendiary fires is, of course, the big problem—not only of the underwriters, but of the nation. There is considerable impatience in underwriting circles that the piers have been so inefficiently guarded; not only piers, but warehouses, grain elevators and other buildings necessary in the conduct of the war. Franklin Wentworth's story that he walked a mile along the water front among tremendous values, and that he was not stopped once, although he was loitering, is significance of the national carelessness.

Not only are the losses abnormal, but so are the expenses, which are increasing on every hand, running from the cost of a lead pencil up. Then, too, the excessive cost of making repairs on partial losses, particularly on buildings where no co-insurance is carried, and, therefore, companies haven't benefit of increased insurance for increased insurance values, counts a lot in footing totals. The average cost of building is 30 per cent. higher than two years ago; average cost of repairs, whether after fire or otherwise, is probably more than double that amount.

WILL EXPLAIN TO AMBLER

The inquiry made by Charles A. Ambler, State Fire Insurance Commissioner, requesting the Philadelphia Fire Underwriters' Association to explain the recent increase of ten per cent. in fire insurance rates will be obeyed and with all speed, according to Charles A. Hexamer, secretary of the association.

Mr. Hexamer said it may be a question to be handled entirely by the Philadelphia association as a unified body, or it may be necessary to get each of the 165 fire insurance companies represented to submit separate statements bearing out their reasons for making the raise.

AUTOMOBILE CAMOUFLAGE

A local municipal ordinance imposes a fine of $10 for leaving an automobile in front of a city hydrant, and this is just what a local insurance agent unconsciously did as he went into an office building to deliver a policy, says Colonel Cunningham in the Glens Falls "Now and Then."

When he came out he saw a policeman taking the license number of his car and evidently waiting to nab the owner when he appeared.

The owner avoided the situation by returning to his office on foot and telephoning the police that his automobile, describing it, had been stolen. In quick time he was 'phoned that his car had been found abandoned by the thief and where he could get it, for which he gave grateful thanks to the efficient police.

This successful bit of "camouflage" reminded the agent that he must write himself a Glens Falls automobile policy, including theft clause, for the police might have kept the car.

WHY RATES GO UP

Situation Explained In Convincing Fashion by Underwriters' Association of Middle Department

In explaining why the Underwriters' Association of the Middle Department advanced rates, Secretary Wilderhold said:

"The tax on premiums is material and the cost of postage has been increased 50 per cent. All traveling costs are advanced. Printed matter and all office and agency supplies show an average cost increase of 50 per cent. The direct cost of clerical help is materially higher, to say nothing of the cost of maintaining with the colors the many employes on a basis of the difference between their normal salaries and the compensation allowed them by the Government. The 1 per cent. tax in lieu of the stamp tax will equal on the net retained lines of companies a tax of 1.30. This item alone absorbs nearly one-third of the average underwriting profits for the last 10 years. Large losses of incendiary origin are occurring with greater frequency and have played an important part in producing an increase of $30,000,000 for the first 10 months of 1917 as compared to the same period in 1916.

"The partial losses and the cost of replacement following the heavy advances in material costs have caused a drain on profits out of all proportion to the former tax for fires of the ordinary run.

"Since the war began the non-advance in fire insurance rates stands prominently to the fore as an isolated exception, but the time has now arrived when the solvency of the companies and their duty to the public, insurers and stockholders requires that they obtain some margin over and above their losses and expenses."

RULING ON AUTOMOBILE TAX

New war taxes on manufacturers of automobiles shall not, for insurance purposes, be considered a part of the list price of the machines, or used in any way to increase the amount of insurance to be granted, or to change the rating classification of the automobile. The executive committee of the National Automobile Underwriters Conference has made this ruling in response to inquiries from companies. The members take the position that there is no more reason for recommending an increase in the amounts of insurance on account of the war tax, even when the manufacturer collects it from the purchaser, than there would be in recommending increases to take care of any of the ordinary upkeep charges on an automobile.

CITY CLUB MEETING

A special dinner meeting of the City Insurance Club was held last Saturday at "The Cave." The dinner was for members only, there having been about sixty-five present. It was an old fashioned beefsteak affair with a vaudeville entertainment following. A movement was inaugurated at the meeting for the members of the club to keep in touch with the many of their number who are now in active service, aiming to keep them informed about the things transpiring on William Street.

ATTACK ELECTRICAL HAZARDS

New Jersey underwriters introduced at a meeting in Newark a resolution pledging members to instill, actively and forcefully, into the minds of their various clients, the recognized necessity of lessening the fire waste of the country, particularly that caused by faulty electrical equipment, and that they make it their imperative duty to demonstrate to insurers the superlative value of an underwriter's inspection, as a means of guarding against this preventable cause of so much destruction.

CASUALTY AND SURETY NEWS

Rate Readjustments Awaiting Statistics

AUTOMOBILE BASIS IS SOUGHT

Progress of Adjustment Bureau Plan—Companies May Tire of Repair Abuses

A review of the rates for forms of automobile coverage other than for dealers, manufacturers and commercial fleets must be postponed until experience in sufficient detail is compiled and available. This will probably not be for some time, according to Secretary L. G. Hodgkins of the National Conference.

The answers to the conference inquiry of its members as to their classifications, while not yet fully in, indicate that many of the companies have arranged to compile their experience along the lines recommended by the conference a year ago. This matter will be pursued further with the companies, for it is recognized that one of the chief difficulties will be solved through experience uniformly compiled and promptly supplied upon request. For, says Secretary Hodgkins, with the conference rates following closely the experience, its members can rest assured that its rules and rates will be followed by all companies, for the best of the reasons, and one satisfactory to the public, as otherwise the companies will be confronted with financial loss.

Adjustment Bureau Plan

No definite plan has been recommended for the establishment of a conference adjustment bureau. The committee to which this subject was assigned is satisfied that until there is a real desire or demand from members for such a bureau, based upon unsatisfactory experiences, it will be difficult to proceed far with such a service. The investigations of the committee have shown the difficulties of interesting the right type of man as the director of a purely voluntary bureau, optional with the companies as to whether or not they will use it, and the enthusiastic co-operation of members is deemed a requisite to its success.

It may be, says the committee, that in the coming months the companies will tire of the insistence of many assured that their cars be repaired by the repair man of their own selection, with the resulting advantage being taken of the situation by the beneficiary and the demands by the brokers and others that the terms of the contract be ignored, as the price of their continued patronage, and decide to improve this situation by establishing a co-operative bureau to handle the adjustments under the direction of a strong committee. Should this time arrive the committee will be ready to formulate plans for carrying out the wishes of the members.

U. S. A PREFERRED CREDITOR

Commissioners Say Law and Practice Makes This So With Insolvent Company Debts

The sub-committee of the Committee on Assets of Insurance Companies, considered the matter of the National Government as a preferred creditor in surety insurance, and as a result of its investigation it finds both as to the law and in practice that all debts due to the United States are preferred and must be first satisfied out of the assets of an insolvent surety company. R. J. Merrill is chairman of the sub-committee. The report was adopted.

Fear Reducible Form Not Insured's Choice

"OVER-INSURANCE" PROPOSITION

Conference Views of This Policy—Registration System to Reduce Thefts

It is thought doubtful if the reducible automobile policy can be sold generally in competition with present forms. Secretary Hodgkins, of the National Automobile Underwriters' Conference, believes that if that body should adopt the reducible feature as a single form of the conference policy, complaints would probably continue to be received from the careful and desirable assured, that he is compelled to be under-insured, as an average rate of depreciation must always so result in his case. It is, therefore, necessary for the conference to decide whether or not the over-insurance undoubtedly possible in some cases under the present forms is preferable to the adoption of a form, which, while minimizing this possibility, will result in under-insurance in many more cases. While the conference is considering this "over-insurance" problem, it is the opinion of Mr. Hodgkins that the members are better off with the forms they now have.

Registration not Helpful

While the local detective bureaus organized outside the conference have done excellent work, there is still the feeling among certain members that this work, which is necessarily expensive, is not properly the function of the conference or the companies. The conference committee, while believing that were it not for this work theft conditions would be much worse, has been giving consideration to the development of other forms of service, that might supplement effectively the work of these bureaus.

One proposal was to compile in the conference a complete list of the registrations with the thought that as a car is stolen it would be reported to the Bureau and as it was registered it would be brought to the attention of the company interested. If the registration number were changed it would be necessary to either duplicate a number already recorded with the conference, or produce a number outside of the manufacturers serial numbers for the year model of the car and the basis for investigation would be at hand. It was pointed out, however, that the registration departments at present do not verify in any way the factory numbers reported by the owner and that consequently it is fair to assume that a great many mistakes are made in reporting the numbers which it would be expensive to investigate and correct.

William S. Shipman, special agent of the London Guarantee & Accident, has been commissioned a second Lieutenant in the army. His leaving the office last week was the occasion of quite a farewell celebration.

Accident
Health Automobile
Plate Glass
Burglary Liability

Fidelity
Contract Judicial
Public Official
Depository Bonds

FIDELITY & DEPOSIT CO.
OF MARYLAND
BALTIMORE

Few Deferred Payment Policies Now In Force

EMBEZZLEMENT FEATURE BAD

How Automobile Conference Has Arranged Matters—Commissions Generally Satisfactory

It is expected that before long the last of the automobile policies written at especially low rates to concerns financing the sale of machines purchased on the part payment plan, will have expired. Members of the conference dropped this form of insurance last April.

The embezzlement feature of these contracts, which is prohibited by the conference rule everywhere, except on the Pacific Coast, has also proved troublesome and has required considerable attention. The matter was taken up through counsel with a number of State departments and with two exceptions they held that this "wrongful conversion" or "embezzlement" cover cannot legally be granted by a fire or marine company. Among the States so holding are New York, Pennsylvania and Illinois. The conference counsel has not yet completed his work, but the decision of the States before referred to, showing clearly that a majority of the company members have not a charter right to grant this coverage, made it necessary for the conference to pursue this subject to decide under what conditions this coverage should be continued on the Pacific Coast. It was decided that it should be done on a parity basis as to form of coverage and rates with that of surety companies, and the subject was referred to the executive committee of the Pacific Coast Conference to formulate such a parity basis by agreement with the Surety Association of America to be approved later by the executive committee of the National Conference.

Commissions Satisfactory

There has been but little trouble in the conference over the subject of commissions. During the past year it has received but one recommendation for change in the commission rules. This came from the Pacific Coast and referred to Portland, Ore. The proposal was to change the rule which recommended at that point one State agent at 25 per cent., or two local agents at 20 per cent., so as to recommend one State agent at 25 per cent. or two local agents at 25 per cent. This received the approval of the National Conference.

Policy Revision Subject Reopened

PERSONAL ACCIDENT BUREAU

Little Progress Made Toward Securing Action on Increase in Rates

Walter C. Faxon, vice-president of the Aetna Accident & Liability, offered a resolution at the annual meeting of the Bureau of Personal Accident & Health Underwriters, held in New York December 3, which in effect authorized the chairman, William BroSmith, to appoint a committee of five companies, two of which shall be of large size, one of intermediate proportions and two small companies to select 15 prominent underwriters to take up and study policy forms, to the end that proper revision may be made and some of the numerous types now in use abandoned. Also, to endeavor to induce the companies to agree to a reduction in the number of policy forms and adopt the proposals of this committee.

The idea embodied in this resolution is understood to renew efforts to bring about a simplification of policy forms in use generally and to eliminate as many as possible of the so-called frills.

It is hoped that by this method a policy may be evolved which will result in a profit without an advance in rates. A proposal to advance rates 20 per cent. generally was not favored.

Rate Situation Difficult

When the resolutions adopted at the special meeting of casualty and surety companies in New York, November 23, to increase premiums was taken up, there was the same lack of harmony as has been evident all along among accident and health underwriters in connection with this subject. There was considerable discussion as to how these increases should be applied, if at all, and whether they should apply to old as well as to new business. The subject was referred to the governing committee.

Chairman William BroSmith, counsel for the Travelers, presided and seventeen companies were represented. The report of the chairman of the governing committee dealt particularly with war tax measures and conferences with the Internal Revenue department officials.

Statistical Work Hampered

Authorization of the assessment to cover expenses of the Bureau was given the same as last year.

The committee on statistics reported that owing to the depleted condition of office forces the committee has refrained from making new calls upon companies for data. It is regarded as good judgment to defer this part of the committees' work. The committee, however, continues to give help to members to improve their systems of compiling experience.

The standard manual committee reported that while the war is interfering with its work, copies of the new manual may be expected in three or four months.

On the subject of publishing the company statements in Illinois, A. E. For-

(Continued on page 23)

General Accident
FIRE AND LIFE
ASSURANCE CORPORATION, Ltd.
SERVICE THAT EXCELS
FREDERICK RICHARDSON, United States Manager.
GENERAL BUILDING · 4TH & WALNUT STS.
PHILADELPHIA

Agents' Earnings Should Not Be Cut

SO SAY UNDERWRITING HEADS

Presidents Butler, Travelers, and Stone, Maryland, Say Reduction Would Be Unfair

President Butler, of the Travelers; President Stone, of the Maryland Casualty, Manager Reid, of the Globe, and J. H. Thom, of Detroit, were four underwriting heads who appeared before a committee of insurance commissioners at the Astor on Tuesday and argued against any cut in the commissions which companies pay for compensation insurance, 17½ per cent. A resolution, fathered by Superintendent Phillips, had been introduced at a previous convention recommending a reduction in this commission based on the fact that compensation insurance is compulsory in some States, and accordingly, in his opinion, the production cost is too high. The underwriting managers threw an interesting light upon the expense problem, declaring that the higher cost of conducting business hits the agent as well as the company, while the $1,200 a year clerk was said to be in a worst distressful condition. There was a great deal of pessimism. Everybody is in a bad way, and when the subject of taxation was brought in as a sidelight, A. Duncan Reid said: "Where we get off on this tax proposition God only knows." It was the consensus of opinion of the managers that compensation is getting to be a business for experts; that there is nothing in it for the average agent, and more people are dropping out all the time. President Butler's summing up of the general situation in part follows:

"I believe that the present rate of commission on compensation business is a fair wage to the agent. He is entitled to what he receives as he renders a valuable service to the insured and to the company.

"Insurance is the only marketable thing in the world today where the price has not materially increased. It is really strange that the companies can continue to insure solvency at the rates previously charged, when the rates of everything else in life have gone up so much more.

"Certain items of general business enter into insurance. Paper, postage, traveling expenses, salaries are higher; when you take all those items together it is a considerable precentage of the premium. The rate of premium remains the same, every item of company expense goes up. It is often said that the sufferers in a time like this are the salaried people. The clerk on $1,200 a year is in a hopeless condition today. I have found that for humanity's sake companies have had to make extensive increases in salaries."

Mr. Butler then talked of proposed rate increases, and discussed the point that if rates go up the agent will make more because risks will have to pay more in premium. He said this was as it should be. The agent benefits on the one hand by the increase in rate, but this is balanced by the increase in his expenses. "Therefore, any modification in the commission so that his share in dollars and cents of the premium would be the same as before would work an injustice. He needs the increase as much, if not more than the companies."

President Stone said this wasn't the time to decrease commissions. It would be an injustice to the agent. "What we all really need is an increase in our income," said Mr. Stone.

This last remark got a rise out of Commissioner Hardison.

"If you companies want to protect the income of the agent, why do you cut down his income by appointing new agents all the time, some of whom must necessarily take away the old agent's business?"

Mr. Stone insisted that the tendency is to keep down the number of agents. No company is making wholesale appointments, he said. A. Duncan Reid agreed with this.

Fred L. Gray, former president of the Insurance Federation; E. H. Warner, Buffalo; Messrs. De Pew and Wallace, of the Fire Brokers' Association of New York; W. G. Wilson, Cleveland, and others spoke, saying that there was little enough in the business now, even at 17½ per cent. Mr. Gray, in telling of the agents' troubles, said that the tax law had opened a new kit of worries and there was a chance of the tax law having 50 per cent. of the profits of an agency taken by the Government. "If we come under a certain section of the excess profits income the Government will put us out of business, and we will not have to worry whether you do or not," he said.

Superintendent Phillips closed the hearing by saying he was indifferent whether the 17½ commission remained in force, but if it was not cut he would advise that part of the public which complained to him about the size of rates that the companies paid 17½ per cent. commission to agents, and if the public thought that too much, he would advise inquirers about the State fund and tell them they could insure there. In the latter event he would make the State fund a live competitor; i. e., permit it to write liability, but its rules and rates would have to be supervised by the insurance department.

The insurance producers present said they would welcome this. All they wanted was a chance to fight the State fund on equal terms, that is, that it should be conducted under the same supervisory conditions as in the case of the stock companies.

The sentiment of the commissioners was against any reduction in commissions.

MUTUALS AND WAR TAX

The governing board of the National Association of Mutual Casualty companies met in New York, December 3 and 4 to consider means of complying with the one per cent. premium war tax law. The whole subject resolved itself into a matter of accounting and the companies will be advised to adopt one of six plans proposed, as will best suit their individual needs. Meanwhile they will make tentative returns to the Government.

The headquarters of the newly formed National Association of Mutual Casualty companies will be in New York.

Causes Leading Up To Change In Plan

COMPENSATION RATING CHANGE

Arguments For and Against Experience Rating and Various Plans Proposed

Total, permanent disability cases under the compensation act of New York are so few that in modifying the experience rating plan in that State it was thought wise to charge such cases at the same figure as death cases, instead twice that sum as heretofore. There is no limit of time prescribed for total, permanent disability cases in New York and the award is in effect a pension for life. That is why these cases have been charged heretofore at twice the death case figure. There are too few of them, however, to be charged against the experience in that way.

When the plan of charging a flat sum of $12 to each accident for medical cost was adopted, suitable experience on this cost was not available. It is because more statistical material is now available that the insurance department has decided to require that in arriving at the medical cost, the actual experience for medical attention shall be used.

It has been represented that since last June when the plan of experience rating in use in New York ceased to be operative, an entirely different plan has been in use. That is not the case. The department simply goes back to the old plan, as a temporary measure, with the modifications referred to above.

Views on Experience Rating

There are a number of arguments for and against experience rating. Its adherents claim that under it the employer is virtually offered a reward for maintaining a low loss ratio and this increases his interest in accident prevention. It is also held to be necessary to a complete measurement of the risk on the ground that it is the only means of reflecting the intangible moral hazard. Again, it is the only method for applying merit rating to risks not subject to schedule rating, and, the experience of each individual risk is a proper index to its own safety conditions.

Those opposed to experience rating claim that it is a denial of the principles of insurance which call for the combination of a large number of risks in order to obtain dependable averages; it is open to competitive abuses and has been made use of in this connection; the employe is supposed to suffer by it as it is possible for the employer to suppress information regarding injuries and keep down payments to make a favorable loss record, and small risks which are excluded from the operation of the plan, are thus discriminated against

Plans in Operation

In New York the administration of the rating plan used there lies with the Compensation Inspection Rating Board under supervision of the insurance department. If a risk is subject to both schedule and experience rating, the modifications indicated by the two methods are added together and the result applied to the manual rate. Reductions are limited to 40 per cent. of manual rate.

In Massachusetts another plan is in use providing for a neutral zone between 45 and 65 per cent., with a charge of one per cent. for each per cent. of excess loss ratio over 65 and a credit of two-thirds of one per cent. for each per cent. below 45. The maximum debit or credit is 30 per cent.

What is known as the Ohio plan provides a system of debits and credits for all risks, except contracting, to which such credits are applicable. In Ohio the State has a monopoly of this business so that this plan is of little interest to private companies.

There is also the Service Bureau plan which is practically the same as the New York plan.

Several Plans Proposed

From time to time various plans of experience rating have been proposed. David S. Beyer, of the Massachusetts Employes Insurance Association, conceived a plan based wholly on the number of compensable accidents occurring in a plant during the experience period. If the record is better than the average of all plants in that industry, the assured receives a credit; if worse, a debit.

The Statistical & Actuarial Committee of the Pennsylvania Compensation Rating & Inspection Bureau developed a plan in which the total charges and credits for a State are balanced. It requires the calculation of a loss ratio for the entire compensation business of the State each year. The loss ratio is to be used as a normal on which to base charges and credits. The loss ratio of each individual risk is then to be calculated and a charge of one per cent. levied for each per cent. that the individual loss ratio exceeds the normal. The charges are to be collected as a part of the adjusted premium for the policy period and are to be distributed to employers whose loss ratios are below the normal, particlpation being measured by the amount of premium and variation of loss ratio from normal. This plan was submitted to the Bureau in 1916, but was not adopted.

BOILER ADVANCE UNDECIDED

Whether the steam boiler insurance interests will seek a flat increase in rates to offset the excessive cost of operation caused by the war is still undecided. Last July, a general revision of the rating method was made. This, it is believed, has resulted in an increase of five to seven per cent. in premium income, but some underwriters are still unsatisfied as to the income on low pressure boiler business. A large part of the expense in the steam boiler insurance business lies in the inspection department. That it costs considerable more to keep inspectors on the road is well known. As to losses, the cost of replacement has so materially advanced that underwriters in this branch of business appear justified in claiming some advance in rates at this time.

L. C. Jeffrey, of the Pittsburgh office of the Commercial Casualty, won the first prize in the division managers' contest for June, July and August. He is not the kind of man to rest on his laurels, so has issued a challenge to any other division on new business for any given period.

WORTH KNOWING

Suppose that you are insured in the United Life and Accident Insurance Company of New Hampshire for $5,000 under the Company's Triple Indemnity Plan, what does your Policy guarantee to do?

ANSWER:

FIRST, it guarantees that in case of death from any cause, $5,000, the face of the Policy, will be paid.

SECOND, that in case of death from any ACCIDENT, $10,000, or DOUBLE the face of the Policy, will be paid.

THIRD, that in case of death from certain SPECIFIED accident, $15,000, or THREE TIMES the face of the Policy, will be paid.

BUT THIS IS NOT ALL. The Accident Disability Endorsement **FURTHER** guarantees that in case of total disability as a result of accidental injury, the Company will pay direct to YOU at the rate of $50 PER WEEK during such disability, but not to exceed 52 weeks, after which the weekly indemnity will be at the rate of $25 PER WEEK throughout the period of disability. **Can insurance do MORE?** And why should any man be satisfied with a policy that would do less? The cost is low.

Agents wanted in Maine, New Hampshire, Vermont. Connecticut, Pennsylvania, North Carolina, South Carolina, Tennessee, Georgia, Delaware, Maryland, Mississippi, Kansas, Missouri. An opportunity for Life Insurance Salesmen of ability. Address:

United Life and Accident Insurance Co.

Home Office, United Life Building - Concord, New Hampshire

PICKED UP ALONG WILLIAM STREET

Officers to be Elected

Officers for the year will be elected at the next monthly meeting of the Casualty & Surety Underwriters' Club of New York, which will be held at the Chemical Club December 12. The monthly "war time supper" will be served at six o'clock. It is planned to have one speaker talk on a war subject and another to discuss a feature of the insurance business.

* * *

May Bond Aliens

Bonding of enemy aliens is planned by the Government. These aliens are now being registered. In addition to facing internment for entering any of the barred zones, alien enemies would also forfeit the amount of their bond should this plan be carried out.

* * *

Enters Perth Amboy Office

Boynton Brothers & Co., of Perth Amboy, N. J., have been appointed general agents for the Royal Indemnity for all lines, except accident and health.

* * *

Plate Glass Rates Up

Plate glass rates are to be increased in Greater New York by ten per cent. flat. This was decided at a meeting of the local association December 4. In New York State, outside of Greater New York, the busines has been written at Manual less 15 per cent. In future the rates will be brought up to Manual flat.

The Bureau, which has jurisdiction in territory outside of New York State has appointed a committee to consider increasing rates to offset unusual expenses of operation.

* * *

Travelers Awards Clocks

Travelers representatives who qualified for the big agency convention, which was not held, have received handsome Travelers clocks, which were to have been awarded at the meeting. The convention plans were dropped owing to transportation and other war time difficulties.

* * *

Album For F. Norie-Miller

During October the monthly and weekly department of the General Accident in the United States honored F. Norie-Miller, home office general manager, with a special production of business amounting to over 1,000 applications. A testimonial album is now being prepared for Mr. Norie-Miller, which will contain the names and addresses of all the producers who reached a certain mark in this special effort. M. Green, manager in New York City, will have fifteen men represented in the album, which is to serve as a remembrance of the loyal manner in which the United States field men honored their home office chief.

* * *

Twenty Companies Joined

Twenty companies have joined one or more of the local branches of the National Automobile Underwriters' Conference during the last year.

* * *

Deductible to be $100

It is generally understood that the deductible feature in the new collision policies being prepared by the National Automobile Underwriters' Conference will call for $100 instead of $25 as heretofore.

* * *

Green Men Dangerous

The turnover of labor in relation to accidents has been found a serious problem in the pulp and paper manufacturing business. Looking over a batch of 65 accident reports one manufacturer found that the percentage of accidents to men less than three months in the service is 65 per cent. Another mill reported 75 per cent., proving that green men are a menace to the whole institution.

* * *

T. J. Falvey's Ten Years

Tuesday of last week was the tenth anniversary of the organization of the Massachusetts Bonding & Insurance Co. President T. J. Falvey on that day received numerous congratulations from his field force.

* * *

Five Division Winners

The five winners in the Commercial Casualty's special contest for division managers follow in the order named:

I. C. Jeffrey, Pittsburgh	$50
R. I. Tongue, Baltimore	25
W. J. Wright, Buffalo	15
Geo. Salinger, Harrisburg	10
C. G. Otwell, Washington	5

* * *

Wants Private Marks

An automobile manager who regards the theft problem as far from solution clings to the belief that much improvement might be expected if a system of private marks were put into use. These could be used for identification purposes just as the numbers on watches and watch cases are now used in tracing stolen time pieces. Factory numbers on cars and motors are easily removed by thieves and they know just where to look for them. It is claimed that the private mark would result in the quick recovery of many a stolen machine.

* * *

Would be Glad if He Could be a Power

The Equitable Accident Company receives some curious propositions at times from prospective agents, but the following genuine epistle from Mr. Suchcizki, of Newark, N. J., will, we think, be read with interest:

"I hav receved yours particlar circlar. I am willing to be a General Agent, but I am sorry I cannot do it. I have got no power, and am workin in a shop. If you could give me a power I would be glad. Enclosed find my picture. I am single, not meriet. I used to have a small biznes but I got no mony to buy more stock. My goods are in the saler. If you can guarantee for me in the Bound Brook Trust Company One Tousand dollar for get up my biznes I would make mony, and I will sign the contrack. I would then have somethin to show my agents. When I get the biznes up by yours help then I will have the power to work. I will sign the contrack and can pay the mony back in three month. How? I am single, not meriet and as soon as I have my biznes up then in short time I will be meriet with some old made how have from $2,000 to $5,000 cash in the bank. I am 37 years old in good healthy condition. I am nationality of Polish. I no lots of Polish old mades with cash, and when I hav a biznes to show them I will pick out the best and be meriet in three months, and I will return you the mony then. Biznes will be mine. I speak and read six languages—English, Russian, Polish, Russion from Australia, Slavish and Czech. I am sure I can make a good sucess for you and myself if you help me in my case. Send me the mony by 6.30 P. M., and we will work this matter over together and I will get on the job."

* * *

Carbon-Monoxide Hazard

In spite of all the publicity that has been given to the fact that carbon-monoxide coming from the exhaust of an automobile is a terribly deadly gas, people continue to run their engines in closed garages and make themselves unwitting victims.

The Travelers Insurance Company, which has put out repeated warnings along this line, has just received word from Cambridge, Vt., that a prominent man was found dead in a garage on November 19.

* * *

Plate Glass Rates Revised

Revised plate glass insurance rates have been issued by W. F. Moore, of New York, for tables 25 to 32, inclusive, and are effective January 1, to supersede tables 25 to 28 of the Standard Plate Glass Manual. These revisions apply to plates of 100 inches square and larger and show a material advance to more nearly cover the cost of glass in these sizes. Rates are given for many sizes not heretofore quoted in the Manual.

* * *

Try It on Insurance

It is said that John H. Patterson, president of the National Cash Register Company, spent $50,000 on a convention for 375 of his salesmen to which their wives were also invited. The meeting lasted six days. The ladies learned much about cash registers and how to help their husbands to become better salesmen. Mr. Patterson, in welcoming the ladies, said: "I realized many years ago that a salesman's wife has much to do with his success. But during the past year this thought has come home to me as never before. In all business, but especially in selling, simple food, plenty of sleep, fresh air and regular exercise are necessary to success. The salesman's wife can influence her husband's habits in these things more than anyone else."

If it pays Mr. Patterson to spend a large sum to interest the wives of salesmen in their husband's business, why would not similar meetings be a good thing for those engaged in selling insurance, which has so many more human interest angles than the manufacture and sale of cash registers?

It is realized that the wife is capable of creating a high degree of enthusiasm in her husband and Mr. Patterson believes that if the business problems of the husband can be brought home to the wife, a valuable ally will have been secured. The maximum of business efficiency of the husband can be obtained only by the wife having a full understanding of the problems confronting her husband. Many sales are lost through the inability of salesmen, far removed from contact with the home office, to talk with anyone who has a sympathetic and intelligent understanding of their problems. A surprising feature of the convention (and one which might readily recur should a similar convention of insurance men be held) was the knowledge some of the women showed of their husband's business and the selling ability they displayed in several demonstrations which were made.

* * *

Effect of Rate Increase

Liability insurance men in New York City are trying to determine how much real benefit they will derive from the flat ten per cent. increase in rates on all general liability lines. In New York the zoning system is used and fully fifty per cent. of the business is written on minimum premiums, which will not benefit by the flat ten per cent. increase.

* * *

$4,500,000,000 Payroll

The National Workmen's Compensation Service Bureau is now computing its rates on a payroll of $4,500,000,000.

Next year it is likely a revision will be made on an aggregate payroll of $6,000,000,000. The present experience is prepared to show the actual cost per $100 of payroll by separate classifications and related groups of analogous trade industries. These rates are reviewed by competent actuarial, engineering and underwriting authorities and are more nearly scientific than those compiled in any other way. Unfortunately State interference is such that one section after another objects to these rates and claims special consideration. The result of this is that rate making is taken out of the hands of the proper body and placed on a basis which is generally unsatisfactory.

* * *

Moral Hazard Feared

"We might just as well take all our valued autmobile policies, regard them as total losses and pay for them now while the cars are in good condition," said one automobile manager who takes an unusually serious view of the situation. Asked why, he declared that there is going to be a gasoline shortage that will prevent persons from using their cars and the moral hazard which will result will be an eye opener to the companies. Even if there is not an absolute shortage of "gas" he predicts that the government will prevent the use of pleasure cars to conserve the supply for use abroad. However this may be, the automobile trade does not appear to be worried over the supply of gasoline, in fact, the trade seems optimistic over this phase of the business.

* * *

Joe Butler Back

Joseph Butler, who has been attached to the home office of the General Accident in Philadelphia, moved back to New York last month and has been made manager of the collection department of the New York office of the Company.

New Amsterdam Casualty Company

A Progressive

SURETY AND CASUALTY

Company

CASUALTY AND SURETY POINTERS

Cutting Down on Postage

To mail a single policy with receipt book and preliminaries now costs six cents, whereas it formerly cost four cents. The Federal Casualty finds that by leaving out the preliminaries it can just manage to mail for three cents, which means a very material saving. It will, therefore, so long as the present increased postal rates remain in effect, mail policies minus the preliminaries. When notice of claim is received direct from claimant at the home office the proper preliminary notice will be sent claimant.

* * *

How Can They Do Without It

"It strikes us that there never was a time when protection against loss of time was more urgently necessary than just now. If people are finding it hard to meet their daily living expenses when everything is smooth sailing as far as their being regularly employed is concerned, where would these same people 'get off' if they should meet with a disabling injury which took away their earning power for two or three months or more, with the attending increase in expenses due to their disability? We sometimes hear people say that they 'can't afford it.' How can anyone these days who is dependent upon his or her daily earnings afford to be without it?"—Massachusetts Accident "Bulletin."

* * *

Using Rating Boards

Every employer of labor should consult with the compensation inspection rating board of his State in regard to his schedule. This is particularly true in New Jersey, where compulsory compensation insurance is now effective. This is also of interest to brokers, who should be in position to explain to the insured what is necessary to obtain credits. The broker should be in position to talk intelligently to his client on the recommendations made by the inspection department.

* * *

Getting Hundred Per Cent Interest

If you can only get a man interested enough to investigate your policy you will sell him. The only way is to begin by talking the policy into him instead of him into the policy. There is no better way than supplementing the "Yours" for the "Is." When you talk YOU, you talk about him, and that is what he likes. When you talk I, you talk about yourself, and that does not interest him in the least. Get interest; real one hundred per cent. interest by creating it where it can be best created in YOUR PROSPECTS. The life insurance salesman who takes the little boy of his prospect by the hand and lifts him to his knee is unconsciously taking the father by the hand and leading him nearer the dotted line.—"Candor."

* * *

Friendliness and Familiarity

Practice talking business with a smile. Don't try to slap your prospect on the back, just touch him gently on the shoulder, and remember there is a sharp distinction between friendliness and familiarity, and SELF-INTEREST is the thing you have to aim at. Do it by making his wants, his welfare, the keynote of your selling canvass.—"Candor."

Making Advertising Pay

Home office advertising certainly helps. Every lead the Aetna gives its agents as the result of advertising costs the company three dollars. This is expensive, and to make this form of co-operation a success, the leads must be intelligently used and followed up. Here is what James C. Whyte, of Boston, says in this connection: "Being a thorough believer in the value of these inquiries, and having demonstrated to my own satisfaction their value, I am going to give you figures as to the results received from two of them:

Accident and health premium	$ 36.00
Life premium	45.96
Fire prem. (household goods)	127.20
Fire premium (building)	510.00
Total	$719.16
Accident premium	$ 12.50
Health premium	17.50
Life premium	635.10
Total	$665.10

"There are many other cases that could be shown, but the two above mentioned are the best I have obtained from these inquiries."

* * *

Pounding Away at Collections

Agents and brokers who really want their full commissions for the year need to get after outstanding accounts right now. It won't do to have a large amount of this unpaid for business when the bells are tolling the old year out. It would be bad business and some extra effort now will bring in most of the premiums. Now is the time to clean up the slate, for the longer a premium remains unpaid the harder it is to collect it. Besides, the nearer one gets to the Christmas and New Year rush, with its demands upon the pocket, the more difficult it becomes to collect for insurance.

* * *

Travel Bureau Co-Operation

During December the Aetna's selling organization is co-operating with the "Ask Mr. Foster Travel Information Service." In an effort to boom the Aetna's business by interesting as many of their patrons as possible in Aetna insurance, a special drive will be inaugurated at the various offices of Mr. Foster's organization. To give greater impetus to the drive and arouse more interest within his organization, Mr. Foster has arranged to give prizes to the managers of those offices furnishing leads to the Aetna's representatives which result in the production of the largest amounts of new business in all lines during December.

* * *

Fine Record For One Week

R. R. Helms, of the Aetna at Reading, recently decided that he would celebrate the fourth anniversary of his entry into the insurance business. Here is his record for one week, just to show what a live agent can do when he wills.

Sept. 4, Fire premium		$3.00	
$10,000 life	"	305.50	$308.50
Sept. 5, H. and A.	"	20.60	
H. and A.	"	34.80	
$1,000 life	"	24.12	
Fire	"	67.00	
General liability	"	64.30	210.82
Sept. 6, H. and A.	"	30.00	
Fire and theft, auto	"	15.00	
Fire and theft, auto	"	17.50	62.50
Sept. 7, H. and A.	"	30.00	30.00
Sept. 8, General liability		16.20	16.20
Grand Total, 13 contracts			$635.02

W. E. SMALL, President PETER EPES, Agency Mgr. E. P. AMERINE, Secretary
GEORGIA CASUALTY COMPANY
HOME OFFICE: MACON, GEORGIA
"DIXIE AUTO POLICY"
THE LAST WORD IN MOTOR INSURANCE
Surplus and Reserves to Policyholders.....$1,526,022.81

The METROPOLITAN CASUALTY
INSURANCE CO. OF NEW YORK
HOME OFFICE, 47 CEDAR STREET
CHARTERED 1874
Plate Glass, Burglary, Accident and Health Insurance
EUGENE H. WINSLOW, President
Russell R. Cornell, Vice-Pres. S. Wm. Burton, Sec. Alonzo G. Brooks, Ass't Sec.
RELIABLE AND ENERGETIC AGENTS WANTED

THE SIGN OF GOOD CASUALTY INSURANCE
HEAD OFFICE
CHICAGO
F. W. LAWSON
General Manager
Liability, Accident, Burglary, Boiler and Credit Insurance
Established 1869.
F. J. WALTERS
Resident Manager
55 JOHN STREET
New York
Elmer A. Lord & Co.
145 Milk St., Boston
Resident Managers New England
London Guarantee & Accident Co., Ltd.
OF LONDON, ENGLAND

BUSINESS=BUILDERS
DEVELOPING
Fidelity and Surety Bonds, Liability Workmen's Compensation, Automobile, Accident, Health, Burglary and Plate Glass INSURANCE
APPRECIATE THE CO-OPERATION OF THE
Massachusetts Bonding and Insurance Company
BOSTON T. J. FALVEY, President
Paid-In Capital $1,500,000 Write For Territory

J. A. STEVENS TRANSFERRED

James A. Stevens, who for the past two years has had charge of the claim office of the Ocean Accident at Allentown, Pa., and was previously in the claim department of the New York office of the Fidelity & Deposit, was transferred to the New York office of the Ocean this week where he has been made claim examiner.

SUTHERLAND WITH Y. M. C. A.

Lawrence Sutherland, Newark manager of the National Casualty of Detroit for a number of years, has resigned to joint the staff of the Newark Y. M. C. A. Mr. Sutherland will be occupied in the work being done by that organization in the military camps.

H. Guyon Kiggins has been appointed to succeed Mr. Sutherland. He has already assumed charge of the Newark office of the National.

HEFFNER JOINS AUTO MUTUAL

Ellwood C. Heffner, who has been solicitor for the New York office of the Automobile Insurance Co., of Hartford, resigned this week to go with the Automobile Mutual Insurance Co.

Policy Revision

(Continued from page 20)

rest volunteered to look after the work again in 1918.

Secretary F. Robertson Jones reported 24 members now on the roll. He referred to the work of the various committees and urged a renewed campaign for membership, saying that if co-operation between different classes of insurance is at any time and in any degree to become a success, it should first become a fact among similar classes of insurance.

War Endorsements

The committee on standard form of war accident policy recommended that all policies carry an endorsement. The report was accepted and the recommendations referred to the legal committee.

Insurance for aviators, mechanicians and others engaged in connection with aviation was reported on by a special committee. The hazard is regarded as prohibitive.

William BroSmith, counsel of the Travelers, was re-elected chairman and the governing committee was also re-elected. The annual meeting was preceded by a meeting of the governing committee.

THROW AWAY THAT CUMBERSOME RATE MANUAL

Can you find no better use for your time than to spend the best part of it turning 362 pages every time you want to quote an automobile rate?

Compare the Simplicity of These Rates!

The "*Definite Value*" Automobile Policy

A clearly defined policy protecting an automobile owner—indemnifying for loss by fire, theft, explosion and other hazards.

It is simple in language, and definite in terms—it positively fixes the value of a car, during the life of the policy, on a basis determined by the men who made and sold the car.

In the event of a total loss, it pays the amount of fixed value shown in the policy contract, thereby avoiding any controversy in settling and paying the loss.

In the event of a partial loss, it pays for the repair or replacement of all parts, to the full extent of the damage.

Compare the protection and the cost of this policy with other forms of automobile insurance.

PREMIUM RATES

All premiums are based on list price of car. Rates quoted are for each one hundred dollars of list price. The rate is not increased on renewal. Freight charges and war tax may be added to amount of insurance.

Pleasure and Commercial Cars

	Full Cover	Full Cover Excluding Theft
Models Listing $2,500 or Over	$1.00	.80 cents
Models Listing $1,000 to $2,500	$1.50	.80 cents
Models Listing Under $1,000	$2.00	.80 cents

Extra Equipment, Including Theft— Twice the rate charged for car.

Extra Equipment Excluding Theft— Same rate as charged for car.

Electric Cars—All Models
.75 cents for fire and theft.

Collision Insurance

Covers all loss or damage above twenty-five dollars in any one accident.
(For full cover add thirty-five dollars to all premiums.)

Pleasure Cars
In Cities under one hundred thousand population.
1½% of list price — $15.00 minimum premium
In Cities over one hundred thousand population.
2% of list price — $25.00 minimum premium

Commercial Cars
Regardless of size of city.
2¼% of list price — $30.00 minimum premium

Property Damage

Indemnity to extent of one thousand dollars for damage done to property of others.

Pleasure Cars
In Cities under one hundred thousand population.
Ten Dollars Premium
In Cities over one hundred thousand population.
Fifteen Dollars Premium

Commercial Cars—Decline property damage.

TERM POLICIES

Two Years Insurance—One and three-quarter times annual rate.
Three Years Insurance—Two and one-half times annual rate.
Pro rata cancellation allowed on old insurance when new car purchased and insured.

Taxi Cabs, "Jitneys," Rented, Livery, Second-Hand Cars and Dealers' Cars WILL NOT BE INSURED UNDER THIS FORM OF POLICY

THIS POLICY IS WRITTEN ONLY BY

THE NEW BRUNSWICK FIRE INSURANCE CO.
Capital $500,000
NEW BRUNSWICK, NEW JERSEY

THE NEW JERSEY INSURANCE COMPANY
Capital $1,000,000
NEWARK, NEW JERSEY

THE EASTERN UNDERWRITER

[Succeeding the Journal of Insurance Economics, Established in 1899]

A WEEKLY NEWSPAPER COVERING ALL BRANCHES OF INSURANCE

Eighteenth Year; No. 52 | NEW YORK CITY, FRIDAY, DECEMBER 14, 1917 | $3.00 per Year; 25c. per Copy

COMPANIES HAD SMALL LINES AT HALIFAX

Burned District Was a Poor One—May Be Complications over Explosion Feature

A COMMITTEE FROM MONTREAL

Canadian Fire Underwriters' Association in Session When Catastrophe Occurred—A. M. Jack Hurt

The first reports of the Halifax disaster, while underestimated in number of lives lost, were exaggerated in stating values destroyed. The situation was briefly described to The Eastern Underwriter in a telegram from the Western Assurance Company, of Toronto, sent in response to a request for information. The wire in part read:

"Many buildings in the area were devastated by explosion and not touched by fire. The burned district was a poor one and shunned by careful underwriters; therefore, it is not likely that any company has a large interest."

The Western's net on area swept by fire was only $6,500; the British America's, $57,000.

Insurance Men in Session at Time

By a peculiar coincidence the Canadian Fire Underwriters' Association was holding a meeting in Montreal at the time the news of the Halifax disaster was received. The insurance men immediately appointed a committee to visit Halifax; a special train was engaged, and the committee was soon at the scene.

Information was slow in reaching New York and other insurance centers from Halifax, as wires were down for a while and mail deliveries were held up. The first telegram to reach New York, giving a complete description of the burned district came to the Home from Douglas, Rogers Company, Amherst, N. S. This wire gave the map information.

First to Hear in Hartford

The first Hartford company to hear from Halifax was the Aetna, which had a net loss of $20,000. Secretary Sloan, in charge of the Canadian department, received a telegram from A. M. Jack, general agent at Halifax, reading as follows:

"Great damage to property by ex-

(Continued on page 16)

"The Largest Fire Insurance Company in America."

THE HOME INSURANCE COMPANY NEW YORK

ELBRIDGE G. SNOW, President

Equal Protection for ALL Policyholders.

FIRE AND ALLIED BRANCHES OF INSURANCE.

Fire, Lightning, Automobile, Commissions, Explosion, Hail, Marine (Inland and Ocean), Parcel Post, Profits, Registered Mail, Rents, Sprinkler Leakage, Tourists' Baggage, Use and Occupancy, Windstorm.

STRENGTH REPUTATION SERVICE

North British and Mercantile Insurance Co.

Established 1809

Entered United States 1866

Policyholders protected by the entire United States assets, with further guarantee in every policy, of protection by entire fire assets of the company which are many times larger.

Agents Contemplating Writing LIFE INSURANCE should join our RAPIDLY GROWING Agency Force.

Equipment we furnish you includes:
LOW NET COST
LARGE ANNUAL DIVIDENDS
ATTRACTIVE POLICIES TO SELL

GOLDEN ANNIVERSARY YEAR

1867—EQUITABLE LIFE OF IOWA—1917

J. C. CUMMINS, President
B. F. HADLEY, Secretary
H. S. NOLLEN, Vice-Pres.
H. E. ALDRICH, Supt. of Agents

THE GAUVIN AGENCY

LIFE COUNSEL BEFORE EXCESS PROFITS BOARD

Despite Fact that Formal Hearings Had Ended Insurance Lawyers' Argument Is Heard

TEXT OF COMMITTEE'S REPORT

James H. McIntosh, of New York Life, Elected President of Association of Life Insurance Counsel

The annual meeting of the Association of Life Insurance Counsel last week was one of the most important that that association has held in view of the matters of great import now confronting the life insurance business, including taxation and moratorium. James H. McIntosh, counsel of the New York Life, was elected president, succeeding William BroSmith, of the Travelers, who has been president for several terms.

A self-constituted committee, composed of members of the legal section of the American Life Convention, of which H. B. Arnold, Columbus, O., was chairman, and Thomas W. Blackburn, secretary of the American Life Convention; Frederic G. Dunham, attorney of the Association of Life Insurance Presidents, and others were members, reported upon the work done by them in compliance with the request of the Commissioner of Internal Revenue that suggestions be submitted as to the application to the life insurance business of the excess profits tax in the Revenue Act of October 3, 1917.

Committee of Six

It was pointed out in this report, which was presented by Mr. Dunham, that the policy reserves of life insurance companies are surplus, and, as such, constitute a part of the capital invested in the business. After an exhaustive discu sion of the questions involved, in which many of the members of the Association of Life Insurance Counsel participated, a committee of six was authorized by resolution, the chairmanship of which fell to Mr. McIntosh by virtue of his office as president of the association. This committee proceeded to Washington to meet an appointment with the Excess Profits Tax Advisory Board in the Treasury Department, which had previously been made. Although the board had ceased according formal hearings on November 28, its proceedings were interrupted to

THE PILOT POLICY

afford the committee of life insurance counsel an opportunity to be heard.

Memorandum of the Committee

The report of the committee, made to the Association of Life Insurance Counsel, follows:

Life insurance corporations are agencies for the accumulation by their policyholders or members of funds for the mutual payment of specified benefits in event of death or other specified contingency. With the exception of the guaranty fund or capital stock contributed by stockholders of companies organized upon the capital stock plan, or by the guarantors in the case of certain mutuals, the capital invested in the business of a life insurance corporation is contributed by its policyholders. These corporations are restricted by law in the investment of their funds practically to bonds and mortgages upon real estate, Government, State and municipal bonds, and the bonds of corporations which are secured by adequate collateral. The income from securities of these classes, as this board is of course aware, is low. As a matter of fact, the average life insurance company does not earn more than five per cent. upon the aggregate amount of capital invested in its business.

Requirements as to Returns Under the Statute

In view of the fact that the statute permits of the deduction from the taxable amount of a maximum of nine per cent. upon the capital invested in the business, it seems unlikely that the tax imposed by Section 201 of the Revenue Act of October 3, 1917, will affect the ordinary life insurance corporation. It will, however, be necessary for these companies to make return of the capital invested in their business and of their income under this Section, for the purpose of an official determination of their liability or non-liability to this tax.

Title II of the War Revenue Act, including Sections 201 to 214, applies in terms to business corporations generally, without distinction as to the character of their business. For the purposes of the return required, in order to determine liability or non-liability to this tax, the statute provides expressly for the deduction of "money or other property borrowed" and stocks and bonds (other than obligations of the United States), the income from which is not taxable. It also seems to require by implication, the deduction of other liabilities than borrowed money. The balance of the assets of the corporation constitutes the capital invested in its business, which is subdivided into:

1. Actual cash paid in.
2. Actual cash value of tangible property paid in for stock.
3. Paid in or earned surplus and undivided profits used or employed in the business.

Under item (1) in this classification, it would seem the intent of the law that the cash paid in by stockholders on account of their subscriptions to the capital stock should be entered. Many life insurance corporations have no capital stock. Such corporations were either organized upon the mutual plan or have, since organization retired their capital stock or purchased it in the interest of policyholders. The policyholders stand in the place of stockholders in such corporations, as regards legal title to the corporate property and franchises; and it might perhaps be suggested that the premiums contributed by them, which, as accumulated and improved with interest, form the capital of such companies, constitute "cash paid in" and should be entered under item (1).

Relation of Premiums and Reserves to Surplus

The nature of the premium paid in to a life insurance corporation, however, is not in any way affected by the character of the corporation's organization. The business of life insurance is essentially mutual, and the uses to which the premium is put are the same in all corporations. Each policyholder, through the payment of premiums, contributes ratably to the expenses of the business, including current death cost, and to the surplus which is accumulated under his contract of insurance corporation. This surplus is now technically called the reserve on the policy, and the aggregate of such policy reserves constitutes the legal reserve of the company.

Roughly speaking, the reserve upon an individual policy may be regarded as the basis of the policyholder's proprietary interest in a mutual life insurance corporation. This, however, is but an incident, and does not change the essential character of the company's reserve as a whole, or, we submit, require their entry under item (1) of the statutory subdivision of invested capital. The policy reserve of a life insurance corporation constitutes the greater part of its actual surplus, and whether the company transacts its business on the participating or non-participating plan, it may be regarded indifferently as paid in or earned. Whether the company be organized on the stock or mutual plan, therefore, its policy reserve should, we think, be entered under item (3) in the statutory classification of capital invested and used or employed in the business.

The Reserve is not a Liability

It may, perhaps, be suggested that the legal reserve of a life insurance corporation is a liability and as such is properly deductible from the assets in arriving at the surplus. This, however, is by no means the case, notwithstanding the provisions of State insurance laws which require it to be so treated in the annual statements submitted to their supervising officials. We have pointed out in an earlier paragraph that this tax act applies to all classes of corporations. In the application of its provisions to a life insurance corporation the amounts of its income, liabilities and capital must, therefore, be determined by the same general principles which would govern in the case of an ordinary commercial business corporation. As we have already seen, the legal reserve is the aggregate of the reserves on the company's outstanding policies. Tested by common law rules, the reserve on an individual policy of life insurance is not a debt. Nothing is due under the policy until it matures in accordance with its terms. Until the maturity of the policy the company's obligation is wholly contingent. The policy may never be surrendered, and, notwithstanding the improbability of the assumption, the company may never be called upon to pay a death benefit under it. It, therefore, follows that the aggregate of these policy reserves, which is commonly known as the company's legal reserve is not a liability.

That the ability of a life insurance corporation to perform its contracts as they mature is dependent upon the accumulation of funds mathematically sufficient to meet the expected obligations as they mature was recognized at an early date. Well managed companies accumulated such funds, which were originally called surplus, before the State laws required such accumulations. In the exercise of the police power, however, the States have now imposed upon insurance companies generally the statutory obligation to maintain surplus funds having definite theoretical or assumed relation to the contingent obligations under the outstanding policies of insurance issued by them. These funds are, by law, denominated "reserves."

The reserve in the case of a fire insurance corporation is a certain proportion of the premiums charged for the insurance and is called indifferently "re-insurance reserve" or "unearned premium reserve." Except as to the method of its calculation, this re-insurance reserve of a fire insurance corporation corresponds to the policy reserve of a life insurance corporation.

The question has been raised under State tax laws, whether the re-insurance reserve of a fire insurance corporation constitutes a liability. In every such case which our research has disclosed the courts have held that such reserves do not constitute liabilities. The Court of Appeals of New York, in People ex rel. National Surety Company v. Feitner, 166 N. Y., 135, said:

"While it is apparent that the relator has not, in fact, 'just debts owing by' it equal to fifty per cent. of the uncarned premiums, our attention is nevertheless invited to that portion of the General Insurance Law under which relator is organized, which provides the method by which the solvency or insolvency of a company is determined, and the point is made that for that purpose at least 'a sum equal to the total unearned premiums on the policies in force' must be charged as a liability. True, and it also requires that for such purpose the capital stock shall also be charged as a liability. But it will not be claimed that the capital stock may be treated as a debt to be deducted from the company's assessable assets on that account, and, of course, no stronger argument can be made in support of a claim that the statute intended to have unearned premiums that are really an asset of the company treated as a debt for the purposes of assessment" (166 N. Y., page 135).

Other authorities to the same effect are: (Editor's note: Eleven authorities given).

On principle, as well as by authority, it is, therefore, apparent that regulatory laws enacted under the police powers or pursuant to the reserved right to amend and repeal corporate charters cannot change the essential character of the assets of the corporations affected. The statutory requirement that a life insurance corporation shall carry in its annual statements filed with supervising department the outstanding capital stock as a liability is only one means taken for the protection of its policyholders. It does not transform the capital stock into a debt, or authorize any person or group

(Continued on page 8)

Great Southern Life Insurance Company

HOUSTON, TEXAS.



For Agency Contracts address

O. S. CARLTON

PRESIDENT

A PEEP INTO OUR PRIVATE FILES

AN OFFICIAL OF THE U. S. GOVERNMENT AT WASHINGTON SAYS:

"I have your letter of October 1st with the bulletin which you are mailing to your policyholders and thank you for it. **This work is the kind that is going to make the Second Liberty Loan of 1917 an overwhelming success."**

A POLICYHOLDER SAYS:

"The **service which you perform for your policyholders** is without a doubt **unequaled by any of your competitors. This Health Service beats anything I have ever seen.** 'May your tribe increase'."

AN AGENT SAYS:

"If a man **doesn't make good** with The Germania Life Insurance Company **it is his own fault."**

WE SAY:

Since these are but samples of **many** letters received regularly by **"The Company of Modern Insurance Service," THE GERMANIA LIFE INSURANCE COMPANY, established 1860 under the laws of the State of New York,** it should be worth something to YOU to ask T. Louis Hansen, Superintendent of Agencies, 50 Union Square, New York City, to tell YOU more about the SERVICE which this Company is rendering ITS COUNTRY, ITS POLICYHOLDERS AND ITS FIELDMEN.

WHAT DO YOU SAY?

Geo. T. Wight Manager Life Presidents' Assn.

TEN YEARS OF GOOD SERVICE

Made Record as an Albany Newspaper Correspondent Before Going With Association

At its annual meeting the Association of Life Insurance Presidents unanimously endorsed the recommendation of the executive committee in making George T. Wight (secretary of the association) its manager, continuing him also in the office of secretary. Major Brinkerhoff was re-elected actuary and Frederic G. Dunham attorney.

Everybody who by personal contact with Mr. Wight has had opportunity to watch his development in the office of secretary feels not only that the appointment is a mighty good one, but a sense of personal pleasure as well. The office of manager of the association has been vacant since Robert Lynn Cox resigned several months ago to become third vice-president of the Metropolitan Life in charge of its then newly-created Farm Loan Division. The former attorney for the association, Alfred Hurrell, had resigned from the association some time before Mr. Cox's resignation to become associate general solicitor of the Prudential.

Fine Work on Programs

Since their resignations Messrs. Cox and Hurrell continued to give as much time as they could to the affairs of the association, including necessary visits to Washington, but much of the managerial work was carried on the shoulders of Mr. Wight, who had been with the association ten years, and who was secretary for a number of years.

The conception of the very remarkable program of the Association of Life Insurance Presidents at the annual meeting last week was Mr. Wight's, and it was the excellence of this program, along with his faithful performance of duties, his broad comprehension of the scope of the association, his untiring energy and unflagging loyalty, which induced the members of the association to believe that they had the right man for manager in the association's own office.

Mr. Wight's newspaper experience, which was extensive and important, has been of aid and value to the life insurance business.

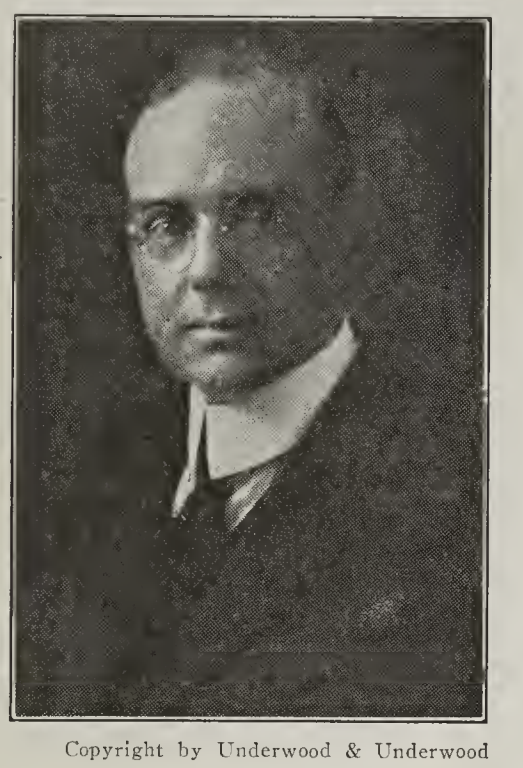
Was a Reporter Under Sam Blythe

Like Mr. Cox and Mr. Hurrell, Mr. Wight is a Buffalo man. He was born there in 1877, and his newspaper experience began with the "Buffalo Commercial," as a copyholder in 1891. Two years later he went with the Buffalo "Express." Possessed from the start with a keen newspaper instinct and love of public affairs and economics, it was not long before he was assistant reporter, and then a full fledged reporter, covering police activities, City Hall, and, then, politics. Much of his training was secured under the tutelage of the famous Samuel G. Blythe, then the picturesque city editor of the Buffalo "Express," and now with the "Saturday Evening Post," a man who is the shrewdest commentator on political events in America today. Another man who trained Mr. Wight was James W. Greene, of the Buffalo "Express," who is recognized as one of the leading figures in American newspaper life.

Mr. Wight went with the "Express in 1893. When President McKinley was shot Mr. Wight was one of those assigned by the "Express" to cover the case, and for eight days lived in a tent opposite the lawn of John G. Milburn, the Buffalo lawyer who was the intimate friend of McKinley, and to whose home the President had been taken after he was stricken down by the anarchist's bullet. After five years of various phases of newspaper work including the post of telegraph editor, and even a whirl at the sporting desk, Mr. Wight was sent up to the Legislature, where he reported proceedings during the second year of the Roosevelt administration and the entire Odell and Higgins administrations.

Goes With Association in 1908

In 1905 there was a special session of the New York Legislature called to



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GEORGE T. WIGHT

impeach Justice Hooker. At this session of the Legislature something more important then that developed: there was authorized the appointment of a committee which revolutionized life insurance. This was the Armstrong committee. It was while reporting legislatures that Mr. Wight first met Robert Lynn Cox, who became a member of the Armstrong committee, and Jesse S. Phillips, who was to become superintendent of insurance in New York State. Mr. Cox was a member of the legislatures of 1903-4-5-6, representing Erie County, while Mr. Phillips (representing Allegany county) came to Albany earlier and remained later. As a live newspaper correspondent he was drawn to both men as leaders in the Legislature.

Mr. Wight made such a good record with the Buffalo "Express" as an independent and courageous correspondent that he was engaged by the New York "Herald" to represent that paper in Buffalo during the Hughes-Hearst campaign for Governor, and he was on the job for the "Herald" at Albany during the first session of the first Hughes administration. In 1908 he went with the Association of Life Insurance Presidents as assistant secretary; in 1911 he was made secretary. In announcing the executive committee's choice of Mr. Wight as manager, Mr. Cox, at the Life Presidents' meeting, presented this statement from the nominating committee:

"As to filling the position of manager, the committee deems the association fortunate in having in its working force in the person of George T. Wight, the able secretary of the association, a man, who, by reason of experience, long training with the association and special ability, is well fitted to assume that office. It, therefore, recommends Mr. Wight for that position with the title of secretary and manager.

"In making this recommendation, your committee feels it fitting and proper to add that the ability and the natural claims to preferment of the association's actuary, Major Brinkerhoff, were carefully considered, but that on discussion of the question with him, Major Brinkerhoff stated that in justice to himself he felt he should not undertake the added responsibility and increased activities which the sole management of the association would involve, and in reaching the conclusion herewith submitted the committee has had the benefit of his counsel and advice."

CO-OPERATION No. 9

OUR effective plans of co-operation with new representatives (1) attract the best type of men to the business and (2) enable them to secure a substantial production during their training period.

A group of twenty-five new representatives who contracted with us in 1916 or early in 1917 have reported $83,418.46 in new premiums during the first nine months of 1917.

Phoenix Mutual Life Insurance Company

of Hartford, Conn.

JOHN M. HOLCOMBE, President

New York Manager of Bankers Life

A. F. BOLES CHOSEN THIS WEEK

Former Field Supervisor Given Eastern New Jersey and New York Territory

The Bankers Life Company, of Des Moines, has appointed A. F. Boles general agent in eastern New Jersey, and New York State territory, with headquarters on the fourteenth floor of the City Investing Building, 165 Broadway. Mr. Boles succeeds Elmer Dwiggins.

Mr. Boles was for ten years connected with the Prudential Insurance Company of America, during which period he organized and developed the army and navy department for that Company. At that time, the Prudential was the only life insurance company writing army and navy officers without extra charge or restrictions. He had charge of the Prudential's army and navy business throughout the entire country, including the Philippines, Alaska and Honolulu.

Comes Here from California

In 1911, he retired from the insurance business, and engaged in the real estate and loan business in Kansas, his home State, for a period of five years. He returned to the life insurance business in the early part of 1916, acting as field supervisor for the Bankers Life Company of California with headquarters at Los Angeles. He was called from Los Angeles to take charge of the general agency of the Bankers Life Company for eastern New Jersey, and the eastern half of New York State. Mr. Boles is a member of the National Association of Life Underwriters and is an intimate friend of the former president of that association, John Newton Russell.

WHY CASES ARE DECLINED

Penn Mutual Life Gives Information which Confidence has not Been Abused

The medical department of the Penn Mutual has sent this notice to agents:

"Our older agents will remember that some years ago it was not the practice of the Company to advise them of the reasons for declining a case. They will also remember the voluminous correspondence that often accumulated before some of these cases were finally closed. This indeed was the principal reason for changing our practice; and also we thought it would be more expeditious. There did not seem to be any sufficient reason why our agents should not know the findings of our own examiners, nor even why the applicant should not know; rather it seemed only fair that he should know, for quite often the findings of a life insurance examination are the first intimation to a man of an impairment he never even suspected. We believe our agents have fully appreciated the confidence and have not abused it."

TEN YEARS OF FINE SERVICE

Alfred A. Drew, superintendent of agencies of the Mutual Benefit, has held that position for ten years. During the decade the men in the field have placed more than $400,000,000 of new life insurance on the books of the Company.

As a recognition of his ten years' service as their leader, general agents and agents presented to Mr. Drew a beautifully inscribed testimonial to which their signatures are affixed.

To Make Fraternals Meet Rate Laws

COMMISSIONERS MEAN BUSINESS

Must Fulfill Requirements of Mobile Bill—Sharp Speech by Superintendent Phillips

Fraternal affairs furnished the only enlivening incident in the discussion of life insurance subjects at the closing sessions of tho mid-winter meeting of the National Convention of Insurance Commissioners in New York, December 6.

Commissioner Young of North Carolina started the ball rolling by offering a resolution which in effect was a demand that certain fraternal orders take more vigorous steps to place their business on adequate rates to meet the requirements of the Mobile Bill and the New York Conference Amendment, by 1920, as required by the statute.

Fraternals Championed by Henry

The fraternals had a champion in Commissioner Henry of Mississippi, however, who thought Commissioner Young's resolution too drastic. He argued that the fraternals are generally making all the progress that should be expected of them and that they should not be charged with intentionally dodging the law and be classed as criminals.

Superintendent Phillips' Views

Superintendent Phillips of New York took the floor. In view of the attack made upon him by the Woodmen of the World his views were listened to with great interest. He said in part:

"I believe that fraternal insurance is rendering a great service to the public and furnishing a large number of persons with protection which otherwise they would not enjoy. But I also believe that every person who is interested in this class of life insurance should be made fully acquainted with the fact that unless it is placed and maintained on an adequate rate basis, it is only a question of time before every order not so operating will be on the rocks. Of fifty orders reporting to the New York Department in 1916 only sixteen showed themselves to be 100 per cent. actuarily solvent according to the requirements of the Mobile Bill. Twenty-five per cent. were only eighty per cent. solvent and there were others which were less than fifty per cent. solvent. The attention of the legislature was called to these conditions.

Solicitors Roundly Scored

"At present a large majority of the fraternals are making every effort to write new business on adequate rates. The crime of it all rests not on the shoulders of the orders but lies with the men who in the face of all the known facts solicit business throughout the State at inadequate rates. I say it is unfair to the misguided purchasers; it is highway robbery. It is also unfair to the societies which are making every effort to write at adequate rates. Some affirmative action must be taken. A time should be fixed after which no society may write at inadequate rates and the funds contributed by those members who are paying adequate rates should be kept separate from those of other members."

What Other Commissioners Thought

Superintendent Phillips moved that the resolution be referred to the fraternal committee, but Commissioner Young asked for immediate action upon it Commissioner Cleary of Wisconsin wished to go even further than the North Carolina official, claiming that the commissioners have more responsibility in this matter than have the orders themselves. Commissioner Mansfield of Connecticut strongly opposed acting on the resolution without it being referred to the committee in the usual manner, adding that such action would deprive the fraternals of the right to defend themselves. The discussion was brought to a close with a motion by Commissioner Hardison of Massachusetts that the fraternal committee investigate the subject and ascertain whether additional legislation is necessary. This was carried.

Fraternal Merger Bill

The fraternal committee reported the draft of a bill to provide how societies may consolidate, merge or re-insure. It applies to associations writing life, accident or health insurance and provides that no fraternal society shall make any such contract with any company or association not licensed to transact business as a fraternal benefit society. Contracts must be submitted to the governing or legislative bodies of the societies involved, and if approved, must be submitted with a statement of all expenses incurred, or to be incurred, to the commissioner or commissioners of insurance for approval. No brokerage or other commission shall be included in the expenses of carrying out the contract, nor shall any compensation, direct or indirect, be paid to any officer, director or employe of either of the parties to such contract for directly or indirectly aiding in effecting such contract of consolidation, merger or re-insurance except that it may be provided in any such contract that the executive officers of the company or association or fraternal benefit society consolidating, merging or re-insuring its business shall be employed for a period not exceeding two years from the date of such contract by the other party thereto, for services to be rendered within such period upon a basis of compensation not greater than that theretofore received by any such executive officers for services theretofore rendered the other party to such contract.

Itemized Statements

A verified, itemized statement of all such expenses shall be filed with the insurance commissioner or commissioners, as the case may be, subject to approval, and when approved the same shall be binding on the parties thereto. Except as fully expressed in the contract of consolidation, merger or reinsurance, or itemized statement of expenses, as approved by the commissioner or commissioners of insurance, as the case may be, no compensation shall be paid to any person or persons.

Violators shall be deemed felons and upon conviction shall be liable to a fine of not more than $5,000, or to imprisonment for not more than five years, or both.

TO PREVENT WRECKS

Commissioners Recommend Legislation to Keep Tab on Stockholders of Life Insurance Companies

In order to prevent the looting of domestic life companies by the transfer of stock to speculators, as was done in the case of the Pittsburgh Life & Trust, the committee on laws and legislation of the Insurance Commissioners brought in a report recommending legislation similar to that in force in Wisconsin, requiring that a list of stockholders of all domestic life companies be maintained in the office of the insurance commissioner and that no transfer of shares of stock of any company shall become effective for voting purposes, or otherwise, until a given period has elapsed after notice of such contemplated transfer shall have been filed with the department and that a vacancy in the board of directors may be filled only by election at a regular or special meeting of stockholders upon due notice thereof, copy of which notice shall be filed with the insurance department a specified number of days prior to such meeting.

A resolution was adopted protesting against the efforts which have been made to induce soldiers and sailors to drop existing life insurance in order to take the insurance offered by the Government, and declaring that every effort should be made to prevent such cancellations, as they would mean financial loss to policyholders.

On motion by Commissioner McMaster of South Carolina the committee for rulings on standard provisions in life policies was discharged.

A. B. Johnson, of the Martin T. Ford agency, New York City, is now a First Lieutenant, O. R. C.

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105 WILLIAM STREET
NEW YORK

What Life Offices Should Know About War Savings Certificates

From Address Delivered Before Association of Life Insurance Presidents, by J. E. Kavanagh

The task of the War Savings Committee is to raise two billions of dollars from the American people, no one person being permitted to purchase more than $1,000. It is going to require an average of twenty dollars per capita of the population of the whole country to make that large amount of money. In order to have it brought clearly to your minds how it is proposed this is to be done, perhaps you ought first to understand something about the Government obligations which are to be put out.

Two Kinds of Obligations

There are two kinds of obligations which have been prepared, one known as the War Savings Certificate and another known as a Thrift Card. The War Savings Certificate is an obligation issued by the American Government, and when completed as an obligation it is for $100. I think perhaps the easiest way to place that before you is to show you that it simply consists of a document like this (indicating document), with spaces provided for pasting on the twenty stamps, each stamp being a $5 obligation of the Government. It does not become an obligation until it is attached to the certificate. The two together become the obligation.

Just to bring it concretely before you, an individual walks into a post office, a bank or other licensed agency for the sale of these stamps, and buys one at the current price, which changes from month to month, and affixes that stamp to a card of this kind. Then this becomes an obligation for $5 due five years from now. If the purchaser desires he may buy another and another, and the purchaser then affixes them here until he gets a total of twenty of the $5 stamps affixed. Then that becomes an obligation for $100 due January 1, 1923. They differ from bonds in that they do not have coupons attached; therefore, the interest is not paid every six months or a year.

The obligation, when it matures, returns to the individual the money he has deposited with accrued interest, which is at the rate of 4 per cent. compounded quarterly. The purchase price from month to month is not actuarially correct, but from a practical standpoint, in order to be easily carried in the mind, it has been fixed that way, and I think you will agree that the Government acted wisely in fixing the prices in the manner they did. Theoretically, the sale of these does not begin until the first of January next.

Increases in Value Every Month

In order to take advantage of the large amount of money that is usually floating around before Christmas, there was a good deal of speed put on down in Washington in an effort to get it out and before the public in December and to get a good deal of this Christmas money, but the price fixed is for January, $4.12. That means that you individually loan the government $4.12, and five years after you get your $4.12 back and 88 cents interest. That is 4 per cent. compounded quarterly. If you defer lending that money to the Government until February, you pay $4.13 and then you get back $4.13 and 87 cents interest, for four years and eleven months. Consequently you put up a larger amount for every month that you defer putting it up; $4.12 in January, $4.13 in February, $4.14 in March, and so on month after month. So these stamps go up in value, and when affixed they become an obligation of the Government.

This contract will differ from almost every other Government contract in that they carry a guaranteed increased value. They do guarantee that the purchaser can get his money back, and they increase in value from month to month. The investor pays his $4.12 and then possibly he needs money in February, and then he gets his money back and one cent more. It becomes in a sense call money at 3 per cent.; then if it is deferred for five years it becomes loan money at 4 per cent. quarterly compounded. All the Government is doing is asking people to take good money out of their pocket and exchange it for better money. When a man has a five dollar bill in his pocket, it does not bear interest. If he keeps it for five years it is worth five dollars. If he carries his money in this shape it is increasing in value from month to month.

I think the task we have to perform is to teach the people the difference between a demand note and a time note. Take a silver certificate, it says there has been deposited in the Treasury at Washington one silver dollar, and you have the right any day to go and get that silver dollar. When you have this form of certificate it means you can get your five dollars on the first of January, 1923. The desire is that these should not be negotiable. Provision has been made for the name of the purchaser on here, and the requirements are that when a person secures one of these cards his name is placed on it, not his signature, but his name, although on the first two million printed they did get them out with the word "signature," and instructions have been sent out to correct that. The individual gets this card. He cannot purchase more than twenty of these $5 stamps at one time.

The Thrift Card

The purchaser may walk into a post office and get his money back, $4.13, $4.14, $4.15—he gets his money back as he wants it. But we hope the people will not turn them back. We hope the money will be loaned to the Government for the full five years and everything is done to discourage the cashing in of these certificates, just the same as the insurance companies do what they can to discourage the cashing in of an insurance policy. It is realized that a great many people cannot very well get $4.12 together at a time, a great many of the industrial class of the people and the masses, school children and others, so there has been devised this thrift card which has on it sixteen spaces on which can be affixed thrift stamps for twenty-five cents and sixteen of them makes four dollars. The individual affixes his name on it and starts in to buy thrift stamps, 25 cents at a time, one or more, until that is filled up. There are little pieces of advice, words of encouragement on there, trying to get people to get the thrift habit. When the $4 is accumulated then he adds 12 cents in coin and then deposits it and secures one of these interest bearing certificates. The thrift card does not bear interest and the idea is that the individual will hurry up and get in shape where he will have a certificate that will bear interest. Those are the two documents that we hope will be well understood by the people, as well as they now understand what a one dollar bill is. We are so accustomed to paper money in this country that we do not even read it. By means of this thrift card the people will loan their money to the Government and help to win this war.

Ask Life Companies to Help

So much for the commodities we have for sale. To begin with there are 55,000 post offices in America, and every post office in the country has them for sale. There are 39,000 incorporated banks in this country, and every one of those banks has been appointed an agent, although some of them do not know it as yet. A very large number already have those stamps for sale. In addition to that we hope to establish a tremendous number of other agencies. The life insurance companies, it is expected, will co-operate with the Government in this enterprise. I do not know how many life insurance agents there are in the country, but I suppose it is safe to say there are 100,000 or more. There has been sent out by the committee in charge a letter addressed to every one of the 240 insurance presidents of the country asking if they will do what they can to assist in selling these stamps. It is asked of me if I will undertake to suggest to you some method by which it can be done. Let me say that the Government recognizes two kinds of agencies, and they are known as agents of the first class and agents of the second class. Agents of the first class are those agencies that secure the stamps by depositing cash for them. Those may be secured either from the post office or the Federal Reserve banks, or from other agents of another kind, who will be referred to later. Any individual who desires to become an agent of the Government for the sale of these will in all likelihood be appointed. His appointment comes from the Secretary of the Treasury. A license will be issued in the name of the individual indicating that he is authorized to sell these stamps for the Government. We hope there will be established 200,000 at least, possibly more, of these depots for the sale of the stamps.

First Class Agents

Let us finish with the first class agent. He deposits $1,000. He may buy not more than one thousand dollars of these War Savings Stamps. He then sells them out and purchases again and keeps on selling. The law as it stands provides that these stamps must be sold during the year 1918, and the maximum amount to be sold is $2,000,000,000. It is conceivable that the sale might be ended before the end of 1918. If such should be the case arrangements will be made so that any agents having stamps on hand may cash them, they may have their cash back if they so desire. Of course, they can easily get it by walking into a post office. While we do require ten days' notice for the cashing of any certificates, that was done to discourage the tendency that might prevail to get them

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The fifty-seventh annual report shows insurance in force of $133,493,000, an increase during the year of $7,832,827. The Company paid the policyholders in 1916 $3,536,233, of which $628,406 was in dividends or premium refund. Its insurance reserve fund was increased by $1,300,000 and the Assets are now $32,821,462.

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cashed frequently, and also to protect the rural postmasters who would not have sufficient funds on hand to cash them if they were turned in in large amounts.

Agents of the Second Class

Another class of agent is what is known as the second class. He may receive his stamps on consignment on being nominated by the Federal Reserve Bank or by direction of the War Savings Committee, or by some official of the War Savings Committee, and that concern or corporation applying for the agency will be appointed by the Secretary of the Treasury and he may get his stamps sent to him on consignment on depositing the proper collateral. For example, if a life insurance company desires to take $100,000 worth of stamps for sale. We will say that that company has on hand collateral that would be acceptable to the Government. It deposits that collateral with the Federal Reserve Bank and the stamps are sent out to the insurance company. The insurance company can then sell them and every month we have an accounting of the number of stamps remaining unsold, because the stamps go up in value, and the theory is that no one should make money from the Government on the sale of these stamps. So, supposing the agent secured on consignment in January one thousand stamps at $4.12 and did not sell any, they would be worth one thousand cents more for each of the months of February and March and so on. Consequently the Government must have a statement of the number of stamps remaining unsold for January, and, if say there were five hundred remaining unsold, there would be five hundred cents additional required from him if settlement were made during February.

What Life Companies Can Do

Assume that the life insurance company becomes an agent. How can that life insurance company help the Government in selling them? It is not for me to tell definitely what they can do, but I suggest one way in which the thing can be done expeditiously without trouble. We are not sure whether the large corporations will care to take the stamps on consignment or not. Some of them will prefer to have them on consignment and others will prefer to pay cash and turn them into cash rapidly by disposing of them quickly. But irrespective of whether an agent becomes one of the first class or of the second class, let us assume that a life insurance company takes an agency, and possibly that company has several hundred branches. The one agency answers for that company. That company would indicate to the Government the number of branches it desires to have act as agencies and that number of licenses would be issued to the headquarters of that company, and they would be distributed through the branch offices, and those branch offices become the depots for the sale of these stamps. Do not think that in referring to agencies that I have been using the term in the sense of life insurance agency. Possibly the best way will be for the life insurance company, for their agents, instead of selling the stamps, physically carrying them with them, it is probable that the best plan will be the order plan. Franked postal cards will be supplied to any of these corporations and on this is made provision on the end where the canvasser inserts his name and the name of the corporation that he is connected with, and then the card reads: "To the postmaster at ....., Please send to me c. o. d. so many stamps, five-dollar war savings stamps and the date he wants them sent is put in there." The order is filled out and the post card is deposited in the first letter box he comes to and it reaches the postmaster and the postmaster sends the stamps out on the day required, and he puts these orders aside. We have an organization perfected consisting of State directors of the Committee, and a very large number of county chairmen and committees as well. It is expected that the post offices will at the end of every week send these post card orders to the State headquarters or the county headquarters, and there a record can be taken, if desired, letting that insurance company know just how many orders came in as the result of the activities of that particular agent, or their particular agencies. It enables the county chairman to know just how the sales are coming on and what possibly are being the most effective, and which one of the other dozen of activities is the most effective in the sale of these stamps.

RESOLUTIONS ABOUT RAILROADS

Life Presidents Favor Operation Under Supervision of Properly Constituted Committee of Carriers

The Association of Life Insurance Presidents, at its annual meeting last week, passed these resolutions dealing with the present critical railroad situation:

"At the eleventh annual convention of the Association of Life Insurance Presidents, with an attendance of executive officers of 64 companies carrying about forty million policies on the lives of American policyholders, William A. Day, on behalf of the Committee on Resolutions, presented the following preamble and resolution and moved its adoption:

"Whereas recognizing that it is the duty of the members of this association, as the custodians of many hundreds of millions of dollars of the policyholders' funds invested in railway securities, to take notice of the recent report of the Interstate Commerce Commission. Therefore, be it

"Resolved, first, the important first consideration to be borne in mind is that the condition precedent to any plan is for the Interstate Commerce Commission to approve the pending application for advanced rates.

"Second, following this, we believe the better alternative is to suspend the anti-trust act and Section 5 of the Interstate Commerce Act 'during the period of the war and until further action by the Congress.'

"Third, Government loans for capital purposes under appropriate safeguards.

"Fourth, operation under supervision of properly constituted committee of railroads themselves, which committee should be given centralized authority by Congress. And

"Resolved, that the Chair appoint a committee of one of our members to present or transmit a copy of this resolution to the President of the United States for his consideration."

CAPT. MACK IN TOWN

Says Government's War Risk Bureau Will Write More Than $4,000,000,000 Insurance

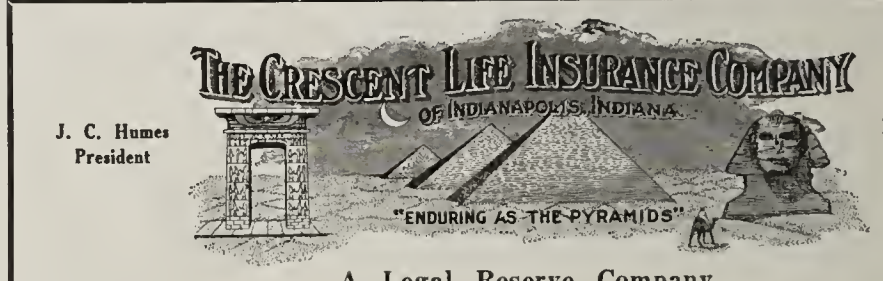
Captain Millard W. Mack, former general agent of the Northwestern Mutual Life Insurance Company at Cincinnati, was in New York this week on his way to Europe, where he goes as a member of Major Willard Straight's party, which is to present to soldiers and sailors the advantages of the war risk proposition for the Treasury Department. Captain Mack when seen by a representative of The Eastern Underwriter said that between four and five billion of insurance on soldiers and sailors will be written by the Government War Risk Bureau. He says that he bases his estimate on the fact that the average application to date is more than $8,000.

CONVICT F. R. SEARING

Frederick Roe Searing, a former Philadelphia builder, who disappeared from Atlantic City in 1915 and was supposed to have been drowned, has been convicted of conspiracy to defraud two insurance companies. The wife of Searing recovered a verdict of $18,720 against two insurance companies on policies on the life of her husband.

T. W. Saunders, Equitable Life Assurance Society, Richmond, Va., recently wrote a $50,000 case.





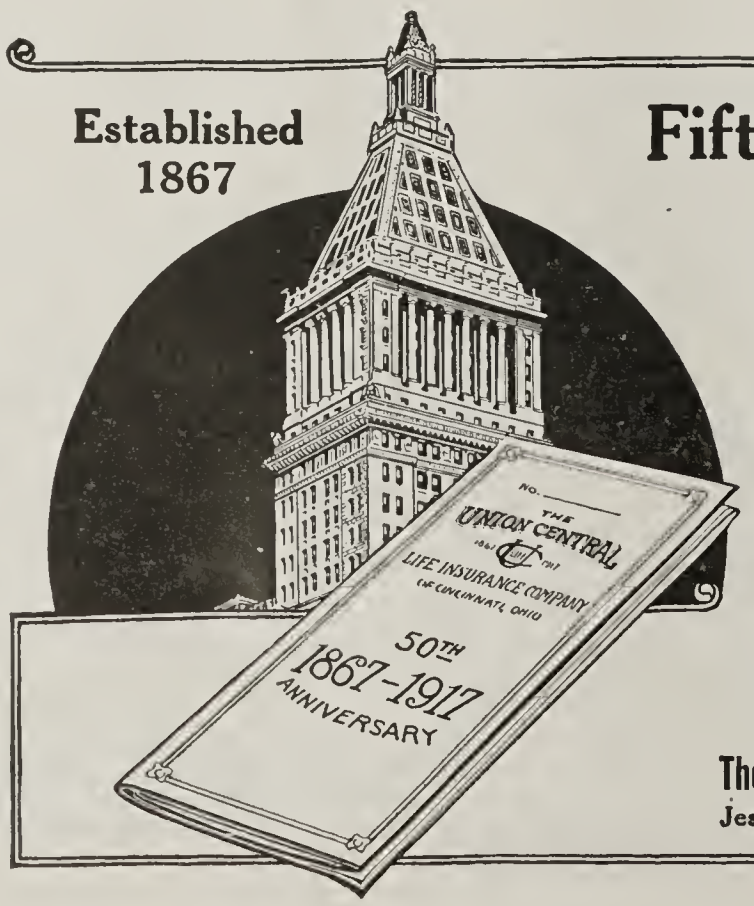
J. C. Humes, President — L. D. Clancy, Secretary

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The manifold service of the past half century may safely be accepted as a criterion of larger service in store for its policy-holders and their beneficiaries.

For Information address Allan Waters, Second Vice-Pres.

The Union Central Life Insurance Company

Jesse R. Clark, President — Cincinnati

H. L. Rosenfeld on After War Problems

FINANCIAL AND LABOR OUTLOOK

Will be Plenty of Material for Agents to Work Upon—Influence of Insurance

Henry L. Rosenfeld, fourth vice-president of the Equitable Life Assurance Society, discussed the social, economic and financial aftermath of the war, as he saw it, in an address before the Association of Life Insurance Presidents, saying in part:

Despite whatever adverse influences may have been exerted upon the companies by reason of the abnormal conditions engendered by the war, it is a magnificent tribute to the solvency, safety and solidity of the institution of old line legal reserve life insurance that so far as ascertained by personal experience and observation abroad, no life insurance company so organized and operating has failed to date to meet its obligations in any of the belligerent countries. That the exigencies of the situation have in all instances been provided for by a reduction or passing of dividends to shareholders, or of bonuses to policyholders, speaks volumes for the basic soundness of modern life insurance.

The vast change in the character of life insurance companies assets can be shown from a single illustration: the Prudential Insurance Company of England, the largest life assurance company of Great Britain, with funds of over one hundred millions sterling, of which less than 2 per cent. was invested in British Governmental securities at the beginning of the war, had at the beginning of 1917 over 25 per cent. of its total assets, representing over 46 per cent. of its stock exchange securities, invested in British Governmental obligations.

The British income tax act provides under exemptions and abatements that allowance of income tax payable may be claimed on the amount of premiums paid for life insurance, if not exceeding one-sixth of the net personal income, with certain safeguards against the abuse of this concession.

The British Income Tax

There is an object lesson to American national legislators in the fact that despite the great needs of the Government and the extraordinary increase in the rate of income taxation in that country, the British Government has not yet found it expedient nor wise nor necessary to repeal this provision of the British income tax act. The British Parliament still appreciates the importance of life insurance in the promotion of thrift and the stimulation of saving. The Chancellor of the Exchequer recognizes that while life insurance premiums are individually small in amount, yet in the aggregate they constitute mighty funds; and that these small sums if not paid in life insurance premiums would be for the most part dissipated, but thus accumulated are at once available for the necessities of the government. It is to be hoped that the Secretary of the Treasury of the United States having found whole-hearted and generous response to the national need as shown by the recent subscriptions of American life insurance to the calls of the Government may yet deem it advisable to recommend legislation promotive of thrift similar to that of the British Income Tax Act.

Agents of life insurance are apostles of economy. War's wastage enforces economy. May we not hope that after the war there will ensue in the United States, the spendthrift of the nations, habits of economy and thrift which will prevent a recurrence of the wastage of peace so long a prevalent characteristic of our people?

To attempt a calculation as to what extent the amount of after-war national charges which will be necessary to be raised will amount to in percentage of the pre-war income of the nations would be largely conjecture. Perhaps in time incomes will increase proportionately to the increase of fixed charges. One fact stands out clearly, however; that is, that the process of restoration of material loss and destruction in order that income may be restored and augmented will take precedence of all other activities after the war. Life insurance alone can supply the coverage necessary to tide over the period of reconstruction which must precede the period of productivity. The agent need fear no lack of available life insurance material. Human brain and brawn, the essential factors in the reproduction and increase of income, will require life insurance in much larger amounts than have hitherto ruled. People are being educated to think in larger figures than heretofor.

Indebtedness Staggers Imagination

It will be necessary for the United States to recognize the intensified industrial and agricultural competition which it will be called upon to meet after the war. With a total indebtedness of foreign nations so large as to stagger human imagination, the only hope for regeneration and rehabilitation, economically and financially, will be an increased commerce and agriculture. During the war and up to the end of 1916 England alone has spent over $3,000,000,000 in the construction of factories and equipment. This does not take into account additions to this vast sum during the current year. Associations have sprung up in England, in France and in Germany for the advancement of every branch of industry, for the improvement of the system of education, for the utilization of skill and adaptability in science. This applies equally to agriculture.

Re-adjustment of Labor

By far the greatest problem which will confront these nations, as well as our own, will be the question of re-adjustment of labor after the war. There has been a phenomenal increase in the number of women employed in all countries. No one can predict with accuracy what will be the effect upon labor conditions of the return of the millions of men now under arms and their reabsorption into civil life. He would be a bold prophet who would attempt to predict whether woman who has taken the place of man in industry and in agriculture will be retained or replaced; whether there will be a shifting from office and sedentary occupations to the farm or to workship. The war has enormously increased the versatility of the present generation. There will be an enormous change of occupations. Most countries have been forced to be more self-sufficient than they were. Industry must accommodate itself in some way to the psychological change which has taken, and is still taking, place. These are questions of great moment to which European governments are giving the utmost consideration and study.

Despite any differences which may exist on these problems of the supply and demand of labor, there is unanimity of opinion respecting the necessity for better relations and better co-operation between capital and labor. Here lies at hand the great opportunity of life insurance in the United States. No greater field of endeavor offers itself than that the skill and wisdom of the executives, plus the power and potential possibilities of the large agency organizations of life insurance, shall be enlisted in the work of helping to solve national problems.

Social Problems

One of the most difficult after-war problems will be the question of unemployment. Unemployment is a risk the contingency of which can be measured and covered by insurance, despite various economic, moral and social factors which make the solution sufficiently difficult to give fullest play to insurance inventive ability. The thought was radical twenty years ago that disability benefits should be coupled with life insurance. To-day it may seem equally radical to propose that the life insurance policy of the future shall not be considered perfect until the element of instability of income has been guarded against, be the cause disability or unemployment.

On first thought it would seem that the proper place for the development of this idea would lie along the line of social service insurance as exemplified by group life insurance. Group insurance has largely increased the scope of life insurance service. This has been recognized to the extent that the State of New York has given freest play to the extension of this plan of insurance by the removal of the limitation as to the volume of new business which may be written on this form. Group and other forms of social service insurance are in their infancy. The next field of extension can well be the development of unemployment insurance. It fits directly into the fundamental principle of group insurance, which is an endeavor to promote better relations between the employer and employe.

Another social service problem which challenges best life insurance thought is the housing question—not alone in providing funds necessary for the construction of more and better houses for labor. That is the simplest phase of the question, important though it may be. It is the correlative subjects of better sanitation, improved health conditions and education in the conservation of health and strength which offer unlimited possibilities for progress—work in which the sanitary engineer and the practice of preventive medicine shall play a large part, the results of which will mean better homes as well as better houses. This has a direct relation to life insurance in the broadest and best sense.

By squarely meeting the issue of helping the governments—both national and State—to solve these, among others of the big economic questions of the day, life insurance will enlarge its scope of usefulness and provide additional spheres of influence and greater opportunity for agency organizations. Thus provision will be made against any decrease of available insurance material by reason of men killed during the war or by a decreasing birth rate which follows upon war. These latter factors will be rendered negligible in adverse influence or largely diminished by the greater need for insurance per capita of the remaining population as well as by opening up new fields among the great number of under-insured and under-averaged lives. Just to the extent to which the executives of American life insurance companies devise means for the wider application of life insurance will agency organizations find the problem after the war reduced to a simple question of how to take care of the larger amount of new business made available.

TO HANDLE WAR STAMPS

New York Life Agents Urged to Do All They Can to Assist

The New York Life has made the following statement to its agents:

"We want every man in the employ of the Company in the United States who is willing to 'do his bit' and do his best in the sale of these War Savings Certificates to pledge himself thereto, in order that we may know just what force we can count on. Please immediately fill out the enclosed postcard, sign and mail it, then await instructions from us. If we are successful in securing an appointment by the Government for the sale of these stamps in a way that will enable our branch offices and agents to handle them in wholesale quantities, we believe that the Nylic force will be an efficient organization in this war service. On the other hand, the selling of these stamps will help you in introductions, broaden your acquaintance, and aid you in many ways in the prosecution of your work of protecting the homes and firesides of the people."

Capable Agents, Desirable Company

The two most important factors in life underwriting are capability in the Agent and quality in the Company. If the Company provides an unexcelled, attractive policy for a low net cost, and has a reputation for prompt and efficient service, the result is contentment, loyalty, and success for the man in the Field, if he is capable. This Company's record is evidence of the character of its representatives and of the quality of the institution.

Occasionally we have a General Agency opening

JOSEPH C. BEHAN, Superintendent of Agencies

MASSACHUSETTS MUTUAL
Life Insurance Company
Springfield, Massachusetts
Incorporated 1851

44 MILLIONS from 42 AGENCIES

THE 1916 RECORD OF OUR EARNEST, LOYAL AND HAPPY AGENCY FORCE

New England Mutual Life
Insurance Company
BOSTON, MASS.

LIVE HINTS FOR BUSINESS GETTERS

Practical Suggestions to Help the Man With the Rate Book Increase His Income and General Efficiency

Expense and Hazard of Lapses

The lapse of a life insurance policy is expensive to the insured and hazardous for his family. He cannot drop a policy with the intention of renewing later, or drop a policy in order to take a policy in another company without losing a considerable part of what he has paid, paying more for the new than he has paid for the old, and incurring the hazard of death and becoming uninsurable in addition.

If the insured is dissatisfied with the form of policy he should bring his troubles to the attention of the company. The worst thing he can do is to lapse his policy and take out insurance in another company without first finding out what the original company will do for the reason that the original company has on hand certain accumulations resulting from the payment of past premiums which can be used to the insured's advantage in making the change desired. The insured might lose these credits to a large extent by entering into negotiation with another company. In other words, the holder of a policy can invariably do better with his original company than by attempting to cancel his policy outright and to substitute insurance in another company.

Any new policy he takes out costs more on account of his increase in age. If he takes another policy of the same kind he will have to pay more than he paid for the policy he lapsed, and every year of delay in taking out a new policy means a further increase in the cost.

An element fraught with most serious consequences is the combined chance of death and uninsurability. Of 85,441 men living at age thirty 7,335 will have died before age forty, and the percentage of deaths increases every year. Equally serious is the chance of becoming uninsurable. Approximately one in every fourteen applicants is rejected for life insurance. Every year a certain number of men who were physically fit a few months before become uninsurable, and the number increases with age.—Travelers' "Record."

* * *

The Twister and His Wiles

A certain man, who had $10,000 insurance on his life, often thought of this comfortable provision for his family with a great deal of satisfaction. He felt that nothing could induce him to part with this policy. However, this man also owned a valuable business property upon which there was a mortgage of $1,500.

The security for the debt was ample and there was no doubt that the loan could be continued indefinitely, but in an evil day a life insurance twister called his attention to the fact that he was, nevertheless, still in debt and that he was uselessly squandering $75 of good money each year in the way of interest. "Why not cut out the debt and cease paying interest?" It was "very simple." He had carried his life insurance ten years and he could now surrender his policy for $1,518. With this cash he could cancel the debt on his property, while at the same time he could take out a new policy for $10,000 in the twister's company. Thus his property would be free from incumbrance and he would have the same amount of protection as before.

The proposition looked very attractive, but the insured wisely took the precaution first to consult the representative of the company which had issued his existing policy. He then found that, as he was now ten years older than when he first insured, he would have to pay a premium of $411 on his new policy instead of the old premium of $290. He might get a lower premium somewhere, but dividends would also be smaller or none at all, while, in any event, the dividend on a policy 10 years old would be relatively much larger than on a new policy. By the proposed deal he would be saving $75 in interest, but would be paying $121 more in the way of premium—a net loss of $46 yearly, not taking into account the relatively smaller dividends on any new policy. Besides, his old policy, having gone through the probationary period, was now absolutely incontestable and free from all restrictions, while any new insurance that he might secure would be subject to sundry restrictions and conditions for one or two years at least.

The twister's proposition was clearly unfair and for the benefit of the twister only, enabling him to make a commission. It was not to the advantage of the insured in any respect. This would have been equally the case had his debt of $1,500 been a loan on his policy instead of on a piece of real estate.—Mutual Life's "Points."

* * *

A Short But Convincing Lapse Talk

There is plenty of common sense in a statement recently made by B. D. Allison, of York, Pa., to industrial agents of the Prudential:

"It is better to write a five-cent premium that will stay than a twenty-cent one that will lapse. The five-cent policy can easily be carried and the holder may like it so well that when his circumstances permit you will have no trouble in increasing the amount. If he has to drop his twenty-cent policy he may, at the same time lose his interest in life insurance itself.

"Therefore, I say again, we should always explain the policy thoroughly and be careful not to overload any one with insurance."

THE
METROPOLITAN LIFE
Insurance Company
(Incorporated by the State of New York)



Metropolitan Life Insurance Company
Home Office Building

The Company

Of the People
By the People
For the People

The Daily Average of the Company's Business during 1916 was:

701 per day in Number of Claims Paid.

8,304 per day in Number of Policies Issued and Revived.

$1,969,823 per day in New Insurance Issued, Revived and Increased.

$376,827.40 per day in Payments to Policyholders and Addition to Reserve.

$220,509.26 per day in Increase of Assets.

JOHN R. HEGEMAN, President

TRAVELERS GROUPS

Increased Prosperity Causes Manufacturers to Take Out These Policies —October Groups

The group life business of the Travelers paid-for in October totalled nearly ten millions of insurance. The following partial list of cases closed within the month of October is potent evidence that group insurance is being rapidly adopted. Increased prosperity on the part of manufacturers, greater production, shortage of skilled workmen on account of national call to colors and the coming Christmas season, when many manufacturers will expect to give some suitable gift to their employes in appreciation of faithful service, are all reasons why the business is growing.

Cincinnati Planer Co., Cincinnati, Ohio; Green Fuel Economizer Co., Beacon, N. Y.; Globe Machine & Stamping Co., Cleveland, Ohio; Electric Controller & Mfg. Co., Cleveland, Ohio; Medart Patent Pulley Co., St. Louis, Mo.; Brooklyn Union Publishing Co., Brooklyn, N. Y.; Bridgeport Post Publishing Co., Bridgeport, Conn.; Stewart Motor Corporation, Buffalo, N. Y.; F. Schoettle, Philadelphia, Pa.; Edwin J. Schoettle & Co., Philadelphia, Pa.; Adelpha Paper Box Co., Philadelphia, Pa.; D. Goff & Sons, Pawtucket, R. I.; Providence Braid Co., Pawtucket, R. I.; Woodlawn Finishing Co., Pawtucket, R. I.; Tropical Paint & Oil Co., Cleveland, Ohio; Acme Machine & Tool Company, Cincinnati, Ohio; A. Wilhelm Co., Reading, Pa.; John Steptoe Co., Cincinnati, Ohio; Pratt, Read & Co., Deep River, Conn.; Pratt, Read Player Action Co., Deep River, Conn.; Bridgeport Brass Co., Bridgeport, Conn.; Standard Brass & Copper Tube Co., New London, Conn.; A. B. Swoyer Co., Philadelphia, Pa.; S. Morgan Smith Co., York, Pa.; Wheeler-Green Electric Co., Buffalo, N. Y.; Rhode Island Cardboard Co., Pawtucket, R. I.; Wilson Jones Loose Leaf Co., Chicago, Ill.; Brown Mfg. Co., Zanesville, Ohio; Shawmut Mill of West Point Mfg. Co., Shawmut, Ala.; Textile Machine Works, Reading, Pa.; Tremont Mills, New York; Clemson Bros. Inc., Middletown, N. Y.; Ohio Garment Co., Springfield, Ohio; D. T. Williams Valve Co., Cincinnati, Ohio; Niagara Lithograph Co., Buffalo, N. Y.; Dayton Mfg. Co., Dayton, Ohio.

Representing

The Mutual Life Insurance Company
of New York

You will make money.

The great strength, big dividends and incomparable benefits of the *"oldest company in America"* mean certain success for you.

For Terms to Producing Agents, Address

GEORGE T. DEXTER, 2d Vice-President

34 NASSAU STREET, NEW YORK, N.Y.

Excess Profits Tax

(Continued from page 2)

of persons to make legal demand upon the corporation for it. Similarly the requirement that the corporation carry the aggregate of the reserves on its outstanding policies as a policy reserve neither confers upon the policyholders different rights nor imposes upon the company any other or different obligations with respect to the payment of such reserves than existed under their several contracts of insurance.

Suggestions

I. That the statutory classification of "Invested Capital" be included in the blank form for the returns of life insurance corporations under the excess profits tax.

II. That stock life insurance corporations be required to enter opposite item (1) in such schedule the total amount of cash paid in for stock.

III. That mutual life insurance corporations leave said item (I) blank.

IV. That both stock and mutual corporations enter opposite item (3), the balance of assets remaining after making the deductions required by Section 207.

Many Objections To Moratorium Bill

REGARDED AS UNCONSTITUTIONAL

Takes Property Without Process of Law and Without Compensation—States' Rights Infringed

At the annual meeting of the Association of Life Insurance Counsel last week Frederic G. Dunham, attorney of the Association of Life Insurance Presidents, read an exhaustive paper on "Moratory Legislation in the United States," with particular emphasis on the unconstitutional features and practical objections in the bill now pending in Congress.

This Federal Soldiers' and Sailors' Civil Rights Bill should be held unconstitutional and void because it involves taking of property without due process of law and without compensation, because it infringes upon sovereign rights of the States with respect to control of State courts and collection of State taxes.

Insurance Objections

In referring to the insurance features of the Federal Bill, Mr. Dunham said in part:

"Article IV of the bill, as originally drawn, prohibited the lapse or forfeiture of insurance up to $5,000 in amount on the lives of persons in the military service for non-payment of premiums, without making any provision for securing the payment of premiums unless the loan values of the policies should be sufficient to carry the insurance for the period of service and six months thereafter. Consent of policyholder, beneficiary and other persons interested was assumed. The necessity for the consent of the company was disregarded. In view of the inevitable effect of this measure upon the companies, it was evident that they could not, in justice to their other policyholders, waive the constitutional objection. The result was a re-draft of this article so as to provide for the guaranty by the Government of premiums in default, which, it was evidently assumed, would at least meet the practical objections to the bill.

"These insurance provisions, however, seem technically still subject to the constitutional objection. The defect lies in the attempt to change the rights and obligations of the insurance companies under their outstanding contracts without their consent. The policyholder eligible to the benefits of the act is required to make formal application to the company and to the Government, and to include in such application the consent of third parties having vested interests in the policy. The Government is required to notify the company and the insured of its acceptance or rejection of the application. But the company is merely forbidden by law either to lapse or forfeit any policy to which the benefits of the act shall have been extended (Section 405), or to make any settlement under any such policy in derogation of the first lien upon its value which the bill purports to confer upon the United States (Section 409). There is no provision for the acceptance by the companies of the provisions of the bill, though their voluntary compliance with its terms would probably be regarded in law as such acceptance.

Inadmissible from Companies' Standpoint

"The debate on the bill brought out the fact that this latter provision (that giving the United States a first lien on the value of the policy) was intended to postpone any lien which the company may have previously acquired through loans on the policy or otherwise to the Government's right of indemnity against loss for premiums secured or paid by it. This, it would seem, is inadmissible from the companies' standpoint. If effective, it would wholly offset and nullify the provisions for the securing and ultimate payment of these defaulted premiums by the Government.

"There is a further possible ground of objection on the part of the companies in the limitation of the requirement as to the consent of third persons to those who have vested interests in the policies concerned. It was not intended by the framers of the bill that the consent of the ordinary beneficiary should be required. Many experienced life insurance counsel regard such consent to any change in the policy as desirable, notwithstanding the reservation by the assured of the right to change the beneficiary. If these objections cannot be obviated through amendment, the effective remedy available to the companies may be to stand on their constitutional rights and refuse to recognize the act as valid or to comply with any of its provisions."

The sub-committee of the Senate Judiciary Committee has agreed to make changes necessary to obviate important objections in the bill, but it is difficult to see how the principal unconstitutional features of the bill as a whole can be overcome.

NOW HEADS OIL COMPANY

R. R. Reid, Once a Large Producer With Northwestern Mutual, Will Address Life Underwriters

Robert R. Reid, formerly with the Northwestern Mutual Life, a personal producer who wrote as much as $1,200,000 a year, is now president of the Federal Oil Co. He will address a meeting of the Life Underwriters' Association of New York at the Hotel McAlpin on December 15 noon, on "Essential Elements in Life Insurance Soliciting."

Winslow Russell, superintendent of agencies of the Phoenix Mutual Life, and Charles W. Whitehair, secretary of the Cornell University Christian Association, will also speak at this meeting.

FORM THREE PRODUCERS' CLUBS

Agents and Brokers of Jos. D. Bookstaver General Agency Hold Organization Meeting

The agents and brokers of the Jos. D. Bookstaver general agency of the Travelers held an organization meeting last Thursday. A $200,000 and a $100,000 club was formed and also a "Junior Club," membership in which is based on production of not less than $50,000 per annum.

It was also decided to start again the weekly meetings of the agency staff which were discontinued during the summer months. These meetings are conducted after the manner of an open forum either by Mr. Bookstaver, himself, or by his assistant, E. A. Klein.

WALLIS WINS HONOR BANNER

In September, the Fidelity Mutual Life announced in the "Fidelity Field Man" that it was going to present a new honor man banner. The banner has arrived and is now in the possession of Frederick A. Wallis, manager of the Greater New York and Long Island agency of the Company. The new banner adorns the wall of Mr. Wallis' office at 111 Broadway. The Wallis agency was the leader for November, of all the Company's agencies, and is also the leader for the year 1917, up to November 30. The honor man banner goes to the agent with the largest personal production and this fell to Mr. Wallis for November. He ranks fourth in personal production for the year 1917, being topped by Karl Collings, Philadelphia. R. J. Seiberlich, Minnesota, and C. M. Hunsicker, Philadelphia, in the order named. In the first fifty producers in the Fidelity Mutual for November, the Wallis office had six members including Mrs. E. D. Lochner, T. A. Davies, B. W. Logan, J. C. Hune, and Miss J. Donnelly.

THE MOST VALUABLE POLICY FOR YOU,
Mr. Agent, is to write your prospect in the Company writing the most valuable policy for the insured.
Secure **prompt action** in the

John Hancock MUTUAL LIFE INSURANCE COMPANY OF BOSTON MASSACHUSETTS

WILLIAM N. COMPTON, General Agent
METROPOLITAN DISTRICT, ST. PAUL BLDG., 220 BROADWAY, NEW YORK, N. Y.

ORGANIZED 1871
Life Insurance Company of Virginia
RICHMOND, VIRGINIA
OLDEST, LARGEST STRONGEST
Southern Life Insurance Company
Issues the most liberal forms of Ordinary Policies from $1,000.00 to $50,000.00, and Industrial Policies from $12.50 to $1,000.00
CONDITION ON DECEMBER 31, 1916:

Assets	$14,464,552.23
Liabilities	12,436,717.56
Capital and Surplus	2,027,834.67
Insurance in Force	118,349,212.00
Payments to Policyholders since Organization	18,119,172.50
Is Paying its Policyholders over	$1,300,000.00 annually

GOOD TERRITORY FOR LIVE AGENTS

"If You Were In His Place"—
Would you buy the policy you are offering your prospect?
Provident agents are successful because they are absolutely convinced that the policies they offer are exactly the policies which under similar conditions they would prefer for themselves.
Write for information.
The Provident Life and Trust Company
OF PHILADELPHIA.
Founded 1865

Are You Permanently Established?
Write for Territory
Pennsylvania—Ohio—West Virginia
PHILADELPHIA LIFE INSURANCE CO.
PHILADELPHIA

A PENN MUTUAL PREMIUM, less a PENN MUTUAL DIVIDEND, purchasing a PENN MUTUAL POLICY, containing PENN MUTUAL VALUES, make an INSURANCE PROPOSITION which in the sum of ALL ITS BENEFITS, is unsurpassed for net low cost and care of interests of all members.
THE PENN MUTUAL
Life Insurance Company
OF PHILADELPHIA
On January 1, 1909, rates were reduced and values increased to full 3% reserve

We don't contract with poor men.
We give a new man our attention until he is started.
We make our men make good.
Why don't you work for us?
Peoria Life Insurance Company
PEORIA, ILLINOIS

THE EASTERN UNDERWRITER

This newspaper is owned and is published every Friday by The Eastern Underwriter Company, a New York corporation, office and place of business 105 William Street, New York City. Clarence Axman, President; W. L. Hadley, Secretary; R. W. Swayne, Assistant Secretary. The address of the officers is the office of this newspaper. Telephone 2497 John.

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THE TEN PER CENT. ADVANCE

It is inevitable that the notable trend toward Federal control in all the larger activities which directly affect our part in the great war should cause insurance men to give consideration to the effect Federal control would have on their business. The masterly presentation of the limitations imposed upon American companies in the pamphlet by Henry Evans touches but one side of the question; State control affects all companies operating in the United States and sharply influences a business whose safety lies in a country-wide diffusion of liability. The garments fashioned by the States, each acting independently, are not working clothes suitable for all tasks, for here and there they pinch, interfering with that freedom of the muscles needed for the most efficient accomplishment of the task of furnishing the indemnity which stands behind our system of credits and protects the individual or corporate entity from a loss that would spell embarrassment or ruin. This task is the duty of the companies and it is equally the duty of those in Governmental authority to make reasonably certain that such indemnity is sound, stable and adequate.

The garment which will permit sufficient play of the muscles for ordinary tasks often proves too restrictive when an emergency arises and it can hardly be denied that the fire insurance business is now approaching a crisis, and if in this crisis State supervision will not permit of the necessary measures, the drift toward Federal supervision will be unmistakable and inevitable.

The difficulties in which the companies find themselves are due to the increased cost of fires and the increased burden of expenses and taxes.

In the present situation one of three things must happen: (1) The burning ratio must be reduced; (2) expenses must be cut down, or (3) rates must be advanced.

To what extent are these matters under control by the companies?

It is elementary that the marked advance in the price of all commodities is directly reflected in the cost of repair or replacement, and that a fire of equal physical proportions today does at least 33 1-3 per cent. more damage in dollars and cents than it did three years ago. Therefore, the number or the extent of fires must be reduced or the cost of fires will be much greater than in the past. This the companies manifestly cannot control.

The necessary expenses of the companies may roughly be divided into 5 groups: commissions, field supervision and loss adjustments, home office expenses, board expenses and taxes. It is a practical impossibility as well as inadvisable to reduce agents' and brokers' commissions at this time when the cost of living and expenses of all kinds have increased so materially. Agents and brokers must be maintained for in the end their commissions form a less expense than the business would cost under any other system. This theory coincides with the action of the commissioners last week in dropping the suggestion that compensation commissions of 17½ per cent. should be cut.

The cost of traveling with all the incidental items which go to make up field and adjustment expenses have shared in the general advance with no prospect of reduction.

The same holds good respecting home office expenses into which are grouped clerk hire, printing, general supplies, postage, etc. The demand of the Government alone for clerks and stenographers is so great that the market price of these classes is rapidly mounting, while the cost of printed matter and supplies has greatly increased. Postage is 50 per cent. more than formerly.

Not the least part of the increased expenses of companies is the money they are spending in co-operating with the Government in inspection work; also the salaries they are paying to employes now with the colors whose places have had to be filled by others.

The same costs which affect all other business activities make it impossible to reduce expenses of rating organizations, particularly with demands which anti-discrimination laws put upon them, while inspection bureaus are more active and useful than ever, partly in Governmental work.

Taxes speak for themselves and the added burdens imposed thereby find no solution at the hands of the companies.

In addition to the above it must not be overlooked that stock and bond values have depreciated to a marked degree since the commencement of the war, which directly affects the security the companies offer to the insuring public, and again it must be emphasized that sound indemnity is vital to business interests everywhere.

One recourse only is left to the companies, i. e., to do exactly what all other businesses are forced to do at this time, and that is to advance the price of their commodity to cover those necessary costs which have been so greatly augmented. To the unthinking or the uninformed this necessity may not be apparent just now, because the increase in premium account has been great this year, and, therefore, the loss and expense ratios of the companies for 1917 will probably show apparently favorable results, but a day of reckoning is coming. Enormously increased liability has been assumed; premiums have not yet been earned; trade profits are not underwriting profits this year and no experienced underwriter will be fooled by the balance sheet that does not take all these facts under consideration.

That is why the movement for increased rates has become so general and is being put into effect. The first territory making an advance was New Jersey (in September last), followed by no complaint from the Jersey public. Why? Because it is reasonable to fair-minded men to expect an advance and the public as a whole is fair-minded. New England, the Middle States, part of the South having made advances, the companies now look to the rest of the country to fall into line **The occasion admits of no exceptions, nor should any be made; it is a country-wide burden that no one section should be permitted to escape carrying. If in any one section rates are already higher than they need be, even in comparison to the risks assumed, the advance must be made just the same; then, if necessary, the underlying rates can be adjusted afterwards at a fair figure. Let there be no discrimination in the advance, but apply it to all.**

If men or localities stand out against these measures it should be remembered that the companies have one inalienable right, of which no court or State can deprive them, and that is the right to cease doing business under conditions which imperil them or the interests of other sections of the country. Emergencies call for strong measures and strong men. Now is the time for the strong men in the fire insurance business to say, "It must be done."

HALIFAX PLATE GLASS LOSS

Only One American Company Active—Different Opinions as to Liability

Lloyds Plate Glass of New York had the principal American plate glass business in Halifax, where its premiums amount to about $1,400. If everything it has at risk is destroyed the loss could reach $15,000. President Woods has not been able to get any word from his representative there. From what reports he has seen he believes that companies will regard themselves as liable, even though it be true, as stated, that fire preceded the explosion by over fifteen minutes. He regards the situation as similar to that at Black Tom, where the fire department was fighting a fire for an hour before it reached the cars containing the explosive which caused the big damage. Many plate glass losses were paid following the Back Tom disaster because it was felt that the courts would hold that mere concussion is different from damage to glass by heat or falling walls, as is usual is the case of ordinary fires.

The New York Plate Glass had no business in Halifax, but may have a few scattered risks in adjacent territory. A meeting of plate glass insurance men has been called in Toronto to ascertain the probable attitude of the companies on the question of liability. Secretary French thinks under the circumstances as reported, the companies are not liable. As the war continues it is becoming more and more apparent that the explosion hazard is a serious one for the plate glass companies.

THE HUMAN SIDE OF INSURANCE



Copyright by Underwood & Underwood
LUTHER B. LITTLE

Luther B. Little, who has returned to the Metropolitan Life as head of its publication division, after managing the Mitchel fusion campaign (as announced in The Eastern Underwriter last week) will be welcomed back by many insurance and newspaper men who regard his friendship as a distinction. Mr. Little has an acquaintance and influence which are possessed by few men in the metropolis. He began making them as a reporter in Minnesota, and added to them when a Washington correspondent and later as the leading political writer for the New York "Times."

* * *

Thomas B. Love, of Dallas, Tex., former Texas Commissioner of Insurance and Banking, has been nominated to be assistant Secretary of the Treasury to fill one of the positions created for the war.

Mr. Love probably will be assigned to supervise the work of the War Risk Insurance Bureau, now under Assistant Secretary Rowe, and of the Internal Revenue Bureau. For several weeks he has been a volunteer assistant of Internal Revenue Commissioner Roper, helping on draft income tax regulations.

* * *

Lee J. O'Donnell, of Columbus, who has taken the general agency of the Royal Indemnity in central Ohio for bonding lines, was formerly general agent for the Southern Surety. He was also with Bancroft Brothers and is a son-in-law of Charles H. Bancroft. He is 27 years old and has been in the insurance business four or five years.

* * *

Leroy A. Lincoln, who has resigned as counsel to the State superintendent of insurance to become a member of the law firm of Rumsey & Morgan, New York, is a son of Charles Z. Lincoln, former legal adviser to Governors Roosevelt, Black, Odell and Higgins.

* * *

George K. Sargent, assistant superintendent of agencies of the Mutual Life, and Mrs. Sargent announce the engagement of their daughter, Helen Frances Sargent, to Lieutenant William Coverly Cooke, of the U. S. R., who is stationed at Spartanburg.

FIRE INSURANCE DEPARTMENT

Form American Re-Insurance Pool

EAGLE, OF NEWARK, BACK OF IT

Proposes to Increase Capital at Board Meeting December 15—James G. Milne in Charge

The Eagle Fire Insurance Co., of Newark, has formed a re-insurance pool. The six companies comprising this pool to date are of medium size, but their aggregate facilities are sufficient to make the pool a factor in the re-insurance field.

In conjunction with this move, the directors of the Eagle propose to expand the company's plant throughout. At the meeting of the board of directors scheduled for December 17, it is planned to provide a substantial increase in capital. This will be in addition to the increase which was made in June of this year. Additional space has already been secured in the Essex Building, Newark.

Milne in Active Charge

The Eagle also announced this week the appointment of James G. Milne as assistant secretary of the Company to have active charge of its business. Mr. Milne has been with the Royal Exchange for the past twenty years during part of which time he was associated in that company with William C. Scheide, who is general agent of the Eagle. While with the Royal Exchange Mr. Milne was superintendent of the loss department of the United States head office and also had charge of the statistical department of the company. His appointment as assistant secretary of the Eagle is already effective.

F. H. Smith Resigns as Director

At the meeting of the board on Monday, the resignation of Frank H. Smith, the new commissioner of banking and insurance of New Jersey, who has been a director of the company for some years past, will be considered. Mr. Smith presented his resignation as of December 1.

The Eagle Fire was incorporated in New Jersey in February, 1912, with a cash capital of $100,000. On December 31, the capital was increased to $200,000 and was again increased in June of this year. E. M. Waldron, a contractor, is president of the company; Jacob R. Hall and Paul Guenther vice-presidents; former Governor of New Jersey, Franklin W. Fort, secretary, and Louis V. Aronson, treasurer. Gov. Fort is now in Washington on the staff of Food Commissioner Hoover. Mr. Scheide is on the staff of A. Mitchell Palmer, custodian of alien property.

Another Pool Proposed

It is believed that this is the first of a number of American fire re-insurance propositions to be put into effect and as The Eastern Underwriter goes to press, it is rumored that one of the largest direct writing, non-union companies has broached to several other non-board companies the forming of a retrocessive, re-insurance pool.

GO WITH CRUM & FORSTER

Fred H. Krueger and Al. Brower, Formerly with Aachen & Munich, Located

Two well-known field men, Al. Brower and Fred H. Krueger, both formerly with the Aachen & Munich, have gone with Crum & Forster. Mr. Krueger will travel in Western Pennsylvania and West Virginia. W. E. Newman will have Eastern Pennsylvania and Maryland. Mr. Brower will travel in Western New York. Charles R. Hobart will travel in the eastern part of the State.

BROKERAGE COMPANY BRANCHING

The United States Brokerage Company of New Brunswick, N. J., has opened a branch office at Morris Park, L. I., for direct business with Christian C. Meyer, formerly of the Sun office, in charge. Russell S. Britton, president of the company, will be located at 1 Liberty Street, New York. The company will also be represented in Pittsburgh, Hartford and Boston. This company, which has just been formed following the liquidation of Charles S. Britton & Son, has capital stock of $25,000, of which Russell S. Britton owns 55 shares, Charles S. Britton 55 shares and C. W. Cronk 1 share. The capital will probably be increased later. Russell S. Britton is soon to make a trip through the South and West.

W. K. BOGER RESIGNS

Willet K. Boger, of the business department of the "Weekly Underwriter" has resigned.

THE AGENTS' BULLETIN

For the present the "Bulletin" of the National Association of Insurance Agents is being issued semi-monthly instead of weekly.

RE-ELECT OLD OFFICERS

The board of directors of the New Jersey Insurance Company held its annual meeting on Wednesday, at which the old officers and members of the board were re-elected.

FIRE AND MARINE INSURANCE—ALL LINES

The Automobile Insurance Company of Hartford, Conn.

MORGAN G. BULKELEY, President

Statement January 1, 1917

Cash Capital	$1,000,000.00
Assets	2,748,832.19
Liabilities (Except Capital)	1,039,977.81
Surplus to Policyholders	1,708,854.38

AFFILIATED WITH

ÆTNA LIFE INSURANCE COMPANY

THE ÆTNA CASUALTY & SURETY CO.

THE WILLIAM H. KENZEL COMPANY

FIRE INSURANCE AGENT

REPRESENTING AT NEW YORK OFFICE
79-83 WILLIAM STREET

HUMBOLDT FIRE of Pittsburgh, Pa.
EQUITABLE FIRE & MARINE of Providence, R. I.
IMPERIAL ASSURANCE of New York, N. Y.
GRANITE STATE FIRE of Portsmouth, N. H.
ALLEGHENY FIRE UNDERWRITERS of Pittsburgh, Pa.
COMMERCE INS. CO. of Albany, N. Y.
AACHEN & MUNICH FIRE Organized 1825
FRANKLIN FIRE of Philadelphia, Pa.
CALEDONIAN-AMERICAN of New York, N. Y.

REPRESENTING AT BROOKLYN BRANCH
154 MONTAGUE STREET

LONDON ASSURANCE of London, England
NORWICH UNION of Norwich, England
COMMERCE INS. CO. of Albany, N. Y.
GRANITE STATE FIRE of Portsmouth, N. H.
MECHANICS INSURANCE CO. of Philadelphia, Pa.

Niagara Fire Insurance Company

ESTABLISHED 1850

OTHO E. LANE, President
BERNARD M. CULVER
WILLIAM L. STEELE, Vice-Presidents
CHAS. A. LUNG
WILBUR C. SMITH, Secretaries

"Agents Everywhere"



FIRE
TORNADO
AUTOMOBILE
RENTS
SPRINKLER LEAKAGE
EXPLOSION
FULL WAR COVER
LEASEHOLD

Use and Occupancy, Profits, Commissions—All Form

123 William Street, NEW YORK

NORTH BRANCH FIRE INS. CO.

Sunbury, Pa.
Inc. 1911

Assets	$641,341.77
Reserve	230,513.29
Capital	300,000.00
Surplus	63,479.83

CITY INSURANCE COMPANY

Pittsburgh, Pa.
Inc. 1870

Assets	$357,318.58
Reserve	54,256.92
Capital	200,000.00
Surplus	96,379.07

OPERATING ON A CONSERVATIVE BASIS IN A LIMITED TERRITORY UNDER AN EXPERIENCED MANAGEMENT

Significance of Jumbo Line Action

NOT THE TIME TO LIMIT LINES

Also, It's a Trade Matter Which Must Be Solved by Insurance Interests

The action of the insurance commissioners at the Hotel Astor last week in deciding to drop the jumbo line proposition, for the present at least, was reached after an informal discussion among the commissioners in which they agreed among themselves that the time is not opportune for any action which will further restrict the insurance market. The withdrawal of millions of insurance indemnity, caused by the retirement from the field of the German, Austrian and Bulgarian companies; the wholesale cancellation of treaties with the enemy country companies; the slow progress being made in organizing American re-insurance companies, and the abnormal increase in insurance demand, partially the result of enhancement of values, did their share in making the commissioners believe that any attempt to curtail coverage at this time would be economically inadvisable.

The Re-Insurance Upheaval

Among underwriters there is also a feeling that there is a deeper significance in the commissioners' action than that it is economically inadvisable to advocate any cut in lines, and that is that the whole problem of large lines and re-insurance is a trade matter that must be settled inside of the business and is not properly within the jurisdiction of insurance commissioners. In other words, that the people in the business can correctly adjust the situation.

In the meantime, the great upheaval in the re-insurance business has confronted this country with an unprecedented demand for insurance, which will be proved when the December 31, 1917, figures are made public. They will show every company making an unparalleled increase in premium income. This is due to two reasons: first, the elimination of companies of enemy countries; second, increase in property values of from 20 to 40, sometimes 100 per cent. A few days ago, for instance, a New Jersey insurance man was talking with his contractor who informed him that his house had increased in value from $12,500 to $20,000 because of higher cost of materials. The insurance man immediately gave instructions to cancel his old policies and re-write at the new values. If this is done in all parts of the country—and many agents are advocating that it be done—the effect on new insurance will be instantly seen.

One Contract of $2,600,000 a Year

Many of the companies which canceled treaties are now carrying gross liability. One company had a contract canceled with the Munich which gave that re-insurance carrier $2,600,000 a year in premiums.

Agitation Started in Illinois

Getting back to the subject of the commissioners there had been several hearings on the subject of re-insurance and large lines, and the commissioners are thoroughly in touch with the attitude of the National Association of Insurance Agents on the subject, and while a number of them are in sympathy with the viewpoint of agents, the majority believe as outlined by their action.

These hearings were largely based on the Illinois plan to limit the lines by statute. At one of these hearings P. L. Hoadley, of the American, spoke in favor of the Illinois plan, while C. A. Ludlum and E. R. Kennedy were among those who spoke against re-insurance limitation. The re-insurance hearing of last week was largely devoted to consideration of ways and means to help out the re-insurance situation.

THE WATCHMAN EVIL

National Board to Circulate Thousands of Copies of Mallalieu Warning

At a meeting of the executive committee of the National Board of Fire Underwriters it was decided to print and have circulated thousands of copies of the pamphlet, entitled "The Watchman Evil," containing extracts from the address of W. E. Mallalieu, general manager of the National Board, delivered at the convention of the Fire Marshals' Association in New Orleans. These will be circulated largely through fire marshals, who have requested the pamphlets. One marshal asked for 4,000 and there have been numerous requests.

Following Mr. Mallalieu's address the following resolutions were passed by the fire marshals:

Whereas, We recognize the danger that exists during this very critical period in the world history because of the inefficient and insufficient protection of our foodstuffs and all commodities and materials necessary for the successful prosecution of the war; therefore, be it

Resolved, That every State and provincial fire marshal be charged with the duty of bringing this condition to the attention of the owners of such properties and requiring them to properly protect same by guards adequate in number, of unquestioned loyalty and physical fitness, to the end that these properties may be saved from destruction by fire through crime or negligence; and further

That the secretary of this association be instructed to transmit a copy of this resolution to each and every fire marshal within forty-eight hours from the adjournment of this meeting.

UTICA AND RED CROSS

J. Francis Day, treasurer, Utica Chapter, American Red Cross, acknowledges the gift of the following fire insurance covering the Red Cross military and naval relief supplies.

Home Defense Building—Nellis M. Crouse, $1,000; Thomson, Richards & Brady, $500; Egbert Bagg & Company, $1,000; Olive M. Wholahan, $1,500.

$10,000,000 LIABILITY, CASH $13,000

The Berks Mutual Fire Insurance Company, of Reading, Pa., is now carrying insurance of $10,000,000, and paid $21,000 in losses last year and has a balance in its treasury of $13,000.

B. M. CROSTHWAITE & CO.
Fire and Automobile Insurance Specialists
Lines Bound Anywhere in New York State
105 William Street, New York City, N. Y. Telephones 2404-5-6-1758-1090 John

EQUITABLE UNDERWRITERS of New York
— FIRE and WAR RISKS —
Lines Bound Throughout United States, Canada, Cuba and Mexico. Home Office: 68 William Street

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103-5 William Street GENERAL AGENTS New York, N. Y.
FIRE and AUTOMOBILE INSURANCE
Excellent Facilities for Handling Suburban Business Phone: John 2312

LINES SOLICITED AND BOUND THROUGHOUT UNITED STATES AND CUBA
E. F. FLINDELL
INSURANCE
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LOCAL OFFICES
JERSEY CITY, N. J. 1 Montgomery St. Tel. 216 Montgomery
BROOKLYN, N. Y. 153 Remsen St. Tel. 2504 Main
NEWARK, N. J. 9-15 Clinton St. Tel. 614 Mulberry

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NEW JERSEY FIRE INSURANCE SPECIALIST
NEWARK AND SUBURBAN NEW JERSEY TERRITORY
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WILLIAM C. SCHEIDE & CO., Inc.
HARTFORD, CONN.
Re-Insurance in All Branches

Rossia Insurance Company
HARTFORD, CONN.
REINSURANCE

THE YORKSHIRE INSURANCE COMPANY, LTD., OF YORK, ENGLAND
ESTABLISHED 1824
The "Yorkshire" is the Oldest and Strongest of the English Fire Companies not heretofore represented in the United States
U. S. BRANCH
Frank & Du Bois, United States Managers Ernest B. Boyd, Underwriting Manager
Harry F. Wanvig, Branch Secretary Frank B. Martin, Supt. of Agencies
NO. 80 MAIDEN LANE, NEW YORK
New York Life Insurance and Trust Co., U. S. Trustee, No. 52 Wall St., New York
DEPARTMENTS—METROPOLITAN, Willard S. Brown & Co., Managers, New York, N. Y.; CAROLINA-VIRGINIA, Harry R. Bush, Manager, Greensboro, N. C.; SOUTHEASTERN, Dargan & Turner, Managers, Atlanta, Ga.; LOUISIANA and MISSISSIPPI, Jas. B. Ross, Manager. New Orleans, La.; PACIFIC COAST, Jas. C. Johnston, Manager, McClure Kelly and McKee Sherrard, Assistant Managers. San Francisco, Cal.

F. H. HAWLEY, Pres. ORGANIZED 1848 W. E. HAINES, Secy.


Ohio's Oldest and Strongest Company
Net Surplus Over $1,293,741.00
AN AGENTS COMPANY
E. K. SCHULTZ & CO.
PHILADELPHIA
GENERAL AGENT
Pennsylvania, New Jersey and New York

Westchester Now Has $1,000,000 Capital

ADDS $500,000 TO SURPLUS

Company Had its Beginning in 1837—Has Made Constant and Persistent Growth

The Westchester Fire, which has taken a prominent position among the important companies by reason of conservative, progressive management, has enrolled itself in the million dollar class, its capital having been increased to that figure a short time ago. It writes all lines permitted a fire insurance company, and added ocean marine two years ago.

The Company has had an unusually interesting history as it is the direct outgrowth of the Westchester County Mutual Insurance Company, of New Rochelle, organized in 1837. As far back as 1869, however, it became a stock company, with $200,000 paid-up capital, par value of shares $10 each, and the name was changed to the Westchester Fire Insurance Company. In 1875 its capital was increased to $250,000 and a year later to $300,000. In 1883 its headquarters were removed from New Rochelle to New York City, and even by that time it had an extensive agency plant which has been strengthened with each succeeding year.

The Company's Officers

In 1914 the capital stock was increased to $500,000, and now the capital has been doubled while $500,000 has been added to the surplus. The Company has departmental offices at Chicago, San Francisco, Denver, Philadelphia and Montreal, with general agencies at Dallas, Tex., and Jacksonville, Fla.

President Crawford of the Company completed half a century as an officer of the Westchester in 1914. To him fire insurance has been a profession and he has guided the Westchester safely through breakers which wrecked several dozen fire insurance companies organized before or at about the same time that the Westchester became a stock company. Otto E. Schaefer, vice-president and treasurer of the Westchester Fire, has won recognition as one of the most intelligent and enterprising underwriters in the country. He gained his spurs by merit, having started with the Westchester as an office boy nearly three decades ago. After having experience in several departments in the office he was made assistant secretary; then secretary, and finally vice-president and treasurer. He has a grasp of underwriting conditions in all parts of the country, having traveled extensively visiting agents.

Another of the strong figures in the Westchester office is H. H. Clutia, secretary, who after a long experience in the field and with the Continental in its New York home office, went with the Westchester about two years ago.

George B. Crawford, assistant secretary of the Company, has also had a long career of usefulness in the fire insurance business.

The premium income of the Westchester will show a big gain this year, while losses have been normal.

FRANK B. HALL & CO. MOVE

Frank B. Hall & Co. on Monday moved from 26 Exchange Place, where the office has been located for a long term of years, to the Merchant Marine House at South William and Beaver Streets. The office occupies the entire second floor of the building. An incident to the moving was that new furniture, typewriters, cabinets, etc., was installed throughout, not one piece of old equipment having been transferred from the former office.

When Insurance Commissioners Retire

In his reply to the members of the Insurance Commissioners' Convention, who had presented him with a silver service set in gratitude for six years of faithful service as secretary of that body, Fitz Hugh McMaster, the retiring commissioner from South Carolina, said: "One great regret is that to some extent there will be wasted the information which I have gathered by being secretary of this most excellent body."

This is a thought that often occurs to observers of insurance commissioner conventions as they see member after member entering upon other walks of life. It was particularly the thought when Herman L. Ekern, of Wisconsin, left his office. Here was a man who had made the most exhaustive study of first hand rate information, data given to him and his associates by the leading fire insurance rate makers and company executives of the country. There was nothing in the world to stop Mr. Ekern from becoming a master of the entire fire rating problem—all facilities were given to him to acquire the information, and after he gathered what he did, the process was to some extent a wastage because Mr. Ekern retired. It is true that he is still practicing insurance law, but fire insurance rates are not interesting him professionally at this time. Fortunately, the present commissioner, Mr. Cleary, is one of the most able of the commissioners, and is able to assimilate much of the information that Mr. Ekern gathered, so that as far as Wisconsin is concerned, the State does not suffer. Another brilliant member of the insurance commissioners' conventions of the past four years who now has nothing at all to do with insurance is Jacob Preus, of Minnesota. Judge Moore, of Ohio, another strong figure, although a severe critic of the companies, is lost to insurance.

While some of the shining lights in insurance pass from the horizon, taking with them all the expert knowledge they have accumulated during their term of office, insurance has a potent enough attraction to hold many of the commissioners for life. It was a source of great satisfaction, for instance, when Robert J. Merrill, of New Hampshire, became an officer of an insurance company some months ago, which feeling is shared by the insurance fraternity in the announcement this week that former commissioner of Ohio, Judge Taggart, will be general counsel for the Ohio Farmers, succeeding the late Lee Elliott. Insurance has been benefitted for years by the fact that former Superintendent William H. Hotchkiss, of New York, is practicing insurance law, and former Commissioner J. V. Barry, of Michigan, is an officer of a life insurance company. There are other former commissioners who are entirely or closely affiliated with insurance. When Jesse S. Phillips, of New York, retires, there will be great disappointment if he does not form an insurance connection, either with a company or as a practicing attorney.

As for Mr. McMaster, while he has retired apparently for all time from insurance, there is no doubt that the Columbia "State," of which he is now one of the editors, will reflect insurance views more forcibly and interestingly than would be the case if he were not there.

"AT NOT EXCEEDING COST"

The provision commonly embodied in household goods (and other) forms furnished to agents by the fire insurance companies, stipulating that certain articles are insured at an amount not exceeding cost, has been held unlawful by the legal department of the State of Minnesota.

BRANCH IN PHILADELPHIA

Lowndes & Dunahue, Inc., of Baltimore, have established a branch office in Philadelphia in charge of Alfred T. Conlin.

"The Leading Fire Insurance Company in America"



AETNA INSURANCE COMPANY

Aetna Fire Underwriters Agency

of Aetna Insurance Co.

Application For Agencies Invited

THE HANOVER
FIRE INSURANCE COMPANY
Incorporated 1852

The real strength of an insurance company is in the conservatism of its management, and the management of THE HANOVER is an absolute assurance of the security of its policy.

R. EMORY WARFIELD, President
FRED. A. HUBBARD, Vice-President
E. S. JARVIS, Secretary
WILLIAM MORRISON, Asst. Sec'y

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Hanover Bldg., 34 Pine St.
NEW YORK

HOWIE & CAIN, General Agents
Metropolitan District
100 WILLIAM STREET, NEW YORK

WALTER F. ERRICKSON
38-40 Clinton St., Newark, N. J. 95 William St., New York
Representing
THE GERMANIA FIRE INS. CO.
For Automobiles
Special facilities for out-of-town business.

Iowa National Fire Insurance Co.
DES MOINES, IOWA Capital Stock $500,000
The latest addition to Reliable Fire Insurance organizations began Writing Business on January 1, 1917
JOHN L. BLEAKLY, President
F. L. MINER, Vice-President
C. S. VANCE, Underwriting Manager
FRANK P. FLYNN, Treasurer
C. M. SPENCER, Secretary

CRUM & FORSTER
GENERAL AGENTS
95 WILLIAM STREET NEW YORK CITY

United States Fire Ins. Co., N. Y.	The North River Ins. Co., N. Y.
Richmond Ins. Co., N. Y.	Union Fire Ins. Co. Buffalo, N. Y.
Potomac Ins. Co., Washington, D. C.	Seneca Fire Ins. Co., Buffalo, N. Y.
National Lumber Ins. Co., Buffalo, N. Y.	United States Underwriters' Policy, N. Y.

F. M. GUND, Mgr. Western Dept. Freeport, Illinois
W. W. ALVERSON, Mgr. Pacific Coast Dept. San Francisco, California

National Fire Insurance Company
OF HARTFORD, CONN.
Statement January 1, 1917, to New York Insurance Department

LIABILITIES

Capital Stock, All Cash	$2,000,000.00
Funds Reserve to Meet All Liabilities, Re-Insurance Reserve, Legal Standard	9,912,715.84
Unsettled Losses and Other Claims	1,878,398.32
Net Surplus over Capital and Liabilities	3,743,747.60
Total assets January 1, 1917	$17,534,861.76

H. A. Smith, President — F. D Layton, Ass't Sec'y — F. B. Seymour, Treas.
G. H. Tryon, Secretary — S. T. Maxwell, Ass't Sec'y — C. B. Roulet, Gen. Agt.

SURPLUS TO POLICY HOLDERS, - - $5,743,747.60

NEW JERSEY NOTES

Companies Watching Lakewood Changes

SMOCK INCORPORATES AGENCY

Frank W. Todd Made Manager of Bradshaw Co. Agency—Will Be Lively Competition

Frank W. Todd, of the Lynch Agency, Lakewood, has been made general manager of the A. M. Bradshaw & Co. agency, following the retirement of Arthur R. Smock as president and treasurer. It was with the Bradshaw agency that Mr. Todd got considerable of his twenty-one years' experience in insurance. The affairs of the Bradshaw agency have already been discussed by The Eastern Underwriter. It will be recalled that a committee of company specials has been at work trying to save the renewals after it became known that Mr. Smock intended to start a rival agency.

Mr. Todd's Experience

A local paper commenting upon the latest development, said:

"When Mr. Todd left A. M. Bradshaw & Co. in 1911 after 15 years' continuous service there, he was succeeded by Mr. Smock, who gained promotion through the death of Captain Bradshaw and later the passing of Walter C. O'Leary.

"Mr. Todd retired from the local realty field in 1911 to take up farming, but returned a year or two later and with William E. Nowlan purchased the Jasper Lynch agency. That partnership recently was dissolved, Mr. Todd remaining in the Lynch business, which now is to be consolidated with A. M. Bradshaw & Co. The consolidation brings to the Bradshaw agency representation in a dozen or more insurance companies.

"As manager of the Bradshaw agency Mr. Todd will shape and direct the policies and conduct of the business with a free hand. Mr. Todd is active, alert and progressive—the modern young business man trained in the management of large affairs.

"Mrs. O'Leary owns the majority stock of the Bradshaw corporation.

"With the 24 companies which the Bradshaw agency represents and whose representation is to be continued, and the company agencies brought by Mr. Todd from the Lynch agency, A. M. Bradshaw & Co. has a list of companies equalled, it is said, by no other insurance agency in the State."

Smock Agency Incorporated

In the meantime, the Smock agency has been incorporated with $50,000 capital, divided into 500 shares of $100 each. Arthur R. Smock is president, J. Edward Conor, of Lakewood, is vice-president; Raymond Voorhees is treasurer, W. S. Sigler is secretary. The new agency expects to handle the insurance on Lakewood's principal hotels and business property. Mr. Smock has had fourteen years' experience in the real estate and insurance business. Mr. Conor is a nephew of the late Captain Bradshaw. A Lakewood paper said:

"The forming of this company is the direct outcome of a suit filed by the O'Leary estate against Messrs. Smock and Conor in the court of chancery to test the validity of the late Mrs. Bradshaw's will, resulting in the resignation of Mr. Smock as president and treasurer of the old company, which is now controlled by the O'Leary estate. Mr. Voorhees and Mr. Sigler were also formerly connected with the company but also resigned to go with Mr. Smock."

Newark Men Will Tackle Annexes

FEEL THEY CAN HANDLE THEM

T. C. Moffat Made Chairman of Good Practice Club's Underwriters' Agency Committee

Undeterred by the inability of companies and agents in Philadelphia and other parts of the country to solve the multiple agency question, the Good Practice Club, of Newark, is going to try its hand and see what can be done.

A committee has been appointed consisting of Thomas C. Moffat, chairman; C. S. Dodd, Frank Heller, Robert O'Gorman and Matt Price.

Who They Represent

Mr. Moffat, among other companies, represents the Royal Underwriters. Mr. Dodd represents the Royal. Mr. O'Gorman has the New York Underwriters' Agency, along with the Hartford and others. Mr. Heller, who is insurance manager of L. Schlesinger Co., does not represent an underwriters' agency. Mr. Price has the Liverpool & London & Globe, so it will be seen that the committee is representative. They are all prominent men in the Newark insurance world, and if there is any possible way in which the annex riddle can be mastered they will do it.

ECHO OF BLACK TOM

Appellate Division Gives $575 to Tugboat Owner—Vessel Damaged by Explosion

The Appellate Division last week ruled that a tugboat owner whose vessel was damaged by an explosion incident to a fire could collect fire insurance. Henry Bird got a $575 verdict against the St. Paul Marine Insurance Company.

His tug was 1,000 feet from the pier when the Black Tom explosion occurred. The concussion was so severe it damaged the boat.

SOUTH RIVER LOSS TOTAL

Insurance on the Para Products Company of South River, N. J., amounted to $31,500 and the loss was $45,000. The German-American controlled the entire line, which it took over November 1, the fire occurring November 19. Much of the business was still covered on binders at the time of the fire. The loss it total.

WILLETT WITH FIREMEN'S

Henry I. Willett, former special agent of the Aachen & Munich in New Jersey, Eastern Pennsylvania and Maryland, has been appointed special agent of the Firemen's in Southern New Jersey and Eastern Pennsylvania.

WANTS RATE INVESTIGATION

A Bayonne lawyer has written to the municipal officials complaining of excessive fire rates and asking for action to reduce the rates.

NEW YORK STATE DEPARTMENT
HUMBOLDT FIRE OF PA. TEUTONIA FIRE OF PA.
CAPITAL FIRE OF N. H. GEORGIA HOME OF GA.
PERCY B. DUTTON, Manager, ROCHESTER

TOWNSEND GOING TO EUROPE

Franklyn Townsend, former special agent of the Firemen's of Newark and the Mechanics of Philadelphia, has joined the service, and is now a member of Major Willard Straight's party, which is going to Europe to present to American soldiers and sailors the advantages of Government insurance.

KLINE GOING TO COAST

After George E. Kline leaves the Continental group at the beginning of the year he will go to the Pacific Coast for a month.

SIDNEY WISHART BACK

Sidney Wishart, of J. Hartley Cooper Co., Ltd., of London, marine managers of the General Accident and London managers of the Federal, of New Jersey has returned to England.

R. M. Bissell, president of the National Board, did not attend the recent meeting of the executive committee of the National Board, because of temporary indisposition. It was its first meeting he has missed in some time.

"STRONG AS THE STRONGEST"
The Northern Assurance Co.
(LTD., OF LONDON)
Organized 1836
Entered United States 1876
Losses Paid - - - $105,000,000
Losses Paid in U. S. - $38,000,000
Eastern and Southern Departments
55 JOHN STREET
NEW YORK CITY

WESTERN
ASSURANCE CO.
OF TORONTO, CANADA
(Fire, Tornado, Ocean Marine and Inland Marine Insurance)
UNITED STATES BRANCH
January 1, 1917
Assets $3,329,177.74
Surplus in United States.... 1,478,531.90
Total Losses Paid in United States from 1874 to 1916, inclusive 41,657,814.31
W. B. MEIKLE, President

Caledonian Insurance Co. of Scotland
FOUNDED 1805
"THE OLDEST SCOTTISH INSURANCE OFFICE"
UNITED STATES HEAD OFFICE
Caledonian Building, 50-52 Pine Street, New York
CHAS. H. POST, U. S. Mgr. R. C. CHRISTOPHER, Asst. U. S. Mgr.
NEW YORK CITY OFFICE
Golden Hill Building, 59 John Street, New York

Agricultural Insurance Company, of Watertown, N.Y.
64th Annual Statement
Assets $5,036,003.01
Liabilities 2,296,861.95
Capital 500,000.00
Conflagration Surplus 250,000.00
Surplus to Policyholders 2,739,141.06
F. F. BUELL, Troy, N. Y., Special Agent.....NEW YORK STATE
E. J. PARMELEE, Syracuse, N. Y., Special Agent..NEW YORK STATE
GEORGE SHAW, 116 Milk St., Boston, Special Agent..NEW ENGLAND
F. L. GILPIN, JR., 434 Walnut St., Phila., Special Agent.MIDDLE DEPT.

LEWIS & GENDAR, Inc.
New York City Agents
Commonwealth Insurance Co. of New York
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Brooklyn and Suburban Agency
Northern Asse. Co., Ltd. of Eng. Firemen's Inc. Co. of New Jersey
Commonwealth Ins. Co. of N. Y. Globe & Rutgers Inc. of N. Y.
Detroit F. & M. Ins. Co. of Mich. Employers' Lia. Assce. Corp. of London
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SATISFACTION SERVICE
ALL LINES

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CAPITAL FIRE INSURANCE COMPANY of CAL.
CHICAGO BONDING & INSURANCE COMPANY
GREAT EASTERN CASUALTY COMPANY
THAMES & MERSEY MARINE INSURANCE CO., Ltd.
SECURITY MUTUAL FIRE INSURANCE CO. of MINN.

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NEW YORK OFFICE: 95 William Street, NEW YORK CITY

BROKERS ACTIVITIES

Change in Rating Cotton Seed Oil Mills

MUST SPRINKLER ALL PROPERTY

If This is Not Done Rates Will Not Be Made on Sprinklered Basis

The sprinklered risk department of the South-Eastern Underwriters Association has addressed cotton seed oil mill assureds as follows:

Gentlemen:

We have to advise that the rating of your property will no longer be handled by the sprinklered risk department of this association. We are taking this opportunity of calling this to your attention so that you will be fully informed as to the reasons for such action.

We have found in all cases that where the seed and hull houses are not equipped with sprinklers that the fire losses have been very heavy; in fact, so severe that our members do not consider oil mills where the oil mill portion only is equipped with automatic sprinklers as a protected risk, and therefore it seems necessary that the underwriting be handled hereafter through the general departments of the companies rather than through their sprinklered risk departments.

During the operating season 70 per cent. or more of the values of an oil mill are located in the seed house, and our records show that when a seed house once catches fire it is generally a total loss. For several years on these unsprinklered portions of oil mill plants our members have sustained losses far in excess of the premium income. The association has as a result decided that it is necessary not to hereafter rate oil mills on a sprinklered basis in whole or in part unless the entire property is equipped with a standard automatic sprinkler system.

We are giving you this information now so that you may consider extending your sprinkler equipment throughout your seed and hull houses before another operating season, and we further suggest that the seed and hull houses be subdivided into fire divisions by standard fire-walls so as to cut down the percentage of values subject to one fire as far as is possible.

IMPORTANT BROKERAGE MOVE

Wm. E. Goodridge to Supervise F: B. Hall & Co. Fire Business—Will Continue W. E. Goodridge & Son

William E. Goodridge, of William E. Goodridge & Son, announced this week that, through an agreement entered into with Frank B. Hall & Co., all fire insurance and miscellaneous affairs of that office will be placed under his personal supervision. In connection with his association with Frank B. Hall & Co., Mr. Goodridge also announced that the office of William E. Goodridge & Son, will be moved on January 1, from 95 William Street, to the Merchant Marine House where its business will be continued under the present firm name and separate from that of Frank B. Hall & Co.

The firm of William E. Goodridge & Son was established sixty-six years ago as Heins & Goodridge. Many of its present accounts were placed on its books previous to the Civil War. Mr. Heins and Mr. Goodridge, Sr., were instrumental in the organization of the German-American Insurance Co., Mr. Heins becoming its vice-president.

Mr. Goodridge personally, as well as his office, has always enjoyed a reputation for progress along the highest lines, and it is his ambition in taking over the more than a million of fire premiums handled by Frank B. Hall & Co., in addition to the large volume of William E. Goodridge & Son, to place each account on the highest possible plane both as respects service to the assured and their relations to the companies.

* * *

Through Bills of Lading

London, November 1.—With the approval of the Board of Trade, the facilities of the State War Risks Insurance scheme are now extended by the following addition to the certificate of insurance:

It is hereby agreed that this certificate of insurance shall apply to goods carried on any vessel on the British register, the within-expressed limitation to vessels insured under his Majesty's Government War Risks Insurance Scheme notwithstanding.

On May 4 last the War Risks Insurance office issued a notice in the following terms:

In view of the uncertainty in the existing conditions as to the steamer or steamers into which transhipment may be made during the ocean voyage, it has been decided by the War Risks Insurance Office, with the approval of the Board of Trade, that if the original coasting steamer (if any) and ocean steamer are both eligible under his Majesty's Government War Risks Insurance Scheme, the warranty of shipment by an approved vessel shall be deemed to have been complied with for the whole voyage irrespective of any subsequent transhipment.

It has now, with the approval of the Board of Trade, been further decided that in any case in which goods are shipped under a "through" bill of lading issued by or on behalf of any British steamship line, so that the goods shall be carried for the main ocean voyage from the transhipping port to their destination in a British steamer or steamers of such line, then the goods shall be insurable under the Government scheme at and from the port of original shipment, even though the first part of the voyage be made in a steamer not otherwise entitling to insurance under the scheme.

Spread Doctrine of Non-Partisan League

FARMERS' ORGANIZATION GROWS

National Board's Executive Committee to Take up Federation—Consider Action Next Month

The question of fire insurance companies co-operating with the Insurance Federation came up at the meeting of the executive committee of the National Board of Fire Underwriters a few days ago, but action was postponed until the meeting in January.

Mark T. McKee, secretary of the Insurance Federation, was in New York on Tuesday of this week, and W. G. Curtis, treasurer of the Federation, was in New York last week. Mr. McKee, who has come here from Washington, where he went in connection with Red Cross matters (he is in charge of the Red Cross work for Michigan) says that the big thing the Federation has to face is the rapid growth of the Non-Partisan League originating in the Dakotas and spreading to all parts of America. He said that the Non-Partisan League has 800 organizers out, who are getting members at the rate of 15,000 a month, at $16 a membership.

State Insurance

The League's principal plank is State insurance. Any idea that the Non-Partisan League is in the war because of past utterances of its officers or because its Congressman, Baer, of North Dakota, was elected on a peace platform should be instantly dismissed. The League has come out with the statement saying that it is for the war, and despite the fact that the head of the League has been shadowed by secret service men, as has been printed in daily papers, he was received by President Wilson at the White House a few days ago.

The League which has been working with the socialists for some time has now made overtures to the labor element and the combination is now a big working organization of the farmers, labor men and socialists, with a platform socialistic throughout.

Auto Service Agent Sentenced by Court

MISREPRESENTATION IS CHARGED

Sequel to Numerous Complaints and Investigation by Department

Irving Schelhen, of New York, was sentenced to pay a fine of $75 in the Court of Special Sessions, Jamaica, L. I., on a charge of having sold and misrepresented a contract of the Automobile Owners' Service Association to Frank Krell, of College Point. Schelhen is also charged with having sold William Chabot, of College Point, one of these policies and collecting $19.75.

The contracts of this association have been fully described in The Eastern Underwriter. They are made to appear as much as possible like an insurance policy of the automobile liability class, even to the borders and the spaces in the upper corners for the number of the policy and the amount. They are contracts which can be easily misrepresented and do not furnish insurance, merely certain legal service in case of accident, towing of the machine if disabled and an agreement to obtain certain trade advantages in the purchase of supplies.

Has Varied History

This association was incorporated in Delaware and later changed its name to the American Automobilists' Service Association. The transactions of Schelhen and the practices of the association have been the subject of special investigations by the New York department, following complaints that the contracts were being misrepresented to car owners, who have been buying them under the impression that they are full cover automobile policies, except that they do not cover fire. More recently the department was advised that those interested in this association had again changed the name and their headquarters but are still operating along the same lines.

MAY ENTER FOR MARINE

A representative of the Queensland Insurance Company, Ltd., Sydney, N. S. W., is in New York and may enter that company here for marine business.

B. A. SIMPSON'S NEW PLACE

Benjamin A. Simpson has been appointed assistant manager of the Southern department of the Insurance Company of North America, with headquarters in Atlanta.

Firemen's Insurance Co., Newark, N. J.

January 1, 1917

Cash Capital $1,250,000.00
Net Surplus $2,449,322.25
SURPLUS TO POLICYHOLDERS...$3,699,322.25

DANIEL H. DUNHAM, President
JOHN KAY, Vice-President and Treasurer — A. H. HASSINGER, Secretary
NEAL BASSETT, Vice-President — J. K. MELDRUM, Assistant Secretary

STRENGTH INTEGRITY SERVICE

Scottish Union & National Insurance Company

HENRY J. HOUGE, J. H. VREELAND, Assistant Secretaries
JAMES H. BREWSTER, Mgr. Hartford, Conn.

A Broad Underwriting Service to Agents
Writes Fire, Automobile, Rent, Sprinkler Leakage, Tornado, Use and Occupancy, Explosion, etc.
Works in Harmony with American Agency Principles and Practices

Even Ryon Joins in Tribute to McMaster

HONOR RETIRING COMMISSIONER

Silver Service Set Given New City Editor of Columbia (S. C.) "State"

Fitz Hugh McMaster, who leaves the convention of insurance commissioners on December 31 for daily journalism—he is to be editor of the Columbia "State," the most active paper in South Carolina—furnished the human interest sentiment at the commissioners' convention last week. In recognition of six years as secretary of that body he was presented with a silver service set.

Commissioner Mansfield, of Connecticut, who presented the set, said that Mr. McMaster had conducted himself and his office in such a way, that he is "entitled to our utmost thanks and consideration for all his services, and we would have hard work to find a better man to perform those duties. May God bless you, sir, in your efforts that are before you and mark them with success, as I know they will be successful for nothing to which you can put your hand, with all the energy and faithfulness at your command can fail."

Ryon's Talk

After the presentation O. B. Ryon, counsel for the National Board, joined in the eulogies, along with W. H. Hotchkiss, Colonel J. R. Young, Mr. Phillips, Mr. Darst and others. In view of the fight that Commissioner McMaster had with the fire companies which resulted in legislation which drove them out of the State, the commissioners and guests leaned forward to hear what the National Board's counsel had to say: This is a shorthand report of his remarks:

"I want to say that many times I have been given an opportunity to participate in a testimonial of this kind, and at no time has that opportunity given me more pleasure than this. It is quite true, as suggested by the retiring Secretary, that there have been times when he has not been in entire harmony with all of the branches of the insurance business which he supervised—and my particular branch was one with which he had the most controversy—and there have been times in my own connection with him and his Department when I have been reminded of the piano player who played a long selection at one time and then asked one of his auditors how he liked his execution, and he replied he was very much in favor of it. But as we went along with the retiring Secretary and became better acquainted with him and got more familiar with his views, I thought of another incident which came to me at one time, of an old priest who was trying to reform a young man in his parish and lead him from the ways of sin into those of rectitude and piety, and found to his sorrow that the young fellow liked the world, the flesh and the devil better than he did anything else, and was going to stick to it; and the old priest said, with a sigh 'Well, we must hate the heresy, but God knows we must still love the heretic.'

"I want to say to the Commissioner from South Carolina, that so far as the stock fire insurance companies are concerned, that he may go back to private life and to his newspaper with the consciousness that we have not in our souls a thought of him except of kindness, and few men have come into my life for whom I have had a higher esteem and no man has used me with more kindness and courtesy than has the Commissioner from South Carolina, and in behalf of the fire insurance companies as well as of myself, I want to say to him, that we wish him well now and for all times."

What McMaster Said

Commissioner McMaster, greatly affected, said:

"Mr. President and gentlemen: This is no time for me to tell a story—I must now speak the truth. Gentlemen, you overwhelm me. I trust I deserve your confidence and I rejoice in having your affection, but to you gentlemen I am the debtor.

"In accepting this office six years ago, or a little more, I did so with the consciousness that I would be in a position of vantage, where all reluctance to study and to learn what might be learned in this convention, if any, would be overcome, and where whatever this convention should do, I would be in a position to know it thoroughly, so far as my capacity permitted me.

"I feel that I have greatly profited, gentlemen, by being your secretary, and one of the deep regrets in changing from the office of Insurance Commissioner back to what was practically my 'first love,' with the exception of one—my love before I left the college, where I was editor of my college magazine—the one great regret, I say is that to some extent there will be wasted the information which I have gathered by being Secretary of this most excellent body."

Capacity For Local Agents

You can use our capacity as your own to take care of additional business beyond the capacity of admitted Companies.

Our capacity is as high as $150,000 on a single risk with immediate binders and 10% commission to brokers. Guaranteed Underwriters. Use our special Surplus Line Department. Special liberal policies for Baggage Insurance.

MARSH & McLENNAN

Insurance Exchange, Chicago

19 Cedar St. NEW YORK — 1015 California St. DENVER — 314 Superior St. DULUTH — 300 Nicollet Ave. MINNEAPOLIS

Ford Bldg. DETROIT — 17 St. John St. MONTREAL — 23 Leadenhall St LONDON

THESE OFFICES GIVE YOU THE BEST THERE IS IN INSURANCE SERVICE

FRANK HELLER PRESIDENT

Heads Fire Insurance Society of Newark—Haynes and Hoadley on Electrical Committee

At the annual meeting of the Fire Insurance Society of Newark, N. J., held Tuesday, December 11, 1917, the following members were unanimously elected officers and members of the executive and electrical committees of the Society for the ensuing year:

President—Frank B. Heller, of Louis Schlesinger, Inc., Agency, Newark, N. J.

1st Vice-President—L. M. Seely, of Flindell & Co., Newark.

2nd Vice-President—Spencer G. Ayres, of Orange, N. J.

Executive Committee

Wm. S. Naulty, of Jos. M. Byrne Company, Newark.

G. F. Sommer, of G. F. Sommer & Son, Newark.

Wm. Hall, of Ryerson & Hall, Newark.

John J. Crawley, of F. M. Crawley & Bro., Montclair.

Electrical Committee

E. J. Haynes, president of Newark Fire Insurance Company.

Frederick Hoadley, secretary of American Insurance Company.

Chas. S. Dodd, manager of Royal Insurance Company.

George C. Plume, manager Germania Fire Insurance Company.

Wm. P. Conlon, of R. P. Conlon & Son.

McGuire & Co. Open Local Office

McGuire & Co., well-known Syracuse agency, has opened a branch in the New York Tribune Building, 154 Nassau Street.

J. J. McGIVNEY IN CHARGE

J. J. McGivney, secretary of the Automobile Insurance Company of Hartford, in charge of the marine department, will handle the business of the Spanish-American which recently entered this country for marine business.

The Best Christmas

BROKERS! AGENTS!

Do all your clients carry Group Insurance protection for their employees?

Don't lose the opportunity to bring to their attention the best possible form of Christmas Gift for their men.

A large number of progressive concerns used this form of Christmas greeting last year, and more will adopt it this year if you tell them about it.

For about 1% of his payroll, the employer can protect the dependents of every man and woman in his employ for from $500 to $1,500.

THE TRAVELERS is glad to furnish appropriate Christmas matter to go with the individual certificates.

Write for further information

THE TRAVELERS INSURANCE COMPANY

76 William St., New York City *or* Hartford, Connecticut

Small Lines in Halifax Disaster

(Continued from page 1)

plosion and fire, principally sheets 72-91 (Goad's insurance map), hundreds homeless, no business, 1,500 killed, hundreds injured. Personally in hospital with injured leg."

Say New York Harbor is Protected

As soon as the Halifax news reached New York the daily newspaper offices were besieged with messages asking if there were any chance of a similar disaster near New York Harbor. Numerous city officials gave interviews saying that every precaution was being taken to prevent such a catastrophe, and to fight fire if there were a great explosion of munitions.

The "Journal of Commerce" gives the net fire losses available up to Thursday morning as follows: Aetna, $20,000; Britannic, $17,000; British Northwestern, $10,000; Connecticut, $10,000; Employers' Liability, $8,000; German-Alliance, $2,000; German-American, $25,000; Home, $45,000; Liverpool-Manitoba, $10,000; L. & L. & G., $40,000; National Union, $22,000; North River, $7,166; North West, $11,000; Phoenix of Hartford, $15,000; Union of London, $28,000; Yorkshire, $7,500.

Discusses Explosion Feature

In discussing the Halifax disaster with the representative of the New York "Times," F. C. Buswell, vice-president of the Home, said this week:

Fire insurance policies cover loss due only to fire. Property which was destroyed by an explosion and then burned belongs to a different class. Fire insurance does not have to be paid on property lost in that way. The fire insurance policy does not cover debris.

This matter was agitated at the time of the San Francisco fire. Insurance companies were not obliged to pay insurance for buildings which were destroyed by the shock before they were burned. However, it was incumbent on the insurance companies to establish that it was the earthquake which did the damage and not the fire, and at Halifax insurance companies will have to pay fire losses except where they can show that the explosion produced a total loss before fire burned the wreckage. This is very difficult to do where it is necessary to trace the fate of individual buildings which were destroyed in a great disaster.

Fire insurance companies are not liable at all for damage caused by the shock of the explosion or by missiles to buildings which were not touched by fire. Damages such as the destruction of glass and brickwork by the shock or the collapse of a building must be covered by separate policies of a different nature. On the other hand, insurance companies must pay losses to insured property which is swept by fire, even if the fire is a result of the explosion. The Canadian insurance laws are substantially the same as those of this country.

After the Black Tom explosion a year ago last July, there was a demand for insurance against direct damage due to explosions, where fire played no part. This resulted about last March in an amendment to the New York State laws permitting fire insurance companies to write policies covering such risks. Before this date companies organized in New York could not write such policies. Now companies in Connecticut and Massachusetts are also permitted to write insurance against loss due to explosions.

Insurance of this type is known as "concussion" insurance. A great deal of it has been written for property in this city, on the New Jersey coast, on the New England coast and on the Gulf coast, especially in and near New Orleans, to cover possible loss by bombardment, as well as by accidental explosions on ships, on railways, at terminals, and in factories making explosives.

The rate, of course, varies greatly according to local conditions. A zoning system has been applied to this insurance, where bombardment is one of the risks, under which the rate is higher within five miles of the coast and lower in the next five miles, and so on. The proximity of any kind of a depot of explosives naturally raises local rates considerably at different places. A great deal of such insurance, totaling many millions, has been written for plants, buildings, and goods in storage in this city.

As far as I have been able to learn, very little insurance of this type has been issued for property in Halifax. The loss there will be divided among American, Canadian, and London companies, American insurance companies paying the least.

J. F. Horton Promoted

J. F. Horton, assistant manager in Philadelphia for the Aetna companies, has been made manager at Lansing, Mich., succeeding Mr. Hollowell. Mr. Horton is succeeded at Philadelphia by Willian T. Gouert, who has been superintendent of the brokerage and agency department.

CASUALTY AND SURETY NEWS

Mutual Computation of War Taxation

VARIOUS PLANS FORMULATED

Treatment Differs According to Company's Premium and Dividend Practices

Counsel for the National Association of Mutual Companies has prepared various methods for making the monthly return and payment of the premium tax of one per cent. levied under Section 504 of the War Revenue law. These methods are not to be made part of the return to the Government, but are merely suggested as a means of keeping a proper record by the company.

Methods A, B and C have been tentatively approved by the bureau. Methods D and F have also been submitted as alternative methods for calculating the tax by aggregates instead of on individual policies reaching, however, exactly the same results. These last two forms were submitted as being better adapted to companies issuing a large number of small policies and maintaining a uniform rate of dividend.

Method F has been prepared for the special use of one or two companies whose plan of operation and charter and by-laws provide for an actual return to the individual policyholder of all profits and savings for each policy period. This method is not adaptable for general use. The governing board has recommended the use of method C by all mutual casualty companies.

FOR MUTUAL INSURANCE COMPANIES OTHER THAN LIFE

Make up of war tax on insurance as returned and paid under form 730 for the month of ..... 191 by ..... Insurance Company, of ..... (Suggested as an aid for making up accounts and records and keeping data to permit returns being checked quickly and accurately.)

The term "premium deposit" as used herein, includes with original premium deposits, additional premium deposits, premiums and assessments, all on the paid basis, and excludes guarantee deposits.

The term "refund" as used herein, includes unabsorbed premium deposits and so-called dividends, and means any payment to a mutual policyholder other than for losses.

The term "premium charged" as used herein and in the War Revenue Act approved October 3rd, 1917, means the portion of the premium deposit absorbed by the company for losses and expenses excluding refunds paid or to be paid to the policyholder.

METHOD A

1. Deposits received during said month and held solely to guarantee the payment of charges or assessments for insurance, (no tax.)

METHOD B.

2. a Tax upon individual policies entered in columns as follows:

3. (1) Premium deposit of $....., including assessment of $....., received during said month for insurance upon which no refund is to be paid; there being no deduction the same constitutes the taxable premium charged, $.....

4. (2) Tax computed separately upon the premium charged upon each policy at the rate of 1 cent on each dollar or fractional part thereof, $.....

5. (3) Total tax obtained by adding amounts of tax on individual policies under 4. (a (2)), $.....
(See alternative to D above.)

METHOD C.

6. a Tax on individual policies entered in columns as follows:

7. (1) Premium deposit of $..... including assessment of $....., received during said month for insurance upon which refund is to paid, $.....

8. (2) Deduct estimated refund at the rate at which refunds are being paid during said month or at the refund payment last preceding on policies of like kind and term.

9. (3) Net taxable premium charged estimated as aforesaid and subject to adjustment, correction and final settlement upon future ascertainment and determination of the cor-

(Continued on page 19)

How New Manual Will Be Fashioned

CLASSIFICATIONS ARE REDUCED

Chairman R. Perry Shorts Shows How Health and Accident Committee is Working

Here are presented twenty constructive ideas which the manual committee of the Health & Accident Underwriters' Conference, of which R. Perry Shorts is chairman, has decided to follow in the construction of the new Conference Manual:

1. On the theory that an accident and health insurance company should provide insurance for all classes of risks and thus eliminate the necessity for State insurance, many risks now classified as "Non-Insurable" should be rated in at least class "XX"—and the number of non-insurable risks reduced to the very minimum.

2. Try to consolidate any two or more allied industries into one class where the occupations and hazards are practically the same.

3. Prepare a list of occupations common to most industries and check same against each industry for the purpose of establishing more uniformity throughout the manual in the occupations listed under the various industries.

4. To the end of eliminating hundreds of occupations now listed in the manual—but all rated in the same class—we will list under each industry the various occupations rated over and under the proper class for a laborer in that particular industry—then eliminate all other classifications and insert at the bottom of the list (irrespective of alphabetical arrangement) the following classifications, "worker or laborer" (not otherwise classified) * * * "E" (or lower if the case so demands). For illustration, in the present Classification Manual under the heading "Cement and Lime" are listed 41 different occupations—19 of which are rated class "E." Following the above plan, in the new Manual we will list all of the occupations classed over and under class "E," then eliminate said 19 "E" classifications and in their place substitute the one classification, "Worker or Laborer" (not otherwise classified) * * * "E." This idea will eliminate hundreds of occupations now listed in the Manual without in any way prejudicing the company either in the writing of new business or the pro-rating of claims.

5. Foreman—Under each industry list only one foreman as "foreman"—"D" (or lower if the case so demands), without any qualifying words. Then under the letter "F" and under the general heading of "Foreman," list "Foreman (not otherwise classified) * * *D," and also "Foreman, supervising only, no manual labor, (not otherwise classified) * * * C."

Heretofore the occupation of "Foreman, supervising only," has generally been classified as a "B" risk. Experience has shown that the great majority of these risks actually do more or less manual labor and are not entitled to a better rating than "C."

6. When the same occupation is rated in several different classes under the same industry, with different duties for each class, put the lowest class first, regardless of alphabetical arrangement. For illustration,

Stillman X
Stillman, supervising only.....C

7. Under the various industries eliminate (as a rule) classifications for foreman, supervising only, inspectors, office employes, superintendents, manufacturers, manager or proprietors—and classify them only under their respective headings under "F.," "I.," "S.," "M." and "P."

8. Machinists—List only one machinist under each industry as follows: "Machinist (see machinist)"; or else classify only one machinist in the lowest class applying to that particular industry. Experience has shown that machinists have heretofore been classified too favorably.

9. Explosives—In describing the duties of risks who may handle explosives, use uni-

(Continued on page 18)

New Amsterdam Casualty Company

A Progressive
SURETY AND CASUALTY
Company

New Jersey Proposal For State Insurance

ANOTHER BUREAU NECESSARY

Health Regarded as of More Importance Than Old-Age Pensions

State health insurance covering all regularly employed wage earners in New Jersey is recommended by the commission on old age pensions in its report to Governor Edge. Everett Colby is chairman of the commission. The plan is urged as "a measure which gives great promise both of relieving economic distress owing to sickness and of stimulating preventive action." A bill will be submitted to the next legislature proposing health and maternity insurance. The commission takes the view that sickness care and prevention will secure greater returns to the State in improved health and welfare than a measure providing care for the aged.

Under Special Bureau

The commission makes the following recommendations:

Existing health insurance agencies that are conducted on an adequate basis at actual cost should, with mutual management, be utilized in the further development of a comprehensive health insurance system.

In order that the greater effectiveness and economy of a universal system may be enjoyed, health insurance should be made to cover all regularly employed wage-earners.

Insurance should provide medical care and health instruction in order that its work may be both curative and preventive.

To minimize the financial distress attending sickness the system should provide a cash benefit during temporary incapacity for work. It should also provide maternity care to meet the special needs of working mothers.

Health insurance should be democratically supported and managed by those directly concerned, the State bearing as its share the cost of general administration as it does in workmen's compensation.

The system should be under supervision of a special bureau in the Department of Labor, with competent medical direction and in close co-operation with existing public health agencies, in order to place added emphasis upon the extremely important problem of sickness prevention.

Wants Maternity Insurance

The commission's report hints at inadequacy of the present methods of furnishing health insurance. It claims

(Continued on page 18)

Aims of Re-Insurance Company of America

BEING ORGANIZED BY PIATT

Will Feature Fidelity, Surety and Kindred Lines—Tells of Re-Insurance Market

Cecil Piatt, the chief mover of the Re-Insurance Company of America, now being organized in New Jersey, has had a long and varied experience in the casualty and surety lines. He entered the insurance business more than 17 years ago with the Fidelity & Casualty Company in that Company's surety department, at the home office in New York. Later he managed the surety department of their Philadelphia office. In 1907 he resigned his position with the Fidelity & Casualty to become State agent for the Title Guaranty and Surety Company, of Scranton, for Ohio and Kentucky. In 1908 he resigned from that connection to organize the fidelity and surety business of the International Fidelity, of Jersey City, and he had been secretary of that institution for four years when he resigned to accept an official position with the American Fidelity Company, of Montpelier, Vt. He was connected officially with that Company about one year in the capacity of secretary, after which time in 1915 he resigned as secretary to come to New York City as manager for New York, Pennsylvania and New Jersey. Mr. Piatt is still a director of the American Fidelity.

In a prospectus, outlining the plans of the Re-Insurance Company of America, which will re-insure fidelity, surety and kindred lines of re-insurance for American companies, the following statement is made about the opportunity for a re-insurance company at the present time:

The President, by a proclamation, has forbidden re-insurance of American risks in companies of any nation with which this country is at war.

Germany and Austria in 1915 had 58 re-insurance companies, with an income of over $155,000,000.

Russia had nine with an income of over $60,000,000.

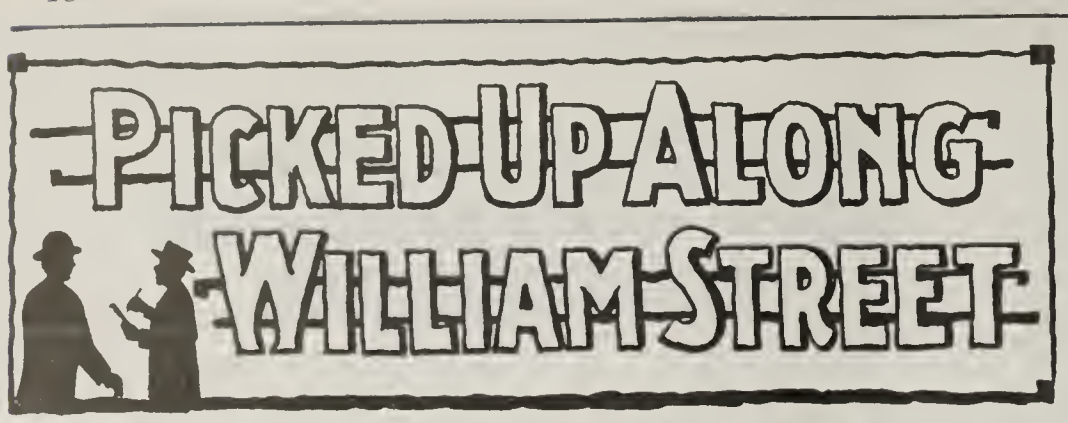
Scandinavia had 26 with an income of over $45,000,000.

During 1916 three new re-insurance companies were formed in France, but

There is no American fidelity and surety re-insurance company. Many thousands of dollars are paid annually by casualty and surety companies for re-insurance effected—a large amount of which is paid to companies of foreign countries. The First Reinsurance Company of Hartford affiliated with the Munich of Bavaria, received last year in re-insurance premiums $1,709,000—disbursing $817,679. The European Accident received last year $1,136,000 from American companies and

(Continued on page 18)

General Accident
FIRE AND LIFE
ASSURANCE CORPORATION, Ltd.
FREDERICK RICHARDSON, United States Manager
GENERAL BUILDING · 4TH & WALNUT STS.
PHILADELPHIA
SERVICE THAT EXCELS



Automobile Mutual Licensed

The National Automobile Mutual Casualty Company of 80 Maiden Lane, New York, has been licensed by the New York department. The officers are H. W. Hedenberg, president; L. E. Campbell, first vice-president; Willis B. Davis, second vice-president; Theodore D. Pratt, treasurer; Jean V. Lutz, secretary; Walter B. Renton, general manager. The Company will write liability, property damage with consequential loss of use and collision. It will use conference rates less twenty per cent. and a regular stock policy except for the assessment feature required in mutual policies.

* * *

Plate Glass Suit Won

Lloyds Plate Glass of New York has won its case against the city of Seattle, growing out of the explosion of munitions on a scow in the harbor in May, 1915. The decision was given in the Federal Court and it is hoped that the city will now pay the claims without appeal to the Supreme Court. The company took the position that the city was liable because of negligence in allowing such a large quantity of explosives to be in the harbor. The scow was anchored in a spot designated by the harbor master but no police protection was furnished. It is thought that the property owners may try to collect from the Government on the ground that the explosion was owing purely to the war.

Head of Surety Department

Edmund G. Armstrong has been chosen superintendent of the surety department of the Hartford Accident & Indemnity. He had been for many years with the Fidelity & Deposit.

* * *

A. W. Whitney Advises Builders

Albert W. Whitney, manager of the National Workmen's Compensation Service Bureau, appeared before the Emergency Fleet Corporation in Washington, Wednesday, to make recommendations for the safety of employes of the corporation, as well as those in individual shipbuilding plants.

* * *

Statistical Plan Published

Liability underwriters have been furnished with copies of the general liability statistical plan adopted by the Central Statistical Committee and which becomes effective January 1.

* * *

Woman Elevator Operator Insured

Miss Johanna E. Johnson, of St. Paul, Minnesota, is the first woman operator to run an elevator who is insured in the Hartford.

* * *

W. Dale Borror Commissioned

W. Dale Borror, general agent for the Great Eastern Casualty at Glens Falls, New York, has been commissioned a first lieutenant at the Fort Niagara Training Camp and will report at Yaphank December 15.

* * *

Armstrong Back in London

T. M. E. Armstrong, general manager of the Ocean Accident & Guarantee at the home office in London, has returned home.

* * *

F. G. Morris Promoted

Frank G. Morris, superintendent of the New York office of the Ocean Accident & Guarantee, has been promoted to the assistant general managership there under the new manager, Charles H. Neely, who will soon take office succeeding William J. Gardner. Mr. Morris has been with the company for many years.

* * *

Frankfort's Business

The Frankfort General has re-insured its industrial accident and health business in the Great Eastern Casualty. It is understood that the balance of the Company's business in the United States will be liquidated.

* * *

Policy for Women

With an eye to present opportunities arising from the war the National Casualty put on the market its new peerless policy with the idea of making a special drive for the business of women who are now so largely employed in places formerly occupied by men. This policy provides an opportunity to secure the larger amounts of indemnity for death or loss of limbs or eyes, as well as liberal monthly indemnities for disability as the result of injury or illness. A new feature is the provision for the payment of a fatal illness expense of $50, this being in addition to all other indemnities, no extra premium being charged. The premium rates are from $1 a month up, so that a desirable combination can be made to meet the needs of anybody.

New Manual

(Continued from page 17)

formly throughout the Manual the words "handling" or "not handling" (as the case may be)—instead of "using."

10. In listing an occupation such as "Insurance Agent," consider carefully whether same should be listed under "Insurance" or "Agent"—the aim being to place it under the particular heading where the ordinary agent will be most apt to look for it—to the end of reducing as far as possible the necessity for cross referencing. If the chances are 50-50 as to which heading the agent would first look for the occupation—then list it under both headings.

11. In the spelling of all words describing the duties of a risk, use small letters only.

12. To the end of promoting uniformity, use the word "Operator" in place of "Operative" throughout the Manual.

13. In describing the duties of a superintendent who performs only overseeing duties, use the words "superintending only."

14. In describing the duties of a Foreman who is not supposed to do any manual labor, use the words "supervising only."

15. In describing the duties of class "AA" risks, use generally the phraseology "office and traveling duties only."

16. Be careful about the use of words so broad and general as "Maker" and "Builder," (for illustration, "Purse Maker"—or "Soda Fountain Builder"). Try to use a title or name descriptive of the exact duties of the particular risk.

17. See that the title or heading of each industry is correctly given. Print all explanatory notes in black face type.

18. Try to be consistent as possible about listing the same occupation under several different industries under the same title and in the same class.

19. Eliminate duplications as far as possible.

20. Have all the important industries personally investigated by competent underwriters to the end of listing under each industry all of the occupations incident thereto.

The working plan as it will be applied to the cement and lime industry will reduce the number of classifications in that industry from 30 to 12. The plan's adoption will eliminate hundreds of classifications from the present Manual without in any way prejudicing the interest of the company, either in the writing of new business or pro-rating of claims.

New Jersey Proposal

(Continued from page 17)

that the war has accentuated the necessity for some other system and regards health insurance as the next step in social insurance, as the logical sequel to workmen's compensation laws.

That many women are now working in industrial plants is seized upon by the commission to advance an argument why maternity insurance should be provided by the State and sets forth that many thousands of workers are now entering inustrial employment for the first time.

Increased use of unfamiliar trade poisons is another argument. The commission is shocked at the high percentage of rejections among drafted men and evidently believes that State health insurance is the remedy. Statesmen are warned that they must look abead, as the United States "cannot afford to disregard the protective legislative inducements already offered by our keenest commercial competitors in Europe." Evidently it is the German system of social insurance that is referred to.

The socialistic and paternalistic state of mind of the commission is apparent when it points to the soldiers' and sailors' insurance plan of the Federal Government and declares that the States should be no less considerate of their army of industrial workers. Altogether, this proposed legislation is directly along the lines which has been expected by insurance men. The compensation laws drove a wedge for the entry of State health insurance. All the expensive work of the local and State health boards seems to have been for naught and now we are to have an entirely new and larger political machine to not only insure against disease but to prevent it. It is predicted that the entry of the Federal Government into the life insurance business to protect its soldiers and sailors, will later be used as an argument for the Government's continuance in this branch. Already it is being used as the basis of a proposal that the State broaden its field of paternalistic influence insurancewise.

WILL FILE OWN RATES

Companies Writing Compensation in Wisconsin Take Action Through Bureau

Companies writing compensation insurance in Wisconsin have made arrangements to file their own rates through the bureau, following the refusal by the compensation insurance board of that State to approve the proposed five per cent. increase in rates. Refusal was made on the ground that the rates there have been found adequate by Wisconsin companies, which are mutuals. It is also asserted that the companies unable to collect sufficient premiums at the present minimum are allowed by law to collect higher than minimum rates.

The State board's rates are some twenty per cent. under the bureau rates and Wisconsin experience has been found particularly bad. A number of companies have either dropped the line altogether in that State or have greatly curtailed their writings. Among other things the law provides that an employer may be held liable for three times the amount of the compensation in event of a minor being injured. In filing their own rates the companies take the position that the State Board has the power to regulate as to the adequacy of rates but not as to their reasonableness.

George Flynn, special agent for the New Brunswick Fire, has been commissioned a lieutenant of infantry, stationed at Charleston.

New Company's Aims

(Continued from page 17)

disbursed $817,000. The former re-insures all lines, the latter casualty and surety only.

Direct insurance in these lines is profitable as is evidenced by the fact that in the period of 10 years ending December 31, 1915, twenty-three casualty and surety companies reporting in New York State received a total income of $544,263,000, with total expenditures of $481,164,000, an excess of income over expenditures of $62,039,000. They paid $25,533,000 in dividends.

Re-insurance of these lines is more profitable because

(A) It has no agency organization expense. The commission it pays for business (from 20 to 35 per cent., depending upon class) is usually its entire business-getting expense. The results of the investigation, inspection and production by agents and employes of other companies is placed before it.

(B) It shares in all salvage on account of losses, but is not liable for a share of all expense of the direct company. It does not contribute to salaries, for instance.

(C) It does not pay a tax on premiums paid it in many cases, because the law places that burden on the criginating company.

Demand

The companies re-insure not only because for prudential reasons they want to, but because for legal reasons they have to where risks are above certain limits.

Re-insurance may be taken either by passing upon each individual applications or under automatic treaty from companies of known conservatism in underwriting, the re-insurer becoming bound to the direct company for a portion of each risk assumed. The treaty usually provides that the direct company carry at least as much and usually more on the risk than the re-insurer, so that the direct company always has the greater interest in protecting the risk.

Profits

That there is a market for re-insurance is evidenced by the fact that in 1916, 32 companies reporting in New York State paid for re-insurance the sum of $6,210,000 and received from the re-insurance companies on account of losses $1,609,000, showing that the re-insurers made a large profit on the business.

The only casualty and surety re-insurance company shows an average profit of over 30 per cent. during the six years it has been operating. It received $4,084,000 income, its expenditures were $2,176,000.

Fidelity and surety is the most profitable of casualty lines.

The Re-Insurance Company of America is assured of a sufficient volume of business the first year to warrant its success and later will increase its capital to qualify in other States and secure additional business.

Service Counts

Our Metropolitan District
is managed by
Service Men
who
Insure Service
on
Accident and Health, Automobile Workmen's Compensation and General Liability Coverage

CONTINENTAL CASUALTY Co
H. G. B. ALEXANDER, President

J. N. S. BREWSTER & CO., Inc.
General Agents
55 LIBERTY STREET
'Phone Cortlandt 8730 NEW YORK CITY

CASUALTY AND SURETY POINTERS

One View of Whiskey Bonds

In explanation of the new whiskey tax bonds, George C. Sinclair, of the Chicago Bonding & insurance, says: "Whiskey in a bonded warehouse is considered to be worth one dollar a gallon, and that in a free warehouse, on which the usual tax of $1.10 has been paid, to be worth two dollars a gallon. The whiskey which an owner holds on his premises or 'on the floor' cannot be given any consideration. In general, this will be no great hardship on the manufacturer or wholesaler, for a large proportion of their goods is held in the warehouse until it is sold. The retailer, however, has practically all of his stock on his premises so that, unless he is fortified with good securities, he will find it very difficult to obtain surety on his bond. We understand that this matter is now being considered at Washington, and that there may be a change in the Government requirements which will remove some of the difficulties."

* * *

How F. N. Milette Does It

F. N. Milette, of the Lansing Insurance Agency, is doing nearly $1,000 a month in premiums for the Aetna. That's pretty good work for a man who has been with the company only a short time. Mr. Milette believes there is no set rule for selling accident and health insurance. He holds that the forceful way is to make every point stand out prominently and to be sure that the prospect understands the meaning of what is said to him. First, Mr. Milette aims to make his prospect feel the need of this protection, using the term "time protection." This term draws the interest of the prospect; it gets his attention and that is what it was created for, nothing else. Having the attention it is important to keep it. Force a question occasionally. For instance, stop and ask the prospect, "That's a good feature, isn't it? " Mr. Milette believes that a question or slight hesitation brings the prospect nearer one and the question at hand. This successful agent also uses circulars, but does not wait for replies from them. He goes after the business while the subject is still fresh in the mind of the prospect. He believes in covering the ground each day by walking fast, wasting no time, keeping in close and friendly touch with policyholders, keeping well groomed and withal wearing the healthy smile of a successful salesman.

* * *

Capitalizing Prospect's Time

The idea of capitalizing a man's time is developed into a convincing argument by an Aetna man along these lines: "Consider what you earn through your own efforts as interest on a given sum. That sum would represent a great many thousands of dollars. Your ability can be estimated in dollars and cents. Every part of your body has a money value. Should you be disabled by an accident, the consequent loss of your time would be the loss of dividends on the money value your physical well-being represents. The policy I came to see you about would provide a weekly indemnity of $100, and would, therefore, capitalize your earning power for $100,000 at 5.2 per cent. ($5,200 per annum, payable every four weeks), or for $200,000 if accident should happen while you were on a train, steamboat, elevator or in a burning building."

* * *

Speculative Business Taboo

In the "Federal Record" appears this instructive war time suggestion: "The one thing that will help us to successfully bear the new burdens imposed by the revenue bill is the earnest and sincere co-operation of our agents in every manner in which their assistance can be made to count. The most effective help can be given by eliminating the writing of speculative business—we mean the securing and sending in of 'apps' to the home office on which nothing has been paid, in the hope that once policies are issued they can be delivered. This is just about as futile as shooting at the stars, yet some solicitors go far with the practice. In fact, we have known of agents who, when about to fall down on landing a prospect, would say, 'O well, sign the "app" anyway, and if you don't want the policy when it comes you won't have to take it.' Under ordinary circumstances the only harm such a procedure does is to prove the agent a 'hoob' and put the company to the expense and trouble of issuing a policy on which there is not one chance in a thousand it will ever receive a cent."

* * *

More Need For Burglary Insurance

One of the strongest arguments for an advance in burglary insurance rates is the increased losses owing to advanced values of goods stolen. The argument applies with equal force in selling insurance. A policy of insurance, which might have protected amply three or four years ago, only half protects the same risk now. This argument can be more strongly applied to burglary insurance than to other lines, as indications show that the high cost of living is driving men to a career of crime, who perhaps in normal times would be honest. Was there ever a time when there were more holdups and burglaries? Has the fact, therefore, not been suggested that now is an appropriate time to increase one's volume of burglary insurance? If there is no time to look for new prospects, one can at least see that present policyholders are amply protected.

No Longer With F. & C.

Fred H. Nourse, of Lancaster, N. H., is no longer connected with the Fidelity & Casualty. He was general agent for several counties in Northern New Hampshire.

How Mutuals Will Pay Tax

(Continued from page 17)

rect premium charged by the actual payment or crediting of the refund on the policy. $.....

10. (4) Tax computed separately upon the premium charged upon each policy at the rate of 1 cent on each dollar or fractional part thereof, $.....

11. b. Total tax obtained by adding amounts of tax on individual policies under 10. (a (4)), $.....

12. c. Adjustment, correction and final settlement of tax upon the premium charged upon each policy as ascertained and determined by the actual payment or crediting of the refund thereon during said month:

13. (1) On individual policies in columns as follows:

14. (a) Correct premium charged ascertained and determined as aforesaid, $.....

15. (b) Tax on correct premium charged under 14 (c, (1), (a)), compare this with 10. (a. (4)), $.....

16. (c) Excess in tax heretofore reported, 10 over 15, $.....

17. (d) Deficiency in tax heretofore reported, 15 over 10, $.....

18. (2) On total:

19. (a) Excess in tax heretofore reported, total of 16 (c, (1), (c)), $.....

20. (b) Deficiency in tax heretofore reported, total of 17 (c, (1), (d)), $.....

21. (c) Net excess or net deficiency in tax heretofore reported, difference between 19 and 20, $.....

22. (d) Add total net deficiency or deduct total net excess in tax reported, as in 21, $.....

23. (f) Estimated and adjusted tax payable under C. for said month, $.....

(See figures for individual policies in account on .....

(Insert "Policy Register" or other designation of account kept.)

(Sec Alternative E to above.)

24. As an alternative to B. and C., the same results may be obtained and the tax may be calculated as an equivalent, by 1 per cent. upon the premium charged in the aggregate for the month, with an addition of one-half cent for each policy issued during the month to provide the tax of 1 cent upon each fractional part of a dollar of the premium charged under each policy. For this purpose the return may be made up as follows:

METHOD D

25. a. (1) Premium deposit of $....., including assessments of $....., received during said months for insurance upon which no refund is to be paid; there being no deduction the same constitutes the premium charged, $.....

26. (2) Tax equivalent to one cent on each dollar or fractional part thereof obtained as follows:

27. (3) One per cent. upon the taxable premium charged as in 25, $.....

28. (4) ½ cent upon ..... policies issued during said month, $.....

29. (5) Total tax upon premium charged as in 25 obtained as follows: $.....

(The above is an alternative to B.)

The foregoing alternative D and E are in effect the same as the calculation of the tax on each separate policy and are particularly applicable to any company issuing a large number of small policies and maintaining a uniform rate of return.

30. a (1) Premium deposits of $....., including assessments of $....., received during said month for insurance upon which a refund is to be paid, $.....

31. (2) Deduct estimated refunds at the rate at which refunds are being made during said month on policies of like kind and term, $.....

32. (3) Net taxable premium charged estimated as aforesaid and subject to adjustment, correction and final settlement upon future ascertainment and determination of the correct premium charged by the actual payment or crediting of the refunds on the policies, $.....

33. b (o) Tax equivalent to 1 cent on each dollar or fractional part thereof obtained as follows:

34. (1) 1 per cent. upon the taxable premium charged as in 32, $.....

35. (2) ½ cent upon ..... policies issued during said month, $.....

36. (3) Tax upon premium charged estimated and obtained as above, $.....

37. c Adjustment, correction and final settlement of tax upon the premium charged ascertained and determined by the actual payment or crediting of the refund thereon during said month, as follows:

38. (1) Total correct premium charged on policies for which determination has been made during the month as aforesaid, $.....

39. (2) Total estimated premium charged on the same policies on which tax has been heretofore paid as shown by accounts and records, $.....

40. (3) Excess in premium charged heretofore reported, $.....

41. (4) Deficiency in premium charged heretofore reported, $.....

42. (5) Net excess or net deficiency in premium charged heretofore reported, $.....

43. (6) 1 per cent. above difference in the premium charged as in 42, $.....

44. d Estimated and adjusted tax payable under E for said month, $.....

45. See figures for individual policies for 30, 38 and 39 in accounts on ..... (Insert proper designation of account or accounts). The above is an alternative to C.

46. The following method is suggested as a further alternative, especially applicable to companies issuing workmen's compensation and liability policies where the amount of insurance is determined by payroll audits or otherwise (but also to others) where the payments by the policyholder on the issue of the policy and thereafter constitute a guarantee deposit which is taken down from time to time (generally monthly) to meet the losses, expenses and other items, which deductions from the guarantee deposit so made from time to time are treated as parts of the premium charged, the total of which is the actual and final premium charged on the policies as finally ascertained and settled with each policyholder. On this plan this tax must be calculated as an equivalent by 1 per cent. upon the premium charged in the aggregate for the month, with an addition of ½ cent for each policy issued during the month to provide a tax of 1 cent upon each dollar or fractional part thereof of the premium charged under each policy. For this purpose the return may be made up from the following items, the details of which must be fully shown on the books of the company, namely:

47. (1) Losses paid, including $..... paid for re-insurance and deducting $..... recovered on re-insurance., $.....

48. (2) Expenses paid, including all payments other than the losses and refunds, $.....

49. (3) Total of above 47 and 48, being the total premium charged on all policies for the month $.....

50. (4) Tax equivalent to 1 cent on each dollar or fractional part thereof obtained as follows:

51. (5) 1 per cent. on premium charged as in 49, $.....

52. (6) ½ cent upon ..... policies issued during said month, $.....

53. (7) Total tax for said month under F, $.....

METHOD G

54. Total tax at the rate of 1 per cent. on each dollar or fraction thereof, of premium charged under each policy for the month aforesaid, as returned to the Collector of Internal Revenue on Form 730, $.....

W. E. SMALL, President PETER EPES, Agency Mgr. E. P. AMERINE, Secretary

GEORGIA CASUALTY COMPANY

HOME OFFICE: MACON, GEORGIA

"DIXIE AUTO POLICY"

THE LAST WORD IN MOTOR INSURANCE

Surplus and Reserves to Policyholders.....$1,526,022.81

The METROPOLITAN CASUALTY

INSURANCE CO. OF NEW YORK

HOME OFFICE, 47 CEDAR STREET

CHARTERED 1874

Plate Glass, Burglary, Accident and Health Insurance

EUGENE H. WINSLOW, President

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RELIABLE AND ENERGETIC AGENTS WANTED

THE SIGN OF GOOD CASUALTY INSURANCE

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F. W. LAWSON General Manager

Liability, Accident, Burglary, Boiler and Credit Insurance

Established 1869

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OF LONDON, ENGLAND

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A CHANGE may be necessary to realize your ambition

Think a minute—then write

WM. H. MASTIN — FRANK D. LOMBAR

SUPERINTENDENTS OF AGENCIES

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DARL D. MAPES, Superintendent of Accident Agencies
77 FRANKLIN ST., BOSTON, MASS.

The service of a high grade Accident Department will also be offered so that you will not have to broker your Accident business to avoid violating your Life insurance contract.

Announcement

Owing to the large demand for extra copies of the

LIFE INSURANCE SALESMANSHIP

edition of The Eastern Underwriter, *issued September 21, 1917, an*

EXTRA EDITION

of that number has been published

Life Insurance Companies and General Agents desiring to secure copies for distribution among their Agents can do so by wiring or writing The Eastern Underwriter, *105 William St., New York, the number required.*

Price Twenty-five cents per copy.

The Eastern Underwriter.

In addition to the ordinary forms of life insurance

THE EQUITABLE

makes a specialty of the following:

Insurance to protect business firms and corporations, under a corporate form of policy.

Group Insurance, by which employers protect families of employes.

A flexible contract, known as the Convertible Policy, which can be converted by the Insured into an Ordinary Life, Limited Payment Life, or Endowment Policy.

A Bond issued without medical examination giving the investor an income for his declining years.

A new policy is offered under which the insurance is DOUBLED if death results from ACCIDENT. This policy also embodies the following advantages if the person whose life is insured becomes totally and permanently disabled:

1. Thereafter the Equitable will carry the insurance —The Insured will have nothing further to pay.
2. The Equitable will pay the Insured an annual income for life equal to one-tenth of the face of the policy.
3. Upon the death of the Insured the full amount of the insurance will be paid to the Beneficiary (or double the amount if death is due to accident) without deduction on account of the income paid to the Insured while living.

(See the policy for conditions and details.)

For Agency Openings Address

WILLIAM E. TAYLOR,
Superintendent of Agencies

THE EQUITABLE
LIFE ASSURANCE SOCIETY OF THE U. S.

120 BROADWAY, NEW YORK

THE OHIO MILLERS
MUTUAL FIRE INSURANCE COMPANY

Net Cash Assets.....$1,147,802
Net Cash Surplus..... 505,213

Squire Company, Inc.

1 LIBERTY ST. REPRESENTATIVES NEW YORK

STOCK POLICIES ONLY

BUSINESS SOLICITED FROM AGENTS AND BROKERS

San Francisco Losses Amounting to $4,522,905.00 paid PROMPTLY IN CASH WITHOUT DISCOUNT, from funds largely supplied by head office in Liverpool

Liverpool AND London AND Globe Insurance Co. LIMITED

U. S. Cash Assets, Dec. 31, 1916	$15,827,439.35
Surplus, - - - - -	5,460,745.59
Losses Paid by Chicago Fire, 1871	3,239,491.00
Losses Paid by Boston Fire, 1872	1,427,290.00
Losses Paid by Baltimore Fire, 1904	1,051,543.00

Over $152,000,000.00

Losses Paid in the United States

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G. W. HOYT, Deputy Manager
HUGH R. LOUDON, Assoc. Deputy Mgr.
J. B. KREMER, Asst. Deputy Manager
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NEW YORK OFFICE
80 William Street

THE EASTERN UNDERWRITER

[Succeeding the Journal of Insurance Economics, Established in 1899]

A WEEKLY NEWSPAPER COVERING ALL BRANCHES OF INSURANCE

Eighteenth Year; No. 53 NEW YORK CITY, FRIDAY, DECEMBER 21, 1917 $3.00 per Year; 25c. per Copy

QUEEN NOW WRITES AIR AND SEA PLANES

First Policies Giving New Indemnity Written at a Rate of 3½ Per Cent.

PERILS COVERED BY POLICY

Full Text of Contract and Also of Daily Report—In Flight or on Earth

The Queen, which is rapidly taking rank as one of the most progressive of the fire companies, announced this week that it has begun writing insurance on air and sea planes. The first policies were written at a rate of 3½ per cent.

Text of Policy

The full text of the policy follows:

AIR AND SEA PLANE POLICY

No. ..... $.....

QUEEN INSURANCE COMPANY OF AMERICA

In Consideration of the Warranties and the Premium Hereinafter Mentioned Does Insure.

The Assured named and described herein, upon the body, machinery and equipment of the plane described herein, while in flight, or upon the earth, or upon any lake, river or inland body of water, or in or over coastal waters, while within the limits of the United States (exclusive of Alaska, Hawaiian Islands and Porto Rico), including while in building, on road or on railroad car or other conveyance, ferry or inland steamer or coastwise steamer, between points within the set limits for the term herein specified, against direct loss or damage caused by perils specifically insured against.

(Space for attachment of endorsements)

CONDITIONS

Notice and Proof of Loss

In the event of loss or damage the assured shall forthwith give notice thereof in writing to this Company or the authorized agent who issued this policy, and shall protect the property from further loss or damage; and within sixty days thereafter, unless such time is extended in writing by this Company, shall render a statement to this Company, signed and sworn to by said assured, stating the knowledge and belief of the assured as to the time and cause of the loss or damage, the interest of the assured and of all others in the property; and the assured, as often as required, shall exhibit to any person designated by this Company all that remains of any property herein described, and submit to examinations under oath by any person named by this Company, and subscribe the same; and, as often as required, shall produce for examination all books of account, bills, invoices, and other vouchers, or certified copies thereof if

(Continued on page 16)

"The Largest Fire Insurance Company in America."

THE HOME INSURANCE COMPANY NEW YORK

ELBRIDGE G. SNOW, President

FULL WAR COVER

INCLUDING

BOMBARDMENT and EXPLOSION

Liberal Contracts Reasonable Rates

STRENGTH REPUTATION SERVICE

North British and Mercantile Insurance Co.

Established 1809

Entered United States 1866

Policyholders protected by the entire United States assets, with further guarantee in every policy, of protection by entire fire assets of the company which are many times larger.

SPRINGFIELD Fire & Marine Insurance Co.

Cash Capital $2,500,000.00

THE SPRINGFIELD for two-thirds of a century has transacted business solely under its own corporate name, without annexes, underwriting agencies or subsidiary companies. An agent of the SPRINGFIELD is not a half, a quarter or any other fraction of an agent, but is vested with the rights and dignity of an undivided representative of an undivided and independent company. The SPRINGFIELD stands today pre-eminent among American fire insurance companies.

SPRINGFIELD MASSACHUSETTS

THE GAUVIN AGENCY

NATIONAL SOCIAL INSURANCE INQUIRY

House Wants Investigation of Advisability of Government Unemployment, Disability and Sickness

CONGRESSMAN LONDON AUTHOR

Favorable Report of House Committee on Labor—Want Appropriation of $50,000

By a unanimous vote the House Labor Committee has directed that a favorable report be filed with the House on the joint resolution prepared by Representative London of New York, which provides for a commission to inquire into the advisability of establishing national insurance against unemployment, invalidity and sickness. The resolution will not, however, be brought up in the House until after the holiday recess.

The Resolution

As it is to be reported the resolution provides:

"That a commission is hereby created and established, to be known as the Commission on Social Insurance, hereinafter referred to as the Commission. The Commission shall be composed of five persons to be appointed by the President of the United States, two of whom shall be employers of labor and two of whom shall be representatives of organized labor, the Secretary of Labor to be the fifth member of the Commission and the chairman thereof. It shall be within the power of the Secretary of Labor to select a representative of the Department of Labor to act in his stead in any hearing or investigation in which the Secretary himself may be unable to participate, and said representative shall have full power to act in the name of the Secretary of Labor, but the position of the Secretary of Labor, as the fifth member and as chairman of the Commission, shall in no wise be impaired, and in the report, findings and recommendations of the Commission his name and title shall be appended.

Traveling Expenses

"Sec. 2. That the members of this Commission shall be paid actual traveling and other necessary expenses, and in addition the members of the Commission, other than the Secretary of Labor, or his representative appointed

(Continued on page 9)

THE PILOT POLICY

Travelers On Business Insurance

HOW TO FIGURE THIS ACCOUNT

A Great Establisher of Credit—Quotes Johnston's Article in The Eastern Underwriter

Credit and the ability of a few individuals are the essential factors in establishing and conducting a successful business. Death and debt are the forces that ceaselessly threaten its existence. The same is true in an accentuated degree of partnerships, where each of the partners is a specialist, whose service cannot be replaced, but whose investment can be drawn out by the family and the firm dissolved by death with heavy loss to all interests.

The value of business insurance on the lives of officers and specialists of a corporation, and on partners, is too generally acknowledged to require extended comment. It furnishes in brief an adequate money compensation for the loss of service. It establishes credit, it provides cash when cash is essential. It offers also a loan of a specified and growing amount on reasonable terms when no other funds can be obtained, or, if obtained, at exorbitant rates.

Chief Obstacle in Soliciting

The chief obstacle to a successful solicitation is that the payment of premiums is erroneously regarded by business men as an additional charge against the business, figuring as such on the books of the company, and apparently at the expense of dividends and surplus. This conception of the payment of premiums as merely an outgo is erroneous. The same banking methods applied to business insurance as are applied to all other financial transactions of the company would demonstrate an entirely different state of affairs, and it is along this line that successful solicitation must be developed.

The business insurance account on the corporation's cash book must figure in an entirely different way than fire insurance or property insurance, where the outgo may be continual with no corresponding credit account. Yet no business man would think for a moment of going without fire insurance, and could not obtain credit if he did.

The business insurance account on the corporation's cash book will show that stated premiums are paid each year, but in two or three years at most, the journal begins to exhibit a new asset, namely, an annually increasing cash value of the contract which is as much a quick asset as cash in the bank, and as the loan and the cash value of the policy are practically identical in amount, there is also established collateral for a loan at definite interest repayable at the option of the insured, and not on demand or call. The loan value therefore on this account is more advantageous to the borrower than loans with a bank, which must be constantly renewed or may be called in times of financial stress, or continued only at greatly increased interest, and this business insurance does without the loss of the insurance itself.

Joint Life Example

Business insurance may be written on the whole life, limited payment or endowment forms, and on the lives of one or several persons. When several persons are covered it should be written not on separate lives, but on joint lives, thereby materially reducing the cost. In order to avoid complexity we will confine the following example to the joint lives of two persons only.

Example:

$100,000. 20 Year Endowment On joint lives of two persons aged 40 and 35

The annual cost of an endowment at age 40, one person, would amount to $4,365, but a joint policy covering two persons aged 40 and 35 would cost only $5,024.

The real net annual cost rapidly diminishes and is transferred gradually into an annually increasing profit. This fact is so little comprehended that we give here a detailed statement worked out by Mr. Geo. W. Johnston, general agent of the Travelers, in a most interesting pamphlet, "Business Insurance for Business Men" (published by The Eastern Underwriter). The first column shows the annual premium, the second column shows not the full existing cash value, but only the greater value each year over the year previous. Interest is not considered since it is not more chargeable than interest on taxes or wages; it is offset by insurance, the contingent asset, and as interest cost grows there is a compensating acceleration in the rate of growing values.

Balance Sheet of Yearly Cost

Year	Equities Cr. Cash by Premiums	Dr. to Inc. Cash Value	Net Outlay Fiscal Year	Net Profit Fiscal Year
1.....	$5,024	....	$5,024	
2.....	5,024	$4,800	224	
3.....	5,024	3,000	2,024	
4.....	5,024	3,500	1,524	
5.....	5,024	3,900	1,124	
6.....	5,024	3,700	1,324	
7.....	5,024	3,900	1,124	
8.....	5,024	4,100	924	
9.....	5,024	4,400	624	
10.....	5,024	4,700	324	
11.....	5,024	5,000	24	
12.....	5,024	5,300		276
13.....	5,024	5,600		576
14.....	5,024	6,100		1,076
15.....	5,024	6,400		1,376
16.....	5,024	6,200		1,176
17.....	5,024	6,700		1,676
18.....	5,024	7,000		1,976
19.....	5,024	7,600		2,576
20.....	5,024	8,100		3,076
	$100,480	$100,000	$14,264	$13,784
Net cost.....		480		480

Against this $480 charge insurance for 20 years.

In addition it should be realized that this policy has a loan value equal to the cash value at an interest rate of 5 per cent., and that the policy is protected by extended insurance, and from the tenth to the twentieth year there will in addition be a growing cash value available at the end of the endowment period.

TEXAS BULLETIN

The Bankers' Life, of Iowa, "Bulletin" for December is devoted exclusively to the Texas field. The Company started there in 1908. It now has over $20,000,000 in force in that State. The "Bulletin" gives pictures of the leading Texas representatives.

Great Southern Life Insurance Company

HOUSTON, TEXAS.



For Agency Contracts address

O. S. CARLTON

PRESIDENT

Frankel On Increase In Auto Hazard

MOTOR TRUCKS MOST DANGEROUS

8,625 Deaths or Injuries in New York City From Motor Vehicular Accidents

In discussing the increasing automobile hazard Dr. Lee K. Frankel, of the Metropolitan Life, told the Association of Life Insurance Presidents at its annual meeting that with the Metropolitan in an exposure of more than ten million lives annually the death rate from automobile accidents has more than trebled since 1911. In that year the death rate from this cause was 2.3 per hundred thousand; in 1916 it had increased to 7.4 per hundred thousand.

Hazard Due to Type of Vehicle

A study of automobile accidents and injuries leads to a consideration of the various types of vehicles. Experience has shown that the type of car operated makes a marked difference in the hazard. According to the reports of the Massachusetts Highway Commission, motor trucks and commercial vehicles caused 50 per cent. more accidents per vehicle than any other class of machine. In New York City motor trucks and commercial vehicles form less than 25 per cent. of the number of machines registered. The annual report of the Police Department for the year 1916 shows that the number of deaths caused by trucks and motor delivery machines was almost 40 per cent. of the total deaths (132 out of 335). It is obvious that the motor truck is the more dangerous type of machine. It is of interest to observe that in the country at large the number of commercial vehicles still forms but a small part of the total number of automobiles in use, approximately 11 per cent. The increasing use of the automobile for commercial purposes presents a very distinct source of future hazard which should receive especial attention.

In 1906 the Travelers paid only 301 claims to policyholders for accidents while riding in or driving an automobile. In 1916, the number was 2,535, an increase of 742 per cent. This is significant in view of the fact that accident claims from all other causes—a great many of them occupational—increased only 46 per cent. The experience of the Travelers, based on the insurance of male lives, shows that one out of 136 accidents results fatally. This experience includes all forms of minor and major accidents.

New York Police Figures

The New York City Police Department has kept detailed records of traffic accidents for nearly three years. Reports at hand indicate the same upward trend of the motor vehicular rate. In 1915 there were 6,454 accidents in which persons were struck by motor vehicles of all kinds—passenger, truck, delivery and motor cycles: in 1916, this number was 7,848, an increase of about 22 per cent. For the first ten months of 1917, there were reported 8,625 cases of death or injury as the result of motor vehicular accidents, an increase of 12 per cent. over the figure for the entire previous year.

Age Distribution

A discussion of the causes of automobile accidents would be incomplete without an analysis of the age distribution of the persons killed or injured. In the Metropolitan experience, out of 2,507 policyholders killed by automobiles during the period 1911 to 1916, 790, or 32 per cent., were children under 10 years of age, and 1,125, or over 44 per cent., were children under 15 years of age. It should be kept in mind, in connection with this experience, that those killed were nearly all pedestrians, since the experience includes only the industrial classes. It is also an experience largely confined to urban centers of population, in which play space for children is limited. In the registration area of the United States 772 deaths, or 19 per cent. of the total deaths from automobile accidents, were of children under 10, and 1,079, or 27 per cent., were of children under 15. The New York City figures present a similar situation with regard to the non-fatal, as well as fatal, accidents. In 1916 11 per cent. of automobile injuries and fatalities were of children under school age—6 years; .37 per cent. children of school age—between 6 and 16.

L. C. Woods' 1917 Cases of Group

ONE POLICY OF $2,865,228

Another of $2,500,000—Agency in $25,000,000 Class—Distribution of Profits

(*Special to The Eastern Underwriter*)

Pittsburgh, December 20.—The E. A. Woods Agency, Inc., will reach $25,000,000 this year. The agency has arrived at $900,000 in paid deposits. The record is particularly pleasing to Mr. Woods in view of the large number of men who left for the service. Two of the recent announcements to that effect are Charles J. Rockwell, to be special instructor at Camp Meade, and Lothair Smith, to be special instructor at Camps Wheeler, Meade and Hancock.

Group Cases

Lawrence C. Woods, of this agency, broke all his previous records in writing group insurance this year. Here are some of his cases:

American Rolling Mill, $2,500,000; American Rolling Mill (blast and furnace departments), $250,000; American Meter Co., Philadelphia, $60,000, Baltimore, $200,000; Helme & McIlheny, $250,000; John J. Griffin Co., Philadelphia, $161,000; Metric Metal Works, $228,000; McClintic-Marshall Construction Company, $1,460,818; Pittsburgh Plate Glass Company, $2,865,228; W. J. Rainey Company, $175,000; Tate-Jones & Co., $144,830. E. A. Woods was the joint agent with L. C. Woods in the Pittsburgh P. G. case, and N. S. Wooldridge in the Mcclintic case.

Profit Sharing

At the annual meeting of the agency's Veteran Legion, the profit sharing distribution was made. Earnings of $5,510 were distributed.

MASSACHUSETTS BANKS

The Savings Bank Life Insurance, of Massachusetts, has issued a statement saying that 1917 was the best year the bank life insurance proposition has had and that the four banks—Whitman, People's, Berkshire and City—have declared large dividends for 1918.

New England Women Invite the Men

HOLD BANQUET OF THEIR OWN

Poke Fun at Agency Managers Who Bar Them From Association—Strong Organization

(*Special to The Eastern Underwriter*)

Boston, December 17.—The New England Women's Underwriters Association—the only women's association of life underwriters—was formed partly because some of the most active life insurance women in the country are in Boston, and they are not eligible to membership in the Boston Life Underwriters' Association. They were keen enough to appreciate the value of co-operation and so they formed their own organization, and are glad that they did so as it has done a lot in encouraging women agents. Miss Leonora M. Cowick, manager of the women's department of the Mutual Life, is president, and when she and her associates learned that Lawrence Priddy, president of the National Association of Life Underwriters, was to address the men agents today at the Exchange Club, a request was made of Mr. Priddy that he also address the women. He consented, and a dinner was given tonight by the women at the Copley-Plaza, with a dance thrown in.

The Men Guests

Just to show that there was no hard feelings, President Burns, of the Boston Life Underwriters' Association; General Agent Townsend, of the Equitable; Manager Brown, of the New York Life, and several other prominent men agency directors were invited and placed at the speakers' table.

They had to listen to some good natured chafing by Miss Cowick, Mrs. Florence E. Schaal, manager of the women's department of the Equitable, and other speakers. Then they were called upon to speak.

Just why the men agents bar the women was not brought out. Several of the women agents declared that they did not object to going to meetings where men smoked, and they did not presume that the men met to tell stories that were not for feminine ears to hear. The men did not throw much light on the subject. Mr. Brown said that he would not object if the Boston Life Underwriters' Association should meet with women once a year. "That's very kind of you," commented one of the women. Many, he believed thought they would feel more comfortable at a men's only meeting.

Women's Departments Growing

After the passage of pleasantries the meeting grew serious and it was seen that the women's departments have easily justified their existence.

Miss Cowick's department will run over a million this year; Mrs. Schaal's business will be over $2,000,000. The number of wage-earning women in Boston is so large that the field of women's risks is growing in an amazing fashion. Some producers run up a volume that many a man agent might envy. More than eight companies are represented in the organization membership.

How Ranks Are Recruited

Miss Cowick started as a stenographer for the Equitable, and soon branched out as a producer. She was so successful that she became manager for the Mutual's department, in which she has developed a large number of women producers. Mrs. Schaal's story has often been printed. She took over her husband's business. Up to that time she had never had a day's experience in fighting the world, but inherent executive ability brought out the best qualities in her.

The agents who attended this dinner were drawn into insurance from all walks of life. Some were school teachers; some newspaper women; some business women; some stenographers. They are an unusually studious set of women, anxious to master their profession, taking it seriously from every angle, rapt listeners to any one who has a message which will help them, quick to detect sham or patronage.

If they think they can learn anything at a convention they will travel far to hear the proceedings. Miss Cowick and Miss Martin, of the Mutual Life, were at the New Orleans convention. Miss Morrill has gone as far as Los Angeles to hear life insurance discussions. At the Providence convention of the New England Congress two years ago sixteen women from Boston attended. If application, industry and research are qualities that win the New England women cannot help but succeed. In addition they are fortunate in possessing a high average of personal attractiveness and magnetism.

Mr. Priddy told of the work of women in the war and paid a high tribute to their professional work, too. Expressing his pleasure at being the guest of the New England life insurance women, he said that it was one of the most enjoyable dinners that he had attended.

A canvass of the women at the dinner showed that they average $15,000 insurance on their own lives.

W. S. S.

Life Insurance Companies Aiding Government in Every Way Through Their Organizations

Announcements were made by many life insurance companies this week of co-operation with the Government on War Savings Certificates. Many companies have already circularized their agents.

The Travelers has sent a thrift card with one stamp attached in the pay envelope of 5,000 of its representatives.

Why it Pays to Join Associations

IT'S ACTION NOW; NOT TALK

Priddy Tells New Englanders How Crooks and Twisters are Being Driven Out

(*Special to The Eastern Underwriter*)

Boston, December 17.—Lawrence Priddy, who is making a New England trip addressing the local underwriters' associations, is using as the text for his speeches a straight argument showing the value of belonging to life underwriters' associations. He is taking the position that the association can purge the life insurance business of undesirable men. He gives facts to prove it. The idea that a life underwriters' association is merely an excuse for a string of social gatherings at which dry diners are harrangued by dry speakers is knocked into the cocked hat by Mr. Priddy. He comes to these meetings with a great many letters from the superintendents of insurance; from companies showing their desire to co-operate with the life underwriters' associations; and from twisters giving sets of figures to prospects.

Saving a $50,000 Case

The most interesting story told by Mr. Priddy related to the activities of a railroad man, nephew of a banker, who had placed several policies on relatives. His attention having been called to this man Mr. Priddy set a trap for him by making a personal call, and asking him to join the Life Underwriters' Association of New York of which he was then president.

"Why should I join the association?" was the reply. "I am a railroad man; not an insurance agent."

Priddy then left, keeping the information stored away for future use. He thought of it again when he solicited the railroad man's uncle—the banker—for $50,000 and the latter agreed to take out the insurance, but later declared he only wanted $10,000.

In Priddy's opinion the nephew had interfered again, which later was proved to be correct. The president of the National Association of Life Underwriters decided to fight for this case. He obtained letters from the companies saying that the railroad man was not their agent and letters from several insurance departments saying that the man was not licensed. Then, armed with a penal code, he went to the banker's office and asked that the nephew confront him. Showing all his evidence, he pointed out the penal code and asked the nephew what right he had to pose as an agent and then asked the banker if he wanted to deal with an agent who was a violator of the law. The strong medicine worked. The banker signed the $50,000 application. The railroad man agreed to keep his hands off of insurance.

Calling up Assured and Telling Him About Twisters

Another case that created quite a lot of interest came as a result of the presentation to the prospect of three pages of figures elaborately constructed in black and red ink illustrating why it would be desirable to twist policies that had already been in force from four to seven years. The man who got the figures submitted them to a friend for inspection. He in turn called an expert and eventually they reached the actuarial department of a life insurance company. The actuarial office sent the figures to Mr. Priddy, as president of the National Association of Life Underwriters. Mr. Priddy sent for the agent who compiled the figures and astonished him by confronting him with the data; then in the presence of the agent he called up the assured over the 'phone and informed him that the agent was violating the law and that he should have no further relations with him.

"My God! What have you done?" asked the agent.

"What is the matter? Didn't you get me?" retorted Priddy.

Support the Government

There is no doubt in the minds of any of the agents in New England that the Life Underwriters' Association of New York can rid the business of undesirable agents and can stop twisting instantly if it has the evidence, and this evidence it has secured in about sixty-eight cases. It is now up to associations in other cities to follow suit.

Priddy told all the associations to interest themselves in the new code of ethics and forward to the National Association suggestions for the compilation of this code. The time is coming, he said, when a man who is refused a license in one State will not be able to obtain a license in any State.

Invariably he closed his talks with strong arguments for the war savings certificates, for Liberty Loans and for active support of the war program of the Government. He said that this country has just begun raising money.



Prudential Group Policies Sell

Because of absolute protection, low premiums, annual dividends, grace period, disability provisions, termination refunds, incontestability clause, special certificates for employees, privilege of naming beneficiary, good commissions, and the Company's great experience in dealing with millions of workers in forty years.

Send for Particulars of Policy

THE PRUDENTIAL INSURANCE CO. OF AMERICA

Incorporated Under the Laws of the State of New Jersey

FORREST F. DRYDEN, President

Home Office: NEWARK, N. J.

Using Argument and Suggestion

R. M. CUMMINGS' ON CLOSING

Taking Position Beside Prospect—Use of Pencil and Paper—Application Blank

On ways and means of closing business M. R. Cummings of the Penn Mutual writes in the "News Letter" of the fundamentals of that with which it will deal, namely, Human Nature.

Psychology recognizes two principal means of producing: first, Belief; second, Action. The first of these agencies is Reasoning. The other impelling force is Suggestion. All the decisions of man are reached through these two great forces, or an admixture of them. Therefore, we as salesmen should inquire into and untiringly direct our energies towards an increased proficiency in the use of both the force of argument and the force of suggestion. Argument and suggestion, logic and enthusiasm, reason and personal magnetism are the battering rams with which we are to make the drive for the favorable conclusion of our prospects.

Let us now imagine ourselves in the presence of our prospect, and that we are going to endeavor to get his signed application. It is presupposed that we should endeavor to be alone with him, or that we should, at least, have his undivided attention.

Choosing One's Position

Let us observe the force of what I submit to be vital factors in getting the name on the dotted line: where we sit and where we look. Let us contrast three positions.

First, looking up. In this position we find our thoughts lofty, soaring, but they are diverse, scattering and not clearly defined.

Second, looking straight at the speaker. Here we are opposite each other. In this position we are opposed. Since we are opposite each other, it follows quite naturally that a feeling of opposition creeps in. We note the presence of a certain combativeness, resistance, lack of receptivity, and unwillingness to accept anything but hard facts. At best, nothing but cold reasoning will find homage here. It follows that suggestion with all its powerful appeal should and probably will fall on sterile and barren ears.

Third, looking down, with attention directly to pen and paper. Here we have a maximum of attention, lack of tension and an atmosphere of receptivity; therefore, a pronounced amenableness to both argument and suggestion.

Talk "with," not "against"

The first position is of course automatically eliminated, and in contrasting the second and third positions we deduce that if it can be avoided we should not sit opposite our prospect; rather at his side, and preferably to his right.

Gazing directly into each other's eyes, as you do when opposite each other, has the effect of mentally squaring away at each other.

With your prospect at your side, he feels more as if he were "with you," than "against you."

The second point is the persistent use of pencil and paper, or as I prefer it, a fountain pen and paper, and the direction of his attention downward and away from you, during your presentation. A fountain pen should (and you hope will) be needed later for the signature, and this obviates the sometimes embarrassing void occasioned by getting it out and ready for work. With the prospect's eyes diverted from you to your pad, many things are nicely accomplished. First, a relief of the combative or oppositional tendencies; secondly, the getting and holding of his attention, as he must follow your figures to get your point.

Back Up Your Words

Of no small importance is the fact that if you are multiplying, adding or subtracting, the other fellow rather likes to follow your figures, just to check up their correctness; but most important of all is the fact that the spoken word, backed up by the written word or figures, makes a mental imprint that will stick. Every point hits the eye of understanding. Your message goes over. Life insurance, to the layman is difficult to understand, and while your prospect may nod seeming approval and understanding of your points, some of these things you are saying are about as clear to him as a week-day morning in a smoky city.

When you come to close, the figures may be made doubly valuable. When pushing for his signature, you can urge, "Now, Mr. Smith, I see that the figures have both interested and amazed you; you did not think such a thing was possible for you and your wife through life insurance. If you could get a contract that would give your wife and yourself what I have set forth here, you would certainly want it, wouldn't you? Yes, of course, you would. Very well, just write your name here. Thank you. Now as a double check on this proposition, here are the figures I have just made; you take them and retain them. When the contract comes, we will go over them again. If for any reason the contract does not substantiate these figures, I will take it back, and you can tear up the figures. If it does, as you now agree, you want it."

Dispelling Uneasiness

Now a word about the application blank. Of course, it should be lying unexposed among other papers on the table or in your lap, ready for instant use. I prefer the application blank folded lengthwise. An otherwise momentous and binding sheet is thus robbed of its scariness and its use facilitated. Of course, it is necessary to memorize the questions when so folded, but you could probably say them in your sleep or if you were going down for the third time anyway, so that is really no hardship.

BONUS FOR CLERKS

At a meeting of the directors of the Connecticut General Life it was voted to pay to the clerks of the home office, as an emergency remuneration, 10 per cent. of their salaries for the year, in no case to exceed $200.

This action was taken in recognition of the unusually high cost now prevailing for most of the necessities of life and, as implied in the name "emergency remuneration" is intended to help in meeting conditions which it is hoped will be improved. It is in no way to be considered as a precedent for any future action of the kind and is not connected in any way with the regular salary which will come up for discussion at the usual time.

TO SAVE WHAT ONE HASN'T

The "Boston Globe" recently printed a discussion by prominent Boston citizens on the different ways of saving for old age. Frederick Chamberlin, a lawyer and economist, divided the honors between real estate mortgages and life insurance, summing up his argument in this way: "The best way to save what a man has is probably through real estate mortgages; and the best way to save what a man hasn't is undoubtedly through life insurance."

NEW OFFICERS

Vacancies in the commissioners' convention were filled by the election of the following officers:

First vice-president, M. J. Cleary, Wisconsin, succeeding J. H. Merrill, New Hampshire, resigned.

Second vice-president, W. K. Chorn, Missouri, succeeding M. J. Cleary.

Secretary-treasurer, Colonel Joseph Button, Virginia, succeeding F. H. McMaster, resigned.

Chairman of the executive committee, Jesse S. Phillips, New York, succeeding Colonel Button; F. H. Ellsworth, Michigan and Joseph G. Brown, Vermont.

The spring meeting will be held April 9, 10 and 11, in Washington, with Richmond as the alternative, should it be impossible to secure accommodations in the National capital. The annual meeting will be in Denver, the date to be fixed by the executive committee.

Build Your Own Business
under our direct general agency contract
Our Policies provide for:
Double Indemnity, Disability Benefits, Reducing Premiums
See the new low Rates
JOHN F. ROCHE, Vice-Pres't
THE MANHATTAN LIFE INSURANCE COMPANY
66 BROADWAY NEW YORK
Organized 1850

To the Man Who is Willing—and Will



We are prepared to offer unusual opportunities for money-making NOW and creating a competence for the FUTURE.
FOR CONTRACTS AND TERRITORY, ADDRESS
H. M. HARGROVE, President :: Beaumont, Texas

In Pamphlet Form

Business Reasons for Business Insurance

VALUABLE article from the Life Insurance Salesmanship Edition of The Eastern Underwriter has been published in canvassing document form and is proving very popular with life underwriters. -:- -:- -:- -:- -:- -:- -:- -:-

Price $3.00 per 100 copies
Sample copy 10 cents

THE EASTERN UNDERWRITER
105 WILLIAM STREET
NEW YORK

Phoenix Not to Hold Convention

ATLANTIC CITY MEETING OFF

Letter From President Holcombe Says Unprecedented Situation Confronting Country Caused Action

A number of companies are considering dropping their principal field conventions of 1918. The Phoenix Mutual Life is one of the first to make an announcement that its convention is called off; it was to have been held in Atlantic City.

Although many representatives of the Company have made an extra drive in order to qualify for the Atlantic City gathering, letters received by the Company from its field force express satisfaction on the Company's action.

President Holcombe's letter to the field force follows:

Dear Mr. Phoenix:

Dear Sir: Some months ago plans were made for a meeting of field men to be held in Atlantic City, and it was believed that this would be productive of good in the prosecution of our business both in and out of this city. To encourage and stimulate production, certain standards were set up for qualification to attend this gathering, and a good many have succeeded in their efforts.

In ordinary times the cost of such a meeting in time and money would be justified by the benefits which it is believed would follow. Aside from the opportunities for explanation of plans and an interchange of views, the pleasure of association together is always productive of satisfaction. But an unprecedented situation confronts us all. Many time-honored customs are given up; recreation has given place to service for the cause of humanity; our business duties are more pressing than ever before, and we go from our offices, not to games and amusements, but to hard work in many directions. Our sons are in the service of our country; our wives and daughters are spending their strength in the cause.

What more can we do for the good of the civilized and uncivilized world? We can give up some of our pleasures and luxuries; we can give money and what is quite as valuable, our spare hours to some of the many causes which are suffering for our support. We cannot well do less.

The proposed meeting would cost the Company and each one who attended it money which could be used at this time in meeting needs or lessening the sum of human suffering. Not only that, but in aggregate a large amount of time would be consumed and taken away from our business and from these causes which need our every effort.

This Company always meets its legal and moral obligations. The plans for this meeting created an obligation on this office. Has there arisen at this time a still greater obligation? We believe there has, and we, therefore, consider it our duty to postpone at least this gathering.

The records of each one will be kept and if the circumstances which now surround us should change for the better, the question of a meeting at some later time will be taken up; but our present duty seems to us clear.

GENERAL AGENCY CHANGES

E. F. Colborn, Manchester; C. C. Hills, Rochester; C. F. Teller, Syracuse Announced by Connecticut Mutual

Three important general agency changes in the East were announced by Superintendent of Agencies Lovelace, of the Connecticut Mutual Life this week. At Rochester, N. Y., the Company has had as general agents Hills and Colburn. Messrs. Hills and Colburn have made exceptional good records. Mr. Colburn, before going into the life insurance business was a professor of history at Miami University, Oxford, O. While teaching the young mind how to shoot he recognized the importance, also, of teaching it how to safeguard the future and he became an agent. Mr. Colburn has been made general agent of the Company at Manchester, N. H. Mr. Hills continues as general agent at Rochester. He has been representing the Connecticut Mutual there for about seven years, and is a good personal producer as well as executive.

C. F. Teller is the new general agent of the Company in Syracuse. For sometime he has been with the Mutual Life, with which company he was a successful agent.

R. L. MORTON'S CAREER

Was Sales Manager of Large Mercantile Concern—Vice-President St. Louis City Club

Robert L. Morton, new manager of Fidelity-Mutual for Eastern Missouri, effective January 1, 1918, is one of the most substantial citizens of St. Louis. He is vice-president of the City Club, vice-president of the Rotary Club, Past Potentate of the Shrine, Past Commander of the Knights Templar, actively connected with the Chamber of Commerce, a charter member of the Missouri Athletic Club, and indentified with various other organizations in St. Louis. For the last six years he has represented the Connecticut Mutual Life at St. Louis, and has been one of its leading producers. Before entering life insurance he was sales manager for the Simmons Hardware Company.

The National Association of Credit Men intends to issue a special edition of its "Bulletin," devoted exclusively to life insurance.

THE AVERAGE EARNINGS OF THE AGENTS OF THE

Standard Life Insurance Company

∴ ∴ OF PITTSBURGH ∴ ∴

are higher this year than ever before. Our attractive Accident and Health Policies have helped them to make more money.

Write for a LIFE, ACCIDENT AND HEALTH Contract to

FRANK A. WESLEY

Vice-President and Director of Agencies

PURELY MUTUAL — THE — CHARTERED 1857

Northwestern Mutual Life Insurance Co.

MILWAUKEE, WISCONSIN

GEO. C. MARKHAM, President

Insurance in Force, $1,505,464,984

SATISFIED POLICYHOLDERS each year apply for over 35% of the new insurance issued.

POLICIES MOST FLEXIBLE AND EASY TO SELL

Complete Agency Protection:
Enforced Anti-Rebate and No-Brokerage Rules

Investigate before selecting your Company

Write GEO. E. COPELAND, Supt. of Agencies, Milwaukee, Wis.

For SEVENTY-THREE YEARS, SERVICE AND SATISFACTION have been synonymous with STATE MUTUAL of Worcester.

The Company's record of SEVENTY-THREE YEARS OF SERVICE spells SUCCESS for all.

Additions are made to our General Agency force when the right men are found.

State Mutual Life Assurance Co.

of WORCESTER, MASS.

Incorporated 1844

B. H. WRIGHT, President — D. W. CARTER, Secretary

STEPHEN IRELAND, Inspector of Agencies

40% Increase in Paid New Premiums—that tells the 1916 story of Fidelity progress.

Direct leads and the Fidelity "Income for Life" plan are making money for Fidelity field men. Any man who can sell life insurance can sell MORE Fidelity insurance.

Write to-day—

Fidelity Mutual Life

INSURANCE COMPANY, PHILADELPHIA

INCORPORATED 1878 — WALTER LE MAR TALBOT, President

NATIONAL LIFE INSURANCE COMPANY

(MUTUAL)

MONTPELIER, VERMONT

67th Year

FRED A. HOWLAND, President

On paid-for insurance basis and with bonds valued at par only (market value $409,882 above par) the 67th report shows:

Assets	$66,426,040.82
Liabilities	62,268,494.36
Surplus	$ 4,157,546.46
INSURANCE IN FORCE	$212,037,400.00

A good company for the policyholder and the agent

EDWARD D. FIELD, Superintendent of Agencies.

We want a GOOD PERSONAL PRODUCER and organizer for DESIRABLE TERRITORY in several states west of the Mississippi River. EXCELLENT CONTRACT.

Northwestern National Life Insurance Company

MINNEAPOLIS, MINNESOTA,

is a LEADING LOW NET COST, annual dividend, MUTUAL, OLD LINE company. Record for 1916— increase in insurance in force, 20%; in paid-for business, 51%; in assets, 15%; in amount apportioned for 1917 dividends, 71%.

New York Solicitors Hear Robert R. Reid

ADDRESS AT MONTHLY LUNCH

C. W. Whitehair Presents War Conditions—President Atkinson Talks on Membership

The day of the order taker is over. The day when a man can sell life insurance successfully by going from door to door, from office to office, is past, thank God. The day is coming when the brain of the solicitor will seek out its own level; when the life insurance man will know that he is just as good as any other man and his success will be just as great as in any other profession. Then his brain will begin to work and competence will be his close companion.

These are some of the points made by Robert R. Reid, president of the Federal Oil Company, and formerly one of the leading life insurance men of the country, who addressed the Life Underwriters Association of New York at their monthly luncheon last Saturday. Continuing he said:

More Preparation

Don't be just a life insurance man, be a life insurance success. The difference between failure and success is so small but the effect is so large. We life insurance men often realize how different would have been the results had we but prepared our case just a little more carefully; if we had been just a little more honest with ourselves and the prospect. The prospect is entitled to careful preparation of his case for we act as his attorney, his agent. when we take up his cause. Therefore, do your duty; keep out of the ruts of life; put more stamina, more force, more industry into your work.

If you find that your viewpoint is becoming obscured, your horizon dimmed; if you find the opposite of success coming to you, step out into the sunshine and study yoursef. Failure and excuse are twin brothers. Let there be reasons for success, but no excuses for failure. The trouble is men will do what they are told not to do, and not what they know they should do.

Equip Yourself

Two things are necessary to success: First, you must work for a company in which you have every confidence. We are fortunate in that our American companies are the best in the world.

Second, the company must be satisfied with the agent. Start with a firm foundation by qualifying yourself in the fundamentals. I cannot add greater emphasis to this. Study yourself. Can a lawyer be successful without preparation? Can a physician? How can a life insurance man properly represent, as he does, one of the finest of institutions, unless he has prepared himself by close study to know all its ramifications.

Educate yourself. If it requires that you study certain lines of business, do it. He who is willing to master himself and his subject is always ready and finds free opportunity. I do not mean that you must be an actuary; I mean that you must equip yourself as an agent. Do what the superintendent of agencies tells you. Do not waste time criticising. Criticism is but another form of excuse. Adapt yourself to conditions, master yourself, equip yourself.

Giving Double Service

And, having done this, there comes to you the most delightful of experiences; that of bringing to the attention of the prospect the knowledge of your mastery of the business; the joy of really representing the applicant as he should be represented, for you must represent the company and the assured equally well. Upon the manner in which you combine both these duties rests your success. Bring these two acts properly together and they spell success; let them fall apart and they spell failure.

Making Expenses

Eliminate from your lives the things that lead to excuses. The necessities of your life require that you make a certain amount of success. The trouble with most of you is that when you have attained that necessary success your brain goes dead. You figure, this way. My expenses are so much. I have made my expenses for the month in the first ten days, then you lie down. Result, twenty days wasted. The expenses of the year will make you work until you have earned them, but you are in business to do something more than make expenses.

It is a serious thing to be one's own master. Nine agents out of ten take off the pressure when they have made their expenses for the month. One out of ten says to himself: "This is fine, I have made my month's expenses in the first ten days; I will go on and make this my best month." His superior in everything except energy stopped and took off the pressure the moment he saw his necessities supplied.

Setting A Mark

Setting a mark for oneself produces wonderful results. One of the first things I did when selling life insurance in the wilds of Oregon was to systematize my work on the basis of writing $5,000 a week for a year, allowing two weeks for vacation. On the thirty-first of December, I wrote my last policy and completed just $250,000. That shows what mentality will do. My most successful year was when I made my plans to write $20,000 each week, a million a year. I just wished to see if I could do it. I wound up that year with $1,002,000. The weekly goal is better than the monthly goal. The monthly proposition leaves too much to be made up the latter part of the month. In this work I simply had an agreement with myself, no bonuses, just a matter of pride.

Do not ever get into your head that there is another man in the world who can do your work better than you can. Don't atempt to get applications where there are none. Educate yourself to hunt where the game is.

Remember that you have got to succeed in life to a certain extent therefore make that success a big one. Remember that there is no such thing as failure in life insurance if you are honest with yourself.

President Atkinson's Warning

A warning to get aboard the band wagon was sounded by President Atkinson of the association. He declared that the demand for seats at the 1918 national convention, which will be held in New York, will be so large that it will be necessary to refuse admittance to all except members. President Atkinson also reminded local life insurance men that they may find it quite embarrassing not to be in position to entertain their friends at the convention by reason of not being themselves members of the local association.

As a further reason for joining the association President Atkinson said that it is furnishing its members with much valuable information which is particularly timely and that the successful agent is going to find it increasingly necessary in these times to be in possession of the most up to date ideas in soliciting. He predicted that 1918 will be a good year for the business among really good life insurance salesmen, but a hard year for those less well equipped.

War Conditions Told

Charles W. Whitehair, secretary of the Cornell University Christian Association, told frankly of war conditions as he has seen them on the various fronts. His address was an eye opener. Winslow Russell, superintendent of agencies of the Phoenix Mutual asked to be excused from making the address he had promised, on the plea that as earnest patriots, all who had heard the telling address of Mr. Whitehair, should leave the meeting with their minds free to more fully realize the tasks to which their country calls.

REAL PROTECTION

This conversation was overheard between two negro soldiers:

"Say, yo got any dis heah govment life inshoance?"

"Yes, I got thousand dollahs sho nuf."

"Yo got only thousand dollahs, don yo know yo can git ten thousand dollahs?"

"Sho I does, what I want all dat money fo?"

"Why niggah, yo haid jus common ahmo plate. Don yo know dis heah govment ain guian put no man in no front trench when da know he got ten thousand cold bucks comin to his missus?"

TO MEET IN JANUARY

The third annual meeting of the General Agents' Club of the Bankers Life Company of Des Moines will be held in the new home offices of the Company in the Valley National Bank Building on Wednesday, Thursday and Friday, January 2, 3, and 4, 1918. C. C. Blevins. superintendent of agents, is now arranging a very interesting program for this event.

HOME LIFE INSURANCE CO.
(Now Purely Mutual)
256 BROADWAY, NEW YORK
GEORGE E. IDE, President

The fifty-seventh annual report shows insurance in force of $133,493,000, an increase during the year of $7,832,827. The Company paid the policyholders in 1916 $3,536,233, of which $628,406 was in dividends or premium refund. Its insurance reserve fund was increased by $1,300,000 and the Assets are now $32-821,462.

For Agency apply to
GEORGE W. MURRAY,
Supt. of Agts.
256 Broadway, New York, N. Y.



THE BERKSHIRE LIFE INSURANCE CO.
OF PITTSFIELD, MASS.
Incorporated 1851
W. D. WYMAN, President
A purely mutual Company, issuing all desirable forms of life insurance.
ATTRACTIVE LITERATURE
Ambitious, Productive and Trustworthy Life Agents may be benefitted by corresponding with
W. S. WELD, Superintendent of Agencies

Security Mutual Life Insurance Company
Binghamton, N. Y.
Offers to men able to produce business first class territory, with direct contract providing liberal compensation.
For particulars, address
C. H. JACKSON, Supt. of Agencies

A GOOD OPENING
An old, well established, progressive life insurance company, with unexcelled dividend record has good opening at PHILADELPHIA, covering Eastern Pennsylvania. Address, stating qualifications:
PHILADELPHIA, care of The Eastern Underwriter
105 William St., New York City

The Agent and The War Risk Bill

PROVIDENT'S WORD TO FIELD

Advises Agents to Tell Soldiers to "Take All You Can Get"

Here is the advice that the Provident Life & Trust has given to its agents relative to the attitude of these agents towards the Government insurance proposition:

The question has been asked several times recently what advice a Provident agent should give when consulted by a soldier or sailor as to the advisability of taking out the additional war life insurance offered him by the Government. The advice in every case should be "Take all you can get." The rate charged for it does not pretend to meet its cost to the Government. To the extent that the excess cost will be met out of the general funds of the Government, it is in the nature of a benefaction. There is every reason why each soldier and sailor should obtain all of this insurance he can.

After the War

The act of Congress providing for this insurance in war time, also provides that five years after the conclusion of hostilities, the soldier or sailor holding a contract for this war life insurance, which is in the nature of term insurance, shall have the right, without medical examination, to convert it into permanent insurance on the life or endowment plan. The rate to be charged for the converted form will be the American 3½ per cent. rate without loading.

After-the-War Insurance Partakes of the Nature of a Benefaction

Inasmuch as there will be no medical examination upon conversion, it follows that if the war is to be of any considerable duration, the proportion ot impaired lives will be large, and the mortality under the converted forms will, therefore, in all probability equal or exceed that provided for in the American Table. Any such excess in mortality as may occur, and the whole of the administrative expense of conducting the Insurance Bureau must necessarily be met (except as excess interest on reserves might be available) out of the general funds of the Government. This will be in the nature of a further benefaction to soldiers and sailors. Provided proper publicity be given to the amount of the deficit growing out of the excessive mortality which may occur, and also to the amount of the necessary expense of conducting the bureau, this after-the-war provision ought not to be criticized. By means of a benefaction the nation is trying to express its gratitude to those whom it has called upon for a great sacrifice. At the same time there has been a praiseworthy effort to avoid the abuses of our obsolete pension system.

Possible Extension of the Bureau a Radically Different Proposition

Suggestions have been made in the press and elsewhere that might lead some to infer that an extension of the Governmental Insurance Bureau was contemplated so that after the war it should include civilians as well as soldiers and sailors. As a matter of fact, there is no suggestion of an extension of this kind in the act of Congress establishing the "Bureau of War Risk Insurance." An extension of this character would create a bureau radically different from the present bureau which is strictly confined as its name indicates to the issuance of war risk insurance. The new proposition has nothing to do with a benefaction to soldiers and sailors and needs the most careful consideration.

When alluded to in the daily press it is frequently assumed that Government life insurance must necessarily be much cheaper than life insurance even in a well managed company. Let us assume that the Government bureau would spend nothing for the procurement of business, either in commissions or in publicity. The expense of administration would still remain. There could be little, if any saving in administration, as compared with existing well-managed companies, unless the Government were to make a present of these expenses to the bureau. That would not mean cheaper insurance, but subsidized insurance, and the American people have not viewed subsidies with favor.

Were the mortality experienced by Government policyholders higher than in a well managed company, which, to say the least, is not unlikely, and were the interest rate lower, this higher mortality and lower interest rate would probably counterbalance the apparent saving in commissions. Life insurance in a Government bureau would, therefore, at best show a net cost little different if any from that in a well managed company, while, as a matter of fact, it might easily be considerably higher.

If such a bureau were established in Washington, it would not, therefore, revolutionize the insurance business, and no well managed company should foel any ill result from the operation of the bureau.

The Attitude of the Agent

Much depends at this juncture upon the attitude of the agent. He should recognize that the continuance of the patronage of the public is due to the quality of the service which he can render. If he can create a desire for insurance which would not otherwise have existed, and then if he can satisfy that desire by fitting with conscientious skill a policy to the real needs of his prospect, he need have no fear that his function will be usurped by an impersonal bureau, especially, as there is the probability that the cost in the bureau would be greater than in a well managed company. What the agent has to sell, after all, is service. He must be in a position to prove that he is not a solicitor merely, but an adviser of such character and of such training in his business that his expert advice is of real value to his client.

To Sum Up

A soldier or sailor aged 25 would now be charged by the Government $7.82 per thousand for his war time insurance on the term or temporary plan. Five years after peace was declared, supposing the war to have continued three years, the war time insurance would have to be converted, and if the ordinary life plan were chosen the ex-soldier or sailor would be called upon to pay $18.73.

No one should be allowed ignorantly to confuse the present Government rate for its temporary war time insurance with its after-the-war rate for permanent insurance.

What this soldier pays for $1,000 temporary war time insurance is well within a dollar of the normal net cost for similar temporary insurance on the life of a civilian in a well managed company—what he will pay for his after-the-war ordinary life policy in the Government bureau will not be relatively any more advantageous.

As we have seen, the Government pays all expenses, hence the fact that the cost in the bureau is slightly less than the normal cost for civilians in a well managed company.

Were it possible for the Government to give to civilians generally, a life insurance service equal in quality to that given by the well managed companies, and at a lower aggregate cost, then the companies would have no real ground for objection or complaint. In our best judgment it is not possible for the Government to give such service at a lower aggregate cost.

The present Government bureau is a "Bureau of War Risk Insurance." An emergency was seen to exist, and it was necessary to take immediate action. No such emergency after the war will call for an extension of this bureau. Other more pressing questions will have precedence, so that the American people will be able to study the question sufficiently, to have no illusions as to the advantages of Governmental life insurance.

McADOO TO FRATERNALS

At End of Fiscal Year Sixteen Billions of Bonds Will be in Hands of Public

Washington, D. C., Dec. 17.—In addressing a conference of fraternal and insurance organization representatives assembled here from all parts of the country to discuss plans for helping raise war loans, Secretary of the Treasury McAdoo took occasion to make emphatic denial of rumors that vast sums of money are being wasted by the Government in the prosecution of the war.

"Of course when war comes there is waste," he said. "But what do we care about waste if by wasting something we can hasten the end of something that costs human life. Our duty is to get the men fully equipped, into the field. I don't care if it costs 150 cents on the dollar, we must get them there and quickly destroy the Kaiser.

"I sometimes wonder how I can sleep at night," he declared, "and I could not sleep if I did not have superlative confidence in the patriotism of the American people.

"The economies in the present situation mean that every man, woman and child in the nation must save everything and waste nothing. Every nation now engaged in this struggle with us must draw on America. We haven't enough to go around if we waste it."

PASS $2,000,000,000 MARK

How War Risk Applications are Pouring Into War Risk Bureau, Washington

Washington, D. C.—Applications for insurance from sailors and soldiers of the United States armed forces received by the Bureau of War Risk Insurance of the Treasury Department has passed the two billion dollar mark, it was announced by the Secretary of the Treasury McAdoo.

According to the announcement or the Secretary, "Up to the close of business on December 14, 238,924 applications, representing $2,073,728,500 of insurance, had been received. The average amount applied for per man is $8,679. This individual average had been steadily increasing. The maximum fixed by law is $10,000 and the minimum $1,000.

"A record-breaking total was registered Thursday," the Secretary declared, "when 18,000 applications, aggregating $167,514,000 of insurance, were received. The average amount applied for Thursday was $9,306—the highest daily average to date.

"High totals were also registered yesterday, when 12,500 applications, representing $109,813,000 of insurance, were received.

"These two days break all records for the daily number and amount of insurance applications, and indicate that the military and naval forces of the nation are responding to the Government's offer to insure them with an increasing enthusiasm.

"The one billion dollar mark was passed on November 24. The totals reached to date represent less than two months' full operation of the Military and Naval Division of the Bureau of War Risk Insurance."

What is regarded by marine officers as the best insurance record for a battalion was reported by Major Holcomb, Sixth Regiment of Marines, stationed at Quantico, Va. The 1,037 men under Major Holcomb's command in the 2nd Battalion applied for $10,276,000 of Government insurance. The average amount applied for per man is approximately $9,909.

Ross C. Spier, commanding Field Hospital C. No. 3, Fort Oglethorpe, Ga., reported that every enlisted man and officer in his company applied for the full $10,000 of insurance. The company consists of eighty-three men.

Capable Agents, Desirable Company

The two most important factors in life underwriting are capability in the Agent and quality in the Company. If the Company provides an unexcelled, attractive policy for a low net cost, and has a reputation for prompt and efficient service, the result is contentment, loyalty, and success for the man in the Field, if he is capable. This Company's record is evidence of the character of its representatives and of the quality of the institution.

Occasionally we have a General Agency opening

JOSEPH C. BEHAN, Superintendent of Agencies

MASSACHUSETTS MUTUAL
Life Insurance Company
Springfield, Massachusetts
Incorporated 1851

44 MILLIONS from 42 AGENCIES

THE 1916 RECORD OF OUR EARNEST, LOYAL AND HAPPY AGENCY FORCE

New England Mutual Life
Insurance Company
BOSTON, MASS.

LIVE HINTS FOR BUSINESS GETTERS

Practical Suggestions to Help the Man With the Rate Book Increase His Income and General Efficiency

Causes For Disinterestedness

The George Washington Life defines the causes for lack of enthusiasm for life insurance felt by some men. In discussing this the Company says:

"No matter how prolific the applications; no matter how successful the salesman, there is no one who has not experienced, not only one, but many turn-downs—some brusquely; others suavely; some with no essence of tact; others with the most delightful naivete, disarming completely through diplomacy and highly developed personality even the shrewdest of us. We are not willing to admit how many times we have fallen victim of this camouflage—if we may be permitted to use the term. We are so highly sensitized in this business of salesmanship that surely any impression should be immediately registered and analyzed during the interview. On the other hand, it appears we are devoting all our scientific research and psychology to the art of making the sale, with all of our energies devoted to the proper equipment of the salesman in making the sale, without time, thought and education being given to the qualities of perception and apperception; the one being the conscious registration of an act, and the latter being the subconscious sense of what is underlying the act. A vast number of men priding themselves upon their power to read human nature, rely upon their perceptive faculties without giving sufficient heed to subjective influence. Many men subconsciously realize the cause of their loss of business at the conclusion of the interview, though it is so intangible and vague as to lead them to accept the defeat without properly analyzing the fundamental causes.

"No man wants to be without life insurance. The very man who shows you the coldest exterior would be overjoyed to receive a donation of a life insurance policy. Let us try to chronicle some of the underlying causes for disinterest and lack of enthusiasm:

"(1) Mental distraction with other affairs.

"(2) Inability of the salesman to arouse interest and desire.

"(3) The thought of the cost.

"(4) Disinclination to consider the event of death.

"(5) Lack of serious purpose in life.

"(6) A terror of discovering physical unfitness.

"(7) Disinclination to visit a physician.

"(8) Preconceived prejudice through ignorance of the service of modern life insurance.

"(9) Pride, intolerance and smock-self-satisfaction all developed to a point that delights in disappointing a solicitor—a cruel and egregious tendency developed through systematic schooling of big business where a lack of sympathy is a quality to be admired."

* * *

What Perseverance Will Do

The Pacific Mutual tells of an agent who was discouraged, but who nevertheless persevered until he was made an instructor of agencies. The story follows:

The solicitor conceived the following plan: First, to call on twenty new men each day,. Second, to interview at least eight new men each day, and made up his mind that, no matter what happened or what he had to do, he was going to carry out this program. Day after day he did this, never allowing any back calls to interfere with the task he had allotted to himself. Many times it was sheer drudgery for him so to do and had to kick himself around, but he stuck to it. At the end of the first month he had a number of prospects, but had written no business. The general agent encouraged him as far as lay in his power to stick to it, for business was bound to follow. At the end of the second month he had written two or three cases, and at the end of four months had written sufficient new business to more than make up the drawing allowance advance, and in addition had a small sum to his credit.

The general agent was so delighted with the result of his experiment that he called the solicitor into his office and requested him to quit the work he was doing and from then on to come into the office as instructor to new agents and coach and train them along the lines he had worked. After doing this for a period of close on to two years, a competitive company, which also had been watching this man closely, made him a proposition which in justice to himself and family he felt he should accept.

This man is today firmly established in the insurance field, with a bright future before him, has brought his wife and family to this country and is buying his own house. He is heavily insured, himself, for in addition to selling insurance, he is a great believer in the principle of "taking the same physic himself that he wants others to take."

All that this man had was determination and a bulldog tenacity to stick to it. He hopes that this little story will be, as stated above, of help to someone, for there is no question that determination and persistence are bound to succeed.

The mutualization of the Equitable has been carried by a vote of 10 to 1, according to advance information.

Charles P. Robinson of Monmouth Street, Red Bank, N. J., has died of heart disease. For over 20 years Mr. Robinson was employed by the Manhattan Life of New York.

THE
METROPOLITAN LIFE
Insurance Company
(Incorporated by the State of New York)



Metropolitan Life Insurance Company
Home Office Building

The Company

Of the People
By the People
For the People

The Daily Average of the Company's Business during 1916 was:

701 per day in Number of Claims Paid.

8,304 per day in Number of Policies Issued and Revived.

$1,969,823 per day in New Insurance Issued, Revived and Increased.

$376,827.40 per day in Payments to Policyholders and Addition to Reserve.

$220,509.26 per day in Increase of Assets.

JOHN R. HEGEMAN, President

New York Life W. S. S. Advice To Agents

The New York Life has made the following statement to its agents about the War Savings Certificates:

Your agency director has been appointed Government Agent for the sale of War Savings Stamps and he needs your help. How much are you worth to your agency director, to your company and to your Country? These are testing days. General net results are the touch-stones of a man's worth. To be efficient in aiding our Country in its call to battle you must make some sacrifice of time, labor and energy. Will you do it? Volunteer at once. Go right to your agency director and say "Here am I, ready to do my best." He will tell you all about it. Every man, woman or child whom you start on the road to savings and thrift by inducing to take out a United States Government War Savings Certificate with one or more War Savings Stamps attached, will always have cause to think of you as a benefactor. Once you start a man, woman or child on this Thrift Road with one or more stamps follow him up for more and more "stamps"—each War Savings Stamp now costs $4.12 and becomes $5.00 when due from the Government at the end of five years—netting him 4 per cent. compound interest—the best savings investment in the world—sell all you can.

Representing

The Mutual Life Insurance Company
of New York

You will make money.

The great strength, big dividends and incomparable benefits of the *"oldest company in America"* mean certain success for you.

For Terms to Producing Agents, Address

GEORGE T. DEXTER, 2d Vice-President

34 NASSAU STREET. NEW YORK, N.Y.

WOMEN AGENCIES

This Is the Time to Build Them Up Says Equitable Life Assurance Society

In an article on how women may serve through life insurance the Equitable Life Assurance Society makes the following points:

There never was so opportune a time to build up women's departments. More women are being and will be employed during the duration of the war than ever before. Women who have never worked, who have never thought of working before, will enter the ranks of the employes. Larger numbers of women whose husbands are at the front, desire for the sake of being occupied, to take up some useful occupation. Nothing not in line of direct patriotic duty appeals to women more than life insurance.

In one large insurance agency transacting about $7,000,000 business a year, practically the entire agency force volunteered and over half were accepted by the government. This agency has gone after women, and although it is an agency that has never made a specialty of employing them as agents, it has been able with their assistance to make good the loss it has suffered. Many other agencies may profit by this agency's example.

Verne L. Tickner, secretary of the Northern Assurance Company, has been given a leave of absence by the Company in order to become one of Commissioner Nesbit's assistants in the War Risk Bureau.

Pools play an important part in the life of man. Beginning with the old swimming pool, one later cherishes the thought of Kelly pool and, entering the insurance business finds the excise bond pool, coal mine pool and now the compensation pool.

Fitzhugh Burns, of St. Paul, manager for the Fidelity & Deposit, is in town this week and reports conditions favorable in his territory except that building is dead. The street railway strike has ceased to be a disturbing factor there.

Government Social Insurance Inquiry

(Continued from page 1)

by him pursuant to section one, shall receive a compensation of $15 per diem while actually engaged in the work of the said Commission and while going to or returning from such work.

"The commission is authorized, as a whole or by sub-committees of the Commission duly appointed, to hold sittings and public hearings anywhere in the United States; to send for persons and papers; to administer oaths; to summon and compel the attendance of witnesses and to compel testimony; to employ such secretaries, experts, stenographers and other assistants as shall be necessary to carry out the purposes for which said Commission is created; and to rent such offices, to purchase such stationery and other supplies, and to have such printing and binding done as may be necessary to carry out the purposes for which the Commission is created; and to authorize its members or its employes to travel in or outside of the United States on the business of the Commission.

Scope of Commission

"Sec. 3. That it shall be the duty of the Commission to inquire into the causes of unemployment; to inquire into the subject of systems of insurance, voluntary or obligatory, contributory or non-contributory, now in vogue to meet unemployment, invalidity and sickness, and to what extent the Government of the United States may aid by establishing a Federal insurance system for the benefit of the wage earners of the United States when in need by reason of involuntary unemployment, whether the unemployment be due to lack of work, to disability arising by reason of sickness, or to the impairment or destruction of earning capacity because of old age. If the Commission shall recommend that a Federal insurance system or fund be established by the Government of the United States, it shall prepare and recommend the regulations that would be necessary for the successful administration of a national insurance system or fund, the amount of said fund and the method of co-operation with existing insurance systems.

"Sec. 4. That the Commission shall submit, through the President, to Congress a report containing the testimony taken, its findings, and its recommendations on or before the first Monday of December of the year nineteen hundred and eighteen.

"Sec. 5. That the sum of $50,000 is hereby authorized to be appropriated, out of any money in the Treasury of the United States not otherwise appropriated, for the use of the Commission: Provided, That no portion of this money shall be paid except upon the order of said Commission signed by the chairman thereof."

William C. De Lanoy, director of the bureau of war risk insurance, announces the personnel of the bureau to date as follows:

John J. Crowley, formerly of the Travelers Insurance Company of Hartford, Conn., is assistant director.

Charles F. Nesbit, formerly superintendent of insurance of the District of Columbia, and for twenty years engaged in the insurance business, is the commissioner of the military and naval division.

Fred C. Neill, formerly in the insurance business in Philadelphia, is superintendent of the underwriting section.

Richard D. Jones, manager of the Fire, Marine and Casualty Company, 1904 to 1914, and superintendent of the compensation department of the Royal Indemnity Company, 1914 to 1917, is deputy commissioner of the military and naval division, in charge of indemnities.

E. C. Brown, of Nebraska, formerly assistant chief, law division, of the pension bureau, is assistant chief of the indemnity division, under Deputy Commissioner Jones.

Dr. W. L. Chamberlain, principal examiner for twelve years in the pension bureau, appointed from Indiana, is assistant to Mr. Brown.

Dr. Robert D. Mackinnon is medical superintendent in the indemnity division.

George E. Stauffer, formerly a national bank examiner and secretary to the Controller of the Currency, is chief clerk of the military and naval division of the bureau of war risk insurance.

The advisory board of the military and naval division of the bureau of war risk insurance consists of:

Arthur Hunter, president of the Actuarial Society of America.

Prof. James Glover, of the mathematics and insurance department of the University of Michigan.

A. W. Fraser, of Omaha, president of the Woodmen of the World.

METROPOLITAN AT HALIFAX

Extends Sympathy and Tells of Desire to Settle its Claims Promptly

The Metropolitan Life printed the enclosed advertisement in the Halifax newspapers shortly after the catastrophe:

Policyholders of the Metropolitan Life—Important Notice.

We extend our deep sympathy to those who are suffering in this sad hour. Your Company is anxious to settle immediately all its death claims and will appreciate your co-operation. If convenient call at the office in the Dennis Building. We will be pleased to send a representative if you will telephone St. Paul 175. We would also appreciate advice of any change in address of policyholders.

The Aetna Life promptly subscribed $5,000 for the relief of the needy in Halifax.

CLOSING THE DEAL

W. H. Beers, Jr., Mutual Benefit, Rochester, recently addressed the Buffalo Ad Club on "Closing the Deal."

BIG WRITERS

READ

THE EASTERN UNDERWRITER

Each Week for New Ideas

DO YOU?

Subscription $3 a Year



Just say:

"Insurance Man"—

the open sesame to every courtesy within our power.

Room with detached bath $1.50 and $2.00

Private bath $2.50 and $3.00

BREVOORT Hotel

Insurance Headquarters

MADISON ST.—East of LaSalle

CHICAGO

LAURENCE R. ADAMS, Sec'y & Mgr.

THE MOST VALUABLE POLICY FOR YOU,

Mr. Agent, is to write your prospect in the Company writing the most valuable policy for the insured.

Secure **prompt action** in the

John Hancock MUTUAL LIFE INSURANCE COMPANY OF BOSTON MASSACHUSETTS

WILLIAM N. COMPTON, General Agent

METROPOLITAN DISTRICT, ST. PAUL BLDG., 220 BROADWAY, NEW YORK, N. Y.

ORGANIZED 1871

Life Insurance Company of Virginia

RICHMOND, VIRGINIA

OLDEST, LARGEST STRONGEST Southern Life Insurance Company

Issues the most liberal forms of Ordinary Policies from $1,000.00 to $50,000.00, and Industrial Policies from $12.50 to $1,000.00

CONDITION ON DECEMBER 31, 1916:

Assets	$14,464,552.23
Liabilities	12,436,717.56
Capital and Surplus	2,027,834.67
Insurance in Force	118,349,212.00
Payments to Policyholders since Organization	18,119,172.50
Is Paying its Policyholders over	$1,300,000.00 annually

GOOD TERRITORY FOR LIVE AGENTS

"If You Were In His Place"—

Would you buy the policy you are offering your prospect? Provident agents are successful because they are absolutely convinced that the policies they offer are exactly the policies which under similar conditions they would prefer for themselves.

Write for information.

The Provident Life and Trust Company

OF PHILADELPHIA.

Founded 1865

Get On The Firing Line With Our Triple Option Policy



Liberal Agency Contracts

Every Policy Registered With The State of Missouri

The Company of Today With Methods of Tomorrow

Assets over $8,000,000.00 Insurance in force over $67,000,000.00

International Life of St. Louis, Mo.

Massey Wilson-Pres. J. L. Babler-Gen Mngr-Agencies. St. Louis Mo.

THE WESTERN AND SOUTHERN LIFE INS. CO.

W. J. WILLIAMS, President CINCINNATI, OHIO

The Largest Industrial Company West of The Alleghenies

Also Issues All Standard Forms of Ordinary $500 to $10,000

Organized 1888

COMPARATIVE RECORD—SEVEN YEAR PERIODS

	Assets	Insurance in Force		Income	Policies Issued
Dec. 31, 1888	$ 104,307	$ 889,073	1889-1895	$ 1,085,087	265,931
1895	155,640	5,294,381	1896-1902	3,930,883	638,659
1902	876,007	22,374,980	1903-1909	11,312,912	839,426
1909	4,867,379	44,780,907	1910-1916	22,670,340	1,426,752
1916	11,943,640	104,989,362			

AGENTS WANTED IN THE PRINCIPAL CITIES OF OHIO, KENTUCKY, MICHIGAN, INDIANA, WEST VIRGINIA and WESTERN PENNSYLVANIA

Extracts from Report of Examination of

SOUTHWESTERN LIFE INSURANCE CO.

By the State of Texas, June 28, 1915

"It is noteworthy that this Company was organized without any promotion expenses."

"I beg to report further that I find the Company in excellent financial condition."

"The volume of its business has steadily increased, its surplus is growing rapidly and its funds are being carefully conserved under expert supervision."

Home Office, DALLAS, TEXAS

THE EASTERN UNDERWRITER

This newspaper is owned and is published every Friday by The Eastern Underwriter Company, a New York corporation, office and place of business 105 William Street, New York City. Clarence Axman, President; W. L. Hadley, Secretary; R. W. Swayne, Assistant Secretary. The address of the officers is the office of this newspaper. Telephone 2497 John.

Subscription Price $3.00 a year. Single copies, 25 cents.

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DIVIDEND TALKS

There is a great deal of significance in the fact that publications of life insurance companies in all parts of the country are running extended quotations from the papers of George E. Ide, president of the Home Life, and William A. Hutcheson, second vice-president and actuary of the Mutual Life, on future dividends. It will be recalled that Mr. Ide declared in brief that the situation created by the war, with attendant taxation, was so serious that there should be unanimous action if possible by companies in reference to dividends. In other words, that all should cut or none. Mr. Hutcheson predicted that some companies would cut dividends and argued that it was entirely logical to do so. There does not seem to be any doubt the scaling down of dividends is now under consideration with executives of numerous companies. If this comes to pass any agent of a competing company, which has advanced dividends or maintained them, who criticises companies which have acted otherwise, will be extremely shortsighted and not have the ultimate interest of the policyholders at heart. In the final analysis the real argument for life insurance is merit of the original contract with the positive assurance that it will be carried out.

DID DR. QUAYLE EXAGGERATE?

The more life insurance men study the important and intensely interesting paper on "Reclamation of Men Rejected by the Draft and its Relation to Life Insurance," the greater is there conviction that the distinguished physician, Dr. John H. Quayle, of Cleveland, who delivered it, presented figures about certain dreaded diseases which are not justified by the facts, as disclosed either in the experience of company medical directors or in the military encampments.

The statement of the Cleveland physician that this country is fighting three enemies—the Germans, tuberculosis and syphilis—is not denied, but few medical men in life insurance will go as far as he does. To illustrate, he quoted "one of my professional friends in the army" as saying "Twenty per cent. of the young adult male population of the class from which the army is recruited, viz., from 21 to 31, have been found to be syphilitic by the Wasserman test."

While Dr. Quayle did not present this as his own opinion he lent the air of authenticity to it by mere quotation. The Eastern Underwriter has not been able to find one medical man who agrees with the high percentage given publicity by Dr. Quayle. Furthermore, it is flatly denied. Then, too, his statement about the wide prevalence of veneral diseases is particularly significant in view of the veiled stories of their inroads in the great armies, printed in many newspapers. How true are these stories? It is difficult to believe them. What is the situation in the American camps? This may throw some light on the situation:

A prominent American life insurance man just back from a large cantonment, where he went for the Government on a mission which gave him an entre everywhere, including hospitals, said that in this camp he found less than two dozen cases of veneral disease in the hospital; not many among 50,000 men. Here, then, to cite a concrete case, is a wide margin between rumor and reality.

Dr. Quayle is quite correct in pleading that syphilis should be taken out of the class of disgraceful diseases (because much of it is extra-genital), and right, also, in saying that the public should be educated to appreciate its dangers in order to aid in its prevention, but he is wrong in painting the picture too black, particularly in the twenty per cent. quotation.

HAS THE LAST FLING

Charles F. Nesbit probably smiled when for the District of Columbia's annual report he wrote an eighteen page criticism of stock company fire insurance rates, together with an argument for mutual insurance as the correct type of fire insurance indemnity; and then got away from the brickbats by retiring from office as superintendent of insurance of the District of Columbia. For several months he has been commissioner of the Soldiers' and Sailors' Insurance Division of the War Risk Bureau, in which post he is so busy taking care of the biggest insurance proposition in the world that he will not have time to read any criticisms upon his fire insurance rating and reserve recommendations. His report, written in August, was printed last week. The last word in the controversy, therefore, is his.

W. S. S.

As was expected, the first of the great businesses to announce practical war savings certificate campaigns are the life insurance companies. One of the most practical and public-spirited actions is that of the Travelers in enclosing a thrift card with one stamp attached in the pay envelopes of 5,000 employes. President Butler sizes up the scope of the W. S. S. movement in the following effective fashion:

It will help to win the war.

It teaches the lesson of the value of saving.

It will bring the satisfaction which comes from doing good and from accumulation of resources.

It is lending money which is sure to be repaid with interest.

None are too rich, none are too poor, to participate.

THE HUMAN SIDE OF INSURANCE



FRANK G. MORRIS

Frank G. Morris, who has been selected as one of the assistant managers of the Ocean Accident and Guarantee Corporation, Ltd., is exceptionally qualified for this important position, in the opinion of casualty men. Particularly is this true among his executive associates in the corporation, and those underwriters with whom he has come in contact at various casualty insurance conferences.

Mr. Morris began his career as a lawyer, specializing in the law of insurance. He entered the employ of the Ocean in 1901 as head of the New York Claim Department, continuing in that position up to 1914, when he was appointed superintendent of the Workmen's Compensation Department, which position he held until 1916, when he became superintendent of the Metropolitan Department.

Mr. Morris' various promotions during his sixteen years of service with the Ocean have all followed logically, for he is a man possessed of sound judgment and natural executive ability. A man of an agressive, manly personality and of an inherently loyal nature. He is an earnest worker, not the spasmodic sort, but a worker of untiring, constant, intelligent application —a quality that invariably brings a merited reward.

* * *

George A. Viehmann, president of the New Brunswick and New Jersey fire insurance companies, and president of the New Jersey State Chamber of Commerce, was a speaker at the war convention dinner of the Manufacturers' Council of the New Jersey State Chamber of Commerce in Newark on Wednesday night. This is the first of a series of war conventions to be held in many of the States.

* * *

J. S. Frelinghuysen is one of the United States Senators who are making speeches for a more vigorous prosecution of the war, the cutting of red tape and for publicity to show the country where we are weak in preparation and execution and how we can become strong.

Dr. S. S. Huebner, whose text book on life insurance has had a wide sale, has been helping the Government in important legislation, and was the expert who served on the merchant marine and fisheries commission which framed the present shipping bill. He is professor of insurance and commerce at the Wharton School of Finance, University of Pennsylvania.

* * *

Captain Harvey B. Stone, chief surgeon of he Maryland Casualty, has been in France as a member of the Hopkins Hospital Unit since shortly after the United States declared war. He writes interestingly of the fighting there.

* * *

Sir Henry Knight, former Lord Mayor of London, and at one time chairman of the old City of London Fire Insurance Company, died this month. He had many friends in Boston and New York among the older generation of insurance men, made during frequent visits to this country. The City of London retired from this country after a bad conflagration experience.

* * *

Harry French, of French & Sterling, special agents of the Aetna Casualty & Surety, will address the next meeting of the Brooklyn Brokers' Association which will be held January 10 on the increased automobile fire and theft rates. At that meeting the service flag of the association which was provided for at the last meeting will be displayed. Letters have been sent to all members asking them to co-operate in finding out the exact number of members who are now in the service.

MANAGERS VISIT WASHINGTON

Several managers of fire insurance companies visited the Treasury Department in Washington this week in relation to the statement of Mr. McAdoo that all foreign insurance companies make application for license before February 1. Underwriters of companies of Allied countries feel that the requirement is unwarranted.

AMERICAN SURETY DIVIDEND

The American Surety Company of New York has declared a quarterly dividend of 2 per cent.

CURIO AT LIBRARY

The Insurance Library at 84 William Street is displaying a piece of fused wire glass from the Washburn Wire Works fire. It is over a yard long and several inches thick.

Automobile Insurance Company Reinsures Nord-Deutsche

The Automobile Insurance Company of Hartford has insured the Nord-Deutsche, effective January 1.

The Nord-Deutsche entered the United States for fire business in August, 1911. It had previously been transacting a marine business on the Pacific Coast since 1901. The total United States assets of the Company were $2,619,260 on December 31, 1916. The net surplus was $811,738. The statutory deposit of the Nord-Deutsche is $400,000.

J. H. Lenehan has been the United States manager of the Company for a long term of years and F. Herrman & Co., of New York, were the managers here of the marine and automobile departments.

FIRE INSURANCE DEPARTMENT

Rate Committee Acts on Use and Occupancy

EXCHANGE TEMPORARY ADVANCE

Awaits Report of Brokers' Committee Before Adopting Companies' Uniform Rules and Clauses

At the meeting of the rate committee of the New York Fire Insurance Exchange on Tuesday a temporary increase in use and occupancy rates was adopted. The new rate consists of 80 per cent. of the contents' rate instead of the building rate as heretofore.

It is planned to use this rate only during the interim from now until such time as the new schedule of rules and clauses which has been adopted by the companies elsewhere can be adopted and applied in New York City.

Temporary Relief

It is thought that this schedule will be adopted by the New York Exchange as soon as the committee from tbe Fire Brokers' Association, which was appointed to confer with the rate committee of the exchange and which has had two such conferences, has made its report and recommendations to the exchange.

Until now, use and occupancy insurance on contents could be written at the building rate. War conditions made this rate too low. The new 80 per cent. rate approximates that which would be had under the new schedule and, as it is estimated that it would take about two years to put the new schedule into effect in New York City, the temporary rate is intended to give the companies relief in the meantime.

NEW YORK BOARD MEETING

C. F. Shallcross Reports Alarm System Nearing Completion—Report on Hydrants and Pumping Stations

At the meeting of the New York Board of Fire Underwriters held on Wednesday, Cecil F. Shallcross, United States manager of the Royal, who is chairman of the committee on automatic alarms, reported that, at the present rate of progress, the system would be ready in about six months.

J. F. Van Riper, branch manager of the Norwich Union and chairman of the special committee appointed to investigate the conditions of pumping stations and fire hydrants in the metropolitan section, made his report. The report showed 1,000 pumping stations to be out of order and described conditions in Coney Island, where $110,000 had been appropriated several years ago for repairs but which had not been used. As a result of the Dow Stores and other Brooklyn fires and their revelation of conditions, work was started on the pumping stations in Coney Island when it was found that because of the greater cost of labor and materials an additional $85,000 would be necessary for the work. The report also showed the hydrants to be in poor condition.

Six More Join Sprinkler Conference

EXECUTIVE COMMITTEE MEETING

Fifty-Two Companies Now Parties to Agreement—Great Development During Year

A meeting of the executive committee of the Sprinkler Leakage Conference was held in New York yesterday. At that meeting applications for membership in the Conference were accepted from six companies, all of Hartford. They are the Phoenix Insurance Co., Equitable Fire & Marine, Connecticut Fire, Standard Fire, London & Lancashire and the Orient.

Organized in 1912

The Sprinkler Leakage Conference is now on a firmer footing than at any time since its organization in 1912. Its membership comprises fifty-two companies, which does not include those German companies which have discontinued business here but were members of the Conference. The annual meeting of the Conference will be held February 11 when it is expected that interesting figures will be divulged showing the great development which has transpired in the sprinkler leakage field in the past few months.

MARINE CLUB MEETING

Major F. R. Stoddart, Jr., and T. C. Jones Are Speakers—Fifty-Five New Members Elected

The regular monthly meeting of the Insurance Club was held last Wednesday at the Waldorf Astoria. T. Catesby Jones, marine insurance attorney, read a paper on "Embargoed Vessels and their Cargoes." Major Francis R. Stoddart, Jr., of the 9th Coast Artillery, U. S. A., and deputy superintendent of insurance of New York State, spoke extemporaneously of his observations while on the French and British battle fronts.

Fifty-five new members were elected and a war relief contribution was made. It was announced that the annual meeting of the club would be held January 30 with the regular monthly meeting on January 14.

THE NEW YORK ANCHORAGE

The Army Board of Engineers yesterday empowered the supervisor of anchorages here to extend for one mile the anchorage area for vessels loaded with explosives.

This arrangement, it is believed, will relieve the congested anchorage conditions which have existed in the harbor and afford greater safety in these waters.

PAMPHLET ON COTTON

The National Board has prepared a pamphlet on safeguarding cotton against fire, which will be sent to all shippers and handlers of cotton. It was prepared by a special committee of experts appointed by President R. M. Bissell. The pamphlet presents a set of rules which it is believed are practicable and fairly complete.

London and Lancashire Fire Insurance Co. Ltd.
OF LIVERPOOL, ENGLAND.

FIRE AND MARINE INSURANCE—ALL LINES

The Automobile Insurance Company of Hartford, Conn.
MORGAN G. BULKELEY, President

Statement January 1, 1917

Cash Capital	$1,000,000.00
Assets	2,748,832.19
Liabilities (Except Capital)	1,039,977.81
Surplus to Policyholders	1,708,854.38

AFFILIATED WITH
AETNA LIFE INSURANCE COMPANY
THE AETNA CASUALTY & SURETY CO.

THE WILLIAM H. KENZEL COMPANY
FIRE INSURANCE AGENT
REPRESENTING AT NEW YORK OFFICE
79-83 WILLIAM STREET

HUMBOLDT FIRE of Pittsburgh, Pa.
EQUITABLE FIRE & MARINE of Providence, R. I.
IMPERIAL ASSURANCE of New York, N. Y.
GRANITE STATE FIRE of Portsmouth, N. H.
ALLEGHENY FIRE UNDERWRITERS of Pittsburgh, Pa.
COMMERCE INS. CO. of Albany, N. Y.
AACHEN & MUNICH FIRE Organized 1825
FRANKLIN FIRE of Philadelphia, Pa.
CALEDONIAN-AMERICAN of New York, N. Y.

REPRESENTING AT BROOKLYN BRANCH
154 MONTAGUE STREET

LONDON ASSURANCE of London, England
NORWICH UNION of Norwich, England
COMMERCE INS. CO. of Albany, N. Y.
GRANITE STATE FIRE of Portsmouth, N. H.
MECHANICS INSURANCE CO. of Philadelphia, Pa.

NORTH BRANCH FIRE INS. CO.
Sunbury, Pa.
Inc. 1911

Assets	$641,341.77
Reserve	230,513.29
Capital	300,000.00
Surplus	63,479.83

CITY INSURANCE COMPANY
Pittsburgh, Pa.
Inc. 1870

Assets	$357,318.58
Reserve	54,256.92
Capital	200,000.00
Surplus	96,379.07

OPERATING ON A CONSERVATIVE BASIS IN A LIMITED TERRITORY UNDER AN EXPERIENCED MANAGEMENT

Uncertainty About Cancellation Feature

MOST MEN HAZY ON SUBJECT

An Underwriter Anxious to Have Decisions Grouped and Analyzed By an Expert

New York, Dec. 17, 1917.

Editor The Eastern Underwriter:

The feature of cancellation of policies by notice has been receiving some attention lately and there have been some decisions of special interest.

I have noticed a decision which William B. Ellison obtained in the United States District Court in favor of the Globe & Rutgers, in which it was held that a cancellation notice which matures on Sunday holds over until the next day. It has been a question among many thinking men as to whether an improperly drawn cancellation notice was void by reason of its form, or as to whether the date of maturity would be extended as provided for in this new case.

Another recent case of interest is the one in Albany where it was held that return or tender of the unearned premium was not necessary to a legal cancellation, and that all that is legally necessary is to pay the unearned premium on demand on surrender of the policy.

This feature is taken care of in the new New York Standard policy which takes effect January 1, but it is a question as to whether this decision would probably hold good in States where the old New York Standard policy is still required.

Ever since my first weeks in an insurance office I have noticed a feeling of uneasiness and uncertainty in the minds of experienced men as to what constitutes a legal cancellation, where the contract itself is not returned. This is a question as to whether a cancellation notice should advise the assured of the desire of the company to cancel; of its intention to cancel on a certain date; or as to whether the notice should convey a flat statement that on and after five days from the date of the receipt of the notice the policy "will be" cancelled.

I am quite certain that not less than 90 per cent. of the men who should be thoroughly informed on this subject are either extremely hazy or are misinformed in one or more important details, and I think that some one should throw some light on the subject.

While the subject is under discussion, it would seem to be wise to cover the various points including the tender of unearned premium from the standpoint of the provisions in the various standard policies of the different States.

Another feature is that hardly any two companies have the same form of cancellation notice; and, furthermore, hardly any companies have uniform rules as to what they will accept from an agent or broker in lieu of the cancelled policy. If the statements of responsible agents are to be believed, it is a common practice for companies to accept carelessly registered receipt cards without even having a copy of the cancellation notice or any certification to the effect that such notice was actually contained in the envelope before mailing. Cancellations have been successfully contested in the past by claim of the policyholder that there was nothing in the envelope.

Another interesting case is that of the man in New Jersey who received a registered cancellation notice and put it in the ice box without opening it. He defeated the company's claim to the effect that the policy had been cancelled. In this case, if I remember correctly, it was held that a man not only must get a notice, but he must read it. If he gets a notice and does not open it and does not know what it is, it is not a notice.

I am unburdening my mind of all the uncertainties and inconsistencies in connection with this subject which I can remember, and if they can be straightened out authoritatively, it will be a distinct service to the insurance fraternity.

ALBANY FIELD CLUB MEETS

The Albany Field Club will hold its annual meeting at Keeler's Hotel at 7:30 o'clock, December 21. A number of important matters are to be considered and officers for 1918 elected. While it was expected that Special Agent E. H. Hornbostel, of the Germania, would address this meeting, he was unable to attend owing to the serious illness of his daughter.

ATTACH FREEZING CLAUSE

Some of the companies writing water damage are attaching freezing clauses to policies where the lack of heat due to the coal shortage creates the possibility of an additional hazard from water freezing in pipes with consequent losses. Companies writing sprinkler leakage are also concerned over the possibility of sprinkler equipment freezing.

VANCOUVER MAN HERE

William Lawson, of the Vancouver Vessel & Insurance Agency and who represents the Continental, is in New York. He says that the shipbuilding program in Vancouver is progressing satisfactorily and that conditions are favorable otherwise.

ROCHESTER MAN JOINS ARMY

Frank H. Englehardt, who condocts successful agencies in Rochester, has been called to join the National Army. He will be stationed at Fort Hancock, N. J.

SUN TOBACCO FUND

The Fire and Casualty Insurance League of New York City has turned over to the Sun Tobacco Fund $122.32 as the net proceeds of the dance October 11. Receipt of the check has been acknowledged by the Sun Fund which also acknowledged statement of receipts and expenditures which accompanied the check.

B. M. CROSTHWAITE & CO.
Fire and Automobile Insurance Specialists
Lines Bound Anywhere in New York State
105 William Street, New York City, N. Y. Telephones 2404-5-6-1758-1090 John

EQUITABLE UNDERWRITERS of New York
— FIRE and WAR RISKS —
Lines Bound Throughout United States, Canada, Cuba and Mexico. Home Office: 68 William Street

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103-5 William Street GENERAL AGENTS New York, N. Y.
FIRE and AUTOMOBILE INSURANCE
Excellent Facilities for Handling Suburban Business Phone: John 2312

ARTHUR C. SWINTON
1 Liberty Street GENERAL AGENT New York City
FIRST NATIONAL FIRE INSURANCE CO.
Washington, D. C.
New York Suburban and New Jersey
Exceptional Reinsurance Facilities Local Agents' Interests Protected

Capacity For Local Agents
You can use our capacity as your own to take care of additional business beyond the capacity of admitted Companies.
Our capacity is as high as $150,000 on a single risk with immediate binders and 10% commission to brokers. Guaranteed Underwriters. Use our special Surplus Line Department. Special liberal policies for Baggage Insurance.
MARSH & McLENNAN
Insurance Exchange, Chicago
19 Cedar St. NEW YORK · 1015 California St. DENVER · 314 Superior St. DULUTH · 300 Nicollet Ave. MINNEAPOLIS
Ford Bldg. DETROIT · 17 St. John St. MONTREAL · 23 Leadenhall St LONDON
THESE OFFICES GIVE YOU THE BEST THERE IS IN INSURANCE SERVICE

Authorized Capital $500,000
Detroit National Fire Insurance Co.
DETROIT, MICHIGAN
A Company to be built gradually and along the indicated lines of permanence
AGENCY CONNECTIONS SOLICITED

FRED. S. JAMES · GEO. W. BLOSSOM · WM. A. BLODGETT
FRED S. JAMES & CO.
123 WILLIAM STREET
NEW YORK
United States Managers
GENERAL FIRE ASSURANCE CO. of Paris, France
URBAINE FIRE INSURANCE CO. of Paris, France
EAGLE & BRITISH DOMINIONS INS. CO. Ltd. of London, England
C. B. G. GAILLARD Assistant Manager
UNDERWRITING SERVICE THROUGHOUT THE UNITED STATES

Adjusters Quit; Await Halifax Developments

GOVERNMENT MAY PAY ALL LOSS

Deep Snow Makes Fixing Liability Impossible—Personnel of Committees

Adjustment of all losses in Halifax has been postponed until after the holidays. Two reasons are given for this action. One is the general public demand that the Canadian and British Governments pay all the losses, both fire and concussion. The Canadian Government has appropriated $1,000,000 as a relief fund and the British Government $5,000,000. It is believed that additional funds will be forthcoming from the Canadian authorities. In other words, the damage is popularly regarded as a war loss.

Another reason given for the postponement of adjustment is that the ruins are so deeply covered with snow that it is impossible to tell what is fire loss and what is concussion loss. Some managers and adjusters who have been on the ground say that not before spring will it be possible to ascertain the real conditions.

Heavy Mutual Loss

The heaviest losses will fall upon the factory mutuals. The Dominion Textile mill, which was sprinklered, carried $450,000 in New England mutuals. It was situated at Dartmouth, across the harbor from Halifax and is a total loss.

Personnel of Loss Committee

The Halifax loss committee, which has the entire matter in charge, is composed as follows: C. A. Evans, Royal and Queen; J. R. Douglas, Nova Scotia Fire Underwriters and National, Hartford; B. P. Saunders, Commercial Union, Norwich Union and Phoenix of Hartford; Harold Oxley, Continental; Senator Roach, of the Halifax Fire; J. G. Keator, National Union, National-Ben Franklin and Yorkshire; A. J. Bell, Insurance Company of North America.

Managers Gave It Up

A committee of managers and adjusters from Montreal and Toronto went to Halifax as soon as possible after the disaster. They found conditions so chaotic that they determined it would be useless to try to accomplish anything at present and went away, leaving everything in the hands of the local committee. Among the managers who went from Montreal are H. M. Lambert, Guardian; T. L. Morrissey, Union; Randall Davidson, North British & Mercantile; John Jenkins, Employers Liability; Thomas F. Dobbin, Generale of Paris; W. E. Baldwin, Continental. From Toronto went F. J. Stewart, Aetna; Lyman T. Root, Sun; J. B. Laidlaw, Norwich Union; Norman G. Richardson, New York Underwriters. Mr. Sugarman, the salvage manager of San Francisco, was in Montreal preparing to open a branch of his business there, and he went with the party.

Losses About Which There Is Inquiry

None of the American companies anticipate any more than nominal losses. The cordage plant is said not to have been damaged by fire. The old sugar refinery building did not take fire while standing, but is a heap of ruins, which are partly burned over. The values in this building are said to be considerable. The new refinery building was sprinklered and is not damaged. There was a large amount of insurance on the sugar shed owned by the Furness-Withy & Co., the steamship firm. The building was unroofed, but no fire loss has been reported.

When asked as to sending a special adjuster from New York, one adjuster there said the only possible reason he can see for doing so would be on account of the Arcadia Sugar Refinery loss. A number of New York companies hold some of this risk which in the aggregate amounts to several million dollars.

The statutory conditions of Nova Scotia are similar to those of the Standard Policy in this country and make the insurer liable for loss caused by explosion of coal gas in a building not used as a gas works; also loss by fire caused by any other explosion and lightning.

Charles A. Evans, of 175 Hollis Street, Halifax, branch manager for the Royal and the Queen, advised the New York office that he and his family escaped injury and that his office is not damaged. The losses of these two companies are moderate and they will be adjusted through the Halifax branch.

General Agent A. M. Jack Dies in Hospital

A. M. Jack, general agent at Halifax of the Aetna and many other companies, who was injured in the Halifax disaster, died in a hospital there a few days ago. Although Mr. Jack received wounds, which turned out to be fatal, his first thought after the catastrophe was of his companies, to whom he sent wires describing conditions at Halifax, part of which were printed in The Eastern Underwriter last week.

Board and Non-Board on Committee

W. R. MacInnes & Co., Halifax, inform The Eastern Underwriter that their estimate of the loss from fire is about $1,000,000 and from explosion about $5,000,000. All adjustments of claims were left in the hands of a general committee, fire loss claims only being admitted. The general committee (representatives of board and non-board companies agreeing upon its personnel), is acting as a clearing house with full power to appoint adjusters and when claims are settled they will be passed over to their respective companies.

The general committee consists of seven men, and its first meeting was held on December 10.

In writing to The Eastern Underwriter W. R. MacInnes & Co. said: "There is not a building in Halifax, Dartmouth or the surrounding country which did not suffer some damage by explosion, i. e., windows, doors or plaster. We consider that we had a loss of about $300 personally and the same amount to our office."

"The Leading Fire Insurance Company in America"



AETNA INSURANCE COMPANY

Aetna Fire Underwriters Agency

of Aetna Insurance Co.

Application For Agencies Invited

RED CROSS ACTS

Takes Immediate Cognizance of Suggestions of National Board Regarding Candles

In response to a protest by the National Board an urgent official telegram has been sent from the Washington headquarters of the American Red Cross to all chapters in the United States, withdrawing the suggestion that lighted candles be placed behind the Red Cross "Service Flags" in the windows on Christmas Eve. The widest possible publicity is requested.

The National Board also urged that publicity be given this subject in moving picture houses and this suggestion is also being acted upon by the Red Cross.

EXPIRATION DATE FIXED

All the policies carried by the Municipal Insurance Fund Commission of Newark, N. J., will be rewritten so as to expire at the same time instead of at different periods during the year. Commissioner Archibald advocates reinsuring seventy-five per cent. of all risks over $250,000. The mayor says he has been advised by insurance men to keep the risks of the fund to fifty or sixty per cent. of the total and reinsure the remainder.

PROPOSES CHANGING NAME

A proposal to change the name of the German Fire, of Pittsburgh, will be voted upon at the annual meeting in January. The company has been in business for fifty years. It is an American company, chartered under the laws of Pennsylvania and owned and controlled exclusively by citizens of the United States.

The Department of Agriculture is preparing a pamphlet on fire prevention and fire fighting on the farm.

THE HANOVER
FIRE INSURANCE COMPANY
Incorporated 1852

The real strength of an insurance company is in the conservatism of its management, and the management of THE HANOVER is an absolute assurance of the security of its policy.

R. EMORY WARFIELD, President
FRED. A. HUBBARD, Vice-President
E. S. JARVIS, Secretary
WILLIAM MORRISON, Asst. Sec'y

HOME OFFICE
Hanover Bldg., 34 Pine St.
NEW YORK

HOWIE & CAIN, General Agents
Metropolitan District
100 WILLIAM STREET, NEW YORK

[FIRE]
German American
Insurance Company
New York
STATEMENT JANUARY 1, 1916
CAPITAL
$2,000,000
RESERVE FOR ALL OTHER LIABILITIES
10,146,941
NET SURPLUS
10,217,685
ASSETS
22,364,626

INCORPORATED 1720
Royal Exchange Assurance
LONDON, ENGLAND
United States Branch
92 William Street, New York
RICHARD D. HARVEY
United States Manager

Full War Cover, Explosion, Marine and Fire Insurance and Allied Lines
FIDELITY-PHENIX FIRE INSURANCE COMPANY
A Strong American Company Backed by Strong American Assets
HOME OFFICE
80 Maiden Lane, New York
SAN FRANCISCO OFFICE
Insurance Exchange Bldg.
CHICAGO OFFICE
332 So. LaSalle St.
HENRY EVANS, President

Phillips Throws Cold Water On Hearing

SUPERINTENDENT ON YONKERS

City Council There Had Passed Ordinance Calling Rate Advance an Imposition

The Common Council of Yonkers, N. Y., passed a resolution protesting against the 10 per cent. increase in rates in that territory and requesting Superintendent Phillips to hold an early hearing in Yonkers, "if same is agreeable to the superintendent," and at this hearing "the public and city officials may be heard in protest looking to effective action for the policyholders' protection."

Superintendent Phillips' Comment

Here is the reply of the superintendent of insurance:

"Your letter of November 30, 1917, is at hand, advising that you have been directed by the Common Council to call to my attention the matter of the increased fire insurance rates in your locality, and submitting a copy of resolutions adopted by the Council protesting against the imposition of these rates, with the request that an early hearing be held where the public and the city officials may be heard.

"On numerous occasions and from many different sources, the fact has forcibly been brought to my attention that the unusual number of large fires, together with the increased cost of replacements, has been working a hardship upon many of the fire insurance companies. Added to this has been the contention that the new war taxes, including postage, traveling, telegraph and telephone expenses, increase in printing and stationery costs, and other additional expenses, require the companies to take action which would reimburse them for these outlays so that they may remain solvent and in condition to meet their obligation. I regret, therefore, that I can see no useful purpose served in holding a hearing such as is suggested by the Common Council.

"If, however, the Council believes that the property-owners in Yonkers are being unfairly discriminated against in violation of the law, because of the increase in rates, I will investigate sons for making such carges."

Mallalieu on Yonkers' Per Capita Fire Loss

At about the same time Manager Mallalieu, of the National Board, sent a letter to the editor of the Yonkers "Standard," saying in part:

"As you may know, the National Board has nothing whatever to do with the question of fire insurance rates, having definitely and finally abandoned that function forty-one years ago. We do know, however, that the Yonkers per capita fire loss is a very high one, averaging considerably more than that of most other cities. Specifically, the figures for the past five years are as follows:

1912	$3.38	per capita
1913	2.49	per capita
1914	1.49	per capita
1915	1.25	per capita
1916	2.65	per capita
Average	2.25	per capita

"For the purposes of comparison, we give the per capita fire losses for New York City for the same five years:

1912	$2.24	per capita
1913	1.36	per capita
1914	1.44	per capita
1915	1.00	per capita
1916	1.56	per capita
Average	1.52	per capita

"Thus you will note that the Yonkers per capita fire loss is approximately 50 per cent greater than that in New York City, in spite of the increased hazard of highly-congested population."

Several Fire Bugs Are Found Guilty

SOUTH WALES MAN CONVICTED

Agent Censured by Court—Capitol City Cap Company and a Saloon Case

E. S. Braunfeldt, of South Wales, Pa., has been convicted in the Circuit Court at Norristown of burning a dwelling and two barns. He had been in the real estate and insurance business and later entered the nursery business. The dwelling was built before the Revolution and the whole property was appraised at $5,000. There was $13,000 insurance on it, of which the Royal had $4,500, Fire Association $2,000, Commercial Union $3,250, Dubuque F. & M. $3,250. The last two policies were placed July 30, 1917, and the fire occurred September 17.

J. H. Johnston, an insurance agent of Norristown who placed the insurance in the Commercial Union and the Dubuque F. & M., was a witness at the trial. He was censured by the court for his manner of answering questions.

It was shown that Braunfeldt's mother-in-law, Clara Webster, took this property in trade for some in New York; that just before the fire the South Wales property was transferred to Braunfeldt's wife and that both Braunfeldt and Clara Webster were in financial difficulties. It was also shown that Johnston had obtained a judgment against Braunfeldt and his wife, on a note. Braunfeldt was at one time in Binghamton, N. Y., where he was known as Thomas Clyder. He served two years in Auburn for forgery. In Pennsylvania the penalty for firing with intent to defraud is an indeterminate sentence of not exceeding seven years.

Two at East Stroudsburg

Israel Freed, foreman, and David Radin, a blocker in the Capitol City Cap Company factory at East Stroudsburg, Pa., have been found guilty in the Court of Wayne County on four counts growing out of the burning of the plant August 1, 1916. Both men were placed in custody of a sheriff pending final disposition of their cases. There are indictments pending against eight others, including owners, managers and employes of the concern.

Passaic Case This Week

This week the case of the People vs. David Lentz of Passaic, N. J., was called at Paterson. Lentz is accused with having set fire to the saloon operated by himself at 489 Main Avenue, Passaic, June 11, 1917. Fire was discovered in the basement and on the first floor back of the bar. There were four "plants" set, each consisting of a lighted candle placed in a cigar box containing black gun powder. Lentz is said to have been seen coming out of the building just before the fire. One of the boxes of powder flared up while the firemen were entering an upper floor. In the attic there was a lighted candle standing in a box of papers. The National Board has been actively presecuting all these cases.

NEW YORK STATE DEPARTMENT
HUMBOLDT FIRE OF PA. TEUTONIA FIRE OF PA.
CAPITAL FIRE OF N. H. GEORGIA HOME OF GA.
PERCY B. DUTTON, Manager, ROCHESTER

1853 Sixty-Fourth Year 1917
FARMERS' Fire Insurance Company
YORK, PENNSYLVANIA

Assets (Dec. 31, 1916)	$1,116,968.00
Net Surplus (Dec. 31, 1916)	514,025.00

W. H. MILLER, President
A. S. McCONKEY, Sec. and Treas.

The Gamewell Fire Alarm Telegraph Co.
Fire Alarm and Police Telegraphs for Municipal and Private Plants
OVER 1500 PLANTS IN ACTUAL SERVICE
GENERAL OFFICES AND WORKS
NEWTON UPPER FALLS, MASS.
AGENCIES
5708 Grand Central Terminal, New York
448 John Hancock Building, Boston, Mass.
1216 Lytton Building, Chicago, Ill.
335 Wabash Building, Pittsburgh, Pa.
915 Postal Building, San Francisco, Cal.
304 Central Building, Seattle, Wash.
Utica Fire Alarm Telegraph Co., Utica, N. Y.
Northern Electric Company, Limited, Montreal, Canada.
General Fire Appliances Co., Ltd., Johannesburg, South Africa
Colonial Trading Co., Ancon; Canal Zone, Panama
F. P. Danforth, 1060 Calle Rioja, Rosario de Santa Fe, Argentine Republic

GERMANIA FIRE INSURANCE COMPANY
NEW YORK.
ORGANIZED 1859
STATEMENT, JANUARY 1, 1917

Cash Capital	$1,000,000.00
Assets	8,553,704.22
Liabilities	4,222,485.60
Net Surplus	3,331,218.62
Surplus for Policy Holders	4,331,218.62

HEAD OFFICE
Cor. William and Cedar Streets

[of Liverpool, England]
ROYAL INSURANCE COMPANY LIMITED
THE LEADING FIRE COMPANY OF THE WORLD

BRITISH AMERICA ASSURANCE CO.
Incorporated 1833
(FIRE AND INLAND MARINE)
Head Office, Toronto, Canada
United States Branch
January 1, 1917

Assets	$1,936,279.77
Surplus in United States	823,964.59
Total losses paid in United States from 1874 to 1916, inclusive	24,669,753.43

W. R. BROCK, President
W. B. MEIKLE, Vice-Pres. & Gen. Mgr.

207th Year
SUN
INSURANCE OFFICE OF LONDON
FOUNDED 1710
UNITED STATES BRANCH:
54 Pine Street - New York
WESTERN DEPARTMENT:
76 WEST MONROE ST., CHICAGO.
PACIFIC DEPARTMENT:
N. W. Cor. Sansome & Sacramento Sts.
San Francisco, Cal.

LOGUE BROS. & CO., Inc.
Fire—Casualty—Automobile Insurance
Nation-Wide Facilities for Handling SURPLUS LINES
307 FOURTH AVENUE PITTSBURGH, PA.

PHILADELPHIA
ADEQUATE FACILITIES
ALL LINES
CLARENCE A. KROUSE & CO.
LOCAL AND GENERAL AGENTS
325 WALNUT STREET PHILADELPHIA, PA.
PENNSYLVANIA NEW JERSEY
SATISFACTION SERVICE
ALL LINES

Tell Credit Men of Insurance Viewpoint

EXTRACTS FROM ARTICLES

Fine Publication of Underwriting Questions Being Sent Broadcast Through Country

The Eastern Underwriter has had the privilege of looking over the proofs of the articles on fire insurance written by prominent insurance men for the National Association of Credit Men and presents some very brief extracts of each herewith. Next week the articles will be treated more extensively.

Dickinson on 1918 Outlook

In his article on "The Effect of the War on Fire Insurance Companies," H. N. Dickinson, secretary of the Glens Falls, concluded with the following observation: "It will be appreciated that the outlook for 1918 and the years succeeding the war's duration is, to say the least, decidedly disquieting. It is manifestly impossible for fire insurance to be conducted profitably at the present premium level and some profit is necessary for corporate existence. Inasmuch as fire insurance is about the only staple or commodity of which we have knowledge, the price of which has not inclined upward, it must be apparent that insurance rates must advance quickly if fire insurance companies are to continue to live and furnish the solid indemnity upon which is based the credit system of not only the United States, but the entire civilized world."

Moore on Policy Contract as Asset

Howard P. Moore, of the Home, writing on "The Fire Policy as an Asset," said in part: "An active experience of more than twenty years covering thousands of cases and all sorts and conditions of men prompts the writer to declare his belief in the straightforwardness of company practice and that a genuine desire prevails to prevent rascality from making profitable recovery, giving, with seldom erring judgment, honest business the benefit of any surface doubts and easy access to its rightful asset, the fire insurance policy-contract redeemed in full."

$750,000 on a Single Risk

Bruce Dodson, chairman of the American Reciprocal Insurance Association, said: "Reciprocal or inter-insurance was first established in the United States in 1881. Since that time, it has gained in favor until at the present time many important industries and classes of insurers are served by their respective exchanges, some of the larger reciprocal exchanges serving individual subscribers for amounts as large as $750,000 on a single risk."

Better Understanding on Losses

One paragraph from the paper of Allen E. Clough, chairman of the Loss Committee of the New York Board of Fire Underwriters follows: "If the National Association of Credit Men, Chambers of Commerce and Merchants' Association or other business organizations should consider the subject of closer relations with the insurance companies, which are admittedly such a prime factor in business credits and stability, should decide to provide formally a committee or board to suggest on request proper appraisers, it would certainly lead to a much better understanding between the insuring public and the companies. It should be made clear that such nomination would be evidence of an exceptionally honorable standing in the trade by the nominee and its acceptance should be considered by him a business obligation. Acting as an appraiser would be thus under the endorsement of the whole business body, and taken out of the category of a personal employment."

Only One Claim Out of 30,000 Adjudicated by Courts

"The Fire Insurance Policy as a Contract" was discussed by William N. Bament, general adjuster of the Home and Franklin:

"Insurance companies are not inclined to resist the payment of claims, but, on the contrary, they sometimes approach the extreme limit of propriety, generosity and good morals, in their efforts to avoid litigation. This is evidenced by the fact that of all the losses which occur, probably not more than one-fifth of one per cent. become the subject of litigation, and one-half of these are settled before the cases come to trial. To put it another way, out of all the policies issued, the courts are not called upon to adjudicate claims under more than one out of every 30,000 which may be regarded as quite a favorable commentary upon the mutual fairmindedness of the companies and the insuring public."

How to Read a Company Statement

Alfred M. Best concluded an article on "How to Read the Statement of Condition of Your Insurance Company" in part: "To sum up: The business man should satisfy himself as to the character of the management and the quality of the assets (including consideration of their convertibility into cash quickly and without undue sacrifice) of each company whose policy is submitted; he should make sure that it is transacting a volume of business, neither too large nor too small in proportion to its net resources; i. e., first, its surplus, and, second, its paid-in capital, and he should make sure that its loss and expense ratios are normal, for a prosperous company is likely to be more just in its settlements than one which maintains only a struggling hold upon existence."

Automobile Rates Inadequate

In his paper on "Automobile Insurance for Business Men," A. E. White, of the Northern, said: "It might not be a disgression, but rather an item of interest to mention the fact that all classes of insurance on automobiles are written at rates entirely inadequate to the risks assumed, or the liability outstanding. This condition is chiefly due to the lack of sufficient statistics, caused byb the fact that the automobile is comparatively a new venture for insurance companies and the time is not far distant when there will be a revision of rates, which will be more equitable for both the company and the policyholder."

Flat Rates Unfair and Harbor Favoritism

In his paper on "The Work of the Rating Bureau" Willis O. Robb, manager of the New York Fire Insurance Exchange, said:

"Schedule rating and free competition in fire insurance rates are utterly incompatible, and their existence side by side is always and everywhere a threat to the public interest. Competitive writing tends always and everywhere to produce flat or non-schedule rates, and flat rates are always and everywhere contrary to public policy, as not only harboring the possibilities of great favoritism and unfairness, but as wholly failing to encourage improvements. Schedule rating is at this moment everywhere securing improvements and so bringing about both the reduction of the fire hazard and the reduction of the average fire rate, specially in those communities where the companies rating body receives the practically unanimous support of the companies operating in the territory. And this is true whether or not there is present, as there ought to be, a clear-cut form of State or public supervision of the rate-making work. The lowest average rates obtainable anywhere in the United States are those current in the City of New York, and New York City is precisely the one spot where there is the least measure of independent or rate-cutting activity among the companies."

Shepley on Sprinklers

George L. Shepley, of Starkweather & Shepley, writing of automatic sprinkler protection, said: "Practical automatic protection was born in the United States and has spread over the entire world. Great installations are to be found in the far East, while European textile centers have understood and adopted this system of protection to a great extent. In them rests the hope of large reduction of fire losses."

Hail Insurance's Importance

Walter C. Leach, secretary of the Minneapolis Fire & Marine, in his discussion of storm insurance, made this point among others: "While all insurance protection is necessary and should be carried hail insurance is the most important, as it re-imburses the farmer against a loss of crop that cannot be replaced within the year, while losses by fire and tornado are simply questions of replacement and repair at any time."

O'BRIEN WITH AUTO COMPANY

William A. O'Brien, who has been with Crum & Forster for twelve years, of late as renewal clerk, will start on January 1 with the Automobile Company of Hartford in its New York office as assistant to J. R. Maltbie, who is counterman.

NEWSPAPER MAN BUYS AGENCY

Raymond Parramore, circulation manager of the Gloversville "Herald," has resigned to go into the insurance business. He has purchased the agency of Rutherford & Co., 24 North Main Street, Gloversville.

E. R. REILLY LEAVES

Edward R. Reilly, cnief loss clerk of the German-American, has secured a chief yeomanship in the Naval Reserves and expects to leave within the next few days.

BROKERS ACTIVITIES

Stockham & Co.'s Commissions

Baltimore daily papers are asking the question: "How much commission did Grant W. Stockham & Co. receive from its award by the city of Baltimore on $5,000,000 insurance for five years at a premium of $40,000? The Stockham company operates independently of the fire underwriters' association." However, as the other agents did not get the commission they are probably not interested in its amount.

* * *

Oakland School Insurance

The city of Oakland will apportion its $5,750,000 school insurance among the 600 licensed agents of that city.

* * *

Marine Forms

Witherby & Co., London, have issued a new book on marine insurance forms, which is being circulated among brokers.

* * *

Attitude Towards Brokers

The "Insurance Post" of Chicago, in its current issue, prints the following comments on large city brokers:

"Does it ever occur to the large city agents that there is any inconsistency in their attitude towards the insurance broker? They court him and 'cuss' him. They argue seriously that he is a pest and run after him as if he were a life saver. They deal out policies to him like free advertising literature and then complain because he does not pay for them. They spend their time helping him close business, pay him full commissions, wait for his settlements and claim they make no profit on him.

"This inconsistency arises from failure to differentiate between brokers and brokers. In a city like Chicago the term 'broker' is as broad as charity in its coverage. It includes the well-informed, hard-working insurance man who knows his business and attends to it, handles his own risks and pays his premiums, and also the ignorant, lazy, irresponsible grafter whose chief contribution to insurance is heading off a premium that would have gone to a legitimate agent or broker who would have earned it by service. This inclusion of all classes under one head and treating them as if they were on a par is utterly unfair. As well call all residents of the First Ward thieves because some thieves are known to live there.

"If State Street stores opened charge accounts with as little investigation as some offices in the Insurance Exchange do, they would go into bankruptcy, not because the people of Chicago are deadbeats, but because they had extended credit to deadbeats among the citizens of Chicago. If agents were as careful in selecting those to whom they entrust policies and extend credit as are the leading merchants they would disconnect a number of so-called brokers from the tank whence flows easy money."

COLONIAL INSURANCE AGENCY
54 MAIDEN LANE Phone John 1210 NEW YORK CITY
AUTOMOBILE AND ALL FIRE AND CASUALTY LINES
"SECOND TO NONE IN SERVICE"

JONES, LAUNT & BARRETT, Inc., GENERAL AGENTS
JONES LAUNT INCORPORATED BARRETT
CAPITAL FIRE INSURANCE COMPANY of CAL.
CHICAGO BONDING & INSURANCE COMPANY
GREAT EASTERN CASUALTY COMPANY
THAMES & MERSEY MARINE INSURANCE CO., Ltd.
SECURITY MUTUAL FIRE INSURANCE CO. of MINN.
BOSTON NEW YORK LONDON CHICAGO BALTIMORE
We are strictly an Agency Office, and can offer service and facilities anywhere in the United States.
HEAD OFFICES: 411-13 Walnut Street, PHILADELPHIA
NEW YORK OFFICE: 95 William Street, NEW YORK CITY

QUEEN'S AIR AND SEA PLANE POLICY

originals be lost, at such reasonable place as may be designated by this Company or its representative, and shall permit extracts and copies thereof to be made.

It is a condition of this policy that failure on the part of the assured to render such sworn statement of loss to the Company within sixty days of the date of loss (unless such time is extended in writing by the Company) shall render such claim null and void.

Appraisal

In the event of disagreement as to the amount of loss or damage the same must be determined by competent and disinterested appraisers before recovery can be had hereunder. The assured and this company shall each select one, and the two so chosen shall then select a competent and disinterested umpire. Thereafter the appraisers together shall estimate and appraise the loss or damage, stating separately sound value and damage, and failing to agree, shall submit their differences to the umpire; and the award in writing of any two shall determine the amount of such loss or damage; the parties thereto shall pay the appraiser respectively selected by them and shall bear equally the expenses of the appraisal and umpire.

Payment of Loss

This Company shall not be held to have waived any provision or condition of this policy or any forfeiture thereof by any requirement, act or proceeding on its part relating to the appraisal or to any examination herein provided for; and the sum for which this Company is liable, pursuant to this policy, shall be payable sixty days after the notice, ascertainment, estimate and satisfactory proof of the loss herein required, have been received by this Company, including an award by appraisers when appraisal is required hereunder.

Protection of Salvage

Any act of the assured or this Company, or its agents, in recovering, saving and preserving the property described herein in case of loss or damage, shall be considered as done for the benefit of all concerned and without prejudice to the rights of either party, and all reasonable expenses thus incurred shall constitute a claim under this policy.

Subrogation

If this Company shall claim that the loss or damage was caused by the act or neglect of any person or corporation, private or municipal, this Company shall, on payment of the loss, be subrogated to the extent of such payment to all right of recovery by the assured for the loss resulting therefrom, and such right shall be assigned to this Company by the assured on receiving such payment.

It is a condition of this policy that this insurance shall not inure to the benefit of any carrier whatsoever but the right of the assured to recover under this policy shall not be prejudiced by any release from liability which may have been given to any railroad or other carrier or bailee in any bill-of-lading or other contract of carriage or storage, and this Company concedes to the assured the right to give such release; any right of recovery the assured is entitled to against said carrier or others shall, by subrogation, inure to the benefit of this Company upon payment of the claim and this company shall be entitled, if it so desire, to take over and conduct in the name of the assured, the defense of any action or to prosecute any claim for indemnity, damages or otherwise against any third party.

Cancellation

This policy shall be cancelled at any time at the request of the assured; or by the Company by giving five days' notice of such cancellation. If this policy shall be cancelled as hereinbefore provided, or become void or cease, the premium having been actually paid, the unearned portion shall be returned on surrender of this policy, this Company retaining the customary short rate; except that when this policy is cancelled by this Company by giving notice it shall retain only the pro rata premium. Notice of cancellation mailed to the address of the assured stated in the policy shall be a sufficient notice; the check of the Company, or its agent, when similarly mailed shall be a sufficient tender of any unearned premium.

Misrepresentation and Fraud

This entire policy shall be void if the assured or his agent has concealed or misrepresented, in writing or otherwise, any material fact or circumstance concerning this insurance or the subject thereof; or if the assured or his agent shall make any attempt to defraud this Company either before or after the loss.

Agent

No person shall be deemed an agent of this Company unless specifically authorized in writing by the Company.

Suit Against Company

No suit or action on this policy, for the recovery of any claim shall be sustainable in any court of law or equity unless the assured shall have fully complied with all the foregoing requirements, nor unless commenced within twelve months next after the happening of the loss, provided that where such limitation of time is prohibited by the laws of the State wherein this policy is issued, then and in that event no suit or action under this policy shall be sustainable unless commenced within the shortest limitation permitted under the laws of such State.

This policy is made and accepted subject to the provisions, exclusions, conditions and warranties set forth herein or endorsed hereon together with such other provisions, exclusions, conditions or warranties as may be endorsed hereon or added hereto, and upon acceptance of this policy the assured agrees that its terms embody all agreements then existing between himself and the Company or any of its agents relating to the insurance described herein, and no officer, agent or other representative of this Company shall have power to waive any of the terms of this policy unless such waiver be written upon or attached hereto, nor shall any privilege or permission affecting the insurance under this policy exist or be claimed by the assured unless so written or attached.

Provision required by law to be stated in this Policy, "This Policy is in a Stock Corporation."

In Witness Whereof, this Company has executed and attested these presents, but this policy shall not he valid until countersigned by the duly authorized manager or agent of the Company at .....

The daily report follows:

Amount $..... Rate... Premium....
Name of Assured .....
Address of Assured .....

The term of this policy begins at noon on the .....day of ....., 19.... and ends at noon on the ..... day of ....., 19..., Standard Time.

Amount of insurance, ...dollars.

Warranties

1. Assured's occupation or business is .....

2. The following is the description of the plane: Model .....Year ..... Trade Name .....Kind of Plane .....Type of Hull ..... Wood or Steel .....Factory Number .....List Price .....Advertised Horse Power .....

3. The facts with respect to the purchase of the plane described as follows:

Purchased by the assured, Month .....Year .....New or Second Hand .....Actual Cost to Assured, including equipment ..... The plane described is fully paid for by the assured and is not mortgaged or otherwise encumbered, except as follows: .....

4. The uses to which the plane described are and will be put are.....

The plane described is usually kept in hangar, Located.....
(Street number, street, city, state.)

Total insurance permitted $.....

Perils insured against (except as hereinafter provided):

(A) Fire arising from any cause whatsoever and lightning.

(B) While being transported in any conveyance by land or water—standing, sinking, collision, burning or derailment of such conveyance, including general average and salvage charges for which the assured is legally liable.

Exclusions

1. It is a condition of this policy that this Company shall not be liable for:

(a) Loss or damage to personal effects;

(b) Loss or damage which may be caused directly or indirectly by invasion, insurrection, riot, civil war or commotion, or military or usurped power.

2. It is a condition of this policy that it shall be null and void:

(a) If at the time a loss occurs there be any other insurance in excess of the amount permitted herein covering against the risks assumed by this policy which would attach if this insurance had not been effected;

(b) If the interest of the assured in the property be other than unconditional and the sole ownership, or if the subject of this insurance be or become encumbered by any lien or mortgage except as stated in Warranty No. 3 or otherwise endorsed hereon;

(c) If this policy or any part thereof shall be assigned without the consent of this Company endorsed hereon or in case of transfer or termination of any interest of the assured other than by the death of an assured, or any change in the nature of the insurable interest of the assured in the property described herein, either by sale or otherwise.

Additional Conditions

This Company shall not be liable beyond the actual cash value of the property at the time any loss or damage occurs, and the loss or damage shall be ascertained or estimated according to such actual cash value, with proper deduction for depreciation however caused, and shall in no event exceed what it would then cost the assured to repair or replace the same with material of like kind and quality; such ascertainment or estimate shall be made by the assured and this Company, or, if they differ, then by appraisers as herein provided.

Should the plane hereby insured fall to the earth through any other adventure than fire, and fire ensue because of such precipitation, this Company shall be liable only for the cash value ascertained as above provided less a fair deduction for damage caused by collision with the earth prior to the fire.

It shall be optional with this Company to take all or any part of the property at such ascertained or appraised value and also to repair, rebuild or replace the property lost or damaged with other of like kind and quality within a reasonable time, on giving notice within thirty days after the receipt of sworn statement of loss herein required of its intention so to do; but there can be no abandonment to this Company of the property described.

Attached to and made part of Policy No.....

QUEEN INSURANCE COMPANY
OF AMERICA

Agent.

PENNSYLVANIA RATE ADVANCE

Commissioner Says Advance Must Be General—Claims His State Profitable

In reference to the proposed increase in fire insurance rates in Pennsylvania, the State insurance department has addressed a letter to the secretary of the Philadelphia Board, asking for an explanation as to the reasons, etc., for the increase.

Speaking of this subject Commissioner Ambler said to a representative of The Eastern Underwriter:

"We believe the companies are entitled to some increase owing to the increase in expense due to war conditions, and also increase in loss cost. We will be satisfied if the companies assess the extra cost all over the country. We will not be satisfied if only such States as Pennsylvania which have given the companies a profit, are made to bear this extra cost. We believe the companies are entitled to an increase, but it must be made universal and not collected from certain sections only."

NEED NOT JOIN RATING BUREAU

The Michigan department has issued Ruling No. 32, under which it will not require companies to become members of a rating bureau in order to insure automobiles against fire, or require companies who are not members of a rating bureau to file with the department their fire rates on automobiles.

It has previously been the ruling of the department that the fire anti-discrimination law, now known as the rating bureau law, applies to automobile insurance. All companies insuring automobiles against fire were required to become members of a rating bureau, or file their rates. The attention of the department was called to the revised laws of 1917, which, according to the attorney-general do not apply to automobile fire insurance.

The General Adjustment Bureau, New York, held its annual meeting last week, heard the usual reports and re-elected all the officers and directors.

CASUALTY AND SURETY NEWS

Plate Glass Company Wins Black Tom Suit

TEST CASE AGAINST RAILROAD

Appeal to be Taken to Appellate Division—Main Points in Complaint

A verdict against the Lehigh Valley Railroad Company and in favor of the New Jersey Fidelity & Plate Glass Insurance Company was given by a jury in the Supreme Court in Jersey City, in an action growing out of the damage done by the Black Tom explosions, July 30, 1916. An appeal to the Appellate Division is expected.

This is the first action brought by any of the plate glass companies and is in the nature of a test case. The plaintiff sued to recover on 600 claims aggregating $23,000. A motion to nonsuit was made by former Secretary of War Lindley M. Garrison and denied by the court. The defense put in no testimony and the jury was not required to name the sum due. The aggregate of all insurance claims in connection with this explosion reaches many millions of dollars.

The present suit was brought under the Company's subrogation rights. The plaintiff claimed the railroad was negligent in the manner in which it held and kept the explosives, the complaint being based on the following grounds:

1. That the thirty or more car-loads of explosives, half of which was T.N.T., were all bunched in one part of the yard so that any fire or other trouble to any one of these cars would necessarily have effected the remainder.
2. That the railroad was negligent in not guarding the cars, as there was nobody in close proximity who could have prevented the fire which preceded explosion, or put it out.
3. That there was no fire fighting equipment near at hand.
4. That the water pipe lines to which the firemen coupled hose had no water in them. That the firemen opened several hydrants with this result.
5. That after the fire was discovered the watchmen were all afraid to go near it and therefore let it burn.
6. That the railroad company was dilatory in sending in an alarm. The fire started among the ammunition cars and after it had been burning for about one hour, eight cars of T.N.T. exploded.

The case was defended largely on the theory that the railroad had no reason to expect that a fire would occur in the yard and so far as the railroad company was concerned it was not negligent in any way.

At the trial it developed that there were five railroad men working in the Black Tom yard, which is a mile long. Four of these had specific duties and one was supposed to keep general watch over the whole place. Most, or all of them, saw the fire when it was a very small affair. When asked why they did not try to extinguish it they said they had their own special jobs to attend to.

M. M. Stallman, who represented the plaintiff, also represents the New York Plate Glass, and E. F. Smith, who assisted in the trial, represents several other insurance companies. The final disposal of the case may have some effect upon the claims paid by fire companies and the liability for damage to buildings, which was not insured against.

Get Nowhere on New Standard Form

PICK FLAWS IN "MODEL" POLICY

Conference of Departmental Industrial Commission and Brokerage Interests Thresh Out Contract

Torn limb from limb at the hearing Wednesday, the proposed "Standard Form Workmen's Compensation and Employers' Liability Policy" goes back to committee to be revamped. It was left to the New York Insurance Department and the committee to call another meeting. A proposal that a representative of the Insurance Department and of the Industrial Commission, and Walter G. Cowles, of the Travelers, be invited to sit with the committee was favorably received.

Stenographers Overworked

Hardly a line of the proposed form was left intact. Representatives of the stock companies, the Insurance Department, the Workmen's Compensation Rating Board, the mutuals and the Brokers' Association appeared, many bearing lists of recommendations and suggestions as long as the form itself. This mass of material was launched at the overworked stenographers to be placed on the record for the guidance of the committee.

Early in the proceedings one member of the committee retired and one commissioner received the broadsides practically unaided, the other two members twiddling their pencils or gazing blankly upon the authors of the deluge of recommendations.

Who Prepared Form

The proposed form was the result of joint conferences of the Insurance Department and the Industrial Commission and was prepared by a special committee of insurance carriers appointed at the suggestion of Superintendent of Insurance Jesse S. Phillips.

GENERAL ACCIDENT CHANGES

Sander Promoted to Succeed Du Valle Who Is Now With the Gauvin Agency

The General Accident this week announced several changes in its Metropolitan branch office. Harry J. Sander has been promoted to succeed Manuel Du Valle as superintendent of the payroll audit department. Mr. Du Valle is now with the Gauvin Agency in charge of the payroll audit department of that office. Mr. Sander has been with the Metropolitan office for four years as superintendent of the collection department and was previously in charge of the collection department of John A. Kelly & Co. for three years.

It was also announced that George Prendeville, who has been with the General for a number of years, had been promoted to the position of counterman succeeding Oscar F. Larsen, who has resigned to join the navy.

General Accident

FIRE AND LIFE

ASSURANCE CORPORATION, Ltd.

FREDERICK RICHARDSON, United States Manager.

GENERAL BUILDING · 4TH & WALNUT STS.

PHILADELPHIA

SERVICE THAT EXCELS

Accident Health Automobile Plate Glass Burglary Liability

Fidelity Contract Judicial Public Official Depository Bonds

FIDELITY & DEPOSIT CO.

OF MARYLAND

BALTIMORE

Accident Companies Are Losing Money

COMPILATIONS FOR NEW MANUAL

Model Investigation Report—Shortening of Schedules—Charting Industrial Centers

How the manual committee of the Health & Accident Underwriters' Conference is proceeding with the work of revamping the Conference Manual is described by R. Perry Shorts, chairman of the committee.

How the new Manual classifications will be reduced in number is illustrated in the following example of the cement and lime schedule:

PRESENT MANUAL

Cement and Lime—	
Ash wheeler	E
Bag repairer	D
Ball man	E
Burner man	E
Chemist (testing only)	B
Cooper (see cooper)	
Crusher man	E
Dresser	D
Dryer man	E
Greaser (in factory)	E
Grinder	X
Hopper man	E
Kiln man	D
Laborer (in factory)	E
Lime man	E
Limestone man	E
Loader	E
Marl dredger	E
Miller	D
Mixer	D
Oiler	E
Packer	D
Quarry (see quarry employes)	
Rope chopper (in factory)	E
Sacker	D
Sample boy	E
Slag man	E
Storage man	E
Tester (city employ)	B
Weigher (not handling)	C

PLAN FOR NEW MANUAL

Cement and Lime—	
Bag repairer	D
Chemist (testing only)	B
Dresser	D
Grinder	X
Kiln man	D
Miller	D
Mixer	D
Packer	D
Sacker	D
Tester (city employe)	B
Weigher (not handling)	C
Worker or laborer (not otherwise classified)	E

Plan of Procedure

The committee first sent a circular to all of the prominent accident and health companies asking for their claim ratio experience on about 240 different occupations—in which occupations over ninety per cent. of all accident and health business is written. These reports are now being received from day to day and by combining the figures so compiled, the committee

(Continued on page 18)

Money for Agents in Steam Turbines

PREMIUMS ARE SUBSTANTIAL

Accidents Frequent and Costly—Business Increasing—Form of Endorsement Used

Steam turbine accidents are numerous and costly and the use of this type of power is increasing steadily. The existence of so many of these machines furnishes a good field for an insurance agency to develop and the engineer's department of any company writing this line can supply agents with concrete information as to how damage is caused and why insurance on the plants is necessary and economical in the long run. Many machines are of large size and would carry substantial premiums. Following are examples of minimum premiums on machines of various kilo-wattage, for $5,000 and $50,000 insurance, with the extra charge per thousand for additional amounts.

Kilo-watts.	Min. premium for $5,000	Min. premium for $50,000	For each additional $1,000
50	$22.55	$113	$2.01
250	32.75	125	2.05
700	55.70	152	2.14
1,500	96.50	200	2.30
3,500	198.50	320	2.70
5,000	275.00	410	3.00
10,000	530.00	710	4.00

Accidents and Losses

Following is a partial list of steam turbine accidents and losses:

Boston Manufacturing Co., Waltham, Mass., March 31, 1915, steam turbine exploded, loss estimated at between $4,000 and $5,000. One man slightly injured. Cause excessive steam pressure in the turbine case.

Cleveland Electric Co., Cleveland, Ohio: Turbine exploded. Details not ascertained.

Commonwealth Edison Co., Chicago, Ill.: 10,000-kw. turbine, generator case distorted, shearing off 2-in. bolts and wrecking electrical end of machine.

Consolidated Gas, Electric Light & Power Co., Baltimore, Md., August 30, 1913, 7,500-kw. turbine exploded. Atmospheric valve failed to relieve pressure on exhaust side, causing excessive over-pressure resulting in turbine explosion. Entire unit wrecked, with portion of building, five persons injured. Loss estimated at $175,000.

Federal Mining Co., Flat Rock, Mo.: 750-kw. generator completely destroyed together with building.

Havana Central Ry. Co., Havana, Cuba: Entire machine thrown up and out of its bearings and to one side.

Hudson River Power Co., Utica, N. Y.: Wrecked from overspeeding; loss, $25,000. A second accident completely destroyed machine; loss $75,000.

Illinois Traction Co., Riverton, Ill., July 20, 1911, rotor of steam turbine exploded, two persons killed, two injured, property damage between $40,000 and $50,000.

Lewiston Water & Power Co., Lewiston, Idaho: Main shaft deflected and stripped blades. Entire rotating part had to be replaced.

Los Angeles Gas & Electric Co.: Three turbines wrecked in one explosion. Loss $250,000.

Massachusetts Chemical Co., Walpole, Mass.: Piece broken out of rotor. Entire rotor replaced.

Monterey Electric Light and Power Co., Monterey, Mexico: Turbine exploded and had to be rebuilt.

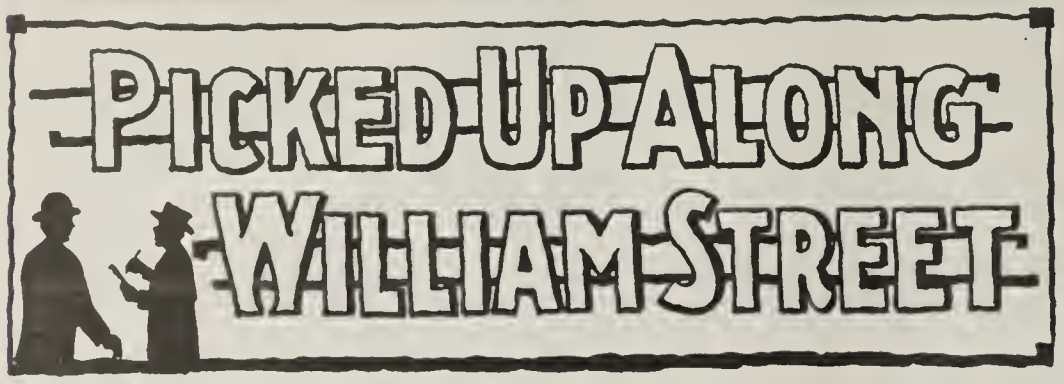
New York Edison Co.: Two turbines exploded simultaneously. Loss $75,000.

Niagara Falls Power Co.: Generator exploded from electrical disturbance and overspeed. Loss, $60,000.

Port Huron Electric Co., Port Huron, Mich.: Generator exploded from overspeeding. Steam end entirely wrecked.

Savannah Electric Co., Savannah, Ga.: Accident shut down the plant for some time.

(Continued on page 19)



Not Mike Baker

No, there isn't anybody in the National Workmen's Compensation Service Bureau of the name Michael Baker. There is Mr. Michelbacher, the actuary who sometimes smokes a corn cob pipe.

* * *

Surety Men Divided

Those who are not in sympathy with the action of surety companies in advancing contract bond rates take the position that it is better underwriting which is needed rather than higher rates. They say that the companies are still too prone to accept contract business indiscriminately and make the good pay for the bad. In further substantiation of their views these gentlemen point to the earning power of some companies which make their own rates independent of what anybody else may do, and yet pay good dividends in spite of their rates being lower than those in general use. All this does not exactly tally with the instructions the bureau companies have for months been hammering into their agents regarding the necessity for the greatest possible care in contract bond underwriting.

* * *

New York Club Prosperous

Since A. Duncan Reid took the presidency of the Casualty & Surety Club of New York that organization has undergone considerable change and the new president, William M. Tomlins, finds a much stronger and cohesive body than existed a year ago. Mr. Reid was successful in ferreting out what the members desire in sociability and entertainment. There was demand for something more serious, more constructive, more elevating and less frivolous than the practices which had crept into the club. Interest in the monthly meetings and "war time dinners" now held is more general than for a long time. Good speakers are provided and there is a wholesome mixture of the instructive and the entertaining. This program is proving popular and entitles the organization to the respect and support of a larger number of substantial men in the business. The club has a balance of $500.

* * *

To Check up on Claims

It is proposed to establish a workingmen's insurance bureau in New Jersey in connection with the State Labor Department to have original jurisdiction in awards under the compensation law, subject to appeal to the courts. This proposal is in line with the similar methods in use in New York and Massachusetts, to check up on cases where there is no contest, to be sure that workmen receive all that is due them. It is designed to protect the man who is too ignorant or too careless to properly look after his own interests.

Deluge of Broken Glass

While plate glass companies lost little in Halifax because they had little at risk there, it is nevertheless interesting to note that one of the chief causes of death was the flying glass. Spears of glass five and six inches long went hurting through the air in clouds. Persons a mile or two away from the scene of explosion rushed into the open just in time to face this terrible onslaught from the clouds. A New York man found one of these spears six inches long embedded in the woodwork over the desk of a police station a mile and a half from the waterfront.

* * *

Bill Flanegin's Big Job

Forty-four thousand dollars premiums in twenty-four working days is the record of the Pittsburgh agency of the Maryland Casualty.—W. W. Flanegin & Co.

* * *

Chili Sauce

The Maryland Casualty has placed $30,000 burglary insurance in the residence of the Ambassador for Chili, to run for three years at $423 premium.

* * *

Announcing the Temporary Discontinuance of "Candor"

In announcing the discontinuance for the time being of "Candor," Manager H. C. Mitchell, of the Commercial Casualty, said this week to his agency force:

It is with sincere regret we announce the temporary discontinuance of "Candor" with this, our Christmas, issue.

Only after careful and serious deliberation have we arrived at this decision—a decision we honestly believe is justified by the unusual conditions now existing.

The abnormal increase in the cost of everything connected with the conduct of our business has forced us into a policy of the most thoughtful conservation in the management of all our departments.

Our country is engaged in stupendous warfare. Our Government has called upon all of us to exercise the most rigid economy. Grave problems have arisen which must be met with wholehearted and unselfish sacrifice.

All our resources, men, money, time and energy must respond to the beck and call of those who are guiding the destinies of our people.

It is not for us to question cause or effect of these times of stress and anxiety. As loyal citizens we must answer with the fullest measure of our devotion.

Our company has enjoyed a year of prosperity; we look forward to the coming year with renewed hope for continued success in all our undertakings.

We believe it a patriotic duty at this time to so conserve our energy as to be prepared to meet our country's call for strength and service.

"Candor" has been a wonderful help to us. We have come to look upon it as the mouthpiece of our company. For nineteen months it has carried our message broadeast throughout the land. It has been an open forum for the free and candid exchange of thought and idea. To part with it now is like parting with a helpful and devoted servant.

But "Candor" will come back. Just as soon as conditions are restored to normal, just so soon will the publication of "Candor" be resumed.

Let us pray for a speedy and successful end of the conflict; for the welfare and prosperity of our country; for the safety of our boys "over there;" for the happy reunion of families.

May the spirit of this coming Yuletide fill our homes with a cheerfulness that will dispel the menacing clouds that hover over us, and may the New Year bring with it the blessings of a world peace such only as the Nazarene prayed for when he asked that there be "Peace on Earth, Good Will to All."

* * *

W. B. Joyce, Jr., Commissioned

William Joyce, Jr., eldest son of William B. Joyce, president of the National Surety, has received a commission as first lieutenant, Aviation Section, U. S. A., after having recently passed the examination at Fort Meyer. Texas. Lieutenant Joyce is 27 years old and before entering the army was connected with the St. Paul and Minneapolis branch of William B. Joyce & Co.

* * *

Challenge by Globe Indemnity

The Globe Indemnity has taken up the Red Cross drive with the same energy as was displayed in the Liberty Loan campaign. The company will have one hundred of its men devoting their spare time to the drive and they challenge any company offices in New York City to beat them in results. The Globe Indemnity holds a unique position as regards the number of its men who are in service; over 43 per cent. It beat all the other casualty offices in New York in number of applications for Liberty bonds, the amount of the sales being over $400,000. The company was also a heavy buyer of the bonds.

* * *

Maryland Casualty Building

The Maryland Casualty has purchased the six story building at 105 William Street, New York. When the existing leases expire and alterations have been completed Manager Eugene F. Hord, now at 100 William Street, will transfer his entire local staff to the new location which will be known as the Maryland Casualty Building.

In the building at the present time are B. M. Crosthwaite & Co., The Eastern Underwriter, Fleischmann & Sulzbacher, J. S. Frelinghuysen, Henry E. Otto & Co., Inc., T. M. Ten Broeck & Co., Inc., Blake & Rice, The I. H. Klein Company, Harry Rosenberg, Charles A. Rogers, M. A. Freedman, Schaefer & Shevlin.

Accident Companies Are Losing Money

(Continued from page 17)

shall be able to determine what would seem to be the correct classification for practically every occupation in the Manual. These compiled figures clearly indicate that all companies have been losing money for years on accident and health policies issued to certain classes of risks and now is the time to remedy these conditions.

A large number of investigations are being made by competent underwriters as to occupational hazards in all important industries. The committee has prepared a chart which shows the headquarters for all of the important industries in the United States—for illustration, this chart shows that Detroit is the center of the automobile industry, Milwaukee and St. Louis the brewery industry, etc. Competent underwriters are then assigned to the work of investigating the occupational hazards of the principal industries in their respective cities. Furthermore, the committee makes it a point to get a considerable number of reports on each industry so as to be in position to check one man's report against another and thus gain the advantage which comes from having different viewpoints of different men on the same question.

Meeting War Expenses

On and after January 1, wherever the North American Accident is charging a $5 policy fee, the agent must collect, in addition, one month's premium, half of premium to go to the Company and half to the agent. Where the policy fee is $2 plus first month's premium, the agent will collect $3.50 plus one month's premium and retain half the premium.

On new business, paid six months in advance, the agent will be entitled to an additional 2 per cent. commission. If collected annually in advance, 5 per cent. additional commission.

* * *

Bonding Supply Manufacturers

The United States Government is requiring bonds from manufacturers of uniforms, supplies, etc., to the extent of approximately 25 per cent. of their contracts.

* * *

Burglary Renewals at Same Rate

The phase of the new burglary rules which permit renewals to be re-written in the same company up to February 1 at the old rate was the subject of much comment this week. When written in a new company, the business carries the increased rate.

* * *

J. L. Humphrey's Change

J. L. Humphrey has joined the agency of Herman Hoopes, Inc., Philadelphia, which represents the Fidelity & Deposit. Mr. Humphrey formerly represented the Company in St. Louis.

* * *

O. F. Larsen Resigns

Oscar F. Larsen, counterman of the New York office of the General Accident, resigned this week, effective in the near future to rejoin the Navy, in which he served for a number of years.

The Employers' Liability Assurance Corporation, Ltd.
The original and leading Liability Insurance Company in the World
LIABILITY, STEAM BOILER, ACCIDENT, HEALTH, FIDELITY AND BURGLARY INSURANCE
United States Branch
SAMUEL APPLETON, United States Mgr.
Employers' Liability Building
33 BROAD STREET, BOSTON, MASS.
AGENTS WANTED



AMERICAN SURETY COMPANY
OF
NEW YORK
100 BROADWAY
Fidelity and Surety Bonds

CASUALTY AND SURETY POINTERS

Found Out What Was Wrong

A State agent of the National Casualty was much puzzled because he could not get any action from his field force. Crops of all kinds were all right. Factories were crowded with orders and short of help. Wages were up, and merchants were doing big business. Not a chance to locate any part of the trouble in that direction. The claim department was also doing its work satisfactorily, so the State agent forthwith packed his grip and took to the road to find what was up by talking directly with the agents. Writing letters did not bring results. This is what he found. The agent himself was the fault. War had ruined his business. He had lost six policyholders by enlistment, and ten more had been called. What was the use of canvassing? You couldn't get them, and if you did, you would soon lose them through draft. That was the general complaint. The agents admitted that they hadn't lost enough to make any real difference, but they were sure they would. They admitted that they hadn't been driving for new business, feeling sure that their convictions were correct, so what was the use? So after discovering the general conditions the State agent picked out one of these fellows who was particularly down in the mouth and just to show him that he was wrong went out and wrote fourteen annual premiums in three days. There are plenty of other agents who need a demonstration like this to convince them and put them on the job again.

* * *

Some Ideas on Nerve

Nerve is a multiplex virtue. Nerve is not a new virtue. It is merely a modern label on old goods. Our forefathers called it pluck. But nerve is pluck raised to the Nth power. Nor is it a single virtue. It is multiplex. To finance a gigantic deal, requiring millions of real Saint Gaudens simoleons, acid tested, and up to the purity standard—or with three men on bases and two men out in the ninth inning, to fan a mighty batter—plain nerve. A man with nerve must perforce be accused of conceit, mostly by the envious, who are unable to distinguish between conceit and confidence. Conceit is "I" in speech; confidence is "I" in deed. Nerve makes a man sure of himself. An insurance man without nerve can never succeed. Nerve: The greatest human asset. It puts a whistle on the lips, "pep" in the blood, strength in the vertebra and nerve throughout the home.—Globe "Weekly Bulletin."

* * *

Right Kind of Support

It's fine to have the right kind of support from one's field force, especially when starting out fresh as the Maryland Assurance is doing. Here is the resolution adopted by the Maryland Casualty agents and sent to Vice-President Thompson:

"We hereby pledge ourselves to use our best efforts to make the Maryland Assurance Corporation a great success from the beginning of its existence, and it must have a strong, healthy and rapid growth of well selected business; we pledge ourselves to build up our new Company to have the largest accident and health business of any company in the United States.

"We also desire to congratulate President Stone on the wise selection of Richard H. Thompson, the man of the hour, as vice-president, and pledge him our hearty support.

"We ask the new corporation to command at all times, the efforts of the officers and members of the Maryland Casualty Agents Association, and to feel assured our interests are identical and that we are at all times willing and anxious to co-operate with the new corporation—to make it a giant in the business."

Vice-President Thompson has the old gang with him.

* * *

Made Claimant Feel Cheap

From the Maryland Casualty comes this quoted from a letter of a penitent claimant: "I have an interesting incident to tell you which you probably have heard nothing about and which I wish you would repeat to our friends. When I entered your office and filed my claim for $215 with the young lady in your claim department, I was told to wait a few minutes until she 'checked me up' and I would be given a draft for the full amount. After waiting about five minutes she came to me and said, 'Your claim is not correctly figured.' I didn't wait for her to finish but I 'lit right into her.' I will admit I went into your office packed for a fight because I have never heard of an insurance company paying a claim without making an attempt to 'bat the other fellow down,' and I did not intend to be 'done.' As soon as the young lady could get a word in edgewise she said, 'Your claim should be $291.06'—I didn't say another word, I felt too cheap to even make an attempt to apologize. My experience with your claim department has been so satisfactory that I want to ask you to call on the following list of my closest friends and relatives and get every one of them under the protection of your Company."

* * *

Two Kinds of Bonds

We repeat, says the Maryland Casualty, that while supply contract bonds continue to offer less hazard than construction contract bonds, yet they have a distinctly greater hazard than in less abnormal times. In the final analysis, the profit in writing these bonds, as in writing any bonds, depends largely upon the investigation and deductions of the agent; depends upon the degree of intelligence, combined with alertness and a sense of responsibility, shown by the agent when handling applications.

* * *

One Line Stimulates Another

In closing compensation contracts, I invariably ask the assured, "Now that you have taken care of your men, what are you going to do for yourself?" I impress upon him that since he laid out quite a sum of money to protect his workers he surely would not object to buying an accident policy to protect himself. In most cases the employer agrees with me that he is just as good as his men and the avenue is opened to new business. The importance of public liability is also brought to his attention and fully 85 per cent. of my compensation business is closed with this additional protection. Compensation insurance, to my mind, stimulated accident and health business to a great extent.—J. J. Helms, Reading.

* * *

Do Not Attempt Enough

Some one has said the reason we don't accomplish more is because we fear to attempt more. We haven't a goal in sight. I've concluded this is true. In order to hit the bull's-eye we should use a rifle instead of a shot-gun. I am certain that if I had the moral stamina to put myself on record and faithfully ask myself each day if I were going to do my best TO-DAY, right NOW, why results would follow.—Robert B. Hall, special home office representative, Aetna.

W. E. SMALL, President PETER EPES, Agency Mgr. E. P. AMERINE, Secretary
GEORGIA CASUALTY COMPANY
HOME OFFICE: MACON, GEORGIA
"DIXIE AUTO POLICY"
THE LAST WORD IN MOTOR INSURANCE
Surplus and Reserves to Policyholders.....$1,526,022.81

The METROPOLITAN CASUALTY
INSURANCE CO. OF NEW YORK
HOME OFFICE, 47 CEDAR STREET
CHARTERED 1874
Plate Glass, Burglary, Accident and Health Insurance
EUGENE H. WINSLOW, President
Russell R. Cornell, Vice-Pres. S. Wm. Burton, Sec. Alonzo G. Brooks, Ass't Sec.
RELIABLE AND ENERGETIC AGENTS WANTED

THE SIGN OF GOOD CASUALTY INSURANCE
HEAD OFFICE
CHICAGO
F. W. LAWSON
General Manager
Liability, Accident, Burglary, Boiler and Credit Insurance
Established 1869.
F. J. WALTERS
Resident Manager
55 JOHN STREET
New York
Elmer A. Lord & Co.
145 Milk St., Boston
Resident Managers New England
London Guarantee & Accident Co., Ltd.
OF LONDON, ENGLAND

BUSINESS=BUILDERS
DEVELOPING
Fidelity and Surety Bonds, Liability Workmen's Compensation, Automobile, Accident, Health, Burglary and Plate Glass INSURANCE
APPRECIATE THE CO-OPERATION OF THE
Massachusetts Bonding and Insurance Company
BOSTON T. J. FALVEY, President
Paid-In Capital $1,500,000 Write For Territory

C. A. CRAIG, President W. R. WILLS, Vice-Pres. C. R. CLEMENTS, Sec. & Treas.
The National Life and Accident Insurance Company
NASHVILLE, TENNESSEE
Industrial, Life, Health and Accident Insurance in ONE policy

Joseph F. Izzie, formerly assistant superintendent of the plate glass department of the Casualty Company of America, has been made superintendent of the plate glass department of the Globe Indemnity and has already started with that Company.

Money for Agents

(Continued from page 17)

Scranton Electric Light Co.: Turbine exploded from overspeed. One man injured.

Solvay Process Co., Waltham, Mass.: Turbine and generator entirely destroyed.

United Electric Ry., Westport Power House, Baltimore: Two steam turbines exploded, loss on one $160,000; the other, $100,000.

Waltham Gas Co., Waltham, Mass.: Small turbine, 500-kw., partly damaged; loss, $7,000.

Form of Endorsement

This business is written in connection with steam boiler insurance, the endorsement being as follows:

In consideration of the premium and of the assured's agreement by acceptance of this policy that it shall not cover the breaking and loosening of movable or stationary turbine blades or buckets, nor the burning or breaking of electrical conductors or their insulation, this policy is extended to cover, within and subject to its terms and limits, loss or damage caused by the explosion, while revolving, of a rotor of the steam turbines described below, while any speed governor or regulator for it is adjusted to permit a speed not in excess of that approved by the company as stated hereon; also loss or damage caused by the explosion of any of said turbines due to pressure of steam while the safety valve or valves limiting the pressure of steam admitted to the same are set to blow off at a pressure not in excess of that approved by the Company, as stated hereon.

American Central Life

Insurance Company

INDIANAPOLIS, INDIANA

Established 1899

All agency contracts direct with the company

Address:

HERBERT M. WOOLLEN, President

Pan-American Life Insurance Company

NEW ORLEANS, U. S. A.

CRAWFORD H. ELLIS, President

Capital.....$1,000,000.00

OUR 1916 STATEMENT SHOWS

Insurance in force	(over)....	$42,400,000
Resources	(over)....	5,600,000
New Insurance paid for		10,000,000

The High Scores in the Life Insurance Profession are won by Trained Men. We will train you in the Profession and locate you in Productive Territory either North or South. Your Opportunity is Here.

Further information on request. Address:

E. G. SIMMONS, Vice-President and General Manager

Whitney Central Bank Building

NEW ORLEANS, U. S. A.

In addition to the ordinary forms of life insurance

THE EQUITABLE

makes a specialty of the following:

Insurance to protect business firms and corporations, under a corporate form of policy.

Group Insurance, by which employers protect families of employes.

A flexible contract, known as the Convertible Policy, which can be converted by the Insured into an Ordinary Life, Limited Payment Life, or Endowment Policy.

A Bond issued without medical examination giving the investor an income for his declining years.

A new policy is offered under which the insurance is DOUBLED if death results from ACCIDENT. This policy also embodies the following advantages if the person whose life is insured becomes totally and permanently disabled:

1. Thereafter the Equitable will carry the insurance —The Insured will have nothing further to pay.
2. The Equitable will pay the Insured an annual income for life equal to one-tenth of the face of the policy.
3. Upon the death of the Insured the full amount of the insurance will be paid to the Beneficiary (or double the amount if death is due to accident) without deduction on account of the income paid to the Insured while living.

(See the policy for conditions and details.)

For Agency Openings Address

WILLIAM E. TAYLOR,

Superintendent of Agencies

THE EQUITABLE

LIFE ASSURANCE SOCIETY OF THE U. S.

120 BROADWAY, NEW YORK

Associated Mutual Agency Incorporated

B. J. ALLEY, Manager

68 William St., New York

Exceptional Facilities for Writing Business Throughout the United States

WORTH KNOWING

Suppose that you are insured in the United Life and Accident Insurance Company of New Hampshire for $5,000 under the Company's Triple Indemnity Plan, what does your Policy guarantee to do?

ANSWER:

FIRST, it guarantees that in case of death from any cause, $5,000, the face of the Policy, will be paid.

SECOND, that in case of death from any ACCIDENT, $10,000, or DOUBLE the face of the Policy, will be paid.

THIRD, that in case of death from certain SPECIFIED accident, $15,000, or THREE TIMES the face of the Policy, will be paid.

BUT THIS IS NOT ALL. The Accident Disability Endorsement FURTHER guarantees that in case of total disability as a result of accidental injury, the Company will pay direct to YOU at the rate of $50 PER WEEK during such disability, but not to exceed 52 weeks, after which the weekly indemnity will be at the rate of $25 PER WEEK throughout the period of disability. Can insurance do MORE? And why should any man be satisfied with a policy that would do less? The cost is low.

Agents wanted in Maine, New Hampshire, Vermont. Connecticut, Pennsylvania, North Carolina, South Carolina, Tennessee, Georgia, Delaware, Maryland, Mississippi, Kansas, Missouri. An opportunity for Life Insurance Salesmen of ability. Address:

United Life and Accident Insurance Co.

Home Office, United Life Building - Concord, New Hampshire

San Francisco Losses Amounting to $4,522,905.00 paid PROMPTLY IN CASH WITHOUT DISCOUNT, from funds largely supplied by head office in Liverpool

Liverpool and London and Globe Insurance Co. LIMITED

Over $152,000,000.00

Losses Paid in the United States

HENRY W. EATON, Manager
G. W. HOYT, Deputy Manager
HUGH R. LOUDON, Assoc. Deputy Mgr.
J. B. KREMER, Asst. Deputy Manager
T. A. WEED, Agency Superintendent

U. S. Cash Assets, Dec. 31, 1916	$15,827,439.35
Surplus, - - - -	5,460,745.59
Losses Paid by Chicago Fire, 1871	3,239,491.00
Losses Paid by Boston Fire, 1872	1,427,290.00
Losses Paid by Baltimore Fire, 1904	1,051,543.00

NEW YORK OFFICE
80 William Street

THE EASTERN UNDERWRITER

[Succeeding the Journal of Insurance Economics, Established in 1899]

A WEEKLY NEWSPAPER COVERING ALL BRANCHES OF INSURANCE

Eighteenth Year; No. 54 NEW YORK CITY, FRIDAY, DECEMBER 28, 1917 $3.00 per Year; 25c. per Copy

C. S. S. MILLER WITH AGENTS' ASSOCIATION

Well-Known and Popular Newspaper and Insurance Man Appointed Field Secretary

HAS HAD LONG EXPERIENCE

With "World" and "Herald" Before Going Into Casualty Business—A Good Choice

Chauncey S. S. Miller, Eastern vice-president of the National Underwriter Company, has resigned to become field secretary of the National Association of Insurance Agents. In this position he will travel about the country, organizing new associations of local agents and aiding increases in membership. He will work in conjunction with Henry H. Putnam, who for years has been secretary of the association, whose headquarters are in Boston, and who is also editor of the bulletin issued by the association.

Appointment a Good One

Officers and committee of the association decided at a meeting in New York City soon after the St. Louis annual convention to appoint a field secretary and since that time the executive committee has thoroughly canvassed the field, looking for the right man. The position is one of importance not only because the association, now nearly twenty-five years old, is showing consistent growth, but the influence of as large a body of insurance agents as possible is needed to work in conjunction with all other insurance bodies to fight the growing menace of State insurance and other social problems that are confronting insurance interests. Then, too, the relations between companies and the agents' association are drawing tighter and it is necessary to have able and tactful men in the position of Field Secretary as well as among the officers, committeemen and other executives of the association.

In Mr. Miller a fine, splendid choice has been made, and President Allen, Chairman Cox, of the executive committee, and other leaders of the association are to be congratulated. They have chosen one of the best equipped of all the insurance newspapermen, a

(Continued on page 18)

THE GAUVIN AGENCY

ANNOUNCEMENT

The name of the German American Insurance Company, incorporated in 1872 under New York State law, has been changed (to take effect on January 1, 1918) to

Great American Insurance Company, New York

STATEMENT JANUARY 1, 1917

CAPITAL
$2,000,000
RESERVE FOR ALL OTHER LIABILITIES
10,954,055
NET SURPLUS
10,759,422
ASSETS
23,713,477

All obligations under German American policies will, of course, continue to be the obligations of the Company under its new name

Policies will be issued for the following classes of insurance

FIRE	COMMISSIONS	MARINE
LIGHTNING	AUTOMOBILE	WAR RISK
TORNADO	MOTORCYCLE	HULLS
WIND STORM	LEASEHOLD	CARGOES
HAIL	MAIL PACKAGE	INLAND MARINE
EXPLOSION	TOURIST BAGGAGE	INLAND TRANSPORTATION
RENTS	SPRINKLER LEAKAGE	FLOATERS
PROFITS	USE AND OCCUPANCY	REGISTERED MAIL

HOME OFFICE, NO. 1 LIBERTY ST. NEW YORK CITY

CHARLES G. SMITH, President JESSE E. WHITE, Vice President
EDWIN M. CRAGIN, Secretary ALEXANDER R. PHILLIPS, Asst. Sec'y

PHOENIX MUTUAL INCREASES DIVIDENDS

Company's Third Step in Adjustment Schedule Beginning with January 1, 1911

MAKING GOOD ITS ESTIMATES

Will Allot 4.6 Per Cent. Interest on Accumulated Dividends and on Premium Deposits

On January 1, 1918, the Phoenix Mutual takes the third step in the adjustment of its dividend schedule which was contemplated when the schedule in force from 1911 to 1915 was first increased. On January 1, 1916, the first step in the increase occurred. The second took effect on January 1, 1917, and the third and last step to complete the increased scale of dividends goes into effect on January 1, 1918.

The three steps in three consecutive years represent an increase in dividends on all policies, but the third step makes a change only at attained ages below 48. It results from a larger distribution of mortality savings at those ages at which the greatest gains are now being made, according to its experience. The increase applies to all forms of policies.

Asset Composition

When the Company planned the increased scale of dividends it considered the possibility of a temporary increase in losses and now, even though this country is in the war which was being waged at the time the increased dividend schedule was originated, the Company is convinced that the final step in the completion of that schedule will not in any way jeopardize the interests of the Company.

It may seem best in this connection to review some of the factors relative to the Company's position which have made this increase and previous increases possible. The following table appears in an authoritative publication and indicates the distribution of the assets of the Phoenix Mutual and the rate earned:

	% admitted assets.	Rate % earned.	
Real estate.....	1.6	..	$680,000
Mortgage loans.	59.0	5.7	25,022,347
Bonds & stocks.	20.0	4.4	8,488,808

THE PILOT POLICY

Comparison of Original Dividend Schedule on 3 Per Cent. Reserve Policies (used between 1902-1910) and New 1918 Dividend Schedule

Dividend End of Year.	Annual Premium —Life— Original Scale.	Annual Premium —Life— 1918. Scale.	20-Premium —Life— Original Scale.	20-Premium —Life— 1918 Scale.	20-Year —Endowment— Original Scale.	20-Year —Endowment— 1918 Scale.
Age 25 at Issue—$10,000						
1	$27.40	$39.00	$26.40	$39.30	$24.90	$40.00
2	29.80	40.40	30.60	42.10	32.40	45.20
3	32.40	41.80	35.60	44.90	41.50	50.50
4	33.80	43.30	38.40	47.80	47.10	56.00
5	35.20	44.80	41.40	50.80	52.80	61.70
10	42.00	53.10	57.00	67.50	84.00	93.50
15	50.00	62.90	77.00	87.30	123.00	131.40
20	62.00	70.20	100.00	108.10	170.00	176.40
Age 35 at Issue—$10,000						
1	$35.90	$50.00	$34.90	$50.30	$33.70	$50.80
2	39.30	52.10	40.10	53.80	41.30	56.00
3	43.00	54.30	46.10	57.30	50.50	61.40
4	45.10	56.60	49.60	61.00	56.10	67.10
5	47.20	58.90	53.30	64.70	61.80	72.80
10	59.00	67.00	73.00	81.60	93.00	101.60
15	70.00	78.70	97.00	104.10	132.00	139.10
20	85.00	95.10	125.00	133.20	179.00	185.60
Age 45 at Issue—$10,000						
1	$50.40	$63.40	$49.70	$63.90	$48.90	$64.10
2	55.30	65.70	56.20	67.30	56.90	68.70
3	60.90	67.90	63.70	70.80	66.40	73.40
4	64.00	71.40	68.10	75.60	72.00	79.40
5	67.10	75.00	72.60	80.50	77.90	85.60
10	84.00	94.20	97.00	107.10	109.00	119.40
15	101.00	115.00	125.00	136.90	147.00	158.00
20	118.00	137.00	156.00	169.80	194.00	201.50

Policy loans....	14.2	5.2	6,041,726
Premium notes..	0.1	5.2	41,206
Cash	1.9	3.4	810,838
Def. & uncol. premiums ...			560,625
Int. & rents....			820,087
Other assets ...			6,310
Gross assets...			$42,472,007

The net rate of the Phoenix Mutual, earned on mean admitted assets, is 4.9 per cent.

Gross Yield

The average gross yield of the Phoenix Mutual during the period 1897-1916 is 5.27 per cent. In 1916 the gross rate credited to the Phoenix Mutual was 5.42 per cent. To indicate how stable the earning power of the Phoenix Mutual has remained during the entire period of 20 years, it is only necessary to note that the maximum variation has been only approximately one-third of 1 per cent., the highest rate attained being 5.48 per cent. in 1898 and the lowest 5.10 per cent. in 1904.

Ratio of Interest Earned to Interest Required

From the foregoing it is therefore not surprising to find that the ratio of interest earned in 1916 to the interest required was 157 per cent.

Another impressive factor contributing to the returns to policyholders is the favorable mortality which the Company enjoys. As a result of the selection of risks the ratio of the actual to expected mortality during the past 10 years has been only 65.7 per cent.

With these facts as a background it is not surprising to note that the new schedule for 1918 represents the fourth increase within eight years. During that period the Company has enjoyed a very healthy growth with a material increase of insurance in force. It is equally true that the security back of all contracts is greater today than ever before.

Estimates Equalled or Exceeded

Elsewhere are illustrations of the new schedule and examples of the manner in which the Company has been making good its estimated dividends. The schedule of dividends adopted in 1901, when the Company issued its first 3 per cent. reserve policies, has been equalled or exceeded in every instance to this date, and this same record applies to subsequent policy issues.

During 1918 interest at the rate of 4.6 per cent. will be alloted on dividends left to accumulate and on deposits in the premium deposit fund. The same rate of 4.6 per cent. will be used in determining the surplus interest dividends under the options at settlement. The Phoenix Mutual provides as a matter of contract that the rate of interest which the Company assumes in the declaration of dividends must be the rate credited on dividends left to accumulate and on deposits in the premium deposit fund, and also must be the rate which it employs in the calculation of surplus interest dividends in connection with the options at settlement.

Great Southern Life Insurance Company

HOUSTON, TEXAS.



For Agency Contracts address

O. S. CARLTON

PRESIDENT

How Phoenix Mutual Made Good Its Estimates

Estimated cash dividends at date of issue on policies issued in 1908 and actual dividends declared on such policies:

Annual Premium Life, $10,000

	Estimated	Actual
Age 25—		
First dividend, 1909....	$27.40	$27.40
Fourth dividend, 1913..	35.20	37.40
Tenth dividend, 1918...	42.00	53.10
Age 35—		
First dividend, 1909....	35.90	35.90
Fourth dividend, 1913..	47.20	50.30
Tenth dividend, 1918...	59.00	67.00

Twenty Premium Life, $10,000

Age 25—		
First dividend, 1909....	26.40	26.40
Fourth dividend, 1913..	41.40	43.30
Tenth dividend, 1918...	57.00	67.50
Age 35—		
First dividend, 1909....	34.90	34.90
Fourth dividend, 1913..	53.30	55.90
Tenth dividend, 1918...	73.00	81.60

Twenty Year Endowment, $10,000

Age 25—		
First dividend, 1909....	24.90	24.90
Fourth dividend, 1913..	62.80	54.00

Dividends Paid to Policyholders

1907.....	$416,735	1912.....	$770,214
1908.....	482,081	1913.....	858,820
1909.....	520,179	1914.....	898,204
1910.....	592,569	1915.....	956,496
1911.....	702,103	1916.....	1,063,664

Total paid in ten years....$7,261,065

Dividends paid to policyholders in 1917 (approximately), $1,200,000.

PASSES $140,000,000

Total Outstanding of Equitable Life Insurance Company—Rapid Growth in Recent years

With the close of the current year the results accomplished by the Equitable Life of Iowa during its big and aggressive campaign covering a period of the past three years will be more marked than ever. This Company took on a new lease of life a few years ago and has made itself a larger factor in the life insurance world with remarkable and rapid strides. Starting the year 1914 with about $80,000,000 insurance in force the result of 48 years of consistent effort, it has in the short space of three years increased this figure until it will total over $140,000,000 at the close of 1917. Not only has it speeded up in production but along with this it has entered new fields, increased its agency forces materially, and has all along the line improved its service to agents and policyholders in a very noticeable manner.

The current year has been the biggest the Company has ever experienced, and it is an indication that 1918 will be even a greater one, and it will not be long before the $200,000,000 mark will be reached. The Company is now operating in eighteen States, reaching from coast to coast. It has consistently followed its plan of doing business only in the most healthful and prosperous sections of the country, and it has intensively cultivated where possible.

A PEEP INTO OUR PRIVATE FILES

AN OFFICIAL OF THE U. S. GOVERNMENT AT WASHINGTON SAYS:

"I have your letter of October 1st with the bulletin which you are mailing to your policyholders and thank you for it. **This work is the kind that is going to make the Second Liberty Loan of 1917 an overwhelming success.**"

A POLICYHOLDER SAYS:

"The **service which you perform for your policyholders** is without a doubt **unequaled by any of your competitors. This Health Service beats anything I have ever seen.** 'May your tribe increase'."

AN AGENT SAYS:

"If a man **doesn't make good** with The Germania Life Insurance Company **it is his own fault.**"

WE SAY:

Since these are but samples of **many** letters received regularly by **"The Company of Modern Insurance Service," THE GERMANIA LIFE INSURANCE COMPANY, established 1860 under the laws of the State of New York,** it should be worth something to YOU to ask T. Louis Hansen, Superintendent of Agencies, 50 Union Square, New York City, to tell YOU more about the SERVICE which this Company is rendering ITS COUNTRY, ITS POLICYHOLDERS AND ITS FIELDMEN.

WHAT DO YOU SAY?

IMPORTANT FIELD FOR LIFE INSURANCE

Many men who have made contracts with the Government to furnish supplies, etc., will need a large amount of money or credit from banks to fulfill their contracts, says the New England Mutual.

The Government does not pay bills as promptly as commercial concerns.

Special insurance to cover this liability is in order.

First Published Picture of World's Leading Life Agent

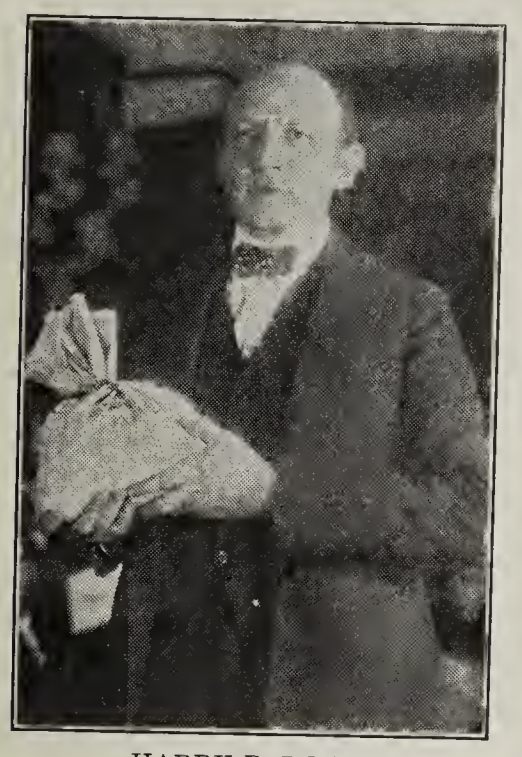
H. B. Rosen, Who Came Here a Poor Boy Fourteen Years Ago and is Producing $12,000,000 This Year, Snapped After Charity Drive

The Eastern Underwriter has frequently been asked why it has never printed a picture of H. B. Rosen, the remarkable agent of the New York Life, who came to this country a poor boy only fourteen years ago, who this year has broken every record of personal production by writing $12,000,000. General agents throughout the country have frequently written into this office asking Mr. Rosen's weight, height, nationality, age and other personal questions. The principal reason that his photograph has not been printed is because The Eastern Underwriter has not been able heretofore to get one, as the New York Life agent in turning down requests for his picture has said: "Nothing doing. I do not look the part."

A few weeks ago Mr. Rosen was made head of a team in the campaign to raise $5,000,000 for the Jewish War Relief Fund. There were forty-eight teams at work and he was in competition with the wealthiest and most influential men of his race. He made a personal contribution of $20,000 and his team started out to distance the others. In this it succeeded, collecting subscriptions amounting to more than $350,000. On the last day Mr. Rosen's team collected $100,000, and at the end of the day a photographer for the International Film Company got a snapshot of him holding the $100,000 in a bag. It is this picture that The Eastern Underwriter prints on this page for the benefit of readers of the paper who have asked so many questions about his personal appearance.

A morning paper in commenting upon Mr. Rosen's team victory said: "H. B. Rosen's group won the first honors, principally because every one of the ten members worked eighteen hours every day in soliciting subscriptions."

In commenting upon this the New York Life said this week: "That is Mr. Rosen's hobby. He bursts the working day. There is no more thrilling chapter in American opportunity than the way this boy from foreign



HARRY B. ROSEN

shores in fourteen life insurance years has masterfully forced his way by sheer ability in the face of almost insuperable obstacles to a position of world leadership in personal solicitation that is beyond the dreams of avarice."

At the present time Mr. Rosen is leading one of D. P. Kingsley's team of Red Cross workers in the membership drive.

DISCUSS FARM LOANS

New York "Sun" Interviews Robert Lynn Cox, D. P. Kingsley and Judge W. A. Day

The New York "Sun" interviewed a number of life insurance executives this week and quoted them as saying they would continue in the farm loan business despite the advance in interest rate of the farm loan banks and the possibility of the Treasury Department buying the bonds of the land banks. The men interviewed were D. P. Kingsley, Judge W. A. Day and R. L. Cox. Mr. Cox, who is head of the Metropolitan's farm loan division and third vice-president of the Company, said in part:

"Our Company has been having a steady output of funds into farm mortgages, and it expects to continue to invest as heretofore in those States in which it has entered for this business.

"The Metropolitan raised its rate of interest some time ago and the action of the Federal Farm Loan Board in adding ½ per cent. to the flat rate is simply falling into line with the changed condition of the investment market. The Company finds a general hardening of farm mortgage rates all along the line and is getting from ¼ to ½ per cent. more in all its territory than it was six months ago. The financial correspondents of the Company report their business as going along normally, which at this season of the year and up to March 1 amounts to a large volume."

ROBERT A. GRANNISS DEAD

Robert A. Granniss died December 25 at his home in Morris Plains, N. J., age 77. Mr. Granniss was formerly a vice-president of the Mutual Life and once was secretary of the Metropolitan Life. He was connected with the Widows & Orphans Insurance Company.

ORGANIZED 1867

EQUITABLE LIFE OF IOWA

J. C. CUMMINS, President

Operating in

IOWA — ILLINOIS
PENNSYLVANIA — OHIO
MINNESOTA — INDIANA
NORTH & SOUTH DAKOTA
NEW JERSEY — MICHIGAN
KENTUCKY — OKLAHOMA
KANSAS — NEBRASKA
MISSOURI — CALIFORNIA
OREGON — WASHINGTON

Good Territory Open

Attractive Policies to Sell

Low Net Cost

Large Annual Dividends

For Agency apply to

H. E. ALDRICH

Supt. of Agents

DES MOINES, IOWA

U. S. Calls Upon Agents for Assistance

WIRES PRIDDY, WOODS, SHUFF

Assistance of National Association of Life Underwriters Wanted for War Risk Insurance

The Treasury Department on Wednesday telegraphed to Lawrence Priddy, president of the National Association of Life Underwriters; E. A. Woods, of Pittsburgh, former president, and John L. Shuff, of Cincinnati, general agent of Union Central at Cincinnati, to come to Washington on Saturday morning and give the Goverment the benefit of their advice as to the best means of prosecuting the work of selling insurance to soldiers and sailors in the camps. Mr. Priddy and Mr. Shuff will go; it is not known yet whether Mr. Woods can accept the invitation.

Significance of Telegrams

This latest step of the Government in calling upon the life insurance agents of America for assistance—which is what the telegrams signify—is not unexpected. Some weeks ago the Department invited Mr. Priddy and some other life insurance men to Washington and presented the difficulties which have been met in inducing the soldiers and sailors to insure and asking the life men if they would not go to the camps and sell the insurance for the Government. While this was a great tribute to the life insurance fraternity, it was pointed out then by Mr. Priddy and others that the time was not ripe for the National Association of Life Underwriters to take over the work of placing this insurance; that there were a great many problems in connection with the allowances and separation features, which had better be explained first by lawyers and sociologists. If they in turn could not succeed the life insurance men expressed themselves as willing to undertake the work. In the meantime, a number of lawyers and others were appointed; many officers who had insurance experience were delegated to this branch of Government activity, and some life insurance men outside of the national service were sent to camps.

Uninsured in Many Camps

It has developed that while some remarkable records have been made in a few of the camps in placing this insurance and more than $2,000,000,000 has been rolled up in volume, there are some camps where not more than 50 per cent. of the men are insured, and, hence, the Government has wired for the assistance of the National Association of Life Underwriters. The National Association of Life Underwriters can be depended upon for its loyal support of the program of the Government, whatever it may be.

Issues a New Disability Benefit

MISSOURI STATE LIFE CONTRACT

Life Income Equal to Ten Per Cent. of Sum Insured Per Annum

The Missouri State Life has adopted a new disability benefit rider, the main distinction between the new benefit and that at present granted being that the new clause provides for payment of a life income equal to 10 per cent. of the sum insured per annum or 1-120th part each month; the income to continue as long as the insured lives and the full face amount of the policy without any deduction on account of these payments will be paid at death.

Some of the rates follow, for $1,000 insurance, $8.33, monthly life income: life income: $1,000 insurance, $8.33. Ordinary life, participating, age 20. Annual disability premium, $0.92; total premium, $20.10. Age 30, annual disability, premium, $1.28; total premium, $25.61. Age 40: $1.86; $34.80.

Twenty payment life, participating: Age, 20: $1.24, $30.59; age 30: $1.48, $36.20; age 40: $1.79, $44.51.

Twenty year endowment, participating: Age 20: $0.63, $49.06; age 30: $0.98, $51.35; age 40: $1.87, $55.85.

Ordinary life, non-participating: Age 20: $0.92, $15.88; age 30: $1.28, $20.36; age 40: $1.86, $27.95.

Twenty payment life, non-participating: Age 20, $1.24, $23.84; age 30: $1.48, $28.50; age 40: $1.79, $35.52.

Twenty year endowment, non-participating: age 20: $0.63, $42.41; age 30: $0.98, $43.61; age 40: $1.87; $46.60.

AGENTS AND RAILROADS

President McClench, of Massachusetts Mutual, Points Out Duty of Insurance Agents

The duty of life insurance solicitors towards the railroads, of extreme importance at this time, is pointed out by President McClench, of the Massachusetts in this effective fashion:

"The Massachusetts Mutual, like most of the life companies of the country, has large investments in railroad securities, and its policyholders have a direct interest in any legislation or other action affecting such securities and the railroads issuing them. At the present time many influences are at work to secure for the railroads more reasonable treatment in respect to rates charged by them. Commissioners and legislators are being urged to consider the vital needs of the roads and to grant such relief as shall make the stocks and bonds of the railroads of the country attractive again to the public and therefore to insurance companies. These activities include street railroads as well as steam railroads. Every member of a mutual life insurance company owning such securities should be interested to exert his or her influence in securing for these railroads proper treatment at the hands of public officials. These roads are engaged in the business of selling transportation to the public, and it should be obvious to everyone that such business cannot be successfully carried on if the railroads are not allowed to receive from the public for the services rendered the cost of such service and in addition a fair return on the invested capital. No citizen of the country, whether he be an investor in railroad securities or not, can contemplate with composure the bankruptcy of the railroads of the country and the consequent demoralization of business.

"It is the duty of all the field representatives of the company to urge policyholders to exert their influence in all possible ways to advance the interests of railroads."

Charting Out the Day's Work

SETTING A GOAL AND MAKING IT

A Cleveland Agent's System of Arranging a Definite Number of Interviews

By R. A. Ferris, Massachusetts Mutual Life, Cleveland, written for "The Radiator," published by the Massachusetts Mutual Life.

He who wishes to reach a definite goal realizes that it will be necessary to acquire a definite estate. To plan to have at a given period in life a definite estate requires calculations involving production of an annually increasing amount of business, which, with fixed charges deducted, will yield a surplus, increasing annually, which invested at an average rate of yield, together with a mounting renewal income, will in the course of years build the required estate.

If one cannot project himself beyond a given period, for example, a ten year period, but will consider the possibilities of production for such a period, he may thus get an inspiration and an ambition which will carry him further than most men, even in this business, have gone. The man determined to improve, who lays out his course and then has the will power to follow that course, cannot be satisfied to produce the same amount of business year after year. Conceding that such a man can increase his production at all would indicate that he can increase such production a definite amount.

Value of a Chart

A chart gives to the individual a well defined conception of the possibilities in his work. I began making charts of what I might expect in production from year to year even before I entered the business: first, a chart covering a long period; then a chart for a short period —a year's work; then charts for shorter periods, these last representing in detail all of the factors involved. Now I reduce the commission requirement necessary to meet my budget, to the number of interviews required and number of applications required; knowing that the average application is for so many thousand, the amount of commission so much per thousand, and that one application is produced on the average from a given number of interviews. The process becomes simple. I go further than this; after determining the number of applications required for a given period, I determine that to make my average work true, I must, during the period, produce a given number of "one thousand" applications, a given number of "two thousand" applications, of "three," 'five," and "ten thousand" applications; the chart I am now working on requires four 'twenty-five thousand" and one "fifty thousand" application.

Quota of Calls

There is one further step. Having determined the total number of applications required and the number of applications of each denomination, I determine the last date on which each must be secured. By this method my work is definitely cut out for me, each week having its definite quota of ones, and twos, perhaps a ten—or five, etc. I then can map out my work intelligently. If the quota calls for a ten, I must select from my prospect list a given number of names of men who, if they can be closed, will buy not less than $10,000, etc. I have firmly fixed in my mind the fact that within the next four or six weeks I shall have to write an application for $25,000. I constantly am on the lookout for the man who is going to buy that $25,000. Also there is that $50,000 which must be written during the next three or four months. Knowing that in order to make good my quota I must get this fifty, I am gradually laying the lines, getting things shaped around with this in view, in order that the fifty will be definitely in sight before the time arrives.

To my mind the getting of business is a things based on absolute law, and before I run my course I am going to prove it to myself. The work of the last year has given me great encouragement. A year ago I set out to accomplish certain results which on paper looked reasonably possible. When the year was finished, I had exceeded the quota of production, and this quota involves the writing of more than twice as much business as I had previously secured in any twelve month period. I am positive I should never have accomplished this result had I gone ahead with the idea that I would do as much business as possible; for under such circumstances I would have felt, no matter what the results, that I had done all that could have been done. With the chart ever before me. urging me on, I couldn't be satisfied with results unless those results were in excess of the requirement. The inspiration and encouragement which I constantly received from this chart kept me everlastingly at it, and I delivered the required amount during the period. Is it any wonder, then, that I feel as I do on this subject, or that I am glad to have an opportunity, such as this, to express to you, my friends, what I know is true?

Business of Getting Business

The business of getting business, then, involves first a purpose worthy of the best that is in one.

The business of getting business in life underwriting involves the determination to make underwriting one's life work.

The business of getting business in life underwriting embraces the development of every positive faculty and quality of the individual to the highest degree possible, in order that, through the medium of life underwriting, one may live a life of honest endeavor to serve so well that at last the high ideals, the goal, the purpose may be realized.

To succeed in realizing the life purpose there must be made a definite plan or series of plans which involve the accomplishment of financial success through the medium of life underwriting; such a plan to be so definite, so constructive, laid out in such detail, and so comprehensive, that progress must follow—progress determined in advance and then worked for, fought for, sacrificed for, until it is accomplished.

No man can so lay out his life work without being lifted up by the process. No man can carry out such a plan without growing constructively as he works to carry it out. No man can fight such a fight without first having will power, and no man having the will power can continue long without increasing that will power to a high degree. No man can continue to increase his will power, applying it in constructive work, without developing a strong character for good. Finally, to such a man every hand is stretched forth to help, his progress becomes more rapid, the goal seems easier to reach; by his work he has reinforced himself; at the last he has so conducted the "business of life" that his results in the getting of business stand forth as a beacon, a guide, a star to draw others on and upward, for what one has done, another can do, given the right perspective.

URGED TO BUY LIMIT

The Association of Life Insurance Presidents has passed resolutions urgently advising officers and enlisted men of the Army and Navy to buy the full $10,000 limit of life insurance protection under the provisions of the Government's war insurance system.

Edward H. Weeks, of the Boston Agency of the New England Mutual Life, had the pleasure of closing a large line of business insurance on a manufacturing corporation of Massachusetts on December 1, for $50,000 ordinary life. The insurance was written on four lives, in five policies, two for $15,000 each, one for $10,000 and two for $5,000 each, combined premium $1,849.50. It was put in force with binding receipts. A curious piece of psychology in the case is the following fact: Mr. Weeks had been working on the case for some months, but nothing had been settled. Finally, after quite a period of inaction, on the day before Thanksgiving, he became conscious of a strong impression that the business could be closed that very day. So, taking the doctor with him, he went to the office, introduced his companion and the matter was terminated then and there, without a single question being raised.

Build Your Own Business
under our direct general agency contract
Our Policies provide for:
Double Indemnity, Disability Benefits, Reducing Premiums
See the new low Rates
JOHN F. ROCHE, Vice-Pres't
THE MANHATTAN LIFE INSURANCE COMPANY
66 BROADWAY NEW YORK
Organized 1850

The Connecticut Mutual Life Insurance Company,
PRESIDENT JOHN M. TAYLOR, HARTFORD, CT.
Insurance in force, 107,262 Policies for..... $253,439,405.12
WHAT NO OTHER COMPANY HAS DONE
To repay to its Policyholders in Death Claims, Endowments, Dividends, Surrender Values, Annuities and other credits more than they have paid to it in premiums. It stands alone in that result.
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Non-Participating View of Group Insurance

AN ARTICLE BY EDW. B. MORRIS

Actuary of Travelers Tells How Competition Enters Into Calculation of Rate

Edward B. Morris, actuary of the life department of the Travelers, has given his views of group net premiums from a non-participating viewpoint in the current issue of the "Insurance and Commercial Magazine." He says there is no question at all but the American Table has served an admirable purpose in the development of life insurance in this country. It possesses the essential element of safety. As the statutory requirement of valuation, it, with the Actuaries' Table, has without question safeguarded the great business of life insurance by the requirement of adequate reserves. Continuing Mr. Morris says:

Statutory provisions, however, imply primarily more the reserve requirements than a reference to the basis of premiums although the two are to a certain extent inter-related. So long as the companies charge gross premiums in excess of the net premiums required by statute for valuation, this question will not become a live issue, although it is a fact that the laws of certain States provide that if the gross premiums charged are less than those described in the statutes additional reserves should be set aside to cover such deficits.

Basis of Premiums

A participating company through the redundancy of its premiums is little concerned with the basis of its net premiums for the actual cost to an insured in such a company is reflected through the dividends or refunds granted by the company. In other words, theoretically the dividends are based upon the actual mortality experience of the company, together with the gains from interest, from loading, etc. For example—if a basis other than the American Table were used for net premiums the total of the dividends as a whole to those insured would be the same, assuming that the gross premiums did not vary and that the expense assumptions were similar, although the dividends to individuals would vary. This point, however, is important—that participating companies frequently (especially in the latter policy years) through dividends reduce the cost to the insured in such years to a sum less than the American net premium.

In the early days of life insurance in this country it was customary for the non-participating companies to select a mortality table as a basis of premiums, add a uniform loading thereto and to wait for results. The experience of the life companies was so meagre that the actual experience to be expected could not be foretold. As this experience was gradually gained, however, the non-participating companies were able to foresee the future with considerable certainty and to figure on what might be termed a "pure" premium. This pure premium involves the rate of interest which could reasonably be expected to be earned and a table of mortality which would coincide closely with the expected mortality experience. Given this as a basis, the actuary has been enabled to load his premiums sufficiently to meet expenses, to provide for profits and other contingencies; in other words, it has been many years since a company issuing non-participating insurance has used the American Table as a basis for its pure premiums.

Discusses Graham's Views

William J. Graham, superintendent of the Equitable's group department, has stated in his remarks on this subject that the American Table represents a mortality fully 30 per cent. over the actual experience of a well organized life company. That is, if the mortality according to the American Table is 100 per cent. the companies in the aggregate experience an average mortality of 70 per cent., but this from the non-participating standpoint is not by any means the important feature of the experience. The mortality of life companies does not follow throughout the various ages the ratio of 70 per cent.; the experience on those lives which have attained age 30 is probably not far from 40 per cent. of the American Table. At age 60 the experience of most companies is very close to that called for by the American Table. In some companies the actual mortality at the higher ages is probably in excess of the American Table, in other words, there is no simple relation between the actual mortality and that provided for in the American Table. Today on level premium forms non-participating companies charge premiums at the younger ages which bear little or no loading over the net American premiums at 3½ per cent. interest. At the higher ages, however, the gross premiums show a considerable loading over this net premium, but only at these higher ages does the loading anywhere approximate the expenses. Experience has shown that even the net premiums called for by the American Experience Table with 3½ per cent. interest are greatly in excess of those required to meet actual conditions as to interest and mortality; consequently the American net premiums include a considerable allowance for expense.

Competitive Conditions

The non-participating company is influenced to a considerable extent by competitive conditions in fixing its rates. As far as the problems of expense, mortality and interest are concerned a non-participating company at the lower ages can safely quote gross rates lower than the net American 3½ per cent. premium. Competition, however, with mutual companies has not demanded this, so that the companies have naturally been guided by the net American Table as the minimum rate, especially in view of the fact, as has been noted elsewhere, that any deficit under this rate would call for additional reserves.

What has been stated heretofore refers primarily to regular level premium contracts issued by the companies, including mainly life and endowment issues. When, however, the subject of group insurance is considered, while the principles involved do not vary greatly from those which have already been expressed, certain features become at once emphasized. Group insurance is generally issued on the simplest form of policy known, that is, the one year term (renewable). Group insurance is sold to the employer covering all, or all of certain classes, of his employes—generally at the employer's expense. To interest the employer the rates naturally must be attractive. It is not necessry that the agent see each individual employe to be insured but only the employer. The agent, consequently, is not entitled to the same compensation that he would receive and which he would earn were he to be called upon to sell insurance to each and every employe to be covered under the group, consequently the compensation granted the agent is very much less under group insurance than under individual forms of contracts. It is not necessary that the premiums be collected from each and every individual in the group, but only from the employer, and a considerable expense is saved in this way. In brief, the expense to the company of writing group insurances is considerably less than for ordinary insurances. If, for the sake of example, it is assumed that 20 per cent. of group premiums is sufficient to provide for the expense, profits and other contingencies and that on risks aged 30 the actual mortality is 40 per cent. of the American Table, it requires only a short calculation in arithmetic to indicate that at age 30 the insurance companies can afford to write a one year term contract at a gross premium considerably under the net premium called for by the American Experience Table on a one year term contract. To be sure, at the older ages, say at age 60, the situation is not the same, for the pure net premium at age 60 must be very close to that called for by the net premium under the American Table, to which an adequate loading must be added. It will be noted that the interest feature plays a much less important part in group premiums than in regular whole life insurance.

Interest of Employer in Rates

It is true, however, that the employer purchasing group insurance is not altogether interested in the individual rates on his employes. He is interested in the total rate which he pays and which is found by a summation of the rates on the individuals insured at each age. Because two group policies involve a coverage of 500 lives each and an insurance of, say, $500,000 each, it is not necessarily true that the premiums would necessarily be the same even if figured on the same basic schedule of premiums, for the group showing a majority of employes insured at younger average age might call for a considerably smaller premium than the group which involved a higher av-

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erage age. If we were to compare the premiums on such groups with the net premiums called for by the American Table it is reasonable to expect that the gross premium in the latter case would exceed the total of the net American premiums, but in the first example perhaps not more than 90 per cent. of the total of the net premiums according to the American Experience, yet the profit provided for in the company's rates might be the same. The gist of this being that the employer be dealt with fairly and that one employer should not be undercharged at the expense of another. For instance, if the companies were required to quote rates which were at least equal to the net American premiums the non-participating company, if it could sell the insurance on this basis, would receive a much larger profit on certain risks than it desired. It might be argued that under these circumstances the non-participating company could quote lower rates at the older ages so that the profit on the business as a whole would be the same. Here, unfortunately, a fallacy is involved for the reason that the non-participating company would not be able to meet competition with mutual companies at the lower ages, but would receive business on the older aged groups, which necessarily would be unprofitable.

The point which I have been endeavoring to make is that a radical difference exists between the point of view of the non-participating company and the participating company. That there is a competitive point involved I think will be clear from the following illustration, which is probably not far from the facts:

Let us assume that a participating company bases its premiums on the American Experience with 3½ per cent. interest and loads the same 7 per cent., and that it declares a dividend of 15 per cent. The actual cost to the policyholder in the participating company under such circumstances would not be far from 95 per cent. of the total American net premiums. The participating company by means of its dividends actually reduces the cost to less than the net premium, although charging originally a gross premium in excess of the American net. If non-participating companies were obliged by law to quote premiums which were not less than the net American premiums, the competitive advantage of the participating company over the non-participating company is clearly seen. Such a condition would be eminently unfair to the insuring public, especially when it is considered that the non-participating companies in quoting rates which may be less than the net American premiums have amply loaded such premiums for profit which, theoretically, the participating company is not supposed to do.

"Smoothing Out" Process

I quote from Mr. Graham:

"Naturally, the mutual plan of higher premiums, adjusted later by premium refunds based on experience, has advantages in smoothing out inequalities in mortality tables not present in non-participating rates."

No objection can be made to this statement as far as the "smoothing out" process is concerned, but unfortunately the "smoothing out" may be at the expense of employer that purchases insurance. Dividends under participating contracts are not based upon the experience of any one group, but upon a broad class of groups. In the example already referred to it was mentioned that the net cost under a participating policy might be 95 per cent. of the American net premiums and as far as the whole class is concerned, this undoubtedly would be true, but a 15 per cent. dividend, when applied to a group where the average age involved was low, would produce a net cost considerably above the actual mortality at these younger ages, for as I have already pointed out, the mortality at the younger ages represents a very much smaller percentage than that called for by the American Table. The non-participating rate takes this fact into consideration and actually gives relatively lower costs to the young age groups than it does to the higher age groups; in other words, the insurance tends to cost the employer nearer to the actual mortality under his individual group. I have intended to state this plainly as one of the fundamental differences between participating and non-participating where rate-making is involved.

Mr. Graham has suggested the feasibility of a non-participating company charging higher rates than are known to be necessary and of then returning, more or less gratuitously, unneeded premium excess; in other words, that the non-participating company write the business on virtually the same plan and at the same initial cost as the participating company, but instead of paying dividends on the mutual plan, to make such refunds as the company may think necessary for business expediency or for altruistic reasons. Here again, there is involved a fundamental difference between the participating and non-participating companies. The non-participating companies know from experience that there is a demand by the insuring public for guaranteed insurance contracts, the cost of which shall be definitely known at the outset. To issue a non-participating contract with a guarantee of refund at the end of each year, as applied to group insurance, for the purpose of avoiding a technical construction of the law is getting nowhere, as an analysis of the point I think will make clear.

Reserves

So much for the question of rates. The statutes of all States provide that the companies must put aside reserves according to the statutory table, usually the American Experience. The reserve on a one year term contract is not in itself a matter of great moment, involving only the unearned net premiums. Group insurance contracts are usually written, however, with the guarantee that the basic schedule of rates on which the total premiums are based shall not be changed for a guaranteed period, usually five or ten years. Certain of the insurance commissioners have required that at those ages where the gross premiums charged are less than the net premiums, the companies must set aside a special reserve equivalent to the present value of the deficit in premiums for the period guaranteed. To this the companies necessarily have made no objection, believing that the commissioners had properly construed the existing valuation laws. In other words, these deficiency reserves can be looked upon as a bond required for the guaranteeing of the group contracts issued, that as long as the group business was comparatively new and the experience therefor relatively small, such action on the part of the commissioners would surely safeguard the business. This deficiency reserve as to any particular contract, of course, gradually reduces as the contract approaches the end of the guaranteed period of rates and in this way gradually becomes released to the company. The important point, however, should not be overlooked that whereas the participating company may be selling group insurance at the same cost to the employer as a non-participating company, through its dividends. the participating company is not required to set aside these deficiency reserves so long as its gross premiums are in excess of the net premiums in accordance with the American Experience Table.

If not the American Table, what table should be used? Mr. Graham has already made some suggestions. It has been mentioned in connection with group insurance that if no minimum basis of rates is prescribed there will be no bottom to group rates and that some small company may be tempted to rush headlong into the group field for the purpose of obtaining volume and advertisement to the ultimate detriment of its general business. There are several features to counterbalance such a move—first, the reserve requirement which has already been outlined and which automatically would check a small company from making

(Continued on page 9)

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Puzzles of Excess Profits Tax Law

INTERESTING CASES ANALYZED

Funds Given to Red Cross Deducted Up to 15 Per Cent. of Income

Life insurance men will be interested in the manner in which Benjamin S. Orcutt, who conducts the War Revenue Problems Department of the "Wall Street Journal," and who has been deluged with inquiries, solves some of the problems arising out of the profits tax law. In the New York "Times" he throws some light on individual cases.

The Man Who Squanders His Wife's Inheritance

The case of the young married man whose wife came into a large inheritance which he managed to squander is perhaps one of the most interesting. The points are as follows: The wife received an inheritance during the early part of last year amounting to $16,000. The husband, who was making $15 a week as a clerk, but thought he was a born financier, speculated on the market and made $74,000. Not satisfied with this, he put all the money into some other deal, and before long found himself with exactly $365 to his credit. Outside of some household goods and his salary, he had no other assets. The question was the one as to whether he was liable to taxation on the $90,000 which he at one time could call his own. He was also interested to know what penalty he incurred on account of his inability to pay the tax, should he, according to the law, be forced to make a return.

According to Mr. Orcutt's interpretation of the law, the man was liable to taxation on the amount he made in stocks—that is, the $74,000. The $16,000 was considered capital, on which no tax is levied. Besides the profit, the $780 salary that the man made during the year was also to be added to the amount on which returns were to be made. With the $4,000 exemption to which he was entitled, the man was liable for a tax on $70,780, which, when computed, amounted to $1,503.40. There was no way for the man to pay this tax, yet unless return was submitted by him of this tax liability both he and his wife were subject to penalty.

A Law Permitting Deduction Because of Speculative Losses

Return having been duly made, it would seem that the government was without recourse to collect the tax, except in so far as it became one of the creditors of an insolvent person. The law provides for a monetary penalty for non-payment of income tax, "except from estates of insane, deceased, or insolvent persons." The income tax statute does not prescribe arrest and imprisonment as penalty for nonpayment of the tax. A warrant of distress could be issued by the Treasury authorizing the officer to seize and levy upon all the property evidences of debt of the delinquent. The Federal law, however, allows an exemption to married men of household goods, furniture, clothing, &c. Seizure and sale of property is the limit of the government's power to enforce collection under this statute.

This case arose under the original law. In 1916 some relief was afforded by a new clause permitting speculative losses to be deducted from similar profits.

A similar instance of a man discovering that he was indebted to the nation for a tax on a profit that he had not enjoyed was the one of the retired merchant who, on the first of January, had capital amounting to $100,000, which he during the year increased to $200,000 through speculation on the market and which he subsequently lost in further gambling. According to the law, he was liable for an income tax on the $100,000 he made in speculation, regardless of the losses he subsequently sustained.

Gifts to Charity

There has been a question in the minds of people who are charitably inclined as to whether they were subject to taxation on those amounts of money which they have donated to charitable or religious institutions. One business man who agreed to pay $500 a month to the Red Cross Fund was interested to know whether he could deduct this as an expense item in making out his report to the Federal Government. The same was true to a smaller extent in the case of a woman who had given $250 to a church. In both cases, it was discovered, the amounts thus issued were at that subject to tax and formed a part of the income. Here again Congress came to the rescue and permitted a deduction for charitable gifts up to 15 per cent. of income.

Farmers' Problems

The farmers of Kansas and Oklahoma present a problem that has a peculiarity of its own. Many farmers there who originally bought their land for about $5,000 and had been plodding along on it with no hope of ever reaching that point of financial success where they would have to pay an income tax suddenly found themselves rich by the discovery of oil wells on their properties. These were leased out for large amounts of money. Their contention was that they be allowed to figure their tax on the basis of a nominal capital. According to the letter of the law, however, the tax must be paid on the amount actually invested and the profits accruing from the same. This sends the tax collectible away up and allows the Government to slice off a big part of the farmers' income. The advice of Mr. Orcutt to these men is to invest the rest of their profits in Liberty 4 per cent. bonds. These are not subject to tax until income exceeds $5,000.

Unfairness of Tax

An instance of what he considers the unfairness of the tax was cited by Mr. Orcutt in the parallel cases of two men, both earning $10,000. The first is in business for himself, the other is a high salaried employe. The first draws his money through the channel of $20,000 originally invested in his business. His tax is computed on that basis, and when worked out amounts to $3,360.

The man with the salary, however, having no capital on which his excess profits can be figured, pays only an excess tax of 8 per cent. on $10,000, minus the $6,000 on which he is exempted, or only $320. In addition to this, they both pay the regular income tax. Altogether the man in business pays about $3,498, assuming that he is married and has three children, the salaried man paying $631.80 under the same conditions.

Real Estate Values

Some of the problems submitted for solution are based on the question of real estate values as they are today and as they were when bought. One man, for instance, wanted to know whether he could deduct from his income $3,400 that he had received on the sale of a piece of property which he had bought in 1908. And in the event that he had to pay a tax on the same, could he not make a return of only one-ninth of $3,400, since the investment covered a period of nine years? The answer given him was as follows:

"If possible, a fair valuation of the property as of March 1, 1913, should be obtained. The income then subject to tax would be the difference between the valuation and the selling price. If it is not possible to obtain such a valuation the prorating system would probably be accepted by the Treasury Department."

When Stocks Go Down

Some idea of the complexity of the problems may be obtained by the following query:

"My wife inherited 898 shares of stock upon her father's death in 1903, par value $100. In 1914 she was allowed to and did purchase 210 shares more at par. The stock at the time was 140 on the market. In 1915 she sold 513 shares at an average of 428. How is she to figure the income tax?" This was the answer given: "The inherited stock should be estimated at the market value at the time the law became effective rather than at par. The stock bought in 1914 should be accounted for at the price actually paid, which was par, rather than at the prevailing market price. The profit on the inherited stock sold is the difference between the market price of 1913 and selling price 428 in 1915." The taxable income would be that portion of the advance which pertains to three years, 1913, 1914, 1915, during which the income tax law was operative."

Liberty Bonds

A popular question has been the one as to whether a tax is paid on Liberty bonds. Another, as to whether a tax is collectible on an income derived from dividends on stock. The following problem will illustrate both:

"A married man has a salary of $2,100 per annum and an annual income of $347.50 from stocks and bonds as follows:

On 500 First Liberty bonds	$17.50
On 500 Second Liberty bonds	20.00
Preferred railroad stock	60.00
Preferred industrial stock	70.00
Railroad bonds	80.00
Utility bonds	100.00

What account does he render the Government, and what amount of income tax does he have to pay?"

This was the answer given: "He must include in his return his salary and the income from all the investments except the Liberty bonds. He will claim credit on the return for the dividends from his stock, and if the railroad and utility bonds come in under a tax-free covenant, he will also get credit for the amount of their tax paid at the source. In that case, his tax will be 2 per cent. on $2,100, his salary, minus the $2,000 exemption, or $100, providing he has no children. The tax on this will be $2. Each child gives him an exemption of $200. If the bonds are not tax-free, he will pay 2 per cent. on $280, or $5.60, still being without children. With one child, he will pay 60 cents and with two children, nothing. In every case he must file a return."

Frequent Rulings

The point is that Liberty 3½ per cent. bonds are not taxed at all. There is no tax on the income from Liberty 4s until it exceeds $200, and then only in case the owner's income is more than $5,000, when the income above $200 from the bonds becomes subject to the supertax. Dividends are free from the normal tax in all cases, as a tax has already been paid by the company, but they become subject to the supertaxx when the owner's income passes $5,000. In the case of corporate bonds some companies pay one-half of the 4 per cent. normal tax, while others assume no responsibility at the source.

Changes in regulations issued by the Treasury Department are so frequent that answers given one week are likely to be invalid the next week. However, individuals do not need to make any report until after the first of the year, by which time it is hoped that the Treasury Department will have revised and crystallized the great mass of rulings now existing so that many of the problems will be simplified.

TRIBUTE TO M. G. BULKELEY

The Hartford "Courant" in its issue of December 23 printed a supplement containing a full page picture of Morgan G. Bulkeley and a page biographical sketch. The occasion was a birthday message, Mr. Bulkeley having been born on December 26, 1837.

DIVIDEND REDUCTION

The Mutual Life Insurance Company, of New York, made a slight decrease in its dividend scale for 1918.

The annual meeting of the Postal Life will be held January 9. Five trustees will be elected.

Capable Agents, Desirable Company

The two most important factors in life underwriting are capability in the Agent and quality in the Company. If the Company provides an unexcelled, attractive policy for a low net cost, and has a reputation for prompt and efficient service, the result is contentment, loyalty, and success for the man in the Field, if he is capable. This Company's record is evidence of the character of its representatives and of the quality of the institution.

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JOSEPH C. BEHAN, Superintendent of Agencies

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LIVE HINTS FOR BUSINESS GETTERS

Practical Suggestions to Help the Man With the Rate Book Increase His Income and General Efficiency

To Prove the Need of More Protection

When a man thinks he has insurance enough, or claims that his life insurance with other resources will provide sufficient income to maintain his family in case of his death, suppose you suggest that he take an account of stock, following the form outlined. In nearly all cases such an inventory will show a balance of needed income to be provided for, and thus will develop a strong closing argument, says "Points," published by the Mutual Life.

This plan would be especially effective when a prospect proposes to talk over the matter of insurance with his wife. In that case try to arrange an interview, with yourself present, suggesting that there will always be questions arising which neither the prospect nor his wife can answer. At such an interview the taking account of stock will be peculiarly convincing.

Sometimes the prospect himself is not unwilling to consider insurance, but the wife objects. She will not be able to stand out against the showing that will be developed in this manner.

If the prospect were going away on a journey to be gone six months, or perhaps a year, he would make careful provision for the living expenses of his family until his return. He may have no present expectation of taking such a trip, but he fully realizes that he may be called upon at any time to depart upon his last long journey never to return. In that case the question is, what provision has he made for the permanent maintenance of those dependent upon him? Let him, too, take an account of stock. The form follows:

Family Expenses

My yearly disbursements for living expenses are now approximately as follows:

House rent ..... $
Light, water, heat, gas ....
Repairs and up-keep .....
Fire insurance, taxes, assessments, etc. .....
Interest on mortgage .....
Hired help .....
Food .....
Wearing apparel .....
Education of children .....
Amusements, church contributions, etc. .....
Miscellaneous items .....

Total ..... $
Deduct..... per cent. as my personal expense

Balance needed to maintain family after my death ..... $

Resources

If I should die tonight, my resources immediately available would be
Cash ..... $
Life Insurance, virtually cash .....

Total ..... $
From this should be deducted funeral expenses and cost of medical attendance, estimated .....

Balance available cash ..... $
I should leave other assets, presumably well invested, to the amount of .....

Total gross resources ... $
Deduct encumbrance and other obligations .....

Total net resources .... $
Estimated income from resources at.....per cent

Estimated yearly cost of living .....

Balance income required to support family .. $

* * *

Selecting Your Prospects

We frequently tell new agents that one of the advantages of our business is that we can choose the men with whom we do business. We tell him he will be perfectly free to go to any man or any group of men that seem to offer the best field for his work, says the Northwestern Mutual Life in "Field Notes."

We are all familiar with this, but do the older agents always keep it in mind? In life insurance as in every other line of work, there is great danger of getting on a tread mill and just following the same old line, day in and day out, year after year.

Now is a particularly good time for every agent to select his prospects. Many classes in the community should be absolutely dropped from the prospect list. Those in military service and those who are likely to be called for military service within the near future, are not profitable material. Clerks in many lines of business are likewise not particularly good. Living costs are advancing and these men are not sharing in profits to the extent the artisans and mechanics are. The building trades are quiet, particularly on house building. Civilian tailors, architects and men in many lines of professional work are suffering a serious decrease in business and consequently in incomes.

But on the other hand, the war is furnishing us with numerous new classes that more than offset these. Farmers in most cases are profiting by present conditions. Military contractors in every line are of course unusually prosperous. Journeymen mechanics in nearly every trade are working at high pressure and for wages that would have seemed exorbitant a few years ago. Whole new lines of business have come into activity—some are entirely new enterprises, others are only taking the place of businesses that have gone stale or have been crowded out. Many a business concern has dropped its ordinary work, and substituted another line much more profitable for the present.

In the war time readjustment of business activities new men are being forced to the front, new forms of ability are in demand and the commercial geniuses of the war will probably be more numerous and just as wonderful as those of military and diplomatic life.

These new individuals and firms must be unearthed, interviewed and sold. Keep in touch with all forms of commercial activity in your district and every few weeks make a new survey. When you know just what is going on you are in the proper position to make your selections.

Owners and managers are undoubtedly better prospects now than many of the salaried classes. They are making large profits and their positions of responsibility call for increased life insurance protection just as much as the increased value of their factories and materials need increased fire insurance protection.

If your business during the past six months hasn't been up to par, try the selection method for a few months—and give eight hours a day to it.

* * *

Without the Right to Change

The case of Cohen vs. Samuels settling the troublesome question of change of beneficiary in cases of bankruptcy is widely cited by life insurance company publications. One company makes this comment to its field force: "The agent is justified now in stating to his prospects and policyholders that life insurance policies, to be absolutely exempt from loss through bankruptcy, must be made payable to a specific beneficiary without the right to change. Many agents keep their policyholders informed of decisions of this kind. The service is always appreciated, and it is frequently gives opportunity to discuss the necessity for more protection."

THE
METROPOLITAN LIFE
Insurance Company
(Incorporated by the State of New York)



Metropolitan Life Insurance Company
Home Office Building

The Company
Of the People
By the People
For the People

The Daily Average of the Company's Business during 1916 was:

701 per day in Number of Claims Paid.

8,304 per day in Number of Policies Issued and Revived.

$1,969,823 per day in New Insurance Issued, Revived and Increased.

$376,827.40 per day in Payments to Policyholders and Addition to Reserve.

$220,509.26 per day in Increase of Assets.

JOHN R. HEGEMAN, President

Representing

The Mutual Life Insurance Company
of New York

You will make money.

The great strength, big dividends and incomparable benefits of the *"oldest company in America"* mean certain success for you.

For Terms to Producing Agents, Address

GEORGE T. DEXTER, 2d Vice-President
34 NASSAU STREET, NEW YORK, N.Y.

BIBLE INSTITUTE ANNUITY

The Bible Institute Annuity Company of Los Angeles has applied for a license to begin business, with $200,000 capital. It will be a subsidiary of the Bible Institute of Los Angeles.

DEATH OF J. BURTT MORGAN

The death of J. Burtt Morgan, former president of the Life Underwriters' Association of Canada, was received with much regret in life insurance circles, particularly among agents. A year ago he made several addresses before life associations in this country, including the Southeastern Congress of Life Underwriters.

INCREASE OF SEVERAL MILLIONS

The Germania Life (Guardian Life of America) will write between $24,000,000 and $25,000,000 this year. Last year the company wrote over $21,000,000.

Sergeant-Major Henry Orton, who was formerly known as Henry Ottenheimer of the Cincinnati agency of the Equitable Assurance Society, is now en route to France for service in connection with the Bureau of War Risk Insurance of the Government.

Eight Men from One Agency in Service

MELLOR & ALLEN MEN AT FRONT

General Agency Going Ahead in Production Despite Loss of Many Good Producers

Mellor & Allen, general agents for the Provident Life & Trust Company, New York City, have added the eighth star to their service flag, with the departure on December 15th of John Mumford, who has sailed to do work with the Young Men's Christian Association in France. Mr. Mumford has been for many years with the Provident Life & Trust Company and is one of their best producers.

Lieutenant Frank L. Walton of the U. S. A., who has been for some time in training at East Radford, Va., is now at Spartenburg, and expects to leave from there for the front.

Lieuts. Walton and Martin in France

Lieutenant Charles E. Walton, Jr., of the Canadian Royal Flying Corps, sailed the last of December for France, and Lieutenant Selah V. Hiscox, also of the Canadian Royal Flying Corps, at present is instructing in Texas, expects to be sent abroad before long. Already in France with the United States Army is Lieutenant John B. Martin.

Sergeant R. F. Mellor, Mobile Unit A, Presbyterian Hospital, is now at Fort Porter, Buffalo, where he has been in training for a month. This unit will doubtless be sent to the front early in 1918.

Wayne Marshall, a lieutenant in the regular army, is now training troops at Fort Leavenworth, Kansas, and Joseph E. Lockwood, a sailor on Scout Patrol has been stationed at Cape May, doing patrol work along the coast. Mr. Lockwood is about to join the Boston Ground School of Aviation.

Mellor & Allen has been somewhat crippled by losing so many of its young and enthusiastic agents to the service of the Government, but will close the year with a big increase. All of these men were good producers, thoroughly interested in the life insurance business, and each one has gone into the Government service with the same enthusiasm and energy which he has always shown to his work.

Guarded Aqueduct

During the summer, for a number of weeks, Sigourney Mellor and Charles M. Coryell, members of the Veteran Corps of Artillery, which took over the work done in the State by the National Guard men who have been ordered elsewhere, did duty guarding the aqueduct between Mt. Vernon and Yonkers.

THE FIRST THOUSAND

Thomas A. Buckner Tells of His First Savings in a W. S. S. Talk to Agents

Thomas A. Buckner, vice-president of the New York Life, in a communication with New York City aents of the Company, made an unusually interesting statement about his first savings campaign, saying in part:

Many years ago when I began with the New York Life as an office boy I remember reading in a Company publication the statement by a great financier on the subject of wealth to the effect that riches and independence could only be honestly secured by two things, hard work and thrift, but that any person of moderate intelligence could acquire wealth through these methods if persisted in. He went on to say that the first thousand dollars were the hardest to accumulate; after that the road was smoother and the speed faster. Satisfied that I possessed at least "moderate intelligence," what interested me was accumulating that first one thousand dollars. Was it possible for me to do so with my opportunities and outlook? The financier said yes, by hard work and thrift. So I banished my dreams of ten, twenty-five or fifty thousand dollars—the latter being about the limit of my conception of wealth at that time—and centered my thought on accumulating the first $1,000 which was said to be so hard, pinning my faith to the advice that the road thereafter would be easier.

Five years slipped by. In addition to supporting myself, I found that the financier's advice was coming true. I had accumulated, including interest, through savings from my salary (rising from $20 a month at the start to $62.50 at the finish) exactly $400. But even from this halfway point the road became smoother and the progress more rapid. Beginning now to solicit insurance as an agent, my fortunes improved and I accumulated the additional $600 inside of the next—my sixth—year.

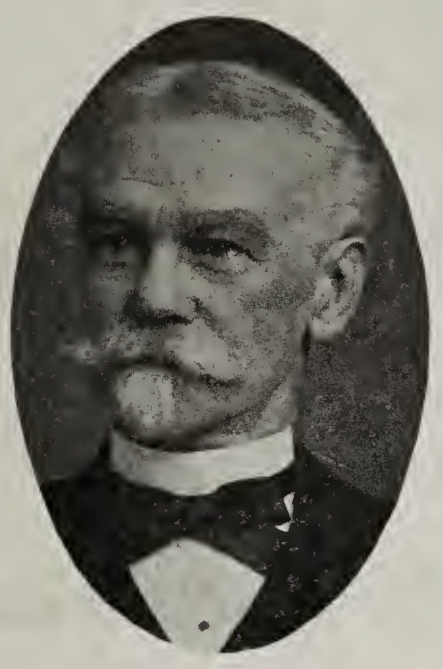
But how much easier that first $400 would have been if the Thrift and War Savings Stamps at 4 per cent. compound interest had been available. It took me six years to save my first $1,000.

Col. A. A. Rand of John Hancock, Dead

HAD A DISTINGUISHED CAREER

Vice-President and General Counsel of Company—Won Title in Civil War

Colonel Arnold A. Rand, vice-president and general counsel of the John Hancock Mutual Life Insurance Company, died this week. Born in Boston in 1837, he was educated here and in



A. A. RAND

Europe. From 1855 to 1861 he was cashier of the banking house of Blake, Howe & Company and Blake Brothers & Company. He served during the Civil War as captain of the First Massachusetts Cavalry and colonel of the Fourth Massachusetts Cavalry.

After attending the law school of Boston University, Col. Rand was admitted to the Suffolk bar in 1872. He established a law practice, with special devotion to real estate and probate matters, and was the holder of large trust interests.

Colonel Rand's service for the John Hancock began with his election as a director on December 11, 1893. He was elected to be third vice-president February 15, 1898, second vice-president February 13, 1900, and first vice-president June 21, 1909.

THE MOST VALUABLE POLICY FOR YOU,
Mr. Agent, is to write your prospect in the Company writing the most valuable policy for the insured.
Secure **prompt action** in the
John Hancock MUTUAL LIFE INSURANCE COMPANY OF BOSTON MASSACHUSETTS
WILLIAM N. COMPTON, General Agent
METROPOLITAN DISTRICT, ST. PAUL BLDG., 220 BROADWAY, NEW YORK, N. Y.

ORGANIZED 1871
Life Insurance Company of Virginia
RICHMOND, VIRGINIA
OLDEST, LARGEST STRONGEST Southern Life Insurance Company
Issues the most liberal forms of Ordinary Policies from $1,000.00 to $50,000.00, and Industrial Policies from $12.50 to $1,000.00
CONDITION ON DECEMBER 31, 1916:

Assets	$14,464,552.23
Liabilities	12,436,717.56
Capital and Surplus	2,027,834.67
Insurance in Force	118,349,212.00
Payments to Policyholders since Organization	18,119,172.50
Is Paying its Policyholders over	$1,300,000.00 annually

GOOD TERRITORY FOR LIVE AGENTS

"If You Were In His Place"—
Would you buy the policy you are offering your prospect?
Provident agents are successful because they are absolutely convinced that the policies they offer are exactly the policies which under similar conditions they would prefer for themselves.
Write for information.
The Provident Life and Trust Company
OF PHILADELPHIA.
Founded 1865

50 YEARS AN ACTUARY

John S. Paterson's Anniversary With New York Insurance Department—Father Was Actuary

John S. Paterson, actuary of the New York Insurance Department is celebrating his fiftieth anniversary with the department, having entered the services of the department on December 26, 1867. His father was the first actuary of the Insurance Department, having been appointed when the department was first organized in 1860 under William Barnes, the first superintendent.

Morris on Group Insurance

(Continued from page 6)

such a drive. and second, one of common sense, that no company will intentionally write such business at a loss. As a matter of fact, all the criticism of low rates for group insurance has been aimed directly at non-participating companies, which companies, as a matter of fact, plan to quote profitable rates. It has been mentioned that the Medico-Actuarial Mortality Table forms a more suitable basis for group rates than the American Table. This is true, but the M.-A. Table has its faults and has only been used as approaching nearer the facts than any mortality table yet published. Group insurance is comparatively new. It is still in the experimental stage, so to speak. It is sold to-day by companies which are unquestionably strong financially. These companies have expressed a willingness to see the business through its experimental stage with the hope of putting it on a sound and lasting foundation. I think I can truly state that to date none of the companies which have written group insurance on the non-participating plan have actually lost money, but profits have undoubtedly averaged not over 5 per cent. of the premiums, even though a considerable part of the business written by these companies has been at gross rates less than the American. Is it not then the logical view to take of the business, that the question of rates be left to the underwriting judgment of the companies writing this business, at least until such time as the information available will be such that proper tables for rates, and may be of valuation, can be prepared? An attempt to legislate as to minmum rates would only tend to hinder the majority of companies now writing the business and to favor from a competitive point of view certain participating companies. which companies, as I have already stated, we may assume are writing business at practically the same net cost as the non-participating companies. In other words, a healthy element of competition would be removed to the detriment of the business as a whole, all at the cost of the purchaser of such insurance.

In brief, the question at issue is not entirely whether insurance can safely be written at less than statutory net premiums, for this feature is already amply safeguarded, but also whether one class of company should be granted a competitive advantage in obtaining business under the veil of certain valuation laws put upon the statutes of the States long before the subject of group insurance as a commercial proposition was ever considered.

EXCESS CONTRACT COST CASE

In the case of Terence McKegney vs. Illinois Surety, the Appellate Division of the Supreme Court held that where a construction contract provided that in case of the default of the contractor the owner may procure and employ other persons to perform and finish the work, proof of the making of a contract with another contractor and of the amount actually paid under it is competent to establish prima facie the owner's claim to recover for excess cost.

THE EASTERN UNDERWRITER

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SHOULD ACT QUICKLY

In New Jersey a situation has arisen showing the need of prompt and ready co-operation between agents and companies. In that State there is a new compensation law which makes carrying of insurance mandatory. Unfortunately, there are certain types of risks of a hazardous nature which the assured finds extreme difficulty in covering through stock insurance (partly because of war conditions), and if he cannot find such coverage he must necessarily go to the State for protection. Here then is a direct issue between State and private company insurance. Certainly, stock insurance companies must give the assured an opportunity to insure with them.

To meet the situation a re-insurance pool is being formed, along the line of the coal pool but time is fleeting and it will be necessary to hurry the formation of this pool or meet the situation in some other way, or it will be too late.

The New Jersey Association of Fire Underwriters has offered its co-operation and its advice should be taken where possible. This association has been and is a power in New Jersey, its advice generally is worth taking, and its influence should not be ignored.

VALUABLE PUBLICATIONS

It is doubtful if in any industry, business or profession the publications issued by corporations for the benefit of their field staffs measure up to those sent out to agents by life insurance companies. The raison d'etre of such publications is to help sell the policy, to stimulate interest in life insurance, and to aid the solicitor in comprehending the principles of insurance. Some of these publications set an unusually high standard, remarkable because it is lived up to month after month. One of the most effective of these organs that has come to this office is the December number of the "New England Pilot," issued by the New England Mutual Life Insurance Company. This is a model agency journal in every respect, and after a careful perusal one must feel regret that its circulation is limited to agents of one company. Agents of all companies could read it with advantage.

The scope of the publication is indicated by some of the subjects covered: Important New Field for Life Insurance; Bankruptcy and the Change of Beneficiary; Insurance to Cover Inheritance Taxes; Proceeds of Policy not Taxable; Teaching the Public Through the War Machine; The All-the-Time Agent; Appetite for Life Insurance Still Keen; Plenty of Fish in the Sea; Endowments for Charities. Just for good measure an instructive address on "Obstacles Necessary to Growth: Some That Must be Met and Overcome by the Successful Agent," by Olip P. Beall, district manager of the Company at Macon, Ga., is included.

No agent can read such a publication without improvement and it should be read from cover to cover.

FIFTY YEARS OLD

Fifty years ago the Pacific Mutual Life began to write life insurance in Los Angeles, Cal., and at the end of that year it had $565,542 in assets and $1,829,600 insurance in force. Leland Stanford, philanthropist and empire builder, was its founder. How well constructed were its foundations, and how careful and progressive its management in the half century intervening is demonstrated by the fact that its assets to-day, $47,700,000, are greater than were the combined assets of all American companies in 1868. The Company now does business in forty-four States, it employs 500 people in Southern California alone, has 20,000 policyholders in that section, and its insurance in force is more than $185,000,000.

In celebration of its fiftieth birthday (on January 2, 1918) and the completion of its million dollar home office building, the sales force of the home agency has invited the Company's co-builders in Southern California to assist them in commemorating the event by presenting George I. Cochran, president, and Gail B. Johnson, vice-president, with applications totaling $1,000,000 of life insurance. They are two of the leading figures in life insurance and deserve this tribute.

BALTIMORE FIRE LECTURES

The Insurance Society of Baltimore is arranging a number of important lectures in fire insurance.

The fire classes will meet weekly on Friday evenings at 6:30, date not yet chosen, and continue until late in April. The subjects to be treated are as follows: (1) Fire Insurance Rating, Principles and Practices. (2) Fire Loss Settlements. (3) Agency, Agency Law: Organization and Management. (4) Automatic Sprinkler Equipment and Supervisory Service. (5) Chemical Fire Hazards. (6) Textile and Textile Industries. (7) Elective Special Fire Hazards (the committee has selected under this head garages and printing and publishing houses). (8) Legal Requirements: State Supervision.

BONUS TO EMPLOYES

A bonus of 7½ per cent. of annual salaries was given to employes of the Great American as a Christmas present.

THE HUMAN SIDE OF INSURANCE



LORD MAYOR OF LONDON

Charles A. Hanson, the new Lord Mayor of London, is an insurance man. An autographed photograph sent to The Eastern Underwriter is reproduced in this column. Mr. Hanson is chairman of the board of the Gresham Life Assurance Society and also of the Gresham Fire & Accident Insurance Society. As chairman of the society corresponds with the office and duties of president of an American company it may be seen that London's new Lord Mayor is what would be termed an all-around insurance man. He spent his early life in Canada and is a member of Parliament. Mr. Hanson is the second insurance man to grace the position of Lord Mayor, the first having been Sir Henry Knight, who died a few weeks ago.

* * *

B. M. Crosthwaite, a well-known New York City fire insurance and automobile insurance agent is doing excellent work as a member of the War Trade Board. This week he is in St. Louis and Detroit opening branches for the War Trade Board.

* * *

Joel L. English, vice-president of the Aetna Life, has completed fifty years of service with that Company. Rely the general agents of the Company in the life department formed a committee to memorialize the event, the committee consisting of T. H. Christmas, Montreal; A. N. DesChamps, Springfield, Mass.; B. F. Reinmund, Newark; W. T. Trull, Boston, K. A. Luther, Syracuse, and J. E. Meyers, Minneapolis. They presented him with a colonial desk and a book of letters, congratulating him upon his half century of achievement.

The desk given Mr. English is of the block-front design, of San Domingo mahogany, and of the type which, according to Lockwood, was developed in northern New England between 1770 and 1775. The wood is of beautiful grain, the original brasses are all in place, and the desk is said, by experts, to be the finest anywhere around here. On the desk is a silver plate, suitably inscribed. Accompanying the desk is an arm chair of the ladder back form designed by Chippendale, and it dates from the same period as the desk. They probably could not be duplicated.

In the desk Mr. English found a book of greetings consisting of autograph letters from each of the life managers. There are ninety-two letters in the book, every general agent having sent a letter of congratulation to the vice-president. The book is handsomely bound in full morocco.

* * *

Miss Evie S. Harris has been appointed by General Agent Williams of New Orleans to take charge of a women's department of the New England Mutual Life in that city. Miss Harris is well-known in educational and women's club circles. She has even prepared herself to give addresses on life insurance before such organizations. In an extended news article on this recent departure in the New Orleans field, the "Times-Picayune" of November 29 says in part: "Intelligent women already have realized the necessity for learning many matters about the business world that they never expected to have to know, and the modern life insurance policy for women is one of these matters that has come to be a part of their business education." An advertisement for a district manager put in the local papers of an eastern city of 100,000 population, by our general agent, brought no less than forty answers. Many of them were from men of decided ability. This does not look like a great shortage of agency-timber—if you know how to appeal to it.

* * *

Harry A. Hopf, manager of the planning department of the Phoenix Mutual Life, has resigned to enter the service of E. I. du Pont de Nemours & Co. at the head office in Wilmington, Del. His new position will be that of manager of the planning division, smokeless powder operating department. Mr. Hopf's last appearance as a speaker before one of the national associations was at the American Life Convention in Grand Rapids last summer.

ENEMY AIR RAIDS

New Questions Raised and Answered in British Parliament—Loss of Rent

Two new questions relative to the British Government insurance scheme in connection with enemy air raids were answered last week.

Sir Harold Elverston asked the Chancellor of the Exchequer whether the contingency of loss of rent through damage by enemy aircraft is covered by the Government scheme of insurance against damage by enemy aircraft, and, if not, whether arrangements will be made to cover this loss?

Mr. Wardle: Loss of rent can be insured against under the insurance scheme, but is not covered by the free compensation scheme.

Sir Harold Elverston asked the Chancellor of the Exchequer whether, under the Government scheme of insurance against damage by enemy aircraft, the sum of £500 is the total amount of free compensation an owner can recover, no matter how many losses are sustained, or whether this sum of £500 applies to losses sustained within a fixed period?

Mr. Wardle: Each case of damage is dealt with separately on its merits and if it comes within the terms of the Compensation Scheme, compensation would be payable, whether the owner had been compensated in respect of previous raids or not.

FIRE INSURANCE DEPARTMENT

Exclude Theft of Personal Effects

FOUR ACT ON TOURIST FLOATERS

Formulate Endorsement Anticipating New Form Soon to Be Adopted by Tourist Conference

The Royal Insurance Co., Insurance Company of North America, Automobile Insurance Company and United States Fire have adopted an endorsement which is attached to tourist floaters excluding losses from the theft of wearing apparel and personal effects from automobiles.

This endorsement is in anticipation of the new form which has been adopted by the Tourist Conference and which will become effective at a date to be determined at the meeting of the Conference early in January. At that meeting, officers of the Conference will be elected. The form which will be made effective contains several other new features in addition to the provision excluding the theft of personal effects.

The endorsement used by the above mentioned reads substantially as follows:

Provisions of Endorsement

"Subject otherwise to all conditions and stipulations of the policy to which this endorsement is attached, it is hereby understood and agreed that this policy covers loss by theft or pilferage under any circumstances from the time the property insured is taken from the permanent residence of the insured.

"It is expressly understood and agreed that this policy does not cover against loss by theft, pilferage or larceny of robes, coats, hats, caps, gloves, leggins, boots, goggles, chauffeur's livery or automobile accessories, while in or on an automobile or while in any garage or in any other building used for the housing of automobiles.

"Nothing herein contained shall vary, alter or extend any provision or condition of the policy other than as above stated."

NIAGARA APPOINTMENT

On January 1st Hillis C. Rhyan will join the Niagara as State agent for Wisconsin, in succession to Henry J. Zechlin recently advanced to the post of agency superintendent at the home office.

Mr. Rhyan has had valuable field experience in Indiana and Wisconsin during the past several years and is well qualified to take charge of the Niagara's important interests in the State.

DEFERRED PAYMENT LINES

Automobile Writing Companies Having Policies Termination Dates But Few Remaining

In August, 1916, the National Automobile Conference voted that insurance to cover cars sold on the deferred payment plan and financed by dealers or by financing concerns should be written only at conference rates and under conference rules. No new contracts of this character have been issued since April, 1917, when it was agreed to finally abandon this practice although one or two contracts were renewed through misunderstanding on the part of the agents, but these have now either been cancelled or arrangements made to secure full tariff rates.

The companies that have outstanding contracts of this character at the present time are listed below together with a statement of the date when the last such contract will terminate as to new insurances or a statement of the present situation so far as such company is concerned. Many of the contracts of such companies have already been terminated in accordance with the agreement with the conference:

Commonwealth .....January, 1918
Germania .....April, 1918

Note.—The Company has a number of contracts with longer termination dates or without definite termination dates, but has agreed to readjust these contracts immediately on the basis of tariff rates or to cancel the policies.

Insurance Co., State of Penn. (One contract only.) .....November, 1918
Mercantile Insurance Company. (One such contract.) .....Now terminated
National .....March, 1918
North Br. & Mercantile.June, 1918
St. Paul Fire & Marine.March, 1918

LONDON CHANGES

Arthur Worley General Manager of North British & Mercantile—Phoenix Absorbs Northern Maritime

London, December 10.—Arthur Worley has been appointed general manager of the North British & Mercantile in London, and Owen D. Jones general manager in Edinburgh.

F. W. P. Rutter, general manager of the London & Lancashire, has been elected a director of the Company.

The Phoenix of London has taken over the Northern Maritime Insurance Company.

R. A. C. Thomas, F.I.A., has been appointed secretary of the Union Marine Insurance Company.

FIRE AND MARINE INSURANCE—ALL LINES

The Automobile Insurance Company of Hartford, Conn.

MORGAN G. BULKELEY, President

Statement January 1, 1917

Cash Capital	$1,000,000.00
Assets	2,748,832.19
Liabilities (Except Capital)	1,039,977.81
Surplus to Policyholders	1,708,854.38

AFFILIATED WITH

AETNA LIFE INSURANCE COMPANY

THE AETNA CASUALTY & SURETY CO.

THE WILLIAM H. KENZEL COMPANY

FIRE INSURANCE AGENT

REPRESENTING AT NEW YORK OFFICE
79-83 WILLIAM STREET

HUMBOLDT FIRE of Pittsburgh, Pa.
EQUITABLE FIRE & MARINE of Providence, R. I.
IMPERIAL ASSURANCE of New York, N. Y.
GRANITE STATE FIRE of Portsmouth, N. H.
ALLEGHENY FIRE UNDERWRITERS of Pittsburgh, Pa.
COMMERCE INS. CO. of Albany, N. Y.
AACHEN & MUNICH FIRE Organized 1825
FRANKLIN FIRE of Philadelphia, Pa.
CALEDONIAN-AMERICAN of New York, N. Y.

K K K

REPRESENTING AT BROOKLYN BRANCH
154 MONTAGUE STREET

LONDON ASSURANCE of London, England
NORWICH UNION of Norwich, England
COMMERCE INS. CO. of Albany, N. Y.
GRANITE STATE FIRE of Portsmouth, N. H.
MECHANICS INSURANCE CO. of Philadelphia, Pa.

Niagara Fire Insurance Company

ESTABLISHED 1850

OTHO E. LANE, President
BERNARD M. CULVER
WILLIAM L. STEELE, Vice-Presidents
CHAS. A. LUNG
WILBUR C. SMITH, Secretaries

"Agents Everywhere"



FIRE
TORNADO
AUTOMOBILE
RENTS
SPRINKLER LEAKAGE
EXPLOSION
FULL WAR COVER
LEASEHOLD

Use and Occupancy, Profits, Commissions — All Form

123 William Street, NEW YORK

NORTH BRANCH FIRE INS. CO.
Sunbury, Pa.
Inc. 1911

Assets	$641,341.77
Reserve	230,513.29
Capital	300,000.00
Surplus	63,479.83

CITY INSURANCE COMPANY
Pittsburgh, Pa.
Inc. 1870

Assets	$357,318.58
Reserve	54,256.92
Capital	200,000.00
Surplus	96,379.07

OPERATING ON A CONSERVATIVE BASIS IN A LIMITED TERRITORY UNDER AN EXPERIENCED MANAGEMENT

New Collision Automobile Cover

PROPERTY DAMAGE IS EXTENDED

New Rate Manual Will Probably Be Ready By Middle of January It Is Thought

Herewith are presented the new collision clauses adopted by the Conference and Bureau.

COLLISION CLAUSE

(Full Coverage)

In consideration of an additional premium of $..... this policy also covers subject to its other conditions, damage to the automobile and/or equipment herein described (each accident being deemed a separate claim) by being in accidental collision during the period insured with any other automobile, vehicle or object, excluding (1) loss or damage to any tire due to puncture, cut, gash, blowout or other ordinary tire trouble; and excluding in any event loss or damage to any tire unless caused in an accidental collision which also causes other loss or damage to the insured automobile, (2) Loss or damage while the automobile insured is being operated in any race or speed contest or while being operated by any person under the age of sixteen years or under the age limit fixed by law.

All other terms and conditions of this policy remaining unchanged.

Attached to and forming part of Policy No. ..... of the ..... Insurance Company.

Dated ..... 19...

Agency at ....Agent.

COLLISION CLAUSE

(Covering Damage Sustained in Excess of $100) (Deductible)

In consideration of an additional premium of $..... this policy also covers subject to its other conditions, damage to the automobile and/or equipment herein described in excess of $100 (each accident being deemed a separate claim and said sum to be deducted from the amount of each claim when determined) by being in accidental collision during the period insured with any other automobile, vehicle or object, excluding (1) loss or damage to any tire due to puncture, cut, gash, blowout or other ordinary tire trouble; and excluding in any event loss or damage to any tire unless caused in an accidental collision which also causes other loss or damage to the insured automobile, (2) loss or damage while the automobile insured is being operated in any race or speed contest or while being operated by any person under the age of sixteen years or under the age limit fixed by law.

All other terms and conditions of this policy remaining unchanged.

Attached to and forming part of Policy No. ..... of the .....Insurance Company.

Dated ..... 19...

Agency at ....Agent.

Additional Assured

The two present forms of property damage cover will be continued exactly as heretofore with, however, an additional rule in the Manual to provide for the extension of the insurable interest formerly covered in the property damage forms, which rule is as follows:

"The word 'assured' wherever used in the policy shall include—in addition to the assured named in the policy—any person or persons while riding in or operating the insured automobile (for private pleasure or business calls excluding commercial delivery) with the permission of said named assured or with the permission of an adult member of the named assured's household who is not a chauffeur or a domestic servant.

"All automobiles written on any other basis, except that of the private pleasure basis and rate, will be written as heretofore with additional premium percentages for any additional assured."

The new collision and property damage rate manual will probably go out to Conference members about January 15 and will set forth the new premiums for the new forms of collision cover and also the revised premiums for the present forms of property damage cover. The Conference and the Bureau have voted to discontinue the use of the $25 deductible collision form.

Effective March 1

All new premiums and new forms for collision and property damage shall be effective for all risks, new and renewal, attaching on and after March 1, 1918. Rewriting (except at the short rate cancellation of the old policy) to avoid the new rates is prohibited.

The new rates on all automobile liability forms will be approximately ten per cent. higher.

PARCEL POST COVER LIMITED

Conference Adopts Endorsement Restricting Policies to Continental North America

The following endorsement, which was formulated by the conference this week, is being added to all parcel post policies as of January 1:

"It is expressly understood and agreed by and between the Assured and this Insurance Company that, notwithstanding any wording in the body of this policy to the contrary, this insurance shall not apply to any shipments made outside the limits of Continental United States, Alaska, and/or Dominion of Canada unless by the written consent of the Insurance Company, which must be endorsed hereon.

"It it further understood and agreed that this insurance shall not apply to any shipment made to destinations the address of which may be Military and/or Naval Stations or Cantonments, unless shipped by Government insured Parcel Post or Registered Mail."

Parcel post policies formerly covered in the United States, Canal Zone, Guam, Hawaii, Phillipines, Porto Rico, United Kingdom of Great Britain and Ireland, Germany, Dominion of Canada and both United States and Canadian Alaskas.

R. H. MOORE PRESIDENT

Election of Officers of Albany Field Club—T. C. Naulty Secretary

At the recent meeting of the Albany Field Club the following officers were elected:

President, Robert H. Moore, Ins. Co. of N. A.; vice-president, L. C. Breed, National of Hartford; secretary, T. C. Naulty, District Secretary Underwriters' Association; treasurer, Geo. Brinley, Hartford Fire.

While no definite action was taken regarding the disposition of the liberty bond owned by the club, it will undoubtedly be disposed of and the proceeds turned over to the Red Cross.

GEROW & EVERITT SELL

Gerow & Everitt of Newburgh have sold their business to LeGrand Pellett, effective January 1. This firm has the Albany, American Central, City of New York, Girard, Hartford, Security, Svea, Aetna Accident & Liability, Lloyds Plate Glass, Royal Exchange (auto). Mr. Pellett has the Alliance, German American, Germania, Hand in Hand, London & Lancashire, London Assurance, Mechanics & Traders, National Union, Newark, Niagara, Detroit Underwriters, Springfield F. & M., Vulcan (auto), Williamsburgh City, Aetna Accident & Liability, Fidelity & Casualty, Marine of London, New York Plate Glass, Maryland Casualty.

B. M. CROSTHWAITE & CO.
Fire and Automobile Insurance Specialists
Lines Bound Anywhere in New York State
105 William Street, New York City, N. Y. Telephones 2404-5-6-1758-1090 John

EQUITABLE UNDERWRITERS of New York
— FIRE and WAR RISKS —
Lines Bound Throughout United States, Canada, Cuba and Mexico. Home Office: 68 William Street

SCHAEFER & SHEVLIN
103-5 William Street GENERAL AGENTS New York, N. Y.
FIRE and AUTOMOBILE INSURANCE
Excellent Facilities for Handling Suburban Business Phone: John 2312

WILLIAM C. SCHEIDE & CO., Inc.
HARTFORD, CONN.
Re-Insurance in All Branches

JAMES H. EPWORTH
NEW JERSEY FIRE INSURANCE SPECIALIST
NEWARK AND SUBURBAN NEW JERSEY TERRITORY
40 CLINTON STREET NEWARK Phone Market 6536 | SERVICE FIRST | 80 MAIDEN LANE NEW YORK Phone John 4560

THE YORKSHIRE INSURANCE COMPANY, LTD., OF YORK, ENGLAND
ESTABLISHED 1824
The "Yorkshire" is the Oldest and Strongest of the English Fire Companies not heretofore represented in the United States
U. S. BRANCH
Frank & Du Bois, United States Managers Ernest B. Boyd, Underwriting Manager
Harry F. Wanvig, Branch Secretary Frank B. Martin, Supt. of Agencies
NO. 80 MAIDEN LANE, NEW YORK
New York Life Insurance and Trust Co., U. S. Trustee, No. 52 Wall St., New York
DEPARTMENTS—METROPOLITAN, Willard S. Brown & Co., Managers, New York, N. Y.; CAROLINA-VIRGINIA, Harry R. Bush, Manager, Greensboro, N. C.; SOUTHEASTERN, Dargan & Turner, Managers, Atlanta, Ga.; LOUISIANA and MISSISSIPPI, Jas. B. Ross, Manager, New Orleans, La.; PACIFIC COAST, Jas. C. Johnston, Manager, McClure Kelly and McKee Sherrard, Assistant Managers, San Francisco, Cal.

Iowa National Fire Insurance Co.
DES MOINES, IOWA Capital Stock $500,000
The latest addition to Reliable Fire Insurance organizations began Writing Business on January 1, 1917
JOHN L. BLEAKLY, President
F. L. MINER Vice-President
C. S. VANCE Underwriting Manager
FRANK P. FLYNN Treasurer
C. M. SPENCER Secretary

WALTER F. ERRICKSON
38-40 Clinton St., Newark, N. J. 95 William St., New York
Representing
THE GERMANIA FIRE INS. CO.
For Automobiles
Special facilities for out-of-town business.

LINES SOLICITED AND BOUND THROUGHOUT UNITED STATES AND CUBA
E. F. FLINDELL
INSURANCE
1 LIBERTY STREET Telephone John 2612 NEW YORK
LOCAL OFFICES
JERSEY CITY, N. J. 1 Montgomery St. Tel. 216 Montgomery
BROOKLYN, N. Y. 153 Remsen St. Tel. 2504 Main
NEWARK, N. J. 9-15 Clinton St. Tel. 614 Mulberry

Wm. N. Bament on Expiration of Policy

KEEPING TAB ON NOON HOUR

Assured Should See That He Has Renewal Plenty of Time in Advance

Some interesting points about the fixing of noon as expiration time of the policy are made by William N. Bament, general adjuster of the Home and Franklin, in his paper on "The Fire Insurance Policy as a Contract" in the Bulletin of the National Association of Credit Men. He said in part:

Synchrony

"Although all enterprising insurance companies, agents and brokers make a practice of notifying their customers of the expiration of their policies, they are under no obligation so to do; hence, the insured should not only keep careful watch over his expiration, but he should see that his insurance is renewed several days before the policies expire. The insurance text writers and the courts which have passed on the subject, few in number though they be, have held to the view that the occurrence of a loss is synchronous with the fire actually reaching the property described in the policy. Hence, if a fire or conflagration starts in neighboring property some time before noon, the insurance expiring at noon, and the fire, or the smoke, heat or water therefrom, does not reach the premises until after noon, the owner will be compelled to suffer the consequences of his own neglect if he has failed to renew his policies. (Insurance Co. vs. Peaslee-Gaulbert Co. (Ky.), 34 Ins. Law Journal, 740.)

"This question as to when a loss occurs, in circumstances such as those above outlined, arose at Baltimore and San Francisco, but fortunately for the parties insured, in both instances, the insurance had either been renewed in the same companies or replaced in others so that they sustained no loss. The claims were paid under the new policies. Of course, if a fire breaks out in the described premises, and continues to burn thereafter until the property is totally destroyed, it is deemed one event and the entire loss is one occurring within the term of the policy.

A Packing House Incident

"A number of years ago, before the days of the telephone, a merchant in a western city, started from his place of business in the suburbs to renew the insurance on his packing house, amounting to $100,000, which was to expire that day at noon. He was unexpectedly delayed and when approaching the insurance center, the fire bell rang. He supposed it was tolling the hour of noon, but it was sounding the death knell of his business career. If was quarter past twelve, his plant was on fire and burned to the ground. And this is only one of many instances of a similar nature which have occurred in the past and which will occur in the future. The insured cannot transfer to the shouders of others the responsibilities which properly belong to his own."

E. E. FROST'S BUSINESS SOLD

The business of the late E. E. Frost of Oswego has been taken over by Frank W. Parker. Mr. Frost had the Aachen & Munich, American Central, Boston, Home, L. & L. & G., Milwaukee Mechanics, Rochester German Underwriters, Royal Exchange, Springfield F. & M., Williamsburgh City, Home (farm department), Globe Indemnity, Lloyds Plate Glass, Standard Accident.

NEW JERSEY GENERAL AGENT

The United States Brokerage Company of New Brunswick, N. J., has been appointed New Jersey general agent for the United States Casualty for all lines.

"The Largest Fire Insurance Company in America."

THE HOME INSURANCE COMPANY NEW YORK

ELBRIDGE G. SNOW, President

Underwriting Capacity Second to None.

FIRE AND ALLIED BRANCHES OF INSURANCE.

Fire, Lightning, Automobile, Commissions, Explosion, Hail, Marine (Inland and Ocean), Parcel Post, Profits, Registered Mail, Rents, Sprinkler Leakage, Tourists' Baggage, Use and Occupancy, Windstorm.

STRENGTH REPUTATION SERVICE

Should Touch Pocket Nerve of Careless

VIEWS OF HALIFAX CITY CLERK

Legislative Bodies Would Find Public in Receptive Mood for Fire Prevention

Would that there were more city officials who think as does L. Ford Monaghan, of Halifax, regarding personal liability for preventable fires. Mr. Monaghan is city clerk. Writing in the Canadian Municipal Journal he says:

Among the great lessons taught by the war is the utter wastefulness and woeful loss of property by preventable fires. These losses in war times are more expressive than under other circumstances. In peace times the burden is pecuniary only and is suffered only by an immediate, interested few. Legislative bodies should not neglect the opportunity presented while the preventable fire loss is being deeply impressed upon the public mind through the abnormal conditions of war.

City Officials Lax

Most communities, including the City of Halifax, have officials whose duty it is to inspect properties for fire hazard and to apply certain regulations for the correcting of unsafe conditions, but the results of this system are far from satisfactory everywhere.

An effective deterrent for preventable fires must touch the pocket of the careless or vicious property holder. A short cut to this is to make him personally financially liable. The common law principle of liability for injury resulting from carelessness or neglect, in order that it might be summarily, incxpensively and expeditiously applied, should be supported in the special matter under consideration by statutory enactment and municipal regulations.

This subject is most opportunely a live question in the United States at the present time, and is being urged with some diligence by the National Fire Prevention Association, of which the City of Halifax, through its city clerk, is a member. The City of Greater New York, the City of Cleveland, Ohio, and the State of Pennsylvania have already moved in the matter and have had the principle enacted into law. I think the subject worthy of consideration by the City of Halifax for many reasons.

The National Fire Prevention Association urges all persons who suffer from preventable fire to bring suit for recovery of damages. The enactments in New York, Cleveland and Pennsylvania only confer on the municipalities the power to collect cost to the fire department of extinguishing the fire. Laws of this nature, if deemed wise, should really be Provincial or Dominion-wide and not confined to individual communities.

North British and Mercantile Insurance Co.

Established 1809

Entered United States 1866

Policyholders protected by the entire United States assets, with further guarantee in every policy, of protection by entire fire assets of the company which are many times larger.

How to Study Assets and Liabilities

SOME POINTS MADE BY BEST

Figures Reached by Averaging Values by Five Calendar Points May Be Misleading

In his article for the Bulletin of the National Association of Credit Men, Alfred M. Best, of the Alfred M. Best Company, said relative to study of assets and liabilities:

Assets: In their statements the companies set out in detail the nature and amount of their assets. In most States the kinds of investments permitted are carefully restricted, but in other States considerably more latitude is allowed, and frequently abused. Heavy investments in real estate are undesirable because non-liquid and because arbitrary increases in valuations may be made to conceal excessive losses or expenses. Good real estate mortgages, bonds, and stocks are more desirable, but, of course, the desirability of all of these investments varies greatly, and the lists should be closely scrutinized. Securities in the least degree speculative are undesirable; the shrinkage recently in even standard securities has been so great that the supervising insurance officials have agreed to permit fire insurance companies to list their securities at the end of 1917 at the average of the quotations of November 1, 1916, and the 1st of February, May, August and November, 1917. From one point of view this is equitable, but policyholders must remember, in scanning the statements published early next year, that the companies could not realize on these securities at anything like the figures reached by this averaging process—unless there should be a most unexpected recovery in the next few months. Therefore, the surplus shown should be proportionately discounted.

Liabilities

Liabilities: Most of the items set down in the published statements need no explanation. Losses are reported gross, with deduction stated separately, for re-insurance recoverable. If a company's business is not prosperous, there is a temptation to minimize the estimates for unsettled claims, but usually this item is honestly reported. The item of unearned premiums (or re-insurance reserve) represents the amount returnable should all policies in force be canceled. This is computed on gross premiums, without considering the expense of acquiring the business, including the commissions allowed to agents. If policies are canceled, the agent's percentage of commission is in practice deducted from the return premium, and where business is re-insured en bloc the company assuming the business usually allows a very substantial commission upon the unearned premium turned over to it, representing the expense which would attend the acquisition of a similar volume of business through its own agents. There is, therefore, an unrevealed element of strength in the statements of well-managed fire insurance companies representing the amount which could be realized by the cancellation or re-insurance of the business in force. In other words, the unearned premium liability, under ordinary conditions, can be discharged by the payment of from 40 to 70 per cent. of the amount which the companies are required by law to report as a liability.

OCEAN CO., INC., RE-ORGANIZED

The Ocean Co., Inc., marine brokers, has been re-organized and is now operating as Randall, Livermore & Co., Inc. The new firm is composed of Lester H. Monks, president; Harris Livermore, vice-president; William H. Randall, Secretary, and William G. Goodwin, treasurer.

Lemmon Compares Rating System

THREE SCHEDULES ARE ANALYZED

Says L. & L. System Accomplishes Its Purposes And Should Be Generally Adopted

W. S. Lemmon, co-author with A. E Larter in the L. & L. Rating System, has issued a detailed analysis of the three fire insurance rating systems, Universal Mercantile, Analytic and L. & L. in response to requests from rating experts in various cities. After describing the manner in which the three systems treat basis and key rates, standard buildings, walls, floors, wall and ceiling finish, area, height, floor openings, skylights, heating, lighting, tenants, occupancy charges, number of hands or operatives, unprotected iron columns, chimneys, exposure, contents, differential charge, flexibility and adaptability and co-insurance, Mr. Lemmon makes the following summary advocating the adoption and general use of the L. & L. System:

Basis For Uniformity in Rating

1st. That the preparation of the L. & L. Rating System was started with the idea of obtaining a basis for uniformity in rating.

2nd. That uniformity in rating is necessary if classified experience is to be of use in determining whether rates as to classes are remunerative or not.

3rd. That the L. & L. Rating System is founded upon the idea of uniformity and based largely upon the gradings of the National Board Grading Schedule for cities and towns.

4th. That the operation of the L. & L. Rating System once established would yield easily to control by means of the Burning Degree, which not only controls results by classes, but establishes intimate and proper relations between the three types of building construction. The L. & L. Rating System is unique in the possession of this invaluable feature.

5th. That various features of construction are treated with greater simplicity by the L. & L. Rating System than by any other system, particularly those features which are comparatively unimportant. Upon important features, such as floor segregation, the analysis by the L. & L. Rating System is greatly superior. The L. & L. Rating System puts the strength of its analysis into the items of hazard which are undoubtedly of the greatest importance viz.: area, occupancy and hazards and exposure.

6th. That the L. & L. Rating System is simple and easily comprehended.

7th. That the use of the original factor called the "Burning Degree" gives superiority in analytical power to this schedule over all others in connection with charges for area, occupancy and specific hazards.

8th. That the treatment giving credits for floors with floor opening protection, is the only fair and logical method ever devised.

9th. That the L. & L. rates are based upon an assumed insurance of 80 per cent. of value.

10th. That the wide "spread" in the L. & L. System between the high grade and the low grade towns affords a range of charges that renders the System more comprehensive than any other.

Says it Would Rate More Efficiently

In conclusion, before the preparation of the L. & L. Schedule was started, it was generally considered that all of the old schedules, including the Analytic, were more or less unsuitable for extension over the entire field, and the L. & L. Rating System was prepared to supply what was lacking in the old methods. The above comparisons must show conclusively that a conscientious effort has been made to supply these deficiencies, and that valuable improvements have been made over the old systems which are the same to-day as they were four years ago, when the preparation of the L & L. Schedule was authorized. It can also be said for the L. & L. Rating System that the showing which it has made in all tests indicate that this system will accomplish exactly what it started out to do; that is, to be logical in its methods, and therefore defensible; to be used uniformly in different cities; to uphold National Board Standards; to improve upon the analysis of hazard attempted in the older schedules; to simplify methods wherever possible; to induce improvements in risks (particularly in large risks known as conflagration breeders) to a greater extent than the mild charges for area and multiple occupancy in the old schedules have been able to accomplish, and generally to rate risks more efficiently.

Because it does all these things, its preparation and existence as a schedule are justified, and it is entitled to adoption and general use.

BROKERS ACTIVITIES

Regulating Canadian Commissions

The Canadian fire insurance commission sitting in Parliament, Justice Masten presiding, heard suggestions last week from witnesses that the commissions of agents be limited to 15 instead of to 25 per cent. License restrictions and an examination for agents and brokers were also discussed.

* * *

Specialties Holding Their Own

Side lines are holding their own underwriters report. Use and occupancy is going ahead, and even explosion insurance is perking up. One of the offices reports an $8,000 explosion insurance premium during the past few days.

* * *

Morrison Makes Change

Daniel W. Morrison on January 2 will join the staff of Frank B. Hall & Co. Mr. Morrison for the past two years has been special agent in the metropolitan district of Fred S. James & Co.

* * *

H. R. Tredwell Promoted

Herbert R. Tredwell, who has been superintendent of the schedule department of Fred S. James & Co. for some time, has been promoted to the position of special agent in the metropolitan district succeeding Daniel W. Morrison who has resigned to join Frank B. Hall & Co. on January 2.

* * *

N. Y. "Times" Insurance

The New York "Times" this week applied for $500,000 fire insurance on its building and plant at 42nd Street and Broadway. This business was placed by Randall, Livermore & Co., Inc.

NEW YORK STATE DEPARTMENT
HUMBOLDT FIRE OF PA. TEUTONIA FIRE OF PA.
CAPITAL FIRE OF N. H. GEORGIA HOME OF GA.
PERCY B. DUTTON, Manager, ROCHESTER

INCORPORATED 1720
Royal Exchange Assurance
LONDON, ENGLAND
United States Branch
92 William Street, New York
RICHARD D. HARVEY
United States Manager

National Fire Insurance Company
OF HARTFORD, CONN.
Statement January 1, 1917, to New York Insurance Department
LIABILITIES
Capital Stock, All Cash.....$2,000,000.00
Funds Reserve to Meet All Liabilities, Re-Insurance Reserve, Legal Standard..... 9,912,715.84
Unsettled Losses and Other Claims..... 1,878,398.32
Net Surplus over Capital and Liabilities..... 3,743,747.60
Total assets January 1, 1917.....$17,534,861.76
H. A. Smith, President — F. D Layton, Ass't Sec'y — F. B. Seymour, Treas.
G. H. Tryon, Secretary — S. T. Maxwell, Ass't Sec'y — C. B. Roulet, Gen. Agt.
SURPLUS TO POLICY HOLDERS, - - $5,743,747.60

LEWIS & GENDAR, Inc.
New York City Agents
Commonwealth Insurance Co. of New York
Telephones: John 63-64-65 ONE LIBERTY STREET, NEW YORK CITY
Brooklyn and Suburban Agency
Northern Asse. Co., Ltd. of Eng. — Firemen's Inc. Co. of New Jersey
Commonwealth Ins. Co. of N. Y. — Globe & Rutgers Inc. of N. Y.
Detroit F. & M. Ins. Co. of Mich. — Employers' Lia. Assce. Corp. of London
145 MONTAGUE STREET, BROOKLYN—NEW YORK
Telephones: Main 6370-6371-6372

Agricultural Insurance Company, of Watertown, N.Y.
64th Annual Statement
Assets $5,036,003.01
Liabilities 2,296,861.95
Capital 500,000.00
Conflagration Surplus 250,000.00
Surplus to Policyholders 2,739,141.06
F. L. GILPIN, JR., 434 Walnut St., Phila., Special Agent.MIDDLE DEPT.
E. J. PARMELEE, Syracuse, N. Y., Special Agent..NEW YORK STATE
GEORGE SHAW, 116 Milk St., Boston, Special Agent..NEW ENGLAND
F. F. BUELL, Troy, N. Y., Special Agent.....NEW YORK STATE

Caledonian Insurance Co. of Scotland
FOUNDED 1805
"THE OLDEST SCOTTISH INSURANCE OFFICE"
UNITED STATES HEAD OFFICE
Caledonian Building, 50-52 Pine Street, New York
CHAS. H. POST, U. S. Mgr. R. C. CHRISTOPHER, Asst. U. S. Mgr.
NEW YORK CITY OFFICE
Golden Hill Building, 59 John Street, New York

LOGUE BROS. & CO., Inc.
Fire—Casualty—Automobile Insurance
Nation-Wide Facilities for Handling SURPLUS LINES
307 FOURTH AVENUE PITTSBURGH, PA.

PHILADELPHIA
ADEQUATE FACILITIES
ALL LINES
CLARENCE A. KROUSE & CO.
LOCAL AND GENERAL AGENTS
325 WALNUT STREET PHILADELPHIA, PA.
PENNSYLVANIA NEW JERSEY
SATISFACTION SERVICE
ALL LINES

Marine Insurance
Particular Average

An Article Dealing with Points an Agent Should Know

By C. S. ELDER, Special Agent of the Hartford, in Chubb & Son Office

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A good many shippers and some insurance agents do not have a clear understanding of the term "particular average" as applied in marine insurance.

It is a term which designates a certain class of marine losses. Perhaps the quickest way to grasp the meaning of the term is to substitute for it the expression "partial loss." Some writers having a fondness for splitting hairs would point out that the term particular average should be applied to cases of damage or deterioration in value and not to the case of the total destruction of part of the subject insured, the correct name for the last kind of loss being "partial loss." It is correct, however, to say that all particular average losses are partial losses, as the term "partial loss" is not restricted to mean only losses caused by the total destruction of part of the subject, but includes also losses caused by damage or depreciation in value. For all practical purposes it is unnecessary to make any distinction in the meaning between the terms "partial average" and "partial loss." Arnould, the leading British authority makes no reference to such a distinction in his definition, which is: "A particular average loss is a partial loss of the subject-matter insured, caused by a peril insured against, and which is not a general average loss." From this definition it can be said that a particular average loss is a loss of the subject-matter insured, caused by a peril insured against, that is not a total loss or a general average loss.

Total Losses

A total loss is, of course, a loss caused by a peril insured against, that will entitle the assured to collect a total loss under his insurance policy. Such a loss may be either an absolute total loss, i. e., a loss resulting from the absolute destruction of the subject-matter insured, or a constructive total loss. A constructive total loss occurs when the property or interest insured is reduced to such a condition by a peril insured against as to make its ultimate destruction apparently unavoidable or its arrival at the place of destination practically hopeless, it being permissible under the law, in some cases of this nature, for the assured to abandon the property or interest insured to underwriters and claim a total loss under the policy. Under the law of the United States, however, the general rule is that a constructive total loss can be claimed by the assured when the property or interest insured is so reduced by a peril insured against that to repair and restore it would cost more than fifty per cent. of its value after being restored. The principle of constructive total loss is recognized by the maritime law of all leading nations although the provisions of the law are not uniform in all respects. In England, for instance, in order to collect for a constructive total loss it is necessary to prove that the cost of repairs would exceed the value of the vessel after the repairs were completed. This doctrine of constructive total loss is applicable to losses to cargo and freight as well as to vessels themselves.

How Particular Average Differs From General Average

A particular average or a partial loss differs from a general average loss in that a general average loss is a loss caused by an expenditure or a sacrifice of property voluntarily and purposely made, by the captain or other representative of the owner of a vessel, at a time of danger, for the purpose of saving the vessel and cargo from the threatening peril; whereas a particular average or partial loss results from actual damage to the property or interest insured fortuitously caused by a peril insured against. A particular average loss involves no voluntary sacrifice of property or outlay of money made for the benefit of both the owners of the vessel and the owners of the cargo to make good which both must contribute. It is not a loss that must be borne by the general interests that were at risk in the venture, but is a loss that falls on a particular interest, such as on vessel alone or on cargo alone. For a more detailed explanation of losses included in "General Average" and the method by which the owners of the vessel and the owners of cargo on board are made to contribute their respective proportions of such losses, we refer agents to an article printed in the "Hartford Agent" in July, 1917.

A particular average or partial loss being a loss that is caused wholly by an accident or by the action of the elements, as by heavy seas or by wind or fire, must be borne by the owners of the property or interest that sustains the damage. If any of the cargo arrives damaged by such a cause, the loss must be borne by its owners or their underwriters. Damage to the ship itself, similarly caused, must be borne by the owners of the vessel or their underwriters. The same principle applies to the freight. If it is prepaid, not to be returned in any event, then it is, of course, at the risk of the cargo owners, and a loss on cargo involves a loss of the freight. Prepaid freight, therefore, should be insured by the owners of cargo and is usually added to the amount of the invoice, cargo and prepaid freight being insured together. Freight that is not prepaid, but which is to be paid only upon delivery of the cargo, on the other hand, is at the risk of the ship owners or their underwriters.

Valued Contract

Particular average losses on account of damage by perils insured against to vessels, including hull, machinery, stores, and equipment, are comparatively easy to adjust. In such cases the amount of loss is determined by the cost of effecting repairs with material of like quality and kind, the principle being that the vessel shall be restored as near as possible to the same condition she was in before the accident occurred. A marine insurance policy is a valued contract under which the insurance company is liable in the proportion that the sum insured bears to the valuation stated in the policy. To be fully protected, therefore, the assured must insure for an amount equal to the valuation of the vessel which is agreed to by the Company when it inserts the valuation in the contract, and by the assured when the policy is accepted by him.

The method of determining a particular average loss on cargo, which is usually adjusted at the port of destination, is to compare the market value of the goods in a sound condition after being landed with the market value of the goods in their damaged condition. If, for example, a shipment of goods would have been worth $1,200 at the port of destination had they arrived in a sound condition, but owing to damage sustained on the voyage by a peril insured against they were worth only $800 then the loss of $400 would show a depreciation in value of 33 1-3 per cent. The liability of the underwriters in this case would be 33 1-3 per cent. of the value at which the goods were insured. The above method applies to cases in which the goods arrive in their entirety but have been deteriorated in value in consequence of an accident or a peril insured against. If a part of the shipment arrives in an undamaged condition but another part of it has been totally lost on the voyage, the adjustment of the loss is simple. The underwriters in such a case pay the insured value of the part of the shipment that was not delivered, provided it was lost by reason of a peril insured against.

Settlement of Losses

It it seldom that an agent is called upon to assist in the settlement of marine losses. In the case of export shipments, as we have pointed out in previous articles, even the shipper usually has nothing to do with the adjustment. Most export shipments are covered under certificates issued under the marine open policy held by the

"The Leading Fire Insurance Company in America"



AETNA INSURANCE COMPANY

Aetna Fire Underwriters Agency

of Aetna Insurance Co.

Application For Agencies Invited

THE HANOVER
FIRE INSURANCE COMPANY
Incorporated 1852

The real strength of an insurance company is in the conservatism of its management, and the management of THE HANOVER is an absolute assurance of the security of its policy.

R. EMORY WARFIELD, President
FRED. A. HUBBARD, Vice-President
E. S. JARVIS, Secretary
WILLIAM MORRISON, Asst. Sec'y

HOME OFFICE
Hanover Bldg., 34 Pine St.
NEW YORK

HOWIE & CAIN, General Agents
Metropolitan District
100 WILLIAM STREET, NEW YORK

"STRONG AS THE STRONGEST"
The Northern Assurance Co.
(LTD., OF LONDON)
Organized 1836
Entered United States 1876
Losses Paid - - - $105,000,000
Losses Paid in U. S. - $38,000,000
Eastern and Southern Departments
55 JOHN STREET
NEW YORK CITY

WESTERN
ASSURANCE CO.
OF TORONTO, CANADA
(Fire, Tornado, Ocean Marine and Inland Marine Insurance)
UNITED STATES BRANCH
January 1, 1917
Assets $3,329,177.74
Surplus in United States.... 1,478,531.90
Total Losses Paid in United States from 1874 to 1916, inclusive 41,657,814.31
W. B. MEIKLE, President



125th Anniversary
Insurance Company of
NORTH AMERICA
PHILADELPHIA
CAPITAL, $4,000,000
ASSETS OVER $23,000,000
FIRE, MARINE, AUTOMOBILE, Rent, Leasehold, Tornado, Explosion, Use and Occupancy, Sprinkler Leakage, Travelers' Baggage, Parcel Post
The Oldest American Stock Insurance Company

Rossia Insurance Company
HARTFORD, CONN.
REINSURANCE

Firemen's Insurance Co., Newark, N. J.
January 1, 1917
Cash Capital $1,250,000.00
Net Surplus $2,449,322.25
SURPLUS TO POLICYHOLDERS...$3,699,322.25
DANIEL H. DUNHAM, President
JOHN KAY, Vice-President and Treasurer
NEAL BASSETT, Vice-President
A. H. HASSINGER, Secretary
J. K. MELDRUM, Assistant Secretary

shipper. These certificates are usually endorsed in blank, making losses under them payable to holder, and are forwarded with the invoices, bills-of-lading, bank drafts, and other shipping documents. Any claim that may result from damage caused by perils insured against while the goods are in transit is presented by the consignee to the company's nearest claim agent by whom the cause of the loss and the amount of depreciation are determined. The loss is then paid abroad by one of the company's foreign settling agents or referred back to the company to be paid in this country. These representatives of the company are located in all the principal ports in the world and are listed on the backs of our foreign insurance certificates. Losses on import shipments insured in this country are reported to agents or direct to the marine managers of the company and claims are promptly adjusted.

Marine insurance differs in character from other classes of insurance. Owing to the nature of the business the contract cannot be restricted to a hard and fast form, but must be specially drawn to meet the requirements of different classes of merchandise and of the different business arrangements of individual shippers.

There are various special marine insurance clauses that have been in use many years, all drawn to meet certain conditions in respect to the nature of the subject-matter insured. A few of these clauses are the following:

"Free of particular average under 5 per cent." This clause means that the company is not liable for a partial or particular average loss on the goods insured unless the damage results in a deterioration of at least 5 per cent. in the value of the goods. If that amount of depreciation is reached, the company pays the whole amount of the loss based upon the policy valuation.

"Free of particular average unless the vessel be stranded, sunk, burnt, or in collision." Under this clause underwriters are not liable for any particular average or partial loss unless the vessel during the voyage has met with one of the accidents enumerated in the clause.

"Subject to particular average if amounting to 3 per cent.; each case or shipping package separately insured." The meaning of this clause is that underwriters are liable for a particular average or partial loss on any package included in the shipment insured, provided the damage or deterioration caused by a peril insured against amounts to 3 per cent. of the value of the package that is damaged.

The marine insurance policy is one of the important documents representing an export shipment. Banks transacting such a business could not afford to handle bills of exchange covering foreign shipments unless they were properly protected by marine insurance, and always require that marine insurance certificates accompany the other shipping documents.

The shipper usually provides the insurance and it is of the utmost importance to him that the insurance which he secures shall fully meet his requirements. In this class of business there are many features to be considered besides that of the rate to be paid. The shipper is desirous of affording complete satisfaction to his customers. To do this it is important that the conditions of insurance that he effects on the shipment be suitable to properly protect the particular class of goods that are shipped. This insurance in most cases is placed for the benefit of the consignee. The insurance certificates are endorsed to him and claims collected by him at destination. Usually the consignee pays the premium, which is added to the invoice.

Any carelessness or ignorance in insuring goods under times or clauses that fail to afford full protection to the particular class of goods that are shipped, will cause unsatisfactory adjustments which will reflect unfavorably upon the shipper's future dealings with his customers, and may result in the loss of valuable business.

The attention of manufacturers in all parts of the country is being directed more than ever to the possibilities of engaging in foreign trade. With the expansion of exporting that can be expected to take place after the ending of the world war, agents throughout the country will find in insurance of cargo accounts a lucrative field in which to extend their activities.

In cultivating this business agents should be careful to bear in mind the importance of inquiring fully in regard to the character of their clients' business. The assured should be impressed with the importance of giving complete information to agents relative to the various classes of merchandise they ship, the different places to which shipments are made, and any other details which will enable the agent to present the data to the company in such form that the policy can be drawn to properly and fully meet the requirements of the assured in each individual case. The end to attain is to furnish a contract that will give complete protection and satisfaction to the assured and to his customers, at fair rates.

A GLIMPSE OF HARTFORD'S INSURANCE DISTRICT



TRAVELERS BUILDING, SHOWING NEW ADDITION, ON LEFT AETNA FIRE AND AETNA LIFE BUILDINGS

There is a saying in Hartford that every ambitious boy in the town hopes when he grows up that he will be an insurance man. The reason for this is that he sees about him on every hand evidences of the greatness of insurance. Then, too, it is impossible for him to pick up a copy of the Hartford "Courant," or the Hartford "Times" without seeing some story about an insurance man because they are the leaders of the town. They are prominent in every line of governmental activity.

Only this week the "Courant" published a full page story of an insurance man upon the occasion of his birthday. And, at that, insurance has not monopolized all the leading men of the city because at one time the founder of the J. P. Morgan dynasty lived in Hartford and Samuel L. Clemens (Mark Twain) also spent the happiest years of his life there.

In the picture printed above is seen one section of the Hartford insurance district, including the buildings of the Travelers, Aetna Life and Aetna Fire insurance companies. They are on the left side of the banner; on the right is the building housing the Automobile Insurance Company. Many other companies are within a block or two walk.

R. S. CLEAVES RESIGNS

Royal S. Cleaves, superintendent of the special risk department of the Royal Exchange, has resigned. It is reported he will go into the brokerage business.

F. H. HAWLEY, Pres. ORGANIZED 1848 W. E. HAINES, Secy.



Ohio Farmers Insurance Co.
LE ROY, OHIO.

Ohio's Oldest and Strongest Company
Net Surplus Over $1,293,741.00
AN AGENTS COMPANY

E. K. SCHULTZ & CO.
PHILADELPHIA
GENERAL AGENT
Pennsylvania, New Jersey and New York

JONES, LAUNT & BARRETT, Inc., GENERAL AGENTS

JONES LAUNT INCORPORATED BARRETT

CAPITAL FIRE INSURANCE COMPANY of CAL.
CHICAGO BONDING & INSURANCE COMPANY
GREAT EASTERN CASUALTY COMPANY
THAMES & MERSEY MARINE INSURANCE CO., Ltd.
SECURITY MUTUAL FIRE INSURANCE CO. of MINN.

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CASUALTY AND SURETY NEWS

Arguments for Group Insurance

EXAMPLE SET BY RAILROADS

Workers Twenty-five Per Cent. Insured—Paying Convalescent Workmen.

Having entered the group health and accident field, the Chicago Bonding & Insurance advances these reasons why it considers that line particularly attractive:

About ninety per cent. of the railroads entering Chicago have franchise agreements with insurance companies, whereby the agents of the insurance company are permitted to solicit their employes for health and accident insurance. and the railroad company deducts the premiums from the employe's wages, thereby relieving the employe of the trouble and responsibility of keeping the premiums paid. The fact that all these railroads, and many of the large steel plants of the country have adopted this plan of insurance, and found it entirely satisfactory should in itself be sufficient argument to satisfy the employer that it would be to his advantage to have all his employes carry health and accident insurance.

Few Employes Insured

There are many reasons why the employer should be interested in this plan of insurance. Probably not more than 25 per cent. of the factory workmen of this country are protected by a health and accident policy. Many of them have applied for policies and paid the premiums for a few months, and then allowed the policy to lapse because it was up to them to keep the premium paid. If the premium had been deducted from their wages, they would undoubtedly have continued the policy and enjoyed the comfort and independence all men enjoy who carry health and accident insurance. We believe that the employer will admit that a workman when returning to work after an enforced idleness of several months, due to illness or injuries, not covered by the Compensation Law, are better workmen if they have had an income from health and accident insurance. For a workman who has a grocer, a landlord and others threatening to cut off his credit, is not in the proper frame of mind to give his employer's business the attention that he would otherwise.

Wages For Light Work

Another annoyance that the employer has to contend with, is a request by the employes who have been disabled to be given some light work to do until they have fully recovered. This means to pay the employe his full wages to do light work, which really means to do nothing. Workmen who carry health and accident policies do not make requests of this kind; but when his claim is paid he will surely appreciate that he would not have had a policy, if it were not for the personal interest the employer had taken in him.

W. M. HOWE WITH AETNA

Son of Secretary of Equitable Fire & Marine is in Water Damage Department

W. M. Howe, a son of Samuel G. Howe, secretary of the Equitable Fire & Marine, has joined the staff of the Aetna Casualty & Surety in the New York office. He has been made assistant to C. H. Vaughan, manager of the water damage and sprinkler leakage department.

Liability for Glass Losses in Halifax

CONTRACT CALLS FOR PAYMENT

Damage Thought Exaggerated—Subrogation to Government—Greatest Possible Liability

To unravel the plate glass situation in Halifax a number of managers met in Toronto last week. President William T. Woods, of the Lloyds Plate Glass, attended.

It was brought out that if the companies interested were to suffer to the full extent of their liability their losses would be approximately as follows:

Dominion of Canada	$25,000
Canadian Accident	25,000
Lloyds Plate Glass	15,000
London & Lancashire	5,000
Norwich Union	2,700
U. S. Fidelity & Guaranty.	800
National Provincial	600
Ocean Accident & Guarantee	500
Maryland Casualty	500
Fidelity & Casualty	300

Government May Pay

It was the concensus of opinion that there is nothing in the situation or the contract of insurance which would justify a denial of liability on an assumption that the Halifax claims are the direct or indirect cause of a fire. One manager who has intimate knowledge of the situation said that the glass loss there has been quite generally exaggerated. The glass companies are in a different position however from that of the fire companies. With the fire companies the necessity for immediate settlement of claims is not so urgent as in the case of the glass companies. Buildings that are down will not be replaced immediately, but where glass is out in a building damaged only by concussion it must be made good at once either by the insurer or the owner. Another question revolves around the possibility of the Government paying all damage losses. Where insurance companies shall have replaced glass it is not known whether they may be able to recover from the Government.

COMBINED RESIDENCE POLICY

New Form of Aetna is Handled By Water Damage Department—Special Drive On

The Aetna Casualty & Surety is making a special drive for new combination residence business with a new form which supersedes the "Five Star" policy of the company. In New York City this special form of policy has been placed under the supervision of the water damage department of which C. H. Vaughan is manager.

New Amsterdam Casualty Company

A Progressive SURETY AND CASUALTY Company

European Accident Transactions Large

NEW YORK DEPARTMENT REPORT

Large Income, Small Losses—Has Re-Insurance Treaties With Twenty-two Companies

An examination of the European Accident, covering its business from January 1 to September 30, 1917, by the New York Department, shows the following net premium income:

Accident	$366,425
Health	123,230
Liability	90,965
Workmen's comp'n	23,477
Fidelity	61,618
Surety	106,801
Steam Boiler	15,233
Burglary and Theft	324,018
Fly Wheel	7,644
Total net premiums	$1,119,415
Total income	1,283,465
Total losses	364,073
Total disbursements	818,410
Total admitted assets	2,563,772
Total unpaid losses	376,320
Special reserve, compensation and liability	334,379
Unpaid premiums	756,161
Total liabilities	1,565,428
Deposit capital	250,000
Surplus over all liabilities	748,345
Surplus as regards policyholders	998,345

Reserve More Than Adequate

The reserve for unpaid liability and workmen's compensation losses exceeds the total estimated amount of all claims reported and it is believed to be more than adequate to cover the ultimate loss.

The examiner's computation of surplus to policyholders is $48,345 higher than that computed by the company. Over 32 per cent. of the company's business is accident and 29 per cent. burglary and theft. The company does only reinsurance business and has treaties with 22 companies. Automobile property damage is being written but amendment of the company's certificate of authority is necessary to continue in this line. The company is found to be doing business in full compliance with the

Brokers Make Desires Known

COMPENSATION FORM CHANGES

Place and Time of Injury—Cancellation Information—Size of Policy

There are a number of things the brokers and agents particularly desire in connection with the framing of a new compensation policy. First of these is a reduction in the size of the policy to 3½ by 8½ inches, the same as most liability policies and fire policies. This is desired to facilitate mailing, etc.

Condition H in the proposed form, which after the hearing of last week, was sent back to committee, ends as follows: "If any suit or other proceeding is instituted against the employer, he shall immediately forward to the company any notice, summons or other process served upon him." It is desired that after the word "company" be inserted the words "or its duly authorized agent."

In Condition J, at the end of that paragraph, it is desired to leave out "the" and add "an officer of the company or its duly authorized agent." The same request applies to Condition L.

Place of Accident

In Item 4 of the Declarations, a modification to read "standard time at the point or place of disaster," the same as is done in fire policies, is asked.

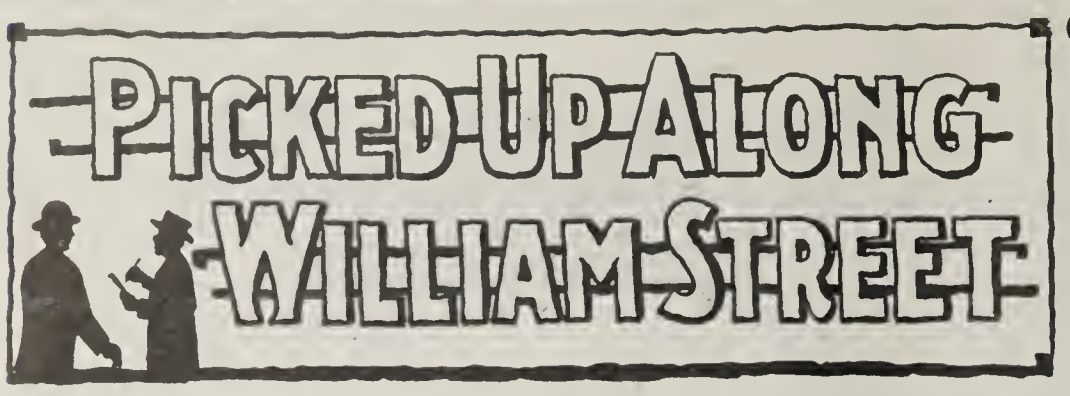
To illustrate this point, suppose a risk covered in San Francisco by a company in Hartford and that it is expiring today. If the policy is replaced in New York as of one o'clock the question arises as to the time during which the insured had double liability, for when it is one o'clock in New York, it is eleven o'clock in San Francisco.

Item 8 of the Declarations reads:

"The premium is based upon the entire remuneration earned during the policy period by all employes of the employer in connection with the business operations at the locations specified under Item 5. No premium charge shall be made upon any portion of the remuneration earned by an executive officer of a corporation in excess of $1,500 per annum per officer. The word 'remuneration' used in this paragraph shall include all salaries, wages, earnings for overtime, piece work or contract work, gratuities or allowances, and also the cash equivalent of all board and lodging, merchandise, store certificates or any substitute for cash. The cash equivalent for board only shall be $16 per month for each employe; for lodging only $4 per month for each employe, and for board and lodging $20 per month for each employe."

(Continued on page 19)

General Accident
FIRE AND LIFE
ASSURANCE CORPORATION, Ltd.
SERVICE THAT EXCELS
FREDERICK RICHARDSON, United States Manager.
GENERAL BUILDING · 4TH & WALNUT STS.
PHILADELPHIA



A. L. Clotfelter Advances

A. C. Hoag leaves the Federal Casualty as of January 1, and A. L. Clotfelter, who has had charge of the legal department for many years, and also editor of its "Agent's Record," will hereafter be in charge of the agency department. Mr. Clotfelter has many qualities which qualify him admirably to handle agency matters.

* * *

Socks "Queered" Claim

Because he was wearing red socks when he stumbled in a dark hallway and injured his toe, Joseph Tannenbaum, of Newark, was denied an award against the Metropolitan Life, his employer, by the Workmen's Compensation Bureau. After Tannenbaum received the injury, the toe became infected. Unable to work as a life insurance agent, he sought compensation. The referee decided against him on the ground that the coloring matter in the socks might have been the cause of infection.

* * *

Too Many Glasses, Less Glass

Prosperity, such as has visited Detroit in late years, when coupled with ability to obtain intoxicating liquor, materially increases the loss ratio in the plate glass business. A large number of losses are reported from Detroit due to drunkenness.

* * *

Surety Men Not Notified

Although contract bond rates were advanced fifty per cent. some time ago, many brokers have not been officially notified of the change by their companies and are therefore placing business at the old rate.

* * *

Administration Bond Rates

Announcement of an increase in the minimum rate on administration bonds, from $5 to $10, is expected in a few days.

* * *

W. J. Meek Makes Change

W. J. Meek, chief auditor in the payroll department of the New York office, Massachusetts Bonding, has resigned to become chief auditor for the American Mutual Liability Insurance Company, Boston. Mr. Meek has been with the Massachusetts Bonding for five years and has demonstrated his ability in his chosen field. His resignation is effective December 29.

* * *

Washington Entanglements

One can get almost any kind of an opinion from the internal revenue department in Washington. Suggestions as to how collection of the one per cent. premium tax may be facilitated are received with the greatest courtesy and are often concurred in by the officials. Recently a New York casualty company official was in Washington and made some excellent suggestions which met with the approval of one of the department heads. This insurance man thought he had done a master stroke for the companies in simplifying their work and he spoke about it to another company official whom he happened to meet. The second man told the first not to jolly himself that he, the second man, had gotten a ruling quite the contrary only a short time before. Business men will be told by the revenue officials that what they suggest is excellent and will be acted upon, but it appears that this seeming cordial acquiescence in their views is merely a salve to get rid of them. The very next mail may bring a ruling or opinion entirely at variance with what was indicated verbally. The whole thing amounts to this, the Washington officials are doubtless doing the best they can with a badly mixed situation and are floundering about in the hope that somehow sometime the atmosphere will clear.

* * *

Social Insurance Opposed

A. E. Forrest, vice-president of the North American Accident, Chicago, spoke in Milwaukee before the Medical Society of Milwaukee County on social insurance as it relates particularly to health and accident lines. Mr. Forrest found that many of the members were not informed even as to what is proposed by the American Association for Labor Legislation; that Dr. Jermain, who appointed a committee to investigate, did so in the interest of publicity and was himself opposed to any such measure. The chairman of the committee appointed by Dr. Jermain expressed himself for the committee as opposed to any form of "compulsory" insurance, but voiced a desire for some broader scheme than is at present in evidence for the spreading of health insurance.

A resolution expressing disapproval of the introduction in Wisconsin of compulsory health insurance was offered, but not voted upon, as the society seemed unanimous in its condemnation of the idea.

One speaker said that there never has been a malpractice suit brought without involving some doctor or dentist and that while he has a voice to talk against it, he will endeavor to see that no doctors or dentists are involved in any such malpractice as compulsory health insurance involves. If the doctors of Wisconsin can prevent compulsory insurance legislation it will never have a foothold in that State.

* * *

Piling Up Work

Whatever the Wisconsin Industrial Commission may do in relation to compensation rates is of small importance to a number of the casualty companies who have ceased to be actively engaged there. Besides Wisconsin having been a very unsatisfactory State from the viewpoint of loss experience, the authorities there have made it additionally unprofitable to the companies because of the many requests for elaborate statements and exhibits, which have taken much time to compile and caused heavy additional expense to the home offices. It is nothing unusual for State officials to ask the companies for statistics and reports to be compiled in ten days, which would take a month or two to complete. The truth of the matter is, the men who ask for this information have no conception of the difficulties attending its preparation and much of it is of doubtful value to anybody after it bas been prepared. One thing is certain, this constant unwinding of red tape makes work for a host of political appointees and helps to lubricate the political machine.

* * *

Mr. C. E. St. John, formerly at the Scranton branch office of the American Surety Company, has been transferred to the underwriting department at the home office. Mr. St. John will fill the position formerly occupied by Mr. J. L. Tuthill, who was recently transferred to the reinsurance department.

Casualty Lectures in Baltimore, Md.

PROGRAM OF INSURANCE SOCIETY

John T. Stone and Charles R. Miller First to Lecture—List of Speakers and Topics

The Insurance Society of Baltimore is arranging a number of important lectures on Casualty Insurance. The classes meet each Tuesday evening.

The first lecture was delivered on December 11, John T. Stone, president of the Maryland Casualty Company, on "The History and Development of Casualty Insurance in the United States." On December 18 Vice-President Charles R. Miller, of the Fidelity & Deposit, talked on "The History and Growth of Fidelity and Surety Business." Other lectures follow:

Many Subjects Covered

Jan. 8—Origin and Development of Accident Insurance, Wm. B. Hill, manager accounting department, United States Fidelity & Guaranty Co. Fidelity Bond Forms and Coverage, John G. Yost, superintendent fidelity development, Fidelity & Deposit Co.

Jan. 15—Accident and Health Underwriting: Policy Forms, T. Leonard Bean, manager accident department, Fidelity & Deposit. Fidelity Underwriting: Principles and Ratings, E. E. Kold, superintendent fidelity section, Maryland Casualty.

Jan. 22—Claim Adjustments Under Accident Policies: Medical Examiners' Relations, F. L. Templeman, manager of claims, Maryland Assurance. Fiduciary Risks—Underwriting Principles and Requirements, W. R. Bishop, associate superintendent, judicial department, Fidelity & Deposit.

Jan. 29—Contract Bonds: General Contracting Hazards, Underwriting Principles and Requirements, Sidney Hall, superintendent contract department, United States Fidelity & Guaranty. Fly Wheel, Sprinkler Leakage and Water Damage Insurance, J. W. Rausch, manager boiler, fly wheel and sprinkler leakage department, Maryland Casualty.

Feb. 5—Plate Glass Insurance, Nelson D. Sterling, superintendent plate department, Fidelity & Casualty. Public Official Bond Forms and Coverage: Underwriting Requirements and Statutory Regulations. (Lecturer to be assigned.)

Feb. 12—Residence Burglary Insurance: Policy, Underwriting Form, Claim Settlements, E. S. Keating, superintendent burglary department, Fidelity & Deposit. Financial Guarantee Bonds, L. C. Reynolds, superintendent judicial section, Maryland Casualty.

Feb. 19—Mercantile Burglary Insurance: Rating, Prohibited Classes, Policy, Riders, etc., Arthur L. Amos, manager burglary department, Maryland Casualty. Bank Fidelity and Depository Bond Forms and Coverage: Underwriting Requirements, Hubard P. Ringgold, assistant secretary U. S. Fidelity & Guaranty.

Feb. 26—Boiler Insurance: Underwriting Principles and Requirements. Inspections and Use and Occupancy, J. W. Rausch, manager boiler, fly wheel and sprinkler leakage department, Maryland Casualty. Internal Revenue and Customs Bond Hazards and Underwriting Requirements, C. J. McFee, assistant secretary United States Fidelity & Guaranty.

March 5—Handling Claims Under Fidelity and Surety Bonds, Richard D. Lang, vice-president United States Fidelity & Guaranty.

March 12—Relation of Master and Servant at Common Law: Liability Contracts and Policy Forms, Charles W. Maydwell, manager liability claim division, Maryland Casualty.

REDUCE WATER DAMAGE RATE

Fifteen Per Cent. Allowance Made Where Property is Inspected By Water Supervisor

Through an agreement between the Aetna Casualty & Surety and the Maryland, the only companies writing water damage insurance, an allowance of fifteen per cent. in rate is made where the property is inspected by the Water Supervision Co., of New York. This applies throughout the United States. The reduction is effected through an endorsement attached to the policy which reads:

"In consideration of the reduced rate at which this policy is written, it is hereby warranted by the assured that he will execute and keep in force, a contract with the Water Supervision Co., of New York, during the term of this policy for periodical inspections of the premises insured hereunder and failure on the Assured's part so to do shall make this policy null and void from the date of termination of such service."

Miller With Agents' Ass'n.

(Continued from page 1)

good speaker, a good writer, a good business man and a diplomat.

For eleven years Mr. Miller was on the New York "World," serving first as a reporter and copyreader and then as private secretary to five successive managing editors, the last of which was Colonel George M. Harvey, of Harper's. Colonel Harvey left the "World" to become the first commissioner of banking and insurance of New Jersey, taking Mr. Miller with him as his right hand man. Returning to New York Mr. Miller went on the "Herald" at first doing Wall Street and then acting as Sunday editor, where he was so successful that he gave the Sunday "Herald" the biggest circulation it ever reached, 216,000.

Became a Casualty Man

Mr. Miller left newspaper work to go with the Casualty Company of America as secretary and treasurer. He remained there until the sale of the Company by Andrew Freedman to Messrs. Hearn, Spalding and others, at which time he sold his stock in the company and went to Chicago as secretary to President Alexander of the Continental Casualty. While with the Continental he was also secretary of the Detroit Conference for one year, and was toastmaster of the largest banquet that the International Association of Accident Underwriters ever held. He returned to the East to take charge of the personal accident and health department of the United States Casualty, in which position he had frequent occasions to visit agents and built up a large field acquaintance. This acquaintance was renewed with the "National Underwriter," for which Mr. Miller both wrote and obtained business.

Service of Quality to Policy Holders

Contracts of Superiority to Representatives

NATIONAL CASUALTY DETROIT

THE NATIONAL of DETROIT

Eastern Dept. 100 William St. New York

Western Dept. Pacific Bldg. San Francisco

Northwestern Dept. Palace Bldg. Minneapolis

CASUALTY AND SURETY POINTERS

Success Rests With Oneself

As to policy fees and competition the North American Accident says: "Insofar as our agency force is concerned, we need give little thought as to what some other company may charge or is charging as a policy fee or first cost. There never is and there probably never will be such a thing as uniformity among companies. After all 90 per cent. of the insurance agent's success rests wholly with himself. It is well known that out of every twenty persons solicited for insurance, there is not to exceed one who is versed in insurance either as to cost or coverage. The question of competition or what some other company is doing is not raised more than once in twenty times. These are the actual facts as you have seen them a thousand times. A prospect listens to you—to your story of what you have to sell. If you have interested him, he expects to pay for what you have told him about and he relies upon you to enlighten him as to cost. He does not expect you to give him something for nothing. How many times have you been asked the question—'When do I pay my first month's premium?'

"The biggest crime and greatest injustice to a persistent policyholder is the crime of carrying a new policy for a period of thirty days without premium. It costs in the neighborhood of thirty cents to issue a policy and get it on the books ready for action. Nearly 50 per cent. of the monthly premium the policyholder promises to pay goes back to him in claims paid during this thirty-day period. One-fourth of the new business written never renews or pays the company a cent. Just stop and think for a moment what a tremendous waste this involves and what might subsequently be done in the way of liberalization when this waste is stopped. The real sensible man never expects to get something for nothing. If there is a reason for his paying a policy fee then there is no reason why he should not expect to pay for every month's insurance he gets."

* * *

New Bond Field Extensive

Government requirements that users of distilled spirits for other than beverage purposes must give suitable bonds, opens a wide field for business which extends beyond the limits of the retail and wholesale drug trade. Of course, the druggist comes to mind immediately, but he is not the only one, by any means. Doctors, dentists, surgeons, undertakers, chemists, manufacturers of toilet preparations and many other professions and manufacturing lines all use alcohol in connection with their business and must give a bond. The live agent will see many other prospects around him which we have not mentioned and which will help him to make a noticeable increase in his volume of business.

* * *

Material Dealers as References

Referring to the personality of contractors and the necessity for care in investigating them thoroughly "The Fieldman" says: "While material dealers to a certain extent make good references, too much credence should not be given to statements made by them. If the applicant should be heavily indebted to a dealer it has quite frequently happened that the dealer has recommended him very highly in the hope that out of the proceeds of the new contract he will be able to collect the balance due. Therefore, before placing any reliance on statements made by material dealers, be sure to ascertain that the contractor does not owe him an excessive amount and that none of it is overdue. In taking names of material houses as references care should be used to see that the contractor does not give the names only of those with whom he is dealing at present, but also some of the larger material dealers with whom he has dealt during the past few years. The best references are architects, engineers and owners for whom the contractor has done work of a similar character as one for which bond is desired during the past two or three years, and this information should invariably be shown in the application in answer to question as to previous contracts completed and uncompleted contracts on hand. Before bond is executed the agent should get in touch with as many of the references as possible and secure all the information he can."

* * *

Getting Reports in Person

An experienced accident and health insurance man has this to say regarding claims: "When you are informed by telephone or letter that one of your patrons is sick, instead of sitting at your desk dictating a long letter to the insured, asking to have notice completed by himself and physician and mailed to you, grab your hat and go out and get his statement, take it to his doctor and get his report and send it to the company. They want to know about it. Do not dismiss the matter from your busy routine of work and wait indefinitely for the patron to come in some time after he has returned to work, but keep on the job, call up his place where employed and the day he goes to work go down and make settlement and get release."

* * *

Blanket Cover and Robbery

Some agents apparently do not quite understand the term "blanket coverage," as it applies to robbery insurance. For instance, they will write policies covering against loss by messenger robbery and against loss by office or store holdup robbery, providing coverage to the extent of $1,000 under each heading, showing a total liability of $2,000. Such coverage, while it is written under one policy, is not blanket in the proper sense of the word. To earn the 10 per cent. discount by the application of blanket coverage the total liability under the policy must be limited to an amount not exceeding the greatest exposure, either outside or inside. Under the Blanket Rule, in the case of a $1,000 policy, covering outside and inside, the assured might have a total loss under either exposure which the company would have to pay in full, but if he had a total loss under both exposures, the company's liability would be limited to $500 at each point. Considering the slight reduction in premium granted under the Blanket Rule, it is better for the assured to pay for full coverage.—"The Fieldman."

AMERICAN SURETY TO HELP

The finance committee of the American Surety has indicated the willingness of that company to co-operate in the movement headed by F. A. Vanderlip, chairman, National War Savings Committee, by authorizing the company's forty branch offices to place on sale United States Thrift and War Savings Stamps.

W. E. SMALL, President PETER EPES, Agency Mgr. E. P. AMERINE, Secretary

GEORGIA CASUALTY COMPANY

HOME OFFICE: MACON, GEORGIA

"DIXIE AUTO POLICY"

THE LAST WORD IN MOTOR INSURANCE

Surplus and Reserves to Policyholders.....$1,526,022.81

The METROPOLITAN CASUALTY

INSURANCE CO. OF NEW YORK

HOME OFFICE, 47 CEDAR STREET

CHARTERED 1874

Plate Glass, Burglary, Accident and Health Insurance

EUGENE H. WINSLOW, President

Russell R. Cornell, Vice-Pres. S. Wm. Burton, Sec. Alonzo G. Brooks, Ass't Sec.

RELIABLE AND ENERGETIC AGENTS WANTED

THE SIGN OF GOOD CASUALTY INSURANCE

HEAD OFFICE CHICAGO

F. W. LAWSON General Manager

Liability, Accident, Burglary, Boiler and Credit Insurance

Established 1869

F. J. WALTERS Resident Manager 55 JOHN STREET New York

Elmer A. Lord & Co. 145 Milk St., Boston Resident Managers New England

London Guarantee & Accident Co., Ltd.

OF LONDON, ENGLAND

The Fidelity and Casualty Company of New York

92 LIBERTY STREET, NEW YORK, N. Y.

Metropolitan Office—92 William St.

SEMI-ANNUAL STATEMENTS JUNE 30, 1917

Assets	$14,005,236.30
Liabilities	10,395,192.68
Capital	1,000,000.00
Surplus over all liabilities	2,610,043.62
Losses paid to June 30, 1917	58,554,792.60

This Company issues contracts as follows: Fidelity Bonds; Surety Bonds; Accident, Health, and Disability Insurance; Burglary, Larceny, and Theft Insurance; Plate Glass Insurance, Liability Insurance—Employers, Public, Teams (Personal Injury and Property Damage). Automobile (Personal Injury, Property Damage and Collision), Physicians, Druggists, Owners and Landlords, Elevator, Workmen's Compensation-Steam Boiler Insurance; Fly-Wheel Insurance.

Brokers' Compensation Views

(Continued from page 17)

It costs the larger hotels and restaurants from 45 to 50 cents a day each to feed employes. Thirteen or fourteen dollars a month is a liberal estimate of this expense. When one considers the many thousands of employes in New York State who come under this protection one can readily see how it effects the premium.

Cancellation Features

It is desired that Item 12 of the Declarations be omitted altogether. It reads:

"No company has cancelled any liability, compensation, boiler or elevator policy for the employer, or refused to issue such policies to the employer during the last three years, except as follows * * *."

If a company were seeking this information upon individual request as applying to a risk, it would be furnished, and the brokers see no reason why they should make any affirmative reply, as it would be very apt to influence an underwriter in the acceptance or refusal of a risk, when he knew that other companies had cancelled, regardless of what the risk might be. It is thought best that each underwriter rely upon his own judgment as to whether he wishes to take on a risk.

The three year provision is regarded as particularly undesirable for the reason that an employer does not know what company has refused to write the risk for his broker. Therefore, a change in brokers during the three year period would be a serious handicap to the policyholder. An improper answer might be made to this declaration, of which the policyholder was absolutely ignorant. This wording would also compel an agent or broker who offers a risk to a company, to tell the names of the other companies to which he had offered the risk and which had declined it for any reason whatsoever.

The brokers fail to see why a boiler or elevator policy, or any liability policy has any place in this controversy, as the entire subject treats of workmen's compensation insurance.

In a general way it may be said that there is no doubt serious consideration being given to the reformation of the compensation policy by employers of labor who feel that they are being called upon to accept obligations that were never intended they should. It is fair to assume that some agitation will ensue from that quarter through more or less united action on their part and that they will demand to be heard.

The Columbian National Life
OF BOSTON

ARTHUR E. CHILDS, President

A CHANGE may be necessary to realize your ambition

Think a minute—then write

WM. H. MASTIN - FRANK D. LOMBAR

SUPERINTENDENTS OF AGENCIES

(West of the Mississippi). SYMES BUILDING DENVER, COLO.

(East of the Mississippi). 77 FRANKLIN STREET BOSTON, MASS.

DARL D. MAPES, Superintendent of Accident Agencies
77 FRANKLIN ST., BOSTON, MASS.

The service of a high grade Accident Department will also be offered so that you will not have to broker your Accident business to avoid violating your Life insurance contract.

Announcement

Owing to the large demand for extra copies of the

LIFE INSURANCE SALESMANSHIP

edition of The Eastern Underwriter, *issued September 21, 1917, an*

EXTRA EDITION

of that number has been published

Life Insurance Companies and General Agents desiring to secure copies for distribution among their Agents can do so by wiring or writing The Eastern Underwriter, *105 William St., New York, the number required.*

Price Twenty-five cents per copy.

The Eastern Underwriter.

In addition to the ordinary forms of life insurance

THE EQUITABLE

makes a specialty of the following:

Insurance to protect business firms and corporations, under a corporate form of policy.

Group Insurance, by which employers protect families of employes.

A flexible contract, known as the Convertible Policy, which can be converted by the Insured into an Ordinary Life, Limited Payment Life, or Endowment Policy.

A Bond issued without medical examination giving the investor an income for his declining years.

A new policy is offered under which the insurance is DOUBLED if death results from ACCIDENT. This policy also embodies the following advantages if the person whose life is insured becomes totally and permanently disabled:

1. Thereafter the Equitable will carry the insurance —The Insured will have nothing further to pay.
2. The Equitable will pay the Insured an annual income for life equal to one-tenth of the face of the policy.
3. Upon the death of the Insured the full amount of the insurance will be paid to the Beneficiary (or double the amount if death is due to accident) without deduction on account of the income paid to the Insured while living.

(See the policy for conditions and details.)

For Agency Openings Address

WILLIAM E. TAYLOR,
Superintendent of Agencies

THE EQUITABLE
LIFE ASSURANCE SOCIETY OF THE U. S.

120 BROADWAY, NEW YORK

THE OHIO MILLERS
MUTUAL FIRE INSURANCE COMPANY

Net Cash Assets.....$1,147,802
Net Cash Surplus..... 505,213

Squire Company, Inc.
1 LIBERTY ST. REPRESENTATIVES NEW YORK

STOCK POLICIES ONLY

BUSINESS SOLICITED FROM AGENTS AND BROKERS

San Francisco Losses Amounting to $4,522,905.00 paid PROMPTLY IN CASH WITHOUT DISCOUNT, from funds largely supplied by head office in Liverpool

U. S. Cash Assets, Dec. 31, 1916	$15,827,439.35
Surplus, - - - - -	5,460,745.59
Losses Paid by Chicago Fire, 1871	3,239,491.00
Losses Paid by Boston Fire, 1872	1,427,290.00
Losses Paid by Baltimore Fire, 1904	1,051,543.00

Liverpool AND London AND Globe Insurance Co. LIMITED

Over $152,000,000.00

Losses Paid in the United States

HENRY W. EATON, Manager
G. W. HOYT, Deputy Manager
HUGH R. LOUDON, Assoc. Deputy Mgr.
J. B. KREMER, Asst. Deputy Manager
T. A. WEED, Agency Superintendent

NEW YORK OFFICE
80 William Street

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